

THE FACES OF ACCOUNTABILITY

ANNUAL REPORT 2007-2008



NORTHUMBERLAND HILLS
HOSPITAL

inspiring strength, dignity and compassion



NORTHUMBERLAND HILLS HOSPITAL

inspiring strength, dignity and compassion

VISION

To excel as a community hospital

MISSION

To provide excellent health care in an environment that promotes the dignity and well-being of everyone

VALUES

Teamwork
Compassion
Respect
Integrity
Excellence

MESSAGE FROM THE CHAIR OF THE BOARD

Your Board of Directors is accountable to the residents of this community to ensure health services are available when required. We are also accountable to the Ministry of Health and Long-Term Care and its agent, the Central East Local Health Integration Network (CE LHIN), to provide services that complement the larger network.

The relationship between your Board and the province is formalized through the Hospital Service Accountability Agreement (H-SAA). This binding contract outlines patient services for the next two fiscal years, and the operating budget required to deliver those services. It was—when we entered into H-SAA negotiations last fall—a requirement that we find a balance between the estimated service costs and budgeted revenue. Many hospitals in the province, NHH among them, are finding a balanced budget impossible to achieve, given systemic issues impacting our organizations.

Were it not for the systemic health care issues facing NHH (see Financial Highlights on p. 10), we would be in a balanced situation. We shared these issues with the CE LHIN. I am proud to report that the result was a modified H-SAA that permits NHH to manage the challenges in the short-term while working with provincial authorities to develop a joint proposal detailing the necessary long-term solutions.

While the funding challenges occupied a considerable portion of the Board's agenda in the past year, notable progress has been made in other areas of our responsibility, including strategic planning, and the search for a replacement for retiring President and CEO Joan Ross.

This year we reviewed and revised the hospital's Strategic Plan to better align our clinical and organizational priorities with the priorities of the CE LHIN and mitigate the challenges facing Ontario hospitals today.


NHH has benefited from strong, insightful and focused leadership from President and CEO Joan Ross. Joan advised the Board in January 2008 of her intention to retire this November. While we will say goodbye in 2008 to an excellent CEO, she leaves us very well positioned as a leader among the province's small community hospitals—a position which, we trust, will attract the right candidate to identify the opportunities and meet the challenges that face us.

In closing, I extend the Board's sincere appreciation for the continued support given to the hospital from both the NHH Foundation and the NHH Auxiliary. Through assistance to our patient care areas and staff, and the funds that permit the purchase of essential medical equipment, the contributions of these two groups make NHH the envy of many.

These are challenging days for hospitals and the health care system. This community has worked together with staff and physicians to build this great facility, and your Board pledges to continue in the same spirit of collaboration to bring it forward for future generations.

Sid Trevail,

MESSAGE FROM THE PRESIDENT AND CEO

 October 2008 marks the fifth anniversary of Northumberland Hills Hospital.

As I approach my retirement and look back over the years, I'm struck by how far we have come. The move to the new facility, with its enhanced patient services, caring staff, modern equipment and exceptionally generous community donors and volunteers, put west Northumberland into a position of prominence among its peers. What will stand out most in my mind in the years ahead? The people who make this organization what it is. This is truly a remarkable hospital family.

Sustaining this family, and growing it for future generations is, however, NHH's single biggest challenge. There is a critical shortage of the skilled talent necessary to operate a hospital.

Approximately one million people in the province of Ontario are without a doctor today - 10,000 to 12,000 here in west Northumberland.

Physicians are one example of a profession in which demand is outpacing supply. Similarly, nurses are also in high demand.

The Ministry of Health—through the LHINs and the various Health Service Providers—is working to correct Ontario's imbalance

between the supply for health care professionals and the demand for their skills. But solutions will take time.

NHH must continue to invest in innovative recruitment strategies. Among the many factors prospective physicians, nurses and other health professionals consider when selecting an employer is the state of the equipment with which they will work. In this regard, NHH is at an advantage. Not only are we a newer facility, we are—as the Foundation's latest campaign illustrates—working hard to keep our systems and equipment current.

In the fall of 2007 NHH opened its doors on an exciting new service in our fully-digitalized Diagnostic Imaging Department—a new Magnetic Resonance (MR) imaging scanner.

