



2016 Annual Report

College of Physicians & Surgeons
of Newfoundland and Labrador

June 2017

Original Powers of the Newfoundland Medical Board

“The making and enforcing of measures necessary for the regulation and practice of medicine and the protection and preservation of life and health . . . so that those seeking medical care may have every confidence . . . in the care they receive.”

As established by the *Newfoundland Medical Act, 1893*

Mandate of the College of Physicians & Surgeons of Newfoundland & Labrador

“8. (1) The college is authorized to regulate the practice of medicine and the medical profession in the public interest.

(2) The objects of the college include

(a) the promotion of

(i) high standards of practice, and

(ii) continuing competence and quality improvement through continuing medical education;

(b) the administration of a quality assurance program; and

(c) the enforcement of standards of conduct.

As established by the *Medical Act, 2011*



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Editing, photographs, production: Sandy Newton

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Standards • Quality • Protection

LOOKING BACK, LOOKING AHEAD

From the Council Chair

Having served since 2012 on Council as a public member of this province's College of Physicians and Surgeons, it was an honour to accept Council's request and become Council Chair at our December 2016 meeting. My first pleasant task here is to thank, for their many contributions to Council and the College, the individuals who completed their terms on Council at that meeting: Drs. John Campbell, Nigel Duguid, James Hickey, Gurmit Minhas, Arthur Rideout, and Robert Williams. I am also pleased to officially welcome Drs. Kevin Hogan, Rebecca Rudofsky, Carl Sparrow, and Tracey Wentzell to Council, who were all elected for three-year terms in 2016. They will serve until December 2019.

Protecting the public is the mandate of the College of Physicians and Surgeons of Newfoundland and Labrador. We strive to fulfill this obligation by regulating physicians with diligence, respect, efficiency, and consistency—even as the College and its work continues to evolve. To that end, it is the College's goal to be ever more consultative, open, and approachable, and also to be more accountable and communicative about its activities. The College appreciates and continues to welcome comments and input from the public, whom we exist to serve, and from our physician members.

Each year, to provide big-picture oversight of the College's work, the Council reviews the annually updated Strategic Plan, which identifies priorities for the coming year. We also oversee

Looking Ahead

- Guiding the College's oversight and regulatory activities as technology inevitably changes how patient records are managed and shared.
- Completing the review of all College Standards of Practice and Practice Guidelines.
- Continuing to collaborate in efforts to address issues of safe prescribing of narcotics, provincially and nationally.

and approve the College Operational Plan and the budget that supports it. In addition, Council members serve on one or more of the College's core committees, both directing and participating in the College's regulatory activities.

Valuable steps in making the College more effective were undertaken in 2016. College Registrar Dr. Linda Inkpen outlines some of these actions in her report. I look forward to helping the College further achieve its goals in the coming year and I welcome all comments about the College's work or direction. Finally, I would like to extend sincere thanks on behalf of the Council and College to Dr. Arthur Rideout, my predecessor as Council Chair. Under his tenure, much of the revision of the College's administrative, communication, and policy processes that are now underway began in earnest. His guidance laid a foundation for the important work ahead.

– Ms. Gail Hamilton

2016 Highlights

- Transition to paperless communication: all College communications with members transitioned to email.
- Launch of the revision process for all College policies: to codify them as either a Standard of Practice or a Practice Guideline and update them as necessary.
- Approval by Council of the College's Medical Assistance in Dying Standard of Practice (March).

From the College Registrar

As I write, the College has completed its second annual Strategic Plan review and is now revisiting the 2017 Operational Plan. These yearly exercises keep College work focused and goal-oriented, providing a framework that is particularly important when emerging medical regulatory issues affect operational and time-management schedules. Robust, regular review and adjustment of the work that must be done and the work the College wants to undertake help us function effectively while remaining strategic and targeted in our activities.

In 2016, an important step was taken to improve and “green” our communication processes: the College announced it was going paperless in its communications with members. The College has many practical reasons for communicating with members, including the obvious logistics of licensing and sending timely notices about College policies and concerns, which are fundamental to the safe and competent practice of medicine. Each College member is respectfully reminded that you have a professional obligation to:

- inform the College of your preferred email address
- ensure that it is kept current in our records
- read the emails sent to you by the College

I am happy to report that Notices to Members and College Updates—email communication tools introduced in 2015—continue to receive favourable review from College members.

Embracing new and evolving technology is a requirement of everything that we do in the 21st century, within and beyond the practice of medicine. It seems very likely that in the near future, all authorized health care providers will access, contribute to, and share patients’ health records electronically, which will greatly enhance coordinating patient care. It is also foreseeable that Canadians will eventually have online access to their own health records. We expect these changes might also mean that the College may have to take a more directive approach in ensuring that physicians subsume new technologies in all aspects of their practices.

Operationally, the College was busy on several fronts in 2016. We reviewed the existing complaints process and made adjustments to improve efficiency and effectiveness. The College’s Quality Assurance efforts, including the Atlantic Provinces Medical Peer Review (APMPR) program, continued to be a large part of College work. College policies also began to receive substantive attention. Last year and over the next few years, all existing policies will be reviewed and revised (many of them in consultation with members), classified as either a Standard of Practice (“must”) or a Practice Guideline (“should”), and updated. The need for new policies will also be identified. In 2016, five policies were examined and revised under this process (see page 10).

An early milestone occurred in March 2016, when the College’s Medical Assistance in Dying Standard of Practice received Council approval.

- Review and revision of the College’s Complaints processes.
- Development of a poster to inform the public about prescription protocols that can help address the abuse, misuse, and diversion of controlled and regulated substances.
- Collaboration in developing a required course on prescribing narcotics, for physicians starting a practice in the province.
- December announcement: Dr. Oscar Howell to join the College as Deputy Registrar in January 2017.

As this new and sensitive treatment intervention receives ongoing scrutiny and use, it will continue to undergo change to respond to issues identified by physicians and other health care professionals. Again, members take note: all revisions of this Standard of Practice will be communicated through email.

Internally, our efforts to enhance communications and recordkeeping through improved technology in 2016 included implementing iMIS: a new College database system. Four medical regulatory Colleges in Canada currently use the same system. The iMIS database licensing and website components were the first to be operationalized. Work continues on them in 2017 and has begun on others. Our goal is to complete full database implementation at the end of 2018; the new system should ably position College work for some years to come. Our thanks to all College members for your patience and comments—both in 2016 and as work continues.

As part of our mandated efforts, the College once again spent time and resources in 2016 advocating for a robust, real-time prescription-monitoring program for our province. We support all government endeavours to develop this program, which can assist in addressing the abuse, misuse, and diversion of controlled and regulated substances. The College developed a poster for the public that explains physicians' prescribing protocols for narcotics, which it made available to members for display in their offices (see page 12). In partnership with Memorial University and the provincial Department of Health and Community Services, the College also developed a safe-prescribing course. Beginning in 2017, physicians applying to practise medicine in this province will be

required to complete this course before a licence can be granted to them.

