



ANNUAL PERFORMANCE REPORT
2008-09



Eastern
Health

**ANNUAL PERFORMANCE REPORT
2008-09**

SEPTEMBER 15, 2009



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Message from the Board of Trustees

On behalf of the Board of Trustees of Eastern Health, I am pleased to present the Annual Performance Report for 2008-09.

This Annual Performance Report provides an overview of the 2008-09 fiscal year and our accomplishments and challenges during that time period. We have made progress on the goals outlined in our Strategic Plan and we have made substantial contributions to the Department of Health and Community Services' Strategic Directions. Variances in the achievement of objectives and indicators are noted and explained.

As our Highlights and Accomplishments section indicates, we have many outstanding individuals and teams within our organization. Eastern Health staff, physicians and volunteers are a very dedicated and compassionate group of people. They make a tremendous impact on the health and well-being of the people in our region and in our province. I am proud of their work and their commitment to healthy people, healthy communities.

While we acknowledge our accomplishments, the 2008-09 year has been a challenging one. The Commission of Inquiry into Hormone Receptor Testing was a difficult process for our patients and families as well as our staff and physicians. But the release of the Commission of Inquiry into Hormone Receptor Testing report provides a roadmap as to how we may learn from past experiences and how we must always strive to strengthen the health and community services system. Recommendations from the report are already being implemented. This experience and the path forward will create a stronger system. Related to this challenge is the need to restore public confidence. This is a goal outlined in our Strategic Plan and we are committed to achieving it.

This year was also one of looking to the future. In March 2009, the Board of Trustees announced the appointment of a new CEO and President for Eastern Health. We welcome Ms. Vicki Kaminski to her new role in June and we look forward to working with her as Eastern Health continues to evolve into an integrated health service provider. We express our gratitude to Ms. Louise Jones for her dedication and leadership in her role as CEO and President (Interim).

The Board of Trustees is accountable for the preparation of this Annual Performance Report and the results achieved by Eastern Health in the 2008-09 fiscal year.



Joan Dawe
Chair, Board of Trustees



I. Government Entity Overview

1.1 Vision

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 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*.

1.2 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.

1.3 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:

Respect Recognizing, celebrating and valuing the uniqueness of each patient/client/resident, employee, discipline, workplace and community that together are Eastern Health.

Integrity Valuing and facilitating honesty and open communication across employee groups and communities as well as with patients/clients/residents of Eastern Health.

Fairness Valuing and facilitating equity and justice in the allocation of our resources.

Connectedness Recognizing and celebrating the strength of each part, both within and beyond the structure, that creates the whole of Eastern Health.

Excellence Valuing and promoting the pursuit of excellence in Eastern Health.

1.4 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.

Promote Health and Well-being

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

Health Protection – Disease Prevention - These initiatives are 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 own health. This is accomplished through information sharing, community mobilization and capacity building, group facilitation, advocacy, 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. Key to the provision of services is the protection of those children who are at risk for or subject to maltreatment in their own homes. Staff assess risk to children and provide interventions to reduce risk. If this is not achievable, alternate

homes are arranged for children either with significant others or board-approved caregivers.

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 in some cases may be means-tested and/or criteria-based. There is occasionally a relationship with other Government agencies such as Human Resources, Labour and Employment for subsidized funding to supplement program funding.

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.

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 or 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.

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, particularly Memorial University of Newfoundland. 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. As knowledge is created we will seek opportunities to promote its transfer throughout the organization.

1.5 Number of Employees

Eastern Health has 12,618 employees. The breakdown of employees based on gender and urban/rural location is indicated in Figures 1 and 2.

Figure 1:
Eastern Health Employees By Gender

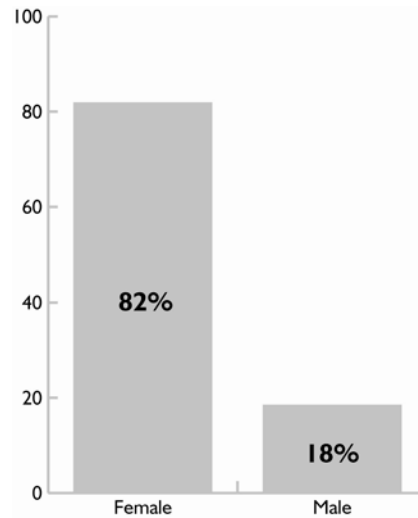
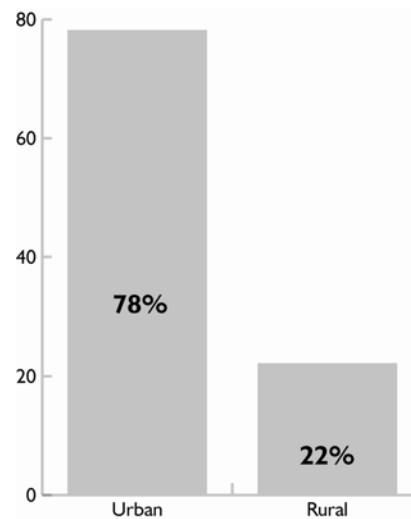


Figure 2:
Eastern Health Employee by Location of Work ¹



¹ Based on where an employee works. For the purposes of this breakdown, urban was defined using St. John's Census Metropolitan Area (CMA): Bauline, Bay Bulls, Conception Bay South, Flatrock, Logy Bay-Middle Cove-Outer Cove, Mt. Pearl, Paradise, Petty Harbour-Maddox Cove, Portugal Cove-St. Phillips, Pouch Cove, St. John's, Torbay, Witless Bay.

1.6 Physical Location and Regional Representation

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 for 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 12,618 staff 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. Bernard's, St. Bride's, St. John's, St. Joseph's, St. Lawrence, St. Mary's, Trepassey, Torbay, Trinity, Whitbourne, and Witless Bay). Within its facilities, the organization operates 921 acute care beds, 91 critical care beds, 16 holding beds and 1,698 long-term care beds (See Appendix I).

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 on-going 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
 - the services provided by the authority,
 - how they may gain access to those services, and

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

In an effort to bring services closer to where people live the organization also administers provincial outreach programs through regional cancer centres, travelling cancer clinics and child rehabilitative clinics.

The organization also provides distinctive provincial services to other areas of the province including:

- 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.

1.7 Revenues and Expenditures

The provincial government's Budget 2008 provided funding for current service level adjustments such as approved salary increases, utilization/inflation increases, rate increases, and annualizations of previous budget decisions. Budget 2008 also announced new initiatives that were designed to expand current programs and introduce new provincial initiatives such as:

- *Long Term Care & Community Support Services* - \$15.0 million provincially
- *Workforce Planning, Recruitment of Health Professionals* - \$2.0 million provincially
- *Mental Health & Addictions* - \$1.7 million provincially (\$590,000 Eastern Health)
- *Home Care Enhancements* - \$1.1 million provincially (\$489,300 Eastern Health)
- *Additional Nurse Practitioner and Infection Control positions* - (\$0.2 million Eastern Health)

Additionally, Budget 2008 provided funding of \$2.5 million to address pressures unique to Eastern Health which were identified during the budget process.

While Eastern Health finished fiscal year 2008-09 in a balanced budgetary position, this was made possible through one-time stabilization funding of \$17.7 million and accessing deferred revenues of \$3.6 million. This stabilization funding was required to address key budgetary pressures in Child Youth and Family Services (particularly for increased numbers of clients requiring individual and alternative living arrangements) and the acute care sector, and to meet requirements as a result of legislative changes, new technology; required infrastructure improvements; advances in treatments as well as external environmental factors, such as the cost of fuel. These overruns combined with insufficient funding for fuel cost increases (\$1.3 million) and severance expenditures (\$2.2 million) resulted in a \$21.3 million variance from Eastern health’s budget.

Figure 3 provides an overview of the various sources of revenue that were utilized by Eastern Health in 2008-09. The majority of funding is received from the provincial government while other sources contribute 11% of the total.

Figure 3:
Revenue by Source, Fiscal Year 2008-09

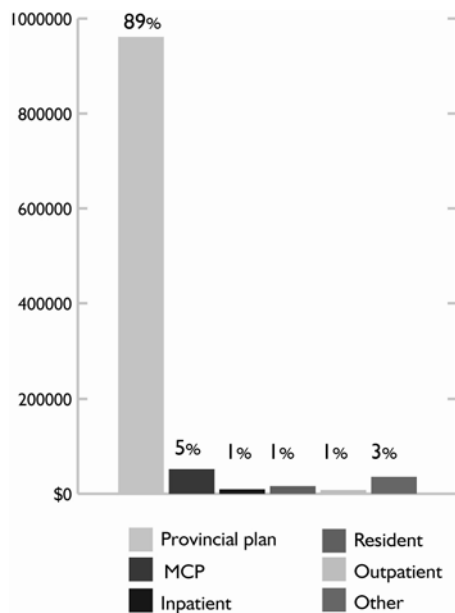


Figure 4 provides an outline of the “Expenditure By Source” of the revenues that were distributed in 2008-09. The most significant expenditures (63%) by Eastern Health during 2008-09 were in the areas of patient/resident/client, medical and ambulatory services. This includes all acute care, long-term care, emergency, outpatient clinics, dialysis units, etc.

Figure 4:
Expenditure by Source, Fiscal Year 2008-09

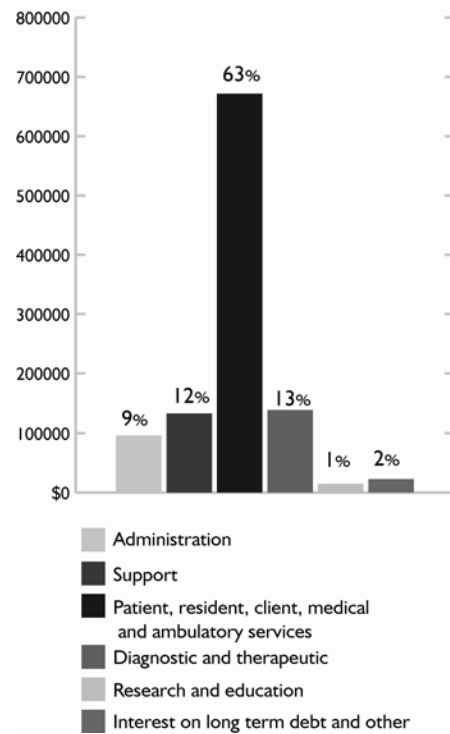
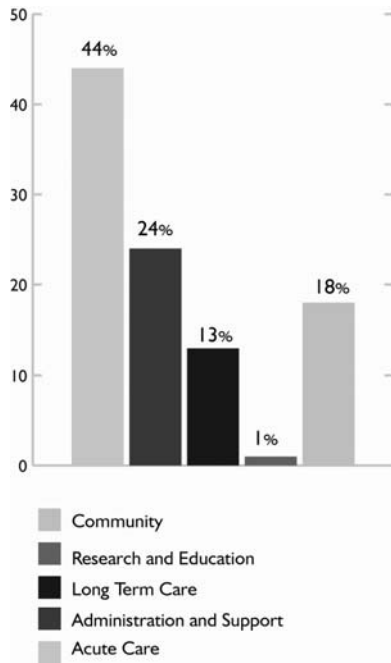


Figure 5 indicates expenditure by sector (i.e. long-term care, acute care, etc) with 44% of expenditures in the acute care sector.

Figure 5:
Expenditure by Sector, Fiscal Year 2008-09



1.8 Other Key Statistics

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.

As seen in Figure 6, acute care admissions from 2006-07 to 2008-09 have stayed relatively constant. Acute Care Admissions for 2008-09 were 329 or 0.9% lower than previous year.

Figure 6: Acute Care Admissions

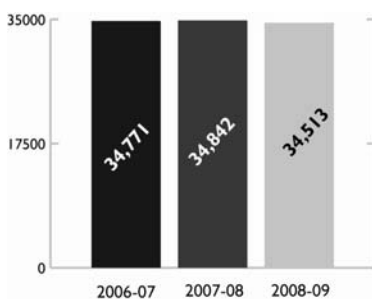


Figure 7 shows Acute Care Inpatient days at 302,233 which were 2,906 or 0.9% lower than the previous year.

Figure 7: Acute Care Inpatient Days

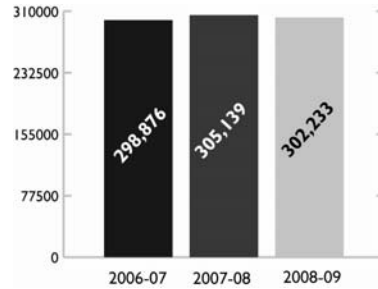
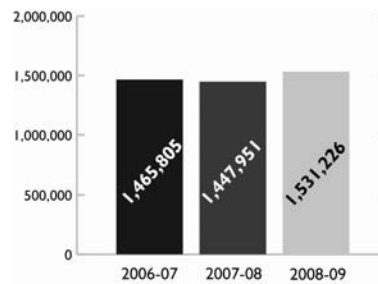


Figure 8 shows an increase in acute care ambulatory encounters by 4.5% from 2006-07 to 2008-09. This includes all outpatient activity in Eastern Health’s acute care sites; people who come in for any of our outpatient services, from blood tests to x-rays to day surgery.

