

HEALTH PEI
Annual Report
2018-2019



Health PEI
One Island Health System

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Contents

- 1 Message from Health PEI's Board Chair and CEO
- 2 Health Care in PEI
- 3 Strategic Direction
- 4 Year in Review
 - 5 Goal 1 – Quality and Safety
 - 10 Goal 2 – Access and Coordination
 - 16 Goal 3 – Innovation and Efficiency
- 20 Financial Highlights
- 22 Looking Ahead
- 23 Health PEI by the Numbers
- 25 Organizational Structure
- 26 References
- 27 Appendix A – Scorecard
- 29 Appendix B – Audited Financial Statements

A Message from Health PEI's Board Chair and Chief Executive Officer



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 2018-19 Annual Report for Health PEI. This annual report provides an overview of our accomplishments, challenges, performance and financial results for 2018-19.

The 2018-19 fiscal year has been one of change and progress toward our strategic goals of *Quality and Safety, Access and Coordination* and *Innovation and Efficiency*. We continue to focus on balancing the health care needs of Islanders in an environment where demand is high, with the need to provide patient- and family-centered care and to improve access to our services.

This past year has brought forward many leadership changes to our organization. We have a new Board of Directors and Chief Executive Officer. During the development of this report, a new Minister and Deputy Minister of Health and Wellness were also appointed. In addition to these changes, new innovative practices have been implemented to help us enhance the care we provide and improve patient outcomes.

It is our privilege to acknowledge and thank Health PEI's staff, physicians and volunteers who provide care to Islanders that demonstrates 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 Care in PEI

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 legislated documents and their departmental strategic plan¹. The alignment of priorities between Health PEI and the department is critical for ensuring both organizations are working together to create measurable progress on 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 Prince Edward Island¹. 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. Collaboration and engagement are key driving forces in Health PEI's services. Every day, staff and physicians make efforts to ensure patients feel they are a partner in their care and health outcomes. Health PEI has worked to embed patient and family advisors into programs and committees across the province and has maintained partnerships with a number of government departments and organizations across the province in order to provide quality health care services to Islanders.

The 2018-19 Annual Report is provided to satisfy legislative requirements in the *Health Services Act*¹ and the *Financial Administration Act*². This annual report is a document that supports Health PEI's reporting and accountability requirement to the PEI Legislative Assembly and the general public.

Health PEI at a Glance

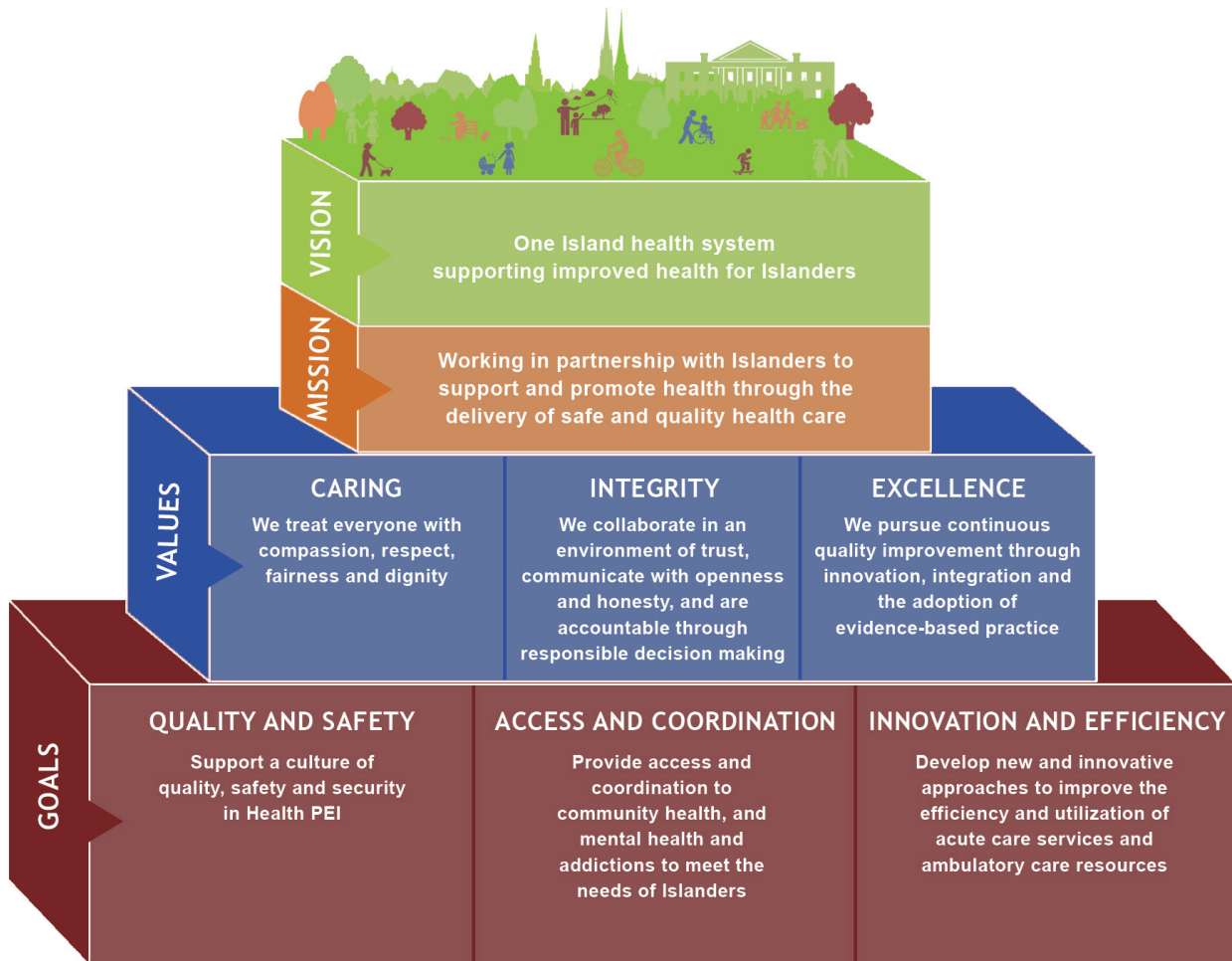


* Hospitals include six (6) acute care hospitals and one (1) psychiatric hospital

** Long-Term Care Homes include public long-term care nursing facilities only

2017-2020

Strategic Direction



Supporting Our Strategy



PEOPLE



ENGAGEMENT



COMMUNICATION



TECHNOLOGY



www.healthpei.ca/strategicplan

2018-2019

Year in Review

The 2018-19 Annual Report outlines key Health PEI activities from April 1, 2018 to March 31, 2019 to enhance care provided and to achieve the strategic goals of *Quality and Safety*, *Access and Coordination* and *Innovation and Efficiency*³.

2018-19 was a transition year for Health PEI with the appointment of a new Board of Directors and Chief Executive Officer. Over the last year, Health PEI has achieved improvements in the care provided by maintaining a continued focus on patient- and family-centered care; expanding community-based services; and implementing staff-led initiatives to improve the patient journey through the health system.

Across Canada, health authorities are looking for innovative ways to provide care due to the growing demand for services, increasing costs, increased competition for the recruitment and retention of staff, the aging workforce and the increasing complexity of patient needs. Health PEI will continue to work with patients, families, staff, physicians, community partners and the Department of Health and Wellness to develop or renew programs and services that address these challenges.

Strategic Performance Indicators (SPIs) are monitored quarterly and are used to measure performance and to identify areas in the three strategic goal areas in which improvements are needed. Each strategic goal is aligned with a set of indicators that show progress or areas which enhancements are required. Health PEI uses a scorecard to monitor its performance. This scorecard summarizes the SPIs in Appendix A. The majority of SPIs can be broken down into different areas or facilities to provide managers and staff with performance data. The scorecard is also reviewed by the Board of Directors and the Executive Leadership Team on a quarterly basis. Overall, in 2018-19 Health PEI has made progress toward its strategic goals; however, challenges regarding access and timely care still exist. Health PEI will continue to strive toward improving system performance.

In this year's annual report, patient and family advisors are featured. Patient and family advisors support health care on Prince Edward Island by helping Health PEI understand the perspective of those who benefit from the health care programs and services offered across the province. Advisors share their stories, participate on quality improvement teams, review information materials and provide the patient/family perspective on Health PEI policies and programs.



Goal 1 – Quality and Safety

Linkage to Quality and Safety Framework



Safety



Client-Centered Services



Worklife

Support a culture of quality, safety and security in Health PEI

STRATEGIC PRIORITIES

1. Improve patient and workplace safety and security
2. Embed patient- and family-centered care at all levels of the organization including direct care, program and service planning, and leadership to enhance patient experience
3. Increase engagement with patients, staff, members of the public and communities

HIGHLIGHTS

Patient and Workplace Safety and Security

PATIENT SAFETY

- Fifty per cent of the participating cohort of LTC residents experienced a reduction in antipsychotic medication use as a part of a national collaboration with the Canadian Foundation for Healthcare Improvement (CFHI). The goal of this collaboration is to reduce and/or discontinue utilization of antipsychotics where feasible to improve the quality of life of frail seniors in public LTC homes.
- Progress continued on the implementation of the Patient Safety Culture Survey Action Plan to improve and support patient safety in Health PEI. A part of this work includes providing a supportive learning environment where staff are treated fairly and feel empowered to speak up and/or raise safety concerns impacting patient safety. *A Just Culture* is the foundation for this quality environment.
- Education sessions at different Health PEI service sites and leadership programs were provided on “Building a Culture of Patient Safety, Teamwork and Quality Improvement” (40 participants trained) and “Just Culture in Action” (85 participants trained). Participants reported high levels of satisfaction, relevance to staff roles and increased understanding of concepts presented.



www.healthpei.ca/patientsafety

- To optimize patient outcomes and improve communication and teamwork skills among health care providers; the use of evidence-based teamwork tools, such as TeamSTEPPS Canada, continue to be implemented with two Quality and Patient Safety staff members who received education to be TeamSTEPPS master trainers along with 12 additional staff who received education to be TeamSTEPPS trainers.
- The Pan-Canadian list of Never Events for Hospital Care was implemented in Health PEI. Never events are patient safety events that result in serious patient harm or death and can be prevented using organizational checks and balances⁴. The Provincial Safety Management System (PSMS) was adapted to include alerts for never events and related education was provided to leaders and staff. The number of never events are tracked and reported through quarterly risk reports.
- Health PEI is accredited through Accreditation Canada. This process helps to ensure national standards of care are met. It should be noted that Health PEI is accredited based on the

assessment of 3,660 different criteria. Evidence to demonstrate compliance with follow-up requirements from Accreditation Canada was submitted in 2018-19, and Accreditation Canada accepted the evidence for 28 of the 30 unmet criteria, including all of the Required Organizational Practices (ROPs). The two responses that require further evidence are from the Medication Management Standards and will be reassessed at the next onsite survey in 2021.