Clearly, physicians alone cannot identify or address all the issues that arise in providing appropriate and high-quality medical care to the people of Newfoundland and Labrador. But it is important that, as College members, we remain vigilant in our professional endeavours and participate in discussions and decisions outside our primary areas of operations. In this way, we inform the larger debate on health care services and delivery, and we teach, by example, our younger colleagues.

Finally, some words of thanks and welcome. The College's new efforts and ongoing work would not be possible without the caring, attention to detail, and ability to embrace change that members of the College staff bring to their roles. Their professionalism and dedication underpin our ability to serve the public in a rapidly changing regulatory work environment. Particular thanks go to Drs. Robert Williams and Nigel Duguid, who announced their retirements from College work in 2016. They provided exemplary service to the College and its physicians for many years. I also sincerely thank the outgoing members of Council and its stellar Chair, Dr. Arthur Rideout, with whom it has been a pleasure to work. I warmly welcome our four new Council members and congratulate Ms. Gail Hamilton on her appointment as Chair. Dr. Oscar Howell joined the College as Deputy Registrar on January 3, 2017, adding experience and expertise that will greatly assist the College in its work. I look forward to working with you all.

– Dr. Linda Inkpen

WHO WE ARE

Officers of the College 2016

COUNCIL CHAIR / Dr. Arthur Rideout

A graduate of Memorial University's Medical School, Dr. Rideout practises in Newfoundland and Labrador with a specialty in plastic and reconstructive surgery. He joined the College Council in 2006 and began serving as Council Chair in December 2014. Dr. Rideout is an integral member of Team Broken Earth; he offers his surgical talents in many under-resourced countries. In 2016, he served as a member of the College's Quality Assurance, Finance & Compensation, and Licensing & Credentials committees.

COUNCIL VICE-CHAIR / Dr. James Hickey

In 2016, Dr. Hickey served as Vice-Chair of College Council and Vice-Chair of the Complaints Authorization committee. A graduate of Memorial University, he has worked as a family doctor in several Newfoundland and Labrador communities, continues to practise family medicine, and serves as a Medical Consultant with Workplace NL.



College Council 2016

SEATED (L TO R): Council Chair Dr. Arthur Rideout (St. John's); Vice-Chair Dr. James Hickey (St. John's). **STANDING (L TO R):** Dr. Gurmit Minhas (Grand Falls–Windsor), Dr. Robert Forsey (Happy Valley–Goose Bay), Dr. Elizabeth Bannister (St. John's), Dr. Robert Williams, Ms. Gail Hamilton* (St. John's), Dr. Nigel Duguid (St. John's), Mr. John White* (Bay Roberts), Ms. Paula Rodgers* (St. John's), Dr. Linda Inkpen. **ABSENT:** Dr. John Campbell (Grand Falls–Windsor), Dr. Susan MacDonald (St. John's), Dr. Peter Seviour (St. John's).

*Indicates a public member.

COMMITTEE CHAIR / Dr. Nigel Duguid

Dr. Duguid was nominated by the Newfoundland and Labrador Medical Association to serve as the Council's government-appointed physician member in 2012. In 2016, he served as Associate Registrar of the College, handled complaints and investigations, and chaired the Complaints Authorization committee. Dr. Duguid began his respirology medicine practice in St. John's in 1979.

COMMITTEE CHAIR / Ms. Gail Hamilton

Ms. Hamilton, a chartered professional accountant, is a director with several public, private and not-for-profit organizations and a former partner with KPMG, where she provided audit and business advisory services

to a wide range of organizations. Appointed by government to the College Council in 2012, she became Chair of the Finance and Compensation committee in December 2015. In 2016 she also served on the Complaints Authorization committee and the ad hoc College Building Exploratory Committee.

COMMITTEE CHAIR / Ms. Paula Rodgers

Ms. Rodgers, a government-appointed public member of Council, began serving on Council in 2005. She is a social worker by profession and has held many senior administrative positions. In 2016, she chaired the Quality Assurance committee, a role she has performed since that committee's inception in September 2012.

Committees of Council 2016

Complaints Authorization

CHAIR / Dr. Nigel Duguid

VICE-CHAIR / Dr. James Hickey

Ms. Gail Hamilton

Dr. Gurmit Minhas

Dr. Peter Seviour

Mr. John White

Governance

CHAIR / Ms. Paula Rodgers

Dr. James Hickey

Finance & Compensation

CHAIR / Ms. Gail Hamilton

Dr. John Campbell

Dr. Gurmit Minhas

Dr. Arthur Rideout

Dr. Peter Seviour

Licensing & Credentials

CHAIR / Dr. Arthur Rideout

Dr. Robert Forsey

Dr. Susan MacDonald

Dr. Gurmit Minhas

Mr. John White

Quality Assurance

CHAIR / Ms. Paula Rodgers

Dr. Elizabeth Bannister

Dr. John Campbell

Dr. Susan MacDonald

Dr. Arthur Rideout

Building (Exploratory)

CHAIR / Ms. Gail Hamilton

Dr. Vinod Patel (ex-officio)

Admin. Assistant to Council

Lorraine Phillips

Auditors

Noseworthy Chapman



College Management Team 2016 L TO R: Mr. Jamie Osmond (Associate Registrar, Licensing and Quality; Director of Operations), Dr. Robert Williams (Deputy Registrar), Dr. Linda Inkpen (Registrar), Ms. Elyse Bruce (Legal Counsel), Dr. Nigel Duguid (Associate Registrar, Complaints and Investigations)



College Council 2017 **STANDING (L TO R):** Dr. Oscar Howell (Deputy Registrar), Dr. Kevin Hogan (St. John's), Dr. Tracey Wentzell (Corner Brook), Dr. Robert Forsey (Happy Valley–Goose Bay), Dr. Rebecca Rudofsky (St. John's), Ms. Paula Rodgers* (St. John's), Dr. Carl Sparrow (Corner Brook), Dr. Elizabeth Bannister (St. John's), Mr. John White* (Bay Roberts), Dr. Linda Inkpen (Registrar). **SEATED:** Dr. Peter Seviour (St. John's), Ms. Gail Hamilton* (St. John's). **ABSENT:** Dr. Susan MacDonald (St. John's).

*Indicates a public member.

