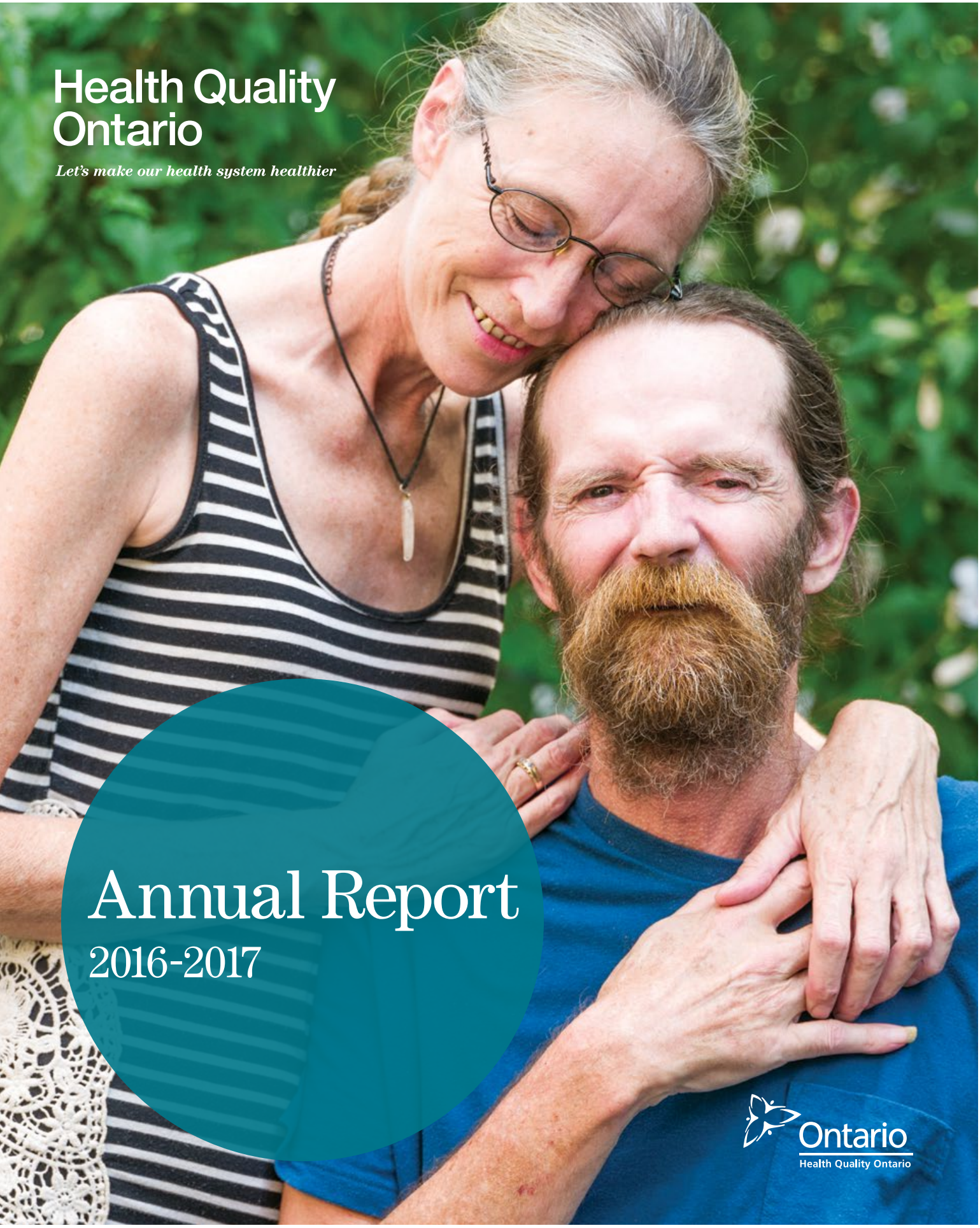

Health Quality Ontario

Let's make our health system healthier

Annual Report

2016-2017

Ontario
Health Quality Ontario

Organizational Overview

Health Quality Ontario is the provincial advisor on the quality of health care. We are motivated by a single-minded purpose: *Better health for all Ontarians*.

Who We Are
We are a scientifically rigorous group with diverse areas of expertise. We strive for complete objectivity, and look at things from a vantage point that allows us to see the forest and the trees. We work in partnership with health care providers and organizations across the system, and engage with patients themselves, to help initiate substantial and sustainable change to the province's complex health system.

What We Do
We define the meaning of quality as it pertains to health care, and provide strategic advice so all the parts of the system can improve. We also analyze virtually all aspects of Ontario's health care system. This includes looking at the overall health of Ontarians, how well different areas of the system are working together, and most importantly, patient experience. We then produce comprehensive, objective reports based on data, facts and the voice of patients, caregivers and those who work each day in the health system. As well, we make recommendations on how to improve care using the best evidence. Finally, we support large scale quality improvements by working with our partners to facilitate ways for health care providers to learn from each other and share innovative approaches.

Why It Matters
We recognize that, as a system, we have much to be proud of, but also that it often falls short of being the best it can be. Plus certain vulnerable segments of the population are not receiving acceptable levels of attention. Our intent at Health Quality Ontario is to continuously improve the quality of health care in this province regardless of who you are or where you live. We are driven by the desire to make the system better, and by the inarguable fact that better has no limit.

Our Vision
Better health for every Ontarian. Excellent quality care.

Our Mission
Together, we work to bring about meaningful improvement in health care.

Our Values
Collaboration, integrity, respect and excellence.

Table of Contents

Front cover: Mary and Brian who are profiled in our yearly report on how Ontario's health system is performing.

Message from the Board Chair and President and Chief Executive Officer

Better Has No Limit is not just the title of the 3-year strategic plan Health Quality Ontario initiated last year, it also describes the journey we and our partners have committed to take to improve the quality of health care in the province.

As the provincial advisor on the quality of health care, we see instances every day where health care professionals, patients and caregivers are working together to improve the health of people living in Ontario and the experience of patients. But there remain gaps in quality to be filled and impediments to overcome.

This annual report documents the progress Health Quality Ontario has made over the past year with our partners in each of our five strategic priority areas to support better quality care.

The report also provides concrete examples of specific programs and initiatives where we are seeing an impact on improving the quality of care provided to Ontario residents: Initiatives such as the Ontario Surgical Quality Improvement Network where hospitals are using robust data to help improve the safety of surgical patients by comparing themselves to other hospitals across North America. Or, helping seed throughout the province an innovative approach to provide integrated care for those living with opioid or alcohol addiction issues, and successfully treating people living with these conditions in the community. Or, recommending evidence-based innovations for public funding that are good value for money and have an impact on millions of people in the province.

Part of our journey is the work of our Patient, Family and Public Advisors Council who brings their varied health care experiences from across the province to bear on key initiatives across Health Quality Ontario and in the pursuit of health care quality.

You have seen the word 'quality' used many times in this introduction and you will see it many more times in the report that follows.

To some 'quality' may just be seen as a buzzword. But the term has real meaning for everyone at Health Quality Ontario and those we work in partnership with to improve Ontario's health care system. We strongly believe Health Quality Ontario is a place where patients, health care professionals and policy can come together to improve health care quality.

As defined by the Quality Matters framework we developed two years ago, quality care is: safe, effective, timely, equitable, patient-centred and efficient.

Health Quality Ontario will continue on its journey to advance these six dimensions of quality with patients, health care providers and partners as we collectively work to improve Ontario's health system.

Dr. Andreas Laupacis
Chair, Board of Directors

Dr. Joshua Tepper
President and CEO

Our Strategic Plan, Setting Our Direction

Our Strategic Plan, *Better Has No Limit*, defines our five strategic priorities to help achieve health care quality.

1. Provide system-level leadership for health care quality
2. Increase availability of information to enable better decisions
3. Evaluate promising innovations and practices, and support broad uptake of those that provide good value for money
4. Engage patients in improving care
5. Enhance quality when patients transition between different types of settings of care

We also have three areas of focus: mental health and addictions; palliative and end-of-life care; and primary care.

The strategic plan also identifies the enablers that make it possible for Health Quality Ontario to deliver on its work: working with others; creating and implementing an effective and comprehensive approach to communicating our work; and being a cohesive organization aligned in our efforts.

We are eager to continue collaborating with our many partners in the health system to achieve our goals. What follows is what we accomplished this year.

1

Strategic Priority 1

Provide system-level leadership for health care quality

Quality Matters, a Path for Health System Improvement

How can we place quality at the core of our health care system, systematically and meaningfully? This question was tackled in our System Quality Advisory Committee's report, *Quality Matters: Realizing Excellent Care for All*.

It's been a little more than a year since Health Quality Ontario asked this committee to propose a framework for a high quality health care system. What they offered then has served as a foundation for many involved with bringing quality to health care: a common definition; a set of principles to understand what a culture of quality would look like; and seven core enablers that will help us get there.

This past year they built on their initial work with a new report focused on the how.

How can those of us who work in the health system improve experiences for both patients and providers? While delivering high-value health care? And improving population health?

It's about building a health system in Ontario that is focused on quality. One that is safe, effective, patient-centred, timely, efficient, and equitable.

Health Equity

Health equity is all people receiving high quality care that is fair and appropriate, regardless of region, economic or social status, language, culture, gender or religion. In 2016-17, we launched a plan to embed health equity into our work while encouraging health care leaders and organizations across the system to make it prominent in their thinking, discussions and planning. As part of this plan, health equity training was delivered to staff across the organization. Plus, engagement took place with over 175 people across northern Ontario, including francophone and indigenous communities, in lead-up to a health equity strategy to be released in 2017-18 – a strategy specific to the unique needs and experiences of people living in the north. Plus, work was completed (including extensive consultations) in preparation for a public report launched in April on health in the north.

Quality Advisory Initiatives

We were asked by the Minister of Health and Long-Term Care to support a number of initiatives. In collaboration with others we:

- Began piloting a patient safety incident learning system to share learnings across the province from critical incidents.
- Released a report on improving diagnostic imaging quality through peer review.

