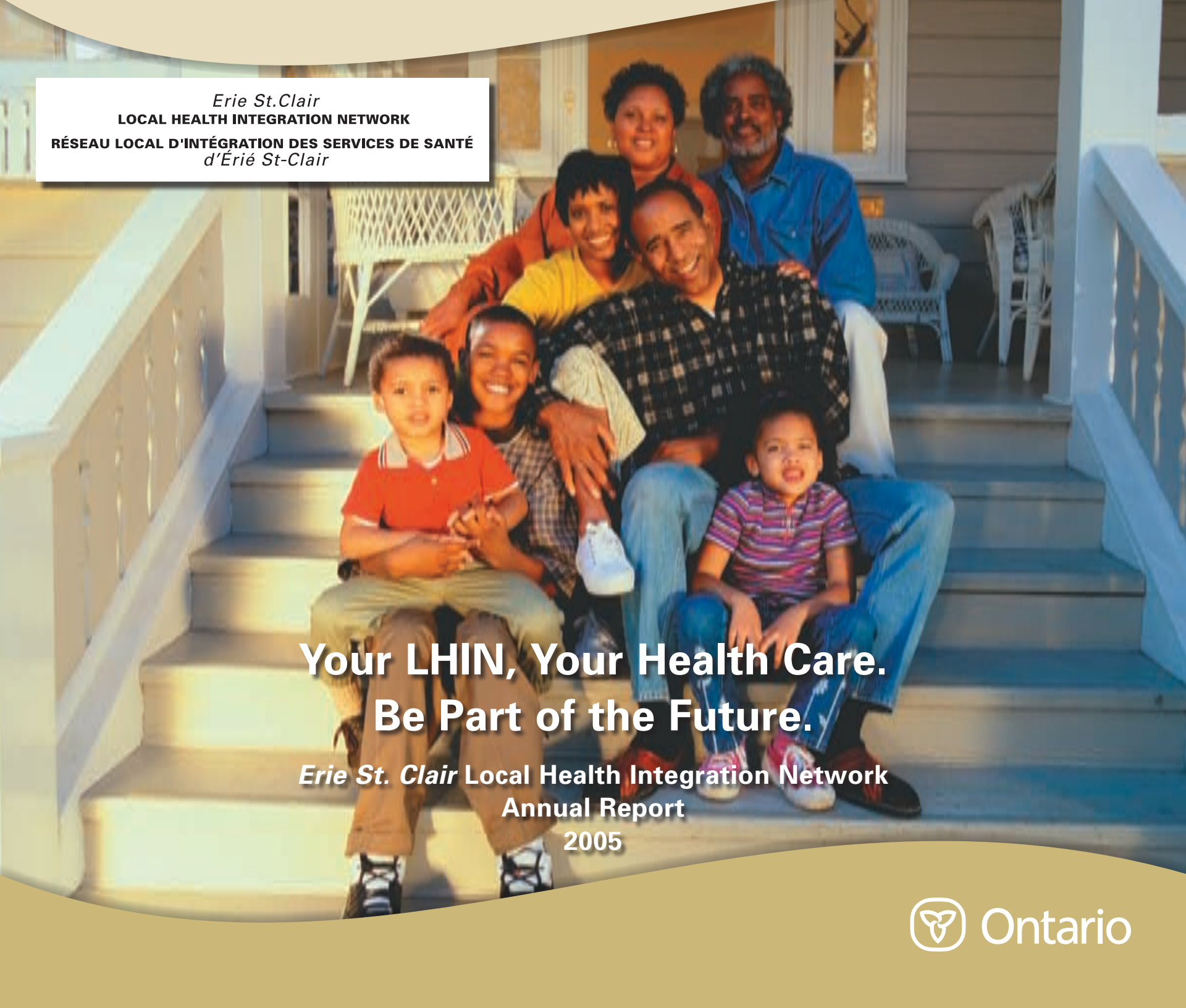

Erie St.Clair
LOCAL HEALTH INTEGRATION NETWORK
RÉSEAU LOCAL D'INTÉGRATION DES SERVICES DE SANTÉ
d'Érié St-Clair

Your LHIN, Your Health Care. Be Part of the Future.

Erie St. Clair **Local Health Integration Network**
Annual Report
2005

Ontario

Our vision for health care in Erie St. Clair:

A health care system that helps people stay healthy, delivers good care to them when they get sick, and will be there for their children and grandchildren.

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Welcome to the Erie St. Clair Local Health Integration Network

Introducing Local Health Integration Networks

Local Health Integration Networks (LHINs) are not-for-profit organizations designed to plan, integrate and fund local health services within specific geographic areas. There are 14 LHINs across the province. They were created as recognition that a community's health needs and priorities are best understood by people familiar with the needs of that community and the people who live there, not from offices hundreds of kilometres away.

LHINs are an important part of the evolution of health care in Ontario from a collection of services that are often un-coordinated to a true health care system.

Why Were They Created?

LHINs were created to fix the piecemeal way Ontario's health care system was organized. The goal is to create local links between health care services and health care providers, to make it easier for patients and their loved ones to find their way through a very complex health system as they move from one health service provider to another. LHINs are changing the way our health care system is managed.

What Will LHINs Do?

LHINs will manage health services that are delivered in hospitals, long-term care homes, community health centres, community support services, Community Care Access Centres and community mental health and addictions agencies.

LHINs are based on a principle that community-based care is best planned, coordinated and funded in an integrated manner within the local community because local people are best able to determine their health service needs and priorities. LHINs will determine the health service priorities required in their local community and will work with local health providers and community members to develop an integrated health service plan for their local area. They will eventually be responsible for funding and ensuring accountability of local health service providers.

While LHINs will not directly provide services, the government is giving them the mandate for planning, integrating and funding health care services. LHINs will oversee nearly two-thirds of the health care budget in Ontario – nearly $21 billion. They have been specifically mandated to engage people and providers in their communities about their needs and priorities. As LHIN roles evolve over the next few years, the immediate benefits will be unprecedented opportunities for community input into health care planning. In the years to come, we expect to see better access to patient care.

