

Strengthening the Foundation of ehealth in Ontario

Message from the CEO and Board Chair

1.0 Message from the CEO and Board Chair

2.0 OntarioMD Timeline

3.0 Realizing the Power of EMRs for a Healthier Ontario

4.0 OntarioMD: Trusted Advisor for EMR Technologies, Products and Services

5.0 Laying the Foundation for a Healthier Ontario

6.0 The EMR Future Looks Bright for Ontarians

7.0 Continuous Education on EMR Innovation: EMR Every Step Conferences

8.0 Leadership Team

9.0 Governance & Financials

As we embrace our renewed mandate to support physicians in realizing more clinical and practice benefits from their electronic medical records (EMRs), it is time to reflect and celebrate our progress in ehealth over the last 10 years. This couldn't have been accomplished without strong partnerships with the Ministry of Health and Long-Term Care, eHealth Ontario, and most importantly, physicians in Ontario.

Our Annual Report, *Strengthening the Foundation of ehealth in Ontario* for the fiscal year 2015-2016, will highlight the accomplishments of OntarioMD in the delivery of one of the most important and catalytic ehealth programs in Ontario – EMR adoption.

During a decade of unprecedented change in ehealth, OntarioMD has successfully supported the implementation and adoption of EMRs in communitybased practices, laying a solid foundation for advancing electronic health records in Ontario. The success of EMR adoption in Ontario is impressive. From having the lowest rate of adoption among Canadian provinces just six years ago, now more Ontario physicians are using EMRs than all the other provinces combined and more than some entire countries. To date, 11,650 communitybased physicians are using an OntarioMD certified EMR.

At OntarioMD, supporting physicians is our primary focus. Moving forward, we will continue to engage with physicians and other health system partners to address their needs and advocate that ehealth system priorities that are intended to impact care to patients, involve physicians in their priority, design and delivery.



Dr. Rick Tytus Board Chair



Sarah Hutchison ceo







Realizing the Power of Electronic Medical Records for a Healthier Ontario

Ontario's health care system is undergoing major transformation. Electronic medical records figure prominently in a number of initiatives as they present a critical foundation upon which to build. EMR adoption by community-based family physicians and specialists has been one of the most successful ehealth initiatives in Ontario to date. EMRs have consolidated and enriched patient data to the point where the information can inform health system planning decisions.

What exactly is an EMR?

An EMR is a secure electronic medical record that physicians use to capture patient information such as a patient's family history, lab requests and results, cancer screening tests, emergency room visits, prescriptions and more. Physicians using an EMR are increasingly able to view comprehensive patient information and be even more proactive with their patient's health in a way that was never possible, or too time-consuming, with paper records. In short, EMRs enable health care providers to put the needs of patients first.



The adoption of EMRs in Ontario has been remarkable.

The current EMR program began in 2005 and the majority of Ontario's family physicians are now using a certified EMR in their practices; covering over 10 million Ontarians with an electronic medical record.

EMRs are achieving widespread benefits, including:

- Enhanced patient care
- Better coordination of care between health care providers
- Wellness promotion and preventive care
- Improved patient safety
- Access to the most current patient information (labs, hospital reports)
- Secure access to health information

Ontario is now moving past the tipping point toward the next level of ehealth.

In Ontario, approximately 80% of patient data is collected in an EMR. OntarioMD has directly supported over 11,650 family physicians and community-based specialists and their practices as they broadly embrace EMR solutions to better manage the large amounts of data collected, and for Ontario to achieve its health system transformation goals.

OntarioMD has been a key lever in advancing the availability, adoption and use of EMRs in Ontario.

By helping physicians become more proficient EMR users, OntarioMD helps realize the full potential of EMRs to enhance patient care and enables even more widespread health system benefits:

- Translation of system priorities to the practice level
- Improvement of operational efficiencies
- Identification of trends for planning and forecasting
- Data extraction in aggregate for planning
- Improved research efficiency and effectiveness

More connectivity to patient data

In August 2015, OntarioMD was supported by the Ministry of Health and Long-Term Care to continue delivering on the mandate to support connectivity and interoperability of EMRs with the ehealth delivery system more broadly.

ANNUAL REPORT 2015 - 2016

Realizing the Power of Electronic Medical Records for a Healthier Ontario

HEALTH POLICY AT A GLANCE

OntarioMD has a history of developing and delivering electronic health initiatives that align and respond to provincial government priorities:

Ontario's Patients First: Action Plan for Health

Care (MOHLTC, February 2015) is the next phase of Ontario's plan for changing and improving Ontario's health system, building on the progress that's been made since 2012. The plan puts people and patients at the centre of the system by focusing on putting patients' needs first. Electronic medical records enable the key priorities of the government:

- Improve access providing faster access to the right care.
- Connect services delivering better coordinated and integrated care in the community, closer to home.
- Support people and patients providing the education, information and transparency they need to make the right decisions about their health.
- Protect our universal public health care system making evidence-based decisions on value and quality to sustain the system for generations to come.

