

Briefing Note on Ontario's Hospital Cuts and Restructuring 2008

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Introduction

Cross Province Hospital Cuts and Restructuring

A major round of hospital restructuring and cuts is underway across the province. This year and next, provincial budget levels for hospital global budgets are insufficient to meet hospital rates of inflation and population growth. Cabinet-appointed Local Health Integration Networks (LHINs) are reviewing services in hospitals with deficits, and at the behest of the provincial government, are forcing hospitals to eliminate their deficits. Cuts are occurring in every health region of Ontario. The proposals include closures of Emergency Departments; closure of local birthing services; cuts to hospital departments and beds; essential closure of small and rural hospitals; privatization of physiotherapy, chiropractic and support services; lay offs and attrition to reduce the size of the hospital workforce; increased fees for patients and their visitors, and other measures.

Province-wide at least 50% of hospitals (75 hospitals) are, or have been, in deficit this year and almost 70% (104 hospitals) are projected to be in deficit next year. Some have signed "accountability agreements" that contain service plans to reduce or eliminate their deficits through cuts, centralizing and rationalizing services, lay-offs and attrition. Cuts to eliminate this year's deficits are now underway across the province, and, given the global funding levels the cuts are scheduled to deepen and spread over the next year.

Centralization of Services, Threats to Small and Rural Hospitals

The province is reducing the proportion of hospital funding for global budgets in a planned squeeze. New funds are not assigned to global budgets but are directed towards particular target procedures. The theory behind this restructuring is that it will force hospitals to specialize and centralize services. The government has not made public how far patients will be required to travel as services are centralized, and infrastructure planning has not been aligned with the service restructuring.

The general trend is towards cutting and restructuring services across entire LHINs or regions. This is similar to the Harris-era restructuring but this time service rationalization is much deeper, since hospitals have already been restructured for more than 15 years. Current plans affect local services from birthing to emergency departments to surgeries and occur across the geography of entire LHINs rather than at the city level. Instead of a traveling hospital restructuring commission -- as in the Harris years, the McGuinty government has given the Minister of Health and the LHINs ongoing restructuring powers to override local hospital boards and force restructuring.

The planned inadequate funding for this year and next has meant that budget deficits exist across all sizes of hospital and the entire geography of the province. Large-scale lay offs and cuts have been announced at larger hospitals. However, the current centralization proposals pose a particular threat to small and rural hospitals. Notably, despite promises from the Health Minister and the Premier not to close small and rural hospitals, proposals are now in process that raise concerns that small town emergency departments will be closed. In several cases the cuts, if implemented, would effectively close small and rural hospitals and turn them into clinics. Under the deficit-elimination proposal in

Niagara, the small hospitals in Port Colborne and Fort Erie will be essentially closed. To eliminate the hospital deficit in Quinte, there is public speculation that the hospital may have to close down one entire small hospital. Across Southwestern Ontario, the LHIN is conducting a review of the small and rural hospital Emergency Departments.

Disorganization, Misalignment and Downloading

The cuts and restructuring are not aligned with measured population need, community health planning, transportation planning, nor with infrastructure planning.

- Transportation systems for patients to travel further to access the services cut from their local hospitals are inadequate or non-existent. There are no current plans, nor funding, to offset higher municipal costs for emergency medical services (ambulance and paramedics) and fire and police. Moreover, ambulance offload delays are a significant problem in many areas. (Downloading of transportation costs are potential problems resulting from current restructuring proposals in, for example, the Niagara Region, Quinte, small communities surrounding Ottawa and across Southwestern Ontario.) There are shortages of Level 3 Paramedics with advanced training to transport emergency cases to hospitals further away. In many regions, road transportation systems are unreliable and perilous for patients, particularly in the winter. Areas with cuts that are particularly impacted by lake-effect weather and winter road closures include Niagara, Quinte, the shore of Lake Huron including Kincardine through to Owen Sound, and Northern Ontario, among others.
- In many cases, the large hospitals in the region are not able to handle an influx of regional patients, and several have already been notifying regional hospitals not to send patients to their Emergency Departments as they do not have the capacity (nor the funding) to take them. This has occurred, for example, in London and Thunder Bay.
- Government planning for hospital infrastructure is not aligned with service planning, forcing redesigns of building projects that have already been tendered (as in the case of St. Catharines) or total reversals of redevelopment projects announced by the government within the last year (as in the case of the Port Colborne emergency department) or the movement of services out of hospitals where new units to house those patients have just been built (as in the Ajax-Pickering mental health beds).
- Hospitals are reporting high numbers of “Alternate Level of Care” patients for whom they claim they do not receive funding, but there is nowhere for these patients to go. These patients are considered by hospital executives to require a different level of care than hospital care (for eg. long term care facility, homecare or other, however there has been a significant problem of high needs patients downloaded to long term care facilities that have neither the care levels nor the trained staff to deal with the complexity of their needs). The provincial government is responsible for funding and planning hospital beds for complex continuing care patients, long term care beds for those requiring less levels of care and homecare for those that can receive care at home, and for assuring that those levels of care are adequately regulated and enforced. However, it has not done so.

- We are hearing disturbing accounts of patients being forced out of hospital without adequate care. Hospitals shoulder deficits that are the consequence of provincial government failure to provide funding in hospitals for these patients and/or to provide other alternatives.
- It is not clear how or whether the community services will align with the hospital cuts since the “aging at home” budget increases are being spent in an ad hoc manner. Though it is clear in several regions that there are no community services to replace hospital services that are being cut, such as Emergency Departments, physiotherapy, chiropody and others. In other cases, patients are being moved out of hospitals to long term care facilities not of their choice that are, in some cases, a distance away from their home communities. In several instances, hospitals are moving patients out into private for-profit retirement homes which are not health care facilities at all, are not covered by any health care legislation and regulation, nor even accreditation processes (eg. Windsor). These arrangements are paid by public funds through the LHINs and CCACs. It is not clear if patients are notified that they are being placed into entirely unregulated environments without any legal, legislative or regulatory care standards.
 - In some cases, LHINs are requiring hospitals to cut 1% of their budgets and “divest” services to non-profit or for-profit entities in an attempt to force more services out of hospitals. This “1% Challenge” is an arbitrary cut – imposed in addition to requirement to eliminate hospital deficits – and is devoid of any health planning at all. (Eg. Central East LHIN.)
 - There are shortages of key hospital staff across Ontario including nurses, anesthesiologists, health professionals and doctors. Hospitals are impacted by recruitment costs, overtime requirements, burn-out and lack of capacity in long term care facilities and homecare where there are shortages of nurses and personal support workers. Physician retirements are being used to shut down local services and to justify hospital cuts. Planning the needed supply of personnel is a provincial government responsibility.

Secrecy, Lack of Public Access to Information

It has proven impossible to track how many hospitals have signed agreements to cut services. Hospitals have reportedly been asked to sign “communication protocols” with the LHINs governing what information will be released to the public and when. In a number of cases full plans for budget cuts are not public. A number of hospitals have continued to refuse to sign accountability agreements, while other hospital boards have publicly split on the issue. Some accountability agreements and service agreements appear to be secret, while other plans are being made public.

Lack of Public Mandate, Government Accountability

Deep concerns about lack of access to service, travel distances and privatization compounded by the lack of public mandate to dismantle community hospitals and force specialization is evident in the overwhelmingly negative reaction from every corner. Editorials eviscerating the cuts and misaligned planning can be found in community newspapers across Ontario. Several newspaper editors have called for the elimination of the LHINs. Thousands of people in community after community have signed petitions to save their local hospital services. Doctors have passed non-confidence motions in local

hospital leadership or have publicly warned of catastrophic bed crises. Municipal councils have passed resolutions panning the cuts and calling for the dissolution of amalgamated hospitals. Thousands of people have rallied and protested in communities from Ajax to Fort Erie to Kincardine.

