



WATERLOO WELLINGTON (WW) HOSPITALS

**ENSURING SUSTAINABILITY OF HOSPITALS WITHIN
THE HEALTH ECO-SYSTEM**



Advancing Exceptional Care

February 2020

Executive Summary

Ontario hospitals are the most efficient and effective in the country, and the hospitals that serve the Waterloo Wellington region are even more so.

- Waterloo Wellington hospitals performs better than the province and the country in the number of hospitalizations, length of stay, readmission rates, and Health Services Mortality Ratio (HSMR).
- In delivering a high standard of care, GRH and Waterloo Wellington hospitals demonstrated greater cost efficiency in 18/19 than the provincial and Canadian average.
- GRH's preliminary fiscal year 19/20 results demonstrate we are even more efficient now.

Funding and beds per capita are the lowest in the country and have not kept pace with population growth, aging, or inflation

- Waterloo Wellington hospitals have lower funding and fewer beds per capita than the average rate experienced across the province and in the country.
- Grand River Hospital's (GRH) funding growth rate over the last decade has not kept pace with provincial average.
- Our aging population (over 65) will grow by 118% by 2041 which outpaces that of the provincial population growth

The hospital system has reached a critical tipping point in its ability to sustain the level of care expected by our communities and its ability to work as an effective health system partner

- Our system is showing signs of capacity pressure, including long waits for inpatient beds, high alternative level of care (ALC) rates, overcapacity and our impact on EMS services due to longer wait times.
- Even with these efficiencies we face a significant deficit in 2020/21. We will highlight what a 1% increase in funding means to our overall run rate (reduction required) and what that equates to in FTE.

Investment in hospitals is required to maintain services and support system transformation

- Provincially, there is a need for 4.85% (\$922M) in base, non-targeted funding increase to sustain hospitals.
- GRH is no different. Based on our current position relative to other hospitals and our community growth profile, the need is even proportionately greater than other hospitals across the province.



Background and Context



Ontario hospitals are the most efficient in Canada

The Ontario Hospital Association (OHA) released a report in December 2019 highlighting that Ontario hospitals provide value and high quality care in spite of fiscal restraint.

Canadian hospitals in context



- Canadian hospitals operate with the **2nd lowest** number of acute beds per 1,000 population as compared to other countries tracked by the Organization for Economic Co-operation and Development (OECD)
- Only Mexico operate with a lower rate of acute of care



Ontario is a leader within Canada



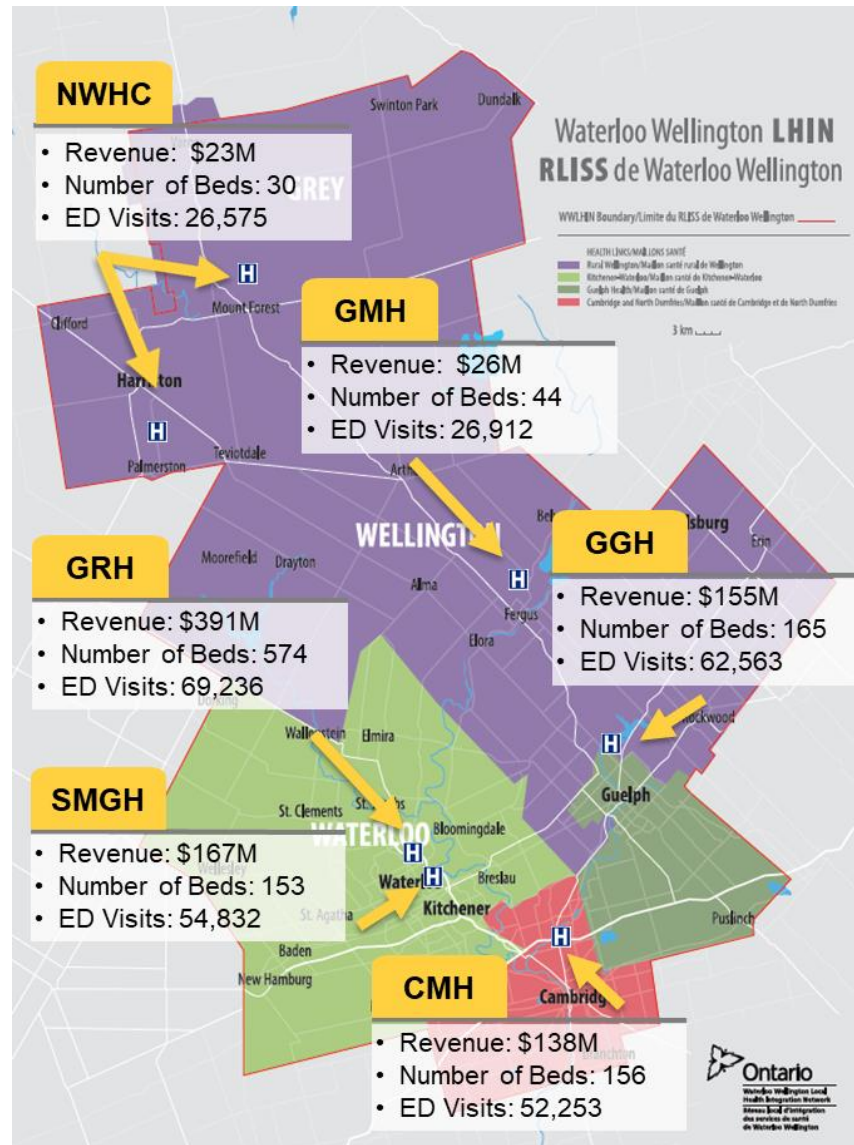
- Ontario hospitals are the most efficient in Canada and continue to excel in providing high quality services
- Ontario has the lowest rate of acute beds per 1,000 population than any other Canadian province and Mexico
- Hospitals are meeting increased demand despite capacity and inflationary cost pressures

