OHQC Ontario Health Quality Council

Annual Report and Financial Statements 2006/2007

Ontario Health Quality Council
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Ontario

Table of Contents

Letter of Transmittal from Chair to Minister

September 17, 2007

Honourable George Smitherman
Minister of Health and Long-Term Care
Hepburn Block, 10th Floor
80 Grosvenor Street
Toronto ON M7A 2C4

Dear Minister:

On behalf of the Ontario Health Quality Council, I have the honour to present you with our 2006-2007 Annual Report. The report reviews the Council's performance for its first full year of operations and provides audited financial statements.

Thank you for your support for the Council's work.

Respectfully,

Raymond V. Hession
Chair

About OHQC

The Ontario Health Quality Council (OHQC), established in the 2005-2006 fiscal year, was created under the Commitment to the Future of Medicare Act, 2004. OHQC is an Operational Service Agency that reports to the Minister of Health and Long-Term Care.

Section 4 of the Commitment to the Future of Medicare Act, 2004 sets out the Council's mandate:

(a) to monitor and report to the people of Ontario on:

- (i) access to publicly funded health services,
- (ii) health human resources in publicly funded health services,
- (iii) consumer and population health status, and
- (iv) health system outcomes; and

(b) to support continuous quality improvement.

The Act requires the Council to produce a yearly report on the state of the health system in Ontario.

Vision:

A trusted, independent voice dedicated to improving the health and healthcare of all Ontarians.

Values:

Clarity
Diversity
Integrity
Relevance
Independence and Objectivity
Evidence-bound

2006-2007 Performance

Fulfilling Our Mandate

During the 2006-2007 fiscal year, the Council successfully released two reports – 2006 First Yearly Report and QMonitor: 2007 Report on Ontario's Health System.

OHQC released its first report in April 2006. The 2006 Yearly Report was developed and produced over the course of six months in the previous fiscal year.

Having a full year to develop and produce the 2007 report allowed Council to expand its research efforts. In addition to reporting on the overall performance of the health system, the 2007 report also examined:

- Chronic Disease Prevention and Management
- Access to Health Care Services for Aboriginal and Ethnocultural Communities
- Quality Improvement

The report also provided examples of best practices from across the province.

To inform its work, Council launched a year-long series of community outreach events to assess the quality of Ontario's publicly-funded health care system and receive input from the public. This also allowed Council to validate the proposed attributes of a high performing health system which were first introduced as the reporting framework in the 2006 report.

Public opinion research undertaken in the second quarter provided further evidence that the proposed nine attributes of a high-performing health system resonated with Ontarians and affirmed that the public wants their health system to be accessible, effective, safe, patient-centered, equitable, efficient, appropriately resourced, integrated, and focused on population health. [1]

As a result of our more robust research agenda, the 2007 report was enriched with additional data, charts, graphs and best practice case studies and consequently contained much more information than did the 2006 report. However, in response to feedback from focus group testing on how to make the summary more accessible to the public, the 2007 summary was reduced to half the size of the 2006 summary and included charts and a patient story. [2]

[1] Pollara Public Opinion Research, conducted July 2006.

[2] Pollara Public Opinion Research, conducted July 2006.

Achieving Results

First Report

Approximately 8 million copies of the 2006 report summary were distributed through inserts in all of Ontario's daily newspapers, community weeklies, and aboriginal and ethnic newspapers.

This first report, prepared and released in 6 months, had a positive impact:

- The report was well covered by the media, receiving approximately 100 hits on radio, television and in newspapers across the province, including prominent coverage in the Toronto Star, with a reach of 2 million.
- In the months following the website received 1,400 visits.
- Public opinion research conducted two weeks after the report's release, found awareness of the Council and its report rose from zero to seven percent. [3]

Additional public opinion research conducted in the second quarter found that:

- The number of Ontarians who had heard about the Council had risen from 7% following the release of the report to 10% three months later, while those who had heard about the Council's report grew to 13%. [4]

2007 Report

The 2007 report was publicly released at the end of the fiscal year. Five million copies of the QMonitor summary were inserted in community papers, while ads in the dailies, French weeklies and ethnic media aimed to drive people to the website to learn more about the Council and its report.

