



# ANNUAL REPORT 2017 - 2018



## CONTENTS:

OntarioMD: Delivering Value to Patients, Clinician Practices and the Health Care System.....	1
From our CEO and Board Chair.....	2
Executing on Our Priorities.....	5
Measuring Our Success.....	14
Our Leadership.....	17
Financials.....	20

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ANNUAL REPORT  
2017 - 2018



# OntarioMD: Delivering Value to Patients, Clinician Practices and the Health Care System

OntarioMD was established in 2004 with a mandate to support physicians with the implementation of digital health tools and services. In the years since, we have provided ever-increasing, tangible clinical value to clinician practices and cost savings to the health care system. Our proven success in leading the adoption and sustained use of electronic medical records (EMRs) by more than 16,000 physicians and nurse practitioners across the province is the solid foundation for building an integrated digital health system.

Patients want and expect their clinicians to use technology and share their health information with other health care providers. Now that most family physicians and nurse practitioners use EMRs, that is exactly what is happening. EMRs have introduced and sustained efficiency for patients, primary care practices and Ontario's health care system. OntarioMD has led this transformation by offering a suite of EMR-based programs and delivering services on behalf of its partners so that:

- **Patients no longer have to tell their clinicians that they were in the hospital or make their own follow-up appointments.** Physicians and nurse practitioners receive their discharge summaries and related reports in their EMRs and can provide proactive care if required.
- **Patients' lab tests are accessible** by their clinicians through OLIS (Ontario Laboratories Information System) through EMRs so physicians can identify trends and be proactive in taking action.
- **Patients' medications are better monitored** when their clinicians use an EMR and the potential for adverse drug events has decreased.
- **Patients no longer have to collect their diagnostic images** from imaging facilities and bring them to their physicians and nurse practitioners because clinicians can access them through their EMRs.
- **Patients no longer have to take time off work and travel to see a specialist unnecessarily** when clinicians can send an eConsult request to specialists anywhere in Ontario.

Our work matters a lot to clinician practices and their patients. Relying on OntarioMD for the efficient, cost-effective and successful delivery of enhancements to current digital health tools, and the deployment of future digital health tools to improve patient outcomes and experiences, makes good economic sense.

OntarioMD's infrastructure, industry knowledge, experience and strong relationships with clinicians, stakeholders and vendors uniquely positions us as a trusted advisor to advance provincial health priorities through EMR-integrated digital health solutions.



From our CEO and Board Chair

ANNUAL REPORT  
2017 - 2018





**Dr. Gregory Athaide**  
Board Chair



**Sarah Hutchison**  
CEO

At OntarioMD, our vision for the future is a digitally-connected, highly efficient and patient-centred health care system for all. Thanks to the work of our team and our partners across the system, that vision is becoming reality.

OntarioMD plays a lead role as a digital health system innovator and integrator, focused on improving user access, increasing safety, creating system efficiencies and realizing value.

The value of any product or service brought to market can only be fully realized with adoption and use. The cornerstone of our work is how we support clinical practices across the province to connect and work in an integrated digital health environment to realize the highest value. We strive to deliver digital health solutions that support and enable excellent care for patients.

We recognize that digital health delivery is necessary to keep up with increasing health system demands. Implemented effectively, digital health tools and services support the evolution from manual and paper-based processes to support patient-centred activities. OntarioMD understands that for digital health to be a success, it's not just about adoption, it's about effective use, continuous quality improvements and providing trusted advice to clinician practices and our system partners to get the most out of EMRs and other digital health tools.

Every day, OntarioMD staff support clinician practices by helping them seamlessly integrate digital health tools such as our Health Report Manager (HRM) into clinician EMR workflows. The extraordinary success of HRM has enabled hospitals and specialty clinics across Ontario to send more than 28 million patient reports to clinician practices' EMRs in near real time. That means physicians, nurse practitioners and their staff can start planning effective follow-up care as soon as patients are discharged from a hospital or clinic. And it means Ontario patients dealing with the stress of injury, disease or other health condition can rest assured their information is following them on each step of their health care journey. That's the power of digital health in action.

This annual report highlights the great progress made by OntarioMD's products and services, new and stronger partnerships, and much-appreciated recognition from our peers for the work we do. We'll support new provincial government strategies and priorities for digital health so that clinicians can provide the care Ontarians need.