Our Challenge Today and Looking Forward

- Hospitals have always been at the forefront of efficiency and improvement efforts
- Ontario has embarked upon one the largest health system reform initiatives in memory and the benefits of this structural change and integration will take years to realize
- As we move forward, health care reform paired with continued fiscal restraint present a challenge
- Further hospital budget tightening will cause significant strain unless overall system capacity is addressed first
- As well, hospitals will be challenged in their ability to work effectively as strong partners in broader health system reform

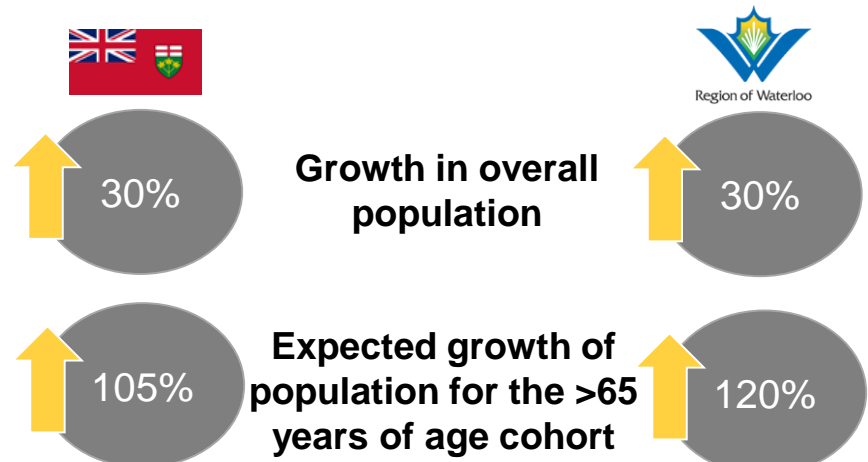
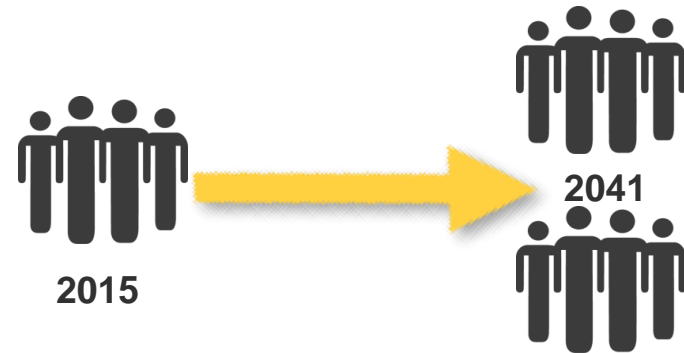


Our local hospital system serve a population of ~775,000 that is evolving and expected to grow



Our local hospital system is served by a collective revenue of ~**\$900M** (based on FY 18/19) and operates ~**1,100** beds and sees over **290,000** patients in our emergency departments annually.

