

**2008-2009
WESTERN HEALTH**

**ANNUAL
PERFORMANCE
REPORT**



**Western
Health**



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MESSAGE FROM THE BOARD CHAIR

It is my pleasure, on behalf of the Board of Trustees of Western Health to present our Annual Report for the year 2008-2009. This is our fourth Annual Report as an integrated authority. 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 and any variances explained in this Annual Report.

The Board continued to make significant gains in financial accountability during the past year and, as you will see in the Audited Financial Statements, for the third consecutive year Western Health had a budgetary surplus and continued to use this surplus for debt retirement. The support of the Department of Health and Community Services is acknowledged in this achievement.

In March 2009, the Department of Health and Community Services announced the transfer of child, youth and family services to a new department of Government. On behalf of the Board of Trustees, I would like to acknowledge the significant work of staff to enhance coordination of services to children and youth in the Western region. We look forward to a shared commitment to children and youth as the transition to the new department proceeds.

On behalf of the Board of Trustees, we would like to thank the dedicated staff, physicians, volunteers and community partners who are committed to the health and well being of the people that we serve. We are so proud of the people who contribute so significantly in many ways to the success of Western Health.

The Board also acknowledges and thanks the Chief Executive Officer of Western Health, Ms. Susan Gillam, and other members of the Senior Executive Team for their leadership. The Board is confident that the Senior Executive has worked diligently to continue to build and grow our organization with its primary focus the delivery of quality health and community services to the people of the Western region.

With Sincere Best Wishes,

Tony Genge, PhD



OVERVIEW

The **vision** of Western Health is that the people of Western Newfoundland have the highest level of health and well being possible. In the pursuit of the vision, the following **mission statement** was determined to provide direction over six years: by March 31, 2011, Western Health will have integrated and coordinated programs and services, starting with priority areas, to address the population health needs of the Western region within financial resources.

The **mandate** of Western Health is derived from the Regional Health Authorities Act and its regulations. Western Health is responsible for the delivery and administration of health and community services in the Western Health region in accordance with the above referenced legislation. Western Health's full mandate is delineated in its strategic plan April 2008 to March 2011.

Western Health offers a broad range of programs and services to the people of the Western region as delineated in the following **lines of business**.

Primary Health Care

This refers to the first level of contact people have with health and community services and is usually with a family doctor, nurse practitioner, nurse, social worker, paramedic or other community health professional. Primary health care includes child care; child, youth and family; community corrections; community health; community rehabilitation; emergency; mental health and addictions; population health and public health services.

Acute Care

This refers to the institutional, primarily medical and medical support services, offered on an inpatient, day surgery, and ambulatory care basis. Acute care services include diagnostic, laboratory, maternal child health, medical, medical oncology, rehabilitation, surgical and clinical support services such as audiology, nursing, nutrition services, occupational therapy, pharmacy, physiotherapy, psychology, respiratory therapy, social work and speech language pathology.

OVERVIEW

Long Term Care and Supportive Services

This refers to the community based and institutional services for persons that are not fully capable for self care on a long term basis. Long term care and supportive services include home care, community support, independent living accommodations, supportive living arrangements, institutional long term care and health professional services.

Education

Western Health operates the Western Regional School of Nursing, one of three provincial sites that offer a four-year baccalaureate degree in nursing.

Provincial Programming

Western Health has the administrative responsibility for the Provincial Cervical Screening Initiatives Program, an initiative to establish a comprehensive, organized approach to cervical screening through a staged implementation process. As well, Western Health has responsibility for the provincial addictions inpatient facility, Humberwood. This facility provides counseling services to adults for chronic addiction to alcohol, drugs and/or gambling.

The authority services a population of 79,460 residents (Statistics Canada, 2006) with 48 percent of the total population considered rural as defined by the Canadian Institute for Health Information. 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 (see Western Health Regional Map, Page 51).

Western Health operates 20 community based offices, 24 medical clinics, and nine health facilities.

The organization employs over 3,000 staff who work in the 53 sites throughout the region. Approximately 84 percent of staff is female. Western Health's regional office is located in Corner Brook.

In 2008-2009, Western Health had a budget of \$271 million with most of its revenue coming from provincial plan funding through the Department of Health and Community Services. Major expenditures include: salaries, direct client payments, fixed capital costs and diagnostic and therapeutic services.

For additional information about Western Health visit online at www.westernhealth.nl.ca.



SHARED COMMITMENTS

Western Health continues to make every effort to build and strengthen partnerships within the Western region. The need for partnership and collaboration is integral to the achievement of the vision of Western Health "...that the people of Western Newfoundland have the highest level of health and well being possible." Collaboration is also a value of the organization and is defined as "each person works with others to enhance service delivery and maximize the use of resources."

The work of Western Health is provided by a broad range of dedicated staff across the full continuum of care: acute, long term and community based services. Staff supports the vision, mission and values of Western Health and works in collaboration with many partners. The support and collaboration of the Department of Health and Community Services, Government of Newfoundland and Labrador is acknowledged and valued.

In a continuing effort to improve accountability and stability in the delivery of the health and community services, two major research projects were completed in 2008-2009: Enhancing Staff Safety in a Community Setting, a project in partnership with Workplace Health, Safety and Compensation Commission and the Community Health Needs and Resources Assessment Project, a partnership with Memorial University of Newfoundland School of Nursing. The results from both were disseminated to staff within Western Health. The Community Health Needs and Resources Assessment included a household survey, key informant interviews and focus group sessions and provided residents of Western Newfoundland with opportunities to share their opinions and experiences of the health and community services in the region. The final report identified recommendations, many of which coincided with past and current strategic goals of Western Health. Western Health plans to share information from the Community Health Needs and Resources Assessment with the public at its September 2009, Annual General Meeting. Exploring new research opportunities through partnerships with external organizations continues as a priority for Western Health.

During October 2008, 19 beauty salons throughout the Western region participated in Pap Test Awareness Week. Staff of the salons helped collect surveys, distribute promotional items and provide contact information for screening opportunities. Over 500 surveys were collected to help inform future directions for pap test awareness and promotion.

SHARED COMMITMENTS

Linkages have been established with the Federation of Newfoundland and Labrador Indians which is conducting a needs assessment specific to the aboriginal population. The regional director of health promotion and primary health care was a member of the steering committee and provided support to the process.

Other examples of partnerships supporting shared commitments include: the Community Mental Health Initiative, the Western Regional Wellness Coalition, the Seniors Wellness Committee, the Western Injury Prevention Coalition, the Regional Foster Care Committee, the Violence Prevention Initiative, Family Resource Centers, Healthy Baby Clubs, Community Advisory Committees and Western Health's many dedicated Volunteers.

As part of Western Health's plan to improve population health, Paramedicine and medical transport staff organized and provided medical support to three major community events during 2008-2009: the International Iron Man event in July 2008; the 2008 Newfoundland and Labrador Summer Games and the East Coast Music Awards in February and March of 2009.

The Western School District, the Department of Human Resources, Labour and Employment and Western Health continued a partnership to support the Social Work in Schools project. This partnership currently supports one social worker position with C.C. Loughlin Elementary school in Corner Brook and demonstrates Western Health's continued commitment to improving accessibility to priority services to children and youth.



HIGHLIGHTS AND ACCOMPLISHMENTS

Improving Population Health

A significant highlight over this past year was the completion of the design and development, and the introduction of the CATCH (Children Aiming to Choose Health) program by two of Western Health's parent and child health coordinators and regional nutritionists. This program has a drama resource that was utilized to introduce CATCH to a number of schools and family resources programs throughout the region. Parent and child health coordinators and regional nutritionists introduced the program through five sessions to over 100 participants including community health nurses, family resource staff, and child care staff. The program itself will be highlighted at the Canadian Public Health Association national conference in Winnipeg in June 2009.

The provision of lifestyle clinics throughout 2008-2009 continued to attract the senior adults within the community. The lifestyle clinics focused attention on such issues as chronic disease prevention and healthy aging. The clientele received information on a variety of health related topics including nutrition and active living. Lifestyle monitoring through blood pressure, blood glucose and weight checks were also part of the clinic program. In the Stephenville and Kippens area alone there were 18 clinics held with 653 participants; this year, the Western region hosted 45 lifestyle clinics, 19 more than were held in 2007-2008. The feedback on the evaluation forms from these clinics has been exceptionally positive.

Western Health implemented a smoke free properties policy on July 1, 2008. Accompanying the smoke free policy was direction to help staff to use the Community Action and Referral Effort (CARE) program to support referral to the smoker's helpline. Western Health would like to thank staff and the public for ongoing efforts to support smoke free properties.

