

Results That Matter



**Supporting Patient Care
with Quality Diagnostics**

**Annual Report to the
Minister of Health
2013-2014**



DIAGNOSTIC SERVICES
MANITOBA

Table of Contents

Letter of Transmittal & Accountability.....	3
Board Governance.....	4
Organizational & Advisory Structure.....	7
Annual Achievements.....	8
Challenges & Future Directions.....	19
Quality & Patient Safety Indicators.....	20
Financial Information.....	22
Public Sector Compensation Disclosure.....	26
Public Interest Disclosure.....	27

Letter of Transmittal and Accountability

We have the honour of presenting the Annual Report for Diagnostic Services of Manitoba Inc. (DSM) for the fiscal year ended March 31, 2014.

This Annual Report was prepared under the Board's direction and in accordance with The Regional Health Authorities Act and directions provided by the Minister of Health. All material including economic and fiscal implications known as of March 31, 2014, have been considered in preparing this report. The Board has approved this report.

Respectfully submitted on behalf of Diagnostic Services of Manitoba Inc.,



Ms. Marie Perchotte,
Board Chair



DSM Board Chair Marie Perchotte
with DSM CEO Jim Slater

Board Governance

DSM operates under the direction of a Board of Directors, which in turn is accountable to the Minister of Health. The Board plans and makes decisions based on established strategic plans and, together with our Chief Executive Officer (CEO), reviews the measurable benchmarks in place to monitor our organization's performance.

Among the Board's responsibilities are overseeing the realization of our Health Plan, the proper allocation of funds, and our compliance with provincial legislation. To assist in achieving these goals, the Board has created the following committees:

- Quality and Patient Safety (Q&PS)
- Finance and Audit
- Governance
- Executive

Major Activities and Decisions of the Board of Directors:

New Members and Farewells

In November 2013, Mr. John Stinson, CEO of Interlake – Eastern Regional Health Authority, was appointed by the Minister of Health to the DSM Board of Directors.

Dr. Dhali Dhaliwal, Chief Executive Officer of Cancer Care Manitoba (CCMB), resigned from the DSM Board of Directors following his retirement notice. Dr. Helmut Unruh was appointed as the new CCMB representative.

Activities

The DSM Board continued its approach on having strategic (generative) board discussions to establish high level goals and provide leadership support for the organization from which senior leadership can develop strategic operational

plans. A special strategic planning session was held on November 26th, 2013 to begin laying the foundation for the Board's strategic goals. As a result of these discussions the Board of Directors established its top five strategic priorities.

1. Quality of Care and Patient Safety - The Board will continue to strengthen its role in providing strategic direction to and appropriate oversight of DSM performance in providing patient-focused quality care and in ensuring patient safety. Quality and patient safety will be considered in all Board decisions.

2. Accountability System - DSM Board prioritizes the development of a national-class [Board] accountability system that shall include an informative dashboard of safety, quality, and fiduciary metrics.

3. Provincial Leadership in Radiology and Diagnostic Imaging - The Board recognizes that DSM is uniquely positioned to provide provincial leadership in Radiology and Diagnostic Imaging and will provide appropriate oversight and strategic direction to ensure consistency and integration across the province.



DSM's MRI at Boundary Trails Health Centre

2013/2014 DSM Board of Directors:

Mrs. Marie Perchotte (Chair)

Dr. Hussam Azzam
Chief of Staff and Vice-President Medical,
Northern RHA

Dr. Patricia Baker
Doctors Manitoba

Dr. Shaun Gauthier
Chief Medical Officer, Prairie Mountain RHA

Ms. Jean Cox
Assistant Deputy Minister of Regional
Programs and Services

Dr. Dhali Dhaliwal
President & Chief Executive Officer,
CancerCare Manitoba

Mr. Lee Manning
Executive Director, Manitoba Association of
Health Care Professionals

Mr. Glenn McLennan
Chief Financial Officer, Winnipeg Regional
Health Authority

Mr. Martin Montanti
Vice-President of Corporate Services,
Southern RHA

Ms. Shelley Neel
Staff Representative, Manitoba
Government Employees Union

Mr. John Stinson
Chief Executive Officer, Interlake-Eastern
Regional Health Authority

Dr. Paul Van Caesele
Director, Cadham Provincial Laboratory

Dr. Brock Wright
Senior Vice-President Clinical and Chief
Medical Officer, Winnipeg Regional Health
Authority

4. Stakeholder Engagement - DSM commits to an engagement strategy that will include patients, the public, our staff, labour representatives and other key stakeholders. DSM supports an approach that recognizes the importance of patients, providers, partners and the public being involved in the planning, delivery and evaluation of those services that are offered by DSM.

5. Sustainability - The Board will advocate for appropriate funding and ensure that DSM balances the provincial need for diagnostic services within the overall resources available to ensure a sustainable service going forward.

The Board's three main governance roles are:



Ms. Marie Perchotte

Dr. Hussam Azzam

Dr. Shaun Gauthier



Ms. Jean Cox

Mr. Glenn McLennan

Mr. Martin Montanti



Mr. John Stinson

Dr. Paul Van Caesele

Dr. Brock Wright

Missing: Dr. Patricia Baker, Mr. Lee Manning, Ms. Shelley Neel

- Strategic discussions (Leadership)
- Standing reports (Oversight)
- Governance policy and structure (Foundational Factors)

Other activities this year included:

- Revision of the Board Governance Manual by the Governance Committee;
- Establishment of a new Standard Operating Procedure for reporting and investigating Critical Incidents by the Q&PS Committee; and
- Identification of the need to develop evaluation metrics in 2014-2015 for the newly created Board Strategic Priorities.