DIGITAL HEALTH  
SERVICES BUNDLE



HEALTH  
REPORT MANAGER



EMR CERTIFICATION  
PROGRAM



EMR PRACTICE  
ENHANCEMENT PROGRAM



PRIVACY  
TRAINING AND RESOURCES



EMR PROGRESS  
ASSESSMENT TOOL



EMR PHYSICIAN  
DASHBOARD



eNOTIFICATIONS



LHIN  
REPORTS



CLIENT SERVICES  
AND ENGAGEMENT



PEER LEADER  
PROGRAM



OLIS  
DEPLOYMENT



EMR-eCONSULT  
INTEGRATION



EMR: EVERY STEP  
CONFERENCE



VENDOR COLLABORATION  
PORTAL



ON THE ROAD  
WITH ONTARIOMD

ANNUAL REPORT  
2017 - 2018



# Executing on Our Priorities



A clear roadmap is essential for any organization that wants to drive innovation, lead change and provide value to the health care system. OntarioMD's 2017-2020 strategic plan serves that important role for everyone in our organization. It defines our mission – advancing quality patient care and clinical practice. It lays out our strengths and capabilities: a long history of success in physician and nurse practitioner adoption and use of EMRs; a trusted brand in the eyes of clinician practices and health care sector stakeholders; trusted delivery partner with EMR and digital health product vendors; and in-depth understanding of the potential of EMRs to shape better patient outcomes.

Most importantly, our strategic plan defines the three strategic focus areas that guide our work in the future:

### 1. Enhancing Clinical Practice and Patient Care

By extending our role as an advisor and change champion, and building on our established relationships with clinicians and Clinician Leaders, we are working with partners, vendors and other stakeholders to develop and implement digital health solutions that community-based clinicians need. Through this system integrator role, we will support a more connected care environment, and in turn enhance clinical practice efficiency and effectiveness.

### 2. Impacting and Influencing

Instrumental to our success is the continued growth and effectiveness of our partnerships, strengthening the value we provide to our Clinician Leaders, clinician practices and others across the health system. Our ability to bridge between community-based practicing physicians and nurse practitioners and the broader health delivery system is a differentiated value proposition among health system stakeholders seeking to engage and drive change across an increasingly stretched and often fragmented community care sector. Through thoughtful and strategic approaches to partnerships, we will continue to add value to our stakeholders and the broader health system.

### 3. Driving Growth and Sustainability

We will prototype, develop and scale new solutions and business opportunities to enhance clinician practices and improve health care for patients. In doing so, we will diversify our partnerships and revenue streams to support the ongoing sustainability of our organization to advance digital health in the community and the larger ecosystem.



Over the following pages, we'll highlight our key accomplishments from the past fiscal year that demonstrate how we're actively working to advance each of these strategic goals.



## Our Mission

Helping clinician practices advance EMRs, products and services so that collectively we enhance the delivery of patient care.

## Our Vision

Realizing the power of digital health for a healthier Ontario.

## 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 clinician practices and the patients in their care.

## Efficiency Through Integration

**OntarioMD-developed Health Report Manager (HRM) enables hospitals and specialty clinics to deliver patient reports securely to EMRs.** Clinicians receive medical record reports and diagnostic imaging reports as soon as they are transcribed – which means clinical value through faster patient follow-up, better coordination of care and less likelihood of unnecessary readmissions. Reducing unnecessary readmissions reduces unnecessary health care spending. HRM has been recognized with multiple awards for its impact on patient care, practice efficiency and the environment.



**1.4M**

reports sent each month  
on average via HRM  
(as of March 31, 2018)



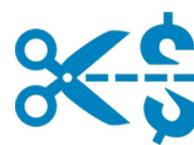
**\$30,000**

in cost avoidance  
annually for a medium  
community hospital using HRM



**\$100,000**

in cost avoidance  
annually for a large  
community hospital using HRM



**\$15M**

average per year and  
growing in cost avoidance  
enabled by HRM

**eConsult gives physicians and nurse practitioners a digital solution for quick access to specialist advice.**

This is invaluable for patients; an eConsult often results in the avoidance of time-consuming in-person specialist appointments, and frees up space on wait lists. In collaboration with the Ontario Telemedicine Network (OTN), Champlain BASE, QHR Technologies and OSCAR EMR, OntarioMD is leading efforts to give clinicians access to eConsult through their EMRs. By integrating this already popular clinical solution into EMRs, clinician practices will be able to send and receive eConsults without having to leave their EMRs. Work on the eConsult EMR integration pilot is ongoing, with an aim to have eConsult available through all OntarioMD-certified EMRs by January 2019.

