



Hamilton Health Sciences

Strong and healthy...
now and for the future

A N N U A L R E P O R T | 2 0 0 9 - 2 0 1 0



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 more than 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.

2009/2010 Board of Directors

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Back (l to r) Dr. John VanderMeulen, Dr. Stephen Puchalski, Glenn Gibson, Walter Koppelaar, Gary Reynolds.
 Front (l to r) Paul Chapin, Norm Col, Dianne Jackson, Mark Rizzo, Murray Martin, Karen Shea, Lloyd Ferguson.
 Absent: Anita Isaac, Dr. John Kelton, Craig Laviolette, Dr. Pierre Major, Mila Ray-Daniels, Marvin Ryder,
 Gary Sohal, Barbara Sullivan

This is a time of positive and profound change at Hamilton Health Sciences that is translating into incredible patient care, now and in the future.



Craig Laviolette

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

Each year, Hamilton Health Sciences has its share of successes, opportunities and challenges. And while the health care sector, and our organization in particular, are constantly changing, there is one thing that remains the same – our commitment to patient care.

As we continue to enhance our capacity to care at Hamilton Health Sciences through \$650 million in redevelopment projects, we know these changes will have a profoundly positive effect on our community. Taken together, these projects represent one of the biggest investments in health care infrastructure being made in any community across Ontario. Most of the projects will be complete by 2012 and they will revitalize the hospital system while enhancing patient care.

This exciting redevelopment is connected to our clinical service restructuring plan, called Access to the Best Care (ABC). The ABC vision is focused on three things that we know matter to everyone who uses our services – access, quality and sustainability. “Access” because our patients rely on us to provide the right kind of care they need, when they need it. “Quality” because our patients expect to receive state-of-the-art care that gives them the best outcomes possible. “Sustainability” because the people of this city and region look forward to continuing to benefit from great hospital services. *To learn more about our ABC plan, see page 4.*

We appreciate the efforts of all the staff involved in our redevelopment and restructuring, and we thank you for continuing to provide excellent care to our patients, especially while your environment is changing. We would also like to acknowledge our patients and families for graciously dealing with inconvenience during this time of transition. This is a time of positive and profound change at Hamilton Health Sciences that is translating into incredible patient care, now and in the future.



Murray T. Martin

Craig Laviolette,
Board Chair,
Hamilton Health Sciences

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

Creating a sustainable hospital system through Access to the Best Care

Hamilton Health Sciences' ambitious 'Access to the Best Care' plan was created in collaboration with our health system partners and is changing the way we deliver health care. This multi-faceted initiative will realign some of the clinical services at Hamilton Health Sciences, creating a sustainable hospital system for the future.

There are five big things that will be accomplished through ABC:

1 Better organized services for adults through the establishment and enhancement of centres of excellence

2 More care for kids through the expansion of McMaster Children's Hospital and the creation of a new pediatric Emergency Department at the McMaster site

3 Improved access to care with the opening of a new Urgent Care Centre on the west side of the city

4 Renewed and modern ambulatory care facilities to reflect the trend towards more outpatient care including same day surgery and expanded outpatient clinics

5 Enhanced environments for teaching, learning and research by building new and innovative facilities that are properly aligned with clinical activities



Here is a summary of the key program and service impacts of ABC:

AUGUST 2010

- Malignant Hematology (inpatient and outpatient activity related to cancer in the blood) moves from McMaster University Medical Centre (MUMC) to Henderson

SPRING 2011

- General Surgery (Hepatobiliary, Colorectal) inpatient and outpatient activity moves from MUMC to Henderson
- Fractured hip inpatient activity moves from MUMC to Henderson
- Acute stroke inpatients consolidated from Henderson and MUMC to General site
- Cardiology inpatient ward activity consolidated from Henderson and MUMC to General site
- Gastroenterology inpatient activity moves from MUMC to Henderson
- Clinical Teaching Unit (CTU) moves from MUMC to Henderson
- Remaining inpatient adult activity moves from MUMC to General, Henderson and St. Joseph's Healthcare Hamilton
- Emergency Department at MUMC becomes a pediatrics-only service
- Urgent Care Centre for adults and children opens on Main Street West



**Hamilton
Health Sciences**

Highlights 2009/10

A HOME AWAY FROM HOME | The Alexander Pavilion, a new home for patients with Alzheimer's Disease and other dementias, was officially opened by the Honourable Lincoln M. Alexander at St. Peter's Hospital on **April 9, 2009**.

Below: Lincoln Alexander (third from left) and friends admire a bust of the building's namesake.



