Newfoundland and Labrador Health and Community Services Association

NLHCSA

Towards Better Health

Presentation to Treasury Board, Government of Newfoundland and Labrador

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Table of Contents

Page

1. Introduction 4

2. The Association's Goals for the Meeting 4

3. Overall Issues of Concern 4

   3.1 Clients 5
   3.2 Human Resources 5
   3.3 Funding 7
      3.3.1 Current Deficits in Operating Budgets 7
      3.3.2 Capital Funding 7
      3.3.3 Unfunded Demands for Service 8
      3.3.4 Per Capita funding 9

4. Issues of Immediate Concern 10

   4.1 Nurses' Issues 10
      4.1.1 Introduction 10
      4.1.2 Compensation and Workload 10
      4.1.3 Sick Leave Benefit 11
      4.1.4 Casual Nurses 12

   4.2 Funding 13
      4.2.1. Introduction 13
      4.2.2. Current Budget Process 13

5. Strategic Approach 15

6. Conclusion 15

Recommendations 17

THE NEWFOUNDLAND AND LABRADOR HEALTH AND COMMUNITY SERVICES ASSOCIATION

- Represents a strong collective voice for its member organizations: the regional institutional boards, the regional integrated boards, the regional health and community services boards, the St. John's Nursing Home Board and the Newfoundland and Labrador Cancer Foundation.

- Develops strategic directions and effective processes for the continuous improvement of the health system in Newfoundland and Labrador.

1. INTRODUCTION

The health system in Newfoundland and Labrador has reached an extremely serious stage which requires that Government, the Association representing Health Boards and unions to come together and use their resources and expertise to find workable solutions for the problems in the system. It is crucial for Government to re-establish lines of effective communication with the Health Boards and take collaborative action to address the short-term and long-term concerns in the system.

2. THE ASSOCIATION'S GOALS FOR THE MEETING

2.1. To outline issues of urgent and immediate concern in the health system in Newfoundland and Labrador.

2.2. To ask Government to take action on the Association's recommendations on two issues of immediate concern in the health system, namely nursing and funding issues.

2.3. To initiate a regular consultation and decision-making process between the Association and Government, the next stage of which will be to establish a strategic direction, principles to guide system reform and development and a collaborative process for planning and implementing change for the health system.

3. OVERALL ISSUES OF CONCERN

To provide an overview of the current concerns in the health system in Newfoundland and Labrador, we will review the three major components of the system:

- Clients (patients and residents) to whom health services and programs are delivered,
- Human Resources (the medical, nursing and other health professionals, together with managers and other personnel), and

- Funding - operating and capital (the financial provision arrangements that fund the health system).

3.1. **Clients**

Clients of the health system include:

1) *new clients*: the inclusion of clients previously from the Department of Human Resources and Employment (Social Services) has put further demands on budgets and on provision of services in the broadened health system;
2) *aging clients*: the demographic changes in our population will continue to increase demands for services for the aged. The situation has worsened due to the departure from the Province of younger people, which has meant that extended family support is not always present for both aging caregivers and aging clients;
3) *scattered population*: the movement of the rural population to urban areas makes delivery of health services more costly and difficult due to the small rural population spread over a large geographical area;
4) *the maturing baby boomers:* the maturing baby boomer generation has increased demands and expectations for services, both for the boomers themselves and for their dependents;
5) *a greater proportion of more acutely-ill patients* in hospitals;
6) *residents with increased chronic care needs* in nursing homes;
7) *clients with increasingly complex needs* accessing community programs.

3.2. Human Resources

Government has initiated a process to develop a plan for health human resources and Association members are active participants in this process. There is a need, however, for immediate action in this area. There are three dimensions to the health human resources issue:

- Increasing difficulties in attracting and retaining medical, nursing, and other health professionals;

- More privately-operated services, such as occupational therapy, physiotherapy and others; and
- Ongoing adjustment by health providers to the changes in the health system resulting in new ways of delivering services, expansion of programs and addition of new programs.

