

WLMH Announces Recovery Program to Eliminate Operational Deficit and Balance Hospital's Budget

July 14, 2010, Grimsby – West Lincoln Memorial Hospital announced today a two-year plan to eliminate the current operational deficit and balance its budget. The plan is designed to realize new cost savings and meet Provincial performance targets for hospitals, while minimizing the impact on hospital services and the WLMH staff.

The Recovery Program has 4 elements: generating new revenue, reducing non-salary expenses, reducing beds occupied by patients who should receive their care in an environment other than a hospital, and staffing adjustments related to the changes.

The Recovery Program was developed with input from all levels of staff including medical staff. In the weeks ahead, senior management will be working with the hospital's unions to discuss and finalize the implementation plan.

“The program announced at the West Lincoln Memorial Hospital today will strengthen our financial position for tomorrow,” stated CEO Vickie Baird. “Running operating deficits is not sustainable. Our future depends on us taking affirmative action now. We must correct our course and make the changes that are necessary to restore our financial health.”

Mrs. Baird explained all hospitals are looking for new efficiencies to balance their budgets. “West Lincoln is in the same position as every other hospital in Ontario. The fact is the government's incremental funding to hospitals does not match the real annual increases in the cost of operations. By law, however, hospitals are obligated to balance their budgets.”

Mrs. Baird said, “West Lincoln's operating costs have exceeded its revenues for the last two years and those operating deficits were covered with cash reserves. This fiscal year we are faced with a \$1.5 million shortfall. It's obvious this can't continue and that leadership has a responsibility to take corrective action.”

Regarding the impact to staff, Mrs. Baird said, “We know how staffing patterns have to change in order to support the new plan, but until we work out all the specific details with our unions we do not know exactly how many or which staff members will be directly impacted. We will work with the unions' leadership to determine how best to achieve the staff realignment plans with the least disruption possible.”

The CEO further explained that future hospital funding will be, in part, based on an ability to meet Provincial performance targets. “Today, WLMH is not meeting the Province's performance target for Alternate Level Care (ALC) days. In any given day we have 15-20 of our beds filled with people waiting for placement in another care setting. This is not good use of hospital resources and it is not ideal for those patients who find themselves in hospital when they don't need to be here,” said Mrs. Baird.

“Our plan is to gradually, over the next 5 months, manage to discharge 12 of our patients who are waiting for accommodation in an alternate care environment. Let me reassure the public by saying no patient will be turned out of the hospital until an appropriate care plan is finalized. Once the patient leaves the hospital we will avoid new admissions to that bed by patients whose care should be provided in the community.”

Mrs. Baird added, “This is a corrective or remedial strategy and should not be seen as a permanent reduction or closure of beds. If and when our community generates a demand for Complex Care or Acute beds, we should be in a financial position to respond to that need and open the beds for service.”

Vaughn Warrington, Chair of the WLMH Board, stated, “The Board has reviewed this recovery plan and fully endorses the actions proposed by the senior management team. We believe the changes regarding staff realignment and ALC beds successfully meet our objectives of maintaining quality health care services for the community WLMH serves.”

To get further information on the implementation of the WLMH Recovery Program, the public is asked to check regularly with the WLMH’s website where updates will be posted as new information becomes available. Visit www.wlmh.on.ca.

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