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MEDIA RELEASE

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Hospital Wages on the Board Agenda

The Middlesex Hospital Alliance (MHA) board of directors agreed to hold staff wage expenditures to attain an average of 2.1% for the fiscal year 2009/10 – which starts April 1, 2009.

At the monthly board of directors meeting held in Strathroy last evening, Middlesex Hospital Alliance board chair Ineke Haan indicated that this is the percentage that the provincial government has agreed to for hospital funding this fiscal year.

The Strathroy Middlesex General Hospital (SMGH) Transformation Plan does include some assumptions about provincial funding. “We are assuming that the fiscal year’s base funding increase of 2.1% will be met by the Ministry,” Haan says. “The South West Local Health Integrated Network, on behalf of the Ministry, has indicated that hospitals should assume that the 2.1% commitment will be met.”

For some staff this will mean a wage increase of 3% and for others 1%. For example, all RNs at MHA and the unionized staff at FCHS, with whom MHA has contract obligations, will receive 3% and all other staff groupings (the other half of the hospital staff) will receive 1%.

“I want to reiterate that the Board has moved to freeze the salaries of senior administrative staff for the fiscal year 2009/10,” Haan said. This freeze will affect the positions of Chief Executive Officer, Chief Financial Officer and Chief Operating Officer. The salaries of the senior staff will be reviewed again in the final quarter of the next fiscal year in the context of both the financial situation in the hospital and in the province at that time. No retroactive adjustments will be made for the senior staff during the fiscal year 2009/10.

In a briefing document to the board, Liz Grimster, Director of HR at MHA, stated the considerations included in wage setting: "In order for us to retain and attract qualified staff we need to remain competitive. HR has reviewed current labour agreements, environmental scans of healthcare and OHA predictions of upcoming negotiations. We are matching the hourly rates ONA has in their agreement for RNs in order to retain our current qualified nurses. OPSEU, the comparator union for our Paramedical staff has not settled. We will review the outcomes of their negotiation when the settlement is ratified and assess from there our finances and ability to adjust wages for this group."

"These are difficult times and these salary increases are not what you'd expect in a professional healthcare setting. However, we have to ensure that wages do not have a negative impact on our operating budget and I think our people understand this," Ed Veeke, treasurer of the MHA board of directors, said.

"Our region is feeling this recession more strongly than other parts of the province. There is a higher percentage of auto and auto sector manufacturers in the southwest than in other regions of the province. We have been hard hit already by job loss in our immediate area," MHA board vice chair Ralph Coe, said.

"We are certainly monitoring the economic environment both in our region and at other hospitals in Ontario," Mike Mazza, CEO of the MHA, says.

Paul Long, Chief Financial Officer for MHA indicated that strategies undertaken in 2008 had reduced the original projected operating deficit of \$2.6 million and that it is now been reduced to about \$500,000. A final figure will be available by March 31, 2009.

"We still have the "\$500,000" gap for March 31, 2010 and that assumes the 2.1% base funding will be provided. Any deviation from this percentage will increase the financial shortfall and increase our financial challenges to balance," Long says, "A base increase of 2.1% (SMGH \$516,000 and FCHS \$155,000) should be covering the annual wage increase, benefit premium changes, and inflation for medical and surgical supplies, medications and food costs – the latter of which is increasing around 3%."