Erie St. Clair **LHIN**
www.eriestclairlhin.on.ca

GETTING | DOING | STAYING

better

Creating a better health care system for Erie St. Clair

ANNUAL REPORT 2008-2009

Ontario
Erie St. Clair Local Health Integration Network

GETTING | DOING | STAYING

better

Creating a better health care system for Erie St. Clair

VISION

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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Message from the Chair & Chief Executive Officer

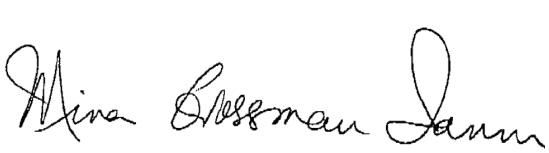
The fiscal year of 2008/09 harnessed the momentum of the past year, strengthening our local health care system and our role as the local accountable funding body. It was a year where our organization was able to take large steps in laying the foundation for an improved and higher performing system, while pro-actively ensuring long-term sustainability.

Creating a better health care system requires a commitment and willingness to address difficult challenges. Our region's challenges were first brought to light with the completion in 2006 of our three-year plan: *Our People. Our Health. Planning Erie St. Clair's First Integrated Health Service Plan* (IHSP). In this second year of implementation, we took steps to further explore these challenges, by working as a system and community to better understand the issues facing health care and to develop solutions together.

We have seen progress in addressing the needs of our growing aging population with 24 new or expanded programs funded through the Aging at Home initiative. Collaborative planning between our Windsor/Essex hospital providers has been advanced by the Strategi*Care* initiative. A local perspective on the mental health system, with an emphasis on access from our Emergency Departments, has been gained through the insights of our local health service providers. Finally, in our most challenging endeavor to date, a broad and inclusive dialogue on the sustainability of our region's small community hospital Emergency Departments has begun, drawing entire communities as participants in the planning of our local health care system.

Additionally, we reached a critical milestone in the planning of our organization and our local health care system. As of March 31st, Multi-sector Service Accountability Agreements (MSAAs) were signed by our region's community-based health service providers. These legal documents align the performance objectives of health service providers with the performance objectives for our local health system so that the goal of a transformed, integrated and sustainable health care system can be realized.

As we enter 2009/10, we are mindful that challenges and gaps still remain. We will continue to build on our progress to-date on these and other initiatives as well as re-affirm and set new goals through the planning of our second IHSP. What will remain the same is our vision for a better health care system; one that gives us the tools to safeguard our individual health, provides the right care at the right time when we are sick, and is sustainable for the long-term.



Mina Grossman-Ianni
Chair

Gary Switzer
Chief Executive Officer

Introduction to the Erie St. Clair LHIN

The Erie St. Clair Local Health Integration Network (LHIN) is one of 14 LHINs across Ontario. Like all LHINs, we are a community-based, not-for-profit organization funded by the Ministry of Health and Long-Term Care (MOHLTC). We are mandated to plan, fund and coordinate $917 million in health care services annually.

The health care delivered in Erie St. Clair is planned locally, and is based on the input and participation of local communities in order to meet specific local needs. It is guided by a Board of local decision makers.

Here, as elsewhere in Ontario, LHIN-funded services are delivered by:

- Hospitals
- Long-Term Care Homes
- Community Care Access Centres (CCACs)
- Community Support Service Agencies
- Mental Health and Addiction Agencies
- Community Health Centres (CHCs)

Population Profile

Community	Population	Largest Urban Centre	Profile	
Windsor/Essex	408,000	Windsor	Francophone Immigrant Senior Aboriginal	3% 4% 13% 2%
Chatham-Kent	109,000	Chatham	Francophone Immigrant Senior Aboriginal	3% 1% 14% 3%
Sarnia/Lambton	132,000	Sarnia	Francophone Immigrant Senior Aboriginal	2% 1% 16% 5%

Service Area

The LHIN serves Chatham-Kent, Sarnia/Lambton and Windsor/Essex, an area with a population of approximately 649,000 people. Although these regions are independent, each with unique qualities, they also share many commonalities.

The Erie St. Clair region is surrounded by the Great Lakes. The area's urban-rural mix is economically dependant, in large part, upon the agricultural, petro-chemical, and automotive industries. Our American neighbours not only influence our economy and trade, but also impact our use and perception of health care.

