# Annual Performance Report

# 2019 » 20

Eastern Health

# Table of Contents

# Message from the Board of Trustees

It is my pleasure to submit, with the full endorsement of my fellow trustees, Eastern Health's 2019-2020 Annual Report on Performance. This report outlines the progress made during the third and final year of our 2017-2020 Strategic Plan, **Lighting the Way: Navigating Together**. Eastern Health is a category one entity and, as per the **Transparency and Accountability Act**, our Board of Trustees is accountable for the reported results.

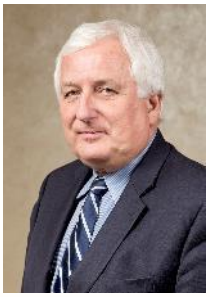
The results highlighted in this Report demonstrate the tremendous progress that Eastern Health has made towards achieving the goals and objectives within our five priority areas: access, quality and safety, population health, healthy workplace and sustainability. These achievements can be credited to our compassionate and dedicated employees, physicians, volunteers and community partners who work diligently to provide high quality care and services to the people in our region and across the province.

Along with our successes, Eastern Health faced significant challenges in the final months of the 2017-2020 strategic planning cycle due to the weather-related state of emergency in January 2020 and the COVID-19 pandemic that began in March 2020. Although these events have required extensive operational changes and ongoing recovery planning, Eastern Health remains focused on ensuring that our ongoing commitment to innovation, education and excellence in care remains at the forefront as we move into the next cycle.

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

# Board of Trustees

Leslie O'Reilly, Chair



Robert B. Andrews, Vice-Chair

Marilyn Butland

Amanda Cull

Dr. Peter R. Ford

Sharon Forsey

Tara Laing

James Miller

Alastair O'Rielly

Scott Tessier

Dr. Marilyn Thompson

Lynn Wade

Dr. Kara Laing, Ex-Officio

Dr. Margaret Steele, Ex-Officio

Above is Eastern Health's Board of Trustees for the 2019-20 fiscal year.

# Executive Team

David S. Diamond, President and Chief Executive Officer

Dr. Larry Alteen, Vice President

Kenneth (Ken) Baird, Vice President

Scott Bishop, Vice President

Dr. Doug Drover, Chief of Staff

Ron Johnson, Vice President

Elizabeth Kennedy, Senior Director

Lynette Oates, Chief Communications Officer

Judy O'Keefe, Vice President

Collette Smith, Vice President

Debbie Walsh, Senior Director

Elaine Warren, Vice President

Above is Eastern Health's Executive team for the 2019-20 fiscal year.

# Eastern Health Region

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

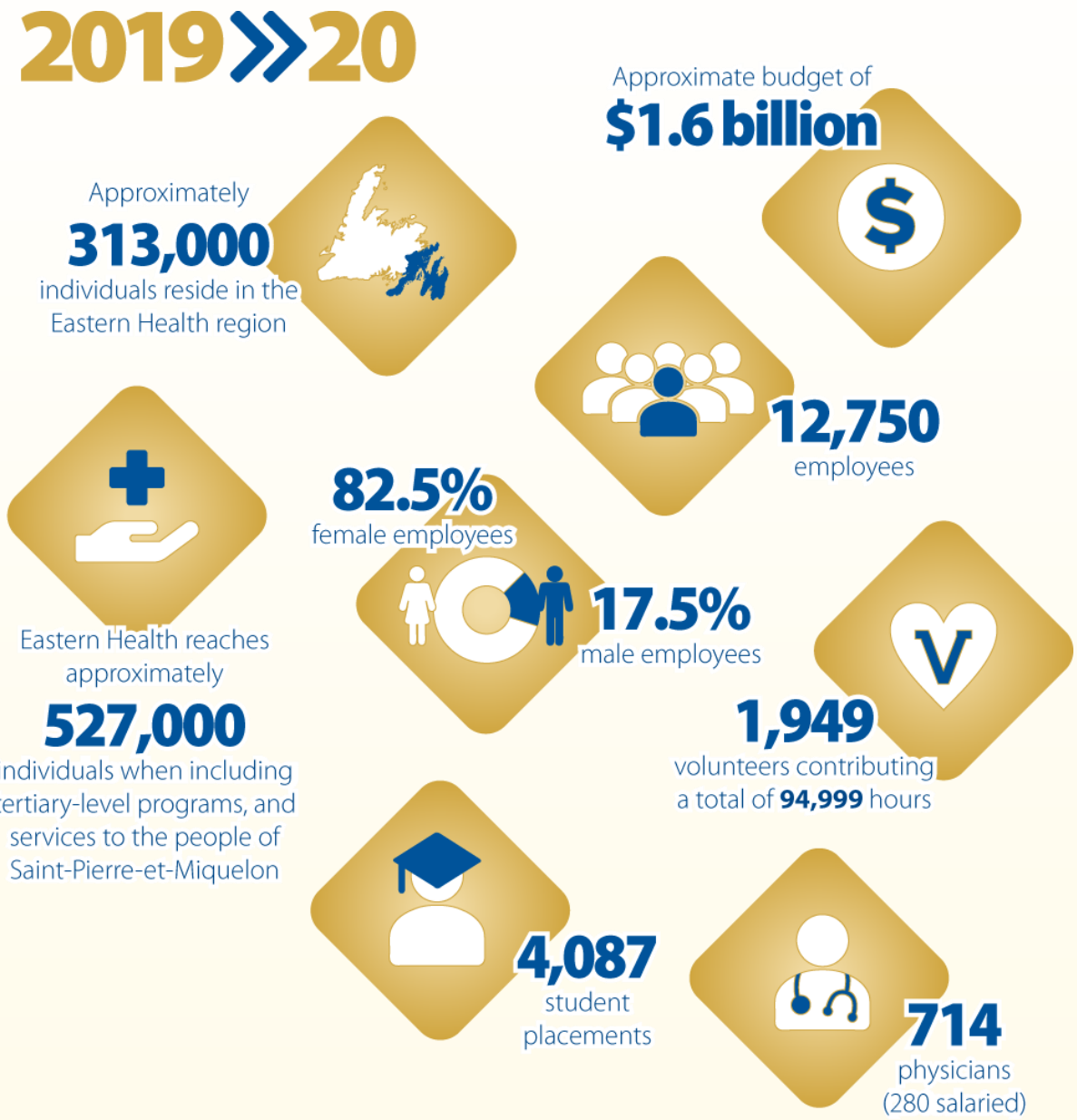
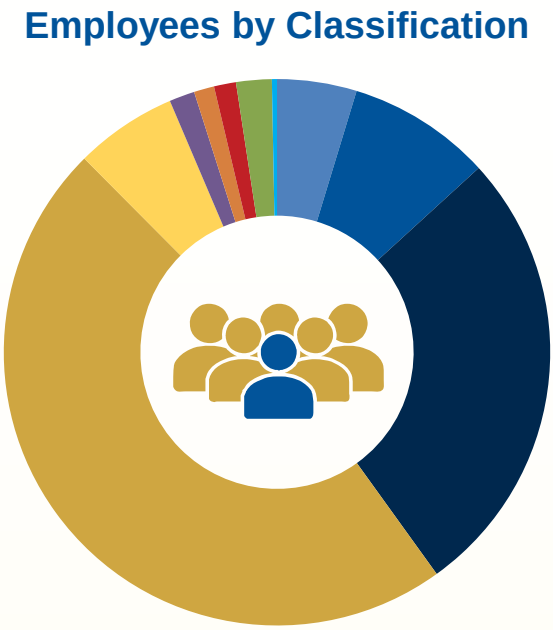


**Figure 1: Eastern Health Employees by Classification**[1]




| | |
|---|---|
| Management | 4.7% |
| Allied Health Professionals (AAHP & NAPE HP) | 8.5% |
| RNUNL | 26.8% |
| Hospital Support (NAPE & CUPE) | 47.4% |
| Laboratory & X-Ray Professionals (NAPE LX) | 6.0% |
| Management Support (Non-Bargaining) | 1.5% |
| Clinical Clerks | 1.2% |
| Salaried Medical | 1.3% |
| Residents (PARNL) | 2.1% |
| Special Contract | 0.3% |

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

# The Region

Eastern Health comprises the portion of the province east of (and including) Port Blandford. The region encompasses an area of 21,000 km$^2$, 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**

## Vision

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

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

Healthy People, Healthy Communities

## Values

### Respect

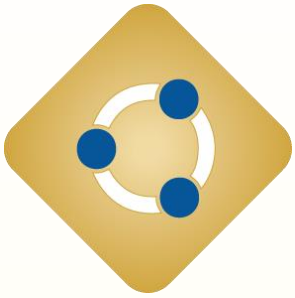
We recognize, celebrate and value the uniqueness of each client, employee, discipline and community.

### Integrity

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

### Fairness

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



### Connectedness

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

### Excellence

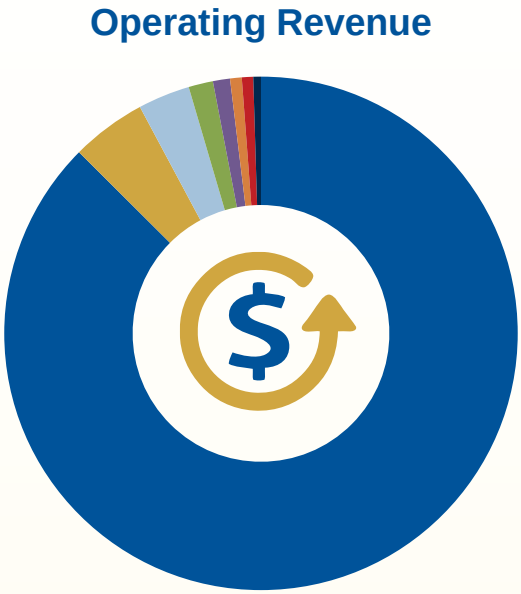
We endeavour to provide quality client- and family-centred care with sensitivity and compassion.

See Appendix II for key behaviours associated with Eastern Health's values.

# Revenues and Expenditures

The figure below shows Eastern Health's operating revenue and expenditures for 2019-20. See Appendix IV for Audited Financial Statements in full detail.

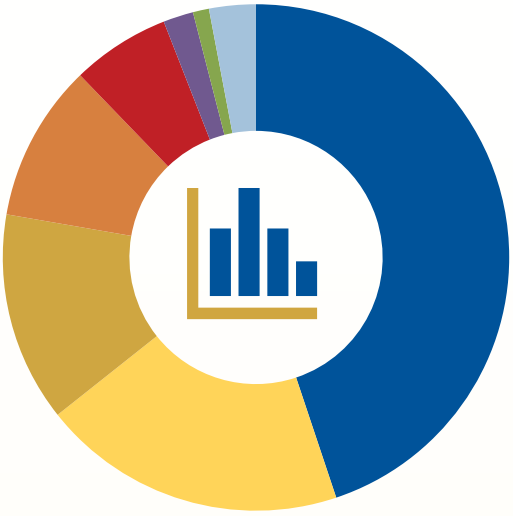
**Figure 3: Eastern Health's Operating Revenue and Expenditures by Sector for 2019-20**




| | |
|---|---|
| Provincial Plan | $1,361,248,000 |
| Medical Care Plan | $73,486,000 |
| Other[2] | $50,957,000 |
| Provincial Plan Capital Grant | $23,957,000 |
| Resident | $16,722,000 |
| Outpatient | $11,431,000 |
| Inpatient | $11,095,000 |
| Other Capital Contributions | $7,491,000 |
| | **$1,556,387,000** |

[2] Other revenue includes various recoveries, rebates, investment income and parking revenue that would not be included in the other identified revenue categories.

## Expenditures by Sector



| | |
|---|---|
| Acute Care | $760,026,000 |
| Community | $329,628,000 |
| Support[3] | $226,930,000 |
| Long-Term Care | $170,384,000 |
| Administration[4] | $106,415,000 |
| Amortization of Tangible Capital Assets | $32,650,000 |
| Research and Education | $17,388,000 |
| Employee Future Benefits | -$50,486,000[5] |
| | **$1,592,935,000** |

[3] The Support sector includes non-clinical areas such as Facilities Management, Food Services and Housekeeping that provide support to clinical areas.

[4] The Administration sector is responsible for the overall administration of the health service organization, including planning, organizing, directing and controlling the organization's services. Specific areas within this sector include Human Resources, Finance and Budgeting, Materials Management, Executive Offices, Emergency Preparedness and other administration.

[5] Due to the payout of severance to various union groups and contracts, the reduction in severance liability caused Eastern Health's employee future benefits expense to be recorded as a negative for 2019-20.

# Highlights and Partnerships

Eastern Health pursues excellence in providing quality services to clients, patients and residents. Likewise, Eastern Health benefits from the enormous efforts of its many partners in helping to achieve its mandate and strategic priorities. The following section outlines some of the highlights and partnerships from the 2019-20 fiscal year.

### New Initiative to Reduce Wait Times for Cardiac Patients Awaiting Catheterization

In June 2019, Eastern Health announced the outcomes of a new initiative to improve workflow and scheduling at the provincial cardiac catheterization laboratory (cath lab) at the Health Sciences Centre (HSC). Following this change, the organization saw significant reductions in wait times for patients throughout Newfoundland and Labrador. The average number of inpatient wait days for Eastern Health patients decreased by 51 per cent (1.95 days in January 2019, 4 days in 2017-18).

The process improvement initiative involved the implementation of a new approach to staffing and scheduling following an in-depth analysis of the cath lab's workflow. This analysis was conducted with the help of clinical process improvement experts. These specialists worked closely with all levels of Eastern Health management and staff to understand and resolve concerns within the cath lab. The initiative has resulted in reduced overtime expenses within the cath lab, as well as shorter lengths of stay in hospital for cardiac patients awaiting catheterization. These outcomes have contributed to cost savings and greater bed availability at hospitals across the province.

### New Computer-Aided Dispatch and Mobile Dispatch System

In June 2019, Eastern Health unveiled new technologies within the Paramedicine program that provide a seamless format to all 911 calls received on the northeast Avalon. Eastern Health is the first regional health authority in the province to implement the iNetCAD computer-aided dispatch system, which provides real-time communication between the medical communications centre, paramedics and medical flight specialists. This system is used by Eastern Health paramedics and hospital-based ambulances.

As soon as a 911 call is received and an address is entered into the system, the call appears on the screen of the medical communications officer responsible for dispatching ambulances. The iNetCAD system locates all ambulances on a map, identifies which ambulances are available for a call and suggests which one is closest to the call. Within seconds of an address being entered, an ambulance is en-route to the patient.

Additionally, Eastern Health has moved to iNetMobile, an in-vehicle, mobile extension of iNetCAD. With this technology, responding paramedics are able to see detailed call information and real-time updates on a mobile device or tablet. The new system also increases patient privacy by reducing the amount of information provided via radio or cell phone. Access to the iNetCAD was made possible through a generous donation from the Health Care Foundation.

### Initiatives to Gather and Share Information about Health and Wellness

In 2019, Eastern Health launched its Community Health Survey, as well as a new Health Information section on its website.

The Community Health Survey is a part of Eastern Health's Community Health Assessment, an ongoing process undertaken to understand the health, strengths and needs of the population. The survey data provided Eastern Health with people's opinions about health and wellness and their views on the health services that the organization provides. The survey also provided respondents an opportunity to share their perspective on Eastern Health's priorities and focus areas, thereby informing future health service planning. Respondents identified addictions, mental health, cost of living and chronic disease as the areas that they were most concerned about in their communities. Eastern Health is currently investigating regional differences in reported accessibility of health care, satisfaction with health-care services and community health and wellness to understand how it can best serve communities across the Eastern Health region.

The Health Information section (known as Hi) of Eastern Health's website is a new online platform designed to provide engaging information about healthy living at different life stages – from preconception health to healthy aging. The website contains information on over 200 health and wellness information topics, along with links to resources and community agencies. Additionally, Hi is a valuable resource for public and community health nurses and other front-line health-care providers whose goal is to protect and promote the health of individuals and communities

within the region. The Hi website section was launched as part of a larger website redevelopment project, which aims to improve the quality and accessibility of online information about all of Eastern Health's services, programs and priority areas. Client and family advisors and front-line providers have provided valuable input as part of the ongoing development process.