LICENSING & REGISTRATION

99
new licences
issued
in 2016*

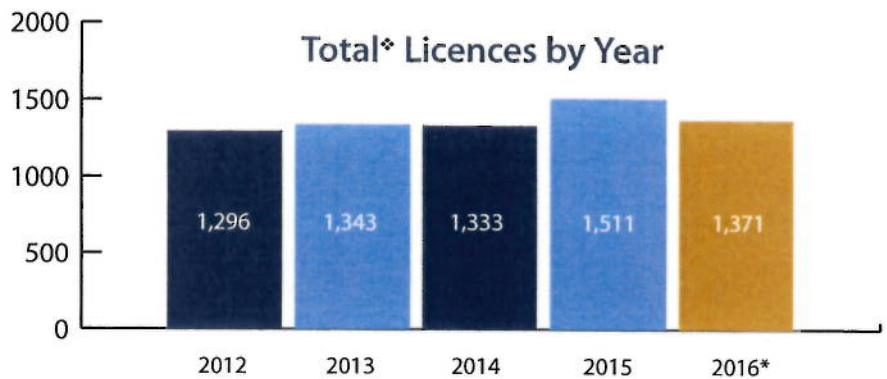
1,272
licences renewed
in 2016*

* Because the College's computerized registration system was changed mid-year, all 2016 licensing and membership statistics used in this report are approximate values.

THE LICENSING PROCESS

The process for granting a licence to practise medicine in Newfoundland and Labrador is similar to licence granting in other Canadian provinces: it includes a detailed review of the physician applicant's qualifications, practice experience, and references, plus a criminal record check and credential verification.

In 2016, the College approved 99 new applications to practise medicine in Newfoundland and Labrador and renewed 1,272 existing licences. The College also issued 1,216 locum licences in 2016.



* Does not include locums.

2016 Highlights

- Implementation of a new licensing/membership management system (iMIS).
- As a result of a planned human resources review, changes were made to the structure of the Licensing Division to better align with other Canadian Colleges.
- The College made it mandatory for all licenced physicians to have current membership in one of the two national certifying colleges (College of Family Physicians of Canada and Royal College of Physicians and Surgeons of Canada), for continuing medical education/continuing professional development purposes.

QUALIFICATION AND TRAINING

Every year, the College licenses all physicians registered with Memorial University's Post-Graduate Medical Education Department. In 2016, 300 post-graduate physician students were licensed. The College also registers—following recommendation by Memorial's Faculty of Medicine—all medical students and residents from other Canadian and international medical schools who are in the province to undertake elective rotations with licenced medical doctors. The College registered 86 elective students in 2016.

CLINICAL SKILLS ASSESSMENT OF TRAINING (CSAT) PROGRAM

The CSAT Program updates the skillsets of family physicians to enable them to practise in Newfoundland and Labrador. CSAT applicants are physicians who are, upon application, ineligible for licensing because their post-graduate training does not exactly meet College standards and/or because they have been out of medical practice for some time. In 2016, the College received 65 applications to this program. Of these, 44 were considered to meet the eligibility requirements and approved to proceed with CSAT application.

The CSAT program operates from the Faculty of Medicine at Memorial University (Corner Brook campus) and is a partnership with the Faculty of Medicine, the provincial Department of Health and Community Services, the College of Physicians and Surgeons of Newfoundland and Labrador, and the four provincial Regional Health Authorities.

On Our Radar

- 2017 – Process review of locum licensing in an effort to align College requirements with those of the Regional Health Authorities.
- 2018 – Development and implementation of an online renewal application process for post-graduate residents.
- 2018 – Target date for full implementation of all components of the new licensing/membership management database (iMIS).

STANDARDS OF PRACTICE & PRACTICE GUIDELINES

In 2016, the College developed a five-year review cycle for examining and updating the canon of Standards and Guidelines that it creates to govern and guide the conduct of its members. This includes ongoing efforts to classify all policies as either a Standard of Practice (which members *must* follow) or a Practice Guideline (which members *should* follow).

Importantly, a new Standard of Practice (SOP) was approved in March 2016: “Medical Assistance in Dying,” which will guide physicians in their implementation of this sensitive treatment intervention. The “Methadone Maintenance Treatment Standards and Guidelines” was revised in September 2016 and in December Council also approved two new Practice Guidelines: “Advertising and Public Communications” and “Chaperones & Sensitive Exams.” As part of this ongoing updating process, a new Standard of Practice—“Physician Treatment of Self, Family and Others Close to Them”—was also sent to members for feedback late in 2016.

Looking outside our own regulations, the College also continued to actively participate in the formulation of public policy. College members and/or staff participated in many external committees in 2016, helping to provide direction for the practising of medicine in Newfoundland and Labrador. Committee participation in 2016 included:

- The national Physician Practice Improvement/Physician Achievement Review Committee
- The provincial Committee on the Abuse of Prescription Medications
- The provincial Primary Health Care Advisory Committee
- The provincial Nurse Practitioner Standards Committee

2016 Highlights

- The College introduced a new process for consulting members on proposed changes to selected Standards of Practice and Practice Guidelines.
- A five-year review cycle was created, to ensure a regular and timely review of the entire body of College policies (SOPs and Practice Guidelines).

On Our Horizon

- Improving how Standards of Practice and Practice Guidelines are presented on the College’s website and making specific items easier to find.
- Continuing to create and approve new Standards of Practice and Practice Guidelines, including updating guidelines on practice closure and accepting new patients.

QUALITY ASSURANCE

The College of Physicians and Surgeons of Newfoundland and Labrador strives to ensure that doctors working in this province do so competently, safely, and in good health. The College's efforts to achieve these goals are grouped under three key "Quality Assurance" administrative portfolios:

- Quality Assurance Review
- Physician Practice Improvement
- Physician Health and Wellness

The College undertakes quality assurance activities under the guidance of a five-member committee of Council—the Quality Assurance Committee (QAC). The QAC helps develop and maintain programs and Standards of Practice and Practice Guidelines that assure the quality of medical care that physicians in this province deliver. In 2016, the Quality Assurance Committee met five times.

Quality Assurance Review

The QAC is directly involved in initiating quality assurance reviews of medical practitioners and/or their practices. Reviews are performed when requested

by either the Complaints Authorization Committee (see page 14 for more information on this process) or the Registrar.

