Perth and Smiths Falls District Hospital

Strengthening Local Health Care and Supporting Health System Transformation

Presenter: Dr. Barry Guppy
President & CEO
Perth and Smiths Falls District Hospital

Presented to: Ministry of Health
Hospitals Branch

Date: March 10, 2020

Perth and Smiths Falls District Hospital

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Agenda

- Overview of PSFDH
- Observations of the new President and CEO
- Opportunities to improve local hospital services
- Review of the fiscal reality at PSFDH
- Risks to PSFDH, local health system transformation and optimal patient outcomes
- The solution
- Next steps

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Why is PSFDH here now?

- PSFDH is too lean with current and emerging organizational and patient care related risks
- PSFDH needs to assume an enhanced and more appropriate role in the regional health system
- PSFDH needs a model to deliver stable and predictable clinical services
- PSFDH is projecting significant operating deficits in subsequent years
- PSFDH needs financial certainty in order to make immediate critical decisions regarding investments in key capital projects (i.e. HIS)

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Overview of Perth and Smiths Falls District Hospital (PSFDH)

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Overview of PSFDH

Mission, Vision and Values

Mission:

- *Providing high quality patient- and family-centered care built on collaboration and partnerships*

Vision:

- *Exceptional care and patient experience, Every Patient – Every Time*

Values:

- Enabling an environment where there is participation and partnerships that build an integrated health system with patients and families at the centre
  - Commitment to excellence in the provision of safe high-quality care
  - Dignity and respect in every interaction we have
  - Collaboration and information sharing with our patients and families, our partners and each other
  - Accountability to our stakeholders
  - Responsible stewardship of all our resources
  - Dedication to the recruitment, retention and development of our great people

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Overview of PSFDH

- ***Exemplary*** accredited community hospital serving a catchment of 66,000+
- Two hospital sites:
  - Smiths Falls (38 beds)
  - Great War Memorial Perth (47 beds)
- Sponsor of three community organizations
  - Lanark County Support Services
  - Lanark County Mental Health
  - Lanark County Sexual Assault & Domestic Violence
- 600 employees, 190 physicians, and over 300 volunteers
- Provides comprehensive in-patient, out-patient and diagnostic services
- Rationalized at a site level to prevent unnecessary redundancy and promote efficiency (see Appendix A)

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ACCREDITED WITH EXEMPLARY STANDING
ACCREDITATION AGRÉMENT CANADA

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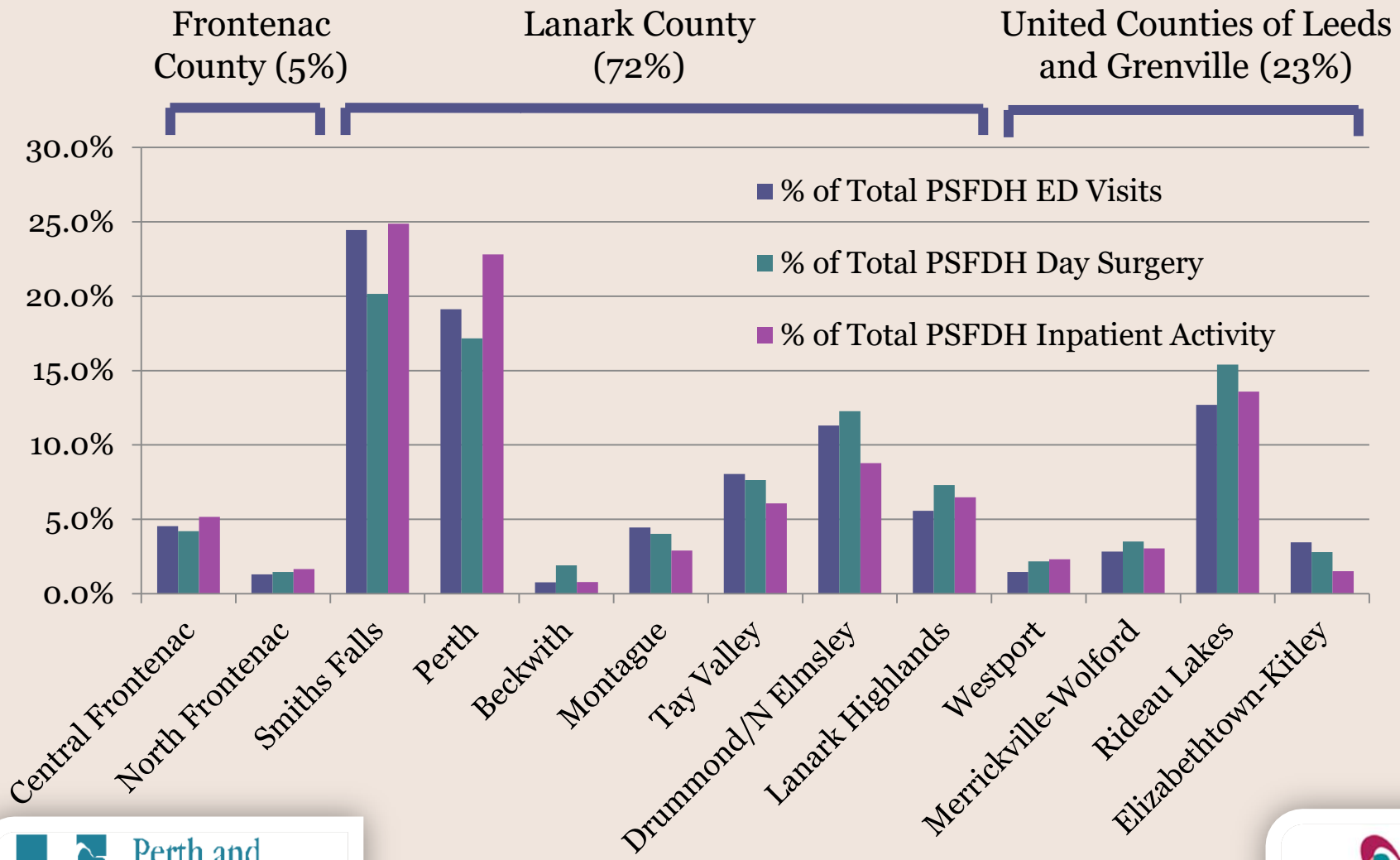
PSFDH serves 66,000+ residents across 4 Counties



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Notes:

1. ED Visits for FY 2017/18 and 2018/19
2. Day Surgery for FY 2017/18 and 2018/19
3. Inpatient Days for FY 2016/17 and 2017/18

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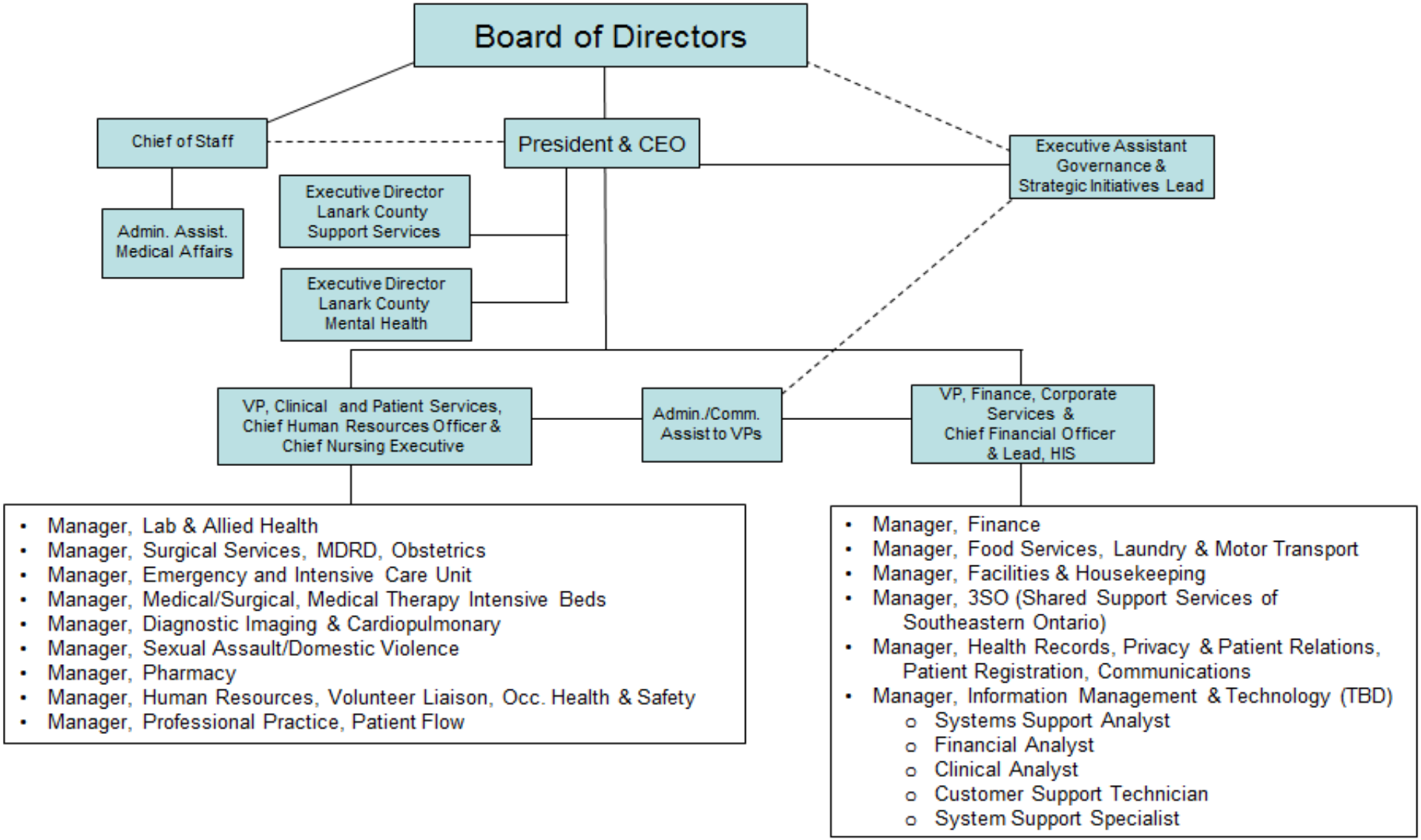
Overview of PSFDH

Organizational Chart



Overview of PSFDH

Observations of the new President and CEO

- PSFDH highly efficient both from a provincial and medium-sized hospital perspective
- Some inherent inefficiencies because of smaller size, duplication, and multiple sites
- Very small management team (e.g. manager to employee ratio as high as 1:150)
- Historical balanced budget that maintained most clinical services but at cost of support services
- Non-competitive compensation for key positions impacting recruitment and retention
- Important clinical enhancements needed for sustainability of services to meet community needs
- Current resources limit key strategic opportunities and the ability of the hospital to effectively support health system transformation (e.g. Ontario Health Teams)
- Limited opportunity for strategic investments
- Serious working capital deficit
- Organizational and patient outcome risks related to leanness in several areas

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Opportunity to Improve Clinical Services at PSFDH Require Investment

- Address vulnerable single provider clinical services
- Need comprehensive coverage of current services
- Growth needed in current clinical services to address community needs and reduce dependency on tertiary/quaternary hospitals
  - General Surgery
  - Orthopedic Surgery
  - Urology
  - Obstetrics and Gynecology
  - Ophthalmology
  - Internal Medicine
- Redesign of selected clinical services needed (i.e. critical care, maternal and newborn care)
- New clinical services to support current and future business needs (e.g. select interventional radiology, midwifery)
- Participate in strengthening of select community services (i.e. Palliative care, including residential hospice)
- Enhance training opportunities to support physician and other health professional recruitment and retention

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Selected Current Issues at PSFDH

- High proportion of elderly and very elderly patients (24% vs. 17% Ontario)
- Very large number of ALC patients; majority awaiting long-term care
- Sustained surge since August 2019 with significant hospital overcrowding
- Shortage of primary care in the community[1]
- PSFDH experiences high rates of:
  - Admissions for ambulatory care sensitive conditions (140 vs. 91 per 100,000 Ontario)
  - Low acuity patients in Emergency Department (ED) i.e. CTAS 4 and 5 (49.1% vs. 33% Ontario)
  - Patients in ED without a primary care provider in community (≈10%)
  - Avoidable ED Visits (25% vs. 4% Ontario)
  - Avoidable palliative care admissions

Sample Bed Report

February-28-20	Perth			Smiths Falls			
@ 1400	MED/SURG	ICU	3rd	OBS	MED/SURG	ICU	TOTAL
Unit - bed capacity	24	4	19	4	30	4	85
Total # patients	27	4	18	3	36	4	92
Total # of expected Discharges	2	1	1	1	0	0	5
Total # expected admits	2	0	1	1	3	0	7
Total # of surge beds occupied	0	0	0	0	6	0	6
Total # of Surge beds unoccupied	0	0	0	0	0	0	0
Total # unoccupied regular beds on unit	0	1	1	1	0	0	3
# of Repatriations			1	0	0	0	1
telemetry available	Tele avail:3				Tele avail: 2		
Additional Information	Perth			Smiths Falls			TOTAL
Palliative Care	3		3	0	1	0	7
# of SDA's	1		0	0	0	0	1
# Next day SDA	0	0	0	0	0	0	0
Total ALC #	14		8	0	11	0	33
# of Admits in ED -	1		0	0	3	0	4
# isolation	5		3	0	9	0	17
# Repats on Criticall	2		1	0	1	0	4
Total # Med & Sx Patients	#Med: 43		#Sx: 6	#Med: 33		#Sx: 10	92

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[1]See: https://www.cbc.ca/news/canada/ottawa/perth-doctor-shortage-looking-to-ontario-government-help-1.5192749

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Health System Transformation Leadership

PSFDH is the lead for the Lanark, Leeds and Grenville Ontario Health Team

- PSFDH recently assumed the lead role for the Lanark, Leeds and Grenville (LLG) OHT
- LLG OHT proposal is "in-development"
- PSFDH recently led a process to merge several OHT proposals to build an appropriate population base and a stronger local health system

