Western Health Performance Report 2020-2021

TABLE OF CONTENTS

For the purpose of this annual report, the term ‘patient’ is inclusive of ‘resident’ and ‘client’ unless otherwise stated.

MESSAGE FROM THE BOARD CHAIR

It is my pleasure, on behalf of the Board of Trustees of Western Health to present our Annual Performance Report for the year 2020-21. Western Health is a category one public body under the **Transparency and Accountability Act.** The publication of this report is in keeping with the legislative guidelines. In accordance with the requirements of the **Act**, the Board accepts accountability for the results published in this Annual Performance Report.

In 2020-21, Western Health entered the first year of its new Strategic Plan 2020-23. This plan represents the sixth strategic plan for Western Health since it was established in 2005. The results highlighted in this report demonstrate the excellent progress that Western Health has made towards achieving the goals and objectives during the first year of our strategic plan within three priority areas, Our People, Quality and Safety, and Innovation. It also highlights many of the accomplishments achieved by dedicated employees, physicians, volunteers, and partners throughout the region.

Western Health's competent and caring team of employees, physicians and leaders continue to meet the challenges with which they are faced. On behalf of the Board of Trustees, I want to thank them for their commitment to protecting the health and well-being of patients, residents and clients, especially during the COVID-19 pandemic. Gratitude and sincere appreciation are extended for their engagement, commitment to person centred programs and services and continuous quality improvement, as well as for their many accomplishments during the past year. You continue to inspire, and we are grateful for your unwavering commitment throughout this unprecedented time.

The Board is pleased to share some of the accomplishments for the fiscal year 2020-21 in this Annual Performance Report. Building on Western Health's previous successes in addressing strategic issues, the Board of Trustees is looking forward to meeting the challenges that lie ahead. We will continue to work together towards achieving our new strategic goals and the strategic directions of the Government of Newfoundland and Labrador in 2021-22.

We look forward to continued collaboration with our colleagues, patients, families, and communities as we work towards achieving Western Health's Vision of Our People, Our Communities - Healthy Together.

With sincere best wishes,

Bryson Webb
Chairperson

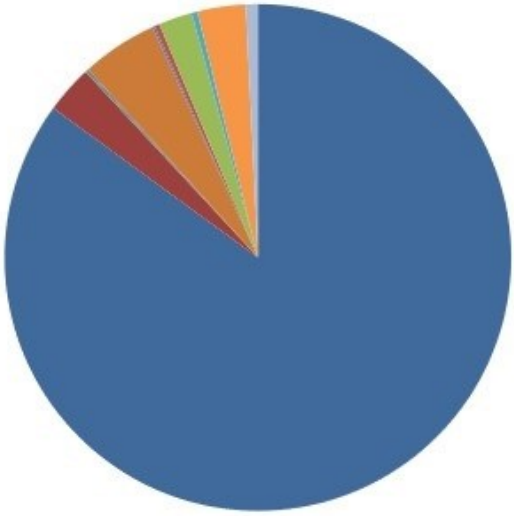
The Region

Western Health's geographical boundaries are from Port aux Basques southeast to Francois, northwest to Bartlett's Harbour, and on the eastern boundary north to Jackson's Arm.

Western Health offers a broad range of programs and services to the people of Western Newfoundland. Its regional office is located in Corner Brook. The organization has over 3,100 employees and approximately 80 per cent of employees are female. There are approximately 1,500 volunteers who assist in delivering programs, services and special events, which enhance the quality of life for patients, residents and clients. Please visit Western Health's website for information about its mandate and lines of business.

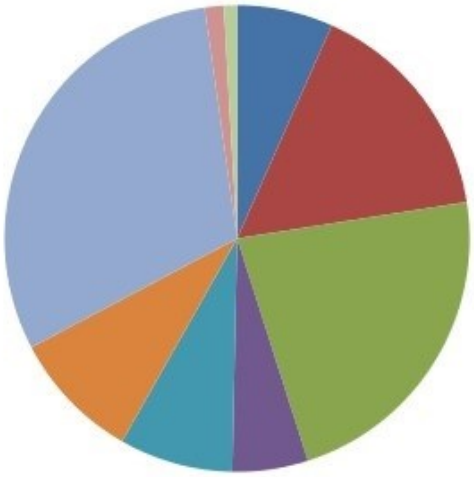
OPERATING REVENUE AND EXPENSES

Operating Revenue
$381,553,000



- Provincial plan - operating grant $324,457,000
- Capital grant - provincial $11,652,000
- Capital grant - other $210,000
- National child benefit $294,000
- Early childhood development $359,000
- MCP physician revenue $18,493,000
- Inpatient $540,000
- Outpatient $1,252,000
- Resident revenue - long term care $8,197,000
- Mortgage interest subsidy $21,000
- Food service $1,407,000
- Other recoveries $11,761,000
- Other $2,910,000

Expenses
$396,891,000



- Administration $26,501,000
- Support services $62,797,000
- Nursing inpatient services $89,593,000
- Medical services $20,878,000
- Ambulatory care services $31,342,000
- Diagnostic and therapeutic services $35,890,000
- Community and social services $121,068,000
- Educational services $5,198,000
- Undistributed $3,624,000

Highlights and Partnerships

HIGHLIGHTS AND PARTNERSHIPS

Western Health's vision, Our People, Our Communities - Healthy Together, highlights the important role of residents and communities throughout the Western region in achieving and promoting good health. Western Health works collaboratively with residents, communities, and partners to achieve this vision. "Our People" also includes the staff, physicians, managers, students, and volunteers who contribute to this vision.

Western Health values the partnerships and contributions of its many stakeholders. Western Health acknowledges the work achieved through shared commitments with volunteers, patient and family advisors, physicians, private service providers, the Department of Health and Community Services, other departments of the Government of Newfoundland and Labrador, other regional health authorities, non-governmental agencies, post secondary institutions, municipal councils, professional associations, and the general public. Western Health is also grateful for the numerous volunteers who give generously of their time and talents to support the clients, patients, and residents that we serve.

Better Value: Access and Efficiency

Expansion of Virtual Care

The use of virtual technology was quickly expanded due to the COVID-19 pandemic, which enabled increased access to services for some residents and reduced the need for travel for clinicians. Virtual service delivery enabled clinicians to provide services at sites where wait lists were longer and reduced wait time in some programs.

Virtual care has been proven to be effective and efficient for patients, clients and residents that have limited ability to attend traditional in-person physiotherapy treatment, due to pandemic restrictions, environmental barriers, or decreased ability to travel to areas where services are being provided. Virtual care was used for physiotherapists to provide many types of services including follow-up appointments in long term care (LTC) and in patients' homes following discharge from hospital, post-surgical follow up, and education sessions with care providers and families. Virtual care has enabled the expansion of delivery of clinical nutrition education to all areas of the Western region. Improvements have been found in increasing clinician access, decreasing wait times for services, and reducing no show rates. Clients have been able to access to nutrition intervention without leaving their community, which is of great benefit in areas which have limited dietitian staffing.

Virtual care has enabled regional access to specialized health care teams without having to travel. Virtual care was used to connect staff from the restorative care and adult rehabilitation units located in Corner Brook with Personal Care Homes for follow up on residents' physical function.

There were 114 group sessions delivered by Mental Health and Addictions using telehealth in the region in 2020-21. Clients throughout the region can now join support groups offered elsewhere in the region. Remote access has been utilized for a variety of group therapy including the Men's Trauma group, impaired driving, and parenting information sessions. Virtual care expanded within the Community Supports program with staff completing assessments virtually. In addition, access to a nurse practitioner has been enabled virtually.

Doorways provides rapid access to mental health and addictions services through a walk in appointments one session at a time. In 2020-21, Doorways expanded to five days per week throughout the region. Evening appointments are also available in Corner Brook and Stephenville. Virtual appointments were introduced in response to the pandemic and there were 735 Doorways appointments offered virtually in 2020-21.

Timely Access

To improve timely access to endoscopy, Western Health worked with physicians to validate waitlists to better understand demand and capacity. In 2020-21, a review of all patients waiting for endoscopy was completed and a central booking process was implemented for all endoscopists.

Better Health: Improving Quality and Client and Staff Safety

COVID-19

On March 11, 2020, the World Health Organization (WHO) declared COVID-19 a global pandemic. On this date, Western Health's Emergency Operations Centre (EOC) was activated as a response. Although preparations for the pandemic were already initiated, the start of the pandemic brought significant change within the organization. Throughout 2020-21, Western Health leaders and staff members demonstrated great strength, resiliency, and flexibility as they adapted to the many complex circumstances of the COVID-19 pandemic. The pandemic provided many challenges but through it all, there are many accomplishments to highlight.

A major focus of Western Health's infection prevention and control (IPAC) program was to educate all health care workers to ensure they were prepared as possible. As new information evolved, IPAC continued to update and support staff education. In addition to new personal protective equipment (PPE), numerous additional changes and initiatives were introduced focused on employee wellness and safety including daily a self-assessment tool, remote work options, accommodations for staff requiring isolation, and COVID-19 workplace inspection tool.

During 2020-21, Western Health participated in 13 provincial ethics consults related to the pandemic, which included various topics such as: emergency medical services protocols, isolation of geriatric patients waiting for LTC, vaccine distribution, and isolation exemptions for locum providers.

Given the duration of the COVID-19 pandemic and the increased levels of stress and isolation caused by the pandemic, it was recognized that resources to support physical and mental health were required. A "Taking Care During Difficult Times" series of resources was developed to relay important messages for healthy living during the pandemic. The series included topics such as mental health and addictions, substance use, healthy eating, tobacco/vaping, and physical activity. The resources were shared on social media and with partner organizations. Since there is a significant anticipated impact on the health of health care workers due to COVID-19, Western Health also prioritized sharing wellness information with leadership and staff. A support strategy for leadership was launched in the fall of 2020 which included leadership sessions, tools, and resources to assist leaders in maintaining their health and well-being, as well as supporting their teams. Each session included resources for supporting each other and employees.

In order to reduce risk of transmission early in the COVID-19 pandemic, visitation restrictions were put in place at all health care facilities. With support from the Newfoundland and Labrador Centre

for Health Information (NLCHI), virtual visitation was quickly put in place at all facilities. When family visitation was not permitted, virtual visits connected families for weddings, birthdays, anniversaries, grandbaby introductions, family gatherings, and supported challenging times of palliation and funerals. In 2020-21, there were nearly 12,000 virtual visits at LTC sites in the region. Western Health received positive feedback that virtual visits have been valued by many clients, patients, residents, and families.

Communicable disease control processes were established to support intake and assessment of individuals who tested positive for of COVID-19. Western Health's Public Health staff completed contact tracing and daily symptom monitoring for 39 individuals who were diagnosed with COVID-19 in 2020-21.

Programs remained flexible and responsive as priorities shifted in the pandemic from an emergency response to a resumption in services. The initial backlog of activity that was in place from services being reduced was addressed through a triaging and prioritization process. Western Health leaders and staff members worked tirelessly to ensure clients received care in a timely and safe manner, while following the evolving safety guidelines and protocols. To ensure safety of staff and clients and reduce risk of virus transmission, physical space adaptations were made, dedicated entrance areas were implemented, and patient flow and waiting areas were managed. In addition, procedure scheduling followed recommended IPAC protocols for room cleaning.

