

Building Better Health Care Together

2008-2009 Annual Report



**North Simcoe Muskoka
Local Health Integration Network
Annual Report 2008-2009
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Message from the Board Chair

2008-2009 - A Year in Transition

I am pleased to present some of our LHIN's 2008-09 highlights.

As part of the government's \$1.1B, four-year Aging at Home Strategy, NSM LHIN allocated its 2008-09 \$3.1M towards eighteen initiatives which included:

- Re-ACT – Remote Access to Care Technology – Re-ACT outcomes for the year resulted in more than 10% of clients being diverted from emergency room visits.
- Integrated Intensive Case Management – This program for Huntsville seniors living in independent settings and run by the Algonquin Family Health Team, saw ER visits drop dramatically for seniors utilizing this program.
- Falls Prevention Strategy, which targets seniors at risk and managed by the Victorian Order of Nurses, resulted in a 15% drop in ER visits as a result of this initiative.

The towns of Midland and Penetanguishene experienced major changes with the amalgamation of the Huronia District and Penetanguishene General Hospitals into one organization, the provincial divestment of the Mental Health Centre Penetanguishene to the public hospital sector and continued work on the establishment of the new local Community Health Centre.

Another first for the LHIN was the development and signing of forty-seven service accountability agreements for the Community Care Access Centre, Community Health Centres, Community Support Services and Addictions and Mental Health sectors. These agreements address how the LHIN and our providers collaborate in providing quality healthcare to the residents of North Simcoe Muskoka. I would like to take this opportunity to thank the health service providers for their hard work and commitment to having all the agreements signed by March 31, 2009.

December saw the retirement of the LHIN's inaugural Chief Executive Officer, Jean Trimnell. Jean joined the LHIN in August 2005 and was responsible for the start up and laying the foundation of the NSM LHIN, along with the development and implementation of our first Integrated Health Service Plan. The Board search for a new CEO culminated in the recruitment of Bernie Blais, a highly experienced healthcare professional, who began his new role as NSM LHIN CEO on March 1, 2009.

In March 2009 the LHIN Board and staff, along with many Muskoka residents, were shocked to learn of the tragic accident which took the life of Board member Carolyn Bray and her daughter Jolene Robinson. A compassionate and dedicated Board member since 2006, Carolyn was a strong advocate for women's health and those less fortunate. She will be greatly missed.

A major initiative in 2009-10 will be the development of the LHIN's second three-year Integrated Health Service Plan. I believe we have an excellent foundation and are well positioned to succeed in achieving the goals and strategies which comprise the LHIN's mandate.

In closing, I want to thank the LHIN Board and staff, health service providers and all of our communities for their ongoing commitment and support, as we work together to improve the healthcare of the residents of North Simcoe Muskoka.



Ruben Rosen
Board Chair

Message from the Chief Executive Officer

“Imagine, a better health care system”

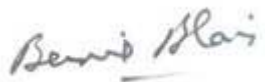
Upon my arrival on March 1st, the most important thing was to get to know my own staff. I spent the first month meeting with each of them to get their views on our priorities for the next fiscal year and what needed to be done organizationally to become an employer of choice. I was impressed by their honesty and transparency and also by the fact that most of them had been at the LHIN since its inception, which demonstrated an important sense of loyalty, teamwork and provided a great foundation for the future. This was very important in helping me prepare for 2009-10.

As we look ahead to 2009-10, it will be a challenging year filled with opportunities for cooperative ventures, strategic partnerships and integration initiatives. In order to position ourselves for the next evolution of our LHIN, we will be initiating a comprehensive operational review of our organization’s structure to enable us to lead ongoing development and change. We will be undertaking a review of clinical services to assess programs and service alignment as we proceed with plans for the North Simcoe Muskoka health system. This includes the role of home and community services in dealing with increased demand for health services and to address an aging population in our region.

Information technology and e-Health will play a significant role in the delivery of health services. These will have far reaching implications in the development of innovative approaches to improve the quality of health services and individual and system accountability. To this end, we are planning to put in place an information technology and e-Health framework to facilitate system improvements over the next five years.

Access improvements and appropriate realignment to improved levels of care along the continuum of health services will be key goals in this coming year.

I’d like to close by stating we remain optimistic about the future, as we know that *“The best way to predict the future is to invent it”*.



Bernie Blais
Chief Executive Officer

Members of the Board of Directors

Ruben Rosen, Chair (2005-2011)



- Committee Membership:
- CEO Performance & Compensation
 - Finance & Audit
 - Governance
 - Health Services

Lynn Stevenson, Vice-Chair (2006-2010)



- Committee Membership:
- Finance & Audit (C)
 - Governance
 - Health Services

Carolyn Bray, Director (2006- March 2009)



- Committee Membership:
- Governance

Lynda Coad, Director (2006-2011)



- Committee Membership:
- CEO Performance & Compensation
 - Health Services (C)

Erica Curtis, Director (2008-2011)



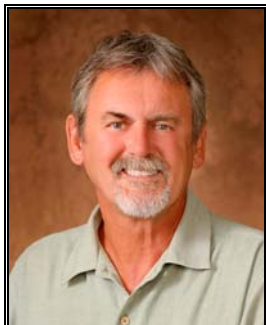
- Committee Membership:
- Health Services

Anne Gagné, Director (2007-2010)



- Committee Membership:
- CEO Performance & Compensation
 - Finance & Audit
 - Governance (C)

Mick Peters, Director (2006-2010)



- Committee Membership:
- CEO Performance & Compensation (C)
 - Finance & Audit
 - Health Services

Welcome to the North Simcoe Muskoka LHIN

Introduction

The **North Simcoe Muskoka Local Health Integration Network (LHIN)** is one of 14 regional organizations created by the Province of Ontario to improve the way health services are planned and delivered at the local level.

The North Simcoe Muskoka LHIN is responsible for planning, coordinating and funding health services to meet the specific needs of our communities in order to keep us healthier, have better access to health care services and reduce wait times.

The LHIN does not provide direct services. Rather, the LHIN helps ensure that health care services are planned, organized and appropriately funded and meet the needs of residents.

Services coordinated by the North Simcoe Muskoka LHIN include hospitals, the community care access centre, community support service organizations, mental health and addiction agencies, community health centres and long-term care homes.

In 2006, the North Simcoe Muskoka LHIN asked health service providers and people living in our communities to share their vision for a better health care system. We heard from over 5,000 people about what works best in today's health care system and what needs to be fixed. This input became a key component in the development of our initial Integrated Health Service Plan 2007-2010.

North Simcoe Muskoka LHIN Population Profile

The North Simcoe Muskoka LHIN (NSM LHIN) population is estimated at 422,175 which represents 3.5% of the province of Ontario's population. For planning purposes, the NSM LHIN is divided into five sub-planning areas with more than half of the population residing in the Central East sub-planning area (see Figure 1).

Based on the most recently available data, the North Simcoe Muskoka LHIN population increased by 12% from 2001 to 2006, while the population for the province grew by 6.6%. Of the five sub-planning areas, Central East is the fastest growing area in the LHIN. This high rate is due to the population increase in Barrie and its surrounding area. A significant portion of Barrie's population is under 14 years of age. Areas such as Midland, Gravenhurst and Essa have lower growth rates than the rest of the LHIN.