Of the total LHIN population, approximately 3%, or 18,000 individuals, self-identify as Aboriginal, with the highest proportion residing in Sarnia/Lambton.

Note: not all First Nation communities participated in the 2006 Aboriginal census process. As a result, exact percentages and figures are not available.

Population Health Profile

When compared to the Ontario average, there are significant variances that impact the health service needs of Erie St. Clair residents:

- a higher proportion of seniors and a lower proportion of individuals in the 25-39 year age group
- a higher unemployment rate
- a significantly higher incidence of overweight/obese individuals
- a slightly higher proportion of individuals who practice poor lifestyle habits such as smoking, drinking, poor nutrition and inactivity
- a significantly higher prevalence of arthritis/rheumatism
- a slightly higher rate of other chronic conditions such as asthma, diabetes, heart disease and high blood pressure
- significantly higher rates of hospitalization, potential years of life lost, and mortality due to higher rates of neoplasm, circulatory disease and external causes such as injury

Integrated Health Service Plan (IHSP) Implementation

The Integrated Health Service Plan (IHSP) is the LHIN's guiding document, enabling us to initiate transformation within our local health care system. The three-year plan was approved by the LHIN Board of Directors in November 2006 with implementation starting in the 2007/08 fiscal year.

The IHSP was created around the following aims:

- increasing access
- increasing quality
- improving cost effectiveness
- increasing system orientation

After assessing the current state of our local health care system and the characteristics of the population, the LHIN arrived at eight strategic integration directions. These directions guide our work to improve our local health care system.

They focus on:

1. Chronic disease management
2. Reduced dependence on hospital-based services
3. Supporting people at home
4. Health promotion & illness prevention
5. System navigation
6. Back office/administrative integration
7. Timely access to appropriate care and services
8. Health human resources

The IHSP continues to be operationalized through the following initiatives:

- development of an operational team model that enhances IHSP directions and observations and applies them to performance targets
- continuation of a LHIN-wide Chronic Disease Management Integration Leadership Team

- continuation of a LHIN-wide Emergency Department/Medical Programs Network
- launching and refining strategic initiatives with regard to a LHIN-wide Mental Health & Addictions Network
- launching a Surgical Network
- supporting a primary-care Community Health Centre tactical team
- supporting the LHIN Critical-Care Lead and ED Lead initiatives
- supporting the province-wide 'Flo' Collaborative in Essex and Lambton Counties
- creating ongoing linkages between the IHSP and the Aging at Home initiative

Community Engagement

Community Engagement in 2008/09 continued the LHIN's pursuit of creating a better health care system by building upon the knowledge of the local system and its communities; furthering its reach by communicating more broadly to the region's people; enhancing partnerships and system integration; and, working with specialized populations such as Aboriginal and Francophone communities.

Health Planning Engagements

A key component of the LHIN's health care planning initiatives was the participation of stakeholders and the public through community engagement. The following is a summary of these initiatives:

Small Community Hospital Emergency Department Study

A number of engagements were completed in 2008/09 to provide data in support of a study of the region's small community hospital Emergency Departments. These included 18 stakeholder-information meetings, 1 public forum, an online survey with over 600 respondents, and participation in other community meetings to provide information and respond to questions about the study. The study is scheduled to be completed later in 2009.

Aging at Home

Planning for the allocation of year-two funding for the Aging at Home initiative was completed through consultation and collaborative partnerships with the region's health care providers who participated in five Task Teams. Each Task Team developed plans for the five priority areas previously identified through the Directional Plan. This process included the input of 65 participants.

Mental Health & Addictions

The initial phases of a review of the Mental Health & Addictions sector in Erie St. Clair began in 2008/09. This process explored the issue of access to mental health services within the Emergency Department. All Erie St. Clair hospitals participated in focus groups. The review will continue throughout 2009/10 looking at broader mental health care services and how to improve the patient experience with stakeholder and consumer participation as a central component to the process.

Communication and Outreach

With LHINs still being relatively new to Ontario's health care system, a considerable emphasis remains on building an awareness of the LHIN and providing vehicles for enhanced communication across the region.