Figure 8: Acute Care Ambulatory Encounters



Long-Term Care resident days were lower than planned for the fiscal year 2008-09. This sector had 46 beds closed for the first six months of 2008. In October 2008 however, 15 of these beds were re-opened and an additional 15 beds were re-opened in November 2008. Long-Term Care is operating at approximately 93% occupancy² as a result of staffing shortages.

² Occupancy 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.

Long-Term Care Resident Days were at 518,298 in 2008-09, 3.0% lower than the previous year (Long Term Care Resident Days data does not include Waterford Hospital resident days.)

Figure 9: Resident Days

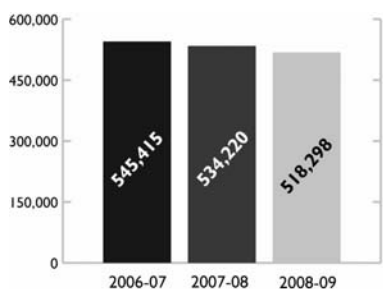


Figure 10 provides the number of community health service events for the past three years (a service event is a surrogate for a patient or client visit). In the past, previous reporting of these service events involved various methods of capturing data from Eastern Health’s legacy organizations. Caution 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. However, the trends show a significant increase in the number of service events in the community over the past three years.

Figure 10: Community Health Service Events

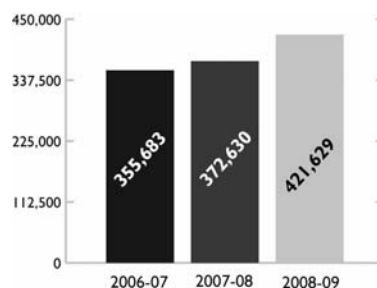


Figure 11 highlights statistics from Eastern Health’s hospitals and primary health care centres, community health services events and long-term care resident days.

Figure 11: Statistics from a Three-Year Period

	2006-07	2007-08	2008-09
Hospitals and Primary Health Care Centres			
Acute Care Inpatient Days	298,876	305,139	302,233
Emergency Room Visits	220,723	227,570	212,245
Surgical Daycare	43,248	43,347	52,067
Births	2,810	2,889	3,114
Ambulatory Encounters	1,465,805	1,447,951	1,531,226
Community Health Service Events+			
Family Support Programs	137,831	135,510	146,580
Community Support Programs	154,454	164,558	193,346
Community Youth Corrections	4,691	5,650	5,882
Health Promotion and Protection	43,976	48,273	55,769
Mental Health and Addictions	14,731	18,639	20,052
Long-Term Care			
Long-Term Care Resident Days	545,415	534,220	518,298

+ A service event is a surrogate 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). 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 12 provides the percentage of cancer treatment and surgeries completed within national benchmarks.

Figure 12: Percentage of Cancer Treatments Completed within National Benchmarks of Internal Target Timeframes

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	90	83	93	1327	1309
Surgery	Target Time Frame of 21 days except Prostate which is 42 days						
Breast	St. Johns (21d)	88	75	76	72	186	156
	Carbonear (30 d)	20	0	33	57	15	19
	Clareville (30 d)	100	100	100	100	16	13
	Burin (30 d)	100	100	100	100	20	6
Colorectal	St. Johns (21d)	91	84	78	86	270	232
	Carbonear (30 d)	80	50	100	100	23	23
	Clareville (30 d)	100	100	100	100	4	9
	Burin (30 d)	100	100	100	50	18	12
Prostate	St. John's (42d)	71	43	65	64	104	93
Bladder	St. John's (21d)	62	53	46	44	121	120
Lung	St. John's (21d)	57	77	79	56	39	Full fiscal year information not available.
Coronary Bypass Surgery (CABG)	182 days for Level III equivalent to the OPD CABG patient population	100	94	93	100	192	210
Cataract (Local Anaesthesia group only)	Within 16 weeks (112 days) for patients who are at high risk	85	86	83	85	2820	2198
Hip Replacement	Within 26 weeks (182 days)	64	66	76	63	195	193
Knee Replacement	Within 26 weeks (182 days)	54	52	62	56	328	289
Hip Fracture repair	Within 48 hours from time of ED registration in a St. John's Hospital	84	69	90	80	269	231

Figure 13 provides the surgical wait time for adult acute care. This is an internally generated consensus target by mean wait times for adult acute care hospitals in St. John's.

Figure 13: Surgical Priority Performance – Adult Acute Care – St. John's Hospitals

Priority	Target Timeframe	Target	2007-08 Mean Performance	2008-09 Mean Performance
I	Within 1 week	95%	83%	82%
II	1-3 weeks	95%	61%	58%
III	3-6 weeks	90%	56%	55%
IV	6 weeks – 3 months	80%	61%	57%
V	3-6 months	80%	89%	88%
VI	6-12 mos	80%	77%	85%

Figure 14 provides a snapshot of the health of the population served by Eastern Health as compared in 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 higher rates of inactivity are all negative health behaviours.

Figure 14: Indicators: By Region, Province and Country (Definitions and Sources are in Appendix II).

Indicator	Eastern Health	Province	Canada
HEALTH STATUS			
I. I Well-Being			
I.1.1 Self-Rated Health, excellent or very good 2007	63.5%	62.2%	59.6%
I.2 Health Conditions			
I.2.1 Body Mass Index, obese, 2007	21.6%	22.0%	16.0%
I.2.2 Chronic Conditions – Diabetes, 2007	8.7%	8.8%	5.8%
I.2.3 Chronic Conditions – Asthma, 2007	4.2%	5.2%	8.0%
I.2.4 Chronic Conditions – High Blood Pressure, 2007	20.4%	21.2%	15.9%
I.2.5 Cancer Incidence (per 100,000), 2004	389.2	355.3	393.2
I.2.6 Injury Hospitalization (per 100,000), 2005	451	532	Not available
I.2.7 Injuries, causing limitation of normal activities, 2005	12.0%	11.6%	13.4%

Indicator	Eastern Health	Province	Canada
1.3 Human Function			
1.3.1 Two-week Disability Days, 2005	19.3%	18.2%	16.7%
1.3.2 Population with Participation and Activity Limitation, 2007	34.1%	34.9%	31.2%
1.4 Deaths			
1.4.1 Infant Mortality, 2006 (per 1,000 live births)	Not Available	5.3	5.0
1.4.2 Perinatal Mortality, 2005 (per 1,000 total births)	Not Available	6.9	6.3
1.4.3 Life Expectancy at Birth, 2005 (age)	77	78.2	80.4
NON-MEDICAL DETERMINANTS OF HEALTH			
2.1 Health Behaviours			
2.1.1 Smoking Status, smoke daily or occasionally, 2007	24.0%	25.3%	21.9%
2.1.2 Frequency of Heavy Drinking, 5 drinks or more at one period in past 12 months, 2007	30.5%	32.3%	21.8%
2.1.3 Leisure-Time Physical Activity, moderately active or active, 2007	45.5%	45.7%	51.0%
2.1.4 Breastfeeding Rate at Discharge from Hospital, 2008	65.4%	59.7%	-
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 Low Income, After Tax, 2006	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 in the Home, 2007	8.0%	8.9%	7.4%



2. Shared Commitments

Partnerships are integral to Eastern Health's values and the achievement of our mission. Our partners are numerous throughout various levels of government and communities across our region. We strive to engage as many community partners as possible, from informal stakeholder meetings with individuals and groups to formal commitments like our Community Engagement Framework that helps guide the Board of Trustees' linkages with communities.

Eastern Health works closely with the provincial Department of Health and Community Services, from reporting on financial and performance indicators to participating in provincial initiatives such as emergency preparedness and wellness. We also collaborate with a number of other government departments on specific initiatives, including violence prevention, diversity and privacy/confidentiality. Additionally, all four regional health authorities in the province work together on a variety of shared priorities such as safety and information technology.

Research and education are ongoing collaborative endeavours. In particular, Eastern Health has a close connection with Memorial University of Newfoundland. Eastern Health works with Memorial in order to achieve its mandate related to education and research. We maintain permanent representation on the Board of Directors of both the Newfoundland and

Labrador Centre for Applied Health Research (NLCAHR) and the Newfoundland and Labrador Centre for Health Information (NLCHI). During this past year, Eastern Health has worked very closely with NLCHI on the ER/PR database. Eastern Health has affiliation agreements with over 40 education institutions and organizations at provincial, national and international levels to help educate the next generation of healthcare providers.

Our dedicated volunteers and auxiliaries are involved in a wide range of programs that enhance the quality of life for our patients, clients, residents and their families. Approximately 3,000 in number, our volunteers work extensively in our facilities and with community partners and volunteer agencies regionally, provincially, and even nationally.

Similarly, our foundations provide tremendous support to our organization through their fund-raising efforts. We acknowledge and appreciate the role of the Board of Directors and staff of our seven 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. Foundations have raised over \$2.2 million to benefit health care in this province. This year,

funds were raised for many different projects, including purchasing equipment for the cardiac care program, to build a BBQ pavilion for long-term care residents and to purchase furniture for a palliative care room.

Our organization continues to have a close connection with faith and fraternity based owner boards for the delivery of long-term care services in both Clarke's Beach and St. John's. We value the work of the owner boards in the provision of long-term care services in the region and we are working to more clearly define each of our specific roles and accountabilities.

Eastern Health maintains a close working relationship with a number of organizations that have been devolved to our organization, such as the Daybreak Parent Child Centre, Iris Kirby House and Waypoints.

We continue to develop our working relationships with these organizations that provide a wide range of services in community settings.

Lastly, we continue to have a special relationship with the hospital/health centres in Saint-Pierre et Miquelon and a tripartite agreement with Caisse de Prévoyance Sociale (CPS) and Centre Hospitalier F. Dunan (CHFD) to provide services.



3. Highlights and Accomplishments

There have been many achievements to celebrate throughout Eastern Health during the 2008-09 fiscal year. This section is a compilation of highlights presented according to Eastern Health's values: *respect, integrity, fairness, connectedness and excellence*. Additional highlights are presented based on the Department of Health and Community Services' four strategic directions: *Improved Population Health, Strengthened Public Health, Improved Accessibility to Priority Services and Improved Accountability and Stability in the Delivery of Health and Community Services within Available Resources*.

Respect and Integrity

Eastern Health values the uniqueness of each patient, client, resident, employee, discipline, workplace and community that together comprise Eastern Health. We strive to achieve honest and open communication with our stakeholders and we work hard to develop a collaborative partnership approach. The following examples from 2008-09 illustrate how these values are becoming interwoven into our organizational culture.

We have been making strides in the promotion of ethics throughout our organization. For instance, we co-sponsored the Canadian Bioethics Society Conference with the Memorial University Medical School (250 attendees) and hosted four

Ethics Education Days throughout the year with topics as diverse as child protection, moral distress and privacy and confidentiality. As well, an Ethics Position Paper - *Providing Care in the Appropriate Setting* was recognized as a leading practice by Accreditation Canada.

The Eastern Health Standing Committee on Diversity and the Pastoral Care and Ethics Department received \$60,000 from Canadian Heritage for an Enhancement of Diversity project. This project aims to increase awareness, and educate employees on the benefits of diversity.

We have made strides in building a culture of privacy and confidentiality within the organization. In particular, this past year saw the development and completion of the Eastern Health Privacy and Confidentiality Policy. This new policy was accompanied by the start of privacy/confidentiality training for all Eastern Health staff, volunteers and physicians including signed acknowledgements.

Our staff, physicians and volunteers work hard to mark special events for patients, clients, residents and families throughout the year. At the Pentecostal Senior Citizen's Home in Clarke's Beach, for example, the dietary staff dressed themselves in Valentine-related attire and held a Sweetheart's Dinner for residents and spouses in a

restaurant-like atmosphere. During the summer months, residents at St. Patrick's Mercy Home were treated to six picnic lunches complete with picnic baskets, gingham tablecloths, gourmet sandwiches and old fashioned lemonade. At the U.S. Memorial Health Centre, St. Lawrence, employees enrich the quality of life for residents by helping to keep our culture and history alive. In their Chat-n-Nibble Café, residents work with recreation staff to prepare traditional meals like fish cakes, blueberry grunt and pea soup with dumplings, and local musicians often join in to provide entertainment.

Over the past few years, Eastern Health has put significant effort into respecting and enhancing our employees' contributions within the organization. Eastern Health is following a comprehensive process to improve employee engagement that started with a management survey and is being followed in June 2009 with a full employee survey. Recommendations from the management survey have been reviewed and continue to be implemented as one strategy to improve the workplace.

Creating a respectful workplace also means celebrating the successes of our employees. In 2008-09, 470 employees attended service recognition events held to honour employees who have provided 25 to 40 years of service. Retirement celebration events also occurred.