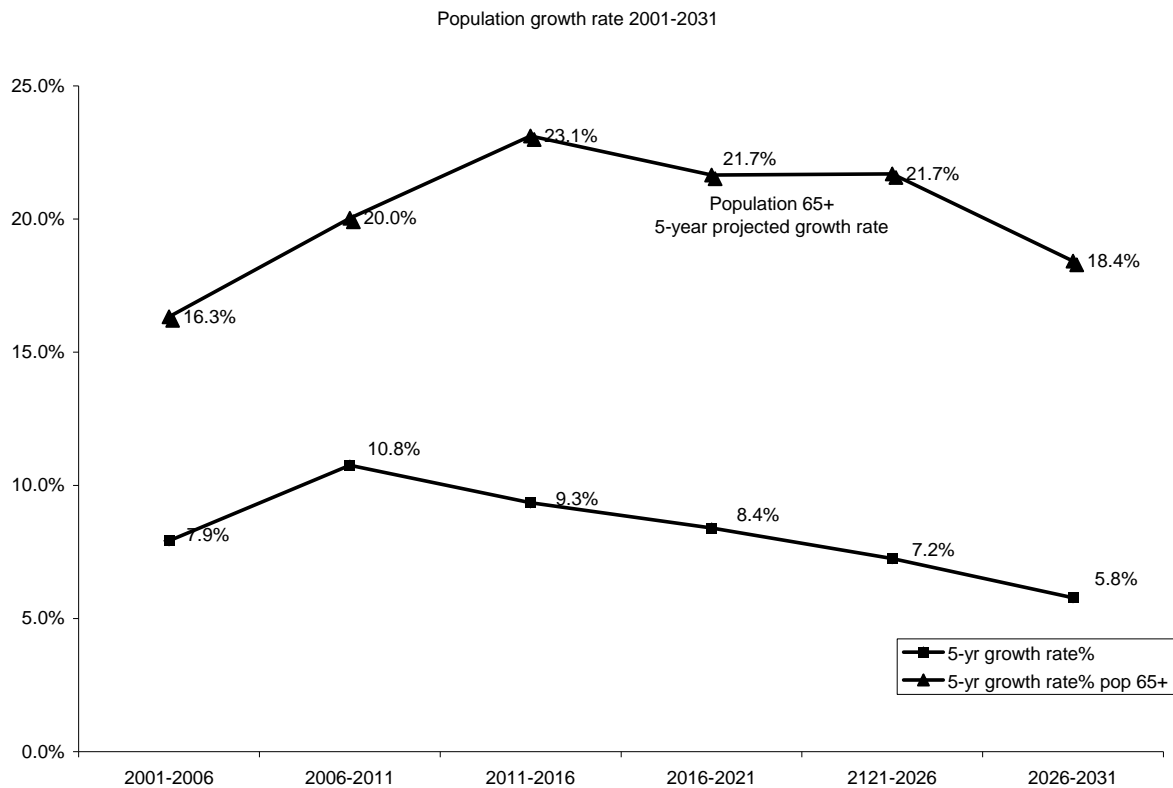


Figure 1: Map of NSM LHIN with 5 Sub-Planning Areas

While healthcare needs are planned and provided on a regional LHIN-wide level, there is recognition that due to differing population structures across the five sub-LHIN planning areas, there is need for sub-LHIN level health care planning to effectively target the different segments of the population.

According to population projections (Figure 2) by the Ministry of Finance for the coming two decades, population '65+' is going to grow at double the rate of the entire population. The projected widening gap in growth rate in the future is a factor to be taken into account by healthcare planners.

Figure 2: 5-year NSM LHIN population growth rates



Aboriginal Population in the NSM LHIN

There are seven First Nation Reserves in the NSM LHIN. The First Nations people, Aboriginals, Métis and Inuit, account for 1.4% of Ontario’s population. According to the 2006 Census, self-identified Aboriginal people in the NSM LHIN were estimated at 13,978, representing 3.3% of the NSM LHIN population.

Francophone Population in the NSM LHIN

According to the 2006 Census, 3% of the population in the NSM LHIN reported French as their mother tongue. Across the five sub-planning areas, the North West area, which includes Midland and Penetanguishene, has a francophone population of 8.1%. Penetanguishene has the highest French speaking population in the NSM LHIN with 13.2%, followed by Midland with 4.6%.

	Central West	Central East	North East	North West	Muskoka	NSM LHIN
% of the population with French as their mother tongue	1.4%	2.7%	1.7%	8.1%	1.5%	3%

Source: Census 2006 Statistics Canada

North Simcoe Muskoka Health Profile

The North Simcoe Muskoka LHIN continues to be challenged by the health status of our residents. Poorer health status drives health care utilization and costs. Relative to the province, NSM LHIN has a higher proportion of its population overweight and obese, although there has been some progress from 2005 to 2007 according to the Canadian Community Health Survey (CCHS) 2007. The proportion of adult population in the NSM LHIN who are obese or overweight decreased from 56% in 2005 to 51% in 2007; the proportion for Ontario was 49% in 2007. The smoking rate has also gone down from 24% in 2005 to 22% in 2007, still higher than the provincial average of 21% in 2007. An interesting fact is that in 2005 there were relatively more female smokers than male smokers in the NSM LHIN; in 2007 the pattern reversed itself with 25% male smokers and 19% female smokers.

Alcohol consumption has gone up slightly to 25.5% compared to 21% at the provincial level. While male alcohol drinkers are on the rise from 34% in 2005 to 38% in 2007, female alcohol drinkers have declined from 16% to 13%. Fruit and vegetable consumption has also declined from 43% in 2005 to 39% in 2007. More women eat fruits and vegetables compared to men. In 2007, fruits and vegetable consumption rate among NSM LHIN women was 48% compared to male consumption of 30%. The female consumption rate dropped from 53% in 2005 to 48% in 2007.

In North Simcoe Muskoka, many chronic conditions such as diabetes, arthritis and hypertension have increased and remained higher than the provincial level. In 2005, NSM LHIN had more women (6%) diagnosed with diabetes than men (5%). While the rate for women has stayed the same from 2005 to 2007, the male rate has gone up from 5% in 2005 to 8% in 2007.

Local Health System Integration Act, 2006

The Local Health System Integration Act, 2006 (LHSIA) outlines expectations for an end state, mature system of planning and health care integration in Ontario. The LHIN's Integrated Health Service Plan (IHSP) is the foundational three-year strategic plan that sets out the vision, priorities, strategies and outcomes for how the local health system will work to achieve these expectations.

LHSIA articulates essential principles to guide the LHINs' implementation of the community engagement, planning and integration functions, all of which support the execution of the Integrated Health Service Plan. These principles include:

- Community Engagement
- Cooperation, Coordination and Integration
- Equity and Diversity
- Accountability and Transparency
- Sustainability

Integrated Health Service Plan 2007-2010

Strategic Priorities for the Local Health System

The North Simcoe Muskoka Integrated Health Service Plan, *Imagine a Better Health Care System*, includes three strategic priorities, 11 supporting strategic goals and action steps required to accomplish these goals over three years. With the completion of the plan's second year of execution, the three strategic priorities remain constant:

- ♦ Improve the health of residents
- ♦ Provide the right care, in the right place, at the right time
- ♦ Use our resources wisely

North Simcoe Muskoka LHIN is carrying on the collaborative work completed to date, in order to create a health system responsive to local needs as well as provincial priorities. Major provincial priorities include reducing emergency room wait times, finding appropriate care for alternate level of care patients, providing better access to services and implementation of a diabetes strategy.

