HEALTH COUNCIL
OF CANADA

TAKING THE PULSE

CORPORATE ANNUAL REPORT
2007 / 2008

Health Council of Canada
Conseil canadien de la santé

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WE ARE PLEASED TO PRESENT the annual report of the Health Council of Canada for the fiscal year 2007/2008. Over the past four years, the Health Council of Canada has monitored and reported on health care renewal, with a particular focus on some key elements of the Accords,* such as chronic disease management, primary health care, and pharmaceuticals management. In conducting our work, we have highlighted gaps in the data needed to inform Canadians about the progress of health care renewal. While this report reflects on the Council's achievements in the past year, it also looks to the future. The Health Council is optimistic about our work in the coming years. We look forward to continuing to build relationships with our member jurisdictions, and to fulfilling our mandate to report on the progress of health care renewal and on the health status of Canadians.

* 2003 First Ministers' Accord on Health Care Renewal and the 2004 10-year Plan to Strengthen Health Care

DURING FISCAL 2007/2008, THE Health Council of Canada produced five reports, along with a background paper and three data supplements, and held two major events focusing on issues of high priority in terms of health care renewal. We examined Canadians' experiences with accessing primary health and home care and how best to manage chronic health conditions that are placing increasing pressure on the health care system.

"While respecting the rights and responsibilities of the provinces and territories to deliver health care, the Health Council believes that we need to hold firm on the idea of a pan-Canadian vision of health and health care, and put mechanisms in place to make this vision a reality."

Dr. Jeanne Besner, Chair
Health Council of Canada

Using public consultations and other survey methods, we highlighted ways of improving the health of people with multiple chronic conditions, through more coordinated approaches to health care delivery.

In order to further discussion about a National Pharmaceuticals Strategy, the Council commissioned research and held a policy forum on the prescribing behaviours of health care professionals. In addition, we reported on wait times and guarantees, and held a panel discussion on publicly funded, sustainable health care.

An independent review of our mandate, role, relevance, and effectiveness was completed during the year, and at the time of this printing, we are awaiting direction from the Members (the ministers of health of the 12 jurisdictions who participate in the Health Council of Canada). In the meantime, we have held discussions and met with all 12 deputy ministers of health to solicit ideas as to what future opportunities the Health Council might consider in advancing health care renewal. Several themes emerged:

- Focus on best practices and disseminate this knowledge;
- Address the issue of sustainability;
- Improve the national dialogue on health care; and
- Examine value for money.

We took to heart what we heard during the review exercise and these discussions, and we responded by putting in place a more strategically focused plan that will guide our work in the future.

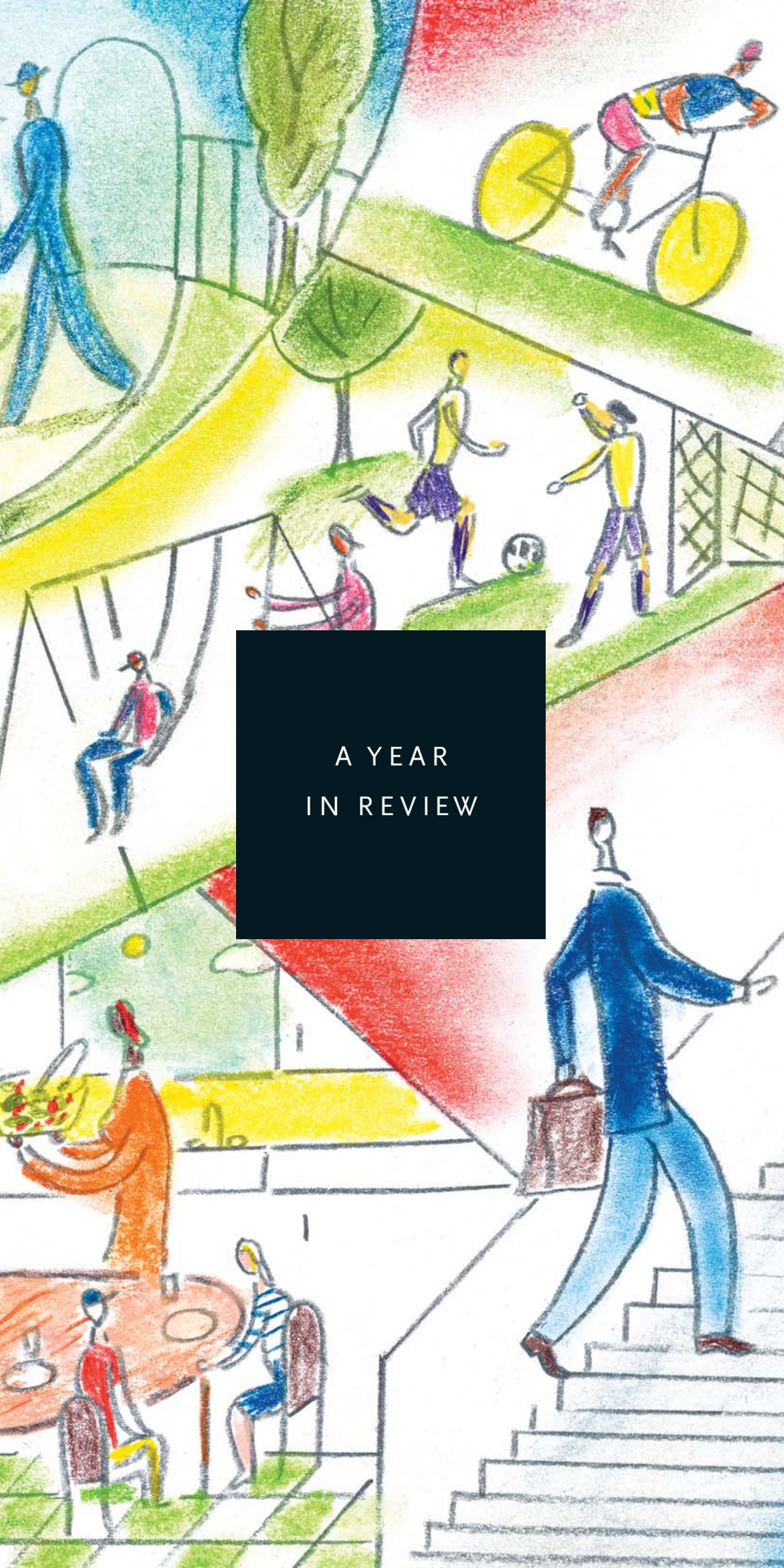
"My commitment is that we work together to build the Health Council of Canada as the trusted source of pan-Canadian information on effective and high-performing health care systems, as well as a global example of excellence in stimulating positive change in a health care system."