- Released a report on improving quality oversight in independent health facilities, out-of-hospital medical clinics and other non-hospital medical facilities.
- Submitted a report to the Ministry of Health and Long-Term Care about modernizing Ontario's radiation protection legislation.

Quality Standards Program

New to Ontario and launched this year, quality standards outline for clinicians and patients what quality care looks like. They focus on conditions where there are large variations in how care is delivered, or where there are gaps between the care provided in Ontario and the care patients should receive. Grounded in the best evidence, they consist of:

- **A patient guide** for patients, families and caregivers so they know what to discuss about their care with their health care professionals;
- **A clinical guide** for health care professionals clearly outlining, via concise easy-to-understand statements, what quality care looks like for that condition based on the evidence;
- **An information brief** with data on how care is being delivered for that condition in Ontario, and the variations in care across the province;
- **Quality indicators** for health care professionals and organizations to help them with their improvement efforts; and
- **Recommendations for adoption** at the system, regional and practice level to help health care professionals and organizations adopt the standards. In addition, practical tools are included in a 'getting started guide' for health care professionals for quality improvement.

We launched the program with three quality standards on: behavioural symptoms in dementia; schizophrenia; and major depression. We also began work on the recommendations for adoption for these and other topics that are in the pipeline. By the end of 2016-17, there were 13 more quality standards under development, including a focus on opioid prescribing and opioid use disorder.

We began building the Ontario Quality Standards Committee of the Health Quality Ontario board made up of patients, health care professionals, implementation scientists, population health experts and others from across Ontario. Launching in 2017-18, the Ontario Quality Standards Committee will help Health Quality Ontario advance the quality standards program. As part of Health Quality Ontario's legislative mandate, it will work in partnership with individuals, organizations and associations to strengthen the uptake of standards and to support improvement.

Regional Quality Clinical Engagement

We collaborated with the Local Health Integration Networks (LHINs) and established Clinical Quality Leads in 11 LHINs. Working with other clinical leadership in regional quality tables this approach ensures provincial quality initiatives are informed by local front line perspectives. It also enables active collaboration on quality improvement across the province.

Quality Improvement Plans

Each year, Health Quality Ontario establishes priorities for quality improvement across Ontario and organizations respond by outlining their goals and commitment for improvement in a publicly posted Quality Improvement Plan, on their website and ours. We received and analyzed Quality Improvement Plans from 1,044 hospitals, inter-professional primary care organizations, what were formerly Community Care Access Centres, and long-term care homes across Ontario. Participation has signalled a tremendous commitment to quality and quality improvement among these organizations, including engaging and involving patients in their quality improvement efforts. This year, Health Quality Ontario also piloted collaborative Quality Improvement Plans in the Waterloo-Wellington LHIN by health care organizations in sub-regions. The goal is to improve transitions in care for patients through focused targets and actions.

Patient Relations

To help strengthen patient relations within public hospitals, we created a provincial cross-sector advisory group, patient relations indicators (to standardize measurement across sectors), and a guidance document for organizations about effective patient relations processes.

IDEAS (Improving and Driving Excellence Across Sectors)

By the end of this fiscal year IDEAS, a province-wide quality improvement training program, was up to 2,953 graduates across both its Advanced and Introductory Programs. Designed for all health care professionals in Ontario - both emerging and established - it is a comprehensive initiative to enhance Ontario's health system performance by increasing quality improvement, leadership and change management capacity across all health care sectors. It is a program done in partnership by Health Quality Ontario, the Institute for Clinical Evaluative Sciences, the University of Toronto's Institute of Health Policy, Management and Evaluation, and seven Ontario universities.

Our Annual Conference

Health Quality Transformation, our flagship annual event, had 2,500 participants and was the biggest health care quality conference in Canada. Patients, caregivers, health care professionals and system

leaders came together, demonstrating a tremendous commitment to quality and quality improvement. The Minister of Health and Long-Term Care also presented the team and individual Minister's Medal Honouring Excellence in Health Quality and Safety to the Caregiver Respite Program in the Mississauga Halton LHIN and to Leah Bergstrome, an Aboriginal Patient Navigator with the Simcoe Muskoka Regional Cancer Program.

Quality Improvement and Patient Safety Forum

Highlighting the challenges and opportunities for effectively enhancing the quality of health care delivery and patient safety was the main feature of the inaugural Quality Improvement and Patient Safety Forum. Almost 700 delegates attended this first joint meeting of the Centre for Quality Improvement for Patient Safety (C-QuIPS) and Improving & Driving Excellence Across Sectors (IDEAS), who have both held their own meetings for several years. Opening plenary speaker Dr. Helen Bevan, a leader of disruptive but successful change in the U.K.'s National Health Service for many years detailed the challenges in translating pilot projects into initiatives that have a broader impact on the health system as a whole. Bevan spoke of the importance of rethinking how change can be done effectively in organizations.

Quality Rounds Ontario

Our provincial Quality Rounds were a monthly opportunity to share emerging trends and the progress in health care quality, and to inform and engage health quality leaders and other professionals involved with the quality agenda across Ontario and in other jurisdictions. Participation has grown to 400+ attendees per session, both in-person and online.

Change Day Ontario

With Associated Medical Services, planning began to participate in a global movement called Change Day that is rooted in health system improvement. On November 17, 2017, patients, caregivers, providers and leaders in Ontario will join others in Alberta and British Columbia in pledging to make a change – big or small – that will improve the health care system.

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Strategic Priority 2

Increase availability of information to enable better decisions

Measuring Up

We released our yearly comprehensive report that looks at how the provincial health system is performing. Based on the Common Quality Agenda, a set of quality indicators looking at the health of the people of Ontario and the care they receive, Health Quality Ontario reported on how each region is performing and how Ontario compares with the rest of Canada and other countries.

We also featured patients who encountered challenges in the health system first-hand, and health care professionals who are working to improve it – to provide the human perspective of the issues raised by the report's performance data.

Specialized Reports

Building on *Measuring Up*, we also produced specialized reports throughout the year that took an in-depth look at important issues. The topics were: caregiver distress, income and health, health care coordination and communication, palliative care, and emergency department care.

Online Reporting

Health Quality Ontario, with input from health care professionals and patients, improved how it reports health system performance for the primary care, long-term care and home care sectors.

We also collaborated with Cancer Care Ontario, CorHealth Ontario (formerly the Cardiac Care Network) and the Ministry of Health and Long-Term Care to bring all wait times reporting to our website. That information is launching in 2017-18.

Provincial Measurement Strategies

We undertook a number of performance measurement initiatives: home, community care and hospital patient safety indicator reviews; co-leading palliative care indicator development with the Ontario Palliative Care Network; measuring the experience of patients transitioning across care settings; and identifying measures related to workplace violence prevention.

Practice Reports

We continued to create confidential reports that give family physicians, including those practicing in long-term care homes, customized data about their practices. Our reports also included quality change ideas to help support practice improvement. Next year, practice reports will include information about opioid prescribing and new this year was the introduction of customized reports for hospitals.


ARTIC
Dr. Linda Lee

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Strategic Priority 3

Evaluate promising innovations and practices, and support broad uptake of those that provide good value for money

Health Technology Assessments

We made evidence-based recommendations to the Minister of Health and Long-Term Care about whether 11 health care services and medical devices should be publicly funded in Ontario. *(See inset for more information.)*

Ontario Genetic Advisory Committee

Created at the end of this year, this committee advises on the clinical utility, validity, and value for money of new and existing genetic and genomic tests in Ontario, and makes recommendations on which tests should be publicly funded.

Choosing Wisely

Health Quality Ontario and Choosing Wisely Canada worked together to help clinicians and patients in Ontario have conversations about unnecessary treatments, procedures and tests. These discussions help clinicians and patients make informed choices and help ensure high quality care. As part of these efforts, we created a report highlighting how health care providers are successfully adopting recommendations while still delivery quality care to patients across the province.

Emergency Department Revisit Program

In partnership with others, Health Quality Ontario provided data to Ontario hospitals on certain types of return visits to their emergency departments. The Emergency Departments audited the data and where possible, identified opportunities for improvement to help them address the underlying causes. Their audits were then summarized in a report to be shared in early 2017-18 with all participating emergency departments to support improvement across Ontario.

A total of 86 hospitals including 73 high-volume emergency departments (with over 30,000 annual visits) participated in this program. This represents nearly 80% of all visits to emergency departments in Ontario.

ARTIC (Adopting Research to Improve Care)

Accelerating the spread of proven health care, ARTIC is a joint program of Health Quality Ontario and the Council of Academic Hospitals. *(See inset about its results.)*

Ontario Surgical Quality Improvement Network

Thirty-three surgical sites are on board with this program improving surgical care in Ontario. (Read inset about its results.)

Adoption of Quality-Based Procedures

We launched a community of practice for the adoption of Quality-Based Procedures called QBP Connect that includes a series of quality improvement evidence-based tools and resources such as webinars and more to help ensure a consistent approach to quality across the province. Front-line providers and all provincial agencies involved in supporting the development and adoption of Quality-Based Procedures participate in QBP Connect.

Quorum

Launched in early 2017-18, this past year entailed the build of Quorum, a brand-new online community for quality improvement. Built with and for the quality improvement community, Quorum is designed to foster open collaboration that transcends geographical, professional and organizational boundaries. It's a place for members to build and share knowledge, browse and submit quality improvement projects, and interact through blogs, forums and communities of practice.

Digital Health

Health Quality Ontario contributed to connecting quality and the digital health strategy by actively participating on provincial committees and hosting a Digital Health and Quality Leadership Forum. A formal report from the Forum is underway with recommendations coming in 2017-18 on how health information systems can enable better care in Ontario. These recommendations will include how to embed evidence within digital health systems to advance health system transformation, and to support care through quality standards and quality-based procedure order sets.

