

January 30, 2009

MEDIA RELEASE

For Immediate Release

*For more information
contact:*

*Ineke Haan, Board Chair
Middlesex Hospital Alliance
c/o SMGH Administration,
519 245-5295 ext. 5593*

Senior Team Salary Freezes at MHA

With an Agenda dominated by discussions around financial issues, the Middlesex Hospital Alliance (MHA) Board of Directors held its regular monthly meeting on Wednesday, January 28, 2009. The Board received a report from Chief Financial Officer (CFO) Paul Long that summarized the financial position of the Strathroy Middlesex General Hospital (SMGH) of the MHA.

In April 2008, the MHA was predicting an operating deficit for its SMGH site of \$2.2 million. Paul Long indicated that strategies undertaken in July and August and the early Fall of 2008 had reduced that projection down to around \$700,000. The Board also heard that the 2009/10 operating deficit originally projected at \$2.6 million will at this point be significantly lower. Final estimates will be available by March 31, 2009. Provincial law requires hospitals to balance their budgets by March 31, 2010. At the FCHS site, an operating deficit of \$500,000 was originally forecast for 2008/09 but has been reduced to \$200,000. The initial forecast for 2009/10 was a \$200,000 deficit however FCHS is expected to be balanced in 2009/10.

Ineke Haan – Board Chair of the MHA indicated to Board members that the current projection for a balanced budget in year two of the “Transformation Plan” for SMGH does include some assumptions around provincial funding. “We are assuming that next fiscal year’s base funding increase of 2.1% will be met by the Ministry,” Ms. Haan indicated in response to questions from Board members, “and that the South West LHINs acting on behalf of the Ministry have indicated that hospitals should assume that the 2.1% commitment will be met despite the current financial challenges facing the province.”

On a related matter, the Board Chair reported that, “The Board has moved to freeze the salaries of senior administrative staff for the fiscal year 2009/10 starting on April 1, 2009. This freeze will impact the Chief Executive Officer (CEO), Chief Financial Officer (CFO) and Chief Operating Officer (COO). The community, province and our country are going through particularly challenging times and corporations must demonstrate leadership in keeping costs under control,” said Haan. “The salaries of the senior staff will be reviewed again in the final quarter of the next fiscal year in light of the financial situation in the hospital and the province at that time. No retroactive adjustments will be made for the senior staff during the fiscal year 2009/10.”

The Board of Directors also received an update on the External Review being undertaken by the SMGH site as per the South West LHINs instructions. The Board heard that the External Reviewers Final Report is expected to be available in mid February.

In a related matter, the Board received a report from Ralph Coe – Vice-Chair on the presentation by the Erie St. Clair LHINs for the review of emergency services at hospitals in Petrolia, Wallaceburg and Leamington. “Although the final report for the Emergency Department (ED) for Erie St. Clair is not yet available”, said Ralph Coe, “we are asking that our Administration meet with representatives from Erie St. Clair in an attempt to gather more information about the impact on the Middlesex Hospital Alliance sites of any changes in services to the Chatham-Kent Health Alliance and Bluewater Health.”