Through the healthy students/healthy schools project, the Daily Physical Activity initiative expanded to 13 schools in the Western region. Community health nurses were also partners in the development of Living Healthy Teams at 19 schools.

Following training sessions, four communities implemented community kitchens in the region. Healthy Eating in Arenas was introduced in the region with five arenas agreeing to participate in the initiative to offer healthy food choices.

HIGHLIGHTS AND ACCOMPLISHMENTS

Improved Accessibility to Priority Services

Significant funding was received during the fiscal year to provide capital equipment and to proceed with major repairs and renovations. The total funding for capital equipment was \$10,653,000 and the total funding for repairs and renovations was \$7,690,000.

Funding for repairs and renovations facilitated improvements to the physical plant and installation of medical air and medical vacuum systems at Western Memorial Regional Hospital, improvements to resident rooms at Bay St. George Long Term Care Centre, improvements to the parking lot at Dr. Charles L. LeGrow Health Centre and sidewalk and railings repairs at the Interfaith Home cottages. As well, construction began on the creation of a dedicated isolation room in the intensive care unit and the redevelopment of the emergency department at Western Memorial Regional Hospital.

Funding for capital equipment facilitated the replacement of major items in 2008-2009, including a bed/stretcher replacement program for regional sites and an ambulance for Rufus Guinchard Health Center. Capital equipment funding also supported the purchase of an interventional radiology suite for Western Memorial Regional Hospital, general radiology equipment for regional sites, digital mammography, laboratory and operating room equipment.

The community health and primary health care managers, in collaboration with Dunfield Park Community Centre in Corner Brook, initiated efforts to establish on-site public health nursing service. The managers have developed a model of care and have identified staff to support this initiative to enhance access to services.

The establishment of the nurse practitioner position in Deer Lake has had a positive impact on the availability of primary care services and has supported an interdisciplinary model of care for clients with diabetes. In February 2009, Western Health was pleased to receive approval for a nurse practitioner for Western Memorial Regional Hospital. This position will work directly out of the emergency department to help increase patient flow for our less acute patients during the day shift.

Paramedicine and medical transport staff developed a stroke destination policy for regional ambulance services. This policy provided emergency medical services (EMS) personnel with assessment and decision support tools to facilitate best practices in stroke management including authorization to bypass a local health facility and transport directly to an appropriate stroke treatment centre. Western Memorial Regional Hospital is the designated stroke centre for Western Health.

Western region had an increase in the birth rate with a total of 634 live births for 2008-2009, up from 619 in 2007-2008. In response to changing demographics, the total number of child health clinics held increased from 5,397 to 7,762.

HIGHLIGHTS AND ACCOMPLISHMENTS

Access to the child care program was enhanced through continued growth in the number of subsidies utilized by clients; subsidies increased from 625 in 2007-2008, to 685 in 2008-2009. Also, an increased focus on the promotion of quality child care and early childhood education has seen new initiatives and service agreements being explored in four areas of the region. Growth in the child care program has been supported by continued financial investment, from the Department of Health and Community Services, in subsidies and staff.

The short-term acute care replacement program continued to grow in the Western region. In June 2008, a home chemotherapy service was implemented in the Corner Brook, Bay of Islands, Deer Lake, and Pasadena areas to provide safe and effective home chemotherapy infusion to clients with colorectal cancer. Since June, 105 referrals for home chemotherapy were successfully completed. The home infusion program has expanded from three to seven sites including Benoit's Cove, Corner Brook, Deer Lake, Pasadena, Port aux Basques, Stephenville and Stephenville Crossing. The Negative Pressure Wound Therapy service remained an option for coordinated service delivery to support acute care replacement.

The new Humberwood facility opened April 21, 2008. Humberwood expanded services to include four withdrawal management beds in June, 2008. This expanded service now allows clients to be adequately detoxed in a supervised environment prior to admission to Humberwood. Also, an open admission process was piloted for Humberwood with successful results: increased accessibility to the program; increased bed occupancy rates and decreased wait times. Based on the pilot results, the open admission process will continue. Humberwood admitted 167 referrals in 2008-2009.

The Protective Community Residences opened two bungalows. Through effective team collaboration, the implementation has gone well with positive outcomes for the residents. There have been many information sessions held with stakeholders to increase awareness on the new model of dementia care delivery. Western Health contributed significantly to the drafting of provincial standards for this new alternate model.

In a continuing effort to support access to the long term residential care program, and with the support of the Department of Health and Community Services, Western Health increased the number of personal care home client subsidies from 206 to 263.

Recruitment initiatives in the Western region realized the successful recruitment of anesthesiologists, occupational therapists, physiotherapists, physicians, registered nurses and social workers. The outpatient physiotherapy program was restructured to support the orthopedic clinic at Western Memorial Regional Hospital. As well, the successful recruitment of occupational therapists supported the implementation of community occupational therapy services to the Northern Peninsula and helped to positively impact waitlist numbers in this area of the Western region.

HIGHLIGHTS AND ACCOMPLISHMENTS

Strengthening Public Health Capacity

This past year community health nurses in Corner Brook were tasked with responding to a confirmed pertussis case. Utilizing the mass immunization plan, community health nurses provided the combined diphtheria, tetanus and acellular pertussis vaccine to 500 grade eight and nine students within a three day period. This immunization campaign reached 95 percent of the target population in the three day period. A majority of the students not immunized were actually away from the schools on the immunization days and were followed up upon their return to school. This was a significant effort of cooperation and coordination among staff, school personnel and parents.

In 2008-2009, the human papillomavirus (HPV) vaccine was introduced to the grade nine student population; this was an expansion of this vaccination program since Western Health continued to serve the target population of grade six students. As was the approach in the 2007-2008 operating year, community health nursing staff offered education sessions to students, parents and teachers in the targeted population.

Western Health continued to record a high rate of vaccination among the two year old and kindergarten-entry children. Within the Western region approximately 99 percent of two year old children received four doses of the combined diphtheria, acellular pertussis, tetanus, polio and haemophilus influenzae type b vaccine and 97 percent of the children entering kindergarten were vaccinated.

The international travel immunization program continued to experience growth with 1914 clients vaccinated in 2007, to 2077 clients vaccinated in 2008. The service has steadily increased each year from 2002 when 421 vaccinations were provided.

The influenza vaccination campaign for 2008 provided vaccination to approximately 47 percent of the population over the age of 65 years and approximately 42 percent of children 6-24 months of age. This reflected an increase in the vaccination rate of children and a slight decrease in the rate for seniors, when compared to the previous year.

Western Health established a Green Team with a focus on reducing the organization's carbon footprint. During 2008-2009, the green team facilitated the implementation of environmentally friendly activities in the areas of nutrition services and facilities management. The introduction of a new waste management system in the dish room at Western Memorial Regional Hospital realized a reduction in bagged wastage by eight full size garbage bags/meal (720 bags/month or 8,640 bags/year)! Controlled dispensing units were installed where chemicals were used and an investigation on the availability and performance of green chemicals was initiated. Nutrition services also began to replace disposable products with re-usable where possible. Western Memorial Regional Hospital continued efforts to optimize and/or reduce fuel usage. In 2008-2009, Western Health reduced fuel usage by 250,000 liters. This resulted in reduced fuel costs, improved steam quality and a reduction in harmful emissions to the environment.



REPORT ON PERFORMANCE

This section of the annual performance report will highlight Western Health's progress toward achievement of its mission and strategic goals in support of Government's strategic directions. The measure and indicators for the year two objectives will also be delineated.

Mission

By March 31, 2011, Western Health will have integrated and coordinated programs and services, starting with priority areas, to address the population health needs of the Western Region within financial resources.

Measure 1

Programs and services are integrated and coordinated to address the population health needs of the Western region.

INDICATORS

Mechanism established for ongoing evaluation of community needs in the Western Region.

PROGRESS

The mechanisms for ongoing evaluation of community needs include environmental scanning, strategic planning, evaluation and community health needs and resources assessment. Frameworks for each of these mechanisms were established and implemented.

In February 2009, *A Summary Report on the Community Health Needs and Resources Assessment Study of the Western Region* was completed in partnership with Memorial University of Newfoundland School of Nursing. The information from the study will be shared with the public at the September 2009, Annual General Meeting.

In keeping with the regional primary health care plan, primary health care managers have responsibility for developing processes to identify community needs on an ongoing basis. The addition of primary health care manager positions initiated a review of the community health needs and resources assessment framework to explore appropriate revisions.