### Innovative Technique for the Surgical Treatment of Breast Cancer

In September 2019, Eastern Health began offering a new, innovative technique for optimal surgical treatment of patients with breast cancer at the Dr. G.B. Cross Memorial Hospital in Clarenville. Eastern Health was the first health-care organization in Canada to perform this procedure, which is available to patients with clinical early stage breast cancer.

The technique is made possible by the Sentimag system, which uses magnetic particles to identify sentinel lymph nodes, the first lymph nodes to which cancer cells are most likely to spread. The new system avoids a more invasive procedure by identifying only the sentinel lymph nodes and, therefore, significantly reduces potential side effects, including tissue swelling (lymphedema) and shoulder dysfunction. In addition, the new technique does not require nuclear medicine, making the procedure ideal for patients in rural areas. The system was made available through the generous support of the Discovery Health Care Foundation and the Dr. H. Bliss Murphy Cancer Care Foundation.

### Innovation Strategy and Living Lab

In February 2020, Eastern Health launched its Innovation Strategy, which is helping to encourage a culture of innovation throughout the organization. The strategy identifies Eastern Health as a Living Lab, a new approach to grow a provincial health innovation ecosystem and accelerate innovative solutions for patients and the health system.

The $1.7 million Living Lab is cost-shared between the Government of Canada through the Atlantic Canada Opportunities Agency (ACOA), the Government of Newfoundland and Labrador, Eastern Health and industry partners.[6] It offers innovators an environment in which to develop and test innovative health-care

[6] Eastern Health formally entered into strategic innovation partnerships with 10 leading multinational, national and local companies: BD, Dell Technologies, Deloitte, GE Healthcare, IBM, IMP Solutions, Medtronic, MOBIA Technology Innovations, Orion Health and Vision33.

solutions and products in real situations while obtaining data in support of outcomes for patients and clients.

Eastern Health, along with its partners, is placing Newfoundland and Labrador at the forefront of health-care innovation. These partners include the other regional health authorities, the Newfoundland and Labrador Centre for Health Information (NLCHI), the Newfoundland and Labrador Association of Technology Industries (NATI), post-secondary institutions, ACOA, industry partners and others. The health innovation acceleration centre, a collaborative space where dynamic ideas are generated and refined, will aim to be self-sustainable and will encourage ideas from Eastern Health employees as well as other individuals, groups and companies.

The Innovation Strategy aims to improve Eastern Health's services and programs through the application of innovative solutions; maximize health systems efficiencies and minimize associated costs by leveraging the innovation ecosystem to build partnerships and generate revenue; and generate economic development in the province and increase employment.

### Commissioning of Cyclotron at Medical Imaging Facility

In February 2020, following approval by the Canadian Nuclear Safety Commission, Eastern Health began commissioning, or functionally testing, the cyclotron at the Medical Imaging Facility located at the Health Sciences Centre. Commissioning of the cyclotron involves turning on the machine and testing it to ensure that the shielding and safety systems built into the facility, and the machine itself, operate as designed.

In 2016, Eastern Health expanded medical imaging services to patients with the construction of a new medical imaging facility and the acquisition of a positron emission tomography/computerized tomography (PET/CT) scanner to improve the diagnosis and treatment of certain illnesses, such as cancer. Having a cyclotron will enable the production of medical isotopes on site, which are needed to operate the PET/CT scanner, and potentially facilitate new treatment and research initiatives.

# Report on Performance

The following section outlines the progress made during 2019-20 towards Eastern Health's goals and objectives in its 2017-2020 Strategic Plan, **Lighting the Way: Navigating Together**.

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

## Access

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 mental health and addictions services, primary health care, community supports and long-term care. By focusing on these areas, the goal is for clients to receive more efficient, high quality care, thereby reducing the number of hospital visits required.

This 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 **Healthy People, Healthy Families, Healthy Communities: A Primary Health Care Framework for Newfoundland and Labrador**.

**GOAL**

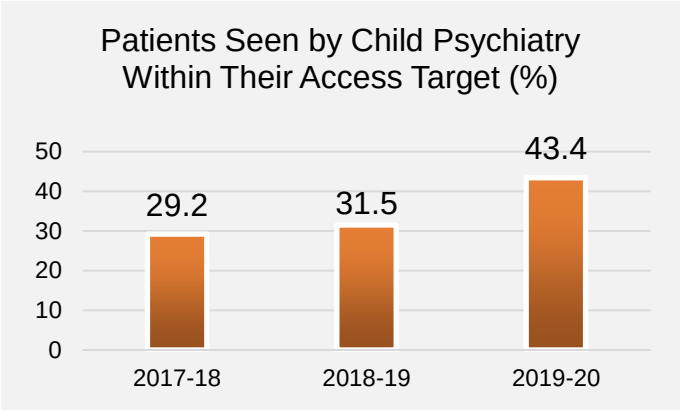
**By March 31, 2020 Eastern Health will improve access in identified program areas.**

**OBJECTIVES**

1. **Improve access to child and adult psychiatry, as well as selected mental health and addictions services within the community**
2. **Improve access to primary health care, with a focus on chronic conditions**
3. **Improve access to selected community supports and long-term care**

| | |
|---|---|
| **OBJECTIVE 1** | **Improve access to child and adult psychiatry, as well as selected mental health and addictions services within the community** |
| **KEY PERFORMANCE INDICATOR 1-1** | **Decreased wait times for outpatient child psychiatry** |

In 2019-20, wait times for outpatient child psychiatry decreased. As demonstrated in the graph, 43.4 per cent of patients were seen by child psychiatry within their access target in comparison to 31.5 per cent in 2018-19. [7,8]




In its efforts to decrease wait times for outpatient child psychiatry, Eastern Health:

- Implemented a research-based consultation only model for child psychiatry. Eastern Health is currently reviewing the outcomes of this model to determine whether there is a need to change criteria to better identify those most suitable for the service;
- Implemented the Mental Health and Addictions Wait Time Strategy with its task force continuing to meet bi-weekly to review data and understand the current state.

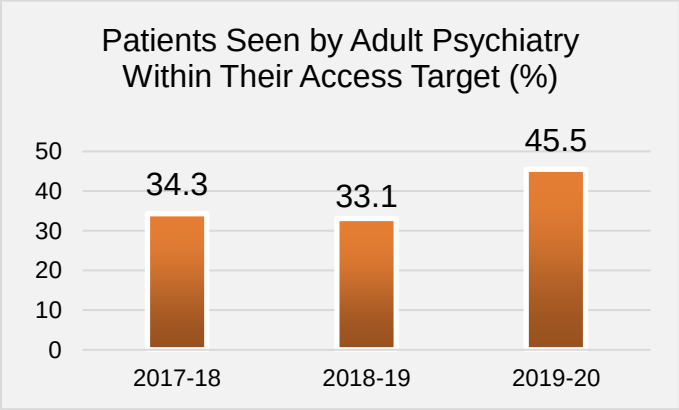
[7] Wait times are based on a point in time and are subject to change as Eastern Health continuously refines data collection and processes throughout the organization.

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

KEY PERFORMANCE INDICATOR 1-2

**Decreased wait times for outpatient adult psychiatry**

Similar to outpatient child psychiatry (above), Eastern Health continues to put substantial effort into decreasing wait times for outpatient adult psychiatry. In 2019-20, wait times decreased, as the percentage of patients seen by adult psychiatry within their access target at select city psychiatry clinics was 45.5 in comparison to 33.1 in 2018-19.[9]




The organization continues work to improve the quality of wait time data and to implement the recommendations outlined in **Towards Recovery: The Mental Health and Addictions Action Plan for Newfoundland and Labrador**. In 2019-20, Eastern Health:

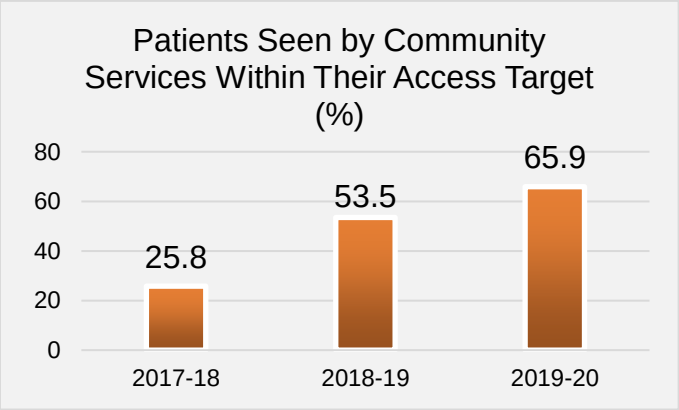
- Established centralized intake hubs throughout the region, which have streamlined referral processes and improved access;
- Provided staff with education on data entry processes;
- Completed the implementation of Community Wide Scheduling for all psychiatrists;
- Implemented the Mental Health and Addictions Wait Time Strategy with its task force continuing to meet bi-weekly to review data and understand the current state;
- Developed a set of guidelines (criteria) that are applied at intake to streamline processes and improve mechanisms for communication with family physicians.

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

KEY PERFORMANCE INDICATOR 1-3

**Decreased wait times for selected community mental health and addictions services**

Eastern Health continues work to improve mental health and addictions services in the community. This includes implementing initiatives that are similar to those outlined above for outpatient adult psychiatry.




In 2019-20, wait times for selected community mental health and addictions services decreased, as 65.9 per cent of patients were seen within their access target in comparison to 53.5 per cent in 2018-19. [10]

During 2019-20, Eastern Health increased offerings of walk-in clinics and same-day appointments at Doorways, a rapid access, single-session counselling service with locations across the region.[11]

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

[11] https://mha.easternhealth.ca/doorways/

| OBJECTIVE 2 | Improve access to primary health care, with a focus on chronic conditions |
|---|---|
| KEY PERFORMANCE INDICATOR 2-1 | **Decreased admissions for Ambulatory Care Sensitive Conditions** |

Ambulatory Care Sensitive Conditions (ACSC) are specific chronic medical conditions that, when treated effectively in community settings, should not advance to hospitalizations. Hospitalization for an ACSC is considered to be a measure of access to appropriate primary health care. ACSCs include: diabetes, angina, hypertension, heart failure, pulmonary edema, asthma, chronic obstructive pulmonary disorder (COPD), grand mal status and other epileptic convulsions.

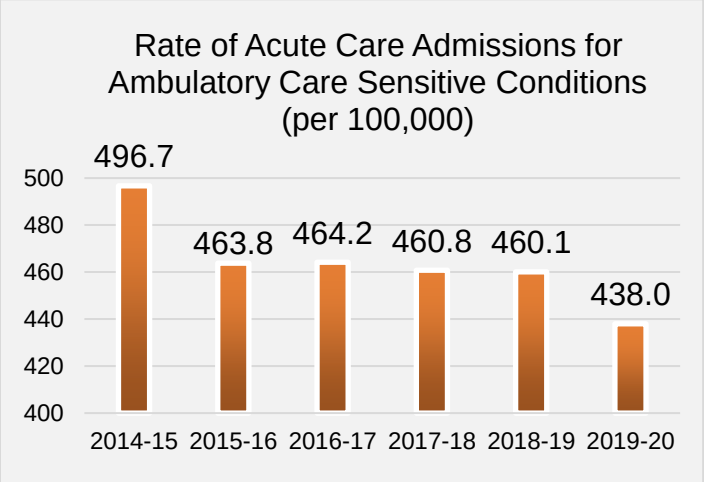
Eastern Health continues to work on decreasing admissions for ACSCs through multiple initiatives. Most notably, in 2019-20, the organization:

- Implemented a process to facilitate the referral of Medicine unit inpatients to the INSPIRED COPD Outreach Program™. This program provides patients with moderate to severe COPD, and their families, with the information, tools and support needed to better manage their illness in their home;[12]
- Continued to integrate the Electronic Medical Record (EMR) at various primary health-care sites;
- Launched the BETTER Program on the Burin Peninsula and continued to support the expansion of the program to other areas of the region. This program trains clinicians/allied health professionals to become experts in chronic disease prevention and screening.[13]

[12] https://www.cfhi-fcass.ca/what-we-do/spread-and-scale-proven-innovations/inspired-copd

[13] https://better-program.ca/

As shown in the graph, the crude rate of acute care admissions for ACSCs (per 100,000 population) decreased to 438.0 in 2019-20.[14]



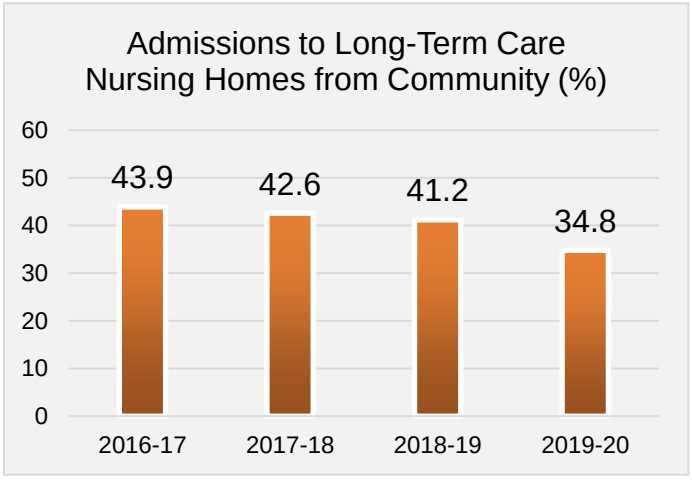

**OBJECTIVE 3**

**Improve access to selected community supports and long-term care**

**KEY PERFORMANCE INDICATOR 3-1**

**Increased percentage of admissions to long-term care from a community setting vs. hospital**

Access to community supports and long-term care is measured by the percentage of admissions to long-term care from a community vs. hospital setting. Eastern Health aims to discharge more patients back to their home or community with the appropriate supports to wait for a long-term care bed. Despite efforts to improve access in this area, the percentage of admissions from a community setting decreased to 34.8 during 2019-20, as compared to 41.2 in 2018-19.




[14] Refers to crude rate using internal data.

Examples of work related to this indicator during 2019-20 include:

- Building stronger connections between acute care and community in discharge planning;
- Introducing the Resident Assessment Instrument (RAI). The RAI is a more concise assessment tool used to access home support in the community versus the longer assessment tool used for long-term care placement;
- Embedding community coordinators into acute care to support front-line social workers in placing clients on the pathway to community supports rather than long-term care. Community coordinators also provide on-site approvals for new clients requiring home support;
- Scheduling acute care and community social workers on the weekend to divert clients from inappropriate visits to the emergency department. These social workers assess and provide timely access to home supports in the community as opposed to assessing for long-term care placement;
- Ensuring access to the Special Assistance Program is provided within 48 hours. This program provides clients with equipment required in the community for timely and safe discharge;
- Developing and implementing process improvement initiatives that aim to promote the pathway to community versus long-term care. This work involved collaboration between key stakeholders, including acute care, long-term care and community programs.

KEY PERFORMANCE INDICATOR 3-2

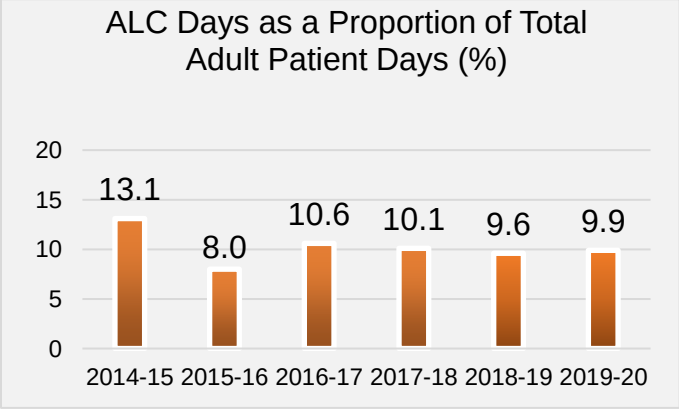
**Decreased Alternate Level of Care (ALC) days in acute care**

Alternate Level of Care (ALC) refers to patients who are in hospital even though they no longer need hospital care. Beds occupied by ALC patients are not available to other patients who need hospital care. High ALC rates indicate that patients are not being cared for in an ideal setting (such as their home, assisted living or residential care) and can contribute to congested emergency departments and surgery cancellations.