Eastern Health established Employee Communications as a new department to further advance effective internal communications for the organization. The results of an extensive internal communications audit will be used in the 2009-2010 fiscal year to improve communications internally. In relation to this, the department developed a *Communications Framework* and began the process of educating leaders on effective communications. By March 31, 2009, 245 managers, directors and executives attended effective communications training.

Fairness

Fairness speaks to valuing and facilitating equity and justice in the allocation of our resources.

There has been continued implementation of waitlist management strategies. We have established a Clinical Efficiency Manager for the Peninsulas and Avalon areas with initiatives to improve Alternate Level of Care patients' documentation and waitlist management. The Surgical Waitlist Management Committee has refined the monitoring of waiting times for surgery, with trends and future service requirements identified from data collected. We have reduced wait times in a number of areas, including reducing non-urgent wait time for mammography at St. Clare's Mercy Hospital from 21 days to 9 days; decreasing the wait time for bone scans from three months to three and a half weeks; decreasing wait time for CT (head/body) at the Health Sciences Centre from 20 weeks to 10 weeks; and, decreasing waitlist times for Mental Health and Addictions Services in the Trinity Conception Bay area from greater than 8 months to 2 months.

Part of ensuring the just allocation of resources involves evaluation. Our Research Department, in particular, collaborates with numerous internal and external partners to conduct evaluations, such as the *Development and Evaluation of a Health Technology Assessment Screening Tool for a Regional Health Authority* project. A number of other evaluation initiatives are underway in such areas as the Client Safety Reporting System, Healthy Beginnings, Workforce Modelling - CYFS Social Worker Turnover, Long-Term Care (Staffing Skill Mix), Home Support Survey, and Eastern Health's Smoke Free Policy.

In an organization as diverse and complex as Eastern Health, a comprehensive budgeting process is required in order to allocate resources appropriately. In the Fall of each year, departmental directors review the strategic priorities of the Board, their operational plans and

government strategic directions. Directors meet individually with representatives of Budgeting, Corporate Strategy and Research and Human Resources and develop their priorities. The requests are reviewed by the Budgeting Department, Executive Management, the Finance Committee and the Board of Trustees.

Planning for future needs is a significant aspect of providing quality care. In 2008-09, significant planning throughout the region occurred. We completed phase one of the St. John's Hospital-Based Facilities Redevelopment Plan. Planning was initiated for additional projects including redevelopment of ambulatory services space at Carbonear General Hospital and the Cardiac Cath Lab at Health Sciences and expansion for the Cancer Care Program at Health Sciences Centre and the Emergency Department at St. Clare's. Renovations of the Health Sciences Centre Pathology Laboratory were started to enable consolidation of pathology services in the city.

The Grand Bank Health Centre was opened and renovations were completed at the Blue Crest Nursing Home in Grand Bank. The new long-term care facility in Clarendville and the extension to the Veterans Pavilion at the Miller Centre were substantially completed with occupancy anticipated for early in the 2009-10 fiscal year.

Connectedness

Eastern Health coordinates and collaborates with a wide range of external partners to achieve its vision of *Healthy People, Healthy Communities*. Eastern Health's value of connectedness involves recognizing and celebrating the strength of each part of our organization. During 2008-2009 there were many examples that illustrate this value.

From an internal perspective, there has been substantial progress toward increasing a sense of connectedness throughout the region. At the administrative level, 17 of 19 payroll systems have been integrated within Eastern Health and

modules of our Human Resources Information System (HRIS) are coming together. In the Information Management and Technology (IM&T) department, changes have been made to its Service Desk to improve support. In Environmental Services, a formalized system for monitoring reprocessing equipment was implemented. This past year also saw significant advancement of consolidation and reorganization of systems to address access to and secure management/storage of the growing volume of health records.

Eastern Health relies on partnerships and continues to develop relationships in the public, private and not-for-profit sectors. Some examples include:

- The Can-Do Employment Now! transitional employment program was started in April 2008, as a collaborative effort by Human Resources, Labour and Employment, Stella Burry Community Services and Eastern Health. To date, the program, which has a goal to provide individuals with immediate work opportunities in a group setting, has had over 100 referrals.
- The urban Primary Health Care initiative established Nurse Practitioner services at the McMorrans Community Centre in April 2008 with the Nurse Practitioner assigned to the Community Centre one day a week.
- Child Youth and Family Services worked with a number of partner agencies, including the Newfoundland and Labrador Foster Families Association in order to promote and support the important role of caregivers.
- Allied Health Professional Practice meets with Allied Health Professional associations and unions on an annual basis to discuss priorities and ways of working productively.

Building capacity is an integral aspect of developing partnerships, whether within our organization, the communities we serve, or beyond. There have been numerous capacity-building initiatives this past year, such as:

- *Reaching Out Project*: This project was an initiative of the Janeway Family Centre that was funded through a grant by RBC. It involved the development of facilitation manuals and training workshops for eight different children and parenting group programs that are currently offered through the Centre. Team members offered eight workshops in St. John's, Clarendville, Grand Falls-Windsor and Corner Brook with 143 professionals in attendance. Groups have been subsequently developed in each of the areas where training took place.
- The Eating Disorders Community Capacity Project was launched this year and a pilot training event for professionals in Corner Brook received a very positive response.
- The Health Promotion Division, in partnership with the Eastern Regional Wellness Coalition and the Wellness Coalition Avalon East, sponsored the 'Carry the Torch, Light the Way Wellness Conference 2008'. This conference involved 120 participants from communities throughout Eastern Newfoundland.
- The International Office of the Centre for Nursing Studies (CNS) received approval from the Canadian International Development Agency (CIDA) for the final narrative and financial reports that conclude the Bilateral Project in Guatemala and Nicaragua. The CNS is also into its final year of a three-year, \$1 million project in Paraguay (also funded by CIDA). This project emphasizes technology transfer of a distance education model in health education for participating institutions in Paraguay.

Working closely with the private sector is also integral to Eastern Health's partnerships. For instance, In Rural Avalon, staff from our Personal

Care Home Monitoring and Licensing Team hosted an education day for personal care home operators. This session provided opportunities not only to develop professionally but to make connections between our staff team members and local Personal Care Home operators through information sharing.

During 2008-09 we continued to implement initiatives begun in recent years, such as the recommendations of *On the Path to Health and Wellness: Southern Avalon Community Health Needs Assessment*.

In June 2008, the Board of Trustees presented a public report to the residents of the Burin Peninsula on the status of the recommendations arising from *Navigating the Way Together: The Burin Peninsula Community Health Needs Assessment*. This report was very well received. The next phase of regional needs assessments has begun, this time in the Northeast Avalon.

Connectedness also entails recognizing the longevity and dedication of our organization and associates. During 2008-09 there were a number of milestones to highlight:

- St. Patrick's Mercy Home celebrated 50 years of providing quality, compassionate resident care
- The Cardiac Rehabilitation Program celebrated its 25th Anniversary.
- The St. Clare's Auxiliary, Janeway Children's Health and Rehabilitation Centre Auxiliary and the General Hospital Auxiliary celebrated their 40th anniversaries.
- The Dietetic Internship Program celebrated 25 years of graduates.
- The Peritoneal Dialysis Program celebrated its 30 year milestone in the province.

Excellence

Eastern Health values and promotes the pursuit of excellence. Eastern Health met the requirements of our six-month and one-year Accreditation Progress Report from Accreditation Canada, a

not-for-profit, independent organization that provides national and international health care organizations with a voluntary, external peer review to assess the quality of their services based on standards of excellence.

Eastern Health's commitment to excellence is exemplified through the recent development of our *Healthy Workplace Charter*. This charter outlines the visions and principles of a healthy workplace and represents our organization's commitment to supporting, promoting, and developing a healthy workplace.

Our organization strives to be a learning organization that promotes professional development and the sharing of knowledge. For example, we awarded 35 scholarships to staff and to dependents this year. We supported five Anaesthesia Respiratory Therapist staff to complete a post-graduate program in Anaesthesia Assistant. The Centre for Nursing Studies (CNS) had 28 graduates in the Practical Nursing Program in December 2008 and will be increasing their seats to 70 for September 2009. The CNS and Memorial University of Newfoundland's MUN School of Nursing collaborated on the offering of a BN Nurse Practitioner Program, which had its first intake in September 2008.

This past year, we implemented a number of patient/resident/client safety initiatives, including purchasing an electronic narcotic cupboard for the Health Sciences Centre Emergency Department to enhance security; facilitating the transfer of over-the-counter medications for Personal Care Homes from Central Supply to the local pharmacy supplying clients' prescription medication; completing year two of a four year cycle of the Risk Management Self Appraisal Modules (RMSAM); approving patient care protocols for Emergency Medical Responders and Paramedics through the Provincial Medical Oversight (PMO) Program; developing a Regional Laboratory Safety Manual; starting a Falls Management Strategy at Masonic Park Nursing Home; and, establishing a

Laboratory/Perioperative Quality Improvement Committee for the St. John's sites. The Food Services Program implemented the "Patient First Program", which is intended to enhance quality, maximize patient satisfaction and improve the profile of the Food Services Department overall.

Safety of our staff is also paramount. Mandatory safety education sessions were delivered to almost 5,000 employees. An Occupational Health and Safety Plan was developed with key areas of emphasis including the development and communication of the occupational health and safety management system, meeting legislative compliance, documenting safe work practices and procedures with appropriate training for employees, and safe patient/resident handling program. The flu immunization uptake by staff increased by 21%. Over 5,600 staff were fitted for the N95 mask in the event of exposure to airborne respiratory hazards such as TB, chickenpox, and measles.

This past year we have had many examples of excellence to celebrate with our employees, physicians, volunteers, and clients alike. The following awards and recognition illustrate this pursuit of excellence at both individual and group levels:

- Valerie Barrington, Social Worker, was awarded the Canadian Association of Social Work Distinguished Service Award for her exemplary social work practice in oncology.
- Dr. S. Bharati Reddy was presented with the Royal College of Physicians and Surgeons of Canada's 2008 Specialist of the Year Award.
- Jaelyn Williams, a Lab Assistant (St. Clare's), was chosen to attend the national conference of the Canadian Society for Medical Laboratory Sciences (CSMLS), based on an essay submission.
- Elizabeth Strange, Clerk IV with Strategic Communications, won the Administrative Professional of the Year award presented by the International Association of Administrative Professionals (IAAP).

- The Newfoundland and Labrador Lung Association bestowed the President's Vote of Thanks to Eastern Health in recognition of the contributions we have made to lung health in this province.
- The Occupational Health and Safety Committee of the Salvation Army Glenbrook Lodge was chosen as the Committee of the Year by the Workplace Health Safety Compensation Commission.
- Cal Morgan, Environmental Health Manager, Holyrood, was awarded the President's Award of the Canadian Institute of Public Health Inspectors.
- Cathy Gaudon was awarded the LPN Award for excellence.
- Strategic Communications won Pinnacle Awards in three categories: Employee/Internal Communications (Accreditation Communications Strategy); Newsletters (The Loop) and Other Graphic Design (Hand Hygiene Campaign).
- St Clare's ICU was recognized in the Canadian ICU Collaborative Improvement Guide March 2009 as being one of the top four sites in Canada that showed improved compliance to the VAP bundle resulting in significant decrease in VAP rates.
- Joan Bursley, Manager of the Vascular Surgery program, was awarded the Marge Lovell Award for excellence in vascular nursing.
- The Cardiac/Critical Care program was recognized for its excellent work and quality of data collection by the Principal Investigator of the APPROACH (Alberta Provincial Project for Outcome Assessment in Coronary Heart Disease) initiative.

Innovation is integral to the pursuit of excellence. Equipment such as the state-of-the-art Kodak Direct Digital Radiography System was installed at St. Clare's, which enhances image quality and improves work flow by enabling patients to spend less time in the x-ray room. Innovation also comes in the form of partnerships such as the one formed with the Department of Justice and other

agencies to implement Specialty Court – Family Violence in St. John's during 2009 as a pilot project.

Government Strategic Directions

Eastern Health continues to be 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 – The focus areas of the Department of Health and Community Services for 2008-2011 are: obesity, smoking rates and protection from environmental smoke, dental health of children, support for healthy aging, and Aboriginal health needs.

During 2008-09 Eastern Health made the following accomplishments in these areas:

- Worked with many partners to continue to implement the regional Health Promotion Plan, which identifies a number of wellness priorities for the organization.
- Supported the Eastern Regional Wellness Coalition and the Wellness Coalition-Avalon East. The Wellness Coalition Avalon East awarded 22 grants totalling \$21,035.00. The Eastern Wellness Coalition awarded 45 grants totalling \$30,477.52.
- Provided \$51,000 in grants through Eastern Health's Community Development Fund.
- Promoted and participated in the first provincial conference on sexual and reproductive health: *Sexual Health – More than Just Sex!*, hosted by the Newfoundland and Labrador Sexual Health Centre
- Partnered with the Department of Education, Eastern School District, Central and Western Health to offer professional

development to grade nine teachers regarding new curriculum materials on sexual health.