Service cuts only option

Ontario's hospitals have already been restructured for more than 15 years. In most cases the current deficit elimination plans directly cut clinical services for patients as there are no other options. In some cases, cuts are extremely deep and will result in dramatic cuts to local hospitals and services.

Coupled with this, hospitals are facing additional administrative requirements for ever more monitoring, complex budget procedures and repeated peer and external reviews to find cuts and restructuring plans. Some hospitals are reporting four or more peer reviews in recent years to find budget cuts. This is a major source of complaint in all the public meetings we have held recently.

Scope of Hospital Deficits: Overview

Information leaked from the Ontario Hospital Association last spring reveals that their hospital survey found that seventy-five (75) hospitals face deficits in 2008-09. The situation is forecast to worsen in 2009-10 with 104 hospitals facing deficits that fiscal year¹. Hospital budget deficits are leading to cuts to patient services in hospitals of every size in every region of Ontario.

The McGuinty government previously announced global funding increases that will not meet inflation and population demographic changes for this current fiscal year and next. The funding increase for this year was announced at 2.4% to decrease to 2.1% next year. To make matters worse, Health Minister David Caplan is currently speculating that the government may not meet even the 2.1% increase for next year. These are implausible levels of funding – below population growth and the inflation rate for hospitals – and are resulting in cuts to patient services, privatization and higher fees for patients.

¹ This information was revealed in several media reports and verified by the Ontario Hospital Association. The source is the Ontario Hospital Association survey of hospitals, March 5, 2008.

Process for Cuts: Overview

The government has required hospitals by law to balance their budgets and sign “accountability agreements” containing plans to eliminate their deficits. Where hospitals have refused to sign these “agreements”, the Ministry has imposed them through the LHINs. The LHIN legislation gives 90 days for negotiations after which the LHIN imposes a set of directives ultimately resulting in an order to sign the “agreement” after which the service cuts can be imposed. Last spring the Ontario Hospital Association recommended that hospitals should not sign accountability agreements that require cuts and/or are unfeasible.

The Ministry of Health has provided a set of steps for hospitals to find increased revenues or cuts to balance their budgets. These start with increasing revenues through parking fees and space rentals. They then move to cuts and rationalization of services, starting with support services and progressing to clinical services (see Figure 1 next page).

In the LHIN legislation, the government has given itself and the Local Health Integration Networks (LHINs) new restructuring powers to order transfers, amalgamations and closures of services across their vast geographic areas. The Ministry of Health is moving away from global budgets for hospitals to price-based competition for hospital funding which will centralize services away from local communities, with powers for the LHINs and Minister to supercede local hospital board’s decision-making powers and community need. This has been done in the U.K. where it has resulted in significant privatization, high administrative costs, longer waits and cuts for some services, and massive protests as local hospital programs are moved or cut.

Hospitals have been required to submit service plans to eliminate their deficits. If the hospital refuses to eliminate its deficit, the LHINs are sending in consultants to find cuts. In some cases, hospitals have brought in consultants to find cuts. In others, hospitals have brought in consultants to review plans for cuts. To date, we are not aware of any of these consultants recommending against cuts, though in some areas consultants have recommended less cuts than required to eliminate the hospitals’ deficits. Under the LHIN legislation, the MOHLTC has given itself the power to force accountability “agreements” in cases in which they are not agreed upon by the local hospitals.

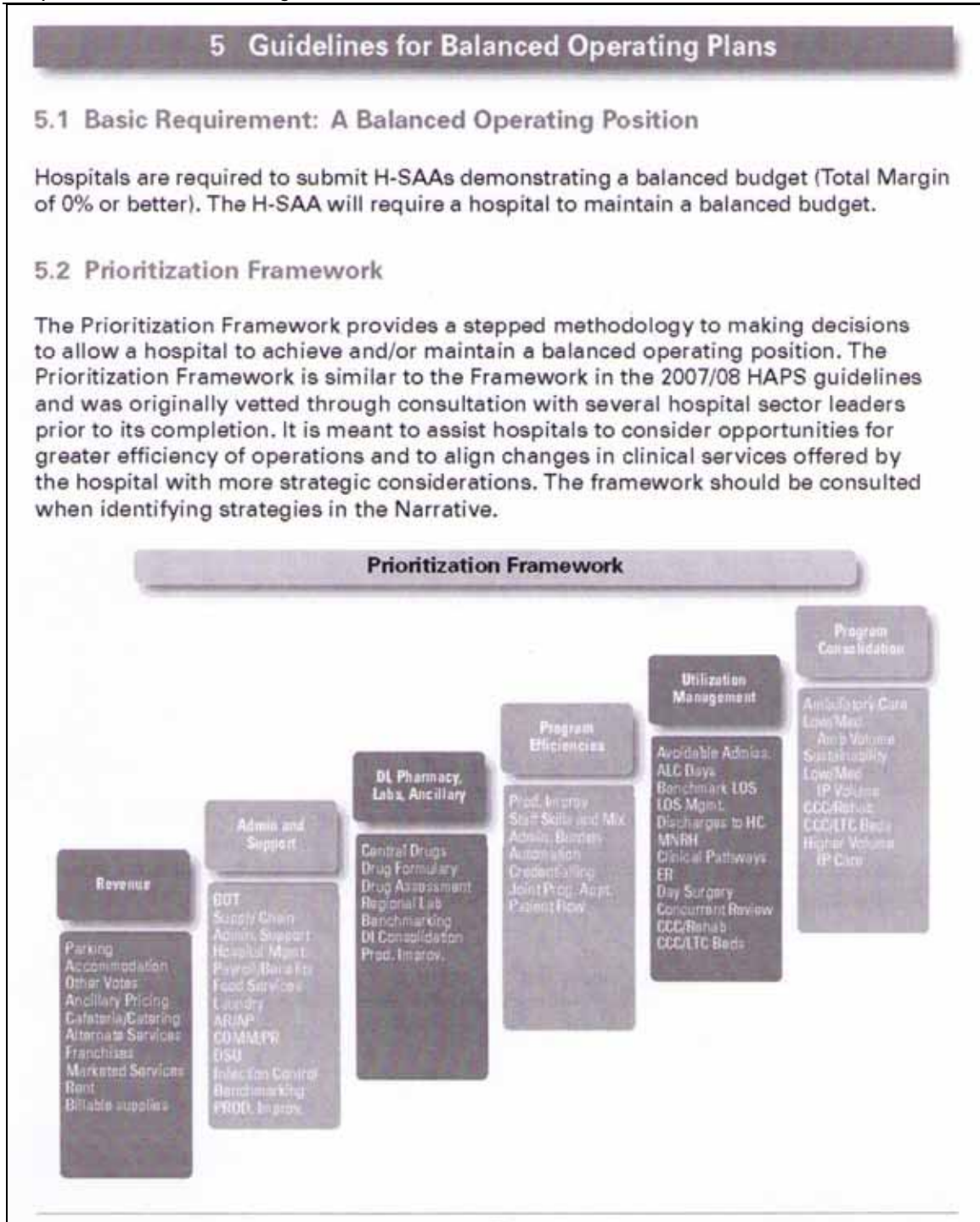


Figure 1 From Hospital Annual Planning Submission Guidelines 2008-10 Ministry of Health and Long Term Care page 18

Background: Ontario Hospital Funding

Most government responses to the cuts repeat total health care spending figures rather than figures for hospital spending. Total health spending figures include all health system costs, including the costs of the additional bureaucracy required by the LHINs, and funding for long term care facilities, homecare, OHIP and other programs and services.

