



Ontario Health

North West

April 19, 2023

Sent via email

Angela Bishop
Interim Chief Executive Officer
Red Lake Margaret Cochenour Memorial Hospital
Hwy 105, PO Box 5005
Red Lake, ON P0V 2M0

Dear Ms. Bishop:

Re: Approval of Balanced Budget Waiver Request – 2023-24 Fiscal

Further to your request to waive the total margin performance standard in your Hospital Service Accountability Agreement (HSAA) for fiscal year 2023-24, Ontario Health North West has approved the applicable balance budget waiver (BBW) for Red Lake Margaret Cochenour Memorial Hospital with the below notes and conditions.

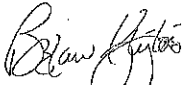
For 2023-24, the HSAA total margin (consolidated all sector codes and fund types) percentage performance target has accordingly been amended to -5.38%, and with the adjusted working funds position resulted in a BBW Level 2 as indicated in the attached Balanced Budget Waiver form for your organization.

The Hospital will be required to provide a plan to return to a balanced position by the end of 2025-26 fiscal year and have sufficient working capital to fund the projected deficit. Included is the template for the BBW Performance Improvement Plan (PIP). The Hospital will develop a draft PIP for review with OH by June 30, 2023 – with consideration for an extension should it be required. To ensure progress towards a balanced budget, in addition to SRI quarterly reporting, PIP quarterly reporting will be required to monitor the PIP and identify potential challenges as they arise.

The Hospital will commit to reviewing the PIP at a minimum of semi-annually with OH and advise OH of any revisions to the plan or challenges in meeting the plan, to ensure that the Hospital is on track with balancing its budget and ensuring corrective actions are taken. Please indicate your organization's acceptance of the terms and conditions by signing below and returning the signed version of this entire letter by email to OH-NW-Submissions@ontariohealth.ca by April 26, 2023.

We recognize that this is a challenging time in health care and appreciate your continued dedication to improving the delivery of health care services to your communities. If you have any additional questions, please contact Anne-Marie Heron, Director, Performance, Accountability, and Funding Allocation (Hospital Sector), at anne-marie.heron@ontariohealth.ca.

Sincerely,



Brian Kaylor
Chief Regional Officer

Encl. 2023-24 H-SAA
2023-24 Balanced Budget Waiver Form
BBW Performance Improvement Plan Template

c. David Newman, Vice President, Performance, Accountability and Funding Allocation
Anne-Marie Heron, Director, Performance, Accountability and Funding Allocation
(Hospital Sector)

The signature below confirms acceptance of the funding and performance accountabilities as articulated in this notification.

AGREED AND ACCEPTED BY:

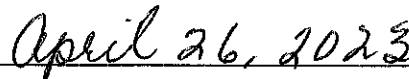
Red Lake Margaret Cochenour Memorial Hospital

By:



Angela Bishop, Interim Chief Executive Officer

I have the authority to bind Red Lake Margaret Cochenour Memorial Hospital



Date





Ontario Health Balanced Budget Waiver Form

Region: **North West**

Hospital: **Red Lake Margaret Cochenour Memorial Hospital**

BBW is being requested for fiscal year:

2023/24 – Level 2

Please confirm that, each of the following conditions has been met:

<p>a) The hospital's deficit position for the fiscal year has been confirmed through the most recent quarterly report via the Self-Reporting Initiative (SRI) system.</p> <p>If you responded NO, please provide rationale: NA</p> <p><u>OR:</u></p> <p>b) The hospital's deficit position has been identified through the Hospital Annual Planning Submission (HAPS) Process and is aligned with current SRI reporting.</p> <p>If you responded NO, please provide rationale:</p>	<p><input type="checkbox"/> Y <input checked="" type="checkbox"/> N</p> <p><input checked="" type="checkbox"/> Y <input type="checkbox"/> N</p>																		
<p>c) The hospital and Ontario Health (OH) have worked together to identify options to address the hospital's deficit situation and OH has determined that it is not immediately feasible for the hospital to achieve a balanced budget position for the current fiscal year.</p> <p>If OH has determined that it is NOT feasible for the hospital to achieve a balanced budget for the fiscal year please provide a rationale and complete section i. noted below:</p> <p><u>Rationale:</u></p> <p>HHR and inflationary pressures present the Hospital with financial challenges that will require a Performance Improvement Plan (PIP) to be developed to flesh out the options to return the Hospital to a balanced budget.</p> <p>i. Projected year-end Total Margin until the hospital reaches a balanced budget:</p> <table border="0"> <tr> <td>Year 1 (2022-23)</td> <td>\$ _____</td> <td>(2022/23 Q3 year-end forecast)</td> </tr> <tr> <td>Year 2 (2023-24)</td> <td>\$ _____</td> <td>(2023/24 HAPS)</td> </tr> <tr> <td>Year 3 (2024-25)</td> <td>\$ _____</td> <td>(Level 1 of BBW: 2 years to balance)</td> </tr> <tr> <td>Year 4 (2025-26)</td> <td>\$ _____</td> <td>(Level 2 of BBW: 3 years to balance)</td> </tr> <tr> <td>Year 5 (2026-27)</td> <td>\$ _____</td> <td></td> </tr> <tr> <td>Year 6 (2027-28)</td> <td>\$ _____</td> <td>(Level 3 of BBW: 5 years to balance)</td> </tr> </table>	Year 1 (2022-23)	\$ _____	(2022/23 Q3 year-end forecast)	Year 2 (2023-24)	\$ _____	(2023/24 HAPS)	Year 3 (2024-25)	\$ _____	(Level 1 of BBW: 2 years to balance)	Year 4 (2025-26)	\$ _____	(Level 2 of BBW: 3 years to balance)	Year 5 (2026-27)	\$ _____		Year 6 (2027-28)	\$ _____	(Level 3 of BBW: 5 years to balance)	<p><input checked="" type="checkbox"/> Y <input type="checkbox"/> N</p>
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Year 6 (2027-28)	\$ _____	(Level 3 of BBW: 5 years to balance)																	
<p>d) The hospital has submitted a balanced budget plan that has been approved by OH for the hospital to balance its budget within a defined period of time consistent with the identified risk level.</p> <p>If you responded NO, please provide rationale:</p>	<p><input type="checkbox"/> Y <input checked="" type="checkbox"/> N</p>																		

<p><u>Rationale:</u></p> <p>For 2023-24 BBW, the Hospital will develop a draft PIP for review with OH by the end of Q1.</p>	
<p>e) The hospital commits to reviewing the balanced budget plan semi-annually through the PIP and quarterly through the SRI reports and to advise OH of any revisions, in order to ensure that the hospital is on track to balancing its budget and to make any necessary changes to get back on track if necessary;</p> <p>If you responded NO, please provide rationale:</p>	<p><input checked="" type="checkbox"/> Y <input type="checkbox"/> N</p>

Description of BBW Waivers

	Description
<p>Level 1</p>	<ul style="list-style-type: none"> • The Adjusted Working Funds/Total Revenue percentage is projected to be 0% or better (positive) • The hospital is projecting an operating deficit as per the H-SAA definition for the current fiscal year and/or as part of the planning submission process for the following year. • The hospital has a plan to balance within two fiscal years (from 2022-23)
<p>Level 2</p>	<ul style="list-style-type: none"> • The Adjusted Working Funds/Total Revenues percentage is projected to be between 0% and -4.0% (negative) • The hospital is not a HWF* remedy recipient for the year in which the waiver is being issued. • The hospital had a waiver in the previous year, or did not balance its budget, as per the H-SAA definition, in the previous year • The hospital is projecting an operating deficit as per the H-SAA definition for the current fiscal year and/or as part of the planning submission process for the following year. • The hospital has a plan to balance within 3 fiscal years
<p>Level 3</p>	<ul style="list-style-type: none"> • The hospital's Adjusted Working Funds/Total Revenues percentage is lower (worse) than -4% • The hospital is not a HWF* remedy recipient for the year in which the waiver is being issued • The hospital is projecting an operating deficit as per the H-SAA definition for the current fiscal year and/or as part of the planning submission process for the following year. • The hospital has a plan to balance within 5 fiscal years

*HWF = hospital working funds/pressures funding