The LHIN web site experienced an increase in traffic from 2007/08, with visits up 127% in 2008/09 (for a total of 42,447). The increase can be attributed to a variety of factors including a new focus on providing multi-media content such as pod casts, web casts, a new e-newsletter with expanded distribution to include a total of 1005 community and stakeholder recipients, and the development of an online collaborative tool designed to enhance the functionality and information sharing of planning committees and groups. The web site has also been leveraged to encourage broad community feedback on key projects such as the online survey for the Small Community Hospital Emergency Department Study and other various initiatives.

Note: web statistics for 2007/08 are based on 8 of 12 months of available data.

To further enhance understanding and awareness of the LHIN, a Speakers Bureau was initiated in 2008/09. In total, 14 presentations were delivered to a broad range of audiences from local community groups to province-wide conferences.

System Integration

Efforts to improve the level of coordination among the region's health service providers were elevated through the following engagement initiatives:

Governance Advisory Councils

Governance Advisory Councils (GAC) continued to meet in 2008/09 as three geographically based councils, with participation by Board representatives from each of the LHIN-funded health service providers. A total of 10 sessions were held focusing on the mandate of the councils to discuss common issues of governance accountability and provide advice to the LHIN as well as health service provider Boards on matters related to the enhancement of system integration.

The Councils also initiated the development of GAC/Ontario Hospital Association (OHA) Education sessions. Through these sessions, a guide was developed to build the capacity and expertise in local governance and provide practical tools to assist with the process of integration. Additionally, the Erie St. Clair LHIN was one of five LHINs that worked to develop a Local Health Integration Network/Health Service Provider Governance Resource and Toolkit for Voluntary Integration Initiatives to assist HSPs in their understanding of integration.

Ontario Medical Association Sessions

The LHIN partnered with the Ontario Medical Association to host spring and fall physician-engagement sessions in Chatham, Sarnia and Windsor. A total of 81 physicians joined the LHIN at five sessions to learn about local programs and discuss health care issues.

Quarterly Performance Forums

As part of a new internal LHIN geographical account structure, a pilot Quarterly Performance Forum with health service providers of Lambton County was initiated. Two forums were held in 2008/09 that focused on beginning a regional dialogue on common issues and working as a system to develop solutions.

Specialized Populations

Aboriginal Engagement

Commencing in September 2008, the Erie St. Clair LHIN along with the Southwest LHIN jointly hired an Aboriginal Consultant to begin the process of developing relationships, understanding population health characteristics, and identifying strengths and opportunities amongst local First Nation communities. To date, connections have been made with all First Nation communities in the LHIN and the enhancement of relationships is unfolding. Further, in an effort to address Alternate Level of Care (ALC) pressures in Lambton County, funding was provided to the Chippewas of Kettle and Stony Point First Nation in order to staff an available stock of five assisted living beds in the community.

Finally, an Aboriginal Health Conference, sponsored by the LHIN, was held to jointly identify strategies for moving forward with health care improvement initiatives. The key outcome of the conference was to develop an Aboriginal Committee and an action plan to direct activities in the coming fiscal year.

Francophone Engagement

A considerable effort was made to align the content of the English and French sections of the LHIN's web site. The French section, which now includes significantly more content, was used to engage the LHIN's Francophone community in the ongoing study of the small community hospital Emergency Departments through an online survey.

Erie St. Clair's Francophone populations were also represented through the Regional Consultant for French Language Health Services on the LHIN's internal regional planning committee. A Francophone Committee will be established to further support the LHIN's future planning activities.

Integration Activities

- The Canadian Mental Health Association (CMHA) - Sarnia Lambton Branch appointed Bluewater Health's Chief of Psychiatry as its Chief of Psychiatry
- The Canadian Mental Health Association - Sarnia Lambton Branch (CMHA) fully integrated its finance department with the finance department of CMHA - Chatham-Kent Branch in order to provide lower cost, higher quality back office finance services
- North Lambton Community Health Centre partnered with the Chippewas of Kettle & Stony Point First Nation and the town of Forest to provide an after-school program for the youth of Kettle & Stony Point
- Bluewater Health partnered with Twin Lakes Terrace Retirement and Long-Term Care Communities to provide a transitional care program
- Chatham-Kent Health Alliance partnered with Leamington District Memorial Hospital to provide consultation for emergency mental health referrals
- St. Andrew's Residence integrated its transportation with CHAP (Community Home support Assisting People) to provide both hot and cold meal service for Chatham-Kent Meals on Wheels
- Lambton Elderly Outreach partnered with Walpole Island (Bkejwanong First Nation) to provide Meals on Wheels service to the Walpole Island First Nation community
- "Integration by Funding Transfer" of Meals on Wheels program from Essex Retirees Social Club to Lakeshore Community Services
- Amalgamation of Health Information Management Services between Leamington District Memorial Hospital and Hôtel-Dieu Grace Hospital
- Amalgamation of Clinical Education/ Professional Practice between Leamington District Memorial Hospital and Hôtel-Dieu Grace Hospital
- Amalgamation of Rehabilitation Services between Leamington District Memorial Hospital and Windsor Regional Hospital
- Collocation and shared Emergency Department position between Citizen Advocacy and Family Services Windsor/Essex

