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Independent Operational Audit shows Muskoka Algonquin Healthcare is well run

Public input sought in review of recommendations to balance MAHC budget

(November 20, 2009, MUSKOKA) – Muskoka Algonquin Healthcare (MAHC) is “quite efficient” relative to its peers and most departments are operating at or better than median performance, according to an independent Operational Audit released today.

The Operational Audit confirms the savings identified earlier this year in MAHC’s Deficit Recovery Plan and identifies some additional potential savings. Including savings already identified by MAHC, the Operational Audit identifies about \$4 million in savings that can be achieved in the next six to 12 months and an additional \$1.6 million in the longer term.

“We were very encouraged to see that our two hospitals are performing at or above hospitals of similar size and complexity. While we believe that there is still room for improvement, the audit shows we have been doing a good job,” Barry Monaghan, MAHC Interim President and CEO, said.

MAHC had an operating deficit of \$2.3 million last year (2008-2009) and is projecting a \$3.5 million operating deficit in 2009-2010. Last June, MAHC submitted a Deficit Recovery Plan to the North Simcoe Muskoka Local Health Integration Network (LHIN). The LHIN requested that MAHC conduct an Operational Audit to assess its Deficit Recovery Plan and identify any additional savings. The Operational Audit, conducted by Hay Group Health Care Consulting under the leadership of Dan Carriere, President and CEO of Southlake Regional Health Centre in Newmarket, began last September.

The Operational Audit, which contains 50 recommendations, confirms the decision to close the urgent care and seven beds at Burk’s Falls District Health Centre as a “necessary and appropriate change.” The audit concluded that urgent care patients and hospital inpatients at Burk’s Falls would be better served by receiving their care in a facility such as Huntsville District Memorial Hospital with medical, diagnostic and therapeutic services that are available around the clock.

“Delivering safe, high quality healthcare to our residents will guide every decision we make,” says Board Chair, Mike Provan. “We are going to review all of the recommendations in the Operational Audit thoroughly with our doctors, staff and the residents of our communities to ensure that these recommendations can be implemented in terms of patient safety, quality of service as well as meeting our financial obligations.”

Public meetings have been scheduled in Bracebridge, Huntsville and Burk’s Falls to review the Operational Audit and obtain public input. The audit will also be reviewed by the MAHC Board of Directors and Medical Advisory Committee.

MAHC’s Board will then decide which of the recommendations in the Operational Audit will be included in the Deficit Recovery Plan, which must be submitted to the LHIN by December 18, 2009. Additional public meetings will be scheduled to share the revised Deficit Recovery Plan after it has been submitted to the LHIN.

“We will be taking all views into account over the next two months as we finalize our Deficit Recovery Plan,” Provan said.

“While the Operational Audit confirms that we have well-run hospitals, it also confirms that the status quo is not an option. We need to balance our operating budget and even generate a surplus so that we can invest in delivering high-quality healthcare. This operational audit will help us do that,” Provan said.

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