



**Interim Report**

**Supervisor**

**Stevenson Memorial Hospital**

Carmine Stumpo  
January 2026

## Introduction

### Introduction

Stevenson Memorial Hospital (SMH) is a small, 38 bed hospital situated in the town of New Tecumseth. The town has a current population of 43,450 as of the 2021 census data representing 28.3% growth from the 2016 census, putting New Tecumseth in the top ten highest growth municipalities in Canada. The population of New Tecumseth is expected to reach 81,000 by 2051.

New Tecumseth and the surrounding communities need and deserve access to high quality, sustainable health care services and SMH must play a key role as the local community hospital. Without exception, the SMH team and community members are committed to seeing SMH thrive into the future.

It is within that context that this interim report has been produced, based on the observations and actions during my appointment as Supervisor since June 9, 2025. The interim report will build on all the efforts of those preceding my appointment focusing on a path forward, creating a vision for SMH and reporting on progress with key enabling actions taken so far.

### Overview of History

Below is a brief timeline of events leading up to this Supervisor appointment

- On February 7, 2024, the Ministry of Health informed the SMH Board Chair and CEO that an Investigator was appointed through an Order-In-Council by recommendation of the Minister to conduct a review of the governance, management and quality of care of the hospital.
- Janice Skot submitted her final report on June 28, 2024 outlining 16 recommendations, including the appointment of a Supervisor.
- Eric Hanna was appointed Supervisor through an Order-In-Council on September 26, 2024 to implement changes and solutions that address these concerns and provide regular updates to the Ministry of Health and Ontario Health on progress.
- On June 5, 2025, Carmine Stumpo was appointed Supervisor through an Order-In-Council to succeed Eric Hanna.

### Approach to Assessment

Beginning on June 9, 2025, a systematic approach was utilized to review and assess the current state of SMH, prior to identifying opportunities and defining a path forward.

Within the first two weeks of the appointment, a comprehensive review was undertaken, including:

- Review of all available reports completed prior to the current Supervisor appointment including the Investigation Report (June 28, 2024) and subsequent SMH Program reviews in Obstetrics, Diagnostic Imaging and Human Resources.
- Meetings with both the prior Supervisor and former interim CEO at SMH to facilitate a smooth transition in leadership.
- Introductions with members of SMH Senior Leadership Team with a briefing on key strategic issues and preliminary priority setting discussions, including the major redevelopment project currently underway.

- Discussions with SMH Foundation CEO and Board Members on the recent relaunch of the capital campaign.
- Discussion with neighbouring Hospital CEOs to better understand the relationships between organizations.
- An assessment of urgent operational requirements within SMH was completed to determine ongoing risks and mitigating strategies.
- An SMH Town Hall was arranged both in person and virtually with the SMH Team to provide an update on the transition between Supervisors and previous leadership.
- Regular informal discussions with SMH Team members during departmental visits.

## Early Observations

Several early observations were made during the first few weeks of this appointment.

### **Profound commitment of SMH Staff, Professional Staff and Volunteers to the ongoing success of SMH.**

It became quite evident from the early stages of the review that the SMH Team and community are deeply committed to the ongoing success of the organization. There is a long history of this institution as an anchor in the community as both a source for high quality care as well as a major employer. Despite the ongoing and public discussions of the organizational challenges, there continues to be a strong desire to move forwards in a positive way even though it was unclear exactly how that would be achieved.

**Progress has been made since the release of the Investigation Report.** By June 2025, the majority of recommendations made within the Report were either complete or in progress. A summary of progress is captured below.

### **Quality of Care Improvements**

Organizational Quality Improvement had been enhanced at SMH with the support of contracted services from Royal Victoria Regional Health Centre (RVH). A number of key quality, risk management and professional practice functions have been deployed on site within the past year focusing on quality reviews, patient experience, privacy, education, quality framework and policy development.

With support from the additional base funding that was received in the 2025/26 fiscal year, as recommended in the Investigator Report, investments have been made in key staffing areas to support the quality and safety of SMH.

