



# 2019-20 Business Plan

Date: September 30<sup>th</sup>, 2020

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## Message from our President and CEO and Board Chair:

When Unity Health Toronto launched its first strategic plan last spring, we unveiled a new vision of what we aspire to deliver for everyone we serve: The best care experiences. Created together. All of our dreaming and planning resulted in identifying strategic areas of focus that are interrelated and move us steadily towards our shared vision.

Though we experienced unprecedented change in the final months of fiscal year 2019-20 as we responded to the COVID-19 pandemic, we wanted to take this opportunity to reflect on the great progress our teams made in achieving our Year 1 strategic objectives before we turned our efforts to this new virus.

Our foundational work at Unity Health in building our network, forming our leadership and developing our strategy has never been more important. It has enabled us to meet the challenges presented by the global COVID-19 pandemic. In just a few short months since the first case in Ontario in late January, COVID-19 has had a major impact on our people and resources, along with the broader health care system. We created two COVID-19 Assessment Centres to support testing in our communities, and took our testing beyond our walls to local shelters who were hit hard by this new virus. We created entrance screening processes and numerous infection, prevention and control measures to ensure the safety of our care environments. We opened new units dedicated to caring for patients with COVID-19, including accelerating the opening of floors in our new Peter Gilgan Patient Care Tower at St. Michael's Hospital that enhanced system capacity when our city needed it the most. With the requirement of visitor restriction policies and ramping down of clinical services, we implemented virtual solutions to enable people to connect with their loved ones or to access care from home.

None of our accomplishments would have been possible without us all working together and we are incredibly proud that our people have continued to live our mission and values during this unprecedented time in health care, locally and around the world.

We are so grateful for the many contributions of our Unity Health community through the past year and during this pandemic. As we go forward and begin our recovery, we will continue to be guided by our vision and our commitment to excellent and compassionate care for all in need.

Sincerely,

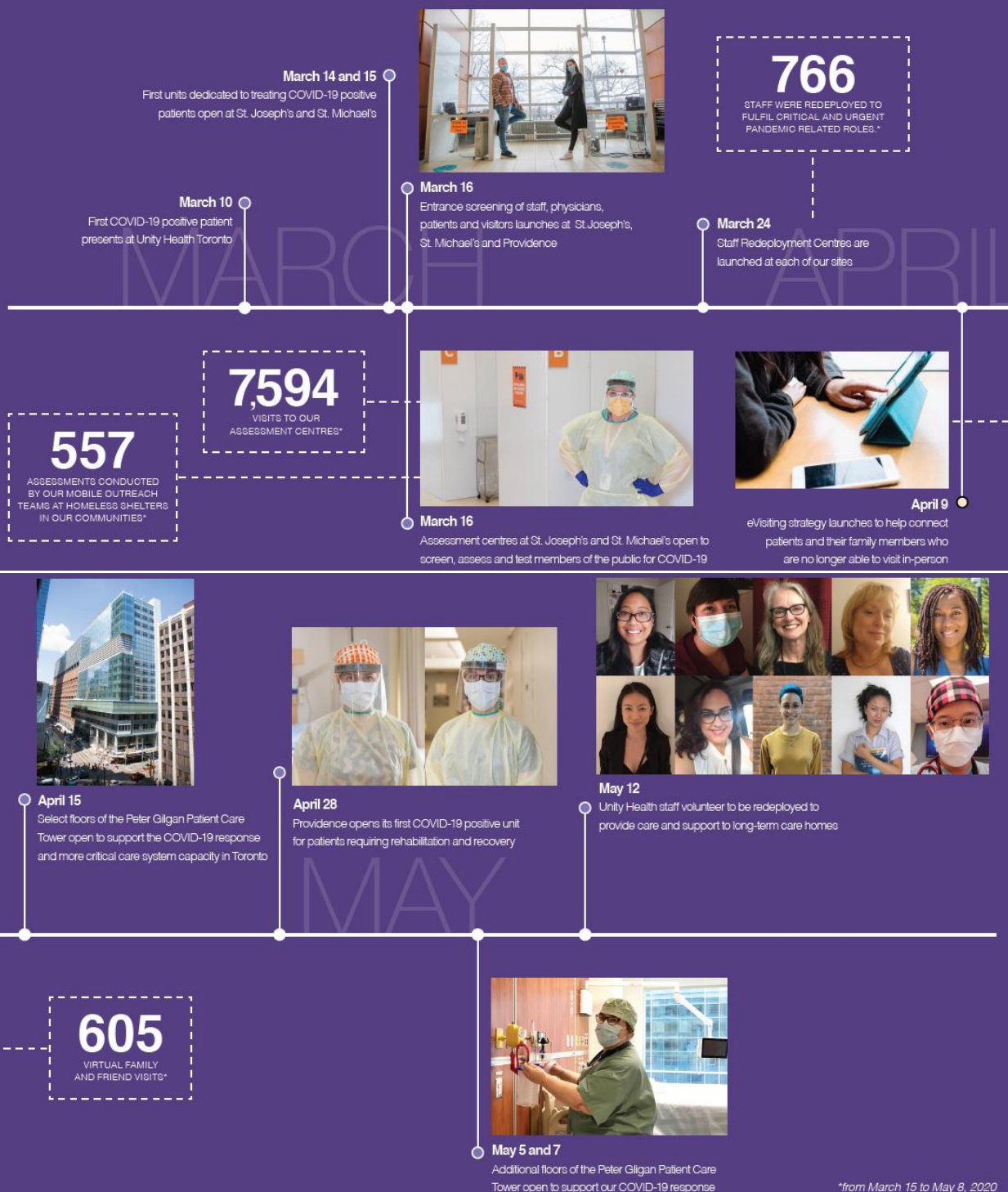
Dr. Tim Rutledge  
President & CEO  
Unity Health Toronto

Colleen Johnston  
Chair, Board of Directors  
Unity Health Toronto

*To review the Unity Health Toronto's 2019-20 Annual Report, please refer to the Unity Health Toronto's website.  
[Link to Unity Health Toronto's Annual Report 2019-20](#)*

## Our COVID-19 response

In early March of this year, our world changed. We had been preparing for the possibility that COVID-19 would arrive on our doorstep since January, and on March 10 we had our first COVID-19 positive patient present at one of our hospitals. We quickly took action to implement additional precautions to protect our patients, residents, staff and physicians. We began outreach to help support our community. And we were overwhelmed with the kindness and generosity of individuals across Toronto and Ontario towards our people.