Ontario's Action Plan for Health Care (MOHLTC, 2012) defines "faster access to stronger family health care" as a key focus—ensuring the right care is delivered at the right time, in the right place.

In December 2012, the government created **Health Links**. This announcement placed primary care providers at the centre of Ontario's health system — ensuring patients receive faster care, spend less time waiting for services, and are supported by a team of health care providers at all levels of the health care system (MOHLTC, 2012).

The province's **Excellent Care for All Act** (S.O. 2010, c14) puts the needs of patients first, ensuring Ontarians receive health care of the highest possible quality and value. The Act places greater accountability on Ontario's health care providers to use the "best available evidence" when making decisions about patient care.



ONTARIANS NOW HAVE AN ELECTRONIC MEDICAL RECORD

8209

ONTARIO FAMILY PHYSICIANS ARE USING CERTIFIED ELECTRONIC MEDICAL RECORDS IN THEIR PRACTICE

3441

COMMUNITY-BASED SPECIALISTS IN ONTARIO ARE USING CERTIFIED ELECTRONIC MEDICAL RECORDS IN THEIR PRACTICE

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Realizing the Power of Electronic Medical Records for a Healthier Ontario

52212 CLINICIANS ACROSS ONTARIO HAVE RECEIVED MILLIONS OF HOSPITAL REPORTS ELECTRONICALLY

| ASSESSING PATIENT PRO | AND MAINTAINING THEIR CUMULATIVE OFILE (CPP) |
|------------------------------------|---|
| A 95% USE THEIR ELECTRONIC | EMR TO MANAGE LAB RESULTS CALLY |
| | USE THEIR EMRS TO RECORD DUNTER NOTES |
| | EMRS TO WRITE AND RENEW MOST RESCRIPTIONS |
| Vertical71%Use their e MANAGEME | EMRS FOR PREVENTIVE CARE |



OntarioMD: Trusted Advisor for EMR Technologies, Products and Services



Who We Are

Our Vision:

Realizing the power of electronic medical records for a healthier Ontario

Our Mission:

Helping physician practices advance electronic medical records, products and services so that collectively we enhance the delivery of patient care

Our Values:

OntarioMD's culture is anchored in a clear set of values, including: Innovation, Collaboration, Focus and Accountability. Across Ontario, we strive to make a meaningful impact to support physician practices and the patients in their care.

What We Do

Physician practices in Ontario enroll in OntarioMD's programs to access the following resources:

 OntarioMD provides physicians with advice, guidance and EMR practice enhancement support to optimize EMR use

 OntarioMD connects physician practices to provincial electronic care applications to support informed decision making

• OntarioMD provides a no-cost consultation and access to Practice Advisors to enable physician practices to get the most benefit from their certified EMR

OntarioMD provides access to physician, nurse and clinic manager Peer Leaders who are experienced EMR users and understand family practice needs and challenges

OntarioMD delivers a trusted EMR certification and vendor management program that assesses, monitors and manages EMR vendors and their products for compliance with the Ontario EMR Specifications—so family physicians don't have to



Laying the Foundation for a Healthier Ontario

ANNUAL REPORT 2 0 1 5 - 2 0 1 6 The Ontario Government has invested over \$425 million in EMRs and related products and services since 2005. OntarioMD continues to build on this investment and has made significant progress in supporting and advancing ehealth delivery in Ontario.

OntarioMD has put EMR technology into the hands of physician practices across Ontario.

And in doing so, we have consistently surpassed all adoption targets since 2005. EMR technology is the first step and key enabler of a more efficient Ontario health care system.

TOTAL PCP + CS PER YEAR ACCUMULATED

Adoption by Community Primary Care Physicians and Specialists Actuals to December 31st 2015

- PCP PRIMARY CARE PHYSICIANS IN A YEAR
- PCP ACCUMULATED FROM LAST YEAR
- # PCP TOTAL/YEAR (LAST + ACTUAL YEAR ACCUMULATED)

CS - COMMUNITIY SPECIALISTS IN A YEAR CS ACCUMULATED FROM LAST YEAR

CS TOTAL/YEAR (LAST + ACTUAL YEAR ACCUMULATED)





OntarioMD's transition support services for physicians have been successful in achieving high levels of EMR adoption.

Transition Support Program

The Transition Support Program, provided at no cost to physicians by OntarioMD, supports the adoption of electronic medical records for community-based physicians who are funded under the EMR Adoption Program.

