



**Health PEI**  
**ANNUAL REPORT**  
**2019-2020**

# Health PEI

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# Health PEI

2019-2020  
**Annual Report**

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# Board Chair and CEO Message



James T. Revell  
Board Chair



Denise Lewis Fleming  
Chief Executive Officer

On behalf of Health PEI's Board of Directors, Executive Leadership Team, staff and physicians, we are pleased to present to the Minister of Health and Wellness and people of Prince Edward Island the 2019-20 Annual Report for Health PEI. This annual report provides an overview of our accomplishments, challenges, performance and financial results for 2019-20.

Over the past twelve months, we focused on progress toward our strategic goals of *Quality and Safety, Access and Coordination, and Innovation and Efficiency*. We continue to focus on aligning health services with the needs of Islanders and providing high quality care across the province so care can be provided as close to home as possible.

This year also brought about changes in how we provide care, due to global events impacting our health care system. Near the end of 2019-20, Health PEI and the Chief Public Health Office came together to co-lead the province's health care response to the COVID-19 pandemic. Our response efforts changed how care was provided, priorities for care delivery and how our staff and physicians supported the health care system.

Despite the rapid and continuous shift in our daily work, we continue to be guided by our Health PEI values of caring, integrity and excellence in providing the best possible care to Islanders using many new innovations in virtual care and in-person care. Staff and physicians were creative in providing clients with care and connections to their local communities. We are proud of our staff and physicians and what we have collectively accomplished during these times of change and uncertainty.

The progress achieved in 2019-20 is due to the dedication and efforts of Health PEI staff, physicians, volunteers and our partners. It is our privilege to acknowledge and thank those who provide care to Islanders while demonstrating compassion, respect and dignity.

Respectfully submitted,

A handwritten signature in black ink that reads "Jim Revell".

JAMES T. REVELL  
Board Chair

A handwritten signature in black ink that reads "Denise Lewis Fleming".

DENISE LEWIS FLEMING  
Chief Executive Officer



# Health PEI Annual Report 2019-2020

The 2019-20 Annual Report outlines Health PEI's actions and initiatives from April 1, 2019, to March 31, 2020, in support of the following strategic goals:<sup>1</sup>

- Quality and Safety;
- Access and Coordination; and
- Innovation and Efficiency.

This report supports Health PEI's reporting and accountability requirements to the PEI Legislative Assembly, the Minister of Health and Wellness and the public. In particular, the submission of this report to the Minister of Health and Wellness satisfies legislative requirements outlined in the *Health Services Act*<sup>2</sup> and in the *Financial Administration Act*.<sup>3</sup>

## Our Strategic Goals and Priorities



### Quality and Safety

- Improving patient and workplace safety and security
- Embedding patient- and family-centered care at all levels of the organization including: direct care, program and service planning and leadership to enhance patient experience
- Increasing engagement with patients, staff, members of the public and communities



### Access and Coordination

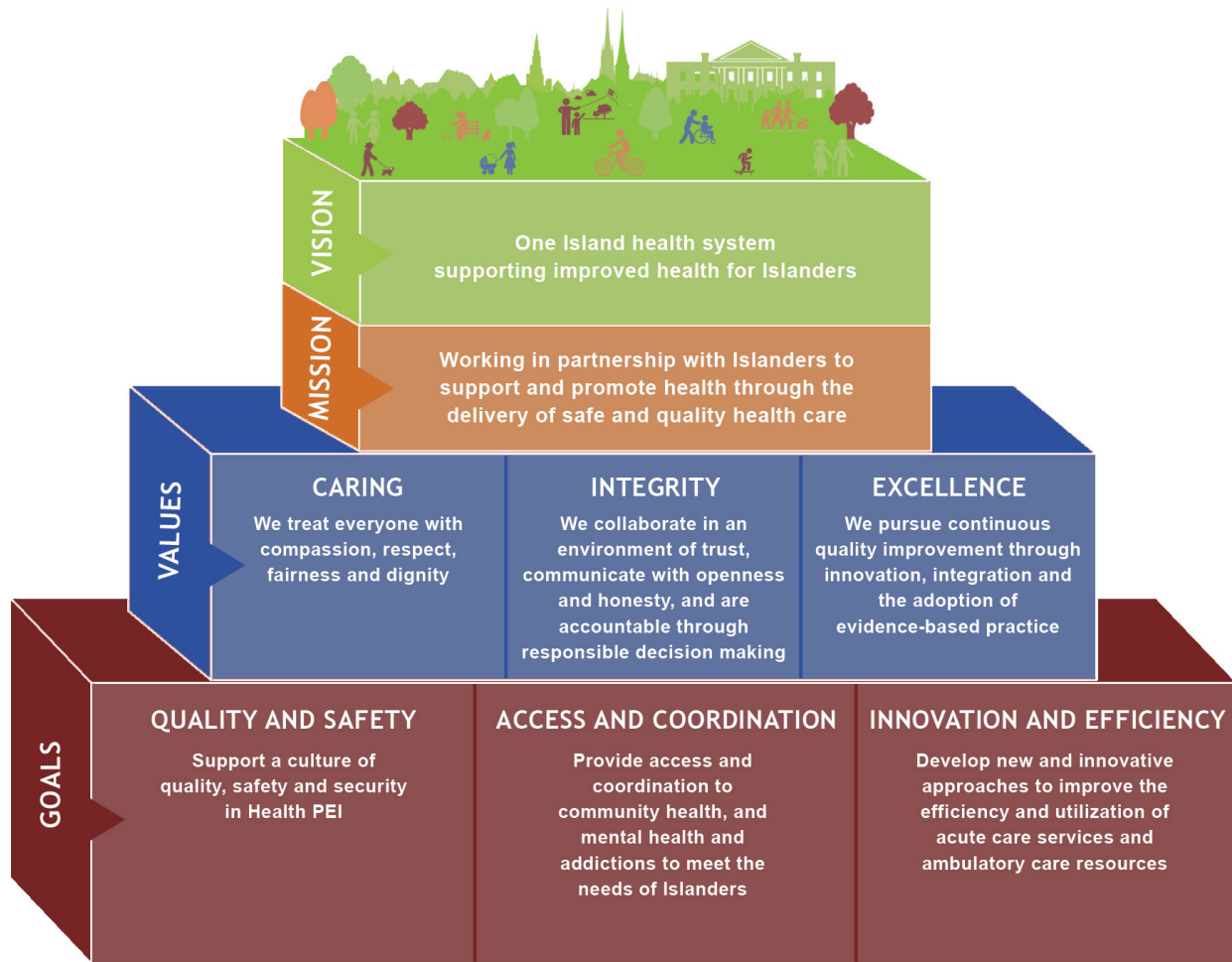
- Improving access to primary care services
- Improving access to mental health and addictions services
- Improving access to community-based specialized care programs for chronic and complex clients
- Enhancing home care services



### Innovation and Efficiency

- Improving patient flow
- Reducing wait times in emergency departments
- Ensuring appropriate use of ambulatory care resources
- Increasing use of innovative practices

# Current Strategic Direction



Supporting  
Our Strategy



[www.healthpei.ca/strategicplan](http://www.healthpei.ca/strategicplan)



# Department of Health and Wellness

The Department of Health and Wellness is responsible for providing leadership and policy direction for PEI's health care system. Health PEI's strategic direction is informed by the Minister of Health and Wellness through both legislated documents as well as the departmental strategic plan.<sup>4</sup> The alignment of priorities between Health PEI and the department is critical for them to work together on measurable progress toward enhancing the health and well-being of Islanders.

## Health PEI

Health PEI is a crown corporation responsible for the operation and delivery of publicly funded health services in PEI.<sup>1</sup> The organization is governed by a Board of Directors and offers a full continuum of acute care and community-based health services, including: public health programs, long-term care (LTC) facilities, home care services, primary care networks, health centres, and mental health and addiction services.

## Health PEI at a Glance

### Employees



Health PEI has a total of **3,915** Employees

**246**  
Medical Staff



**1,795**  
Nursing Staff

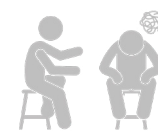
### Facilities



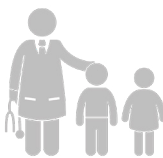
Prince Edward Island has **7** Hospitals

**2** Referring Acute Care Hospitals  
**4** Community Hospitals  
**1** Psychiatric Hospital

**7**  
Mental Health Sites



**8**  
Addiction Sites



**26**  
Community Health Sites

**9**  
Long-Term Care Homes



**Notes:**

- Total employees include the number of permanent FTE's as of March 31, 2020.
- Long-Term Care Homes include public long-term care nursing facilities only.
- Community Health Sites include Public Health and Children's Developmental Services, Primary Care and Chronic Disease, Home Care, Palliative Care and Geriatric Programs.

The 2019-20 Annual Report provides an overview of the organization’s achievements and challenges in relation to strategic goals over the past year. It also offers information on health system performance (Appendix B) via performance indicators that align with both strategic goals and the quality dimensions of Health PEI’s Quality and Safety Framework.<sup>5</sup>

## Successes and Challenges

Access to care improved in several priority areas, including: primary care, mental health and addictions, LTC and specialist care. The addition of nurse practitioners (NP) to health centres and specialty clinics allowed Islanders to receive more care in their home communities. Master planning for the new mental health and addictions campus continues alongside the development of mobile crisis units that will support those in need of rapid mental health care in the community. LTC beds were added to reduce wait times and to alleviate pressure. A wide range of specialist services were also created to improve access to care, including: neonatology, renal care and orthopedics.

Recruitment and retention of health care providers continues to challenge the PEI health system. Recruitment directly impacts Islander’s access to services such as primary care, mental health and

addictions, LTC and home care. With growing service demand, increased patient complexity and an aging workforce, the issue of recruitment and retention will require innovative solutions.

## COVID-19 Response

Across Canada and around the world, health systems are focused on responding to the COVID-19 pandemic. To ensure a timely response to the pandemic on PEI, Health PEI initiated the Incident Command Structure and co-led the Joint Response Team with the Office of the Chief Public Health Officer. Health PEI was responsible for organizing, and deploying health care resources to support the provision of care to Islanders with COVID. The organization was also responsible for introducing precautions necessary to mitigate the risk of spread.

The last few months of 2019-20 primarily focused on establishing and operating COVID screening clinics, and transitioning to alternate models of service delivery such as virtual care, urgent care centres and call-in clinics/appointments. In order to do so, the organization reorganized essential services to maintain the safe operation of non-COVID related health care services. Staff were re-deployed as a result and continue to provide around-the-clock support throughout the health system.







# Support a culture of quality, safety and security at all Health PEI sites —

## Strategic Priorities

Improve patient and workplace safety and security

Embed principles of patient- and family-centered care to enhance patient experience at all levels of the organization, including: direct care, program and service planning and leadership

Increase engagement with patients, staff, members of the public and Island communities

## Linkages to Quality and Safety Framework

SAFETY



CLIENT-CENTERED SERVICES



WORKLIFE



Health PEI's focus on quality and safety fosters a culture of patient and work place safety as well as continuous quality improvement.

This culture is embedded throughout the organization with emphasis on continued education and training of Health PEI staff, including physicians, the provision of tools and supports such as policies and programs, as well as regular engagement of staff and the public.

*Culture is embedded throughout the organization.*

## Highlights

### *Patient and Workplace Safety and Security*

#### *Patient Safety and Quality Improvement*

- A new accreditation cycle launched across Health PEI in the fall of 2019. The *Accreditation Canada Patient Safety Culture Survey* tool opened for employee feedback in September 2019. Approximately 22 per cent of employees completed the survey. This represents a significant increase in participation from the 2015 survey which yielded a response rate of 10 per cent.
- Progress continues on the implementation of the *2016–19 Patient Safety Culture Survey Action Plan* to enhance and support a *Just Culture* of patient safety. Two educational programs: *Building a Culture of Patient Safety, Teamwork, and Quality Improvement* and *Just Culture in Action* were delivered to over 30 participants in Health PEI's Leadership Development Workshop Series and as a component of nursing orientation programs.
- The Health PEI Executive Leadership Team and the Board of Directors' Quality and Safety Committee approved a revised *Patient Safety Culture Action Plan* using the Canadian Patient Safety Institute's (CPSI) measuring and monitoring framework, and SHIFT to Safety initiatives.
- The CPSI, in collaboration with the Canadian Institute for Health Information (CIHI) and Health PEI, completed a randomized chart audit to validate the hospital harm indicator and to identify quality improvement opportunities within Health PEI. Follow-up discussions will be held in 2020-21.
- Health PEI concluded its collaborative initiative with the Canadian Foundation for Healthcare Improvement to positively impact appropriate anti-psychotic prescribing for residents with no diagnosis of psychosis. Key highlights include

a 53 per cent reduction in medication usage in cohort participants with no evidence of substitution to other psychotropics, increased aggressive behavior, nor use of restraints.

