



Operational, Capital and  
Service Plan

2011 – 2012

## Executive Summary

On behalf of the members of the Authority of the Saskatoon Health Region (SHR), we are pleased to submit our Operational, Capital and Service Plan for the fiscal year 2011- 2012 required by the Ministry of Health. This plan was prepared under the Authority's direction, in accordance with SHR's Strategic Plan, and the Ministry's Strategic and Operational Directions (SOD). All significant assumptions, policy decisions and identified risks, as of March 31, 2011, have been considered in preparing the plan.

The 2011-2012 Service Plan is backed by a comprehensive review of balancing available resources – both financial and human - with continued pressures in areas such as acute care and home care while at the same time maintaining gains made in attendance and efficiency targets. In addition, SHR seeks further improvements in key strategic areas to improve patient and staff safety, access, and quality of care.

For 2011-12, there are numerous initiatives to achieve within SHR's Strategic Plan and the Ministry of Health's Strategic and Operational Directions (SOD), but to help focus our efforts; we will place particular emphasis on five objectives:

- Achieve surgical volumes and wait time targets, so that every patient has the option to receive surgery within 12 months by March 31, 2012;
- Reduce falls in long term care through adoption of the Safer Healthcare Now falls prevention bundle;
- Improve medication safety;
- Improve staff health and wellness, particularly reduction in work related injuries; and
- Plan for the Children's Hospital of Saskatchewan.

All this needs to be accomplished in an environment with an increasing elderly population, ongoing human resource challenges including recruitment to rural communities, aging infrastructure and chronic under investment in technology. Finally, increased fiscal pressures on public funds will require more effective deployment of our financial, capital and human resources and the Saskatoon Health Region is committed to embracing innovation through lean and pursuing excellence to improve the health outcomes and patient experience for our residents.

## Section 1: Review of 2010-11 Year-End

The annual operating budget for 2010-11 was \$912.4 million which equates to spending \$2.5 million per day to meet the health needs of the community. Overall 92% of the operating revenue was provided by funding from the Ministry of Health. About 65% of the operating funding was spent on hospital services, 18% on long term and supportive care, 10% on community-based/public health/home care services, 5% on program support and administration and 2% on other. In 2010-11 salaries and benefits account for approximately 79% of the spending. Year-end operating financial results for the Region as at March 31, 2011 reflect a surplus of \$4.2 million equivalent to 0.4% or approximately 38 hours of operation. The final year-end figure is primarily the result of a favourable revenue variance due to an increase in patient revenues, additional funding received from the Ministry of Health, and reductions in sick and overtime usage. Compared to the previous year, inpatient days increased by 1.5%, newborn days were down 4.6%, and emergency visits decreased by 1.7%. With the opening of additional long term care beds at Oliver Lodge in November 2010 the alternate level of care days decreased 37.9% in 2010-11 compared to the previous year. The Region has had surpluses in four of the past six years. The Region ended 2009-10 with a deficit of \$16.9M, or 1.8% of operating expenditures, the equivalent to approximately seven days of operations.

At the beginning of the fiscal year the Region was faced with a budget deficit of \$25M which was composed of a \$12M go forward deficit position, \$10M in efficiency targets established by the Ministry of Health and \$3M in planned new investments. Given the starting position the year end surplus is quite remarkable and reflects the hard work of all staff and physicians to control spending.

The Region experienced significant savings in labour costs, primarily in the areas of overtime, sick time and orientation costs. Total paid sick hours decreased from last fiscal year by 6.5%, paid overtime hours decreased by 20.5%, orientation hours decreased by 33.3% and total paid full time equivalents increased by 0.3%. In addition the Region received funding for and hired an additional 26 FTEs under the SUN Partnership Agreement.

The capital revenue for 2010-11 was \$274M. This amount includes the \$200M received for the Children's Hospital of Saskatchewan project. Overall, 95% of the capital revenue was provided by funding from the Ministry of Health. The remainder of the funding was provided by various sources such as the foundations and municipal contributions.

Approximately 36% of the capital spending was spent on medical equipment, diagnostic imaging equipment and information technology while 64% was spent on capital and infrastructure projects.

## Section 2: Environmental Scan

The Saskatoon Regional Health Authority has a strategic plan for 2010-13 which sets directions and goals for 2011-12. In addition to the SHR Strategic Plan 2010-13, the annual planning process takes into account:

- The release of the Patient First Review in October 2009, which identified priorities of the public.
- The release of the Ministry of Health's strategic plan for the health sector which identifies the priorities of the government.
- Our Environmental Scan - In preparation for 2011-12 budget planning, Planning Policy and Performance prepared an environmental scan which was vetted with internal stakeholders which will assist in determining internal priorities. Highpoints of this environmental scan are as follows:

### Economic Environment

Going into 2011-12 economies are continuing to emerge from a worldwide recession. Saskatchewan is emerging faster than the national average with a predicted surplus of 20 million; with a 2.6% real GDP growth forecast in 2010 and 3.3% in 2011. The Provincial Health budget implemented an increase of \$260M or 6.2%. SHR had a base budget increase of \$54M or 6.5%. Funding has been allocated to address volume increases in several areas including diagnostic imaging, cardiac care and chronic kidney disease.

New funding will support augmented kidney and bone marrow transplant programs, and a multi-year provincial HIV strategy. New initiatives are enhanced by funding provided at the end of 2010-11 to ensure patients receive care, through the Saskatchewan Surgical Initiative. It is anticipated this funding will enable RHAs to complete an additional 5,500 surgeries in 2011.

