

Stevenson Memorial Hospital
Report of the Hospital Board Chair to the Annual General Meeting
June 18, 2013

The Hospital

Stevenson Memorial Hospital (SMH) is our community hospital striving to provide to our community the highest quality of care and as many as possible different hospital services as are medically and financially feasible. Presently, SMH provides Emergency (ER), Obstetrics, Diagnostic Imaging, selected day surgical procedures, an increasing number of specialized clinics and some outpatient programs. By size, the Ministry of Health classifies SMH as a Level 1 hospital; SMH is a large hospital for this category and is close to becoming the minimum size for a Level 2 facility. Presently SMH has 38 active beds.

Our *Vision* is to ensure that SMH is viewed as a valued part of the community, so that our supporters continue to support the Foundation, seek volunteer opportunities and recommend SMH as the place to receive care.

Our *Mission* is as a key partner in the healthcare system, working with other health service providers to help residents in our community access safe, quality care where and when they need it. Whether our patients spend an hour or a number of days with us, they will be treated with respect and compassion. When it is time for them to return home or go to an alternative setting, we play an active role in supporting the smooth transition of their care.

Our *Values* influence how we make decisions and guide the way we work each day with each other, patients and their families. With the help of our community, SMH also developed a Patient Declaration of Values that remind us of what is most important to the people who depend on us for safe, high quality health care services.

Operations

In Ontario, the community has the responsibility to operate the hospital. The volunteer Board of Directors is entirely comprised of members who are part of the community, are passionate about the success of the Hospital and collectively bring a broad range of skills and backgrounds to the table. The Board appoints the Chief Executive Officer and Chief of Staff to manage the Hospital. The Board oversees the Hospital operations which it does with the help of a number of Board Committees. These Committees consist of volunteer Directors, hospital professionals and Advisory Members from the community at large. Presently, there is a 17 member Board, 12 of whom are voting members and 5 are health professionals (selected by virtue of the responsibility they have at the Hospital). The Board is responsible for Board appointments and follows a general practice of annual renewal of its members.

The Ministry of Health is an important contributor to the financial operation of the Hospital in that they provided in 2013 approximately 73% of the funding of the day-to-day operating costs. The Ministry has also enacted a variety of rules and regulations to help ensure that the highest level of care possible is provided by Hospitals; however, the Government is not responsible for operating or “running” the Hospital as this is left in the hands of our community. The Province’s financial circumstances (i.e. large deficit) seriously affect the funds it makes available to the Ministry of Health which are then distributed to the Central Local Health Integrated Network (CLHIN) who then rations them among the hospitals within the CLHIN. We are grateful that the County of Simcoe continues to support the retirement of the debt incurred to acquire the CT Scanner.

Almost 100% of the funding for hospital equipment is the responsibility of the community as the Government of Ontario does not provide significant funding for capital equipment or technologies. The SMH Foundation is very successful in its fundraising programs within the community for the medical equipment and technologies that are so important to the successful functioning of the Hospital. The use of the CT Scanner and Digital Mammography equipment continues to increase. The second Gala major fundraiser was a highlight of the Alliston spring social scene and raised more than \$200,000 as part of the Foundation’s current fund raising campaign. The publicity surrounding this event keeps the community conscious of Stevenson and the significant role it fulfills. The Foundation benefits from strong and imaginative leadership and it too has a growing influence within the Hospital’s catchment area.

In financial, terms our Hospital has balanced its budget and ended the current year with a very small surplus of approximately \$13,000; given the challenges and unexpected surprises, management has been successful in its heroic efforts to achieve this result with a minimum reduction in service levels. Among the irrational forces negatively affecting successful financial planning was the Ministry’s decision not to grant any cost inflation or population growth budget money, while nonetheless approving increases to doctors’ and nurses’ remuneration—the cost of doctors and nurses consume 76% of our total costs. Then with just a couple of months remaining in the financial year, an expected funding of approximately \$100,000 was arbitrarily cancelled by the Ministry. Responsible financial planning involves many things happening at the right time, including certain knowledge of the annual funding provided by the Ministry. For a few years now, the Hospital has not known the expected annual revenues from the Ministry until well after the start of the financial year; this is an entirely unsatisfactory practice and would never be tolerated in a well run private enterprise, and should not be tolerated in an important public service entity. While remarking on the Ministry’s role in the delivery of health services, it needs to be said that the significant decision taken to freeze management remuneration, handicaps the Board by pre-empting rewarding management for exemplary achievements and in the long run can be a factor in discouraging very capable people of building careers and working hard in the health sector.