- To support staff education and communication:
  - The TeamSTEPPS Communication and Team Building Program continues across Health PEI. The goal of this program is to improve teamwork and communication skills among staff in order to both prevent and mitigate harm to patients.
  - Education sessions were provided across Health PEI programs and services on Health Care Documentation. More effective and improved patient care documentation is a priority within the *Health PEI Long-Term Care Strategic Plan 2018-2020*.
  - Physician education on incident reporting and the Provincial Safety Management System (PSMS) was developed and provided to further engage physicians in reporting patient safety incidents.
  - One-on-one education for frontline managers was provided to coach and support them in their responsibilities and work flow processes around incident follow up. This included completing work done on file and closing patient safety incidents in PSMS.
  - The *Pan-Canadian List of Never Events for Hospital Care* was implemented in Health PEI with the PSMS providing alerts for Never Events. In each fiscal quarter, the number of Never Events are tracked and reported to the Executive Leadership Team and the Board of Directors' Quality and Safety Committee. All Never Events are investigated by quality and risk consultants who provide recommendations to program areas on opportunities for quality improvement. To support implementation, education was provided to leaders and staff.



[www.healthpei.ca/patientsafety](http://www.healthpei.ca/patientsafety)



- Education sessions about *The Protecting Canadians from Unsafe Drug Act (Vanessa's Law)* legislation were provided to the Executive Leadership Team, the Directors of Nursing, all Management Forum Leaders and all Provincial Local Medical Advisory Committees. This act requires all hospitals to report serious adverse drug reactions (ADR) and medical device incidents (MDI) to Health Canada. *Vanessa's Law* became effective on December 16, 2019, and since that time, Health PEI employees have reported all ADRs and MDIs using the PSMS.
- Safer Practice Notices continue to be circulated to alert the system about patient safety issues where appropriate.
- A quarterly Quality & Safety Newsletter continues to be distributed to communicate quality and safety initiatives and accreditation processes to the health system. This communication also incorporates recognition of staff and physicians who innovate and focus on patient safety ingenuities.
- Health PEI's Clinical and Organizational Ethics Committee hosted its annual educational workshop in the fall. This year's theme:

"Equality Should Apply to Us All Equally: Gender Diversity through an Ethical Lens" yielded a unique opportunity for discussions amongst the 145 Health PEI staff who participated.

### *Workplace Wellness and Safety*

- A one-year project to develop an integrated approach to Work Disability Prevention was completed on March 1, 2020. The project was funded by the Workers Compensation Board with the goal of supporting employees to both stay at work and to return to work. Key accomplishments included:
  - The development of a Train-the-Trainer module and a one-day workshop for Health PEI staff – 11 training sessions were held in November and January with 127 supervisors and managers participating.
  - A total of 13 job demands analyses were completed for Health PEI positions historically prone to injury. These analyses will aid in job matches and will prevent unnecessary return to work delays.



- Initial development of a Work Disability Prevention and Return to Work Program was completed through preparation of draft policies and procedures and draft resource packets for: human resources (HR)/ occupational health and safety (OH&S), supervisors/managers and injured/ill employees.
- To support psychological health and safety initiatives:
  - Mental Health Works training was offered to supervisors/managers in the fall of 2019. The Canadian Mental Health Association PEI Division offered eight full day sessions to 165 supervisors/managers across Health PEI. This training was included in the New Leaders Program for the 2019-20 schedule.
  - Two psychological health and safety presentations were offered as part of the New Leaders Program as well as other presentations to manager groups on request.
- To support respectful workplace initiatives:
  - Effective October 1, 2019, a new *Respectful Workplace Policy and Guide to Resolving Workplace Conflicts* replaced the pre-existing policy entitled: *The Prevention and Resolution of Harassment in the Workplace*.
  - Over 110 Health PEI managers and directors attended a leadership forum on November 19 that focused on launching the new policy and guide.
  - Since the policy launch in November 2019, the Wellness and Safety Team have completed respectful workplace presentations to over 950 staff.
  - A “Respectful Workplaces” page has been added to the Staff Resource Centre that includes an online Respectful Workplace learning module.
- To support violence prevention initiatives:
  - The Provincial Violence Prevention and Reduction Steering Committee was endorsed in November 2019 and began meeting in February 2020.





- The purpose of the steering committee is to foster a safe environment by protecting health and safety by minimizing the risk of workplace violence; to be in compliance with Occupational Health and Safety Legislation; and to be in compliance with the Health PEI *Violence in the Workplace Policy*.
- The steering committee was developed to create a Workplace Violence Prevention and Reduction Program in collaboration with the unions, patient/family partners, and committees for site-level violence prevention and OH&S that promote a robust culture of safety.
- To support musculoskeletal injury prevention (MSIP):
  - A new MSIP coordinator position for all Health PEI LTC sites was created and filled in March 2020.
  - Resident care worker (RCW) training on Transfer, Lift and Repositioning (TLR) was held in fall 2019 within LTC.
- The Health PEI Board of Directors led strategic planning exercises with staff, physicians and volunteers to inform Health PEI's next three-year strategic plan. These focus groups and workshops took place across the Island and were supported by public and staff surveys.
- The LTC "Family Experience" survey was distributed and approximately 250 responses were received from across the province. Response plans are expected to be developed in the upcoming year.
- A new *Long-Term Care Family Engagement Policy* was established to outline standards that each home is to abide by as it relates to partnering with resident families.
- Engagement activities including: surveys, focus groups, community meetings, workshops, open houses, resident events and planning sessions took place across Health PEI. The purpose of these engagement sessions was to seek input and/or feedback on the development of services and programs from both staff and health system user perspectives.
- Staff and the public had opportunities to provide input into various Health PEI initiatives, including but not limited to: planning for services and programs that support patient flow, primary care, maternal health, mental health and addictions, gender reassignment, community hospitals, virtual care, renal programming, cancer care, children's developmental services, LTC and geriatrics.

### *Patient- and Family-Centered Care and Engagement*

- A new training module, "Develop Coalitions Through a Patient and Family Centered Approach," was included as part of the 2019-20 Health PEI New Leadership Development Series.
- A total of 66 patient and family partners are members of Health PEI's 32 Quality Improvement Teams ensuring that patient and family perspectives are incorporated into the daily work of Health PEI.



[www.princeedwardisland.ca/engagepei](http://www.princeedwardisland.ca/engagepei)



Provide improved access to community-based health, mental health and addictions services through increased coordination—

Strategic Priorities

Improve access to primary care services

Improve access to mental health and addictions services

Improve access to community-based specialized care programs for chronic and complex clients

Enhance home care services

Linkages to Quality and Safety Framework

ACCESSIBILITY



CLIENT-CENTERED SERVICES



POPULATION FOCUS



CONTINUITY



Health PEI is committed to supporting and caring for Islanders in their communities by providing access to programs, services and providers closer to home.

*Service delivery has expanded across the province.*

To accomplish this, service delivery has expanded across the province. NPs are now integrated into health centres and specialty programs, while planning and development of mental health and addictions programming continues. Other community programs such as public health and children’s developmental services and home care have also reviewed their services and have expanded to enhance care provided.

## Highlights

### Primary Care

- Five new NPs were added in 2019-20 in Kings County and Queens County to increase access to primary care services. Early results in Kings and Prince counties, where NPs were hired in 2018-19, demonstrated positive impacts in relation to primary care access as well as patient visits to local emergency departments (ED) in select clinics. In Kings County (Montague), the target of a 10 per cent reduction in non-urgent ED visits for patients was met. In Prince County, January 2020 ED visits were also reduced for patients of several physicians.
- Six new family physicians started practicing in Queens and Prince counties in 2019-20.
- From April 1, 2019, to March 31, 2020, 1,376 Islanders on the patient registry were assigned.
- Well Baby Checks for unaffiliated newborns (no designated family physician) at the Queen Elizabeth Hospital (QEH) launched with Queens Primary Care Network.

### Mental Health and Addictions

- Student Well-being Teams expanded into new families of schools, including: Kensington/Kinkora, Charlottetown Rural and Three Oaks. This is a government partnership between departments (Health PEI, Education and Lifelong Learning, Health and Wellness, Justice and Public Safety, Social Development and Housing, and Public Schools Branch/French Language School Board) that offers mental health and other related health services to students and families within the PEI school system. Teams including social workers, occupational therapists (from public health) and registered nurses (RN) provide students with opportunities to prevent and treat mild to moderate mental health problems.





- A dedicated inpatient mental health unit was established at Hillsborough Hospital in 2019-20 for forensic and complex care patients. This initiative meets accountability mandates outlined in the Criminal Code which requires Health PEI to offer forensic care and risk management in both the community and in-hospital settings.
- Three vehicles were purchased and retrofitted to establish a Mobile Crisis Service. A review of the research, best practices and potential mobile crisis programs was completed. At the end of 2019-20, a finalized model is pending. The psychologist team lead was hired in September 2019, and position descriptions are being developed for the mobile crisis telehealth RN, mobile crisis RN and mobile crisis social worker.
- Master planning continues to move forward for “Communities First” services as well as the new mental health and addictions campus. Each builds upon previous research as well as stakeholder consultations.
- Health PEI’s Strength Program celebrated ten years of operation in January 2020. This program assists hundreds of Island youth aged 15-24 with mental health and addictions challenges, and their families, to regain their lives by offering a

range of programming and supports, including both residential and day treatment. In 2019-20, 68 clients were processed for the inpatient component and 11 clients continue to receive support in the community.

- Through a new online program, ICAN (Conquer Anxiety and Nervousness), adult Islanders dealing with anxiety and nervousness can access support that builds life-long skills for dealing with anxiety, depression and stress. In 2019-20, 185 Islanders have accessed the secure website, videos, relaxation audio clips, daily anxiety tracker, a support guide and weekly telephone support from a coach. Printed materials were also available for Islanders without Internet access.

## Home Care

- Following the addition of extra hours to the Caring for Older Adults in Community and at Home (COACH) Program, 22 clients were supported in their homes, an increase over 13 clients previously. The average length of stay (ALOS) for Islanders in LTC is approximately three years. However, the ALOS in LTC for COACH clients is 0.76 years (based on data from 22 clients). This preliminary data demonstrates the



benefit experienced by clients who stay in their homes longer as well as the avoidance of costs associated with lengthy LTC stays.



[www.healthpei.ca/coach](http://www.healthpei.ca/coach)

- In its first year of implementation, 308 clients accessed the Mobile Integrated Health (MIH) Senior Check-In Program and as of March 2020, there were 190 active clients on the caseload provincially. MIH is an innovative program in which community paramedics provide non-emergent, in-home care with the goal of maintaining continuity of client care across health care settings.

### Public Health and Children's Developmental Services

- A free drop-in breastfeeding clinic pilot was offered at Sherwood Business Centre as a collaboration between public health nursing and acute care. The breastfeeding clinic was open to all breastfeeding parents and children of all ages from across PEI. It provided families/parents with support from a lactation consultant to address a variety of breastfeeding issues. The pilot ended as the COVID-19 pandemic started so evaluation and future planning paused. This work will resume when capacity allows.
- The information sharing process was streamlined for the *Ages & Stages Questionnaire* tool to include the French Language School Board.
- Recent renovations to the public health building in Summerside added a wheelchair accessible bathroom to the main level. This has made bathroom facilities accessible to all clients who receive service in the building.

- A review of public health nursing guidelines and processes in regards to newborn/postpartum follow up has been initiated to ensure best practice standards are being met.
- A review of public health nursing group prenatal classes was started to ensure current, consistent and standardized messaging is shared across the province. Due to COVID-19 in-person prenatal classes paused. They will resume when safely able to continue. Efforts are underway to establish online modules in support of self-directed learning.
- A review of the public health nursing guidelines around screening children for speech language developmental concerns was completed. Background information related to developmental milestones and red flag identifiers that may prompt referral for further follow up have been incorporated into the program.
- Public health nursing began a review of the Adult Immunization Program to address growing demand resulting in long wait times. The review was paused due to the COVID-19 pandemic. It will resume when capacity allows.
- The Provincial Audiology Program focused on meeting wait time benchmarks for assessment services, including hearing tests and infant hearing screening. Audiologists also focused on wait times for Auditory Processing Services.
- Over the past year, activities and priorities of the children with complex needs initiative included standardizing methods for collecting wait times for services and a business process redesign project completed in October 2019 in partnership with IT Shared Services. This project identified two main priorities: 1) a population survey to identify the number of children with potential complex needs; and 2) a framework for a Provincial Children with Complex Needs Coordination Program.