An example of the sort of e-Health advancements we need to attract the best staff and make the most of limited resources is our new Electronic Document Management System in the Emergency Department (ED). The change resulted in an improved triage process, faster access to patient test results, improved confidentiality and increased access to information.

High on the list of NHH's next priorities is encouraging the development of a health services building adjacent to the hospital. The building is viewed as a necessity for two reasons: to house hospital programs now located outside the main hospital and as a draw to physicians interested in locating in the community. The shortage of turn-key

Across Canada, the Canadian Nurses' Association estimates we are short 78,000 nurses; this is expected to grow to 113,000 in the next decade.

office space in close proximity to the hospital is having a negative impact on our recruitment efforts.

In the course of my experience with NHH's accreditation cycles over the years, and my own perspective as a hospital surveyor, the culture of a hospital has proven to be a window into its effectiveness and its efficiency. NHH has achieved a culture that is open and supportive. This is a key competitive advantage in attracting people to our organization and our community, and it must be maintained.

My sincere thanks to the staff, physicians, volunteer family (Board, Foundation and Auxiliary) and community for their continued dedication to NHH.

Joan Ross



ACTIVITY SNAPSHOT	APRIL 1, 2005 – MARCH 31, 2006	APRIL 1, 2006 – MARCH 31, 2007	APRIL 1, 2007 – MARCH 31, 2008
ED and Fast Track Visits	34,359	34,197	32,581
Admissions	4,001	3,615	3,557
Births	523	474	541
Surgical Cases	4,247	4,609	4,839
Dialysis Visits	7,196	8,647	8,343
Chemotherapy Visits	1,411	1,821	2,119
Outpatient Clinic Visits	18,990	18,068	20,098

OUR PROGRAMS AND SERVICES

*A*n active member of the Central East LHIN (www.centraleastlhin.on.ca), Northumberland Hills Hospital (www.nhh.ca) is located approximately 100 kilometres east of Toronto and serves a catchment

area known as west Northumberland County. The 137-bed hospital delivers a broad range of services, including emergency and intensive care, medical/surgical care, complex/long-term care, rehabilitation, palliative care and obstetrical care.



Dr. Asiya Hameed



Janna Burchart



Young patient in triage, ED

REPORT FROM THE CHIEF OF STAFF

*A*s I write this, NHH's new Magnetic Resonance (MR) imaging service is in use in the Diagnostic Imaging Department. A significant accomplishment for a community of our size, this powerful diagnostic tool is used for imaging diseases of the breast, central nervous system and soft tissue. Service commenced on October 25, 2007 and by the close of our fiscal year on March 31, 2008 it had already been used in the diagnosis of more than 1,500 patients.

NORTHUMBERLAND HILLS HOSPITAL MEDICAL STAFF

Midwives	13
Associate /Active	50
Courtesy (Non-Admitting)	56
Total	119

In September 2007 the NHH ICU introduced a new model of service delivery with the introduction of the hospital's first ICU On Call Group. Consisting of nine General Practitioners (GPs) and three specialists, the approach has been applauded by our LHIN and may be emulated by other hospitals facing similar physician staffing challenges.

Another success in the past year with regard to staffing was the recruitment of Dr. Asiya Hameed. With the addition of Dr. Hameed, who relocated to west Northumberland from Saskatchewan,

our OB/GYN program is now fully staffed. Dr. Hameed has also expanded this program by offering some extra services, such as colposcopy and urodynamic testing.

Specialist support is optimum, with the exception of internal medicine, where additional Internists are required. Internists are in short supply and our recruitment efforts have not yet met with success. Internal medicine is a vital component of the Emergency Department (ED), ICU, surgical and ward programs and, as such, staffing in this area remains a priority for the coming year.

Within the ED, following the loss last fall of two full-time ED physicians, NHH is currently relying on "locum" physicians for 30 to 40 per cent of the shifts. The situation, while manageable to date, thanks to support from Health Force Ontario and a private external agency, is placing an unexpected strain on operating funds. Recruitment is ongoing.