*"I have been using eConsult more frequently and with much more ease since its integration into my EMR. Most specialists reply within three days. Overall, I love having this quick and effective service integrated into the EMR, which has saved me many unnecessary referrals. I can only remember one occasion where I went on to send a referral after such a consult."*

**Dr. Julia Zhu, Family Physician, London**

## An EMR Dashboard for Improved Data Quality and Patient Care

There is a growing understanding that a population-based approach to health care is fundamental to combatting chronic disease, cancer, the opioid crisis and other issues. Our EMR Dashboard proof of concept was started in 2015 with this in mind. Working with OSCAR EMR and TELUS Health, along with a broad group of stakeholder partners, we've developed a dashboard framework that gives clinicians real-time tools to view their patients and patient roster to provide cues for follow-up and improved management. The dashboard incorporates established primary care indicators from Health Quality Ontario, the Canadian Institute for Health Information and the Association of Family Health Teams of Ontario.

In 2017-18, we successfully completed phase 1 of our proof of concept with 100 participating physicians. In a survey of phase 1 participants, more than 75% recognized the dashboard's value in advancing practice needs and quickly identifying patients requiring follow-up. Also, more than 80% took advantage of dashboard's ability to support data quality improvements by opting in to share their metrics with other users. Phase 2 will run through summer 2018, and include up to 500 physicians across every region in Ontario. In this phase, we will further demonstrate the dashboard's clinical value and scalability across EMR offerings. We will also demonstrate how OntarioMD's established change management processes, technical and practice-level expertise can pair with the dashboard technology to offer clinicians unmatched data quality and clinical support.

## Training for Data Privacy and Security

With any innovative technology advances comes new risk, and EMRs and digital health tools are no exception. The health sector in Canada is seeing an increasing number of digital privacy breaches and Ontario clinicians understand that they should be aware of their responsibilities to protect personal health information (PHI). As of October 1, 2017, anyone in Ontario who deals with health information is required to report certain types of privacy breaches to the Information and Privacy Commissioner of Ontario (IPC).

That's why, in December 2017, we introduced the OntarioMD Privacy and Security Training Module. It was developed with input from the College of Physicians and Surgeons of Ontario (CPSO), the Canadian Medical Protective Association (CMPA), the Ontario Medical Association (OMA) and eHealth Ontario, and covers a range of topics such as safeguarding PHI and other confidential data from breaches, and how to comply with obligations under Ontario's *Personal Health Information Protection Act*. The training is available for clinicians and eligible practice staff who can print an attestation of completion certificate at the end of the module. Eligible clinicians who complete it can receive two Mainpro+ credits.





## Streamlining Service Delivery and Support

We know how busy clinicians are, and over the years we've developed a strong understanding of how we can help them do more with the time they have available. That's why we've done a lot of work throughout 2017-18 to streamline our internal processes and work with our stakeholder partners to do the same:

- We're supporting the Toronto Central LHIN, University Health Network, and eHealth Ontario with efforts to bundle their services (ConnectingOntario Clinical Viewer, ONE® ID and ONE Mail) with initiatives we are already deploying for other partners, such as eConsult. By doing so, we can help clinicians adopt and use more connectivity options in fewer practice visits.
- We've also partnered with the Ontario Telemedicine Network (OTN) to deploy an array of OTN's integrated virtual care tools, such as eConsult and eVisit Primary Care (a pilot connecting patients with their health care providers via secure messaging, audio and video) and will provide support to many of OTN's member clinicians using these services.
- Our Client Services and Engagement realigned our field teams' duties and added new area managers to align with the three LHIN regional clusters to address clinician practices' EMR needs better and faster.
- HRM Service Desk transitioned to OntarioMD from eHealth Ontario. Our client service representatives' strong familiarity with HRM and training to support clinicians will result in quicker resolution of HRM issues.



*"Our work with OntarioMD will integrate virtual care solutions with provider EMRs and make it easier for them to engage in powerful virtual care applications."*

**Dr. Ed Brown, CEO, Ontario Telemedicine Network**

## Efficiency and Clinical Value Through Partnerships

In addition to the service bundling initiatives mentioned in the previous section, OntarioMD has built on our reputation as a digital health system integrator to create additional partnerships that benefit clinician practices and, ultimately, patients:

- In 2017-18, we established a formal working partnership with Health Quality Ontario to support common goals and Ministry priorities through:
  - Expanded collaboration on OntarioMD's EMR Dashboard to support efforts on quality standards in Ontario;
  - Support for quality improvement in primary care, including through OntarioMD's Peer Leader Program, practice reports and quality standards;
  - Communication and education around the availability of HQO's Primary Care Practice Reports and supports for practice improvement;
  - Identifying opportunities for discussion on Quorum, an online community dedicated to improving the quality of health care across Ontario; and
  - Promoting Change Day Ontario, a growing global movement rooted in health system improvement that came to Ontario in 2017.
- To accelerate efforts to bring interconnected digital health tools to all parts of Ontario, we continued our relationship with Health Shared Services Ontario and formed a new working relationship with the North West Health Alliance and Thunder Bay Regional Health Sciences Centre to enable hospitals in the North West Local Health Integration Network to implement eNotifications (short electronic messages) through HRM so primary care clinicians can receive eNotifications directly to their EMRs.
- We also worked with Canada Health Infoway throughout 2017-18 to align our respective EMR certification programs. These efforts have streamlined the certification process for EMR vendors in Ontario by identifying and harmonizing equivalent privacy and security certification requirements. As a result, EMR vendors can now ask each certification body to share their evidence documents, reducing the effort required in assessing their adherence to the other certification body's requirements.

