Ontario Health

Annual Report 2019/2020

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Message from the Board Chair

On behalf of the Board of Directors, I am pleased to present Ontario Health's first annual report for the 2019/20 fiscal year.

It was an important first year for Ontario Health, one which set us well on our way to becoming a unified team – ready and able to execute the government's strategy, oversee health care delivery, improve clinical guidance, and extend and strengthen quality and performance improvement capacities.

Ontario Health was established as a Crown Agency under the *Connecting Care Act, 2019.* The Act identified a number of health care organizations that would come together as Ontario Health, bringing their extensive experience, knowledge and expertise to collectively support health care professionals and to benefit all Ontarians.

Our first year was largely spent creating a foundation for a single integrated provincial health agency to connect and coordinate the health care system in ways that have not been done before.

In partnership with the provincial government, we mapped 14 Local Health Integration Networks into five Ontario Health regions – our front doors to the people, communities and organizations we serve across Ontario. We also transferred five provincial health agencies – Cancer Care Ontario, eHealth Ontario, HealthForceOntario Marketing and Recruitment Agency, Ontario Health Quality Council (operating as Health Quality Ontario) and Health Shared Services Ontario – into Ontario Health.

Ontario Health fulfilled its budget savings commitment as directed by the Ministry of Health in fiscal 2019/2020.

In December 2019, the Board of Directors appointed Matthew Anderson as permanent President and CEO. He brings extensive team-building, system change and health care experience, including as a CEO of two hospitals and a Local Health Integration Network. His focus on the needs and experiences of patients and their caregivers and his wide range of experiences will have tremendous impact as he leads Ontario Health in supporting the government's transformation of the health system.

COVID-19 struck in February. The pandemic gave us an immediate focus and a determination to work with the government and partners in our five regions across the province to begin meeting urgent, complex and growing needs and to limit virus spread. It has been an exercise in learning fast, working hard, collaborating with local health care providers, organizations and community partners, and engaging vulnerable communities to ensure ongoing responsiveness to the needs of Ontarians.

At the end of our first fiscal year, we were preparing for the transfer of the Ontario Telemedicine Network, which took place in April 2020. And we looked forward to continuing to work together in an integrated manner with the 14 Local Health Integration Networks and Trillium Gift of Life Network, connecting Ontario's health system in ways that have not been done before.

Together, all agencies that are part of the Ontario Health family are guided by the health care system's Quadruple Aim, an invaluable compass for informing decisions and optimizing health care performance.

Ontario Health is strongly committed to the Quadruple Aim's approach, which calls for improving population health outcomes, improving patient experience, improving front-line and provider experience, and achieving better value.

The Board of Directors is proud of our tremendously hard-working and dedicated Ontario Health team members. We extend our deep gratitude to all of them. We also want to thank the interim leadership team in our first year, including Interim CEO Susan Fitzpatrick for her hard work and leadership. We also want to express appreciation to the Ministry of Health and the government of Ontario, all health care professionals and our partners for their collaboration and support throughout this year.

In addition, I want to offer a very special thank you to our Board of Directors for their governance and leadership of Ontario Health and all of the organizations who are part of the Ontario Health family, amalgamating all 21 boards into one. This was a tremendous undertaking.

As we move forward, Ontario Health will continue its work to create a connected and coordinated health system where all Ontarians are well supported throughout their entire health care journey.

Bill Hatanaka
Board Chair, Ontario Health

Introduction

Ontario Health was established with the passage of the provincial government's *Connecting Care Act, 2019.* The agency was created to provide an integrated, centralized point of governance, accountability and oversight for the health care system, and improve clinical guidance and support for health care providers in order to enable better quality care for Ontarians.

We began our inaugural year with transformation top of mind – planning the extremely complex process of bringing various separate health entities together to form one integrated agency. Nine months later, we were in the midst of an unprecedented era in health care, supporting the provincial response to the rapidly evolving COVID-19 situation. With this first annual report, we share the story of the first year at Ontario Health.

Our Beginnings

The early days of Ontario Health included the appointments of a Board of Directors chaired by William Hatanaka.

An Interim CEO was then appointed by the Board to lead the work to bring together many health care agencies into Ontario Health. We established an interim transition team, along with several working groups and advisory tables, and worked with representatives from across the different agencies and the government to support the transition planning.

In December 2019, the first five provincial agencies transferred into Ontario Health: Cancer Care Ontario, eHealth Ontario, HealthForceOntario Marketing and Recruitment Agency, Ontario Health Quality Council (operating as Health Quality Ontario) and Health Shared Services Ontario. Also announced were the future transfers of the Ontario Telemedicine Network and the Trillium Gift of Life Network.

At the same time, Ontario's 14 Local Health Integration Networks (LHINs) were mapped into five Ontario Health regions – North, East, West, Toronto and Central – with a Transitional Regional Lead appointed to act as a single point of oversight for each region, to ensure cohesion across the province and to be the CEO for all of the LHINs within their region. Also, the non-home and community care vice presidents and directors at each of the 14 LHINs transitioned to Ontario Health to support their leads on the eventual transfer of the LHINs into Ontario Health or into Ontario Health Teams and other integrated models of care.

As all of these agencies began working together, the latter part of 2019/20 brought several other significant developments. In February, Matthew Anderson joined Ontario Health as our permanent President and CEO. Then in March, the government announced that Ontario Health would create a Mental Health and Addictions Centre of Excellence to support the province in building a comprehensive and connected mental health and addictions system.

With a wide and deep reservoir of skills, experience and knowledge, our agency was well positioned to begin delivering value to Ontarians on this and other priorities.

The Quadruple Aim

From the beginning, we have been guided in all that we do by a commitment to the "Quadruple Aim" – four objectives critical in the delivery of world-class health care services. These four aims are:

- Enhanced patient experience
- Enhanced provider experience
- Improved population health
- Improved value

The Connecting Care Act

The *Connecting Care Act*, 2019 paints a picture of our role and our focus moving forward. According to the *Act*, Ontario Health was created to:

- Implement the health system strategies developed by the Ministry of Health.
- Manage health service needs across Ontario, consistent with the ministry's strategies to ensure the quality and sustainability of the health system. We do this through:
    - Health system operational management and coordination,
    - Health system performance measurement and reporting
    - Quality improvement
    - Clinical and quality standards
    - Knowledge dissemination
    - Patient engagement and patient relations
    - Digital health (and all that entails), and
    - Supporting health care provider recruitment and retention.
- Support, through the Mental Health and Addictions Centre of Excellence, the mental health and addictions strategy provided for under the *Mental Health and Addictions Centre of Excellence Act, 2019*
- In time – support the planning, co-ordination and delivery of organ and tissue donation and transplantation patient services, in accordance with the *Trillium Gift of Life Network Act.*
- Support the patient ombudsman.
- Support or provide supply chain management services to health service providers and related organizations.
- Provide advice, recommendations and information to the Minister and other participants in the Ontario health care system in respect of health care issues that the Minister may specify.
- Promote health service integration to enable appropriate, coordinated and effective health service delivery.
- Respect the diversity of communities and the requirements of the *French Language Services Act*.

Our role also includes assessing and planning for local health needs, in support of Ontario Health Teams.

In Ontario Health's first year, the Minister of Health tasked us with five specific priorities. These were to:

- Establish our role as an organization and implement an interim structure,

- Deliver on the government's plan to begin transitioning numerous health care entities into one integrated agency,
- Support the government's Digital First for Health strategy,
- Begin planning for a Mental Health and Addictions Centre of Excellence, and
- Meet the ministry's accountability and reporting requirements.

These were challenging and exciting priorities for our new agency, and as this annual report details throughout, we have made progress on all fronts.

Early Engagement and Coordination

We know that some of the highest quality care available is being delivered in this province right now by committed health care professionals. We also know there are opportunities to better integrate the system, so it provides Ontarians with more coordinated care across all settings. These are learnings we received from community engagement sessions in our first year, and by way of example, the work we are being asked to do in mental health and addictions and our early efforts in the COVID-19 response.

Community Engagement

To have meaningful impact and build a health care system that is truly patient-centred, we need a clear understanding of what the people we serve need, what their priorities are, and how they feel about the services they are receiving. The only way to gain that understanding is to ask.

Through the fall and winter of 2019, our Board of Directors conducted introductory meetings with health system users – patients, clients, families, caregivers and diverse communities including Indigenous and Francophone – as well as providers from various health care sectors, researchers, innovators and members of our own team at Ontario Health to hear about their experiences and gain valuable insights. These sessions helped shape our early understanding of how Ontario Health could make a difference within the provincial health care system and is helping us set our initial priorities

In 2019/20, we also established the Patient and Family Advisors Network, with members from diverse backgrounds and experiences. Through meaningful engagement with this network, we are gaining a better understanding of the needs of Ontarians using our health system and working together to apply these learnings to improve care and health outcomes. For example, this network allowed us to rapidly engage with patient and family advisors about the COVID-19 pandemic as it unfolded. Their insights and on-the-ground knowledge also helped inform our business planning process for the coming year.

Ontario Health recognizes the diversity within all of Ontario's communities and is committed to respecting the requirements of the *French Language Services Act* in the planning, design, delivery and evaluation of health care services for Ontario's French-speaking communities. We also recognize the role of Indigenous peoples in the planning, design, delivery and evaluation of health services in their communities.

In 2019/20, Ontario Health focused on building and sustaining foundational relationships with members of diverse communities, including Indigenous and Francophone populations. We engaged regularly with all six French Language Health Planning Entities to understand their priorities and gaps in French

language health services while the system continues to evolve. At the regional level, where established, the LHIN Indigenous Health Planning Tables continued to meet to address health inequities. At the provincial level, the Indigenous Cancer Care Unit continued its important work, informed by many provincial partners. We recognize there continues to be an important need to strengthen and grow relationships with Indigenous partners as we move further towards reconciliation, and we look forward to continuing this work in 2020/21.

Moving forward, we will look to identify gaps in engagement for priority, underserved and vulnerable populations, and partner with a diverse group of organizations and governing bodies to ensure engagement approaches are inclusive of these communities. We will build and strengthen our relationships with the diverse communities we serve to ensure that plans incorporate their input and address their health needs.

Mental Health and Addictions Centre of Excellence

Announced in early March, the Mental Health and Addictions Centre of Excellence will serve as the foundation for the government's *Roadmap to Wellness: A Plan to Build Ontario's Mental Health and Additions System*. Through the centre, we will oversee the delivery and quality of mental health and addictions services and supports, including system management, supporting quality improvement, disseminating evidence and setting service expectations.

To that end, our goal is to build partnerships with mental health and addictions experts and organizations across the province in all sectors – child, youth and adult. We will learn from the experiences of successful provincial programs such as those at Cancer Care Ontario on how to integrate and coordinate care so that high quality mental health and addictions services are available when and where they are needed.

COVID-19 Response

The COVID-19 situation highlighted the impact we could have in connecting our health care system so Ontarians can continue receiving high-quality services where and when they need them. From the beginning of the pandemic, we worked with the government and in partnership with others on the system's COVID-19 response. We put in place a COVID-19 System Response Structure to support regional and local implementation of the province's pandemic plan. We also began working on the province-wide coordination of the personal protective equipment supply chain; supporting expanded testing; working with hospitals to increase acute and critical care capacity across the province; and laying the foundation for information technology solutions and for the quick implementation of virtual care – all the while supporting Ontario's health care providers.

Throughout, we worked in lockstep with the Ministry of Health and brought together partners and organizations from across sectors to provide advice and support. And, thanks to the tremendous contributions of our Ontario Health regions and their regional COVID-19 steering committees, we were also able to begin working on hospital and community care delivery, the broader system pandemic response, and engagement with vulnerable communities to ensure ongoing responsiveness to their unique needs.

As of this writing, we are continuing to work closely with the ministry, our regions and our partners across the province to help the province respond to any future COVID-19 challenges.

The Ontario Health Family

The Ontario Telemedicine Network, Trillium Gift of Life Network and the 14 LHINs worked together with Ontario Health throughout 2019/20. We are pleased to highlight a few of their accomplishments here. Full details of their 2019/20 work can be found in their individual annual reports (links below).

Ontario Telemedicine Network

In 2019/20, the Ontario Telemedicine Network made significant progress towards realizing its strategic goals of modernizing consumer access to care and reducing pressure on hospitals – goals the organization will be able to pursue even more as part of Ontario Health. In addition, the network met or exceeded all of the targets in its corporate scorecard. A few highlights included:

- 482,795 patients received access to virtual care in 2019/20, a significant increase from 367,892 the year before.
- There were 1,409,282 virtual video visits, an increase from 1,045,389 in 2018/19.
- Overall cost savings to patients and the health care system as a result of virtual care totaled $209,770,556, an increase from $153,039,042 the previous year. These savings were realized in three areas: travel costs, specialist visits and patient transfer costs.

The Ontario Telemedicine Network 2019/20 Annual Report is available **here**.

Trillium Gift of Life Network

In 2019/20, Ontario Health and the Trillium Gift of Life Network collaborated on setting a foundation for the future through a strong partnership and excellent working relationship. 2019/20 was a record-breaking year in Ontario's history in saving lives through organ and tissue donation and transplant, with:

- 19% increase in deceased organ donors over 2018/19.
- 16% increase in organ transplants over 2018/19.
- 34% increase in multi-tissue donations over 2018/19.

The Trillium Gift of Life Network 2019/20 Annual Report is available **here**.

Ontario Local Health Integration Networks

In 2019/20, Ontario's 14 LHINs worked in partnership with the Ministry of Health and Ministry of Long-Term Care, Ontario Health and health system partners across the province to build an integrated health system centred on the patient to improve their experience and provide better and more connected care. These collaborations included work with patients and families, hospitals, long-term care homes, community health centres, community support services, assisted living services in supportive housing, acquired brain injury services, and mental health and addictions services. Through community

engagement and the stewardship of funds and the delivery and coordination of high-quality home and community care, the LHINs collaborated with system partners to:

- Provide health care services to more than 700,000 patients at home, school and in the community.
- Safeguard the best possible quality of care and improve the capacity of health service providers in Ontario through collaborations with the 149 hospitals across the province.
- Facilitate and ease the transition of more than 25,000 residents into long-term care by helping patients and families understand the available options and supporting the decisions of those involved.
- Support more than 180 Rapid Access Clinics for moderate to severe hip and knee arthritis and low back pain across the province, resulting in enhanced access, an improved patient experience and a more streamlined diagnostic and surgical referral process.
- Partner with mental health service providers to promote and support the operation of more than 50 Rapid Access Addiction Medicine Clinics in Ontario communities to offer quick access to medications for substance use as well as long-term support for addictions, including counselling services.

The Local Health Integration Networks Annual Report is available **here**.

2019/20 Highlights

The specific achievements of the five agencies that had officially transferred into Ontario Health in 2019/20 – Cancer Care Ontario, eHealth Ontario, HealthForceOntario Marketing and Recruitment Agency, Ontario Health Quality Council (Health Quality Ontario) and Health Shared Services Ontario– are highlighted in the operation performance and program highlights that follow, beginning on page 12.

These are the tangible results that come from collaborating with partners across the province, applying clinical expertise, leveraging our capabilities and digital infrastructure, and connecting and coordinating the system in new and innovative ways.

These achievements speak to the tremendous opportunities for our collective strengths and purpose as we move forward as one, and to the commitment, engagement and hard work of our team members across the Ontario Health family and of our partners across the province. Together, we are building a solid foundation for the future.

Cancer Care Ontario

Overview

As the Ontario government's principal advisor on the cancer and kidney care systems, as well as on access to care for key health services, Cancer Care Ontario's focus has been on driving continuous improvement in disease prevention and screening, the delivery of care, and the patient experience for chronic diseases. Using evidence-based approaches, it excels at multi-year system planning and working closely with partners to develop information systems, establish guidelines and track performance targets to ensure improvements and efficiencies.

Cancer Care Ontario's priorities include:

- Deliver responsive and respectful person-centred cancer and renal care
- Improve safety across all care settings
- Improve health equity
- Improve the efficiency and coordination of care services
- Use best evidence in making recommendations
- Deliver timely care across the health care system

Operational Performance

Key Performance Indicator	Performance Outcome	Commentary
ColonCancerCheck – overdue for screening Annual improvement target: ≤40% of eligible individuals, 50-74 years old, overdue for colorectal cancer screening.	As of December 31, 2019, 38% of eligible individuals, 50-74 years old, were overdue for colorectal cancer screening. Annual target met.	In June 2019, the fecal immunochemical test replaced the fecal occult blood test as the recommended test for ColonCancerCheck. Research shows that people prefer the new, easier-to-use test, which leads to increases in screening rates.
Systemic treatment wait time – referral to consult Annual improvement target: 75% of patients seen by a medical oncologist within 14 days of referral.	In Q3 2019/20*, 76% of patients were seen by a medical oncologist within 14 days of referral. Annual target exceeded.	Quality improvement efforts by facilities have resulted in significant year-over-year improvements in four Regional Cancer Programs. Despite increased patient volumes, provincial wait time performance has improved slightly.
Tobacco use screening Annual improvement target: 80% of new ambulatory cancer	In Q3 2019/20, 74% of new ambulatory cancer cases had	While the "aim target" for this indicator is 100%, the annual improvement target is a

Key Performance Indicator	Performance Outcome	Commentary
cases screened for tobacco use within six months.	been screened for tobacco use within six months.	performance management tool, intended to help motivate improvement by setting an ambitious yet achievable target within a given time period. The majority of regional cancer centres have now established sustainable processes for screening new patients and offering smoking cessation counselling. Work is ongoing with the few lagging centres to support their quality improvement efforts.
Symptom screening Annual improvement target: 65% of patients in regional cancer centres screened at least once/month for symptom severity using the Edmonton Symptom Assessment System (ESAS) or Expanded Prostate Cancer Index Composite (EPIC).	In 2019, 54% of ambulatory cancer patients were screened for symptom severity at least once/month, using ESAS or EPIC.	A patient education tool on symptom screening was developed and rolled out. Challenges with screening rates are being addressed through quality improvement work with individual centres, volunteer engagement tools, and analysis of clinical impact.
Pathology turnaround time Annual improvement target: 85% of post-surgical pathology reports received within 14 days.	In Q2 2019/20*, 77% of post-surgical pathology reports were received within 14 days.	Provincial improvement in pathology turnaround times will require a provincial strategy for pathology and laboratory medicine, including increased investment in pathology health human resources in many of the provinces laboratories. At the individual hospital level, performance concerns continue to be escalated as appropriate.
Home dialysis prevalence Annual improvement target: 26.1% of chronic dialysis patients are on a home dialysis modality.	In Q4 2019/20*, 25.3% of chronic dialysis patients were on a home dialysis modality based on an average of the past four quarters.	The Ontario Renal Network is leading efforts to improve the prevalence of patients on a home dialysis modality through various initiatives.
Vascular access wait times Annual improvement target: 80% of patients receiving vascular access creation surgery	In Q4 2019/20, 83.7% of patients received vascular access creation within the recommended timeframe of 28 days.	Factors related to ensuring timely access to vascular access surgeries include Regional Renal Programs having effective relationships with their surgical

Key Performance Indicator	Performance Outcome	Commentary
within recommended timeframe of 28 days.	Annual target exceeded.	programs, adequate staffing resources to coordinate care, and ensuring patients are properly prioritized for vascular access.
Deferred dialysis Annual improvement target: 75% of patients have an Estimated Glomerular Filtration Rate (eGFR) at or below 9.5ml/min when they initiate chronic dialysis.	In Q2 2019/20, 75.1% of patients who initiated chronic dialysis had a eGFR of 9.5ml/min or lower. Annual target met.	The provincial target was achieved for the first time since this indicator was developed in 2015/16. The Ontario Renal Network is leading various initiatives to encourage use of a deferred dialysis strategy.

* Q2 2019/20 = July 1, 2019 – September 30, 2019; Q3 2019/20 = October 1, 2019 – December 31, 2019; Q4 2019/20 = January 1, 2020 – March 31, 2020

Program Highlights

Two significant milestones occurred last year: Cancer Care Ontario's transfer into Ontario Health and the release of three health system plans. These plans and their predecessors guide work to improve the cancer and kidney care systems, as well as access to care for key health services, for all Ontarians.

Guiding Health System Planning

In June 2019, the fifth Ontario Cancer Plan, third Ontario Renal Plan and first Access to Care Plan were released. Developed with patient and family advisors, these plans provide an integrated guide for work from 2019 to 2023.

- To support these system plans, several companion plans and strategies were also developed and released:
  - First Nations, Inuit, Métis and Urban Indigenous Cancer Strategy 2019 – 2023, developed for and with Indigenous partners to address the unique health issues of these populations.
  - Radiation Treatment Program Implementation Plan 2019 – 2023, to support safe, accessible, high-quality radiation treatment for all Ontarians.
  - Systemic Treatment Program Implementation Plan 2019 – 2023, which addresses gaps in care for patients receiving systemic treatment and ensures that clinical evidence drives all efforts.
  - 2019-2029 Dialysis Capacity Assessments, which project patient volumes and the associated demand for dialysis stations across the province's 27 Regional Renal Programs.
  - A framework for how innovative technologies and processes can be more easily adopted and developed in partnership with the Institute for Cancer Research.

Overseeing Funding

In order to support the delivery of cancer and renal services across the province, approximately $2.2 billion in transfer payments was issued to approximately 200 health care organizations. Specifically, this included:

- Implementation of three Provincial Oncology Alternate Funding Plan specialist positions to support increased demand for complex malignant hematology care, and allocated funding for four new PET machines.
- Analysis to maximize allocation of cataract surgery resources and return on investment.

Improving Person-Centred Care

Several new programs were introduced to improve the health system for and with patients and their families.

- The Out-of-Country Hemodialysis Reimbursement Program was introduced, helping people with chronic kidney disease who require hemodialysis while traveling outside of the country be reimbursed for their treatment.
- The new fecal immunochemical test (FIT) became the primary screening test for ColonCancerCheck, making it easier for people to get checked for colon cancer.
- The Chimeric Antigen Receptor (CAR) T-cell therapy program launched at three Ontario hospitals, giving more cancer patients access to this potentially lifesaving therapy.
- A tele-nursing service became available at 66 out of 74 systemic treatment sites, providing patients receiving chemotherapy with after-hours care by phone with specialized oncology nurses.
- A pan-Canadian initiative was approved, providing more patients with access to biosimilar cancer drugs while saving millions of dollars in drug expenditures.
- Resources were developed for Multi-Care Kidney Clinics to help people with chronic kidney disease have earlier important Goals of Care conversations with their health care providers and families.
- The *Oncology Caregiver Support Framework* was released. The framework recognizes and supports caregivers as essential partners in cancer care.
- A new provincial musculoskeletal dashboard for centralized intake for hip and knee patients was introduced.
- More opportunities were developed for patients, families and caregivers to express how they feel about their health and the health care system.
    - People with cancer can share feedback on their most recent visit to a cancer centre using a Your Voice Matters patient experience survey at more than 20 sites.
    - People with chronic kidney disease can report how they are feeling with a Your Symptoms Matter questionnaire at 23 participating sites.
    - A new model for Patient Engagement is helping to connect with a more diverse and representative sample of patient and family advisors.

Providing Clinical Guidance

To ensure safe and effective care for patients, health care professionals were provided with up-to-date, evidence-based clinical guidance, as well as training resources.

- In 2019/20, 16 new clinical guidelines were produced, four existing clinical guidelines were updated, and eight manuscripts were published in peer reviewed journals. Additional guidance included:
    - Palliative Care Health Services Delivery Framework, developed through the Ontario Palliative Care Network, which outlines models of care in different settings for patients facing life-limiting illness.
    - Drug Shortages Management Protocol, developed with the Ministry of Health, to manage several significant world-wide cancer drug shortages.

