Acknowledgements

The turn-around of the Chatham-Kent Health Alliance (CKHA) has been the result of a tremendous team effort. I want to acknowledge the staff, physicians and volunteers at the Chatham-Kent Health Alliance who through the period of dysfunction leading up to the appointment of a Supervisor and through the major changes that have occurred over the last 18 months have been unwavering in their focus on excellent patient care. The community is fortunate to have these heroes who despite working under tremendous pressure in what had been described as a toxic work environment never lost their commitment to the people whose care the Hospital is entrusted with.

I also want to thank all of the people who have stepped up as leaders, both physicians and non-physicians, in the restructured hospital, taking on new or changed roles, to drive the organization forward. Some have come from within the organization and others are new. They have come together as a team and have embraced the vision for a Hospital system anchored by two sites and grounded in the shared belief in patient focus, accountability and transparency. This group including but not limited to Managers, Directors, Chiefs and Executives have shown great resilience, perseverance, creativity and commitment.

Finally, I want to acknowledge the support received over the last year and one half from the Ontario Public Service members of the Ministry of Health and staff of the Erie St Clair Local Health Integration Network. These individuals who work behind the scenes ensured that we had the tools we needed and have never wavered in their focus on patient’s first in support of the many changes that had to be made at CKHA. Too often we forget to acknowledge the commitment and professionalism of our public servants.

Introduction

On August 31, 2016, I was appointed by Order-In-Council under the Public Hospital’s Act as the Supervisor of each of the Hospital corporations that comprised the Chatham-Kent Health Alliance (CKHA). Created 20 years ago, the Alliance has struggled over the years with a series of very significant pressures culminating in the appointment of a Provincial Investigator and Provincial Supervisor, steps that are taken in the public interest when hospitals face severe difficulties.

The Investigator’s report provided a starting point for the Supervision process. However, with the benefit of more intensive review and analysis, the focus under supervision moved from the competing redevelopment visions of the three Boards, as outlined in the report, to the underlying root cause of the problems namely a fundamentally flawed governance structure.

At the heart of the dysfunction at CKHA were five corporate level elements that collectively contributed to the impasse at the Board level and placed the organization on the verge of insolvency. As was highlighted in the fall of 2017, when the new corporate structure was announced, these elements were:
• No clear vision for a two-site hospital system
• The fundamentally flawed tri-board governance model
• A governance model that had not evolved with increased accountability expectations
• An alliance agreement on paper not in practice
• Failed governance placing hospital services at risk

Emanating from the governance dysfunction was an absence of a “tone at the top” to set a clear focus on patients, accountability, transparency and a healthy workplace. Symptoms of this severely challenged organization have been well documented over the past year and a half including:

• A workplace described by many as toxic
• An organization on the verge of insolvency
• Lack of clear and realistic facility redevelopment strategies
• Lack of effective controls and governance/management systems
• Failure of the Quality Committee of the Board to meet for almost a year
• A dysfunctional organizational structure
• Poor relations with the local community and media leading to a lack of confidence and trust

The Interventions

A simple five (5) point tactical plan was used to focus activities to ensure that the transformation of CKHA was successful. This model is presented below in figure 1.
Through the Organization’s new approaches to transparency, many of the targeted improvement interventions have already been well documented in the public domain so will not be repeated here. A summary listing of interventions is provided in Appendix 1.

**Work left to be done**

The organization is on a much better trajectory today than it was when Supervision started in 2016. There have been numerous changes which are now in various stages of implementation or maturity. However, one item sticks out as work left to be done over the coming months.

One of the most impactful discussions with external stakeholders was a meeting early on with Chief Dan Miskokomon from Bkejwanong Walpole Island First Nation. Through this discussion it became apparent that the organization really needs to develop a focus and understanding of cultural sensitivity and competency. The goal of this is to ensure culturally safe care for our indigenous population. There has not been a focussed effort in this regard and it has had an impact on services and patient experience for our First Nations people. Attitudes, biases and pre-conceived notions can reside in all of us and lead to un-intended behaviors or reactions. Without even knowing it these misinformed and misplaced biases can lead to very different experiences for patients of different backgrounds. Moreover, without seeking to understand and partner with diverse communities, service needs can go unaddressed or alternatively be designed in a way that do not fit local needs or culture. The Chatham-Kent region is a community of communities and is fortunate to have two important First Nations communities. A new and strengthened focus on cultural competence and understanding is crucial if the hospital wants to really deliver on a “patients first” philosophy. It is important that CKHA ensure that care is delivered in a culturally safe manner for all of the communities it serves. A process to improve cultural competence from the boardroom to the bedside will begin in the coming months as a part of the organization’s strategic plan.

**Lessons learned**

The Chatham-Kent story offers a number of important lessons for health leaders and policy makers. A number of these lessons are discussed below.