## Board of Directors:

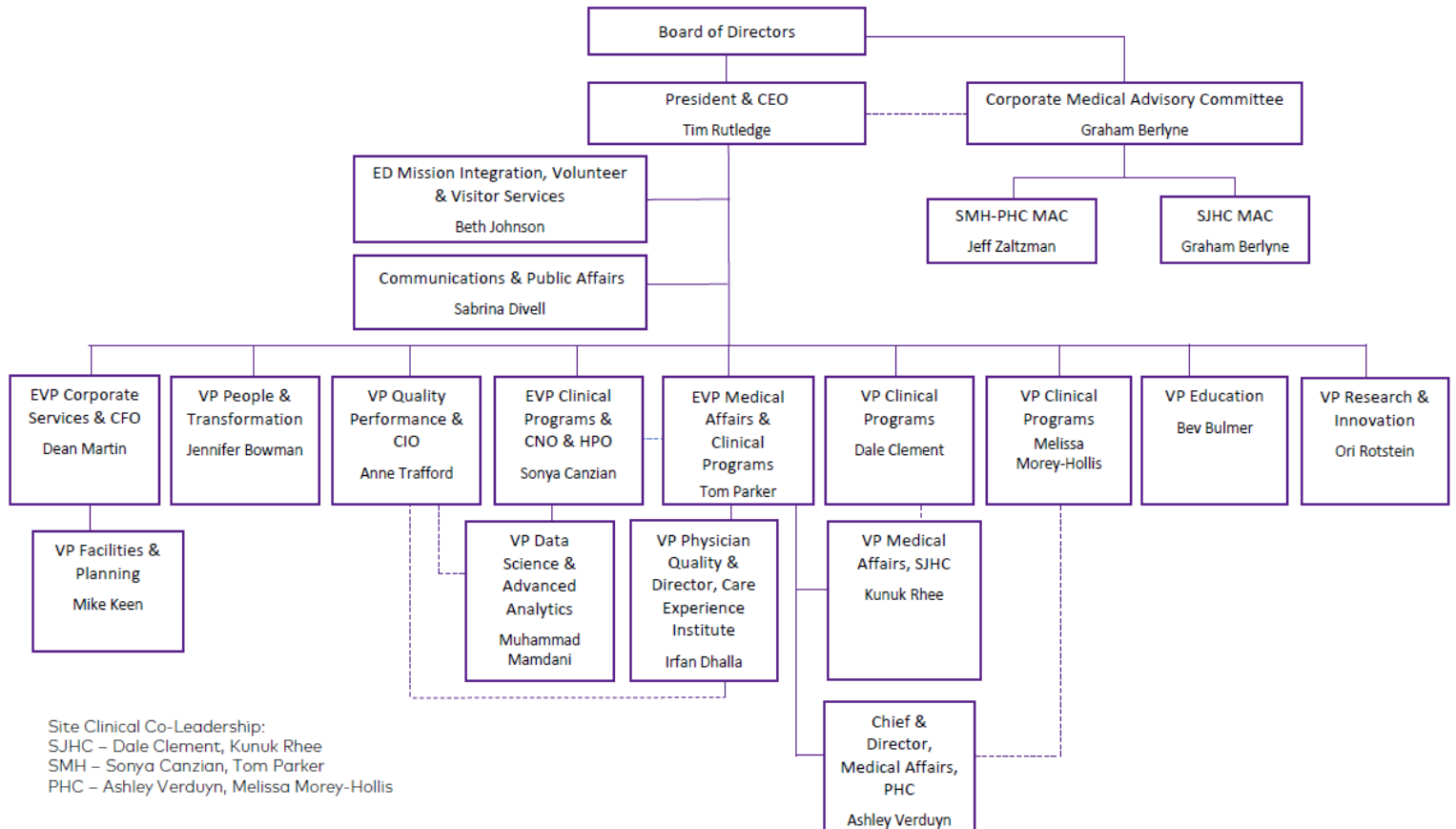
Chair	Colleen Johnston	
Vice Chair	Nora Aufreiter	
	Virginia West	
Directors	Wayne Barwise	Peter Gordon
	Domenic Belmonte	Doug Guzman
	Joe Calderone	Rosemary Moodie
	Hazel Claxton	Denise O'Neil Green
	Yves Denommé	Darryl White
	Kamala Jean Gopie	

Non-elected directors who sit on the board as ex-officio members, includes:

- Dr. Tim Rutledge, CEO and president
- David Mulroney as a representative of the Archdiocese of Toronto
- Dr. Lynn Wilson from the University of Toronto
- Dr. Jeff Zaltzman and Dr. Graham Berlyne, representatives of the Medical Advisory Committee
- Dr. Cathy Streutker and Dr. David Lipson, representatives of the Medical Staff Association
- Sonya Canzian, Executive VP of Clinical program, and Chief Nursing & Health Professions Officer
- Andrew Branion, chair of the Providence Healthcare Foundation Board of Directors
- Simon Nyilassy, chair of the St. Joseph's Health Centre Foundation Board of Directors
- John Barford, chair of the St. Michael's Hospital Foundation Board of Directors

# Organizational Structure:

## Unity Health Toronto Executive Organization Structure January 2020





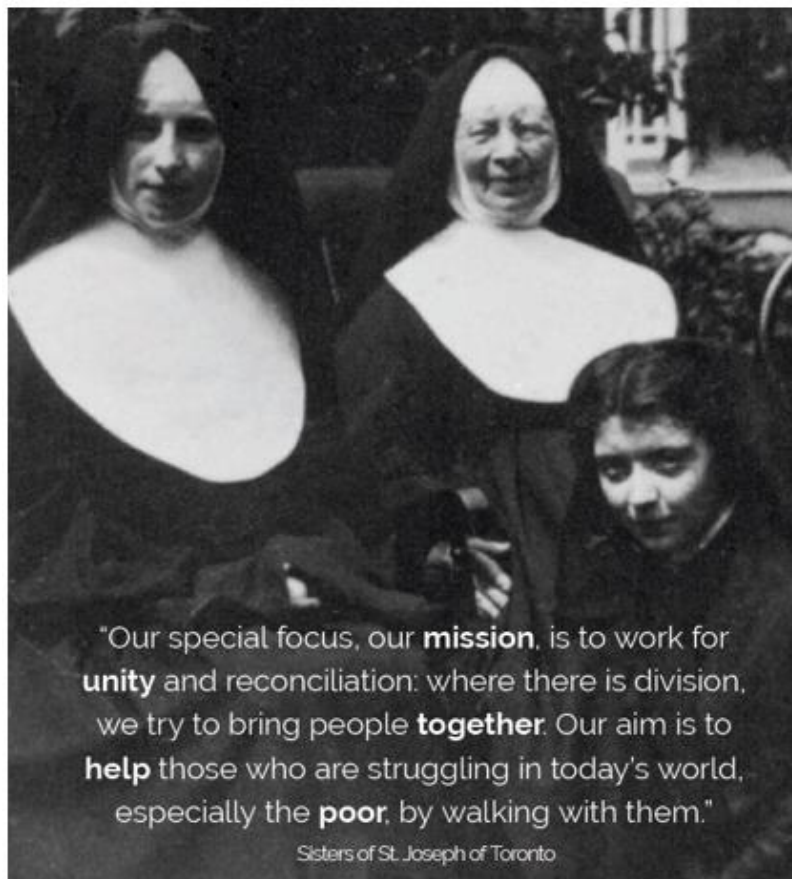
## History:



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### A HISTORY OF CARE AND SERVICE

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"Our special focus, our **mission**, is to work for **unity** and reconciliation: where there is division, we try to bring people **together**. Our aim is to **help** those who are struggling in today's world, especially the **poor**, by walking with them."

Sisters of St. Joseph of Toronto

**Our first hospital was founded by the Sisters of St. Joseph of Toronto more than 160 years ago. Today, Unity Health Toronto is Canada's largest Catholic health care provider.**

The Sisters took bold and courageous action to establish our hospitals before publicly funded health care was available. They responded to the needs of the times and provided innovative care to the poor and the homeless. Today, Unity Health Toronto continues the legacy of the Sisters by ensuring that care is available to all, especially to those who face both economic and social hardship.