Physician Practice Improvement

The College has a duty to ensure that the physicians it licenses and registers will practise to the highest standards and function

with competence throughout their careers. The following sections describe the programs and policy requirements devoted to physician

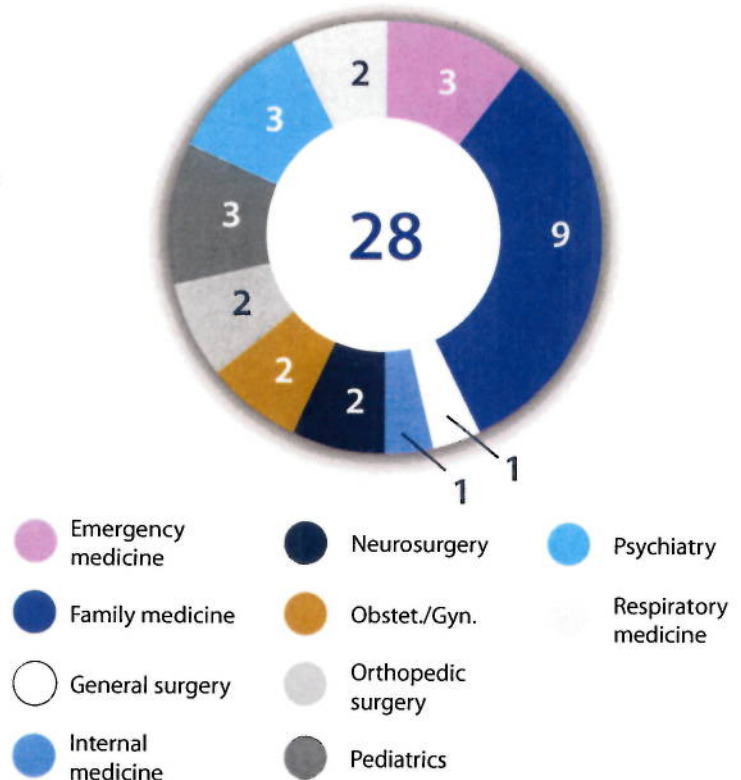
practice improvement that help the College fulfill this duty.

ATLANTIC PROVINCES

MEDICAL PEER REVIEW (APMPR) PROGRAM

Established in 1993 and interprovincial in scope, APMPR is an educational program sponsored co-operatively by the medical associations and licensing authorities of three Atlantic provinces: New Brunswick, Prince Edward Island, and Newfoundland and Labrador. It allows the procedures and medical records of a practising physician to be examined by peer physicians who have similar scopes of practice. These reviews help identify relevant learning needs and identify any deficiencies, and then address both

2016 APMPR Onsite Reviews





* One review each in cardiology, internal medicine, and pediatrics.

through education and peer support. In 2016, 61 onsite and offsite reviews were completed in this province.

SAFE PRESCRIBING OF DRUGS AND CONTROLLED SUBSTANCES

The harm associated with the abuse, misuse, and diversion of controlled and regulated substances/drugs is a major—and complex—public health and safety issue and clearly of concern to the College. The College is an active participant in ongoing provincial and national initiatives that are dealing with the challenges. These efforts include, but are not limited to:

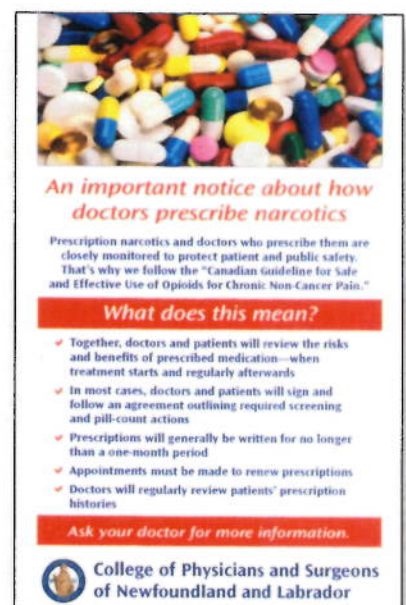
- providing input to the national Steering Committee of the 2017 “Guideline for

the Safe and Effective Use of Opioids for Chronic Non-Cancer Pain”

- membership on the provincial Opioid Dependence Treatment Working Group
- membership on the provincial Opioid Steering Committee, which is tasked with (among other things) developing, implementing, and maintaining a new joint-effort prescription monitoring program for Newfoundland and Labrador
- developing a poster (shown below) for display in medical offices to inform the public about how physician’s prescribe narcotics

2016 Highlights

- The College developed a Safe Prescribing Course.
- The College’s annual licence renewal application was modified to include the requirement that all members—regardless of practice scope—complete a CME course that includes safe-prescribing (of controlled/regulated substances) as a topic during their CME cycles.
- The College participated in provincial, national, and international committees that help shape the practice and delivery of health care in this province.



Without the oversight of a provincial prescription-monitoring program, the College continues to rely on information shared by other provincial health regulatory bodies and, in some cases, concerns brought to it by the public to identify potential prescribing issues. In 2016, the College continued to use investigative “Ask Letters” (developed in 2015) as a mechanism for investigating the concerns it became aware of by requiring physicians to provide background and rationale for the practice in question.

In 2016, Council also approved and directed two important new initiatives that directly focus on safe prescribing:

- the development of a Safe Prescribing course jointly with the provincial Department of Health and Community Services and Memorial University’s Medical School (Office of Professional Development). This course is now mandatory for all newly licensed physicians in this province, who must complete it before they will be issued a licence by the College
- the addition of a mandatory requirement for all currently licensed and practising physicians: they must now take a course dedicated to safe prescribing within their continuing medical education cycles.

Both of these initiatives came into effect in early 2017.

PHYSICIAN HEALTH, WELLNESS, AND COMPETENCY

The College’s quality-assurance mandate includes ensuring that physicians’ personal health and wellness do not negatively affect the quality of care they provide to their patients.

When the College becomes aware that a physician’s own health and wellness may be affecting the quality of care that she or he is delivering, the Quality Assurance Committee may undertake a quality assurance review. The results of this review may then lead the QAC to apply terms, conditions, or restrictions of practice—in order to protect the public and ensure quality medical care. Post-review oversight includes monitoring the progress of all physicians to whom terms, conditions, and restrictions of practice have been applied.

In 2016, the QAC had nine new cases referred to it and it re-examined three case files in which terms, conditions, and/or restrictions had been placed on a physician’s practice. In all cases, conditions of practice were amended or lifted.

On Our Horizon

- 2017 – Exploring a Memorandum of Understanding with the NLMA regarding the development of a Physician Health Program.
- 2017 – Expanding the newly developed Safe Prescribing Course to make it available to all physicians practising in the province. This course is a partnership effort with the Department of Health and Community Services and Memorial University’s Medical School (Office of Professional Development).
- Undertaking an operational assessment of the APMPR Program.

COMPLAINTS & DISCIPLINE

The College of Physicians and Surgeons of Newfoundland and Labrador investigates and resolves complaints about physicians. Most complaints can be categorized into two main areas of concern:

- competence
- professionalism

Complaints can be submitted to the College by its members or by the public. Historically, most complaints come from the public, made either by patients or their families using a complaint form that can be downloaded from the College's website. The College also receives questions and inquiries from the public by telephone and email. If the Registrar receives information that a physician may have engaged in behaviour deserving of sanction, the Registrar can initiate a formal complaint.

All complaints receive an initial review by the Registrar. In some cases—if the patient and the physician consent to this—the Registrar attempts to resolve the issue. When a complaint cannot be resolved this way, the Registrar refers the matter to the College's Complaints Authorization Committee (CAC), which derives its authority from the *Medical Act, 2011*. In 2015, six members

of the College's Council formed the CAC: four physicians and two public-representative members.

