Annual Performance Report

2018 • 2019

Eastern Health

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Message from the Board of Trustees

It is my pleasure to submit Eastern Health's 2018-19 Annual Report on Performance. This report outlines the progress Eastern Health has made toward achieving the goals and objectives within our identified strategic priority areas: access, quality and safety, population health, healthy workplace and sustainability.

During 2018-19, we saw progress within many priority areas as our compassionate and dedicated employees, physicians, volunteers and partners worked to provide high quality care and services to the people in our region and across the province. This requires an ongoing commitment to driving for clinical excellence and quality, becoming a leader in primary care and creating a system that is sustainable for the future.

With this, Eastern Health is committed to creating a culture of health-care innovation and evidence-based decision making. With the help of our partners, Eastern Health has become a leader in health-care innovation. We have introduced a wide range of innovative solutions to enhance the care and services we provide, further enabling us to achieve the goals and objectives within our 2017-2020 Strategic Plan, Lighting the Way: Navigating Together.

As a category one entity, as per the **Transparency and Accountability Act**, our Board of Trustees is accountable for the reported results and will formally present them in person at our Annual General Meeting. We look forward to participating in other opportunities over the course of this plan to support Eastern Health in delivering on our vision of Healthy People, Healthy Communities.

Mr. Leslie O'Reilly
Chair, Board of Trustees
Eastern Health

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Eastern Health Region

The Eastern Regional Health Authority (Eastern Health) is Newfoundland and Labrador's (NL) largest integrated health authority, providing a full continuum of health and community services, including public health, long-term care (LTC) and acute (hospital) care. Please visit **www.easternhealth.ca/AboutUs** for more information on Eastern Health's mandate and lines of business.

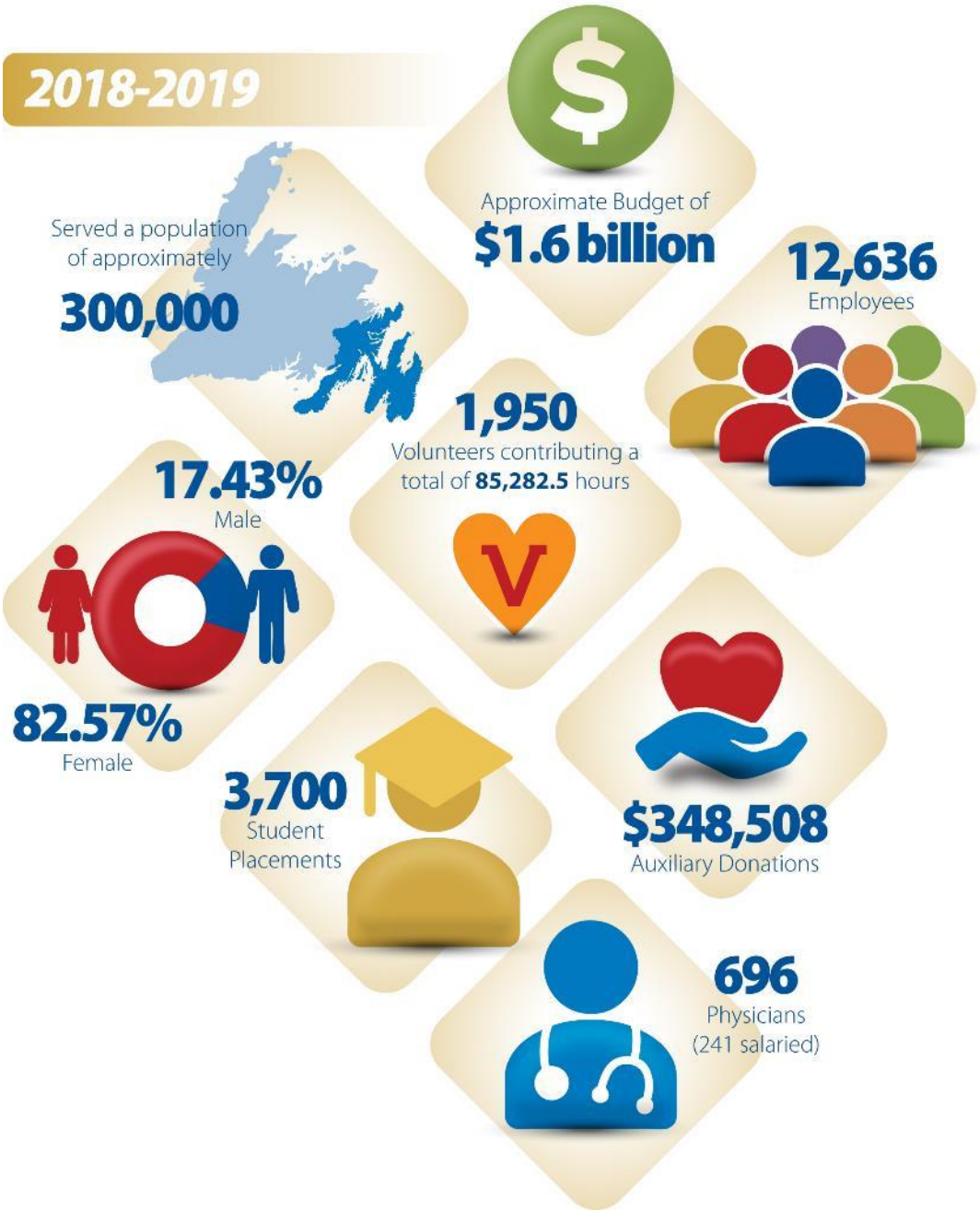
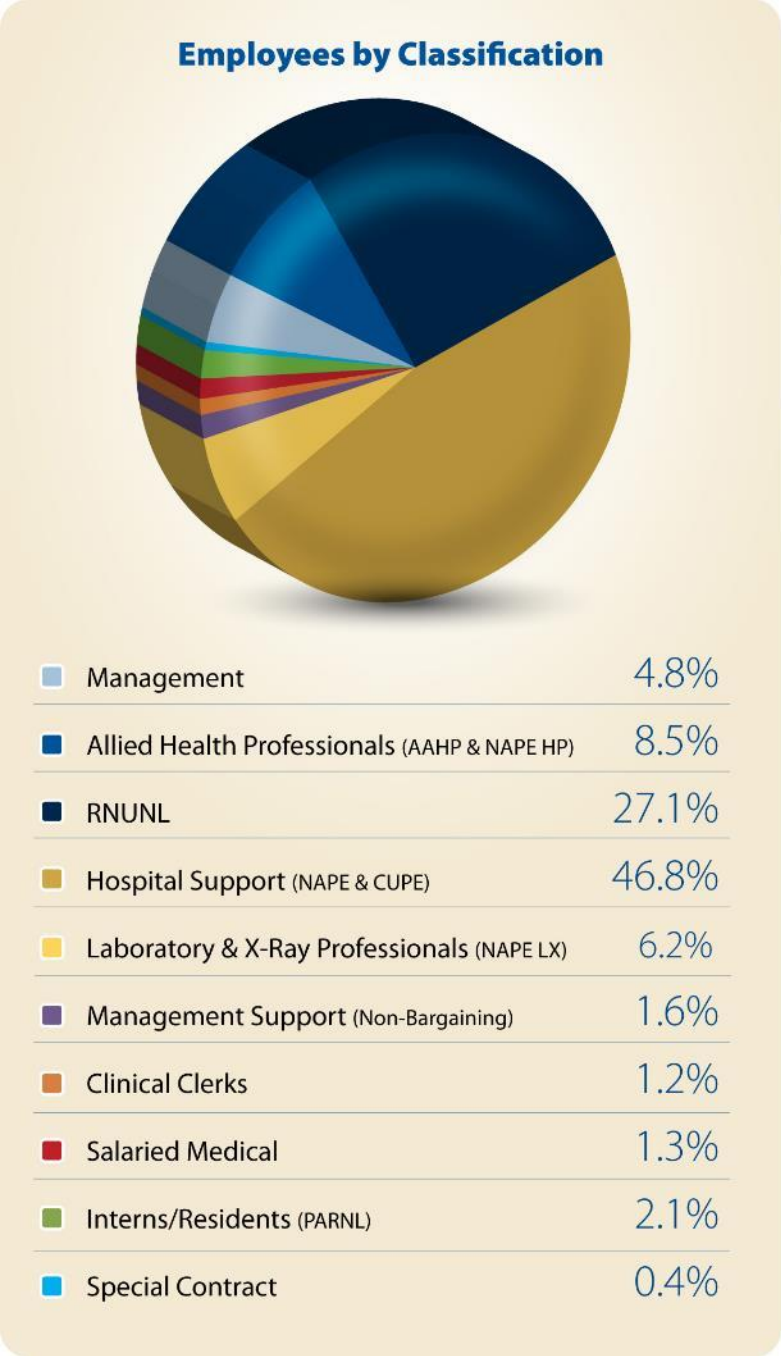


Figure 1: Eastern Health Employees by Classification[1]



[1] Acronyms included in the graph are as follows: AAHP: Association of Allied Health Professionals; CUPE: Canadian Union of Public Employees; NAPE: Newfoundland and Labrador Association of Public and Private Employees; NAPE LX: Laboratory and X-Ray; NAPE HP: Health Professionals; RNUNL: Registered Nurses' Union Newfoundland and Labrador; PARNL: Professional Association of Residents of Newfoundland and Labrador.

The Region

Eastern Health comprises the portion of the province east of (and including) Port Blandford, which is an area of 21,000 km^2. The region includes 111 incorporated municipalities (including the provincial capital, St. John's), 69 local service districts and 66 unincorporated municipal units spanning the entire Burin, Bonavista and Avalon Peninsulas. The map in Figure 2 (below) indicates the communities in which the health authority has sites.

Figure 2: Communities with Eastern Health Sites

Please visit **www.easternhealth.ca/AboutUs** for more information on Eastern Health's mandate and lines of business.

Vision

Eastern Health's vision is Healthy People, Healthy Communities. This vision is based on the understanding that both the individual and the community have important roles to play in maintaining good health.

We work with the communities we serve, and partner with others who share a commitment to improving health and wellbeing to help us achieve this vision.

Values

Respect

We recognize, celebrate and value the uniqueness of each client, employee, discipline and community.

Integrity

We are accountable to one another and to the clients we serve. We value honest and transparent communication with one another, with communities and with our clients.

Fairness

We value and facilitate a just and appropriate allocation of our resources.

Connectedness

We collaborate and partner with one another and with our clients and their families to provide the best quality care possible.

Excellence

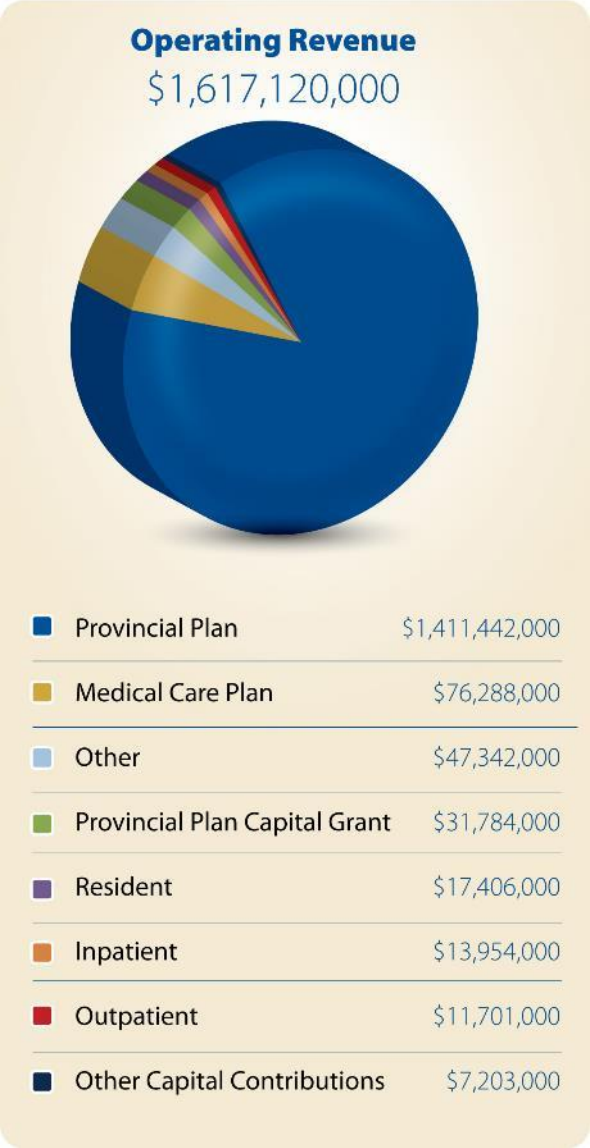
We endeavour to provide quality client and family-centred care with sensitivity and compassion.

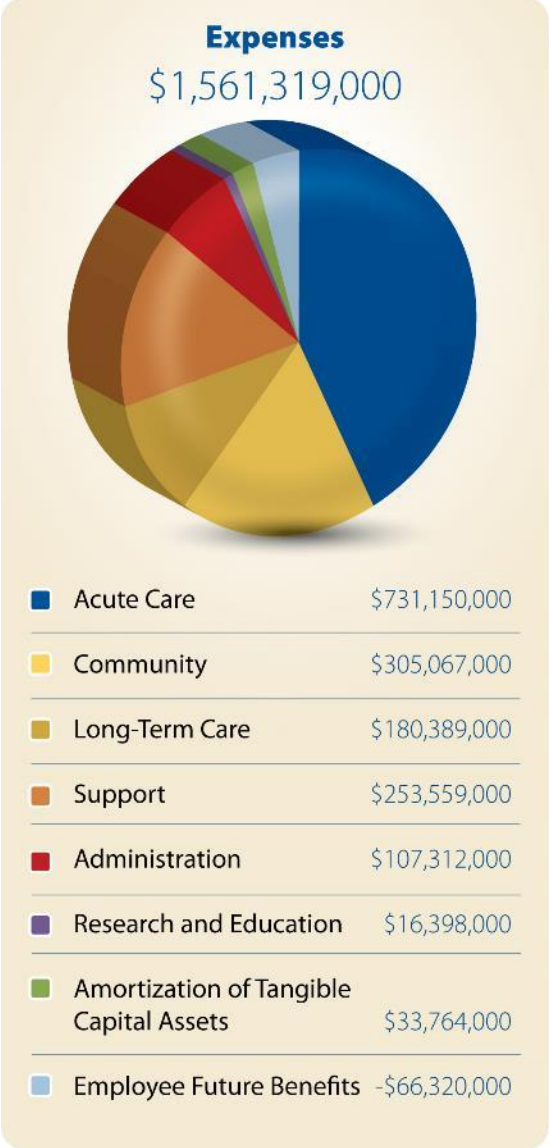
See Appendix II for key behaviours related to Eastern Health's values.

Revenues and Expenditures

The figure below shows Eastern Health's operating revenue and expenditures for 2018-19. See Appendix IV for Audited Financial Statements in full detail.

Figure 3: Eastern Health's Operating Revenue and Expenditures by Sector for 2018-19





[2]

[2] Due to the payout of severance to various union groups and contracts, the reduction in severance liability caused Eastern Health's Employee Future Benefits expense to be recorded as a negative for 2018-19.

Highlights and Partnerships

Eastern Health continuously works to provide high quality services to clients, patients and residents. Likewise, Eastern Health benefits from the enormous efforts of its many partners in helping to achieve its mandate and strategic priorities. The following section outlines some of the highlights and partnerships from the 2018-19 fiscal year.

Breakthrough Technique for Diagnosis of Prostate Cancer

Eastern Health introduced a new technique to diagnose prostate cancers that have traditionally proved more challenging to detect. The technique, known as MRI-Fusion Biopsy, was successfully performed by Eastern Health physicians for the first time in September 2018 – the result of a collaboration between the Urology and Radiology Services. It targets prostate cancers that, because of their small size or location, are difficult to locate.

The new technique uses specialized software to fuse magnetic resonance imaging (MRI) images with real-time ultrasound, creating a 'roadmap' which clearly marks worrisome areas in the prostate not previously seen on the routine ultrasound image. It is estimated that one in seven Canadian men will develop prostate cancer during their lifetime. Approximately 30 per cent of prostate cancers fall within the group that are challenging to diagnose, and will be identified more readily with the MRI-Fusion Biopsy technique. Eastern Health is the first centre in Canada to use this particular format of the technology.

Energy and Facility Renewal Program

In October 2018, Eastern Health implemented its Energy and Facility Renewal Program. By upgrading and retrofitting identified facilities and equipment across the eastern region, the program will help Eastern Health conserve energy, reduce rising utility costs and decrease overall operational costs, while shrinking the organization's environmental footprint by lowering emissions.

Under the agreement, Honeywell was engaged by Eastern Health to replace dated, less-efficient systems with technology that reduces electricity and fuel consumption, as well as maintenance costs. In addition to reducing operational costs, the program will decrease Eastern Health's annual greenhouse gas emissions by an estimated 3,324 metric tonnes. According to Environment Canada, this is equivalent to removing 1,121 cars from the road in the eastern region of Newfoundland and Labrador.

The program also includes plans to recycle and remove dated, less-efficient equipment from facilities and implement over 73 conservation measures across the eastern region by 2021, which will guarantee a reduction in Eastern Health's overall operational costs.

Some of the conservation measures include:

- updating lighting fixtures to more energy-efficient alternatives;
- optimizing the heating, ventilation and air conditioning (HVAC) systems, including the addition of insulation to pipes throughout the facilities;
- upgrading mechanical systems, including chiller controls and variable frequency drives; and
- making building envelope improvements, such as sealing windows and doors to avoid energy loss.

Guaranteed to pay for itself within 20 years, the Energy and Facility Renewal Program will save Eastern Health nearly $1.8 million each year after the construction period and is expected to slightly increase in savings each year thereafter.

New State-of-the-Art MRI Scanner at Health Sciences Centre

In June 2018, Eastern Health and the Health Care Foundation, along with representatives from the Provincial Government, officially unveiled a 3 Tesla Magnetic Resonance Imaging (3 T MRI) scanner at the Health Sciences Centre (HSC). MRI scans can help guide management and diagnosis for many illnesses such as cancers, neurological conditions, musculoskeletal conditions and cardiac conditions. The benefits of having a 3 T MRI machine are numerous for both patients and health-care professionals, including:

- Extreme efficiency – This scanner can generate high quality images very quickly, allowing for shorter examination times.
- Enhanced comfort for patients – The new machine is more spacious and has a number of built in features to help reduce anxiety for patients.
- Ultra-high definition imaging – The 3 T MRI provides an incredible amount of detail to clinicians, which is particularly beneficial when scanning for pelvic cancers and neurological illnesses.

The installation of the 3 T MRI scanner was made possible thanks to partnerships with the Health Care Foundation, the Government of NL and Trades NL.

Hosted First Innovation Fair

In May 2018, Eastern Health hosted its first Health Innovation Fair in partnership with the Department of Health and Community Services, Regional Health Authorities, the Newfoundland and Labrador Centre for Health Information (NLCHI), the Newfoundland and Labrador Association of Technology Industries (NATI) and Memorial University (MUN). The first of its kind, the fair brought together interested organizations and stakeholders to collaborate on the direction of future health innovations and to showcase some of the most significant initiatives undertaken in recent years at Eastern Health and across the province.

