



Eastern
Health

Annual Performance
Report 2007-08
Eastern Regional Health Authority

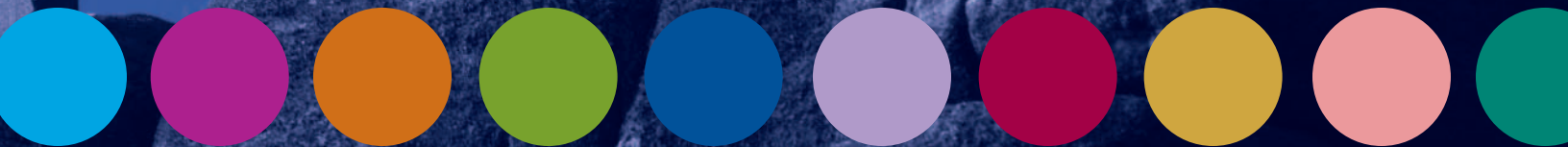


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Message from the Board of Trustees

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On behalf of the Board of Trustees of Eastern Health, I am pleased to present the Annual Performance Report for 2007-08.

In addition to working towards our goals outlined in the Strategic Plan 2006-08, we have made a substantial contribution to the strategic directions outlined by the Department of Health & Community Services and towards the achievement of our mandate as articulated in the Regional Health Authorities Act. As one of four regional health authorities and the provincial tertiary centre for health services, we understand our role in contributing to the health and well-being of the people of Newfoundland and Labrador.

While compiling this report, it is clear the organization has made significant strides in becoming an integrated organization offering the full continuum of health and community services. We are very proud of the accomplishments of our staff, physicians, volunteers and community partners who are dedicated to the well-being of the people and the communities that we serve. Every day, their hard work and commitment have a significant impact on the people of our region and the province. This is evident in the organization's recent three-year accreditation by Accreditation Canada.

The Board of Trustees' second strategic plan, *Moving Forward Together: Strategic Plan 2008-2011*, clearly outlines the Board's focus for the next three years. The Board has developed goals and objectives around the issues of integration, governance, sustainability, safety, public confidence, and navigation of the health and community services system. Achieving goals in these areas will help move the organization further towards its vision of *Healthy People, Healthy Communities*.

In 2007-08, the Commission of Inquiry on Hormone Receptor Testing commenced. The issue of Hormone Receptor Testing has caused members of the general public to question the quality of care and services provided by Eastern Health. It has also resulted in questions about the organization's transparency, its level of disclosure of information to the public and its ability to manage information. Restoring public confidence is a priority for the Board of Trustees and the organization. In fact, this issue is acknowledged in the Board of Trustees' Strategic Plan 2008-2011. Eastern Health will continue to ensure a safe environment with open, honest and timely communication with all stakeholders. We will learn from this Inquiry and become a better organization because of it.

The Board of Trustees of Eastern Health is accountable for the preparation of this Annual Performance Report and the results achieved by Eastern Health in the 2007-08 fiscal year.



Joan Dawe
Chair, Board of Trustees



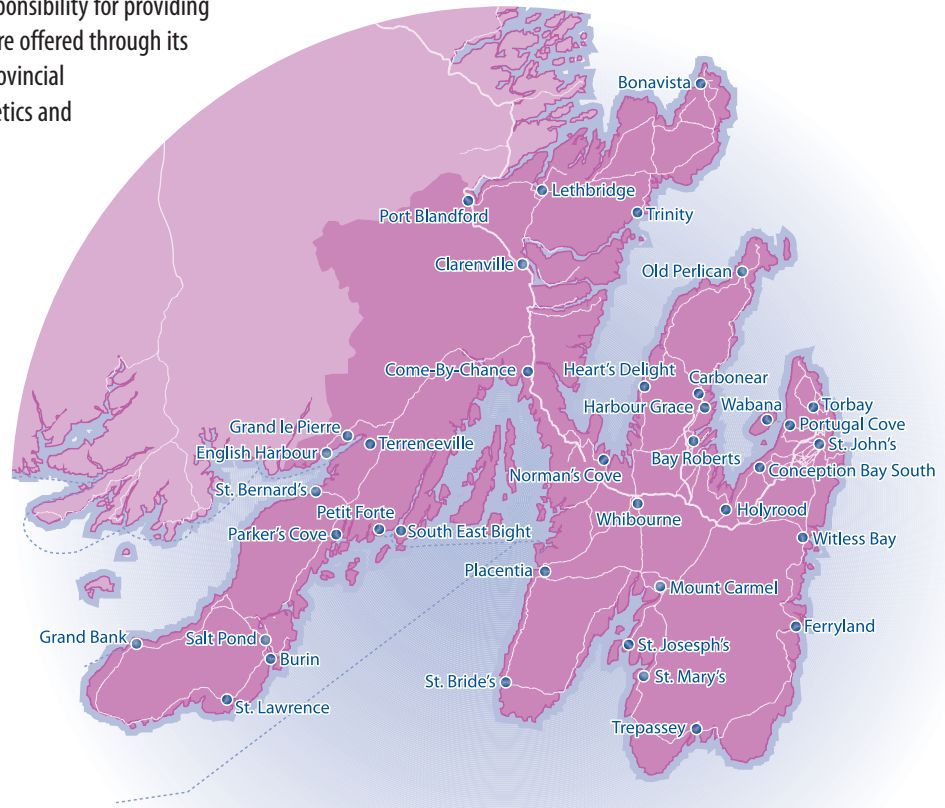
Overview

Eastern Health is the largest integrated health authority in Newfoundland and Labrador and offers the full continuum of health and community services, including public health, long-term care, community services, hospital care and unique provincial programs and services. The organization was created on April 1, 2005 through the merger of seven health organizations.

The geographic catchment area for Eastern Health is the area east of (and including) Port Blandford and includes the Avalon, Burin and Bonavista Peninsulas as well as Bell Island—a population of over 290,000. With a geographic territory of approximately 21,000 square kilometres, the boundaries of Eastern Health include 111 incorporated municipalities, 69 local service districts and 66 unincorporated municipal units.

Eastern Health has the provincial responsibility for providing tertiary level health services which are offered through its academic healthcare facilities and provincial programs such as the Provincial Genetics and Provincial Perinatal Program.

The organization has approximately 12,000 staff (81% female and 18% male workforce) with 27 health service facilities (seven acute care facilities, six community health centres, twelve long-term care facilities and provincial cancer care and rehabilitation centres); and community-based offices in 30 communities (Bay Roberts, Bell Island, Bonavista, Burin, Carbonear, Clarenville, Come by Chance, Ferryland, Grand Bank, Harbour Grace, Heart's Delight, Holyrood, Lethbridge, Mount Carmel, Mount Pearl, Norman's Cove, Old Perlican, Placentia, Portugal Cove, St. Lawrence, St. Bernard's, St. Bride's, St. John's, St. Joseph's, St. Mary's, Trepassey, Torbay, Trinity, Whitbourne, and Witless Bay). Within its facilities, the organization operates 871 acute care beds, 87 critical care beds, 9 holding beds and 1,684 long-term care beds (See Appendix I).



Eastern Health partners with many organizations, particularly Memorial University of Newfoundland. Eastern Health and Memorial University collaborate on the creation of new knowledge through many research activities and work together to provide solid education and work experience for the next generation of health providers. In addition to its academic partners the organization has extensive linkages with community agencies and service providers and health advocacy groups. Fostering these partnerships is critical to the organization's success in achieving its vision – *"Healthy People, Healthy Communities"*.

2.1 Mandate

Eastern Health is responsible for the delivery and administration of health services and community services in its health region and provincially as designated by the Minister of Health and Community Services. The organization will deliver its programs and services within fiscal capabilities and in accordance with the Regional Health Authorities Act and other relevant regulations.

The Regional Health Authorities Act outlines the responsibility of health authorities as the following:

Responsibility of Authority

- (1) An authority is responsible for the delivery and administration of health and community services in its health region in accordance with this Act and the regulations.
- (2) Notwithstanding subsection (1), an authority may provide health and community services designated by the minister on an inter-regional or province-wide basis where authorized to do so by the minister under section 4.
- (3) In carrying out its responsibilities, an authority shall:
 - (a) 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;
 - (b) assess health and community services needs in its region on an ongoing basis;
 - (c) develop objectives and priorities for the provision of health and community services which meet the needs of its region and which are consistent with provincial objectives and priorities;
 - (d) manage and allocate resources, including funds provided by the government for health and community services, in accordance with this Act;
 - (e) ensure that services are provided in a manner that coordinates and integrates health and community services;
 - (f) collaborate with other persons and organizations, including federal, provincial and municipal governments and agencies and other regional health authorities, to coordinate health and community services in the province and to achieve provincial objectives and priorities;
 - (g) 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;
 - (h) provide information to the residents of the region respecting
 - (i) *the services provided by the authority,*
 - (ii) *how they may gain access to those services, and*
 - (iii) *how they may communicate with the authority respecting the provision of those services by the authority;*

- (i) monitor and evaluate the delivery of health and community services and compliance with prescribed standards and provincial objectives and in accordance with guidelines that the minister may establish for the authority under paragraph 5 (1)(b); and
- (j) comply with directions the minister may give.

Provincial Mandate

In addition to the regional mandate, Eastern Health has unique provincial responsibilities for tertiary level institutional services including:

- cardiac care
- surgery
- rehabilitation
- cancer care
- child and women's health
- diagnostic imaging
- laboratory services
- mental health

In an effort to bring services closer to where people live the organization also administers provincial outreach programs.

- regional cancer centres
- travelling cancer clinics
- child rehabilitative clinics

The organization also administers distinctive provincial services to other areas of the province.

- provincial genetics
- cardiac genetics
- provincial perinatal program
- hyperbaric medicine
- provincial organ procurement program
- neonatal transport team
- stem cell transplantation
- provincial equipment program - Community Living and Supportive Services
- provincial pediatric advice and poison control lines
- provincial post adoptions program

The organization has distinctive roles in education and research that are associated with its position as an academic health care organization. The organization's primary education and research partner is Memorial University. In addition to the obvious linkages with health related facilities the organization has numerous other associations with various facilities. The organization operates a successful clinical trials division in conjunction with Memorial University.

2.2 Finances

In 2006-07 approximately \$40 million was added to Eastern Health's operating budget for program enhancements that were consistent with our operational plan and government's strategic directions. Budget 2007 has provided funding to help sustain the current health system while building on investments announced in 2006-07. Budget 2007 also announced new initiatives that were designed to expand current programs and introduce new provincial initiatives.

Eastern Health received funding in 2007-08 for the following new initiatives:

- Strengthening the Child Youth & Family Services System: \$2.8 million
- Patient Wait Times Guarantee Trust: \$5.9 million
- Improving Access to Health Services: \$0.5 million
- Enhancing Child Care Services: \$9.3 million provincially
- Enhancing Mental Health & Addictions Services: \$0.5 million
- Enhancing Public Health Capacity: \$0.5 million
- Information Management Initiatives: \$0.5 million
- Insulin Pump Therapy for Children under 18: \$1.4 million
- Tertiary and Provincial Program Pressures: \$6.5 million

Funding has been transferred from the province to Eastern Health and these initiatives are in varying stages of implementation.

Financially, Eastern Health finished the fourth quarter with a \$1.1 million surplus against a balanced budget. With total revenues of \$980.5 million, this surplus of 0.1% represents a break-even position.

Figure 1 provides an overview of the various sources of revenue that were utilized by Eastern Health in 2007-08. The majority of funding is received from the provincial government while other sources contribute 12% of the total.

Figure 2 provides an outline of the "Expenditure By Source" of the revenues that were distributed in 2007-08. The most significant expenditures (63%) at Eastern Health during 2007-08 were in the area of patient/resident/client, medical and ambulatory services. This includes all acute care, long-term care, emergency, outpatient clinics, dialysis units, etc.

Figure 3 indicates expenditure by sector (i.e. long-term care, acute care, etc) with 47% of expenditures in the acute care sector.

Figure 1

Revenue by Source, Fiscal Year 2007-2008

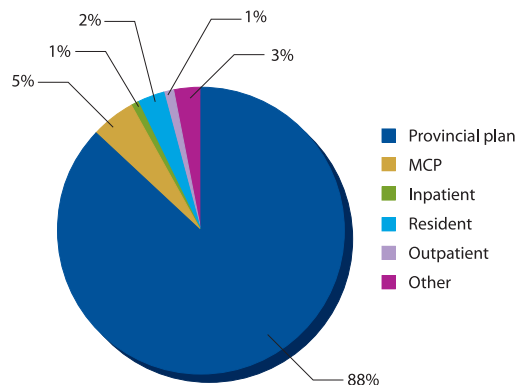


Figure 2

Expenditure By Source, Fiscal Year 2007-2008

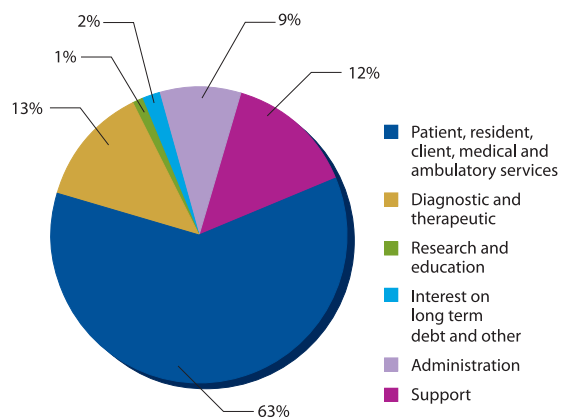
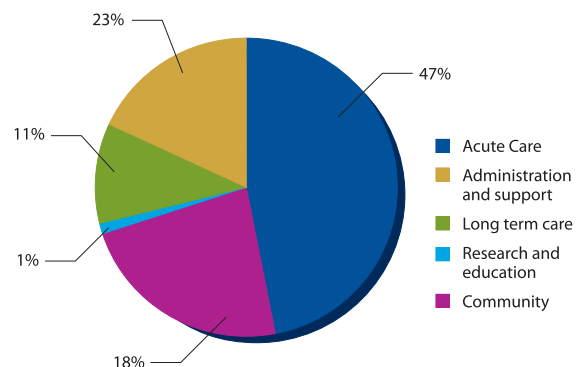


Figure 3

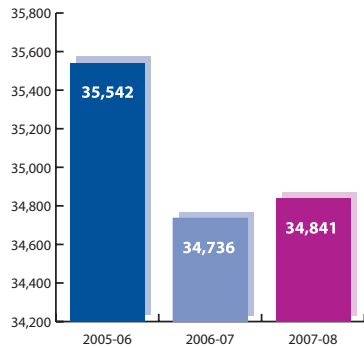
Expenditure By Sector, Fiscal Year 2007-2008



2.3 Performance Indicators

Figure 4

Acute Care Admissions



Eastern Health monitors a number of indicators, including those outlined in its strategic plan, those specified in departmental operational plans and those reported at Quality Council. An integrated performance management process and a working group have been established to oversee this process.

As seen in Figures 4 and 5, acute care admissions from 2006-07 to 2007-08 increased slightly by 0.30% while acute care inpatient days increased by 2.10%.

Figure 6 shows a slight decrease in acute care ambulatory encounters of 1.2% over the previous year. This includes all outpatient activity in Eastern Health's acute care sites; people who come in for any of our outpatient services, from blood test to x-rays to day surgery.

Figure 5

Acute Care Inpatient Days

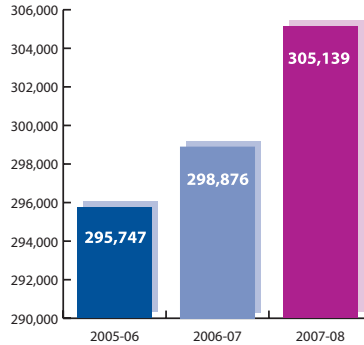


Figure 6

Ambulatory Encounters

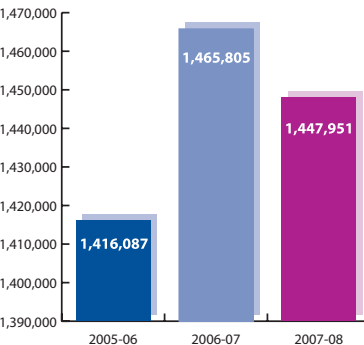


Figure 7 shows that in 2007–08, Eastern Health's long-term care facilities operated at approximately 94% occupancy¹ and the long-term care resident days were 5.6% lower than in 2006-07. A primary reason for the decrease in resident days is related to the temporary closure of beds due to the shortage of health professionals.