1. An evening shift “Supervisor” role was established to support after hours leadership, enhancing problem solving within various areas of the hospital.
2. The respiratory therapist role was augmented to 24/7 coverage to support more acute or deteriorating patients, particularly in light of the ongoing shortage of anaesthetists.
3. Security services had been augmented to support staff safety.

An Obstetrics/Gynaecology (OB/GYN) Department Assessment was reported by Marnie Lightfoot and David Rouselle on October 11, 2024. Recommendations focusing on the immediate issues related to service closure (or ‘redirect’) as well as a more effective long-term approach to planning was outlined. Actions taken since the receipt of this report include:

1. Staffing challenges with nursing and Obstetrics have improved with access to additional training with available funding from Ministry of Health (MOH) initiatives. Anaesthesia coverage remains problematic; however, plans addressing the root cause of recruitment challenges are addressed later in this report.
2. A policy for supporting care during times of service closure, including communications to partners and public has been implemented.
3. Internal strategies are under development to enhance OB/GYN support to the Emergency Department for obstetrical emergencies presenting while on redirect.
4. Work with the Women and Children Regional Network is underway, identifying regional opportunities to support access to high-risk services and education.

An operational review of Diagnostic Imaging (DI) was reported by Lynne Campkin and Dr. Jonathan Mandel on April 28, 2025. Recommendations for effective operational planning and creating a more collegial culture within the department were identified. Actions taken since the receipt of this report include:

1. A new manager for the Diagnostic Imaging department has been recruited. Recruitment is underway for a new Chief, Diagnostic Imaging.
2. Charge technicians have been identified for each modality with the mandate of quality management. Educational support for these positions is currently underway.
3. Utilization management for DI volumes had commenced.

Staffing for DI technologists remains a concern and efforts are underway to promote recruitment and retention.

### **Redevelopment**

Progress with the redevelopment remains on schedule as a high priority project. Working closely with the Ministry of Health and Infrastructure Ontario teams, the early works initiatives were underway and pre-approved proponents were engaged in the Request for Proposal (RFP) process.

### **Integration Recommendations**

Several recommendations from the Investigation Report support a mandate of integration of SMH with a larger partner hospital. Criteria for integration were created, shared with partner organizations and the Community Advisory Council. Efforts to move forward with integration stalled in early 2025, creating a sense of uncertainty within the organization and with partners.

**With the passage of time, the situation and context within the organization had changed.** Upon initiating my appointment as Supervisor, it was clear that after almost one and a half years of uncertainty in leadership consisting of a lack of a governing Board and significant turnover within management positions, there was a negative impact on morale and management practices.

The majority of leadership team members as well as key support services like Quality Improvement and Human Resources are contracted services. All are highly-qualified, well-intentioned, hard-working individuals, however, under contract on a temporary basis. The first cohort of executive leaders (President & CEO, Chief Nurse Executive and Chief Financial Officer) had ended their interim role in the Spring of 2025. The second cohort of executive leaders were only committed to the end of September 2025 at that time without plans beyond that time frame.

The operational impact of multiple temporary leadership positions extended across multiple dimensions. The leadership team was limited in ability to affect change as it was unclear as sustainability through succession of these roles was unclear. Leaders were unable to follow through on initiatives themselves and it was not clear to whom they would transition the work. Key quality and access issues in areas like surgery and obstetrics persisted. The financial situation continued to worsen with the 2025-26 fiscal year.

The inability to engage in long-term leadership planning created an erosion of confidence and morale with the team. Several front-line staff and providers expressed frustration resulting in either general acceptance of any direction, ranging all the way to overall apathy and disinterest. This was singularly the most concerning observation. There was a clear disconnect between the passion of wanting to provide excellent care for the community, while expressing disinterest in the leadership model or approach required to achieve this goal.

One anecdote to share occurred within the first hour of my appointment as Supervisor. Upon arrival at SMH for the first time, all areas of the hospital were visited for the purpose of introducing myself. While engaging with a front-line nursing staff, they shared with me that the organization was a 'ship without a rudder', a metaphor for the perceived lack of direction and momentum. This sentiment was shared by others in various ways, highlighting a worsening morale in the organization.

