



**Annual Performance
Report 2010 -11**



*Proud of our Accomplishments.
Focusing on the Future.*

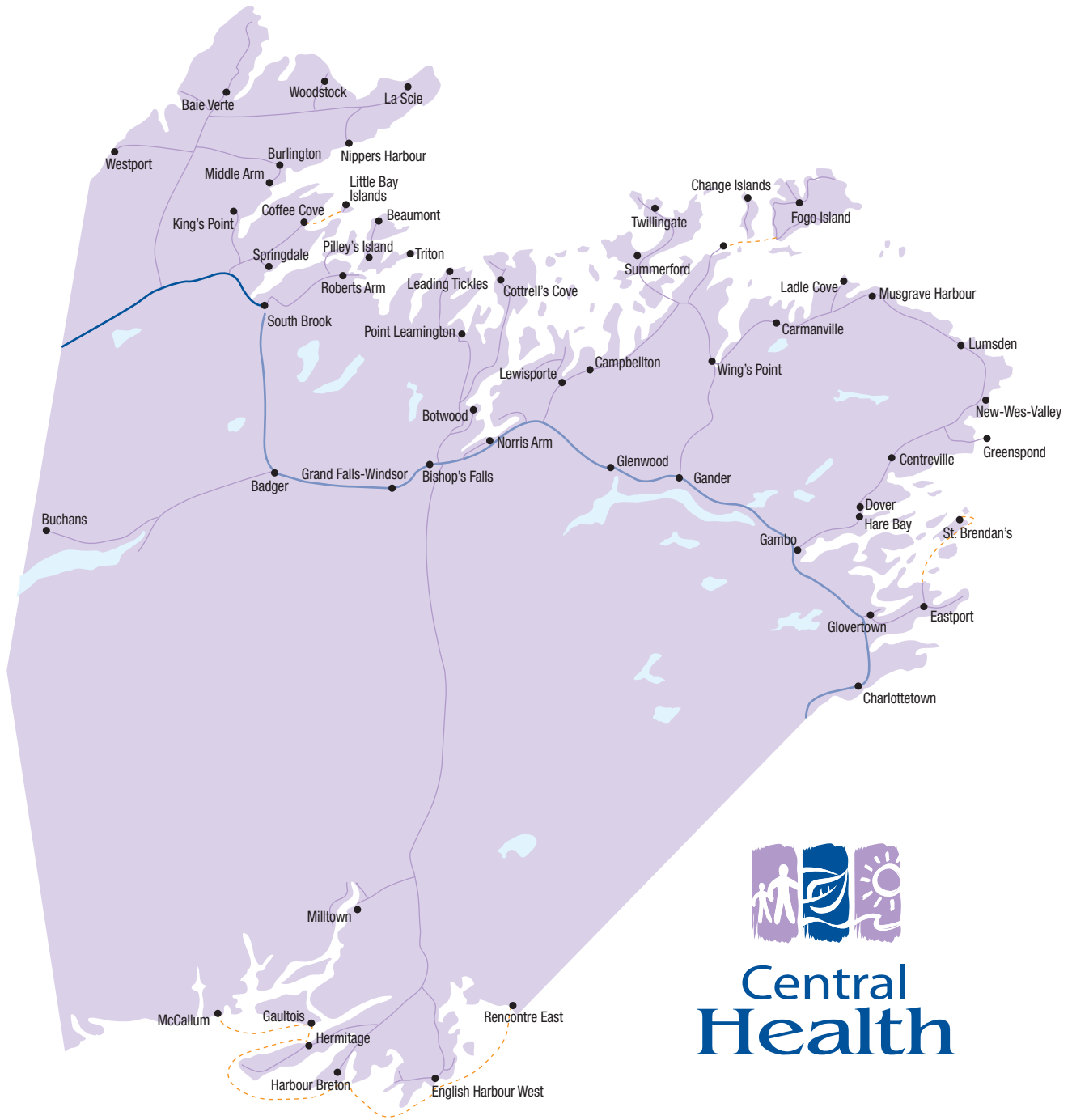


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Chairperson's Message

We, the Board of Trustees of Central Health, have the honour to present Central Health's Annual Performance Report for the fiscal year ending March 31, 2011. This annual report was prepared under the Board's direction, in accordance with the *Transparency & Accountability Act*, *Regional Health Authorities Act* and directions provided by the Minister of Health and Community Services. This year, in addition to the reporting on our annual progress of our strategic directions, this report brings us to the end of our 2008-11 strategic planning cycle. As such, we are also reporting on the goals and objectives of the past three years as well as our mission statement which spans over five fiscal years. As a Board, we are accountable for the information, results and variances contained within this annual report.

During the past year Central Health has made many improvements to programs and services. This would not be possible without the dedication and commitment of the health professionals in our organization. Healthcare is widely acknowledged as a challenging environment. Yet, despite those challenges, the employees and staff of Central Health have consistently demonstrated success in the provision of programs and services to the residents of central Newfoundland.

I would like to take this opportunity to highlight just a few of our many successes this year. In 2010-11 public health nurses administered 10,455 influenza vaccines, an increase of approximately 14 per cent since 2007-08. Central Health introduced a new model of nursing care that is based on the Ottawa Hospital Model. The research demonstrates that this model of nursing care will improve patient safety, patient outcomes and quality of work life for nurses. One of our most significant achievements in 2010-11 was the acquisition of a magnetic resonance imaging (MRI) machine. The residents of the central region are now able to access this service within the region for the very first time.

We are proud of our achievements in the past year and look forward to working together to meet the challenges of the year ahead.

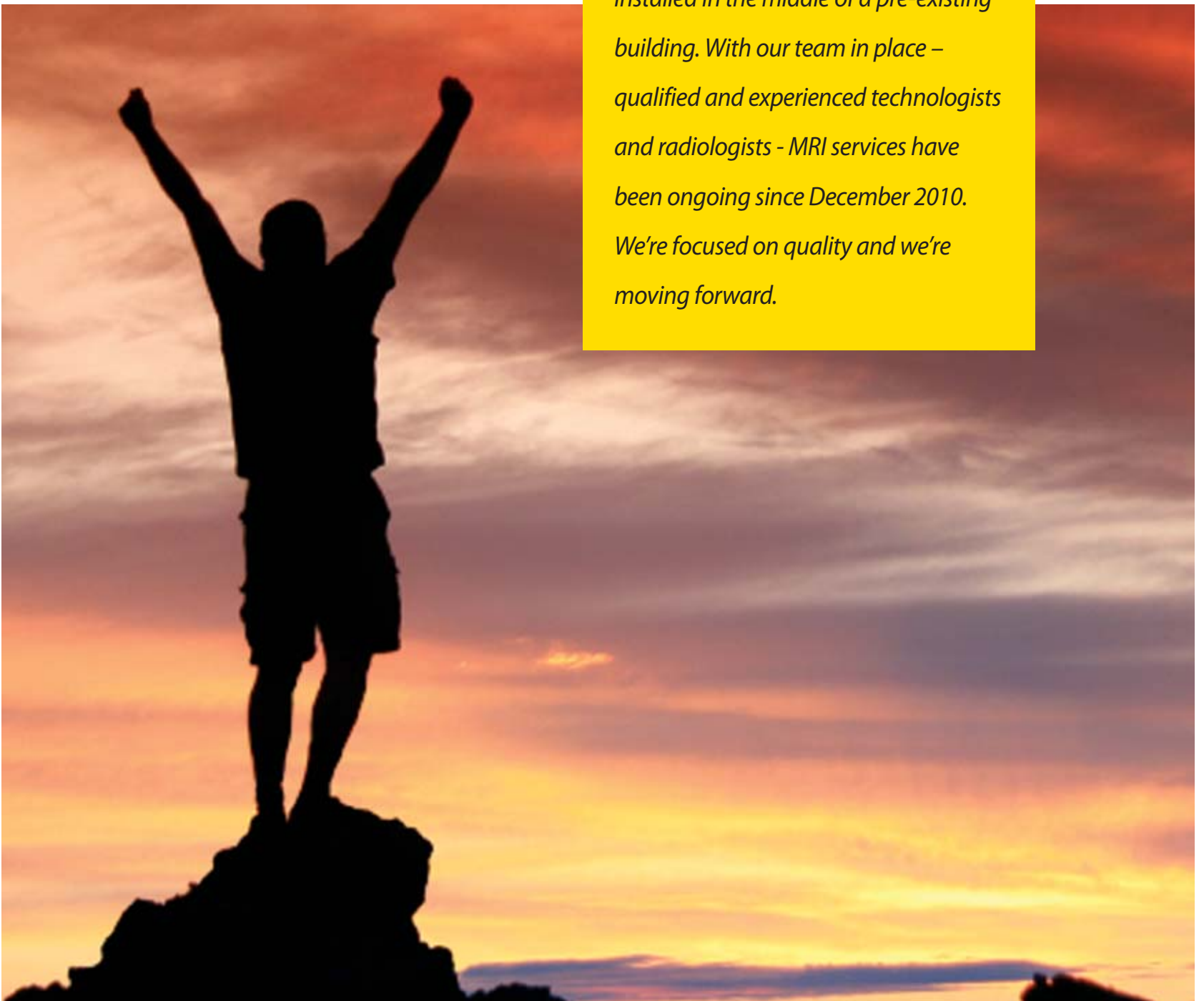
Sincerely,

A handwritten signature in blue ink that reads "Cyril Farrell". The signature is written in a cursive, flowing style.

Cyril Farrell
Chairperson, Central Health Board of Trustees

We've reached the top.

After 18 months of preparation and teamwork, the MRI machine was installed. This was no small feat since this large machine needed to be installed in the middle of a pre-existing building. With our team in place – qualified and experienced technologists and radiologists - MRI services have been ongoing since December 2010. We're focused on quality and we're moving forward.



Organizational Overview

Central Health has defined its vision, mission, values and lines of business. These statements are fundamental to the organization and have been communicated to all staff of Central Health.

Vision

The vision of Central Health is for “healthy people and healthy communities”.

Mission

By 2011, Central Health will have provided the best possible integrated health and community services and programs which respond to the identified needs of the people of central Newfoundland and Labrador within available resources.



Values

Central Health's core values offer principles and a guiding framework for all employees as they work in their various capacities to support the health and well-being of the people served by Central Health. This is done within available resources except where otherwise directed by legislation. The core values and the related action statements are:

- **Accountability** – Each person is responsible for giving their absolute best effort to achieving the success of the organization's vision of healthy people and healthy communities.
- **Collaboration** – Each person works as a team and partners with other providers and organizations to best meet the holistic needs of clients and the organization.
- **Excellence** – Each person contributes to quality improvement and a culture of safety through the life-long development of their knowledge, skills and use of best practices.
- **Fairness** - Each person engages in practices that promote equity and adherence to ethical standards.
- **Privacy** – Each person respects privacy and protects confidential information.
- **Respect** – Each person is committed to fostering an environment that embraces respect, dignity and diversity and encourages honest, effective communication.

“The vision of Central Health is of healthy people and healthy communities”

Number of employees and physical location

Central Health is the second largest health region in Newfoundland and Labrador, serving a population of approximately 94,000 and offering a continuum of healthcare services. Central Health serves an aging population with 28.4 per cent of the population over the age of 55 (www.communityaccounts.ca). As of March 31, 2011 there were 842 beds throughout the region – 264 acute care, 518 long-term care, 32 residential units (Green Bay) and 28 bassinets. The total workforce for Central Health was approximately 3,200 including salaried physicians. There were also approximately 77 fee-for-service physicians practicing within the region.

Central Health’s service district extends from Charlottetown in the east, Fogo Island in the north, Harbour Breton in the south to the Baie Verte Peninsula in the west. This geographical area encompasses more than half of the total land mass of Newfoundland.

Lines of business

Central Health provides health services and programs to the citizens of central Newfoundland and Labrador. These include acute, long term care, community and other services within current resources. Central Health is committed to a Primary Health Care (PHC) model of service delivery. For certain

services people can self refer while other services require a referral from a specific health discipline. A multidisciplinary team of health professionals, support staff and partners provide the care and services required to meet the mandate of Central Health.

The lines of business of an organization represent its areas of focus in delivering its mandate.

Central Health accomplishes its mandate through five lines of business:

- Promoting health and well-being
- Preventing illness and injury
- Providing supportive care
- Treating illness and injury
- Providing rehabilitative services

It is important to note that services may fall under one or more lines of business, and as Central Health is an evolving integrated authority, there may be further realignment of services and programs.

A full description of the Lines of Business can be found in the Central Health 2011-14 Strategic Plan at www.centralhealth.nl.ca/publications

Shared Commitments/ Partnerships

Partnerships in healthcare have a considerable impact on the delivery of services and the organization's ability to enhance efficiency and effectiveness. The partnerships forged by the staff, volunteers and physicians at Central Health are a key element in supporting the integration and coordination of services, promoting health and increasing capacity within our communities.

The following are illustrations of partnerships aimed at meeting the strategic directions of the Government of Newfoundland and Labrador

STRATEGIC DIRECTION: **Improved Population Health**

School food guidelines

The School Food Guidelines were released provincially in 2006 to guide the promotion of healthy eating in schools. The guidelines outline a selection of food and beverages to be served in schools to ensure healthy food choices.

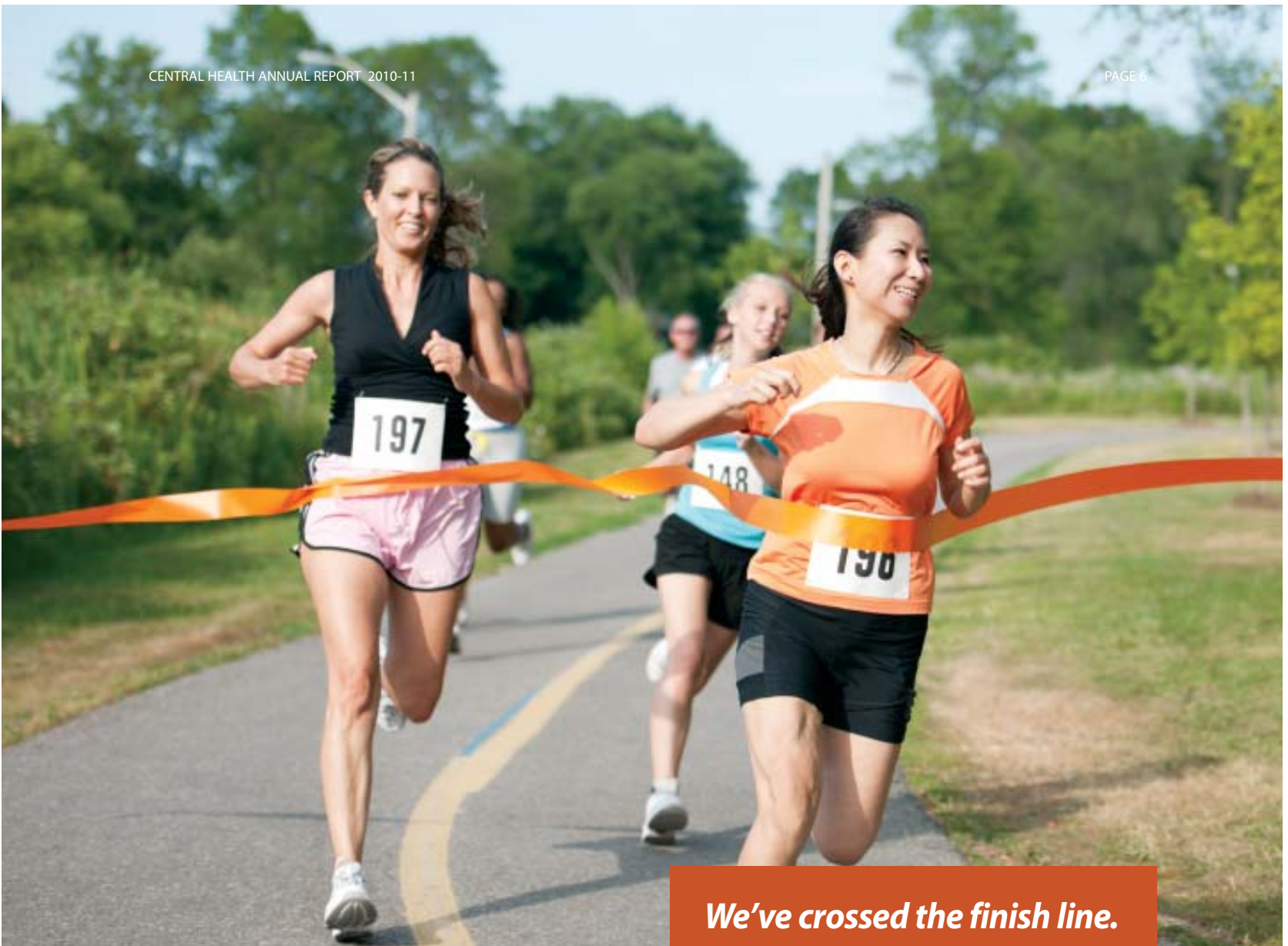
Many partners work collaboratively to support the implementation of the School Food Guidelines, including Nova Central School District, Central Health, school caterers, local businesses, Central Region Wellness Coalition (CRWC) and the School Milk Foundation. Central Health and the Nova Central School District share a health promotion liaison position established to promote healthy lifestyles in schools

throughout the region. The partner agencies work together to reach students, parents and staff with the important messages associated with the guidelines. Parents are introduced to the School Food Guidelines through Kinderstart and curriculum night presentations. An annual student summit informs students about the importance of the School Food Guidelines and encourages student champions in schools.

Wellness coalition

The Central Region Wellness Coalition (CRWC) is a network of 200 members who actively support wellness initiatives by building partnerships, sharing knowledge and providing leadership using a population health approach. In 2010-11 the CRWC supported wellness initiatives in the central region by funding over 30 community grants and 25 core programs such as Ticker Tom, Food and Fun Camps, Moving for Health, PARTY program, Drop the Pop and Energy Drink Awareness. The CRWC, in partnership with the *Central Regional Injury Prevention Coalition*, hosted a Falls Prevention and Awareness Workshop that led to the development of a *Regional Falls Prevention Committee*.

A partnership has been established with the Rural Secretariat and Memorial University in the creation of a networking website called Basecamp that members use to share and enhance knowledge, skills, information and resources relevant to community development.