[www.healthpei.ca/publichealth](http://www.healthpei.ca/publichealth)

- The School Therapy Occupational Therapy Program expanded to include a 1.0 FTE provincial supervisor/clinical lead, a 1.0 FTE occupational therapist (OT) for the Charlottetown Rural Family of Schools and a 0.5 FTE OT for the Kensington/Kinkora Family of Schools. Existing positions were realigned to support the Bluefield Family of Schools and the Three Oaks Family of Schools. This included French schools in Prince County, as well as continuing the French service for preschool children in the Summerside and Wellington areas.
- The Hepatitis C Treatment Program continues to identify and treat Islanders with Hep C. The Hepatitis C Virus Elimination Strategy Advisory Committee continues to strive towards effectively eliminating the virus in PEI by 2025.

## Access to Specialist Services

- Reduction in orthopedic wait times:
  - A new orthopedic surgeon started practicing in Charlottetown in November 2019.
  - Wait times from referral to appointment with an orthopedic surgeon were reduced following the addition of the orthopedic NP at the Orthopedic Intervention Clinic. Results for one surgeon's practice showed an improvement in wait times from 216.7 days (~7.2 months) in March 2018 to 41.35 days (~1.4 months) in October 2019 as well as a gradual increase in the number of new referrals deemed surgically appropriate.
- A new general surgeon started practicing in Summerside in February 2020 increasing access to surgical services at Prince County Hospital (PCH).
- Expansion of Provincial Renal Program:
  - Hemodialysis services were expanded within the two primary hemodialysis units. Using a resource needs based approach, additional seats were added to the provincial program to accommodate anticipated growth in service demand.

- To streamline learning processes, new staff for hemodialysis will utilize Google Docs to complete a portion of their training.
- The province's first neonatologist started practicing in December 2019. This established the Neonatology Program which supports the in-province care of neonates from an earlier gestational age (30 weeks). This program will also allow earlier repatriation of babies from the IWK Hospital.
- A 0.2 FTE family physician was added to the Women's Wellness Program to provide additional care for Islanders seeking reproductive and sexual health care.

## Chronic Disease

- In conjunction with the Office of the Chief Public Health Officer and Health PEI, the provincial Smoking Cessation Program launched in December 2019. This self-referral program is delivered within primary care networks across PEI and provides Islanders with supports to quit smoking. This includes covering the cost of prescribed quit smoking medications and nicotine replacement therapy products.
- The Chronic Disease Program Registry is a database used to report on quality indicators, to support program planning of chronic disease programs and to support efficiencies in program delivery. Sections have been built for chronic obstructive pulmonary disease (COPD), smoking cessation and colorectal screening.

## Provincial Drug Formulary

- Provincial drug coverage was expanded to provide coverage for five additional drugs. These newly added drugs provide treatment for diabetes (Jardiance), arthritis (Metoject), heart failure (Entresto), radiation (Zofran) and lung cancer (Keytruda).



[www.healthpei.ca/pharmacare](http://www.healthpei.ca/pharmacare)





# Develop new and innovative approaches to improve the efficiency and utilization of acute care services and ambulatory care resources —

## Strategic Priorities

Improve patient flow

Reduce wait times in emergency departments

Ensure appropriate use of ambulatory care resources

Increase use of innovative practices

## Linkages to Quality and Safety Framework

EFFICIENCY



APPROPRIATENESS



CONTINUITY



Health PEI is challenged with rising health care costs, changing population demographics and recruitment in key areas such as nursing.

In 2019-20, new supports and tools for staff and patients/residents were provided to support patient flow such as new or revised reporting mechanisms, policies, new providers in LTC and the continued use of innovative virtual care technologies.

*Continue to build on innovations adopted during the COVID-19 pandemic.*

## Highlights

### *Patient Flow and Hospital Bed Utilization*

- The 2021-24 Patient Flow Strategy is in development and will align with goals in the upcoming Health PEI Strategic Plan. To inform development of the plan a patient flow forum, with over 75 health care providers, took place to obtain broad system perspectives related to transitions in care. Additional consultations were completed with over 50 hospital-based physicians, NPs and nurses to identify potential priority areas.
- The *Alternate Level of Care Designation & Billing Policy*, electronic order and processes related to designating hospital patients who require an alternate level of care including admission to a LTC facility were updated and communicated.
- The *Provincial Overcapacity Policy* was reviewed and updated to reflect situations and perspectives across the hospital system. This policy establishes a systematic and coordinated ED overcapacity/overcrowding response and recovery plan which identifies set 'triggers' and escalating interventions (responses) to minimize risk(s). The primary aim is to provide timely access for patients awaiting: 1) admission from ED; 2) treatment in the ED; and 3) PEI residents (holding a valid PEI Health Card) hospitalized and awaiting repatriation from out of province (OOP).
- The mandatory expected date of discharge (EDD) order in the Clinical Information System (CIS) was rebuilt to continue supporting proactive bed management and discharge planning. EDDs have been ordered more frequently at all hospitals since the beginning of the project at PCH and QEH in 2018.
- Progress on community hospitals discharge planning projects include:
  - Discharge planning projects including EDD and discharge by 11am, were expanded to include: Community Hospital O'Leary, Western Hospital, Kings County Memorial Hospital and Souris Hospital.
- All province wide hospitals are now working on 85 per cent target for EDD utilization and 65 per cent of patients discharged by 11am on day of discharge.
- Continued implementation of ED to inpatient projects with the primary goal to reduce Time waiting for Inpatient Bed (90th percentile) at both PCH and QEH. Targeted times were established and work continues into 2020-21 to move closer to 'stretch' targets.
- The Quarterly Patient Flow Dashboard in the CEO Risk Report provided to the CEO and the Health PEI Board includes key hospital-based indicators. These indicators include: discharge by 11am, EDD utilization and accuracy, hospital discharge process (times for discharge order placed, patient discharge and new patient admission), occupancy, ED length of stay (LOS) for admitted patients, and LOS vs expected length of stay (ELOS).
- Early results for EDD utilization at QEH were at 89 per cent while PCH accuracy for EDD ordered were within the acceptable range of less than one day (0.8 days). The goal is that both compliance (utilization) and accuracy are maintained at rates which support proactive bed planning using these dates.
- The holiday closure analysis was completed to understand the impact of closing operations (particular hospital beds) during peak vacation times and how this affects staffing, bed availability and emergency room operations. This analysis showed bed closures resulted in increased frequency of overcapacity situations across the health system. Subsequently, bed closures have been less frequent and are now staggered across hospital units.
- Electronic patient tracking has been enhanced through the addition of hospitals/units in Nova Scotia and New Brunswick and with the addition of an OOP worklist, which allows the Bed Coordination Team to track and facilitate the repatriation of Island patients.



[www.healthpei.ca/patientflow](http://www.healthpei.ca/patientflow)

- Bed management standards have been drafted to improve the flow of patients across hospitals. The Patient Flow Steering Committee is currently reviewing the draft in preparation for province wide consultations and communications. These standards will provide information on patient types, transfer processes, roles and timelines related to safe patient flow for use by all hospitals.
- To facilitate timely and coordinated repatriations, hospital transfers and admission from EDs, the Bed Coordination Team is now holding daily teleconference calls.
- Patients in West Prince had the opportunity to receive virtual primary care in one family practice in which the physician practices remotely. Evaluation of this initiative is planned for 2020 and will involve both patients and clinical staff.
- A virtual care ED process was launched in February 2020 to decant low acuity patients at Western Hospital.
- Virtual reality programming was implemented in March 2020 in two LTC homes and two hospitals in West Prince to combat social isolation of both residents and patients.

### Long-Term Care

- To stabilize medical services across LTC and to improve hospital transfers, medication management and resident care planning, an NP position was staffed and the LTC medical director role was established.
- The new Riverview Manor was opened in June 2019. This modern and innovative care home in Montague provides residents with spacious common areas and a home-like atmosphere in which residents are members of small households.
- Twenty-four new beds were opened in private LTC homes to improve access to LTC. With the addition of these beds, 58 out of 100 planned beds are now in place.



[www.healthpei.ca/longtermcare](http://www.healthpei.ca/longtermcare)

### Innovative Technologies

- Since implementation, over 600 patients and their care teams have accessed the telerounding platform providing care to unaffiliated patients admitted to Western Hospital. The platform uses videoconferencing and allows doctors to view and discuss treatment options with patients and hospital staff.

### Innovative Practices

- The Nursing Recruitment Incentive Program was developed for new graduate nurses, experienced nurses and NPs. In 2019-20, 75 new graduates were hired; and three experienced RNs and two NPs were hired into “in high demand” positions. This program was developed as a result of the *Health PEI Nursing Strategy 2017-2020* and is a collaborative effort between Health PEI, the Department of Health and Wellness and the PEI Nurses’ Union.
- Canadian Health Outcomes for Better Information in care (C-HOBIC) initiative was implemented with education provided to trainers and staff across Health PEI. The C-HOBIC assessment went live in February 2020 along with a new electronic Patient Care Plan and is now being completed on admission and discharge on all medical, surgical and intensive care units, and EDs. An audit on C-HOBIC was completed on all individual units across the province from February to May 2020. Results to be shared with unit managers in fall 2020.

### System Supports

- Human resources managers were hired for provincial programs and LTC central in July 2019 to support the effective and efficient delivery of essential HR services and to support Health PEI managers and supervisors.



## Highlights

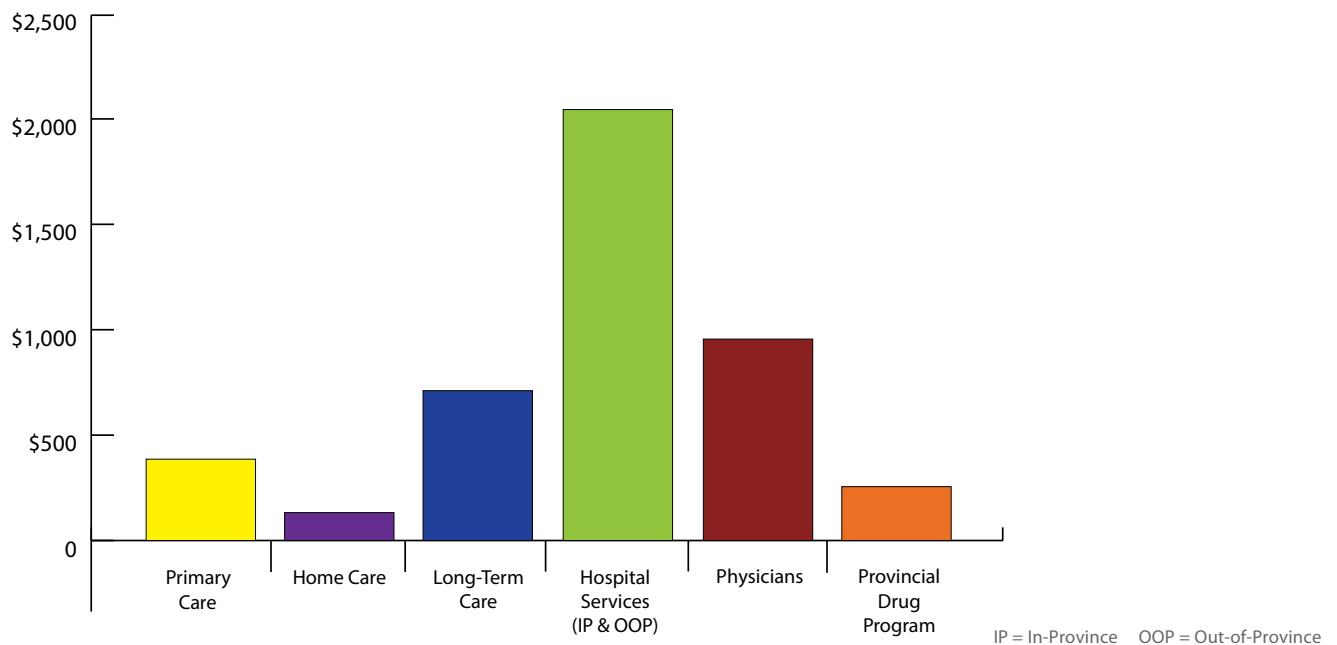
This section of the annual report highlights the organization’s operations for the fiscal year ending March 31, 2020. This financial section should be read in conjunction with Health PEI’s audited financial statements (Appendix C).