- Regional Models of Care for Systemic Treatment, which provides revised standards for the organization and delivery of systemic treatment.
- Twenty-three symptom self-management guides for people with cancer and 11 guides for people with chronic kidney disease.
- Cancer Medication Infusion Reactions Toolkit, to prevent and manage nausea and vomiting associated with some cancer treatments.
- Oncology Nursing Telepractice Standards, to ensure high-quality oncology nursing practice when responding to patient telephone calls.
- Five standardized pathology tools for speciality clinics that treat glomerulonephritis (a group of rare kidney diseases).
- A Medication Safety List for people with chronic kidney disease.
- Two KidneyWise Clinical Toolkits, which support primary care providers in identifying, diagnosing and managing chronic kidney disease.
- Two evidence summaries about cannabis and vaping products for health care providers.
- Training resources, which range from revised health literacy training modules for health care providers and patients, to a new online competency course for nurses dealing with complex hematological malignancies, to a staff training program on health equity.

Developing Reports and Evaluations

Evaluations were developed to identify potential areas for improvement.

- Some key reports from 2019/20 included:
  - *The Burden of Chronic Diseases in Ontario*
  - *Surgical Quality Indicator Report 2019*
  - Cancer System Quality Index, which focused on performance indicators for breast, colorectal, lung and prostate cancers
  - An evaluation of the Expanded Prostate Cancer Index Composite assessment tool
  - *Using Scientific Evidence and Principles to Help Determine the Work-Relatedness of Cancer,*
  - *Investigation of McIntyre Powder Exposure and Neurologic Outcomes*
  - The *Survivorship Current State Report*,
  - An evaluation of mental health for people living with chronic kidney disease

Advancing Technologies & Innovations

Over the past year, several advancements in technologies were introduced to improve efficiencies in the health care system for patients, their families and health care providers.

- Work was led across full product lifecycle including system upgrades and changes (Wait Times Information System, InScreen, Endoscopist quality reports), system migrations (iPort & iPort Access, Interactive Symptom Assessment and Collection, Ontario Renal Reporting System, Ontario Palliative Care Network data hubs), 50+ product releases, and sun setting plans (oncology patient information system).
- The Electronic Canadian Triage and Acuity Scale (eCTAS) to 16 new hospitals, totaling 114 emergency departments across the province and over five million patients per year.
- Ontario's first live infection control alerts were released to frontline triage nurses at 27 hospitals through the provincial eCTAS system.

Cancer Care Ontario Executive Leadership

Garth Matheson
Acting President and CEO (effective February 3, 2020)
Vice President, Analytics and Informatics (effective May 24, 2019)
Vice President, Ontario Renal Network (effective November 15, 2019)
Vice President, Planning and Regional Programs

Lyndon Dubeau
Vice President, Digital & Technology

Dr. Robin McLeod
Vice President, Clinical Programs and Quality Initiatives

Dr. Linda Rabeneck
Vice-President, Prevention and Cancer Control

Elham Roushani
Chief Financial Officer
Vice-President, Enterprise Services, (Finance, Procurement and Facilities)
Vice-President, People, Strategy & Communications (effective June 20, 2019)

eHealth Ontario

Overview

eHealth Ontario's focus has been to operate and sustain the provincial electronic health record (EHR) system, which provides foundational health information to support integrated and coordinated care. An EHR is a secure lifetime record of a patient's health history – including lab tests and results, publicly funded dispensed medications, digital images (like x-rays and MRIs), hospital discharge summaries and more. It provides authorized health care professionals with real-time access to relevant medical information, so they can provide the best possible care. And since the records are digital, they follow the patient as they transition through care settings.

Priorities throughout the 2019/20 year primarily focused on:

- Enabling continued access to digital services such as through provincial clinical viewers.
- Continued expansion of patient data available in provincial repositories like the Ontario Laboratories Information System (OLIS).
- Offering continued high availability of the EHR, with all privacy and security requirements in place.
- Supporting the government's transformation goals, including supporting Ontario Health Teams and preparing for the transfer into Ontario Health as well as the government's Digital First for Health strategy.

Operational Performance

Key Performance Indicator	Performance Outcome*	Commentary
Eligible users Target: 130,000 health care professionals who are able to register to view and share clinical information digitally through eHealth solutions.	169,595 doctors, nurses, clinicians and other health care professionals were able to digitally access up-to-date and accurate patient information from across the province. Target exceeded.	This target was surpassed through strong delivery partner support by Health Sciences North, Southeast LHIN, Ontario MD and the Clinical Connect Team. Reaching this target means additional health care professionals can access relevant clinical information through digital solutions. This encourages further adoption and active use.

Key Performance Indicator	Performance Outcome*	Commentary
Authorized users Target: 98,000 eligible health care professionals authorized to access clinical information digitally through eHealth solutions via secure credentials.	107,060 eligible health care professionals were authorized to access clinical information sharing solutions. Target exceeded.	Once authorized, a health care professional has on-demand access to clinically relevant digital data, stored in various provincial repositories. This enhances the clinical decision-making process.
Active users Target: 49,000 health care professionals actively accessing clinical information through eHealth digital solutions.	57,920 authorized health care providers actively used clinical information-sharing solutions. Target exceeded.	Increased active use of these information-sharing solutions by health care professionals demonstrates the value of digital access to patient data. It also shows that adoption of these solutions is increasingly supporting patient care across the province.
Hospital sites accessing provincial assets through clinical information-sharing solutions Target: 97%.	98% of hospital sites have been on-boarded to view the electronic health record (EHR) system. Target exceeded.	Sector-wide adoption of the EHR by hospital sites reinforces the high degree of value for clinical data solutions in this setting.
Provincial lab report volume in the Ontario Laboratories Information System (OLIS) Target: 96%.	95% of the available provincial lab volume is now stored in OLIS.	OLIS now stores 5.05 billion lab test orders and results in the province.
Increase diagnostic image and report volume in the Diagnostic Imaging Repositories Target: 80%.	The four provincial Diagnostic Imaging Repositories include 119.4 million diagnostic images and reports, accounting for 77% of the available provincial diagnostic image volume.	Acquisition of additional data from Independent Health Facilities was deferred. The fourth Diagnostic Imaging Repository, GTA West, will be fully amalgamated into the Hospital Diagnostic Imaging Repository (target completion: first quarter of 2020/21), reducing the number of Diagnostic Imaging Repositories from 4 to 3 as well as the inherent costs and system complexity.

*All figures as of March 2020

Program Highlights

The priority throughout eHealth Ontario's transition into Ontario Health was to maintain continuity of digital assets to ensure they perform efficiently, effectively and with appropriate security protocols in place. This work ensures that health care professionals can count on having the information they need to deliver the best and most informed care possible to their patients. Accomplishments are measured by the work completed to meet specific commitments.

Operating and Enhancing Digital Health Services

A key element of optimal care is making sure health teams are always connected. In the past year, several steps were taken to ensure that health care professionals always have access to the assets and services they need, where and when they need them.

- The following was achieved to ensure a highly available, secure and reliable EHR technology infrastructure:
    - Product and infrastructure currency projects ensured all hardware and software was vendor supported and met the demands of current and future business applications. (Key examples included the eHealth ONE Portal Upgrade Project to ensure health care professionals could continue to access lab results, diagnostic images, drug data and other health care information; and the ONE Mail Direct and ONE Pages Upgrade Projects to ensure that health care professionals could continue to securely exchange patient health information with other ONE Mail users).
    - A provincially managed network service connected 590 health care and Ministry of Health organizations (including hospitals, community care centres, and public health units) across Ontario, allowing them to exchange health information to better serve Ontarians. This included supporting 15 northern hospitals with their Picture Archiving and Communication System (PACS); Meditech and CT Scanner implementation (by June 2020); supporting the Royal Ottawa Mental Health/Meditech initiative; and increasing availability of network services at 11 hospital sites by implementing backup network connections.
    - The Digital Health Delivery Platform was supported and maintained. This included the Digital Health Drug Repository, Integrated Public Health Information System, Panorama/Digital Health Immunization Repository, Mobile Immunization, and Immunization Connect Ontario in support of over 2,000 public health nurses across public health units.
    - Cyber security processes and technologies were put in place to protect patient data and allow for secure, efficient and consistent data exchange between health care professionals, resulting in no data breaches to provincial assets this year. This included refining policies and standards; streamlining processes for EHR access by smaller organizations and sole practitioners; ongoing control procedure compliance assessments; enhancing the cyber security assessment for onboarding in response to the recent spate of cyber security incidents impacting health service providers in Ontario; and providing security consulting services to the University Health Network for SPARK applications (MyUHN and Medley), Ontario MD for Application Service Provider-Electronic Medical Record (EMR) certifications and coordinated cyber security reviews with the Ministry of Health. It also involved deploying a strategic cyber security tool for enhanced, continuous vulnerability scanning;

implementing a risk rating toolset; and optimizing a core cyber security information event monitoring platform, enabling close to 200 new alert capabilities to defend against threats.

Expanding Digital Health Service Use

Adoption and usage of technology-enabled health care information is trending upwards on all fronts, meaning that Ontarians are increasingly benefiting from the use of the electronic health records and digital services. For this to be most effective, expanding the contribution of patient data available in the repositories is critically important – the more complete, up-to-date information, health care teams have, the faster and more accurate their treatment decisions can be. Work to support this included:

- Increasing the collection of patient data stored in provincial repositories, which currently includes over 7 billion patient records for more than 14 million Ontarians.
    - 490 health care sites contributed data such as laboratory test results, diagnostic imaging reports and images, dispensed drugs and patient clinical data to the EHR. This is a goldmine of data that offers great potential for not only serving patients as it does now, but in the future for population health management, better informed health system planning, artificial intelligence and machine learning for clinical decision support, and much more.
- Preparing for taking on the role of a prescribed organization. This authority will enable the provision of more streamlined access to digital health information for both providers and, in the future, patients too. Preparations included revising policies and procedures that support the EHR and preparing revised and new technologies to support requirements.

Supporting Ontario Health Teams' Digital Requirements

This work focused on simplifying processes for Ontario Health Teams to onboard and access digital health services in support of the government's plan to end hallway healthcare. The development of an integrated service management approach for Ontario Health Teams was supported by:

- Launching an integrated information technology support model called 'ONE Support', for Ontario Health Teams. The model provides a single point of contact and a "catch and dispatch" helpdesk for digital health services deployed by Ontario Health divisions including Cancer Care Ontario, Digital Services (formerly eHealth Ontario), Shared Services (formerly Health Shared Services Ontario), as well as external providers OntarioMD and Ontario Telemedicine Network (which transitioned into Ontario Health after this fiscal year).
- Working with the Ministry of Health and digital health partners across the province on a consistent and simplified process for Ontario Health Teams to onboard and access digital health services.
- Participating in the Ministry of Health's Partnership Table to prepare for Ontario Health Teams related planning.

eHealth Ontario Executive Leadership

Angela Tibando
Interim Executive Lead (as of January 1, 2020)

Kerry Abbott
Director, Human Resources Operation (as of October 7, 2019)

Rob Basque
Senior Vice President, Infrastructure Services

Allan Gunn
Chief Administrative Officer and Chief Financial Officer

Ann Weir
Chief Internal Audit and Risk Offic

Chris Pentleton
Chief Architect

Adina Saposnik
Vice President, Technology Planning and Information Security

Jim Scott
Senior Vice President, Digital Health Data and Services

Sabrina Siddiqi (Angela Tibando delegate for Strategy & Reporting function)
Director, Strategy and Reporting (as of September 16, 2019)

HealthForceOntario Marketing and Recruitment Agency

HealthForceOntario has been focused on improving patient access to care through health workforce programs and supports, supporting the government's health workforce objectives and contributing to the planning, recruitment, retention, transition and distribution of health practitioners in Ontario.

Priority areas for 2019/20 included:

- Increasing provincial personal support worker capacity.
- Responding to an unprecedented demand for urgent physician coverage in rural and Northern Ontario emergency departments.
- Improving the overall health professional recruitment landscape through enhanced community collaboration tools and resources.

Operational Performance

Key Performance Indicator	Performance Outcome	Commentary
Unplanned closures of emergency departments Target: No unplanned closures.	There were no unplanned emergency department closures due to physician unavailability. Target met.	Open emergency departments ensure Ontarians can access emergency care 24/7 at their local hospitals without disruption to critical life-saving services.
Decrease in Emergency Department Locum Program utilization Target: Reduction year-over-year.	There was a 37% increase in Emergency Department Locum Program activity (37,430 hours, up from 27,386 hours).	The Emergency Department Locum Program experienced an unprecedented surge in the need for urgent physician coverage due to significant vacancies in rural and Northern Ontario, arising from an on-going and increasing shortage of rural generalist family physicians.
Decrease in Northern Specialist Locum Programs vacancy utilization Target: Reduction year-over-year.	There was a 15% increase in Northern Specialist Locum Program vacancy utilization (5,808 days, up from 5,058 days).	Specialist physician vacancies in high-need areas, such as general internal medicine, increased the need for urgent specialist locum support, with the majority of activity at the Northern Urban Referral Centres.

Percentage of graduating physician clients placed in a high-need community or specialty Target: More than 75%	89% (157 of 177) of graduating physician clients were placed in high-need areas. Target exceeded.	Targeted recruitment to areas of high need increases equitable access to physician services throughout the province. High-need specialties continue to be family medicine, emergency medicine, psychiatry and general internal medicine. Rural, remote and Northern communities continue to be high-need areas.
Number of internationally educated health professionals receiving career support Target: 3,000	3,827 internationally educated health professionals received career support. Target exceeded.	Directing internationally educated health professionals to priority areas improves Ontario's health system capacity, such as internationally educated nurses receiving alternative career support to become personal support workers.
Number of priority health professions integrated into the HFOJobs online job portal Target: 2	Two new professions were launched: personal support workers in April, and mental health and addictions professionals in November. Target met.	Expanding the HFOJobs platform to include personal support workers and mental health and addictions professionals provides a mechanism to connect employers with health professionals in priority areas.

Program Highlights

This year saw new opportunities emerge through the transition to Ontario Health, as incoming agencies collaborated with each other and the newly established Ontario Health regions to help address health workforce challenges and improve patient access to care.

Increasing Personal Support Worker Capacity

Ontario continued to experience a need to increase overall PSW capacity across the health system as local hospitals, long-term care homes and home and community care providers struggled with PSW recruitment and retention. The following was achieved working with partners to respond to these challenges:

- A partnership with the Ontario Personal Support Workers Association helped to leverage the workforce capacity of thousands of internationally educated nurses who are pursuing licensure in Ontario. Through this partnership, the International Nursing – Personal Support Worker Grandfathering Program was formed. This program provides a career pathway that allows these individuals to have their credentials reviewed and transitioned to PSWs in Ontario. Since the program's launch in fall 2019, more than 150 internationally educated nurses have successfully participated in the program to become PSWs in Ontario.

- The ability to post and search for PSW positions was integrated into the HFOJobs health professional job portal. This work followed previous surveys of PSW employers that was completed in partnership with Home Care Ontario and the Ontario Community Support Association. The online job portal provides a free resource for employers to post their PSW positions and connect with candidates, as well as provides a platform for strategic promotion of high-need positions. Since the portal's upgrade, hundreds of hospitals, long-term care homes and home and community care providers have posted their PSW positions on the site.

Improving Access to Mental Health and Addictions Services

As HealthForceOntario transitioned to Ontario Health, new opportunities emerged to improve patient care in priority areas such as mental health and addictions.

- Mental health and addictions stakeholders throughout Northwestern Ontario identified the need for a mental health and addictions health human resource strategy for the region as a critical component of comprehensive system improvements. In November 2019, regional stakeholders came together to develop actionable steps to improve the delivery of mental health and addictions services for the people of Northwestern Ontario. A collaborative working group was established to move this health human resource work forward. This initiative also aligned with critical on-site psychiatric service support being provided through physician locum programs in consultation with Ontario Health (North).

Implementing the Northern Physician Resources Action Plan

Many Northern Ontario communities continue to struggle with physician recruitment and retention. Using the Northern Physician Resources Action Plan as a roadmap, a number of initiatives were undertaken to improve patient access to physician services in Northern Ontario. Specifically, this included:

- Developing an ongoing tracking system of physician resources to identify areas of need and success.
- Delivering a webinar through the Ontario Medical Association focused on locum best practices and promoting opportunities in the North.
- Promoting regional locum coverage through automated recommendations of related locum opportunities in neighbouring communities on HFOJobs.
- Developing a recruitment readiness checklist for communities and a physician onboarding guide with tools to help orient and retain recruits.
- Helping form regional recruitment networks in both the North East and North West LHIN regions.
- Offering Indigenous cultural safety training to physician locums working in Ontario Health's North region.
- Delivering a Northern Ontario job fair at Northern Ontario School of Medicine, including a recruitment forum on regional collaboration.

Enhancing Health Human Resource Collaboration

Reducing competitive health professional recruitment practices through regional collaboration is a key strategic component of recruitment support. Regional collaboration helps to support aligned incentives and reduces system costs; it also increases capacity through improved scheduling and resource sharing.

- In April, in collaboration with the South West LHIN and Schulich School of Medicine, stakeholders were brought together in Grey Bruce to discuss the current state of physician recruitment and collaborative approaches to improve recruitment and retention. Participants included family physicians, recruiters, community leaders, mayors, health administrators and medical educators.

- In January 2020, the first meeting of the newly established North East Health Recruiters Association was held. This network was based on the success of a model established in the North West region to bring communities together to share resources and best practices.

Transitioning the Physician Assistant Career Start Program

The Physician Assistant Career Start Program helps recent physician assistant graduates transition into Ontario's health workforce and begin providing patient care. In December 2019, the program transferred to the Ministry of Health as part of HealthForceOntario's transition into Ontario Health. Working closely with the ministry ensured there were no disruptions to program delivery during this transition and there were no impacts to health care organizations accessing the program.

- Working to address the local physician recruitment needs of rural, remote and Northern Ontario communities continued to be a major focus in 2019/20.
  - A hospitalist program was stabilized in crisis and at risk of department closure in a small rural hospital in the East Region by assisting with the recruitment, immigration and licensure of three US-trained hospitalists moving to Ontario.
  - A high-needs rural community in the Central Region had an unexpected family physician departure. Three physicians were recruited with the assistance of the town council and local hospital. This stabilized primary care services and addressed a significant unattached patient population.
  - Two full-time emergency medicine physicians were recruited to a highly locum-dependent hospital in the East region that was experiencing ongoing coverage challenges that consistently put the emergency department at risk of closure.

HealthForceOntario Marketing and Recruitment Agency Executive Leadership Team

Jasmine Singh
Executive Director (Acting) (as of January 20, 2020; previously Director, Health Workforce Integration)

Ontario Health Quality Council (Health Quality Ontario)

Overview

Health Quality Ontario was the provincial advisor on the quality of health care. Its legislated mandate was to report to the public on the health system's performance and where the gaps lay, find the best evidence of what works, and translate it into concrete standards and improvement tools that health care professionals and organizations can put into practice. Throughout, partnering with patients ensured efforts were relevant to their experiences and needs.

Strategic priorities for 2019/20 included:

- Providing system-level leadership for health care quality.
- Increasing the availability of information to enable better decisions.
- Evaluating promising innovations and practices and supporting broad uptake of those that provide good value for money.
- Engaging patients in improving care.
- Enhancing quality when patients transition between different types of settings of care.

Operational Performance

Key Performance Indicator	Performance Outcome*	Commentary
***MyPractice* Reports** Target: 35% of targeted Ontario physicians subscribe to a *MyPractice* Report.	3,455 (38% of) family physicians, 232 (93% of) executive directors in community health centres and family health teams, 420 (52% of) long-term care physicians, and 117 (39% of) hip and knee surgeons registered for *MyPractice* Reports. Target exceeded.	Registration increased by 9% year-over-year due to a continued communication campaign, collaboration with Cancer Care Ontario to promote the report, and the inclusion of the report as part of the College of Physicians and Surgeons of Ontario's Quality Improvement Program.
Quality Standards Target: Increase total number of sessions and unique visitors from previous year (47,014 sessions, 38,239 unique visitors).	In 2019/20, there were 63,697 sessions (up 35% in the previous fiscal year) and 52,347 unique visitors (up 36%) to the quality standards on the website. Target met.	The most popular quality standard was Transitions Between Hospital and Home which contributed to 7,292 sessions and 6,341 unique visitors in the first week.

Health Technology Assessments Target: 13 recommendations conducted and finalized.	As part of the legislated mandate, in 2019/20 conducted and finalized 13 health technology assessments that included recommendations on whether those services and devices should be publicly funded. Target met.	Thirteen final health technology assessments with funding recommendations were submitted to the Ministry of Health. As of September 2020, the Ministry has accepted 96% (81) of the 84 recommendations it has completed reviewing.
Quality Improvement Plans Target: 100% of Quality Improvement Plans submitted.	All 1,022 hospitals, long-term care and primary care organizations submitted their annual plans around three core themes: timely and efficient transitions, service excellence, and safe and effective care. Target met.	Many organizations committed to working collaboratively to address complex quality issues: more than 160 organizations committed to at least one collaboration related to timely and efficient transitions, and more than 600 organizations chose to work on palliative care.

*All data as of March 31, 2020

Program Highlights

The Health Quality Ontario mandate includes reporting to the public on the health system's performance, finding the best evidence of what works, and translating it into concrete standards and tools that health care professionals and organizations can put into practice.

Measuring Health System Performance

Work in this area included measuring and publicly reporting on how Ontario's health system is performing and on health outcomes for people living in Ontario.

- Findings in Measuring Up 2019, the 13th yearly report with data up to the fiscal year 2018/19, showed that parts of the system were working well or improving. For example, the proportion of cancer surgeries completed within the recommended maximum wait time increased substantially in the last decade. More Ontarians in 2018 said they were able to email their primary care provider when they have a medical question, compared to five years ago. The report also revealed key areas for improvement including emergency department wait times and wait times for long-term care homes.
- Ontario wait times for surgeries, diagnostic imaging and emergency room visits were publicly reported in collaboration with Cancer Care Ontario and CorHealth Ontario. In 2019/20, there were 342,776 visits to this wait times data, a 28% increase from the previous year. The most popular searches were for knee replacement, gallbladder and breast cancer surgeries. The delivery of primary care, home care, long-term care and hospital patient safety (which accounted for an additional 70,493 visits) was also publicly reported on.
- *MyPractice* Reports provided confidential data about a physician's practice, including their opioid prescribing (for family doctors and hip and knee surgeons) and antibiotic prescribing patterns (for long-

term care physicians). The reports also provided comparative data for added context, along with concrete steps to support quality improvement.
    - To help streamline reporting in primary care, notifications for the *MyPractice*: Primary Care report and Cancer Care Ontario's Screening Activity Report were merged and the combined reports were delivered to over 7,500 physicians.
- An indicator reduction and management strategy was developed in collaboration with the Ontario Hospital Association. Although initially focused on hospital indicators, the strategy can be applied more broadly to performance measurement for the entire health system. The strategy identifies areas for improvement and outlines how to select meaningful indicators, simplify data collecting and involve patients in measuring what matters most to them.
- A systematic way to measure the quality of pharmacy care and its impact on patient outcomes and the health system was developed in collaboration with the Ontario College of Pharmacists. The result was a set of quality indicators for community pharmacy care in Ontario.
- Health Quality Ontario and Health Shared Services worked with home care advisors, clinical and non-clinical providers, home care clients and caregivers to develop two experience surveys, one for clients and one for caregivers. . These new surveys, tested in four Ontario regions, better reflect what clients and caregivers have identified as meaningful about the care they receive in their homes. Support continues for other provincial patient experience measurement initiatives such as real-time surveying in hospitals and measurement of transitions experience.

Developing Evidence and Standards

This work included bringing the best available scientific evidence to improve health care in Ontario.

