

**ONTARIO HEALTH QUALITY COUNCIL
o/a HEALTH QUALITY ONTARIO**

FINANCIAL STATEMENTS

MARCH 31, 2019

**ONTARIO HEALTH QUALITY COUNCIL
o/a HEALTH QUALITY ONTARIO**

MARCH 31, 2019

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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, 2019, 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, 2019, 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 for our opinion.

Annual Report

Management is responsible for the annual report. The annual report comprises the information included in Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the annual report and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the annual report identified above and, in doing so, consider whether the annual report is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

The Management's Discussion and Analysis is expected to be made available to us after the date of auditor's report. If, based on the work we will perform on this annual report, we conclude that there is a material misstatement of this other information, we are required to report that fact to those charged with governance.

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.

INDEPENDENT AUDITOR'S REPORT *continued*

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, 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.

Loftus Allen & Co
Professional Corporation

Toronto, Ontario
June 13, 2019

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

**ONTARIO HEALTH QUALITY COUNCIL
o/a HEALTH QUALITY ONTARIO**

**STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2019
(with comparative figures for 2018)**

	2019	2018
FINANCIAL ASSETS		
Cash	\$ 8,672,012	\$ 8,831,705
Recovery of transfer payment	142,492	-
Due from the Ministry of Health and Long-Term Care ("MOHLTC"), <i>note 3</i>	103,602	18,992
Harmonized sales tax receivable	198,384	459,232
	9,116,490	9,309,929
LIABILITIES		
Accounts payable and accrued liabilities	3,541,787	7,237,075
Due to the MOHLTC, <i>note 3</i>	3,620,590	292,800
Deferred capital contributions:		
Deferred revenue, <i>note 4</i>	1,954,113	1,780,054
Invested in tangible capital assets, <i>note 4</i>	1,066,994	1,637,983
	10,183,484	10,947,912
NET FINANCIAL ASSETS (DEBT), <i>note 6</i>	(1,066,994)	(1,637,983)
COMMITMENTS, <i>note 7</i>		
NON-FINANCIAL ASSETS		
TANGIBLE CAPITAL ASSETS, <i>note 5</i>	1,066,994	1,637,983
ACCUMULATED SURPLUS	\$ -	\$ -

Approved by the Board of Directors:



William Hatanaka, Board Chair



Garry Foster, 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, 2019

(with comparative figures for 2018)

	2019	2018
REVENUE - Schedule of Operations		
Ministry of Health and Long-Term Care	\$ 54,335,105	\$ 48,990,922
Decrease (Increase) in capital contributions, <i>note 4</i>	396,930	(1,632,815)
In-year recovery of funding by the Ministry of Health and Long-Term Care, <i>Note 3</i>	(6,298,000)	-
	48,434,035	47,358,107
EXPENSES - Schedule of Operations		
<i>Legislated Mandates</i>		
Evidence Development and Recommendations on Clinical Care Standards and Funding for Health Care Services and Medical Devices	8,728,998	8,883,072
Monitoring and Reporting to the People of Ontario on Health System Performance	5,603,059	5,286,957
Promoting Enhanced Patient Relations in Health Sector Organizations	704,476	839,650
Supporting Continuous Quality Improvement	15,594,504	15,870,355
<i>Office of the Patient Ombudsman</i>		
Receive, Respond, Facilitate Resolutions, and Conduct Investigations of Patient Complaints	3,072,915	3,076,172
<i>Supporting Infrastructure for Both Organizations</i>		
Governance and Operations	11,340,216	13,229,230
	45,044,168	47,185,436
UNSPENT BUDGETED FUNDS, note 3	3,389,867	172,671
INTEREST INCOME, note 3	230,723	120,129
SURPLUS PRIOR TO REPAYMENT TO THE MINISTRY OF HEALTH AND LONG-TERM CARE, note 3	3,620,590	292,800
DUE TO THE MINISTRY OF HEALTH AND LONG-TERM CARE, note 3	3,620,590	292,800
SURPLUS	\$ -	\$ -

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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, 2019**
(with comparative figures for 2018)