What is MLAA?

The Ministry LHIN Accountability Agreement (MLAA) sets out obligations on the part of both the Ministry and the LHIN in fulfilling our mandate to plan, integrate, and fund local health care services. Development and updating of this Accountability Agreement is a collaborative process that defines the relationship between the Ministry and the Erie St. Clair LHIN in fulfilling their roles leading to strengthen health care for all Ontarians.

Report on MLAA Performance Indicators

Performance Indicator	LHIN 08/09 Starting Point	LHIN 08/09 Performance Target Most Recent	Quarter 08/09 LHIN Target Fiscal Year 08/09	LHIN Annual Results	LHIN Met Target- Yes /No
90th Percentile Wait Times for Cancer Surgery*	67	57	50	51	YES
90th Percentile Wait Times for Cardiac By-Pass Procedures	182 Days	-	-	-	-
90th Percentile Wait Times for Cataract Surgery*	182 Days	78	60	65	YES
90th Percentile Wait Times for Hip Replacement	182 Days	180	162	162	YES
90th Percentile Wait Times for Knee Replacement	182 Days	240	164	199	YES
90th Percentile Wait Times for Diagnostic MRI Scan	28 Days	67	57	81	YES
90th Percentile Wait Times for Diagnostic CT Scan	28 Days	46	34	39	YES
Hospitalization Rate for Ambulatory Care Sensitive Conditions (ACSC)*	290.76 per 100,000	335.00	378.73	349.91	YES
Median Wait Time to Long-Term Care Home Placement -All Placements	50 Days	53.00	81.00	73.00	NO
Percentage of Alternate Level of Care (ALC) Days - By LHIN of Institution*	9.46%	10.00	11.18	10.23	YES
Rate of Emergency Dept. Visits that could be Managed Elsewhere*	11.79 per 1,000	33.00	29.61	30.87	YES
Readmission Rates for Acute Myocardial Infarction (AMI)*	3.80%	5.60	6.41	6.46	YES

*Annual results reflect Q1, Q2, Q3.

ER Wait Times Initiative

There are two goals to improving Emergency Room (ER) wait times. The first goal is to reduce ER demand. The most recent figures show that our unscheduled ER visit rate is higher than the provincial average and that we have a large number of less urgent and deferrable visits – visits that would be more appropriately seen in primary care settings. Some key activities in Erie St. Clair to reduce ER demand are:

- Low acuity patients at Windsor Regional Hospital are seen by Nurse Practitioners
- The development of a new Community Health Centre (CHC) in Chatham-Kent and a satellite in Wallaceburg
- The new Nurse Practitioner-led clinic coming to Belle River
- Linking orphan ER patients in Windsor to the local CHCs

The second goal is to shorten the length of stay in the ER. Although our overall wait times are very good in Erie St. Clair, a number of initiatives have been implemented to improve this performance further, including:

- Nurse Practitioner Outreach Teams to Long-Term Care homes
- Efficiency and effectiveness programs (e.g. LEAN and Six Sigma) to improve processes
- Quicker access to diagnostic services
- Better patient flow in ERs

Improving Alternate Level of Care

The Alternate Level of Care (ALC) target has been achieved. This is a priority activity for health care in Ontario. During the year, the LHIN did not require 1A designation for any hospital. This is an achievement because a 1A designation represents a failure of the standard prioritization process for admission to Long-Term Care Homes. It is only used when there is a need to free up beds in hospitals and to reduce blockages in the system.