The arrival of COVID-19 vaccines in the region during the last quarter of 2020-21 created hope for an end to the pandemic. There was a high level of excitement on January 7, 2021, when Western Health provided the first COVID-19 vaccination in the region to the first group of health care workers. By March 31, 2021, 2,413 health care workers in the region received their first dose of the vaccine. The first group of health care workers targeted for vaccination included those at highest risk and included some health care workers external to Western Health such as paramedics, students, home support workers, and physicians. Western Health administered vaccines to priority groups as outlined in the provincial immunization plan. Pre-registration for residents over the age of 70 began in February 2021 and vaccination began with individuals over the age of 85 in March 2021. Between January 1 and March 31, 2021, 10,083 individuals received their first dose and 997 received their second dose of the vaccine in the Western region.

New Long Term Care Home Opens

After the new Western Long Term Care Home opened in June 2020, two units of Western Memorial Regional Hospital (WMRH) were closed and new patients in those units were admitted at the new home. This created an opportunity to extend the medicine unit of WMRH into the vacated inpatient areas to increase the number of private inpatient rooms. With great support and effort of leaders and staff, this change supported patient care as the increase in the number of private rooms reduced the need for patients to move to a new room when isolation is required. The move also supported operational readiness for the new acute care facility by establishing units that are of similar size.

A pleasurable dining room model was implemented at Western Long Term Care Home. Pleasurable dining, also referred to as relaxed dining, allow meals to be served over a two-hour period. This dining model helps promote resident centered care, and preserves the dignity and independence of residents, as well as enhances social and physical well-being. Dietary staff are part of the care team and tailor the dining experience to the resident's individual needs. By incorporating the lessons learned from other organizations and by working collaboratively with care teams, and despite the challenges presented by the pandemic, the pleasurable dining program was successfully implemented as the first residents moved into the building.

The impact on the quality of life of LTC residents from pleasurable dining has been significant, resulting in weight gain for many residents, improved mobility, improved socialization, and positive feedback from residents, families and staff. Work is ongoing to introduce the pleasurable dining model to other LTC homes throughout the region.

Senior Friendly Guidelines

Senior friendly guidelines are based on a philosophy of care of enhancing the well-being of our seniors through a team-based approach. Senior friendly guidelines were implemented for all patients aged 65 years and older in acute care in September 2020. These guidelines enable better patient care and a decrease in discharge delays by determining the need for referrals at the time of admission instead of when the patient is ready to go home. There are additional assessments for confusion, depression, alcohol and drug abuse, assistive mobility devices, and changes in ability to perform activities of daily living. Daily therapeutic walks and sitting up for meals are requirements of the guidelines.

Better Care: Provider, Patient, Resident, Client and Family Experiences

Person and Family Centred Care

Western Heath continued to support and enhance its person and family centred care (PFCC) strategy in 2020-21. The PFCC steering committee finalized an e-learning module for staff about person and family centred care. This e-learning module features patient partners delivering key messages about PFCC and will be launched in 2021-22. The PFCC steering committee was actively involved in planning the recruitment and specific orientation of patient partners for quality improvement teams and in the identification of a survey to measure the engagement experience of patient partners with engagement with Western Health. In 2021-22, plans are in place for the recruitment and onboarding of patient partners for quality teams, as well as implementation of the survey, and results will be used to identify strengths and areas for improvement for meaningful engagement.

Western Health continues to work with its seven Community Advisory Committees (CACs) throughout the region to enhance patient, client, and family experience. Each health neighbourhood, which is a geographic area where people access primary health care services, has a CAC. In 2020-21, the CACs focused on the development of three-year health neighbourhood action plans. To support the development of local action plans, stakeholder engagement days were held virtually throughout the region. Participants included members of the CACs, primary health care team, other local community partners, and organizational key stakeholders.

Journey of Collaboration

Western Health, in partnership with Qalipu First Nation, the Western Regional School of Nursing, Grenfell Campus – Memorial University, and the Mi'kmaq community, started the Journey of Collaboration project with support from the Health Services Integration Fund. Due to COVID-19, community engagement was held virtually over the phone, video calls, emails, and physically distanced interviews. Community engagement was carried out in a phased approach which included initial consultation with community leaders to provide input and feedback as to how to engage the broader Mi'kmaq community meaningfully throughout the project. The subsequent spring and fall engagement sessions provided an opportunity for the Mi'kmaq community to voice their thoughts and for the project steering committee to listen and use the information to create a framework to support priorities identified by the community. The framework is being finalized, which will set the foundation for continuous and meaningful partnership with the Mi'kmaq community.

Opioid Dependency Treatment (ODT)

Western Health implemented the first sublocade clinic in 2020-21, as part of Opioid Dependency Treatment (ODT). This new treatment option provides clients with a depot injection of buprenorphine, a long-acting medication. This option will decrease the need for clients to attend community pharmacies as medication will be provided at the Western Health clinic. Point-of-care drugs of abuse testing was implemented at Corner Brook and Stephenville clinics so that clients do not need to travel for testing in advance of treatment. This sublocade clinic is of benefit to clients who may experience barriers such as limited transportation, have no pharmacy in close proximity, may not be eligible to take suboxone/methadone home, or have demanding roles such as parenting and work commitments.

New Facilities

In partnership with the Department of Health and Community Services, and the Department of Transportation and Infrastructure, Western Health continues to support the delivery of the new acute care hospital in Corner Brook. Within the last year, the focus of the teams has changed from design/ layout reviews and user group engagements into a construction and delivery model. The acute care hospital project is on schedule, with dry wall installations and expected completion of the first floor in 2021-22. Western Health's focus will be on equipment, operational readiness, information technology integration, and transition planning throughout 2021-22.

Report on Performance

REPORT ON PERFORMANCE

This section of the Annual Performance Report will highlight Western Health's progress toward achievement of its strategic goals in support of Government's strategic directions. Progress achieved in 2020-21 supports Western Health in pursuit of its vision of Our People, Our Communities – Healthy Together.

Strategic Issue One: Our People

Our People are our greatest strength, they make Western Health a great place to work and receive care. Individually and together, our team of 3,100 staff alongside 1,500 volunteers and 170 physicians are deeply committed to delivering high-quality programs and services. Western Health's success depends upon the strength of our people and our ability to recruit and retain a highly skilled, healthy, compassionate and engaged workforce. Changes within programs and services to meet needs of communities are placing unique demands on our traditional workforce planning processes.

While several programs and services have experienced significant growth, the organization struggles to meet the human resource needs required to support this growth. Over the last three years, Western Health has experienced a 67 per cent increase in the number of positions advertised throughout the region. On a yearly basis over the last three consecutive years, we have had an average of 800 staff change positions within the organization and approximately 223 new employees begin work with Western Health annually. In addition to this movement, a decreasing pool of skilled resources coupled with an aging workforce and a 2016 engagement survey suggesting that employees feel disengaged, Western Health requires innovative recruitment and retention strategies to be implemented in order to meet the health care needs of our communities.

Western Health has been focused on enhancing work life culture through the introduction and continuation of programs and initiatives aligned with national standards of best practice for psychological health and safety. One example of this work is our successful integration of psychological health and safety standards into routine workplace safety inspection processes. Working in health care presents a unique set of challenges and opportunities. Evidence suggests that a culture which encourages employees to take care of themselves is especially critical in the health care field. Providing employees with opportunities to enhance their physical, mental and emotional well-being is important to us.

We recognize that in addition to the need to focus on strategies that engage staff, optimize their work experience, skills and scopes of practice, we must also focus on continuing to introduce evidence-based strategies that support the health and wellness of staff. We need to work differently to develop, train, recruit and retain the very best people and to provide the support that enables staff to provide the level of care and service they aspire to provide. Creating an environment where staff feel engaged, are encouraged and supported to suggest improvements, and feel empowered to make change will guide our focus in changing how we work. This priority is well aligned with the Provincial Government's Strategic Directions of a better economy, healthier people, better living, a bright future, and a more efficient public sector.

Strategic Goal One: Our People
By March 31, 2023 Western Health will have enhanced workforce capacity and capability through enabling an engaged, skilled, well-led and healthy workforce.

Strategic Goal One: Our People	
Objective Year One (2020-21) **By March 31, 2021, Western Health will have identified priority areas of focus to support building workforce capacity and capability.**	
Indicators for Year One Objective (2020-21)	**Actual Progress for 2020-2021**
Completed an environmental scan of current and future internal and external factors impacting our people	During 2020-21, an environmental scan of external and internal factors that impact engaged, skilled, well-led and healthy workforces was undertaken. The scan included a review of human resource performance indicators, staff experience surveys, 2018 Accreditation report and outcomes of previous engagement plans. The Regional Engagement Committee hosted a planning session in September 2020 with staff and leaders to undertake a Strengths, Weaknesses, Opportunities, and Threats (SWOT) analysis of internal and external factors to enable an engaged, skilled, well-led and healthy workforce to help inform key priorities. A focus group was held with staff and leadership in November 2020 to better understand the impact of the COVID-19 pandemic and Western Health's response to the same upon our people to support future priorities. A current state analysis of staffing and central scheduling practices was initiated in January 2021 through a Lean green belt project. This project commenced with defining the problem by collecting data to identify where challenges and pressure points exist. Actions for improvement will be identified and changes initiated during 2021-22. A literature review of evidence-based practices to support workforce capacity and capability was completed. Several best practice documents and plans were reviewed to assess best practices including: the Institute for Health Information (IHI) Framework for Improving Joy in Work[1], Canadian Patient Safety Institute: Creating a Safe Space: Strategies to Address the Psychological Safety of Healthcare Workers[2], A Review of Family Medicine Within Rural and Remote Canada: Education, Practice, and Policy, Transforming Healthcare Organizations[3], National Standard on Psychological Health and Safety in the Workplace[4], and LEADS in Caring Environment Framework[5].

1. Institute for Healthcare Improvement (IHI) Framework for Improving Joy in Work (available at ihi.org)
2. Creating a Safe Space: Strategies to support psychological health and safety of healthcare workers available here
3. A Review of Family Medicine Within Rural and Remote Canada: Education, Practice, and Policy, Transforming Healthcare Organizations available here
4. National Standard on Psychological Health and Safety in the Workplace available here
5. LEADS in a Caring Environment framework available here

Completed Guarding Minds employee survey	The Guarding Minds at Work survey was first completed in Western Health in 2015. Results from that survey were integrated into a plan to improve psychological health and safety within Western Health. During 2020-21, a working group was established to develop a plan to complete the Guarding Minds at Work survey again. A plan was developed but due to competing priorities with the COVID-19 pandemic, the survey was not able to be completed until May 2021. The survey findings will be used to help assess psychological health and safety within Western Health and identify priority areas for improvement. Occupational Health and Safety committees across the region will be engaged with reviewing the findings, identifying priorities, and developing a communication plan early in 2021-22.
Completed employee engagement survey	A working group was established and led the implementation of the Kincentric Employee Engagement survey. The working group completed an extensive review of the survey questions to make modifications and adapt survey language for Western Health. The working group established an implementation team comprised of regional and program representatives to champion completion of the survey. A leadership toolkit, and a comprehensive communication plan were developed to promote survey uptake among all staff. The survey was administered over five weeks beginning in November 2020. Over 1,100 staff completed the survey. The 34% response rate to the survey in 2020 was an increase compared to 22% in 2016. Preliminary review of the survey findings was completed. A more comprehensive review of the findings, development of an action plan, and communication of the findings and actions planned will be completed early in 2021-22. Key stakeholders will be engaged in this process.
Completed gap analysis	A preliminary gap analysis was completed to compare workforce capacity and capability and practices within Western Health with best practices to identify priority initiatives. The preliminary gap analysis findings and suggested focus areas were shared with the regional engagement committee for validation. The preliminary findings and actions planned will be finalized once an analysis of the Kincentric Engagement and the Guarding Minds at Work survey results is completed. Priority initiatives may change once the gap analysis is finalized.

