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Hospital Restructures Management

New organizational design positions PRHC for fiscal recovery

Peterborough, ON: PRHC's President and CEO Ken Tremblay today announced a new organizational design for the Hospital. The restructuring eliminates 20 positions, a 12.7% reduction in non-union and management staff and it generates \$1.6M in annualized savings.

PRHC now has a total of 137 non-union and management positions. Its total staffing compliment is 2,141 employees.

"As with any major re-design it was done after much care and consideration. The elimination of positions was necessary to accommodate the new structure," says Tremblay. "I thank each of the affected individuals for their years of service and their many contributions to PRHC and wish them well for the future. I have encouraged staff to please take the opportunity to wish these individuals well and to take part in any celebrations to acknowledge the contributions they have made."

A New Design for a New Steady State

"The way a hospital is organized is very important because it helps to shape culture and drive performance," says Tremblay. "In our case, the new structure aligns programs to better integrate the organization and support patient-centered care."

"In this time of financial crisis at PRHC, having a management and support structure that drives performance and our three strategic directions is an important step towards our financial recovery," says Tremblay. "I am confident the leaders we have in this new structure will improve our performance, deliver on patient quality outcomes and fulfill our community's expectations for PRHC to be a strong regional centre."

New Design Highlights

Highlights of our new organizational design include:

- The structure integrates the whole operation, avoiding silos. Clinical programs, improve utilization and patient flow are at the core of the design;
- Physician leaders are essential components in the structure. Program Medical Directors and Administrative Directors will jointly lead the programs;
- Senior team is newly constituted. It is responsible for the organization's policies, business strategy, planning, and upholds the values and ethics, and positions the organization for success. Its members include the Chief Executive Officer, Chief of Staff, the three Vice Presidents, Chief Information Officer and Chief Communications Officer;
- There are four (4) layers from CEO to front line staff;

- Each of the three Vice Presidents has approximately the same financial and budgetary accountability (\$80M). As well, each holds a Chief Officer role and plays a governance support role to the CEO.
- Reporting to a VP, each of the Administrative Program Directors has approximately the same clinical, performance, and budgetary accountability (\$27M) or otherwise cross-organizational complexity.
- Program Managers are accountable for all aspects of a unit, including the quality of care, quality of work environment and financial viability, and have span of approximately 100 direct staff reports.

Changes Associated with the New Design

The following chart summarizes the changes made today associated with PRHC's new organizational design.

Positions	Dec 2009	May 2010	Change
Executive	6	5	(1)
Directors, Managers, Cord/Supervisors	79	63	(16)
Professionals (e.g., Consultants, Analysts)	57	56	(1)
EA/Resource Assistants	15	13	(2)
Total Non Union	157	137	(20)

This represents a 12.7% reduction in non-union staff at PRHC. The total reduction of 20 positions in the above chart includes the elimination of 8 vacant positions, 4 previously announced restructured positions from March 2010, and 8 eliminated positions today. This returns PRHC's non-union staffing to 2005 levels and is in keeping with current best-practice benchmarks for similar hospitals.

Cost Saving Associated with the New Design

The annualized savings flowing from this new organizational design is approximately \$1.6M. In accordance with human resources practices, severances have been offered to those restructured employees based upon position and length of service.

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Spokesperson Availability:

Ken Tremblay is available for interviews by phone today between 6:30 – 7:30 pm.

Jonathan Bennett,
 Director, Communications, Planning and CCO
 Peterborough Regional Health Centre
 (direct) 705-876-5151
 (cell) 705-761-5916
jbennett@prhc.on.ca