Over the past decade, the College has received an average of 67 complaints annually. In 2016, 76 new complaints were received, a decrease of 7 over 2015.

The CAC assesses and investigates each complaint forwarded by the Registrar to determine if reasonable grounds exist to believe the physician named engaged in conduct deserving of sanction. For every complaint it reviews, the CAC issues a written decision and sends a copy of the decision to the complainant and the physician.

The CAC will dismiss a complaint if it determines that there are no reasonable grounds to believe the physician engaged in conduct deserving of sanction. In some instances, the CAC also provides direction to the physician involved. Most often, such input may instruct the physician to comply with a College bylaw, Standard of Practice or Practice Guideline. It may also add guidance for dealing with a similar situation, should one arise in the future. Sixty complaints were dismissed in 2016, four of them with direction.

2016 Highlights

- Four new members were appointed to the disciplinary panel (see next page for panel makeup).
- To help ensure that the disciplinary panel is balanced in its composition, new member criteria were created and the re-appointment process revised.
- Council approved a new policy that allows the CAC to refer allegations to an alternative dispute resolution process.
- The process for handling complaints was streamlined to improve timelines and increase efficiency.

67
10-year average
of complaints
per year

76
of
new complaints
in 2016

21
of
CAC meetings
in 2016

78
of CAC
written decisions
in 2016

69
of those 78
decisions were filed
in 2014–15

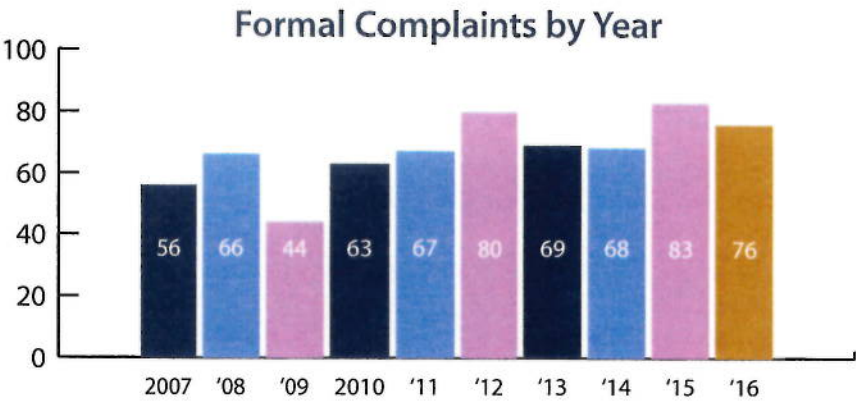
In 2016, policies governing the CAC’s activities were updated to define how to initiate the alternative dispute resolution process; two cases were referred to this process during the year.

If the CAC determines that there are reasonable grounds to believe the physician member has engaged in conduct deserving of sanction, the complaint is not dismissed. The CAC either cautions or counsels the physician or—in the most serious cases—instructs the Registrar to refer the matter to the disciplinary panel for a hearing. In its cautioning or counselling of the physician, the CAC expresses the College’s strong disapproval of the conduct or instructs that specific steps be taken to avoid repetition. In 2016, the CAC issued a caution or counsel in nine cases.

Five complaints were referred to the disciplinary panel in 2016. In any given year, the full panel consists of ten physicians appointed by the College Council and five public members appointed by government. The chair of the panel chooses three of its members (two physicians plus one non-physician to represent the public interest) to form a tribunal to preside over a hearing of a complaint.

Generally, tribunal hearings are open to the public. In some cases, however, the proceedings might require the disclosure of personal matters—a situation that can outweigh the desirability of holding an open hearing. The tribunal then decides whether or not to close the proceedings.

The tribunal hears information from both the



College (on behalf of the complainant) and the physician against whom the complaint was made. Under the *Medical Act, 2011*, the tribunal has the power to impose a fine, suspend a physician's licence, and apply other conditions or/and restrictions.

COMPLAINTS RESOLVED IN 2016

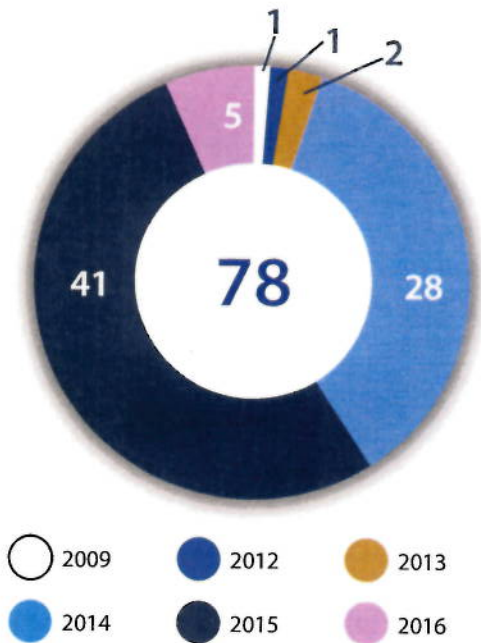
The CAC met 21 times during 2016 and issued written decisions on 78 complaints. Of this total, 69 complaints (88 percent) were filed in 2014 or 2015.

The complexity of each complaint, the time required to obtain responses from complainants and physicians, and the investigation requirements are all key factors that affect the time required to resolve a complaint. At the end of December 2016, there were 79 complaints awaiting decisions.

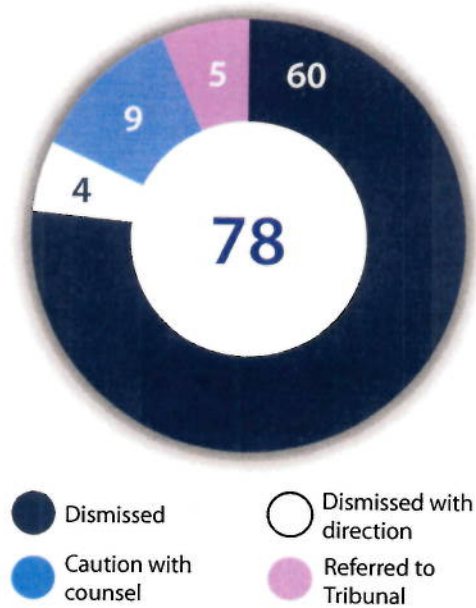
2016 ADJUDICATION TRIBUNAL HEARINGS

Five hearings were held before an adjudication tribunal in 2016. When a hearing resulted in a finding against a physician, a summary of the tribunal's decision was posted to the College's website. Four decisions were posted in 2016.