Public exhibitions included:

- SurgeCon – SurgeCon is an application that helps care providers address care during increased flow of patient admissions to the Emergency Department (ED) (‘a surge’). It emerged from staff at the ED in Carbonear General Hospital.
- Telehealth/Remote Patient Monitoring (RPM) – Through the use of secure videoconferencing technology, telehealth connects clients and health-care providers at distant sites for health services. Recent innovations in telehealth are now in use (RPM), allowing patients to self-manage their chronic disease through telehealth in their homes.
- Remote Obstructive Sleep Apnea (ROSA) Monitoring – An innovative monitoring system that reduces the risk of adverse outcomes in clients who have undergone surgery, and who are known or suspected of suffering from obstructive sleep apnea (OSA).
- MyCCath – A secured, web-based solution for clinicians that facilitates the referral process for patients requiring cardiac catheterization (cath) laboratory services.
- Seinet – A secure vaccine management system that enables public health workers to store, tally and distribute vaccines effectively and efficiently across the province.

New Kidney Centre

In June 2018, Eastern Health's Dialysis Service in St. John's consolidated three locations into one – replacing outpatient dialysis services that were previously provided at the Waterford Hospital, the HSC and St. Clare's Mercy Hospital. The new service, located in Mount Pearl Square, increased capacity from 28 beds to 38, which has increased the number of patients who can be treated from 140 to 215. The new state-of-the-art centre houses a number of other kidney care services – including nephrology clinics, kidney transplant clinics, home dialysis and a teaching program. The generosity of the Health Care Foundation, through its Peaceful Ports initiative, furnished two waiting areas as well as a family room – including comfortable seating, artwork, televisions, a fireplace and a fully furnished kitchen area. The new space offers enhanced care to patients in a variety of ways:

- more ergonomically friendly – and thus safer for both patients and staff;
- more room to provide care;
- dedicated bariatric spaces and isolation rooms; and
- improved ceiling lift system for safe patient handling.

Report on Performance

The following section outlines the progress made during 2018-19 towards Eastern Health's goals and objectives in its 2017-2020 Strategic Plan, Lighting the Way, Navigating Together.

The presented update is based on each of the five priority areas and their key performance indicators. Appendix I provides a definition of each indicator – highlighting what we measure and why we measure it over time. To support this work, the organization prepares action plans each year that aim to make progress on each indicator in its Eastern Health Operational Plan (EHOP).

Access

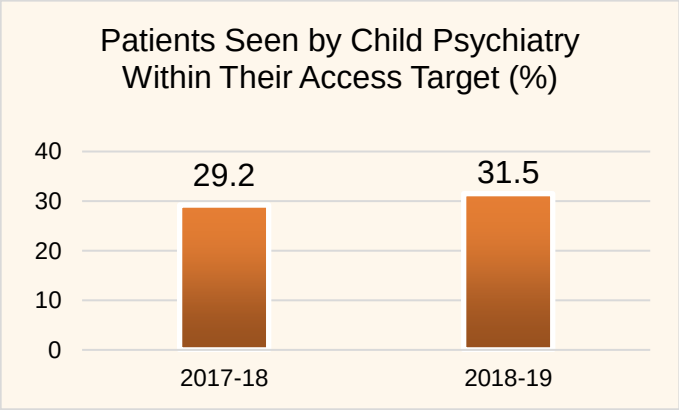
Wait time for services, including those pertaining to mental health and addictions, is an issue facing some of our clients. As a result, Eastern Health has been monitoring and measuring progress related to wait times for selected mental health and addictions services. However, improving access is not just about decreasing wait times. It is about having the right intervention for the right client at the right time and place. Eastern Health is working to ensure that clients are getting the care they need by improving access to primary health care and community programs/services. By focusing on these areas, the goal is for clients to receive more efficient, high quality care, thereby reducing the number of hospital visits required.

Eastern Health's access priority aligns with two of the Provincial Government's Strategic Directions: Better Health for the Population and Better Care for Individuals. It also supports a number of provincial initiatives, such as "Towards Recovery: The Mental Health and Addictions Action Plan for Newfoundland and Labrador" and the Primary Health Care Framework.

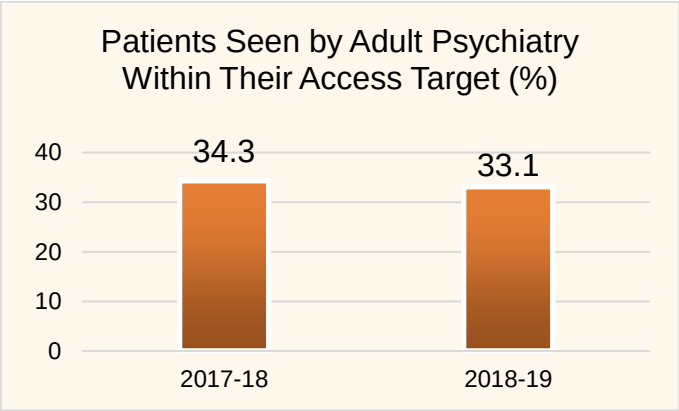
Goal: By March 31, 2020 Eastern Health will improve access in identified program areas	
Objective: Improve access to child and adult psychiatry, as well as selected mental health and addictions services within the community	
Key Performance Indicators	**Performance**
1. Decreased wait times for outpatient child psychiatry	In 2018-19, wait times for outpatient child psychiatry decreased. As demonstrated in the graph below, **31.5**[3] per cent of patients were seen by Child Psychiatry within their access target[4] in comparison to 29.2 per cent in 2017-18.

[3] Wait times are based on a point in time and are subject to change as Eastern Health continuously refines data collection and processes throughout the organization.

[4] Access Target = Priority 1 (urgent) target is 30 Days; Priority 2 (semi-urgent) target is 90 Days; Priority 3 (scheduled) target is 182 Days.

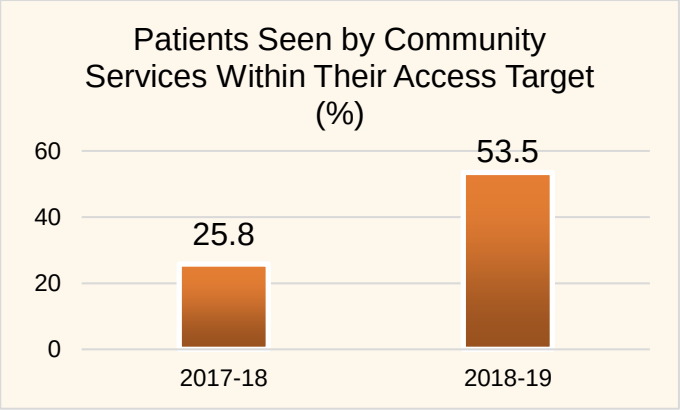
	In its efforts to decrease wait times for outpatient child psychiatry, Eastern Health: ◆ Continued to implement wait time strategies, including the use of e-health options (i.e., Strongest Families) and telehealth; ◆ Expanded "Doorways", a single session walk-in counselling service that is available to individuals 12 years and older in 18 communities throughout the region; ◆ Continued work on a strategy to address non-attended appointments with the implementation of telephone reminders; ◆ Conducted a review of the wait list to ensure accuracy and reprioritize referrals. 
2. Decreased wait times for outpatient adult psychiatry	Similar to child psychiatry (above), Eastern Health continues to put significant work into decreasing wait times for outpatient adult psychiatry. In 2018-19, wait times increased slightly as the percentage of patients seen by Adult Psychiatry within their access target for select city psychiatry clinics was **33.1** in comparison to 34.3 in 2017-18.[5]

[5] Eastern Health focused on two city psychiatry clinics (located at St. Clare's Mercy Hospital and at the Terrace Clinic). These clinics were selected as the most mature sites for using Community Wide Scheduling (an electronic appointment scheduler).



Due to high turnover and retirements rates, along with an increase in referrals, 2018-19 saw a reduction in the number of new client assessments being conducted, as energy is more focused on transferring care of existing clients to remaining staff. Additionally, significant delays in filling vacancies resulted in decreased capacity to care for both new and existing clients. Eastern Health expects to fill the vacant positions by the end of 2019. Meanwhile, the organization continues work to improve data quality on these wait times and to implement the recommendations outlined in the "Towards Recovery" action plan. In 2018-19, such efforts included:

- Developed and implemented a new Mental Health and Addictions Referral Form;
- Expanded "Doorways" single session walk-in services to 18 communities throughout the region;
- Implemented the Therapy Assistance Online program to all Mental Health and Addictions offices throughout the region;
- Increased the number of therapeutic groups offered;
- Continued a review of waitlists with several having been reduced as a result (e.g., Burin);

	◆ Continued work on a strategy to address non-attended appointments with the implementation of telephone reminders; ◆ Continued work on implementing Community Wide Scheduling at all sites within the region and developing electronic wait time reports to replace manual reporting; ◆ Continued work on the development of a new intake model that will include a central phone line along with walk-in and online options.
3. Decreased wait times for selected community mental health and addictions services	Eastern Health continues work to improve mental health and addictions services in the community. This includes initiatives that are similar to those outlined above for outpatient adult psychiatry. In 2018-19, wait times decreased as the percentage of patients from selected community mental health and addictions services seen within their access target was **53.5** in comparison to 25.8[6] in 2017-18. 

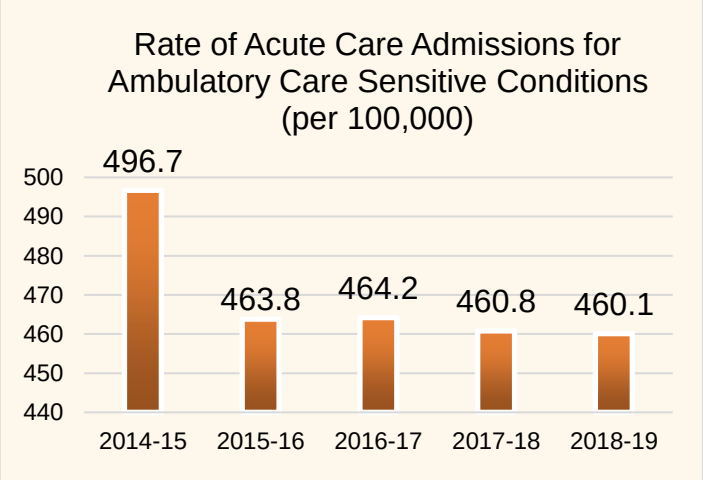
[6] Eastern Health focused on three city community clinics (City Centre, City West and City East) that provide mental health and addictions services. Specialized city clinics were not included in the calculations (e.g., Mental Health HOPE program and Mental Health Bridges program). The selected clinics were the only three community clinics using Community Wide Scheduling (an electronic appointment scheduler) with a complete year of data.

Objective: Improve access to primary health care, with a focus on chronic conditions	
Key Performance Indicators	**Performance**
1. Decreased admissions for Ambulatory Care Sensitive Conditions	Ambulatory Care Sensitive Conditions (ACSC) are specific chronic medical conditions that, when treated effectively in community settings, should not advance to hospitalizations. Hospitalization for an ACSC is considered to be a measure of access to appropriate primary health care. ACSCs include: diabetes, angina, hypertension, heart failure, pulmonary edema, asthma, chronic obstructive pulmonary disorder (COPD), grand mal status and other epileptic convulsions. Eastern Health continues to work on decreasing admissions for ACSCs through multiple initiatives, including: ◆ Continued expansion of Remote Patient Monitoring to support more patients with chronic diseases in their homes. The Remote Patient Monitoring team at Eastern Health enrolls and monitors patients from the Eastern Health and Labrador-Grenfell Health regions to assist them with their management of congestive heart failure, COPD and/or Type 2 diabetes. As of September 2018, the program also monitors pre-cardiac surgery patients to optimize diabetes management prior to surgery and improve patient outcomes. The team monitored 689 patients over the 2018-19 fiscal year (382 in 2016-17; 583 in 2017-18); ◆ Continued collaboration with community partners in implementing a primary health-care approach, establishing Community Advisory Committees (CAC) in Conception Bay North/Trinity Bay South and Bell Island. Additionally, community consultations were

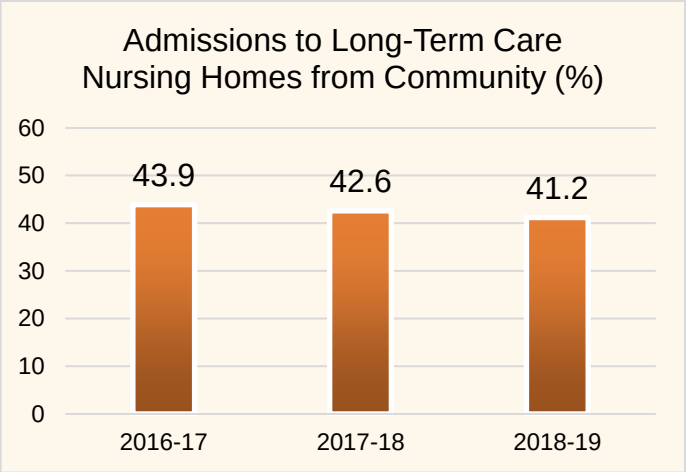
conducted, with the plan to form CACs, in Clarenville; Portugal Cove/St. Philips; and Placentia, Whitbourne and the Cape Shore;

- Offered 'Improving Health My Way', a self-management workshop for individuals with chronic disease, to 125 individuals throughout ten communities in the region; 78
- Launched the BETTER (Building on Existing Tools To Improve Chronic Disease Prevention and Screening in Primary Care) program in St. Mary's;
- Launched Electronic Medical Record (EMR) collaborative tools in Bonavista.

As shown in the graph below, the crude rate of acute care admissions that were for ACSCs (per 100,000 population) decreased in 2018-19[9] to **460.1.**

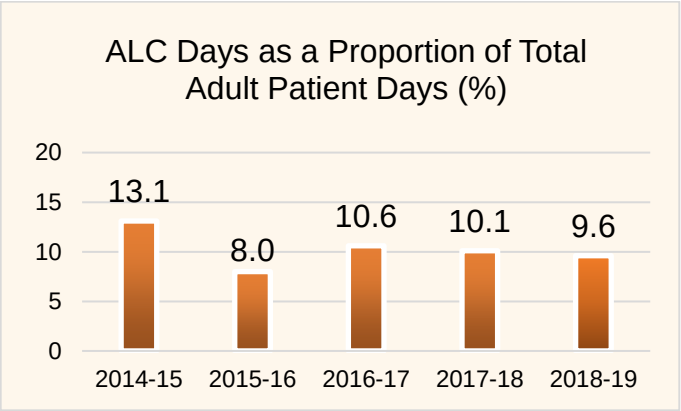


[7] 125 individuals completed at least 4 of 6 workshops during the Improving Health My Way program.
[8] Workshops were offered in: Grand Bank, Upper Island Cove, St. John's, Placentia, Riverhead, Clarenville, Harbour Grace, Hearts Delight, Renews/Cappahayden and Rushoon.
[9] Refers to crude rate using internal data.

Objective: Improve access to selected community supports and long-term care	
Key Performance Indicators	**Performance**
1. Increased percentage of admissions to long-term care from a community setting vs. hospital	Access to community supports and long-term care is measured by the percentage of admissions to long-term care from a community vs. hospital setting. Despite efforts to improve access in this area, the percentage of admissions decreased to **41.2** during 2018-19, as compared to 42.6 in 2017-18 (see graph below):  Due to the demands of patient flow in the acute care setting, Placement Services has had to prioritize client placement from acute care versus community. There are many factors that affect this indicator, including, the increasing number of individuals choosing to stay in the community longer and more medically complex clients entering LTC from acute care who cannot go home. This indicator is currently being reviewed to ensure the methodology is accurately reflecting the work being done. The aim is to ensure Eastern Health is appropriately using community supports and maintaining clients in their homes for as long as possible.

	Nonetheless, Eastern Health continues to work on discharging more patients back to their home or community with the appropriate supports to wait for a long-term care bed. Examples of work related to this indicator during 2018-19 include: ◆ Continued using the Home First tracking template to monitor resource use for Home First clients in the first eight weeks post-acute care discharge. Monthly data is collected and used to support resource utilization and identify stress points; ◆ Continued promotion of the Acute Care of the Elderly approach in Eastern Health by a designated Home First coach and interdisciplinary champions; ◆ Continued sharing information, including success stories and process improvements; ◆ Ongoing process improvements to centralized intake in Rural Avalon, St. John's area and Peninsulas.
2. Decreased Alternate Level of Care (ALC) days in Acute Care	Alternate Level of Care (ALC) refers to patients who are in hospital even though they no longer need hospital care. Beds occupied by ALC patients are not available to other patients who need hospital care. High ALC rates indicate that patients are not being cared for in an ideal setting (such as their home, assisted living or residential care) and can contribute to congested emergency departments and surgery cancellations. Examples of strategies to decrease ALC days in acute care for the 2018-19 fiscal year include: ◆ Continued integration of the Home First philosophy into acute care service delivery by improving processes and communication

	between community supports and acute care programs; educating staff about the Home First approach; and working to develop a Palliative Care Delivery Model that integrates Palliative Care and Home First; ◆ Carried out a pilot project for extended social work coverage in the Emergency Department that is nearing completion. Current extended coverage is being provided at the Health Science Centre and St. Clare's on the weekends. Data collection is ongoing; ◆ Completed and implemented a regional community emergency policy for Emergency Departments. The policy provides guidelines in cases where all Home First and community options are exhausted and a personal care home or nursing home placement may be required. The focus is on ALC avoidance; ◆ Implemented revised ALC categories as per the Provincial ALC Working Group led by the Department of Health. The purpose is to standardize ALC processes and monitoring provincially. Meditech revisions and education were completed. Next steps include collaboration with the Department of Health and Community Services on a provincial ALC policy. Eastern Health has shown consistent improvements in ALC reduction since 2014-15 (see graph below). The per cent of ALC days out of the total adult patient days in 2018-19 was **9.6**, a decrease from 10.1 in the previous year.



Discussion of Results

- Improving access to services continues to be a priority for Eastern Health, especially in the area of Mental Health and Addictions. The organization is working diligently to decrease wait times for various Mental Health and Addictions services and is making progress in many areas, including data quality and processes. For example, wait times for services in the community have decreased, with almost double the percentage of individuals being seen within the access target. While wait times for child psychiatry are also decreasing, there is still more work to be done to improve wait lists for adult psychiatry, as a slight increase occurred in 2018-19.
- Over the recent years, there has been a steady decrease in admissions for ACSCs, which indicates that individuals are being treated effectively in a community setting. Similarly, there has also been a steady decrease in ALC days, indicating that patients are being cared for in appropriate settings such as their homes, assisted living or residential care rather than in acute care. One thing that Eastern Health is still working to improve is the percentage of individuals admitted to Long Term Care from a community setting versus hospital.

Quality & Safety

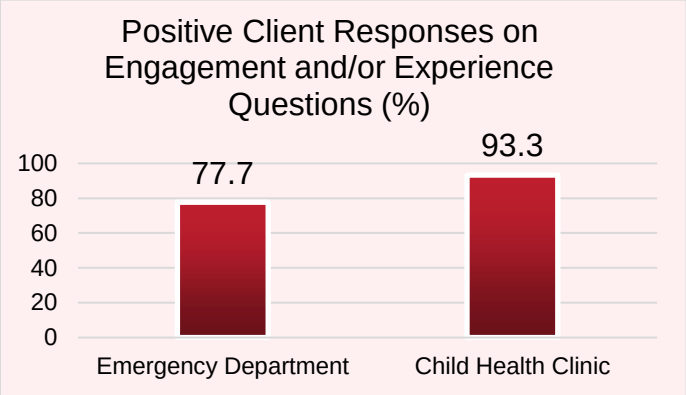
Quality and Safety is an integral priority for Eastern Health that is consistently woven throughout the entire organization. Eastern Health has been committed to providing a caring and compassionate environment by building a culture that encourages Client and Family-Centred Care (CFCC). This approach to health care fosters respectful, compassionate, culturally appropriate and competent care that responds to the needs, values, beliefs and preferences of clients and their family members. Eastern Health continues to focus on client, family, public and employee safety by continuously looking for ways to improve standards and processes. Additionally, Eastern Health strives to keep all facilities well-maintained, eliminating safety hazards while improving overall quality.