A FIRST FOR THE REGION | Outpatient, Shane Murphy (centre) joins staff, board members and politicians for the grand opening of the Royal Bank of Canada (RBC) Child and Youth Mental Health Unit on **June 8, 2009** at McMaster Children's Hospital. The unit – one of the largest in Canada – will expand gradually, eventually including 22 inpatient beds, as well as specialized day hospital and outreach services for children and youth up to age 18.





ADVANCING CANCER CARE | In **November 2009**, Ontario marked a milestone with the announcement of the province's first CyberKnife Robotic Radiosurgery treatment option for cancer patients at Juravinski Cancer Centre. The technology will offer many cancer patients an effective alternative to surgery for some cancers. The technology is the world's first and only robotic radiosurgery system and it is designed to treat tumors anywhere in the body with unprecedented accuracy.



INNOVATION IN HEALTH CARE | Hamilton Health Sciences' electronic health record (e-record) will transform the way we practice health care by allowing care providers to access comprehensive and critical patient information regardless of patient or provider location at our hospitals. The development and implementation of the e-record is a corporate initiative known as eCARE. It consists of multiple, interdependent projects that are being implemented at all HHS sites over the next several years. This past year, much work was done in electronic clinical documentation, and the work continues in 2010. *Staff on Ward 3B at MUMC celebrate going live with electronic clinical documentation.*



REVITALIZING REHABILITATION | On **September 1, 2009**, hospital officials and staff joined local politicians, community members and health care partners to celebrate the opening of the Regional Rehabilitation Centre at the Hamilton General Hospital site. The new 100,000-square-foot Regional Rehabilitation Centre has 91 inpatient beds providing care to stroke, spinal cord injury, amputee, trauma, neurobehavioral and acquired brain injury patients.

A NEW DAY FOR RESEARCH | Hamilton's role as one of the world's leading centres in cardiac, vascular and stroke research was reinforced on **March 11, 2010**,



with the grand opening of the David Braley Cardiac, Vascular and Stroke Research Institute at the Hamilton General Hospital site. The Research Institute is a six-storey building comprised of 200,000 square feet of research space, laboratories, meeting

rooms, offices and breakout spaces. The total project, including state-of-the-art equipment, totalled close to \$100 million.

Below: Dignitaries and HHS leaders join Senator David Braley (fifth from left) at the opening of the new Research Centre.



GOING GREEN | On **February 4, 2010**, Horizon Utilities Corporation presented Hamilton Health Sciences with a rebate cheque for \$639,138, the largest Electricity Retrofit Incentive Program (ERIP) cheque ever presented in Ontario. Currently in the process of completing a \$50 million energy retrofit and renewal program, HHS is combining energy-efficient upgrades with critical building enhancements, which will save money and reduce HHS' environmental footprint. It is the largest project of its kind in Canadian health care.

Engineering staff proudly display the cheque and certificate from Horizon Utilities Corporation.



Financial/Operational Performance

Our meticulous planning, careful decision making, and creative revenue generation have allowed Hamilton Health Sciences to continue to operate “in the black.” For the seventh consecutive year, we have a consolidated surplus – with hospital operations balancing and the remaining surplus driven by restricted research funds. This at a time when our economy is struggling and demands on the health care system are intense.

Research continues to grow and thrive at HHS. Significant research 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 \$46.9 million surplus.

Although we were able to find \$25 million in savings during the 2009-2010 fiscal year, our work to maintain a balanced budget must continue in 2010-2011. During the process of finding more cost-reduction opportunities, we have been open with staff and the community about our financial difficulties and have encouraged everyone at HHS to look for new opportunities for efficiency. Many of our strategies have been successful, resulting in a small surplus for hospital operations.

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Statement of Financial Position (in thousands of dollars) March 31, 2010, with comparative figures for 2009

	2010	2009
ASSETS		
Current		
Restricted cash and cash equivalents	\$ 121,277	\$ 140,482
Short-term investments	13,914	17,256
Accounts receivable	56,290	49,263
Inventories	19,029	15,034
Prepaid expenses and deposits	5,006	4,332
Total current assets	215,516	226,367
Long-term investments	212,666	187,651
Long-term investments in Bay Area Health Trust	121	
Capital assets, net	475,137	374,099
Total assets	\$ 903,440	\$ 788,117
LIABILITIES AND NET ASSETS		
Current		
Bank indebtedness	\$ 79,227	\$ 71,637
Capital financing	25,000	46,745
Accounts payable and accrued liabilities	104,945	122,641
Current portion of obligations under capital leases	4,992	4,086
Current portion of long-term debt	1,719	909
Total current liabilities	215,883	246,018
Obligations under capital leases	10,579	10,015
Long-term debt	47,593	8,412
Accrued benefit liability	40,571	36,697
Unrealized losses on revaluation of derivative hedges	6,769	12,150
Deferred capital contributions	317,857	247,315
Deferred contributions	155,375	183,765
Total liabilities	794,627	744,372
Net assets (deficit)		
Unrestricted	\$ (253,182)	\$ (222,804)
Invested in capital assets	130,824	107,511
Board designated	231,171	159,038
Total net assets	108,813	43,745
Commitments and contingencies		
	\$ 903,440	\$ 788,117

