

2010 Congress on
Healthcare Leadership

re:CONNECT re:re: SOLVE

MARCH 22-25, 2010
CHICAGO, ILLINOIS
HYATT REGENCY CHICAGO

re:re: NEW

Canadian Healthcare Reform: Lessons for U.S. Hospitals

**Solving Patient Throughput and Improving Patient Safety.
The Vancouver Coastal Health Experience.**

**David Handley, CHE
Executive Director
Business Initiatives & Support Services
Vancouver Coastal Health, Fraser Health, Provincial Health Services
Authority and Providence Health Care**

**Anthony C. Stanowski, FACHE
Vice President, Industry Relations
ARAMARK Healthcare, Philadelphia, PA**

**Presented at the ACHE Conference, Chicago, IL
March 2010**

Agenda

- Learning Objectives
- Who we are
- Brief Overview of Canadian and American Healthcare Systems
- Vancouver Coastal Health's Challenges
- Vancouver Coastal Health's Actions and Results
- Ongoing Challenges
- Review

Learning Objectives

- Lessons learned from a Canadian healthcare system in adapting to legislative initiatives
- Understand technologies to drive patient throughput and safety
- Define metrics and create dashboard for monitoring performance

Who We Are

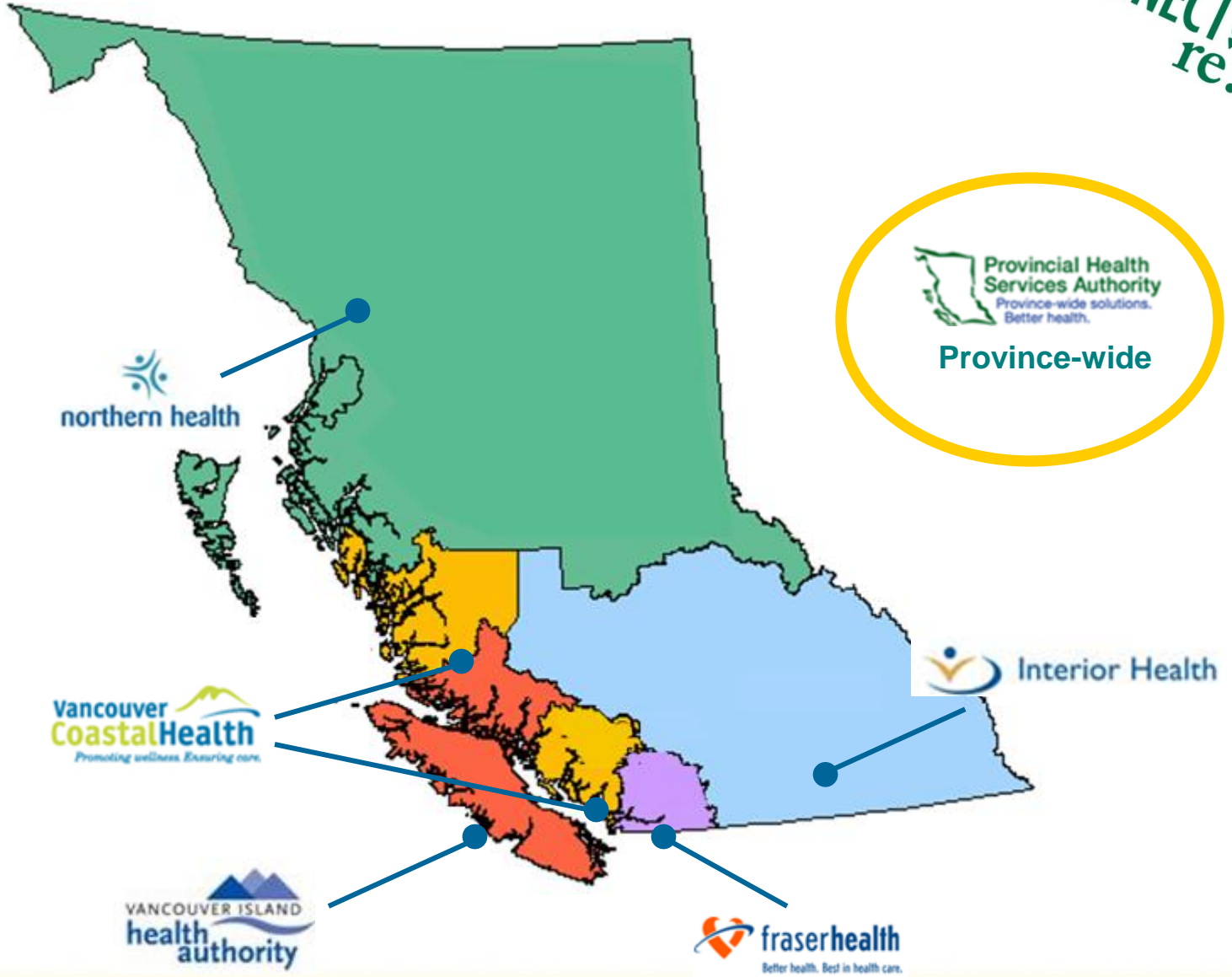
ARAMARK Healthcare

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- Serves more than 1,000 hospitals and senior living communities in North America
- 14,000 employees
- Focuses on
 - Clinical Technology Services
 - Patient and Retail Food Services
 - Facility Services

BC Health Authorities

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Vancouver Coastal Health

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- Affiliated with Providence Health Care
- Total annual budget of \$2.8B
- Serving over 1 million people, 25% of BC's population
- 22,000 Staff
- 2,500 Physicians
- 15 Acute Hospitals
- 20 Residential Facilities



Vancouver
General
Hospital



Mt. St.
Joseph's



St. Paul's
Hospital



Powell River
General



Lions Gate
Hospital

VCH - The Continuum of Care

**Life Style Choices
& Education**



**Primary/Secondary
Care & Prevention**



**Chronic Disease
Management**



**Acute Care
& Recovery**



**Long Term Care &
Independent Living**



CONTINUUM of LIFE

CONTINUUM of CARE GIVERS

**Fitness & Wellness
Coach**



The Family



**Counselors &
Therapists**



**Home
Support**



**Acute & LTC
Teams**



Brief Overview of Canadian and American Healthcare Systems

Health Status Comparison

Life Expectancy (2007)



80.3



78.0

Infant Mortality (deaths per 1000 live births, 2007)



4.6



6.4

% of Population 65 or older (2004)



12.7%



12.3%

Alcohol Consumption (litres per capita 2006/04)



8.0



8.4

Tobacco Consumption (% of population daily smokers)



25.0%



23.6%

Obesity (% of Population with BMI >30)