- Several documentation sessions were held across Health PEI to support managers and staff in improving chart documentation. Proper documentation ensures the continuity of care delivered to patients/clients/residents. This essential communication between health care providers is the lifeline to safe, quality care. When this communication is incomplete and key information is missing, the risk for errors significantly increases. Improving documentation has been included in long-term care's strategic plan as a priority.
- Standardized audit tools with automated reports were developed for falls prevention to capture the completion rate of the Conley Falls Assessment Tool by facility and unit. This work resulted from a collaboration of all acute care quality improvement teams. Trending reports on falls are available through the PSMS and include information on frequency, type and severity.
- A Care Management form was developed in PSMS to more accurately and comprehensively capture incidents related to care management, including transfer of care issues.
- Resource entitled "PSMS List of Specific Event Types" was developed to assist staff in accurately reporting incidents in PSMS.
- Education specific to physicians on incident reporting and PSMS was developed to further educate and engage physicians in reporting incidents.



Workplace Safety and Employee Wellness

POLICY DEVELOPMENT AND IMPLEMENTATION

- Developed and implemented the *Cannabis Use in Health PEI Facilities and Services Policy* with resources and education provided for staff and patients.



www.healthpei.ca/cannabis

- Implemented the *Influenza Immunization and Management Policy* to protect patients/clients/residents and employees from influenza outbreaks.
- Implemented the *Bariatric Patient Management Policy* and site implementation guides to ensure readiness for the provision of safe and quality care for the bariatric patient population.
- Implemented the *Drug, Alcohol and Medication Policy* across Health PEI in order to provide health care workers with a safe and healthy work environment and to protect health care workers, patients/clients/residents and the public.
- Continued focus on attendance management to support the health and wellness of employees.

STAFF EDUCATION AND TRAINING

- Education and training were provided to more than 60 managers and supervisors on Psychological Health and Safety in the Workplace as a part of Health PEI's on-going commitment to adopting principles of the National Standard for Psychological Health and Safety in the workplace.
- Education was provided to 75 managers on how to best support employees to remain at work or return to work from occupational and non-occupational related leave.
- Additional musculoskeletal injury prevention training was provided for employees including:
 - Specialized training developed for Resident Care Worker (RCW) students and newly hired RCWs in collaboration with Holland College and LTC.
 - Train-the-Trainer course offered on safe patient handling for bariatric patients. Trained trainers further provide site-level training to employees, as required.
- Occupational Health and Safety Education Series offered to employees.
- Results from the 2018 Health and Safety survey for staff were used to guide workplace health and safety practices.



Patient- and Family-Centered Care and Engagement

- The Health PEI Patient and Family Advisory Council was formed and the first two meetings were held. This advisory council provides advice and guidance across Health PEI by making recommendations on matters that impact and will improve the experiences of patients and families.
- Thirteen new patient and family advisors were recruited to different Health PEI committees. Advisors provide direct feedback on policies, programs and practices that impact patient care and health care services from the perspectives of patients and family members.
- Patient and family advisors continue to be added to Health PEI's quality improvement teams – 90 per cent of quality improvement teams have at least one patient and family advisor.
- Health PEI hosted the “Making Patient & Family Centered Care Real” conference on PEI focusing on patient- and family-centered care education in collaboration with New Brunswick, Nova Scotia, and Newfoundland and Labrador.
- A bilingual on-line patient satisfaction survey for acute care patients was launched. Results from this survey developed by the Canadian Institute of Health Information (CIHI) will be used to improve patient experience with real-time feedback.
- Education modules on dementia and 12 cultural education videos were developed and made available for staff use through Health PEI's “Staff Resource Centre”.
- Multiple engagement activities including surveys, focus groups and workshops took place. Islanders had opportunities to provide input into different Health PEI initiatives including planning for services and programs that support: diabetes, chronic disease, long-term care and Chronic Obstructive Pulmonary Disease (COPD).



Allan Morrison

Patient and Family Advisor - Alberton, PEI



“ My perspective can help ensure the information is easily understood and helpful to people who aren't used to working in the system. ”

My perspective can help ensure the information is easily understood and helpful to people who aren't used to working in the system.

I enjoy every minute spent doing things for Health PEI. I wish I had heard about patient advisor volunteers long before this. The experience has been very rewarding.

I have been involved in my community as a volunteer for many years. I started as a cub scout and really never stopped.

On August 27, 2016, I had a stroke that has left me with some mobility issues and weakness on my right side.

The stroke also introduced me to the Health PEI community.

I became a volunteer with Health PEI in February 2018 as a patient advisor. Now I sit on some different committees including the Provincial Stroke Steering Committee, the Health PEI Patient and Family Advisory Council and the Atlantic Health Quality and Patient Safety Collaborative.

When my friends ask what it is that I do for Health PEI, I tell them that it is a very easy, non stressful, and much needed part of the health system on Prince Edward Island. And I tell them that the work we do as advisors is greatly appreciated. I sit in a few meetings a year for each committee. I read and reply to emails and offer my opinion on everything related to being a patient in the Health PEI system. The other members of my committees make me feel important and a part of the process. They always ask me questions and take suggestions on lots of things like the wording in a pamphlet or handouts for an example.



www.healthpei.ca/volunteer

Goal 2 – Access and Coordination

Linkage to Quality and Safety Framework



Accessibility



Appropriateness



Population Focus



Client-Centered Services

Provide access and coordination to community health and mental health and addictions to meet the needs of Islanders

STRATEGIC PRIORITIES

1. Improve access to primary care services
2. Improve access to mental health and addictions services
3. Improve access to community-based specialized care programs for chronic and complex clients
4. Enhance home care services

HIGHLIGHTS

Primary Care Services

- A number of nurse practitioners (NP) positions were funded in 2018-19. The positions were located in primary care and in specialty clinics for orthopedics and gastrointestinal (GI) services. These NPs work in collaboration with other health care team members to provide Islanders with access to timely health care.
- Two family physician positions were funded to support patients in Hillsborough Hospital and in Queens County.
- The Primary Care Case Management Program was expanded to Kings County in 2018-19. At-risk patients with complex issues related to income, housing, navigation and connection with community resources can access this program for care coordination and support. This program helps to improve Islanders health and health care experience and reduces the number of preventable hospitalizations.



Mental Health and Addictions

- Master programming has started on the new mental health and addictions campus on PEI to address quality, client needs, service growth and demand in providing care for Islanders facing mental health and addictions issues. Master programming is a part of the planning process that is needed to ensure a coordinated, effective mental health and addictions system. Master programming identifies what services will be provided, what the best practices are and what trends, opportunities and challenges exist. This work also includes engagement with key stakeholders for mental health and addictions.
- A NP position was funded to support mental health and addictions clients.
- Progress on the housing partnership between Health PEI and the Canadian Mental Health Association (CMHA): Plans for a 10-bed housing unit offering long-term supervised housing and implementation of transitional “training apartments” and respite beds. This partnership will provide multiple levels of support to clients with mental health issues and assist with building a healthy connection with their communities.
- New mental health walk-in clinics provided by registered community mental health therapists were offered in Montague to provide access to mental health services for Kings County residents.
- Building on existing work through the PEI Action Plan to Prevent and Mitigate Opioid Overdoses and Deaths, funding received through a bilateral agreement under the Federal Government’s Emergency Treatment Fund helped to improve access to treatment services for Islanders with substance use disorders.
- Building on previous success, Student Well-Being Teams were expanded into new families of schools. New teams were put in place in the Bluefield, Colonel Gray and Morell-Souris families of schools, including the French-language schools in each corresponding area. These teams are supported by multiple government departments and provide students with opportunities to prevent and treat mild to moderate mental health problems.
- Specialized clinical mental health staff were added to Prince County Hospital (PCH) to meet the emergency and acute care needs of mental health clients in the region.



www.healthpei.ca/mentalhealthandaddictions

Community Programs and Home Care

SENIORS' HEALTH

- The Adult Day Program was expanded with new staff and additional hours. This resulted in 40 new program spaces each week beyond the 160-180 seats previously available. This Island-wide program offers group and individual person-centered activities that enhance personal well-being and provide support or respite for caregivers.



www.healthpei.ca/adulthoodprograms

HOME CARE AND PALLIATIVE CARE

- The Caring for Older Adults in Community and at Home (COACH) Program was awarded the Canadian Frailty Network's Conference Choice Frailty Innovation Award. The COACH Program provides integrated and interdisciplinary care and support to frail seniors with complex needs and their families.
- A NP was hired to support the expansion of the COACH Program in Queens County.
- A NP position was funded to support palliative care patients.



www.healthpei.ca/coach

MOBILE INTEGRATED HEALTH (MIH)

- Health PEI partnered with Island EMS to implement MIH, a new health care delivery model under the Provincial Home Care Program. MIH is an innovative program in which community paramedics provide non-emergent, in-home care. The goal of the program is to ensure the continuity of client care throughout home, primary and acute care settings. In 2018-19, the MIH provincial manager was hired, and three registered nurse (RN) positions were approved for posting.

CHRONIC OBSTRUCTIVE PULMONARY DISEASE (COPD)

- In 2018-19, more than 100 Islanders participated in the INSPIRED COPD Program (second phase). Home care was added as a partner in April 2018 to the INSPIRED COPD Program (second phase). INSPIRED is a proactive hospital to home program aimed at improving the transition and discharge process. This is a collaborative initiative between acute care hospitals, primary care and home care and is designed to support patients and families living with moderate to severe COPD who are at high risk for acute exacerbations.



www.healthpei.ca/copd



WOMEN'S WELLNESS PROGRAM AND SEXUAL HEALTH SERVICES

- Monthly sexual health walk-in clinics have been established to provide free services including testing for sexually transmitted and blood-borne infections.



www.healthpei.ca/womenswellness

CARDIOPULMONARY REHABILITATION

- The Cardiopulmonary Rehabilitation Program expanded into Kings County with 48 participants receiving support at the program's Montague site. This 12-week program, staffed by a multi-disciplinary team of health care professionals, offer its participants education, supervised exercise, psychosocial support, assessments and goal setting.



www.healthpei.ca/cardiopulmonary

ORTHOPEDIC INTERVENTION CLINIC

- 337 clients have accessed the Orthopedic Intervention Clinic since it opened in November 2018 to March 2019. The clinic was established to provide NP led pre-surgical and non-surgical care and to improve access to orthopedic care as well as overall health and well-being for Islanders living with joint pain.

