



NORTHUMBERLAND HILLS  
HOSPITAL

Connect. Share. Learn.

Where have we been?



Passion and pride of ownership

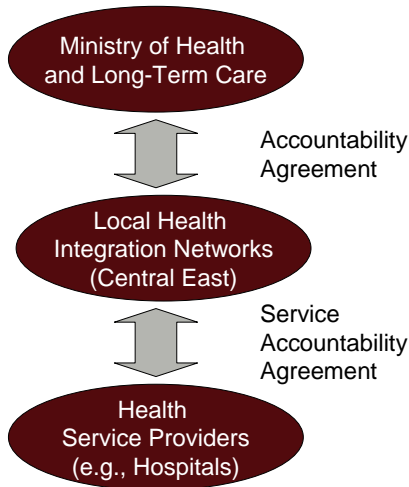
## Community



## Requires our attention



## Legal / contractual obligations



- *Local Health Integration Act* requires LHINs to balance their budgets
- This expectation is, in turn, “pushed down” to the health service providers

VOICE of the GTA

# TORONTO STAR

**Struggling hospitals won't get handouts; Despite funding crisis, facilities are expected to balance budgets, health minister says**

The Toronto Star Wed 04 Feb 2009 Page: GT05 Section: Gta

"We want hospitals to fund their operation with the existing resources and we do not want them to run a deficit."

– Former Health Minister David Caplan

## Financial summary

### Operating Deficits

- 2007/08 \$559,544
- 2008/09 \$2,035,016
- 2009/10 \$1,200,000 forecast before restructuring costs

### Debt (at March 31, 2009)

- Short term ~\$3.2 Million (working capital deficit)
- Long term ~\$2.1 Million

**\*Not a sustainable future**

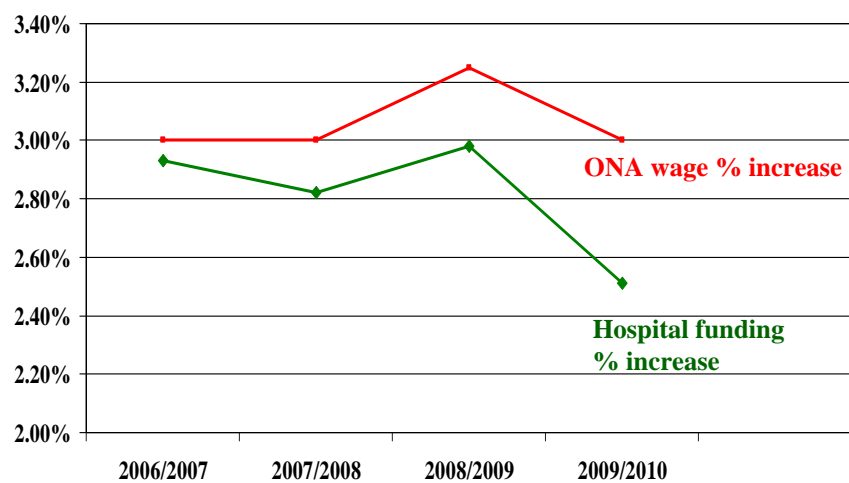
## Financial outlook

- For hospitals in the Central East LHIN, planning target for funding increases:
  - 0 (zero) % increase in 2010/11
  - 0 (zero) % increase in 2011/12
- 1% CE LHIN funding = ~\$350,000
  - Hence, a 0% increase means an operating budget shortfall of ~\$1 million in each year

## Pressures

- Alternative Level of Care patients
- Medical staff remuneration for service coverage
- Economic downturn
  - Impact on government revenues
  - Preferred accommodation revenues
- Funding not keeping pace with inflationary pressures

## Wage vs. funding rate increases



## *Shared Challenge, Shared Solution*

A collaborative budget strategy

### Our commitments

Before considering changes to patient services, we must:

- Demonstrate that our Hospital is efficient
- Exhaust opportunities for efficiencies without jeopardizing quality and safety of patient care

“Value for Money”

Our results...so far

March 2009:

**\$1.4 million in operating savings identified**

All internal stakeholders participated

Savings from all areas

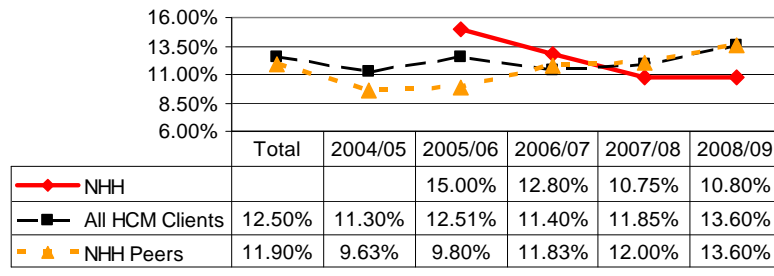
**No reductions in patient services**

Where are we now?