Population Changes: 2015 - 2041



Ontario Hospitals are the most Efficient in the country. Grand River Hospital and WW Hospitals are even more efficient.

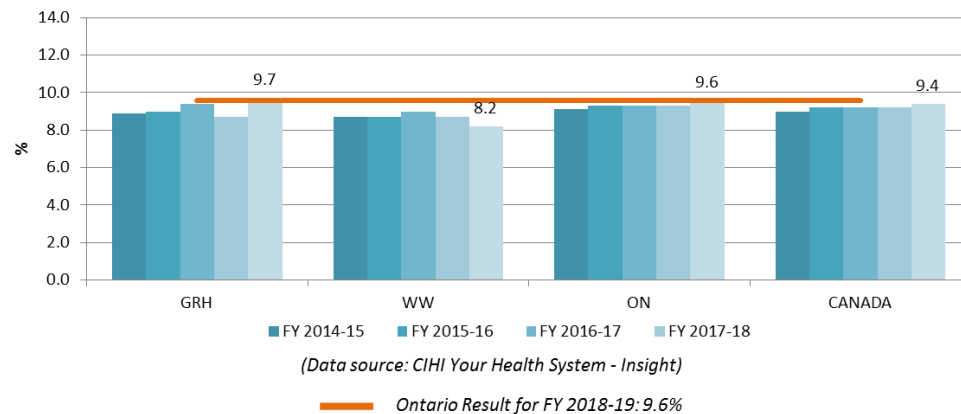


GRH and our local hospital partners are leaders in quality and patient care safety

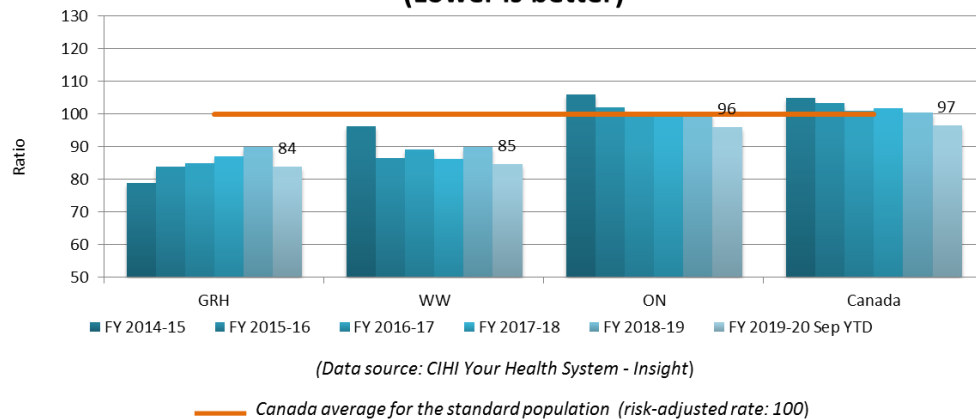
The WW hospitals readmission rate is below the provincial and national average

GRH and the WW hospitals consistently perform better than the national HSMR average of 100

Percentage of Patients Readmitted within 30 Days
(Lower is Better)



Hospital Standardized Mortality Ratio (HSMR)
(Lower is better)



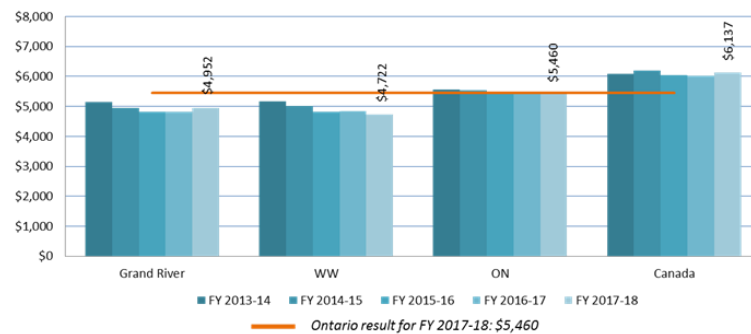
Ontario hospitals are the most efficient and effective in the country, and WW hospitals rate even higher

Ontario hospitals are the most efficient in the country, Grand River and WW hospitals are even better.