OSTOMY SUPPLIES PROGRAM

- The Ostomy Supplies Program was established to provide financial assistance to Islanders living with a permanent ostomy, ranging from 60-90 per cent coverage of costs. From January to March 2019, 166 Islanders registered for the program.



www.healthpei.ca/drugprograms



RENAL PROGRAM

- The PEI Renal Clinic was opened to support diverse needs and the growing demand for provincial renal services. Services provided include peritoneal dialysis, post-kidney transplant care and support for Islanders with early onset chronic kidney disease.
- Additional shifts were added to the Summerside hemodialysis unit at PCH to increase access to patients. To support this expansion, new clinical and support staff were hired. Planning also started to expand dialysis services in Charlottetown at the Queen Elizabeth Hospital (QEH).



www.healthpei.ca/dialysis

CANCER

- A lung cancer coordinator was hired to assist with the development of the first Lung Cancer Screening Program and to provide support to Islanders through education on the prevention of lung cancer.



www.healthpei.ca/cancercare

HEPATITIS C

- Hepatitis C Drug Program was expanded with additional supports, including a new Hepatitis C coordinator and a RN. This work built on drug treatments provided to Islanders since 2015.

PROVINCIAL DRUG FORMULARY

- Provincial drug coverage was expanded with additional coverage for 28 new drugs. These newly added drugs provide treatment for conditions including cancer, eye conditions, adult attention deficit hyperactivity disorder and cystic fibrosis.



www.healthpei.ca/pharmacare



Doug Bryson

Patient and Family Advisor - Wellington, PEI



“As a member of the public, I have always felt that my perspective and opinions are valued.”

Sometimes patients and staff are faced with difficult treatment options, neither of which is completely satisfying. These are difficult decisions when it comes to medicine and health care. We don't direct people in what to do but we support them from an ethical perspective in arriving at the best decision for them.

In joining Health PEI and working on this committee, I really have found that all Health PEI staff and management are focused on patient- and family-centered care. As a member of the public, I have always felt that my perspective and opinions are valued.

As a Patient and Family Advisor I feel like I'm part of important discussions.

I've always been active as a volunteer in the communities where I lived. My career was in business but I have volunteered in restorative justice, as a volunteer firefighter and with the Canadian Red Cross. That led me to being employed as the Provincial Manager of Disaster Management in Alberta.

My family moved to Prince Edward Island a couple of years ago and my wife found a job at Health PEI. That was where I heard that they were looking for volunteers to serve as Patient and Family Advisors.

I currently co-chair the Clinical and Organizational Ethics Committee. There are two Patient and Family Advisors on the committee along with Health PEI staff from various health disciplines from across the Island.

Our committee accepts consult requests of a clinical or organizational nature and provides non-binding advice on ethical issues. We review policies through an ethical lens and provide support to staff in dealing with ethical dilemmas.



www.healthpei.ca/volunteer

Goal 3 – Innovation and Efficiency

Linkage to Quality and Safety Framework



Efficiency



Continuity

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

STRATEGIC PRIORITIES

1. Improve patient flow
2. Reduce wait times in emergency departments (EDs)
3. Ensure appropriate use of ambulatory care resources
4. Increase use of innovative practices

HIGHLIGHTS

Patient Flow and Hospital Bed Utilization

- The Provincial Bed Board in the Clinical Information System (CIS) was developed and implemented across PEI in 2018-19. The bed board is a tool used by the provincial bed coordinator, the Bed Coordination Team and out-of-province staff to manage the use of hospital beds, to communicate between sites, and to better understand, anticipate and respond to bed pressures in Island hospitals.
- The *Hospital Service Sites Provincial Overcapacity Policy* was implemented. The purpose of the policy is to outline the response and recovery plan for bed pressure situations by identifying critical capacity levels, the interventions to be applied in such situations and the communication needed for effective relief.

This policy aligns with best practice standards, and advocates for the timely transfer of patients who have been admitted and await an inpatient bed, or have been transferred back to an Island hospital.

- Staff-led Patient Flow and System Utilization Projects continued in 2018-19 to improve the average length of stay for admitted patients in the ED, the timely return of patients from off Island, discharge times, processes and appropriate hospital bed use.



www.healthpei.ca/patientflow

LONG-TERM CARE (LTC)

- The enhanced medical model of care for LTC facilities was implemented in various LTC sites by creating NP positions and a medical director position for the provincial program. This model enhances capacity to deliver person-centered, best practice care to residents and to support transitions across the health continuum.
- Construction continues to accommodate new beds that were added to private nursing homes across the province to enhance access to LTC.
- The new Stewart Memorial Home in Tyne Valley was opened in November 2018 replacing the original home. This modern and improved facility will provide Prince County residents with spaces for LTC, respite care and the new seniors day program. Progress continues on the construction of an innovative and modern LTC home in Montague.



www.healthpei.ca/longtermcare

Emergency Department

- One full-time, dedicated ED physician started work in Montague's Kings County Memorial Hospital (KCMH) in 2018-19. This physician complements the care that is currently provided by family physicians in Kings County who provide coverage at the KCMH ED and coverage of patients admitted to the hospital in addition to their regular family practices.



Innovative Practices and Technologies

INNOVATIVE PRACTICES

- The PEI Organized Stroke Care Program obtained Stroke Distinction through Accreditation Canada. This achievement recognizes that Health PEI's Stroke Care Program has demonstrated excellence and innovation in stroke care through the implementation of Canadian best practices in acute stroke services, inpatient stroke rehabilitation services and by providing an integrated system of services to people experiencing stroke.
- A report on *Transition to Practice for New Graduate Nurses* was developed through research and engagement with nursing preceptors and new graduates to provide recommendations that will assist the transition of new RNs and LPNs into practice.
- The Nursing Recruitment Incentive Program was developed for new graduate nurses,

experienced nurses and NPs. Since starting this program in 2018, 91 new graduate nurses were hired into permanent positions and 12 hired into casual positions. This program was developed as a result of the *Health PEI Nursing Strategy 2017-2020* and is a collaborative effort which involves Health PEI, the Department of Health and Wellness and the PEI Nurses Union.

- The "Integrated Nursing Sensitive Patient Outcome Measures in Acute Care" project commenced in November 2018 at two Health PEI sites. This project will serve as a training project for four Health PEI nursing leaders and is a part of the CFHI's Extra: Executive Training Program.
- A process was established to connect new graduate nurses (RN and LPN) with French language testing to support services being provided in French to Islanders.

INNOVATIVE TECHNOLOGIES

- To support access to physicians in West Prince, a six-month pilot of a tele-rounding model and platform was completed from August 2018 to February 2019 to support inpatient care at Western Hospital. This technology uses videoconferencing and allows doctors from off-Island to view and discuss treatment options with patients and hospital staff based in PEI.
- The capacity of the Remote Patient Monitoring (RPM) Program was expanded from 30 patients to 45 patients. The RPM Program monitors patients with congestive heart failure or chronic lung disease from their homes. This program connects patients with specially trained nurses through the use of specialized equipment and technology.
- The new TrueBeam linear accelerator is now operational at the PEI Cancer Treatment Centre and provides advanced radiation therapy to Island patients. This type of equipment administers high-energy treatment for different types of cancer as well as palliative treatment for symptom relief.

- An Automatic External Defibrillator (AED) Registry was developed in collaboration with Health PEI, Heart and Stroke – PEI, Island EMS and MEDACOM Atlantic. Through this registry, Island EMS and emergency medical dispatchers can advise the caller of the nearest publicly accessible defibrillator to assist a patient in sudden cardiac arrest; direct the caller to retrieve the equipment; ask someone for assistance; and provide instructions on how to use it until paramedics arrive.



www.healthpei.ca/aedregistry

- The Intent to Donate Registry was developed to enable Islanders to become organ and tissue donors through an online registry.

Gary Gaudet

Patient and Family Advisor - Stratford, PEI



“ I like to get involved and this is a way that I can help make the health system better. ”

I like to get involved and this is a way that I can help make the health system better. I can come in from the standpoint of someone who has been served by the system and advise them on what I think is needed.

The people from health come with their experiences and I come with mine. At some of the meetings they'll slip in to acronyms or terms that I don't know yet, but I've learned to just speak up and they'll work with me. The people in the system want to know what I think as a member of the public.

I bring a different perspective and I think that's important. They want to hear what I have to say.

I got started volunteering at Health PEI because of the support I had received for my Type 2 diabetes. There's a great diabetes clinic that I connected with after I moved to the Island. They gave me a lot of advice and even helped me find a family doctor.

I found out they were looking for volunteers and I got involved as a diabetes volunteer, meeting with people and groups to talk about diabetes. I liked meeting with people and talking about how they can deal with the disease.

That work led me into getting involved as a patient advisor with Health PEI. I began working with them on development of the diabetes strategy, looking at a five-year plan for diabetes treatment and prevention, and education. That's expanded and I'm now an advisor on a number of committees. Most are diabetes related but some aren't.



www.healthpei.ca/volunteer

2018-2019

Financial Highlights

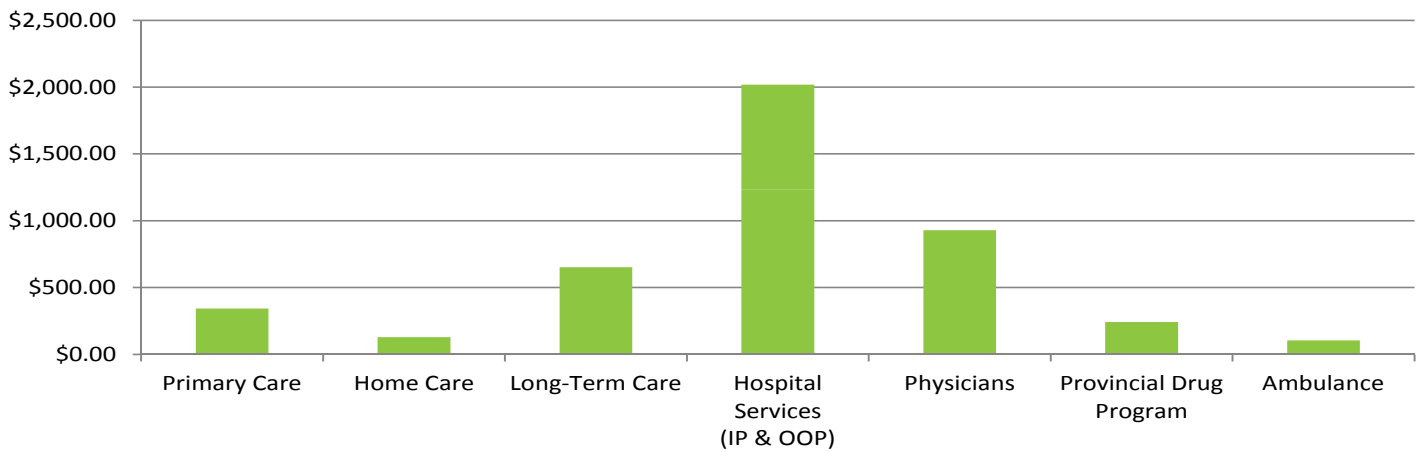
This section of the annual report highlights the organization’s operations for the fiscal year ending March 31, 2019. This financial section should be read in conjunction with Health PEI’s audited financial statements (Appendix B).

| Operations | Operating Activities | Special Warrant for Prior Period | Total |
|--|----------------------|----------------------------------|----------------------|
| Revenues | \$ 695,141,349 | \$ 5,741,871 | \$ 700,883,220 |
| Expenditures | \$ 695,141,349 | | \$ 695,141,349 |
| Subtotal - Operating Surplus (Deficit) | \$ - | \$ 5,741,871 | \$ 5,741,871 |
| Capital | | | |
| Revenues | | | \$ 31,981,220 |
| Amortization | | | \$ 16,668,802 |
| Subtotal - Capital | | | \$ 15,312,418 |
| Annual (Deficit) Surplus | | | \$ 21,054,289 |

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.