During the last twelve months, we have continued to fully align with management and the professional care providers and staff at the Hospital, a relentless drive for the highest levels of patient care and quality. We have implemented and enhanced our Quality Improvement Plan (QIP) including benchmarks for tracking our performance and relating it to how other hospitals are performing. This program is outlined on our web site (www.smhosp.on.ca) where we also

post our results quarterly. Results achieved this year in some areas have been outstanding, including excellent infection control, perfect patient satisfaction for Obstetrical services, a reduction in costs related to Alternative Level of Care (“ALC”) patients and a decrease in time through the Emergency Department. ALC patients are those whose acute care needs have been met and they are eligible for release to the next stage, whether that is home first or supported living. Some of these achievements resulted in financial rewards being paid to SMH by the Ministry/CLHIN under incentive plans available to hospitals.

The single greatest achievement in the year and objective indicator of the major progress SMH has made in recent years, was the result of our triennial review by Accreditation Canada, where a rating for the hospital operations of ‘Accreditation with Exemplary Standing’ was achieved. A comparable high rating was also earned by the Laboratory operation. It took the co-operative efforts of all staff, management and Board (which were also part of the rating program) along with strong leadership, to earn this result. This is a very high level of achievement for a small hospital. All members of the Stevenson team should be proud of how well they worked to achieve this result!

Our Partnerships

Our contractual relationship with Southlake Regional Health Centre (SRHC) in Newmarket provides access to management expertise, capabilities and services that are difficult for Stevenson to source or provide entirely on its own and in a cost effective way. For our Hospital to have made such significant progress as it has in the last five years, it would not have been possible without strong SRHC support. Our management resources have been enriched in the office of the Chief Executive Officer, Interim Chief of Staff and Finance area. Services offered to our population have expanded by more clinics being opened for local diagnosis and assessment. Ongoing staff and middle management training opportunities are provided in Newmarket. In our time of greatest need, SRHC was there for us. The five year contract with SRHC expires in 2013 and each partner hospital is now reflecting on its experience and considering how this partnership should evolve. In mid 2012, the Boards of each hospital jointly commissioned a study of how partnership opportunities could further expand. The resulting report is currently being assessed and input has been solicited from SMH and SRHC doctors, SMH management and other key supporters of the Hospital. Addressing the recommendations of this study will be a major activity in the 2013-14 year.

With the help of the Alliston and Area Physician Recruitment Committee, the community continues to attract new physicians to our area, in a competitive market where there is a greater demand than a supply. Funding for this work comes from the four municipalities that comprise our catchment area (New Tecumseth, Adjala-Tosorontio, Innisfil and Essa), community service groups and local businesses as well as the Hospital. With approaching retirements, growth at the Hospital and an overall shortage of doctors in Ontario, along with being a focus of community appreciation to our doctors, there continues to be a need for this Committee. During the year this Committee re-branded itself, settled on a new slogan and updated their video of the area that is used in the recruiting process. We are all grateful for all this Committee contributes to the community’s and hospital’s medical resources.

Management

It is a pleasure to report that the senior management team at the Hospital is strong. We have benefitted for the continuity of Annette Jones in her second year as CEO. Our Chief Nursing Officer, Shannon Landry, continues in her important role at the Hospital and also provides important continuity with our recent past. With the retirement of Dr. Trevor Hunt after many years of devoted service as Interim Chief of Staff, Dr. Nancy Merrow was retained to assume these responsibilities. As Dr. Merrow is also the Chief of Staff of SRHC, our Hospital benefits especially because she is experienced in a larger and much more complex environment. We are grateful for the disciplines and structures Dr. Merrow has introduced to SMH. When our CFO left in early calendar 2012, Mr. Terry Kuula was appointed our Interim CFO, fulfilling the SMH role in addition to his CFO responsibilities at SRHC. The middle management ranks at the Hospital are strong. It is a pleasure to see individuals take on more responsibility and it is even a greater pleasure to see them have success in doing so.

Future Hospital Facilities

In 2011, the Hospital Board established the Future Health Care Centre Committee (FHCCC) as a formal Committee of the Board of Directors, with a mandate to identify the need for a better physical facility and then develop a short and long term plan that will attract the support and engagement of all relevant stakeholders.

