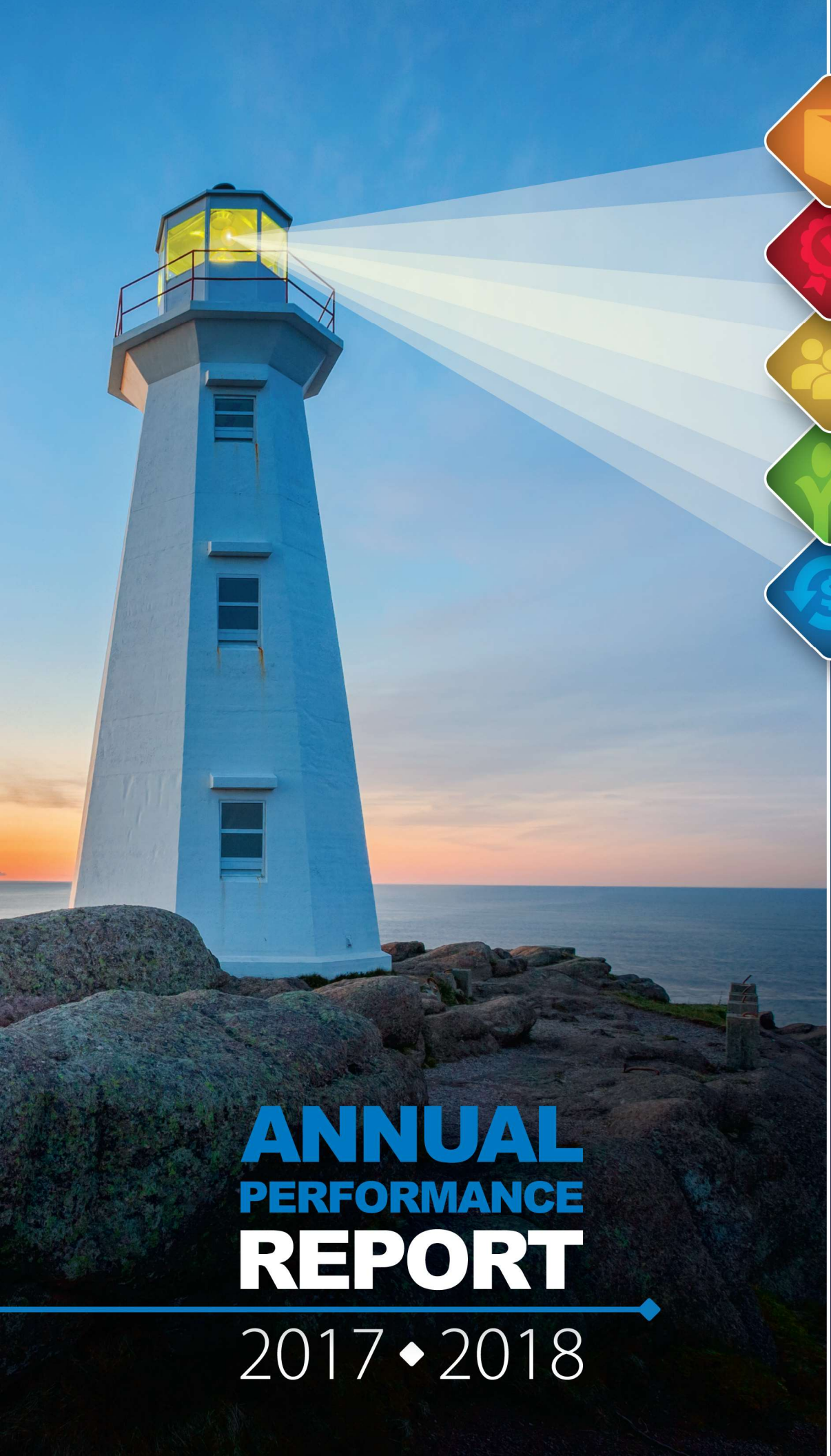

ANNUAL PERFORMANCE REPORT

2017 • 2018

Eastern Health

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MESSAGE FROM THE BOARD OF TRUSTEES

I am very pleased to submit the 2017-18 Annual Report on Performance, which outlines progress of the first year of Eastern Health's 2017-2020 Strategic Plan, *Lighting the Way: Navigating Together.*

Our new Strategic Plan focuses on five priority areas: access; quality and safety; population health; healthy workplace; and sustainability. This Annual Performance Report provides an overview of the progress we've made over the past year toward achieving our goals and objectives within the identified priority areas. It also highlights many of the accomplishments achieved by our compassionate and dedicated employees, physicians, volunteers and partners throughout the region.

Over the past fiscal year, we saw progress within a number of areas as our qualified, competent and caring staff worked to provide high quality care and service to the people in our communities, in our region, and across the province. Eastern Health has become a leader in health-care innovation by creating an inclusive culture that spurs creative thinking and introducing a wide range of solutions to enhance health care.

Our Annual Performance Report enables us to provide examples of how we are continuously working to provide high quality programs and services to our patients, clients and their families. This requires an ongoing commitment to building partnerships and inspiring innovative thinking, as well as carrying out research and evidence-based practice. We also continue to foster a culture that transforms health care and enhances practices in all of the services we offer, further enabling Eastern Health to achieve the goals within its strategic plan. I am pleased to be a part of this ongoing work and I 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.*

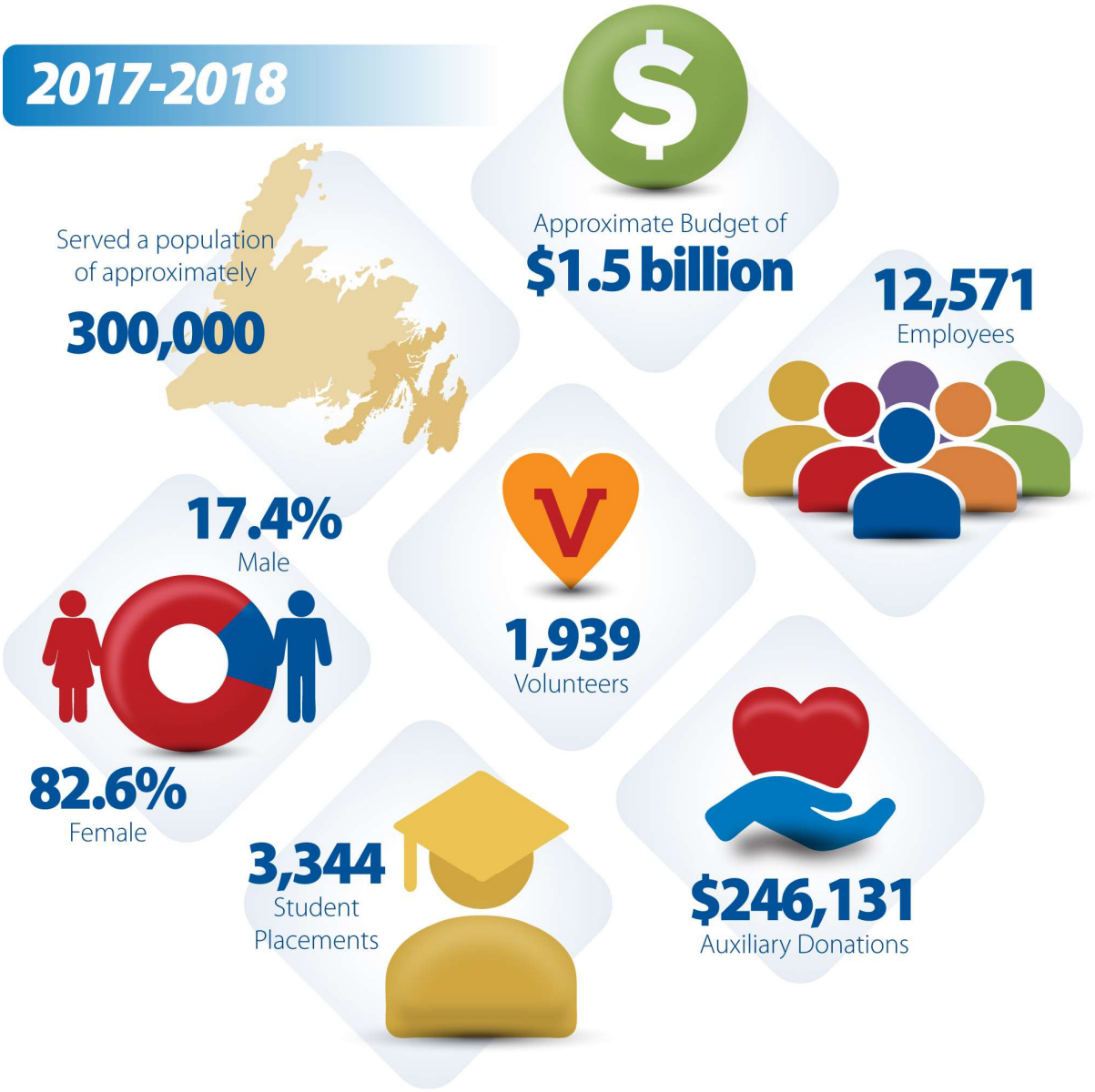
As per legislated requirements, our Board of Trustees is accountable for the reported results. We look forward to the opportunity to provide updates on our performance in person at our Annual General Meeting.

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

Eastern Health is governed by a voluntary Board of Trustees, all of whom are accomplished individuals from a wide range of backgrounds. First row, l-r: Leslie O'Reilly (Chair), Robert B. Andrews (Vice-Chair), Marilyn Butland, Dr. Peter R. Ford. Second row. L-r:, Sharon Forsey, Tara Laing, James Miller, Sister Sheila Marie O'Dea. Third row, l-r: Alastair O'Rielly, Dr. Marilyn Thompson, Maurice Tuff, Lynn Wade. Missing from photos: Michelle Chislett Lahey, Amanda Cull.

EASTERN HEALTH REGION

The Eastern Regional Health Authority (Eastern Health) is Newfoundland and Labrador's largest integrated health authority, providing a full continuum of health and community services, including public health, long-term care, and acute (hospital) care. The graphics below provide some "snapshots" about the organization.



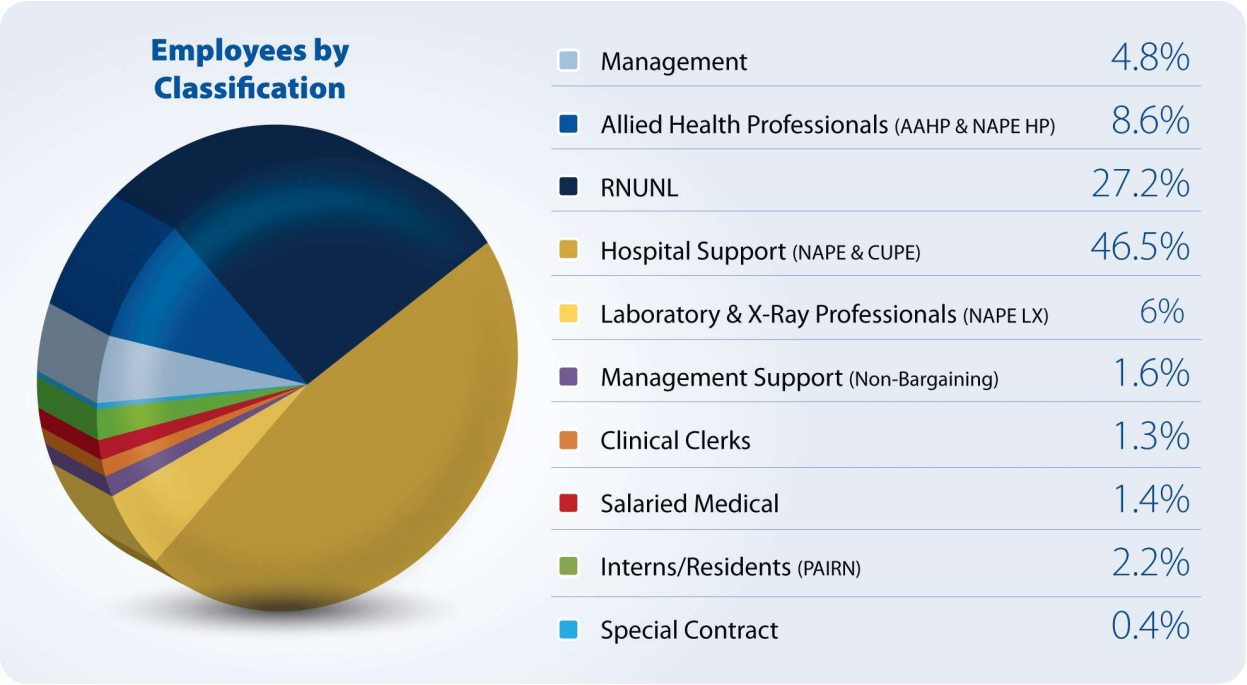
Employees: 12,571 employees, 17.41% male, 82.59% female[1]

Student Placements: 3,344 student placements[2]

Volunteers: 1,939 volunteers contributing 79,769 hours of volunteer work around the region[3]

Donations: Auxiliary donations = $246,131[4]

Figure 1: Eastern Health Employees by Classification[5]



[1] The number of employees provides a general "snapshot", as there are fluctuations such as seasonal hiring. The number provided as of March 31, 2018 includes all employees (including those active and on leave).

