2018-19 ANNUAL PERFORMANCE REPORT

LABRADOR-GRENFELL HEALTH

Cover photo: A view of Nain, Labrador

Contents

Photo: Landing in Nain by Samantha Allen-Berrigan

Message from the Chairperson

On behalf of the Labrador-Grenfell Regional Health Authority (LGH) Board of Trustees, I present the Annual Performance Report for 2018-19, in accordance with the Guidelines for Annual Performance Reports for Category 1 Government Entities. The Board understands that it is accountable for the preparation of this report and any results or variances explained herein.

This past year represents the second year of the 2017-2020 strategic planning cycle and the Board is pleased to present the results of the work completed by LGH towards meeting its Strategic Issues in the areas of Improved Access, Streamlined Service Delivery and Better Health. Significant success was accomplished this past year with LGH achieving Accreditation status from both Accreditation Canada and the Institute for Quality Management in Healthcare through dedication to meet accreditation standards and commitment to quality improvement.

LGH continued its work this past year to enhance access to mental health and addictions services both in the implementation of new programs and the improvement to existing services. Launching LGH's first Mobile Crisis Unit in Labrador West has enabled assistance and crisis intervention by experienced professionals at the location of the individual in need. Additionally, LGH Mental Health and Addictions services was able to transition to a walk-in service model, enabling the provision of service to clients at the time of need.

Another notable achievement was the Baby-Friendly designation awarded to the Labrador West Health Centre, the first facility in Atlantic Canada to receive the honor. Baby-Friendly initiatives have been implemented throughout LGH over the last few years, to promote, protect and support breastfeeding and inform choices about infant feeding.

The results of this second year of the LGH's 2017-20 Strategic Plan have provided an opportunity to celebrate continued success and strengthen the foundation for the remaining year of the strategic planning cycle. The Board and staff are proud of this year's accomplishments and look forward to the year ahead.

DR. WAYNE BUTTON
BOARD CHAIR (INTERIM)

Overview

LGH is one of Newfoundland and Labrador's four regional health authorities which covers Labrador and all communities north of Bartlett's Harbour on the Northern Peninsula. LGH provides quality health and community services to approximately 37,000 people (Statistics Canada, Census 2016 data) inclusive of three indigenous groups: Innu First Nation, Inuit, and Southern Inuit. LGH operates 22 facilities, including three hospitals, three community health clinics, 14 community clinics and two long-term care facilities. Its headquarters is based in Happy Valley-Goose Bay.

The LGH mandate and lines of business can be viewed through the LGH website www.lghealth.ca.

Key Statistics

HUMAN RESOURCES DATA

As of March 31, 2019, LGH employed 1,517 staff (981 permanent full-time, 41 permanent part-time, 345 temporary and 150 casual workers). Of these, 55 per cent are support staff, 26 per cent are registered nurses, seven per cent are other health professionals (i.e. social workers, physiotherapists, occupational therapists, speech language pathologists, pharmacists), five per cent are laboratory and diagnostic imaging technologists, four per cent are management and three per cent are physicians. There are also more than 250 volunteers throughout the region, including various groups such as Hospital Auxiliaries, Pastoral Care Ministry and lay volunteers, recreation assistance, plus many others who contribute to supporting clients and residents in the LGH region.

LGH staff are based in small population centres (1,000 - 29,999 residents) and rural areas that encompass all territory outside the population centres.

FINANCIAL DATA

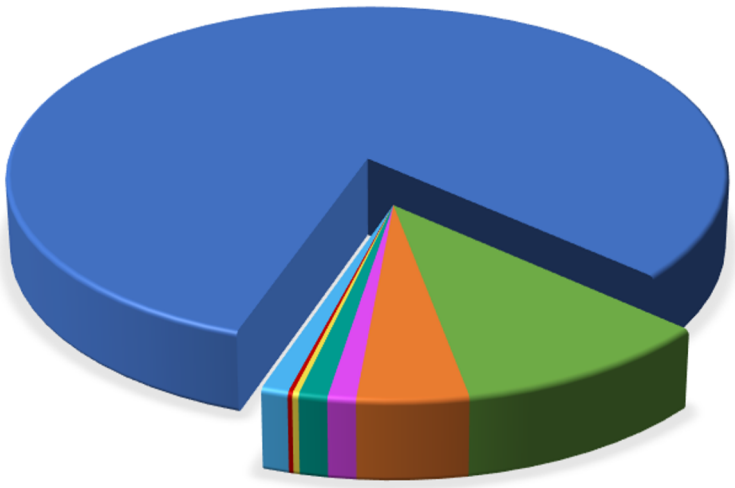
Detailed financial information is available within Appendix I of this report.

SERVICE DELIVERY DATA

Key statistics on Acute Care, Health Centres, Community Clinics, Community Health and Wellness, Long-Term Care and Tele-Health Services are available within Appendix II of this report.

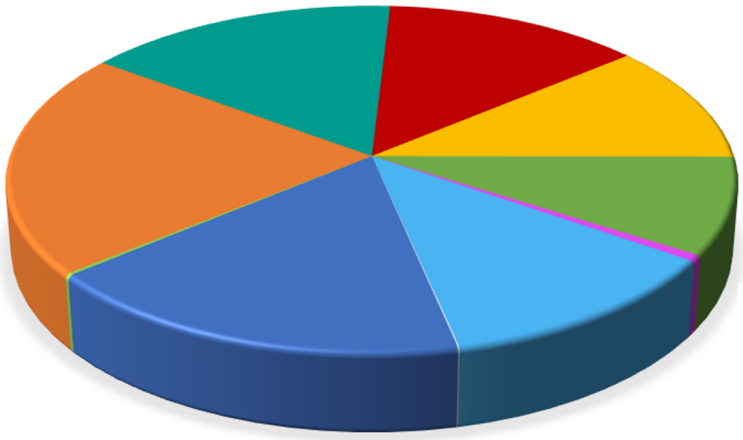
Photo: Mobile Crisis Response Training in Labrador West

OPERATING REVENUE - $193,896,579



- Provincial Plan (Operating Grant Only) $157,527,314
- MCP $20,332,199
- Other $8,631,419
- Provincial Plan (Capital Grant) $2,199,057
- Outpatient $2,228,781
- Inpatient $494,822
- Other Capital Contributions $364,319
- Resident $2,118,668

EXPENSES - $193,241,329



- Nursing Inpatient Services $33,292,362
- Undistributed $365,634
- Support Services $40,584,770
- Community and social services $30,585,842
- Ambulatory Care Service $25,177,211
- Diagnostic and Therapeutic Services $21,462,528
- Administration $17,495,442
- Education $1,075,709
- Medical Services $23,098,511
- Research $103,320

Section I: Highlights and Partnerships

Photo: Mural in the Protective Care Unit at the Happy Valley-Goose Bay Long-Term Care Home

ACCREDITATION

LGH continues to meet national quality standards and best practices in providing healthcare services as indicated by its success in achieving Accreditation Status in June 2018.

Accreditation is an internationally recognized evaluation process which is used to assess and improve the quality, efficiency and effectiveness of healthcare organizations. As part of the assessment, surveyors visited the three main hospital sites: Labrador City, Happy Valley-Goose Bay and St. Anthony; the two long-term care facilities: Happy Valley-Goose Bay and St. Anthony; the Makkovik Community Clinic and the Strait of Belle Isle Health Centre.

The Accreditation Canada surveyors offered considerable feedback based on their observations of LGH's programs and services. They noted that employees were praised for placing a consistent emphasis on quality care and patient safety. In addition, it was also observed that LGH has implemented several programs which are considered leading practices in improving quality care such as Intentional Patient Rounding, Post Discharge Calls, Wellness Café, Doorways, Baby-Friendly Initiative and the LGH Model of Nursing Clinical Practice.

INDIGENOUS PARTNERSHIPS IN HEALTH

LGH collaborates with its Indigenous partners in various capacities to improve the delivery of health services through efforts such as the Innu Round Table, Sheshatshiu Innu First Nation Health Liaison Committee, Labrador Inuit Tripartite Health Committee, and the Inuit Liaison Committee. Through partnerships with the Nunatsiavut Government, Sheshatshiu Innu First Nation, Mushuau Innu First Nation and Indigenous Services Canada, progress is being made to understand the unique health needs of Indigenous populations and to identify opportunities for improvement.

In early 2019, LGH began partnering with Nunatsiavut Government, Sheshatshiu Innu First Nation, Mushuau Innu First Nation and Indigenous Services Canada on a project to address the need for improved provision of culturally safe care. Moving Forward Together: Ensuring Cultural Safety in Healthcare received funding through the Health Services Integration Fund in March 2019 to increase collaboration between LGH, Innu First Nations and Nunatsiavut Government to design and deliver educational awareness and relationship building opportunities for staff of Labrador-Grenfell Health and the Indigenous populations it serves.

Collaboration with Sheshatshiu Innu First Nation on the delivery of primary healthcare services and chronic disease management strategies continue to be a priority for LGH.

TOWARDS RECOVERY RECOMMENDATIONS

In response to the All-Party Committee on Mental Health & Addictions, the Provincial Government released its report, Towards Recovery: The Mental Health and Addictions Action Plan, in June 2017. The plan will guide the implementation of the 54 recommendations outlined and provide direction for mental health and addictions for a five-year period 2017-2022.

As a result of the Action Plan, LGH has made improvements in many areas:

- Mobile Crisis Response (MCR) teams - In partnership with the Department of Health and Community Services and the Royal Newfoundland Constabulary the Towards Recovery Action Plan endorsed a collaborative approach in implementing a Mobile Crisis Response team across the region. In March 2018, the first Mobile Crisis Response team in the LGH region was established in Labrador West. As of March 31, 2019, the Mobile Crisis Response team responded to 126 calls.
- Re-designed Service Delivery : Walk-In Approach – Recognizing the need to reduce the wait list and improve access to services, a process review was conducted to determine how to better meet the needs of our clients. In consultation with community partners, a walk-in model was identified which would better meet the needs of the region. In August 2018, LGH initiated the walk-in model in Happy Valley-Goose Bay with expansion to all areas of LGH region by March 2019. Appointment-based service continues to be provided as needed, as many individuals suffer from chronic persistent mental illness.
- Improvements to Psychiatry services – LGH received funding from the Department of Health and Community Services for a one-year pilot of a telepsychiatry position. In December 2018, a psychiatrist began full-time telepsychiatry services throughout the LGH region via videoconference from St. John's. This initiative improves the timeliness of access, minimizes the need for travel, reduces costs associated with on-site locum-based services for these hard to recruit positions and lowers cost of service delivery while providing better care for our clients.

IMPROVED ACCESS TO CARDIAC SERVICES

In December 2018, LGH began providing adult Echocardiogram services at the Labrador West Health Centre. An echocardiogram is often referred to as a 'cardiac echo' or simply an 'echo' and is a sonogram of the heart. Having this service available in Labrador West improves access to both its immediate residents and to residents across Labrador. Access to Echo services reduces the need for travel outside of the Labrador region as well as the financial and emotional costs of medical travel.

PARTNERING FOR A HEALTHY FUTURE

In the Fall of 2018, LGH partnered with the Town of St. Anthony on an engagement project to discuss the health and well-being of communities on the Northern Peninsula and Southern Labrador. In the summer of 2018, the Town conducted a public survey that received over 100 responses, to identify health priorities. Combined with results from the LGH Community Health Needs Assessment, priorities covered a wide range of areas which resulted in the identification of four key themes: Mental Health and Addictions, Healthy Aging, Access to Services and Recruitment and Retention.

With the four themes in mind, the Town of St. Anthony and LGH developed a health forum event, with support from the Office of Public Engagement, to discuss each topic with community members and collaboratively identify opportunities for improvement. The day-long event enabled open discussion with citizens sharing ideas on the needs of their unique populations. Particular attention was paid to how the health authority and communities can better meet the needs of the growing aging population.

Information collected from the event is being compiled by the Office of Public Engagement and will be provide to LGH and the Town to help inform decisions around the delivery of health services in the Northern Peninsula and Southern Labrador areas.

