



NEWS RELEASE – FOR IMMEDIATE RELEASE

NHH Annual Meeting concludes 2017/18 fiscal year with second consecutive year with modest operating surplus

NORTHUMBERLAND COUNTY, Friday, June 22nd, 2018—The Northumberland Hills Hospital (NHH) Board of Directors hosted its Annual Meeting on Thursday, June 21st.

Chaired by **Elizabeth Selby**, NHH Board Chair, the event drew a large crowd to the hospital's *Peter B. and Mary T. Smith Community Education Centre*, including Board Directors, volunteers, donors, local partners and health-care providers, staff, physicians, area residents and local government representatives, as well as Northumberland-Peterborough South MPP-elect **David Piccini**.

Guest speaker **Lou Reidel** delivered the keynote address. As Chief System Planning and Performance Officer at the Ontario Hospital Association (OHA), Reidel's role is to advance hospital funding and planning strategies as well as proactively identify hospital funding needs and system re-configuration priorities. He has played a key role in advancing the funding concerns unique to medium-sized hospitals.

Reidel addressed the recent Ontario election, the health policy priorities the winning Progressive Conservatives (PCs) campaigned on, including commitments to end 'hallway medicine', and the OHA's priorities regarding longer-term capacity planning and funding.

The strong majority given to the PCs represents the biggest shift in government in 15 years. "Voters wanted change," Reidel said, "and there will be significant change ahead for Ontario."

Though the transition to the new government is now underway, and the new Premier and Cabinet will be formally sworn in June 29th, Reidel cautioned that it will take some time for the new government to become fully operational.

The fiscal position of the province is broadly understood to be the first priority, and it is expected that the leaders will need to "stock-take" on key platform promises to meet fiscal goals, Reidel explained.

"Value-for-money audits of all government programs are expected, as well as a Commission of Inquiry to examine the deficit," said Reidel, noting that the new government has previously expressed a commitment "to find efficiencies of 4 per cent or \$6.3 billion."

Speaking to Ontario's economic outlook, he emphasized that it is subject in large part to the outcome of trade relations with the United States. Ontario, he said, has done a relatively good job constraining program expenses (relative to gross domestic product), since 2007/8, with the previously rising cost curve of Ontario's hospitals—the highest among all health care system costs—holding steady since 2012.

Highlighting what he described as “the Ontario hospital efficiency dividend,” Reidel commended the relative efficiency of Ontario hospitals today, and the fact that they are now serving more patients and clients with fewer beds, and at lower cost, compared to other provinces in Canada. That said, “4,756 patients (as of January, 2018)—mostly frail, elderly—are waiting in hospitals for a more appropriate level of care. An all-time high, which must be addressed if we are to “end hallway medicine.”

While Reidel welcomed the PC government’s commitment to new long-term care beds (the PC’s election platform promised 15,000 new long-term care beds over the next five years and 30,000 new beds over the next 10 years, mental health and addiction support, and dental care for low-income seniors), Reidel cautioned that higher spending is not necessarily the solution, noting that, in his view: “There are opportunities to be found within a longer-term capacity plan across the system.”

Speculating on possible future directions in health care, Reidel said that there are “serious questions being asked about the merger, exactly one year ago, of the Local Health Integration Networks and the Community Care Access Centres. Under previous leaders, the Progressive Conservatives campaigned against LHINs. It’s generally understood that the home care delivery system is not performing well. There are likely to be changes to the organization and delivery of home and community care in the days ahead,” he said, noting too that “questions remain about the future role of hospitals and the possibility of changes to the organization of the health care system.”

Medium-sized hospitals such as NHH remain a key focus for Reidel in his work with the OHA and, in particular, the issues that medium-sized hospitals such as NHH have faced with the funding formula following Health System Funding Reform changes.

He recognized the Ministry of Health and Long-Term Care for the additional funding granted to medium-sized hospitals in 2016-17 and 2017-18 to help address operational challenges.

“NHH’s CEO Linda Davis is also to be commended for pushing hard to successfully get NHH’s funding adjusted,” he said, to applause from the audience.

“Ontario hospitals know that challenges will remain until capacity is enhanced across the continuum of care. During the next flu season, there will be, again, a need for short-term investments in hospitals to stabilize the sector and prevent a capacity crisis,” he said.

Over the long-term, however, the OHA is examining new policy solutions to “end hallway medicine,” including looking at the hospital-home care relationship and how to best provide greater flexibility for new models of care, including integrations, without significant structural change.

“Cookie cutter solutions just won’t work. We have to have that flexibility for integration options to be explored at the local level.”

Echoing the recommendations of economist Don Drummond, Reidel said: “future solutions may shift to coordinated social services and health care services, delivered at home.”

Policy announcements are not expected to be revealed by the new government until September, with the fall economic statement. Further detail will come in the spring 2019 budget.

Tom McLean, Chair of the Board’s Finance and Audit Committee, presented the NHH Financial Statements for the year ended March 31st, 2018.