[2] Student placements include both paid and unpaid, as well as individual and group placements

[3] Includes the following sites: City Hospitals (Health Sciences Centre, St. Clare's Mercy Hospital, Waterford Hospital, Dr. Leonard A. Miller Centre, Bell Island); City Long Term Care (St. Patrick's Mercy Home, Agnes Pratt, St. Luke's, Hoyles, Glenbrook Lodge); Peninsulas (Golden Heights Manor, US Memorial, Blue Crest Home, Burin Peninsula Health Care Centre, Dr. GB Cross); Rural Avalon (Carbonear Long Term Care Home, Placentia Health Centre/Lions Manor, Carbonear General Hospital).

[4] Indicates the amount of money raised and donated by the General Hospital, Janeway Hospital, St. Clare's, Waterford Hospital, Carbonear General Hospital Auxiliaries, Dr. G. B. Cross Memorial Hospital Auxiliary, the Caribou Group of Rotary (Waterford Hospital), Foundations and Auxiliaries in The Salvation Army Glenbrook Lodge, and St. Patrick's Mercy Home. Funds raised have supported the provision of scholarships for students and staff, ceiling lifts, Flame retardant privacy curtains, furniture for resident rooms, Christmas gifts for patients, blanket warmers, TV services, waiting room renovations, student bursaries, whale watching excursion for patients, various therapeutic recreation activities, etc.

[5] 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 Employees; NAPE LX: Lab and X-ray; NAPE CH: Community Health; NAPE HP: Health Professionals; RNUNL: Registered Nurses' Union Newfoundland & Labrador; PAIRN: Professional Association of Interns and Residents of Newfoundland.

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

Healthy People, Healthy Communities.

At Eastern Health, we strive to provide the highest quality care and service possible to the people in our communities, in our region, and in the province.

To do that, we employ qualified, competent and caring individuals who are dedicated to their professions and to our vision of 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. Healthy communities enhance the health of individuals, and when individuals are healthy, communities are healthy overall.

We work with the communities we serve, and partner with others who share a commitment to quality health care and improved health and wellbeing.

Values

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.

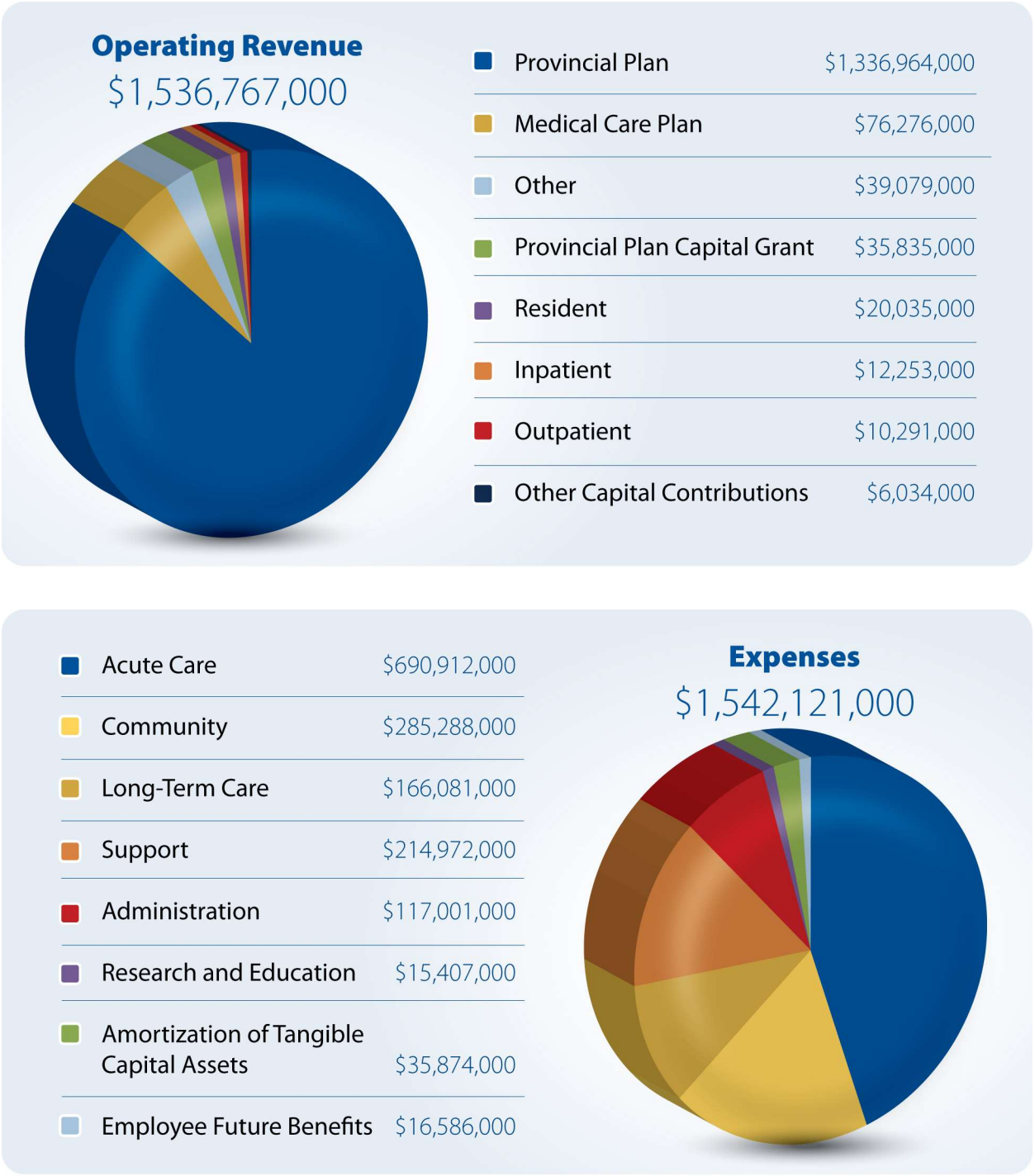
Key Behaviours:

- 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.

Revenues and Expenditures

The figure below shows Eastern Health's operating revenue and expenditures for 2017-18. See Appendix II for Audited Financial Statements in full detail.

Figure 3: Eastern Health's Operating Revenue and Expenditures by Sector for 2017-18



HIGHLIGHTS AND PARTNERSHIPS

The people that comprise Eastern Health continuously work to provide high quality services to clients/patients/residents. Likewise, Eastern Health benefits from the enormous efforts of its many partners in helping to achieve its mandate and strategic priorities. This section of the report outlines some of the highlights and strong partnerships from the 2017-18 fiscal year.

Accreditation with Exemplary Standing

Eastern Health met 4,219 of Accreditation Canada's 4,343 criteria, thereby receiving the highest designation possible: Accredited with Exemplary Standing. The achievement of this national standard demonstrates that Eastern Health is working toward excellence throughout the organization. The accreditation process takes place every four years to assess a health organization's compliance with national quality and safety standards in all areas of the system, including leadership, client and family-centred care, emergency preparedness, infection prevention and control, and most importantly, direct provision of care.

In September 2017, Accreditation Canada surveyors visited 21 sites across the Eastern Health region, including hospitals, long-term care facilities, and community-based offices. They surveyed and met with staff in 27 program areas, including Cancer Care, Children and Women's Health, Community and Supportive Services, Critical Care, Diagnostic Imaging (DI), Emergency Department, Fertility Services, Home Care, Laboratory Services, Mental Health and Addictions, Organ Donation Program, Paramedicine, Pharmacy, Public Health, and Surgical Services. Following these site visits, Eastern Health continued to work with Accreditation Canada to demonstrate evidence of additional criteria met by the organization.

In its report, Accreditation Canada stated: "Eastern Health has gone beyond the requirements of the Qmentum accreditation program and is commended for its commitment to quality improvement…and its ongoing work to integrate accreditation into its operations to improve the quality and safety of its programs and services."

Launch of the Newfoundland and Labrador Cancer Care Registry

The Newfoundland and Labrador Cancer Care Registry (NLCCR) is a database that provides more comprehensive information in the fight against cancer, enables greater evidence-based decision making and enhances cancer screening services and care delivery for the people in the province. The authorization of the NLCCR by the Provincial Government under the **Personal Health Information Act (PHIA)** helps to ensure the complete and accurate reporting of data within the registry.

The NLCCR combines five programs that are already in operation or under development within the Provincial Cancer Care Program that is operated by Eastern Health. These include the colon, breast and

cervical screening programs, and the provincial tumour and systemic therapy surveillance programs. The aim is to improve care for cancer patients by:

- providing information to support decision making and identify priorities in health care;
- collecting information to better understand cancer risks and the effects of cancer;
- measuring change over time;
- positively impacting cancer care delivery, research and policy; and
- improving the delivery of screening programs.

Official Opening of the New Nuclear and Molecular Medicine Facility and Launch of NL's First PET/CT Scanner

In partnership with the Provincial Government, Memorial University of Newfoundland, and the Health Care Foundation, Eastern Health officially opened its Nuclear and Molecular Medicine facility, which houses Newfoundland and Labrador's first positron emission tomography/computerized tomography (PET/CT) scanner. The new PET/CT scanner is leading-edge medical equipment that will offer improved assessment, diagnosis and treatment of certain types of cancer, cardiac disease and some neurological disorders. It combines two diagnostic tests into one, offering a unique representation of what is happening in the human body. While the CT part of the examination provides structural information about human anatomy, the PET scanner provides functional information about how the patient's organ systems work.

Expanded Mental Health and Primary Health-Care Services on the Burin Peninsula

Eastern Health took several measures to expand primary health-care services and increase access to mental health and addictions services on the Burin Peninsula. The measures were part of a primary health-care initiative established on the Burin Peninsula following consultation with residents to see what was working well in health-care services and to find opportunities for improvement. Access to mental health and addictions services was identified as an area on the peninsula that required greater focus and the recent number of suicides in the Grand Bank area also highlighted the need for further services and support.

New measures include the opening of a Drop-In Service in Grand Bank whereby individuals can get additional access to counselling services, connect with other members of the primary health-care team and access information and resources to better manage their mental health and addictions needs. Additionally, Eastern Health worked with Richard's Legacy Foundation for Survivors of Suicide Loss, Inc. to offer applied suicide intervention skills training (ASIST) to health-care professionals and community groups on the Burin Peninsula. Eastern Health also partnered with town councils and community agencies in the area to form a Coalition for Mental Health & Wellness. This new coalition

fosters a healthy community by promoting mental health and addictions awareness, reducing stigma, and improving quality of life.

In January 2018, Eastern Health partnered with the Government of Newfoundland and Labrador, the Mental Health Commission of Canada, and a community coalition on the Burin Peninsula to launch Roots of Hope, a community suicide prevention project. Newfoundland and Labrador was the first province in Canada to sign onto this project. The project draws heavily on community expertise and guidance from mental health experts in the province, as well as from across the country. The goal of Roots of Hope is to reduce the impacts of suicide. It will bring new mental health services and supports to people in the Burin Peninsula region. The five primary focus areas for the project include:

- Specialized supports – a range of prevention, crisis, and postvention services such as crisis lines and support groups;
- Training and networks – access to training and learning opportunities to better equip professionals in the community such as physicians, first responders, nurses, human resource staff and teachers;
- Public awareness – local information campaigns to promote mental health awareness;
- Means restriction – identify the methods or places where a high number of suicides occur and implement measures to restrict access to these methods; and,
- Research – increase the suicide prevention evidence base.

Launch of MyCCath

MyCCath is a secure, web-based pilot information technology (IT) solution for clinicians throughout the four Regional Health Authorities (RHAs) that aims to facilitate the referral process for Newfoundland and Labrador patients requiring cardiac catheterization (cath) laboratory services. The new solution will help expedite referrals for procedures performed at Eastern Health's cardiac cath laboratory, including angiograms, angioplasties and implantation of stents and cardiac devices, among others.

Performing close to 6,000 procedures each year, Eastern Health's cardiac cath laboratory provides essential quality care to some of the sickest patients in the province. MyCCath, aimed at cardiologists, internal medicine physicians, and other cardiac cath laboratory staff, offers:

- electronic referrals for cardiac procedures;
- automatic feedback to the referring physician regarding referral status and procedure schedule;
- integration with a province-wide client registry; and
- improved administrative reporting capabilities.

The MyCCath pilot, developed as a result of an innovative partnership with MOBIA Technology Innovations, is the first step towards ensuring that Eastern Health's cardiac cath laboratory provides services that are equally accessible to individuals living in all regions of Newfoundland and Labrador. Eastern Health pitched the MyCCath IT solution at a Hacking Health "hackathon" hosted by the Newfoundland and Labrador Association of Technology Industries (NATI). Hacking Health is a non-profit organization that aims to transform health care by facilitating collaboration between health-care professionals and technology creators.

Expansion of Automated Notification System for Clinical Appointments

The Automated Notification System was expanded to the Rheumatology and Ultrasound Services whereby patients are notified by the channel of their choice (phone, email or text) prior to their clinical appointment. The automated notification gives patients an opportunity to either confirm their appointment, or to cancel it, thus allowing other patients to be booked in any unfilled appointment slots. This expansion follows a pilot in the 12 Endoscopy Services Departments throughout the province's four regional health authorities, in an effort to reduce the number of "no shows," i.e. patients who do not keep, nor call in advance to cancel their appointments. Missed appointments can affect a patient's medical outcomes, and place additional demands on wait times for others requiring appointments.