Dr. Donald Juzwishin, CEO
Health Council of Canada

Looking forward, the Council has determined that we must broaden our communications reach to inform as many Canadians as possible about progress in transforming our health care system.

The Council is optimistic about the next five years and we look forward to keeping Canadians informed about health care renewal and working collaboratively with other organizations in achieving the vision we all share – a healthy Canadian public supported by a sustainable and high-performing public health care system.

Dr. Jeanne Besner, Chair
Dr. Donald Juzwishin, CEO



A YEAR IN REVIEW

Reports & Events

In 2007 / 2008, the Health Council of Canada released five reports and hosted two events with the goal of deepening understanding of issues of concern to Canadians. Our work encompassed five major health care themes:

- Wait times
- Pharmaceuticals management
- Health of the population and chronic health conditions
- Primary health care and home care
- Value for money and sustainability of the health care system.

Our reports included:

- Wading through Wait Times: What Do Meaningful Reductions and Guarantees Mean?
- Safe and Sound: Optimizing Prescribing Behaviours – Summary of Main Themes and Insights (report on a policy conference, with accompanying background paper)
- Why Health Care Renewal Matters: Learning from Canadians with Chronic Health Conditions (with two data supplements)
- Health Care Renewal and Chronic Illness: Report on a Public Consultation
- Fixing the Foundation: An Update on Primary Health Care and Home Care Renewal in Canada (with a data supplement).

Our events included:

- Safe and Sound: Optimizing Prescribing Behaviours (a policy symposium to advance discussion on Canada's National Pharmaceuticals Strategy)
- A panel discussion on sustainability of our publicly funded health care system.

More on our themes

WAIT TIMES

In June 2007, the Council released *Wading through Wait Times: What Do Meaningful Reductions and Guarantees Mean?* The report reviewed progress by provinces and territories in reducing wait times for non-emergency care, and included the viewpoint of a typical patient.

This work showed that although provinces and territories report wait times in different ways, it appears that median wait times for non-emergency care have declined for some services.

Unfortunately, the report also showed that gaps remain in the availability of wait times information. Thus, the Council renewed the call for accelerated investments in the development of comparable data systems across the country.

Developed in part through interviews with leaders of innovative programs, *Wading through Wait Times* also identified a number of factors that are critical for success in improving access to health care. They are:

- Support from government leaders;
- Strong program leadership that brings together administrative and clinical champions;
- Full-time staff who are dedicated to making the program work;
- Information systems that enable programs to centralize waiting lists, to track wait times in local areas and province-wide, and to share this information publicly;
- Adequate funding for the introduction of information systems and effective program leadership; and
- A broad, comprehensive approach to the many large and small changes required to reduce wait times for care.