Achievements and Outcomes

Integrating the Addictions and Mental Health System

In August 2008, the Ontario government approved a plan to divest the regional and provincial mental health programs of the Mental Health Centre Penetanguishene (MHCP). The divestment of MHCP was in keeping with the government's direction to divest provincial psychiatric hospitals to the public hospital sector. The divestment was completed in December 2008 with the selection of a new governing Board of Directors and an interim CEO. The newly divested organization, now funded by and accountable to the NSM LHIN, will play a major role in providing psychiatric services in North Simcoe Muskoka.

The NSM LHIN Addictions and Mental Health Regional Action Group and its associated working groups, developed and completed a service mapping initiative of addictions and mental health services. The group will continue to map regional, provincial, national and international services to fully identify existing and potential directions for addictions and mental health care in North Simcoe Muskoka.

The NSM LHIN, together with the Ministry of Community and Social Services and supported by the Addictions and Mental Health Regional Action Group, have developed and are now implementing guidelines for treating individuals with a Dual Diagnosis.

The report titled *"Integrated Specialized Behavioural Supports Program of North Simcoe Muskoka"* was made public in July 2008. This report describes a regional model for the delivery of specialized services for individuals with mental health and other diagnoses with severe behaviours. The model would build capacity across a well-integrated continuum of long-term care by enhancing existing services and creating new services. The Addictions and Mental Health Regional Action Group and the Seniors Regional Action Group will work collaboratively with the LHIN to implement recommendations from this report to alleviate current pressures in the hospital emergency rooms, as well as Alternate Level of Care (ALC) patients in hospital.

Providing the Appropriate Care in the Right Place

The LHIN has three objectives for its Emergency Room/Alternate Level of Care (ER/ALC) Plan in 2009-10:

1. short-term: immediate introduction of new system capacity to reduce ALC days.
2. medium-term: development and implementation of initiatives to divert patients from hospital ERs.
3. long-term: introduction of new community sector capacity with a wellness/preventative focus.

The LHIN is targeting its efforts to populations at high risk of becoming ALC patients (these populations are not mutually exclusive): frail elderly seniors (75+ years); seniors who live alone (many in rural areas); seniors who have low income; seniors with dementia, addiction and mental health issues and aboriginal seniors (55+ years).

In keeping with its three ER/ALC objectives, the LHIN will directly reduce the number of ALC patients through initiatives such as:

- adding transitional care capacity (including beds)
- increasing palliative care beds
- diverting patients from the emergency room by providing programs and services that are alternatives to hospital care or delay the need for long-term care home (LTCH) placement

These initiatives will help NSM residents live healthier lives and remain in the communities where they live.

Preventing and Managing Chronic Disease

At a system level, chronic disease planning in North Simcoe Muskoka (NSM) has been done in full alignment with the provincial chronic disease prevention and management framework (CDPMF), with an initial focus on diabetes in support of the provincial Diabetes and e-Health Strategies. Local analysis of chronic disease self-management programs and lifestyle behaviour change tools have contributed to the development of a local inventory (eg. date, service utilization, program tools and models, evaluation, access) to facilitate standardization, capacity building and knowledge exchange across sub-planning areas and disciplines.

Development of Capacity for e-Health in North Simcoe Muskoka

Six new telehealth sites were deployed across the LHIN, primarily in the Muskoka region, which has enabled under-serviced areas to have greater access to services. The Ontario Telemedicine Network (OTN) is being well-utilized, and further opportunities exist.

The NSM Community Care Access Centre Re-ACT program has been well-received by patients and continues to expand in scope. Through wireless technology, clients have access to a nurse who is able to monitor their status and medication compliance while providing assessment, support, information and adjustments to their care plan. A similar program called Pro-ACT is being developed to assist with triage in long-term care homes to avoid transfers to emergency rooms (ER), thereby improving patient care and decreasing ER wait times. OTN continues to move into home-monitoring and has had success with its initial pilot project that included over 100 patients registered through the Barrie and Community Family Health Team (FHT).

Health Outcomes for Better Information and Care (HOBIC) implemented standardized nursing outcome data reporting for all hospitals in 2007-08. Long-term care homes began implementation in 2008-09. In 2009-2010, HOBIC implementation will be rolled out to home

nursing service providers. When complete, this implementation will enable the LHIN to assess the effectiveness of nursing services on patient outcomes across sectors.

The development of an Electronic Medical Record (EMR) across all LHIN hospitals and the NSM Community Care Access Centre (CCAC) will:

- reduce each organization's overhead costs, which will allow for additional funds to be spent on patient care
- minimize the duplication of information requests from patients
- allow providers to have access to one centralized patient record, providing a clearer understanding of the patients' medical history

An initial requirement is for all hospitals to use a shared, standardized version of Meditech. A strategic plan and roadmap have been developed to enable this.

Transformational Change Readiness for Seniors' Health

North Simcoe Muskoka has started a journey of transformational change. In 2008-09, the LHIN worked with a Seniors' Health Regional Action Group to undertake system level changes aimed at strengthening integrated care, improving senior and caregiver outcomes, promote inter-sectoral and inter-professional collaboration and partnerships, and to use research, leading practices and innovation.

The first building blocks of the North Simcoe Muskoka Regional Seniors' Health Program (RSHP) were the Year One initiatives of the Aging at Home Strategy. Activity in 2008-09 which included:

- ♦ A regional transportation program which brought together all LHIN-funded transportation programs into one centralized system. 2,240 seniors were taken to medical appointments.
- ♦ Increased home support with a focus on moving seniors from the hospital to home in the most efficient way, which provided 2,493 units of service such as meals, home visits, congregate dining and hearing impairment supports.
- ♦ 1,884 increased supportive housing units of service.
- ♦ New approaches to primary care with inter-professional, inter-sectoral health care teams that completed 504 visits and helped divert over 200 emergency room visits.
- ♦ The Regional Falls Program, approved for funding through the Year 2 Aging at Home Strategy, will build on the Year 1 Falls Prevention initiative. According to provincial statistics, a senior visits an emergency room in Ontario every 10 minutes and is hospitalized every 30 minutes as a result of a fall¹. 2004-2005 data ranked NSM as having the highest rate of hospitalization per capita as a result of a fall and the highest rate of hospitalization for a fractured hip per capita in the province². To develop a regional program, providers from across sectors came together with representation from the North Simcoe Muskoka CCAC, acute care, education, Emergency Medical Services (EMS), North Simcoe Muskoka Falls Coalition, community support sector, North Simcoe Muskoka LHIN, public health, a family health team and a community health centre. The regional program includes regional screening, emergency room support with some intensive case management, EMS linkages, standardized regional programming, community-based exercise programming, and education.

¹ Ontario Injury Prevention Resource Centre (2007). [Injuries among Seniors in Ontario: A Descriptive Analysis of Emergency and Hospitalization Data](#). Toronto: Ontario. Toronto: Ontario Injury Prevention Resource Centre.

² Ontario Injury Prevention Resource Centre (2007). [Injuries among Seniors in Ontario: A Descriptive Analysis of Emergency and Hospitalization Data](#). Toronto: Ontario. Toronto: Ontario Injury Prevention Resource Centre.