Medication Safety: Institute of Safe Medication Practice

We collaborated with the Institute for Safe Medication Practices to develop tools and resources concerning medication safety. This work entailed a community of practice related to medication reconciliation in the community.


Qualité des
Ontario

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Strategic Priority 4

Engage patients in improving care

Our Patient, Family and Public Advisors Council

Our Council of patients, families and other caregivers recently added 10 new members, bringing it to a total of 24 (reaching its full complement). The new members come from diverse underserved communities: Metis, Aboriginal, rural / remote, recent new immigrant, lower income, and LGBTQ.

Throughout the year, the Council engaged with Health Quality Ontario on a number of topics across its strategic priorities and submitted its first report to the Board on the results of its first year.

Health Quality Ontario's Patient and Family Network

We've increased our broader network of patients, families and members of the public to 270+. In 2016-17, its various members engaged in 66 projects across our mandate – health system reporting, health technology assessments, quality standards development, QIP indicator development, etc.

Building the Capacity of Patients and Providers to Engage Effectively

As the provincial advisor on the quality of health care, Health Quality Ontario played a role in facilitating patient engagement throughout all aspects of the health system.

Working with patients, families and health professionals, we gathered and developed tools and resources for our patient engagement online hub to support their engagement efforts, and conducted a series of training events across the province.

Resources Development Advisory Committee

We created an advisory committee of 26 members (13 patients and 13 professionals representing provincial and national organizations). Its purpose is to co-design and spread our learning tools.

A Patient Engagement Framework

We launched a patient engagement framework for Ontario on how to create a strong culture for patient engagement to support high quality health care.


Health Quality Ontario

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Strategic Priority 5

Enhance quality when patients transition between different types or settings of care

Health Links

Health Links work to improve care for patients with complex and multiple needs. Health Quality Ontario supported Health Links by:

- Supporting data collection (at each Health Links, within the LHIN region and provincially)
- Providing quarterly reports and analysis
- Identifying emerging innovations and best practices to support consistency in how care could be delivered
- Supporting inter-Health Links sharing of lessons learned on a regional or pan-provincial basis, including a cohort of teams participating in IDEAS, the provincial training program focused on quality improvement
- Connecting LHIN Health Links leads with other relevant provincial quality initiatives

A Health Links Leadership Summit also brought leaders together to help catalyze support for emerging innovations that centre on caring for patients with multiple conditions and complex needs. The Leadership Summit focused on sharing and inspiring ideas for change.

Transitions In Care

Under the guidance of a Patient-Reported Measures Advisory Committee and our Patient, Family and Public Advisors Council, we developed a new set of measures to capture patient experiences when transitioning across care settings. These measures will be incorporated into existing patient experience surveys in Ontario. Work also began with a Canadian Institute for Health Research embedded researcher and clinician for the development in 2017-18 of quality standards focused on transitions in care from hospital to home.

Integrated Funding Model Community of Practice

Health Quality Ontario continued to support a Community of Practice to help teams across the province implement new integrated funding models. Through this Community of Practice, teams discussed best practices, shared ideas for improvement, and discovered innovative approaches to integrated funding and improving care.

Areas of Focus

The following areas of focus for Health Quality Ontario are aligned with emerging needs and trends in health care. Each one cuts across Health Quality Ontario's strategic priorities, requiring a cross-sector perspective and approach.

Primary Care

We updated our online primary care indicators about how primary care is performing in Ontario. We also improved user experience on how we publicly report these indicators with improved navigation and easier-to-read information.

In addition, we gave family physicians, community health centres and family health teams access to customized information about their practice and confidentially compared this information for them to regional and provincial data.

And lastly, an analysis was done on quality improvement plans in primary care with trends and change ideas broadly shared.

Mental Health and Addictions Care

We launched three quality standards on major depression, schizophrenia and the behavioural symptoms of dementia. Plus, we supported two mental health and addictions initiatives through the Adopting Research to Improve Care (ARTIC) program that accelerated the spread of proven mental health and addiction interventions across the province *(see inset)*.

As part of the customized information we give family physicians about their practice, we will soon give them data on opioid prescribing. Plus, we will provide three quality standards on what quality care looks like for opioid use disorder and for prescribing opioids for the management of chronic and acute pain. In addition, a quality standard is in the works for how to provide quality care for patients living in the community and living with dementia.

We also collaborated with the community mental health sector to fund and support a program to develop skills, knowledge and capacity to undertake quality improvement. Thirty teams and more than 650 professionals benefitted from this program.

Palliative and End-of-Life Care

We released a specialized report that took an in-depth look at the quality of end-of-life care in Ontario. We worked with the Ontario Palliative Care Network, a partnership of Health Quality Ontario, Cancer Care Ontario, the LHINs, and Hospice Palliative Care Ontario, on enhancing performance measurement further and regional program development. We also included palliative care as a priority for quality improvement plans and work began on a quality standard on palliative care.

Core Enablers

In our strategic plan, we have identified three essential activities, known as core enablers, which make it possible for Health Quality Ontario to successfully deliver on our strategic priorities.

Enabler 1: Working With Others

Working together in collaboration with others is critical to an integrated, sustainable health system. Throughout all of our work this past year, we engaged with patients, clinicians, other health care providers, researchers, academics, professional associations, colleges, and government agencies to help ensure the results of our efforts across Health Quality Ontario are relevant and meaningful. These efforts helped to boost our capacity, and the capacity of our partners, to achieve outcomes with impact.

Enabler 2: Creating an Effective and Comprehensive Approach to Communicating Our Work

Health Quality Ontario has multiple audiences and we worked to ensure they knew about our findings, recommendations and quality improvement initiatives. We also worked hard to listen to others as part of our commitment to communications and continuous improvement.

We used various approaches to engage people via events, conferences, media stories, social media and digital communications.

Enabler 3: Working As "One"

Our organizational culture reflects a shared vision, mission, set of values and sense of purpose. As a result of our employee engagement survey, we worked across the organization this past year to improve staff orientation, learning development and work processes. These efforts demonstrated a nimble and collaborative working environment directed at helping us realize our full potential. This was especially apparent on projects like the quality standards program that draws on expertise across the organization.

SPOTLIGHT:

Measuring Up

Our yearly report on the health of Ontarians and how the health system is performing

In 2016-17, our yearly report (and in its 10th publication) offered those living in the province a broad understanding of the performance of the health care system.

We expanded the report in several areas. A new chapter on palliative care revealed that nearly two-thirds of those who received palliative care died in hospital despite the fact most would prefer to die at home. This was indicative of a larger issue involving available and appropriate care at home or elsewhere in the community.

Applying a broader health equity lens to many areas throughout the report was another new addition, allowing for a fuller picture of quality care in the province. The report revealed gaps in equitable care, and therefore, gaps in a key aspect of health care quality such as: People living in the north west region of the province not having the same access to care than those living in the Greater Toronto Area; people who've been hospitalized for a mental illness or addiction continuing to struggle disproportionately with transitioning from one part of the system to another; people living in poor neighbourhoods being much less likely to have prescription medication insurance - the same being true for people with low levels of education and those who've recently immigrated.

We also found positive findings such as the relationship between health quality and concerted efforts, often including a combination of policy changes and public health interventions. A notable example was in population health: Smoking rates have decreased significantly in recent years due in part to combined efforts in policy and regulation changes, and public health interventions. Other positive examples included cancer care and cardiac health.

on caregiver distress, income and health, health care coordination and communication, palliative care, and emergency department care) generated widespread attention: 548 media stories across the province and 17,359 report interactions.

"Applying a broader health equity lens to many areas throughout the report was another new addition, allowing for a fuller picture of quality care in the province."

Each year, *Measuring Up* centres on a set of performance measures called the Common Quality Agenda. Based on these performance measures, work is underway in many parts of the health system to improve care and outcomes, in addition to how to better measure them.

In the report, patients and health care professionals share their own stories to help bring the data to life. Brian and Mary, a husband and wife shared this: Mary requires three prescriptions for fibromyalgia, depression, and problems with her joints. Brian requires 12 prescriptions – his alone cost about $900 per month. Most of them are now covered by the Ontario Disability Support Program, but that hasn't always been the case. And even with the coverage, they face significant financial hardship.

In 2016-17, all of our public reports (*Measuring Up* and our specialized reports

2016-17

Our yearly report (and in its 10th publication) offered those living in the province a broad understanding of the performance of the health care system.

17,359

report interactions on our public reports in 2016–2017

548

media stories across the province of Ontario

SPOTLIGHT:

Health Technology Assessments

Facilitating rapid access to evidence-based innovations that are good value for money

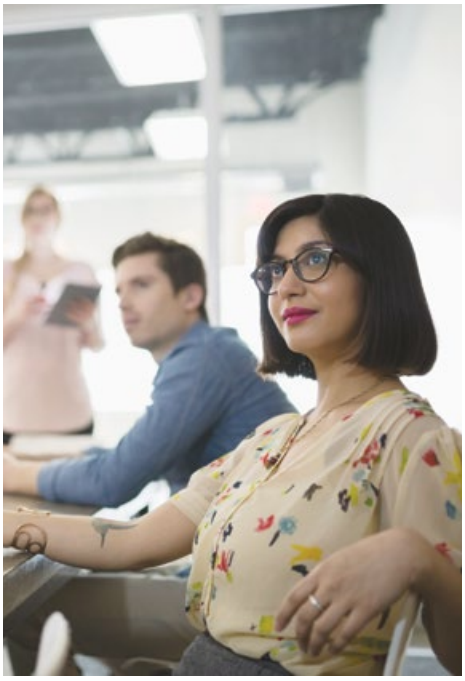
In 2016-17, Health Quality Ontario made 11 recommendations to the Minister of Health and Long-Term Care regarding the funding of health care services and medical devices. The recommendations from Health Quality Ontario to the Minister of Health and Long-Term Care in 2016-17 to publicly fund a health care service are highlighted on the next page. *For a list of all of the health technology assessments we conducted, please see the compendium at the end.*

These recommendations apply to both rare and common health conditions and are relevant for millions of people living in Ontario.