	2019	2018
ANNUAL SURPLUS	\$ -	\$ -
ACQUISITION OF TANGIBLE CAPITAL ASSETS	(194,564)	(972,406)
AMORTIZATION OF TANGIBLE CAPITAL ASSETS, <i>note 4</i>	765,553	812,545
DECREASE (INCREASE) IN NET DEBT	570,989	(159,861)
NET DEBT, BEGINNING OF YEAR	(1,637,983)	(1,478,122)
NET DEBT, END OF YEAR - <i>note 6</i>	\$ (1,066,994)	\$ (1,637,983)

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, 2019**
(with comparative figures for 2018)

	2019	2018
OPERATING TRANSACTIONS		
Annual surplus	\$ -	\$ -
Less: items not affecting cash		
Amortization of tangible capital assets, <i>note 4</i>	765,553	812,545
	765,553	812,545
Changes in non-cash operating items		
Due from the MOHLTC regarding funding	(84,610)	1,696,008
Harmonized Sales Tax receivable	260,848	(299,416)
Recovery of transfer payments	(142,492)	-
Accounts payable and accrued liabilities	(3,695,288)	854,394
Due to the MOHLTC	3,327,790	(3,358,134)
	431,801	(294,603)
CAPITAL TRANSACTIONS		
Acquisition of tangible capital assets	(194,564)	(972,406)
FINANCING TRANSACTION		
Increase in deferred capital contributions - deferred revenue <i>note 4</i>	174,059	1,472,954
(Decrease) Increase in deferred capital contributions - invested in tangible capital assets <i>note 4</i>	(570,989)	159,861
Cash applied to financing transactions	(396,930)	1,632,815
(DECREASE) INCREASE IN CASH	(159,693)	365,806
CASH, beginning of year	8,831,705	8,465,899
CASH, end of year	\$ 8,672,012	\$ 8,831,705

The attached notes are an integral part
of these financial statements

ONTARIO HEALTH QUALITY COUNCIL o/a HEALTH QUALITY ONTARIO

NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2019

1. THE ORGANIZATION

a) Health Quality Ontario is the provincial advisor on the quality of health care, providing advice to specific health sectors, the system at-large, and the Minister of Health and Long-Term Care 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, Health Quality Ontario is an agency of the Ministry of Health and Long-Term Care. The Council was granted the business name Health Quality Ontario on February 15, 2011 after our mandate expanded under additional legislation.

Our mandate is 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 our legislation to establish a Patient Ombudsman in Ontario. 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.

In 2016, Health Quality Ontario's mandate expanded through legislation to include making recommendations to the Ministry of Health and Long-Term Care regarding clinical care (quality) standards. Health Quality Ontario delivers on this expanded mandate through the creation of the Ontario Quality Standards Committee, as a committee of the Board, whose members include health care professionals and clinicians, as well as patients, caregivers and others whose lived experiences are the same as the standards are addressing.

ONTARIO HEALTH QUALITY COUNCIL o/a HEALTH QUALITY ONTARIO

NOTES TO THE FINANCIAL STATEMENTS MARCH 31, 2019

1. THE ORGANIZATION - continued

b) On May 2, 2018, Health Quality Ontario and the Patient Ombudsman signed a Charter that effectively supports 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. The Patient Ombudsman operates under Health Quality Ontario's Delegation of Authority reporting through the Chief Executive Officer of Health Quality Ontario with respect to the administrative aspects of the office.

An independent audit of Patient Ombudsman confirmed appropriate due diligence of the financial statements of Patient Ombudsman, stated within this combined report. These financial statements result from the separate independent audits of Health Quality Ontario and Patient Ombudsman, and present their combined financial position and operations, as they are legally one entity under the Ontario Health Quality Council, as defined in legislation.

c) Health Quality Ontario is, and exercises its powers only as, an agent of the crown. As an agent of the crown, Health Quality Ontario is not subject to income taxation. Limits on Health Quality Ontario's ability to undertake certain activities are set out in both the legislation and Memorandum of Understanding between Health Quality Ontario and the Ministry of Health and Long-Term Care.

d) The People's Health Care Act

On April 18, 2019, *The People's Health Care Act* (the "Act") received Royal Assent. This legislation is a key component of the government's plan to build a modern, sustainable and integrated health care system. The Act grants the Minister of Health and Long-Term Care (the "Minister") the power to transfer assets, liabilities, rights, obligations and employees of certain government organizations, including Ontario Health Quality Council o/a Health Quality Ontario, into Ontario Health (a new Crown Agency created by the Act), a health service provider, or an integrated care delivery system. The Act also grants the Minister the power to dissolve these organizations.