This priority is in line with the Provincial Government's Strategic Direction: Better Care for Individuals. This also aligns with various provincial initiatives, including the **Patient Safety Act**, to reduce and mitigate preventable harm.

Goal: By March 31, 2020 Eastern Health will improve quality and safety throughout the organization	
Objective: Create an environment that fosters the Client and Family-Centred Care (CFCC) approach to health care	
Key Performance Indicators	**Performance**
1. Positive responses from clients on questions related to engagement and/or experience on 'client experience' surveys	During 2018-19, Quality, Patient Safety and Risk Management collaborated with Research and Innovation to begin administering Client Experience Surveys. In this fiscal year, Emergency Department and Child Health Clinic surveys were administered and analyzed; Long-Term Care surveys were administered; Primary Care survey tools were developed; and planning for surveys in Cancer Care and Mental Health Inpatient Services began. Positive responses from clients related to engagement and/or experience on Client

Experience Surveys is measured by the percentage of respondents who rate their care as 8 or above on a scale from 0 (worst care possible) to 10 (best care possible) on Client Experience Surveys.

Emergency Department Results: **77.7 per cent**; Child Health Clinic Results: **93.3 per cent**



In addition to the surveys, considerable work has been undertaken to promote CFCC throughout Eastern Health. Examples include:

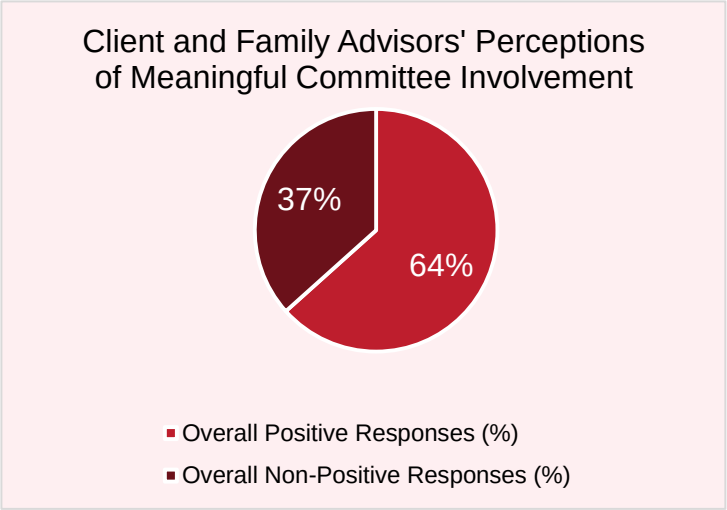
- Continued education for employees on CFCC through e-learning modules and incorporation of CFCC into corporate initiatives (i.e., orientation, position descriptions);
- Continued support to programs/service areas in identifying and operationalizing CFCC initiatives/activities;
- Completed implementation of the Family Presence Policy in Carbonear and Clarenville and began work to implement in Burin. This policy enables clients to designate one family member, or other loved one, to provide support to them while they are receiving care;
- Continued education for staff on the Family Presence Policy.

2. Positive responses from client and family advisors on survey questions related to meaningful involvement

The role of a client and family advisor is to bring their experienced perspective to the table to facilitate decision-making; support and encourage others to be involved and/or share information from other client and families of Eastern Health; participate in a variety of ways to improve care, such as providing advice on new policies, facility planning and client surveys; and to attend meetings, planned events, learning opportunities, or focus groups.

In 2018-19, the organization administered its second annual survey to measure whether client and family advisors reported meaningful committee involvement with Eastern Health. The survey was administered via email to 39 client and family advisors and had a response rate of 66.7%[10]

64 per cent of survey respondents reported overall positive responses (for the most part/ very much so) related to meaningful engagement/satisfaction with their advisory role compared to 83.3% in 2017-18.

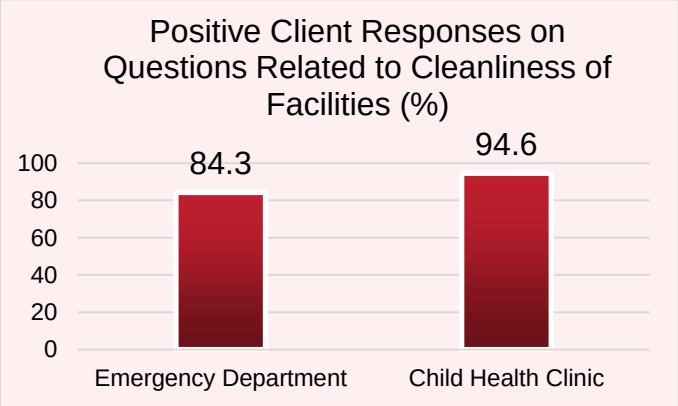


[10] At the time of survey administration, Eastern Health had 49 client and family advisors. The survey was administered to the 39 client and family advisors who had completed orientation at that time and the remaining 10 were excluded as they were at various stages of the orientation process and not engaged in their advisory role.

	Eastern Health strives to develop and maintain meaningful relationships with client and family advisors. In 2018-19, the organization: ◆ Continued recruitment of client and family advisors in Medicine, Mental Health and Addictions, Critical Care, Long-Term Care, Children's and Women's Health, Breastfeeding Task Force and Stroke Process Improvement; ◆ Continued recruitment and support for advisors to participate in various engagement opportunities (e.g., No-Shows Hacking Health, Innovation Roundtable); ◆ Continued recruitment of e-advisors (electronic client and family advisors for short term initiatives); ◆ Developed an electronic system to track client and family advisors; ◆ Continued to provide orientation sessions for client and family advisors.
Objective: Improve the physical environment of Eastern Health's facilities	
Key Performance Indicators	**Performance**
1. Positive responses from clients on questions related to cleanliness of Eastern Health facilities	Eastern Health continues to develop, implement and evaluate methods to produce cleaner, tidier and well-maintained facilities. During 2018-19, Eastern Health moved from measuring cleanliness with the Cleanliness Satisfaction Survey that was used in 2017-18 to the ongoing Client Experience Surveys. This decision was a result of program changes, as well as an attempt to avoid a duplication of effort. During this fiscal year, Client Experience Surveys were administered and analyzed in the Emergency Department and Child Health Clinics; Long-Term Care surveys were administered; Primary Care survey tools were

developed; and planning for surveys in Cancer Care and Mental Health Inpatient Services began. Positive responses from clients on questions related to cleanliness of Eastern Health facilities is measured as the percentage of respondents who rate cleanliness 4 or above on a scale from 0 (Very Poor) to 5 (Very Good) on the Client Experience Survey.

Emergency Department Results: **84.3 per cent**; Child Health Clinic Results: **94.6 per cent**

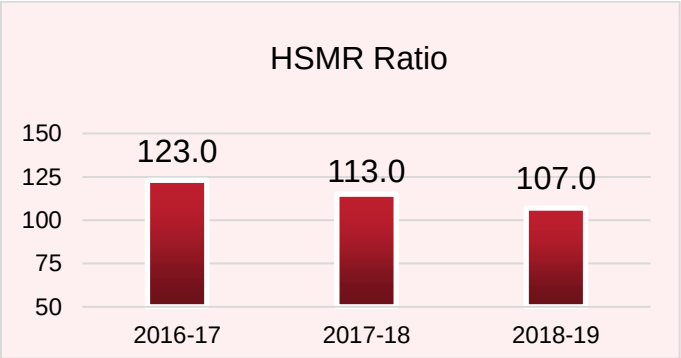


Numerous initiatives are ongoing that focus on the cleanliness of Eastern Health facilities, including:

- Continued standardization of various aspects of Environmental Services (EVS) throughout the region, including: orientation, education and training of employees; chemicals; cleaning equipment; service delivery; and policies and procedures;
- Continued annual project cleaning of identified spaces, including floor refinishing, touch-up painting and plastering (if required), vent cleaning and assessment of window treatments and light fixtures as part of the overall deep cleaning of rooms;

	◆ Continued use of advanced microbiology testing to assess the level of cleanliness after a room has been cleaned. These and other activities are supported and monitored through audits and the implementation of a reporting index to measure the effectiveness of these improvement strategies.
Objective: Increase Eastern Health's focus on safety as it relates to client, family, employee and public safety	
Key Performance Indicators	**Performance**
1. Improved Hospital Standardized Mortality Ratio	Hospital Standardized Mortality Ratio (HSMR) measures whether the number of deaths at a hospital is higher or lower than you would expect, based on the average experience of Canadian hospitals (the national baseline was set at 100 in 2012–2013). When tracked over time, this measure can indicate whether hospitals have been successful in reducing patient deaths and improving care. Values greater than 100 mean the hospital had more deaths among applicable inpatient cases than would be expected, given the characteristics of the hospital's patient population. As shown in the graph below, the HSMR ratio for 2017-18 was 113.0 and has decreased to **107.0** in 2018-19[11].

[11] Internal reporting based on CIHI current methodology.



Examples of work undertaken to improve HSMR data quality in 2018-19 include:

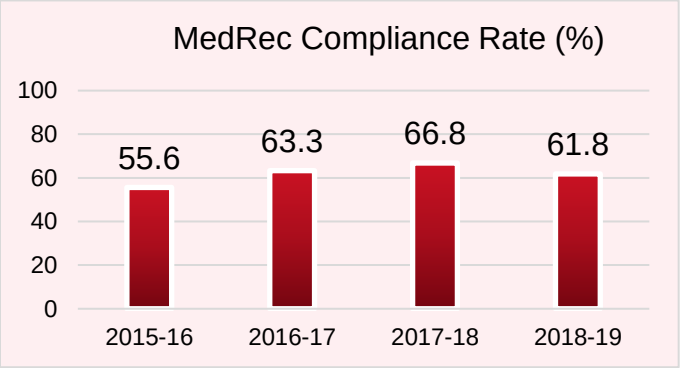
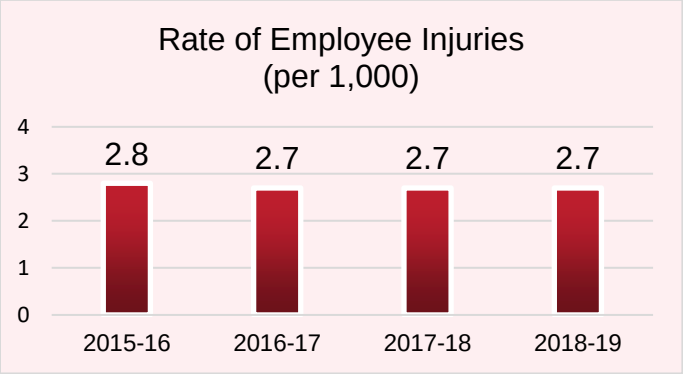
- Developed a new coding model which introduces onsite coder liaisons who will work directly with clinical staff. The first program to trial is the Cardiology Program followed by the Surgery Program. The Huddle Board initiative (i.e., using a whiteboard for visualizing the work and workflow of a team) was also added to the model to engage staff and enhance problem solving;
- Continued physician education on clinical documentation. The physician education presentation has been delivered to all clinical chiefs throughout Eastern Health and to each physician group;
- Continued to work on the development of policies related to documentation, accountability and auditing, including a global clinical documentation policy;
- Continued implementation of a regular auditing process to identify any documentation issues or coding discrepancies in death charts.

2. Increased medication reconciliation compliance rates	Medication Reconciliation (MedRec) is a process to support the communication of accurate and complete medication information upon acute care transitions with the goal of preventing adverse drug events and patient harm. Eastern Health has been

working diligently to increase MedRec rates over the last number of years. MedRec criteria for success includes ensuring the Best Possible Medication History (BPMH), a comprehensive medication history which includes drug name, dosage, route, and frequency, is collected at admission; patients/families, as well as one other reliable source of information (i.e., a list from HEALTHe NL), are sources in collecting the BPMH; BPMH is compared to the admitting orders; and medication discrepancies are identified and resolved. Examples of work undertaken to improve MedRec compliance in 2018-19 include:

- Completed rollout of MedRec compliance data collection and electronic reporting using the new auditing app. This rollout included staff and physician engagement and training. Online educational material is currently being developed to increase staff accessibility;
- Continued development and implementation of an electronic MedRec process to complete MedRec at all transitions in care in Acute Care Services and individual units within those programs (i.e., Critical Care, Children's and Women's Health and Mental Health and Addictions).
- All program areas now have assigned auditors and audit education has been provided.

As indicated in the graph below, despite our efforts, the percentage of MedRec compliance (acute care inpatient units) in 2018-19 decreased to **61.8** per cent, in comparison to 66.8 per cent compliance in 2017-18. One of the contributing factors for this decrease may have been related to program areas not having assigned auditors to complete audits, causing issues with data quality and consistency. The audits were being reported quarterly and are now being reported monthly. This change, along

	with assigned auditors, will allow for a closer view of the results and early awareness of any decrease in compliance for specific units. 
3. Decreased employee injuries	Eastern Health has undertaken significant work to decrease employee injuries in the workplace, measured as the rate of lost time injuries per 1,000 employees. As indicated in the graph below, the rate of employee injuries remained the same at **2.7** in 2018-19.  Eastern Health has placed considerable focus on prevention of injuries in the areas of greatest risk for our staff, including manual material handling, aggression, slips, falls and patient/resident handling. However, the dynamic nature of the work environment continues to be challenging in overall injury reduction. Programs continue to focus on prevention of common injuries with management of aggressive behaviors and manual material handling

	in the early stages of program development and implementation. During 2018-19, Eastern Health: ◆ Continued implementation of the Safe Patient and Resident Handling (SPRH) program and audits; ◆ Continued rollout of the manual material handling program, including the development of training materials and e-learning resources; ◆ Continued promotion of safe work practices related to dementia care; ◆ Continued work to prevent Aggressive Violent Behaviour, with a focus in Long-Term Care and Mental Health and Addictions; ◆ Ongoing prevention campaign to reduce slips and falls.

Discussion of Results

- Eastern Health is consistently working to improve the quality and safety of care delivered by the organization. Learning about client experiences is one way to determine areas in need of improvement. In 2018-19 Client Experience Surveys were administered to the Emergency Department and Child Health Clinic, with both areas receiving positive overall scores. This survey also measures client perception of the cleanliness of facilities, again, with both program areas receiving positive scores on this indicator. Planning is underway to administer surveys to additional program areas and results will be used to continuously improve service delivery. Additionally, Eastern Health continues to recruit client and family advisors who share their experiences with the health-care system, use their voices to facilitate decision-making and strive to make a positive impact on health care. The organization has also made significant improvement in decreasing the HSMR ratio for the region. Since 2016-17, Eastern Health has been steadily decreasing its ratio and continuously working to improve data quality in this area.
- Although the organization has been making great strides in improving on its quality and safety indicators, there is still more work to be done. MedRec has decreased in 2018-19, however, work is already ongoing to improve on this

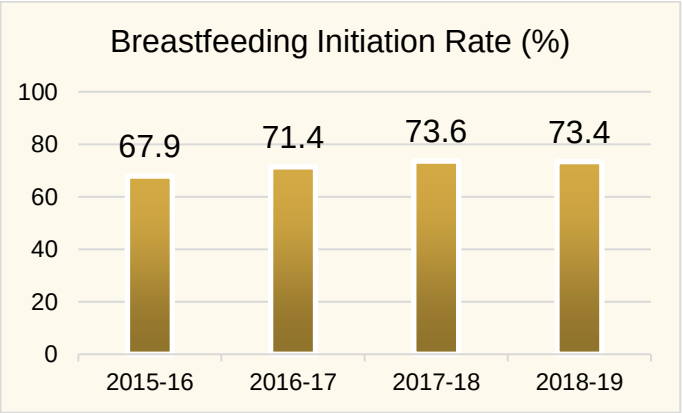
indicator in the next fiscal year. Similarly, despite efforts to decrease employee injuries, the rate has stayed the same at 2.7 per 1000 employees for the last three years.

Population Health

Improving the health of the population involves a long-term vision and commitment to reach desired outcomes. To have a significant positive impact on the health of the population, Eastern Health strives to provide the education and tools necessary to promote healthy lifestyle choices and to prevent illnesses early in life. The Province of Newfoundland and Labrador has some of the poorest lifestyle practices and health indicators in the country, which underlines the urgency to chart a new course. As a result, Eastern Health collaborates with various partners on strategies that target the health of the province's youngest population, as well as the population that is at risk of chronic diseases such as cancer. As part of this focus, Eastern Health also engages with communities as partners in determining the appropriate initiatives to improve the health of the population.

This priority aligns with the Provincial Government's Strategic Direction: Better Health for the Population.

Goal: By March 31, 2020 Eastern Health will work toward improving the health of the population through identified strategies/initiatives	
Objective: Collaborate with partners on prevention and promotion initiatives to improve the health of the population	
Key Performance Indicators	**Performance**
1. Increased breastfeeding initiation	As shown in the graph below, breastfeeding initiation rates have increased since 2015-16. Eastern Health remained consistent on this indicator during 2018-2019, at **73.4 per cent,** a slight drop from the year prior.



Some possible explanations for the slight decrease in rates include turnover in the role of the Provincial Breastfeeding Consultant, a decrease in the total number of babies being born in the Province thereby enhancing percentage changes, and a possible plateau effect. Eastern Health continues to strive to find innovative ways to promote breastfeeding and to contribute to an overall culture change.

The following are examples of initiatives undertaken to increase breastfeeding initiation during 2018-19:

- Conducted a needs assessment of breastfeeding education needs among Family Resource Centre staff in St. John's and surrounding areas;
- Held a Breastfeeding Forum to increase discussion on Baby Friendly best practices, aiming to increase breastfeeding rates both regionally and provincially.

