Perley Rideau

The Perley and Rideau Veterans' Health Centre

Le Centre de santé Perley et Rideau pour anciens combattants

REPORTS FROM THE

112TH ANNUAL MEETING OF THE

PERLEY AND RIDEAU VETERANS' HEALTH CENTRE

HELD ON

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Chairman's 2009 Annual Meeting Report

June 3, 2010

Introduction

I am pleased to provide the Chairman's report for the year ending December 31st, 2009. It was a year of relative stability compared to some years in the recent past, and a year that the Board looked forward to what the Perley Rideau will strive to achieve for its residents, clients, staff, volunteers and the community over the next 15 years.

The Board of Directors' principle functions are compliance oversight, direction setting, financial oversight, human resources stewardship, risk management, and stakeholder liaison. This is the framework for my annual report.

Compliance Oversight

The Perley Rideau provides care and service to residents and clients within the highly regulated environment for long-term care homes in Ontario. Although there are many different legislations that apply to the Perley Rideau, the key legislation requiring Board oversight regarding resident care and services is the Charitable Institutions Act.

Through the Quality of Life and Safety Committee, oversight was provided regarding the Ministry of Health and Long-term Care annual compliance review and complaints to the Ministry. Overall, the Committee and Board can report a high level of compliance with government expectations. The unannounced 5 day annual compliance review was held in March of 2009. Compared against over 400 criteria, the Perley Rideau fell short in only 3 legislated standard criteria, which related to nursing documentation on care plans, beverages between meals, and documenting of fluid consumption by residents. Management submitted an action plan to the Ministry to address the issues of non-compliance and, upon Ministry follow-up visits, these areas of unmet standards were put back into compliance with the Act. As well, there were only 3 complaints to the Ministry, with 2 complaints resulting in unmet standards related to care for pain/discomfort of a resident, timeliness of an x-ray, reporting of changes to a resident's condition, and reduced visiting hours for a resident family member. Corrective action was taken on these unmet standards to move back to compliance. Management has communicated its disagreement with one of these unmet standards to the Ministry of Health and Long-Term Care.

Legislated standards deal with both the direct clinical care as well as matters affecting the quality of life of residents and range from low to high risk to residents' health and well-being.
The Quality of Life and Safety Committee did not identify any high risk areas requiring additional action by the Board.

The Health Centre complied with all other legislation in 2009.

Through the leadership of the Quality of Life and Safety Committee Chaired by Peter Strum, the

Board of Directors approved the piloting of a new Performance Monitoring System to support the Board's oversight role. Committees have identified performance indicators that will be tracked and reported on during the 2010 pilot. Following the pilot, refinements will be made and the Board will ensure that the Performance Monitoring System is aligned with the new Long-Term Care Act and the Service Accountability Agreement which will come into effect on July 1, 2010.

Direction Setting

The Strategic Planning Committee, Chaired by Mike Jeffery, was very active in 2009. Following extensive 2008 internal consultations with residents, families, staff and volunteers; external consultation with other health service providers and key stakeholders; and an in-depth review of the literature and needs of the people we serve, a new strategy for the Health Centre's growth in the next 15 years was approved by the Board. The strategy envisages the creation of a seniors' village that will provide a full spectrum of services along the continuum of care, from supporting independent living for seniors in the surrounding communities through to long-term care at the Centre. Mike Jeffery will present this strategy later in the meeting, and provide you with a summary document of the Board's strategic vision. The plan aligns well with the Ministry of Health and Long-term Care health system goals and the Champlain Local Health Integration Network Integrated Health Services Plan. Foundation participation on this committee has been invaluable.

Although the new strategy covers a 15-year period starting in 2010, opportunities arose in 2009 that resulted in a tremendous amount of Board and management energy in developing plans and a business case to build a 137-unit seniors' affordable and supportive housing residence. Many accomplishments were achieved in 2009, including approval of a $5.4 million infrastructure grant for 45 affordable apartment units for seniors. Unfortunately we were unable to achieve a viable business case in 2009. Work continues on this key aspect of phase 1 of the first 5 years of the new strategy, and the hope is for success in 2010.