Examples of strategies implemented to decrease ALC days in acute care during the 2019-20 fiscal year include:

- Revision of the screening process for patients in the acute care Medicine program who are identified for long-term care placement. The revised process ensures that all appropriate home and community support alternatives are explored prior to assessment and long-term care placement;
- Development of recommendations to streamline and support a home first approach in palliative care delivery;
- Revision of Eastern Health's ALC policy and ongoing collaboration with the provincial ALC committee, led by the Department of Health and Community Services, on the development of a provincial ALC policy;
- Development of a draft regional First Available Bed Policy to facilitate transfers from acute care to long-term care.

Eastern Health has shown consistent improvements in ALC reduction since 2016-17. However, the percentage of ALC days out of the total adult patient days in 2019-20 was 9.9, an increase from 9.6 in the previous year.



## DISCUSSION OF RESULTS

- Improving access to services continues to be a priority for Eastern Health. The organization is working diligently to decrease wait times in all areas, including mental health and addictions, and has realized improvements in data quality and processes. Wait times in each of our three selected mental health and addictions services decreased in 2019-20, with more patients being seen within their access targets. The reduction in wait times for community services has been especially notable, with more than double the percentage of individuals being seen within their access target in 2019-20 in comparison to the first year of our Strategic Plan. Eastern Health will continue its efforts to respond to the demand for these services and help people access the care they need before they are in crisis.
- In recent years, there has been a steady decrease in admissions for ACSCs, which indicates that individuals are being treated effectively in a community setting. Similarly, there has also been a steady decrease in ALC days since 2016-17, indicating that patients are being cared for in appropriate settings such as their homes, assisted living or residential care rather than in acute care. The slight increase in ALC designations this past fiscal year can be largely attributed to the increased need for palliative care beds and the challenges associated with transfer to long-term care from acute care hospitals. Many patients who were identified for long-term care placement were unable to be cared for at home while awaiting a long-term care bed due to the increasing complexity of patient needs, family inability or refusal to continue care at home, or a lack of available resources in the community. In some cases, transfer to long-term care facilities was also prolonged by a lack of family support for the first available bed or increased care requirements for transport during the COVID-19 pandemic.
- Despite the tremendous work applied over the last three years to increase the percentage of admissions to long-term care from a community setting vs. hospital setting, a decrease was realized in 2019-20. Multiple factors may have contributed to this decrease, including the need to respond to the COVID-19 pandemic. During this time, several clients were placed in long-term care to make acute care beds available in preparation for the pandemic. Furthermore, while the goal of this indicator is to decrease the number of placements to long-term care from acute care and increase the number from community, the home first philosophy aims to better support clients in the community and reduce long-term care admissions overall. The home first approach in community may be counterproductive to achieving success on this indicator.

# Quality & Safety

Quality and Safety is an integral priority for Eastern Health that is consistently woven throughout the entire organization. Eastern Health strives to keep all facilities well-maintained, while eliminating safety hazards and improving overall quality of care. Safety is everyone's responsibility and Eastern Health continues to encourage an open discussion regarding safety concerns. Eastern Health is committed to providing a caring and compassionate environment and has built 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.

This priority aligns with the Provincial Government's Strategic Direction: Better Care for Individuals. It also aligns with various provincial initiatives and legislation, 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.**

**OBJECTIVES**

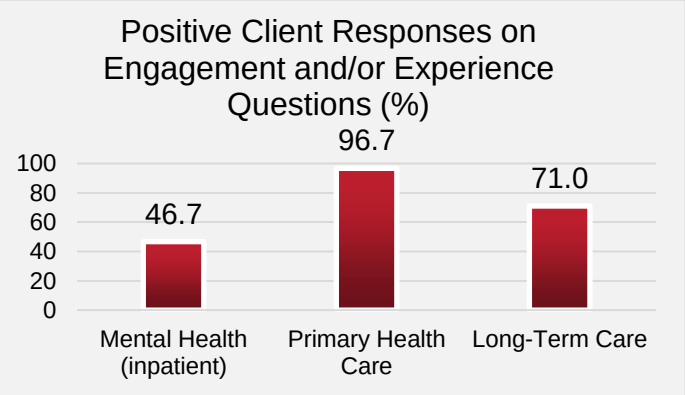
1. **Create an environment that fosters the Client- and Family-Centred Care (CFCC) approach to health care**
2. **Improve the physical environment of Eastern Health's facilities**
3. **Increase Eastern Health's focus on safety as it relates to client, family, employee and public safety**

| | |
|---|---|
| **OBJECTIVE 1** | **Create an environment that fosters the Client- and Family-Centred Care (CFCC) approach to health care** |
| **KEY PERFORMANCE INDICATOR 1-1** | **Positive responses from clients on questions related to engagement and/or experience on 'client experience' surveys** |

Over the past two years, client experience surveys have been administered to clients of various programs across the organization. In 2019-20, surveys for the Long-Term Care program were administered and analyzed; survey tools for the Mental Health (inpatient) and Primary Health Care programs were developed, administered and analyzed; and planning for surveys for the Cancer Care program occurred.

This indicator is measured as the percentage of respondents who rate their care as eight or above on a scale from zero (worst care possible) to 10 (best care possible) on client experience surveys.

Care was rated as eight or above by 46.7 per cent of Mental Health inpatient clients, 96.7 per cent of Primary Health Care clients and 71.0 per cent of Long-Term Care families that responded to the surveys.[15,16]




[15] We caution the comparison of survey results between programs as a different methodology was used to survey clients from each program. Mental Health inpatient clients were surveyed in person during their hospital stay and Primary Health Care clients received the survey by mail one to two months after their appointment. The survey was mailed to substitute decision makers of residents who resided in long-term care at the time of survey distribution. Additionally, the results are based on a different number of survey responses from each area, with responses received from 15 Mental Health inpatient clients, 726 Primary Health Care clients and 155 Long-Term Care family members.

[16] Results from the 2019-20 client experience surveys cannot be compared to results from previous years because the surveys are administered in different programs each year.

In addition to the surveys, considerable work has been undertaken to promote CFCC throughout Eastern Health. In 2019-20, the organization:

- Continued to educate employees on CFCC through e-learning modules and the incorporation of CFCC into corporate initiatives (i.e., orientation, position descriptions);
- Continued to support programs/service areas in identifying and operationalizing CFCC initiatives/activities;
- Completed implementation of the Family Presence Policy in Burin and began work to implement the policy in Cardiac/Critical Care and Rehabilitation Services in the St. John's Metro region. This policy enables clients to designate one family member, or other loved one, to provide support to them while they are receiving care;
- Continued to educate employees on the Family Presence Policy.

**KEY PERFORMANCE INDICATOR 1-2**

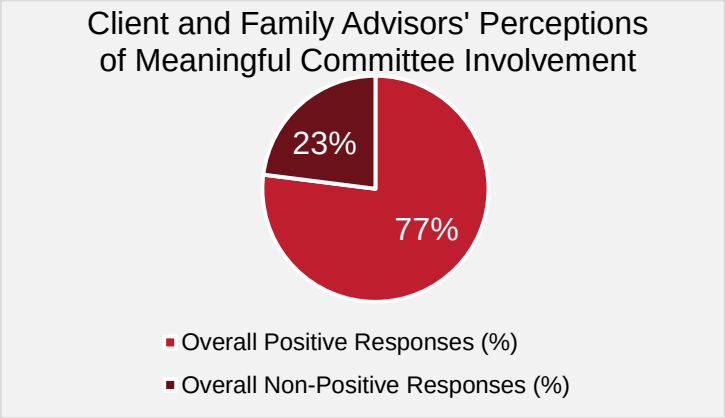
**Positive responses from client and family advisors on survey questions related to meaningful involvement**

The role of a client and family advisor is to bring their lived experience to our tables to facilitate and inform decision-making; to support and encourage other Eastern Health clients and their families to be involved and/or share their experiences; and to participate in a variety of ways to improve care, such as providing advice on new policies, facility planning and client surveys.

In 2019-20, the organization administered its third annual engagement survey of client and family advisors to measure whether advisors reported meaningful involvement with Eastern Health. The survey was administered via email to 46 client and family advisors and had a response rate of 60.9 per cent.[17]

[17] At the time of survey administration, Eastern Health had 55 client and family advisors. Seven advisors were excluded from the survey because their onboarding was not complete and they were not engaged in their advisory role. Two advisors were sent the survey via mail, but were later excluded because postal services were delayed as a result of the COVID-19 pandemic and responses were not received.

77 per cent of survey respondents provided overall positive responses (selected “For the most part” or “Very much so”) when asked about meaningful engagement and satisfaction with their advisory role compared to 64 per cent in 2018-19.



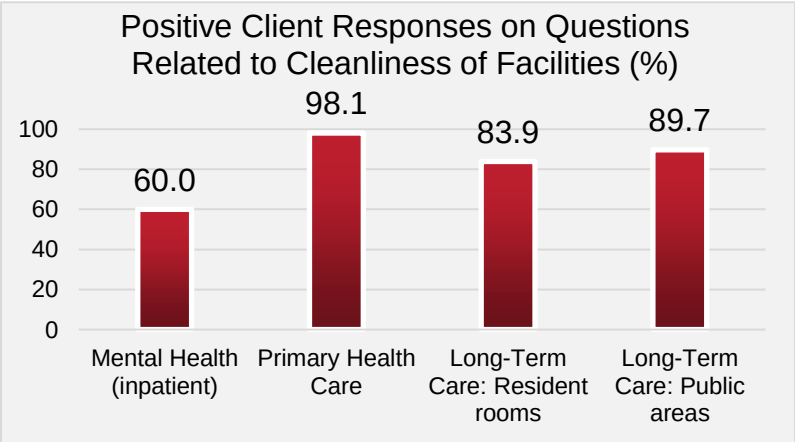

Eastern Health continues its efforts to develop and maintain meaningful relationships with client and family advisors. In 2019-20, the organization:

- Continued recruitment of client and family advisors for Children’s Health, Cardiac/Critical Care, breastfeeding initiation programs, Rehabilitation (Dr. Leonard A. Miller Centre), Cancer Care (Western Health region), Dialysis, Ethics and the Cleanliness Strategy;
- Expanded advisor engagement in human resources leadership selection processes at the executive and senior management level, and in new hire orientation;
- Held virtual discussions and developed print resources to facilitate the provision of advisor feedback on engagement activities;
- Strengthened the partnership between Community Advisory Committees and client and family advisors through engagement opportunities;
- Continued to provide orientation sessions for client and family advisors.

| OBJECTIVE 2 | Improve the physical environment of Eastern Health's facilities |
|---|---|
| KEY PERFORMANCE INDICATOR 2-1 | **Positive responses from clients on questions related to cleanliness of Eastern Health facilities** |

Eastern Health continues to develop, implement and evaluate methods to produce cleaner, tidier and better maintained facilities. Since 2017-18, Eastern Health has assessed client perceptions of the cleanliness of its facilities with its client experience surveys. In 2019-20, surveys for the Long-Term Care program were administered and analyzed; survey tools for the Mental Health (inpatient) and Primary Health Care programs were developed, administered and analyzed; and planning for surveys for the Cancer Care program occurred.

This indicator is measured as the percentage of respondents who rate cleanliness as four or above on a scale from one (Very poor) to five (Very good) on client experience surveys.




Cleanliness of facilities was rated as four or above by 60.0 per cent of Mental Health inpatient clients and 98.1 per cent of Primary Health Care clients that responded to the surveys. Of the Long-Term Care families that responded to the surveys, 83.9 per cent rated the cleanliness of residents' rooms as four or above and 89.7 per cent rated the cleanliness of public areas as four or above.[18,19]

[18] The survey for the Long-Term Care program was expanded to include two survey items related the cleanliness of specific areas within long-term care facilities.

[19] Results from the 2019-20 client experience surveys cannot be compared to results from previous years because the surveys are administered in different programs each year.

In 2019-20, Eastern Health implemented numerous initiatives that focus on the cleanliness of Eastern Health facilities, including the following:

- Completed standardization of various aspects of Environmental Services throughout the region, including: orientation, education and training of employees; chemicals; cleaning equipment; service delivery; and policies and procedures;
- Continued annual project cleaning of identified spaces, including floor refinishing, touch-up painting and plastering, vent cleaning and assessment of window treatments and light fixtures as part of the overall deep cleaning of rooms;
- Continued use of advanced microbiology testing to assess the level of cleanliness after a room has been cleaned.

These and other activities are supported and monitored through audits and the implementation of a reporting index to measure the effectiveness of these improvement strategies.

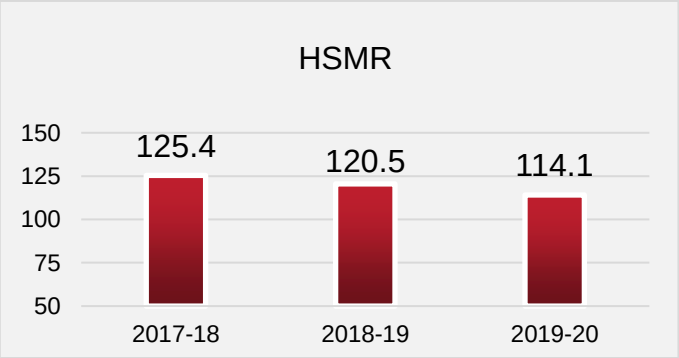
| | |
|---|---|
| **OBJECTIVE 3** | **Increase Eastern Health's focus on safety as it relates to client, family, employee and public safety** |
| **KEY PERFORMANCE INDICATOR 3-1** | **Improved Hospital Standardized Mortality Ratio** |

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. In September 2019, the Canadian Institute for Health Information (CIHI) updated the HSMR indicator methodology and the years of data used to establish the pan-Canadian baseline. This update is part of the normal evolution of the indicator and ensures that the measure remains relevant and useful despite changes in clinical care and hospital mortality trends. CIHI updated its baseline to 97. Previously reported results (including those in the graph) have been re-

calculated using the new methodology, thereby allowing comparisons to be made between past and current results.

When tracked over time, the HSMR indicates whether hospitals have been successful in reducing patient deaths and improving care. Values greater than 97 indicate that 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, the HSMR was 120.5 in 2018-19 and decreased to 114.1 in 2019-20, which demonstrates that progress was made on this indicator.[20]




Examples of work undertaken to improve HSMR data quality in 2019-20 include:

- Implementation of a regular documentation auditing process to decrease the number of incomplete records and documentation deficiencies, thereby preventing delayed communication with clinicians and improving the accuracy and completeness of coding;
- Implementation of a new framework, which involves an on-site coder working directly with clinicians to correct and amend documentation deficiencies prior to year-end submissions. This framework is currently in place for Cardiac Care and Surgery, with plans to expand to all programs in 2020-21;
- Continued work on the development of an abbreviation policy to ensure that documentation is standardized and in turn, appropriately coded. This will support the accuracy of HSMR data reported across Eastern Health programs and sites;
- Creation of a dedicated data quality training specialist position to complete reviews for all death charts to ensure that the documentation accurately captures comorbidities and most responsible diagnosis. These edits have proven to have a direct impact on the HSMR.

[20] Internal reporting based on CIHI current methodology.

KEY PERFORMANCE INDICATOR 3-3

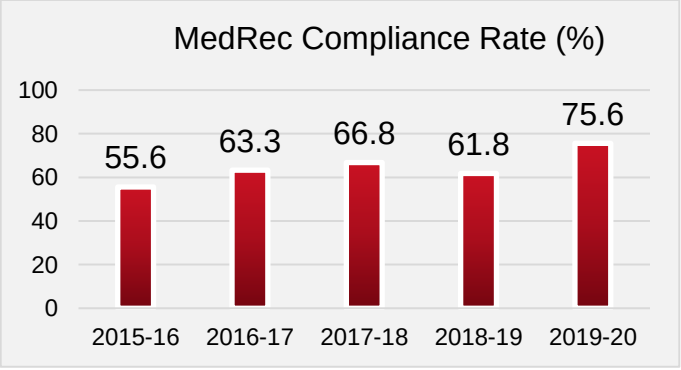
**Increased medication reconciliation compliance rates**

Medication reconciliation (MedRec) is a process that supports the communication of accurate and complete medication information between health-care providers at all points of transition in care with the goal of preventing adverse drug events and patient harm. Eastern Health has been working diligently to increase MedRec compliance rates over the last number of years. Success criteria for assessing the MedRec process include ensuring that: the Best Possible Medication History (BPMH; a comprehensive medication history that includes drug name, dosage, route and frequency) is collected at admission; BPMH is collected from patients/families and one other reliable source of information; BPMH is compared to admitting orders; and medication discrepancies are identified and resolved.