ONTARIO HEALTH QUALITY COUNCIL o/a HEALTH QUALITY ONTARIO

NOTES TO THE FINANCIAL STATEMENTS MARCH 31, 2019

1. THE ORGANIZATION - continued

On March 8, 2019, the members of the board of directors of Ontario Health were appointed to also constitute the board of Ontario Health Quality Council o/a Health Quality Ontario. The board of directors of Ontario Health is tasked with overseeing the transition process of transferring multiple provincial agencies into Ontario Health. Following the transfer, Ontario Health Quality Council o/a Health Quality Ontario would be dissolved.

The transition process is expected to occur over a number of years. A potential transfer and dissolution date is currently unknown. In the meantime, Ontario Health Quality Council o/a Health Quality Ontario continues to operate as required under the Excellent Care for All Act, 2010, and in accordance with its accountability agreement with the Minister.

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 is recognized as the funded expenditures are incurred. In accordance with the Ministry of Health and Long-Term Care guidelines, certain items have been recognized as expenses although the deliverables have not yet all been received. These expenses are matched with the funding provided by the Ministry for this purpose.

**ONTARIO HEALTH QUALITY COUNCIL
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**NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2019**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

(c) Government transfer payments

The financial statements recognize government transfer payments from the Ministry of Health and Long-Term Care in the year authorized, the events giving rise to the transfer occur, performance criteria met, and reasonable estimates of the amount made. Certain amounts, including transfer payments from the Ministry, are received pursuant to legislation, regulation or agreement and may only be used in the conduct of certain programs or in the completion of specific work. Funding is only recognized as revenue in the fiscal year the related expenses are incurred or services performed. In addition, certain amounts received are used to pay expenses for which the related services have yet to be performed. These amounts are recorded as payable to the Ministry of Health and Long-Term Care at period end.

(d) Deferred capital contributions

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

(e) Tangible capital assets

Tangible capital assets are recorded at historic cost. Historic cost includes the costs directly related to the acquisition, design, construction, development, improvement or betterment of tangible capital assets. The cost of tangible capital assets contributed is recorded at the estimated fair value on date of contribution. Fair value of contributed tangible capital assets is estimated using the cost of asset or, where more appropriate, market or appraisal values. Where an estimate of fair value cannot be made, the tangible capital asset would be recognized at nominal value.

Maintenance and repair costs are recognized as an expense when incurred. Betterments or improvements that significantly increase or prolong the service life or capacity of a tangible capital asset are capitalized. Computer software is recognized as an expense when incurred.

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**NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2019**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

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

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

(f) Donated materials and services

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

(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 reporting amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of the revenues and expenses during the period.

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

**ONTARIO HEALTH QUALITY COUNCIL
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**NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2019**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

(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 is not a sponsor of these funds, gains and losses arising from statutory actuarial funding valuations are 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 10.

3. THE MINISTRY OF HEALTH AND LONG-TERM CARE

In accordance with the Ministry of Health and Long-Term Care financial policy, surplus funds received in the form of grants, interest and other recoveries are recovered by the Ministry of Health and Long-Term Care. During the year the Ministry of Health and Long-Term Care conducted a financial reconciliation and review of HQO's results and determined that the current year's funding would be reduced by \$6,298,000.

	2019	2018
Unspent budgeted funds HQO	\$ 2,643,006	\$ 3,480
Unspent budgeted funds PO	568,854	169,191
Recoveries from Transfer Payment Recipients	178,007	-
	3,389,867	172,671
Interest income	230,723	120,129
Due to the MOHLTC	\$ 3,620,590	\$ 292,800
Recovery of secondment expenses	\$ 103,602	\$ 18,992
Due from the MOHLTC	\$ 103,602	\$ 18,992