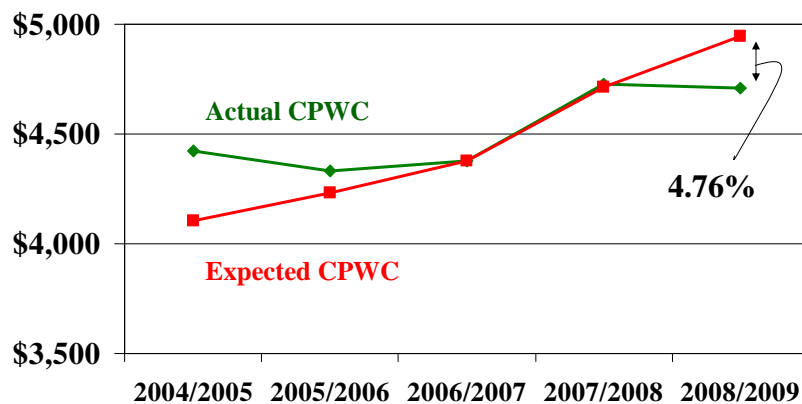
## Operating efficiencies

Theoretical Screening % Savings Target: NHH vs Median  
(Screening at BQ)



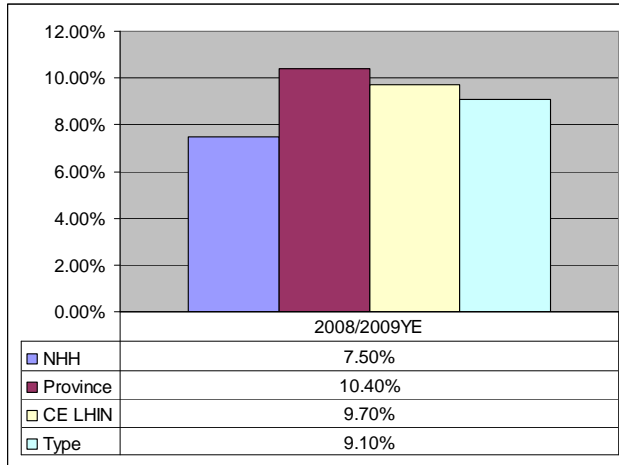
"NHH's 2007/08 and 2008/09 **theoretical** screening percentages at the best quartile are **better than most of our other client hospitals** for whom we have done performance benchmarking as presented in the following chart." HCM Group

## Cost per weighted case



Steady improvement: NHH performed 4.76% better than expected cost per weighted case in 2008/2009

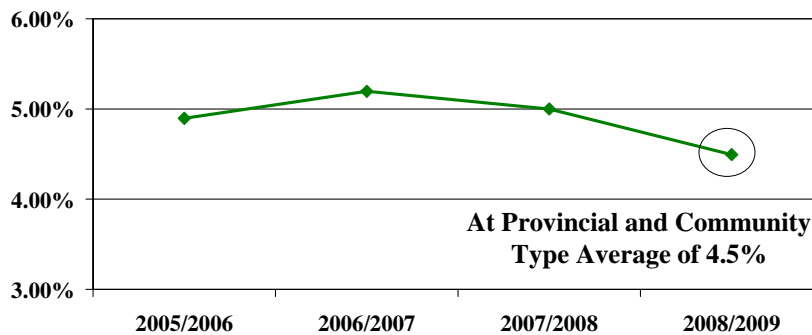
## Administrative costs



*NHH spends between \$860,000 and \$1.6 million less than other hospitals for Administration.*