Operations	Operating Activities
Revenues	\$ 711,370,219
Expenditures	\$ 711,370,219
Subtotal - Operating Surplus (Deficit)	\$ -
Capital	
Revenues	\$ 19,311,920
Amortization	\$ 18,827,289
Capital Transfers	\$ 515,640
Subtotal - Capital	\$ (31,009)
Annual (Deficit) Surplus	\$ (31,009)

## Expenses per Capita

Budgeted spending per capita highlights the Provincial Government’s health expenditure by use of funds divided by the population. This indicator allows Health PEI leadership to target and track service enhancement and better manage spending in specific areas. Targets are based on anticipated areas of growth or projected needs for additional resources to meet the needs of Islanders.

### 2019-2020 Expenses per Capita (Actual)



## Expenses by Sector

**Primary Health Care and Provincial Dental Program:** Expenses relating to the provision of primary health care by nursing and other health care providers, including: community primary health care, community mental health, addiction services, public health services and dental programs.

**Home-Based Care:** Expenses relating to the provision of home nursing care and home support services.

**Long-Term Care:** Expenses relating to the provision of long-term residential care, including palliative care.

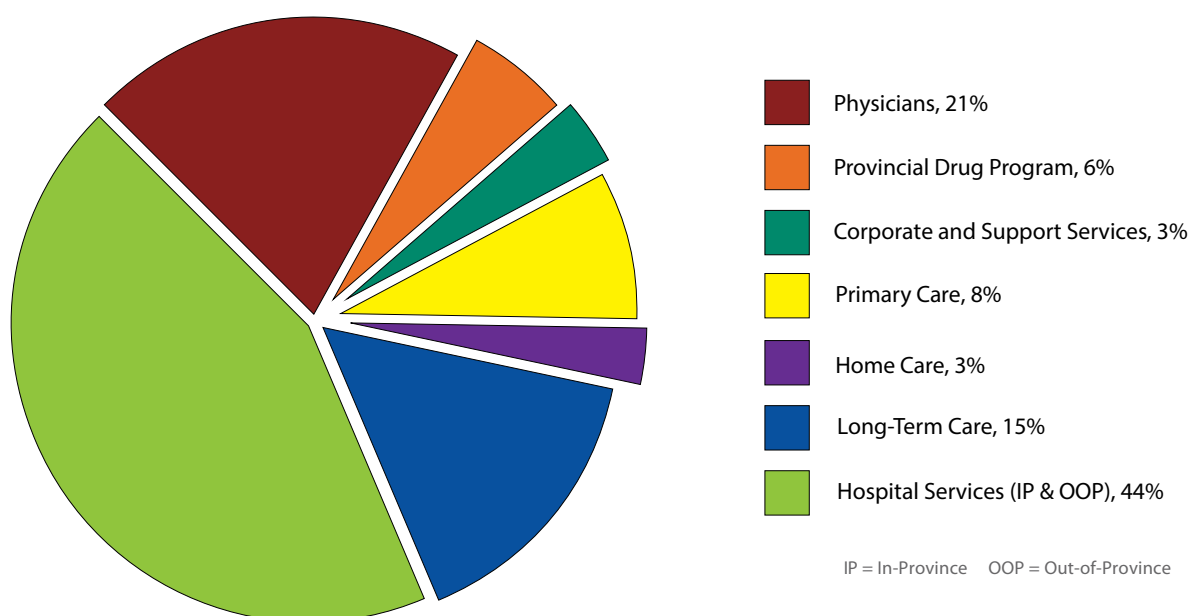
**Hospital Services:** Expenses relating to acute nursing care, ambulatory care, laboratory, diagnostic imaging, pharmacies, ambulance services, the CIS, renal services and OOP medical care for Islanders.

**Physicians:** Expenses relating to services provided by physicians and programs for physicians, including: primary health care, acute medical care, specialty medical care and the Medical Residency Program.

**Provincial Drug Programs:** Expenses relating to the provision of pharmacare programs, including: the Seniors Drug Cost Assistance Program, Social Assistance Drug Cost Assistance Program and High Cost Drugs Program.

**Corporate and Support Services:** Expenses relating to the provision of centralized, corporate support services, including: strategic planning and evaluation, risk management, quality and safety, HR management, financial planning and analysis, financial accounting and reporting, materials management, and health information management.

### 2019-2020 Expenses by Sector (Actual)



# Health PEI by the Numbers

Employees <sup>1</sup>	2017/18	2018/19	2019/20 <sup>2</sup>
Nursing (NPs, RNs, LPNs, RCWs & PCWs)	1,754	1,755	1,774
Administration and Management	200	200	206
Lab Technicians	176	176	163
Secretarial/Clerical	286	287	271
Utility Worker/Service Worker	393	393	401
Other Health Professionals and Support Staff	1,134	1,135	1,100
<b>Medical Staff</b>			
Family Physicians	120	121.25	124.85
Specialists	109	105.5	111.55
Residents	10	10	10
<b>Hospital-Based Service Volumes Across Health PEI</b>			
Emergency Visits	96,675	94,294	91,886
Operative Cases (acute care)	3,697	3,711	3,758
Operative Cases (day surgery)	6,160	6,142	6,340
Inpatient Days (excludes Hillsborough Hospital)	145,492	146,581	142,599
Admissions (excludes Hillsborough Hospital)	14,827	15,179	14,855
Average Length of Stay (days) (excludes Hillsborough Hospital)	9.76	9.18	9.76
Number of Diagnostic Imaging Exams	154,434	153,281	152,078
Number of Tests Processed by Laboratory Services	2,481,255	2,472,962	2,046,312
Hospital-Based Mental Health Services Inpatients	1,077	1,230	1,173
<b>Long-Term Care (public facilities only)</b>			
Occupancy Rate	98.1%	97.8%	98.1%
Number of Long-Term Care Admissions	194	190	240
Number of Long-Term Care Beds	598	598	598
Number of Long-Term Care Facilities	9	9	9
Average Length of Stay (years)	3.0	3.0	3.3
<b>Home Care</b>			
Number of Clients Served by Home Care	4,388	4,297	4,456
Number of Home Care Clients that are 75+ years old	2,341	2,478	2,462

<sup>1</sup> Permanent full-time equivalents.

<sup>2</sup> Health PEI went to essential services in March 2020 impacting in-person visits and appointments.



[www.healthpei.ca/bythenumbers](http://www.healthpei.ca/bythenumbers)



PEI Cancer Treatment Centre	2017/18	2018/19	2019/20 <sup>2</sup>
Radiation Therapy and Simulation Visits	8,950	7,332	7,761
Medical Visits	27,210	28,449	32,261
Radiation Consults and Follow ups	3,761	3,403	3,584
Medical Consults and Follow ups	6,331	7,335	7,425
Mental Health and Addictions			
Community Mental Health Provincial – Referrals	6,091	5,980	5,616
Community Mental Health – Crisis response	2,024	2,023	2,028
Addiction Services – Total admissions	3,079	2,925	2,873
Primary Health Care			
Visits to Primary Care Health Centres <sup>3</sup>	158,890	147,340	139,851
Primary Care Health Centres – Number of distinct clients	43,695	43,784	41,477
Provincial Diabetes Programs – Number of distinct clients	4,630	4,790	4,782
Provincial Diabetes Programs – Total visit count	22,521	22,663	22,874
Provincial Diabetes Programs – Total number of referrals (Pediatric Type 1 & 2; Adult Type 1 & 2; Gestational Diabetes)	1,539	1,544	1,430
Public Health Dental Program – Number of children who received dental treatment	4,397	4,191	3,778
Public Health Dental Program – Number of children who participated in the School-Based Prevention Program <sup>4</sup>	11,952	10,584	7,782

<sup>3</sup> Total service counts for general practice physicians (contract/salary).

<sup>4</sup> The school numbers run with the school year that is recorded from July 1 to June 30. The school year starts in the summer because clinics run in some schools during that period.

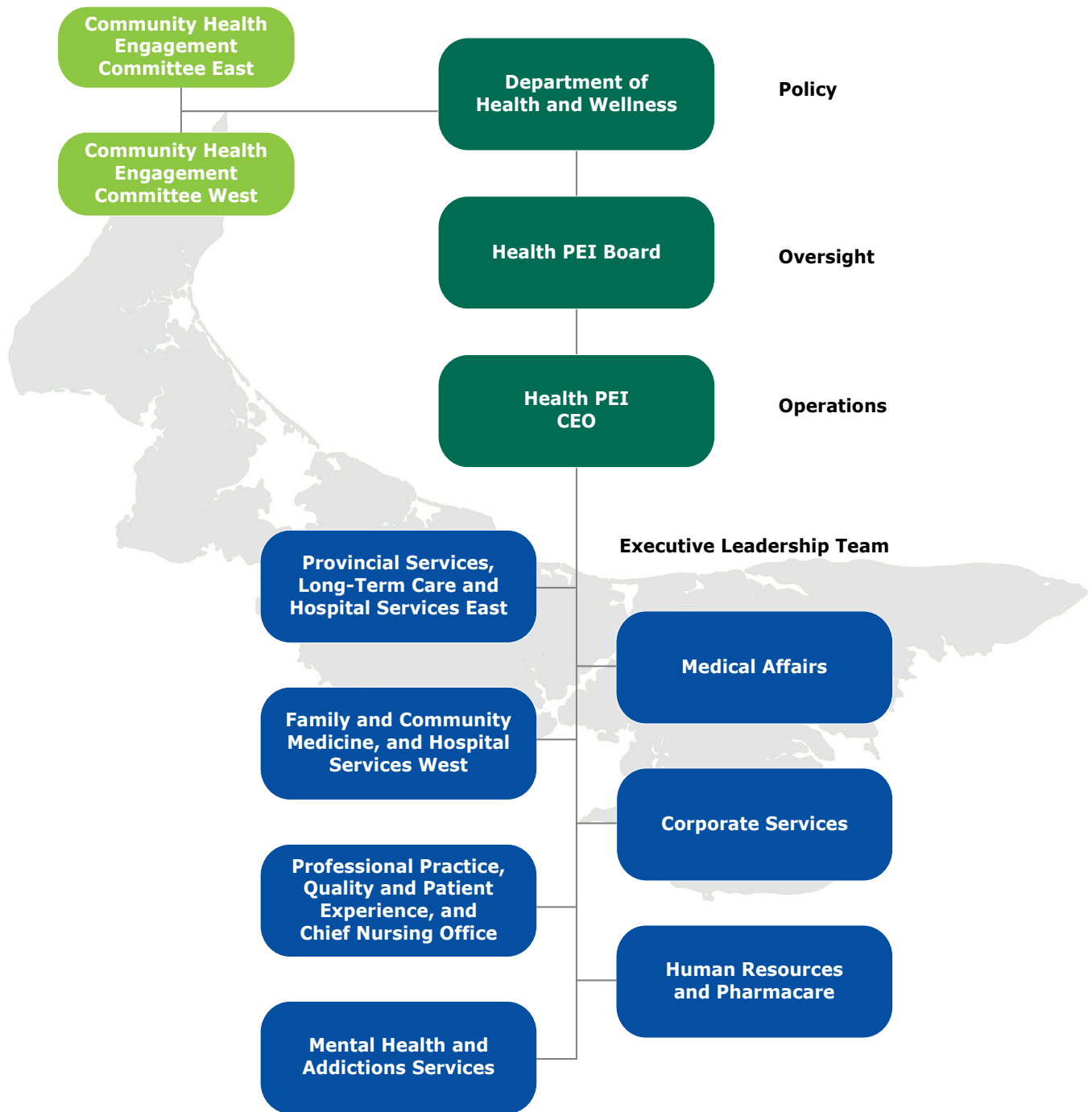


# References

- 1 Health PEI Strategic Plan 2017-2020
- 2 *Health Services Act*, R.S.P.E.I. 1988, Cap. H-1.6.
- 3 *Financial Administration Act*
- 4 Department of Health and Wellness 2019-2022 Strategic Plan
- 5 Health PEI's Integrated Quality and Patient Safety Framework, 2017

