



MEMORANDUM

DATE: July 15, 2009

TO: All VIHA Staff and Physicians

FROM: Howard Waldner, President and Chief Executive Officer

On behalf of the Board and Executive, I would like to take this opportunity to provide an update on VIHA and our 2009/10 budget and the year ahead.

But before I do, I would like to acknowledge the work you have done to improve the health care and services available to residents of Vancouver Island and the other Islands and areas we serve.

Since VIHA was created in December 2001, tremendous strides have been made to improve the health of seniors with the over 700 net new assisted living and residential care spaces built, along with the 11 new residential care beds that are virtually complete in Port Hardy. New or expanded facilities are under construction in Victoria and Nanaimo, with two new hospitals planned for the North Island and master site planning underway for the re-invigoration of Cowichan District Hospital. New buildings have been developed to accommodate the expanded Island Medical Program, bringing new clinicians to work and train in our facilities.

These new facilities are on top of additional significant medical equipment and services that have come to the Island in recent years. VIHA has certainly kept up with the growth and development of new technologies. We have new CT scanners in facilities throughout Vancouver Island, including St. Joseph's, and a new CT will be on stream at West Coast General later this year. In recent years, new gamma cameras have been installed across the Island, and we are proud to be the first health authority to provide digital access throughout the island for breast screening mammography.

Not only have capital improvements been made, but service expansion has been significant with new mental health assertive community treatment (ACT) teams in place in Victoria, additional nursing spaces created at Cowichan District Hospital, expanded dialysis services about to come on stream in Nanaimo, increased detox services on the South Island, the New Hope Centre in Nanaimo and an expansion of youth addiction services throughout the Island.

We have also seen significant growth in surgical services. For example, joint surgery volumes are up 72 percent since 2003, open-heart surgeries are up 12 percent and cataract surgeries are being performed at volumes never previously provided. Service growth is also occurring in home and community care services, expanding not only total care hours, but the overall number of clients as well.

And while there have been significant accomplishments; they have not always come easily. Tough choices have been made on priorities year after year no matter the state of our financial position.

Good progress has been made in finding efficiencies and streamlining our operations. Our progress with Lean Design, finding ways to do more with the same or less resources, has been very beneficial for cataract surgery patients, those requiring imaging or those who need lab test results in order to promote quicker discharge from hospital.

Have we always had more service requests and additions than money? The answer is an unqualified yes.

This year is no different. Again, we are facing significant service pressures due to our aging and growing population, and despite the additional \$95 million provided by the province, we need to make choices, some of them difficult, in order to do the best job we can for the people we serve.

In order to provide maximum results for VIHA patients and clients, we will aggressively reduce administration, support and other discretionary costs as much as we possibly can. These reductions will involve job losses, and are extremely difficult and unsettling for staff across our organization, but are necessary to ensure that every available dollar is put towards caring for patients.

As well, our commitment to shared services will not waver. We need to harvest the power of purchasing and efficiencies that shared services can provide to VIHA and we will need to go forward further in the coming months.

There will be a moratorium on non-essential maintenance for the remainder of the fiscal year to preserve our scarce resources.

Fees have been increased across VIHA. Parking rates have already been adjusted and public health fees will rise as well. In addition, we will implement new penalties for inspections for second or third follow-up visits to better incent businesses to meet public health standards during the first visit.

However, administrative reductions will not close this gap alone. Your leadership team, in concert with the Board, has made a number of decisions that will protect the maximum number of patients while setting us up to balance our budget in this year and those that follow.

This year we will aggressively manage our overtime. As previously communicated, overtime is a huge cost to VIHA and is something that is within our control. By better managing overtime, we can reduce the need to reduce staff or services to clients or patients.

Programs will be expected to manage to last year's budgeted activity levels--not the levels or run rates at the end of last year, but those levels that were approved in the 08/09 budget. This is mandatory unless authorization is received from your Executive member that levels may be exceeded.

Volumes of elective surgeries, procedures and diagnostics will be reviewed and adjusted as required to ensure appropriateness of care and work towards provincial benchmark targets. As an example, our hips and knee surgeries are already achieving the 2010 targets and will therefore be reviewed. Further details of these efficiencies will be communicated in the coming days.

Our information technology budget has been closely examined to ensure that new programs and hardware are being implemented appropriately. As well, one of our vendors has agreed to a savings initiative for VIHA for this fiscal year.

A review will be undertaken of our community service contracts to see whether or not there are areas for consolidation and administrative savings.

Decisions have been made to monetarize some of our non-essential property assets. There are several assets which may be sold, but at this time more work needs to be done to ensure that we undertake these changes appropriately from a labour relations and marketplace perspective.

Other service changes will be announced in the coming days once we have had an opportunity to speak with our staff that may be impacted.

Possible service changes may include converting existing facilities to Urgent Care Centres and increasing the focus on Primary Health Care Services, transferring acute care beds to the community and transferring and consolidating bed capacity in residential care facilities to other facilities.

Further information will be provided in the very near future.

I know these changes are difficult for you as well as the people we serve. But they are absolutely essential if we are to live within our means.

Again, I want to thank you for the work you have done in the past, and your help in achieving our goals for this year.

Sincerely,

Howard Waldner