Benefits of LHINs

Health care choices by the community, for the community

Under LHINs, people closer to what is really going on will identify community health care priorities at the local level.

We're all in this together

The health care system belongs to the people of Ontario; they're the ones who depend on it and who pay for it. LHINs will, for the first time, involve Ontarians in the health care conversation, giving them a chance to participate in decisions about the health care system in their communities.

Transparency, accountability and responsibility

LHINs will ensure that health care dollars are spent in the most efficient and effective way possible, yielding the best results possible. Accountability agreements between health care providers and LHINs, and between LHINs and government, will ensure the responsible use of precious health care resources, and the sustainability of the health care system for generations to come.

A system with patients at the centre

The health care system has not always been an easy one to figure out. LHINs will change that, breaking down the barriers that patients face and ensuring that decisions are made in the interests of patient care.

For more information about LHINs, including frequently asked questions, visit the LHINs' web site at ***www.lhins.on.ca***

Introducing the Erie St. Clair Local Health Integration Network

The creation of 14 Local Health Integration Networks (LHINs) on June 28, 2005 was an important milestone in Ontario's health care system. The Ontario government established the LHINs with a specific goal: to ensure Ontarians continue to receive quality care close to home when they need it.

As we've been out in the region meeting with members of our communities over the past seven months, we have clearly heard what people want, and expect, from their health care system. We will not lose sight of the fact that the health care system is about them—it will be patient-focused. Every decision we make will centre on improving the health care system for the residents of Erie St. Clair.

Our vision for health care in Erie St. Clair is simple: A health care system that helps people stay healthy, delivers good care to them when they get sick, and will be there for their children and grandchildren.

Our mandate is to find ways to improve access to coordinated, quality health care for the people of Erie St. Clair. We will do so by working closely with local health care providers and the public, to develop and implement local plans and priorities for improved health care in our region.

Integration is the key. Our plans will focus on finding ways to integrate services. This is the only way to truly meet the health care needs of our residents.

There are good examples of integration already underway in Erie St. Clair. For example, the Ontario Stroke Strategy is one integration success with benefits for Erie St. Clair. Coordinated stroke care is offered through District Stroke Centres and Secondary Prevention clinics in Windsor and Chatham. A District Stroke Centre offers stroke care in Sarnia and a Secondary Prevention clinic is planned for the community. These sites share knowledge and expertise, and the area is also linked to academic expertise at London Health Sciences Centre.

This is the kind of integration success we're looking for in all segments of our health care system.

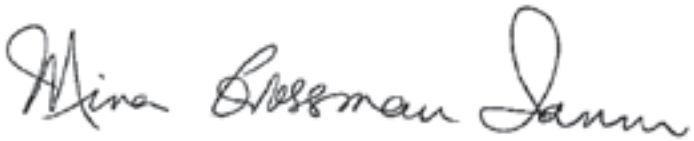
Message from the Chair

On behalf of the Board of Directors, I am very pleased to report on the activities of the Erie St. Clair Local Health Integration Network (LHIN) during its first seven months of operation, from August 2005 to March 31, 2006.

The board has been very active over the past seven months in learning about the health care needs of the people of Erie St. Clair and the health care services in the region. We have worked very closely with Gary Switzer, Chief Executive Officer, and the staff of the LHIN to set the course for the coming year. In addition, we have been very active in talking about the work of our Local Health Integration Network through speaking engagements, media interviews, editorial boards and call-in shows. A key priority will be to engage health care providers and members of the community as we develop our Integrated Health Service Plan for the LHIN.

This LHIN is also very conscious of its role in various provincial initiatives. We are members of a provincial team whose purpose is to share best practices across Ontario and contribute our expertise for the greater good. As such, I have been privileged as Chair to participate in various working groups such as the Francophone regulation group and the Strategic Communication Committee.

On behalf of the board, I would like to thank the community members and health care providers who participated in LHIN activities during our initial start-up phase. Your input and commitment to the region's health care system have been greatly appreciated. Over the next year, we will continue to seek your input as we move ahead with our efforts to further strengthen the integration of health care service delivery in Erie St. Clair.



Mina Grossman-Ianni
Chair, Board of Directors

Message from the CEO

I have been proud to serve as the inaugural Chief Executive Officer of the Erie St. Clair Local Health Integration Network (LHIN). The first year of our mandate has been a busy and successful one, as we continue to lay the groundwork for a new way of delivering the best possible health care services to the people of Erie St. Clair.

One of our first orders of business was to get out from behind our desks and meet health care providers, system users and members of the community. Since August 2005, we have held numerous "meet and greets" throughout the three counties in our LHIN. Our events were well attended and indicate how engaged our communities will be in terms of the future planning and delivering of health care services to the people of Erie St. Clair.

Community engagement—hearing from you on how best to shape health care in our region—will continue to be a priority for the LHIN throughout 2006 as we develop our Integrated Health Service Plan. We have prepared *Health Care Matters*, the strategy for engaging our community.

Another highlight during our first year was the opening of our office in Chatham. While we find ourselves traveling throughout the region on a regular basis, we are pleased to make Chatham our "home base."

I am thrilled to have been joined on staff by a team of dedicated and talented people. In the past seven months, we've hired two senior directors, an office manager and an executive assistant. We will continue to add new staff members throughout 2006.

The coming year will be an exciting and productive one for the Erie St. Clair LHIN. We will reach our first anniversary, June 28, 2006, having accomplished a great deal. But we still have much more to do. Throughout the coming year there will be a number of opportunities for you to participate in helping us to shape health care delivery in Erie St. Clair. We look forward to your participation.

Let's make it happen!

Gary Switzer
Chief Executive Officer

Erie St. Clair Local Health Integration Network Board of Directors

Chair

Mina Grossman-Ianni

Windsor

Term of appointment:
June 1, 2005 to May 31, 2008

Mina Grossman-Ianni is director of development for the Windsor Symphony Orchestra. From 1985 to1998, she was head of radio and television for the South Western Ontario division of the French Canadian Broadcasting Corporation (CBC). From 1995 to 1996, she was director of radio with the French CBC. During the 1970s, she was a broadcast journalist for radio and television, mainly with CBC and Radio-Canada. Grossman-Ianni is very active in the community, having served as a member of the Board of Directors of the Canadian College of Family Physicians and the Board of Directors of the National Gallery of Canada.