### Socio-Demographic Environment

The average age of employees increased slightly from 43.52 in 2008-2009 to 43.57 years. The largest age group in the age distribution of the region's total employee base is 50-54 years which represents 15.26% of total employees. Overall the region grew by 386 employees this year, with a net increase of 338 full-time (permanent and temporary). SEIU grew by 180 members and SUN by 135 members. We are anticipating a significant increase in retirements in 2012-2013 at the completion of the current SUN agreement, when most nurses will have maximized their pension options under the current plan. The rate of retirements for 2009/10 is 1.5%. There was a decrease in the number of retirements going from 237 in 2008-09 to 193 in 2009-10. Of the 9,938 employees enrolled in SHEPP, 1,894 were eligible to retire (~20%) as of March 31, 2010. The average age of retirees in 2009-2010 is 61.33 (increase from 60.75 last year).

Currently, 8.18% of total employees are over 60 years of age (includes affiliates). This is up slightly from 2008-2009 where it was 7.56% of all employees.

According to population projections, SHR is expected to increase to 344,000 by 2029. In addition, the population is projected to continue to age. Almost 20% of the SHR population will be 65 years of age and older by 2029, whereas only 13% of the population was 65 years of age and older in 2009. The first Canadian baby boomers will reach age 65 in 2012, marking the beginning of an accelerated aging trend. For the City of Saskatoon, the median age has risen from 25.8 to 35.9 over the last 30 years. For Saskatchewan, the population has "aged" at an even faster rate, with the median age rising from 26.2 to 38.7 over the last 30 years.

SHR is seeing trends that suggest the population we serve is getting larger, older and less healthy. These trends, if left unaddressed, have the potential to overwhelm an already stretched healthcare system.

#### Technological Environment

The state of our IT department continues to be an issue for SHR. The 2010 Accreditation Canada draft report reads: "a clear information technology and management plan requires development. There is a need to address this given the changes that are underway and the opportunities that present themselves. Without a clear plan and priorities that are congruent with the organization priorities, there is a danger that IT solutions will not support future directions, locally, regionally or systemically".

### **Section 3: 2011-12 Budget Planning Process**

SHR utilized the following methodology to develop the 2011-2012 operational and capital budget.

- Direction from SRHA on key priorities and assumptions
- Determined a series of budget planning principles
- Reviewed the current status of SHR's Strategic Plan
- Reviewed Ministry SOD accountabilities for 2011-12
- Identified strategic investments
- Reallocated budget to rebase areas running deficits due to operational pressures in 2010-11
- Identified available funding to address 2011-12 emerging pressures and service requirements
- Identified risks in the environment and within the proposed plan
- Extensive involvement of all levels of leadership management

### Budget Principles and Planning Assumptions

These were developed and agreed to by SLT and reflect our commitment to ensure all planning is in alignment with our core values, strategic directions and priorities.

- Leadership – We will approach planning and the budget as a call to leadership. We understand and appreciate that even in times of constraint we have an abundance of resources and our planned work will be adequately resourced while bringing a balanced budget. While recognizing most resources are allocated to providing service it is imperative to assign resources to improve.
- Single plan – There will be one plan for all annual activities rather than a series of plans or lists. The plan will be implemented with a commitment to enhancing the safety, and quality of our care.
- Accountability – We will deliver services based on our accountability agreement with the Ministry of Health and with the understanding that it is not business as usual.
- Alignment – We will ensure the budget and any changes are aligned with the Patients First Review, SHR's Strategic Plan and the Ministry of Health's Strategic Directions.
- Innovation and LEAN thinking – We will remain open to new ideas and challenge each other to be receptive to looking at and doing things differently, and pursue ways of working smarter not harder.
- Systems Approach – We will adopt a systems approach to all of our planning focusing on the inter-connections and outputs of the system.
- Transparency – The budget will be developed and reflective of discussions with key stakeholders.
- Consultation – The governing bodies and management will ensure adequate consultation prior to finalization of the budget
- Multi-year Focus – We will pursue a multi-year strategy including investments with a 1-3 year payback, and will look at ways to optimize technology.
- Evidence and Best Practise – We will use evidence and best practise (where available) to inform decision making.

- Research – We have an academic mandate unique to SHR; we will consider how changes we make impact our research agenda.
- Capacity – New initiatives are over and above day-to-day work; during our planning we will consider the impact new work has on our staff.
- Contingency – We will plan for the unexpected; we will build contingency into our planning in order to allow us the responsiveness needed for unexpected occurrences.

#### **Section 4: 2011-12 SHR Strategic Directions, Goals and Objectives**

The Saskatoon Health Region is committed to achieving our vision of Healthiest People, Healthiest Communities, Exceptional Service through changes that move us forward in the strategic directions set out in the 2010-2013 Health Region Strategic Plan. In 2011-12 we have aligned our work towards our vision with the SOD, SHR Strategic Plan, operational plan, budget, Vice President accountabilities and SHR performance monitoring and reporting.

The Region's 2011-12 strategic plan focuses on 4 directions:

- Transform the Care and Service Experience
- Partner to Improve Health of the Community
- Transform the Work Experience
- Build a Sustainable, Integrated System

To help us focus our efforts, we will place particular emphasis on five objectives this year:

1. Achieve surgical volumes and wait time targets, so that every patient has the option to receive surgery within 12 months by March 31, 2012;
2. Reduce falls in long term care through adoption of the Safer Healthcare Now falls prevention bundle;
3. Improve medication safety;
4. Improve staff health and wellness, particularly reduction in work related injuries; and
5. Plan for the Children's Hospital of Saskatchewan.