Specifically, we looked at services and devices for a range of conditions: hay fever, infection, heart disease, cancer, eye disease, and arm and hand transplants. A few were also specific to women's health.

Working with clinical experts, scientific collaborators, expert panels, patients, and the public, we evaluated interventions to determine whether they are effective, whether they provide good value for money and whether there are other issues related to values and preferences that we should be considering.

These analyses were presented to Health Quality Ontario's Ontario Health Technology Advisory Committee which deliberated on each topic and then made recommendations about public funding. These recommendations were subsequently approved by the Health Quality Ontario Board of Directors and then made to the Minister of Health and Long-Term Care.



"…we evaluated interventions to determine whether they are effective *(and)* whether they provide good value for money…"

Health Technology Assessments 2016-2017 (with recommendations from the Ontario Health Technology Advisory Committee to be publicly funded)	Number of Ontarians Potentially Affected by the Recommendation
Hay Fever Skin Testing for Allergic Rhinitis	*Estimated to be between 20% and 25% of people living in Ontario.*
Bone Fractures Caused By Cancer Vertebral Augmentation Involving Vertebroplasty or Kyphoplasty for Cancer-Related Vertebral Compression Fractures	*In some studies, 30% of patients with advanced cancer have been reported to develop spinal metastases.*
Clostridium Difficile (Infection) Fecal Microbiota Therapy for Clostridum Difficile Infection	*The total number of Clostridium difficile cases was reported to be 5,810 in 2014/2015.*
Breast Cancer Ultrasound as an Adjunct to Mammography for Breast Cancer Screening in High-Risk women who cannot undergo MRI	*1 in 9 women are expected to develop breast cancer during their lifetime.*
Heavy Menstrual Bleeding Levonorgestrel-Releasing Intrauterine System (52 mg) for Idiopathic Heavy Menstrual Bleeding	*Experts we consulted estimate that 15% to 20% of women of reproductive age (15 to 55 years old) in Ontario are affected by heavy menstrual bleeding.*
Heart Disease Transcatheter Aortic Valve Implantation for Treatment of Aortic Valve Stenosis	*About 3% of people aged 75 years and older have severe aortic valve stenosis.*
Heart Disease Long-Term Continuous Ambulatory ECG Monitors and External Cardiac Loop Recorders for Cardiac Arrhythmia	*Many arrhythmias can increase the risk of stroke, heart attack, heart failure, or sudden cardiac death (which kills 40,000 Canadians a year). Atrial fibrillation is the most common serious arrhythmia and affects about 2% to 3% of people in North America and Europe.*

SPOTLIGHT:

ARTIC

Accelerating the spread of proven care

Patients with addiction problems and/or major depression are receiving better care thanks to two proven programs and the Adopting Research to Improve Care (ARTIC) Program.

ARTIC - which is co-led by the Council of Academic Hospitals of Ontario (CAHO) and Health Quality Ontario - accelerates the spread of proven care. The program provides project teams across Ontario with funding and active support over approximately two years to ensure the ongoing success and sustainability of their projects.

Results have just been released from two projects supported by ARTIC: the Mentoring, Education, and Clinical Tools for Addiction: Primary Care-Hospital Integration (META:PHI) and the Depression and Alcoholism – Validation of an Integrated Care Initiative (DA VINCI) programs.

The META:PHI project is an innovative approach to provide integrated care for those with opioid or alcohol addiction issues and special training to primary care clinicians who care for these individuals. This model also gives primary care providers the support they need to care for people living with addiction issues.

META:PHI integrates treatment provided by emergency department and hospital staff, primary care providers, and front-line community services, such as withdrawal management shelters. This allows patients to seamlessly move from emergency department care, shelters, and other health care facilities through to a Rapid Access Addiction Medicine clinic which provides specialized treatment and services that they would not have received in other care settings. When patients are stabilized, specialists at the clinic can refer them back to family physicians who can provide holistic care beyond addictions treatment.

Under META:PHI, addiction specialists have been successfully recruited to establish rapid access addiction medicine clinics at sites across the province, implement addiction practices in hospitals and primary care clinics, and provide mentorship and training to primary care providers.

A sample of 152 patients across five partner sites showed a significant reduction in emergency department visits and time spent in hospital. Patients in the program were also more likely to be prescribed appropriate medications to treat addiction than similar patients not involved in the program.

Thanks to ARTIC, META:PHI spread to Ottawa, London, Sudbury, Owen Sound Sarnia, St. Catharines, and Newmarket. Over the past two years, 186 primary care physicians have been trained and 861 patients were treated. The program has been sustained in all communities and is anticipated to benefit an additional 1,300 patients in its second year.

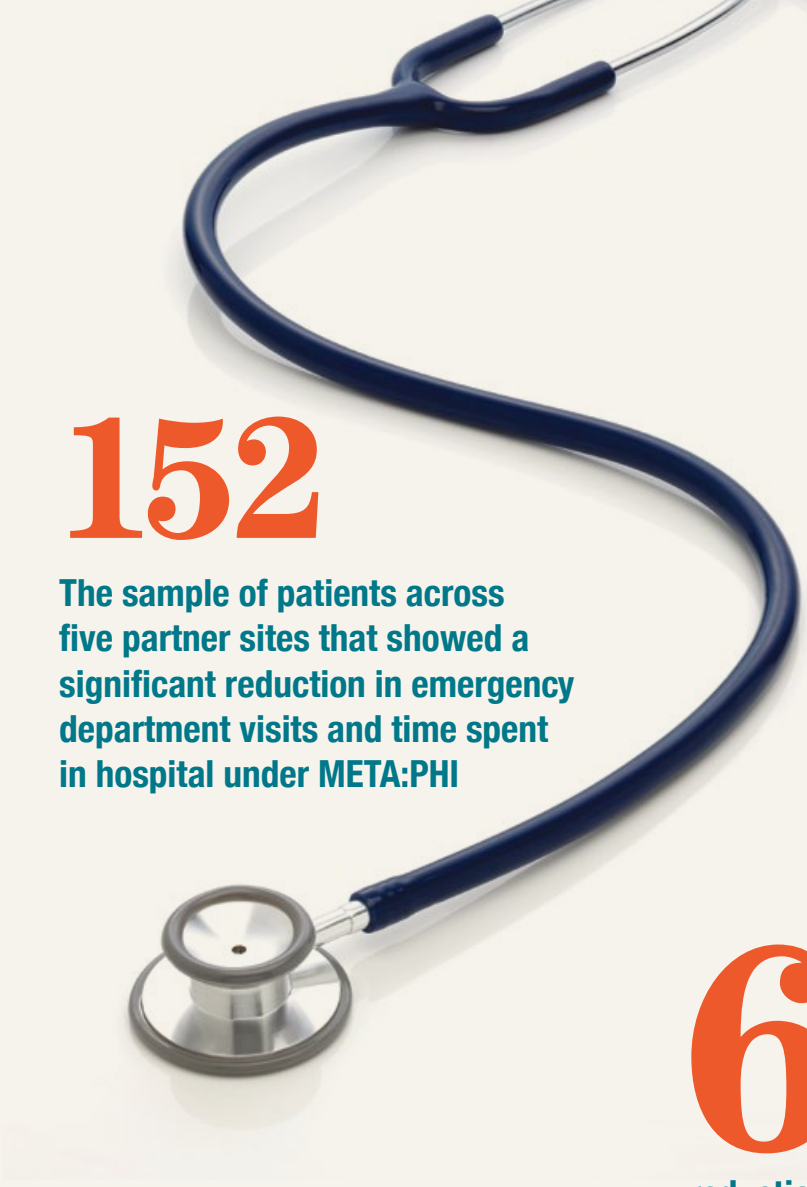
“Patients in the program were also more likely to be prescribed appropriate medications to treat addiction than similar patients not involved in the program.”

Running since April 2015, the goal of DA VINCI is to ensure patients with major depressive disorder and alcohol dependency have access to patient-centered, evidence-based integrated care.

DA VINCI started at the Centre for Addiction and Mental Health, treating 44 patients. With support from ARTIC, DA VINCI spread to eight new sites, including hospitals and Family Health Teams, with 83 newly trained clinicians treating 352 patients. Clinicians were trained across the eight centres to look after patients with both disorders using a new approach, plus a new group therapy approach to care was introduced.

Those involved in the project have achieved good results. Patients enrolled reported a 62% reduction in drinks per week (from 29 down to 10) and a 95% improvement in their mood.

DA VINCI is the first program in Canada to systematically screen and treat depression and alcohol dependency together. The program has developed a consistent way to treat these patients and 90% of the clinicians involved have adopted the approach.



2014

Council of Academic Hospitals of Ontario and Health Quality Ontario formed a partnership to transition ARTIC into a provincial resource to support the rapid implementation of evidence-based interventions across the range of health care delivery organizations in Ontario.

152

The sample of patients across five partner sites that showed a significant reduction in emergency department visits and time spent in hospital under META:PHI

62%

reduction in drinks per week (from 29 down to 10) and a 95% improvement in mood from patients enrolled in the DA VINCI project

SPOTLIGHT:

Ontario Surgical Quality Improvement Network

Improving surgical care and patient safety

The evidence is building. The Ontario Surgical Quality Improvement Network is having an impact on surgical quality in Ontario hospitals.

In the operating room and in the days that follow, patients are vulnerable and their safety is of prime importance. So hospitals have turned to a program of data gathering, program enhancements, and culture change to improve the quality of the care they provide.

This past year, 33 hospitals were part of the Ontario surgical network. Using high quality clinical data collected through the American College of Surgeons National Surgical Quality Improvement Program (ACS-NSQIP), these hospitals compare themselves with their peers across 500+ hospitals in North America. Based on data, they establish targeted quality improvement plans.

As Dr. Michael Lisi, Chief of Staff at Collingwood General and Marine Hospitals, puts it: "our hospital is joining forces with other leading hospitals to uncover new ways to help our patients get the best results from surgical treatment."