The prolonged uncertainty was evident in interactions with other regional institutions. Key partner hospitals were unclear about the direction of SMH, with multiple large hospitals inquiring as to whether the hospital was proceeding with an integration. Although the notion of SMH participating in a voluntary integration was pervasive with partners and even the community at large, there was an inability to proceed with next steps. Partner hospitals were unable to interpret the lack of progress affecting their respective planning for supports offered to SMH.

The increasingly negative narrative has overshadowed many of the strengths of the organization. Linkages to the community, accessible emergency services, high growth potential and high potential programs like obstetrics were not receiving enough support to thrive. The redevelopment project remained on schedule and continues to be a point of pride with the SMH and within the community.

### **A Path Forwards**

These early observations led to the conclusion that urgent action was required to address the prolonged leadership instability and increasing operational challenges. SMH deserves clear leadership with a mandate to guide this organization into the future, building on the strengths of the team and the community. The organization has a unique opportunity to rebuild staff and community confidence with a clear commitment to the following three priorities:

1. Refocusing on Leadership and Governance
2. Building Operational Capacity
3. Regional Approach to Accessing Care

All three priorities were initiated simultaneously, and efforts continue during the time of the creation of this interim report.

## **1. Refocusing on Leadership and Governance**

As referenced earlier in this report, the prolonged uncertainty in leadership and inability to initiate any long-term planning contributed to the declining operational effectiveness and team morale.

The first step included suspending all integration discussions and initiating the recruitment of a permanent President & CEO. An executive recruitment firm with experience with hospitals under supervision was retained to accelerate the process. A CEO Recruitment Committee was established providing invaluable input on the development of the position profile and core competencies of the role and SMH team engagement strategies. A comprehensive executive search was concluded with the announcement of the new President & CEO of SMH, Deepak Sharma. Deepak is currently the Vice President, Strategy and Organizational Performance at William Osler Health System and will be starting with SMH on March 16, 2026.

The decision that SMH would remain an independently governed facility and the hiring of a permanent President & CEO was a fundamental shift from the previously communicated strategies for SMH. Consultation and engagement were required with groups like the SMH Foundation, Community Advisory Committee and Medical Advisory Committee to articulate the rationale for the new plan.

To support the leadership transition, the existing interim executive leaders were extended to Spring 2026, providing a new President & CEO the opportunity to select their own team with the existing team in place.

While the recruitment of the executive leadership team is in progress, good governance practices have been re-established. A review of existing bylaws was completed, confirming alignment with current best practices. The terms of reference and workplans for all Board Committees were reviewed in detail to be compliant with legislative requirements and good governance practices. The Board and Committee meeting schedule has been established for the 2025-26 fiscal year and the meeting cadence with the current executive leadership committee has begun.

Board member recruitment will begin early in 2026 with the expectation that the Board will be established by June 2026. A comprehensive governance education program will be established for the SMH Board once in place.

The approach to refocus on local governance and leadership was shared widely, including the SMH team, community members, donors and elected officials. The commitment to the ongoing sustainability and the clarity of next steps was well received.

## **2. Building Operational Capacity**

The assessment of operations revealed several contributing factors to sub-optimal operational performance. With multiple leadership turnover with changing priorities and processes, it was difficult to establish effective management strategies. Most managers were relatively new in their respective roles and did not have access to effective leadership and management resources to be successful. Although contracted services were highly qualified and specialized, a generalist model with more familiar, dedicated support team in areas like staffing office, human resources, quality improvement and risk was deemed to be more appropriate for a small hospital.

Given the sub-optimal supporting structures, managers expressed feeling trapped in crisis management mode, focusing on urgent staffing needs and managing temporary closures of programs. This was validated by the Executive Leadership Team (ELT) and a collective commitment was made to support managers.