# Appendix A

## Organizational Structure





# Appendix B

## Scorecard

PRIORITY	INDICATOR	TARGET	2018-19	2019-20
<b>Goal 1: Quality and Safety</b>				
<b>Improve patient and workplace safety &amp; security</b>	Adverse events incident rate for acute care patients and long-term care residents - levels 4 & 5 (rate per 1,000 patient/resident days)	0.13	0.19	0.20
<b>Embed patient- and family-centered care in decision making</b>	Percentage of Health PEI Committees with patients and/or families representative(s)	100%	81.30%	84%
<b>Engage with patients, staff and members of the public and communities</b>	Total number of engagement sessions and community conversations related to health	10% increase from 2018-19 (190)	190	550
<b>Goal 2: Access and Coordination</b>				
<b>Improve access to primary care services</b>	General practitioners and nurse practitioners employed in primary care per 100,000 population	74.60	66.10	72.10
<b>Improve access to mental health and addiction services</b>	Median wait time for psychiatry service for clients triaged as urgent (in days)	24.60	21	49
<b>Improve access to community-based specialized care programs for chronic and complex clients</b>	Ambulatory care sensitive conditions (rate per 100,000 population younger than age 74)	420	434	409
<b>Enhance home care services</b>	Average length of stay in the Frail Senior Program for discharged clients (in years)	0.84	0.84	0.90
<b>Goal 3: Innovation and Efficiency</b>				
<b>Improve patient flow</b>	Length of stay (LOS) Variance: acute LOS minus expected LOS (ELOS) (in days)	1.67	2.24	2.23
<b>Reduce emergency department wait times</b>	Emergency department wait time for physician initial assessment (TPIA) - 90th percentile (in hours)	3.50	4.83	5.07
<b>Ensuring appropriate use of ambulatory care services</b>	% of consult-related visits in ambulatory care clinic(s) (potentially inappropriate services)	4.36	4.37	3.95
<b>Increase the use of innovative practices</b>	Total number of real-time clinical sessions delivered via telemedicine	350	498	1,245
<b>Strategic Enablers</b>				
<b>People</b>	Sick days per budgeted full-time equivalent (FTE)	10.52	11.45	5.41
<b>Finance</b>	% of variance from budget	+/-0.5%	0.20%	0.45%
<b>Innovative and efficient technology</b>	% of inpatient encounters with PowerPlan (electronic order set) ordered	100%	97.30	97.90
<b>Collaboration and engagement</b>	Number of collaborative appointments in primary care	1,400	1,578	1,264
<b>Communication and information sharing</b>	Total number of Health PEI content pages, publications, news and events on the Government of PEI website ( <a href="http://www.princeedwardisland.ca">www.princeedwardisland.ca</a> )	973	1,008	1,039

# Definitions

INDICATOR	DESCRIPTION
Adverse events incident rate for acute care patients and long-term care residents - levels 4 & 5 (rate per 1,000 patient/resident days)	The rate for incidents categorized as level 4 (serious injury) and 5 (death or drastic outcome related to incident per 1,000 long-term care resident and acute care patient days).
Percentage of Health PEI Committees with patients and/or families representative(s)	The percentage of Health PEI Committees with a complete complement of patient and family representatives. Committees included support key Health PEI strategic initiatives and accreditation requirements.
Total number of engagement sessions and community conversations related to health	A volume count of the number of formal engagement sessions where staff and/or patients are brought together for educational or planning purposes and community conversations related to health.
General practitioners (GP) and nurse practitioners (NP) employed in primary care per 100,000 population	The standardized rate (per 100,000 population) of the total number of filled FTEs for both GPs and NPs working in Health PEI's primary care networks.
Median wait time for psychiatry service for clients triaged as urgent (in days)	Overall provincial average wait time (in days) for Community Mental Health (CMH) services of an urgent nature. This indicator incorporates both psychiatry (i.e. in community clinics, non-acute) and CMH services (i.e. outreach, therapeutic, seniors) for the triage level of urgent.
Ambulatory care sensitive conditions (rate per 100,000 population younger than age 74)	Age standardized acute care hospitalization rate for conditions where appropriate ambulatory care prevents or reduces the need for hospitalization per 100,000 populations under age 75 years.
Average length of stay in the Frail Senior Program for discharged clients (in years)	The average length of time from the date a client is enrolled in the Frail Senior Program for those discharged over the time period.
Length of stay (LOS) variance: acute LOS minus expected LOS (ELOS) (in days)	The number of days a patient's stay in an acute care hospital exceeds the ELOS. This measure compares acute LOS to ELOS after adjusting for factors that affect in-hospital mortality, such as patient age, sex, diagnosis and other conditions. The ELOS is based on comparison to similar patients in the CIHI Discharge Abstract Database (DAD) national database.
Emergency department wait time for physician initial assessment (TPIA) - 90th percentile (in hours)	The time interval between the earlier of patient registration or triage time to physician initial assessment (90th percentile in hours).
% of consult-related visits in ambulatory care clinic(s) (potentially inappropriate services)	The percentage of potentially inappropriate services occurring within the ambulatory care centres of Prince County Hospital, Queen Elizabeth Hospital, Western Hospital, Community Hospital O'Leary, Kings County Memorial Hospital, and Souris Hospital.
Total number of real-time clinical sessions delivered via telemedicine	A volume count of real time clinical sessions delivered via videoconferencing technology. Clinical sessions are defined as events or sessions involving the clinical use of technology (videoconferencing) towards the care of a patient, such as clinician-to-patient or clinician-to-clinician.
Sick days per budgeted full-time equivalent (FTE)	Total sick hours/number of FTEs
% of variance from budget	Material deviation to mean a deviation of (+/-) 0.5% between actual and budgeted expenditures.
% of inpatient encounters with PowerPlan (electronic order set) ordered	The ratio of inpatient encounters with at least one PowerPlan ordered. The nominator is the total number of inpatient encounters with at least on PowerPlan ordered; the denominator is the total number of inpatient encounters (with or without PowerPlan).
Number of collaborative appointments in primary care	The number of appointments within the primary care health centres that are collaborative between the family physicians and the nurse practitioners; more specifically those that have a billing code of "2510 NURSE PRACTITIONER COLLABORATION".
Total number of Health PEI content pages, publications, news and events on the Government of PEI website (www.princeedwardisland.ca)	The total number of Health PEI content pages, publications, news, and events on the Government of PEI website in both English and French. It is reported on quarterly basis; data as of the last date of the quarter will be used.

# Appendix C

## Audited Financial Statements

### **HEALTH PEI**

Financial Statements  
March 31, 2020



## Management's Report

### *Management's Responsibility for the Financial Statements*

The financial statements have been prepared by management in accordance with Canadian public sector accounting standards and the integrity and objectivity of these statements are management's responsibility. Management is responsible for the notes to the financial statements and for ensuring that this information is consistent, where appropriate, with the information contained in the financial statements.

Management is responsible for implementing and maintaining a system of internal control to provide reasonable assurance that reliable financial information is produced.

Management is accountable to the Board of Directors of Health PEI on matters of financial reporting and internal controls. Management provides internal financial reports to the Board of Directors on a regular basis and externally audited financial statements annually.

The Office of the Auditor General conducts an independent examination, in accordance with Canadian generally accepted auditing standards and expresses their opinion on the financial statements. The Office of the Auditor General has full and free access to financial information and management of Health PEI to meet as required.

On behalf of Health PEI

  
Denise Lewis Fleming  
Chief Executive Officer

  
Pat Ryan  
Comptroller

June 30, 2020



## Prince Edward Island Île-du-Prince-Édouard

### Office of the Auditor General

PO Box 2000, Charlottetown PE  
Canada C1A 7N8

### Bureau du vérificateur général

C.P. 2000, Charlottetown PE  
Canada C1A 7N8

## INDEPENDENT AUDITOR'S REPORT

### To the Board of Directors of Health PEI

#### Opinion

I have audited the financial statements of **Health PEI**, which comprise the statement of financial position as at March 31, 2020 and the statements of operations and accumulated surplus, changes in net debt, and cash flow for the year then ended, and notes to the financial statements including a summary of significant accounting policies.

In my opinion, the financial statements present fairly, in all material respects, the financial position of Health PEI as at March 31, 2020, and the results of its operations, changes in net debt, and cash flow for the year then ended in accordance with Canadian public sector accounting standards.

#### Basis for Opinion

I conducted the audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of Health PEI in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

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

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

In preparing the financial statements, management is responsible for assessing Health PEI's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless an intention exists to liquidate or cease the operations of Health PEI, or there is no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Health PEI's financial reporting process.

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

My objectives are to obtain reasonable assurance about whether the 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 my 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the 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 my 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 Health PEI'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 Health PEI's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause Health PEI to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I 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 I identify during my audit.

  
Gerri Russell, CPA, CA  
Audit Director

Charlottetown, Prince Edward Island  
June 30, 2020



## HEALTH PEI

Statement of Financial Position  
March 31, 2020

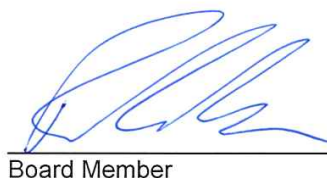
	2020	2019
	\$	\$
<b>Financial Assets</b>		
Cash	6,589,343	24,709,320
Restricted cash (Note 2b)	1,255,658	1,184,200
Accounts receivable (Note 4)	17,442,196	14,594,527
Due from the Department of Health and Wellness	<u>83,317,204</u>	<u>64,066,338</u>
	<u>108,604,401</u>	<u>104,554,385</u>
<b>Liabilities</b>		
Accounts payable and accrued liabilities (Note 7)	112,994,553	110,291,504
Employee future benefits (Note 8)	82,793,069	78,945,589
Deferred donations (Note 2b)	1,255,658	1,184,200
Deferred revenue (Note 9)	<u>2,164,397</u>	<u>1,772,873</u>
	<u>199,207,677</u>	<u>192,194,166</u>
<b>Net Debt</b>	<u>(90,603,276)</u>	<u>(87,639,781)</u>
<b>Non Financial Assets</b>		
Tangible capital assets (Note 12)	253,628,121	253,659,130
Inventories held for use (Note 5)	7,322,922	6,296,005
Prepaid expenses (Note 6)	<u>2,921,237</u>	<u>984,659</u>
	<u>263,872,280</u>	<u>260,939,794</u>
<b>Accumulated Surplus</b>	<u>173,269,004</u>	<u>173,300,013</u>
Trusts under administration (Note 17)	979,575	909,310

(The accompanying notes are an integral part of these financial statements.)

Approved on behalf of Health PEI



Chair, Board of Directors



Board Member

## HEALTH PEI

Statement of Operations and Accumulated Surplus  
for the year ended March 31, 2020

	Budget (Note 19)		
	2020	2020	2019
	\$	\$	\$
<b>Revenues</b>			
Operating grants - Dept. of Health and Wellness	685,283,500	676,066,070	665,946,848
Fees - patient and client (Note 15)	22,789,000	24,030,806	24,028,029
Food services	1,141,400	1,030,440	1,044,543
Federal revenues	3,630,600	3,682,148	2,887,955
Sales	560,400	375,391	436,278
Other	<u>1,288,100</u>	<u>6,185,364</u>	<u>6,539,567</u>
<b>Operational Revenues</b>	<u>714,693,000</u>	<u>711,370,219</u>	<u>700,883,220</u>
Capital grants - Dept. of Health and Wellness	15,791,500	11,308,520	26,562,321
Other capital contributions	<u>4,879,200</u>	<u>8,003,400</u>	<u>5,418,899</u>
<b>Capital Revenues</b>	<u>20,670,700</u>	<u>19,311,920</u>	<u>31,981,220</u>
	<u>735,363,700</u>	<u>730,682,139</u>	<u>732,864,440</u>
<b>Expenses (Note 20)</b>			
Community Hospitals	25,532,100	26,046,966	24,822,393
Acute Care	187,558,400	186,044,549	180,606,509
Addiction Services	12,907,100	13,352,162	12,164,345
Acute Mental Health	21,816,500	21,154,462	20,486,121
Community Mental Health	16,363,800	16,027,989	13,438,520
Continuing Care	73,873,400	78,288,853	71,894,712
Private Nursing Home Subsidies	32,363,700	30,640,810	27,402,771
Public and Dental Health	12,652,900	12,592,626	11,607,221
Provincial Pharmacare Programs	39,510,100	39,159,739	36,658,658
Home Care and Support	21,020,500	20,282,658	19,551,649
Provincial Laboratory and Diagnostic Imaging	33,823,200	34,447,761	33,690,048
Provincial Hospital Pharmacies	7,376,900	6,789,143	6,861,690
Emergency Health Services (Note 14)	-	-	18,390,355
Corporate and Support Services	26,399,500	24,137,942	23,300,170
Medical Programs - In Province	132,774,600	133,762,957	129,452,974
Medical Programs - Out of Province	53,656,400	51,471,161	49,741,922
Primary Care	<u>17,063,900</u>	<u>17,170,441</u>	<u>15,071,291</u>
<b>Program and Service Expenses</b>	714,693,000	711,370,219	695,141,349
Amortization of tangible capital assets	-	18,827,289	16,668,802
Transfer of tangible capital assets – Dept. of Health and Wellness (Note 19)	<u>-</u>	<u>515,640</u>	<u>-</u>
	<u>714,693,000</u>	<u>730,713,148</u>	<u>711,810,151</u>
<b>Annual Surplus (Deficit) (Note 16)</b>	<u>20,670,700</u>	(31,009)	21,054,289
Accumulated Surplus, beginning of year		<u>173,300,013</u>	<u>152,245,724</u>
<b>Accumulated Surplus, end of year</b>		<u>173,269,004</u>	<u>173,300,013</u>

(The accompanying notes are an integral part of these financial statements.)