1. **Ensure a singular fiduciary duty whenever new organization structures are developed**

   Mergers, amalgamations or integrations of organizations have occurred among health care organizations periodically over the past few decades. Although not originally a merger, the creation of CKHA was an effort to integrate the operations of three hospitals while maintaining separate governance. Bringing together organizations in a merger is a complex process and requires both solid leadership and an effective structure. Unfortunately, there can be well-intended efforts to soften integration by keeping remnants of the legacy corporations in the new integrated structure. While virtually all aspects of the three-member hospitals of CKHA were integrated (e.g. 1 medical staff, 1 set of employees, etc.) the Boards were not integrated. Although, this was probably seen at the time of the creation of the Alliance as a way to get around potential opposition from different interest groups,
this solution in time became the root cause of the dysfunction at CKHA. Indeed, it took the powers available under the Public Hospitals Act to ultimately integrate the three corporations. Mergers and integrations require determination and leadership. Compromise type changes like the structure implemented at CKHA, will create down-stream issues and should be avoided.

2. Governance best practices must be truly followed not just talked about

The role of a Hospital Board member carries with it significant responsibility. The accountabilities of a director were well outlined in the paper that was posted on [AskCKHA.com](http://www.askckha.com/governance/). This sort of paper should be required reading for all Board members. Health Care Boards can lose their line of sight in terms of their accountabilities and responsibilities. In the case of CKHA, a culture emerged at the governance and executive management table that accepted a lack of focus on quality, on-going financial deficits and a lack of healthy skepticism in Board processes.

2.1 **Skills based board recruitment is a must**

Good governance starts with skilled directors. This is more than boards periodically reviewing a skills matrix and begins with a robust recruitment process. All Hospital boards should follow robust recruitment practices that use an approach similar to that used to recruit an executive. The search process for Directors must be grounded in clear expectations around skill and competency for potential candidates.

2.2 **Board training and development must be thorough, strategic and ongoing**

Education and training of Board members is critical so as to ensure that they are armed with the knowledge and information needed to oversee and guide the organization. Before Board members join a board, focussed orientation should be provided with a focus on strategic issues, Board accountabilities, generative thinking and health care more systemically. Hospital Boards should have in place ongoing education plans that ensure continuous learning for the board. Too often board orientation and on-going training focuses on things like departmental presentations and tours. While Boards need to understand the organizations they are overseeing, this more traditional approach tends to pull them into more of a managerial focus leaving the important role of governance thinly covered.

2.3 **Board evaluation must be routine, robust and forthright**

The evaluation of Board Directors, Chief Executive Officers and Chiefs of Staff must be robust and conducted regularly. It should be linked to performance of the organization and Boards should consider using a third party to periodically assess Board performance. In the CKHA context, robust and routine Board evaluation could have surfaced a conversation on improvement strategies well before the dysfunction set in.
2.4 **Board culture or “Tone at the Top” will show up at the bedside**

Boards have a culture. This culture will ultimately transcend the hospital as the “Tone at the Top” sets the stage and serves as an exemplar for the whole organization. The culture at the Board table becomes the culture of Management. Boards need to be aware of the impact of the tone that they set. The controls audit conducted in 2017 and posted on askckha.com reflects the impact that the wrong tone can have on a range of important processes and controls.

2.5 **Clear strategy is essential**

Every organization must have a strategic plan. It is the only way to ensure that everyone is “rowing in the same direction”. These plans through their vision, mission, values, tactics and metrics provide everyone from the Board Room to the Bed Side with a clear line of sight. They must speak to all members of the organization, staff, physicians, volunteers as well as the community. It is through the plan and the identification of key performance metrics in the form of a balanced scorecard that oversight is provided by the Board. A strong strategic plan ensures that an effective scorecard can be developed which should become management and the Board’s dashboard for ensuring that the organization is running well.

While CKHA had a plan, it was not one that connected with everyone in the hospital, providing a framework where people could find their place and see their contribution to the organization’s purpose and future. All too often organizations do not walk the talk of the plan and in particular, the organization’s values. Moreover, the plans are not developed internally in an open way. When strategy is developed by the organization there is a greater sense of ownership. Under new leadership a new strategic plan is being developed. The process to develop plan elements such as vision, mission and values has and will be done with significant staff and community engagement.