PHARMACEUTICALS MANAGEMENT

In 2007, the Council commissioned a background paper, *Optimal Prescribing and Medication Use in Canada: Challenges and Opportunities,* as a foundation for discussion at a policy symposium called "Safe and Sound: Optimizing Prescribing Behaviours," held June 12–13, 2007, in Montreal.

Prepared by Dr. Ingrid Sketris and colleagues at Dalhousie University, this paper summarized the research evidence on the effectiveness of various approaches to improving prescribing practices.

Top left: Gordon Hogg, Minister of State for ActNow BC, at the launch of *Why Health Care Renewal Matters: Learning from Canadians with Chronic Health Conditions* (Dec 2007) **Top middle:** Dr. Robyn Tamblyn, Professor, Department of Medicine, McGill University, acted as Chair for *Safe & Sound: Optimizing Prescribing Behaviours* – a pharmaceuticals symposium held in June 2007 **Top right:** Panelists discussing sustainability in health care included Dr. Jennifer Gibson, Director of Partnerships & Strategy at University of Toronto's Joint Centre for Bioethics (right) and Dr. Robert Evans, health care economist and Core Faculty Member of the UBC Centre for Health Services & Policy Research (Feb 2008) **Bottom left:** Health Council Vice Chair, Dr. Ian Bowmer, speaking to the media at the launch of *Why Health Care Renewal Matters: Learning from Canadians with Chronic Health Conditions* at the Garratt Wellness Centre, Richmond, BC (Dec 2007)

Optimal Prescribing and Medication Use in Canada showed that both suboptimal prescribing and variation in prescribing practices exist in Canada, leading to underuse, overuse and inappropriate use of drugs. The report reviewed the challenges for Canada's health care system in ensuring that drug prescriptions are appropriate, safe, and effective.

The *Safe and Sound* symposium assembled and encouraged stakeholders in the pharmaceuticals sector to promote the aims and enable the implementation of a National Pharmaceuticals Strategy. Particular emphasis was placed on the need for action in order to influence the prescribing behaviours of health care professionals, so that drugs are used only when needed and the right drug is used for the right medical condition.

HEALTH OF THE POPULATION AND CHRONIC HEALTH CONDITIONS

Released in December 2007 at the Garratt Wellness Centre in Richmond, BC, *Why Health Care Renewal Matters: Learning from Canadians with Chronic Health Conditions* examined whether Canada's health care system is meeting the needs of people with chronic health conditions and how changes to care can improve their health outcomes.

The Council used information from the Statistics Canada 2005 *Canadian Community Health Survey* to learn about how the health and lifestyles of Canadians with chronic health conditions influence their use of the health care system. In addition, the Council commissioned a telephone survey of nearly 2,200 Canadians in 2007, to learn more about their experiences with primary health and chronic illness care, particularly as they relate to priorities such as instituting primary health care teams.

The report also summarized the findings of a public consultation hosted by the Health Council of Canada earlier in the year, during which we heard from a diverse group of almost 2,000 Canadians living with chronic health conditions, mainly type 2 diabetes. Between March 5 and April 30, 2007, the Health Council of Canada invited Canadians affected by diabetes and other chronic health conditions to comment on health care through a project that included a series of face-to-face discussions and an online forum. Assisted by the

Canadian Diabetes Association, roundtables took place in Thunder Bay, Halifax and Vancouver. The Health Council shared the results of these consultations in a public report, *Health Care Renewal and Chronic Illness: Report on a Public Consultation*.

PRIMARY HEALTH CARE AND HOME CARE

Fixing the Foundation: An Update on Primary Health Care and Home Care Renewal in Canada was released in January 2008, along with the results of a national survey commissioned by the Health Council on Canadians' experiences with primary health care. The report evaluated renewal efforts in the provinces and territories and called for action to accelerate promised reforms in primary health and home care across Canada.

While the report acknowledged that efforts are underway to improve access to and quality of both home and primary health care, the Health Council recommended several measures to accelerate change, including: 24/7 access to health information and care providers, electronic patient records, inter-professional primary health care teams, and expansion of home care services.

VALUE FOR MONEY AND SUSTAINABILITY IN HEALTH CARE

On February 5, 2008, the Health Council invited six distinguished Canadians to address whether "sustainability" could be designed into Canada's public health care system. Speaking from a range of perspectives including health care management and planning, public policy, government, health economics, and bioethics, the panel concluded that our health care system is as sustainable as we choose it to be. A summary report and video highlights from the half-day dialogue are available on the Council's website. This discussion, combined with additional research and consultation, reflects part of the Health Council's efforts to stimulate a public conversation about what is needed to achieve value for money and sustainability in health care. A first report on value for money is scheduled for publication in early 2009.