REPORT ON PERFORMANCE

INDICATORS

Improved access to programs and services starting with five key priority areas identified by federal and provincial ministers.

PROGRESS

Western Health identified and implemented strategies for improving access in four of the priority areas identified by the federal and provincial ministers: joint replacement (hip and knee replacement and hip fixation); vision restoration (cataract surgery); diagnostic imaging and cancer surgery. One priority area, cardiac surgery, is a tertiary service not provided by Western Health.

The strategies for improving access were implemented in each of the four priority areas and included utilization monitoring, protocols to assess appropriate utilization and reviewing resource requirements. In keeping with provincial standards, Western Health tracked wait time data related to the four priority areas and reported it quarterly to the Department of Health and Community Services. Our performance was measured against national benchmarks established for joint replacement and vision restoration.

From 2006-2009, median wait times for joint replacement, vision restoration and cancer surgery were low and, where benchmarks were established, met the benchmarks 85 to 100 percent of the time. It should be noted that, although low, median wait times for joint replacement increased in this time frame from 67 days to 103 days (national benchmark 182 days). The increase in wait time was related to an increase in referrals for joint replacement.

Median wait times for non-urgent diagnostic imaging (magnetic resonance imaging, computerized tomography and ultrasound) were consistently over the provincial benchmark of 30 days. Information from wait time measurement and utilization monitoring, initiated a review of the resource requirements to increase capacity in diagnostic imaging. Implemented changes included expanded hours of work and/or new equipment. Access to computerized tomography improved as the median wait time decreased from 99 days (in 2007-2008) to 40 days (in 2008-2009).

The development of a Regional Health Services Plan, in keeping with the foundational components developed by Department of Health and Community Services.

Western Health developed its regional health services plan in the priority areas for integration of community based programs for children and youth, priority areas for integration of community based and acute care mental health and addictions services, access to priority services and priority areas of the provincial framework

REPORT ON PERFORMANCE

INDICATORS

PROGRESS

(continued from previous section)

for primary health care. Development of the regional health services plan to support priority areas of the provincial healthy aging framework and chronic disease prevention and management was initiated.

Implementation of components of a Regional Health Services Plan:

Western Health initiated implementation of components of its regional health services plan.

(a) Integration of services based on current needs and fiscal resources within priority areas within community based services to Children and Youth:

With respect to priority areas for integration of community based programs for children and youth, Western Health consolidated information from a literature review and stakeholder consultation process to identify priority areas for integration: education and support standards for prenatal, birth and early parenting; healthy beginnings long term follow up; child protection services. The Model for the Coordination of Services to Children and Youth served as the framework to support integration of services. Three integration committees developed action plans to support policy development, orientation/training and collaborative practice. Implementation of the action plans was initiated. Some examples of program and service changes that reflect coordination include: the initiation of training events for staff in community based and secondary services to support consistent application of the standards guiding pregnancy, birth and early parenting education and support; the introduction of a new prenatal assessment tool to address gaps in the referral process from physicians and nurse practitioners to public/community health nurses.

(i) A framework is in place for community-based services to children and youth; (ii) Initiated program and service changes to reflect coordination;

(b) Integration of priority areas of community based and acute care mental health and addiction services: (i) A framework is in place for mental health and addiction services; (ii) Initiated program and service changes to reflect coordination;

With respect to priority areas for integration of community based and acute care mental health and addictions services, Western Health consolidated information from a literature review and stakeholder consultation process to identify priority areas for integration. The summary report "Enhancing Services: The Integration of Acute and Community Mental Health and Addiction Services" served as the framework to support integration of services. An integration working group developed the action plan to support enhanced coordination of services from acute to community based care, improved coordination of services to high risk families in receipt of child protection services and integration of the health promotion framework.

REPORT ON PERFORMANCE

INDICATORS

PROGRESS

(continued from previous section)

Implementation of the action plan was initiated. Some examples of program and service changes that reflect coordination include: the introduction of a mental health/emergency room liaison nurse position to assess and direct mental health and addictions emergencies and the introduction of intake/consultation services to inpatients at Port Saunders and Norris Point rural health centres.

(c) Implementation of priority areas within regional primary health care plan in keeping with the Provincial Framework for Primary Health Care;

The regional primary health care management committee developed a plan for the expansion of primary health care for the region, building upon the provincial primary health care framework. In keeping with the action plan, primary health care teams were established in six of the seven primary health care team areas: Bonne Bay, Port Saunders, Deer Lake/White Bay, Corner Brook, Burgeo and Port aux Basques areas. With the support of the Department of Health and Community Services, the organizational structure supporting primary health care was enhanced through five area manager positions. One additional area manager position will support the development of the primary health care team in Stephenville/Bay St. George area in the next fiscal year.

Two community advisory councils were established to facilitate public participation in primary health care team areas of Bonne Bay and Port aux Basques.

A nurse practitioner position was established in the Deer Lake/White Bay area to impact positively on the access to primary care. As well, the regional Telehealth program was launched to improve access to, and/or coordination of, services in rural areas.

Staff development, using the Building Better Tomorrows modules, was offered. A management/leadership development module was developed and offered.

(d) Improved access to programs and services starting with five key priority areas identified by federal and provincial ministers;

Progress on this indicator was discussed previously.

REPORT ON PERFORMANCE

INDICATORS

(e) Devolution of programs and services identified by the Department of Health and Community Services to Western Health;

(f) Development of a Health Promotion Framework;

g) Implemented programs and services supporting the provincial Healthy Aging Framework in priority areas;

(h) Implemented chronic disease management and prevention model in priority areas.

PROGRESS

Western Health worked with the Department of Health and Community Services to complete the devolution of the following programs and services: emergency medical services, transition house, family resource centres, family child care agency, school child care project, community youth network, youth correction group homes, and residential group homes. Ten of thirteen service agreements to guide devolved services were completed.

The health promotion framework was approved and implementation initiated.

An environmental scan to identify the health service needs of the aging population within the Western region was completed. This work set the foundation for the implementation of programs and services supporting the healthy aging framework in priority areas, as discussed on page 17 of this report.

A chronic disease prevention and management model was approved. This work set the foundation for the implementation of a model in priority areas.

Measure 2

Programs and services are provided within financial resources.

INDICATORS

Financial Plan, is developed in consultation with the Department of Health and Community Services, to achieve an operating budget up to the level of expected revenues, and outlines implications for service delivery.

Financial Plan is implemented.

Programs and service indicators are developed and reported on a regular basis to the Board including provincial or national benchmarks where available and targets.

PROGRESS

The financial plan was developed in consultation with the Department of Health and Community Services in keeping with the indicator.

The financial plan was implemented

The balanced scorecard provided the framework for indicator development and reporting on a regular basis to the Board. The balanced scorecard approach supported performance measurement in four areas: how we strengthen our relationship with the client/community, if we provide services in the best possible way considering evolving knowledge and benchmarks, if we achieve desired benefits for clients cost effectively and how we provide a work atmosphere conducive to excellence.

REPORT ON PERFORMANCE

INDICATORS

A plan is developed to address the organization's operating deficit that outlines implications for service delivery.

PROGRESS

A plan was developed and implemented. The plan included the identification of the need for additional financial resources, the implementation of utilization efficiency measures and agreement, with the Department of Health and Community Services, on the operational plan. A balanced operating budget was achieved for three fiscal years.

Strategic Issue One: Healthy Aging

Western Health recognized that the population of the Western region declined by nearly 11 percent from 1996 to 2001 (the second largest decline in the province), while the segment of the region's total population over age 65 actually increased nine percent during the same period. The proportion of population aged 65 and older was marginally greater in the Western region (13.1 percent) when compared to the provincial proportion (12.3 percent). It was predicted that within ten years, 20 percent of Newfoundland's residents will be over the age of 65. In 2007, 13.9 percent of the population in Newfoundland and Labrador were aged 65 and older (data compiled by the Community Accounts Unit based upon information from the Census of Population 1986, 1991, 1996 and 2001, Statistics Canada). In 2004, 37 percent of all admissions to Western Health facilities were aged 65 and older. In June 2007, the province released its healthy aging policy framework. The document outlined the key issues and strategic directions that will prepare the province to respond to the needs of seniors now and in the future. In keeping with Government's strategic direction to improve population health, the development of a plan for the implementation of the provincial framework was a strategic issue for Western Health.

Strategic Goal One

By March 31, 2011, Western Health will have implemented programs and services which support the Provincial Healthy Aging Framework to meet the needs of the aging population of the Western region.