**Registered Nurses Association of Ontario (RNAO)
smoking project**

Continuing with its commitment to provide support for clients transitioning to a healthier lifestyle as a non smoker, Central Health partnered with the RNAO to participate in a Health Canada sponsored National Nursing Best Practice Smoking Cessation Initiative. Central Health was selected as one of 11 Canadian sites and was the sole partner in Newfoundland and Labrador. As a result of this partnership, Central Health was able to retain a part-time nursing position to assist in facilitating the development of smoking cessation champions and further entrench Central Health's Smoke Free Properties Initiative. Clients are benefitting from the smoking cessation best practice of the 4 A's: Ask, Advise, Assist and Arrange. A key cornerstone of this project is the RNAO Smoking Cessation Best Practice Guideline, which in addition to its extensive use during the project, has been recommended as an organizational best practice.

We've crossed the finish line.

Our Assertive Community Treatment (ACT) team is in place! Through this team, we are providing important mental health services to people living in our communities who have severe and persistent mental illness. It's the first time this type of service has been offered in the central region and we're proud to offer it.

Improving dental services

Access to dental health services is a challenge for many residents of the central region, especially those living in our most rural communities. Central Health has forged partnerships with dental health practitioners to increase access in rural areas and to promote healthy dental practices.

In January 2011, the Baie Verte Peninsula regained dental services after an 18 month period. Through collaboration between the Humber Valley Clinic of Corner Brook and Baie Verte Peninsula Health Centre, the dental practice in Baie Verte has resumed utilizing space and providing a service at the Health Centre. A fulltime dental hygienist has joined the practice, thereby increasing the number of appointments available and increasing dental health promotion.

Dental services were provided at the Notre Dame Bay Memorial Health Centre (NDBMHC) for a number of years, however, departed the area in 2007. This important service was identified as a priority by the Primary Healthcare Community Advisory Committee, leadership team and municipal government. A Memorandum of Understanding has been developed with Gander Mall Dental Clinic to provide services in the area.

In February 2011, the new owners of the Central Dental Group in Grand Falls-Windsor renewed their commitment to providing a full spectrum of dental services to the more than 5,000 residents of the Connaigre Peninsula. For one week of

every month, the dentist and his team of dental assistants, lab technician and hygienist, visit the health center in Harbour Breton. They are providing preventative, restorative, surgical and emergency dental care to more than 5,000 residents along the south coast.

Moving for health

Moving for Health is an exercise program developed to offer safe and affordable indoor active living for adults. For optimum success, partnerships between municipalities, schools, church groups, community groups and organizations are required to deliver this volunteer led program. Central Health professionals, PHC Teams and the CRWC offer generous support.

The benefits from this program include achieving and maintaining a healthy body weight, prevention and maintenance of chronic diseases as well as an opportunity for socializing and meeting new friends. Participants are empowered to care for themselves and continue to be active community citizens.

Healthy aging

The growing population of seniors in the central region provides many opportunities to engage in health promotion through exciting and innovative partnerships. Central Health is pleased to be able to highlight activities in our region that celebrate and promote healthy aging.

A Health and Fitness Day for Older Adults is an event held in Green Bay focusing on health promotion and protection of adults aged 50 years or older. Central Health partnered with the Town of Springdale and the Life Unlimited for Older Adults group of Springdale to organize and deliver the event.

In May 2008, the Kittiwake Coast Primary Healthcare team held the first Healthy Aging Celebration at the Barbour Living Heritage Village in Newtown. This was a partnership between Central Health, the Cape Freels Heritage Trust and local business owners. This is now an annual event with approximately 90 to 100 people attending each year. *Lunch and Learn* Healthy Living Celebrations have evolved and were hosted in Musgrave Harbour, Trinity and Carmanville through collaboration with community partners such as the Lions Clubs, pharmacies, the CRWC, churches, community channels and municipalities.

In 2009, the Botwood 50+ Club initiated the formation of a Seniors Working Group, which consisted of representatives from Central Health, the Lion's Club, Royal Canadian Legion, Kinsmen, the Botwood Town Council and the 50+ Club. The purpose of this group was to sustain an annual *Healthy Living Seminar* devoted to providing health and well-being information to residents aged 50 and older as well as being a local voice for seniors in the area. Further collaboration with the Botwood Town Council generated the *Commit to Fit* project in the fall of 2010 which is creating a culture of physical activity opportunities for adults aged 50 and older.

Seniors Health Day is held in Grand Falls-Windsor in collaboration with the Exploits Valley 50+ Club, the CRWC and the Seniors Resource Centre. The event includes a wide range of speakers covering topics very relevant to healthy aging. This marks the third *Seniors Health Day*, demonstrating the ability to grow and sustain these events.

STRATEGIC DIRECTION:

Strengthened Public Health Capacity

FluWatch

FluWatch is a surveillance program which consists of a Canada-wide network of labs, hospitals and doctors' offices designed to produce influenza activity reports at a regional level. Central Health collects weekly influenza-like-illness data from all regional healthcare facilities, and a select number of schools, day cares and workplaces throughout the region. Participating physicians also report patients with influenza symptoms as well as lab-confirmations of influenza.

The integration of surveillance and laboratory information allows for timely identification and reporting of influenza viruses circulating in Central Health and the province. This information empowers individuals, health providers and communities to take action, to protect and improve health.

Buchans mine tailings spill remediation

In 2010 Central Health partnered with the Town of Buchans on an initiative related to environmental health.

The Town of Buchans had expressed concerns regarding potential health issues resulting from the mine operations and remaining areas of mine tailings. The main area of concern was a former tailings area adjacent to the A.M. Guy Memorial Health Center. The town requested a Human Health Risk Assessment be completed. Results of this assessment were communicated at municipal council and town meetings. Representatives from the Department of Environment and Conservation, Department of Health and Community Services and Central Health were present to facilitate information sharing, public education and communication of the recommendations. The area adjacent to the Health Center has been fully remediated, with partial remediation of the tailings pond.

STRATEGIC DIRECTION:**Improved Accessibility to Priority Services**

Kittiwake self-help group

In the KNOW (Kittiwake Network of Wellness) Clubhouse is a wonderful story of partnerships, community involvement and inclusion for those experiencing a mental illness. A Self-Help Group for those experiencing mental illness was started in New-Wes-Valley, with encouragement and resources from the Consumer's Health Awareness Network Newfoundland and

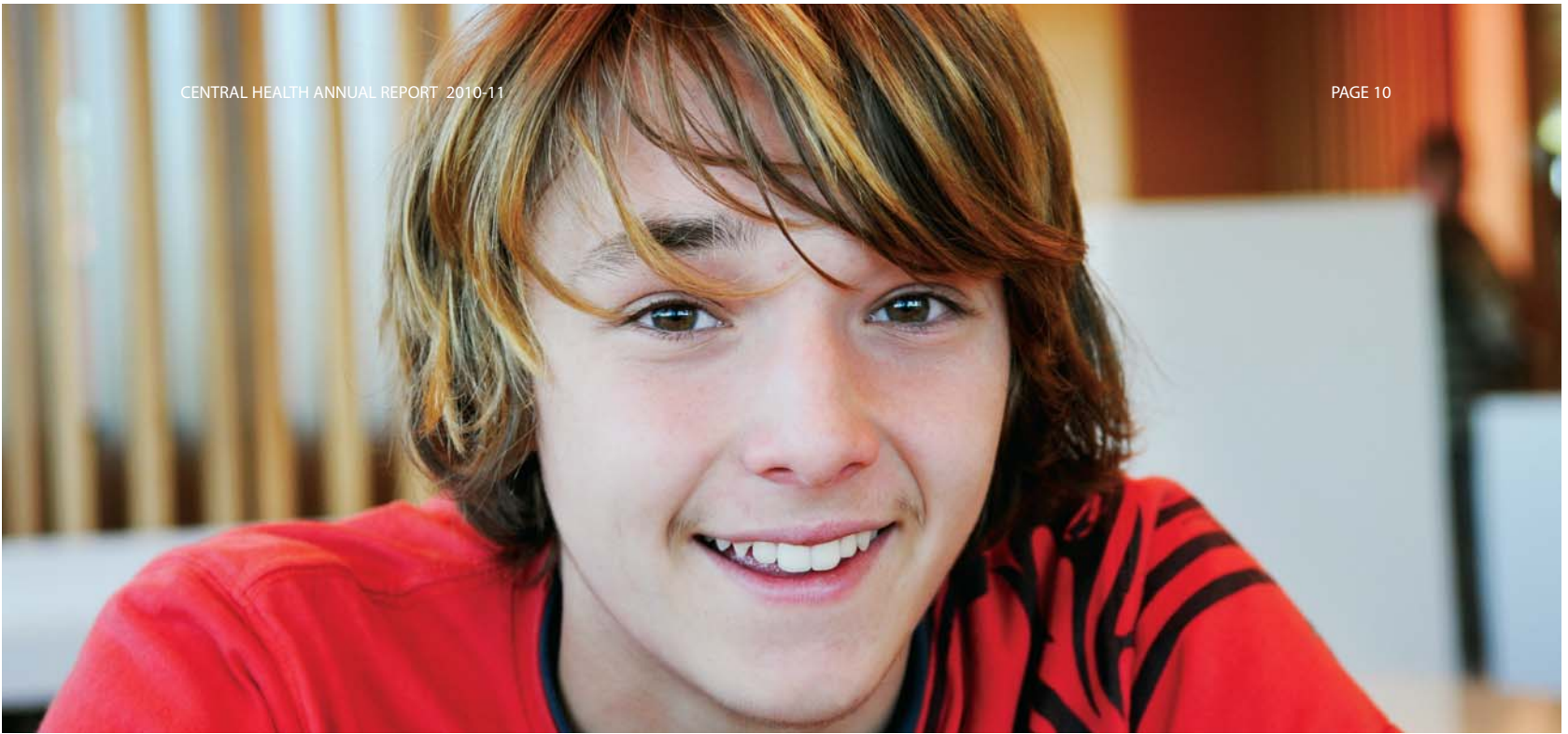
Labrador (CHANNAL). The project led to the submission of an application for funding to the Canada Post Foundation for Mental Illness and Mental Health to develop a mobile clubhouse network on the Kittiwake Coast for Mental Health and Wellness.

The Cape Freels Heritage Trust Inc., with a 20-year history of successfully hiring and building confidence in people who live with challenges, submitted the application and will work with a project team upon receipt of funding.

Tele wound care

Telehealth is described as the use of communications and information technology to deliver healthcare services, and provide information and education from a distance. Telehealth helps to improve access by overcoming barriers, such as geography and transportation.

The Tele Wound Care Pilot Project occurred from November 28, 2010 to February 28, 2011. Continuing Care Nurse Coordinators typically consult with the Regional Wound Care Consultant based in Gander on complex wound care; often referring patients to travel for assessment. During the pilot, the Wound Care Consultant utilized the telehealth technology to provide support to nurses as they provided wound management to clients closer to their home. The pilot project operated from Springdale, New-Wes-Valley and Twillingate sites. Tele Wound Care decreased travel for clients and enabled them to be assessed earlier and discharged sooner.



Child, Youth & Family Services (CYFS) caregiver home recruitment

CYFS staff in the Central region have successfully partnered with individuals and groups to recruit new caregiver homes for children and youth. The sharing of positive experiences by current caregivers has been an important element in new home recruitment.

The Newfoundland and Labrador Foster Families Association assisted with recruitment of new homes through its provincial campaign. Efforts to recruit homes have been supported by organizations such as the local media, schools, churches, Canadian Red Cross and Canadian Forces. Initiatives included poster campaigns, inclusion of information in newsletters and websites of partner organizations and promotion by staff members at public events such as parent teacher interviews and blood donor clinics. These partnerships have resulted in the approval of approximately 20 new homes during 2010-2011 in a wide range of communities throughout the region.

Early Learning & Child Care (ELCC) capacity projects

The focus of the capacity initiative is the development of quality ELCC programs in rural and under-served areas of the province. Projects are operated within a partnership framework and undertaken by either an existing non-profit organization or a group formed to partner around a shared interest in building child care capacity.

In Baie Verte, a committed group of community members and professionals worked with the Family Resource Program (FRP) Advisory Committee and Central Health towards the development of a child care centre. The FRP had a flourishing network of partners supporting their existing work including, municipal council, education, health and local businesses who embraced this new project.

In Twillingate, the initial catalyst was an identified need and interest on the part of parents and professionals who approached the Exploits Valley YMCA to partner in a child care project. The partnership with school administration and staff was critical to securing space for the new centre.

In 2010, child care programs were licensed and opened their doors. They are the first of their kind in Twillingate and Baie Verte. The success of these projects is due to the efforts of a wide range of partners who remain committed to ensuring programs are developed and sustained for the benefit of children, families and their communities.

Accessing speech-language services

The speech-language pathology assistant is an established position across Canada that works under the direct supervision of a speech-language pathologist. The Gander Campus of Keyin College implemented a two-year speech-language pathology assistant program (SLPA) in September 2007. This was the first and only SLPA program offered in the province. Central Health partnered with Keyin College to provide placements to students, assessment and therapy materials and access to clients.

The Department of Advanced Education and Skills assists new graduates of post-secondary programs to obtain employment in their related field of study. Central Health partnered with HRLE to employ new graduates of the SLPA program at James Paton Memorial Regional Health Centre and Central Newfoundland Regional Health Centre.

Evaluation of the impact of this new category of providers to our services is still ongoing; however we are able to demonstrate a reduction of 30 clients from the waitlist in the span of three months due to the contribution of this new provider.

STRATEGIC DIRECTION:
Improved Accountability and Stability in the Delivery of Health and Community Services

HealthPRO

In fall 2010, Central Health selected HealthPRO as our single group purchasing organization for pharmaceutical, laboratory, medical and surgical categories. The decision was made in an effort to streamline procurement processes and reduce costs associated with the purchasing of healthcare supplies.

HealthPRO aggregates the purchasing volumes of its members to develop large national contracts that translate into significant savings for its shareholders. Central Health participates on the National Advisory Committee that evaluates various pharmaceutical and medical products.

CENTRAL HEALTH STRATEGIC DIRECTIONS

The following are illustrations of how Central Health works collaboratively with partners to advance the strategic directions of the organization.

STRATEGIC DIRECTION:
Health Promotion & Chronic Disease

Chronic disease self-management

In 2010, Central Health partnered with the Public Health Agency of Canada (PHAC) on a project entitled *Diabetes Type 2 Self-Management With You*, phase one and two.

Funding was received to support self-management awareness and education for Central Health staff. Focus groups were held with clients who are living with diabetes seeking input on the care and services received; the challenges of living with diabetes and the support needed to better manage this disease. Education for diabetic educators on the self-management practice encouraged providers to reflect on their work to determine if they are supporting clients to be active partners in their own care.

Because of the funds and partnership with PHAC, Central Health can work with clients with various chronic diseases to meet their needs in a proactive and supportive approach that encompasses the principles of health promotion and Primary Health Care.

“The commitment of donors and volunteers to the Foundations has enriched the health programs and services that Central Health is proud to provide throughout the region.”

STRATEGIC DIRECTION:

Ensuring Service Quality

Client satisfaction in personal care homes

The Community Supports and Residential Services Division of Central Health is responsible for the licensing and monitoring of Personal Care Homes. Personal Care Homes are private, for-profit, community-based residential options primarily for seniors that can accommodate five to 100 individuals.

As a continuous quality improvement initiative, an anonymous resident satisfaction survey was completed with the Personal Care Homes in central region. The survey was completed with a sample of residents and included topics, such as, confidentiality, medication administration, safety, respect, food services, housekeeping and laundry. Survey results were shared with Personal Care Home operators and the Personal Care Home monitoring team.

This initiative was well received by Personal Care Home operators and provided an opportunity for them to examine the quality of care and services provided to the residents within their home and to plan improvements.

STRATEGIC DIRECTION:

Infrastructure and Capital Equipment

Health foundations

Central Health is pleased to partner directly with two charitable foundations which endeavour to ensure the very best in healthcare continues to be made available to residents of central Newfoundland. The Central Northeast Health Foundation and the South and Central Health Foundation are guided by volunteer Boards of Directors with representation throughout the region.

The foundations have made great strides in enhancing the physical environment experienced by patients, residents, clients and visitors to health facilities. Many waiting areas, family comfort rooms and palliative care rooms have been transformed into wonderful home-like areas to bring an extra measure of comfort. Two new wheelchair accessible buses have been made available for long term care residents and lifesaving operating room, emergency room and diagnostic imaging technologies have been added to health centres.

The commitment of donors and volunteers to the Foundations has enriched the health programs and services that Central Health is proud to provide throughout the region.

Highlights and Accomplishments

Central Health is pleased to be able to highlight accomplishments of the organization in the fiscal year 2010-11. Those accomplishments are examples of initiatives undertaken to meet the strategic directions of the Department of Health and Community Services (DHCS) and Central Health.

STRATEGIC DIRECTION (DHCS):

Improved population health

Influenza vaccination

Influenza vaccination for clients who meet the provincial influenza vaccination criteria, is a major priority for Central Health. Residents had access to mass immunization walk-in clinics in a number of local communities. The clinics were advertised in the media, on the Central Health website, by posters, and word of mouth. Reflecting on statistics from previous influenza campaigns, this year has shown an increase in the uptake of influenza vaccination administered by public health nurses. In 2007-08 public health nurses administered 7,164 doses and in 2010-11 they administered 10,455 doses of influenza vaccine. Family doctors also administer influenza vaccination so the total doses administered in the region increased from 17,902 in 2007-08 to 19,633 in 2010-11.

This is a demonstration of how Central Health supports the principles of health promotion by re-orienting health services to increase accessibility for clients and strengthening public health capacity by having dedicated public health resources that focused on delivering the mass immunization program to residents of the region.