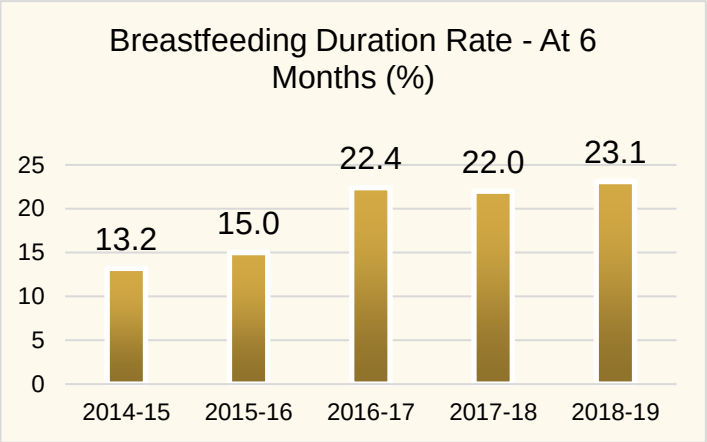
2. Increased breastfeeding duration (at six months)

The organization undertook the following initiatives to increase the rate of babies being exclusively breastfed until six months of age during 2018-19:

- Improved breastfeeding duration data collection and reporting by discontinuing the manual process that has historically been

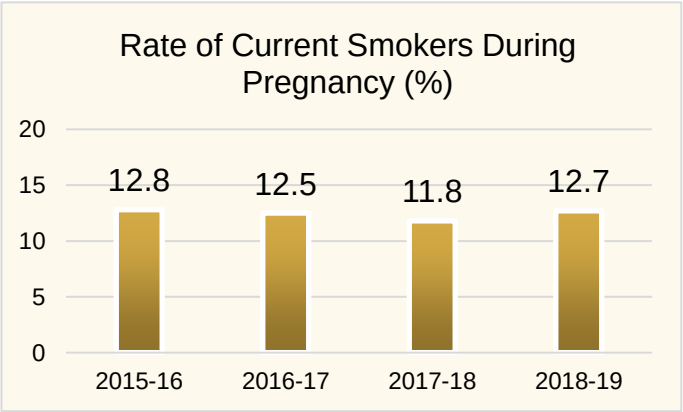
	used. Instead, the organization transitioned to a meaningful breastfeeding duration report, which is generated using data entered by Public Health nurses in the Client and Referral Management System (CRMS). This transition occurred in April of 2018 and we caution comparison with data prior to this time. Going forward, 2018-19 data will be used as a baseline; ◆ Continued work to improve the transition between the services provided by hospitals, Public Health and peer support groups. This included the implementation of the Breastfeeding Support for Families Handout, which is provided to all breastfeeding families upon discharge; ◆ Completed education sessions for Public Health nurses in rural and urban areas on available and appropriate breastfeeding services and processes to refer clients/patients. As illustrated in the graph below, the breastfeeding duration rate (at 6 months) has increased substantially since 2014-15. Breastfeeding duration rates (at six months) increased from 22.0 per cent in 2017-18 to **23.1 per cent** in 2018-19.[12]

[12] Data from quarter two of 2017/18 was removed from the calculation as it was deemed incomplete.

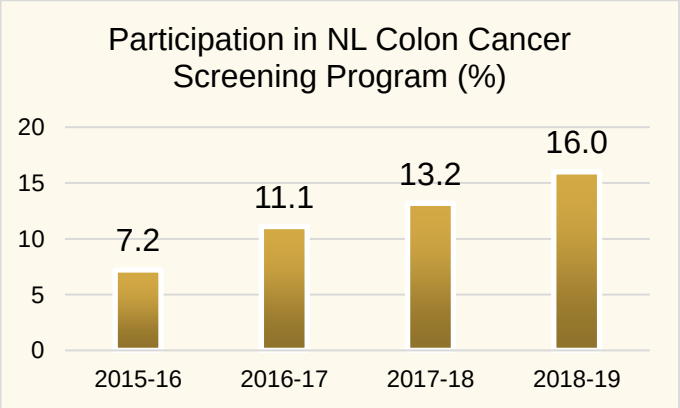


3. Decreased rate of current smokers during pregnancy

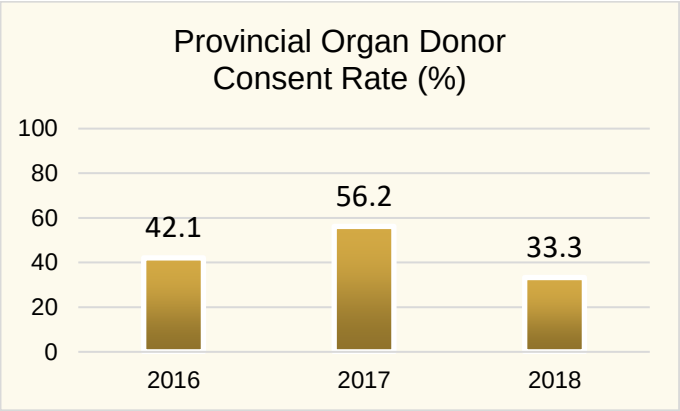
Eastern Health aims to increase access to smoking cessation supports for pregnant and postpartum women, thus decreasing the rate of current smokers during pregnancy. As illustrated in the graph below, the rate of expectant mothers smoking at any time during the prenatal period has increased over the past year to **12.7 per cent** in 2018-19.



The increased rate of current smokers during pregnancy could be related to the helping Women Live Smoke Free project, which was developed and delivered by the Family Resource Centre. This project focused on approaching topics that have the tendency to be met with harsh judgement and criticism in a non-judgmental and supportive way. It is possible that more mothers self-reported

	smoking during pregnancy than in previous years because of a shift in environment and approach of their service providers. Work related to this indicator during 2018-19 involved the following: ◆ Continued implementing the Supporting Women to Stop Smoking self-learning module into Public Health nursing orientation; ◆ Continued providing strategic advice and oversight in planning and developing smoking cessation training and resources for Family Resource Centres.
4. Increased participation in the NL Colon Cancer Screening Program	Participation in the Newfoundland and Labrador Colon Cancer Screening Program is defined as the percentage of individuals 50-74 years of age who are at average risk for colorectal cancer who successfully completed at least one fecal test in the program within the last fiscal year. The participation rate during the 2018-19 fiscal year **increased** to **16.0 per cent** in comparison to 13.18 in 2017-18.  Work aimed at increasing participation in the NL Colon Cancer Screening Program during 2018-19 included:

	◆ Developed an education/communication plan to promote population-based cancer screening: Another colorectal cancer awareness campaign was rolled out in March 2019, with the goal of increasing program reach. Program access has improved through a fillable online form; ◆ Developed a plan to better engage the target population: The colon screening program continues to participate in the EMR pilot project with NLCHI. As part of this, Eastern Health conducted a waitlist review of Endoscopy to identify appropriate and inappropriate referrals; ◆ Continued to work within the provincial cancer screening task force on the development of a model for population-based screening in the province.
5. Increased organ donation consent rate per year (provincial)	Organ Procurement and Exchange of Newfoundland and Labrador (OPEN) is a provincial program that is working to increase the consent rate for organ donation in eligible donors. OPEN operates under the direction of Eastern Health, in partnership with Canadian Blood Services (CBS) and a Provincial Advisory Committee. Eastern Health has defined organ donation consent rate as the percentage of substitute decision makers who consent to organ donation on behalf of their loved one, once neurological death has been declared, out of the total number of patients referred and eligible for organ donation. As indicated in the graph below, Eastern Health's organ donation consent rate (provincial) decreased during 2018 as compared to the previous calendar year (i.e., 33.3 compared to 56.2).

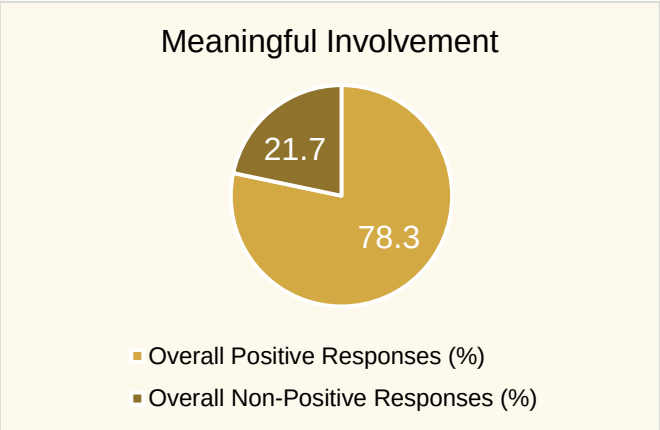


Due to the very specific conditions in which a substitute decision maker would be approached to provide consent for organ donation, the provincial rate is based off a small population size (4 consents out of 12 referred and eligible in 2018 in comparison to 9 consents out of 16 referred and eligible in 2017). One would expect variability in this indicator as a result of the small population size.

Nevertheless, Eastern Health aims to improve the organ donation consent rate by increasing public awareness on the importance of organ donation, educating health-care professionals to better recognize, refer and maintain eligible donors and educating health-care professionals on best practices related to conversations around consent of organ donation.

During 2018-19, Eastern Health:

- Implemented an Identification and Referral of Potential Organ Donors Policy;
- Offered public awareness sessions at high schools in the region;
- Conducted education sessions with health-care professionals;
- Developed a database to record potential donor referrals;

	◆ Participated in a national study to better understand the decision-making process of surrogates of actual and potential organ donors.
Objective: Engage community members in new and existing initiatives that aim to improve the health of the population	
Key Performance Indicators	**Performance**
1. Positive responses from community members related to engagement	Eastern Health implemented a Community Advisory Committee Engagement Survey in 2018-19 to assess positive responses from community members related to engagement. This survey was administered to 39 individuals comprising Eastern Health's four Community Advisory Committees that were in existence at the time of the survey. Of these individuals, 24 responded, yielding a response rate of 61.5 per cent. **78.3 per cent** of survey respondents reported their involvement with the Community Advisory Council as being meaningful.[13] 

[13] % of individuals who responded to the Community Advisory Committee Engagement Survey with an average score greater than or equal to four on a five-point scale (Not at all; A little bit; Somewhat; For the most part; Very much so). To be included in the score survey respondents must have completed at least 75% of the survey.

	The organization worked to identify opportunities to engage the community in ongoing primary health-care work throughout 2018-19, including: ◆ Established CACs in Conception Bay North/Trinity Bay South and Bell Island; ◆ Conducted community town hall consultations, with the plan to form CACs, in Clarenville; Portugal Cove-St. Philips; and Placentia, Whitbourne and the Cape Shore; ◆ Developed a Community Health Assessment Survey to be implemented in April 2019.

Discussion of Results

- Eastern Health made substantial progress in moving forward with its Population Health approach during the 2018-19 fiscal year. Eastern Health maintains its commitment to providing the education and tools necessary to promote healthy lifestyle choices and to prevent illnesses early in life. One area that has been particularly successful is the participation in the NL Colon Cancer Screening Program. This indicator has seen steady improvements over the past four years, with 2018-19 rates of participation being over double those seen in 2015-16.
- One area that has not progressed as originally planned is the work toward decreasing the rate of current smokers during pregnancy. Eastern Health increased on this indicator in comparison to the prior year; however, the indicator is relatively stable and 2017-18 may have been an outlier year. Breastfeeding initiation rates were another area that did not increase as intended, and instead, remained consisted with the year prior. Eastern Health will continue to focus on improvements in these areas into 2019-20 and beyond.

Healthy Workplace

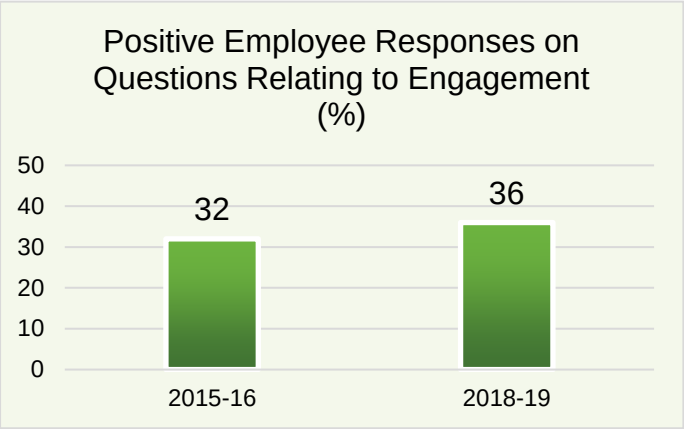
Eastern Health's greatest resource is its people: the employees, physicians and volunteers who are dedicated to client care. Research provides a strong rationale for investing in employee and workplace health, as they are "inextricably linked to productivity, high performance and success."[14] This priority focuses on increasing employee engagement and improving employee wellness.

Eastern Health's focus on healthy workplace is in keeping with two of the Provincial Government's Strategic Directions: Better Health for the Population and Better Care for Individuals.

Goal: By March 31, 2020 Eastern Health will create a healthier workplace	
Objective: Increase employee engagement	
Key Performance Indicators	**Performance**
1. Positive responses from employees on questions related to engagement on 'employee engagement' surveys	Employee engagement is a measure of the degree to which employees and physicians feel connected and inspired by the overall organization. Essentially, it measures how positively employees and physicians speak about Eastern Health, how committed they are to stay with the organization and how much effort they are willing to demonstrate for Eastern Health to be successful. Eastern Health implemented the Aon Employee Engagement Survey in September 2018 and over 5,200 employees responded. In 2018-19, Eastern Health saw an **increase** in the percentage of employees reporting they were engaged in comparison to the last time this tool was administered in 2015-16 (i.e., **36 per cent** in comparison to 32 per cent). Aon's survey defined

[14] Maclead and Shamian, 2013, **www.longwoods.com/content/23355**

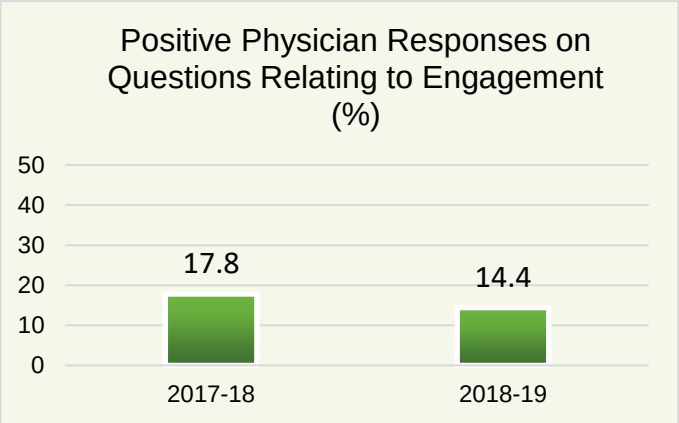
“positive employee engagement” as the number of employees who scored an average of 4.5 or higher out of a six-point scale.



The organization continues to prioritize employee engagement, as reflected by the work completed during the 2018-19 fiscal year:

- Engaged frontline staff, management and physicians in the sharing the results to identify key areas for improvement;
- Developed an intranet page for staff to highlight supports around Psychological Health and Safety (PHS);
- Developed a Diversity and Inclusion Plan;
- Launched a Learning Essential Approaches to Palliative Care (LEAP) Online Learning System to provide employees with increased opportunities for growth and development;
- Initiated CEO video calls with all staff to increase top-down communication;
- Launched a new online Performance Management Tool and revised the Performance Management Policy.

Physician engagement was also assessed in 2018-19 with an online survey, based on Accreditation Canada’s Worklife Pulse Survey. This survey defined “positive physician engagement” as the

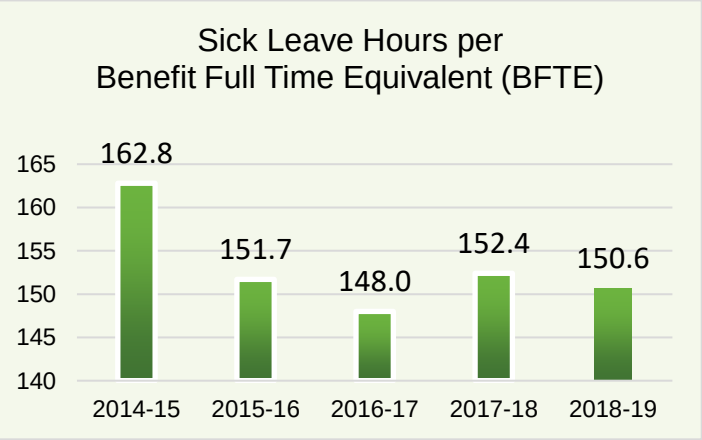
	number of employees who scored an average of 4.0 or higher out of a five-point scale. The 2018 physician engagement score of 14.4 per cent is slightly lower than the 2017 score, which was 17.8 per cent. However, in 2018, a larger percentage of respondents (55 per cent) were "somewhat engaged", than in 2017 (45 per cent).[15] Therefore, despite a decrease in average scores above 4.0, there was an increase in the number of physicians with an average score above "neutral" from 62.8 per cent in 2017 to 69.4 per cent in 2018. 
Objective: Promote employee wellness, with a particular focus on mental health in the workplace	
Key Performance Indicators	**Performance**
1. Reduced sick leave	Eastern Health has undertaken numerous initiatives to reduce sick leave in recent years, measured as Total Sick Leave Hours per Benefit Full Time Equivalent (BFTE) employee.[16] In 2018-19, the average BFTE employee used **150.6** hours of sick leave, a **reduction** from 152.4 hours used in 2017-18.

[15] The 2017 survey had significantly fewer respondents than in 2018 (73 vs. 209). Therefore, the statistics for 2017 are less likely to be representative of the overall physician population than are those of 2018.

[16] BFTE includes employees with sick leave benefits.

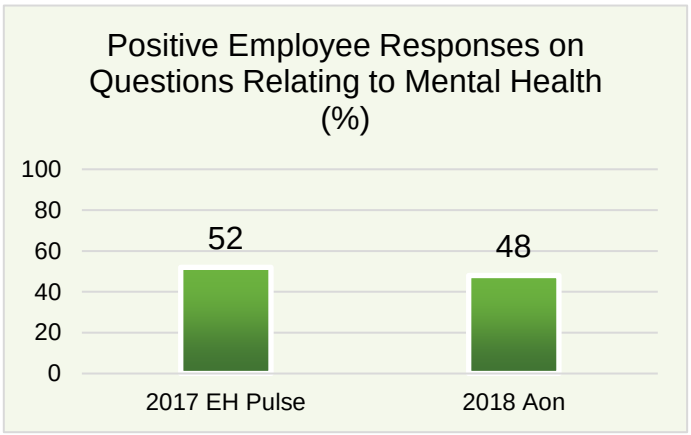
As a result, the organization continues to place significant efforts on improving in this area, as illustrated by:

- Completed integration efforts to develop one overall Healthy Workplace Plan to allow for a more inclusive approach to the various dimensions that lead to a healthier workplace and more engaged workforce;
- Completed the implementation of a recognition program to recognize individuals and programs with low levels of sick leave;
- Implemented aspects of change management, including developing e-learning tools (e.g., online attendance support course), developing and delivering training for managers, and implementing a toolkit and other supports for managers. Eastern Health is also working to develop a survey to determine circumstances in which the tools are being used;
- Established a focused disability management team that manages long-term sick leave and accommodations. This team also supports managers in the implementation of the Attendance Support Policy, with a strong focus on return to work.



2. Positive responses from employees on questions related to mental health and wellness on 'employee engagement' surveys	The 2018 Aon Employee Engagement Survey referenced above included three questions related to mental health and wellness from Eastern Health's 2017 Employee Engagement Pulse Survey. The questions were based mainly on a survey from Guarding Minds at Work,[17] a set of employer resources that adheres to the National Standard of Canada for Psychological Health and Safety in the Workplace. Although the three questions remained consistent over the two years, we caution the comparison of results, as the analysis of both tools included subtle differences. For instance, Eastern Health's 2017 Employee Pulse Survey defined "positive employee mental health" as the number of employees who scored an average of 4.0 or higher out of a five-point scale on the mental health items. Aon's survey defined "positive employee mental health" as the number of employees who scored an average of 4.5 or higher out of a six-point scale. In both surveys, "positive employee mental health" represents those who 'Agree' or 'Strongly Agree' to the three statements. **48 per cent** of survey respondents reported positive responses related to mental health and wellness in 2018-19, compared to 52 per cent of respondents in 2017-18.