REPORT ON PERFORMANCE

The following section overviews the progress made 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– to outline what we measure and why we measure it over time.

Eastern Health is working to achieve its objectives over all three fiscal years from 2017-2020. This is supported by an Eastern Health Operational Plan (EHOP) with yearly action plans that aim to make progress on each indicator.

The Key Performance Indicators are monitored within the reporting period to track progress on the goals and corresponding objectives.

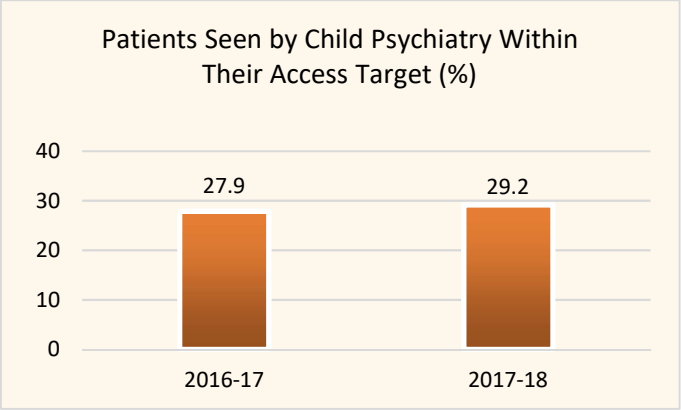
Access

Wait time for specialized services, particularly 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, clients should be receiving more efficient, high quality care, 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 its efforts to decrease wait times for outpatient child psychiatry, Eastern Health has put a tremendous level of work into improving data quality on these wait times and developing consistent approaches to measuring. Such efforts include: ◆ Implementing Community-Wide Scheduling to standardize scheduling processes and timely reporting across the region; ◆ Continuing to implement wait time strategies, including increased use of e-health options and telehealth; ◆ Continuing to promote "Doorways", a single session walk in counselling service that is available to individuals 12 years and older; ◆ Increasing use of education and therapeutic groups. Eastern Health decreased wait times for outpatient child psychiatry during 2017-18. As demonstrated in the graph below, **29.2 per cent** of patients were seen by Child Psychiatry within their access target[6]

[6] Access Target = Number of patients who were seen within their designated target: Priority 1 (urgent) target is 30 Days; Priority 2 (semi-urgent) target is 90 Days; Priority 3 (scheduled) target is 182 Days.

	during 2017-18 in comparison to 27.9 per cent during the previous year. 
2. Decreased wait times for outpatient adult psychiatry	Similar to child psychiatry (above), Eastern Health has put significant work into decreasing wait times for outpatient adult psychiatry, particularly with regard to improving data quality on these wait times and developing consistent approaches to measuring. Since comprehensive data was not available prior to the 2017-18 fiscal year, previous years cannot be compared; therefore, it is unclear whether wait times have decreased or not. This year's data provides a baseline, and thus enables possible comparisons in subsequent years. This baseline, measured as the percentage of patients seen by Adult Psychiatry within their access target[7] for select city psychiatry clinics, was **34.3** for 2017-18.[8] Tremendous work is ongoing to implement the recommendations outlined in the "Towards Recovery" action plan and ultimately improve this wait time. Such efforts include: ◆ Collaborating with the other provincial Regional Health Authorities (RHAs) to develop one consistent method for collecting and reporting wait times, as well as developing a provincial list of wait time indicators, definitions and priority levels; ◆ Finalizing the implementation of Community-Wide Scheduling at all sites within the region and developing electronic wait time reports to replace manual reporting; ◆ Continuing to implement wait time strategies, which include expanding e-mental health options such as Therapist Assisted Online (TAO) and telehealth; implementing a "stepped care model" which includes offering "Doorways" single session walk-in counselling services throughout the region; and developing a strategy to address non-attended appointments while

[7] Access Target = Number of patients who were seen within their designated target: Priority 1 (urgent) target is 30 Days; Priority 2 (semi-urgent) target is 90 Days; Priority 3 (scheduled) target is 182 Days.

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

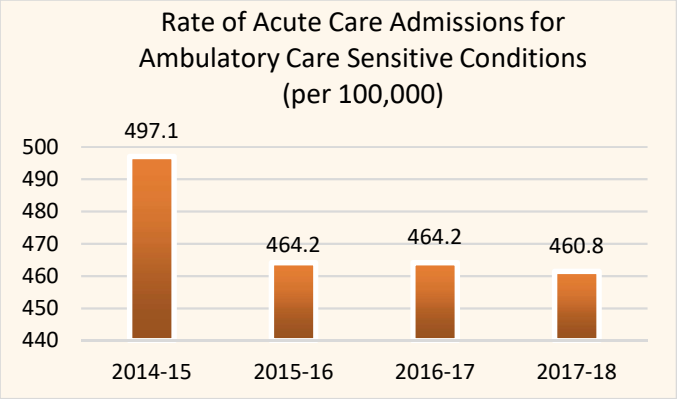
	acknowledging and accommodating challenges faced by some individuals in attending appointments; ◆ Developing a new intake model that will include a central phone line along with walk-in and online options.
3. Decreased wait times for selected community mental health and addictions services	Again, Eastern Health is working diligently to improve data quality for, and access to, mental health and addictions services in the community. This entails a number of initiatives that are similar to those outlined above for outpatient adult psychiatry, including continued implementation of wait time strategies such as TAO, telehealth and Doorways, as well as the implementation of Community-Wide Scheduling. Central intake was also expanded to include this area. Since comprehensive data for community mental health and addictions services was not available prior to 2017-18, previous years cannot be compared; therefore, this year's data provides a baseline by which subsequent yearly data will be compared. This baseline, measured as percentage of patients from selected community mental health and addictions services seen within their access target[9] was **25.8**.[10]
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 are specific chronic medical conditions that, when treated effectively in community settings, should not advance to hospitalizations. Hospitalization for an ambulatory care sensitive condition is considered to be a measure of access to appropriate primary health care. Conditions included in this category are as follows: diabetes, angina, hypertension, heart failure, pulmonary edema, asthma, chronic obstructive pulmonary disorder (COPD), grand mal status and other epileptic convulsions. Eastern Health has undertaken significant work in numerous program areas to decrease admissions for ambulatory care sensitive conditions throughout 2017-18, as illustrated through the following: ◆ Expanding 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 (CHF), COPD

[9] Access Target = Number of patients who were seen within their designated target: Priority 1 (urgent) target is 30 Days; Priority 2 (semi-urgent) target is 90 Days; Priority 3 (scheduled) target is 182 Days.

[10] 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). These clinics selected were the only three community clinics using Community Wide Scheduling (an electronic appointment scheduler) and a complete year of data.

and/or Type 2 diabetes. The Remote Patient Monitoring team monitored 583 patients over the 2017-18 fiscal year (an increase from 382 enrollments in 2016-17);
- Collaborating with community partners in implementing a primary health-care approach, including the development of Community Advisory Committees (CAC) on the Burin Peninsula and in the St. Mary's region;
- Offering 'Improving Health My Way', a self-management workshop for individuals with chronic disease, to 124 individuals throughout 11 communities within the region; [11][12]
- Partnering with the Newfoundland and Labrador Centre for Health Information (NLCHI) to evaluate the effectiveness of primary health-care initiatives in the Bonavista area;
- Launching CARE, Eastern Health's program which collaborated with nine of its sites to generate automatic Meditech-based referrals to the Smokers Helpline to support smoking cessation.

As shown in the graph below, the crude rate of acute care admissions that were for ambulatory care sensitive conditions (per 100,000 population) steadily decreased over the past four years, to **460.8** in 2017-18.[13]



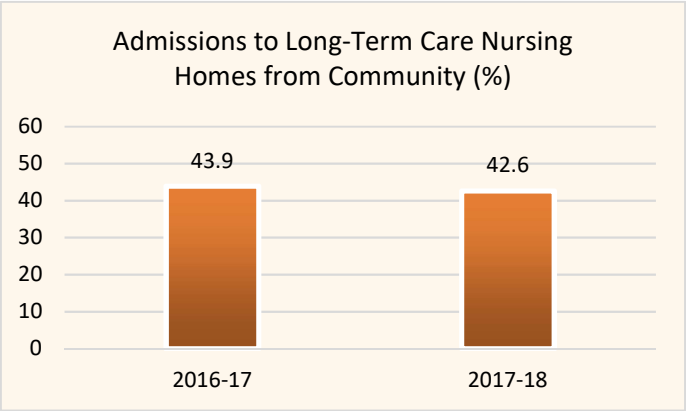
OBJECTIVE: Improve access to selected community supports and long-term care

KEY PERFORMANCE INDICATORS	PERFORMANCE
1. Increased percentage of admissions to long-term care from a community setting vs. hospital	Eastern Health has increased its focus on access to community supports and long-term care, as measured by the percentage of admissions to long-term care from a community vs. hospital setting. Despite this level of effort, however, the percentage decreased to

[11] 124 individuals completed 4/6 workshops during the Improving Health My Way program.

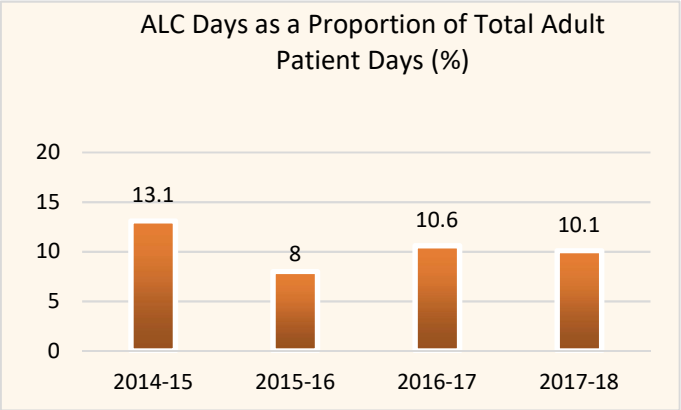
[12] Workshops were offered in: St. John's, Flatlock, Heart's Content, Arnold's Cove, Grand Bank, Mount Carmel, Bonavista, St. Bride's, St. Shott's, Marystown and Trinity.

[13] Refers to crude internal data.

	42.6 during 2017-18, as compared to 43.9 in 2016-17 (see graph below):  Despite this slight decrease in 2017-18, Eastern Health has been successfully discharging more patients back to their home either with supports or to wait in community for an LTC bed. Examples of work related to the increased focus on this indicator during 2017-18 include the following: ◆ Implementation of a Home First Tracking Template to monitor resource utilization for Home First clients in the first eight weeks post-acute care discharge; ◆ Promotion of the Acute Care of the Elderly approach in Eastern Health through the designation of a Home First Coach and interdisciplinary champions; ◆ Continuous sharing of information, including success stories and process improvements; ◆ Implementation of 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 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 to surgery cancellations. Eastern Health has been working to decrease ALC days in acute care for several years. Examples of strategies for the 2017-18 fiscal year include: ◆ Redesigning work at the Health Sciences Centre (HSC), which includes early intervention and discharge planning in three units of the Medicine program; ◆ Implementing the Home First approach by helping patients return home to recover with the appropriate supports and services; ◆ Reviewing and revising ALC processes and policies, including the review of processes for medically discharged

patients in collaboration with Long-Term Care, Finance and Clinical Efficiency programs.

Eastern Health has shown a downward trend in the alternate level of care days since 2014-15 (see graph below). The per cent of total adult patient days in 2017-18 was **10.1**, a decrease from 10.6 the previous year.



DISCUSSION OF RESULTS

- Eastern Health is always working towards improving access to its programs and services. The Access priority involves having the right intervention for the right client at the right time and place. Improving Access involves addressing not just wait times, but also some of the underlying reasons for long waits and barriers to patient flow throughout the system – whether in community, long-term care or acute care.

- Eastern Health made improvements within the Access priority over the past fiscal year, with alternate level of care days and admissions for ambulatory care sensitive conditions in particular. While the organization will continue to build on the success of these various initiatives, further work needs to be done to improve access to child and adult psychiatry, as well as selected mental health and addictions services within the community. The organization put a tremendous level of work into improving data quality on wait times and developing consistent approaches to measuring access to mental health and addictions services during 2017-18 and will continue to strive for improvements during the coming years.