Financial Oversight

Advising the Board regarding financial oversight was the responsibility of the Audit and Risk Committee, Chaired by Robin Ghosh. As Treasurer for the Board, Robin will provide details regarding the Health Centre's 2009 financial position later in the meeting. In summary, on a budget of $40 million, the year ended with a modest $52,000 operating surplus compared to the $200,000 deficit operating budget. However, to maintain the excellent standard of care and services that residents and families receive, the Board needed to apply the majority of its government funding and other revenue to operations. Consequently, there is a cash deficit which highlights the Board's inability to set aside a capital reserve for future needs as the buildings age. This is an area that will stay on the Board's "radar screen" for continued discussions with government and the Champlain Local Health Integrated Network, in the hopes of garnering their support.

With the new Long-Term Care Act coming into force on July 1st, there will also be new accountability requirements to the Champlain Local Health Integration Network. The process

began in November 2009 with the completion of an Accountability Planning Submission. There have been positive indications that some outstanding funding issues will be resolved through this process.

Human Resource Stewardship

In March this year the Board received a presentation on human resource indicators for 2009. This is a new area for Board oversight, and the Board learned a great deal that will help in maturing this area of oversight. Of particular note is the drastic 81 % reduction in the use of agency staff that have replaced regular nursing staff. Many staff were involved in this success story, and the Board would like to thank them for improving the continuity of care for residents. This is one example of an exemplary quality improvement initiative that responds to a concern expressed by residents and families.

The Board was also pleased to see that the 7% staff turnover was slightly less than the previous year. At this time we do not have a comparison to other similar organizations, but in time we hope to obtain this information to help compare Perley Rideau's experience to other similar organizations.

One of the key responsibilities of the Board is the evaluation of the Chief Executive Officer's performance. To this end, the Executive Committee developed a comprehensive new performance system which was used to evaluate the CEO's 2009 performance. This new approach enhances the objectivity of the CEO's performance review and was of benefit to both the Board and CEO. The Board continues to be pleased with the CEO's accomplishments in 2009, which he contributes not only to his efforts but to the efforts of all managers, staff, and volunteers who work at the Health Centre to achieve our vision "Together we improve the well-being of the people we serve."

Risk Management

Risk comes in many forms in the operation of a long-term care home and community outreach programs. Every Board committee is involved in risk management, but a specific risk management mandate is identified for the Audit and Risk Committee.

Insurance coverage was reviewed in 2009, and the Board was advised to continue similar coverage as previously held. For the next contract renewal the Board will decide whether changes to insurance coverage would be beneficial.

The Governance Committee also manages risk through enhancing the Board’s governance approach and policies and procedures, as well as through the recruitment of qualified new Board members. Through the leadership of Chairman Jerry Pitzul, several objectives were achieved including a new policy for Conflicts of Interest for Directors, governance performance indicators, and a proposal for future annual reports. The Board Governance Guide approved in 2008 continued to be enhanced
throughout 2009.

With regard to recruitment of new Board members, Jerry will be providing the recommendations for election to the Board later in the meeting.

Stakeholder Liaison

The Stakeholder Liaison Committee is a new Board Committee. We are pleased to have Foundation representation on this committee, as the Foundation is a key partner in achieving Perley Rideau's success.

The Stakeholder Liaison Committee reviewed the status of stakeholder relations related to the affordable supportive housing project and confirmed that management had this well in hand.

The Committee is now working on developing a Speakers' Bureau to help raise the profile of the Perley Rideau in the community. This is a volunteer led process, one of many contributions of the 400 volunteers who provide service to the Perley Rideau. It just wouldn't be the same without our dedicated volunteers.