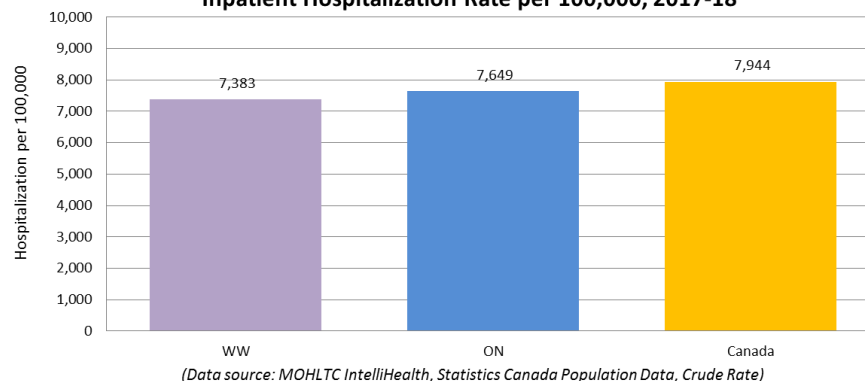
WW hospitals admit fewer patients than the provincial or national rates

GRH and WW hospitals have a lower length of stay than the provincial or national average

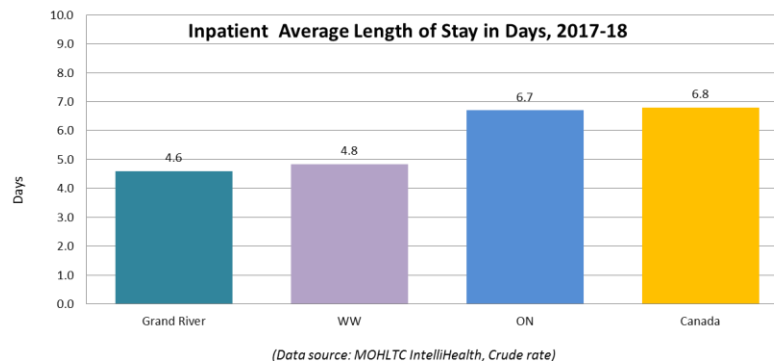
Cost of Hospital Inpatient Stay



Inpatient Hospitalization Rate per 100,000, 2017-18



Inpatient Average Length of Stay in Days, 2017-18

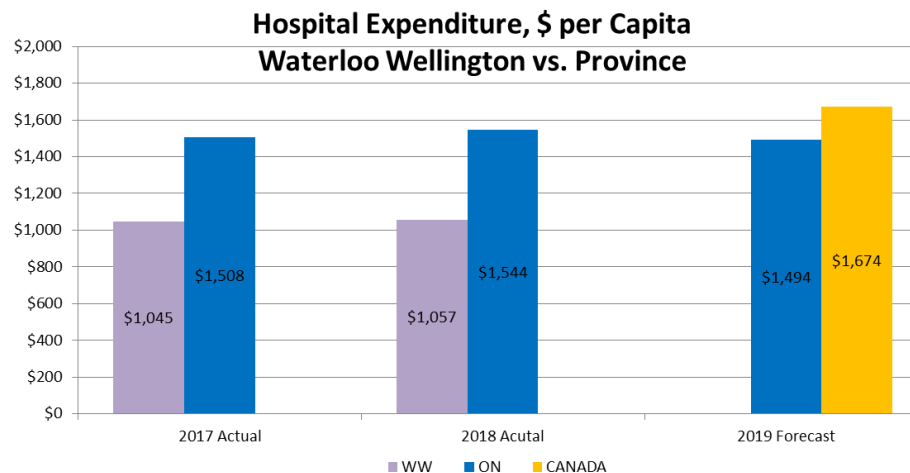


Local Funding and Beds Per Capita Are Lower than the Provincial and National Rates



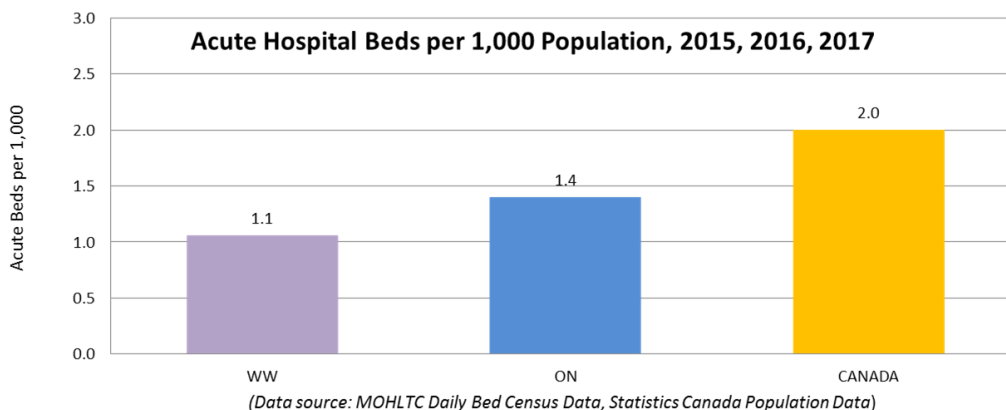
Funding and beds per capita are the lowest in the country and have not kept pace with population growth, aging, or inflation

