ANNUAL PERFORMANCE REPORT
APRIL 1, 2012 - MARCH 31, 2013

Western Health

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MESSAGE FROM THE BOARD CHAIR

It is my pleasure, on behalf of the Board of Trustees of Western Health to present our Annual Performance Report for the year 2012-13. This is our eighth Annual Performance Report as an integrated health authority. Western Health is a Category One Public Body under the *Transparency and Accountability Act*. The publication of this report is in keeping with the legislative guidelines. In accordance with the requirements of the *Act*, the Board accepts accountability for the results published in this Annual Performance Report. In addition to myself, the members of the Board of Trustees in 2012-13, were Mr. Don Fudge, Mr. David Kennedy, Ms. Sonia Lovell, Mr. Tom O'Brien, Mr. Richard Parsons, Mr. Ralph Rice, Mr. Colin Short and Ms. Regina Warren.

The Board is pleased to report that Western Health ended the fiscal year with a balanced budget and was once again able to contribute to paying down its overall accumulated operating deficit. From April 1, 2005, to March 31, 2013, the Board has reduced its accumulated deficit from $30.6 million to $11.4 million.

The Board of Trustees is grateful to the dedicated staff, physicians, and community partners who are committed to the health and well being of the people that we serve. The Board also acknowledges and thanks the Chief Executive Officer of Western Health, Dr. Susan Gillam, and other members of the Senior Executive Team. The Board is confident that the Senior Executive has worked diligently to continue to build and grow our organization with its primary focus the delivery of quality health and community services to the people of the Western region.

The Board would also like to highlight and thank the many dedicated volunteers who contribute to our organization. These partnerships play a significant role in assisting us at all levels of the organization and throughout our region.

We are so proud of the people who contribute so significantly in many ways to the success of Western Health.

With Sincere Best Wishes,

Tony Genge, PhD

OVERVIEW

The **vision** of Western Health is that the people of Western Newfoundland have the highest level of health and well being possible – *Your Health Our Priority*. In the pursuit of the vision, the following mission statement was determined to provide direction until March 31, 2017: Western Health will have enhanced programs and services, in priority areas, to address the population health needs within the Western region.

The **mandate** of Western Health is derived from the *Regional Health Authorities Act* and its regulations. Western Health is responsible for the delivery and administration of health and community services in the Western Health region in accordance with the above referenced *Act*. Western Health's full mandate is delineated in its strategic plan April 2011, to March 2014.

Western Health provides a continuum of programs and services within allocated resources to the people of Western Newfoundland. These programs and services are based in acute care, long term care and community settings. Western Health provides community based services from 26 office sites, community based medical services from 26 medical clinics (including travelling clinics), and eight health facilities. Its regional office is located in Corner Brook. The organization employs over 3,200 staff who works in the approximately 50 separate buildings throughout the region. Approximately 84 per cent of staff is female. There are numerous volunteers who assist in delivering a number of programs and services and special events within acute care, long term care and community, which enhance the quality of life for patients, residents and clients.

Western Health is committed to a population health approach to service delivery. Inherent in all lines of business is the need for learning and education in its broadest context. An interdisciplinary team of health professionals, support staff and partners provide the care and services required to meet the mandate of Western Health.

Western Health accomplishes its mandate through six **lines of business**:

- promoting health and well being
- preventing illness and injury
- providing supportive care
- treating illness and injury
- providing rehabilitative services
- administering distinctive provincial programs.

It is important to note that programs and services may fall under one or more headings below, and as Western Health is an evolving integrated authority there will be further realigning of programs and services during the life of its strategic plan(s).

A. Promoting health and well being

Health promotion is a process of supporting, enabling and fostering individuals, families, groups and communities to take control of and improve their health. Health promotion services address healthy lifestyles, stress management, supportive environments and environmental health. Strategies include working with partners to improve the health of citizens by:

- providing healthy public policy
- strengthening community action
- creating supportive environments.

Health promotion activities are integrated throughout all lines of business within Western Health.

Health protection identifies, reduces and eliminates hazards and risks to the health of individuals in accordance with current legislation. There is a formal memorandum of understanding in place with Services Newfoundland and Labrador (NL) to support and/or monitor health protection activities of Government Services Centres including licenses, permits and inspections of food establishments, waste management and swimming pools. The main components of health protection are:

- communicable disease surveillance and control
- immunization
- travel medicine
- monitoring environmental health factors such as water safety and food sanitation
- disaster planning.

B. Preventing illness and injury

Prevention services offer early intervention and best available information to members of the public to prevent the onset of disease, illness and injury, and/or the deterioration of well being. Available services vary depending on the incidence or potential for disease, illness or injury found in specific areas. Services include but are not limited to:

- screening such as cervical, colorectal and breast screening
- injury prevention activities such as helmet safety, water safety and violence prevention.