Figure 8 indicates the growth of the number of community health service events for the past three years.

+ A service event is a proxy for a patient or client visit. It is calculated by entries into the Client Referral Management System (CRMS), an electronic database system. Previous reporting of these service events involved various methods of capturing data from Eastern Health's legacy organizations. The numbers have been revised to capture only what was recorded in the Client Referral Management System (CRMS).

Figure 7

Resident Days

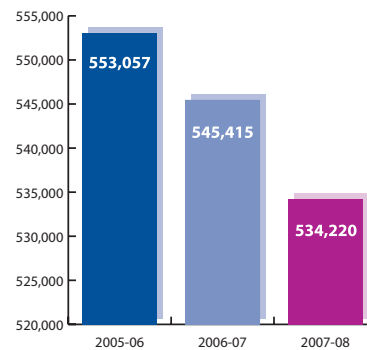
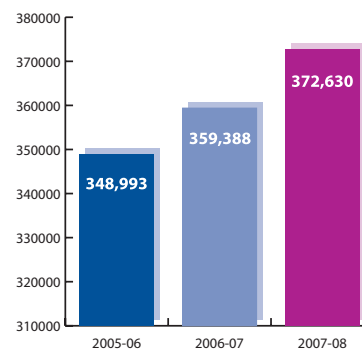


Figure 8

Community Health Service Events+



¹Occupancy is calculated based on bed availability at midnight. It is possible to have a resident leave at 6:00 p.m. in the evening and another resident enter that bed at 9:00 a.m. the next morning but the bed is still counted as vacant.

Figure 9 highlights statistics from Eastern Health's hospitals and primary health care centres, community health services events and long-term care resident days. These statistics have almost all seen an increase from the previous year. Caution must be exercised when reviewing the data from the community sector because changes in the manner in which data is being collected may cause variations in numbers rather than a true change in service delivery.

Figure 9

Statistics from a Three-Year Period

	2005-06	2006-07	2007-08
Hospitals and Primary Health Care Centres			
Patient Days	294,637	298,876	305,139
Emergency Room Visits	228,127	220,723	227,570
Surgical Daycare	42,558	43,248	43,347
Births	2,872	2,810	2,889
Ambulatory Encounters	1,416,087	1,465,805	1,447,951
Community Health Service Events+			
Family Support Programs	134,072	137,831	135,510
Community Support Programs	144,746	154,454	164,558
Community Youth Corrections	5,497	4,691	5,650
Health Promotion and Protection	38,101	43,976	48,273
Mental Health and Addictions	12,979	14,731	18,639
Long-Term Care Resident Days			
St. John's Area	378,961	372,141	363,149
Rural Eastern	174,096	173,274	171,071

+ A service event is a proxy for a patient or client visit. It is calculated by entries into the Client Referral Management System (CRMS), an electronic database system. Previous reporting of these service events involved various methods of capturing data from Eastern Health's legacy organizations. The numbers have been revised to capture only what was recorded in the Client Referral Management System (CRMS).

Figure 10 presents a summary of Eastern Health's wait time measures for four of the five national priority areas. In 2007-08 there was an increase in the total number of procedures performed for all areas except for Coronary Bypass Surgery (CABG) which decreased by 18 procedures. Although there was a small decrease in the total number of procedures performed for CABG, the percentage of cases completed within the targeted timeframe remained greater than 90% for all four quarters of the past fiscal year.

Figure 10

Summary 2007-08 for Eastern Health Wait Time Measures for 4 of the 5 National Priority Areas

Service Area	National Benchmark or Internal Target Time Frames	Percentage of cases completed within the target timeframe by quarter (Completion Rate)				Total Number of Procedures Performed in 2007-08	Total Number of Procedures Performed in 2006-07
		Q1	Q2	Q3	Q4		
Cancer Treatment							
Curative Radiotherapy	Within 4 weeks (28 days)	93%	89%	88%	85%	1606	1309
Surgery :	Target Time Frame of 21 days except Prostate which is 42 days						
Breast	St. John's (21 d)	74.2%	78 %	84%	79%	186	156
	Carbonear (30 d)	50%	100%	100%	50%		19
	Clarenville (30 d)	100%	100%	100%	100%		13
	Burin (30 d)	100%	100%	100%	100%		6
Colorectal	St. John's (21 d)	81.2%	82%	84%	74%	342	232
	Carbonear (30 d)	85.7%	60%	100%	71%		23
	Clarenville (30 d)	50%	100%	NA*	100%		9
	Burin (30 d)	75%	100%	100%	100%		12
Prostate	St. John's (42 d)	73.9%	71%	77%	61%	104	93
Bladder	St. John's (21 d)	26.3%	33%	55%	26%	121	120
Lung	St. John's (21 d)	50%	38%	44%	50%	39	NA**
Coronary Bypass Surgery (CABG)	182 days for Level III equivalent to the OPD CABG patient population	92%	92%	96%	95%	192	210
Cataract	Within 16 weeks (112 days) for patients who are at high risk.	76.1%	82%	74%	78%	2820	2198
Knee Replacement	Within 26 weeks (182 days)	77.5%	71%	69%	67%	328	289
Hip Fracture repair	Within 48 hours from time of ED registration in a St. John's Hospital	74.6%	59.7%	77%	81%	269	231

* No procedures done in this quarter

** Information not reported in that year

Figure 11 below provides a snapshot of the health of the population served by Eastern Health as compared with the province and the country. Definitions and sources of indicators are in Appendix II. These indicators help to paint a picture about the health of the people in our region compared with people in the province and the country. The information in the table below, for example, shows that people within the Eastern Health Region and the province are much more likely to be categorized in the obese category according to Body Mass Index (BMI). This has implications for the health of our citizens as obesity can be a predictor of chronic disease. Similarly, the rates of diabetes and high blood pressure in this province are higher than the national average. High rates of heavy drinking and smoking and high rates of inactivity are all measures of health behaviours that may negatively impact a persons health.

Figure 11

Indicators: By Region, Province and Country

Indicator	Eastern Health	Province	Canada
HEALTH STATUS			
1.1 Well-Being			
1.1.1 Self-Rated Health, Excellent or Very Good, 2007	63.5%	62.2%	59.6%
1.2 Health Conditions			
1.2.1 Body Mass Index, Obese, 2007	21.6%	22.0%	16.0%
1.2.2 Chronic Conditions – Diabetes, 2007	8.7%	8.8%	5.8%
1.2.3 Chronic Conditions – Asthma, 2007	4.2%	5.2%	8.0%
1.2.4 Chronic Conditions – High Blood Pressure, 2007	20.4%	21.2%	15.9%
1.2.5 Cancer Incidence, 2004	—	355.3	393.2
1.2.6 Injury Hospitalization, 2005	451	532	—
1.2.7 Injuries, 2005	12.0%	11.6%	13.4%
1.3 Human Function			
1.3.1 Two-week Disability Days, 2005	19.3%	18.2%	16.7%
1.3.2 Participation and Activity Limitation, 2007	34.1%	34.9%	31.2%
1.4 Deaths			
1.4.1 Infant Mortality, 2005 (per 1000 live births)	—	6.2	5.4
1.4.2 Perinatal Mortality, 2005 (per 1000 total births)	—	6.9	6.3
1.4.3 Life Expectancy, 2005 (age)	77	78.2	80.4

Indicator	Eastern Health	Province	Canada
NON-MEDICAL DETERMINANTS OF HEALTH			
2.1 Health Behaviours			
2.1.1 Smoking Status, 2007	24.0%	25.3%	21.9%
2.1.2 Smoking Initiation, 2003	—	31.5%	38.2%
2.1.3 Frequency of Heavy Drinking, 2007	30.5%	32.3%	21.8%
2.1.4 Leisure-Time Physical Activity, Moderately Active or Active, 2007	45.5%	45.7%	51.0%
2.1.5 Breastfeeding, 2003	—	27.5%	38.7%
2.2 Living and Working Conditions			
2.2.1 High School Graduates, 2006	71%	66%	76%
2.2.2 Post-Secondary Graduates, 2006	13.9%	11.2%	18.0%
2.2.3 Unemployment Rate, 2007	11.7%	13.6%	6.0%
2.2.4 Youth Unemployment, 2007	18.1%	20.2%	11.2%
2.2.5 % in Low Income, After Tax, 2005	10.8%	10.1%	11.4%
2.2.6 Median Share of Income, 2005	\$20,810	\$19,573	\$25,615
2.2.7 Government Transfers – as a percentage of income, 2005	17.6%	20.4%	11.1%
2.3 Personal Resources			
2.3.1 Life Stress, Quite a lot, 2007	11.7%	12.7%	22.4%
2.3.2 Exposure to Second-Hand Smoke, at home, 2007	8.0%	8.9%	7.4%

2.4 Vision

The Vision of Eastern Health is *Healthy People, Healthy Communities*.

Our vision is rooted in the recognition that as an organization we must focus upon both individual and community approaches to health. Healthy communities enhance our prospect for individual health, and when individuals are healthy, communities are healthy.

Eastern Health recognizes that many things impact the health of a person and a community. We believe that our communities have the strengths, knowledge and skills necessary to develop programs to promote healthy living. Eastern Health is committed to working with our partners towards our vision of *Healthy People, Healthy Communities*.

2.5 Mission

By March 31, 2011, Eastern Health will provide health and community services along an integrated continuum within both its regional and provincial mandates and available resources to improve the health of people and communities.

2.6 Values

The core values of Eastern Health offer principles and a guiding framework for all employees as they work in their various capacities to provide quality programs and services. The Board of Trustees of Eastern Health has identified the following values for the organization:

Collaboration

Each person consults, cooperates, works and advocates with partners to improve services and the health of people and communities.

Confidentiality

Each person ensures individual privacy within policy and legal frameworks.

Excellence

Each person strives for leadership through sound judgment, decision making and competency, adhering to the principle of life-long learning.

Growth

Each person helps individuals and communities achieve their potential.

Integrity

Each person conducts himself or herself in an honest, just, fair and accountable manner.

Respect

Each person treats others with compassion and understanding manifested in their attitudes and actions.

In preparation for developing its 2008-2011 Strategic Plan, Eastern Health undertook a values affirmation exercise. Through focus groups and surveys, the values have been fine-tuned to more reflect the growth and maturation of the organization. The revised values are presented in the Board of Trustees's 2008-2011 Strategic Plan which is available to the public on the organization's website at www.easternhealth.ca.

2.7 Lines of Business

Eastern Health has four primary lines of business: to promote health and well-being; to provide supportive care; to treat illness and injury and to advance knowledge.

2.7.1 Promote Health and Wellbeing

Eastern Health implements measures that promote and protect population health and help prevent disease or injury. The main categories of programs in this line of business include: Health Protection – Disease Prevention, Health Promotion and Child Protection.

Health Protection – Disease Prevention - This program is directed towards decreasing the probability of individuals, families, and communities experiencing health problems, assisting with the changes in physical and social environments needed to improve health, and implementing legislation/regulations to support improvements.

Health Promotion - This program is responsible for the development, implementation and evaluation of a comprehensive range of population health and community development programs. These services are aimed at enabling and fostering individuals, families and communities to take control of and improve their health.

This is accomplished through information sharing, community mobilization and capacity building, group facilitation, advocacy, and the provision of resource materials and the improvement of health status in our communities. These services can be conducted in partnership with other providers or provided to supplement services offered by other agencies.

Child Protection - This program focuses on promoting the safety, well-being and protection of children.

2.7.2 Provide Supportive Care

Eastern Health provides community-based support and continuing care, residential care options, home support and nursing home care for individuals with assessed needs. These services are provided in select locations and are means-tested and criteria-based. In many cases, there is a relationship with other Government departments such as Human Resources, Labour and Employment for subsidized funding to supplement program funding. The main categories of programs in this line of business are Individual, Family and Community Supportive Services, Short-term Residential Care and Long-Term Adult Residential Care.

Individual, Family and Community Supportive Services - These programs provide financial and supportive services and case management for individuals of all ages with assessed need. The program focuses on supporting individuals/families/caregivers and promoting independence, community inclusion, safety and well-being. Services are limited and provision is based upon financial assessment and the individual's ability to pay.

Short-term Adult Residential Care - These programs provide short respite and/or transitional stays for individuals. The services are offered in selected locations.

Long-term Adult Residential Care - These programs are responsible for residential nursing home care that is provided to individuals who require on-going support due to their frailty, disability or

chronic illness. Access to services is through the single entry system where an individual's needs are assessed and matched with appropriate available placements.

2.7.3 Treat Illness and Injury

Eastern Health investigates, treats, rehabilitates and cares for individuals with illness or injury. The clinical intent of these services is to treat illness and injuries, relieve symptoms, reduce the severity of an illness or injury, and educate patients. In addition, we provide care at the beginning of life (new born care) and at the end of life (palliative care). These services are offered in a variety of locations throughout the region. The location of specific services is dependent upon multiple factors including the level of care (primary, secondary and tertiary), access to health professionals and access to appropriate facilities. For certain services people can self-refer, while other services require a referral from a specific health professional. Eastern Health offers services through a variety of inpatient and outpatient facilities.



2.7.4 Advance Knowledge

Eastern Health is committed to advancing research, education and knowledge dissemination. The organization has a vital role in ensuring that the next generation of health professionals has an appropriate educational experience. We encourage staff and physicians to seek the best information and knowledge from multiple sources and to incorporate the evidence into their practice and standards. We are committed to ensuring that the challenges and issues we face in our day-to-day practice drives new research and education that leads to innovation. Education and research are collaborative endeavours, and our overall success is dependent upon our partnerships with affiliated organizations and in particular Memorial University of Newfoundland. As new knowledge is created we will seek opportunities to promote knowledge transfer throughout the organization.



Shared Commitments

Eastern Health's vision and values clearly illustrate the importance the organization places on partnerships. These partnerships are broad and varied.



Eastern Health works very closely with officials from the Department of Health and Community Services on a variety of activities, from providing financial and waitlist information to having input into provincial strategies such as the Healthy Aging Strategy, the Oral Health Strategy and Child Youth and Family Services. The four regional health authorities in the province work closely together at all levels. During the past year this collaboration resulted in a position paper on the status of the labour market and workers' reclassification. Efforts have also been directed to providing leadership training opportunities and standardizing policies across the province.

Education and research are collaborative endeavours. Eastern Health has partnerships with over 40 education institutions and organizations to help educate the next generation of health providers. The organization has a particularly strong affiliation with Memorial University of Newfoundland for both its education and research initiatives. Eastern Health has permanent representation on the Board of Directors of the Newfoundland and Labrador Centre for Applied Health Research and the Newfoundland and Labrador Centre for Health Information.

Eastern Health works hard at engaging as many community partners as possible. This is demonstrated in a number of ways, from Board of Trustees sponsored community stakeholder meetings throughout the region to the sponsorship of community health events such as the Placentia Primary Care Resource Day.

Volunteers play a critical role in supporting our organization. Auxiliaries, volunteers and volunteens add tremendous value to the health sector and greatly enhance the quality of life for our patients, residents, clients and their families. From providing pastoral care to operating a gift shop to painting a mural on a wall, over 3,200 volunteers selflessly contribute their time and talents to help others.

Similarly, charitable foundations play a tremendous role in the health care sector by fund-raising for health care equipment. We acknowledge the role of the Board of Directors and staff of the Foundations: Burin Peninsula Health Care Foundation, Discovery Health Care Foundation, Trinity Conception Placentia Health Foundation, Health Care Foundation, Waterford Foundation, Dr. H. Bliss Murphy Cancer Care Foundation and the Janeway Children's Hospital Foundation. During the past year, their fund-raising

efforts have been put toward purchasing a new operating table for the case room and diagnostic equipment such as an automated pap test screening machine and a CT scanner. In the 2007–08 fiscal year, the Foundations contributed almost \$3 million towards capital equipment. These foundations and their many volunteers and donors enrich the services that are provided to our population.

Eastern Health has a relationship with faith- and fraternity-based owner boards for the delivery of long-term care services in St. John's and Clarke's Beach. We work closely with them to ensure quality of care to the residents of the various homes.

We continue to work with a number of organizations that have been devolved to Eastern Health and we look forward to enhancing our relationship with them. These organizations provide a range of services, including shelters for youth, women and children (i.e. Grace Sparkes House), youth diversion programs (i.e. Burin Placentia West Alternative Measures Program), family resource centres (i.e. Vista Family Resource Centre), and school day cares.