Objective Year One (2008-2009)

By March 31, 2009, Western Health will have identified the health service needs of the aging population within the Western region.

Measure Year One (2008-2009)

Needs of the aging population identified.

REPORT ON PERFORMANCE

INDICATORS FOR THE 2008-2009 OBJECTIVE

Environmental scan completed.

ACCOMPLISHMENTS

In keeping with the directions of the Provincial Healthy Aging Framework to respond to the identified needs of seniors now and in the future, an environmental scan of Western Health strengths and opportunities for improvement was completed.

Measure Goal One (2008-2011)

Implemented programs and services.

INDICATORS FOR THE 2008-2011 GOAL

Implemented programs and services in priority areas of the Framework.

PROGRESS IN YEAR ONE OF THREE

Considering information from the completed environmental scan, priority areas were identified in year one. This progress in year one kept us on target for achievement of our three year plan.

Discussion of Results

A regional advisory committee was established with membership linkages to the provincial division of aging and seniors. An environmental scan of Western Health programs and services was completed. This scan identified strengths and opportunities with respect to Western Health's support of healthy aging and/or a culture of respect for older adults, in keeping with the directions of the Provincial Healthy Aging Framework. Priorities for improvement were identified in two areas: (i) promoting an age friendly culture and (ii) implementing best practices in the care of seniors with respect to dementia, medication use and challenging behaviours. This work set the foundation for development of a plan and implementation in priority areas, to help ensure that Western Health's programs and services support healthy aging, in keeping with the Provincial Healthy Aging Framework.

Objective Year Two (2009-2010)

By March 31, 2010, Western Health will develop a plan which supports the Provincial Healthy Aging Framework to meet the health services needs of the aging population in the Western region.

Measure Year Two (2009-2010)

A plan is developed.

Indicators Year Two (2009-2010)

- A plan with an evaluation component and a communication strategy is developed.
- The Provincial Healthy Aging Framework is supported.

REPORT ON PERFORMANCE

Strategic Issue Two: Chronic Disease Prevention and Management

The incidence of chronic diseases especially diabetes, heart disease and some cancers contributed to poorer health outcomes for residents of Newfoundland and Labrador. In the Western region, the percentage of the population aged 12 years and older, with diabetes, rose from 5.8 percent in 2003 to 7.6 percent in 2005. (Canadian Community Health Survey, 2003 and 2005). The 2005 western regional mortality rate (per 100,000 population) for stroke was 48.4 as compared to 37.0 nationally. In 2003, the leading causes of death for the province and regional integrated health authorities were diseases of the circulatory system and cancer (Mortality Statistics Newfoundland and Labrador Regional Integrated Health Authorities, 2000-2004). The incidences of the chronic diseases such as diabetes, heart disease, and cancer, may have been attributable to unhealthy behaviors and health practices. The Canadian Community Health Survey in 2005 reported that 24.9 percent of the population aged 12 years and older reported that they were occasional smokers, 41.9 percent of the population aged 18 years and older reported that they were overweight, 23.6 percent of the population aged 20-64 years reported that they were obese and 49.6 percent of the population aged 12 years and older reported that they were physically active. To support Government's strategic direction of improving population health, strengthening chronic disease prevention and management through the implementation of an integrated chronic disease prevention and management model was a strategic issue for Western Health.

Strategic Goal Two

By March 31, 2011, Western Health will have enhanced service delivery to support chronic disease prevention and management.

Objective Year One (2008-2009)

By March 31, 2009, Western Health will have approved a chronic disease prevention and management model.

Measure Year One (2008-2009)

Board approved model.

INDICATORS FOR THE 2008-2009 OBJECTIVE	ACCOMPLISHMENTS
Chronic disease prevention and management model with priority action areas identified.	Chronic disease prevention and management model with identified priority action areas was approved by the Board of Trustees. The three priority areas for action included: (i) diabetes prevention and management; (ii) heart and stroke prevention and management; (iii) cervical cancer prevention and management.

REPORT ON PERFORMANCE

Measure Goal Two (2008-2011)

Enhanced service delivery.

INDICATORS FOR THE 2008-2011 GOAL

Implemented a chronic disease prevention and management model in priority areas.

PROGRESS IN YEAR ONE OF THREE

In year one, the model was approved and three priority areas were identified. The process to identify strengths and gaps with current service provision was initiated. This progress in year one kept us on target for achievement of our three year plan.

Discussion of Results

A regional advisory committee led the review of best practices and current service activities in the Western region. Linkages with the policy and planning division of the Department of Health and Community Services were initiated to ensure that model development proceeded in keeping with provincial directions. Western Health's chronic disease prevention and management model was approved. The model was based upon V.J. Barr's (2003) expanded chronic care model which integrated concepts and strategies from population health promotion including the role of social determinants of health. The three priority areas for action were identified including diabetes, heart and stroke, and cervical cancer prevention and management. Linkages with regional and/or provincial initiatives supporting chronic disease prevention and management in each of the priority areas were established. The regional advisory committee initiated the process to identify strengths, gaps and strategies for improvement with respect to regional programs and services that support chronic disease prevention and management in the three priority areas. This work set the foundation for development of a plan and implementation in priority areas, to help ensure that Western Health's programs and services support healthy aging, in keeping with the Provincial Healthy Aging Framework goal related to chronic disease prevention and management.

Objective Year Two (2009-2010)

By March 31, 2010, Western Health will have developed an implementation plan for a chronic disease management and prevention model in priority areas.

Measure Year Two (2009-2010)

A plan for implementation in priority areas is developed.

Indicators Year Two (2009-2010)

- The implementation plan for the chronic disease management and prevention model in priority areas is developed.
- The implementation plan is developed with an evaluation component and a communication strategy.

REPORT ON PERFORMANCE

Strategic Issue Three: Patient Safety

In Canada, the emphasis on patient safety increased with the Canadian Adverse Events Study: The Incidence of Adverse Events Among Hospital Patients in Canada (Baker et al 2004). Following the study, the National Steering Committee on Patient Safety presented a national strategy on patient safety. In support of the strategy, Western Health defined patient safety as: the reduction and mitigation of unsafe acts within the health care system, as well as through the use of best practices shown to lead to optimal patient outcomes (The Canadian Patient Safety Dictionary, October 2006). Western Health recognized this definition and was committed to the following: (a) creating a culture that supports the identification and reporting of unsafe acts; (b) effective measurement of client/patient/resident injuries and other relevant outcome indicators; (c) tools for developing or adapting structures and processes to reduce reliance on individual vigilance. In keeping with Government's strategic direction of improving accountability and stability in the delivery of the health and community services, the development, implementation and evaluation of priority initiatives, in a patient safety work plan, to enable a culture of safety was a strategic issue for Western Health.

Strategic Goal Three

By March 31, 2011, Western Health will have implemented priority initiatives in a patient safety work plan for improved performance outcomes.

Objective Year One (2008-2009)

By March 31, 2009, Western Health will have identified the components of a patient safety work plan.

Measure Year One (2008-2009)

Components of the work plan identified.

INDICATORS FOR THE 2008-2009 OBJECTIVE	ACCOMPLISHMENTS
Completed literature review.	Literature review of patient safety programs and services was completed. Key themes were presented to the patient safety advisory committee January 2009.
Completed regional environmental scan.	Environmental scan of regional patient safety programs and services was completed November 2008.
Identified components of a patient safety work plan.	Components of a patient safety work plan were identified. The components included fostering a culture of safety; identifying patient safety priorities and monitoring priority initiatives through effective measurement of performance indicators; facilitating a coordinated approach to patient safety; facilitating the implementation of information technology to support patient safety and enhancing public awareness related to patient safety.

REPORT ON PERFORMANCE

Measure Goal Three (2008-2011)

Implementation of priority initiatives in a patient safety work plan.

INDICATORS FOR THE 2008-2011 GOAL	PROGRESS IN YEAR ONE OF THREE
Established processes for stakeholder involvement.	Regional patient safety advisory committee was established to lead stakeholder involvement.
Completed environmental scan.	Environmental scan was completed.
Implemented initiatives to address the priority components of a patient safety work plan.	Components of the patient safety work plan were identified for sharing and prioritizing. The implementation of initiatives to address priority components was planned for year three (2010-2011). This progress in year one kept us on target for achievement of our three year plan.
Regional processes for reporting, analyzing and evaluating patient safety performance outcomes.	Regional processes for quarterly reporting and analysis of patient safety performance indicators were initiated. Quarterly reports were shared with staff, leadership and the Board of Trustees. This progress in year one kept us on target for achievement of our three year plan.
Improved performance outcomes related to the initiatives.	The implementation of initiatives to address priority components was planned for year three (2010-2011). Quarterly reporting of patient safety performance indicators was initiated to facilitate the determination of improvement by year three.