C. Providing supportive care

Western Health provides broad ranging supportive care services across the continuum of care and lifespan in various situations within provincial guidelines, organizational policies, legislation and resources. This includes the provision and/or coordination of access to an array of services generally at the community level, as determined by a professional needs assessment and/or financial means assessment. Supportive care promotes the safety, health and well being of the individual by supporting the existing strengths of the individual, family and community.

Western Health has responsibility for monitoring a number of devolved services including transition house and residential services.

Individual, family and community supportive services make up a considerable component of the work of Western Health. These include:

- maternal, child and family health
- services to families of infants, preschool and school age children who have, or are at risk of, delayed development
- services to clients who require support as a result of family and/or social issues
- services to clients with physical and/or cognitive disabilities
- elder care services including community outreach services
- mental health and addictions services including specialized services such as Blomidon Place, Humberwood Treatment Centre, West Lane Recycling Program and Sexual Abuse Community Services (SACS)
- home support services with eligibility criteria
- community health nursing including immunization, child health and school health
- health care supplies and equipment
- respite, convalescent and palliative care services
- chronic disease prevention and management.

Long term care and residential services encompass an extensive range of Western Health's supports and partnerships including:

- long term care homes
- seniors cottages
- monitoring of personal care homes
- alternate family care
- monitoring of residential services
- hostel accommodations.

Supportive services are delivered within the context of current legislation, where applicable.

D. Treating illness and injury

Western Health investigates, treats and cares for individuals with illness and injury. These services are primary and secondary in nature and are offered in selected locations. These services can also be accessed on an emergency or routine basis.

Primary and secondary services include:

- medical services including internal medicine, family medicine, psychiatry, pediatrics, nephrology, neurology, dermatology, medical oncology including chemotherapy, physiatry, gastroenterology, cardiology, intensive care, renal dialysis, and palliative care
- surgical services including anesthesiology, general surgery, orthopedics, urology, ophthalmology, otolaryngology, obstetrics and gynecology, colposcopy, vascular and dental
- maternal child services including obstetrics and pediatrics
- hospital emergency services including emergency room services, ambulance services and other client transport and the monitoring of community based, private provider and hospital based emergency medical services
- ambulatory services including day procedures, surgical day care, endoscopic services, diagnostic and laboratory services, specialist clinics both regular and visiting, diabetes education, cardio-pulmonary services, nutritional services and a variety of clinical support services
- treatment services by physicians, nurses and/or nurse practitioners including primary health care services are available in a number of medical clinics and community health offices.

E. Providing rehabilitative services

Western Health offers a variety of rehabilitative services for individuals following illness or injury. These services are offered in selected locations through a referral process and include:

- post acute nursing services both in clinic and home settings
- rehabilitation services such as physiotherapy, occupational therapy, speech-language pathology, audiology and social work
- adult rehabilitation inpatient program.

F. Administering distinctive provincial programs

Western Health operates the Western Regional School of Nursing. The school follows the academic path set out by the Senate of Memorial University to offer a Bachelor of Nursing (BN) program. A fast track program is available to individuals who wish to pursue a baccalaureate degree in nursing at an accelerated pace. The Inuit Nursing Access program is offered in conjunction with the College of the North Atlantic.

Western Health has the administrative responsibility for the Cervical Screening Initiatives program. The provincial program is responsible for developing a comprehensive, organized approach to cervical screening. The core concept of the cervical screening program is to enhance the quality of health interventions as it relates to cervical cancer across the cancer care continuum. The scope of the program encompasses public/professional education, identification and recruitment of the target population, standardization of cytology and management of cytological diagnosis, continuous quality improvements, and coordination with other health authorities, organizations and stakeholders on a provincial and national scale. The goal of enhanced participation rates in cervical screening will facilitate the reduction of both incidence and mortality of cervical cancer and improve health outcomes for women in Newfoundland and Labrador.

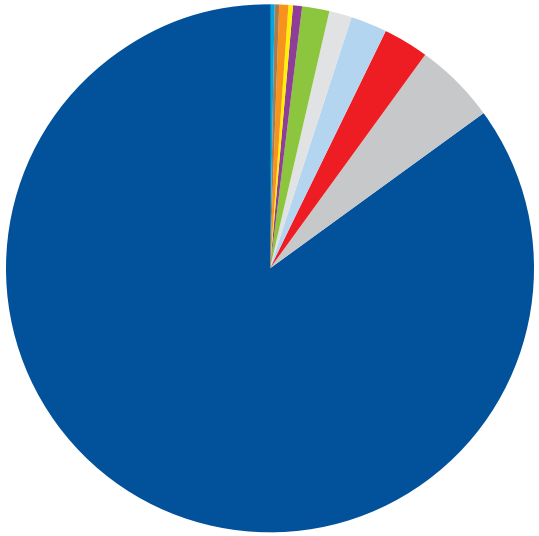
As well, Western Health has responsibility for the addictions inpatient facility, Humberwood Treatment Centre, which is based in Corner Brook. Through its 11 treatment beds, this facility provides treatment to adults 19 years and older for chronic addiction to alcohol, drugs and/or gambling. Through its four withdrawal management beds, the program offers clients the ability to detox prior to treatment.