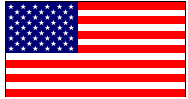
23.1%



29.7%

Source: OECD Health Data, 2005-07

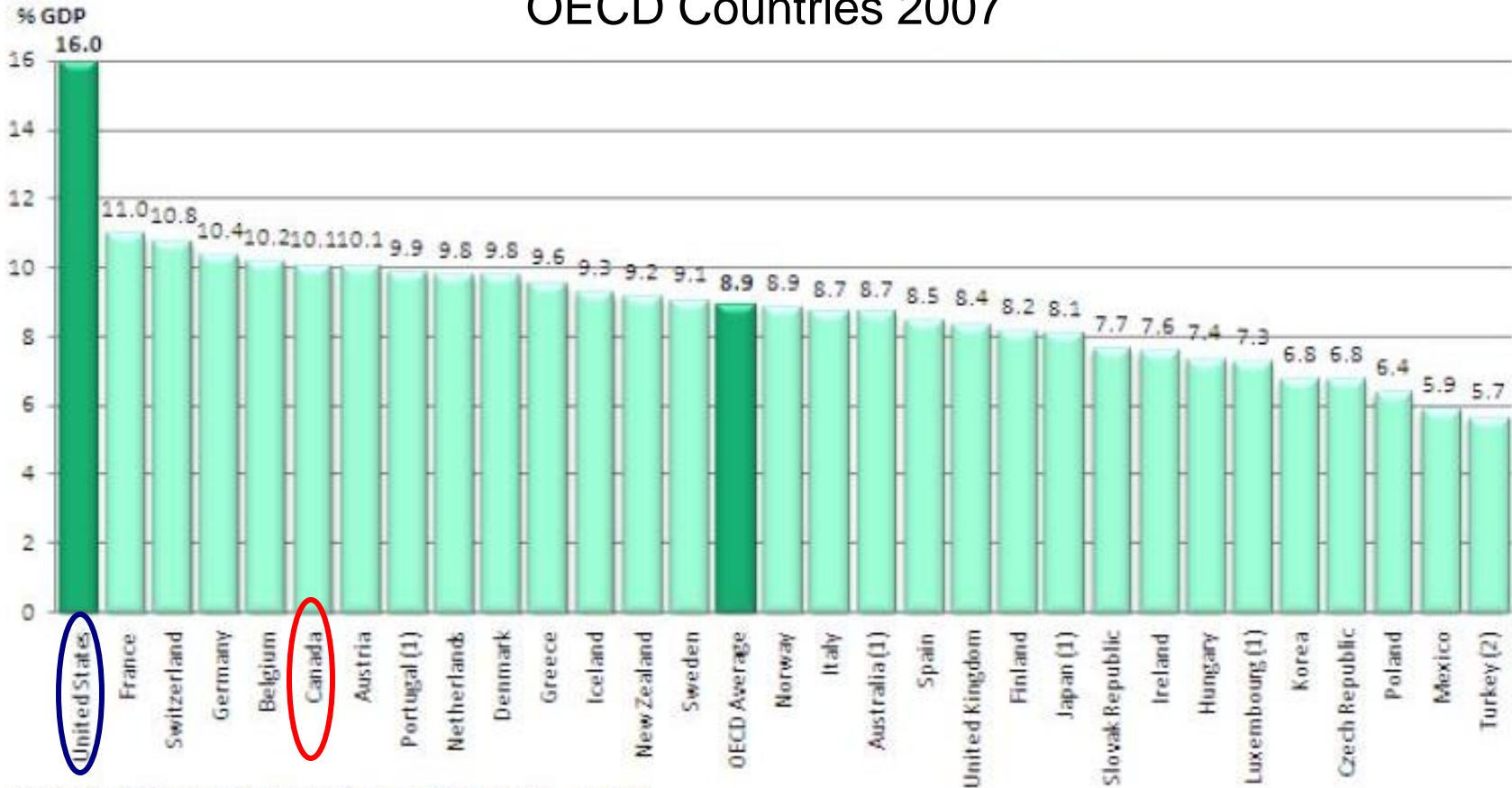
Resource Comparison

		
Physicians practicing per 1000 population	2.1	2.3
Nurses practicing per 1000 population	9.9	7.9
MRI's per M population (OECD Median 6.9)	6.1	26.6
CT's per M population (OECD Median 14.7)	12.1	32.2

Source: OECD Health Data, 2005-07

Health Expenditures as a Share of GDP

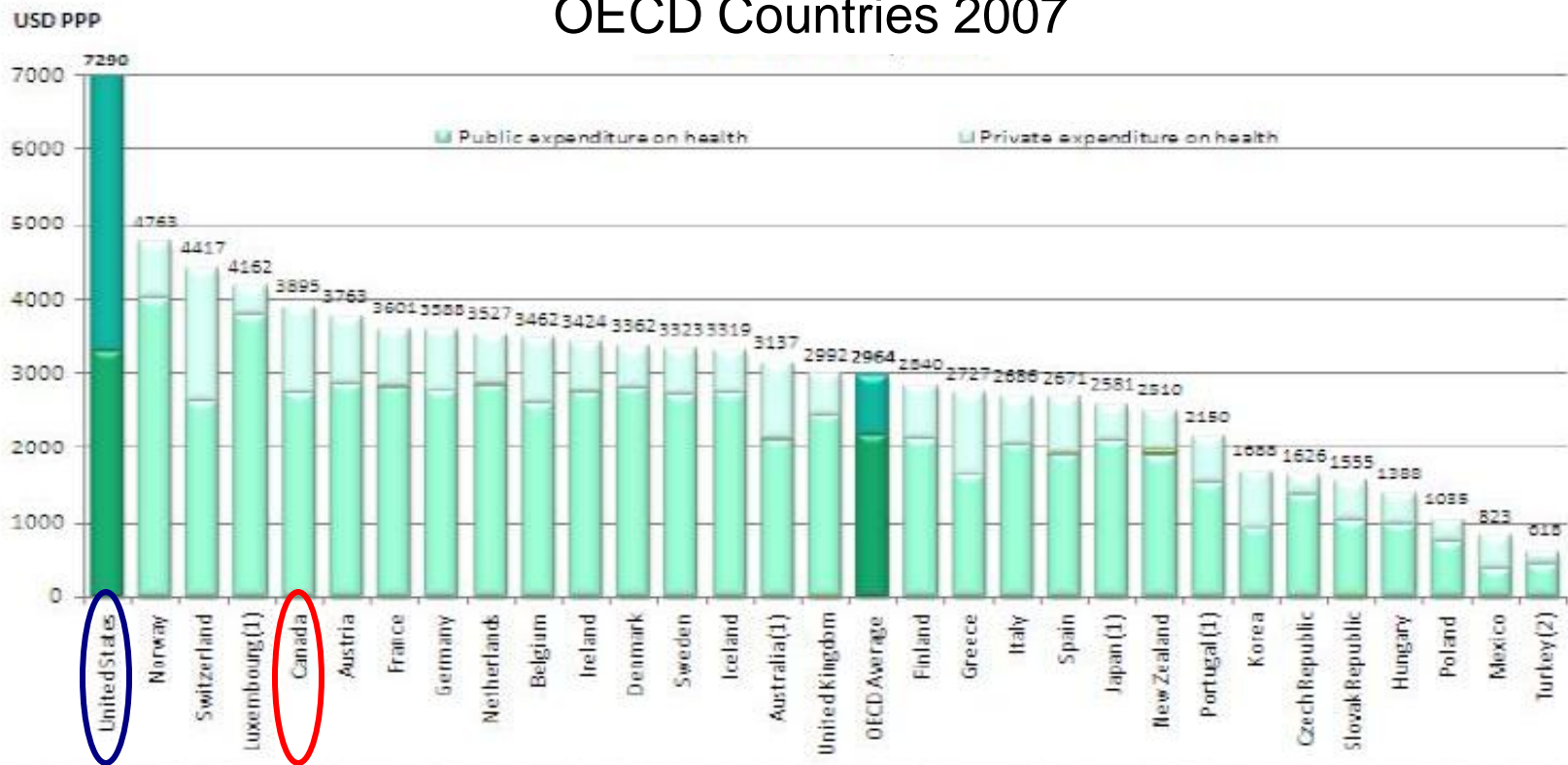
OECD Countries 2007



(1) 2006. (2) 2005. Source: OECD Health Data 2009. June 09.

Source: Comparing U.S. Healthcare Spending with Other OECD Countries, by: David Hunkar July 05, 2009.
<http://seekingalpha.com/article/146992-comparing-u-s-healthcare-spending-with-other-oecd-countries>

Health Expenditures Per Capita Public and Private Expenditures OECD Countries 2007



(1) 2006. (2) 2005. Data for Belgium, Denmark and the Netherlands are current expenditures (excluding investment). Source: OECD Health Data 2009, June 08. Data are expressed in US dollars adjusted for purchasing power parities (PPPs), which provide a means of comparing spending between countries on a common base. PPPs are the rates of currency conversion that equalise the cost of a given 'basket' of goods and services in different countries.

Source: Comparing U.S. Healthcare Spending with Other OECD Countries, by: David Hunkar July 05, 2009.
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On The Road To Canada

“The further you are from the play, the closer you are to it.”



Canadian Healthcare vs. US Healthcare

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The governor/premier of this country's state/province remarked that by 2018, based on health care costs, the only thing the government will be able to provide is healthcare.

- ✓ United States: California
- ✓ Canada: Ontario

Canadian Healthcare vs. US Healthcare

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✓ United States: California

✓ Canada: Ontario

“There will come a time (2018) when the Ministry of Health will be the only Ministry we will be able to afford, and we still won't be able to afford the Ministry of Health”

Dalton McGuinty, Premier of Ontario



Canadian Healthcare vs. US Healthcare

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From which country did this person say...in response to the news that premiums will be increasing 6% on January 1, 2010:
“That’s a big hit. For public sector employers and for individuals who are paying their own premiums for themselves and their families.”

- √ United States
- √ Canada

Canadian Healthcare vs. US Healthcare

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In response to the news that premiums will be increasing 6% on January 1, 2010, this person said:

√ United States

√ Canada

“That’s a big hit. For public sector employers and for individuals who are paying their own premiums for themselves and their families.”