IMPROVING SERVICES IN LONG-TERM CARE

In 2018-19, LGH aimed to improve services in long-term care through the development and implementation of several initiatives which sought to utilize feedback from residents and families to better meet the needs of our residents. Initiatives to enhance the lives of long-term care residents include:

- Long-Term Care Resident & Family Survey - LGH developed a survey in November 2018 to collect feedback and identify opportunities to improve services in long-term care. Two surveys were provided, one to residents and one to family members/substitute decision makers. The survey identified that LGH was doing well in orientation of residents when moving into their new environment and in respecting the rights of residents and families. There was opportunity to improve in providing recreational programming, to enhance the quality of life for residents. The survey was also used to engage residents and families in the formation of Resident and Family Councils.
- Culturally appropriate meals – In response to a request for "country foods," the Happy Valley-Goose Bay Long- term care home has been implementing culturally appropriate foods such as salt beef, pea soup, fish cakes, grilled cod, salmon and red berries to provide residents with more choice.

- Breakfast program – The seniors Breakfast Program is an initiative developed by the Long-Term Care team in Happy Valley-Goose Bay. It focuses on enhancing the lives of residents through their culinary experience. Taking place bi-weekly for residents in the nursing unit and every four months in the Protective Care unit, a special breakfast experience is provided in a separate dining area to a group of approximately five residents. Accompanying the breakfast residents regularly receive, one or two "specialty" items are included. These specialty items are prepared in front of these residents, providing additional sensory stimulation. Planning began in December 2018 and was structured to be inclusive of all residents without dietary restrictions. The program is provided to eligible residents on a rotating basis, ensuring they are provided with the opportunity to participate regularly.
- Protective Care Working Group - A established to enhance the lives of residents living in the Protective Care Unit at Happy Valley-Goose Bay, through innovative and safe initiatives. Through the working group, a mural was funded by the Labrador Health Centre Auxiliary group and painted by a local artist in December 2018. It depicts a home-like space with bookshelves, a fireplace, Labrador crafts and a dog. By placing the mural on the wall which houses the exit door, the painting provides a home-like feeling and diverts residents with exit-seeking behavior.

  The Auxiliary also funded "True Doors". This project involved residents and their families choosing a door design which best evoked a sense of familiarity or joy for the resident. The chosen design was created as a sticker which was placed over the residents' doors to better resemble the entrance to a home. This reduces the institutional feeling and helps orientate the individuals to their personal space.

Photos: Labrador Health Centre Auxilliary visits the True Doors project funded by the group in 2018.

IMPLEMENTATION OF CODE STROKE AND STANDARDIZED STROKE DOCUMENTATION

In collaboration with the Department of Health and Community Services, LGH implemented a Code Stroke protocol at the three designated Stroke Centers – Charles S. Curtis Memorial Hospital, Labrador Health Centre and Labrador West Health Centre in April 2018. Code stroke is a provincial initiative based on Canadian Best Practice recommendations for stroke care.

Collecting and measuring specific stroke quality indicators provide the basis for evaluating and improving treatment of stroke patients. To facilitate improved data collection, LGH developed a standardized stroke documentation form (April 2018) and an electronic data collection system (October 2018). Standardized documentation allows LGH to better measure the care provided and ensure patients are receiving the appropriate interventions and services within the assigned benchmarks.

Section II: Report on Performance

Photo: Staff at the Labrador Health Centre spend time with client receiving dialysis treatment.

ISSUE 1: IMPROVED ACCESS

Improving access to essential heath services remains a priority for LGH as it is vital in promoting the overall health of the population served. Timely access to services greatly impacts physical, social and mental health. Critical to improving access is ensuring services are provided by the appropriate provider in the right location in an efficient manner. LGH has improved access to services through initiatives including automatic client notification of appointments which reduces the incidence of missed appointments and thus improves efficiency. Expansion of Ambulatory Clinic hours has increased access to non-emergent services that would otherwise be referred to the Emergency Room after hours and on weekends, thus creating greater capacity for emergent care. Standardizing appointment protocols in the Outpatient Department has resulted in an increase in the number of patients seen for primary care.

In May 2016, LGH launched the Client Experience Survey to gather feedback from clients on our performance. The Client Experience Survey is branded as the Please Tell Us campaign and invites feedback through an anonymous online survey available to its clients 24 hours a day/seven days a week. The Client Experience Survey is available in a variety of program areas including cancer care, diabetes care, dialysis, home care, hospital emergency services, community clinics and health centres, hospital inpatient services, long-term care, mental health and addictions, obstetrics, public health, surgical services, diagnostic imaging, laboratory and rehabilitation.

SCORECARD FOR STRATEGIC PLANNING GOALS

Goal: By March 31, 2020, LGH will have enhanced access to primary health services.

Objective Year 2: By March 31, 2019, LGH will have implemented additional initiatives to support further improvements in client access to selected services.

INDICATORS

Planned for 2018-19	Actual Performance 2018-19
Expansion of the 'no-show' and cancellation policies into the Mental Health and Addictions, Outpatients and Rehabilitation program areas.	In keeping with the Department of Health and Community Services' initiative to decrease wait time and improve access to services, a 'no show'/cancellation policy was implemented for Psychiatry services January 2019 and for Visiting Specialist appointments in March 2019.

These policies help to reduce inconsistencies and improve wait times by implementing standardized processes for missed or cancelled appointments.

Expansion of the policies throughout Mental Health & Addictions services was planned to be implemented regionally by December 2018. However, in August 2018, LGH began transitioning to a walk-in service model in the department and therefore was no longer in need of the 'no-show' and cancellations policies.

Due to the need to further explore implementation into the complexities of why clients may cancel or miss an appointment for rehabilitative services, LGH was unable to successfully implement the policies into the area of Rehabilitation in the 2018-19 year.

LGH was able to implement the no-show and cancellation policies into the Outpatient Department for referred appointments with visiting physicians in the 2018-19 year. Expansion to other referred appointment areas is anticipated in the future.

Expansion efforts will continue in the 2019-20 year with other program areas such as local specialist services and diabetes services.

Planned for 2018-19	Actual Performance 2018-19
Continued implementation of Community-Wide Scheduling in selected program areas.	Community-Wide Scheduling (CWS) is a module which provides for the scheduling of all resources (nursing, physicians, examination rooms) for inpatient and outpatient visits including surgical services, outpatient departments, diagnostic and therapeutic departments and any other service provided within a facility. Community-Wide Scheduling plays a major role in capturing client census, demographics and visit-specific information. This system also enables the information to be immediately available across the Electronic Health Record in preparation for patient arrival. In the 2018-19 year, CWS was implemented in the following areas: • Physiotherapy • Speech Language Pathology • Population Health • Mental Health & Addictions • Occupational Therapy
Continued implementation of the Appointment Notification System into selected program areas.	LGH has partnered with the Department of Health and Community Services and Central Health in implementing a patient Appointment Notification System (ANS), a system which reminds clients of their upcoming appointments via text, call or email. The client is given the option to confirm or cancel the appointment within their notification. This is two-tiered strategy which aims to reduce the number of missed appointments (by reminding the client of the scheduled time) and reduce the wait time for appointments (by freeing up an appointment time if there is a cancellation). Reminders also allow clients to carry out any required preparations for their appointment. In the 2018-19 year, ANS was introduced in the areas of: • Cardiac Diagnostic • Diagnostic Imaging • Respiratory Therapy • Adult Echocardiogram • Nuclear Medicine • Ultrasound • Fluoroscopy • Mammography • CT Scan In the four months prior to implementing the policies, there was a 'no show'/ cancellation rate of 9.3 per cent. In the four months following implementation, the rate decreased to 8.5 per cent; a decline of 0.8 per cent. LGH continues to plan for the expansion of the ANS into other departments in the 2019-20.

Planned for 2018-19	Actual Performance 2018-19
Continued the expansion of Ambulatory Care Clinic hours of operation in selected sites.	Ambulatory Care Clinics have been established to allow non-emergent clients to be seen for dressing changes, injections and intravenous medication administration by a clinic nurse, rather than accessing care through an emergency department. These clinics are available at the Labrador West Health Centre, Labrador Health Centre, Charles S. Curtis Memorial Hospital and White Bay Central Health Centre. LGH expanded the hours of clinics at the Labrador Health Centre to operate seven days a week in June 2018. As a result, the number of visits to the Labrador Health Centre clinic in 2018-19 increased by 22 per cent from the previous year. Expansion at the Labrador West Health Centre is expected in 2019. LGH continues to assess the opportunity to expand at other facilities.
Begin implementation of central registration.	Central registration is a process where clients are registered at a central location upon arrival for a visit or appointment to an acute care facility. This ensures seamless appointment registration for clients and improved collaboration with their healthcare providers. With the current system demonstrating inconsistent practices across the region and across program areas, LGH is developing standardized registration policies and procedures and updating technology to improve workflow, streamline service delivery, improve access and enhance the overall client experience. Upon completion, centralized registration will allow clients to be scheduled at the most convenient and appropriate location. LGH completed an environmental scan for central registration in the 2018-19 year, but due to challenges with resource allocation, was unable to begin implementation of the initiative during this time.

Planned for 2018-19	Actual Performance 2018-19
Implement strategies to increase access to primary care providers in outpatient departments.	During the 2018-19 year, a review of Outpatient Department at the Labrador Health Centre and Charles S. Curtis Memorial Hospital took place. The review involved standardizing the length of appointments by type as well as educating staff on scheduling protocol. As a result of the review, and partially due to an increase in physicians, there was an increase of 2,219 appointments at the Labrador Health Centre and 680 at the Charles S. Curtis Memorial Hospital. **Family Practice Unit in St. Anthony** Funding was secured in May 2018 to renovate an area of the Charles S. Curtis Memorial Hospital in St. Anthony to create a Family Practice Unit to improve access to primary care in the area.
Establish a family advisory council to identify opportunities for increased access.	LGH recognizes the value of Person and Family Centered-Care in improving the quality and safety of healthcare in the region. To achieve this, it is vital for providers, leaders, clients and families to work in partnership, when planning, delivering and evaluating healthcare. LGH was unable to establish a family advisory committee within the 2018-19 year due to limited resources and the time required to build a strong Person and Family Centered Care foundation based on best practice. Preliminary work such as the completion of a Person and Family-Centered Care environmental scan, the initiation of a Person and Family-Centered Care Advisory Committee Terms of Reference as well as development of on-boarding processes and education tools has been completed.

Planned for 2018-19	Actual Performance 2018-19
Continue to monitor the Client Experience Survey.	LGH values and appreciates feedback from clients and continues to monitor and analyze information received in the online Client Experience Survey on a regular basis.

LGH uses feedback to identify opportunities for continuous quality improvements within the organization to meet the needs of the population it serves.

The 2018-19, the feedback from residents has been very positive identifying improvements in all areas. While access to services has been identified as opportunity for improvement, LGH did note a slight improvement by 8 %. In keeping with LGH strategic plan, access is a priority and we continue to make improvements in this area.

DISCUSSION OF RESULTS

One of the key objectives for 2018-19 was to increase client access to services. LGH has realized many accomplishments in this area including expanded access to ambulatory care clinics. This initiative not only improves client access to routine services such as wound care and intravenous medication administration in an ambulatory setting it also allows better utilization of Emergency Room resources for clients requiring emergent care.

Improvements to access involve ensuring clients receive the appropriate care at the appropriate time and in the appropriate location. By transitioning to a walk- in service model in the Mental Health and Addictions Department in 2018, clients no longer have to wait to receive counselling. This has a large impact on outcomes as client's needs are addressed when they seek services; as opposed to obtaining a referral and being placed on a wait list. This reduces risk of a crisis occurrence as well as the support of knowing services are readily available when needed.

Recognizing that a high rate of 'no-shows' or cancellations to appointments means missed opportunities to provide services to those in need, the implementation of the Appointment Notification System supports improving access to clients by ensuring appointments are completed as well as by identifying available times for clients waiting for a scheduled appointment. The expansion of this system throughout the authority will assist LGH in providing its services to more clients with reduced waiting periods.

OBJECTIVE YEAR 3

By March 31, 2020, LGH will have implemented specific improvements that result in the right care, provided by the right providers, to the right client, in the right place and at the right time.

