



Memo

To: All Saskatoon Health Region Employees and Physicians

CC: Operational and Senior Leadership Teams

From: Maura Davies, President and CEO

Date: June 9, 2010

Re: Budget Approval

This afternoon, the Saskatoon Regional Health Authority approved our 2010/11 operating budget at a public board meeting. I would like to give you an overview of our plans.

This budget is about balancing our responsibility as stewards of taxpayer dollars while ensuring that quality health care is there when patients and clients need it. The Health Region spends close to \$2.5 million dollars a day to deliver care and services to patients and clients.

We have prepared this budget with the intent to minimize the negative effect of any changes on our patients, clients, residents and their families. We also want to ensure our front-line care providers have the resources they need to provide quality care and service.

Today, we presented to the Health Authority a **balanced** budget that includes both enhanced Ministry funding for selected programs (e.g. autism, kidney disease, Oliver Lodge expansion, and the new Dubé Centre), and spending reductions to address a \$25.4 million dollar shortfall (equivalent to 2.6% of budget). That shortfall is made up of the following:

- \$12 million deficit from last year – a result of increased operating pressures and an \$8.7M mid-year funding reduction from government;
- \$10 million in funding reductions this year from the Ministry of Health, which expects the Region to reduce costs through operational efficiencies, shared services and reduction in sick time and overtime;
- \$3.4 million of unfunded investments in areas such as quality, safety, population health and technology that remain priorities for Saskatoon Health Region

Our budget this year requires us to be very strategic. We are focusing on the Patient First Review, ensuring we maintain our core services, aligning our plans with the Ministry of Health provincial priorities, and focusing on quality and safety. We remain committed to the SUN-government partnership agreement.

This budget also requires us to be innovative. We are redesigning the way we do our work, applying Lean methodology to eliminate waste, optimizing the skills and talents of all our dedicated staff, and investing in technology.

This budget will result in some significant and minor service changes. We will make a number of changes to our bed mix over the next 12 months. For example, with the opening of the 67 bed expansion at Oliver Lodge, we will close 28 beds in one of our Transitional Care Units at

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Saskatoon City Hospital. Staff affected by this change are aware of this and we anticipate they will be able to find work in other positions within the Health Region.

We will also focus on reducing acute care patient days through reduced admissions and/or reduced lengths of stay. We need to reduce the high occupancy rates which cause so much pressure on our system and affects patient flow. We will be redesigning the way we register patients coming into the hospital and the way we provide in-hospital physician coverage in Saskatoon.

We will also be redesigning and reducing costs in many community services, including rural ambulance services, long-term care, home care, mental health and our International Travel Clinic.

Even at a time of budget constraint, we are investing an additional \$500,000 for chronic disease management and inner city primary care to improve the health of our population. We expect these investments to be augmented by additional Ministry funding for enhanced HIV/AIDS programs as part of the new provincial strategy. We are also investing in areas such as infection control, wound care, medication safety, and electronic health record.

Today's approval by the Authority means we must now proceed with these planned changes. We know that some staff positions will be affected within the Health Region as part of this budget plan and those details are what many of you are waiting to hear. I can tell you that these changes will mean the roles some individuals provide today will either change or no longer be needed.

However, this does not necessarily translate into people losing their employment with Saskatoon Health Region. For example, we will be looking at changing some staffing models where job classifications have put people under the same title with the same pay even though they are doing very different work. So, we may change these models to ensure equal pay for equal work. Other positions may see hours reduced as services are readjusted.

We are now two months into our fiscal year and have already moved on implementing some of these changes. Although the Patient First Administrative Review highlighted Saskatchewan was spending less than our provincial counterparts on administration, we have reduced our out-of-scope positions by 5% in an attempt to further streamline this area.

In an organization as large and as complex as this is, we are doing our best to work through established processes and know many of you are feeling anxious these days about what is to come. We are also trying to balance your desire for more information with the need to be respectful to those who will be directly affected and allow them to hear about planned changes first and in person.

We are moving through the processes defined in the collective agreements to work with our union partners regarding the specifics plans. As soon as we are able to finalize the details and inform individuals affected, we will share this with the rest of the organization.

We are continuing to move forward with a complex plan that will see \$912 million dollars of taxpayers' money is spent wisely while at the same time ensuring that we maintain a quality health care system.

I know that this is not an easy time. I would like to personally thank each of you for your dedication and patience. It will take our collective efforts to ensure we live within our means while pursuing our vision of healthiest people, healthiest communities, exceptional service.

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