The Program helps guide physicians through the process of transitioning from paper to electronic recordkeeping and business management, by providing tools and services to help them determine their unique requirements, decide which EMR is right for their practice and ultimately implement and use the system proficiently.

EMR Practice Enhancement Program (EPEP)

OntarioMD Practice Advisors have worked with thousands of physician practices across Ontario to successfully adopt a provincially certified EMR. Now, physicians can enhance their EMR skills and efficiency by participating in EPEP.

EPEP offers a current analysis of a physician practice's EMR use. No matter the level of EMR skill, EPEP uses a proven methodology that reflects unique practice priorities and leads to improved workflow, efficiency and patient care. Working with a physician's practice, a tailored EMR practice enhancement plan is created and implemented at the convenience of the physician, on their schedule, at their pace.

ANNUAL REPORT 2015 - 2016

Laying the Foundation for a Healthier Ontario

EMR Maturity Model

OntarioMD developed a best-in-class EMR Maturity Model to support physician practices in realizing all the benefits an EMR has to offer.

The EMR Maturity Model was designed to measure the effective use and value of an EMR. It acts as a detailed roadmap to help physicians optimize their EMR use. The model represents the existing and potential capabilities of an EMR in the evolving ehealth landscape. It represents five levels of EMR maturity across functional areas within a practice.







Peer Leader Program

OntarioMD's Peer Leader Program is a network of 60 physicians, nurses and clinic managers across the province who are expert users of OntarioMD-certified EMRs and support OntarioMD's initiative to help physician practices realize more clinical value from their EMRs. Peer Leaders provide complimentary consulting services (e.g., best practices, EMR tips, OntarioMD online resources) and understand the needs and challenges faced by busy community practices. They assist practices in developing plans that lead to tangible practice enhancements. Peer Leaders have several years of EMR experience that practices can leverage to advance the quality of patient data in their EMRs to deliver better care and increase practice efficiency.

"

Practical assistance to make better use of our EMR was invaluable, and I would certainly recommend Peer Leaders to other practices. Dr. David Tannenhaum Lead Physician, Mount Sinai Academic Family Health Team

"

OntarioMD Peer Leaders also provide guidance to OntarioMD on physician practice perspectives and priorities with regards to the development of innovations and enhancements to current OntarioMD programs.

The program is jointly funded by Canada Health Infoway and OntarioMD. The first Peer Leader Program was highly successful with 8,000 clinicians benefiting from the mentoring and guidance offered by the program. The program, like all other OntarioMD's products and services, is offered to physicians at no cost.

The Peer Leader sessions sped up the learning curve and helped ease the pain of moving to an EMR from a paper based office. We would definitely recommend Peer Leaders to other physicians or practices.

Keele Medical Family Health Group

OntarioMD has developed innovative products and services increasing the value of EMRs.

Hospital Report Manager (HRM)

OntarioMD developed HRM, an ehealth solution to enable physicians and their practices using an OntarioMD-certified EMR, to securely receive patient reports electronically from hospitals and other health care facilities after an emergency room visit. HRM allows physicians to receive narrative medical record and diagnostic imaging reports electronically – eliminating paper reports.

Thousands of physicians in 13 Ontario Local Health Integration Networks (LHINs) are now using OntarioMD's HRM to follow up with their patients after an emergency room visit or hospital stay.

OntarioMD will continue to lead the expansion of HRM across the province and will work collaboratively with eHealth Ontario and LHINs towards successful implementation.

HRM won the 2015 Canadian Health Informatics Award for Innovation in the Adoption of Health Informatics. As of March 2016, HRM currently has over 5,212 clinician users who are receiving narrative medical record and diagnostic imaging reports electronically from 145 hospitals and specialty clinics into their EMRs. Over 6 million reports have been sent to EMRs to date.

HRM 2016 Survey Results



agree that the timeliness of receiving reports into their EMR has improved with HRM



report that **eNotifications** allow for follow-up with patients **sooner** after their hospital visits



HRM saves an average of

33 minutes per physician per day



agree that HRM functionality is **easy to use**

eNotifcations

Sent through HRM, eNotifications alert physicians and their practices when a patient has been discharged from the Emergency Department or admitted or discharged from an in-patient unit in real time. Better communication and care coordination between a hospital and family physician, especially about the hospital visits of complex care patients, enables faster and safer follow-up treatment and supports MOHLTC Health Links.

Now, 1,938 clinicians are receiving eNotifications enabling faster and safer follow-up treatment within the first few critical days post-discharge.

Within participating facilities, eNotifications has resulted in a 17% increase in post discharge follow-up compared to 2013. Moving forward, eNotifications will be rolled out in new facilities as they are connected to HRM over the next year.

eNotifications has been recognized by Accreditation Canada as a Leading Practice.