[17] Developed by the Centre for Applied Research in Mental Health and Addiction at Simon Fraser University



Discussion of Results

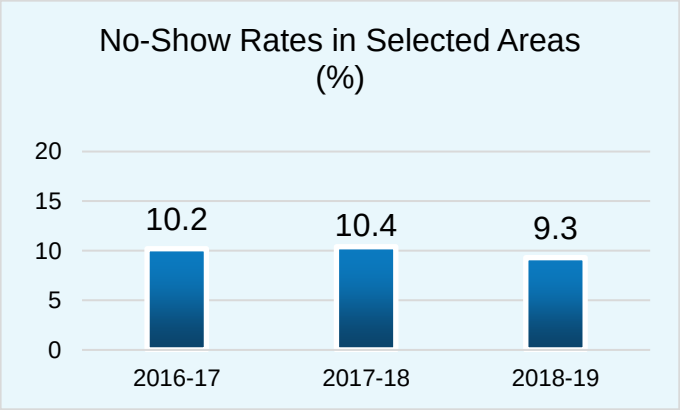
- Eastern Health has put tremendous effort into addressing its Healthy Workplace priority during 2018-19 and will continue to do so in the future. A strong focus on employee and physician engagement and sick leave will continue into the next fiscal year. Similarly, the organization continues to be committed to employee mental health. Again, we caution the interpretation of results as a decrease in positive responses related to employee mental health, as two different tools and slightly different analysis were used in 2017 and 2018.

Sustainability

For Eastern Health to continue to improve access, quality and safety and the health of the population, the organization must be sustainable. As a result, Eastern Health will focus on improving in areas that are operating ineffectively and that are costly to the health-care system.

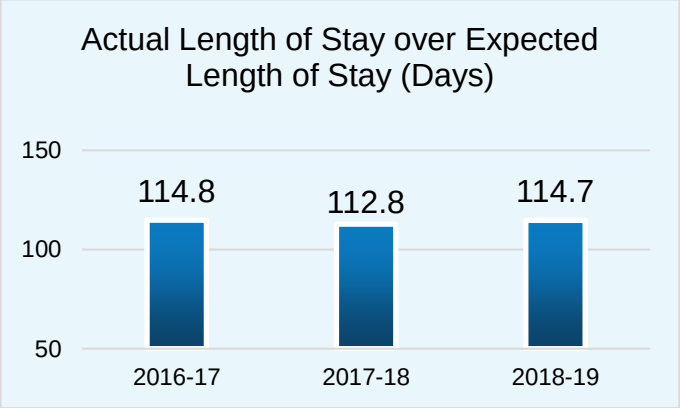
The sustainability priority is in line with the Provincial Government's Strategic Direction: Better Value Through Improvement.

Goal: By March 31, 2020 Eastern Health will improve the sustainability of the organization	
Objective: Reduce overall costs by reducing waste and increasing efficiencies throughout the organization	
Key Performance Indicators	**Performance**
1. Decreased no-shows in selected areas	During the past year, Eastern Health developed strategies to decrease no-shows in four selected areas: Ultrasound (City-Adult), Ears, Nose and Throat (ENT; Janeway), Urology (HSC Ambulatory Clinics) and Mental Health and Addictions. The following are examples of work undertaken: ◆ Expanded the Automated Notification System to remind patients of ultrasound, CT, Mammography and MRI appointments as per provincial roll-out plan; ◆ Completed a patient survey to determine and share learnings around the underlying reasons for no-shows in selected areas; ◆ Reviewed and currently revising no-show policy for (adult) ambulatory care; ◆ Began work to establish a strategy to reduce no-shows in Mental Health and Addictions. As shown in the graph below, the rate of no-shows **decreased** from 10.4 per cent to **9.3 per cent**

	during 2018-19 in the three selected pilot areas (Ultrasound (City-Adult), Ears, Nose and Throat Clinic (ENT; Janeway) and Urology (HSC Ambulatory Clinics).  Mental Health was added in 2018-19 as a fourth area of focus. These clinics are in the early stages of designing actions aimed at reducing the frequency of no-shows. Overall, with Mental Health included, Eastern Health's rate of no-shows in the four selected areas was 10.9 per cent in 2018-19. This rate will serve as a baseline going forward.
2. Decreased length of stay for typical acute care inpatients	Length of stay is calculated as the total number of days a patient is in the hospital over the expected number of days, in comparison to similar cases across Canada.[18] Any value above 100 per cent indicates patients have stayed longer than expected. In 2018-19, more patients stayed longer than expected in comparison to 2017-18. The total

[18] For typical patients across Canada with the same case mix grouping, age category, co-morbidity level and intervention factors. As per the Canadian Institute for Health Information (CIHI)'s CMG+ methodology **https://www.cihi.ca/en/cmg**

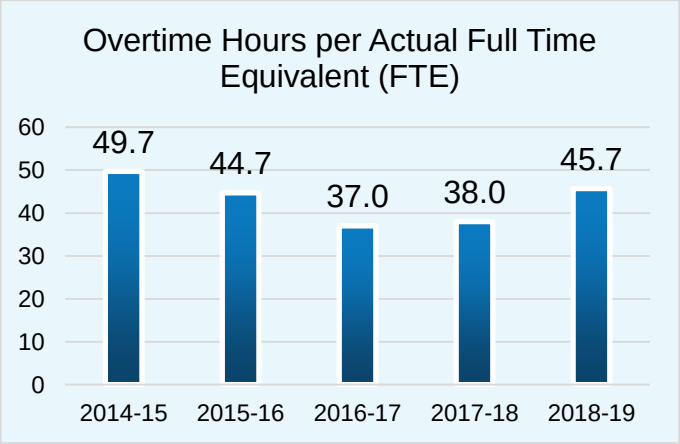
number of days patients stayed in hospital over the expected number of days was **114.7** in 2018-19. Although Eastern Health's average length of stay is 14.7 per cent longer than the expected length of stay, it has decreased from 2016-17, as illustrated below:



In 2018-19, EH focused initiatives on select clinical areas in Medicine, Surgery and Cardiac/Critical Care. Medicine at HSC, for example, focused on improvements with multi-disciplinary rounding and optimizing Visual Management Systems in bullet rounds. Cardiology focused on Cath lab flow and quality documentation process improvements with physicians. At year end, Medicine and Cardiology realized improvements in length of stay and learnings will be shared across the organization for implementation as appropriate.

Some reasons for longer lengths of stay overall may include patient acuity and co-morbidities, patients with highly complex discharge planning needs, delays in repatriation of patients back to originating sites, and the need for routine ambulance transfers on the weekends.

Eastern Health has completed significant work to improve on this indicator in recent years. Initiatives during 2018-19 include:

	◆ Implemented a Visual Management System at HSC. This electronic tool displays “real time” information to support multidisciplinary teams in coordinating patient care and discharge planning; ◆ Developed a regional electronic Discharge Risk Assessment form to be completed upon admission. This tool is meant to identify patients with complex discharge needs and to allow for earlier intervention and discharge planning; ◆ Continued process improvements within the Cardiology program to improve the quality of documentation and reporting of clinical data and to support performance measurement; ◆ Focused actions in the Carbonear General Hospital to reduce length of stay by applying the Home First philosophy and strengthening connections between acute care and community services; ◆ Collaborated with the Department of Health and Community Services and other Regional Health Authorities on the development of provincial guidelines for repatriation of patients across health-care regions.
3. Decreased employee overtime	 As indicated in the graph above, Overtime Hours

	per Actual Full Time Equivalent (FTE) employee **increased** in 2018-19 to **45.7 hours.** There were many challenges that may have negatively impacted overtime hours at Eastern Health during 2018-19 – namely, staff absenteeism, availability of relief/casual staff, staff turnover, staff accepting other positions within the organization, recruitment challenges related to supply of external candidates, and changes to work processes without funding for staff to support initiatives (in some instances/ program areas) resulting in a negative impact on relief or casual staff. The organization continues to prioritize reducing overtime, as reflected in some of the key interventions put in place during 2018-19: ◆ Continued review of overtime per program: this involves identifying programs with high overtime usage and helping them develop strategies to reduce such usage. This review includes the support and expertise of internal Human Resources business partners and budget analysts; ◆ Collaborated with the Province and three other Regional Health Authorities to begin the development of a Provincial Workforce Management System.
4. Increased monetary and/or materials savings in selected areas	Eastern Health has been working diligently in recent years to increase quality, efficiencies and effectiveness while simultaneously finding ways to reduce both waste and costs. During 2018-19, Eastern Health increased both monetary and materials savings through two key initiatives: the introduction of Steamplicity® and the Pyxis Supply Station™.

	In partnership with Morrison Healthcare, a member of Compass Group Canada, Eastern Health continued to deliver Steamplicity®, a food delivery service model for acute care hospitals in St. John's. With a patient satisfaction rating of over 90 per cent at hospital facilities across Canada, Steamplicity® offers patients a restaurant-style menu with a choice of entrée, appetizer, dessert and beverage for each meal. Prior to mealtime, a food service associate visits each patient to take their order and the trays are assembled based on individual requests in pantry areas on patient units. Food is cooked under steam pressure, using an innovative valve control system and the natural moisture in a meal's ingredients. Steamplicity® eliminates waste in the system, provides balanced and nutritious meals and enhances the overall quality of service provided to patients, clients and residents. Significant progress continued during 2018-19 to implement Steamplicity®, including optimizing scheduling and completing a food wastage audit across all sites. Steamplicity® has realized **approximately $1.5 million** in savings at 2018-19 fiscal year end. Similarly, in partnership with BD CareFusion, Eastern Health identified another supply challenged procedure area and further expanded the Pyxis Supply automation system in the Janeway Perioperative Program. Pyxis is an inventory management solution that supports supply challenged areas and enables the creation of managed asset inventories. The use of technology to manage and automate re-order of patient care supplies is becoming a standard of care in hospital environments and helps to understand the cost of caring for patients. Pyxis allows clinical staff to dedicate more time to patient care and equips

	departmental staff with the tools to perform supply chain functions through a managed process. Additional benefits include reductions in inventory, expired products, administrative burden on clinical resources, recall management efforts and overall space management requirements. The implementation of Pyxis at the Janeway site captured **approximately $400,000** of savings in medical surgical supplies during the 2018-19 fiscal year.

Discussion of Results

- Eastern Health is committed to prioritizing sustainability. Operating as efficiently as possible is imperative to the success of our initiatives aiming to improve access, quality and safety, the health of our workplace, and the health of the population. One area where the organization accomplished efficiencies during 2018-19 was by decreasing the rate of no-shows in the three selected pilot areas (Ultrasound (City-Adult), Ears, Nose and Throat Clinic (ENT; Janeway) and Urology (HSC Ambulatory Clinics).
- Despite the tremendous work put in place to reduce employee overtime and length of stay for typical acute care inpatients, both indicators increased slightly during the past fiscal year. Eastern Health will continue to focus improving in these areas in the future.

Opportunities and Challenges Ahead

Throughout the Eastern Health region, client numbers, case severity and hospital admissions are increasing. The demand for acute care and community services is placing additional pressure on the health-care system. For example, since 2016, the HSC saw a five per cent increase in emergency department visits and Carbonear General Hospital saw a 23 per cent increase in emergency room visits. Similar pressures exist within the cardiology and medicine programs. During this time, Eastern Health has continued to provide services to a rapidly aging population over a large geographic area within the current economic environment and the associated fiscal constraints of the province.

As a direct result of these ever-increasing pressures, cash-based operating expenditures have grown over the past number of years, from $1.47 billion (2015-16) to $1.59 billion (2018-19). Since 2015-16, Eastern Health has mitigated expense growth significantly through its sustainability efforts and increased focus on waste elimination and efficiency. These efforts have resulted in a more efficient health-care organization, while at the same time delivering safe, quality patient care.

In 2017-18, Eastern Health's cost of a standard hospital stay (CSHS) was $5,910, which is lower than the national average of $6,137 and the provincial average of $6,202 (CSHS as defined by the Canadian Institute for Health Information [CIHI] 2017-18). During the same time period, administrative costs as a percentage of total cost were 3.5 per cent, while national average was 4.5 per cent and the provincial average was 3.8 per cent. However, additional budget pressures continue into 2019-20 for various initiatives including new oncology drugs for cancer patients, additional spending on mental health and addictions services, and growth in the Home First initiative which is supporting more clients, especially seniors, to remain at home as opposed to receiving acute care or long-term care. The volume of clients in receipt of support services in the community has increased while acute care costs have not decreased to offset the shift to community.

It has been increasingly more difficult over the past five years to recruit for various health-care positions like physicians, licensed practical nurses and laboratory and X-ray technologists, to name a few. In total, there has been an 18 per cent increase in job postings since 2014. These challenges put additional pressure on a health-care system striving toward quality care. In addition, the consolidation of shared services among the

regional health authorities presents challenges in such a large and complex organization, however, it will provide an opportunity to create efficiencies in the future.

To help mitigate these and other challenges within the context of the province's current fiscal environment, Eastern Health has been focused on implementing sustainability efforts as a means to care for more patients, residents and clients in the absence of increased hospital bed capacity and human resources. Through an enhanced focus on systems sustainability, government savings initiatives have been introduced, including a reduction in management staff and the initiation of operational benchmarking. LEAN management techniques, such as streamlining processes, reducing duplication and eliminating waste, have also been introduced by Eastern Health in various areas as a way to care for more clients with existing resources. Techniques such as these have helped to reduce hospital stays that are longer than necessary.

Eastern Health is also passionate about creating a culture of innovation, which includes a more focused effort on bringing stakeholders together to develop innovative ways to address health-care challenges and deliver sustainable, high quality health-care services. This past year, Eastern Health brought together provincial health-care leaders, service providers and academic and private partners with the goal of enhancing health and wellness through innovative ideas. The organization has also hosted several events including Eastern Health's first Innovation Fair, in partnership with the Department of Health and Community Services, the other regional health authorities, the Newfoundland and Labrador Centre for Health Information (NLCHI), Newfoundland Alliance of Technical Industries (NATI) and Memorial University (MUN). Additionally, Eastern Health led a number of Hacking Health events and health innovation collaborative network/cluster roundtable sessions to focus on products and solutions to enhance health outcomes for patients.

As a result of targeted effects on innovation, Eastern Health has increased the use of technology to deliver health services. Initiatives such as Telehealth and Remote Patient Monitoring provide an opportunity for patients to be treated closer to their home communities or in the comfort of their own homes, thereby helping to reduce hospital admissions and improve access to care for those living in rural communities. A third-party partnership led to the creation of a cardiac catheterization referral tool that prioritizes patient access to the provincial Catheterization Lab based on patient acuity. This tool has been designed, tested and evaluated at Eastern Health and is being readied for sale in the North American market. It is leading to the creation of six new technology jobs in the province while allowing Eastern Health to receive a three per cent royalty from future sales. These collaborations and partnerships have become inherent

throughout the organization and provide innovative and effective measures to address challenges.

Another key opportunity for Eastern Health comes in the form of engagement with community partners and the general public to include them in decision-making processes. Additionally, Eastern Health has established Community Advisory Committees (CAC) throughout the region. These partnerships between Eastern Health and community representatives help determine the unique issues that exist in various areas of the region.

Similarly, Eastern Health continues to engage clients and families by recruiting advisors to participate in various collaborative events and seeks feedback on the quality of services through client experience surveys. Gathering this information is essential, as research supports that client, family and public engagement leads to improved health outcomes, service delivery and organizational decision-making.

Internally, success has also been achieved around sick leave and lost-time injury rates. Paid sick leave hours have decreased by approximately 11 per cent since the 2014-15 fiscal year. And, lost-time injury rates are also experiencing a downward trend, which can be attributed to a committed focus in this area.

Eastern Health has a highly skilled and dedicated workforce that rises above the challenges within a large, complex and essential health-care system, to provide the best possible care to our patients, clients, and residents. Eastern Health is unwavering in its commitment to Healthy People, Healthy Communities.

Appendix I

Descriptions of Key Performance Indicators from the Report on Performance Section

The following provides an overview of quantitative indicators found in the Report on Performance Section of the Annual Performance Report, listed by relevant priority area:

Access

- **Patients seen by Child Psychiatry within their access target:** There are many factors that contribute to wait times, including an increase in demand or inadequate supply of services. This indicator measures the success of process improvement activities aiming to reduce wait times for child psychiatry appointments. The results are collected from the Janeway clinic Community Wide Scheduling data. [19]
- **Patients seen by Adult Psychiatry within their access target:** There are many factors that contribute to wait times, including an increase in demand or inadequate supply of services. This indicator measures the success of process improvement activities aiming to reduce wait times for adult psychiatry appointments. The results are collected from the Community Wide Scheduling data of selected city psychiatry clinics, including St. Clare's and Terrace Clinic.
- **Wait times for selected community mental health and addictions services:** There are many factors that contribute to wait times, including an increase in demand or inadequate supply of services. This indicator measures the success of process improvement activities aiming to reduce wait times for community mental health and addictions services. The results are collected from the Community Wide Scheduling data of selected city community mental health and addictions services.
- **Rate of admissions for Ambulatory Care Sensitive Conditions:** Hospitalization for an ambulatory care sensitive condition (i.e., diabetes, angina, hypertension, heart failure, pulmonary edema, asthma, chronic obstructive pulmonary disease, grand mal status and other epileptic convulsions) is considered to be a measure of access to appropriate primary health care.

[19] Community Wide Scheduling is a patient appointment scheduling module, used at the majority of outpatient clinics and services throughout Eastern Health.

While not all admissions for these conditions are avoidable, it is assumed that appropriate ambulatory care could prevent the onset of this type of illness or condition, control an acute episodic illness or condition, or manage a chronic disease or condition. A disproportionately high rate of admissions is presumed to reflect problems in obtaining access to appropriate primary care. Eastern Health measures the crude rate of Ambulatory Care Sensitive Conditions. (Crude rate is an overall rate of disease in the population, but it does not take into account possible risk factors, including ages of the population.) The results are measured using the clinical data of discharged patients that align with the CIHI indicator on Admissions for Ambulatory Care Sensitive Conditions and the corresponding population of the Eastern Health region.

- **Admissions to Long-Term Care Nursing Homes from Community:** Using our long-term care wait time and admissions data, this indicator measures the success of process improvements for access to long-term care (Nursing Home, Personal Care Home or Protective Community Residence) for individuals living in the community. Assessment of clients in their home environment provides a better indication of their needs, while extended stays in the acute care setting can lead to the deterioration of frail, elderly patients. As a result, appropriate services need to be provided to this client population in the most appropriate setting. At the same time, this may result in a decreased demand on acute care beds.
- **Alternate Level of Care (ALC) days as a per cent of total adult patient days:** Alternate Level of Care (ALC) refers to patients who are in hospital even though they no longer need hospital care. Beds occupied by ALC patients are not available to other patients who need hospital care. Using data captured during inpatient admission, this indicator measures the percentage of ALC days as a proportion of total adult patient days. High ALC rates indicate that patients are not being cared for in an ideal setting (such as home, assisted living or residential care) and contribute to congested emergency departments and operating room cancellations.

Quality and Safety

- **Positive responses from clients on questions related to engagement and/or experience:** Client Experience Surveys are used to obtain feedback on client engagement and experiences. Eastern Health is committed to providing care using the Client and Family-Centred Care (CFCC) approach. This approach involves partnering with clients and their families to develop and evaluate appropriate care plans, while ensuring that their values and preferences are respected.

- **Positive responses from client and family advisors on questions related to meaningful involvement:** CFCC is a philosophy of care that views people using health services as equal partners in planning, developing, monitoring and evaluating care to ensure that it meets their needs.