Judy Darcy, a spokesperson for the Hospital Employees’ Union, in the Globe and Mail, regarding premiums for provincial healthcare coverage in British Columbia, Canada.

Source: Modern Healthcare, September 7, 2009

Canadian Healthcare vs. US Healthcare

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Measurement, public reporting and quality improvement efforts saved nearly 5,000 lives over six years due to the rise in the percentage of heart attack patients prescribed beta-blockers.

- √ United States
- √ Canada

Canadian Healthcare vs. US Healthcare

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Measurement, public reporting and quality improvement efforts saved nearly 5,000 lives over six years due to the rise in the percentage of heart attack patients prescribed beta-blockers.

- ✓ United States
- ✓ Canada

Canadian Healthcare vs. US Healthcare

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Has a single payor
system.

- √ United States
- √ Canada

Canadian Healthcare vs. US Healthcare

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Has a single payor
system.

√ United States

√ Canada

√ Neither

Canada does not have a single national health care plan.
Canada has a national health insurance program which is implemented
via 13 different provincial and territorial health insurance plans
according to the guideline of the Canada Health Act.

Canadian Healthcare vs. US Healthcare

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The highest tax
bracket pays a higher
tax rate.

- ✓ United States
- ✓ Canada

Canadian Healthcare vs. US Healthcare

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The highest tax
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✓ United States

✓ Canada

- Canada:
 - The highest federal tax rate in Canada is 29% for persons with annual taxable income over \$120,887.
 - The highest provincial tax rate is 14.7% in British Columbia for incomes over \$95,909.
 - Total rate: 43.7%.
- In the US, the highest federal rate is 35%, and, including the state rate, a Californian would pay about 47% of income in taxes.

Key Executive Issues

1. Balancing fiscal health with quality and safety... and, in some cases, growth
2. Human resource sustainability
3. Board perspective and politics

Vancouver Coastal Health Challenges

Canadian Structure: Delivery

- Primary care is delivered by Family Doctors who are publicly funded and generally operate independently on a fee for service model
- Acute care delivery is almost entirely publicly operated, though the private sector is delivering some diagnostic and elective surgical services
- Because Hospitals generally receive block funding, **they are not financially incented to attract patients**
- Long Term Care has public, not-for-profit and private sectors that each receive modest public funding per resident

Canadian Structure: Funding

- Universal “free” access to core healthcare services (Doctors and Hospitals)
- 70% publicly funded through Federal taxation
- 30% of services remain user funded (dental, vision, drugs)
- Private funding of essential health services is illegal
- Funding process may change through legislature

Canadian Structure: Labour

- Support services are primarily organized by powerful public sector unions with broad geographic agreements
- Client paid labour is well-paid and experiences little turnover
- There is a "cap" of a certain number of positions in British Columbia that can be contracted out. In the last 4 year agreement, it was 700.
- A focus on using cost reductions in support services to support cost escalation in direct patient care

BC Healthcare Landscape in 2002

- Steady increase in overall and aged population, increasing the demand on the system
- Expanding healthcare administrative costs and direct clinical and health care expenses
 - Health care costs in Canada have increased 6% - 9% annually since 2000
- Skyrocketing non-clinical labour costs, e.g.
 - Housekeepers hourly wage: \$18.30 – \$23.40
 - Food Service workers: \$17.50 – \$28.20
 - Laundry staff: \$18.10 – \$24.00
 - Security personnel: \$18.90 – \$27.30
- Rising consumer expectations

An Opportunity: Bill 29 Legislation

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June 2001: the new BC government introduced “New Era Goals” to:

- Improve the Health and Wellness of BC Residents
- Provide High Quality, Affordable and Sustainable Health Care

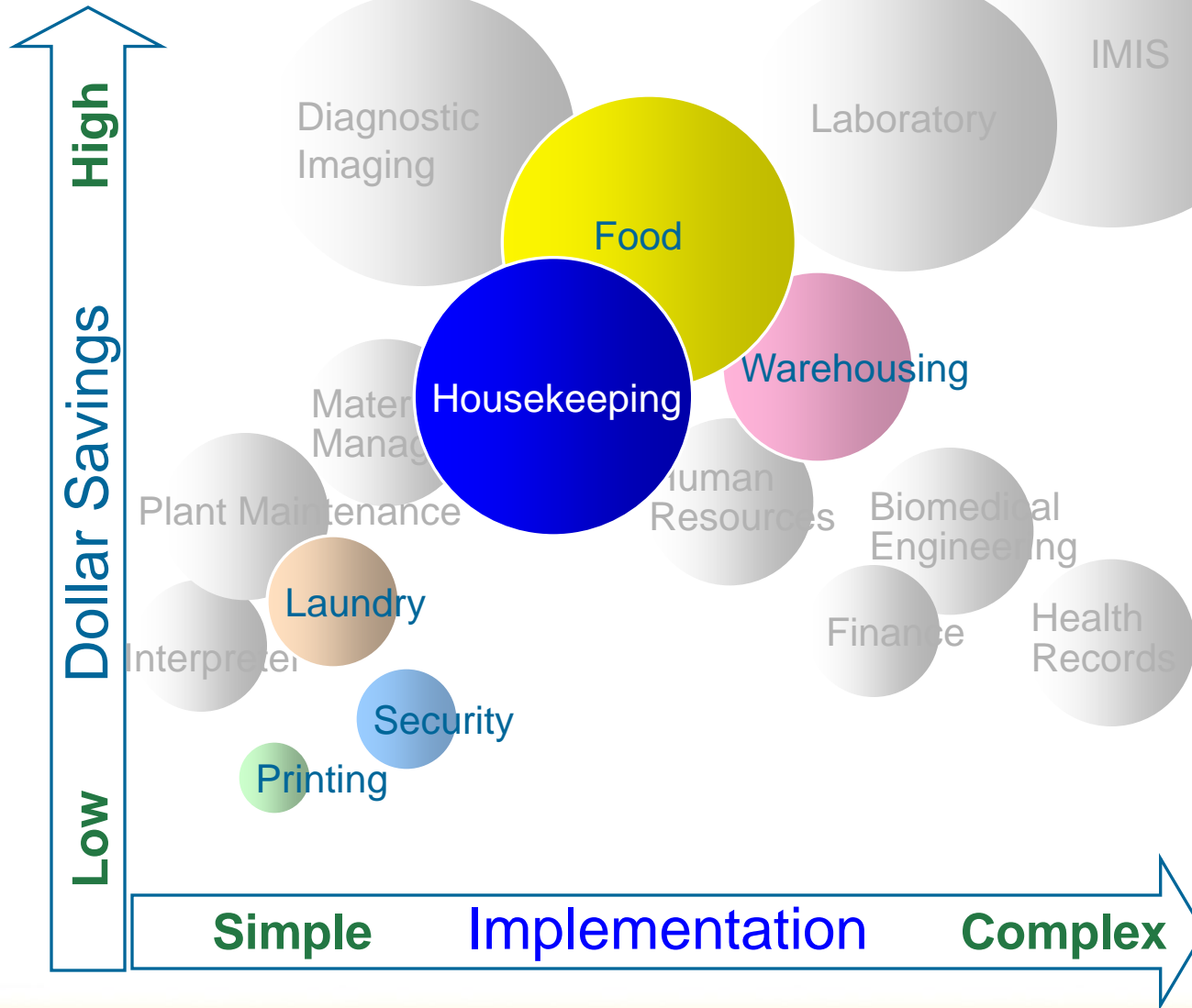
January 2002: Bill 29 reduced barriers to private sector involvement in non-clinical services. Health Authorities able to consider new service delivery options, including

- Managed Services
- Public Private Partnerships
 - Private sector to design, build, finance and maintain publicly operated hospitals.
 - Clinical services remain publicly operated
- Outsourcing to drive public accountability to ensure that patient safety and throughput was measured in an objective manner. This led to the development of standard provincial tools to monitor performance.