- Offered and participated in a large number of health promotion activities, including offering several sessions on childhood obesity for children and families through the Janeway Lifestyles Program; participating in the *Live Smart Diabetes Expo*, sponsored through the Canadian Diabetes Association.
- Developed a Chronic Disease Prevention and Management Team in Bonavista with ongoing coordination of Diabetes Collaborative Care clinics, group education sessions targeting diabetes and heart health, and implementation of an Arthritis Self Management Program.
- Established a Healthy Pregnancy Working Group between the Janeway and the Health Promotion Program to develop a public awareness campaign.
- Implemented an extensive *Teen Wellness Program*, in partnership with Discovery Collegiate and Community Youth Network, Bonavista.
- Developed a Smoke Free Workplace policy for implementation during 2009-10.
- Forwarded a submission to the provincial government on a Cancer Control Strategy.
- Recruited a second pediatric dentist to address waiting lists and to increase dental services to other sites provincially.
- Completed a Stroke Education Program to introduce best practice guidelines and research evidence to 20 nurses in acute care and rehabilitation.
- Initiated the Aboriginal Patient Navigator Project to improve access to health services for the aboriginal population.
- Completed a pilot project and began expansion of Telephone Interpreting Services for clinical areas. This service offers interpretation in over 170 languages for clients whose first language is not English.
- Supported the work of initiatives related to population health through the awarding of Community Development Fund Grants.

- Completed a review of community suicides and made recommendations to strengthen the links between institutional and community-based services.

Strengthened Public Health Capacity - The focus areas of the Department for 2008-2011 are: surveillance for communicable disease, health emergency plan for the health and community services system, and environmental health policy.

Eastern Health made the following progress in these areas during 2008-09:

- Increased mass immunization clinics throughout the region. In the St. John's area, four clinics were offered with over 830 people in attendance. In the Whitbourne-Norman's Cove area, Community Health Nurses administered 361 doses of flu vaccine during clinics with a 40% increase over 2007-08.
- Continued with the HPV Vaccine program with administrative rates as high as 92.7% and 94.7% of Grade 6 and Grade 9 girls respectively.
- Completed an exercise in the deployment of the National Emergency Services Stockpile (NESS) training unit.
- Developed a Mass Casualty Incident Management Triage course for paramedics and medical flight specialists.
- Made significant progress in the fit testing of the N95 respirator with over 5,600 staff fitted in the event of exposure to airborne respiratory hazards such as TB, chickenpox, and measles.
- Developed policy framework for Immunization.
- Completed Strategic and Business Plans for Capacity Development in Public Health Geospatial Information Systems for Eastern Health Region with financial assistance from Geoconnections.
- Oversaw a pilot study on Monitoring Corrosion Control in Drinking Water With the Department of Environment.
- Drafted a report on Socioeconomic Status and Health in St. John's and Mount Pearl,

augmenting a national report prepared by the Canadian Population Health Initiative.

- Established public health nursing services to serve approximately 200 Government Sponsored Refugees with the Association for New Canadians.
- Collaborated with Government Services Centre during the national recall of deli meats in September 2008 to ensure information from the Canadian Food Inspection Agency was forwarded to long-term care and acute care sites, personal care homes and child care settings.
- Participated in a Provincial Food Premises Inspection Program Review with the Department of Health and Community Services and Department of Government Services which resulted in a new approach to risk assessment, inspection scores and closure policies for food premises.
- Expanded LPN scope of practice to assume responsibility for initial hearing and screening in some schools in the region.

Improved Accessibility to Priority Services –

The focus areas of the Department of Health and Community Services are: access to community-based mental health and addictions services; access to appropriate primary health services; home care and support services in the areas of end of life care, acute short term community mental health, case management, short term post discharge IV medications and wound management; options to support choices of individuals in need of long-term care and community supports; access to a strengthened Child, Youth and Family service; access to quality early learning and child care.

During the 2008-09 fiscal year, Eastern Health made progress in these focus areas as follows:

- Sponsored the first Safety Symposium for Child, Youth and Family Services (CYFS) staff and partners and developed a Safety Tool Kit for CYFS staff that includes strategies, guidelines and resources to help

workers stay as safe as possible in their front-line practice.

- Participated in a provincial demonstration project – the Children and Youth Behavioural Support Program. This was designed to increase the efficiency and efficacy of intervention for children with behavioural challenges.
- Reviewed and implemented a waitlist management strategy for the Children and Youth Behavioural Support Program.
- Completed the report *Getting Life Together: Building a Comprehensive Model of Service and Housing that Breaks Negative Cycles and Creates a Circle of Promise for Pregnant and Parenting Young Women and Their Babies* commissioned by CYFS – Residential Steering Committee.
- Began the Central Intake Pilot Project to better facilitate referrals to child and adolescent mental health and addictions services.
- Joined with the Department of Human Resources Labour and Employment and the Department of Justice on the Navigators and Networks Project to ensure coordinated services are provided for individuals with complex mental health needs in the St. John's region.
- Increased number of child care centres (approximately 75%) in the St. John's area participating in the ACCEPT Program, a program designed to increase access to child care services to children/families with special needs.
- Established a working committee to assist in transition of children at the age of 18 years to adult health services.
- Established a number of community (consultation, coalition) positions within the Mental Health and Addictions program.
- Established an Emergency Fund to assist mental health consumers in living well in the community.
- Developed a collaborative project in Mental Health and Addictions in Bonavista between community-based Mental Health and

Addictions staff and staff working in Emergency Department at the Hospital, to improve health outcomes for clients.

- Developed and implemented comprehensive tracking mechanism within the Community Living and Supportive Services Program (St. John's) to monitor level 3 clients in Personal Care Homes requiring urgent nursing home placement.
- Established a Long-Term Care Quality Team in Rural Avalon with focused initiatives in dementia care, wound care, fall management and restraint reduction.
- Introduced a family practice clinic within Dr. G. B. Cross Memorial Hospital to improve access to primary care and to provide an alternative clinic for patients presenting to the emergency department who are non urgent/emergent.
- Invested in new equipment, including, mobile x-ray units at the Janeway, General Hospital, Carbonear; new x-rays units installed in Grand Bank and Bell Island; digital mammography units in Clarenville and Burin.
- Decreased the percentage of ultrasound no-shows by 70% at the Health Sciences Centre.
- Recruited Provincial Pictorial Archiving Communications System (PACS) Coordinator.
- Expanded the Home Palliative/End of Life Care Program (St. John's) enabling 66% of seventy-six clients to remain at home until the end of life. Clients and families expressed a high degree of satisfaction with this service.
- Enhanced processes around the preoperative preparation and the surgical classification of patients with fractured hips.
- Implemented a palliative care volunteer project at Carbonear General Hospital.
- Participated in the Canadian Colorectal Screening Initiative.
- Extended hours of dialysis service to accommodate 6 new patients for a total of 12 patients receiving dialysis treatment at the Burin Peninsula facility.

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

The focus areas of the Department of Health and Community Services for 2008-2011 are: identify and monitor outcomes for selected programs; achievement of balanced budgets; stabilize human resources; quality management and patient safety.

During the 2008-09 fiscal year, Eastern Health made progress in these focus areas as follows:

- Worked to increase efficiency and effectiveness in a number of areas, including spearheading provincial bulk tenders for Radiology Equipment that resulted in \$3 million savings; and participating in the CIHI Hay Group Benchmarking study to accelerate Eastern Health's rate of improvement in clinical and operational efficiency.
- Increased funding to Human Resources and redeveloped our recruitment marketing strategy. In particular, a focus on recruitment of nurses has resulted in more than 275 nurses hired to work with Eastern Health in the last fiscal year.
- Completed a Leadership Plan 2008-2011 and implemented components, including a Management Accountability Framework; Management and Management Support Policy Handbook and Management Orientation.
- Developed a regional Human Resources Plan for Physicians. We recruited and filled pathologist positions. Another urologist joined the Urology Service in October 2008 to assist with addressing the urology waitlist. Psychiatrists have been recruited for the following areas: Acute Care Psychiatry, Emergency Psychiatry, Child and Adolescent Psychiatry, Forensic Psychiatry and Geriatric Psychiatry.
- Focused on a number of Occupational Health and Safety (OHS) initiatives, including developing and implementing a

Working Alone Policy for community health staff.

- Finalized an Attendance Management policy and started education sessions with managers for a planned launch date of June 2009.
- Started skill mix change pilot projects at Golden Heights Manor (Bonavista), Hoyles-Escasoni and St. Patrick's Mercy Home (St. John's).
- Piloted and evaluated a Physician Discharge Summary project with an effort to effectively communicate to community physician partners.
- Commenced a Patient Flow Study for the adult acute care hospitals of St. John's.
- Continued progress toward the "greening" of our facilities. In 2008-09 the consumption of Bunker C (heavy oil) as a heating fuel was eliminated and significant improvements to the mechanical infrastructure were started at Carbonear General Hospital.



4. Report on Performance 2008-2009

Eastern Health's second strategic plan, *Moving Forward Together*, was developed for 2008-11 in accordance with the legislative requirements of the Transparency and Accountability Act. It can be viewed in its entirety at www.easternhealth.ca.

During the past year, we have made considerable progress toward achieving the goals stated in the plan. The progress on these objectives is moving us toward achieving our goals. This section of the Annual Performance Report outlines the progress we have made towards the 2008-09 objectives and indicators. It also outlines the 2009-10 objectives and indicators.

4.1 Accountability

The Regional Health Authorities Act outlines the responsibilities of health authorities and the Board of Trustees' governance role of the organization. The creation of Eastern Health from its legacy organizations means that guidelines for engagement need to be developed with various groups so that clear expectations and roles of accountability are defined.

In its 2008-11 Strategic Plan, the Board outlined its need to affirm its role with physicians, owner-

boards, providers of devolved services and government. The 2008-09 objective speaks to developing mechanisms as a first step in affirming those relationships.

The progress made in this area supports government's strategic direction of improved accountability and stability in the delivery of health and community services within available resources.

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.

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.

Measure: Mechanisms identified

The progress on the 2008-09 indicators is provided below.

Planned for 2008-09	Actual for 2008-09
MOUs developed with long-term care owner boards	<p>Eastern Health has had ongoing discussions with the Eastern Long-Term Care Association (ELTCA) to develop an MOU. A proposed agreement has been forwarded to the Eastern Long-Term Care Association for its consideration. Discussions are ongoing and we look forward to a satisfactory resolution during 2009.</p> <p>While substantial effort has been ongoing, Eastern Health has not achieved its target of developing MOUs with the long-term care owner boards.</p> <p>In terms of developing mechanisms to affirm the role of the Board with physicians, medical staff by-laws have been drafted and ongoing discussion has occurred with the Newfoundland and Labrador Medical Association (NLMA). A draft of the medical by-laws was presented to the Board of Trustees in April 2009. Substantial work has been ongoing with various stakeholder groups regarding interpretation. While the by-laws were not approved by March 31, they were approved by the Board in June 2006.</p>

MOUs developed with devolved services (such as family resource centres)

Eastern Health’s goal is to have one main service agreement with devolved community-based services. This service agreement will include addendums as required for specific services or requirements. A draft service agreement was developed with input from Eastern Health management. Feedback on this draft service agreement has been provided by some of the community-based agencies. Further work is required to revise the draft and to have it signed. While work has been ongoing, Eastern Health has not achieved its target of developing the MOUs with devolved services. With the number of devolved services involved, this process has taken longer than anticipated.

Semi-annual meeting of the Board of Trustees with Minister of Health and Community Services held

On recommendation from the Board of Trustees, the Chair of the Board of Trustees had at least semi-annual meetings with the Minister of Health and Community Services. The Board Chair met with the Minister of Health and Community Services separately and, at times, was accompanied by other Board members. The entire Board of Trustees was kept apprised of their discussions.

This target was achieved.

The Board of Trustees is committed to this goal. Efforts have been ongoing in order to develop mechanisms with the long-term care owner boards, physicians and the devolved community-based agencies. Given the number of issues and the number of parties involved, this process has taken much longer than anticipated. Late in the 2008-09 fiscal year, the provincial government announced the creation of a new

department responsible for Child Youth and Family Services. It is probable that a number of devolved community agencies will be transferring to that new department when it is formed. The progress made in this area supports government’s strategic directions of improved accountability and stability by clarifying roles and responsibilities throughout the organization.

<p>2009-10 Objective: By March 31, 2010, Eastern Health will have implemented formal mechanisms with owner boards, government and physicians.</p>
<p>Measure: Mechanisms finalized and implemented</p>
<p>Indicators:</p> <ul style="list-style-type: none"> • MOUs finalized and implemented with long-term care owner boards • MOUs finalized and implemented with devolved services • By-Laws respecting medical staff finalized and implemented • Communications protocol with government implemented

4.2 Stewardship

The Board of Trustees recognizes its stewardship role within the health system and the importance of laying a solid foundation for the long-term sustainability of the organization. During this three-year planning cycle, the Board's role is to implement approved components of a sustainability plan. Each of the three objectives associated with this goal references various topics that help to create a sustainable organization.