Complaints Resolved in 2016 by Year of Submission

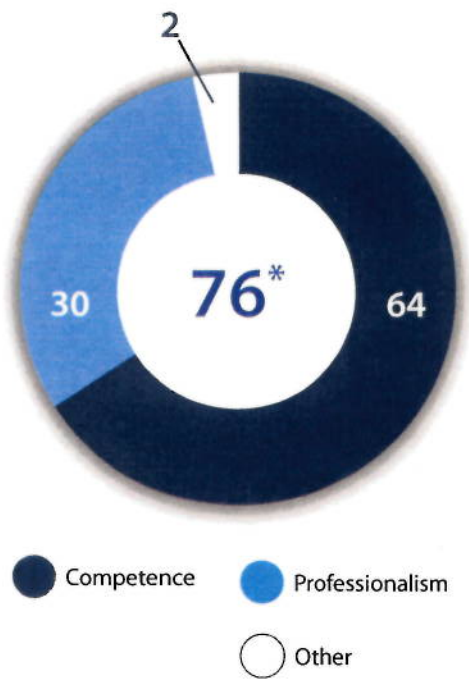


Complaints Resolved in 2016 by Outcome



Only these four outcomes occurred in 2016.

Complaints Received in 2016 by Category



* Complaints may be counted in more than one sub-category. No complaints about physician health were made in 2016.

ALSO OF NOTE

At the conclusion of 2016, Dr. Nigel Duguid, the College's Associate Registrar responsible for Complaints and the chair of the CAC, retired. The College sincerely thanks him for his work in this role. Dr. Oscar Howell assumed the role of CAC chair in 2017.

On Our Horizon

- Further streamlining of the complaints process.
- Appointing new physician members to the discipline panel as the terms of current members expire.
- Adding a third physician member to the CAC, to increase expertise and ensure a quorum can always be met.
- Hiring a clinical investigator to assume the task of investigating complaints.

On Our Horizon

- 2017 – The College has applied for grant funding to review the pathway that international medical graduates must navigate to obtain a licence to practise in this province.

Finance The College was fiscally prudent in 2016 and is in a stable financial position—and for the third straight year the annual licence fee remained unchanged.

The Finance and Compensation Committee met five times in 2016, as it took on a new responsibility for oversight of broad operational items in addition to fiscal management, such as human resources. One public and four physician members of Council sit on the committee.

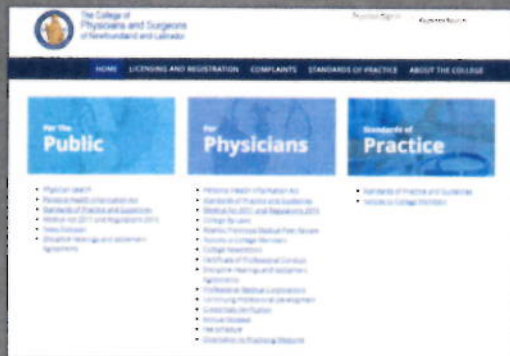
The financial information presented here is in summary form. Full audited statements will be available on the College's website on June 19, 2017, after the Annual General Meeting on June 17.

Operations As part of the annual strategic and operational planning process (each September), the College mandate is reviewed

and Council and staff provide input on the programs and services required for the coming twelve months. In 2016, the College continued to implement operational efficiencies where necessary. Operational efforts included:

- developing and approving the 2017 Strategic Plan
- developing the 2017 Operational Plan
- developing and implementing a new membership management database solution
- welcoming a new Deputy Registrar
- reviewing and increasing the efficiency of key internal operational processes

The College continues to operate out of a downsized space, which generates rental income.



In our ongoing efforts to improve communication and transparency—to physicians and the public—the College's website was redesigned in 2016.

Summarized Statement of Financial Position As of December 31, 2016

	2016	2015
ASSETS		
Cash and cash equivalents	\$ 3,083,361	\$ 1,943,752
Accounts receivable	49,723	1,409,177
Equipment and leasehold improvements	999,381	764,102
Investments	1,073,381	1,004,090
	\$ 5,205,846	\$ 5,121,121
LIABILITIES		
Accounts payable	\$ 118,730	\$ 315,712
Deferred income	2,097,600	2,378,625
Long-term debt	238,711	276,516
Deferred lease inducements	80,189	88,207
	\$ 2,535,230	\$ 3,059,060
NET ASSETS		
Invested in capital assets	\$ 701,062	\$ 422,019
Unrestricted and internally restricted	1,969,554	1,640,042
	\$ 2,670,616	\$ 2,062,061
	\$ 5,205,846	\$ 5,121,121

NOTE: Due to changes in College licensing timelines, licensing fees for 2017 were mostly collected in 2016. This accounts for the variances in the Assets section between 2015 and 2016.

Summarized Statement of Revenue & Expenditures As of December 31, 2016

	2016	2015
REVENUES		
Annual fees	\$ 2,725,286	\$ 2,645,930
Professional corporation fees	130,722	108,075
Registration and licensing fees	367,558	274,858
Investment income	62,754	7,963
Miscellaneous	116,711	177,523
Rental income	94,500	94,500
	\$ 3,497,531	\$ 3,308,849
EXPENDITURES		
Salaries and employee benefits	\$ 1,639,616	\$ 1,588,694
Complaints and discipline	330,626	471,860
Council and committees	128,450	155,940
Occupancy	202,737	215,225
Office and operational	483,156	365,516
Amortization	104,391	84,693
	\$ 2,888,976	\$ 2,881,928
Excess: Revenues over		
Expenditures from Operations	\$ 608,555	\$ 426,921

NOTE: The excess of revenue over expenditures (2016) will address the continued implementation of the College's new membership database, a contingency fund for Adjudication Tribunal Hearings, and an Operational Contingency Fund.

About the College



Established by law in 1893 as the Newfoundland Medical Board, the College of Physicians and Surgeons of Newfoundland and Labrador regulates the practice of medicine in the public interest. It gained its current name with the passing of *The Medical Act, 2005*.

The College grants licences to practise medicine in Newfoundland and Labrador. In 2016, it licensed approximately 2,600 full-time and locum physicians. Through licensing and registration of physicians, as well as its additional core activities—complaint investigation and the provision of a Quality Assurance Program—the College works to provide Newfoundlanders and Labradorians with quality and safe medical care.

The College is governed by a 15-person Council, whose members include elected and appointed physicians and representatives of the public. The College's Registrar and Deputy Registrar, licensed medical practitioners, are also Council members.

