

BOARD & COMMITTEES

TOPIC OF REPORT: SE LHIN SUSTAINABILITY UPDATE – HEALTHCARE TOMORROW – PHASE 1

Submitted to: Board of Directors

Submitted by: Governance Committee
Leslee Thompson, President and CEO

Date of Issue: September 22, 2015

For Decision	<input type="checkbox"/>
For Discussion (Current Status Information starts on page 6 – Final Briefing on Phase 1)	<input checked="" type="checkbox"/>
For Information	<input type="checkbox"/>
Motion	

Background Information

A copy of the project charter was reviewed by the Governance Committee and provided to the Board in September.

Governance Committee members met informally on October 7 in advance of the October 30 SELHIN Vision Day. The focus of the session was to discuss high level strategy and issues for consideration as KGH input into upcoming SELHIN Vision day.

Comments and highlights from the discussion are as follows:

- CEO advised that the Vision Day questions went to KGH Strategy Advisory Council and the results of this were shared with group
- All agreed that we should try and have some common messages from KGH board / senior leader participants in the Vision Day
- Also agreement on the key principles guiding our participation in this regional project
 - KGH board and leaders will actively participate in project forums as much as possible to help shape this while at same time delivering on existing organization commitments & accountabilities
 - We will extend next KGH strategy cycle over 18 months versus one year to accommodate work in the regional project which will then inform our KGH specific strategy
 - We will monitor and respond to emerging risks on regular basis
 - *KGH guiding principles will be upheld by all as participants in this process (engagement, respect, accountability, transparency, value for money)*
- Issues & opportunities raised in the discussion with working group were as follows:
 - Transparency is essential with data and decision making processes
 - Shared governance means different things to different people which is a risk – need to clarify

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- Must ensure that a baseline principle in place so that all players need to achieve 25th percentile performance threshold and that there are minimal levels of capital investment as well which impact on any organizations ability to deliver on potential changes
- Any shared or integrated governance must reduce duplication, eliminate extra steps, and add measurable value
- Need to be sure we mitigate the risk of yes, yes, yes then an organization able to opt out
- Must put hospital improvements in context of health system changes that are needed – ie) home and community care investments in pace with hospital related changes
- Form must follow function when it comes to developing governance / org systems
- We need to keep on top of actual and emerging risks as project evolves: workload of leaders, discipline of process / project, flight risk of leaders in process who worry about jobs at risk in time of uncertainty, conflict and resistance to clinical service redesign. Note: given sustainability project is one of our strategic partnership initiatives, we will be including it on our evolving risk matrix and we will work to delineate this more specifically as time goes on.

At the KGH Board meeting held on October 29, 2014 the following motion was passed:

WHEREAS

1. *Hospital and system leaders within the South East Local Health Integration Network (LHIN) – represented by the South East Community Care Access Centre and Hospital Executive Forum (SECHEF) – are currently working together as a means to identify the options for best meeting the needs of patients now and into the future;*
2. *The hospitals in the South East LHIN face a number of factors over the next several years that will impact their ability to provide quality patient care and system sustainability, including:*
 - *An aging population, where the proportion of those over age 65 in the South East LHIN will be one of the highest in the Province;*
 - *Patients with an increasing number of chronic diseases, and increasing intensity of care for those requiring care;*
 - *Fiscal constraints due to provincial budget pressures that limit hospital budget increases;*
 - *An aging workforce, increasing competition for health professionals when they are needed most;*
 - *A net negative financial impact due to health system funding reform intended to improve system quality and efficiency; and,*
 - *Increasing evidence of the relationship between volume and quality of care for many services.*
3. *Meeting the needs of patients given the above factors requires that all hospitals work together to identify solutions that maintain and enhance the quality of care provided and that integrate with other health system providers; and,*
4. *Through the hospitals working collaboratively, there is opportunity to provide better care for patients and ensure that the options developed best meet the needs of patients now and in the future.*

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THEREFORE, BE IT RESOLVED, THAT the Board of Directors of Kingston General Hospital will support the following principles that will guide "Development of a Sustainable Integrated Model of Hospital Care" project:

- *A clear and shared sense of purpose, particularly around the needs of the patient and quality of care;*
 - *Inclusive consultation with health system stakeholders, recognizing the role the hospital plays in an integrated system of patient care;*
 - *Inclusive consultation and collaboration with Hospitals, CCAC, Queen's, and other stakeholders that work in the system to inform processes;*
 - *Inclusive engagement with patients and residents to inform processes;*
 - *Inclusive engagement with Francophone and Indigenous communities to inform processes;*
 - *Engagement via an appreciative inquiry approach;*
 - *Options will be developed based on evidence and leading practice models;*
 - *Options will need to align with provincial strategy, initiatives and hospital provincial mandates;*
 - *Each member of SECHEF (All hospitals, South East CCAC, Queen's University and South East LHIN) have an equal opportunity to influence; and,*
 - *Realistic activities and timelines.*
2. *That the Board of Directors of Kingston General Hospital commits to full participation in the "Development of a Sustainable Integrated Model of Hospital Care" project and will provide appropriate and sufficient in-kind resources to support the completion of the project in a timely manner, while meeting existing obligations as set out within Service Accountability Agreements; and,*
3. *That the Board of Directors of Kingston General Hospital commits to open and honest communication with its partner hospitals regarding any decisions the organization may make related to specific "Development of a Sustainable Integrated Model of Hospital Care" project proposals, made through SECHEF, and the associated rationale for such decisions.*

CARRIED

At the October 30 Visioning Launch session, participants from KGH included members of the Governance Committee, the Executive Vice Presidents, Program Medical Directors and Heads of the Departments of Surgery, Medicine, Oncology, the Chief Financial and Human Resource Officers, Program Operational Directors of the Cardiac, Emergency & Critical Care and also the Obstetrics, Gynecology, Pediatrics, Surgical and Anesthesiology Programs, the Directors of Strategy Management and Communication, and Patient Safety/Quality/Risk and Decision Support, along with the President of the Medical Staff Association.

The purpose of the Visioning Day was to bring stakeholders together to provide an introduction to the *Health Care Tomorrow – Hospital Services* project (www.healthcaretomorrow.ca), a collaborative effort between hospital and system leaders within the South East Local Health Integration Network (LHIN) to explore the future of hospital services across the region and to develop a sustainable hospital system that delivers integrated and high quality care for patients and families.

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The Visioning Day brought stakeholders together to begin to work collaboratively to imagine what a high-performing hospital system could look like in the South East LHIN. The day will include a mix of international and local speakers sharing examples of system transformation, as well as small group discussions to gather input on the features of a high-performing hospital system within the South East LHIN.

Session Objectives:

1. To inform key stakeholders of the project – including key drivers, activities and timelines, as well as how stakeholders will continue to be engaged throughout the project;
2. To provide global and local examples of system transformation, from which components may be drawn upon in thinking about the future of hospital services for patients in the South East LHIN; and,
3. To begin to define, collaboratively with stakeholders, the features of a high-performing hospital system within the South East LHIN that delivers integrated and high quality care for patients and families.

The following documents were distributed as part of the March 11 board package:

- Governance Working Group draft terms of reference
- A governance dashboard which will be distributed to the board on a regular basis
- All of the draft terms of reference of the direction setting and working groups
- A copy of Anne Corbett's article "Integration transaction: the role of the Board"

The following documents were distributed as part of the March 30 board package:

- Key messages – March 2015
- Governance Dashboard – dated March 20
- Decision-making and dispute resolution process draft document – V3
- Decision-making criteria draft document – V6
- Hospital & CCAC Chairs/Vice Chairs Forum - March 25 webinar session agenda
- High level timeline/deliverable document provided at March Board meeting

The following documents were distributed as part of the April 29 Board package:

- Key Messages - April 2015
- Healthcare Tomorrow Governance Updated Dashboard Project Status
- Decision-making and dispute resolution process - CEOs were asked to identify individuals to serve as neutral party representatives and to submit the names by April 28 and KGH plans on submitting names.
- Board was informed that the SE LHIN will be holding a community engagement session on May 26 to discuss the LHIN's Integrated Health Services Plan 4 as well as receive an update on the Healthcare Tomorrow project. At the April Board meeting, details on the meeting format, timing, and actual location (it will be in Kingston) had not been confirmed but will be forwarded to Board members to participate.