Initial assessment of the ACS-NSQIP database showed, compared to other hospitals, the Ontario collaborative is performing as expected or better in many areas of care, including:

- How long patients were ventilated
- Unplanned intubation procedures
- The need to return to the operating room
- Systemic infection after surgery

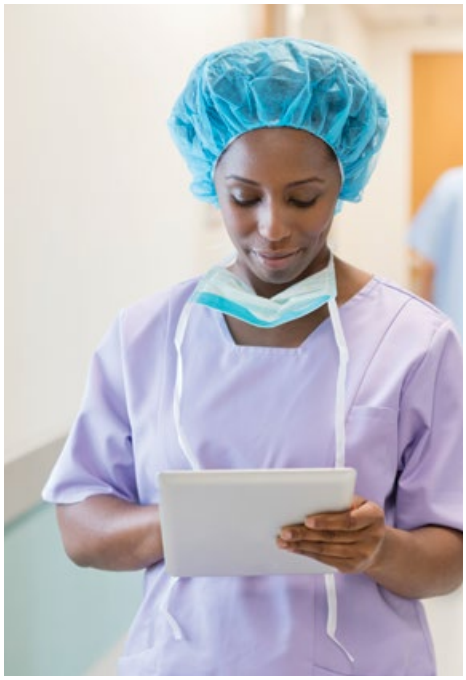
There was also room for improvement for issues like surgical site infections and urinary tract infections, as many Ontario hospitals had infection rates that were greater than the majority of comparator hospitals.

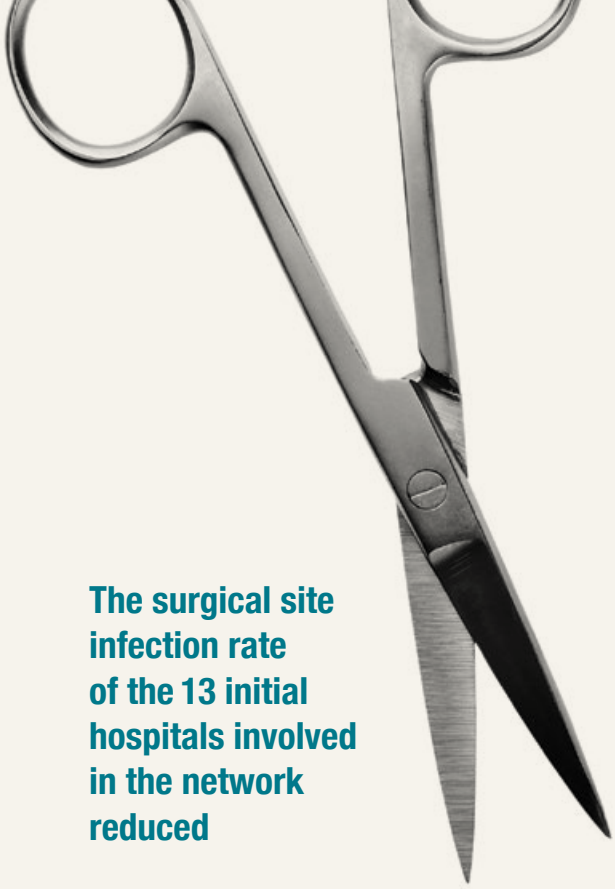
As a result, 13 hospitals in the Ontario network implemented programs to reduce surgical site infection rates - from building effective teams and educating staff and patients, to appropriately removing hair at the surgical site and ensuring the appropriate use of prophylactic antibiotics. These hospitals reduced their surgical site infection rate from an average of 3.9% in September 2015 to 3% at the end of September 2016, and many hospitals exceeded the targets they had set for improvement.

The network has now expanded to 33 hospitals. This means that approximately 58% of adults who have surgery in Ontario will be discharged from a hospital participating in this program.

Toronto surgeon, Dr. Tim Jackson, and surgical lead at Health Quality Ontario says, "Results show this approach is having an impact. It's more than measuring surgical quality parameters. When hospitals are given high quality data, comparators to others, and quality improvement methods based on the best evidence, change happens."

"When hospitals are given high quality data, comparators to others, and quality improvement methods based on the best evidence, change happens." – Dr. Tim Jackson





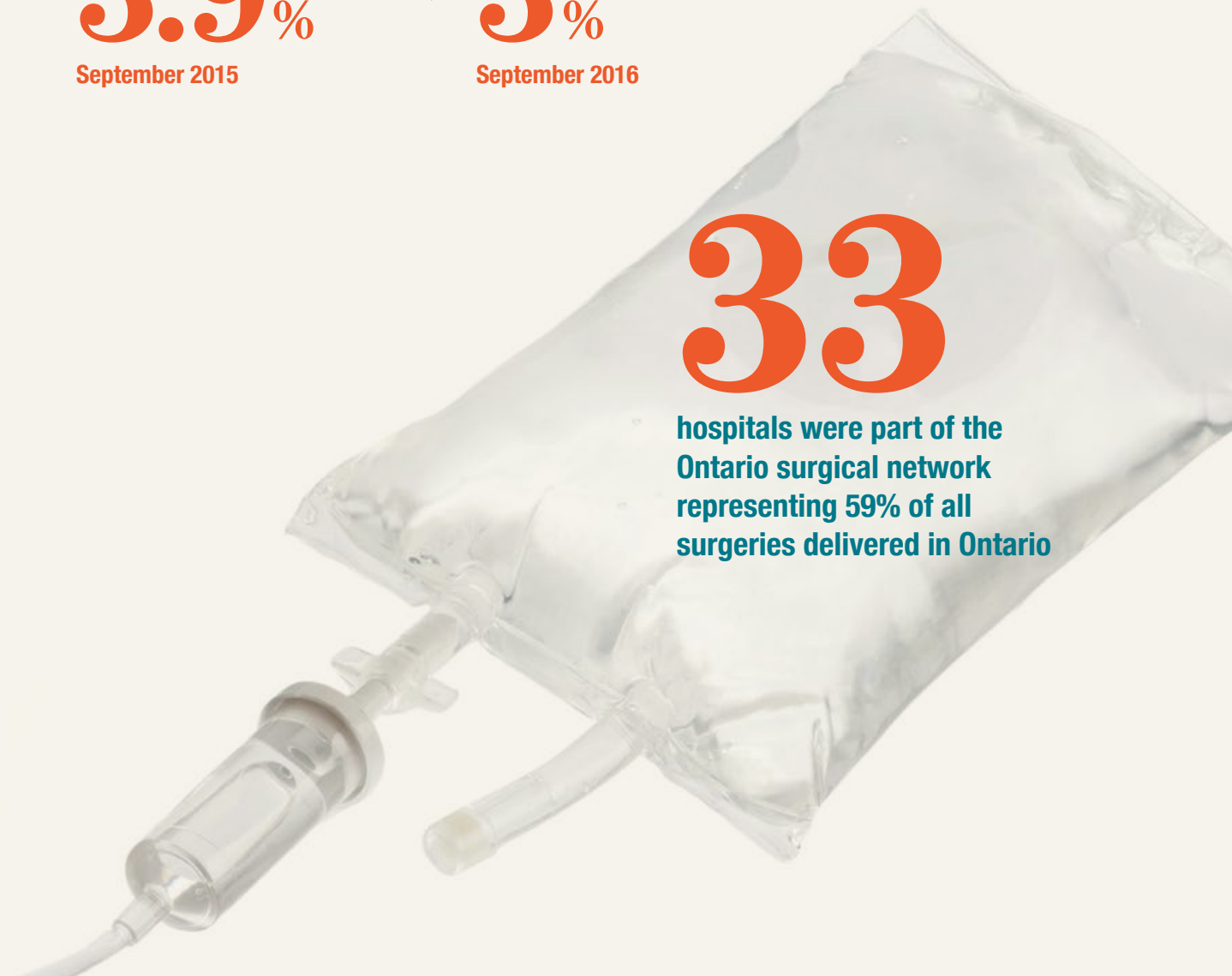
2015

Administered by Health Quality Ontario, this network combines high quality data with the best evidence in surgical care along with quality improvement methods to support a community of practice that would result in improved surgical outcomes.

The surgical site infection rate of the 13 initial hospitals involved in the network reduced

3.9% → **3%**

September 2015 — **September 2016**



33

hospitals were part of the Ontario surgical network representing 59% of all surgeries delivered in Ontario

Operational Performance

Four spotlight stories are included in this report to share some exciting highlights.

In addition, Health Quality Ontario regularly reports on organizational performance to the Ministry of Health and Long-Term Care via a quarterly corporate scorecard, which has evolved in alignment with the strategic priorities and areas of focus identified in our 2016-19 strategic plan.

In 2016-17, Health Quality Ontario continued to evolve its performance measurement to show how the organization's activities drive towards intended outcomes and impacts - by measuring the reach, usefulness and use of our information, tools and products. In 2017-18, we will begin to collect and report on performance data in alignment with this new framework. Some of these measures are outlined.