REPORT ON PERFORMANCE

Discussion of Results

A regional patient safety advisory committee met to lead, support and/or facilitate the ongoing development, implementation and evaluation of the patient safety program including establishing an annual work plan and indicator monitoring process. Following the completion of an environmental scan of current patient safety program's consideration of recommendations from the task force on adverse health events and a comparative discussion on the key themes in patient safety from the literature review, components of an annual work plan were identified. The components included:

- (a) fostering a culture of safety through leadership walkabouts and enhanced reporting of patient safety information;
- (b) identifying patient safety priorities and monitoring priority initiatives through effective measurement of performance indicators including occurrences and adverse events (i.e. client/patient/resident injuries);
- (c) facilitating a coordinated approach to patient safety activities in the areas of (i) medication safety, (ii) falls prevention, (iii) improved care for acute myocardial infarction and (iv) prevention of surgical site infection;
- (d) facilitating the implementation of information technology to support patient safety;
- (e) enhancing public awareness related to patient safety.

The components of the work plan will be shared with the patient safety advisory committee for approval and prioritization early in 2009-2010.

Objective Year Two (2009-2010)

By March 31, 2010, Western Health will have developed and implemented a consultative process for identifying and prioritizing the components of a patient safety work plan.

Measure Year Two (2009-2010)

Consultative process implemented.

Indicators Year Two (2009-2010)

- Implemented processes for stakeholder involvement.
- Priority components of patient safety work plan identified.



OPPORTUNITIES AND CHALLENGES AHEAD FOR WESTERN HEALTH

Accreditation

In 2008, Accreditation Canada implemented its new accreditation program, Qmentum. Some of the significant changes, with this program, included the addition of new standards as well as the revision of the self-assessment process. In June 2009, Western Health will invite approximately 1100 staff and physicians to complete on-line self-assessment questionnaires related to 20 sets of standards. In October 2009, all staff will be invited to complete Accreditation Canada's surveys to help assess Western Health's culture of safety and worklife. Regional quality improvement teams and/or other existing committees will still support the accreditation process through facilitation of the self assessment and implementation of the action plans to address areas of concern and/or improve quality. Western Health's path to Accreditation 2010 will be active in 2009-2010.

New Long Term Care Facility

Construction of the new long term care facility in Corner Brook continued throughout 2008-2009. The project construction is on schedule and is slated for a late 2009/early 2010 opening. Planning for the new long term care facility continued in the areas related to final design build details, equipment procurement, relocation planning, and staffing.

New Acute Care Facility

Western Health continues to work with the Department of Transportation and Works and the Department of Health and Community Services to plan for construction of a new acute care facility for the Western region to be located in Corner Brook. The consultants for the needs assessment and master program planning for the new acute care facility will initiate the needs assessment and planning process early in 2009-2010. The process of identifying the site for the new facility continues.

H1N1 Influenza

There is a risk of a severe H1N1 influenza outbreak or pandemic in 2009-2010 that will require a heightened level of emergency pandemic preparedness. Western Health is identifying the potential impacts of such an event on its operations, as well as further enhancing appropriate business continuity plans and/or response plans.

OPPORTUNITIES AND CHALLENGES AHEAD FOR WESTERN HEALTH

Child Youth & Family Services

In the Provincial Budget 2009, Government announced the creation of a new department responsible for child, youth and family services in Newfoundland and Labrador. The coming year will involve much collaboration with the new department as staff from Western Health begin this transition. In the interim, children and families requiring access to services and supports will continue to contact staff of child, youth and family services in the regional health authorities and will continue to visit the same community offices, as necessary, to receive these services.



FINANCIAL STATEMENTS

In keeping with the Transparency and Accountability Act, Western Health is pleased to share its audited financial statement for 2008-2009.



Financial Statements

Western Regional Health Authority

March 31, 2009

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Auditors' report

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To the Board of Trustees
Western Regional Health Authority

We have audited the statement of financial position of the Western Regional Health Authority as at March 31, 2009 and the statements of changes in deficiency, statement of operations and cash flows for the year then ended. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Authority as at March 31, 2009 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.



Corner Brook, Newfoundland and Labrador
June 4, 2009

Chartered Accountants

Western Regional Health Authority

Statement of changes in deficiency

March 31

	2009	2008			
	Unrestricted	Capital	Endowments (Restricted)	Total	Total
Net assets (deficiency), Beginning of year	\$ (59,331,852)	\$ 3,637,813	\$ 137,134	\$ (55,556,905)	\$ (55,653,419)
Operating surplus	473,008	-	-	473,008	96,514
Principal repayment of long term debt	(164,811)	164,811	-	-	-
Principal repayment of capital lease	(621,030)	621,030	-	-	-
Restricted interest loss	16,102	-	(16,102)	-	-
Amortization of capital assets					
Shareable	785,841	(785,841)	-	-	-
Non-shareable	6,243,658	(6,243,658)	-	-	-
Amortization of deferred capital asset grants	<u>(6,041,146)</u>	<u>6,041,146</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net assets (deficiency), end of year	<u>\$ (58,640,230)</u>	<u>\$ 3,435,301</u>	<u>\$ 121,032</u>	<u>\$ (55,083,897)</u>	<u>\$ (55,556,905)</u>

See accompanying notes to the financial statements.

Western Regional Health Authority

Statement of operations

Year ended March 31	2009	2008
Revenue		
Provincial plan	\$ 231,126,172	\$ 208,206,193
Other	<u>42,857,270</u>	<u>41,163,301</u>
	<u>273,983,442</u>	<u>249,369,494</u>
Expenditures		
Administration	21,618,344	19,172,701
Support services	50,374,684	46,169,414
Nursing inpatient services	67,638,434	61,892,769
Medical services	16,485,418	16,408,008
Ambulatory care services	18,971,431	18,232,413
Diagnostic and therapeutic services	26,074,640	23,492,806
Community and social services	62,953,065	55,678,414
Educational services	4,387,760	3,845,049
Undistributed	<u>1,974,934</u>	<u>1,972,407</u>
	<u>270,478,710</u>	<u>246,863,981</u>
Operating surplus before shareable amortization and non-shareable items	3,504,732	2,505,513
Shareable amortization	<u>785,841</u>	<u>741,858</u>
Operating surplus for government reporting before non-shareable items	<u>2,718,891</u>	<u>1,763,655</u>
Adjustments for non-shareable items		
Amortization expense	6,243,658	5,736,764
Accrued vacation expense – increase	315,510	928,076
Accrued severance expense – increase	1,727,861	516,535
Non shareable interest on capital lease		1,723
Amortization of deferred capital equipment grants	<u>(6,041,146)</u>	<u>(5,515,957)</u>
	<u>2,245,883</u>	<u>1,667,141</u>
Surplus on operations	<u>\$ 473,008</u>	<u>\$ 96,514</u>

See accompanying notes to the financial statements.

Western Regional Health Authority

Statement of cash flows

Year ended March 31

2009

2008

Decrease in cash and cash equivalents

Operating

Operating surplus	\$ 473,008	\$ 96,514
Increase in severance and vacation pay accrual	2,043,371	1,444,611
Amortization of capital assets – non-shareable	6,243,658	5,736,764
Amortization of capital assets – shareable	785,841	741,858
Amortization of capital asset grants	<u>(6,041,146)</u>	<u>(5,515,957)</u>

3,504,732 2,503,790

Changes in

Receivables	(6,591,928)	(3,555,924)
Inventory	(148,658)	(8,604)
Prepaid expenses	(345,763)	(356,050)
Due from associated funds	(234,860)	(128,780)
Deferred contributions - operating	867,181	(409,199)
Payables and accruals	<u>(2,218,898)</u>	<u>1,739,607</u>
	<u>(5,168,194)</u>	<u>(215,160)</u>

Financing

Decrease in bank indebtedness	(5,313,099)	(2,208,569)
Capital contributions	20,214,016	13,182,574
Repayment of long term debt – operating	(785,841)	(741,858)
Repayment of long term debt - capital	<u>-</u>	<u>(86,317)</u>

14,115,076 10,145,830

Investing

Purchase of capital assets	(8,974,180)	(9,946,202)
Decrease in restricted cash and investments	<u>18,913</u>	<u>2,307</u>
	<u>(8,955,267)</u>	<u>(9,943,895)</u>

Net decrease in cash and cash equivalents (8,385) (13,225)

Cash and cash equivalents

Beginning of year	<u>168,454</u>	<u>181,679</u>
End of year	<u>\$ 160,069</u>	<u>\$ 168,454</u>

See accompanying notes to the financial statements.