Work undertaken to continue our improvement with MedRec compliance in 2019-20 included:

- Continued development and implementation of an electronic MedRec process to complete MedRec at all transitions in care in acute care services and individual units within those programs (i.e., Critical Care, Children and Women's Health and Mental Health and Addictions);
- Development of online educational material on the MedRec process and how to best obtain the BPMH;
- Exploration of the use of patient safety screens as a tool for sharing MedRec data.

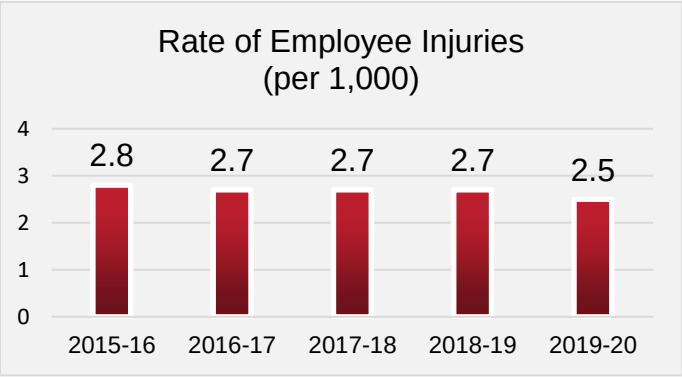
As indicated in the graph, the overall percentage of MedRec compliance (acute care inpatient units) in 2019-20 increased to 75.6 per cent, in comparison to 61.8 per cent compliance in 2018-19.



**KEY PERFORMANCE INDICATOR 3-4**

**Decreased employee injuries**

Eastern Health has undertaken significant work to decrease employee injuries in the workplace, measured as the rate of lost time injuries per 1,000 employees. As indicated in the graph, the rate of employee injuries decreased to 2.5 in 2019-20.




Eastern Health has placed considerable focus on prevention of injuries in the areas of greatest risk for our staff, including manual material handling, client/patient/resident aggression, slips, falls and patient/resident handling. During 2019-20, Eastern Health:

- Continued implementation of the Safe Patient and Resident Handling (SPRH) program and audits, including the revision of the Mobility Decision Support Tool and the development of e-learning resources;
- Completed an evaluation of the manual material handling pilot program and continued rollout of the program to other sites;
- Continued work to prevent Aggressive Violent Behaviour, with a focus on policy and procedure development and training in long-term care;
- Continued work on a prevention campaign to reduce slips and falls, with a focus on parking lot and sidewalk snow/ice safety, cord safety and card management in patient/resident rooms.

## DISCUSSION OF RESULTS

- Eastern Health is consistently working to improve the quality and safety of care delivered by the organization. As such, the organization regularly monitors many safety-related indicators and assesses client perceptions of its service and care delivery.
- In 2019-20, client experience surveys were administered to assess several aspects of the Mental Health (inpatient), Primary Health Care and Long-Term Care programs. These programs, with the exception of Mental Health inpatient services, received positive scores on indicators related to client experience and facility cleanliness. The Mental Health and Addictions program is working diligently to realize improvements in these areas. We caution the comparison of results between programs as different survey methodologies were used and different numbers of responses were received in each program area. The results of the client experience surveys and feedback from other community members, such as client and family advisors, are used to guide program planning and facilitate decision-making in areas where improvement is required.
- Over the course of the 2017-2020 Strategic Plan, Eastern Health has observed relatively steady improvements in its HSMR, medication reconciliation compliance rates and employee injury rates. Despite these successes, the organization recognizes the importance of these indicators and will continue to prioritize them, expand on successful initiatives and seek new opportunities in these areas as it moves into the next strategic planning cycle.

# Population Health

Improving the health of the population is a shared responsibility that requires a long-term vision and commitment to reach desired outcomes. 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. To this end, 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 COPD. Eastern Health also recognizes that individuals and communities have a key role to play in managing their own health and the health of their residents, respectively. As part of this focus, Eastern Health engages with communities as partners in determining the appropriate initiatives to improve the health of the population.

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

**GOAL**

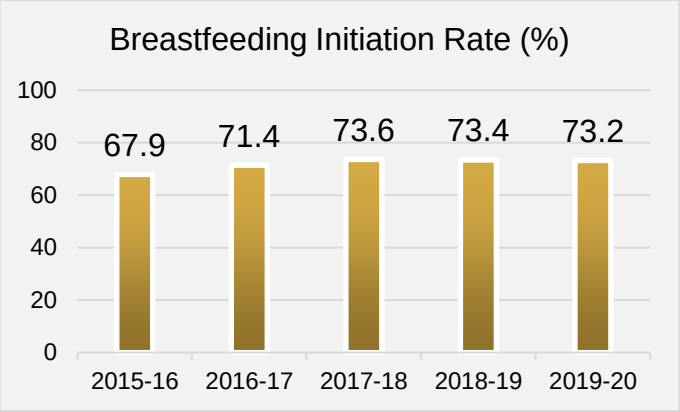
**By March 31, 2020 Eastern Health will work toward improving the health of the population through identified strategies/initiatives.**

**OBJECTIVES**

1. **Collaborate with partners on prevention and promotion initiatives to improve the health of the population**
2. **Engage community members in new and existing initiatives that aim to improve the health of the population**

| OBJECTIVE 1 | Collaborate with partners on prevention and promotion initiatives to improve the health of the population |
|---|---|
| KEY PERFORMANCE INDICATOR 1-1 | **Increased breastfeeding initiation** |

As shown in the graph, breastfeeding initiation rates have increased since 2015-16. Eastern Health remained consistent on this indicator during 2019-20 at 73.2 per cent, a slight decrease from the year prior.




Eastern Health remains committed to improving the health of women and children through participation in the national Baby Friendly Collaborative. The organization continues to strive to find innovative ways to promote and support breastfeeding as the primary method of infant feeding, thereby contributing to an overall culture change.

In an effort to increase breastfeeding initiation in 2019-20, Eastern Health:

- Developed a regional Baby Friendly Initiative plan with oversight from the regional Baby Friendly Initiative committee. This operational plan is focused on achieving Baby Friendly Hospital designation at the HSC and supporting all sites to improve breastfeeding initiation and exclusivity at discharge;
- Continued to provide breastfeeding education and support to community partners;
- Publicly promoted the importance and value of breastfeeding through World Breastfeeding Week events.

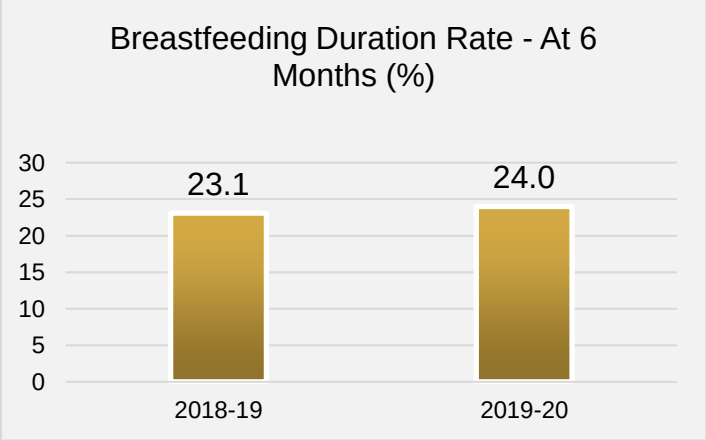
KEY PERFORMANCE INDICATOR 1-2

**Increased breastfeeding duration (at six months)**

In addition to the development of the Baby Friendly Initiative plan mentioned above, the organization undertook the following initiatives to increase the rate of babies being exclusively breastfed until six months of age during 2019-20:

- Continued work to improve the transition between the services provided by hospitals, Public Health and peer support groups. This involved exploring options for optimizing community supports through consultations with community and acute care partners, including holding focus groups with public health nurses in St. John's and surrounding areas around weekend breastfeeding support;
- Developed a comprehensive breastfeeding work plan to build capacity for breastfeeding support at the community level.

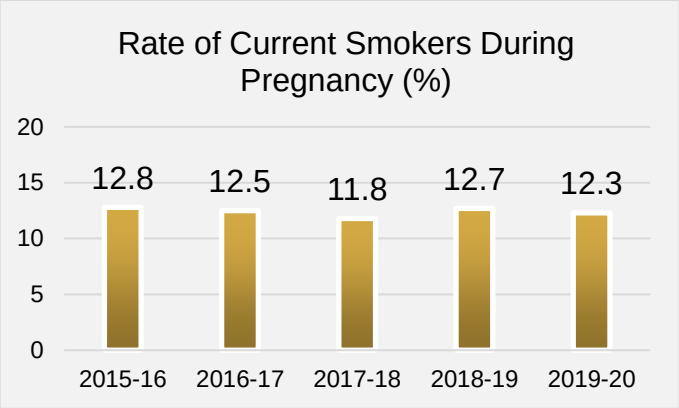
As illustrated in the graph, the breastfeeding duration rate (at six months) increased from 23.1 per cent in 2018-19 to 24.0 per cent in 2019-20.[21]




[21] Due to a change in the reporting process in April 2018, we caution comparison with data prior to this time. Therefore, annual data collected prior to 2018-19 has been excluded from the graph.

KEY PERFORMANCE INDICATOR 1-3

**Decreased rate of current smokers during pregnancy**




Eastern Health aims to increase access to smoking cessation supports for pregnant and postpartum women, thereby decreasing the rate of current smokers during pregnancy. During prenatal visits, expectant mothers are asked to indicate whether they have smoked during pregnancy for inclusion in their prenatal record. As illustrated in the graph, the rate of expectant mothers smoking at any time during the prenatal period has decreased slightly over the past year to 12.3 per cent in 2019-20.

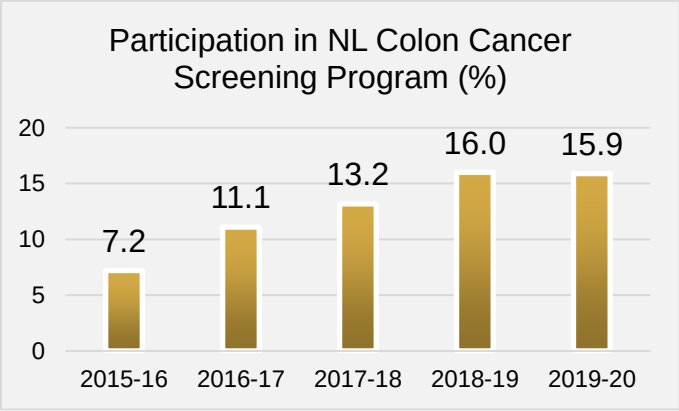
Work related to this indicator during 2019-20 involved the following:

- Revamped the Supporting Women to Stop Smoking self-learning module as part of the Public Health nursing orientation. This module incorporates current evidence on vaping and pregnancy. The implementation of the module was delayed due to COVID-19 and is now planned for late Fall 2020;
- Continued engagement with Family Resource Centres to support implementation of the Supporting Women to Stop Smoking module in upcoming presentations on vaping.

KEY PERFORMANCE INDICATOR 1-4

**Increased participation in the NL Colon Cancer Screening Program**

Participation in the Newfoundland and Labrador Colon Cancer Screening Program is defined as the percentage of individuals 50-74 years of age who are at average risk for colorectal cancer who successfully completed at least one fecal test in the program within the last fiscal year. The participation rate during the 2019-20 fiscal year remained consistent at 15.9 per cent in comparison to 16.0 in 2018-19.




In an effort to increase participation in the NL Colon Cancer Screening Program during 2019-20, Eastern Health:

- Began a two-year project, which involves analyzing screening data to inform the development of engagement strategies for public and primary health-care providers;
- Implemented a new referral form in the EMR to facilitate the referral process for screening for family physicians;
- Continued to work within the Provincial Cancer Screening Task Force on the development of an integrated model for population-based screening in the province, which includes the deployment of a new screening database.

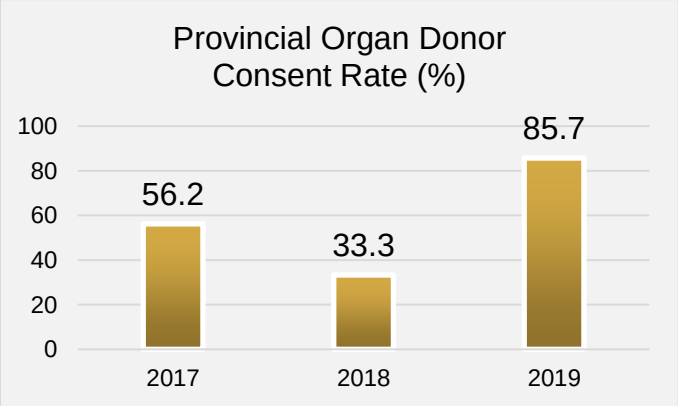
KEY PERFORMANCE INDICATOR 1-5

**Increased organ donation consent rate per year (provincial)**

Organ Procurement and Exchange of Newfoundland and Labrador (OPEN) is a provincial program that is working to increase the consent rate for organ donation in eligible donors. OPEN operates under the direction of Eastern Health, in partnership with Canadian Blood Services and a provincial advisory committee.

Eastern Health has defined organ donation consent rate as the percentage of substitute decision makers who consent to organ donation on behalf of their loved one, once neurological death has been declared, out of the total number of patients referred and eligible for organ donation.

As indicated in the graph, Eastern Health's organ donation consent rate (provincial) increased during 2019 as compared to the previous calendar year (i.e., 85.7 compared to 33.3).[22]




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

[22] Due to the very specific conditions in which a substitute decision maker would be approached to provide consent for organ donation, the provincial rate is based on a small population size (six consents out of seven referred and eligible in 2019 in comparison to four out of 12 in 2018). One would expect variability in this indicator as a result of the small population size.

During 2019-20, Eastern Health:

- Offered public awareness sessions at high schools in the region;
- Continued to provide education sessions for health-care professionals;
- Participated in a national study, which aimed to better understand the decision-making process of surrogates of actual and potential organ donors. The results of this study have been submitted for publication.

| | |
|---|---|
| OBJECTIVE 2 | **Engage community members in new and existing initiatives that aim to improve the health of the population** |
| KEY PERFORMANCE INDICATOR 2-1 | **Positive responses from community members related to engagement** |

Eastern Health regularly seeks community input into program and policy planning to ensure that it is effectively responding to the needs of the population. One way in which the organization receives input is through collaboration with its Community Advisory Committees (CAC). CACs consist of Eastern Health representatives and community partners who collaborate to improve the quality and delivery of health-care services in a particular area. For the past two years, Eastern Health has implemented a Community Advisory Committee Engagement Survey to assess positive responses from community members related to engagement. The survey was not administered in 2019-20.

Instead, Eastern Health focused its efforts on initiating a Community Health Assessment (CHA). The CHA process involves gathering data from a variety of sources that provide information about health-care service delivery within a region, as well as the health status and needs of a population. In 2019-20, as part of its CHA, Eastern Health conducted a Community Health Survey and received valuable feedback from over 4000 community members in the Eastern Health region.

In addition to the survey, the organization worked to identify other opportunities to engage the community in ongoing primary health-care work throughout 2019-20, including:

- Establishing CACs in Clarenville and area, and in the Placentia-Cape Shore area. Several programs within the organization worked together to establish a population focus;
- Conducting community town hall consultations, with the plan to form CACs, in Conception Bay Centre, Southern Shore and St. Mary's Bay;
- Meeting with community members from Portugal Cove-St. Philips to explore ways to build on their strengths and address health-care challenges in their community.