Programmatic Data

Engaging the Quality Committee

Program	Indicator	Target	2016/17 Data
Quality Improvement Plans	% of respondents who indicated they were 'likely' or 'very likely' to implement at least one idea or concept from a Quality Improvement Plan (QIP) guidance session	80%	87% ✓
	Number of attendees part of QIP guidance sessions	TBD	1,355
Patient Engagement	Percent of respondents (patient and family advisors) who 'agreed' or 'strongly agreed' that their views were heard	80%	100% ✓
	Percent of respondents (patient and family advisors) who 'agreed' or 'strongly agreed' that the input provided through an engagement activity would be considered by the organizers	80%	83% ✓
	Percent of respondents (patient and family advisors) who 'agreed' or 'strongly agreed' that the engagement activity will make a difference	80%	89% ✓
Health Links	Number of attendees part of Health Links community of practice sessions	TBD	539
	% of respondents who indicated they were 'likely' or 'very likely' to implement at least one idea or concept from a Health Links Community of Practice session	80%	72%

QIP and Health Links data for the period of September 2016 – March 2017

Building Capacity

Program	Indicator	2016/17 Data
IDEAS Foundations Program *	Number of IDEAS Foundations Program graduates	189
IDEAS Advanced Learning *	Number of IDEAS Advanced Program Graduates	55
IDEAS Alumni Program	Number of IDEAS Alumni Webinar series attendees	513
	% respondents who indicated they "agree" or "strongly agree" that "The information presented in this webinar will help me in my QI work"	80%

**These programs were run once in 2016-17 due to program redesign.*

Our Reach

Quality Matters

1,861
framework downloads

Quality Standards

44,370
report downloads

44,235
page views

Patient Engagement

8,578
downloads

40,962
page views

Measuring Up

3,922
downloads

Health Links

10,479
page views

ARTIC

10,493
page views

Health Equity

1,838
page views

Health Technology Assessments

1,854
downloads

18,534
page views

Quality Improvement and Patient Safety Forum

620
attendees

95%
positive response

91%
likely to apply QI concept

Health Quality Transformation

2,500
attendees

95%
positive response

Financial Performance

As a government agency, Health Quality Ontario is privileged to receive public funding from the Ministry of Health and Long-Term Care, and manages its resources in a prudent manner in alignment with direction from government and the needs of Ontarians.

Health Quality Ontario's financial management and reporting system, corporate scorecard, and strategic costing and forecasting tools are dedicated to ensuring careful use of public funds.

Health Quality Ontario's 2016-17 approved budget of $40.5 million is comprised of base funding of $34.4 million to support its core activities and additional project funding of $6.1 million. In addition, Health Quality Ontario continued to support the establishment of the Patient Ombudsman's office, providing back-office support in the development and ongoing operations of the office. The 2016-17 approved Patient Ombudsman budget of $4.3 million is comprised of base funding of $2.2 million to support its first partial year of operations in service to Ontarians, and $2.1 million to support initial start-up activities.

Health Quality Ontario ended the 2016-17 fiscal year in surplus position within 0.2%.

Health Quality Ontario's Audit and Finance Committee has worked diligently with management to ensure the ongoing integrity of the organization's financial management, reporting and risk management systems.

Detailed financial information can be found in the Audited Financial Statements at the end of this report.

The Patient Ombudsman

Health Quality Ontario provides finance, human resources and information technology support to the Patient Ombudsman's office.

Christine Elliott was announced as Ontario's first Patient Ombudsman in December 2015 and her office officially opened on July 1, 2016

Governance

Health Quality Ontario operates under the oversight of a board that consists of between nine and 12 members appointed by the Lieutenant Governor in Council, including the designated chair and vice-chair. Board membership for the 2016-17 fiscal year is listed below along with their terms:

Board Member	Term
Andreas Laupacis (Chair)	June 12, 2013 to June 11, 2019
Marie E. Fortier (Vice-Chair)	May 4, 2011 to May 2, 2017
Richard Alvarez	January 4, 2011 to January 3, 2017
Tom Closson	August 15, 2012 to August 14, 2018
Jeremy Grimshaw	August 18, 2011 to August 17, 2017
Shelly Jamieson	October 23, 2013 to October 22, 2019
Stewart Kennedy	June 17, 2015 to June 16, 2018
Bernard Leduc	January 4, 2017 to January 3, 2020
Julie Maciura	April 2, 2014 to April 1, 2020
Angela Morin	November 19, 2014 to November 18, 2017
James Morrisey	April 10, 2013 to April 9, 2019
Rick Vanderlee	July 22, 2015 to July 21, 2018
Tazim Virani	May 17, 2011 to May 16, 2017

Conclusion

We are very proud of what Health Quality Ontario accomplished this past year. It was a year of growth, delivering results on areas within our key strategic priorities and continuing to gain traction on our areas of focus. Most importantly, we are seeing an increased focus on health care quality across the health system, not only seen by the active consumption of our reports and the strong participation in our programs, but tangible examples of better care and better outcomes for patients.

We have much to do in the coming years, continuing to bring our strategic plan to life. We look forward to working with all of our partners including government, health care professionals, patients and the public to create a high quality health system for all Ontarians.

For more information about the initiatives highlighted in this report visit www.hqontario.ca.

Compendium: Summary of 2016-17 Evidence-Based Recommendations

To meet requirements under Health Quality Ontario's Accountability Agreement with the Ministry of Health and Long-Term Care, below is a summary of all the evidence-based recommendations made to the ministry or health system during 2016-17. Complete details including how topics are selected is available on our website (www.hqontario.ca).

- Skin Testing for Allergic Rhinitis
- Vertebral Augmentation Involving Vertebroplasty or Kyphoplasty for Cancer-Related Vertebral Compression Fractures
- Composite Tissue Transplant of Hand or Arm
- Retinal Prosthesis System for Advanced Retinitis Pigmentosa
- Fecal Microbiota Therapy for Clostridium difficile Infection
- Ultrasound as an Adjunct to Mammography for Breast Cancer Screening
- Levonorgestrel-Releasing Intrauterine System (52 mg) for Idiopathic Heavy Menstrual Bleeding
- Transcatheter Aortic Valve Implantation for Treatment of Aortic Valve Stenosis
- Magnetic Resonance Imaging as an Adjunct to Mammography for Breast Cancer Screening in Women at Less Than High Risk for Breast Cancer
- Long-Term Continuous Ambulatory ECG Monitors and External Cardiac Loop Recorders for Cardiac Arrhythmia
- Percutaneous Ventricular Assist Devices

Financial Statements

Loftus Allen & Co. Professional Corporation
Chartered Professional Accountants

INDEPENDENT AUDITOR'S REPORT

To the Members of the Board of Directors of the Ontario Health Quality Council o/a Health Quality Ontario

We have audited the accompanying financial statements of Ontario Health Quality Council o/a Health Quality Ontario, which comprises the statement of financial position as at March 31, 2017, and the statements of operations, change in net debt, and cash flows for the year then ended, and a summary of significant accounting policies, and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Ontario Health Quality Council o/a Health Quality Ontario as at March 31, 2017, and the results of its operations, change in its net debt, and its cash flows for the year then ended in accordance with the Canadian public sector accounting standards.

Loftus Allen & Co
Professional Corporation

Chartered Professional Accountants,
authorized to practice public accounting by
Chartered Professional Accountants of Ontario

Toronto, Ontario
June 28, 2017

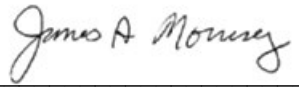
111- 5405 Eglinton Avenue West, Toronto, Ontario, M9C 5K6
Telephone & Fax: 905-566-7333 | Toll Free: 1-866-749-9228
www.loftusallen.com

ONTARIO HEALTH QUALITY COUNCIL
o/a HEALTH QUALITY ONTARIO

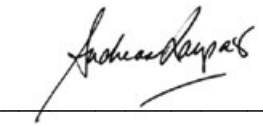
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2017
(with comparative figures for **2016***)*

	2017	2016
FINANCIAL ASSETS		
Cash	**$ 8,465,899**	$ 3,750,859
Due from Ministry of Health and Long-Term Care ("MOHLTC"),*note 4*	**1,715,000**	1,328,100
Harmonized sales tax receivable	**159,816**	-
	10,340,715	5,078,959
LIABILITIES		
Accounts payable and accrued liabilities	**6,382,681**	4,437,340
Due to the MOHLTC, *note 4*	**3,650,934**	641,619
Deferred capital contributions, *note 5*	**1,785,222**	840,010
	11,818,837	5,918,969
NET FINANCIAL (DEBT)	**(1,478,122)**	(840,010)
COMMITMENTS, *note 7*		
NON-FINANCIAL ASSETS		
TANGIBLE CAPITAL ASSETS, *note 3 and 6*	**1,478,122**	840,010
ACCUMULATED SURPLUS	**$ -**	$ -

APPROVED ON BEHALF OF THE BOARD:



_____ Director



_____ Director

ONTARIO HEALTH QUALITY COUNCIL
o/a HEALTH QUALITY ONTARIO

STATEMENT OF OPERATIONS AND SURPLUS
FOR THE YEAR ENDED MARCH 31, 2017
(with comparative figures for **2016***)*

	2017	2016
REVENUE - ***Schedule of Operations***		
Ministry of Health and Long-Term Care	**$ 44,916,375**	$ 37,028,100
(Increase) decrease in capital contributions, *note 5*	**(945,212)**	95,347
	43,971,163	37,123,447
EXPENSES - ***Schedule of Operations***		
Enterprise Strategy and Operations	**14,246,245**	13,322,015
Quality Improvement	**13,955,603**	12,543,372
Health System Performance	**6,040,602**	5,485,139
Evidence Development & Standards	**6,166,373**	4,807,157
Office of the Patient Ombudsman	**3,154,975**	411,256
	43,563,798	36,568,939
UNSPENT BUDGETED FUNDS, ***note 4***	**407,365**	554,508
INTEREST INCOME, ***note 4***	**65,158**	65,308
RECOVERIES OF TRANSFER PAYMENTS, ***note 4***	**29,156**	21,803
SURPLUS PRIOR TO REPAYMENT TO THE MINISTRY OF HEALTH AND LONG-TERM CARE, ***note 4***	**501,679**	641,619
DUE TO THE MINISTRY OF HEALTH AND LONG-TERM CARE, ***note 4***	**501,679**	641,619
SURPLUS	**$ -**	$ -

ONTARIO HEALTH QUALITY COUNCIL
o/a HEALTH QUALITY ONTARIO

STATEMENT OF CHANGE IN NET DEBT
FOR THE YEAR ENDED MARCH 31, 2017
(with comparative figures for **2016***)*

