



a Community of Caring...



ST. THOMAS ELGIN GENERAL HOSPITAL

2005 - 2006
ANNUAL REPORT



FACING CHANGE WITH EXCELLENCE AND COMMITMENT

It's been another year of change and challenge for St. Thomas Elgin General Hospital. We are in the midst of an ever-shifting health care environment with emerging technologies, medications, and surgical strategies, burgeoning demands from patients, and shrinking resources. Yet there is a constant at STEGH that deserves recognition – the dedication, excellence and commitment of our staff to patient care.

As a board, we are so proud of our nurses, physicians, allied health staff and volunteers who work every day towards making STEGH the best community hospital in Ontario. We have many strengths, but most formidable is our people.

It is with this solid foundation, which has endured for more than 50 years, that we are successfully responding to the changes and challenges by investing in technology, creating new partnerships, recruiting specialists, and finding innovative ways to ensure the best care in the most appropriate setting. Achievements such as the Picture Archiving and Communication System (PACS) mean patients in St. Thomas and Elgin County have access to the most expert care available without leaving our community. Excellent progress on the Electronic Patient Record and Lab Information System (LIS), and completion of our At Your Request Inpatient Dining Program are other steps taken this year to enhance health care accessibility, efficiency, and excellence.

But we have a long way to go. We must look closely at the needs of our communities and how best to provide services while responding to fiscal restraints. This is not an easy task and it will mean an ongoing shift in how we provide care.

Unwavering, however, is our commitment to our patients. As a Board, we will always act in the best interest of the residents of St. Thomas and Elgin County. This will not change.

On behalf of the Board, I thank our caregivers, volunteers, donors and all of those in the community who continue to support the mission, tradition and the vision of the St. Thomas Elgin General Hospital to be the best community hospital in Ontario.



Marian Millman

Marian Millman, Board Chair

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DEDICATED CAREGIVERS, HIGH QUALITY PATIENT CARE

The year 2005/2006 saw the continued delivery of high quality patient care at STEGH from our many dedicated caregivers and all those who supported the delivery of that care. We have every reason at STEGH and in our community to be very proud of their commitment to the health and well being of the citizens of St. Thomas and Elgin County and all others who come to them for care. Together, we saw some significant highlights which included:

- **Digital X-ray Imaging:** 'Film-based' radiological images are a thing of the past at STEGH, as all of our images are now in digital, electronic form.
- **Electronic Patient Record:** Digital radiological images are a building block on the road to the 'Electronic Patient Record' or EPR. In 2005/2006 we began the launch of other critical electronic information technology with the goal of a complete EPR in the future.
- **New Food Services:** Patient, staff and visitor food services were dramatically redeveloped in 2005/2006. 'At Your Request' hotel style, room service dining implemented with our partner Sodexo Canada has revolutionized our food services and has received great reviews from our patients. In partnership with our Hospital Auxiliary a new grill, coffee shop, and gift shop were opened in the Hospital Atrium.
- **Focus on the Workplace Environment:** We continued a project initiated in 2004 to better understand the culture of our Hospital team and to take steps to build towards the ideal workplace environment identified by employees through survey and discussion. In 2005 we also implemented an employee opinion survey to assist with this process.

Without our ongoing participation in the Thames Valley Hospital Planning Partnership (TVHPP) neither the Digital Imaging nor the EPR projects described above would have been possible.

With our partner hospitals in Strathroy, Newbury, Tilsonburg, Ingersoll, Woodstock and London, we continue to capitalize on the benefits of working together to make these expensive innovations more affordable.

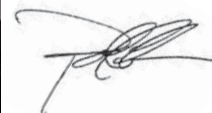
Local Health Integration Networks (LHIN) emerged in 2005/2006 and signal a new era for health care planning and management in Ontario. STEGH is now part of the Southwest LHIN and we will work closely with the LHIN leadership as they assume greater responsibilities in the coming year.

On the financial front our position at year end still shows a significant deficit. After making difficult cost reduction decisions in 2005/2006 we project that we will once again see a deficit at the end of 2007/2008. However, I am optimistic that as we move into the next fiscal year our continued negotiations with the Ministry of Health and Long-Term Care will result in ending years of deficit financing and a new strategy for funding that matches our service provision costs.

In addition to thanking our employees and medical staff, I thank all volunteers at our Hospital and in particular Board Members from the Hospital's Foundation and the Hospital's Board of Governors. Our Hospital Board of Governors courageously pursued a complete remodeling of their governance system in 2005/2006 to adopt the 'Policy Governance Model.' This created considerable stress and work for an already busy Board but they have carried it through with commitment and grace on behalf of the citizens of St. Thomas and Elgin County.



We look forward to continuing to serve and satisfy our patients in the next year.