In addition to the five objectives above, there are many other initiatives included in the plan that SHR will strive to achieve in 2011-12 and beyond. These are categorized below according to SHR's Strategic directions:

## Transform the Care and Service Experience

Place clients and families first and; provide culturally safe and competent care with a focus on First Nations and Métis people:

- Develop and begin implementation of a 10 year plan for patient and family centred care

Achieve Timely Access to Services:

- Establish spine clinic
- Implement other SkSI strategies to meet surgical wait times and volumes
- Repatriate the kidney transplant program
- Meet provincial target for number of assessed hospital patients awaiting LTC transfer
- Enhance capacity to respond to surges in demand for clinical care
- Implement priority projects related to SCH redevelopment

Eliminate harm and avoidable deaths:

- Enhance medication safety
- Implement SHN! Falls Prevention bundle in 100% of LTC facilities
- Continue implementation of surgical site infection bundle
- Improve communication among care providers and with patients and clients at all points of care provision transfer
- Implement IHI global trigger tool in acute care to inform focus for quality and safety improvements

## Partner to Improve Health of the Community

Identify health needs and priorities with community partners:

- Implement first steps of rural health strategy to support and partner with all communities ready to engage in joint health service planning, including but not limited to: Watson, Wakaw/Cudworth, Nokomis, Lanigan, and Watrous.

Focus on health promotion, protection and disease prevention:

- Participate in priority projects of the Saskatchewan Population Health Council, with emphasis on Phase One implementation of SHR HIV strategy.

Collaborate with communities and governments to reduce disparities in health status:

- Finalize the Health Care Equity Audit framework in the pilot areas of Public Health (immunization), Chronic Disease Management (diabetes care), and Psychiatry (suicide attempt)

Begin implementation of the Aboriginal Health Strategy

- Support the Provincial MOU on First Nations Health and Wellbeing process by ensuring alignment of our SHR initiatives with the intent of the MOU.
- Establish and engage the Aboriginal Health Council in providing guidance on building a representative workforce, planning the Children's Hospital and developing a culturally safe and competent environment.

### Transform the Work Experience

Work together to create safe and supportive work places:

- Continue implementation of the SHR Workplace Excellence plan, collaborating with employees to improve their health as well as our organization's workplace and financial health, resulting in reductions in sicktime and WCB time lost.

Develop a highly skilled, workforce with a sufficient number and mix of service providers:

- Focusing on employee, workplace and financial health, continue implementing SHR plan to reduce overtime.

Promote teamwork and interprofessional practice:

- Complete rollout of Releasing Time to Care on all medical and surgical wards.
- Begin to introduce The Productive Operating Theatre (TPOT) in at least one operating theatres.
- Develop and begin implementation of strategy and program for physician engagement and physician and dyad leadership development.

Develop a diverse workforce, ensuring enhanced representation from First Nations and Métis populations:

- Implement the Awaken the Power of Change: 2010-14 Representative Workforce Action Plan.

### Build a Sustainable, Integrated System

- Maximize efficiencies and reduce waste;
- Implement operational efficiencies to achieve SHR 2011/12 budget targets;
- Develop a multi-year SRHA approved strategy to spread Lean across the care continuum;
- Implement Lean in redesign related to Emergency Optimization, Home Care, Lab and hospital discharge planning;
- Participate in provincial shared services and procurement.

Strategically invest in facilities, equipment and information technology:

Implement capital project plans for:

- RUH Pharmacy
- Watrous/Manitou Lodge redevelopment
- Parkridge remediation
- Major VFA improvements
- SPH Surgery renovation
- Plan for Children's Hospital
- Plan for new MRI and service delivery/research PET
- Further develop electronic health record
- Implement voice recognition for dictation
- Implement bed management system

Foster research, learning and innovation:

- Implement Saskatoon Centre for Patient-oriented Research
- Develop capacity in health systems research and program evaluation

Measure and report performance, benchmarking with high performing health systems and other industries:

- Develop and communicate portfolio-specific annual plans and balanced scorecards

Many of these initiatives can be achieved through on-going operations, but in some cases it is impossible to successfully achieve the desired results without providing some additional resources. The amount of \$1,827,000 has been allocated to resource these initiatives. Details of funded initiatives and amounts can be found in the next section - *Section 5: Financial Information*.

## Section 5: Financial Information

### Base Funding

SHR received a net base funding increase from the Ministry of Health of 6.5% or \$54 million over our 2010-2011 funding levels:

Item	Amount (\$000)
Salaries & Benefits	\$28,200
Inflation	13,900
Demographically Driven Volume Pressures	4,400
New Programming/Enhancements	13,800
Offset by Efficiency Targets:	
Attendance Support	-3,100
Shared Services	-1,100
General Efficiency	-2,100
<b>Total</b>	<b>\$54,000</b>

### Salaries and Benefits - \$28.2M

Funding is Included for SUN, SEIU and OOS. HSAS funding will be provided when an agreement is finalized. SMA increases will also be finalized and funded later in the fiscal year. In addition, there was premium increases for pension and disability.

### Inflation - \$13.9M

The Ministry of Health provided non-salary funding of \$13.9M. Trending on all non-salary costs indicates that inflation funding is reasonable from a cost increase perspective.

### Demographically Driven Volume Pressures - \$4.4M

The Ministry of Health had included in their budget request \$10M to address population and volume pressures based on three year average increases in population and weighted in-patient cases. SHR received \$4.4M of that provincial allocation recognizing SHR's pressures in these areas.