Vice Chair

David Wright

Forest

Term of appointment:
June 1, 2005 to May 31, 2008 (Member)
May 17, 2006 to May 31, 2008 (Vice Chair)

David Wright is a former executive director of St. Clair Child & Youth Services, a children's mental health agency serving the children, youth and families of Sarnia and Lambton County. From 1978 to 1999, he served as the executive director of Sertoma Child & Youth Centre. Wright is a past board member and president of Children's Mental Health Ontario and served as a member on the Children's Services Restructuring Committee. Wright received his Master of Public Administration degree from Queen's University in 1996.

Member

Douglas Cozad

Windsor

Term of appointment:
May 17, 2006 to June 16, 2007

Douglas Cozad is a pharmacist and has served as president and CEO of Health Smart Drug Stores Ltd. for the past eight years. Cozad currently serves as chair of the Easter Seals Great Southwest Telethon Committee and until recently was a board member for the Windsor Regional Hospital Foundation and of the Canadian Mental Health Association Windsor Essex-County Branch. Cozad has also served as chair of several community organizations, including Sandwich Community Health Centre, Windsor Western Hospital Corporation and Windsor Regional Hospital Corporation.

Member

Michael Hurry

Sarnia

Term of appointment:
January 5, 2006 to February 4, 2007

Michael Hurry has been executive director of Big Brothers of Sarnia-Lambton since 1980. From 1977 to 1980, he was caseworker for Big Brothers of Sarnia-Lambton and prior to this, from 1975 to 1977, he was youth worker at Huron House Boys Home where he supervised 24 boys in a residential setting. Hurry is currently chairperson for the Residential Placement Advisory Committee, which reviews placements of children in residential care. He is president of Big Brothers Big Sisters Ontario Executive Directors Association, a member of the Rotary Club of Sarnia, and a member of the Sarnia Community Foundation Grant Review Committee.

Member

Mary Kwong Lee

Chatham

Term of appointment:
June 1, 2005 to May 31, 2008

Mary Kwong Lee served on the Chatham City Council from 1985 to 1994. She spent most of her professional career as a nurse, including being head nurse in charge of neurosurgery at Vancouver General Hospital. She was the first nurse from an Ontario hospital to train as an environmental infection control officer, becoming an environmental/infection control nurse at Public General Hospital in Chatham from 1969 to 1985. Kwong Lee has performed volunteer work for many community organizations, including the Children's Aid Society, Chatham Public Library and the Multicultural Council.

Member

Leland J. Martin

Petrolia

Term of appointment:
January 5, 2006 to January 4, 2008

Leland Martin was the principal in The Leland Group, a Consulting Agrologist firm. This followed his retirement from Dow Chemical Canada, Inc. as senior agricultural research scientist. His current community activities include participation with International Symphony Singers, and Lambton Elderly Outreach where he has volunteered for several years. He served for three years as a board member with the Lambton Hospitals Group and one year with the reorganized Bluewater Health Board. Martin was a member of the Agricultural Institute of Canada, Professional Agrologists of Ontario and the Canadian Consulting Agrologists Association. In February 2001, Martin received the OHA Certificate of Distinction in Effective Health Care Governance, and in November 2003, he received the OHA Level 1 Credential in Health Care Governance through the Health Care Trustee Institute.

Member

Gary Parent

LaSalle

Term of appointment:
May 17, 2006 to May 16, 2008

Gary Parent has worked for Daimler-Chrysler Canada since 1965. He is the financial secretary of CAW Local 444 and the president of the Windsor and District Labour Council. Parent is a member of the Ontario Federation of Labour and the Canadian Labour Congress. He is very active in the community having served as a member of the Windsor-Essex County Long Term Care Strategic Planning Committee, the Mayor's Committee on Services for the Unemployed and the Windsor/Essex Committee on Physician Recruitment. He also served on the board of the United Way for Windsor-Essex County, was a member of the board of governors of the University of Windsor and was co-chair of the committee to bring a medical school to the University of Windsor, as well as many other boards in the Windsor/Essex community. Parent holds a Doctor of Law from the University of Windsor and an honorary diploma from St. Clair College.

Member

Howard R. Pawley

Windsor

Term of appointment:
May 17, 2006 to June 16, 2007

Honourable Howard R. Pawley served as member of the Manitoba Legislature for Selkirk, Minister of Municipal Affairs, Attorney General, Leader of the Official Opposition and Premier. Pawley has been adjunct professor of political science at the University of Windsor since 2000, was associate professor of political science at the University of Windsor from 1990-2000 and The Paul Martin professor in political science and law from 1993-98. Pawley currently serves on the Public Interest Advocacy Centre Board and is a vice-president of the Canadian Civil Liberties Association. In addition, Pawley serves as president of the Harry Crowe Foundation and vice-president of the Canadian Broadcast Standards Council. He is a former honorary member of the Board of Directors of the Windsor-Essex Alzheimer Society.

Member

Paul Rietdyk

Chatham

Term of appointment:
May 17, 2006 to May 16, 2008

Paul Rietdyk has been the director of distributions operations for Union Gas Limited since 2004. Rietdyk has worked with many local community agencies in the Windsor, Chatham and Hamilton areas and has served on several provincial and national gas industry association committees. Rietdyk is currently the chair of the Technical Standards and Safety Authority (TSSA), Natural Gas Advisory Council, founding member of the Ontario Regional Common Ground Alliance and member of the Canadian Gas Association Standing Committee on Operations.

Local Health System Integration Act, 2006

The Local Health System Integration Act, 2006 was introduced on November 24, 2005 and received Royal Assent on March 28, 2006. The purpose of the Act is to provide for an integrated health system to improve the health of Ontarians through better access to high quality health services, co-coordinated health care and effective and efficient management of the health system at the local level by Local Health Integration Networks.