- Quality standards are based on the best-available evidence. They set the standards to improve the effectiveness and timeliness of care by outlining to clinicians and Ontarians what high-quality care looks like for conditions or processes 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. The library of quality standards continues to be one of the most popular items on the website, generating 37,986 downloads and 52,347 unique visitors in 2019/20.
- In 2019/20, three quality standards were finalized: Transitions Between Hospital and Home; Anxiety Disorders; and Obsessive-Compulsive Disorder.
- Thirteen health technology assessments were conducted in 2019/20. These rigorous reviews analyze evidence and look at the benefits, harms and value for money of new and existing health care services and medical devices.
    - Several assessments were completed in collaboration with the Canadian Agency for Drugs and Technologies in Health and/or leveraging the work of other health technology assessment agencies to reduce duplication.
    - All 13 assessments were completed, reviewed by the Ontario Health Technology Assessment Committee, and submitted to the Minister of Health with recommendations for or against public funding:
        - Osseointegrated Prosthetic Implants for People With Lower-Limb Amputation
        - Minimally Invasive Glaucoma Surgery
        - Flash Glucose Monitoring System for People with Type 1 or Type 2 Diabetes
        - Transcatheter Aortic Valve Implantation in Patients With Severe, Symptomatic Aortic Valve Stenosis at Intermediate Surgical Risk
        - Portable Normothermic Cardiac Perfusion System in Donation After Cardiocirculatory Death

        - Auditory Brainstem Implantation for Adults With Neurofibromatosis 2 or Severe Inner Ear Abnormalities
        - Cell-Free Circulating Tumour DNA Blood Testing to Detect EGFR T790M Mutation in People With Advanced Non–Small Cell Lung Cancer
        - 10-kHz High-Frequency Spinal Cord Stimulation for Adults With Chronic Noncancer Pain
        - Continual Long-Term Physiotherapy After Stroke
        - Extracorporeal Membrane Oxygenation for Cardiac Indications in Adults
        - 5-Aminolevulinic Acid Hydrochloride (5-ALA)–Guided Surgical Resection of High-Grade Gliomas
        - Gene Expression Profiling Tests for Early-Stage Invasive Breast Cancer
        - Genome-Wide Sequencing for Unexplained Developmental Disabilities or Multiple Congenital Anomalies
    - To advance implementation efforts, a national webinar to disseminate finding of the health technology assessment on internet delivered cognitive behavioural therapy was delivered in partnership with the Canadian Agency for Drugs and Technologies in Health.
- Evidence-based changes to the knee arthroscopy payment model were implemented by the Ministry of Health in April 2019. This resulted in annual savings of $9.2m that were reallocated to other higher value orthopaedic procedures.

Improving Quality

This work supported and promoted sustainable improvements in care across Ontario.

- More than 1,000 organizations (hospitals, primary care organizations, long-term care homes and community care services) completed their 2019/20 Quality Improvement Plans, which are their public commitments to meet specific quality improvement goals. Many organizations focused their plans on enhancing collaboration within their communities.
- Four Quality Rounds, online learning events, were held and attended by 2,200 frontline care professionals. These are accredited virtual events offering knowledge exchange on key health care issues. Topics included how to apply quality standards to transitions between hospital and home, the promise of virtual care, improving patient experience to end hallway health care and the evolving opioid crisis.
- Quorum, an online community in Ontario where members learn, share and collaborate to improve health care quality, continued to grow. The community had more than 6,500 members in its third year and 43,000 page views on average per month (a 9% increase from 2018/19). The largest community on Quorum is for Bundled Care which supports teams across Ontario in implementing the coordinated (bundled) orthopedic surgery models of care for hip, knee and shoulder replacement. This community of 1,030 members also included monthly webinars called “Learning from the Field” that showcased examples from bundle holders and partners on implementation strategies such as establishing pre-operative processes to improve outcomes of bundled care.
- The Ontario Surgical Quality Improvement Network (ON-SQIN) is a community of practice that brings together surgical teams from all hospitals and specialties across the province. In 2019/20, 38 ON-SQIN hospitals prepared for a collective quality improvement effort to reduce the number of opioid pills their surgical teams prescribed to patients at discharge. Called *Cut the Count*, this initiative shared evidence-based tools and resources to help them meet this goal, while effectively managing patients' post-surgical pain with other treatment options. Preliminary results indicate that there was a 37% reduction in post-surgical opioid prescribing network-wide. This represents a potential 652,059 pills not released into the

public domain.

  - Approximately 72% of patients undergoing surgery in the province are discharged from an Ontario Surgical Quality Improvement Network member hospital.
- The Ontario General Medicine Quality Improvement Network is a new community of practice of 126 general medicine physicians at seven hospital sites. They were provided with confidential data about their practice patterns along with comparator data about their peers (within their division) for added context. The Network offers tools and resources to help implement change initiatives within their hospital division. To date, six hospital sites have implemented quality improvement initiatives aimed at improving length of stay, in-hospital mortality and optimizing capacity. In 2019/20, six additional hospital sites, representing four organizations, were added. The network continues to grow in 2020/21.

Patient Partnering

Collaborating with patients, families and the public is foundational to improving health care quality. Work in this area was guided by the lived experience of 16 members of the Patient, Family and Public Advisors Council who advised The Council, made up of individuals from diverse backgrounds with varying health care experiences and from regions across Ontario. They include people from Northern and rural Ontario, newcomers, and people with mental health challenges and addictions, many of whom have faced barriers when accessing health care.

- The Council advised on strategic items such as themes for the *Measuring Up* report and the quality standard on transitions in care. They also supported patient partnering across Ontario. Overall, 600+ Patient, Family and Public Advisors Network invited to actively participate in a total of 38 projects.
- Another 30 organizations invited Patient Network members to support their patient partnering initiatives.
- A guide with patient partners to help organizations overcome common patient partnering challenges was created to help patients and health care providers build their own capacity to effectively engage with each other.

Ontario Health Quality Council Executive Leadership Team

Anna Greenberg
President, Ontario Health (Quality)

Susan Brien
Interim Vice President, Health System Performance (effective November 2018)

Gail Dobell
Interim Vice President, Health System Performance (effective November 2018)

David Kaplan
Chief, Clinical Quality

Sudha Kutty
Interim Vice President, Quality Improvement (effective December 2019)

Michelle Rossi
Interim Vice President, Corporate Services (effective November 2018)

Jennifer Schipper
Chief, Communications and Patient Partnering

Health Shared Services Ontario

Overview

Health Shared Services Ontario focused on supporting health system integration. Solutions and services were developed through strong partnerships with the LHINs and other system partners. These shared services included: the development and oversight of patient-care digital health platforms, information technology, and data management; home and community care program support and implementation; finance and administration; procurement; human resources; labour relations; and communications support.

Strategic priorities in 2019/20 were to:

- Advance provincial digital health and technology solutions for health service providers and home and long-term care operations.
- Enable health system integration through the expanded use of digital health assets and innovations.
- Leverage provincial business-intelligence capability and data assets to enhance evidence-based decision making.
- Advance home care program development and implementation.
- Manage the delivery of support for LHIN labour relations.
- Support the growth and evolution of Ontario Health Teams.

Operational Performance

Key Performance Indicator	Performance Outcome	Commentary
Implement eNotification in hospitals Target: 150	eNotification was implemented in 150 hospitals as of March 31, 2020. Target met.	eNotification enables key health care partners to be notified when a patient presents at a hospital emergency department, is admitted or is discharged from hospital.
Implement interRAI Child and Youth Mental Health assessment instruments Target: Full implementation.	The interRAI Child and Youth Mental Health instrument was implemented on the Acutenet provincial assessment software platform. 1,326 assessments were completed in the Provincial Assessment Solution across Ontario since the January 2020 implementation. Target met.	The interRAI Child and Youth Mental Health suite of assessment instruments is used by LHIN mental health and addiction nurses to evaluate children with mental health needs and support care planning and interventions.

Pilot the Project ECHO Ontario Child and Youth Mental Health program Target: Completion of pilot.	86% of survey respondents were satisfied with the overall Project ECHO Ontario CYMH program. 89% found the ECHO platform to be an excellent way to learn about child and youth mental Health. Target met.	Collaborated with Project ECHO (Extension for Community Healthcare Outcomes) to pilot a technology-enabled collaborative learning program for LHIN mental health and addiction nurses who work in schools across Ontario.
Consolidate and reduce data centres Target: 3 data centres.	Shared Services data centres were consolidated, reducing the total from 8 to 3. Target met.	This work is in alignment with the overall Ontario Health data centre consolidation strategy.
Create efficiencies in the provincial prequalification process Target: Increase new applications by 20%.	Electronic tools were added to the prequalification process, transforming it from a manual process. New applications increased by 29%. Target exceeded.	In this process, Service Provider Organizations apply to prequalify for opportunities to submit proposals for LHIN home care services contracts.
Enhance CHRIS to support the bundled care initiative. Target: Reduce fields in CHRIS by 30%.	85 fields were removed from the CHRIS platform. The number of required fields were reduced by almost 40%. Target exceeded.	The restructuring of Client Health and Related Information System (CHRIS), Ontario's digital health platform resulted in significant efficiencies and reduced the time needed to create a patient record during the intake process. This customization was completed in collaboration with Trillium Health Partners to align with the hospital's process.
Onboard LHINs onto Microsoft Teams communication and collaboration platform. Target: 100%	97% of all LHIN users were on-boarded to Teams. Target: 97% met; 100% expected to be onboard by June 2020.	This work enabled greater virtual care capabilities for LHIN care coordinators.

Program Highlights

The focus of work was on digital heath solutions, health system integration, business intelligence, home care and long-term care programs, labour relations and Ontario Health Teams. In fiscal year 2019/20, significant contributions were made to the health care system by improving processes and practices,

advancing tools and technology for health service providers, and guiding implementations of technologies and labour negotiations.

Advancing Digital Health and Technology Solutions

This past fiscal year, provincial digital health strategies and efficiencies improved operational processes, directly and indirectly supporting the provision of home and long-term care. This work included:

- Supporting the development of a strategy to allow patients to have direct access to their community-based health care information. Specifically:
    - Collaboration with the Ministry of Health to support the Digital First for Health strategy and a strategy to develop standardized Fast Healthcare Interoperability Resource (FHIR) interfaces to CHRIS.
    - Work with Sunnybrook to define FHIR interface specifications for a CHRIS interface to support data input into the Sunnybrook MyChart patient portal.
- Enhancing assessment tools and practices to support more efficient and effective delivery of home and community care. This included:
    - Implementing the interRAI Community Health Assessment software, enabling community support agencies to employ the tool for assessing clients' care needs, strengths and preferences.
    - Upgrading the interRAI Palliative Care Assessment software to the latest certified version, strengthening functionality for users in the assessment of client care needs.
    - Implementing the interRAI Child and Youth Mental Health instrument on the AcuteNet provincial assessment software platform, enabling LHIN mental health and addiction nurses to evaluate children with mental health needs and support care planning and interventions.
- Implementing efficiencies in information technology systems, improving administrative operations across Ontario Health and system partners in support of home and long-term care.
    - This included successfully migrating Shared Services to Microsoft Office 365, and moving Shared Services and the LHINs to Office 365 Active Directory. This enabled support for numerous users and cloud-based user identification and authentication for collaboration across regions and business units.

Enabling Health System Integration

During 2019/20 fiscal year, the province's digital health infrastructure was strengthened, furthering integration in the health system by implementing key system enhancements and requirements, and strategic technology related initiatives.

- Third-party access to patient care digital health assets, such as CHRIS, was enabled to reduce fragmentation of patient data across health partner organizations (Ontario Health Teams, other bundled care sites, contracted service providers) in the future.
- eNotification capability was deployed across the province, enabling key health care partners to be notified when a patient presents at a hospital emergency department. Specifically, this included:
    - Connecting hospitals with eNotification capabilities.
    - Enhancing Emergency Medical Service (EMS) notification to support EMS Opioid events being sent to Public Health.
    - Enhancing eNotification to support ambulatory call reports to hospital information systems.

- Integrating 13 more hospitals with CHRIS to support sending electronic home and long-term care referrals to LHINs. In total, 47 hospitals are now integrated with CHRIS.

Leveraging Business-Intelligence Capability and Data

The advancement of Ontario Health's business-intelligence tools is critical to supporting decision-making for the health system. During this time, the following business-intelligence dashboards were launched and updated to provide data that allowed for a deeper understanding of the health sectors, regions and patients within them as well as the supply chains that support them. These included:

- Enhancing the *Status of Long-Term Care Homes Report* for the LHIN Senior Management dashboard to include priority categories, patient location, time to placement and other elements.
- Updating the Family Managed Home Care dashboard to include the transitional regions.
- Developing a Home Care Quality Indicators dashboard and Home Care Quarterly Scorecard.
- Creating a Medical Equipment and Supplies dashboard to facilitate the analysis of product costs, delivery and vendor information etc., to support work improving the supply chain.

Advancing Home Care Development

This past year, Health Shared Services Ontario supported the execution of home care program priorities relating to business processes, requirements, technology and guidelines in the following ways:

- Developing a new waitlist prioritization framework in CHRIS to support the ministry's priorities pertaining to the placement of patients in home care programs and long-term care homes.
- Collaborating with Project ECHO CYMH (Extension for Community Healthcare Outcomes – Child and Youth Mental Health) to pilot a technology-enabled collaborative learning program for the LHIN Mental Health and Addiction Nurses who work in schools across Ontario.
- Developing, and in the process of implementing, a Long-Term Care Placement Capacity Evaluation Tool and a Behavioral Assessment Tool across the province. This work will improve understanding of client care needs and support the provision of care in the most appropriate setting.
- Supporting CHRIS business process and technical enhancements by adding functionality to enable tracking and reporting on patients' preferred place of death, to improve quality of life for the palliative population.
- Centrally managing strategic procurements on behalf of the LHINs in support of home care programs and developed a strategy to establish longer term procurement vehicles for IT hardware/software that are set to expire in March 2021.
- Developing and/or updating guidance, policy and supporting documents to assist the LHINs with the implementation of home care programs. This included:
    - Developing *Guidelines for LHIN High Acuity Priority Access Beds* and a supporting education program (to move forward in 2020/21).
    - Revising and implementing improved *Guidelines for Patient Transitions Across LHINs.*
    - Developing policies to promote consistent practices across LHINs including the *Administration of Medications When Patients Bring Medication from Outside Policy* and the *First Dose Parenteral Medication Policy and Screening Tool Policy.*
- Supporting the LHINs with Service Provider Organization contract-related matters enabling the provision of home care services. Specifically:

    - Leading the provincial process to extend contracts to support phase one of a procurement modernization initiative for Medical Equipment and Supplies required to deliver home and community care.
    - Supporting the service rate increase to the Service Provider Organization contracts for home and community care across the province.
    - Leading the provincial prequalification process on behalf of the LHINs, enabling Service Provider Organizations to apply to prequalify for opportunities to submit proposals for LHIN home care services contracts.
- Redeveloping the Client and Caregiver Experience Evaluation tool – a survey used to provide feedback on Ontario's home and community care services – to better understand patient and caregiver experiences.

Supporting LHIN Labour Relations

A key area of work was to offer central support for labour relations and collective bargaining in the unionized LHIN environments this past year. This included:

- Coordinating and supporting provincial and bargaining-agent-specific labour relations issues on behalf of the LHINs.
- Coordinating the negotiation of collective agreements for 10 Ontario Nurses Association/LHIN bargaining units and one Unifor bargaining unit, to ensure the continuity of agreements and associated services.

Supporting the Evolution of Ontario Health Teams

Work also included successfully scaling CHRIS software and related tools for use by Ontario Health Teams and bundled care sites, and establishing key training activities in support of their broader use.

- In collaboration with Trillium Hospital, CHRIS was enhanced to support the bundled care initiative. This included a restructuring of the intake process. This work supports the implementation of the ministry's priorities to advance programs that improve the patient experience.
- To support a more integrated health care system through digital innovation, CHRIS and related tools were added to the Ontario Health Teams' Digital Playbook.
- CHRIS infrastructure was developed and implemented to provide secure third-parties (hospitals and others) with access to improve information sharing and communication among care providers.

Health Shared Services Ontario Executive Leadership Team

Catherine Brown
President

Miren Chauhan
Vice President, Corporate Services

Kathryn McCulloch
Vice-President, Care Innovations and Planning

David McLelland
Chief Information Officer and Vice-President, eHealth Strategy

Glen Medeiros
Vice-President, Finance and Administration

Governance

Board Members for Ontario Health	First Term	Current Term
Bill Hatanaka (Chair)	March 8, 2019 to March 6, 2020	March 7, 2020 to March 6, 2022
Elyse Allan (Vice Chair)	March 8, 2019 to March 6, 2020	March 7, 2020 to March 6, 2022
Jay Aspin	March 8, 2019 to March 6, 2020	March 7, 2020 to March 6, 2021
Andrea Barrack	March 8, 2019 to March 6, 2020	March 7, 2020 to March 6, 2022
Alexander Barron	March 8, 2019 to March 6, 2020	March 7, 2020 to March 6, 2022
Jean-Robert Bernier		April 9, 2020 to April 8, 2022
Adalsteinn Brown	March 8, 2019 March 6, 2020	March 7, 2020 to March 6, 2022
Robert Devitt	March 8, 2019 to March 6, 2020	March 7, 2020 to March 6, 2021
Garry Foster	March 8, 2019 to March 6, 2020	March 7, 2020 to March 6, 2021
Shelly Jamieson	March 8, 2019 to March 6, 2020	March 7, 2020 to March 6, 2022
Jacqueline Moss	March 8, 2019 to March 6, 2020	March 7, 2020 to March 6, 2021
Paul Tsaparis	March 8, 2019 to March 6, 2020	March 7, 2020 to March 6, 2022
Anju Virmani	March 8, 2019 to March 6, 2020	March 7, 2020 to March 6, 2021

Total remuneration paid to members of the Board of Directors for the period June 6, 2019, to March 31, 2020, amounted to $125,000.

Analysis of Financial Performance

Ontario Health was established as a Crown Agency on June 6, 2019, pursuant to the *Connecting Care Act, 2019.* On December 2, 2019, by Ministerial Order, Cancer Care Ontario, eHealth Ontario, HealthForceOntario Marketing and Recruitment Agency, Health Shared Services Ontario and Ontario Health Quality Council (Health Quality Ontario) were transferred into Ontario Health. For the full fiscal year end 2019/20, Ontario Health and these five legacy agencies were allotted by the Ministry of Health funding of $2.9 billion to implement the health system strategies developed by the Ministry of Health, and for managing health service needs across Ontario consistent with the ministry's health system strategies to ensure the quality and sustainability of the Ontario health system. Total funding for Ontario Health, including the five legacy agencies, Trillium Gift of Life Network and the Local Health Integration Networks, was $31 billion. Ontario Health corporate (without transferred agencies) had a budget allotment of $9.6 million.

Ontario Health
Ontario Health delivered on its objectives within the Ministry of Health funding allotment of $9.6 million with no significant variances between actual expenses and funding allotment.

A surplus of $36.9 million is reported for the period, as a result of the requirement by Public Sector Accounting Standards, to record the transfer of the five provincial agencies to Ontario Health as a restructuring transaction. The $36.9 million represents the accumulated surpluses which existed among the five provincial agencies as at December 1, 2019.

Cancer Care Ontario
Cancer Care Ontario delivered on its objectives within the Ministry of Health funding allotment of $2.6 billion (based on ministry funding schedules) for the full fiscal year end 2019/20 with a resulting overall $2.3 million surplus. Significant variances during fiscal 2019/20 as compared to fiscal 2018/19 included:

- $107.4 million increase in Cancer and Screening Services due to growth in treatment volumes in the various modality of cancer treatment such as radiation, chemotherapy, leukemia and new CAR-T cell therapy and the funding of three PET machines.
- $121.6 million increase in Cancer Drugs due to increased utilization of IV cancer drugs and introduction of new drugs and indication in the cancer drug formulary.
- $13.1 million increase in Chronic Kidney Disease Services due to increase in prevalence and incidence of chronic kidney disease and dialysis.
- $7.3 million decrease in Salaries and Benefits due to a reduction of the number of employees.

eHealth Ontario
eHealth Ontario delivered on its objective within the Ministry of Health funding allotment of $217 million (based on ministry funding schedules) for the full fiscal year 2019/20 with a resulting overall surplus of $11.1 million. Significant variances during fiscal 2019/20 as compared to fiscal 2018/19 included:

- $23.9 million decrease in Digital and Other Transfers due to future year pressure on operating for ongoing maintenance.

- $4.6 million decrease in Salaries and Benefits due toa reduction of the number of employees.

HealthForceOntario Marketing and Recruitment Agency
HealthForceOntario Marketing and Recruitment Agency delivered on its objective within the Ministry of Health funding allotment of $8 million (based on ministry funding schedules) for the full fiscal year 2019/20. Significant variances during fiscal 2019/20 as compared to fiscal 2018/19 included:

- $1.2 million decrease in Salaries and Benefits due toa reduction of the number of employees.

Health Shared Services Ontario
Health Shared Services Ontario delivered on its objective within the Ministry of Health funding allotment of $39.6 million (based on ministry funding schedules) for the full fiscal year 2019/20. Significant variances during fiscal 2019/20 as compared to fiscal 2018/19 included:

- $3.1 million decrease in Purchased Services due to reduction in Information Technology services.
- $1.9 million decrease in Salaries and Benefits due toa reduction of the number of employees.

Ontario Health Quality Council (Health Quality Ontario)
Ontario Health Quality Council delivered on its objective within the Ministry of Health funding allotment of $35.2 million (based on ministry funding schedules) for the full fiscal year 2019/20 with a resulting overall surplus of $2.9 million. Significant variances during fiscal 2019/20 as compared to fiscal 2018/19 included:

- $5.4 million decrease in Other Transfers due to decrease in one-time project funding and payments to other organizations.
- $1.3 million decrease in Other Operating Expenses due to savings on insurance as policies were taken over by HIROC as well as in education and public awareness, travel, general office expenses, software and hardware purchases, and other professional fees.
- $7.3 million decrease in Salaries and Benefits due toa reduction of the number of employees.

Glossary

CAR	Chimeric Antigen Receptor
CHRIS	Client Health and Related Information System
CYMH	Child and Youth Mental Health
ECHO	Extension for Community Healthcare Outcomes
eGFR	Estimated Glomerular Filtration Rate
EHR	Electronic Health Record
EMS	Emergency Medical Service
EPIC	Expanded Prostate Cancer Index Composite
ESAS	Edmonton Symptom Assessment System
FIT	Fecal Immunochemical Test
LHIN	Local Health Integration Networks
OLIS	Ontario Laboratories Information System
ON-SQIN	Ontario Surgical Quality Improvement Network
ORRS	Ontario Renal Reporting System
PACS	Picture Archiving and Communication System (PACS)
PET	Positron Emission Tomography
PSW	Personal Support Worker
WTIS	Wait Times Information System

Ontario Health

Financial Statements

March 31, 2020

Ontario Health

June 24, 2020

Management's Responsibility for Financial Information

Management and the Board of Directors are responsible for the financial statements and all other information presented in this financial statement. The financial statements have been prepared by management in accordance with Canadian public sector accounting standards and, where appropriate, include amounts based on management's best estimates and judgements.

Ontario Health is dedicated to the highest standards of integrity and patient care. To safeguard Ontario Health's assets, a sound and dynamic set of internal financial controls and procedures that balance benefits and costs has been established. Management has developed and maintains financial and management controls, information systems and management practices to provide reasonable assurance of the reliability of financial information. Internal audits are conducted to assess management systems and practices, and reports are issued to the Finance, Audit and Risk Committee.

For the period ended March 31, 2020, Ontario Health's Board of Directors, through the Finance, Audit and Risk Committee was responsible for ensuring that management fulfilled its responsibilities for financial reporting and internal controls. The Committee meets regularly with management and the Auditor General to satisfy itself that each group had properly discharged its respective responsibility, and to review the financial statements before recommending approval by the Board of Directors. The Auditor General had direct and full access to the Finance, Audit and Risk Committee, with and without the presence of management, to discuss their audit and their findings as to the integrity of Ontario Health's financial reporting and the effectiveness of the system of internal controls.

The financial statements have been examined by the Office of the Auditor General of Ontario. The Auditor General's responsibility is to express an opinion on whether the financial statements are fairly presented in accordance with Canadian public sector accounting standards. The Auditor's Report outlines the scope of the Auditor's examination and opinion.