### New Programming/Enhancements \$13.8M

SHR received new funding for the following programs:

- Oliver Lodge: \$1.56M annualization of operating costs for the Oliver Lodge Expansion;
- Vascular Surgery: \$670K to address physician services pressures in vascular surgery;
- Physician Services: \$1M to support the retention of intensivist (intensive care unit (ICU)) physician services;
- Medical Imaging Volumes: \$2.717 for expected growth in computed tomography (CT) and medical resonance imaging (MRI) exams based on historical experience – this is in addition to growth associated with and funded through the surgical initiative;
- Cardiac Care: \$2.32M for cardiac care – specifically \$1M for the introduction of implantable cardiac device (ICD) procedures and \$1.32M for cardiac catheterization and electrophysiology (EP) lab services;
- Chronic Kidney Disease: \$1.025M for expected 7% growth in demand for chronic kidney disease (dialysis services);
- Bone Marrow Transplant: \$1.9M for repatriation of the allogeneic bone marrow transplant program – this is for 30 transplants/year;
- Leap Year Funding: \$2.514M;
- Saskatoon Lab Expansion – Pandemic Testing: \$100K.

### Base Funding Reduction Efficiency Targets - \$6.3M

Included in the funding from the Ministry of Health is a base funding reduction of \$6.3M representing efficiency targets broken down into three categories:

- Attendance Support - \$3.1M
- Shared Services - \$1.1M
- General Efficiency - \$2.1M

### Targeted Funding

In addition to base funding, SHR receives targeted funding from the Ministry of Health for new initiatives that are tracked separately. Funding is not released until there is evidence that the initiative has been achieved. If the program becomes established the targeted funding is usually transferred to base funding permanently and no longer tracked separately. All targeted funding from 2010-11 was maintained as either targeted again for 2011-12 or transferred to base funding permanently. Examples of targeted funding from 2010-11 that remained as targeted for 2011-12 include: paediatric dental surgeries \$882,000, injection drug use \$25,000, and funding for Primary Health Care – White Buffalo Youth Lodge \$85,000. New items include: SUN/Health Region Nursing Retention and Recruitment fund \$2,912,000, SUN cash bonus \$4,775,000, specialized diagnostic imaging \$515,000, kidney transplant program \$500,000, approved mental health homes \$168,000, FASD/ASD \$586,000. Total targeted funding for 2011-12 is \$10.4M compared to \$9.4M in 2010-11. A summary of targeted funding is provided below:

<b>Targeted Program</b>	<b>Amount (\$000)</b>
Paediatric Dental Surgeries	882
Injection Drug Use	25
White Buffalo Youth Lodge	85
SUN/Health Region Nursing Retention & Recruitment Fund	2,912
SUN Cash Bonus	4,775
Specialized Diagnostic Imaging	515
Kidney Transplant Program	500
Approved Mental Health Homes	168
FASD/ASD	586
<b>Total</b>	<b>\$10,448</b>

## Total Funding

<b>Operating Funding</b>	<b>Amount (\$000)</b>
Ministry of Health Revenue per Funding Guidelines	\$887,200
Transfer to Capital	-1,400
Transfer to Mortgages	-200
<b>Net Base</b>	<b>\$885,600</b>
Targeted Revenue (Paediatric Dental Surgical, Specialized Diagnostic Imaging, Kidney Transplant Program, Approved Mental Health Homes, FASD/ASD)	\$10,400
Special Payments (Air Ambulance, Special Drugs, Specialists On-Call, Neurosurgery, HSAS Estimate, SMA 2009-10, 2010-11 & 2011-12)	28,500
Other Provincial Departments (KidsFirst, Provincial Health Insurance Plan)	2,300
Deferred Revenue (SkSi, Primary Health, Other)	11,100
Other Non Ministry of Health (Coffee Shop, Parking, Patient & Agency)	60,900
<b>Total</b>	<b>\$998,800</b>

## Balanced Budget Formula

SHR believes a balanced budget can be achieved. Careful analysis of net incremental funding was compared to total resources required as follows:

<b>Incremental Funding</b>	<b>Amount (\$000)</b>
Inflation	\$13,952
Demographic/ Volume Pressures	4,360
Annualization of Savings, Favourable Benefits and Revenues	7,450
General Efficiencies - Lease Space and Energy	800
<b>Total</b>	<b>\$26,562</b>
<b>Allocation of Incremental Funding</b>	
Rebasing of 2010-11 for Unfunded Positions and Programs in Major Areas	\$10,248
2011-12 Demographic and Volume Pressures	6,162
Strategic Investments	3,527
Less General Efficiency Targets	-2,075
Allocated as General Efficiency Targets	2,075
Inflation Pressures	4,798
Resourcing for Strategic Objectives/SOD	1,827
<b>Total</b>	<b>\$26,562</b>
<b>Balanced Budget</b>	<b>\$0</b>

### Rebasing

This represents unfunded positions and programs in 2010-11. These amounts were determined primarily on actual care group unfavourable variances at March 31, 2011 year-end.

<b>Care Group Rebasing</b>	<b>Amount (\$000)</b>
General Medicine	\$1,300
Surgery	1,400
Neurosciences/Rehab/Geriatrics	300
Health Information	500
Medical Imaging	1,198
Home Care	1,600
Continuing Care	1,000
Palliative Care	200
Integrated Community Services	500
People Strategies	1,000
Medical Affairs	150
Therapies	1,100
<b>Total</b>	<b>\$10,248</b>

### Demographic/Volume Pressures

This represents clinical pressures due to volume or acuity. The Ministry of Health provided funding of \$4.36M and SHR has reallocated budget to allow for \$6.162M as follows:

<b>Demographic Volume/Pressure</b>	<b>Amount (\$000)</b>
Safety TCU Acuity Increase	\$313
Clinical Neurophysiology Volume	200
Respiratory Therapy	333
Registered Nurse – Nurse Practitioner in NICU	280
Support Staff for Targeted Surgical Initiative	816
LTC Hours of Direct Care Increase from 3.23 to 3.3	2,000
Public Health Volumes	400
Home Care: Increase in RN visits by 10%	500
Pathology Backlog	195
Cardiac Nuclear Medicine Myocardial Perfusion Imaging Backlog	300
Pharmacists – Staffing	558
Therapies Investment	267
<b>Total</b>	<b>\$6,162</b>

Safety TCU Acuity Increase: Investment of 1 RN 12-hr daily. The Transitional Care Unit is providing care to more complex patients with the reduction in LTC

patients in acute care. Increase in the level of RN staffing is required to provide safe patient care.