Going Forward

THE TERMS UNDER WHICH THE COUNCIL was established in 2003 provided that "approximately four years from incorporation … the Members will carry out a review of the Corporation which shall include, without limitation, the scope, mandate, role, objectives, effectiveness and continued relevance of the Corporation." Accordingly, a Steering Group representing Members was established in 2006 to oversee the review.

Top left: Dan Florizone, CEO of the Five Hills Health Region (SK), speaking at the panel discussion on sustainability in health care (Feb 2008) **Top right:** Councillor George Morfitt (BC) in simulation lab at Confederation College, Thunder Bay (May 2007) **Middle:** On the left, Councillor Dr. Alex Gillis (NS) at the Northern Ontario School of Medicine, Thunder Bay (May 2007) **Bottom right:** Health Council of Canada Chair, Dr. Jeanne Besner, opens the pharmaceuticals symposium in Montreal (June 2007)

Through interviews and an electronically distributed questionnaire, information was collected from a broad range of stakeholders, including: deputy ministers of health in the participating jurisdictions; Councillors and staff; representatives from health care institutes and other health policy experts; health care sector associations and non-governmental organizations; and provincial, territorial, and regional organizations.

In addition, a review of relevant documentation was undertaken, statistics on the use of the Council's website were analyzed, and data on media coverage of the Council's work were collected and reviewed. The review findings have been submitted and the Health Council is awaiting further direction from our Members.

The Council believes it has a relevant and important role to play in keeping Canadians informed about the progress of health care renewal. The review process was extremely valuable in identifying the need for a more defined mandate, an enhanced capacity to inform and engage the public in discussions about health care reform, and developing even closer working relationships with other organizations.

As a result of the review, the Council spent considerable time over the past year developing a five-year strategic plan (2008 to 2012/13). The overarching goal of the Council is to contribute to the achievement of a sustainable and high-performing public health care system in Canada. The Council's work over the next five years will be directed toward:

- increasing public awareness and understanding of what is required to achieve that goal;
- supporting initiatives with high potential to move toward that goal; and
- monitoring and reporting on successes and challenges in order to share what is working and where progress is stalled.

These directions, in tandem with ongoing stakeholder consultations, will inform the development of the Council's annual work plans.

The Council is committed to evaluation and continuous quality improvement as an approach to assessing our performance and setting the stage for making refinements to our internal operations and effectiveness in the future. Improving our outreach to stakeholders and the public also continues.

Stakeholder Outreach

A KEY COMPONENT OF THE HEALTH Council's mandate is to keep Canadians informed about health care renewal and to disseminate information on best practices to them. Every major report now features examples of important changes in health care system management and/or delivery that aim to improve the health of Canadians.

Top left: Executive Director Denyse Nadon-Holder of the Native Women's Association of the NWT speaks to media at the Health Council outreach session (May 2007) **Top middle:** Health Council of Canada Chair, Dr. Jeanne Besner, talking with a reporter from a local media outlet in Thunder Bay in May 2007 **Top right:** Dr. Donald Juzwishin, CEO, Health Council of Canada, presents to the faculty of the Distance Learning Program in Nursing at Confederation College in Thunder Bay (Sept 2007) **Bottom left:** Councillors and staff in Bechokö, the largest village of the Tåîchô (Tlicho) Aboriginal community in NWT (May 2007)

Website

The Health Council's multi-media website serves as a central point for information and discussion. There was a 60% increase in new visitors to the site in fiscal 2007/2008. The addition of video streaming makes video sharing faster and easier.

Media

The Health Council continues to attract strong media interest. In 2007/2008, there was considerable coverage of our report on wait times *(Wading through Wait Times)* and our outcomes report *(Why Health Care Renewal Matters: Learning from Canadians with Chronic Health Conditions)*. An op-ed article by CEO, Dr. Donald Juzwishin, on the subject of "Why Health Care Renewal Matters" was published in the Saint John daily *Telegraph-Journal.*