Major Consultations with the Public and Other Stakeholders

In the 2013/2014 fiscal year, the Board diverted from a traditional Annual General Meeting (AGM)-style event and participated in the AGM's of our Regional Health Authority (RHA) partners - Southern Health-Santé Sud and Prairie Mountain Health. This new approach to co-align AGMs proved to be very successful as it demonstrated to the public that DSM and its RHA partners work closely together to deliver and plan for healthcare

services. This approach enabled DSM to engage directly with community members on lab and diagnostic matters of concern to them and seek input from other regional stakeholders. DSM will continue this approach in 2014/2015 and will look to expand its participation with Interlake-Eastern Regional Health Authority.

The Board held its Annual Members Meeting with its sole shareholder, the Minister of Health, in October 2013 as part of its strategic planning session. Minister Oswald commended DSM on its achievements, including fiscal management, and confirmed that the organization is aligning itself with Manitoba Health Priorities.

Board Oversight

Primarily through its committees, the Board oversees its fiduciary responsibilities to ensure that funds are allocated appropriately to support the strategic priorities and monitor budget performance. The Board sets and monitors quality and safety performance measures, completes annual board performance evaluations and ensures legislative compliance.



Penny Gilson, CEO Prairie Mountain Health with Jim Slater, CEO of DSM at the Annual General Meeting in Prairie Mountain

Organizational & Advisory Structure

There were no changes to DSM's organizational structure.

Discipline Teams

Diagnostic Discipline Teams provide expertise in all of DSM's testing disciplines, guiding service delivery based on best practices, research and emerging trends and technology. As well as driving quality, standardization and continuous improvement initiatives, the Discipline Teams are a provincial resource for all DSM sites across Manitoba, ensuring a high standard of excellence. The Teams are:

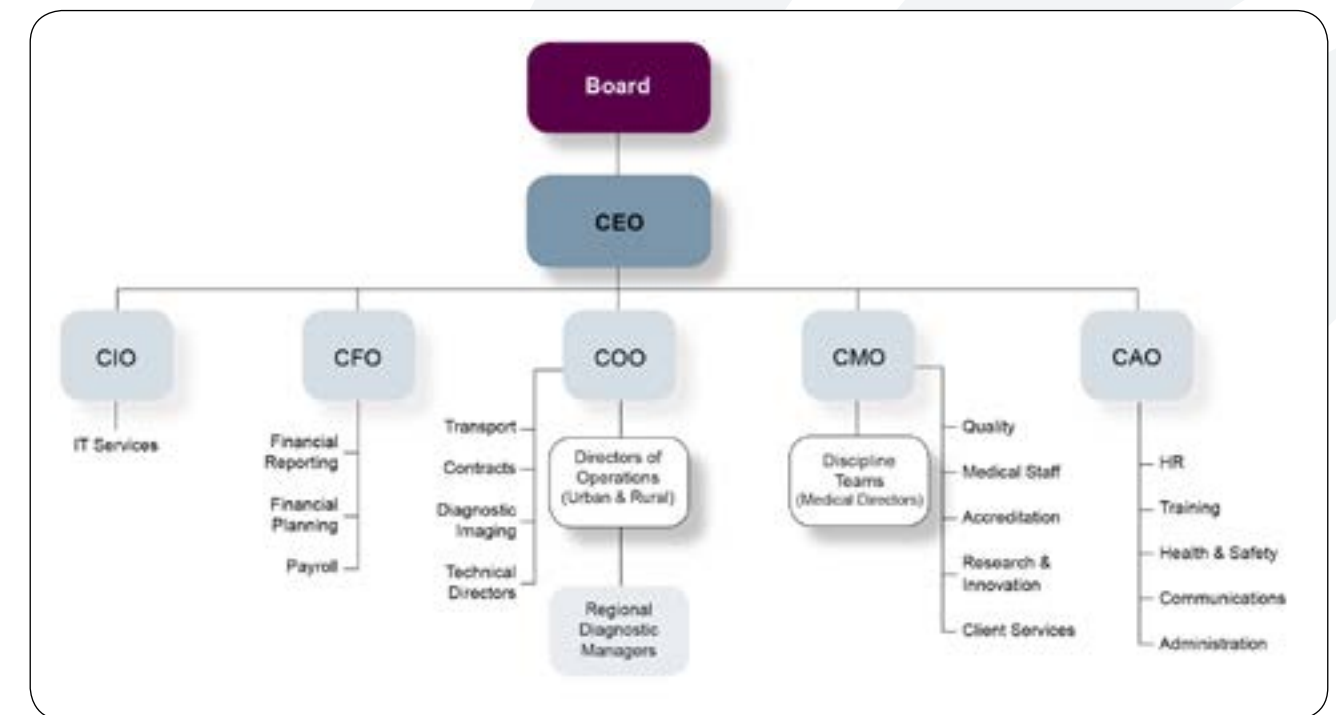
- Biochemistry & Genetics (Genomics)
- Clinical Microbiology
- Diagnostic Imaging
- Hematology
- Immunology
- Transfusion Medicine
- Pathology

RHA Liaisons

DSM works closely with its RHA partners through designated liaisons, and participates in various provincial groups with CEO, Chief Medical Officer, Chief Operating Officer, Chief Financial Officer, Communications and other counterparts.

DSM Facilities

With 79 points of access to DSM's provincial laboratory and/or medical imaging services, DSM is proud to be Manitoba's leading provider of public laboratory and rural diagnostic imaging services. For a complete list of all 79 sites, please visit our website at: www.dsmanitoba.ca



Annual Achievements

Strategic and Operational Priorities

Provincial Leadership

Since the establishment of a new Board of Directors (April 2011) and appointment of the current CEO (October 2011), DSM has undergone major changes in its governance and organizational structure to establish a mandate for DSM to assume a provincial leadership role in Medical Laboratory and Imaging Services for the province of Manitoba (collectively referred to as “diagnostic services”).

