



Provincial budget good news for Saskatoon Health Region

March 29, 2011

The provincial government announced last week that the 2011-12 health budget will increase by \$260 million (6.2 per cent), the majority of which will go to health regions and the Saskatchewan Cancer Agency to provide care and service to the people of Saskatchewan. Compared to last year's base funding plus mid-year adjustments, the base funding for Saskatoon Health Region will increase by \$54,015,000 (6.5 per cent) to address the needs of our growing population, improve access to surgery, diagnostic and other services, and enhance programs such as cardiac care, bone marrow transplants and autism.

This budget is good news for our Region. As we begin the new fiscal year on April 1, we are starting from a much better financial position than we were last year, when in addition to dealing with government cost reduction targets, we had to manage a go-forward deficit of \$12 million.

Most of the increased funding will cover employee compensation, which is almost 80 per cent of our annual costs. Government has also provided inflation funding to cover increased cost of drugs, medical and surgical supplies and other operating costs.

This year's budget again includes efficiency targets. We are required to reduce sick time, workplace injuries, and overtime costs by \$3,240,000. We are also expected to find \$1,098,000 in additional savings through shared services, and \$2,075,000 in general efficiencies using lean and other improvement strategies.

Through the focused efforts of you and your colleagues, the Region balanced its budget in 2010-11, while continuing to meet the growing needs of our community. We did this by tightening our belts and enhancing the safety, efficiency and overall quality of our care. For example, by focusing on hand hygiene and adopting evidence-based practices to prevent infections, we have not only addressed our goal of eliminating harm to patients but we have also avoided an estimated \$1.2 million of costs. You also did this by embracing the Workplace Excellence program to improve your personal health and our workplace and financial health, resulting in a savings of more than \$5 million in sick time and overtime.

We will use part of the 2010-11 surplus to improve our facilities, including new negative pressure rooms for patients with highly contagious infectious diseases. We have also received other good capital news - confirmation that government will provide funding that will enable us to build our new pharmacy department at RUH, along with a generous donation of \$1 million from the Royal University Hospital Foundation. Other capital funding will enhance other Region facilities, including replacement for Manitou Lodge in Watrous, renovations to Parkridge Centre and progress on an electronic health record.

Additional budget details will be provided when they are available. I look forward to your views on how we can best optimize the resources that are entrusted in us by the people of Saskatchewan.

The Region needs to align this year's funding with our 2011-12 regional objectives, which are based on our strategic plan and provincial priorities as outlined in the Strategic and Operational Directives for the Health Sector (available at <http://www.health.gov.sk.ca/plan>).

Saskatoon health region strategic directions

- Transform the care and service experience
- Transform the work experience
- Partner to improve the health of the community
- Build a sustainable integrated health system

Maura Davies,
President and CEO
Saskatoon Health Region