



COMPASSION is our  
**PASSION**

**OUR VISION: OUTSTANDING CARE - NO EXCEPTIONS!**

**OUR MISSION: DELIVER AN OUTSTANDING PATIENT CARE EXPERIENCE DRIVEN BY A PASSIONATE COMMITMENT TO EXCELLENCE**

## Media Release

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For Immediate Release

### Windsor Regional Hospital Provides Fiscal Update

**WINDSOR, ON.** \_ In February 2018, the Erie St. Clair Local Health Integration Network launched a LHIN-Led “Optimization Review” to examine the current and future financial health of Windsor Regional Hospital (WRH).

Voluntarily agreed upon by WRH, and involving a Facilitator Mr. Rob Devitt, the review intended to:

- provide confidence/assurance that the existing **management/control and governance** frameworks and systems at WRH over financial planning, forecasting, and monitoring are appropriately designed and are operating effectively and setting the appropriate “**tone at the top**” in terms of fiscal performance and accountability.
- provide confidence/assurance that the existing **management/control and governance** frameworks over hospital-wide resource utilization is designed and operating effectively.
- provide confidence/assurance that the **overall financial resources available to the hospital are both adequate and appropriate** to meeting its enhanced acute care delivery responsibilities as a large community hospital with a teaching mandate.
- provide confidence/assurance that the **overall clinical utilization** reflects best practices for large community hospitals with a teaching mandate.
- **examine the key relationships**, both internal and external to the organization, that assure seamless and proactive transition to the most appropriate patient service delivery setting.
- recognize the impact on working capital of the condition of the capital plant along with additional operating expenses/investments WRH took responsibility for and made in 2013/14 since acquiring additional services/programs from Hôtel-Dieu Grace Hospital.
- ensure WRH has the necessary financial resources available as it moves forward with the planning for a new acute care facility.

The opening finding of the Optimization Review was that Windsor Regional Hospital completed one of the most complex organizational restructures in 2013 with Hotel Dieu Grace Hospital. The Report states “This realignment is considered to be one of the most complex transformations in Ontario in the last fifteen years”

The Optimization Review concluded further:

**(i) Community/Patients WRH Serves:**

The community and patients WRH serves have the highest comorbid conditions in the Province and some of the highest deprivation index(es) and poverty percentages in Canada. The Report states **“Not only is the population older, but in terms of health and social determinants of health, the population served by WRH is higher needs than populations served by other hospitals in Ontario. Based on findings of the Ontario Community Need Assessment and the Deprivation Index (a measure of Instability, Deprivation, Dependency, and Ethnic Concentration), Windsor-Essex residents appear to be more disadvantaged as a population than do residents in other parts of the Province. The population struggles with more socio-economic, family, health and environmental health challenges and disabilities than others in Ontario”**

#### **(ii) Financial, Clinical Efficiency and Outcomes**

WRH is a very efficient hospital as compared to its peers. This is repeated throughout the Report. The Report concludes **“WRH appears to be more efficient (from an overall operational efficiency perspective) than most of their peer hospitals.”** It goes on further to state **“WRH has less opportunity to identify efficiency savings than do most of their peers”**.

WRH has many positive and best practice clinical outcomes. The Report states **“The analysis demonstrated that while there are some limited opportunities that should be considered at WRH, in general the organization appears to be highly clinically efficient. It is also noted that WRH has both some of the highest intensity patients among its peers and has achieved the lowest readmission rates of its peer group”**.

#### **(iii) Governance**

The Report states that WRH’s Board of Directors **“is large, impressively skilled, and demonstrates exceptional engagement and commitment to the organization. WRH has been successful in recruiting experienced and accomplished individuals who are passionate about fulfilling the vision of the hospital for “Outstanding Care: No exceptions”**.

It goes on further to state **“The assessment has confirmed that the WRH Board is independent from Management and has an appropriate, open, two-way relationship with the CEO based on mutual trust and respect that serves the organization well”**.

The Reports goes on to state **“An assessment of Board structure and processes for financial management and oversight shows that, with small exceptions that can be resolved, best practice governance framework is in place. Appropriate committees, processes and mechanisms are in placed to ensure the Board understands, oversees and is able to provide leadership on financial performance and quality of care”**.

#### **(iv) Management**

As to management functioning the report concludes **“WRH has an effective and appropriate budgeting process. Program budgets are the responsibility of the program directors, who are expected to manage to budget. Budgets do not anticipate any increases in funding, and there is a formal process for approving any budget increases”**.