OUR VISION

To create a patient-first environment that provides quality laboratory and diagnostic imaging services supporting the health care needs of all Manitobans

OUR MISSION

We will assume a provincial leadership role in medical laboratory and medical imaging services for the Province of Manitoba

OUR VALUES

We are committed to patient-centred care and the provision of innovative and collaborative diagnostic services with integrity and accountability

Since 2011, DSM has worked to define this mandate through its philosophy of collaboration and relationship building with key stakeholders: Manitoba Health, Regional Health Authorities, CancerCare Manitoba, Canadian Blood Services, Cadham Public Laboratory, community/private laboratories, Winnipeg Regional Health Authority (WRHA) and Brandon Diagnostic Imaging Programs, WRHA Departments and Department Heads in Medicine, Surgery, and Family Practice, and related professional groups, associations, and colleges.

DSM is owned by the Minister and governed by its stakeholders on behalf of the people of Manitoba.

Strengthened by a new Vision and Mission, DSM has revised its Annual Health Plans and Strategic Operation Plans over the past 3 years to adapt to the current healthcare environment and needs of our stakeholders. The 2013/14 fiscal year was especially pivotal as DSM aligned its strategic planning process with Manitoba Health priorities and goals, identified provincial priorities for diagnostic services, and identified organizational-level strategic priorities.

The fundamental tenets of DSM’s strategic revitalization have focused on provincial leadership, collaboration and relationship building. This included developing a culture from within for delivering patient-centred, high quality, efficient, effective, accessible and sustainable diagnostic services. Nowhere is this more evident than the lead role DSM has played in improving the cancer patient’s diagnostic journey.

2013-2014 Strategic Themes & DSM Provincial and Organizational Priorities

The following four major strategic themes have continued to be applied when prioritizing and

organizing DSM’s strategic and operational priorities:

1. Total Quality Management System
2. Provincial Leadership
3. Information Management
4. Provincial Optimization and Innovation

The 2013/14 fiscal year was especially pivotal for DSM as the organization aligned its strategic planning process with Manitoba Health’s priorities and goals, identified provincial priorities for diagnostic services, and identified organizational-level strategic priorities. The details of the DSM Provincial and Organizational Strategies will be further defined and expanded upon in the revised 5-Year Provincial Strategy for Diagnostic Services in Manitoba (2011-16) and the 2014-2015 Annual Report.

Table 1: DSM Provincial Diagnostic Strategies and DSM Organizational Strategies

Table 1

A. Manitoba Health Objectives	A.1 – Cancer Patient Journey A.2 – Continuing Care A.3 – Wait Times/Access Strategy A.4 – Family Doctor for All: 2015
B. Provincial Strategies	B.1 – Transfusion Medicine Services B.2 – Pathology Services B.3 – Microbiology Services B.4 – Integrated Laboratory Services (Chemistry, Hematology, Immunology) B.5 – Radiology and Diagnostic Imaging Services B.6 – Appropriate/Effective Use of Diagnostic Services B.7 – Genomics Strategy B.8 – Diagnostic Services for Aboriginals and First Nations
C. Organizational Strategies	C.1 – Enterprise Risk Management C.2 – Funding Model and Service Level Agreement C.3 – Information Systems and Information Management C.4 – Academics, Education and Training C.5 – Research Strategy C.6 – Strategic Workforce Plan C.7 – Procurement, Contracting, Materials Management and Transportation

Major Highlights of Our Achievements

One of the major highlights from 2013-14 was the transition and alignment of DSM strategies with Manitoba Health priorities and goals, paving the way for a new/revised 5-Year Provincial Strategy for Diagnostic Services in Manitoba that is focused on meeting the diagnostic needs of Manitobans.

Cancer Patient Journey “In Sixty”

Patients depend on the health system to detect cancer at the earliest stages and begin treatment as soon as possible. The diagnostic testing that DSM provides is key to detecting cancer and integral throughout treatment, making DSM a key partner in Manitoba’s Cancer Patient Journey (CPJ) In-Sixty initiative. DSM’s goals are to reduce test result turn-around times, improve process and quality and to look for innovative ways to advance testing options for Manitobans in partnership with our key stakeholders.

DSM’s CEO is the Executive Sponsor of the Cancer Diagnostic Working Group and sits on

the CPJ Steering Committee. The Working Group has been initially focused on improving the

IN SIXTY CANCER ACTION

diagnostic journey for breast cancer and has brought practitioners together from primary care, pathology, radiology and surgery to develop new processes and pathways that will decrease and improve the diagnostic journey. Similar work is underway to decrease and improve the diagnostic journey for colorectal and lung cancer.

DSM also participates on other working groups that represent unique steps along the patient journey. These committees afford many opportunities for DSM staff to become involved as committee members or subject matter experts and give DSM a strong voice from the frontlines and beyond.

In 2013/2014, DSM made significant testing advances that are contributing to the CPJ's goal of

initiating treatment within 60 days of suspicion of cancer as a result of the initiatives noted below.

Diagnostic Patient Monitor Position and DI Referral Coordinator

These new positions form part of several initiatives of the DSM-led Cancer Diagnostic Working Group, a sub-committee of the In Sixty Initiative. The new positions answer a need for proactive monitoring and intervention with diagnostic referrals, testing, reporting and follow-up to expedite diagnosis and treatment. Often these two critical staff members will consult with each other to determine how to best meet the needs of patients and their physicians during the diagnostic part of the journey.

Cancer Patient Journey Diagnostic Working Group Improved Turnaround Time for Breast Core Biopsies

In 2012, prior to the introduction of the CPJ initiative, an average of 80% of cases were reported (reviewed, signed and sent to physician) within 9 days. Between October and December 2013, 86% of all cases were reported within 7 days. In January 2014, over 90% of positive cases for breast cancer were reported within 7 days. These improvements are due in part to the standardization of test codes, staff training on new procedures, and lean process improvements within the Pathology department. By working with our Provincial Breast Pathology team, further improvements will ensure that these turnaround-times are sustained or improving.