2.6 **Board Process**

Boards need to be disciplined in their processes and demand of management strict compliance with Board processes. Challenged organizations are often missing governance practices such as standardized reporting formats for Board materials and appropriately timed distribution of materials in advance of meetings. This was the case with CKHA, for example prior to the first Board committee meeting under supervision over ninety pages of meeting materials were provided only 24 hours before the meeting. Well-functioning organizations do not do this – rather they ensure that materials are prepared in a standardized format ensuring focussed review, meeting materials are distributed many days in advance according to a fixed schedule, no “walk in” materials are accepted at meetings. When this basic discipline is missing from the governance table, it means that board members are not given the time to review and think about issues and undermines their effectiveness. It also runs the risk that these same poor practices will be used elsewhere in the organization.
3. Monitoring Performance and Early warning of need for intervention

Boards, Local Health Integration Networks and the Ministry of Health need to strengthen performance oversight. This does not mean adding more indicators or metrics of performance but rather move to an approach focussed on improvement plans linked to strategy. Too often when performance metrics fall below expectation, the discussion turns to flaws in data collection, unique organizational characteristics or external forces that have poor performance rather than on what the organization through management is going to do about improvement. A focus on results and improvement and what will be done to fix lagging performance rather than why the measure is wrong or helplessness about the problem is crucial to long term success of organizations.

The appointment of a Supervisor is a very significant step in that it takes away local oversight and is only used when an organization almost hits bottom as was the case with CKHA. It would be far more preferable for there to be early warning systems so that interventions such as coaching teams, operational reviews and the like could be tried in an effort to change the downward trajectory of the organization. Unfortunately, in a public system, attention is often drawn to the “problem of the day” and the slow steady deterioration of an organization goes unnoticed until it is too late. It is important that Boards, LHINs and the Ministry look at organizations longitudinally ensuring that performance reports show trends over time.

![CKHA Historical Financial Performance](image)

For example, had the financial situation of CKHA been looked at over a period of years as was done once under supervision (Figure 2), the deterioration of the hospital’s cash position would have been obvious. Had the Board asked for this simple analysis from management, perhaps the spiral of debt and the severe erosion of working capital could have been
avoided. This sort of analysis should have led the Board and the funding organizations to ask questions about their contingency plans to reverse the spiral of debt and ensure that the Board and leadership were meeting their fiduciary duty.

4. **Transparency is a must – Honesty is not the best policy it is the only Policy**

Complaints about a lack of transparency were commonplace at the time supervision was initiated at CKHA. Secrecy, a lack of access to local media and decisions made behind closed doors without input of others led to a culture of mistrust internally and to suspicion and eroded confidence externally.

A concerted effort to change this and to make the organization more transparent was initiated. This ranged from regularly scheduled staff town halls to a new staff new letter, to open houses across the community to regular updates at 60-day intervals with the local media. Public institutions like hospitals must be transparent both internally and externally with their stakeholders, it builds trust and collaboration. Talking openly about both the positives and the negatives in an organization allows one to focus on what is being done to make things better and builds confidence in the organization.

**Conclusion**

A lot has changed at CKHA over the past 18 months. The organization has reversed its downward trajectory and with excellent new leadership and governance is poised to leap forward. Increased patient focus, an improving workplace, a strong and skilled new board, new facility redevelopment plans, a return to balanced budgets are all important anchors of the new direction for the organization. An exciting future is ahead for CKHA.

While Supervision can enable rapid change, it is not a sustainable model for good oversight of important public institutions like a hospital. Local, skilled based governance is essential for hospitals to thrive over the long term. Chatham-Kent is fortunate to have an outstanding group of citizens who have stepped up and agreed to become board members for the organization. It is with great confidence that the oversight of the hospital can now be handed to these individuals.
Appendix 1 - Status of Major Interventions at CKHA

Summary Status Report

✓ Item completed

Put Patients First

- Strengthen voice of patient through involvement and education
  ✓ Introduce patient videos at every board and committee meeting, and management meetings
  ✓ Add patient advisor to Board Mission and Quality Committee
  ✓ Include patient advisors on search committees for President and CEO, and Chief of Medical Staff
  ✓ Include patient advisor on all program councils
  ✓ Include patient advisor in interviews for management level positions
  ✓ Recruitment campaign to increase number of patient advisors within the organization

Rebuild Medical Leadership

- Restructure Medical Leadership to achieve a more coherent structure, reduce positions, and reduce cost
  ✓ Terminated all physician contracts
  ✓ Develop a new medical leadership model in concert with the medical advisory committee
  ✓ Initiate transparent and skills-based recruitment process for Chief of Medical Staff, and combined Chief/Medical Director positions
  ✓ Appoint new Chief of Medical Staff
  ✓ Appoint Chiefs/Medical Directors
  ✓ On board medical leaders
  ✓ Implement program management model in which physician leaders and administrative leaders jointly provide operational, financial, and strategic oversight to clinical programs and services

Realign Senior Team

- Restructure executive leadership to achieve a balanced focus on patients, people, and processes/performance
  ✓ Eliminate Chief Operating Officer position
  ✓ Elevate Director of Human Resources to Vice President and Chief Human Resources Officer
  ✓ Recruit Vice President and Chief Financial Officer
  ✓ Recruit President and Chief Executive Officer
Renew Organizational Culture