Eastern Health has a special relationship with the hospital/health centres in Saint-Pierre et Miquelon and has a tripartite agreement with Caisse de Prévoyance Sociale (CPS) and Centre Hospitalier F. Dunan (CHFD) to provide services to that population.



Highlights

We are very proud of the employees, physicians and volunteers who are so committed to the health of our patients/residents and clients. This section notes some of the highlights of Eastern Health's progress over the past year.

Quality

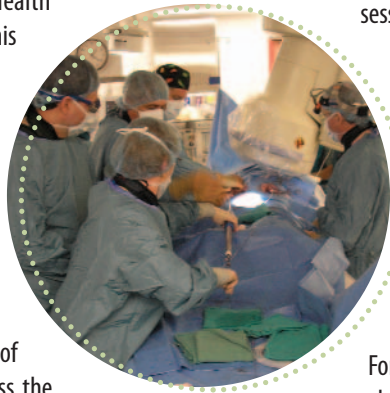
Eastern Health participated in its first Accreditation Canada (formerly known as Canadian Council on Health Services Accreditation) survey this past year. This accreditation process is both rigorous and thorough. It consists of a self-assessment, an on-site survey, and follow-up action required for improvements. Organizations examine all areas of their service, obtain advice from peers and involve partners and clients during on-site interviews. Participating in its first accreditation survey was significant for Eastern Health for a number of reasons. The process resulted in synergy across the region as staff, through their involvement on quality teams, learned from each other. Involving partners and clients in the process enabled the organization to continue a dialogue about its successes and the improvements required. The survey report identified a number of recommendations for the organization and has created a path for the organization to continue to move forward with an emphasis on ensuring quality service.

Eastern Health also participates in other accreditation processes such as the Canadian Association of Schools of Nursing. Participation in such accreditation processes helps the organization to enhance its strengths and to identify areas for improvement. The Centre for Nursing Studies participated in an accreditation during the winter of 2008 and received a seven-year accreditation award.

In 2007-08, program portfolios reported to the Regional Quality Council. This enabled the organization to monitor indicators and to identify areas for improvement. A monthly Shared Learning Bulletin has been implemented providing information about quality and safety occurrences at Eastern Health. These bulletins detail issues that have been experienced by our staff. They help explain why these events occurred and how to ensure that similar issues are not repeated. For example, bulletins to date have focused on areas such as positive patient identification and appropriate handling of patient information. This Shared Learning concept is a best practice recognized within the health care industry. In addition, Eastern Health was awarded \$1.6 million in November 2007 from Canada Health Infoway to implement an electronic occurrence reporting system.

Each of Eastern Health's programs and services strive for excellence. The Emergency/Ambulatory Care Program, for example, was given the responsibility of developing, implementing and evaluating

medical control and quality assurance for all ground ambulances within the province. In this past year, standards, policies and protocols were completed and are ready for distribution throughout the province. These will be supported by education sessions for all paramedics in the province.



In 2007-08, Eastern Health introduced mandatory two-week orientations for social workers within the Child Youth and Family Services area. Regional facilitators have developed a comprehensive curriculum and the orientation includes risk management training and formalized job shadowing.

For the second consecutive year, Eastern Health awarded Lighthouse Grants for Innovation totalling \$81,000 to nine internal groups. The projects funded are varied and range from a *Safety Symposium & Toolkit: Building a Safety Culture within Child, Youth and Family Services* to establishing a teen wellness program in Bonavista.

As referenced in the Message from the Board of Trustees, the Commission of Inquiry on Hormone Receptor Testing has caused members of the general public to question the quality of care and services provided. In particular, the Immunohistochemistry (IHC) Laboratory has been the focus of much attention.

This past year, the Immunohistochemistry (IHC) Laboratory underwent internal and external reviews of processes and procedures and has implemented many of the resulting recommendations. In September 2007 the Laboratory Medicine Program participated in the Accreditation Canada survey. In addition, the Lab acquired new, advanced technology, provided staff training, recruited additional human resources, including four pathologist assistants and a clinical director to oversee the IHC Laboratory. Succession planning is being implemented to address retirements of senior technologists. Quality assurance activities have been built into the day-to-day operations including the creation of corrective action logbooks and the development of standard operating procedure manuals for IHC procedures. A Pathology Quality Management committee has been struck and a communication tool has been devised to permit better communication between technologists and pathologists. The IHC is enrolled in external proficiency testing with the College of American Pathologists and with a United Kingdom-based organization, National External Quality Assessment Service (NEQAS).

Safety

Creating a culture where safety is valued as a top priority is important to Eastern Health. Participation in the Safer Healthcare Now initiative, highlighting of weeks such as Canadian Patient Safety Week, Infection Control Week and Healthy Workplace Week provide opportunities to promote and highlight improvements in safety and quality.

An Occupational Health and Safety (OH&S) Management System was developed to support and maintain an effective OH&S System framework for Eastern Health. The System is based on a risk assessment model, empirical data, legislative requirements and industry best practice standards. It includes policies and procedures on formal workplace inspections, safety orientation, WHMIS training, hazard assessment, employee incident/ accident reporting and investigation, and safe work practices and procedures.

Throughout the organization, there are numerous examples of initiatives to encourage and promote safety. This year, the appointment of a Program Manager for Safety and Quality within the Medical Services and Diagnostics portfolio strengthened our commitment to clinical safety. This position is responsible for identifying indicators in this portfolio and assisting the programs in timely reporting of the key indicators to the portfolio Quality and Safety Committee.

Patient safety initiatives in the surgery program include the redevelopment of the Acute Care Fall Risk Prevention Program, implementation of Venous Thromboembolic Prevention Protocol, implementation of a post-discharge thromboprophylaxis program for patient post-joint replacement and hip fracture, and the development of guidelines for the management of hospital acquired infections in vascular surgery patients.

The introduction of the Safer Healthcare Now initiative - Preventing Surgical Site Infections at St. Clare's Mercy Hospital has been very successful. Compliance with the various program interventions ranges from 88% -100%. Efforts by this team have been recognized

and commended by the Safer Healthcare Now initiative. Other ongoing Safer Healthcare Now initiatives include medication reconciliation and the management of myocardial infarction.

In 2007-08, Eastern Health implemented a Hand Hygiene Strategy. In addition to identifying barriers to performing good hand hygiene, the strategy involved audits of hand hygiene compliance and promotional efforts.

An automated electronic product/equipment health device alert reporting and tracking system for the entirety of Eastern Health has been implemented and has resulted in reduced processing times for the handling of alerts on a wide array of products/equipment.



A Healthy Workplace Committee has been established to identify the health and wellness needs of employees. The committee is collaborating throughout the organization to implement initiatives and to encourage employee participation in and feedback on healthy workplace initiatives. A number of other committees dedicated to workplace safety are in place, including within the Child Youth and Family Services area and the Cardiac/Critical Care Program.

Initiatives to enhance the healthy workplace for employees are ongoing. One such example is in the area of Environmental Services where a new micro-fibre mopping system has significantly reduced physical demands for employees. Similarly, the weight of linen bags posed ergonomic risk factors for potential musculoskeletal injury and solutions for this have resulted in improvements.

The organization's Human Resources Departments and Professional Practice – Nursing, in partnership with the Newfoundland and Labrador Nurses Union (NLNU) and the Department of Health and Community Services have developed a proposal for a Healthy Workplace Pilot Project. A steering committee to oversee the project has been established and is co-chaired by the NLNU President and Eastern Health's Director, Professional Practice – Nursing.

Partnerships

It is imperative that Eastern Health work with its many partners in order to accomplish its vision of *Healthy People, Healthy Communities*. The 2007-08 year saw many examples of partnerships. *On the Path to Health and Wellness: The Southern Avalon Community Health Needs Assessment* showcases the organization's belief that communities have the strengths, knowledge and skills necessary to develop programs which will influence the determinants of health and promote healthy living. The needs assessment, which was assisted by an Advisory Committee of interested residents, highlights the need for partnerships and the importance of working with communities.



The recommendations of *Navigating the Way Together: The Burin Peninsula Community Needs Assessment* continued to be implemented and the Board of Trustees monitored the implementation every six months. Towards the end of the 2007-08 fiscal year, the Board of Trustees was preparing to report to the community on the two-year progress.

Eastern Health's relationships with community groups are many and varied. They range from partnering with the Community Food Sharing Association of Newfoundland and Labrador to providing over 4,800 pounds of food in celebration of Canada Health Day to participating in a Family Fun day in Bonavista to networking with the St. John's Native Friendship Centre. Some of our community partnerships, such as the Community Resources Day in Placentia, strive to highlight the resources available within communities. Private business partnerships can also occur such as one with the Leyton Gallery of Fine Art in which the Open Window Studio, a part of Occupational Therapy within the Mental Health and Addictions Program, held its first art exhibition there this past year.

To support the development of healthy communities and to demonstrate our commitment to working with our partners, Eastern Health established the Community Development Fund and awarded \$51,000 to seven community groups throughout the region. Project funding ranged from providing learning sessions to promote the benefits of eating foods gathered, hunted, grown and preserved locally to encouraging youth-senior interaction in order to decrease social isolation of seniors.

With the support of child care staff from Eastern Health, and through Early Learning and Child Care funding, Ascension Collegiate in Bay Roberts opened the Ascension Collegiate Infant Care Centre. This centre enables students who have babies and young children to continue their education while receiving the benefits of child care in their school. This is an example of natural partnerships between organizations working together to improve services in the community.

Sometimes, partnerships develop unexpectedly. Rain and flooding had an impact on the Placentia Health Care Centre in the summer of 2007. In addition to staff demonstrating their strong commitment to patient/resident/client care, they worked with surrounding communities as a team to ensure that we could overcome the challenges provided by Mother Nature. Being prepared for disasters is important and in September 2007, Eastern Health partnered with many agencies for a mock disaster exercise at the St. John's International Airport.

The Cervical Screening Initiative Program involves Eastern Health professionals, private practice physicians and women in communities to foster increased education/awareness and targeted cervical screening services. On Bell Island for example, participation rates increased from 23% in 2006 to 30% in 2007. On the Burin Peninsula, there was an increase from 29% in 2005 to 43% in 2007.

The Rural Avalon Community Pastoral Care Committee sponsored two pastoral care information sessions for clergy in Rural Avalon. The focus of both sessions was to explore ways to improve partnerships between clergy, churches and Eastern Health in order to improve care provision for persons with mental health and addictions issues.

In 2007-08, Ever Green Environmental transitioned from a sheltered workshop run by clinical staff to become a not-for-profit business, offering a regular wage-and-benefit environment for people recovering from mental illness overseen by a separate Board of Directors. The Green Depots employ 68 people.

Volunteers are an integral part of health care and offer many talents to enrich the lives of residents, patients and clients. They are a true example of partnerships and Eastern Health would be a very different organization without the commitment of our foundations,

auxiliaries, volunteers and volunteers. This past year, Eastern Health partnered with programs such as Katmavik and Memorial University to enhance volunteerism.

Our employees also volunteer their time for fund-raising initiatives related to Eastern Health. Golden Journey, a 430 kilometre bicycle ride from Grand Bank to Bonavista to raise funds for long-term care facilities in the area, and the Community Walk for Blue Crest Nursing Home, are two examples.

Programs, Services, Infrastructure and Equipment Enhancements

In the 2007-08 year, Eastern Health introduced a number of new programs and services. The Medical Flight Program, for example, is a first for the province. This highly specialized team of nurses and paramedics transports adults and children in critical situations to hospitals for emergency care using both planes and helicopters. They are also available for emergency scene response.

The Eastern Regional Palliative Care Advisory Committee guides the planning for improving the delivery of palliative end of life care services across all sectors of the region. From the Advisory Committee, three working groups have been established (Clinical, Education and Bereavement). The structure proposed for Eastern Regional Palliative End of Life Services Delivery is an integrated model across the continuum of care.

In partnership with the Newfoundland and Labrador Lung Association, Eastern Health launched a Pulmonary Rehabilitation pilot project in September 2007. This project offers an education and exercise program to patients living with Chronic Obstructive Pulmonary Disease so that patients may breathe easier, reduce hospitalization and enjoy a better quality of life.

Two new programs in Mental Health and Addictions--Individual Placement and Support (IPS) Employment Services and Community Connections--were initiated in the spring of 2007. Community

Connections offers a centralized information and referral system for people with mental illness or mental health issues. The IPS Employment Service is designed to help clients who have chronic, persistent mental illness gain employment.

The Adolescent Addictions Day Treatment Program, the Rowan Centre, was officially opened in November 2007. This intensive program provides individual/group/family counselling, schooling and therapeutic recreation for adolescents 12 - 18 years of age with substance use/gambling related problems. Based on input from the Community Advisory Group and clients themselves, the program has made a number of changes over the past year to better meet the needs of this population.

A low intensity rehabilitation unit was opened at the Miller Centre in January 2008, increasing the number of rehabilitation beds from 48 to 62.

As new technologies develop, Eastern Health strives to implement new programs and services. The St. Clare's Outpatient Insulin Pump Program is one example. The pump mimics the function of the pancreas and gives a steady dose of insulin throughout the day. The pump provides better control of glucose levels and increases flexibility of lifestyle for people with diabetes.



Eastern Health is the first health authority in Canada to have an Automated Pap Test Screening Machine in place. This innovative technology scans Pap test specimens and flags abnormal slides. In addition to enhancing the accuracy of Pap test screening, it will increase laboratory capacity.

Infrastructure throughout the region has also undergone significant change this past year. The long-term care home in Clarenville, the redevelopment of Blue Crest Nursing Home in Grand Bank and the building of the new Grand Bank Community Health Clinic continues. In partnership with Veterans Affairs Canada, Eastern Health is extending and renovating the Caribou Memorial Veterans Pavilion to provide a 14-bed specialized Dementia Care Unit as well as to enhance the current environment by reducing rooms to private or semi-private spaces. Renovations took place in a number of facilities, including the angio-suite for Diagnostic Imaging at the General Hospital and the fourth floor of the Janeway Children's Health and Rehabilitation Centre.

Eastern Health struck a St. John's Hospital-Based Facilities

Redevelopment Steering Committee to lead the planning for St. John's hospital-based acute care services and their associated ambulatory programs. The committee is focused on long-range planning and is presently developing a request for proposals for planning services. The first stage of planning involved extensive consultation with a number of stakeholders about how they anticipate their services will be delivered in 10-15 years.

Medical equipment is an integral component of health and community services. In 2007-08, Eastern Health had \$15.3 million in new equipment acquisitions. Some of the new equipment included: dialysis machines on the Burin Peninsula, two new radiation treatment machines at the Newfoundland Cancer Treatment and Research Centre, ultrasound unit and defibrillators in Rural Avalon, new beds for nursing homes, and a cardiac monitoring system for the Emergency Department at St. Clare's Mercy Hospital.

Integration

Eastern Health's mission statement reflects the organization's role in providing the full continuum of health and community services. To this end, substantial work has been ongoing to integrate Eastern Health's legacy boards from an administrative and clinical perspective.

The consolidation of payroll systems continued throughout the region, with payrolls in the Avalon and Peninsulas area being integrated in the 2007-08 fiscal year. As of March 31, 2008, 12 of the 19 former payroll systems were integrated, covering 86% of employees. The consolidation of these systems will allow for the implementation of the Human Resources Information System (HRIS) throughout the region. This will assist with managing and reporting of employee incidents and accidents, disability case management, the tracking of disciplines and grievance management.

The consolidation of separate reporting systems of the Client Referral Management System (CRMS) to a single Eastern Health model has been completed. The primary hospital information system, Meditech, has four separate implementations within the organization and plans to consolidate these have been approved and resources secured in the 2008-09 budget to prepare a blueprint

for the Eastern Health system. The COGNOS business intelligence tool for CIHI information has been updated and formatted to include information for all of the organization.



An integrated administrative base forms the foundation upon which the organization can build integrated clinical programs and services. Regional clinical networks have been established in the areas of mental health, child health, long-term care and supportive services, dialysis, public health, emergency care, palliative care and child youth and family services. Eastern Health's community health needs assessments have identified several key areas of focus to promote continued integration of the organization. The Board has identified clinical integration as a priority in its Strategic Plan.

Human Resources

In 2007-08 significant progress was made toward the consolidation of human resource functions and more importantly toward the development of a strategic human resource plan. The Strategic Human Resource Plan is built on the foundation of four drivers of organizational excellence: effective leadership, engaged workforce, talent management, and organizational transition.