The Board's 2008-09 objective focused on the sustainability of the organization as it relates to acute care facilities redevelopment and the development of a Human Resources and Leadership Strategy.

The progress made in this area supports government's strategic direction of improved accountability and stability in the delivery of health and community services within available resources.

Goal: By March 31, 2011, Eastern Health will have implemented approved components of a comprehensive sustainability plan.

Objective: By March 31, 2009 Eastern Health will have:

- 1) completed the initial scoping document for St. John's Hospital-Based Facilities Redevelopment, established a planning team and identified consultants to develop a Master Plan;
- 2) approved the Human Resources and Leadership Strategy and initiated implementation.

Measure: Board approved strategy

The progress on the indicators in the 2008-09 year is provided below.

Planned for 2008-09	Actual for 2008-09
Planning transfer team in place	<p>A Steering Committee was established to oversee acute care redevelopment planning and has evolved into a Planning Transfer Team. An internal scoping document has been developed. Project management team requirements (human resources and other requirements) have been identified. A budget request has been submitted to government with partial funding confirmed.</p> <p>Consultants have been hired. The planning process will take about ten months to complete and will result in a Master Program and Master Plan to guide redevelopment. The plan will look 15-20 years into the future (to 2025-2030), but will include a phasing strategy (short, medium and long term) in order to address pressing needs.</p> <p>This target was achieved.</p>

Human Resources and Leadership Strategy approved and initiated

The Human Resources and Leadership Strategy was drafted and formally approved by Eastern Health’s Executive Management Team. It is a comprehensive document that provides direction to a number of human resource and leadership issues. Action items and implementation of recommendations associated with the Human Resources and Leadership Strategy has been ongoing.

The Executive Management Team of Eastern Health will monitor the progress of the plan. Monitoring will also take place at a number of committees, including the Human Resources Advisory Committee, the Occupational Health and Safety Regional Committee, the Leadership Committee and the Healthy Workplace Committee.

This target was achieved.

The sustainability of an organization can be defined in a number of ways. The acute care redevelopment planning process will take about ten months to complete and will result in a Master Program and Master Plan to guide redevelopment. The plan will look 15-20 years into the future. The establishment of a Steering Committee has set the tone for this initiative and consultants have been hired to help oversee the project. This work will have a major impact on the delivery of health services in the future.

The organization’s Human Resources and Leadership Strategy provides a long term framework with identified short term priorities for enhancing and managing human resources to support and sustain the goals and objectives of the organization.

The progress made in this area supports government’s strategic direction of improved accountability and stability by identifying future planning needs and by proactively planning for human resources needs.

Also related to sustainability is our focus on the human resources component of the organization.

2009-10 Objective: By March 31, 2010, Eastern Health will have approved the Information Management plan, approved the Master Plan for St. John’s Hospital-based Facilities Redevelopment and received performance reports on the Human Resources and Leadership Strategy.

Measure: Plans approved; Performance Reports received

Indicators:

- Information Management Plan approved
- Master Plan for Acute Care redevelopment approved
- Performance reports on the Human Resources and Leadership Strategy received

4.3 Safety

The safety of clients/patients/residents and staff is paramount for the Board of Trustees. Substantial work has been ongoing to build upon existing structures and mechanisms and to create a culture of safety throughout the organization.

The 2008-09 objective indicates the need to develop a Safety Plan and to identify priority areas

for monitoring. This is a first step in achieving the goal of implementing a plan and monitoring implementation of that plan.

The progress made in this area supports government's strategic direction of improved accountability and stability in the delivery of health and community services within available resources.

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.

Objective: By March 31, 2009, the Safety Plan will be developed and priority areas will be identified for monitoring.

Measure: Safety Plan

The progress on the indicators in the 2008-09 year is provided below.

Planned for 2008-09	Actual for 2008-09
Safety Plan which includes a monitoring and reporting mechanism approved by Board	Eastern Health developed a Safety Plan with priority areas identified. Reports were received on compliance which the Board of Trustees monitors through its Executive Limitations. This target was achieved.
Core Clinical safety indicators identified by Regional Quality Council	The Regional Quality Council identified safety measures which are monitored. In addition, each program developed its core clinical safety and quality indicators and reported annually to the Regional Quality Council (RQC). The RQC also receives quarterly regional reports on occurrences, sentinel events and complaints. This target was achieved.
Monitoring of the safety ROPs, as defined by Accreditation, established and ongoing.	A status report related to the Required Organizational Practices (ROPs) was submitted to Accreditation Canada in December 2008. That report was accepted and Eastern Health's Accreditation was confirmed in April 2009. In preparation for Accreditation in September 2010, the Board of Trustees' Safety and Quality Committee is receiving six month reports on Required Organizational Practices. This target was achieved.

Occupational Health and Safety Indicator Report monitored through Board of Trustees Executive Limitation Policies.

The organization has developed an Occupational Health and Safety Plan for 2008-11. The plan includes four areas of emphasis: occupational health and safety management system; safe work practices and procedures; legislative requirements; ergonomics. Goals and objectives have been developed for each of these areas of emphasis.

Currently, indicator reports are monitored on a quarterly basis by Occupational Health and Safety representatives and Human Resources senior managers. The Board's Quality and Safety Committee also monitors indicators and at its February 2009 meeting, reviewed a number of health and safety indicators.

The Board of Trustees has identified quality and safety as its most important priority. A minimum of 25% of the Board's agenda is spent on this topic and the Board invests significant time and energy on its Executive Limitations, Safety and Quality. The new Accreditation Canada standards and approach known as Qmentum will help the organization develop quality maps that will assist the organization in promoting safety within its culture. Eastern Health's current and future Safety Plan will continue to guide the organization to strengthen and promote the safety

of clients/patients/residents and staff. Significant work has been ongoing related to indicator development and the Board of Trustees will review the indicators in September 2009. The progress made in this area supports government's strategic direction of improved accountability and stability in the delivery of health and community services. The work in this area has resulted in identified and monitored outcomes, a focus on human resources and a focus on safety and quality management.

2009-10 Objective: By March 31, 2010, Eastern Health will have implemented the Safety Plan within available resources.

Measure: Safety Plan implemented

Indicators:

- Safety Plan comprising clinical and Occupational Health and Safety components implemented
- Clinical safety monitoring reports received by Board of Trustees
- Clinical safety monitoring reports received by organizational-level quality committees
- Occupational Health and Safety monitoring reports received by Board of Trustees
- Occupational Health and Safety monitoring reports received by organizational-level quality committees

4.4 Integration

For the past three years, Eastern Health has been creating an integrated administrative base from which to build an integrated clinical approach. Many administrative building blocks have been initiated including integrated financial and human resources systems, departmental operational plans, regional administrative policies, human resource strategies and organizational culture assessments.

The goal related to integration for the 2008-11 Strategic Plan focuses on clinical integration. As

a first step to achieving that goal, the 2008-09 objective focuses on identifying priority areas for clinical policies.

The progress made in this area supports government's strategic directions of improved population health, strengthened public health capacity and improved accountability and stability in the delivery of health and community services within available resources.

Goal: By March 31, 2011, Eastern Health will have improved service delivery through effective integration of clinical health and community services.

Objective: By March 31, 2009 Eastern Health will have identified priority areas for action with respect to clinical policy integration.

Measure: Priority areas identified

The Board of Trustees identified two indicators critical to moving this goal forward. The progress on the indicators in the 2008-09 year is provided below.

Planned for 2008-09	Actual for 2008-09
Existing organization structures, including the clinical networks, will have completed assessments and identified priority areas	Throughout the organization, including the clinical networks, assessments and priority policy areas have been identified. For example, the Long Term Care and Supportive Services Network has established a Policy Standards Review Committee. Several policies have been developed and many others are currently under development. For example, policies on Privacy and Confidentiality have been developed and implemented. A set of financial policies have been developed by the Community Living and Supportive Services areas and they are being adopted provincially. This target has been achieved.
Policy leads will be identified to coordinate the implementation of the priority areas.	Policy leads have been developed to co-ordinate implementation of the priority areas. For example, the Home and Community Care Network has established a policy lead who has begun to prioritize the policies for development. This target has been achieved.

Policy development has been moving forward throughout Eastern Health. This past year, the existing clinical networks were focused on identifying policy leads and moving forward on priority policies. Substantial work has been ongoing in this area and will continue.

The progress made in this area supports government's strategic directions of improved population health, strengthened public health capacity and improved accountability and stability. The clinical networks and their policies will also help to identify and monitor outcomes which will help to improve accountability and stability of the health and community services sector.

2009-10 Objective: By March 31, 2010, Eastern Health will have commenced a co-ordinated implementation of priority clinical policies.

Measure: Priority clinical policies implemented

Indicators:

- Priority clinical policies implemented
- Priority clinical policies communicated

4.5 Confidence in the Health System

Eastern Health is a large, complex organization due to its size, geography and the provision of the full continuum of health and community services. A number of high profile health issues have caused the general public to question the quality of care and services that are provided. There have also been questions regarding the organization's transparency and its level of disclosure of information to the public.

The first step in improving confidence in the health system is reflected in the 2008-09 objective to identify tools to measure confidence.

The progress made in this area supports all of government's strategic directions.

Goal: By March 31, 2011, Eastern Health will improve confidence in the health system.
Objective: By March 31, 2009, Eastern Health will have defined the tools to measure confidence in the health system.
Measure: Confidence in the health system

The Board of Trustees identified two indicators as critical to moving this goal forward. The progress on the indicator in the 2008-09 year is provided below.

Planned for 2008-09	Actual for 2008-09
Tools defined	<p>The Client Satisfaction Survey Committee reviewed nine proposals submitted in response to a "Request for Proposal for Consulting Services for Development and Implementation of a Comprehensive Client Satisfaction Survey Plan". A recommendation to proceed with one firm was accepted.</p> <p>This company will work with Eastern Health to develop a comprehensive Client Satisfaction Plan and will also complete the survey, conduct an analysis and provide a report. This survey is the main tool that will help the organization to measure confidence in the health system.</p> <p>This target has been achieved.</p>

The organization completed a jurisdictional review on what health care organizations across Canada are doing with regard to measuring client satisfaction and the processes used (i.e. client satisfaction surveys).

Base line measures researched

Eastern Health has some baseline data regarding confidence in the health and community services through its Northeast Avalon Community Health Assessment telephone survey.

This target has been achieved.

Confidence in the health system will continue to be a focus for Eastern Health over the next few years. Our staff and physicians provide excellent, dedicated care to our patients, residents and clients. We are challenged with restoring public confidence while renewing a sense of pride within the organization.

The progress made in this area supports all of government's strategic directions. Confidence in the health system is key and work in this area is important to ensure that the general public trusts the health care provided to them.

2009-10 Objective: By March 31, 2010, Eastern Health will have developed and implemented a plan to improve confidence in the health system.

Measure: Plan implemented

Indicators:

- Develop plan
- Implement the tool defined to measure confidence in the health and community services system

4.6 Navigating the Health and Community Services System

Difficulty navigating the health system has been cited as a source of frustration in the community health needs assessments completed to date, at Board of Trustees community partners meetings and at staff focus groups. While a number of mechanisms have been put into place in order to assist in navigation of the organization, the Board of Trustees is interested in taking a more comprehensive approach to this issue.

With the ultimate goal of improving clients' and staff's ability to navigate the system, the 2008-09 objective of assessing the issues will help the Board to develop appropriate responses.

Goal: By March 31, 2011, Eastern Health has improved clients' and staff's ability to navigate the health and community services system.

Objective: By March 31, 2009 Eastern Health will have assessment of issues completed.

Measure: Assessment of issues

The progress on the indicator in the 2008-09 year is provided below.

The progress made in this area supports government's strategic directions of improved accountability and stability in the delivery of health and community services and improved

accessibility to priority services. Ensuring that the public is aware of the services available to them and how to access those services is important from an accountability perspective. Ensuring that people have this awareness may result in increased access to priority services such as primary health care and mental health services.

Planned for 2008-09	Actual for 2008-09
Report with specific recommendations approved by the Board of Trustees	<p>A Client/Patient/Resident Navigation Working Group was established in January 2009. As part of this group's Terms of Reference, it developed the scope of a navigation plan and made recommendations to the Executive Management Team and the Board of Trustees for implementation of components of the plan. An action plan has been developed with a number of objectives outlined in the report.</p> <p>This plan was tabled at the Board's Safety and Quality Committee in February 2009. The Safety and Quality Committee requested additional work to be completed on the report prior to it being sent to the full Board of Trustees.</p>

Work has been ongoing with the issue of staff navigation, including developing navigational tools for a managers' toolkit. An internal communications needs assessment has assisted in determining the key informational needs of staff.

While the report with action items was completed and feedback has been received from the Board's Safety and Quality Committee, the revised report will be provided to the Board of Trustees in June 2009. This target was not achieved by March 31, 2009.

Navigation of the health system for external clients and for internal staff requires careful thought and consideration. Eastern Health must consider a number of factors such as literacy,

technological aspects and ease of use when developing navigation tools. The actions undertaken this past year have set the stage for a comprehensive approach.