HRM and eNotifications by the numbers:



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600,000+ Clinical Reports

per month going to physician EMRs



5,212

Clinicians and their practices are live on HRM

eNOTIFICATIONS

received eNotifications

1,938

HRM users

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145

Hospitals and Speciality Clinics live on HRM

Ontario Laboratories Information System (OLIS) Deployment

OLIS is a province-wide information system that connects hospitals, community laboratories, public health laboratories and practitioners to the secure electronic exchange of laboratory test orders and results. Implemented in partnership with eHealth Ontario, OLIS provides practitioners timely access to patient information that is needed at the time of clinical decision making, and facilitates better coordination of care between practitioners.

Health Card Validation

Health Card Validation Basic (HCV Basic) is a free secure service offered by OntarioMD in partnership with the Ministry of Health and Long-Term Care. It allows users to validate the eligibility of a patient's health card against the ministry databases in real-time. Response time is within a few seconds. The web-enabled service is provided through OntarioMD.ca and is available to all registered users.

ANNUAL REPORT 2015 - 2016

Laying the Foundation for a Healthier Ontario

OntarioMD has validated and certified a shortlist of EMR vendors.

OntarioMD has established a recognized and robust certification program for EMR products. This ensures EMR vendors and their certified products meet the evolving published EMR specifications and obligations as per the provincial direction set by the ministry, eHealth Ontario and other stakeholders.

As a result, physican practices in Ontario now have better access to innovative, provincially-compatible electronic health information products and services.

Other Canadian jurisdictions have turned to OntarioMD's EMR Certification Program for advice in the absence of their own provincial programs.

OntarioMD is an experienced delivery partner that works collaboratively with other parts of the health care system.

OntarioMD is a key organization in ensuring successful physician participation in support of the electronic delivery of health care. OntarioMD works closely with a delivery focus with: eHealth Ontario, Health Quality Ontario, Local Health Integration Networks, Cancer Care Ontario, Ontario Telemedicine Network, hospitals and many other organizations.

Where other Canadian jurisdictions no longer offer physician-centred EMR program coordination, they have experienced a loss of physician engagement in ehealth asssets.





The EMR Future Looks Bright for Ontario

More connectivity and innovative products and services from OntarioMD

OntarioMD products and services are now available to all Ontario physicians using a certified EMR. Past participation in an OntarioMD program is not required – services are complimentary.

Moving forward, OntarioMD is evolving more innovative products and services that will focus on optimizing the use of EMRs and improving data quality within practices.

These services will no longer be limited only to physicians enrolled in an OntarioMD EMR funding program but open to all physicians using a certified EMR.

OntarioMD's EMR roadmap for the future will significantly advance interoperability and data portability with the availability of new products such as eConsult, eReferral, and an EMR dashboard for physicians integrated with their EMR.



eConsult Pilot

Many Ontario patients often wait too long and have to travel too far to benefit from a specialist's advice. Even simple questions from providers on behalf of their patients often necessitate a full referral in physicians' current workflow.

An eConsult occurs when a requesting clinician sends a question electronically to a specialist. It can be a simple question, for example, about drug dosage, or a more complex question following an initial assessment by the requesting clinician.

eConsults may avoid the need to send a patient to a specialist for diagnosis or treatment. OntarioMD, the Ministry of Health and Long-Term Care, eHealth Ontario, Ontario Telemedicine Network, and the Champlain BASE eConsult are working together to reduce the wait times for patients to access a specialist's advice by making eConsult services more widely available across the province.

The following benefits for primary care physicians and nurse practitioners were derived from the eConsult pilot evaluation in 2015:

- Access a specialist's advice for their patients faster response time is within 3 days
- **Connect** patients on a priority basis and reduce unnecessary referrals to specialists
- **Inform** themselves about diagnoses with educational material from specialists that can be applied immediately to remain the Most Responsible Physician for their patients
- **Protect** patients from potential adverse events in approximately 8% of cases by referring patients to a specialist when a referral was not originally contemplated



The system has given me access to specialties not available in my region, and with its help I've been able to prevent travel for my patients and treat them where they live. I didn't make major adjustments to my workflow to adopt eConsult. eConsult is a very useful tool and the timely feedback I receive from specialists helps my patients tremendously!

Dr. Katherine Richardson, Family Physician, City of Lakes FHT, Sudbury, North East LHIN

ANNUAL REPORT 2015 - 2016

The EMR Future Looks Bright for Ontarians

eReferral

eReferrals enable clinicians to electronically refer their patients to another clinician or organization, including facilitating communication between clinicians, scheduling of appointments, and the transfer of patient records.

EMR Dashboard

OntarioMD's EMR dashboard will provide physicians with visual representations of clinical indicators across their patient rosters, allowing them to see key practice information at a glance. The dashboard will assist physicians to improve patient outcomes in a number of clinically relevant areas, and will assist physicians in data capture and data quality. Improvements in data quality and standardization will also contribute to clinical interoperability.