The ALC target was achieved through a combination of targeted Aging At Home funding that supported Transitional Care, Community Support Services, End of Life care, a specialized team to support frail elderly and constant diligence by providers and LHIN staff. Under the Wait Time Strategy, the LHIN allocated one-time funding of $8,639,200 for additional surgeries and diagnostic hours.

Special Initiatives

Aging at Home

Aging at Home saw great success in its first year where a total of $3.8 million was allocated to the Erie St. Clair LHIN to support 24 initiatives. Among these initiatives were:

- the purchase of 10 vehicles, including four wheelchair accessible buses
  - resulted in 1444 clients being served with over 70% of visits being for medical purposes
- a total of $224,565 was provided for six health service providers to expand Meals on Wheels service
- one congregate dining program base funded at $7,462
- Life Skills for People with Low Vision
- Nurse Practitioner (NP) Initiative
  - three NPs hired in the course of the fiscal year
- Emergency Department (ED) CCAC Case Managers
  - two case managers hired – one at BWH and one at CKHA
  - 49% of assessments resulting in early discharge from the Emergency Department

For the coming year, the Ministry of Health & Long-Term Care (MOHLTC) has indicated that Aging at Home Year 2 funding be allocated to address Alternate Level of Care (ALC), Emergency Department visits that can be managed elsewhere, and Emergency Room wait times. The Erie St. Clair LHIN has already taken action and will be investing in 10 Geriatric Emergency Response Nurses (GEMs). The GEMs will provide additional critical geriatric expertise in Emergency Departments. As well, the LHIN is establishing Geriatric Mental Health Outreach Teams.

Urgent Priorities Fund

The Erie St. Clair LHIN received an allocation of $2.5 million from the MOHLTC to be directed, at the discretion of the LHIN, toward urgent priorities. A total of 10 programs were approved as one-time expenditures.
The funding allocations were:

1. Kettle and Stony Point Assisted Living Program - $168,600 to create an eight-bed assisted living facility supported by day program activities.
2. Chronic Care Transitional Beds - $200,000 to provide beds at the Charlotte Eleanor Englehart Hospital to reduce pressure from ALC patients.
3. Windsor/Essex Transitional Beds - $540,000 to provide options for ALC patients through the addition of hospital beds and expanded community-based care.
4. Ambulation Team - $376,000 to develop an innovative, focused service that strives to minimize the deterioration of health in elderly patients in the acute hospital setting.

5. Salvation Army (Windsor) Substance Abuse Program - $50,000 to maintain the substance abuse treatment program in Windsor after withdrawal of municipal funding.
6. Project Management Office - $550,000 to provide direction and project management for the Essex County Community Health Centre review, Strategi*Care*, and the mental health program review.
7. Watford CHC Satellite office - $191,000 to support the operation of a CHC location in Watford addressing the urgent primary care need.
8. Windsor/Essex Cardiac Rehabilitation - $90,000 to develop a collaborative integrated model for delivering cardiac rehabilitation services to local residents in Windsor/Essex.
9. Small Community Hospital Emergency Department Study - $150,000 to develop recommendations for the sustainable future of the three Small Community Emergency Departments, including community consultations.
10. Bluewater Health Crisis Intervention Program - $200,000 to allow the Crisis Intervention Program (CIP) to remain sustainable.

Operational Performance

The LHIN has completed its second year of full funding authority for all 88 health service providers that fall under our mandate. The funding is detailed in the Statement of financial activities (see page 17).

The fiscal year resulted in a balanced position as expected. The LHIN received additional funding from the MOHLTC for specific projects including the continuation of the Erie St. Clair e-Health Strategy, the contracting of an Emergency Department Lead, along with some funding for aboriginal engagement. The Erie St. Clair LHIN, along with the Southwest LHIN, hired a full-time consultant to work specifically with the aboriginal communities.

Three individuals serve the LHIN as representatives in key areas as directed by the MOHLTC.

Dr. Eli Malus continued the role of the Critical Care Lead, Dr. David Ng continued as the Emergency Department Lead, and Paul Audet was hired as the Chief Information Officer of the Consolidated Health Information Services (CHIS), representing the LHIN in e-Health initiatives.