Vancouver Coastal Health Actions and Results

Opportunities Assessment

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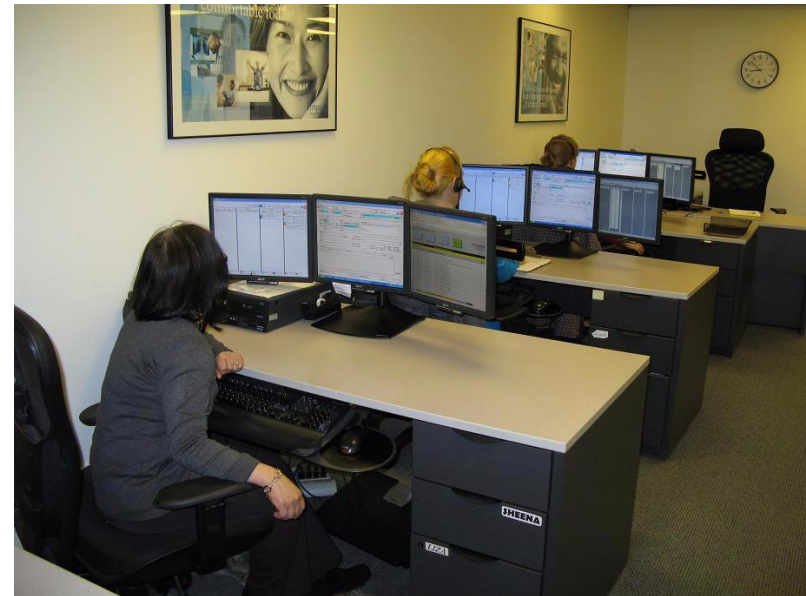


VCH Health System Redesign Plan
 A study of 32 non-clinical business areas with scope for change in service delivery
 Analysis completed of savings sensitivities, change complexities
 Areas with highest potential for success identified for 1st phase of outsourcing

In Housekeeping, Steps Were Taken To Enhance Communication and Speed Up Patient Throughput Processes.

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- Implement a call centre and integrate systems.
 - One number to call for all housekeeping service needs.
- Improvements/efficiencies achieved
 - Built in escalation processes
 - Ability to re-direct staffing across all areas
 - Reduced costs by centralizing the service
 - More robust reporting and monitoring functions.



Housekeeping Patient Service Card Allows Patients and Visitors Access To Call Centre

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- Reduced nursing workload
- Increased patient satisfaction.



Welcome to Vancouver General Hospital

The ARAMARK Housekeeping Staff are pleased to provide you with a clean and sanitized room for your stay.

If you have a request or comment for **Housekeeping** please contact us by phone and we'll be pleased to assist.

 **ARAMARK**
Housekeeping

Customer Service Centre
(604) 694-6300

Vancouver Coastal Health
Promoting wellness. Changing care.

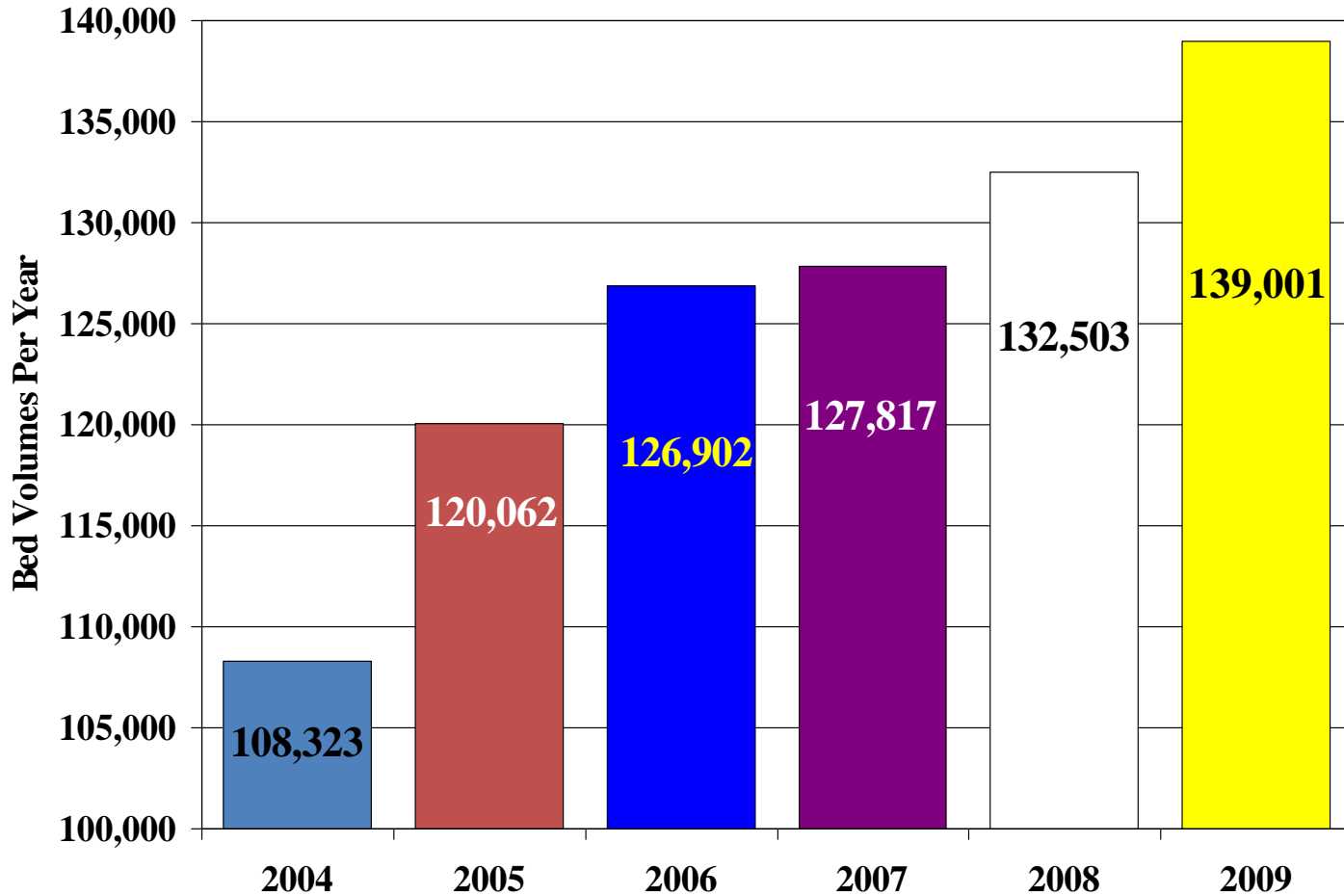
Housekeeping: Integrate Bed Management Process To Drive Efficiencies in Patient Throughput

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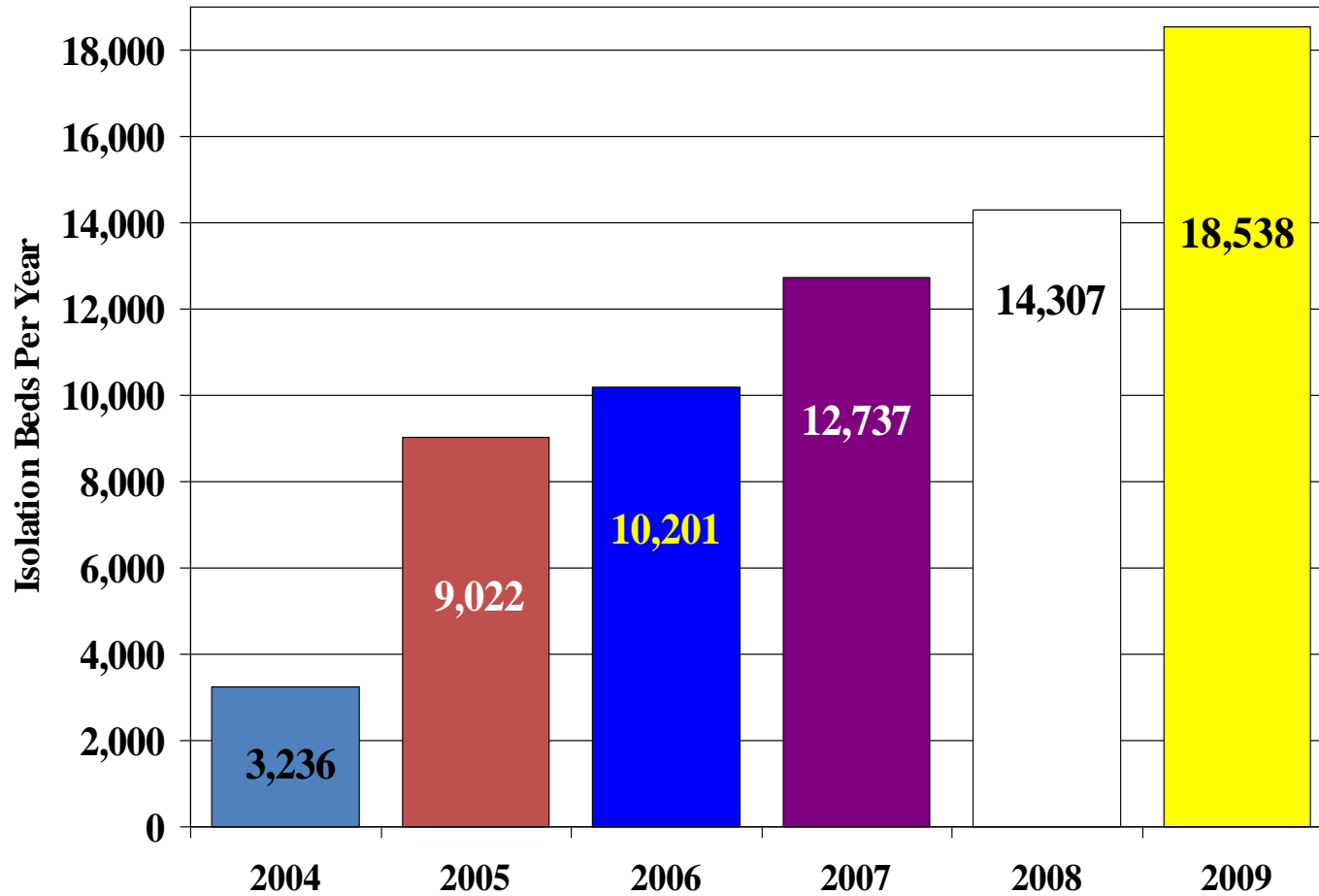
- Improve overall visibility of site activity
- Prioritize bed placement
- Decrease non-clinical nursing activities
- Increase bed availability.
- Reduced ED congestion.