Hospice – North Simcoe Muskoka Palliative Care Network (NSMPCN)

Over the past two years the hospices, along with the North Simcoe Muskoka Palliative Care Network (NSMPCN) and the LHIN, have been building a more effective and sustainable system to support the needs of those who access end of life services within North Simcoe Muskoka. NSMPCN is comprised of Hospice Georgian Triangle, Hospice Huronia, Hospice Orillia, Hospice Simcoe, the Pain and Symptom Management Program, along with the proposed transfer of Hospice Huntsville and Hospice Muskoka from the North East LHIN to the NSM LHIN. The anticipated establishment of the North Simcoe Muskoka Palliative Care Network (NSMPCN) as a North Simcoe Muskoka LHIN health service provider is a key component of the transformational change to integrate care and improve senior and caregiver outcomes. Advancement of this initiative will integrate all end of life services under one governance structure responsible for administrative, financial and performance accountability.

Community Support Services

The NSM LHIN worked with the Community Support Sector (CSS) to develop capacity building strategies and to complete a scan of performance management tools. This included:

Capacity Building

- ♦ The development of a formalized organizational structure for CSS Coalition membership
- ♦ A joint planning structure for strategic decision making for the CSS sector and a three-year business plan to move this structure forward
- ♦ A strategic Human Resources Plan with an implementation plan to address
 - ♦ Recruitment and retention strategies for the sector, and for individual agencies within the sector.
- ♦ Change management strategies to support implementation of recommendations for Boards, staff and volunteers in the CSS sector

Performance Management

To support CSS ability to serve more clients, with greater efficiency while achieving better outcomes, an environmental scan of performance management tools was completed.

System and sector performance measurement will focus on:

- ♦ Improved accessibility
- ♦ Improved information management
- ♦ Service quality improvement
- ♦ Strengthened and more integrated role in the health care system

Engaging the Community

Increasing Community Involvement

Community engagement continues to be a priority for the North Simcoe Muskoka LHIN, providing information to identify health system priorities, opportunities for new collaborations, and opportunities to explore new ideas to overcome challenges and make our region's health system as strong and effective as it can be. We are also committed to ensuring that our stakeholders are provided with the balanced and objective information they need to better understand the LHIN's role and mandate as well as the responsibilities and expectations of all stakeholders.

Given the interdependencies and interconnectedness of our health system, stakeholders include those both within and outside the health system. In 2008-09 the North Simcoe Muskoka LHIN, along with over 3,700 community members, engaged in the following activities:

- 16 working groups and advisory groups
- 22 regional action groups and steering committees
- 4 pre-Board meeting public education sessions
- 14 surveys
- 124 key Informant interviews
- 24 community forums or events
- 87 presentations made in the community
- 15 displays / exhibits set up in the community

Community Engagement Principles

The LHIN employs a set of principles to guide the way in which we plan and carry out our community engagement activities, as well as our evaluation and reporting on the results of those activities.

The North Simcoe Muskoka LHIN decision-making process takes into account results of stakeholder engagement to better understand their concerns and needs. In addition, a formal community engagement process helps us to partner and build relationships with individuals and groups throughout the community so we can involve them in activities such as identifying and developing preferred approaches for delivering integrated health care services.

Fostering Community Understanding

NSM LHIN stakeholders underlined the value that community engagement brings to any process. Some of their comments were:

- *New partnerships have resulted from community engagement activities.*
- *NSM LHIN has become a real partner.*
- *The dialogue provides real value, the ability to exchange knowledge.*
- *It brought stakeholders together that would not normally have the opportunity to share in the same strategic dialogue.*

Engaging the Aboriginal Community

In 2008-09, the North Simcoe Muskoka LHIN worked collaboratively with the Aboriginal Health Circle (AHC) and AHC Secretariat to actively engage the Aboriginal community in work to improve health services and health outcomes. In addition to field visits and meetings with member agencies, the Aboriginal community was continually engaged through various communications, such as biweekly news bulletins, bimonthly newsletters and the establishment of a new website.

The AHC Secretariat established strong working relationships with many area health service providers, in order to bring the Aboriginal perspective to their work, and to identify gaps and needs in service provision. The Secretariat helped build capacity in NSM LHIN First Nations and Aboriginal health service providers through the facilitation of the Community Annual Planning Submissions, Management Information Systems, and Multi-Sector Service Accountability Agreements processes. The AHC Secretariat also participated in the development of the CHIGAMIK Community Health Centre.

Other activities in 2008-09 included preliminary research towards the development of an Aboriginal Health Human Resource Strategy, which included the identification of barriers to

access data, and the development of methods to overcome such barriers. An example of this is the work with Royal Victoria Hospital's Regional Cancer Care Centre, to include a question in their Picker survey regarding Aboriginal ancestry.

An Aboriginal Health Forum, entitled "Enhancing Aboriginal Health Status, Priorities and Plans for the Future", was held in November 2008, engaging both Aboriginal and mainstream health service providers and community members in dialogue. The forum not only helped the Aboriginal Health Circle to engage the community broadly on the topic of Aboriginal health, but also solicited input toward the development of an Aboriginal Health Service Plan.

Enhanced awareness of Aboriginal perspectives was achieved through participation on various steering committees, networks, and working groups, including the expert panel evaluating all Aging at Home Year Two proposals, and the selection committee of board members for the new Board of Directors of Huronia District Hospital and Penetanguishene General Hospital. A Cultural Awareness Training Strategy was developed, including modules specific to health care. This training was given to multiple stakeholders in the broader health service provider community.

Francophone Community Engagement

NSM LHIN aims to ensure a continued consultation and participation process for the development of French language health services planning in this region. To that end, we look to improve the quality, accessibility and integration of French language health services.

The Ministry of Health and Long-Term Care (MOHLTC) is moving forward with the implementation of forthcoming legislation, which will formalize the need for all LHINs to have French Language Health Planning Entities. These entities will be advisory to the LHINs and will assist in engaging the francophone communities on matters related to the LHIN mandate.

In anticipation of such legislation, and as a first step in the formation of this area's planning entity, NSM LHIN worked with Francophone community stakeholders in 2008-09 toward the formation of a Francophone Health Advisory Committee. Once the committee is in place, it will assist in moving the goal of Francophone health forward.

NSM LHIN Partnered on Provincial Initiatives

In addition to our community engagement work at the local level, the North Simcoe Muskoka LHIN worked collaboratively on several provincial initiatives during 2008-09. This work helps inform and enhance our own community engagement activities through the sharing of resources and ideas. This work also benefits North Simcoe Muskoka LHIN's ability to build community engagement capacity in our health service providers.

Working with Dr. Julia Abelson, McMaster University, North Simcoe Muskoka LHIN helped develop evaluation tools for monitoring and reporting the effectiveness of its community engagement activities. A provincial steering committee fed into the development of a common framework for effective community engagement for the LHINs using a process called 'concept mapping'. This process will lead to the establishment of a common assessment tool for community engagement for all 14 LHINs.

NSM LHIN also worked closely with The Change Foundation, to engage all LHINs in a face-to-face dialogue on community engagement in March 2009. The event candidly explored the realities, rewards, opportunities, and challenges of effective community engagement in the LHIN environment. This session also looked to strategically inform the next wave of LHIN

community engagement planning and implementation, with consideration to what has worked to date.

