



October 26, 2001

Ms. Cheryl Blundon
Board Secretary
NF & LB Board of Commissioners of Public Utilities
P.O. Box 21040
St. John's, NF A1A 5B2

Dear Ms. Blundon:

Re: Letter of Comment (section 13, Board of Commissioners of Public Utilities Regulations, 1996)

As the Executive Director of the Newfoundland and Labrador Health Boards Association, I write on behalf of our member Health Boards to object to the application by Newfoundland Hydro for a Rate Increase totaling 7%, currently the subject of Hearings by the Public Utilities Board. If such a Rate Increase were to be approved by the Public Utilities Board, I request that the Health Boards in the province be exempt from the proposed Rate Increase.

The Newfoundland and Labrador Health Boards Association is the federation of Health Boards in the province. The NLHBA represents a strong collective voice for its member organizations, provides services to meet the needs of members, and is governed by a voluntary board of directors who serve in the public interest. Services provided to Health Boards are: advocacy and information; labour relations and collective bargaining; group purchasing; co-ordination of physician recruitment and retention ; and pastoral/spiritual care.

The following Health Boards are members of the NLHBA:

Integrated Boards

Health Labrador Corporation
Grenfell Regional Health Services Board

Health and Community Services Boards

Health and Community Services – Western Region
Health and Community Services – Central Region
Health and Community Services – Eastern Region
Health and Community Services – St. John's Region

mailing address P.O. BOX 8234, STN. "A", ST. JOHN'S, NF A1B 3N4

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TEL 709.364.7701 FAX 709.364.6460 www.nlhba.nf.ca nlhba@nlhba.nf.ca

Institutional Health Boards

Health Care Corporation of St. John's
Avalon Health Care Institutions Board
Peninsulas Health Care Corporation
Central East Health Care Institutions Board
Central West Health Corporation
Western Health Care Corporation
St. John's Nursing Home Board
Newfoundland Cancer Treatment and Research Foundation

The Institutional and Integrated Boards provide hospital services and long term residential accommodation to persons 65 years and older and persons suffering from chronic debilitating diseases. The mandate of the Health and Community Services Boards and Integrated Boards covers Health Promotion, Disease Prevention, Child Welfare and Community Corrections, Family and Rehabilitative Services, Addictions, Mental Health, and Continuing Care. Together the Health Boards are responsible for delivering all services in the health system, one of the most essential public services in the province of Newfoundland and Labrador.

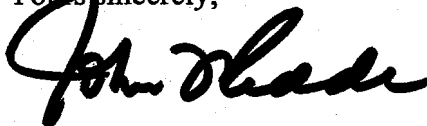
Our objection to the requested 7% Rate Increase is based on the huge cost to the publicly-funded Health Boards of such an increase. You will be aware that over the past month, the Minister of Health and Community Services has directed the Institutional Health Boards to identify total cost savings of \$18 million from their operations. The resulting intensive planning, in addition to maintaining the already fast pace of normal operations, has meant that Health Boards have only just identified the further threat to the delivery of health services in this province represented by Newfoundland Hydro's attempt to gain permission to raise rates.

We have estimated that if this increase were to receive approval, it would cost the health system upwards of \$1,000,000 in additional hydro funds every year. Using \$32,000 as the estimated average salary in the health system, this would represent up to 31 employees being laid off as a result of the Rate Increase. It is not acceptable for Newfoundland Hydro, as a public agency, to attempt to increase rates at the expense of the health system, another public service.

Please find attached some estimated impact figures for the Institutional and Integrated Boards and the St. John's Nursing Home Board for the requested Rate Increase. You will note that the estimated costs refer only to the larger institutions in each Health Board and do not include significant numbers of operations in other types of health services delivery settings in those Health Boards, or those in leased or rented properties. The inclusion of those facilities would conceivably bring the total up to \$800,000 per annum. With regard to the four Health and Community Services Boards that are not included in the attached estimates, the impact is estimated to be upwards of \$200,000 in addition to the figures in the attached material.

In view of the serious public policy implications of this application, the Newfoundland and Labrador Health Boards Association urges the Board to reject this application in its entirety, or exempt the Health Boards from its undeniably negative effects.

Yours sincerely,



John F. Peddle
Executive Director

Attch:

- c. NLHBA Board of Directors
Board Chairs
CEOs
Robert Thompson, DH&CS

Newfoundland and Labrador

Health Boards Association

*Estimated impact Figures for
the Institutional and Integrated Boards and the St. John's Nursing Home Board*

<i>Board</i>	<i>Current electrical Costs incl. HST</i>	<i>7% Increase</i>	<i>New annual Electrical Costs Including HST</i>
Health Care Corporation of St. John's	\$2,914,000	\$203,980	\$3,117,980
Avalon Health Care Institutions Board	\$413,000	\$28,910	\$441,910
Pentecostal Assemblies Benevolent Association	\$55,000	\$3,850	\$58,850
Peninsulas Health Care Corporation	\$922,000	\$64,540	\$986,540
Central East Health Care Institutions Board	\$563,000	\$39,410	\$602,410
Central West Health Corporation	\$843,000	\$59,010	\$902,010
Western Health Care Corporation	\$1,555,000	\$108,850	\$1,663,850
Grenfell Regional Health Services Board	\$388,000	\$27,160	\$415,160
Health Labrador Corporation	\$565,000	\$39,550	\$604,550
St. John's Nursing Home Board	\$1,045,000	\$73,150	\$1,118,150
TOTAL	\$9,263,000	\$648,410	\$9,911,410

NOTE: This analysis does not include Community Health Space as well as a significant number of leased and/or rented properties within the Health System.

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