Over the past year, we have been engaging our people, our patients and our sponsor – Catholic Health Sponsors of Ontario – to ensure we have set a foundation for the future inspired by the Sisters. It began with the development of our network name "Unity Health Toronto" – a name that reflects our past and brings forward an integrated and inclusive vision of the strength of partnership. Likewise, our mission statement and values were developed in collaboration with our staff, physicians, learners, volunteers, patient advisors and many others.

They reflect the same core values of compassion, respect and dignity that guided the Sisters in their work. These values transcend time and are still as compelling and relevant as they were over a century ago.

Unity Health Toronto came together in August 2017 when Providence Healthcare, St. Joseph's Health Centre and St. Michael's Hospital created Canada's largest Catholic health care provider. Built on the foundation of our harmonized mission and values, this plan outlines our vision for the future of Unity Health Toronto and the commitments we are making to the people we serve. It positions us to embrace new opportunities in Ontario's evolving health care environment and to fully harness the knowledge, skill and commitment of our people.

Unity Health's founding congregation, the Sisters of St. Joseph of Toronto, took bold and courageous action to establish our hospitals. They responded to the health needs of the times and provided innovative care. Unity Health Toronto continues this legacy through our mission and our advancement of Catholic health care.

A great deal of effort and engagement went into developing our shared vision, which is the "true north" of Unity Health Toronto's 2019-2024 strategic plan. It is our commitment to care for the whole person – body, mind and spirit. It also emphasizes that the best care experiences will be created together with our patients and their families, our partners and the people who work across Unity Health.

Our strategic plan will prepare us to meet the challenges and opportunities ahead. As we developed our vision and strategic priorities, we carefully considered the changing needs of our communities, our city and our province. We also reviewed growing global trends in health care, technology and policy. The following trends emerged:

### **Patients and families are more informed and have greater expectations of our health care system**

People's expectations of their health system and their health care providers continue to evolve. An exponential increase in the availability of information and new technologies is leading to the democratization of health care. Patients and their families increasingly want to be engaged in decisions about their care.

### **Costs of health care continue to rise**

As a result of population growth, increasing complexity of care related to aging and advances in technologies, the costs of health care continue to rise. As health care in Ontario consumes over 40% of the provincial budget, the government will be focused on finding opportunities to optimize value in health care spending.

### **Transformation mandate from the provincial government**

As part of their quest to optimize value, the provincial government has undertaken a major transformation in Ontario's health care system. This will involve significant structural changes and moving towards more integrated care delivery models. Hospitals and other health providers are forming partnerships to deliver better, more integrated services. Unity Health will continue to embrace new opportunities to better serve our communities.

### **Using data to predict outcomes**

As we move into the era of big data and artificial intelligence, we will apply cutting edge computational and digital approaches that use data to enable us to make better decisions in real time.



# Vision, Mission and Values:

At Unity Health Toronto, we are deeply committed to our mission and values. These are foundational to everything we do. They set the foundation and guide our decisions. Our three hospitals have a strong history of seeing the need in the communities we serve and then doing whatever is necessary to meet those needs with compassion and care. This was the commitment made by the Sisters of St. Joseph to those they served, and now united, it is one that we uphold together. Our values are the guiding principles that express of our commitment to each other, to those in our care, and to our legacy.

## Our Vision

The best care experiences. Created together.

## Our Mission

Unity Health Toronto is a Catholic health care organization providing compassionate physical, emotional and spiritual care to all in need.

We advance excellence in health care through world-class education, research and innovation.

## Our Values

Unity Health's values reflect the universal values of respect, dignity and compassion. These values define the tradition in care and drive actions and decisions focused on the patients, staff, and the community Health:

- **Human Dignity** - We affirm that every person has sacred value and is worthy of respect.
- **Compassion** - We enable health and healing by understanding each person's needs.
- **Excellence** - We strive to innovate and continuously improve to achieve quality and the best care.
- **Community** - Together we embrace diversity, trust and teamwork to fulfill human potential.
- **Inclusivity** - We foster an inclusive, welcoming environment where everyone is treated equitably and without judgement.

*To review the complete strategic plan and a list of the strategic priorities for Unity Health Toronto, please refer to the Unity Health Toronto's website.*

[Link to Unity Health's 2019 – 2024 Strategic Plan](#)



## OVERVIEW OF THE STRATEGIC PLAN COMPONENTS

There are nine interrelated components of our strategic plan that will contribute to the achievement of our vision.

### Integrated care for our urban communities

We will work closely with our patients and partners to seamlessly integrate each person's health care journey, doing all we can to create healthy communities across our city and beyond.

### Excelling in care for people experiencing disadvantage

We will work with our teams and our partners to make sure everyone can access the care they need with respect and compassion. Consistent with the mission of Catholic health care, we will make particular efforts to meet the needs of those in our communities at risk of being marginalized or who experience disadvantage in our society.

### Leading in world-class specialty care

We will create care experiences that support and empower our patients with complex diseases throughout their care journey and we will contribute to leading practices in our specialty areas.

### Joy in work for our people

We will foster a culture that empowers our people to realize meaning and purpose in their work.

### Impactful research and innovation

We will create a seamless bridge between research findings and patient care delivery.

### Reimagining teaching and learning

We will be leaders in integrated health education, driving system change.

### Achieving quality together

We will have a relentless focus on all dimensions of quality care, which include care that is: effective, safe, timely, patient and family partnered, efficient, equitable, integrated and supportive of provider wellness.

### Revolutionizing care through digital transformation

We will harness the power of information and advanced digital solutions to positively impact quality, the care experience and operational excellence.

### Investing in our future

We will build a more nimble culture that makes decisions through a value lens and we will be stewards of the environment by reducing the impact we have on the planet.

# Strategic Plan 2019-20 – Update:

## Strategic Plan:

This strategic plan is the culmination of months of research and engagement. We reviewed emerging local, provincial, national and global trends in health care. We took a deep dive into our own work to examine our service areas and patient mix across our three sites. We looked carefully at the communities we serve and how they are growing and changing.

We invited our partners, our patients, families and our communities to join us in our planning journey. Through interviews, focus groups, surveys and pop-up booths, we asked people to tell us what they want from Unity Health Toronto, where they feel we should and must contribute, and we asked people to tell us about their aspirations for Unity Health. We asked people to dream big.

This plan is the result. This document outlines our vision for the future of Unity Health Toronto and the commitments we are making – together.

At some point in life, every person comes into contact with the health care system. We are patients, family members, loved ones – each with our own values, history, perspectives and hopes. We are staff, physicians, learners and volunteers – each with our own goals, priorities and challenges. Each one of us is unique and important.

Throughout this document we have tried to use inclusive language reflecting the wide range of people receiving and providing care. There are a few terms we use throughout this document that we will explicitly define in this introduction.

When we use the word “patient” in this document, we are referring to our patients, clients and residents – all those we serve. When we say “family,” we are including anyone who our patients consider to be their family; e.g. their caregivers and loved ones.

The many people who are part of our care team include nurses, allied health workers, physicians, environmental services teams, porters, trainees, volunteers and many more. In fact, everyone who works at Unity Health makes important contributions to patient care, as well as those we partner with outside our hospitals.

