



At or better than target. Continue to Monitor.



Within 5% of target. Monitor and take action as appropriate.



Below target by more than 5%. Take action and monitor progress.



No target identified or available.

WHAT IS BEING MEASURED?

Total Margin is a measurement of an organization’s fiscal health. It is calculated using financial information from the hospital’s Statement of Revenue and Expense (also known as the Income Statement). The calculation of total margin is (Excess Revenues over Expenses/Total Revenue) x 100. A positive percentage (i.e. > 0%) would indicate that the hospital has a surplus of revenue over expense which is a desired outcome.

WHY IS THIS IMPORTANT?

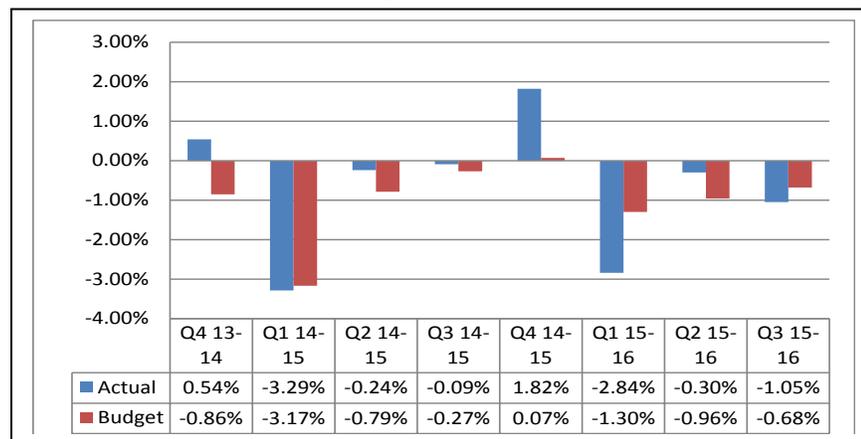
This is an important indicator as it is the primary indicator used to determine if a hospital is on track with its spending. For budget purposes, the hospital is required to “balance the budget” which means that we must aim for a total margin of at least 0% as part of the Hospital Annual Planning Submission (HAPS) process. The total margin calculated as part of the HAPS becomes an indicator in our Hospital Service Accountability Agreement (HSAA). The Erie-St. Clair Local Health Integration Network (LHIN) requires monthly reporting of our total margin. The Ministry of Health requires quarterly reporting on this indicator.

WHAT IS THE TARGET?

Bluewater Health has a targeted total margin of -0.8% for the 2015/2016 fiscal year. Typically we would have a target between 0% - 1%, but due to the delay in receiving final funding information, the hospital was unable to submit a balanced budget for the 2015/16 fiscal year. The hospital incurred a significant funding reduction in the 15/16 fiscal year. The hospital has absorbed over \$7 Million in funding reductions over the past three years. This has made it almost impossible to “balance the budget” and achieve a positive total margin.

HOW ARE WE DOING?

Bluewater Health has a total margin of -1.05% at the end of the third quarter. This is a decline compared to our Q3 results from the prior year. There were some one time expenses that are causing the decline. The hospital is not forecasting having a positive total margin for the 15/16 fiscal year. We are however anticipating ending the year with a total margin that is slightly less than our targeted total margin of -0.8%



Preferred trend/direction



WHAT ACTIONS ARE WE TAKING?

Bluewater Health continues to search for efficiencies in operations to ensure we are being fiscally responsible while striving to provide excellent quality patient care. We are closely monitoring the impacts of the change in the funding model for hospitals under Health System Funding Reform. Variance analysis is done bi-monthly by the programs and plans are developed to mitigate the impact of funding reductions.

WHERE CAN I LEARN MORE ABOUT THIS MEASURE?

- o [Contact Us](#)

FREQUENCY REPORTED: Quarterly

NEXT UPDATE: June 2016