The Act establishes 14 Local Health Integration Networks (LHINs) as Crown Agencies of the Ministry of Health and Long-Term Care. It gives LHINs the power to plan, co-ordinate and fund health care providers (hospitals, long-term care homes, community support services, community health centres, Community Care Access Centres and community mental health and addictions agencies) in their specified geographic areas. It sets out the corporate organization of the LHINs, the powers of the LHIN Boards of Directors, and requires the LHINs to have an accountability agreement with the Minister of Health and Long-Term Care.

The Act provides the legislative framework for creating a health system in Ontario that is:

- Community-based: engages the local community about needs and priorities
- Based on Partnerships: system partners are Minister, Ministry, LHINs and service providers
- Forward Looking: emphasis on planning and priority setting
- Efficient: effective allocation of funding to achieve priorities
- Accountable: clearly defined expectations and measurement of achievement; monitoring and public reporting provide checks and balances in system
- Integrated: coordinated health care with focus on client needs

The Act sets out certain requirements and authorities for the Ministry and the LHINs in the areas of planning, community engagement, funding, accountability and integration.

Planning and Community Engagement:

The Minister must develop a provincial strategic plan for the health system and make the plan public. Each LHIN is required to engage their community and Aboriginal and French Language local planning entities to develop an Integrated Health Service Plan for their local health system. Community is broadly defined in the Act and includes patients and others, health service providers, and employees. The Act identifies some of the methods LHINs would use to engage their community, including community meetings, focus groups, and advisory committees.

Funding and Accountability:

The Minister determines each LHIN's funding and enters into an accountability agreement that sets out performance goals and standards, reporting requirements, a spending plan, and a performance management process.

The Act ensures that people can access care outside of the LHIN in which they live. The LHIN boundaries do not restrict people in any way.

When the LHINs have funding authority, they will enter into service accountability agreements with health care providers to deliver health services in their local communities, in accordance with the LHIN's accountability agreement with the Minister.

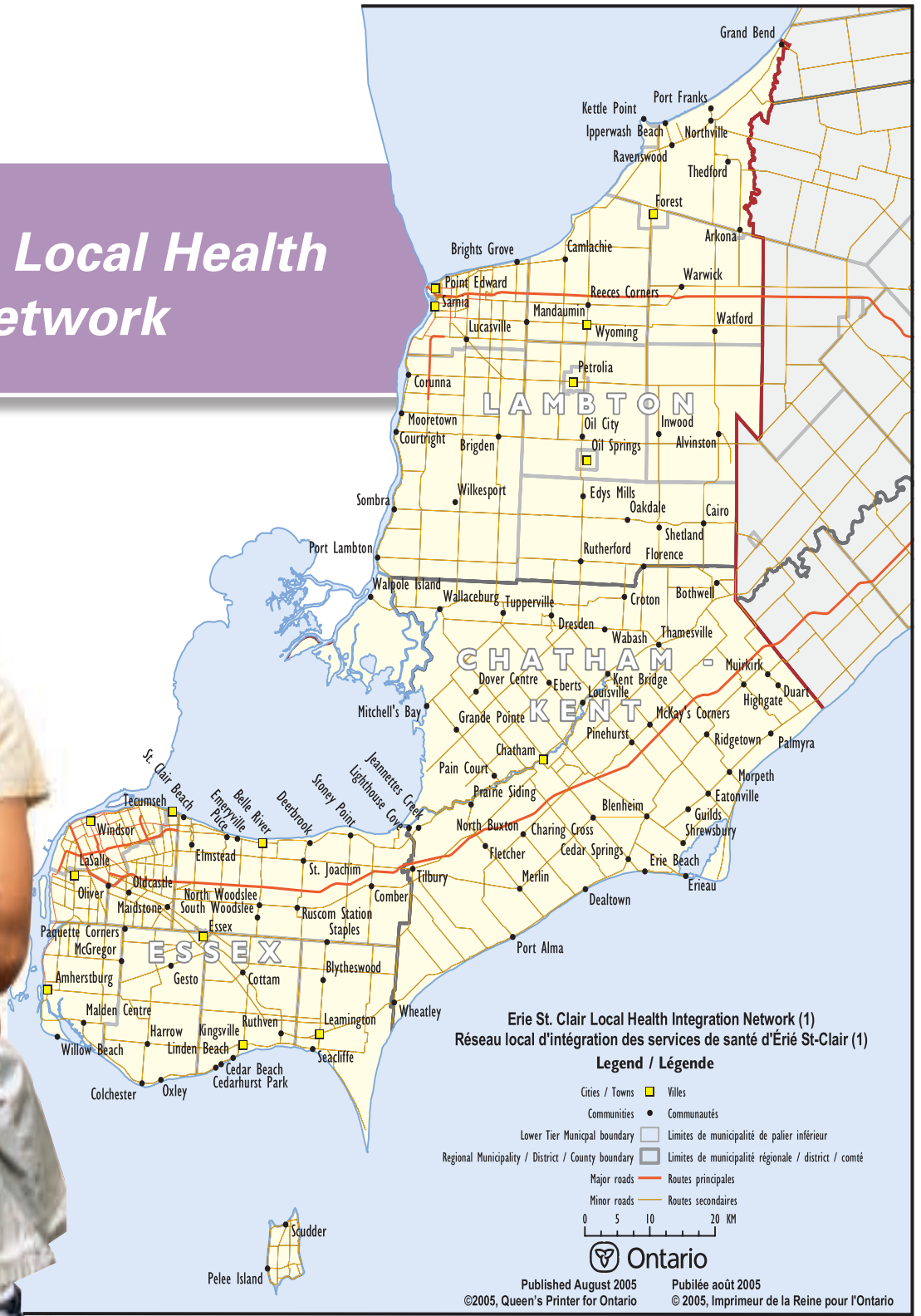
Integration:

To enable a coordinated health system, LHINs may facilitate integration discussions between health care providers. (e.g. transfer services to another location or provider, start or stop providing a service or change the amount of a service) LHINs will also have the power to require integration where they believe it is in the public interest. The Act also includes mechanisms to protect employees when services are integrated.

All parts of the Act have not been proclaimed in force. A full copy of the legislation is available on

e-laws at www.e-laws.gov.on.ca.