<p>2009-10 Objective: By March 31, 2010, Eastern Health will have implemented recommended changes within available resources.</p>
<p>Measure: Recommendations implemented</p>
<p>Indicators:</p> <ul style="list-style-type: none">• Recommended changes implemented



5 Opportunities and Challenges Ahead

Eastern Health has made significant investment and progress during this past year. We have many outstanding individuals and teams, including the Board of Trustees, who have made a tremendous impact on the health of the people of this province through their work on a daily basis. They are creative, open to new ideas and as such are our greatest asset. Without their support we would not have been able to meet the challenges and avail of the opportunities that were presented to Eastern Health.

Creating an integrated continuum of health and community services is a challenge but also a major opportunity for Eastern Health. It demands that we work in collaboration with a wide variety of partners and stakeholders. During this past year we have increased our focus on communications and worked hard to strengthen many of our existing partnerships. Working with our partners has allowed us to identify common concerns, look for innovative ways to solve problems and has assisted Eastern Health in achieving its mandate. It also provided an opportunity for Eastern Health to listen and to learn from others and, based upon this, to take action.

The Commission of Inquiry into Hormone Receptor Testing and subsequent Cameron Report has had a major impact on the staff of Eastern Health and the public's confidence in the health care system. The work of the Board of Trustees to address issues of confidence in and navigation of the health and community services

system is ongoing. Developing confidence in the system will require Eastern Health to action what we have learned and to continue to work in collaboration with our many stakeholders. Completion of the MOU's with the Faith-based Long Term Care owner Boards, adoption of regional-wide medical staff by-laws, and improving communication with staff and the public will be key to Eastern Health's success.

Our population's demographics continue to present challenges for the organization. Again this year we have seen increased pressure on inpatient services, surgical services, as well as access to long term and convalescence care. An external consultant is currently working with Eastern Health to ensure that we are utilizing our current services effectively and efficiently. The results of this analysis will be extremely important given our current staffing issues.

Despite providing additional resources to Human Resources during this past year, filling vacancies and maintaining an appropriate staff complement continue to be a challenge. It is important for Eastern Health to build upon recruitment efforts and achievements and work with government to ensure that we have the tools to both recruit and retain staff in such a competitive marketplace.

Financially 2008-09 was extremely challenging for Eastern Health. Stabilization funding and deferred revenues were accessed to enable Eastern Health to achieve a balanced financial position.

Significant cost overruns were experienced in CYFS due to an increase in the number of clients requiring individual and alternative living arrangements. Implementing solutions to increase the number of foster families and residential options for children and youth in the province is required if we are to decrease year over year cost overruns in this program area. We expect to experience continued pressure in the 09/10 budget year in many areas including drugs, supplies, fuel, etc.

We are pleased with the progress made on capital infrastructure projects and capital repairs during this past year. Work is ongoing with respect to St. John's Acute Care redevelopment planning, redevelopment of Hoyles Escasoni and many projects, such as the Long-Term Care Facility in Clarenville and the Caribou Memorial Veteran's Pavilion are nearing completion. Funding at this level must be maintained for capital repairs and approval of major capital infrastructure projects must be accelerated if Eastern Health is to ensure that it is able to appropriately meet the needs of clients in the 21st century.

Eastern Health received a significant infusion of funding for capital equipment in the past year. Again, funding at this level needs to be maintained if Eastern Health is to provide staff and physicians with the tools to perform their jobs.

Issues with respect to meeting the information management needs of our clients have been

articulated in both the Cameron Report and the Task Force on Adverse Events. Planning to consolidate to a single Meditech (clinical) solution is well underway but will require a significant commitment of funds. Provincial direction and funding also need to be applied to the Community information system in order to achieve a comprehensive electronic patient record. Coordination of this work at the provincial level will be critical to achieve optimum results.

Late in 2008-2009 the provincial government announced the creation of a new Department of Child Youth and Family Services. As more details about this department are known it will have a significant impact on Eastern Health. It will be important during the transition that linkages that enhance communication between care providers are not lost in the transition to a new department. These linkages have developed over time and are critical to ensure the most appropriate service/support is provided to children and their families.

While many challenges exist within the health care setting, the greatest opportunities within Eastern Health lie with its dedicated Board of Trustees, employees, physicians and volunteers. We are learning from our experience and fortifying our resolve to provide the highest quality care to our patients, clients, residents and their families and will strive to do this in the coming year.



6 Audited Financial Statements



Combined Financial Statements of

**EASTERN REGIONAL HEALTH
AUTHORITY – OPERATING FUND**

March 31, 2009

EASTERN REGIONAL HEALTH AUTHORITY – OPERATING FUND

March 31, 2009

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Auditors' Report

To the Board of Trustees of
Eastern Regional Health Authority

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

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

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

The comparative figures for the year ended March 31, 2008 were audited by another firm of chartered accountants who issued their opinion without reservation dated June 6, 2008.

Deloitte & Touche LLP

Chartered Accountants
June 8, 2009

EASTERN REGIONAL HEALTH AUTHORITY

Combined Statement of Operations

Year Ended March 31, 2009

(in thousands of dollars)

	2009	2008
	\$	\$
Revenue		
Provincial plan	961,294	870,052
MCP	51,998	45,913
Inpatient	9,358	10,461
Resident	16,132	16,183
Outpatient	7,876	6,577
Other	35,659	31,294
	1,082,317	980,480
Expenditures		
Administration	96,361	86,473
Support	133,491	119,889
Patient and resident services	292,638	273,107
Ambulatory care	98,019	95,289
Diagnostic and therapeutic	139,305	126,040
Client services	208,033	176,753
Medical services	73,107	64,124
Research and education	14,923	13,285
Interest on long-term debt	10,005	10,048
Other	12,902	11,079
	1,078,784	976,087
Surplus on operations	3,533	4,393
Adjustments for non-shareable items:		
Amortization of deferred capital contributions	14,886	18,324
Amortization of capital assets	(24,961)	(25,228)
Interest on sinking fund	493	462
Accrued vacation	(3,790)	(4,670)
Accrued severance	(6,804)	(3,848)
Excess of expenditures over revenue	(16,643)	(10,567)

EASTERN REGIONAL HEALTH AUTHORITY
Combined Statement of Changes in Fund Balances

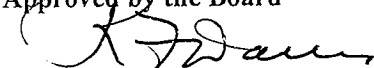
Year Ended March 31, 2009
(in thousands of dollars)

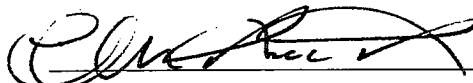
	2009		2008	
	Net Investment in Capital Assets	Operating Fund	Total	Total
	\$	\$	\$	\$
Balance, beginning of year	60,403	(201,255)	(140,852)	(130,285)
Excess of expenditures over revenue	-	(16,643)	(16,643)	(10,567)
Principal portion of capital leases	524	(524)	-	-
Repayment of long-term debt	2,261	(2,261)	-	-
Increase in sinking fund	1,241	(1,241)	-	-
Amortization of deferred capital contributions	14,886	(14,886)	-	-
Amortization of capital assets	(24,961)	24,961	-	-
Balance, end of year	54,354	(211,849)	(157,495)	(140,852)

EASTERN REGIONAL HEALTH AUTHORITY
Combined Statement of Financial Position
Year Ended March 31, 2009
(in thousands of dollars)

	2009	2008
	\$	\$
Assets		
Current assets		
Cash and temporary investments	16,503	4,602
Accounts receivable (Note 5)	78,303	46,150
Supplies inventory	7,836	7,413
Prepaid expenses	3,720	4,180
	<u>106,362</u>	<u>62,345</u>
Deferred charges	188	291
Capital assets (Note 6)	295,316	293,730
General Hospital Hostel Association loan (Note 7)	1,736	1,852
Trust funds (Note 8)	2,417	2,759
	<u>406,019</u>	<u>360,977</u>
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	108,127	94,036
Accrued vacation pay	37,413	33,623
Current portion of long-term debt (Note 10)	2,462	2,265
Current portion of obligation under capital leases	-	524
Current portion of accrued severance pay	6,019	5,500
Deferred revenue - operating	38,151	27,551
Deferred revenue - capital	33,944	14,837
	<u>226,116</u>	<u>178,336</u>
Long-term debt (Note 10)	137,740	140,248
Accrued severance pay	96,481	90,196
Deferred capital contributions (Note 11)	100,760	90,290
Trust funds (Note 8)	2,417	2,759
	<u>563,514</u>	<u>501,829</u>
Contingencies (Note 13)		
Commitments (Note 14)		
Net deficiency		
Operating fund	(211,849)	(201,255)
Net investment in capital assets	54,354	60,403
	<u>(157,495)</u>	<u>(140,852)</u>
	<u>406,019</u>	<u>360,977</u>

Approved by the Board

 Director

 Director

EASTERN REGIONAL HEALTH AUTHORITY

Combined Statement of Cash Flows

Year Ended March 31, 2009

(in thousands of dollars)

	2009	2008
	\$	\$
Operating activities		
Excess of expenditures over revenue	(16,643)	(10,567)
Adjustments for:		
Amortization of capital assets	24,961	25,228
Amortization of deferred capital contributions	(14,886)	(18,324)
Increase in severance pay accrual	6,804	3,848
Decrease in deferred charges	103	104
Changes in non-cash operating working capital (Note 12)	15,472	6,530
	15,811	6,819
Investing activities		
Construction and purchase of capital assets	(26,547)	(31,762)
Repayment of advance to General Hospital Hostel Association	116	114
	(26,431)	(31,648)
Financing activities		
Proceeds from long-term debt	1,191	1,809
Repayment of long-term debt	(2,261)	(1,823)
Sinking fund payments	(1,241)	(1,209)
Repayment of obligations under capital leases	(524)	(704)
Capital asset contributions	25,356	29,953
	22,521	28,026
Net increase in cash resources	11,901	3,197
Cash, beginning of year	4,602	1,405
Cash, end of year	16,503	4,602

EASTERN REGIONAL HEALTH AUTHORITY

Notes to the Financial Statements

March 31, 2009

(tabular amounts expressed 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 the 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 provides education and research in partnership with all stakeholders.

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

2. CHANGE IN ACCOUNTING POLICIES

Effective April 1, 2008 the Authority adopted the Canadian Institute of Chartered Accountants' ("CICA") new accounting standards related to "Capital Disclosures" (Section 1535), "Inventories" (Section 3031) and "General Standards of Financial Statement Presentation" (Section 1400).

Capital Disclosures

CICA Section 1535 "Capital Disclosure" establishes standards for disclosure of information about the Authority's capital and capital management, including the Authority's objectives and processes of managing capital, quantitative data about what the Authority regards as capital, whether the Authority has complied with any externally imposed capital requirements, and if it has not complied, the consequences of such non-compliance. The adoption of this standard had no effect on the Authority's financial position, operations or cash flows and these disclosures have been included in Note 16.

General Standards of Financial Statement Presentation

CICA Section 1400 "General Standards of Financial Statement Presentation" provides additional guidance related to management's assessment of the Authority's ability to continue as a going concern. The Authority's current disclosures meet the reporting requirements of this section.

Inventories

The Authority adopted the recommendations of CICA Handbook Section 3031 on inventories which provides guidance on determination of cost of inventories and its subsequent recognition as an expense, and includes additional disclosure requirements. The new Section also requires to account for the reversal of write-downs previously recognized when there is a subsequent increase in the value of inventories. This accounting policy, which was adopted as of April 1, 2008, as applied retroactively and resulted in no restatement to comparative figures.

EASTERN REGIONAL HEALTH AUTHORITY

Notes to the Financial Statements

March 31, 2009

(tabular amounts expressed in thousands of dollars)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Authority have been prepared in accordance with Canadian generally accepted accounting principles. The more significant accounting policies of the Authority are as follows:

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.

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.

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 market value at the date of contribution. Minor equipment purchases are charged to operations in the year of acquisition.

Amortization is calculated on a straight-line basis and declining balance basis at the rates set out below. It is expected that these rates will charge operations with the total cost of the assets less estimated salvage value over the useful life of the assets.

Buildings and renovations	2% - 5%
Equipment	15% - 20%
Equipment under capital leases	14.3% - 25%
Land improvements	10% - 20%
Leasehold improvements	10% - 20%

Gains and losses on disposal of individual assets are recognized in income in the year of disposal.

EASTERN REGIONAL HEALTH AUTHORITY

Notes to the Financial Statements

March 31, 2009

(tabular amounts expressed in thousands of dollars)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital assets (continued)

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

Impairment of long-lived assets

Long-lived assets are tested for recoverability whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. The amount of the impairment loss is determined as the excess of the carrying value of the asset over its fair value.

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

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. The right to be paid severance pay vests with employees with nine years of continual service with the Board or another public sector employer, and accordingly no provision has been made in the accounts for employees with less than nine years of continual service. The amount is payable when the employee ceases employment with the Board.

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.