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April 2015 KGH Board Presentation – Brief Overview

At the April Board meeting, a presentation was delivered by members of the KGH team who are participating on the Finance, Facilities, Diagnostic Imaging, Information Services, Labs, and Human Resources working groups. Each slide provided Board members with an understanding of the opportunities for standardization and optimization of processes across the system, integration opportunities and the associated benefits and savings by eliminating duplication, as well as the resources that will be required to support implementation. Each member of the team presenting provided an overview of the some of the risks and other issues that will need to be addressed such as the need for information technology investment, human resource constraints, capital investment requirements, siting options, etc. A two-day CEO meeting is scheduled for May 10 and 11 to review and discuss the work to-date. The CEO noted that there are several risks that will need to be taken into consideration including fit and alignment of services, associated execution risks across sites, and a commitment for hospital partners to reinvest savings back into the system.

The following documents were distributed as part of the June 08 Board package:

- Key Messages – May 2015
- Healthcare Tomorrow Updated Governance Dashboard Project Status
- June 1 SE LHIN Governance to Governance Session detailed agenda

At the June Board meeting, members were provided with an overview of the approach and timeline to receive the Phase 1 Recommendations Report – expected by June 24, 2015.

Distribution of Phase 1 Recommendations Report – June 24, 2015

On June 24, the KGH Board received the following materials by email in preparation for the July 06 SE LHIN Webinar and subsequent July 22 KGH Board meeting:

- Phase 1 Recommendations Report (June 24) final & combined appendices to the Report
- Leadership key messages
- Communications roll-out schedule
- Project backgrounder presentation link (<http://healthcaretomorrow.ca/service/hospital-services/>)
- Whiteboard “intro” video on Health Care Tomorrow (same location as above)
- Confidential workbooks are also available to the Board through the portal site.

The session objectives of the July 6 SE LHIN Hospital Services Project Webinar:

1. To overview the staged process and highlight where we are now
2. To confirm the case for transformation;
3. To have the hospital CEOs present an overview of the recommendations and opportunities that have been identified, to ensure clarity and a common understanding of these findings; and,
4. To provide the Boards with the information they will need to consider and support moving to Phase 2 of the project.

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Current Status

In preparing this update for the Governance Committee and September Board meeting, we are providing an overview since the July 6 SE LHIN Webinar (July 28 and August 12 Board meetings).

The following documents were distributed as part of the July 28 Board package:

- Description of the MOTION required for KGH board to approve
- Key Messages – May 2015
- Healthcare Tomorrow Updated Governance Dashboard Project Status
- Briefing note from the KGH Medical Advisory Committee – endorsement of Phase 1 recommendations
- Briefing note from KGH Professional Practice Council – endorsement of Phase 1 recommendations
- Confirmation by CEO that consultations also took place at the Fiscal Advisory Committee, Planning & Performance Committee, and KGH Strategy Advisory Council

At the July 28 meeting, management recommended board members apply KGH's principle based decision making lens to this particular decision and satisfy themselves that the following conditions were met:

- a. Is the **rationale** for the decision we are being asked to make clearly articulated so that fair minded people can agree are relevant under the circumstances?
- b. Is the information required to make the decision publically available?
- c. Does the proposed decision reflect the input of a broad range of stakeholder perspectives and relevant experience/expertise, including the direct involvement of patient advisors?
- d. Is the criteria for decision making clear and explicit?
- e. Has there been an opportunity for people to revisit and revise the recommendations before they arrived at the board?
- f. Is it clear to KGH board how the LHIN board will make the final decision?
- g. Is it clear what stakeholders can expect once this decision is made?
- h. How and when will the decision and its rationale be made by KGH and the LHIN?
- i. Is there a change management plan in place for training and support of those who are responsible for moving this into phase 2?
- j. Is it clear as to how stakeholders are going to be involved in phase 2 of the project?
- k. Is there an overall communications plan at local and regional level?
- l. How will the decision be evaluated? How will adjustments / improvements to the decisions being made today occur?
- m. Is the decision making process for the next phase built out yet?
- n. Is there anything else as a board we should be asking that we have not, that would have an impact on our decision making?