The Perley Rideau has a long standing collaboration with Carefor, who manage the 12-bedroom Guest House and the Day Program. Many people affected by dementia benefit from this one of a kind service in Ottawa. There is still a need to get the word out about this wonderful program so that more people can benefit. The 2009 occupancy was 68 % for the 11 community rooms and 76% for the veteran priority access room.

As a valued partner, Veterans Affairs Canada continued to provide outstanding support to all veterans at the Perley Rideau.

Community Interest

The Perley Rideau remains very popular with, as of December 31st 2009, over 125 veterans waiting for admission to one of the 250 veteran priority access beds and over 600 people waiting for admission to one of the 169 long-term care beds for the broader community. Occupancy levels remained high at 99% for both veteran and community long-term care beds. The 22 convalescent care beds were occupied 91% of the time and the 9 respite care beds were occupied 65% of the time.

There were a total of 482 admissions in 2009, with 34% of admissions to long-term care beds and 66% of admissions to short stay convalescent and respite beds. Dr. Anne Hamilton will comment further in her Medical Director report later in this meeting.

The Community of Care Access Centre has confirmed that the Perley Rideau has the 3rd longest waiting list of 63 long-term Care Homes in the Ottawa/Champlain region, which is another indicator of community interest and support.

Conclusion

In conclusion, 2009 was a good year for the Perley Rideau and the residents, families and clients

we care for. The Board of Directors thanks everyone who contributed to our success.

Thank you Mr. Chair.

Good afternoon ladies and gentlemen,

I am presenting the Perley and Rideau Veterans' Health Centre Medical Director's report for a sixth year. I am reporting on the year 2009.

The Perley Rideau is a community of 450 residents, their families and friends, 750 staff members and a stellar army of volunteers, Board of Directors included. This community is a permanent home to 419 long stay residents and a temporary home to ever changing faces in the 9 respite and 22 convalescent care beds. We are also proud to share our home with the Guest House and the Day Program, both of whom provide wonderful support to individuals and their caregivers living in our greater community.

In 2009 there were just under 500 admissions and 500 discharges. The majority of these were to and from the very busy Ottawa 1 East unit which houses the respite and convalescent care programs – 181 admissions to convalescent and 164 to respite with roughly equal discharges. There were 144 admissions to the long stay program. Occupancy rates were in the expected range – 99% for long stay, 65% for respite and 91% for convalescent.

The short stay programs are incredible resources to the community. The convalescent care program admits people from the acute care hospitals. The majority have had an orthopaedic procedure or injury - joint replacement or a fracture. The individual does not need the bells and whistles of acute care but is not ready to fully participate in an intensive rehabilitation program. At the Perley Rideau, there is time to heal and regain strength. 80% of our graduates move on to one of the formal rehab programs and 15% actually complete their rehab at the Perley Rideau and simply go home on discharge. Efficiency and effectiveness improve at both acute care and rehabilitation hospitals.

Into the respite programs' nine beds, 164 people were admitted. Many of them are repeat visitors. Scheduling 164 requested stays into available spaces is an art managed by CCAC and the logistics of this partially explains the 65% occupancy rate. This rate is considered good for a respite program, though lower than we are accustomed to with the other programs. The people who use the respite program are people living at home with family and/or community support and whose care needs are at a long-term care level. A short stay in respite helps everyone to keep going, avoiding the need for a permanent long-term care bed. This is an efficient and compassionate use of resources.

There are 169 community and 250 veteran residents in the long stay program. The 144 admissions to this program is short hand for 144 decisions by individuals and their families to

make the Perley Rideau a permanent home. That is a tough decision and we will always strive to provide the care and caring that reassures everyone that the decision was a good one. The community's confidence in our caring is reflected in the waitlist for the community beds. It now stands at over 600 people, which is both satisfying and sad.