On behalf of Ontario Health Management,

Elham Roushani

Melissa Sears

Elham Roushani, BSc, CPA, CA
Interim Finance Lead

Melissa Sears, CPA, CA
Director, Financial Reporting

Office of the Auditor General of Ontario
Bureau de la vérificatrice générale de l'Ontario

INDEPENDENT AUDITOR'S REPORT

To the Ontario Health

Opinion

I have audited the financial statements of the Ontario Health, which comprise the statement of financial position as at March 31, 2020, and the statements of operations, changes in net debt and cash flows for the period from June 6, 2019 to March 31, 2020, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Ontario Health as at March 31, 2020, and the results of its operations and its cash flows for the period from June 6, 2019 to March 31, 2020 in accordance with Canadian public sector accounting standards.

Basis for Opinion

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of Ontario Health in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of Management and Those Charged with Governance 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.

In preparing the financial statements, management is responsible for assessing the Ontario Health's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Ontario Health either intends to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Ontario Health's financial reporting process.

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Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Ontario Health's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Ontario Health's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause Ontario Health to cease to continue as going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Toronto, Ontario
June 24, 2020

Bonnie Lysyk, MBA, FCPA, FCA, LPA
Auditor General

Statement of Financial Position

As at March 31, 2020
(in thousands of dollars)

	2020 $
Financial assets	
Cash (note 5)	31,924
Investments (note 6)	54,016
Accounts receivable (note 7)	162,564
	248,504
Liabilities	
Accounts payable and accrued liabilities (note 8)	231,912
Deferred revenue (note 9)	4,764
Obligations under capital leases (note 10)	830
Post-employment benefits other than pension plan (note 11)	2,175
Deferred revenue related to capital assets (note 12)	63,148
	302,829
Net debt	**(54,325)**
Non-financial assets	
Tangible capital assets (note 13)	67,648
Prepaid expenses and other assets (note 14)	23,533
	91,181
Accumulated surplus	**36,856**

Commitments and contingencies (notes 19 and 20)

Guarantees (note 21)

The accompanying notes are an integral part of these financial statements.

Approved by the Board of Directors

Director

Director

Statement of Operations

For the period from June 6, 2019 to March 31, 2020
(in thousands of dollars)

	2020 $
Revenues	
Ministry of Health (note 9a)	999,080
Amortization of deferred revenue related to capital assets (note 12)	8,945
Other revenue and recoveries	1,393
Grant funding (note 9a)	680
	1,010,098
Expenses	
Cancer and screening services	471,028
Chronic kidney disease services	227,324
Cancer Drug Reimbursement Program	195,777
Digital Services	80,147
Health Shared Services Program	13,868
Health Quality Program	10,248
Ontario Health Corporate Services	9,655
Health Marketing and Recruitment Program	2,051
	1,010,098
Operating surplus	**-**
Net Assets transferred to Ontario Health (note 4)	36,856
Surplus	**36,856**
Accumulated surplus, beginning of period	-
Accumulated surplus, end of period	**36,856**

The accompanying notes are an integral part of these financial statements.

Statement of Changes in Net Debt

For the period from June 6, 2019 to March 31, 2020
(in thousands of dollars)

	2020 $
Net debt, beginning of period	**-**
Surplus	36,856
Non-financial assets transferred to Ontario Health (note 4)	(98,585)
Change in non-financial assets:	
Acquisition of tangible capital assets	(7,112)
Disposal of tangible capital assets (note 13)	205
Amortization of tangible capital asset	9,243
Change in prepaid expenses and other non-financial assets	5,068
Change in net debt	**(54,325)**
Net debt, end of period	**(54,325)**

The accompanying notes are an integral part of these financial statements.

Statement of Cash Flows

For the period from June 6, 2019 to March 31, 2020
(in thousands of dollars)

	2020 $
Operating transactions:	
Surplus	36,856
Changes in non-cash items:	
Amortization of tangible capital assets	9,243
Recognition of deferred capital revenue (note 12)	(8,945)
Loss on disposal of tangible capital assets (note 13)	205
Decrease (increase) in:	
Accounts receivable	(14,253)
Prepaid expenses and other non-financial assets	5,068
Accounts payable and accrued liabilities	(34,498)
Non-pension post-retirement benefits (note 11)	(43)
Deferred revenue (note 9)	(65,075)
Non-cash balances transferred to Ontario Health (note 4)	73,089
	1,647
Capital transactions:	
Acquisition of tangible capital assets (note 13)	(7,112)
Investing transactions:	
Proceeds on maturity of investments	30,489
Financing transactions:	
Restricted capital contributions received (note 12)	7,003
Payments on obligations under capital leases (note 10)	(103)
	6,900
Increase in cash	**31,924**
Cash, beginning of period	-
Cash, end of period	**31,924**

The accompanying notes are an integral part of these financial statements.

Notes to Financial Statements

For the period ended March 31, 2020
(in thousands of dollars)

1. Nature of operations

Ontario Health (the Agency) is a Crown Agency established on June 6, 2019 pursuant to the Connecting Care Act, 2019 (the CCA). This legislation is a key component of the government's plan to build an integrated health care system. The Agency is responsible for implementing the health system strategies developed by the Ministry of Health (the Ministry) and for managing health service needs across Ontario consistent with the Ministry's health system strategies to ensure the quality and sustainability of the Ontario health system. The Agency's objectives are contained in the CCA and associated Ontario regulations.

Under the CCA, the Lieutenant Governor in Council appoints the members to form the board of directors of the Agency. The members of the board of directors of the Agency, also form the board of directors for Trillium Gift of Life Network, Ontario Telemedicine Network, and of each of the 14 Local Health Integration Networks (LHINs) in the province. The financial transactions of these entities are not included within the statements of the Agency.

The CCA grants the Minister of Health (the Minister) the power to transfer assets, liabilities, rights, obligations and employees of certain government organizations into Ontario Health, a health service provider, or an integrated care delivery system. The CCA also grants the Minister the power to dissolve the transferred organizations. The transition process is ongoing and expected to occur over a number of years.

On November 13, 2019, the Minister issued transfer orders to the following five provincial agencies: Cancer Care Ontario, Ontario Health Quality Council, eHealth Ontario, Health Shared Services Ontario, and HealthForceOntario Marketing and Recruitment Agency. Effective December 2, 2019, the employees, assets, liabilities, rights and obligations of each of the five agencies were fully transferred to Ontario Health.

Effective December 2, 2019, pursuant to 14 concurrent transfer orders from the Minister made under the CCA, the LHINs collectively transferred 183 non-home and community care employee positions to Ontario Health (see note 17). LHINs are the health authorities responsible for regional administration of public healthcare services in Ontario, including planning, integrating, and distributing provincial healthcare services funding.

The Agency is primarily funded by the Province of Ontario through the Ministry of Health. As a Crown Corporation of the Province of Ontario, the Agency is exempt from income taxes.

2. Significant accounting policies

Basis of presentation

These financial statements have been prepared in accordance with Canadian Public Sector Accounting Standards (PSAS) and reflect the following significant accounting policies.

Revenue Recognition

Revenue is recognized in the period in which the transactions or events that give rise to the revenue occurs, as described below. All revenue is recorded on an accrual basis, except when the accrual cannot be determined within a reasonable degree of certainty or when estimation is impracticable.

(i) Government transfers

Transfers from the Ministry and other government entities are referred to as government transfers.

Government transfers are recorded as deferred revenue when the eligibility criteria for the use of the transfer, or the stipulations together with the Agency's actions and communications as to the use of the transfer, create a liability. These transfers are recognized as revenue as the stipulations are met and, when applicable, the Agency complies with its communicated use of the transfer.

All other government transfers, without stipulations for the use of the transfer, are recorded as revenue when the transfer is authorized and the Agency meets the eligibility criteria.

Government transfers received for the purpose of capital assets are recorded as deferred capital revenue and are amortized on the same basis as the related capital assets.

(ii) Non-government contributions

The Agency has received approval from the Lieutenant Governor of Ontario to receive funding from sources other than the Ministry of Health and to generate revenue in connection with specified activities as specified in the Order in Council 322/2020. These other revenues and recoveries, without stipulations, are recorded as revenue when the transfer is authorized and the Agency meets the eligibility criteria.

Externally restricted, non-government contributions, are recorded as deferred revenue if the terms for their use, or the terms along with the Agency's actions and communications as to their use create a liability. These resources are recognized as revenue as the terms are met and, when applicable, the Agency complies with its communicated use.

(iii) Investment income

Investment income earned is recorded as a liability payable to Ministry.

Expenses

Expenses are reported on an accrual basis. The cost of all services received during the year are expensed.

Expenses include grants and transfer payments to recipients under funding agreements. Grants and transfers are recorded as expenses when the transfer is authorized and eligibility criteria have been met by the recipient. Recoveries of grants and transfers are recorded as a reduction to expenses when the recovery is reasonably estimated and likely to occur.

The Agency records a number of its expenses by program. The cost of each program includes the transfer payments that are directly related to providing the program.

Cash and cash equivalents

The Agency considers deposits in banks and guaranteed investment certificates with original maturities of three months or less as cash.

Financial instruments

Financial instruments are measured at fair value when acquired or issued. In subsequent periods, financial instruments (including investments) are reported at cost or amortized cost less impairment, if applicable. Financial assets are tested for impairment when there is objective evidence of impairment. When there has been a loss in value of investments that is other than a temporary decline, the investment is written down and the loss is recorded in the statement of operations. For receivables, when a loss is considered probable, the receivable is reflected at its estimated net recoverable amount, with the loss reported on the statement of operations. Transaction costs on the acquisition or sale of financial instruments are charged to the financial instrument. All Financial instruments of the Agency are categorized Level 2 in the fair value hierarchy.

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than the Level 1 quoted prices that are observable for the asset or liability either directly (i.e. prices) or indirectly (i.e. derived from prices); and

Level 3: inputs for the asset or liability that are not based on observable market inputs (unobservable inputs).

Tangible capital assets

Tangible capital assets are recorded at cost, less accumulated amortization and accumulated impairment losses, if any. The cost of capital assets includes the cost directly related to the acquisition, design, construction, development, improvement or betterment of tangible capital assets. Third party and internal labour costs are capitalized under software in connection with the development of information technology projects.

Capital assets are amortized on a straight-line basis over the estimated useful lives of the assets as follows:

Asset	**Useful Life**
Computer hardware	4 years
Computer software	3 years
Software – internally developed business applications	3-10 years
Office furniture and equipment	5 years
Leasehold improvements	Remaining term of lease

Land and buildings includes four lodges transferred to the Agency from Cancer Care Ontario, which were originally donated by the Canadian Cancer Society - Ontario Division. They are recorded at nominal value, as the fair value was not reasonably determinable at the time of the donation.

When a capital asset no longer has any long-term service potential to the Agency, the differential of its net carrying amount and any residual value, is recognized as a gain or loss, as appropriate, in the statement of operations.

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

Pension costs

Employees transferred to the Agency have continued their pension plan enrollment.

The Agency accounts for its participation in the Healthcare of Ontario Pension Plan (HOOPP) and the Public Service Pension Plan (PSPP), both multi-employer defined benefit pension plans, as defined contribution plans because the Agency has insufficient information to apply defined benefit plan accounting. Therefore, the Agency's contributions are accounted for as if the plans were a defined contribution plan with the Agency's contributions being expensed in the period they come due.

The Agency also administers a defined contribution pension plan for employees transferred from eHealth Ontario. The investments are managed by Sun Life Financial Services of Canada Inc. Under the plan, the Agency matches employees' contributions up to a maximum of 6% of their annual earnings. The Agency's contributions to the plan are expensed on an accrual basis.

Post-employment benefits other than pension plan

The cost of post-employment benefits other than pension plan is actuarially determined using the projected benefit method pro-rated on services and expensed as employment services are rendered. Adjustments to these costs arising from changes in estimates and actuarial experience gains and losses are amortized over the estimated average remaining service life of the employee groups on a straight-line basis.

Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Items subject to such estimates and assumptions include accruals related to drug expenditures, accruals and recoveries of grants and transfers, useful life of tangible capital assets, and liability for post-employment benefits other than pension plan. Actual results could differ from those estimates.

3. Budget

The Agency did not have a Board approved budget for the inaugural period of June 6, 2019 to March 31, 2020.

4. Transfers to Ontario Health

On December 2, 2019, the employees, assets, liabilities, rights and obligations of each of the five agencies (Cancer Care Ontario, Ontario Health Quality Council, eHealth Ontario, Health Shared Services Ontario, and HealthForceOntario Marketing and Recruitment Agency) were fully transferred to Ontario Health for no compensation. The net effect of this restructuring transaction on the Agency was $36,856. Below are the details of the net assets transferred to the Agency based on their audited carrying values at December 1, 2019:

	Cancer Care Ontario	eHealth Ontario	Health Shared Services Ontario	Health Quality Ontario	Health Force Ontario	Total
	$	$	$	$	$	$
Financial assets						
Cash	75,760	9,621	7,934	14,731	1,899	109,945
Investments	84,505	-	-	-	-	84,505
Accounts receivable	128,315	19,226	651	110	9	148,311
	288,580	28,847	8,585	14,841	1,908	342,761
Liabilities						
Accounts payable and accrued liabilities	232,496	18,814	7,433	5,874	1,793	266,410
Deferred revenue (note 9)	29,422	29,889	706	9,142	680	69,839
Obligations under capital leases	933	-	-	-	-	933
Post-employment benefits other than pension plan	2,218	-	-	-	-	2,218
Deferred contributions related to capital assets (note 12)	3,316	56,826	4,095	853	-	65,090
	268,385	105,529	12,234	15,869	2,473	404,490
Net assets (debt)	**20,195**	**(76,682)**	**(3,649)**	**(1,028)**	**(565)**	**(61,729)**
Non-financial assets						
Tangible capital assets (note 13)	7,891	56,826	4,413	853	1	69,984
Prepaid expenses and other assets	4,132	19,856	4,204	175	234	28,601
	12,023	76,682	8,617	1,028	235	98,585
Net assets (debt) and non-financial assets transferred to Ontario Health	**32,218**	**-**	**4,968**	**-**	**(330)**	**36,856**

5. Cash

Cash includes $348 held in escrow for a pension plan that has been dissolved in the event that former members put forth a claim, and $88 held as restricted cash for an endowment. These funds are subject to externally imposed restrictions and are not available for general use.

6. Investments

Guaranteed investments certificates, redeemable on demand, are as follows:

	$
Interest at 2.60%, maturing September 5, 2020	46,670
Interest at 2.10%, maturing September 21, 2020	7,346
	54,016

7. Accounts receivable

	$
Due from Ministry	155,180
Recoverable HST	6,828
Other accounts receivable	556
	162,564

8. Accounts payable and accrued liabilities

	$
Trade payables	79,907
Accrued liabilities	114,461
Payable to Ministry	34,714
Payable to Ministry – interest earned	2,482
Pension escrow (note 5)	348
	231,912

9. Deferred revenue

a) The change in the deferred revenue balance is as follows:

	Ministry of Health $	Other Funders $	Total $
Deferred revenue – beginning of period	-	-	-
Transferred to Ontario Health (note 4)	68,928	911	69,839
Funding received	940,441	1,247	941,688
Amounts recognized as revenue	(999,080)	(680)	(999,760)
Amounts utilized for capital purchases (note 12)	(7,003)	-	(7,003)
	(65,642)	567	(65,075)
Deferred revenue – end of period	3,286	1,478	4,764

b) The deferred revenue balance at the end of the period is restricted for the following purposes:

	Ministry of Health $	Other Funders $	Total $
Cancer and screening services	1,405	-	1,405
Software licenses	318	-	318
Research and Education	-	1,390	1,390
Endowment	-	88	88
Other	1,563	-	1,563
	3,286	1,478	4,764

10. Obligations under capital leases

The Agency was transferred capital leases, with interest rates ranging from 5.7% to 6.1% and bargain purchase options for $1 at the end of the lease, for computer hardware. The computer hardware is amortized on a straight-line basis over its economic life of 4 years. The following is a schedule of future minimum lease payments, which expire in January 2023 together with the balance of the obligations.

	$
2021	359
2022	359
2023	185
Total minimum lease payments	903
Interest	(73)
Balance of the obligations	830
Less: current portion	(359)
Non-current obligations under capital leases	471

Total interest expense on capital leases for the period was $17.

11. Pension costs and post-employment benefits

Multi-employer contributory defined benefit pension plans

The Agency has 1014 employees who are members of the Healthcare of Ontario Pension Plan (HOOPP) and 265 employees who are members of the Public Service Pension Plan (PSPP). Both are multi-employer contributory defined benefit pension plans, and the members will receive benefits based on length of service and the average annualized earnings.

Contributions made to multi-employer plans during the period by the Agency on behalf of its employees amounted to $3,568 and are included in salaries and benefits expense, as detailed in note 15.

eHealth Ontario Employees' Retirement Plan

The Agency has 645 employees who are members of the eHealth Ontario Employees' Retirement Plan. The Agency's contributions to this defined contribution plan for the period of December 2, 2019 to March 31, 2020 amounted to $2,751 and are included in salaries and benefits expense, as detailed in note 15.

Post-employment benefits plan other than pension plan

A closed post-employment non-pension benefit plan which provides health and dental benefits to employees who retired prior to January 1, 2006 was transferred to the Agency on December 2, 2019. Benefits paid during the period from December 2, 2019 to March 31, 2020 were $60. The actuarial valuation report for the post-employment benefits other than pension plan is dated November 30, 2019 and was extrapolated to March 31, 2020.

Information about the Agency's post-employment benefits other than pension plan is as follows:

	$
Accrued benefit obligation	1,591
Unamortized actuarial gains/(losses)	584
Post-employment benefits other than pension plan	2,175

The movement in the employee future benefits liability during the period is as follows:

	$
Post-employment benefits other than pension plan – balance transferred to Ontario Health	2,218
Interest cost	17
Funding contributions	(60)
Post-employment benefits other than pension plan – ending balance	2,175

The actuarially determined present value of the accrued benefit obligation is measured using management's best estimates based on assumptions that reflect the most probable set of economic circumstances and planned courses of action as follows:

Discount rate	3.25%
Extended health care trend rate	6.75% in 2020 to 3.75% in 2029 and after
Dental cost trend rates	3.75%
Employee average remaining service life	9.0 years

12. Deferred contributions related to capital assets

The change in the deferred contributions related to capital assets is as follows:

	$
Balance – beginning of period	-
Transferred from five provincial agencies (note 4)	65,090
Amounts received related to capital assets (note 9a)	7,003
Less: amounts recognized as revenue	(8,945)
Balance – end of period	63,148

13. Tangible capital assets

Cost	Beginning of Period	Transferred to Ontario Health (note 4)	Additions	Disposals	End of Period
	$	$	$	$	$
Computer hardware	-	113,466	5,217	(2,094)	116,589
Computer software	-	181,357	1,069	-	182,426
Furniture and equipment	-	15,952	4	(25)	15,931
Leasehold improvements	-	19,512	102	-	19,614
Land and building	-	1	-	-	1
Work in progress	-	1,750	720	-	2,470
	-	332,038	7,112	(2,119)	337,031

Accumulated Amortization	Beginning of Period	Transferred to Ontario Health (note 4)	Amortization	Disposals	End of Period
	$	$	$	$	$
Computer hardware	-	85,042	4,070	(1,889)	87,223
Computer software	-	147,237	4,012	-	151,249
Furniture and equipment	-	14,142	581	(25)	14,698
Leasehold improvements	-	15,633	580	-	16,213
	-	262,054	9,243	(1,914)	269,383

Net Book Value	$
Computer hardware	29,366
Computer software	31,177
Furniture and equipment	1,233
Leasehold improvements	3,401
Land and building	1
Work in progress	2,470
	67,648

14. Prepaid expenses and other assets

	$
Prepaid hardware and software maintenance	22,128
Other prepaid expenses and other assets	1,405
	23,533

15. Operating expenses by object

	$
Transfer payment – Cancer and screening services	430,168
Transfer payment – Chronic kidney disease services	223,567
Transfer payment – Cancer Drug Reimbursement Program	195,777
Transfer payment – Digital Services	12,955
Salaries and benefits	78,149
Information technology support and maintenance	24,602
Purchased services	21,473
Amortization	9,243
Occupancy costs	6,295
Screening services	3,585
Other operating expenses	4,079
Loss on disposal	205
	1,010,098

16. Board remuneration

During the period 12 members served on the Board of Directors. Total remuneration paid to members of the Board of Directors during the period amounted to $125.

17. Expenses related to transferred non-home and community care employees

Effective December 2, 2019, pursuant to 14 concurrent transfer orders from the Minister made under the CCA, the Local Health Integration Networks (LHINs) collectively transferred 183 non-home and community care employee positions to Ontario Health. Effective December 2, 2019 the Agency entered into a Memorandum of Understanding with each of the five regions representing the 14 LHINs to set out the expectations for the financial, administrative and staffing procedures and requirements for the provision of services between the LHINs and OH. As part of this MOU, the LHINs continue to provide compensation and applicable benefits to the transferred employees. Transferred employees remain on the payroll of the LHINs and the associated salary and benefit expenses, and corresponding funding, is reported on the financial statements of the LHINs. As a result, these expenditures are not included in the Agency's financial statements. The total expenditure related to these employees for the period of December 2, 2019 to March 31, 2020 amounted to $11,540.

18. Related party transactions

The Province of Ontario controls the Agency by its virtue of its ability to appoint the Agency's Board of Directors, and is therefore a related party to other organizations that are controlled by or subject to significant influence by the Province of Ontario. To carry out the Agency's objectives, as set forth in the CCA, the Agency provides funding for health services needs to these other organizations, including Hospitals and Local Health Integration Networks.

Related party transactions, beyond funding for health service needs directed by the CCA, are outlined below. Transactions are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

a) The Agency incurred expenses of $6,451 to Hydro One for network services. This amount is included in the Digital Services expense line on the Statement of Operations. As at March 31, accounts payable and accrued liabilities include $3,418 payable to Hydro One

b) The Agency incurred expenses of $2,570 and $673 for the rental of office space and other facility-related expenses from Infrastructure Ontario and the Ministry of Government and Consumer Services, respectively. These amounts are included in the Digital Services and Health Quality Program lines of the Statement of Operations. As at March 31, accounts payable and accrued liabilities include $1,283 and $406 payable to Infrastructure Ontario and the Ministry of Government and Consumer Services, respectively.

c) The Agency recorded expenses of $309 for the provision of administrative and other support services from the Ministry of Government and Consumer Services. This amount is included in the Digital Services expense line on the Statement of Operations. As at March 31, accounts payable and accrued liabilities include $698 in respect of these services.

d) The Agency entered into a service provider agreement with the University Health Network for the provision of support services in connection with one of its information technology applications and incurred expenses of $126 in connection with this agreement. This amount is included in the Digital Services expense line on the Statement of Operations. As at March 31, accounts payable and accrued liabilities include $63 payable to the entity.

e) Under an arrangement with Mohawk College of Applied Arts and Technology, the Agency incurred expenses of $31 to develop prototypes and proofs of concept for the electronic health record infrastructure. This amount is included in the Digital Services expense line on the Statement of Operations. As at March 31, accounts payable and accrued liabilities include $31 in respect of these services.

19. Commitments

a) The Agency has various multi-year contractual commitments for operating and information technology services. Payments required on these contracts are as follows.

	$
2021	49,671
2022	19,344
2023	9,644
2024	-
2025	-
	78,659

Commitments above include $52,753 payable to Hydro One under a network services contract and $3,545 payable to the Ministry of Government and Consumer Services for facility-related costs.

b) The Agency has various multi-year contractual commitments rental of office space. Payments required on these contracts are as follows

	$
2021	14,516
2022	10,876
2023	6,939
2024	2,816
2025	2,487
	37,634

Commitments above include $19,289 payable to Infrastructure Ontario.

20. Contingencies

The Agency is a member of the Healthcare Insurance Reciprocal of Canada (HIROC), which was established by hospitals and other organizations to self-insure. If the aggregate premiums paid are not sufficient to cover claims, the Agency will be required to provide additional funding on a participatory basis. Since the inception, HIROC has accumulated an unappropriated surplus, which is the total of premiums paid by all subscribers plus investment income less the obligation for claims reserves and expenses and operating expenses.

In the normal course of operations, the Agency is subject to various claims and potential claims. Management has recorded its best estimate of the potential lability related to these claims where potential liability is likely and able to be estimated. In other cases, the ultimate outcome of the clams cannot be determined at this time.

