Pembroke Regional Hospital Facing A Budget Deficit for 2016/17

FOR IMMEDIATE RELEASE
January 27, 2016

PEMBROKE – For the first time ever, the Pembroke Regional Hospital has submitted a budget with a projected deficit for the fiscal year beginning April 1, 2016.

Earlier this month, the hospital's Board of Directors approved the submission of a deficit budget to the Champlain LHIN (Local Health Integration Network) for the fiscal year 2016/17 with a projected shortfall in the order of $400,000, which represents less than half a percent of the organization's $83 million annual operating budget. With costs increasing next year by $1.6 million, the hospital anticipates finding $1.2 million in additional savings and new revenues, leaving a $400,000 gap.

"We are a very efficient hospital," said PRH President and CEO Pierre Noel. "We have been recognized in the past for our efficiency, for appropriately serving the patients in our area and for maintaining a balanced budget."

However, he said, "our hospital has not received any inflationary increase for the past four years while absorbing increased costs for labour, supplies and utilities."

As the funding freeze now enters its fifth year, Mr. Noel said there is very little left to look at in terms of efficiencies and he said that submitting a deficit budget will trigger a discussion process with the Champlain LHIN with a view to finding a way to balance the hospital's budget in the best way possible.

"Until we have these discussions with the Champlain LHIN, it is too early to tell what may result from this funding pressure. The provincial government is currently in the process of engaging in pre-budget discussions and the hospital sector is signaling that without some funding relief, there may well be some service impacts across the province," Mr. Noel said.

Senior Vice-President of Finance and Corporate Services, John Wren, said that in the first four years of the funding freeze, the hospital had to find $4 million in efficiencies in an effort to offset the inflationary pressures.

Some of those savings were found through the use of process improvements using Lean methodologies as well as through a concerted effort to reduce the overall length of stay for medical patients so that the time patients spend in hospital is both efficient and effective.

Mr. Wren noted that the hospital's annual budgeting process is an exhaustive one. "We work closely with our physicians and our staff on an ongoing basis and we meet annually with our key stakeholders as part of our planning process in order to find the best way to address the financial challenges we face."

In addition, he said, the hospital always ensures that advanced planning is in place so that any staffing reductions, if required, can be made through natural attrition.

"The Pembroke Regional Hospital takes its responsibilities seriously in terms of providing comprehensive, high quality care to its community," Mr. Noel said. "We are striving to manage the needs of an aging population with complex health needs and the simple fact of the matter is that we need stable and sustainable funding to allow us to continue to do so."

In the meantime, Mr. Noel said that the hospital will continue its work on finding efficiencies to help close the funding gap and he said he hopes that addressing this budget crunch can be done with little or no impact on patient services to the community.

FOR MORE INFORMATION, PLEASE CONTACT:
Carolyn Levesque, Public Affairs and Communications Coordinator
Pembroke Regional Hospital
(613) 732-3675, ext. 6165 / carolyn.levesque@pemreghos.org