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Key Financial Information

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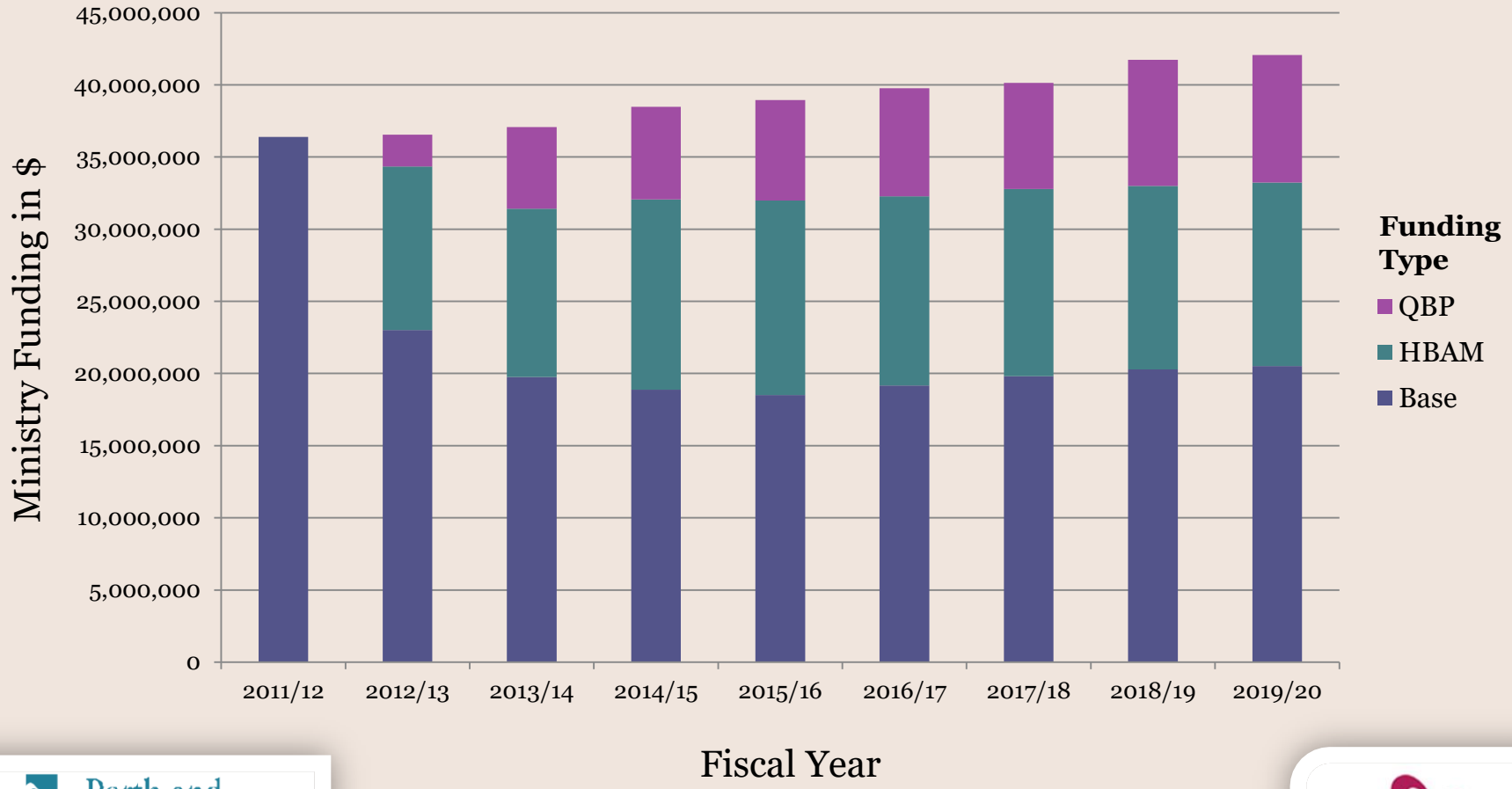
Overview of PSFDH Operating Budget

Ministry Funding from FY 2011/12 to 2019/20



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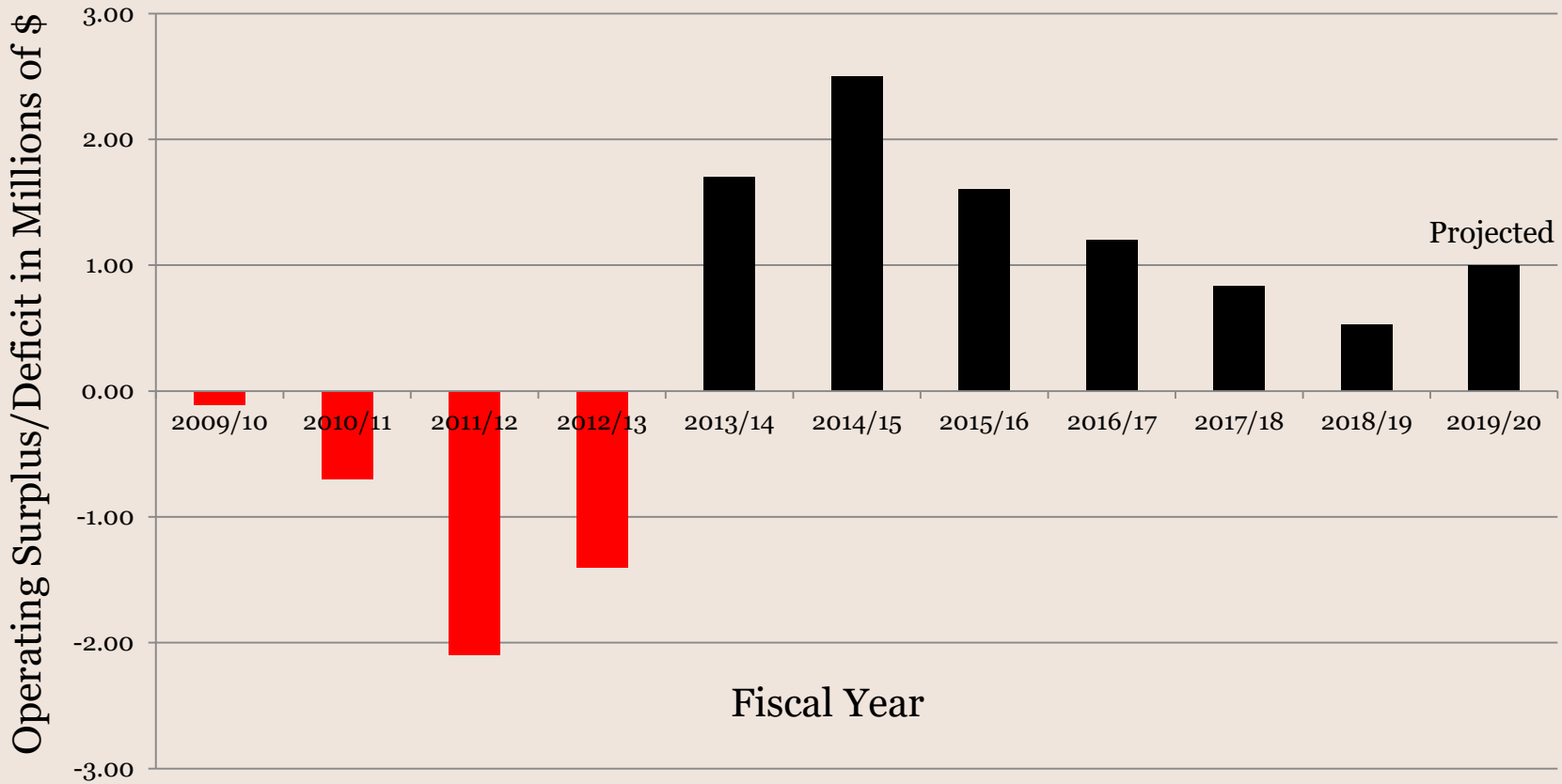
Operating Budget Surplus/Deficit at PSFDH

FY 2009/10 to 2019/20



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Note:
Surplus/Deficit determined before building amortization

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PSFDH is highly efficient

Projecting Expected Expenses for FY2019/20

	Step 1	Step 2	Step 3		Step 4		Step 5				
					Population Growth		Projected Service Growth				
Care Type	Actual FY17/18 Weighted Activity	Estimated FY18/19 Weighted Activity	FY17/18 Expected Unit Cost	Projected Expense for FY18/19	Population Growth Rate	Projected Expense for FY19/20	Projected Service Growth Rate	Projected Expense for FY19/20	FY17/18 Actual unit Cost	Projected Actual Expense for FY18/19	Actual to Projected Expense Variance for FY19/20
	a	b	c	d=b*c	e	f=e*d	h	i=h*d	j	k	l = i-k
IP	5,235	5,299	5,262	$27.9M	2.7%	$28.6M	1.2%	$28.2M	5,039	$26.7M	$1.52M
DS	746	724	5,262	$3.8M	1.7%	$3.9M	-3.0%	$3.7M	5,039	$3.6M	$0.05M
ER	1,506	1,542	5,902	$9.1M	1.2%	$9.2M	2.4%	$9.3M	5,242	$8.1M	$1.23M
Rehab	-	-	-	$0.0M	0.0%	$0.0M	0.0%	$0.0M	-	$0.0M	$0.0M
CCC	-	-	-	$0.0M	0.0%	$0.0M	0.0%	$0.0M	-	$0.0M	$0.0M
MH	-	-	-	$0.0M	0.0%	$0.0M	0.0%	$0.0M	-	$0.0M	$0.0M
OP	$6.4M	$6.5M		$6.5M	2.3%	$6.7M	2.3%	$6.7M		$6.5M	$0.0M
Total				$47.3M		$48.4M		$47.89M		$44.94M	$2.80M
						2.30%		1.25%			

Notes:

1. PSFDH cost per weighted case is significantly reduced compared to peer hospitals
2. Actual to Projected Expense variance for 2020/21 expected to be significantly increased over 2019/20 due to increased expected costs in model

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PSFDH Inpatient Cost Per Day Compared to Medium-Sized Hospitals

FY2018/19

Facility Name	Revenues	Expenses	Surplus/(Deficit)	LT Debt/ Revenue	Current Ratio	Inpatient Cost per Day
Perth and Smiths Falls District Hospital	54,399,704	53,948,540	451,164	3%	0.38	$462
Total Medium Hospitals	**1,736,644,176**	**1,716,362,196**	**20,281,980**		**0.68**	**$502**

- PSFDH has one of the lowest Inpatient Cost per Day for medium sized hospitals

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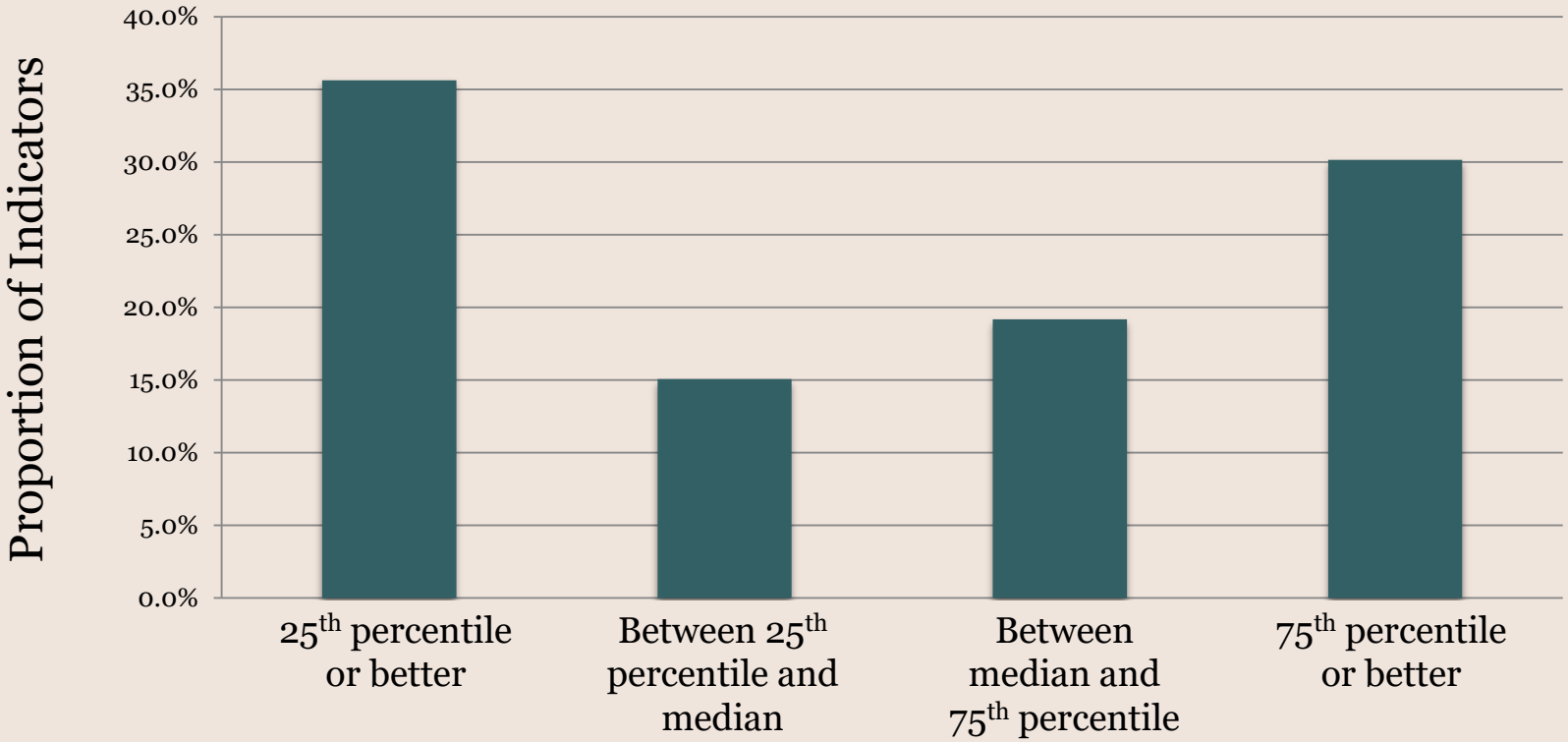
PSFDH Functional Centre Benchmark Performance
FY2019/20



- Almost 40% of functional centres are in the best quartile
- 71% of functional centres better than mean of all hospitals
- Poorest performing functional centres do not substantively affect expense structure

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PSFDH Functional Centre Benchmarking