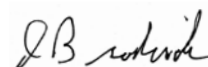
NHH is currently providing basic medical services via the ED to the estimated 10,000 - 12,000 local residents who do not have a family physician. This is putting an enormous strain on the operation. Finding a solution to this primary care problem is a provincial priority.

For community hospitals, the active engagement of community physicians is essential to patient care. Of the 35 community GPs, 22 continue to provide ward inpatient services, nine support the ICU, nine provide obstetrical

services, and seven perform ED work. Thanks to the efforts of the Community Physician Recruitment and Retention Committee, we anticipate several new GPs in west Northumberland in the near future.

The formation of Family Health Teams (FHT), a relatively new model of primary health care service delivery, has the potential to alleviate this situation by aligning allied health professionals with primary care physicians to allow doctors to enlarge their practices. Discussions are underway and it is anticipated that most of the local GPs will switch from the fee-for-service model and convert to the new model by late summer 2008. Government approval and funding for a FHT is required. Dialogue is ongoing with all levels of government and I am optimistic.

Dr. David Broderick,



EXCELLENCE IN SERVICE, INNOVATION, LEADERSHIP AND CONTINUOUS LEARNING

Family, friends and colleagues gathered in the Education Centre at the hospital again this May for the annual celebration of staff accomplishments. Long Service Awards were presented to a total of 44 staff and six physicians with 10 to 40 years of service at NHH. Also announced were the year's recipients of NHH's Leadership and Innovation Awards. These distinctions are awarded annually on the basis of nominations from within the hospital team, and acknowledge extraordinary employees who go above and beyond the normal expectation of their role to make a difference at NHH. Christa Rebot, a Medical Radiation Technologist, received the Excellence in Leadership

Award for her work aligning NHH's Bone Mineral Density service with the stringent quality assurance policies and procedures of the new Canadian Bone Mineral Density Accreditation Program. The Outstanding Innovation Award was presented to Jo-Anne Merry, a Health Records Technician, for her work to ensure NHH met the requirements of the provincial Wait Time Strategy. Twenty-three NHH staff members received recognition for personal education achievements in the last year, with a broad range of academic accomplishments recognized.

A complete list of the award recipients, and selected photos, is provided below.

LONG SERVICE AWARD RECIPIENTS

10 Years

Oswaldo Bacareza
Margaret Clarkson
Dr. Allison Collins
Debbie Flay
Laura Hamilton
Dr. Martin Jokay
Susan King
Bridget Lessard
Catherine Oke
Rhonda Purdy
Brandy Robertson Purdy
Janet Slessor

Dr. Dale Taylor
Cheryl Turk
Brenda Weir

15 Years

Karen Bruton
Dr. Jeff Knackstedt

20 Years

Kelly Burdick
Lorianne Larsen
Linda Macklin
Jeanette MacDonald
Peggy Ann Minifie
Maureen Morford

Donna Newton
Susan Sanders
Deborah Anne Sellers
Michele Smith
Ann Starreveld
Joy J. L. Stephen
Marylou Taylor

25 Years

Dr. Tapis Banerjee
Elizabeth Brown
Kathy Chomitz
Wayne Goodwin
Debbie Anne Turcotte
Diane Wladyka



10- and 15-year recipients: (L-R): Oswaldo Bacareza, Marg Clarkson, Karen Bruton



20- and 25-year recipients: (L-R): Donna Newton, Jeanette MacDonald, Kathy Chomitz, Wayne Goodwin, Beth Brown, Joy Stephen



30-year recipients: (L-R): Laura Coons, Janice Coburn, Sue Marshall, Sue Van Camp



35-year recipients: (L-R): Pat Hawryszko, Lorraine Johnston, Brenda Arthur, Joyce Cole, Heather Brewster

30 Years

Janice Coburn
Laura Coons
Frank Coulthard
Julia Green
Kathleen Lambert
Susan Marshall
Dr. John Routh
Susan Van Camp

Bachelor of Health Administration

Brent Baker

OR Certificate

Tara Deline
Arlene Fagan
Christine Kloosterman
Sherrie Murphy
Angela Schwantz

35 Years

Brenda Arthur
Heather Brewster
Joyce Cole
Pat Hawryszko
Lorraine Johnston

Certificate in Health Information Management

Heather Brooking
Carey Demareski

40 Years

Gloria McGlynn

Dialysis Attendant Certificate

Bev Atkinson
Erin Bergeron
Cheryl DiMarco
Lori Giroux
Laura Hamilton
Lindsay Hayes
Samantha Stata
Linda Stevenson
Kelly Walker