2018-2019 Expenses per Capita (Actual)



IP = In-Province OOP = Out-of-Province

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 clinical information system, renal services and out-of-province medical care for Islanders.

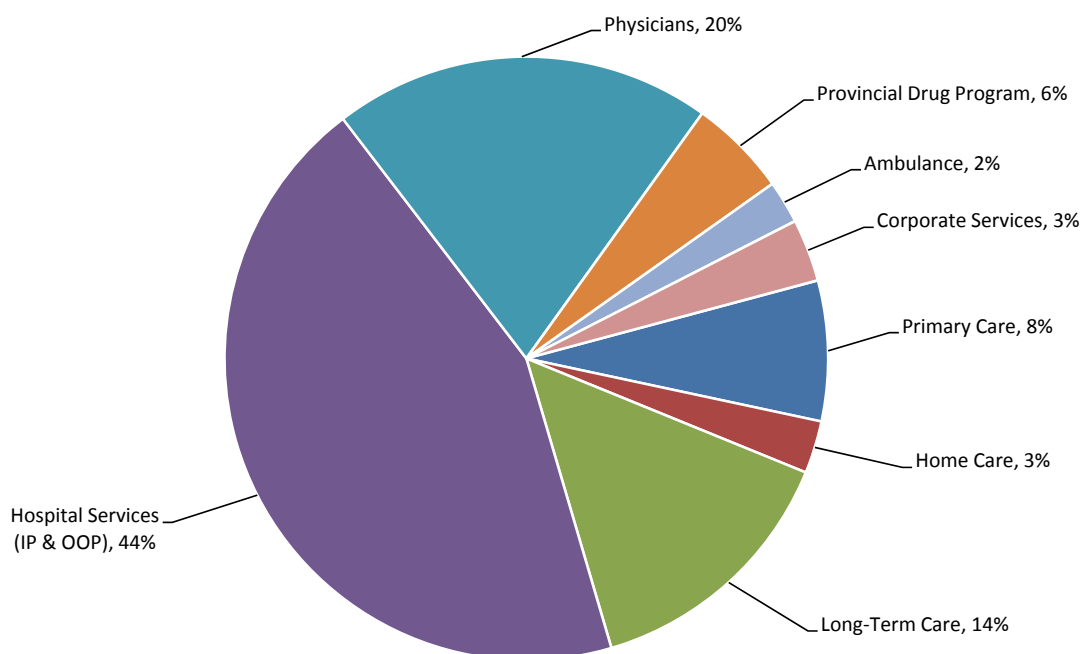
Physicians – expenses relating to services provided by physicians and programs for physicians, including: primary health care, acute medical care, specialty medical care and the Medical Residency Program.

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.

Ambulance – expenses relating to the contracting and provision of ground and air ambulance services.

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

2018-2019 Expenses by Sector (Actual)



IP = In-Province OOP = Out-of-Province

Looking Ahead

Over the last year, Health PEI moved toward advancing and improving the care provided to Islanders. New programs were established to support Islanders in the community and to provide care closer to home. Supports were provided to staff to help improve patient and workplace safety, new resources were added to key program areas to improve access and coordination of care and new technologies were utilized to help Islanders access care in different ways.

As Health PEI looks ahead to the 2019-20 year it is important to acknowledge that while advancements have been made, significant challenges must still be addressed to better support and care for Islanders. Health PEI continues to face challenges in the following areas across the province:

- Access to mental health and addictions services
- Access to primary care providers and community-based services

- Critical staffing shortages in nursing and other health professions, including recruitment and retention of staff
- Wait times for surgical procedures that are reported nationally (e.g. hips, knees and cataracts)
- Wait times in ED and delays in moving admitted patients from the ED to their hospital beds

Planning for the fiscal year 2019-20 included a review of this year's performance, gaps in services, as well as successes. Health PEI's operational plan, including the development of action plans, is underway to address these challenges through master and program planning for mental health and addictions; recruitment of primary care providers and nurses; identification of supports to address wait times; and the focus on bed management and patient flow practices in hospitals to reduce the amount of time patients wait in the ED.

In the following sections, a profile of Health PEI services and a summary of performance indicators are included.



2018-2019

Health PEI by the Numbers

| Employees* | 2016/17 | 2017/18 | 2018/19 |
|--|-----------|-----------|-----------|
| Nursing (NPs, RNs, LPNs, RCWs & PCWs) | 1,693 | 1,754 | 1,795 |
| Administration and Management | 195 | 200 | 203 |
| Lab Technicians | 175 | 176 | 179 |
| Secretarial/Clerical | 287 | 286 | 284 |
| Utility Worker/Service Worker | 382 | 393 | 402 |
| Other Health Professionals and Support Staff | 1,093 | 1,134 | 1,163 |
| Medical Staff | | | |
| Family Physicians | 118 | 120 | 121.25 |
| Specialists | 102 | 109 | 105.5 |
| Residents | 9 | 10 | 10 |
| Hospital-Based Service Volumes Across Health PEI | | | |
| Emergency Visits | 94,598 | 96,675 | 94,294 |
| Operative Cases (acute care) | 3,836 | 3,697 | 3,711 |
| Operative Cases (day surgery) | 5,641 | 6,160 | 6,142 |
| Inpatient Days (excludes Hillsborough Hospital) | 150,116 | 145,492 | 146,581 |
| Admissions (excludes Hillsborough Hospital) | 15,327 | 14,827 | 15,179 |
| Average Length of Stay (days) (excludes Hillsborough Hospital) | 9.38 | 9.76 | 9.18 |
| Number of Diagnostic Imaging Exams | 154,020 | 154,434 | 153,281 |
| Number of Tests Processed by Laboratory Services | 2,353,550 | 2,481,255 | 2,472,962 |
| Hospital-Based Mental Health Services Inpatients | 1,061 | 1,077 | 1,230 |
| Long-Term Care (public facilities only) | | | |
| Occupancy Rate | 98.1% | 98.1% | 97.8% |
| Number of Long-Term Care Admissions | 194 | 194 | 190 |
| Number of Long-Term Care Beds | 598 | 598 | 598 |
| Number of Long-Term Care Facilities | 9 | 9 | 9 |
| Average Length of Stay (years) | 2.6 | 3.0 | 3.0 |
| Home Care | | | |
| Number of Clients Served by Home Care | 4,300 | 4,388 | 4,297 |
| Number of Home Care Clients that are 75+ years old | 2,217 | 2,341 | 2,478 |

* Permanent full-time equivalents.



www.healthpei.ca/bythenumbers

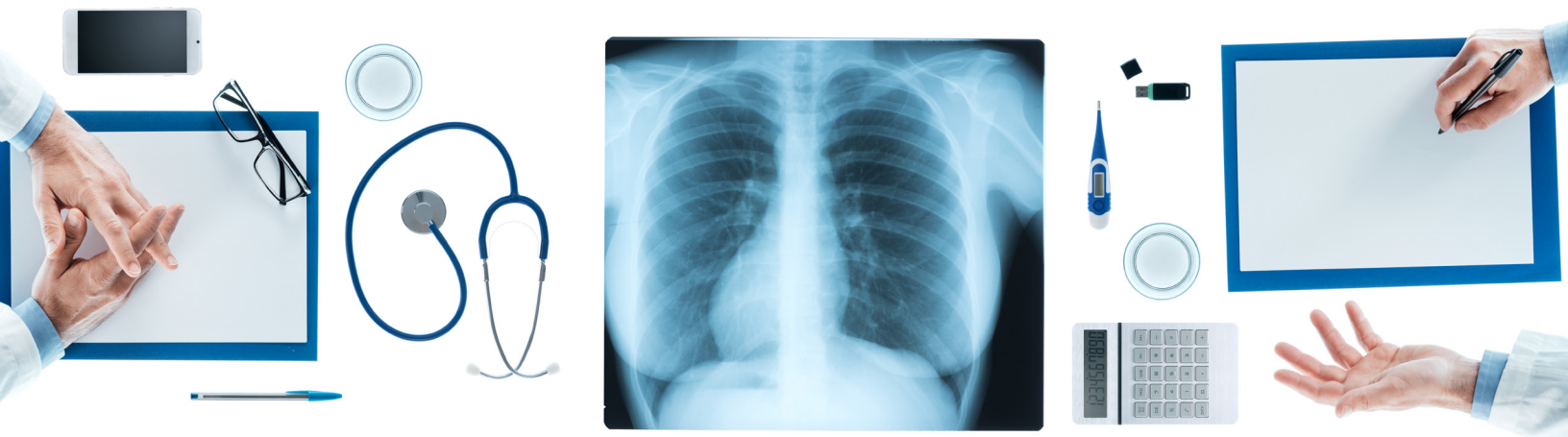
2018-2019

Health PEI by the Numbers

| PEI Cancer Treatment Centre | 2016/17 | 2017/18 | 2018/19 |
|--|----------------|----------------|----------------|
| Radiation Therapies and Simulation Visits | 8,608 | 8,950 | Not Available |
| Medical Visits | 28,998 | Not Available | Not Available |
| Radiation Consults and Follow ups | 3,594 | 3,761 | Not Available |
| Medical Consults and Follow ups | 5,739 | 6,331 | Not Available |
| Mental Health and Addictions | | | |
| Community Mental Health Provincial – Referrals | 6,057 | 6,091 | 5,980 |
| Community Mental Health – Crisis Response | 1,679 | 2,024 | 2,023 |
| Addiction Services – Total Admissions | 3,160 | 3,079 | 2,925 |
| Primary Health Care | | | |
| Visits to Primary Care Health Centres* | 140,350 | 158,123 | 147,239 |
| Primary Care Health Centres – Number of distinct clients | 41,863 | 43,695 | 43,784 |
| Provincial Diabetes Programs – Number of distinct clients | 4,330 | 4,630 | 4,790 |
| Provincial Diabetes Programs – Total visit count | 19,521 | 22,521 | 22,663 |
| Provincial Diabetes Programs – Total number of referrals (Pediatric Type 1 & 2; Adult Type 1 & 2; Gestational Diabetes) | 1,542 | 1,539 | 1,544 |
| Public Health Dental Program – Number of children who received dental treatment | 3,915 | 4,397 | 4,191 |
| Public Health Dental Program – Number of children who participated in the School-Based Prevention Program** | 11,554 | 11,952 | 10,584 |