In fact, this year and next, the provincial government has budgeted less than the rate of inflation for hospitals' global budgets: 2.4% for this year and 2.1% for 2009/10.

According to Tom Closson, President of the Ontario Hospital Association, Ontario's hospitals receive \$100 per capita less than other provinces, totaling \$1.2 billion across the province. On key benchmarks, Ontario's hospitals rank extremely well. Ontario's hospitals have a lower average length of stay, admit fewer patients per capita and staff at lower levels than other provinces. This demonstrates a high level of efficiency.²

² from Tom Closson, President, Ontario Hospital Association at Standing Committee on Public Accounts Feb 21, 2008.

Hospital Cuts by LHIN

The following is a summary of hospital deficits and cuts by LHIN. This is not a comprehensive list. No such list is publicly released. This briefing note contains all the information we have been able to find through newspaper reports, financial statements, hospital media releases and LHIN/hospital planning documents. It should be noted that new information about hospital cuts is coming in daily as the situation evolves. Deficit numbers are also changing as cuts are implemented. We have sourced and dated cuts and deficit figures in all cases where the figures have been obtained through public documents. The figures here contain all information collected up to and including Monday, December 1, 2008.

Erie St. Clair LHIN

This LHIN lists 8 hospitals and 10 hospital sites in its index of regional service providers. Of these, we have found evidence that 7 sites across 6 hospitals are affected by deficits and restructuring. The LHIN has hired consultants to review the role of the Emergency Rooms in three small and rural hospitals (Leamington, Petrolia, Wallaceburg). The public release of the results of that study have been delayed and are now expected to be released in early in 2009. In Windsor, hospital patients are being moved out to retirement homes (non-health care facilities, not accredited, not regulated, private for-profit) funded by the LHIN. Service reviews to identify cuts are now underway in Sarnia, Petrolia, Leamington, Wallaceburg, Chatham and Windsor.

Leamington District Memorial Hospital

08/09 \$1 million deficit projected. 09/10 \$2.5 million deficit projected.³

All of the core services of the hospital (ER, obstetrics, ICU, surgery, administrative, diagnostic, support departments) are currently under review. Nursing layoffs were recently announced. The LHIN has announced a study of the emergency department. The hospital board chair announced in a news release that the hospital will “make some choices about the services we can and cannot continue to deliver.”

Bluewater Health - Sarnia

A \$4.5 million deficit was projected for 2006 resulting in \$3.5 million service and staff cuts. In 07/08 a \$1.8 million deficit was projected, and was reduced through unspecified measures. The year-end deficit for that year is reported at \$800,000.⁴

Earlier this year, a 2008/09 \$1.5 million deficit was projected⁵ which jumped to \$1.7 million by October.⁶ Hospital officials say they will have to find about \$5 million worth of cuts for the 09/10 operating year, as well as recover a portion of its 2007/08 deficit of \$800,000. There is no public information about proposed cuts.

Bluewater Health - Charlotte Eleanor Englehart Site (Petrolia)

This is a site of the Sarnia-based Bluewater Health which has a projected deficit for 08/09 of \$1.7 million. One of the strategic directions the hospital has proposed is to create “Centres of Excellence” – a concept that has been used recently as a euphemism for movement of services out of the small hospitals into the large hospitals. The LHIN has commissioned consultants to study the role of the Petrolia hospital’s emergency department. In 2007 there was a report commissioned by Bluewater Health, done by Jim Whaley. He recommended that the Petrolia hospital keep physiotherapy, laboratory, x-ray, mammography and ultrasound; run ORs with local anesthetic to help free up the Sarnia overburdened ORs; and keep the Emergency Room open 24 hours/7 days per

³ Puzic, Sonja. “Leamington hospital gets high marks” *Windsor Star*, November 26, 2008.

⁴ April 2008, Hospital Board Meeting Minutes.

⁵ Hagan, Tara. “Bluewater Health Faces Deficit: Officials Look at Savings, Revenue Generation to Ease Potential \$1.5-M Shortfall” *Sarnia Observer*, October 31, 2008.

⁶ Hagan, Tara. “Hospital red ink spreads” *Sarnia Observer*, November 29, 2008.

week. Despite the findings of this study, the LHIN is conducting another study. The LHIN has delayed public release of the study until the new year.

Chatham-Kent Health Alliance

08/09 deficit (projected at July 2008) of \$6.5 million. The LHIN reports that it has been meeting with the hospital to implement the 7-step cutting process⁷. There is no public information about the cuts, but the Emergency Room at Wallaceburg's Sydenham District Hospital is under review by the LHIN.

Chatham-Kent Health Alliance - Wallaceburg Sydenham District Hospital

The LHIN has hired consultants to study the role of the emergency department at the Sydenham campus. (This ER has approximately 22,000 visits annually).⁸

Windsor Hôtel-Dieu Grace Hospital

The hospital reported that it was facing a \$900,000 for 08/09 as of September. They started reducing the size of the hospital work force through attrition and lay offs. The hospital has reviewed its five-year capital plan and decided to defer \$2.7 million in equipment purchases that were supposed to be made before March 31. It has also brought in consultants from the Hay Group to conduct an operational review of the hospital. The 16-week review will cost \$300,000. The hospital was forced to cancel surgeries in October due to a bed shortage. At the time, the hospital was operating at 105% capacity. The hospital was operating over-capacity for 9 days in the month of October.

Windsor Regional Hospital

The hospital had an accumulated debt of \$55 million according to a financial report released in April. As of October 24, the local media reported the debt is \$60 million.⁹ The deficit is reported to be \$16 million. This year funding increase was 2.25% and next year it is projected to be 1.95%. The hospital has implemented "zero-based budgeting", and has announced a review of every department and function.¹⁰ Starting in March 2009, the hospital will cap the number of premature babies it will take in at its neonatal intensive care unit, reduce the number of beds and refuse to take babies from out of the region. It has also publicized plans to cut the pain clinic, cut back the hours of operation for respiratory therapy, cut 14 unfunded "flex" hospital beds, and place restrictions on which patients can use x-ray services. The hospital is reviewing 250 "viable opportunities for improvement" to "focus on core services".¹¹ The Windsor Regional Hospital reports it is running at or over capacity by as much as 12 – 14%.¹²

⁷ Memo from Gary Switzer, LHIN CEO, to Kathryn McCulloch Manager LHIN Liaison Branch MOHLTC, September 28, 2008.

⁸ ER figures from Ontario Nurses' Association, see Bajar, Erica "Small ERs will be examined; 'Burg under Regional Review" *Chatham Daily News*, August 28, 2008.

⁹ Williamson, Doug. "Neonatal Unit Faces Cuts" *Windsor Star*, October 24, 2008.

¹⁰ Windsor Regional Hospital, President and CEO Remarks – Townhall Meeting, October 23, 2008.

¹¹

¹² "Surgeries Cancelled" *canada.com*, October 30, 2008.

South West LHIN

The LHIN lists 20 hospitals and 30 hospital sites in its index of service providers. We have found evidence of budget deficits leading to cuts/restructuring in 9 of these hospitals affecting up to 21 hospital sites. The LHIN has signed Hospital Service Accountability Agreements (H-SAA) with 17 of the 20 hospitals. These agreements include a number of cuts and increased fees to increase revenues. External reviewers are being brought in to examine the three remaining hospitals covering 8 hospital sites. The LHIN was scheduled to vote to approve the hospital agreements on November 26 after which details of the agreements will be made public, according to the LHIN. New long term care beds have recently been announced, but local councils and community groups are concerned that all 600 beds have been allocated to London, forcing other residents to be moved out of their home communities.