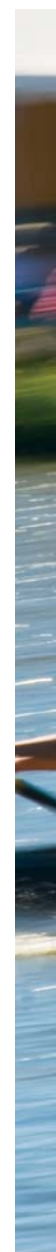
STRATEGIC DIRECTION (DHCS):

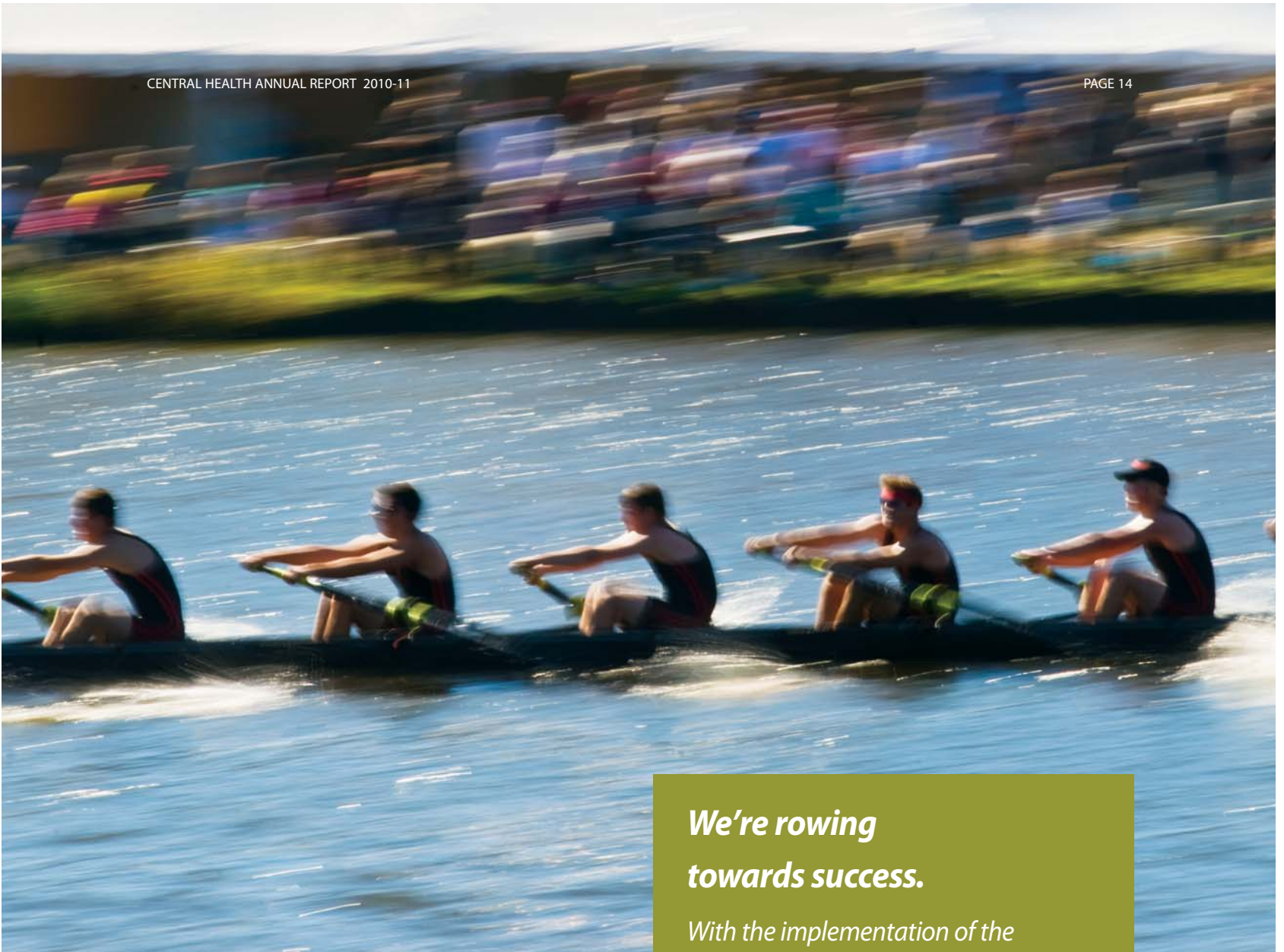
Improved Accessibility to Priority Services

Access to MRI services

Central Health's MRI service commenced at James Paton Memorial Regional Health Centre in early December 2010. This followed an extensive evaluation, site renovation and equipment installation process that lasted 18 months. Working with the successful vendor, GE Healthcare, Central Health completed the very difficult project of installing an MRI in the middle of a pre-existing building.

Central Health is pleased to report that a full team of qualified and experienced technologists and radiologists is in place to run the MRI service. As MRI exams are very complex and time-intensive, a commitment was made to focus on quality first and then increase productivity. The type and number of exams performed is being increased on a phased-in approach. Central Health is proud to be able to offer this beneficial technology to clients.





We're rowing towards success.

With the implementation of the Central Health Model of Nursing Clinical Practice. Its research based and all about improving services for you – the client. It will lead to improved patient safety, patient outcomes and enhanced quality work life for nurses. A win-win!

Access to mental health and addictions services

The mental health and addictions program has successfully enhanced access to services throughout the region. The Assertive Community Treatment (ACT) service, a team of professionals providing services in the community to individuals experiencing severe and persistent mental illness, has been implemented in Grand Falls-Windsor and surrounding area.

Case Management, a less intense service than ACT, is designed to support people experiencing severe and persistent mental illness within their own home and community environment. In May 2010, a Case Manager was hired to provide services to the Baie Verte Peninsula, thus increasing access to mental health services for residents in the area.

Access to youth outreach services has been expanded by hiring four addictions/youth outreach workers located in New-Wes-Valley, St. Alban's, Springdale and Twillingate. These positions target prevention and early intervention activities for youth ages 12-15.

Following the 2009 announcement by the Provincial Government that a new Youth Addictions Treatment Centre be constructed in Grand Falls-Windsor, Central Health has been working with the provincial government on the design and programming for the facility. This center will increase access to addictions treatment services for youth throughout the province.

STRATEGIC DIRECTION (DHCS):
Improved Accountability and Stability in Delivery of Health and Community Services

Quality improvement in laboratory services

The laboratory medicine program at Central Health began a quality improvement initiative in 2007 as part of the Accreditation Canada process. A quality improvement team reviewed the standards developed for laboratory services, transfusion medicine and biomedical services. These standards are designed to facilitate the establishment of best practices within the laboratory medicine program while fostering a culture of client safety and continuous quality improvement. This process culminated in a very successful Accreditation Canada review in March, 2010.

Immediately upon completion of the Accreditation Canada review, preparations began for a laboratory specific review by Ontario Laboratory Accreditation (OLA). This review was mandated by the Government of Newfoundland and

Labrador in response to the Commission of Inquiry on Hormone Receptor Testing. A self-assessment was conducted and late November 2010, the laboratories at James Paton Memorial Regional Health Centre (JPMRHC) and Central Newfoundland Regional Health Centre (CNRHC) were reviewed by an external team from OLA.

As a result of these reviews, a Total Quality Management System has been implemented to enhance service delivery. Continuous quality improvement remains the focus of the laboratory department at Central Health as we strive to provide the best possible service to clients.

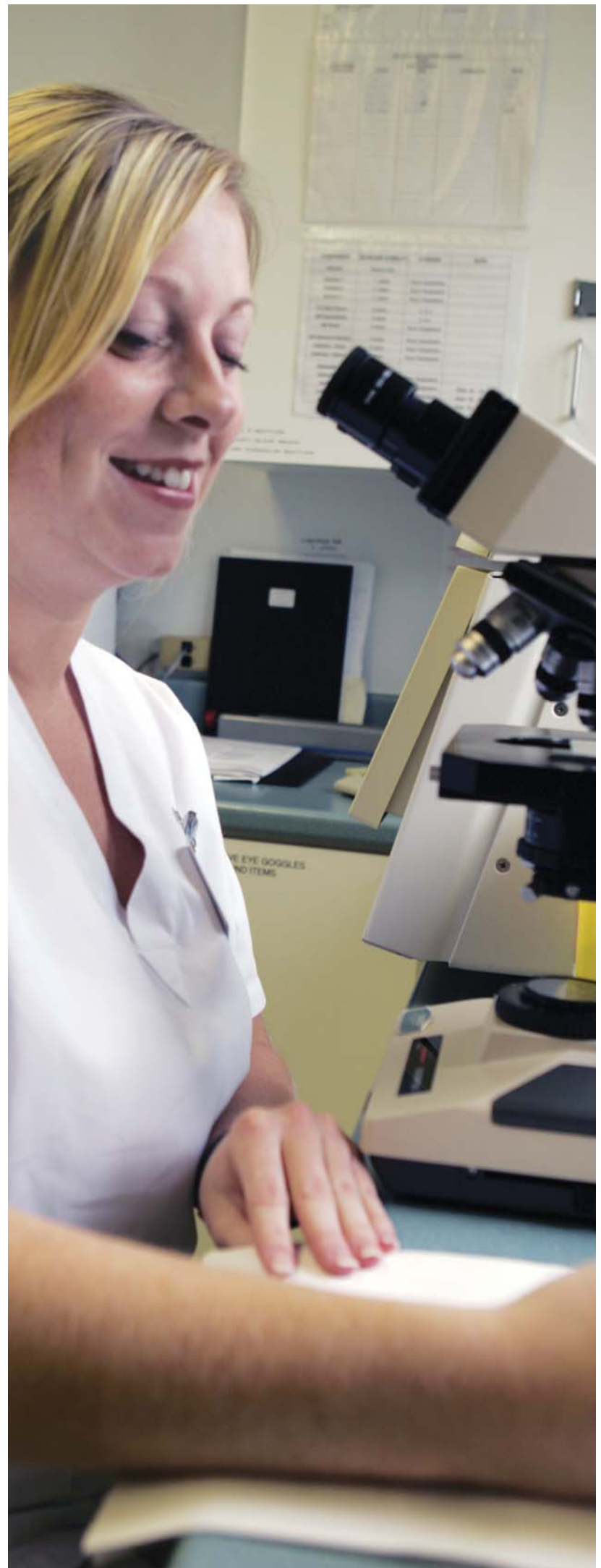
Central Health model of nursing clinical practice

Central Health is excited to report that a new model of nursing care is being introduced throughout the organization known as the *Central Health Model of Nursing Clinical Practice*. It is a research-based model of nursing care delivery guided by a set of principles which will lead to improved patient safety, patient outcomes and quality of work life for nursing staff. The model is based on the Ottawa Hospital Model of Nursing Clinical Practice and has demonstrated improvement in patient outcomes and patient satisfaction, reduction in nursing staff turnover and absenteeism and an improvement in nurses' satisfaction with their work life. The model is being implemented first in the Intensive Care Units at both JPMRHC and CNRHC. A comprehensive evaluation will be completed to assess the success of the model and to plan for further improvement.

STRATEGIC DIRECTION (DHCS):
Improved Population Health

Aboriginal health policy framework

Central Health is pleased to partner with the First Nations and Inuit organizations in Newfoundland and Labrador, Regional Health Authorities, Department of Health and Community Services and Intergovernmental and Aboriginal Affairs Secretariat in the development of a provincial Aboriginal Health Policy Framework. This framework, which is nearing finalization, will support culturally appropriate delivery of provincial health programs and services for aboriginal people. As a member of the steering committee tasked with the development of the framework, Central Health has benefitted from increased awareness of aboriginal cultural diversity in Newfoundland and Labrador as well as the development of enhanced relationships with First Nation and Inuit communities within the region and throughout the entire province.



Report on Performance

Vision

The vision of Central Health is for “healthy people and healthy communities”.

Mission

The mission statement for Category 1 Government Entities represents the outcome it is striving to achieve over two planning cycles. Central Health continues to work diligently to improve the quality, safety and integration of services delivered in the region. The efforts of staff, managers,

physicians, volunteers and partners towards meeting this mission are acknowledged and recognized as integral to the success of the organization.

Mission statement

By 2011, Central Health will have provided the best possible integrated health and community services and programs which respond to the identified needs of the people of Central Newfoundland and Labrador within available resources.

Measure 1

Central Health provided the best possible integrated health and community services and programs.

| Planned Indicators for 2006-2011 | Actual Progress for 2006-2011 |
|--|---|
| <p>1. Integrated services and programs are reflected in Central Health’s organizational structure.</p> | <p>In 2006 Central Health implemented a matrix organizational design whereby managers assume a prime responsibility for either operational or clinical leadership. This design resulted in integration on a geographical and program/service level throughout the organization.</p> <p>In the organizational structure, directors are the level of leadership directly below the senior team. Directors of Health Services are responsible for the delivery of all health services in a designated geographic location. All program directors with the exception of nursing have regional responsibilities. Many managers and staff also have regional responsibilities which results in comprehensive integration throughout the organization.</p> |



We're off.

With implementation of Total Quality Management (TQM) in laboratories. We've had reviews and excellent feedback from national bodies. It has led us to the implementation of a TQM system in our laboratories. This will enhance quality and service delivery. It's an initiative we happy to be a part of.

“Integration has occurred in data management, finance and payroll systems”

| Planned Indicators for 2006-2011 | Actual Progress for 2006-2011 |
|--|---|
| <p>2. Budget integration is completed across services and programs.</p> | <p>Central Health prepares and submits one budget that covers all services and programs.</p> <p>Each year the budget cycle is completed for all programs and services in an integrated and consolidated fashion. The budget submissions are prioritized based upon the strategic directions of Government and Central Health. Input is received from all areas of operations and the factors affecting the region are considered in any decision making.</p> |
| <p>3. Information systems are integrated across services and programs.</p> | <p>Central Health has made significant progress in meeting the aim of integrating information systems but acknowledges that this objective has not been fully achieved. Integration has occurred in data management, finance and payroll systems. Efforts are ongoing to integrate purchasing and clinical applications. The integration of information systems is very labour intensive and, as such, required a multi-year plan that expanded beyond the reporting period for this mission statement.</p> |



| Planned Indicators for 2006-2011 | Actual Progress for 2006-2011 |
|--|--|
| <p>4. Policy integration is completed.</p> | <p>The 90 plus policy and procedure manuals that existed in the previous three legacy boards have now been revised, condensed, integrated and are available in electronic format on Central Health's intranet. The policy and procedure integration project has been a massive undertaking but has resulted in policies and procedures that are streamlined and reflective of current evidence-based practice.</p> |
| <p>5. A primary health care model of service delivery is implemented in six sites.</p> | <p>Primary health care is both a philosophy and a strategy for organizing services. Implementation of primary health care as a model for service delivery means fundamental changes across the system.</p> <p>To date this model has been implemented in six sites including Twillingate/New World Island, Coast of Bays, Green Bay, Kittiwake Coast, Exploits and Fogo Island/Change Islands.</p> |

“Major accomplishments in this period were the consolidation of legacy payrolls to one payroll system and the restructuring of billings and accounts payable functions.”

Discussion of results

While Central Health has significantly reflected integrated services and programs in its organization structure, there still remain system challenges to integration. Despite the designation of regional program directors and health service directors, the vast geography poses challenges particularly in the area of communication. As well, senior leaders and program/service directors are challenged with maintaining a presence in all areas of the region. The integration of programs and services offered by one unified organization continues to be the goal of Central Health.

Central Health completed a number of changes in business systems and processes over the period 2006-11 that aided in the integration and improvement of the budget for programs and services. This involved technical changes and modification to the accounting data base as well as internal restructuring within the Finance Department. Major accomplishments in this period were the consolidation of legacy payrolls to one payroll system and the restructuring of billings and accounts payable functions.

When it was formed, Central Health was faced with three major integration challenges: to create a single business/management system; to consolidate two client-centric, lifelong clinical information systems into one; and to inter-connect 55 facilities and networks.

Central Health is proud to report that as of 2008 it has a consolidated data management operation serving all 55 facilities with redundancy capability in the event of a disaster.

In 2008-09 the General Finance and Payroll Systems were consolidated resulting in the enhanced ability to report on finance operations. Central Health now has approximately 3,200 employees LIVE on MEDITECH's electronic payroll and receiving pay stubs via e-mail. Central Health is currently working on the integration of purchasing and inventory systems.

In June 2010, a project management plan was approved to integrate and improve patient services throughout Central Health by consolidating all MEDITECH information systems into a single system resulting in regional access to comprehensive patient information.

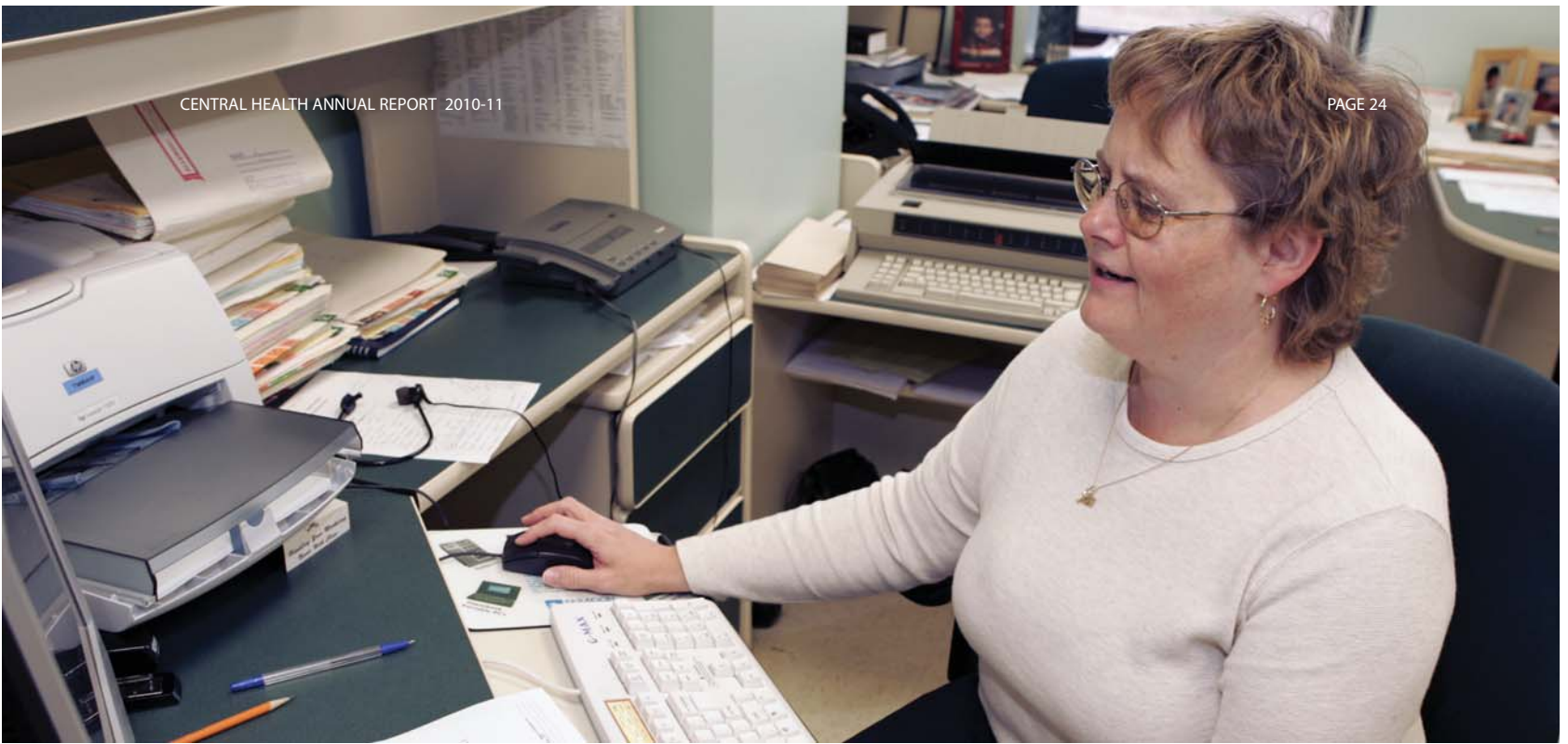
To support the implementation of a Primary Health Care (PHC) model, Central Health has supported the establishment of interprofessional PHC Teams, completion of community health assessments and community profiles, establishment of Community Advisory Committees (CACs), and development of a Community Health Action Plan at each PHC site.