  The Client and Family Advisors Survey was developed and implemented to measure committee involvement that our client and family advisors report as meaningful. Questionnaire items were factor analyzed and a single scale was identified where percentage of respondents scoring an average of 4 or above (for the most part, very much so) are used to report on the indicator. Items included in the score are:

  - When I participate as an Advisor, I feel that I can express my views freely.
  - When I participate as an Advisor, I feel that my suggestions are valued.
  - I understand how my input as an Advisor will be used.
  - I am aware of how my involvement as an Advisor has influenced programs/policies/projects at Eastern Health.
  - I would recommend becoming an Advisor to a friend.

- **Positive responses from clients on questions related to cleanliness of Eastern Health facilities:** A clean environment helps ensure a healthy and safe environment for clients and staff. This indicator uses the Client Experience Surveys to obtain feedback on client perceptions of the cleanliness of Eastern Health facilities. It complements other cleanliness monitoring processes that together help to develop, implement and evaluate methods to produce cleaner, tidier, well-maintained facilities.

- **Hospital Standardized Mortality Ratio (HSMR):** The Hospital Standardized Mortality Ratio (HSMR) is a ratio of the actual number of deaths in a hospital to the number that would have been expected. The HSMR is based on diagnosis groups that account for 80 per cent of all deaths in acute care hospitals, excluding patients identified as receiving palliative care. An HSMR equal to 100 suggests that there is no difference between a local mortality rate and the average national experience, given the types of patients cared for. The number of expected deaths is derived from the average experience of acute care facilities that submit to CIHI's Discharge Abstract Database. It is adjusted for other factors affecting mortality, such as age, sex and length of stay. While the HSMR takes into consideration many of the factors associated with the risk of dying, it cannot adjust for every factor. Therefore, the HSMR is most useful to individual hospitals when tracking their own mortality trends. The HSMR helps track the overall

change in mortality resulting from a broad range of factors, including changes in the quality and safety of care delivered.

- **Medication Reconciliation Compliance (Acute Care Inpatient Units):** Information about medications must be effectively communicated to ensure the delivery of safe care.

  Identifying and resolving medication discrepancies decreases the risk of adverse events across the continuum of care. This indicator identifies the audit results of the Medication Reconciliation (MedRec) process as determined by Accreditation Canada criteria. Compliance indicates that the MedRec process was achieved on at least 75 per cent of the charts audited on a monthly audit (random selection of a minimum of five charts per unit). The criteria for success include: (1) The Best Possible Medication History (BPMH) was collected at admission; (2) Patient/family were a source in collecting the BPMH; (3) BPMH was compared to the admitting orders; and, (4) Medication discrepancies were identified and resolved.

- **Rate of Employee Injuries:** A safe workplace is essential for the health of employees and the success of the organization. This indicator is based on the number of employee injuries that resulted in lost time at work. It supports the development, implementation and evaluation of strategies to reduce employee injuries in areas with the highest incidence of lost time (i.e., safe resident handling, material handling, aggression, slips/trips and falls).

Population Health

- **Breastfeeding initiation rates:** The importance of breastfeeding to the baby and mother is well-documented and is recommended by the World Health Organization and Health Canada. This indicator provides a measure of newborns who were exclusively fed breastmilk during their initial hospital stay (from birth to discharge).

- **Breastfeeding duration rates (at 6 months):** Exclusive breastfeeding is recommended for a child's first six months of life by the World Health Organization and Health Canada. This indicator provides a measure of infants who were exclusively fed breastmilk at 6 months of age as identified by the mother to their community health nurse.

- **Rate of current smokers during pregnancy:** Smoking during pregnancy causes health problems for the mother and the baby, including increased risk of stillbirth, preterm birth, low birth weight and infant death. The purpose of this indicator is to identify the rate of expectant mothers smoking tobacco at any time during the prenatal period (as reported in their delivery record) and the success of initiatives to reduce this rate.
- **Increased Participation in the NL Colon Cancer Screening Program:** Early detection and diagnosis of cancer leads to earlier treatment and reduced deaths from the disease. Eastern Health is responsible for the Provincial Cancer Screening Program, which includes the Newfoundland and Labrador Colon Cancer Screening Program.

  The latter is a self-referred screening program available to those between the ages of 50-74, who are at average risk for colorectal cancer. Eligible residents receive a home fecal test kit in the mail and return the samples via the mail for analysis. Clients with a negative test result are re-screened every two years, while those with a positive result receive a follow-up colonoscopy.

  This indicator reports provincial participation rates, which are defined as the percentage of the target population who successfully complete at least one fecal test in the program within the measurement timeframe (annually). Calculations would not include individuals who are receiving care or screening through other examinations and a specialist.
- **Organ donation consent rate per year (provincial):** Once neurological death has been declared, the substitute decision maker is responsible for consenting to organ donation on behalf of their loved one. Eastern Health has defined organ donation consent rate as the percentage of substitute decision makers who consent to organ donation once neurological death has been declared, out of the total number of patients referred and eligible for organ donation.
- **Positive responses from community members related to engagement:** Patient and family involvement in their health and health care contributes to better clinical outcomes. Community Advisory Committees (CAC) provide an opportunity for community member engagement. The Community Advisory Committee Engagement Survey was developed and implemented to measure committee involvement that CAC members report as meaningful.

Healthy Workplace

- **Positive responses from employees on questions related to engagement:** An engaged workforce supports a healthy workplace and contributes to better organizational performance and employee retention. This indicator reports the results of the Aon Employee Engagement Survey, which was administered to measure employee engagement.
- **Sick Leave Hours per BFTE:** Sick leave usage is one of the main indicators of a healthy workplace. This indicator monitors the amount of paid and unpaid sick leave being taken by staff at Eastern Health. It supports monitoring of trends and impacts of initiatives to reduce sick leave.

- **Positive responses from employees on questions related to mental health and wellness:** Supporting mental health in the workplace is important to the wellbeing of Eastern Health employees.

  The Aon Employee Engagement Survey mentioned above included three questions related to mental health and wellness from Eastern Health's 2017 Employee Engagement Pulse Survey. The questions were based mainly on a survey from Guarding Minds at Work, a set of employer resources that adheres to the National Standard of Canada for Psychological Health and Safety in the Workplace.

Sustainability

- **No-show rates in selected areas:** When a client fails to show or give adequate cancellation notice for a scheduled appointment, it negatively impacts the wait time for other clients and wastes equipment and clinical staff resources. This indicator monitors selected high-volume no-show areas, including Ears, Nose and Throat (Janeway), Ultrasound (Diagnostic Imaging; city - adult only) Urology (Ambulatory Clinic, HSC) and Mental Health and Addictions and helps measure the success of initiatives to reduce no-show rates. The results are

measured using standard clinical wait time data (Community Wide Scheduling data).

- **Length of stay over Expected Length of Stay (in days):** Expected Length of Stay (ELOS) is the average length of stay in hospital for typical patients with the same case mix grouping, age category, comorbidity level and intervention factors. CIHI calculates ELOS based on standardized data from across Canada. When the actual length of stay is above the ELOS, patients have stayed longer than expected, which may indicate inefficient use of hospital resources. The results are measured using clinical data of discharged patients and their ELOS that corresponds with CIHI methodologies.
- **Overtime hours per actual FTE:** Reducing overtime reduces cost to the organization as most overtime is compensated at a premium rate of pay, and often at double time. This indicator is calculated using the total annual number of OT hours per number of FTE employee. This rate measures the success of initiatives aiming to reduce overtime hours.
- **Amount of money and/or materials saved in selected areas – Steamplicity®:** Steamplicity® is an innovative food delivery service model that delivers high quality meals in a cost efficient and effective manner, and results in less food waste. This initiative contributes to our goal to eliminate waste and reduce costs. The indicator measures the financial savings following the installation of the new system.
- **Amount of money and/or materials saved in selected areas – Inventory Management Technology (Pyxis Supply Station™):** Pyxis Supply Station™ is a supply automation system used to dispense medication as well as medical and surgical supplies accurately and efficiently. This initiative contributes to our goal to eliminate waste and reduce costs. The indicator measures the financial savings following the installation of the new system.

Appendix II

Values and Key Behaviours

Respect

We recognize, celebrate and value the uniqueness of each client, employee, discipline and community.

Key Behaviours:

- We appreciate the dignity of every person who is connected with Eastern Health and we show it in our attitudes and actions; we do not encourage a one-size fits all approach.
- We understand that the wellness of patients, clients, residents, employees and communities is related to feeling respected and valued, and we act accordingly by embracing diversity and inclusion.
- We adhere to rigorous standards of privacy and confidentiality.
- We encourage and facilitate the balance of work and personal life, knowing that respect for self is as important as respect for others.
- We know that health and wellness are influenced by the environment, and we take steps to protect and promote a sustainable natural environment.

Integrity

We are accountable to one another and to the clients we serve. We value honest and transparent communication with one another, with communities and with our clients.

Key Behaviours:

- We believe that accountability for our actions is key to integrity because any action by an individual who is part of Eastern Health will affect the entire system.
- We recognize that the value of integrity requires transparency and honesty about our understandings, beliefs, actions, strengths and limitations.

- We value and demonstrate honesty in our interactions with clients and employees and in our communications with the general public, political leaders and the media. We consult with our teams, disciplines and communities to encourage positive change in providing quality client and family-centred care.
- We appreciate and promote community engagement, dialogue with stakeholders and two-way communications as a means to enhance transparency and accountability.

Fairness

We value and facilitate a just and appropriate allocation of our resources.

Key Behaviours:

- We allocate our people and financial resources in a responsible manner and encourage best practices in the delivery of our services.
- We value and facilitate the just allocation of resources across client groups, employee groups and communities.
- We act with the best interests of current and future generations in mind.
- We believe that individuals and communities are empowered to articulate what they feel to be in their best interests.

Connectedness

We collaborate and partner with one another and with our clients and their families to provide the best quality care possible.

Key Behaviours:

- We work to promote the integration of various parts of our system through communication and collaboration so that everyone understands their role is important to the whole and feels that their contribution to the Eastern Health team is appreciated.

- We encourage clients and their families to take an active role in their care plan and to discuss their goals of care with their care team.
- We recognize that the cultural, social, economic and environmental contexts of our various geographical communities affect, and are affected by, our work in Eastern Health, and we act with this in mind.
- We facilitate communication and sharing of information and ideas among our employees, physicians, volunteers, partners, stakeholders, clients and the community.

Excellence

We endeavour to provide quality client and family-centred care with sensitivity and compassion.

Key Behaviours:

- We demonstrate compassion and caring because they are essential components of quality care and services.
- We promote a healthy workplace and a culture of safety.
- We provide opportunities for professional and personal development to members of our teams, including students.
- We promote and support innovation, thereby continually expanding our capabilities by learning from different perspectives across client groups, disciplines, employee groups and communities.

Appendix III

Acronyms Used in this Document

ACRONYM	FULL TERM
(R)OSA	(Remote) Obstructive Sleep Apnea
3 T MRI	3 Tesla Magnetic Resonance Imaging
AAHP	Association of Allied Health Professionals
ACSC	Ambulatory Care Sensitive Conditions
ALC	Alternate Level of Care
BETTER	Building on Existing Tools To Improve Chronic Disease Prevention and Screening in Primary Care
BFTE	Benefit Full Time Equivalent
BPMH	Best Possible Medication History
CAC	Community Advisory Committee
CBS	Canadian Blood Services
CEO	Chief Executive Officer
CFCC	Client and Family-Centred Care
CIHI	Canadian Institute for Health Information
CMG+	Case Mix Groups+
COPD	Chronic Obstructive Pulmonary Disorder
CSHS	Cost of a Standard Hospital Stay
CT	Computed Tomography
CUPE	Canadian Union of Public Employees
ED	Emergency Department
EHOP	Eastern Health Operational Plan
ELOS	Expected Length of Stay
EMR	Electronic Medical Record
ENT	Ears, Nose and Throat

EVS	Environmental Services
FTE	Full Time Equivalent
HSC	Health Sciences Centre
HSMR	Hospital Standardized Mortality Ratio
HVAC	Heating, ventilation and air conditioning
LTC	Long-term care
LEAP	Learning Essential Approaches to Palliative Care
MRI	Magnetic Resonance Imaging
MUN	Memorial University
NAPE	Newfoundland and Labrador Association of Public and Private Employees
NAPE(HP)	Newfoundland and Labrador Association of Public and Private Employees (Health Professionals)
NAPE(LX)	Newfoundland and Labrador Association of Public and Private Employees (Laboratory and X-Ray)
NATI	Newfoundland and Labrador Association of Technology Industries
NL	Newfoundland and Labrador
NLCHI	Newfoundland and Labrador Centre for Health Information
OPEN	Organ Procurement and Exchange of Newfoundland and Labrador
PARNL	Professional Association of Residents of Newfoundland and Labrador
PHS	Psychological Health and Safety
RNUNL	Registered Nurses' Union Newfoundland and Labrador
RPM	Telehealth/Remote Patient Monitoring
SPRH	Safe Patient and Resident Handling

Appendix IV

Audited Financial Statements

Eastern Regional Health Authority – Operating Fund

Non-consolidated financial statements

March 31, 2019

Eastern Regional Health Authority – Operating Fund

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March 31, 2019

Statement of management responsibility

The accompanying non-consolidated financial statements of the Eastern Regional Health Authority – Operating Fund [the "Authority"] as at and for the year ended March 31, 2019 have been prepared by management in accordance with Canadian public sector accounting standards, and the integrity and objectivity of these statements are management's responsibility. Management is also responsible for all the notes to the non-consolidated financial statements and schedules.

In discharging its responsibilities for the integrity and fairness of the non-consolidated financial statements, management developed and maintains systems of internal control to provide reasonable assurance that transactions are properly authorized and recorded, proper records are maintained, assets are safeguarded, and that the Authority complies with applicable laws and regulations.

The Board of Trustees [the "Board"] is responsible for ensuring that management fulfils its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the non-consolidated financial statements. The Board carries out this responsibility principally through its Finance Committee [the "Committee"]. The Committee meets with management and the external auditors to review any significant accounting and auditing matters, to discuss the results of audit examinations, and to review the non-consolidated financial statements and the external auditors' report. The Committee reports its findings to the Board for consideration when approving the non-consolidated financial statements.

The external auditor, Ernst & Young LLP, conducts an independent examination in accordance with Canadian generally accepted auditing standards and expresses an opinion on the non-consolidated financial statements for the year ended March 31, 2019.

Scott Bishop, CPA, CGA
Chief Financial Officer

Fern Mitchelmore, CPA, CGA
Director of Financial Services

Independent auditor's report

To the Board of Trustees of
Eastern Regional Health Authority

Opinion

We have audited the non-consolidated financial statements of **Eastern Regional Health Authority – Operating Fund** [the "Authority"], which comprise the non-consolidated statement of financial position as at March 31, 2019, and the non-consolidated statements of operations and accumulated deficit, changes in net debt and cash flows for the year end ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying non-consolidated financial statements present fairly, in all material respects, the financial position of the Authority as at March 31, 2019, and its financial performance and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Authority in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Basis of presentation and restrictions on use

Without modifying our opinion, we draw attention to note 2 to the non-consolidated financial statements, which describes the basis of presentation of the non-consolidated financial statements of the Authority. These non-consolidated financial statements have been prepared for specific users and may not be suitable for another purpose.

Responsibilities of management and those charged with governance for the financial statements

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

In preparing the financial statements, management is responsible for assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Authority or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Authority's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Authority's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Authority to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Ernst & Young LLP

St. John's, Canada
June 27, 2019

Chartered Professional Accountants

Eastern Regional Health Authority – Operating Fund

Non-consolidated statement of financial position

[in thousands of Canadian dollars]

As at March 31

	2019 $	2018 $
Financial assets		
Cash	**—**	10,323
Accounts receivable *[note 3]*	**24,026**	23,790
Due from government/other government entities *[note 4]*	**54,926**	48,594
Advance to General Hospital Hostel Association	**440**	581
Sinking fund investment *[note 11]*	**22,751**	21,123
	102,143	104,411
Liabilities		
Bank indebtedness	**35,820**	—
Accounts payable and accrued liabilities *[note 7]*	**118,670**	118,314
Due to government/other government entities *[note 8]*	**20,718**	20,258
Employee future benefits		
Accrued severance pay *[note 16]*	**64,963**	132,520
Accrued sick leave *[note 17]*	**67,257**	66,317
Accrued vacation pay	**56,178**	55,881
Deferred contributions *[note 9]*		
Deferred capital grants	**30,749**	47,132
Deferred operating revenue	**9,030**	10,584
Long-term debt *[note 10]*	**132,320**	132,833
	535,705	583,839
Net debt	**(433,562)**	(479,428)
Non-financial assets		
Tangible capital assets *[note 5]*	**354,064**	348,841
Supplies inventory	**16,968**	16,830
Prepaid expenses	**10,133**	5,559
	381,165	371,230
Accumulated deficit	**(52,397)**	(108,198)

Contingencies *[note 14]*
Contractual obligations *[note 15]*
Operating facility *[note 6]*

See accompanying notes

Approved by the Board:

_____ Director _____ Director

Eastern Regional Health Authority – Operating Fund

Non-consolidated statement of operations and accumulated deficit

[in thousands of Canadian dollars]

Year ended March 31

	Final Budget	2019	2018
	$	$	$
	[note 20]		
Revenue			
Provincial plan	1,411,442	**1,411,442**	1,336,964
Medical Care Plan	76,288	**76,288**	76,276
Other	45,432	**47,342**	39,079
Provincial plan capital grant *[note 9]*	—	**31,784**	35,835
Resident	17,279	**17,406**	20,035
Inpatient	13,589	**13,954**	12,253
Outpatient	11,448	**11,701**	10,291
Other capital contributions *[note 9]*	—	**7,203**	6,034
	1,575,478	**1,617,120**	1,536,767
Expenses *[note 21]*			
Patient and resident services	418,504	**419,621**	393,467
Client services	302,989	**305,067**	285,288
Diagnostic and therapeutic	223,186	**222,500**	202,020
Support	199,394	**202,951**	187,115
Ambulatory care	165,003	**168,200**	160,003
Administration	140,248	**138,581**	126,338
Medical services	102,814	**101,218**	101,503
Amortization of tangible capital assets *[note 5]*	—	**33,764**	35,874
Research and education	17,507	**16,398**	15,407
Other	11,242	**10,249**	9,096
Interest on long-term debt	9,956	**9,090**	9,424
Employee future benefits			
Accrued severance pay (recovery) expense	—	**(67,557)**	12,375
Accrued sick leave expense	—	**940**	2,512
Accrued vacation pay expense	—	**297**	1,699
	1,590,843	**1,561,319**	1,542,121
Annual surplus (deficit)	**(15,365)**	**55,801**	(5,354)
Accumulated deficit, beginning of year	**—**	**(108,198)**	(102,844)
Accumulated deficit, end of year	**—**	**(52,397)**	(108,198)

See accompanying notes

Eastern Regional Health Authority – Operating Fund

Non-consolidated statement of changes in net debt

[in thousands of Canadian dollars]

Year ended March 31

	2019 $	2018 $
Annual surplus (deficit)	**55,801**	(5,354)
Changes in tangible capital assets		
Acquisition of tangible capital assets	**(38,987)**	(41,869)
Amortization of tangible capital assets	**33,764**	35,874
Increase in net book value of tangible capital assets	**(5,223)**	(5,995)
Changes in other non-financial assets		
Net (increase) decrease in prepaid expenses	**(4,574)**	1,053
Net (increase) in supplies inventory	**(138)**	(1,836)
Increase in other non-financial assets	**(4,712)**	(783)
Decrease (increase) in net debt	**45,866**	(12,132)
Net debt, beginning of year	**(479,428)**	(467,296)
Net debt, end of year	**(433,562)**	(479,428)

Eastern Regional Health Authority – Operating Fund

Non-consolidated statement of cash flows

[in thousands of Canadian dollars]

Year ended March 31

	2019 $	2018 $
Operating transactions		
Annual surplus (deficit)	**55,801**	(5,354)
Adjustments for:		
Amortization of tangible capital assets	**33,764**	35,874
Capital grants – provincial and other	**(38,987)**	(41,869)
(Decrease) increase in accrued severance pay	**(67,557)**	12,375
Increase in accrued sick leave	**940**	2,512
Net change in non-cash assets and liabilities related to operations *[note 12]*	**(28,104)**	9,615
Cash (used in) provided by operating transactions	**(44,143)**	13,153
Capital transactions		
Acquisition of tangible capital assets	**38,987**	41,869
Tangible capital asset contributions	**(38,987)**	(41,869)
Cash provided by capital transactions	**—**	—
Investing transactions		
Increase in sinking fund investment	**(1,628)**	(1,578)
Cash used in investing transactions	**(1,628)**	(1,578)
Financing transactions		
Repayment of long-term debt	**(513)**	(1,254)
Repayment of advance to General Hospital Hostel Association	**141**	139
Cash used in financing transactions	**(372)**	(1,115)
Net change in cash during the year	(46,143)	10,460
Cash (bank indebtedness), beginning of year	**10,323**	(137)
(Bank indebtedness) cash, end of year	**(35,820)**	10,323
Supplemental disclosure of cash flow information		
Interest paid	**9,072**	9,423

See accompanying notes

Notes to non-consolidated financial statements

[All amounts are in Canadian dollars, except amounts disclosed in tables, which are presented in thousands of Canadian dollars]

March 31, 2019

1. Nature of operations

The Eastern Regional Health Authority ["Eastern Health" or the "Authority"] is responsible for the governance of health services in the Eastern Region [Avalon, Bonavista and Burin Peninsulas, west to Port Blandford] of the Province of Newfoundland and Labrador [the "Province"].