- Performed by BIG Healthcare
- 73 total acute care indicators relevant to PSFDH
  - 38.4% at Best Quartile or better
  - 15.1% between Best Quartile and Median
  - 19.2% between Median and Worst Quartile
  - 27.4% at or above Worst Quartile
- Sample functional centres where investments required and included in HAPS 2020/21 – See Appendix C
- Additional support added for:
  - Pharmacy
  - Housekeeping
  - Nursing for Emergency Department and Ambulatory Clinics
  - Information Technology/Health Information System
  - Discharge planning
- Some outliers observed but limited additional savings

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Data clearly shows that PSFDH has extremely limited ability to generate additional savings through efficiency

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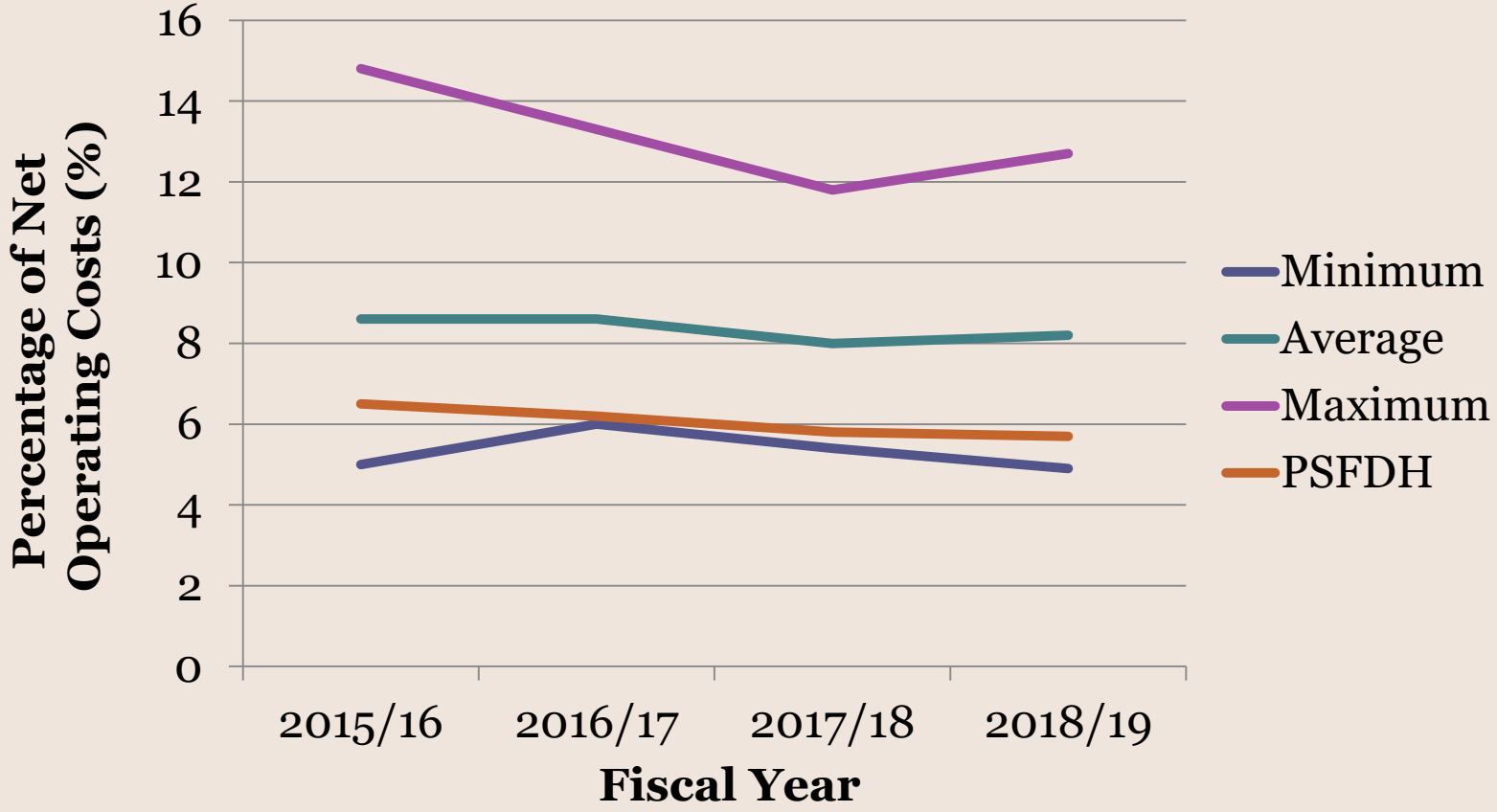
PSFDH Theoretical Savings Trend versus Medium Hospital Peers



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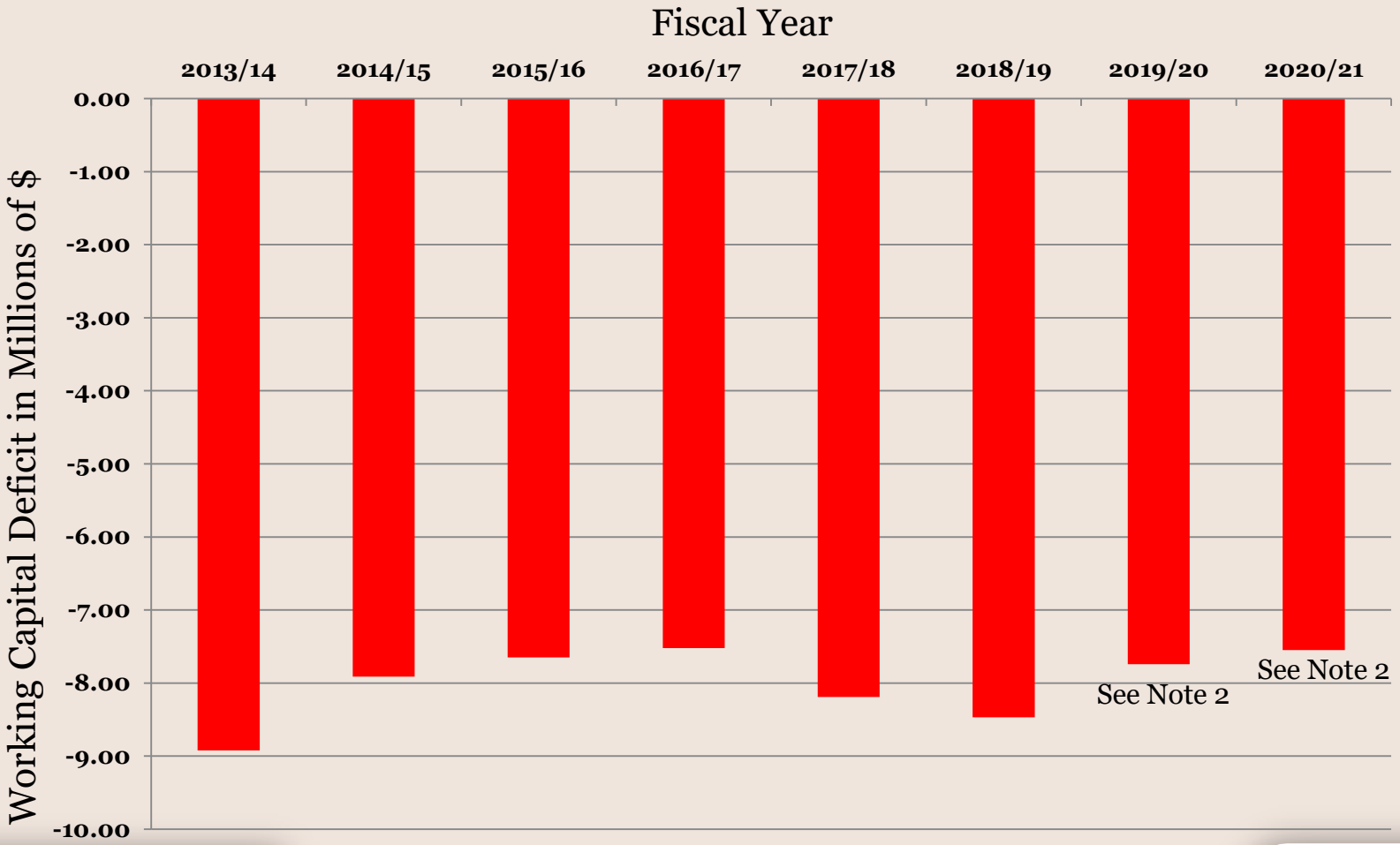
Working Capital at PSFDH



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Notes:
1. Working Capital = Current Assets less Current Liabilities
2. FY2019/20 and 2020/21 are projected values

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Working Capital at PSFDH

Organizational and System Risks

- No contingency for unexpected challenges (e.g. equipment or facility failure, unfunded surge bed capacity)
- Difficult to incur and manage long-term debt
- Interest expenses impact available resources for patient care
- Limited ability for investments to improve clinical services
- Challenging to support capital medical equipment purchase
- Impact on critical organizational investments (e.g. Hospital Information System)
- Challenging to support system level transformation (e.g. Ontario Health Teams)

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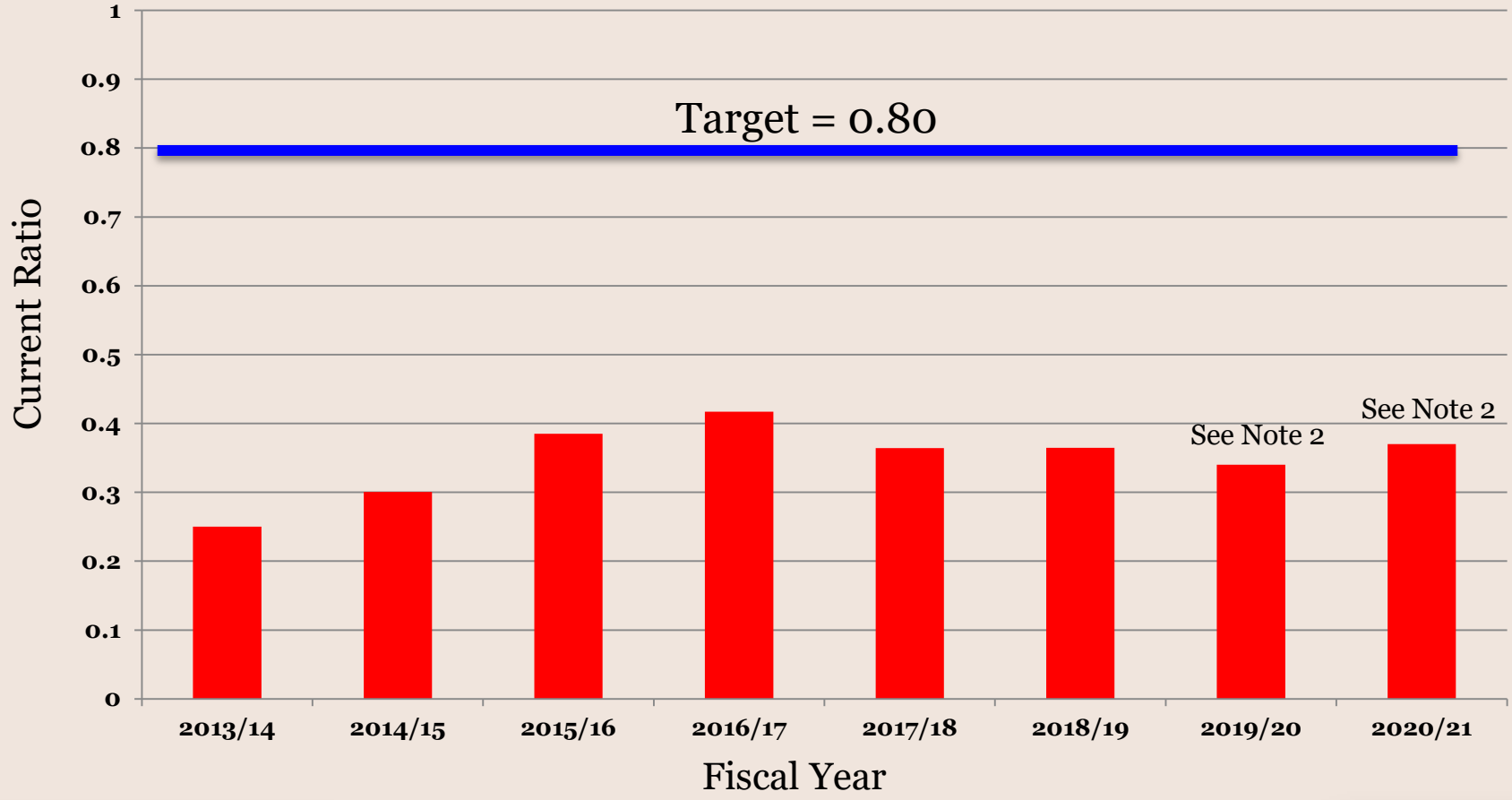
PSFDH Current Ratio

FY2013/14 to 2020/21



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Notes:

1. Current Ratio = Current Assets/Current Liabilities
2. FY2019/20 and 2020/21 are projected values

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Organizational Impacts

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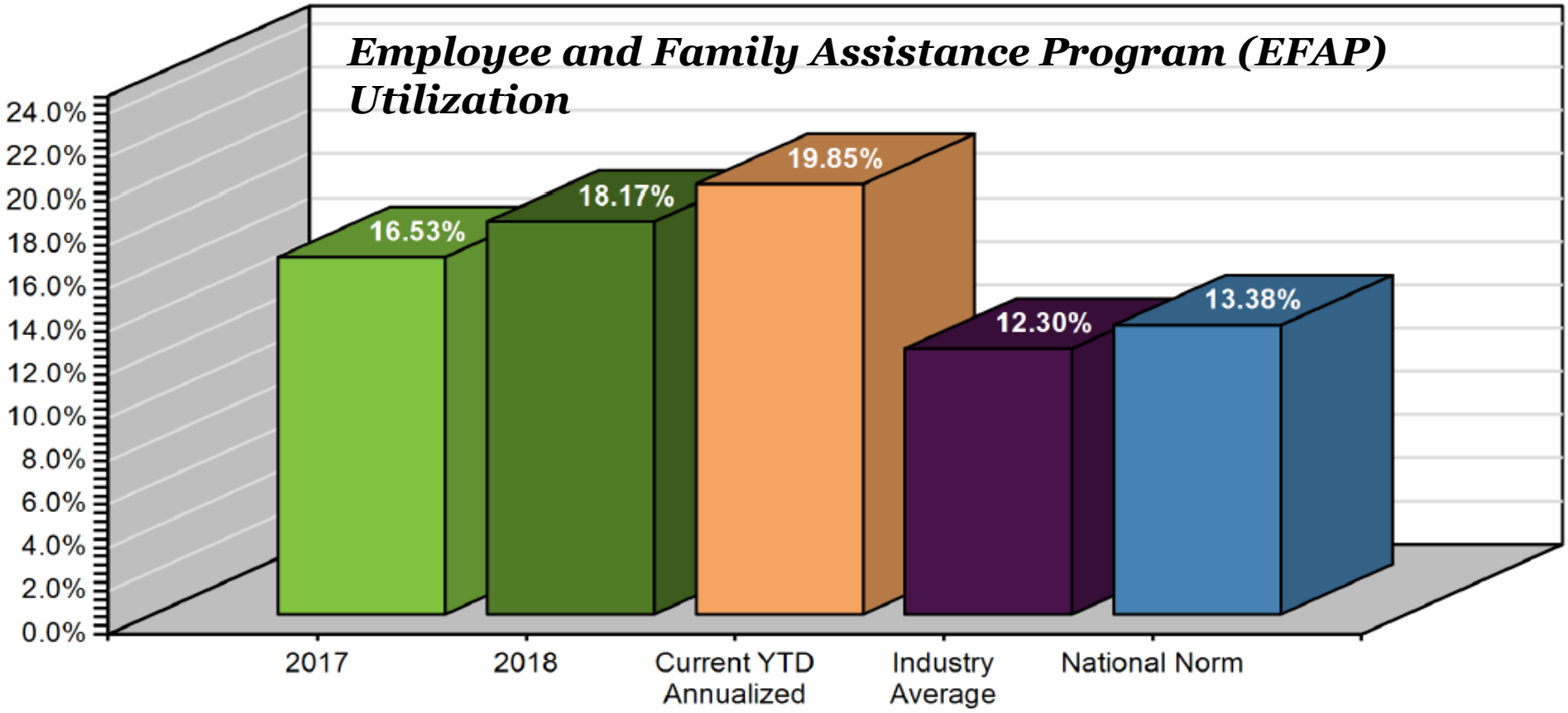
Clinical Risks

- Hospitalist model in place at Smiths Falls site
  - Substantial Primary Care shortage in the community with limited involvement of family physicians in inpatient care
  - Hospitalist program supported in part by hospital operating budget
  - Challenging recruitment; in part due to non-competitive remuneration
- Incomplete coverage of some clinical and support services
- Increased nursing to patient ratios
- Unstable nursing and allied health resources (e.g. respiratory therapy) in areas requiring additional growth and investment (e.g. critical care, operating rooms)
- Many key support departments have only a single staff member

Human Resources Risks

PSFDH is an organization under Stress



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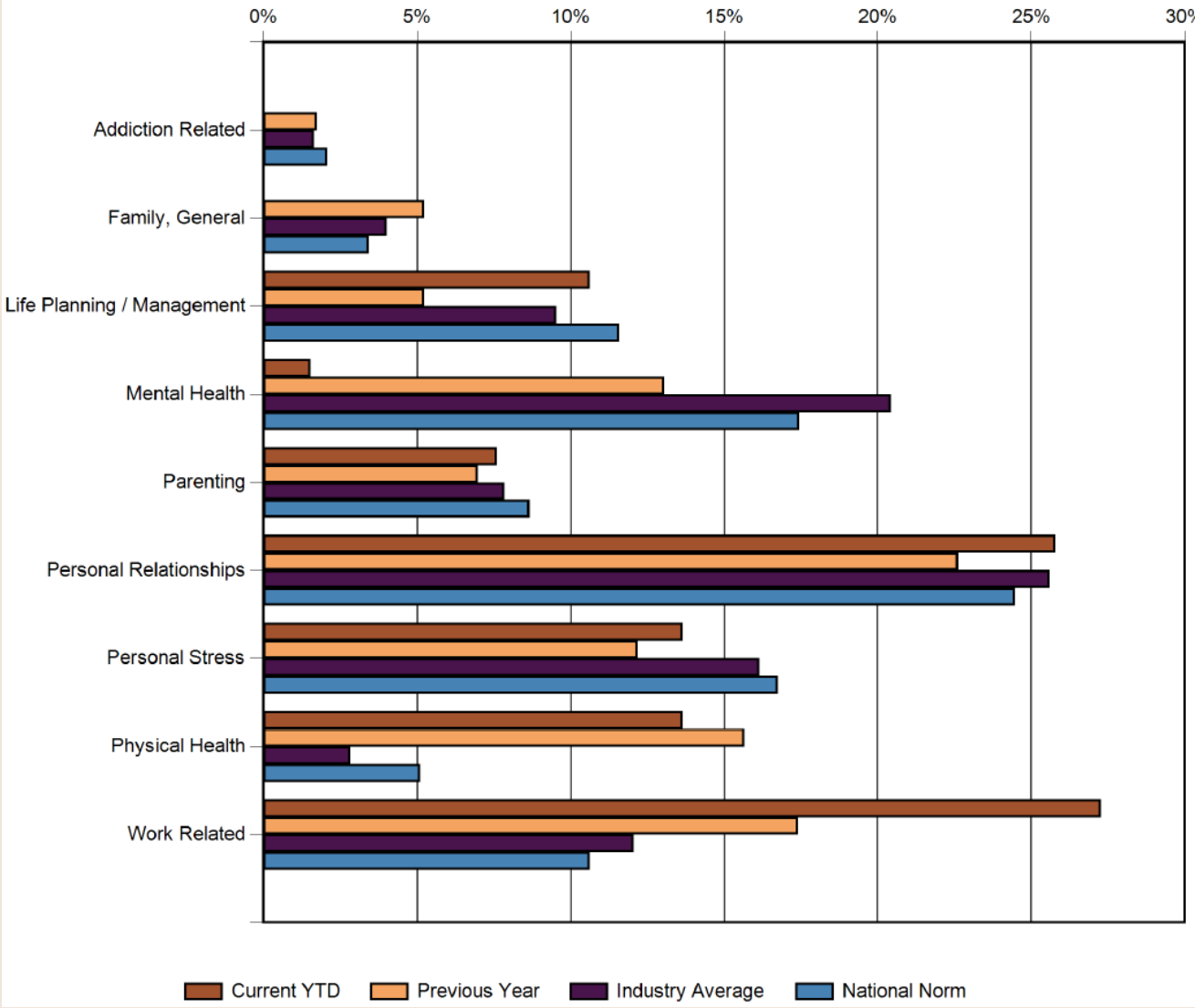
Human Resources Risks

PSFDH is an organization under Stress

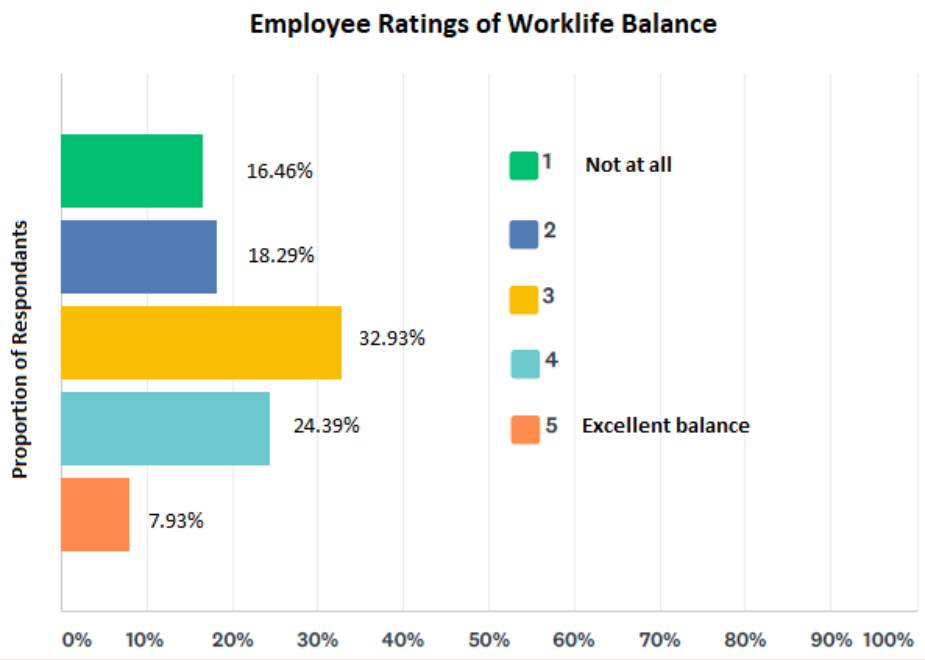
- Work related issues is the largest reason for employee use of EFAP
- Increasing year-over-year
- Increasing trends on overtime and sick time
- Utilization is >48% above national norm

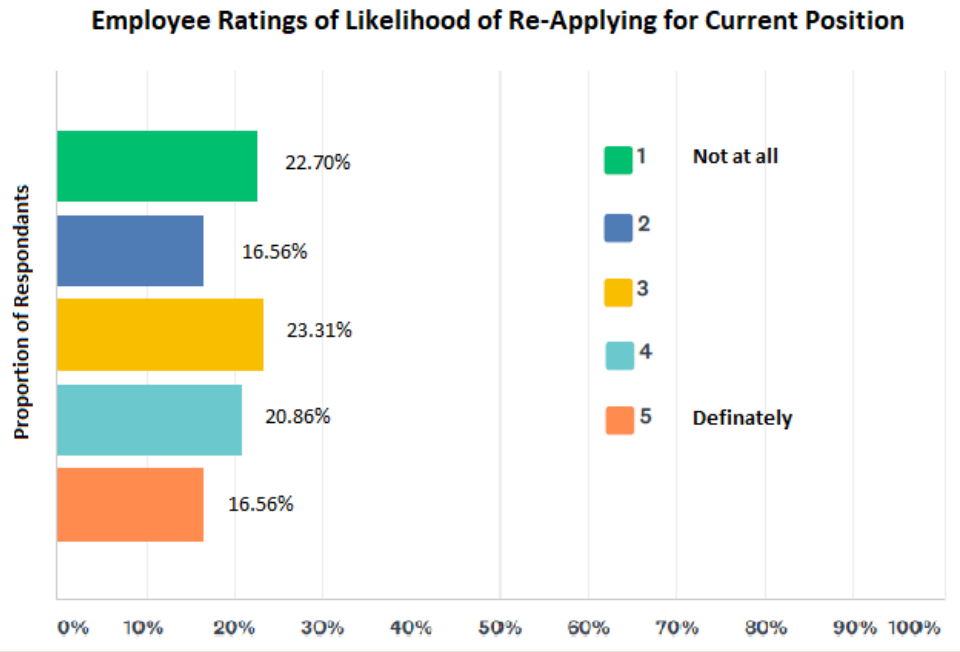
Reasons for PSFDH staff use of EFAP



Human Resources Risks

Decreasing Employee Satisfaction





- Pulse survey in November 2019 reveals significant decline in staff satisfaction
- Almost 40% of staff would not likely apply for current position
- Significant retention issues

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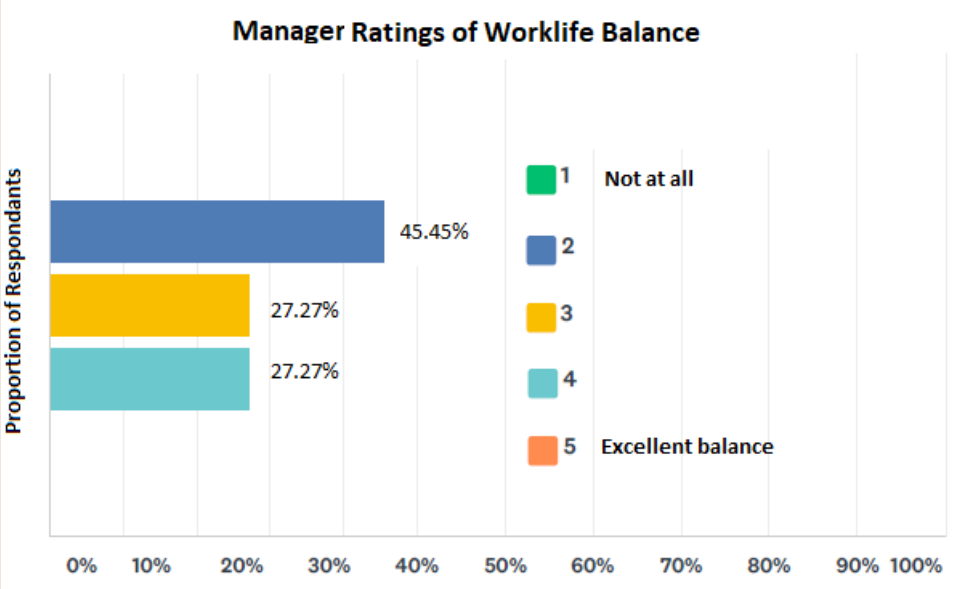
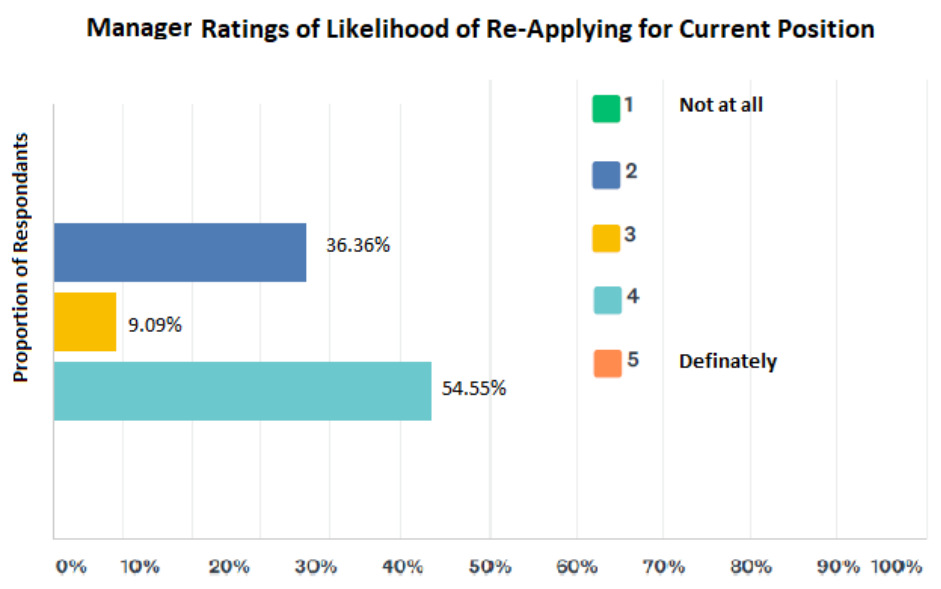
Human Resources Risks

Decreasing Manager Satisfaction





- Pulse survey in November 2019 reveals significant decline in manager satisfaction
- Poor work life balance and decreased likelihood of reapplying for current position
- Significant retention issues

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The Solution

- PSFDH requests a dialogue with the Ministry to address a base budget adjustment to strengthen local health care and support health system transformation
- A base budget adjustment of $4M annually is needed to support key system transformation initiatives, strengthen the hospitals appropriate role in the local health system, and address organizational and patient related risks
- PSFDH requests one-time working capital support of $7.8M

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Appendix A

Inpatient, Outpatient and Diagnostic Services At PSFDH

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PSFDH as an Integrated Hospital System

In-Patient Services

In-Patient Clinical Activity	Smiths Falls Site	Great War Memorial Site
Emergency	X	X
In-Patient Medical/Surgical Care	X	X
Intensive Care	X	X
Obstetrics	X	
Surgery	X[1, 2,3,4,5,6,7]	X[1,3,5,6]
Intensive In-Patient Therapy Program		X
Palliative Care	X	X

Note:
Surgery includes General Surgery[1], Urology[2], Orthopedic[3], Obstetrics & Gynecology[4], Ophthalmology[5], Endoscopy[6] and Plastic Surgery[7].