In 2012-13, Western Health had a budget of $330 million with most of its revenue coming from provincial plan funding through the Department of Health and Community Services. Major expenditures include: salaries, direct client payments, fixed capital costs and diagnostic and therapeutic services. Additional information about Western Heath is located online at www.westernhealth.nl.ca.


SENIOR
PUFFINS'
50 PLUS
CLUB

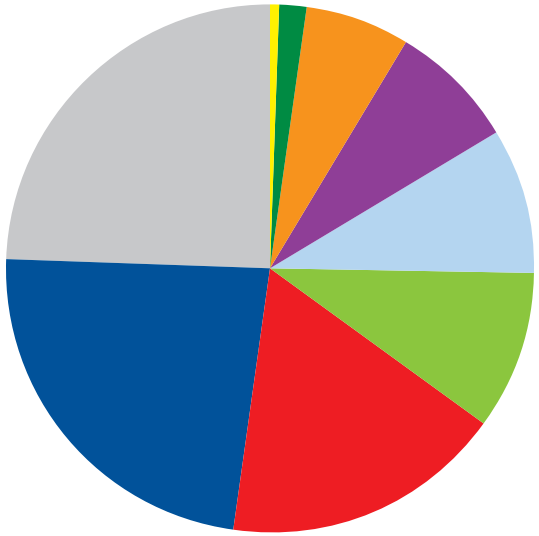
OPERATING REVENUE AND EXPENSES

OPERATING REVENUE

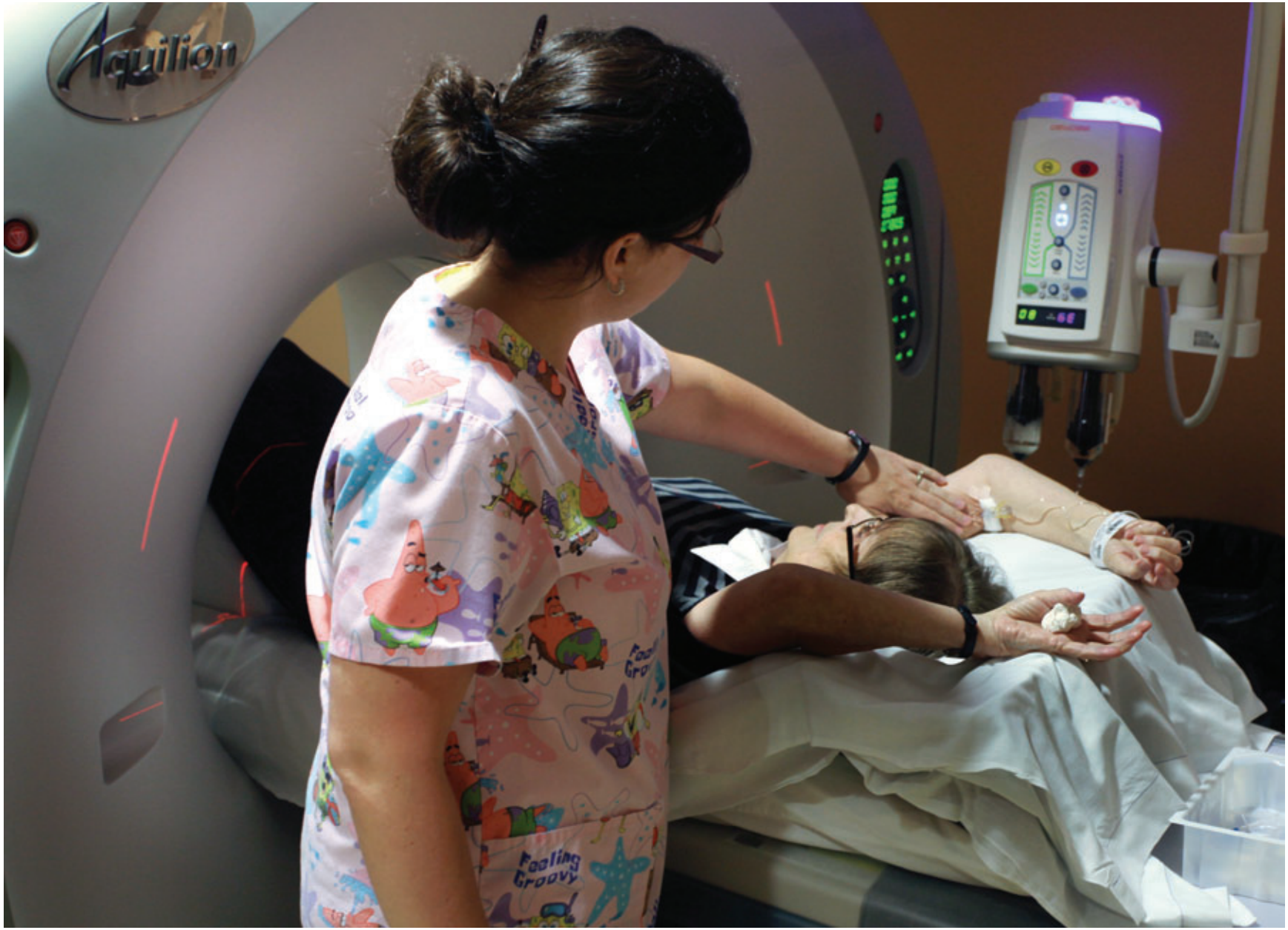


- Provincial Plan $292,661,000
- MCP Physician Revenue $16,961,000
- Other Recoveries $9,468,000
- Resident Revenue (LTC) $7,538,000
- Capital Grant (Provincial) $5,259,000
- Other $4,976,000
- Food Service $1,877,000
- Outpatient $1,759,000
- Inpatient $1,725,000
- Capital Grant (Other) $1,037,000
- NCB $757,000
- ECD $359,000
- Mortgage Interest Subsidy $23,000

EXPENSES



- Nursing Inpatient Services $80,672,000
- Community and Social Services $77,809,000
- Support Services $56,922,000
- Diagnostic and Therapeutic Services $32,062,000
- Administration $30,269,000
- Ambulatory Care Services $25,206,000
- Medical Services $21,891,000
- Educational Services $5,446,000
- Undistributed $2,061,000


Aquilion
Feeling Groovy

WESTERN HEALTH REGIONAL MAP

Hospitals, Health Centres, Clinics and/or Offices, Ambulance Service, and Long Term Care Centres.

SHARED COMMITMENTS

Western Health has continued to build and strengthen partnerships within the Western region. The need for partnership and collaboration is integral to the achievement of the vision of Western Health "…that the people of Western Newfoundland have the highest level of health and well being possible..." Collaboration is also a value of the organization and is defined as "each person works with others to enhance service delivery and maximize the use of resources." The work of Western Health is provided by a broad range of dedicated staff across the full continuum of care: acute, long term and community based services. Staff supports the vision, mission and values of Western Health and works in collaboration with many partners. The support of and collaboration with physicians, private services providers, the Department of Health and Community Services, other departments of the Government of Newfoundland and Labrador, private business, volunteer boards, non-governmental agencies, post secondary institutions, municipal councils, professional associations, provincial and federal politicians and the general public is acknowledged and valued.

Improving Population Health

