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## MEDIA RELEASE

*For Immediate Release*

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## ***SOUTH HURON HOSPITAL ASSOCIATION ENDED FISCAL YEAR IN A SHORTFALL***

EXETER, ON - For the first time in recent history, South Huron Hospital Association (*SHHA*) ended the fiscal year in a shortfall position. The hospital deficit equated to a Ministry shortfall of \$296,413 excluding building depreciation. *SHHA* President & CEO Todd Stepanuik pointed out that the shortfall is by no means an abandonment of fiscal responsibility.

“*SHHA* has had a proud history of being prudent stewards of the public purse” Stepanuik added. However, against a backdrop of growing healthcare costs and nominal funding *SHHA*, like many other hospitals, is now in virgin territory. The stark fiscal reality is that cost escalations have exceeded funding. The hospital funding increase in recent past, from the provincial government, has been 1.0% while costs (many of which fall outside the control of the hospital) have risen approximately 4-5%. While *SHHA* is appreciative of the base funding increase allocated by Government, funding simply has not kept pace with costs.

Attributed to volume increases in certain areas such as inpatient volumes, drug cost increases, staffing costs, ALC patients, union wage increases, transportation costs (*transfers to tertiary hospital, CT*) the organization is currently working to identify areas of cost containment, cost avoidance for moving into a more positive financial position. The lack of material increases in hospital base operating funding for the past few years, coupled with inflationary pressures, have led to a situation where we are functioning as though our budgets have contracted.

Stepanuik went on to add that “Our annual budgeting process is an exhaustive one. We take our responsibility very seriously in providing high quality patient centered care. We are striving to manage the needs of an aging population with complex health needs and the simple fact of the matter is that we need stable and sustainable funding to allow us to continue to do so.”

SHHA Board Chair John McNeilly stated “SHHA has always responded in a positive, head-on way to various adversities which it has faced over the years. Today, the governance and leadership challenges seem endless in our current healthcare environment; but with challenges come opportunities. With the proper mix of the right leadership mindset, solid partnerships and the collaborative efforts of stakeholders, the Board of Governors is confident that SHHA will emerge even stronger, as it boldly seeks out the necessary sustainable transformation needed to deliver on its mandated mission.”

Our rural communities rely on SHHA as critical components of the region’s economic and social fabric, as we provide our patients with the highest quality of care, while simultaneously tackling challenges. We are developing a methodical, deliberate and responsible strategy for course correcting and are committed to continuing to find new and more efficient ways to provide the excellent patient care we are known for. SHHA is a tremendous asset to the community, to individual patients, and to the people who work here.