Any additional losses related to claims will be recorded in the year during which the liability is able to be estimated or adjustments to any amount recorded are determined to be required.

21. Guarantees

Director/officer indemnification

The Agency's general by-laws contained an indemnification of its directors/officers, former directors/officers and other persons who have served on board committees against all costs incurred by them in connection with any action, suit or other proceeding in which they are sued as a result of their service, as well as all other costs sustained in or incurred by them in relation to their service. This indemnity excludes costs that are occasioned by the indemnified party's own dishonesty, wilful neglect or default.

The nature of the indemnification prevents the Agency from making a reasonable estimate of the maximum amount that it could be required to pay to counterparties. To offset any potential future payments, the Agency has purchased from HIROC directors' and officers' liability insurance to the maximum available coverage. The Agency has not made any payments under such indemnifications, and no amount has been accrued in the accompanying financial statements with respect to the contingent aspect of these indemnities.

Other indemnification agreements

In the normal course of its operations, the Agency executes agreements that provide for indemnification to third parties. These include, without limitation: indemnification of the landlords under the Agency's leases of premises; indemnification of the Ministry from claims, actions, suits or other proceedings based upon the actions or omissions of the representative groups of medical, radiation

and gynaecology/oncology physicians under certain Alternate Funding Agreements; and indemnification of the Integrated Cancer Program host hospitals from claims, actions, costs, damages and expenses brought about as a result of any breach by the Agency of its obligations under the Cancer Program Integration Agreement and the related documentation.

While the terms of these indemnities vary based upon the underlying contract, they normally extend for the term of the contract. In most cases, the contract does not provide a limit on the maximum potential amount of indemnification, which prevents the Agency from making a reasonable estimate of its maximum potential exposure. The Agency has not made any payments under such indemnifications, and no amount has been accrued in the accompanying financial statements with respect to the contingent aspect of these indemnities.

22. Financial instruments

The Agency's financial instruments are exposed to certain financial risks, including credit risk, interest rate risk, and liquidity risk.

Credit risk

Credit risk arises from cash and cash equivalents and investments held with financial institutions and credit exposures on outstanding receivables. Cash and cash equivalents and investments are held at major financial institutions that have high credit ratings assigned to them by credit-rating agencies minimizing any potential exposure to credit risk. The Agency assesses the credit quality of the counterparties, taking into account their financial position and other factors. The risk related to receivables is minimal as most of the receivables are from federal and provincial governments and organizations controlled by them.

The Agency's maximum exposure to credit risk related to accounts receivable at March 31, 2020 was as follows:

	0 to 30 days $	31 to 60 days $	61 to 90 days $	91+ days $	Total $
Due from Ministry	152,970	-	-	2,210	155,180
Recoverable HST	6,828	-	-	-	6,828
Other accounts receivable	390	64	2	100	556
Amount receivable	160,188	64	2	2,310	162,564

An impairment allowance of $10 has been recognized and included in the amounts above.

Interest rate risk

Interest rate risk is the risk the fair value or future cash flows of financial instruments will fluctuate due to changes in market interest rates. The Agency currently is only exposed to interest rate risk from its investments. The Agency does not expect fluctuations in market interest rates to have a material impact on its financial performance and does not use derivative instruments. The Agency mitigates interest rate risk on its investments by purchasing guaranteed investment certificates with short-term maturities and demand features.

Liquidity risk

Liquidity risk is the risk the Agency will not be able to meet its cash flow obligations as they fall due. The Agency mitigates this risk by monitoring cash activities and expected outflows and maintaining

investments that may be converted to cash in the near term if unexpected cash outflows arise. The following table sets out the contractual maturities (representing undiscounted contractual cash flows) of financial liabilities:

	0 to 30 days $	31 to 60 days $	61 to 90 days $	91+ days $	Total $
Trade payable	16,829	38,403	14,317	10,358	79,907
Accrued liabilities	114,461	-	-	-	114,461
Payable to Ministry	4,027	-	-	30,687	34,714
Payable to Ministry – interest income	2,251	-	-	231	2,482
Pension escrow	-	-	-	348	348
Amount payable	137,568	38,403	14,317	41,624	231,912

23. Subsequent Event

On January 1, 2020, Ontario Regulation 390/19 made under the CCA, gave the Minister the authority to transfer the Ontario Telemedicine Network (OTN) into Ontario Health. On March 13, 2019, the Minister issued a transfer order to OTN. Effective April 1, 2020, employees, assets, liabilities, rights and obligations of OTN were fully transferred to Ontario Health.

Financial Statements

March 31, 2020

Our future health built with care

June 24, 2020

Management's Responsibility for Financial Information

Management and the Board of Directors are responsible for the financial statements and all other information presented in this financial statement. The financial statements have been prepared by management in accordance with Canadian public sector accounting standards and, where appropriate, include amounts based on management's best estimates and judgements.

Cancer Care Ontario is dedicated to the highest standards of integrity and patient care. To safeguard Cancer Care Ontario's assets, a sound and dynamic set of internal financial controls and procedures that balance benefits and costs has been established. Management has developed and maintains financial and management controls, information systems and management practices to provide reasonable assurance of the reliability of financial information. Internal audits are conducted to assess management systems and practices, and reports are issued to the Finance Working Group.

For the year ended March 31, 2020, Cancer Care Ontario's Board of Directors, through the Finance Working Group, was responsible for ensuring that management fulfilled its responsibilities for financial reporting and internal controls. The Committee meets regularly with management and the Auditor General to satisfy itself that each group had properly discharged its respective responsibility, and to review the financial statements before recommending approval by the Board of Directors. The Auditor General had direct and full access to the Finance Working Group, with and without the presence of management, to discuss their audit and their findings as to the integrity of Cancer Care Ontario's financial reporting and the effectiveness of the system of internal controls.

The financial statements have been examined by the Office of the Auditor General of Ontario. The Auditor General's responsibility is to express an opinion on whether the financial statements are fairly presented in accordance with Canadian public sector accounting standards. The Auditor's Report outlines the scope of the Auditor's examination and opinion.

On behalf of Cancer Care Ontario Management,

Elham Roushani

Melissa Sears

Elham Roushani, BSc, CPA, CA
Vice President & Chief Financial Officer

Melissa Sears, CPA, CA
Director, Financial Reporting

Office of the Auditor General of Ontario
Bureau de la vérificatrice générale de l'Ontario

INDEPENDENT AUDITOR'S REPORT

To the Board of Ontario Health and the Minister of Health

Opinion

I have audited the financial statements of the Cancer Care Ontario (CCO), which comprise the statement of financial position as at March 31, 2020, and the statements of operations, changes in fund balances and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of CCO as at March 31, 2020, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of CCO in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of Matter – Future of CCO

I draw attention to Note 1 of the financial statements, which indicates that on December 2, 2019, the CCO operations were transferred to Ontario Health. My opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance 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.

In preparing the financial statements, management is responsible for assessing the CCO's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless CCO either intends to cease operations, or has no realistic alternative but to do so.

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Those charged with governance are responsible for overseeing CCO's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 CCO's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on CCO's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. Effective December 2, 2019, CCO operational responsibilities were transferred to Ontario Health.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Toronto, Ontario
June 24, 2020

Bonnie Lysyk, MBA, FCPA, FCA, LPA
Auditor General

Statement of Financial Position

As at March 31, 2020
(in thousands of dollars)

	2020 $ (note 3)	2019 $
Assets		
Current Assets		
Cash (note 4)	-	32,199
Investments (note 5)	-	83,124
Receivables, prepaid expenses and other assets (note 6)	-	48,870
	-	164,193
Capital Assets (note 7)	-	7,555
	-	171,748
Liabilities		
Current Liabilities		
Accounts payable and accrued liabilities (note 8)	-	129,927
Obligations under capital leases (note 11)	-	359
	-	130,286
Non-Current Liabilities		
Deferred contributions related to capital assets (note 9)	-	4,761
Post-employment benefits other than pension plan (note 10)	-	2,255
Obligations under capital leases (note 11)	-	780
	-	7,796
Fund Balances		
Endowment	-	88
Externally restricted	-	1,359
General – unrestricted	-	29,425
Invested in capital assets (note 12)	-	2,794
	-	33,666
	-	171,748

Commitments (note 16)

Contingencies (note 17)

Guarantees (note 18)

Approved by the Board of Directors

_____ **Director**

_____ **Director**

The accompanying notes are an integral part of these financial statements.

Statement of Operations

For the year ended March 31, 2020
(in thousands of dollars)

	Restricted 2020 $	Restricted 2019 $	General 2020 $	General 2019 $	Total 2020 $	Total 2019 $
Revenue						
Ministry of Health	-	-	1,672,789	2,334,084	1,672,789	2,334,084
Amortization of deferred contributions related to capital assets (note 9)	-	-	1,463	4,561	1,463	4,561
Other revenue	798	1,969	1,057	1,403	1,855	3,372
Investment income (note 13)	2	2	3,196	4,066	3,198	4,068
	800	1,971	1,678,505	2,344,114	1,679,305	2,346,085
Expenses						
Cancer and prevention related services	105	160	739,367	1,032,663	739,472	1,032,823
Chronic kidney disease services	-	-	436,925	647,838	436,925	647,838
Provincial drug reimbursement program	-	-	377,764	451,894	377,764	451,894
Screening services	-	-	32,411	41,393	32,411	41,393
Salaries and benefits (note 10)	1,003	1,848	70,621	105,589	71,624	107,437
Capital contributions to cancer related services	-	-	8,100	35,058	8,100	35,058
Other operating expenses (note 14)	87	135	9,703	17,618	9,790	17,753
Purchased services	128	89	1,345	4,715	1,473	4,804
Amortization of capital assets	-	-	2,283	1,906	2,283	1,906
Loss on disposal	-	-	-	3,476	-	3,476
Net Assets Transferred to Ontario Health (note 3)	910	-	32,219	-	33,129	-
	2,233	2,232	1,710,738	2,342,150	1,712,971	2,344,382
Excess/(deficiency) of revenue over expenses	(1,433)	(261)	(32,233)	1,964	(33,666)	1,703

The accompanying notes are an integral part of these financial statements.

Statement of Changes in Fund Balances

For the year ended March 31, 2020
(in thousands of dollars)

March 31, 2020	Restricted Endowment $	Restricted Externally $	General Unrestricted $	Invested in Capital Assets $	Total $
Fund balances – March 31, 2019	88	1,359	29,425	2,794	33,666
(Deficiency) of revenues over expenses	(88)	(1,345)	(27,658)	(4,575)	(33,666)
Net change in invested in capital assets (note 12)	-	-	(1,781)	1,781	-
Interfund transfers (note 15)	-	(14)	14	-	-
Fund balances – March 31, 2020	-	-	-	-	-

March 31, 2019	Restricted Endowment $	Restricted Externally $	General Unrestricted $	Invested in Capital Assets $	Total $
Fund balances – March 31, 2018	88	1,473	28,595	1,807	31,963
Excess/(deficiency) of revenues over expenses	-	(261)	1,964	-	1,703
Net change in invested in capital assets (note 12)	-	-	(987)	987	-
Interfund transfers (note 15)	-	147	(147)	-	-
Fund balances – March 31, 2019	88	1,359	29,425	2,794	33,666

The accompanying notes are an integral part of these financial statements.

Statement of Cash Flows

For the year ended March 31, 2020
(in thousands of dollars)

	2020	2019
Cash provided by (used in)	**$**	**$**
Operating activities		
(Deficiency)/excess of revenue over expenses	(33,666)	1,703
Amortization of capital assets	2,283	1,906
Amortization of deferred contributions related to capital assets (note 8)	(1,463)	(4,561)
Loss on disposal (note 12)	-	3,476
Post-employment benefits expense other than pension plan (note 9)	108	132
Post-employment benefits paid other than pension plan (note 9)	(145)	(221)
Change in non-cash operating working capital		
Receivables, prepaid expenses and other assets (note 6)	(83,577)	(35,019)
Accounts payable and accrued liabilities (note 8)	131,080	56,876
Non-cash balances transferred to Ontario Health (note 3)	(42,631)	-
	(28,011)	24,292
Capital activities		
Principle payments under capital leases	(206)	(152)
Purchase of capital assets (note 12)	(2,619)	(2,213)
	(2,825)	(2,365)
Investing activities		
Proceeds from maturity of investments	5,884	84,907
Purchase of investments	(7,265)	(96,213)
	(1,381)	(11,306)
Financing activities		
Contributions related to capital assets (note 12)	18	1,696
(Decrease) increase in cash during the year	(32,199)	12,317
Cash – Beginning of period	32,199	19,882
Cash – End of period	-	32,199

The accompanying notes are an integral part of these financial statements.

1. Nature of operations

Cancer Care Ontario (the Organization) was the provincial government agency responsible for driving health system performance improvement for Ontario's cancer and chronic kidney disease health systems. The Organization also supported achievement of Ontario's Wait Time and Emergency Room/Alternate Level of Care Strategies through the collection and provision of information that enables the government to measure, manage and improve access quality and efficiency of care. With this mandate, the Organization was responsible for the funding to continually improve health system performance to ensure that patients receive the right care, at the right time, in the right place, at every step of their journey.

The Organization's role included working with healthcare providers in every region across the province to plan services that would meet current and future patient needs; to support providers in delivering the highest-quality care aligned to evidence-based standards and guidelines; and to work with administrators, doctors and other care providers to improve system efficiency and effectiveness.

The Organization also led the development and implementation of innovative payment models; implemented provincial programs designed to raise screening participation rates; translated research and evidence into standards and guidelines; put information into the hands of the provincial policy makers; and ensured Ontarians have cancer and renal care systems that are accountable, efficient and of the highest quality by measuring and reporting on the performance of services.

The Organization was primarily funded by the Province of Ontario through the Ministry of Health (the Ministry).

The Organization was a registered charity under the Income Tax Act (Canada) and, accordingly, was exempt from income taxes, provided certain requirements of the Income Tax Act are met. Members of the Board of Directors and Board Committees served without remuneration from the Organization.

The Connecting Care Act, 2019

On May 30, 2019, the Connecting Care Act (the CCA) was proclaimed with key sections of the Act, including the creation of a new Crown Agency called Ontario Health, effective June 6, 2019. This legislation is a key component of the government's plan to build an integrated health care system. The CCA granted the Minister of Health (the Minister) the power to transfer assets, liabilities, rights, obligations and employees of certain government organizations, including Cancer Care Ontario, into Ontario Health, a health service provider, or an integrated care delivery system. The CCA also grants the Minister the power to dissolve the transferred organizations.

On March 8, 2019, the members of the board of directors of Ontario Health were appointed to also constitute the board of Cancer Care Ontario. The board of directors of Ontario Health will oversee the transition process of transferring multiple provincial agencies into Ontario Health.

On November 13, 2019, the Minister issued transfer orders to five provincial agencies, including Cancer Care Ontario. Effective December 2, 2019, the employees, assets, liabilities, rights and obligations of Cancer Care Ontario were fully transferred to Ontario Health. The net effect of this restructuring transaction on Cancer Care Ontario on December 2, 2019 is disclosed in Note 3.

The Organization's registration as a charity was revoked on March 28, 2020. The Organization was dissolved on March 31, 2020 in accordance with the Order to Dissolve issued by the Minister in accordance with the CCA.

2. Significant accounting policies

Basis of presentation

These financial statements have been prepared in accordance with Public Sector Accounting Standards for government not-for-profit organizations, as issued by the Public Sector Accounting Board.

Fund accounting

The Endowment Fund reports contributions subject to externally-imposed stipulations specifying that the resources contributed be maintained permanently, unless specifically disendowed by the donor. Restricted investment income earned on Endowment Fund resources is recognized as revenue of the Externally Restricted Fund.

Investment income is recognized on an accrual basis. Interest income is accrued based on the number of days the investment is held during the year.

The Externally Restricted Fund reports donations and grants which have restrictions placed on their use by the donor, primarily related to research. The Organization ensures, as part of its fiduciary responsibility, that all funds received with a restricted purpose are expended for the purpose for which they were provided.

The General Fund accounts for the Organization's Ministry and other funded programs. This Fund reports unrestricted resources, all restricted grants from the Ministry, and restricted grants from others for which the Organization has no corresponding restricted fund.

Contributions

The Organization follows the restricted fund method of accounting for its restricted contributions. Restricted contributions are recognized as revenue of the Restricted Fund if the amount to be received can be reasonably estimated and ultimate collection is reasonably assured. Restricted contributions for which there is no corresponding Restricted Fund (including Ministry and other funded programs) are recognized as revenue in the General Fund using the deferral method.

Unrestricted contributions are recognized as revenue of the General Fund when the amount is reasonably estimable and collection is probable.

Unrestricted contributions received for the purpose of capital assets are recorded as deferred capital contributions related to capital assets and are amortized on the same basis as the related capital assets.

Contributions for endowment are recognized as revenue of the Endowment Fund in the year of receipt.

Cash and cash equivalents

The Organization considers deposits in banks, certificates of deposit, and short-term investments with original maturities of three months or less as cash and cash equivalents.

Financial instruments

Financial instruments are measured at fair value when acquired or issued. In subsequent periods, financial instruments (including investments) are reported at cost or amortized cost less impairment, if applicable. Financial assets are tested for impairment when there is objective evidence of impairment. When there has been a loss in value of investments that is other than a temporary decline, the investment is written down and the loss is recorded in the statement of operations. For receivables, when a loss is considered probable, the receivable is reflected at its estimated net recoverable amount, with the loss reported on the statement of operations. Transaction costs on the acquisition, sale or issue of financial instruments are charged to the financial instrument. All financial instruments are Level 2 of the fair value hierarchy when acquired.

This hierarchy is as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than the Level 1 quoted prices that are observable for the asset or liability either directly (i.e. prices) or indirectly (i.e. derived from prices); and

Level 3: inputs for the asset or liability that are not based on observable market inputs (unobservable inputs).

Capital assets

Capital assets are recorded at cost, less accumulated amortization and accumulated impairment losses, if any. Third party and internal labour costs are capitalized under software in connection with the development of information technology projects.

All capital assets are amortized on a straight-line basis at rates based on the estimated useful lives of the assets.

Therapeutic and other technical equipment are amortized over periods ranging from 4 years to 9 years; office furniture and equipment are amortized over periods ranging from 3 years to 5 years; and leasehold improvements are amortized over the term of the leases. Software is amortized over periods ranging from 3 years to 4 years.

Land and buildings for four lodges donated by the Canadian Cancer Society - Ontario Division are recorded at nominal value, as the fair value was not reasonably determinable at the time of the donation.

When a capital asset no longer has any long-term service potential to the Organization, the differential of its net carrying amount and any residual value, is recognized as a gain or loss, as appropriate, in the statement of operations.

(in thousands of dollars)

Expenses

Expenses are recorded on an accrual basis.

Pension costs

The Organization accounts for its participation in the Healthcare of Ontario Pension Plan (HOOPP), a multi-employer defined benefit pension plan, as a defined contribution plan, as the Organization has insufficient information to apply defined benefit plan accounting. Therefore, the Organization's contributions are accounted for as if the plan were a defined contribution plan with the Organization's contributions being expensed in the period they come due.

Post-employment benefits other than pension plan

The cost of post-employment benefits other than pension plan is actuarially determined using the projected benefit method pro-rated on services and expensed as employment services are rendered. Adjustments to these costs arising from changes in estimates and actuarial experience gains and losses are amortized over the estimated average remaining service life of the employee groups on a straight-line basis.

Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Items subject to such estimates and assumptions include accruals and receivables related to drug expenditures. Actual results could differ from those estimates.

3. Transfer to Ontario Health

On November 13, 2019, the Ministerial Order under the CCA transferred the employees, assets, liabilities, rights and obligations of the Organization to Ontario Health. This transfer took place on December 2, 2019 for no compensation. The net effect of this restructuring transaction on the Organization was to reduce net assets and increase expenses by $33,129. Below are the details of assets and liabilities transferred to Ontario Health based on their carrying values at December 1, 2019:

	$
Cash (note 4)	75,760
Investments (note 5)	84,505
Receivables, prepaid expenses and other assets (note 6)	132,447
Capital assets (note 7)	7,891
Total assets transferred to Ontario Health	300,603
Accounts payable and accrued liabilities (note 8)	261,007
Deferred contributions related to capital assets (note 9)	3,316
Post-employment benefits other than pension plan (note 10)	2,218
Obligations under capital leases (note 11)	933
Total liabilities transferred to Ontario Health	267,474
Net assets transferred to Ontario Health	33,129

(in thousands of dollars)

4. Cash

Cash included $346 (2019 - $341), which was restricted, as it related to a pension plan that has been dissolved and was being held in escrow in the event that former members put forth a claim. These funds were subject to externally imposed restrictions and were not available for general use. Cash of $75,760 transferred to Ontario Health on December 2, 2019.

5. Investments

Investments of $84,505 transferred to Ontario Health on December 2, 2019.

Guaranteed investments certificates, as follows:	**2020 $**	**2019 $**
Redeemable on demand:		
Interest at 2.25%, maturing February 17, 2020	-	20,282
Interest at 2.60%, maturing September 5, 2020	-	46,667
Interest at 2.28%, maturing September 20, 2019	-	6,005
Non-Redeemable:		
Interest at 2.72%, maturing February 17, 2020	-	10,170
	-	83,124

6. Receivables, prepaid expenses and other assets

Receivables, prepaid expenses and other assets of $132,447 transferred to Ontario Health on December 2, 2019.

	2020 $	**2019 $**
Accounts receivable	-	3,419
Due from Ministry	-	42,550
Prepaid expenses and other assets	-	2,901
	-	48,870

7. Capital assets

Capital assets of $7,891 transferred to Ontario Health on December 2, 2019.

	2020 Cost $	**2020 Accumulated amortization $**	**2020 Net book value $**
Therapeutic and other technical equipment	-	-	-
Office furniture and equipment	-	-	-
Leasehold improvements	-	-	-
Land and building	-	-	-
Software	-	-	-
	-	-	-

	2019 Cost $	2019 Accumulated amortization $	2019 Net book value $
Therapeutic and other technical equipment	2,800	2,800	-
Office furniture and equipment	7,522	5,963	1,559
Leasehold improvements	6,198	4,984	1,214
Land and building	1	-	1
Software	30,854	26,073	4,781
	47,375	39,820	7,555

8. Accounts payable and accrued liabilities

Accounts payable and accrued liabilities of $261,007 transferred to Ontario Health on December 2, 2019.

	2020 $	2019 $
Trade payables	-	33,675
Accrued liabilities	-	53,626
Payable to Ministry	-	42,065
Payable to other funders	-	220
Pension escrow (note 4)	-	341
	-	129,927

9. Deferred contributions related to capital assets

The changes in the deferred contributions related to capital assets balance for the year are as follows:

	2020 $	2019 $
Balance – beginning of period	4,761	7,626
Amounts received related to capital assets	18	1,696
Amounts recognized as revenue	(1,463)	(4,561)
Amounts transferred to Ontario Health	(3,316)	-
Balance – end of period	-	4,761

10. Pension benefits and post-employment benefits

Pension plan

Until December 1, 2019 the Organization had employees who were members of HOOPP, which is a multi-employer contributory defined benefit pension plan. HOOPP members receive benefits based on length of service and the average annualized earnings during the five consecutive years that provide the highest earnings prior to retirement, termination or death.

Contributions to HOOPP made during the period from April 1, 2019 to December 1, 2019 by the Organization on behalf of its employees amounted to $10,332 (2019 - $8,803) and are included in pension expense which reflects all amounts owing for the period, in the statement of operations.

(in thousands of dollars)

Post-employment benefits plan other than pension plan

Prior to January 1, 2006, the Organization offered non-pension, post-employment health and dental benefits to its active and retired employees. Effective January 1, 2006, the Organization offered non-pension, post-employment benefits only to its retired employees, who retired prior to January 1, 2006. Benefits paid during the period from April 1, 2019 to December 1, 2019 under this unfunded plan were $145 (2019 - $221). The actuarial valuation report for the post-employment benefits other than pension plan is dated November 30, 2019 and was extrapolated to December 1, 2019 when the liability was transferred to Ontario Health.