**ONTARIO HEALTH QUALITY COUNCIL
o/a HEALTH QUALITY ONTARIO**

NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2019

4. DEFERRED CAPITAL CONTRIBUTIONS

	2019	2018
Balance, beginning of year	\$ 3,418,037	\$ 1,785,222
Add: Capital contributions received during the year	368,623	2,445,360
Less: Amortization for the year	(765,553)	(812,545)
(Decrease) Increase in capital contributions	(396,930)	1,632,815
Balance, end of year	\$ 3,021,107	\$ 3,418,037
Composed of:		
Deferred revenue	\$ 1,954,113	\$ 1,780,054
Invested in tangible capital assets	1,066,994	1,637,983
Balance, end of year	\$ 3,021,107	\$ 3,418,037

Deferred revenue relates to future capital commitments approved by the Ministry of Health and Long-Term Care.

5. TANGIBLE CAPITAL ASSETS

	2019	2018		
	Cost	Accumulated amortization	Net Book value	Net Book value
Computer and equipment	\$ 1,133,392	\$ 1,081,351	\$ 52,041	\$ 254,284
Office furniture and fixtures	1,088,420	960,877	127,543	33,452
Leasehold improvements	3,761,440	2,874,030	887,410	1,350,247
	\$ 5,983,252	\$ 4,916,258	\$ 1,066,994	\$ 1,637,983

6. NET DEBT

The net debt position reflects the funding from the Ministry of Health and Long-Term Care that is invested in net tangible assets. 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).

ONTARIO HEALTH QUALITY COUNCIL o/a HEALTH QUALITY ONTARIO

NOTES TO THE FINANCIAL STATEMENTS MARCH 31, 2019

7. COMMITMENTS

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

2020	\$2,402,440
2021	\$1,957,562
2022	\$1,927,783
2023	\$1,758,368
2024	\$ 843,639

8. ECONOMIC DEPENDENCE

Through legislation amendments proclaimed in 2017, Health Quality Ontario has been granted the power to receive money or assets by way of grant, gift, contribution or profit to further its functions. In 2018- 2019, Health Quality Ontario received all its funding from the Ministry of Health and Long-Term Care.

9. FINANCIAL INSTRUMENTS

Fair value - The carrying value of cash, accounts payable and accrued liabilities as reflected in the financial position approximate their respective fair values due to their short-term maturity or capacity for prompt liquidation. The organization holds all 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 mitigates this risk by monitoring cash activities and expected outflows through extensive budgeting and forecasting.

10. EMPLOYEE FUTURE BENEFITS

Health Quality Ontario's employer pension contributions totaled \$2,245,137 (2018 - \$1,971,171). Its employees belong to the Public Service Pension Plan, which is a multi-employer plan sponsored by the Government of Ontario. The plan is a contributory defined benefit plan, which specifies the amount of retirement benefit to be received by the employees, based on the length of service and rates of pay. Contributions are calculated on a rate of 6.9% of annual salary up to the year's

ONTARIO HEALTH QUALITY COUNCIL o/a HEALTH QUALITY ONTARIO

NOTES TO THE FINANCIAL STATEMENTS MARCH 31, 2019

10. EMPLOYEE FUTURE BENEFITS - continued

maximum pensionable earnings (YMPE) plus 10% above YMPE. Health Quality Ontario matches the employee's contribution. Health Quality Ontario is not responsible for the cost of employee post-retirement, non-pension benefits. These costs are the responsibility of the Government of Ontario.

11. BOARD MEMBERS' REMUNERATION

The Boards' remuneration requirements and rates are determined through the Public Appointments Secretariat and relates to the Board's governance of Health Quality Ontario. During the year total remuneration of all board members was \$43,640.

12. PROJECTS

SUMMARY OF PROJECTS:

	2019	2018
IDEAS & QIPSF	\$ 2,281,280	\$ 2,546,430
NSQIP	1,916,946	2,131,498
EQIP CMHA	758,408	666,747
ARTIC MSK	756,986	178,714
Practice Reports	604,409	-
GeMQIN	533,191	-
CWC	518,761	500,539
ARTIC	337,875	868,542
Diagnostic Imaging Peer Review	272,108	309,167
OPIC	136,251	47,617
Evaluation of Primary Care Collaborative Memory Clinics	99,000	98,900
CMHA	-	84,407
Total	\$ 8,215,215	\$ 7,432,561

\$7,638,964 of the above projects are included in Supporting Continuous Quality Improvement while \$440,000 is included in Monitoring and Reporting to the People of Ontario on Health System Performance and \$136,251 is included in Evidence Development and Recommendations on Clinical Care Standards and Funding for Health Care Services and Medical Devices on the Statement of Operations and Surplus.