Quality & Safety

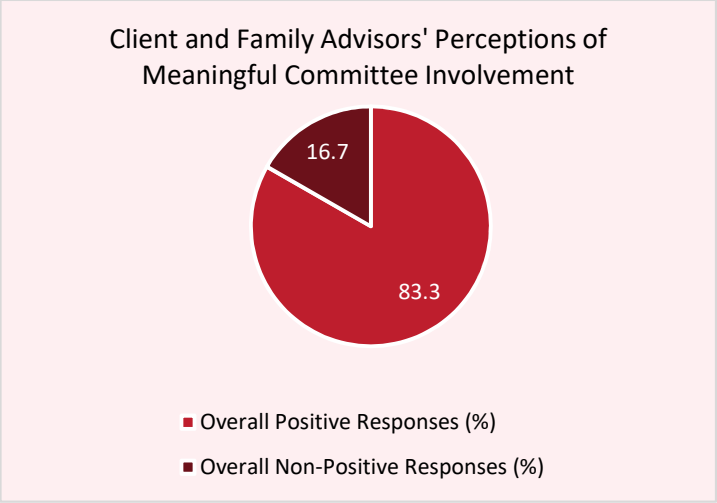
Quality and Safety is an integral priority for Eastern Health that is consistently woven throughout the entire organization. Eastern Health has been committed to providing a caring and compassionate environment by building a culture that encourages Client and Family-Centred Care (CFCC). This approach 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 endeavours 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.

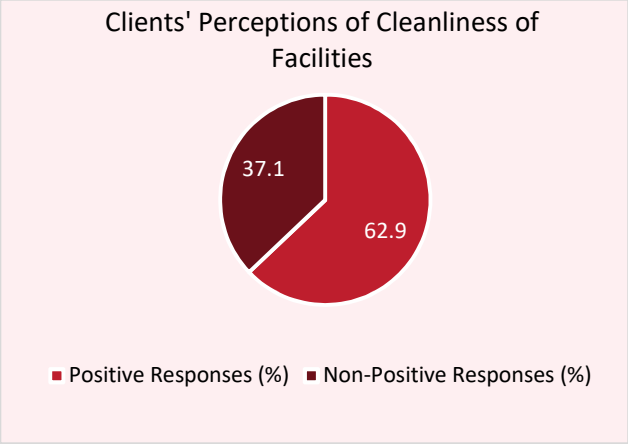
GOAL: By March 31, 2020 Eastern Health will improve **quality and safety** throughout the organization

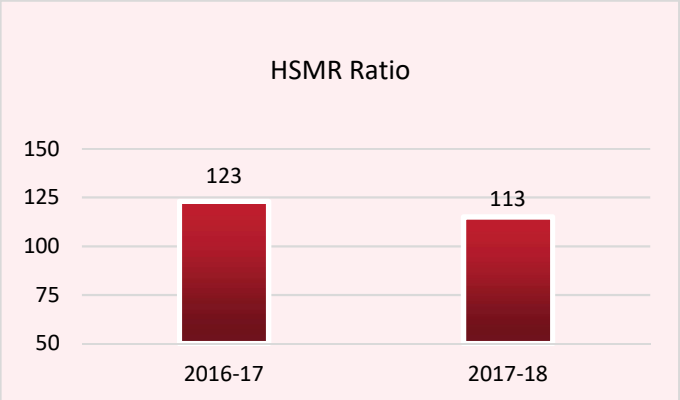
OBJECTIVE: Create an environment that fosters the Client and Family-Centred Care (CFCC) approach to health care

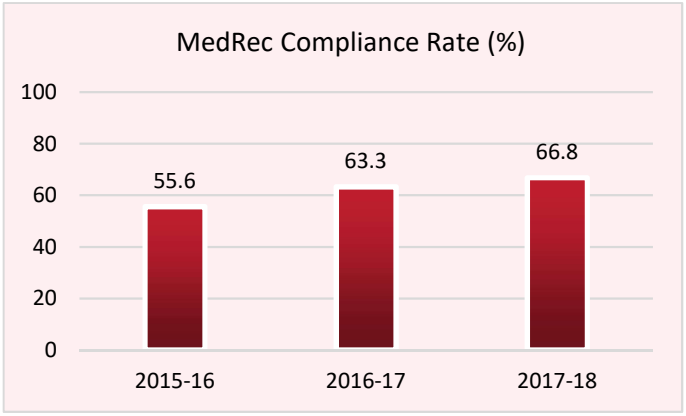
KEY PERFORMANCE INDICATORS	PERFORMANCE
1. Positive responses from clients on questions related to engagement and/or experience on 'client experience' surveys	During 2017-18, two Eastern Health programs (Research and Quality, Patient Safety and Risk Management) developed a plan and the appropriate tools to administer Client Experience Surveys throughout the course of the 2017-2020 planning cycle. Survey administration did not occur during 2017-18 due to the aforementioned planning but is anticipated to begin during the 2018-19 fiscal year with a focus on the Emergency Department and Public Health programs. The results of these surveys will provide baseline data to which data from subsequent years will be compared. In addition to the surveys, considerable work has been undertaken to promote CFCC throughout Eastern Health. Examples include: ◆ Increasing education for employees on CFCC through such means as e-learning modules; ◆ Supporting programs/service areas to identify and operationalize CFCC initiatives/activities. Examples include: Cancer Care expansion and promotion of the navigator role to include the diagnosis stage and the

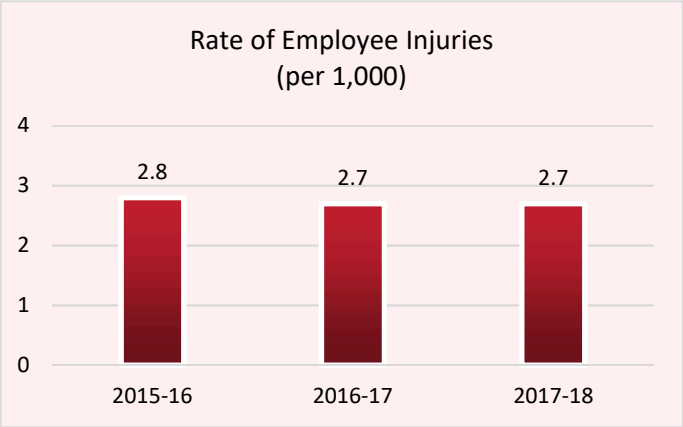
	development of psychosocial and sexual health resources; and Enhanced Recovery After Surgery (ERAS) co-design of service delivery (order sets, clinical pathways, patient education material); ◆ Providing information and education to clients and the public on CFCC via the Eastern Health website and social media; ◆ Developing and implementing a Family Presence Policy, starting in Carbonear, that enables clients to designate one family member, or other loved one, to provide support to them while they are receiving care.
2. Positive responses from client and family advisors on survey questions related to meaningful involvement	The organization developed and implemented surveys during 2017-18 to measure whether client and family advisors reported meaningful committee involvement with Eastern Health. The survey was administered via email or telephone to 17 client and family advisors and had response rate of 76.5%.[14] **83.3 per cent** of survey respondents reported overall positive responses related to meaningful committee involvement.  Eastern Health endeavours to develop and maintain meaningful relationships with client and family advisors. In 2017-18, the organization: ◆ Launched recruitment of the Medicine Program's Client and Family Advisory Council and prepared for launches in Mental Health and Addictions, Critical Care, Long-Term Care and Children's and Women's Health; ◆ Developed and began expansion of the Family Presence Advisory Council in Carbonear General Hospital and Long Term Care to become the Carbonear Client and Family

[14] At the time of survey administration, Eastern Health had 28 client and family advisors. The survey was administered to the 17 client and family advisors who had completed orientation at that time and the remaining 11 were excluded as their orientation had not been completed.

	Advisory Council with the continued priority of family presence development and evaluation; ◆ Prepared for expansion of Family Presence with the development of advisory councils for Clarenville and Burin sites; ◆ Refined recruitment methods for volunteer advisors, which included expanding print and electronic materials and increased use of social media; ◆ Established a pool of e-advisors (electronic client and family advisors for short term/initiatives) to expand opportunities for engagement. Recruitment of e-advisors is ongoing; ◆ Began development of an electronic system to track client and family advisors; ◆ Provided 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 endeavours to develop, implement and evaluate methods to produce cleaner, tidier and well-maintained facilities. One of the ways that the organization evaluated success on this indicator was to ask clients questions related to the cleanliness of Eastern Health facilities on an annual satisfaction survey that was administered to clients, families and staff. Baseline survey data was collected during quarter four of 2017-18, with **62.9 per cent** positive responses from clients related to cleanliness (as shown in the graph below).  Numerous initiatives are underway that focus on the cleanliness of Eastern Health facilities, as illustrated by the following: ◆ 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;

	◆ Annual project cleaning of identified spaces to include 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; ◆ 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 2016-17 was 123.0 and has decreased to **113.0** in 2017-18.  Improving HSMR has been a priority for Eastern Health for several years, and the following are examples of this focus for 2017-18: ◆ Development of policies related to documentation, accountability and auditing; ◆ Implementation of a regular auditing process to identify any documentation issues or coding discrepancies in death charts; ◆ Development of a document deficiency tool to facilitate collaboration with physicians on chart review, identify

	programs requiring additional support, and identify documentation deficiency trends; ◆ Revision of physician education on clinical documentation to be consistent, targeted and sustainable.
2. Increased medication reconciliation compliance rates	Eastern Health has been working diligently to increase medication compliance (MedRec) rates over the last number of years. MedRec criteria for success includes ensuring the Best Possible Medication History (BPMH) is collected at admission; patients/families are a source 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 2017-18 include: ◆ Further rollout of the MedRec compliance data collection and electronic reporting using the new auditing app. This roll out includes staff/physician engagement and training; ◆ 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). As indicated in the graph below, the percentage of MedRec compliance (acute care inpatient units) has been improving over the past three years, with **66.8 per cent** compliance in 2017-18. 
3. Decreased employee injuries	Eastern Health has undertaken significant work to decrease employee injuries, measured as the rate of employee lost time injuries per 1,000. As indicated in the graph below, there has been a small reduction since 2015-16; however, the rate did not change from 2016-17 to 2017-18 (**2.7**).



During 2017-18 there was a particular focus on prevention of common injuries related to: manual material handling, aggression, slips, falls and patient/resident handling. Examples include:

- Implementing the Safe Patient and Resident Handling (SPRH) program and audits at additional sites;
- Developing the manual material handling program, including developing e-learning resources on SPRH;
- Promoting safe work practices related to dementia care;
- Providing training related to Aggressive Violent Behaviour, including Gentle Persuasion;
- Prevention campaign to reduce slips and falls.

DISCUSSION OF RESULTS

- Improving quality and safety for patients, residents, families and the public is an utmost priority throughout Eastern Health. The organization continues to focus efforts on monitoring and improving all quality and safety indicators. Although positive responses from clients on questions related to engagement and/or experience were unable to be assessed during the 2017-18 fiscal year, tremendous work was completed in this area to prepare for the administration of Client Experience Surveys during 2018-19.

- Similarly, despite the significant work undertaken to decrease employee injuries throughout the organization, the rate of employee lost time injuries per 1,000 stayed consistent with the rate from the previous year. Eastern Health has realized sustained improvements on this indicator over the past four timecards and will continue to strive to reduce employee injury rates throughout the next fiscal year and beyond.

Population Health

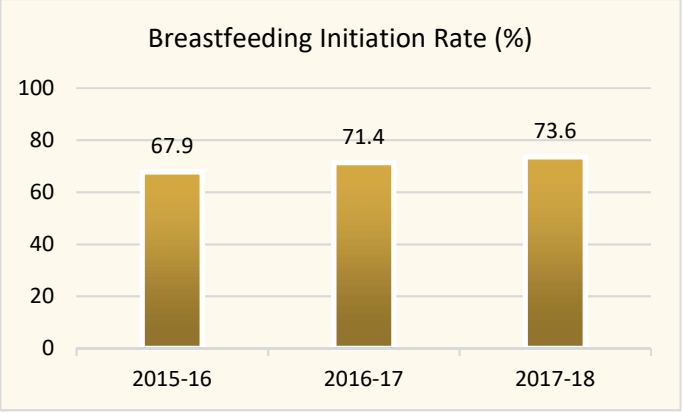
Improving the health of the population involves a long-term vision and commitment to reach desired outcomes. To have a significant impact on the health of the population, Eastern Health strives to provide the education and tools necessary to promote healthy lifestyle choices and to prevent illnesses 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 also 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

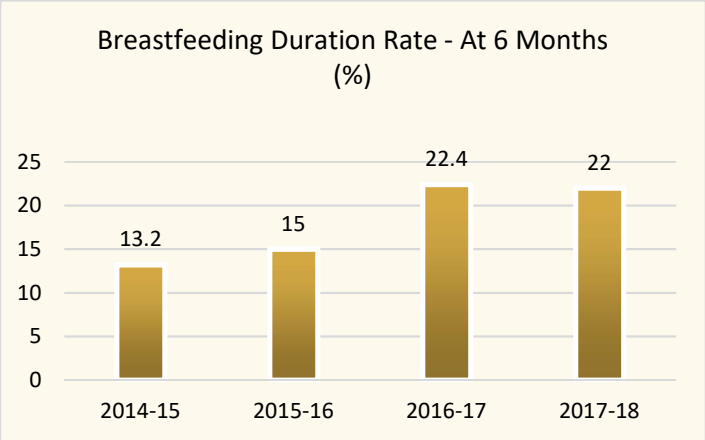
OBJECTIVE: Collaborate with partners on prevention and promotion initiatives to improve the health of the population

KEY PERFORMANCE INDICATORS	PERFORMANCE
1. Increased breastfeeding initiation	As shown in the graph below, breastfeeding initiation rates have increased over the past three years to **73.6 per cent** in 2017-18.

