

2010-2011 BUDGET INFORMATION



JUNE 9, 2010

HIGHLIGHTS

- Saskatoon Regional Health Authority approves budget of **\$912.4 million**
- Budget covers fiscal year of April 1, 2010 to March 31, 2011
- Budget includes cost reduction targets and strategic investments
- Triple Aim—improve patient experience, improve population health, reduce health care costs

WHO FUNDS SASKATOON HEALTH REGION BUDGET?

A majority of the funding comes from the Ministry of Health. The remaining amount comes from other provincial departments and other revenue generation areas such as cafeterias.

BUDGET PLANNING PRINCIPLES

- Patients First — minimize negative impact on patients
- Region-wide vision
- Focus on core services
- Commitment to Saskatoon Health Region core values
- Alignment of Saskatoon Health Region and Ministry of Health strategic plans
- Quality and Safety is our business strategy
- Targeted investments
- Innovation and Lean thinking
- Not business as usual

SASKATOON HEALTH REGION COST REDUCTION TARGETS

2009/10 deficit	\$12 million
Ministry efficiency targets (including shared services and sick time/overtime reductions).	\$10 million
Priorities for investment, but currently unfunded	<u>\$ 3.4 million</u>
Total	\$25.4 million

HOW WILL SASKATOON HEALTH REGION FIND \$25.4 MILLION DOLLARS?

• Targeted cost reduction initiatives	\$15.2 million
• Attendance management (sick time/over time reduction)	\$ 3.6 million
• Shared Services	\$ 1.7 million
• General efficiencies	<u>\$ 4.9 million</u>
TOTAL	\$ 25.4 million

WHAT ARE OUR COST REDUCTION INITIATIVES AND GENERAL EFFICIENCIES?

We will find savings and reduce waste by improving how we provide clinical care and other services and optimizing the talents and skills of our staff. We will invest in infection control, wound care, medication safety, and prevention of falls and readmissions, which will enhance the patient experience and reduce costs.

We will implement administrative efficiencies to reduce costs and eliminate waste and duplication. We will redesign our home care, registration, health records and other processes, using Lean methodology and technology to streamline how we provide service.

These strategies, among others, and subsequent savings will help us improve the patient experience and enable us to invest in the health of our communities, including enhanced chronic disease management and primary care in our inner city. Our budget plan will help us better serve our communities.

WHAT ARE SHARED SERVICES?

We are focusing on how our supply chain works throughout parts of the organization to see how we can save costs. Our initial focus on shared services involves group purchasing with other regions to reduce supply costs.

WHAT TYPES OF CHANGES ARE BEING PLANNED?

As the details and plans are finalized within each portfolio, you will be informed of any changes to your area. Overall, this budget will result in some significant and minor service changes. Here are a few brief examples:

ACUTE CARE	COMMUNITY SERVICES	SUPPORT AREAS
<ul style="list-style-type: none"> Close 28 bed Transitional Care Unit as Oliver Lodge opens (<i>Staff already informed and plans underway to find new positions or transfer</i>) Reduce 5,500 acute care patient days through reduced admission and/or length of stay 	<ul style="list-style-type: none"> Redesign home care, mental health and public health Examine ambulance service Decrease grants to 3rd parties Redesign International Travel Clinic 	<ul style="list-style-type: none"> Align services to changes in acute and community Eliminate Internal Audit Function (completed) Extend computer life cycle from 5 years to 7 years Automate accounts payable

WILL PLANNED CHANGES MEAN JOB LOSS?

We have already eliminated 40 out-of-scope positions (5% of OOS) and in-scope staffing changes are now under discussion with the unions through processes defined in the collective agreements. Once we can finalize those plans and inform individuals affected, we will share this with the rest of the organization.

We are trying to balance the 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 do know that 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.

WHAT ABOUT CAPITAL PROJECTS?

We are continuing with projects that were approved and funded prior to this fiscal year. This includes Humboldt District Health Complex, RUH ICU renovations, Calder Centre Renovation and Manitou Lodge replacement.

This year, we have received **zero** new capital funding. However, we will look to other sources to fund capital investments including voice recognition, electronic health record and medication carts.

Budget Quick Facts—Operational Expenses (approx.)

Salaries & Benefits	\$705.6 million (77.3%)
Drugs	\$23.9 million (2.6%)
Prosthetics	\$16.8 million (1.8%)
Food	\$7.3 million (0.8%)
Medical & Surgical Supplies	\$39.6 million (4.4%)
Utilities	\$14.2 million (1.7%)
Purchased Services	\$7.9 million (0.9%)
Other (e.g. lab & diagnostic supplies)	\$97.1 million (10.5%)

Budget Funding by Portfolio

Acute Care	63.5%
Supportive Care	19.5%
Community Services	10%
Program Support	5%
Other	2%

For more information, visit Saskatoon Health Region Infonet.

<http://infonet.sktnhr.ca/budget/>