- **Continued to implement strategies to decrease no-show rates in the Outpatient Departments.**
- **Continued to implement strategies to increase access to primary care providers in select Outpatient Departments**
- **Completed implementation of a Family Advisory Council**
- **Identified strategies to improve access to Pediatric services throughout the region**
- **Implemented Remote Patient Monitoring for Chronic Obstructive Pulmonary Disease throughout the region**

ISSUE 2: STREAMLINED SERVICE DELIVERY

LGH has continued to build on its earlier successes of making the best use of available resources to ensure the delivery of quality health programs and services to its region. By focusing on the development of key initiatives, the efficiency and effectiveness of service delivery has been at the forefront of the authority's priorities.

This approach involves determining the appropriateness of care and the utilization of resources. In line with The Way Forward and the Department of Health and Community Services' strategic directions, LGH is aiming to improve efficiencies to lower costs and ensure that streamlined strategies not only improve client outcomes but enhance relationships with clients.

Vital to effectively streamlining services are the key components of collaboration, client-focus and data-driven best practices. Communication and coordination across programming with both internal and external stakeholders facilitates success of transformative initiatives. For example, LGH has implemented a client relations process that enables the health authority to directly manage client compliments and complaints through communication with appropriate providers and program areas in order to resolve concerns. This not only improves client satisfaction but identifies areas for performance improvement.

To better support the population, LGH continues to work with the Department of Health and Community Services, the other Regional Health Authorities and stakeholders to improve community supports across the region to ensure clients are supported to have their needs met in their own home. This is the intent of the Home First Initiative. It also reduces visits to acute care facilities and therefore improves access to acute care services.

SCORECARD FOR STRATEGIC PLANNING GOALS

Goal: By March 31, 2020, LGH will have streamlined operations to appropriately realign and match resources with demonstrated utilization.

Objective Year 2: By March 31, 2019, will have decreased the average length of stay in selected hospital facilities.

INDICATORS

Planned for 2018-19	Actual Performance 2018-19
Continue implementation of Acute Care Bed Management strategies.	**Acute Care Bed Management** With the increasing burden of chronic illness, hospitals across the country are faced with the task of ensuring best practices in bed utilization are employed. Acute Care Bed Management strategies aim to improve patient flow, shorten length of stays and alleviate overflow. In keeping with the Department of Health and Community Services' direction to ensure appropriate utilization of acute care beds, LGH continues to implement recommendations from the 2016 Auditor General Report. Many strategies have been implemented in the in 2018-19 year: **Alternate Level of Care Best Practices** The increasing number of Medically Discharged and Alternate Level of Care patients directly impacts the number of available acute care beds available for admissions. An Alternate Level of Care client is one that has been admitted to acute care but is not in receipt of acute care services. Members of the LGH Acute Care Bed Management Team monitor admissions to address Alternate Level of Care admissions and determine if services can be provided to prevent unnecessary hospital admissions/ minimize length of stay. Effectively and efficiently transitioning clients from Alternate Level of Care is also part of the Home First Philosophy. An Alternate Level of Care Committee was established and in April 2018, it succeeded in finalizing policies and procedures as well as developing an overflow algorithm. Electronic data collection pertaining to Alternate Level of Care has been provincially identified as an area for improvement and LGH continues to work with partners to address these concerns.

Acute Care Bed Management Scorecard

IIn 2018-19, an Acute Care Bed Management Scorecard was finalized and implemented throughout the region. The scorecard is disseminated weekly and allows LGH to better monitor benchmarks in areas such as Emergency Room utilization, admissions, bed occupancy, length of stay and alternate level of care. LGH has also partnered with the Department of Health and Community Services, Newfoundland and Labrador Centre for Health Information, Canadian Institute for Health Information, other Regional Health Authorities and its own Information Management and Technology Department in the development of a Provincial Healthcare System Scorecard which will provide further insight on effectiveness of practices and assist with establishing benchmarks. The scorecard allows LGH to create a Regional Daily Bed Census which tracks daily utilization of acute care beds. It also serves to initiate and empower continuous improvement in acute care bed management.

Visualization Management

A Visualization Management Strategy was implemented regionally in Summer 2018. This strategy utilizes a white board and color coding to visually track patient progress towards discharge. This initiative is also used to track progress of patient referrals. A major impact of this strategy has been the improvement in multidisciplinary team approach to discharge planning across the region. It also allows for better evaluation of patients and their targeted dates for timely discharge, in a collaborative approach including team members as well as patients.

FacilityFit Pro

LGH is the first Regional Health Authority in Atlantic Canada to implement a system to monitor and measure the task of cleaning beds in real-time; ensuring patients are admitted in a timely manner. The system was first implemented at the Labrador Health Centre in December 2017 and through its success, was implemented at the Labrador West Health Centre in September 2018 and the Charles S. Curtis Memorial Hospital in November 2018.

Additionally, LGH continues to develop and implement acute care bed management strategies to utilize supports appropriately and ensure that discharge plans are in place for clients prior to the day of discharge.

Planned for 2018-19	Actual Performance 2018-19
Continue the implementation of Home First Strategy.	**Home First Philosophy** In partnership with the Department of Health and Community Services, the province's four Regional Health Authorities have implemented a Home First approach to care. The Home First Philosophy is an interdisciplinary approach meeting the needs of clients while promoting safe and timely care in the most appropriate setting. It is an initiative designed to provide enhanced supports to clients allowing them to remain in their homes and communities, avoid unnecessary hospitalization and premature long-term care placement, and successfully transition back into the community following an admission. In 2018-19, there were 19 LGH clients who received Home First supports. **Changing the Nurse Practitioner Model** To better meet the needs of the community and promote a Home First approach, LGH changed the Nurse Practitioner model at Charles S. Curtis Memorial Hospital in 2018 from an emergency/ ambulatory care service to supporting the Home First Initiative with a primary health care emphasis. This change allows the Nurse Practitioner to be integrated into the Home First Network to not only provide oversight to clients in the Charles S. Curtis Memorial Hospital and John M. Gray Centre, but throughout the community as needed and provide a chronic disease prevention and management clinic for clients 50 years of age and older. **Home First Network** Recognizing that Home First is the responsibility of all front-line clinicians, LGH implemented a Home First Integrated Network regionally in Fall 2018 to integrate services and to eliminate inefficiencies created through separation of programming. The network includes diverse areas of expertise including case management, nursing care, occupational therapy, physiotherapy, palliative care, dementia care, mental health and social work. Clinicians within the network provide services to clients with complex needs and to clients accessing regular programming. In 2018-19, LGH was also successful in adding a Physiotherapist lll position in St. Anthony and an Occupational Therapist lll position in Happy Valley-Goose Bay which further support the Home First Network. Through this network, LGH has implemented an after-hours, on-call system at all three hospitals in which a 'home is best' checklist is completed by the Emergency Room Nurse for clients over the age of 18 who require emergency Community Support Services. A referral is

sent to the on-call Social Worker who completes a contact assessment and begins the process for effectively transitioning clients back home.

Community Support flagging system

To enhance support for clients, LGH introduced a system which notifies the appropriate community support worker if one of their clients visits the Emergency Room Department or is admitted to Acute Care. This notification prompts intervention and follow-up to reduce admissions and identify needs to prevent re-admission.

Home Intravenous Program

Home First initiatives have identified new possibilities for home care services. In July 2018, an at home intravenous program was developed in Happy Valley-Goose Bay. The program involves Community Health Nurses teaching and supporting eligible clients and their families to administer intravenous antibiotics at home. Six clients have utilized this program since inception. Expansion of the program across the region is expected in the future.

To meet the needs of home care clients on evenings and weekends, LGH also works to provide access for services such as at-home IV medications for non-ambulatory patients and end-of-life care.

Planned for 2018-19	Actual Performance 2018-19
Continue the implementation of best practices related to medication safety.	**Pharmacy & Therapeutics Committee** The LGH Pharmacy & Therapeutics Committee continues to develop policies and procedures around medication safety across the region. Areas of focus in 2018-19 included the development of an Automatic Stop Order Policy (a policy which defines the specific duration for which particular medications may be dispensed and administered without a new medication order), working towards the implementation of unit dose packaging and automated dispensing cabinets, changes to medication dispensing at community clinics and a prospective analysis of medications on units at the Charles S. Curtis Memorial Hospital.

Changes to medication dispensing

In 2017, through consultation with the Newfoundland and Labrador Pharmacy Board and the Association of Registered Nurses of Newfoundland and Labrador, it was determined that LGH was unable to comply with regulatory standards of medication dispensing at community clinics. As a result, LGH community clinics on the south coast of Labrador terminated the dispensing of long-term prescription medications in September 2018. At this time, clients chose a retail pharmacy to oversee the management of their medications. The change ensures that LGH follows best practices which promote and protect the rights and responsibilities of clients. It also ensures that all medications are entered into the Pharmacy Network.

This change was implemented at the following clinics:

- Charlottetown
- Mary's Harbour
- Port Hope Simpson
- St. Lewis

LGH collaborated with Indigenous partners and community stakeholders to plan further implementation across the region in 2019-20 fiscal year.

Standardizing medication labels

To ensure LGH meets standards outlined by the Newfoundland and Labrador Pharmacy Board, new templates were developed and implemented for the printing of medication labels for each facility.

DISCUSSION OF RESULTS

Acute Care Bed Management is a key area where LGH is working to streamline service delivery. Initiatives designed to monitor the utilization of acute care beds ensures appropriate use of beds as well as availability of beds for those needing acute care admission.

A vital factor contributing to reducing unnecessary admissions is the availability of supports outside of an acute care facility. Through the implementation of a Home First approach, a growing network of clinicians and programs will enable clients across the region to receive care in their homes. This ensures that individuals receive appropriate care to meet their needs in the right location and also ensures better utilization of acute care resources. By implementing a flagging system linking clinicians to their clients when and if they present at an Emergency Room, LGH is better able to monitor clients receiving Home First supports and assess changing needs.

As the Home First Network continues to grow, a decrease in acute care admissions and Emergency Room visits will maximize the utilization of LGH services and improve health outcomes across the region.

OBJECTIVE YEAR 3

By March 31, 2020, LGH will have realized improvements in selected financial performance indicators.

- **Reduced overtime expenditures by 10%**
- **Implemented strategies to reduce the cost of constant observations in Acute Care**
- **Achieved appropriate length of admission for select diagnosis through continued implementation of Acute Care Bed Management strategies**

ISSUE 3: BETTER HEALTH

Improving population health is complex and involves working with communities and stakeholders to implement a variety of strategies to improve the health of the entire population. This approach is required to improve the quality of life for the population served and requires the attention of stakeholders to create a balance between the efforts of the clinical health system and supports within communities.

LGH has partnered with the Better Institute, and key stakeholders inclusive of Indigenous partners to implement the BETTER program. This program, "Building on Existing Tools to Improve Chronic Disease Prevention and Screening in Primary Care" aims to provide individuals with the knowledge, skills and ability to be informed about appropriate prevention and screening practices to improve overall health.

There is strong evidence for prevention and screening for diabetes therefore LGH has trained staff regionally inclusive of indigenous partners at the Mani Ashini Clinic in Sheshatshiu.
In addition, LGH offered the chronic disease self-management program, Improving Health My Way with over 30 participants completing the program. This program educates clients on how to better manage chronic disease.

Photo: Staff, community members and clients raise awareness on the importance of having support during pregnancy.

SCORECARD FOR STRATEGIC PLANNING GOALS

Goal: By March 31, 2020, LGH will have implemented a comprehensive and coordinated community-based strategy to begin to realize improvements in selected priority health outcomes.

Objective Year 2: By March 31, 2019, LGH will have identified specific and practical actions that can be implemented to support the improved health outcomes of clients in selected priority areas.

INDICATORS

Planned for 2018-19	Actual Performance 2018-19
As part of the Primary Health Care Renewal Strategy, LGH will implement community advisory committees in selected communities.	Through phase two of the Community Health Needs Assessment, LGH planned engagement sessions with key stakeholders in communities across the region to identify priority health needs, specific to each area. Working with stakeholders, LGH engaged with many communities about how to collaboratively address needs and promote awareness around primary healthcare strategies. One such strategy is the establishment of community advisory committees. These groups will work together to identify opportunities within their communities as well as to determine best practices in meeting the health needs of the area; working with LGH primary health representatives. Recruitment for community advisory committees began in 2018. Due to the complexities of coordinating engagement sessions across the region with weather and geographical challenges and ensuring appropriate procedures were taken in the process with our partners, LGH was unable to establish committees within the 2018-19 year.
Continue to develop a comprehensive strategy to provide tuberculosis prevention and management.	LGH has worked with their partners, Nunatsiavut Government, the Department of Health and Community Services and Indigenous Services Canada, on strategies surrounding the eradication of tuberculosis in Indigenous communities. Initiatives focus on X-ray clinics; Tele-heath videoconferencing appointments with patients that require follow-up and shorter treatment regimes for latent tuberculosis.