Western Health's primary health care teams worked collaboratively with seven community advisory committees – in the Port Saunders, Bonne Bay, Deer Lake White Bay, Corner Brook, Bay St. George, Burgeo, and Port aux Basques areas – to address population health and wellness issues unique to each geographical area. Other partnerships which supported improving population health included the Seniors Wellness Committee, Community Mental Health Initiative, Injury Prevention Coalition, AIDS Committee of Western Newfoundland, Western Regional Wellness Coalition and Tobacco Free Network. Western Health continued to refer clients requiring support for smoking cessation to the Newfoundland and Labrador Smokers' Helpline.

In recognition of our leadership in intersectoral collaboration, the National Collaborating Center for Determinants of Health (NCCDH) chose Western Health as a case study profiling our example of effective leadership to promote and facilitate intersectoral action on the social determinants of health.[1] The NCCDH will share the case study nationally to expand on the evidence about effective leadership practices.

[1] *The social determinants of health, as determined by the World Health Organization refers to "Conditions in which people are born, live, work and age."*

Western Health also collaborated with partners to improve health emergency management including its emergency preparedness and response capacity. Exercises were completed to test existing communication processes and joint operational protocols; partners in these exercises included the Corner Brook Fire Department, Royal Newfoundland Constabulary, the Department of Advanced Education and Services and Grenfell Campus Memorial University. The Bay of Islands Search and Rescue were instrumental in the exercise to test a code yellow (missing resident) at Corner Brook Long Term Care Home. Two tests of code orange (external disaster) occurred, one with 103 Rescue Squadron and Deer Lake Search and Rescue and the second with Western Health and Reliable Ambulance paramedics. Western Health participated with the Public Health Agency of Canada, Canadian Border Services and Port Authority in an infectious disease outbreak discussion exercise. In October 2012, the emergency department staff at Western Memorial Regional Hospital hosted a National Emergency Nurses Affiliation (NENA) conference in Corner Brook. This conference focused on disaster preparedness. Sixty three health care professionals from across the province attended and feedback from participants and guest speakers was positive.

In the area of environmental health, the Western Health green team worked with community partners, such as the Principal's Advisory Council on Sustainability at Grenfell Campus Memorial University, to enhance efforts to reduce Western Health's carbon footprint. In the summer of 2012, composting was initiated at the Corner Brook Long Term Care Home in partnership with Grenfell Campus Memorial University. In approximately six months, over eight tonnes of waste was diverted from the septic system at the Home. The potential for expansion of composting of waste at other sites in Corner Brook was explored.