“NHH entered the year with a balanced budget,” McLean said, “due in part to the cost savings achieved through the work of staff and physician partners on revenue-generating and cost-reduction strategies identified in the Hospital Improvement Plan (HIP) and the base funding adjustment of \$916,700 received late in 2016/17.”

Higher than planned patient volumes during the year created new financial pressures, McLean explained, but “fortunately, these were ultimately alleviated through one-time funding of \$729,500 to support the additional beds we opened to accommodate the patient surge, and \$700,000 to offset the operating pressures.”

NHH ended the year for the second consecutive year with a modest operating surplus of \$326,103.

“Our financial position continues to improve,” said McLean, thanks to a \$2.3 million base adjustment to address NHH’s long-standing structural deficit, announced in May 2018. A further one-time funding allotment of \$1,760,000 will support additional beds necessary to meet ongoing patient surge realities in the short term.

Echoing Lou Reidel’s praise for the advocacy efforts of President and CEO Linda Davis, McLean said: “I cannot underscore enough the significance of the Ministry’s recognition of our structural deficit—a deficit that has been under discussion with the Ministry for the past four years and could not, despite our best efforts, be solved through efficiencies alone. As we see it right now, this adjustment to our base means we are, for the foreseeable future, in a position to properly plan and manage our finances, ideally with a surplus to put toward reinvestment, without continuously relying on in-year, one-time funding to balance.”

“NHH will continue to work cooperatively with its partners at the Central East Local Health Integration Network (LHIN) and the Ministry of Health and Long-Term Care,” said McLean, “in an ongoing effort to achieve long-term financial sustainability while also maintaining, or enhancing, vital patient care services for the benefit of the community that we are so proud to serve.”

KPMG’s **Lori Huber** presented a positive Auditors’ Report. The audited financial statements were accepted as presented and auditors KPMG LLP were appointed again as auditors for fiscal year 2018/19.

The Board Chair’s report followed the update on the hospital’s financial position. **Elizabeth Selby** referred attendees to her written message, available in NHH’s [Annual Report](#) released at the meeting.

Selby recognized two long-standing Board Directors whose terms of service concluded at the June meeting: Directors **Jack Russell** and **Doug Mann**.

With the Board since June 2009, Selby noted that Russell has brought “a wealth of entrepreneurial business experience to the Board table, together with a strong commitment to his community.”

Past Chair this past year, Russell Chaired the NHH Board for a total of three years (2014-15, 2015-16 and, most recently, 2016-17), guiding the hospital through a time of steadily rising fiscal and patient pressures, through first a coaching review, an external operational review and, finally, a Hospital Improvement Plan.

In addition, Russell chaired a number of Board committees, namely Facilities and Campus Development and the Improvement and Sustainability Sub-Committee.

Like Russell, Doug Mann served as a Board Director since June 2009.

He preceded Jack as Board Chair, serving for two years in that capacity, in 2012-13 and again in 2013-14.

“Despite a busy legal practice, and in addition to his work as Chair, Doug also took on additional volunteer work with a number of Board committees. He is a Past-Chair of the Board’s Governance Committee and, in the past year, served as Chair of our Facilities and Campus Development Committee.”

Both were thanked for their dedicated service to NHH.

Also thanked for his service was **Barry Gutteridge**. Gutteridge served NHH in the capacity of Community member since 2016, most recently as a member of the Quality and Safety and Facilities and Development Committees.

Also recognized for her service to her hospital was **Pat Page Hoisak**, outgoing President of the NHH Auxiliary.

Hoisak served on the NHH Board as an *ex officio* member for the past three years and, at the May Annual General Meeting of the Auxiliary, completed her term and passed on the role of leadership of the 350-strong Auxiliary volunteers to incoming President, **Marg Hilborn**.

Speaking to the “exceptional support shown to NHH by its two largest volunteer organizations,” the NHH Foundation and the NHH Auxiliary, Selby commended both for the support over the past year, detailing some of their many accomplishments, including the 42,000 hours of volunteer support provided to NHH by the Auxiliary in the past year alone, and the outstanding support they rally for capital equipment priorities, including \$200,000 from the Auxiliary this past year alone, and a remarkable \$1.6 million from the NHH Foundation, raised through community donations.

“Examples of the many pieces of priority equipment these dollars have purchased, together with some photos from their event highlights, are provided in the *Annual Report*,” said Selby. “While we still tend to think of this hospital as ‘new’ we are actually preparing to celebrate our 15th anniversary later this fall... more and more of the equipment our physicians and health professional require today—including our technology backbone—are requiring replacement. We simply couldn’t be the hospital we are today, or strive to be tomorrow, without the NHH Foundation and NHH Auxiliary’s ongoing support.”

Thanking her fellow Board members, community volunteers and the NHH staff and physicians, including President and CEO **Linda Davis**, and Chief of Staff Dr. **Mukesh Bhargava**, Selby said: “Together we have juggled rising local patient need and financial challenges against a health care landscape which is transforming—rapidly. We have also weathered the tragedy of a shooting in the very heart of our community hospital. I do believe we have come through the challenges of recent years a stronger and more focused organization, better connected to our partners, patients and each other.”