Board of Directors

	DIRECTOR	POSITION	LOCATION	TENURE
	**Mina Grossman-Ianni**	Chair	Amherstburg	June 1/05 - May 31/08 Resigned/Revoked December 13/05 April 2/08 - April 1/11 (Re-appointment)
	**David Wright**	Vice Chair	Forest	June 1/05 - May 31/08 (Director) May 17/06 - May 31/08 (Vice Chair) (Acting Chair August 16/06 - April 1/08 June 02/08 - June 1/11 (Director & Vice Chair) (Re-appointment)
	**Michael Hurry**	Director/Member	Sarnia	January 5/06 - February 4/07 (Acting Vice Chair August 16/06 - April 1/08) February 5/07 - February 2/10 (Re-appointment)
	**Leland J. Martin**	Director/Member Secretary	Petrolia	January 5/06 - January 4/08 January 5/08 - January 4/11 (Re-appointment)
	**Douglas Cozad**	Director/Member	Windsor	May 17/06 - June 16/07 June 17/07 - June 16/10 (Re-appointment) Resigned/Revoked October 8/08
	**Gary Parent**	Director/Member	LaSalle	May 17/06 - May 16/08 May 17/08 - May 16/11 (Re-appointment)
	**Howard Pawley**	Director/Member	Windsor	May 17/06 - June 16/07 Amended (name correction) June 17/07 - June 16/10 (Re-appointment)
	**Renée Moison**	Director/Member	Morpeth	September 20/06 - September 19/09
	**Lynn McGeachy Schultz**	Director/Member	Chatham	January 10/08 - January 9/11
	Vacant			

Financial Statements

ERIE ST. CLAIR LOCAL HEALTH INTEGRATION NETWORK ANNUAL REPORT 2008-2009

Management Responsibility & Auditor's Reports

Management Responsibility Report

The management of the Erie St. Clair Local Health Integration Network (LHIN) is responsible for preparing the accompanying financial statements in conformity with generally accepted accounting principles. In preparing these financial statements, management selects appropriate accounting policies and uses its judgement and best estimates to report events and transactions as they occur. Management has determined such amounts on a reasonable basis in order to ensure that the financial statements are presented fairly, in all material respects. Financial data included throughout this Annual Report is prepared on a basis consistent with that of the financial statements.

Gary Switzer
Chief Executive Officer

Matthew Little
Controller & Business
Support Manager

Auditor's Report

To the Members of the Board of Directors of the Erie St. Clair Local Health Integration Network.

We have audited the Statement of financial position of the Erie St. Clair 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 Erie St. Clair 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.

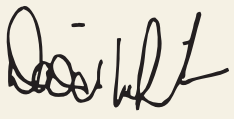
Chartered Accountants
Licensed Public Accountants
May 1, 2009

Statement of Financial Position

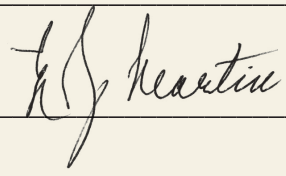
AS AT MARCH 31, 2009

	2009	2008
	$	$
Financial assets		
Cash	**680,448**	616,133
Due from the Ministry of Health and Long-Term Care ("MOHLTC")	**580,600**	1,179,730
Accounts receivable	**-**	8,005
	1,261,048	1,803,868
Liabilities		
Accounts payable and accrued liabilities	**680,356**	477,043
Due to the MOHLTC (Note 10b)	**14,913**	135,251
Due to health service providers ("HSPs")	**580,600**	1,179,730
Due to the LHIN Shared Services Office (Note 3)	**17,179**	11,844
Deferred capital contributions (Note 4)	**288,582**	427,239
	1,581,630	2,231,107
Commitments (Note 13)		
Net debt	**(320,582)**	(427,239)
Non-financial assets		
Prepaid expenses	**32,000**	-
Capital assets (Note 5)	**288,582**	427,239
Accumulated surplus	**-**	-