Paul Collins, President & CEO



Some members of the EPR team take a well deserved break during a 'Go-Live' Day.

Electronic Patient Record coming to STEGH

New computer systems are being used at the Hospital to improve patient care by providing faster access to digital images, test results and other vital patient information, to decrease test duplication and errors, to enable more than one caregiver to access patient information at one time. STEGH is one of six hospitals in the Thames Valley region developing innovative ways to electronically integrate clinical information so that caregivers, in different geographical locations, can share patient information, creating a seamless continuum of care.

To date, Diagnostic Imaging, Pharmacy, Laboratory, patient scheduling in some areas, patient registration, Health Records applications, and accounting software are all electronically connected throughout the Hospital and with the larger Thames Valley system. More components are yet to come over the next year - moving the Hospital much closer to a full Electronic Patient Record. The Electronic Patient Record is essentially the current paper chart, but in an electronic format - a computer based health record.



WORKING TOGETHER TOWARDS FINANCIAL STABILITY

2005/2006 was an extremely challenging year as both the deficit and borrowings have increased to a level which is clearly unacceptable. The deficit from Hospital operations for the financial year ended March 31, 2006 was \$3,974,000 (2004/5: \$3,139,000). However, once the net depreciation of the building is included together with restructuring costs, the write down of discontinued operations and interest on long term loans, the deficit for the year increases sharply to \$10,546,000 (2004/5: \$7,131,000). Similarly, overall debt increased to \$31.9m (2004/2005: \$21.9m).

This situation is not sustainable and STEGH continues to work with the Ministry of Health for a resolution to this difficult problem. In terms of a December 2005 agreement with the Ministry of Health and Long Term Care, Deloitte Consulting worked with management and staff in the first quarter of 2006 to review efficiency of operations but were unable to find savings of a magnitude to balance the budget within the framework of existing services. The preliminary findings were communicated to the Ministry in early March 2006,

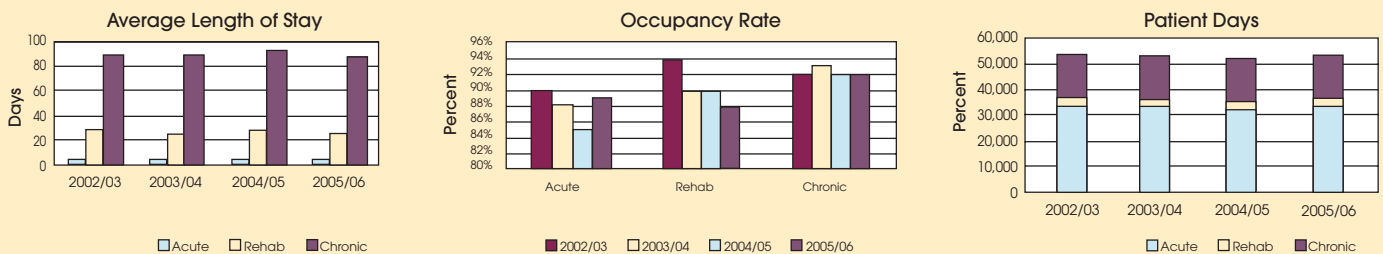
and the final report was delivered on May 1st confirming that the recommendations have been incorporated into the budgets for 2006/2007 and 2007/2008. Notwithstanding that, both those budgets indicate a substantial funding shortfall and increased deficit in working capital.

Despite this difficult financial picture, hospital staff and volunteers are to be congratulated for their ongoing commitment to STEGH and their determination to continue to find better ways of providing similar or enhanced services.



Malcolm Hopkins, VP Corporate Services

Patient Care Statistics Fiscal Year (April - March)



Auxiliary members celebrate the grand opening of the Atrium Food Court.

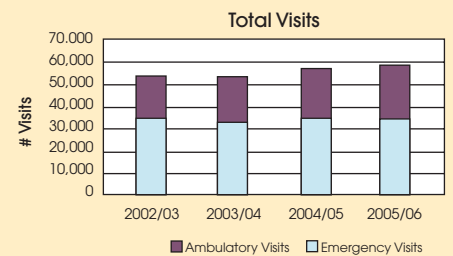
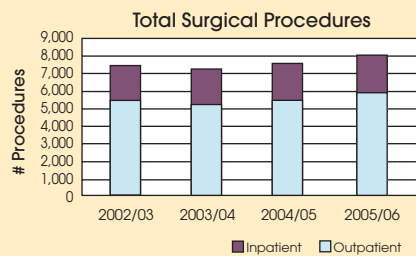
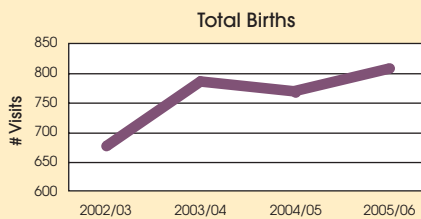
Atrium Food Court Opens

