

2009/10 Mid-Year Update

Dr. Nigel Murray updated the board on the progress with budget management strategies for 2009/10.

Fraser Health President and CEO Dr. Nigel Murray updated the board on the health authority's progress with budget management strategies for 2009/10. Throughout the fiscal year, Dr. Murray has informed the board, employees, physicians and the region's communities that the following strategies (in order of priority) will protect core health services as much as possible:

- reduce costs and increase revenue
- redesign care and services through integration, standardization and consolidation to be more innovative, efficient and effective
- manage cost pressures on core services

Despite record funding from the provincial government for BC's health authorities, a cumulative 20 per cent increase over the next three years, Fraser Health had initially projected unavoidable cost pressures of up to \$160 million above available funding. At the mid-point of the 2009/10 fiscal year, Fraser Health forecasts that the health authority will require continued prudent financial management to balance the budget. The mid-year projection indicates the health authority may experience a modest deficit of \$10 million, or less than one per cent of its \$2.48 billion budget, due to rising service volumes from the region's growing and aging population and emerging circumstances such as H1N1.

The forecast includes measures announced in July, August and today. Additional initiatives will be developed, communicated and implemented as they are finalized in response to changing circumstances, if required.

HIGHLIGHTS

REDUCE COSTS AND INCREASE REVENUE

- **Land/leases.** Leases for offices and clinics will be reviewed for consolidation opportunities and surplus land assets may be sold.
- **Reduced costs for non-clinical and clinical support.**
 - Fraser Health is targeting reductions in administration and support costs so that less than 10 per cent of expenses are in categories considered as overhead. Management and support positions are being reduced in addition to delayed hiring of vacant positions in non-clinical areas.
 - The Executive Team was recently reduced by three positions as was the number of Executive Directors for clinical operations.
 - Virtually all non-clinical and clinical support services are currently being reviewed for potential consolidation within the lower mainland with Vancouver Coastal Health, Providence Health Care and Provincial Health Services Authority.

Controls on discretionary spending have been increased, including prohibiting catering for meetings during business hours.

- Fraser Health is continuing to reduce non-labour costs, as an example Mental Health and Addictions has identified \$133,000 in savings by reducing items such as printing and travel.
- **Administration and support.** Fraser Health will also be working with contracted service providers in the coming months to identify cost ceilings for administration and support to maximize investment in care and service.
- **Reduction of overtime.** Continue to improve management of staff overtime in hospital and community care. For example, standardizing protocols for non-critical access to allied health professionals may reduce expenses by up to \$750,000 for the remainder of the fiscal year.

REDESIGN CARE AND SERVICE

- **Redesigning hospital-based spiritual care.** Reorganize responsibility for coordinating spiritual care in hospitals to current managers of volunteers from specific spiritual care practitioner positions. This will eliminate 12 paid positions for non-denominational spiritual care coordinators in hospitals. Hospital patients will continue to have access to grief counseling and spiritual care counseling from social workers and volunteers from faith communities. Spiritual care positions in hospices and residential care are not affected. This non-core service represents a \$650,000 annual budget.
- **Adjusting staff mix in public health promotion and prevention units.** Following this year's introduction of Licensed Practical Nurses (LPNs) into public health alongside Public Health Nurses (PHNs), the number of Health Unit Aides (HUAs) can be reduced by 5.5 FTE (full-time equivalent) positions resulting in an annual reduction of \$250,000. Health Unit Aides provide support in immunization-related functions and childhood screening clinics, but they are not able to immunize patients. The scope of work for LPNs in public health includes these activities, as well as assisting PHNs in mass immunization clinics. Rebalancing the ratio of PHNs, LPNs and HUAs can provide the most cost-effective and efficient means of delivering public health services.
- **Adolescent psychiatry at Abbotsford Regional Hospital.** Close the 6-bed regional adolescent psychiatry unit at Abbotsford Regional Hospital by November 27, 2009, consolidating services for patients at the regional unit at Surrey Memorial Hospital. Savings will be reinvested into alternate services in the community to support young people experiencing mental health challenges such as the Adolescent Crisis Response Program in the Fraser East region. Often, just two beds at the ARH unit are open, in part due to significant difficulties in recruiting child and adolescent psychiatrists and qualified and experienced specialized nurses. Fraser Health is committed to providing a continuum of specialized age-appropriate services.
- **Addictions treatment at Chilliwack General Hospital.** Close the 10-bed withdrawal management unit at Chilliwack General Hospital by December 31, 2009, and consolidate services for patients at Creekside Withdrawal Management Unit in Surrey. Both units operate at about two-thirds capacity. Part of the savings will be reinvested into home detox services in communities in the Fraser Valley and for transportation support for clients who need to travel to Surrey. Home detox, is a viable and preferred option for some clients. Not everyone with substance use issues needs or wants to go to a Withdrawal Management Unit. Fraser Health is also investing in increased access to Stabilization and Transitional Living Residences in Fraser East for homeless clients who need a safe and stable environment for detox and transition to other levels of support.
- **Hospice and convalescent care at Queen's Park Care Centre (QPCC)**
 - Since 2001, Fraser Health has opened 100 hospice beds across the region as one