WW hospitals spends less per capita than the province on hospital care



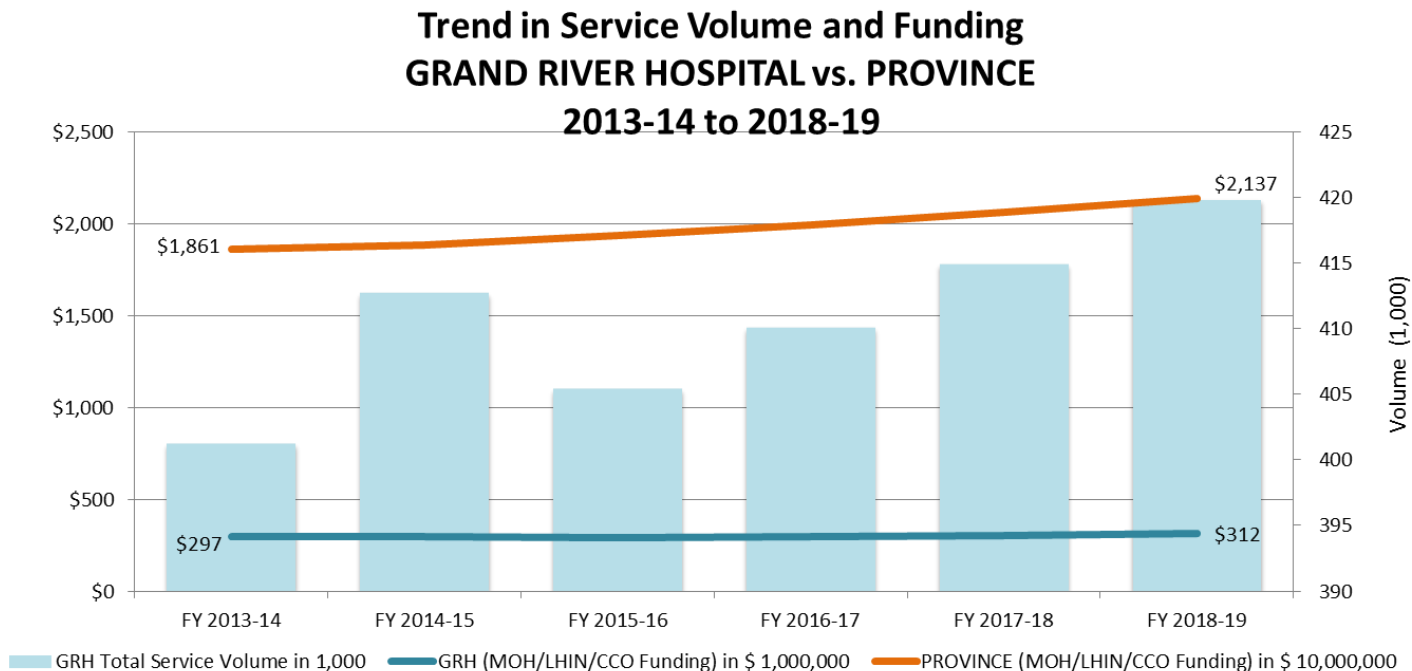
Data source for 2017, 2018 Actual: Expenditure (OCDM), Population (Statistics Canada)
Data source for 2019 Forecast (CIHI through Ontario Hospital Association)

Ontario has the lowest number of acute hospital beds per 1,000 population in Canada (and OECD countries)! WW hospitals have even less.