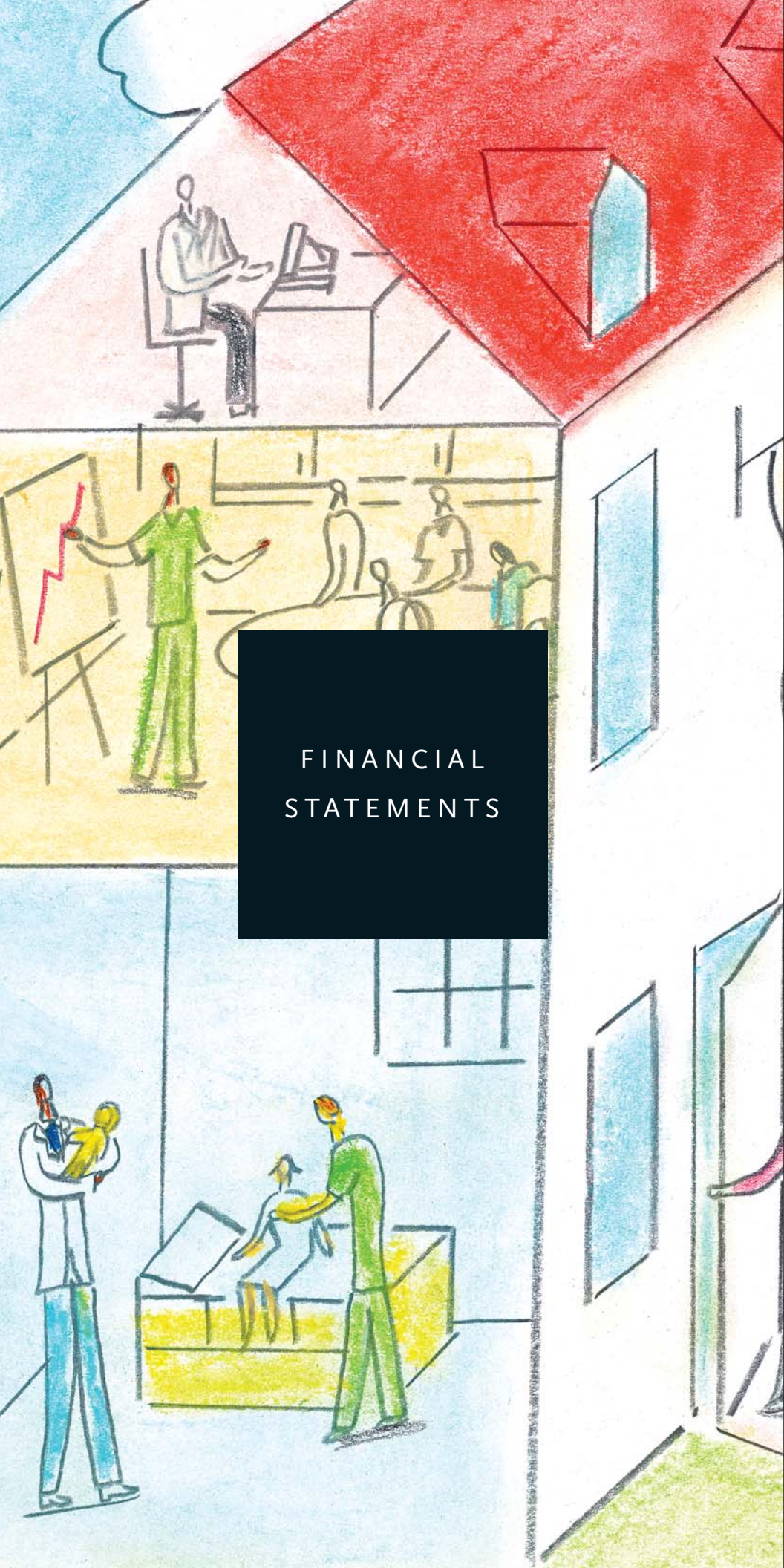
Meetings and Presentations

Health Council meetings were held during 2007 in Yellowknife (May), Thunder Bay (September), Calgary (November) and during 2008 in Toronto (February).

In Yellowknife, the Council visited Bechokö, the largest village of the Tåîchô (Tlicho) Aboriginal community and administrative headquarters for the Tåîchô Community Services Agency. While in Thunder Bay, Councillors toured two institutions instrumental in training health care professionals using distance learning models: the Northern Ontario School of Medicine (Lakehead University, Thunder Bay campus), and the Distance Learning Program in Nursing at Confederation College.

Throughout the year, Councillors and staff were invited to speak at conferences and seminars in their areas of expertise. This year, presentations were made at the Western Canada Health Policy Summit, the Centre for Health Services and Policy Research at the UBC School of Population and Public Health, the Queen's University Women's Club, the Royal College of Physicians and Surgeons of Canada, York University, and Carleton University.

To fulfill our mandate, the Council intends to strengthen our ties and expand our partnerships in the years ahead.



FINANCIAL STATEMENTS

To the Members of The Health Council of Canada / Conseil canadien de la santé:

We have audited the statement of financial position of the Health Council of Canada / Conseil canadien de la santé as at March 31, 2008 and the statements of operations, changes in net assets and changes in financial position for the year then ended. These financial statements are the responsibility of the Council's management. 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 plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Council as at March 31, 2008 and the results of its operations and its changes in financial position for the year then ended in accordance with Canadian generally accepted accounting principles. As required by the Canada Corporations Act, we report that, in our opinion, these principles have been applied on a basis consistent with that of the preceding year, except for the change in accounting for financial instruments as explained in Note 2 to the financial statements.