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PSFDH as an Integrated Hospital System

Out-Patient Services

Out-Patient Clinical Activity	Smiths Falls Site	Great War Memorial Site
Dialysis	X	
Surgery Clinic – Hospital Based	X[2,4,5,7]	X[2,4]
Endoscopy	X	X
Preoperative Clinic	X	
Vascular Protection Clinic		X
Ontario Telemedicine Network	X	X
Dietetic/Nutrition Clinic	X	X
Chemotherapy Clinic/Medical Day Care		X
Rehabilitation Services (Physio, Speech, Occupational Therapies)	X	X

Notes:

1. Surgery includes General Surgery[1], Urology[2], Orthopedic[3], Obstetrics & Gynecology[4], Ophthalmology[5], Endoscopy[6] and Plastic Surgery[7].
2. Many physicians on staff at hospital provide outpatient care in private offices.

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PSFDH as an Integrated Hospital System

Out-Patient Services

Out-Patient Clinical Activity	Smiths Falls Site	Great War Memorial Site
Pediatrics		X
Respirology		X
Psychiatry (Lanark County Mental Health)	X	X
Chronic Pain Clinic	X	X
Endoscopy	X	X
Colposcopy	X	
Rehabilitation Services (Physio, Speech, Occupational Therapies)	X	X
Rehabilitation Intensive Day Hospital		X
Prosthetics and Orthotics Clinic		X

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PSFDH as an Integrated Hospital System

Diagnostic Services

In-Patient and Out-patient Diagnostic Activity	Smiths Falls Site	Great War Memorial Site
Computed Tomography (CT)	X	
Radiology (X-Ray)	X	X
Ultrasound	X	X
Bone Mineral Testing	X	
Mammography		X
Echocardiography	X	X
Cardiac Testing (Stress, Rhythm Testing)	X	X
Pulmonary Function Testing	X	X
Laboratory	X	X

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Appendix B

Systemic Level Impacts on PSFDH

Quadruple Aim Indicators in Perth and Smiths Falls Area

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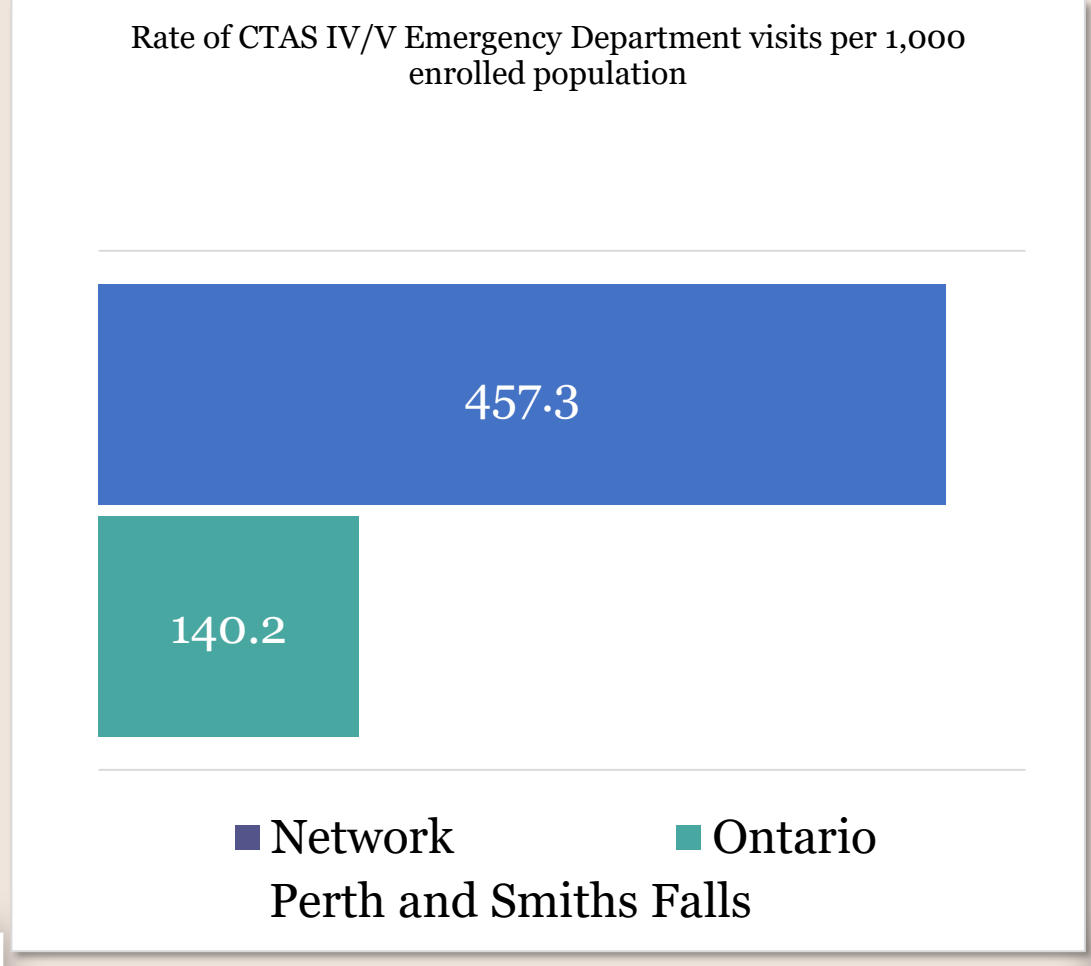
PSFDH Emergency Department Utilization

FY 2017/18



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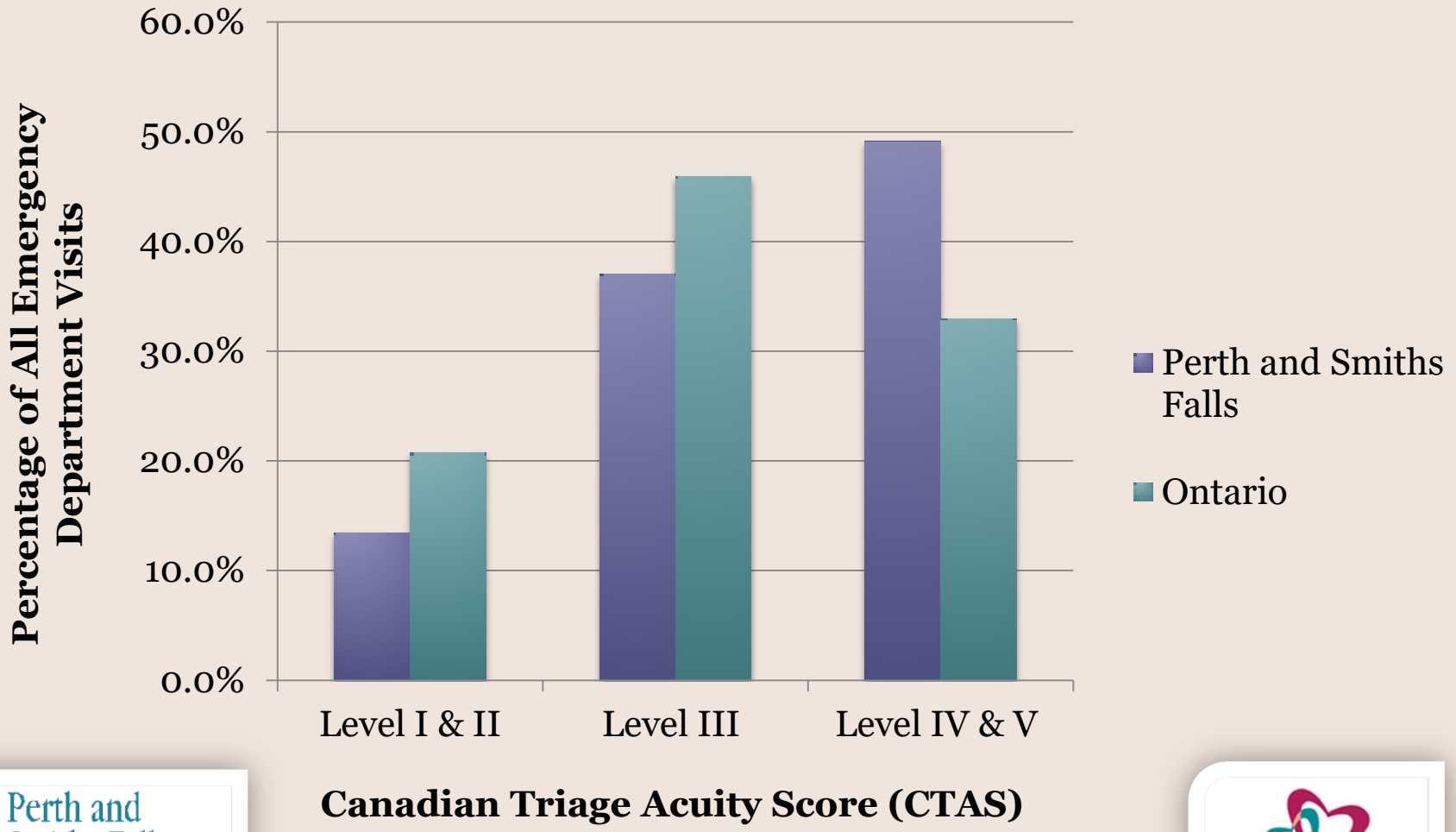
Unscheduled Emergency Department Visits at PSFDH by CTAS Level - *FY2017/18*



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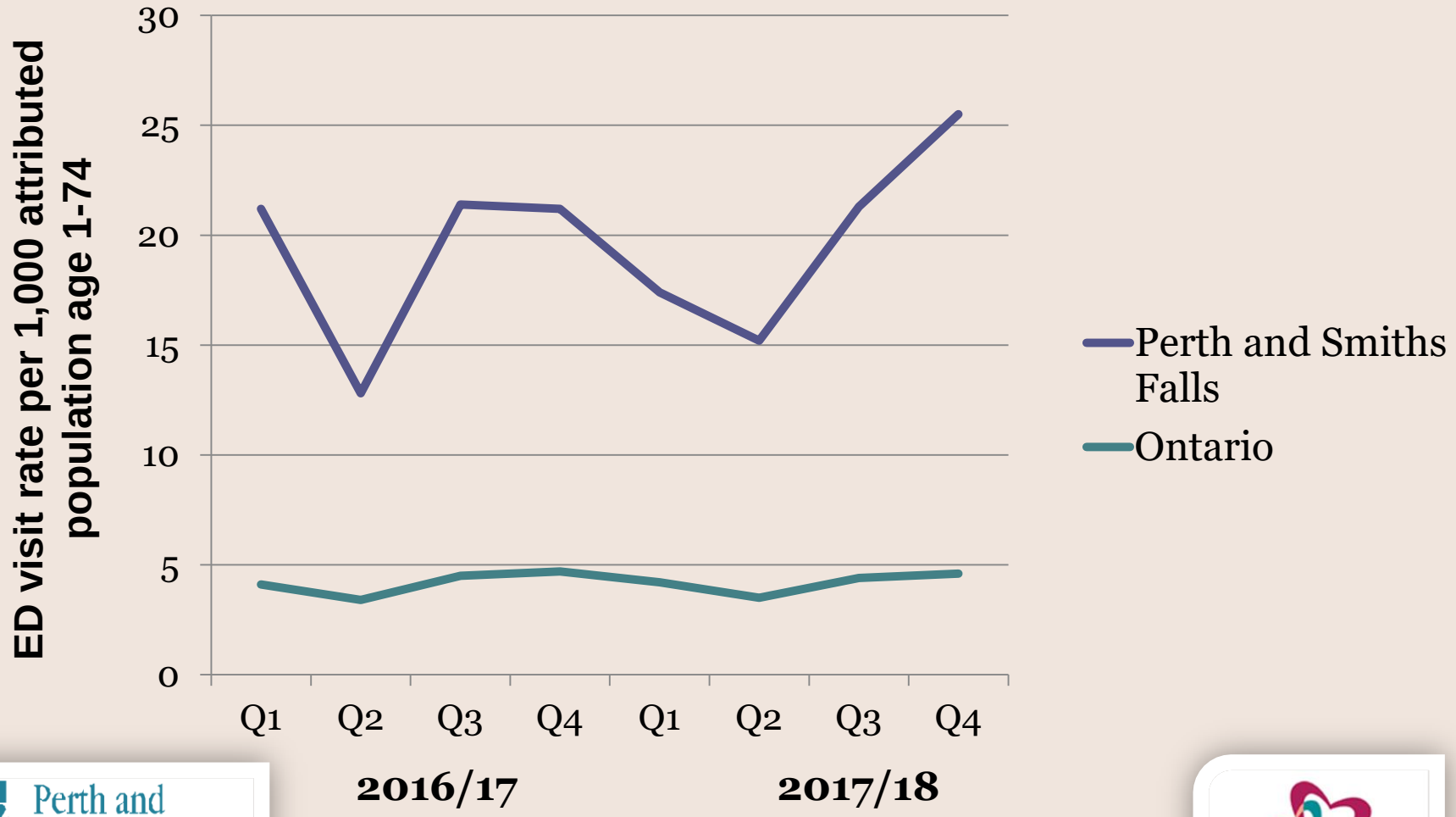
Avoidable Emergency Department Visits at PSFDH *FY 2017/18*