*"Recognizing OntarioMD's EMR Certification Program in Ontario, we're pleased to collaborate with OntarioMD to bring this important benefit to our mutual clients."*

**Michael Green, President and CEO, Canada Health Infoway**



## Our Partners



*"As an organization that supports continuous quality improvement in our health system, we are pleased to be working in partnership with OntarioMD and physicians for better patient care."*

**Dr Joshua Tepper, President and CEO, Health Quality Ontario**



## Facilitating Opportunities for Learning

Since 2012, OntarioMD's EMR: Every Step Conference has been the leading EMR conference series in Canada. The twice-annual event offers an unmatched opportunity for family physicians, specialists and other clinicians, practice staff, EMR vendors and health care sector stakeholders to gather under one roof to learn about the increasing clinical value and potential of EMRs and other digital health tools to improve patient care in concurrent sessions. EMR training workshops and one-on-one sessions with OntarioMD Peer Leaders provide clinicians with practical tips on EMR functionality and workflow that they can use in their practices.

In 2017, we held successful EMR: Every Step Conferences in Ottawa and Toronto. Hundreds of clinicians came to hear thought-provoking keynote addresses by Dr. Brian Goldman and patient advocate Judith John, participate in more than 25 new educational sessions, and earn up to 7.5 Mainpro+ credits.



ANNUAL REPORT  
2017 - 2018

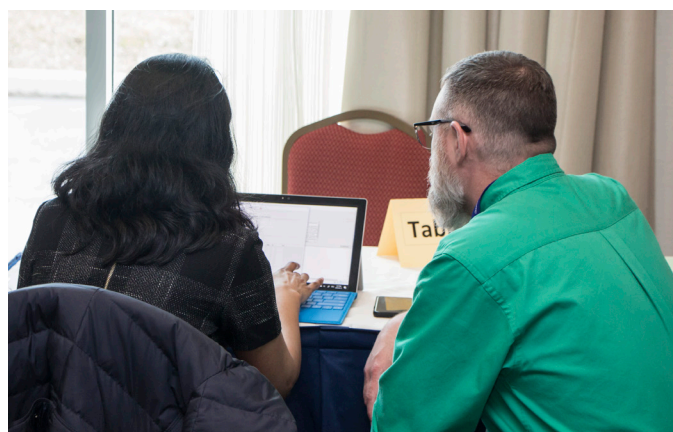
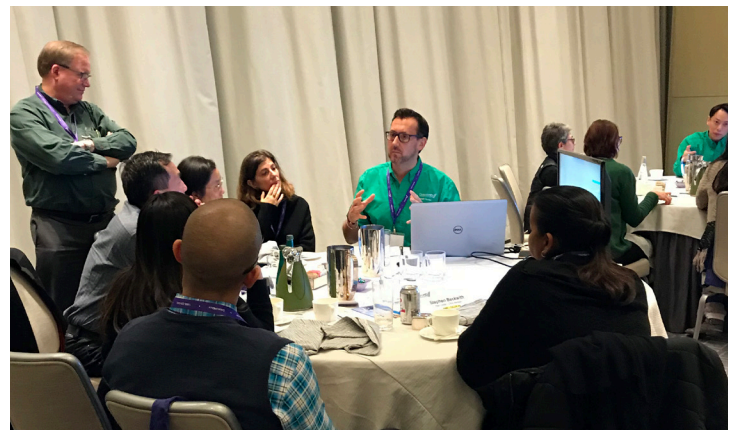


We also recognize that many clinicians across Ontario who'd like to attend our annual conferences aren't able to due to time, distance and resource issues. In 2017, we launched our On the Road with OntarioMD seminar series to bring great learning and networking opportunities to communities across the province. Each 2.5 hour session is organized to deliver educational and applied content on a key health care topic. We specifically focused on safe opioid prescribing, bringing together OntarioMD Peer Leaders with clinicians and practice staff. On the Road made seven stops late in the 2017-18 fiscal year, and 12 more are planned for year ahead.