Western Regional Health Authority

Notes to the financial statements

March 31, 2009

1. Nature of operations

The Western Regional Health Authority (“Western Health”) is constituted under the Regional Health Authority’s Act (formerly known as the Hospital’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 a registered charity and, while registered, is exempt from income tax.

2. Summary of significant accounting policies

Basis of presentation

These financial statements include the assets, liabilities, revenues, and expenditures of the operating, capital, and endowment funds.

Fund accounting

The Authority applies fund accounting principles in recording its financial transactions in the operating fund or net investment in capital assets.

The operating fund contains all the operating assets, liabilities, revenue and expenditures of the Authority related to the provision of health care services. The assets of the operating fund are available for the satisfaction of debts, contingent liabilities and commitments of the Authority.

The net investment in capital assets represents assets purchased with the operating fund.

Use of estimates

In preparing Western Health’s financial statements in conformity with generally accepted accounting principles, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of financial statements, and reported amounts of revenue and expenses during the year. Actual results could differ from these estimates.

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.

Western Regional Health Authority

Notes to the financial statements

March 31, 2009

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

Inventory

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

	<u>2009</u>	<u>2008</u>
Dietary	\$ 86,670	\$ 92,595
Pharmacy	1,491,295	1,407,658
Supplies	<u>1,934,545</u>	<u>1,863,599</u>
	<u>\$ 3,512,510</u>	<u>\$ 3,363,852</u>

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 acquired after January 1, 1996 are recorded at cost. Assets are not amortized until placed in use. Assets that are acquired through long term borrowing are amortized at an amount equal to the annual principal repayment of the debt obligation. The remaining assets in use are amortized on a declining balance basis at the following rates:

Land improvements	2 ½%
Buildings	6 ¼%
Parking lot	6 ¼%
Equipment	15%
Equipment under capital lease	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.

Western Regional Health Authority

Notes to the financial statements

March 31, 2009

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

Severance and vacation pay liability

An accrued liability for severance and vacation pay is recorded in the accounts for all employees who have a vested right to receive such payments. Severance pay vests after nine years of continuous service and no provision has been made for employees with less than nine years of service.

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 revenue is recognized in the period in which entitlement arises. Revenue received for a future period is deferred until that future period and is reflected as deferred contributions - operating.

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

Capital contributions expended are recorded as deferred contributions and amortized to income on a declining balance basis using the same rates as depreciation expense related to the capital assets purchased. Capital contributions expended for non-depreciable capital assets are recorded as direct increases in net assets. Non-expended capital contributions are deferred and are not amortized until expended.

Revenue from the sale of goods and services is recognized at the time the goods are delivered or the services are provided.

The Authority 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 the Authority. The annual contributions for pensions are recognized in the accounts on a current basis.

Western Regional Health Authority

Notes to the financial statements

March 31, 2009

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

Financial instruments

On April 1, 2007, the Authority implemented the CICA Handbook Sections 3855, "Financial Instruments - Recognition and Measurement" and 3861, "Financial Instruments - Disclosure and Presentation". These standards have been applied without restatement of prior years.

Section 3855, "Financial Instruments - Recognition and Measurement", requires the Authority to revalue all of its financial assets and liabilities at fair value on the initial date of implementation and at each subsequent financial reporting date.

This standard also requires the Authority to classify financial assets and liabilities according to their characteristics and management's choices and intentions related thereto for the purposes of ongoing measurements. Classification choices for financial assets include: a) held for trading - measured at fair value with changes in fair value recorded in net earnings; b) held to maturity - recorded at amortized cost with gains and losses recognized in net earnings in the period that the asset is no longer recognized or impaired; c) available-for-sale - measured at fair value with changes in fair value recognized in net assets for the current period until realized through disposal or impairment; and d) loans and receivables - recorded at amortized cost with gains and losses recognized in net earnings in the period that the asset is no longer recognized or impaired.

Classification choices for financial liabilities include: a) held for trading - measured at fair value with changes in fair value recorded in net earnings and b) other - measured at amortized cost with gains and losses recognized in net earnings in the period that the liability is no longer recognized. Subsequent measurement for these assets and liabilities are based on either fair value or amortized cost using the effective interest method, depending upon their classification. Any financial asset or liability can be classified as held for trading as long as its fair value is reliably determinable.

In accordance with the standard, the Authority's financial assets and liabilities are generally classified and measured as follows:

Asset/Liability	Classification	Measurement
Cash and cash equivalents	Held for trading	Fair value
Receivables	Loans and receivables	Amortized cost
Due from associated funds	Loans and receivables	Amortized cost
Trust funds on deposit	Held for trading	Fair value
Restricted cash and investments	Held for trading	Fair value
Bank indebtedness	Held for trading	Fair value
Payables and accruals	Other liabilities	Amortized cost
Long term debt	Other liabilities	Amortized cost
Trust funds payable	Held for trading	Fair value

Other balance sheet accounts, such as inventory, prepaid expenses, capital assets, and deferred contributions are not within the scope of the accounting standards as they are not financial instruments.

Western Regional Health Authority

Notes to the financial statements

March 31, 2009

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

Financial instruments (cont'd)

Embedded derivatives are required to be separated and measured at fair values if certain criteria are met. Under an election permitted by the standard, management reviewed contracts entered into or modified subsequent to April 1, 2003 and determined that the Authority does not currently have any significant embedded derivatives in its contracts that require separate accounting treatment.

The fair value of a financial instrument is the estimated amount that the Authority would receive or pay to terminate the instrument agreement at the reporting date. To estimate the fair value of each type of financial instrument various market value data and other valuation techniques were used as appropriate. The fair values of cash approximated its carrying value.

Accounting standards and policies adopted during the year

(i) Inventories

In March 2007, the CICA issued section 3031 "Inventories", which has replaced existing Section 3030 with the same title. The new Section establishes that inventories should be measured at the lower of cost and net realizable value, with guidance on the determination of cost. This standard is effective for financial statements relating to fiscal years beginning on or after January 1, 2008.

(ii) Financial Instruments – Disclosure and Financial Instruments - Presentation

Section 3862 "Financial Instruments – Disclosure" and Section 3863 "Financial Instruments – Presentation" replaces Section 3861, "Financial Instruments – Disclosure and Presentation".

Section 3862 requires increased disclosures regarding the risks associated with financial instruments such as credit risk, liquidity risk and market risks and the techniques used to identify, monitor and manage these risks. Section 3863 carries forward standards for presentation of financial instruments and non-financial derivatives and provides additional guidance for the classification of financial instruments, from the perspective of the issuer, between liabilities and equity. These standards are effective for financial statements relating to fiscal years beginning on or after October 1, 2007.

Western Regional Health Authority

Notes to the financial statements

March 31, 2009

3. Control of not-for-profit entities

The Authority controls Gateway Apartments, Emile Benoit House & Units, Interfaith Home and Cottages, Bay St. George Cottages and LHC Cottages. These entities were established to provide housing to senior citizens.

The Authority is responsible for policy direction, distribution of operating funds and capital grants, and providing certain services to the homes, which are individually controlled.

The above not-for-profit entities have not been consolidated into the Authority's financial statements; however separate financial statements are available on request. Financial summaries of these non-consolidated entities as at March 31, 2009 and 2008 and for the years then ended are as follows:

	<u>2009</u>	<u>2008</u>
Financial position		
Total assets	\$ <u>8,143,139</u>	\$ <u>8,572,262</u>
Total liabilities	8,020,351	8,136,848
Total net assets	<u>122,788</u>	<u>435,414</u>
	<u>\$ 8,143,139</u>	<u>\$ 8,572,262</u>
Results of operations		
Total revenue	\$ 1,564,034	\$ 1,539,475
Total expenditures	1,649,658	1,619,223
Transfer from NLHC	<u>28,634</u>	<u>15,177</u>
Excess of revenue over expenditures (expenditures over revenue)	<u>\$ (56,990)</u>	<u>\$ (64,571)</u>
Cash flows		
Cash from operations	\$ 458,118	\$ 466,797
Cash used in financing and investing activities	<u>(376,783)</u>	<u>(357,555)</u>
Increase in cash	<u>\$ 81,335</u>	<u>\$ 109,242</u>

Western Regional Health Authority

Notes to the financial statements

March 31, 2009

4. Receivables	<u>2009</u>	<u>2008</u>
Province of Newfoundland and Labrador		
Capital contributions	\$ 6,380,434	\$ 4,938,819
Provincial plan	6,732,084	1,580,116
MCP	2,018,652	1,739,094
Patient services	1,448,758	1,287,130
Employees' pay and travel advances	498,706	550,662
Harmonized sales tax rebate	527,317	709,610
Other	<u>1,354,377</u>	<u>1,562,969</u>
	<u>\$ 18,960,328</u>	<u>\$ 12,368,400</u>

5. Due from associated funds	<u>2009</u>	<u>2008</u>
Cottages	\$ 727,985	\$ 498,153
Foundations	<u>47,502</u>	<u>42,474</u>
	<u>\$ 775,487</u>	<u>\$ 540,627</u>

Amounts due from associated funds are non-interest bearing with no set terms of repayment.