EDUCATION AWARD RECIPIENTS

Master's, Business Administration

Sara Richards

NORTHUMBERLAND HILLS HOSPITAL FULL AND PART-TIME STAFF

Nursing	251
Management Staff	22
Service & Support	199
Other Health Professionals	89
Total	561

Palliative Care Certificate

Colleen MacDonald
Karen Truter

Infection Prevention, Control and Epidemiology Certification

Myonne Allan

Infection Control Practitioner

Michelle Verbeem

Oncology Certificate

Suzanne O'Rourke



Education Achievement-OR Certificate
(L-R): Tara Deline, Christine Kloosterman,
Angela Schwantz, Arlene Fagan



Education Achievement-Infection Control
(L-R): Michelle Verbeem and Myonne Allan



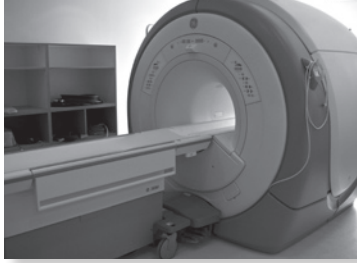
Education Achievement-Dialysis
Attendant Certificate (L-R):
Cheryl DiMarco and Kelly Walker



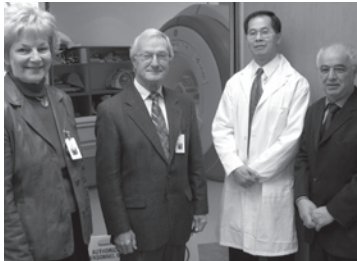
Outstanding Innovation Award Recipient:
Jo-Anne Merry



Magnet Arrival



MR Installation



Opening Ceremony



1000th MR Patient



Premier McGuinty Visits

REPORT FROM THE FOUNDATION CHAIR

The month of June marks the end of my first year as Chair of the Northumberland Hills Hospital Foundation. During this time I have learned an incredible amount of information as it relates to the needs of a hospital.

I continue to marvel at the generosity of west Northumberland residents as you all work together to ensure our hospital has the necessary funds to purchase priority medical equipment.

Thanks to the wonderful generosity of our donors last year, the Foundation provided \$1,378,842 to NHH to purchase essential medical equipment and new technology. Some examples of your gifts in action include:

Portable Ultrasound for ED	\$ 47,348
Specialized support mattresses	\$ 10,675
Bariatric wheelchair and cushions	\$ 5,300
Pyxis medication administration system	\$ 204,549
Vital signs monitors (2)	\$ 8,493
High definition endoscopes (8), laparoscopes (4) and OR cart and upgrade	\$ 565,824
Plastic surgery instruments	\$ 74,875
Cystoscope (2)	\$ 22,236

Over and above the Foundation's annual fundraising program, our Board accepted the responsibility to raise additional monies for diagnostic imaging equipment. To help us raise awareness of this

important initiative and to raise the bar on our fundraising program, the *Care Close to Home Diagnostic Imaging Equipment Campaign* was created.

NORTHUMBERLAND HILLS HOSPITAL FOUNDATION (AN INDEPENDENTLY INCORPORATED ORGANIZATION)

Staff	3
Volunteers	75
Total:	78

The goal of this campaign is to raise a minimum of \$6 million for the new Magnetic Resonance imaging unit, a CT scanner upgrade, two ultrasound units, a digital mammography unit and various system upgrades. This is the first capital campaign undertaken since our move into the new facility and I'm pleased to report that we've been able to provide the hospital with \$3,454,581 towards this goal. Efforts will continue until we can celebrate a successful conclusion to this campaign.

I would like to thank the community for its continued support and assure you that your gifts are being put to good use in our hospital every day. I also want to recognize the many volunteers and staff members who help the Foundation achieve success.

Thank you for allowing me the privilege to serve my community.