Access to information

Through this partnership, access to the tuberculosis database and Meditech system was provided to Nunatsiavut Government staff through an information sharing agreement.

X-Ray Screening Clinics

In 2018, LGH received a mobile x-ray unit for temporary use from National Emergency Strategic Stockpile. The mobile unit was deployed to the community of Nain to assist with the management of a tuberculosis outbreak. X-ray clinics began in April 2018 for individuals with tuberculosis symptoms as well as individuals identified through a process of contact tracing.

Community Wide Screening

Following the stabilization of the outbreak, LGH and Nunatsiavut Government developed and implemented a community-wide screening program in Fall 2018, including a comprehensive review of all residents in Nain to determine screening status. Testing was then made available to all residents who had not already received tuberculosis screening. Through this initiative, 71 per cent of residents were assessed in the 2018-19 year.

Action committees

Additionally, a tripartite steering committee was developed with representatives from LGH, Nunatsiavut Government, the Department of Health and Community Services and Indigenous Services Canada, including ministerial representation. An Implementation Committee and a Clinical Working group committee were also established through this partnership. All three levels are working simultaneously to address the tuberculosis challenge within the LGH region.

Tuberculosis Support

LGH continues to work with its partners on a tuberculosis engagement strategy to review and identify areas for improvement in tuberculosis education, clinical care and follow-up. To assist with tuberculosis work, LGH hired a Medical Officer of Health, whose position with the organization is dedicated to tuberculosis strategies.

Planned for 2018-19	Actual Performance 2018-19
Review, develop and begin the implementation of a Diabetes Management Plan to determine future dialysis needs.	LGH has finalized an environmental scan identifying the prevalence of diabetes in the region and has completed an assessment to determine and predict future needs for renal services. LGH has implemented a variety of strategies to improve services for clients with diabetes. An interdisciplinary approach, inclusive of a multitude of primary care providers has been established to provide holistic, client-centred care. In keeping with LGH's strategic plan to improve access to services, the organization is utilizing a variety of options to meet client needs to ensure care is provided in the right place. This is inclusive of face-to-face visits, Tele-health, remote patient monitoring and telephone support. Diabetes educators have identified that Tele-health and remote patient monitoring has increased service to clients who may have challenges accessing a traditional face-to-face appointment. In addition, Dietitian support is also offered by face-to-face visits and Tele-health utilizing the 811 "Dial a Dietitian". To ensure continuity and quality of care an electronic documentation system was established based on the Canadian Diabetes Association Clinical Practice Guidelines. This provides all providers with timely access to patient information to improve patient outcomes.
Continue to implement and enhance the development of an Employee Wellness Program.	LGH continues to implement an Employee Wellness Program, recognizing the importance of wellness to the health of the organization. In 2018-19, LGH initiatives included: • Employee and Family Assistance Program (EFAP) – a program available at LGH which provides mental health and addiction support to staff and their families. Utilization of the Employee and Family Assistance Program in 2018-19 for LGH was 7.94 per cent, up from 5.49 per cent in 2017-18; an increase of 1.9 per cent in utilization. • Lunch and learn sessions for staff with topics such as Employee and Family Assistance Program, Sleep Apnea, Alternative Employee Wellness, Diabetes Awareness and Safety During the Holidays. • Smoking Cessation Program, providing subsidized Nicotine Replacement Therapy for employees who smoke as well as opportunities to attend smoking cessation peer groups.

- Social Committee which coordinates social events and activities for staff and family
- The Working Mind - a workplace mental health and wellness education program offered by the Mental Health and Addictions Department and is designed to address and promote wellness and reduce the stigma of mental illness in a workplace setting. In 2017-18, a total of 74 individuals received the training with a significant increase in the 2018/19 year, with a total of 361 staff completing the training.
- 30- Day Mindfulness Challenge – an online program designed to assist with improving mental wellness, resiliency and performance in the workplace. The challenge is shared with all LGH employees each month. The challenge was first introduced in the 2018-19 year, with a total of 263 individuals registering for the challenge.

Planned for 2018-19	Actual Performance 2018-19
Continue to implement Baby-Friendly Initiatives and achieve the Baby-Friendly designation at the Labrador West Health Centre.	LGH received Baby-Friendly Hospital designation at the Labrador West Health Centre in July 2018. This prestigious designation is a globally recognized award that has been established by World Health Organization and United Nations Children's Fund and is provided only to hospitals which can demonstrate that they have implemented best practices in supporting parents and babies in making informed choices about infant feeding. The designation is recognized by the National Authority for the Baby-Friendly Initiative and the Breastfeeding Committee for Canada. The Baby-Friendly Assessment Committee visited the Labrador West Health Centre in June 2018 to interview, observe and evaluate whether LGH staff at the facility were compliant with all ten steps required to be deserving of the designation; the international standards put forth by World Health Organization and United Nations Children's Fund. During the assessment, staff validated that they engaged in best practices such as education and training; creating policies, procedures and programs, providing clinical support; developing clinical assessment tools and raising community awareness of Baby-Friendly Initiatives standards. The assessment noted excellence, particularly in the commitment to "skin-to-skin" and a seamless transition between services provided in hospital, community, health services and peer program supports.

DISCUSSION OF RESULTS

LGH is committed to implementing a comprehensive and co-ordinated community-based strategy for improving select priority health outcomes.

In 2018-19, LGH continued to work with Indigenous partners to address the incidence of tuberculosis in the region. A significant achievement was realized with the implementation of community-wide screening for individuals in the community of Nain who were not previously screened through contact tracing. While community-wide screening continues into the 2019-20 year, 71% of residents in the community received tuberculosis screening in 2018-19. Follow-up with active and latent tuberculosis patients is improving the management of the disease and ensuring patients complete treatment.

Through a commitment to promoting, protecting and supporting parents with choices in infant feeding, LGH received its first Baby-Friendly Designation, in Labrador West. Baby-Friendly initiatives have improved engagement between clinicians and parents and are proven to improve health outcomes for babies. LGH continues to implement these strategies throughout the region, with a goal of receiving designations at other facilities in the future.

OBJECTIVE YEAR 3

By March 31, 2020, LGH will have realigned its efforts and services at the community level to coordinate a new approach to improving selected priority health outcomes.

- **Implemented Community Advisory Committees in selected areas**
- **Implemented the Primary Health Care working groups in selected areas**
- **Implemented the Guarding Minds at Work program to enhance employee wellness**
- **Implemented an Employee Wellness Committee to create an Employee Wellness Plan**
- **Began the implementation of home-based dialysis**
- **Identified opportunities in community-based service models for seniors living in rural and remote areas**

Section III: Opportunities and Challenges Ahead

Photo: Paramedics present Cameron Hilliar with a certificate praising his actions, calling 911 when he recognized his mother was ill.

RECRUITMENT AND RETENTION

Recruitment and retention continue to be a challenge across the province particularly for the rural and remote areas which LGH services. To address these challenges, LGH has engaged many strategies to improve recruitment and retention of employees across the region. Despite initiatives aimed to overcome challenges of recruitment and retention in the region, the organization continues to have difficulty filling vacancies and retaining staff.

Challenges are particularly noted with professional staff, with some difficult to fill positions remaining vacant for extended periods of time. These include positions such as Nursing, Physiotherapy, Speech Language Pathology and Audiology. Additionally, retention of Paramedics and Social Workers in Community Supports roles were difficult in the 2018-19 year.

As a result of recruitment challenges to specialty areas in medical services, LGH has depended upon locums to cover vacancies. The organization is also challenged with filling support staff roles such as clerks, security, environmental services, utility and dietary.

LGH community clinics have been greatly impacted by difficulties in recruitment and retention, experiencing vacancy rates as high as 30% in the 2018-19 year. In these cases, LGH has relied upon casual or temporary staff in addition to its regular permanent full-time staff. To address this challenge, the organization has implemented a skill mix change of Licensed Practical Nurses to community clinics in Cartwright, Mary's Harbour, Natuashish and Nain. This ensures nurses use their full scope to assist Regional Registered Nurses with client care and assists with stabilizing staffing at these sites.

The implementation of the Regional Nurse Retention Program and the introduction of Licensed Practical Nurses has made significant improvement to the stability of community clinics.

LGH has identified that there is an inadequate supply of staff to provide community-based supports (e.g home support workers) which could increase the demands made on long-term care and acute care services. LGH is looking at innovative ideas and opportunities to support clients in their homes and in the communities.

SHARED SERVICES

The Department of Health and Community Services, Newfoundland and Labrador Centre for Health Information, and the four Regional Health Authorities are exploring opportunities to achieve greater efficiencies by sharing the delivery of non-clinical service functions including procurement, supply chain and information management and technology. It is anticipated that economies of scale will enable discounted purchasing of products, services and capital equipment. Efficiencies can also be realized through a provincial approach to implementing information management and technology projects. Each Regional Health Authority will be able to learn from expertise and experience that has been gained by its colleagues.

There are also some potential challenges associated with implementing a shared services delivery model and navigating through these transformations. Effective communication across the Regional Health Authorities and with the Department of Health and Community Services and the Newfoundland Labrador Centre for Health Information is vital. Change management strategies are essential to ensure staff are engaged throughout the process, organizations maintain a sense of control over the provision of such services and service remains responsive to meet the needs of the health authorities as well as other entities impacted.

Appendix I: Audited Financial Statements

Labrador-Grenfell Regional Health Authority – Operating Fund

Non-consolidated financial statements
March 31, 2019

Labrador-Grenfell Regional Health Authority – Operating Fund

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March 31, 2019

Statement of management's responsibility

The accompanying non-consolidated financial statements of the **Labrador-Grenfell Regional Health Authority – Operating Fund** as at and for the year ended March 31, 2019 have been prepared by management in accordance with Canadian public sector accounting standards, and the integrity and objectivity of these statements are management's responsibility. Management is also responsible for all the notes to the non-consolidated financial statements and schedules.

In discharging its responsibilities for the integrity and fairness of the non-consolidated financial statements, management developed and maintains systems of internal control to provide reasonable assurance that transactions are properly authorized and recorded, proper records are maintained, assets are safeguarded, and the Labrador-Grenfell Regional Health Authority complies with applicable laws and regulations.

The Board of Trustees [the "Board"] is responsible for ensuring that management fulfils its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the non-consolidated financial statements. The Board carries out this responsibility principally through its Planning and Finance Committee [the "Committee"]. The Committee meets with management and the external auditors to review any significant accounting and auditing matters, to discuss the results of audit examinations, and to review the non-consolidated financial statements and the external auditors' report. The Committee reports its findings to the Board for consideration when approving the non-consolidated financial statements.

The external auditors, BDO Canada LLP, conducted an independent examination in accordance with Canadian generally accepted auditing standards and expressed an opinion on the non-consolidated financial statements for the year ended March 31, 2019.

Wayne Button
Board Chair (Interim)

Heather Brown
President & Chief Executive Officer

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BDO Canada LLP
53 Bond Street, Suite 200
PO Box 8505
St. John's, NL A1B 3N9 Canada

Independent auditors' report

To the Board of Trustees of
Labrador-Grenfell Regional Health Authority – Operating Fund

Opinion

We have audited the accompanying non-consolidated financial statements of the Labrador-Grenfell Regional Health Authority – Operating Fund (the "Authority"), which comprise the non-consolidated statement of financial position as at March 31, 2019, and the non-consolidated statements of operations and accumulated deficit, changes in net debt and cash flows for the year then ended, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying non-consolidated financial statements present fairly, in all material respects, the non-consolidated financial position of the Authority as at March 31, 2019, and its results of operations, its change in net debt and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Authority in accordance with the ethical requirements that are relevant to our audit of the non-consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Basis of presentation

Without modifying our opinion, we draw attention to Note 2 of the non-consolidated financial statements, which describes the basis of presentation of the non-consolidated financial statements of the Labrador-Grenfell Regional Health Authority – Operating Fund. These non-consolidated financial statements have been prepared for specific users and may not be suitable for another purpose.