When we say, “patient and family partnered,” we are referring to how we work together with our patients and families to provide the best possible care experiences that are respectful of the needs and values of each individual. To do this, we will collaborate with patients in a meaningful way in everything we do from individual care decisions to organizational choices.

When we say “people experiencing disadvantage,” we are thinking of the vulnerable members of our community who face complex social or health challenges, often as a result of systemic inequities and marginalization. We acknowledge that there is no single way to represent the variety of individuals, groups and populations that face such challenges and we continue to listen and learn from the lived experience of those we serve.

## Relationship to Strategic Plan:

The Business Plan is the enabling document that outlines the allocation of resources to deliver on the Strategic Plan. Operating, volume and service levels, as well as capital budgets were established by evaluating proposed activities in relation to their impact on ongoing operations and their ability to advance Unity Health's Strategic Plan.

The evaluation of new investments and activities considered how effectively the requests linked to strategic outcomes and priorities and help move the organization's vision forward to deliver the best care experiences, created together.

Specifically, the reinvestment phase of the planning process allowed leaders to present initiatives and ideas that demonstrated alignment between work plans and strategic priorities. The result is a business plan that is created in support and in alignment with foundational documents and provides appropriate resources to local ownership for achieving the Unity Health's strategic priorities.

## Update:

In our [five-year strategic plan](#), we committed to advancing [nine integrated strategic components](#) that push us towards achieving our vision – *The best care experiences. Created together.*

Our 2019-20 objectives are the accountabilities for the first year of our plan. We committed to track and report on them through a [balanced scorecard](#), along with our Quality Improvement Plan goals and overall financial performance. These set the framework to cascade accountabilities to our leaders, along with supporting portfolio goals.

## Balanced Scorecard:

The scorecard summarizes the quarterly performance for the fiscal year 2019-20 objectives:

- Strategic objectives
- Quality Improvement Plan goals
- Operational objective to achieve a balanced budget

## Summary

Looking at overall achievements at year-end, there are many areas where we have advanced our strategic components and are on track to achieve our vision. Areas that continue to challenge the Unity Health include:

- Improve timely response by management to reported incidents of violence
- Balanced budget in 2019-20
- Quality Improvement Plan
  - o Emergency Department Length of Stay: Time it takes for an admitted patient in the emergency department to be placed in a bed on a patient unit (St. Joseph's Health Centre and St. Michael's Hospital)
  - o Discharge Experience: Provision of the right information before leaving hospital for a smoother transition home (St. Michael's Hospital)

# Enterprise Risk Framework:

Unity Health has fully transitioned to HIROC's Integrated Risk Register using a common framework and taxonomy that facilitates the identification, assessment, mitigation, management and reporting of key organizational risks that are assessed and validated on a quarterly basis.

We are able to create a concise summary of the most significant risks, identify immediate and longer term mitigation and determine whether the residual risk is at an acceptable level. Working directly with Executive Leadership and input from the Resources Committee of the Board we continue to evolve our Enterprise Risk Management Framework and as it matures we have seen a further refinement of the risk descriptions, migration controls and monitoring resulting in several enhancements to the Risk Register.

In addition to assisting leaders in their day-to-day decision-making, our framework provides us with a strategic and comprehensive focus to addressing the broader key risks that require sustained attention by senior leadership, providing the mechanism for our Board to work with the CEO to oversee key corporate risk and ensure contingency and mitigation plans are in place. The effective identification, mitigation and management of risks contribute to improved decision-making, better allocation of resources and ultimately increased quality and safety for our patients and staff. We have fully evolved from reactively managing risk to proactively assessing risk, embedding continuous improvement and a cohesive consistent approach to risk that informs decision-making, and ultimately leads to better overall performance.

The top corporate risks at the end of fiscal year 2019-20 are:

	Top Corporate Risks 2019-20
1	<b>Care:</b> Access, Patient Experience
2	<b>Finance:</b> Capital, Operating
3	<b>Facilities:</b> Building Projects, Aging Infrastructure
4	<b>Human Resources:</b> Workplace Safety, Wellness and Engagement
5	<b>Leadership &amp; Governance:</b> Emergency Preparedness and Response to COVID - 19
6	<b>Research</b>
7	<b>IM/IT:</b> Breach/Loss of Information, Technology Use/Strategic Project
8	<b>Leadership:</b> Politics/Policy Change, Change Management
10	<b>Regulatory:</b> Legal Compliance

The most significant change from the previous quarter is the emergence of the COVID -19 pandemic.

# Quality Improvement Plan:

## 1. Falls Prevention & Injury Reduction

We successfully reduced the number of falls resulting in serious injury (i.e. moderate harm, severe harm or death) from 97 to 70, exceeding our target of 89 across the organization. We implemented several initiatives.

Our patient partners were intimately involved with the development of a patient-facing safety tool to aide in falls and injury prevention. They shared examples from their real lived experience which helped to inform the content of the tool including replacing the language of falls “prevention” with falls “awareness” and a campaign (Moving Safely) aimed to encourage people to move and participate in their rehabilitation and recovery in a safer way.

At St. Michael’s Hospital, intentional rounding was implemented on remaining units (i.e. units that did not already have intentional rounding in place) which allowed falls risks and other safety concerns to be proactively identified. At St. Joseph’s Health Centre, the language of “Falls Awareness” has been emphasized and reiterated, as has the need to approach safety plans at an individual patient level, specifically including the patients’ own goals as a motivator. At Providence Healthcare, a falls risk re-assessment process was developed and implemented for Alternative Level of Care (ALC) patients with an extended length of stay. This initiative recognized a gap in the frequency of reassessments based on patient’s coded status as ALC and aimed to address new and on-going falls risks consideration of the patient’s safety regardless of acuity level. In our long-term care home, staff continue to use the Point of Care documentation stations that have been relocated closer to resident rooms. In addition, Physicians and Pharmacists are working together to incorporate a fracture risk assessment on admission, that is based on Osteoporosis Canada fracture prevention guidelines. This risk assessment will enable the appropriate targeting of Osteoporosis medications/vitamins to aid in fracture prevention.

## 2. Workplace Violence Prevention

Our focus and goal this year was to increase reporting of workplace violence. A critical success factor was modifying the Safety and Security module in Safety First to capture workplace violence incidents that were previously being missed. We continue to focus on workplace violence prevention including identification of patients at risk of responsive behaviors or aggression and the implementation of behavioral care plans to guide safe care practices, support staff and improve patient safety. Departmental risk assessments are performed to identify risks of violence to our people and the people we serve and help inform the implementation of mitigation strategies.

## 3. Emergency Department Length of Stay – Time to Inpatient Bed

St. Joseph’s Health Centre had a baseline of 39.1 hours with a target to reduce by an hour in 2019-20. Despite a review and reset of operational leadership and improvements including a rapid improvement event that brought together management and front-line staff to discuss barriers, wastes and gaps in our current processes, identify and test improvement opportunities, St. Joseph’s Health Centre has continued to experience high wait times (42.1 hours year end) with particularly long time to inpatient bed times in Mental Health (7M) and in Medicine. Initial improvement focus was placed on Medicine units in the areas

of bed status communication process, notification of patient arrival on the unit, standard work for porters in patient transfers and a mini-operations centre to co-locate porter, environmental service and flow staff.