To promote effective leadership a leadership development strategy was completed to guide a multi-year, multi-dimensional approach. A management accountability framework including competencies has been drafted and initial efforts to establish succession planning has occurred. Following the completion of a management engagement survey in 2007 an action plan was developed to address managers' greatest needs.

Fostering a new Eastern Health culture with an engaged workforce has been a priority, with the examination of our values by focus groups, development of an employee values proposition, and an assessment of internal communication mechanisms. A significant commitment has been initiated related to creating a healthy workplace. We have adopted a model that embraces a multi-dimensional view of a healthy workplace including, workplace culture and supportive environment, health and lifestyle practice, physical environment and occupational health and safety. Many supporting workplace programs/strategies are in place or under development including Employee and Family Assistance Programs, Respectful Workplace Program, Occupational Health and Safety, Grievance Management Plan, and a Recognition Program.

A competitive national and international labour market, an aging workforce and growth in health services is impacting the recruitment of health professionals. Health professions where significant recruitment challenges exist include physicians, nurses, allied health, diagnostic groups as well as support areas such as skills trades and others. In response to nursing human resource challenges, for example, the organization put together a Nursing Recruitment Team to focus on the recruitment of Registered Nurses (RN), Licensed Practical Nurses (LPN) and Personal Care Attendants (PCA). The Nursing Team recruited 104 nurse graduates from the April 2008 class (60%) which is slightly higher than in previous years and 80% of the Licensed Practical Nurses (LPN) were recruited from the December 2007 graduating class. A recruitment framework is under development and significant new resources invested in 2007-08 to meet the rising demands of recruitment. The organization's orientation program was redeveloped. Provincially we are working with other Regional Health Authorities, education institutions, professional associations and unions to achieve strategies to ensure a sustainable competent workforce to ensure quality programs and services to the population of the province.

Organization transition requirements are significant as we move toward consolidated organizational structures. In 2007-08 there was significant work to transform the legacy bargaining unit structures to a more consolidated model. As well there were active negotiations with all unions to achieve transition agreements. Simultaneous negotiations with long-term care owner boards delayed the progress with NAPE and AAHP but significant progress was achieved with NAPE LX and NLNU.

Government Strategic Directions

Eastern Health is committed to the four strategic directions outlined in the Department of Health and Community Services' Strategic Plan: improved population health, strengthened public health capacity, improved accessibility to priority services, and improved accountability and stability in the delivery of health and community services within available resources.

Improved Population Health

High rates of some chronic diseases, particularly heart disease, obesity and diabetes, combined with low rates of self-care preventative measures emphasizes the importance of improving population health. In the 2007-08 fiscal year, Eastern Health made the following accomplishments towards government's strategic priority of improved population health:

- Finalized a regional Health Promotion Plan which identified a number of wellness priorities for the organization. Eastern Health will work with individuals, families, communities and a variety of partners throughout the region to address several health promotion priorities including: healthy eating, physical activity, tobacco control, sexual and reproductive health, child and youth development, mental health promotion and injury prevention. In addition, linkages to three themes, namely healthy aging, health promoting schools and prevention of problematic substance abuse have also been identified in relation to relevant priority areas.
- Participated in the first travelling dental surgery team to provide dental services to children in Happy Valley - Goose Bay.
- Established and implemented a Provincial Insulin Pump Program for children with diabetes up to the age of 18.
- Implemented the province's first Assertive Community Treatment Team, a specialized community-based service for individuals with severe and persistent mental illness.
- Participated on a Vibrant Communities Leadership Team in the development of a successful national grant proposal related to poverty reduction in the St. John's area.
- Supported work of the Eastern Regional Wellness Coalition and Wellness Coalition Avalon East. Both Coalitions supported the Community Grant Programs, awarding over 70 grants to community groups, up to a maximum of \$1,000.
- Received funding from GeoConnections for strategic planning for geographic information systems for population health and public health emergencies.
- Produced issues of *Our Health* magazine, including the first *Our Health*, Youth special edition and youth website.



Strengthened Public Health Capacity

Population health assessment, health surveillance, prevention, health promotion and health protection are key components of strengthened public health capacity. In the 2007-08 fiscal year, Eastern Health made the following accomplishments towards government's strategic priority of strengthened public health capacity:

- Developed a Community Development Fund program to provide grants to community groups to improve the health of people in their communities.
- Approved an All-Hazards plan which provides an integrated framework as the basis for a coordinated response to any emergency situation.
- Continued to work on the development of a pandemic response plan with multiple committee and ongoing initiatives aligned with provincial pandemic planning.
- Held Nobody's Perfect Facilitation workshops resulting in 29 new facilitators to deliver the Nobody's Perfect parenting program.
- Established an Eastern Regional Baby-Friendly Initiative Steering Committee to identify and implement Baby-Friendly practices in the region.
- Awarded \$7,600 in Beacon Grants to seven schools in the Rural Eastern region to support health and wellness in the school setting.
- Developed a Community Engagement Framework to help guide the Board of Trustees' linkages with communities.
- Introduced HPV Vaccine to grade six girls in the province this year with an uptake of approximately 80%.
- Expanded Home Intravenous Antibiotic Therapy, Negative Pressure Therapy for Wound Care, and Lovenox Injections for Post Hip and Knee Surgery to clients in the community.
- Released *On the Path to Health and Wellness: The Southern Avalon Community Health Needs Assessment*.
- Reviewed best practices in assessment and service delivery for children and youth with emotional and behavioural disorders and individuals with developmental disabilities and initiated an assessment demonstration pilot.
- Participated in the needs assessment and proposal writing process for the establishment of a Community Youth Network for the Bonavista Area.
- Implemented a program to recruit and train care providers within the Alternate Family Care Home Program.
- Increased immunizations for children 0-2 years from 69.5% in 2005-06 to 82.3% in 2007-08 in St. John's.
- Increased the number of Public Health Nursing positions and Mental Health and Addictions Workers resulting in improved access.
- Achieved a 91.9% immunization rate for residents in Personal Care Homes in Rural Avalon.
- Increased cervical screening rates in Bell Island from 23% in 2006 to 30% in 2007 and increased rates from 29% to 40% in the Peninsulas area.
- Participated in the development of a Cancer Control Strategy for the Province of Newfoundland and Labrador.
- Established a working group to develop a proposal for a Colorectal Screening Program.
- Completed a Health Canada funded feasibility study with respect to tracking alcohol and other drug use in the community. The feasibility study has demonstrated that collecting a timely flow of data on hazardous patterns of substance use and related harm can be used to inform public debate, to support effective policy and facilitate policy relevant epidemiological research.



Improved Accessibility to Priority Services

Maintaining health and community services in a province with vast geography and a declining and aging population is very challenging. In the 2007-08 fiscal year, Eastern Health made the following accomplishments to work towards government's strategic priority of improved accessibility to priority services:

- Acquired over \$15 million worth of medical equipment in partnership with government and foundations throughout the region.
- Added a Heart Failure Clinic to the Cardiac/Critical Care Program.
- Partnered with other Atlantic Canada Heart Failure Clinics to form the Atlantic Heart Failure Nurses Network.
- Initiated Enhanced Home Palliative/End of Life Care Program with clients expressing a high degree of satisfaction with the program.
- Implemented High Dose Rate Brachytherapy for specific breast cancer diagnoses. This type of treatment is delivered over five days versus the standard four weeks.
- Implemented changes and made staffing adjustments to decrease patient registration wait time in the St. John's Hospitals.
- Opened five transition beds in Bonavista to allow increased access to long-term care.
- Offered a Rural Mental Health interdisciplinary Training Program in Bonavista and Placentia.
- Entered into a long term lease for clinical and office space that will enable the organization to centralize several ambulatory programs at a single site improving clients access.
- Increased surgical capacity in some areas, including urology and orthopaedic surgery.
- Hired additional Mental Health and Addictions positions for Rural Avalon and Peninsulas.
- Placed a Nurse Practitioner and Community Outreach Nurse, Mental Health and Addictions, in the downtown St. John's area.
- Established new processes for capturing gastrointestinal procedure wait times at the Health Sciences Centre .
- Received approval to hire a new Palliative Care physician.
- Initiated Eating Disorders Day Treatment Program.
- Expanded Home Infusion Program for colorectal cancer, Breast Screening at Ropewalk Lane, and Tele-Oncology.
- Initiated Home IV Antibiotic Program in Carbonear.
- Increased hours of operation for MRI services at the Janeway and General Hospital sites, which will increase exam capacity.
- Implemented Voice Recognition technology in Diagnostic Imaging services, Peninsulas, resulting in significantly improved report turn-around times.
- Installed a digital angiography system at the General Hospital to enable the initiation of a neuro-coiling program.
- Introduced new specialized roles in the Surgery Program, including two Acute Care Nurse Practitioner Specialists in the Head and Neck and Vascular Surgery sub-specialties, and a Clinical Nurse Specialist in Acute Pain Management.
- Continued implementation of waitlist management strategies within clinical programs including, Diagnostic Imaging, Endoscopic Services, Mental Health and Child Health.
- Initiated the development of and subsequently accepted provincial target time frames and urgency classifications for Diagnostic Imaging and Endoscopic services.



Improved accountability and stability in the delivery of health and community services within available resources

The health and community services system consumes almost half of all Government program expenditures. Government and public bodies must be accountable to ensure the wise and prudent use of public resources and demonstrate performance achievements. In the 2007-08 fiscal year, Eastern Health has supported government's strategic priority of improved accountability through the following accomplishments:

- Developed a new Strategic Plan for 2008-2011, in accordance with the provincial government's Accountability and Transparency Act.
- Completed a Values Exploration process in support of the Board of Trustees' new Strategic Plan.
- Developed a Leadership and Management Accountability Framework.
- Participated in a pilot project within Child Youth and Family Services to hire Social Worker Assistant (SWA) positions.
- Added Pictorial Archiving Communications (PACS) to health centres in Whitbourne, Placentia and Old Perlican which has improved report turn-around times and has connected the sites electronically to all of Eastern Health.
- Developed an automated process for input of statistical information for facilities in the Peninsulas area which has improved the quality, timeliness and reporting of statistical data through enhancing various automated data collection and entry systems.
- Established a regional Stroke Leadership Committee, which has developed Eastern Health's Stroke Strategic Plan.
- Established Regional Professional Practice Councils for all Allied Health Professional Practice disciplines.
- Expanded ethics education and consultation services throughout the region, including 500 participants at three ethics education events and 75 ethics consultations.
- Established a Child Care Services Liaison Committee, comprised of child care stakeholders, to address issues of concern related to the child care industry issues.
- Completed and submitted a *Service Delivery and Infrastructure Plan for the Delivery of Long Term Care Services in the Northeast Avalon Area* to the Department of Health & Community Services.
- Implemented a centralized service delivery model and quality monitoring framework within the Personal Care Home Program to comply with the *Personal Care Home Program Operational Standards*.
- Participated in the National Pediatric Wait Time Project implementing a pan-Canadian pediatric urgency classification system.
- Developed a Health Technology Assessment (HTA) screening tool to improve the uptake of HTAs throughout Eastern Health's programs and services. The screening tool will improve evidence based decision making, particularly at the clinical level.
- Revised standards of practice for Therapeutic Recreation and evidence based guidelines for dementia care.



Outcomes of Objectives

Eastern Health's first strategic plan was developed in February 2006 and approved by government in February 2007. Significant progress was made during this past year to achieve the goals as outlined in the plan.

5.1 Budget/ Fiscal Responsibilities

Historically health organizations have struggled with meeting their budget targets. There are many reasons for this, particularly where cost escalation is driven by advances in new technologies such as medication and diagnostic advances.

Goal: By March 31, 2008 Eastern Health will operate within a balanced budget, unless directed otherwise by the Department of Health and Community Services.

Measure: Balanced budget.

Result: Eastern Health operated within a balanced budget.

2006-08 Goal Indicators as Outlined in the Strategic Plan	Results
No increase in the accumulated deficit unless approved by Government.	There has not been any increase in the accumulated deficit for government reporting. In fact, the deficit decreased from \$73.1 million at March 31, 2007 to \$71.9 million at March 31, 2008.
The approved annual budget meets established targets for the payment of accumulated deficit.	As per direction from the Department of Health and Community Services, every effort is made to live within the organization's fiscal realities and to pay down on the debt whenever possible.
A comprehensive monitoring and accountability framework is established and implemented to address monthly variances in the approved budget.	Eastern Health has established a comprehensive budgeting and monitoring process. Each director develops an operational plan for a three-year period. Each year, directors participate in extensive budgeting consultations with representatives from Budgeting, Human Resources and Corporate Strategy and Research. The budget for the organization is developed using the information gathered from the budget consultations and from identified organizational priorities. Budget Analysts work with the departments to monitor and address variances on a monthly basis. In the case of variances, plans are required that outline the steps needed in order to get back on budget. Each COO/VP is accountable to balance their portfolio budget.
Initiate discussions with government regarding reaching an agreement related to accumulated deficits.	Direction has been provided by the Department of Health and Community Services that the organization should maintain a balanced budget and make every effort to pay down on the organization's debt whenever possible. Eastern Health has maintained a balanced budget and has made contributions to its debt.

2007-08 Objective: By March 31, 2008 Eastern Health will have implemented an approved budget plan that results in a balanced budget, unless otherwise directed by Government.

2007-08 Measure: Balanced Budget

2007-08 Progress: A balanced budget was achieved.

Eastern Health is accountable for the public funds that it spends and takes great pride and effort in ensuring that the organization maintains a balanced budget. As the indicators and their progress demonstrate below, Eastern Health has established many internal processes and maintains open and ongoing communication with the Department of Health and Community Services regarding its financial situation.

2007-08 Indicators as Outlined in the Strategic Plan	Progress in 2007-08
Plan established that identifies adjustments to service levels within acceptable standards and available funding.	The balanced budget for 2007-08 was consistent with the portfolio specific operating plans as approved by the Board of Trustees. If service adjustment levels are required, plans are developed within program areas.
Decision-making process established to support achieving a balance budget.	<p>As reported in the 2006-07 Annual Performance Report, the organization established a comprehensive decision-making process to support achieving a balanced budget. In 2007-08, the organization evaluated the process and to streamline the process further, meetings with both the Department of Finance and the Department of Health and Community Services were initiated. As reported in 2006-07, in the Fall of each year, the planning cycle begins and departmental directors review the strategic priorities of the Board and their operational plans in order to develop their budget for upcoming priorities.</p> <p>As part of the budgeting process, each director meets with representatives from the Departments of Budgeting, Corporate Strategy and Research, and Human Resources to ensure that budget requests are consistent with the organization's strategic priorities and to address human resources issues.</p> <p>The Budgeting Department reviews all requests from each director and an analysis is presented to the individual COOs and VPs who determine whether the identified needs are moved forward to the Executive Team level.</p> <p>Budget requests are then reviewed by the Executive Team and organizational priorities are established. The budget is reviewed by the Finance Committee of the Board of Trustees and approved by the Board for submission to government. The budget request to government is accompanied by briefing notes and supporting documentation.</p>
Systems established to monitor and correct variances to the plan.	Meetings with directors occur quarterly to discuss their budget and any variances. The Budgeting Department of Eastern Health has also initiated education sessions for managers on a regular basis. These education sessions are designed to help managers interpret and analyze financial information in order to enhance their performance management. As established in 2006-07, monthly financial reports continue to be provided to each director and variances are analyzed.

2007-08 Indicators as Outlined in the Strategic Plan	Progress in 2007-08
Reporting structure established to ensure governance level decisions associated with the fiscal sustainability of the organization are consistently measured.	Statements are reviewed on a monthly basis. The Finance Committee of the Board reviews and advises the Board on the financial aspects of the operations of the organization.
No increase in the accumulated deficit unless approved by Government.	There has not been an increase in the accumulated deficit.
Structures established to regularly inform the Minister of status of the organization's fiscal situation.	Structures were put into place in 2006-07 to inform the Minister of Health and Community Services on the status of the organization's fiscal situation. These structures were evaluated in 2007-08 and determined to be appropriate. These structures are many and varied. They include monthly teledata submissions of expenditures relative to the budget along with operating statistics. Quarterly interim financial statements are also forwarded and regular liaison meetings on budget issues occur between Eastern Health and the Department of Health and Community Services. In addition, quarterly and annual financial statements are submitted to the provincial Department of Finance in accordance with prescribed timelines.

5.2 Infrastructure and Equipment Plan

Eastern Health is dependent upon a large network of facilities and equipment to provide a complex array of health and community services for the citizens of the region and the province. Ongoing advances in health equipment means that Eastern Health must have a medical technology plan to ensure that equipment is consistently upgraded, replaced and purchased to enhance quality service.

