



Report of the President & CEO to the Board of Directors

Date: April 2012

Don't dwell on what went wrong. Instead, focus on what to do next. Spend your energies on moving forward toward finding the answer. Denis Waitley

This month the Ontario Government presented its 2012 budget in the Provincial Legislature. The Budget was on the heels of the Drummond Report that I outlined over the last couple of months.

Faced with a \$16 billion deficit (now projected at \$15.3 billion), debt at \$210 billion, possible reduction of our credit rating and little growth in the economy/revenue, the only thing left was to reduce/cut expenditures.

The troubling aspect of all of this is the fact that if these changes had been made over the last few budgets, the depth of the current cuts would not have to have been as extreme. The downturn in the economy has been with us since 2008.

When you wait to make changes, you limit the scope of those changes, and the severity of those changes, unfortunately, needs to be greater.

As it relates directly to the hospital sector, the following are the major changes proposed in the Budget:

- ✓ **The hospital base budget line has been frozen for 2012/13.** This means Windsor Regional Hospital will receive no additional funding for 2012/2013 from the Province for current services delivered. This is even though we still have approximately 100 ALC patients in the Hospital on any given day, demand for ER services staying flat but at their highest levels ever, demand for Operating Room procedures increasing and in patient demands increasing. At the same time, demands overall are increasing, the costs to meet these demands are also increasing in number of staff/supplies needed to take care of these patients and the increase in costs overall (labour/supplies).

As I stated at a Town Hall meeting last month, Windsor Regional Hospital was budgeting for a 1% increase in base funding. The 0% reduces our revenue projection by just over \$2.1 million.

- ✓ **Overall the health sector's funding will increase by 2% because of increases to wait times, priority services, and post construction operating plan funding.** These “additional” monies provide base funding for new services and NOT existing services. For example, once we complete the Tayfour Campus Redevelopment project, we will be able to open approximately 30 more Complex Continuing beds and 10 additional in-patient Rehabilitation beds. If approved, any monies we receive will go towards the operation of these beds and are not meant to compensate Windsor Regional Hospital for current service delivery. At this time, although asked for month’s ago, no approval for opening these beds has been provided, and I am also concerned that even if the monies are provided they will not be sufficient to operate these beds even at a breakeven point. We will wait to hear if funding is forthcoming and if the level of funding is sufficient to provide safe, quality and efficient care to these additional patients. We will NOT open beds that cannot guarantee these results for the patients and staff.

- ✓ **Funding for the community sector as a whole will increase by 4% a year over the next three years.** Individual funding allocations will be made post-budget. Any increase in funding is going towards CCAC and other community agencies at an additional 4% to be divided in some fashion. This additional funding is meant to allow community agencies to provide additional services to allow the transition of the approximate 100 ALC patients from WRH to their home or the community. Unfortunately, CCAC publicly stated they have projected a \$5 million deficit to March 31 2012. Therefore, on an approximate \$100 million budget, even if CCAC got all of the 4%, which they will not, they would only gain \$4 million in additional funding.

The transition of patients from Hospital to the community is in the best interests of patients, the Hospital and the community needing hospital services. This transition clearly WILL NOT happen overnight and starting April 1, 2012 we will still have approximately 100 ALC patients in the Hospital. However, the funding changes start April 1, 2012 without regard to this fact. Windsor Regional Hospital’s costs will only increase after April 1, 2012 without offsetting revenue increases. This is NOT sustainable.

This commentary is not meant to be critical of the community agencies. However, I am very concerned that the expectations that are being set for them to achieve are not viable and will not happen soon enough, to take pressures off of hospitals.

- ✓ **Under the proposed changes seniors with higher incomes will pay an income tested deductible to the ODB.** High income seniors would pay a \$100 deductible plus an additional amount of 3% of net income over \$100,000 for single seniors and \$160,000 for couples.

There is also discussion in the budget on possible changes to contribution rates to pension plans. Currently, the annual contribution of Windsor Regional Hospital to HOOPP is approximately \$12 million dollars. The employee annual contribution is \$9.5 million. There seems to be discussion that there could be a move towards a 50/50 sharing of the contribution costs. This would reduce the Hospital’s contribution by approximately \$1.25 million.

The debate over this budget has already started and will not end until after you read this report.

As stated in the quote on Page 1, we have to collectively focus on “what to do next” and “Spend [our] energies on moving forward toward finding the answer” rather than dwelling on how we got here. We are “here” as a Province, there is no question about that.

As a result I will be working with the professional staff, administrative staff and union leadership on finding answers and protecting as many hospital jobs and patient services as possible.