### ***2.1 Focus on People Strategies***

Although multiple priorities were identified, there was a recognition that managers required some immediate relief of crisis management before more proactive planning could take place. The first priority was to stabilize staffing and human resources as follows:

- The evening staff supervisor role initiated earlier was continued to assist in after-hour trouble shooting
- The staffing office was reviewed and hours of operation modified to provide more coverage for improved centralized staffing and scheduling support.
- It was deemed essential that key human resource services were brought back to SMH. Vacancies in the manager and generalist roles were filled. With the re-establishment of internal HR functions, existing service agreements with partner hospitals were adjusted accordingly. Ongoing regional relationships with human resources leaders at both RVH and Orillia Soldiers Memorial Hospital (OSMH) have been maintained to support ongoing leadership development within the SMH department.
- The optimization of the Clinical Extern program was prioritized including securing the role of a clinical scholar.

Addressing these immediate concerns of managers created more internal capacity to engage in more proactive management strategies. Policy and procedure development was reviewed and prioritized to ensure priority was placed on critical processes. Future plans include the development of standard work, a rigorous, standardized approach to leading people and the provision of management learning opportunities.

Positive outcomes have already been recognized with this renewed focus. Scheduling practices are under review including revisions to the master schedules for care teams. A total of twenty (20) clinical externs have been hired and deployed. Not only has this created an effective pipeline for recruitment, it has re-energized the existing staff with the opportunity to play an active role in education. Agency use, although still present, has dropped from \$638K to \$385K in Q1 and Q2 compared to last year to date. Reducing reliance on agency staffing remains a high priority.

### ***2.2 Supporting Quality Care***

The most pressing ongoing quality issues remain the frequent redirect of Obstetrical, and to a lesser extent, Surgical services. Although there are multiple precipitating factors, the inability to consistently provide anaesthesia coverage is the most frequently noted cause of the redirects to other hospitals. The redirecting of Obstetrical services itself is a significant quality issue as it is not possible to prevent every labouring mother from presenting at SMH. Emergency Department care for labouring mothers without the capacity to support birthing has a high potential for negative outcomes. Furthermore, knowing in advance that the hospital will be in redirect has led to a perceived increase in scheduled inductions to optimize access on days that

services are accessible. Neither is ideal or desirable. Both can be directly related back to physician staffing concerns.

The recruitment and retention of anaesthetists and OB/GYNs was identified the single-most effective strategy to address the underlying cause of the redirect concerns. Currently, there is no alternative payment model for anaesthesia specialists in Ontario. There is an alternative payment model for GP anaesthesia, and that model is limited to Northern Ontario. There are existing Alternative Payment models for OB-GYN in other facilities across the province to address the need for coverage.

Alternative payment models are under exploration for Anaesthesia and OB-GYN at SMH, however it is important to note that the existence of such models does not guarantee that positions will be filled.

Building capacity for quality improvement and risk management work followed a similar path of rebuilding internal capacity. Although SMH is supported by RVH contracted services for the Quality and Professional Practice team, it was acknowledged that these services could be internalized while maintaining connections with regional leaders. The intent is to re-define the structure of the quality improvement team and re-establish roles by March 2026. Key deliverables for the quality improvement team include:

- Enabling quality improvement initiatives at all levels of the organization through an established process and framework.
- Regular monitoring of quality and risk indicators with development of strategies as required.
- Establishing regular education for all levels of the organization.

In the clinical areas, there was a concerted effort to review, update, approve and educate staff on clinical policies and best practices. Clinical educators continue to promote these practices in key areas across the organization. A new digital repository of policies and procedures was created to enhance staff access and updating of these documents.

### ***2.3 Ongoing Infrastructure Renewal***

While these key foundational elements continue to progress forwards, SMH has multiple strategic initiatives underway to modernize infrastructure. Most notably, the hospital redevelopment work that is scheduled to replace the existing Emergency Department, Operating Rooms, Medical / Surgical Beds and Level 2 ICU capacity continues to progress on schedule. The early works projects such as site grading, stormwater management, helipad construction preparation and parking upgrades are in progress, nearing completion at the time of the report. The evaluation of the responses from the request for proposals is underway and on schedule for an early 2026 announcement.

In addition, in partnership with Southlake Health and Oak Valley Health (SHINE collaborative), computerized provider order management (CPOM) was launched on November 5, 2025 at SMH. This was a significant step forward in digitizing the electronic patient record touching all areas of

the organization. The organization responded well to simultaneously managing construction-related interruptions and technology upgrades, all while continuing to support access to service.

