

SOUTHLAKE REGIONAL HEALTH CENTRE
2012-2013 ANNUAL GENERAL MEETING
PRESIDENT & CEO REPORT

JUNE 26, 2013

Ladies and gentlemen: It gives me great pleasure to be here tonight, for the second time, speaking to you as Southlake's President & Chief Executive Officer.

Transforming Healthcare

Over the past year, we focused great attention and energy into creating a culture of high-reliability, dedicated to the delivery of safe, quality healthcare in the most efficient and effective ways possible, and to the development of our new five-year strategic plan - *Transforming Healthcare with Our Patients, Our People, Our Partners*.

Later this evening, we will share with you a video that showcases our new strategic plan. You will learn about our new Vision and Mission statements, and the three priority directions that will enable Southlake to transform the healthcare services we provide into the patient-focused, excellence-driven model of care that Our Patients rightfully deserve.

I am truly excited and passionate about this Plan. As it unfolds and takes shape, you will notice the emergence of our deeper commitment to provide *Shockingly Excellent Experiences* to everyone we interact with. We will work tirelessly to create value in healthcare without compromising quality outcomes. This new way of delivering care will become known as the Southlake Way.

This evening, as we reflect back with pride on the 2012-2013 fiscal year, you will see that we are already on our way to realizing a number of the key goals in our Strategic Plan. I'm happy to share with you some of our greatest successes:

Create the Ultimate Healthcare Experience

At Southlake, we are committed to creating the ultimate hospital experience for our patients. We do this by placing a greater emphasis on high reliability healthcare and focusing on what we do best – delivering acute care services – services that include a high level of clinical expertise and sophisticated technology that can only be provided in a hospital setting.

- As such, I am proud to report that last year we achieved a 59 per cent reduction in patient falls with outcomes – reducing the actual number of falls from 98 in 2011-2012 to 29 in 2012-2013. This improvement did not cost hundreds of thousands of dollars to realize. Instead, it took a modest investment in patient equipment and supplies, including armbands

and signs above patient beds that identify those at risk, and a dedicated effort by the healthcare team to follow a number of practices that were proven to reduce patient falls.

- Southlake's hand hygiene initiatives are a key aspect of caring for our patients, whose health and safety is paramount to us. Proper hand hygiene is one way we can better protect them. Over the course of the past year, based on over 31,000 audits we have consistently achieved over 90 per cent compliance to our two key hand-hygiene 'moments', cleansing hands both before and after patient contact. To support this important initiative, the Hospital launched a *Bare Below the Elbows* campaign last fall. Going 'bare' is the beginning of a total shift in organizational culture that involves members of the Southlake team rolling up their sleeves and taking off their jewelry, watches, and false nails while on patient care units. To the best of our knowledge, this is the first launch of the *Bare Below the Elbows* initiative in Ontario. Today other hospitals are following our lead.
- Introducing new models of care resulted in significant wait time improvements within our Emergency Department. Using a flexible staffing model, and partnering with York Region Emergency Medical Services, an "offload" or dedicated nurse was introduced to speed up intake for patients arriving by ambulance. The result - in 2012, the average wait time for patients arriving by ambulance was 23 minutes, down from 33 minutes in 2011, a reduction of 30%.
- In addition, the most recent statistics from April show that the average wait time for receiving an initial assessment from a physician in Southlake's Emergency Department is 54 minutes, the fastest in the province. One of the initiatives leading to this remarkable achievement is an innovative approach in the Emergency Department which sees patients waiting for test results moved from treatment beds or chairs into a separate waiting area, freeing up assessment space.

Transform Healthcare Relationships

One of our new strategic directions speaks to transforming healthcare relationships. By working with our patients, their families and our community-based healthcare providers, we hope to create a system of integrated healthcare that is effective and responsive to the needs of Our Patients and every member of their healthcare team.

- Patient flow within the hospital is an area Southlake is persistently working on to improve healthcare experiences for our patients and improve the ability to deliver great care for our healthcare providers. Patients waiting in hospital beds who no longer require acute care are a major contributor to patient flow bottlenecks. Over the past year, we've worked diligently to develop processes to help get patients either back home, or to a better-suited facility in which to continue their recovery. As a result, the number of Alternate Level of Care patients occupying acute care beds significantly reduced during the 2012-2013 fiscal year. Our latest

statistics show that just 7.1% of acute care beds are being utilized by ALC patients, down from 14.9% one year ago.

- Recently Deb Matthews, the Ontario Minister of Health & Long-Term Care, visited Southlake to tour our Medical Assessment Consultation Unit (MACU) and learn about our measures to improve patient flow and wait times. Afterward, she went as far as to say, “I’m thrilled about the successes that the team at Southlake has achieved in reducing wait times and improving quality for patients. While there’s always more work to be done, their results are part of the reason why Ontario has led Canada in shortest wait times for 8 consecutive years.”
- Discharge initiatives, such as *There’s No Place Like Home*, provide patients and families with the appropriate resources to successfully transition patients back to their home once acute care is no longer needed. Working closely with our partner healthcare agencies, patients and their families are supported in making informed choices about care that could allow them to return home more quickly after a hospital stay. Getting home is important. Sixty percent of people heal faster and are happier at home. The longer a patient stays in hospital the greater the potential to develop delirium, pneumonia or a urinary tract infection.