Alexandra Marine and General Hospital

This hospital had a small deficit of \$42,000 at close of the 2007/08 fiscal year.¹³ According to a recent PC media release, the currently projected deficit of \$300,000 for 08/09.¹⁴ The hospital board had previously signed an accountability agreement with the LHIN projecting a balanced budget this year. Earlier this year, the hospital revealed measures that it is undertaking to constrain costs including attrition and a review of outpatient services.¹⁵

South Bruce Grey Health Centre (includes Chelsey and District Memorial Hospital, Durham Memorial Hospital, Kincardine and District General Hospital and County of Bruce General Hospital)

This hospital is an amalgamation of four hospitals in Chelsey, Durham, Kincardine and Walkerton. The hospital was projecting a \$350,000 deficit for next year on its \$39.5 million budget.

Earlier this year, the hospital announced that it will privatize physiotherapy services inside the Kincardine hospital to decrease its deficit. PT Health – a for-profit company – will take over the services and patients will be charged out-of-pocket; OHIP will not cover the services. A delegation of doctors appeared before the Board of the hospital to try to get the decision reversed. 200 people protested and 3,200 signed petitions. Township Councillor Ron Hewitt introduced a motion that was passed to hold a public meeting on the issue. Physicians in Kincardine voted to call for the resignation of South Bruce Grey Health Centre's CEO, Paul Davies, stating that they have lost confidence in him. A letter signed by all of the doctors at the hospital stated that the decisions about the hospital has or will affect physiotherapy, laboratory, mammography and emergency services.¹⁶

¹³ Alexandra Marine and General Hospital Annual Report, Report of the Board Chair and President/CEO, June 23, 2008.

¹⁴ Figures released by PC MPP Elizabeth Whitmer on November 27, 2008.

¹⁵ "AMGH approves balanced 2008/09, 2009/10 operating plans" *The Goderich Signal Star*, April 30, 2008.

¹⁶ "Doctors seek hospital CEO's ouster" *The Sun Times*, November 3, 2008

In October, the hospital board also cut outpatient physiotherapy from the Walkerton, Chelsey and Durham hospitals starting in April. An estimated 1,120 patients made 8,550 visits to the physiotherapy departments in 2007-08.¹⁷

It was announced in November that with the cuts to and privatization of physiotherapy, the hospital had eliminated its deficit and signed an accountability agreement with the LHIN. Many middle class and low income rural residents have no third party insurance coverage and will have to pay out-of-pocket for physiotherapy or go without. Patients will also have to travel to private clinics for these services as there are no private clinics in several of these communities.

Grey Bruce Health Services (includes hospitals in Lions Head, Markdale, Meaford, Owen Sound, Southampton, Tobermory and Wiarton)

No signed accountability agreement for this 6-site amalgamated hospital with a \$2.5 million deficit projected for 08/09.¹⁸ Five positions were cut earlier this year and the hospital brought in a consultant last spring to review finances and operations. The LHIN sent in an external reviewer to find the cuts in September. The hospital's financial statements show that cash reserves dwindled last year from \$11.2 million to \$ 4 million.¹⁹ To date, there is no publicly released information about cuts to eliminate the deficit.

London Health Sciences Centre

After negotiating with the LHIN, London Health Science is eliminating 99 FTE positions to eliminate a projected deficit for 2008/09.

St. Joseph's Health Care

After negotiating with the LHIN, St. Joseph's is eliminating 21 FTE positions to eliminate a projected deficit for 2008/09. St. Jo's has said it is implementing 200 (unspecified) measures to generate revenue and cut expenditures this year. Unresolved restructuring costs mean that the hospital's agreement with the LHIN may be revisited. According to internal hospital documents, the hospital now has an overall budget reduction target of \$11.3 million.

Four Counties General Hospital (Newbury)

This year, the hospital had a projected \$500,000 deficit for 2008/09. It signed an accountability agreement with plans for eliminating deficit (unspecified) which reportedly included cuts to laboratory services and the pain clinic and the use of the hospital reserves to fund the deficit. According to internal hospital documents, the projected deficit for 2009/10 is \$100,000. Expected cuts to eliminate this deficit are not public.

The St. Thomas-Elgin General Hospital

Therapy pool used by over 200 people a week was closed at end of March.

¹⁷ Langlois, Dennis "Free outpatient physio cut from three more hospitals" *The Sun Times*, October 10, 2008.

¹⁸ Langlois, Dennis "Hospital CEO takes new job" *The Sun Times*, November 1, 2008.

¹⁹ Grey Bruce Health Services, Financial Statements year ended March 31, 2008.

Strathroy-Middlesex General Hospital

The hospital has a projected \$2.7 million deficit on \$30 million budget for 2008/09.²⁰ It has implemented a multi-phase strategy to cut services to eliminate its deficit. The hospital has cut 13 beds including complex continuing care and rehab beds, cut non-urgent transportation, implemented paid parking, implemented a hiring freeze, and is reducing staff through 17 lay offs and attrition including physiotherapist, social worker and other staff cuts.²¹ The LHIN has sent in an external reviewer to find additional cuts. Patients have been moved out of the closed beds to long term care facilities in other communities and facilities not of their choice. The hospital board voted down a proposal to close the entire fourth floor of the hospital, cutting chronic/complex continuing care beds and rehab beds. After the current cuts, there is still a deficit of \$0.9 million. Cuts to eliminate this deficit are not public. There is no signed accountability agreement.

Tillsonburg District Memorial Hospital

Undisclosed deficit for this year has resulted in recently announced nursing lay offs recently and speculation that 12 beds – likely complex continuing care beds - will be cut in the near future.

Woodstock General Hospital

The hospital had a deficit of \$2.9 million in 2007/08. The deficit is now projected to increase to \$4 million by the end of 2008/09. The hospital reports it is at 105% occupancy with patient stays up 6%. An external reviewer (John Oliver, president of Halton Health Sciences) has been appointed by the LHIN to find cuts. The hospital has no signed accountability agreement. Parking rates doubled on October 10 to increase revenue. Cuts underway or being considered were presented to the LHIN on Wednesday, November 26. We do not have a copy of the report at time of publication.

²⁰ “More cuts are coming at Strathroy hospital” *The Age Dispatch*, October 20, 2008.

²¹ Dunning, Jenny “Nine jobs cut from Strathroy” *London Free Press*, October 31, 2008.

Waterloo-Wellington LHIN

This LHIN lists 8 hospitals and 11 hospital sites in its index of service providers. We have found evidence of deficits resulting in cuts/restructuring at 6 hospitals affecting up to 9 hospital sites. As of the end of March, the LHIN announced that only one hospital (St. Mary's) was not projecting a deficit for this year. St. Mary's is projecting a deficit for 2009-2010. Across the LHIN, discussions about amalgamations, service transfers and centralization are underway.

Waterloo-Wellington received \$727 per resident in hospital funding in 2008, \$273 less than the average of nearly \$1,000 for the province (based on 11 LHINs, excluding northern Ontario and Toronto). Health Minister Caplan has admitted that provincial funding for hospitals in the region has not kept pace with the region's growth.

Cambridge Memorial Hospital

To eliminate a \$3.5 million deficit for 07/08 24 positions were eliminated, open job positions were left unfilled, nursing hours reduced and parking fees increased. The end-of-year deficit was \$2.4 million.