Other Matter

The non-consolidated financial statements for the year ended March 31, 2018 were audited by another auditor who expressed an unmodified opinion on those non-consolidated financial statements on July 19, 2018.

Responsibilities of Management and those Charged with Governance for the Non-consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these non-consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of non-consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the non-consolidated financial statements, management is responsible for assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Authority or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Authority's financial reporting process.

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Auditors' Responsibilities for the Audit of the Non-consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the non-consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these non-consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the non-consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsible to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Authority's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the non-consolidated financial statements, or if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, the future events or conditions may cause the Authority to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the non-consolidated financial statements, including the disclosures, and whether the non-consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

BDO Canada LLP

Chartered Professional Accountants
St. John's, Newfoundland and Labrador
July 11, 2019

Labrador-Grenfell Regional Health Authority – Operating Fund

Non-consolidated statement of financial position

As at March 31

	2019	2018
	$	$
Financial assets		
Cash	**1,076,643**	937,945
Restricted cash *[note 3]*	**588,595**	822,530
Accounts receivable *[note 4]*	**3,595,248**	3,777,107
Due from Government/other Government entities *[note 5]*	**5,615,767**	10,158,226
Inventories for resale	**1,156,119**	1,069,222
	12,032,372	16,765,030
Liabilities		
Bank overdraft *[note 7]*	**1,823,169**	2,756,434
Demand credit facility *[note 7]*	**15,520,000**	19,365,000
Accounts payable and accrued liabilities *[note 8]*	**13,459,049**	13,900,243
Due to Government/other Government entities *[note 9]*	**1,252,115**	1,277,802
Employee future benefits		
Accrued severance pay *[note 10]*	**7,313,283**	16,314,722
Accrued sick leave *[note 10]*	**8,585,346**	8,392,766
Accrued vacation pay and other accrued benefits	**7,665,613**	7,873,314
Deferred contributions *[note 11]*		
Deferred operating contributions	**2,462,579**	2,106,305
National Child Benefit [“NCB”] initiatives	**19,192**	97,015
Deferred capital grants	**8,381,627**	6,095,599
Special purpose funds	**372,679**	958,170
	66,854,652	79,137,370
Net debt	**(54,822,280)**	(62,372,340)
Non-financial assets		
Tangible capital assets, net *[note 6]*	**51,090,641**	54,087,559
Prepaid expenses	**1,897,908**	1,800,382
Supplies inventory	**1,246,961**	1,786,113
	54,235,510	57,674,054
Accumulated deficit	**(586,770)**	(4,698,286)

Contractual obligations *[note 12]*
Contingencies *[note 13]*

See accompanying notes to the non-consolidated financial statements.

On behalf of the Board:

_____ Trustee

_____ Trustee

Labrador-Grenfell Regional Health Authority – Operating Fund

Non-consolidated statement of operations and accumulated deficit

Year ended March 31

	2019 Budget	2019	2018
	$	$	$
	[note 17]		
Revenue			
Provincial plan – operating	**157,285,968**	**157,527,314**	152,176,219
Medical Care Plan [“MCP”] physicians	**23,091,500**	**20,332,199**	19,214,604
Provincial plan – capital grant	**—**	**2,199,057**	6,106,595
Other capital contributions	**—**	**364,319**	467,752
Other	**7,411,245**	**7,345,919**	7,493,176
Outpatient	**2,610,303**	**2,228,781**	2,571,605
Long-term care	**2,067,400**	**2,118,668**	2,047,987
Inpatient	**1,065,750**	**494,822**	1,182,917
Transportation and works	**1,285,500**	**1,285,500**	1,285,500
	194,817,666	**193,896,579**	192,546,355
Expenses *[note 15]*			
Support services	**38,839,584**	**40,584,770**	37,862,447
Community and social services	**30,846,414**	**30,585,842**	31,506,021
Nursing inpatient services	**32,610,347**	**33,292,362**	31,924,463
Ambulatory care services	**25,171,478**	**25,177,211**	24,172,368
Medical services	**25,289,935**	**23,098,511**	22,007,492
Diagnostic and therapeutic services	**21,823,275**	**21,462,528**	19,744,505
Administration	**10,316,727**	**17,495,442**	15,643,886
Amortization of tangible capital assets	**6,500,000**	**5,560,294**	6,027,792
Education and research	**1,196,700**	**1,179,029**	1,107,912
Accrued severance pay	**400,000**	**(9,001,439)**	1,554,633
Undistributed	**523,206**	**365,634**	548,401
Accrued vacation pay	**700,000**	**(207,701)**	515,825
Accrued sick leave	**600,000**	**192,580**	256,590
	194,817,666	**189,785,063**	192,872,335
Annual surplus (deficit)	**—**	**4,111,516**	(325,980)
Accumulated deficit, beginning of year		**(4,698,286)**	(4,372,306)
Accumulated deficit, end of year	**—**	**(586,770)**	(4,698,286)

See accompanying notes to the non-consolidated financial statements.

Labrador-Grenfell Regional Health Authority – Operating Fund

Non-consolidated statement of changes in net debt

Year ended March 31

	2019	2018
	$	$
Annual surplus (deficit)	**4,111,516**	(325,980)
Changes in tangible capital assets		
Acquisition of tangible capital assets	**(2,563,376)**	(6,574,347)
Amortization of tangible capital assets	**5,560,294**	6,027,792
(Increase) decrease in net book value of tangible capital assets	**2,996,918**	(546,555)
Changes in other non-financial assets		
Net (increase) decrease in prepaid expenses	**(97,526)**	235,861
Net decrease (increase) in supplies inventory	**539,152**	(187,834)
Decrease in non-financial assets	**441,626**	48,027
Decrease (increase) in net debt	**7,550,060**	(824,508)
Net debt, beginning of year	**(62,372,340)**	(61,547,832)
Net debt, end of year	**(54,822,280)**	(62,372,340)

See accompanying notes to the non-consolidated financial statements.

Labrador-Grenfell Regional Health Authority – Operating Fund

Non-consolidated statement of cash flows

Year ended March 31

	2019	2018
	$	$
Operating activities		
Annual surplus (deficit)	**4,111,516**	(325,980)
Adjustments for non-cash items		
Amortization of tangible capital assets	**5,560,294**	6,027,792
Changes in accrued severance pay	**(9,001,439)**	1,505,035
Changes in accrued sick leave	**192,580**	256,590
Net change in non-cash assets and liabilities related to operations *[note 14]*	**4,682,916**	2,431,850
Cash provided by operating activities	**5,545,867**	9,895,287
Capital activities		
Acquisition of tangible capital assets	**(2,563,376)**	(6,574,347)
Capital asset contributions, net	**2,286,028**	(3,058,457)
Cash used in capital activities	**(277,348)**	(9,632,804)
Investing activities		
Changes to restricted cash	**233,935**	(8,754)
Cash provided by (used in) investing activities	**233,935**	(8,754)
Financing activities		
Deferred contributions		
Special purpose funds	**(585,491)**	(280,028)
Advances from (repayment of) demand credit facility	**(3,845,000)**	680,000
Cash provided by (used in) financing activities	**(4,430,491)**	399,972
Net change in cash during the year	**1,071,963**	653,701
Bank indebtedness, beginning of year	**(1,818,489)**	(2,472,190)
Bank indebtedness, end of year	**(746,526)**	(1,818,489)
Bank indebtedness comprised of:		
Cash	**1,076,643**	937,945
Bank overdraft	**(1,823,169)**	(2,756,434)
Bank indebtedness	**(746,526)**	(1,818,489)

See accompanying notes to the non-consolidated financial statements.

Notes to non-consolidated financial statements

March 31, 2019

1. Nature of operations

The Labrador-Grenfell Regional Health Authority ["Labrador-Grenfell Health" or the "Authority"] manages and operates all health facilities, services and programs on the Northern Peninsula and all of Labrador in the Province of Newfoundland and Labrador. The Authority manages and controls the operations of the following facilities:

- Labrador Health Centre, Happy Valley-Goose Bay
- Long-Term Care Facility, Happy Valley-Goose Bay
- Labrador West Health Centre, Labrador City
- Charles S. Curtis Memorial Hospital, St. Anthony
- John M. Gray Centre, St. Anthony

The Authority also manages and controls the operations of all community clinics, health centres, facilities, programs and other services in the geographic area. The Authority 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. In addition to the provision of comprehensive health care services, Labrador-Grenfell Health also provides education and research in partnership with all stakeholders.

The operations of the Authority are primarily funded by the Government of Newfoundland and Labrador [the "Government"].

The Authority is incorporated under the *Regional Health Authorities Act* of Newfoundland and Labrador and is a registered charitable organization under the provisions of the *Income Tax Act* (Canada) and, as such, is exempt from income taxes.

2. Summary of significant accounting policies

Basis of accounting

The non-consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards ["PSAS"] established by the Public Sector Accounting Standards Board of the Chartered Professional Accountants of Canada.

The significant accounting policies used in the preparation of these non-consolidated financial statements are as follows:

Basis of presentation

These non-consolidated financial statements reflect the assets, liabilities, revenue and expenses of the Operating Fund. Trusts administered by Labrador-Grenfell Health are not included in the non-consolidated statement of financial position [note 16]. These non-consolidated financial statements have not been consolidated with those of other organizations controlled by the Authority because they have been prepared for the Authority's Board of Trustees and the Department of Health and Community Services [the "Department"]. Since these non-consolidated financial statements have not been prepared for general purposes, they should not be used by anyone other than the specified users. Consolidated financial statements have also been issued.

Notes to non-consolidated financial statements

March 31, 2019

Asset classification

Assets are classified as either financial or non-financial. Financial assets are assets that could be used to discharge existing liabilities or finance future operations and are not to be consumed in the normal course of operations. Non-financial assets are acquired, constructed or developed assets that do not provide resources to discharge existing liabilities, but are employed to deliver health care services, may be consumed in normal operations and are not for resale.

Cash, bank overdraft and restricted cash

Bank balances, including bank overdrafts with balances that fluctuate from positive to overdrawn, are presented under cash and bank overdraft, respectively. Cash also includes cash on hand.

Restricted cash relates to amounts held for special purpose funds and endowment funds [note 3].

Inventories for resale

Inventories for resale include pharmaceuticals and are recorded at the lower of cost, determined on a first-in, first-out basis, and net realizable value.

Employee future benefits

Accrued severance pay

Employees of the Authority are entitled to severance pay benefits as stipulated in their conditions of employment. The right to be paid severance pay vests for employees with nine years of continuous service with the Authority or another Newfoundland and Labrador Government employer. Severance pay is payable when the employee ceases employment with the Authority or the public sector employer, upon retirement, resignation or termination without cause. In accordance with PSAS for post-employment benefits and compensated absences, the Authority recognizes the liability in the period in which the employee renders service. The severance benefit obligation has been actuarially determined using assumptions based on management's best estimates of future salary and wage changes, employee age, years of service, the probability of voluntary departure due to resignation or retirement, the discount rate and other factors. Discount rates are based on the Government's long-term borrowing rate. Actuarial gains and losses are deferred and amortized over the average remaining service life of employees, which is 13 years. Adjustments to the liability arising from plan amendments are recognized immediately.

Based on collective agreements signed with the Newfoundland and Labrador Association of Public and Private Employees ("NAPE") as at March 31, 2018, NAPE employees with at least one year of eligible service received a lump sum payout during the current fiscal year of their accrued severance benefit based on pay and service as at March 31, 2018. Similar arrangements were applied to management and non-bargaining employees during the current fiscal year.

Accrued sick leave

Employees of the Authority are entitled to sick leave benefits that accumulate, but do not vest. In accordance with PSAS for post-employment benefits and compensated absences, the Authority recognizes the liability in the period in which the employee renders service. The obligation is actuarially determined using assumptions based on management's best estimates of the probability of use of accrued sick leave, future salary and wage changes, employee age, the probability of departure, retirement age, the discount rate and other factors. Discount rates are based on the Government's long-term borrowing rate. Actuarial gains and losses are deferred and amortized over

the average remaining service life of employees, which is 13 years. Adjustments to the liability arising from plan amendments are recognized immediately.