Statement of Operations (in thousands of dollars)

Year ended March 31, 2010, with comparative figures for 2009

	2010	2009
REVENUE		
Ontario Ministry of Health and Long-Term Care	\$ 833,944	\$ 802,522
Ontario Health Insurance Plan	32,326	37,221
Ministry of Community and Social Services	25,242	25,714
Patient and third party payors	20,263	22,333
Amortization of deferred capital contributions	15,610	15,990
Investment income	9,360	5,594
Ancillary and other recoveries	102,992	107,718
Research	174,707	185,832
	1,214,444	1,202,924
EXPENSES		
Salaries and employee benefits [note 12 and 16]	654,730	640,876
Medical staff remuneration	68,222	73,794
Medical and surgical supplies	57,137	54,678
Drugs	60,016	57,254
Facilities	26,570	41,893
Amortization of capital assets	32,144	29,885
Other expenses	138,897	132,891
Research	129,836	142,987
	1,167,552	1,174,258
Excess of revenue over expenses for the year	\$ 46,892	\$ 28,666

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By proactively making changes, we are controlling our own destiny rather than having budget cuts imposed upon us. We owe it to our patients and the communities we serve to find efficiencies and operate our facilities in the most effective way possible.

The past year also saw the completion of more than \$100 million in capital projects. (Funding for capital/construction projects comes to us separately from operational funding. One cannot be used to pay for the other.) Two of the largest capital projects included the David Braley Cardiac, Vascular and Stroke Research Institute, and the Regional Rehabilitation Centre. The redevelopment of our hospital sites is well underway and our Access to the Best Care (ABC) vision is becoming a reality. *Read more about ABC on page 4.*

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 you with an overview of how we're 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.

(Detailed financial statements are available on request.

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

Statement of Cash Flows (in thousands of dollars)
Year ended March 31, 2010, with comparative figures for March 31, 2009

	2010	2009
Cash provided by (used in):		
OPERATING ACTIVITIES		
Excess of revenue over expenses for the year	\$ 46,892	\$ 28,666
Add (deduct) non-cash items:		
Amortization of capital assets	32,144	29,885
Amortization of deferred capital contributions	(15,610)	(15,990)
Non-pension post-retirement benefits expense	5,511	5,559
	68,937	48,120
Net change in non-cash working capital balances related to operations	(27,471)	24,267
Non-pension benefit contributions	(1,637)	(1,514)
Decrease in deferred contributions	(28,390)	(16,888)
Cash provided by operating activities	11,439	47,748
INVESTING ACTIVITIES		
Purchase of capital assets	(135,103)	(118,767)
(Increase) decrease in investments, net	(8,878)	2,278
Decrease (increase) in restricted cash and cash equivalents	19,205	(7,832)
Increase in investment in Bay Area Health Trust	(121)	-
Cash used in investing activities	(124,897)	(124,321)
FINANCING ACTIVITIES		
Contributions received for capital purposes	86,152	54,420
Increase (decrease) in long-term debt	39,991	(864)
(Decrease) increase in capital financing	(21,745)	3,156
Increase in obligations under capital leases	1,470	2,139
Cash provided by financing activities	105,868	58,851
Increase in bank indebtedness during the year	7,590	17,722
Bank indebtedness, beginning of year	71,637	53,915
Bank indebtedness, end of year	\$ 79,227	\$ 71,637
Supplemental cash flow information		
Interest paid	\$ 3,977	\$ 3,020
Purchase of capital assets included in accounts payable and accrued liabilities	\$ 4,316	\$ 6,237

Hamilton Health Sciences Facts & Stats 2009/10

Volunteers	1,754
Employees	9,643
Physicians with primary appointments at HHS	850
Beds	1,181
Emergency Department visits	110,884
Operating Room inpatient cases	13,536
Same Day Surgery cases	34,595
Outpatient Clinic visits	632,743
Cardiac Surgery cases	1,580
Births	2,939



Top 100 Employer

In October 2009, Hamilton Health Sciences was one of only six health care organizations in Canada to be named a Top 100 Employer in Maclean's magazine. This is the fourth consecutive year the organization received this honour and the third consecutive year it was named one of Hamilton/Niagara's Top 10 Employers in The Hamilton Spectator.



Hamilton Health Sciences

For more information about Hamilton Health Sciences

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VISIT: www.hamiltonhealthsciences.ca