	Further consultation will also be completed once the gap analysis is finalized. This will be completed during first quarter of 2021-22. This was incomplete due to priorities with respect to COVID-19 and changing alert levels early in 2021.
Identified priorities to enable an engaged, skilled, well-led and healthy workforce	Incomplete. The Guarding Minds Survey administration and analysis of results, as well as the analysis of findings of the Employee Engagement Survey were delayed due to efforts required by human resource leaders with the pandemic response. The findings from these two surveys represent the perspectives of our people and are essential to guide our identification of priority areas and inform our gap analysis. Priorities will be identified early in 2021-22 once gap analysis is finalized and findings validated through consultation with key internal stakeholders.
Selected performance measures related to priority areas of focus to enable an engaged, skilled, well-led and healthy work force	Incomplete. Due to sustained efforts required by key leaders within human resources for pandemic response delays were experienced with finalizing the gap analysis. Priority areas of focus will be determined through the gap analysis. Although, the Quality and Safety Scorecard was reviewed and revised during 2020-21 and the scorecard does include performance measures related to healthy and engaged teams, additional performance measures will be determined once final priority improvement initiatives are selected.

Objective Year Two (2021-22)

By March 31, 2022, Western Health will have initiated implementation of priorities to support work-force capacity and capability.

Indicators Year Two Objective (2021-22)

- Completed Guarding Minds at Work Survey
- Finalized Gap Analysis
- Identified Priorities and Performance Measures to enable an engaged, skilled, well-led and healthy workforce.
- Developed workplans for priority initiatives to support achievement of outcomes.
- Initiated implementation of priority initiatives.

Discussion of Results

In 2020-21, a scan of current and future internal and external factors impacting workforce capacity and capability in Western Health was completed. As part of this scan, findings from human resource performance indicators, staff experience surveys, 2018 Accreditation report, and outcomes of previous engagement plans were reviewed. The Kincentric Employee Engagement Survey was administered in 2020-21 to measure employee engagement and help identify opportunities and areas of focus. The Regional Engagement Committee hosted a planning session with internal stakeholders to complete a SWOT analysis of factors influencing our ability to enable an engaged, skilled, well-led and healthy workforce. A focus group was also completed to better understand the impact of COVID-19, Western Health's response, and to identify future priorities to support our workforce through the pandemic. Findings were integrated into the environmental scan.

A literature review of evidence-based practices to support workforce capacity and capability was also completed. Several best practice documents and plans were reviewed including but not limited to: the IHI Framework for Improving Joy in Work, Canadian Patient Safety Institute: Creating a Safe Space: Strategies to Address the Psychological Safety of Healthcare Workers, A Review of Family Medicine Within Rural and Remote Canada: Education, Practice, and Policy, Transforming Healthcare Organizations, National Standard on Psychological Health and Safety in the Workplace, and LEADS in Caring Environment Framework.

An analysis of the findings of the environmental scan, and the review of evidence-based practices supported the identification of preliminary priority areas of focus to improve workforce capacity and capability. The preliminary priority areas of focus include employee health, wellness, well-being, and overall experience. The gap analysis and subsequent identification of priority areas of focus and performance measures were not finalized during 2020-21. Delays were experienced because of COVID-19 pandemic priorities. The Guarding Minds at Work survey will be administered in Spring of 2021 and focus groups with key stakeholders will be conducted to validate the preliminary findings. This will help identify the proposed priority areas of focus and performance measures. Work plans for each priority area of focus are then expected to be finalized for year two (2021-22).

The regional engagement committee has been identified to support the implementation and monitoring of the work for year two (2021-22).

Strategic Issue Two: Quality and Safety

In Canada, patient safety incidents are the third leading cause of death following heart disease and cancer. A 2018 national survey commissioned by the Canadian Patient Safety Institute (CPSI) found that most people were unaware of patient safety risks, however once aware, patient safety became one of their top health care priorities. Building a culture of quality and safety is an essential priority for Western Health. Over the next three years, we will focus our actions on improving outcomes and care experiences for clients, patients, residents and families while promoting safety. Our ability to provide safe, high-quality care and service depends on the health and safety of people who work, practice, learn or volunteer with us. It has been widely documented that care outcomes can be improved by reducing variations in processes and enhancing safety awareness and practices amongst our staff and the people we serve. Encouraging all individuals to speak up about safety concerns without fear of reprisal or ridicule is essential to our work to reduce preventable harm.

An important feature of a quality and safety culture is an emphasis on person and family centered care (PFCC). PFCC refers to an approach to care that guides all aspect of planning, delivery and evaluating services, with the foundation being mutually beneficial partnerships between clients, families, and health care staff and service providers. Providing PFCC means "working collaboratively with clients and their families to provide care that is respectful, compassionate, culturally safe, and competent, while being responsive to their needs, values, cultural backgrounds and beliefs, and preferences."

Meaningful engagement with patients, clients, residents, families and staff is a key enabler of person-centered care. Our staff are committed to a caring, respectful and compassionate environment. Opportunities to enhance patient, residents, clients and family involvement exists as evident through experience surveys results, as well as Western Health's 2018 Accreditation report.

Quality and safety are supported by having access to valid, reliable, meaningful information. When the information related to a client, patient or resident is consistent and flows across the system it enables improved quality, safety and experience for the people we serve. Information can also be used to better manage performance of the healthcare system.

Our priority to improve quality and safety is aligned with the Provincial Government's Strategic Directions: healthier people, and better living. It also is aligned with Health Standards Organization (HSO) standards of excellence and the National Framework for Quality and Patient Safety led by the CPSI and HSO.

Strategic Goal Two
By March 31, 2023 Western Health will have improved quality and safety across the organization in priority areas.

Strategic Goal Two: Quality and Safety	
Objective Year One (2020-21) By March 31, 2021, Western Health will have initiated a work plan to strengthen the culture of quality and safety in priority areas.	
Indicators for Year One Objective (2020-21)	**Actual Progress for 2020-2021**
Completed an environmental scan	An environmental scan was completed of quality and safety within Western Health. The scan included a review of quality and safety indicators, client experience survey results, quality audits, and quality and safety reports, including the previous accreditation report, and Health Care Insurance Reciprocal of Canada Risk Assessment Program reports (HIROC). A literature review of evidence-based practices for quality and safety culture was completed. Provincial and national best practice documents and plans were used to help identify best practices including: Engaging Patients in Patient Safety: A Canadian Guide[7], Canadian Foundation for Health Care Improvement: Accelerating Health Care Improvement[9], Canadian Quality and Patient Safety Framework for Health Services[8], World Health Organization Integrated People Centred Health Care[10], Creating a Safe Space: Strategies to Address the Psychological Safety of Healthcare Workers[11], Canadian Patient Safety Institute: A Guide to Patient Safety Improvement: Integrating Knowledge Translation and Quality Improvement Approaches[12], American College of Healthcare Executives: Leading a Culture of Safety: A Blue Print for Success[13], and National Framework for Establishing a Patient Safety Culture[14].

	Additionally, a review was conducted to gather information regarding quality and safety programs in other health care organizations. A gap analysis was conducted comparing quality and safety within Western Health with best practices to identify priority areas of focus for improvement.
Developed a Person and Family Centred Care (PFCC) e-learning module for staff	To develop a PFCC e-learning module for staff, a scan of PFCC education developed in other jurisdictions was conducted, which included consultations with other organizations' leaders to understand what evidence and information was included. Using this information, Western Health's PFCC e-learning module for staff was co-designed with patient partners to be authentic and meaningful. In the developed e-learning module, patient partners speak to the core concepts and principles of PFCC and provide personal explanations of what PFCC means to them. A wide variety of other internal stakeholders such as professional groups, leaders, and front-line staff, were also engaged in the development of the e-learning to ensure the e-learning would be useful and easily understood by all staff. The e-learning module became available on the Learning Management System on March 29, 2021.
Developed a survey to measure patient partner engagement	A scan of evidence and best practice was completed to identify a survey to measure patient partner engagement. This scan included consultation with other organizations to learn the different methods that can be used to measure patient partner engagement. Through the scan and consultation, the Public and Patient Engagement Evaluation Tool (PPEET) developed by McMaster University, was identified as an appropriate tool to measure patient engagement. The PPEET was designed to measure public and patient engagement within the health care system and was piloted with seven health system organizations across Canada. The results of this pilot informed a revised version of the PPEET (Version 2.0), which was reviewed by Western Health patient partners for its appropriateness for use within our context. Through this collaboration, the PPEET (Version 2.0) was selected as the survey tool to measure patient partner engagement at Western Health.

7. Engaging patients in patient safety – A Canadian Guide. Canadian Patient Safety Institute available here
8. The Canadian Quality and Patient Safety Framework for Health Services available here
9. Accelerating healthcare improvement: Canadian Foundation for Healthcare Improvement's Assessment Tool (CFHI Assessment Tool©) available here
10. WHO global strategy on integrated people centred health services 2016-2026 available here
11. Creating a Safe Space: Strategies to Address the Psychological Safety of Healthcare Workers available here
12. Canadian Patient Safety Institute. A Guide to Patient Safety Improvement: Integrating Knowledge Translation and Quality Improvement Approaches available here
13. American College of Healthcare Executives: Leading a Culture of Safety: A Blue Print for Success available here
14. A National Framework for Establishing a Patient Safety Culture available here

Identified key safety and quality priorities	The key quality and safety priorities were identified based on the gap analysis and consultation with Quality Council, comprised of physician and program leaders and consultation with the Person and Family Centred Care Steering committee comprised of patient and family partners. The priorities identified were as follows: a) To reduce preventable patient harm in hospital. b) To enhance person and family centred care and improve patient and family partnerships in quality and safety. c) To enhance culture of safety. d) To improve measurement of access to services and wait times within priority areas identified through collaboration with regional physician leaders, and patient partners.
Identified performance measures related to safety and quality priority areas	Performance measures were identified in the priority areas as follows: a) To reduce preventable patient harm in hospital: • Implemented regional policy and early warning signs (EWS) pathway in all acute care sites. • Increased number of staff trained in EWS pathways. • Increased number of staff trained in TEAMStepps. • Improved Hospital Standardized Mortality Ratio. b) To enhance person and family centred care and improve patient and family partnerships with all aspects of quality and safety: • Increased number of patient and family partners. • Increased number of patient and family partners involved in quality and safety improvements. • Increased number of staff, physicians and leaders completing the PFCC e-learning module. • Percent patient partners responding positively to patient partner engagement survey. c) To enhance a culture of safety: • Implemented a just culture policy to create a system of justice and create fairness for providers and better outcomes for patients. • Number of staff completed just culture education. • Reviewed Western Health policies, frameworks, and programs to determine if the just culture principles are embedded. d) To improve measurement of access to services and wait times within priority areas: • Established inventory of services that currently measure wait times. • Review of wait time measurement processes and comparison to best practice. • Identified priority areas for wait time measurement improvement.