#### ***2.4 Rebuilding Community Confidence***

The impact of the ongoing operational challenges was felt to be reflected in decreased utilization of SMH services. There was a progressive decline in patient volumes in areas such as Obstetrics and Emergency Department visits. For example, the Emergency Department visits dropped from a high of approximately 38,000 visits per year pre-pandemic to approximately 31,000 visits per year with the most recent projections.

Although still a significant volume of activity for an organization of this size, the downward trend in activity merits consideration. On review of provincial trends in Emergency Department visits, the decrease in volume at SMH is consistent with an overall reduction of low acuity visits and increases in high acuity visits. Although there could be multiple explanations for the shift in volume, it was felt by the executive leadership team that declines in volumes were in part a result of decreasing community confidence.

On assessment, the Emergency Department has continued to provide a high level of service throughout this Supervisor appointment. Despite the ongoing concerns with recruitment and retention of emergency room physicians, SMH remains fully staffed on every scheduled physician shift. Emergency Department performance metrics demonstrate success in areas such as ambulance offload time and length of stay for non-admitted patients. There is a strong sense of continuing education within the department, with a steady supply of learners across multiple professional groups. To recognize this excellence, a concerted effort was initiated to enhance the community awareness of the Emergency Department team and other key areas of the hospital highlighting the high-quality accessible care. A social media campaign launched profiling different members of the team. At the same time, the SMH Foundation launched the “Because of You” capital campaign for the redevelopment project which offered an opportunity to highlight the great work of SMH.

The efforts of rebuilding community confidence continue through this Supervisor’s appointment, acknowledging the challenges, while focusing on positive steps forwards for the SMH team and community.

#### ***2.5 Supporting Financial Sustainability***

The current financial position of SMH reflects a significant working capital and structural deficit which has worsened over the course of the past few years. An adjustment of additional base funding was received in the 2025/26 fiscal year based on the Investigator recommendation to enhance nursing, security, respiratory therapy and housekeeping resources.

SMH has taken the approach to simultaneously investigate the progressive decline in financial position while rigorously evaluating all opportunities for savings. A deficit of \$6.1M is the projected three-year forecast.

A comprehensive, 3<sup>rd</sup> party benchmarking analysis was conducted for SMH prior to this Supervisor appointment. The results demonstrated that SMH was generally operating at the top

quartile of efficiency when assessed against comparator hospitals. Small opportunities for efficiencies were identified in areas such as purchased services in administration and the use of agency staff in the Medical / Surgical unit.

A second independent peer review was commissioned to ensure all savings opportunities were considered. The methodology of this review includes a more advanced application of decision support and business analytics to identify clinical and operational efficiencies. The final report of this peer review was not available at the time of this interim report, however, initial findings validate that achieving benchmark efficiencies alone would not result in a balanced budget.

In summary, the findings of the reports identified the need for further funding support in addition to SMH optimizing all opportunities for efficiencies. As part of a broader provincial strategy to target structural pressures at small and Northern hospitals, SMH received an additional base allocation in December 2025, along with one-time funding to ensure financial stability at the hospital until the end of the 2025/26 fiscal year. Next steps for SMH is to finalize plans to achieve benchmark efficiency opportunities and recalibrate the multi-year forecast given the recent base and one-time funding investment.

### **3. Regional Approach to Accessing Care**

As a small hospital, SMH relies on partner hospitals for advanced levels of support beyond the scope available locally. At the start of this Supervisor's appointment, it was evident that SMH was managing relationships simultaneously with partners in both North and South Central Regions. Prior arrangements and historical referral patterns were developed at the individual department level and independently managed without any system-level oversight.

From a clinical standpoint, transfer protocols were unclear, with physicians often being redirected to another facility when requesting transfers. The lack of clear transfer pathways sometimes resulted in exceptionally long and laborious transfers. This was particularly disturbing for deteriorating patients requiring advanced interventions. It was noted several times that transfers materialized only when patients worsened and required transfer under the CitiCall Ontario or Life or Limb protocols.