	2017	2016
ANNUAL SURPLUS	**$ -**	$ -
ACQUISITION OF TANGIBLE CAPITAL ASSETS	**(1,395,232)**	(327,394)
AMORTIZATION OF TANGIBLE CAPITAL ASSETS, ***note 5***	**757,120**	422,741
(INCREASE) DECREASE IN NET DEBT	**(638,112)**	95,347
NET DEBT, BEGINNING OF YEAR	**(840,010)**	(935,357)
NET DEBT, END OF YEAR	**$ (1,478,122)**	$ (840,010)

ONTARIO HEALTH QUALITY COUNCIL
o/a HEALTH QUALITY ONTARIO

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2017
(with comparative figures for **2016***)*

	2017	2016
OPERATING TRANSACTIONS		
Annual surplus	$ -	$ -
Less: items not affecting cash		
Amortization of tangible capital assets, *note 3*	**757,120**	422,741
Amortization of deferred capital contributions, *note 5*	**(757,120)**	(422,741)
Changes in non-cash operating items		
Due from MOHLTC regarding funding	**(386,900)**	(1,328,100)
Harmonized Sales Tax receivable	**(159,816)**	-
Accounts payable and accrued liabilities	**1,945,341**	1,088,500
Due to MOHLTC	**3,009,315**	294,366
	4,407,940	54,766
CAPITAL TRANSACTIONS		
Acquisition of tangible capital assets	**(1,395,232)**	(327,394)
FINANCING TRANSACTION		
Increase in deferred capital contributions, *note 5*	**1,702,332**	327,394
INCREASE IN CASH	**4,715,040**	54,766
CASH, beginning of year	**3,750,859**	3,696,093
CASH, end of year	**$ 8,465,899**	$ 3,750,859

ONTARIO HEALTH QUALITY COUNCIL
o/a HEALTH QUALITY ONTARIO

NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2017

1. THE ORGANIZATION

a) Health Quality Ontario (HQO) is the provincial advisor on the quality of health care. Created as the Ontario Health Quality Council under Ontario's Commitment to the Future of Medicare Act on September 12, 2005, HQO is an agency of the Ministry of Health and Long-Term Care. Under the Excellent Care for All Act (ECFAA) enacted June 3, 2010, HQO's mandate was expanded to develop evidence based standards, foster quality improvement, and monitor and report on the health system's performance. To execute this mandate, HQO engages with system partners, patients and the public. The Council was granted the business name Health Quality Ontario on February 15, 2011.

In 2014, amendments were made to the ECFAA under the Public Sector and MPP Accountability and Transparency Act, 2014 to establish a Patient Ombudsman in Ontario. The Patient Ombudsman's office was officially launched in July 2016. The Patient Ombudsman is empowered to investigate, facilitate the resolution of, and report on complaints made by patients, former patients, and their caregivers that relate to the care or health care experience of patients or former patients at a hospital, long-term care home, or home and community care services delivered through the Local Health Integration Networks (LHINs), formerly the Community Care Access Centres (CCACs). The Patient Ombudsman leads her own office while HQO provides finance, human resources and information technology support. In December 2016, Bill 41, the Patients First Act was proclaimed.

The Patients First Act, 2016 is part of the government's Patients First: Action Plan for Health Care to create a more patient-centered health care system in Ontario. Included in Bill 41 is an expanded mandate for HQO to include making recommendations regarding clinical care standards to the Ministry of Health and Long-Term Care (MOHLTC) as well as to health care organizations. HQO will deliver this expanded mandate through the creation of the Ontario Quality Standards Committee (OQSC), as a committee of the Board, whose members will include health care professionals and clinicians as well as patients, caregivers and others with lived experience.

b) During the course of the fiscal year, the HQO board and management did not have and hence did not exercise oversight of PO and its affairs, spending, or financial position. This governance issue arises due to ongoing dialogue with the MOHLTC on the relationship between PO and HQO.

1. THE ORGANIZATION - continued

An independent audit of PO was performed to satisfy the board of HQO that the financial statements of PO were fairly stated within this combined report. These financial statements result from the separate independent audits of HQO and PO, and present their combined financial position and operations, as they are legally one entity under the Ontario Health Quality Council, as defined in the ECFAA.

c) HQO is, and exercises its powers only as, an agent of the crown. As an agent of the crown, HQO is not subject to income taxation. Limits on HQO's ability to undertake certain activities are set out in both the Act and Memorandum of Understanding between HQO and the MOHLTC.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements are the representations of management, prepared in accordance with Canadian public sector accounting standards. Significant accounting policies adopted by the HQO are as follows:

(a) 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 tangible capital assets.

(b) Government transfer payments

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

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

(c) Deferred capital contributions

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

(d) Tangible capital assets

Tangible capital assets are recorded at historic cost. Historic cost includes the costs directly related to the acquisition, design, construction, development, improvement or betterment of tangible capital assets. The cost of tangible capital assets contributed is recorded at the estimated fair value on date of contribution. Fair value of contributed tangible 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 tangible 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 tangible capital asset are capitalized. Computer software is recognized as an expense when incurred.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

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

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

(e) Donated materials and services

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

(f) Revenues and expenses

The deferral method of accounting is used. Income is recognized as the funded expenditures are incurred. In accordance with the MOHLTC guidelines, certain items have been recognized as expenses although the deliverables have not all been received yet. These expenses are matched with the funding provided by the Ministry for this purpose.

(g) Measurement uncertainty

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reporting amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of the revenues and expenses during the period.

Estimates are based on the best information available at the time of preparation of the financial statements and are reviewed annually to reflect new information as it becomes available. Measurement uncertainty exists in these financial statements. Actual results could differ from these estimates.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

(h) Employee Pension Plans

The employees of HQO participate in the Public Service Pension Plan (PSPP) which is a defined benefit pension plan for the employees of the province and many provincial agencies. The province of Ontario, which is the sole sponsor of the PSPP, determines HQO's annual payments to the fund. Since HQO is not a sponsor of these funds, gains and losses arising from statutory actuarial funding valuations are not assets or obligations of HQO, as the sponsor is responsible for ensuring that the pension funds are financially viable. HQO's expense is limited to the required contributions to the PSPP as described in note 11.

3. CHANGE IN ACCOUNTING POLICIES

During the year the HQO amended its tangible capital asset policy, note 2 (d), and its policy with respect to deferred capital contributions, note 2 (c). These two policies better reflect the value of the tangible capital assets on the balance sheet and the actual amortization expense during the life of each asset. They comply with Canadian public sector accounting standards while reflecting the capital funding requirements of the MOHLTC. Prior period figures were restated to take into account the effects of the retrospective application of these new accounting policies.

Tangible capital asset purchases are now capitalized and amortized over the useful life of the asset. In prior years these purchases were amortized fully in the year they were put in to use. The capital balance and carrying amount of tangible capital assets at the beginning of the year is $840,010. ($935,357 as at April 1, 2015). The net debt increased by $638,112 for 2017 and decreased by $95,347 for 2016.

Funds received that are committed to fund tangible capital assets are now recorded as deferred capital assets and matched to fund the corresponding amortization expense over the useful life of the related tangible asset. In prior years capital contributions were recognized fully in the year the related tangible capital assets were put in to use. The deferred capital contributions are increased by $840,010 at the beginning of the year ($935,357 as at April 1, 2015). The capital purchase funding net of the amortization of deferred capital contributions revenue increased by $945,212 for 2017 and decreased by $95,347 for 2016.

4. DUE TO THE MINISTRY OF HEALTH AND LONG-TERM CARE

In accordance with the MOHLTC financial policy, surplus funds received in the form of grants, interest and other recoveries are recovered by the MOHLTC. Additional funding of $1,715,000 was approved by MOHLTC and was still receivable as of the date of these financial statements.

During the fiscal year, HQO was approved for filing harmonized sales tax (HST) rebates retroactively to fiscal year 2011. Any refunds from filings of previous year's HST rebates are due to MOHLTC which amounted to $3,149,255. HQO received a rebate of $1,134,691 for the current year's expenses. Only current year's expenses are net of HST paid as prior year's comparative expenses have not been restated to reflect the HST refunded for 2016 fiscal year. The rebate qualification occurred in 2017. There was no expected rebate when the 2016 statements were issued. There was no net effect on the surplus balance as the full 2016 rebate was returned to the MOHLTC.

	2017	2016
HST refunded from prior years	**$ 3,149,255**	$ -
Unspent budgeted funds	**18,840**	465,764
Unspent budgeted funds PO	**388,525**	88,744
Interest income	**65,158**	65,308
Recovery of transfer payment Ontario Long Term Care Physicians	**-**	13,953
Recovery of transfer payment Hamilton Health Services	**-**	7,850
Recovery of transfer payment University of Toronto IHPME	**29,156**	-
	$ 3,650,934	$ 641,619

5. DEFERRED CAPITAL CONTRIBUTIONS

	2017	2016
Balance, beginning of year	**$ 840,010**	$ 935,357
Capital contributions received during the year	**1,702,332**	327,394
Amortization for the year	**(757,120)**	(422,741)
Increase (decrease) in capital contributions	**945,212**	(95,347)
Balance, end of year	**$ 1,785,222**	$ 840,010

The above balance reflects a retroactive change in accounting policy see note 3.

6. TANGIBLE CAPITAL ASSETS

			2017	2016
	Cost	Accumulated amortization	Net Book value	Net Book value
Computer and equipment	**$ 1,029,000**	**$ 623,724**	**$ 405,276**	**$ -**
Office furniture and fixtures	**950,909**	**919,361**	**31,548**	**-**
Leasehold improvements	**2,836,374**	**1,795,076**	**1,041,298**	840,010
	$ 4,816,283	**$ 3,338,161**	**$ 1,478,122**	$ 840,010

The above balance reflects a retroactive change in accounting policy see note 3.

7. COMMITMENTS

HQO has commitments under various operating leases related to building and equipment. Lease renewals are likely. Minimum lease payments due over the remaining term of existing leases is as follows:

2018	$1,748,604
2019	$1,920,142
2020	$1,719,650
2021	$1,496,235
2022	$ 937,031
Subsequently	$ 194,762

8. ECONOMIC DEPENDENCE

HQO receives all of its funding from the MOHLTC.