6. Capital assets	<u>2009</u>		
	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>
Land	\$ 674,808	\$ -	\$ 674,808
Land improvements	435,091	233,572	201,519
Buildings	48,774,688	21,879,840	26,894,848
Parking lot	1,141,682	565,709	575,973
Equipment	86,159,590	53,659,626	32,499,964
Equipment under capital lease	7,162,767	5,234,725	1,928,042
Motor vehicles	944,842	575,824	369,018
Leasehold improvements	<u>232,458</u>	<u>197,078</u>	<u>35,380</u>
	<u>\$ 145,525,926</u>	<u>\$ 82,346,374</u>	<u>\$ 63,179,552</u>

Western Regional Health Authority

Notes to the financial statements

March 31, 2009

6. Capital assets (cont'd) 2008

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>
Land	\$ 674,808	\$ -	\$ 674,808
Land improvements	147,791	71,230	76,561
Buildings	48,650,757	20,169,172	28,481,585
Parking lot	1,164,080	693,316	470,764
Equipment	77,793,078	49,105,376	28,687,702
Equipment under capital lease	7,162,767	4,578,623	2,584,144
Motor vehicles	726,005	510,923	215,082
Leasehold improvements	<u>232,458</u>	<u>188,233</u>	<u>44,225</u>
	<u>\$ 136,551,744</u>	<u>\$ 75,316,873</u>	<u>\$ 61,234,871</u>

7. Trust funds

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

8. Bank indebtedness

The Authority has access to a line of credit with the Bank of Montreal in the amount of \$23,500,000 (2008 - \$24,500,000) 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, 2009 is \$8,383,974. Interest is being charged at prime less 1.15% on any overdraft (March 31, 2009 1.35%; March 31, 2008 – 3.60%).

9. Long term debt 2009 2008

4.26% mortgage on the Bay St. George Seniors Home, maturing in 2021, payable in blended monthly payments of \$13,544	\$ 1,543,949	\$ 1,639,200
8% mortgage on the Bay St. George Seniors Home, maturing in 2026, payable in blended monthly payments of \$9,523	1,087,466	1,115,137

Western Regional Health Authority

Notes to the financial statements

March 31, 2009

9. Long term debt (cont'd)	<u>2009</u>	<u>2008</u>
7.875% mortgage on the Corner Brook Interfaith Home, maturing in 2022, repayable in blended monthly payments of \$6,056	594,763	620,340
4.56% mortgage on the Woody Point Clinic, maturing in 2020, repayable in blended monthly payments of \$2,304	240,240	256,553
Obligations under capital lease, 5.83%, maturing in 2011, payable in blended monthly payments of \$61,759	<u>1,729,300</u>	<u>2,350,330</u>
	5,195,718	5,981,560
Less: Current portion	<u>831,900</u>	<u>785,600</u>
	<u>\$ 4,363,818</u>	<u>\$ 5,195,960</u>

As security for the mortgages, Western Health has provided a first mortgage over land and buildings at the Corner Brook Interfaith Home, the Bay St. George Senior Citizens Home and Woody Point Clinic.

As security for the capital leases Western Health has provided specific capital equipment having a net book value of \$1,928,043 (2008 - \$2,584,144).

10. Unrestricted deficiency	<u>2009</u>	<u>2008</u>
Accumulated operating deficit	\$ 24,795,490	\$ 27,530,483
Accrued severance pay	25,861,378	24,133,517
Accrued vacation pay	<u>7,983,362</u>	<u>7,667,852</u>
	<u>\$ 58,640,230</u>	<u>\$ 59,331,852</u>

Western Regional Health Authority

Notes to the financial statements

March 31, 2009

11. Obligations under long term debt and leases

Western Health has acquired building additions and equipment under the terms of long term debt and capital leases. Payments under these obligations, scheduled to expire at various dates to 2013, are as follows:

Fiscal year ended

2010	\$	831,900
2011		881,000
2012		558,000
2013		204,600
2014		<u>216,200</u>
		2,691,700
Less: Current portion		<u>831,900</u>
	\$	<u>1,859,800</u>

12. Contingencies and commitments

Claims

As of March 31, 2009, there were a number of claims against the Authority 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 the Authority 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 and office equipment, in addition to those disclosed under Note 9. These agreements range in terms from five to ten years. These leases are accounted for as operating leases. Future minimum lease payments under operating leases for the next five years are estimated as follows:

Fiscal year ended

2009	\$	400,000
2010	\$	400,000
2011	\$	400,000
2012	\$	400,000
2013	\$	400,000

Capital assets

During the year, the Authority entered into a contract with GE for the purchase and installation of three Mammogram units. At year end, the Authority still has a commitment to pay \$724,085 once the equipment is installed.

Western Regional Health Authority

Notes to the financial statements

March 31, 2009

13. Subsequent event

Subsequent to year end a tentative agreement was reached between the Government of Newfoundland and Labrador and the Newfoundland and Labrador Nurse's Union. The Authority has included an accrual for this wage increase in the current year payables and accruals. In addition, the Department of Health and Community Services has provided a budget adjustment for this amount which is reflected in the Authority's Provincial Plan Revenue and related receivables.

Western Regional Health Authority

Expenditures – operating/shareable

Schedule I

Year ended March 31	2009	2008
Administration		
General administration	\$ 8,672,086	\$ 8,203,798
Finance	2,601,970	2,374,339
Personnel services	3,033,875	2,758,086
System support	2,876,512	1,618,054
Other administrative	<u>4,433,901</u>	<u>4,218,424</u>
	<u>21,618,344</u>	<u>19,172,701</u>
Support services		
Housekeeping	8,763,195	7,387,980
Laundry and linen	2,374,766	2,194,199
Plant services	17,555,359	15,845,282
Patient food services	10,893,717	10,145,901
Other support services	<u>10,787,647</u>	<u>10,596,052</u>
	<u>50,374,684</u>	<u>46,169,414</u>
Nursing inpatient services		
Nursing inpatient services – acute	44,987,569	39,876,168
Medical services	16,485,418	16,408,008
Nursing inpatient services – long term care	<u>22,650,865</u>	<u>22,016,601</u>
	<u>84,123,852</u>	<u>78,300,777</u>
Ambulatory care services	<u>18,971,431</u>	<u>18,232,413</u>
Diagnostic and therapeutic services		
Clinical laboratory	8,337,570	7,452,118
Diagnostic imaging	7,398,521	6,514,994
Other diagnostic and therapeutic	<u>10,338,549</u>	<u>9,525,694</u>
	<u>26,074,640</u>	<u>23,492,806</u>

Western Regional Health Authority

Expenditures – operating/shareable

Schedule I (cont'd)

Year ended March 31	2009	2008
Community and social services		
Mental health and addictions	4,419,042	3,861,327
Community support programs	32,809,346	28,832,624
Family support programs	16,133,355	13,418,482
Community youth corrections program	2,380,890	2,352,018
Health promotion and protection program	<u>7,210,432</u>	<u>7,213,963</u>
	<u>62,953,065</u>	<u>55,678,414</u>
Education	<u>4,387,760</u>	<u>3,845,049</u>
Undistributed	<u>1,974,934</u>	<u>1,972,407</u>
Shareable amortization	<u>785,841</u>	<u>741,858</u>
Total expenditures	<u>\$ 271,264,551</u>	<u>\$ 247,605,839</u>

Western Regional Health Authority
 Revenue and expenditures for government reporting
 Operating fund
 Schedule II