Deloitte & Touche LLP

CHARTERED ACCOUNTANTS
LICENSED PUBLIC ACCOUNTANTS
MAY 23, 2008

STATEMENT OF FINANCIAL POSITION

March 31, 2008	2008	2007
Assets		
Current		
Cash	**$ 1,399,838**	$ 447,460
Accrued interest receivable	**4,526**	2,621
Accounts receivable	**—**	15,067
Prepaid expenses	**61,920**	71,977
	1,466,284	537,125
Restricted investments	**10,000**	10,000
Capital assets (Note 4)	**455,076**	665,172
	$ 1,931,360	$ 1,212,297
Liabilities		
Current		
Accounts payable and accrued liabilities	**$ 842,721**	$ 730,652
Capital lease obligation – current (Note 5)	**27,509**	54,408
Lease inducements – current (Note 6)	**30,590**	30,590
Deferred revenue (Note 7)	**1,022,893**	330,902
	$ 1,923,713	$ 1,146,552
Capital lease obligation (Note 5)	**—**	27,509
Lease inducements (Note 6)	**7,647**	38,236
	$ 1,931,360	$ 1,212,297
Net assets	**—**	—
	$ 1,931,360	$ 1,212,297

APPROVED BY THE BOARD

STATEMENT OF OPERATIONS

Year Ended March 31, 2008	**2008**	2007
Revenue		
Health Canada (Note 7)	**$ 5,725,009**	$ 6,273,623
Interest income	**48,736**	39,531
	$ 5,773,745	$ 6,313,154
Expenses		
Compensation	**$ 2,346,699**	$ 2,409,155
External professional services	**617,915**	668,433
Councillor expenses and meeting facilities		
Councillors' travel	**146,253**	170,646
Councillors' honoraria	**132,571**	153,050
Meeting facilities	**137,176**	288,775
Guest travel	**25,894**	25,763
Speakers' honoraria	**8,030**	2,225
Administration		
Occupancy	**329,097**	319,297
Financial management	**76,322**	116,391
Secretariat – travel	**180,810**	201,931
Computers and telecommunications	**137,308**	129,591
Amortization	**216,933**	189,691
Office services and supplies	**42,583**	54,549
Legal fees	**4,059**	18,429
Human resource services	**119,597**	53,360
Insurance	**18,063**	18,520
Miscellaneous	**5,539**	6,895
Loss on disposal of capital assets	**4,950**	—
Reports and communication		
Supplies and services	**1,108,924**	1,244,813
Promotion and media	**115,022**	241,640
	$ 5,773,745	$ 6,313,154
Excess of revenue over expenses	**—**	—

STATEMENT OF CHANGES IN NET ASSETS

Year Ended March 31, 2008			**2008**	2007
	Invested in capital assets	Operating fund	Total	Total
Balance, beginning of year	$ 537,424	$ (537,424)	—	—
Excess (deficiency) of revenue over expenses	(213,284)	213,284	—	—
Additions to capital assets	19,122	(19,122)	—	—
Capital lease – payment	54,408	(54,408)	—	—
Leasehold inducement payment	11,770	(11,770)	—	—
Proceeds on disposal of capital assets	(7,335)	7,335	—	—
Balance, end of year	$ 402,105	$ (402,105)	—	—

STATEMENT OF CHANGES IN FINANCIAL POSITION

Year Ended March 31, 2008	2008	2007
Net inflow (outflow) of cash related to the following activities		
Operating		
Excess of revenue over expenses	**$ —**	$ —
Loss on disposal of capital assets	**4,950**	—
Amortization of capital assets	**216,933**	189,691
Amortization of rent-free lease inducements	**(10,220)**	(10,220)
Amortization of lease inducements	**(8,599)**	(8,600)
	$ 203,064	$ 170,871
Changes in working capital items		
Accrued interest receivable	**(1,905)**	3,942
Accounts receivable	**15,067**	15,717
Prepaid expenses	**10,057**	54,747
Accounts payable and accrued liabilities	**112,069**	40,359
Deferred revenue	**691,991**	(1,625,623)
	$ 1,030,343	$ (1,339,987)
Investing and financing		
Capital lease payments	**$ (54,408)**	$ (42,675)
Repaid lease inducements	**(11,770)**	(11,770)
Purchase of capital assets	**(19,122)**	(102,131)
Proceeds on disposal of capital assets	**7,335**	—
Purchase of restricted investments	—	(10,000)
	$ (77,965)	$ (166,576)
Net inflow (outflow) of cash	**$ 952,378**	$ (1,506,563)
Cash, beginning of year	**447,460**	1,954,023
Cash, end of year	**$ 1,399,838**	$ 447,460

1 / Description of the business

The Health Council of Canada / Conseil canadien de la santé (the "Council") was incorporated on December 2, 2003 under the *Canada Corporations Act*. The Council's mandate is to monitor and make annual public reports regarding the implementation of the 2003 First Ministers' Accord on Health Care Renewal and the 2004 10-Year Plan, particularly its accountability and transparency provisions.