The Auxiliary Tuck Shop was expanded to a food court/cafe, 'The Bluenote,' and relocated in the Atrium. The Auxiliary gift shop, 'The Giftbox,' was also moved to a bright new location in the Atrium, and a grand opening celebration was held in October 2005. The new food court offers a grill area for hot entrees, a salad bar and grab-and-go sandwiches, gourmet coffee, muffins and other freshly baked goods, providing ample choices in a bright and spacious environment for employees and visitors alike. The Atrium operation is managed by the Auxiliary, with the support of Sodexo Canada, and staff are employed by the Auxiliary. Closing the cafeteria and relocating and expanding the Tuck Shop were part of a comprehensive cost saving strategy. The Auxiliary looks forward to another exciting year of activities including the second Extravaganza event in the Fall.



Statement of Operations For the Year Ended March 31, 2006 (\$'000)

Revenue	2005/06	2004/05
MOH/LTC	51,112	49,366
One-Time Payments	1,431	1,132
Subtotal MOHLTC	\$ 52,543	\$ 50,498
Recoveries and Miscellaneous Revenue	3,077	3,426
Amortization of Grants and Donations for Equipment	1,449	1,053
Patient Revenue from Other Payors	3,998	3,503
Differential & CoPayment Revenue	2,600	2,446
Total Revenue	\$ 63,667	\$ 60,926
Expenses		
Salaries & Wages	35,572	34,452
Benefits	9,035	8,738
Medical Staff Remuneration	7,543	6,838
Supplies	10,370	9,377
Med/Surg Supplies	2,797	2,327
Drugs	1,866	1,713
Short Term Interest	408	530
Debts written off	50	89
Total Expenses	\$ 67,641	\$ 64,064
Deficiency of Revenue Over Expenses from Operations	\$ (3,974)	\$ (3,138)
Total Deficiency of Revenue Over Expenses after other Revenue and Expenses	\$(10,546)	\$ (7,131)
Total Debt	\$ 31,957	\$ 21,973



Mrs. Helen Small was delighted to be the first patient to receive a gourmet lunch delivered to her door, thanks to STEGH's new room service dining program. Mrs. Small, who passed away this winter, dedicated many years to a nursing career at STEGH.

At Your Request - Room Service Dining

STEGH has always been proud of its reputation for providing excellent patient food, and in the fall, STEGH became an innovator in the field with the launch of the At Your Request - Room Service Dining® program. Patients now have room service style dining, giving the patient the ability to order by phone what and when they want to eat during room service hours. Staff travel to each floor daily to assist patients who cannot order their own meals. This new service provides more flexibility for patients, meets all their nutritional needs and unique requirements, and all food is still prepared on-site. The Hospital partnered with Sodexo Canada to provide a more financially viable option of delivering food services while maintaining very high standards. STEGH was the first hospital in Ontario and the second in Canada to launch this leading edge delivery of food service for in-patients.



EMBRACING THE FUTURE WITH ENTHUSIASM AND CONFIDENCE

What a privilege it has been to serve as Board Chair and President of the St. Thomas Elgin General Hospital Foundation. It was superb to be able to help my community in such a unique and extraordinary way. I've seen how the Foundation forms the crucial link between the community and your Hospital. By mobilizing donated financial support, the Foundation strives to equip your Hospital with needed tools and provide new space. Working to nurture strong partnerships with individual donors, corporate partners and others, the Foundation exists to support and enhance patient care at STEGH.

In my role as President of the St. Thomas Elgin General Hospital Foundation, I am frequently asked... "Why is the hospital always asking for money?" The answer is really quite simple... each community, including St. Thomas and Elgin County, is being called upon to an ever increasing extent to fund a larger portion of improvements to its own local healthcare. The Province has funded major increases to the healthcare system but it is not enough to keep pace with technology and costs of needed changes to the physical plant.

Over the past few months, a countless amount of effort has resulted in success in almost achieving our \$1M Goal for the 'Supporting Our Best to be the Best! Our Nurses are Worth a Million' campaign. Through your help our community will soon have vital replacement hospital beds and patient furnishings. Thank you for your financial commitment.

Now, more than ever, your support is needed as we continue to broaden our reach. As you read this report, consider that the Hospital's medical teams save lives every shift they work. Consider they also serve tens of thousands of patients every year and that they touch the lives of many people each day. Consider that your donations will allow us to provide them the equipment and facilities to continue to do it.

Our donors understand the power of their philanthropy to transform innovative ideas into healthier lives. While government funds the Hospital's operating budget, it is

our donors who provide resources that allow flexibility and opportunity to upgrade and adapt to rapidly changing healthcare delivery. This generosity is the source that supports the best care possible.