EASTERN REGIONAL HEALTH AUTHORITY

Notes to the Financial Statements

March 31, 2009

(tabular amounts expressed in thousands of dollars)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue recognition (continued)

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 the Government Money Purchase Plan (the "Plans") administered by the Government of Newfoundland and Labrador. 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 of Newfoundland and Labrador.

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.

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.

Financial instruments

Financial assets and liabilities are classified according to their characteristics and management's choices and intentions related thereto for the purposes of ongoing measurements. The fair value of a financial instrument is the estimated amount that would be received or would be paid to terminate the instruments agreement at the reporting date. Various market value data and other valuation techniques are used as appropriate to estimate the fair value of each type of financial instrument. The carrying value of cash is considered its fair value.

EASTERN REGIONAL HEALTH AUTHORITY

Notes to the Financial Statements

March 31, 2009

(tabular amounts expressed in thousands of dollars)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (continued)

Financial assets and liabilities are generally classified and measured as follows:

<u>Asset/Liability</u>	<u>Classification</u>	<u>Measurement</u>
Cash and cash equivalents	Held for trading	Fair value
Accounts receivables	Loans and receivables	Amortized cost
Accounts payable and accrued liabilities	Other liabilities	Amortized cost
Long-term debt	Other liabilities	Amortized cost

Other balance sheet accounts do not meet the criteria to be considered financial instruments.

Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management 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.

Future accounting standards

In December 2006, CICA issued new Section 3862, "Financial Instruments – Disclosures" and Section 3863, "Financial Instruments – Presentation", which established standards for the presentation and disclosure of financial instruments and non-financial derivatives.

Following a decision by CICA that permits the application of Section 3861, "Financial Instruments – Disclosure and Presentation", in place of Section 3862 and 3863, the Authority has decided to continue to apply Section 3861.

Not-for-profit organizations

In September 2008, the CICA amended the introduction to accounting standards that apply only to not-for-profit organizations as outlined in the Section 4400 series of CICA Handbook (the "Handbook") as well as consequently changes to other sections of the Handbook.

These new standards are effective for the Authority on April 1, 2009. The Authority's management does not expect the application of these standards will have a material impact on its financial statements.

EASTERN REGIONAL HEALTH AUTHORITY

Notes to the Financial Statements

March 31, 2009

(tabular amounts expressed in thousands of dollars)

4. CONTROL OF NOT-FOR-PROFIT ENTITIES

The Authority controls the Health Care Foundation of St. John's Inc., Janeway Children's Hospital Foundation, Ever Green Environmental Corporation, Trinity-Conception-Placentia Health Foundation Inc., Burin Peninsula Health Care Foundation Inc., Discovery Health 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
- Saint Luke's Homes (A Division of Anglican Home Inc.)
- St. Patrick's Mercy Home
- The Agnes Pratt Home
- The Salvation Army Glenbrook Lodge
- The Pentecostal Assemblies Benevolent Association of Newfoundland and Labrador
- Clarke's Beach Senior Citizen's Home

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. Ultimate ownership of assets and liabilities rests with the individual homes or the respective governing bodies.

EASTERN REGIONAL HEALTH AUTHORITY

Notes to the Financial Statements

March 31, 2009

(tabular amounts expressed in thousands of dollars)

4. CONTROL OF NOT-FOR-PROFIT ENTITIES (Continued)

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, 2009 and 2008 and for the years then ended are as follows (in thousands of dollars):

	Foundations		Hostels and Cottages		Nursing Homes	
	2009	2008	2009	2008	2009	2008
	\$	\$	\$	\$	\$	\$
Financial position						
Total assets	13,907	11,003	11,968	12,569	24,436	21,992
Total liabilities	4,231	3,033	12,172	12,728	39,715	36,857
Total net assets	9,677	7,970	(204)	(159)	(15,279)	(14,865)
	13,908	11,003	11,968	12,569	24,436	21,992
Results of Operations						
Total revenues	9,883	8,454	2,191	2,227	54,955	49,981
Total expenditures	8,120	7,760	2,237	2,237	55,685	50,197
Excess of revenues over expenditures (expenditures over revenue)	1,763	694	(46)	(10)	(730)	(216)
Cash Flows						
Cash from operations	2,003	1,313	440	861	408	645
Cash used in financing and investing activities	(1,333)	(1,021)	(506)	(479)	(865)	(824)
Increase (decrease) in cash	670	292	(66)	382	(457)	(179)

5. ACCOUNTS RECEIVABLE

	2009	2008
	\$	\$
Government of Newfoundland and Labrador	42,840	19,985
Services to patients, residents and clients	14,304	15,839
Other	21,159	10,326
	78,303	46,150

EASTERN REGIONAL HEALTH AUTHORITY

Notes to the Financial Statements

March 31, 2009

(tabular amounts expressed in thousands of dollars)

6. CAPITAL ASSETS

	2009		2008	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
	\$	\$	\$	\$
Land and land improvements	2,810	455	2,355	2,374
Buildings and renovations	345,489	129,746	215,743	216,299
Equipment	336,801	276,766	60,035	60,263
Equipment under capital leases	15,032	14,450	582	1,062
Construction in progress	16,601	-	16,601	13,732
	716,733	421,417	295,316	293,730

7. GENERAL HOSPITAL HOSTEL ASSOCIATION LOAN

The loan is repayable to the Authority in monthly instalments 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 \$115,943.

8. TRUST FUNDS

Funds belonging to residents, patients and clients of the Authority are being held in trust for the benefit of the residents, patients and clients.

9. BANK INDEBTEDNESS

The Authority has access to lines of credit totaling \$64,000,000 in the form of revolving demand loans and/or bank overdrafts at its financial institution. The authority to borrow has been approved by the Minister of Health and Community Services.

EASTERN REGIONAL HEALTH AUTHORITY

Notes to the Financial Statements

March 31, 2009

(tabular amounts expressed in thousands of dollars)

10. LONG-TERM DEBT

	2009	2008
	\$	\$
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 15 year term maturing May 2014, payable in monthly instalments of principal and interest of \$101,670 and is unsecured	5,403	6,264
Royal Bank of Canada (Veterans Pavilion), 4.18% term loan for 5 year term maturing April 2013, payable in monthly instalments of principal and interest of \$55,670 and is unsecured	2,503	1,809
Bank of Montreal, 3.82% loan for 5 year term maturing June, 2010, payable in monthly instalments of principal and interest of \$23,699	347	612
Canadian Imperial Bank of Commerce's prime lending rate less 0.625 basis points borrowing to finance the construction of a new facility at Old Perlican. Loan is repayable in monthly instalments of \$21,200 plus interest, matures in 2016 and is unsecured	1,884	2,139
4.12% Newfoundland and Labrador Housing Corporation mortgage, payable in blended monthly instalments of \$19,403. The mortgage matures in December 2020 and is secured by land and building	2,169	2,311
10% Newfoundland and Labrador Housing Corporation mortgage, payable in blended monthly instalments of \$8,955. The mortgage matures in December 2028 and is secured by land and building	940	954
4.96% Bank of Montreal Bank term loan, amortized to December 2014, repayable in blended monthly instalments of principal and interest of \$7,070	364	-
3.71% Newfoundland and Labrador Housing Corporation mortgage, amortized to July 1, 2020, repayable in blended monthly instalments of principal and interest of \$1,086, secured by the property to which it relates	121	129

EASTERN REGIONAL HEALTH AUTHORITY

Notes to the Financial Statements

March 31, 2009

(tabular amounts expressed in thousands of dollars)

10. LONG-TERM DEBT (Continued)

	2009	2008
	\$	\$
CMHC mortgages on land and buildings -		
8%, on Blue Crest Home; repayable in blended monthly instalments of principal and interest of \$7,777, maturing November 2025	866	890
10.5% on Golden Heights Manor, repayable in blended monthly instalments of principal and interest of \$7,549, maturing August 2027	749	762
3.88% on Golden Heights Manor, repayable in blended monthly instalments of principal and interest of \$22,085, maturing June 2023	2,904	3,053
5.25% Toronto Dominion Bank term loan, repaid during the year	-	397
	148,250	149,320
Less: Current portion	2,462	2,265
	145,788	147,055
Less: Sinking Funds available	8,048	6,807
	137,740	140,248

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 of long-term debt are as follows:

	\$
2010	2,462
2011	2,356
2012	2,394
2013	2,563
2014	1,938

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.

EASTERN REGIONAL HEALTH AUTHORITY

Notes to the Financial Statements

March 31, 2009

(tabular amounts expressed in thousands of dollars)

11. DEFERRED CAPITAL CONTRIBUTIONS (Continued)

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

	2009	2008
	\$	\$
Balance, beginning of the year	90,290	78,661
Grants received	25,356	29,953
Amortization	(14,886)	(18,324)
Balance, end of the year	100,760	90,290

12. SUPPLEMENTAL CASH FLOW INFORMATION

	2009	2008
	\$	\$
Change in non-cash operating working capital		
Accounts receivable	(32,153)	(15,582)
Supplies inventory	(423)	184
Prepaid expenses	460	(1,388)
Accounts payable and accrued liabilities	14,091	11,612
Accrued vacation pay	3,790	4,670
Deferred revenue - operating	10,694	5,798
Deferred revenue - capital	19,013	1,236
	15,472	6,530
Interest paid	10,005	10,510

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, 2009 was \$1,321,199 (2008 - \$1,423,931).

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, 2009 was \$815,134 (2008 - \$862,566).

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

EASTERN REGIONAL HEALTH AUTHORITY

Notes to the Financial Statements

March 31, 2009

(tabular amounts expressed in thousands of dollars)

13. CONTINGENCIES (Continued)

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, 2014 as follows:

	\$
2010	10,809
2011	8,662
2012	7,152
2013	5,513
2014	4,504
	<u>36,640</u>

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, 2009 the outstanding balance of the financing through the Enerplan/Rose Group was \$1,406,261. 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.

EASTERN REGIONAL HEALTH AUTHORITY

Notes to the Financial Statements

March 31, 2009

(tabular amounts expressed in thousands of dollars)

15. RELATED PARTY TRANSACTIONS

Contributions to the Authority during the year are as follows:

	2009	2008
	\$	\$
Janeway Children's Hospital Foundation	1,007	1,723
Dr. H. Bliss Murphy Cancer Care Foundation	620	456
General Hospital Hostel Association	570	575
Health Care Foundation of St. John's Inc.	861	216
Burin Peninsula Health Care Foundation	35	423
Trinity-Conception-Placentia Health Foundation	194	44
Discovery Health Care Foundation	11	400
Lions Manor Inc.	3	-
Janeway Auxiliary	30	-
Carbonear Ladies Auxiliary	15	-
TCRHB Housing Complex Inc.	1	-
Golden Heights Manor Cottages	24	12
Blue Crest Cottages	13	13
	<u>3,384</u>	<u>3,862</u>

EASTERN REGIONAL HEALTH AUTHORITY

Notes to the Financial Statements

March 31, 2009

(tabular amounts expressed in thousands of dollars)

15. RELATED PARTY TRANSACTIONS (Continued)

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

	2009	2008
	\$	\$
Northwest Rotary - Janeway Hostel Corporation	1,226	1,107
Burin Peninsula Health Care Foundation	95	-
Dr. H. Bliss Murphy Cancer Care Foundation	396	260
Health Care Foundation of St. John's Inc.	673	770
Janeway Children's Hospital Foundation	854	491
Golden Heights Manor Cottages	248	185
Ever Green Environmental Corporation	494	460
Blue Crest Cottages	163	88
General Hospital Hostel Association	(105)	420
Masonic Park Apartments	-	-
Salvation Army Headquarters	-	-
Residential Housing - A Division of Anglican Homes Inc.	-	-
Bishop Meaden Manor - A Division of Anglican Homes Inc.	-	-
Discovery Health Care Foundation	103	179
Trinity-Conception-Placentia Health Foundation	216	-
Lions Manor Inc.	8	16
	<u>4,371</u>	<u>3,976</u>

At year end, the amounts due to nursing homes:

	2009	2008
	\$	\$
Saint Luke's Homes	279	6
Masonic Park - Nursing Home	69	102
The Salvation Army Glenbrook Lodge	714	536
St. Patrick's Mercy Home	1,295	406
The Agnes Pratt Home	130	28
The Pentecostal Assemblies Benevolent Association of Newfoundland and Labrador - Clarke's Beach Senior Citizen's Home	638	544
	<u>3,125</u>	<u>1,622</u>

EASTERN REGIONAL HEALTH AUTHORITY

Notes to the Financial Statements

March 31, 2009

(tabular amounts expressed in thousands of dollars)

15. RELATED PARTY TRANSACTIONS (Continued)

Other

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

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

16. CAPITAL MANAGEMENT

The capital structure of the Authority consists of net assets. The Authority's objective when managing capital is to ensure it maintains adequate capital to support its continued operations.

The Authority is not subject to externally imposed capital requirements.

17. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial risk factors

The Authority has exposure to credit risk and liquidity risk. The Authority's Board of Directors has overall responsibility for the oversight of these risks and reviews the Authority's policies on an ongoing basis to ensure that these risks are appropriately managed. The source of risk exposure and how each is managed is outlined below:

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfil its payment obligation. The Authority's credit risk is primarily attributable to receivables. Management believes that the credit risk with respect to accounts receivable is not significant.