Information about the Organization's post-employment benefits other than pension plan is as follows:

	2020 $	2019 $
Accrued benefit obligation	1,635	2,549
Unamortized actuarial gains/(losses)	583	(294)
Liability transferred to Ontario Health	(2,218)	-
Post-employment benefits other than pension plan	-	2,255

The movement in the employee future benefits liability during the year is as follows:

	2020 $	2019 $
Post-employment benefits other than pension plan – opening balance	2,255	2,344
Expense related to post-retirement benefits	108	132
Funding contributions	(145)	(221)
Liability transferred to Ontario Health	(2,218)	-
Post-employment benefits other than pension plan – ending balance	-	2,255

	2020 $	2019 $
Interest cost	47	78
Amortization of experience (gains)/losses	61	54
Total expense related to post-retirement benefits	108	132

The actuarially determined present value of the accrued benefit obligation is measured using management's best estimates based on assumptions that reflect the most probable set of economic circumstances and planned courses of action as follows:

	2020	2019
Discount rate	N/A	3.1%
Extended health care trend rate	N/A	6.00% in 2017 to 4.5% in 2023 and after
Dental cost trend rates	N/A	3.0%
Employee average remaining service life	N/A	9.5 years

(in thousands of dollars)

11. Obligations under Capital Leases

During the prior year, the Organization entered into capital leases, with interest rates ranging from 5.7% to 6.1% and bargain purchase options for $1 at the end of the lease, for computer hardware. The computer hardware is amortized on a straight-line basis over its economic life of 4 years. The future minimum lease payments, which expire in January 2023 together with the current obligation of $314 and long term obligation of $619 transferred to Ontario Health on December 2, 2019.

Total interest expense on capital leases for the period April 1, 2019 to December 1, 2019 was $34.

12. Invested in capital assets

	2020 $	2019 $
Capital assets	7,891	7,555
Amounts financed by deferred capital contributions (note 9)	(3,316)	(4,761)
Capital assets transferred to Ontario Health, net of deferred capital contributions	(4,575)	-
	-	2,794

Change in net assets invested in capital assets is calculated as follows:

	2020 $	2019 $
Purchase of capital assets	2,619	2,213
Capital assets acquired through leases	-	1,291
Capital funding	(18)	(1,696)
Amortization of deferred contributions related to capital assets	1,463	4,561
Amortization of capital assets	(2,283)	(1,906)
Disposal of capital assets	-	(3,476)
Change in net assets invested in capital assets before transfer	1,781	987
Capital assets transferred to Ontario Health, net of deferred capital contributions	(4,575)	-
	(2,794)	987

13. Investment income

Investment income earned on the Endowment Fund resources in the amount of $2 (2019 - $2) is included in the Restricted Fund.

(in thousands of dollars)

14. Other operating expenses

	2020 $	2019 $
Restricted Fund - Other	87	135
General Fund		
Software & Hardware	4,795	7,167
Occupancy Costs	3,643	6,282
Education, Events and Public Awareness	142	1,455
General Office	744	1,276
Consulting Services	26	623
Travel	157	507
Other Expense	196	308
	9,703	17,618

15. Interfund transfers

	2020 $	2019 $
Transfer to the Externally Restricted Fund from the General Fund	-	147
Transfer to the General Fund from the Externally Restricted Fund	14	-

16. Commitments

The Organization had various multi-year contractual commitments for rental of office space and computer hardware. Payments required on these commitments transferred to Ontario Health on December 2, 2019.

17. Contingencies

The Organization was a member of the Healthcare Insurance Reciprocal of Canada (HIROC), which was established by hospitals and other organizations to self-insure. If the aggregate premiums paid are not sufficient to cover claims, the Organization will be required to provide additional funding on a participatory basis. Since the inception, HIROC has accumulated an unappropriated surplus, which is the total of premiums paid by all subscribers plus investment income less the obligation for claims reserves and expenses and operating expenses. Contingencies transferred to Ontario Health on December 2, 2019.

18. Guarantees

Director/officer indemnification

The Organization’s general by-laws contained an indemnification of its directors/officers, former directors/officers and other persons who have served on board committees against all costs incurred by them in connection with any action, suit or other proceeding in which they are sued as a result of their service, as well as all other costs sustained in or incurred by them in relation to their service. This indemnity excludes costs that are occasioned by the indemnified party’s own dishonesty, wilful neglect or default.

The nature of the indemnification prevents the Organization from making a reasonable estimate of the maximum amount that it could be required to pay to counterparties. To offset any potential future payments, the Organization has purchased from HIROC directors' and officers' liability insurance to the maximum available coverage. The Organization has not made any payments under such indemnifications, and no amount has been accrued in the accompanying financial statements with respect to the contingent aspect of these indemnities.

Other indemnification agreements

In the normal course of its operations, the Organization executes agreements that provide for indemnification to third parties. These include, without limitation: indemnification of the landlords under the Organization's leases of premises; indemnification of the Ministry from claims, actions, suits or other proceedings based upon the actions or omissions of the representative groups of medical, radiation and gynaecology/oncology physicians under certain Alternate Funding Agreements; and indemnification of the Integrated Cancer Program host hospitals from claims, actions, costs, damages and expenses brought about as a result of any breach by the Organization of its obligations under the Cancer Program Integration Agreement and the related documentation.

While the terms of these indemnities vary based upon the underlying contract, they normally extend for the term of the contract. In most cases, the contract does not provide a limit on the maximum potential amount of indemnification, which prevents the Organization from making a reasonable estimate of its maximum potential exposure. The Organization has not made any payments under such indemnifications, and no amount has been accrued in the accompanying financial statements with respect to the contingent aspect of these indemnities.

19. Related Party Transactions

The Province of Ontario controls the Organization by its virtue of its ability to appoint the Organization's Board of Directors. In addition, Ontario Health and the Local Health Integration Networks (LHINs) are related parties of the Organization through the common control of the Province of Ontario and a common Board of Directors (refer to Note 1).

Transactions between the Organization and its related parties are outlined below:

a) The Organization, under a common board of directors, has supported the planning and set-up of Ontario Health. As a result, the Organization incurred $2,727 in operating costs on behalf of Ontario Health of which $2,727 is outstanding and recorded as Due from Ontario Health as at December 1, 2019 (refer to Note 6). This receivable was transferred to Ontario Health on December 2, 2019.

b) The Organization is responsible to lead the province-wide effort to manage and improve the delivery of renal services in Ontario and provide and manage the funding, including regulatory requirements, to the Chronic Kidney Diseases (CKD) service providers. The Organization incurred expenses related to LHINs of $4,532 (2019 - $12,409) for assisted peritoneal dialysis services provided to patients in accordance with the CKD Quality Based Procedure methodology. This is reported on the Statement of Operations within the chronic kidney disease line.

eHealth Ontario

Financial statements
March 31, 2020

Independent auditor's report

To the Board of Directors of
eHealth Ontario

Opinion

We have audited the financial statements of **eHealth Ontario**, which comprise the statement of financial position as at March 31, 2020, and the statement of operations and changes in net assets and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of **eHealth Ontario** as at March 31, 2020, and its results of operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of **eHealth Ontario** in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter – transfer of eHealth Ontario assets and liabilities to Ontario Health

We draw attention to note 1 to the financial statements, which describes the transfer of the assets and liabilities of **eHealth Ontario** to Ontario Health effective December 2, 2019. eHealth Ontario was dissolved on March 31, 2020 in accordance with the Order to Dissolve issued by the Minister of Health in accordance with the Connecting Care Act. Our opinion is not modified in respect to this matter.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing **eHealth Ontario's** ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate **eHealth Ontario** or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing **eHealth Ontario's** financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 **eHealth Ontario's** internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on **eHealth Ontario's** ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause **eHealth Ontario** to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Ernst & Young LLP

Chartered Professional Accountants
Licensed Public Accountants

Toronto, Canada
June 24, 2020

eHealth Ontario

Statement of financial position

[in thousands of dollars]

As at March 31,

	2020 $	2019 $
	[note 3]	
Assets		
Current		
Cash	—	13,494
Prepaid expenses	—	15,987
Due from Ministry of Health *[note 4[b]]*	—	17,994
HST and other receivables *[note 7[a]]*	—	1,916
Total current assets	—	49,391
Capital assets, net *[note 5]*	—	70,868
Prepaid expenses	—	6,165
	—	126,424
Liabilities and net assets		
Current		
Accounts payable and accrued liabilities *[note 7]*	—	52,963
Due to Ministry of Health *[note 4[b]]*	—	2,593
Total current liabilities	—	55,556
Deferred capital contributions *[note 6]*	—	70,868
Total liabilities	—	126,424
Commitments and contingencies *[note 8]*		
Net assets *[note 1]*	—	—
	—	126,424

See accompanying notes

On behalf of the Board:

William Hatanaka,
Board Chair

Garry Foster,
Director

eHealth Ontario

Statement of operations and changes in net assets

[in thousands of dollars]

Year ended March 31

	2020 $	2019 $
Revenue		
Government grants *[note 4[a]]*	**133,759**	234,102
Amortization of deferred capital contributions *[note 6]*	**16,342**	24,387
	150,101	258,489
Expenses *[notes 7, 9 and 10]*		
Technology and operations	**70,890**	109,058
Digital health data and services	**43,542**	92,298
Corporate offices	**12,500**	20,972
Architecture, standards and planning	**5,495**	7,543
Amounts provided to transfer payment recipients for capital purposes	**1,332**	4,231
	133,759	234,102
Amortization of capital assets	**16,342**	24,387
	150,101	258,489
Excess of revenue over expenses for the year *[note 1]*	**—**	—
Net assets, beginning of year	**—**	—
Net assets, end of year	**—**	—

See accompanying notes

eHealth Ontario

Statement of cash flows

[in thousands of dollars]

Year ended March 31

	2020 $	2019 $
Operating activities		
Excess of revenue over expenses for the year	**—**	—
Add (deduct) items not involving cash		
Amortization of deferred capital contributions	**(16,342)**	(24,387)
Amortization of capital assets	**16,342**	24,387
	—	—
Changes in non-cash working capital balances related to operations		
Prepaid expenses	**2,296**	(9,821)
Due from Ministry of Health	**(612)**	(5,919)
HST and other receivables	**1,296**	(178)
Accounts payable and accrued liabilities *[note 11]*	**(26,206)**	21,898
Due to Ministry of Health	**—**	(6,768)
Deferred contributions – Ministry of Health	**30,141**	—
Non-cash balances transferred to Ontario Health	**(9,621)**	—
Cash used in operating activities	**(2,706)**	(788)
Capital activities		
Purchase of capital assets *[note 11]*	**(13,088)**	(19,940)
Cash used in capital activities	**(13,088)**	(19,940)
Financing activities		
Contributions used to fund capital asset purchases	**2,300**	15,610
Cash provided by financing activities	**2,300**	15,610
Net decrease in cash during the year	**(13,494)**	(5,118)
Cash, beginning of year	**13,494**	18,612
Cash, end of year	**—**	13,494

See accompanying notes

eHealth Ontario

Notes to financial statements

[in thousands of dollars]

March 31, 2020

1. Nature of operations

eHealth Ontario is designated as an operational service agency established under the Ontario Regulation made under the *Development Corporations Act* (O. Reg. 43/02). Subsection 2(3) of O. Reg. 43/02 provides that eHealth Ontario is, for all purposes, an agency of Her Majesty within the meaning of the *Crown Agency Act* and its powers may be exercised only as an agency of Her Majesty. Subsection 6(1) of O. Reg. 43/02 provides that the Board of Directors is composed of the members appointed by the Lieutenant-Governor in Council on the recommendation of the Minister of Health [the "Minister"]. The Lieutenant-Governor in Council can appoint up to 12 members to eHealth Ontario's Board of Directors. Pursuant to Subsection 7(1) of O. Reg. 43/02 and subject to any directions given by the Minister of Health under Section 8, the affairs of eHealth Ontario are under the management and control of the Board of Directors. Subsection 9(1) of O. Reg. 43/02 provides that the Chief Executive Officer of eHealth Ontario be appointed by the Lieutenant-Governor in Council.

The objectives of eHealth Ontario are as follows:

[a] To provide eHealth Ontario services and related support for the effective and efficient planning, management and delivery of health care in Ontario;
[b] To develop eHealth Ontario services strategy and operational policy; and
[c] To protect the privacy of individuals whose personal information or personal health information is collected, transmitted, stored or exchanged by and through eHealth Ontario, in accordance with the *Freedom of Information and Protection of Privacy Act*, the *Personal Health Information Protection Act, 2004* and any other applicable law (O. Reg. 339/08, s.4).

eHealth Ontario is funded by the Province of Ontario through the Ministry of Health [the "Ministry"]. eHealth Ontario and the Ministry entered into an Accountability Agreement, which was in effect from April 1, 2015 until March 31, 2018. A new Accountability Agreement was signed and will be in effect from April 1, 2018 until terminated by either the Ministry or eHealth Ontario. Any excess of revenue over expenses must be repaid in the following fiscal year. Any deficiency reduces the funding allocation in the following fiscal year.

As a Crown agency, eHealth Ontario is exempt from income taxes.

On May 30, 2019, the *Connecting Care Act* [the "CCA"] was proclaimed, with key sections of the CCA, including the creation of a new Crown agency called Ontario Health, effective June 6, 2019. This legislation is a key component of the government's plan to build an integrated health care system. The CCA grants the Minister the power to transfer assets, liabilities, rights, obligations and employees of certain government organizations, including eHealth Ontario, into Ontario Health, a health service provider, or an integrated care delivery system. The CCA also grants the Minister the power to dissolve the transferred organizations.

On March 8, 2019, the members of the board of directors of Ontario Health were appointed to also constitute the board of eHealth Ontario. The board of directors of Ontario Health will oversee the transition process of transferring multiple provincial agencies into Ontario Health.

On November 13, 2019, the Minister issued transfer orders to five provincial agencies, including eHealth Ontario. Effective December 2, 2019, the employees, assets, liabilities, rights and obligations of eHealth Ontario were fully transferred to Ontario Health. The net effect of this restructuring transaction on eHealth Ontario on December 2, 2019 is disclosed in note 3.

eHealth Ontario was dissolved on March 31, 2020 in accordance with the Order to Dissolve issued by the Minister in accordance with the CCA.

2. Summary of significant accounting policies

These financial statements are prepared in accordance with the *CPA Canada Public Sector Accounting Handbook*, which sets out generally accepted accounting principles for government not-for-profit organizations in Canada. eHealth Ontario has chosen to use the standards for government not-for-profit organizations that include Sections PS 4200 to PS 4270. The significant accounting policies are summarized below.

Revenue recognition

eHealth Ontario follows the deferral method of accounting for contributions. Contributions are recorded when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Contributions with respect to the purchase of capital assets are recorded as deferred capital contributions when initially recorded in the accounts and are amortized to operations on the same basis as the related asset is amortized.

Allocation of expenses

The costs of each function include the costs of personnel and other expenses that are directly related to the function. General support and other costs are included in corporate offices expenses.

Capital assets

Capital assets are recorded at cost, net of accumulated amortization. Amortization is provided on a straight-line basis over the estimated useful lives of the assets as follows:

Computer hardware	3 to 5 years
Computer software	3 to 10 years
Furniture and office equipment	5 years
Leasehold improvements	Over the term of the leases

Capital assets that no longer have any long-term service potential for eHealth Ontario are written down to residual value, if any. The excess of the carrying value over the residual value of such assets is recognized as amortization in the statement of operations and changes in net assets.

Internal labour costs are capitalized in connection with the development of information technology projects.

[in thousands of dollars]

Employee future benefits

eHealth Ontario has a defined contribution pension plan for its employees. Under the plan, eHealth Ontario contributes an equal match to employees' contributions up to a maximum of 6% of their annual earnings. eHealth Ontario's contributions to the plan are expensed on an accrual basis.

Financial assets and liabilities

eHealth Ontario initially measures its financial assets and liabilities at fair value. eHealth Ontario subsequently measures all its financial assets and liabilities at amortized cost, net of any provisions for impairment.

Financial assets and liabilities measured at amortized cost include cash, due from (to) the Ministry of Health, Harmonized Sales Tax ["HST"] and other receivables and accounts payable and accrued liabilities.

3. Transfer to Ontario Health

On November 13, 2019, the Ministerial Order under the CCA transferred the employees, assets, liabilities, rights and obligations of eHealth Ontario to Ontario Health. This transfer took place on December 2, 2019 for no compensation. Below are the details of assets and liabilities transferred to Ontario Health based on their carrying values at December 1, 2019:

	$
Cash	**9,621**
Prepaid expenses, current	**16,564**
Due from Ministry of Health *[note 4[b]]*	**18,606**
HST and other receivables	**620**
Capital assets *[note 5]*	**56,826**
Prepaid expenses, long-term	**3,292**
Total assets	**105,529**
Accounts payable and accrued liabilities	**15,969**
Due to Ministry of Health *[note 4[b]]*	**2,593**
Deferred contributions – Ministry of Health *[note 4[b]]*	**30,141**
Deferred capital contributions *[note 6]*	**56,826**
Total liabilities	**105,529**
Net assets transferred to Ontario Health	—

[in thousands of dollars]

4. Government of Ontario

[a] Funding from the Ministry recognized as revenue is calculated as follows:

	2020 $	2019 $
Funding for eHealth Ontario operating/capital expenditures	**146,175**	196,796
Funding for transfer payments to eHealth Ontario partners	**16,142**	52,961
Total funding received	**162,317**	249,757
Amounts receivable to fund capital assets transferred to Ontario Health *[note 4[b]]*	**2,300**	2,210
Amount receivable to fund transfer payment recipients for capital purposes transferred to Ontario Health *[note 4[b]]*	**1,332**	—
Total funding receivable for capital expenses	**3,632**	2,210
Amounts used to fund capital assets and recorded as deferred capital contributions *[note 7]*	**(2,300)**	(15,610)
Interest earned during the period repayable to the Ministry of Health	**251**	338
Funding repayable to the Ministry of Health *[note 4[b]]*	**—**	(2,593)
Funding received and deferred to cover the year up to March 31, 2020 *[note 4[b]]*	**(30,141)**	—
	(32,190)	(17,865)
Amount recognized as revenue	**133,759**	234,102

[b] The continuity for the amounts due from the Ministry of Health is as follows:

	2020 $	2019 $
Balance, beginning of year	**17,994**	12,075
Funding received for prior periods	**(8,706)**	(4,997)
Funding receivable for current period	**9,318**	10,916
Amounts transferred to Ontario Health *[note 3]*	**(18,606)**	—
Amount due from the Ministry of Health	**—**	17,994

[in thousands of dollars]

The continuity for the amounts due to the Ministry of Health is as follows:

	2020 $	2019 $
Balance, beginning of year	**(2,593)**	(9,361)
Funding repaid for prior periods	**—**	9,361
Funding payable for current period *[note 4[a]]*	**—**	(2,593)
Amounts transferred to Ontario Health *[note 3]*	**2,593**	—
Amount due to the Ministry of Health	**—**	(2,593)

The continuity for deferred contributions from the Ministry of Health is as follows:

	2020 $	2019 $
Balance, beginning of year	**—**	—
Funding received and deferred to cover the year up to March 31, 2020 *[note 4[a]]*	**30,141**	—
Amounts transferred to Ontario Health *[note 3]*	**(30,141)**	—
Deferred contributions from the Ministry	**—**	—

5. Capital assets

On December 2, 2019, capital assets with a net book value of $56,826 were transferred to Ontario Health.

	2020		
	Cost $	**Accumulated amortization** $	**Net book value** $
Computer hardware	**—**	**—**	**—**
Computer software	**—**	**—**	**—**
Furniture and office equipment	**—**	**—**	**—**
Leasehold improvements	**—**	**—**	**—**
Work-in-process	**—**	**—**	**—**
	—	**—**	**—**

	2019		
	Cost	Accumulated amortization	Net book value
	$	$	$
Computer hardware	103,287	71,894	31,393
Computer software	149,613	111,235	38,378
Furniture and office equipment	6,322	6,126	196
Leasehold improvements	6,603	5,899	704
Work-in-process	197	—	197
	266,022	195,154	70,868

During the year, certain assets no longer in use with a total cost of $3,582 [2019 – $8,893], accumulated amortization of $3,569 [2019 – $8,710] and a net book value of $13 [2019 – $183] were written off in accumulated amortization.

6. Deferred capital contributions

	2020	2019
	$	$
Balance, beginning of year	**70,868**	79,645
Contributions used to fund capital asset purchases *[note 4[a]]*	**2,300**	15,610
Amortization	**(16,342)**	(24,387)
Amounts transferred to Ontario Health *[note 3]*	**(56,826)**	—
Balance, end of year	**—**	70,868

7. Related party transactions

eHealth Ontario is controlled by the Province of Ontario through the Ministry and is therefore a related party to other organizations that are controlled by or subject to significant influence by the Province of Ontario. Transactions with related parties are outlined below.

All related party transactions were measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

[a] eHealth Ontario has entered into transfer payment agreements with various related parties. Under these agreements, eHealth Ontario makes payments to these parties once defined eligibility requirements have been met.

During the year, digital health data and services expenses include $8,499 [2019 – $30,766] in transfer payments to related hospitals and local health integration networks.

On December 2, 2019, all accounts payable and accrued liabilities were transferred to Ontario Health. As at March 31, 2020, accounts payable and accrued liabilities include $nil [2019 – $15,196] payable to related parties and HST and other receivables include nil [2019 – $187] repayable to eHealth Ontario from a related party under these agreements.

[b] eHealth Ontario entered into a service provider agreement with an Ontario hospital for the provision of support services in connection with one of its applications. During the year, digital health data and services expenses include $727 [2019 – $1,468] in connection with this agreement. Technology and operations expenses include nil [2019 – $156]. As at March 31, 2020, accounts payable and accrued liabilities payables to the hospital were nil [2019 – $606].

[c] During the year, Hydro One charged eHealth Ontario $12,850 [2019 – $19,135] for network services. This amount is included in technology and operations expenses. As at March 31, 2020, for accounts payable and accrued liabilities, payables to Hydro One were nil [2019 – $1,691].

[d] During the year, technology and operations expenses include $1,346 [2019 – $2,020] for the rental of office space and other facility-related expenses from the Ministry of Government and Consumer Services. Corporate offices expenses also include $3,486 [2019 – $5,341] for the rental of office space and other facility-related expenses from Infrastructure Ontario. As at March 31, 2020, accounts payable and accrued liabilities were nil [2019 – $682] and nil [2019 – $963] payable to the Ministry of Government and Consumer Services and Infrastructure Ontario, respectively.

[e] During the year, technology and operations expenses include $425 [2019 – $828] and corporate offices expenses include $91 [2019 – $171] for the provision of administrative and other support services from the Ministry of Government and Consumer Services, Treasury Board Secretariat, the Ontario Ministry of Labour, the Ministry of Finance, the Ministry of the Attorney General and other hospitals and health care organizations. As at March 31, 2020, accounts payable and accrued liabilities were nil [2019 – $308] in respect of these services.

[f] During the year, eHealth Ontario spent $5,686 [2019 – $8,706] on programs that it administers on behalf of the Ministry. Amounts spent on these programs are recoverable from the Ministry *[note 4[b]].* Amounts are recorded net of recoveries and included in technology and operations expenses.

[g] During the year, under an arrangement with an Ontario college, eHealth Ontario spent $100 [year ended March 31, 2019 – $355] to develop prototypes and proofs of concept for eHealth Ontario's electronic health record infrastructure. Of these costs, $100 [2019 – $355] is included in architecture, standards and planning expenses. As at March 31, 2020, accounts payable and accrued liabilities were nil [2019 – $235].

Notes to financial statements

[in thousands of dollars]

March 31, 2020

8. Commitments and contingencies

[a] Commitment and contingencies transferred to Ontario Health on December 2, 2019.

[b] eHealth Ontario participates in the Healthcare Insurance Reciprocal of Canada ["HIROC"]. HIROC is a pooling of the public liability insurance risks of its members who are all Canadian not-for-profit health care organizations. All members of the HIROC pool pay annual premiums that are actuarially determined. All members are subject to assessment for losses, if any, experienced by the pool for the years in which they are members. No assessments were made for year ended March 31, 2020.

