Results That Matter

2012/2013 ANNUAL REPORT TO THE COMMUNITY
Table of Contents

Message from the Board Chair and CEO .......................  2
DSM - A Vital Part of Your Health Care Team ................  3
Board Governance ......................................................  4
Organizational & Advisory Structure .............................  5
Annual Achievements .................................................   7
Challenges & Future Directions ..................................  16
Quality & Patient Safety Indicators ..............................  20
Public Interest Disclosure ...................................  22
Financial Information ........................................  23
We are pleased to present Diagnostic Services Manitoba's (DSM) Annual Report to the Community for 2012/2013. It has been another busy year of accomplishments and service improvements that we are eager to share.

Of course we share all of our accomplishments with our provincial health care team partners with whom we collaborate to provide the laboratory and imaging services that are so integral to the health journeys of Manitoba patients. We also share our successes with our hard working provincial team, which is more than 1,600 strong, and integral to ensuring that we are leaders in innovation, technology and quality. Thank you for living DSM’s vision of patient-first care.

One of our biggest collaborations this year centres on Manitoba’s Cancer Patient Journey (CJP) initiative which aims to shorten the timeframe from suspicion of cancer to treatment in 60 days. As our diagnostic services play an important part in detecting cancer and throughout treatment, DSM is a key participant in the initiative, contributing a strong voice from our frontlines and beyond in a collaborative effort to improve the cancer patient journey for all forms of cancer.

At DSM we are YOUR diagnostics service provider. Our dedicated team proudly serves our patients, physicians and clients across the regional health authorities and the province of Manitoba. You can expect the same high quality diagnostic results no matter where you live in our province: a constant high-level of service, quality and care focused on providing the right results to the right patient at the right time.

Vital tests are conducted every day in our labs and imaging centres, providing the 'Results That Matter' to our patients and their physicians. Diagnostic results are integral to providing the right course of care for Manitoba patients with more than 75 per cent of treatment decisions based on the results of diagnostic testing. We know how critical our services are to the health of Manitobans and DSM is accountable for the safety and quality of our care.

DSM looks forward to further establishing our leadership role in medical laboratory and medical imaging services for the province of Manitoba over the coming years. We know that maintaining and enhancing the quality of our services means strategizing from a provincial perspective while continuing to work innovatively and collaboratively with our partners.

Ms. Marie Perchotte,
Board Chair

Jim Slater
Chief Executive Officer
DSM - A Vital Part of Your Health Care Team

Diagnostic Services Manitoba (DSM) is the not-for-profit corporation responsible for all of Manitoba’s public laboratory services and for rural diagnostic imaging services. With a team of more than 1,600 dedicated medical, technical, laboratory, imaging and support staff providing services at more than 70 facilities across Manitoba, we are proud to be the province’s leading provider of these services. Each DSM site is a point of access for patients to a comprehensive range of diagnostic testing in Clinical Biochemistry and Genetics, Hematology, Immunology, Microbiology, Pathology, Transfusion Medicine and Diagnostic Imaging.

Vital tests are conducted every day in our labs and imaging centres, providing the ‘Results That Matter’ to our patients and their physicians. Diagnostic results are integral to providing the right course of care for Manitoba patients with more than 75 per cent of treatment decisions based on the results of diagnostic testing.

DSM was created in 2002 to position Manitoba’s public laboratory services and rural imaging services to meet the challenges that the industry was facing. DSM has made great strides in the areas of standardization, technology, innovation and quality as well as in the areas of education, training and recruitment, maintaining a skilled workforce despite a growing national industry shortage.

Our provincial model is unique to Canada with many other provinces now looking to DSM as a model for consolidation of their provincial or regional diagnostic services.
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, 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
- Finance and Audit
- Governance
- Executive

Major Activities and Decisions of the Board of Directors

New Leadership and Farewells

In November 2012, Mr. Milton Sussman, Board Chair, officially resigned and Mrs. Marie Perchotte, former Associate Deputy Minister Responsible for Public Health and Primary Health Care (Manitoba Health) was appointed new Board Chair.

Dr. Shaun Gauthier, Chief Medical Officer, Prairie Mountain Health replaced Ms. Pat Cockburn, former Vice President Programs & Standards of the Assiniboine Regional Health Authority.

Mr. Glenn McLennan, Vice President and Chief Financial Officer, Finance/Capital Planning, Winnipeg Regional Health Authority replaced outgoing Winnipeg Regional Health Authority (WRHA) representative Mr. Paul Kochan.

A major Board focus in 2012/2013 was on Board Governance, leadership restructure and establishing the strategic direction of the organization, including new Vision, Mission, and Values.

Activities

The DSM Board undertook activities to reshape its governance model based on “In Support of Excellence” a program for Board Governance from the Manitoba Crown Corporations Council who advises Crown and Public Agencies on how Boards should operate in the public sector.

Led by the new Board Chair, strategic (generative) board discussions occurred to establish high level goals and provide leadership support for the organization from which senior leadership can develop strategic operational plans.

The Board invited Alan Goddard (Crown Corporations Council) to facilitate their strategic planning session in November 2012. The outcome led to a more effective and enhanced meeting format. Also, the Board redefined its agenda for its regular meetings to devote appropriate time to its three main governance roles:

- Strategic Discussions (Leadership)
- Standing Reports (Oversight)
- Governance Policy and Structure (Foundation Factors)

First Annual General Meeting (AGM)

In November 2012, the Board held its first AGM in Winnipeg for the organization’s primary stakeholders. The AGM paid tribute to Milton Sussman’s term as Chair (former) and introduced its new Board Chair, Marie Perchotte, as well as made the first public presentation of the DSM Annual Report (2011-12), financial statements, and the first public presentation of our new Mission, Vision, and Values. The AGM also served as a kick off to DSM’s highly successful Quality Improvements in Pathology Conference. More information about the conference can be found under Achievements.

Board Orientation Video

A video was produced to enhance the orientation experience of new and existing board members. The video contains information about the organization and the roles and expectations of board members.

To view the video, please visit our website at www.dsmanitoba.ca/about/board.html.
Major Consultations with the Public and Other Stakeholders

The Board held its Annual Members Meeting with its sole shareholder, the Minister of Health, in November 2012 as part of its strategic planning session. The Minister shared her expectations that DSM’s overall strategic direction should be aligned with Manitoba Health’s Strategic Goals and Priorities. DSM ensured that its 2013-2016 Strategic Plan was also aligned with the newly merged Regional Health Authorities priorities and any RHA community partnership consultations.