Public participation is integral to the successful implementation of a PHC model for service delivery and the establishment of CACs in each primary health site has ensured meaningful community input into the prioritization, development and delivery of health and community services for a defined geographic area.

Measure 2
 Central Health’s programs and services are responsive to the identified needs of the population of Central region.

| Planned Indicators for 2006-2011 | Actual Progress for 2006-2011 |
|---|---|
| <p>1. Completed environmental scan of central region.</p> | <p>An environmental scan of central region was completed in 2007 and 2010. The scan was a valuable tool in helping the organization identify and be responsive to the needs of the population.</p> |
| <p>2. Completed needs assessment and satisfaction survey of the population of the central region.</p> | <p>In 2010, Central Health adopted and implemented a framework for identifying needs and action planning, known as the Community Health Assessment Process (CHAP), in each of its six Primary Health Care (PHC) sites. This framework includes a community profile, provider and service profile, health needs and assets assessment, provider and community consultations and validation, and contextual factors. These assessments are used by the PHC Lead Teams and Community Advisory Committees for local planning, and by the organization for strategic planning purposes. There is currently a plan being developed to expand this process to all health services sites within the Central region.</p> <p>Central Health utilizes several means to assess a client’s experience and satisfaction level with care or services. Mechanisms implemented include a Client Relations Management Program and Client Satisfaction Surveys administered by quality improvement teams and individual departments.</p> |

| Planned Indicators for 2006-2011 | Actual Progress for 2006-2011 |
|---|---|
| <p>3. Completed evaluation of selected existing services and programs.</p> | <p>The following programs and services have had evaluations completed for the purpose of quality improvement: Diabetes Type 2 Self-Management Project, Peer Breastfeeding Support Initiative (MOMS Project), Mass Immunization Clinic Structure/Process, Maternal Child Care Services, Harbour Breton Intergenerational Mentorship Program, Student Sexual Health, Green Bay Falls Prevention, Feet First Pilot Project, Colorectal Cancer Screening Program, Active Schools Program, Parenting Support Clinic (BURPS) and Infection Control Hand Hygiene Initiative.</p> |
| <p>4. Evaluation component will be part of any new programs and services.</p> | <p>Programs and services which have incorporated the concept of evaluation from the planning stages include Quality School Health Initiatives, Community Development Initiatives, Revised Healthy Beginnings Program, Revised Preschool Health Check Program, Lymphedema Services, Foot Care Education Program, Restorative Care Program, Falls Prevention Program and the Central Health Model of Nursing Clinical Practice.</p> |
| <p>5. Developed regional health services plan and implemented elements of the plan according to agreed-upon measures with the Department of Health and Community Services</p> | <p>A regional health services plan has not been developed. The work to date has focused on completing an assessment of the delivery of health services across the region, identifying location of primary and secondary services and examining gaps and challenges related to the delivery of such services including sustainability of financial and human resources, appropriate access to care and maintaining quality of care and patient safety.</p> |



Discussion of results

An environmental scan is an analysis and evaluation of the internal conditions and external factors that affect an organization. In 2007, the environmental scan provided an overview of the demographic profile of the region, along with information on the clients of Central Health, internal resources, internal processes and challenges.

In 2010 a strategic planning facilitator led the environmental scanning process and a more comprehensive environmental scan, using the Canadian Institute for Health Information (CIHI) Health Indicator Framework, was completed. This scan helped inform the strategic planning process undertaken by the Board of Trustees. The scope of the environmental scanning process was broad and involved an extensive review of documents internal to Central Health, data gathered from senior leadership, managers and directors, frontline staff, physicians and municipalities. Information on assets, strengths and needs of citizens in the six PHC sites, as reported by the CACs, was included. Through the process of scanning and analysis a number of priority areas were identified.

As a commitment to quality and responsiveness to client needs, Aramark Healthcare at Central Health conducts client satisfaction surveys at acute and long term care facilities. Data from satisfaction surveys completed in the areas of Food and Housekeeping Services is compiled at the unit/floor level allowing for identification of issues and action planning to address concerns.

The Quality Improvement Teams at Central Health also assess satisfaction levels. In 2009, an Ambulatory Services Satisfaction Survey was carried out for all service areas across a number of dimensions. In addition, Client Satisfaction Surveys were implemented in the Diagnostic Imaging Department, Long Term Care Facilities, Maternal Child Healthcare and Infection Control, just to name a few. Action planning was initiated in areas where care or service needed improvement.

Central Health also provides a formal mechanism for handling complaints and compliments. Implemented in 2006, the Client Relations Management Program assists clients, families and visitors with related concerns and inquires.

Central Health is developing expertise to ensure that evaluation is a component of program planning and routinely completed to demonstrate that our programs and services are achieving the intended goals. We have created two positions with expertise in evaluation to assist staff to develop and implement evaluation plans for programs and services.

“Briefing note submissions are prioritized and aligned with the strategic directions for Central Health and the Government of Newfoundland and Labrador.”

Measure 3

Central Health’s programs and services are conducted within available resources.

| Planned Indicators for 2006-2011 | Actual Progress for 2006-2011 |
|--|---|
| <p>1. An annual balanced budget, unless otherwise directed by the Department of Health and Community Services, while monitoring impact on programs and services.</p> | <p>Central Health achieved a balanced budget four of the last five years from 2006-2007 to 2010-2011. Although the goal of Central Health and the Department of Health and Community services was for the organization to achieve a balanced budget in fiscal year 2007-2008, this was not realized due to a number of factors ranging from demands for services to unanticipated expenditures.</p> |
| <p>2. Integrated regional budgeting processes.</p> | <p>The budget process is integrated and flows through the Budgeting Department. Details on enhancements made to the budgeting process are referenced in this report.</p> |
| <p>3. Alteration or implementation of services and programs will include costs analysis and will be within resources.</p> | <p>The budget process follows a number of formal steps. Budget briefing notes are required for all new and any changes to existing services which includes a cost analysis. The briefing note submission is prioritized and aligned with the strategic directions for Central Health and the Government of Newfoundland and Labrador. Implementation of approved changes during the budget year include a cost analysis for finalizing exact funding amounts.</p> |

Discussion of results

| Fiscal Year | Surplus / (Deficit) | Total Operating Budget | % Variance |
|-------------|---------------------|------------------------|------------|
| 2006-2007 | 194,295 | 236,233,585 | .00082% |
| 2007-2008 | (1,030,980) | 248,908,477 | (.0041%) |
| 2008-2009 | 211,519 | 270,035,430 | .00078% |
| 2009-2010 | 616,902 | 303,539,719 | .002% |
| 2010-2011 | 48,113 | 327,820,954 | .00015% |

Central Health has achieved a balance or surplus budget four out of five years from 2006-2007 to 2010-2011. The budget process considers all available resources when reviewing planned programs and services each year. The planning for new services or programs, as well as any changes, requires a cost analysis be completed. This analysis is done during the budget process and changes are made when approved.

As noted in the five-year results there was one fiscal year when the results did not meet or exceed the expected plan. Reasons for this range from client/patient/resident demand to unforeseen cost increases in supplies and services.

Central Health commenced 2006-2007 with three financial systems that were only integrated at a very high reporting level, thereby impacting on reporting deadlines and data

quality. Considerable improvements have been made in consolidating and integrating business processes as well as the financial reporting systems.

Central Health provides services in a variety of settings including acute care facilities, long term care homes, medical clinics and community locations that have a wide variety of ages and conditions. Not all of these buildings are owned directly by Central Health but Central Health does have responsibility to ensure that services are offered in adequate and safe settings. Similarly, equipment has been acquired over numerous years and continually needs to be replaced due to changes in best practices, technology, or age.

Table 1 Capital Expenditures 2006 – 2011

| Fiscal Year | Capital Equipment Expenditures |
|-------------|--------------------------------|
| 2006-2007 | \$2,287,320 |
| 2007-2008 | \$7,560,569 |
| 2008-2009 | \$2,894,010 |
| 2009-2010 | \$7,084,816 |
| 2010-2011 | \$9,067,773 |

Central Health has redeveloped and upgraded infrastructure on a priority basis in response to the changing services, programs, technology, client and staff needs as well as the needs of the public.



ISSUE 1:

System alignment

Meeting the healthcare needs of citizens of the central region is challenged by changing population demographics and service delivery best practices. Traditionally, rural communities were served through the cottage hospital system, which delivered an array of primary and secondary services designed to meet the needs of a remote population, living in scattered communities along the coastal areas of the region served by Central Health. This system existed in a time when rural sites were truly isolated, communities were demographically young and the population base was large enough to sustain a diversity of services.

Today an aging and declining population, along with the increasing difficulty of recruiting health professionals, is challenging health organizations to find new ways of aligning primary and secondary health services to ensure they are sustainable in terms of both financial and human resources, as well as in accordance with standards of quality care and patient safety.

With these issues in mind, Central Health committed to redefining its system of care delivery to ensure that the health needs of the citizens of the region are met, utilizing an approach that incorporates quality practice standards and the best use of its resources. This issue supported the Government of Newfoundland and Labrador strategic direction of improved accountability and stability in the delivery of health and community services within available resources.

To address this strategic issue, Central Health partnered with the Canadian Health Services Research Foundation, through participation in the EXTRA program. Through this initiative, leaders in the organization researched best practices in the delivery of health services to rural populations, as well as methods to develop appropriate decision making processes to assist in this difficult task of aligning services throughout the region.

2008-11 Goal

By March 31, 2011 Central Health will have developed recommendations for improved alignment of primary and secondary services based on the most appropriate service, delivered at the most appropriate site, by the most appropriate care provider, in view of changing demographics, availability of resources and application of best practice principles.

Measure

Recommendations for the realignment of primary and secondary services for Central Health is accepted by the Board and submitted to the Department of Health and Community Services.

| Planned Indicators for 2008-2011 | Actual Progress for 2008-11 |
|---|---|
| <p>1. An assessment plan for primary and secondary services is developed.</p> | <p>A team was established to develop a plan to define and assess the primary and secondary services delivered throughout the various sites in the central region. This assessment plan included providing a detailed description of gaps and challenges experienced in sustaining the current model.</p> |
| <p>2. The assessment plan is implemented.</p> | <p>The assessment plan was implemented throughout the region as key leaders within the organization provided information regarding the delivery of services including the location of primary and secondary services as well as challenges.</p> |
| <p>3. Recommendations for the realignment of primary and secondary services are submitted to the Department of Health and Community Services.</p> | <p>Analysis of this issue indicated that the initial step in the process needed to be the adoption of a Decision Making Model to ensure decisions and recommendations made to improve alignment of services were based on the values of the organization, access to safe, quality care and reflective of best practice guidelines. Central Health has adopted a Decision Making Model; however, work has not progressed to the formation and submission of recommendations for service realignment.</p> |

2010-11 Objective

By March 31, 2011 Central Health will have developed recommendations for system alignment to be presented to the Department of Health and Community Services.

Measure

Recommendations for system realignment are developed.

| Planned Indicators for 2010-2011 | Actual Progress for 2010-11 |
|--|---|
| <p>1. Completed written utilization review of primary and secondary services accessed by residents of Central Health</p> | <p>Through this initiative, Central Health has defined where primary and secondary services are being accessed throughout the region as well as identifying challenges and gaps related to service delivery. Utilization of specific services have been reviewed including the utilization of acute care inpatient beds to provide alternate levels of care for patients. A complete written utilization review of primary and secondary services has not been completed as time has been dedicated to the development of a decision making model to meet the overall goal of improved system alignment through the use of appropriate evidence. It is anticipated further review of specific services will be occurring as needed to determine appropriate delivery.</p> |
| <p>2. Identified strategies to improve system realignment of primary and secondary services:</p> <ul style="list-style-type: none"> - Defined a formal process for monitoring of utilization of primary and secondary services; - Developed a mechanism to guide decision making regarding preferred location of services. | <p>A formal process for monitoring of utilization for all primary and secondary services has not been developed because the determination was made to focus on foundational work related to a decision-making model prior to identifying strategies to improve system realignment. However, a process has been implemented to monitor utilization of specific services including assessing wait times for specific services as well as utilization of acute care throughout the region.</p> <p>The Decision Making Model developed has been accepted by Senior Leadership and the Board of Trustees and has been incorporated into the quality framework for the organization.</p> |





Planned Indicators for 2010-2011

3. Presented recommendations to the Board of Trustees and Department of Health and Community Services.

Actual Progress for 2010-11

The Decision Making Framework developed for use within Central Health was presented to the Board of Trustees in April 2011. It was envisioned that this model will assist Central Health to make evidence informed decisions regarding the delivery of services that reflect the organization's mission and values, make the best use of available resources and provide safe, quality care that meets the needs of its rural population.

Further recommendations including sharing of services across health services areas to improve wait times for specific services are being considered.

“A key component to program and service quality is ensuring appropriate and timely access to healthcare services which are responsive to the changing needs of the population served.”

Discussion of results

This review of services has enabled Central Health to further define evolving issues related to the delivery of quality health services to its rural and remote population. It was initially felt this process would be a simple exercise whereby recommendations regarding the appropriate delivery of primary and secondary services would be defined through literature and learning from other areas that have defined core primary and secondary services and their location. However, a review of the literature indicated there is no true definition of core services and pointed to the importance of considering the needs and impacts to the population, availability of human and financial resources as well as the assurance of delivery of high quality care. Utilization of the developed Decision Making Framework will enable Central Health to work with the population to define needs and plan appropriate services in response to these needs.



ISSUE 2:

Access

A key component to program and service quality is ensuring appropriate and timely access to healthcare services which are responsive to the changing needs of the population served. Accessibility is a continuing challenge for Central Health due to a number of factors such as the changing demographics, geography, technology, human resources and space. This issue supports the Government of Newfoundland and Labrador's strategic direction of improved accessibility to priority services and improved accountability and stability in the delivery of health and community services within available resources.

Central Health's Board of Trustees and the Senior Leadership Team are well informed of access issues and the programs and services that continue to be challenged with wait times. This has been achieved through the preparation of reports, presentations to the Board and/or Senior Leadership and completion of a comprehensive environmental scan in 2010. Despite not having a formal organization wide wait time strategy in place, gains have been made in a number of areas to address access, including Mental Health, Speech-Language Pathology, Audiology, Non-Invasive Cardiopulmonary and Endoscopy Services.

2008-11 Goal

By March 31, 2011, Central Health will have implemented mechanisms to support improved access to primary and secondary healthcare services within existing financial and human resources and with consideration to changing demographics and maintenance of quality services.

Measure

Mechanisms to support improved access to primary and secondary healthcare services are implemented.

| Planned Indicators for 2008-2011 | Actual Progress for 2008-11 |
|--|--|
| <p>1. A report detailing identified access issues and strategies to overcome them is available to and accepted by the Board.</p> | <p>In 2010, a comprehensive environmental scan, using the Canadian Institute for Health Information (CIHI) Health Indicator Framework, was completed and presented to the Board of Trustees. The report provided detailed information on accessibility. The Board was also provided with information on access issues through the Report Card for Trustees, presentations at board and board committee meetings that focused on access issues in specific areas such as diagnostic imaging, speech-language pathology and physiotherapy and strategies to address these concerns. Reports on endoscopy and perioperative services have been prepared provincially in concert with other regions. These reports outline a current state assessment and strategies to improve efficiencies and access.</p> <p>The Corporate Improvement Department of Central Health, reports quarterly to the provincial Department of Health and Community Services concerning wait times for the national benchmarks.</p> |
| <p>2. An enhanced and expanded wait time management system is implemented.</p> | <p>An organization-wide wait time management system has not been formally developed as it was deemed more feasible to maximize available resources to concentrate on specific program areas. A number of successful wait time management strategies have been implemented throughout Central Health. The Mental Health and Addictions Program was successful in implementing a standardized process for waitlist management and risk assessment for clients waiting for services. Appointments for Occupational Therapy, Physiotherapy, Speech/Language and Audiology have been incorporated into the electronic wait time system facilitating standardization and improved management.</p> <p>Processes such as a common referral form, a provincial urgency classification and electronic capture of waitlists and wait time data are being implemented as part of the wait time management strategy for Endoscopy Services.</p> |

**Planned Indicators for 2008-2011**

3. A comprehensive health human resources plan is developed.

Actual Progress for 2008-11

Great strides have been made in integrating human resources processes over the past year. Consistent policies now apply to all Central Health employees throughout the region. Even though significant work is done, we have fallen short of meeting the performance objective for having completed a human resources plan due to other high priority issues such as the recruitment and retention of health professionals. A revised target date of June 30, 2011 has been set for the completion of the Human Resources Plan which will guide the organization for the next three years.