At the July 28, 2015 KGH Board meeting, it was noted that, while KGH leaders endorsed the Phase 1 recommendations and support to move forward to Phase 2 detailed planning, concerns have been identified in relation to the significant time commitment that would be required and the importance of ensuring that Phase 2 activities generate change and actions to maintain engagement. There is a strong understanding of the system transformation and the need to create capacity within the system. The other important consideration is to ensure

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that a decision-making body/process is in place and evident. A regional information system is recognized as essential to the success of the project. The Board was briefed on the structure of the project management office and Jim Flett confirmed that funds are available from the SE LHIN to support this work. A decision-making structure, including dispute resolution mechanisms, will be put in place and the project management office will report to SE CHEF. Leslee Thompson confirmed at the July meeting that management is looking at the pacing of organizational priorities and the deliverables associated with the Health Care Tomorrow project and that adjustments will be required and each situation will be carefully considered by management.

The following motion was passed at the July 28, 2015 Board meeting which has also been communicated to the SE LHIN:

WHEREAS in October 2014, the Board supported, by way of a formal motion, the principles that will guide "Development of a Sustainable Integrated Model of Hospital Care" project; and

WHEREAS in October 2014, the Board committed, by way of a formal motion, to full participation in the "Development of a Sustainable Integrated Model of Hospital Care" project and will provide appropriate and sufficient in-kind resources to support the completion of the project in a timely manner, while meeting existing obligations as set out within Service Accountability Agreements; and

WHEREAS in October 2014, the Board committed, by way of a formal motion, to open and honest communication with its partner hospitals regarding any decisions the organization may make related to specific "Development of a Sustainable Integrated Model of Hospital Care" project proposals, made through SE CHEF, and the associated rationale for such decisions; and

WHEREAS the KGH Board has reviewed the Healthcare Tomorrow – Hospital Services Phase 1 Recommendations Report, informed by the Business Function business cases and outputs of the Clinical and Diagnostics & Therapeutics Working Groups, and understands that the recommendations put forward by each of the Working Groups are directional in nature and have been scoped to provide an order-of-magnitude assessment of the opportunities identified in the table below. The KGH Board understands that further verification of total estimated savings and investments are required; and

WHEREAS the opportunities and recommendations put forward as a result of the Working Groups is as follows. The potential for ongoing savings from these opportunities has been estimated at approximately \$29 million. This is an order-of-magnitude estimate that will need to be validated in Phase 2; and

WHEREAS the seven opportunities listed in the table below are within the control of the hospitals and are presented to Hospital Boards for consideration of approval to move forward to Phase 2; and

WHEREAS the subsequent three opportunities require partnership and collaboration with community partners via a shared accountability, or accountability of the community sector. It is the collective Hospital's recommendation to the South East LHIN to take on the responsibility to move these forward; and

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WHEREAS the appropriate sequencing of activities will be determined matching priority and capacity to complete next steps. Sequencing will impact the timing of next steps and the order in which activities are planned in the next phase of work.

THEREFORE, BE IT RESOLVED THAT based on the high-level analysis and assumptions contained in the Healthcare Tomorrow – Hospital Services Phase 1 Recommendations Report, the Board of Kingston General Hospital agrees that the potential benefits presented by each Working Group warrant further detailed analysis and design; and,

THAT, in support of the collective approval of the SECHEF CEOs, the Board of Kingston General Hospital approves and provides direction for KGH to support the ongoing Healthcare Tomorrow – Hospital Services planning activities into Phase 2, to move forward with the next level of analysis, including further development of the financials and due diligence and development of service delivery models and transition approach, recognizing that the outcome of Phase 2 will be a decision point for potential implementation.