Accrued vacation pay and other accrued benefits

Vacation pay and other accrued benefits are accrued for all employees as entitlement is earned.

Pension costs

The employees of the Authority are included in the Public Service Pension Plan ["PSPP"], a multi-employer defined benefit plan, and the Government Money Purchase Plan administered by the Government [collectively the "Plans"]. The Government also provides for the continuation of certain dental and medical benefits for retirees. The Government determines the required plan contributions annually. Contributions to the Plans are required from both the employees and Labrador-Grenfell Health. The annual contributions are recognized as an expense as incurred and amounted to $6,338,976 for the year ended March 31, 2019 [2018 – $6,377,493].

The plan is accounted for as a defined contribution plan as insufficient information is available to account for the plan as a defined benefit plan. The Authority is only one of a number of employers that participates in the plan and the financial information provided to the Authority on the basis of the contractual agreements is usually insufficient to reliably measure the organization's proportionate share in the plan assets and liabilities on defined benefit accounting requirements.

The costs of insured benefits reflected in these non-consolidated financial statements are the employer's portion of the insurance premiums owed for coverage of employees during the period.

Tangible capital assets

The Authority utilizes certain land, buildings and equipment, with the title resting with the Government and, consequently, these assets are not recorded as tangible capital assets. The Government does not charge the Authority any amounts for the use of such assets. Certain additions and improvements made to such tangible capital assets are paid for by the Authority and are reflected in the non-consolidated financial statements of the Authority.

Tangible capital assets are recorded at historical cost, which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets. The cost, less estimated salvage value, of the tangible capital assets, excluding land, is amortized on a declining balance basis over their estimated useful lives as follows:

Land improvements	20%
Buildings	5%
Leasehold improvements	5%
Equipment and vehicles	20%

Contributed capital assets represent assets that are donated or contributed to the Authority by third parties. Revenue is recognized in the year the assets are contributed and have been recognized at their fair market value on the date of donation, except in circumstances where fair value cannot be reasonably determined, in which case the assets are then recognized at a nominal value. Transfers of capital assets from related parties are recorded at carrying value.

Gains and losses on disposal of individual assets are recognized in operations in the period of disposal.

Works of art, historical treasures, intangible assets and items inherited by right of the Crown, such as artwork displayed in the facilities, are not recognized in these non-consolidated financial statements.

Construction in progress is not amortized until the project is substantially complete, at which time the project costs are transferred to the appropriate asset class and amortized accordingly.

Impairment of long-lived assets

Tangible capital assets are written down when conditions indicate that they no longer contribute to the Authority's ability to provide goods and services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value. The net write-downs are accounted for as expenses in the non-consolidated statement of operations and accumulated deficit throughout.

Prepaid expenses

Prepaid expenses include equipment service contracts, insurance and other miscellaneous items that are charged to expenses over the periods expected to benefit from them.

Supplies inventory

Supplies inventory includes medical, surgical, general supplies, fuel oil and pharmaceuticals.

Medical surgical and general supplies are valued at the lower of cost, determined on an average cost basis, and net realizable value.

Fuel oil and pharmaceuticals are valued at the lower of cost, determined on a first-in, first-out basis, and net realizable value.

Revenue

Provincial plan revenue without eligibility criteria and stipulations restricting their use are recognized as revenue when the Government transfers are authorized.

Government transfers with stipulations restricting their use are recognized as revenue when the transfer is authorized and the eligibility criteria are met by the Authority, except when and to the extent the transfer gives rise to an obligation that constitutes a liability. When the transfer gives rise to an obligation that constitutes a liability, the transfer is recognized in revenue when the liability is settled.

Medical Care Plan ["MCP"], inpatient, outpatient and long-term care revenue is recognized in the period services are provided.

The Authority is funded by the Department for the total of its operating costs, after deduction of specified revenue and expenses, to the extent of the approved budget. The final amount to be received by the Authority for a particular

fiscal year will not be determined until the Department has completed its review of the Authority's non-consolidated financial statements. Adjustments resulting from the Department's review and final position statement will be considered by the Authority and reflected in the period of assessment. There were no changes from the previous year.

Other revenue includes, but is not limited to, drug revenue, rental revenue from accommodations, dental revenue and salary recoveries from Workplace Health, Safety and Compensation Commission of Newfoundland and Labrador ["WorkplaceNL"]. Rebates and salary recovery amounts are recorded once the amounts to be recorded are known and confirmed by WorkplaceNL.

Expenses

Expenses are recorded on an accrual basis as they are incurred and measurable when goods are consumed or services received.

Contributed services

Volunteers contribute a significant amount of their time each year assisting the Authority in carrying out its service delivery activities. Due to the difficulty in determining fair value, contributed services are not recognized in these non-consolidated financial statements.

Use of estimates

The preparation of non-consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities as at the date of the non-consolidated financial statements, and the reported amounts of revenue and expenses during the reporting period. Areas requiring the use of management estimates include the assumptions used in the valuation of employee future benefits and the useful life of tangible capital assets. Actual results could differ from these estimates.

3. Restricted cash

Restricted cash is as follows:

	2019	2018
	$	$
Deferred contributions – special purpose funds	**372,679**	606,443
Endowment fund	**215,916**	216,087
	588,595	822,530

Notes to non-consolidated financial statements

March 31, 2019

4. Accounts receivable

Accounts receivable are as follows:

	2019					
			Past due			
	Total	Current	1 – 30 days	31 – 60 days	61 – 90 days	Over 90 days
	$	$	$	$	$	$
Patient receivable	**4,071,327**	**943,588**	**32,381**	**705,841**	**114,636**	**2,274,881**
Other receivable	**269,393**	**269,393**	-	-	-	-
Gross receivables	**4,340,720**	**1,212,981**	**32,381**	**705,841**	**114,636**	**2,274,881**
Less impairment allowance	**745,472**	-	-	-	-	-
Net accounts receivable	**3,595,248**	**1,212,981**	**32,381**	**705,841**	**114,636**	**1,529,409**

	2018					
			Past due			
	Total	Current	1 – 30 days	31 – 60 days	61 – 90 days	Over 90 days
	$	$	$	$	$	$
Patient receivable	3,811,617	507,288	407,974	595,045	134,340	2,166,970
Other receivable	755,050	755,050	-	-	-	-
Gross receivables	4,566,667	1,262,338	407,974	595,045	134,340	2,166,970
Less impairment allowance	789,560	-	-	-	-	-
Net accounts receivable	3,777,107	1,262,338	407,974	595,045	134,340	1,377,410

5. Due from Government/other Government entities

The amounts due from Government/other Government entities are as follows:

	2019	2018
	$	$
The Government	**4,835,951**	5,384,957
Department of Children, Seniors and Social Development	**121,693**	3,956,988
Harmonized sales tax recoverable	**289,427**	488,018
Due from St. Anthony Interfaith Home Apartment Complexes	**368,696**	328,263
	5,615,767	10,158,226

Outstanding balances at year-end are unsecured and interest-free and settlement occurs in cash. For the year ended March 31, 2019, the Authority has not recorded any impairment of receivables from the Government [2018 – nil].

Notes to non-consolidated financial statements

March 31, 2019

6. Tangible capital assets

Tangible capital assets consist of the following:

	Land	Land improvements	Construction in progress	Buildings	Leasehold improvements	Equipment and vehicles	Total
	$	$	$	$	$	$	$
2019							
Cost							
Opening balance	**36,201**	**191,211**	**4,706,967**	**34,967,596**	**17,484,028**	**94,470,238**	**151,856,241**
Net additions	**-**	**-**	**1,163,776**	**-**	**-**	**1,399,600**	**2,563,376**
Disposals	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Transfers	**-**	**-**	**(3,786,994)**	**-**	**3,786,994**	**-**	**-**
Closing balance	**36,201**	**191,211**	**2,083,749**	**34,967,596**	**21,271,022**	**95,869,838**	**154,419,617**
Accumulated amortization							
Opening balance	**-**	**183,170**	**-**	**19,721,338**	**2,448,837**	**75,415,337**	**97,768,682**
Disposals	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Amortization	**-**	**1,610**	**-**	**761,310**	**846,434**	**3,950,940**	**5,560,294**
Closing balance	**-**	**184,780**	**-**	**20,482,648**	**3,295,271**	**79,366,277**	**103,328,976**
Net book value	**36,201**	**6,431**	**2,083,749**	**14,484,948**	**17,975,751**	**16,503,561**	**51,090,641**

	Land	Land improvements	Construction in progress	Buildings	Leasehold improvements	Equipment and vehicles	Total
	$	$	$	$	$	$	$
2018							
Cost							
Opening balance	36,201	191,211	2,106,506	34,981,898	15,799,560	92,189,010	145,304,386
Net additions	-	-	4,284,929	8,190	-	2,281,228	6,574,347
Disposals	-	-	-	(22,492)	-	-	(22,492)
Transfers	-	-	(1,684,468)	-	1,684,468	-	-
Closing balance	36,201	191,211	4,706,967	34,967,596	17,484,028	94,470,238	151,856,241
Accumulated amortization							
Opening balance	-	181,158	-	18,942,574	1,701,679	70,937,971	91,763,382
Disposals	-	-	-	(22,492)	-	-	(22,492)
Amortization	-	2,012	-	801,256	747,158	4,477,366	6,027,792
Closing balance	-	183,170	-	19,721,338	2,448,837	75,415,337	97,768,682
Net book value	36,201	8,041	4,706,967	15,246,258	15,035,191	19,054,901	54,087,559

Assets included in construction in progress are not amortized until construction of the asset is substantially complete.

The Authority has works of art displayed in its facilities valued at $195,714 that are not recognized in these non-consolidated financial statements as these assets are the legal property of the Government.

Notes to non-consolidated financial statements

March 31, 2019

7. Bank overdraft and demand credit facility

Bank overdraft represents bank accounts for which outstanding cheques exceed bank cash balances. The Authority was in a bank overdraft position of $1,823,169 as at March 31, 2019 [2018 – $2,756,434].

The Authority has a demand credit facility [the "Facility"] with a Canadian chartered bank for a maximum amount of $20,000,000, bearing interest at the bank's prime rate less 0.25%. The relevant prime rate was 3.95% as at March 31, 2019 [2018 – 3.45%]. As at March 31, 2019, the Authority has drawn $15,520,000 in funds from the Facility [2018 – $19,365,000]. The effective interest rate for the year ended March 31, 2019 was 3.70% [2018 – 3.20%].

8. Accounts payable and accrued liabilities

Accounts payable and accrued liabilities are as follows:

	2019 $	2018 $
Accounts payable and accrued liabilities	**5,749,204**	6,402,261
Salaries, wages and other benefits payable	**7,709,845**	7,497,982
	13,459,049	13,900,243

9. Due to Government/other Government entities

The amounts due to Government/other Government entities are as follows:

	2019 $	2018 $
Government remittances	**1,156,973**	1,194,806
Due to other Government	**95,142**	82,996
	1,252,115	1,277,802

10. Employee future benefits

The Authority provides its employees who have at least nine years of service, upon termination, retirement or death, with severance pay benefits equal to one week of pay per year of service up to a maximum of 20 weeks. The Authority provides these benefits through an unfunded defined benefit plan.

Based on collective agreements signed with the Newfoundland and Labrador Association of Public and Private Employees ("NAPE") as at March 31, 2018, NAPE employees with at least one year of eligible service will receive a lump sum payout of their accrued severance benefit based on pay and service as at March 31, 2018. Similar arrangements were applied to management and non-bargaining employees during the current fiscal year.

10. Employee future benefits (continued)

The elimination of future service accrual triggers a curtailment and the immediate payment of the accrued benefits triggers a settlement. Both events are assumed to have occurred simultaneously with recognition as at March 31, 2019 and as a result, the curtailment and settlement have been combined and included within disclosure in benefits paid. A net savings of $962,314 has been reflected in the fiscal 2019 as a reduction of salaries and expenses in Note 15, which includes:

- an actuarial gain of $962,100 due to the actual payments being made on an immediate basis being greater than the actuarial present value of the previously estimated payments assumed to be made at termination, retirement or death; and
- the recognition of $214 in previously unamortized actuarial gains related to the portion of the accrued benefit obligation being settled.