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.

DSM Board of Directors 2013/2014

Mrs. Marie Perchotte (Chair)
Dr. Hussam Azzam
Vice President Medical Services and Chief Medical Officer, Northern Health Region
Dr. Patricia Baker
Doctors Manitoba
Dr. Shaun Gauthier
Chief Medical Officer, Prairie Mountain Health
Ms. Jean Cox
Assistant Deputy Minister of Regional Policy and Programs, Manitoba Health
Dr. Dhali Dhaliwal
President & Chief Executive Officer, CancerCare Manitoba
Mr. Lee Manning
Executive Director, Manitoba Association of Health Care Professionals
Mr. Glenn McLennan
Vice President and Chief Financial Officer, Finance/Capital Planning, Winnipeg Regional Health Authority
Mr. Martin Montanti
Vice President of Corporate Services, Southern Health - Santé Sud
Ms. Shelley Neel
Staff Representative, Manitoba Government Employees Union
Dr. Paul Van Caeseele
Director, Cadham Provincial Laboratory
Dr. Brock Wright
Senior Vice President Clinical and Chief Medical Officer, Winnipeg Regional Health Authority

Missing: Dr. Patricia Baker, Mr. Lee Manning, Ms. Shelley Neel
Organizational & Advisory Structure

There were no changes to DSM’s organizational structure from the previous year.

**Discipline Teams**

Diagnostic Discipline Teams provide expertise in all of DSM’s testing disciplines, guiding service delivery based on best practice, research and emerging trends and technology. As well as driving quality, standardization and continuous improvements initiatives, the Discipline Teams are a provincial resource for all DSM sites across Manitoba, ensuring consistent standards of excellence. They are:

- Biochemistry & Genetics
- 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 Chief Executive Officers, Chief Medical Officers, Chief Operations Officers, Chief Financial officers, 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/patients/sites.html.
Annual Achievements

Strategic and Operational Priorities

Provincial Leadership

DSM has a mandate to assume a provincial leadership role in medical laboratory and diagnostic imaging services for the province of Manitoba. Building on a solid foundation of quality and an overall goal of providing sustainable diagnostic services to all Manitobans, DSM is working to continue providing the best possible customer service to our partners, clients and patients.

New Vision, Mission and Values statements, shared publicly in fall 2012, identify what DSM stands for, set a clear direction for our organization and give a unified purpose to our provincial team.

Strategic Themes & Priorities

Since the reorganization and transformation of DSM in April 2011, and particularly over the past 18 months of strategic planning with the DSM Board and Senior Leadership, and engagement with stakeholders at Manitoba Health, the Regional Health Authorities (RHA), CancerCare Manitoba (CCMB) and other related organizations, four major strategic themes have emerged for DSM’s strategic and operational priorities:

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

Within each of these strategic themes, DSM has developed Strategic Operational Priorities that address the provincial diagnostic priorities, goals and the four provincial health objectives defined by the Minister of Health.

Operational Priorities

DSM is in the second year of a three-year reassessment and realignment of its operational priorities. The three-year process is deliberately designed to be influenced both by the priorities, goals, and commitments of Manitoba Health.
and the needs of the RHAs and their communities across Manitoba. The three-year process also examines changes and advancements in technology and increasing demands for more diagnostic testing and procedures.

A detailed listing of DSM’s Top 20 Operational Priorities for 2013-2016 can be found under the Challenges & Future Directions section.

While there are very strong connections between the strategic priorities and operational strategies of DSM and Manitoba Health, our focus over this next year will be to more clearly demonstrate the alignment of our strategic priorities and operational strategies with all the influencing factors and variables, making more obvious the connecting links between diagnostics and Manitoba Health’s and the Minister’s priorities, goals and commitments.

Functional Space Planning

With new strategic opportunities emerging everyday and in consideration of other external factors, examining future space requirements of urban laboratory services will be essential in ensuring optimized and sustainable diagnostic services well into the future. To assist in developing long-range (five, ten and 20-year) plans, DSM has initiated a project and engaged the services of the Resource Planning Group (RPG), a national company with 37 years of pre-design planning of public sector facilities. Collaboration of frontline staff will be essential to collecting the necessary data on scope, linkages, workload estimates, workflow and technologies etc. The project will initially focus on the needs of DSM’s two largest laboratory facilities at the Health Sciences Centre and St. Boniface Hospital.

Finance

Funding Model – WRHA

In 2012/13 DSM transitioned to a ‘global budget’ for services provided to the Winnipeg Regional Health Authority (WRHA). The transition was made possible by the collaboration and commitment between DSM and the WRHA, together with a commitment for the completion of service level agreements and ongoing reporting that will be necessary to sustain this funding model into the future.

Budget 2012/13

Continuing to build on budget process improvements, the DSM Board of Directors approved the first province-wide, consolidated diagnostic services budget for DSM. It included overall cost savings targets of 0.75%, even in advance of the directive from Manitoba Health.

Funding for Integrated Financial Systems Assessment

In 2013 DSM received approval and funding to move forward with the assessment of its financial processes and systems. The current processes for collection of relevant financial, statistical and other related information is hampered because that information is retained in disparate financial systems for every regional health authority, and for some sites within those authorities. The assessment will lay the ground work for changes to both processes and systems to meet our reporting needs.

Work will commence on this assessment in the summer of 2013 with the target for completion by March 31, 2014.
Administration

The Administration Department is made up of Human Resources, Training and Credentialing, Workplace Health and Safety and Communications sections.

The recruitment and retention of highly specialized diagnostic services staff is a top priority. DSM has a multi-layered strategy for succession planning which includes the monitoring of vacancy rates and retirement projections, targeted recruitment, and in-house clinical and specialty training programs. While DSM has an overall vacancy rate of less than 6%, the proportion of these vacancies is higher in the rural and Northern areas which have unique recruitment challenges and where vacancies can be critical to the provision of diagnostic services. DSM’s succession planning strategy is summarized in the table below.