The most pressing issue in health human resources is outlined below and requires immediate attention and action:

1) *Nurses*:

- A report on restructuring, *The Impact of Restructuring on Acute Care Hospitals in Newfoundland and Labrador,* has shown that although nurses generally support restructuring, they have not yet adjusted to the changes and do not approve of some resulting changes in nursing practice, such as the loss of contact with nurse managers/supervisors.
- Nurses feel unappreciated and poorly paid.
- The resolution of the labour action has resulted in anger and discontent, which is still very evident in the workplace and is having significant negative impacts on operational efficiency and cost of providing services.
- The NLNU is unwilling to co-operate with employers over challenging situations.
- Usage of the sick leave benefit of 14.83 days (provincial average for nurses) per F.T.E. (Full Time Equivalent) is high and increasing and has a significant cost to the system for replacement.
- Nurses take an average of more than 50 days per year off work for family leave, sick leave, union leave, statutory holidays, annual leave etc. A pool of casual nurses to replace nurses on leave is therefore essential to the operation of the health system.
- The pool of casual nurses has been exhausted in some parts of the province.
- Recruitment as a casual nurse does not currently offer an attractive package to new graduates, who are looking for scheduled work with guaranteed hours.
- The current casual nurses, according to the collective agreement, have to be hired before new graduates. New graduates generally are only eligible to be hired as casual nurses.

- Recruitment of nurses in specialty areas in some parts of the Province is extremely difficult.
- Recruitment of nurses generally is difficult due to low salaries.
- Without nurses, the health system cannot function.

2) Other:

Recruitment and retention problems also exist in other disciplines which need to be addressed.

- *Physicians*: the M.O.U. has not solved all the problems in this area.
- *Allied Health Professionals including Social Workers, LPNs.*

3.3. Funding

3.3.1. *Current Deficits in Operating Budgets*

Neither Institutional Boards, Integrated Boards nor Health and Community Services Boards receive enough funding for the increased demand for the services they are expected to provide. The Institutional Boards are facing increasing public expectations, and the increased costs of new technology, new drugs and new medical specialists. The Health and Community Services Boards face deficits in the community services sector due to increased demands. In the social services sector, the services and programs that were moved from the Department of Human Resources and Employment (H.R.E.), where budgets were balanced by using funds from other areas, were not provided with enough funding to compensate for the continually increasing level of services required.

3.3.2. *Capital Funding*

The late 1980s and 1990s crippled the health system in keeping up with appropriate capital and renovation funding. The system urgently needs a significant infusion of funds in two major areas:

- Capital Equipment:
  - Expenditures on technology. Costs for technology are constantly increasing.

- Aging equipment is not being replaced.
- The operating budgets are being used to maintain obsolete technology and equipment.
- Items such as CT scanners and stress testing equipment are not available in all regions
- People in many rural areas are unable to avail of feasible telehealth technology to reduce their need to travel to receive services.

- Capital works funding:
  - Capital works funding is sadly lacking and urgently needed in both long term and acute care.
  - Significant capital requirements are necessary to maintain the current structures
  - Buildings need to be renovated/redesigned to respond to newer approaches in service delivery, i.e., more day care/surgery clinic space.

3.3.3. *Unfunded Demands for Service*

The system is suffering from unfunded demands for service:

- The aging of the population requires new and enhanced services, in acute, long-term care and community-based programs.
- There are increasing numbers of patients in ambulatory care and day surgery, and requiring new expensive drug therapies.
- Shorter length of stay in hospital means that:
  - a higher proportion of more acutely-ill patients remain in hospital, requiring a higher level of care that is more costly to provide.
- funding is needed for new and different types of community and home care services, in order to ensure that all Newfoundlanders and Labradorians have access to needed services. Care in the community is currently placing heavy stress and financial debt on family care providers, with alternatives available largely from the private sector. We need increased funding at the institutional level, while the community system gets more appropriately funded to meet increased demands for services.

- There have been increases in overall needs of children and families receiving services in Child Welfare.
- Privately-operated health services are increasing to fill unfunded health needs such as physiotherapy, laser eye clinics or private blood testing/cholesterol testing/blood sugar testing offered in the home. These are available only to those people who can afford to pay.
- means testing for some community-based services requires many people to strain their own financial resources to pay for the services, or to manage without the needed services.

3.3.4. *Per Capita Funding*

1) Statements that health funding per capita in Newfoundland and Labrador since 1998 is one of the highest in Canada have been used to show that more and more money is being poured into health, with the implication that there is nothing to show for it. However, to understand the reality of health funding over the past two years, it is important to recognize the fundamental change that occurred during that time:

- Up until 1997, health funding covered only health care in the Province, as it does in most other provinces in Canada.
- In 1998, some social services and programs, namely child welfare, family and adult rehabilitation services and youth corrections, were added to the range of services provided by some regional organizations.
- In 1998, funding to Health Boards, now including social services, rose by approximately $70 million over the 1997 health budget due to the devolution of social services programs to regional Boards.