The Authority also provides its employees with sick leave benefits that accumulate, but do not vest, as follows:

	Accumulated rate	Maximum accumulation	Maximum utilization per 20-year period
NLNU hired up to December 1, 2006	15 hours per 162.5 hours	1,800 hours	N/A
NLNU hired after December 1, 2006	7.5 hours per 162.5 hours	1,800 hours	1,800 hours
CUPE/NAPE hired up to May 4, 2004	2 days per month	N/A	480 days
CUPE/NAPE hired after May 4, 2004	1 day per month	N/A	240 days
CUPE/NAPE hired up to May 4, 2004 – 12-hour shifts	15 hours per 162.5 hours	N/A	3,600 hours
CUPE/NAPE hired after May 4, 2004 – 12-hour shifts	7.5 hours per 162.5 hours	N/A	1,800 hours

In addition, while management employees do not accrue additional sick leave days, they may use accrued sick leave banked after first using two days of paid leave.

The accrued benefit obligations for post-employment benefit plans as at March 31, 2019 are based on an actuarial valuation for accounting purposes as at March 31, 2018, and an extrapolation of that valuation has been performed to March 31, 2019.

The actuarial valuation is based on assumptions about future events. Significant actuarial assumptions used in measuring the accrued severance and accrued sick leave liabilities are as follows:

Discount rate – liability	3.05% as at March 31, 2019 3.30% as at March 31, 2018
Discount rate – benefit expense	3.05% in fiscal 2019 3.30% in fiscal 2018
Rate of compensation increase	0.75% for promotions and merit as at March 31, 2019 0.75% for promotions and merit as at March 31, 2018

The probability that the employee will use more sick days than the annual accrual and the excess number of sick days used are within range of 9.2 to 114.1 days respectively for age groups ranging from 21 and under to 66 and over in bands of 3 years.

Notes to non-consolidated financial statements

March 31, 2019

10. Employee future benefits (continued)

[a] Severance pay and sick leave liabilities

	Severance	Sick leave	2019
	$	$	$
Accrued benefit liability, beginning of year	**16,314,722**	**8,392,766**	**24,707,488**
Employee future benefit expenses	**(27,092)**	**1,292,312**	**1,265,220**
Less benefits paid	**(8,974,347)**	**(1,099,732)**	**(10,074,079)**
Accrued benefit liability, end of year	**7,313,283**	**8,585,346**	**15,898,629**
Unamortized actuarial losses	**119,921**	**886,933**	**1,006,854**
Accrued benefit obligation, end of year	**7,433,204**	**9,472,279**	**16,905,483**

	Severance	Sick leave	2018
	$	$	$
Accrued benefit liability, beginning of year	14,809,687	8,136,176	22,945,863
Employee future benefit expenses	2,531,605	1,446,360	3,977,965
Less benefits paid	(1,026,570)	(1,189,770)	(2,216,340)
Accrued benefit liability, end of year	16,314,722	8,392,766	24,707,488
Unamortized actuarial (gains)/losses	(556,421)	586,989	30,568
Accrued benefit obligation, end of year	15,758,301	8,979,755	24,738,056

[b] Severance pay and sick leave expenses

	Severance	Sick leave	2019
	$	$	$
Current service cost	**512,561**	**871,956**	**1,384,517**
Interest on accrued benefit obligation	**403,450**	**301,475**	**704,925**
Settlement adjustment on unamortized loss (gain)	**(214)**	**0**	**(214)**
Settlement loss (gain) end of year	**(962,100)**	**270**	**(961,830)**
Amortization of actuarial loss	**19,211**	**118,611**	**137,822**
Employee future benefit expenses	**(27,092)**	**1,292,312**	**1,265,220**

	Severance	Sick leave	2018
	$	$	$
Current service cost	1,126,664	921,620	2,048,284
Interest on accrued benefit obligation	559,364	357,604	916,968
Settlement adjustment on unamortized loss(gain)	(503,208)	-	(503,208)
Settlement loss (gain) end of year	1,287,607	-	1,287,607
Amortization of actuarial loss	61,178	167,136	228,314
Employee future benefit expenses	2,531,605	1,446,360	3,977,965

Notes to non-consolidated financial statements

March 31, 2019

11. Deferred contributions

Deferred contributions are set aside for specific purposes as required either by legislation, regulation or agreement:

	2019				
	Balance, beginning of year $	**Receipts during the year** $	**Recognized as revenue** $	**Transfers to other revenue** $	**Balance, end of year** $
Deferred operating contributions	2,106,305	**645,124**	**288,850**	**-**	**2,462,579**
NCB initiatives	97,015	**209,453**	**287,276**	**-**	**19,192**
Deferred capital grants	6,095,599	**4,897,200**	**2,611,172**	**-**	**8,381,627**
Special purpose funds	958,170	**143,840**	**729,331**	**-**	**372,679**
	9,257,089	**5,895,617**	**3,916,629**	**-**	**11,236,077**

	2018				
	Balance, beginning of year $	**Receipts during the year** $	**Recognized as revenue** $	**Transfers to other revenue** $	**Balance, end of year** $
Deferred operating contributions	2,682,859	3,635,483	4,212,037	-	2,106,305
NCB initiatives	728,208	188,900	820,093	-	97,015
Deferred capital grants	9,154,056	3,154,310	6,212,767	-	6,095,599
Special purpose funds	1,238,198	1,304,222	1,584,250	-	958,170
	13,803,321	8,282,915	12,829,147	-	9,257,089

Notes to non-consolidated financial statements

March 31, 2019

12. Contractual obligations

The Authority has entered into a number of multiple year operating leases and contracts for the delivery of services. These contractual obligations will become liabilities in the future when the terms of the contracts are met. Disclosure relates to the unperformed portion of the contracts.

	2020 $	2021 $	2022 $	2023 $	2024 $
Contractual obligations					
Future operating lease payments – properties	1,444,728	962,171	497,342	85,800	85,800
Future operating lease payments – vehicles	30,670	-	-	-	-
Future operating lease payments – equipment service	2,116,660	114,423	87,231	82,650	-
	3,592,058	1,076,594	584,573	168,450	85,800

13. Contingencies

A number of legal claims have been filed against the Authority. 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 risk of loss in these matters.

14. Net change in non-cash assets and liabilities related to operations

The net change in non-cash assets and liabilities related to operations consists of the following:

	2019 $	2018 $
Accounts receivable	**181,859**	201,578
Inventories for resale and supplies inventory	**452,255**	(296,392)
Prepaid expenses	**(97,526)**	235,861
Accounts payable and accrued liabilities	**(441,194)**	(738,582)
Accrued vacation pay and other accrued liabilities	**(207,701)**	298,085
Deferred contributions – operating and NCB initiatives	**278,451**	(1,207,747)
Due from/to Government/other Government entities	**4,516,772**	3,939,047
	4,682,916	2,431,850

Notes to non-consolidated financial statements

March 31, 2019

15. Expenses by object

This disclosure supports the functional display of expenses provided in the non-consolidated statement of operations and accumulated deficit by offering a different perspective of the expenses for the year. The following presents expenses by object, which outlines the major types of expenses incurred by the Authority during the year:

	2019 $	2018 $
Salaries and benefits	**128,206,939**	129,377,869
Direct client costs	**14,228,176**	13,160,162
Other supplies	**9,141,295**	8,058,785
Medical and surgical supplies	**7,670,522**	7,994,819
Amortization of tangible capital assets *[note 6]*	**5,560,294**	6,027,792
Patient and staff travel	**7,506,311**	6,905,566
Equipment expenses	**4,615,590**	4,171,258
Grants	**1,522,722**	4,206,333
Referred out services	**3,785,096**	4,761,866
Insurance	**811,260**	914,592
Sundry – other	**6,736,858**	7,293,293
	189,785,063	192,872,335

16. Trusts under administration

Trusts administered by the Authority have not been included in these non-consolidated financial statements as they are excluded from the Government reporting entity. As at March 31, 2019, the balance of funds held in trust for long-term care residents was $348,128 [2018 – $331,499]. These trust funds consist of a monthly comfort allowance provided to residents who qualify for subsidization of their boarding and lodging fees.

17. Budget

The Authority prepares an initial budget for a fiscal period that is approved by the Board of Trustees and the Government [the “Original Budget”]. The Original Budget may change significantly throughout the year as it is updated to reflect the impact of all known service and program changes approved by the Government. Additional changes to services and programs that are initiated throughout the year are funded through amendments to the Original Budget and an updated budget is prepared by the Authority. The updated budget shown below is the updated budget after all amendments that have been processed. These final updated budget amounts are reflected in the budget column as presented in the non-consolidated statement of operations and accumulated deficit [the “Budget”].

Notes to non-consolidated financial statements

March 31, 2019

17. Budget (continued)

The following presents a reconciliation between the Original Budget and the Budget as presented in the non-consolidated statement of operations and accumulated deficit for the year ended March 31, 2019:

	Revenue	Expenses	Annual deficit
	$	$	$
Original Budget	**187,017,185**	**187,017,185**	**-**
Adjustments during the year for service and program changes, net	**6,500,481**	**6,500,481**	**-**
Revised Budget	**193,517,666**	**193,517,666**	**-**
Stabilization fund approved by the Government	**1,300,000**	**1,300,000**	**-**
Budget	**194,817,666**	**194,817,666**	**-**

18. Related party transactions

The Authority's related party transactions occur between the Government and other Government entities. Other Government entities are those who report financial information to the Government. Transactions between the Authority and related parties are conducted at the carrying amount.

The Authority handles payments for other Government entities. As a result of these transactions, the Authority has a net asset of $121,693 as at March 31, 2019 [2018 – $3,956,988].

The Authority had the following transfers from the Government and other Government controlled entities:

	2019	2018
	$	$
Transfers from the Government	**159,726,371**	158,282,814
Transfers from other Government entities	**21,617,699**	20,500,104
	181,344,070	178,782,918

Transfers to other Government entities include PSPP and Government Money Purchase Pension Plan contributions of $6,338,976 for the year ended March 31, 2019 [2018 – $6,377,493].

Non-consolidated schedule of expenses for government reporting

Year ended March 31

	2019	2018
	$	$
	[unaudited]	*[unaudited]*
Expenses		
Administration		
General administration	**6,621,291**	6,098,926
Finance	**2,210,626**	2,079,608
Personnel services	**1,952,609**	1,831,216
Systems support	**3,437,168**	2,871,276
Other	**3,273,748**	2,762,860
	17,495,442	15,643,886
Support services		
Housekeeping	**5,227,761**	4,947,624
Laundry and linen	**1,377,761**	1,289,838
Plant services	**12,919,421**	11,743,162
Patient food services	**5,528,214**	5,090,279
Other	**15,531,613**	14,791,544
	40,584,770	37,862,447
Nursing inpatient services		
Nursing inpatient services – acute	**22,133,642**	21,276,156
Nursing inpatient long-term care	**11,158,720**	10,648,308
	33,292,362	31,924,464
Medical services	**23,098,511**	22,007,492
Ambulatory care services	**25,177,211**	24,172,368
Diagnostic and therapeutic services		
Clinical laboratory	**8,687,269**	7,774,852
Diagnostic imaging	**4,654,689**	4,173,088
Other	**8,120,570**	7,796,564
	21,462,528	19,744,504
Community and social services		
Mental health and addictions	**5,320,666**	4,766,110
Community support programs	**19,917,228**	21,364,243
Health promotion and protection programs	**5,347,948**	5,375,668
	30,585,842	31,506,021
Research	**103,320**	106,375
Education	**1,075,709**	1,001,537
Undistributed	**365,634**	548,401
Total expenses	**193,241,329**	**184,517,495**

