



Bermuda Hospitals Board

LAMB FOGGO URGENT CARE CENTRE EXECUTIVE SUMMARY

The Lamb Foggo Urgent Care Centre (“UCC”) opened its doors for service in 2009. The strategic intent of the UCC was to operate in the East End to improve access to care for patients requiring urgent care, shifting non-emergent cases from the emergency department to a lower cost environment for care. However, instead of creating a lower cost environment to manage non-emergent care, BHB has replicated an emergency room complete with emergency room physicians, registered nurses and technicians. Because of the high costs of operating the UCC to treat a relatively small volume of patients (averaging 14 per day, 5,000 per annum), the UCC has perennially posted financial losses.

In 2012/2013, the UCC received 5,600 patient visits, and the cost for each visit has been calculated at \$422. This volume of patient visits generated \$2.4 million, however, because of high salary and benefit costs, the net income may be as small as \$100,000 and in reality BHB is very likely making another net loss. Previous fiscal years have posted losses ranging from \$100,000 to \$350,000, and now that the UCC’s diagnostic services have been wound down, 2013/2014 revenue is expected to contract further.

Provision of urgent care services in a high cost environment for so few patients is not sustainable.. This business case contemplates three key options:

- 1) No Action
- 2) Develop Alternative Funding Model With Government
- 3) Wind Down UCC [Preferred]
 - a. Decant and Decommission Facility
 - b. Reserve UCC for Storm Coverage [Contingency]
 - c. Seek Private Partner to Operate [Preferred Sub-Option]

Although the UCC has definite strategic value for access to care of Bermudians residing in the East End, the service is not mandated or core service, so it cannot be financially supported by BHB when consistently operating at a loss. As a result, the option of taking no action is discounted.

BHB’s 2007 business case for the UCC acknowledged the cost of providing care would indeed be expensive, and proposed a grant from Government be secured to make the continued operation of the UCC financially viable. This grant did not come to fruition , and, instead, BHB has operated the UCC at a loss for several years. Given the current economic climate, and Government’s withdrawal of funding for Continuing Care, the prospect of a new grant to keep the UCC’s doors open appears highly unlikely .

The recommended option is to wind down the UCC, however, there are several sub-options that must also be considered. Instead of a full decommissioning and decanting, BHB could maintain the clinical capacity of the facility, reserving it for use during severe storm events or other disasters that

compromise the causeway . The BHB has a 30 year lease on the 2 acre property from the Bermuda Land Development Commission for \$1 per year. The ongoing expense of “moth-balling” the facility would be limited to maintaining the physical integrity of the building and the grounds.

In the preferred sub-option, through a public tendering process, BHB would identify a medical provider to operate the urgent care service alongside other complementary services. The result of this option would be maintaining access to urgent care service while freeing BHB from the financial liability of operating a non-mandated, non-core service at a loss. An external provider stands a better chance of operating the facility in the black since their staff would not be bound by BHB’s collective bargaining agreements or revenue caps. BHB shifts from being a direct provider of services to a property management relationship with the successful bidder. If a successful bidder is not identified, BHB could proceed with its contingency plan to moth-ball the facility reserving it for critical access during causeway closures.