Approved by the Board



Director



Director

Statement of Financial Activities

YEAR ENDED MARCH 31, 2009

		2009	2008
	Budget (unaudited) (Note 6)	Actual	Actual
	$	$	$
Revenue			
MOHLTC funding			
HSP transfer payments (Note 7)	**898,931,300**	**916,693,635**	873,928,871
Operations of LHIN	**4,191,248**	**4,154,629**	3,506,974
E-Health (Note 9a)	**120,000**	**425,000**	275,000
Aging at Home	**-**	**-**	187,000
Emergency Department Lead (Note 9b)	**-**	**75,000**	37,500
Amortization of deferred capital contributions (Note 4)	**210,500**	**228,576**	208,071
	903,473,048	**921,576,840**	878,143,416
Expenses			
Transfer payments to HSPs (Note 7)	**898,931,300**	**916,693,635**	873,928,871
General and administrative (Note 8)	**4,421,748**	**4,383,205**	3,583,533
E-Health (Note 9a)	**120,000**	**425,000**	275,000
Aging at Home	**-**	**-**	183,261
Emergency Department Lead (Note 9b)	**-**	**60,087**	37,500
	903,473,048	**921,561,927**	878,008,165
Annual surplus before funding repayable to the MOHLTC	**-**	**14,913**	135,251
Funding repayable to the MOHLTC (Note 10)	**-**	**(14,913)**	(135,251)
Annual surplus	**-**	**-**	-
Opening accumulated surplus	**-**	**-**	-
Closing accumulated surplus	**-**	**-**	-

Statement of Changes in Net Debt

YEAR ENDED MARCH 31, 2009

	2009	2008
	$	$
Annual surplus	-	-
Acquisition of prepaid expenses	(32,000)	-
Acquisition of capital assets	(89,919)	(20,637)
Amortization of capital assets	228,576	208,071
Decrease in net debt	106,657	187,434
Opening net debt	(427,239)	(614,673)
Closing net debt	**(320,582)**	(427,239)

Statement of Cash Flows

YEAR ENDED MARCH 31, 2009

	2009	2008
	$	$
Operating		
Annual surplus	-	-
Less items not affecting cash		
Amortization of capital assets	228,576	208,071
Amortization of deferred capital contributions (Note 4)	(228,576)	(208,071)
Changes in non-cash operating items		
Decrease (Increase) in due from MOHLTC	559,130	(1,179,730)
Decrease (Increase) in accounts receivable	8,005	(8,005)
Increase in accounts payable and accrued liabilities	203,313	128,990
(Decrease) Increase in due to MOHLTC	(120,338)	135,251
(Decrease) Increase in due to HSPs	(599,130)	1,179,730
Increase (Decrease) in due to LHIN Shared Services Office	5,335	(43,800)
Increase in Prepaid expenses	(32,000)	-
	64,315	212,436
Capital transactions		
Acquisition of capital assets	(89,919)	(20,637)
Financing transactions		
Increase in deferred capital contributions (Note 4)	89,919	20,637
Net increase in cash	64,315	212,436
Cash, beginning of year	616,133	403,697
Cash, end of year	**680,448**	616,133

1. Description of Business

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 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 has also entered into an Accountability Agreement with the Ministry of Health and Long-Term Care (MOHLTC), which provides the framework for LHIN accountabilities and activities.

Commencing April 1, 2007, all funding payments to LHIN managed health service providers (HSPs) in the LHIN geographic area, have 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 HSPs are expensed in the LHIN's financial statements for the year ended March 31, 2009.

The mandates of the LHIN are to plan, fund and integrate the local health system within its geographic area. The LHIN spans carefully defined geographic areas and allows for local communities and health care providers within the geographic area to work together to identify local priorities, plan health services and deliver them in a more coordinated fashion. The LHIN covers the regions of Essex and Lambton, and the Municipality of Chatham-Kent. 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, resources are consumed, 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.

Ministry of Health and Long-Term Care Funding

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 MOHLTC. 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. The cash associated with the transfer payment does not flow through the LHIN bank account.

The LHIN financial statements do not include any MOHLTC managed programs.

Government financial 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 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. Unspent amounts are recorded as payable to the MOHLTC at period end. In addition, certain amounts received are used to pay expenses for which the related services have yet to be performed.

Deferred capital contributions

Any amounts received that are used to fund expenses that are recorded as capital assets, 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.

Cash

Cash includes cash on hand and balances with banks, net of bank overdrafts.

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. Capital assets are amortized over their estimated useful lives as follows:

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

For assets acquired or brought into use during the year, amortization is calculated 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.

3. 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 LHINs at the year end are recorded as a receivable (payable) to the LSSO. This is all done pursuant to the Share Service Agreement the LSSO has with all the LHINs.