Communications & Public Relations

A major emphasis of communications in 2012/2013 was to strengthen relationships with internal and external key stakeholders and Manitoba Health. Feedback from Manitoba Health has indicated that faster turn around times in information exchange and more transparent working relationships between DSM and the Department have been achieved. DSM’s Communications Department has seen a significant increase in the number of requests from other DSM departments (such as Operations) to provide strategic communications counsel and advice, as evident in various issues-focused communications plans, media relations plans, employee engagement activities and public relations activities such as our first AGM and national Pathology conference.

DSM’s work to promote its National Pathology Quality Conference was recognized with a Platinum Hermes Creative Award in the category of Integrated Event Marketing. Pathologist Recruitment materials were also recognized as part of this award. The award, administered by the Association of Marketing and Communication Professionals, acknowledges that DSM is successfully promoting a professional image of leadership to our partners, customers and our future recruits.

Other Notable Administration Achievements

- Reduced Loss Time Injuries by 40% over fiscal 2011/2012
- Decreased WCB costs by $.05 per $100/payroll over fiscal 2011/2012

<table>
<thead>
<tr>
<th>Employee Group</th>
<th>Vacancy Rate</th>
<th>Projection of &lt; 5 years to Retirement</th>
<th>Recruitment Strategy</th>
<th>Training Strategy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medical/Pathologists/Hematopathologists</td>
<td>0%</td>
<td>11%</td>
<td>Active recruitment of Manitoba resident graduates</td>
<td>Sponsor sub-specialty training opportunities</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>External Recruitment</td>
<td></td>
</tr>
<tr>
<td>Scientists</td>
<td>0%</td>
<td>40%</td>
<td>External recruitment</td>
<td>In-house Fellowship training for required sub-specialties</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Recruitment plan for in-house training graduates</td>
<td></td>
</tr>
<tr>
<td>Pathology Assistants</td>
<td>5%</td>
<td>11%</td>
<td>Training graduates and external recruitment</td>
<td>Revision and expansion of in-house clinical training</td>
</tr>
<tr>
<td>Medical Laboratory Technologists (MLT)</td>
<td>4%</td>
<td>19%</td>
<td>Ongoing recruitment of graduating students</td>
<td>Clinical instruction of RRC students</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Active external recruitment</td>
<td>Bridging Program</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Sponsorships for rural students</td>
<td>Discovery training</td>
</tr>
<tr>
<td>Medical Radiologic Technologists (MRT)</td>
<td>14%</td>
<td>13%</td>
<td>Active external recruitment</td>
<td>Clinical instruction of RRC students</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Ongoing recruitment of graduating students</td>
<td>Enhance CE program</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Sponsorship for rural students</td>
<td></td>
</tr>
<tr>
<td>Medical Laboratory Assistants</td>
<td>6%</td>
<td>6%</td>
<td>External advertising</td>
<td>Clinical practicum for Community College programs</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Enhance simulated training opportunities</td>
</tr>
<tr>
<td>Ultrasound Technologists</td>
<td>16%</td>
<td>5%</td>
<td>Active external recruitment</td>
<td>RRC has introduced an expanded program which will significantly increase the number of available graduates by 2015</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Ongoing recruitment of graduating students</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Sponsorship for rural students</td>
<td></td>
</tr>
<tr>
<td>Cross Trained MLT and MRT Technologists</td>
<td>6%</td>
<td>16%</td>
<td>Sponsorship for rural students</td>
<td>Develop sustainment plan for cross-training programs</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Autopsy Technical Assistants</td>
<td>0%</td>
<td>30%</td>
<td>External recruitment</td>
<td>Review of current occupation</td>
</tr>
<tr>
<td>Medical Transcriptionists</td>
<td>0%</td>
<td>30%</td>
<td>External recruitment</td>
<td>Review of current occupation</td>
</tr>
</tbody>
</table>
Information Technology (IT)

Provincial Laboratory Information System (PLIS)

The Provincial Laboratory Information System (PLIS) has been a cornerstone of DSM’s strategy since its inception. In 2012/2013 DSM received project funding approval to move forward with Phase 2 of PLIS. This has allowed DSM to identify and proceed with several closely interrelated provincial laboratory informatics sub-projects which will help DSM to further its goal of providing a sustainable diagnostic system for Manitobans.

The five sub-projects of the PLIS initiative are:

Provincial Core Laboratory Information System

Implementation of a single, provincial LIS in DSM labs across the province including upgrading existing LIS installations, where necessary, moving other systems onto the provincial Delphic platform and deploying the provincial LIS to new sites. This work will begin in early 2013/2014 and will take 48 months to complete. As each site is brought onto the Delphic 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.

Pathology Quality Assurance/Information System

This system will improve peer review, auditing, workload and case distribution and tracking as well as data collection. Strategic requirements analysis for this project has been completed with detailed project planning and analysis as the next steps in 2013/2014.

Electronic Synoptic Pathology Reporting

Synoptic reporting increases the accuracy, completeness and usability of pathology reports. It also provides a mechanism to use pathology diagnostic information as a data source for improving the delivery of health care in Manitoba. Detailed project planning for Manitoba’s Electronic Synoptic Pathology Reporting Initiative is underway.

Cytogenetics & Molecular Diagnostics Information System

This project will see the implementation of an information system for the Cytogenetics and Molecular Diagnostics department which replaces an outdated platform and which meets the needs of both DSM’s quality expectations and College of American Pathologists accreditation requirements.

Digital Pathology & Multi-Jurisdictional Telepathology

These two projects will provide advanced communication technology which 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 an 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 a vendor selection process and has developed validation and change management plans which will guide the project’s continued progress in 2013/2014.

Transfusion Medicine Electronic Crossmatch – Trace Line Implementation

Trace Line is a software system that provides electronic capacity and functionality for blood component and derivative inventory management, testing and generating reports and which replaces existing manual systems. In partnership with Manitoba Health and Canadian Blood Services, DSM went live with Trace Line at Selkirk & District General Hospital in October 2012 followed by Westman Laboratory in November and Health Sciences Centre in February 2013. The system has been working very well with noticeable improvements in the ability to forecast the demand for blood products and derivatives, store blood locally and reduce the discard rate by use of the electronic crossmatch, as well as improve patient safety through shortened turnaround times and built-in safeguards for matching appropriate blood to the right patient.
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** - A secure electronic system will connect 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.

**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 and which 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 first group of sites receive electronic delivery of lab results.

Medical Services, Quality and Research Department

Accreditation

**MANQAP**

DSM continues to aggressively seek full accreditation for all sites. Outstanding sites that have conditional MANQAP (Manitoba Quality Assurance Program) accreditation are scheduled to be completed in 2013/2014.

