



## 1988: Hospital faces investigation by ministry

JIM QUANTRELL, AT A GLANCE

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*Cambridge archivist Jim Quantrell takes our readers back for a glance at events which occurred 10, 15 and 20 years ago.*

### EVENTS FROM 20 YEARS AGO

#### *Third week of May 1988*

Encumbered by a \$1.7 million operating budget deficit and facing a projected deficit of \$3 million in 1988 the Cambridge Memorial Hospital was facing an investigation by the Ministry of Health. The investigation was initiated when local hospital officials floated the idea of charging user fees of up to \$150 per admission to ease financial restraints. The hospital also proposed closing a 40-bed medical surgical unit and laying off 50 staff members. In ordering the investigation the Minister of Health, Elinor Caplan, indicated that she felt part of the problem at the hospital could be the result of mismanagement. In response a hospital spokesperson stressed that the hospital was not really contemplating user fees and did not fear a review. The spokesperson contended that the hospital could "prove we've been running a tight ship" even though the local health facility "definitely has severe economic problems". To back up the contention that mismanagement wasn't the root cause of the financial difficulties, the hospital released a review of the hospital's operations conducted by management consultants at Woods Gordon. The review had been conducted from January to April 1988 and centred on the quality of management, program/service enhancements, departmental and system efficiencies and other factors that may have contributed to the financial difficulties being experienced by the hospital. One of the review's major findings was that hospital management, along with departmental and system efficiencies, were not the problem. The report noted that drug and supply costs had risen dramatically as had salaries. However, the main reason for the financial problems was a dramatic increase in demand for hospital services resulting from a growing population.

### EVENTS FROM 15 YEARS AGO

#### *Third week of May 1993*

Babcock & Wilcox signed their largest international contract ever up to that time. The \$400 million agreement would keep the company's 1,200 employees busy for the next five years. The contract from Indonesia's state power utility was for work on the third phase of the Suralaya power station in West Java. Babcock & Wilcox, working with an international consortium, was to handle the project with PT Babcock & Wilcox Indonesia and Marubeni Corp. of Tokyo. The project was to include the design supply, manufacture, construction and commissioning to three 600-mega-watt coal fired boilers.

### EVENTS FROM 10 YEARS AGO

#### *Third week of May 1998*

Local health care providers were breathing a sigh of relief when the Health Services Restructuring Commission announced that all hospitals in Waterloo Region were to remain open. Not only that but health care services were to be expanded to include a cancer centre and a magnetic resonance imaging (MRI) machine. The commission's recommendations on the future of health care in the region called for a one time

\$27-million reinvestment for renovations and expansion projects at the four area hospitals. Of the \$27-million announced, \$4.1-million was to be spent at Cambridge Memorial Hospital. It was soon noted, however, that this spending came with a local cost. The \$4.1-million earmarked for Cambridge, for example, did not include the cost of renovating the hospital to make room for the mental health beds required by the restructuring.

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