The mandate of Eastern Health spans the full health continuum, including primary and secondary level health and community services for the Eastern Region, as well as tertiary and other provincial programs/services for the entire Province. The Authority also has a mandate to work to improve the overall health of the population through its focus on public health as well as on health promotion and prevention initiatives. Services are both community and institutional based. In addition to the provision of comprehensive health care services, Eastern Health also provides education and research in partnership with all stakeholders.

Eastern Health is incorporated under the laws of the Province of Newfoundland and Labrador and is a registered charitable organization under the provisions of the *Income Tax Act* (Canada) and, as such, is exempt from income taxes.

2. Summary of significant accounting policies

Basis of accounting

The non-consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards ["PSAS"] established by the Public Sector Accounting Standards Board of the Chartered Professional Accountants of Canada. The significant accounting policies used in the preparation of these non-consolidated financial statements are as follows:

Basis of presentation

These non-consolidated financial statements reflect the assets, liabilities, revenue and expenses of the Operating Fund. Trusts administered by Eastern Health are not included in the non-consolidated statement of financial position *[note 13]*. These non-consolidated financial statements have not been consolidated with those of other organizations controlled by Eastern Health because they have been prepared for the Authority's Board of Trustees and the Department of Health and Community Services [the "Department"]. Since these non-consolidated financial statements have not been prepared for general purposes, they should not be used by anyone other than the specified users. Consolidated financial statements have also been issued.

Revenue recognition

Provincial plan revenue without eligibility criteria and stipulations restricting its use is recognized as revenue when the government transfers are authorized.

Government transfers with stipulations restricting their use are recognized as revenue when the transfer is authorized and the eligibility criteria are met by the Authority, except when and to the extent the transfer gives rise to an obligation that constitutes a liability. When the transfer gives rise to an obligation that constitutes a liability, the transfer is recognized in revenue when the liability is settled. Medical Care Plan ["MCP"], inpatient, outpatient and residential revenues are recognized in the period services are provided.

Notes to non-consolidated financial statements

[All amounts are in Canadian dollars, except amounts disclosed in tables, which are presented in thousands of Canadian dollars]

March 31, 2019

The Authority is funded by the Department for the total of its operating costs, after deduction of specified revenue and expenses, to the extent of the approved budget. The final amount to be received by the Authority for a particular fiscal year will not be determined until the Department has completed its review of the Authority's non-consolidated financial statements. Adjustments resulting from the Department's review and final position statement will be considered by the Authority and reflected in the period of assessment. There were no changes from the previous year.

Other revenue includes dietary revenue, shared salaries and services and rebates and salary recoveries from WorkplaceNL. Rebates and salary recovery amounts are recorded once the amounts to be recorded are known and confirmed by WorkplaceNL.

Expenses

Expenses are recorded on the accrual basis as they are incurred and measurable based on receipt of goods or services.

Asset classification

Assets are classified as either financial or non-financial. Financial assets are assets that could be used to discharge existing liabilities or finance future operations and are not to be consumed in the normal course of operations. Non-financial assets are acquired, constructed or developed assets that do not provide resources to discharge existing liabilities but are employed to deliver healthcare services, may be consumed in normal operations and are not for resale.

Cash (bank indebtedness)

Cash includes cash on hand and balances with banks that fluctuate from positive to negative.

Supplies inventory

Supplies inventory is valued at the lower of cost and replacement cost, determined on a first-in, first-out basis.

Tangible capital assets

Tangible capital assets are recorded at historical cost. Certain tangible capital assets, such as the Health Sciences Centre, Janeway Children's Health and Rehabilitation Centre, St. John's and Carbonear Long Term Care Facilities, are utilized by the Authority, and are not reflected in these non-consolidated financial statements as legal title is held by the Government of Newfoundland and Labrador [the "Government"]. The Government does not charge the Authority any amounts for the use of such assets. Certain additions and improvements made to such tangible capital assets are paid for by the Authority and are reflected in the non-consolidated financial statements of the Authority.

Contributed tangible capital assets represent assets that are donated or contributed to the Authority by third parties. Revenue is recognized in the year the assets are contributed and have been recognized at fair value at the date of contribution.

Notes to non-consolidated financial statements

[All amounts are in Canadian dollars, except amounts disclosed in tables, which are presented in thousands of Canadian dollars]

March 31, 2019

Amortization is calculated on a straight-line basis at the rates set out below.

It is expected that these rates will charge operations with the total cost of the assets less estimated salvage value over the useful lives of the assets as follows:

Land improvements	10 years
Buildings and improvements	40 years
Equipment	5 – 7 years

Gains and losses on disposal of individual assets are recognized in operations in the period of disposal.

Construction in progress is not amortized until the project is substantially complete, at which time the project costs are transferred to the appropriate asset class and amortized accordingly.

Impairment of long-lived assets

Tangible capital assets are written down when conditions indicate that they no longer contribute to the Authority's ability to provide goods and services, or when the value of future economic benefits associated with the tangible capital assets is less than their net book value. The net write downs are accounted for as expenses in the non-consolidated statement of operations and accumulated deficit.

Capital and operating leases

A lease that transfers substantially all of the benefits and risks associated with ownership of property is accounted for as a capital lease. At the inception of a capital lease, an asset and an obligation are recorded at an amount equal to the lesser of the present value of the minimum lease payments and the asset's fair value. Assets acquired under capital leases are amortized on the same basis as other similar capital assets. All other leases are accounted for as operating leases and the payments are expensed as incurred.

Employee future benefits

Accrued severance

Employees of Eastern Health are entitled to severance benefits as stipulated in their conditions of employment. The right to be paid severance pay vests with employees with nine years of continual service with Eastern Health or another public sector employer. Severance is payable when the employee ceases employment with Eastern Health or the public sector employer, upon retirement, resignation or termination without cause. The severance benefit obligation has been actuarially determined using assumptions based on management's best estimates of future salary and wage changes, employee age, years of service, the probability of voluntary departure due to resignation or retirement, the discount rate and other factors. Discount rates are based on the Province's long-term borrowing rate. Actuarial gains and losses are deferred and amortized over the average remaining service life of employees, which is 13 years.

Notes to non-consolidated financial statements

[All amounts are in Canadian dollars, except amounts disclosed in tables, which are presented in thousands of Canadian dollars]

March 31, 2019

Accrued sick leave

Employees of Eastern Health are entitled to sick leave benefits that accumulate but do not vest. Eastern Health recognizes the liability in the period in which the employee renders service. The obligation is actuarially determined using assumptions based on management's best estimates of the probability of use of accrued sick leave, future salary and wage changes, employee age, the probability of departure, retirement age, the discount rate and other factors. Discount rates are based on the Province's long-term borrowing rate. Actuarial gains and losses are deferred and amortized over the average remaining service life of employees, which is 13 years.

Accrued vacation pay

Vacation pay is accrued for all employees as entitlement is earned.

Pension costs

Employees are members of the Public Service Pension Plan and/or the Government Money Purchase Plan [the "Plans"] administered by the Government. The Plans, which are defined benefit plans, are considered multi-employer plans, and are the responsibility of the Province. Contributions to the Plans are required from both the employees and Eastern Health. The annual contributions for pensions are recognized as an expense as incurred and amounted to $56,079,105 for the year ended March 31, 2019 [2018 – $55,380,598].

Sinking fund

The sinking fund was established for the partial retirement of Eastern Health's sinking fund debenture, which is held and administered by the Provincial Government of Newfoundland and Labrador.

Contributed services

Volunteers contribute a significant amount of their time each year assisting Eastern Health in carrying out its service delivery activities. Due to the difficulty in determining fair value, contributed services are not recognized in these non-consolidated financial statements.

Financial instruments

Financial instruments are classified in one of the following categories: [i] fair value or [ii] cost or amortized cost. The Authority determines the classification of its financial instruments at initial recognition.

Long-term debt is initially recorded at fair value and subsequently measured at amortized cost using the effective interest rate method. Transaction costs related to the issuance of long-term debt are capitalized and amortized over the term of the instrument.

Cash and bank indebtedness are classified at fair value. Other financial instruments, including accounts receivable, sinking fund investment, accounts payable and accrued liabilities, and due to/from government/other government entities, are initially recorded at their fair value and are subsequently measured at amortized cost, net of any provisions for impairment.

Notes to non-consolidated financial statements

[All amounts are in Canadian dollars, except amounts disclosed in tables, which are presented in thousands of Canadian dollars]

March 31, 2019

Use of estimates

The preparation of non-consolidated financial statements in conformity with PSAS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities as at the date of the non-consolidated financial statements, and the reported amounts of revenue and expenses during the reporting period. Areas requiring the use of management estimates include the assumptions used in the valuation of employee future benefits. Actual results could differ from these estimates.

3. Accounts receivable

	2019					
			Past due			
	Total	Current	1 – 30 days	31 – 60 days	61 – 90 days	Over 90 days
	$	$	$	$	$	$
Services to patients, residents and clients	**14,584**	**1,292**	**3,601**	**2,050**	**1,833**	**5,808**
Other	**12,328**	**7,472**	—	—	—	**4,856**
Gross accounts receivable	**26,912**	**8,764**	**3,601**	**2,050**	**1,833**	**10,664**
Less impairment allowance	**2,886**	—	—	—	—	**2,886**
Net accounts receivable	**24,026**	**8,764**	**3,601**	**2,050**	**1,833**	**7,778**

	2018					
			Past due			
	Total	Current	1 – 30 days	31 – 60 days	61 – 90 days	Over 90 days
	$	$	$	$	$	$
Services to patients, residents and clients	15,161	1,066	3,672	3,402	1,353	5,668
Other	11,342	5,997	—	—	—	5,345
Gross accounts receivable	26,503	7,063	3,672	3,402	1,353	11,013
Less impairment allowance	2,713	—	—	—	—	2,713
Net accounts receivable	23,790	7,063	3,672	3,402	1,353	8,300

Notes to non-consolidated financial statements

[All amounts are in Canadian dollars, except amounts disclosed in tables, which are presented in thousands of Canadian dollars]

March 31, 2019

4. Due from government/other government entities

	2019 $	2018 $
Government of Newfoundland and Labrador	**49,231**	43,549
Other government entities	**5,695**	5,045
	54,926	48,594

Outstanding balances at the year-end are unsecured, interest free and settlement occurs in cash. For the year ended March 31, 2019, the Authority has not recorded any impairment of receivables relating to amounts above [2018– nil].

5. Tangible capital assets

	Land and land improvements $	Buildings and improvements $	Equipment $	Construction in progress $	Total $
2019					
Cost					
Opening balance	**2,454**	**402,358**	**536,259**	**32,179**	**973,250**
Additions	**—**	**9,553**	**20,915**	**8,519**	**38,987**
Closing balance	**2,454**	**411,911**	**557,174**	**40,698**	**1,012,237**
Accumulated amortization					
Opening balance	**4**	**184,408**	**439,997**	**—**	**624,409**
Additions	**—**	**9,765**	**23,999**	**—**	**33,764**
Closing balance	**4**	**194,173**	**463,996**	**—**	**658,173**
Net book value	**2,450**	**217,738**	**93,178**	**40,698**	**354,064**

Included within the Construction in Progress is an Energy Performance Contract valued at $11,871,830.

	Land and land improvements $	Buildings and improvements $	Equipment $	Construction in progress $	Total $
2018					
Cost					
Opening balance	2,942	427,471	582,698	17,572	1,030,683
Additions	—	3,176	24,086	14,607	41,869
Disposals	(488)	(28,289)	(70,525)	—	(99,302)
Closing balance	2,454	402,358	536,259	32,179	973,250
Accumulated amortization					
Opening balance	492	202,024	485,321	—	687,837
Additions	—	10,673	25,201	—	35,874
Disposals	(488)	(28,289)	(70,525)	—	(99,302)
Closing balance	4	184,408	439,997	—	624,409
Net book value	2,450	217,950	96,262	32,179	348,841

Notes to non-consolidated financial statements

[All amounts are in Canadian dollars, except amounts disclosed in tables, which are presented in thousands of Canadian dollars]

March 31, 2019

During fiscal year 2018, management performed a clean-up of the Authority's tangible capital assets with a net book value of nil. This resulted in a decrease in both cost and accumulated amortization of assets of $99,000,000.

6. Operating facility

The Authority has access to a line of credit totaling $64,000,000 in the form of revolving demand loans and/or overdrafts at its financial institutions. In March 2019 the Authority used $15,165,118 from line of credit. [2018 – unused]. The Authority's ability to borrow has been approved by the Province's Minister of Health and Community Services.

7. Accounts payable and accrued liabilities

	2019 $	2018 $
Accounts payable and accrued liabilities	**54,797**	60,539
Salaries and wages payable	**59,076**	51,756
Employee/employer remittances	**4,797**	6,019
	118,670	118,314

8. Due to government/other government entities

	2019 $	2018 $
Federal government	**4,512**	4,163
Government of Newfoundland and Labrador	**11,100**	11,100
Other government entities	**5,106**	4,995
	20,718	20,258

9. Deferred contributions

	2019 $	2018 $
Deferred capital grants [a]		
Balance at beginning of year	**47,132**	66,747
Receipts during the year	**22,604**	22,254
Recognized in revenue during the year	**(38,987)**	(41,869)
Balance at end of year	**30,749**	47,132
Deferred operating revenue [b]		
Balance at beginning of year	**10,584**	12,456
Receipts during the year	**1,473,752**	1,398,482
Recognized in revenue during the year	**(1,475,306)**	(1,400,354)
Balance at end of year	**9,030**	10,584

Notes to non-consolidated financial statements

[All amounts are in Canadian dollars, except amounts disclosed in tables, which are presented in thousands of Canadian dollars]

March 31, 2019

[a] Deferred capital grants represent transfers from government and other government entities received with associated stipulations relating to the purchase of capital assets, resulting in a liability. These grants will be recognized as revenue when the related assets are acquired or constructed, and the liability is settled.

[b] Deferred operating contributions represent externally restricted Government transfers with associated stipulations relating to specific projects or programs, resulting in a liability. These transfers will be recognized as revenue in the period in which the resources are used for the purpose specified.

10. Long-term debt

	2019	**2018**
	$	$
Sinking fund debenture, Series HCCI, 6.9%, to mature on June 15, 2040, interest payable semi-annually on June 15 and December 15 [The "Debenture"]	**130,000**	130,000
Newfoundland and Labrador Housing Corporation ["NLHC"] [Placentia Health Centre], 1.01% mortgage, maturing in December 2020, repayable in blended monthly instalments of $17,469, secured by land and building with a net book value of $1,716,357	**363**	568
Canada Mortgage and Housing Corporation ["CMHC"] [Blue Crest Seniors Home], 8.0% mortgage, maturing in December 2025, repayable in blended monthly instalments of $7,777, secured by land and buildings with a net book value of $2,621,262	**485**	538
CMHC [Golden Heights Manor Seniors Home], 10.5% mortgage, maturing in September 2027, repayable in blended monthly instalments of $7,549, maturing in August 2027	**512**	**548**
CMHC [Golden Heights Manor Seniors Home], 1.12% mortgage, maturing in June 2023, repayable in blended monthly instalments of $19,246	**960**	**1,179**
	132,320	**132,833**

Future principal repayments to maturity are as follows:

	$
2020	525
2021	486
2022	342
2023	355
2024	199
Thereafter	130,413
	132,320

Notes to non-consolidated financial statements

[All amounts are in Canadian dollars, except amounts disclosed in tables, which are presented in thousands of Canadian dollars]

March 31, 2019

11. Sinking fund investment

A sinking fund investment, established for the partial retirement of the Debenture *[note 10]*, is held in trust by the Government. The balance as at March 31, 2019 includes interest earned in the amount of $9,294,442 [2018 – $8,413,558]. The annual principal payment to the sinking fund investment until the maturity of the Debenture on June 15, 2040 is $747,500. The semi-annual interest payments on the Debenture are $4,485,000. The semi-annual interest payments and mandatory annual sinking fund payments on the Debenture are guaranteed by the Government.

12. Net change in non-cash assets and liabilities related to operations

	2019 $	2018 $
Accounts receivable	**(236)**	2,823
Supplies inventory	**(138)**	(1,836)
Prepaid expenses	**(4,574)**	1,053
Accounts payable and accrued liabilities	**356**	860
Due from/to government/other government entities	**(5,872)**	26,503
Accrued vacation pay	**297**	1,699
Deferred capital grants	**(16,383)**	(19,615)
Deferred operating revenue	**(1,554)**	(1,872)
	(28,104)	9,615

13. Trust funds

Trusts administered by the Authority have not been included in the non-consolidated financial statements as they are excluded from the Government reporting entity. As at March 31, 2019, the balance of funds held in trust for residents of long-term care facilities was $3,195,774 [2018 – $3,397,627]. These trust funds include a monthly comfort allowance provided to residents who qualify for subsidization of their boarding and lodging fees.

14. Contingencies

A number of legal claims have been filed against the Authority. An estimate of loss, if any, relative to these matters is not determinable at this time, and no provision has been recorded in the accounts for these matters. In the view of management, the Authority's insurance program adequately addresses the risk of loss in these matters.