Goal: By March 31, 2008 Eastern Health will have a comprehensive infrastructure plan and an equipment plan with ongoing implementation of approved components initiated.

Measure: Capital infrastructure and capital equipment plan.

Result: Plan developed.

2006-08 Goal Indicators as Outlined in the Strategic Plan	Results
Plan developed.	A plan has been developed.
Approved components implemented.	Funding was received for some of the priority one (highest priority) equipment and implementation is ongoing. Highest priority infrastructure needs were funded and were implemented.

2007-08 Objective: By March 31, 2008 Eastern Health will have implemented approved components of the capital infrastructure plan and equipment plan.

2007-08 Measure: Implementation of approved components.

2007-08 Progress: Replacement plans for equipment and infrastructure requirements are submitted to government on an annual basis. Funding was received for some of the priority one (highest priority) equipment and implementation is ongoing. Of the infrastructure needs identified, highest priority needs were funded and implemented.

As the indicator and its progress demonstrate below, Eastern Health made significant investment in providing infrastructure assessments, developing a bio-medical equipment replacement plan and initiating replacement.

2007-08 Indicators as Outlined in the Strategic Plan	Progress in 2007-08
Approved components implemented.	Submissions were made to Government for the funding to address deficient infrastructure and equipment areas. Funding was received for some of the priority one (highest priority) equipment and replacement is ongoing. Highest priority items were funded for infrastructure needs and these were implemented.

5.3 Community Health Needs Assessment

To enhance the understanding of the health issues facing people living in the Eastern Health region, the organization will complete community health needs assessments. The assessment process will help ensure that the organization anticipates the future needs of communities and identifies innovative strategies to meet needs.

Goal: By March 2008, Eastern Health will have completed a needs assessment of select areas of the region in support of the development of a regional health services plan.

Measure: Needs assessment completed in select areas.

Result: Needs assessment completed in select areas (Burin Peninsula and Southern Avalon).

2006-08 Goal Indicators as Outlined in the Strategic Plan	Results
<p>Needs assessment completed. Specific components of the assessment will include:</p> <ol style="list-style-type: none"> 1) determining health status of residents (facts and opinions). 2) gathering information about health resources available in the communities (assets). 3) identifying priority issues that are most important for the communities (priorities). 4) building commitment and support to work on addressing community health issues (partnerships). 	<p>Two needs assessments have been completed to date. Both assessments followed similar formats and included determining the health status of residents through the use of statistical and utilization information as well as opinions gathered through surveys and focus groups. Through the process, information was gathered about the health resources available in the communities and the needs assessment documents provide a comprehensive look at the resources currently available. The priority issues were identified by triangulating data received from a number of sources (i.e utilization, surveys, focus groups, key informant interviews). Both needs assessment documents were well received and included a number of recommendations around partnerships, including offering rural health forums.</p>
<p>The current model being used involves a five step process:</p> <ol style="list-style-type: none"> 1) Getting started - establish Steering and Advisory Committees 2) Identify Health Priorities - Gather primary and secondary quantitative and qualitative data. 3) Assess a Health Priority for Action - Determine health priorities and what changes can be made. 4) Develop Action Plan for Change - Set objectives and indicators regarding priorities. 5) Moving On/Review - Review and evaluate process used. Established evaluation to determine improvements in the health of the communities/individuals. 	<p>For each needs assessment, a Steering Committee, consisting of managers and staff in the area was established. An Advisory Committee was also established for each needs assessment consisting of local area residents who represent the determinants of health. Residents responded to an open call to participate on this committee. Extensive primary and secondary data was gathered. Between the two needs assessments, there were 37 focus groups, 69 key informant interviews, 851 telephone surveys and 16 written submissions in addition to significant secondary research involving internal utilization information, Community Accounts and Canadian Institute for Health Information (CIHI). Through all of the research, priorities were developed and between the two needs assessments, 64 recommendations were made. Actions plans were developed for these recommendations and the Board of Trustees requested progress reports on the implementation of the recommendations every six months. Two years after the release of the needs assessment report, the Board of Trustees will report back to the community regarding the progress. After the first needs assessment (Burin Peninsula), the process was evaluated and deemed appropriate for the Southern Avalon needs assessment. Monitoring of the improvement of the health of the communities and individuals will be ongoing.</p>

2007-08 Objective: By March 31, 2008 Eastern Health will have completed needs assessments in Conception Bay North and the southern shore of the Avalon Peninsula.

2007-08 Measure: Needs assessment completed.

2007-08 Progress: *Navigating the Way: The Burin Peninsula Community Health Needs Assessment* was presented to the public on June 28, 2006. *On the Path to Health and Wellness: The Southern Avalon Needs Assessment* was presented to the public on June 27, 2007. A needs assessment in the Conception Bay North area has not yet been completed. When initiating work on the southern shore of the Avalon Peninsula, it became clear that the Placentia area should be included in the needs assessment of the southern shore of the Avalon Peninsula due to the overlap in service delivery in that area. Not to include the Placentia area would not have provided the most appropriate and most accurate pictures of the needs of that area. A needs assessment for the Conception Bay North area will be completed during Eastern Health's next Strategic Plan 2008-11.

As the indicators and their progress demonstrate below, Eastern Health has a comprehensive understanding of the community health needs of the people on the Burin Peninsula and the Southern Avalon. The organization has invested in maintaining open communication with the communities in the needs assessment catchment areas and engaging them in the process as well as informing them of the outcomes.

2007-08 Indicators as Outlined in the Strategic Plan	Progress in 2007-08
Final reports submitted to the Board in accordance with an approved model and work plan for the specific regional assessment.	<p>The Southern Avalon Community Health Needs Assessment was submitted to the Board on April 25, 2007 in accordance with the approved model and work plan.</p> <p>In the case of both needs assessments (Burin Peninsula and Southern Avalon), a determinants of health model was followed. Two beliefs permeated throughout the report: communities have the strengths, knowledge and skills necessary to originate programs which influence the determinants of health and which promote overall health and well-being; and, individuals have an important role to play in making communities a healthier place to live. In the case of both needs assessments, Community Advisory Committees were struck to have input into the process.</p> <p>Specific implementation plans were developed for the recommendations in the reports.</p>
Findings communicated to the public in the assessed areas.	<p>A number of communication activities occurred to inform the public about the findings from the needs assessments. These included: distributing a brochure to all households in the catchment area; distributing news releases and conducting media interviews; making the report available on CDs, the organization's website and in public libraries. Education sessions about the findings occurred with staff throughout the region.</p> <p>The Board of Trustees has committed to providing a two-year update on the progress of the recommendations arising from the needs assessments. The first of these public reports will take place June 2008 on the Burin Peninsula.</p>

5.4 Policy Governance Model

The Board of Trustees of Eastern Health operates under a Policy Governance model. The Board is committed to having an outward focus and establishing a governance model that enables it to focus upon the achievement of successful outcomes. This model of governance is designed to empower boards to fulfill their obligation of accountability for the organization. The model enables the board to focus on the larger issues, to delegate with clarity and to evaluate the accomplishment of the organization. Policy Governance separates issues of organizational purpose (ENDS) from all other organizational issues (MEANS), placing primary importance on those Ends.

Goal: By March 31, 2008 Eastern Health will have a fully implemented Policy Governance Model.

Measure: Fully implemented model.

Result: Model is fully implemented. Evaluation will be completed in the 2008-09 fiscal year.

2006-08 Goal Indicators as Outlined in the Strategic Plan	Results
Board policies developed, implemented and monitored.	Board policies have been developed and implemented in all four quadrants, following the policy governance model. At a minimum, policies are monitored annually.
Ends policies developed, implemented and monitored (including areas identified in strategic directions).	Ends policies have been developed and implemented. This includes areas identified in strategic directions. Monitoring takes place on an annual basis. The first Ends monitoring report will be received December 2008.
Executive limitations developed, implemented and monitored.	Executive limitations have been developed and implemented. An annual schedule for monitoring is in place. Certain policies are monitored annually while others are more frequently monitored depending upon need.
Board/CEO relationships policies developed, implemented and monitored.	Board/CEO relationships policies have been developed and implemented. Monitoring takes place on an annual basis.
Evaluation system and regular reporting process established.	A regular reporting process has been established. Once the Ends report has been received in December 2008, a formal evaluation system will be completed.

2007-08 Objective: By March 31, 2008 Eastern Health will have reviewed and revised policy governance areas leading to full implementation.

2007-08 Measure: Reviewed and revised policies.

2007-08 Progress: Eastern Health has implemented a Policy Governance Model.

As the indicators and their progress demonstrate below, Eastern Health's Board of Trustees has developed their policies and initiated the compliance reporting.

2007-08 Indicators as Outlined in the Strategic Plan	Progress in 2007-08
Compliance with an approved schedule for review and revision of all Board policies.	The Board is compliant with its schedule for review and revision of Board policies.
Evidence of the review process documented.	Evidence of the review process is documented in the Board minutes.

5.5 Promoting and Supporting a Patient Safety Culture

The Board of Trustees of Eastern Health is committed to supporting and enhancing patient safety. The successful implementation of a Board committee, Safety and Quality Improvement Committee, and regular reporting on an Executive Limitation Policy will help promote patient safety initiatives throughout the organization.

- Goal:** By March 31, 2008 Eastern Health will have implemented a Board Policy (Executive Limitations) to ensure that the safety of our clients, patients and residents is an integral part of our organization.
- Measure:** Reports being received by the Board of Trustees based upon an approved schedule.
- Result:** Reports are received by the Board of Trustees based upon an approved schedule.
- 2007-08 Objective:** By March 31, 2008 the Board of Trustees will receive regular reports in accordance with the Client/Patient/Resident Safety Executive Limitations.
- 2007-08 Measure:** Executive Limitations EL-11 reported to the Board.
- 2007-08 Progress:** The Board of Trustees receives regular reports on the Board Policy, Executive Limitation 11, Safety and Quality Improvement.

As the indicators and their progress demonstrate below, Eastern Health's Board of Trustees has developed a Board Policy, Patient Safety Executive Limitations, and receives regular reports in accordance with that policy.

2007-08 Indicators as Outlined in the Strategic Plan	Progress in 2007-08
Signed reports by the President and Chief Executive Officer being tabled at the Board meetings.	Monitoring reports as outlined in the Annual Board Executive Limitations Schedule are tabled at the Board of Trustees meetings.
An annual update to the Board on the organization's progress on the Safer Healthcare Now Initiative.	The organization has six teams enrolled in the Safer Healthcare Now Initiative. The Board of Trustees receives an annual update on the progress of the initiative.
One Board education session on patient safety.	In 2007-08, the Safety and Quality Improvement Committee of the Board of Trustees received education sessions on patient safety issues, including occurrence reporting and disclosure policy.

Objectives for 2008-09

The Strategic Plan 2008-11 clearly outlines the goals, objectives, measures and indicators that the organization will be working towards in 2008-09.

6.1 Accountability

Goal:	By March 31, 2011, Eastern Health will have affirmed its role with physicians, owner boards, devolved services and government to support fulfillment of its mandate.
2008-09 Objective:	By March 31, 2009, Eastern Health will have developed mechanisms to affirm the role of the Board with owner boards, devolved services, physicians and government.
2008-09 Measure:	Mechanisms identified
2008-09 Indicators:	<ul style="list-style-type: none">• MOUs developed with long-term care owner boards.• MOUs developed with devolved services.• Semi-annual meeting of Board of Trustees with Minister of Health and Community Services.

6.2 Stewardship

Goal:	By March 31, 2011, Eastern Health will have implemented approved components of a comprehensive sustainability plan.
2008-09 Objective:	By March 31, 2009, Eastern Health will have: a) completed the initial scoping document for St. John's Acute Care Redevelopment, established a planning team and identified consultants to develop a Master Plan; b) approved the Human Resources and Leadership Strategy and initiated implementation.
2008-09 Measure:	Board approved plan
2008-09 Indicators:	<ul style="list-style-type: none">• Planning transfer team in place• Plan submitted to government

6.3 Safety

- Goal: By March 31, 2011 Eastern Health's Board of Trustees will have implemented an approved Safety Plan, with a monitoring schedule, that combines components of the Quality and Risk Management Framework and an Occupational Health and Safety Plan, in order to promote and strengthen the safety of clients/patients/residents and staff.
- 2008-09 Objective: By March 31, 2009, the Safety Plan will be developed and priority areas will be identified for monitoring.
- 2008-09 Measure: Safety Plan
- 2008-09 Indicators:
- Safety Plan which includes a monitoring and reporting mechanism approved by Board.
 - Core Clinical safety indicators identified by Regional Quality Council.
 - Monitoring of the safety ROP's, as defined by Accreditation, established and ongoing.
 - Occupational Health and Safety Indicator Report monitored through Board of Trustees Executive Limitation Policies.

6.4 Integration

- Goal: By March 31, 2011, Eastern Health will have improved service delivery through effective integration of clinical health and community services.
- 2008-09 Objective: By March 31, 2009, Eastern Health will have identified priority areas for action with respect to clinical policy integration.
- 2008-09 Measure: Priority areas identified
- 2008-09 Indicators:
- Existing organizational structures, including the clinical networks, will have completed assessments and identified priority areas.
 - Policy leads will be identified to coordinate the implementation of the priority areas.

6.5 Confidence in the Health System

- Goal: By March 2011, Eastern Health will improve confidence in the health system.
- 2008-09 Objective: By March 31, 2009, Eastern Health will have defined the tools to measure confidence in the health system.
- 2008-09 Measure: Confidence in the health system
- 2008-09 Indicators:
- Tools defined
 - Base line measures researched

6.6 Navigating the Health and Community Services System

- Goal: By March 2011, Eastern Health will have improved clients' and staff's ability to navigate the health and community services system.
- 2008-09 Objective: By March 31, 2009, Eastern Health will have assessment of issues completed.
- 2008-09 Measure: Assessment of issues
- 2008-09 Indicator:
- Report with specific recommendations approved by the Board of Trustees

Opportunities and Challenges

The mission of the organization, designated as such until 2011, is to provide health and community services along an integrated continuum.

Substantial progress has been made in the area of administrative integration and focus now turns to clinical integration. This is an issue outlined in the Board of Trustees' 2008-2011 Strategic Plan. Work in this area will enhance the integration efforts as the organization offers the full continuum of health and community services. Ultimately, the organization has a significant opportunity to provide the full continuum of care to its patients, clients, residents and families.

The Commission of Inquiry on Hormone Receptor Testing has caused members of the general public to question the quality of care and services that are provided within the health sector. Restoring public confidence is a priority for the Board of Trustees and the organization. This issue is acknowledged in the Board of Trustee's Strategic Plan 2008-2011. Eastern Health has articulated, through reaffirmation of its value of integrity and the establishment of the new value "connectiveness", that it will ensure a safe environment with open, honest and timely communication with all stakeholders. Eastern Health has done much self-reflection and we are committed to learning from this Inquiry and will become a better organization because of it.

One of the benefits of providing a full continuum of health and community services is the opportunity to recognize and celebrate the strength of all parts that create the whole of Eastern Health. We recognize the importance of collaboration and the importance of positive engagement internally and externally to our organization. The initiation of the Community Development Fund, which provides funding to community groups to help us work towards our vision, is an indication of our commitment. Eastern Health demonstrates its partnerships with its devolved services and the faith- and fraternity-based owner boards of long-term care services in St. John's and Clarke's Beach. The Board of Trustees has identified the need to develop Memorandums of Understanding with these groups in order to ensure the continuation of quality care.

The organization continues to have increased pressure in many areas for access to inpatient services, including acute care, long-term care and convalescence. A shortage of available beds impacts the timeliness of people's access to the appropriate level of care. Additionally there is limited flexibility within the system to meet demand for inpatient care during periods of high utilization. Eastern Health is seeking an external consultant to conduct a work flow analysis to ensure that we are optimally utilizing all available resources.

The province's demographics have an impact on the organization. An aging and an increasingly transient population are having an impact on health services in a number of ways. Rural areas of the

region are feeling the impact of the demographic shift with many seniors living alone without traditional family support. The make up of the family is changing as one or two parents join the transient workforce. This is changing the nature of families and the support they require. The Northeast Avalon continues to grow and this growth puts pressure on services within the urban area.