The 2007 report has had markedly greater impact:

- Media coverage was solid with reach doubling from the previous year – 140 hits with a reach of 4.4 million. To this end, in addition to covering the story, the Toronto Star dedicated a half page to the Council's opinion editorial offering on chronic disease.
- Approximately two and half months after its release, there have been 6,000 visits to the OHQC website and 2,500 copies of the 2007 QMonitor report had been downloaded.
- According to public opinion research conducted following the release, 20% of Ontarians recalled having seen or heard about the report.
- OHQC's online survey found that 85% of respondents found the report easy to read, 72% thought the report provided trustworthy information, and 79% stated they would look for the report next year.
- There is also evidence that several Local Health Integration Networks (LHINs) and other health care organizations are using the report and/or the reporting framework in support of their work. For example, the Central East LHIN gave prominence to the report's findings in launching their chronic disease initiative.

The success and resonance of the report reflects the Council's commitment to fulfill its mandate to report to Ontarians on the quality of the publicly funded health care system and support continuous quality improvement.

[3] MOHLTC omnibus survey, conducted May 8-13, 2006.
[4] Pollara Public Opinion Research, conducted August 2006.

Performance Measurement

For 2006-2007, the Council established a series of evaluation criteria to measure its communications effectiveness. On all counts, the Council exceeded the targets it had set for its own performance. The table below shows the evaluation criteria and reflects the progress the Council has made from April 2006 to March 2007.

Evaluation Criteria	April 2006	March 2007
Media coverage	100 media hits with a reach of 2.0 million people.	140 media hits with a reach over 4.4 million people.
Awareness	7% of Ontarians report having heard about the Council.	20% of Ontarians report having heard about the Council or its report.
Stakeholder Response	N/A	According to the online survey 73% of respondents thought the report was trustworthy and 81% stated they would look for it again next year.
Website Statistics	1,400 visitors during 3 months following release of report.	6,000 visitors & 2,500 copies of the reports downloaded during 2.5 months following the release of the report.

Fiscal Responsibility

After releasing its very first report in the first month of this fiscal year, OHQC used the results to focus and fine-tune its communication strategy. As a result, $1.1 million that was no longer needed was returned to the Ministry at mid-year. A further $930 thousand remained unspent and was due to the Ministry at year end. This underspend comprised of $555 thousand due to delays in hiring staff, an inducement period in the office lease, and a reduction in the planned number of community events due to time constraints. As well, $374 thousand of research funding was not spent by year end due to the processing time needed to award research contracts. The Ministry has since approved carry over of the research funds to the next fiscal year.

Looking to the Future

During the last quarter of 2006-2007, following the completion of the research for the 2007 report, Council made a strategic decision to develop and implement two programs for its reporting and research – Performance Measurement and Improving Health Outcomes.

The first program, Performance Measurement, focuses on the more robust development, maintenance, analysis and reporting on a comprehensive set of indicators for assessing and explaining how Ontario's publicly funded health system is performing in each of the nine attributes of a high-performing health system for Ontario. OHQC has developed a strategic partnership with the Institute for Clinical Evaluative Sciences for this program.

The second, Improving Health Outcomes, is a 3-year research program aimed at the following outcome – "To optimize health outcomes for all Ontarians, OHQC will focus on the degree of adoption of demonstrated best practices in a community setting, emphasizing the centrality of primary care and the importance of health promotion and chronic disease prevention and management." The research program will include public and stakeholder engagement, such that the combination of research, engagement and reporting will stimulate quality improvement. It will also introduce the application of generally accepted investment criteria to support the assessment of alternative strategies in support of continuous quality improvement.

Council Governance

Under the regulations related to the Commitment to the Future of Medicare Act, 2004, the affairs of the OHQC are governed and managed by the Council members, appointed by the Lieutenant Governor in Council, acting as the agency's board. The Deputy Minister of Health and Long-Term Care or his/her designate sits as a non-voting ex-officio member. At least one member is cross-appointed to both the OHQC and to the Health Council of Canada.