The reported deficit for this year is projected to worsen. Funding for a proposed hospital expansion has not come through from the MOHLTC. The hospital board chair is warning of cuts. Last week the hospital announced that it must cut \$6 million from its \$105 million budget by March 2010. Cuts include 30 full time positions, cuts to laboratory, diagnostic imaging and clinics. In June, it was reported that all 155 beds in the hospital were full and patients were being cared for in hallways. A typical wait for a bed in Emergency is 6 days, according to the board chair John Bell.

Groves Memorial Community Hospital

The hospital has an unspecified deficit projected. Cuts have not been made public.²²

Guelph General Hospital

The hospital is projecting a \$2 million deficit on a \$115 million budget this year. Cuts have not been made public.

Grand River Hospital

The hospital reported earlier this year that it is projecting a \$1.8 million deficit this fiscal year. The deficit was originally projected at \$3.5 million, but the hospital was able to find some "efficiencies." The latest publicly available figures show the hospital will have to find \$4.5 million in cuts to balance its budget next year.²³ Cuts under consideration have not been publicly released but hospital documents reveal that the hospital is reviewing all ambulatory care clinics.

²² Kirsch, Vic, "Care will take hit if hospitals can't run deficit" *Guelph Mercury*, November 22, 2008.

²³ Editorial: "Local hospitals are sadly underfunded" *The Record*, December 1, 2008.

St. Mary's General Hospital (Kitchener)

As of September, the projected deficit for this year is \$1.2 million and is expected to rise. Last week the hospital announced it has to cut expenses by \$1.6 million next year. The hospital has announced the closure of 10 short-term rehab beds, clinics including osteo, medical day clinic and outpatient physiotherapy. Internal documents suggest these cuts will result in approximately 40 lay offs. About 1,500 patients per year have used the physiotherapy program. Approximately 750 patients per year attend the osteoporosis clinic education sessions. Surgeries will be reduced.

North Wellington Health Care Corporation (includes hospitals in Mount Forest and Palmerston)

In October, the board approved a \$300,000 use of cash reserves to eliminate its budget deficit. The Board chairman said more cuts have to be made to overcome the \$600,000 budget deficit predicted for 2009-10. Anticipated cuts have not been made public.

Hamilton Niagara Haldimand Brant LHIN

This LHIN lists 12 hospitals and 18 hospital sites in its index of service providers. We have found evidence of deficits resulting in cuts/restructuring at 5 hospitals affecting up to 10 hospital sites.

The Ontario ombudsman is currently reviewing three complains against the LHIN. One stems from the LHIN's decision to approve the Hamilton Health Sciences' restructuring plan. The other two are linked to actions the LHIN took on Niagara Health System's restructuring plan.

This LHIN is currently considering or has already approved cuts that will result in hundreds of lay offs in Hamilton, restructuring of Hamilton Emergency Rooms, removal of birthing services from local communities in Niagara and drastic cuts that will result in the essential closure of two small hospitals in Niagara, and other serious cuts.

Niagara Health System

Deficit projections are as follows: 08/09 \$16 million deficit projected; 09/10 \$15 million deficit projected. No accountability agreement has been signed. The hospital has already identified \$12 million in "savings" over the next two years or the deficit would be worse.

The NHS has released a plan that would close ERs, maternity wards, mental health beds and some surgical departments in an effort to eliminate its deficit. The plan is to centralize maternity services out of Niagara Falls and Welland to St. Catharines. Emergency Rooms, surgical beds and other services would be moved out of Port Colborne and Fort Erie essentially turning those hospitals into clinics. The ERs would be converted to "Urgent Care Centres" and ultimately closed in 2013. Mental health beds would be centralized to St. Catharines. The plan will not eliminate the deficit, according to the hospital and the external reviewer. In fact, the plan relies on significant new costs that have not been approved by the Ministry of Health. Dr. Jack Kitts, the president and CEO of the Ottawa Hospital, was brought in to review the changes proposed by the NHS. After reviewing the NHS plan, Kitts endorsed most of the changes outlined in the plan.²⁴ In addition, he recommended a review of virtually all hospital beds that were proposed for Fort Erie and Port Colborne.

The provincial government announced \$400,000 less than one year ago on December 12, 2007 to renovate and expand the Port Colborne emergency room that is now proposed for closure.²⁵ Emergency Rooms in St. Catharines, Welland and Niagara Falls are already overwhelmed with patients reporting excessive waits and paramedics reporting long offload delays, particularly in St. Catharines.

²⁴ See OHC Discussion Document for a detailed review of the hospital and Dr. Kitts' recommendations on Niagara Health System restructuring plans, Appendix I.

²⁵ News Release "McGuinty Government Supports Modern Emergency Care in Port Colborne" Ministry of Health and Long TermCare, December 12, 2007.

The plan has resulted in massive outcry. A rally attended by approximately 4,000 people was held in Fort Erie, and another attended by approximately 2,000 was held in Port Colborne. The doctors are strongly opposed to the “hospital improvement plan” introduced by the NHS. On October 27, the Medical Staff Association passed a non-confidence motion in the NHS leadership to express their doubts about the plan. Several municipalities have passed motions of non-confidence in the NHS leadership and have asked the province to appoint a supervisor to take over the hospital. The Niagara Falls municipal council has asked the provincial government to dismantle the NHS. Fort Erie’s municipal council echoed the call. A petition opposing the plan from Port Colborne was signed by more than 16,000 residents. A poll of residents showed that over 90% disagree with closing local Emergency Rooms.

The LHIN will discuss the NHS’ final proposals at their next meeting on December 16.

Brantford General Hospital

In November, a lack of available beds resulted in the cancellation of some elective surgeries. At the time, 58 beds were occupied by patients waiting to be transferred to long-term care facilities.

Joseph Brant Memorial Hospital

Earlier this year, the hospital revealed it had a 2007/08 deficit of \$2 million, projected to increase to \$5.5 million for 08/09.²⁶ Hospital executives said they would finance the 07/08 deficit from cash reserves. The hospital has said its financial problems can be explained by three factors: (1) more than \$1 million in additional cost for stepped up hygiene in the wake of the C. difficile outbreak, (2) a large number of elderly patients tying up hospital beds while they wait for places in nursing homes, (3) general costs are increasing at a rate of 4 to 5 per cent when provincial funding is being held to 2.5 percent.

There are no current details available about proposed cuts. A public meeting has been scheduled for Tuesday December 2 for hospital and LHIN officials to explain the situation and the hospital’s plan to balance its budget. The LHIN has stated that the hospital is not eligible for further funding.

Hamilton Health Sciences, St. Peter’s & St. Joseph’s

HHS has to cut \$25 million to eliminate its projected deficit by March 31, 2009. St. Joseph’s is facing a deficit of \$12 million. Restructuring to cut and centralize services is underway. The plan is to close the adult Emergency Room at McMaster University Medical Centre (MUMC), and restructure it to be a pediatric site. The adult emergency services would be replaced by an “Urgent Care Centre”. Further plans include transfers of service between Hamilton Health Sciences and St. Joseph’s including general internal medicine and diagnostics and imaging. The HHS president also confirmed the closure of a fertility clinic, saying the hospital has “lost money on these services”. These services are to move out to the community and privatized. Patients will have to pay out-of-pocket.

²⁶ Whitnell, Tim. “Jo Brant has \$2-M shortfall” *The Post*, April 12, 2008.

