



Hamilton Health Sciences

ANNUAL REPORT 2010 - 2011

Turning the page
on the
future of care





2010/2011 Hamilton Health Sciences Board of Directors

2010/2011 Board of Directors

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Hamilton Health Sciences is a family of six hospitals

and a cancer centre, serving more than 2.3 million residents of Hamilton, central south and central west Ontario. Hamilton Health Sciences is the second largest hospital in Ontario and the regional centre for burns, trauma, cardiac, stroke, neurosurgery, pediatrics, digestive diseases, high-risk obstetrics, cancer, orthopedics and rehabilitation services. With a staff of nearly 10,000, the hospital is the largest employer in Hamilton. As an academic teaching hospital with nearly 1,200 beds and an affiliation with McMaster University and Mohawk College, Hamilton Health Sciences is committed to providing exemplary health care for the people and communities we serve and advancing excellence in education and health research.

Back (l to r) Murray Martin, Lloyd Ferguson, Gary Sohal, Paul Chapin, Dr. Stephen Puchalski, Norm Col. Front (l to r) Mark Rizzo, Anita Isaac, Craig Laviolette, Mila Ray-Daniels, Mary Catherine Lindberg, Stacey Allerton-Firth, Dr. Pierre Major.



Hamilton Health Sciences

A message from the Chair of the Board and CEO, Hamilton Health Sciences

The past year for Hamilton Health Sciences was one of great change. That change can be seen in terms of bricks and mortar – we opened the first phase of the new Juravinski Hospital, began construction on the children’s Emergency Department, opened a new urgent care centre, and redeveloped many other areas across our hospital sites. But we also changed how we care for our patients.

Our Access to the Best Care (ABC) plan focused on creating a sustainable, accessible system that provides the best care possible to our community. In order to create centres of excellence that will enhance our ability to provide care, we had to move some of our services, staff and patients to other HHS sites. We decided these changes were necessary and with consultation, compassion and thought, we made them happen. Our staff and patients demonstrated understanding and collaboration during this time of transition and we sincerely thank them for that. The next few pages of this report highlight some of the tremendous achievements we’ve made over the past year. It truly is remarkable.

Now that much of the ABC work has been completed, we are looking forward to achieving our vision of providing the best care for all and witnessing first-hand how this transformation in care is benefiting our community.

This has been an extraordinary chapter in our organization’s life and, as usual, we will continue to progress and turn the page on the future of care.

Craig Laviolette,
*Board Chair,
Hamilton Health Sciences*

Murray T. Martin,
*President & CEO,
Hamilton Health Sciences*



Craig Laviolette



Murray T. Martin



1



2

1 | EMERGENCY CARE FOR KIDS

On **August 4, 2010**, McMaster Children's Hospital kicked off its \$10 million Emergency Department redevelopment. Once the project is complete in 2012, it will have doubled its size and been transformed into a state-of-the-art Emergency Department for the children of Hamilton and surrounding region. The new facility will accommodate the full range of illnesses and injuries, from a spacious fast track area to serve children with less serious issues, to modern trauma treatment rooms with highly-specialized equipment and technology to support seriously injured children.

Six-year-old Jarod Gratton, a former patient of McMaster Children's Hospital, signs his hand print at an event on August 4 to kick off the Emergency Department redevelopment.

2 | OCCUPYING THE NEW JURAVINSKI HOSPITAL

On **August 1, 2010**, 91 inpatients were safely transferred to the new Juravinski Hospital. Most patients came from the old part of the hospital, while some were transferred from MUMC. Approximately 100 HHS staff played a role in moving one patient every three minutes and ensuring the day went smoothly.

Veronica Allen, a patient on the Oncology Unit, was transferred into the new Juravinski Hospital on August 1. She enjoyed the ride to her new room and the view once she arrived.

Highlights



3 | OFFICIAL GRAND OPENING OF JURAVINSKI HOSPITAL

September 23, 2010 was an outstanding day for staff, physicians, volunteers and patients as they celebrated the official grand opening of the Juravinski Hospital.