Council members

Council members were first appointed by order in Council on August 17, 2005 and announced on September 12, 2005. Appointments are for two or three year terms. Council members as of March 31, 2007:

Dr. Arlene Bierman (Toronto)
Shaun Devine (Waterloo)
Paul Genest (Ottawa), Chair, Communications Committee
Victoria Grant (Stoufville), Council Vice-Chair
Raymond V. Hession (Ottawa), Council Chair
Zulfikarali Kassamali (Toronto)
Raymond Lafleur (Hearst)
Lyn McLeod (Newmarket), Provincial Representative to Health Council of Canada
Dr. Janice Owen (Ilderton)
Laura Talbot-Allan (Kingston), Chair, Operations & Audit Committee

Governance structure in support of Council

Operations & Audit Committee:

Laura Talbot-Allan (Chair), Shaun Devine, Zulfikarali Kassamali, Raymond Lafleur

Communications Committee:

Paul Genest (Chair), Zulfikarali Kassamali, Dr. Janice Owen, Lyn McLeod

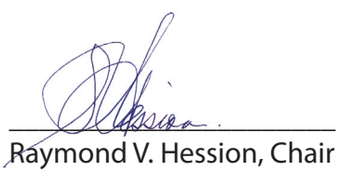
Note: The Council Chair and Vice-Chair are members of each committee (ex-officio)

Council administration

Staff structure reporting to Council and in place as at March 31, 2007:

Angie Heydon, Chief Administrative Officer
Harpreet Bassi, Communications Director
Ania Basiukiewicz, Bilingual Communications Assistant
Katya Duvalko, Research Director
Andree Mitchell, Research Analyst
Phuong Truong, Office Manager

Ontario Health Quality Council
Annual Report 2006-2007
Approved by:



Raymond V. Hession, Chair

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AUDITORS' REPORT

To the Directors of:

Ontario Health Quality Council

We have audited the statement of financial position of Ontario Health Quality Council as at March 31, 2007 and the statements of revenue and expenses, and cash flows for the year then ended. These financial statements are the responsibility of the organization'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 organization as at March 31, 2007 and the results of its operations and the changes in its cash flows for the year then ended in accordance with accounting principles described in note 2.

Oakville, Ontario
June 12, 2007

Loftus Allen & Co.
LICENSED PUBLIC ACCOUNTANTS

STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2007
(with comparative figures for 2006)

	2007	2006
ASSETS		
CURRENT		
Cash	**$1,287,701**	$1,222,262
Accounts receivable	**-**	1,208
	1,287,701	1,223,470
CAPITAL ASSETS		
Office furniture and fixtures	**19,457**	19,058
Computer and equipment	**42,020**	39,764
	61,477	58,822
Accumulated amortization	**61,477**	58,822
Net-Capital Assets	**-**	-
	$1,287,701	$1,223,470
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	**$357,834**	$754,157
Due to Ministry of Health, Note 3	**929,867**	469,313
	$1,287,701	$1,223,470

APPROVED ON BEHALF OF THE BOARD:

Laura Talbot-Allan, Director

Raymond V. Hession, Director

The attached notes are an integral part
of these financial statements

STATEMENT OF REVENUE AND EXPENSES
FOR THE YEAR ENDED MARCH 31, 2007
(with comparative figures for 106 days ended March 31, 2006)

	2007	2006
REVENUE		
Ministry of Health	**$5,131,360**	$1,383,810
Interest	**69,734**	5,437
	5,201,094	1,389,247
ADMINISTRATION EXPENSES		
Salaries and benefits	**575,182**	95,215
Council Honoraria	**71,043**	44,854
Rent	**49,502**	-
Travel	**29,641**	22,389
Legal and audit	**16,884**	4,200
Office supplies, postage, courier and printing	**15,512**	23,148
Financial services	**15,449**	2,538
Computer expenses	**10,299**	39,553
Telecommunications	**8,347**	14,481
Publications and memberships	**7,356**	2,662
Human resources services	**6,463**	2,020
Insurance	**5,247**	5,097
Office equipment	**399**	19,058
	811,324	275,215
RESEARCH	**400,233**	196,615
COMMUNICATIONS		
General communications and web	**296,343**	413,117
Community outreach	**123,660**	34,987
Report dissemination	**1,539,667**	-
	1,959,670	448,104
TOTAL EXPENSES	**3,171,227**	919,934
	2,029,867	941,143
REDUCTION IN MINISTRY OF HEALTH FUNDING	**1,100,000**	-
EXCESS OF REVENUE OVER EXPENSES, Note 3	**$929,867**	$469,313