NSM LHIN joined other LHINs and provincial associations to develop a new web-based set of tools for health service providers and other stakeholders. "Engaging People, Improving Care", or "EPIC", is a website that provides easily accessible leading practices in community engagement. This "one-stop-shop" includes over 60 resources and leading practices in the field, including how to plan community engagement activities, how to achieve good results and how to evaluate them afterwards. EPIC was developed collaboratively by a Project Steering Committee with representatives with expertise in community engagement from the following associations and organizations:

- Canadian Mental Health Association, Ontario
- Local Health Integration Networks (Central East, Mississauga Halton, North West, North Simcoe Muskoka, Toronto Central)
- Ontario Association of Community Care Access Centres
- Ontario Association of Non-Profit Homes and Services for Seniors
- Ontario Community Support Association
- Ontario Federation of Community Mental Health and Addiction Programs
- Ontario Hospital Association
- Ontario Long Term Care Association
- Ontario Medical Association
- Peel Addiction Assessment and Referral Centre
- The Change Foundation

Integration

During the period April 1, 2008 to March 31, 2009, North Simcoe Muskoka LHIN completed five voluntary integrations and three facilitated integrations.

Integration Activities – Voluntary

Muskoka-Parry Sound Community Mental Health Service and Addiction Outreach Muskoka Parry Sound

Both Muskoka-Parry Sound Community Mental Health Service and Addiction Outreach Muskoka-Parry Sound were providing similar services to the same catchment area. The agencies' Boards expressed a strong preference to amalgamate in a manner that would ensure success for the initiative and continued effective service for their clients. The integration will occur over a three year time frame, with a completion date by fiscal year end 2010-2011. Within that time frame, governance, service, administrative and financial functions will be harmonized.

Canadian Red Cross Society North Simcoe Muskoka and Muskoka Seniors Home Assistance.

The purpose of this voluntary integration was to improve or enhance transportation and supportive housing, while incorporating best practices for the Meals On Wheels programs.

Huronia District Hospital and Penetanguishene General Hospital

In October 2007, the ministry appointed Dr. Kevin Smith as Supervisor for Huronia District Hospital. The amalgamation of Huronia District and Penetanguishene General Hospitals into a single entity formed a major component of his recommendations to the Minister of Health and Long-Term Care. The integration was completed on December 1, 2008, resulting in the amalgamated organization being governed by a single, secular board of directors from the community and managed by a single Chief Executive Officer.

Orillia Soldiers' Memorial Hospital and Muskoka Algonquin Healthcare-Integrated Director of Information Systems

Orillia Soldiers' Memorial Hospital and Muskoka Algonquin Healthcare partnered to implement a shared management position, "Integrated Director of Information Systems". This position is responsible for overseeing and hiring shared Information Technology (IT) staff and developing a joint information systems strategy.

Orillia Soldier's Memorial Hospital and Muskoka Algonquin Healthcare – Meditech Laboratory Information System (LIS)

Both facilities will jointly implement the Meditech Laboratory Information System within a shared information technology infrastructure. A common Project Manager and team will develop a standardized program recommended by the North Simcoe Muskoka Regional Laboratory Advisory Committee. This program will:

- reduce duplication of diagnostic tests
- allow the sharing of data
- act as a regional service

Integration Activities-Facilitated

Hospice Simcoe Transfer of Matthews House Hospice

Matthews House Hospice is located within the boundaries of the Central LHIN and services only Central LHIN clients. Funding was provided to Matthews House through Hospice Simcoe, which is located in the North Simcoe Muskoka LHIN. The integration transferred the funding and accountability for Matthew's House to Central LHIN.

Simcoe Consumer Survivor Project and Krasman Centre

Simcoe Consumer Survivor Project (NSM LHIN) located in Collingwood, provided funding and management services to My Friends Place (Central LHIN) located in Alliston. The integration terminated the funding and management service between Simcoe Consumer Survivor Project and My Friends Place. Central LHIN has arranged for the new sponsor (Krasman Centre, Central LHIN) to take on the management and funding of My Friends Place.

Orillia Soldier's Memorial Hospital (OSMH) and Royal Victoria Hospital (RVH) Haemodialysis Program

This facilitated integration enables patients admitted to the Royal Victoria Hospital Critical Care Unit who require acute haemodialysis, receive the treatment at RVH. Through an on-call agreement with Orillia Soldiers' Memorial Hospital, OSMH staff will travel to RVH to perform haemodialysis, eliminating the need for these critically ill patients to travel.

Ministry-LHIN Accountability Agreement

The Ministry-LHIN Accountability Agreement (M-LAA) is an agreement between the Ministry of Health and Long-Term Care and the fourteen LHINs describing each party's responsibility for developing and fulfilling clear and achievable performance obligations. Both parties are expected to work collaboratively and cooperatively by establishing clear lines of communication and responsibility, and by working diligently to resolve issues in a proactive and timely manner. LHINs are required to report quarterly on achievement relative to their performance targets and any identified risks.

Table 1: Ministry-LHIN Accountability Agreement – Performance Indicators for 2008-09

Performance Indicator	NSM 08-09 Starting Point	NSM 08-09 Performance Target	Most Recent Quarter 08-09 NSM Performance	NSM 08-09 Annual Results	NSM Met Target - Yes/No
90th Percentile Wait Times for Cancer Surgery	47	45	47	57	No ^{1, 2}
90th Percentile Wait Times for Cardiac By-Pass Procedures	Not applicable for NSM LHIN				
90th Percentile Wait Times for Cataract Surgery	133	133	120	118	Yes
90th Percentile Wait Times for Hip Replacement	140	140	159	161	No ¹
90th Percentile Wait Times for Knee Replacement	140	140	162	190	No ¹
90th Percentile Wait Times for Diagnostic MRI Scan	85	63	109	97	No ³
90th Percentile Wait Times for Diagnostic CT Scan	54	45	20	22	Yes
Hospitalization Rate for Ambulatory Care Sensitive Conditions (ACSC)	412	412	318.65	332.92	Yes
Median Wait Time to Long-Term Care Home Placement -All Placements	103	90	164	174	No ⁴
Percentage of Alternate Level of Care (ALC) days - By LHIN of Institution	13.2	11.0	21.77	18.2	No ⁵
Rate of Emergency Department Visits that could be Managed Elsewhere	45.14	41.2	38.19	35.42	Yes
Readmission Rates for Acute Myocardial Infarction (AMI)	5.41	5.0	4.34	4.87	Yes

Source: Ministry of Health and Long-Term Care

Notes:

¹ - A large number of LHINs experienced difficulty meeting many of the provincial wait time targets. Although the NSM LHIN did not meet some targets, it did maintain performance for those targets that was better than both the provincial target and average. Real performance assessment has been challenged due to data quality issues. Education and monitoring efforts have been increased accordingly by local hospitals.

² - Physician resource capacity shortfalls due to unforeseen vacancies in general surgery negatively impacted local performance in 2008-09. By year end, however, a new general surgeon had been recruited.

³ - Like approximately half of the other LHINs, NSM was unable to meet its specific target. No LHIN in the province met the provincial wait time target for MRI in 2008/09. The NSM LHIN MRI providers did place significant emphasis on existing capacity maximization and succeeded in filling some challenging staff vacancies. NSM expects challenges to increase in 2009/10 as demand continues to exceed approved capacity.

⁴ - The NSM LHIN, together with most other LHINs across the province has not met the provincial target or its local target due to capacity challenges. The current occupancy rate of long term care facilities in NSM remains at approximately 99%. This situation is compounded by the rapidly increasing average age on residents in NSM. As referenced elsewhere in this report, the NSM LHIN is aggressively focusing on the development of new community capacity that will provide real alternatives to long term care as well as additional local long term care capacity.

⁵ - The NSM LHIN and its health service providers are actively focusing on the development of strategies to reduce ALC. As referenced elsewhere in this report, these include both patient flow improvement initiatives within the hospitals and the development of new capacity alternatives within the community.

