

**Report from the Chair of the Board
2019-20 Annual General Meeting
June 17, 2020**

On behalf of the Board of Directors, I am delighted to welcome you to our AGM for the fiscal year ending March 31, 2020. While the focus of an AGM is generally to celebrate successes over the last year, it is also important to acknowledge both our most pressing challenges and our top priorities moving forward.

This past year unfolded against a backdrop of announcements of the most sweeping reforms to Ontario's healthcare system in decades. As part of the changes, the province announced that Local Health Integration Networks (LHINs) would be eliminated. Ontario Health Teams (OHTs) would be created to coordinate and deliver integrated care at scale for their local communities. Finally, a number of provincial agencies such as Cancer Care Ontario and Health Quality Ontario would be consolidated into a new single organization called Ontario Health.

2019-20 marked the first year of implementation of Southlake's new 2019-2023 Strategic Plan. Progress was made on our top initiatives and the impact of the organization's collective efforts are clear in the results throughout the year in our new Balanced Scorecard. Notable impact in the first year included a 25 per cent reduction in the percentage of acute beds used for Alternative Level of Care (ALC) patients compared to 2018-19. Patient satisfaction also improved by 11.3 percentage points compared to prior year.

Southlake@home has become the preeminent integrated hospital-to-home program in the province and we have supported other hospitals that have implemented our model. Our Southlake Community OHT was one of the first to be announced and we are taking a leadership role provincially as part of the ongoing transformation of the system. As part of the transition to integrated care, the Board has been exploring what future governance models could look like and how, as the system evolves, our role will as well.

The Board was thrilled with Southlake's result in our Accreditation last year, with the organization achieving its best performance ever. This reflects the dedication and expertise that everyone on the Southlake team brings with them to their role each and every day. Planning for an onsite accreditation visit was a significant undertaking and required the whole organization to come together to prepare.

Before COVID-19, our most pressing challenges were continued capacity issues and financial performance. Our current physical space is not large enough to care for our growing communities. Our acute occupancy rate spiked in Q1 and Q3 at 112 per cent last year. Our average for the entire fiscal year was 109 per cent, down marginally from 111 per cent in 2018/19.

Another key milestone achieved last year was the submission of our Master Plan to the Ministry of Health. The projected growth in the population we serve means that a substantial increase in the size of our physical footprint is required. The next phase in the Capital Planning process is the formal Pre-Capital Submission of the preferred option identified in the Master Plan. The Board of Directors, the hospital and the Foundation will focus on advocacy with government to get the Master Plan approved and will also work on building community awareness and support for future local fundraising.

The hospital took various actions to help address our financial pressures in 2019-20. We implemented Reduced Activity Days throughout the year, held on filling vacancies, and prepared for an early retirement initiative for management roles (currently being implemented). We also managed discretionary expenditures, completed an independent third party assessment and continued to use benchmarking to identify improvement opportunities. Southlake posted a deficit of \$17M for FY 19/20, ending with a cash balance of \$16.8M. The beginning of 2020/2021 fiscal year has started with ongoing financial pressures with funding uncertainty related to COVID-19 operations and the inability to access ~70% of Southlake's procedure-based funding sources. The Board of Directors has a fiduciary duty to ensure that the hospital's financials are well managed and have a stable financial position. The current financial position is not sustainable. We will continue to monitor and advocate to ensure that all requisite actions are planned and taken to manage cash flows accordingly.

The external assessment of our Emergency Department was completed and numerous recommendations were successfully implemented. With new leadership and various other changes, we have seen marked improvement in staff engagement and morale.

By far the biggest challenge we faced last year - and perhaps the most significant ever in the history of our organization – was the COVID-19 pandemic. Southlake was one of the hardest hit hospitals early on in terms of case load. Southlake's innovative spirit shined through however, as we had a number of "firsts-in-the-province" including public reporting of our patient volumes, PPE inventory and demand projections. We were also one of the first hospitals to introduce a suite of supports for long-term care and retirement homes in our communities. The support for the hospital from the communities we serve was heartening and reinforced for our staff and physicians that the sacrifices they made were truly appreciated and valued.

As we move into 2020-21, Southlake has the unique challenge of having to balance our continued response to the ongoing pandemic, the plan to gradually resume scheduled surgeries and procedures, and the necessity to prepare for a potential second wave in the fall/winter. As stated, this ongoing in an uncertain funding environment as our financial challenges continue. While the organization is actively looking to find further efficiencies, it has become clear that without additional funding to match the increased demand we continue to see, it may be necessary to explore reducing services. That is clearly not our desired approach, so the hospital's Senior Leadership Team will continue to focus on advocacy with the provincial government for an appropriate level of funding so we can meet the needs of our communities.

In addition to myself, two members are leaving the Board this month. I would like to thank Colette Nemni (a previous chair) and Paul Roberts (a previous treasurer) for their dedication and service to Southlake. We saw significant interest in our call for new applicants and later in today's meeting we will formally welcome three new elected Board members and three new non-director members.

As a member of the Board for the past nine years, it has been an honour to work with current and past hospital leaders and board members to strengthen Southlake's position to deliver efficient, high quality health care to our communities despite ongoing challenges that persist. I am certain that Southlake will continue to lead positive change in Ontario health care through collaborative efforts, innovative care delivery models and commitment to continuous improvement.

Sincerely,



Debra Dobson