- Develop staff engagement strategy to understand the current culture and develop a plan to revitalize
  - Engage third party to conduct survey
  - Conduct staff engagement survey
  - Obtain results and communicate within hospital
  - Form team to review results and develop strategies to target improvements
  - Communicate strategy
  - Survey quarterly to measure progress

- Refresh values to ensure define culture and beliefs
  - Finish the work started in 2016
  - Prepare and distribute communication to staff
  - Post values wordle in all meeting rooms, cafeteria, all common spaces

- Update and broaden code of conduct to focus on integrity and ethical behavior
  - Obtain examples from other organizations
  - Prepare draft
  - Share with union leadership and management
  - Obtain senior management approval
  - Develop sign off form and attestation for leadership (management and physician)
  - Provide Code of Conduct policy training to all leaders in organization

- Provide confidential and anonymous vehicle for staff to report unethical, unlawful, inappropriate behavior
  - Issue RFP to third party providers of ‘whistleblower hotlines’
  - Select Vendor
  - Set up system
  - Go live
  - Monitor whistleblower complaints with process and update report to Board

- Strengthen internal and external communications based on transparency and honesty
  - Hold media updates every 60 days
  - Introduce monthly newsletter – “Engage”
  - Hold monthly meetings with union leadership
  - Establish a web based vehicle for staff and the public to obtain information ‘askckha.com’
  - 60 Day updates with organization held at both sites
• Elevate staff safety as a priority focus and implement measures to improve
  ✓ Personal calls from CEO to staff/physicians assaulted at work (typically by patients)
  ✓ Partner with another hospital that is a leader in staff safety
  ✓ Form a workplace violence prevention committee
  ✓ Develop a strategy to improve safety

• Improve financial reporting to provide timely and relevant information
  ✓ Incorporate sensitivity analysis into financial statements

• Strengthen internal controls to ensure compliance with regulations and policies, and to safeguard resources
  ✓ Engage auditors to conduct a review of internal controls
  ✓ Receive report and develop plan to address issues
  ✓ Monitor and report progress to plan

• Introduce new compliance certificates to provide assurance regarding fiduciary and regulatory compliance
  ✓ Obtain examples from other organizations
  ✓ Prepare draft and submit to board
  ✓ Implement at fiscal 2016/17 year end

• Communicate leadership expectations to ensure a focus on organizational priorities and strategy
  ✓ Introduce mandate letters
  ✓ Prepare for President and CEO
  ✓ Prepare for Chief of Staff
  ✓ Prepare for Vice Presidents, Physician Leaders and Directors

• Strengthen performance management to ensure a focus on performance, results, and accountability
  ✓ Introduce monthly financial reviews
  ✓ Introduce quarterly deep dive operating reviews

• Review mental health services to understand workplace dynamics and improve culture
  ✓ Receive information from staff and physicians
  ✓ Engage external reviewer team
  ✓ Conduct review
  ✓ Develop strategy to address recommendations
Governance

- Develop and implement recovery plan to strengthen hospital’s financial position and improve operating efficiency
  - Analyze historical financial performance
  - Review board minutes and management documentation regarding financial performance
  - Engage third party to conduct benchmarking review
  - Communicate financial situation to staff and community
  - Engage third party assistance for a recovery plan
  - Launch a recovery plan process

- Review emergency services at both sites to identify opportunities for improvement in how services are delivered
  - Engage external reviewer
  - Conduct review
  - Develop strategy to address recommendations

- Develop a rural health strategy to understand the unique requirements, characteristics and needs
  - Announce the formation of a rural health advisory committee
  - Approach specific individuals/agencies and advertise for geographic representation
  - Operationalize the committee
  - Develop overall approach and strategy that aligns with the rural sub-LHIN activities

- Develop a vision for the Wallaceburg campus that leverages the site to better serve the region
  - Review previous reports
  - Prepare paper on service options
  - Discuss with the ESC LHIN
  - Engage in community consultation
  - Finalize vision and present to the ESC LHIN and the MOHLTC

- Prepare a capital infrastructure plan for both sites to ensure appropriate facilities for the next 25 years
  - Update assessments of infrastructure requirements across both sites
  - Engage an architect to focus on the Wallaceburg and Chatham sites and generate site development options
  - Commence consultation process
• Develop a corporate structure and governance model that reflects best practice
  ✓ Issue a paper on the legal requirements of hospital governance
  ✓ Issue a paper on corporate structures and governance models
  ✓ Undertake consultation process
  ✓ Discuss with sponsor organization
  ✓ Finalize corporate structure and governance model
  ✓ Finalize new by-laws and governance manual
  ✓ Obtain LHIN and MOHLTC approval of corporate structure
  ✓ Implement Single Corporate Structure
  ✓ Recruit board members
  ✓ Create Board Executive and populate Board committees
  ✓ On board and orientate new board
  ✓ Retain governance coach to support the new Board and Administrative leadership