

Media Release

Health Sciences North's Budget Review Completed

NE LHIN Invests \$4.8 Million to Support Patient Care

July 6, 2018 -- The North East Local Health Integration Network (NE LHIN) has released the findings of the third party validation of the 2018-2019 budget approved by the Health Sciences North (HSN) Board on April 12th.

Work has begun by both HSN and the NE LHIN to implement the report's 23 recommendations to safeguard the continuity of care for patients in Sudbury and across the region, as well as create a more coordinated health care system, strengthened by partnership and communication.

In May, the NE LHIN asked a third party to review the impacts of HSN's 2018-2019 budget on service delivery for patients and capacity at the hospital, as well as across the health system in Northeastern Ontario. That review is now complete.

The NE LHIN Board approved the report on June 29th including recommendations to provide one-time funding of \$4.8 million to alleviate program pressures at the hospital and allow other options to be considered. The report was discussed by HSN's Board on July 5th.

Overall the reviewers noted that HSN took a rigorous approach to budgeting and that the proposed savings were based on a sound approach. The report found HSN is performing well on key indicators such as cost per case and is targeting improvements where some departments are not performing as well. And, while being efficient is commendable, the report added that it also means that there are few opportunities for financial improvement.

In addition, the report found that HSN operates some programs that would normally be located in a community setting outside a hospital, which the hospital has taken on because it identified a need that would benefit patients. As part of the recommendations, the NE LHIN, hospital and other health care partners will explore ways to maintain these patient-focused services.

The report contains recommendations for both HSN and the NE LHIN to ensure patients continue to receive quality care. Here are a few highlights:

HSN

- Will engage community partners and the NE LHIN more in the development of its budget.
- Will continue to take a lead in coordinating multi-sector clinical discussions.
- Will ensure that all medical services be subject to an ongoing, regular cycle of external reviews.
- Take steps to ensure capital purchases are not reduced to such a low level that it might introduce clinical risk.
- Continue to work with the NE LHIN to utilize data, benchmarking and comparator information in bringing attention to its unique position in the provincial context.

NE LHIN

- Will provide a deficit waiver in 2018-2019 so that HSN can incur a deficit of 1% of its budget to protect patient care on the condition of achieving a balanced budget in 2019-20 and future years.
- Has begun work on some of the recommendations regarding clinical capacity planning and communication with health care partners.
- Has approved the recommendation to provide \$840,000 this fiscal year to continue to support the community-based surge beds at HSN's Daffodil Lodge which are helping to ensure a smoother transition of patients discharged from HSN to home. A review will be undertaken to ensure this model of care is the most effective.

- Will also provide HSN with approximately \$4 million in one-time funding in 2018-19 to alleviate service program pressures.

Click [here](#) to access the Report's Executive Summary and Findings.

Quotes:

“The NE LHIN Board supports the recommendations and is looking forward to meeting on an annual basis with other governors to discuss program changes. This recommendation aligns well with our NE LHIN Board’s collaborative governance approach to strengthening the health care system.”

R.M. (Ron) Farrell, Chair, NE LHIN Board of Directors

“We are pleased that reviewers saw that HSN exercised a tremendous amount of highly valuable analysis, which led to a comprehensive budget plan and internal engagement starting in October. The balance of difficult decisions will now be implemented, and we will be able to refocus as an organization on our upcoming strategic plan.”

Nicole Everest, Chair of HSN Board of Directors

“We value our strong relationship with HSN and will work together to implement the report’s recommendations to ensure the sustainability of a strong system of care both within Sudbury and across Northeastern Ontario.”

Jérémy Stevenson, CEO of the NE LHIN

“This has been a positive and helpful process. We look forward to working closely with the NE LHIN in implementing the report.”

Dominic Giroux, President and CEO of HSN

Background:

- HSN’s \$505.8 million budget included a \$4.9 million deficit, 113 fewer full-time equivalent (FTE) positions, 37 fewer FTEs in management/non-unionized positions, 76 fewer FTEs in unionized positions, a \$1.4 million increase in clinical departments, a \$6.9 million reduction in program expenses outside clinical departments and a 23% reduction to the capital budget for renovations, equipment and information technology. Despite the efficiencies, the HSN budget included no bed closures.
- The review team identified an additional \$300,000 in potential savings in 2018-2019 and \$500,000 - \$1 million in annual savings for 2019-2020.
- In reviewing the report, HSN indicates that the implementation of HSN’s budget has already impacted approximately 50 people from management and non-unionized staff (37 FTE). If recommendations are implemented, it would avoid approximately 42 unionized employees being impacted (25 FTE). This leaves approximately 64 unionized employees (51 FTE) yet to be impacted by the budget from HSN’s workforce of more than 3,800 employees. Provisions from collective agreements will apply.

Media contacts:

Lara Bradley, NE LHIN Communications Lead
lara.bradley@lhins.on.ca
(705) 674-1492

Jason Turnbull, HSN Communications Specialist
jturnbull@hsnsudbury.ca
(705) 523-7100 extension 3540 or 705-507-3677