**CAP**

In 2011 DSM’s Health Sciences Centre (HSC) and St. Boniface Hospital (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 which generated comments such as “Absolutely sterling” and “In my glory being there”. 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 great procedures and that staff have an obvious dedication to working toward compliance.

Furthering DSM’s commitment to be measured to the strictest standards in safety and patient care, DSM undertook CAP accreditation of its provincial Pathology Program, 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 overall management of the Pathology laboratories, demonstrating an overwhelming dedication to safety, quality and best practice.

In our continuing pursuit of quality excellence DSM intends to add the following specialty areas to the next routine round of CAP inspections:

- Transplant Immunology Laboratory (Solid Organ)
- Specialty Accreditation Program – Biorepository
- Point of Care Testing (POCT)
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.

DSM is seeking National Association of Medical Examiners accreditation for Forensic Pathology.

Education and Research

DSM and its Board of Directors believe that Education and Research are essential components of quality – the foundation of all our strategic pillars.

Our commitment to education continues with strong partnerships with the University of Manitoba, Red River College, Robertson College, Michener Institute, Neeganin Institute, Herzing College and others. DSM staff contribute more than 11,000 hours of direct and indirect contact hours and teaching time per year, truly demonstrating that we share the Academic Mission of the Faculty of Medicine with the University of Manitoba and with all our education partners.

Education is integral to DSM’s integrated strategic plan. Over the past year DSM has reinforced affiliations with our education partners and, as part of our Operational Priorities, we will focus on further outlining education priorities and collaborations as part of our three-year Strategic Academics Plan in 2013/2014.

Our commitment to research continues with strong partnerships with the Winnipeg Regional Health Authority, CancerCare Manitoba, Centre for Health Innovation, Manitoba Centre for Health Policy and many others, but perhaps most notably with the University of Manitoba as contributors to their Research Strategic Plan and member of their Research Strategic Plan Implementation Task Force.

The 2012/2013 fiscal year marked DSM’s fifth annual Grant Competition with three operating grants awarded to individuals committed to innovation and research excellence:

- Dr. Abdi Sokoro - Development and Validation of Serum-Based Tandem Mass Spectrometry Method for Assessment of Intestinal Permeability
- Dr. Lorne Sargeant - Enhancement of Mass Spectrometry Capabilities for Clinical Applications
- Dr. Elizabeth (Beth) Spriggs - Use of Targeted Next-Generation Sequencing in Patient Care: A Pilot Study

Research is a fundamental part of DSM’s integrated strategic plan. Over the past year, DSM has strengthened ties with our research partners and, as part of our Operational Priorities, a focus of the coming year will be on further outlining research priorities, collaborations, revenue and investments as part of our three-year Strategic Research Plan.

Client Services

The establishment of a dedicated Client Services Department in 2012 has facilitated a more responsive approach to addressing our partner, client and patient needs. From assisting patients in navigating through their health journey and enabling them to become more involved in their own care, to investigating concerns and registering feedback, Client Services ensures that all inquires receive prompt and individual attention. Client Services has also provided a channel for the formal acknowledgement of commendations and compliments which has led to increased recognition and celebration of staff excellence across our entire organization.

With the formalization of policies and development of staff training well underway, DSM looks forward to officially launching and promoting Client Services in the next fiscal year.

Shape the Future of Quality Improvements in Pathology Conference

DSM boldly stepped up as a leader in pathology quality assurance by hosting an innovative and thought-provoking awareness building Pathology Conference in Winnipeg in November 2012. Through an esteemed panel of speakers that included DSM’s own Dr. Esther Ravinsky, DSM shared our vision of quality excellence with our Canadian colleagues and brought the importance of quality improvements in pathology to the forefront. From conference attendance to attendee feedback all indications are that the event was a considerable success and an important first step in promoting a national forum for quality in pathology. The considerable support and contributions of our Pathologists and pathology staff were key to the success of this event.

DSM will build on the momentum gained in this area by hosting a second Pathology Conference in January of 2014, of which the focus will be technology.
Quality Management

In 2011/2012 DSM selected Intelex as its Quality Management System (QMS) based on its comprehensive functionality and fit with DSM’s needs to consolidate the various quality systems into one user friendly online resource. As Intelex is a robust system with the capacity to manage many quality aspects the focus for 2012/2013 was on implementing the document control and training and awareness modules. These modules will allow for improved management of DSM’s policies and procedures as well as formal tracking of staff familiarization and sign-off. With more than 5,000 controlled documents, the migration of DSM’s policy and procedure inventory to Intelex was a significant undertaking. These modules were piloted at DSM’s Seven Oaks General Hospital site with plans to expand pilot testing to additional sites early in 2013/2014.

Operations

Optimization of Service Delivery

DSM is seizing opportunities to change the way services are delivered at a number of sites in order to improve efficiency and also maintain and enhance services.

Outreach Service Models

In 2012/2013 Mount Carmel Clinic (MCC) Laboratory services transitioned to an outreach model, similar to the current successful model at Riverview Health Centre. This model provides for on-site specimen collection with testing referred to other sites within Winnipeg. DSM’s Misericordia Health Centre Laboratory has assumed responsibility for providing staffing at MCC to perform phlebotomy and other on-site support. The reallocation of resources is estimated to save $200k annually that can be reallocated to help address other laboratory pressures within Winnipeg.

Planning is underway for laboratory operations at Deer Lodge Centre to assume a similar model under the responsibility of Grace Hospital.

Whitemouth X-Ray Service

Following a review of the long-term sustainability of low volume service at DSM’s Whitemouth X-ray Clinic, X-ray services were suspended while maintaining patient access to sustainable high quality services at nearby sites.

Regional Pods

In the former Assiniboine Region four ‘hub’ referral centers were set up with the remainder of the sites acting as ‘feeders’. This model allowed for more effective staffing, equipment and resource allocation while maintaining a high level of service. Savings achieved from this initiative were approximately $250-$300k.

DSM will continue to assess other sites where similar service optimization opportunities may exist.
Contracting & Procurement

In 2012 DSM completed the transition of Contract Management from the Winnipeg Regional Health Authority to DSM and we are now fully responsible for all contracting services for DSM supplies and equipment. This transition has allowed for a more dedicated focus on DSM contracts and procurement, resulting in significant reductions in operating costs and cost of capital equipment.