[c] In the normal course of operations, eHealth Ontario is subject to various claims and potential claims. Management has recorded its best estimate of the potential liability related to these claims where potential liability is likely and able to be estimated. In other cases, the ultimate outcome of the claims cannot be determined at this time.

9. Employee future benefits

eHealth Ontario has a defined contribution pension plan for its employees. eHealth Ontario's contributions to this plan amounted to $2,648 [2019 – $3,923].

10. Board remuneration

Total remuneration paid to members of the Board of Directors during the year was nil [2019 – $55]. Salary paid to members of the Board of Directors who are employees of the Government of Ontario is disclosed on the "Public Sector Salary Disclosure" listing on the Government of Ontario website.

11. Supplemental cash flow information

The change in accounts payable and accrued liabilities related to the purchase of capital assets of $10,788 [2019 – $4,330] has been excluded from the statement of cash flows.

12. Comparative financial statements

Certain comparative figures have been reclassified from statements previously presented to conform to the presentation of the financial statements for the year ended March 31, 2020.

Financial Statements of

HEALTHFORCEONTARIO MARKETING AND RECRUITMENT AGENCY

And Independent Auditors' Report thereon

Year ended March 31, 2020

KPMG LLP
Vaughan Metropolitan Centre
100 New Park Place, Suite 1400
Vaughan ON L4K 0J3
Canada
Tel 905-265-5900
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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of HealthForceOntario Marketing and Recruitment Agency

Opinion

We have audited the financial statements of HealthForceOntario Marketing and Recruitment Agency (the Entity), which comprise:

- the statement of financial position as at March 31, 2020
- the statement of operations for the year then ended
- the statement of changes in net assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at March 31, 2020, and its results of operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the ***"Auditors' Responsibilities for the Audit of the Financial Statements"*** section of our auditors' report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

  The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Vaughan, Canada

June 24, 2020

HEALTHFORCEONTARIO MARKETING AND RECRUITMENT AGENCY

Statement of Financial Position

March 31, 2020, with comparative information for 2019

	2020 (note 3)	2019
Assets		
Current assets:		
Cash	$ –	$ 1,382,240
Accounts receivable	–	6,338
Prepaid expenses	–	136,277
	–	1,524,855
Capital assets (note 4)	–	4,133
	$ –	$ 1,528,988
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities (note 6)	$ –	$ 1,858,892
Net assets:		
Unrestricted deficiency	–	(334,037)
Invested in capital assets	–	4,133
	–	(329,904)
Commitments and contingencies (note 8)		
Economic dependence (note 9)		
	$ –	$ 1,528,988

See accompanying notes to financial statements.

On behalf of the Board:

William Hatanaka, Board Chair

Garry Foster, Director

HEALTHFORCEONTARIO MARKETING AND RECRUITMENT AGENCY

Statement of Operations

Year ended March 31, 2020, with comparative information for 2019

	2020	2019
Revenue:		
Ministry of Health and Long-Term Care - Component (note 6)	$ 4,639,902	$ 7,627,723
Ministry of Health and Long-Term Care Physician Assistant Grant Program	1,265,674	2,432,000
Net assets transferred to Ontario Health (note 3)	329,904	–
	6,235,480	10,059,723
Expenses:		
Salaries and benefits	3,611,892	6,150,805
Other operating:		
Physician Assistant Grant Program	1,149,008	1,974,050
Corporate Support	739,910	1,214,792
Clerkship Travel Program	303,689	550,479
Regional Advisor Program	57,194	71,100
Access Centre	33,911	59,554
Ontario Physician Locum Programs (note 5)	5,301	4,868
Amortization	2,755	4,133
Website	1,916	3,322
Board of Directors	–	19,853
Communications	–	10,900
	5,905,576	10,063,856
Excess (deficiency) of revenue over expenses	$ 329,904	$ (4,133)

See accompanying notes to financial statements.

HEALTHFORCEONTARIO MARKETING AND RECRUITMENT AGENCY

Statement of Changes in Net Assets

Year ended March 31, 2020, with comparative information for 2019

	Invested in capital assets	Unrestricted	2020 Total	2019 Total
Balance, beginning of year	$ 4,133	$ (334,037)	$ (329,904)	$ (325,771)
Excess (deficiency) of revenue over expenses	(4,133)	334,037	329,904	(4,133)
Balance, end of year	$ –	$ –	$ –	$ (329,904)

See accompanying notes to financial statements.

HEALTHFORCEONTARIO MARKETING AND RECRUITMENT AGENCY

Statement of Cash Flows

Year ended March 31, 2020, with comparative information for 2019

	2020	2019
Cash provided by (used in):		
Operating activities:		
Excess (deficiency) of revenue over expenses	$ 329,904	$ (4,133)
Amortization of capital assets which does not involve cash	2,755	4,133
Non-cash balances transferred to Ontario Health (note 3)	(2,228,951)	–
Change in non-cash operating working capital:		
Prepaid expenses	(98,003)	(310)
Accounts receivable	(1,929)	(6,186)
Accounts payable and accrued liabilities	613,984	(176,672)
Decrease in cash	(1,382,240)	(183,168)
Cash, beginning of year	1,382,240	1,565,408
Cash, end of year	$ –	$ 1,382,240

See accompanying notes to financial statements.

HEALTHFORCEONTARIO MARKETING AND RECRUITMENT AGENCY

Notes to Financial Statements

Year ended March 31, 2020

1. Nature of operations:

HealthForceOntario Marketing and Recruitment Agency (the "Agency") is a board-governed agency of the Ministry of Health and Long-Term Care (the "Ministry"). The Agency was incorporated without share capital under the Development Corporations Act, Regulation 249/07, as at June 6, 2007. As part of the Regulation, the Agency is only allowed to receive money or assets from The Crown in Right of Ontario.

The creation of the Agency arose out of the government's health human resource strategy. The Agency is dedicated to making Ontario the "employer of choice" in health care, and to ensure Ontarians have access to the right number and mix of qualified health care providers, when and where they are needed, now and in the future.

On May 30, 2019, the Connecting Care Act (the "CCA") was proclaimed with key sections of the Act, including the creation of a new Crown Agency called Ontario Health, effective June 6, 2019. This legislation is a key component of the government's plan to build an integrated health care system. The CCA granted the Minister of Health (the "Minister") the power to transfer assets, liabilities, rights, obligations and employees of certain government organizations, including the Agency, into Ontario Health, a health service provider, or an integrated care delivery system. The CCA also grants the Minister the power to dissolve the transferred organizations.

On March 8, 2019, the members of the board of directors of Ontario Health were appointed to also constitute the board of the Agency. The board of directors of Ontario Health will oversee the transition process of transferring multiple provincial agencies into Ontario Health.

On November 13, 2019, the Minister issued transfer orders to five provincial agencies, including the Agency. Effective December 2, 2019, the employees, assets, liabilities, rights and obligations of the Agency were fully transferred to Ontario Health. The net effect of this restructuring transaction on the Agency on December 2, 2019 is disclosed in note 3. The Agency is to dissolve as of the last instant of March 31, 2020.

1. Nature of operations (continued):

The Agency's programs and services can be grouped in two categories:

1. Retention and distribution of Ontario's health professionals;

2. Recruitment of and outreach to:

   (a) Internationally educated health professionals living in Ontario;

   (b) Ontario's recruitment community; and

   (c) Practice-ready physicians in high-need specialties outside of Ontario.

Consistent with the 2019/2020 Transfer Payment Agreement ("TPA"), Schedule A, the Memorandum of Understanding, and the Development Corporations Act, the Agency executes programs and services as follows:

- Outreach to physicians from outside Ontario;
- Internationally Educated Health Professionals Advisory Services;
- Ontario physician retention/Practice Ontario;
- HealthForceOntario.ca and HFOJobs.ca;
- Regional Advisors;
- Emergency Department Locum Program;
- Rural Family Medicine Locum Program;
- Northern Specialist Locum Programs;
- General Practitioner Vacancy Locum Coverage Arrangements;

1. Nature of operations (continued):

- Corporate Services;
- Physician Assistant Grants; and
- Clerkship Travel Program.

2. Significant accounting policies:

The financial statements have been prepared by management in accordance with Canadian public sector accounting standards, including the 4200 standards for government not-for-profit organizations.

(a) Revenue recognition:

The Agency is funded through two TPAs with the Ministry. The principal TPA provides funding for the majority of the Agency's expenses, including salaries and benefits. A secondary TPA provides funding for the Physician Assistant Grant Program which the Agency administers on behalf of the Ministry.

The Agency follows the deferral method of accounting for contributions, which include government grants.

Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

The Agency does not receive externally restricted contributions as all funding is received from the Ministry.

(b) Expenses:

The Agency's expenses include funds expended by the Agency to provide ongoing programs and services to clients and stakeholders, and corporate services to the Agency.

2. Significant accounting policies (continued):

(c) Allocation of expenses:

The Agency records a number of its expenses by program. The cost of each program includes the personnel, premises and other expenses that are directly related to providing the program.

Administration and corporate governance are not allocated.

(d) Capital assets:

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution. Assets acquired under capital leases are amortized over the estimated lives of the assets or over the lease term, as appropriate. Repairs and maintenance costs are charged to expense. Betterments which extend the estimated life of an asset are capitalized. When a capital asset no longer contributes to the Agency's ability to provide services, its carrying amount is written down to its residual value.

Works of art, historical treasures and intangible assets are not recognized in these financial statements.

Capital assets are amortized on a straight-line basis using the following annual rates:

Furniture and fixtures	20%
Computer hardware	33%
Computer software	33% - 100%
Leasehold improvements	Lease term

(e) Employee future benefits:

The costs of multi-employer defined benefit pension plan benefits, such as the Public Service Pension Plan ("PSPP"), are the employer's contributions due to the plan in the year.

2. Significant accounting policies (continued):

(f) Use of estimates:

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Significant items subject to such estimates and assumptions include the carrying amount of capital assets, accrued liabilities, and obligations related to employee future benefits. Actual results could differ from those estimates.

3. Transfer to Ontario Health:

On November 13, 2019, the Ministerial Order under the CCA transferred the employees, assets, liabilities, rights and obligations of the Organization to Ontario Health. This transfer took place on December 2, 2019 for no compensation. The net effect of this restructuring transaction on the Organization was to increase net assets and decrease expenses by $329,904. Below are the details of assets and liabilities transferred to Ontario Health based on their carrying values at December 1, 2019:

Cash	$ 1,899,047
Accounts receivable	8,267
Prepaid expenses	234,280
Capital assets (note 4)	1,378
Total assets	2,142,972
Accounts payable and accrued liabilities (note 6)	2,472,876
Total liabilities	2,472,876
Net assets transferred to Ontario Health	$ (329,904)

4. Capital assets:

Capital assets of $1,378 were transferred to Ontario Health on December 2, 2019.

			2020	2019
	Cost	Accumulated amortization	Net book value	Net book value
Furniture and fixtures	$ –	$ –	$ –	$ 4,133

5. Ontario Physician Locum Programs ("OPLP"):

The OPLP provides centralized and coordinated locum physician assistance for hospitals, communities and physicians across the Province of Ontario. The Ministry makes the payments directly to the physicians for the locum services provided. The Agency administers the programs and records as expenses the general operating costs and salaries and benefits.

During the year, OPLP physician payments requests totalling $16,168,256 (2019 - $23,362,657) were sent by the Agency to the Ministry for making the payment. The OPLP physician payments issued by the Ministry directly to physicians are not presented on the statement of operations. Funds flowing through the Agency are for the purpose of OPLP administration only. No funds flow to the Agency for physician payments.

6. Ministry of Health and Long-Term Care repatriation of contributions:

The Agency returns to the Ministry surplus amounts based on a reconciliation process with the Ministry. The amounts noted as estimated are management's best estimates; actual results could differ from those estimates. As at December 1, 2019, the Agency has accrued $2,223,600 (2019 - $1,194,377) as a payable to the Ministry, which has been reflected in the financial statements as a reduction in Ministry of Health and Long-Term Care - Component revenue. The amount payable to the Ministry was transferred to Ontario Health on December 2, 2019.

7. Employee future benefits:

The Agency makes contributions to the PSPP, which is a multi-employer plan, on behalf of certain members of its staff. The plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay.

Contributions for employees with a normal retirement age of 65 were being made at a rate of 7.4% (2019 - 6.9%) for earnings up to the yearly maximum pensionable earnings of $57,400 (2019 - $57,400) and at a rate of 10.5% (2019 - 10.0%) for earnings greater than the yearly maximum pensionable earnings. The amount contributed to the PSPP for the year was $227,623 (2019 - $399,380) for current service and is included as an expense on the statement of operations. Employees' contribution via payroll deductions to the PSPP in the year was $199,980 (2019 - $375,486).

8. Commitment and contingencies:

(a) The Agency had various multi-year operating lease commitments for its premises and equipment. Payments required on these commitments transferred to Ontario Health on December 2, 2019.

(b) Indemnity insurance has been provided to all directors and officers of the Agency for various items including, but not limited to, all costs to settle suits or actions due to association with the Agency, subject to certain restrictions. The Agency has purchased directors' and officers' liability insurance to mitigate the cost of any potential future suits or actions. The term of indemnification is not explicitly defined, but is limited to the period over which the indemnified party served as a director or officer of the Agency. The maximum amount of any potential future payment cannot be reasonably estimated.

The nature of these indemnification agreements prevents the Agency from making a reasonable estimate of the maximum exposure due to the difficulties in assessing the amount of liability which stems from the unpredictability of future events and the unlimited coverage offered to counterparties.

9. Economic dependence:

Prior to the transfer to Ontario Health (note 3), the Agency was economically dependent upon the continued financial support of the Ministry.

10. Comparative information:

Certain comparative information has been reclassified to conform with the financial statement presentation adopted in the current year.

ONTARIO HEALTH QUALITY COUNCIL
o/a HEALTH QUALITY ONTARIO

FINANCIAL STATEMENTS

MARCH 31, 2020

ONTARIO HEALTH QUALITY COUNCIL
o/a HEALTH QUALITY ONTARIO

MARCH 31, 2020

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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

Opinion

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, 2020, and the statements of operations and surplus, change in net debt, and cash flows for the year then ended, and a summary of significant accounting policies.

In our opinion, the accompanying 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, 2020, and the results of its operations and surplus, change in its net debt, and its cash flows for the year then ended in accordance with the Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibility for the Audit of the Financial Statements section of our report. We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Responsibilities of Management and Those Charged with Governance 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.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with the governance are responsible for overseeing the organizations financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards,

Loftus Allen & Co. Professional Corporation
Chartered Professional Accountants

INDEPENDENT AUDITOR'S REPORT *continued*

Auditor's Responsibility for the Audit of the Financial Statements - *continued*

we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Emphasis of a Matter

As discussed in notes 1 and 3, on December 1, 2019 the Entity was fully merged into Ontario Health. It transferred all of its assets and liabilities to this succesor organization. Also indicated on note 1, the Entity was formally dissolved on March 31, 2020.

Loftus Allen & Co
Professional Corporation

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

Toronto, Ontario
June 24, 2020

ONTARIO HEALTH QUALITY COUNCIL
o/a HEALTH QUALITY ONTARIO

STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2020
(with comparative figures for **2019***)*

	2020 (Note 3)	2019
FINANCIAL ASSETS		
Cash	**$** -	$ 8,672,012
Recovery of transfer payment	-	142,492
Due from the Ministry of Health and Long-Term Care ("MOH"), *note 4*	-	103,602
Harmonized sales tax receivable	-	198,384
	-	9,116,490
LIABILITIES		
Accounts payable and accrued liabilities	-	3,541,787
Due to the MOH, *note 4*	-	3,620,590
Deferred capital contributions:		
Deferred revenue, *note 5*	-	1,954,113
Invested in tangible capital assets, *note 5*	-	1,066,994
	-	10,183,484
NET FINANCIAL ASSETS (DEBT), *note 7*	-	(1,066,994)
COMMITMENTS, *note 8*		
NON-FINANCIAL ASSETS		
TANGIBLE CAPITAL ASSETS, *note 6*	-	1,066,994
	-	1,066,994
ACCUMULATED SURPLUS	**$** -	$ -

APPROVED ON BEHALF OF THE BOARD:

Bill Hatanaka
_____ Director

Barry Forth
_____ Director

The attached notes are an integral part
of these financial statements

ONTARIO HEALTH QUALITY COUNCIL
o/a HEALTH QUALITY ONTARIO

STATEMENT OF OPERATIONS AND SURPLUS
FOR THE YEAR ENDED MARCH 31, 2020
(with comparative figures for **2019***)*

	2020	**2019**
REVENUE		
Ministry of Health	**$22,378,017**	$54,335,105
Decrease in capital contributions, *note 5*	**308,656**	396,930
One time transition funding, *note 5*	**284,466**	-
In-year recovery of funding by the Ministry of Health	**-**	(6,298,000)
Year end recovery of funding by the Ministry of Health, *note 4*	-	(3,389,867)
Interest income, *note 4*	**190,888**	230,723
	23,162,027	45,274,891
EXPENSES		
Legislated Mandates		
Evidence Development and Recommendations on Clinical Care Standards and Funding for Health Care Services and Medical Devices	**6,421,761**	8,728,998
Monitoring and Reporting to the People of Ontario on Health System Performance	**3,142,140**	5,603,059
Promoting Enhanced Patient Relations in Health Sector Organizations	**377,866**	704,476
Supporting Continuous Quality Improvement	**6,005,541**	15,594,504
Office of the Patient Ombudsman		
Receive, Respond, Facilitate Resolutions, and Conduct Investigations of Patient Complaints	**1,921,024**	3,072,915
Supporting Infrastructure for Both Organizations		
Governance and Operations	**5,102,807**	11,340,216
Interest owed to the Ministry of Health, note 4	**190,888**	230,723
	23,162,027	45,274,891
SURPLUS	**$ -**	$ -

The attached notes are an integral part
of these financial statements

ONTARIO HEALTH QUALITY COUNCIL
o/a HEALTH QUALITY ONTARIO

STATEMENT OF CHANGE IN NET DEBT
FOR THE YEAR ENDED MARCH 31, 2020
(with comparative figures for **2019***)*

	2020	2019
ANNUAL SURPLUS	**$ -**	$ -
ACQUISITION OF TANGIBLE CAPITAL ASSETS	**(94,598)**	(194,564)
TRANSFER NET TANGIBLE CAPITAL ASSETS TO ONTARIO HEALTH, ***note 3***	**852,936**	-
AMORTIZATION OF TANGIBLE CAPITAL ASSETS, ***note 5***	**308,656**	765,553
DECREASE (INCREASE) IN NET DEBT	**1,066,994**	570,989
NET DEBT, BEGINNING OF YEAR	**(1,066,994)**	(1,637,983)
NET DEBT, END OF YEAR - ***note 7***	**$ -**	$ (1,066,994)

The attached notes are an integral part
of these financial statements

ONTARIO HEALTH QUALITY COUNCIL
o/a HEALTH QUALITY ONTARIO

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2020
(with comparative figures for **2019***)*

	2020	2019
OPERATING TRANSACTIONS		
Annual surplus	$ -	$ -
Less: items not affecting cash		
Amortization of tangible capital assets, *note 5*	**308,656**	765,553
Non-cash balances transfered to Ontario Health, *note* 3	**(14,731,286)**	-
	(14,422,630)	765,553
Changes in non-cash operating items		
Due from the MOH regarding funding	**103,602**	(84,610)
Harmonized sales tax receivable	**88,195**	260,848
Recovered (Recovery) of transfer payments	**142,492**	(142,492)
Prepaid expenses	**(175,110)**	-
Accounts payable and accrued liabilities	**(1,478,887)**	(3,695,288)
Due to the MOH	-	3,327,790
Due to the MOH - interest revenue	**190,888**	-
Deferred revenue	**7,567,158**	-
Cash provided by operating transactions	**(7,984,292)**	431,801
CAPITAL TRANSACTIONS		
Acquisition of tangible capital assets	**(94,598)**	(194,564)
FINANCING TRANSACTIONS		
(Decrease) Increase in deferred capital contributions - deferred revenue *note 5*	**(379,064)**	174,059
(Decrease) in deferred capital contributions - invested in tangible capital assets *note 5*	**(214,058)**	(570,989)
Cash applied to financing transactions	**(593,122)**	(396,930)
(DECREASE) INCREASE IN CASH	**(8,672,012)**	(159,693)
CASH, beginning of year	**8,672,012**	8,831,705
CASH, end of year	**$ -**	$ 8,672,012

The attached notes are an integral part
of these financial statements

1. THE ORGANIZATION

(a) On March 15, 2020, the Ontario Minister of Health signed an order, effective as of the last instant of March 31, 2020, which dissolved Ontario Health Quality Council o/a Health Quality Ontario under Part V of the *Connecting Care Act* (the "CCA") of 2019.

(b) On May 30, 2019, the "CCA" was proclaimed with key sections of the Act, including the creation of a new Crown Agency called Ontario Health, effective June 6, 2019. This legislation is a key component of the government's plan to build an integrated health care system. The CCA grants the Minister of Health (the "Minister") the power to transfer assets, liabilities, rights, obligations and employees of certain government organizations, including Health Quality Ontario, into Ontario Health, a health service provider, or an integrated care delivery system. The CCA also grants the Minister the power to dissolve the transferred organizations.

On March 8, 2019, the members of the board of directors of Ontario Health were appointed to also constitute the board of Health Quality Ontario. The board of directors of Ontario Health will oversee the transition process of transferring multiple provincial agencies into Ontario Health.

On November 13, 2019, the Minister issued transfer orders to five provincial agencies, including Health Quality Ontario. Effective December 2, 2019, the employees, assets, liabilities, rights and obligations of Health Quality Ontario were fully transferred to Ontario Health as disclosed in Note 3.

(c) Until December 1, 2019, Health Quality Ontario has been the provincial advisor on the quality of health care, providing advice to specific health sectors, the system at-large, and the Minister of Health on how to make health care better for patients and health care providers. Created as the Ontario Health Quality Council through legislation on September 12, 2005, the Council was granted the business name Health Quality Ontario on February 15, 2011 after its mandate expanded under additional legislation. Under that legislation, the mandate was to:

- Report to the public on how the health system is performing,
- Find the best evidence of what works,
- Translate this evidence into concrete standards and tools that health care professionals and organizations can put into practice to support quality improvement.

In 2014, amendments were made to the legislation to establish a Patient Ombudsman in Ontario.

1. THE ORGANIZATION - continued

The Patient Ombudsman office officially launched in July 2016. Legislation empowers the Patient Ombudsman 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 the patient or former patient at a hospital, long-term care home, or home and community services coordinated by Local Health Integration Networks. The Patient Ombudsman has its own office, and Health Quality Ontario provides finance, human resources and information technology support.

On May 2, 2018, Health Quality Ontario and the Patient Ombudsman signed a Charter that effectively supported the separation of Patient Ombudsman operations with respect to physical office space, branding, and all aspects of the statutory mandate of the Patient Ombudsman and as defined in legislation.

In 2016, Health Quality Ontario's mandate expanded through legislation to include making recommendations to the Ministry of Health regarding clinical care (quality) standards. Health Quality Ontario delivers, within Ontario Health, on this expanded mandate in part through the Ontario Quality Standards Committee whose members included health care professionals and clinicians, as well as patients, caregivers and others whose lived experiences relate to the standards being addressed.

(d) Health Quality Ontario exercised its powers only as, an agent of the crown. As an agent of the crown, Health Quality Ontario was not subject to income taxation. Limits on Health Quality Ontario's ability to undertake certain activities were set out in both the legislation and Memorandum of Understanding between Health Quality Ontario and the Ministry of Health.

(e) These financial statements present the combined financial position and operations of Health Quality Ontario and Patient Ombudsman as they were legally one entity under the Ontario Health Quality Council, as defined in legislation. An independent audit of Patient Ombudsman confirmed appropriate due diligence of the financial statements of Patient Ombudsman.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Significant accounting policies adopted by Health Quality Ontario are as follows:

(a) Basis of presentation

The financial statements of the organization have been prepared in accordance with Canadian public sector accounting standards for government not-for-profit organizations, including the 4200 series of standards, as issued by the Public Sector Accounting Board ("PSAB for Government NPOs").