Seek and Share Better Solutions

As a recognized leader in Canada, North America and around the globe, we believe passionately in our ability to *Seek and Share Better Solutions* in the healthcare community and beyond.

- Time and again, our medical team has proven that we house the expertise and the commitment to be innovative in the care we provide. That was proven yet again last December when Justine Bovenkerk, a 35-year-old wife and mother from Newmarket, spent Christmas day with her family after she became the first in North America to receive an MRI-friendly implantable cardioverter defibrillator, currently only utilized in Europe, thanks to the innovative thinking of our Heart Rhythm Program.
- 2012-2013 also saw the fruition of our desire to develop a Centre of Innovation in partnership with the Town of Newmarket, Regional Municipality of York, Newmarket Chamber of Commerce, ventureLAB, York University, and the University of Ontario Institute of Technology. A ‘launch pad’ for high impact initiatives, the new Innovation Centre will drive the future of healthcare innovation by cultivating great ideas that will translate to healthcare and commercial successes. At a “sneak peak” event held earlier this year with our partners and special guests, we received great feedback about the potential of this type of Centre and eagerly look forward to moving ahead in the days and months ahead.

Financial Report

As a not-for-profit business, we have a responsibility to operate within our means and balance at the bottom line if we are to optimize our overall financial health and keep pace with the

government's new healthcare funding model. Southlake continues to face significant challenges in terms of financing service growth and accounting for capital expenditures, all within a shrinking operational budget. As an organization, we are continually striving to restore our working capital position, improve cash flow and current ratio, and to optimize our financial health overall.

In order to meet this challenge we have spent a great deal of time comparing our costs to deliver patient care with the Province's most efficiently run hospitals. Considerable work has already been undertaken to assess and improve our clinical and financial outcomes as per the HSFR formula. Already our case costing is the lowest in the LHIN and we are aggressively moving toward best practices and sustainable reductions to our cost structure to improve our next fiscal year results.

- The senior leadership team, working closely with the management team, developed six working groups to explore both short and long-term cost reduction and revenue generating strategies. Recommendations from these groups, including: extensive gapping of management positions; placing a moratorium on hiring summer students; savings to supply costs; and targeted revenue generation, are already making an impact, with a reduction of our deficit of approximately \$5 million expected. We will continue our efforts in the months ahead.

Acknowledgements

In closing, I would like to formally acknowledge the Board of Directors, and specifically our Chair, Bruce Herridge, who has been a driving force behind Southlake's recent transition. Bruce and I took our first cautionary steps together two years ago – he in the role of Chair and I in my new role of President. I thank Bruce for his patience as I learned the ropes and for his strong leadership over the last two years. Tonight, as Bruce steps down, we welcome Jonathan Harris to the role of Chair. Jonathan shares our determination to further Southlake's position as a high reliability organization and a global healthcare leader and I look forward to a close working relationship as we strive to deliver the initiatives laid out in our Strategic Plan.

I wish to thank and express my gratitude to every member of the senior leadership team and our executive assistants. Your strength and commitment enabled Southlake to achieve much of the successes I have spoken about here tonight. This is both an exciting and a challenging time in healthcare and I cannot imagine a more able and ready leadership team with which to meet these challenges head on.

There is one person on the senior team that we will miss as we move forward -- Dr. Louis Balogh. Louis, you have worked hard and you have truly earned the right to retire, although all of us question just how much "retirement" you will actually practice. You have been a guiding

force on the Southlake team for many, many years and we will all miss working with you on a daily basis.

I would also like to thank the Southlake Foundation. There are so many wonderful and heartwarming Southlake patient stories and in one way or another, you have had a hand in just about every one of them. Today, after funding our new Diagnostic Imaging Interventional Radiology Suite, you are at the half-way mark in your Images for Life campaign. As your benefactor, we could not be more grateful.

Finally, I wish to acknowledge the dedication of all of Our People – the more than 4,000 staff, physicians, and volunteers who make up the Southlake team. When I first set my mind to entering the field of healthcare, I did so with the belief that I could make a difference in people's lives. That is why I so eagerly embraced the opportunity to come to Southlake; to have a hand in shaping the future of this dynamic healthcare centre. Day after day, it is my great pleasure to be able to interact with people who share the belief that we truly are changing lives. I am so proud of all of Our People, and thank you for your unwavering commitment to our patients and this organization.

As you have heard tonight, it has certainly been a busy year at Southlake. I close out this year feeling excited and believe passionately that as we continue to build on these successes, we will cement our position as a high-reliability organization and undoubtedly lead the future of healthcare in this Province.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Dave Williams". The signature is fluid and cursive, with a large initial "D" and "W".

Dave Williams
President & CEO