

HOSPITAL RESTRUCTURING

Cross Province Cuts and Restructuring

A major round of hospital restructuring and cuts is underway across Ontario. The Ontario government's planned underfunding of hospital global budgets means that 50% of Ontario's hospitals have experienced deficits in the current fiscal year (March 08- March 09). The situation is projected to worsen in the upcoming fiscal year when 70% of Ontario's hospitals will fall into deficit (March 09 – March 2010). Hospitals are forbidden to run deficits and must create service plans to eliminate deficits.

- Local Health Integration Networks (LHINs) have been required by the province to review services and budget plans in hospitals with deficits to force hospitals to eliminate their deficits even if it means cuts to needed hospital services.
- Cuts are occurring in every region of the province.
- Cuts are affecting hospitals of every size (small, medium, large) across the province.
- Service plans are not based on measured population need. They are based on the requirement that hospitals meet arbitrary budget targets that have been set too low to meet inflation and population need.
- Hospitals have been given an outline of steps for cuts, privatization and increased user fees to eliminate their deficits. (See reverse side.)

Planned Underfunding Means Forced Centralization of Hospital Services

The provincial government has announced planned budget levels for hospitals' global budgets that are not enough to meet inflation and population need for services. In the current fiscal year (March 2008- March 2009) hospital global budget increases are set at 2.4%. In the upcoming fiscal year (March 2009- March 2010), this figure is reduced further to 2.1%. Each year, the gap between inflation/utilization and funding grows.

The plan is to force hospitals to restructure. Hospitals are being forced to centralize services across large geographic regions. Hospitals will be forced to shrink the scope of services they provide – specializing in fewer procedures. Patients will have to travel from hospital to hospital for different services. This is the antithesis of the idea of relatively full-service local hospitals and care close to home.

Services On the Chopping Block

The following are some examples of the services that are planned or proposed for cuts.

- Closures of small-community Emergency Departments in Fort Erie, Port Colborne, Leamington, Wallaceburg and Petrolia.
- Closure of local birthing services in Niagara Falls and Welland.
- Closure of local mental health beds in Welland and Ajax.
- Cuts to and privatization of chiropody (foot care) or physiotherapy in Sarnia, Owen Sound, Kincardine, Kitchener and Deep River.
- Cuts to rehab and/or complex continuing care in Niagara, Strathroy, Kitchener and Tillsonburg.
- Significant downsizing of the nurses, doctors, health professionals and support staff in hospitals such as Kingston General Hospital, Hotel Dieu Kingston, Hamilton Health Sciences, St. Joseph's Hamilton and Rouge Valley – Ajax-Pickering.
- Cuts to entire programs, departments and services in communities such as Cornwall and St. Thomas.
- Cuts to neonatal intensive care in Windsor.
- Cuts to laboratory services.

Moving Services Out of Town

The following are some examples of hospital services being move out of town.

- Cataract surgeries have been removed from North York and centralized to Newmarket. Patients will have to travel to Newmarket for that service.
- In Niagara, birthing and mental health beds have been centralized to St. Catharines and patients from across the Niagara peninsula will have to travel to give birth, access maternal and pediatric care programs or to access mental health beds.
- In Niagara, emergency departments are being closed in Port Colborne and Fort Erie. Patients will have to travel to Welland, Niagara Falls or St. Catharines to access an Emergency Room.
- Movement of laboratory services out of town in Bracebridge.

5 Guidelines for Balanced Operating Plans

5.1 Basic Requirement: A Balanced Operating Position

Hospitals are required to submit H-SAAs demonstrating a balanced budget (Total Margin of 0% or better). The H-SAA will require a hospital to maintain a balanced budget.

5.2 Prioritization Framework

The Prioritization Framework provides a stepped methodology to making decisions to allow a hospital to achieve and/or maintain a balanced operating position. The Prioritization Framework is similar to the Framework in the 2007/08 HAPS guidelines and was originally vetted through consultation with several hospital sector leaders prior to its completion. It is meant to assist hospitals to consider opportunities for greater efficiency of operations and to align changes in clinical services offered by the hospital with more strategic considerations. The framework should be consulted when identifying strategies in the Narrative.

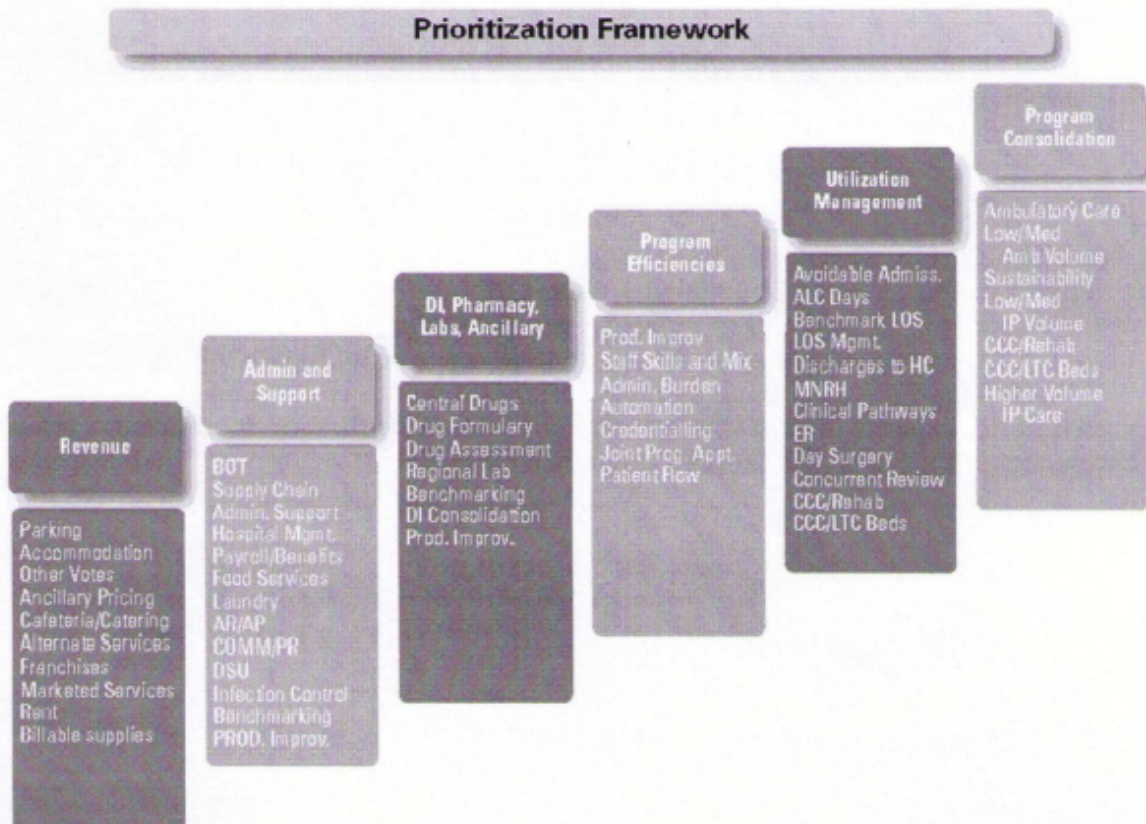


Figure 1 From Hospital Annual Planning Submission Guidelines 2008-10 Ministry of Health and Long Term Care page 18