



## **Remarks**

Ruthe-Anne Conyngham  
Board Chair  
Ontario Hospital Association

And

Hilary Short  
President and CEO  
Ontario Hospital Association

to

**Pre-Budget Submission to the Standing  
Committee on Finance and Economic Affairs  
of the Legislative Assembly of Ontario**

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## **Ruthe-Anne Conyngham**

Good afternoon.

My name is Ruthe-Anne Conyngham and I am Chair of the OHA's Board of Directors, a voluntary hospital trustee, and Immediate Past Chair of St. Joseph's Healthcare Centre in London. Joining me is Hilary Short, President and CEO of the Ontario Hospital Association.

This year, through an effective working partnership of hospitals and the Ministry of Health Long-Term Care we have seen change and progress in many key areas related to planning, accountability, performance and infrastructure renewal. But at the same time, major challenges do remain.

So today we will focus on the opportunities for health system improvement and how the government can help ensure success with strategic investments in the 2007 Ontario Budget.

## **Hilary Short**

### **Hospital Accountability Agreements**

Hospital Accountability Agreements are negotiated, legally-binding agreements between hospitals and the Ministry of Health and Long-Term Care.

These agreements define the role and responsibilities of the ministry in terms of funding and of hospitals in terms of providing patient care. They are a major step forward in stabilizing and improving hospital planning.

As of today, more than 80 hospitals are positioned to sign an accountability agreement for 2007-2008.

These hospitals have determined that they are in a position to provide, in good faith, the services detailed in their agreement in return for the funding provided by government in that same agreement. The OHA strongly recommends that hospitals enter into an accountability agreement when they are able to do so.

The remaining hospitals are at various stages of negotiation with the Ministry. We fully support those hospitals that cannot, in good faith, sign an accountability agreement as they work to resolve outstanding issues with government in order

to protect access to patient care. We know that some hospitals are experiencing significant funding challenges and that further efforts are needed to bring all hospitals into a balanced position.

The OHA recommends that these hospitals and their Board be confident that they can meet the terms of the agreement before entering into this legally binding contract.

## Hospital Working Capital Deficits:

One of the best indicators of an organization's short- and long-term financial health is its working capital.

Over the past ten years, because the demand for services has traditionally outpaced the funds available to deliver that care, the size of the working capital deficit in Ontario's hospitals has grown very large.

Today, hospitals carry working capital deficits totaling an estimated \$1.2 billion. The interest cost to hospitals on this borrowing totals approximately \$20 million each year.

Today, this financial burden is holding some hospitals back from expanding access to services for patient and investing in information and communications technology that would make hospitals safer. For some, it is even a barrier to signing their accountability agreement because they cannot invest to become more efficient.

The OHA recommends that the Government of Ontario move quickly to address these deficits before funding responsibility is devolved to Local Health Integration Networks on April 1, 2007.

## Investing in e-Health

Information technology has revolutionized the way many industries do business. Unfortunately, the health care sector in Ontario lags far behind.

The OHA believes that Ontario needs to implement an ambitious, comprehensive e-health strategy.

This strategy should be based on achieving specific measurable goals and people should be held responsible for results.

To achieve this goal, a major long-term investment in the renewal of our health system's information and communication technology is essential. We believe that e-health should be added as a priority to the ReNew Ontario plan for our province's capital infrastructure. Hand-in-hand with this modernization should be a major investment in operating resources as well.

Patients will have smoother, more efficient access to care, patient safety will be improved, health system planning will be far better and the delivery of care much more efficient.

With a concerted focus on e-health, we can deliver the most comprehensive system modernization of health care in Ontario in years.

## Rebalancing the System

The job of Ontario's hospitals is to focus their energy and resources on patients who truly need in-patient care.

We need to be sure that we have sufficient in-patient capacity to move patients between hospitals – tertiary, community, mental health, rehabilitation and complex continuing care.

Beyond hospitals, we need to have the ability to discharge patients efficiently to other more appropriate settings, including home care, long-term care, mental health programs and supportive housing.

Ontario's hospitals are facing a growing and very real challenge in that many are increasingly unable to discharge patients in need of alternate levels of care in a timely fashion.

With occupancy levels in acute care hospitals already at very high levels and in the absence of the ability to discharge patients readily, admission of emergency patients is being delayed. Elective surgery is also being cancelled.

At some Ontario hospitals, alternate levels of care patients occupy 10 to 20 percent of available beds; at certain hospitals, this number has at times hit 40 percent.

The OHA believes that it is vital that all parts of the system work together so that patients move easily within the hospital, between hospitals and through to the most appropriate level of care in the community.

We strongly recommend that investments in the broader health system, beyond hospitals, become a priority for the government in the time ahead. Ontario needs both immediate short-term solutions as well as longer term strategies.

**Ruthe-Anne Conyngham:**

Ontario has made significant progress in improving the stability of hospital finances, rebuilding its infrastructure and shortening wait times.

However, as we have noted, our health care system as a whole continues to face a wide variety of complex and inter-related challenges and pressures.

The OHA has been working hard to identify challenges and develop system-oriented solutions in the debate about health care in the lead up to the next Budget and beyond.

For example, attached for your background reading is background on a new idea proposed by the OHA that could yield savings for the taxpayers by building on the strong safety record in Ontario's hospitals.

In the lead-up to the next election we will also be releasing a document entitled "Inspiring Health Care Innovation: Policy Ideas for Ontario's Health Care System".

We've already make copies available to Ontario's three main political parties and will provide copies to each member of the Legislature in the time ahead.

We would be pleased to answer any questions you may have.