St. Michael's Hospital had a baseline of 21.5 hours with a target to reduce by thirty minutes in 2019-20. The first two quarters showed favorable performance, exceeding target with results of 20.3 and 19.8 hours respectively. In quarter three, performance declined to 23.8 hours, largely due to high volumes and isolation restrictions associated with the flu season. Year end results performance was 21.9 hours. Despite these challenges, the St. Michael's Hospital Cardiology and General Internal Medicine (GIM) programs continued to focus on specific strategies to decrease the time it takes for a patient to be admitted to a unit bed. The Cardiology team addressed its unplanned direct admit problem; implemented a daily telemetry utilization review; altered rounding and developed a time to inpatient bed escalation protocol. The GIM team also implemented a daily telemetry utilization review and additionally focused on reducing bed-turn-around time by putting into operation bed clean notification emails and standard work around discharge including the use of a discharge checklist. These teams now monitor their performance weekly and conduct huddles to focus on the processes being improved. These huddles occur during staff meetings and results are displayed on unit quality boards where everyone can see current performance data and the team is engaged in solution generation.

Access, as a value stream, reflecting patient flow into and through the hospital is a priority area of focus for 2020-21. As part of this work, early waste identification at St. Joseph's Health Centre has highlighted the need to work on our bed assignment and bed turn-around time processes and an ED – CT Rapid Improvement Event (i.e. Kaizen) at St. Michael's Hospital revealed several opportunities to decrease turn-around times associated with ordered CT scans thereby reducing length of stay for all ED patients (i.e. high acuity, low acuity & admitted). Gains were expected to be observed post implementation in Q1 2020-21; however, the impact of the COVID-19 pandemic on implementation is pending at this time. Improvements are planned to be spread to other modalities, where appropriate.

#### **4. Discharge Experience**

Patients and their families are provided with many pieces of information at discharge to support them in managing their condition and recovery after they transition home from hospital. How this information is provided is key to ensuring patients and families understand and know what to do when they are discharged home. This year we focused on ensuring patients receive the right information at discharge so they feel confident that they knew what to do if they become worried about their condition or treatment after they leave the hospital. The main intervention to address this goal at our two acute sites was the provision of a standardized Patient Oriented Discharge Summary (PODS) sheet to every patient being discharged home. The PODS tool is a patient-friendly summary of critical information a patient requires when transitioning home after surgery or acute medical treatment. This includes who to contact if they have questions or concerns about their condition.

At Providence Healthcare we worked with inpatient units where a version of the Patient Oriented Discharge Summary (PODS) was already in place to further enhance the information provided for patients and their families. Improvements to the tool, and its delivery, were made.



Through the use of discharge experience phone-calls we measured how confident patients were, post discharge home, in knowing what to do if they became worried about their condition or treatment. These phone calls were completed within 48-72 hrs of discharge and provided real-time feedback to the units to inform further improvements.

Data from all sites from April 2019 to the end of February 2020 indicate that targets were surpassed at Providence Healthcare and St. Joseph's Health Centre. However, the year end target for St. Michael's was not met. This is attributed to a lower sample size and lower top box score (50%) for one unit at St. Michael's. This unit's performance improved to 90% in February. However, discharge phone calls were suspended in March 2020 due to the COVID19 pandemic.

Throughout the improvement initiative an important lesson learned included the need to account for considerable variation in the needs of different patient populations. Another important aspect of this intervention is how this information is delivered. Having a process whereby the PODS tool is not only provided to the patient but also reviewed using a "teach-back" method tends to better support the uptake of information by the patient. This was a main focus at all three sites and key to the overall success of this initiative.

## 5. Resident Experience

An initial resident focus group to understand current knowledge of the complaint process and to gain insight on how awareness of the process could be improved led to a process re-design and the guideline development for appropriate follow up from staff. Our improvement goal was to increase the per cent of residents who respond positively (always and usually) to *"I am aware of the process for initiating a concern or complaint"* from 28 to 30 per cent. Results of our most recent Resident Survey showed we far exceeded our target achieving 46%.

## 6. Pressure Injury Prevention in the Houses

The Houses of Providence Pressure Injury and Prevention program proved to be effective, reducing the number of new stage II-IV pressure injuries from 42 to 27 surpassing our target of 38. The program includes identifying high-risk residents using a standardized screening tool and having a corresponding weekly review with all unit staff across all shifts. There is an e-learning module for staff and one on one education sessions at the time of collaborative wound assessment. On-going education and learning also occurs following wound consultation requests, incident reports, assessments and staging and in evaluating prevention and management strategies. A pamphlet has been developed for residents and families to provide information on risk factors and preventative methods for pressure injuries. The pamphlet outlines the assessment process in place and how to get additional information.

# Financial Planning Framework

The Financial Plan comprises three main budget components:

- **Volumes and service levels:** these are represented levels of service that Unity Health provide, both in the hospital and the community, this includes targeted volume funded activity.
- The **operating budget** is comprised of the revenue and expenses associated with the day-to day operations of hospital programs, support areas, and corporate services. Primary sources of revenues are LHIN/MOHLTC funding, Cancer Care Ontario funding, Client Revenue including accommodation, OHIP billings, and commercial operations (health centre parking, facility rentals, and gift shop). These revenue sources support the cost of salaries and benefits (approx. 60% excluding medical remuneration), drugs, medical/surgical supplies, other supplies and other non-salary related expenses.
- The **capital budget** reflects the funding sources and uses for capital equipment, redevelopment projects, and information services.

The 2019-20 plan is a foundational plan aimed at creating key enabling factors for the continued transformational change at Unity Health Toronto. The plan builds upon the 2019-24 strategic plan and our vision of *“The best care experiences. Created together.”* The financial plan considered the resources required to advance Unity Health’s priorities and link to other key enabling documents including the Quality Improvement Plan (QIP) which outline projects dedicated to advancing Unity Health’s priorities.

The budget planning process was designed to align operations with the strategic directions established under the 2019-24 strategic plan. As the network progresses through its strategic directions, quality improvement plan and master planning efforts, the operating plan seeks to establish financial stability and sustainability of the organization, including multi-year planning horizons.

## How are volumes and services translated into the budget

As part of the funding agreement with the provincial government, Unity Health Toronto is mandated by the Hospital Service Accountability Agreement (H-SAA), Multi Sector Service Accountability Agreement (M-SAA) and Long-Term Care Service Accountability Agreement (L-SAA). The organizations operating plan articulates concrete deliverables as they relate to service levels and volumes. Within the accountability agreements Unity Health Toronto has targets associated with clinical service activity, which include total acute and day surgery weighted cases, emergency department weighted cases, mental health weighted days, total ambulatory visits, etc. As the health-care funding framework evolves, specifically defined procedures have transitioned from global funding to activity based funding. Examples of volume funded activity are bariatric surgeries (priority and provincial services), allocations to reduce wait times (CT/MRI), specialized activity (cancer surgeries), and quality based procedures such as hip and knee replacements, congestive heart failure and stroke.

A key component of Unity Health’s 2019-24 Strategic Plan is a common understanding of key health system trends and priorities, and to align efforts that will contribute positively to broader health system issues. The key trends and priorities identified are:

- Health system transformation
- Economic constraint and changing funding models for health service providers
- Increasing emphasis on quality and experience of the patient journey across the health system and multiple providers

Unity Health's operational plans include initiatives dedicated to advancing the network priorities.