Clinical Neurophysiology Volume: Investment of 2 FTE technologists. The demand for special testing of the nervous system- including EEG and intra-operative monitoring, is growing significantly. This neuroscience program has been steadily growing with successful recruitment of specialists. The requirement of this basic service is a standard of practise in many situations.

Respiratory Therapy: Investment of 1 RT 24/7. Demand for respiratory therapy service at RUH continues to grow, with the acuity and volume of inpatients at that site. Compared to benchmark data, SHR is understaffed.

RNNP in NICU: Currently Neonatal Nurse Practitioners are a key part of the care team in the NICU. The investment in an additional 8 hours of coverage, 5 days per week will allow for expansion of the role to support care for intermediate neonates in collaboration with the current neonatologist support.

Support Staff for Targeted Surgical Initiative: This will support additional case volumes and bank day impacts.

Increase in LTC Hours: Increasing hours of direct care allocation to all affiliates to increase from 3.23 hours to 3.3 hours per resident. (Intention is to do increases over next 3-5 years to bring them up to provincial and national benchmarks of 3.6-3.8hrs).

Public Health Volumes: Added positions for Public Health Inspectors (PHIs) and Public Health Nurses to meet provincial legislative requirements (PHIs) and added capacity for achieving health equity by increasing community capacity builder and epidemiologist positions.

Home Care Increase RN Visits: Increases to meet volume pressures for nursing and home health aid units of service especially related to hospital discharge.

Pathology Backlog: The current backlog in surgical pathology is 1300 cases. This investment will cover the pathologist fees to review and report this case volume. Recruitment for pathologists is underway and lean redesign of this service is our priority as this backlog is not acceptable or tolerable. This service is key to successfully delivering the provincial surgical initiative.

Cardiac Nuclear Medicine Myocardial Perfusion Imaging Backlog: Medical Imaging MIBI scans. The current wait time for a cardiac MIBI scan in nuclear medicine is over 24 months. This exam assists with planning cardiac care and intervention. This investment will help reduce, but not eliminate the wait time for this test.

Pharmacists Staffing: Pharmacy Services: Medication safety is a core ingredient in our patient safety agenda. In our recent Accreditation visit we were required to improve and implement a number of required organizational practices (ROPs) including medication reconciliation through all care transitions, thrombosis prevention and removal of all dangerous drugs. In addition national benchmarking with Canadian hospital pharmacies demonstrates a significant gap in SHR staffing levels. This investment will allow us to achieve the ROPs identified and improve the safety of the medication system.

Therapies: Acute care speech language positions to meet the need for swallowing and communication assessments/treatments and social work to support patients/families in crisis in critical care. All of these areas are currently underserved.

### Investments

SHR has decided to set aside funding to invest in a number of new or enhanced programs or supports for clinical pressures:

<b>Investment</b>	<b>Amount(\$000)</b>
Paediatric Respiriology Program	\$85
EMS Investment	750
Endovascular Expansion	200
Black Belts for LEAN	600
Community Services Investment	700
Health Information - Health Information Management Practitioners	150
IT Security Position - From Audit Recommendations	118
Financial Management Advisor	103
Housekeeping FTEs to Prevent Spread of Infections	171
Physician Leadership and Executive Structure	400
Physician Human Resource Plan	250
<b>Total</b>	<b>\$3,527</b>

Paediatric Respiriology Program: The recent successful recruitment of a paediatric respirologist included the requirement to develop an interdisciplinary program. This year the program will begin mid year, and will require the recruitment of administrative and nursing support. Further expansion with other professionals will occur over the next year.

EMS Investment: Investment to deal with pressures in ambulance services

Endovascular Expansion: The expansion of our current endovascular stenting program (for treatment of abdominal aortic aneurysm) is required to provide improved access to this minimally invasive approach to AAA.

Black Belts for Lean: LEAN support for many of the strategic objectives.

Community Services Investment: Reorienting service configurations especially in urban and rural areas to reflect primary health model (i.e. introduction of outpatient services and primary health team services in Wakaw).

Health Information Management Practitioners: In 2010-11 we limited our health record coding service to core requirements of CIHI and this did not include ER admission and service coding. This service had been previously provided but unfunded and the data was used by internal stakeholders in decision making and research initiatives and was strongly requested for 2011-12. When further e-health functionality and investment is made in ER, this resource will be redundant.

IT Security Audit Position: SHR has been cited for gaps in our IT security systems. This position will oversee the implementation of policy and practices that will address a number of the audit recommendations. A risk assessment being undertaken by this position will inform future capital investment requirements.

Financial Management Advisor: As SHR grows in size and complexity an additional position will be added to meet the demands of providing budget and financial information for decision-making.

Housekeeping FTEs: An incremental 4.0 Housekeeping FTEs have been added at SPH and RUH (to meet growing VRE concerns and spread of infections).

Physician Leadership, Executive Structure and Physician Human Resource Plan: Resources to enhance structures in these areas.