Objective Year Two (2021-22)
By March 31, 2022, Western Health will have commenced implementation of strategies in priority areas to strengthen the culture of quality and safety.

Indicators Year Two Objective (2021-22)
- Developed work plans for priority initiatives to support achievement of performance outcomes.
- Initiated implementation of priority initiatives.
- Developed a regional early warning score policy, including care pathways to ensure efficient and seamless escalation and transfer of care of deteriorating patients when required.
- Increased uptake of the PFCC e-learning module for staff.
- Implemented a survey to measure patient partner engagement.
- Developed a regional just culture policy and implementation framework.

Discussion of Results

Western Health's work towards this goal commenced with a scan of quality and safety within the region, a literature review of evidence-based best practices of high performing health care organizations, and an assessment of enablers and barriers to achieving safe, high-quality care and service and best possible outcomes for individuals and communities. A number of national and international documents were reviewed including: Engaging Patients in Patient Safety: A Canadian Guide, Canadian Foundation for Health Care Improvement: Accelerating Health Care Improvement, Canadian Quality and Patient Safety Framework for Health Services, World Health Organization Integrated People Centred Health Care, Canadian Patient Safety Institute: Creating a Safe Space: Strategies to Address the Psychological Safety of Healthcare Workers, Canadian Patient Safety Institute: A Guide to Patient Safety Improvement: Integrating Knowledge Translation and Quality Improvement Approaches, American College of Healthcare Executives: Leading a Culture of Safety: A Blue Print for Success, and National Framework for Establishing a Patient Safety Culture.

Focus groups were also held across multiple stakeholder groups including patients and family partners, and physician leaders providing an overview of the quality framework within Western Health and seeking feedback on enablers and barriers to achieving safe, high quality care and services. These focus groups helped to identify enablers and gaps and guided priority setting.

A report was produced highlighting the findings of the scan and priority areas of focus. Engagement with Quality Council and the PFCC steering committee validated the findings and priority areas selected. The priority areas identified were: (a) to reduce preventable patient harm in hospital, (b) to enhance person and family centred care and improve patient and family partnerships in quality and safety, (c) to enhance culture of safety, and d) to improve measurement of access to services and wait times within priority areas identified through collaboration with regional physician leaders, and patient partners. The Regional Quality Council will oversee the implementation of year two (2021-22) actions to address these priority areas. A number of work plans have been developed to enable achievement of year two objectives and include: a Person and Family Centered Care (PFCC) work plan, the Quality Framework Implementation plan, the Patient Safety Plan and Risk Assessment Checklist year three work plan.

Strategic Issue Three: Innovation

In the Western region our population is aging, we also experience a higher incidence of chronic diseases such as high blood pressure, diabetes, and chronic obstructive pulmonary disorder (COPD) compared to NL and Canada. The gross personal income per capita in the Western region is less than the provincial average and the incidence of unemployment is higher, in addition 19.4 per cent of the Western region's population does not have a high school education. It is the interrelationships among these and other factors that influence individual and population health. Accessibility to health services is an important determinant of health. Accessibility of health services refers to the extent to which people can readily obtain care when and where they need it. Increasing accessibility can involve reducing physical, financial, cultural and psychological barriers that individuals maybe encounter when trying to access information and care.

Western Health's geographically dispersed population can pose challenges to the delivery of sustainable health care services across the continuum of health care. Western Health is committed to ensuring that the regional population, including those people who experience the greatest barriers, have a fair opportunity to attain their highest health potential. Innovative care and service models are necessary to address these challenges, enabling interprofessional teams to work to their full scope to deliver high quality care. These models would be enhanced by leveraging technology and evidence-based care solutions including virtual care to enable more accessible, efficient, and connected care for the people we serve.

Over the next three years, Western Health intends to focus on identifying innovative solutions to improve access to services in key priority areas. Integrated health systems that wrap services around the needs of individuals will improve the value of care provided by ensuring that the right people receive the right care at the right place and time. This will involve organizing services and supports that minimize unnecessary barriers, align with the population's needs, address identified health inequities and are either available in the local area, within a reasonable distance, or through assistive technologies.

Western Health's innovation priority is well aligned with each of the Provincial Government's Strategic Directions for 2020-23, which include a better economy, healthier people, better living, a bright future, a more efficient public sector. It is also in line with the 2015-25 Primary Health Care Framework for Newfoundland and Labrador which identified the need to fully utilize appropriate technologies to make services more convenient, reduce barriers to access, and limit the need for travel as crucial to improving primary health care in Newfoundland and Labrador.

Strategic Goal Three
By March 31, 2023, through innovative models of service delivery, Western Health will have improved access to health services in key priority areas.

Strategic Goal Three: Innovation

Objective Year One (2020-21):
By March 31, 2021, Western Health will have worked with clients/patients/families, providers and partners to identify priority areas of focus for the use of innovative models of service delivery in order to improve access to services.

Indicators for Year One Objective (2020-21)	Actual Progress for 2020-2021
Identified evidence-based practices to support innovative models of service delivery.	A scan of real-world applications and service models across Canada was completed. Current and potential innovation opportunities and virtual care applications were also explored as part of a two-day stakeholder engagement session. Provincial and national experiences and best practice documents were used to help identify opportunities, innovative trends in health care, necessary client and provider supports, policy gaps, and new technological applications. Documents include: the Provincial Primary Health Care Framework[15], The Health Home Model for Team Based Care, the Provincial Chronic Disease Action Plan, the National Standards for Virtual Health[16], Accreditation Canada Standards for Primary Care Services for Standalone Clinics and COVID-19 Toolkit Virtual Care, the College of Physicians and Surgeons of Newfoundland and Labrador Standard of Practice for Telemedicine[17], The Canadian Medical Association Virtual Care Playbook[18], Recommendations for Scaling Up Virtual Medical Services and Virtual Care in Canada Discussion Paper, the Northern American Observatory on Health Systems and Policies Rapid Review of Virtual Primary Care in Northern, Rural and Remote Canada. In addition, there was a review of internal documents such as prior Western Health environmental scans, regional and local community health assessment survey results, community assets documents, and focus group reports, and program annual reports. A review of Health Standards Organization Leading Practices incorporating virtual care into health practice was undertaken. A Leading Practice is a practice carried out by a health and/or social service organization that has demonstrated a positive change, is people centered, safe and efficient. Leading Practices reviewed included: “Making the Link: the Impact of Using Telehealth to Facilitate Services Related to Autism Spectrum Disorder for Families and Healthcare Providers in Rural Areas of Western NL,” Telehealth Delivery of Diagnostic Auditory Brainstem Response (ABR), Assessment to Remote Sites, Use of telemedicine to support care of newborns in rural Manitoba, Ontario Telemedicine Network Program.

	A literature review of best practice approaches to virtual care was completed. The literature review included an overview of virtual care applications, governance models, and essential elements for virtual care integration from other organizations. A second literature review was completed on innovation in health promotion and primary care. The literature review identified social innovation opportunities, the Public Health innovation model and highlighted examples of innovative concepts. Evidence based practices identified to support innovative models of service delivery include: • Timely access to services in the right place, at the right time, by the right provider. • Client attachment and provider continuity. • Interprofessional collaboration. • Community and client/family engagement. • Co-design with clients and communities. • Leadership and governance structures for virtual care and primary health care. • Online patient portals, self-booking options. • Identifying appropriate inclusion and exclusion criteria for the appropriateness of virtual care. • Appropriate resources and information provided to patients to promote and support self-management. • Appropriate resources and training in place to support orientation of clients, providers and clinical support staff to virtual care and team-based care. • Procurement of digital technology - Standards for virtual health equipment purchases and upgrades that consider two-way interfacing peripherals, interoperability between digital platforms, financial sustainability, acceptability to patients, easy to use, portable when necessary, community and organizational infrastructure. • Established clinical practice guidelines for collaboration and virtual care. • Virtual care services are integrated into delivery of care service models. • Funding models for virtual and collaborative care. • Virtual care equipment service and support structures . • Public Health Innovation Model: design thinking, cross collaboration, community buy-in, autonomy and creativity • Create a culture of innovation.
Identified gaps/inequities in access to service	A two-part virtual care planning session was held to help identify gaps and inequities in access to services. The session identified what virtual care looks like in other jurisdictions, how virtual care is currently being delivered within Western Health; and strengths/ enablers and barriers/challenges of virtual care to help identify future priorities. The two-part session was facilitated by the Provincial Public Engagement and Planning Division. There were 74 people registered for the two-day session representing internal and external stakeholders.

	A final report of the planning sessions was developed titled 'Summary Report: Virtual Care Engagement Session' and shared with attendees and other internal and external stakeholders. In addition to the virtual care planning session, there was a review of staffing and recruitment pressures, operational challenges, program needs, business continuity planning, consultation with the regional primary health care steering committee, and the chronic disease prevention and management committee. Using the review information and findings from the planning session, gaps/inequities in access to service were identified which include rural emergency departments and primary health care services throughout the region. To narrow the focus on primary health care there was an in-depth review of the 2019-2020 regional Community Health Assessment results. Overall findings of the community health survey indicated that residents have concerns related to mental health and addictions, chronic disease, access to services such as family physicians and specialists, wait times for services, and recruitment and retention of health care providers. Additionally, in November and December 2020 stakeholder consultation sessions were held in all seven health neighbourhoods throughout the region. A total 151 stakeholders participated in the virtual engagement sessions. The results of local community health assessment surveys were shared, and priorities were confirmed for local and regional action plans. Priorities identified include: access to primary care, identifying priority areas to enhance access to specialist physician care, identifying priority areas within mental health and addictions to enhance access, to expand chronic disease prevention and management programming, and expansion of the community paramedicine program. Lastly, to better understand client travel patterns and service utilization trends a partnership with the College of the North Atlantic was established to conduct a geostatistical analysis of data for the Humber Valley/Deer Lake/White Bay health neighbourhood. Work was initiated on the geostatistical analysis and will be continued in 2021-22. Based on the preliminary geostatistical mapping, community health assessment, stakeholder engagement sessions, and consultations with regional steering committees and advisory groups. Rural emergency departments and primary health care were identified as gaps and inequities in access to service.