#### **(v) Facilities**

Throughout the report the impact of operating on two aged acute care sites is dramatic. The report states multiple times **“Operational Efficiency analysis was completed for this Review to assess financial position and determine the extent to which any inefficiency in operations, particularly resulting from operating a multi-site organization in aging facilities, is impacting the deficit position”**. It concluded the aged infrastructure is negatively impacting operations. One example the Report concludes **“It is well known that the aging infrastructure and power plant present challenges for maintaining a safe and cost-effective environment”**.

#### **(vi) Community Relationships**

The Report concludes after **“more than 150 stakeholders consulted”** to inform this review that **“WRH appears to have a very positive relationship with the patients and community it serves. There is a sense that the organization is truly committed to fulfilling its vision of “Outstanding care – No exceptions!”**. The report continues **“Most consistent among all stakeholder consulted was the sense the WRH is extremely dedicated to providing family- and person-centred care. The commitment is emphasized on the hospital website and in other documents, and there is consensus that leadership “sets the tone from the top” and spreads this culture effectively throughout all levels of the organization. Patient and family-centeredness is embedded into everyday behaviour, performance standards and expectations, and policies and procedures throughout the organization. Stakeholders provided abundant evidence that this commitment is real.”**

#### **(vii) Financial Resources that are Available - Adequate or Appropriate**

The Report states **“as can be seen, for the four years prior to fiscal 2013/14, WRH had achieved both an operating surplus position as well as an accounting surplus (after building depreciation and Interest on long-term debt are considered)”**.

The Report states **“like all hospitals, WRH is also annually challenged with inflationary pressures”**. It goes on to state **“like all hospitals WRH must manage under the current funding system. Because of the disproportionate impact on WRH arising from the catchment population it serves, we would encourage the Ministry of Health and WRH to consider the disproportionate funding impact of the different weighting approaches. The Ministry of Health cannot be expected to alter its funding system because of the impact on an individual facility; it may be possible however to identify an approach to recognize this unique impact on WRH”**.

The Report indicates that WRH is one of the most efficient hospitals as compared to its peers and requires a revenue increase, both one-time and in base short of eliminating services to its community.

#### **Moving Forward**

The Optimization Report provides the framework for a multi-year recovery plan, which includes a request for additional supports from the Ministry of Health and Long-Term Care.

The Optimization Report concludes and the Government of Ontario and Ministry of Health and Long Term Care have agreed that Windsor Regional Hospital should receive financial support. The Ministry expects to confirm the details of that operational funding in short order.

Even with this support, WRH has identified an additional \$7.3M in cost savings to move the hospital towards a balanced operating position for the 2019-20 fiscal year. This is approximately a 0.8% reduction in expenses.

While cost improvement actions are never easy, we have carefully identified savings opportunities, which will not impact direct patient care. The cost-improvements will result in approximately 80 staff reductions. We recognize this will have an impact on a number of non-clinical areas. However, we have made every effort to avoid reductions in direct patient care and will attempt to accomplish as many as possible by attrition and retirements.

To maintain a balanced operating position on a go-forward basis, WRH will look to identify additional cost improvements as well as the additional funding actions recommended in the Optimization Report, including:

- (a) Ongoing one-time payments of \$5M per year for a total of \$25M to offset the present working capital deficit. These funds to not be used to balance or operations; plus
- (b) \$16.4M in increases to the base operating budget over next four fiscal years. This assumes an annual 1% funding increase.

David Musyj, President and CEO, Windsor Regional Hospital stated “after the historic realignment that occurred five years ago we wanted to ensure we are on the ‘right path’ moving forward, make the adjustments that are necessary and for other organizations to learn from what we accomplished.” David stated further “We want to thank the Government of Ontario and the Ministry of Health and Long-Term Care for their continued support and partnership throughout the Optimization Review, and their commitment to ensuring the future looks bright for the residents of the Windsor/Essex region. We want to thank the Government of Ontario and the Ministry of Health and Long Term Care for accepting the recommendations in the Optimization Report, recognizing the issues facing our region, and ensuring the future looks bright for the residents of the Windsor/Essex region.”

Dan Wilson, Board Chair, Windsor Regional Hospital stated, “The Board of Directors wants to thank Mr. Rob Devitt, facilitator, The Ministry of Health and Long Term Care and the Erie St Clair LHIN for their expert guidance during this thorough process. We-need to recognize the ongoing operational pressures facing healthcare in our Province and we have to continue being as efficient as possible. We have some amazing clinical and non-clinical outcomes and we appreciate the Government of Ontario having trust and faith in our organization as we continue on this journey.”

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