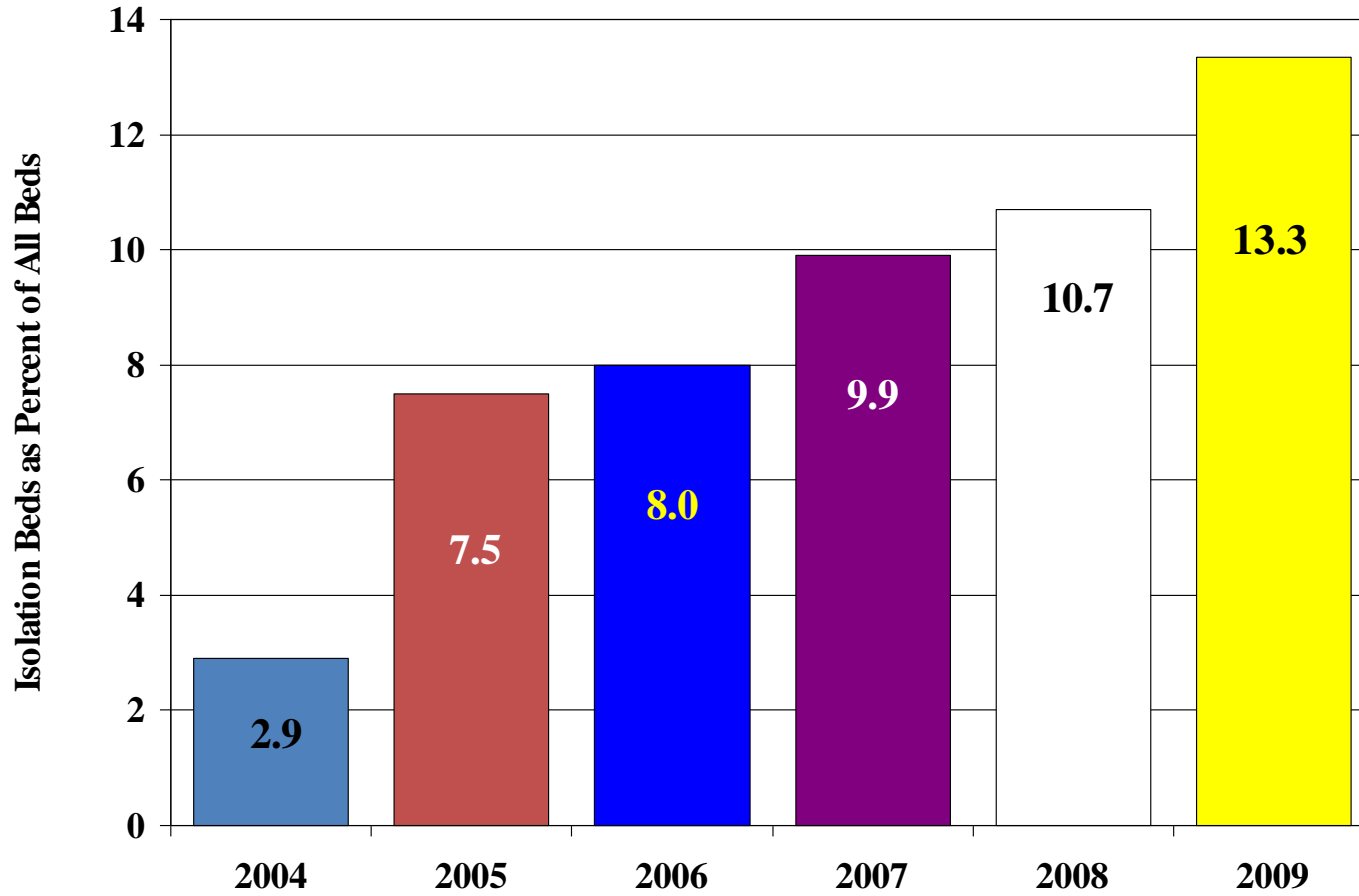
Bed Discharge Volumes



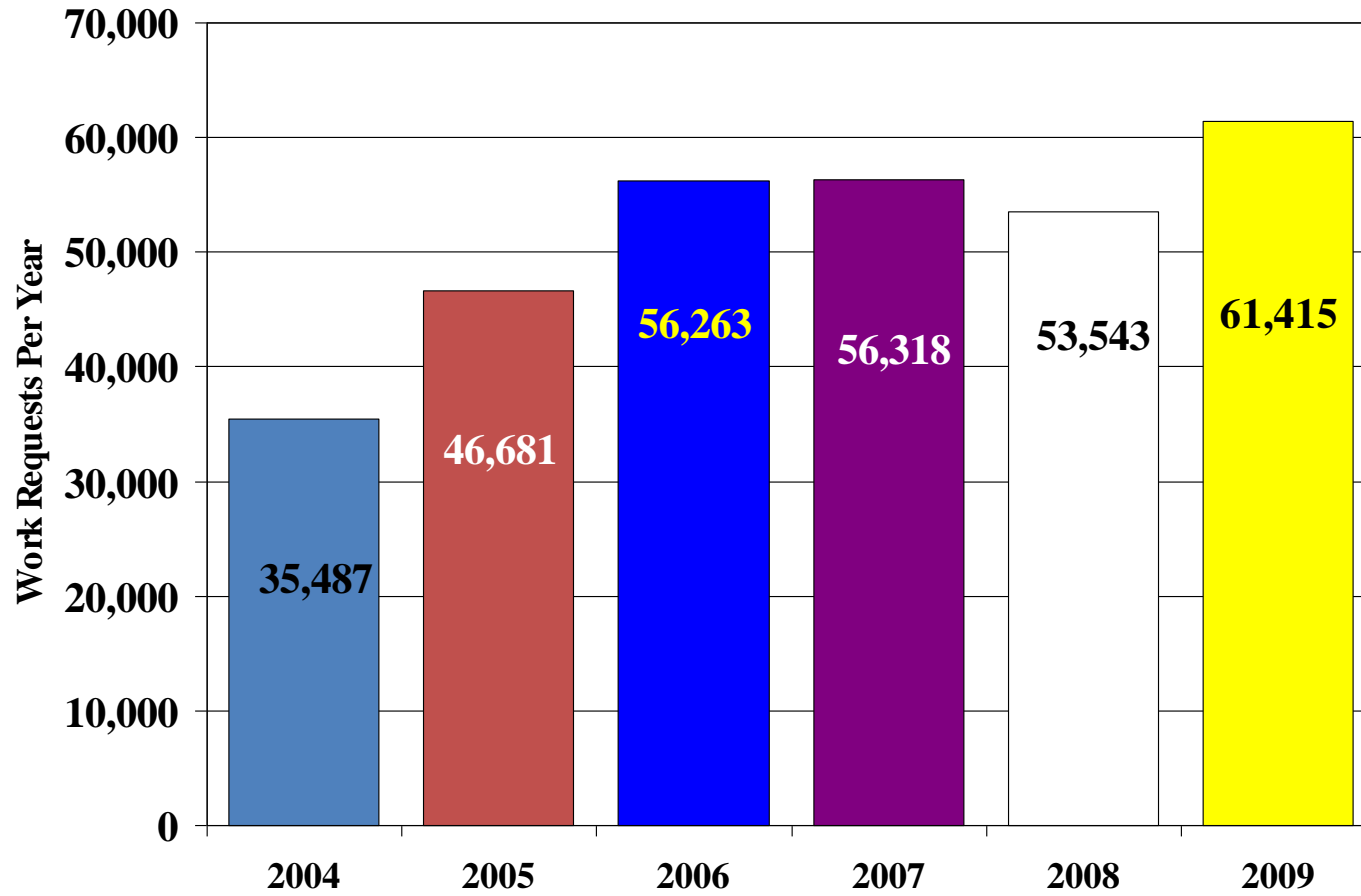
Isolation Bed Volumes



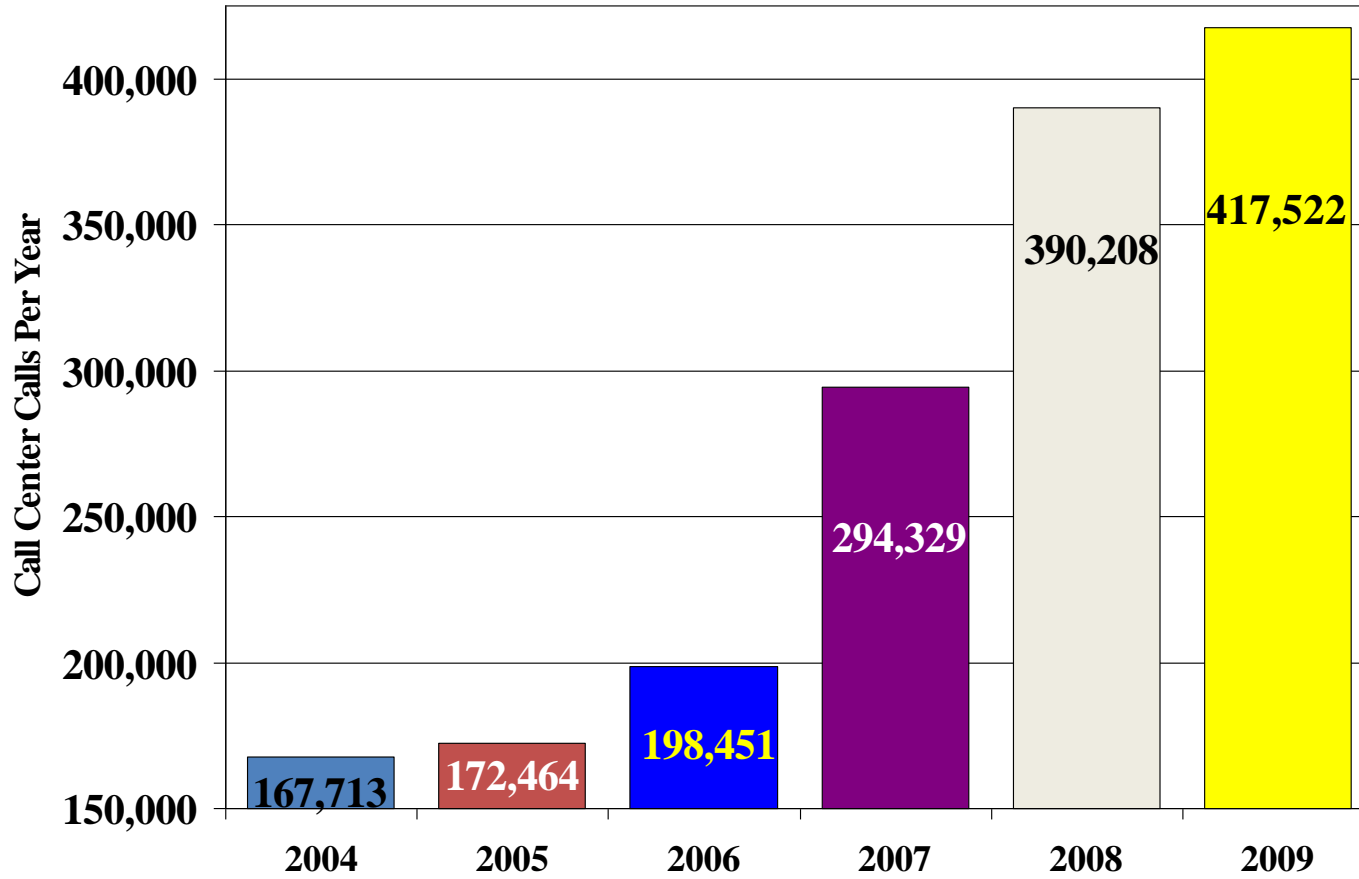
Isolation Beds as % of All Beds



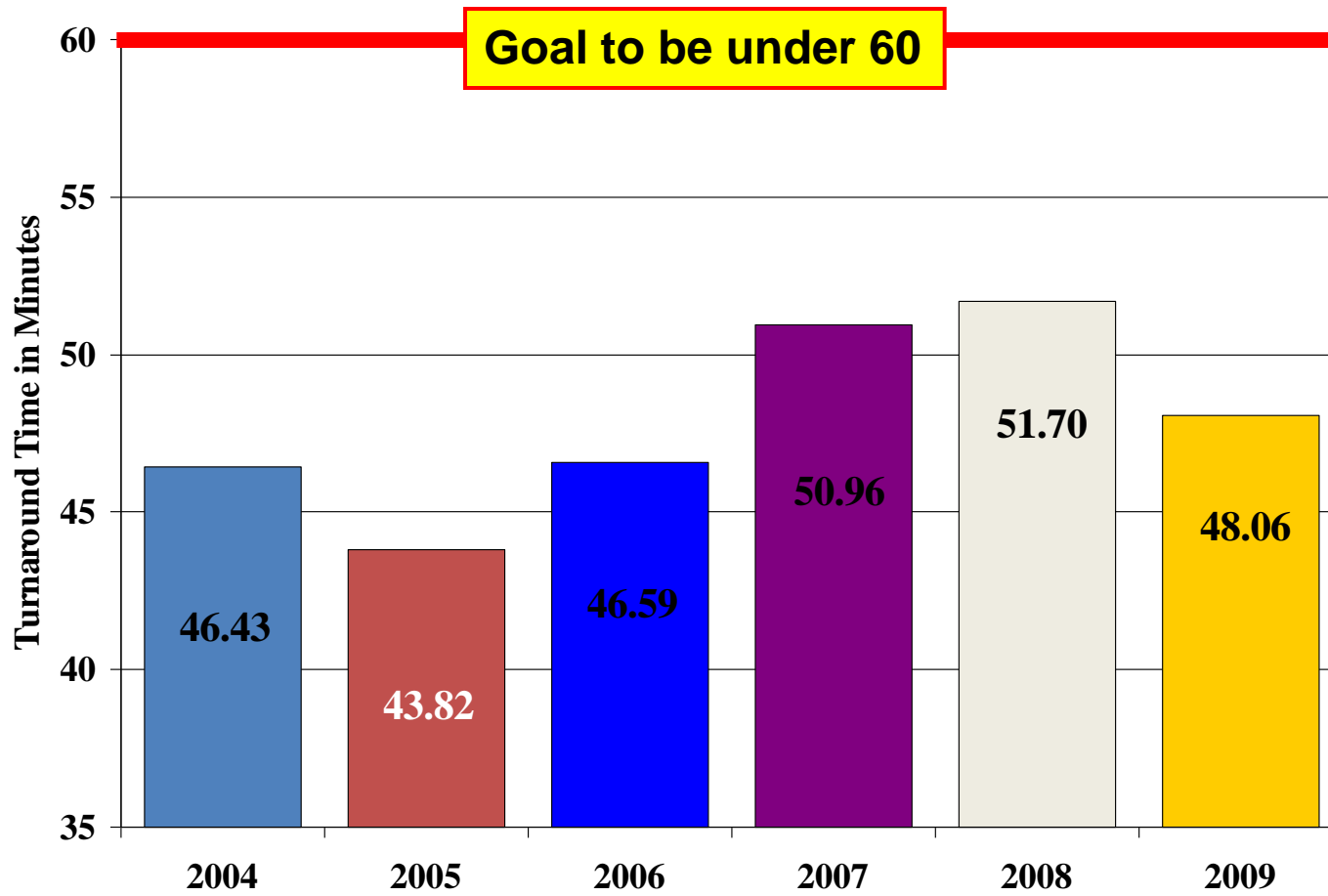
Work Request Volumes



Inbound Call Volume



Regular Bed Turn Around Times



Summary of Housekeeping Impact On Patient Throughput

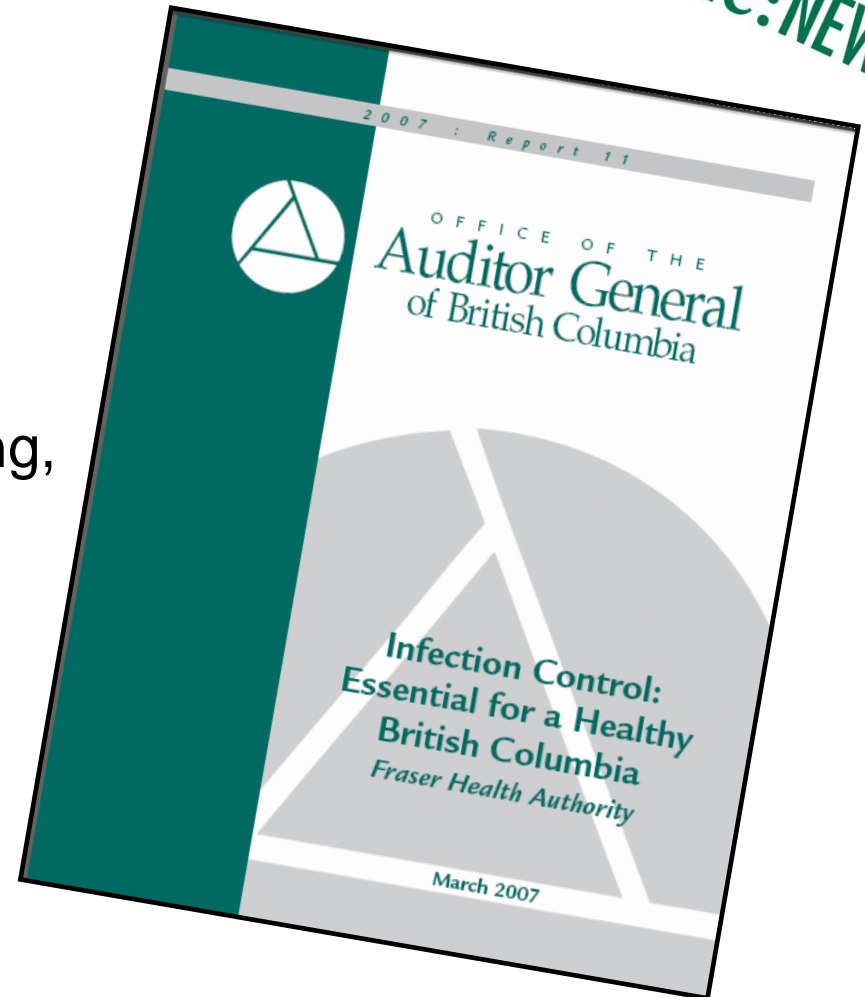
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Turn Around Times (TAT's) maintained below target of 60 minutes despite very large increases in activity since 2004:

- 22% increase in Regular Bed discharges
- 340% increase in Isolation Bed Discharges
- 3300% increase in VRE Bed discharges
- 50% increase in work requests
- 57% increase in Call Centre traffic

Developed Patient Safety Standards

- Developed a standardized visual provincial cleaning audit tool (BCHA Cleaning Standard)
- Using ARAMARK Healthcare, we significantly enhanced staff training, standardized cleaning practices, and improved predictability of results