It has also reduced the backlog for acquiring and deploying equipment – in 2011 DSM had a $9.8 million backlog in approved specialized equipment. That backlog has been effectively eliminated, which in turn sped up the realization of savings from those activities.

Savings and cost avoidance initiatives have totaled over $3.5 million. Highlights of these savings include:

Capital
- Digital Pathology Purchase negotiations $436,140
- IHC Stainer Purchase negotiations $755,457
- Chemistry Analyzer Purchase negotiations $169,952
- Cytometry Consumables negotiations $39,910

Operating
- Various contract negotiations and amalgamation $1,395,262

Recoverables
- Improved scrutiny of billing and vendor processes $250,000

Cancer Patient Journey

From suspicion of cancer to first treatment, patients depend on the health system to detect cancer at the earliest stage 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) initiative. DSM’s goal is 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 Chief Executive Officer, Jim Slater, 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 diagnostic journey for breast cancer and has brought practitioners together from primary care, pathology, radiology and surgery to develop exciting 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 holds representation on other working groups which each represent unique steps along the patient journey. These committees afford many opportunities for DSM staff to become involved, either through committee membership or as subject matter experts, allowing DSM to contribute a strong voice from the frontlines and beyond, as per DSM’s philosophy of collaboration and engagement, and is another example of DSM’s mission of provincial leadership.

In 2012/2013 DSM made significant testing advances which are contributing to the CPJ’s goal of initiating treatment within 60 days of suspicion of cancer.

SISH Testing Shortens TAT by up to Five Weeks for Some Breast Cancer Patients

Immunohistochemistry (IHC) testing is important to the modern diagnosis of cancer as it provides valuable details about the genetic make-up of cancer. Although IHC testing is beneficial to many types of cancer, one of the most publicized IHC testing relates to the detection of HER2 (human epidermal growth factor receptor 2) in breast cancer patients.

In December 2013 DSM implemented in-house molecular diagnostic technology, bringing the future of cancer tissue analysis to Manitoba and significantly reducing result turn around time (TAT) for the approximately 400 breast cancer patients requiring a secondary analysis of HER2 (human epidermal growth factor receptor 2) protein.
Initial HER2 testing is performed for 1,200 Manitoba breast cancer patients annually in order to detect an overexpression of a specific HER2 gene often found in more aggressive cancers that are difficult to treat with conventional approaches. When the results of this initial testing are not conclusive enough to appropriately guide treatment, secondary analysis must be performed. Prior to December 2012, samples requiring secondary analysis were sent to an out of province laboratory which, at the time, offered what was considered the gold standard in HER2 protein testing.

DSM now has the benefit of in-house SISH (silver in situ hybridization) testing, conducted out of the St. Boniface Hospital Pathology laboratory. SISH is now the most advanced platform for HER2 testing, enabling Pathologists to interpret slides most accurately.

DSM’s ability to perform secondary HER2 analysis in Manitoba through SISH testing dramatically improves turn around time by up to five weeks for these important results. Patients can receive results in as soon as one week, ultimately beginning treatments up to five weeks sooner.

Cancer Genetics Testing – Lynch Syndrome Molecular Markers

A number of inherited syndromes can increase the risk of colon (and other types of) cancer but Lynch Syndrome is the most common, with up to five per cent of colon cancers caused by this genetic condition. As part of our involvement in Manitoba’s CPJ initiative, DSM has been working toward implementing in-house testing for molecular markers of Lynch Syndrome. The presence/absence of certain molecular markers in patients who have already been diagnosed with colon cancer will help identify those at an increased risk for having the inherited form of colon cancer. With genetic counseling, these patients have the option to undergo genetic testing to confirm a diagnosis of Lynch Syndrome and therefore determine the optimal cancer treatment options. This testing would also allow immediate relatives of those diagnosed with Lynch Syndrome to be tested. Increased cancer surveillance for individuals identified with Lynch Syndrome will hopefully lead to earlier diagnoses and ultimately better outcomes for those with hereditary forms of cancer.

DSM has acquired, evaluated and validated new staining equipment as well as developed an algorithm which will be in place for all colorectal cancer patients under 70 years of age. The implementation of this testing, in fall of 2013, will also be the beginning of cancer genetics testing for acquired changes. The genetic changes associated with Lynch Syndrome are associated with other types of cancers in which these changes are acquired (not inherited), therefore the same tests are useful for making diagnosis and treatment decisions for some types of acquired cancers as well.

Rapid Improvement Events

DSM laboratories and imaging centres participated in a series of Rapid Improvement events in fall 2012, focused on improving the Breast Cancer Journey as part of our overall efforts to re-engineer cancer processes to reduce the wait time for patients to no longer than 60 days from suspicion of cancer to treatment. The Rapid Improvement Events facilitate a two-tiered improvement approach to map out current processes and identify and implement site-specific improvements. Participants include Pathology labs at Grace Hospital and Westman Laboratory as well as Diagnostic Imaging at Boundary Trails Health Centre and Thompson General Hospital. A number of process improvements were identified at each site which would potentially improve service through increased capacity and shortened result turn around times. Efforts are ongoing to measure the success of the changes, permanently implement those showing proven improvement and assess opportunities to extend any improvements across our other sites.

Boundary Trails MRI Service Expansion

DSM has expanded service hours for Magnetic Resonance Imaging (MRI) scans at Boundary Trails Health Centre (BTHC), improving the patient experience as well as increasing patient capacity by 44%. The expanded hours were introduced gradually since 2010 with the staffing of two additional technologists and clerical support. New weekend and evening hours answered a patient-need for flexibility and convenience. The expansion of service hours
was implemented with the leadership of BTHC Radiologists as well as the support of Southern Health-Santé Sud.

The BTHC MRI unit also received two equipment upgrades which allow imaging of the forefoot and ankle in a single scan as well as improved image data of the minute anatomy of the wrist.

State of the Art X-ray Technology for Northern Communities

Northern communities now have access to the best in X-ray technology following the replacement of radiography suites at DSM imaging facilities in Thompson, Gillam and Lynn Lake. The new equipment provides smaller doses of radiation and a better patient view during the imaging process, adding to the safety and quality of testing. An elevating table contributes to the ease and comfort of patients during the procedure. The unit in Thompson features technology that speeds the procedure and allows technologists to better accommodate the more than 200 weekly X-ray patients.