Improving Accessibility to Priority Services

Partnerships with other organizations supported improved access to, and/or coordination of, mental health and addictions services. Western Health's staff participated on the Royal Newfoundland Constabulary and the Royal Canadian Mounted Police Liaison, Blomidon Advisory and Methadone Maintenance committees. The partnership with the Community Mental Health Initiative and the Community Coalition on Housing and Homeliness helped to address homelessness in the Western region and, in August 2012, 10 individuals moved into Summit Place, a 10 unit affordable housing complex for individuals living with mental illness.

Work with the Autism and Parkinson's Societies supported chronic disease prevention and management and access to community support. Western Health initiated a regional service to assess children with suspected autism. Previously, families travelled to the Janeway to receive their assessment.

The Western Linkages Committee (made up of staff from Western Health; the Department of Advanced Education and Skills; Newfoundland and Labrador Housing Corporation and the Department of Child, Youth and Family Services) with the support of Western Health staff in research and evaluation, held focus groups with frontline staff from each of the participating agencies to identify opportunities for enhanced intersectoral collaboration.

The Western Regional School of Nursing (WRSON) continued as one of three schools of nursing in Newfoundland and Labrador offering a baccalaureate degree in nursing. The collaborative partners, including Memorial University School of Nursing, the Centre for Nursing Studies, professional associations and clinical and research partners, enhanced the school's commitment to excellence in nursing education. This past year marked the celebration of WRSON's 40th anniversary. Highlights of the year included hosting the consortium's nursing research conference and holding an alumni dinner. The nursing research conference, entitled Showcasing Nursing Scholarship, had as its keynote speakers Dr. Patricia Benner, author of many of nursing educations' seminal works (including the Primacy of Caring, From Novice to Expert and Educating Nurses) and Dr. Carol McWilliams whose lifetime scholarly work centers around optimizing seniors' health, independence and care management potential. Western Health acknowledges those who assisted with making these activities a success.

The regional volunteer resources department was proud of strong partnerships and collaboration with the community that contributed to improving access to priority services including community supports and supporting rural health. Some of the partners included: the Knights of Columbus' Meals on Wheels program, Easter Seals' Horizon program, Community Service Council of Newfoundland and Labrador and local community service groups, community church groups and seniors centres and the Duke of Edinburgh program.

Improving Accountability and Stability in the Delivery of Health and Community Services within Available Resources

In 2012-13, Western Health worked with Emerald Health Information Systems to develop an infection control surveillance system at Western Health. Planned for implementation in the next fiscal year, this automated system will provide the tools to help improve infection detection, case management and reporting.

During 2012-13, the Provincial Health Ethics Network of Newfoundland and Labrador (PHENNL) advisory committee was established and the four regional health authorities signed a memorandum of understanding to guide the partnership. The PHENNL served as a resource in the areas of education, policy, consultation and accreditation. One significant outcome was the development of a Decision Making Framework for Drug Shortage Planning. Western Health initiated and presented an ethics case consultation at a provincial forum entitled: The Peanut Butter Forum: Exploring Ethical Challenges of Accommodating Allergies in Health Care Facilities. Staff participated in several ethics education opportunities offered by the PHENNL, including five consultations dealing with ethical issues concerning: disclosure of confidential information and duty to report; a scenario related to drugs in short supply; discontinuation of nutrition/hydration; competency and capacity in treatment decisions; and moral distress of staff caring for violent patients. Staff supported the development of provincial feeding guidelines to guide ethical decision making and practice.


CBC

Western Health continued to work with the Newfoundland and Labrador Centre for Health Information, the Department of Health and Community Services and other regional health authorities to complete implementation of the Clinical Safety Reporting System[2] (CSRS). Initiated in April 2011, the CSRS was fully implemented throughout Western Health by June 30, 2012. Provincial committees continued work to advance consistency in the reporting, classification and coding of occurrences including significant work with privacy and occupational health and safety related occurrences. In August 2012, staff participated in training related to report writing and generation within CSRS. Throughout 2012-13, Western Health participated in the development and initiation of the provincial evaluation of the CSRS implementation. Also in the fiscal year, Western Health worked with the Department of Health and Community Services to complete mapping and validation of CSRS data for provincial reporting within the long term care sector.

[2]The Clinic Safety Reporting System (CSRS) is an electronic reporting system that facilitates the identification, monitoring and trending of occurrences within the regional health authorities. Occurrence reporting is considered one of the fundamental tools for improving patient safety and enhancing the quality of care.

HIGHLIGHTS AND ACCOMPLISHMENTS

Improving Population Health

In support of healthy eating and aging, community gardens were established in Woody Point, Shoal Brook and Trout River in 2012-13. Through funding from the New Horizons program, these communities not only created community gardens but used the opportunity to enhance intergenerational interaction among youth and experienced gardeners.