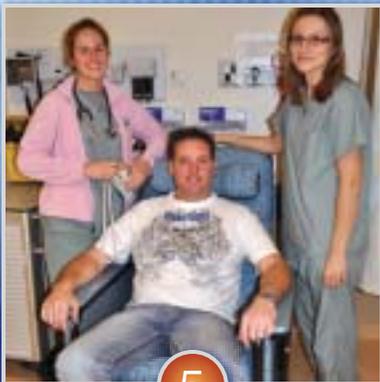
In a fun twist on the conventional ribbon cutting that usually occurs at grand openings, representatives from each group of people that helped make the building possible were asked to launch ribbons into the air. This included board members, donors, politicians including Minister of Health and Long-Term Care Deb Matthews, long-serving staff members, Capital Development staff, a physician, and a patient.

4 | CELEBRATING INNOVATION

Hamilton Health Sciences was one of six winners announced at the Celebrating Innovations in Health Care Expo, held **November 10, 2010**. The Expo, presented by HealthAchieve and the Government of Ontario, highlighted innovative solutions and projects that support the province's Excellent Care for All strategy, and improve how Ontario delivers health care. Hamilton Health Sciences won the "Improving Efficiency" Innovation award for its process improvement initiative called Redesign of Multi-Site Hospital Total Parenteral Nutrition (TPN) Processes.

President & CEO of OHA Tom Closson (left) and Ontario Minister of Health and Long-Term Care Deb Matthews (second from right) present the "Improving Efficiency" Innovations in Health Care Award to Carolyn Slood, senior pharmacy technician, HHS (second from left) and Diane Chandler, medication safety initiative informatics coordinator and TPN project lead (right).

2010-2011



5 | ENHANCING EMERGENCY SERVICES

On **December 8, 2010**, Hamilton General Hospital opened a new Rapid Assessment Zone (RAZ) in a 2,400-square foot area of the Emergency Department. Its purpose is to provide fast, efficient care for less serious illness or injury.

Lindsay Jones, RN (left) and Alexandrija Ilic, RN (right) will now be able to care for patients more efficiently in the General ED because the new Rapid Assessment Zone features special rooms and equipment, such as the reclining Geri Chair (seen in photo), which makes the care of less acute patients easier.



6 | BREATHE EASY

On **January 1, 2011**, Hamilton Health Sciences' properties went smoke-free. This change involved educating staff and patients about tobacco treatment and cessation options.

When Linda Kraemer, an ICU nurse at the General (right), decided it was time to finally quit smoking for good, she got help from Barb Nowacki, RN and tobacco treatment specialist (left), who counselled Linda on tobacco cessation.



7 | CELEBRATING 39 WONDERFUL YEARS

Prior to adult inpatient activity moving out of McMaster University Medical Centre, several receptions for MUMC staff, physicians and volunteers were held in early **March 2011** to recognize 39 years of dedicated caring at MUMC. Guests enjoyed cupcakes and received lapel pins marking this point in time at the hospital.

Highlights 2010-2011

8 | ABC SUCCESS

On **April 4, 2011**, 96 adult inpatient beds were transferred from McMaster University Medical Centre to Juravinski Hospital, Hamilton General Hospital, and St. Joseph's Healthcare Hamilton. During these bed transfers, 63 patients made the move to the other city hospitals. This complex transfer of patients involved 19 transport vehicles and more than 100 staff members working tirelessly to move one patient every four minutes.

These moves were part of Hamilton Health Sciences' Access to the Best Care (ABC) plan, enabling better use of health care resources by consolidating adult inpatient services to fewer locations. April 4 also saw the switch of McMaster's Emergency Department to children's-only, and the opening of a new urgent care centre in west Hamilton.

A | Cathy Chaput, RN, helps move patient George Lelievre from MUMC to Juravinski.

B | Isabel Hayward, program director; Kelly O'Connor, clinical manager; and Kelly Campbell, AVP, Clinical Planning, in the brand new Urgent Care Centre.

C | The Juravinski Hospital Command Centre celebrates success.