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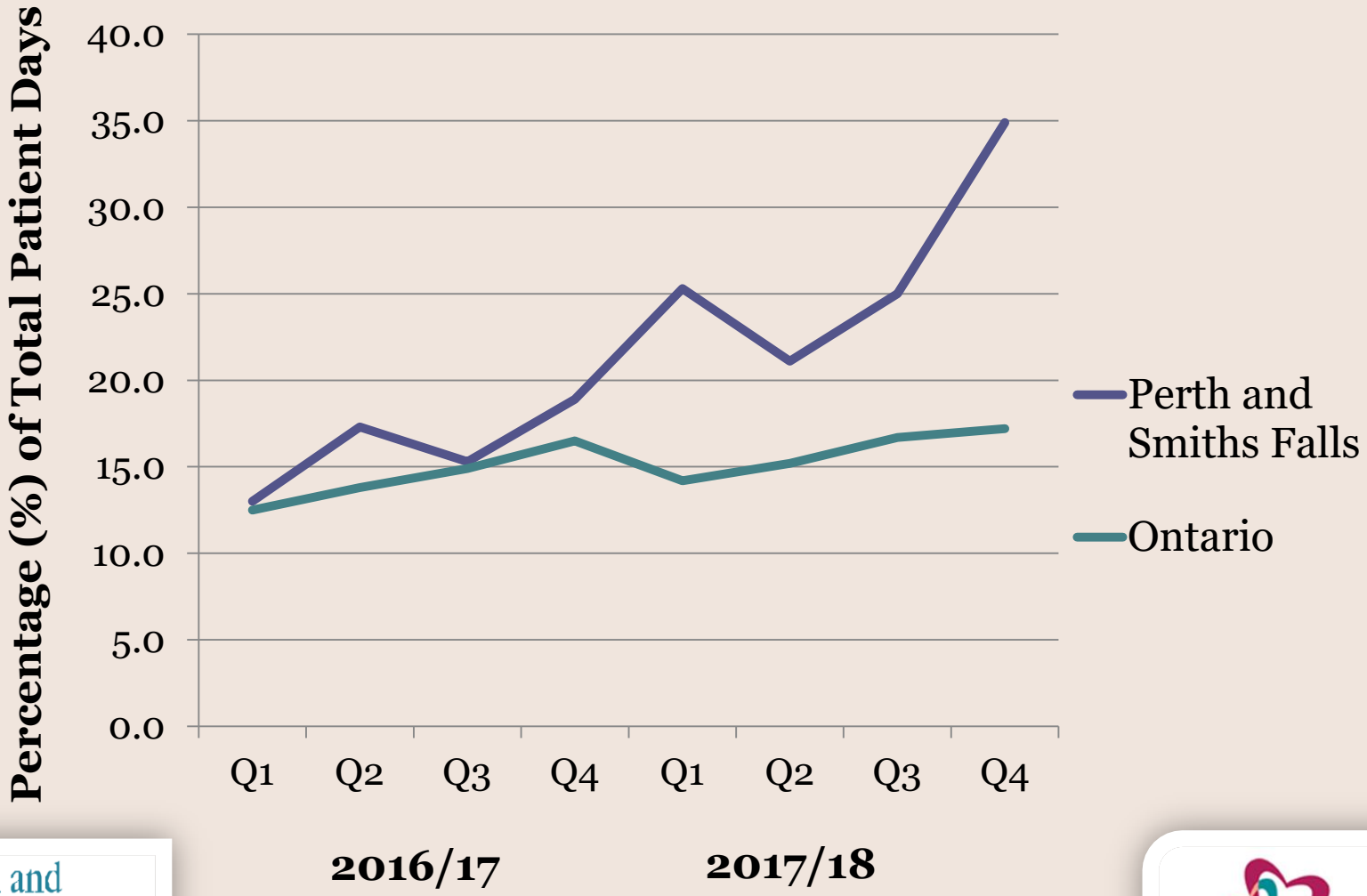
Percentage ALC Days of Total Days



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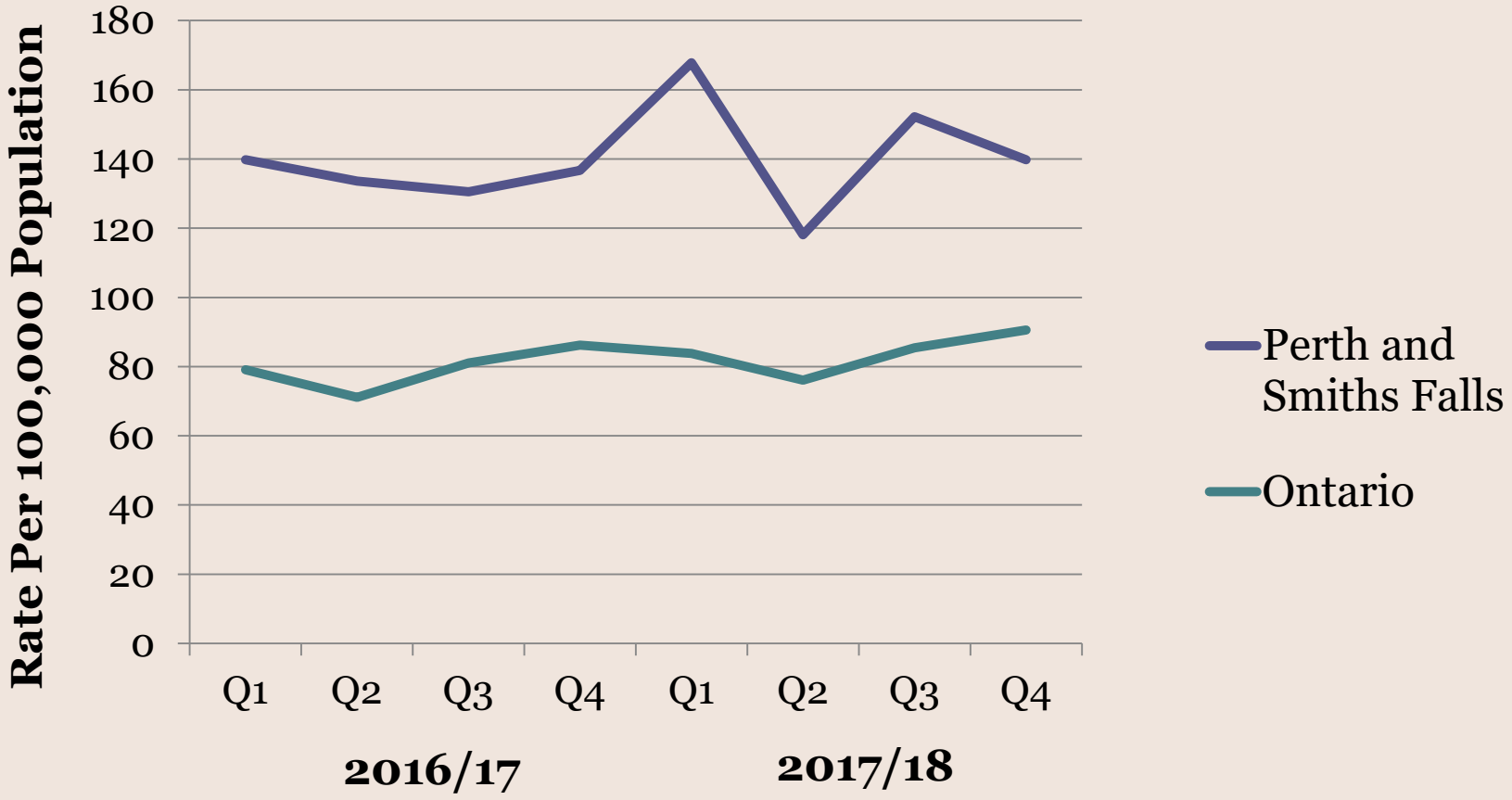
Ambulatory Care Sensitive Conditions Hospitalization Rate per 100,000 Attributed Population age 0-74 years



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Top 10 Health Conditions

FY 2017/18

CIHI Grouper condition (patients can have more than one condition)	NETWORK 9 (Perth and Smiths Falls)		ONTARIO	
	Count	*Rank*	Count	*Rank*
Joint/Tendon Disorder and Injury (incl. Pain, Sprain, Strain)	7,842	1	3,357,298	2
Acute ENT, Upper Respiratory Condition (incl. Benign Neoplasm, Croup)	5,863	2	3,719,410	1
Signs, Symptoms Digestive & Hepatobiliary System	4,252	3	1,955,978	3
Superficial Skin Injury/Contusion/Non-Serious Burn	3,613	4	756,217	19
Skin Infection (incl. Cellulitis)	3,255	5	1,145,593	7
Diabetes Mellitus	3,173	6	1,081,313	8
Hypertension	3,110	7	1,305,268	5
Neurotic/Anxiety/Obsessive Compulsive Disorder	2,751	8	945,444	11
Other Viral Infection	2,748	9	1,319,823	4
Urinary Tract Infection/Cystitis	2,611	10	841,590	14

The table below shows counts for individual **Health Conditions** based on the Canadian Institute for Health Information (CIHI) Population Grouper; it includes everyone who has been diagnosed with the indicated condition. Individuals can be counted under more than one condition.

The **Health Conditions** shown below are identified from inpatient (acute, adult mental health, CCC), emergency department, day surgery/cardiac catheterization, ambulatory oncology, ambulatory dialysis, LTC, and physician claims administrative data. Because a patient might have more than one health condition the sum of conditions will be greater than the size of the attributed population.

The Health Conditions shown below are best used to estimate the prevalence of conditions. In the CIHI methodology, Health Conditions can be used to assign each person to a single main Health Profile Group (HPG) that identifies the most complex and clinically relevant health condition present for the patient. Analysis of HPGs is not presented in this document.

The Top 10 ranked Health Conditions for the Network and Ontario are highlighted in the table below.

Appendix C

Selected Benchmarking Data
(9 of 73 Functional Centres)

Some issues partially addressed in 2020/21 HAPS

Perth and Smiths Falls District Hospital

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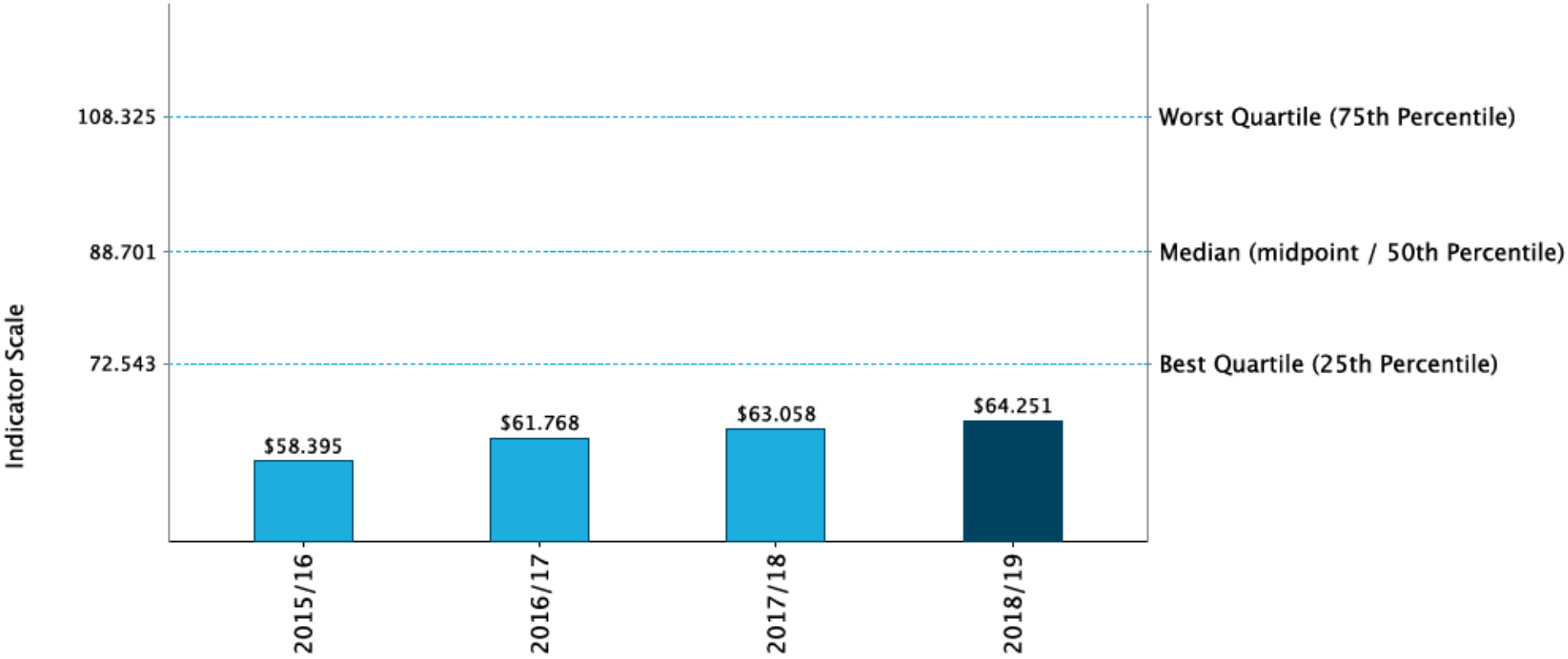
711450000 AS Housekeeping

Net Cost exclg Depn/Med per Square Metre



Maximum reported value = 265.031
Minimum reported value = 0.001
Number of Hospitals = 102