To maximize community engagement, the FHCCC consists of a wide range of stakeholders including members of: the SMH Board, the Foundation Board, the Municipalities we serve; the Medical professionals; Hospital management; and importantly the community at large. The need for comprehensive community engagement and support is paramount for the success of any request for Ontario Government approval and funding for Hospital infrastructure.

The shorter term goal of the Committee has been to focus on the opportunity to update and resubmit our Schedule A Pre Capital Planning Proposal to the CLHIN for a new addition to the Hospital. The CLHIN is the reviewing agent on behalf of the Ontario Ministry of Health.

There is a compelling need for new SMH infrastructure especially for the Emergency Department, the Operating Rooms and the associated Laboratory and Diagnostic Imaging services. This need directly results from infrastructure that currently is too small and because it is over 50 years old it is showing its age badly. This situation becomes more challenging as the population we serve grows in numbers and the proportion that are older. The Executive Summary of the Hospital's submission said:

“The process of gathering information and support for the Capital Planning submission and ongoing Government approval process was comprehensive and involved meetings and input from various levels of Government including our local politicians. In addition, we had advice from several other Hospitals that have gone through the process and held many meetings with a significant number of representatives of our community including individuals, corporations, medical professionals, donors, the Hospital Auxiliary, other health care providers, the Hospital

Foundation, Hospital management and staff and others. Our Committee recommended the addition of an adjoining new hospital wing to house, a new Emergency Department, Operating Rooms and Labs and DI whereas, the original submission in 2010 had been for the replacement of the existing SMH building with a totally new hospital building.

The resubmission was formally submitted in January 2013 and is a comprehensive justification for Government approval and funding of our needs for new enhanced infrastructure. The submission and on-going discussion is the first step in the process which is expected to take 24 to 36 months from which we hope to achieve the Planning approvals required. The Government approval process is a lengthy one, even more so than usual due to the current financial constraints on the Province of Ontario.”

Volunteers

One of the characteristics of successful hospitals is the many volunteers that provide their time, talent and passion in some way to serve the Hospital and, more importantly, the patients and families that require services. Twelve of the Hospital Board Directors are volunteers. In addition, the Hospital Foundation is comprised of many volunteers that help to grow the profile of the Hospital within the community and raise the critically important funds for the necessary medical and capital equipment. There are also more than two hundred volunteers that comprise the Hospital Auxiliary providing services (Gift Shop, Emergency area hospitality, Coffee Corner, Information Desk, etc.) as well as themselves raising important additional funds for the Hospital. Many of these volunteers are contributing almost full-time hours in serving the Hospital and our community. In addition, there are those who serve on the Maternal Care Committee, the Alliston and Area Community Physician Recruitment Committee and on Hospital Committees as Advisory Members (including Mayor Mike of New Tecumseth). I would also be remiss if I didn't mention our local MPP Jim Wilson (himself a former Minister of Health in a prior government) for whom being a strong Stevenson supporter is a life mission—he is always there to give us good advice and join in supporting Stevenson in any way he can. The next time you are speaking with someone who is part of the Stevenson support team, please thank them for the efforts they make on behalf of everyone in our area.

Next Year

In addition to continuing to replicate, and even improve, the achievement levels now reached at SMH, I expect that special activities of the Board and Hospital in the coming year will include addressing existing and new partnership opportunities directed at improving the patient experience at SMH and wrestling with the Ministry's new financial payment structure designed to selectively replace some of the global budgeting with fixed financial caps on specific services. In addition, it is our intention to address some of the structural deficiencies in the current system to develop imaginative ways of overcoming some of those that currently seriously disadvantage our patients requiring transfer to another hospital which costs the Hospital a lot of money.

Wrap-Up

This year, the Annual General Meeting (AGM) of the Hospital will mark the retirement of three Directors, each of whom contributed their special talents with time and devotion to the needs of the Hospital. Thank you very much from all of us to Debbie Hudson (from 2006), Marilyn Lawrence (from 2008) and Jim Poling (from 2010). I know their lives have been changed as a result of their service to the Hospital! New Directors have been identified and will be subject to vote at this year's AGM.

We want all residents of our community to strongly support Stevenson while they are well, so that the Hospital will be adequately equipped and functioning at a high level when called upon to deliver health care in their hour of need.

Respectfully submitted,



John Swinden FCPA, FCA
Hospital Board Chair