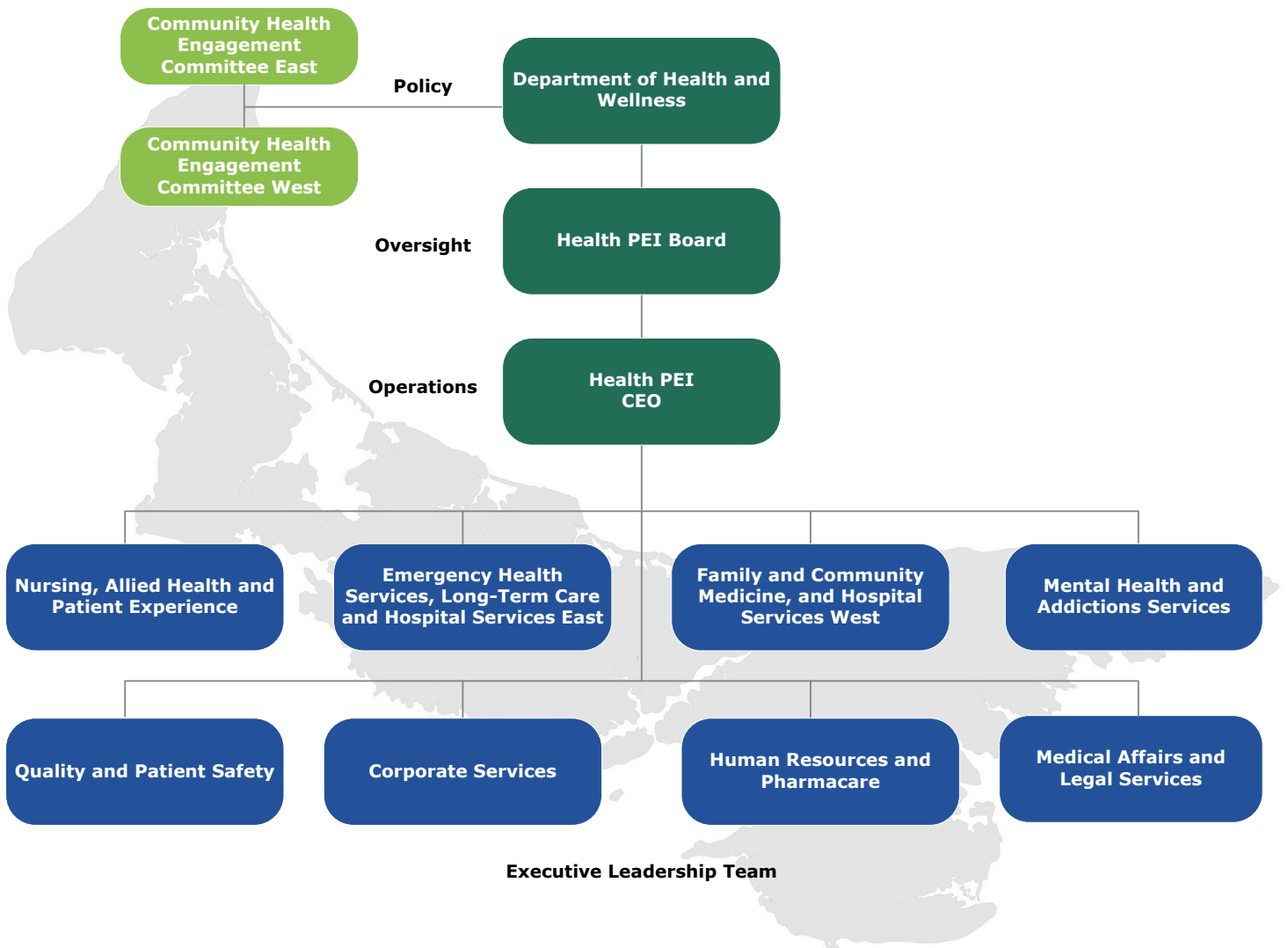
* Total service counts for general practice physicians (contract/salary).

** 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.



2018-2019

Organizational Structure



References

- 1 *Health Services Act*, R.S.P.E.I. 1988, Cap. H-1.6.
- 2 *Financial Administration Act*
- 3 Health PEI Strategic Plan 2017-2020
- 4 Canadian Patient Safety Institute, *Never Events for Hospital Care in Canada – Safer Care for Patients*. September 2015. ISBN: 978-1-4606-6618-0

Appendix A Scorecard

| | | |
|--------------------|---|---|
| PERFORMANCE LEGEND | Meeting target – 100% | Almost meeting target – 75% |
|--------------------|---|---|

| |
|--|
| Not meeting target – 50% |
|--|

STRATEGIC PERFORMANCE INDICATORS

| Goals | Priorities | Indicator |
|-------------------------|---|---|
| Quality & Safety | Improve patient and workplace safety and security | Adverse Events Incident Rate for Acute Care Patients and Long-Term Care Residents – Levels 4 & 5 (rate per 1000 patient/resident days) |
| | Embed patient- and family-centered care in decision making | Percentage of Health PEI Committees with Patients and/or Families Representative(s) |
| | Engage with patients, staff, and members of the public and communities | Total Number of Engagement Sessions and Community Conversations Related to Health |
| Access & Coordination | Improve access to primary care services | General Practitioners and Nurse Practitioners Employed in Primary Care per 100,000 Population |
| | Improve access to mental health and addictions services | Median Wait Time for Psychiatry Service for Clients Triaged as Urgent (in days) |
| | Improve access to community-based specialized care programs for chronic and complex clients | Ambulatory Care Sensitive Conditions (rate per 100,000 population younger than age 75) <small>Note: Each quarter represents the rate that quarter; the Fiscal YTD is the rate based on the available quarters.</small> |
| | Enhancement of home care services | Average Length of Stay in the Frail Senior Program for Discharged Clients (in years) |
| Innovation & Efficiency | Improve patient flow | Length of Stay (LOS) Variance: Acute LOS minus Expected LOS (ELOS) (in days) |
| | Reduce ED wait times | Emergency Department Wait Time for Physician Initial Assessment (TPIA) - 90th Percentile (in hours) |
| | Ensuring appropriate use of ambulatory care resources | % of Consult-related Visits in Ambulatory Care Clinic(s) (potentially inappropriate services) |
| | Increase use of innovative practices | Total Number of Real-time Clinical Sessions Delivered via Telemedicine |
| Strategic Enablers | People | Sick Days per Budgeted Full-time Equivalent |
| | Finance | % of Variance from Budget |
| | Innovative & Efficient Technology | % of Inpatient Encounters with PowerPlan (Electronic Order Set) Ordered |
| | Collaboration & Engagement | Number of Collaborative Appointments in Primary Care |
| | Communication & Information Sharing | Total number of Health PEI content pages, publications, news and events on the Government of PEI website (www.princeedwardisland.ca) |

| Baseline 17/18 | 18-19 Q1 | 18-19 Q2 | 18-19 Q3 | 18-19 Q4 | Fiscal YTD | Target (2018-19) | Benchmark |
|----------------|----------|----------|----------|----------|------------|------------------|-----------|
| 0.17 | 0.27 | 0.20 | 0.14 | 0.14 | 0.19 | 0.13 | 0 |
| 37.5% | 66.7% | 84.9% | 88.6% | 84.9% | 81.3% | 100% | 100% |
| 31 | 20 | 3 | 88 | 79 | 190 | 37 | - |
| 64.4 | 66.1 | 65.3 | 66.6 | 66.5 | 66.1 | 74.6 | 74.6 |
| DQ | DQ | DQ | DQ | DQ | DQ | - | 14 days |
| 446 | 115 | 98 | 94 | 127 | 434 | 420 | 326 |
| 0.84 | 0.71 | 0.64 | 0.85 | 0.89 | 0.84 | 0.84 | - |
| 2.32 | 2.38 | 1.94 | 2.35 | 2.29 | 2.24 | 1.67 | <1 |
| 4.47 | 4.68 | 4.92 | 4.60 | 5.10 | 4.83 | 3.50 | 3 |
| 4.47 | 4.49 | 4.65 | 4.11 | 4.19 | 4.37 | 10.73 | 0 |
| 327 | 123 | 135 | 134 | 106 | 498 | 350 | - |
| 11.50 | 2.79 | 2.82 | 2.90 | 2.95 | 11.45 | 10.52 | 9.82 |
| 0.9% | 1.5% | 1.5% | 0.36% | 0.20% | 0.20% | 0.5% +/- | 0% |
| 97.7% | 97.8% | 97.2% | 96.8% | 97.3% | 97.3% | 100% | 100% |
| 1,153 | 450 | 376 | 343 | 409 | 1,578 | 1,400 | - |
| 896 | 914 | 913 | 981 | 1,008 | 1,008 | 973 | - |

DQ: Data quality issue is currently being investigated. Health PEI is working with the business area to complete the correction and resolve the data quality issue. Corrected data will be re-submitted for future reporting of the performance indicator.

Appendix B

Audited Financial Statements

HEALTH PEI

Financial Statements
March 31, 2019

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 Auditor General conducts an independent examination, in accordance with Canadian generally accepted auditing standards and expresses her opinion on the financial statements. 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

August 21, 2019



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, 2019 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, 2019, 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 scepticism 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.