Perth and Smiths Falls District Hospital

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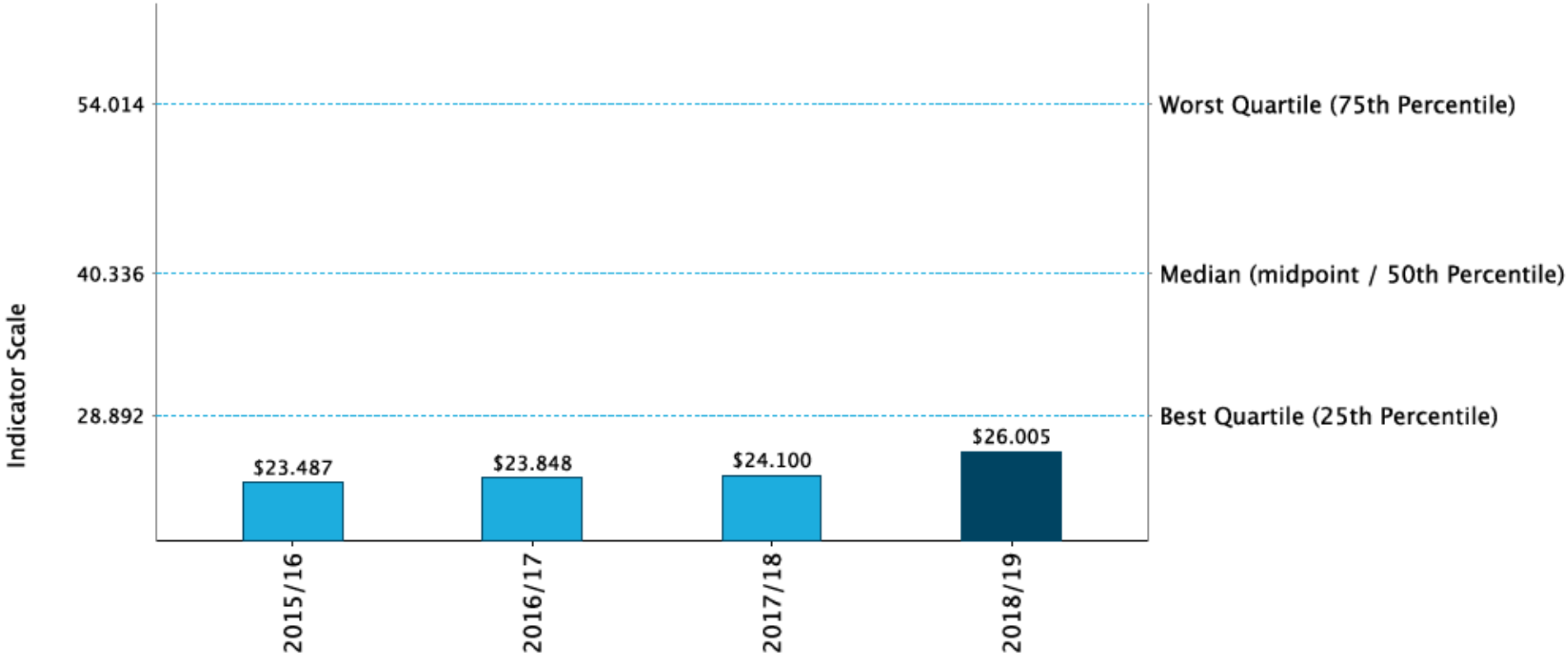
711559900 AS Plant Operation & Maintenance

Net Cost exclg Depn/Med per Square Metre



Maximum reported value = 180.025
Minimum reported value = 1.750
Number of Hospitals = 102

Perth and Smiths Falls District Hospital

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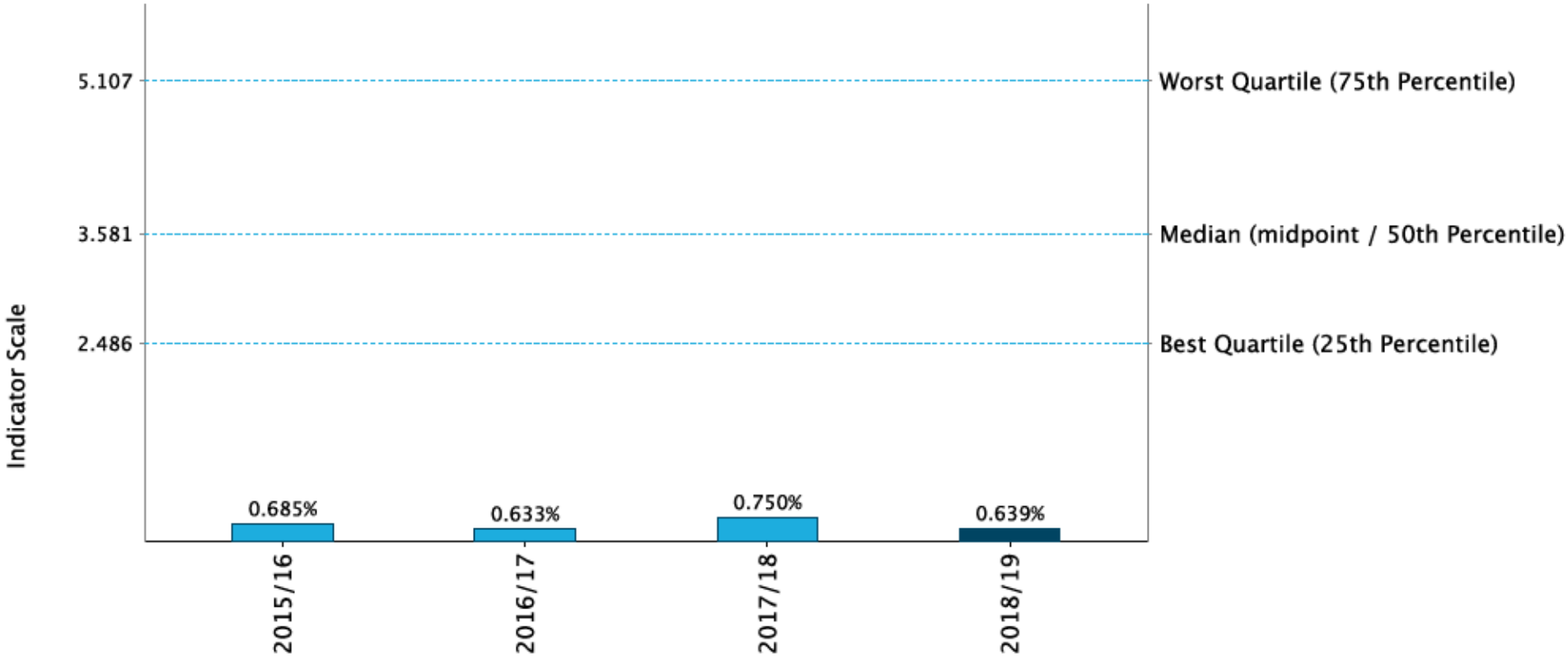
712009900 Total Nursing Administration (IP + OP)

Net Cost%IP+OP Nurs excl Eq/Med



Maximum reported value = 1060.967
Minimum reported value = 0.199
Number of Hospitals = 104

Perth and Smiths Falls District Hospital

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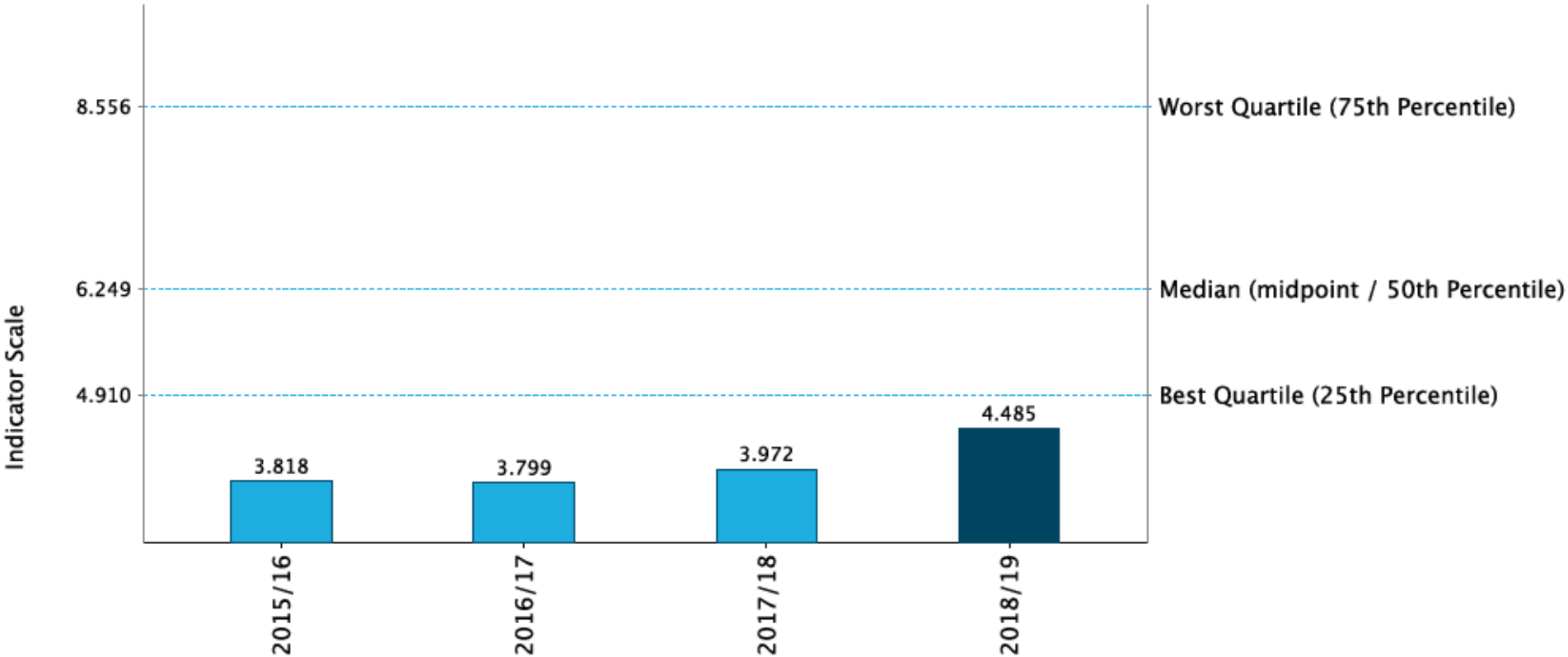
712620000 IP OR/PARR Combined

Worked Hours/Case



Maximum reported value = 127.983
Minimum reported value = 1.116
Number of Hospitals = 36

Perth and Smiths Falls District Hospital

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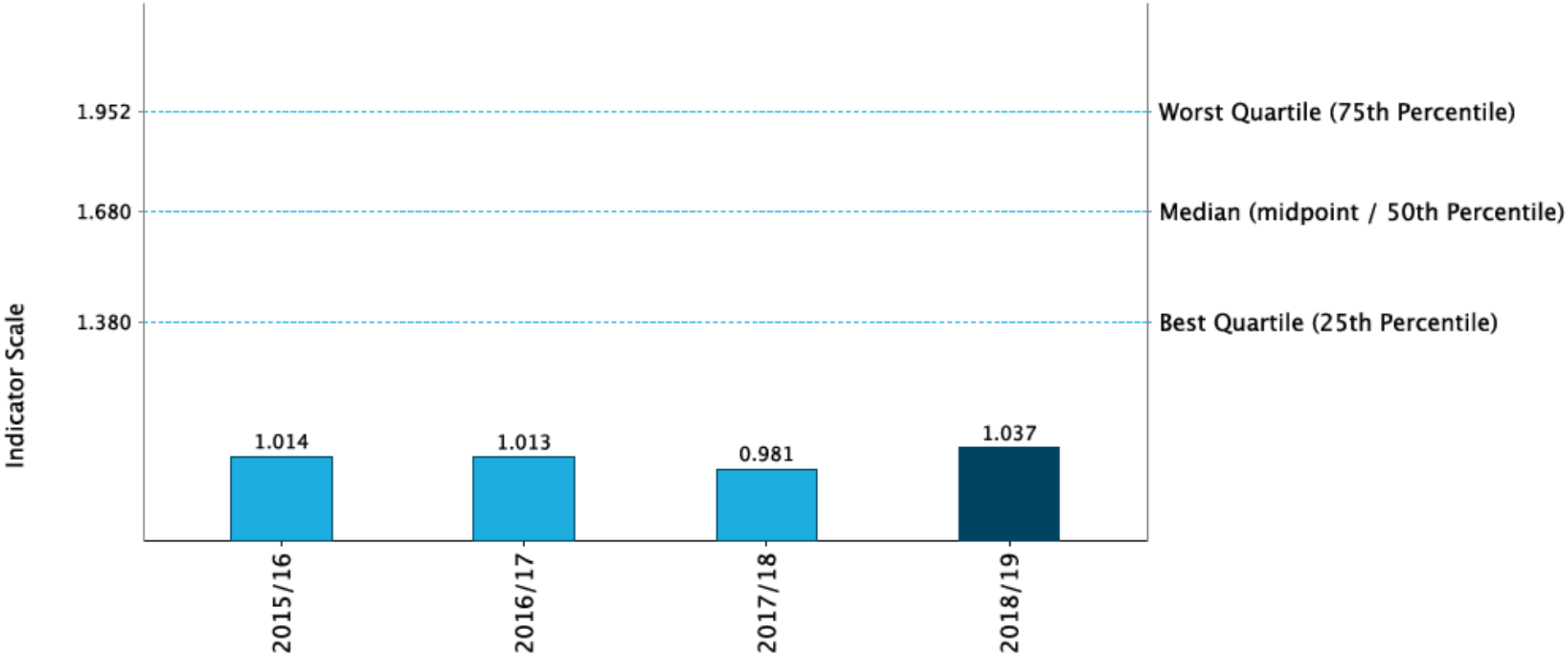
713100000 AC Emergency (ER)

Worked Hours per Equiv Visit



Maximum reported value = 3.410
Minimum reported value = 0.220
Number of Hospitals = 108