About Erie St. Clair Local Health Integration Network



Unique Features of Erie St. Clair Local Health Integration

Our Geography and Population

The Erie St. Clair LHIN is in the far southwest corner of Ontario surrounded by the Great Lakes and the associated rivers, and bordered by the United States to the west. This may contribute to a sense of geographic and cultural isolation from the rest of Ontario and will influence perceptions of acceptable access to health care services. Essex and Lambton residents were more likely to report that they had unmet health care needs relative to Ontario.

- Essex had the highest growth rate (7% 1996 to 2001) in the Southwest, almost twice the rate of Middlesex and three times that for Ontario excluding the Greater Toronto Area. Much of this growth is due to migration within Canada and immigration, particularly from China, Iraq, United States, Romania and Pakistan. Recent immigrants will have significantly different health care needs and may experience significant barriers in access.
- Chatham-Kent and Lambton have declining populations, primarily due to migration of residents to other areas. Essex and Chatham-Kent are designated French Language Service areas.
- Essex is a slightly younger population while Chatham-Kent and Lambton populations are older than the provincial median age.
- The percentage of Aboriginal people in the Erie St. Clair LHIN is higher than in the province overall. Health status characteristics and non-medical health determinants differ from the non-Aboriginal population: for example, infant mortality, unintentional injury and deaths, suicides and smoking rates.
- The district has fewer individuals with low-income status, but also has lower levels of education relative to Ontario as a whole. Essex has lower unemployment and higher median income relative to Ontario, while Chatham-Kent and Lambton have lower median income and Chatham-Kent has somewhat higher unemployment relative to provincial totals.
- The leading employment category is manufacturing. There is growing evidence of the negative impact of shift work on health status. Chatham-Kent and Lambton have larger proportions of farmers relative to Ontario as a whole. There is some evidence that rural residents and farmers have more conservative patterns of health care use, which may explain some differences in health status and health care utilization.

Our Health Status

Life expectancy among males and females in Erie St. Clair is significantly lower than life expectancy for Ontario overall.

- The all-cause standardized mortality ratio for Essex is 7% higher than the Ontario average and Essex residents have significantly higher rates of death for ischemic heart disease, hypertensive disease, diseases of the arteries, arterioles and capillaries, digestive diseases, and liver disease.
- The all-cause standard mortality ratio for Chatham-Kent is 19% higher than Ontario and residents had significantly higher standard mortality rates for most leading causes including cancers, diabetes, ischemic heart disease, stroke, chronic obstructive pulmonary disease, digestive diseases, liver disease, congenital anomalies, genitourinary disease and arthropathies.
- The all-cause standard mortality rate for Lambton is comparable to Ontario; however residents have significantly higher standard mortality rates for stroke, ischemic heart disease, hypertensive disease and diseases of the arteries, arterioles and capillaries.
- Despite reports to the contrary, the local rates of cancer incidence and mortality are not dramatically different than the Ontario average; however, there are specific cancer types that are problematic. Males across the district have higher incidence and mortality due to lung cancer and incidence is also significantly higher among Essex and Lambton females and mortality are higher among Essex females. Pancreatic cancer incidence and mortality is somewhat higher for Essex and Chatham-Kent residents. Chatham-Kent and Lambton males have significantly higher average cancer incidence, which can be attributed to higher rates of screening for certain cancers. Essex and Chatham-Kent males have elevated average mortality due to cancer which may be attributed to higher rates of incidence of cancers with poor prognosis.

- Heavy industrialization in Windsor and Essex County and on the other side of the border in the United States, along with, hot and sunny summers, exposes area residents to poor air quality levels. In April 2002, the Clean Air section of Environment Canada's website stated, "The summer smog capital of Canada is Windsor, and it averages more than 30 smog advisory days a year." Numerous studies have linked particulate matter (PM) to aggravated cardiac and respiratory (heart and lung) diseases such as asthma, bronchitis and emphysema and to various forms of heart disease. Children and the elderly, as well as people with respiratory disorders such as asthma, are particularly susceptible to health effects caused by particulate matter.
- Residents of Erie St. Clair are significantly less likely than Ontarians overall to rate their health as "Excellent" or "Very Good." One in four residents report being limited in their activities because of a physical or mental condition or health problem which has lasted or is expected to last longer than six months.

Health Practices and Preventative Care

- Relative to the province, those in Erie St. Clair are significantly more likely to be overweight/obese, and less likely to consume an adequate amount of fruits and vegetables.
- Based on Body Mass Index, 35.9% of the adult population of Erie St. Clair is considered overweight and 17.0% are obese.
- Erie St. Clair residents are significantly less likely to report that they have a lot of life stress.
- Mammography and flu shot rates for Erie St. Clair are among the highest in the province, but the use of Pap smears (for cervical cancer screening) among women in Erie St. Clair is the lowest in the province. Early detection of cervical cancer improves chances of survival.

Our Integration Priorities

On November 22, 2004, the Ministry of Health and Long Term Care held a one-day Community Workshop entitled Local Health Integration Networks, Building a True System in Chatham for the Erie St. Clair LHIN. Approximately 150 attended representing the full spectrum of health care providers.

The objective of the workshop was the kick-off of the planning process for integration of services within the LHIN. The objective founded on the premise that: services are fragmented and misaligned; services lack coordination and consistency; misalignment of funding and incentives among providers hinders system integration and efficiency across the continuum of care; there are no community-based strategic plans for delivery of health services; a backdrop for collaborative inter-organizational planning does not exist; and, Ontario health care providers have never been more willing to work together, as demonstrated by the number of integration activities currently underway.