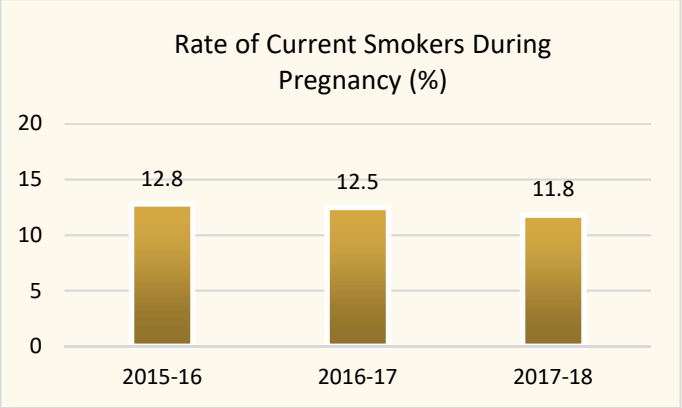


The following are examples of initiatives undertaken to increase breastfeeding initiation during 2017-18:

- Providing breastfeeding education and support to community partners, particularly Family Resource Centres;

	◆ Increasing public awareness of the importance and value of breastfeeding and the Baby Friendly Initiative, especially during World Breastfeeding Week.
2. Increased breastfeeding duration (at 6 months)	Eastern Health aims to increase the rate of babies being exclusively breastfed until 6 months of age. Similar to the work above related to increasing breastfeeding initiation, during the past fiscal year, the organization undertook the following to increase breastfeeding duration (as measured at six months): ◆ Working to improve the transition between the services provided by hospitals, Public Health and peer support groups. This included development of a new handout, entitled Breastfeeding Support for Families, which is shared along with Breastfeeding Support Group schedules during interviews with families that breastfeed; ◆ Providing education sessions for Public Health Nurses to include such topics as: clarification of the role of acute care Lactation Consultants in the discharge planning and transition of breastfeeding families; and sharing of local research in providing evidence-informed care to breastfeeding families in the community. As illustrated in the graph below, the breastfeeding duration rate (at 6 months) has increased substantially since 2014-15; however, it decreased slightly from 22.4 per cent in 2016-17 to **22.0 per cent** in 2017-18.[15] 
3. Decreased rate of current smokers during pregnancy	During 2017-18, Eastern Health developed and implemented educational initiatives to reduce 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 decreased over the past three years to **11.8 per cent** in 2017-18.

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

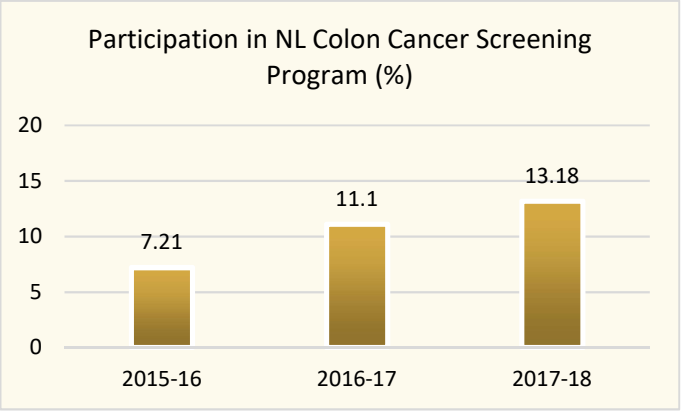


Work related to this indicator during 2017-18 involved the following:

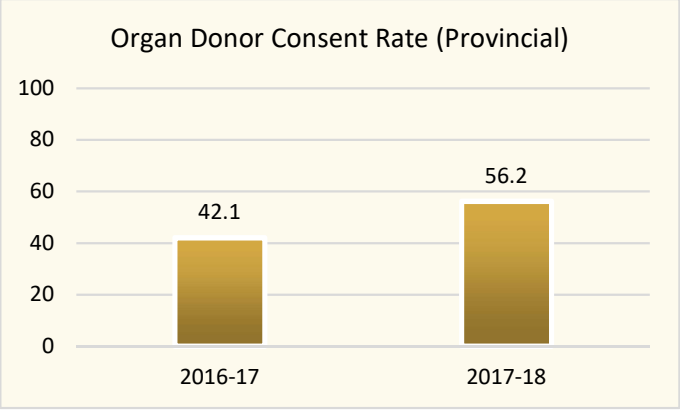
- Developing and implementing an online learning module and skill-building workshops for Public Health Nurses, entitled Supporting Women to Stop Smoking;
- Incorporating the Supporting Women to Stop Smoking self-learning module into Public Health Nursing orientation;
- Providing strategic advice and oversight in planning and developing smoking cessation training and resources for Family Resource Centres.

4. Increased participation in the NL Colon Cancer Screening Program

The Newfoundland and Labrador Colon Cancer Screening Program targets individuals 50-74 years of age who are at average risk for colorectal cancer. Participation in the NL Colon Cancer Screening Program is defined as the percentage of the target population who successfully complete at least one fecal test in the program within the measurement timeframe (annually). The participation rate during the 2017-18 fiscal year was **13.18 per cent** in comparison to 11.10 per cent in 2016-17 and 7.21 per cent in 2015-16.

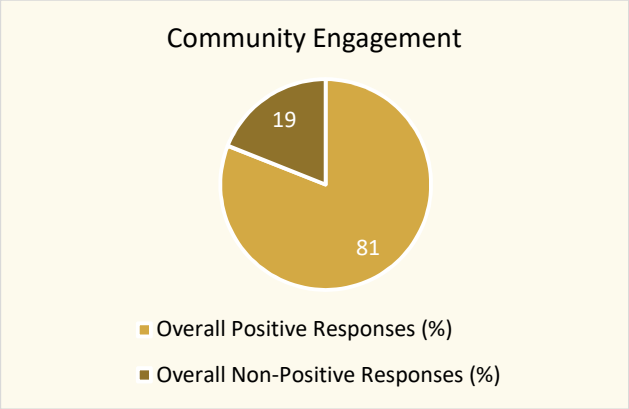


The organization began implementation of some key activities in 2017-18 aimed to increase participation in the NL Colon Cancer Screening Program. These activities will continue into the next fiscal year:

	◆ Develop an education/communication plan to promote population-based cancer screening: A campaign was rolled out in March around colorectal cancer awareness month that resulted in significant uptake in requests for test kits and reinforced the idea of a comprehensive strategy to communicate screening messaging. ◆ Develop a plan to better engage target population: The colon screening program participates in the Electronic Medical Record (EMR) pilot project with the NLCHI. This project includes developing "triggers" or electronic alerts for family doctors/other health providers to identify the target population from their records, and then notify these patients about participating in the cancer screening. ◆ The colon screening program will continue 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)	The Organ Procurement Exchange of Newfoundland and Labrador (OPEN), administered through Eastern Health, is a provincial program that provides education and coordination of care of deceased organ donors to all regional health authorities. Program functions also include importation, storage, distribution, billing and tracking of tissue used for transplantation throughout most of the province. As indicated in the graph below, during 2017-18, Eastern Health increased its organ donation consent rate (provincial) as compared to the previous fiscal year (i.e. **56.2** compared to 42.1).[16]  Actions to increase consent rate include maximizing opportunities for donation through early identification and referral of potential donors to OPEN and increasing public awareness of the importance of donation and how residents of Newfoundland and Labrador can indicate their intent to donate.

[16] This data is compiled based on a calendar year; therefore, it reflects January-December 2017.

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 developed and implemented a Community Advisory Committee Engagement Survey in 2017-18 to assess positive responses from community members related to engagement. This survey was emailed or administered by telephone to 39 individuals comprising Eastern Health's Community Advisory Committees. Of these individuals, 23 responded, yielding a response rate of 59%. **81 per cent o**f survey respondents reported positive responses related to community engagement.  The organization worked to identify opportunities to engage the community in ongoing primary health-care work throughout 2017-18. This work will continue into subsequent years as the feedback provided through Community Advisory Committee surveys will help to shape future engagement initiatives.

DISCUSSION OF RESULTS

- Eastern Health made substantial progress in moving forward with most of its Population Health approach during the 2017-18 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 not progressed as originally planned is the work toward increasing breastfeeding duration (at 6 months). Eastern Health decreased slightly on this indicator in comparison to the prior year; however, the organization maintained the significant improvements realized over the past couple of years and will continue to focus on this area into 2018-19 and beyond.

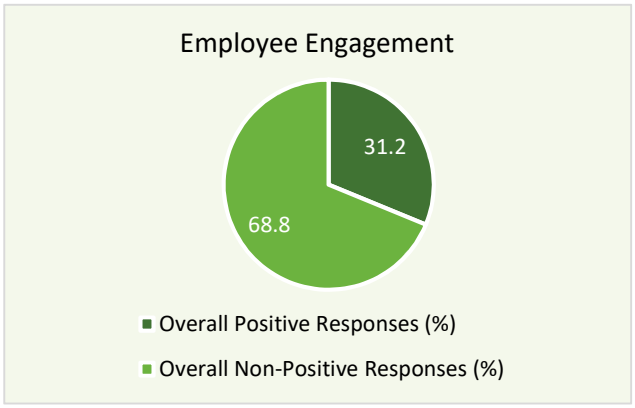
Healthy Workplace

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.[17]" Eastern Health has made Healthy Workplace a separate, new priority for the three years of the current planning cycle. This priority focuses on increasing employee engagement and improving employee wellness.

This health authority'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 staying with the organization and how much effort they are willing to demonstrate for Eastern Health to be successful. Early in the 2017-18 fiscal year, Eastern Health administered its first pulse survey. The purpose of this survey was to gather information quickly and frequently to test the "pulse" of the organization on factors related to engagement and these results will be used as a baseline to measure engagement throughout the 2017-2020 planning cycle. This online survey, based on Accreditation Canada's Worklife Pulse Survey, was completed by 1260 employees and 73 physicians. As displayed in the pie chart below, **31.2 per cent** of survey respondents reported positive responses related to employee engagement.

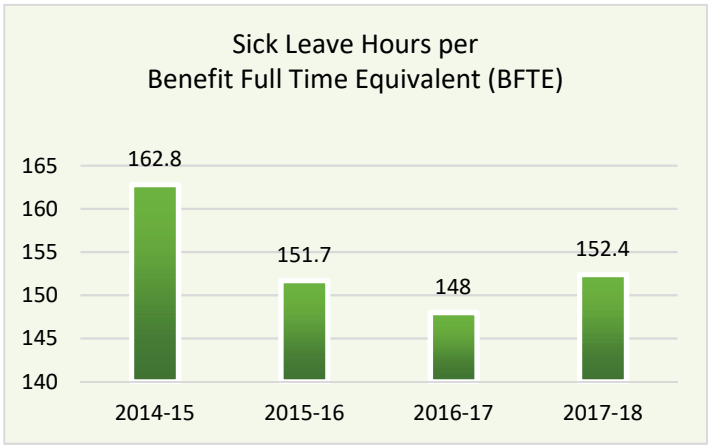
[17] Maclead and Shamian, 2013, **www.longwoods.com/content/23355**



OBJECTIVE: Promote employee wellness, with a particular focus on mental health in the workplace

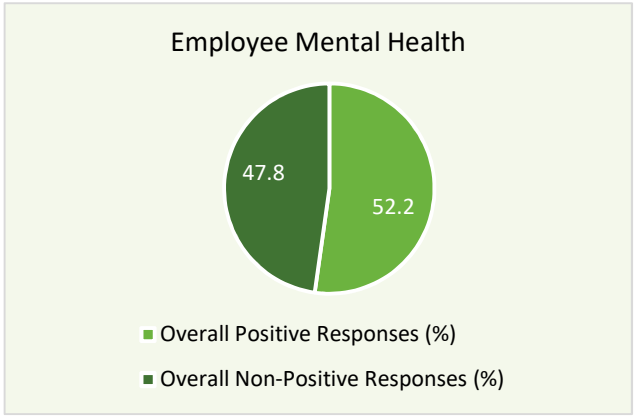
KEY PERFORMANCE INDICATORS	PERFORMANCE
1. Reduced sick leave	Eastern Health has undertaken numerous initiatives to reduce sick leave in recent years, measured as Total Sick Leave Hours per Benefit Full Time Equivalent (BFTE).[18] As the graph below indicates, there has been reduced sick leave since 2014-15; however, in 2017-18 the average BFTE used **152.4** hours of sick leave, compared to 148.0 hours in 2016-17. As a result, the organization continues to place significant efforts on improving in this area, as illustrated by: ◆ Integrating efforts into 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. This plan involves four main components: growth, achievement, belonging and support; ◆ Updating the Attendance Support and related policies and providing education and new tools to support managers in implementing various components of the policies; ◆ Redesigning the disability management team, with a focus on early and safe return to work; ◆ Implementing a recognition program to recognize individuals and programs having low levels of sick leave; ◆ Implementing aspects of change management, including meeting with unions and the Labour Management Committee and developing awareness/communications strategies around the efforts to reduce high rates of sick leave.

[18] BFTE includes employees with sick leave benefits.