Perth and Smiths Falls District Hospital

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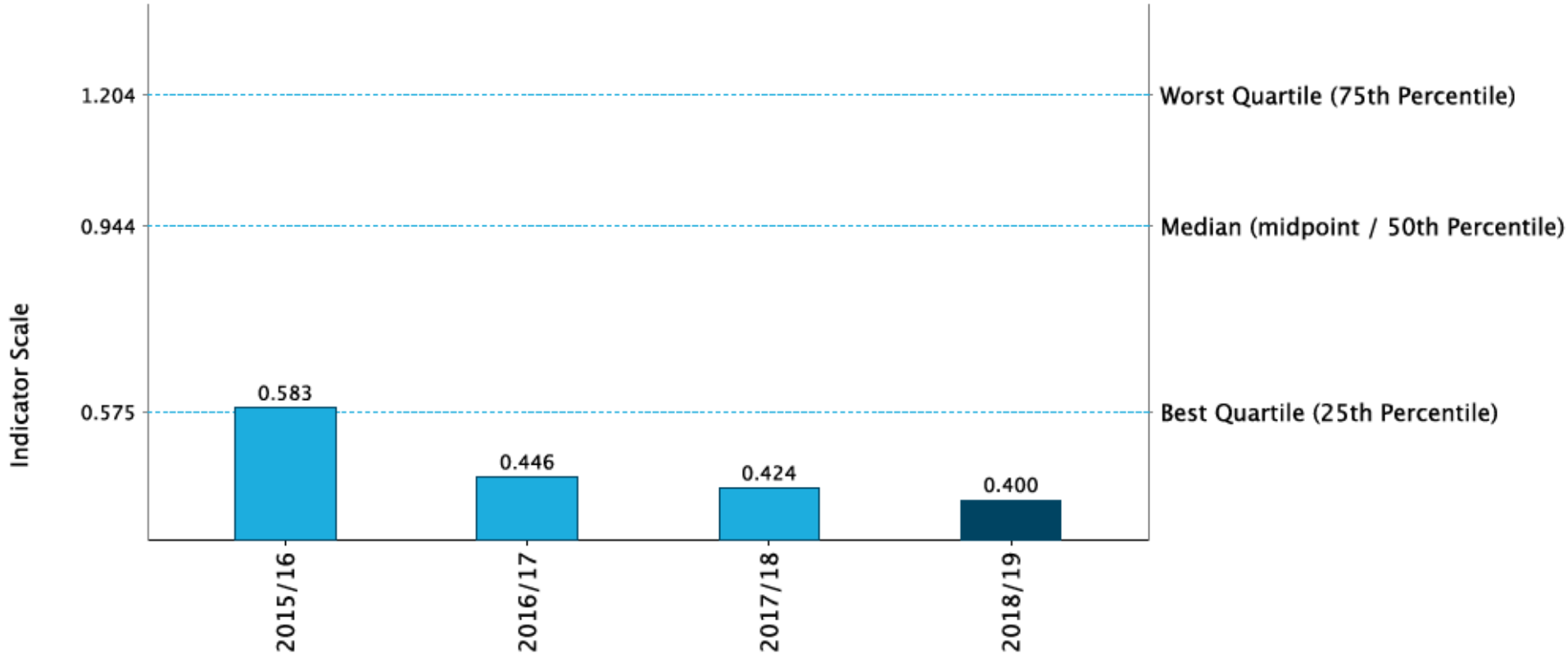
713500000 AC Ambulatory Care Clinics – Acute

Worked Hours/Visit



Maximum reported value = 111.891
Minimum reported value = 0.001
Number of Hospitals = 102

Perth and Smiths Falls District Hospital

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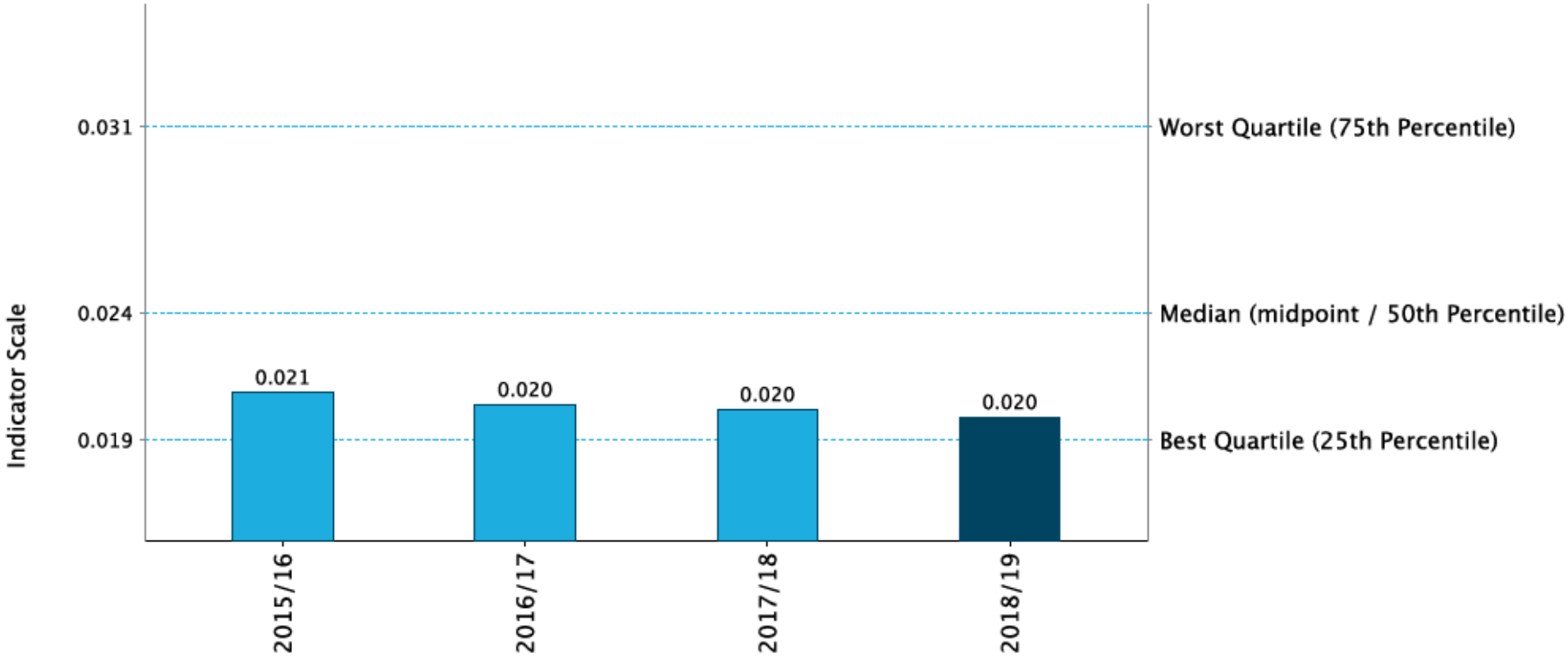
714400000 PH Pharmacy

Worked Hours/SR Wkld Unit



Maximum reported value = 1982.000
Minimum reported value = 0.006
Number of Hospitals = 107

Perth and Smiths Falls District Hospital

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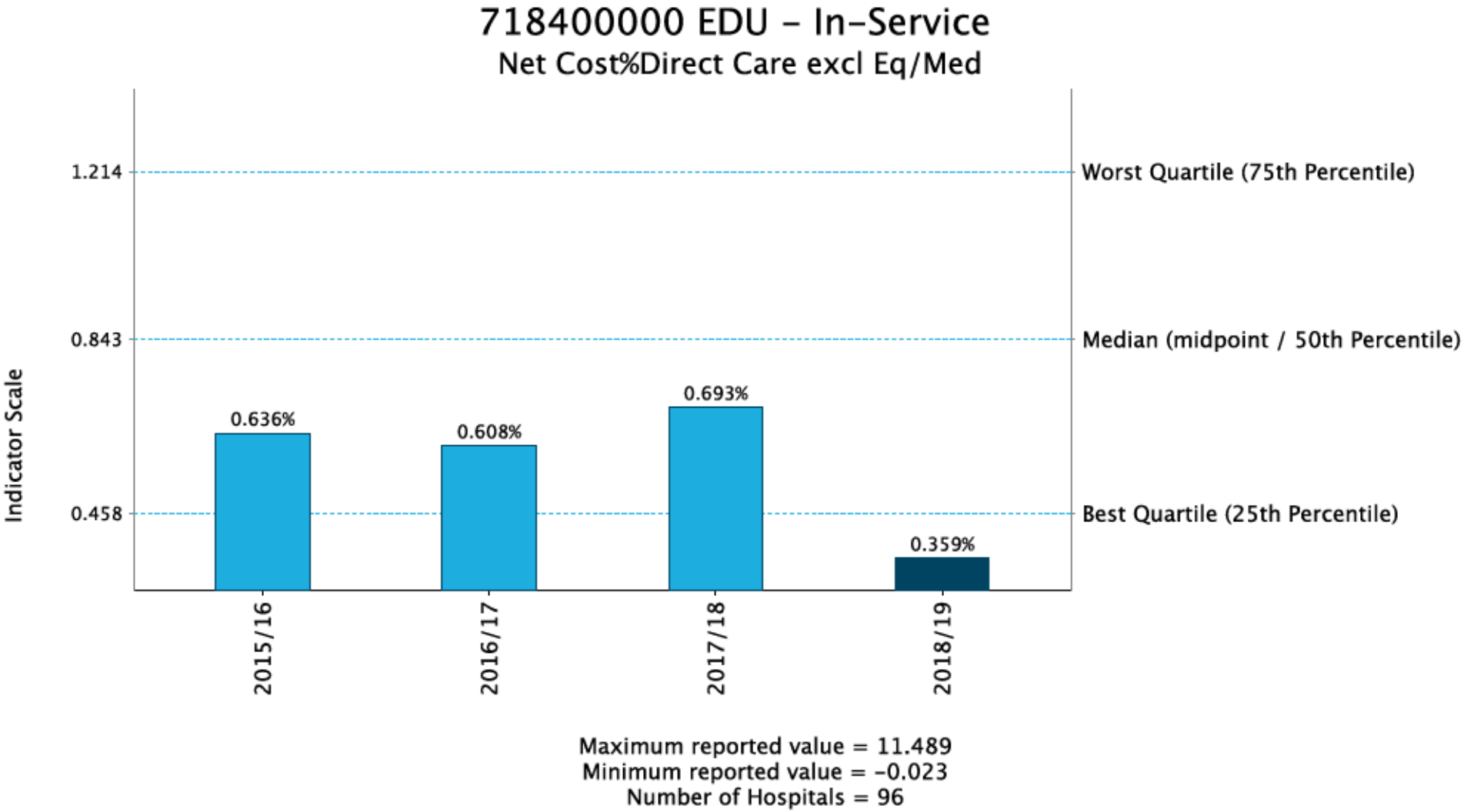

Perth and Smiths Falls District Hospital

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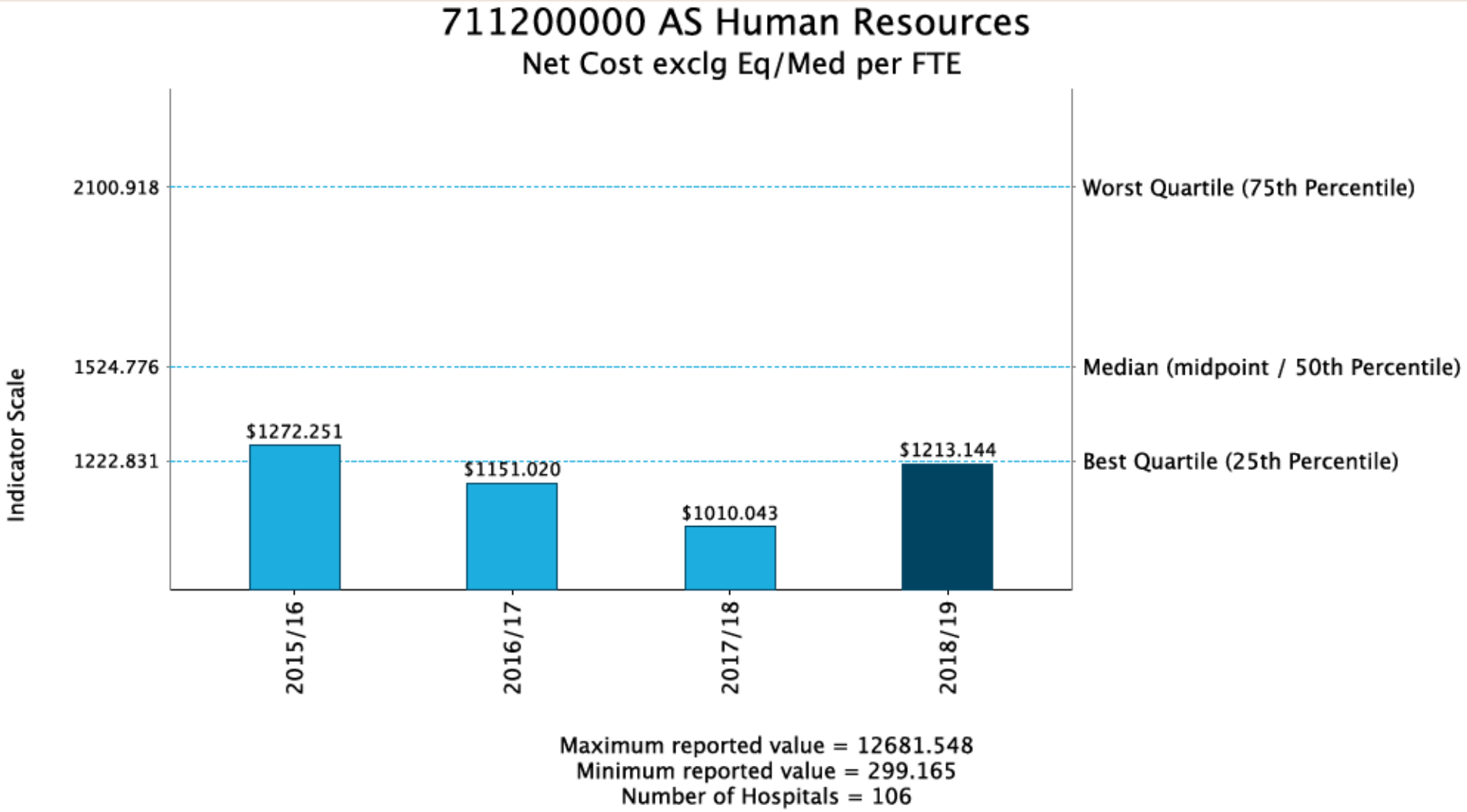

Perth and Smiths Falls District Hospital

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