To provide excellent care, there are excellent people. I would like to thank my 12 medical colleagues on whom I count to be consistent, accessible and thoroughly professional. Two long time Perley Rideau physicians did leave in 2009, Dr Michael Yachnin and Dr Leonard Bloom, as their very busy family practices required more time. I was very pleased to welcome Dr Lyla Graham, Dr Celeste Fung and Dr Josh Auer. A very special note of and thank you to Ms Sylvia Steen, a Registered Nurse at the Perley then Perley Rideau from 1974 to her retirement in 2009. Sylvia was a pillar of strength, compassion and leadership for over 35 years and we all benefited from her skills. I would also like to acknowledge everyone else. Each lives by the Perley Rideau mission statement.

Electronic charting was introduced last year. That might sound like simply typing notes into the computer so that you can read my handwriting, but it actually has little to do with that and is so much more. The electronic medical record does indeed make everyone legible, but it also allows tracking and collecting of data in a way never before possible. In concert with the MDS RAI, we are learning about our residents, our care of our residents and how we compare to the world – or Ontario al least. In 2009, 33.5% of newly admitted long stay residents had had a recent fall, down to 14% at follow-up assessment. Ontario numbers were 20.1% on admission and 12.5% on follow-up. Modifying fall risk factors by reviewing medications and accessing physiotherapy for strength and balance training are key admission goals and it appears that we have an impact. Weight loss may sound like a good idea for the middle age crowd but it is often a signal of impending trouble for the elderly. On admission, 15.5% of our residents were losing weight. On follow-up, we were down to 5.2%, thanks to the dietary and nursing staff. Comparable numbers for Ontario were 9.5% on admission and 8.0% on subsequent assessments. We worry immensely about helping to provide a positive quality of life and are involved in a pilot study about how to measure that. We think that one indicator is the "little or no activity" slot of the MDS RAI. On admission, an impressive 55.2% of residents are in that category. That is down to 27.9% on quarterly assessments and, in a sneak preview; the January to May 2010 number is 19.4%. This reflects hard work and a lot of creative thinking by the creative arts, recreation, and nursing staff, volunteers and families and is certainly at odds with the negative comments often heard in the press and in the community. There really is life in long-term care. Comparable numbers for Ontario are 35.4% with little or no activity on admission and 32.5% on quarterly assessments.

The challenges in 2010 are and will be interesting. The new Long Term Care Act, with its accompanying regulations and changes in inspection, are both welcome, as it focuses on risk, and concerning, because it is new and different. In true Perley Rideau fashion, we have volunteered to be a training inspection site. We are gluttons for punishment if it means we can be better. The electronic MAR (medication administration record) is coming and will assist in preventing medication errors. I look forward to computerized medication ordering and lab data to further assist in managing complicated information, but must wait for the infrastructure to be in place.

I enjoy my work at the Perley Rideau because of the attitude held by the Perley Rideau community. We are good, perhaps very good, but we can and we will do better.

Together we improve the well being of the people we serve.

Anne Hamilton, MD, CCFP, FCFP

Treasurer's 2009 Annual Meeting Report

June 3, 2010

Good Afternoon Ladies and Gentlemen:

I am Robin Ghosh, Treasurer of the Perley and Rideau Veterans' Health Centre. Today I will be presenting the financial report of the Health Centre.

You have a copy of the financial statements that have been approved by the Board of Directors and audited by KPMG. The financial statement package consists of 14 pages with the following elements:

- Auditors' Report to the Board of Directors
- Statement of Financial Position
- Statement of Operations
- Statement of Changes in Net Assets
- Statement of Cash Flows
- Notes to the Financial Statements

Our financial statements are presented in accordance with Canadian generally accepted accounting principles, applied on a basis consistent with that of the preceding year. The auditors have issued an unqualified opinion that the financial statements present fairly the financial position of the Perley and Rideau Veterans' Health Centre as at December 31, 2009.

I will present highlights of the financial statements, in particular the Statement of Financial Position and Statement of Operations.