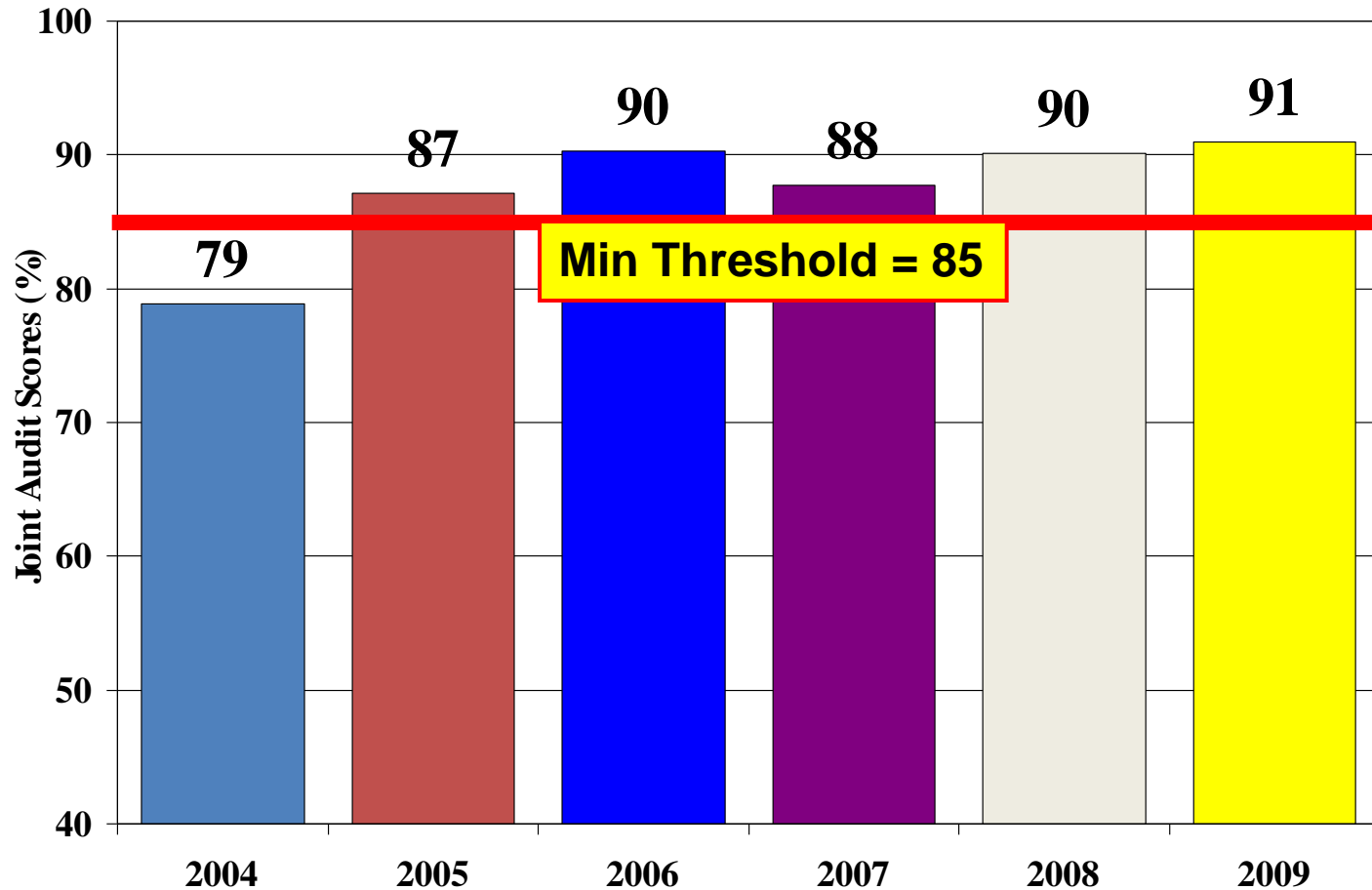


Patient Safety Improvements

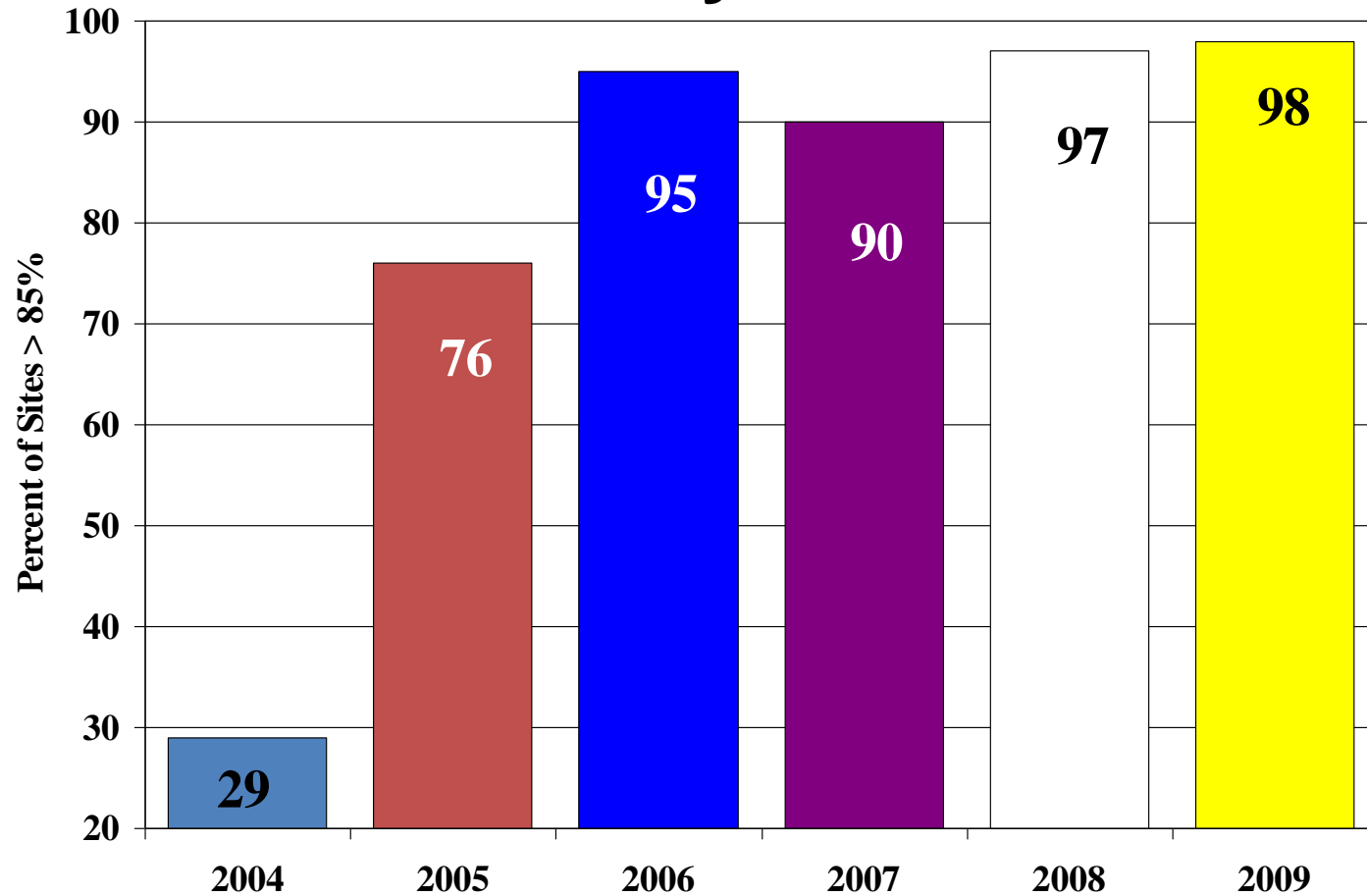
- Observational audits of cleaning staff to ensure adherence to standard practices
- Use UV light markers (Glo-germ) to determine the thoroughness of the physical cleaning practice.



Quality Audit Average Scores



Ratio of Sites that Passed Quality Audit



Additional Gains

- Measurement and Benchmarking
- Continual drive for efficiency
- Standardization
- Risk assessment capability
- Increased accountability
- Performance management
- Strategic investments, capital infusions
- Enables longer term thinking, planning
- Full knowledge of true costs

Vancouver Coastal Health Ongoing Challenges

Risks to Continued Success

- **Quality Risks**
 - Pressure to perpetually raise the bar
 - Improving / maintaining quality while reducing costs
- **Scope creep** i.e. increasing workload with static resources
- **Staffing issues** (turnover, ability)
- **Transition / start up risks** when moving to new contractors
- **Increasing demands** - patient volumes / acuity
 - Isolation clean volumes / infection control demands
 - Increasing aggression incidents at urban hospitals

Risks to Continued Success...cont.

- **Labour Risks**
 - Availability & Quality in tight labour pool
 - High turnover rates (wages / benefits / morale)
 - Possibility of coordinated job action on CBAs' expiry
- **Economic**
 - Labour rates certain to rise significantly (living wage)
 - Increasing commodity prices (food, fuel, cleaning chemicals, other products and supplies)
 - Contractor profitability
 - HA funding constraints
- **Political**
 - Politicised media bias
 - Corporate / Union memory of staff layoffs

What Makes a Successful *Partner*?

- Good corporate fit with VCH
- Employs Best Practices in their business, demonstrates leading edge operations, expertise in their fields
- Demonstrate good, strong management practices
- Provide opportunities for innovation and continuous improvement
- Responsive to helping meet healthcare challenges
- Ability to offer solutions in other areas, outside their contracts

In Review...

- Lessons learned from a Canadian healthcare system in adapting to legislative initiatives.
- Understand technologies to drive patient throughput and safety.
- Define metrics and build a patient throughput dashboard.
- Adapt! Necessity is the mother of invention.

Questions?

Contact Information

David R. Handley, CHE (Canadian College of Health Services Executives)

Executive Director – Business Initiatives and Support Services

Vancouver Coastal Health, Fraser Health, Provincial Health Services Authority and Providence Health Care

Suite 750 - 601 West Broadway

Vancouver, BC V5Z 4C2

(604) 875-4710

David.handley@vch.ca