B. Jane MacAdam, FCPA, CA
Auditor General

Charlottetown, Prince Edward Island
August 21, 2019

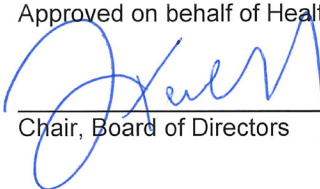
HEALTH PEI


Statement of Financial Position
March 31, 2019

| | 2019 | Restated 2018 |
|---|---------------------|---------------------|
| | \$ | \$ |
| Financial Assets | | |
| Cash | 24,709,320 | - |
| Restricted cash (Note 2b) | 1,184,200 | 1,149,640 |
| Accounts receivable (Note 5) | 14,594,527 | 12,660,011 |
| Due from the Department of Health and Wellness | <u>64,066,338</u> | <u>81,872,347</u> |
| | <u>104,554,385</u> | <u>95,681,998</u> |
| Liabilities | | |
| Accounts payable and accrued liabilities (Note 8) | 110,291,504 | 106,413,384 |
| Bank advances | - | 6,521,726 |
| Employee future benefits (Note 9) | 78,945,589 | 75,142,548 |
| Deferred donations (Note 2b) | 1,184,200 | 1,149,640 |
| Deferred revenue (Note 10) | <u>1,772,873</u> | <u>51,499</u> |
| | <u>192,194,166</u> | <u>189,278,797</u> |
| Net Debt | <u>(87,639,781)</u> | <u>(93,596,799)</u> |
| Non Financial Assets | | |
| Tangible capital assets (Note 13) | 253,659,130 | 238,359,996 |
| Inventories held for use (Note 6) | 6,296,005 | 6,437,647 |
| Prepaid expenses (Note 7) | <u>984,659</u> | <u>1,044,880</u> |
| | <u>260,939,794</u> | <u>245,842,523</u> |
| Accumulated Surplus | <u>173,300,013</u> | <u>152,245,724</u> |
| Trusts under administration (Note 18) | 909,310 | 833,140 |

(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, 2019

| | Budget (Note 20) 2019 \$ | 2019 \$ | Restated 2018 \$ |
|---|-----------------------------------|--------------------|------------------------|
| Revenues | | | |
| Operating grants - Dept. of Health and Wellness | 671,073,500 | 665,946,848 | 661,654,900 |
| Fees - patient and client (Note 16) | 22,509,000 | 24,028,029 | 22,000,871 |
| Food services | 1,141,400 | 1,044,543 | 1,043,164 |
| Federal revenues | 110,600 | 2,887,955 | 36,048 |
| Sales | 560,400 | 436,278 | 387,030 |
| Other | <u>1,166,000</u> | <u>6,539,567</u> | <u>6,322,205</u> |
| Operational Revenues | <u>696,560,900</u> | <u>700,883,220</u> | <u>691,444,218</u> |
| Capital grants - Dept. of Health and Wellness | 33,122,700 | 26,562,321 | 18,201,897 |
| Other capital contributions | <u>5,336,500</u> | <u>5,418,899</u> | <u>3,764,802</u> |
| Capital Revenues | <u>38,459,200</u> | <u>31,981,220</u> | <u>21,966,699</u> |
| | <u>735,020,100</u> | <u>732,864,440</u> | <u>713,410,917</u> |
| Expenses (Note 21) | | | |
| Community Hospitals | 24,816,700 | 24,822,393 | 24,226,963 |
| Acute Care | 178,941,800 | 180,606,509 | 175,776,056 |
| Addiction Services | 12,452,000 | 12,164,345 | 12,190,926 |
| Acute Mental Health | 21,128,900 | 20,486,121 | 19,832,547 |
| Community Mental Health | 13,743,100 | 13,438,520 | 12,033,733 |
| Continuing Care | 71,061,300 | 71,894,712 | 68,938,311 |
| Private Nursing Home Subsidies | 28,539,700 | 27,402,771 | 26,828,430 |
| Public and Dental Health | 12,051,500 | 11,607,221 | 10,784,075 |
| Provincial Pharmacare Programs | 35,411,400 | 36,658,658 | 37,097,026 |
| Home Care and Support | 19,765,300 | 19,551,649 | 18,248,189 |
| Provincial Laboratory and Diagnostic Imaging | 32,737,900 | 33,690,048 | 32,842,443 |
| Provincial Hospital Pharmacies | 7,121,800 | 6,861,690 | 6,311,488 |
| Emergency Health Services | 17,981,400 | 18,390,355 | 18,098,888 |
| Corporate and Support Services | 25,122,300 | 23,300,170 | 22,748,867 |
| Medical Programs - In Province | 128,396,300 | 129,452,974 | 124,496,802 |
| Medical Programs - Out of Province | 52,277,300 | 49,741,922 | 51,363,443 |
| Primary Care | <u>15,012,200</u> | <u>15,071,291</u> | <u>13,865,802</u> |
| Program and Service Expenses | <u>696,560,900</u> | <u>695,141,349</u> | <u>675,683,989</u> |
| Amortization of tangible capital assets | - | <u>16,668,802</u> | <u>16,207,396</u> |
| | <u>696,560,900</u> | <u>711,810,151</u> | <u>691,891,385</u> |
| Annual Surplus (Note 17) | <u>38,459,200</u> | 21,054,289 | 21,519,532 |
| Accumulated Surplus, beginning of year | | <u>152,245,724</u> | <u>130,726,192</u> |
| Accumulated Surplus, end of year | | <u>173,300,013</u> | <u>152,245,724</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, 2019

| | Budget 2019 | 2019 | 2018 |
|---|---------------------|---------------------|---------------------|
| | \$ | \$ | \$ |
| Net Debt, beginning of year | (93,596,799) | (93,596,799) | (109,332,381) |
| Changes in year: | | | |
| Annual surplus | 38,459,200 | 21,054,289 | 21,519,532 |
| Acquisition of tangible capital assets | (38,459,200) | (31,981,220) | (21,966,699) |
| Proceeds on disposal of tangible capital assets | - | 95,249 | 11,705 |
| Amortization of tangible capital assets | - | 16,668,802 | 16,207,396 |
| Gain on disposal of tangible capital assets | - | (81,965) | (11,705) |
| Decrease (Increase) in inventories | - | 141,642 | (63,556) |
| Decrease in prepaid expenses | - | <u>60,221</u> | <u>38,909</u> |
| Change in Net Debt | - | <u>5,957,018</u> | <u>15,735,582</u> |
| Net Debt, end of year | <u>(93,596,799)</u> | <u>(87,639,781)</u> | <u>(93,596,799)</u> |

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

HEALTH PEI

Statement of Cash Flow
for the year ended March 31, 2019

| | 2019 | 2018 |
|---|---------------------|---------------------|
| | \$ | \$ |
| Cash provided (used) by: | | |
| Operating Activities | | |
| Surplus for the year | 21,054,289 | 21,519,532 |
| Gain on disposal of tangible capital assets | (81,965) | (11,705) |
| Amortization of tangible capital assets | 16,668,802 | 16,207,396 |
| Changes in: | | |
| Accounts receivable | (1,934,516) | (2,474,477) |
| Due from the Department of Health and Wellness | 17,806,009 | (35,650,239) |
| Accounts payable and accrued liabilities | 3,878,120 | 10,574,574 |
| Employee future benefits | 3,803,041 | 3,038,032 |
| Deferred revenue | 1,721,374 | 45,517 |
| Inventories held for use | 141,642 | (63,556) |
| Prepaid expenses | 60,221 | 38,909 |
| Cash provided by operating activities | <u>63,117,017</u> | <u>13,223,983</u> |
| Capital Activities | | |
| Acquisition of tangible capital assets | (31,981,220) | (21,966,699) |
| Proceeds on disposal of tangible capital assets | 95,249 | 11,705 |
| Cash used by capital activities | <u>(31,885,971)</u> | <u>(21,954,994)</u> |
| Change in cash | 31,231,046 | (8,731,011) |
| Cash (bank advances), beginning of year | <u>(6,521,726)</u> | <u>2,209,285</u> |
| Cash (bank advances), end of year | <u>24,709,320</u> | <u>(6,521,726)</u> |

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

HEALTH PEI

Notes to Financial Statements
March 31, 2019

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. Health PEI complies with the recommendations of the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada (CPA Canada). PSAB standards are supplemented, where appropriate, by other CPA Canada accounting pronouncements.

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 and Bank Advances

Cash and bank advances include 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, 2019

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 receivables which are known not to be recoverable 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 6 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, 2019

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

g) Tangible Capital Assets (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 7, 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, 2019

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.

HEALTH PEI

Notes to Financial Statements
March 31, 2019

3. Restatement of Prior Period Amounts

During the fiscal year, Health PEI assessed that inventory supplies held on nursing units and other hospital departments at year end should be recorded as an asset. Historically, these supplies were expensed. As a result, management calculated an estimate of the amount of unrecorded inventory and the 2018 financial statement figures presented have been restated to reflect this change.

The impact of the restatement on the 2018 comparative figures is as follows:

| | 2018 Previously Reported | Restatement | 2018 Restated |
|--|---|--------------------|--------------------------|
| | \$ | \$ | \$ |
| Statement of Financial Position | | | |
| Non Financial Assets | | | |
| Inventory held for use | 4,137,647 | 2,300,000 | 6,437,647 |
| Total non financial assets | 243,542,523 | 2,300,000 | 245,842,523 |
| Accumulated Surplus | 149,945,724 | 2,300,000 | 152,245,724 |
| Statement of Operations and Accumulated Surplus | | | |
| Accumulated Surplus, beginning of year | 128,426,192 | 2,300,000 | 130,726,192 |
| Accumulated Surplus, end of year | 149,945,724 | 2,300,000 | 152,245,724 |

4. Financial Instruments

Fair Value

Health PEI's financial instruments consist of cash and bank advances, 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, 2019

4. 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 5.

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.