Continuing Care

Diagnostic Services are an essential support for the continuing care of patients with chronic diseases and disabilities who may have a higher than normal need for diagnostic services and ongoing monitoring. DSM plays a collaborative

and supportive role by engaging in the planning and implementation of the "Advancing Continuing Care" blueprint in Manitoba.

Wait Times and Access

In an unprecedented partnership with rural radiologists, a significant achievement of the year pertained to the introduction of a new Radiologist On-Call system along with accompanying diagnostic imaging services specifically for after-hours emergency CT services. This new service expansion enhanced emergent patient care and better supported health programs in Interlake-Eastern Health Authority, the former Central Region of Prairie Mountain Health, and Southern Health-Santé-Sud. In 2014-2015, this service will expand to the entire rural population of Manitoba.

For non-emergent patients, newly expanded hours for Radiology have also improved services in Thompson, Boundary Trails/Portage, The Pas and Selkirk, allowing patients to be scanned on extended evening and weekend days. This service enhancement enables Manitoba families to receive the care they need when they need it and at a location that is closer to home.

Mobile Clinic - Providing Diagnostic Tests

Access to primary health care, especially for underserved communities, can significantly improve health outcomes. DSM collaborated with Prairie Mountain Health to ensure that appropriate diagnostic tests were available to support the work of the mobile clinic health care team, thus increasing access to a complement of services.

Family Doctors for All

DSM continued to work with Manitoba Health and the related professional groups to ensure capacity and access to diagnostic services for all family doctors and medical practitioners. Examples of such opportunities include:

Results That Matter



DIAGNOSTIC SERVICES
MANITOBA

- Making diagnostics more available via the mobile healthcare bus;
- Providing Point-of-Care-Testing in rural/remote Manitoba; and
- Offering remote support for laboratory services (e.g. new technology allows test review and reporting remotely).

Provincial Transfusion Medicine Services

In a joint effort between Manitoba Health, DSM and Canadian Blood Services, Trace Line® Phase II went live in Selkirk, Westman Laboratory, Health Science Centre, St. Boniface Hospital, Seven Oaks General Hospital, Victoria General Hospital, Concordia Hospital, Grace Hospital, Dauphin, Swan River, Flin Flon, The Pas, Thompson, Boundary Trails, Portage and Steinbach. Trace Line® is a



DSM Pathologist Dr. Francis Shih working with residents at the multihead microscope in the pathology laboratory at St. Boniface Hospital

software program aimed to create a transfusion registry for the province that will greatly enhance the ability to forecast demand for blood products and derivatives for the province. In addition, the locations mentioned above will now be able to store blood locally and reduce the discard rate by use of the 'electronic crossmatch' service, as well as improve patient safety through shortened turnaround times and built in safeguards.

Provincial Pathology Services

With the exception of minor tissue samples from physician clinics, DSM delivers the majority of pathology services in the province. Quality Assurance is the foundation of Provincial Pathology Services and the DSM Board of Directors has established Goals and Expectations for the continued development and improvement of a provincial Medical Quality Assurance Program (MQAP) in Pathology. They are:

- Consistent standards for all sites across Manitoba; and
- Broad-based and ongoing participation amongst all pathologists in the development and improvement process for MQAP.

Note: All DSM Pathology sites in Manitoba are accredited by the College of American Pathologists (CAP), making Manitoba one of few provinces able to make this claim.

Along with developing a Medical Quality Assurance Program, DSM also focused its efforts on improving workflow and efficiencies throughout our laboratory facilities, resulting in overall improved turnaround times of results as noted in the CPJ section above.

Shape the Future of Quality Improvements in Pathology Conference – Advancing Pathology through Technology

DSM boldly stepped up as a leader in pathology quality assurance by hosting an innovative, thought-provoking, and awareness-building Pathology Conference in Winnipeg in November 2012. Building on the momentum from that Conference, DSM hosted its second Shape the Future of Quality Improvement in Pathology – Advancing Pathology through Technology in January 2013. Through an esteemed panel of speakers that included Winnipeg's own Dr. Richard Nason, DSM shared its vision of quality excellence with our colleagues and brought the importance of examining the use of technology in pathology to the forefront. From conference attendance to attendee feedback, the event was a considerable success. The considerable support and contributions of our Pathologists and pathology staff were keys to this success.



Conference Speakers, from left to right, with Jim Slater: Dr. Raouf E. Nakhleh, Dr. Aaron Pollett, Dr. George Birdsong, Dr. Anil Parwani, and Dr. Richard Nason

Provincial Microbiology Services

DSM's Microbiology service at Westman Laboratory (WL) now provides testing of one respiratory sample for each new patient in Prairie Mountain Health who is suspected to have tuberculosis (TB).

The GeneXpert TB PCR test provides rapid testing that will reduce the spread of TB by diagnosing and initiating treatment as quickly as possible. The test takes about two hours to complete and is available seven days a week at Westman Lab. This test significantly reduces the turn-around-time required to diagnose TB; the older culture method takes several weeks. The test is 85% sensitive so some patients who have TB will still need to await detection by culture to receive the diagnosis.

Appropriate/Effective Use of Diagnostic Services

In 2013/14, DSM drafted a Provincial Strategy for Appropriate and Effective use of Diagnostic Services and began working with various stakeholders around the province to raise awareness, and assess current gaps and areas of priority for improvement for the development of implementation plans.

A partnership agreement was signed with the George and Fay Yee Centre for Healthcare Innovation to support the evaluation and implementation of Choosing Wisely recommendations in Manitoba.



Genomics Strategy

With increasing evidence of the genetic-cancer link and the continued development of new genetic testing for cancer and other diseases, genetics is one of the fastest growing areas of laboratory medicine. To set a strong foundation to meet the growing demand for genetic testing in Manitoba, DSM merged two formerly separate genetic testing laboratories, Molecular Genetics and Cytogenetics, into one co-located Genomics Laboratory within DSM's Biochemistry and Genetics Discipline.



