

Backgrounder

DATE: May 24, 2007

RE: Fraser Health Authority (FHA) Service Plan for 2007/08

The Fraser Health Authority's Service Plan for 2007/08, as presented to the Minister of Health on March 28, sets out what the Authority will have to do to meet the expectations set out by the B.C. Liberal government. The document contains clear warning about the impact of government under-funding on services and programs. Many of these warning were also expressed in January when the then-Chair of Fraser Health, Keith Purchase, resigned. Clearly the Health Minister and the Premier failed to listen, and now Fraser Health has put forward a plan that will result in service cuts, longer waitlists, delayed and deferred capital projects, and new charges for patients.

This document reflects the failure of B.C. Liberal health policies. It demonstrates:

1. Increased emergency room congestion. Currently 100-150 admitted patients stuck in ERs everyday, 120-140 more in hallways, TV rooms etc.
2. Delays and cancellations of surgery and diagnostic services.
3. New user fees for the frail elderly.
4. Increased wait times and service cuts for home care. New user fees for home care.
5. Programs deferred include regional trauma program, expansion of the thoracic program at Surrey Memorial, repatriation of pediatric surgery, expansion of ICU beds at RCH.
6. A major shortfall in Acute Care beds now which will worsen by 722 by 2010.
7. Failure to meet the provisions of the Government's Letter of Expectation.
8. Addressing \$65 million shortfall through user fees and one-time accounting procedures that will mean a larger problem next year.
9. Not a balanced budget – Hundreds of millions in financial risks not accounted for in the budget
10. Wait list for residential care and those at risk of homelessness with mental health issues will continue to grow.
11. No additional clinical resources for those with mental illness.
12. A shortfall of health science employees and nurses of 942 by 2011

Highlights:

- In this document Gordon Barefoot, Chair of the Board of Directors for FHA, makes it clear that because of Ministry of Health under funding the FHA Service Plan for 2007/08 “reflects too little investment in Acute Care services and Community programs.”
- Improvements to areas that would increase patient and staff safety will be delayed or deferred.
- Some of the Government's own expectations are “unlikely to be achieved” at this funding level as the FHA is unable to expand their existing programs to meet those needs.
- He notes that this lack of investment will result in increased emergency department delays and congestion, cancellations of surgical and diagnostic procedures, medical units operating at overcapacity and delays in rehabilitation and access to community services.
- Their capital plan is based on the assumption that the Ministry of Health will agree to fund millions and millions of dollars in expenditures not already budgeted for.

- Strategies to make up part of the \$65 million dollar deficit include:
 - Increasing revenue by increasing residential care co-payments, implementing co-payment for home support clients and WorkSafe BC surpluses. It is hoped that these strategies will make up approximately \$25 million. These opportunities may require policy, legislative or regulatory changes.
 - Deferral of initiatives, curtailing the rate of growth in necessary programs and/or deferring filling necessary positions.
 - Temporarily reallocating \$15 million in resources.
 - Accessing the Health Innovation Fund (HIF).
 - Increasing fees and licenses by \$1.5 million.
- In his message as chair Barefoot notes that without more clarity on who is responsible to pay for what it will “be difficult to meet the fiscal challenges necessary to sustain our public health care system.”

Summary:

- **Increased Costs and Insufficient Funds:**
 - The gap between total costs and total revenues is \$65 million.
 - The cost of the priorities noted below as well as other initiatives outlined in the Service Plan amounts to \$212.4 million on a base of \$1.96 billion. This number includes labour contract increases and non-labour inflation and according to the Service Plan “far exceeds our 2007/08 preliminary allocation of contributions from the Ministry.
 - FH has been advised that approximately 15% of the HIF will be allocated based on Population Needs Based Funding and based on this model FH estimates that \$6.5 million o the HIF has already been incorporated into the ‘07/ ‘08 plan.
- **Acute Care and Community bed requirements:**
 - Key quote: “Lack of appropriate capacity is one of the serious issues facing Fraser Health. The region has the fastest growing population in British Columbia and is expected to grow by 27% by 2020.”
 - The Acute Care Capacity Initiative (ACCI) document that was submitted to the Government in December of ‘05 and has yet to be released is summarized in this Service Plan. Both the ACCI and the Service Plan make clear the urgent need for “significant new capacity” in order to avoid placing the entire system under siege.
 - The ACCI identified a need of 1,348 additional acute care beds by 2020 and at least 722 beds by 2010. There is also a significant need for an increase in the number of beds in community sectors. Failure to address community care needs will put even greater pressure on acute care and emergency services if they are not addressed.
 - If there is no increase in funding to the community sector the number of acute care beds needed by 2020 will be over 2, 000.
- **Aboriginal Health and Wellness:**
 - Key quote: “No enhancements have been identified for fiscal year 2007/08.”
 - This report recognises that improvements in health-status are closely linked to socio-economic determinants of health including education, housing and economic opportunities and notes that without improvements in these areas health status improvements will be limited.
- **Human Resources needs:**
 - FH is currently experiencing a shortage of key health professionals including specialized nurses, physicians, pharmacists and other professionals. This shortage will grow over the next 5 years.

- FH will require a 20% increase in the total Registered Nurse complement (7, 531 to 9, 047) and a similar increase in other professionals such as Lab Technicians, Radiologists, Physiotherapists, Ultrasonographers and Nuclear Medicine Technologists.
 - By 2011 FH projects a shortage of 2, 197 employees or 10.3% of the 2006 base of 21, 300 active employees.
 - FH also needs funding for a Physician Resource Plan to help attract and retain a variety of medical specialists including GPs. This program currently has no funding in the '07/ '08 – '09/ '10 budgets.
- **Mental Health Services:**
 - Key quote: “New targeted resources are needed to address the needs of this population and to reduce the waitlists for supported housing units and residential care. Without this support the numbers of people at risk of homelessness who are also struggling with mental health and/or addictions issues will continue to grow.”
 - There are no additional community based clinical resources available to support adults and seniors coping with a serious and persistent mental illness. This results in delays in follow-up from acute inpatient care and increases in ER visits.
- **Community Residential Options for Riverview Patients:**
 - FH recognises that there is a need to build adequate and appropriate community based services to support people who have been living at, or receiving treatment from, Riverview as they are discharged and reintegrated back into their communities. However, there is a risk that in 2009/10 tertiary Adult and Geriatric Acute beds will not be completed due to insufficient capital funding.
- **Increasing Capacity in Acute Care (including Rehabilitation):**
 - “Phase One: 2007/08-2008/09” projects to increase capacity will result in approximately 211 new beds. This is far short of the 722 beds needed by 2010 as identified by the ACCI.
 - To date the Surrey Hospital Capacity upgrades have resulted in only 22 new beds.
 - The number of new beds expected by the projects completion is 36 with an additional 12 renal stations expected to be open in 2008.
 - The Surrey Ambulatory Care project numbers have yet to be determined and formal notification of the project budget and procurement method have not been announced.
 - The opening of the new Abbotsford Hospital and Regional Cancer Centre will have 333 beds once the whole project is completed. But, this hospital will replace the current Matsqui-Sumas-Abbotsford (MSA) hospital which has 192 beds. This is a net gain of only 141 beds.
 - Five out of six “Phase Two: Capacity Initiatives to be Started Immediately” projects are without capital and/ or operating funds. The sixth project, a 300 bed facility for Fraser South, will have funds for planning allocated soon.
 - “Phase Three: Capacity Initiatives needed beyond 2010 up to 2020” identifies the need for significant builds at Royal Columbian Hospital, Burnaby Hospital and Eagle Ridge Hospital to rectify the remaining bed shortfalls not addressed by the above plan.
- **Strategies to Optimize Acute Care Efficiency:**
 - Key quotes: “without the operating and capital resources identified above, including very significant community resources, it will not be possible to realise many of the key mitigation strategies, thereby dramatically growing the need for acute beds (to 200+ rather than the 1350) and severely impacting the service delivery pressures and delays that will be experienced by residents of Fraser Health.”