ONTARIO HEALTH QUALITY COUNCIL o/a HEALTH QUALITY ONTARIO

NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2019

12. PROJECTS - continued

Improving & Driving Excellence Across Sectors (IDEAS) & Quality Improvement Patient Safety Forum (QIPSF)

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

The Quality Improvement Patient Safety Forum aims to enhance the quality of health care and patient safety by enabling attendees to build skills and learn about practical innovations for improving health care quality. This was a joint conference of Health Quality Ontario, the Centre for Quality Improvement for Patient Safety, and the IDEAS program.

The Ontario Surgical Quality Improvement Network (NSQIP)

The Ontario Surgical Quality Improvement Network is part of an internationally recognized initiative to measure and improve the quality of surgical care. Health Quality Ontario provides hospitals in Ontario with financial support to implement a surgical quality improvement program that improves patient care and outcomes, and decreases surgical complications and the cost of health care delivery throughout an 18-month run-in phase. Following the run-in period hospitals continue to participate in the Ontario Surgical Quality Improvement Network that allows for comparison of outcomes, sharing best practices and successes, and achieving common improvement goals.

Excellence Through Quality Improvement Project (EQIP)

This program is an 18-month partnership project between Addictions & Mental Health Ontario, Canadian Mental Health Association - Ontario and Health Quality Ontario to promote and support quality improvement. The project is working to enhance quality improvement capacity in the community mental health and addictions sector by delivering quality improvement and leadership training; providing access to advanced learning programs related to quality improvement; implementing quality improvement and data coaching support; and creating a virtual community

ONTARIO HEALTH QUALITY COUNCIL o/a HEALTH QUALITY ONTARIO

NOTES TO THE FINANCIAL STATEMENTS MARCH 31, 2019

12. PROJECTS - continued

of practice that will facilitates knowledge translation regarding quality improvement and data collection within the community mental health and addictions sector.

Adopting Research to Improve Care - Musculoskeletal (ARTIC MSK)

This initiative is investing in a central intake system to ensure those who suffer from pain in their hips, knees and lower back can improve access to assessments and treatment options faster and closer to home and to reduce wait times for surgery.

Practice Reports

Practice Reporting provides data and improvement ideas to health care professionals and facilities about their own performance compared to their peers, and to highlight best practices to support improvement efforts to best meet the evolving health needs of their patients. Reporting includes primary care practice reports, long-term care practice reports and hospital/specialist performance series reports and development of focused practice reports supporting the implementation of the Ministry's opioids strategy.

General Medicine Quality Improvement Network (GeMQIN)

This initiative explores how Health Quality Ontario can better support quality improvement efforts in hospital-based General Internal Medicine programs, including appropriate evaluation of practices, opportunities for improvement and convening a network/community of practice. This network brings general medicine physicians and care teams together to learn new ways to improve their patient care and to reduce variation in care. It also helps to address provincial priorities such as hallway health care. The program is also putting data in the hands of general medicine physicians at 7 hospital sites about their practice patterns, while also giving them collective data about their peers for added context. The network provides resources to help members implement change initiatives within their hospital division, and the chance to learn from others across the province.

Choosing Wisely Canada (CWC)

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

ONTARIO HEALTH QUALITY COUNCIL o/a HEALTH QUALITY ONTARIO

NOTES TO THE FINANCIAL STATEMENTS MARCH 31, 2019

12. PROJECTS - continued

impact the reduction in use of unnecessary tests. A key aspect of their work is working with experts, particularly the medical profession, to identify opportunities to reduce interventions where evidence no longer warrants their use. Health Quality Ontario is a collaborator linking Choosing Wisely Canada's work with other major quality improvement initiatives in Ontario. Some examples include how data related to tests targeted for reduction is available through clinician's practice reports or organizational level reporting, or how the Ontario Surgical Quality Improvement Network adopts Choosing Wisely Canada's recommendations related to surgery. In collaboration with ARTIC, Health Quality Ontario's program with the Council of Academic Hospitals of Ontario, we also accelerated the spread of Choosing Wisely Canada recommendations to specific hospitals and family health teams across the province.