Liquidity risk

Liquidity risk is the risk that the Authority will not be able to meet its financial obligations as they become due. As at March 31, 2009 the Authority had cash and temporary investments of \$16,502,691. To the extent that the Authority does not believe it has sufficient liquidity to meet current obligations, consideration will be given to obtaining additional funds through third party funding or the Provincial Government, assuming these could be obtained.

Fair value

The fair value of the Authority's short-term financial instruments approximate the carrying value due to the short-term maturity and normal credit terms of those instruments.

EASTERN REGIONAL HEALTH AUTHORITY

Notes to the Financial Statements

March 31, 2009

(tabular amounts expressed in thousands of dollars)

18. COMPARATIVE FIGURES

Certain of the comparative figures have been reclassified to conform with the current presentation.

EASTERN REGIONAL HEALTH AUTHORITY
Combined Schedule of Expenditures for Government Reporting

Year Ended March 31, 2009

(in thousands of dollars)

	2009	2008
	\$	\$
Administration		
Executive offices	12,983	13,061
Finance and budgeting	8,617	7,880
Human resources	12,119	9,626
Systems support	14,171	12,192
Materials management	16,273	15,138
Other administrative	32,198	28,576
	96,361	86,473
Support		
Housekeeping	26,064	23,007
Laundry and linen	8,239	7,969
Facilities management	50,597	44,309
Food services	27,440	25,277
Other support	21,151	19,327
	133,491	119,889
Patient and resident services		
Acute care	159,768	153,095
Long-term care	116,161	107,092
Other patient and resident services	16,709	12,920
	292,638	273,107
Ambulatory care		
Emergency	21,579	20,991
Outpatient clinics	60,355	59,048
Dialysis	11,643	11,033
Other ambulatory	4,442	4,217
	98,019	95,289

EASTERN REGIONAL HEALTH AUTHORITY
Combined Schedule of Expenditures for Government Reporting

Year Ended March 31, 2009

(in thousands of dollars)

	2009	2008
	\$	\$
Diagnostic and therapeutic		
Clinical laboratory	38,935	32,898
Diagnostic imaging	37,539	36,890
Other diagnostic and therapeutic	62,831	56,252
	139,305	126,040
Client services		
Mental health and addictions	9,939	8,634
Community support programs	110,624	95,581
Family support programs	69,136	55,750
Community youth corrections	4,049	3,658
Health promotion and protection	14,285	13,130
	208,033	176,753
Medical services		
Physician services	58,689	49,031
Interns and residents	14,418	15,093
	73,107	64,124
Research and education		
Research	2,414	2,161
Education	12,509	11,124
	14,923	13,285
Interest on long-term debt		
Interest on long-term debt	10,005	10,048
Other		
Undistributed	12,902	11,079
Total shareable expenditures	1,078,784	976,087

EASTERN REGIONAL HEALTH AUTHORITY
Combined Schedule of Revenue and Expenditures for
Government Reporting

Year Ended March 31, 2009

(in thousands of dollars)

	2009	2008
	\$	\$
Revenue		
Provincial plan	961,294	870,052
MCP	51,998	45,913
Inpatient	9,358	10,461
Resident	16,132	16,183
Outpatient	7,876	6,577
Other	35,659	31,294
	1,082,317	980,480
Expenditures		
Compensation		
Salaries	563,038	511,435
Employee benefits	93,648	84,141
	656,686	595,576
Supplies		
Plant operations and maintance	18,897	17,207
Drugs	36,287	35,993
Medical and surgical	48,746	44,999
Other	194,883	176,246
	298,813	274,445
Direct client costs		
Mental health and additions	60	52
Community support	77,328	68,072
Family support	35,843	27,856
Community youth corrections	49	38
	113,280	96,018

EASTERN REGIONAL HEALTH AUTHORITY
Combined Schedule of Revenue and Expenditures for
Government Reporting

Year Ended March 31, 2009
(in thousands of dollars)

	2009	2008
	\$	\$
Lease and long term debt		
Lease - interest	8	30
Lease - principal	524	703
Long-term debt - interest	9,997	10,018
Long-term debt - principal	3,009	2,571
	13,538	13,322
	1,082,317	979,361
Surplus for government reporting	-	1,119
Lease - principal	524	703
Long-term debt - principal	3,009	2,571
Surplus before non-shareable items	3,533	4,393
Adjustments for non-shareable items:		
Amortization of deferred capital contributions	14,886	18,324
Amortization of capital assets	(24,961)	(25,228)
Interest on sinking fund	493	462
Accrued vacation	(3,790)	(4,670)
Accrued severance	(6,804)	(3,848)
	(20,176)	(14,960)
Excess of expenditures over revenue	(16,643)	(10,567)

EASTERN REGIONAL HEALTH AUTHORITY
Combined Schedule of Capital Transactions Funding and Expenditure
for Government Reporting

Year Ended March 31, 2009

(in thousands of dollars)

	2009	2008
	\$	\$
Revenue		
Provincial plan	36,803	23,522
Deferred grants previous year	14,837	13,601
Foundations and auxiliaries	2,275	2,843
Infoway	1,840	1,300
Transfer from operations	222	3,121
Proceeds from long-term debt	1,191	1,809
Other	3,323	403
Deferred grant current year	(33,944)	(14,837)
	26,547	31,762
Expenditures		
Buildings	6,672	1,246
Equipment	16,723	22,956
Vehicles	282	138
Construction in progress	2,870	7,422
	26,547	31,762
Surplus on capital transactions	-	-

EASTERN REGIONAL HEALTH AUTHORITY
Combined Schedule of Accumulated Operating Deficit
for Government Reporting

Year Ended March 31, 2009

(in thousands of dollars)

	2009	2008
	\$	\$
Assets		
Current assets		
Cash and temporary investments	16,503	4,602
Accounts receivable	78,303	46,150
Supplies inventory	7,836	7,413
Prepaid expenses	3,720	4,180
	106,362	62,345
Deferred charges	188	291
General Hospital Hostel Association loan	1,736	1,852
	108,286	64,488
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	108,127	94,036
Deferred revenue - operating	38,151	27,551
Deferred revenue - capital	33,944	14,837
	180,222	136,424
Accumulated deficit for government reporting	(71,936)	(71,936)

I Appendix I – Eastern Health’s Facilities and Bed Numbers

Acute Care Facilities with Long Term Care Beds

Facility	Acute Care	LTC	Bassinettes *excluded from total	Bed Totals	Holding *excluded from total	Critical Care	Palliative	Rehab
Janeway Children’s Health and Rehabilitation Centre	78	0	0	78	0	29	0	0
General Hospital	334	0	30	334	0	32	0	0
L.A. Miller Centre	58	44	0	112	0	0	10	58
St. Clare’s Mercy Hospital	197	0	0	197	0	16	0	0
Waterford Hospital	65	104	0	169	3	0	0	0
Dr. Walter Templeman Health Centre	7	13	0	20	0	0	0	0
Carbonear General Hospital	80	0	10	80	0	6	4	0
Placentia Health Centre/Lions Manor Nursing Home	10	75	0	85	0	0	1	0
Dr. G.B.Cross Memorial Hospital	47	15	9	62	0	4	2	4
Burin Peninsula Health Care Centre	41	0	9	41	0	4	2	0
Bonavista Community Health Care Centre	10	13	0	23	0	0	1	0
Subtotal	927	264	58	1,204	3	91	20	62

Long Term Care Only Facilities

Facility	Long-term care	Beds Total	Holding
Salvation Army Glenbrook Lodge	106	106	
St. Patrick's Mercy Home	213	213	
Saint Luke's Home	127	127	
Agnes Pratt Home	134	134	
Masonic Park Nursing Home	40	40	
Hoyles-Escasoni Complex	392	392	
Chancellor Park	30	30	
Harbour Lodge Nursing Home	107	107	
Carbonear Interfaith Seniors Citizen Home	54	54	
Pentecostal Home Clarke's Beach	75	75	
U.S. Memorial Community Health Centre	30	30	2
Golden Heights Manor	65	65	
Blue Crest Interfaith Nursing Home	61	61	
Subtotal	1,434	1,434	2

Community Health Centres

Facility	Beds Total	Holding
Dr. Wm. Newhook Community Health Centre		3
Dr. A. A. Wilkinson Health Centre		4
Grand Bank Community Health Centre		4
Subtotal	11	11
Eastern Health Total	2,638	16

	Acute Care	LTC	Bassinettes *excluded from total	Bed Totals	Holding *excluded from total	Critical Care	Palliative	Rehab
Eastern Health Total	927	1698	58	2638	16	91	20	62

Bed numbers as of March 31, 2009.

II Appendix II – Indicators: Definitions, Frequency and Sources

		Definition	Sources
1.1 Well-Being	1.1.1 <i>Self-rated health</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	1.2.1 <i>Body Mass Index (BMI)</i>	Percentage of self-reported adults aged 18 and over excluding pregnant females whose BMI is in the obese category	Statistics Canada, Canadian Community Health Survey, 2007
	1.2.2 <i>Chronic Conditions Diabetes</i>	Proportion of household population aged 12 and over who indicate they have received a diagnosis of diabetes from a health care professional	Statistics Canada, Canadian Community Health Survey, 2007
	1.2.3 <i>Chronic Conditions Asthma</i>	Proportion of household 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, 2007
	1.2.4 <i>Chronic Conditions High Blood Pressure</i>	Proportion of household 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
	1.2.5 <i>Cancer Incidence</i>	Age-standardized rate of new primary sites of cancer (malignant neoplasms) per 100,000 population, for all cancers	Statistics Canada, Canadian Cancer Registry (CCR) Database and Demography Division, 2003
	1.2.6 <i>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
	1.2.7 <i>Injuries</i>	% of household 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	1.3.1 <i>Two-week Disability Days</i>	% of household population aged 12 and over reporting one or more two-week disability days	Statistics Canada, Canadian Community Health Survey, 2005
	1.3.2 <i>Participation and</i>	Population aged 12 and over who	Statistics Canada,

		Definition	Sources
	<i>Activity Limitation</i>	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	Canadian Community Health Survey, 2007
1.4 Deaths	<i>1.4.1 Infant Mortality</i>	Infant mortality (death of a child under one year of age), 2-year average, rate per 1,000 births	Vital Statistics, Statistics Canada, 2006
	<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, 2005
	<i>1.4.3 Life Expectancy</i>	Life expectancy at birth, 3-year average (for province and country)	Statistics Canada, Canadian Vital Statistics, Birth and Death Database, Demography Division, 1990-2005
		Life expectancy at birth (Eastern Health region)	Adult Health Survey, 1995
2.1 Health Behaviours	<i>2.1.1 Smoking Status</i>	% of population who smoke daily or occasionally, age 12+	Statistics Canada, Canadian Community Health Survey, 2007
	<i>2.1.2 Frequency of Heavy Drinking</i>	Proportion of those having a drink in the past 12 months who indicated frequency of having 5 or more drinks at one period during the past 12 months	Statistics Canada, Canadian Community Health Survey, 2007
	<i>2.1.3 Leisure-time Physical Activity</i>	Leisure time activity, population 12 and over, who report they are moderately active or active	Statistics Canada, Canadian Community Health Survey, 2007
	<i>2.1.4 Breastfeeding</i>	Breastfeeding rate at discharge.	Newfoundland and Labrador Provincial Perinatal Program and Neonatal Screening Program, 2008
2.2 Living and Working Conditions	<i>2.2.1 High School Graduates</i>	Population 15 years and over, highest level of schooling, high school graduate	Compiled by Community Accounts based on information from Census of Population, 2001, Statistics Canada

	Definition	Sources
2.2.2 <i>Post-secondary Graduates</i>	Population 15 years and over, highest level of schooling, post-secondary graduates	Compiled by Community Accounts based on information from Census of Population, 2001, Statistics Canada
2.2.3 <i>Unemployment Rate</i>	Number of people receiving Employment Insurance during the year divided by the number of people in the labour force	Compiled by the Community Accounts Unit based on information provided by HRDC, 2007
2.2.4 <i>Youth Unemployment</i>	Number of people aged 15 to 24 receiving Employment Insurance during the year divided by the number of people in the labour force	Compiled by the Community Accounts Unit based on information provided by HRDC, 2007
2.2.5 <i>Low Income Rate</i>	Proportion in low income, after tax, all persons.	Statistics Canada, Community Profiles, 2006
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	Compiled by Community Accounts Unit based on Canadian Customs and Revenue Agency, 2005
2.2.7 <i>Government Transfer Income</i>	Transfer payments denote payments made to individual by the federal or provincial government	Compiled by Community Accounts Unit based on Canadian Customs and Revenue Agency summary information, 2005
2.3 Personal Resources	2.3.1 <i>Life Stress</i>	% of those 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</i>	% of population aged 12 and above, who are exposed to second-hand smoke in the home Statistics Canada, Canadian Community Health Survey, 2007



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