The Council is registered as a not-for-profit organization under the *Income Tax Act* and, accordingly, is exempt from income taxes.

2 / Change in accounting policy

On April 1, 2007, the Council was required to adopt the Canadian Institute of Chartered Accountants' ("CICA's") revised standards on recognition and measurement and presentation of financial instruments for not-for-profit organizations. The standards are titled S.3855 – Financial Instruments Recognition and Measurement, S.3861 – Financial Instruments Disclosure and Presentation, and S.3865 – Hedges.

In accordance with these revised standards, the Council has classified each of its financial instruments into accounting categories as of April 1, 2007. The category for an item determines its subsequent accounting treatment under the revised standards. Effective April 1, 2007, the Council has classified its financial instruments as follows:

- Cash as "held-for-trading". "Held-for-trading" items are carried at fair value, with changes in their fair value recognized in the statement of revenues and expenses in the current period.
- Accounts receivable as "loans and receivables". "Loans and receivables" are carried at amortized cost, using the effective interest method.
- Accounts payable and accrued liabilities as "other liabilities". "Other liabilities" are carried at amortized cost, using the effective interest method.

These new standards did not result in any opening or year end adjustments.

The Council selected December 31, 2003 as its transition date for accounting for embedded derivatives. The Council has determined that there are no embedded derivatives that are required to be accounted for separately as derivatives.

3 / Significant accounting policies

(A) FINANCIAL STATEMENT PRESENTATION

These financial statements have been prepared in accordance with Canadian generally accepted accounting standards for not-for-profit organizations published by the Canadian Institute of Chartered Accountants using the deferral method of reporting restricted contributions.

(B) REVENUE RECOGNITION

The Council is funded solely by Health Canada in accordance with the regulations of the Health Care Strategies and Policy, Federal / Provincial / Territorial Partnership Grant Program, expiring on March 31, 2008.

These financial statements reflect agreed arrangements with Health Canada with respect to the fiscal year ended March 31, 2008.

(C) DESCRIPTION OF FUNDS

Operating Fund – records the ongoing operations of the Council.

Invested in Capital Assets Fund – records the capital assets of the Council and the related financing activities.

(D) CAPITAL ASSETS

Capital assets are recorded at cost and are amortized on a straight-line basis using the following rates:

Information Technology and Telecommunication	20%
Office Equipment and Furniture	10%
Computer Software	33%
Leasehold Improvements	Term of lease

In the year of acquisition, 50% of the annual amortization rate is used.

(E) DEFERRED LEASE INDUCEMENTS

Deferred lease inducements, consisting of leasehold improvement allowances and free rent, are amortized on a straight line basis over the term of the lease.

(F) DEFERRED REVENUE

Deferred revenue represents amounts received from Health Canada which have not been expended on the Council's mandate.

(G) USE OF ESTIMATES

The preparation of financial statements in accordance with Canadian generally accepted accounting principles 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. Actual results could differ from management's estimates as additional information becomes available in the future.

4 / Capital Assets

			2008	2007
	Cost	**Accumulated amortization**	**Net book value**	Net book value
Information technology and telecommunication	**$ 451,637**	**$ 260,687**	**$ 190,950**	$ 280,898
Office equipment and furniture	**215,517**	**63,595**	**151,922**	173,283
Computer software	**48,480**	**32,667**	**15,813**	37,487
Leasehold improvements	**323,084**	**226,693**	**96,391**	173,504
	$ 1,038,718	**$ 583,642**	**$ 455,076**	$ 665,172

Capital leases

Capital assets include Information Technology equipment under capital lease, expiring in September 2008 with a cost of $175,437 (2007 – $175,437) and accumulated amortization of $108,915 (2007 – $74,187).

5 / Capital lease obligations

The Council has equipment under capital leases expiring September 30, 2008.

Future minimum payments under capital leases are as follows:

Year ending March 31, 2009	$ 28,019
Less amount representing interest at approximately 9.7%	(510)
Present value of minimum lease payments	27,509
Current portion	$ 27,509
Long-term portion	—

Interest recorded in the Statement of Operations related to the capital lease obligations is $4,955 (2007–$7,885).