Clinical programs continue to implement and enhance the recommendations provided in the Quality Improvement Plan (QIP), analyzing current service and outcome data; examining new models of care employed across the globe and considering the themes of the strategic plan with the aim of aligning the network's clinical services with the ever evolving patient needs over the next three to five years.

Over the past year, in collaboration with clinical programs, finance and decision support, the network examined the allocation of bedded resources in the organization in an effort to better anticipate and meet patient demand. The ultimate goal has been to provide the right care for patients, in the right environment, at the right time, in the most efficient way possible.

The objective of the Financial Plan is to build upon the prior year's budgeting approach and align program utilization to the Ministry's funding methodologies, maximizing patient centered funding model and volume funded activities such as Quality Based Procedures (QBP).

### **What is an operating budget?**

The network's annual operating plan depicts the anticipated spending requirements and revenue estimates required to support the organization's day-to day operations. The leadership team has created a balanced budget plan where anticipated revenues and expenses are equal.

Primary expense categories include:

- Salaries and benefits
- Physician remuneration
- Medical surgical supplies
- Drugs and gases
- All other supplies (utilities, contracted service costs)
- Depreciation of capital equipment and building renovations

The objective of the 2019-20 budget planning approach was to build upon the previous year's operating budgets where sustainable budgets were established based on allocations driven by clinical activity, acuity and service levels. The network utilized expected service volume and acuity information to inform and identify budget sustainability opportunities within service providing portfolios and define service levels by unit.

The 2019-20 planning process included a framework for capital investments prioritization, which included considerations such as advancing the strategic directions, enabling the clinical service planning and operational sustainability. Capital resources have become scarce due to the large infrastructure needs of the network and a fixed Health Infrastructure Renewal Funding (HIRF) annual allocation.

### **Financial guidelines and practices**

In creating the 2019-20 Operating Plan, the leadership team conducted an environmental scan to assess budget risks and opportunities and undertook a prudent approach to revenue and expense planning. This included planning assumptions that incorporate funded levels consistent with current or confirmed service levels. All cost and revenue assumptions including funding methodology assumptions were developed using historical data and the best knowledge available to align budgeted cost with anticipated revenue.

## Planning principles

The main planning principles include:

- a) **Balanced financial plan:** Unity Health Toronto's budget is a balanced annual financial plan where anticipated revenues and expenses are equal. This includes building amortization. This approach results in a positive contribution margin as measured by the H-SAA indicator Total Margin (hospital sector). The Total Margin (hospital sector) is a measure of hospital operating surplus/ deficit excluding building amortization and interest of long term debt. The positive contribution margin allows for appropriate capital outlays with respect to building infrastructure renewal and deferred maintenance and results in sustainable operations.
- b) **Expense alignment with service provision:** New features of the budgeting system enabled us to compare to prior year operating budgets and review actual expenditures while preparing current year budgets. The result of the process was the establishment of an approved baseline for operations.
- c) **Transparent decision making framework:** Fiscal 2019-20 used the same approach as in the prior year, where a review of draft operating budgets were undertaken by steering committee prior to final submission to the Executive Team.
- d) **Approval of Capital, Redevelopment, and Information Services (IS) projects:** Requests for the use of funds to be directed towards capital, redevelopment and IS projects are submitted to the Capital Review Committee. Capital requests must align with the Hospital's strategic priorities. The criteria used to evaluate the projects include:
  - Strategic Alignment
  - Safety and Risk Management
  - Return on Investment
  - Externally Enforced Mandatory Requirement/Reporting
  - Standard and Guidelines
  - Change in Practice or Supporting Current Practice

The funding sources for capital, redevelopment and IS projects are subject to annual Ministry approved funding allocations, Foundation contributions and the network's operating budget availability. As such the capital review committee reviews the financial impact of each priority project and ranks the projects resulting in a recommended project list for Executive Team consideration.

## Integrated Planning

Building from our vision of *"The best care experiences. Created together."*, the business plan considered the resources required to advance the network's priorities and link to other key enabling documents like the Quality Improvement Plan and the Clinical Services Plan. The planning process clearly articulated the resources required to enable these projects and resources were allocated in line with projects and deliverables. This was made possible through broad consultation and enabling leaders to assess investments and resources based on criteria related to advancing our strategic plans.

## Fiscal Year 2019-20 Results

Unity Health Toronto ended the fiscal year 2019-20 with a surplus position of \$5million (this excludes \$106.5 million expenses associated with the transfer of the three hospital site pension plans to the Healthcare of Ontario Pension Plan. With the net pension impact of \$106.5 million included, Unity Health ended the fiscal year with a deficit position of (\$101.5 million). Revenues were unfavourable to budget by (\$6.6 million) while expenses were favourable to budget by \$11.6 million, both primarily due to unrecognized Post Construction Operating Plan (PCOP) funding and unspent expenses. Research ended the year in an unfavourable position of (\$0.1 million) contributing to Unity Health's favourable position to budget by \$5 million, without pension impacts.

### Statement of Operations – Revenue

	Audited 2019	Audited 2020	YoY %	FY Budget	Bud Var	YoY \$
MOHLTC / LHIN / CCO	877,352	903,600	3.0% <sup>5</sup>	900,356	3,244 <sup>1</sup>	26,248 <sup>5</sup>
Patient Revenue from Other Payers	60,252	65,365	8.5% <sup>6</sup>	65,785	(420) <sup>2</sup>	5,113 <sup>6</sup>
Other income	89,719	88,551	(1.3%) <sup>7</sup>	93,544	(4,992) <sup>3</sup>	(1,168) <sup>7</sup>
Interest Income	3,256	4,730	45.3% <sup>8</sup>	2,824	1,906 <sup>3</sup>	1,474 <sup>8</sup>
Research Revenue	81,758	87,792	7.4%	87,792	-	6,034
Deferred Capital Contribution Amortization	20,082	22,071	9.9% <sup>9</sup>	28,410	(6,339) <sup>4</sup>	1,989 <sup>9</sup>
<b>Total Revenue</b>	<b>1,132,419</b>	<b>1,172,109</b>	<b>3.5%</b>	<b>1,178,710</b>	<b>(6,601)</b>	<b>39,690</b>

- MOH/LHIN/CCO:** The favourable \$3.2 million variance is primarily due to recognition of prior years' deferred revenue, over achievement of funded volumes and incremental Ministry funding. This includes provincial programs like neurosciences (ruptured aneurysms and CitiCall) and Wait Time Strategy Funding (CT & MRI).
- Patient and other revenue:** The unfavourable variance to budget was primarily due to lower patient revenue that was compounded by increased compassionate care and lower preferred accommodation (private and semi-private charges) revenues. The variance is also negatively impacted by the outbreaks at St. Joseph's Health Centre requiring to isolate patients and minimizing bedded revenue opportunities and includes positive impacts from planned improvements in billings. We continue to identify key drivers and mitigation strategies. As part of our strategy in providing care to the disadvantaged, many of our patients do not have insurance.
- Other and interest income:** The unfavourable (\$5 million) other income is primarily due to lower compensation and supplies recoveries, which are offset by favourable variances in compensation and other supplies expenses. The interest income is favourable to budget due to improved interest rates.
- Amortization of deferred capital contributions:** Unfavourable to budget position by \$6.3 million is primarily due to the delay in the new patient care tower opening.