This new "Genomics Laboratory" will facilitate the future introduction of new tests and platforms and will also enable DSM to re-introduce some in-house testing that has been referred-out. With genetic testing playing an increasing role in cancer diagnosis and treatment, these changes are also an important step in Manitoba's CPJ initiative, In Sixty.

The new Genomics Laboratory is located within the Health Sciences Centre where molecular and cytogenetic testing has been historically performed. DSM is also the referral centre for genetic testing for northern Ontario and Saskatchewan.

Diagnostic Services for Aboriginals and First Nations

Diagnostic services in Aboriginal and First Nations facilities are typically outside the scope and responsibility of DSM. In the majority of situations,

diagnostic services are provided by DSM through DSM sites and RHA facilities to Aboriginal and First Nations peoples. DSM is working with its RHA partners, First Nations Inuit Health Branch of Health Canada, Manitoba Health and with tribal health agencies to explore and implement alternative models of diagnostic services such as:

- Phlebotomy services on-site at a First Nations medical clinic;
- Accreditation support and operational management support; and
- Point-of-care-testing at northern nursing stations and small remote laboratory sites.

Information Systems and Information Management

In 2012/2013, DSM received project funding approval to move forward with Phase 2 of the Provincial Laboratory Information System (PLIS). This allowed DSM to identify and proceed with several closely interrelated provincial laboratory informatics sub-projects that will help DSM to further its goal of providing a sustainable diagnostic system for Manitobans.

PLIS is an initiative that allows authorized health care providers to view key information about a patient. Therefore all providers involved in a patient's treatment will have access to the same information, resulting in increased patient safety and collaborative care.

The five sub-projects of the PLIS initiative are:

1. Provincial Core Laboratory Information System

Work began in early 2013/2014 and will take approximately 48 months to complete. As each site is brought onto the Delphic Laboratory Information System (LIS) environment, the lab will benefit from the extensive infrastructure already in place, building upon the sustainability and development of DSM's programs and services. In 2013/2014, the following sites were implemented:

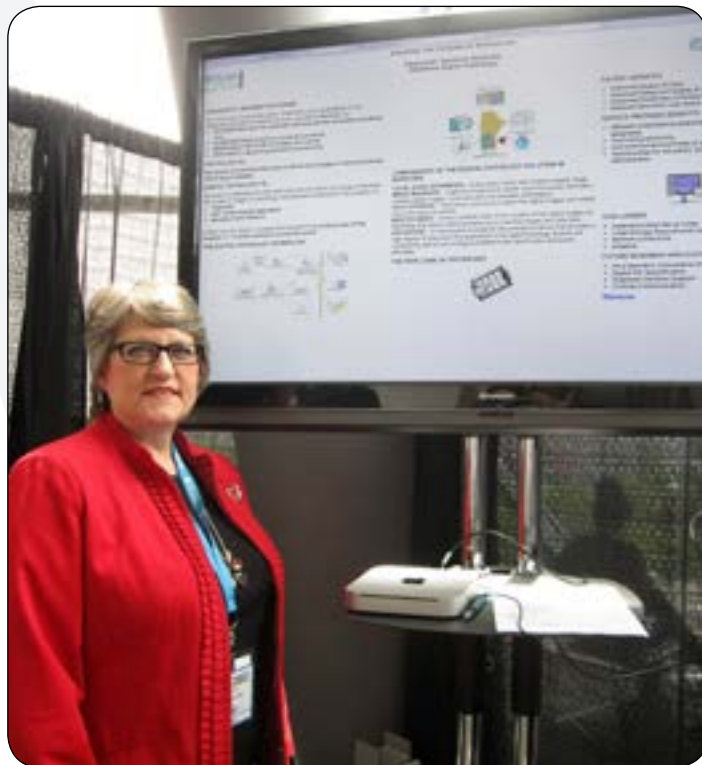
- Steinbach
- Portage
- Selkirk
- Thompson
- Dauphin

2. Anatomic Pathology Quality Assurance / Lab Information System (AP-LIS)

This system will improve peer review, auditing, workload and case distribution and tracking as well as data collection. Project planning has been completed; a Request For Proposal (RFP) for a software solution is in progress, with vendor selection and implementation beginning in 2014/2015.

3. Electronic Synoptic Pathology Reporting

Synoptic reporting increases the accuracy, completeness and usability of pathology reports. It also provides a mechanism to use pathology



DSM IT Project Manager Linda Hunter at eHealth Conference in Ottawa, May 2013

diagnostic information as a data source for improving the delivery of health care in Manitoba. This solution will be delivered as a component of the Anatomic Pathology Lab Information System and is included in the AP-LIS project plan.

4. Genomics Lab Information System (G-LIS)

This project will see the implementation of an information system for the Genomics (Cytogenetics and Molecular Diagnostics) department that replaces an outdated platform and meets the needs of both DSM's quality expectations and College of American Pathologists accreditation requirements. An RFP for a software solution is in progress with vendor selection and implementation beginning in 2014/2015.

5. Digital Pathology & Multi-Jurisdictional Telepathology

These two projects will provide advanced communication technology that will improve pathology consultation and education in Manitoba, as well as provide connectivity to support pathology consultation across Newfoundland and Labrador and the University Health Network in Toronto. Manitoba's Digital Pathology solution will include local slide scanners, image manager, data storage, master index and validation. Patients will benefit from improved quality of care and safety, as well as improved timeliness of access to care. Digital storage will reduce the chances of specimen loss or damage associated with actual slides. Pathologists will benefit from improved productivity and efficiency, improved consultation and collaboration, as well as increased opportunities for education, knowledge sharing and clinician specialization.