Continuous Education on EMR Innovation: EMR Every Step Educational Conferences

The EMR Every Step Conference has become the largest EMR conference series of its kind in Canada, attracting over 2,300 physicians and clinic staff to date. Since the first conference in 2012, no other conference in Canada is focused solely on EMRs and topics related to EMR use. OntarioMD's EMR Every Step Conferences give physicians the practical help and attention needed to realize more benefits from their EMRs – all in one day.

Most conference content has been accredited for Continuing Medical Education (CME) Mainpro M1 credits from the College of Family Physicians of Canada (CFPC).

Conference sessions have included:

- Billing Information
- EMR and Data Migration
- The EMR Adoption Program
- Hospital Report Manager
- Ontario Laboratories Information System
- Privacy
- Using an EMR for Chronic Disease Management





ANNUAL REPORT 2015 - 2016

Keeping Current on EMR Innovation: EMR Every Step Educational Conferences





I found the conference to be inspiring.
What I got out of it was a completely new way of looking at how I practice medicine.

Dr. Ron Ireland

"

Coming to this conference was about gathering information, networking with other physicians and most importantly talking to representatives from OntarioMD, because I think that is the basis of where most of the support is going to come from as an existing user.

Dr. Fawzi Mankal

"



Leadership Team

Our Values

OntarioMD's culture is anchored in a clear set of values essential in delivering next-generation EMR technologies, products and services. Across Ontario, we strive to make a meaningful impact to support physician practices and the patients in their care.

Innovation

• We seek to initiate opportunities and act as a catalyst for change.

• We identify EMR technologies, products and services that support and enable physician practices to deliver quality patient care to sustain continuous improvement.

We are thought leaders. Valid data, rigorous analyses, external perspectives and sound logic serve as our foundations for EMR innovation.

Collaboration

• We lead by working across all levels of the health care system to enable change.

We respect our stakeholders and partners and seek to work collaboratively to address ehealth system challenges and needs.

Focused

■ In all we do, we seek to first understand and address the needs of Ontario's physician practices and the patients they treat.

- We are relationship-driven and seek active partnership.
- We pursue excellence and pay attention to the finest of details.
- Our approach is built on integrity.

Accountability

• We adhere to the highest professional and ethical standards.

- We manage physician and Ontario health care system resources cost-effectively.
- We are dedicated to quality and continuous improvement.



Our People Leadership Team



Sarah Hutchison Chief Executive Officer



Dennis Ferenc Chief Administrative Officer



Dr. Darren Larsen Chief Medical Information Officer



Jim MacDonald Chief Financial Officer



Ariane Siegel General Counsel & Chief Privacy Officer



Elizabeth Keller Vice-President Product Strategy & Delivery



Peter Barrotti Director IT Services and Operations



Aidan Lee Director EMR Certification Program



Knut Rodne Director, Insight, Engagement and Transformation



Katherine Tudor Director Communications & Marketing



Cindy Khimji Manager Human Resources



Leadership Team





Dr. Rick Tytus Chair





Dr. Gregory Athaide Dr. Ed Brown



Dr. Stephen Chris







Governance & Financials



OntarioMD is dedicated to the highest standards of integrity in its business. To safeguard the organization's assets and assure the reliability of financial information, OntarioMD follows sound management practices and procedures and maintains appropriate financial reporting systems and controls. The board of directors ensures that management fulfills its responsibilities for financial information and internal controls.

Financial statements and all other information presented in the annual report are the responsibility of management and the board of directors. Financial statements have been prepared by management in accordance with Canadian accounting standards for private enterprises and where appropriate, include amounts based on management's best estimates and judgment.

The financial statements have been examined by KPMG, independent external auditors appointed by the board of directors. The external auditors' responsibility is to examine the financial statements in accordance with Canadian generally accepted auditing standards to enable them to express their opinion on whether the financial statements are fairly presented in accordance with Canadian accounting standards for private enterprises. The auditor's report outlines the scope of the auditor's examination and opinion.

OntarioMD acknowledges funding from the Ministry of Health and Long-Term Care for fiscal year 2015 - 2016.



Financial Statements of

ONTARIOMD INC.

Year ended March 31, 2016


KPMG LLP Yonge Corporate Centre 4100 Yonge Street, Suite 200 Toronto ON M2P 2H3 Canada Tel 416-228-7000 Fax 416-228-7123

INDEPENDENT AUDITORS' REPORT

To the Board Members of OntarioMD Inc.

We have audited the accompanying financial statements of OntarioMD Inc., which comprise the balance sheet as at March 31, 2016, the statements of operations and deficit and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for private enterprises, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

KPMG LLP, is a Canadian limited liability partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. KPMG Canada provides services to KPMG LLP.



Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of OntarioMD Inc. as at March 31, 2016, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for private enterprises.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

June 14, 2016 Toronto, Canada

Balance Sheet

March 31, 2016, with comparative information for 2015

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On behalf of the Board Director Director

Statement of Operations and Deficit

Year ended March 31, 2016, with comparative information for 2015

| | 2016 | 2015 |
|---|-------------------------|--------------------------|
| Revenue (note 14): | | |
| Physician subsidies and incentives | \$ 36,458,225 | \$ 63,401,875 |
| Operating funds | 16,447,657 | 17,665,252 |
| Practice IT adoption and operations projects (note 8) | 285,274 | 432,779 |
| Project management and strategic solution | , | , |
| projects (note 9) | 3,358,786 | 2,214,752 |
| Deferred capital contributions | 159,755 | 249,665 |
| Interest - physician subsidies | 602,989 | 1,211,959 |
| Interest - operating | 76,969 | 75,664 |
| Other (note 10) | 331,949 | 43,600 |
| | 57,721,604 | 85,295,546 |
| Program expenses (note 14): | | |
| Physician IT programs: | | |
| Practice IT adoptions and operations | 5,764,087 | 6,631,405 |
| Practice IT adoption and operations projects (note 8) | 285,274 | 432,779 |
| Physician IT services | 3,006,911 | 2,975,158 |
| Insight, Engagement & Transformation | 1,048,337 | 2,464,488 |
| Product management and strategic solution | 2,261,906 | 1,716,299 |
| Product management and strategic solution | | |
| projects (note 9) | 3,358,786 | 2,214,752 |
| Electronic medical record systems | 435,402 | 1,330,739 |
| Corporate services | 4,422,718 | 2,840,428 |
| Interest (note 4) | 679,958 | 1,287,623 |
| Physician subsidies and incentives: | | |
| Legacy PC - IT funding | 431,800 | 536,700 |
| New electronic medical record adopter | 21,231,000 | 34,450,675 |
| New electronic medical record Adoption | 40 705 050 | 0 000 050 |
| Program Extension 2 | 10,795,250 | 6,202,350 |
| Electronic medical record enhanced use program | 4,000,175 57,721,604 | 22,212,150 85,295,546 |
| | 57,721,004 | 05,295,540 |
| Net income | - | - |
| Deficit, beginning of year | (43,497) | (43,497) |
| Deficit, end of year | \$ (43,497) | \$ (43,497) |

See accompanying notes to financial statements.

Statement of Cash Flows

Year ended March 31, 2016, with comparative information for 2015

| | | 2016 | | 2015 | |
|--|-------|-----------|-------------|-----------|--|
| Cash provided by (used in): | | | | | |
| Operating activities: | | | | | |
| Net income | \$ | _ | \$ | - | |
| Items not involving cash: | | | | | |
| Amortization | | 159,755 | | 249,665 | |
| Amortization of deferred capital contributions | | (159,755) | | (249,665) | |
| Interest accrued in investments | | (28,002) | | (62,271) | |
| Change in non-cash operating working capital | (25 | ,191,934) | (34,841,963 | | |
| | (25 | ,219,936) | (34 | ,904,234) | |
| Financing activities: | | | | | |
| Increase (decrease) in interest payable | | 402,346 | | (107,186) | |
| Increase (decrease) in amount due to | | | | · · / | |
| Ontario Medical Association | | 61,214 | | (8,599) | |
| | | 463,560 | | (115,785) | |
| Investing activities: | | | | | |
| Decrease (increase) in investments, net | (20 | ,034,595) | 50 | ,851,325 | |
| Increase (decrease) in cash | (44 | ,790,971) | 15 | ,831,306 | |
| Cash, beginning of year | 78 | ,108,227 | 62 | ,276,921 | |
| Cash, end of year | \$ 33 | ,317,256 | \$ 78 | ,108,227 | |

See accompanying notes to financial statements.

Notes to Financial Statements

Year ended March 31, 2016

OntarioMD Inc. was formed in 2007 through the amalgamation of OMA e-Services Inc. (incorporated under the Ontario Business Corporations Act on June 18, 1998) and its wholly owned subsidiary, OntarioMD Inc., pursuant to a resolution of the Board of Directors. The combined companies carried on business under the name OntarioMD Inc. (the "Company"). The Company is a wholly owned subsidiary of the Ontario Medical Association (the "OMA"), a not-for-profit organization.

Until July 31, 2015, the Company operated under a Delivery Collaboration Agreement with eHealth Ontario. A new Electronic Medical Record ("EMR") Funding Agreement (the "Agreement") with the Ministry of Health and Long-Term Care ("MOHLTC") was signed effective August 1, 2015 and extends to March 31, 2017, which includes additional costs and commitments associated with the new contract.