### Year-over-Year Comparison:

Comparing to last year Unity Health's revenue ended in a favourable position of \$39.7 million, primarily driven by :

- Ministry revenue \$26.2 million (3%) due to increases in both global and volume funding, as well as an additional 30 ALC Unity Health beds at Humber River Hospital.

To review the complete audited financial statements, please refer to the Unity Health Toronto's website.  
[Link to Unity Health's 2019-20 Audited Financial Statements](#)

6. Patient Revenues are \$5.1 million (8.5%) above last year due to increases in non-OHIP billing, self-pay, preferred accommodation and professional fees for increased volumes in diagnostic labs.
7. Other income is \$1.2 million (1.3%) lower than prior year, despite increases in retail pharmacy revenues of \$3.9m. The underlying reductions are driven by lower foundation donations and reductions in alternative revenue channels.
8. Interest income is above last year \$1.5 million (45%) due to higher interest rates and cash balances.
9. Amortization of deferred capital contribution is \$2 million (10%) above last year driven by increase in capital spend.

#### Statement of Operations – Expenses and Grand Total

	Audited 2019	Audited 2020	YoY %	FY Budget	Bud Var	YoY \$
Salaries, Wages and Benefits	663,155	723,516	(9.1%) <sup>7</sup>	726,958	3,442 <sup>1</sup>	(60,361) <sup>7</sup>
Medical and Surgical Supplies	79,964	81,808	(2.3%) <sup>8</sup>	81,343	(465) <sup>2</sup>	(1,844) <sup>8</sup>
Drugs and Medical Gases	61,262	66,723	(8.9%) <sup>9</sup>	63,469	(3,253) <sup>3</sup>	(5,461) <sup>9</sup>
Other Supplies and Expenses	146,277	144,785	1.0% <sup>10</sup>	149,782	4,997 <sup>4</sup>	1,493 <sup>10</sup>
Bad Debts	5,019	9,392	(87.1%) <sup>10</sup>	4,350	(5,042) <sup>5</sup>	(4,373) <sup>10</sup>
Interest Expenses	304	2,828	(829.4%) <sup>11</sup>	4,707	1,879 <sup>6</sup>	(2,524) <sup>11</sup>
Research Expenses	82,457	87,898	(6.6%) <sup>12</sup>	87,898	-	(5,440) <sup>12</sup>
Amortization	51,066	50,135	1.8% <sup>13</sup>	60,203	10,068 <sup>6</sup>	932 <sup>13</sup>
<b>Total Expenses</b>	<b>1,089,504</b>	<b>1,167,085</b>	<b>(7.1%)</b>	<b>1,178,710</b>	<b>11,626</b>	<b>(77,581)</b>
<b>Surplus / (Deficit) prior to Pension</b>	<b>42,915</b>	<b>5,024</b>		<b>-</b>	<b>5,024</b>	<b>(37,890)</b>
Pension Transfer to HOOPP - Expenses	156,933	106,479	-	-	(106,479)	50,454
<b>Surplus / (Deficit)</b>	<b>(114,018)</b>	<b>(101,455)</b>	-	<b>-</b>	<b>(101,455)</b>	<b>12,563</b>

The \$11.6 million favourable to budget expenses were primarily driven by:

1. **Salaries, wages and benefits:** favourable compensation \$3.4m primarily due to vacancies and lower recoverable compensation that could not be utilized per original plan.
2. **Medical and surgical supplies:** The unfavourable variances to budget of (\$0.5m) is primarily due to overspending associated with outbreaks, complex cases and higher tertiary care. St. Michael's Hospital is a provincial resources for Structural Heart Program (TAVI/Mitral Clip), valve replacements, endoscopy, oncology drugs, etc., due to the extreme complexity of this activity; these cases have high supply costs. TAVI and other cardiac procedure case mix is higher than plan and these costs are offset by additional Ministry revenue.
3. **Drugs and medical gases:** Drugs and gases are unfavourable to budget by (\$3.2 million) primarily due to the retail pharmacy and Cancer Care Ontario funded drugs plan, both of which are offset by revenue.
4. **Other supplies and expenses:** favourable other supplies \$5 million primarily due to lower other income and external recoveries offset with higher cost due to cleaning associated to infectious outbreaks and increased maintenance.

To review the complete audited financial statements, please refer to the Unity Health Toronto's website.  
[Link to Unity Health's 2019-20 Audited Financial Statements](#)

5. **Bad Debts:** The negative variance (\$5.0m) is primarily due to compassionate care and the impact of COVID-19 in March 2020.
6. **Interest expenses and Amortization:** Interest expenses are favourable to budget by \$1.9m while Amortization is favourable to budget due to unspent expenses of \$6.8m (due to the delay in the new Patient Care Tower opening) and unspent capital amortization of expenses.

#### Year over Year Comparison:

A comparison to last year, illustrates that Unity Health's expenses increased by \$77.6m, primarily driven by :

7. Compensation costs showing an increase of \$60.4m (9.1%). A large portion of the year over year increase in compensation is related to pension costs recorded last year, which were exceptional and one time in nature due to the Pension transfers to Healthcare of Ontario Pension Plan (HOOPP). Excluding the Pension impacts the total compensation costs increases 2.8% year over year, the worked hours remain relatively static and as such these increases are driven by annual inflationary increases and step progression.
8. Medical & Surgical Supplies are \$1.8m (2.3%) above last year, driven by additional volumes mainly relating to provincial programs.
9. Drugs and medical gases are \$5.5m higher than last year, driven by increased drugs purchases as a result of higher sales within the retail pharmacy (\$3.6m) offset within Other Income and cancer care drugs (\$1.0m).
10. Other Supplies and Expenses are \$1.5m below last year as a result of savings in multiple areas.

#### Case Weights, Volumes & Market Growth by Care Types

	Acute Inpatient HIG Weighted Cases		Day Surgery CACS ON Weighted Cases		ED CACS ON Weighted Cases		CCC RUG Weighted Days		Inpatient Rehab Weighted Cases		SCIPP Weighted Patient Days	
	2018/19	2019/20	2018/19	2019/20	2018/19	2019/20	2018/19	2019/20	2018/19	2019/20	2018/19	2019/20
Weighted Cases YoY Variance	Acute IP +0.96%		Day Surgery -0.90%		ED -0.67%		CCC -0.56%		Rehab +5.41%		Mental Health +3.22%	
Patient Discharges	46,150	45,975	44,330	43,784	176,356	173,702	37,547	38,339	2,256	2,295	28,991	29,969
Volumes YoY Variance	-0.38%		-1.23%		-1.50%		+2.11%		+1.73%		+3.37%	
HSAA YTD Target	72,380		9,301		8,100		39,737		2,538		--	
YTD Target Variance	4,079		179		1		-54		432		--	

Unity Health achieved, or is within corridor for, all of their Service Accountability Agreement service level targets. Comparing year over year Unity Health is showing a growth of 0.96% in acute inpatient HIG weighted cases. St. Joseph's Health Centre increase is due to additional inpatients from launch of Humber River Church site in May 2019 while St. Michael's increase is due to higher volume and weight per case for intracranial vessel/ brain intervention and vascular intervention. The year over year decline in day surgery and ED CACS ON weighted cases is due to reduction of day surgery activity and ED visits in March as a result of COVID-19.