CARRIED

Table

Opportunity	Recommendations for Phase 2
1. Develop a regional shared service to support Finance, Human Resources, Facilities/ Support Services and Information Services	That the Hospital Boards approve moving forward to Phase 2, which would include detailed design, due diligence and potential transition planning. Phase 2 would include the following: <ul style="list-style-type: none"> • Design of a service governance model and redesign of the shared service entity • Further refinement of future state and potential transition leadership models • Development of regional service models • Launching an RFI for all Facilities/Support Services • Assessing how to leverage current IT investments/ infrastructure and identification of savings for the proposed Health Information System
2. Develop a regional laboratory system to serve all the hospitals in the South East LHIN.	That the Hospital Boards approve moving forward to Phase 2, which would include detailed design, due diligence and potential transition planning. Phase 2 would include the following: <ul style="list-style-type: none"> • Development of a business case and preferred model for a regional laboratory system
3. Develop a regional Diagnostic Imaging system to serve all the hospitals in the South East LHIN	That the Hospital Boards approve moving forward to Phase 2, which would include detailed design, due diligence and potential transition planning. Phase 2 would include the following: <ul style="list-style-type: none"> • Development of a business case • Development of the Terms of Reference for the leadership model
4. Develop a regional Pharmacy system to serve all the hospitals in the South East LHIN	That the Hospital Boards approve moving forward to Phase 2, which would include detailed design, due diligence and potential transition planning. Phase 2 would include the following: <ul style="list-style-type: none"> • Development of a business case • Development of the Terms of Reference for the leadership model
5. Develop a regional system of care for highly specialized services (tertiary/quaternary services) and planned care (elective)	That the Hospital Boards approve moving forward to Phase 2, which would include detailed design, due diligence and potential transition planning. Phase 2 would include the following: <ul style="list-style-type: none"> • Establishing of a Clinical Leadership Council to provide oversight of all Phase 2 clinical activities and outcomes • Establishing an Expert Advisory Panel to advise on the prioritization of regional programs (see priority list in the Phase 1 Recommendations Report) and consolidation of tertiary services in the South East LHIN and redistribution of primary/secondary care • Modeling of hospital role scenarios and accountabilities • Development of a business case with design, investments and savings, and potential implementation planning

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Opportunity	Recommendations for Phase 2
6. Develop a regional system of care for urgent/emergent care to focus on process improvement and excellence that is evidence-based through an Emergency Department/Urgent Care community of practice	That the Hospital Boards approve moving forward to Phase 2, which would include detailed design, due diligence and potential transition planning. Phase 2 would include the following: <ul style="list-style-type: none"> • Development of a Council Terms of Reference including aims, outcomes and accountabilities • Development of a detailed 3-year strategy, tactics and work plan • Development of a business case for Year 1 initiatives including design, investments, savings, and potential implementation planning
7. Expand/standardize seniors care strategies across all South East LHIN hospitals, including primary, secondary and tertiary care, with regional specialization of behavioral supports and geriatric medicine/inter-professional resources	That the Hospital Boards approve moving forward to Phase 2, which would include detailed design, due diligence and potential transition planning. Phase 2 would include the following: <ul style="list-style-type: none"> • Establishing complex patients/frail elderly regional council with terms of reference including aims, outcomes and accountabilities • Designing regional model to include centres of excellence and core services, identifying service gaps and opportunities • Identifying care pathways and scope of pathway development • Developing a business case for service needs and gaps and pathway development
Opportunities requiring community collaboration and partnership – recommended to the South East LHIN to take on the responsibility to move these forward.	
1. Build capacity in community support services and optimize community resources to prevent unnecessary use of hospitals	That the Hospital Boards approve moving forward to Phase 2, which would include detailed design, due diligence and potential transition planning. Phase 2 would include the following: <ul style="list-style-type: none"> • Partnering with community sector partners and South East LHIN to determine scope and requirements for community capacity review
2. Development of an Emergency Department Avoidance Strategy that include Enhanced Emergency Medical Services (EMS) Services and Care at Home and the Community	That the Hospital Boards approve moving forward to Phase 2, which would include detailed design, due diligence and potential transition planning. Phase 2 would include the following: <ul style="list-style-type: none"> • Development of a multi-sectoral Emergency Department avoidance strategy with aims, outcomes and accountabilities • Development of a multi-year plan • Development of a business case for Year 1 initiatives including design, investments, savings, and potential implementation planning
3. Improve service delivery and the integration of care for complex chronic/frail elderly through the development of automated, Integrated Coordinated Care Plans	That the Hospital Boards approve moving forward to Phase 2, which would include detailed design, due diligence and potential transition planning. Phase 2 would include the following: <ul style="list-style-type: none"> • Development of a detailed design and business case for integrated care plans

The same information package distributed to the Board in July was provided with the August 12 Board agenda package. Discussion focused on: confirmation that all regional Boards have endorsed the Phase 1 recommendations and to move forward with Phase 2; Jim Flett will be joining the Project Secretariat Working Group; funding to support Phase 2 needs to be confirmed and will be discussed at the August SE CHEF meeting.

The following documents were distributed as part of the September Board package:

- August 11, 2015 Briefing from the SE LHIN outlining the two motions approved by their Board with respect to the Health Care Tomorrow – Hospital Services Project

This concludes Phase 1 briefings. Starting with the October Board meeting, a new briefing document will be created to track the Phase 2 project.