Achieving Government Priorities

Efforts to Reduce Emergency Room Wait Times and Alternate Level of Care Days

Through Aging at Home, a number of intervention strategies have made an impact on reducing emergency room (ER) demand in NSM LHIN. Delivered by the North Simcoe Muskoka Community Care Access Centre (CCAC), the Re-ACT program provides telehealth home care for chronic disease clients throughout the region. Outcomes to date include more than 10% of clients being diverted from the ER, with a focus on early intervention. The Integrated Intensive Case Management initiative in Huntsville, a unique partnership between the CCAC, Algonquin Family Health Team and Muskoka Algonquin Healthcare, has resulted in a significant decrease in the average number of seniors' ER visits. A Falls Prevention Strategy implemented by the Victorian Order of Nurses has seen outcomes of nearly 15% of clients avoiding ER visits.

The Home at Last settlement services, delivered by the Victorian Order of Nurses, is an Aging at Home investment by the NSM LHIN that has directly improved bed utilization by expediting patient throughput and maximizing hospital capacity. Outcomes include quicker patient discharge from hospital as a result of enhanced comfort level of patients and support for families.

Among short term strategies, new system capacity such as transitional care and hospice beds was introduced in NSM. The key focus of the NSM LHIN Urgent Priorities Fund (UPF) was to directly impact Alternate Level of Care (ALC) days. Increased temporary bed capacity investments total over \$1.4M in 2008-09 of which more than 40% is being directed to transitional care. With 08-09 UPF dollars, interim transitional care capacity has increased with the development of 42 new beds. These transitional beds enable patients designated as ALC for long-term care to stabilize and transition from acute to long-term care, freeing up immediate capacity in acute care beds.

Some of the most effective outcomes have been realized with the implementation of a variety of process improvement initiatives related to the provincial FLO Collaborative across most NSM hospital sites. For example, the Royal Victoria Hospital has demonstrated solid strides in improving their bed utilization, while reducing the percentage of ALC patients occupying acute care beds from 34% to 22%, since November 2008. Their initiative has incorporated 15 different strategies, as well as external partnerships.

Investments were made with the North Simcoe Muskoka Community Care Access Centre to enhance home care services. These investments were made to ensure Alternate Level of Care patients discharged to their homes, received adequate home support.

Sixty-four new long-term care beds became operational in Midland in 2008-09 resulting in a decrease of 72% in the number of acute care beds occupied by ALC patients at Huronia District Hospital.

The LHIN's future plans include expansion of long-term care bed capacity, short stay, respite and convalescent beds, start-up of two new Community Health Centres (CHCs), and the adoption of best practice processes/protocols in hospital emergency rooms and patient care units to improve flow of patients and quality of care.

North Simcoe Muskoka LHIN Operations

The North Simcoe Muskoka LHIN met its operational financial targets in 2008-09 with operating funding of \$4,221,132 and special initiative funding of \$563,300.

Over 80% of the LHIN's operating budget is allocated to human resources through:

- Internal staffing
- Outsourced consulting for short-term specialized services
- Insourced LHIN Shared Services Office for IT, HR/payroll, and legal services.

Special initiative funding of \$563,300 included e-Health funding of \$425,000 to support the LHIN's Project Management Office. The balance of funding was used to compensate the NSM LHIN's Emergency Department Lead and ER/ALC Lead, and to support engagement of the Aboriginal community.

Bernie Blais joined the LHIN in March 2009 as Chief Executive Officer bringing with him a wealth of public health care leadership experience. The LHIN office is currently undergoing an organizational review to better align its internal resources with the LHIN's goals and objectives.

Financial statements of

**North Simcoe Muskoka Local Health Integration
Network**

March 31, 2009

Auditors' Report

To the Members of the Board of Directors of the
North Simcoe Muskoka Local Health Integration Network

We have audited the statement of financial position of the North Simcoe Muskoka Local Health Integration Network (the "LHIN") as at March 31, 2009 and the statements of financial activities, changes in net debt and cash flows for the year then ended. These financial statements are the responsibility of the LHIN's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the North Simcoe Muskoka Local Health Integration Network as at March 31, 2009 and the results of its operations, its changes in its net debt and its cash flows for the year then ended, in accordance with Canadian generally accepted accounting principles.

Deloitte & Touche LLP

Chartered Accountants
Licensed Public Accountants
April 24, 2009

North Simcoe Muskoka Local Health Integration Network

Statement of financial position
as at March 31, 2009

	2009	2008
	\$	\$
Financial assets		
Cash	952,128	935,429
Due from Ministry of Health and Long-Term Care ("MOHLTC")	774,600	1,676,620
Accounts receivable	-	249
	1,726,728	2,612,298
Liabilities		
Accounts payable and accrued liabilities	951,451	833,374
Due to MOHLTC (Note 3b)	793	112,598
Due to Health Service Providers ("HSPs")	774,600	1,676,620
Due to the LHIN Shared Services Office (Note 4)	14,108	3,756
Deferred capital contributions (Note 5)	304,205	444,475
	2,045,157	3,070,823
Commitments (Note 6)		
Net debt	(318,429)	(458,525)
Non-financial assets		
Prepaid expenses	14,224	14,050
Capital assets (Note 7)	304,205	444,475
Accumulated surplus	-	-

Approved by the Board

_____ Board Chair

_____ Board Vice-Chair

North Simcoe Muskoka Local Health Integration Network

Statement of financial activities
year ended March 31, 2009

	2009	2008
	Budget (unaudited) (Note 8)	Actual
	\$	\$
Revenue		
MOHLTC funding		
HSP transfer payments (Note 9)	551,955,200	604,031,421
Operations of LHIN	4,221,132	4,095,584
E-Health (Note 10a)	120,000	425,000
Aboriginal Planning (Note 10b)	30,000	30,000
Emergency Department Lead (Note 10c)	50,000	75,000
Emergency Room/Alternative Level of Care ("ER/ALC") Performance Lead (Note 10d)	-	33,300
Aging at Home	-	-
Wait Time	-	-
Amortization of deferred capital contributions (Note 5)	-	265,818
	556,376,332	608,956,123
		538,393,411
Expenses		
Transfer payments to HSPs (Note 9)	551,955,200	604,031,421
General and administrative (Note 11)	4,221,132	4,360,760
e-Health (Note 10a)	120,000	424,849
Aboriginal Planning (Note 10b)	30,000	30,000
Emergency Department Lead (Note 10c)	50,000	75,000
ER/ALC Performance Lead (Note 10d)	-	33,300
Aging at Home	-	-
Wait Time	-	-
	556,376,332	608,955,330
		538,331,358
Annual surplus before funding repayable to the MOHLTC	-	793
Funding repayable to the MOHLTC (Note 3a)	-	(793)
Annual surplus	-	-
Opening accumulated surplus	-	-
Closing accumulated surplus	-	-

North Simcoe Muskoka Local Health Integration Network

Statement of changes in net debt
year ended March 31, 2009

	2009	2008
	\$	\$
Annual surplus	-	-
Acquisition of capital assets	(125,548)	(52,784)
Amortization of capital assets	265,818	235,790
Change in other non-financial assets	(174)	(14,050)
Decrease in net debt	140,096	168,956
Opening net debt	(458,525)	(627,481)
Closing net debt	(318,429)	(458,525)