The demographic changes in the province also challenge the organization's ability to recruit and retain health care workers throughout the region. This has been a challenge in 2007-08, more than ever before, as employment vacancies remain unfilled. In response to this, a recruitment framework is under development and significant new resources were invested in 2007-08 to meet the rising demands of recruitment. Such initiatives will have to continue not only in the nursing profession but in other professions such as allied health, diagnostic groups and skilled trades. The opportunity in this challenge is to consider the current service delivery models and to find innovative ways to meet the needs of the population.

Financially, the organization has maintained a balanced budget and has made contributions to its debt. To be able to achieve this requires substantial diligence and dedication. The upcoming year will be an extremely challenging one. Eastern Health will have to utilize temporary funding to address some of its legislative mandate. Additionally, we anticipate key budgetary pressures in the adult acute care sector and Child Youth and Family Services. Pressure will also grow because of new technology; required infrastructure improvements; advances in drugs and treatments as well as external environmental factors, such as the cost of fuel which can drive up costs and challenge budgets.

Infrastructure within Eastern Health provides us with a number of challenges. To meet some of these issues, a St. John's Hospital-Based Facilities Redevelopment Steering Committee has been initiated. This redevelopment is required in order to enhance the infrastructure supporting services offered in the urban area and to better meet the present and future needs of our clients, patients and residents from around the province who receive tertiary care in St. John's. Additionally we have many challenges in the long-term care sector that will need to be addressed over the upcoming year.

The health care sector is no doubt a demanding but rewarding one. The workforce of Eastern Health is committed to ongoing environmental-scanning to be cognizant of the opportunities and challenges that exist and to respond to them as appropriate.



Audited Financial Statements





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Auditors' report

To the Board of Trustees of Eastern Regional Health Authority

We have audited the statement of financial position of Eastern Regional Health Authority - Operating Fund at March 31, 2008 and the statements of operations, changes in net deficiency and cash flows for the year then ended. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Authority as at March 31, 2008, and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepting accounting principles.

The comparative figures for the year ended March 31, 2007 were audited by another firm of chartered accountants.

St. John's, Newfoundland and Labrador
June 6, 2008

Grant Thornton LLP

Chartered Accountants

Audit • Tax • Advisory
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Statement of Operations

Year Ended March 31 (in thousands of dollars)

	2008	2007
Revenue		
Provincial plan	\$ 870,052	\$ 801,066
MCP	45,913	45,411
Inpatient	10,461	12,550
Resident	16,183	15,203
Outpatient	6,577	6,601
Other	31,294	27,504
	<u>980,480</u>	<u>908,335</u>
Expenditure		
Administration	86,473	83,100
Support	119,889	108,936
Patient and resident services	273,107	258,288
Ambulatory care	95,289	89,835
Diagnostic and therapeutic	126,040	116,625
Client services	176,753	149,696
Medical services	64,124	62,509
Research and education	13,285	12,972
Interest on long term debt	10,048	9,810
Other	11,079	6,514
	<u>976,087</u>	<u>898,285</u>
Excess of revenue over expenditure before undernoted items	<u>4,393</u>	<u>10,050</u>
Amortization of deferred capital contributions	18,324	16,640
Depreciation	(25,228)	(25,456)
Interest on sinking fund	462	-
Increase in vacation pay accrual	(4,670)	(2,136)
Increase in severance pay accrual	(3,848)	(4,949)
	<u>(14,960)</u>	<u>(15,901)</u>
Excess of expenditure over revenue	<u>\$ (10,567)</u>	<u>\$ (5,851)</u>

Statement of Changes in Net Deficiency

Year Ended March 31 (in thousands of dollars)

			2008	2007
	Operating Fund	Net Investment in Capital Assets	Total	Total
Net assets (deficiency), beginning of year	\$ (202,887)	\$ 63,571	\$ (139,316)	\$ (124,434)
Correction of prior period error (Note 16)	9,031		9,031	
Net assets (deficiency), as restated	(193,856)	63,571	(130,285)	(124,434)
Excess of expenditure over revenue	(10,567)	-	(10,567)	(5,851)
Principal portion of capital leases	(704)	704	-	-
Repayment of long term debt	(1,823)	1,823	-	-
Increase in sinking fund	(1,209)	1,209	-	-
Amortization of deferred capital contributions	(18,324)	18,324	-	-
Depreciation	25,228	(25,228)	-	-
Net assets (deficiency), end of year	\$ (201,255)	\$ 60,403	\$ (140,852)	\$ (130,285)

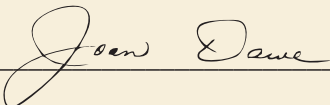
Statement of Financial Position

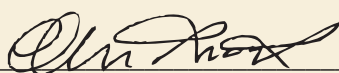
Year Ended March 31 (in thousands of dollars)

	2008	2007
Assets		
Current		
Cash and cash equivalents	\$ 4,602	\$ 1,405
Receivables (Note 4)	46,150	30,568
Supplies inventory	7,413	7,597
Prepays	4,180	2,792
	<hr/> 62,345	<hr/> 42,362
Deferred charges	291	395
Capital assets (Note 5)	293,730	287,196
General Hospital Hostel Association loan (Note 6)	1,852	1,966
Trust funds (Note 7)	2,759	2,356
	<hr/> \$ 360,977	<hr/> \$ 334,275
Liabilities		
Current		
Payables and accruals	\$ 94,036	\$ 82,424
Accrued vacation pay	33,623	28,953
Current portion of long term debt	2,265	1,812
Current portion of obligations under capital leases	524	682
Current portion of accrued severance pay	5,500	3,364
Deferred revenue - operating	27,551	21,753
Deferred capital grants	14,837	13,601
	<hr/> 178,336	<hr/> 152,589
Long term debt (Note 9)	140,248	141,925
Obligations under capital leases (Note 10)	-	545
Accrued severance pay	90,196	88,484
Deferred capital contributions (Note 11)	90,290	78,661
Trust funds (Note 7)	2,759	2,356
	<hr/> 501,829	<hr/> 464,560
Net Deficiency		
Operating fund	(201,255)	(193,856)
Net investment in capital assets	60,403	63,571
	<hr/> (140,852)	<hr/> (130,285)
	<hr/> \$ 360,977	<hr/> \$ 334,275

Contingencies (Note 13) Commitments (Note 14)

On behalf of the Board

 Director

 Director

Statement of Cash Flows

Year Ended March 31 (in thousands of dollars)

	2008	2007
Increase (decrease) in cash and cash equivalents		
Operating		
Excess of expenditure over revenue	\$ (10,567)	\$ (5,851)
Depreciation	25,228	25,456
Amortization of deferred capital contributions	(18,324)	(16,640)
Loss on disposal of capital assets	-	3
Increase in severance pay accrual	3,848	4,949
Decrease in deferred charges	104	103
	<u>289</u>	<u>8,020</u>
Change in non-cash operating working capital (Note 12)	6,530	23,528
	<u>6,819</u>	<u>31,548</u>
Financing		
Proceeds from long term debt	1,809	-
Repayment of long term debt	(1,823)	(2,445)
Sinking fund payments	(1,209)	(1,169)
Proceeds from obligations under capital leases	-	124
Repayment of obligations under capital leases	(704)	(1,161)
Capital asset contributions	29,953	18,973
	<u>28,026</u>	<u>14,322</u>
Investing		
Construction and purchase of capital assets	(31,762)	(19,097)
Advance from General Hospital Association	114	113
	<u>(31,648)</u>	<u>(18,984)</u>
Net increase in cash and cash equivalents	3,197	26,886
Cash and cash equivalents		
Beginning of year	1,405	(25,481)
End of year	<u>\$ 4,602</u>	<u>\$ 1,405</u>

See accompanying notes to the financial statements.

Notes to the Financial Statements

March 31, 2008 (in thousands of dollars)

1. Nature of operations

The Eastern Regional Health Authority ("Eastern Health" or "the Authority") was created on April 1, 2005 to assume the responsibility of governance for health services in Eastern Region of Newfoundland and Labrador.

The mandate of Eastern Health spans the full health continuum including primary and secondary level health and community services for the Eastern Region (Avalon, Bonavista and Burin Peninsulas, west to Port Blandford) as well as tertiary and other provincial programs/services for the whole Province. The organization also has a mandate to work to improve the overall health of the population through its focus on public health as well as on health promotion and prevention initiatives. Services are both community and institutional based. In addition to the provision of comprehensive health care services, Eastern Health also provided education and research in partnership with all stakeholders.

Eastern Health is a registered charity and, while registered, is exempt from income tax.

2. Summary of significant accounting policies

Basis of presentation

These financial statements include the assets, liabilities, revenues, and expenditures of the operating fund.

Fund accounting

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

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

The net investment in capital assets represents assets purchased for the use of the operating fund.

Use of estimates

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

Cash and cash equivalents

Cash and cash equivalents include cash on hand and balances with banks, net of any overdrafts. Bank borrowings are considered to be financing activities.

Inventory

Inventory is valued at average cost, determined on a first-in first-out basis.

Notes to the Financial Statements

March 31, 2008 (in thousands of dollars)

Deferred charges

Deferred charges include costs incurred relating to an energy performance contract as disclosed in Note 14. The deferred charges are being amortized over the 9.75 year life of the energy performance contract.

Capital assets

Capital assets are recorded at cost, although title to certain of these assets rests with the Government of Newfoundland and Labrador (the "Government"). Contributed capital assets are recorded at their estimated fair value at the date of contribution. Minor equipment purchases are charged to operations in the year of acquisition. Depreciation is calculated on a straight-line basis and declining balance basis at the rates set out below.

Land improvements	10% - 20%
Buildings and renovations	2% - 05%
Equipment	15% - 20%
Equipment under capital leases	14.3% - 25%
Leasehold improvements	10% - 20%

Construction in progress is not depreciated until the project is substantially complete, at which time the project costs are transferred to buildings and renovations and depreciated accordingly.

Impairment of long lived assets

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

Capital and operating leases

A lease that transfers substantially all of the benefits and risks associated with ownership of property is accounted for as a capital lease. At the inception of a capital lease, an asset and an obligation are recorded at an amount equal to the lesser of the present value of the minimum lease payments and the property's fair value. Assets acquired under capital leases are depreciated on the same basis as other similar capital assets. All other leases are accounted for as operating leases and the payments are expensed as incurred.

Capital contributions

Capital contributions are recorded as deferred contributions and amortized to income on the same basis and using the same rates as the depreciation expense related to the capital assets purchased. Capital contributions for capital assets that are not depreciated are recorded as direct increases in net assets.

Notes to the Financial Statements

March 31, 2008 (in thousands of dollars)

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

Accrued vacation pay

Vacation pay is accrued for all employees as entitlement to these payments is earned.

Accrued severance pay

Severance pay is accounted for on an accrual basis and is calculated based upon years of service and current salary levels. Severance pay is only recorded in the accounts for employees who have a vested right to receive such a payment. No provision for severance pay is recorded in the accounts for any employee who has less than nine years of service. Severance is payable when the employee ceases employment with the Authority.

Revenue recognition

Provincial plan revenues are recognized in the period in which entitlement arises. MCP, inpatient, outpatient and residential revenues are recognized in the period services are provided. Revenue received for a future period is deferred until that future period and is reflected as deferred revenue.

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.

The Authority is reimbursed by the Department for the total of its operating costs, after deduction of specified revenue and expenditures, to the extent of the approved budget.

Pension costs

Employees of the Authority are included in the Public Service Pension Plan and Government Money Purchase Plan administered by the Government. Contributions to the plans are required from both the employees and the Authority. The annual contributions for pensions are recognized as an expense in the accounts on a current basis.

Debenture discount and commission

The debenture discount and financing fees are amortized on a straight-line basis over the term of the debenture.

Sinking funds

Sinking funds established for the retirement of debentures are held and administered in trust by the Government.

Contributed services

A substantial number of volunteers contribute a significant amount of their time each year to assist Eastern Health in carrying out its service delivery activities. Because of the difficulty in determining fair value, contributed services are not recognized in the financial statements.

Notes to the Financial Statements

March 31, 2008 (in thousands of dollars)

Accounting standards and policies adopted during the year

(i) Accounting changes

In July 2006, the Canadian Institute of Chartered Accountants ("CICA") issued Section 1506 of the CICA Handbook, "Accounting Changes", which describes the criteria for changing accounting policies, along with the accounting and disclosure for changes in accounting policies, changes in accounting estimates and correction of errors. These changes came into effect as of January 1, 2007 and are applicable for the Authority's year ended March 31, 2008.

(ii) Financial instruments

On April 1, 2007, the Authority implemented the CICA Handbook Sections 3855, "Financial Instruments - Recognition and Measurement" and 3861, "Financial Instruments - Disclosure and Presentation".

This new standard, Section 3855, "Financial Instruments - Recognition and Measurement", requires the Authority to revalue all of its financial assets and liabilities, including any derivatives and embedded derivatives in certain contracts, at fair value on the initial date of implementation and at each subsequent financial reporting date.

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

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

Notes to the Financial Statements

March 31, 2008 (in thousands of dollars)

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

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

Asset/Liability	Classification	Measurement
Cash and cash equivalents	Held for trading	Fair value
Receivables	Loans and receivables	Amortized cost
Payables and accruals	Other liabilities	Amortized cost
Long term debt and obligations under capital leases	Other liabilities	Amortized cost

Other balance sheet accounts, such as supplies inventory, prepaids, deferred charges, capital assets, deferred revenue – operating, deferred capital grants, and deferred capital contributions are not within the scope of the new accounting standards as they are not financial instruments.

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

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

Financial instruments - disclosure and presentation

Section 3861, "Financial Instruments - Disclosure and Presentation", which replaces 3860, of the same title, establishes standards for the presentation of financial instruments and non-financial derivatives, and identifies the information that should be disclosed about them.

Based on managerial review and valuation of the Authority's financial instruments, no significant differences between carrying value and fair value were identified. Therefore, no transitional adjustments were required.

Notes to the Financial Statements

March 31, 2008 (in thousands of dollars)

Future changes in accounting policies

(i) Inventories

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

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

Section 3862 "Financial Instruments – Disclosure" and Section 3863 "Financial Instruments – Presentation" replaces Section 3861, "Financial Instruments – Disclosure and Presentation". Section 3862 requires increased disclosures regarding the risks associated with financial instruments such as credit risk, liquidity risk and market risks and the techniques used to identify, monitor and manage these risks. Section 3863 carries forward standards for presentation of financial instruments and non-financial derivatives and provides additional guidance for the classification of financial instruments, from the perspective of the issuer, between liabilities and equity. These standards are effective for financial statements relating to fiscal years beginning on or after October 1, 2007.

The Authority does not expect the adoption of these standards to have a significant impact on its financial disclosure and results of operations.

3. Control of not-for-profit entities

The Authority controls the Health Care Foundation - St. John's Inc., Janeway Children's Hospital Foundation, Ever Green Environmental Corporation, Trinity-Conception-Placentia Health Foundation Inc., The Burin Peninsula Health Care Foundation Inc., Discovery Health Care Foundation Inc. and the Dr. H. Bliss Murphy Cancer Care Foundation. These Foundations raise funds from the community for the capital equipment needs of the Authority. The Foundations are incorporated under the Corporations Act of Newfoundland and Labrador and are registered charities under the Income Tax Act.

The Authority also controls the General Hospital Hostel Association, Northwest Rotary-Janeway Hostel Corporation, Lions Manor Inc., TCRHB Housing Complex Inc., Blue Crest Cottages and Golden Heights Manor Cottages. These entities were established to provide accommodations for family members of patients and housing to senior citizens. Eastern Health has memoranda of understanding/governance agreements with the following nursing home owner/operators ("homes") in the region:

- Masonic Park – Nursing Home
- The Agnes Pratt Home
- The Pentecostal Assemblies Benevolent Association of Newfoundland and Labrador - Clarke's Beach Senior Citizens' Home
- Saint Luke's Home (A Division of Anglican Homes Inc.)
- St. Patrick's Mercy Home
- The Salvation Army Glenbrook Lodge

Eastern Health is responsible for policy direction, distribution of operating funds and capital grants, and providing certain services to homes, which are individually controlled entities.