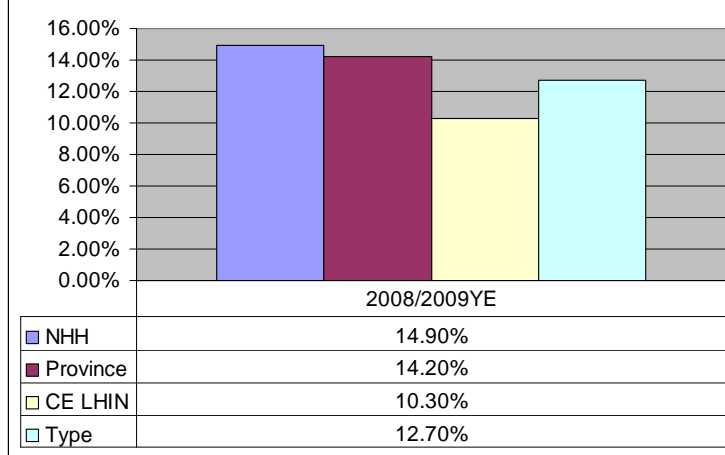
## Paid sick time

**Paid Sick Time as Percentage of Total Compensation**



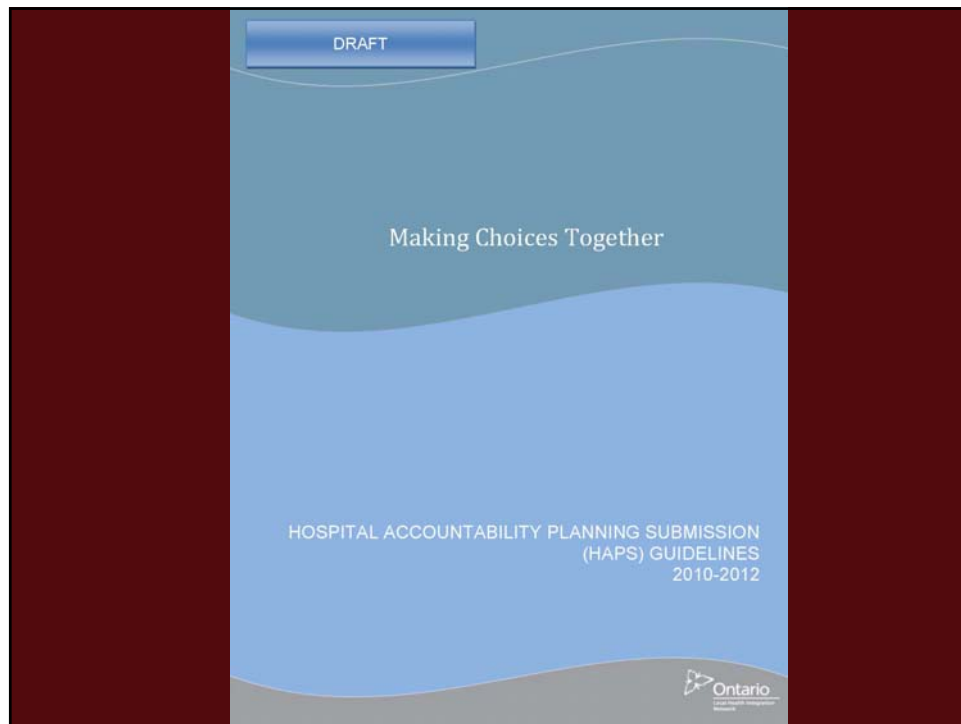
*Continued improvement in reducing paid sick time through heightened attendance awareness programs*

## Non-Ministry Revenues



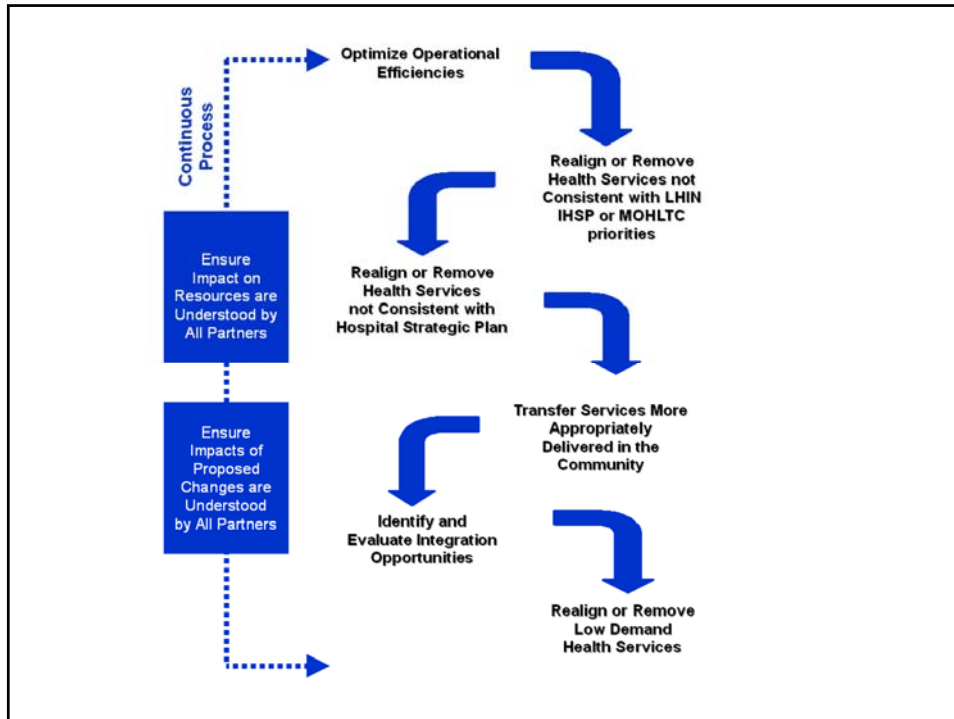
*NHH performs better than other hospitals on generating non-Ministry revenue: less dependency*

Where are we going?