North Simcoe Muskoka Local Health Integration Network

Statement of cash flows
year ended March 31, 2009

	2009	2008
	\$	\$
Operating		
Annual surplus	-	-
Less items not affecting cash		
Amortization of capital assets	265,818	235,790
Amortization of deferred capital contributions (Note 5)	(265,818)	(235,790)
	-	-
Changes in non-cash operating items		
Increase in prepaid expenses	(174)	(14,050)
Decrease (increase) in due from MOHLTC	902,020	(1,676,620)
Decrease in accounts receivable	249	3,965
Increase in accounts payable and accrued liabilities	118,077	302,873
(Decrease) increase in due to the MOHLTC	(111,805)	62,053
(Decrease) increase in due to HSPs	(902,020)	1,676,620
Increase (decrease) in due to the LHIN shared Services Office	10,352	(79,609)
	16,699	275,232
Capital transactions		
Acquisition of capital assets	(125,548)	(52,784)
Financing transactions		
Increase in deferred capital contributions (Note 5)	125,548	52,784
Net increase in cash	16,699	275,232
Cash, beginning of year	935,429	660,197
Cash, end of year	952,128	935,429

North Simcoe Muskoka Local Health Integration Network

Notes to the financial statements
March 31, 2009

1. Description of business

The North Simcoe Muskoka Local Health Integration Network was incorporated by Letters Patent on June 2, 2005 as a corporation without share capital. Following Royal Assent to Bill 36 on March 28, 2006, it was continued under the Local Health System Integration Act, 2006 (the "Act") as the North Simcoe Muskoka Local Health Integration Network (the "LHIN") and its Letters Patent were extinguished. As an agent of the Crown, the LHIN is not subject to income taxation.

The LHIN is, and exercises its powers only as, an agent of the Crown. Limits on the LHIN's ability to undertake certain activities are set out in the Act.

The LHIN is funded solely by the Province of Ontario in accordance with the Ministry LHIN Accountability Agreement ("MLAA"), which describes budget arrangements established by the Ministry of Health and Long-Term Care ("MOHLTC") and provides the framework for the LHIN accountabilities and activities. These financial statements reflect agreed funding arrangements approved by the MOHLTC. The LHIN cannot authorize an amount in excess of the budget allocation set by the MOHLTC.

The LHIN assumed responsibility to authorize transfer payments to HSPs, effective April 1, 2007. The transfer payment amount is based on provisions associated with the respective HSP Accountability Agreement with the LHIN. Throughout the fiscal year, the LHIN authorizes and notifies the MOHLTC of the transfer payment amount; the MOHLTC, in turn, transfers the amount directly to the HSP ("Health Service Provider"). The cash associated with the transfer payment does not flow through the LHIN bank account.

The LHIN statements do not include any MOHLTC managed programs.

The mandates of the LHIN are to plan, fund and integrate the local health system within its geographic area. The LHIN spans carefully defined geographical areas and allows for local communities and health care providers within the geographical area to work together to identify local priorities, plan health services and deliver them in a more coordinated fashion. The LHIN covers the municipalities of Muskoka, most of Simcoe County and part of Grey County. The LHIN enters into service accountability agreements with service providers.

2. Significant accounting policies

The financial statements of the LHIN are the representations of management, prepared in accordance with Canadian generally accepted accounting principles for governments as established by the Public Sector Accounting Board ("PSAB") of the Canadian Institute of Chartered Accountants ("CICA") and, where applicable, the recommendations of the Accounting Standards Board ("AcSB") of the CICA as interpreted by the Province of Ontario. Significant accounting policies adopted by the LHIN are as follows:

Basis of accounting

Revenues and expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues in the fiscal year that the events giving rise to the revenues occur and they are earned and measurable; expenses are recognized in the fiscal year that the events giving rise to the expenses are incurred, and they are measurable. Through the accrual basis of accounting, expenses include non-cash items, such as the amortization of capital assets, and losses in the value of assets.

North Simcoe Muskoka Local Health Integration Network

Notes to the financial statements
March 31, 2009

2. Significant accounting policies (continued)

Government transfer payments

Government transfer payments from the MOHLTC are recognized in the financial statements in the year in which the payment is authorized and the events giving rise to the transfer occur, performance criteria are met, and the reasonable estimates of the amount can be made.

Certain amounts, including transfer payments from the MOHLTC, are received pursuant to legislation, regulation or agreement and may only be used in the conduct of certain programs or in the completion of specific work. Funding is only recognized as revenue in the fiscal year the related expenses are incurred or services performed. In addition, certain amounts received are used to pay expenses for which the related services have yet to be performed. These amounts are recorded as payable to the MOHLTC at period end.

Funding payments to Health Service Providers in the LHIN geographic area flowed through the LHIN's financial statements. Funding allocations from the MOHLTC are reflected as revenue and an equal amount of transfer payments to authorized Health Service Providers ("HSPs") are expensed in the LHIN's financial statements for the year ended March 31, 2009.

Deferred capital contributions

Any amounts received that are used to fund capital asset purchases, are recorded as deferred capital contributions and are recognized over the useful life of the asset reflective of the provision of its services. The amount recorded under "revenue" in the Statement of Financial Activities, is in accordance with the amortization policy applied to the related capital asset recorded.

Capital assets

Capital assets are recorded at historical cost. Historical cost includes the costs directly related to the acquisition, design, construction, development, improvement or betterment of capital assets. The cost of capital assets contributed is recorded at the estimated fair value on the date of contribution. Fair value of contributed capital assets is estimated using the cost of asset or, where more appropriate, market or appraisal values. Where an estimate of fair value cannot be made, the capital asset would be recognized at nominal value.

Maintenance and repair costs are recognized as an expense when incurred. Betterments or improvements that significantly increase or prolong the service life or capacity of a capital asset are capitalized. Computer software is recognized as an expense when incurred.

Capital assets are stated at cost less accumulated amortization. Tangible capital assets are amortized over their estimated useful lives as follows:

Computer equipment and development	3 years straight-line method
Leasehold improvements	Life of lease straight-line method
Office furniture and fixtures	5 years straight-line method

For assets acquired or bought into use during the year, amortization is provided for a full year.

Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

North Simcoe Muskoka Local Health Integration Network

Notes to the financial statements
March 31, 2009

3. Funding repayable to the MOHLTC

In accordance with the MLAA, the LHIN is required to be in a balanced position at year end. Thus, any funding received in excess of expenses incurred, is required to be returned to the MOHLTC.

- a. The amount repayable to the MOHLTC related to current year activities is made up of the following components:

	Revenue	Expenses	2009 Surplus	2008 Surplus
	\$	\$	\$	\$
LHIN operations	4,361,402	4,360,760	642	16,855
E-Health	425,000	424,849	151	4,281
Aboriginal Planning	30,000	30,000	-	-
Emergency Department Lead	75,000	75,000	-	9,360
ER/ALC Performance Lead	33,300	33,300	-	-
Aging at Home	-	-	-	31,557
	4,924,702	4,923,909	793	62,053

The transfer payment to HSPs surplus represents under-expenditure held at the MOHLTC on behalf of the LHIN.

- b. The amount due to the MOHLTC at March 31 is made up as follows:

	2009	2008
	\$	\$
Due to MOHLTC, beginning of year	112,598	50,545
Funding repaid to MOHLTC during the current year	(112,598)	-
Funding repayable to the MOHLTC related to current year activities (Note 3a)	793	62,053
Due to MOHLTC, end of year	793	112,598

4. Related party transactions

The LHIN Shared Services Office (the "LSSO") is a division of the Toronto Central LHIN and is subject to the same policies, guidelines and directives as the Toronto Central LHIN. The LSSO, on behalf of the LHINs, is responsible for providing services to all LHINs. The full costs of providing these services are billed to all the LHINs. Any portion of the LSSO operating costs overpaid (or not paid) by the LHIN at the year end are recorded as a receivable (payable) from (to) the LSSO. This is all done pursuant to the Shared Service Agreement the LSSO has with all the LHINs.