Identified priority areas of focus that require innovative solutions to improve access	The key innovation priorities were identified based on the review of evidence-based practices to support innovative models of service, the gap analysis, preliminary geostatistical mapping, community health assessment, stakeholder engagement sessions and consultation with regional steering committees and advisory groups. The priority areas are as follows: Rural emergency departments • To develop and initiate implementation of a collaborative care model of service delivery for Western Health rural emergency departments Primary health care • To develop and initiate implementation of strategies to enhance access to primary care. • To develop and initiate implementation of strategies to enhance access to Chronic Disease Prevention and Management (CDPM) Programs. • To develop and initiate a plan to expand the Community Paramedicine program.
Identified performance measures for the priority areas	Performance measures were identified in the priority areas as follows: Rural emergency departments A. To develop and initiate implementation of a collaborative care model of service delivery for Western Health rural emergency departments: • An identified model for collaborative emergency department teams. • All hospitals and rural health center emergency departments are virtually linked. Primary health care B. To develop and initiate implementation of strategies to enhance access to primary care. • Regional waitlist management process initiated for patients looking for a primary care provider. • Health neighbourhood website developed. • Model identified for virtual and in-person care at Western Health primary care medical clinics. • Usage indicators identified for primary care. • Development and initiated implementation of a health services patient use report for the Humber Valley/Deer Lake/White Bay health neighbourhood in partnership with the College of North Atlantic. • Developed data dictionary for patient use reports in partnership with College of the North Atlantic. • Developed roll out plan for health services patient use reports for all health neighbourhoods.

	C. To develop and initiate implementation of strategies to enhance access to Chronic Disease Prevention and Management Programs. • Model identified for virtual and in-person of the Building on Existing Tools To Improve Chronic Disease Prevention and Screening in Primary Care (BETTER)[19] program visits • Usage indicators identified for the BETTER program D. To develop and initiate a plan to expand community paramedicine programs. • Usage indicators identified for community paramedicine programs. • Identified priority areas for community paramedicine program implementation.

Objective Year Two (2021-22)
By March 31, 2022, Western Health will have commenced implementation of innovative initiatives to improve access to services in priority areas.

Indicators Year Two Objective (2021-22)

- Collaborative care model identified for Western Health emergency departments at hospitals and health centers and implement plan established.
- Strategies to enhance access to primary care initiated.
- Strategies to enhance access to CDPM programs initiated in priority areas.
- Developed community paramedicine program and implementation plan.

15. Provincial Primary Health Care Framework available here
16. National Standards for Virtual Health available here
17. College of Physicians and Surgeons of Newfoundland and Labrador Standard of Practice for Telemedicine available here
18. The Canadian Medical Association Virtual Care Playbook available here
19. The Building on Existing Tools To Improve Chronic Disease Prevention and Screening in Primary Care (BETTER) program utilizes evidence based strategies, resources, and tools to improve chronic disease prevention and screening in primary care settings.

Discussion of Results

Western Health's work towards this goal began with a scan of real-world applications and service models, technology, and virtual care applications, a review of primary health care indicators, accreditation standards, client and community surveys, a jurisdictional review of governance models, program annual reports, organizational environmental scans, and community health assessment reports. Two literature reviews were completed focusing on best practice approaches to virtual care and health promotion and primary care. Provincial and national experiences and best practice documents were used to help identify opportunities, innovative trends in health care, necessary client and provider supports, policy gaps, and new technological applications.

Additionally, considerations were given to the role of virtual care in pandemic response, the role of health informatics systems to support health care service planning and delivery, client and provider experiences with various technology platforms and modes of delivery, necessary supports and team education, payment and compensation models, and documentation and charting systems.

In addition to the two literature reviews, a two-part virtual care planning session was held to identify what virtual care looks like in other jurisdictions, identify how virtual care is currently being delivered within Western Health; and identify strengths/enablers and barriers/challenges of virtual care to help identify future priorities. A regional virtual care steering committee will be established to review recommendations from the two-part planning session and develop an implementation plan for virtual care throughout the Western region.

There was also a review of staffing and recruitment pressures, operational challenges, program needs, business continuity planning, consultation with the regional primary health care steering committee and the CDPM committee. Using this information identified areas of risk include rural emergency departments and primary health care services throughout the region.

To narrow the focus on primary health care there was an in-depth review of the regional Community Health Assessment report. Overall findings of the survey indicated that residents have concerns related to mental health and addictions, chronic disease, access to services such as family physicians and specialists, wait times for services, and recruitment and retention of health care providers.

In November and December 2020 stakeholder consultation sessions were held in all seven health neighborhoods throughout the Western region. A total 151 participants participated in the virtual stakeholder engagement days. Participants included internal and external stakeholders, community members, client and partner advisors. Priorities identified from these sessions included: access to primary care, access to specialists, mental health and addictions, chronic disease, and community paramedicine.

To better understand client travel patterns and service utilization trends a partnership was formed with the College of the North Atlantic to conduct a geostatistical analysis of data for the Humber Valley/Deer Lake/White Bay health neighbourhood. A data dictionary has been developed and data is being prepared for trending. Information obtained from this data analysis will further assist in service planning and identifying innovation opportunities.

The priority areas identified were:

1. To develop and initiate implementation of a collaborative care model of service delivery for Western Health rural emergency departments;
2. To develop and initiate implementation of strategies to enhance access to primary care;
3. To develop and initiate implementation of strategies to enhance access to CDPM programs; and
4. To develop and initiate a plan to expand the community paramedicine program.

A Health Care Innovation Steering committee was established to lead and oversee year two (2021-22) actions to address these priority areas. Finally, Western Health already has a number of work plans in place that will guide and support the accomplishments of year two objectives and related indicators. These include: the regional primary health care work plan, and the regional CDPM plan.

Opportunities and Challenges

OPPORTUNITIES AND CHALLENGES AHEAD

COVID-19

COVID-19 has challenged Western Health to protect staff and residents and to reduce virus spread and potential overburden to the healthcare system. There is also a psychological impact to ongoing emotional stress experienced by frontline health care workers due to the prolonged experience of the COVID-19 pandemic. Health care workers may experience increased stress because they are at a higher risk of infection and they may fear spreading the virus to their families. Western Health has implemented many measures to mitigate detrimental outcomes such as burnout and potential increased rate of psychological impact by regularly communicating about mental supports available. Many health care workers will need time and rest to recover after the pandemic is over, however demand for health care services will continue. Western Health's focus on "Our People" will include strategies to help overcome the challenges ahead with supporting a healthy workforce.

Integrated Capacity Management System

Work is ongoing across the four RHAs to introduce a provincial integrated staff scheduling system. The Integrated Capacity Management (ICM) system being implemented within acute and LTC settings has powerful integration capability that will provide a strategic view of organizational clinical operations. The system will support improved patient flow and quality outcomes which will enhance the patient experience and optimize clinical staff's ability and time to contribute to patient care. The system will also enable acuity-based scheduling and forecasting of admissions and discharges to support planning, ensuring the right resources are in the right place at the right time, contributing to enhanced staff satisfaction. Because of its integrated nature, ICM will optimize staff scheduling and improve accuracy of pay contributing to improved financial performance. While implementing the system has the potential to create these opportunities for improvement, the implementation will require significant work and engagement from staff and leadership. Western Health is preparing for the targeted implementation of ICM in 2022-23.

Relocation Planning

Western Health is examining the relocation of the departments that will not be included in the new acute care hospital. The current focus is on the development of options, preparing design and processes to transition these departments into new models. Selecting an option for each of the four areas: laundry, Western Regional School of Nursing, hostel, and ambulatory/non-clinical will be critical in order to define the schedule and complete facilities when the new acute care hospital opens.

Fiscal Reality

The Province of Newfoundland and Labrador has major financial challenges ahead, with significant annual deficits, as well as growing debt servicing charges in the form of interest. With health care spending being the largest public expenditure, the health system will have an important role to play in achieving fiscal sustainability. Western Health will work with its counterparts across the province as well as community stakeholders and the Provincial Government to address some of these fiscal challenges and be a partner in moving towards sustainability.

Health Accord NL

The Health Accord NL has been tasked to create a 10 year plan which aims to improve health within the province. Western Health has been engaged with the Health Accord NL in the work to review social determinants of health, the aging population, community care, hospital care, quality health care and digital technology. Western Health views the Health Accord NL as an opportunity to be a part of transformational change and make improvements to collaborative practices, health outcomes, and the health system.

Financials

Consolidated Financial Statements

Western Regional Health Authority

March 31, 2021

Contents

Statement of responsibility

The accompanying consolidated financial statements are the responsibility of the Board of Trustees of the Western Regional Health Authority (the "Board") and have been prepared in compliance with legislation, and in accordance with Canadian Public Sector Accounting Standards as recommended by the Chartered Professional Accountants of Canada.

In carrying out its responsibilities, management maintains appropriate systems of internal and administrative controls designed to provide reasonable assurance that transactions are executed in accordance with proper authorization, that assets are properly accounted for and safeguarded, and that financial information produced is relevant and reliable.

The Board met with management and its external auditors to review a draft of the consolidated financial statements and to discuss any significant financial reporting or internal control matters prior to their approval of the consolidated finalized financial statements.

Grant Thornton LLP as the Board's appointed external auditors, have audited the consolidated financial statements. The auditor's report is addressed to the Board and appears on the following page. Their opinion is based upon an examination conducted in accordance with Canadian generally accepted auditing standards, performing such tests and other procedures as they consider necessary to obtain reasonable assurance that the consolidated financial statements are free of material misstatement and present fairly the financial position and results of the Board in accordance with Canadian public sector accounting standards.

Director Director

Independent auditor’s report

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To the Board of Trustees

Western Regional Health Authority

Opinion

We have audited the Consolidated financial statements of Western Regional Health Authority (“the Entity”), which comprise the Consolidated statement of financial position as at March 31, 2021, and the Consolidated statements of operations, change in net debt and cash flow for the year then ended, and notes to the Consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying Consolidated financial statements present fairly in all material respects, the financial position of Western Regional Health Authority as at March 31, 2021, and its results of operations, its changes in its net debt, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the 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.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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

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

Those charged with governance are responsible for overseeing the Entity’s financial reporting process.