- “Forecasted acute care bed requirements are predicated on an increase to resources in community sectors in order to reduce pressure on the acute care sector and reduce the need for overcapacity acute care beds.”
- **Emergency Departments:**
 - Key quote: “Over the last number of years Fraser Health has experienced increased congestion in all our acute care hospitals, which continues to escalate despite mitigation strategies such as opening more over capacity and residential care beds. Daily there are anywhere from 100-150 admitted patients in [FH’s] Emergency Departments waiting for an inpatient bed and 120-10 overcapacity patients in undesignated beds.”
- **Home and Community Care:**
 - Key quote: “With the exception of additional day program spaces, all other home health programs will remain at status quo. Given the population growth in Fraser, staffing and service levels will fall further behind the Provincial mean.”
 - No growth in long or short term home support hours is funded in the ‘07/ ‘08 budget.
 - This is in spite of FH numbers that show that in ‘06/ ‘07 the demand for long term home support hours increased by 6.3%. In ‘07/ ‘08 this demand is projected to increase by 5% with an associated cost increase of \$2.9 million.
 - Demand for short term hours is also expected to increase as, in an effort to free up acute care beds, patients are discharged from hospital earlier on the assumption that they can access nursing care at home.
- **Safety and Risks:**
 - Key quote: “relative to other industries (e.g. airlines) health has a very poor performance record.”

Background on Barefoot and the FHA:

- Gordon Barefoot took over the position as the Fraser Health Authority Board Chair Jan. 25 2007 after Keith Purchase resigned in protest over the announcement of a budget increase that would not adequately address the needs of the FHA. Prior to this appointment he had been on the FHA’s Board of Directors since last summer.
- In February 2007 Gordon Barefoot called for the Government to release the results of the Acute Care Capacity Initiative (ACCI).
- He said the report should be released sooner rather than later: “I think it’s important for everyone to understand the situation to make the Conversation on Health a meaningful discussion.” “Everyone has an opinion – there’s no shortage of opinions... I’d like to get some additional facts on the table.”

Background on the CEO and Chair positions at FHA:

- **February 2002:** Lynda Cranston was appointed CEO of FHA in December 2001. After only three months she resigns to take better offer at Provincial Health Services. Michael Marchbank who was the COO, is made interim CEO.
- **March 25, 2002:** The FHA Board hires Bob Smith who will commence work July 2002. Michael Marchbank remains both the COO and Interim CEO.
- **February 22, 2005:** After months of serious management problems Bob Smith is fired by board chair Barry Forbes. The firing occurred the day after Surrey Mayor Doug McCallum called on the provincial government to fix the crisis in Surrey Memorial Hospital emergency department, and as the NDP called for a public inquiry into the death of Baljit Bains, a 42 year old man who was sent home from that hospital’s emergency department.

- **December 5, 2005:** Chair of Board Barry Forbes resigns and is replaced by Chair of Vancouver Coastal Health Authority Keith Purchase. The search for new CEO is suspended until new Chair starts. Keith Anderson acts as Interim CEO in the meantime.
- **September 12, 2006:** The Chair of the Fraser Health Board, Keith Purchase, issues an update indicating that, “changes within BC’s health care system and other unforeseen factors have delayed the process (of finding a permanent CEO).” He further indicates that: “It is our hope and belief that we will arrive at a short list of candidates by the end of November, with an eye to filling the position early in the New Year.”
- **January 24, 2007:** After public complaints from the Chair and CEO of Vancouver Coastal Health (VCH) about the problems being created by a lack of funding Carole Taylor announces that 2007/08 budget will commit an additional \$885 million to Health, including a new \$100 million fund to “promote innovation” within the health-care system. This lift covers wage increases and population increases but little else.
- **January 25, 2007:** Gordon Barefoot appointed new Fraser Health Authority Board Chair.
- **January 26, 2007:** Keith Purchase resigns as chair of the Fraser Health Authority, citing the dismissal of Trevor Johnstone.
- **January 29, 2007:** Helen Blackburn resigns from the Board of Directors at the Fraser Health Authority.
- **February 5, 2007:** The Ministry of Health releases Keith Purchase’s resignation letter to members of the media; certain sections are severed under the *Freedom of Information and Protection of Privacy Act*. Vaughn Palmer later reveals that Purchase’s resignation letter blasted the government for mismanagement of the health budget.