The following priorities were identified:

Patient Care/Services:

- Improving Health Care and the Quality of Life for Seniors
- Health Sector Information and Referral Services
- Integration of Children and Adult Mental Health Services
- Cancer Integration Across the Continuum
- Enhancing Integrated Pathways across the Health Care Continuum
- Improving Access to Primary Care
- Development of Erie St. Clair Women's Health Network

Administrative Support Services:

- Integrated Back Office, including IT
- Integrated Health Record
- Local Governance Model
- Integration of Mental Health and Addictions across the Continuum of Care, including Primary Care, Long Term Care and Chronic Disease Management

The Erie St. Clair Local Health Integration Network:
The Year in Review

Our first seven months were marked by a number of milestones that will ultimately help us achieve our goals as outlined above. We are pleased to report on our success during this initial "start up" phase. Highlights include:

- Recruiting our Chief Executive Officer, two Senior Directors, contract Office Manager and Executive Assistant;
- Identifying three community representatives for the Board;
- Participating in orientation and education sessions for board members and staff;
- Presenting to, and meeting with, over 200 local health provider networks, associations, community groups and stakeholder agencies;
- Developing *Health Care Matters*, our approach to community engagement;
- Initial development work on our Integrated Health Service Plan;
- Signing an "E-Health memorandum of understanding" with all hospitals and Community Care Access Centres in the Erie St. Clair LHIN;
- Opening the Erie St. Clair LHIN office in Chatham; and
- Completing our fiscal plan for 2005/06 under budget.

Erie St. Clair LHIN's performance objectives were established in Schedule "A" of its Performance Agreement with the Ministry of Health and Long-Term Care. Two main objectives were set. The first was to establish LHIN governance policies, practices and relationships. The second was implementation of LHIN functions.

1. Establish LHIN governance policies, practices and relationships

A. Identify three community board members

The Erie St. Clair LHIN created a nomination committee consisting of the Board Chair, one director and three members of the community.

Last September, three public information sessions were held, in Windsor, Sarnia and Chatham, to discuss these board positions with interested members of the community. The events attracted over 100 community members. As a result, we received 47 applications for the three community-based board positions.

Based on this pool of applicants, the nomination committee interviewed seven candidates and recommended six candidates to the LHIN board for their consideration. On November 25, 2005, the board recommended three finalists to the Minister of Health and Long Term Care for consideration.

B. Establish CEO Performance Objectives

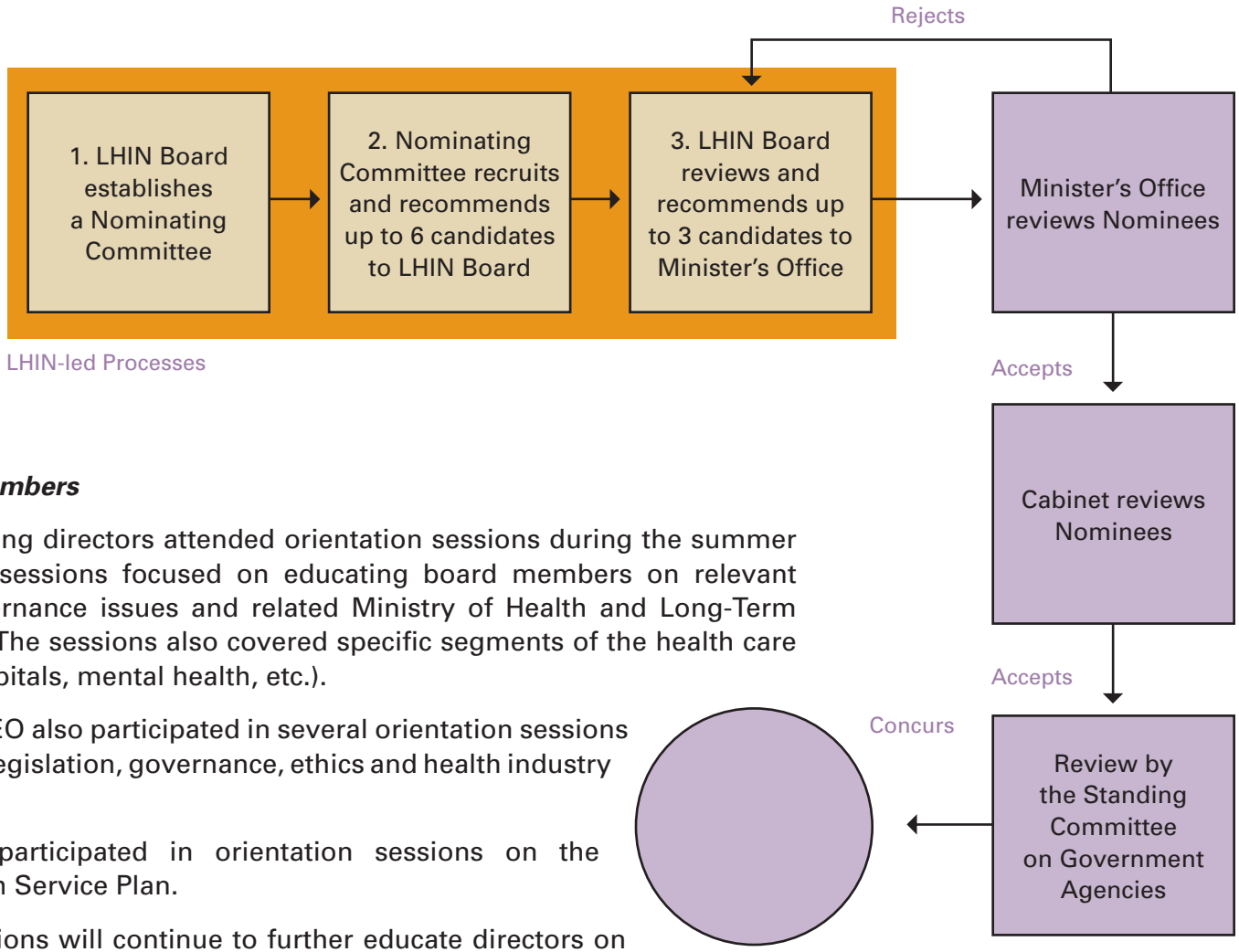
Schedule "A" of the Performance Agreement identified the performance objectives for the CEO for the first seven months.

A working group of two LHIN Chairs and two LHIN CEOs developed the framework for CEO performance goal setting and measurement. This performance evaluation document was used for the CEO performance review.

C. Develop a process to establish board structure

In June 2006, the Ministry of Health and Long-Term Care was in the process of preparing regulations to guide the development of board committees.