## HEALTH PEI

Statement of Changes in Net Debt  
for the year ended March 31, 2020

	Budget 2020	2020	2019
	\$	\$	\$
<b>Net Debt, beginning of year</b>	(87,639,781)	(87,639,781)	(93,596,799)
<b>Changes in year:</b>			
Annual surplus (deficit)	20,670,700	(31,009)	21,054,289
Acquisition of tangible capital assets	(20,670,700)	(19,311,920)	(31,981,220)
Transfer of tangible capital assets (Note 12)	-	515,640	-
Proceeds on disposal of tangible capital assets	-	10,570	95,249
Amortization of tangible capital assets	-	18,827,289	16,668,802
Gain on disposal of tangible capital assets	-	(10,570)	(81,965)
(Increase) decrease in inventories	-	(1,026,917)	141,642
(Increase) decrease in prepaid expenses	-	<u>(1,936,578)</u>	<u>60,221</u>
<b>Change in Net Debt</b>	-	<u>(2,963,495)</u>	<u>5,957,018</u>
<b>Net Debt, end of year</b>	<u>(87,639,781)</u>	<u>(90,603,276)</u>	<u>(87,639,781)</u>

(The accompanying notes are an integral part of these financial statements.)

## HEALTH PEI

Statement of Cash Flow  
for the year ended March 31, 2020

	2020	2019
	\$	\$
<b>Cash provided (used) by:</b>		
<b>Operating Activities</b>		
Surplus (deficit) for the year	(31,009)	21,054,289
Gain on disposal of tangible capital assets	(10,570)	(81,965)
Amortization of tangible capital assets	18,827,289	16,668,802
Transfer of tangible capital assets	515,640	-
Changes in:		
Accounts receivable	(2,847,669)	(1,934,516)
Due from the Department of Health and Wellness	(19,250,866)	17,806,009
Accounts payable and accrued liabilities	2,703,049	3,878,120
Employee future benefits	3,847,480	3,803,041
Deferred revenue	391,524	1,721,374
Inventories held for use	(1,026,917)	141,642
Prepaid expenses	<u>(1,936,578)</u>	<u>60,221</u>
<b>Cash provided by operating activities</b>	<u>1,181,373</u>	<u>63,117,017</u>
<b>Capital Activities</b>		
Acquisition of tangible capital assets	(19,311,920)	(31,981,220)
Proceeds on disposal of tangible capital assets	<u>10,570</u>	<u>95,249</u>
<b>Cash used by capital activities</b>	<u>(19,301,350)</u>	<u>(31,885,971)</u>
<b>Change in cash</b>	(18,119,977)	31,231,046
Cash (bank advances), beginning of year	<u>24,709,320</u>	<u>(6,521,726)</u>
<b>Cash, end of year</b>	<u>6,589,343</u>	<u>24,709,320</u>

(The accompanying notes are an integral part of these financial statements.)



## HEALTH PEI

Notes to Financial Statements

March 31, 2020

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### 1. Nature of Operations

Health PEI is a provincial Crown corporation established on April 1, 2010, and operates under the authority of the *Health Services Act*. Health PEI is a government organization named in Schedule B of the *Financial Administration Act* and reports to the Legislative Assembly through the Minister of the Department of Health and Wellness. The mandate of Health PEI is to be responsible for the operation and delivery of all health services in the Province of Prince Edward Island. These services are categorized as follows:

Community Hospitals	Home Care and Support
Acute Care	Public and Dental Health
Addiction Services	Provincial Laboratory and Diagnostic Imaging
Acute Mental Health	Provincial Hospital Pharmacies
Community Mental Health	Emergency Health Services
Continuing Care	Corporate and Support Services
Private Nursing Home Subsidies	Medical Programs - In Province
Provincial Pharmacare Programs	Medical Programs - Out of Province
Primary Care	

Health PEI is a provincial Crown corporation and as such is not subject to taxation under the federal *Income Tax Act*.

### 2. Summary of Significant Accounting Policies

#### Basis of Accounting

These financial statements are prepared by management in accordance with Canadian public sector accounting standards.

Since Health PEI has no unrealized remeasurement gains or losses attributable to foreign exchange, derivatives, portfolio investments, or other financial instruments, a statement of remeasurement gains and losses is not prepared.

#### a) Cash

Cash includes cash on hand and balances on deposit with financial institutions, net of overdrafts.

#### b) Restricted Cash

Restricted cash consists of funds received as donations by a health facility or program that are restricted for the purchase of equipment, supplies, and/or other needs of the specific facility or program.

## HEALTH PEI

Notes to Financial Statements

March 31, 2020

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### 2. Summary of Significant Accounting Policies (continued...)

#### c) Accounts Receivable

Accounts receivable are recorded at cost less any provision when collection is in doubt. The provision includes specific receivables which are known to be doubtful and an estimated unrecoverable amount for receivables taking into consideration receivable age, customer specifics, and historical success in recoveries.

#### d) Inventories Held for Use

Inventories of supplies as described in Note 5 are recorded at the lower of the moving average and replacement cost. Supplies held on nursing units and other hospital departments are estimated based on stock levels and cost. Damaged, obsolete, or otherwise unusable inventory is expensed as identified. Inventories of supplies that are resold to the public are not segregated due to their immaterial value.

#### e) Due from the Department of Health and Wellness

Amounts due to or from the Department of Health and Wellness arise from the difference between cash flows provided to Health PEI and expenditures up to a maximum of the approved grant from the Department. These balances have no repayment terms and are non-interest bearing.

#### f) Deferred Revenue

Certain amounts are received pursuant to legislation, regulation, or agreement and may only be used in the conduct of certain programs or in the delivery of specific services and transactions. These amounts are recognized as revenue when eligibility criteria, if any, have been met.

#### g) Tangible Capital Assets

Tangible capital assets are recorded at cost, which includes amounts that are directly related to the acquisition, design, construction, development, improvement, and/or betterment of the assets. Cost includes overhead directly attributable to construction and development. Interest, if any, on capital projects is expensed as incurred.

For each category of tangible capital assets, only assets meeting a minimum dollar threshold for that category are recorded as capital assets.

The cost of assets under construction is not amortized until construction is complete and the asset is available for use. In the year of acquisition, one half of the annual amortization is recorded.

## HEALTH PEI

Notes to Financial Statements

March 31, 2020

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### 2. Summary of Significant Accounting Policies (continued...)

The cost of the tangible capital assets, excluding land, is amortized on a straight-line basis over their estimated useful lives as follows:

Buildings	40 years
Building improvements	10 years
Leasehold improvements	Lease term
Paving	10 years
Equipment	5 years
Computer hardware	5 years
Computer software systems	5-20 years
Motor vehicles	5 years

Tangible capital assets are written down when conditions indicate they no longer contribute to Health PEI's ability to provide goods and services, or when the value of the future economic benefits associated with the tangible capital assets are less than their net book value. Write-downs are expensed when identified.

#### h) Prepaid Expenses

Prepaid expenses, as described in Note 6, are charged to expenses over the periods expected to benefit.

#### i) Revenues

Revenues are recorded on an accrual basis in the period in which the transaction or event which gave rise to the revenue occurred. When accruals cannot be determined with a reasonable degree of certainty or when their estimation is impracticable, revenues are recorded as received.

Transfers (revenues from non-exchange transactions) are recognized as revenue when the transfer is authorized, any eligibility criteria are met, and a reasonable estimate of the amount can be made. Transfers are recognized as deferred revenue when amounts have been received but eligibility criteria have not been met and stipulations exist which give rise to a liability.

#### j) Expenses

Expenses are recorded on an accrual basis in the period in which the transaction or event which gave rise to the expense occurred.

Transfers include entitlements, grants, and transfers under cost shared agreements. Grants and transfers are recorded as expenses when the transfer is authorized, eligibility criteria have been met by the recipient, and a reasonable estimate of the amount can be made.

## HEALTH PEI

Notes to Financial Statements  
March 31, 2020

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### 2. Summary of Significant Accounting Policies (continued...)

#### k) Foreign Currency Translation

Monetary assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the exchange rate prevailing at year-end. Foreign currency transactions are translated at the exchange rate prevailing at the date of the transaction.

Health PEI has limited exposure to foreign currency, as substantially all of its transactions are conducted in Canadian dollars and year-end foreign currency balances are not significant.

#### l) Use of Estimates and Measurement Uncertainty

The preparation of 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 financial statements and the reported amounts of the revenues and expenses during the period. Items requiring the use of significant estimates include the useful life of capital assets, employee retirement and sick leave benefits, provisions for doubtful accounts including accounts receivable related to recovery of assessments arising from internal audits of physician billings, inventory of supplies held on nursing units and other hospital departments, accrued liabilities for out-of-province and in-province health services including academic funding premiums payable to Nova Scotia, and negotiated settlements with unions and other employees.

Estimates are based on the best information available at the time of preparation of the 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 and the differences could be material.

### 3. Financial Instruments

#### Fair Value

Health PEI's financial instruments consist of cash, accounts receivable, amounts due from the Department of Health and Wellness, accounts payable and accrued liabilities. Due to their short-term nature, the carrying value of these financial instruments approximate their fair value.

#### Risk Management

Health PEI is exposed to a number of risks as a result of the financial instruments on its statement of financial position that can affect its operating performance. These risks include credit and liquidity risk. Health PEI's financial instruments are not subject to significant market, interest rate, foreign exchange, or price risk.



## HEALTH PEI

Notes to Financial Statements  
March 31, 2020

### 3. Financial Instruments (continued...)

#### Credit Risk

Health PEI is exposed to credit risk with respect to accounts receivable. Health PEI has a collection policy and monitoring processes intended to mitigate potential credit losses. Health PEI maintains provisions for potential credit losses that are assessed on an on-going basis. The provision for doubtful accounts is disclosed in Note 4.

#### Liquidity Risk

Health PEI is subject to minimal liquidity risk. Liquidity risk is the risk that Health PEI will not be able to meet its financial obligations as they fall due. Health PEI's approach to managing liquidity is to evaluate current and expected liquidity requirements, and to communicate these requirements with the Province of Prince Edward Island to ensure that provincial funding grant payments are timed accordingly.

### 4. Accounts Receivable

	<u>2020</u>	<u>2019</u>
	\$	\$
Fees and revenues receivable	5,718,480	5,308,967
Product listing agreement rebates	5,746,705	5,062,932
Assessments of physician billings	852,999	2,071,151
Hospital foundations	3,880,699	2,127,175
Province of Prince Edward Island	803,817	280,557
Employee advances	379,127	432,428
Other	<u>2,393,189</u>	<u>2,294,066</u>
	19,775,016	17,577,276
Less: provision for doubtful accounts	<u>(2,332,820)</u>	<u>(2,982,749)</u>
	<u>17,442,196</u>	<u>14,594,527</u>

The aging of fees and revenues receivable is as follows:

	<u>2020</u>	<u>2019</u>
	\$	\$
Current	2,896,250	2,792,578
61-90 days	136,247	302,830
91-180 days	469,789	337,056
Greater than 180 days	<u>2,216,194</u>	<u>1,876,503</u>
	<u>5,718,480</u>	<u>5,308,967</u>

## HEALTH PEI

Notes to Financial Statements

March 31, 2020

### 5. Inventories Held for Use

	<u>2020</u>	<u>2019</u>
	\$	\$
Medical, surgical, general supplies	4,927,624	4,308,216
Drugs	2,018,551	1,671,236
Food and other supplies	<u>376,747</u>	<u>316,553</u>
	<u>7,322,922</u>	<u>6,296,005</u>

### 6. Prepaid Expenses

	<u>2020</u>	<u>2019</u>
	\$	\$
Maintenance contracts	860,948	924,619
Workers Compensation Board fees	1,858,609	-
Other	<u>201,680</u>	<u>60,040</u>
	<u>2,921,237</u>	<u>984,659</u>

### 7. Accounts Payable and Accrued Liabilities

	<u>2020</u>	<u>2019</u>
	\$	\$
Accounts payable	26,534,749	29,273,143
Accrued liabilities	33,842,133	33,721,491
Salaries and benefits payable	30,109,761	26,588,814
Accrued vacation pay	<u>22,507,910</u>	<u>20,708,056</u>
	<u>112,994,553</u>	<u>110,291,504</u>

### 8. Employee Future Benefits

#### a) Retirement Allowance

Health PEI provides a retirement allowance to its permanent employees in accordance with the applicable collective agreement. The amount paid to eligible employees at retirement is one week's pay per year of eligible service based on the rate of pay in effect at the retirement date to the maximum specified in the applicable collective agreement. These benefits are unfunded. The benefit costs and liabilities related to these allowances are included in these financial statements.