**OntarioMD also promotes its products and services at other leading health care industry events. In 2017-18, our team participated in 47 such events.**

*"I would like to thank you for the time you took to show us the embedded functionality within the EMR. I left the meeting today feeling excited about the potential of my EMR and how I can use it to build a better, more reflective practice."*

**Dr. Ibrahim Malik,  
Family Physician, Georgetown**

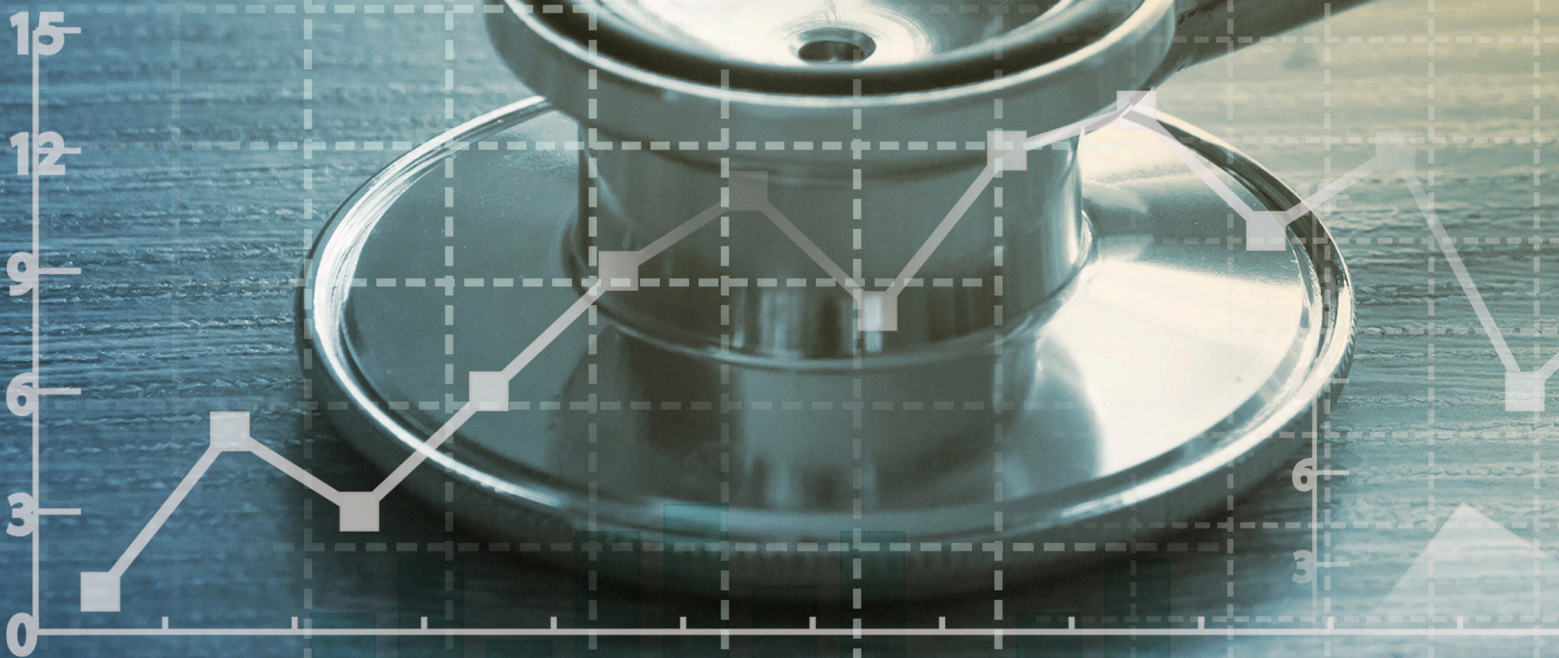


*"It was interesting to hear about future plans by the Ministry of Health and Long-Term Care with respect to prescribing monitoring. I also found the session's review of best practices for opioid prescribing helpful."*

**Dr. Fawzi Mankal,  
Family Physician, Ottawa**



# Measuring Our Success



ANNUAL REPORT  
2017 - 2018



With EMR adoption reaching critical mass in Ontario and across Canada, the focus now is on creating a digital health system that is efficient, eliminates duplication and connects all information sources and caregivers at all levels, for responsive, proactive patient-centred care.

With a leadership team that features decades of expertise in digital health development, a dedicated team of employees who have deep technical and practice expertise, a field team with boots on the ground in every region of the province, and more than a decade of rich data to draw on, OntarioMD is uniquely positioned to continue playing a lead role in advancing quality primary care through digital health.

But it's not enough to simply believe we're making a difference. In this section, we outline some of the key ways we measure our success, and highlight the recognition and metrics we're most proud of from the 2017-18 fiscal year.