Overview of the community-based board nomination process



D. Orient board members

The three founding directors attended orientation sessions during the summer of 2005. These sessions focused on educating board members on relevant legislation, governance issues and related Ministry of Health and Long-Term Care initiatives. The sessions also covered specific segments of the health care system (i.e., hospitals, mental health, etc.).

The Chair and CEO also participated in several orientation sessions regarding LHIN legislation, governance, ethics and health industry education.

Directors also participated in orientation sessions on the Integrated Health Service Plan.

Orientation sessions will continue to further educate directors on governance and health care sector issues.

2. Implementation of LHIN Functions

A. Develop strategic relationships

The Erie St. Clair LHIN leadership team has participated in over 200 meetings, forums, workshops and provider Board meetings during the past seven months. In total, they've met with more than 2,000 individuals to create awareness and to introduce the Erie St. Clair LHIN mandate.

The Chair and CEO have been invited to participate in hospital strategic planning sessions, executive recruitment for Cancer Care Ontario, management team meetings for providers, and numerous health networks at the LHIN level as well as the provincial level.

This is an ongoing effort that will continue throughout 2006 as outlined in our Community Engagement Strategy, *Health Care Matters*.

B. Develop a community engagement strategy

The Board and senior staff worked throughout late 2005 on developing the Erie St. Clair LHIN's community engagement strategy, entitled *Health Care Matters*. The Board approved the strategy in January 2006.

The phrase "*health care matters*" is inspirational to us and we hope it will be inspirational to stakeholders and partners as well. The phrase defines our mandate and will be used in all future engagement and communication activities.

We will distribute the *Health Care Matters* publication to over 500 service providers, elected officials and the public.

C. Integrate priority report

In 2004, the Ministry of Health and Long-Term Care asked a committee of local health and community leaders, the Priority Planning Committee, to report on local health care "priority issues." The Erie St. Clair LHIN Chair and CEO received a copy of the Priority Report during their initial orientation in June 2005.

Subsequently, the CEO, Senior Directors, Chair and Board members met with the Priority Planning Committee to understand the process used to develop the report and the Committee's findings.

We solicited feedback on the Committee's findings during our round table meetings with community members and stakeholders throughout the year. This feedback helped to shape the final priorities to be identified in our Integrated Health Service Plan, which the LHIN will submit to the Ministry of Health and Long-Term Care in the fall of 2006.

Operational Start-Up

Once the policy framework was established by the Ontario government and Local Health Integration Networks (LHINs) were chosen as the model for integration in this province, it was time to launch LHINs as 14 corporations. In June 2005, 14 news conferences were held across the province to publicly announce the 14 LHINs chairs, 42 founding board members and 14 CEOs.

CEOs began work in August 2005 and worked alongside the board chairs to start getting to know the communities they serve. That summer LHIN leaders hosted 37 "meet and greet" sessions across the province with 1,500 leaders of health care organizations.

14 offices were set up across the province. To ensure cost-effective and efficient operations, LHINs established a common administration process and have retained a company, CGI, to deliver payroll, financial and human resource services for the LHINs.

By the fall of 2005, all LHIN offices were open and ready for business. Four staff members were recruited for each LHIN and by January 2006, each LHIN had two senior directors, an executive assistant and an office manager in place. Additional staff will be recruited in the near future.

A business operations manual was created to provide basic policies and procedures related to LHIN business operations. This included government directives that LHINs must comply with, a summary of legislative requirements that govern LHIN practices and standard practices required by the ministry for all LHINs.

Starting in the summer of 2005 and continuing throughout the year, extensive orientation sessions were held for the founding LHIN board members and staff. As part of their professional development, LHINs and the ministry hosted several "think tanks" on topics such as funding models, planning, corporate governance, ethics and a framework for ethical decision making. Discussion forums were held to discuss such issues as physicians and LHINs and LHIN cross-boundary issues in the community sector.

Accountability agreements between each LHIN and the ministry were developed for the years 2005/06 and 2006/07, setting out the key activities that the LHINs are responsible for. LHINs received templates and guidelines for filing quarterly reports to the ministry.

Governance

The Erie St. Clair LHIN board completed a number of governance requirements in its first year.

Board orientation activities

The three founding directors attended orientation sessions during the summer of 2005. These sessions focused on educating board members on relevant legislation, governance issues and related Ministry of Health and Long-Term Care initiatives.

The Chair and CEO also participated in several orientation sessions regarding LHIN legislation, governance, ethics and health industry education.

Directors also participated in orientation sessions on the Integrated Health Service Plan.

Orientation sessions will continue to further educate directors on governance and health care sector issues.

Board structure

The Erie St. Clair LHIN Board took a decision to defer the establishment of board committees until all nine members were appointed to the board.

Community-based board recruitment

Last fall, the Erie St. Clair LHIN established a nomination committee comprised of two board members and community members from across the LHIN to recruit the final three members of the Board of Directors. Three public information sessions were held in Windsor, Chatham and Sarnia which attracted more than 100 attendees.

Through this process, the LHIN received nominations from incredibly talented members of the community. The nomination committee interviewed a number of potential candidates and made recommendations to the board, which then submitted finalists to the Ministry for consideration. As a result of this process, Doug Cozad, Paul Rietdyk, Gary Parent and the Honourable Howard Pawley joined the Board. Earlier in the year, Michael Hurry, Leland Martin were appointed to the board through the Public Appointments Secretariat, joining Mina Grossman-Ianni, David Wright and Mary Kwong Lee.

CEO performance objectives

A committee struck by LHIN chairs and CEOs developed performance objectives for CEO performance and measurement.

Conflict of interest guidelines

The board developed conflict of interest guidelines that are being implemented.

Performance agreement

The Board signed a performance agreement with the Ministry of Health and Long-Term Care in January 2006.

IHSP (Integrated Health Service Plan)

The Integrated Health Service Plan (IHSP) developed by the Erie St. Clair LHIN will serve as the roadmap for the future of health care in our region. The process of developing the plan is a vehicle for sustainable and positive change.

The Ministry of Health and Long-Term Care has asked all LHINs to deliver their Integrated Health Service Plan by October 31, 2006.