2010-11 Objective
 By March 31, 2011, Central Health will have implemented strategies to improve access to primary and secondary healthcare services.

Measure
 Implement strategies to improve access.

| Planned Indicators for 2010-2011 | Actual Progress for 2010-11 |
|---|--|
| <p>1. Identified priority areas requiring strategies to improve access.</p> | <p>Endoscopy Services have been identified as a priority area with regards to access. A provincial endoscopy wait time strategy is currently underway. In the summer of 2010 the Department of Health and Community Services initiated a provincial current state assessment of thirteen endoscopy sites in the province. This analysis was lead by the Department's Provincial Project Lead and Management Engineering Services to assess the current system capacity within existing endoscopy sites in preparation for the impending launch of the provincial strategy for colorectal screening. The central region participated in this assessment and has already started to implement many of the recommendations coming from this analysis.</p> <p>Strategies to improve access are required in perioperative services in the Central region. Central Health participated in the <i>Provincial Perioperative Environmental Scan: Demand Capacity</i> conducted by Management Engineering Services of the Department of Health and Community Services.</p> |



Planned Indicators for 2010-2011

1. Identified priority areas requiring strategies to improve access. (cont'd)

2. Reached consensus amongst stakeholders on identified strategies.

Actual Progress for 2010-11

Central Health has identified access to diagnostic imaging services, more specifically ultrasound and CT services, as a high priority.

Cardiopulmonary Services in the central region continue to experience challenges with timely access to some of its services. Echocardiography services, in particular, at Central Health have seen a steady increase in wait times over the past number of years.

A provincial current state assessment of endoscopy services, along with regional recommendations, was shared with the central region in December 2010. The endoscopy current state assessment has been validated by Central Health. Stakeholders have agreed on the recommendations and are fully engaged in the project.

The results of the provincial perioperative review have been shared with Central Health and the findings have been validated. Extensive data has been gathered. Joint consultation with the Department of Health and Community Services is required in order to develop a consensus. This has not been achieved because the time between the receipt of the report and the end of the fiscal year did not allow adequate time for stakeholders to reach consensus.

| Planned Indicators for 2010-2011 | Actual Progress for 2010-11 |
|---|---|
| <p>2. Reached consensus amongst stakeholders on identified strategies. (cont'd)</p> | <p>A Diagnostic Imaging wait time working group has been formed to gather data and develop strategies to address access in this area. The initial focus will be on reaching consensus on strategies to improve access to CT scans and ultrasound services.</p> <p>Stakeholders in Cardiopulmonary services agreed to strive to maintain wait times within national benchmarks through continued evaluation of service delivery models and readjustment of appointment scheduling.</p> |
| <p>3. Developed action plans to implement strategies.</p> | <p>A Regional Endoscopy Working Group has developed an action plan based on the regional and provincial recommendations presented in the current state assessment report. A number of the recommendations have been actioned to date, including wait list validation and central intake at one site. The overall goal of the Endoscopy Project is to enhance clinical efficiency and improve access for patients.</p> <p>To improve access to perioperative and diagnostic imaging services, Central Health will work with stakeholders in these service areas to develop formal action plans. Action plans were not developed in 2010-11 as efforts were focused on completing comprehensive assessments and exploring potential strategies. The action plans will be developed in 2011-12 once agreement has been reached on the strategies required.</p> <p>Cardiopulmonary Services continues to develop and implement plans to seek efficiencies through reduction of no-show and cancellation rates, and scheduling refinements. The addition of a second technologist has resulted in a vast improvement in wait times for routine echocardiography procedures.</p> <p>Actions implemented to address wait times in other priority areas include the introduction of alternate providers and expansion of skill mix in areas where there is a lengthy history of inability to recruit certain professionals; standardization of referral forms; creation and/or standardization of urgency classifications by aligning with provincial strategies and validation of existing wait lists.</p> |

Discussion of results

Central Health has implemented mechanisms and strategies to support improved access to primary and secondary healthcare services. A Regional Wait Time Manager was hired in 2011 and the work of this position, guided by a steering committee, will be to move forward a number of initiatives in the central region to address access in select areas.

One of the pillars of Primary Health Care (PHC) is access. Primary Health Care teams and Community Advisory

Committees at the six PHC sites within the central region continue to work together to identify issues that impact access and develop strategies to address these concerns. Areas of focus have been on cervical screening, mental health and chronic disease prevention and management.

Telehealth continues to allow timely access to specialists and consultation for clients in the central region. Focusing on oncology, nephrology, diabetes and mental health the technology allows patients to consult with specialists from across the province without leaving their communities.

Central Health continues to achieve national benchmarks as agreed upon in the Federal First Ministers Agreement in the areas of hip replacement, knee replacement and hip fracture repair. In the first three quarters of 2010-11, due to the retiring of ophthalmologists, Central Health's ability to meet the benchmark for cataract removal for the first eye ranged from 52-71 per cent. Recruitment efforts are underway and once completed achieving this benchmark will be a priority.

An innovative strategy was created and implemented at Central Health which saw the development and introduction of new types of providers and realignment of scopes of practice. The Audiology Rehabilitation Technician (ART) allows adult hearing aid users to be followed by ART after an initial assessment by an audiologist; therefore allowing the audiologist more time to focus on urgent referrals and those from the Ear, Nose & Throat specialists. The Speech-Language Pathologist Assistant (SLPA) is a new category of provider that provides services under the direction of the Speech-Language Pathologist and provides assistance in the development of tools, presentations and training.

Access for clients is very dependent on our ability to recruit and retain a skilled, qualified workforce. This can only be accomplished through comprehensive, proactive health human resource planning. There has been significant work done towards the development of a human resources plan for Central Health. Meetings have taken place with specific directors and managers to ensure the plan meets the comprehensive needs of the organization.

ISSUE 3:

Infrastructure and capital equipment

The services that Central Health provides occur in a variety of settings including acute care facilities, nursing homes, medical clinics, community locations and even clients' homes. In respect to its own facilities, Central Health has a responsibility to ensure that the buildings (infrastructure) it occupies where clients receive services as well as where staff work must be as

safe as possible. Similarly, Central Health has a responsibility to ensure equipment used in its programs and services is safe and well maintained. The buildings have a wide variety of ages and conditions. Also, equipment that is used in those programs and services has been acquired over numerous years and continually needs to be upgraded or replaced due to changes in best practices, technology, or age. The spending of public monies on infrastructure and equipment supports the strategic direction of the Government of Newfoundland and Labrador whereby they seek enhanced accountability and stability in the delivery of health and community services within available resources.

Central Health has developed its capacity to evaluate its infrastructure and equipment needs based upon criteria for prioritizing spending. While infrastructure criteria have been put in place, the review of equipment has not been completed because consolidation of purchasing systems has not been fully completed and there is interdependency between the two processes. As of March 2011, consolidation of the Authorities purchasing system was not in place. This impacts the ongoing management of equipment inventory as business and computer process need to be in place to track additions, disposals and transfers of equipment. These processes need to be set up in conjunction with the physical inventory.



2008-11 Goal

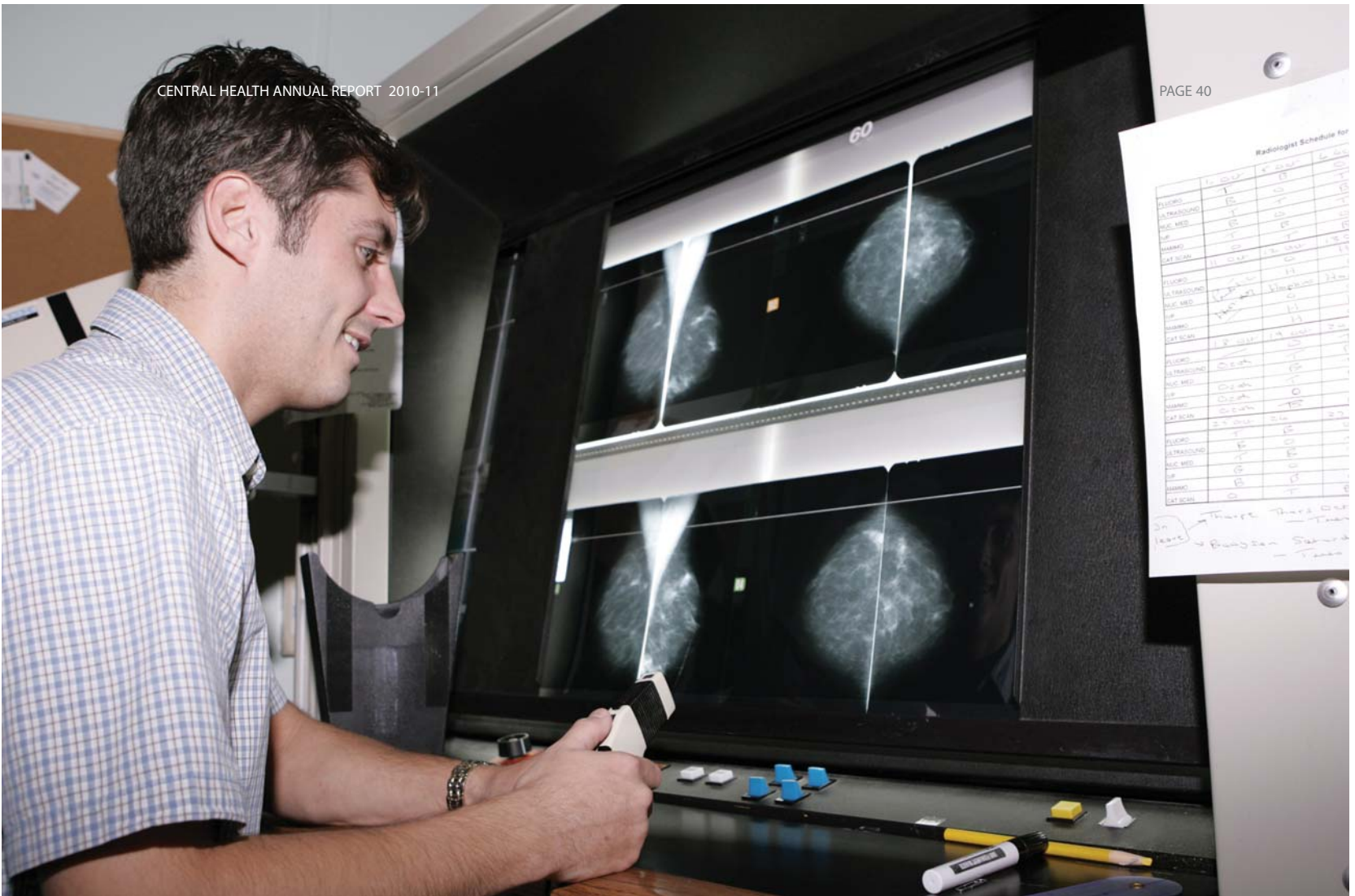
By March 31, 2011, Central Health will have developed a comprehensive and prioritized infrastructure and capital equipment plan that is aligned with service delivery plans for the central region.

Measure

The infrastructure and equipment plan for Central Health is accepted by the Board and submitted to the Department of Health and Community Services and will guide/drive capital expenditure requests at Central Health.

| Planned Indicators for 2008-2011 | Actual Progress for 2008-11 |
|---|--|
| <p>1. The environmental scan and inventory of infrastructure and capital equipment is available to the Board.</p> | <p>The environmental scan and inventory of infrastructure is available to the Board.</p> <p>The inventory of equipment is not available to the Board at this time as the consolidation of purchasing systems has not been fully completed and there is an interdependency between the two processes.</p> |
| <p>2. Criteria are developed for determining priorities in infrastructure redevelopment and capital equipment, based on impact statements and business cases.</p> | <p>The Board has been using an external review program to evaluate and estimate resources needed to maintain infrastructure at the level that meets prudent safety guidelines. This has built-in criteria that form the business case for prioritizing any funding requests.</p> <p>The inventory of equipment has not been completed due to challenges with consolidating purchasing systems; however, all requests go through a process detailing the impacts of acquiring or not acquiring equipment.</p> |





Planned Indicators for 2008-2011

2. Criteria are developed for determining priorities in infrastructure redevelopment and capital equipment, based on impact statements and business cases. (cont'd)

3. An implementation plan is developed and items prioritized; and the comprehensive plan is communicated to the Department of Health and Community Services.

Actual Progress for 2008-11

While infrastructure evaluation criteria have been put in place, the complete review of equipment has not been completed which results in a performance measure variance for 2010-11.

The infrastructure needs for Central Health have been developed into a rolling five-year plan that is updated each year. This has been communicated to the Board and the Department of Health and Community Services. It has been implemented to the extent that the recommendations on priority come from the five-point criteria.

A comprehensive plan for dealing with equipment needs has not been developed as the current equipment inventory is not completed.

2010-11 Objective

By March 31, 2011, an implementation plan will be developed with items prioritized and the comprehensive plan will be communicated to the Department of Health and Community Services.

Measure

Developed and communicated an implementation plan.

| Planned Indicators for 2010-2011 | Actual Progress for 2010-11 |
|---|---|
| 1. Infrastructure Report available to the Board of Trustees with prioritized spending over the next five years. | The infrastructure report has been tabled with the Board of Trustees. This report focuses on a rolling five year spending plan and is updated each year. |
| 2. Provide Board of Trustees with an inventory of capital equipment. | The physical inventory of capital equipment has not been completed. There have been delays in developing processes for performing the equipment count and maintaining the equipment database. |
| 3. Multi-year capital equipment needs prioritized on approved evaluation criteria. | The lack of an equipment inventory has impacted the ability to develop approved evaluation criteria. Prioritization has focused on patient/life safety as well as evaluations on the service impact of not replacing equipment. |
| 4. Submitted Infrastructure and Capital Equipment Implementation Plan to Board of Trustees and Department of Health and Community Services. | The infrastructure and capital equipment plan is submitted each year to the Board for the coming year. The infrastructure plan is based on set criteria coming from the facilities assessments that are in place. Equipment is based on current issues arising from life safety, useful life and service demands. |
| 5. Reviewed impact statements regarding infrastructure redevelopment and capital equipment. | Both capital equipment and infrastructure requests go through a formal process whereby the need is documented and impact statements are reviewed. |
| 6. Implemented equipment useful life rating system based on American Society for Healthcare Engineering. | The rating system is only partially implemented. It is used in evaluating requests but not in planning future purchases as the equipment inventory has not been completed due to challenges with consolidating purchasing systems. |



Discussion of results

Central Health continues to work on developing a comprehensive and prioritized infrastructure and capital equipment plan for the region. The infrastructure spending needs were presented to the Board of Trustees in March 2010. However, even as this plan was being developed work was well underway in addressing the repairs and renovations

needs for all sites in the region. Table 2 reflects the spending on capital repairs and renovations by Central Health from fiscal year 2006-2007 to 2010-2011. The reports being provided on infrastructure needs provide significant project detail and cost estimates to allow prioritization of funding requests and the building of business cases.

Table 2 Capital Repairs and Renovations

| Fiscal Year | Expenditure |
|-------------|-------------|
| 2006-2007 | 3,403,224 |
| 2007-2008 | 2,614,338 |
| 2008-2009 | 1,806,873 |
| 2009-2010 | 4,826,334 |
| 2010-2011 | 2,655,892 |

Central Health has been challenged in completing these performance targets in relation to equipment inventories. As of March 2011 the consolidation of the Authority's purchasing systems was not in place. This impacts the ongoing management of equipment inventories as the business and computer processes need to be in place to track additions, disposals and transfers of equipment. These processes need to be set up in conjunction with the physical inventory. Central Health is committed to having a physical inventory and while delayed, the planning and resources needed to perform that function are being put in place. Capital budgeting and planning processes are also under review to ensure that the acquisition of equipment responds to the priorities of changing services, programs, technology, client and staff needs as well as the needs of the public. Central Health made small improvements for capital equipment budgeting and continues to be successful in identifying its priorities and obtaining funding.

ISSUE 4:**Health promotion and chronic disease**

Central Newfoundland and Labrador has an aging population and a high incidence of chronic disease. The 2006 census information indicates that 16.5 per cent of the population in this region is over 65 years of age. The birth rate is also gradually declining and there has been a decline in the number of people living in this region who are under 50 years of age. Thirteen of the most common 20 chronic diseases are linked to age and in 2010 about 88 per cent of Newfoundland and Labradorians 65 years of age and older had at least one chronic condition. Central Health has committed to addressing the issues of chronic disease prevention and management and improving the health status of the population. A Chronic Disease Prevention and Management Strategy was developed. These efforts will reduce the dependence on the healthcare system and improve the quality of life enjoyed by citizens of the region. This strategic issue supports the Department of Health and Community Services Provincial Wellness Plan, the Provincial Healthy Aging Framework and the Population Health strategic direction of Government.



2008-11 Goal

By March 31, 2011, Central Health will have an implementation strategy for chronic disease management for the citizens of Central Newfoundland and Labrador which is accepted by the Board.

Measure

A chronic disease management strategy for the citizens of Central Newfoundland and Labrador is developed.

| Planned Indicators for 2008-2011 | Actual Progress for 2008-11 |
|---|--|
| <p>1. The Provincial Chronic Disease Prevention and Management Strategy has been reviewed in the context of Central Health.</p> | <p>Central Health participates in the newly established Provincial Chronic Disease Advisory Committee. This committee provided input on the development of a provincial chronic disease strategy and reviewed the draft in the context of Central Health. Central Health representatives have collaborated with the Chronic Disease Prevention and Management Division of the Department of Health and Community Services and provided feedback to ensure that our vision, mission, priorities, goals and objectives are consistent.</p> |
| <p>2. Focused areas for chronic disease prevention and management have been identified and prioritized.</p> | <p>Central Health has decided to focus on diabetes and stroke as their first areas of priority for chronic disease prevention and management.</p> |
| <p>3. An implementation plan for chronic disease prevention and management has been developed.</p> | <p>There has been a Chronic Disease Prevention and Management strategy developed to guide action by individuals and committees; specific implementation plans, such as those for diabetes and stroke, are aligned with the content of the strategy. A presentation to the Board regarding the strategy has not yet been scheduled.</p> |

2010-11 Objective

By March 31, 2011, Central Health will have developed an implementation plan for chronic disease management.

