



NEWS RELEASE – FOR IMMEDIATE RELEASE

Update on financial challenges, NHH Board deliberations and recommendation to the Central East LHIN

NORTHUMBERLAND COUNTY, Tuesday, February 24th, 2015—Work has been progressing steadily at the Board and senior management level on a Short-Term Improvement Plan for NHH.

Work on the Plan commenced last month following an external coaching review that was recommended by NHH and approved by the Central East LHIN. The review, conducted by JD & Associates, a three-person team of health-system experts, concluded its work on January 16th with confirmation of a need for short- and long-term strategies that will incorporate greater partnership, integration and clinical change in order to meet the hospital's financial pressures.

Given the severity of its pressures, and the fact that the status quo is not an option for NHH, the Board knew that considerable engagement with key stakeholders would be required to stabilize the operation for the longer-term.

The first step to financial security was to find the \$1 - \$2 million in efficiencies that the coaching review team identified as achievable, and, further, to do so without reduction to services.

On January 28th the Hospital presented the findings of its coaching review to the Central East LHIN Board and a recommendation to move forward with a short- and longer-term plan to financial stability.

The LHIN Board received the Coaching Review Update and directed NHH to present an Improvement Plan at the next LHIN Board meeting on Wednesday, February 25th. The timeframe (less than one month) was considerably shorter than expected.

Several iterations of a Proposed Short-Term Improvement Plan have since been brought forward by the Senior Management Team to the Board of Directors for consideration. The proposed Plan was also discussed with the Central East LHIN Senior Team, NHH medical staff and union leadership.

In keeping with the coaching review recommendations, proposed strategies identified in the draft Plan include opportunities to address unit size and staff skill mix while achieving other savings through efficiencies for a total of \$1.4 M in proposed savings, before restructuring costs.

These new savings, combined with savings realized through efficiencies in 2014/15, would achieve over \$2.2 M in annual operating savings for NHH, exceeding the opportunities identified in the recent coaching review. The proposed plan contained no reduction in services.

“Savings of this magnitude are not without risk and certainly cannot be achieved without considerable impact to the organization,” said Jack Russell, NHH Board Chair. “The NHH Board has concluded that we are not yet in a position to approve the Proposed Short-Term Improvement Plan. The risks are significant, even if no services would be affected, and the Plan, in the Board’s view, and the view of the Senior Management Team, requires further discussion and deliberation with key stakeholders, including the Central East LHIN. Among the many considerations is the issue of restructuring costs related to any change.

In light of the Board’s decision, rather than present the requested Improvement Plan to the Central East LHIN tomorrow at their February 25th Board meeting, NHH will instead request additional time (to end September, 2015) to further engage key stakeholders and minimize the risks identified with a plan of this scope. To support the hospital’s operations through this process, NHH will also be requesting one-time funding from the LHIN of \$1.3 M.

Said Jack Russell: “NHH is committed to working with the Central East LHIN, the Ministry of Health and Long-Term Care and its community to improve its financial position in the face of its pressures. Our goal is to meet the rising needs of our community, both today and in the generations to come.”

The pressures that have led to this situation include:

- an increase in service activity and acuity;
- an increase in Alternative Level of Care cases and patient days due to lack of resources in the community;
- an increase in surge;
- an increase in patient transportation costs; and
- labour increases and inflationary pressures which alone account for close to \$1 M/annually in new costs.

“NHH has been recognized by the LHIN and the Ministry of Health for our willingness and success at reducing costs, increasing efficiencies and enhancing quality of care while adopting innovative and provincially recognized models for health-care delivery,” said Linda Davis. “Every member of the team, from front-line staff member to volunteer to donor, has been a part of this success. Our Board is reluctant to make inappropriate short-term improvements in haste. We look forward to working with our LHIN in the days ahead to find a workable solution to NHH’s long-standing financial challenges.”

For highlights from the coaching review, please [see the related January 26th news release on nhh.ca](#). The full report from JD & Associates, the coaching team that completed the review, will be available on February 25th, 2015, under the Document Archive, nhh.ca.

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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, and obstetrical care. Post-acute specialty services (PASS) include restorative care, rehabilitation and palliative care. 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).

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