Rural Chemistry Analyzer Implementation

In early 2012/2013 DSM began the planning for and implementation of 44 replacement chemistry analyzers across 37 rural laboratories. The new analyzers feature increased automation which creates a chain reaction of benefits across each lab, from improving turn around time to freeing up technologists time to allow them to focus on other testing and quality activities. In replacing the analyzers DSM was able to reduce the service providers to two vendors which creates a more consistent testing platform across the labs. This consistency also allowed savings on the purchase of the analyzers and will result in ongoing savings on reagents and service contracts. Installation of the final analyzers will be complete in early 2013/2014.
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

Test Volumes

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

Future Directions

Top 20 Operational Priorities (Years 1 and 2: 2011-12, 2012-13)

DSM identified 20 operational priorities to address many of the challenges faced as well as enable DSM to maintain and/or enhance our services:

A) Total Quality Management System

Quality is the foundation of DSM’s strategic plan upon which all other principles are supported and without which all other efforts will fail to achieve our mandate for the delivery and coordination of laboratory and medical imaging services for the population of Manitoba.

1) Accreditation

Accreditation provides the most important and dynamic evidence that we deliver on our quality priority.

2) Medical Quality Assurance Programs (MQAP)

Medical errors and critical incidents in Pathology and Radiology have created an intense level of public expectation; and despite existing QA activities the bar of expectation has been set very high.

a) Pathology

Host a national workshop for Medical Quality Assurance Programs in Canada and develop a comprehensive outline for the DSM provincial MQAP in Pathology.

b) Radiology

Develop relationships amongst all radiology stakeholders in MB, and raise the awareness and focus on the importance of consistent quality standards – develop a strategic readiness for a comprehensive MQAP in Radiology.

3) Research Plan

Develop a 3-year, Research Plan: year-1 outline and priorities including collaborations, revenue and investments.
4) **Medical and Scientist Education Plan**
   Develop a 3-year, Pathologist/Scientist Education Plan to produce "home-grown" medical graduates entering Pathology, PhD candidates, Master's candidates, and undergrads.

   Support and participate in the development of a Radiologist/Scientist Education Plan.

5) **Human Resources Plans**

   a) **Medical**
   Develop a Medical Workforce HR Plan that will provide maximum opportunity for our "home-grown" professionals and align Canadian recruitment and foreign recruitment plans, with succession planning and clinical service needs.

   b) **Technical, Support**
   Ensure that we have a recruitment and retention plan that will help ensure sufficient numbers of qualified MLTs, MRTs, Sonographers, MLAs, PAs and other diagnostics support staff.

B) **Provincial Leadership**

6) **Service Level Agreements**

   a) **Regional Profiles: services and volumes**
   Document comprehensive regional profiles including imaging modalities and lab services available, hours of operation, volumes and wait time information, staffing, financial, quality and other inputs to be used to establish initial service level agreements with each health region.

   b) **Financial accountability and transparency**
   Develop a reporting framework that will provide for timely monitoring of volumes and costs, and facilitate province-wide analysis that will help ensure that operational impacts and decisions are evidence-based and that all parties are both informed and accountable. Such a framework will support a change in the DSM Funding Model as recommended by the DSM Board of Directors and endorsed by MB Health and all RHAs.

   c) **Rural DI Services**
   Optimize DI Services where appropriate, including expansion of DI services in rural "hub" sites to maximize service for patients in rural locations, including stroke protocols where applicable, provide on-call service for additional hours/modalities, review strategies to reduce patient travel and wait times for DI exams.

   d) **Transportation**
   Develop a provincial transportation strategy which maximizes quality for laboratory specimens in transit, and optimizes efficiency and effectiveness for other transportation needs within and between RHAs and Winnipeg.

7) **Transfusion Medicine(TM)**
   Provide provincial leadership and coordinate "Vein-to-Vein" responsibility for service delivery while maintaining key relationships with MB Heath, RHAs, and CBS; allowing DSM to assume a provincial clinical and technical leadership role for TM in Manitoba.

8) **Public Health Labs and Community Lab Service Providers**
   Take a provincial leadership role at the council of community lab service providers; collaborate with all stakeholders in creating a Terms of Reference that will support the development of a strategic and provincial approach to the organization and delivery of laboratory services in Manitoba.

9) **Communication**
   Position DSM as a credible organization and provincial leader of Diagnostic Services to our targeted key stakeholders; communicate the role and value of diagnostic services to our targeted key stakeholders; foster positive and connective relationships to employees through effective and efficient employee communications approaches; and develop and provide advice on best practice strategies to support key DSM operational goals and priorities.

C) **Information Management**

10) **Provincial Laboratory Information System (LIS) to 15 hub sites**
   Replace the LIS in the 15 “hub” sites throughout the province currently using an obsolete Laboratory Information System to mitigate the risk of running an end-of-life LIS, and provide integrated lab results from these sites into eChart, EMR’s, and CancerCare Manitoba.

11) **Anatomical Pathology Module**
   Identify the requirements and options for a robust Anatomical Pathology solution, which supports a) accreditation (b) enhances the level of synoptic reporting, (c) streamlines workload, workflow, and case distribution, tracking, and data collection, and (d) provides an efficient platform for the pathology MQAP. These capabilities are not addressed in the basic AP LIS modules currently in place in the four Winnipeg sites and in Westman Laboratory in Brandon.
12) Provincial LIS Roll-out
   Implement an integrated, province-wide Laboratory Information System (LIS), which will achieve operational and clinical efficiencies across all Manitoba sites, and provide integrated rural lab results to the rural EDIS installations, eChart, EMR’s, and CancerCare Manitoba.

13) Financial Information System
   Develop an integrated financial, assets management, and related business systems for DSM, including ability to track and report operating statistics and financial transactions for all laboratory and diagnostic services across the province. Such a system will support the reporting framework (6b) and which will support management in gaining operational efficiencies and ensure that all parties are both informed and accountable for the financial impact of decisions.

D) Provincial Optimization & Innovation

14) Immunohistochemistry (IHC)
   Expand and streamline a plan to bring Manitoba and DSM up to International standards for IHC; balancing quality, efficiency (e.g. costs), and access (e.g. turn around time) for a “Manitoba Class” IHC service.