Measure

Developed an implementation plan for selected focus areas in chronic disease management.

| Planned Indicators for 2010-2011 | Actual Progress for 2010-11 |
|--|---|
| <p>1. Developed comprehensive implementation plan for the management of diabetes and stroke.</p> | <p>There has been a Diabetes Steering Committee established to act as an advisory body for the Central Health Diabetes Program. One of the responsibilities of this committee is to implement a standard approach to diabetes management across all sites in the region; an implementation plan has been developed.</p> <p>Central Health has also developed a comprehensive implementation plan for the prevention and management of stroke. This plan is based on the Canadian Best Practice Recommendations for Stroke Care and the four guiding principles and pillars for stroke care. This work is directed and guided by a Regional Stroke Strategy Implementation Team.</p> |
| <p>2. Completed audit of stroke care utilizing best practice standards.</p> | <p>Central Health participated in the Canadian Stroke Audit. This audit was developed for the purpose of information sharing, national accountability, quality improvement and knowledge transition. In the central region, the audit involved a chart review of patients who were hospitalized due to stroke between 2008-09. The information gathered was incorporated into the national audit report and is due to be released in June 2011.</p> |
| <p>3. Identified a third area of focus for chronic disease management.</p> | <p>Up to this point Central Health has not decided on a third area of focus for chronic disease choosing instead to focus our available resources in the areas of stroke and diabetes. Many of our prevention and management efforts have focused on the prevention of chronic disease in general and the management of symptoms and life issues that are associated with numerous chronic diseases.</p> |

Discussion of results

Central Health is committed to improving the health status of the population by implementing initiatives to decrease chronic disease rates and to assist those living with chronic disease to make healthy lifestyle decisions and better manage their condition, thereby improving their quality of life. A Chronic Disease Prevention and Management Strategy has been developed to help support this work.

The work of Central Health in this area is consistent with provincial/national directions and strategies related to diabetes and stroke.

As a member of the Provincial Chronic Disease Advisory Committee and in preparation for the release of the Provincial Chronic Disease Prevention and Management Policy Framework, Central Health looks forward to further coordination and integration of regional strategies with the provincial policy framework

Action taken by Central Health this year in the area of diabetes includes working with diabetes care providers and clients living with diabetes to identify current practices in the area of self-management and to determine client's knowledge, use and satisfaction with diabetes services. This data was analyzed and used for planning improvements to diabetes services and client care initiatives related to self management. This project was completed in partnership with the Public Health Agency of Canada (PHAC).

A second project with the PHAC provided education to assist diabetes care providers to incorporate self management strategies into their practice. The purpose of this approach is to empower clients to make healthier lifestyle choices and affect behavior change that will improve their health and minimize the development of potential complications associated with diabetes.

Central Health is part of the Newfoundland and Labrador Integrated Stroke Strategy Advisory Committee. The goals are to identify existing critical gaps and develop new approaches for strengthening current stroke prevention and management and to establish a coordinated, responsive and comprehensive plan for emergency and acute stroke care as well as rehabilitative and community re-integration.

Beds have been identified at the CNRHC for the clustering of clients presenting with acute stroke. Protocols, policies and procedures have been developed for this unit and staff education will begin in September 2011.



ISSUE 5:

Ensuring service quality

Central Health is committed to providing quality programs and services to the citizens of central Newfoundland and Labrador. The assurance of quality and safety is achieved by continuously monitoring and applying evidence informed interventions to enhance the programs and services through initiatives such as falls prevention. Central Health is an active participant in national, Atlantic and provincial initiatives such as Safer Healthcare Now! and quality review by the Ontario Laboratory Association (OLA), that are aimed at addressing patient safety, decreasing risk and improving the quality of services. Some examples of quality and patient safety

initiatives undertaken during this reporting period include an evaluation of emergency room services and the falls prevention program. From a healthcare provider perspective, Central Health is committed to safety and has developed a Violence Prevention Committee and is working on the implementation of a Respectful Workplace Program. Central Health also completed a cultural assessment in 2010.

This issue supports the Government of Newfoundland and Labrador's strategic direction of improved accountability and stability in the delivery of health and community services within available resources with particular emphasis on quality management and patient safety.

2008-11 Goal

By March 31, 2011, Central Health will have improved service quality by continuing to develop, define and implement service quality indicators which include client safety and risk assessment across the continuum of services.

Measure

Service quality in selected and prioritized areas is evident in quarterly performance indicators to the Board and the 2010-2011 Annual Report to the public.

| Planned Indicators for 2008-2011 | Actual Progress for 2008-11 |
|--|---|
| <p>1. Service quality areas for action have been defined, identified and prioritized according to a selected assessment framework.</p> | <p>Service quality areas for action have been identified and prioritized through the implementation of self-assessment mechanisms. Central Health has engaged in the Accreditation Canada process of self-assessment by quality improvement teams and peer review by an external team of peer reviewers. In 2009 Central Health commenced participation in a Risk Management Self-Appraisal Module (RMSAM). This is a four-year cycle of self-appraisal made available through the Health Insurance Reciprocal of Canada (HIROC). In addition, organization-wide self-assessments were conducted in the areas of patient safety culture, worklife balance and violence prevention. In 2010, a comprehensive Cultural Assessment of the organization was completed utilizing the services of Deloitte and the CulturePrint tool. Laboratory services were reviewed externally by the consultants Parks & Hewlett and most recently have engaged in an external quality review by Ontario Laboratory Association (OLA).</p> |

Planned Indicators for 2008-2011

2. Service quality areas for action, as prioritized in 2009, have been initiated and implemented.

Actual Progress for 2008-11

The self-assessment component of the Accreditation Canada process identified priority areas for quality improvement. Quality improvement teams subsequently developed action plans and implemented quality improvement initiatives in preparation for external peer review. The peer review process identified further priority areas for action. Central Health submitted the final required reports documenting quality improvement action plans in these areas in February 2011. Through participation in RMSAM Central Health was required to submit action plans and updates in years two and three of the process detailing how Central Health addressed prioritized organizational gaps identified in the year one assessment. Central Health has submitted the required plans, implemented interventions and successfully moved into year three of this process.

Central Health's Violence Prevention Committee has developed and is in the process of implementing a Respectful Workplace Program. The results of the cultural assessment have been disseminated across the organization and an action plan has been developed to address recommendations stemming from the assessment. Quality managers dedicated to laboratory services have been hired and a Quality Management Program for laboratory services developed and implemented.



| Planned Indicators for 2008-2011 | Actual Progress for 2008-11 |
|---|--|
| <p>3. Service quality has been evaluated in selected and prioritized areas.</p> | <p>The 17 quality improvement teams continue to evaluate service quality in their assigned areas of focus. In-depth focus has been placed on evaluating quality in long term care, emergency rooms and patient safety in multiple program areas. Laboratory services have undergone rigorous external evaluation as part of their program specific accreditation. Data originating from the Central Health Regional Occurrence Reporting System has triggered focused service quality evaluation in targeted areas or in relation to specific incidents of system failure.</p> |

2010-11 Objective

By March 31, 2011, Central Health will have evaluated service quality in selected and prioritized areas.

Measure

Evaluation of quality in two selected priority service areas.

| Planned Indicators for 2010-2011 | Actual Progress for 2010-11 |
|--|--|
| 1. Evaluated quality in two selected service priority areas. | Central Health evaluated emergency room services through the implementation of an observational study and participation in Accreditation Canada's Self-assessment and peer review process. The Accreditation Canada Falls Prevention Required Organization Practice document was utilized to evaluate Falls as the second priority area. |
| 2. Identified areas for improvement in two selected service priority areas. | The primary areas of focus identified for improvement in emergency room services were standardizing equipment and the triage process. The second area identified as a priority for Central Health is improving quality through the development and implementation of a comprehensive falls prevention program. |
| 3. Presented the evaluation report to the Board Performance & Improvement Committee. | The findings from these quality evaluations have been presented to the Board Performance & Improvement Committee directly or through the Board Patient Safety Subcommittee that reports to the Board Performance & Improvement Committee. |

Discussion of results

Central Health provides services over a vast land mass and in many rural communities. This is especially challenging in the delivery of emergency care in our facilities as there is significant variation in the availability of diagnostic services, specialized equipment, human resource skill sets and often extreme challenges to timely transport due to weather and geography. The emergency services quality improvement team supported the need to evaluate emergency services in the region focusing on key procedures, diagnostic services, staffing and training, and equipment.

An observational study, under the leadership of an emergency room physician, was conducted whereby key elements of emergency care in our facilities was compared to standards outlined by the Canadian Association of Emergency Room Physicians. In addition to this study the quality improvement team participated in the Accreditation Canada self-assessment and peer review for emergency room services.

Central Health recognized the need to evaluate the provision of care with respect to the prevention of falls. Falls impact on client outcomes by reducing the client's mobility, increasing the length of hospital stay and negatively impacting the quality of life for clients. Accreditation Canada identifies a falls prevention program as a required organizational practice and provides standards against which Central Health was able to self-assess to determine areas where the quality of programming could be enhanced to reduce the incidence of falls.



A comprehensive falls prevention program includes a validated assessment tool, evidence-based interventions, referral systems, champions, reliable and understandable data and an evaluation component. It is acknowledged that all falls in healthcare are not preventable and that, despite best efforts, falls will occur.

Opportunities and Challenges

Health Human Resources Information System (HHRIS)

Central Health is working with the Department of Health and Community Services and the other Regional Health Authorities on implementing a provincial human resource information system. This system will allow the organization to collect and report data in a more efficient and effective manner.

The HHRIS will ensure that human resource data is accurate and consistently reported to the provincial government as required. Internally to the organization it will provide more effective and timely data which can be used in planning and decision making processes.

Bed capacity/utilization

Central Health has seen an increase in the number of patients requiring admission to hospital over the past few years. Managing acute care bed capacity and decreasing overcrowding in emergency rooms, is, and will continue to be, a challenge for Central Health for 2011-12. World wide, it has been recognized that improvements in capacity and patient flow will only happen through changes that span the entire healthcare system. The organization will continue working with our stakeholders to develop strategies to reduce emergency department wait times and improve patient flow and capacity within our facilities.

Bylaws respecting medical staff

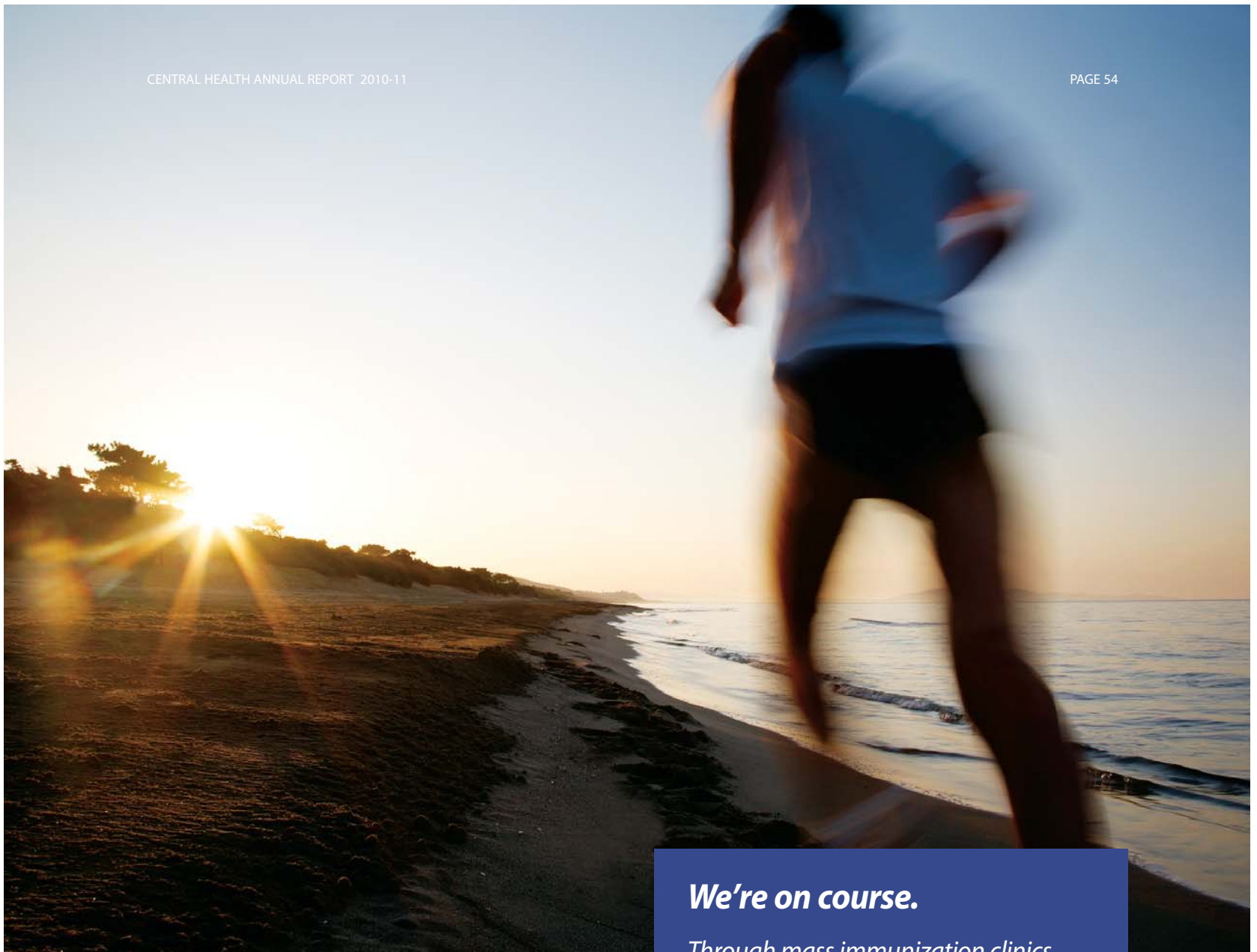
Central Health is currently in the process of implementing new bylaws respecting the medical staff for the organization. The

bylaws provide an administrative structure for the governance of medical staff affairs, promote the provision of quality health services and provide a mechanism for physicians to advocate for resources. The procedures for appointment and affiliation of physicians with the organization are outlined in the bylaws along with a process for dealing with any concerns raised regarding physician practice. Physician input into the bylaws has been solicited through posting on the intranet and discussion at medical advisory committees. The present challenge is the development of an implementation plan and the accompanying policies, procedures and committee structure to facilitate a smooth transition of the new bylaws.

Clinical efficiency and effectiveness

The increasing demand for healthcare services and the growing cost of delivering these services mean that it is imperative that organizations such as Central Health be focused on both the efficiency and effectiveness of the services that we delivery. Efficiency means examining all aspects of service delivery to ensure that maximum results are achieved within the resources that have been allocated. An examination of effectiveness in healthcare means determining if the services and care provided are actually appropriate; including impact analysis of health outcome for clients. A focus on efficiency and effectiveness is both a challenge and opportunity for Central Health as the organization moves forward in the work of balancing growing demands within available human, fiscal and technological resources.





Meditech consolidation project

The inheritance of three separate Meditech health information systems presented many challenges for Central Health; equally it has created many opportunities for improvement as well. Central Health has recognized the need to create an integrated information system that will serve our clinical health services as well as corporate services in supporting decision making from the caregiver to the boardroom. Compounding the importance and the challenge of developing this system is the need to work within available human resources which are also tasked with delivering client services; the continuing evolution of programs and services as the information system is developed; and the constant enhancements being made by technology vendors to the core systems in our infrastructure. Central Health looks forward to moving ahead to meet these challenges.

We're on course.

Through mass immunization clinics and the hard work of our public health division, we administered 19,633 doses of influenza vaccine. That's an increase of almost 14 per cent from the previous year. It's just one more way that we're working together to support public health.

Financials





AUDITORS' REPORT

To the Board of Trustees of the **Central Regional Health Authority**

We have audited the accompanying consolidated financial statements of **Central Regional Health Authority** which comprise the consolidated balance sheet as at March 31, 2011, and the consolidated statements of operations, changes in net assets and cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian generally accepted accounting principles, 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.

Auditors' Responsibility

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

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

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

Opinion

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the **Central Regional Health Authority** as at March 31, 2011 and its financial performance and its cash flow for the year then ended in accordance with Canadian generally accepted accounting principles.