North Simcoe Muskoka Local Health Integration Network

Notes to the financial statements
March 31, 2009

5. Deferred capital contributions

	2009	2008
	\$	\$
Balance, beginning of year	444,475	627,481
Capital contributions received during the year	125,548	52,784
Amortization for the year	(265,818)	(235,790)
Balance, end of year	304,205	444,475

6. Commitments

The LHIN has commitments under various operating leases related to building and equipment. Lease renewals are likely. Minimum lease payments due in each of the next four years and thereafter are as follows:

	\$
2010	177,788
2011	74,989
2012	3,235
2013 and thereafter	2,966

The LHIN also has funding commitments to certain HSPs associated with accountability agreements. Minimum commitments to HSPs, based on the current accountability agreements as follows:

	\$
2010 Hospital funding	346,219,600
2011 Hospital funding	346,219,600

The actual amounts which will ultimately be paid are contingent upon LHIN funding received by the MOHLTC.

North Simcoe Muskoka Local Health Integration Network

Notes to the financial statements
March 31, 2009

7. Capital assets

			2009	2008
	Cost	Accumulated amortization	Net book value	Net book value
	\$	\$	\$	\$
Office furniture and fixtures	264,821	161,405	103,416	111,213
Computer equipment	129,085	114,788	14,297	25,483
Leasehold improvements	832,958	646,466	186,492	307,779
	1,226,864	922,659	304,205	444,475

8. Budget figures

The budgets were approved by the Government of Ontario. The budget figures reported on the Statement of Financial Activities reflect the initial budget at April 1, 2008. The figures have been reported for the purposes of these statements to comply with PSAB reporting requirements. During the year the government approved budget adjustments. The following reflects the adjustments for the LHIN during the year:

The total HSP funding budget of \$604,031,421 is made up of the following:

	\$
Initial budget	551,955,200
Adjustments due to announcements made during the year	52,076,221
	604,031,421

The "adjustment due to announcements made during the year" of \$52,076,221 includes an amount of \$39,022,776 related to the divestment of a Specialty Psych Hospital (Mental Health Centre Penetanguishene) from the MOHLTC to the LHIN.

The total revised operating budget of \$4,784,432 is made up of the following:

	\$
Initial budget as reported on the statement of financial activities	4,421,132
Additional funding received during the year for	
E-Health	305,000
Emergency Department Lead	25,000
ER/ALC Performance Lead	33,300
Total budget	4,784,432

North Simcoe Muskoka Local Health Integration Network

Notes to the financial statements
March 31, 2009

9. Transfer payments to HSPs

The LHIN has authorization to allocate funding of \$604,031,421 (2008 - \$534,187,234) to the various HSPs in its geographic area. The LHIN approved transfer payments to the various sectors in fiscal 2009 as follows:

	2009	2008
	\$	\$
Operation of Hospitals	350,620,399	335,639,971
Grants to compensate for Municipal Taxation - Public Hospitals	77,625	77,625
Long Term Care Homes	104,918,721	96,629,262
Community Care access Centre	65,527,335	61,553,536
Community Support Services	9,643,617	8,069,778
Assisted Living Services In Supportive Housing	5,076,609	4,480,800
Community Health Centres	3,659,647	3,404,923
Community Mental Health	21,388,298	20,402,015
Addictions program	3,415,102	3,406,724
Specialty Psych Hospital	39,022,776	-
Acquired Brain Injury	681,292	522,600
	604,031,421	534,187,234

10. a) E-Health

The LHIN received funding of \$425,000 (2008 - \$275,000) related to the E-Health project. E-Health expenses incurred during the year are as follows:

	2009	2008
	\$	\$
Salaries and benefits	156,760	219,913
Consulting services	157,072	35,000
Other services	11,124	957
Computer equipment and software	94,307	12,539
Travel	3,840	1,819
Mail, courier and telecommunications	1,746	491
	424,849	270,719

b) Aboriginal Planning

The LHIN received funding of \$30,000 (2008 - \$30,000) related to the Aboriginal Planning project. Aboriginal Planning expenses incurred during the year are as follows:

	2009	2008
	\$	\$
Consulting services	30,000	30,000

North Simcoe Muskoka Local Health Integration Network

Notes to the financial statements
March 31, 2009

10. (continued)

c) Emergency Department Lead

The LHIN received funding of \$75,000 (2008 - \$25,000) related to the Emergency Department Lead project. Emergency Department Lead expenses incurred during the year are as follows:

	2009	2008
	\$	\$
Consulting services	60,000	15,000
Travel	3,322	163
Mail, courier and telecommunications	11,678	477
	75,000	15,640

d) ER/ALC Performance Lead

The LHIN received funding of \$33,300 (2008 - \$Nil) related to the ER/ALC Performance Lead project. Expenses incurred during the year for this project are as follows:

	2009	2008
	\$	\$
Salaries and benefits	33,300	-

11. General and administrative expenses

The Statement of Financial Activities presents the expenses by function, the following classifies these same expenses by object:

	2009	2008
	\$	\$
Salaries and benefits	2,526,284	2,238,177
Occupancy	185,289	182,669
Amortization	265,818	235,790
Shared services	483,600	300,000
Advertising and public relations	6,209	6,723
Consulting services	267,765	222,407
Other services	232,564	93,281
Supplies and equipment	125,776	131,199
Board member expenses	173,296	138,800
Travel	51,003	42,525
Mail, courier and telecommunications	43,156	36,751
	4,360,760	3,628,322

North Simcoe Muskoka Local Health Integration Network

Notes to the financial statements

March 31, 2009

12. Pension agreements

The LHIN makes contributions to the Hospitals of Ontario Pension Plan ("HOOPP"), which is a multi-employer plan, on behalf of approximately 17 members of its staff. The plan is a defined benefit plan, which specifies the amount of retirement benefit to be received by the employees, based on the length of service and rates of pay. The amount contributed to HOOPP for fiscal 2009 was \$197,848 (2008 - \$169,515) for current service costs and is included as an expense in the Statement of Financial Activities. The last actuarial valuation was completed for the plan as of December 31, 2008. At that time, the plan is 97% funded.

13. Guarantees

The LHIN is subject to the provisions of the *Financial Administration Act*. As a result, in the normal course of business, the LHIN may not enter into agreements that include indemnities in favour of third parties, except in accordance with the *Financial Administration Act* and the related Indemnification Directive.

An indemnity of the Chief Executive Officer was provided directly by the LHIN pursuant to the terms of the *Local Health System Integration Act, 2006* and in accordance with s. 28 of the *Financial Administration Act*.

14. Segment disclosures

The LHIN was required to adopt Section PS 2700 - Segment Disclosures, for the fiscal year beginning April 1 2007. A segment is defined as a distinguishable activity or group of activities for which it is appropriate to separately report financial information. Management has determined that existing disclosures in the Statement of Financial Activities and within the related notes for both the prior and current year sufficiently disclose information of all appropriate segments and, therefore, no additional disclosure is required.

15. Comparative figures

Certain of the prior year's comparative amounts have been reclassified to conform with the presentation adopted for the current year.

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