



NORTHUMBERLAND HILLS HOSPITAL

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NEWS RELEASE – FOR IMMEDIATE RELEASE

Northumberland Hills Hospital Board passes motion on Hospital Service Accountability Agreement (H-SAA) with 8 to 7 vote in favour

NORTHUMBERLAND COUNTY, Wednesday, April 16, 2008 – At a special meeting last evening, April 15, the Board of Directors of the Northumberland Hills Hospital passed a motion to sign the re-negotiated Hospital Service Accountability Agreement (H-SAA) with the Central East Local Health Integration Network (CE LHIN). The vote passed narrowly, with board Chair Sid Trevail casting the deciding vote.

The H-SAA is the formal contractual agreement between the LHIN and the hospital and the focal point in the hospital's annual financial planning cycle. In addition to describing patient services for the next two years, the H-SAA also serves as the master document profiling the means by which the hospital will deliver these services without incurring operating costs above those covered by the province and other sources of revenue through the various funding allocations.

The Northumberland Hills Hospital Board has been working with the Central East Local Health Integration Network (CE LHIN) on the challenges and obligations associated with the annual H-SAA.

In discussions with the LHIN over the last six months, NHH has indicated that it would not be in a position to safely provide the necessary services and balance its budget for fiscal year 2008-2009 because of **factors beyond the hospital's control**. If the costs associated with these challenges could be avoided, NHH would have a small surplus. A recurring theme in the discussions was NHH's insistence that the LHIN acknowledge the impact of these factors in the body of the agreement.

NHH succeeded in securing the LHIN's permission to submit a deficit budget in fiscal year 2008-09—acknowledging in the body of the agreement the impact of the systemic factors—on the condition that the hospital would work towards a balanced budget by FY 2009-10.

The factors, estimated to result in a shortfall of at least \$1.5 million in FY 2008-09, and referenced in the re-negotiated agreement, are:

- expenses caused, directly or indirectly, by physician shortages;
- expenses caused, directly or indirectly, by continuous, capacity bed use related to the hospital's inability to discharge Alternative Long-term Care patients because of the lack of availability of appropriate long-term care beds and supports in the community;
- insufficient funding for dialysis services (this funding is provided to NHH through the Ministry rather than through the LHIN); and
- escalating costs associated with the non-urgent transportation of patients.

At last night's meeting, the board debated two options:

Option 1 – sign the re-negotiated H-SAA which confirms that a deficit resulting from factors beyond the hospital's control will not be grounds for breach of contract. Further, that the LHIN will work with NHH to mitigate the causes of the operating deficit while NHH will commit to finding further efficiencies and other solutions to work towards a balanced budget for FY 2009-10.

Option 2 – withhold the board's signature from the H-SAA and, as such, accept that an agreement will be imposed on the hospital by the LHIN under its legislative powers.

Debate among the 15 voting board members present centred on the issue of signing the agreement, and working in good faith with the CE LHIN to resolve the issues, or withholding the board's signature. Withholding signature on the agreement was viewed by some as the best means possible to highlight for the Minister of Health the financial challenges facing hospitals today and the cumulative debt burden these challenges are expected to create in the future.

For more information on NHH's H-SAA negotiations, see the *Backgrounder – Northumberland Hills Hospital and the Hospital Service Accountability Agreement* published on April 15 in the News section of the hospital Web site (www.nhh.ca). For further information on the April 16 board meeting, or to arrange an interview, contact Jennifer Gillard at 905-377-7757 or jgillard@nhh.ca.

About Northumberland Hills Hospital – The Northumberland Hills Hospital (NHH) is located approximately 100 kilometres east of Toronto. The 137-bed acute care hospital delivers a broad range of core services, including medical/surgical care, complex/long-term care, rehabilitation, palliative care, obstetrical care and intensive care. NHH also sponsors a Community Mental Health Centre and an Assertive Community Treatment Team. 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 over 500 people and is an active member of the Central East LHIN. For more information, please visit www.nhh.ca.