5. Accounts Receivable

| | <u>2019</u> | <u>2018</u> |
|---------------------------------------|--------------------|--------------------|
| | \$ | \$ |
| Fees and revenues receivable | 5,308,967 | 5,372,982 |
| Product listing agreement rebates | 5,062,932 | 3,054,361 |
| Assessments of physician billings | 2,071,151 | 2,003,049 |
| Hospital foundations | 2,127,175 | 878,099 |
| Province of Prince Edward Island | 280,557 | 587,867 |
| Employee advances | 432,428 | 512,161 |
| Other | <u>2,294,066</u> | <u>2,823,103</u> |
| | 17,577,276 | 15,231,622 |
| Less: provision for doubtful accounts | <u>(2,982,749)</u> | <u>(2,571,611)</u> |
| | <u>14,594,527</u> | <u>12,660,011</u> |

The aging of fees and revenues receivable is as follows:

| | <u>2019</u> | <u>2018</u> |
|-----------------------|------------------|------------------|
| | \$ | \$ |
| Current | 2,792,578 | 2,953,410 |
| 61-90 days | 302,830 | 449,454 |
| 91-180 days | 337,056 | 238,769 |
| Greater than 180 days | <u>1,876,503</u> | <u>1,731,349</u> |
| | <u>5,308,967</u> | <u>5,372,982</u> |

HEALTH PEI

Notes to Financial Statements
March 31, 2019

6. Inventories Held for Use

| | <u>2019</u> \$ | <u>Restated</u> <u>2018</u> \$ |
|-------------------------------------|-------------------|--------------------------------------|
| Medical, surgical, general supplies | 4,308,216 | 4,617,672 |
| Drugs | 1,671,236 | 1,470,039 |
| Food and other supplies | <u>316,553</u> | <u>349,936</u> |
| | <u>6,296,005</u> | <u>6,437,647</u> |

7. Prepaid Expenses

| | <u>2019</u> \$ | <u>2018</u> \$ |
|-----------------------|-------------------|-------------------|
| Maintenance contracts | 924,619 | 1,017,185 |
| Other | <u>60,040</u> | <u>27,695</u> |
| | <u>984,659</u> | <u>1,044,880</u> |

8. Accounts Payable and Accrued Liabilities

| | <u>2019</u> \$ | <u>2018</u> \$ |
|-------------------------------|--------------------|--------------------|
| Accounts payable | 29,273,143 | 26,398,447 |
| Accrued liabilities | 33,721,491 | 32,448,556 |
| Salaries and benefits payable | 26,588,814 | 26,560,386 |
| Accrued vacation pay | <u>20,708,056</u> | <u>21,005,995</u> |
| | <u>110,291,504</u> | <u>106,413,384</u> |

9. 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.

HEALTH PEI

Notes to Financial Statements
March 31, 2019

9. Employee Future Benefits (continued...)

a) Retirement Allowance (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 per annum: 3.30% (April 1, 2017 – 3.26%)

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 2.99% at April 1, 2019 has also been applied resulting in an increase of \$1,573,829 to the accrued benefit obligation and a corresponding increase in the unamortized gains and losses at March 31, 2019.

| | <u>2019</u> | <u>2018</u> |
|--|--------------------|--------------------|
| | \$ | \$ |
| Balance, beginning of year | 48,989,723 | 46,116,883 |
| Current service cost | 4,338,773 | 4,019,900 |
| Interest accrued on liability | 1,782,402 | 1,696,627 |
| Amortization of actuarial gains & losses | 581,714 | 1,029,274 |
| Less: payments made | <u>(3,511,604)</u> | <u>(3,872,961)</u> |
| Balance, end of year | <u>52,181,008</u> | <u>48,989,723</u> |
| | | |
| Gross accrued benefit obligation | 57,782,000 | 53,598,600 |
| Unamortized actuarial gains & losses | <u>(5,600,992)</u> | <u>(4,608,877)</u> |
| Net accrued benefit obligation | <u>52,181,008</u> | <u>48,989,723</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 6 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, 2019

9. Employee Future Benefits (continued...)

b) Accrued Sick Leave (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 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 per annum: 3.30% (April 1, 2017 – 3.26%)

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 2.99% at April 1, 2019 has also been applied resulting in an increase of \$524,621 to the accrued benefit obligation and a corresponding decrease in the unamortized gains and losses at March 31, 2019.

| | <u>2019</u> | <u>2018</u> |
|--|--------------------|--------------------|
| | \$ | \$ |
| Balance, beginning of year | 26,152,825 | 25,987,633 |
| Current service cost | 2,992,501 | 2,902,600 |
| Interest accrued on liability | 762,283 | 739,870 |
| Amortization of actuarial gains & losses | (122,923) | (116,295) |
| Less: payments made | <u>(3,020,105)</u> | <u>(3,360,983)</u> |
| Balance, end of year | <u>26,764,581</u> | <u>26,152,825</u> |
| | | |
| Gross accrued benefit obligation | 24,372,600 | 23,113,300 |
| Unamortized actuarial gains & losses | <u>2,391,981</u> | <u>3,039,525</u> |
| Net accrued benefit obligation | <u>26,764,581</u> | <u>26,152,825</u> |

HEALTH PEI

Notes to Financial Statements
March 31, 2019

9. 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 \$19,963,424 (2018 – \$19,323,740) 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 \$1,247,906 (2018 – \$1,174,497) 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.

10. Deferred Revenue

Deferred revenues set aside for specific purposes as required either by legislation, regulation, or agreement as at March 31, 2019:

| | <u>Balance, beginning of year</u> | <u>Receipts during year</u> | <u>Transferred to revenue</u> | <u>Balance, end of year</u> |
|---------------------------|---|-------------------------------------|---------------------------------------|-------------------------------------|
| | \$ | \$ | \$ | \$ |
| Health promotion projects | 51,499 | 4,250,818 | (2,601,499) | 1,700,818 |
| Other projects | - | 72,055 | - | 72,055 |
| | <u>51,499</u> | <u>4,322,873</u> | <u>(2,601,499)</u> | <u>1,772,873</u> |

HEALTH PEI

Notes to Financial Statements
March 31, 2019

11. 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>2020</u> | <u>2021</u> | <u>2022</u> | <u>Thereafter</u> |
|--|------------------|------------------|------------------|-------------------|
| | \$ | \$ | \$ | \$ |
| Home and Community Care and Mental Health and Addictions Services | 4,550,000 | 5,170,000 | 6,210,000 | - |
| Canadian Partnership against Cancer | <u>305,800</u> | <u>175,906</u> | <u>128,906</u> | - |
| | <u>4,855,800</u> | <u>5,345,906</u> | <u>6,338,906</u> | - |

12. Contingent Liabilities

Health PEI is subject to legal actions arising in the normal course of business. At March 31, 2019, 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.

13. 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>2019 Total</u> | <u>2018 Total</u> |
|-------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---|-----------------------|-----------------------|
| | \$ | \$ | \$ | \$ | \$ | \$ |
| Cost | | | | | | |
| Opening balance | 3,166,126 | 299,527,727 | 123,547,196 | 57,872,945 | 484,113,994 | 462,220,555 |
| Additions | 97,287 | 16,656,959 | 14,287,739 | 939,235 | 31,981,220 | 21,966,699 |
| Disposals | - | - | (5,119,064) | - | (5,119,064) | (73,260) |
| Closing balance | <u>3,263,413</u> | <u>316,184,686</u> | <u>132,715,871</u> | <u>58,812,180</u> | <u>510,976,150</u> | <u>484,113,994</u> |
| Accumulated Amortization | | | | | | |
| Opening balance | 1,072,463 | 95,890,173 | 109,786,559 | 39,004,803 | 245,753,998 | 229,619,862 |
| Disposals | - | - | (5,105,780) | - | (5,105,780) | (73,260) |
| Amortization | <u>32,881</u> | <u>6,874,492</u> | <u>5,854,909</u> | <u>3,906,520</u> | <u>16,668,802</u> | <u>16,207,396</u> |
| Closing balance | <u>1,105,344</u> | <u>102,764,665</u> | <u>110,535,688</u> | <u>42,911,323</u> | <u>257,317,020</u> | <u>245,753,998</u> |
| Net book value | <u>2,158,069</u> | <u>213,420,021</u> | <u>22,180,183</u> | <u>15,900,857</u> | <u>253,659,130</u> | <u>238,359,996</u> |

HEALTH PEI

Notes to Financial Statements
March 31, 2019

13. Tangible Capital Assets (continued...)

Cost at March 31, 2019 includes assets under construction as follows:

| | <u>2019</u> | <u>2018</u> |
|--------------------------------------|-------------------|-------------------|
| | \$ | \$ |
| Queen Elizabeth Hospital | 2,357,395 | 3,992,361 |
| Prince County Hospital | 2,420,027 | 477,684 |
| Tyne Valley Long Term Care | - | 4,581,538 |
| Riverview Manor | 11,352,633 | 6,843,499 |
| Hillsborough Hospital | 997,094 | - |
| Other buildings - major improvements | 646,180 | 77,267 |
| Equipment | 2,923,958 | 986,011 |
| Computer hardware and software | 630,231 | 407,802 |
| | <u>21,327,518</u> | <u>17,366,162</u> |

14. 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>2020</u> | <u>2021</u> | <u>2022</u> | <u>2023</u> | <u>2024</u> | <u>Thereafter</u> |
|---|-------------------|-------------------|------------------|------------------|------------------|-------------------|
| | \$ | \$ | \$ | \$ | \$ | \$ |
| Private nursing homes | 26,365,811 | - | - | - | - | - |
| IT maintenance | 2,749,492 | - | - | - | - | - |
| PEI Medical Society | 1,837,882 | - | - | - | - | - |
| Maintenance contracts | 2,176,611 | 1,296,219 | 524,707 | 424,999 | 407,148 | 949,154 |
| Education funds | 1,630,000 | 1,300,000 | 800,000 | 800,000 | 800,000 | - |
| Facility rental | 166,435 | - | - | - | - | - |
| Home and Community Care and Mental Health and Addictions Services | 4,550,000 | 5,170,000 | 6,210,000 | - | - | - |
| Other | <u>9,607,687</u> | <u>2,542,425</u> | <u>1,895,719</u> | <u>981,702</u> | <u>729,822</u> | <u>3,657,602</u> |
| | <u>49,083,918</u> | <u>10,308,644</u> | <u>9,430,426</u> | <u>2,206,701</u> | <u>1,936,970</u> | <u>4,606,756</u> |

Health PEI has \$7,112,424 in outstanding contractual commitments for capital projects that commenced on or before March 31, 2019, and are still incomplete.

HEALTH PEI

Notes to Financial Statements
March 31, 2019

15. 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>2019</u> | <u>2018</u> |
|--|--------------------|--------------------|
| | \$ | \$ |
| Transfers from the Province of Prince Edward Island: | | |
| Operating grant - Department of Health and Wellness | 660,204,977 | 640,152,800 |
| Special Warrant related to prior period shortfall | 5,741,871 | 21,502,100 |
| Capital grant - Department of Health and Wellness | 26,562,321 | 18,201,897 |
| Salary recoveries | 588,112 | 613,588 |
| Other sales and expenses | <u>668,305</u> | <u>879,040</u> |
| | <u>693,765,586</u> | <u>681,349,425</u> |
| Transfers to the Province of Prince Edward Island: | | |
| Salary reimbursements | 460,386 | 379,599 |
| Insurance premiums | 2,111,060 | 1,945,722 |
| Public Service Commission | 641,630 | 670,795 |
| Other expenses | <u>2,057,208</u> | <u>1,295,114</u> |
| | <u>5,270,284</u> | <u>4,291,230</u> |

Included within the accounts receivable balance at year-end are \$280,557 (2018 – \$587,867) of transfers due from the Province of Prince Edward Island. Included within the accounts payable balance at year-end are \$1,552,144 (2018 – \$832,813) of transfers due to the Province of Prince Edward Island.