A misleading impression is given by stating that health funding in our Province is one of the highest in Canada, as though our range of services now defined as health-related were directly comparable to those funded by Departments of Health in other provinces and in our Province before 1998.

2) The Association expects that Government is conducting an intensive lobbying campaign at the federal level against the Federal Government's move to a per

capita formula for federal funding of the Canadian health system and the resulting significant drop in funding available to Newfoundland and Labrador. The Association supports any Government initiatives towards this end.

4. ISSUES OF IMMEDIATE CONCERN

Although there are many concerns in our health system, we will focus here on the two most immediate concerns:

- Nurses' Issues;
- Funding.

4.1. **Nurses' Issues**

4.1.1. ***Introduction***

The Health Boards submit that both short term and long term measures need to be initiated to address the rapidly worsening nursing situation, which is affecting the Boards' ability to operate the system and provide services. It is also affecting public confidence in the health system and the morale of all the health staff. Increasing anger among nurses and recent labour unrest reflects their feeling that they are working too hard for inadequate compensation.

The Health Boards recognise that there are major funding implications which may impact on other areas of Government, but stress that it is of highest priority to take positive action in this situation. Boards are ready to co-operate with Government and support such action.

4.1.2. ***Compensation and Workload***

Issues:

1) While the Health Boards appreciate the Government position on the 7% salary increase, they submit that the key issue of nursing compensation may begin to be addressed without violating the salary cap:

- with a Government guarantee for increased funding through a classification review of the complete nursing system;
- retention bonuses; and
- payment of pay equity. Other health employees have already received their pay equity adjustment and nurses have not yet received theirs.

Compensation for nurses is not the only factor in the dissatisfaction of nurses, but it appears to be the focal point for re-establishing relations for the future.

2) Nurses in some areas have identified workload as being unacceptable and we have no acceptable method to evaluate this. While we recognise that there are high workload levels in some areas, this is not uniform.

Next Steps:
We recommend that:

- **a classification review of all nursing positions be completed by early 2000, with a Government guarantee for increased funding for nurses' compensation through a classification review of the complete nursing system;**
- **funding be provided to implement and maintain an adequate workload measurement system;**
- **funding be provided for bonuses to attract and retain nurses in the health system.**
- **consideration be given to paying nurses their pay equity, and integrating it as part of nurses' compensation.**

4.1.3. ***Sick Leave Benefit***

It should be noted that although the focus here is on nurses, this issue is shared with support staff in the health system.

Issue:

- Use of the Sick Leave benefit has placed an enormous financial strain on the system.
- The cost of Sick Leave (and replacements) is not fully funded by Government.
- The Sick Leave benefit has come to be regarded as an entitlement by the nurses, and by other health providers. Usage of Sick Leave reflects this.

- Nurses who want leave of short duration find it more convenient and reliable to get a doctor's note than request other leave.
- Until sick leave is addressed during the collective bargaining process it is going to be impossible to make a change in behaviour significant enough to benefit the system financially and operationally.

Next Steps:

We recommend that:

- **Sick leave clauses be renegotiated, using research and expertise available.**
- **Government and health employers continue to support development and implementation of alternative mechanisms and programs for addressing attendance management**
- **Government develop a public relations strategy on sick leave to prepare for public debate.**

4.1.4. ***Casual nurses***

Issue:

Nurses take an average of more than 50 days each per year off work for family leave, sick leave, union leave, statutory holidays, annual and other leave. A pool of casual nurses is therefore essential to the operation of the health system. However, casual nurses are in short supply, partly due to the lack of new casual nurses, and partly due to the creation of new full-time/permanent positions which have been filled by former casual nurses.

New graduates in nursing generally are only eligible to be hired as casual employees, since the current casual nurses, according to the collective agreement, have to be hired for permanent positions before new graduates. However, recruitment as a casual nurse does not currently offer an attractive package to new graduates with large student debts, who are looking for scheduled work with guaranteed hours. Even new graduates who wish to stay in the Province are not attracted to positions.

4.2. **Funding**

4.2.1. ***Introduction***

In order to discuss the realities of expenditures in the health system, it is essential to look at the demand side of the expenditure equation:

- Expectations and needs of the population change and develop continually, requiring responses from the system, both political and operational.
- Funding is required both to initiate a change and to sustain the continuing operation of the service.
- Inflation erodes the real value of funds, and simultaneously raises costs.