## HAPS Guidelines

- Plan within available resources
- Significant expectations relating community and stakeholder engagement
- Hospitals have exhausted opportunities for efficiencies
- Introduction of “**Framework for Making Choices**”



## Our future...our solutions

We can choose to find our own solutions...or *we can have solutions imposed upon us* that are not likely to result in the best outcomes for our community

- Peer reviews
- Operational reviews
- Appointed supervisors

Why are you here?

Making choices...together

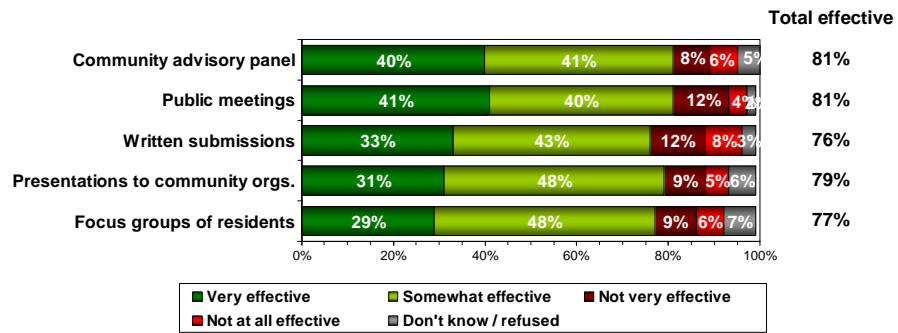




Our commitments and guiding principles

**Proactive**  
**Transparent**  
**Inclusive**

April 2009 Telephone Survey Results:  
 Effectiveness of Public Consultation Methods – Top 5:  
*Community Advisory Panel and Public Meetings  
 Seen to be Most Effective*



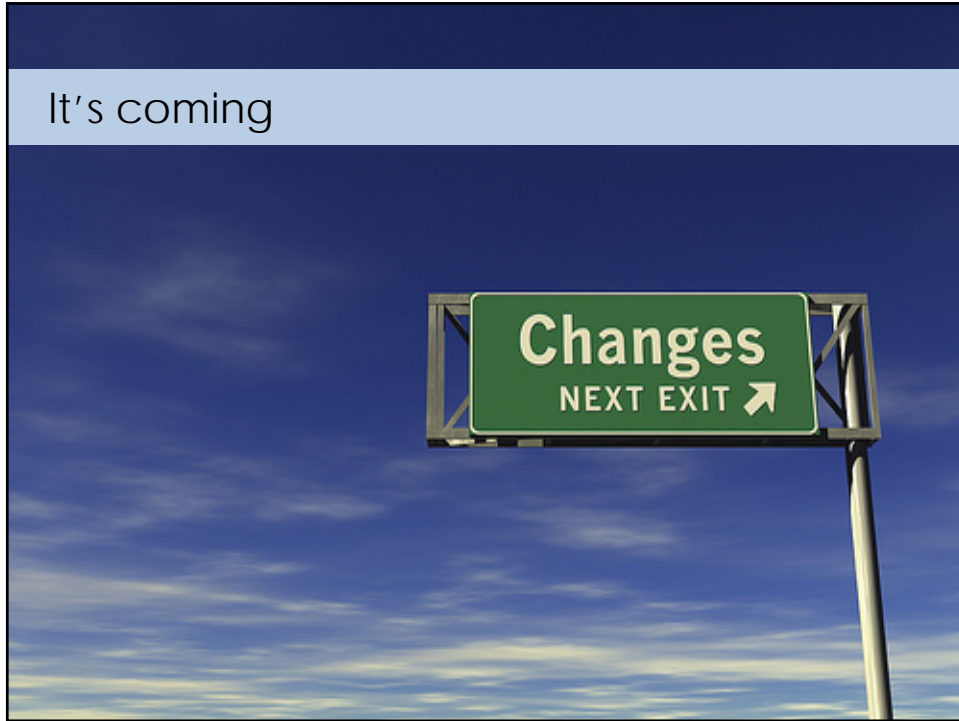
Q13-21. Now, I am going to read to you some methods that the Northumberland Hills Hospital might use to obtain input from the community relating to its budget and services provided. For each, please tell me if you think it would be a very, somewhat, not very, or not at all EFFECTIVE method of obtaining the community's input. [RANDOMIZE]

Collaborative





It's coming



If you want to go quickly, go alone.  
If you want to go far, go together.

Old African Proverb