Other Matter – Supplementary Information

Our audit was conducted for the purposes of forming an opinion on the financial statements taken as a whole. The schedules on page 24-30 is presented for purposes of additional information and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied only to the extent necessary to express an opinion in the audit of the financial statements taken as a whole.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 these 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 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 Entity'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 Entity'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 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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated financial statements, including the disclosures, and whether the Consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Entity and the organizations it controls to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

Grant Thornton LLP

Corner Brook, Canada
June 17, 2021

Chartered Professional Accountants

Western Regional Health Authority

Consolidated statement of financial position

March 31 (in thousands of dollars)	2021	2020
Financial assets		
Receivables (Note 3)	$ 21,159	$ 12,423
Trust funds on deposit (Note 4)	570	519
Replacement reserve fund	220	214
	$ 21,949	$ 13,156
Liabilities		
Bank indebtedness (Note 5)	$ 59,097	$ 33,426
Payables and accruals	27,097	23,664
Vacation pay accrual	12,831	9,648
Severance pay accrual (Note 6)	2,305	2,804
Sick leave accrual (Note 6)	18,966	18,884
Deferred contributions – operating	6,474	4,719
Deferred contributions – capital	17,461	11,559
Long term debt (Note 7)	5,250	6,018
Trust funds payable (Note 4)	570	519
	$ 150,051	$ 111,241
Net debt	$ (128,102)	$ (98,085)
Non-financial assets		
Tangible capital assets (Note 9)	$ 70,927	$ 67,922
Inventory (Note 10)	5,951	5,808
Prepaid expenses	3,893	3,592
	80,771	77,322
Accumulated deficit	$ (47,331)	$ (20,763)

Contingencies and commitments (Note 11)
Impacts of COVID-19 (Note 14)

On behalf of the Board

Member

Member

See accompanying notes to the consolidated financial statements

Western Regional Health Authority

Consolidated statement of operations

Year ended March 31 (in thousands of dollars)	Budget 2021 (Note 12)	Actual 2021	Actual 2020
Revenue			
Provincial plan – operating grant	**$ 324,457**	**$ 324,457**	$ 323,176
Capital grant – provincial	**4,790**	**11,652**	11,003
Capital grant – other	**210**	**210**	387
National child benefit	**294**	**294**	294
Early childhood development	**359**	**359**	359
MCP physician revenue	**19,333**	**18,493**	18,571
Inpatient	**598**	**540**	1,348
Outpatient	**475**	**1,252**	2,241
Resident revenue – long term care	**7,920**	**8,197**	7,797
Mortgage interest subsidy	**-**	**21**	21
Food service	**1,306**	**1,407**	1,783
Other recoveries	**10,781**	**11,761**	11,073
Other	**2,665**	**2,910**	3,523
	373,188	**381,553**	381,576
Expenditures			
Administration	**33,142**	**26,501**	24,591
Support services	**64,061**	**62,797**	59,225
Nursing inpatient services	**94,558**	**89,593**	91,645
Medical services	**22,184**	**20,878**	21,532
Ambulatory care services	**32,056**	**31,342**	32,956
Diagnostic and therapeutic services	**38,135**	**35,890**	35,952
Community and social services	**122,669**	**121,068**	116,516
Educational services	**5,611**	**5,198**	5,978
Undistributed	**3,024**	**3,624**	3,656
	415,440	**396,891**	392,051
Deficit	**$ (42,252)**	**$ (15,338)**	$ (10,475)

See accompanying notes to the consolidated financial statements

Western Regional Health Authority

Consolidated statement of operations (cont'd)

Year ended March 31 (in thousands of dollars)	**Budget 2021 (Note 12)**	**Actual 2021**	Actual 2020
Adjustments for undernoted items – net expenses			
Amortization expense	**$ 7,530**	**$ 8,610**	$ 7,886
Accrued vacation expense – increase	**200**	**3,183**	1,629
Accrued severance expense – decrease	**-**	**(499)**	(10,850)
Accrued sick expense – increase	**300**	**82**	193
Cottages – deficit	**(202)**	**(146)**	(194)
Total adjustments for above noted items	**7,828**	**11,230**	(1,336)
Deficit	**(50,080)**	**(26,568)**	(9,139)
Accumulated deficit, beginning of year	**(20,763)**	**(20,763)**	(11,624)
Accumulated deficit, end of year	**$ (70,843)**	**$ (47,331)**	$ (20,763)

See accompanying notes to the consolidated financial statements

Western Regional Health Authority

Consolidated statement of changes in net debt

Year ended March 31 (in thousands of dollars)	**Budget 2021 (Note 12)**	**Actual 2021**	Actual 2020
Net debt, beginning of year	**$ (98,085)**	**$ (98,085)**	$ (85,502)
Deficit for the year	**(50,080)**	**(26,568)**	(9,139)
Changes in tangible capital assets			
Acquisition of tangible capital assets	**(11,844)**	**(11,844)**	(11,233)
Amortization of tangible capital assets	**7,530**	**8,610**	7,886
Amortization of tangible capital assets - cottages	**227**	**229**	221
Decrease in net book value of tangible capital assets	**(4,087)**	**(3,005)**	(3,126)
Changes in other non-financial assets			
Acquisition of prepaid expense (net of usage)	**(301)**	**(301)**	343
Acquisition of inventories of supplies (net of usage)	**(143)**	**(143)**	(661)
Decrease in other non-financial assets	**(444)**	**(444)**	(318)
Increase in net debt	**(54,611)**	**(30,017)**	(12,583)
Net debt, end of year	**$ (152,696)**	**$ (128,102)**	$ (98,085)

See accompanying notes to the consolidated financial statements

Western Regional Health Authority

Consolidated statement of cash flows

Year ended March 31 (in thousands of dollars)	**2021**	2020
Operating		
Annual deficit	**$ (26,568)**	$ (9,139)
Add (deduct) non-cash items:		
Amortization of capital assets	**8,610**	7,886
Amortization of capital assets - cottages	**229**	221
Accrued vacation expense – increase	**3,183**	1,629
Accrued severance expense – decrease	**(499)**	(10,850)
Accrued sick expense – increase	**82**	193
Changes in:		
Receivables	**(8,736)**	3,551
Inventory	**(143)**	(661)
Prepaid expenses	**(301)**	343
Deferred contributions - operating	**1,755**	343
Payables and accruals	**3,433**	(6,375)
Net cash applied to operating transactions	**(18,955)**	(12,859)
Capital		
Acquisitions of tangible capital assets	**(11,844)**	(11,233)
Net cash applied to capital transactions	**(11,844)**	(11,233)
Financing		
Capital lease	**(325)**	(303)
Repayment of long term debt	**(443)**	(606)
Ccapital contributions	**5,902**	1
Net cash provided by (applied to) financing transactions	**5,134**	(908)
Investing		
Temporary investments	**-**	130
Replacement reserve fund	**(6)**	(72)
Net cash (applied to) provided by investing transactions	**(6)**	58
Net cash applied to	**(25,671)**	(24,942)
Cash and cash equivalents - beginning of year	**(33,426)**	(8,484)
Cash and cash equivalents - end of year	**$ (59,097)**	$ (33,426)

See accompanying notes to the consolidated financial statements

Western Regional Health Authority

Notes to the Consolidated financial statements

March 31, 2021
(in thousands of dollars)

1. Nature of operations

The Western Regional Health Authority ("Western Health") is constituted under the Regional Health Authority's Act Constitution Order and is responsible for the management and control of the operations of acute and long term care facilities as well as community health services in the western region of the Province of Newfoundland and Labrador.

Western Health is an incorporated not-for-profit with no share capital, and as such, is exempt from income tax.

Western Health controls Gateway Apartments, Emile Benoit House & Units, Interfaith Cottages, Bay St. George Cottages and Gateway Cottages. These entities were established to provide housing to senior citizens. These entities have been included in the consolidated financial statements.

2. Summary of significant accounting policies

The consolidated financial statements have been prepared in accordance with Canadian Public Sector Accounting Standards (PSAS) and reflect the following significant accounting policies:

Basis of consolidation
The consolidated financial statements include the assets, liabilities, revenues and expenses of the reporting entity. The reporting entity is comprised of all organizations which are controlled by Western Health including Gateway Apartments, Emile Benoit House & Units, Interfaith Cottages, Bay St. George Cottages and Gateway Cottages.

Use of estimates
The preparation of consolidated financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities, at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Items requiring the use of significant estimates include accrued severance, accrued sick leave, useful life of tangible capital assets, impairment of assets and allowance for doubtful accounts.

Estimates are based on the best information available at the time of preparation of the consolidated financial statements and are reviewed annually to reflect new information as it becomes available. Measurement uncertainty exists in these financial statements. Actual results could differ from these estimates. The results of sick and severance accrual do not reflect the unknown impacts of the COVID-19 pandemic nor related measures to slow the spread of the disease.

Western Regional Health Authority

Notes to the consolidated financial statements

March 31, 2021
(in thousands of dollars)

2. Summary of significant accounting policies (cont'd)

Cash and cash equivalents
Cash and cash equivalents include cash on hand and balances with banks and short term deposits, with original maturities of three months or less. Bank borrowings are considered to be financing activities.

Accrued severance and sick leave
Upon termination, retirement or death, the organization provides their employees, with the exception of the NAPE, CUPE and NLNU bargaining units, with at least nine years of services, with severance benefits equal to one week of pay per year of service up to a maximum of 20 weeks. An actuarially determined accrued liability for severance has been recorded in the statements. This liability has been determined using management's best estimate of employee retention, salary escalation, long term inflation and discount rates.

The organization provides their employees with sick leave benefits that accumulate but do not vest. The benefits provided to employees vary based upon classification within the various negotiated agreements. An actuarially determined accrued liability has been recorded on the statements for non-vesting sick leave benefits. The cost of non-vesting sick leave benefits are actuarially determined using management's best estimate of salary escalation, accumulated sick days at retirement, long term inflation rates and discount rates.

Accrued vacation pay
An accrued liability for vacation pay is recorded in the accounts at year end for all employees who have a right to receive these benefits.

Non-financial assets
Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives generally extending beyond the current year and are not intended for sale in the ordinary course of operations. The change in non-financial assets during the year, together with the annual deficit (surplus), provides the change in net financial debt for the year.

Inventory
Inventory is valued at average cost. Cost includes purchase price plus the non-refundable portion of applicable taxes.

Western Regional Health Authority

Notes to the consolidated financial statements

March 31, 2021
(in thousands of dollars)

2. Summary of significant accounting policies (cont'd)

Tangible capital assets
Western Health has control over certain assets for which title resides with the Government of Newfoundland and Labrador. These assets have not been recorded in the financial statements of Western Health. Capital assets are recorded at cost. Assets are not amortized until placed in use. Assets in use are amortized over their useful life on a declining balance basis at the following rates:

Land improvements	2 ½%
Buildings	6 ¼%
Parking lot	6 ¼%
Equipment	15%
Motor vehicles	20%
Leasehold improvements	20%

Capital and operating leases
A lease that transfers substantially all of the risks and rewards incidental to the ownership of property is accounted for as a capital lease. Assets acquired under capital lease result in a capital asset and an obligation being recorded equal to the lesser of the present value of the minimum lease payments and the property's fair value at the time of inception. All other leases are accounted for as operating leases and the related payments are expensed as incurred.

Impairment of long-lived assets
Long-lived assets are reviewed for impairment upon the occurrence of events or changes in circumstances indicating that the value of the assets may not be recoverable, as measured by comparing their net book value to the estimated undiscounted cash flows generated by their use. Impaired assets are recorded at fair value, determined principally using discounted future cash flows expected from their use and eventual disposition.

Revenue recognition
Provincial plan revenues for operating and capital purposes are recognized in the period in which all eligibility criteria or stipulations have been met. Any funding received prior to satisfying these conditions is deferred until conditions have been met. When revenue is received without eligibility criteria or stipulations, it is recognized when the transfer from the Province of Newfoundland and Labrador is authorized.

Donations of materials and services that would otherwise have been purchased are recorded at fair value when a fair value can be reasonably determined.