Western Health continued to promote Eat Great and Participate, an initiative to support healthy eating choices at sporting facilities; in 2012-13, five arenas received resources to implement the program. Western Health implemented the Feed Your Sole program with students in the Piccadilly area to promote physical activity, healthy eating and mental health. Staff assisted with the White Bay south live well marathon; over 50 participants from the White Bay south area attended the event. The event included topics focused on healthy eating, physical activity, tobacco reduction and stress management.

Staff of Western Health continued to support violence prevention at the community level through involvement in violence prevention coalitions and participation in multiple strategies and initiatives. Fifty-two activities, within 18 communities, were offered in 2012-13. Western Health worked with the Western Coalition Against Violence on several initiatives including the PEACE (promoting equality and accountability through community engagement) project and the youth adventure camp. The youth adventure camp was held at Killdevil in Lomond and provided an opportunity for youth to work together on violence prevention issues such as anger management.

In the areas of wellness and healthy aging, Western Health staff working with partners on the Seniors Wellness Committee developed a poster highlighting the importance of vitamin D supplementation for everyone over the age of 50 years. Staff worked with the Canadian Mental Health Association to develop a seniors' mental health promotion program with the goal of educating staff and community members on the complex mental health needs of seniors.

A grant from the Western Regional Wellness Coalition supported the Injury Prevention Coalition's delivery of two programs: Promoting Positive Choices, a new program to reduce impaired driving in youth, and the child passenger safety program. Western Health initiated work on a social marketing campaign, targeting bars, to promote safer partying and harm reduction messages. The campaign will begin in 2013-14.

The promotion of cervical screening continued to be a cancer care priority for Western Health. Each year the regional cervical screening program recognizes the providers who completed more than 200 Pap tests. A Western Health community health nurse was recognized by the provincial cervical screening program as the top screener in the province. Western Health staff continued to recruit, test and educate women in the target population and helped to increase access to Pap testing when access to physicians was limited.

A new cancer care priority, the provincial colorectal screening program was launched on July 23, 2012, with Western Memorial Regional Hospital chosen as the site for phase one of the program. Two gastroenterologists are currently participating in the program. To date, 113 new referrals were received and 55 patients have had follow up colonoscopies as a result of self screening efforts.

Western Health demonstrated a commitment to a population health approach to planning through its community health needs and resource assessment process. This research process was one mechanism used to ensure we understand the needs of the people in the region. A standardized telephone survey was developed in 2011-12, and administered to approximately 500 residents across the region in 2012-13. Twelve focus groups helped to clarify the themes from the telephone surveys. In 2013-14, Western Health will use the information from the community health needs and resources assessment to guide the development of its next strategic plan as well as the work of community advisory committees.

To ensure we gained the perspective of unique populations within the region, aboriginal and francophone representation was valued and sought for inclusion on community advisory committees. Western Health continued to provide representation on the Provincial Aboriginal Health Framework Steering Committee.

A pilot project aimed at early diagnosis and treatment of patients with chronic obstructive pulmonary disease (COPD) as well as improved management of those already diagnosed with COPD, was initiated in January 2013. As part of this initiative, significant work was done on patient order sets, clinical pathways and education for staff on best practice management of COPD. As part a chronic disease prevention management strategy, the work was also intended to support stronger linkages between the clinical expert/case manager with community physicians, emergency department and acute care staff. The pilot project will be evaluated on an ongoing basis with key performance metrics identified.

The heart function clinic at Western Memorial Regional Hospital in Corner Brook continued to experience growth throughout the past year with 143 clients actively followed. Among those followed, there was a 60 per cent reduction in emergency room visits and a 49 per cent reduction in admission rates.

Improving Accessibility to Priority Services

Significant investment in capital equipment throughout the fiscal year continued to support access, patient safety and early intervention. Western Health allocated just over $4.6 million in funding from the Department of Health and Community Services to support the equipment upgrades. These included a software upgrade of the magnetic resonance imaging (MRI) machine at Western Memorial Regional Hospital, a new ultrasound machine at Sir Thomas Roddick Hospital, a new nursing communication link at Bay St. George Long Term Care Centre, new cassette upgrades to the X-ray units at Bonne Bay Health Centre, Rufus Guinchard Health Centre, and Calder Health Centre, as well as equipment for a renovation to the kitchen and cafeteria at Dr. Charles L. LeGrow Health Centre.

Throughout 2012-13, surgical service outreach services continued to be supported and enhanced at Sir Thomas Roddick Hospital in the areas of urology, obstetrics and gynecology, general surgery and ophthalmology. As well, renal services expanded at Sir Thomas Roddick Hospital with the addition of a fifth hemodialysis station. As a result, 200 dialysis treatments were provided in 2012-13.

Telehealth continued to support access to service in areas such as oncology, wound care, adolescent mental health and pediatrics. Demand for wound care services increased by 81 per cent over last fiscal year and 94 telehealth visits helped to improve access to wound care services for patients in rural areas. Telehealth service was also extended in 2012, to include palliative care and clinical dietitian services to residents of Burgeo and Ramea.