Walters Hoffe
Chartered Accountants

Gander, Newfoundland

June 14, 2011

CONSOLIDATED Balance Sheet

| March 31, 2011 | 2011 | 2010 |
|---|----------------------|--------------|
| Assets | | |
| Current assets: | | |
| Receivables (Note 3) | \$ 26,808,988 | 23,697,356 |
| Inventories (Note 4) | 2,785,888 | 3,003,379 |
| Prepays (Note 5) | 6,238,375 | 6,394,636 |
| Total current assets | 35,833,251 | 33,095,371 |
| Deposit on property, plant and equipment | - | 924,964 |
| Cash restricted for security deposits | 30,555 | 27,201 |
| Investments restricted for general endowment purposes (Note 6) | 603,336 | 487,686 |
| Replacement reserve funding (Note 14) | 251,430 | 303,892 |
| Residents' trust funds held on deposit | 855,977 | 822,634 |
| Property, plant and equipment (Note 7) | 58,512,422 | 55,993,635 |
| | \$ 96,086,971 | 91,655,383 |
| Liabilities and Net Assets | | |
| Current liabilities: | | |
| Bank indebtedness (Note 8) | \$ 5,492,593 | 11,815,630 |
| Payables and accruals (Note 9) | 24,399,830 | 19,755,481 |
| Accrued vacation pay | 12,500,992 | 12,143,765 |
| Deferred grants (Note 10) | 23,720,983 | 20,161,213 |
| Current portion of obligations under capital lease | 212,915 | 218,127 |
| Current portion of long-term debt | 1,321,164 | 1,367,253 |
| Current portion of accrued severance pay - estimated | 1,500,000 | 1,500,000 |
| Total current liabilities | 69,148,477 | 66,961,469 |
| Security deposits liability | 30,555 | 27,201 |
| Long-term debt (Note 11) | 17,951,030 | 19,278,316 |
| Obligations under capital lease (Note 12) | 558,500 | 771,215 |
| Trust funds payable | 855,977 | 822,634 |
| Accrued severance pay, less current portion | 25,498,630 | 23,989,078 |
| Unamortized deferred contributions related to property, plant and equipment (Note 13) | 32,480,132 | 27,803,658 |
| Replacement reserves (Note 14) | 251,430 | 303,892 |
| J.M. Olds scholarship and library funds | 83,223 | 84,486 |
| | 146,857,954 | 140,041,949 |
| Net assets, per accompanying statement: | | |
| Net assets invested in property, plant and equipment | 5,993,878 | 6,610,789 |
| Net assets restricted for general endowment purposes | 603,336 | 487,686 |
| Unrestricted net assets (deficit) | (57,368,197) | (55,485,041) |
| | (50,770,983) | (48,386,566) |
| | \$ 96,086,971 | 91,655,383 |

See accompanying notes

Approved:


 Cynthia Farmer Trustee


 K. Manuel Trustee

CONSOLIDATED Statement of Changes in Net Assets

Year ended March 31, 2011

| | 2011 | | | | 2010 |
|--|---|--|--------------|--------------|--------------|
| | Invested in Property, Plant and Equipment | Restricted for General Endowment Purposes | Unrestricted | Total | Total |
| Balance (deficit), beginning | \$ 6,610,789 | 487,686 | (55,485,043) | (48,386,568) | (44,365,718) |
| Deficiency of revenue over expenditure | (2,208,215) | - | (176,200) | (2,384,415) | (4,020,848) |
| Investment in property, plant and equipment (Note 15) | 1,591,304 | - | (1,591,304) | - | - |
| Transfers to endowment fund: | | | | | |
| Reinvested investment income | - | 18,459 | (18,459) | - | - |
| Unrealized investment gains/losses | - | 45,350 | (45,350) | - | - |
| Contributed from unrestricted | - | 51,841 | (51,841) | - | - |
| Balance (deficit), ending | \$ 5,993,878 | 603,336 | (57,368,197) | (50,770,983) | (48,386,566) |

See accompanying notes

CONSOLIDATED Statement of Operations

| Year ended March 31, 2011 | 2011 | 2010 |
|---|-----------------------|-------------|
| Revenue: | | |
| Provincial plan operating | \$ 286,711,187 | 265,656,498 |
| MCP physicians salaries | 15,397,679 | 12,146,255 |
| Patient-resident services | 11,638,957 | 12,280,656 |
| CMHC mortgage interest subsidy (Note 16) | 95,008 | 103,338 |
| Capital project funding | 3,329,376 | 4,826,732 |
| Pandemic funding | 374,470 | 2,229,060 |
| Recoveries | 7,229,101 | 7,003,732 |
| Cottage operations | 1,613,650 | 1,482,133 |
| Foundations | 976,228 | 832,314 |
| Other revenue | 3,281,347 | 1,326,420 |
| | 330,647,003 | 307,887,141 |
| Expenditure: | | |
| Administration | 30,604,013 | 29,267,398 |
| Community and social services | 85,664,872 | 74,525,557 |
| Support services | 59,709,111 | 59,387,764 |
| Nursing inpatient services - acute | 45,522,109 | 42,834,431 |
| - long-term care | 29,746,061 | 29,140,599 |
| Ambulatory care services | 19,020,542 | 18,046,407 |
| Diagnostic and therapeutic services | 35,787,640 | 33,129,515 |
| Medical services | 19,685,399 | 16,127,821 |
| Education services | 1,092,456 | 1,481,679 |
| Cottage operations, including amortization of \$411,041 (2010 - \$402,594) | 1,571,744 | 1,432,541 |
| Foundations, including amortization of \$5,294 (2010 - \$5,573) | 974,988 | 705,738 |
| | 329,378,935 | 306,079,450 |
| Surplus prior to non-shareable items | 1,268,068 | 1,807,691 |
| Non-shareable items: | | |
| Amortization of deferred capital grants | 4,295,771 | 3,638,573 |
| Amortization | (6,087,651) | (5,847,806) |
| Accrued vacation pay - (increase) decrease | (351,051) | (1,379,934) |
| Accrued severance pay - (increase) decrease | (1,509,552) | (2,239,372) |
| | (3,652,483) | (5,828,539) |
| Deficiency of revenue over expenditure | \$ (2,384,415) | (4,020,848) |

See accompanying notes

CONSOLIDATED Statement of Cash Flow

| Year ended March 31, 2011 | 2011 | 2010 |
|--|-----------------------|---------------------|
| Cash flow: | | |
| Operations: | | |
| Deficiency of revenue over expenditure | \$ (2,384,415) | (4,020,848) |
| Amortization | 6,503,986 | 6,255,973 |
| Amortization of deferred capital grants | (4,295,771) | (3,638,573) |
| Gain on disposal of property, plant and equipment | - | (3,535) |
| Unrealized investment gains/losses | (45,350) | - |
| | <u>(221,550)</u> | <u>(1,406,983)</u> |
| Changes in: | | |
| Receivables | (3,111,632) | (4,528,219) |
| Inventories | 217,491 | (1,046,525) |
| Prepays | 156,261 | (1,390,022) |
| Payables and accruals | 4,644,349 | (5,322,533) |
| Accrued vacation pay | 357,227 | 1,379,869 |
| Deferred grants and donations | 3,559,770 | 720,173 |
| Accrued severance pay | 1,509,552 | 2,239,372 |
| | <u>7,111,468</u> | <u>(9,354,868)</u> |
| Investing: | | |
| Additions to property, plant and equipment | (9,022,773) | (7,025,416) |
| Increase in general endowment fund investments | (70,300) | (57,525) |
| Proceeds on disposal of property, plant and equipment | - | 121,663 |
| Deposit on property, plant and equipment | 924,964 | (924,964) |
| | <u>(8,168,109)</u> | <u>(7,886,242)</u> |
| Financing: | | |
| Repayment of long-term debt | (1,373,377) | (1,261,368) |
| Repayment of capital leases | (217,927) | (210,765) |
| Net changes in J. M. Olds funds | (1,263) | (1,117) |
| Grants used for the purchase of property, plant and equipment | 8,344,074 | 5,428,899 |
| Donations used for the purchase of property, plant and equipment | 628,171 | 222,547 |
| New loan proceeds | - | 371,923 |
| New capital lease proceeds | - | 1,052,575 |
| | <u>7,379,678</u> | <u>5,602,694</u> |
| Net increase (decrease) in cash | 6,323,037 | (11,638,416) |
| Cash, net of bank indebtedness: | | |
| Beginning | <u>(11,815,630)</u> | <u>(177,214)</u> |
| Ending (Note 8) | <u>\$ (5,492,593)</u> | <u>(11,815,630)</u> |

See accompanying notes

Notes to the Financial Statements

March 31, 2011

1. Nature of operations:

These financial statements reflect the operating assets, liabilities, revenue and expenditure of the following facilities and clinics operated by the Central Regional Health Authority.

Facilities

| | |
|---|---|
| A. M. Guy Memorial Health Centre | Green Bay Community Health Centre |
| Baie Verte Peninsula Health Centre | James Paton Memorial Regional Health Centre |
| Bonnews Lodge Apartment Complex | Lakeside Homes |
| Brookfield Bonnews Health Care Centre | North Haven Manor Senior Citizens Home |
| Carmelite House Senior Citizens Home | North Haven Manor Cottages |
| Central Newfoundland Regional Health Centre | Notre Dame Bay Memorial Health Care |
| Central Northeast Health Foundation Inc. | South and Central Health Foundation |
| Connaigre Peninsula Community Health Centre | Valley Vista Senior Citizens Home |
| Dr. Hugh Twomey Health Care Centre | Valley Vista Cottages |
| Fogo Island Health Care | |

Clinics

| | |
|-------------|------------------|
| Carmanville | LaScie |
| Centreville | Lewisporte |
| Eastport | Mose Ambrose |
| Gambo | Musgrave Harbour |
| Gander Bay | New World Island |
| Glovertown | St. Alban's |
| Hare Bay | St. Brendan's |
| Hermitage | |

The operations of the above entities were primarily funded by the Government of Newfoundland and Labrador (the Government) to provide health care services on the Government's behalf, causing all entities to be effectively under common control. As a result, these financial statements have been prepared using the pooling of interest method of accounting. Under this method, the book values of assets, liabilities and net assets of each of the entities being combined, are added together to form the combined value of assets, liabilities and net assets of the Authority.

2. Summary of significant accounting policies:

These financial statements have been prepared in accordance with generally accepted accounting principles for not-for-profit organizations. Outlined below are those policies considered particularly significant by the Authority.

Investments restricted for general endowment fund:

The Foundation's investments restricted for general endowment fund, consisting entirely of securities of publicly traded companies on Canadian exchanges are initially recognized and subsequently measured at fair market value without adjustment for transaction costs that would be incurred on disposal, changes in fair market value are recognized in income in the year.

2. Summary of significant accounting policies (continued):

Inventories

Inventories are valued on the first in first out basis, as follows:

General stores, at average cost
 Drugs, at cost

Property, plant and equipment

The Authority has control over certain lands, buildings and equipment with the title resting with the Government and consequently these assets are not recorded under property, plant and equipment.

Purchased property, plant and equipment are recorded at cost. Contributed property, plant and equipment are recorded at fair value at the date of contribution. Property, plant and equipment are being amortized on a declining balance basis over their useful lives, at the following rates:

| | |
|---------------------------------|-------|
| Land improvements | 5.0% |
| Buildings and service equipment | 5.0% |
| Information systems equipment | 33.3% |
| Equipment | 12.5% |
| Motor vehicles | 20.0% |

In addition, the North Haven Manor Cottage Units Phase I, II, III, North Haven Manor Cottage Units Phase IV, Valley Vista Cottages, Bonnews Lodge Apartment Complex buildings and equipment are being amortized at a rate equal to the annual principal reduction of the mortgages related to the properties. This is in accordance with an operating agreement with Newfoundland and Labrador Housing Corporation.

Replacement reserves

Newfoundland and Labrador Housing Corporation (NLHC) requires that not-for-profit Housing groups maintain a Replacement Reserve Fund which is to be used to fund major maintenance and the purchase of property, plant and equipment. These funds may only be used as approved by NLHC. Withdrawals are charged to interest first and then principal.

Transactions in the reserves are shown in Note 14.

Revenue recognition

Central Regional Health Authority follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Contributions related to property, plant and equipment are deferred and amortized to revenue at the same rates which the related property, plant and equipment are amortized.

| | <u>2011</u> | <u>2010</u> |
|---|----------------------|-------------------|
| 3. Receivables: | | |
| Provincial plan grants - operating | \$ 8,388,820 | 15,122,802 |
| Capital grants | 9,183,458 | 1,898,854 |
| Patient, capital donations, rents and other | 3,853,327 | 4,122,817 |
| MCP | 4,042,715 | 1,631,886 |
| Cancer Foundation | 1,037,107 | 606,349 |
| HST | 582,724 | 987,957 |
| Due from NLHC | 36,710 | 95,735 |
| | <u>27,124,861</u> | <u>24,466,400</u> |
| Allowance for doubtful | <u>315,873</u> | <u>769,044</u> |
| | <u>\$ 26,808,988</u> | <u>23,697,356</u> |
| 4. Inventories: | | |
| General stores | \$ 1,581,022 | 1,836,562 |
| Drugs | 1,204,866 | 1,166,817 |
| | <u>\$ 2,785,888</u> | <u>3,003,379</u> |
| 5. Prepaids: | | |
| Equipment maintenance | \$ 596,640 | 889,153 |
| Malpractice and membership fees | 103,427 | 126,577 |
| General insurance | 266,896 | 172,317 |
| Workplace Health, Safety and Compensation Commission | 3,885,018 | 3,848,509 |
| Municipal taxes | 658,145 | 652,958 |
| Other | 728,249 | 705,122 |
| | <u>\$ 6,238,375</u> | <u>6,394,636</u> |
| 6. Investments restricted for general endowment purposes: | | |
| The Central Northeast Health Foundation Inc. and the South and Central Health Foundation maintain a joint investment restricted for general endowment purposes, with their proportionate market value as follows: | | |
| Central Northeast Health Foundation Inc. | \$ 163,806 | 104,898 |
| South and Central Health Foundation | 439,530 | 382,788 |
| | <u>\$ 603,336</u> | <u>487,686</u> |

7. Property, plant and equipment:

| | 2011 | | | 2010 |
|------------------------------------|-----------------------|--------------------------|-------------------|-------------------|
| | Cost | Accumulated Amortization | Net Book Value | Net Book Value |
| Land | \$ 313,914 | - | 313,914 | 313,914 |
| Land improvements | 1,212,046 | 768,257 | 443,789 | 469,695 |
| Buildings and service equipment | 74,441,689 | 46,669,833 | 27,771,856 | 29,397,644 |
| Equipment | 99,296,085 | 71,176,342 | 28,119,743 | 24,196,539 |
| Equipment under capital lease | 2,781,898 | 2,087,710 | 694,188 | 960,415 |
| Motor vehicles | 3,235,038 | 2,099,463 | 1,135,575 | 613,732 |
| Motor vehicles under capital lease | 196,503 | 163,146 | 33,357 | 41,696 |
| | \$ 181,477,173 | 122,964,751 | 58,512,422 | 55,993,635 |

8. Bank indebtedness:

| | 2011 | 2010 |
|--------------------------------|-----------------------|---------------------|
| Cash | \$ 1,081,953 | 858,150 |
| Due to bank on current account | (6,574,546) | (12,673,780) |
| | \$ (5,492,593) | (11,815,630) |

The Authority has access to a \$15 million line of credit in the form of revolving demand loans at its bankers. These loans have been approved by the Minister of Health and Community Services.

9. Payables and accruals:

| | | |
|---------------------------------|----------------------|-------------------|
| Trade | \$ 14,094,480 | 11,722,769 |
| Due to NLHC - operating subsidy | 3,965 | 5,710 |
| Residents comfort fund | 28,801 | 55,047 |
| Accrued - wages | 10,191,914 | 7,878,692 |
| - interest | 80,670 | 93,263 |
| | \$ 24,399,830 | 19,755,481 |

10. Deferred grants and donations:

| | | |
|---------------------------|----------------------|-------------------|
| Deferred operating grants | \$ 7,037,554 | 6,000,438 |
| Deferred capital grants | 16,683,429 | 14,160,775 |
| | \$ 23,720,983 | 20,161,213 |

| | 2011 | 2010 |
|---|----------------------|-------------------|
| 11. Long-term debt: | | |
| 4.59% CMHC 1 st mortgage on Bonnews Lodge; repayable in equal monthly installments of \$10,248, interest included; maturing April, 2011 | \$ 10,200 | 129,720 |
| 2.4% CMHC mortgage on Lakeside Homes; repayable in equal monthly installments of \$12,112, interest included; maturing April, 2020, renewable October, 2010 | 1,185,617 | 1,297,011 |
| 7.5% CMHC mortgage on Lakeside Homes; repayable in equal monthly installments of \$4,574, interest included; maturing July, 2023 | 443,936 | 465,168 |
| Prime minus 1.1% Canadian Imperial Bank of Commerce deferred demand loan; repayable in equal monthly installments of \$3,056, plus interest; maturing December, 2018 | 284,129 | 320,801 |
| 5.15% Canadian Imperial Bank of Commerce loan for Carmelite House, unsecured; repayable in equal monthly installments of \$64,153, interest included; maturing March, 2027 | 8,435,329 | 8,761,575 |
| 4.04% Canadian Imperial Bank of Commerce mortgage on Botwood housing; repayable in equal monthly installments of \$431, interest included; maturing July, 2028, renewable July, 2014 | 57,618 | 60,347 |
| 4.04% Canadian Imperial Bank of Commerce mortgage on Botwood housing; repayable in equal monthly installments of \$390, interest included; maturing July, 2027, renewable July, 2014 | 52,159 | 54,629 |
| 5.13% Canadian Imperial Bank of Commerce mortgage on Hospital renovations; repayable in equal monthly installments of \$8,328, interest included; maturing February, 2014 | 270,189 | 353,920 |
| 8.0% Newfoundland and Labrador Housing Corporation mortgage on North Haven Manor; repayable in equal monthly installments of \$8,298, interest included; maturing February, 2026 (Note 20) | 875,332 | 904,734 |
| 8.0% Newfoundland and Labrador Housing Corporation mortgage on Valley Vista; repayable in equal monthly installments of \$10,124, interest included; maturing August, 2027 | 1,119,084 | 1,151,095 |
| | \$ 12,733,593 | 13,499,000 |

| | 2011 | 2010 |
|---|----------------------|------------|
| 11. Long-term debt (continued): | | |
| Balance Forward | \$ 12,733,593 | 13,499,000 |
| 7.88% Newfoundland and Labrador Housing Corporation mortgage on Authority offices; repayable in equal monthly installments of \$8,165, interest included; maturing August, 2024 | 819,429 | 852,313 |
| 2.61% Newfoundland and Labrador Housing Corporation mortgage on Valley Vista Senior Citizens Home; repayable in equal monthly installments of \$7,900, interest included; maturing July, 2019, renewable September, 2014 | 709,621 | 784,300 |
| Prime minus 1.1% Canadian Imperial Bank of Commerce deferred demand loan; repayable in equal monthly installments of \$6,199, plus interest; maturing 2015 | 297,538 | 371,923 |
| 8.35%, Toyota Financial Services, loan repayable in equal monthly instalments of \$987, interest included; matured June 2010 | - | 2,920 |
| 4.5% Bank of Nova Scotia 1 st mortgage on land and building at 1 Newman's Hill, Twillingate; repayable in equal monthly installments of \$439, interest included; maturing November, 2024, renewable May, 2013 | 52,837 | 55,595 |
| 4.5% Bank of Nova Scotia 1 st mortgage on land and building at 42 Howlett's Road, Twillingate; repayable in equal monthly installments of \$370, interest included; maturing June, 2020, renewable May, 2013 | 33,082 | 35,914 |
| 4.5% Bank of Nova Scotia 1 st mortgage on land and building at 30 Smith's Lane, Twillingate; repayable in equal monthly installments of \$375, interest included; maturing July , 2020, renewable June, 2011 | 34,277 | 37,174 |
| 9.5% Newfoundland and Labrador Housing Corporation mortgage on North Haven Manor Cottages; repayable in equal monthly installments of \$7,925, interest included; maturing June, 2029 (Note 20) | 834,790 | 851,246 |
| | \$ 15,515,167 | 16,490,385 |

| | 2011 | 2010 |
|--|----------------------|------------|
| 11. Long-term debt (continued): | | |
| Balance Forward | \$ 15,515,167 | 16,490,385 |
| 4.5% Industrial Alliance Insurance and Financial Services Inc. mortgage on North Haven Manor Cottages; repayable in equal monthly installments of \$8,719, interest included; maturing January, 2016, renewable February, 2012 | 529,840 | 608,932 |
| 4.16% Newfoundland and Labrador Housing Corporation mortgage on North Haven Manor Cottages; repayable in equal monthly installments of \$9,292, interest included; maturing November, 2018, renewable December, 2011 | 731,592 | 807,885 |
| 4.31% Newfoundland and Labrador Housing Corporation mortgage on North Haven Manor Cottages; repayable in equal monthly installments of \$3,565, interest included; maturing July, 2025, renewable April, 2012 | 457,884 | 480,566 |
| 4.59% Newfoundland and Labrador Housing Corporation mortgage on Valley Vista Cottages; repayable in equal monthly installments of \$5,138, interest included; maturing June, 2016, renewable August, 2011 | 287,484 | 334,883 |
| 4.28% Newfoundland and Labrador Housing Corporation mortgage on Valley Vista Cottages; repayable in equal monthly installments of \$10,416 interest included; maturing December, 2017, renewable December, 2012 | 732,370 | 821,418 |
| 3.16% Newfoundland and Labrador Housing Corporation mortgage on Valley Vista Cottages; repayable in equal monthly installments of \$4,984, interest included; maturing May, 2018, renewable June, 2013 | 383,313 | 430,280 |
| 2.14% Newfoundland and Labrador Housing Corporation 1 st mortgage on Bonnews Apartment Complex; repayable in equal monthly installments of \$3,733 interest included; maturing November, 2024, renewable April, 2014 | 530,762 | 563,865 |
| 6.5% Newfoundland and Labrador Credit Union mortgage on therapeutic residence; repayable in bi-weekly installments of \$397, interest | | |

| | | |
|--|----------------------|------------|
| included, maturing in November 2032, renewable November 2012 | 103,781 | 107,355 |
| | 19,272,193 | 20,645,569 |
| Less current portion | 1,321,163 | 1,367,253 |
| | \$ 17,951,030 | 19,278,316 |
| | 2011 | 2010 |