Under the Statement of Financial Position, we have total assets of approximately $54.8 million and also, total liabilities and net assets, totaling $54.8 million.

Our assets include two major groups:

- Capital Assets of approximately $44.2 million, representing the historical cost of the Health Centre and related furnishings and equipment, less accumulated amortization to date, and
- Current Assets of approximately $10.6 million, represent the working capital of the facility. Current Assets include five asset categories as follows:
    - Cash of $8.6 million – representing cash on hand, held in bank accounts at year end. Subsequent to year end, approximately $4 million was invested in a short-term guaranteed investment
    - Investment in short-term guaranteed investments of approximately $600 thousand. This matured and was re-invested subsequent to year end.
    - Accounts receivable of approximately $1.1 million for amounts due from the Foundation (mainly expenses and donations), the Ministry of Health, WSIB and Residents
    - Inventories of supplies and materials

- Prepaid expenses including property and casualty insurance of approximately $80,000 and deferred expenses related to the Supportive Housing Project of approximately $160,000. Costs related to the Supportive Housing Project would be capitalized as part of the capital asset if the project proceeds, or written off against a planned donation from the Foundation, should the project not proceed

Our liabilities include Current Liabilities, Employee Future Benefits and Deferred Contributions.

Current Liabilities of approximately $7.1 million represent those amounts which arise in the ordinary course of business and are expected to be paid in the next fiscal year. They include three main categories:

- Accounts payable and accrued liabilities of approximately $2.7 million representing the payroll and related benefits costs for the pay period ended December 30, 2009 and trade payables. Accrued liabilities includes retro-active pay of approximately $246,000 on wage settlements for Ontario Nurses Association (going back to 2008) which was paid in May, 2010,
- Accrued vacation pay of approximately $1.5 million representing the estimated value of vacation earned by employees to be taken at a future date based on their then current salary or wage rate, normally in the immediately succeeding fiscal year
- Deferred revenue of approximately $2.9 million representing principally the amounts owing to Veterans Affairs Canada and the Ministry of Health for estimated over-funding for the last three fiscal years including 2009, and grants received from the Foundation and the Ministry of Health for specified purposes but not yet expended

Our liabilities also include Employee Future Benefits of approximately $4 million, representing the estimated value of accumulated sick leave and non-pension, post-retirement health, dental and life insurance benefits to be paid in future, based on actuarial valuation at December 31, 2009.

Deferred Contributions of approximately $42.9 million are related to capital assets and represent the contributions used to fund construction of the Health Centre and purchase equipment. These contributions are amortized to revenue over the life of the Health Centre or the asset to which they relate.

Net Assets of approximately $869,000 represents the excess of total asset value over the total of all liabilities. Net assets includes three categories; the net investment in capital assets (asset value less deferred contributions), internally restricted net assets based on Board Policy and unrestricted.

Stepping back from the details of the statement, our total current assets are approximately $3.5 – 3.6 million higher than our current liabilities (which gives us a positive working capital) and that we have a positive net asset position. Positive working capital and positive net assets are two indicators of good financial health.

Our cash and cash equivalents shows an $8.6 million position. Our cash is managed carefully in line with the Board policy to hold sufficient funds to cover one month's cash requirements to

operate the Health Centre; most of which is payroll. That one month provision is about $2.5 million. Consistent with the Investment Policy, excess cash is invested in government guaranteed investments to yield investment income.

Our major capital asset is the Health Centre. Our focus over the next 5 years will be the ability to retain sufficient funds from operations to provide for significant capital requirements slated to occur. Based on the Property Condition Assessment report completed in 2006 by Jacques Whitford, Consulting Engineers, we will need facility rehabilitation including a new roof and other major equipment replacement. These projects are expected to cost over $1.7 million. This is one of our most significant challenges in the coming years.