Western Regional Health Authority

Notes to the consolidated financial statements

March 31, 2021
(in thousands of dollars)

2. Summary of significant accounting policies (cont'd)

Revenue recognition (cont'd)
Revenue from the sale of goods and services is recognized at the time the goods are delivered or the services are provided.

Western Health reviews outstanding receivables at least annually and provides an allowance for receivables where collection has become questionable.

Pension costs
Employees of Western Health are covered by the Public Service Pension Plan and the Government Money Pension Plan administered by the Province of Newfoundland and Labrador. Contributions to the plans are required from both the employees and Western Health. The annual contributions for pensions are recognized in the accounts on an accrual basis.

Pension contributions were made in the following amounts:

		2021		2020
GMPP	**$**	**3,654**	$	3,484
PSPP	**$**	**24,928**	$	23,579

Funds and reserves
Certain amounts, as approved by the Board are set aside in accumulated surplus for future operating and capital purposes. Transfers to/from funds and reserves are an adjustment to the respective fund when approved.

Financial instruments
Western Health considers any contract creating a financial asset, liability or equity instrument as a financial instrument, except in certain limited circumstances. Western Health accounts for the following as financial instruments:

- receivables
- trust funds on deposit
- bank indebtedness
- payables and accruals
- long term debt
- trust funds payable

A financial asset or liability is recognized when Western Health becomes party to contractual provisions of the instrument. Amounts due to and from related parties are measured at the exchange amount, being the amount agreed upon by the related parties.

Western Regional Health Authority

Notes to the consolidated financial statements

March 31, 2021
(in thousands of dollars)

2. Summary of significant accounting policies (cont'd)

The Authority initially measures its financial assets and financial liabilities at fair value, except for certain non-arm's length transactions.

Financial assets or liabilities obtained in related party transactions are measured in accordance with the accounting policy for related party transactions except for those transactions that are with a person or entity whose sole relationship with Western Health is in the capacity of management in which case they are accounted for in accordance with financial instruments.

Western Health subsequently measures all of its financial assets and financial liabilities at cost or amortized cost less any reduction for impairment, except for investments in equity instruments that are quoted in an active market, which are measured at fair value; derivative contracts, which are measured at fair value; and certain financial assets and financial liabilities which the Authority has elected to measure at fair value. Changes in fair value are recognized in annual surplus.

Financial assets measured at cost include receivables, and trust funds on deposit.

Financial liabilities measured at cost include bank indebtedness, payables and accruals, long term debt, and trust funds payable.

Impairment
Western Health removes financial liabilities, or a portion of, when the obligation is discharged, cancelled or expires.

A financial asset (or group of similar financial assets) measured at cost or amortized cost are tested for impairment when there are indicators of impairment. Impairment losses are recognized in the statement of operations. Previously recognized impairment losses are reversed to the extent of the improvement provided the asset is not carried at an amount, at the date of the reversal, greater than the amount that would have been the carrying amount had no impairment loss been recognized previously. The amounts of any write-downs or reversals are recognized in annual surplus.

Western Regional Health Authority

Notes to the consolidated financial statements

March 31, 2021
(in thousands of dollars)

3. Receivables

		2021		2020
Province of Newfoundland and Labrador				
Capital contributions	**$**	**1,320**	$	-
Provincial plan		**9,802**		4,408
MCP		**1,511**		1,495
Patient services		**1,066**		1,401
Foundations		**191**		188
Employees' pay and travel advances		**128**		137
Harmonized sales tax rebate		**428**		731
Department of Veterans Affairs		**49**		96
Child Youth and Family Services		**21**		10
Other		**6,643**		3,957
	$	**21,159**	$	12,423

4. Trust funds

Funds belonging to patients of Western Health are being held in trust for the benefit of the patients.

5. Bank indebtedness

Western Health has access to a line of credit with the Bank of Montreal in the amount of $60,000 in the form of revolving demand loans and/or bank overdrafts. The authorization to borrow has been approved by the Minister of Health and Community Services. The balance outstanding on this line of credit at March 31, 2021 is $53,310 (2020 - $30,290). The balance outstanding on this line of credit is included in the bank account balances listed below. Interest is being charged at prime less 0.75% on any overdraft.

The bank indebtedness balance includes the following items:

		2021		2020
Bank accounts (including outstanding items)	**$**	**(59,882)**	$	(34,018)
Cash		**136**		128
Cottage cash		**649**		464
	$	**(59,097)**	$	(33,426)

Western Regional Health Authority

Notes to the consolidated financial statements

March 31, 2021
(in thousands of dollars)

6. Employee future benefits	2021	2020

Future employee benefits related to accrued severance and accrued sick obligations have been calculated based on an actuarial valuation completed on March 31, 2018 and extrapolated to March 31, 2021. During the past two years severance accumulation for employees, excluding physicians, was curtailed and adjusted in the valuation. The assumptions are based on future events. The economic assumptions used in the valuation are Western Health's best estimates of expected rates as follows:

Wages and salary escalation	**3.50%**	3.50%
Discount rate	**3.11%**	3.25%

Based on actuarial valuation of the liability, at March 31, 2021 the results for sick leave are:

Accrued sick pay obligation, beginning	**$**	**22,194**	$	23,168
Current period benefit cost		**1,592**		1,600
Benefit payments		**(2,699)**		(2,634)
Interest on the accrued benefit obligations		**703**		691
Actuarial gains		**(164)**		(631)
Accrued sick pay obligations, at end	**$**	**21,626**	$	22,194

Based on actuarial valuation of the liability, at March 31, 2021 the results for severance are:

Accrued benefit obligation, beginning	**$**	**2,759**	$	13,641
Current period benefit cost		**147**		151
Benefit payments		**(690)**		(11,030)
Interest on the accrued benefit obligation		**46**		43
Actuarial gains		**(7)**		(46)
Accrued severance obligation, at end	**$**	**2,255**	$	2,759

A reconciliation of the accrued benefit liability and the accrued benefit obligation is as follows:

Sick benefits:				
Accrued benefit liability	**$**	**18,966**	$	18,884
Unamortized actuarial losses		**2,660**		3,310
Accrued benefit obligation	**$**	**21,626**	$	22,194
Severance benefits:				
Accrued benefit liability	**$**	**2,305**	$	2,804
Unamortized actuarial gains		**(50)**		(45)
Accrued benefit obligation	**$**	**2,255**	$	2,759

Western Regional Health Authority

Notes to the consolidated financial statements

March 31, 2021
(in thousands of dollars)

7. **Long term debt**		**2021**		2020
1.8% mortgage on the Bay St. George Seniors Home, maturing in 2022, repayable in blended monthly payments of $12,113	**$**	**24**	$	166
8% mortgage on the Bay St. George Seniors Home, maturing in 2026, repayable in blended monthly payments of $9,523		**518**		588
4.56% mortgage on the Woody Point Clinic, repaid during the year		**-**		2
10% CMHC loan on the Inter-Faith Home for Senior Citizens – Cottages #1, due in 2028, repayable in monthly blended instalments of $8,028		**487**		533
1.81% NLHC loan on the Gateway Apartments Project, due in 2027, repayable in monthly blended instalments of $6,382 amortized until March 2027		**223**		295
2.04% NLHC loan on the Inter-Faith Home for Senior Citizens – Cottages # 3, amortized to 2021, repayable in monthly blended instalments of $3,925 until March 2021		**368**		407
1.81% NLHC mortgage on the Bay St. George Senior Citizens Home – 8 Unit Cottages, due in 2027, repayable in monthly blended instalments of $2,292 amortized until March 2027		**166**		191
1.81% NLHC mortgage on the Bay St. George Senior Citizens Home – Emile Benoit House, due in 2027 repayable in monthly blended instalments of $4,563 amortized until March 2027		**368**		415
Obligations under capital lease, 3% maturing in 2029, payable in blended monthly instalments which escalate on an annual basis		**3,096**		3,421
	$	**5,250**	$	6,018

Western Regional Health Authority

Notes to the consolidated financial statements

March 31, 2021
(in thousands of dollars)

7. Long term debt (cont'd)

As security for the mortgages, Western Health has provided a first mortgage over land and buildings at Corner Brook Interfaith Home and Cottages, Bay St. George Senior Citizens Home, Gateway Cottages, Cottages #1 & 2, having a net book value of $ 2,415 (2020 - $2,860).

As security for the capital lease, Western Health has provided specific capital equipment having a net book value of $ 2,835 (2020 - $3,336).

See Note 8 for five year principal repayment schedule.

8. Obligations under long term debt

Western Health has acquired building additions and equipment under the terms of long term debt. Payments under these obligations for the next five years are as follows:

Fiscal year ended	
2022	$ 687
2023	700
2024	742
2025	710
2026	756
	$ 3,595

Western Regional Health Authority

Notes to the consolidated financial statements

March 31, 2021
(in thousands of dollars)

9. Tangible capital assets

March 31, 2021	Land	Land Improvements	Buildings	Parking Lot	Equipment	Motor Vehicles	Leasehold Improvements	Total
Cost								
Opening balance	**$** 1,102	$ 435	$ 70,276	$ 1,142	$ 170,483	$ 2,473	$ 232	**$ 246,143**
Additions	-	-	739	-	10,606	499	-	**11,844**
Disposals	-	-	-	-	-	-	-	**-**
Closing balance	1,102	435	71,015	1,142	181,089	2,972	232	**257,987**
Accumulated amortization								
Opening balance	-	281	46,757	858	128,155	1,941	229	**178,221**
Additions	-	5	1,630	18	7,029	156	1	**8,839**
Disposals	-	-	-	-	-	-	-	**-**
Closing balance	-	286	48,387	876	135,184	2,097	230	**187,060**
Net book value	$ 1,102	$ 149	$ 22,628	$ 266	$ 45,905	$ 875	$ 2	**$ 70,927**

Western Regional Health Authority

Notes to the consolidated financial statements

March 31, 2021
(in thousands of dollars)

9. Tangible capital assets (cont'd)

March 31, 2020	Land	Land Improvements	Buildings	Parking Lot	Equipment	Motor Vehicles	Leasehold Improvements	Total
Cost								
Opening balance	$ 1,102	$ 435	$ 68,810	$ 1,142	$ 160,716	$ 2,473	$ 232	$ 234,910
Additions	-	-	1,466	-	9,767	-	-	11,233
Closing balance	1,102	435	70,276	1,142	170,483	2,473	232	246,143
Accumulated amortization								
Opening balance	-	279	45,062	839	121,897	1,808	229	170,114
Additions	-	2	1,695	19	6,258	133	-	8,107
Closing balance	-	281	46,757	858	128,155	1,941	229	178,221
Net book value	$ 1,102	$ 154	$ 23,519	$ 284	$ 42,328	$ 532	$ 3	$ 67,922

Book value of capitalized items that have not been amortized is $ 3,653 (2020 - $2,113)

Western Regional Health Authority

Notes to the consolidated financial statements

March 31, 2021
(in thousands of dollars)

10. Inventory

	2021	2020
Dietary	**$ 184**	$ 183
Pharmacy	**2,638**	2,588
Supplies	**3,129**	3,037
	$ 5,951	$ 5,808

11. Contingencies and commitments

Claims

As of March 31, 2021, there were a number of claims against Western Health in varying amounts for which no provision has been made. It is not possible to determine the amounts, if any, that may ultimately be assessed against Western Health with respect to these claims, but management believes any claim, if successful, will be covered by liability insurance.