Recently, Hamilton's large hospitals announced major lay offs. HHS is the city's largest employer. It plans to cut jobs first through attrition and by not filling 100 vacancies at its hospitals. St. Joseph's also plans to avoid filling 100 vacancies. The Hamilton Spectator reports that St. Joseph's is cutting 175 positions and HHS has to cut 300 positions. The St. Peter's hospital has lost 10 jobs through attrition.

The cuts and restructuring plans have resulted in major public outcry. Hamilton City Council has passed a motion opposing the Emergency Department cut at McMaster and insisting that the LHIN review the plan. MPP Andrea Horwath has made a formal complaint to the Ombudsman. Area politicians are looking into a judicial review. Area paramedics have criticized the plans citing significant new ambulance costs and problems with long offload delays.

Central West LHIN

This LHIN lists 2 hospitals on 4 sites. There is no news on hospital deficits at these sites, however, there has been some health restructuring across the William Osler Health Centre's Brampton and Etobicoke sites with the movement of surgeries and other services out of Etobicoke. Recently, the Brampton Civic Hospital announced the opening of a new Urgent Care Centre to alleviate pressure on its Emergency Department in which long waits and patient deaths led to a massive protest of thousands of people last winter. However, the planned bed capacity for Brampton, which was slated to be 720 beds by 2008 has been drastically reduced. Brampton now has 479 hospital beds and the planned redevelopment of the Peel Memorial site has been downgraded from a hospital to an ambulatory care centre. Major cost overruns in the P3 redevelopment of the Brampton Civic Hospital led to a reduction in the planned size of that hospital and were followed by the cancellation of the planned hospital at the Peel Memorial site.

Mississauga Halton LHIN

This LHIN lists 4 hospitals on 5 sites. We have not found any public information on the financial position of these hospitals.

Toronto Central LHIN

This LHIN lists 17 hospitals at approximately 35 sites. There is very little information available about the financial position of these hospitals. It has been reported earlier in the year that St. Michael's hospital announced 21 RN layoffs, but the hospital's deficit is not public. As of April, the Centre for Addictions and Mental Health had a signed accountability agreement showing a deficit for 2009/10. Other information is unknown.

Central LHIN

This LHIN lists 12 hospitals in its index of health service providers. We have found evidence of deficits in 5 of these hospitals.

The Stevenson Memorial Hospital

This community has already been through a major fight to protect local health services. The province sent in a supervisor who took over the hospital and eradicated the democratically elected hospital board. In the winter of 2006, the hospital board disclosed plans to close the birthing unit at the hospital. Hundreds of community members flooded public meetings to oppose the cut to services. Ultimately the hospital board resigned in June 2007. The provincial government appointed a Supervisor to take over the hospital. The supervisor selected a board and put it in place at the end of 2007. The supervisor re-wrote the by laws to eliminate the memberships' voting rights. Under the supervisor's arrangement, the appointed board will essentially become self-selecting thereafter.

A January 2008 LHIN document projected a \$1.7 million deficit for 2008/09 and a \$1.1 million deficit for 2009/10 for this hospital.²⁷ There are no details about the current status of these deficits or what cuts may have been undertaken to reduce them.

Markham-Stouffville Hospital

A January 2008 LHIN document projected a \$7.5 million deficit for 2008/09 and a \$2.1 million deficit for 2009/10.²⁸ The same document stated that the hospital is "faced with service cuts to balance". In April, the hospital CEO revealed that there was an unspecified deficit.²⁹ There are no details available about the current status of the deficits or what cuts may have been undertaken to reduce it.

York Central Hospital

A January 2008 LHIN document projected a \$4.6 million deficit for 2008/09 and a \$6.9 million deficit for 2009/10.³⁰ Later, the hospital reported a projected budget shortfall of \$2 million to \$3 million in 2007/08 fiscal year. In September 2008, the hospital announced that it will cut cataract surgeries and move them out to Newmarket's Southlake Regional Health Centre. 1,200 local residents have signed a petition opposing the move, citing transportation difficulties and lack of emergency cataract care at York Central as key issues.

Humber River Regional Hospital

Humber River Regional announced lay offs of 10 RNs earlier this year. A LHIN document from January 2008 projected a \$5.8 million deficit for 2008/09 and a

²⁷ Minutes, Central LHIN/Hospital LHIN chairs/CEOs, January 24, 2008

²⁸ Ibid.

²⁹ Power, Michael "No cuts to nursing in cards: CEO" *Markham Economist and Sun*, April 10, 2008.

³⁰ Minutes, Central LHIN/Hospital LHIN chairs/CEOs, January 24, 2008.

\$13.1 million deficit for 2009/10.³¹ There are no details about the current status of these deficits or what cuts may have been undertaken to reduce them. Under the P3 redevelopment plan, the Finch St. site will close as a hospital and be renovated into an ambulatory care centre.

Southlake Regional Health Centre

A January 2008 LHIN document projected a \$4 million deficit for 2008/09 and a \$8 million deficit for 2009/10.³² There are no details about the current status of these deficits or what cuts may have been undertaken to reduce them.

³¹ Ibid.

³² Ibid.

Central East LHIN

This LHIN lists 11 hospitals across 17 sites. We have found evidence of deficits that will require cuts/restructuring at 5 of these hospitals.

This LHIN was taken to court by OPSEU after it announced major cuts to the Rouge Valley hospital in Ajax Pickering without consulting with the public.

This LHIN has issued a “1% Challenge” in which hospitals across the LHIN are required to cut 1% of their budgets – on top of deficits. In the challenge, the LHIN has not specified where these services are to go (for-profit, non-profit) nor whether nor how community services will align with the cuts.

Rouge Valley Ajax and Pickering

This spring the hospital revealed it had a \$40 million working capital deficit and \$38 million long-term debt. Following a “peer review” late last year, the hospital signed an accountability agreement with the LHIN to adopt the peer review recommendations. Subsequently, the hospital adopted a plan to eradicate the deficit and deal with the debt. The plan is to cut costs by \$25 million over 3 years, with a cut of 220 jobs and 36 beds including 12 cardiology, 14 complex continuing care and rehab, and 11 surgery. 20 mental health beds are being transferred to Scarborough Centenary Hospital. An additional \$4.5 million is being cut through other unspecified measures. Full time nurses will be reduced from 80% to 70% of the nursing compliment. The hospital will focus on “core services” as defined by the LHIN. Concerns about implausible estimates of caseloads in this rapidly growing area have been raised as a concern. With these cuts, Ajax Pickering is planning a \$4 million deficit for 2008/09 and a surplus for 2009/10.

The cuts have generated an outpouring of anger. The Ajax City Council voted to annul the merger of the Ajax-Pickering and Scarborough hospitals, citing concerns about the continual erosion of services in Durham. More than 700 people attended a demonstration last spring. More than 1,000 people attended LHIN meetings to protest the cuts. The Ontario Public Service Employees Union took the LHIN to court and the Ontario Nurses’ Association applied for a Judicial Review of the decisions. A motion was brought to the regional council’s finance committee to withhold capital funding until there is an assurance that services will be protected at the local hospital.

In late November, the Friends of the Ajax Pickering Hospital sent letters to politicians calling for a reversal of the cuts. The Friends’ letter contains pictures of a new mental health bed unit, announced by the province prior to the last election. The renovations were recently completed just as the hospital transferred all the mental health beds out. The brand new unit is now empty.

Campbellford Memorial Hospital

Unspecified deficit projected for 08/09. Our local coalition has received reports that the deficit is currently projected to be \$100,000. There are no details about cuts underway or planned, however, there has been a public proposal to shut down the OR (day surgery).