component of a robust palliative care program. Hospice resources will be redeployed by closing the 8-bed hospice at QPCC in New Westminster in advance of opening 10 new hospice beds in Delta, a community that is currently without access to hospice beds. Access to palliative care and the overall number of hospice beds will be maintained. New Westminster residents will continue to access a palliative care program that assesses patients and coordinates home care and hospital visits. Patients from New Westminster needing hospice care will have access to hospices in Burnaby and Coquitlam.

- The 25-bed Convalescent Care Unit at QPCC will close by December 31, 2009. The unit, which opened in 2006, met a need to help patients transition from hospital to back home or community services. As Fraser Health has focused on providing better linkages from acute to community supports, patients no longer need a dedicated Convalescent Care Unit.

- **Residential care at Peace Arch Hospital (PAH)**

- In anticipation of renovation to accommodate new specialized services for geriatric mental health clients, 42 residential care beds on the third floor of the Weatherby Pavilion at PAH will be closed through attrition. Residential care health professionals will work with residents and families to complete individual transition plans for each resident and family, who can choose to remain in residential care units on site at PAH or to other residential care facilities in the community. Surrey and White Rock have seen the largest investment in new care capacity in the health authority with more than 300 residential care and assisted living beds opening in the past 12 months.
- Adjust the staffing mix in residential care at both Weatherby and Dr. Alan Hogg Pavilions to integrate LPNs at their full scope of practice, consistent with standard staffing mixes at other similar facilities. Integration of LPNs reduces labour costs with efficient deployment of both LPNs and Registered Nurses (RNs) while retaining the same level of care for residents.

MANAGE COST PRESSURES ON CORE SERVICES

- **Residential care in Surrey.** Funding for 11 residential care beds at Bear Creek Lodge and 11 residential care beds at Newton Regency, both in Surrey, will end. * Residential care health professionals will work with residents, families and Bear Creek and Newton Regency staff to complete transition plans for each resident and ensure that they are moved to an appropriate level of residential care that best meets their individual care needs
- **Winter and spring breaks for outpatient/ambulatory services.** Ambulatory Care departments will see temporary closures of some outpatient clinics which will occur from now until March 31, 2009. The reduction in service is one per cent of the overall budget for ambulatory care. There will be no displaced staff and no impact on inpatients. Fraser Health has carefully chosen clinics that will have the least impact on outpatients.
- **Youth addictions outreach in Maple Ridge/Pitt Meadows.** The Matrix Youth Addictions Program that began as an unfunded pilot in 2006 and has not had annualized funding will end. Young people in Maple Ridge/Pitt Meadows will still have access to a variety of services, including the support of a new full-time Youth Addiction Outreach Worker who will serve these communities. Also, since 2006, Fraser Health has doubled Psychiatric Liaison Nurse (PLN) service at Ridge Meadows Hospital from 7.5 hours to 16 hours per day, seven days per week. PLNs are able to assess youth and adults presenting with addictions issues and make recommendations for appropriate referral, including hospital admissions, detox, safe house, or adolescent crisis response program.
- **Redesigning hospital-based patient counselling services.** Reduce social work budget in hospitals by \$1.15 million annually, resulting in 14.5 fewer positions. Patients will continue to

receive social work services based upon their level of need. Clinicians assess and prioritize patient needs for services according to patient safety, need for intervention, and access to community resources. The social worker typically provides psychosocial/emotional assessments and counseling, and is often the key contact for community health and social agencies. Reductions will be implemented proportionally across all hospitals and vacant positions will be used to minimize lay-offs.

* Changed from original version.

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