The attached notes are an integral part
of these financial statements

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2007
(with comparative figures for 106 days ended March 31, 2006)

	2007	2006
CASH FROM (USED IN) OPERATING ACTIVITIES		
Cash received from MOH	**$3,561,946**	$1,383,810
Cash from interest	**69,734**	5,437
Cash paid for administration	**(1,115,028)**	(83,080)
Cash paid for research	**(491,543)**	(83,905)
Cash paid for communications	**(1,959,670)**	-
INCREASE IN CASH	**65,439**	1,222,262
CASH , beginning of period	**1,222,262**	-
CASH , end of period	**$1,287,701**	$1,222,262

The attached notes are an integral part
of these financial statements

1. THE ORGANIZATION

The Ontario Health Quality Council is an independent agency, created under Ontario's Commitment to the Future of Medicare Act on September 12, 2005. Their role is to enhance accountability to Ontarians by independently and objectively reporting on the quality of the health system and to help Ontarians better understand its underlying factors.

Their vision is to be "trusted, independent voice dedicated to improving the health and healthcare of all Ontarians."

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) General

The financial statements are prepared in accordance with generally accepted accounting principles except for capital assets which are amortized 100% in the year of acquisition. This policy is in accordance with the accounting policies outlined in the Ontario Ministry of Health funding guidelines.

(b) Revenue recognition

The deferral method of accounting is used. Income is recognized as income as the funded expenditures are incurred.

(c) Donated materials and services

Value for donated materials and services by voluntary workers has not been recorded in the financial statements. These services are not normally purchased by the organization and their fair value is difficult to determine.

(d) Capital assets

Capital assets purchased with government funding are amortized 100% in the year of acquisition in accordance with funding guidelines.

During the initial months of operations furniture and fixtures totaling approximately $28,900 and leasehold improvements totaling approximately $138,900 were purchased directly by the Ministry of Health and Long Term Care on behalf of the Ontario Health Quality Council. These assets are on loan from the Ministry and are not reflected in the balance sheet. These assets cannot be disposed of without Ministry approval and are the property of the Ministry and not Ontario Health Quality Council.

3. DUE TO MINISTRY OF HEALTH AND LONG TERM CARE

Excess revenue over expenses must be repaid to the Ministry of Health and Long-Term Care unless specific carry over authorization is provided for all or part of the funds.

4. LEASE OBLIGATIONS

The Council is obliged under a long-term property lease which commenced October 1, 2005 and expires September 30, 2010. The first ten months of the lease was rent free. Payments of $5,417 and administrative fees began August 1, 2006. The landlord invoices Ontario Realty Corporation (ORC) as the tenant and ORC charges the Council rent. There is no formal lease between ORC and the Council. Annual payments under the lease include estimated rent of $67,000. The annual total of rental premises and other obligations during the next five years of the lease are estimated as follows:

	Property	Office Equipment
2008	$67,000	$4,828
2009	$67,000	$5,689
2010	$67,000	$5,297
2011	$33,500	$862
2012	$ -	$862

5. ECONOMIC DEPENDENCE

The Council receives all their funding from the Ministry of Health and Long Term Care.

6. FINANCIAL INSTRUMENTS

Fair value

The carrying value of accounts receivable and accounts payable are substantially the same as their fair value.

SCHEDULE OF REVENUE, EXPENSES AND BUDGET
FOR THE YEAR ENDED MARCH 31, 2007

	ACTUAL	BUDGET
REVENUE		
Ministry of Health	**$5,131,360**	**$5,131,360**
Interest	**69,734**	**-**
	5,201,094	**5,131,360**
ADMINISTRATION EXPENSES	**811,324**	**974,780**
RESEARCH	**400,233**	**810,000**
COMMUNICATIONS	**1,959,670**	**3,346,580**
TOTAL EXPENSES	**3,171,227**	**5,131,360**
EXCESS OF REVENUE OVER EXPENSES	**2,029,867**	**-**
REDUCTION IN MINISTRY OF HEALTH FUNDING	**1,100,000**	**-**
DUE TO MINISTRY OF HEALTH	**$929,867**	**$ -**

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