DSM has participated in the vendor selection process for the Multi-Jurisdictional Telepathology project, has developed validation, and is in the process of executing its own RFP for the Manitoba Digital Pathology solution. Vendor selection and implementation of the Manitoba Digital Pathology solution will begin in 2014/2015.

Results That Matter

"I don't just produce a number on a piece of paper. I initiate action within a patient's medical journey."

- Elizabeth, Medical Laboratory Technologist, Churchill

DIAGNOSTIC SERVICES
MANITOBA

External Initiatives

DSM continued to work closely with Manitoba eHealth on the implementation of several health system informatics projects that are interrelated to DSM's Laboratory and Radiological Information Systems. These projects include:

- eChart Manitoba - This secure electronic system connects health care providers to key health information contained in a single, safe electronic record currently collected from multiple points of care. DSM continues to work closely with the eChart team as they expand across Manitoba.

- Winnipeg Community Hospital Admission/ Discharge/Transfer (ADT) System – A shared ADT system has created the foundation for future enhancements, including laboratory results viewing throughout the facilities and electronic order entry. DSM continues to work with eHealth as the shared ADT system is implemented at the Health Sciences Centre.
- eHealth_hub – This project implemented a central routing infrastructure to link physician office systems (Electronic Medical Record - EMR) with systems providing laboratory results, diagnostic imaging reports. It will eventually link to other clinical documentation. DSM has been actively involved in the development and pilot phases and has been excited to see the solution continue to be deployed across the province.

Research Strategy

In 2013-2014, DSM strengthened ties with our research partners. A focus of the coming year will be to further outline research priorities, collaborations, revenue and investments as part of our Strategic Research Plan.

Our commitment to research continues through strong partnerships with the WRHA, CCMB, Centre for Health Innovation, Manitoba Centre for Health Policy and many others. Perhaps most notable is DSM's partnership with the University of Manitoba as we contributed to their Research Strategic Plan and acted as a member of their Research Strategic Plan Implementation Task Force.

The 2013/2014 fiscal year marked DSM's sixth annual Grant Competition. Four operating grants were awarded to individuals committed to innovation and research excellence:

- Dr. Cynthia Ellison: "MicroRNA profiling in Patient Blood";
- Dr. Eric Bohm: "Role of Low Dose Intra-Articular Tranexamic Acid in the Reduction of Blood Transfusions in Primary Total Hip



and Total Knee Anthroplasty: A Randomized Placebo Controlled Study";

- Dr. Shantanu Banerji: "Use of Next-Generation Sequencing to Detect Fusion Oncogenes in Lung Cancer"; and
- Dr. Anamarija Perry: "Prognostic Significance of Telomere Length in Diffuse Large B-Cell Lymphoma Patients Treated with Rituximab"

Procurement, Contracting, Materials Management and Transportation

Western Supply Chain Collaboration

DSM participates in the Western Supply Chain Collaboration (WSCC) along with British Columbia, Alberta and Saskatchewan. This collaboration gives the provinces the ability to work on behalf

of each other, share as many plans as possible, and gain efficiencies as a group. DSM chairs the Lab and Diagnostic Imaging Collaboration sub-committee and participates in the Contracting sub-committee.

Provincial Procurement Committee

DSM is a participant in the newly formed Provincial Procurement Committee (PPC) along with the WRHA and Regional Health Authorities of Manitoba Purchasing Program. The committee was established to provide a coordinated and integrated procurement system for Manitoba. DSM led the 3D post processing software initiative that aims to synthesize 3D radiologic images into one digital picture so the radiologist can better review and diagnose a patient's health concern.

Procurement 2013/14 Savings

Capital
\$1,621,636

Operating
\$2,135,527

Other Corporate Achievements

Funding Model – WRHA

In 2014, DSM continued to provide diagnostic services to the WRHA under a "global" funding model implemented in the prior fiscal year. DSM and Southern Health-Santé Sud also took the first step forward in moving to a global budget with the introduction of semi-monthly payments in place of the prior invoice and payment process. DSM hopes to implement this simplified payment process for other regions in 2015 to help reduce administrative effort and costs for both DSM and the regional health authorities.

Corporate Office Space

In early 2013, DSM acquired approximately 4,200 square feet of additional space in its corporate office at 155 Carlton. The increased space requirements were primarily driven by the need to accommodate project staff for a number of important operational and Information Technology (IT) related initiatives. The additional space was fully funded by the projects with no other incremental funding required.

Following a needs assessment of future space requirements, as well as a search for alternate space, it was determined that the operating lease at 155 Carlton will be renewed until 2019.

Funding for Integrated Financial Systems Assessment

In 2014, DSM completed a Financial Systems Review project with the goal of developing a clear course of action to address current issues within the existing financial processing and reporting structure. Working in partnership with Deloitte consultants, DSM documented a comprehensive list of over 580 business requirements. The project provided a thorough understanding of the end-to-end financial processes that exist behind the production of financial operating results and various other financial reports, including the hand-offs of information and role that each individual plays within those processes.

Accreditation and Awards

Manitoba Quality Assurance Program (MANQAP)

DSM continues to seek full accreditation for all sites. Outstanding sites that have conditional MANQAP (Manitoba Quality Assurance Program) accreditation are scheduled to be completed in 2014/2015.

CAP

In 2011, DSM's HSC and SBH Laboratories achieved the distinction of becoming accredited by the College of American Pathologists (CAP) Laboratory Accreditation Program. As part of the ongoing CAP accreditation cycle, these sites underwent re-inspection in December



2012. Inspectors were impressed with the overall organization, documentation and quality improvement activities of all lab disciplines, resulting in the maintenance of CAP Accreditation for an additional two years. DSM credits HSC and SBH staff with maintaining accreditation-ready labs. Inspectors were impressed with the quality improvement activities, as well as the documentation and organization across all laboratory disciplines. It was observed that the labs are well run with effective procedures and that staff have an obvious dedication to working toward compliance.