Linda Davis delivered remarks of her own at the meeting, also referring guests to her written highlights from the year in the *Annual Report*. Praise for the hard work of the NHH Foundation and Auxiliary was highlighted by Davis, as was the work of NHH’s Patient and Family Advisory Council.

Reflecting the theme of the night, Collaborative Community Partnerships, Davis spoke to the work of many of the partners in the room, and the impact they have on the hospital's ability to deliver high quality, compassionate care effectively and efficiently.

Of staff, and her management team, Davis said: "you are really the unsung heroes of NHH. Throughout the past year there have been endless hours of looking for ways to accommodate the significant increase in patient volumes, working additional shifts, working in crowded environments as units expanded to support additional patients and the emergency department patients waiting to be admitted. And through all of this you remained caring and committed to providing *"Exceptional patient care. Every time."*

Cyndi Gilmer and **Lynda Kay** delivered the report of the Board's Nominating Committee. Two Director appointments were endorsed to fill the gaps that will be left with the conclusion of the terms of Jack Russell and Doug Mann.

Ann Logan, a local lawyer from Cobourg (Ward 2), was appointed for a three-year term. Logan joined the Board as a Community Committee volunteer in June 2016 and in that role she has gained experience on a number of Board committees, most recently Governance and Quality and Safety.

"Ann Logan brings extensive legal expertise to the Board table, as well as a range of other skills relevant to hospital governance," said Gilmer. "She previously volunteered with the NHH Foundation, including a term as Chair, and she has served as director on a number of local boards including the Northumberland County Law Association and the HELP Centre of Northumberland."

Also approved at the June 21st meeting was the appointment of **Kai Liu**, also of Ward 2 (Cobourg), also for three-year term. Liu joined the Board this past year as a Community volunteer, serving on the Quality and Safety Committee.

"Perhaps best known in Northumberland as the Chief of Cobourg Police, a role he has held since 2012, Liu is a trailblazer in his field of law enforcement," said Gilmer. Recruited in 1986 as the first Asian police officer on the Ottawa Police Force, Liu is a champion for diversity in the workplace and a strong mentor and advocate for women in policing.

Four Director re-elections were also approved. **Bob Carman** and **Pam Went** (both of Ward 3) were both re-elected for three year terms, as was **Cyndi Gilmer (Ward 1)** and **Starr Olsen (Ward 2)**.

Biographies for all will be found on the Board pages of the hospital website.

Kendra Simmons (of Port Hope, Ward 1) was welcomed by Board Chair Elizabeth Selby as an incoming Community member, following the Board's open call for interest earlier in the spring. **Simmons** will join the Board when meetings resume this fall.

Dr. Andrew Stratford, outgoing President of the NHH Medical Staff Association, was recognized for his eight years of leadership within this Association, either as President or Vice President.

Dr. Matthew Vaughan, Chief of Diagnostic Imaging at NHH, was welcomed into his new role as President of the Medical Staff Association, succeeding **Dr. Andrew Stratford**, together with **Dr. Kaes Al-Ali**, General Surgeon, who will join the Board table this fall in his new role as Vice President of the Medical Staff Association.

At the Board meeting immediately following the Annual Meeting, Board Directors unanimously appointed **Elizabeth Selby** as the Board's new Chair for 2018/19 fiscal year. Also appointed unanimously were **Pam Went** (Ward 3), First Vice-Chair, and **Lynda Kay** (Ward 2), Second Vice-Chair.

Updates to the NHH Board's full membership listing will be published on nhh.ca when the Board resumes regular monthly meetings this fall. NHH's *2017/18 Annual Report to the Community*, released in hard copy at the meeting, will be [found here](#) under About NHH at nhh.ca, in local copies of Northumberland News on Thursday, June 28th, or on request from the hospital's Public Affairs office (905-377-7757). Contact: Jennifer Gillard, jgillard@nhh.ca or 905-377-7757.

About Northumberland Hills Hospital – Located approximately 100 kilometres east of Toronto, NHH delivers a broad range of acute, post-acute, outpatient and diagnostic services. Acute services include emergency and intensive care, medical/surgical care, obstetrical care and palliative care. Post-acute specialty services (PASS) include restorative care and rehabilitation. Mental health care, chemotherapy, dialysis and 16 other ambulatory care clinics are offered on an outpatient basis through partnerships with regional centres and nearby specialists. NHH offers a full range of diagnostic services, including magnetic resonance imaging (MRI), computed tomography (CT) and mammography. The hospital serves the catchment area of west Northumberland County. A mixed urban and rural population of approximately 60,000 residents, west Northumberland comprises the Town of Cobourg, the Municipality of Port Hope and the townships of Hamilton, Cramahe and Alnwick/Haldimand. NHH employs approximately 600 people and relies on the additional support provided by physicians and volunteers. NHH is an active member of the Central East Local Health Integration Network. For more information, please visit www.nhh.ca or follow us on Twitter [@NorHillsHosp](https://twitter.com/NorHillsHosp).