The most recent actuarial valuation for accounting purposes prepared by the actuarial consulting firm Morneau Shepell, disclosed an accrued benefit obligation of \$51,970,300 as at April 1, 2017. The total liability is projected by Health PEI in the years between the tri-annual valuations. The April 1, 2020 valuation is scheduled to be completed in the next fiscal year.

## HEALTH PEI

Notes to Financial Statements

March 31, 2020

### 8. Employee Future Benefits (continued...)

The economic assumptions used in the determination of the actuarial value of the accrued retirement allowance were developed by reference to the expected long-term borrowing rate of the Province of Prince Edward Island as of April 1, 2017. Significant actuarial assumptions used in the valuation and projections are:

Discount rate: 3.26% (Projections: April 1, 2018 - 3.30%, April 1, 2019 - 2.99%)

Expected salary increase: 2.70% per annum and promotional scale

Expected average remaining service life: 12 years

Retirement age: varying by age and service, with all employees retiring between the ages of 55 and 66. Employees age 66 and older at the valuation date are assumed to retire one year after the valuation date.

A revised discount rate of 2.67% at April 1, 2020 has also been applied resulting in an increase of \$1,807,144 to the accrued benefit obligation and a corresponding increase in the unamortized gains and losses at March 31, 2020.

	<u>2020</u>	<u>2019</u>
	\$	\$
<b>Balance, beginning of year</b>	52,181,008	48,989,723
Current service cost	4,652,528	4,338,773
Interest accrued on liability	1,738,404	1,782,402
Amortization of actuarial gains & losses	713,172	581,714
Less: payments made	<u>(3,935,277)</u>	<u>(3,511,604)</u>
<b>Balance, end of year</b>	<u>55,349,835</u>	<u>52,181,008</u>
Gross accrued benefit obligation	62,044,800	57,782,000
Unamortized actuarial gains & losses	<u>(6,694,965)</u>	<u>(5,600,992)</u>
Net accrued benefit obligation	<u>55,349,835</u>	<u>52,181,008</u>

#### b) Accrued Sick Leave

Health PEI employees accumulate sick leave credits at a rate of 11.25 hours for each 162.5 paid hours. Members of the excluded (management) group can accumulate to a maximum of 1,950 hours with the exception of three grandfathered members whose sick leave balances are currently higher than 1950 hours. All other employees can accumulate to a maximum of 1,612.50 hours. An actuarial estimate for this future liability has been completed and forms the basis for the estimated liability reported in these financial statements

## HEALTH PEI

Notes to Financial Statements

March 31, 2020

### 8. Employee Future Benefits (continued...)

The most recent actuarial valuation for accounting purposes prepared by the actuarial consulting firm Morneau Shepell, disclosed an accrued benefit obligation of \$22,924,600 as at April 1, 2017. The total liability is projected by Health PEI in the years between the tri-annual valuations. The April 1, 2020 valuation is scheduled to be completed in the next fiscal year.

The economic assumptions used in the determination of the actuarial value of accrued sick leave benefits were developed by reference to the expected long-term borrowing rate of the Province of Prince Edward Island as at April 1, 2017.

Significant actuarial assumptions used in the valuation and projections are:

Discount rate: 3.26% (Projections: April 1, 2018 - 3.30%, April 1, 2019 - 2.99%)

Expected salary increase: 2.70% per annum and promotional scale

Expected average remaining service life: 14 years

Termination rates: CSSA Termination scale, with no members assumed to terminate after they earn 30 years of service or age 55 years and over with more than two years of service.

Retirement age: varying by age and service, with all employees retiring between the ages of 55 and 66. Employees age 55 and older at the valuation date are assumed to retire according to the CSSA retirement scale starting one year after the valuation date.

A revised discount rate of 2.67% at April 1, 2020 has also been applied resulting in an increase of \$578,097 to the accrued benefit obligation and a corresponding decrease in the unamortized gains and losses at March 31, 2020.

	<u>2020</u>	<u>2019</u>
	\$	\$
<b>Balance, beginning of year</b>	26,764,581	26,152,825
Current service cost	3,134,820	2,992,501
Interest accrued on liability	729,262	762,283
Amortization of actuarial gains & losses	(85,450)	(122,923)
Less: payments made	<u>(3,099,979)</u>	<u>(3,020,105)</u>
<b>Balance, end of year</b>	<u>27,443,234</u>	<u>26,764,581</u>
Gross accrued benefit obligation	25,714,800	24,372,600
Unamortized actuarial gains & losses	<u>1,728,434</u>	<u>2,391,981</u>
Net accrued benefit obligation	<u>27,443,234</u>	<u>26,764,581</u>



## HEALTH PEI

Notes to Financial Statements  
March 31, 2020

### 8. Employee Future Benefits (continued...)

#### c) Pension and Other Benefits

- i) All permanent employees of Health PEI, other than physicians, participate in the multi-employer contributory defined benefit pension plan as defined by the *Civil Service Superannuation Act*. This Plan provides a pension on retirement based on two percent of the average salary for the highest three years times the number of years of pensionable service, for service to December 31, 2013, and two percent of the career average salary indexed with cost-of-living adjustments, for service after 2013. Indexing is subject to the funded level of the Plan after December 31, 2016.

The Plan is administered by the Province of Prince Edward Island. Additional information on the pension plan as defined in the *Civil Service Superannuation Act* can be found in the notes to the Public Accounts of the Province of Prince Edward Island. The province is responsible for any unfunded liabilities of the plan. A total of \$21,146,381 (2019 - \$19,963,424) was contributed towards the Civil Service Superannuation Plan as the employer share of contributions.

- ii) Salaried physicians maintain their own personal RRSP accounts to which Health PEI makes contributions in accordance with the Master Agreement between the Medical Society of Prince Edward Island and the Province of Prince Edward Island. Health PEI's contributions are equivalent to nine percent of the physician's base salary and shall not exceed 50 percent of the maximum permissible contribution provided for in the *Income Tax Act*. Health PEI's liability is limited to its required contributions in accordance with the agreement. A total of \$1,296,653 (2019 - \$1,247,906) was contributed towards salaried physicians' personal RRSP accounts.
- iii) The Public Sector Group Insurance Plan provides life insurance, long-term disability, and health and dental benefits to eligible employees of Health PEI. The Plan is administered by a multi-employer, multi-union Board of Trustees who are responsible for any unfunded liabilities of the Plan. The cost of insured benefits reflected in these financial statements are the employer's portion of the insurance premiums owed for employee coverage during the period.

### 9. Deferred Revenue

Deferred revenues set aside for specific purposes as required either by legislation, regulation, or agreement as at March 31, 2020:

	Balance, beginning of year	Receipts during year	Transferred to revenue	Balance, end of year
	\$	\$	\$	\$
Health promotion projects	1,700,818	5,174,397	(4,710,818)	2,164,397
Other projects	<u>72,055</u>	<u>-</u>	<u>(72,055)</u>	<u>-</u>
	<u>1,772,873</u>	<u>5,174,397</u>	<u>(4,782,873)</u>	<u>2,164,397</u>

## HEALTH PEI

Notes to Financial Statements  
March 31, 2020

### 10. Contractual Rights

Health PEI has entered into a number of multi-year contracts. These contractual rights will become revenue and assets in the future when the terms of the contracts are met. Significant rights for the next three years and beyond include:

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>Thereafter</u>
	\$	\$	\$	\$
Home and Community Care and Mental Health and Addictions Services	5,170,000	6,210,000	-	-
Official Languages Health Program	442,948	250,000	250,000	-
Canadian Partnership against Cancer	<u>253,107</u>	<u>128,906</u>	<u>-</u>	<u>-</u>
	<u>5,866,055</u>	<u>6,588,906</u>	<u>250,000</u>	<u>-</u>

### 11. Contingent Liabilities

Health PEI is subject to legal actions arising in the normal course of business. At March 31, 2020, there were a number of outstanding legal claims against Health PEI. Costs and damages, if any, related to these outstanding claims are the responsibility of the Prince Edward Island Self-Insurance and Risk Management Fund. The Fund provides general liability, errors and omissions, primary property, crime, and automobile liability insurance. The Fund is administered by the Province of Prince Edward Island and the province is responsible for any liabilities of the Fund.

### 12. Tangible Capital Assets

	<u>Land and land improvements</u>	<u>Buildings and improvements</u>	<u>Equipment and vehicles</u>	<u>Computer hardware and software</u>	<u>2020 Total</u>	<u>2019 Total</u>
	\$	\$	\$	\$	\$	\$
<b>Cost</b>						
Opening balance	3,263,413	316,184,666	132,715,871	58,812,180	510,976,150	484,113,994
Additions	-	7,300,198	10,860,654	1,151,068	19,311,920	31,981,220
Disposals	-	-	(1,740,468)	-	(1,740,468)	(5,119,064)
Transfers (Note 19)	-	(515,640)	-	-	(515,640)	-
Adjustments <sup>1</sup>	-	-	(59,799,531)	-	(59,799,531)	-
Closing balance	<u>3,263,413</u>	<u>322,969,244</u>	<u>82,036,526</u>	<u>59,963,248</u>	<u>468,232,431</u>	<u>510,976,150</u>
<b>Accumulated Amortization</b>						
Opening balance	1,105,344	102,764,665	110,535,688	42,911,323	257,317,020	245,753,998
Disposals	-	-	(1,740,468)	-	(1,740,468)	(5,105,780)
Amortization	37,746	7,496,198	7,253,982	4,039,363	18,827,289	16,668,802
Adjustments <sup>1</sup>	-	-	(59,799,531)	-	(59,799,531)	-
Closing balance	<u>1,143,090</u>	<u>110,260,863</u>	<u>56,249,671</u>	<u>46,950,686</u>	<u>214,604,310</u>	<u>257,317,020</u>
<b>Net book value</b>	<u>2,120,323</u>	<u>212,708,381</u>	<u>25,786,855</u>	<u>13,012,562</u>	<u>253,628,121</u>	<u>253,659,130</u>

<sup>1</sup> During the fiscal year, management of Health PEI reviewed its opening balances of equipment and vehicles that were carried forward from previous organizations that existed before the creation of Health PEI in 2010. These assets have been fully amortized in previous

## HEALTH PEI

Notes to Financial Statements

March 31, 2020

### 12. Tangible Capital Assets (continued...)

years, and are no longer considered to be in use. As a result, Health PEI has recorded an adjustment of \$59,799,531 to both cost and accumulated amortization of equipment and vehicles, resulting in a net adjustment of \$0 to the net book value.

It is management's intension to review the remaining asset classes, over the next two years, to identify assets no longer in use. This is not expected to have a material impact on the net book value of tangible capital assets as the adjustments will impact both cost and accumulated amortization.