Furthering DSM's commitment to be measured to the highest standards in safety and patient care, DSM undertook CAP accreditation of its provincial Pathology Program in 2013/14, resulting in full gold-standard accreditation of DSM's Pathology Labs at Grace Hospital, Seven Oaks General Hospital, Victoria General Hospital, and Westman Laboratory in Brandon. Outstanding compliance rates were achieved in the areas of laboratory records, quality control, staff qualifications, equipment, facilities, safety programs, and records, as well as in overall management of the Pathology laboratories, demonstrating an overwhelming dedication to safety, quality and best practice.

Other Accreditation Programs

The DSM Toxicology lab at St. Boniface Hospital was inspected by the American Board of Forensic Toxicology (AFBT) and received full accreditation.

Challenges & Future Directions

DSM Challenges

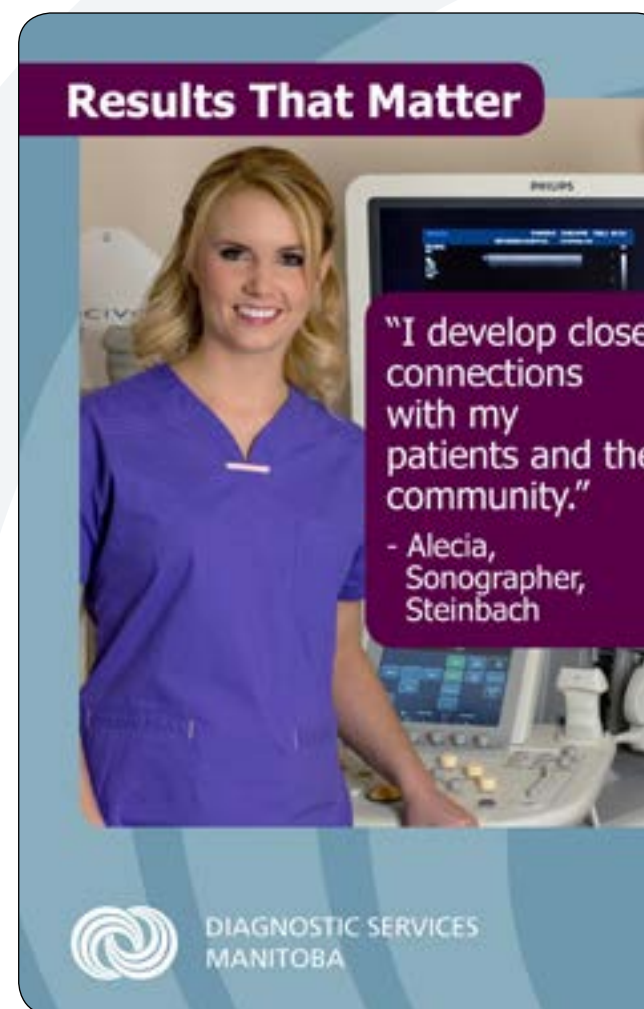
DSM continues to be faced with challenges common to the diagnostic industry across Canada and internationally:

- Workforce – education and recruitment
- Increasing demand for services/utilization
- Physical space
- Increasing quality expectations
- Rapidly changing technology
- Aging equipment
- Information technology
- Ultrasound recruitment

Test Volumes

DSM continues to see an annual increase in test volumes across all facilities with a rate of increase of 4-5% over the last several years.

While DSM is challenged with industry-wide issues and test volumes, the organization strives to deliver services in the most effective and efficient manner possible. Our ongoing collaboration with our health partners ensures that new initiatives, as outlined in the achievement section, are cost effective and appropriate to the vision of Manitoba Health.



Quality & Patient Safety Indicators

As part of DSM's commitment to quality and patient safety across all our sites, DSM is continually enhancing the monitoring and communication of key quality indicators that are used to assess our performance based on industry standards and ensure that the right results are provided to the right patients at the right time.

External Proficiency Testing

External Proficiency Testing (EPT) is an essential patient safety assurance mechanism and a fundamental component of DSM's quality processes. EPT helps to ensure that DSM's analytical systems are performing appropriately compared with expected results and peer labs. DSM participates in a robust EPT program, which includes EPT subscriptions to numerous laboratory organizations in Canada, the US and the UK that assess performance on thousands of tests across all laboratory disciplines several times per year.

DSM achieved a quarterly conformance rate of above 99% for the third consecutive fiscal period.

Critical Incident Reporting

April 1, 2013- March 31, 2014

As per provincial legislation that mandates the reporting of all Critical Incidents (CI) (incidents where patient harm has occurred), DSM continues to report CIs to Manitoba Health. As a proactive measure to identify systemic issues, DSM expands upon this principle by proactively investigating all incidents whether or not harm has occurred to a patient.

To demonstrate our commitment to CI investigation and learning to provide our patients and public with an understanding of Critical Incident investigation, information outlining the reporting process is posted on DSM's website at www.dsmanitoba.ca.

Eight CIs were reported to Manitoba Health in the 2013/2014 fiscal year, all of which were reported directly by DSM.

The following overall improvements were implemented as a result of CI investigations in 2013/2014:

- Revised policy to require that all internal consultations that could affect patient care is documented.
- Improved current review of procedural documentation and scope of practice.
- Introduced new equipment that verifies testing solutions to ensure accurate results.
- Improved internal consultation processes between pathologists.
- Strengthened relationships and communicated follow up expectations with ordering professionals for special approval testing.
- Reviewed specimen tracking process from an



IT perspective to ensure that results are communicated in a timely fashion.

- Formalized expectations of physicians when requesting consults.
- Reviewed existing procedural guidelines for pathologists on when to initiate case reviews.

Accreditation Status (as of April 2014)

Accreditation of DSM's laboratory and medical imaging operations provide important evidence that we are delivering on our quality priorities with patient safety in mind.