The acute care replacement program (negative pressure wound therapy, intravenous therapy and home chemotherapy services) continued to provide a valuable community support service to clients who traditionally received their treatment in an acute facility. In 2012-13, 184 people were admitted to the program (3,301 bed days saved) compared to 200 admissions (2,073 bed days saved) the previous year. The end of life program admitted 20 individuals (550 bed days saved) compared to 19 admissions (242 bed days saved).

In 2012-13, to advance the five year provincial hip and knee replacement strategy, Western Health and the Department of Health and Community Services completed the analysis of the regional wait list and identified clients waiting beyond established benchmarks. Staff continued to distribute monthly and quarterly wait time reports to support enhancing access to those waiting longest.

In June 2012, Western Health completed an internal review of the emergency department at Western Memorial Regional Hospital, to identify and/or enhance efficiency of current processes, from patient arrival to discharge, utilizing Lean principles. Initiated in the previous fiscal year, the information from this review was supplemented by the initiatives in year one (2012-13) of the five year provincial emergency department wait time strategy. In 2012-13, Western Health and the Department of Health and Community Services worked with X32 Healthcare to: (1) participate in a two day workshop applying Lean principles in the emergency department. Thirty staff and physicians participated in the workshop which outlined the importance of analyzing workflow, identifying inefficiencies and opportunities for improvement; (2) provide data for a demand capacity analysis and (3) participate in the consultants' onsite visit at Western Memorial Regional Hospital January 7, 2013, to review services to improve wait times and flow through the emergency department. The report from the consultants will be finalized early in 2013-14, and used to guide improvement. Staff continued to monitor emergency department wait times through quarterly and annual wait time reporting at Western Memorial Regional Hospital and Sir Thomas Roddick Hospital.

Improving Accountability and Stability in the Delivery of Health and Community Services within Available Resources
Throughout 2012-13, Western Health was able to sustain a strong health human resource recruitment record, having few positions that were difficult to fill. Nursing recruitment remained a priority and staffing analysis supported targeted recruitment.

Violence prevention was a priority occupational health and safety concern. An e-learning module was developed to outline all of the policies and procedures that support violence prevention including: responding to abusive phone calls; preparing for an office visit with a known aggressive client and staff safety alerts in community based services.

In January 2013, 20 emergency room nurses from various regional facilities attended a week long education session and all became certified as sexual assault nurse examiners (SANE). This training was a priority for Western Health to enhance compliance with clinical standards and expedite the care of victims of sexual assault presenting at emergency departments.

In April 2012, Western Health completed the guiding principles and position descriptions to support the implementation of a new model of nursing care for acute inpatient care at Western Memorial Regional Hospital, Sir Thomas Roddick Hospital and Dr. Charles L. LeGrow Health Centre. Education sessions were offered to staff and managers to clarify their new roles and responsibilities under the new model. Introduction of the new model of nursing care was initiated at Western Memorial Regional Hospital and Sir Thomas Roddick Hospital in the fall of 2012. The model supported care providers to work within their scope of practice to provide the highest level of patient care. To support nursing staff at the unit level, managers' offices were moved close to, or on, nursing units and clinical educators were assigned to all units. Bullet rounds, bedside rounds and white boards at bedsides were implemented to improve communication between care providers and families. In the next fiscal year, implementation will continue until all units are following the guiding principles.

While abduction of newborns from health care facilities is a rare occurrence, national standards for accreditation suggest that all health care facilities should have measures in place to prevent abduction. As a quality and safety initiative, in August 2012, Western Memorial Regional Hospital introduced an electronic infant banding system for all newborn babies. As part of this system, a small electronic device was attached to an infant's ankle after birth. If the baby was taken away from the maternal newborn unit, an alarm would have sounded; staff would then look at their computer screen to know which baby was involved and which exit was used to attempt to abduct the baby. If the device was cut or removed from the infant's ankle, an alarm would also have sounded. In addition to this new infant security system, the maternal newborn unit was locked 24 hours per day, seven days per week. To gain access to the unit, visitors were required to pick up the phone located outside the unit door and request entry.

In 2012-13, Western Health completed all three modules - learning together, working together and changing the culture - of the Managing Obstetrical Risk Efficiently (MORE OB) program. Initiated in January 2010, the three year patient safety program has now been completed. Sustainability of the performance improvement components will be the focus of the program in the next fiscal year.

The introduction of a new inventory control system, Logi-D, occurred in the past year within the emergency department, general surgery unit and operating room suites at Western Memorial Regional Hospital. This system supported purging of supplies, reorganized bulk storage areas and color coding of all storage bins to aid quick product identification by providers who travel throughout multiple areas. Over time, this system will be able to analyze stock inventory and determine reductions or increases needed, supporting Lean principles and best practice.