#### Resourcing for Strategic Objectives/SOD

Many of these initiatives can be achieved through on-going operations. The following table lists internal allocation of resources to achieve components of various initiatives requiring incremental resources:

Top 5 Areas of Focus from Strategic Plan/SOD:

<b>Description</b>	<b>Amount (\$000)</b>
Surgical Information System	\$135
RUH Renovations to Enhance Capacity to Respond to Surges	100
Regional Falls Coordination	100
Staff Safety	367
Children's Hospital of Saskatchewan – Support IT and Patient Scheduling	200

<b>Total</b>	<b>\$902</b>
--------------	--------------

Surgical Information System: Modest project management support and workstations.

RUH Renovations: Renovations to two areas to create a more beds for surge capacity.

Regional Falls Coordination: Staff to support this initiative.

Staff Safety: Implement SHR plan to reduce WCB time lost which includes 2 safety associates to support Occupational Health Committees and replacement costs for staff who are on OHC committees.

Children's Hospital of Saskatchewan Planning: 1 FTE for registration and patient scheduling, plus 1 FTE IT/e-health.

Other Initiatives from Strategic Plan/SOD:

<b>Description</b>	<b>Amount (\$000)</b>
Breast Health Expansion	\$300
Complex Continuing Care Implementation: ED Screener	75
Releasing Time to Care	300
Home Care Redesign Program Manager	100
Resources to Implement Nurse Call System	150
<b>Total</b>	<b>\$925</b>

Breast Health Expansion: Additional operational staff.

Complex Continuing Care Implementation: ED screener to identify frequent users of ED to look for ways to provide care that reduces the use of acute care.

Releasing Time to Care: Additional support to ensure ongoing success of this project.

Home Care Redesign: Program manager to coordinate these initiatives and help achieve progress in this large project.

Nurse Call System: This is a large enterprise-wide project that needs resources to be properly implemented.

#### Summary Revenue and Expense Schedules

The Saskatoon Health Region has prepared the following projections for revenue and expenditures for the fiscal year 2011-2012 utilizing information provided by the Ministry and based on information as of April 2011.

# Saskatoon Regional Health Authority

## Summary of Operating Revenues

	2009-10	2010-11	2011-12	2011-12
	Audited Actual	Audited Actual	Authority Approved Budget	Variance increase /(decrease) from Audited Actual
<b>Summary of Revenues</b>				
<b>Operating</b>				
Saskatchewan Health:				
Base Funding	748,669,491	798,993,320	885,581,815	86,588,495
Deferred Revenue	3,546,648	4,283,475	11,089,195	6,805,720
Special Payments	61,077,912	75,615,921	38,986,748	(36,629,173)
Other Provincial Revenue:				
WCB	4,562,279	4,601,360	4,935,580	334,220
SGI	3,281,986	3,882,694	3,606,287	(276,407)
SUN/Health Region Nursing Retention and Recruitment Fund	13,752,000	2,767,000	-	(2,767,000)
Other Provincial Departments	2,200,608	2,337,113	2,274,584	(62,529)
Federal Government Revenue	1,451,892	1,057,035	1,005,770	(51,265)
Alberta Funding for Lloydminster				-
Patient & Client Fees:				
Supportive Care Fees	9,904,904	9,618,255	9,565,876	(52,379)
Home Care Fees	1,715,298	1,694,661	1,658,000	(36,661)
EMS Fees	35,658	4,826	-	(4,826)
Other (Includes Ward Rates)				-
Out of Province Revenue (Reciprocal)	7,697,789	8,016,527	8,000,717	(15,810)
Out of Country Revenue	1,097,713	1,762,346	877,489	(884,857)
Donations	149,640	340,689	243,226	(97,463)
Ancillary Revenue	14,089,739	15,054,589	14,342,141	(712,449)
Investment Revenue	-	-	37,200	37,200
Recoveries:				
Patient Related	4,632,764	4,337,545	4,729,745	392,201

Interregional				-
Other	14,910,650	16,684,964	9,582,639	(7,102,325)
Research Grants				-
Other	4,004,029	3,725,681	2,289,071	(1,436,610)
<b>Total Operating Revenues</b>	<b>896,781,000</b>	<b>954,778,000</b>	<b>998,806,082</b>	<b>44,028,082</b>

## Saskatoon Regional Health Authority Summary of Operating Expenditures by Object Code

	2009-10	2010-11	2011-12	2011-12
	Audited Actual	Audited Actual	Authority Approved Budget	Variance increase /(decrease) from Audited Actual
<b>Summary of Operating Expenditures by Object Code</b>				
<b>Compensation</b>				
Compensation - Benefits:				
WCB Employer Premium	7,484,036	7,417,160		(7,417,160)
Other Compensation Benefits	79,363,177	88,063,211	98,213,434	10,150,223
Compensation - Salaries	491,092,966	505,294,132	525,497,574	20,203,441
Medical Remuneration and Benefits:				
WCB Employer Premium				-
Other Medical Remuneration and Benefits	65,025,328	73,252,481	79,902,249	6,649,768
Purchased Salaries	9,167,335	8,560,237	8,063,148	(497,089)
<b>Grants</b>				
Affiliated Health Service Organizations (HSOs)	80,130,685	83,310,374	90,418,120	7,107,746
Non-Affiliated HSOs - Not-For-Profit	2,949,574	3,397,462	4,459,504	1,062,042
Non-Affiliated HSOs - For-Profit (Contracted LTC)				-
Ambulance Services	6,882,126	7,972,866	7,823,362	(149,505)
<b>Infrastructure</b>				
Information Technology Contracts	1,376,394	2,505,661	3,259,117	753,456
Insurance	1,596,059	1,648,743	1,700,751	52,007
Rent/Lease/Purchase Costs	11,527,317	10,344,153	9,203,461	(1,140,692)