11. Long-term debt (continued):

The aggregate amount of principal payments estimated to be required in each of the next five years is as follows:

| | |
|------|--------------|
| 2012 | \$ 1,321,163 |
| 2013 | 1,368,021 |
| 2014 | 1,420,037 |
| 2015 | 1,389,084 |
| 2016 | 1,376,233 |

12. Obligations under capital lease:

The Authority has entered into a number of agreements whereby it leases certain equipment for a term of five years. These leases are accounted for as capital leases with the Authority treating the equipment as an acquisition of an asset and the assumption of an obligation. The effective interest rates range from 5.37% to 7.534%.

The following is a schedule of future minimum lease payments under the capital leases:

| | |
|-----------------------------------|-------------------|
| Year ending March 31 | |
| 2012 | \$ 245,444 |
| 2013 | 237,290 |
| 2014 | 237,290 |
| 2015 | 119,563 |
| Total minimum lease payments | 839,587 |
| Less amount representing interest | 68,172 |
| Balance of obligation | 771,415 |
| Less current portion | 212,915 |
| | \$ 558,500 |

13. Unamortized deferred contribution related to property, plant and equipment:

Deferred contributions related to property, plant and equipment represent restricted contributions with which property, plant and equipment were originally purchased. The changes in the deferred contributions for the year are as follows:

| | <u>2011</u> | <u>2010</u> |
|--------------------------|----------------------|-------------------|
| Balance, beginning | \$ 27,803,658 | 26,350,952 |
| Less: | | |
| Disposals | - | (560,167) |
| Add: | | |
| Capital equipment grants | 8,344,074 | 5,428,899 |
| Donated equipment | 628,171 | 222,547 |
| | <u>36,775,903</u> | 31,442,231 |
| Deduct: | | |
| Amortization | 4,295,771 | 3,638,573 |
| Balance, ending | <u>\$ 32,480,132</u> | <u>27,803,658</u> |

14. Replacement reserves:

| | <u>2011</u> | <u>2010</u> |
|--|-------------------|----------------|
| Balance, beginning | \$ 303,892 | 310,828 |
| Add: | | |
| Allocation for year | 60,220 | 59,148 |
| Contributions from Authority | 12,900 | 12,900 |
| Interest income | (8) | 1 |
| | <u>377,004</u> | 382,877 |
| Less: | | |
| Approved expenditures | 125,574 | 78,985 |
| Balance, ending | <u>\$ 251,430</u> | 303,892 |
| Funding: | | |
| Replacement reserve funds | \$ 100,583 | 78,279 |
| Due from Newfoundland and Labrador Housing Corporation | 150,847 | 225,613 |
| | <u>\$ 251,430</u> | <u>303,892</u> |

15. Investment in property, plant and equipment:

| | <u>2011</u> | 2010 |
|-----------------------------|---------------------|------------------|
| Repayment of long-term debt | \$ 1,373,377 | 1,253,556 |
| Repayment of capital leases | <u>217,927</u> | 170,964 |
| | <u>\$ 1,591,304</u> | <u>1,424,520</u> |

16. Operating subsidies:

The Authority has received federal assistance through Canada Mortgage and Housing Corporation pursuant to Section 56.1 of the National Housing Act to reduce operating costs. The amount of assistance received from Newfoundland and Labrador Housing Corporation in 2011 was \$95,085 (2010 - \$103,338) for operating facilities and \$378,895 (2010 - \$379,545) for the Authority's Cottage operations.

17. Commitments:*Operating leases*

The Authority has a number of agreements whereby it leases property and equipment in addition to those disclosed under Note 12. These agreements range in terms from one to five years. These leases are accounted for as operating leases. Future minimum lease payments under operating leases are as follows:

| | |
|------|------------|
| 2012 | \$ 134,207 |
| 2013 | 125,776 |
| 2014 | 119,437 |
| 2015 | 98,741 |
| 2016 | 3,171 |

Energy performance contract

The Authority entered into Energy Performance Contracts during 2001 and 2000 with Enerplan Consultants Ltd. for the design and implementation of measures to improve energy efficiency, wherein Enerplan guaranteed the energy savings component.

The contracts were crystallized at \$4,450,214 and \$1,247,329 and are being repaid from operating and energy savings over a ten year period having commenced in August, 2002 and January, 2000, respectively. The contract for \$1,247,329 expired in 2010.

These contracts were financed through the Canadian Imperial Bank of Commerce for Central West and Associates Capital Limited.

As support for this financing, Enerplan Consultants Ltd., has assigned to the financiers any funds due to them by the Authority for the energy savings component of the contract.

In the opinion of management of the Authority, the guaranteed energy savings component of Enerplan Consultants Ltd. is an offset to the obligations of the Authority to the Canadian Imperial Bank of Commerce and Associates Capital Limited and as a consequence neither the capital expenditures or the financing obligations are reflected in these financial statements of the Authority at March 31, 2011.

18. Contingency

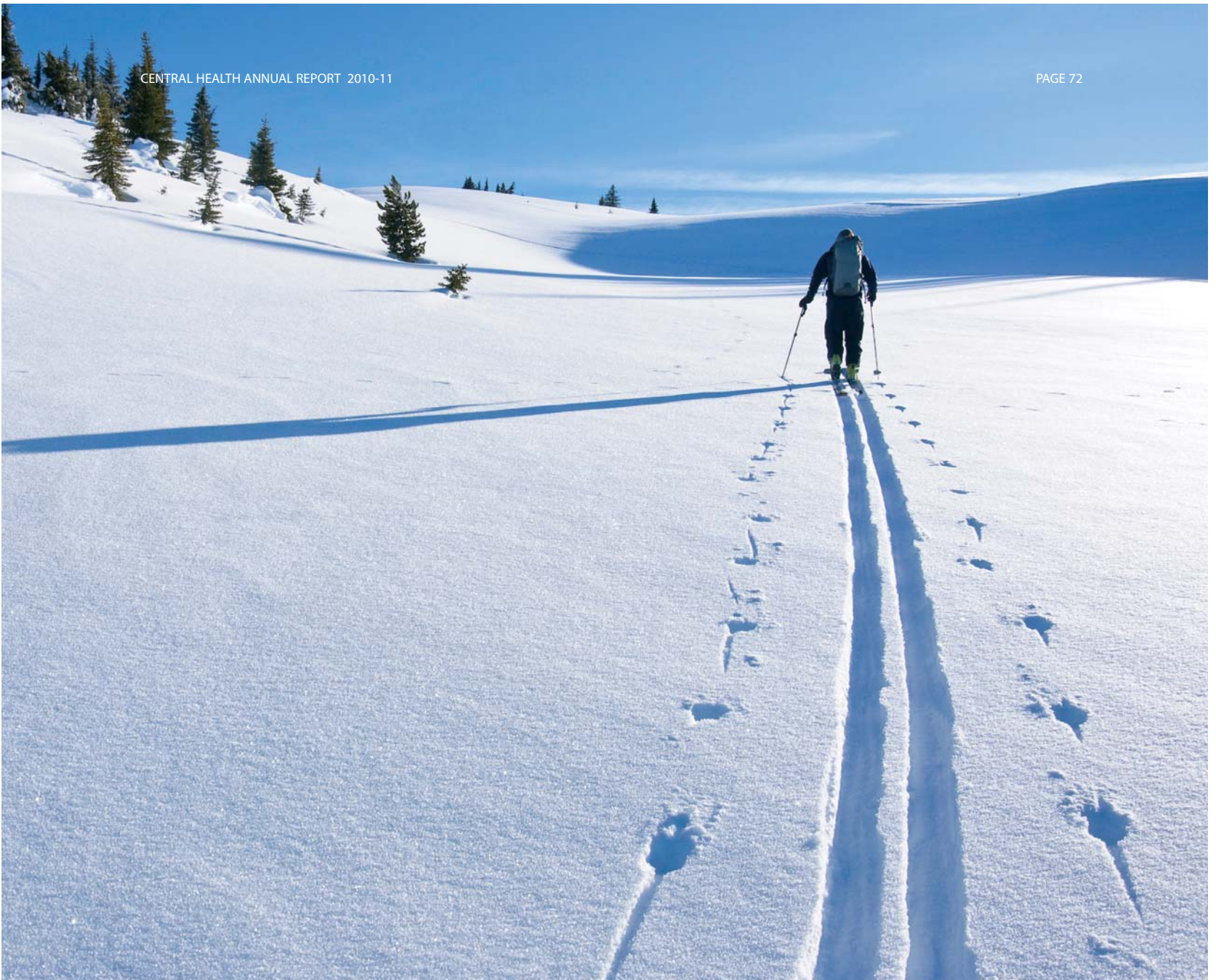
As of March 31, 2011 there were a number of legal claims against the Authority in varying amounts for which no provision has been made. It is not possible to determine the amounts, if any, that may ultimately be assessed against the Authority with respect to these claims, but management and the insurers believe any claims, if successful, will be covered by liability insurance.

19. Financial instruments:

The carrying value of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities, approximate their fair values due to relatively short periods to maturity of these instruments.

20. Subsequent event:

Subsequent to the year end, the Government provided special funding for redevelopment in the amount of \$1,950,000 which was used to repay in full certain NLHC loans relating to the North Haven Manor and Cottages.



Appendices

APPENDIX A – STRATEGIC DIRECTION FOCUS AREAS FOR GOVERNMENT

The directions related to the Department of Health and Community Services are provided below. Each strategic direction is comprised of a number of components or

focus areas. These focus areas are addressed through the various planning processes of Central Health.

| Government's Strategic Direction | Focus Areas of the Strategic Direction 2008-2011 | This Direction is/was addressed in the: | | | |
|---|---|---|---|---|--|
| | | to be addressed by entities reporting to the department | addressed in the authority's strategic plan | addressed in the authority's operational plan | addressed in the work plan of a branch/division within the authority |
| Improved population health | Obesity | | | ❖ | |
| | Smoking rates and protection from environmental smoke | | | | ❖ |
| | Dental health of children | | | | ❖ |
| | Support for healthy aging | | | ❖ | |
| | Aboriginal Health needs | | | ❖ | |
| Strengthened public health capacity | Surveillance for communicable disease | | | | ❖ |
| | Health emergency plan for the HCS system | | | ❖ | |
| | Environmental health policy | | | ❖ | |
| Improved accessibility to priority services | Access to community-based mental health and addictions services | | | ❖ | |
| | Access to appropriate primary health services | | ❖ | | |
| | Home care and support services in the areas of end of life care, acute short term community mental health, case management, short term post discharge IV medications and wound management | | | | ❖ |
| | Options to support choices of individuals in need of long term care and community supports | | | ❖ | |
| | Access to a strengthened Child, Youth and Family service | | | ❖ | |
| | Access to quality early learning and child care | | | | ❖ |
| Improved accountability and stability in the delivery of the health and community services within available resources | Identify and monitor outcomes for selected programs | | | | ❖ |
| | Achievement of balanced budgets | | | ❖ | |
| | Stabilize human resources | | ❖ | | |
| | Quality Management and Patient Safety | | ❖ | | |

APPENDIX B

Mandate

Central Health's mandate is derived from the Regional Health Authorities Act and its regulations. Central Health is responsible for the delivery and administration of health services and community services in its health region in accordance with the above referenced legislation.

In carrying out its responsibilities, Central Health will:

- promote and protect the health and well-being of its region and develop and implement measures for the prevention of disease and injury and the advancement of health and well-being;
- assess health services and community services needs in its region on an ongoing basis;
- develop objectives and priorities for the provision of health services and community services which meet the needs of its region and which are consistent with provincial objectives and priorities;
- manage and allocate resources, including funds provided by government for health services and community services, in accordance with legislation;
- ensure that services are provided in a manner that coordinates and integrates health and community services;
- collaborate with other persons and organizations including federal, provincial and municipal governments and agencies and other regional health authorities to coordinate health services and community services in the province and to achieve provincial objectives and priorities;
- collect and analyze health and community services information for use in the development and implementation of health and community services policies and programs for its region;
- provide information to the residents of the region respecting:
 - the services provided by the Authority,
 - how they may gain access to these services,
 - how they may communicate with the Authority respecting the provision of those services;
- monitor and evaluate the delivery of health services and community services in compliance with prescribed standards and provincial objectives and in accordance with guidelines that the Minister may establish for the Authority;
- comply with directions the Minister may give.

Central Health will ensure accountability for its strategic and operational plans by monitoring and reporting in accordance with legislative, regulatory and policy requirements.

APPENDIX C**List of Sites and Contact Information****A.M. Guy Memorial Health Centre**

Buchans

(709) 672-3304

Baie Verte Peninsula Health Centre

Baie Verte

(709) 532-4218

Bay d'Espoir Community Health Centre

Harbour Breton

(709) 538-3244

Belleoram Community Health Centre

Belleoram

(709) 881-6101

Bell Place Community Health Centre

Gander

(709) 651-3306

Bonnews Lodge

New-Wes-Valley

(709) 535-2160

Botwood Community Health Centre

Botwood

(709) 257-4900

Brookfield/Bonnews Health Centre

New-Wes-Valley

(709) 536-2405

Carmanville Community Health Centre

Carmanville

(709) 534-2844

Carmelite House

Grand Falls-Windsor

(709) 489-2274

Central Health Regional Office

Grand Falls-Windsor

(709) 292-2138

Central Newfoundland Regional Health Centre

Grand Falls-Windsor

(709) 292-2500

Centreville Community Health Centre

Centreville

(709) 678-2342

Change Islands Community Health Centre

Change Islands

(709) 621-6161

Connaigre Peninsula Health Centre

Harbour Breton

(709) 885-2043

Dr. Brian Adams Community Health Centre

Gambo
(709) 674-4403

Dr. C.V. Smith Memorial Community Health Centre

Glovertown
(709) 533-2372

Dr. Hugh Twomey Health Centre

Botwood
(709) 257-2874

Eastport Community Health Centre

Eastport
(709) 677-2530

Fogo Island Health Centre

Fogo
(709) 266-2221

Grand Falls-Windsor Community Health Centre

Grand Falls-Windsor
(709) 489-4861

Green Bay Health Centre

Springdale
(709) 673-3911

Green Bay Community Health Centre

Springdale
(709) 673-4714

Valley Vista Senior Citizen's Home

Springdale
(709) 673-3911

Hare Bay Community Health Centre

Hare Bay
(709) 537-2209

Hermitage Community Health Centre

Hermitage
(709) 883-2222

James Paton Memorial Regional Health Centre

Gander
(709) 256-2500

Lakeside Homes

Gander
(709) 256-8850

LaScie Community Health Centre

LaScie
(709) 675-2429

Lewisporte Health Centre

Community Services

(709) 535-0905

Laboratory & X-Ray Clinic

(709) 535-6654

North Haven Manor

(709) 535-6767

Mose Ambrose Community Health Centre

Mose Ambrose

(709) 888-3541

Musgrave Harbour Community Health Centre

Musgrave Harbour

(709) 655-2518

New World Island Community Health Centre

New World Island

(709) 629-3682

Notre Dame Bay Memorial Health Centre

Twillingate

(709) 884-2131

Robert's Arm Community Health Centre

Roberts Arm

(709) 652-3617

Victoria Cove Community Health Centre

(709) 676-2737

St. Alban's Community Health Centre

St. Albans

(709) 538-3738

St. Brendan's Community Health Centre

St. Brendans

(709) 669-5381

APPENDIX D

Key Contact Information

For more information on programs and services, to view the 2011-14 Strategic Plan and for a complete set of financial statements, please visit the Central Health website at www.centralhealth.nl.ca

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Central Regional Health Authority
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Cyril Farrell, Board Chair
Kevin Manuel, Vice Chair
David Dove
Barbara Butt
Rhonda Byrne
Rita Sullivan
Daphne Woolridge
John George
Derm Flynn
Joan Barbour-Howse
Gilbert Stone



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