2. Positive responses from employees on questions related to mental health and wellness on 'employee engagement' surveys

The employee engagement pulse survey mentioned above included questions related to mental health and wellness. These questions were based mainly on a survey from Guarding Minds at Work,[19] a set of employer resources that adheres to the National Standard of Canada for Psychological Health and Safety in the Workplace. As shown in the pie chart below, **52.2 per cent** of survey respondents reported positive responses related to mental health and wellness. These results will be used as a baseline to measure employee mental health and wellness throughout the 2017-2020 planning cycle.



DISCUSSION OF RESULTS

- Eastern Health has put tremendous effort into addressing its Healthy Workplace priority during 2017-18 and will continue to do so in the future. While sick leave reduction efforts have proven successful since 2014-15, the slight increase in 2017-18 highlights the need to refocus on addressing high rates of sick leave and their associated costs. Similarly, a strong focus on employee and physician engagement will continue into the next fiscal year with a concerted effort around performance management.

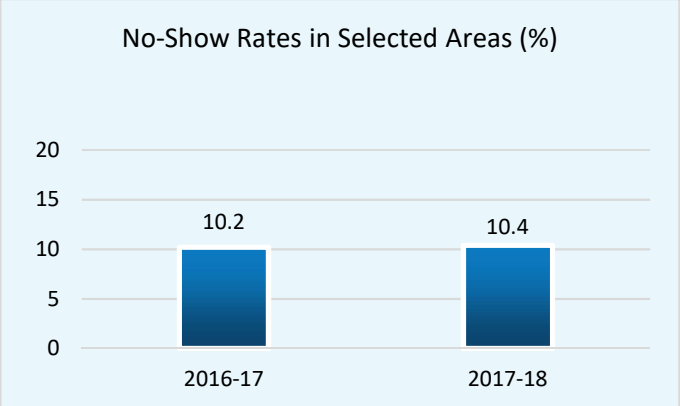
[19] Developed by the Centre for Applied Research in Mental Health and Addiction at Simon Fraser University

Sustainability

In order 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, such as appointment no-shows and payment of overtime hours for employees. For example, to reduce the number of no-shows that occur, the organization will work to increase public awareness of the importance of cancelling appointments when the patient decides it is no longer needed. As well, processes for appointment notifications and reminders will be reviewed and improved to ensure clients are receiving enough information regarding their appointments. The organization will also continually work to reduce costs in a number of selected areas by increasing efficiencies and reducing waste.

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 three selected areas: Ultrasound (City-Adult), Ears, Nose and Throat (ENT; Janeway) and Urology (HSC Ambulatory Clinics). The following are examples of work undertaken within these strategies: ◆ Completion of an environmental scan of no-show reduction initiatives in other jurisdictions; ◆ Development of a patient survey to determine underlying reasons for no-shows; ◆ Expansion of the Automated Notification System to remind patients of appointments within the DI program. As indicated in the graph below, during 2017-18, Eastern Health's no-shows in selected areas remained consistent with the previous fiscal year, increasing slightly from 10.2 per cent to **10.4 per cent**.



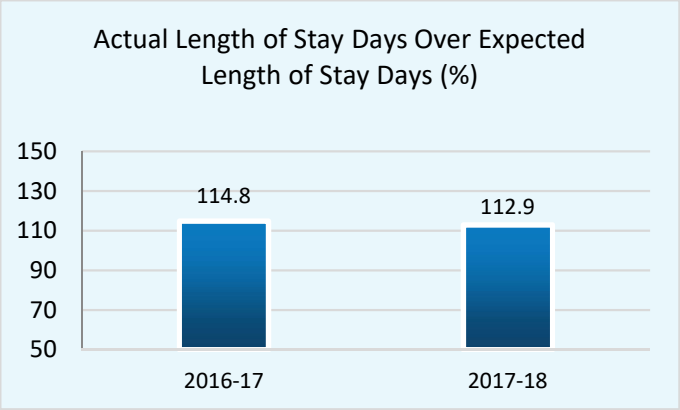
It is important to note that active interventions on no-show rates did not begin until November 2017. Two out of three of the selected areas (Ultrasound and Urology) realized sustained improvements during the last three months of the fiscal year and are trending in the right direction.

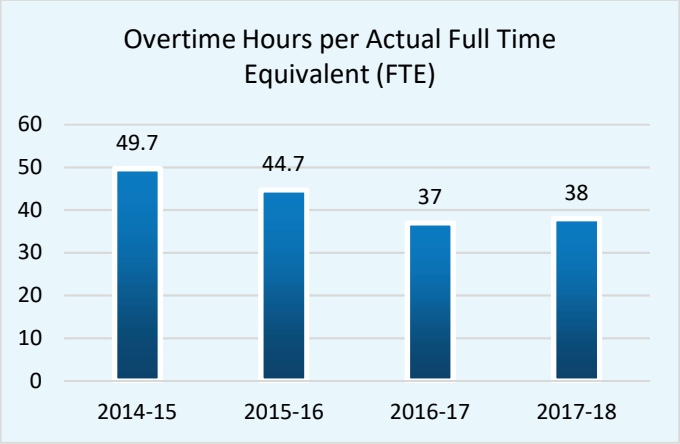
In addition to the three aforementioned areas, work has also begun within the Mental Health and Addictions program, as outlined previously under the Access section.

2. Decreased length of stay for typical acute care inpatients

The Canadian Institute for Health Information (CIHI) calculates expected length of stay (ELOS) each year based on data submitted from across Canada. ELOS is the average acute length of stay in hospital for typical patients with the same case mix grouping, age category, co-morbidity level and intervention factors. It is recognized that any value above ELOS indicates patients have stayed longer than the Canadian average for comparable cases.

A percentage of 100 means the average length of stay at Eastern Health's facilities equals the national average. In 2017-18 the percentage of actual length of stay days over the expected length of stay days was **112.9**. Although EH's average length of stay is 12.9% longer than the ELOS, it has decreased from 2016-17, as illustrated below:



	Eastern Health has completed significant work to improve on this indicator in recent years. Initiatives during 2017-18 include: ◆ Work re-design at HSC, focused on process improvements around discharge planning and patient flow with special focus within the Medicine program; ◆ Development and piloting of a Visual Management System, which includes identifying and communicating the ELOS for patient on admission and real time monitoring of the expected discharge date; ◆ Process improvements within the Cardiology program to improve documentation and reporting of clinical data and support performance measurement.
3. Decreased employee overtime	 As indicated in the graph above, Overtime Hours per Actual Full Time Equivalent (FTE) increased slightly in 2017-18 to **38 hours;** however, the organization was able to maintain the substantial decrease in employee overtime realized over the past four fiscal years. Some key interventions put in place to continue focusing on this challenge include: ◆ Review of overtime per program: this entails identifying programs with high overtime usage and helping them develop strategies to reduce such usage, and includes the support and expertise of internal Human Resources Business Partners and Budget Analysts to assist in this process. ◆ Exploration of a Workforce Management System: this involves collaborating with the Province and three other Regional Health Authorities to conduct an in-depth review of such aspects as time and attendance, payroll and scheduling to help reduce inefficiencies, such as unnecessary overtime.
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 2017-18,

	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 launched Steamplicity®, a new 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® will eliminate waste in the system and enhance the overall quality of service provided to patients, clients and residents. Significant progress was made during 2017-18 to implement Steamplicity®, including renovations and set up of new leased space. Steamplicity® was not anticipated to realize any savings until the 2018-19 fiscal year, at which time an estimated savings of $2 million annually on food service costs is anticipated. Similarly, in partnership with BD CareFusion, Eastern Health introduced Supply Automation by deploying the Pyxis Supply Station™ system in areas within its Perioperative, Endoscopy and Medical Device Reprocessing programs. The use of automation for patient care supplies to manage supply chain functions is becoming a standard of care in hospital environments and helps in understanding the cost of caring for patients. The use of automation allows nursing and other patient care personnel to dedicate more time to patient care and equips Materials Management staff with the tools to manage a large and complex supply chain in all areas. Additional benefits of Supply Automation include: reduced inventory, reduced or eliminated expired or obsolete products, reduced administrative burden on clinical resources, recall management and reduced overall space management requirements. The implementation of Pyxis captured just over $800,000 of savings in medical surgical supplies during the 2017-18 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 2017-18 was by reducing the percentage of actual length of stay days over the expected length of stay days. This means that less patients stayed longer than expected in 2017-18 than the year prior (in comparisons among similar cases across Canada).

- Despite the tremendous work put in place to reduce no-shows in selected areas and employee overtime, both indicators increased slightly during the past fiscal year. It is important to note that active interventions on no-show rates did not begin until late in the fiscal year and sustained improvements have been trending in the right direction since that time. Likewise, although employee overtime increased slightly in 2017-18, it is down significantly from where it was in prior years and the organization will continue to focus on sustaining this reduction in the future.

OPPORTUNITIES AND CHALLENGES AHEAD

The implementation of Eastern Health's 2017-2020 Strategic Plan, Lighting the Way: Navigating Together has provided many opportunities to set new strategic priorities aimed at further improving health care throughout the region, and to address areas that have posed challenges in the past. Eastern Health continues to focus on opportunities to positively impact health care and to address challenges proactively, efficiently and openly as they arise.

Collaboration and partnerships are inherent throughout the organization and assist with creating opportunities and addressing challenges. We are committed to finding innovative solutions to the challenges we face, as well as to bringing together organizations and stakeholders who are keen on leveraging technology and research with the overall goal of enhancing health and wellness throughout the region. Eastern Health continues to maintain close working relationships with our many community partners, and continues to work with communities throughout the region.

In a similar vein, Eastern Health has increased engagement with clients, families and the communities it serves. Research supports client, family and public engagement leading to improved outcomes and decision-making. Eastern Health is working to expand such engagement – particularly in the areas of primary health care, chronic disease management and public health – and learning from organizations that have well-established engagement practices in health and various other sectors. Primary health care reform is one of the key ways in which Eastern Health is transforming our health care system to be more responsive to the needs of individuals, and more efficient in the utilization of health care services.

As we continue to cultivate a culture of innovation, stimulate innovative thinking, and foster research, we are committed to working together with our provincial health-care leaders, service providers, and academic partners to generate bold and ambitious ideas to find the best solutions to transform health care in our province. A good illustration of such innovation and partnerships is our involvement with Hacking Health: a global movement focused on accelerating the adoption of technology in health care and improving health care by inviting technology creators and health-care professionals from a wide range of backgrounds to collaborate on identifying realistic solutions to front-line problems. We are also committed to the Quality of Care NL and Choosing Wisely NL collaborative where we partner on research, evaluation, and on the implementation of best practice changes to ensure the right treatments for the right patients at the right times.

With every challenge comes an opportunity for change. Eastern Health's focus on improving access to mental health services continues to involve both opportunities and challenges. Recent funding announcements from the Provincial Government support making positive changes, especially in terms of implementing the "Towards Recovery" action plan. Another opportunity for change was identified in October 2017, when the Canadian Institute for Health Information (CIHI) released cardiac care quality

indicators. The results showed that Eastern Health was within national averages for some indicators but above national averages in others. Additionally, Newfoundland and Labrador has the highest cardiac disease burden in Canada. Eastern Health's Cardiac Care Program aims to be among the best programs in the country. As such, EH is excited to work with Interior Health in the development of a Journey to Excellence to enhance cardiac care in the Province. This approach is patient-centred and one in which quality data and evidence drive decision making.

All of the opportunities and challenges faced affect Eastern Health's ability to provide the best possible care to our patients, clients, residents and families. While there are often no easy solutions to the many complex issues that arise in health care on a daily basis, Eastern Health is unwavering in its commitment to this region, this province and, ultimately, its vision of Healthy People, Healthy Communities.

APPENDIX I

Definitions 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. [20]
- **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. While not all admissions for these conditions are avoidable, it is assumed that appropriate ambulatory care

[20] Community-Wide Scheduling is MEDITECH's module for patient appointment scheduling, used at the majority of outpatient clinics and services throughout Eastern Health.

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 Canadian Institute for Health Information (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:** Client and Family-Centred Care (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.

- **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 Client Experience Surveys to obtain feedback on client perceptions of the cleanliness of Eastern Health facilities. It compliments 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 (DAD). 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 minimally 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 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 are navigated through to 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):** Organ donation is a rare gift that is based solely on human compassion. While 95 per cent of Canadians support the idea of organ and tissue donation, less than half have indicated their intent to donate. The need for life-saving organ transplants is high with more than 4500 Canadians currently waiting for a life-saving organ transplant; many will die waiting.

  The Organ Procurement and Exchange of Newfoundland Labrador (OPEN) is a provincial program that operates under the direction of Eastern Health. In partnership with Canadian Blood Services (CBS) and a Provincial Advisory Committee, OPEN is working to increase consent rate

for donation in eligible donors. Eastern Health has defined organ donation consent rate per year as the number of people who consent to donation divided by the number of people referred and eligible.

- **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 modified version of Accreditation Canada's WorkLife Pulse Survey that 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 the monitoring of trends and the impact 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 modified version of Accreditation Canada's WorkLife Pulse Survey, administered to measure employee engagement, also measured the success of mental health and wellness initiatives in place to support Eastern Health employees.