15) Pathology: HSC and SBH Lean/Six Sigma projects
   Realize efficiencies and improve TAT in Pathology at HSC and SBH. Develop a roadmap for continued improvements. Reduce errors/improve TAT by standardizing workflow in the PA area. Improve TAT by reducing non-standard work in histology (workflow, lab layout, roles, etc).

16) Transforming Cancer Patient Journey
   Redesign processes surrounding the cancer diagnosis journey through implementation of rapid, sustainable improvements within relevant clinical environments. These will include but not limited to, pathology, diagnostic imaging, surgery and other diagnostics tests (laboratories, molecular, and genetic testing). The focus of the improvement effort shall initially align with the determined areas of priority: breast, lung, colorectal, prostate, and lymphoma. Establish a Clinical Diagnostic Working Group (CDWG) that will have strong linkages with the Community Cancer Hub, Primary Care and Surgery Working Groups.

17) Operational Review for Efficiency & Optimization
   Rationalize testing/services in the province based on the needs of the local population (on site vs. off site); and synchronize with the development of an integrated transportation system to meet specimen integrity/acuity requirements.

18) Provincial Contracting
   Coordinate, facilitate, and collaborate with all stakeholders in support of a procurement and materials management process that will achieve efficiencies and savings; and support the delivery of effective and sustainable quality diagnostic services across the province of Manitoba.

19) Referral Testing
   Ensure all sites to whom we refer laboratory and pathology testing and consultations meet CAP or equivalent accreditation; and analyze current referral patterns and costs and recommend opportunities or potential for direct cost savings and/or indirect cost savings through other efficiencies.

20) Molecular Diagnostics
   Take a provincial leadership role by collaborating with stakeholders (service providers and clinicians) and coordinating the development of a provincial strategy, business proposal and testing priorities that will encourage the development of a provincial approach to the organization and delivery of molecular diagnostics in Manitoba.

In the final year of our three-year strategic realignment process, DSM will further develop provincial strategies for laboratory and diagnostic imaging services in Manitoba, aligning them directly with the goals and priorities of Manitoba Health and Provincial Health Objectives.
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 which are used to assess our performance based on industry standards and ensure that the right results is provided to the right patient 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 continues to achieve a quarterly conformance rate of above 99% for the second consecutive fiscal period.

To demonstrate our commitment to CI investigation and learning and 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.

Five CIs were reported to Manitoba Health in the 2012/2013 fiscal year, all of which were reported directly by DSM.

The following improvements were implemented as a result of CI investigations in 2012/2013:

- Identified the need for a provincial clinical quality assurance program for Diagnostic Imaging (program pending)
- Improved shipping and referral processes for sending precious pathology samples to external laboratories
- Improved relationships between DSM Client Services and our RHA partners
- New fall prevention policies in development
- Additional educational programs for pathologists in development

Accreditation Status (as of March 31, 2013)

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 seek and maintain Manitoba Quality Assurance Program (MANQAP) accreditation status for all sites. DSM had ongoing success with the revised MANQAP (Manitoba Quality Assurance Program) processes in obtaining full accreditation for sites and disciplines that have been surveyed.
Conditional Accreditation

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

1. Sites which were fully accredited, but then 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. (There is no risk assessment performed on the number or severity of citations).

2. Sites which were last surveyed 4-5 years ago (Prior to changes in the MANQAP process) which never received full accreditation status. These sites require re-inspection to receive full accreditation. DSM has requested that these ‘historically conditional’ sites be included in the previous fiscal year audit schedule. This has not yet occurred. These sites are:

- Erickson
- Carberry
- Ste Anne
- St Pierre-Jolys
- Boissevain
- Neepawa
- Minnedosa
- Gladstone
- Notre Dame
- Killarney
- Thompson
- Churchill
- Gillam

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

CAP

DSM has obtained full College of American Pathologists (CAP) accreditation for all referral and pathology laboratory sites. (CAP is an international gold standard.) DSM’s Health Sciences Centre and St Boniface Hospital underwent a second round of CAP accreditation and remain fully accredited. DSM sites now holding CAP accreditation are:

- Health Sciences Centre - Laboratory
- St Boniface Hospital - Laboratory
- Grace Hospital - Pathology
- Seven Oaks Hospital - Pathology
- Victoria Hospital - Pathology
- Westman Laboratory - Pathology
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, 2012 to March 31, 2013.

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


To the Member of
Diagnostic Services of Manitoba Inc.

The accompanying summarized financial statements, which comprise the statement of operations for the years ended March 31, 2013 and 2012 and the statement of financial position as at March 31, 2013 and 2012 and April 1, 2011, are derived from the audited financial statements of the Diagnostic Services of Manitoba Inc. ["DSM"]. We expressed an unmodified audit opinion on those financial statements in our report dated June 13, 2013.

The summarized financial statements do not contain all the disclosures required by Canadian public sector accounting standards. Reading the summarized financial statements, therefore, is not a substitute for reading the audited financial statements of DSM.

Management’s responsibility for the summarized financial statements

Management is responsible for the preparation of the summarized financial statements.

Auditors’ responsibility

Our responsibility is to express an opinion on the summarized financial statements based on our procedures, which were conducted in accordance with Canadian Auditing Standards 810, "Engagements to Report on Summary Financial Statements".

Opinion

In our opinion, the summarized financial statements derived from the audited financial statements of the Diagnostic Services of Manitoba Inc. as at and for the years ended March 31, 2013 and 2012, and April 1, 2011 are a fair summary of those financial statements.

Winnipeg, Canada,
June 13, 2013.