Non-consolidated schedule of revenue and expenses for government reporting

Year ended March 31

	2019	2018
	$	$
	[unaudited]	*[unaudited]*
Revenue		
Provincial plan [operating grant only]	**157,527,314**	152,176,219
Provincial plan – capital grant	**2,199,057**	6,106,595
Other capital contributions	**364,319**	467,752
MCP	**20,332,199**	19,214,604
Inpatient	**494,822**	1,182,917
Resident	**2,118,668**	2,047,987
Outpatient	**2,228,781**	2,571,605
Other	**8,631,419**	8,778,676
	193,896,579	192,546,355
Expenses		
Worked and benefit salaries and contributions	**119,571,810**	110,438,721
Benefit contributions [third party]	**17,651,691**	16,612,101
	137,223,501	127,050,822
Supplies		
Operation and maintenance	**3,429,443**	3,000,934
Drugs	**3,243,667**	3,630,887
Medical and surgical	**4,219,365**	4,166,745
Other	**5,919,340**	5,255,038
	16,811,815	16,053,604
Direct client costs		
Mental health and addictions	**84,952**	90,820
Community support	**14,143,225**	13,069,343
	14,228,177	13,160,163
Other shareable expenses	**24,977,836**	28,252,906
Total expenses	**193,241,329**	184,517,495
Annual surplus	**655,250**	8,028,860
Less: Provincial plan - capital grant	**(2,199,057)**	(6,106,595)
Other capital contributions	**(364,319)**	(467,752)
(Deficit) Surplus for government reporting	**(1,908,126)**	1,454,513
(Deficit) Surplus before non-shareable items	**(1,908,126)**	1,454,513
Non-shareable items		
Provincial plan – capital grant	**2,199,057**	6,106,595
Other capital contributions	**364,319**	467,752
Amortization expense	**(5,560,294)**	(6,027,792)
Accrued vacation pay	**207,701**	(515,825)
Accrued severance pay	**9,001,439**	(1,554,633)
Accrued sick leave	**(192,580)**	(256,590)
	6,019,642	(1,780,493)
Surplus (Deficit) as per statement of operations and accumulated deficit	**4,111,516**	(325,980)

Non-consolidated schedule of capital transactions funding and expenses for government reporting

Year ended March 31

	2019	2018
	$	$
	[unaudited]	*[unaudited]*
Sources of Funds		
Provincial capital equipment grant for current year	**1,526,900**	1,159,300
Provincial facility capital grant for current year	**3,203,300**	1,995,000
	4,730,200	3,154,300
Add: deferred capital grant from prior year	**6,095,599**	9,154,056
Less: deferred capital grant from current year	**(8,381,627)**	(6,095,599)
Less: transfers to other revenue	**—**	(106,162)
Provincial funding used in current year	**2,444,172**	6,106,595
Other contributions – Grenfell Foundation and other	**364,319**	467,752
Total funding	**2,808,491**	6,574,347
Capital expenditures		
Equipment	**2,563,376**	6,574,347
Total expenditure	**2,563,376**	6,574,347

Non-consolidated schedule of accumulated deficit for government reporting

As at March 31

	2019	2018
	$	$
	[unaudited]	*[unaudited]*
Accumulated operating deficit		
Current assets		
Cash	**588,595**	822,530
Accounts receivable	**9,211,015**	13,935,333
Inventory	**2,403,080**	2,855,335
Prepaid expenses	**1,897,908**	1,800,382
	14,100,598	19,413,580
Current liabilities		
Bank indebtedness	**16,266,526**	21,183,489
Accounts payable and accrued liabilities	**14,711,164**	15,178,045
Deferred contributions – operating	**2,854,450**	3,161,490
Deferred contributions – capital	**8,381,627**	6,095,599
	42,213,767	45,618,623
Accumulated operating deficit	**(28,113,169)**	(26,205,043)
Adjustments:		
Add:		
Tangible capital assets, net	**51,090,641**	54,087,559
Less:		
Accrued vacation pay and other benefits	**(7,665,613)**	(7,873,314)
Accrued sick leave	**(8,585,346)**	(8,392,766)
Accrued severance pay	**(7,313,283)**	(16,314,722)
	(23,564,242)	(32,580,802)
Accumulated deficit per statement of financial position	**(586,770)**	(4,698,286)

Appendix II: Service Delivery Statistics

CLIENT VISITS

	2016-17	2017-18	2018-19	*Percentage increase or decrease from 2017-18*
Dental Services	5,806*	1,970		
Mental Health and Addictions Services	23,433	25,919	21,097	-18.6 per cent
Diabetes Nurse Education	5,144	6,871	8,804	+28 per cent
Occupational Therapy	4,192	4,814	3,648	-24.2 per cent
Speech Language Pathology	2,046	2,479	2,338	-5.7 per cent
Physiotherapy	14,765	15,644	11,348	-27.5 per cent

**In September 2016, a private dental practice assumed responsibility for the St. Anthony Dental Clinic Services. Therefore, the data for that site reflects the period from April 1, 2016 - September 16, 2016. In addition, on October 1, 2016; LGH consolidated services between the Flower's Cove and Roddickton-Bide Arm dental clinics.*

ACUTE CARE STATISTICS

REGIONAL STATISTICS

	REGIONAL TOTAL/ FIGURE (2016-17)	REGIONAL TOTAL/ FIGURE (2017-18)	REGIONAL TOTAL/ FIGURE (2018-19)	*Percentage increase or decrease from 2017-18*
Acute Care Beds	89 beds	81 beds*	81 beds	0 per cent
Admissions (Including newborns)	3,971	3,827	3,724	-2.7 per cent
Patient Days	24,987	25,628	26,244	+2.4 per cent
Average Length of Stay	6.2 Days	6.7 Days	6.7 days	0 per cent
Operating Room Procedures	4,837	4,532	4,593	+1.31 per cent
Births	369	328	312	-4.9 per cent
Emergency Room Visits (Registered to	56,994	54,549	52,225	-4.3 per cent

**Medical/Surgical beds at the Charles S. Curtis Memorial Hospital in St. Anthony were reduced from 32 to 24, effective February 14, 2018.*

TOTALS BY SITE

Labrador West Health Centre, Labrador West				
	2016-17	2017-18	2018-19	*Percentage increase or decrease from 2017-18*
Acute Care Beds	14	15	15	0 per cent
Admissions (including newborn)	866	907	965	+6.4 per cent
Patient Days	4,416	5,113	4,722	-7.6 per cent
Average Length of Stay	4.1	5.2	4.4	-15.4 per cent
Operating Room Procedures	944	1,021	1,043	+2.15 per cent
Births	103	92	73	-20.7 per cent
Emergency Room Visits (Registered to ER)	19,626	19,040	17,624	-7.4 per cent
Labrador Health Centre, Happy Valley-Goose Bay				
	2016-17	2017-18	2018-19	*Percentage increase or decrease from 2017-18*
Acute Care Beds	25	25	25	0 per cent
Admissions (including newborn)	1,816	1,687	1,582	-6.2 per cent
Patient Days	9,377	8,709	8,716	+0.8 per cent
Average Length of Stay	5.1	5.1	5.3	+3.9 per cent
Operating Room Procedures	1,109	1,123	1,199	+6.77 per cent
Births	198	182	191	+4.9 per cent
Emergency Room Visits (Registered to ER)	23,269	23,139	23,124	-0.06 per cent

Charles S. Curtis Memorial Hospital, St. Anthony				
	2016-17	2017-18	2018-19	*Percentage increase or decrease from 2017-18*
Acute Care Beds	50	42*	42	0 per cent
Admissions (including newborn)	1,269	1,233	1,177	-4.5 per cent
Patient Days	11,194	11,086	12,806	+15.5 per cent
Average Length of Stay	7.3	7.77	7.9	+1.7 per cent
Operating Room Procedures	2,733	2,388	2,351	-1.55 per cent
Births	68	54	48	-11.1 per cent
Emergency Room Visits (Registered to ER)	14,099	11,848	11,477	-3.1 per cent

**Medical/Surgical beds at the Charles S. Curtis Memorial Hospital in St. Anthony were reduced from 32 to 24, effective February 14, 2018.*

OUTPATIENT DEPARTMENT STATISTICS

Appointments attended	2016-17	2017-18	2018-19	*Percentage increase or decrease (from 2017-18)*
Labrador Health Centre	21,245	20,458	22,956	+12.2 per cent
Charles S. Curtis Memorial Hospital	6,380	7,280	7,452	+2.4 per cent

HEALTH CENTRE STATISTICS

Labrador South Health Centre, Forteau				
	2016-17	2017-18	2018-19	*Percentage increase or decrease from 2017-18*
Client Visits	8,646	7,469*	7,060	-5.5 per cent
Admissions	163	146	116	-20.5 per cent
Clients seen by Regional Nurses	4,868	4,354	4,400	+1.1 per cent
Clients seen by Physicians	2,450	3,115	2,660	-14.6 per cent
Strait of Belle Isle Health Centre, Flower's Cove				
	2016-17	2017-18	2018-19	*Percentage increase or decrease from 2017-18*
Client Visits	12,931	12,135	11,185	-7.8 per cent
Admissions	65	89	59	-33.7 per cent
Clients seen by Regional Nurses	9,059	9,637	9,043	-6.2 per cent
Clients seen by Physicians	2,413	2,498	2,142	-14.3 per cent

White Bay Central Health Centre, Roddickton				
	2016-17	2017-18	2018-19	*Percentage increase or decrease from 2017-18*
Client Visits	14,404	10,496	9,264	-11.7 per cent
Admissions	78	80	62	-22.5 per cent
Clients seen by Regional Nurses	6,599	7,257	6,625	-8.7 per cent
Clients seen by Physicians	3,314	2,976	2,639	-11.3 per cent

** Includes holding beds for observation.*

COMMUNITY CLINICS STATISTICS

	2016-17	2017-18	2018-19	*Percentage increase or decrease from 2017-18*
Clients seen by Regional Nurses	34,912	36,627	39,807	+8.7 per cent
Clients seen by Physicians	4,742	5,493	6,422	+16.9 per cent

COMMUNITY HEALTH AND WELLNESS STATISTICS

	2016-17	2017-18	2018-19	*Percentage increase or decrease from 2017-18*
Continuing Care Visits *(includes both clinic and home visits)*	14,690	20,161	18,550	-8 per cent
Home Support Hours – Developmental Disabilities	323,362	360,601	360,646	+0.01 per cent
Home Support Hours – Seniors and Under 65 physical disabilities	139,080	144,277	172,239	+19.4 per cent
Number of Children Attending Child Health Clinics	1,637	2,672	1,743	-34.8 per cent
Number of Clients Receiving Home Support Programs* *(provincial only)*	300	312	317	+1.6 per cent

**Does not include clients receiving home supports under the End of Life or Short-term Acute Care programs.*

LONG-TERM CARE STATISTICS

	Regional Total 2016-17	Regional Total 2017-18	Regional Total 2018-19	*Percentage increase or decrease (from 2017-18)*
Beds	140*	140	140	0 per cent
Resident Days	45,920	49,575	50,186	+1.2 per cent
Admissions	61*	56	57	+1.8 per cent

**The number of long-term care beds and resulting admissions increased due to the opening of an extension to the Happy Valley-Goose Bay Long-Term Care Facility in September 2016.*

Telehealth Consultations	Regional – Annual (2016-2017)		Regional – Annual (2017-2018)		Regional – Annual (2018-19)	
	Consults between providers within LGH	Consults with providers outside LGH	Consults between providers within LGH	Consults with providers outside LGH	Consults between providers within LGH	Consults with providers outside LGH
Oncology	0	498	0	602	0	582
Nephrology	0	1,951	0	1,852	0	1,792
ACUTE CARE						
General Surgery	420	65	420	84	376	61
General Practitioners	96	0	103	4	249	6
MENTAL HEALTH						
Psychiatry, Adult	204	353	137	431	435	282
Psychiatry, Child	0	345	0	381	0	403
Other - Psychologists, MH Counsellors	271	52	146	67	57	262
TOTAL	475	750	283	879	492	947
REHAB						
Physiotherapy	61	1	68	1	49	1
Occupational Therapy	3	13	6	12	2	21
HEALTH & WELLNESS						
Dietician	149	0	139	0	202	0
Social Work	1	3	0	3	0	13
Other*	148	273	205	279	248	385
Total # of consults	***1,353***	***3,554***	***1,224***	***3,716***	***1,618***	***3,808***

**Other includes: (Cardiology, child management, dietician, endocrinology, general practice, genetics, haematology, interpretive services, neurology, nursing, occupational therapy, paediatrics, pain management, physiotherapy, respirology, social work, speech-language, urology, surgery [neuro, ortho, plastic, and thoracic], urology, and wound care).*