

Vancouver Island Health Authority to cut jobs, sell assets, hike fees to balance budget

The health authority is scrambling to avoid a budget shortfall of \$45 million - about 3.1 per cent of its budget.

By Rob Shaw, Times Colonist July 16, 2009

The Vancouver Island Health Authority will cut jobs, sell land, increase fees and cap the number of elective surgeries as it grapples with a funding shortfall.

The cuts are outlined in a VIHA letter to staff and doctors yesterday. Similar letters were sent by the province's five other health authorities after their recent submission of budgets and financial statements to the provincial government.

VIHA runs hospitals and care centres on the Island. Despite \$95 million in new provincial money this year, it is scrambling to avoid a shortfall of \$45 million -- about 3.1 per cent of its budget. "One of the things we will attempt to do is not increase our wait times," said VIHA board chairman Jack Kreut. "We know how important that is to people."

However, VIHA is proposing to cut the rising number of non-emergency surgeries, called elective surgeries, to stay within last year's levels. That means people looking for such things as hernia and gallbladder surgery might face longer waits.

VIHA is also proposing to curb staff overtime, raise parking fees, and freeze spending for gardening and non-essential maintenance. Surplus land, such as property near Victoria General Hospital in View Royal, could be up for sale.

"These reductions will involve job losses, and are extremely difficult and unsettling for staff across our organization, but are necessary to ensure that every available dollar is put towards caring for patients," VIHA CEO Howard Waldner wrote to staff in yesterday's memo.

VIHA is one of the largest employers on the Island, with 17,000 employees. The number of lost jobs is unknown.

Waldner said it's possible some health-care facilities could be converted to urgent care centres, which handle cases like an emergency room but don't allow overnight stays. As well, Waldner's letter discussed transferring some acute-care beds to community services outside a hospital, and consolidating residential-care beds to supportive housing and group care.

VIHA had already announced cuts to travel and administrative services.

The B.C. government has budgeted \$15.7 billion for health care this year, of which \$8.9 billion goes directly to health authorities. Health Minister Kevin Falcon said health authority money transfers will increase 20 per cent over three years. The total health budget increases to \$17.5 billion by 2011-12.

However, the province's six health authorities say that leaves shortfalls this year of around 3.5 per cent of their health budgets, or \$360 million provincially.

Normally, the provincial government steps up with extra cash. But the economic slump has pushed the province into a growing deficit. "We are in a situation right now where there is no more money, there is no question about it," Falcon said yesterday.

Falcon said he expects to create a financial penalty for CEOs and board chairmen unable to meet financial restrictions.

The shortfalls were hinted at in budget footnotes and draft service plans as far back as February. NDP health critic Adrian Dix said health authorities deliberately withheld final service plans until after the May 12 election so as not to embarrass the government and Premier Gordon Campbell.

"They knew it was coming before the election and they hid," said Dix. "There's a price to be paid. And unfortunately, that price won't be paid by Mr. Campbell and Mr. Falcon or others politically. It's going to be paid by people waiting for health care on Vancouver Island."

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