Cost at March 31, 2020 includes assets under construction as follows:

	<u>2020</u>	<u>2019</u>
	\$	\$
Queen Elizabeth Hospital	118,612	2,357,395
Prince County Hospital	368,953	2,420,027
Riverview Manor	-	11,352,633
Hillsborough Hospital	-	997,094
Other buildings - major improvements	1,148,507	646,180
Equipment	1,879,118	2,923,958
Computer hardware and software	<u>816,815</u>	<u>630,231</u>
	<u>4,332,005</u>	<u>21,327,518</u>

### 13. Contractual Obligations

Health PEI has entered into a number of multi-year contracts. These contractual obligations will become liabilities in the future when the terms of the contracts are met. Significant obligations for the next five years and beyond include:

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>Thereafter</u>
	\$	\$	\$	\$	\$	\$
Private nursing homes	27,672,072	-	-	-	-	-
IT maintenance	2,850,053	1,870,075	1,870,075	949,005	27,934	27,934
PEI Medical Society	1,837,882	-	-	-	-	-
Maintenance contracts	1,014,795	889,933	750,159	628,636	454,148	1,668,992
Education funds	1,500,000	1,000,000	800,000	800,000	-	-
Facility rental	600,050	649,000	666,600	684,750	-	-
Home and Community Care and Mental Health and Addictions Services	5,170,000	6,210,000	-	-	-	-
Other	<u>7,188,493</u>	<u>3,986,283</u>	<u>2,679,569</u>	<u>920,235</u>	<u>640,990</u>	<u>3,301,653</u>
	<u>47,833,345</u>	<u>14,605,291</u>	<u>6,766,403</u>	<u>3,982,626</u>	<u>1,123,072</u>	<u>4,998,579</u>

Health PEI has \$1,614,757 in outstanding contractual commitments for capital projects that commenced on or before March 31, 2020, and are still incomplete.

## HEALTH PEI

Notes to Financial Statements

March 31, 2020

### 14. Related Party Transactions

Key management personnel of Health PEI, including the Chief Executive Officer, members of the senior management team, and members of the Board of Directors, are considered to be related parties of Health PEI. Related party transactions with key management personnel consist primarily of compensation related payments to senior management and are considered to be undertaken on similar terms and conditions to those adopted if the entities were dealing at arm's length.

Health PEI had the following transactions with the Province of Prince Edward Island and other government controlled organizations:

	<u>2020</u>	<u>2019</u>
	\$	\$
Transfers from the Province of Prince Edward Island:		
Operating grant - Department of Health and Wellness	676,066,070	660,204,977
Special Warrant related to prior period shortfall	-	5,741,871
Capital grant - Department of Health and Wellness	11,308,520	26,562,321
Salary recoveries	1,133,484	588,112
Other sales and expenses	<u>681,266</u>	<u>668,305</u>
	<u>689,189,340</u>	<u>693,765,586</u>
Transfers to the Province of Prince Edward Island:		
Salary reimbursements	608,594	460,386
Insurance premiums	2,187,754	2,111,060
Public Service Commission	641,630	641,630
Property Taxes	415,331	460,916
Other expenses	<u>1,552,275</u>	<u>1,596,292</u>
	<u>5,405,584</u>	<u>5,270,284</u>

Included within the accounts receivable balance at year-end are \$803,817 (2019 - \$280,557) of transfers due from the Province of Prince Edward Island. Included within the accounts payable balance at year-end are \$1,486,543 (2019 - \$1,552,144) of transfers due to the Province of Prince Edward Island.

Effective April 1, 2019, the Department of Health and Wellness assumed administrative responsibility of the Emergency Health Services division.

The Province of Prince Edward Island provides the use of several facilities and certain maintenance services for some of these facilities at no cost to Health PEI. Health PEI is responsible for most operational and maintenance costs related to these facilities.



## HEALTH PEI

Notes to Financial Statements

March 31, 2020

### 15. Fees - Patient and Client

	<u>2020</u>	<u>2019</u>
	\$	\$
Continuing Care resident fees	13,979,893	13,321,180
Hospital medical services:		
Non-residents	5,545,252	6,483,746
Uninsured hospital services - workers compensation	2,046,400	1,915,064
Other uninsured hospital services	2,258,466	2,008,484
Hospital preferred room accommodations	180,672	263,024
Other	<u>20,123</u>	<u>36,531</u>
	<u>24,030,806</u>	<u>24,028,029</u>

### 16. Annual Surplus (Deficit)

Each year Health PEI is granted an operating and capital budget appropriation. The operating budget includes revenues and expenses associated with providing daily health services. The capital budget includes spending and funding related to acquisition, construction, development and betterment of tangible capital assets. Amortization expenses are budgeted by the province as described in Note 19. Throughout the fiscal year, Health PEI regularly communicates with the Department of Health and Wellness and the Department of Finance on the expected operational results for the year and action plans developed to address potential deficits. If the required funds are not available within the existing appropriation, a request for a special warrant is prepared to seek additional funding.

The annual deficit for the year ended March 31, 2020 was comprised of:

	<u>Operational</u>	<u>Capital</u>	<u>2020</u>
	\$	\$	\$
Grants - Dept. of Health and Wellness	676,066,070	11,308,520	687,374,590
Other revenues	<u>35,304,149</u>	<u>8,003,400</u>	<u>43,307,549</u>
Total revenues	711,370,219	19,311,920	730,682,139
Program and service expenses	711,370,219	-	711,370,219
Amortization	-	18,827,289	18,827,289
Transfer of tangible assets - Dept. of Health and Wellness	-	<u>515,640</u>	<u>515,640</u>
Surplus (Deficit)	<u>-</u>	<u>(31,009)</u>	<u>(31,009)</u>

### 17. Trusts Under Administration

At March 31, 2020, the balance of funds held in trust for residents of facilities in Continuing Care was \$979,575 (2019 - \$909,310). These trusts consist of a monthly comfort allowance provided to Continuing Care residents who qualify for subsidization of resident fees. These amounts are not included in the statement of financial position.

## HEALTH PEI

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### 18. Impact of COVID-19

In March 2020, the World Health Organization declared a global pandemic due to the novel coronavirus (COVID-19). The situation is constantly evolving, and the measures put in place are having impacts on organizations that provide health services, as well as multiple impacts on provincial, national and global economies.

Management is working closely with the Province of Prince Edward Island to monitor the situation, and Health PEI continues to manage the operation and delivery of health services in Prince Edward Island according to its mandate. Health PEI has taken measures to reinforce its ability to deliver services in the event of potential spread of COVID-19 in Prince Edward Island. These measures have included temporarily reducing the number of inpatients at Queen Elizabeth Hospital and Prince County Hospital, temporarily reducing the number of elective surgeries, redeployment of staff to areas of greatest need, implementing enhanced infection control and physical distancing measures at its facilities, and working to procure additional supply of capital equipment, personal protective equipment, and testing supplies.

These measures will result in additional expenditures in some areas, as well as reductions in expenditures in other areas. Reductions in certain revenues are expected on a temporary basis, including hospital revenue from non-resident patients.

The overall effect of these events on the organization and its operations is too uncertain to be estimated at this time. The impacts will be accounted for when they are known and may be assessed.

### 19. Budgeted Figures

Budgeted figures have been provided for comparative purposes and have been derived from the estimates approved by the Legislative Assembly of the Province of Prince Edward Island.

The budget for amortization of tangible capital assets remains with the Province of Prince Edward Island. For the fiscal year ended March 31, 2020, the province budgeted \$20,027,400 for amortization of Health PEI's tangible capital assets.

During the year, responsibility for a capital project for mental health and addictions facilities that had originally been approved for Health PEI was transferred to the Department of Health and Wellness. Health PEI has reduced its capital budget by \$10,244,600 for the year ending March 31, 2020. Capital assets from prior years, totalling \$515,640, have been transferred back to the Department of Health and Wellness.

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### 19. Budgeted Figures (continued...)

Subsequent to the tabling of the 2019 P.E.I. Estimates of Revenue and Expenditures, Health PEI reallocated certain budget amounts among its divisions. The following table shows the reallocation of the original approved budget.

	Original Approved Budget	Adjustments Between Divisions	Budget - Statement of Operations
	\$	\$	\$
<b>Revenues</b>			
Operating grants - Dept. of Health and Wellness	685,283,500	-	685,283,500
Fees - patient and client	22,789,000	-	22,789,000
Food services	1,141,400	-	1,141,400
Federal revenues	3,630,600	-	3,630,600
Sales	560,400	-	560,400
Other	<u>1,288,100</u>	<u>-</u>	<u>1,288,100</u>
<b>Operational Revenues</b>	<u>714,693,000</u>	<u>-</u>	<u>714,693,000</u>
Capital grants - Dept. of Health and Wellness	26,036,100	(10,244,600)	15,791,500
Other capital contributions	<u>4,879,200</u>	<u>-</u>	<u>4,879,200</u>
<b>Capital Revenues</b>	<u>30,915,300</u>	<u>(10,244,600)</u>	<u>20,670,700</u>
	<u>745,608,300</u>	<u>(10,244,600)</u>	<u>735,363,700</u>
<b>Expenses</b>			
Community Hospitals	25,350,000	182,100	25,532,100
Acute Care	187,365,500	192,900	187,558,400
Addiction Services	12,908,700	(1,600)	12,907,100
Acute Mental Health	21,815,200	1,300	21,816,500
Community Mental Health	16,319,200	44,600	16,363,800
Continuing Care	73,894,700	(21,300)	73,873,400
Private Nursing Home Subsidies	32,416,000	(52,300)	32,363,700
Public and Dental Health	12,666,900	(14,000)	12,652,900
Provincial Pharmacare Programs	39,440,100	70,000	39,510,100
Home Care and Support	21,048,900	(28,400)	21,020,500
Provincial Laboratory and Diagnostic Imaging	33,731,600	91,600	33,823,200
Provincial Hospital Pharmacies	7,345,500	31,400	7,376,900
Emergency Health Services	108,500	(108,500)	-
Corporate and Support Services	26,245,900	153,600	26,399,500
Medical Programs - In Province	132,926,900	(152,300)	132,774,600
Medical Programs - Out of Province	54,226,300	(569,900)	53,656,400
Primary Care	<u>16,883,100</u>	<u>180,800</u>	<u>17,063,900</u>
	<u>714,693,000</u>	<u>-</u>	<u>714,693,000</u>
<b>Annual Surplus</b>	<u>30,915,300</u>	<u>(10,244,600)</u>	<u>20,670,700</u>

## HEALTH PEI

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### 20. Expenses by Type

The following is a summary of expenses by type:

	<u>Compensation</u>	<u>Supplies</u>	<u>Sundry*</u>	<u>Equipment</u>	<u>Contracted Out Services</u>	<u>Buildings and Grounds</u>	<u>2020 Total</u>
	\$	\$	\$	\$	\$	\$	\$
Community Hospitals	19,903,565	4,161,927	657,206	507,333	503,163	313,772	26,046,966
Acute Care	135,162,369	39,243,241	3,214,283	3,453,245	3,539,655	1,431,756	186,044,549
Addiction Services	11,204,244	941,690	917,299	112,140	84,802	91,987	13,352,162
Acute Mental Health	18,397,051	1,580,007	257,986	105,756	642,490	171,172	21,154,462
Community Mental Health	13,757,559	147,566	1,348,688	68,424	693,058	12,694	16,027,989
Continuing Care	67,106,718	7,158,427	1,882,879	681,215	269,148	1,210,466	78,288,853
Private Nursing Home Subsidies	-	-	30,640,810	-	-	-	30,640,810
Public and Dental Health	10,913,892	489,513	332,174	51,502	775,085	30,460	12,592,626
Provincial Pharmacare Programs	714,055	420,883	36,041,601	1,235	1,981,965	-	39,159,739
Home Care and Support	17,372,801	511,869	1,261,668	86,047	1,032,428	17,845	20,282,658
Provincial Laboratory and Diagnostic Imaging	20,192,076	12,176,972	442,727	203,700	1,426,073	6,213	34,447,761
Provincial Hospital Pharmacies	6,621,275	10,905	111,737	3,227	37,285	4,714	6,789,143
Corporate and Support Services	16,403,578	1,893,024	3,431,903	1,644,719	757,116	7,602	24,137,942
Medical Programs - In Province	121,081,638	197,795	5,199,790	14,418	7,269,316	-	133,762,957
Medical Programs - Out of Province	620,499	2,719	214,584	-	50,633,359	-	51,471,161
Primary Care	<u>15,047,106</u>	<u>795,725</u>	<u>758,985</u>	<u>291,493</u>	<u>160,232</u>	<u>116,900</u>	<u>17,170,441</u>
	<u>474,498,426</u>	<u>69,732,263</u>	<u>86,714,320</u>	<u>7,204,454</u>	<u>69,805,175</u>	<u>3,415,581</u>	<u>711,370,219</u>

\*Sundry expenses are defined by the Management Information System Standards of the Canadian Institute for Health Information and consist of expenses that cannot be otherwise classified as Compensation, Supplies, Equipment, Contracted Out Services, or Buildings and Grounds. Sundry expenses includes operating grants to non-government organizations, public drug program subsidies, and grants established under union collective agreements.





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