6 / Lease inducements

The balance of lease inducements includes the following:

	2008	2007
Lease inducements payable (A)	**$ 14,712**	$ 26,482
Rent-free inducement (B)	**12,775**	22,995
Lease inducement (C)	**10,750**	19,349
Total	**$ 38,237**	68,826
Current portion		
Lease inducement payable (A)	**$ 11,770**	$ 11,770
Rent-free inducement (B)	**10,220**	10,220
Lease inducement (C)	**8,600**	8,600
	30,590	30,590
Long-term portion	**$ 7,647**	$ 38,236

(A) The Council negotiated a repayable leasehold improvement allowance over the term of the lease with an interest rate of approximately 4%. The repayable allowance of principal and interest is being repaid over the term of the lease at $13,035 per annum. Interest expense of approximately $1,410 (2007 – $908) is included in the statement of operations.

(B) The Council negotiated a long-term lease agreement for its corporate offices in 2004 and for additional premises in 2006 that included a 2-month rent-free period. The lease inducement benefits are amortized on a straight-line basis over the term of the lease as a reduction to rental expense.

(C) The Council negotiated a leasehold improvement allowance for its additional premises in 2006. This amount is being amortized at the same rate as the leasehold improvement.

7 / Deferred revenue

	2008	2007
Balance, beginning of year	**$ 330,902**	$ 1,956,525
Funds received	**6,417,000**	4,648,000
Less: amounts recognized as revenue	**(5,725,009)**	(6,273,623)
Balance, end of year	**$ 1,022,893**	$ 330,902

8 / Commitments

(A) LEASED PREMISES

The Council entered into a lease for premises located at 90 Eglinton Avenue East, Toronto, Ontario. The lease commenced on May 1, 2004 and is for a period of five (5) years and two (2) months, expiring on June 30, 2009. The period from May 1, 2004 to July 1, 2004 was gross rent-free.

The Council entered into a lease for additional premises located at 90 Eglinton Avenue East, Toronto, Ontario. The lease commenced on January 1, 2006 and is for a period of three (3) years and six (6) months, expiring on June 30, 2009. The period from January 1, 2006 to February 1, 2006 was gross rent-free.

Future minimum commitments for basic rent and repayment of the leasehold improvement allowance under the leases are approximately as follows:

Year ended March 31	
2009	$ 145,805
2010	24,597
	$ 170,402

(B) OTHER COMMITMENTS

Additionally, the Council has entered into other commitments, including contracts for professional services with various expiry dates to January 2010. The annual payments are approximately as follows:

Year ended March 31	
2009	$ 199,250
2010	5,712
	$ 204,962

9 / Guarantees

In the normal course of operations, the Council enters into agreements that meet the definition of a guarantee. The Council's primary guarantees subject to disclosure are as follows:

(A) The Council has provided indemnities under a lease agreement for the use of operating facilities. Under the terms of this agreement the Council agrees to indemnify the counterparties for various items including, but not limited to, all liabilities, loss, suits, and damages arising during, on or after the term of the agreement. The maximum amount of any potential future payment cannot be reasonably estimated.

(B) The Council has indemnified its present and future directors, officers and employees against expenses, judgments and any amount actually or reasonably incurred by them in connection with any action, suit or proceeding in which the directors, officers and employees are sued as a result of their service, if they acted honestly and in good faith with a view to serving the best interest of the Council. The nature of the indemnity prevents the Council from reasonably estimating the maximum exposure. The Council has purchased errors and omissions liability insurance with respect to this indemnification.

Canada's First Ministers established the Health Council of Canada in the 2003 *Accord on Health Care Renewal* and enhanced our role in the 2004 *10-Year Plan to Strengthen Health Care*. We report on the progress of health care renewal, on the health status of Canadians, and on the health outcomes of our system. Our goal is to provide a system-wide perspective on health care reform for the Canadian public, with particular attention to accountability and transparency.

The participating jurisdictions have named Councillors representing each of their governments and also Councillors with expertise and broad experience in areas such as community care, Aboriginal health, nursing, health education and administration, finance, medicine, and pharmacy. Participating jurisdictions include British Columbia, Saskatchewan, Manitoba, Ontario, Prince Edward Island, Nova Scotia, New Brunswick, Newfoundland and Labrador, Yukon, the Northwest Territories, Nunavut, and the federal government.

The Council's vision

An informed and healthy Canadian public, confident in the effectiveness, sustainability and capacity of the Canadian health care system to promote their health and meet their health care needs.

The Council's mission

The Health Council of Canada fosters accountability and transparency by assessing progress in improving the quality, effectiveness, and sustainability of the health care system. Through insightful monitoring, public reporting, and facilitating informed discussion, the Council shines a light on what helps or hinders health care renewal and the well-being of Canadians.

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*as of March 31, 2008

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