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 ENT (Janeway), Ultrasound (DI; city - adult only) and Urology (Ambulatory Clinic, HSC), 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 (ELOS) (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 monitors the rate of overtime hours per full time equivalent employee and measures the success of initiatives 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 very little time 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 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

Audited Financial Statements

Eastern Regional Health Authority – Operating Fund

Non-consolidated financial statements

March 31, 2018

Building a better working world

Eastern Regional Health Authority – Operating Fund

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March 31, 2018

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, 2018 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, 2018.

Scott Bishop, CPA, CGA
Chief Financial Officer

Fern Mitchelmore, CPA, CGA
Director of Financial Services

Independent auditors' report

To the Board of Trustees of
Eastern Regional Health Authority

We have audited the non-consolidated financial statements of the **Eastern Regional Health Authority – Operating Fund**, which comprise the non-consolidated statement of financial position as at March 31, 2018, and the non-consolidated statements of operations and accumulated deficit, changes in net debt and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the non-consolidated financial statements

Management is responsible for the preparation and fair presentation of these non-consolidated 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 non-consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these non-consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the non-consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the non-consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the non-consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the non-consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the non-consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the non-consolidated financial statements present fairly, in all material respects, the financial position of the **Eastern Regional Health Authority – Operating Fund** as at March 31, 2018, and the results of its operations, changes in its net debt and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

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 **Eastern Regional Health Authority – Operating Fund**. These non-consolidated financial statements have been prepared for specific users and may not be suitable for another purpose.

Ernst & Young LLP

St. John's, Canada
June 28, 2018

Chartered Professional Accountants

Eastern Regional Health Authority – Operating Fund

Non-consolidated statement of financial position

[in thousands of Canadian dollars]

As at March 31

	2018 $	2017 $
Financial assets		
Cash	**10,323**	—
Accounts receivable *[note 3]*	**23,790**	26,613
Due from government/other government entities *[note 4]*	**48,594**	76,518
Advance to General Hospital Hostel Association	**581**	720
Sinking fund investment *[note 11]*	**21,123**	19,545
	104,411	123,396
Liabilities		
Bank indebtedness	—	137
Accounts payable and accrued liabilities *[note 7]*	**118,314**	117,454
Due to government/other government entities *[note 8]*	**20,258**	21,679
Employee future benefits		
Accrued severance pay *[note 16]*	**132,520**	120,145
Accrued sick leave *[note 17]*	**66,317**	63,805
Accrued vacation pay	**55,881**	54,182
Deferred contributions *[note 9]*		
Deferred capital grants	**47,132**	66,747
Deferred operating revenue	**10,584**	12,456
Long-term debt *[note 10]*	**132,833**	134,087
	583,839	590,692
Net debt	**(479,428)**	(467,296)
Non-financial assets		
Tangible capital assets *[note 5]*	**348,841**	342,846
Supplies inventory	**16,830**	14,994
Prepaid expenses	**5,559**	6,612
	371,230	364,452
Accumulated deficit	**(108,198)**	(102,844)

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

See accompanying notes

Approved by the Board:

Director

Director

Non-consolidated statement of operations and accumulated deficit

[in thousands of Canadian dollars]

Year ended March 31

	Final Budget	2018	2017
	$	$	$
	[note 20]		
Revenue			
Provincial plan	1,336,964	**1,336,964**	1,343,081
Medical Care Plan	76,269	**76,276**	72,911
Other	38,295	**39,079**	42,000
Provincial plan capital grant *[note 9]*	—	**35,835**	32,854
Resident	19,735	**20,035**	20,200
Inpatient	11,975	**12,253**	12,513
Outpatient	10,560	**10,291**	9,084
Other capital contributions *[note 9]*	—	**6,034**	5,068
Unallocated revenue	3,040	**—**	—
	1,496,838	**1,536,767**	1,537,711
Expenses *[note 21]*			
Patient and resident services	395,524	**393,467**	398,180
Client services	293,398	**285,288**	278,625
Diagnostic and therapeutic	203,217	**202,020**	206,544
Support	186,093	**187,115**	184,389
Ambulatory care	158,106	**160,003**	159,186
Administration	124,783	**126,338**	124,422
Medical services	102,150	**101,503**	100,817
Amortization of tangible capital assets *[note 5]*	—	**35,874**	35,946
Research and education	17,665	**15,407**	15,270
Other	5,740	**9,096**	17,631
Interest on long-term debt	10,162	**9,424**	9,188
Employee future benefits			
Accrued severance pay expense	—	**12,375**	4,149
Accrued sick leave expense	—	**2,512**	1,976
Accrued vacation pay expense	—	**1,699**	2,253
	1,496,838	**1,542,121**	1,538,576
Annual deficit	—	**(5,354)**	(865)
Accumulated deficit, beginning of year	—	**(102,844)**	(101,979)
Accumulated deficit, end of year	—	**(108,198)**	(102,844)

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

	2018 $	2017 $
Annual deficit	**(5,354)**	(865)
Changes in tangible capital assets		
Acquisition of tangible capital assets	**(41,869)**	(37,922)
Disposal of tangible capital assets	**—**	91
Amortization of tangible capital assets	**35,874**	35,946
Increase in net book value of tangible capital assets	**(5,995)**	(1,885)
Changes in other non-financial assets		
Net decrease in prepaid expenses	**1,053**	2,160
Net (increase) decrease in supplies inventory	**(1,836)**	304
(Increase) decrease in other non-financial assets	**(783)**	2,464
Increase in net debt	**(12,132)**	(286)
Net debt, beginning of year	**(467,296)**	(467,010)
Net debt, end of year	**(479,428)**	(467,296)

Eastern Regional Health Authority – Operating Fund

Non-consolidated statement of cash flows

[in thousands of Canadian dollars]

Year ended March 31

	2018 $	2017 $
Operating transactions		
Annual deficit	**(5,354)**	(865)
Adjustments for:		
Amortization of tangible capital assets	**35,874**	35,946
Capital grants – provincial and other	**(41,869)**	(37,922)
Increase in accrued severance pay	**12,375**	4,149
Increase in accrued sick leave	**2,512**	1,976
Net change in non-cash assets and liabilities related to operations *[note 12]*	**9,615**	(9,611)
Cash provided by (used in) operating transactions	**13,153**	(6,327)
Capital transactions		
Acquisition of tangible capital assets	**41,869**	37,922
Capital asset contributions	**(41,869)**	(37,922)
Disposal of tangible capital assets	**—**	91
Cash provided by capital transactions	**—**	91
Investing transactions		
Increase in sinking fund investment	**(1,578)**	(1,552)
Cash used in investing transactions	**(1,578)**	(1,552)
Financing transactions		
Repayment of long-term debt	**(1,254)**	(625)
Repayment of advance to General Hospital Hostel Association	**139**	136
Cash used in financing transactions	**(1,115)**	(489)
Net decrease in cash during the year	**10,460**	(8,277)
(Bank indebtedness) cash, beginning of year	**(137)**	8,140
Cash (bank indebtedness), end of year	**10,323**	(137)
Supplemental disclosure of cash flow information		
Interest paid	**9,423**	9,161

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, 2018

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:

Adoption of new accounting standards

During the year, Eastern Health adopted the new accounting standards PS 2200, *Related Party Disclosures*, and PS 3420 *Inter-entity Transactions*. These new standards are effective for fiscal years beginning on or after April 1, 2017. PS 2200 defines a related party and establishes disclosures required for related party transactions. PS 3420 establishes standards on how to account for and report transactions between public sector entities that comprise a government's reporting entity from both a provider and recipient perspective. The adoption of these accounting standards will be applied on a prospective basis and did not have any impact on the non-consolidated financial statements.

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.

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, 2018

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.

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.

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, 2018

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.

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.

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, 2018

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.

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 $55,380,598 for the year ended March 31, 2018 [2017 – $55,044,446].

Sinking fund

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

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.

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, 2018

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.

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

	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, 2018

	2017					
			Past due			
	Total	Current	1 – 30 days	31 – 60 days	61 – 90 days	Over 90 days
	$	$	$	$	$	$
Services to patients, residents and clients	17,708	967	3,761	3,554	1,800	7,626
Other	11,221	5,337	—	—	—	5,884
Gross accounts receivable	28,929	6,304	3,761	3,554	1,800	13,510
Less impairment allowance	2,316	—	—	—	—	2,316
Net accounts receivable	26,613	6,304	3,761	3,554	1,800	11,194

4. Due from government/other government entities

	2018	2017
	$	$
Government of Newfoundland and Labrador	**43,549**	71,971
Other government entities	**5,045**	4,547
	48,594	76,518

Outstanding balances at the year-end are unsecured, interest free and settlement occurs in cash. For the year ended March 31, 2018, the Authority has not recorded any impairment of receivables relating to amounts above [2017 – nil].

5. Tangible capital assets

	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, 2018

	Land and land improvements $	Buildings and improvements $	Equipment $	Construction in progress $	Total $
2017					
Cost					
Opening balance	2,965	422,924	551,947	15,141	992,977
Additions	—	4,740	30,751	2,431	37,922
Disposals	(23)	(193)	—	—	(216)
Closing balance	2,942	427,471	582,698	17,572	1,030,683
Accumulated amortization					
Opening balance	492	192,187	459,337	—	652,016
Additions	—	9,962	25,984	—	35,946
Disposals	—	(125)	—	—	(125)
Closing balance	492	202,024	485,321	—	687,837
Net book value	2,450	225,447	97,377	17,572	342,846

In the current year, 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, which was unused as at March 31, 2018 [2017 – 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

	2018 $	2017 $
Accounts payable and accrued liabilities	**60,539**	64,681
Salaries and wages payable	**51,756**	49,403
Employee/employer remittances	**6,019**	3,370
	118,314	117,454

8. Due to government/other government entities

	2018 $	2017 $
Federal government	**4,163**	3,333
Government of Newfoundland and Labrador	**11,100**	12,605
Other government entities	**4,995**	5,741
	20,258	21,679

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, 2018

9. Deferred contributions

	2018 $	2017 $
Deferred capital grants [a]		
Balance at beginning of year	**66,747**	84,364
Receipts during the year	**22,254**	20,305
Recognized in revenue during the year	**(41,869)**	(37,922)
Balance at end of year	**47,132**	66,747
Deferred operating revenue [b]		
Balance at beginning of year	**12,456**	17,017
Receipts during the year	**1,398,482**	1,394,419
Recognized in revenue during the year	**(1,400,354)**	(1,398,980)
Balance at end of year	**10,584**	12,456

[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

	2018 $	2017 $
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 $2,132,382	**568**	771
NLHC [Inter Faith Citizens Home], 10% mortgage, maturing in December 2028, repayable in blended monthly instalments of $8,955, secured by land and building with a net book value of $803,238. Mortgage paid in full October 2017	—	754
Canada Mortgage and Housing Corporation ["CMHC"] [Blue Crest Seniors Home], 8.0% mortgage, maturing in November 2025, repayable in blended monthly instalments of $7,777, secured by land and buildings with a net book value of $2,621,262	**538**	587

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, 2018

	2018 $	2017 $
CMHC [Golden Heights Manor Seniors Home], 10.5% mortgage, maturing in August 2027, repayable in blended monthly instalments of $7,549, maturing in August 2027	**548**	581
CMHC [Golden Heights Manor Seniors Home], 1.12% mortgage, maturing in June 2023, repayable in blended monthly instalments of $19,246	**1,179**	1,394
	132,833	134,087

Future principal repayments to maturity are as follows:

	$
2019	513
2020	525
2021	486
2022	342
2023	355
Thereafter	130,612
	132,833

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, 2018 includes interest earned in the amount of $8,413,558 [2017 – $7,588,184]. 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

	2018 $	2017 $
Accounts receivable	**2,823**	(1,687)
Supplies inventory	**(1,836)**	304
Prepaid expenses	**1,053**	2,160
Accounts payable and accrued liabilities	**860**	14,580
Due from/to government/other government entities	**26,503**	(5,043)
Accrued vacation pay	**1,699**	2,253
Deferred capital grants	**(19,615)**	(17,617)
Deferred operating revenue	**(1,872)**	(4,561)
	9,615	(9,611)

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, 2018

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, 2018, the balance of funds held in trust for residents of long-term care facilities was $3,397,627 [2017 – $3,419,660]. 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.

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:

	2019 $	2020 $	2021 $	2022 $	Thereafter $
Future operating lease payments	8,989	7,099	6,978	6,592	38,564
Managed print services	1,534	1,534	1,534	1,534	—
Vehicles	133	30	5	—	—
	10,656	8,663	8,517	8,126	38,564

16. Accrued severance pay

The Authority provides a severance payment to employees upon retirement, resignation or termination without cause. In 2018, cash payments to retirees for the Authority's unfunded employee future benefits amounted to approximately $9,931,097 [2017 – $8,488,000].

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 will be paid out to eligible NAPE 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.

