

Executive Summary

The Canadian universal, publicly funded healthcare system plays a vital role in providing a continuous, comprehensive service that civilians depend upon. Canada in general has a long-term trend of increasing expenditure in healthcare (% per gross domestic product). Within the sector a major aspect of costs is associated with hospitals. Further, hospital demand in the future will continue to increase, thus hospital processes must be optimized such that it can both effectively and efficiently meet such futuristic demands.

This paper aims to understand operation management on a higher level in Canadian hospitals in order to identify both efficiencies and inefficiencies. Many Canadian hospitals operate in an individualistic manner. Overall, it was found that some systems have been implemented but there is a lot of room to implement more operation management techniques.

Communication issues are present within the organizational/hierarchical structure of a hospital. From the regulatory perspective, a combination of centralization and decentralization is seen which has its benefits. However, lack of active involvement from the municipal level of government is observed as healthcare is only regulated from federal and provincial levels. Further, optimization to maintain a reliable number of suppliers is crucial to operations. Lean theory of wastes (site specific) may not be adequately applied. Some hospitals are individually taking on an active stance on environmental and social stewardship. Optimal balance for hospital demands and inventory selection is needed. With drastic increases in science and technology smooth implementation and integration for promising new future technologies is essential. Lastly, from the financial perspective funding seems to be inadequate or insufficient at certain locations, as insurance pay-outs are non-reliable, and the federal hospital funding formula calculation needs to be remodified to provide equitable funding for hospitals of various sizes and locations.

Going forward it is suggested to optimize processes to allow for collaborative treatment cells with specialized units as such will allow for reduced operating costs. Further, patient personal health data collection and access must be protected at the federal regulatory level. Overall it is recommended to have an industry (hospital) specific guidance manual or an expert who can work on optimization using case studies from various hospitals through an operation management perspective. Such can ensure lessons learned can be made available to province specific hospitals, or even to all Canadian hospitals. This will also allow for awareness as information will be shared including on subjects such as environmental and social initiatives which some hospitals are already doing.