## DISCUSSION OF RESULTS

- Eastern Health is continuously striving to improve the health and well-being of the population and advance health equity in the region. Over the course of this Strategic Plan, Eastern Health has achieved notable successes in some areas, while other areas still require significant improvement. For example, despite decreasing slightly in 2019-20, the organization has observed steady increases in breastfeeding initiation rates and colon cancer screening participation over the past five years. The slight decrease in both of these indicators in 2019-20 can be attributed to the region's record-breaking January blizzard and the COVID-19 pandemic, which had a considerable impact on the programs' operations. Furthermore, a disruption in mail delivery at the end of the fiscal year resulted in the expiration of some test kits for colon cancer screening. Patients that were affected by the mail disruption were rescreened outside of the fiscal year reporting period. Three thousand more test kits were distributed in 2019-20 than in the previous year.
- Over the past five years, Eastern Health has observed only a slight decrease in rates of smoking by new mothers during pregnancy. However, the lack of movement in this indicator may be due to greater self-reporting of smoking during pregnancy. Recent work has focused on approaching topics that have the tendency to be met with harsh judgement and criticism in a non-judgmental and supportive way. It is possible that more mothers self-reported smoking during pregnancy because of a shift in environment and approach of service providers.

- Eastern Health recognizes the valuable contribution that its community partners have made in attaining several of its objectives. In 2019-20, many of its successful initiatives involved collaborating with community partners across multiple sectors, including municipalities, Family Resource Centres, schools and CACs. Eastern Health will continue to engage local communities in the planning, implementation and evaluation of public health programs and services, particularly as it works to reach its most challenging goals.
- In 2019-20, Eastern Health also addressed public health issues and focused on social determinants of health through policy development and the implementation of evidence-based practices. The organization is currently navigating optimal continuation of valuable quality improvement work, such as the achievement of Baby Friendly Hospital designation, in a COVID-19 environment.

## Healthy Workplace

Eastern Health's greatest resource is its people: the employees, physicians and volunteers who are dedicated to client care. As such, the organization is committed to creating a workplace culture that respects the needs of its workforce and values their psychological health and safety. Research provides a strong rationale for investing in employee and workplace health, as they are "inextricably linked to productivity, high performance and success."[23] This priority focuses on increasing employee engagement and improving employee wellness.

This priority aligns 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.**

**OBJECTIVES**

1. **Increase employee engagement**
2. **Promote employee wellness, with a particular focus on mental health in the workplace**

[23] Macleod and Shamian, 2013, www.longwoods.com/content/23355

| OBJECTIVE 1 | Increase employee engagement |
|---|---|
| KEY PERFORMANCE INDICATOR 1-1 | **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.

The organization continues to prioritize employee engagement, as reflected by the work completed during the 2019-20 fiscal year:

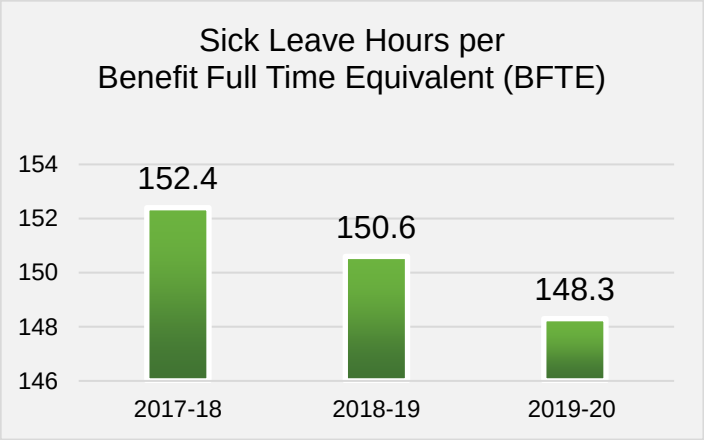
- Implemented recommendations from the 2018-19 engagement survey within individual programs and departments;
- Continued to offer and improve the Employee Recognition Program, which includes Recognition Week, CEO Awards of Excellence, the Scholarship Program and the Service and Retirement Award Program;
- Implemented the Diversity and Inclusion Plan, which included: becoming a member of the Canadian Centre for Diversity and Inclusion; highlighting diversity through the monthly "Diversity Spotlight"; and celebrating diversity events such as Indigenous Peoples Day and Pride Week;
- Launched a Civility and Respect Campaign, as well as training for managers on fostering civil work spaces.

Every three years, Eastern Health measures employee and physician engagement using the Aon Employee Engagement Survey, with the most recent survey having been conducted in 2018-19. This survey was not conducted in 2019-20. During this fiscal year, the organization dedicated its resources to implementing recommendations from the 2018-19 survey, as well as other psychosocial factors such as civility and respect and psychological job fit.

| OBJECTIVE 2 | Promote employee wellness, with a particular focus on mental health in the workplace |
|---|---|
| KEY PERFORMANCE INDICATOR 2-1 | **Reduced sick leave** |

Eastern Health has undertaken numerous initiatives to reduce sick leave in recent years, measured as total sick leave hours per benefit full time equivalent (BFTE) employee.[24]

In 2019-20, the average BFTE employee used 148.3 hours of sick leave, a reduction from 150.6 hours used in 2018-19.




The organization continues to place significant emphasis on improvement in this area, as illustrated by:

- Implementation of a process for reviewing return to work options and alternative plans for employees on long-term sick leave;
- Completion of all planned activities in the change management plan, including the development of e-learning tools for staff, as well as the delivery of education sessions and implementation of an online toolkit for managers;
- Continued monitoring of performance indicators that support Eastern Health's Attendance Support Policy and circulation of quarterly compliance reports to all managers.

[24] BFTE includes employees with sick leave benefits and excludes unpaid sick leave hours.

KEY PERFORMANCE INDICATOR 2-2

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

Eastern Health recognizes that a psychologically safe workplace benefits both patients and employees. Consequently, the organization is continuously working to identify and address factors that impact psychological safety in alignment with the National Standard of Canada for Psychological Health and Safety in the Workplace.

In 2019-20, as part of its ongoing commitment to employee health and wellness, Eastern Health:

- Expanded its offering of the Working Mind training (Mental Health Commission of Canada) from managers to other employees;
- Partnered with the Department of National Defence and Memorial University of Newfoundland to train 10 employees as facilitators in the Road to Mental Readiness (R2MR) training program. This program was launched to managers in 2019 with a roll out for all employees planned for 2020;
- Continued the development of its online Psychological Health and Safety library (through LEAP) with new additions being added regularly;
- Received funding through the Newfoundland and Labrador Workforce Innovation Centre to launch the development of the Employee Virtual Assistant and P2P Peer Support program. In partnership with IBM, this employee and family mental health resource was developed in consultation with over 200 employees and subject matter experts. It leverages artificial intelligence to provide confidential mental health support to employees 24/7;
- Formed a Psychological Strategy group, in response to COVID-19, to ensure there were no gaps in the psychological support services offered to employees. From this, in March 2020, the organization launched Rapid Response Teams (team check-ins and trauma debriefing), an Employee and Physician Navigator Phone Line and the P2P Peer Support Program.

Questions related to mental health and wellness are included on the Aon Employee Engagement Survey, which Eastern Health has implemented once every three years. As mentioned above, the survey was not administered in 2019-20 as the organization dedicated its resources to implementing recommendations from the 2018-19 survey.

Eastern Health's work in the area of psychological health and safety is guided by involvement and feedback from employees from all levels and programs within the organization. This information and feedback has guided the work identified above and has provided Eastern Health with a strong knowledge of how to best support employee mental health.

## DISCUSSION OF RESULTS

- Eastern Health has put tremendous effort into addressing its Healthy Workplace priority throughout 2017-20 and will continue to do so in the future. Despite not administering the employee engagement survey in 2019-20, significant effort was placed on advancing employee and physician engagement and mental health at Eastern Health, as evident in the activities listed above. As we move forward into the next Strategic Plan, Eastern Health will shift towards an upstream approach, focusing on the National Standard of Canada's Psychological Health and Safety dimensions.
- Eastern Health has realized a reduction in total sick leave hours per BFTE employee both in 2019-20 and throughout the 2017-20 period. The organization will continue to work on maintaining and further improving in this area during the years to come.

# Sustainability

Ensuring the organization is sustainable allows us to continue advancing access, quality and safety and population health endeavours. As a result, Eastern Health focuses on increasing efficiency in areas that have been identified as operating ineffectively and thus are costly to the health-care system.

This priority aligns with the Provincial Government's Strategic Direction: Better Value Through Improvement.

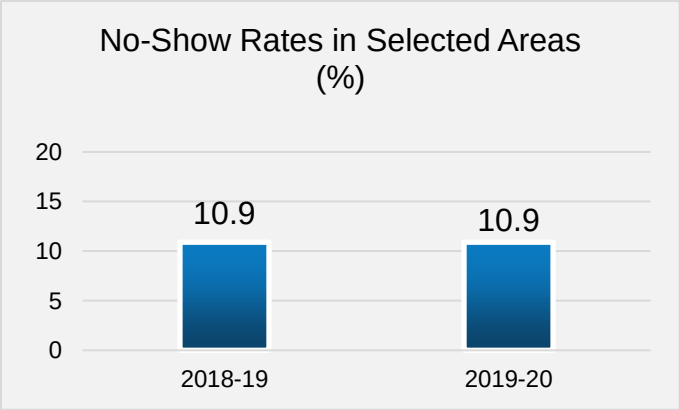
**GOAL**

**By March 31, 2020 Eastern Health will improve the sustainability of the organization.**

**OBJECTIVES**

1. **Reduce overall costs by reducing waste and increasing efficiencies throughout the organization**

| OBJECTIVE 1 | Reduce overall costs by reducing waste and increasing efficiencies throughout the organization |
|---|---|
| KEY PERFORMANCE INDICATOR 1-1 | **Decreased no-shows in selected areas** |




During the past year, Eastern Health continued to implement strategies to decrease no-shows in four selected areas: Ultrasound (City-Adult), Ears, Nose and Throat (ENT; Janeway), Urology (HSC Ambulatory Clinics) and Mental Health and Addictions. As shown in the graph, the rate of no-shows remained consistent at 10.9 per cent in 2019-20.

The following are examples of work undertaken to decrease no-shows in 2019-20:

- Revised the no-show policy for (adult) ambulatory care to ensure consistency with current practices;
- Began work to standardize registration, booking and scheduling processes for outpatient clinics at city hospitals (adult) and the Janeway. A working group was established to assess the current state of processes and identify opportunities for improvement. A survey was developed and is ready to be administered; however, further work has been delayed due to the impact of the COVID-19 pandemic;
- Implemented the Automated Notification System (ANS) for Cardiology, outpatient Ambulatory/Ophthalmology clinics and several mental health clinics. Continued use of the ANS has been on hold since mid-March due to the impact of the COVID-19 pandemic;

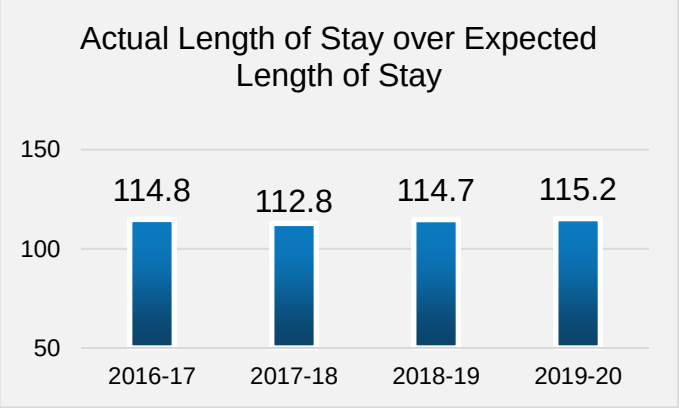
- Reviewed and standardized processes for managing no-show patients in Mental Health and Addictions, recognizing the unique concerns in this program area.

**KEY PERFORMANCE INDICATOR 1-2**

**Decreased length of stay for typical acute care inpatients**

Length of stay is calculated as the total number of days a patient is in the hospital over the expected number of days, in comparison to similar cases across Canada.[25] Any value above 100 per cent indicates patients have stayed longer than expected.

In 2019-20, more patients stayed longer than expected in comparison to 2018-19. The total number of days patients stayed in hospital over the expected number of days was 115.2 in 2019-20. Therefore, Eastern Health's average length of stay is 15.2 per cent longer than the expected length of stay (ELOS).




Eastern Health has completed significant work to improve on this indicator in recent years. During 2019-20, the organization:

- Implemented a Visual Management System (VMS) at St. Clare's Mercy Hospital (SCMH) and began developing a plan for implementation at rural sites. The VMS is an electronic tool that displays real time

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

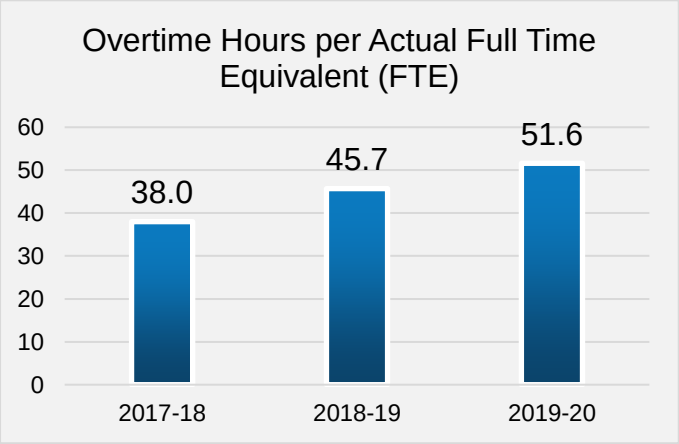
information to support multidisciplinary teams in coordinating patient care and discharge planning;

- Implemented an electronic Discharge Risk Assessment form in Meditech to be completed upon admission. This tool generates a score to identify patients with complex discharge needs and to allow for earlier intervention and discharge planning. This score is also available in the VMS;
- Developed informational resources, such as site-specific booklets, for physicians and interdisciplinary team members at the HSC and SCMH related to ELOS on admission;
- Implemented regional and provincial repatriation policies;
- Began a project that aims to improve length of stay for the hip fracture population through the implementation of quality-based initiatives;
- Continued focused actions in the Carbonear General Hospital to reduce length of stay by applying the home first philosophy and strengthening connections between the Emergency Department and community services.

**KEY PERFORMANCE INDICATOR 1-3**

**Decreased employee overtime**

As indicated in the graph, overtime hours per actual full time equivalent (FTE) employee increased to 51.6 hours in 2019-20. This increase can largely be attributed to the overtime required to provide critical services during the weather-related state of emergency and COVID-19 pandemic in the final months of the fiscal year.



The organization continues to prioritize the reduction of overtime, as reflected in some of the key interventions put in place during 2019-20:

- Continued review of overtime per program, which involves identifying programs with high overtime usage and helping them develop strategies to reduce such usage. This review includes the support and expertise of internal Human Resources business partners and budget analysts;
- Continued collaboration with the Department of Health and Community Services, the three other NL Regional Health Authorities and NLCHI on the development of a Provincial Workforce Management System. This system will include advanced analytics for decision-making and capacity planning/predictive modeling tools to better align the workforce with patient demand and acuity.

**KEY PERFORMANCE INDICATOR 1-4**

**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 2019-20, Eastern Health increased both monetary and materials savings through two key initiatives: the introduction of Steamplicity® and the adoption of inventory management technology solutions in supply-challenged clinical areas.

In partnership with Morrison Healthcare, a member of Compass Group Canada, Eastern Health continued to deliver Steamplicity®, a food delivery service model for acute care hospitals in St. John's. With a patient satisfaction rating of over 90 per cent at hospital facilities across Canada, Steamplicity® offers patients a restaurant-style menu with a choice of entrée, appetizer, dessert and beverage for each meal. Prior to mealtime, a food service associate visits each patient to take their order and the trays are assembled based on individual requests in pantry areas on patient units. Steamplicity® eliminates waste in the system, provides balanced and nutritious meals and enhances the overall quality of service provided to patients, clients and residents. During 2019-20, new features were introduced to all Steamplicity®

sites to provide patients, clients and residents with a greater variety of meal options. Hot beverage options were also improved in response to patient feedback.

Steamplicity® has realized approximately $200,000 in savings during the 2019-20 fiscal year, resulting in a total of approximately $1.7 million in savings since its implementation in 2017-18.

In 2019-20, Eastern Health identified more supply challenged procedure areas and further expanded the supply automation concept in the cardiac cath lab and additional services within the Perioperative program.