The most recent actuarial valuation for the accrued severance obligation was performed effective December 31, 2017 with an extrapolation of the value to March 31, 2018 for NAPE employees due to changes in the Collective Agreement. For all remaining employees, the most recent actuarial valuation for the accrued severance obligation was performed March 31, 2015 and an extrapolation of the value has been performed to 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, 2018

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

	2018 $	2017 $
Accrued benefit liability, beginning of year	**120,145**	115,996
Transfer from Masonic Park and Pentecostal Home	**1,350**	**—**
Benefits expense		
Current period benefit cost	**8,216**	7,892
Interest on accrued benefit obligation	**4,501**	4,333
Amortization of actuarial losses and gains	**412**	412
NAPE settlement loss	**7,827**	**—**
	142,451	128,633
Benefits paid	**(9,931)**	(8,488)
Accrued benefit liability, end of year	**132,520**	120,145
Current period benefit cost	**8,216**	7,892
Interest on accrued benefit obligation	**4,501**	4,333
Amortization of actuarial losses and gains	**412**	412
NAPE settlement loss	**7,827**	**—**
Total expense recognized for the year	**20,956**	12,637

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

Discount rate – liability	3.30% as at March 31, 2018 3.70% as at March 31, 2017
Discount rate – benefit expense	3.30% in fiscal 2018 3.70% in fiscal 2017
Rate of compensation increase	0.00% plus 0.75% for promotions and merit as at March 31, 2018 0.00% plus 0.75% for promotions and merit as at March 31, 2017

The Authority will pay out approximately $64,000,000 in accrued severance to its NAPE employees in the 2019 fiscal year.

The Authority has reached an agreement with its non-unionized and management employees subsequent to year-end to discontinue severance. The accumulated benefit will be paid out by 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, 2018

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 2018, cash payments to employees for the Authority's unfunded sick leave benefits amounted to approximately $10,116,466 [2017 – $9,704,000]. The most recent actuarial valuation for the accrued sick leave obligation was performed effective March 31, 2015, and an extrapolation of that valuation has been performed to March 31, 2018.

	2018 $	2017 $
Accrued benefit liability, beginning of year	**63,805**	61,829
Transfer from Masonic Park and Pentecostal Home	**673**	**—**
Benefits expense		
Current period benefit cost	**6,651**	6,392
Interest on accrued benefit obligation	**3,146**	3,130
Amortization of actuarial losses and gains	**2,158**	2,158
	76,433	73,509
Benefits paid	**(10,116)**	(9,704)
Accrued benefit liability, end of year	**66,317**	63,805
Current period benefit cost	**6,651**	6,392
Interest on accrued benefit obligation	**3,146**	3,130
Amortization of actuarial losses and gains	**2,158**	2,158
Total expense recognized for the year	**11,955**	11,680

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

Discount rate – liability	3.30% as at March 31, 2018 3.70% as at March 31, 2017
Discount rate – benefit expense	3.30% in fiscal 2018 3.70% in fiscal 2017
Rate of compensation increase	0.00% plus 0.75% for promotions and merit as at March 31, 2018 0.00% plus 0.75% for promotions and merit as at March 31, 2017

18. Related party transactions

The Authority's related party transactions occur between 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.

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

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:

	2018 $	2017 $
Transfers from the Government of Newfoundland and Labrador	**1,359,144**	1,361,789
Transfers from other government entities	**83,552**	80,361
Transfers to other government entities	**(86,523)**	(99,749)
	1,356,173	1,342,401

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, 2018, the Authority had $64,000,000 in funds available on the Facility [2017 – $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, 2018

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, 2018:

	Revenue $	Expenses $	Annual surplus $
Original Budget	**1,480,168**	**1,480,168**	**—**
Adjustments during the year for service and program changes, net	**(1,530)**	**(1,530)**	**—**
Revised original budget	**1,478,638**	**1,478,638**	**—**
Stabilization fund approved by Government	**18,200**	**18,200**	**—**
Final Budget	**1,496,838**	**1,496,838**	**—**

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, 2018

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.

	2018 $	2017 $
Salaries	**769,471**	768,148
Supplies – other	**273,391**	278,804
Direct client costs	**168,493**	172,497
Employee benefits	**151,376**	144,424
Supplies – medical and surgical	**63,130**	60,993
Drugs	**50,848**	49,438
Amortization of tangible capital assets	**35,874**	35,946
Maintenance	**20,114**	19,138
Interest on long-term debt	**9,424**	9,188
Total expenses	1,542,121	1,538,576

Non-consolidated schedule of expenses for government reporting

[in thousands of Canadian dollars]

Year ended March 31

	2018	2017
	$	$
	[unaudited]	*[unaudited]*
Patient and resident services		
Acute care	**209,583**	209,619
Long-term care	**166,081**	171,383
Other patient and resident services	**17,803**	17,178
	393,467	398,180
Client services		
Community support programs	**220,902**	226,775
Mental health and addictions	**45,414**	33,395
Health promotion and protection	**18,972**	18,346
Family support programs	**—**	109
	285,288	278,625
Diagnostic and therapeutic		
Other diagnostic and therapeutic	**88,754**	94,753
Clinical laboratory	**59,230**	59,214
Diagnostic imaging	**54,036**	52,577
	202,020	206,544
Support		
Facilities management	**72,170**	69,776
Other support	**37,393**	37,669
Food services	**34,184**	34,061
Housekeeping	**33,623**	32,600
Laundry and linen	**9,745**	10,283
	187,115	184,389
Ambulatory care		
Outpatient clinics	**90,270**	92,659
Emergency	**37,944**	36,428
Dialysis	**17,623**	17,582
Other ambulatory	**14,166**	12,517
	160,003	159,186

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

[in thousands of Canadian dollars]

Year ended March 31

	2018	2017
	$	$
	[unaudited]	*[unaudited]*
Administration		
Other administrative	**41,961**	41,910
Systems support	**27,857**	26,133
Materials management	**20,626**	21,355
Human resources	**15,144**	15,473
Finance and budgeting	**14,718**	11,117
Executive offices	**5,480**	7,384
Emergency preparedness	**552**	1,050
	126,338	124,422
Medical services		
Physician services	**77,513**	76,385
Interns and residents	**23,990**	24,432
	101,503	100,817
Other		
Undistributed	**9,096**	17,631
Research and education		
Education	**14,183**	13,658
Research	**1,224**	1,612
	15,407	15,270
Interest on long-term debt	**9,424**	9,188
Total shareable expenses	**1,489,661**	1,494,252

Non-consolidated schedule of revenue and expenses for government reporting

[in thousands of Canadian dollars]

Year ended March 31

	2018 $ [unaudited]	2017 $ [unaudited]
Revenue		
Provincial plan	**1,336,964**	1,343,081
Medical Care Plan	**76,276**	72,911
Other	**38,249**	41,196
Resident	**20,035**	20,200
Inpatient	**12,253**	12,513
Outpatient	**10,291**	9,084
	1,494,068	1,498,985
Expenses		
Compensation		
Salaries	**769,471**	768,148
Employee benefits	**134,790**	136,046
	904,261	904,194
Supplies		
Other	**273,391**	278,804
Medical and surgical	**63,130**	60,993
Drugs	**50,848**	49,438
Plant operations and maintenance	**20,114**	19,138
	407,483	408,373
Direct client costs		
Community support	**166,039**	170,304
Mental health and addictions	**2,454**	2,193
	168,493	172,497
Lease and long-term debt		
Long-term debt – interest	**9,424**	9,188
Long-term debt – principal	**2,002**	1,373
	11,426	10,561
	1,491,663	1,495,625
Surplus for government reporting	**2,405**	3,360
Long-term debt – principal	**2,002**	1,373
Surplus before non-shareable items	**4,407**	4,733

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

[in thousands of Canadian dollars]

Year ended March 31

	2018	2017
	$	$
	[unaudited]	*[unaudited]*
Adjustments for non-shareable items		
Provincial plan capital grant	**35,835**	32,854
Other capital contributions	**6,034**	5,068
Amortization of tangible capital assets	**(35,874)**	(35,946)
Interest on sinking fund	**830**	804
Accrued severance pay	**(12,375)**	(4,149)
Accrued sick leave	**(2,512)**	(1,976)
Accrued vacation pay	**(1,699)**	(2,253)
	(9,761)	(5,598)
Annual deficiency as per non-consolidated statement of operations and accumulated deficit	**(5,354)**	(865)

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

[in thousands of Canadian dollars]

Year ended March 31

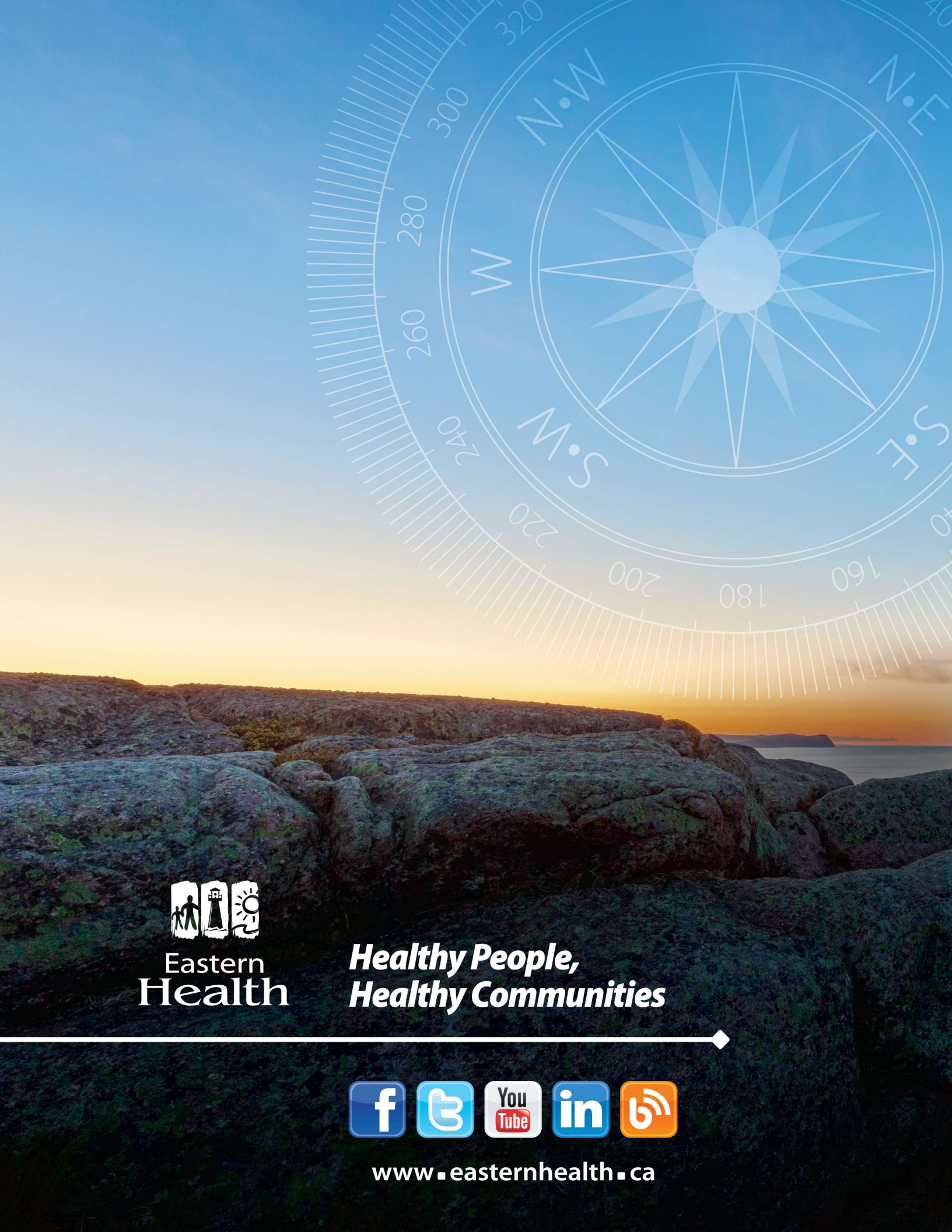
	2018	2017
	$	$
	[unaudited]	*[unaudited]*
Revenue		
Deferred grants – previous year	**66,747**	84,364
Provincial plan	**22,330**	19,004
Foundations and auxiliaries	**5,392**	4,320
Other	**642**	748
Transfer from operations	**40**	3,120
Transfer to other regions	**(203)**	594
Transfer to operations	**(5,947)**	(7,481)
Deferred grants – current year	**(47,132)**	(66,747)
	41,869	37,922
Expenses		
Equipment	**24,086**	30,508
Buildings	**3,176**	4,740
Construction in progress	**14,607**	2,431
Vehicles	**—**	243
Disposal of land	**—**	(23)
Disposal of buildings	**—**	(68)
	41,869	37,831
Surplus on capital transactions	**—**	91

Non-consolidated schedule of accumulated deficit for government reporting

[in thousands of Canadian dollars]

As at March 31

	2018	2017
	$	$
	[unaudited]	*[unaudited]*
Assets		
Current assets		
Cash	**10,323**	—
Accounts receivable and due from government and other government entities	**72,384**	103,131
Supplies inventory	**16,830**	14,994
Prepaid expenses	**5,559**	6,612
	105,096	124,737
Advance to General Hospital Hostel Association	**581**	720
	105,677	125,457
Liabilities		
Current liabilities		
Bank indebtedness	**—**	137
Accounts payable and accrued liabilities and due to government and other government entities	**138,572**	139,133
Deferred revenue – operating revenue	**10,584**	12,456
Deferred revenue – capital grants	**47,132**	66,747
	196,288	218,473
Accumulated deficit for government reporting	**(90,611)**	(93,016)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