We began work to develop our Integrated Health Service Plan this past year, by establishing a steering committee to oversee the planning process. The steering committee will be supported by three teams that will provide regional input from Essex County, Lambton County, and the Municipality of Chatham-Kent.

The steering committee and three geographic teams include health care providers, physicians and community representatives and members of the LHIN Board of Directors. Their involvement will help the LHIN to collect and disseminate information and to engage members of our communities, to further enhance our knowledge of the health care system and ultimately shape our IHSP.

We have also developed a Decision Support Team, consisting of leaders in the fields of health records and information management from local hospitals and Community Care Access Centres. The team will consult with the LHIN on specific issues related to health records and information management that will be included in our IHSP.

Community Engagement

The LHIN legislation states clearly that community engagement is a priority and an integral part of the decision making process. Beyond that, it is a core value of the Erie St. Clair LHIN. The two-way dialogue with members of our communities that we have established during our first seven months will continue over the coming year. Building and sustaining this relationship is a critical step in developing plans that truly reflect the needs and priorities of the communities of the Erie St. Clair region.

Over the past seven months, members of the Erie St. Clair LHIN have participated in more than 200 meetings with residents, local health networks, associations, community groups and stakeholder groups. At these meetings, we have talked with people about the Erie St. Clair LHIN, our mandate, and our desire to have the people of this region involved in shaping the future of their health care system. These meetings have also been invaluable opportunities for us to learn more about the specific needs of the people living in the Erie St. Clair LHIN.

During the winter, we prepared and published our strategy for community engagement, *Health Care Matters*. *Health Care Matters* describes how we will continue to build relationships with residents and stakeholders to identify integration opportunities in our health care system.

It is very important that we engage a cross-section of our community in our planning processes. In particular, we plan to reach out to the Aboriginal community and the Francophone community as part of our community engagement activities.

Community engagement will be a priority for us throughout 2006, as we develop our Integrated Health Service Plan. We encourage residents and stakeholders in the Erie St. Clair region to continue to be involved in our activities.

Erie St. Clair Local Health Integration Network

Statement of Financial Position

As at March 31, 2006

ASSETS	
Cash	28,841
Capital assets (note 3)	1
	$ 28842
LIABILITIES AND NET ASSETS	
Accounts payable and accrued liabilities (Note 4)	-
Net assets	28,842
	$ 28,842

Statement of Operations and Changes in Net Assets

Period ended March 31, 2006

Revenue	
Ministry of Health and Long Term Care ("MOHLTC") Funding	1,810
MOHLTC payroll reimbursement	226,884
	$ 228,694
Expenses (Note 5)	
Salaries and benefits	197,993
Office supplies	1,157
Postage and courier	65
Computer supplies	584
Other	53
	$ 199,852
Excess of revenue over expenses	28,842
Net assets, beginning of year	-
Net assets, end of year	$ 28,842

Erie St. Clair Local Health Integration Network
Notes to the Financial Statements

March 31, 2006

1. DESCRIPTION OF BUSINESS

Formation and status

The Erie St. Clair 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 Erie St. Clair Local Health Integration Network (the "LHIN") and its Letters Patent were extinguished. As an agent of the Crown, the LHIN is not subject to 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 both the Act and the Memorandum of Understanding between the LHIN and the Ministry of Health and Long-Term Care (the "Ministry"). Funding of the LHIN by the Ministry in the fiscal year ended March 31, 2006 was made pursuant to the terms of a Performance Agreement.

LHIN operations

The objects 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 Erie St. Clair LHIN covers the County of Lambton, Chatham-Kent, Essex County and the City of Windsor.

Fiscal period

These financial statements represent the activities of the LHIN from June 2, 2005, the date of incorporation, to March 31, 2006.

2. SIGNIFICANT ACCOUNTING POLICIES

Financial statement presentation

The financial statements have been prepared in accordance with the accounting standards for not-for-profit organizations published by the Canadian Institute of Chartered Accountants using the deferral method of reporting restricted contributions.

Revenue recognition

Ministry of Health and Long-Term Care funding is recognized as revenue in the year in which the related expenses are incurred. Any designated funds for which the expenses have not been incurred are recorded as deferred revenue.

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.

3. CAPITAL ASSETS

The LHIN office maintains a record of assets purchased on its behalf by the MOHLTC. The nature of these assets includes:

- Leaseholds (arranged by Ontario Realty Corporation)
- Furniture and equipment
- Computer software and equipment

These assets have been reflected at a nominal dollar value of $1 as the payments for these assets have been included in the expenditures of the MOHLTC.

4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The MOHLTC has included accounts payable and accrued liabilities totaling $147,866 in its records on behalf of the LHIN as at March 31, 2006. These expenses are included in amounts disclosed in Note 5.

5. EXPENSES

All other operating expenses, other than those disclosed on the statement of operations, were approved and paid for on behalf of the LHIN by the MOHLTC. These expenses for the period ended March 31, 2006 are as follows:

Salaries and benefits	$ 80,005
Accommodation/occupancy	1,338,762
Common services	42,126
Information technology	89,656
Other expenditures	* 221,848
	$ 1,772,397
* includes Directors' per diem of	$ 27,300

6. GUARANTEES

(i) 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.

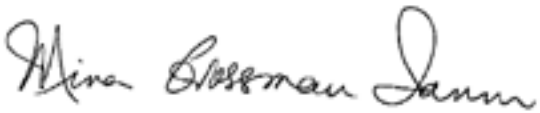
(ii) An indemnity for the Chief Executive Officer was provided directly by the LHIN. Between March 28, 2006 and March 31, 2006, the directors, officers and employees of the LHIN received the benefit of Section 35 of the Act.

7. STATEMENT OF CASH FLOWS

A statement of cash flows has not been provided, as the information it would contain is readily determinable from the accompanying statements.

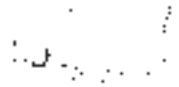
Approved by the Board of Directors

Chair



Mina Grossman-Ianni

Vice Chair



David Wright

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Notes

Notes

Erie St.Clair
LOCAL HEALTH INTEGRATION NETWORK
RÉSEAU LOCAL D'INTÉGRATION DES SERVICES DE SANTÉ
d'Érié St-Clair

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