Anthony C. Stanowski, FACHE

Vice President Industry Relations

ARAMARK Healthcare

1101 Market Street

19th Floor

Philadelphia, PA 19107

215-238-3550

stanowski-anthony@aramark.com



Bio: David R Handley, CHE

David Handley, CHE, is the Executive Director – Business Initiatives and Support Services Vancouver Coastal Health, Fraser Health, Provincial Health Services Authority and Providence Health Care. David is responsible for creating and leading an integrated team to implement large, complex business initiatives, and for procuring and managing an annual value of \$200 million of contracted supported services for both Health Authorities and Providence Health Care.

David held executive positions with North Shore Health Region and East Central Region Health Authority (Alberta), St. Joseph's Auxiliary Hospital, Edmonton, Alberta and St. Mary's Hospital (Cambrose, Alberta).

David began his health care career as a physical therapist at Killam Hospital, Killam, Alberta And Pilgrim Hospital, Boston, England.

David is a Certified Health Executive in the Canadian College Of Health Service Executives. He holds a Health Care Administration Certificate from the University Of Saskatchewan, and a B.Sc. (equiv) from South Teesside School Of Physiotherapy, Britain

Bio: Anthony C Stanowski, FACHE

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Anthony Stanowski, FACHE, is the Vice President of Industry Relations for ARAMARK Healthcare. Anthony leads ARAMARK's partnerships to align support service functions, such as environmental services, food and nutrition, clinical equipment, and facilities management, with clinical, financial, and satisfaction outcomes.

Anthony held management positions with Thomson Reuters, Jefferson Health System (Philadelphia, PA), Main Line Health (Bryn Mawr, PA), and Graduate Health System (Philadelphia, PA).

He serves on the Board at Bon Secours Baltimore Health System (Maryland). He is a past President of the Healthcare Planning and Marketing Society of New Jersey.

Anthony is a senior fellow at the Jefferson School of Population Health, Philadelphia. He serves on the advisory council in the health care graduate programs at Widener University and the New Jersey Institute of Technology. In 2008 Widener University awarded Anthony the Health Care Management Outstanding Alumnus Award.

Anthony holds graduate degrees from Drexel University (MS, Marketing) and Widener University (MBA Healthcare Administration), and a bachelor's from the University of Pennsylvania (Communications *honors* and Psychology).

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July 05, 2009. <http://seekingalpha.com/article/146992-comparing-u-s-healthcare-spending-with-other-oecd-countries>
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