A



B



C

FINANCIAL/OPERATIONAL PERFORMANCE

Operationally, 2010-2011 was a significant year for Hamilton Health Sciences. We were extremely focused on our Access to the Best Care plan and our many capital projects while, at the same time, we continued to provide high quality patient care. The successful achievement of these priorities required meticulous planning, careful decision making and creative revenue generation.

For the eighth consecutive year, we have a consolidated surplus – with hospital operations balancing, and the remaining surplus driven by restricted research funds. This was accomplished at a time when the economy is still struggling and demands on the health care system are rising.

Knowing that our funding from the provincial government would not match our costs for 2010-2011, we had to look for more opportunities to reduce expenses without significantly impacting our levels of service. This required a great deal of innovative cost-cutting and revenue generation. Ultimately, we were able to find \$24 million in savings to address this shortfall and maintain a balanced budget.

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Statement of Financial Position (in thousands of dollars) March 31, 2011, with comparative figures for 2010

	2011	2010
ASSETS		
Current		
Restricted cash and cash equivalents	\$ 42,615	\$ 121,277
Short-term investments	36,054	13,914
Accounts receivable	60,048	56,411
Inventories	11,875	19,029
Prepaid expenses and deposits	5,789	5,006
Total current assets	156,381	215,637
Long-term investments	276,806	212,666
Capital assets, net	680,076	475,137
Total assets	\$ 1,113,263	\$ 903,440
LIABILITIES AND NET ASSETS		
Current		
Bank indebtedness	\$ 67,494	\$ 79,227
Capital financing	-	25,000
Accounts payable and accrued liabilities	117,835	104,945
Current portion of obligations under capital leases	10,080	4,992
Current portion of long-term debt	6,435	1,719
Total current liabilities	201,844	215,883
Obligations under capital leases	26,584	10,579
Long-term debt	83,530	47,593
Accrued benefit liability	42,849	40,571
Unrealized losses on revaluation of derivative hedges	6,625	6,769
Deferred capital contributions	468,646	317,857
Deferred contributions	113,549	155,375
Total liabilities	943,627	794,627
Net assets (deficit)		
Unrestricted	\$ (242,466)	\$ (253,182)
Invested in capital assets	120,126	130,824
Board designated	291,976	231,171
Total net assets	169,636	108,813
Commitments and contingencies		
	\$ 1,113,263	\$ 903,440

Statement of Operations (in thousands of dollars)

Year ended March 31, 2011, with comparative figures for 2010

	2011	2010
REVENUE		
Ontario Ministry of Health and Long-Term Care	\$ 874,327	\$ 833,944
Ontario Health Insurance Plan	33,019	32,326
Ministry of Community and Social Services	26,670	25,242
Patient and third party payors	20,860	20,263
Amortization of deferred capital contributions	16,282	15,610
Investment income	14,379	9,360
Ancillary and other recoveries	99,132	102,992
Research	140,834	174,707
	1,225,503	1,214,444
EXPENSES		
Salaries and employee benefits	679,266	654,730
Medical staff remuneration	69,350	68,222
Medical and surgical supplies	61,187	57,137
Drugs	64,474	60,016
Facilities	25,404	26,570
Amortization of capital assets	35,307	32,144
Other expenses	139,951	138,897
Research	93,690	129,836
	1,168,629	1,167,552
Excess of revenue over expenses for the year	\$ 56,874*	\$ 46,892

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REALIGNMENT OF SERVICES AND REDEVELOPMENT OF FACILITIES

Our Access to the Best Care plan is a multi-faceted realignment strategy allowing us to make the best use of the resources available to us. By consolidating services, we are reducing duplication across our family of hospitals thus enabling our dedicated and specialized staff to work more effectively. These changes are possible because of the unprecedented redevelopment that is taking place across HHS.

The past year, more than \$600 million in capital projects were completed, including phase 1A of the Juravinski Hospital; redevelopment of McMaster Children's Hospital to create space for children's ambulatory care and a new children's-only Emergency Department; the creation of a new Critical Care Unit for the Women's Reproductive Health program; renovation of the General's Emergency Department; and the construction of a new Main Street West Urgent Care Centre.