Notes to non-consolidated financial statements

[All amounts are in Canadian dollars, except amounts disclosed in tables, which are presented in thousands of Canadian dollars]

March 31, 2019

15. Contractual obligations

The Authority has entered into a number of multiple-year operating leases, contracts for the delivery of services and the use of assets. These contractual obligations will become liabilities in the future when the terms of the contracts are met. The table below relates to the future portion of the contracts:

	2020	2021	2022	2023	Thereafter
	$	$	$	$	$
Future operating lease payments	7,158	7,037	6,750	6,325	31,705
Managed print services	1,534	1,534	1,534	1,534	—
Vehicles	60	11	—	—	—
	8,752	8,582	8,284	7,859	31,705

16. Accrued severance pay

The Authority provides a severance payment to employees upon retirement, resignation or termination without cause. In 2019, cash payments to retirees and eligible employees for the Authority's unfunded employee future benefits amounted to approximately $70,436,087 [2018 – $9,931,097].

Due to changes in the Newfoundland and Labrador Association of Public and Private Employees ["NAPE"] Collective Agreement effective March 31, 2018, severance benefits accrued as of March 31, 2018 were paid out to eligible NAPE employees on or before March 31, 2019. The severance payout was based on one week of salary for each full year of eligible employment to a maximum of 20 weeks.

Due to changes in the Canadian Union of Public Employees ["CUPE"} Collective Agreement effective January 9, 2019, severance benefits accrued as of March 31, 2018 will be paid out to eligible employees on or before March 31, 2020. The severance payout will be based on one week of salary for each full year of eligible employment to a maximum of 20 weeks.

During fiscal 2019 Management and Non-bargaining employees were subject to the same severance changes. Severance benefits accrued as of June 1, 2018 were paid out to eligible employees on or before March 31, 2019. The severance payout will be based on one week of salary for each full year of eligible employment to a maximum of 20 weeks.

All employees have the option to defer payment but will not accrue any further severance benefits. There will be no change to the amount payable in future years.

A tentative agreement has been reached with The Registered Nurses Union of Newfoundland and Labrador ["RNUNL"]. To date the contract has not been ratified.

The most recent actuarial valuation for the accrued severance obligation was performed effective March 31, 2018 with an extrapolation to March 31, 2019.

Notes to non-consolidated financial statements

[All amounts are in Canadian dollars, except amounts disclosed in tables, which are presented in thousands of Canadian dollars]

March 31, 2019

The accrued benefit liability and benefits expense of the severance pay are outlined below:

	2019 $	2018 $
Accrued benefit liability, beginning of year	**132,520**	120,145
Transfer from Masonic Park and Pentecostal Home	**—**	1,350
Benefits expense		
Current period benefit cost	**3,695**	8,216
Interest on accrued benefit obligation	**3,227**	4,501
Amortization of actuarial losses	**81**	412
Recognition of unamortized (gain)	**(268)**	—
NAPE settlement (gain)/loss	**(3,808)**	7827
CUPE settlement loss	**4**	—
Non-union settlement (gain)	**(52)**	—
	135,399	142,451
Benefits paid	**(70,436)**	(9,931)
Accrued benefit liability, end of year	**64,963**	132,520
Current period benefit cost	**3,695**	8,216
Interest on accrued benefit obligation	**3,227**	4,501
Amortization of actuarial losses and gains	**81**	412
Recognition of unamortized (gain)	**(268)**	—
NAPE settlement (gain)/loss	**(3,808)**	7,827
CUPE settlement loss	**4**	—
Non-union settlement (gain)	**(52)**	—
Total expense recognized for the year	**2,879**	20,956

The significant actuarial assumptions used in measuring the accrued severance pay benefit expense and liability are as follows:

Discount rate – liability	3.05% as at March 31, 2019 3.30% as at March 31, 2018
Discount rate – benefit expense	3.05% in fiscal 2019 3.30% in fiscal 2018
Rate of compensation increase	0.00% plus 0.75% for promotions and merit as at March 31, 2019 0.00% plus 0.75% for promotions and merit as at March 31, 2018

Notes to non-consolidated financial statements

[All amounts are in Canadian dollars, except amounts disclosed in tables, which are presented in thousands of Canadian dollars]

March 31, 2019

17. Accrued sick leave

The Authority provides sick leave to employees as the obligation arises and accrues a liability based on anticipation of sick days accumulating for future use. In 2019, cash payments to employees for the Authority's unfunded sick leave benefits amounted to approximately $8,953,325 [2018 – $10,116,466].

The most recent actuarial valuation for the accrued severance obligation was performed effective March 31, 2018 with an extrapolation to March 31, 2019.

	2019 $	2018 $
Accrued benefit liability, beginning of year	**66,317**	63,805
Transfer from Masonic Park and Pentecostal Home	—	673
Benefits expense		
Current period benefit cost	**5,612**	6,651
Interest on accrued benefit obligation	**2,595**	3,146
Amortization of actuarial losses and gains	**1,686**	2,158
	76,210	76,433
Benefits paid	**(8,953)**	(10,116)
Accrued benefit liability, end of year	**67,257**	66,317
Current period benefit cost	**5,612**	6,651
Interest on accrued benefit obligation	**1,686**	3,146
Amortization of actuarial losses and gains	**2,595**	2,158
Total expense recognized for the year	**9,893**	11,955

The significant actuarial assumptions used in measuring the accrued sick leave benefit expense and liability are as follows:

Discount rate – liability	3.05% as at March 31, 2019 3.30% as at March 31, 2018
Discount rate – benefit expense	3.05% in fiscal 2019 3.30% in fiscal 2018
Rate of compensation increase	0.00% plus 0.75% for promotions and merit as at March 31, 2019 0.00% plus 0.75% for promotions and merit as at March 31, 2018

18. Related party transactions

The Authority's related party transactions occur with the Government and other government entities. Other government entities are those who report financial information to the Province. Transactions between the Authority and related parties are conducted as arm's length transactions.

Notes to non-consolidated financial statements

[All amounts are in Canadian dollars, except amounts disclosed in tables, which are presented in thousands of Canadian dollars]

March 31, 2019

Transfers from the Government are funding payments made to the Authority for both operating and capital expenditures. Transfers from other related government entities are payments made to the Authority from the MCP and WorkplaceNL. Transfers to other related government entities are payments made by the Authority to long-term care facilities, Central Regional Health Authority, Labrador Regional Health Authority and Western Regional Health Authority. Transactions are settled at prevailing market prices under normal trade terms.

The Authority had the following transactions with the Government and other government entities:

	2019 $	2018 $
Transfers from the Government of Newfoundland and Labrador	**1,432,465**	1,359,144
Transfers from other government entities	**91,918**	83,552
Transfers to other government entities	**(89,217)**	(86,523)
	1,435,166	1,356,173

19. Financial instruments and risk management

Financial risks

The Authority is exposed to a number of risks as a result of the financial instruments on its non-consolidated statement of financial position that can affect its operating performance. These risks include credit risk and liquidity risk. The Authority's Board of Trustees has overall responsibility for the oversight of these risks and reviews the Authority's policies on an ongoing basis to ensure that these risks are appropriately managed. The Authority is not exposed to interest rate risk as the majority of its long-term debt obligations are at fixed rates of interest. The sources of risk exposure and how each is managed are outlined below:

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfil its payment obligation. The Authority's credit risk is primarily attributable to accounts receivable. Eastern Health has a collection policy and monitoring processes intended to mitigate potential credit losses. Management believes that the credit risk with respect to accounts receivable is not material.

Liquidity risk

Liquidity risk is the risk that the Authority will not be able to meet its financial obligations as they become due. The Authority has an authorized credit facility [the "Facility"] of $64,000,000. As at March 31, 2019, the Authority had $64,000,000 in funds available on the Facility [2018 – $64,000,000]. To the extent that the Authority does not believe it has sufficient liquidity to meet current obligations, consideration will be given to obtaining additional funds through third-party funding or from the Province, assuming these can be obtained.

Notes to non-consolidated financial statements

[All amounts are in Canadian dollars, except amounts disclosed in tables, which are presented in thousands of Canadian dollars]

March 31, 2019

20. Final Budget

The Authority prepares an initial budget for a fiscal period that is approved by the Board of Trustees and the Government [the "Original Budget"]. The Original Budget may change significantly throughout the year as it is updated to reflect the impact of all known service and program changes approved by the Government. Additional changes to services and programs that are initiated throughout the year would be funded through amendments to the Original Budget, and an updated budget is prepared by the Authority. The updated budget amounts are reflected in the budget amounts as presented in the non-consolidated statement of operations and accumulated deficit [the "Budget"].

The Original Budget and the Budget do not include amounts relating to certain non-cash and other items including tangible capital asset amortization, the recognition of provincial capital grants and other capital contributions, adjustments required to the accrued benefit obligations associated with severance and sick leave, and adjustments to accrued vacation pay as such amounts are not required by the Government to be included in the Original Budget or the Budget. The Authority also does not prepare a full budget in respect of changes in net debt as the Authority does not include an amount for tangible capital asset amortization or the acquisition of tangible capital assets in the Original Budget or the Budget.

The following presents a reconciliation between the Original Budget and the final Budget as presented in the non-consolidated statement of operations and accumulated deficit for the year ended March 31, 2019:

	Revenue	**Expenses**	**Annual deficit**
	$	$	$
Original Budget	**1,441,864**	**1,473,411**	**(31,547)**
Adjustments during the year for service and program changes, net	**117,432**	**117,432**	**—**
Revised original budget	**1,559,296**	**1,590,843**	**(31,547)**
One-time funding approved by Government	**16,182**	**—**	**16,182**
Final Budget	**1,575,478**	**1,590,843**	**(15,365)**

Notes to non-consolidated financial statements

[All amounts are in Canadian dollars, except amounts disclosed in tables, which are presented in thousands of Canadian dollars]

March 31, 2019

21. Expenses by object

This disclosure supports the functional display of expenses provided in the non-consolidated statement of operations and accumulated deficit by offering a different perspective of the expenses for the year. The following presents expenses by object, which outlines the major types of expenses incurred by the Authority during the year.

	2019	**2018**
	$	$
Salaries	**836,768**	769,471
Supplies – other	**289,608**	273,391
Direct client costs	**176,739**	168,493
Employee benefits	**70,844**	151,376
Supplies – medical and surgical	**67,425**	63,130
Drugs	**55,118**	50,848
Amortization of tangible capital assets	**33,764**	35,874
Maintenance	**21,963**	20,114
Interest on long-term debt	**9,090**	9,424
Total expenses	**1,561,319**	1,542,121

Non-consolidated schedule of expenses for government reporting

[in thousands of Canadian dollars]

Year ended March 31

	2019	2018
	$	$
	[unaudited]	*[unaudited]*
Patient and resident services		
Acute care	**219,413**	209,583
Long-term care	**180,389**	166,081
Other patient and resident services	**19,819**	17,803
	419,621	393,467
Client services		
Community support programs	**238,750**	220,902
Mental health and addictions	**46,552**	45,414
Health promotion and protection	**19,747**	18,972
Family support programs	**18**	—
	305,067	285,288
Diagnostic and therapeutic		
Other diagnostic and therapeutic	**93,530**	88,754
Clinical laboratory	**67,116**	59,230
Diagnostic imaging	**61,854**	54,036
	222,500	202,020
Support		
Facilities management	**78,166**	72,170
Other support	**39,183**	37,393
Food services	**37,265**	34,184
Housekeeping	**37,764**	33,623
Laundry and linen	**10,573**	9,745
	202,951	187,115
Ambulatory care		
Outpatient clinics	**96,773**	90,270
Emergency	**39,232**	37,944
Dialysis	**18,269**	17,623
Other ambulatory	**13,926**	14,166
	168,200	160,003

Non-consolidated schedule of expenses for government reporting [cont'd]

[in thousands of Canadian dollars]

Year ended March 31

	2019	2018
	$	$
	[unaudited]	*[unaudited]*
Administration		
Other administrative	**46,013**	41,961
Systems support	**31,269**	27,857
Materials management	**22,969**	20,626
Human resources	**17,434**	15,144
Finance and budgeting	**14,251**	14,718
Executive offices	**5,981**	5,480
Emergency preparedness	**664**	552
	138,581	126,338
Medical services		
Physician services	**78,579**	77,513
Interns and residents	**22,639**	23,990
	101,218	101,503
Other		
Undistributed	**10,249**	9,096
Research and education		
Education	**14,984**	14,183
Research	**1,414**	1,224
	16,398	15,407
Interest on long-term debt	**9,090**	9,424
Total shareable expenses	**1,593,875**	1,489,661

Non-consolidated schedule of revenue and expenses for government reporting

[in thousands of Canadian dollars]

Year ended March 31

	2019	2018
	$	$
	[unaudited]	*[unaudited]*
Revenue		
Provincial plan	**1,411,442**	1,336,964
Medical Care Plan	**76,288**	76,276
Other	**46,462**	38,249
Resident	**17,406**	20,035
Inpatient	**13,954**	12,253
Outpatient	**11,701**	10,291
	1,577,253	1,494,068
Expenses		
Compensation		
Salaries	**836,768**	769,471
Employee benefits	**137,164**	134,790
	973,932	904,261
Supplies		
Other	**289,608**	273,391
Medical and surgical	**67,425**	63,130
Drugs	**55,118**	50,848
Plant operations and maintenance	**21,963**	20,114
	434,114	407,483
Direct client costs		
Community support	**174,045**	166,039
Mental health and addictions	**2,694**	2,454
	176,739	168,493
Lease and long-term debt		
Long-term debt – interest	**9,090**	9,424
Long-term debt – principal	**1,261**	2,002
	10,351	11,426
	1,595,136	1,491,663
(Deficit) surplus for government reporting	**(17,883)**	2,405
Long-term debt – principal	**1,261**	2,002
(Deficit) surplus before non-shareable items	**(16,622)**	4,407

Non-consolidated schedule of revenue and expenses for government reporting [cont'd]

[in thousands of Canadian dollars]

Year ended March 31

	2019	2018
	$	$
	[unaudited]	*[unaudited]*
Adjustments for non-shareable items		
Provincial plan capital grant	**31,784**	35,835
Other capital contributions	**7,203**	6,034
Amortization of tangible capital assets	**(33,764)**	(35,874)
Interest on sinking fund	**880**	830
Accrued severance pay	**67,557**	(12,375)
Accrued sick leave	**(940)**	(2,512)
Accrued vacation pay	**(297)**	(1,699)
	72,423	(9,761)
Annual surplus (deficiency) as per non-consolidated statement of operations and accumulated deficit	55,801	(5,354)

Non-consolidated schedule of capital transactions funding and expenses for government reporting

[in thousands of Canadian dollars]

Year ended March 31

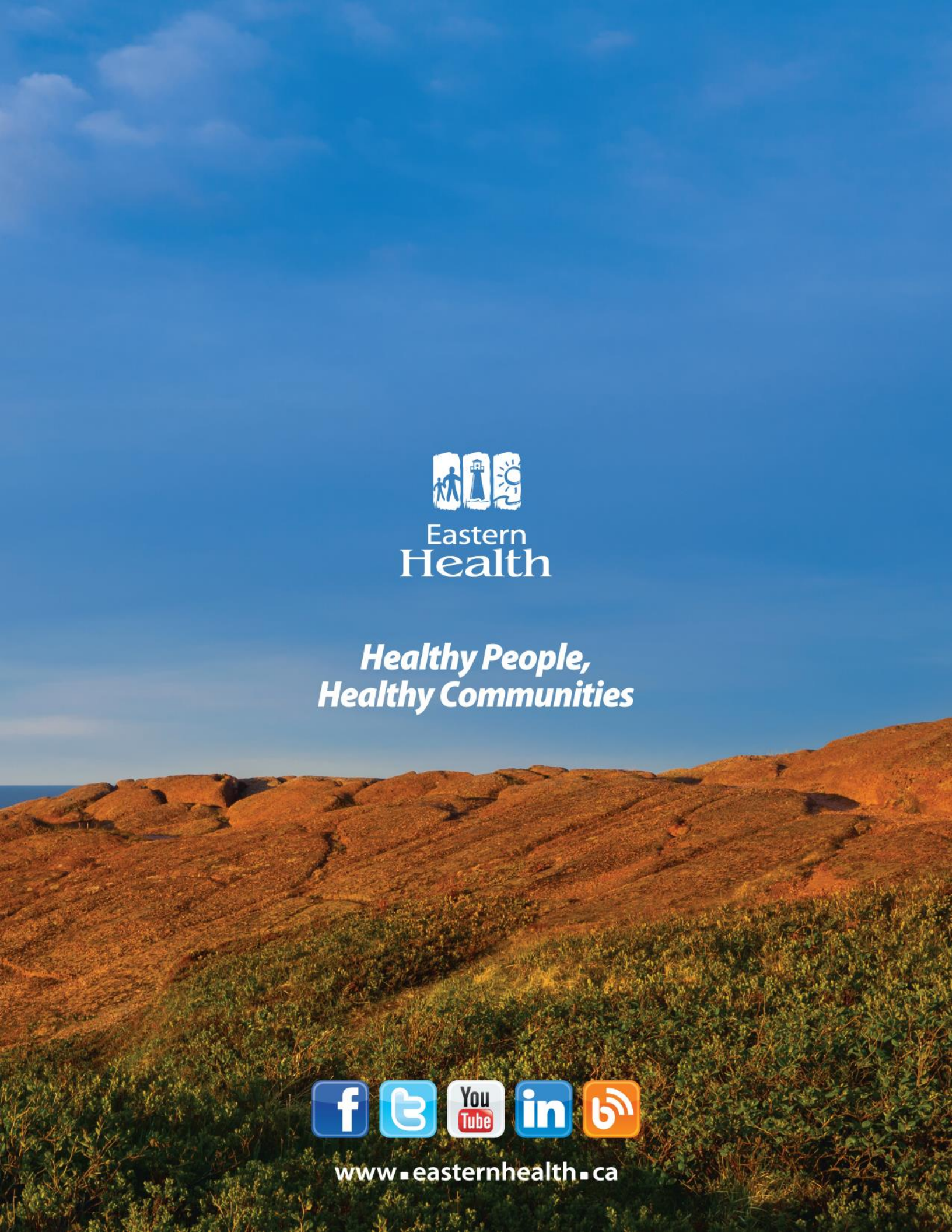
	2019 $ *[unaudited]*	2018 $ *[unaudited]*
Revenue		
Deferred grants – previous year	**47,132**	66,747
Provincial plan	**21,023**	22,330
Foundations and auxiliaries	**4,427**	5,392
Other	**2,776**	642
Transfer from operations	**971**	40
Transfer to other regions	**28**	(203)
Transfer to operations	**(6,621)**	(5,947)
Deferred grants – current year	**(30,749)**	(47,132)
	38,987	41,869
Expenses		
Equipment	**20,039**	24,086
Buildings	**9,553**	3,176
Construction in progress	**8,519**	14,607
Vehicles	**876**	—
	38,987	41,869
Surplus on capital transactions	**—**	—

Non-consolidated schedule of accumulated deficit for government reporting

[in thousands of Canadian dollars]

As at March 31

	2019 $ *[unaudited]*	2018 $ *[unaudited]*
Assets		
Current assets		
Cash	**—**	10,323
Accounts receivable and due from government and other government entities	**78,952**	72,384
Supplies inventory	**16,968**	16,830
Prepaid expenses	**10,133**	5,559
	106,053	105,096
Advance to General Hospital Hostel Association	**440**	581
	106,493	105,677
Liabilities		
Current liabilities		
Bank indebtedness	**35,820**	—
Accounts payable and accrued liabilities and due to government and other government entities	**139,388**	138,572
Deferred revenue – operating revenue	**9,030**	10,584
Deferred revenue – capital grants	**30,749**	47,132
	214,987	196,288
Accumulated deficit for government reporting	**(108,494)**	(90,611)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