Northumberland Hills Hospital

Earlier this year, the hospital revealed a 2007/08 \$500,000 deficit projected and a 2008/09 \$1.5 million deficit projected. The financial officer forecast a total capital and operating debt of more than \$8 million by 2010. The hospital cites the cost of non-urgent transportation; lack of long term care beds; cost of dialysis which has not received funding increases in years; costs stemming from physician and nurse shortages.

Lakeridge Health Oshawa

Unspecified debt.

Peterborough Hospital

The hospital reportedly closed the 2007/08 fiscal year with a \$6.5 million deficit. The situation is complicated by the opening of the new hospital with 115 more beds than the old hospital. Funding levels were under negotiation with the Ministry of Health for several months. Ultimately the Ministry funded less beds and new staff than originally hoped by the hospital. As of September, the hospital was projecting a deficit of \$5 million and may face cuts to anticipated revenues as new beds have not opened according to schedule.³³ The hospital recently terminated funding for the acute foot-care clinic. Patients will have to pay \$40 per visit if they can afford it, for these services in the community.

Uxbridge Markham Stouffville Hospital

This hospital has been labouring under threats of ER closure for several years due to critical understaffing. Hundreds of residents attended a Town Hall meeting on the issue last year and thousands of residents sent a petition to Queens Park due to the issue. This hospital is part of the Markham Stouffville Hospital which is in a different LHIN. A January 2008 LHIN document projected a \$7.5 million deficit for 2008/09 and a \$2.1 million deficit for 2009/10 for the Markham Stouffville Hospital. It is not clear how this deficit will impact Uxbridge.

³³ "Ministry in denial" *The Peterborough Examiner*, November 18, 2008.

South East LHIN

This LHIN lists 9 hospitals on 14 sites in its index of service providers. We found evidence of deficits resulting in cuts/restructuring in 6 of these hospitals affecting up to 9 sites. In June, the LHIN reported that five of the seven hospital corporations in the LHIN had signed accountability agreements. Of these five, three have deficit reduction plans (unspecified) to eliminate their deficit within the next two fiscal years.

Quinte Healthcare (includes hospitals in Belleville, Picton and Trenton)

A deficit for 08/09 of \$10.6 million was projected. This was reduced to \$3.6 million through projected “savings” – no details public. Earlier proposals that may be included in these “savings” are: curbed expansion of ICU, ER expansion on hold, cuts to staff, centralized purchasing, pharmacy and lab cuts, increased parking rates. QHC got a loan from the LHIN of \$3.6 million to cover a portion of their deficit. The loan must be paid back by March 31, 2009.

QHC is expected to run an \$8.5 million deficit for 09/10 and \$15.3 million in 2009/10. The LHIN refused to give QHC an extension to pay off its deficit and, on October 22, it gave QHC 60 days to develop a strategy to balance its budget. The LHIN said it would waive \$3.5 million owed on the condition that it delivers a balanced budget by March 31, 2008. The hospital board chair said that measures to find cuts “...would include reductions and/or consolidations of services”.³⁴ In late October, local media representatives asked whether measures such as closing a site or significant staff and service cuts would be ruled out. Hospital board officials refused to rule out significant service cuts or even the possibility of a site closure.³⁵

Mayors from Belleville, Trenton, Picton, and Bancroft met with Health Minister David Caplan on November 13, reportedly in a bid to convince the province to fund QHC adequately. After the meeting, Caplan announced that a third party would review QHC’s deficit elimination proposals. Fresh speculation about cutting one of the hospital’s sites – most likely at Trenton or Picton – was raised in the local media.

This fall the hospital began to lay off 45 nurses leading to substantial public outcry. QHC will continue to try to find ways to reduce its deficit, but will not make any of the cuts it recommends public until they seen by the third party reviewer being sent in by the health minister. The hospital has been given until December 21, 2008 to submit a plan to the LHIN to eliminate its deficit by April 1, 2010.

³⁴ Richards, Janet. “QHC given 60 days to slash \$8 million from budget” *The Community Press*, October 23, 2008.

³⁵ Ellsworth, Barry. “QHC in dire straits” *The Intelligencer*, October 23, 2008.

Brockville General Hospital

As of November 12 the hospital is projecting \$200,000 deficit for this year.³⁶

Kingston General Hospital

The hospital has made public a 2007-08 deficit of \$13.5 million and a 08-09 deficit of \$24 million

The hospital has been put under a supervisor. The hospital CEO was fired after campaigning publicly for improved budget during the last election. Early deficit elimination measures include a hiring freeze and attrition. The hospital recently announced intention to privatize food services.

Supervisor Graham Scott, advisory board chair Bill Richards, and KGH senior leadership released a “Performance Improvement Plan” on November 26. The plan calls for a \$27.3-million reduction from the previous operating plan. The reduction includes \$1.2 million through increased revenue sources, a reduction of \$15.3 million in compensation costs, and \$10.8 million in supplies. 157 FTEs would be eliminated under the plan along with 20 beds.

Hotel Dieu Hospital

The LHIN gave Hotel Dieu \$2.8 million to balance its budget in 2007-08. The hospital is projecting a deficit for 2009/10. The hospital CEO announced in October that the hospital must find \$3 to \$4 million in cuts by March 31, 2010 (this amounts to 10% of the hospital’s operating budget).³⁷ The hospital has brought in a consulting firm to help find cuts. Voluntary early retirements are being offered and vacancies are being held unfilled.

Lennox and Addington County General Hospital

Received a waiver from the LHIN to carry over a deficit (unspecified) that it must resolve next year.

Perth and Smith Falls District Hospital

Received a waiver from the LHIN to carry over a deficit (unspecified) that it must resolve next year.

³⁶ “Hospital funds secure for next two years, Caplan assures” *The Recorder and Times*, November 11, 2008.

³⁷ Summary of Open Staff Meeting, October 2008. Also *Vital Signs* Vol.14 No. 09 October 29, 2008.

Champlain LHIN

This LHIN lists 21 hospitals on its index of health service providers. We found evidence of hospital deficits that will require cuts/restructuring at 8 of these hospitals. The LHIN reported in November that for the 2008-09 budget year, the hospitals in the LHIN are posting a 1% deficit, the equivalent of \$16 million. The CEO for the LHIN has said publicly that the deficit for area hospitals in 2009-10 could be as high as 3% or \$45 million among the hospitals. (see: Casey, Donna. "Hospitals lurch into red" *Ottawa Sun*, November 20, 2008; ¹ Casey, Donna. "Hospitals plot cuts; Local health board reviewing plans to avoid deficits", *Ottawa Sun*, November 21, 2008.)

The Arnprior and District Memorial Hospital

Projecting a \$196,000 deficit for 09/10. This LHIN has given the hospital until January 15 to come up with a plan to eliminate its 09/10 deficit.

Cornwall Community Hospital

The hospital has projected deficits as follows: 08/09 \$5.0 million deficit projected; 09/10 \$8.0 million deficit projected. A consultant has been hired to find cuts. The hospital has closed one of two emergency rooms, critical care units and cafeterias. The hospital's medical surgical program is operating at 130% capacity. The restructuring of lab services in eastern Ontario could lead to job losses at the hospital.

Kemptville District Hospital

Projecting a \$78,000 deficit for 09/10. This LHIN has given the hospital until January 15 to come up with a plan to eliminate its 09/10 deficit.

Children's Hospital of Eastern Ontario

The hospital is projecting a \$2.2 million deficit for 09/10. It has cut \$1.7 million by closing 7 beds and eliminating 20 nursing positions.