Capital development projects will continue in 2011-2012, however the

work completed in 2010-2011 enabled the transfer of beds and services between our hospital sites and St. Joseph's Healthcare Hamilton. This reconfiguration of services will streamline processes and optimize efficiencies. Strategic planning is now underway by our board of directors to help determine where to best allocate our resources now that these changes have been made.

OPERATIONAL PRIORITIES

Reducing wait times is a key focus of our operational activities at Hamilton Health Sciences. We are working with the province and the Local Health Integration Network to reduce emergency and surgical wait times. This work also involves collaborating with the Community Care Access Centre to arrange alternate care for patients who are waiting in our hospitals, but who no longer need the acute services we provide. By helping to make other arrangements for these patients, we're ensuring they get appropriate care, and freeing up scarce hospital beds for other patients.

*RESEARCH AND FUND RAISING REMAIN VITAL

Research continues to grow and thrive at HHS. Significant research

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projects were closed out over the past year and residual funding will be reinvested back into further research. For these reasons, the consolidated Financial Statements show a \$56.9 million surplus.

We would like to extend a special thank you to the Hamilton Health Sciences Foundation, the Hamilton Health Sciences Volunteer Association and the Bay Area Health Trust for their generous contributions to our redevelopment projects, in particular the purchase of essential equipment.

ACCOUNTABILITY TO THE COMMUNITY WE SERVE

With a budget of \$1.2 billion, Hamilton Health Sciences is one of the largest health care organizations in Ontario. The financial statements in this report provide an overview of how we are managing that money. We feel a strong accountability to taxpayers, our donors, and our community to be good stewards of the funding we receive and to make the best choices for the future of this region.

Statement of Cash Flows (in thousands of dollars)

Year ended March 31, 2011, with comparative figures for March 31, 2010

	2011	2010
Cash provided by (used in):		
OPERATING ACTIVITIES		
Excess of revenue over expenses for the year	\$ 56,874	\$ 46,892
Add (deduct) non-cash items:		
Amortization of capital assets	35,307	32,144
Amortization of deferred capital contributions	(16,282)	(15,610)
Non-pension post-retirement benefits expense	5,292	5,511
	81,191	68,937
Net change in non-cash working capital balances related to operations	14,849	(27,592)
Non-pension benefit contributions	(3,014)	(1,637)
Decrease in deferred contributions	(41,826)	(28,390)
Cash provided by operating activities	51,200	11,318
INVESTING ACTIVITIES		
Purchase of capital assets	(239,471)	(135,103)
Increase in investments, net	(82,475)	(8,878)
Decrease in restricted cash and cash equivalents	78,662	19,205
Cash used in investing activities	(243,284)	(124,776)
FINANCING ACTIVITIES		
Contributions received for capital purposes	167,071	86,152
Increase in long-term debt	40,653	39,991
Decrease in capital financing	(25,000)	(21,745)
Increase in obligations under capital leases	21,093	1,470
Cash provided by financing activities	203,817	105,868
(Decrease) Increase in bank indebtedness during the year	(11,733)	7,590
Bank indebtedness, beginning of year	79,227	71,637
Bank indebtedness, end of year	\$ 67,494	\$ 79,227
Supplemental cash flow information		
Interest paid	\$ 5,100	\$ 3,977
Purchase of capital assets included in accounts payable and accrued liabilities	\$ 5,091	\$ 4,316

Detailed financial statements are available on request.

Call 905-521-2100, ext. 75387 or e-mail publicrelations@hhsc.ca

Facts & Stats

2010/2011

- Volunteers **1,348**
- Employees **9,265**
- Physicians with primary appointments at HHS **838**
- Beds **1,159**
- Emergency Department visits **114,778**
- Operating Room cases **23,390**
- Outpatient Clinic visits **665,058**
- Births **2,842**



Hamilton Health Sciences

For more information about Hamilton Health Sciences

CALL: (905) 521-2100 ext. 75387

E-MAIL: publicrelations@hhsc.ca

VISIT: www.hamiltonhealthsciences.ca

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