Repairs and Maintenance	13,502,947	16,932,815	14,578,124	(2,354,692)
Utilities	13,060,237	13,109,467	13,387,908	278,441
<b>Medical &amp; Surgical</b>				
Diagnostic Imaging Supplies	2,478,804	1,696,146	1,606,690	(89,455)
Drugs	22,980,335	22,351,495	22,948,089	596,594
Laboratory Supplies	7,858,392	7,163,218	7,888,458	725,240
Medical and Surgical Supplies	40,768,568	43,304,554	43,566,497	261,943
Prosthetics	15,531,004	15,232,626	16,363,506	1,130,880
Therapeutic Supplies	338,015	336,609	242,657	(93,952)
<b>Other</b>				
Advertising and Public Relations	490,223	374,941	399,995	25,053
Board Costs	130,489	146,045	147,439	1,394
Contracted-Out Services - Other	7,162,690	9,310,867	9,816,891	506,024
Continuing Education Fees and Materials	2,363,183	1,475,322	3,292,053	1,816,731
Dietary Supplies	282,032	195,255	279,364	84,109
Food	7,522,197	7,165,987	7,210,558	44,571
Housekeeping and Laundry Supplies	4,777,951	4,272,689	4,438,828	166,139
Interest	428,544	350,646	465,272	114,625
Meeting Expense	386,103	267,603	237,254	(30,349)
Office Supplies and other Office Costs	4,836,223	4,910,247	4,426,182	(484,065)
Other	2,808,811	1,659,928	10,976,033	9,316,105
Professional Fees	1,728,518	1,881,869	1,752,421	(129,448)
Supplies - Other	2,602,524	2,042,051	1,881,659	(160,393)
Travel	5,133,216	4,584,140	4,359,488	(224,652)
<b>Total Operating Expenses</b>	<b>913,766,000</b>	<b>950,531,000</b>	<b>998,806,083</b>	<b>48,275,083</b>

## **Section 6: Key Assumptions**

### Key Assumptions

The Saskatoon Health Region has calculated its budget for 2011-2012 based on the guidelines provided by the Ministry of Health. We have considered pressures from 2010-11 as a starting point.

The following key assumptions were used in preparing the 2010-11 operating and capital budgets:

Revenues and expenditures are estimates based on a forecast of activity levels using the best available information and forecasting human resources.

Project expenditures (capital) will fluctuate from year-to-year based on project timing.

Salaries and benefits for collective agreements not currently settled are expected to be fully funded

## **Section 7: Proposed Future plans with Potential Significant Implications for SHR**

**Kidney Transplant Repatriation:** Saskatchewan Renal Transplant Program External Review was completed in July 2010. An action plan has been established by the Saskatchewan Transplant Program Steering Committee to address the recommendations from the external review which include repatriation of the kidney transplant program for deceased donors. Patient access and care for deceased donors must continue. Physician and staff competency must be ensured since transplantation has not been active since 2009.

**Neuro-endovascular Suite:** SHR is currently operating a very limited neuro-endovascular program and there are discussions underway around the creation of a neuro-endovascular suite. The capital costs are in the range of \$4M, but potential donors have been identified. Operational dollars are needed to support the increased volumes

**EP Lab:** SHR is currently operating an EP service through a mobile unit, but clinical volumes are increasing such that a permanent lab is required. Capital funding for a permanent lab has been secured through the RUHF, operating costs have been negotiated with the Ministry of Health and the planning process has begun.

**Additional College of Medicine Seats:** As the province continues the implementation of additional seats, it is important that the effects on the services that SHR delivers be contemplated and addressed within the plan. There are numerous implications for all aspects of SHR operations including support services and infrastructure requirements.

Physician Human Resource Plan and Move to Alternate Funding and Payment Models:

One of our strategic priorities is to begin to move to more alternate funding and payment arrangements with our physician partners. It is critical that we have these discussions with our colleagues at the Ministry as well as the University to ensure all partners are on the same page around these very important initiatives.

Children's Hospital of Saskatchewan Planning: For the Children's Hospital of Saskatchewan, 2011-2012 fiscal year is the year of design. The Schematic Design submission including the overall site plan, basic layout of the building and floor plans will be going forward for approval to the SRHA and Ministry in the late spring/early summer 2011. The Design Development phase of this project will then proceed and will focus on the design details of all areas of the building. Design Development will take place from summer 2011 into early 2012.

## **Section 8: Capital Asset Management Summary**

### Major Capital Projects

#### **Humboldt District Health Complex – Humboldt, Saskatchewan**

- This project consists of the demolition of the current hospital and new construction of an integrated acute and community services building to service the residents of Humboldt and the neighbouring communities. Construction includes a 32 bed acute in-patient services as well as consolidation of the community-based services.
- Facility was completed in the spring with the grand opening and patients and community based services moving into the facility in April 2011.
- Total estimated cost: \$42 million

#### **Watrous Manitou Lodge Replacement**

- This project consists of an addition to the Watrous Hospital to replace the current Manitou Lodge beds.
- The project is under construction and is slated to be completed in June, 2012.
- The budget for this project is \$14.0 million and is being cost shared between the Province of Saskatchewan and the local municipalities under the new 80%/20% guidelines. The provincial share was completely funded in March, 2011.

#### **Children's Hospital of Saskatchewan (CHS)**

- This project is currently in the schematic design phase.
- The province provided funding of \$200 million to SHR in November, 2010 to support construction of the CHS.
- SHR is currently revising their investment policy and has engaged an investment manager to assist with optimizing the returns on these funds to meet the anticipated project cash flows.