Year ended March 31	2009	2008
Revenue		
Provincial plan	\$ 231,126,172	\$ 208,206,193
MCP physician	13,774,444	13,642,719
ELCC	1,393,509	1,325,244
NCB	1,489,571	1,361,902
ECD	587,154	404,711
Inpatient	2,054,689	1,987,353
Outpatient	1,339,077	1,114,398
LTC resident	7,144,407	6,945,209
Mortgage interest subsidy	40,507	40,507
Food service	2,754,782	2,548,292
Other recoveries	7,971,063	7,740,476
Other	<u>4,308,067</u>	<u>4,052,490</u>
Total revenue	<u>273,983,442</u>	<u>249,369,494</u>
Expenditures		
Worked and benefit salaries and contributions	145,547,170	131,486,723
Benefit contributions	<u>25,591,512</u>	<u>23,026,509</u>
	<u>171,138,682</u>	<u>154,513,232</u>
Supplies – plant operations and maintenance	6,471,328	6,057,335
Supplies – drugs	7,094,451	7,340,267
Supplies – medical and surgical	8,643,455	8,044,325
Supplies – other	<u>12,765,879</u>	<u>12,424,275</u>
	<u>34,975,113</u>	<u>33,866,202</u>
Direct client costs – mental health and addictions	158,330	50,677
Direct client costs – community support	23,687,934	21,136,157
Direct client costs – family support	6,873,742	6,573,948
Direct client costs – community youth corrections	<u>26,072</u>	<u>38,580</u>
	<u>30,746,078</u>	<u>27,799,362</u>
Other shareable expenses	<u>33,287,106</u>	<u>30,308,643</u>

Western Regional Health Authority
 Revenue and expenditures for government reporting
 Operating fund
 Schedule II (cont'd)

Year ended March 31	2009	2008
Long term debt – interest	211,658	221,194
Long term debt – principal	164,811	155,235
Capital lease – interest	120,073	155,348
Capital lease – principal	<u>621,030</u>	<u>586,623</u>
	<u>1,117,572</u>	<u>1,118,400</u>
Total expenditures	<u>271,264,551</u>	<u>247,605,839</u>
Operating surplus for government reporting	2,718,891	1,763,655
Long term debt - principal	164,811	155,235
Capital lease – principal	<u>621,030</u>	<u>586,623</u>
Surplus inclusive of other operations	3,504,732	2,505,513
Shareable amortization	<u>785,841</u>	<u>741,858</u>
Surplus before non-shareable items	<u>2,718,891</u>	<u>1,763,655</u>
Non-shareable items		
Amortization expense	6,243,658	5,736,764
Accrued vacation expense increase	315,510	928,076
Accrued severance expense - increase	1,727,861	516,535
Non-shareable interest on capital lease	-	1,723
Amortization of deferred capital equipment grants	<u>(6,041,146)</u>	<u>(5,515,957)</u>
	<u>2,245,883</u>	<u>1,667,141</u>
Surplus inclusive of non-shareable items	<u>\$ 473,008</u>	<u>\$ 96,514</u>

Western Regional Integrated Health Authority
 Funding and expenditures for government reporting
 Capital transactions
 Schedule III

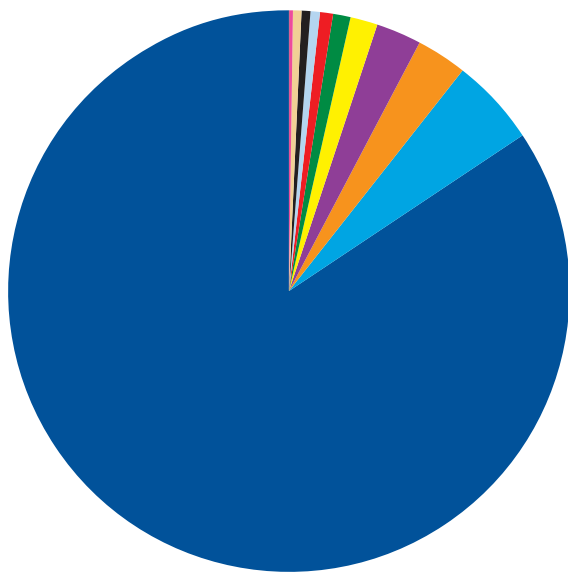
Year ended March 31	2009	2008
Sources of funds		
Provincial capital equipment grant in current year	\$ 13,983,135	\$ 10,935,191
Provincial facility capital grant in current year	7,690,000	2,760,000
Add: deferred capital grant from prior year	8,052,198	4,903,868
Less: deferred capital grant from current year	<u>(19,292,033)</u>	<u>(8,052,198)</u>
	10,433,300	10,546,861
Other contributions		
Foundations, auxiliaries and other	<u>946,474</u>	<u>726,053</u>
Total funding	<u>11,379,774</u>	<u>11,272,914</u>
Expenditures		
Asset, building and land	388,832	856,655
Asset, equipment	8,585,348	9,089,547
Expense, facilities, repair and maintenance	<u>2,405,594</u>	<u>1,238,670</u>
	11,379,774	11,184,872
Other expenditures		
Repayment of capital lease	<u>-</u>	<u>88,042</u>
Total expenditures	<u>11,379,774</u>	<u>11,272,914</u>
Surplus on capital purchases	<u>\$ -</u>	<u>\$ -</u>

Western Regional Health Authority
Accumulated operating deficit for government reporting
Schedule IV

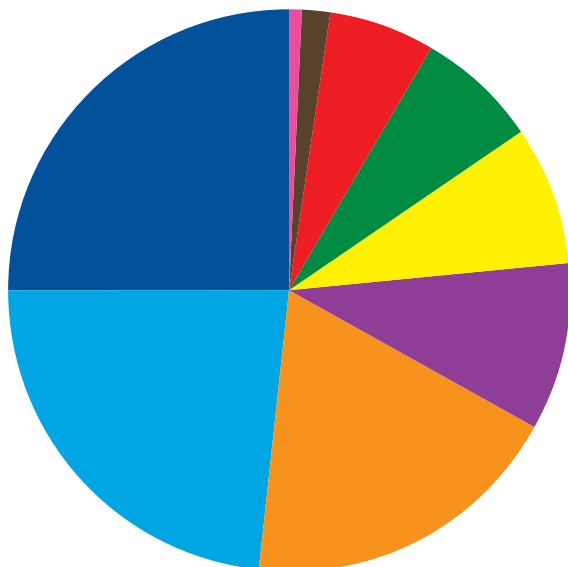
Year ended March 31	2009	2008
Accumulated operating deficit		
Current assets		
Cash and cash equivalents	\$ 160,069	\$ 168,454
Accounts receivable	18,759,523	12,368,400
Inventory	3,512,510	3,363,852
Prepaid expenses	5,934,819	5,589,056
Due from associated funds	775,487	540,627
Other	<u>(4,443)</u>	<u>(1,630)</u>
Total current assets	<u>\$ 29,137,965</u>	<u>\$ 22,028,759</u>
Current liabilities		
Bank indebtedness	\$ 8,383,974	\$ 13,697,073
Accounts payable and accrued liabilities	22,052,183	24,471,886
Deferred contributions – operating	4,205,265	3,338,084
Deferred contributions - capital	<u>19,292,033</u>	<u>8,052,199</u>
Total current liabilities	<u>53,933,455</u>	<u>49,559,242</u>
Accumulated operating deficit	<u>\$ (24,795,490)</u>	<u>\$ (27,530,483)</u>
Reconciliation of operating deficit – operating fund only		
Accumulated operating deficit – beginning of year	\$ (27,530,483)	\$ (29,293,310)
Add: Net operating income per schedule II	2,718,891	1,763,655
Add: Restricted interest income	<u>16,102</u>	<u>(828)</u>
Accumulated operating deficit –end of year	<u>\$ (24,795,490)</u>	<u>\$ (27,530,483)</u>



OPERATING REVENUE AND EXPENSES



- Provincial Plan \$231,126,172
- MCP Physician \$13,774,444
- Other Recoveries \$7,971,063
- LTC Resident \$7,144,407
- Other \$4,308,067
- Food Service \$2,754,782
- Inpatient \$2,054,689
- National Child Benefit \$1,489,571
- Early Learning and Child Care \$1,393,509
- Outpatient \$1,339,077
- Early Childhood Development \$587,154
- Mortgage Interest Subsidy \$40,507



- Nursing Inpatient Services \$67,638,434
- Community and Social Services \$62,953,065
- Support Services \$50,374,684
- Diagnostic and Therapeutic Services \$26,074,640
- Administration \$21,618,344
- Ambulatory Care Services \$18,971,431
- Medical Services \$16,485,418
- Educational Services \$4,387,760
- Undistributed \$197,493



WESTERN HEALTH REGIONAL MAP



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**Western
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