

CHANGE IMPACT STATEMENT

DATE: 1st November 2024

SITE: Toronto Private Hospital

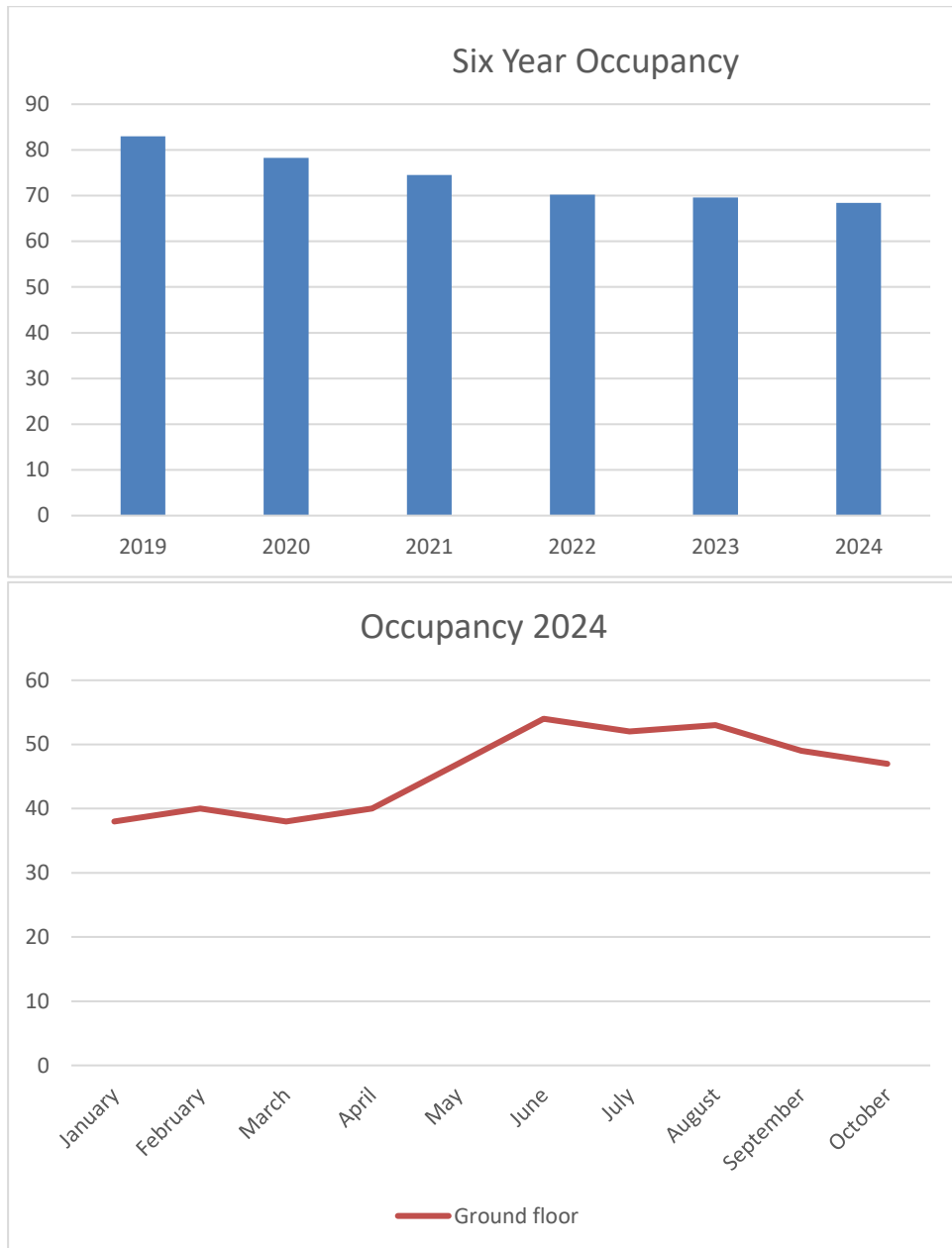
CHANGE: Temporary realignment of inpatient bed numbers on Excelsior and Catalina wards in line with recent occupancy trends.

Toronto Private Hospital's capacity to be reduced from 105 bed to 85 beds. This will be made up of:

- a) 35 Mental Health (no change)
- b) 5 sleep studies ground floor beds 36,37,38,39a & 39b.
- c) 45 rehab/medical beds ground floor. Reduction of 25 beds.