Montfort Hospital

A \$1.5 million deficit for 2008/09 is projected by the hospital CEO. That is projected to grow to \$5 million by 2010.

The Ottawa Hospital

The hospital is projecting a \$16.6 million deficit for 2009-10. The LHIN has given the hospital until January 15 to come up with a plan to eliminate its 09/10 deficit. The hospital is looking for ways to save \$7 million in administrative and support-service costs, \$2.3 million in the diagnostic and clinical areas and \$800,000 in supplies expenses. The hospital plans to ask the LHIN to study the region's health-service needs and move some of the hospital's caseload to other hospitals. (Ironically, hospital CEO Dr. Kitts recently recommended major centralization of services in Niagara.) The hospital is running at 100.7% occupancy.

Queensway Carleton Hospital

\$800,000 deficit projected for 2009/10. The hospital is attempting to negotiate \$300,000 in funding with the LHIN for its transitional care program. The LHIN has given the hospital until January 15 to come up with a plan to eliminate its 09/10 deficit.

Royal Ottawa Hospital

\$5.4 million deficit projected for 2009/10. This hospital, which was redeveloped as a P3 (public private partnership) which involved significant cost increases through the negotiations with the private sector consortium and has been plagued with building problems since it opened, has attributed its deficit largely to residual costs of hospital restructuring. The hospital has imposed a hiring freeze and is planning to raise revenues.

North Simcoe Muskoka LHIN

This LHIN lists 8 hospitals in its index of service providers. We have found evidence of 3 hospitals in deficit that will result in cuts/restructuring. (Note: Midland and Penetanguishene hospitals are currently being amalgamated.) In addition, the LHIN has cut complex continuing care beds across the region and has consolidated them into fewer sites.

Muskoka Algonquin Health Care (includes hospitals in Huntsville and Bracebridge and the Burk's Falls clinic)

As of September, MAHC projected a deficit for 2008/09 of \$977,500, up from \$685,121 in June and \$290,626 at the beginning of the year. As of November, the hospital is projecting a \$2.329 deficit for this fiscal year. Under the current agreement with the LHIN, the hospital is supposed to present a \$1 million deficit this year and a balanced budget by 2009/10. There are no details on cuts that are being considered. The hospital will consider a plan at its December board meeting.

The hospital asserts that 50 of 138 beds are taken by alternate level of care patients. Both hospitals are running at up to 100% occupancy.

In August, the hospital announced that it will terminate community-based laboratory testing, resulting in stiff opposition from doctors, lab technicians and the public. The plan is to privatize lab testing to Gamma-Dynacare in Brampton. The hospital and the government have each denied responsibility for this cut and privatization.

The Collingwood General and Marine Hospital

The most recent figures released show a projected \$900,000 deficit this year. (Earlier in the year it was reported at a \$1.3 million deficit projected on operating budget of \$35 million.) The hospital did an operational review over the summer. In May the hospital cut its chiropody service. The hospital is considering charging for crutches and casts. The hospital is currently running at 100% capacity.

Huron District Hospital

HDH is merging with Penetanguishene General Hospital. HDH is under supervision and the supervisor has recommended eliminating 2,400 voting community members in the hospital and replacing the elected board with a self-appointing board. While denying the government is eradicating elected hospital boards, Minister of Health David Caplan has said that he supports the supervisor's recommendation. PGH will take over the Penetanguishene mental health facility. It is not clear what the financial situation will be after the mergers/take-overs.

North East LHIN

This LHIN lists 28 hospitals at 33 sites in its index of health service providers. In 5 of these hospitals we found evidence of deficits that will likely result in cuts/restructuring.

Mattawa General Hospital

The hospital deficit projections earlier this year were: 07/08 \$120,000 deficit projected; 08/09 \$260,000 deficit projected; 09/10 \$350 deficit projected. No details on proposed cuts.

North Bay General Hospital

North Bay General hospital posted a 2007/08 \$2 million deficit. The hospital is predicting deficit for next two years. According to hospital officials, 1/3 of North Bay's 168 beds are taken by ALC patients.

Sault Ste. Marie

The hospital is projecting a \$9.12 million deficit for the current year, up from earlier projection of \$5.8 million. No further details.

West Nipissing General Hospital

08/09 and 09/10 \$350,000 deficit projected for each year.

Hôpital régional de Sudbury Regional Hospital

Currently-released figures project a deficit of \$850,000 for 2008-09. Earlier this year, figures were released showing a \$3.5 - \$5 million deficit projected for next year. The hospital signed an accountability agreement in June giving them a one year grace period to eliminate their deficit. The hospital service plan to eliminate the deficit must be in place by March 2009.

The hospital is currently reporting a serious bed shortage as beds will be cut from 527 to 429 when the new hospital opens. Hospital spokespeople proposed conversion of the old hospital into a long term care facility. Hospital CEO Vicky Kaminski was openly critical of the provincial government, stating that the hospital had warned of bed shortages for some time. The hospital has an average of 100 alternate level of care patients. This has resulted in cancelled surgery and hospital backlogs.

In November, the hospital announced that it has stopped accepting regional surgery cases unless a patient's life is threatened.³⁸ The hospital serves 24 hospitals across Northwestern Ontario. The hospital held a press conference to say it was on the brink of catastrophe if it did not solve the bed crisis. The LHIN announced \$288,000 for alternate level of care "Wrap Around" (community support) services. At the end of November, the government approved funding for 24 interim beds.

³⁸ "North Bay hospital in 'similar boat' to Sudbury" *North Bay Nugget*, November 11, 2008.

North West LHIN

This LHIN lists 14 hospitals at 16 sites in its index of local service providers. We found evidence of 3 hospitals facing deficits that will result in cuts/restructuring.

Lake of the Woods District Hospital

A budget plan showing a deficit of \$500,000 and \$900,000 over next two years was rejected by the LHIN. A recovery plan of cutting the Intensive Care Unit was rejected. Renfrew Hospital Administrator Randy Penney did a 2-day peer review at the end of August. An “internal efficiency” review has already found cuts, reducing this year’s anticipated deficit to \$178,000 and next year’s to approximately \$600,000. The hospital has already cut chronic care beds from 28 to 10 and medical surgical beds run at 90-100% capacity.

In October, the hospital announced that no physician will be available on-site at the hospital due to a severe physician shortage.³⁹

The hospital submitted a two-year balanced budget to the LHIN in early November after a third party peer review identified cuts and potential new revenue sources. Possible cuts include reductions in full-time staff, reductions to dentistry or surgeries, and “outsourcing”. Notably, the peer review recommended reviewing the elected hospital board and referred to a reluctance of the board to sign an agreement to implement cuts.

Wilson Memorial General Hospital (Marathon)

Projected deficit of \$100,000. No details on cuts.

Thunder Bay Regional Health Sciences Centre

In October, the hospital CEO said that the hospital’s deficit is \$1.7 million this year and \$4.3 million in 2009/10, largely attributable to alternate level of care patients. There were 46 ALC patients in the hospital in early October. Some surgeries have been cancelled as a result of the bed crisis.

On November 19, the hospital announced it was closing its after-hours diagnostic imaging services and directed district hospitals to contract for those services with a for-profit company.⁴⁰

In August, the LHIN issued a “Compliance Directive” to force the hospital to sign its “accountability agreement”.⁴¹

³⁹ Thompson, Jon “Evening on-call physicians to respond to ‘life and limb’ hospital emergencies” October 2008.

⁴⁰ Letter to editor, *Chronicle Journal*, November 24, 2007.

⁴¹ North West LHIN “Compliance Directive” August 20, 2008