From a back-office support standpoint, there were multiple individual arrangements with multiple organizations. For example, Health Information System (HIS) supports including the Electronic Medical Record (EMR) and Picture and Archiving Communication System (PACS) system was housed at Southlake Health whereas Quality and Human Resources support was overseen by RVH. Navigating a simple quality improvement request from SMH required process support from RVH Decision Support Team and data from Southlake EMR. Significant delays with inefficiency were noted.

Discussions regarding a regional approach to accessing care and services based on shared purpose and principles were initiated. Partner hospitals were notified that SMH would no longer be issuing an expression of interest for a competitive process to select a single hospital for the purposes of integration.

While this was occurring, the Ministry of Health and Ontario Health had established Regional Working Groups (RWG) as part of the Hospital Sector Stabilization Plan. As a member of the Central Region North RWG, leadership at SMH supported engagements with these partners.

Existing regional clinical pathways already exist within the Central North RWG, originating from the previous North Simcoe Muskoka Local Health Integration Network. Discussions are already underway to establish how SMH can be integrated into these existing pathways to support access to care. For example, SMH recently became a member of the Central Region North Critical Care Network. Planning is currently underway with the leadership of this group to establish the appropriate levels of critical care services at SMH today and into the future with the redevelopment of the new hospital infrastructure. Opportunities for shared training and innovation with opportunities like remote monitoring are under consideration. Similar approaches will be made in other areas such as Obstetrical care to ensure that hospitals across the region can provide a full range of services within their scope, have simple transfer protocols when outside the scope and the region provides supports surge management and redundant capacity as required.

Ongoing research is underway in other areas of the province in Eastern Ontario where unique regional approaches to care pathways and health human resource management are working well. Opportunities for regional approaches to back office supports will also be explored.

Although in its infancy of development, the RWGs provide an important vehicle for care integration in Central Region North. SMH will rely on the ongoing efforts of this group to support high quality, sustainable care.

## **Summary and Next Steps:**

SMH has made significant progress in rebuilding leadership capacity and addressing quality of care opportunities. The recruitment of a President & CEO, enhancing internal operational capacity and refocusing on core services are well underway and will continue to evolve into 2026. It is recognized that it will take time for each step of this journey, but the approach will continue to revolve on building foundational supports for long-term sustainability of SMH.

Next steps in early 2026 will include the recruitment of an SMH Board of Directors. Selection of a skills-based Board that is guided by best practices in governance will be a top priority to ensure the sustainability of high quality care with appropriate oversight. In addition, further development of the Central Region North model to support access to care will be another top priority of this appointment. Clear care pathways for priority populations will need to be established along with regional oversight to ensure the sustainability of these relationships.

Ongoing engagement within SMH as well as with our partners and community members will be essential to the success of SMH. SMH is committed to regular communication with hospital staff, professional staff, volunteers, SMH Foundation and community members including the Community Advisory Committee.

## **Acknowledgements:**

It has been a privilege to be appointed as Supervisor for SMH, working closely with the team and the community to advance the shared purpose of improving the health and well-being of the communities serviced. I would like to thank the staff at the Ministry of Health and Ontario Health for their ongoing support of this appointment and look forward to the next phase of this work.

There are many partners who have offered wisdom and advice along the way, including but not limited to partner hospitals and agencies within the region and outside the province, previous executive leaders of SMH, elected officials, Community and SMH Foundation members as well as the previous Supervisor and Investigation Team. It is a great source of encouragement to see such a wide array of partners offer their insights for the support of SMH.

I would like to acknowledge the Orillia Soldiers' Memorial Hospital Board and leadership team who have supported this appointment through both direct engagement with the SMH team or by supporting the multiple commitments between both hospitals.

I would like to make special acknowledgement of the SMH Team. This has been a difficult process to be a part of over the past two years. I am inspired each and every day to see the unwavering commitment of the SMH Team to the communities served. I have felt a genuine sense of passion towards our path forwards for SMH from the Executive Leadership Team, Management, Professional Staff and Front line staff. This passion serves as motivation for the next phase of this Supervisor appointment.