1. Context to Change

- It is well known that the private health sector continues to navigate through exceptionally challenging times. The inflationary pressures, persistent impacts of the pandemic, increased operational costs, high wages, and a shortage of medical professionals are exerting significant strain on private hospitals in Australia resulting in closure of more than 20 private hospitals across the country during last five years.
- Additionally, across the Australian private hospital sector, several factors are influencing demand for services, including increase in private health funds premiums and therefore affordability of Private Health Insurance, hospitals services now provided in patients' home in many cases by private health insurers and their direct network, and changes to GP's environment and resources. This has also had a significant impact at some of Aurora hospitals including Toronto Private.
- The Aurora Executive team, along with our hospital leadership, has undertaken the challenging task of assessing our bed capacity, evaluating staffing requirements, and making difficult decisions to support our hospital's long-term sustainability and success. As part of this process Toronto Private Hospital's occupancy trends and staffing levels have been evaluated.



- Toronto Private Hospital plans to reduce bed capacity to 85 beds, primarily by converting double rooms into single rooms to better align with patient expectations. Additionally, we are exploring strategic opportunities to expand into new and emerging markets.
- There will be no changes to the number of inpatient mental health beds at Toronto Private.
- In line with this decision, Toronto Private will implement several strategies to adjust staffing levels to the new bed capacity.
- These adjustments will include role modifications, redeployment options, and some positions becoming redundant.

2. Current Situation and Reason for Change

- Toronto Private Hospital currently has a maximum operational capacity of 105-beds across the following wards and service specialties:
 - Mental Health: 35
 - Catalina Ward: 37 x rehab/medical/pal care beds
 - Excelsior Ward: 33 x rehab/medical beds
- Since mid-2023, after the cessation of public contract patients, occupancy has dropped to around 60% of the 70 available rehab/medical beds on the ground floor. This trend has continued through 2024, with an average of 45 overnight patients year-to-date. This decrease has led to significant inefficiencies in staffing models, which has, in turn, adversely affected the hospital's financial sustainability.
- A review of our workforce and rostering has shown that our current permanent staffing model and model of care are misaligned with current patient demands, making them unsustainable and leading to financial losses. To secure the hospital's future sustainability, we must implement necessary changes.
- As a result, Toronto Private has decided to make the very difficult decision to reduce bed capacity on ground floor and correspondingly reduce staffing FTE (as well as undertake other non-labour cost reductions).
- The overall staff cohort will reduce by approximately 8 FTE across all workforce roles.

4. Effect of Change Proposal on affected Employees and provided support

- At commencement of the consultation period, CEO Scott Daczko will be attending the hospital's various team meetings and will be available for all employees to ask questions; feel free to text, email or drop into the office.
- He will hold meetings with relevant staff to inform them of the pending change and how this may impact them.
- The Change Impact Statement will be issued to all staff by email.
- For those employees impacted by potential redundancy, all individuals will be provided with notice to attend a meeting, and they are welcome to bring a support person.
- Those employees impacted will be spoken to individually over the week of the 18th of November 2024.
- All permanent staff whose roles are impacted and are unsuccessful in redeployment will be paid relevant entitlements as per the relevant EBA's aligned to their employment.
- The Employee Assistance Program will be available to provide support to the employees and continues to be available to all staff by calling 0459448668.

6. Proposed Timeframe and Dates for Change

- Issuing of Change Impact Statement – 1st November 2024
- Staff consultation meetings to be undertaken during the period 4/11/2024 – 15/11/2024

The following meetings have been pre-booked, however additional meetings will be scheduled if needed.

- a) Wednesday 06/11/2024 – Lower Ground floor Gymnasium 3pm
- b) Monday 11/11/2024 – Lower Ground floor Gymnasium 3pm

- Finalisation of redeployment and redundancies by Friday 29th November 2024

Please know that these decisions were made with great care and with the hospital's long-term stability in mind. I understand these are not easy changes, and I want to reassure you that every decision has been thoughtfully considered. By staying transparent and united, we can face these challenges together. Our focus remains steadfast on delivering the highest quality of care to our patients.

A handwritten signature in black ink, appearing to read 'SD', is positioned above the printed name and title.

Scott Daczko
Chief Executive Officer
Toronto Private Hospital