**15,000+**

**Ontario family physicians and**



**1,100+**

**nurse practitioners use**

**OntarioMD-certified electronic  
medical records**

## Practice and Patient Impact

Our true test of success lies in the difference our digital health products, services and supports make in patient outcomes and practice efficiency. Here are a few stories that illustrate the clinical value of our work:

- **One of our Peer Leaders, Dr. Mario Elia, is helping to improve cancer care follow-up** by working with clinicians to share how he successfully uses his EMR to record key patient data, search for target patient populations, and determine the cancer care follow-up processes that work for a particular practice. Read more at <https://www.ontariomd.ca/products-and-services/peer-leader-program>
- **Our EPEP team worked with Toronto physician Dr. Alireza Oliaei to optimize his EMR for preventive care.** Over several months, the team addressed discrepancies in Dr. Oliaei's patient roster, helped establish a standardized data entry process, and improved documentation workflows. The result: Better EMR data accuracy, which drives more proactive patient care. Read more at <https://www.ontariomd.ca/products-and-services/emr-practice-enhancement-program>
- **Our Client Services and Engagement team have used their collective technical and practice expertise to source or develop customized solutions** including EMR toolbars for diabetes, opioids and other key areas of focus. Each of these solutions has helped Ontario clinicians use their EMRs to provide better care.

## Industry Awards

OntarioMD was recognized for both individual and team efforts at the **2017 Canadian Health Informatics Awards**, presented by Digital Health Canada and ITAC Health, in June 2017:

- Our Chief Medical Officer, **Dr. Darren Larsen**, was recognized **with the Clinician Leadership award** for his work in advancing the adoption and optimization of EMRs in Ontario and nationally.
- OntarioMD's **Health Report Manager won Project Implementation Team of the Year**, for the impressive expansion of HRM in south west Ontario in partnership with the Connecting South West Ontario Program, eHealth Ontario and Orion Health.
- The **Provincial eConsult Initiative team took home the Innovation and Care Delivery award** for its integration of the Ontario Telemedicine Network's eConsult service with certified EMRs.



Our Vice-President, Product Strategy and Delivery, **Elizabeth Keller**, was recognized by her peers as one of **Digital Health Canada's inaugural Women Leaders in Digital Health**, for her work in advancing Digital Health in Ontario and internationally.

Our work to integrate eConsult with EMRs in clinician practices was recognized with a **2017 Ingenious Award** under the SME Public / Not-for-Profit Sector category. The awards are presented annually by the Information Technology Association of Canada (ITAC) to celebrate excellence in the use of information and communications technology (ICT) by organizations in all walks of Canadian life to solve problems, improve performance, introduce new services and grow businesses.







# Our Leadership

Following the successful conclusion of our initial mandate to fund and support physicians in adopting EMRs for their practice, we've shifted our focus to working with partners across the health care system to develop new products and services that enhance the power of EMRs to improve patient care and realize measurable value for the health care system. That requires us to be innovative, responsive and work as a team to get results.

Our leadership team is made up of widely-respected individuals with extensive experience in health care and technology. They are committed to creating value for the system, and they understand the importance of giving everyone at OntarioMD the information and tools they need to succeed. We've built a corporate culture that is focused on – and passionate about – being trusted advisors, digital health leaders and innovators in quality improvement.



## Our Leadership



Sarah Hutchison  
Chief Executive Officer



Dennis Ferenc  
Chief Administrative  
Officer



Dr. Darren Larsen  
Chief Medical Officer



Elizabeth Keller  
Vice-President  
Product Strategy  
& Delivery



Ariane Siegel  
General Counsel &  
Chief Privacy Officer



Cynthia MacWilliam  
Executive Director  
Client Services  
& Engagement



Andrew King  
Executive Director  
Technology  
& Integration



## Our Board of Directors



Our Board of Directors brings together experience in health care, digital health, strategy and governance, and the breadth of skills and perspectives needed to drive our strategic objectives to support efficient, effective patient care.

- Dr. Gregory Athaide (Chair)
- Dr. Rachel Bevan
- Dr. David Daien
- Dr. Kevin Glasgow
- Tara McCarville
- Ken Smith


In addition to the six-member Board, Tom Magyarody, CEO, Ontario Medical Association, is an Ex-officio member. Debbie Fischer, an executive associate with KPMG, acts as Board Advisor.



# Financials

ANNUAL REPORT  
2017 - 2018





All information in this annual report is the responsibility of OntarioMD management and our 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 primary funding from the Ontario Ministry of Health and Long-Term Care for fiscal year 2017-18.



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Canada  
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## INDEPENDENT AUDITORS' REPORT

To the Shareholder of OntarioMD Inc.

We have audited the accompanying financial statements of OntarioMD Inc., which comprise the balance sheet as at March 31, 2018, 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.