- In order to support the CHS development and to achieve planned future parking capacity at the RUH site, an early works package was recently approved by the Saskatoon Regional Health Authority. This early works package includes the expansion of the 1984 portion of the parkade, construction of a Helix ramp, roadway entrance and exit modifications and the demolition of a portion of the 1971/78 parkade structure on the site where the new CHS facility will be constructed. Work on this project is expected to begin by the end of September, 2011.

### **Parkridge Remediation**

- This facility was purchased from the Ministry of Government Services in December, 2010.
- The Ministry of Health provided funding of \$5.1 million to purchase the facility as well as \$10.1 million for the remediation of the facility.
- Currently the heating/air conditioning as well as the hot water system are being replaced from the funding provided for building remediation.
- The nurse call system is also in the process of being replaced through the VFA pool of funds.
- A forensic investigation is currently underway to identify the issues and plan for the remediation of the building envelope. It is anticipated that the funding of \$10.1 million will not be sufficient to complete the remediation of the building envelope.

### **Pharmacy Relocation Project**

- The RUH pharmacy has outgrown its current space and is not efficiently located in regards to clinical needs.
- A critical incident in the fall of 2010 has increased the urgency to complete this project.
- Funding of \$2.5 million was provided by the Ministry of Health for this project as well the RUH Foundation has committed \$1 million to this project.
- Planning is currently underway to review processes and identify the space requirements as well as search for appropriate space in RUH and plan for the displacements that come about as the result of the pharmacy relocation.

### **RUH Additional MRI**

- This \$4 million project is in the planning stages.

### **PET Scanner**

- This \$6 million project is in the planning stages.

### **SPH Fourth Floor Renovation**

- This project consists of demolition and renovation of a former nursing unit to a modern unit meeting current standards. This unit was

converted to a hostel for many years and is now sitting empty. The plan is to use the additional beds to help the Region meet the additional surgery target required under the Saskatchewan Surgical Initiative.

- \$2 million was provided for this project by the Ministry of Health under the Saskatchewan Surgical Initiative in March, 2011
- The St. Paul's Hospital Foundation has committed \$1 million to this project.
- Engineering work is currently going on to define the scope of this project and come up with a cost estimate. It is believed this project will cost more than the \$3 million currently available for the project.

### Significant Outstanding Needs

- Royal University Hospital Ground Floor Redevelopment (OR's, PACU, ICU and supports) - the functional program was submitted in December 2007 and no further approvals have been granted.
- Central Laundry

### IT Infrastructure

Investment in new systems or upgrades and expansion of existing installations are crucial foundations for service delivery modifications, clinical practice changes and quality initiatives.

Current staffing and funding levels in the operating budget for IT mainly provide support for system operations and maintenance. It is becoming increasingly difficult to resource needs in system planning, system enhancement and new development projects utilizing the same pool of resources that maintain systems.

The state of IT infrastructure and the degree to which automated solutions are utilized as integral tools of service delivery are recruitment and retention factors. Medical specialists and other health professionals considering positions in Saskatoon want to know what information technology support there is for clinical care, teaching and research. New graduates from health sciences are familiar with automated tools and systems and they expect to find it in the workplace. This also applies to attracting and retaining key skill sets and subject matter experts within the IT organization.

In terms of major IT projects, the following are on the horizon for 2011-2012.

These include:

- Infrastructure renewal - \$3 million – focused on telephony, network and security.

- Sunrise Clinical Manager – implementation of bed management system (Sunrise Patient Flow), Sunrise Patient Scheduling to enable the region’s ambulatory care redesign efforts, and a Clinical Documentation project to support the strategic priorities related to discharge planning, transition and handover of patient care and to lay the foundation for future automated practitioner order entry.
- Voice Recognition Systems/Digital Dictation – Health Records and Diagnostic Imaging.

## E-Health

The Region continues to lag significantly in the implementation of a clinical electronic health record system. The purchase of the Sunrise Clinical Manager (SCM) software from Allscripts by eHealth SK is greatly appreciated. However, the investment required by SHR to implement this will be in excess of \$25 million over the four year project life. The project will drive clinical transformation including; standardization, common order sets, best practice and clinical process redesign. Medical leadership and clinical (inter-professional) full participation will be required. This project should be the largest driver in transforming the care and service we provide improving quality, safety, access and efficiency. Several major systems have been identified and will undergo business case development. These enterprise systems will improve operating efficiency and effectiveness and include: Enterprise patient scheduling, e-commerce, a human resource information system and enterprise communication technology.

A commitment and investment are urgently required.

The following table summarizes SHR’s capital funds and uses for 2011-12:

<b>Capital Revenue</b>	<b>Amount (\$000)</b>
Ministry of Health (Funds received in prior years other than the PET Scanner)	\$77,119
Foundations	12,579
Funds Allocated from 10/11 Surplus	2,700
Saskatoon Square Sale Proceeds	4,030
Interest Revenue	1,200
Community Trust Funds	175
Community 20% Share - Watrous Long Term Care Project	2,120
<b>Total</b>	<b>\$99,923</b>
<b>Allocation to Capital and Projects</b>	
Diagnostic Imaging Equipment	\$18,135
Medical/Surgical Equipment	13,366

Information Technology – Infrastructure and Sunrise Clinical Manager Project	6,630
Infrastructure Fund	19,582
Major Capital Projects	42,210
<b>Total</b>	<b>\$99,923</b>

### Closing Comments

The fiscal year 2011-12 will be another challenging year for the Saskatoon Health Region as we strive to maintain the balance of service demands with available financial and human resources. In addition, there are many excellent initiatives planned from the SHR Strategic Plan and the Ministry's Strategic and Operational Directions in which SHR will continue to pursue the vision of Healthiest People, Healthiest Communities, Exceptional Service. SHR is committed to balancing the budget and will monitor closely our financial position, service pressures and progress on all initiatives.