Standards • Quality • Protection



The College of Physicians and Surgeons
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**THE COLLEGE OF PHYSICIANS AND
SURGEONS OF NEWFOUNDLAND
AND LABRADOR**

Financial Statements

Year Ended December 31, 2016

THE COLLEGE OF PHYSICIANS AND SURGEONS OF NEWFOUNDLAND AND LABRADOR
Index to Financial Statements
Year Ended December 31, 2016

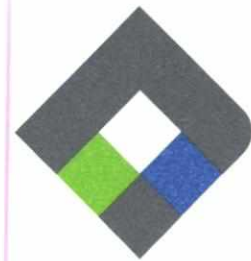
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NOSEWORTHY CHAPMAN

chartered professional accountants

A: Suite 201, 516 Topsail Rd / St. John's NL / A1E 2C5

T: 709.364.5600 F: 709.368.2146 W: noseworthychapman.ca



INDEPENDENT AUDITOR'S REPORT

To the Members of The College of Physicians and Surgeons of Newfoundland and Labrador

We have audited the accompanying financial statements of The College of Physicians and Surgeons of Newfoundland and Labrador, which comprise the statement of financial position as at December 31, 2016 and the statements of revenues and expenditures, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of The College of Physicians and Surgeons of Newfoundland and Labrador as at December 31, 2016 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Noseworthy Chapman

Chartered Professional Accountants
St. John's, NL
June 1, 2017

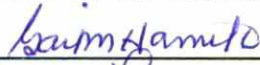

THE COLLEGE OF PHYSICIANS AND SURGEONS OF NEWFOUNDLAND AND LABRADOR

Statement of Financial Position

December 31, 2016

	2016	2015
ASSETS		
CURRENT		
Cash	\$ 141,854	\$ 509,143
Term deposits	2,918,330	1,404,942
Accounts receivable	49,723	1,409,177
Prepaid expenses	23,177	29,667
	3,133,084	3,352,929
CAPITAL ASSETS (Note 4)	999,381	764,102
LONG TERM INVESTMENTS (Note 5)	1,073,381	1,004,090
	\$ 5,205,846	\$ 5,121,121
LIABILITIES		
CURRENT		
Accounts payable	\$ 112,287	\$ 300,356
Government remittances payable	6,443	15,356
Current portion of long term debt (Note 6)	39,827	38,112
Deferred income	2,097,600	2,378,625
	2,256,157	2,732,449
LONG TERM DEBT (Note 6)	198,884	238,404
DEFERRED LEASE INCENTIVES (Note 7)	80,189	88,207
	2,535,230	3,059,060
LEASE COMMITMENTS (Note 10)		
NET ASSETS		
Unrestricted	1,619,553	1,640,042
Invested in Capital Assets	701,063	422,019
Operational Contingency Fund (Note 8)	150,000	-
Adjudication Tribunal Hearing Fund (Note 8)	200,000	-
	2,670,616	2,062,061
	\$ 5,205,846	\$ 5,121,121

ON BEHALF OF THE BOARD

 Director
 Director

THE COLLEGE OF PHYSICIANS AND SURGEONS OF NEWFOUNDLAND AND LABRADOR
Statement of Revenues and Expenditures
Year Ended December 31, 2016

	2016	2015
REVENUES		
License fees		
Full licensure	\$ 1,995,628	\$ 1,947,020
Provisional licensure	482,621	459,810
Locum fees	247,037	239,100
Professional medical corporation fees	130,722	108,075
Specialist	32,825	31,450
Assessment fees	154,474	112,108
Educational and student registration fees	90,434	47,750
Registration and listing fees	89,825	83,550
Certificates of good standing	64,002	42,365
Disciplinary cost recoveries	28,500	113,296
Interest - operating	23,394	19,278
Other revenue	815	2,584
Credit card charges	(99,236)	(45,121)
	3,241,041	3,161,265
EXPENDITURES		
Salaries and employee benefits	1,639,616	1,588,694
Complaints and discipline	330,626	471,860
Rent	202,737	215,225
Office	158,194	152,251
Amortization	104,391	84,693
Peer assessment	81,070	80,860
Council meetings	75,968	53,871
Consultant fees	40,500	27,493
Professional fees	36,556	73,528
Travel	36,040	17,771
Insurance	30,661	29,085
Federation assessment	19,005	19,260
Quality assurance	15,926	28,541
Interest on long term debt	11,738	13,070
Deputy registrar search	4,298	-
Lecture sponsorship	2,859	2,960
Bad debt recovery	(445)	(22,355)
	2,789,740	2,836,807
EXCESS OF REVENUES OVER EXPENDITURES FROM OPERATIONS	451,301	324,458
OTHER INCOME (EXPENDITURES)		
Investment income (Note 9)	77,206	22,987
Rental revenue	94,500	94,500
Administration fee - investments	(14,452)	(15,024)
	157,254	102,463
EXCESS OF REVENUES OVER EXPENDITURES	\$ 608,555	\$ 426,921

See notes to financial statements

THE COLLEGE OF PHYSICIANS AND SURGEONS OF NEWFOUNDLAND AND LABRADOR

Statement of Changes in Net Assets

Year Ended December 31, 2016

	Unrestricted	Invested in Capital Assets	Operational Contingency Fund	Adjudication Tribunal Hearing Fund	2016	2015
NET ASSETS - BEGINNING OF YEAR	\$ 1,640,042	\$ 422,019	\$ -	\$ -	\$ 2,062,061	\$ 1,635,140
Excess of revenues over expenditures	712,946	(104,391)	-	-	608,555	426,921
Purchase of capital assets	(345,630)	345,630	-	-	-	-
Repayment of long term debt	(37,805)	37,805	-	-	-	-
Interfund transfers (Note 8)	(350,000)	-	150,000	200,000	-	-
NET ASSETS - END OF YEAR	\$ 1,619,553	\$ 701,063	\$ 150,000	\$ 200,000	\$ 2,670,616	\$ 2,062,061

THE COLLEGE OF PHYSICIANS AND SURGEONS OF NEWFOUNDLAND AND LABRADOR

Statement of Cash Flows

Year Ended December 31, 2016

	2016	2015
OPERATING ACTIVITIES		
Cash receipts from physicians and others	\$ 4,402,677	\$ 3,509,029
Cash paid to suppliers and employees	(2,891,886)	(2,731,846)
Investment income received	53,951	51,397
Interest paid	(11,738)	(13,070)
Cash flow from operating activities	1,553,004	815,510
INVESTING ACTIVITIES		
Purchase of capital assets	(345,630)	(237,633)
Proceeds from sale of investments	580,067	505,748
Acquisition of investments	(603,537)	(542,928)
Cash flow used by investing activities	(369,100)	(274,813)
FINANCING ACTIVITY		
Repayment of long term debt	(37,805)	(36,470)
INCREASE IN CASH	1,146,099	504,227
Cash - beginning of year	1,914,085	1,409,858
CASH - END OF YEAR	3,060,184	1,914,085
CASH CONSISTS OF:		
Cash	\$ 141,854	\$ 509,143
Term deposits	2,918,330	1,404,942
	\$ 3,060,184	\$ 1,914,085

See notes to financial statements

THE COLLEGE OF PHYSICIANS AND SURGEONS OF NEWFOUNDLAND AND LABRADOR

Notes to Financial Statements

Year Ended December 31, 2016

1. PURPOSE OF THE COLLEGE

The College of Physicians and Surgeons of Newfoundland and Labrador (the "College") is a not-for-profit organization continued under the Medical Act (2011). The College is a licensing and regulatory body for the medical profession in the Province of Newfoundland and Labrador. As a not-for-profit organization, the College is exempt from income tax.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO).

