

Peterborough Regional Health Centre  
Peer Review  
FINAL REPORT

Presented to:  
Central East LHIN  
April 20, 2010

# Factors Leading to the Review

- Peterborough Regional Health Centre's (PRHC's) financial situation has been deteriorating over the past several years:
  - 13 years of consecutive deficits, with projected deficit of \$25 million for 2010/11 (in contravention of its Hospital Service Accountability Agreement with the Central East (CE) LHIN)
  - Working capital deficit of almost \$90 million (March 2010).
  - CE LHIN peer comparison showed significant potential for savings.
  - PRHC's response to worsening finances was to advocate for increased funding.

# The Peer Review Mandate

- To identify strategies for PRHC to operate efficiently and effectively within its revenue sources.
- Although it is a “Peer Review”, the terms of reference were more reflective of an operational review with a focus on financial performance.

# Peer Review Team

- Daniel Carriere, President and CEO, Southlake Regional Health Centre (SRHC), Lead Reviewer
- Dr. Isser Dubinsky, Associate Director, Hay Group Health Care Consulting
- Peter Finkle, COO, SRHC
- Terry Kuula, VP Finance and CFO, SRHC
- Anne LeGresley, Partner, Geyer & Associates

# Approach to the Work

- Review of reports provided by PRHC and CE LHIN, and reports from the Ministry of Health and Long-Term Care (MOHLTC) and the Canadian Institute for Health Information (CIHI).
- Interviews with representatives of PRHC Board of Directors, hospital and medical leadership, operational managers and staff in some functional centres.
- Interviews with representative of area hospitals.
- Written comments from interested stakeholders.
- The Peer Review Team enjoyed full cooperation of PRHC Board members, staff and physicians.

# Summary Comments

Overall, many good things are happening at PRHC:

- High degree of commitment to the organization on the part of the Board, staff and physicians.
- Successful redevelopment project (e.g., unusually low number of change orders).
- Surgical program operating at high efficiency.
- Increasing awareness that the financial situation is unsustainable, and requires immediate action.
- Senior Management, Medical Staff and the Board beginning to address operating deficits with new initiatives.

# Summary Comments (cont'd)

- However, the Peer Review Team found overwhelming evidence of a culture of entitlement.
- This culture of entitlement perpetuated the belief that the MOHLTC or CE LHIN must fix the financial situation through increased funding, and that cost-cutting measures were not a priority.
- This culture began through Senior Management with the support and approval of the Board, and this culture has permeated the entire organization.

# Summary Comments (cont'd)

- The new hospital is much larger than needed to serve Peterborough. The planning parameters used to determine the need for 500 beds do not reflect current hospital utilization patterns.
- Filling these beds efficiently can only be achieved through development of regional programs, which are unlikely to be approved in PRHC's current financial situation.

# Recommendations

- The Peer Review findings and related recommendations are organized into 8 categories.

Category	# of Recommendations	Recommendation #s
Finance	1	1
Governance	8	2-9
Management	4	10-12, 18
Medical Leadership	5	13-17
Clinical Efficiency	6	19-24
Clinical Programs	24	25-48
Clinical Support	4	49-52
Non-Clinical Support	8	53-60
Total recommendations	60	

# Financial Impacts

- The Peer Review Team has identified annualized savings of \$26.0 million in the short term and an additional \$0.8 million in the medium term, for a total of \$26.8 million.