(b) Revenue recognition

The organization follows the deferral method of accounting for government funding. Income has been recognized as the funded expenditures were incurred. In accordance with the Ministry of Health guidelines, certain items had been recognized as expenses although the deliverables were not yet all received. These expenses were matched with the funding provided by the Ministry for this purpose.

(c) Government transfer payments

Government transfer payments from the Ministry of Health are recognized in the financial statements in the year in which the payment is authorized and the events giving rise to the transfer occurred, performance criteria were met, and reasonable estimates of the amount could be made. Certain amounts, including transfer payments from the Ministry, were received pursuant to legislation, regulation or agreement and could only be used in the conduct of certain programs or in the completion of specific work. Funding was only recognized as revenue in the fiscal year the related expenses were incurred or services performed.

(d) Deferred capital contributions

Any amounts received and committed to fund expenditures have been recorded as tangible capital assets, were initially recorded as deferred capital contributions and were recognized as revenue over the useful life of the asset reflective of the provision of its services. The amount recorded under

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

"revenue" in the Statement of Operations and Surplus, was in accordance with the amortization policy applied to the related capital asset recorded.

(e) Tangible capital assets

Tangible capital assets have been 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 was recorded at the estimated fair value on date of contribution. Fair value of contributed tangible capital assets was estimated using the cost of the asset or, where more appropriate, using the asset's market or appraisal value. Where an estimate of fair value could not be made, the tangible capital asset was recognized at a nominal value.

Maintenance and repair costs have been recognized as an expense when incurred. Betterments or improvements that significantly increase or prolong the service life or capacity of a tangible capital asset have been capitalized. Computer software has been recognized as an expense when incurred.
Tangible capital assets have been stated at cost less accumulated amortization. Tangible capital assets have been amortized over their estimated useful lives as follows:

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

(f) Donated services

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

(g) Measurement uncertainty

The preparation of financial statements in conformity with Canadian public sector accounting standards for government not-for-profit organizations requires management to make estimates and assumptions that affect the reported 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 year. Estimates have been based on the best information available at the time of preparation of the financial statements and have been reviewed annually to reflect new information as it became available. Measurement uncertainty exists in these financial statements. Actual results of the successor organization (Ontario Health, notes 1 and 3) could differ from these estimates.

(h) Employee pension plans

The employees of Health Quality Ontario participate in the Public Service Pension Plan 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 Public Service Pension Plan, determines Health Quality Ontario's annual payments to the fund. Since Health Quality Ontario was not a sponsor of these funds, gains and losses arising from statutory actuarial funding valuations were not assets or obligations of Health Quality Ontario, as the sponsor is responsible for ensuring that the pension funds are financially viable. Health Quality Ontario's expense is limited to the required contributions to the Public Service Pension Plan as described in note 11.

3. TRANSFER TO ONTARIO HEALTH

As described in note 1 , on November 13, 2019, the Ministerial Order under the CCA transferred the employees, assets, liabilities, rights and obligations of the Organization to Ontario Health (sometimes referred to as the successor organization). This transfer took place on December 2, 2019 for no compensation. Below are the details of assets and liabilities transferred to Ontario Health based on their carrying values at December 1, 2019:

Cash	**$ 14,731,286**
Harmonized sales tax receivable	**110,189**
Financial Assets	**14,841,475**
Prepaid expenses	**175,110**
Tangible Capital Assets, *note 6*	**852,936**
Non-Financial Assets	**1,028,046**
Total Assets	**$ 15,869,521**
Accounts payable and accrued liabilities	**$ 2,062,900**
Due to MOH, *note 4*	**3,620,590**
Due to MOH, interest revenue, *note 4*	**190,888**
Deferred revenue, *note 4*	**7,567,158**
Deferred capital contributions:	
Deferred revenue, *note 5*	**1,575,049**
Invested in tangible capital assets, *note 5*	**852,936**
Total Liabilities	**$ 15,869,521**

The non-cash balances transferred at December 2, 2019 total $14,731,286 which represent total liabilities less non-financial assets and harmonized sales tax receivable.

4. THE MINISTRY OF HEALTH

In accordance with the Ministry of Health financial policy, surplus funds received in the form of grants, interest and other recoveries are recovered by the Ministry of Health.

	2020	2019
Unspent budgeted funds HQO	$ -	$2,643,006
Unspent budgeted funds PO	-	568,854
March 31, 2019 unspent budgeted funds	**3,620,590**	-
Recoveries from Transfer Payment Recipients	-	178,007
	3,620,590	3,389,867
Interest income	**190,888**	230,723
Transfer to Ontario Health, *note 3*	**(3,811,478)**	-
Due to the MOH	$ -	$3,620,590

Recovery of secondment expenses	$ -	$ 103,602
Due from the MOH	$ -	$ 103,602

5. DEFERRED CAPITAL CONTRIBUTIONS

	2020	2019
Balance, beginning of year	$ **3,021,107**	$ 3,418,037
Add: Capital contributions received during the year	-	368,623
Less: Amortization for the period	**(308,656)**	(765,553)
Transfer to Ontario Health, *note 3*	**(2,427,985)**	-
Transfer to one time transition costs	**(284,466)**	-
(Decrease) Increase in capital contributions	**(3,021,107)**	(396,930)
Balance, end of period	$ -	$ 3,021,107
Composed of:		
Deferred revenue	$ -	$ 1,954,113
Invested in tangible capital assets	-	1,066,994
Balance, end of period	$ -	$ 3,021,107

Deferred revenue relates to future capital commitments approved by the Ministry of Health.

6. TANGIBLE CAPITAL ASSETS

			2020	2019
	Cost	Accumulated amortization	Net Book value	Net Book value
Computer and equipment	$ -	$ -	$ -	$ 52,041
Office furniture and fixtures	-	-	-	127,543
Leasehold improvements	-	-	-	887,410
	$ -	$ -	$ -	$ 1,066,994

Net tangible capital assets of $852,936 transferred to Ontario Health on December 2, 2019.

7. NET DEBT

The net debt position reflects the funding from the Ministry of Health that is invested in net tangible assets and prepaid expenses. The net debt position of Health Quality Ontario is calculated as the difference between all its liabilities and its financial assets which are made up of cash and receivables. The Statement of Change in Net Debt also reflects the amortization of tangible capital assets over their useful life in accordance with note 2(d).

8. COMMITMENTS

On December 2, 2019 all commitments were transferred to Ontario Health. Those commitments included the following minimum lease payments due over the remaining term of existing leases:

2020	$ 835,105
2021	$2,218,810
2022	$2,046,757
2023	$1,807,268
2024	$ 864,014

9. ECONOMIC DEPENDENCE

During this period, Health Quality Ontario received all its funding from the Ministry of Health.

10. FINANCIAL INSTRUMENTS

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

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

11. EMPLOYEE FUTURE BENEFITS

Health Quality Ontario's employer pension contributions totaled $1,378,812 (March 31, 2019 - $2,245,137). Its former employees belonged to the Public Service Pension Plan (the 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 their length of service and rates of pay. Contributions have been calculated at a rate of 7.4% of annual salary up to the year's maximum pensionable earnings (YMPE) plus 10.55% above YMPE. Health Quality Ontario matched the employee's contribution. Health Quality Ontario is and was not responsible for the cost of employee post-retirement, non-pension benefits. These costs are the responsibility of the Government of Ontario. The last actuarial valuation was completed for the Plan as of December 31, 2017. At that time, the Plan had a deficit of $738 million.

12. GUARANTEES

Health Quality Ontario is subject to the provisions of the Financial Administration Act. As a result, in the normal course of business, Health Quality Ontario could 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.

13. COMPARATIVE FIGURES

Comparative figures have been presented to reflect current year's presentation of income and expenses on the statement of operations and surplus. 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, 2020

	2020	2019
REVENUE		
Ministry of Health	**$ 22,378,017**	$54,335,105
Amortization of deferred capital contributions, *note 5*	**308,656**	765,553
	22,686,673	55,100,658
Capital purchase funding, *note 5*	**-**	(368,623)
One time transition funding, *note 5*	**284,466**	-
In-year recovery of funding by the Ministry of Health	**-**	(6,298,000)
	22,971,139	48,434,035
EXPENSES		
Salaries, wages and benefits	**18,925,132**	33,121,067
Payments to organizations	**1,087,189**	5,972,848
Information technology and digital and data infrastructure to support wait times and other provincial platforms	**486,136**	1,330,437
Events, training and travel including Health Quality Transformation	**35,745**	865,204
Leases	**1,421,065**	1,596,488
Audit, legal, compliance, evaluation and other advisory services	**150,295**	770,317
Communications and publishing to support public reporting, quality standards and other programs	**102,586**	291,742
Analytic tools and resources	**71,767**	121,316
Office and administration	**98,102**	387,204
Computer and equipment amortization	**33,491**	234,058
Leasehold improvements amortization	**250,552**	494,575
Office furniture and fixtures amortization	**24,613**	36,919
One time transition costs	**284,466**	**-**
	22,971,139	45,222,175
UNSPENT BUDGETED FUNDS	**-**	3,211,860
RECOVERY OF TRANSFER PAYMENTS	**-**	178,007
INTEREST INCOME	**190,888**	230,723
SURPLUS FROM OPERATIONS	**$ 190,888**	$ 3,620,590

F I N A N C I A L S T A T E M E N T S

For

HEALTH SHARED SERVICES ONTARIO

For the year ended

MARCH 31, 2020

INDEPENDENT AUDITOR'S REPORT

To the directors of

HEALTH SHARED SERVICES ONTARIO

Opinion

We have audited the financial statements of Health Shared Services Ontario ("HSSOntario"), which comprise the statement of financial position as at March 31, 2020, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the HSSOntario as at March 31, 2020 and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of HSSOntario in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to note 1 to the financial statements, which describes the transfer of HSSOntario's employees, assets, liabilities, rights & obligations to Ontario Health on December 2, 2019 and the subsequent dissolution on March 31, 2020. Our opinion is not modified with respect of this matter.

Responsibilities of Management and Those Charged with Governance 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 for not-for-profit organizations, 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.

In preparing the financial statements, management is responsible for assessing HSSOntario's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate HSSOntario or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing HSSOntario's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

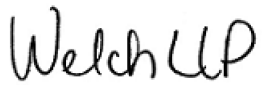
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of HSSOntario's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on HSSOntario's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause HSSOntario to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Chartered Professional Accountants
Licensed Public Accountants

Toronto, Ontario
June 24, 2020.

HEALTH SHARED SERVICES ONTARIO

STATEMENT OF FINANCIAL POSITION

MARCH 31, 2020

	2020 (note 3)	2019
ASSETS		
CURRENT ASSETS		
Cash	$ -	$ 2,580,413
Accounts receivable (note 8)	-	5,367,547
Prepaid expenses	-	4,385,952
	-	12,333,912
TANGIBLE CAPITAL ASSETS (note 4)	-	5,505,425
	$ -	$ 17,839,337
LIABILITIES AND NET LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities (note 8)	$ -	$ 6,076,289
Due to Ministry of Health and Long-Term Care (note 5)	-	241,121
	-	6,317,410
DEFERRED CONTRIBUTIONS	-	1,573,117
DEFERRED CAPITAL CONTRIBUTIONS (note 6)	-	5,108,965
	-	12,999,492
NET LIABILITIES		
Invested in capital assets	-	396,460
Internally restricted	-	1,873,666
Unrestricted net assets	-	2,569,719
	-	4,839,845
	$ -	$ 17,839,337

Lease commitments and contractual obligations (note 10)

Approved by the Board of Directors:

Bill Hatanaka ..... Director

Joanne Foster ..... Director

(See accompanying notes)

HEALTH SHARED SERVICES ONTARIO

STATEMENT OF OPERATIONS

YEAR ENDED MARCH 31, 2020

	2020	2019
Revenue		
Ministry of Health and Long-Term Care (note 5)	$ 25,354,010	$ 43,158,051
Amortization of deferred contributions (note 5)	866,820	108,353
Amortization of deferred capital contributions (note 6)	1,338,798	1,069,772
Interest and other income	155,355	241,121
	27,714,983	44,577,297
Expenses		
Salaries and benefits	16,163,498	24,633,193
Information technology	7,695,575	14,348,634
Professional dues, fees and other services	859,431	2,200,941
Occupancy	1,178,110	1,679,532
Office supplies and other	67,806	197,073
Telecommunication	119,852	194,183
Training and meetings	7,999	84,310
Education sessions	54,597	103,281
Travel and accommodation	13,908	46,816
Conference	-	526,690
Bad debts	9,836	17,287
Amortization of tangible capital assets	1,416,618	1,181,525
Net assets transferred to Ontario Health (note 3)	4,967,598	-
	32,554,828	45,213,465
Excess of expenses over revenue	$ (4,839,845)	$ (636,168)

(See accompanying notes)

HEALTH SHARED SERVICES ONTARIO

STATEMENT OF CHANGES IN NET ASSETS

YEAR ENDED MARCH 31, 2020

	2020			
	Invested in capital assets	Internally restricted	Unrestricted	Total
Net assets, beginning of year	$ 396,460	$ 1,873,666	$ 2,569,719	$ 4,839,845
Excess of expenses over revenue	(318,640)	(1,873,666)	(2,647,539)	(4,839,845)
Purchase of tangible capital assets	324,574	-	324,574	-
Capital contributions received	(324,574)	-	(324,574)	-
Amortization of tangible capital assets	(1,416,618)	-	1,416,618	-
Amortization of deferred capital contributions	1,338,798	-	(1,338,798)	-
Net assets, end of year	$ -	$ -	$ -	$ -

	2019			
	Invested in capital assets	Internally restricted	Unrestricted	Total
Net assets, beginning of year	$ 508,213	$ 1,873,666	$ 3,094,134	$ 5,476,013
Excess of expenses over revenue	-	-	(636,168)	(636,168)
Purchase of capital assets	4,337,739	-	(4,337,739)	-
Capital contributions received	(4,337,739)	-	4,337,739	-
Amortization of tangible capital assets	(1,181,525)	-	1,181,525	-
Amortization of deferred capital contributions	1,069,772	-	(1,069,772)	-
Net assets, end of year	$ 396,460	$ 1,873,666	$ 2,569,719	$ 4,839,845

(See accompanying notes)

HEALTH SHARED SERVICES ONTARIO

STATEMENT OF CASH FLOWS

YEAR ENDED MARCH 31, 2020

	2020	2019
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Excess of expenses over revenue	$ (4,839,845)	$ (636,168)
Items not involving cash:		
Amortization of tangible capital assets	1,416,618	1,181,525
Amortization of deferred capital contributions	(1,338,798)	(1,069,772)
Non-cash balances transferred to Ontario Health	(2,966,393)	-
	(7,728,418)	(524,415)
Change in non-cash operating working capital:		
Accounts receivable	4,716,438	(2,758,797)
Prepaid expenses	182,365	(1,474,781)
Accounts payable and accrued liabilities	(3,594,865)	(2,864,456)
Due to Ministry of Health and Long-Term Care	4,710,887	(3,117,335)
Deferred contributions	(866,820)	930,845
	(2,580,413)	(9,808,939)
CASH FLOWS FROM (USED IN) CAPITAL TRANSACTIONS		
Purchase of tangible capital assets	(324,574)	(4,337,739)
Deferred capital contributions received	324,574	4,337,739
	-	-
DECREASE IN CASH	(2,580,413)	(9,808,939)
CASH, BEGINNING OF YEAR	2,580,413	12,389,352
CASH, END OF YEAR	$ -	$ 2,580,413

(See accompanying notes)

1. NATURE OF OPERATIONS

Health Shared Services Ontario (hereafter referred to as "HSSOntario") is a provincial agency, incorporated without share capital on January 1, 2017 by Ontario Regulation 456/16 made under the *Local Health System Integration Act, 2006*, with a mandate to provide shared services to Local Health Integration Networks (LHINs), health service providers and other entities whose primary function is to deliver health services. As a provincial agency, HSSOntario is subject to legislation, directives and policies of the Government of Ontario and is a party to a Memorandum of Understanding with the Minister of Health and Long-Term Care.

While HSSOntario was incorporated on January 1, 2017, operations did not officially commence until March 1, 2017.

On May 30, 2019, the *Connecting Care Act* (the "CCA") was proclaimed with key sections of the Act, including the creation of a new Crown Agency called Ontario Health, effective June 6, 2019. This legislation is a key component of the government's plan to build an integrated health care system. The CCA grants the Minister of Health (the "Minister") the power to transfer assets, liabilities, rights, obligations and employees of certain government organizations, including HSSOntario, into Ontario Health, a health service provider, or an integrated care delivery system. The CCA also grants the Minister the power to dissolve the transferred organizations.

On March 8, 2019, the members of the board of directors of Ontario Health were appointed to also constitute the board of HSSOntario. The board of directors of Ontario Health will oversee the transition process of transferring multiple provincial agencies into Ontario Health.

On November 13, 2019, the Minister issued transfer orders to five provincial agencies, including HSSOntario. Effective December 2, 2019, the employees, assets, liabilities, rights and obligations of HSSOntario were fully transferred to Ontario Health. The net effect of this restructuring transaction on Health Shared Services Ontario on December 2, 2019 is disclosed in note 3.

On March 13, 2020, the Minister issued an order to dissolve HSSOntario effective March 31, 2020.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements are prepared in accordance with Canadian public sector accounting standards for not-for-profit organizations and consist of the following accounting policies:

Basis of accounting

HSSOntario follows 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.

Government transfer payments

Government transfer payments from the Ministry of Health and Long-Term Care ("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. In addition, certain amounts received are used to pay expenses for which the related services have yet to be performed.

2. **SIGNIFICANT ACCOUNTING POLICIES** - Cont'd.

Financial instruments

Financial assets and financial liabilities are initially measured at fair value. HSSOntario subsequently measures all its financial assets and financial liabilities at amortized cost.

Financial assets measured at amortized cost include cash and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

Tangible capital assets

Tangible capital assets are recorded at historical cost. Historical cost includes the cost directly related to the acquisition, design, construction, development, improvement or betterment of tangible capital assets.

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.

Tangible capital assets are stated at cost less accumulated amortization. Tangible capital assets are amortized on a straight-line basis over their estimated useful lives as follows:

Furniture and office equipment	5 years
Computer hardware	3 years
Leasehold improvements	term of lease

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

Deferred lease inducements

Leases are accounted for as operating leases wherein rental payments are initially recorded in the statement of operations and are adjusted to a straight-line basis over the term of the related lease. The difference between the straight-line rent expense and the rental payments, as stipulated under the lease agreement, is included in accounts payable and accrued liabilities.

HSSOntario recognizes rent expense on its premises on a straight-line basis over the term of the lease. Lease inducements received by HSSOntario as rent free periods are deferred and amortized on a straight-line basis over the term of the lease as a reduction of occupancy expense.

Deferred capital contributions

Any amounts received and used 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.

2. **SIGNIFICANT ACCOUNTING POLICIES** - Cont'd.

Net assets

The net asset balances are defined as follows:

- Designated reserve for capital assets - reflects amounts that have been designated for the purchase of capital assets net of accumulated amortization expense.
- Designated reserve for operations - includes reserves for unanticipated business interruption and the net accumulated surplus balances from HSSOntario conferences, which are reserved for educational purposes, including conference development. The designated reserve for operations is not available for use without the Board of Directors' approval.
- Unrestricted net assets - includes the cumulative surpluses (deficits).

Use of estimates

The preparation of these financial statements in accordance with Canadian public sector accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Significant estimates include determining the collectability of accounts receivable, the useful lives of capital assets, and the amount of accrued liabilities. For all estimates, actual results could differ materially from those estimates.

3. **TRANSFER TO ONTARIO HEALTH**

On November 13, 2019, the Ministerial Order under the Connecting Care Act transferred the employees, assets, liabilities, rights and obligations of HSSOntario to Ontario Health. This transfer took place on December 2, 2019 for no compensation. The net effect of this restructuring transaction on HSSOntario was to expense $4,967,598.

Below are the details of assets and liabilities transferred to Ontario Health based on carrying values at December 1, 2019:

Cash	$ 7,933,991
Accounts receivable	651,109
Prepaid expenses	4,203,587
Tangible capital assets	4,413,381
Net assets	$ 17,202,068
Accounts payable and accrued liabilities	$ 2,481,424
Due to Ministry of Health and Long-Term Care (note 5)	4,952,008
Deferred contributions	706,297
Deferred capital contributions (note 6)	4,094,741
Net liabilities	$ 12,234,470
Net assets transferred to Ontario Health	$ 4,967,598

4. TANGIBLE CAPITAL ASSETS

Tangible capital assets consist of the following:

	2020		2019	
	Cost	Accumulated amortization	Cost	Accumulated amortization
Furniture and office equipment	$ -	$ -	$ 599,571	$ 598,511
Computer hardware	-	-	8,314,298	3,205,668
Leasehold improvements	-	-	1,105,880	710,145
	-	$ -	10,019,749	$ 4,514,324
Less: accumulated amortization	-		(4,514,324)	
Net book value	$ -		$ 5,505,425	

5. DUE TO MINISTRY OF HEALTH AND LONG-TERM CARE

The amount due to MOHLTC consists of the following activity:

	2020	2019
Balance, beginning of year	$ 241,121	$ 3,358,456
Add:		
Funding received	30,389,471	49,530,202
Prior year funding settlement		
Deferred contributions clawed back by MOHLTC	-	642,272
	30,630,592	53,530,930
Less:		
Amounts repaid to MOHLTC	-	(4,112,549)
Amounts recognized as revenue	(25,354,010)	(43,158,051)
Deferred contributions	-	(1,681,470)
Deferred capital contributions	(324,574)	(4,337,739)
	4,952,008	241,121
Transferred to Ontario Health (note 3)	(4,952,008)	-
Balance, end of year	$ -	$ 241,121

6. DEFERRED CAPITAL CONTRIBUTIONS

Changes in deferred capital contributions are as follows:

	2020	2019
Balance, beginning of year	$ 5,108,965	$ 1,840,998
Add: capital contributions received from MOHLTC	324,574	4,337,739
Less: amortization of deferred capital contributions	(1,338,798)	(1,069,772)
Transferred to Ontario Health (note 3)	(4,094,741)	-
Balance, end of year	$ -	$ 5,108,965

7. GUARANTEES

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

8. GOVERNMENT REMITTANCES

Government remittances consist of harmonized sales tax and provincial sales taxes and payroll source deductions required to be paid to government authorities and are recognized when the amounts come due. In respect of government remittances, a receivable of $nil (2019 - $5,264,056) for outstanding sales tax rebates is included in accounts receivable. Included in accounts payable and accrued liabilities are $nil (2019 - $37,454) of payroll remittances payable.

9. PENSION PLAN

HSSOntario makes contributions to the Healthcare of Ontario Pension Plan (HOOPP), which is a multi-employer plan, on behalf of most of its employees. 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. Eligible employees contribute a range of 6.9% to 9.2% of their earnings. HSSOntario is required to match the employees' contributions at 1.26 times the employees' contributions. The amount contributed to HOOPP for the year was $1,931,023 (2019 - $1,667,016) for current service costs and is included in salaries and benefits. The last actuarial valuation was completed for the plan as of December 31, 2019. At that time, the plan was fully funded.

10. LEASE COMMITMENTS AND CONTRACTUAL OBLIGATIONS

HSSOntario had lease commitments for office premises and various multi-year contractual obligations for various licences and support services. As described in note 3, the payments required on these commitments and contractual obligations transferred to Ontario Health on December 2, 2019.

11. FINANCIAL INSTRUMENTS

As described in note 3, HSSOntario transferred all of its assets and liabilities to Ontario Health on December 2, 2019. Since HSSOntario does not have any financial assets or liabilities at March 31, 2020, it is not subject to liquidity, credit or market risks.

12. COMPARATIVE FIGURES

Comparative figures have been reclassified where necessary to conform to the presentation adopted in the current year.