Capital assets

Capital assets are stated at cost or deemed cost less accumulated amortization. Capital assets are amortized over their estimated useful lives at the following rates and methods:

Computer equipment	4 years	straight-line method
Computer software	4 years	straight-line method
Membership database	10 years	straight-line method
Furniture and equipment	20%	declining balance method
Leasehold improvements		straight-line over remaining term of the lease

Deferred income

Deferred income represents licensing fees billed in the current year pertaining to the following year.

Deferred lease incentives

Lease incentives include reduced rent benefits and tenant inducements received as a contribution to leasehold improvements. Lease incentives are amortized on a straight-line basis over the term of the lease.

Net assets invested in capital assets

Net assets invested in capital assets comprises the net book value of capital assets less long-term debt related to the capital assets less the unamortized balance of deferred tenant inducements received as a contribution to leasehold improvements.

(continues)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Revenue recognition

The College recognizes license and registration fees and fees for other services when they are earned, specifically when the amounts are fixed or can be determined and the ability to collect is reasonably assured.

Recovery of costs for disciplinary activities is recorded when a decision is rendered by the adjudication tribunal.

Investment income is recognized on the accrual basis as earned.

Rental revenue is recognized on the accrual basis in accordance with the terms of the corresponding lease agreement.

Foreign currency translation

Accounts in foreign currencies have been translated into Canadian dollars using the temporal method. Under this method, monetary assets and liabilities have been translated at the year end exchange rate. Non-monetary assets have been translated at the rate of exchange prevailing at the date of transaction. Revenues and expenses have been translated at the average rates of exchange during the year.

Foreign exchange gains and losses on monetary assets and liabilities are included in the determination of earnings.

Financial instruments policy

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

3. FINANCIAL INSTRUMENTS

The College is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the College's risk exposure and concentration as of December 31, 2016.

(continues)

THE COLLEGE OF PHYSICIANS AND SURGEONS OF NEWFOUNDLAND AND LABRADOR

Notes to Financial Statements

Year Ended December 31, 2016

3. FINANCIAL INSTRUMENTS (continued)

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency rate risk, interest rate risk and other price risk. The College is exposed to currency rate risk, interest rate risk and other price risk.

Currency risk

Currency risk is the risk to the College's earnings that arise from fluctuations of foreign exchange rates and the degree of volatility of these rates. The College is exposed to foreign currency exchange risk on cash and investments held in U.S. dollars. The College does not use derivative instruments to reduce its exposure to foreign currency risk.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the College manages exposure through its normal operating and financing activities. The College is exposed to interest rate risk primarily through its fixed income securities.

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The College is exposed to other price risk through its investment in quoted shares.

4. CAPITAL ASSETS

	Cost	Accumulated amortization	2016 Net book value	2015 Net book value
Computer equipment	\$ 210,991	\$ 154,393	\$ 56,598	\$ 19,969
Computer software	120,547	112,530	8,017	8,738
Membership database	416,230	20,811	395,419	142,513
Furniture and equipment	374,987	285,896	89,091	98,080
Leasehold improvements	662,696	212,440	450,256	494,802
	\$ 1,785,451	\$ 786,070	\$ 999,381	\$ 764,102

THE COLLEGE OF PHYSICIANS AND SURGEONS OF NEWFOUNDLAND AND LABRADOR
Notes to Financial Statements
Year Ended December 31, 2016

5. LONG TERM INVESTMENTS

	2016		2015	
	Fair value	Cost	Fair value	Cost
Fixed income, at annual rates from 2.1% to 4.3% (2015 - 1.7% to 4.2%)	\$ 674,984	\$ 676,325	\$ 669,115	\$ 665,303
Equities - shares in publicly traded companies	398,397	314,225	334,975	305,565
	<u>\$ 1,073,381</u>	<u>\$ 990,550</u>	<u>\$ 1,004,090</u>	<u>\$ 970,868</u>

6. LONG TERM DEBT

	2016	2015
Toronto Dominion Bank loan bearing interest at 4.41% per annum, repayable in monthly blended payments of \$4,129. The loan matures on May 3, 2017 and is secured by a general security agreement and an assignment of insurance.	\$ 238,711	\$ 276,516
Amounts payable within one year	(39,827)	(38,112)
	<u>\$ 198,884</u>	<u>\$ 238,404</u>

Principal repayment terms are approximately:

2017	\$ 39,827
2018	41,619
2019	43,492
2020	45,449
2021	47,495
Thereafter	20,829
	<u>\$ 238,711</u>

7. DEFERRED LEASE INCENTIVES

	Tenant		2016	2015
	Inducements	Reduced Rent		
Balance, beginning of the year	\$ 65,566	\$ 22,641	\$ 88,207	\$ 96,225
Less: Amortization	(5,960)	(2,058)	(8,018)	(8,018)
Balance, end of year	<u>\$ 59,606</u>	<u>\$ 20,583</u>	<u>\$ 80,189</u>	<u>\$ 88,207</u>

THE COLLEGE OF PHYSICIANS AND SURGEONS OF NEWFOUNDLAND AND LABRADOR
Notes to Financial Statements
Year Ended December 31, 2016

8. INTERNALLY RESTRICTED NET ASSETS

The College has transferred funds from Unrestricted Net Assets to contingency funds for Adjudication Tribunal Hearings and an Operational Contingency Fund. The Adjudication Tribunal Fund will allow the College to address unforeseen increases in disciplinary hearings and associated costs. The Operational Contingency Fund will allow for unforeseen business continuity as well as deliberate efforts stemming from the strategic planning process. Additions to these funds will be determined annually by Council and are dependent on the activity of the College at that time.

9. INVESTMENT INCOME

	2016	2015
Interest from fixed income securities	\$ 15,790	\$ 15,467
Dividends and other distributions	14,765	16,651
Realized gain (loss) on disposal of investments	(991)	8,628
Foreign exchange gain (loss)	(2,296)	16,758
Unrealized (depreciation) appreciation in fair value of investments	49,938	(34,517)
	\$ 77,206	\$ 22,987

10. LEASE COMMITMENTS

The College has a long term lease with respect to its premises which expires December 31, 2026. Future minimum lease payments, including an estimate of the proportionate share of property taxes for each of the next five years, are as follows:

2017	\$ 224,848
2018	234,623
2019	244,398
2020	259,061
2021	268,836

11. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.