We thank those who have informed us that they will leave money to the Foundation in the form of a bequest or other estate plans. We know you will take great joy in knowing that your grandchildren, great-grandchildren and great-great grandchildren will receive the benefits from your legacy.

This was a year of change for the Foundation as we welcomed Allan Weatherall as our new Director of Development. It has been a time of adjustment and re-thinking about how things have been done. Proof of this will be seen as new equipment arrives and physical changes made through the efforts of staff and volunteers and you... the donor. I would also like to express appreciation to Chris Stinson and Andy Moore in the Foundation office who play key roles in the day-to-day work of seeking funds for your Hospital.

On behalf of the Board of Directors of the Foundation, I want to personally thank you - our many donors and supporters for your remarkable generosity this past year. Be assured that when you give to the Foundation, you are giving to an organization with excellent programs, accountability, and commitment.

We view the future with great enthusiasm and confidence. It's no wonder we're full of optimism and excitement as we continue to build and re-equip a great hospital. That's the power of your support.

Thank you for making a difference!



Ron Elliott, Foundation President



Maggie Richardson, RPN and her patient showcase a new bed.

Supporting Our Best to be the Best

Our 'Nurses are Worth a Million' Campaign has been a primary focus for the Foundation this past year. Aging beds and other pieces of patient room furnishings no longer dependable, will soon be replaced through the generosity of numerous people. Beds are not just pieces of furniture, but a crucial component of patient care. Replacing them will greatly improve patient comfort and the work environment for employees - an unbeatable combination.



CHANGE, CHALLENGE AND OPPORTUNITY

John F. Kennedy said "Change is the law of life, and those who look only to the past or present are certain to miss the future". As I reflect on the events of the last twelve months in our Hospital and our health care system, these words take on great importance. We are experiencing rapid and significant change in the structure of how we provide health care, and these changes have provided for both excitement and optimism, and challenge and co-operation.

On a positive note, we have added several new physicians to our Medical Staff. Dr. Kellie Scott began her new Family Practice in January, Dr. Asim Nimir arrived in late March to our Department of Internal Medicine, Dr. Chris Hollingsworth and Dr. Chris Steyn have already started in the Clinical Associates Department and will also be working as Emergency Physicians. Anesthesiologist Dr. Gulshan Marwaha, is arriving June 1st, and I know as well there are other Family Physicians heading to the west end of the County. All of this change is positive, and a credit to the many opportunities that our Hospital and Elgin County can provide for physicians.

Another exciting change over the last year was the successful implementation of digital imaging throughout the area. All X-Rays are now viewed on a computer screen and can be easily sent to other health care providers to help make decisions regarding care. This has many advantages for the patient and the providers. Linked in part to this is our move to the electronic patient record. I know many patients have been frustrated at having to repeatedly provide their medical history and medication list, and at times have expressed disbelief that information from a previous visit can't be located when needed. It is the hope that these problems will eventually disappear with the electronic record. However, as we move in that direction, there are some challenges. We appreciate the patience of all health care workers as we work together for these improvements.

The introduction and gradual move to administrative decision making being more local, provided by the Local Health Integration Networks (LHINs) will have a major impact on how we provide health care in Ontario. We look forward to a closer working relationship with our neighbouring hospitals and continue to explore how these changes can benefit our patients.

For our Hospital, this year has been difficult with a great focus on finances and balancing our budget. We recognize the challenges that face our decision makers in government and know that change is inevitable as we examine and re-examine what we can provide, and the most effective way of delivering care. In the most recent results in the Provincial Hospital Report, STEGH scored above average in all patient satisfaction indicators for acute care and emergency care. Also, a recent survey of our active staff physicians demonstrated great support for recommending STEGH to family and friends requiring care. These are important indicators of which we are very proud. As we move through the necessary upcoming changes, let us be sure that this high quality continues to be upheld.



Dr. Tom Faulds, Chief of Staff & VP Medical Affairs



Joanne prepares an infant crib for a new arrival on FCMCCU.

Volunteer of the Year: Joanne Gruber

'Volunteers GROW Community' was the theme of this year's National Volunteer Week with over 200 Volunteers recognized for their contributions to our Hospital's 'Quest to be the Best'. The Annual Recognition Banquet was held April 27, 2006 with Joanne Gruber named as the Volunteer of the Year. Joanne has shown tremendous dedication to the Family Centred Maternal Child Care Unit (FCMCCU) with over 1,200 hours given during this past fiscal year and a total of 6,778 hours since she started with us in November 1996.

During the 2005/2006 fiscal year, Volunteers providing patient care and clerical assistance generously gave 38,300 hours. Special thanks to our Volunteers for taking time to care!

VISION:

Our Vision is to be the best community hospital in Ontario.

VALUES:

We value compassion, accountability, respect and simplicity.



www.stegh.on.ca



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