MANQAP

DSM continues to maintain MANQAP accreditation status for all sites. DSM had ongoing success with the revised MANQAP processes in obtaining full accreditation for sites and disciplines that have been surveyed.

Conditional Accreditation

DSM sites that are currently conditionally accredited fall under two categories:

1. Sites that were previously fully accredited, but recently re-surveyed by MANQAP. Part of the MANQAP accreditation process requires sites to move from full to conditional status if there are any deficiencies noted. (Note: there is no risk assess-

ment performed on the severity of these deficiencies, which may typically be as simple as documentation gaps and do not reflect risks to quality and safety of diagnostic testing for our patients).

2. Sites that were last surveyed 4-5 years ago (Prior to changes in the MANQAP process) and never received full accreditation status. These sites require re-inspection to receive full accreditation and are scheduled to occur in the 14/15 fiscal year. These sites are:

- Carberry
- Ste. Anne
- St Pierre-Jolys – Lab only
- Boissevain
- Gladstone
- Notre Dame de Lourdes
- Killarney
- Thompson
- Churchill
- Gillam

DSM is working with MANQAP to resolve these outstanding accreditation issues both through the routine MANQAP accreditation process and via communication with the College of Physicians and Surgeons.

Accreditation Status Summary (April 2014)

	Accredited Sites (Full)	Accredited Sites (Conditional)	% Fully Accredited
	Apr 2014	Apr 2014	As of Apr 2014
Lab	50	27	65
TM	45	12	79
DI	41	17	71

STATEMENT OF OPERATIONS

[Expressed in thousands of dollars]

Year ended March 31

	2014 \$	2013 \$
REVENUE		
Manitoba Health operating income	29,147	26,833
Recoveries from Regional Health Authorities	114,802	112,257
Revenue from non-resident out-patient services	86	131
Interest income	15	17
Other recoveries	138	26
Recognition of deferred contributions		
Capital - amortization	7,626	7,962
Expenses	279	282
Westman Lab deficit recoverable from Manitoba Health	-	493
	<u>152,093</u>	<u>148,001</u>
EXPENSES		
Direct operating		
Salaries and benefits	130,681	123,218
Equipment	6,081	5,246
Rent and utilities	650	4,882
Lab and diagnostic supplies	3,947	3,896
Printer, paper and office supplies	755	787
Travel	521	480
Staff training and development	559	460
Recruitment	179	171
External consulting	156	220
Insurance	154	145
Telephone	116	114
Interest	84	74
Legal and audit	109	78
Grants	47	20
Meetings	26	34
Miscellaneous	171	133
Communications	26	6
	<u>144,262</u>	<u>139,964</u>
Amortization of capital assets	7,832	8,056
	<u>152,094</u>	<u>148,020</u>
Excess of expenses over revenue for the year	<u>(1)</u>	<u>(19)</u>

Supplementary Information
For the year ended March 31
(unaudited)

ADMINISTRATIVE COSTS

The Canadian Institute of Health Information (CIHI) defines a standard set of guidelines for the classification and coding of financial and statistical information for use by all Canadian health service organizations. Diagnostic Services of Manitoba Inc. (DSM) adheres to these coding guidelines.

The most current definition of administrative costs by CIHI includes: General Administration (including Acute/Long Term Care/Community Administration, Patient Relations, Community Needs Assessment, Risk Management, Quality Assurance and Executive costs), Finance, Human Resources, Labour Relations, Nurse/Physician Recruitment and Retention and Communications.

The administrative cost percentage indicator (administrative costs as a percentage of total operating costs) adheres to CIHI definitions.

The figures presented are based on data available at time of publication. Restatements are made in the subsequent year to reflect the final data and changes in the CIHI definition, if any.

Administrative costs and percentages for DSM are:

Administrative Cost Summary

	2014		2013 Re-stated	
	\$	%	\$	%
Corporate	3,601,265	2.66	3,328,098	2.51
Patient care related costs	1,147,785	0.85	1,221,018	0.92
Recruitment/Human Resources related costs	1,086,958	0.80	1,109,823	0.84
TOTAL Administrative costs	<u>5,836,007</u>	<u>4.31</u>	<u>5,658,938</u>	<u>4.27</u>

ADMINISTRATIVE FOOTNOTE

The statement of operations excludes operating expenses that are paid directly by the various regional health authorities in support of laboratory and diagnostic imaging services. The total of these expenses, estimated at \$45 million for fiscal 2014 (\$38 million for fiscal 2013), are reflected in the financial statements reported for each respective regional health authority. Had those expenses been included in DSM's financial statements for 2014, the administrative cost would be 3.23% for fiscal 2014 (3.33% for 2013). Public Compensation Disclosure - please visit our website at dsmanitoba.ca

Public Sector Compensation Disclosure

DSM believes in being accountable and transparent to both our sole shareholder and the Manitoba public. In compliance with The Public Sector Compensation Disclosure Act of Manitoba, interested parties may obtain copies of the Diagnostic Services of Manitoba Inc. public sector compensation disclosure (which has been prepared for the purpose and certified by its auditor to be correct) and contains the amount of compensation it pays or provides in the corresponding fiscal year for each of its officers and employees whose compensation is \$50,000.00 or more. This information is available in hard copy by contacting Ms. Tara Mangano at (204) 926-8005. DSM's public reporting on CEO expenses can be found on our website at www.dsmanitoba.ca.

Public Interest Disclosure (Whistleblower Protection) Act

In accordance with DSM policy 10-40-12, Public Interest Disclosure (Whistleblower Protection) Act, paragraph 3.2, a report must be prepared annually by the Designated Officer on disclosures that have been made and the action taken to address the disclosures.

There were no disclosures for the period April 1, 2013 to March 31, 2014.



Pat Brennan, Chief Administrative Officer
Designated Officer for Public Interest Disclosure