4. Deferred Capital Contributions

	2009	2008
	$	$
Balance, beginning of year	**427,239**	614,673
Capital contributions received during the year	**89,919**	20,637
Amortization for the year	**(228,576)**	(208,071)
Balance, end of year	**288,582**	427,239

5. Capital Assets

			2009	2008
	Cost	Accumulated amortization	Net book value	Net book value
	$	$	$	$
Office equipment	472,326	373,449	98,877	193,342
Computer equipment	57,918	24,255	33,663	1,531
Web development	-	-	-	18,622
Leasehold improvements	592,924	436,882	156,042	213,744
	1,123,168	834,586	288,582	427,239

6. 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 approves budget adjustments. The following reflects the adjustments for the LHIN during the year:

HSP funding

	$
Initial budget	898,931,300
Adjustment due to announcements made during the year	17,762,335
Total budget	916,693,635

LHIN operations

	$
Initial budget	4,211,248
Additional funding received during the year	33,300
Capital contributions made during the year	(89,919)
Total budget	4,154,629

7. Transfer Payments to HSPs

The LHIN has authorization to allocate funding of $916,693,635 (2008 – $873,928,871) to the various HSPs in its geographic area. The LHIN approved transfer payments to the various sectors in 2009 as follows:

	2009	2008
	$	$
Operation of hospitals	**589,523,534**	570,813,842
Grants to compensate for municipal taxation - public hospitals	**163,650**	163,650
Long-term care homes	**155,298,877**	144,000,259
Community care access centres	**100,204,704**	92,594,018
Community support services	**14,051,215**	13,140,513
Assisted living services in supportive housing	**5,301,449**	5,019,900
Community health centres	**16,418,894**	14,488,063
Community mental health addictions programs	**8,843,513**	7,525,484
Community mental health programs	**26,887,799**	25,183,142
	916,693,635	873,928,871

8. 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	**2,583,019**	2,089,428
Occupancy	**307,344**	272,433
Amortization	**228,576**	208,071
Shared services	**300,000**	300,000
Public relations	**37,501**	10,703
Consulting services	**317,282**	175,209
Supplies	**54,943**	61,205
Board member per diems	**110,550**	77,250
Board member expenses	**119,582**	59,381
Mail, courier and telecommunications	**50,803**	58,497
Other	**273,605**	271,356
	4,383,205	3,583,533

9. a) E-Health

The E-Health office of the Ministry of Health and Long-Term Care provided $425,000 (2008 - $275,000) to the LHIN. The LHIN had a contract and retained services of the Consolidated Health Information Services (CHIS) during 2009 and 2008.

b) Emergency Department Lead

The MOHLTC provided the LHIN with $75,000 (2008 - $37,500) to hire a LHIN representative surrounding Emergency Department planning. Dr. David Ng incurred operating expenses totaling $60,087 (2008 – $37,500) and the LHIN has setup a repayable to the MOHLTC for the remaining balance.

10. 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
	$	**$**	**$**	$
Transfer payments to HSPs	**916,693,635**	**916,693,635**	**-**	-
LHIN operations	**4,383,205**	**4,383,205**	**-**	131,512
E-Health	**425,000**	**425,000**	**-**	-
Aging at Home	**-**	**-**	**-**	3,739
Emergency Department Lead	**75,000**	**60,087**	**14,913**	-
	921,576,840	**921,561,927**	**14,913**	135,251

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

	2009	2008
	$	$
Due to MOHTLC, beginning of year	**135,251**	-
Funding repayable to the MOHLTC related to current year activities (Note 10a)	**14,913**	135,251
Amounts repaid to MOHLTC during the year	**(135,251)**	
Due to MOHLTC, end of year	**14,913**	135,251

11. Pension Agreements

The LHIN makes contributions to the Hospitals of Ontario Pension Plan (HOOPP), which is a multi-employer plan, on behalf of approximately 23 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 $163,524 (2008 - $150,006) for current service costs and is included as an expense in the Statement of financial activities.

12. 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.

13. Commitments

The LHIN also has funding commitments to Health Service Providers associated with accountability agreements. Minimum commitments relate to the next two years, based on the current accountability agreements and are as follows:

2010	736,354,042
2011	54,471,271

The actual payments which will be made in 2010 and 2011 are contingent on the LHIN receiving anticipated levels of funding from the MOHLTC.

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	182,683
2011	96,841
2012	12,563
2013	5,005

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 discloses information of all appropriate segments and, therefore, no additional disclosure is required.

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