4.2.2. ***Current Budget Process***

Issue:

The Association and the Health Boards appreciate the Government's support in debt reduction, stabilization money and medical services funding.

The Health Boards are proud of their responsible handling of the greater part of the health spending in the Province under the difficult circumstances of the past few years, through restructuring of the health system, including the addition of the social services referenced above. However, the budget process is a grave concern. The Health Boards cannot stress too strongly the extremely negative consequences of continuing to underfund the system and to insist on maintaining the system at its current level. Even when Government does approve some additional help for the system, funding does not always follow (e.g. the new nursing positions announced last summer, for which funding has still not been received by the Boards). Debts are continuing to mount and the cost of maintaining the debt loads of Health Boards has a significant negative impact on their operating budgets, causing a major cash-flow problem.

- If services in the health system cannot be funded and sustained in a financially prudent manner at the current level, then Government needs to make decisions,

in consultation with Boards, on the services and programs which will not be funded and not provided in the health system.

- Many Health Boards have written lengthy letters setting out the health needs of the population, the implications of not funding services to meet those needs and of not confirming budgets for those services we are currently providing. To date there has been no response, except that if Boards take steps to rationalize and consolidate, they are directed not to do so.

The Boards are frustrated by the process whereby they do not get timely final approvals on their budgets, particularly where projected deficits and suggested methods of balancing budgets require Government decisions.

- Boards need at this point to be involved in the budget process for the fiscal years 2000-2001, 2001-2002 and 2002-2003, so that advance planning for strategies to balance their budgets can be developed.
- Almost three quarters of the way through the current fiscal year, final budget approvals have not yet been received.

Some Boards have presented plans to reduce expenditures by rationalizing and consolidating services and programs, but have been instructed not to "reduce" services at this time. This has left Boards in the position of placing great stress on front line staff, management and Trustees to reduce the projected deficits as much as possible.

Next Steps:

We recommend that:

- **a timely multi-year budget process, based on valid acceptable funding formulae, be instituted, which takes into consideration the fundable health needs of the population, as identified collaboratively by the health system and Government, and leads to full accountability.**

5. STRATEGIC APPROACH

Government and Health Boards have spent a great deal of time gathering information about the workings of the health system in this Province, including line-by-line analyses of health budgets. We now need to use this information as a basis for a strategic approach for the future directions of the system.

Each Health Board has already developed an individual internal set of goals, with missions, values, and strategic directions for each year. Health Boards and Government now need to work collaboratively on the development of clear overall goals and expectations for the health system in our Province, together with guidelines and standards for the delivery of services and programs to meet those goals, as an essential step towards system-wide accountability.

We recommend that:

- **a consultation and decision-making process be established between the Health Boards and Government, the next stage of which will be to establish a strategic direction, principles and a collaborative process for planning and implementing change for the health system.**

6. CONCLUSION

In order to address these crucial issues in the health system, the Association and the Health Boards have presented some concrete recommendations to Government, together with background and rationale. The Association has traditionally maintained a strong relationship with the Minister of Health and Community Services and, in recognition of the wide-ranging impact of health issues, has requested this presentation with the Ministers of Treasury Board.

The Association has made it clear that the urgency of the situation calls for immediate action in order to prevent a serious crisis in the health system.

The Health Boards are pleased to have the opportunity to discuss these issues with the Ministers of Treasury Board, and look forward to an effective partnership in working towards the best health system for our Province.

RECOMMENDATIONS

We recommend that:

1. **a classification review of all nursing positions be completed by early 2000, with a Government guarantee for increased funding for nurses' compensation through a classification review of the complete nursing system;**
2. **funding be provided to implement and maintain an adequate workload measurement system;**
3. **funding be provided for bonuses to attract and retain nurses in the health system.**
4. **consideration be given to paying nurses their pay equity, and integrating it as part of nurses' compensation.**
5. **Sick leave clauses be renegotiated, using research and expertise available.**
6. **Government and health employers continue to support development and implementation of alternative mechanisms and programs for addressing attendance management.**
7. **Government develop a public relations strategy on sick leave to prepare for public debate.**
8. **a timely multi-year budget process, based on valid acceptable funding formulae, be instituted for the future, which takes into consideration the fundable health needs of the population, as identified collaboratively by the health system and Government, and leads to full accountability.**
9. **a consultation and decision-making process should be initiated between the Health Boards and Government, the next stage of which will be to establish a strategic direction, principles and a collaborative process for planning and implementing change for the health system.**