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, 2019

16. Fees - Patient and Client

| | <u>2019</u> | <u>2018</u> |
|--|-------------------|-------------------|
| | \$ | \$ |
| Continuing Care resident fees | 13,321,180 | 12,616,077 |
| Hospital medical services: | | |
| Non-residents | 6,483,746 | 5,517,190 |
| Uninsured hospital services - workers compensation | 1,915,064 | 1,577,434 |
| Other uninsured hospital services | 2,008,484 | 1,945,581 |
| Hospital preferred room accommodations | 263,024 | 305,298 |
| Other | 36,531 | 39,291 |
| | <u>24,028,029</u> | <u>22,000,871</u> |

17. 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 20. 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.

During the current period a special warrant for the 2017-18 shortfall of \$5,741,871 was authorized and is reflected in the 2018-19 Statement of Operations and Accumulated Surplus.

The annual surplus for the year ended March 31, 2019 was comprised of:

| | <u>Operational</u> | <u>Special Warrant for Prior Period</u> | <u>Total Operational</u> | <u>Capital</u> | <u>2019</u> |
|---------------------------------------|-----------------------------|---|------------------------------|-------------------|-------------------|
| | \$ | \$ | \$ | \$ | \$ |
| Grants – Dept. of Health and Wellness | 660,204,977 | 5,741,871 | 665,946,848 | 26,562,321 | 692,509,169 |
| Other revenues | <u>34,936,372</u> | - | <u>34,936,372</u> | <u>5,418,899</u> | <u>40,355,271</u> |
| Total revenues | 695,141,349 | 5,741,871 | 700,883,220 | 31,981,220 | 732,864,440 |
| Program and service expenses | 695,141,349 | - | 695,141,349 | - | 695,141,349 |
| Amortization | - | - | - | <u>16,668,802</u> | <u>16,668,802</u> |
| Surplus (Deficit) | <u> </u> | <u>5,741,871</u> | <u>5,741,871</u> | <u>15,312,418</u> | <u>21,054,289</u> |

HEALTH PEI

Notes to Financial Statements
March 31, 2019

18. Trusts Under Administration

At March 31, 2019, the balance of funds held in trust for residents of facilities in Continuing Care was \$909,310 (2018 – \$833,140). 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.

19. Subsequent Events

Effective April 1, 2019, the Province of Prince Edward Island transferred administrative responsibility and budget appropriations for the Emergency Health Services division from Health PEI to the Department of Health and Wellness (the Department). Revenues and expenses related to this division, the net of which are funded through the operating grant from the Department, for the year-ended March 31, 2019 were:

| | <u>Budget</u> | <u>Actual</u> |
|----------|---------------|---------------|
| Expenses | \$17,981,400 | \$18,390,355 |
| Revenues | 2,900 | 24,950 |

20. 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, 2019, the province budgeted \$17,091,500 for amortization of Health PEI's tangible capital assets.

Subsequent to the tabling of the 2018 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.

HEALTH PEI

Notes to Financial Statements
March 31, 2019

20. Budgeted Figures (continued...)

| | Original Approved Budget \$ | Adjustments Between Divisions \$ | Budget - Statement of Operations \$ |
|---|--------------------------------------|---|--|
| Revenues | | | |
| Operating grants - Dept. of Health and Wellness | 671,073,500 | - | 671,073,500 |
| Fees - patient and client | 21,954,000 | 555,000 | 22,509,000 |
| Food services | 1,141,400 | - | 1,141,400 |
| Federal revenues | 110,600 | - | 110,600 |
| Sales | 560,400 | - | 560,400 |
| Other | <u>1,166,000</u> | <u>-</u> | <u>1,166,000</u> |
| Operational Revenues | <u>696,005,900</u> | <u>555,000</u> | <u>696,560,900</u> |
| Capital grants - Dept. of Health and Wellness | 20,999,100 | 12,123,600 | 33,122,700 |
| Other capital contributions | <u>17,460,100</u> | <u>(12,123,600)</u> | <u>5,336,500</u> |
| Capital Revenues | <u>38,459,200</u> | <u>-</u> | <u>38,459,200</u> |
| | <u>734,465,100</u> | <u>555,000</u> | <u>735,020,100</u> |
| Expenses | | | |
| Community Hospitals | 24,756,500 | 60,200 | 24,816,700 |
| Acute Care | 178,065,400 | 876,400 | 178,941,800 |
| Addiction Services | 12,537,000 | (85,000) | 12,452,000 |
| Acute Mental Health | 21,619,700 | (490,800) | 21,128,900 |
| Community Mental Health | 13,976,100 | (233,000) | 13,743,100 |
| Continuing Care | 70,316,200 | 745,100 | 71,061,300 |
| Private Nursing Home Subsidies | 28,539,700 | - | 28,539,700 |
| Public and Dental Health | 11,522,600 | 528,900 | 12,051,500 |
| Provincial Pharmacare Programs | 36,484,100 | (1,072,700) | 35,411,400 |
| Home Care and Support | 19,763,900 | 1,400 | 19,765,300 |
| Provincial Laboratory and Diagnostic Imaging | 33,040,400 | (302,500) | 32,737,900 |
| Provincial Hospital Pharmacies | 6,607,500 | 514,300 | 7,121,800 |
| Emergency Health Services | 17,942,600 | 38,800 | 17,981,400 |
| Corporate and Support Services | 25,197,700 | (75,400) | 25,122,300 |
| Medical Programs - In Province | 128,363,900 | 32,400 | 128,396,300 |
| Medical Programs - Out of Province | 52,273,600 | 3,700 | 52,277,300 |
| Primary Care | <u>14,999,000</u> | <u>13,200</u> | <u>15,012,200</u> |
| | <u>696,005,900</u> | <u>555,000</u> | <u>696,560,900</u> |
| Annual Surplus | <u>38,459,200</u> | <u>-</u> | <u>38,459,200</u> |

¹ Included in the original budget for other capital contributions was funding from federal infrastructure programs for approved capital projects. During the year, an agreement (Infrastructure and Communities Canada under New Building Canada Fund) was signed by the Minister of Transportation, Infrastructure and Energy to receive the federal funding and to fund the projects through the provincial capital grant to Health PEI.

HEALTH PEI

Notes to Financial Statements
March 31, 2019

21. 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>2019 Total</u> |
|--|---------------------|-------------------|-------------------|------------------|--------------------------------|------------------------------|--------------------|
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Community Hospitals | 19,276,624 | 3,845,652 | 616,009 | 409,723 | 278,514 | 395,871 | 24,822,393 |
| Acute Care | 130,616,708 | 39,015,014 | 2,882,731 | 3,070,270 | 3,481,807 | 1,539,979 | 180,606,509 |
| Addiction Services | 10,441,927 | 885,666 | 592,500 | 86,821 | 62,979 | 94,452 | 12,164,345 |
| Acute Mental Health | 17,785,133 | 1,601,531 | 216,836 | 118,683 | 600,366 | 163,572 | 20,486,121 |
| Community Mental Health | 11,705,920 | 133,266 | 978,728 | 58,424 | 483,749 | 78,433 | 13,438,520 |
| Continuing Care | 61,670,037 | 6,692,573 | 1,551,714 | 628,746 | 276,546 | 1,075,096 | 71,894,712 |
| Private Nursing Home Subsidies | - | - | 27,402,771 | - | - | - | 27,402,771 |
| Public and Dental Health | 10,078,474 | 444,856 | 292,858 | 40,018 | 723,120 | 27,895 | 11,607,221 |
| Provincial Pharmacare Programs | 740,055 | 165,424 | 33,976,334 | 12,119 | 1,764,726 | - | 36,658,658 |
| Home Care and Support | 16,758,214 | 479,274 | 1,138,396 | 67,376 | 1,063,330 | 45,059 | 19,551,649 |
| Provincial Laboratory and Diagnostic Imaging | 19,671,674 | 11,360,724 | 421,175 | 748,402 | 1,470,903 | 17,170 | 33,690,048 |
| Provincial Hospital Pharmacies | 6,708,166 | 1,004 | 114,774 | 31,494 | - | 6,252 | 6,861,690 |
| Emergency Health Services | 329,996 | 32,060 | 15,199,792 | - | 2,828,507 | - | 18,390,355 |
| Corporate and Support Services | 15,970,022 | 2,031,944 | 2,950,329 | 1,583,542 | 744,269 | 20,064 | 23,300,170 |
| Medical Programs - In Province | 116,322,325 | 140,984 | 5,574,481 | 21,676 | 7,393,508 | - | 129,452,974 |
| Medical Programs - Out of Province | 596,930 | 1,003 | 178,657 | 1,228 | 48,964,104 | - | 49,741,922 |
| Primary Care | <u>13,665,222</u> | <u>570,388</u> | <u>561,571</u> | <u>55,676</u> | <u>94,437</u> | <u>123,997</u> | <u>15,071,291</u> |
| | <u>452,337,427</u> | <u>67,401,363</u> | <u>94,649,656</u> | <u>6,934,198</u> | <u>70,230,865</u> | <u>3,587,840</u> | <u>695,141,349</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.

22. Prior Period Comparatives Figures

Certain prior period comparatives have been restated to conform to the presentation format adopted in the current period.

Acknowledgements

Patient and Family Advisor Testimonials

Allan Morrison

Doug Bryson

Gary Gaudet

Report Development

Development of this report was led by a multi-disciplinary team of Health PEI staff. Team members came from the Planning and Evaluation Unit, the Health Information Unit, Financial Services and Communications. Information was shared by staff from all Health PEI divisions.

We want to hear from you!

Your health care stories help Health PEI continue to deliver safe, high-quality health care. We are proud of the great work our staff and physicians do every day under challenging circumstances, and hearing your story is another opportunity to further improve the quality of services we deliver to Islanders and celebrate this hard work.



In order to continue to work in partnership with Islanders to support and promote health with patients, families and caregivers, we invite you to submit a story or testimonial to [**healthpei@gov.pe.ca**](mailto:healthpei@gov.pe.ca)

We look forward to hearing from you.

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