The program initiative described in the Agreement includes financial support for resources and educational services to assist physicians in implementing and using EMR systems. There is no new funding to implement or upgrade EMR systems. The Agreement also includes:

- (a) Administering physician subsidies and incentives;
- (b) Practice information technology adoptions and operations activities and a Help Desk for physicians and their staff to assist them to acquire and implement information technology. This includes communicating and marketing the program to physicians;
- (c) Product management and strategic solutions managing enhancements to, and broadened use of, the Physician Portal and a suite of physician products to complement the adoption and functionality of EMR systems;
- (d) Certifying and managing EMR systems (formerly Clinical Management Systems) software solutions to comply with functional specifications and maintaining and developing the specifications to meet physicians' changing needs; and
- (e) Participation in other regional, provincial or federal EMR adoption initiatives, and other services and projects as agreed to between the parties.

Notes to Financial Statements (continued)

Year ended March 31, 2016

1. Significant accounting policies:

The financial statements have been prepared by management in accordance with Canadian accounting standards for private enterprises ("ASPE").

(a) Revenue recognition:

The Company receives its revenue from MOHLTC, Canada Health Infoway and vendor system certifications in accordance with various agreements. Revenue is recognized, in accordance with the agreements, when related expenses are incurred. Deferred revenue represents project and program funding received, but not yet spent.

Deferred capital contributions are recognized as revenue on the same basis as the related capital assets are amortized.

Interest is recognized as earned.

(b) Investments:

Investments have maturity dates of less than one year. The investments are stated at cost plus accrued interest.

(c) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Financial instruments are subsequently measured at cost or amortized cost.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Company determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Company expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial impairment charge.

Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency, market or credit risk arising from financial instruments.

Notes to Financial Statements (continued)

Year ended March 31, 2016

1. Significant accounting policies (continued):

(d) Capital assets:

Capital assets consist of computers and software and are stated at cost, less accumulated amortization. Amortization is provided on the straight-line basis over the assets' estimated useful lives as follows:

| Computer | 3 years |
|----------|------------------|
| Software | 5 years |
| | · , · · · |

(e) Income taxes:

The Company uses the future income taxes method of accounting for income taxes. Under the future income taxes method, future tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Future tax assets and liabilities are measured using enacted or substantively enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on future tax assets and liabilities of a change in tax rates is recognized in income in the year that includes the date of enactment or substantive enactment. A valuation allowance is recorded against any future income tax asset if it is more likely than not that the asset will not be realized. Income tax expense or benefit is the sum of the Company's provision for the current income taxes and the difference between the opening and ending balances of the future income tax assets and liabilities.

(f) Related party transactions:

Monetary related party transactions and non-monetary related party transactions that have commercial substance are measured at the exchange amount when they are in the normal course of business, except when the transaction is an exchange of a product or property held for sale in the normal course of operations. Where the transaction is not in the normal course of operations, it is measured at the exchange amount when there is a substantive change in the ownership of the item transferred and there is independent evidence of the exchange amount.

All other related party transactions are measured at the carrying amount.

Notes to Financial Statements (continued)

Year ended March 31, 2016

1. Significant accounting policies (continued):

(g) Use of estimates:

The preparation of the financial statements in conformity with ASPE requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Significant items subject to such estimates and assumptions include the carrying amounts of capital assets. Actual results could differ from those estimates.

2. Capital assets:

| | | | 2016 | 2015 |
|----------------------|-----------------------|--------------------------|---------------------|-------------------------|
| | Cost | Accumulated amortization | Net book value | Net book value |
| Computer Software | \$ 408,703 714,249 | \$ | \$ 12,459 58,884 | \$ 29,364 201,734 |
| | \$ 1,122,952 | \$ 1,051,609 | \$ 71,343 | \$ 231,098 |

Amortization expense related to capital assets amounted to \$159,755 (2015 - \$249,665).

3. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities are government remittances payable of nil (2015 - \$138,422), which include amounts payable for harmonized sales taxes and payroll-related taxes.

4. Interest payable:

Under the Agreement, any interest earned is payable to MOHLTC (2015 - eHealth) on demand and, accordingly, is recorded as an expense.

Notes to Financial Statements (continued)

Year ended March 31, 2016

5. Due to Ontario Medical Association:

The amounts due to OMA are non-interest bearing, unsecured and have no specified terms of repayment.