Inventory management technology supports supply challenged areas and enables the creation of managed asset inventories. The use of technology to manage and automate re-order of patient care supplies is becoming a standard of care in hospital environments and provides information on the cost of caring for patients. Technology solutions allow clinical staff to dedicate more time to patient care and equip departmental staff with the tools to perform supply chain functions through a managed process. Additional benefits include reductions in inventory, expired products, administrative burden on clinical resources, recall management efforts and overall space management requirements.

The implementation of the Pyxis technology solution at the Health Sciences Centre realized approximately $262,000 of savings in medical surgical supplies during the 2019-20 fiscal year.

The implementation of the Philips inventory solution within the cardiac cath lab captured approximately $350,000 of savings in medical surgical supplies during the 2019-20 fiscal year. This functionality was achieved by further expanding the capabilities of an existing clinical system that is heavily used by cardiac cath lab staff.

## 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. Despite the tremendous work to reduce length of stay for typical acute care inpatients and employee overtime, both indicators increased slightly during the past fiscal year.
- In 2019-20, Eastern Health focused length of stay initiatives on select clinical areas in Medicine, Surgery and Cardiac/Critical Care, where patient volumes have increased over the past three to five years. Many of the patients in these areas have significant co-morbidities and highly complex discharge planning needs. In the first half of 2019-20, significant repatriation/transfer delays resulted from prolonged overcapacity issues in acute care throughout the region/province. Near the end of the fiscal year, length of stay was negatively impacted by ground and air transport issues, including inclement weather and increased care requirements for transport during the COVID-19 pandemic.
- Likewise, the increase in employee overtime was largely due to the weather-related state of emergency in January 2020, as well as the COVID-19 public health emergency that began in March 2020. Prior to these events, several of the programs with the highest overtime usage in the organization were on track to achieve and/or exceed overtime reduction targets. In previous years, overtime hours have been negatively impacted by staff absenteeism, availability of relief/casual staff, staff turnover, recruitment challenges related to supply of external candidates, and changes to work processes without funding for staff to support initiatives (in some instances/program areas) resulting in a negative impact on relief or casual staff. Eastern Health will continue to focus on reducing overtime across programs.
- The rate of no-shows in selected areas remained consistent despite the implementation of initiatives to reduce this rate, such as the ANS. Following the implementation of the ANS, clients provided positive feedback and multiple program areas noted decreases in their no-show rates. Eastern Health has audited the areas where an increase was observed to better understand the factors contributing to this outcome, including inclement weather and the COVID-19 public health emergency. The organization continues to focus on other strategies to reduce no-show rates as well.

# Opportunities and Challenges Ahead

In the past fiscal year, the last in Eastern Health's 2017-2020 strategic planning cycle, we met unprecedented challenges – a state of emergency declared in the region as a result of a record-breaking blizzard in January 2020, followed by the global COVID-19 pandemic and public health emergency. These emergencies required quick, diligent and responsive planning to ensure that we would continue to provide high quality care to patients while keeping employee and physician safety at the forefront.

Especially evident during the pandemic was the dedication and selflessness of the organization's employees and physicians, who went above and beyond to ensure that we were able to provide care to our sickest and most vulnerable patients, residents and clients while implementing measures throughout our buildings to facilitate physical distancing and to help reduce the risk of infection. Additionally, the pandemic resulted in an extraordinary public health response that saw Eastern Health employees mobilize quickly to engage in the provision of education, as well as contact tracing and COVID-19 testing.

Despite these unprecedented times, a pressured health-care system is not new for Eastern Health, which serves an aging population over a large geographic area. This, coupled with increasing client numbers, patient acuity, hospital admissions and provincial fiscal constraints, has created a challenging environment that requires innovative solutions. While navigating these ever-increasing system pressures, Eastern Health has maintained minimal growth in its operating expenditures over the past several years while increasing health services and absorbing inflationary costs. Financial resource constraints will continue to challenge the organization in the years ahead as it delivers quality health services.

As we enter a new strategic planning cycle, Eastern Health is committed to becoming a leader in health-care innovation. With the help of our clinical, community, business and academic partners, Eastern Health will continue to explore and apply innovative methods of delivering care designed to help overcome common barriers such as an increasing demand for services. In fact, as a result of targeted innovation efforts, Eastern Health has implemented multiple initiatives using technology to deliver health services during these challenging times. Virtual technologies such as Telehealth and Remote Patient Monitoring (RPM) provide an opportunity for patients to be treated in their homes or closer to their home

communities, thereby increasing access and resulting in a reduction in hospital admissions. These solutions have been especially beneficial as social isolation and physical distancing measures were enacted.

Additionally, to help mitigate these fiscal and public health challenges, Eastern Health has been focused on implementing sustainability efforts as a means to care for more patients, residents and clients in the absence of increased hospital bed capacity and human resources. LEAN management techniques, such as streamlining processes, reducing duplication and eliminating waste, have been introduced by Eastern Health in various areas as a way to care for more clients within existing resources.

Another key opportunity for Eastern Health comes in the form of engagement with community partners and the general population we serve to include them in decision-making processes. Eastern Health remains committed to partnerships with CACs, client and family advisory councils and municipalities throughout the region. These partnerships between Eastern Health and community representatives help determine the unique issues that exist in various parts of the region. Furthermore, Eastern Health is committed to collaborating with the other regional health authorities, NLCHI and the Department of Health and Community Services on shared endeavours.

While striving for excellence in health-care delivery during these challenging times, Eastern Health is simultaneously endeavouring to be an employer of choice. With close to 13,000 employees, recruitment, retention and employee and physician engagement remain at the forefront. It has been increasingly difficult over the past five years to recruit for various health-care positions, including physicians, licensed practical nurses and laboratory and X-ray technologists, to name a few. Eastern Health's employees and physicians are its greatest asset. Going forward into the next strategic planning cycle, the organization will continue to apply the National Standard of Canada for Psychological Health and Safety in the Workplace to promote mental health and prevent psychological harm within our workforce.

As part of its 2020-2023 Strategic Plan, Eastern Health will continue to focus on improving access in a number of areas such as primary health care, mental health and addictions services, seniors' care and specialty services in acute care and tertiary care. As well, Eastern Health will continue to increase engagement with

clients, families, employees and the public to ensure the organization is meeting the needs of communities throughout the region.

Eastern Health extends its gratitude to its clients and families for their understanding and patience as the organization navigates this challenging time. Despite new obstacles and ever-changing circumstances, people across the organization are working diligently and seizing all available opportunities to provide the best possible care to those they serve.

# Appendix I

## Descriptions of Key Performance Indicators from the Report on Performance Section

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

### Access

- **Patients seen by child psychiatry within their access target:** There are many factors that contribute to wait times, including an increase in demand or inadequate supply of services. This indicator measures the success of process improvement activities aiming to reduce wait times for child psychiatry appointments. The results are collected from the Janeway clinic Community Wide Scheduling data. [26]

- **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

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

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 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.[27] The results are measured using the clinical data of discharged patients that align with the CIHI indicator on Admissions for Ambulatory Care Sensitive Conditions and the corresponding population of the Eastern Health region.

- **Admissions to long-term care nursing homes from community:** Using our long-term care wait time and admissions data, this indicator measures the success of process improvements for access to long-term care (nursing home, personal care home or protective community residence) for individuals living in the community. Assessment of clients in their home environment provides a better indication of their needs, while extended stays in the acute care setting can lead to the deterioration of frail, elderly patients. As a result, appropriate services need to be provided to this client population in the most appropriate setting. At the same time, this may result in a decreased demand for 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

[27] 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.

patients are not available to other patients who need hospital care. Using data captured during inpatient admission, this indicator measures the percentage of ALC days as a proportion of total adult patient days. High ALC rates indicate that patients are not being cared for in an ideal setting (such as home, assisted living or residential care) and contribute to congested emergency departments and operating room cancellations.

## Quality and Safety

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

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

  The Client and Family Advisors Survey was developed and implemented to measure committee involvement that Eastern Health's client and family advisors report as meaningful. Questionnaire items were factor analyzed and a single scale was identified where the percentage of respondents scoring an average of four or above on a scale from one (Not at all) to five (Very much so) are used to report on the indicator.

- **Positive responses from clients on questions related to cleanliness of Eastern Health facilities:** A clean environment helps ensure a healthy and safe environment for clients and staff. This indicator uses the client experience surveys to obtain feedback on client perceptions of the cleanliness of Eastern Health facilities. It complements other cleanliness

monitoring processes that 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 97 suggests that there is no difference between a local mortality rate and the average national experience, given the types of patients cared for. The number of expected deaths is derived from the average experience of acute care facilities that submit to CIHI's Discharge Abstract Database. It is adjusted for other factors affecting mortality, such as age, sex and length of stay. While the HSMR takes into consideration many of the factors associated with the risk of dying, it cannot adjust for every factor. Therefore, the HSMR is most useful to individual hospitals when tracking their own mortality trends. The HSMR helps track the overall change in mortality resulting from a broad range of factors, including changes in the quality and safety of care delivered.

- **Medication reconciliation compliance (acute care inpatient units):** Information about medications must be effectively communicated to ensure the delivery of safe care. Identifying and resolving medication discrepancies decreases the risk of adverse events across the continuum of care. This indicator identifies the audit results of the medication reconciliation (MedRec) process as determined by Accreditation Canada criteria. Compliance indicates that the MedRec process was achieved on at least 75 per cent of the charts audited on a monthly audit (random selection of a minimum of five charts per unit). The criteria for success include: (1) the Best Possible Medication History (BPMH) was collected at admission; (2) patient/family was 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

patient/resident handling, manual material handling, client/patient/resident 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 six months):** Exclusive breastfeeding is recommended for a child's first six months of life by the World Health Organization and Health Canada. This indicator provides a measure of infants who were exclusively fed breastmilk at six 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 prenatal 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 and 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 mail for analysis. Clients with a negative test result are re-screened every two years, while those with a positive result receive a follow-up colonoscopy.

This indicator reports provincial participation rates, which are defined as the percentage of the target population who successfully complete at least one fecal test in the program within the measurement timeframe (annually). Calculations would not include individuals who are receiving care or screening through other examinations and a specialist.

- **Organ donation consent rate per year (provincial):** Once neurological death has been declared, the substitute decision maker is responsible for consenting to organ donation on behalf of their loved one. Eastern Health has defined organ donation consent rate as the percentage of substitute decision makers who consent to organ donation once neurological death has been declared, out of the total number of patients referred and eligible for organ donation.

- **Positive responses from community members related to engagement:** Patient and family involvement in their health and health care contributes to better clinical outcomes. Community Advisory Committees (CAC) provide an opportunity for community member engagement. The CAC Engagement Survey was developed and implemented to measure committee involvement that CAC members report as meaningful.

## Healthy Workplace

- **Positive responses from employees on questions related to engagement:** An engaged workforce supports a healthy workplace and contributes to better organizational performance and employee retention. This indicator reports the results of the Aon Employee Engagement Survey, which was administered to measure employee and physician engagement.

- **Sick leave hours per benefit full time equivalent (BFTE):** Sick leave usage is one of the main indicators of a healthy workplace. This indicator monitors the amount of paid and unpaid, short-term and long-term sick leave being taken by staff at Eastern Health. It supports monitoring of trends and impacts of initiatives to reduce sick leave.

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

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

## Sustainability

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

- **Length of stay over expected length of stay (in days):** Expected Length of Stay (ELOS) is the average length of stay in hospital for typical patients with the same case mix grouping, age category, comorbidity level and intervention factors. CIHI calculates ELOS based on standardized data from across Canada. When the actual length of stay is above the ELOS, patients have stayed longer than expected, which may indicate inefficient use of hospital resources. The results are measured using clinical data of discharged patients and their ELOS, which corresponds with CIHI methodologies.

- **Overtime hours per actual full time equivalent (FTE):** Reducing overtime reduces cost to the organization as most overtime is compensated at a premium rate of pay and often at double time. This indicator is calculated using the total annual number of overtime hours per number of FTE

employees. This rate measures the success of initiatives aiming to reduce overtime hours.

- **Amount of money and/or materials saved in selected areas – Steamplicity®:** Steamplicity® is an innovative food delivery service model that delivers high quality meals in a cost efficient and effective manner and results in less food waste. This initiative contributes to our goal to eliminate waste and reduce costs. The indicator measures the financial savings following the installation of the new system.

- **Amount of money and/or materials saved in selected areas – Inventory Management Technology (Pyxis Supply Station™):** Pyxis Supply Station™ is a supply automation system used to accurately and efficiently dispense medication as well as medical and surgical supplies. This initiative contributes to our goal to eliminate waste and reduce costs. The indicator measures the financial savings following the installation of the new system.

# Appendix II

## Values and Key Behaviours

### Respect

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

### Key Behaviours

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

---

### Integrity

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

### Key Behaviours

- We believe that accountability for our actions is key to integrity because any action by an individual who is part of Eastern Health will affect the entire system.
- We recognize that the value of integrity requires transparency and honesty about our understandings, beliefs, actions, strengths and limitations.
- We value and demonstrate honesty in our interactions with clients and employees and in our communications with the general public, political leaders and the media. We consult with our teams, disciplines and

communities to encourage positive change in providing quality client- and family-centred care.

- We appreciate and promote community engagement, dialogue with stakeholders and two-way communications as a means to enhance transparency and accountability.

---

### Fairness

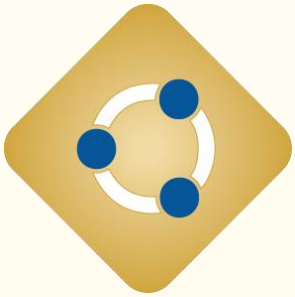
We value and facilitate a just and appropriate allocation of our resources.

### Key Behaviours

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

---

### Connectedness



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

### Key Behaviours

- We work to promote the integration of various parts of our system through communication and collaboration so that everyone understands their role is important to the whole and feels that their contribution to the Eastern Health team is appreciated.
- We encourage clients and their families to take an active role in their care plan and to discuss their goals of care with their care team.

- We recognize that the cultural, social, economic and environmental contexts of our various geographical communities affect, and are affected by, our work in Eastern Health, and we act with this in mind.
- We facilitate communication and sharing of information and ideas among our employees, physicians, volunteers, partners, stakeholders, clients and the community.

---

### Excellence

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

### Key Behaviours

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

# Appendix III

## Acronyms Used in this Document

| ACRONYM | FULL TERM |
|---|---|
| **AAHP** | Association of Allied Health Professionals |
| **ACOA** | Atlantic Canada Opportunities Agency |
| **ACSC** | Ambulatory Care Sensitive Conditions |
| **ALC** | Alternate Level of Care |
| **ANS** | Automated Notification System |
| **BFTE** | Benefit Full Time Equivalent |
| **BPMH** | Best Possible Medication History |
| **CAC** | Community Advisory Committee |
| **CEO** | Chief Executive Officer |
| **CFCC** | Client- and Family-Centred Care |
| **CHA** | Community Health Assessment |
| **CIHI** | Canadian Institute for Health Information |
| **COPD** | Chronic Obstructive Pulmonary Disorder |
| **CUPE** | Canadian Union of Public Employees |
| **EHOP** | Eastern Health Operational Plan |
| **ELOS** | Expected Length of Stay |
| **EMR** | Electronic Medical Record |
| **ENT** | Ears, Nose and Throat |
| **FTE** | Full Time Equivalent |
| **HSC** | Health Sciences Centre |
| **HSMR** | Hospital Standardized Mortality Ratio |
| **NAPE** | Newfoundland and Labrador Association of Public and Private Employees |

| | |
|---|---|
| **NAPE HP** | Newfoundland and Labrador Association of Public and Private Employees (Health Professionals) |
| **NAPE LX** | Newfoundland and Labrador Association of Public and Private Employees (Laboratory and X-Ray) |
| **NATI** | Newfoundland and Labrador Association of Technology Industries |
| **NL** | Newfoundland and Labrador |
| **NLCHI** | Newfoundland and Labrador Centre for Health Information |
| **OPEN** | Organ Procurement and Exchange of Newfoundland and Labrador |
| **PARNL** | Professional Association of Residents of Newfoundland and Labrador |
| **PET/CT** | Positron Emission Tomography/Computerized Tomography |
| **RAI** | Resident Assessment Instrument |
| **RNUNL** | Registered Nurses' Union Newfoundland and Labrador |
| **RPM** | Remote Patient Monitoring |
| **R2MR** | Road to Mental Readiness |
| **SCMH** | St. Clare’s Mercy Hospital |
| **SPRH** | Safe Patient and Resident Handling |
| **VMS** | Visual Management System |

# Appendix IV

## Audited Financial Statements

# Eastern Regional Health Authority – Operating Fund

**Non-consolidated financial statements**

**March 31, 2020**

**Eastern Regional Health Authority – Operating Fund**

# Table of contents

March 31, 2020

# 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, 2020 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, 2020.