To review the complete audited financial statements, please refer to the Unity Health Toronto's website.  
[Link to Unity Health's 2019-20 Audited Financial Statements](#)



**Statement of financial position:**  
**As at March 31, 2020**

	2020	2019
	\$	\$
<b>Assets</b>		
Current assets		
1 Cash and cash equivalents	102,095	112,798
2 Accounts receivable	47,688	36,046
Inventories	7,806	6,443
Prepaid expenses and other assets	6,330	7,600
Residual pension assets to be transferred	-	63,850
Pension benefits - registered plan	-	104,748
1a Restricted cash and investments	217,166	200,593
	<b>381,085</b>	532,078
Long-term assets		
1a Restricted cash and investments	109,465	104,684
4 3.0 redevelopment project - long term funding receivable	63,218	83,654
3 Property, plant and equipment	973,002	959,638
	<b>1,526,770</b>	1,680,054

<sup>1</sup> Cash and Cash equivalent of \$102m has decreased year over year by \$10.7m and is driven by cash utilized by Operating Activities (\$55m), additionally, the \$63m increase in cash utilized is driven by spending on large foundation and ministry funded renovation projects, ancillaries and equipment for St. Michael's Hospital 3.0 Project (SMH 3.0 – Project related to New Patient Care Tower) and Unity Health's funded equipment purchases. \$107m increase in cash sources driven mainly by OFA loan (\$100m).

<sup>1a</sup> The organization had \$328m in Restricted cash, which was comprised of cash held for Research and Trust, which was funding that was received for SMH 3.0 as an interim completion payment and other amounts held for capital. The \$21m year over year increase is driven by Research (\$6.5m), unspent capital funding (\$6.6m) and holdbacks (\$7.9m)

<sup>2</sup> The Accounts Receivable \$11.6m increase year over year is due to increased Local Health Integration Network (LHIN) funding, Ministry of Health (MOH) funding, Cancer Care Ontario (CCO) funding, harmonized Sales Tax (HST) Receivable, Healthcare Insurance Reciprocal of Canada (HIROC) Receivable and Other Miscellaneous Accounts Receivable.

<sup>3</sup> The organization had a \$13.4m Property, Plant and Equipment increase year over year that was driven by large foundation funded projects that are currently underway additional work on the SMH 3.0 project and associated equipment purchases.

<sup>4</sup> The SMH 3.0 Redevelopment Project resulted in a \$20.4M decrease year over year and was driven by Ministry funding received in FY1920 relating to costs incurred on the project.

*To review the complete audited financial statements, please refer to the Unity Health Toronto's website.  
[Link to Unity Health's 2019-20 Audited Financial Statements](#)*

*Fiscal Year 2019-20 Results*

	<u>2020</u>	<u>2019</u>
<b>Liabilities</b>		
Current liabilities		
Accounts payable and accrued liabilities	<b>160,193</b>	157,396
Long-term debt	<b>3,348</b>	1,200
Deferred revenue	<b>24,605</b>	23,467
Residual pension transfer payable	-	63,850
Pension contribution payable to Healthcare of Ontario		
1 Pension Plan (HOOPP) on integration	-	108,029
3.0 redevelopment project	<b>173,274</b>	173,274
	<b>361,420</b>	527,216
Long-term liabilities		
2 Long-term debt	<b>97,978</b>	2,308
3.0 redevelopment project	<b>88,124</b>	87,076
3 Pension benefits - supplemental plan	<b>19,346</b>	26,366
Other post-employment benefits	<b>31,783</b>	31,174
4 Deferred capital contributions	<b>709,006</b>	689,484
Deferred research and trust contributions	<b>102,992</b>	99,228
Other long-term liabilities	<b>5,806</b>	5,432
	<b>1,416,455</b>	1,468,284
Contingencies and commitments		
<b>5 Net assets</b>	<b>110,315</b>	211,770
<b>Total liabilities and net assets</b>	<b>1,526,770</b>	1,680,054

<sup>1</sup> Registered Pension Plan represents merger of St. Michael's Hospital Registered Pension Plan into Healthcare of Ontario Pension Plan (HOOPP).

<sup>2</sup> Long Term Debt represents Ontario Financing Authority (OFA) \$100m loan to fund Measurement Date Deficit merger of the St. Michael's Hospital Registered Pension Plan into Healthcare of Ontario Pension Plan (HOOPP).

<sup>3</sup> Pension Benefits-Supplemental Plan decreased due to active Supplemental members who have joined HOOPP and will have their Supplemental benefits paid by HOOPP.

<sup>4</sup> Deferred Capital Contributions increases of \$19.5m is driven by MOH funding received for SMH 3.0 and Foundation funds received for large renovation projects.

<sup>5</sup> Net Assets decline year over year is driven by \$101m deficit for the year.

*To review the complete audited financial statements, please refer to the Unity Health Toronto's website.  
[Link to Unity Health's 2019-20 Audited Financial Statements](#)*

**Statement of cash flow:**  
**As at March 31, 2020**

	2020	2019
	\$	\$
<b>Cash provided by (used in)</b>		
<b>Operating activities</b>		
Deficit for the year	(101,455)	(114,018)
Items not affecting cash		
Amortization of property, plant, and equipment	50,135	51,066
Amortization of deferred capital contributions	(22,071)	(20,082)
Employee future benefits expense	3,540	(8,575)
Expenses associated with pension transfer to HOOPP	106,479	156,933
Recognition of deferred research and trust contributions	(87,792)	(81,758)
Interest on deferred and research contributions received	476	365
Interest accretion	2,664	91
Increase in net payable for 3.0 redevelopment project	1,048	1,404
Net change in non-cash working capital balances	(7,800)	(1,167)
<b>Cash utilized by operating activities</b>	<b>(54,776)</b>	<b>(15,741)</b>
<b>Capital activity</b>		
Purchase of property, plant and equipment	(63,499)	(48,429)
<b>Financing activities</b>		
Contributions received for capital purposes	41,593	33,615
Contributions received/(receivable) for 3.0 redevelopment project	20,436	(10,919)
Contributions received for deferred research and trust	91,080	91,944
Proceeds from Ontario Financing Authority (OFA) loan for HOOPP entry	100,000	-
Repayment of mortgage, loan and obligations under capital lease	(4,846)	(1,183)
Contributions to employee future benefits	(119,711)	(39,782)
Net change in restricted cash and investments	(21,354)	(29,151)
Net change in long-term obligation	374	(623)
	<b>107,572</b>	<b>43,901</b>
Net decrease in cash and cash equivalents	(10,703)	(20,269)
Cash and cash equivalents, beginning of year	112,798	133,067
<b>Cash and cash equivalents, end of year</b>	<b>102,095</b>	<b>112,798</b>
<b>Cash and cash equivalents are comprised of</b>		
Cash	54,748	30,305
Cash equivalents	47,346	82,493
	<b>102,095</b>	<b>112,798</b>

To review the complete audited financial statements, please refer to the Unity Health Toronto's website.  
[Link to Unity Health's 2019-20 Audited Financial Statements](#)