Julie Thompson,

REPORT FROM THE AUXILIARY PRESIDENT

Accountability is an interesting word. Its dictionary definition is simple: “responsibility for one’s actions.” Certainly, the NHH Auxiliary is active in many areas of the hospital and, as such, our accountability has many forms. As a Board, we are responsible to the hospital, our members and the community that supports our activities. That responsibility falls into two categories: fiscal accountability and responsibility for the support of patient care.

NORTHUMBERLAND HILLS HOSPITAL TOTAL AUXILIARY MEMBERS

Active	415
Associate	175
Total:	590

Fiscally, we have had a banner year as our contributions to the hospital and the NHH Foundation show. A confluence of a trust fund and a GIC maturing simultaneously allowed us to make a \$100,000 contribution to the NHH Foundation’s *Care Close to Home Campaign*. Our regular fundraising activities, along with successful special events, allowed the completion of the final part of our \$150,000 commitment in support of digital mammography at NHH. Our Little Treasure Shop, Petticoat Lane, H.E.L.P.P. Lottery and Crafters combined raised a total of \$139,600. Special events, such as Tag Days, Poinsettia Tea, Winetasting and Polar Bear Dip realized \$27,161. Marathon Bridge and Strawberries and Song raised \$1,950.

Accountability to members is multi-faceted. We have continued to recruit new members, place members appropriately, resolve problems as necessary and communicate with them in times of personal difficulty. We have also communicated with members through our newsletter, renamed, redesigned and on line. Our members demonstrate accountability every day – one member, one shift at a time. Turning up, doing the job, with pride.

We communicate with the wider community through media promotion and coverage of events. Membership in the Hospital Auxiliaries Association of Ontario permits us to send delegates to the annual Convention, to nominate Provincial Life Members and to share the experience of other auxiliaries, province-wide.

At the end of my term, I am proud to be accountable for our actions this year. I am pleased to welcome Dale Hodge as President. She has many years of experience in the auxiliary world and will, I am sure, pick up the pleasures and challenges of the NHH Auxiliary with energy and enthusiasm.

Patricia Fenner,



(L-R): Marlene Stothart, Warren Harvey, Alma Draper, Margaret Chapman

FINANCIAL HIGHLIGHTS

The financial statements of the Northumberland Hills Hospital for the year ended March 31, 2008 were prepared by and are the responsibility of the hospital's management, and have been approved by the Board of Directors. The mandate of the Audit Committee is to ensure that internal controls and systems safeguard the hospital's assets and to satisfy itself as to the integrity of the financial reporting of the hospital. The auditors, KPMG LLP, have audited these financial statements and have reported thereon. Financial and operating information contained in this annual report is consistent with the audited financial statements it includes.

The hospital completed the year with an operating deficit of \$559,544 or 1% of total revenues. This operating deficit is the result of systemic operating pressures beyond the hospital's control, including:

- escalating physician remuneration as a result of physician shortages
- higher operating costs associated with an increase in alternative level of care patients necessitating additional staff and causing admissions to be held in emergency
- inadequate funding for the satellite dialysis program, and
- increased overtime and sick time due to nursing staff shortages.

Were it not for these factors beyond the hospital's control, the hospital would have a nominal surplus comparable to the Board-approved operating budget.

The hospital met all its LHIN Hospital Accountability Agreement volume performance commitments for the year, and experienced continued growth in inpatient weighted cases, surgical cases, ambulatory visits and mental health program visits.

Operating Revenue \$55,934,826



■	Provincial Funding 69%
■	Patient & Other Revenue 15%
■	Separately Funded Programs 9%
■	Amortization of Contributions 7%

FINANCIAL OUTLOOK

Without significant mitigating actions the hospital is forecasting an operating deficit of \$1.5 million and \$2.0 million in 2008/2009 and 2009/2010 fiscal years respectively as the systemic pressures referred to above are expected to escalate over the next two years. In addition, the hospital is facing the challenge of meeting growing capital needs. Over the next four years, the hospital is predicting a shortfall of capital fundraising of \$5 million to \$6 million. Together, the hospital could be faced with a

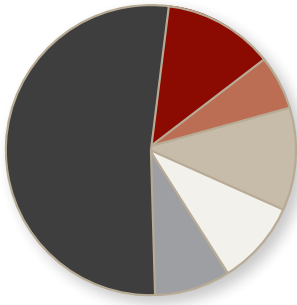
cumulative total debt of \$10 million to \$12 million by 2011/2012 if no mitigating actions are taken.