9. FINANCIAL INSTRUMENTS

Fair value - The carrying value of cash, accounts payable and accrued liabilities as reflected in the financial position approximate their respective fair values due to their short-term maturity or capacity for prompt liquidation. The organization holds all of its cash at one financial institution.

9. FINANCIAL INSTRUMENTS - continued

Liquidity risk - the risk that the organization will not be able to meet all cash flow obligations as they come due. The organization mitigates this risk by monitoring cash activities and expected outflows through extensive budgeting and forecasting.

10. PROJECTS

SUMMARY OF PROJECTS:

	2017	2016
IDEAS	**$ 2,537,566**	$ 720,725
ARTIC	**1,382,804**	1,650,001
NSQIP	**903,583**	2,919,079
CMHA	**655,673**	139,566
CWC	**500,000**	-
ISMP	**175,000**	380,250
Quality Standards on Pain Management & Opioid Prescribing	**240,000**	-
Indigenous Health Conference	**105,000**	-
MacHealth	**25,000**	-
Quality Standards in Information Technology Event	**8,142**	-
OCSA	**-**	513,000
AFHTO	**-**	15,000
OLTCP (Recovery of Unspent Funds)	**-**	(13,953)
Total	**$ 6,532,768**	$ 6,323,668

Improving & Driving Excellence Across Sectors (IDEAS)

IDEAS is a provincial applied learning strategy delivered through a collaborative partnership between Ontario's six universities that have faculties of medicine and health sciences, HQO, ICES and the Institute of Health Policy, Management and Evaluation at the University of Toronto. The aim is to build quality improvement capacity and leadership throughout the health system through this collaborative arrangement.

10. PROJECTS - continued

Adopting Research to Improve Care (ARTIC)

The ARTIC Program is a proven model for accelerating and supporting the implementation of research evidence into practice contributing to quality care across Ontario. The Council of Academic Hospitals of Ontario (CAHO) originally developed the ARTIC Program to accelerate the adoption of research evidence within hospital settings.

National Surgical Quality Improvement Program (NSQIP)

The NSQIP is an internationally recognized initiative to measure and improve the quality of surgical care. HQO is providing 34 hospitals with financial support to implement a surgical quality improvement program that improves patient care and outcomes, and decreases surgical complications and the cost of health care delivery throughout an 18-month run-in phase, which concluded September 30, 2016. Following the run-in period hospitals will continue to participate in a provincial collaborative of NSQIP-ON that allows for comparison of outcomes, sharing best practices and successes, and achieving common improvement goals. Participants are expected to sustain participation in NSQIP beyond the term of their agreement which expires on March 31, 2018.

Canadian Mental Health Association (CMHA)

CMHA is a voluntary organization, which operates at the local, provincial and national levels across Canada. The Ontario section of CMHA promotes the mental health of all and supports the resilience and recovery of people experiencing mental illness through advocacy, education, research and service. It also provides support to the 32 local Branches of CMHA across the province that provide comprehensive MHA services to approximately 60,000 individuals annually in diverse communities across Ontario. The aim of this collaboration is to evaluate sector-wide QI capacity and work with community MHA agencies to establish quality standards and facilitate knowledge exchange to address the existing gaps.

Choosing Wisely Canada (CWC)

Choosing Wisely Canada is a national initiative and campaign designed to help physicians and patients engage in conversations about unnecessary tests, treatments and procedures, and ultimately

10. PROJECTS - continued

impact the reduction in use of unnecessary tests. It is connected with the Choosing Wisely campaign originated in the US, and in Canada, the effort has been led by Dr. Wendy Levinson a physician leader from the University of Toronto. A key aspect of their work is working with experts, particularly the medical profession, to identify opportunities to reduce interventions where evidence no longer warrants their use. HQO has been a collaborator with the group to explore and support opportunities to link the work with other major quality improvement initiatives in Ontario. Some examples include how data related to tests targeted for reduction can be provided through practice reports or organizational level reporting, or how recommendations related to surgery could be adopted through the Surgical Quality Improvement Network. As well, HQO also supported some initial evidence reviews to inform the CWC recommendations.

Enhanced Institute for Safe Medication Practices (ISMP)

ISMP is an independent national not-for-profit organization committed to the advancement of medication safety in all healthcare settings.

The HQO and ISMP collaboration is aiming on advancing Medication Safety Support Service which consist of Ontario's critical incident analysis program, medication safety knowledge transfer, safe medication practices program support and the development and implementation of a medication reconciliation network in the community. This project will enable the continued spread of medication safety and MedRec knowledge and best practices throughout the province of Ontario.

Quality Standards on Pain Management & Opioid Prescribing

New to Ontario and launched in 2016-17, Quality Standards outline for clinicians and patients what quality care looks like. They focus on conditions where there are large variations in how care is delivered, or where there are gaps between the care provided in Ontario and the care patients should receive. Each Quality Standard consists of a patient guide for patients, families and caregivers; a clinical guide for health care professionals clearly outlining what quality care looks like for that condition based on the evidence; an information brief with data on how care is being delivered for that condition in Ontario, and the variations in care across the province; Quality Indicators for health care professionals and organizations to help them with their improvement efforts; and

10. PROJECTS - continued

recommendations for adoption at the system, regional and practice level to help health care professionals and organizations adopt the standards.

Indigenous Health Conference

Public engagement took place with over 175 people across northern Ontario, including francophone and indigenous communities, in lead-up to a health equity strategy to be released in 2017-18 – a strategy specific to the unique needs and experiences of people living in the north. As well work was completed (including extensive consultations) in preparation for a public report launched in April on health in the north.

MacHealth

As part of its work to foster quality improvement capacity in Ontario's health system, HQO offers training in advanced access & efficiency to all primary care practices and providers (i.e., physicians and nurse practitioners) via MacHealth, an interactive e-Learning platform. This platform contains useful tools and resources as well as seven MainPro accredited e-Learning modules that equip primary care teams with the ability to implement the principles of advanced access and efficiency. The Division of e-Learning Innovation is an educational research and development group within the Michael G DeGroote School of Medicine at McMaster University.

Quality Standards in Information Technology Event

HQO hosted a Leadership Forum: Quality and Digital Health that explored opportunities of alignment on clinical standards through the work of two provincial digital health initiatives namely, the Health Information System Renewal Advisory Panel and the provincial Quality Based Procedure Order Set Steering Committee.

Ontario Community Support Association (OCSA)

OCSA is the voice of the home and Community Support Services sector ("CSS sector"). OCSA's members provide home care services contracted by Community Care Access Centres and community support services directly funded by the 14 Local Health Integration Networks in Ontario. The aim of HQO and OCSA's collaboration is to continue to develop quality improvement capability and capacity in support of advancing quality throughout the CSS sector.

10. PROJECTS - continued

Association of Family Health Teams (AFHTO)
AFHTO, a primary care sector partner, collaborated with HQO to support quality improvement at primary care practices by involving patients and using patient experience information practices bringing together Quality Improvement Decision Support Specialists (QIDSS) and patients on a regional basis.

Ontario Long Term Care Physicians (OLTCP)
OLTCP is working to support the role of long term care medical directors in improving the quality of care by continuing the development, implementation and evaluation of a training curriculum, which includes the common quality agenda and development of quality improvement capacity.

11. EMPLOYEE FUTURE BENEFITS

HQO's employer pension contributions totaled $1,752,128 (2016 - $1,205,842). Its employees belong to the Public Service Pension Plan, which is a multi-employer plan sponsored by the government of Ontario. The plan is a contributory 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. Contributions are calculated on a rate of 6.4% of annual salary up to the year's maximum pensionable earnings (YMPE) plus 9% above YMPE. HQO matches the employee's contribution. HQO is not responsible for the cost of employee post-retirement, non-pension benefits. These costs are the responsibility of the government of Ontario.

12. BOARD MEMBER'S REMUNERATION

The Board’s remuneration is determined through the Public Appointments Secretariat and relates to the Board’s governance of HQO. During the year total remuneration of all board members was $50,892.

13. GUARANTEES

HQO is subject to the provisions of the Financial Administration Act. As a result, in the normal course of business, the HQO 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.

14. COMPARATIVE FIGURES

Comparative figures have been restated to reflect the value of tangible capital assets, deferred capital contributions, amortization of tangible capital assets and amortization of deferred capital contributions. There has been no impact on the surplus or net asset position of current or prior years.

ONTARIO HEALTH QUALITY COUNCIL
o/a HEALTH QUALITY ONTARIO

SCHEDULE OF OPERATIONS
FOR THE YEAR ENDED MARCH 31, 2017

	2017	2016
REVENUE		
Ministry of Health and Long-Term Care	**$ 44,916,375**	$ 37,028,100
Amortization of deferred capital contributions, *note 5*	**757,120**	422,741
	45,673,495	37,450,841
Capital purchase funding, *note 5*	**(1,702,332)**	(327,394)
	43,971,163	37,123,447
EXPENSES		
Salaries and benefits	**28,510,940**	22,560,964
Transfer payments to other organizations	**5,910,194**	5,824,317
Information technology and web infrastructure	**2,242,123**	1,814,743
Meetings, training and travel	**1,864,554**	1,797,820
Occupancy costs	**1,306,732**	1,216,360
Consulting and professional	**625,890**	791,703
Communications	**910,282**	747,672
Research and data acquisition	**833,099**	731,334
Office and administration	**602,864**	661,285
Computer and equipment amortization	**199,609**	-
Leasehold improvements amortization	**541,972**	422,741
Office furniture and fixtures amortization	**15,539**	-
	43,563,798	36,568,939
UNSPENT BUDGETED FUNDS	**407,365**	554,508
RECOVERIES OF TRANSFER PAYMENTS, *note 3*	**29,156**	21,803
INTEREST INCOME	**65,158**	65,308
SURPLUS	**$ 501,679**	$ 641,619

Health Quality Ontario

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