Notes to the Financial Statements

March 31, 2008 (in thousands of dollars)

3. Control of not-for-profit entities (cont'd)

The above not-for-profit entities have not been consolidated in the Authority's financial statements, however separate financial statements are available on request. Financial summaries of these non-consolidated entities as at March 31, 2008 and 2007 and for the years then ended are as follows (in thousands of dollars):

	Foundations		Hostels and Cottages		Nursing Homes	
	2008	2007	2008	2007	2008	2007
Financial Position						
Total assets	\$ 11,003	\$ 9,453	\$ 12,569	\$ 12,747	\$ 21,992	\$ 21,939
Total liabilities	3,033	2,280	12,728	12,896	36,857	36,697
Total net assets	7,970	7,173	(159)	(149)	(14,865)	(14,758)
	\$ 11,003	\$ 9,453	\$ 12,569	\$ 12,747	\$ 21,992	\$ 21,939
Results of Operations						
Total revenue	\$ 8,454	9,406	\$ 2,227	2,224	\$ 49,981	\$ 48,029
Total expenditure	7,760	7,116	2,237	2,266	50,197	47,967
Excess of revenue over expenditure (expenditure over revenue)	\$ 694	\$ 2,290	\$ (10)	\$ (42)	\$ (216)	\$ 62
Cash Flows						
Cash from operations	\$ 1,313	\$ 463	\$ 861	\$ 625	\$ 645	\$ 629
Cash used in financing and investing activities	(1,021)	(297)	(479)	(444)	(824)	(820)
Increase (decrease) in cash	\$ 292	\$ 166	\$ 382	\$ 181	\$ (179)	\$ (191)

Notes to the Financial Statements

March 31, 2008 (in thousands of dollars)

4. Receivables

	2008	2007
Government of Newfoundland and Labrador	\$ 19,985	\$ 10,343
Services to patients, residents and clients	15,839	12,138
Other	10,326	8,087
	<u>\$ 46,150</u>	<u>\$ 30,568</u>

5. Capital assets

	Cost	Accumulated Depreciation	Net Book Value	Net Book Value
Land and land improvements	\$ 2,810	\$ 436	\$ 2,374	\$ 2,394
Buildings and renovations	338,817	122,518	216,299	222,081
Equipment	319,795	259,532	60,263	54,712
Equipment under capital leases	15,032	13,970	1,062	1,699
Construction in progress	13,732	-	13,732	6,310
	<u>\$ 690,186</u>	<u>\$ 396,456</u>	<u>\$ 293,730</u>	<u>\$ 287,196</u>

6. General Hospital Hostel Association loan

The loan is repayable to the Authority in monthly installments of principal and interest of \$12,647 at an interest rate of prime minus 1.75%. The loan matures April 2023. The loan is net of the current portion of \$113,658.

Notes to the Financial Statements

March 31, 2008 (in thousands of dollars)

7. Trust funds

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

8. Bank indebtedness

The Authority has access to a line of credit with the Bank of Montreal in the amount of \$64,000,000 in the form of revolving demand loans and/or bank overdrafts at its financial institution with interest at prime less 115 basis points. The line of credit is unsecured. The authority to borrow has been approved by the Minister of Health and Community Services. The balance outstanding in this line of credit at March 31, 2008 is \$Nil.

9. Long term debt

	2008	2007
Sinking Fund Debenture, Series HCCI, 6.9%, to mature June 15, 2040, interest payable semi-annually on June 15 and December 15.	\$ 130,000	130,000
Royal Bank of Canada (Central Kitchen), 6.06% loan for fifteen year term, payable in monthly installments of principal and interest of \$101,670 maturing May 2014 and is unsecured.	6,264	7,077
Royal Bank of Canada (Veterans Pavilion), 4.31% loan for five year term, payable in monthly installments of principal and interest of \$55,670 maturing April 2013 and is unsecured.	1,809	-
Bank of Montreal, 3.82% loan for five year term, payable in monthly installments of principal and interest of \$23,699 maturing June 2010 and is unsecured.	612	868
Canadian Imperial Bank of Commerce's prime lending rate less 62.5 basis points borrowing to finance the construction of a new facility at Old Perican. Loan is repayable in monthly installments of \$21,200 plus interest, matures in 2016 and is unsecured.	2,139	2,393
5.25% Toronto Dominion Bank term loan, amortized to December 2018, repayable in equal monthly installments of principal and interest of \$4,030 and is unsecured.	397	423

Notes to the Financial Statements

March 31, 2008 (in thousands of dollars)

	2008	2007
4.12% Newfoundland and Labrador Housing Corporation mortgage, payable in blended monthly installments of \$19,403. The mortgage matures in December 2020 and is secured by a first mortgage on land and building.	2,311	2,446
10% Newfoundland and Labrador Housing Corporation mortgage, payable in blended monthly installments of \$8,955. The mortgage matures in December 2028 and is secured by a first mortgage on land and building.	954	968
3.71% Newfoundland and Labrador Housing Corporation mortgage, amortized to July 1, 2020, repayable in equal monthly installments of principal and interest of \$1,086, secured by a first mortgage on the property to which it relates.	129	137
CMHC mortgage (Blue Crest Home), 8%, repayable \$7,777 monthly, maturing November 2005, secured by a first mortgage on land and building.	890	912
CMHC mortgage (Golden Heights Manor), 10.5%, repayable \$7,549 monthly, maturing August 2027, secured a by first mortgage on land and building.	762	773
CMHC mortgage (Golden Heights Manor), 3.88%, repayable \$22,085 monthly, maturing June 2023, secured by a first mortgage on land and building.	3,053	3,211
Royal Bank of Canada (Veterans Pavilion), 5.03% loan repaid during the year.	-	127
	<hr/>	<hr/>
Less: current portion	149,320	149,335
	2,265	1,812
	<hr/>	<hr/>
	147,055	147,523
Less: sinking funds available	6,807	5,598
	<hr/>	<hr/>
	\$ 140,248	\$ 141,925

Notes to the Financial Statements

March 31, 2008 (in thousands of dollars)

9. Long term debt (cont'd)

During the year costs of \$1,809,918 were incurred relating to an extension to the Veterans Pavilion. The total project cost is estimated to be approximately \$3,000,000 and will be reimbursed to Eastern Health by the Department of Veteran's Affairs. The costs incurred during the year of \$1,808,918 were funded by operations and this amount has been classified as long term debt at year end as terms and conditions relating to long term financing arrangements for this project were under negotiation at year end, but not finalized. Subsequent to year end, in April 2008, proceeds of \$3,000,000 in the form of a five year term loan with the Royal Bank of Canada were received to fund this capital project.

A sinking fund was established for the retirement of the debenture and is to be held in trust by the Government. The annual principal payment to the sinking fund is \$747,500.

The interest and mandatory sinking fund payments of the debenture are guaranteed by the Government.

Annual principal repayments on long term debt in each of the next five years are as follows:
2009 - \$2,265; 2010 - \$2,416; 2011 - \$2,312; 2012 - \$2,349; and 2013 - \$2,463.

10. Obligations under capital leases

The Authority has acquired medical and surgical equipment under the terms of capital leases. Payments under the leases, scheduled to expire at various dates to March 31, 2009, are as follows:

Fiscal year ended - 2009	\$	534
Less: amount representing interest (ranging from 0.0% to 9.0%)		10
		<hr/>
		524
Less: current portion		524
		<hr/>
	\$	-

Notes to the Financial Statements

March 31, 2008 (in thousands of dollars)

11. Deferred capital contributions

Deferred capital contributions represent the unamortized portion of restricted contributions related to capital assets, which will be reported in revenue in future accounting periods. Deferred capital contributions are amortized on a basis and at a rate consistent with the amortization for the related capital asset purchased.

The changes in deferred capital contributions balance for the year are as follows:

	2008	2007
Balance, beginning of year	\$ 78,661	\$ 76,387
Grants received	29,953	18,973
Disposal of assets	-	(59)
Amortization	(18,324)	(16,640)
Balance, end of year	<u>\$ 90,290</u>	<u>\$ 78,661</u>

12. Supplemental cash flow information

	2008	2007
Change in non-cash operating working capital		
Receivables	\$ (15,582)	\$ (4,101)
Supplies inventory	184	798
Prepays	(1,388)	2,573
Payables and accruals	11,612	15,855
Accrued vacation pay	4,670	2,128
Deferred revenue - operating	5,798	7,965
Deferred revenue - capital	1,236	(1,690)
	<u>\$ 6,530</u>	<u>\$ 23,528</u>
Interest paid	<u>\$ 10,510</u>	<u>\$ 9,810</u>

Notes to the Financial Statements

March 31, 2008 (in thousands of dollars)

13. Contingencies

Guarantees

The Authority has guaranteed a first mortgage of the General Hospital Hostel Association ("the Association") held by the Newfoundland and Labrador Housing Corporation. The balance of the mortgage outstanding at March 31, 2008 was \$1,423,931 (2007 - \$1,523,541). The Authority has guaranteed an additional term loan of the Association held by the Royal Bank of Canada. The balance of the loan outstanding at March 31, 2008 was \$862,566 (2007 - \$901,994).

Management believes the Authority will not be called upon to honour these guarantees.

Legal claims

Over the years a number of claims have been filed against the Authority, including a class action suit that was certified by the courts against the Authority in 2007. An estimate of loss, if any, relative to these matters, is not determinable at this time and no provision has been recorded in the accounts for these matters. In the view of management, the Authority's insurance program adequately addresses the issue of risk of loss in these matters.

14. Commitments

Operating Leases

Under the terms of several long term operating leases related to hospital and office equipment, the Authority is committed to make approximate annual lease payments to March 31, 2013 as follows:

2009 - \$7,243; 2010 - \$6,403; 2011 - \$5,090; 2012 - \$3,447; and 2013 - \$2,856.

Energy Performance Contract

The Authority entered into an Energy Performance contract on August 11, 1998 with The Enerplan/Rose Group for the design, implementation and monitoring of energy efficiency improvements. The cost of the contract was \$5,605,094. Lump sum amounts aggregating \$1,008,555 have been paid and recorded as deferred charges with the remaining balance of \$4,596,439 being financed by The Enerplan/Rose Group through CitiCapital Technology Finance Limited. The deferred charge amount is being amortized at \$103,442 annually for 9.75 years while the payments to The Enerplan/Rose Group are \$56,833 per month over a period of 9.75 years.

The Enerplan/Rose Group has assigned its payments under the contract to CitiCapital Technology Finance Limited. As at March 31, 2008 the outstanding balance of the financing through The Enerplan/Rose Group was \$1,952,803. The Authority's obligation for payment is limited to actual cost savings as The Enerplan/Rose Group has guaranteed the reduction in operating costs would equal or exceed the costs incurred under the contract.

Funding for the contract is from operating savings and has been approved in this manner by the Province of Newfoundland and Labrador. As a result, the monthly payments and the amortization of the deferred charges relating to lump sum amounts under the contract are being reported in the Authority's operating statements as a normal operating cost.

Notes to the Financial Statements

March 31, 2008 (in thousands of dollars)

15. Related party transactions

	2008	2007
Contributions to the Authority during the year are as follows:		
Janeway Children's Hospital Foundation	\$ 1,723	\$ 1,430
Dr. H. Bliss Murphy Cancer Care Foundation	456	384
General Hospital Hostel Association	575	361
Health Care Foundation of St. John's Inc.	216	300
Burin Peninsula Health Care Foundation	423	293
Masonic Park Apartments	-	187
Trinity-Conception-Placentia Health Foundation	44	146
Residential Housing - A Division of Anglican Homes Inc.	-	102
Bishop Meaden Manor - A Division of Anglican Homes Inc.	-	87
Discovery Health Care Foundation	400	44
Lions Manor Inc.	-	28
TCRHB Housing Complex Inc.	-	2
Golden Heights Manor Cottages	12	-
Blue Crest Cottages	13	-
	\$ 3,862	\$ 3,364

At year end, the amounts receivable from related parties are as follows:

Northwest Rotary - Janeway Hostel Corporation	\$ 1,107	\$ 995
Burin Peninsula Health Care Foundation	-	500
Dr. H. Bliss Murphy Cancer Care Foundation	260	402
Health Care Foundation of St. John's Inc.	770	384
Janeway Children's Hospital Foundation	491	285
Golden Heights Manor Cottages	185	154
Ever Green Environmental Corporation	460	110
Blue Crest Cottages	88	105
General Hospital Hostel Association	420	94
Masonic Park Apartments	-	41
Salvation Army Headquarters	-	33
Residential Housing - A Division of Anglican Homes Inc.	-	15
Bishop Meaden Manor - A Division of Anglican Homes Inc.	-	2
Discovery Health Care Foundation	179	(1)
	\$ 3,960	\$ 3,119

Notes to the Financial Statements

March 31, 2008 (in thousands of dollars)

15. Related party transactions (cont'd)

	2008	2007
At year end, the amounts due from nursing homes:		
Saint Luke's Home	\$ 6	\$ 289
Masonic Park - Nursing Home	102	59
The Salvation Army Glenbrook Lodge	536	628
St. Patrick's Mercy Home	406	424
The Agnes Pratt Home	28	131
The Pentecostal Assemblies Benevolent Association of Newfoundland & Labrador – Clarke's Beach Senior Citizen's Home	544	208
	<u>\$ 1,622</u>	<u>\$ 1,739</u>

Other

Various volunteer and auxiliary associations/organizations solicit donations, operate gift shops and hostels and undertake fund raising activities to provide operation and capital donations to further the objectives of the Authority.

Transactions between these related parties are measured at their exchange value.

Notes to the Financial Statements

March 31, 2008 (in thousands of dollars)

16. Correction of prior period error

During 2008, an error was identified in the amount of accrued severance pay reported in the 2007 audited financial statements resulting in an overstatement of the accrual for 2007 in the amount of \$9,031,782. This also resulted in an overstatement of the related expenditure and opening net assets (deficiency) by the same amount.

The Authority has corrected the error by decreasing the 2008 opening net deficiency of the operating fund by \$9,031,782. As a result of this change the 2007 accrued severance pay on the statement of financial position and the excess of expenditure over revenue on the statement of operations decreased by \$9,031,782.

17. Comparative figures

Certain of the 2007 comparative figures have been reclassified to conform with the financial statement presentation adopted for the current year.

Schedule of Expenditures for Government Reporting - Schedule 1

Year Ended March 31 (in thousands of dollars)

	2008	2007
Administration		
Executive offices	\$ 13,061	\$ 12,036
Finance and budgeting	7,880	7,071
Human resources	9,626	8,236
Systems support	12,192	11,396
Materials management	15,138	17,447
Other administrative	28,576	26,914
	86,473	83,100
Support		
Housekeeping	23,007	21,370
Laundry and linen	7,969	7,755
Facilities management	44,309	39,530
Food services	25,277	24,342
Other support	19,327	15,939
	119,889	108,936
Patient and resident services		
Acute care	153,095	142,960
Long term care	107,092	101,491
Other patient and resident services	12,920	13,837
	273,107	258,288
Ambulatory care		
Emergency	20,991	20,389
Outpatient clinics	59,048	54,236
Dialysis	11,033	10,565
Other ambulatory	4,217	4,645
	95,289	89,835
Diagnostic and therapeutic		
Clinical laboratory	32,898	31,176
Diagnostic imaging	36,890	34,697
Other diagnostic and therapeutic	56,252	50,752
	126,040	116,625

Schedule of Expenditures for Government Reporting - Schedule 1

Year Ended March 31 (in thousands of dollars)

	2008	2007
Client services		
Mental health and addictions	8,634	8,388
Community support programs	95,581	81,263
Family support programs	55,750	45,169
Community youth corrections	3,658	2,754
Health promotion and protection	13,130	12,122
	176,753	149,696
Medical services		
Physician services	49,031	49,779
Interns and residents	15,093	12,730
	64,124	62,509
Research and education		
Research	2,161	2,168
Education	11,124	10,804
	13,285	12,972
Interest on long term debt		
Interest on long term debt	10,048	9,810
Other		
Undistributed	11,079	6,514
	\$ 976,087	\$ 898,285

Schedule of Revenue and Expenditures for Government Reporting - Schedule 2

Year Ended March 31 (in thousands of dollars)

	2008	2007
Revenue		
Provincial plan	\$ 870,052	\$ 801,066
MCP	45,913	45,411
Inpatient	10,461	12,550
Resident	16,183	15,203
Outpatient	6,577	6,601
Other	31,294	27,504
	<u>980,480</u>	<u>908,335</u>
Expenditures		
Compensation		
Salaries	511,435	478,832
Employee benefits	84,141	80,234
	<u>595,576</u>	<u>559,066</u>
Supplies		
Plant operations and maintenance	17,207	16,095
Drugs	35,993	33,640
Medical and surgical	44,999	40,948
Other	176,246	154,668
	<u>274,445</u>	<u>245,351</u>
Direct client costs		
Mental health and addictions	52	42
Community support	68,072	61,081
Family support	27,856	22,631
Community Youth Corrections	38	304
	<u>96,018</u>	<u>84,058</u>
Lease and long term debt		
Lease - interest	30	73
Lease - principal	703	1,161
Long term debt - interest	10,018	9,737
Long term debt - principal	2,571	3,193
	<u>13,322</u>	<u>14,164</u>
	<u>979,361</u>	<u>902,639</u>