Funding has not kept pace with inflation and has challenged GRH and our peers to continuously strive for greater efficiency in order to meet demand

- Between 2012 to 2019 the per capita increase in funding to hospitals can be summarized as follows:
 - Canada: 12.9%
 - Ontario 5.4%
 - Grand River Hospital 5.1%
- The cost of general inflation over this time (Consumer Price Index, Ontario - CPI) increased by 11.7%
- The rate of funding increase in Ontario is less than half of the CPI**
- Local increases have been even lower
- At the same time, the demand for our services continue to rise



(Data source: Expenses & Service Volumes - OCDM, Funding - MIS Trial Balance - OHA)



The Hospital System is at a Tipping Point



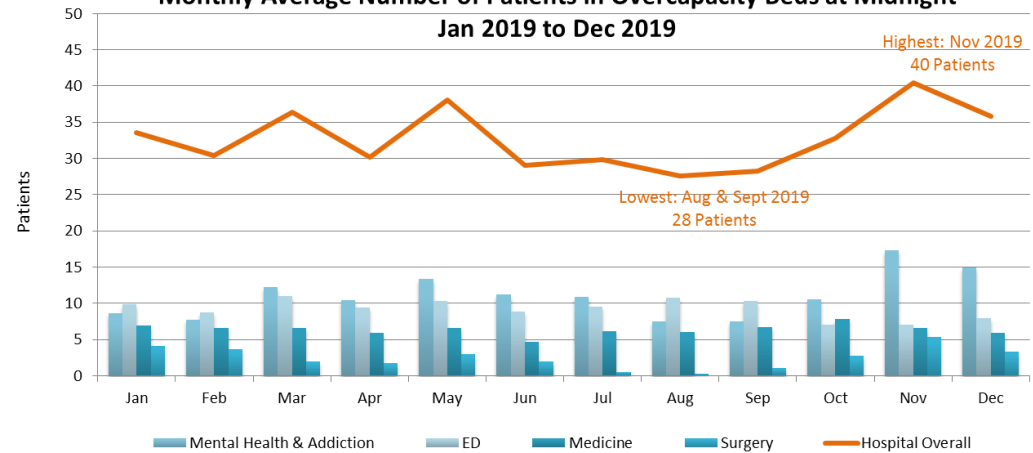
The hospital system has reached a tipping point both provincially and locally

The hospital has been in overcapacity every day for the past year

Due to our capacity pressures, our ambulance offload times are consistently higher than the provincial average

GRAND RIVER HOSPITAL

Monthly Average Number of Patients in Overcapacity Beds at Midnight
Jan 2019 to Dec 2019



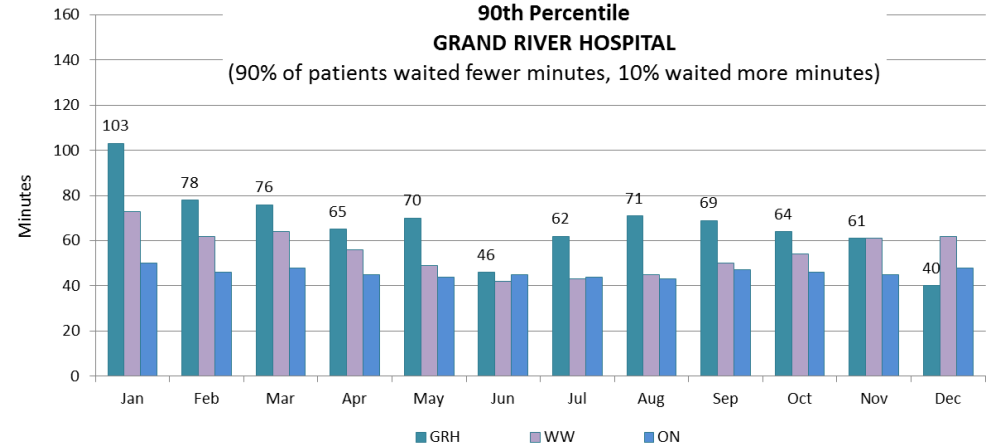
(Data source: GRH Business Intelligence Tool, ED overcapacity patients in Oct-Dec: iPort, CCO)

ED Ambulance Offload Time by Month (Jan 2019-Dec 2019)

90th Percentile

GRAND RIVER HOSPITAL

(90% of patients waited fewer minutes, 10% waited more minutes)



(Data source: CCO, iPort)