Operating leases

Western Health has a number of agreements whereby it leases vehicles, office equipment and buildings. These leases are accounted for as operating leases. Future minimum lease payments for the next five years are as follows:

Fiscal year ended	
2022	$ 3,608
2023	1,288
2024	1,158
2025	720
2026	613
	$ 7,387

Western Regional Health Authority

Notes to the consolidated financial statements

March 31, 2021
(in thousands of dollars)

12. Budget

Western Health prepares an initial budget for a fiscal period that is approved by the Board of Trustees and 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 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 Western Health. The updated budget amounts are reflected in the budget amounts as presented in the consolidated statement of operations [the "Budget"].

The Original Budget and Budget do not include amounts relating to certain non-cash and other items including 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.

The following presents a reconciliation of budgeted revenue for the year ended March 31, 2021:

Original budgeted provincial plan revenue	$	303,317
Add: Net provincial plan budget adjustments		21,140
Ending budgeted provincial plan revenue		324,457
Original budgeted other revenue		48,039
Add: Net budget increases - other		692
Ending budgeted revenue	$	373,188
Original budgeted salary expenditure	$	235,435
Add: Net salary budget adjustments		4,563
Ending budgeted salary expenditure		239,998
Original budgeted supply expenditure		180,169
Add: Net supply budget adjustments		3,303
Ending budgeted supply expenditure		183,472
Ending budgeted expenditures	$	423,470

Western Regional Health Authority

Notes to the consolidated financial statements

March 31, 2021
(in thousands of dollars)

13. Financial instruments

The main risks Western Health is exposed to through its financial instruments are credit risk and liquidity risk.

Credit risk
Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Authority's main credit risks relate to its accounts receivable. The entity provides credit to its clients in the normal course of its operations. There was no significant change in exposure from the prior year.

Western Health has a collection policy and monitoring process 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 encounter difficulty in meeting the obligations associated with its financial liabilities. The Authority is exposed to this risk mainly in respect of its long term debt, contributions to the pension plan and accounts payable. There was no significant change in exposure from the prior year.

The Authority mitigates this risk by having access to a line of credit in the amount of $60,000. In addition, consideration will be given to obtaining additional funds through third party funding in the Province, assuming these can be obtained.

Western Regional Health Authority

Notes to the consolidated financial statements

March 31, 2021
(in thousands of dollars)

14. Impacts of COVID-19

The outbreak of a novel strain of coronavirus ("COVID-19") was declared a global pandemic by the World Health Organization in March 2020. COVID-19 has severely impacted many economies around the globe. In many countries, including Canada, businesses were forced to cease or limit operations for long periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. Global stock markets have also experienced great volatility and a significant weakening. Governments and central banks have responded with monetary and fiscal interventions to stabilize economic conditions.

During the year, the organization had to manage many operational challenges due to the global pandemic. In response, Western Health reduced services several times throughout the year during high alert levels and setup numerous testing, assessment, and vaccination clinics throughout the region, as well as new COVID inpatient unit in the hospital. Western Health was provided additional funding to help offset the extra costs of staffing, equipment, and personal protective equipment requirements due to ongoing public health measures. A provincial warehouse was setup under Eastern Health for storing personal protective equipment, therefore Western Health's inventory has not significantly increased. Western Health also had a small amount of COVID vaccine inventory on hand with costing unavailable at year end.

The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses remains unclear during this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and result of the organization for future periods.

Western Regional Health Authority
Consolidated expenditures – operating/shareable
Schedule I

Year ended March 31 (in thousands of dollars)	**2021**	2020
Administration		
General administration	**$ 7,404**	$ 7,806
Finance	**3,483**	3,253
Personnel services	**4,186**	4,135
System support	**62**	3,485
Other administrative	**11,366**	5,912
	26,501	24,591
Support services		
Housekeeping	**12,462**	10,379
Laundry and linen	**3,239**	2,934
Plant services	**16,542**	17,139
Patient food services	**13,877**	12,974
Other support services	**16,677**	15,799
	62,797	59,225
Nursing inpatient service		
Nursing inpatient services – acute	**55,013**	61,621
Medical services	**20,878**	21,532
Nursing inpatient services – long term care	**34,580**	30,024
	110,471	113,177
Ambulatory care services	**31,342**	32,956
Diagnostic and therapeutic services		
Clinical laboratory	**11,878**	11,530
Diagnostic imaging	**9,180**	10,163
Other diagnostic and therapeutic	**14,832**	14,259
	35,890	35,952

Western Regional Health Authority
Consolidated expenditures – operating/shareable
Schedule I (cont'd)

Year ended March 31 (in thousands of dollars)	**2021**	2020
Community and social services		
Mental health and addictions	**10,523**	10,349
Community support programs	**99,362**	94,984
Family support programs	**3,499**	3,997
Health promotion and protection program	**7,684**	7,186
	121,068	116,516
Education	**5,198**	5,978
Undistributed	**3,624**	3,656
Shareable amortization	**539**	537
Total expenditures	**$ 397,430**	$ 392,588

Western Regional Health Authority

Consolidated revenue and expenditures for government reporting

Schedule II

Year ended March 31 (in thousands of dollars)	**2021**	2020
Revenue		
Provincial plan – operating grant	**$ 324,457**	$ 323,176
Capital grant – provincial	**11,652**	11,003
Capital grant – other	**210**	387
MCP physician revenue	**18,493**	18,571
National child benefit	**294**	294
Early childhood development	**359**	359
Inpatient	**540**	1,348
Outpatient	**1,252**	2,241
Resident revenue – long term care	**8,197**	7,797
Mortgage interest subsidy	**21**	21
Food service	**1,407**	1,783
Other recoveries	**11,761**	11,073
Other	**2,910**	3,523
Total revenue	**381,553**	381,576
Expenditures		
Worked and benefit salaries and contributions	**197,312**	198,675
Benefit contributions	**35,754**	34,498
	233,066	233,173
Supplies – plant operations and maintenance	**6,086**	6,303
Supplies – drugs	**10,971**	11,061
Supplies – medical and surgical	**11,310**	11,882
Supplies – other	**16,902**	13,499
	45,269	42,745
Direct client costs – mental health and addictions	**710**	782
Direct client costs – community support	**74,991**	71,715
Direct client costs – family support	**1,461**	1,778
	77,162	74,275
Other shareable expenses	**41,243**	41,691

Western Regional Health Authority

Consolidated revenue and expenditures for government reporting

Schedule II (cont'd)

Year ended March 31 (in thousands of dollars)	**2021**	2020
Expenditures (cont'd)		
Long term debt – interest	**44**	50
Long term debt – principal	**214**	234
Capital lease – interest	**107**	117
Capital lease - principal	**325**	303
	690	704
Total expenditures	**397,430**	392,588
Less: Capital grant – provincial	**11,652**	11,003
Less: Capital grant – other	**210**	387
Deficit for government reporting	**(27,739)**	(22,402)
Long term debt - principal	**214**	234
Capital lease – principal	**325**	303
Deficit inclusive of other operations	**(27,200)**	(21,865)
Shareable amortization	**539**	537
Deficit before non-shareable items	**(27,739)**	(22,402)
Non-shareable items		
Amortization expense	**8,071**	7,349
Accrued vacation expense - increase	**3,183**	1,629
Accrued severance expense – decrease	**(499)**	(10,850)
Accrued sick expense – increase	**82**	193
Cottages	**(146)**	(194)
Capital grant – provincial	**(11,652)**	(11,003)
Capital grant - other	**(210)**	(387)
	(1,171)	(13,263)
Deficit as per Statement of Operations	**$ (26,568)**	$ (9,139)

Western Regional Health Authority

Consolidated funding and expenditures for government reporting

Capital transactions

Schedule III

Year ended March 31 (in thousands of dollars)		**2021**		2020
Sources of funds				
Provincial capital equipment grant for current year	**$**	**13,456**	$	8,748
Provincial facility capital grant in current year		**4,220**		2,750
Add: Deferred capital grant from prior year		**11,559**		11,558
Less: Capital facility grant reallocated for operating fund purchases		**(122)**		(494)
Less: Deferred capital grant from current year		**(17,461)**		(11,559)
		11,652		11,003
Other contributions				
Foundations, auxiliaries and other		**210**		387
Total funding		**11,862**		11,390
Capital expenditures				
Asset, building and land		**739**		1,466
Asset, equipment		**11,105**		9,767
Total expenditures		**11,844**		11,233
Surplus on capital purchases	**$**	**18**	$	157

Western Regional Health Authority

Accumulated operating deficit for government reporting - excluding cottages

Schedule IVA

Year ended March 31 (in thousands of dollars)		**2021**		2020
Accumulated operating deficit				
Current assets				
Accounts receivable	$	**20,912**	$	12,196
Due from associated funds		**2,121**		2,054
Inventory		**5,951**		5,808
Prepaid expenses		**3,760**		3,451
Other		**(103)**		(103)
Total current assets		**32,641**		23,406
Current liabilities				
Bank indebtedness		**59,746**		33,890
Accounts payable and accrued liabilities		**27,068**		23,625
Deferred contributions – operating		**6,472**		4,717
Deferred contributions - capital		**17,461**		11,559
Total current liabilities		**110,747**		73,791
Accumulated operating deficit	$	**(78,106)**	$	(50,385)
Reconciliation of operating deficit				
Accumulated operating deficit – beginning of year	**$**	**(50,385)**	$	(28,140)
Add: Net operating deficit per schedule II		**(27,739)**		(22,402)
Add: Transfer of restricted funds to operations		**-**		-
Add: Proceeds on sale of building		**-**		-
Add: Net surplus on capital purchases per schedule III		**18**		157
Accumulated operating deficit – end of year		**(78,106)**		(50,385)
Less: Net surplus on capital purchases – prior years		**1,522**		1,365
Less: Net surplus on capital purchases - 2020		**-**		157
Less: Net surplus on capital purchases - 2021		**18**		-
Accumulated operating deficit – per Department of Health and Community Services	**$**	**(79,646)**	$	(51,907)

Western Regional Health Authority

Reconciliation of consolidated accumulated operating deficit for government reporting

Schedule IVB

Year ended March 31 (in thousands of dollars)	**2021**	2020
Accumulated operating deficit – end of year per Schedule IVA	**$ (78,106)**	$ (50,385)
Adjustments:		
Intercompany – cottages elimination	**(1,930)**	(1,866)
Cottages – current assets	**838**	644
Cottages – current liabilities	**(31)**	(41)
Other assets	**103**	103
Replacement reserve	**220**	214
Vacation pay accrual	**(12,831)**	(9,648)
Severance pay accrual	**(2,305)**	(2,804)
Sick pay accrual	**(18,966)**	(18,884)
Long term debt	**(5,250)**	(6,018)
Tangible capital assets	**70,927**	67,922
	30,775	29,622
Accumulated deficit per Statement of Financial Position	**$ (47,331)**	$ (20,763)

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