Ernst & Young LLP
Chartered Accountants
Diagnostic Services of Manitoba Inc.
Incorporated under the laws of Manitoba

**STATEMENTS OF FINANCIAL POSITION**
[Expressed in thousands of dollars]
As at March 31

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>2013</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>6,512</td>
<td>4,109</td>
<td>1,028</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>15,077</td>
<td>15,195</td>
<td>17,419</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>944</td>
<td>533</td>
<td>1,157</td>
</tr>
<tr>
<td>Vacation pay recoverable from Manitoba Health</td>
<td>619</td>
<td>619</td>
<td>619</td>
</tr>
<tr>
<td>Regional Health Authorities of Manitoba</td>
<td>903</td>
<td>903</td>
<td>637</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>24,055</td>
<td>21,359</td>
<td>20,860</td>
</tr>
<tr>
<td>Capital assets, net</td>
<td>55,605</td>
<td>49,149</td>
<td>79,241</td>
</tr>
<tr>
<td>Pre-retirement benefits recoverable</td>
<td>13,348</td>
<td>13,230</td>
<td>13,064</td>
</tr>
<tr>
<td>Future sick leave benefits recoverable</td>
<td>2,187</td>
<td>1,931</td>
<td>1,875</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>95,195</td>
<td>85,669</td>
<td>115,040</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>LIABILITIES AND NET ASSETS</th>
<th>2013</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bank indebtedness</td>
<td>2,070</td>
<td>—</td>
<td>2,905</td>
</tr>
<tr>
<td>Accounts payable and accrued liabilities</td>
<td>11,989</td>
<td>10,429</td>
<td>8,548</td>
</tr>
<tr>
<td>Current portion of obligations under capital lease</td>
<td>509</td>
<td>405</td>
<td>451</td>
</tr>
<tr>
<td>Accrued vacation pay</td>
<td>8,416</td>
<td>7,935</td>
<td>7,324</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td>22,984</td>
<td>18,769</td>
<td>19,228</td>
</tr>
<tr>
<td>Accrued pre-retirement benefits</td>
<td>13,804</td>
<td>13,943</td>
<td>13,826</td>
</tr>
<tr>
<td>Future sick benefits payable</td>
<td>2,436</td>
<td>2,159</td>
<td>2,087</td>
</tr>
<tr>
<td>Obligations under capital lease</td>
<td>545</td>
<td>647</td>
<td>961</td>
</tr>
<tr>
<td>Deferred contributions</td>
<td>55,397</td>
<td>50,103</td>
<td>78,847</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>95,166</td>
<td>85,621</td>
<td>114,949</td>
</tr>
</tbody>
</table>

Signed on behalf of the Board:

Marie Perchotte, Board Chair
Glen McLennan, Treasurer
Diagnostic Services of Manitoba Inc.
Incorporated under the laws of Manitoba

STATEMENTS OF OPERATIONS
[Expressed in thousands of dollars]
Year ended March 31

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUE</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Manitoba Health operating income</td>
<td>26,833</td>
<td>24,969</td>
</tr>
<tr>
<td>Recoveries from Regional Health Authorities</td>
<td>111,682</td>
<td>110,783</td>
</tr>
<tr>
<td>Revenue from non-resident out-patient services</td>
<td>131</td>
<td>142</td>
</tr>
<tr>
<td>Interest income</td>
<td>17</td>
<td>—</td>
</tr>
<tr>
<td>Other recoveries</td>
<td>26</td>
<td>122</td>
</tr>
<tr>
<td>Recognition of deferred contributions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital - amortization</td>
<td>7,962</td>
<td>8,073</td>
</tr>
<tr>
<td>Expenses</td>
<td>282</td>
<td>217</td>
</tr>
<tr>
<td>Westman Lab deficit recoverable from Manitoba Health</td>
<td>493</td>
<td>622</td>
</tr>
<tr>
<td><strong>EXPENSES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Direct operating</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries and benefits</td>
<td>122,643</td>
<td>120,029</td>
</tr>
<tr>
<td>Equipment</td>
<td>5,246</td>
<td>5,289</td>
</tr>
<tr>
<td>Rent and utilities</td>
<td>4,882</td>
<td>4,776</td>
</tr>
<tr>
<td>Lab and diagnostic supplies</td>
<td>3,896</td>
<td>4,060</td>
</tr>
<tr>
<td>Printer, paper and office supplies</td>
<td>787</td>
<td>779</td>
</tr>
<tr>
<td>Travel</td>
<td>480</td>
<td>491</td>
</tr>
<tr>
<td>Staff training and development</td>
<td>460</td>
<td>246</td>
</tr>
<tr>
<td>Recruitment</td>
<td>171</td>
<td>247</td>
</tr>
<tr>
<td>External consulting</td>
<td>220</td>
<td>172</td>
</tr>
<tr>
<td>Insurance</td>
<td>145</td>
<td>138</td>
</tr>
<tr>
<td>Telephone</td>
<td>114</td>
<td>124</td>
</tr>
<tr>
<td>Interest</td>
<td>74</td>
<td>159</td>
</tr>
<tr>
<td>Legal and audit</td>
<td>78</td>
<td>181</td>
</tr>
<tr>
<td>Grants</td>
<td>20</td>
<td>47</td>
</tr>
<tr>
<td>Meetings</td>
<td>34</td>
<td>28</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>133</td>
<td>58</td>
</tr>
<tr>
<td>Communications</td>
<td>6</td>
<td>7</td>
</tr>
<tr>
<td><strong>Amortization of capital assets</strong></td>
<td>8,056</td>
<td>8,140</td>
</tr>
<tr>
<td><strong>Total expenses</strong></td>
<td>139,389</td>
<td>136,831</td>
</tr>
</tbody>
</table>

Excess of expenses over revenue for the year

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Excess of expenses over revenue for the year</strong></td>
<td>(19)</td>
<td>(43)</td>
</tr>
</tbody>
</table>
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:

<table>
<thead>
<tr>
<th>Administrative Cost Summary</th>
<th>2013</th>
<th>2012 Re-stated</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporate</td>
<td>$3,328,098</td>
<td>$2,921,948</td>
</tr>
<tr>
<td>Patient care related costs</td>
<td>$1,221,018</td>
<td>$806,307</td>
</tr>
<tr>
<td>Recruitment/Human Resources related costs</td>
<td>$1,236,451</td>
<td>$1,472,577</td>
</tr>
<tr>
<td><strong>TOTAL Administrative costs</strong></td>
<td><strong>$5,785,566</strong></td>
<td><strong>$5,200,832</strong></td>
</tr>
</tbody>
</table>

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 $38 million for fiscal 2013 ($36 million for fiscal 2012), are reflected in the financial statements reported for each respective regional health authority. Had those expenses been included in DSM’s financial statements for 2013, the administrative cost would be 3.41% for fiscal 2013 (3.15% for 2012). Public Compensation Disclosure - please visit our website at dsmanitoba.ca
Delivering the Results That Matter to Patients Every Day

Corporate Office
1502-155 Carlton St.
Winnipeg MB R3C 3H8

Phone: 204.926.8005
Toll Free: 866.320.8796
Email: contact@dsmanitoba.ca
Website: dsmanitoba.ca