Our present operations will not be able to fund these investments and other ongoing equipment replacements unless we are able to reserve operating funds annually to put into a capital reserve fund. We estimate this to be approximately $500,000 per year. In 2009, we purchased only approximately $50,000 of capital asset items for this facility from our own funding.

Next is the Statement of Revenues and Expenditures. This report reflects the operations of the Health Centre for the 12 months ending December 31, 2009. Comparative figures for 2008 are provided.

The Health Centre is a $40 million business, with the majority of its funding provided by the Ministry of Health, Veterans Affairs Canada and residents. Most of our funding is based on per diem rates which are determined by the Ministry of Health. We must manage to the funding provided.

In 2009, we finished the year in a surplus position of $516,000 as shown on the Statements. Our current surplus arose from two sources:

- Amendments for prior period adjustments of $278,167 as shown in the Statement, after reconciliation of expenditures and programs with the Ministry and Veterans Affairs Canada (principally from VAC)
- Current year operating surplus of $238,337; essentially 'break-even' operations

Year to year, 2009 results are not easily comparable to 2008 operations due to significantly different operating circumstances in each year. However, compared to the budget for 2009 which had been approved by the Board early in 2009, operating results can be more easily understood on a 'budget basis'. Compared to the 2009 approved budget, after adjusting for the favourable effect of the difference between actual capital expenditures and amortization of approximately $171,000, actual results are a $67,000 surplus compared to a deficit of $200,000. This is better than had been planned. This is good and a compliment to staff and management.

In 2009, revenues were higher than budget by approximately $460,000 due to $180,000 in structural compliance (not budgeted), one-time funding ($1.55 per diem) of $190,000, slightly higher average per diem rates ($2.37) of $390,000, less interest income lower than budget by $140,000 and slightly less funding from VAC due to lower program costs by $160,000. Expenses were higher than budget by approximately $85,000 due to higher than expected employee future benefits costs, finance transition costs, and lower program costs. Management

carefully held costs to budgeted amounts in the major envelopes, Nursing and Personal Care, Resident Programs and Accommodation.

In summary, 2009 experienced only a small surplus. Looking back 10 years, since 1999, the Health Centre has had an average deficit of $141,500. So how do we operate if we are regularly in a deficit? The deficit includes a non-cash item for depreciation. Rather than set aside money equivalent to the depreciation, we have used the cash for operations to maintain the higher service standards for residents. We know this cannot continue. Over the next year, this Board will be looking at enhanced sources of revenue and will be negotiating with the MOHLTC to recognize and pay for some very unique situations at the PRVHC which are more costly than other Long-Term Care facilities.

There are two other statements attached to the handout being the **Statement of Changes in Net Assets** and **Statement of Cash Flows**. Both statements expand on the information in the Statement of Financial Position and Statement of Revenue and Expenditure that we have just reviewed.

I would now like to bring your attention to the **Notes to the Financial Statement**s.

These notes expand on the information contained in the various statements presented. These notes are similar to those reported in previous years.

In particular I would draw to your attention the information on the contributions of our Foundation to the success of the Health Centre. In 2009 the Health Centre received the equivalent of $325,000 in cash and in kind from the Foundation. $232,000 was received for the Guest House and $14,000 went to the purchase of equipments and other assets. Coupled with prior years' funding for specific purposes, and disclosed as deferred revenue in the financial statements, the Foundation contributes significantly to the health and well-being of our residents.

Looking forward into 2010, governments are facing difficult economic times. Uncertainty regarding per diem rate adjustments, significantly lower investment returns relative to past experience, ongoing challenges associated with fundraising and donations, the ongoing concern for a capital replacement reserve, implementation of the new Long Term Care Home Act and related accountability agreement will continue to create challenges for Health Centre. Strategically the Board is looking to move forward with opportunities to enhance revenues and address concerns for capital replacement. We are confident that we have the capacity to address the future and continue to focus on the well-being of those who are served by the Health Centre.

Thank you for your attention. I would be pleased to answer any questions you have at this time.