OMA provides administrative and support services to the Company in return for a fee. Amounts charged by OMA to the Company in the year ended March 31, 2016 amounted to \$2,150,427 (2015 - \$1,809,853). At March 31, 2016, \$243,965 (2015 - \$182,751) is payable to OMA, including reimbursement for third party expenses paid by OMA.

| | 2016 | 2015 |
|---|-----------------------|-----------------------|
| Loan payable to OMA Services and purchases provided by OMA | \$ 130,929 243,965 | \$ 130,929 182,751 |
| | \$ 374,894 | \$ 313,680 |

6. Deferred revenue:

| | 2016 | 2015 |
|---|-------------------------------------|-----------------------------|
| Physician subsidies Operating funds Other | \$ 48,231,301 682,332 229,814 | \$ 72,964,194 _ 3,630 |
| | \$ 49,143,447 | \$ 72,967,824 |

7. Deferred capital contributions:

| | Balance, beginning of year | Contributions received | Amortization | Balance, end of year |
|----------------|----------------------------------|------------------------|--------------|----------------------------|
| Capital assets | \$ 231,098 | \$ – | \$ 159,755 | \$ 71,343 |

Notes to Financial Statements (continued)

Year ended March 31, 2016

8. Practice IT adoption and operations projects:

The revenue and expenses for the practice IT adoption and operations projects are as follows:

| | 2016 | 2015 |
|--|-----------------------|----------------------|
| Peer-to-peer network phase II Peer Leader Program | \$ 147,118 138,156 | \$ 396,635 36,144 |
| | \$ 285,274 | \$ 432,779 |

9. Product management and strategic solution projects:

The revenue and expenses for the product management and strategic solution projects are as follows:

| | 2016 | 2015 |
|--|--------------|--------------|
| Hospital discharge project | \$ 1,253,630 | \$ 1,028,176 |
| Application Service Provider expansion project | 398,009 | 195,297 |
| eConsult RM phase 1 pilot | 443,245 | 539,807 |
| eConsult RM | 367,955 | 451,472 |
| eConsult RM phase 2 pilot | 748,348 | _ |
| eReferral | 62,202 | _ |
| EMR dashboard 85,397 | _ | |
| | \$ 3,358,786 | \$ 2,214,752 |

10. Other revenue:

| | 2015 | 2014 |
|-----------------------|---------------|--------------|
| Canada Health Infoway | \$ 207,836 | \$ _ |
| Vendor Certifications | 86,283 | _ |
| Conference | 37,830 | 43,600 |
| | \$ 331,949 | \$ 43,600 |

Notes to Financial Statements (continued)

Year ended March 31, 2016

11. Defined contribution pension plan:

Effective September 1, 2015, the Company's employees are eligible to join the OMA defined contribution ("DC") pension plan. Total employer matching contributions paid and expensed by the Company under the DC plan amounted to \$237,138 from September 1, 2015 to March 31, 2016.

12. Income taxes:

As at March 31, 2016, the Company has the following amounts available to reduce future years' income for tax purposes. The potential tax benefit of these losses has not been recorded in the financial statements. The tax losses expire as follows:

| 2028 2029 | \$ 11,000 42,000 |
|--------------|------------------------|
| | \$ 53,000 |

13. Commitments:

The Company has committed to certain physician subsidy costs payable in future years. As at March 31, 2016, the outstanding contingent liability to physicians totalled \$48,231,301.

Notes to Financial Statements (continued)

Year ended March 31, 2016

14. EMR funding agreement revenue and expenses:

Revenue and expenses incurred under the MOHLTC EMR funding agreement for the period from August 1, 2015 to March 31, 2016 are as follows:

| Revenue: | |
|--|---------------|
| Physician subsidies and incentives | \$ 21,301,000 |
| Operating funds | 10,172,997 |
| Practice IT adoption and operations projects | 214,156 |
| Product management and strategic solution projects | 2,316,133 |
| Deferred capital contributions | 103,283 |
| Interest - physician subsidies and operating | 411,917 |
| Other | 280,379 |
| | 34,799,865 |
| Program expenses: | |
| Physician IT programs: | |
| Practice IT adoptions and operations | 3,059,653 |
| Practice IT adoption and operations projects | 214,156 |
| Physician IT services | 1,884,141 |
| Insight, Engagement & Transformation | 825,869 |
| Product management and strategic solution | 1,621,904 |
| Product management and strategic solution | |
| projects | 2,316,133 |
| Electronic medical record systems | 85,997 |
| Corporate services | 3,079,095 |
| Interest | 411,917 |
| Physician subsidies and incentives: | |
| Legacy PC - IT funding | 281,200 |
| New electronic medical record adopter | 13,461,375 |
| New electronic medical record Adoption | |
| Program Extension 2 | 7,558,425 |
| | 34,799,865 |
| Net income | \$ - |

Notes:

Notes:

ANNUAL REPORT 2015 - 2016



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The views expressed in this publication are the views of OntarioMD and do not necessarily reflect those of the Province.

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OntarioMD is a wholly owned subsidiary of the Ontario Medical Association.