*Opinion*

In our opinion, the financial statements present fairly, in all material respects, the financial position of OntarioMD Inc. as at March 31, 2018, 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 12, 2018  
Vaughan, Canada


**ONTARIOMD INC.****Balance Sheet**


March 31, 2018, with comparative information for 2017

	2018	2017
<b>Assets</b>		
Current assets:		
Cash	\$ 24,167,459	\$ 32,904,696
Accounts receivable	715,074	489,351
Prepaid expenses and deposits	148,066	87,883
	<u>25,030,599</u>	<u>33,481,930</u>
Capital assets (note 2)	189,822	31,991
	<u>\$ 25,220,421</u>	<u>\$ 33,513,921</u>
<b>Liabilities and Shareholder's Deficiency</b>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 3,110,065	\$ 2,777,014
Interest payable (note 3)	1,440,417	1,107,274
Due to Ontario Medical Association (note 4)	386,269	396,900
Deferred revenue (note 5)	20,137,344	29,244,238
	<u>25,074,095</u>	<u>33,525,426</u>
Deferred capital contributions (note 6)	189,822	31,991
	<u>25,263,917</u>	<u>33,557,417</u>
Shareholder's deficiency:		
Share capital:		
Authorized:		
Unlimited preference shares, redeemable, non-voting		
Unlimited common shares		
Issued:		
1 common share	1	1
Deficit	(43,497)	(43,497)
	<u>(43,496)</u>	<u>(43,496)</u>
Commitments (note 11)		
	<u>\$ 25,220,421</u>	<u>\$ 33,513,921</u>

See accompanying notes to financial statements.

On behalf of the Board:

 G. Athaide Director

 Director



# ONTARIO MD INC.

## Statement of Operations and Deficit

Year ended March 31, 2018, with comparative information for 2017

	2018	2017
Revenue:		
Physician subsidies and incentives	\$ 11,368,475	\$ 21,239,500
Operating funds	14,639,867	15,310,291
Peer leader projects	181,754	106,488
Product strategy and delivery projects	4,675,538	4,481,602
Deferred capital contributions	21,332	59,269
Interest - physician subsidies	274,116	382,510
Interest - operating	59,027	44,806
Other (note 8)	1,892,812	442,163
	33,112,921	42,066,629
Program expenses:		
Physician IT programs:		
Client services and engagement	5,311,438	3,534,895
Peer leader projects	181,754	106,488
Physician IT services	2,183,558	2,415,356
Insight, engagement and transformation	1,112,550	1,769,307
Product strategy and delivery (note 7)	5,197,971	5,332,178
Technology and integration	1,565,123	2,020,137
Information management	733,677	—
Corporate services	5,125,232	5,221,452
Interest (note 3)	333,143	427,316
Physician subsidies and incentives:		
Legacy PC - IT funding	245,000	259,800
New electronic medical record adoption	5,559,775	13,065,675
New electronic medical record adoption program extension 2	5,563,700	7,914,025
	33,112,921	42,066,629
Net income	—	—
Deficit, beginning of year	(43,497)	(43,497)
Deficit, end of year	\$ (43,497)	\$ (43,497)

See accompanying notes to financial statements.

**ONTARIOMD INC.**

## Statement of Cash Flows

Year ended March 31, 2018, with comparative information for 2017

	2018	2017
Cash provided by (used in):		
Operating activities:		
Net income	\$ —	\$ —
Items not involving cash:		
Amortization	21,332	59,269
Amortization of deferred capital contributions	(21,332)	(59,269)
Interest accrued in investments	(33,851)	(26,925)
Change in non-cash operating working capital	(9,059,749)	(20,924,479)
	(9,093,600)	(20,951,404)
Financing activities:		
Increase in interest payable	333,143	427,316
Increase (decrease) in amount due to Ontario Medical Association	(10,631)	22,006
Increase in deferred capital contributions	179,163	19,917
	501,675	469,239
Investing activities:		
Decrease in investments, net	33,851	20,089,522
Purchase of capital assets	(179,163)	(19,917)
	(145,312)	20,069,605
Decrease in cash	(8,737,237)	(412,560)
Cash, beginning of year	32,904,696	33,317,256
Cash, end of year	\$ 24,167,459	\$ 32,904,696

See accompanying notes to financial statements.



# ONTARIO MD INC.

## Notes to Financial Statements

Year ended March 31, 2018

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OntarioMD Inc. (the "Company") was incorporated under the Ontario Business Corporations Act. The Company is a wholly owned subsidiary of the Ontario Medical Association (the "OMA"), a not-for-profit organization. The mandate of the Company is to achieve the goals set out in the delivery collaborative between the Company and the Ministry of Health and Long-Term Care ("MOHLTC").