Scott Bishop, CPA, CGA
Chief Financial Officer

Fern Mitchelmore, CPA, CGA
Director of Financial Services

# Independent auditor's report

To the Board of Trustees of
**Eastern Regional Health Authority**

## Opinion

We have audited the non-consolidated financial statements of **Eastern Regional Health Authority – Operating Fund** [the "Authority"], which comprise the non-consolidated statement of financial position as at March 31, 2020, and the non-consolidated statement of operations and accumulated deficit, non-consolidated statement of changes in net debt and non-consolidated statement of cash flows for the year end ended, and notes to the non-consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying non-consolidated financial statements present fairly, in all material respects, the non-consolidated financial position of the Authority as at March 31, 2020, and its non-consolidated financial performance, its non-consolidated net debt, and its non-consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

## Basis for opinion

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

## Basis of accounting and restriction on distribution and use

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

## Responsibilities of management and those charged with governance for the non-consolidated financial statements

Management is responsible for the preparation and fair presentation of the 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.

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

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

**Auditor's responsibilities for the audit of the non-consolidated financial statements**

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

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

- Identify and assess the risks of material misstatement of the non-consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Authority's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the non-consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Authority to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the non-consolidated financial statements, including the disclosures, and whether the non-consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Ernst & Young LLP

Chartered Professional Accountants

St. John's, Canada
July 20, 2020

# Non-consolidated statement of financial position

[in thousands of Canadian dollars]

As at March 31

| | 2020<br>$ | 2019<br>$ |
|---|---|---|
| **Financial assets** | | |
| Accounts receivable *[note 3]* | **24,674** | 24,026 |
| Due from government/other government entities *[note 4]* | **36,860** | 54,926 |
| Due from other entities | **112** | — |
| Advance to General Hospital Hostel Association | **296** | 440 |
| Sinking fund investment *[note 11]* | **24,418** | 22,751 |
| | **86,360** | 102,143 |
| **Liabilities** | | |
| Bank indebtedness | **7,161** | 20,655 |
| Operating facility *[note 6]* | **61,192** | 15,165 |
| Accounts payable and accrued liabilities *[note 7]* | **132,487** | 118,670 |
| Due to government/other government entities *[note 8]* | **21,424** | 20,718 |
| Employee future benefits | | |
| Accrued severance pay *[note 16]* | **11,755** | 64,963 |
| Accrued sick leave *[note 17]* | **68,112** | 67,257 |
| Accrued vacation pay | **58,045** | 56,178 |
| Deferred contributions *[note 9]* | | |
| Deferred capital grants | **62,204** | 30,749 |
| Deferred operating revenue | **10,401** | 9,030 |
| Long-term debt *[note 10]* | **131,795** | 132,320 |
| | **564,576** | 535,705 |
| **Net debt** | **(478,216)** | (433,562) |
| **Non-financial assets** | | |
| Tangible capital assets *[note 5]* | **352,826** | 354,064 |
| Supplies inventory | **22,895** | 16,968 |
| Prepaid expenses | **13,550** | 10,133 |
| | **389,271** | 381,165 |
| **Accumulated deficit** | **(88,945)** | (52,397) |

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

*See accompanying notes*

Approved by the Board:

_____ Director _____ Director

## Eastern Regional Health Authority – Operating Fund

# Non-consolidated statement of operations and accumulated deficit

[in thousands of Canadian dollars]

Year ended March 31

| | Final Budget | 2020 | 2019 |
|---|---|---|---|
| | $ | $ | $ |
| | *[note 20]* | | |
| **Revenue** | | | |
| Provincial plan | 1,361,248 | **1,361,248** | 1,411,442 |
| Medical Care Plan | 73,486 | **73,486** | 76,288 |
| Other | 51,190 | **50,957** | 47,342 |
| Provincial plan capital grant *[note 9]* | — | **23,957** | 31,784 |
| Resident | 16,707 | **16,722** | 17,406 |
| Inpatient | 11,546 | **11,095** | 13,954 |
| Outpatient | 11,525 | **11,431** | 11,701 |
| Other capital contributions *[note 9]* | — | **7,491** | 7,203 |
| | 1,525,702 | **1,556,387** | 1,617,120 |
| **Expenses** *[note 21]* | | | |
| Patient and resident services | 428,414 | **427,192** | 419,621 |
| Client services | 327,876 | **329,628** | 305,067 |
| Diagnostic and therapeutic | 221,919 | **220,894** | 222,500 |
| Support | 189,953 | **193,044** | 202,951 |
| Ambulatory care | 180,312 | **182,630** | 168,200 |
| Administration | 114,817 | **123,161** | 138,581 |
| Medical services | 100,977 | **99,694** | 101,218 |
| Amortization of tangible capital assets *[note 5]* | — | **32,650** | 33,764 |
| Research and education | 18,859 | **17,388** | 16,398 |
| Other | 9,613 | **8,063** | 10,249 |
| Interest on long-term debt | 9,946 | **9,077** | 9,090 |
| Employee future benefits | | | |
| Accrued severance pay recovery | — | **(53,208)** | (67,557) |
| Accrued sick leave expense | — | **855** | 940 |
| Accrued vacation pay expense | — | **1,867** | 297 |
| | 1,602,686 | **1,592,935** | 1,561,319 |
| **Annual surplus (deficit)** | **(76,984)** | **(36,548)** | 55,801 |
| Accumulated deficit, beginning of year | **—** | **(52,397)** | (108,198) |
| **Accumulated deficit, end of year** | **—** | **(88,945)** | (52,397) |

*See accompanying notes*

# Non-consolidated statement of changes in net debt

[in thousands of Canadian dollars]

Year ended March 31

| | 2020<br>$ | 2019<br>$ |
|---|---|---|
| **Annual surplus (deficit)** | **(36,548)** | 55,801 |
| **Changes in tangible capital assets** | | |
| Acquisition of tangible capital assets | **(31,448)** | (38,987) |
| Disposal of tangible capital assets | **36** | — |
| Amortization of tangible capital assets | **32,650** | 33,764 |
| **Decrease (increase) in net book value of tangible capital assets** | **1,238** | (5,223) |
| **Changes in other non-financial assets** | | |
| Net increase in prepaid expenses | **(3,417)** | (4,574) |
| Net increase in supplies inventory | **(5,927)** | (138) |
| **Increase in other non-financial assets** | **(9,344)** | (4,712) |
| **Decrease (increase) in net debt** | **(44,654)** | 45,866 |
| Net debt, beginning of year | **(433,562)** | (479,428) |
| **Net debt, end of year** | **(478,216)** | (433,562) |

# Non-consolidated statement of cash flows

[in thousands of Canadian dollars]

Year ended March 31

| | 2020<br>$ | 2019<br>$ |
|---|---|---|
| **Operating transactions** | | |
| Annual surplus (deficit) | **(36,548)** | 55,801 |
| Adjustments for | | |
| Amortization of tangible capital assets | **32,650** | 33,764 |
| Capital grants – provincial and other | **(31,448)** | (38,987) |
| Decrease in accrued severance pay | **(53,208)** | (67,557) |
| Increase in accrued sick leave | **855** | 940 |
| Net change in non-cash assets and liabilities related to operations *[note 12]* | **25,723** | (11,721) |
| **Cash used in operating transactions** | **(61,976)** | (27,760) |
| **Capital transactions** | | |
| Acquisition of tangible capital assets | **(31,448)** | (38,987) |
| Disposable of tangible capital assets | **36** | — |
| Capital grants received *[note 9]* | **62,903** | 22,604 |
| **Cash provided by (used in) capital transactions** | **31,491** | (16,383) |
| **Investing transactions** | | |
| Increase in sinking fund investment | **(1,667)** | (1,628) |
| **Cash used in investing transactions** | **(1,667)** | (1,628) |
| **Financing transactions** | | |
| Repayment of long-term debt | **(525)** | (513) |
| Repayment of advance from General Hospital Hostel Association | **144** | 141 |
| Change in operating facility, net | **46,027** | 15,165 |
| **Cash provided by financing transactions** | **45,646** | 14,793 |
| **Net increase (decrease) in cash during the year** | **13,494** | (30,978) |
| Cash (bank indebtedness), beginning of year | **(20,655)** | 10,323 |
| **Bank indebtedness, end of year** | **(7,161)** | (20,655) |
| **Supplemental disclosure of cash flow information** | | |
| Interest paid | **9,070** | 9,082 |

*See accompanying notes*

# Notes to non-consolidated financial statements

[Tabular amounts in thousands of Canadian dollars]

March 31, 2020

## 1. Nature of operations

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

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

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

## 2. Summary of significant accounting policies

### Basis of accounting

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

### Basis of presentation

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

### Revenue recognition

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

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

# Notes to non-consolidated financial statements

[Tabular amounts in thousands of Canadian dollars]

March 31, 2020

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)**

Bank balances, including bank overdrafts with balances that fluctuate from positive to overdrawn, are presented under cash or bank indebtedness, respectively.

**Supplies inventory**

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

**Tangible capital assets**

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

# Notes to non-consolidated financial statements

[Tabular amounts in thousands of Canadian dollars]

March 31, 2020

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

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

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

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

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

**Impairment of long-lived assets**

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

**Capital and operating leases**

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

**Employee future benefits**

*Accrued severance*

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

# Notes to non-consolidated financial statements

[Tabular amounts in thousands of Canadian dollars]

March 31, 2020

*Accrued sick leave*

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

*Accrued vacation pay*

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

*Pension costs*

Employees are members of the Public Service Pension Plan and/or the Government Money Purchase Plan [the "Plans"] administered by the Government. The Plans, which are defined benefit plans, are considered multi-employer plans, and are the responsibility of the Province. Contributions to the Plans are required from both the employees and Eastern Health. The annual contributions for pensions are recognized as an expense as incurred and amounted to $56,132,579 for the year ended March 31, 2020 [2019 – $56,079,105].

**Sinking fund**

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

**Contributed services**

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

**Financial instruments**

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

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

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

# Notes to non-consolidated financial statements

[Tabular amounts in thousands of Canadian dollars]

March 31, 2020

**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

| | 2020 | | | | | |
|---|---|---|---|---|---|---|
| | | | Past due | | | |
| | Total | Current | 1 – 30 days | 31 – 60 days | 61 – 90 days | Over 90 days |
| | $ | $ | $ | $ | $ | $ |
| Services to patients, residents and clients | **13,212** | **817** | **3,507** | **1,937** | **1,285** | **5,666** |
| Other | **13,948** | **9,604** | — | — | — | **4,344** |
| Gross accounts receivable | **27,160** | **10,421** | **3,507** | **1,937** | **1,285** | **10,010** |
| Less impairment allowance | **2,486** | — | — | — | — | **2,486** |
| **Net accounts receivable** | **24,674** | **10,421** | **3,507** | **1,937** | **1,285** | **7,524** |

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

# Notes to non-consolidated financial statements

[Tabular amounts in thousands of Canadian dollars]

March 31, 2020

## 4. Due from government/other government entities

| | 2020<br>$ | 2019<br>$ |
|---|---|---|
| Government of Newfoundland and Labrador | **29,090** | **49,231** |
| Other government entities | **7,770** | **5,695** |
| | **36,860** | **54,926** |

Outstanding balances at the year-end are unsecured, interest free and settlement occurs in cash. For the year ended March 31, 2020, the Authority has not recorded any impairment of receivables relating to amounts above [2019– nil].

## 5. Tangible capital assets

| | Land and land improvements<br>$ | Buildings and improvements<br>$ | Equipment<br>$ | Construction in progress<br>$ | Total<br>$ |
|---|---|---|---|---|---|
| **2020** | | | | | |
| **Cost** | | | | | |
| Opening balance | **2,454** | **411,911** | **557,174** | **40,698** | **1,012,237** |
| Additions | **—** | **5,051** | **12,283** | **14,114** | **31,448** |
| Disposals | **(8)** | **(1,964)** | **(13,837)** | **—** | **(15,809)** |
| Closing balance | **2,446** | **414,998** | **555,620** | **54,812** | **1,027,876** |
| **Accumulated amortization** | | | | | |
| Opening balance | **4** | **194,173** | **463,996** | **—** | **658,173** |
| Additions | **—** | **9,851** | **22,799** | **—** | **32,650** |
| Disposals | **—** | **(1,936)** | **(13,837)** | **—** | **(15,773)** |
| Closing balance | **4** | **202,088** | **472,958** | **—** | **675,050** |
| **Net book value** | **2,442** | **212,910** | **82,662** | **54,812** | **352,826** |

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

Included within the construction in progress is an Energy Performance Contract valued at $18,618,484.

# Notes to non-consolidated financial statements

[Tabular amounts in thousands of Canadian dollars]

March 31, 2020

During fiscal year 2020, management performed a review 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 $15,694,115.

## 6. Operating facility

The Authority has access to a line of credit totaling $108,000,000 in the form of revolving demand loans and/or overdrafts at its financial institutions. In March 2020 the Authority used $61,191,777 from line of credit [2019 – $15,165,118]. 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

| | 2020<br>$ | 2019<br>$ |
|---|---|---|
| Accounts payable and accrued liabilities | **64,638** | 54,797 |
| Salaries and wages payable | **62,874** | 59,076 |
| Employee/employer remittances | **4,975** | 4,797 |
| | **132,487** | 118,670 |

## 8. Due to government/other government entities

| | 2020<br>$ | 2019<br>$ |
|---|---|---|
| Federal government | **3,284** | 4,512 |
| Government of Newfoundland and Labrador | **13,515** | 11,100 |
| Other government entities | **4,625** | 5,106 |
| | **21,424** | 20,718 |

## 9. Deferred contributions

| | 2020<br>$ | 2019<br>$ |
|---|---|---|
| **Deferred capital grants [a]** | | |
| Balance at beginning of year | **30,749** | 47,132 |
| Receipts during the year | **62,903** | 22,604 |
| Recognized in revenue during the year | **(31,448)** | (38,987) |
| Balance at end of year | **62,204** | 30,749 |
| **Deferred operating revenue [b]** | | |
| Balance at beginning of year | **9,030** | 10,584 |
| Receipts during the year | **1,549,952** | 1,473,752 |
| Recognized in revenue during the year | **(1,548,581)** | (1,475,306) |
| Balance at end of year | **10,401** | 9,030 |

# Notes to non-consolidated financial statements

[Tabular amounts in thousands of Canadian dollars]

March 31, 2020

[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

| | 2020<br>$ | 2019<br>$ |
|---|---|---|
| Sinking fund debenture, Series HCCI, 6.9%, to mature on June 15, 2040, interest payable semi-annually on June 15 and December 15 [The "Debenture"] | **130,000** | 130,000 |
| Newfoundland and Labrador Housing Corporation ["NLHC"] [Placentia Health Centre], 1.01% mortgage, maturing in December 2020, repayable in blended monthly instalments of $17,469, secured by land and building with a net book value of $1,505,406 | **157** | 363 |
| Canada Mortgage and Housing Corporation ["CMHC"] [Blue Crest Seniors Home], 8.0% mortgage, maturing in December 2025, repayable in blended monthly instalments of $7,777, secured by land and buildings with a net book value of $2,423,976 | **428** | 485 |
| CMHC [Golden Heights Manor Seniors Home], 10.5% mortgage, maturing in September 2027, repayable in blended monthly instalments of $7,549, maturing in August 2027 | **473** | 512 |
| CMHC [Golden Heights Manor Seniors Home], 1.12% mortgage, maturing in June 2023, repayable in blended monthly instalments of $19,246 | **737** | 960 |
| | **131,795** | 132,320 |

Future principal repayments to maturity are as follows:

| | $ |
|---|---|
| 2021 | 489 |
| 2022 | 344 |
| 2023 | 358 |
| 2024 | 187 |
| 2025 | 151 |
| Thereafter | 130,266 |
| | 131,795 |

# Notes to non-consolidated financial statements

[Tabular amounts in thousands of Canadian dollars]

March 31, 2020

## 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, 2020 includes interest earned in the amount of $10,213,637 [2019 – $9,294,442]. 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. Non-consolidated statement of cash flows

| | 2020<br>$ | 2019<br>$ |
|---|---|---|
| Accounts receivable | **(648)** | (236) |
| Supplies inventory | **(5,927)** | (138) |
| Prepaid expenses | **(3,417)** | (4,574) |
| Due from other entities | **(112)** | — |
| Accounts payable and accrued liabilities | **13,817** | 356 |
| Due from/to government/other government entities | **18,772** | (5,872) |
| Accrued vacation pay | **1,867** | 297 |
| Deferred operating revenue | **1,371** | (1,554) |
| | **25,723** | (11,721) |

## 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, 2020, the balance of funds held in trust for residents of long-term care facilities was $2,471,317 [2019 – $3,195,774]. These trust funds include a monthly comfort allowance provided to residents who qualify for subsidization of their boarding and lodging fees.