Adopting Research to Improve Care (ARTIC)

The Council of Academic Hospitals of Ontario originally developed the ARTIC program to accelerate the adoption of research evidence within hospital settings. The ARTIC program is a proven model for accelerating and supporting the implementation of research evidence into practice contributing to quality care across Ontario. Two major spread projects were **META:PHI (Mentoring, Education, and Clinical Tools for Addiction: Primary Care-Hospital Integration)** a proven program for people with an opioid addiction and **DA VINCI (Depression and Alcoholism – Validation of an Integrated Care Initiative)**, a program to screen and treat depression and alcoholism together.

Diagnostic Imaging Peer Review

This initiative represents a program to support facilities in implementing a diagnostic imaging peer review program, and establishing related provincial-level supports. The initial steps are focused on designing and making available a toolkit to hospitals through partnership. Additional aspects could involve providing operational management support on clinical adoption, and deploying on-the-ground coaches to move early adopters through communities of practice to full provincial implementation and spread.

ONTARIO HEALTH QUALITY COUNCIL o/a HEALTH QUALITY ONTARIO

**NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2019**

12. PROJECTS - continued

Ontario Payment Innovation Collaborative (OPIC)

The Ontario Payment Innovation Collaborative supports the design, implementation, and evaluation of innovative payment models in Ontario. The collaborative includes key stakeholder groups, such as the Ministry of Health and Long-Term Care, the Institute for Clinical Evaluative Sciences, the Health System Performance Research Network, and the Ontario Strategy for Patient-Oriented Research Support Unit Evaluation Group.

Evaluation of Primary Care Collaborative Memory Clinics

Primary Care Memory Clinics improve care for patients by their family doctor and other professionals, such as nurses and social workers, by specially training these professionals in caring for people living with dementia. The Adopting Research to Improve Care program, a joint program of Health Quality Ontario and the Council of Academic Hospitals in Ontario, supports the spread of these primary care memory clinics to 17 additional sites in Ontario. As part of the province's dementia strategy, Health Quality Ontario is evaluating this program for the Ministry of Health and Long-Term Care, in collaboration with the Council for Academic Hospitals.

Canadian Mental Health Association (CMHA)

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

**ONTARIO HEALTH QUALITY COUNCIL
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**NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2019**

13. 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 may not enter into agreements that include indemnities in favour of third parties, except in accordance with the Financial Administration Act and the related Indemnification Directive.

14. COMPARATIVE FIGURES

Comparative figures have been restated to reflect current year's classification of expenses on the statement of operations. 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, 2019**

	2019	2018
REVENUE		
Ministry of Health and Long-Term Care	\$ 54,335,105	\$ 48,990,922
Amortization of deferred capital contributions, <i>note 4</i>	765,553	812,545
	55,100,658	49,803,467
Capital purchase funding, <i>note 4</i>	(368,623)	(2,445,360)
In-year recovery of funding by the Ministry of Health and Long-Term Care, <i>note 3</i>	(6,298,000)	-
	48,434,035	47,358,107
EXPENSES		
Salaries, Wages and benefits	33,121,067	32,410,776
Payments to organizations	5,972,848	6,612,634
Information technology and digital and data infrastructure to support wait times and other provincial platforms	1,330,437	1,775,601
Events, training and travel including Health Quality Transformation	865,204	1,510,455
Leases	1,596,488	1,385,426
Audit, legal, compliance, evaluation and other advisory services	770,317	1,386,528
Communications and publishing to support public reporting, quality standards and other programs	291,742	637,552
Analytic tools and resources	121,316	156,205
Office and administration	387,204	497,714
Computer and equipment amortization	234,058	223,570
Leasehold improvements amortization	494,575	584,379
Office furniture and fixtures amortization	36,919	4,596
	45,222,175	47,185,436
UNSPENT BUDGETED FUNDS	3,211,860	172,671
RECOVERY OF TRANSFER PAYMENTS	178,007	-
INTEREST INCOME	230,723	120,129
SURPLUS	\$ 3,620,590	\$ 292,800