



NORTHUMBERLAND HILLS HOSPITAL

inspiring strength, dignity and compassion

NEWS RELEASE – FOR IMMEDIATE RELEASE

NHH Board approves Phase 1, 2009-2010 budget plan outlining \$1.4 M in efficiencies – more work to be done before balanced position is reached

NORTHUMBERLAND COUNTY, Tuesday, March 31, 2009 – A series of CEO Budget Forums for staff, physicians and volunteers were held yesterday at NHH to announce details of the 2009-2010 budget plan unanimously approved by the Board on March 26.

The forums shared the results of a budget-balancing exercise launched by President and CEO Robert Biron on December 12, 2008 to encourage all members of the hospital team to identify potential efficiencies and new revenue opportunities. The goal: address a \$2 million operating deficit without reducing quality or access to patient services.

“Like many other hospitals, NHH faces considerable financial challenges, particularly in this tough economic climate. I am impressed with the way our team has come together to address the operating deficit by finding additional ways to save money without negatively affecting patient care,” said Biron. “As a result of their efforts, I can announce today that our team has reduced a \$2 million operating deficit to a \$600,000 operating deficit. That’s a reduction of \$1.4 million. I extend my thanks to the entire team for a job well done.”

Using the Ministry of Health and Long-Term Care’s Prioritization Framework for Expenditure Control as a guide, the *Shared Challenge, Shared Solution* initiative required management to scrutinize all areas of hospital operations, including revenue generation, a department-by-department zero-based budgeting exercise, and a benchmarking performance review against peer hospitals in the province. Ideas were contributed from all levels of the organization, not just the management team, but also from front-line staff, physicians and volunteers. For example, through the hospital’s Bright Ideas program, front-line staff identified cost saving opportunities which alone surfaced more than \$40,000 in savings.

At the CEO Budget Forums and at departmental meetings held Monday, information was shared regarding the staffing implications of the budget plan. Further details will be known by the end of April as the hospital works with its union partners to minimize the impact on staff through offers of early retirement, a review of existing vacancy opportunities for redeployment and, as appropriate, retraining.

With an annualized operating deficit of approximately \$600,000 still to be addressed, Phase 2 of NHH's budget-balancing strategy will now be launched. The second phase is to be completed by the fall of 2009 in preparation for the 2010-2011 fiscal year. It will include additional operational efficiencies and, if necessary, service reductions. In this regard, NHH is launching a community engagement program as a means to obtain public input into those budget decisions.

NHH's approach to community engagement will be proactive, meaning that public input will be sought at the beginning of the process rather than after decisions have been made by the hospital. The process will also be transparent, and it will be inclusive by obtaining as many perspectives as possible to reflect the diversity of the west Northumberland County community. The NHH Board, which is ultimately accountable for the budget decisions, will incorporate the outcome of the community engagement into its 2010-2011 budget deliberations.

To launch the community engagement program, the following activities are expected over the next month. First, the President and CEO and the Board Chair will be providing presentations to municipal councils, community service groups and other health service providers. The purpose of the presentations is twofold: to provide a brief update on NHH's financial challenges and budget status, and to provide information relating to its approach to community engagement.

The second initiative involves a mid- to late-April telephone survey of a representative portion of residents in the NHH catchment area. The objectives of the survey are to identify the primary sources of hospital information, but more importantly, to identify the public's preferred methods for being engaged in budget discussions relating to service options.

"Community engagement needs to be proactive, transparent and inclusive," said Board Chair, Sid Trevail. "We believe that, should service changes be required, discussions with our community must be held first. We want to take the time early in the process to ask how residents would like to participate in discussions of hospital services. These two-way channels are imperative for the Board to make informed decisions."

For more information, please 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 services, including emergency and intensive care, medical/surgical care, complex/long-term care, rehabilitation, palliative care and obstetrical care. A variety of ambulatory care clinics are also offered at NHH. In addition to these, 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 close to 600 people and relies on the additional support provided by physicians and volunteers. NHH is an active member of the Central East LHIN. For more information, please visit www.nhh.ca.