Effective March 31, 2018, the Company and MOHLTC signed a nine-month amending agreement for Electronic Medical Records ("EMRs") to provide funding of \$18.6 million, for the period from April 1, 2018 to December 31, 2018. MOHLTC has provided the Company with monthly funding to support the enhanced use and functional improvement of EMRs across the province.

The program initiatives described in the original EMR Funding Agreement (the "Agreement") dated August 1, 2015 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 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.

# ONTARIO INC.

Notes to Financial Statements (continued)

Year ended March 31, 2018

## 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:

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.



# ONTARIO MD INC.

Notes to Financial Statements (continued)

Year ended March 31, 2018

## 1. Significant accounting policies (continued):

### (d) Capital assets:

Capital assets consist of computer hardware, software, furniture and office equipment and leasehold improvement 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 hardware (laptops - 3 years)	5 years
Software	5 years
Furniture and office equipment	10 years
Leasehold improvements	Lease term

### (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.

**ONTARIOMD INC.**

Notes to Financial Statements (continued)

Year ended March 31, 2018

**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:**

			2018	2017
	Cost	Accumulated amortization	Net book value	Net book value
Computer hardware	\$ 62,149	\$ 37,336	\$ 24,813	\$ 25,518
Software	724,988	676,187	48,801	6,473
Furniture and equipment	58,710	1,524	57,186	—
Leasehold improvements	59,022	—	59,022	—
	<b>\$ 904,869</b>	<b>\$ 715,047</b>	<b>\$ 189,822</b>	<b>\$ 31,991</b>

Amortization expense related to capital assets amounted to \$21,332 (2017 - \$59,269).

**3. Interest payable:**

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



# ONTARIO MD INC.

Notes to Financial Statements (continued)

Year ended March 31, 2018

## 4. Due to Ontario Medical Association ("OMA"):

The amounts due to OMA are non-interest bearing, are 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, 2018 amounted to \$1,993,783 (2017 - \$1,760,792). At March 31, 2018, \$255,340 (2017 - \$265,971) is payable to OMA, including reimbursement for third-party expenses paid by OMA.

	2018		2017	
Loan payable to OMA	\$	130,929	\$	130,929
Services and purchases provided by OMA		255,340		265,971
	\$	386,269	\$	396,900

## 5. Deferred revenue:

	2018		2017	
Physician subsidies	\$	16,926,751	\$	27,727,550
Operating funds		3,181,987		1,475,187
Other		28,606		41,501
	\$	20,137,344	\$	29,244,238

## 6. Deferred capital contributions:

	Balance, beginning of year	Contributions received	Amortization	Balance, end of year
Capital assets	\$ 31,991	\$ 179,163	\$ 21,332	\$ 189,822

**ONTARIOMD INC.**

Notes to Financial Statements (continued)

Year ended March 31, 2018

**7. Product strategy and delivery:**

The revenue and expenses for the product strategy and delivery projects are as follows:

	2018	2017
Projects:		
Hospital report manager expansion	\$ 2,176,668	\$ 2,083,378
eConsult RM phase 2 pilot	1,604,536	1,770,899
EMR dashboard	542,286	595,142
OLIS PQ	226,790	—
OLIS deployment	63,218	32,183
NER LHIN	32,982	—
TC LHIN	29,058	—
Operations	522,433	850,576
	<b>\$ 5,197,971</b>	<b>\$ 5,332,178</b>

**8. Other revenue:**

	2018	2017
Ontario Telemedicine Network (eConsult and eVisit Project)	\$ 1,069,620	\$ —
Canada Health Infoway (OLIS PQ Project)	329,640	—
Canada Health Infoway (Peer Leader Project)	298,212	319,463
Conference	175,340	122,700
Vendor Certifications	20,000	—
	<b>\$ 1,892,812</b>	<b>\$ 442,163</b>

**9. Defined contribution ("DC") pension plan:**

The Company's employees are part of the OMA DC pension plan. Total employer matching contributions paid and expensed by the Company under the DC plan amounted to \$528,944 (2017 - \$470,075).

**10. Income taxes:**

As at March 31, 2018, the Company has \$13,073 non-capital loss carryforward available to reduce future years' income for tax purpose (2017 - nil).



# ONTARIO MD INC.

Notes to Financial Statements (continued)

Year ended March 31, 2018

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## 11. Commitments:

The Company has committed to certain physician subsidy costs payable in future years. As at March 31, 2018, the outstanding contingent liability to physicians totalled \$16,926,751 (2017 - \$27,727,550).



## ANNUAL REPORT 2017 - 2018

**OntarioMD**  
Empowered Practices. Enhanced Care.

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