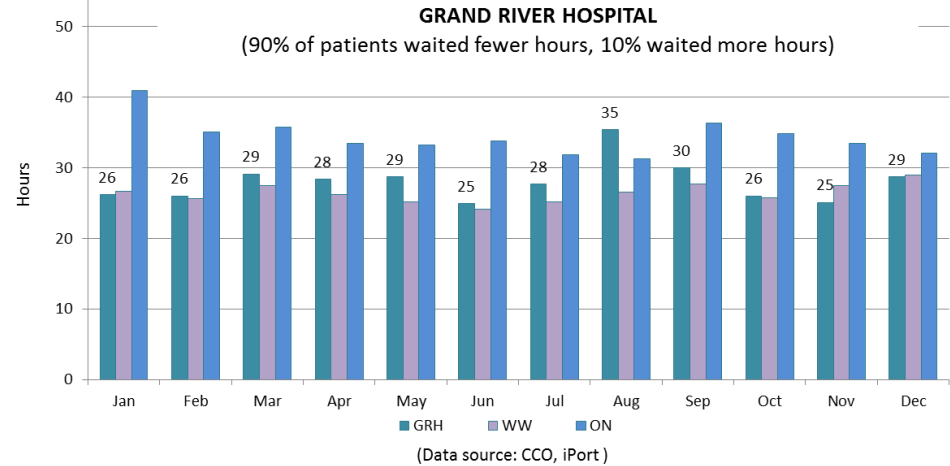


Operating in this manner continues to challenge our ability to sustain the level of quality of care delivered and our cost structure

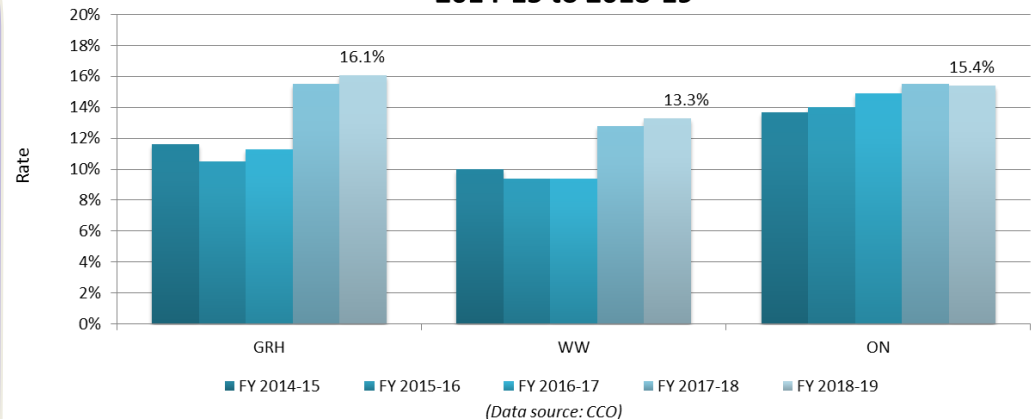
Longer waits to move to a bed from ED once admitted

Ongoing challenges in accessing services in the community contribute to a growing ALC rate at GRH, higher than the WW hospitals or the province. As a result, patients are not receiving the right care in the right location for their needs

ED Wait Times in Hours for Admitted Patients by Month (Jan 2019-Dec 2019)
90th Percentile



Annual ALC Rate for All Inpatient Services (Acute, Poste Acute)
2014-15 to 2018-19



Investing in Hospitals to Maintain Services and Support System Transformation



Investment in hospitals is required to maintain services and support system transformation

We are faced with the challenge of meeting the increasing demands of our changing community with little to no change in our resources. We need to continue to work with local partners, government, and funders to advance the agenda of eliminating hallway healthcare.

Ensuring that necessary supports are in place to maintain hospital and health system stability during this time of transition is required in order to ensure ongoing access to high quality care for the residents of Waterloo Wellington.

Why is this so Important to GRH?

If GRH receives only a 1% increase in funding for FY2020/2021:

- We will have a \$13.7 million gap in our run rate
- Translated into people, this represents ~75-85 full-time equivalent (FTE) positions
- This on top of the \$8.9 million expense and 46 FTE reductions that we've taken out of our operations in the current year, while maintaining our clinical service levels
- To balance our budget we will need to continue to explore and undertake initiatives to transform our cost structure and how we deliver

Requirement to Stabilize and Sustain Hospitals as a Key Health System Resource and Partner

4.85%

The OHA has published and presented to the Ministry that **provincially** a 4.85% increase in base, non-targeted funding is needed to sustain hospitals. This translates into \$922M province-wide.



5.67%

Based on our current position relative to other hospitals and our community growth profile, the **need is even proportionately greater for GRH** than other hospitals across the province. A 5.67% increase is needed to sustain current GRH service levels.

