



NORTHUMBERLAND HILLS HOSPITAL

NEWS RELEASE – FOR IMMEDIATE RELEASE

Central East Local Health Integration Network Board approves coach to review financial challenges, ensure sustainability of the organization going forward

NORTHUMBERLAND COUNTY, Thursday, October 30th, 2014—The Board of Directors of the Central East Local Health Integration Network (Central East LHIN) has approved Northumberland Hills Hospital's recommendation for a third-party review of the hospital's ongoing financial challenges.

The motion, passed at the October 22nd meeting of the Board in Ajax, reads as follows:

Be it resolved that the Central East LHIN Board approve Northumberland Hills Hospital to obtain a coach to review its current situation and provide the Hospital with an accurate depiction of its current financial position, including any suggested actions to address financial pressures, which ensures sustainability of the organization going forward.

And further be it resolved that the Northumberland Hills Hospital Report be presented to the Board in January 2015.

The Central East LHIN has worked closely with NHH to support its annual goal of balanced operating budgets—now an expectation of the hospital's service accountability agreement. In the seven fiscal years since the LHIN assumed funding responsibility for health service providers in Ontario (2007/08), NHH has incurred four deficits and three surpluses in its operations.

For the current fiscal year ending March 31st, 2015, NHH is projecting a significant operating shortfall of approximately \$1.45 million against a budget of \$65 million (approximately 2 percent).

"Increased patient activity, acuity and capacity surges, as well as patient transportation costs and inflationary pressures, are key factors," explained President and CEO Linda Davis, in her October 22nd presentation to the LHIN Board. "Despite everyone's hard work, and the continued commitment to "hold the line," we have a significant gap between the funding we are currently receiving and the costs we are facing to meet rising patient demand and other pressures."

LHIN Senior Management underscored NHH's efforts in recent years to find efficiencies and maintain core services. Also highlighted for the Board were the pressures facing the hospital, namely demographic trends and the unique challenges of mid-sized urban/rural hospitals that serve as the single acute care hospital for their community.

"NHH has demonstrated a strong track record in increasing efficiencies, maintaining acute services, and improving clinical and operational services," said Deborah Hammons, CEO, Central East LHIN. "From a quality perspective, NHH has improved on its previous accreditation score of 97% (in 2010) by meeting 98% of the 1,734 standards reviewed by Accreditation Canada in March 2014. Notwithstanding NHH's quality and operational improvements, the Central East LHIN is concerned about NHH's long-term financial health, its ability to continue to deliver quality

and accessible care, and to continue to support the growing level of services with its current base budget.”

As per the Guidelines for Hospital Audits & Reviews, the 14 LHINs in the province follow a consistent framework to identify, assess and confirm issues of concern and develop an action plan in response to identified risk. The appointment of a coach, as the LHIN has approved for NHH, is the first step of “LHIN-Level Intervention” which may, if necessary, lead to the appointment of a peer review, operational review and/or governance review. For further detail on the Central East LHIN’s hospital review process, please see <http://www.centraleastlhin.on.ca/forhsps/HSP%20Audits%20and%20Reviews.aspx>

“We were very pleased to see the LHIN’s acknowledgement of our pressures and approval of our recommendation for an objective, third-party review,” said Jack Russell, NHH Board Chair. “Our Board and management team see this as a positive development. The service changes we made three years ago provided us with a clear focus on acute care, and we firmly believe that the current service offering is what residents of our catchment area require to meet their acute health care needs; any significant reduction to those services could have a serious effect on the stability of our hospital. Having said this, we look forward to any observations, advice and recommendations that the incoming coach(es) may provide to us in the coming weeks to assist us in our quest for sustainability. Furthermore, we look forward to continued collaboration with the Central East LHIN to support us in our goal of providing excellent acute care services to west Northumberland.”

NHH will be issuing an invitational call for a coach or coaching team to begin work on the review this fall. It is the LHIN’s expectation that findings from the review will be brought back to NHH and the LHIN Board early in January. For a full copy of NHH’s presentation to the LHIN Board, click [here](#).

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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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