Schedule of Revenue and Expenditures for Government Reporting - Schedule 2

Year Ended March 31 (in thousands of dollars)

	2008	2007
Surplus for government reporting	1,119	5,696
Lease - principal	703	1,161
Long term debt - principal	2,571	3,193
	<u>3,274</u>	<u>4,354</u>
Surplus before non-shareable items	<u>4,393</u>	<u>10,050</u>
Non-shareable items		
Amortization of deferred capital contributions	18,324	16,640
Depreciation	(25,228)	(25,456)
Interest on sinking fund	462	-
Increase in vacation pay accrual	(4,670)	(2,136)
Increase in severance pay accrual	(3,848)	(4,949)
	<u>(14,960)</u>	<u>(15,901)</u>
Excess of expenditure over revenue	<u>\$ (10,567)</u>	<u>\$ (5,851)</u>

Schedule of Capital Transactions Funding and Expenditure for Government Reporting - Schedule 3

Year Ended March 31 (in thousands of dollars)

	2008	2007
Revenue		
Provincial capital equipment grant for current year	\$ 24,389	\$ 12,338
Less: capital equipment grant reallocated for operating fund purchases	(867)	-
Deferred capital grant from prior year	13,601	15,291
Deferred capital grant from current year	(14,837)	(13,601)
	<hr/>	<hr/>
Provincial funding used in current year	22,286	14,028
Capital campaign	-	38
Foundations and auxiliaries	2,843	1,336
Infoway	1,300	1,800
Transfer from operations	3,121	1,678
Proceeds from long term debt	1,809	-
Proceeds from leases	-	124
Other	403	93
	<hr/>	<hr/>
	31,762	19,097
Expenditure		
Buildings	1,246	5,551
Equipment	22,956	13,049
Vehicles	138	229
Equipment under capital leases	-	120
Construction in progress	7,422	148
	<hr/>	<hr/>
	31,762	19,097
Surplus on capital transactions	<hr/> <hr/> \$ -	<hr/> <hr/> \$ -

Schedule of Accumulated Operating Deficit for Government Reporting - Schedule 4

Year Ended March 31 (in thousands of dollars)

	2008	2007
Assets		
Current		
Cash and cash equivalents	\$ 4,602	\$ 1,405
Receivables	46,150	30,568
Supplies inventory	7,413	7,597
Prepays	4,180	2,792
	<u>62,345</u>	<u>42,362</u>
Deferred charges	291	395
General Hospital Hostel Association loan	1,852	1,966
	<u>64,488</u>	<u>44,723</u>
Liabilities		
Current		
Payables and accruals	94,036	82,424
Deferred revenue - operating	27,551	21,753
Deferred capital grants	14,837	13,601
	<u>136,424</u>	<u>117,778</u>
Accumulated deficit	<u>\$ (71,936)</u>	<u>\$ (73,055)</u>



Appendix I

Eastern Health's Health Service Facilities and Bed Numbers
(as of March 2008)

Eastern Health	Acute Care	Long-term Care	Basinettes * excluded from total	Bed Totals	Holding	Breakdown by Bed Type	Palliative	Rehab Beds
Acute Care Facilities with LTC beds								
Janeway Children's Health and Rehabilitation Centre	78	0		78	0	25		
General Hospital	345	0	30	345	0	32		
Leonard A. Miller Centre	72	52		124	0		10	62
St. Clare's Mercy Hospital	203	0		203	0	16		
Waterford Hospital	67	104		171	0			
Dr. Walter Templeman Health Centre	8	12		20	0			
Carbonear General Hospital	80	0	10	80	0	6	4	
Placentia Health Centre/Lions Manor Nursing Home	10	75		85	0		1	
Dr. G. B. Cross Memorial Hospital	47	15	9	62	0	4	2	4
Burin Peninsula Health Care Centre	42	0	9	42	0	4	2	
Bonavista Community Health Care Centre	10	13		23	0		1	
SUBTOTAL	962	271	58	1,233	0	87	20	66

continued>>

Eastern Health	Acute Care	Long-term Care	Bassenettes * excluded from total	Bed Totals	Holding	Breakdown by Bed Type	Palliative	Rehab Beds
Long Term Care Only Facilities								
Salvation Army Glenbrook Lodge	0	106		106	0			
St. Patrick's Mercy Home	0	213		213	0			
Saint Luke's Homes	0	127		127	0			
The Agnes Pratt Home	0	134		134	0			
Masonic Park Nursing Home	0	40		40	0			
Hoyles-Escasoni Complex	0	392		392	0			
Chancellor Park	0	30		30	0			
Harbour Lodge Nursing Home	0	107		107	0			
Carbonear Interfaith Seniors Citizen Home	0	54		54	0			
Pentecostal Home Carbonear	0	75		75	0			
US Memorial Community Health Centre	0	30		30	2			
Golden Heights Manor	0	65		65	0			
Blue Crest Interfaith Nursing Home	0	61		61	0			
SUBTOTAL	0	1,434		1,434	2			

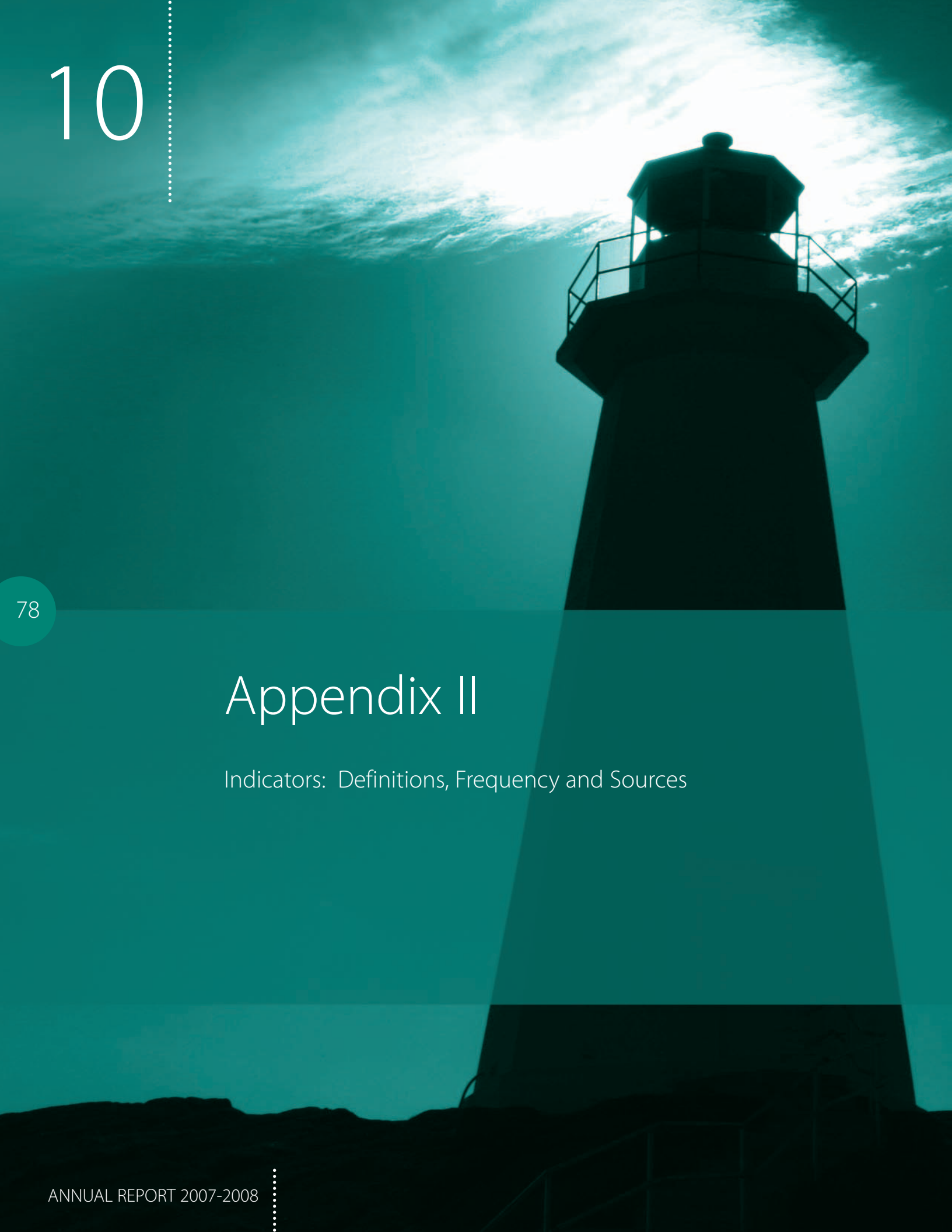
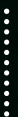
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Eastern Health	Acute Care	Long-term Care	Bassenettes * excluded from total	Bed Totals	Holding	Breakdown by Bed Type	Palliative	Rehab Beds
Community Health Centres								
Dr. Wm. Newhook Community Health Centre	0	0		3	3			
Dr. AA Wilkinson Health Centre	0	0		4	4			
Grand Bank Community Health Centre	0	0		4	4			
SUBTOTAL	0	0		11	11			
TOTAL	962	1,705	58	2,667	13	87	20	66



Appendix II

Indicators: Definitions, Frequency and Sources



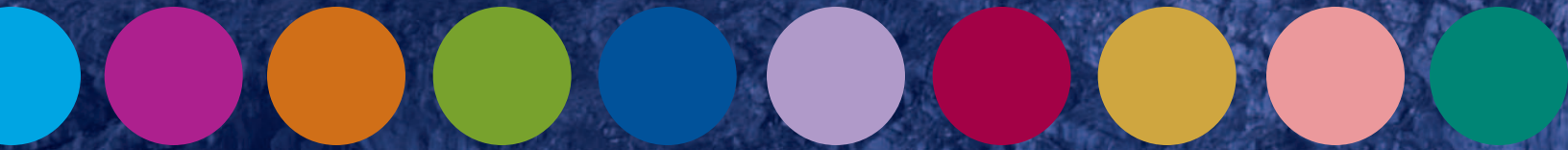
		Definition	Sources
1.1 Well-Being	<i>1.1.1 Self-rated health, Excellent or Very Good</i>	Percentage of population aged 12 and over who rate their own health status as being either excellent or very good	Statistics Canada, Canadian Community Health Survey, 2007
1.2 Health Conditions	<i>1.2.1 Body Mass Index (BMI), Obese</i>	Percentage of self-reported adult aged 18 and over excluding pregnant females whose BMI is in the obese category	Statistics Canada, Canadian Community Health Survey, 2007
	<i>1.2.2 Chronic Conditions Diabetes</i>	Population aged 12 and over who indicate they have received a diagnosis of diabetes from a health care professional, includes females 15 and over who reported they have been diagnosed with gestational diabetes.	Statistics Canada, Canadian Community Health Survey, 2007
	<i>1.2.3 Chronic Conditions Asthma</i>	Population aged 12 and over who indicate they have received a diagnosis of asthma from a health care professional.	Statistics Canada, Canadian Community Health Survey, 2005
	<i>1.2.4 Chronic Conditions High Blood Pressure</i>	Population aged 12 and over who indicate they have received a diagnosis of high blood pressure from a health care professional.	Statistics Canada, Canadian Community Health Survey, 2007
	<i>1.2.5 Cancer Incidence</i>	Age-standardized rate of new primary sites of cancer per 100,000 population for all cancers and selected specific sites	Statistics Canada, Vital Statistics, Cancer Database, Canadian Cancer Registry and Demography Division, 2004
	<i>1.2.6 Injury Hospitalization</i>	Age-standardized rate of acute care hospitalization due to injury resulting from the transfer of energy (excludes poisoning and other non-traumatic injuries) per 100,000 population. Injury is defined by the first valid documented external cause of injury code that meets CIHI's definition of trauma	National Trauma Registry, CIHI, 2005
	<i>1.2.7 Injuries</i>	Population aged 12 and over who report injuries in the past 12 months causing limitation of normal activities	Statistics Canada, Canadian Community Health Survey, 2005
1.3 Human Function	<i>1.3.1 Two-week Disability Days</i>	Population aged 12 and over reporting 1 or more two-week disability days	Statistics Canada, Canadian Community Health Survey, 2005
	<i>1.3.2 Participation and Activity Limitation</i>	Population aged 12 and over who report being limited in selected activities (home, school, work and other activities) because of a physical condition, mental condition or health problem which has lasted or is expected to last 6 months or longer.	Statistics Canada, Canadian Community Health Survey, 2007

continued>>

		Definition	Sources
1.4 Deaths	<i>1.4.1 Infant Mortality</i>	Death of a child under one year of age, regardless of birth weight.	Statistics Canada, Vital Statistics, Birth and Death Databases, 2005
	<i>1.4.2 Perinatal Mortality</i>	Perinatal mortality (Number of fetal deaths (stillborn) (single and multiple births)), 3-year average, rate per 1,000 births	Vital Statistics, Statistics Canada, 2001
	<i>1.4.3 Life Expectancy</i>	Life expectancy at birth, 3-year average (for province and country) Life expectancy at birth (Eastern Health region)	Statistics Canada, Canadian Vital Statistics, Birth and Death Database, Demography Division, 1990-2005 Adult Health Survey, 1995
2.1 Health Behaviours	<i>2.1.1 Smoking Status</i>	Population aged 12 and over, who smoke daily or occasionally	Statistics Canada, Canadian Community Health Survey, 2007
	<i>2.1.2 Smoking Initiation</i>	Population, aged 12 and over, smokers and former smokers, who smoking between the age of 15-19	Statistics Canada, Canadian Community Health Survey, 2003
	<i>2.1.3 Frequency of Heavy Drinking</i>	Population aged 12 and over, who indicate having 5 or more drinks on one occasion at least once a month in the past	Statistics Canada, Canadian Community Health Survey, 2007
	<i>2.1.4 Leisure-Time Physical Activity, 2007</i>	Leisure time activity, population 12 and over, who reported a level of physical activity, based on their responses to questions about the nature, frequency and duration of their participation in leisure time physical activity.	Statistics Canada, Canadian Community Health Survey, 2007
	<i>2.1.5 Breastfeeding</i>	Females, aged 15-55 who had a baby in past five years and breastfed at least six months	Statistics Canada, Canadian Community Health Survey, 2003

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		Definition	Sources
2.2 Living and Working Conditions	2.2.1 <i>High School Graduates</i>	Population 15 years and over, who have at least a high school diploma	2006 Community Profiles, Statistics Canada
	2.2.2 <i>Post-secondary Graduates</i>	Population 15 years and over, highest level of schooling, post-secondary graduates	2006 Community Profiles, Statistics Canada
	2.2.3 <i>Unemployment Rate</i>	Unemployment rate is the number of unemployed persons expressed as a % of the labour force. Unemployment rate, 15 years and over	Statistics Canada, Labour Force Survey, 2007
	2.2.4 <i>Youth Unemployment</i>	Unemployment rate is the number of unemployed persons expressed as a % of the labour force. Unemployment rate, population aged 15 to 24, is the number of unemployed in that group expressed as a % of the labour force for that age group.	Statistics Canada, Labour Force Survey, 2007
	2.2.5 <i>% in Low Income, After Tax</i>	Percentage of all persons in private households in low income, after tax	2006 Community Profiles, Statistics Canada
	2.2.6 <i>Median Share of Income</i>	The income number at which half of the incomes reported are higher than the median income and half are lower in persons 15 years and over with income.	Compiled by Community Accounts Unit based on Canadian Customs and Revenue Agency, 2005
	2.2.7 <i>Government Transfers as a % of Total Income</i>	The relative share of government transfers expressed as a percentage of the aggregate total income.	Community Profiles, 2006, Statistics Canada
2.3 Personal Resources	2.3.1 <i>Life Stress, Quite a Lot</i>	Population aged 18 years and over who indicated self-perceived life stress as quite a lot	Statistics Canada, Canadian Community Health Survey, 2007
	2.3.2 <i>Exposure to Second-hand Smoke, at home</i>	Non-smoking population aged 12 and over who reported that at least 1 person smoked inside their home every day or almost every day.	Statistics Canada, Canadian Community Health Survey, 2007



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