## 14. Contingencies

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

# Notes to non-consolidated financial statements

[Tabular amounts in thousands of Canadian dollars]

March 31, 2020

## 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:

| | 2021<br>$ | 2022<br>$ | 2023<br>$ | 2024<br>$ | Thereafter<br>$ |
|---|---|---|---|---|---|
| Future operating lease payments | 9,868 | 6,714 | 6,475 | 6,287 | 31,705 |
| Managed print services | 1,462 | 1,462 | 1,462 | 1,462 | — |
| Vehicles | 224 | 118 | 71 | 58 | 28 |
| | 11,554 | 8,294 | 8,008 | 7,807 | 31,733 |

## 16. Accrued severance pay

The Authority provides a severance payment to employees upon retirement, resignation, or termination without cause. In 2020, cash payments to retirees and eligible employees for the Authority's unfunded employee future benefits amounted to approximately $59,173,776 [2019 – $70,436,087].

The most recent actuarial valuation for the accrued severance obligation was performed effective March 31, 2018 with an extrapolation to March 31, 2020.

Due to changes in The Registered Nurses Union of Newfoundland and Labrador [Collective agreement, severance benefits accrued as of March 31, 2018 were paid out on or before March 31, 2020. The severance payout will be based on one week of salary for each full year of eligible employment to a maximum of 20 weeks.

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

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

At the end March 31, 2020, salaried physicians have severance entitlement that has not been curtailed and settled. The actuarial value of severance for salaried physicians is $5,857,066.

At the end of March 31, 2020, the value of deferred severance payments for employees who selected to defer payment is $5,898,663.

# Notes to non-consolidated financial statements

[Tabular amounts in thousands of Canadian dollars]

March 31, 2020

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

| | 2020<br>$ | 2019<br>$ |
|---|---|---|
| **Accrued benefit liability, beginning of year** | **64,963** | 132,520 |
| Benefits expense | | |
| Current period benefit cost | **537** | 3,695 |
| Interest on accrued benefit obligation | **172** | 3,227 |
| Amortization of actuarial losses | **17** | 81 |
| Recognition of unamortized gain | **—** | (268) |
| Settlement loss (gain) | **5,240** | (3,856) |
| | **70,929** | 135,399 |
| Benefits paid | **(59,174)** | (70,436) |
| **Accrued benefit liability, end of year** | **11,755** | 64,963 |
| | | |
| Current period benefit cost | **537** | 3,695 |
| Interest on accrued benefit obligation | **172** | 3,227 |
| Amortization of actuarial losses and gains | **17** | 81 |
| Recognition of unamortized gain | **—** | (268) |
| Settlement loss (gain) | **5,240** | (3,856) |
| **Total expense recognized for the year** | **5,966** | 2,879 |

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

| | |
|---|---|
| Discount rate – liability | 3.25% as at March 31, 2020<br>3.05% as at March 31, 2019 |
| Discount rate – benefit expense | 3.25% in fiscal 2020<br>3.05% in fiscal 2019 |
| Rate of compensation increase | 0.00% plus 0.75% for promotions and merit as at March 31, 2020<br>0.00% plus 0.75% for promotions and merit as at March 31, 2019 |

# Notes to non-consolidated financial statements

[Tabular amounts in thousands of Canadian dollars]

March 31, 2020

## 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 2020, cash payments to employees for the Authority's unfunded sick leave benefits amounted to approximately $9,224,115 [2019 – $8,953,325].

The most recent actuarial valuation for the accrued sick obligation was performed effective March 31, 2018 with an extrapolation to March 31, 2020.

| | **2020** | **2019** |
|---|---|---|
| | $ | $ |
| **Accrued benefit liability, beginning of year** | **67,257** | 66,317 |
| Benefits expense | | |
| Current period benefit cost | **5,890** | 5,612 |
| Interest on accrued benefit obligation | **2,411** | 2,595 |
| Amortization of actuarial losses and gains | **1,778** | 1,686 |
| | **77,336** | 76,210 |
| Benefits paid | **(9,224)** | (8,953) |
| **Accrued benefit liability, end of year** | **68,112** | 67,257 |
| | | |
| Current period benefit cost | **5,890** | 5,612 |
| Interest on accrued benefit obligation | **1,778** | 1,686 |
| Amortization of actuarial losses and gains | **2,411** | 2,595 |
| **Total expense recognized for the year** | **10,079** | 9,893 |

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

| | |
|---|---|
| Discount rate – liability | 3.25% as at March 31, 2020<br>3.05% as at March 31, 2019 |
| Discount rate – benefit expense | 3.25% in fiscal 2020<br>3.05% in fiscal 2019 |
| Rate of compensation increase | 0.00% plus 0.75% for promotions and merit as at March 31, 2020<br>0.00% plus 0.75% for promotions and merit as at March 31, 2019 |

# Notes to non-consolidated financial statements

[Tabular amounts in thousands of Canadian dollars]

March 31, 2020

## 18. Related party transactions

The Authority's related party transactions occur with the Government and other government entities. Other government entities are those who report financial information to the Province.

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:

| | 2020<br>$ | 2019<br>$ |
|---|---|---|
| Transfers from the Government of Newfoundland and Labrador | **1,418,092** | 1,432,465 |
| Transfers from other government entities | **88,854** | 91,918 |
| Transfers to other government entities | **(84,180)** | (89,217) |
| | **1,422,766** | 1,435,166 |

## 19. Financial instruments and risk management

### Risk and uncertainties

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. In fiscal 2020 the Authority had an authorized credit facility [the "Facility"] of $108,000,000 [2019 – $64,000,000]. As at March 31, 2020, the Authority had $46,808,223 in funds available on the Facility [2019 – $48,834,882]. 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

[Tabular amounts in thousands of Canadian dollars]

March 31, 2020

## 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, 2020:

| | **Revenue** $ | **Expenses** $ | **Annual surplus (deficit)** $ |
|---|---|---|---|
| Original Budget | **1,443,540** | **1,525,559** | **(82,019)** |
| Adjustments during the year for service and program changes, net | **77,127** | **77,127** | **—** |
| Revised original budget | **1,520,667** | **1,602,686** | **(82,019)** |
| One-time funding approved by Government | **5,035** | **—** | **5,035** |
| **Final Budget** | **1,525,702** | **1,602,686** | **(76,984)** |

# Notes to non-consolidated financial statements

[Tabular amounts in thousands of Canadian dollars]

March 31, 2020

## 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.

| | 2020<br>$ | 2019<br>$ |
|---|---|---|
| Salaries | **837,348** | 836,768 |
| Supplies – other | **277,627** | 289,608 |
| Direct client costs | **200,323** | 176,739 |
| Employee benefits | **87,020** | 70,844 |
| Supplies – medical and surgical | **66,533** | 67,425 |
| Drugs | **61,435** | 55,118 |
| Amortization of tangible capital assets | **32,650** | 33,764 |
| Maintenance | **20,922** | 21,963 |
| Interest on long-term debt | **9,077** | 9,090 |
| **Total expenses** | **1,592,935** | 1,561,319 |

## 22. COVID-19 – Global Pandemic

On March 11, 2020, the World Health Organization characterized the outbreak of a strain of the novel coronavirus ["COVID-19"] as a pandemic which has resulted in a series of public health and emergency measures that have been put into place to combat the spread of the virus. As a result of the Authority's COVID-19 response, the Authority is experiencing a change in demand for its services and is working diligently to mitigate the financial impacts while carrying out its response to the impacts of COVID-19.

The impact of COVID-19 has led to significant volatility and declines in the global equity and fixed income markets during the first quarter of 2020, and it is uncertain how long this volatility will continue. As COVID-19 continues to spread, the potential impacts, including a global, regional or other economic recession, are increasingly uncertain and difficult to assess.

Management considered the impact of COVID-19 in its assessment of the Authority's assets and liabilities and its ability to continue as a going concern. Although COVID-19 has had an impact on funding and operations, mechanisms are in place to ensure that the Authority is still able to maintain its core operations.

# Non-consolidated schedule of expenses for government reporting

[in thousands of Canadian dollars]

Year ended March 31

| | 2020 | 2019 |
|---|---|---|
| | $ | $ |
| | *[unaudited]* | *[unaudited]* |
| **Patient and resident services** | | |
| Acute care | **237,905** | 219,413 |
| Long-term care | **170,384** | 180,389 |
| Other patient and resident services | **18,903** | 19,819 |
| | **427,192** | 419,621 |
| **Client services** | | |
| Community support programs | **259,472** | 238,750 |
| Mental health and addictions | **48,638** | 46,552 |
| Health promotion and protection | **21,506** | 19,747 |
| Family support programs | **12** | 18 |
| | **329,628** | 305,067 |
| **Diagnostic and therapeutic** | | |
| Other diagnostic and therapeutic | **99,167** | 93,530 |
| Clinical laboratory | **62,700** | 67,116 |
| Diagnostic imaging | **59,027** | 61,854 |
| | **220,894** | 222,500 |
| **Support** | | |
| Facilities management | **76,808** | 78,166 |
| Other support | **38,574** | 39,183 |
| Food services | **33,928** | 37,265 |
| Housekeeping | **34,459** | 37,764 |
| Laundry and linen | **9,275** | 10,573 |
| | **193,044** | 202,951 |
| **Ambulatory care** | | |
| Outpatient clinics | **106,096** | 96,773 |
| Emergency | **42,114** | 39,232 |
| Dialysis | **20,564** | 18,269 |
| Other ambulatory | **13,856** | 13,926 |
| | **182,630** | 168,200 |

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

[in thousands of Canadian dollars]

Year ended March 31

| | 2020 | 2019 |
|---|---|---|
| | $ | $ |
| | *[unaudited]* | *[unaudited]* |
| **Administration** | | |
| Other administrative | **40,023** | 46,013 |
| Systems support | **16,746** | 31,269 |
| Materials management | **20,880** | 22,969 |
| Human resources | **16,357** | 17,434 |
| Finance and budgeting | **12,045** | 14,251 |
| Executive offices | **6,577** | 5,981 |
| Emergency preparedness | **10,533** | 664 |
| | **123,161** | 138,581 |
| **Medical services** | | |
| Physician services | **77,126** | 78,579 |
| Interns and residents | **22,568** | 22,639 |
| | **99,694** | 101,218 |
| **Other** | | |
| Undistributed | **8,063** | 10,249 |
| **Research and education** | | |
| Education | **16,186** | 14,984 |
| Research | **1,202** | 1,414 |
| | **17,388** | 16,398 |
| **Interest on long-term debt** | **9,077** | 9,090 |
| **Total shareable expenses** | **1,610,771** | 1,593,875 |

# Non-consolidated schedule of revenue and expenses for government reporting

[in thousands of Canadian dollars]

Year ended March 31

| | 2020 | 2019 |
|---|---|---|
| | $ | $ |
| | *[unaudited]* | *[unaudited]* |
| **Revenue** | | |
| Provincial plan | **1,361,248** | 1,411,442 |
| Medical Care Plan | **73,486** | 76,288 |
| Other | **50,038** | 46,462 |
| Resident | **16,722** | 17,406 |
| Inpatient | **11,095** | 13,954 |
| Outpatient | **11,431** | 11,701 |
| | **1,524,020** | 1,577,253 |
| **Expenses** | | |
| Compensation | | |
| Salaries | **837,348** | 836,768 |
| Employee benefits | **137,506** | 137,164 |
| | **974,854** | 973,932 |
| **Supplies** | | |
| Other | **277,627** | 289,608 |
| Medical and surgical | **66,533** | 67,425 |
| Drugs | **61,435** | 55,118 |
| Plant operations and maintenance | **20,922** | 21,963 |
| | **426,517** | 434,114 |
| **Direct client costs** | | |
| Community support | **196,817** | 174,045 |
| Mental health and addictions | **3,506** | 2,694 |
| | **200,323** | 176,739 |
| **Lease and long-term debt** | | |
| Long-term debt – interest | **9,077** | 9,090 |
| Long-term debt – principal | **1,273** | 1,261 |
| | **10,350** | 10,351 |
| | **1,612,044** | 1,595,136 |
| **Deficit for government reporting** | **(88,024)** | (17,883) |
| Long-term debt – principal | **1,273** | 1,261 |
| **Deficit before non-shareable items** | **(86,751)** | (16,622) |

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

[in thousands of Canadian dollars]

Year ended March 31

| | 2020 | 2019 |
|---|---|---|
| | $ | $ |
| | *[unaudited]* | *[unaudited]* |
| **Adjustments for non-shareable items** | | |
| Provincial plan capital grant | **23,957** | 31,784 |
| Other capital contributions | **7,491** | 7,203 |
| Amortization of tangible capital assets | **(32,650)** | (33,764) |
| Interest on sinking fund | **919** | 880 |
| Accrued severance pay | **53,208** | 67,557 |
| Accrued sick leave | **(855)** | (940) |
| Accrued vacation pay | **(1,867)** | (297) |
| | **50,203** | 72,423 |
| **Annual deficiency (surplus) as per non-consolidated statement of operations and accumulated deficit** | **(36,548)** | 55,801 |

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

[in thousands of Canadian dollars]

Year ended March 31

| | 2020 | 2019 |
|---|---|---|
| | $ | $ |
| | *[unaudited]* | *[unaudited]* |
| **Revenue** | | |
| Deferred grants – previous year | **30,749** | 47,132 |
| Provincial plan | **55,644** | 21,023 |
| Foundations and auxiliaries | **5,664** | 4,427 |
| Other | **3,027** | 2,776 |
| Transfer from operations | **1,215** | 971 |
| Transfer to other regions | **(202)** | 28 |
| Transfer to operations | **(2,445)** | (6,621) |
| Deferred grants – current year | **(62,204)** | (30,749) |
| | **31,448** | 38,987 |
| **Expenses** | | |
| Equipment | **12,007** | 20,039 |
| Buildings | **5,051** | 9,553 |
| Construction in progress | **14,114** | 8,519 |
| Vehicles | **276** | 876 |
| Disposal of building and land | **(36)** | |
| | **31,412** | 38,987 |
| **Surplus on capital transactions** | **36** | — |

# Non-consolidated schedule of accumulated deficit for government reporting

[in thousands of Canadian dollars]

As at March 31

| | 2020 | 2019 |
|---|---|---|
| | $ | $ |
| | *[unaudited]* | *[unaudited]* |
| **Assets** | | |
| **Current assets** | | |
| Accounts receivable and due from government and other government entities | **61,646** | 78,952 |
| Supplies inventory | **22,895** | 16,968 |
| Prepaid expenses | **13,550** | 10,133 |
| | **98,091** | 106,053 |
| Advance to General Hospital Hostel Association | **296** | 440 |
| | **98,387** | 106,493 |
| **Liabilities** | | |
| **Current liabilities** | | |
| Bank indebtedness | **7,161** | 20,655 |
| Operating facility | **61,192** | 15,165 |
| Accounts payable and accrued liabilities and due to government and other government entities | **153,911** | 139,388 |
| Deferred revenue – operating revenue | **10,401** | 9,030 |
| Deferred revenue – capital grants | **62,204** | 30,749 |
| | **294,869** | 214,987 |
| **Accumulated deficit for government reporting** | **(196,482)** | (108,494) |

Eastern Health

*Healthy People,*
*Healthy Communities*

www.easternhealth.ca