The Board is acutely aware of the implications of these operating and capital deficits, in particular the impact on the hospital's ability to manage its total debt and meet its fiduciary responsibilities. Of even greater importance is the challenge of attracting the required medical and other human resources to maintain the quality and quantity of health care programs and services provided to the community.

The hospital will continue to work collaboratively with the Central East Local Health Integration Network and other health care partners to develop actions to alleviate the impact of the operating pressures beyond the hospital's control. As well, the hospital will work closely with its fundraising partners, namely the Foundation and Auxiliary, to meet our capital needs without compromising patient or employee safety.

CONDENSED FINANCIAL STATEMENT

Operating Expenses \$56,494,370



- Salaries, Wages & Benefits 53%
- Medical Remuneration 13%
- Drugs & Medical Supplies 6%
- General Supplies & Other 12%
- Separately Funded Programs 9%
- Amortization of Capital Assets 7%

Condensed Balance Sheet

As at March 31

2008

2007

Assets		
Current assets	\$ 7,726,714	\$ 7,073,052
Capital assets	65,768,502	64,245,470
	<u>\$ 73,495,216</u>	<u>\$ 71,318,522</u>
Liabilities		
Current liabilities	\$ 8,817,196	\$ 7,148,523
Long-Term liabilities	4,163,377	4,193,952
Deferred capital contributions	61,828,951	60,730,811
	<u>\$ 74,809,524</u>	<u>\$ 72,073,286</u>
Net Assets (Deficiency)	(1,314,308)	(754,764)
	<u>\$ 73,495,216</u>	<u>\$ 71,318,522</u>

The condensed financial highlights are taken from the 2008 audited financial statements dated May 9, 2008. The audit was performed by KPMG LLP, Chartered Accountants.

Copies of the audited financial statements are available to hospital members upon request.

Condensed Statement of Revenue and Expenses

For the year ended March 31

	2008 Budget (Unaudited)	2008 Actual (Audited)	2007 Actual (Audited)
Revenue			
Provincial funding	\$ 36,193,832	\$ 38,326,906	\$ 35,543,624
Separately funded programs	5,788,690	4,933,888	4,721,231
Patient and other revenue	7,452,943	8,493,093	7,840,708
Amortization of deferred capital contributions	4,048,089	4,180,939	3,957,269
	<u>53,483,554</u>	<u>55,934,826</u>	<u>52,062,832</u>
Expenses			
Salaries, wages and benefits	27,945,784	29,670,012	26,828,641
Medical remuneration	5,975,200	7,234,113	6,474,675
Drugs and medical supplies	2,789,160	3,243,213	2,953,590
General supplies and other	6,921,565	6,939,212	6,677,338
Separately funded programs	5,843,310	5,162,570	4,900,472
Amortization of capital assets	3,948,735	4,245,250	3,963,527
	<u>53,423,754</u>	<u>56,494,370</u>	<u>51,798,243</u>
Excess (deficiency) of revenue over expenses	\$ 59,800	\$ (559,544)	\$ 264,589

Northumberland Hills Hospital Board of Directors, 2007-2008

Back row (L-R): Heather Sculthorpe, Kaye Jackson, John Hudson, Nick O'Nians, John Farrell, David Cuthbertson, Dr. Michael Barrie (VP Medical Staff), Tom McLean, Dr. Kathy Barnard-Thompson (President Medical Staff)

Front row (L-R): Lynda Kay, Patricia Fenner (Auxiliary President), Sid Trevail (NHH Board Chair), Joan Ross (President and CEO), Dr. David Broderick (Chief of Staff), Bob McInnes (NHH Board Vice Chair), Julie Thompson (Foundation Board Chair), Dean Pepper



NORTHUMBERLAND HILLS HOSPITAL

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Front cover, clockwise from top left: Wendy Garrison, Medical Laboratory Technologist; Piotr Koscielniak, Physiotherapist; Mary Anne Shill, Vice President, Patient Services; Dr. Dale Taylor, Surgeon; Marley Gimblett, RN