



NEWS RELEASE – FOR IMMEDIATE RELEASE

NHH Board approves 2013/2014 Operating Budget and Service Plan - Budget balanced with no changes to services

NORTHUMBERLAND COUNTY, Friday, March 8th, 2013—The Directors of the Board of Northumberland Hills Hospital (NHH) have approved a balanced Operating Budget and Service Plan for the hospital for the 2013/2014 fiscal year commencing April 1st.

Ontario hospitals are required to submit their operating budgets to their Local Health Integration Networks this month. Hospitals continue to work in an environment where funding increases are zero, despite inflationary pressures from labour and supply contracts. As costs continue to outpace revenue, balancing the budget – a requirement under law – is becoming increasingly difficult.

In presenting the Plan at staff forums earlier today, Robert Biron, NHH President and CEO, commended the hospital team for its hard work.

“NHH continues to be a high performing hospital in terms of both quality and efficiency. Our quality indicators demonstrate low infection rates, excellent hand hygiene compliance, and high patient satisfaction. NHH also provides excellent access to patient services as measured by wait times. Whether it's for emergency care, surgical services or diagnostic imaging, our community and patients are the recipients of timely care to these essential services. Further, the new funding formula for hospitals demonstrates that NHH remains one of the most efficient in the province, including our low administration costs.”

Year over year, NHH's key goals are to maintain or enhance core services, quality patient care and operating efficiencies. The 2013/2014 budget approved by the Board March 7th achieves these goals.

- NHH's \$64 million operating budget is balanced for the coming year.
- The budget contains no changes to programs/services and no reductions in beds.
- Strategic investments and further operating efficiencies have been identified and included that will further position NHH to maximize revenue potential under the new funding formula.

The budget also sustains investments made in recent years to support strategic priorities, including focused spending to enhance senior friendly care and Emergency Department wait time initiatives.

Strategic investments

Expanding on the new investments built into the 2013/2014 Plan, Robert Biron highlighted the need to enhance front-line staffing to meet increased patient acuity in the hospital's inpatient medical/surgical unit.

"This is a consequence of our success on the Alternate Level of Care (ALC) front," he noted. "ALC rates at NHH continue to trend at low levels, so much so that Health Quality Ontario highlighted NHH's ALC strategy as an example of success. As a result, more acute patients are accessing these beds, and that is exactly what we intended."

"We have always committed to monitoring the patient acuity level and adjusting staffing as appropriate. Earlier this year, a detailed review was completed and staffing recommendations brought forward. Incorporated into our 2013/2014 operating plan, these recommendations recognize that NHH's sustained decreases in ALC rates have led to higher patient acuity in our hospital. We are increasing front-line nursing staff accordingly."

The Intensive Care Unit is another area which has experienced increases in patient activity and acuity over the past year. As a result, front-line staffing increases are included in this budget for both nursing and Respiratory Therapy.

Also included in the 2013/2014 budget is an investment to expand the pulmonary function testing (PFT) service. An increase in Respiratory Therapy staffing will expand this existing service at NHH, and result in improved patient access to this important diagnostic tool to monitor lung function.

Operating efficiencies

The Ministry of Health and Long-Term Care recently introduced a new funding formula for hospitals. One component of the new funding model is Quality Based Procedures or QBPs. Where once hospitals were funded on a global basis (lump sum), funding is now shifting to a new rate-based formula which sees hospitals paid for select QBPs at a specific rate. In time, 30 per cent of hospital funding will flow from QBPs.

To ensure NHH can maximize the available funds and increase patient access, the hospital must demonstrate that it is operating within the funding envelope for QBPs. Cataract funding is one example where NHH has demonstrated QBP success. Since 2009/2010, NHH has almost doubled its cataract funding, improving local access through good performance.

For the coming fiscal year, the hospital must address a funding shortfall of approximately \$86,000 for another QBP for Chronic Kidney Disease (CKD). Efficiencies have been identified and adjustments to staffing, medical/surgical supplies, drugs and other expenses will be made to ensure NHH's Satellite Outpatient Dialysis Unit remains balanced with no changes in patient access.

Other efficiencies contained in the 2013/2014 budget include:

- savings in departmental supplies and expenses throughout the hospital;
- a net reduction in cafeteria (Main Street Bistro) hours of service (Bistro hours will be adjusted to better match demand, with morning hours of operation extended. Insufficient activity and revenue exists to sustain the evening hours of operation); and
- efficiencies within the Materials Management department to reflect changes in the service delivery model.

Overall impact

The 2013/2014 budget anticipates a small impact in terms of staffing overall, with a net reduction of 1.91 full-time equivalent (FTE) positions. Some layoffs will be required, given the nature of the collective agreements, but the exact number of individuals affected will not be known for a number of months. NHH will work with its union partners to minimize the number of individuals affected through the redeployment process, such as offers of early retirement.

“This budget moves NHH one step further in achieving the strategic objectives set out in the 2010-2014 Strategic Plan,” said Doug Mann, NHH Board Chair. “NHH continues to meet its service mandate to focus on acute care services, while sustaining investments in wait time reduction, access and quality. This is a considerable achievement given the many pressures facing hospitals today.”

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About Northumberland Hills Hospital – Located approximately 100 kilometres east of Toronto, Northumberland Hills Hospital (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.