This past year, Western Health developed clinical and documentation standards to support the design and implementation of the new electronic clinical documentation system (COD). When fully implemented, the benefits of the system include the electronic capture of clinical documentation for all non-physician disciplines in acute and long term care, through the use of new devices such as wireless carts and handheld tablets (which allow staff to enter information at the bedside) and through the use of existing devices that interface and electronically feed into the patient/resident record. The COD system was successfully implemented at Western Memorial Regional Hospital in February 2013. Roll out of the system will continue in 2013-14.

Western Health collaborated with Emerald Health Information Systems to develop an admissions management tool to provide real time reporting and decision support for managing patient flow. In January 2013, staff initiated training to support implementation of the admissions management tool and the bed management system at Western Memorial Regional Hospital. Reporting of admission management indicators was developed and made available to key staff. Reports on physician provider and service length of stay were discussed with chiefs of disciplines. In support of performing monitoring, work on admissions management will continue to enhance operational efficiency and patient safety.

In an ongoing effort to protect patient privacy, Western Health acquired and implemented new auditing software. The software reviewed user audit trails from our health information systems and assisted staff in identifying any potentially inappropriate access trails for follow up.

Evaluation of programs and services remained an area of focus for Western Health in improving system performance and sustainability. In 2012-13, evaluation of the women's wellness clinic service, school health needs, the youth outreach worker program, self management support, wound care, interagency collaboration, dialysis, restorative care, community paramedicine, physican perspectives on laboratory and diagnostic imaging and the falls prevention program, occured.

The plan for the client/patient/resident experience surveying was finalized by January 2013, and the first sample of patients was mailed surveys in February 2013. Surveying will continue into the next fiscal year and final report summaries will be completed in March 2014. The information obtained from these surveys will provide Western Health with opportunities for improvement from client, patient, and resident /family perspectives.

On May 25, 2012, Western Health received notification that four year accreditation[3] certificates from the Ontario Laboratory Association (OLA) were awarded to Sir Thomas Roddick Hospital, Dr. Charles L. LeGrow Health Centre, Calder Health Centre, Bonne Bay Health Centre and Rufus Guinchard Health Centre. This meant that Western Health was successful in achieving OLA accreditation certificates for all laboratories in the organization.

[3] *Accreditation is an external peer review process to assess and improve programs and services based on national standards of excellence.*


EAST SIDE

REPORT ON PERFORMANCE

Annual Report on Performance 2012-13
This section of the annual performance report will highlight Western Health's progress toward achievement of its mission and strategic goals in support of Government's strategic directions.

Western Health's mission statement was determined to provide direction from April 1, 2011, to March 31, 2017, in the pursuit of its vision (see Western Health's Strategic Plan April 1, 2011 - March 31, 2014). The mission statement supports the vision through primary prevention/health promotion, as well as secondary prevention especially in chronic disease prevention and management. Considering information from annual environmental scanning, including information from the Canadian Community Health Survey (2011) which suggested that incidence rates for diabetes and high blood pressure were higher in the Western region (as compared to the provincial and national rates) as well as research which suggested that the incidences of chronic diseases may be attributable to unhealthy behaviours and health practices, Western Health identified strategic goals with a focus on health promotion and chronic disease prevention and management to help to address population health needs. Provincial strategic directions and national accreditation requirements continue to support patient safety as a strategic priority for Western Health. The three strategic goals for 2011-14, continue to support Western Health in its progress toward achievement of its mission.

Mission
By March 31, 2017, Western Health will have enhanced programs and services, in priority areas, to address the population health needs within the Western region.

Strategic Issue One: Chronic Disease Prevention and Management of Diabetes

The incidence of chronic diseases especially diabetes, heart disease and some cancers contribute to poorer health outcomes for residents of Newfoundland and Labrador. In the Western region, the percentage of the population, aged 12 years and older with diabetes, rose from 5.8 per cent in 2003, to 9.3 per cent in 2011 (Canadian Community Health Survey, 2003 and 2011). The incidence of diabetes within the Western region is higher than the provincial and national rates. In the Community Health Needs and Resources Assessment of the Western region (2009), households identified the impact of chronic diseases (especially diabetes and cancer) among their top 10 community health concerns. Residents who participated in the Community Health Needs and Resources Assessment were significantly more concerned about diabetes in general than they were in the 2002 assessment. Participants indicated that more resources and enhanced awareness and education regarding diabetes best practice were required in the community to prevent hospitalizations for uncontrolled diabetes. The recommendations from the assessment included enhancing service delivery to families living with diabetes. From 2008-11, one strategic issue for Western Health was to enhance service delivery to support chronic disease prevention and management. Since 2011, Western Health has used the Expanded Chronic Care Model (Barr et al, 2003) to support strategic planning for diabetes and identified priority initiatives that support evidence based practices. In 2011-12, the Department of Health and Community Services launched Improving Health Together: A Policy Framework for Chronic Disease Prevention and Management in Newfoundland and Labrador and released Improving Health: My Way, a chronic disease self management program. To continue to support Government's strategic direction of improving population health, enhancing programs and services in diabetes management is a strategic issue for Western Health.

Strategic Goal One

By March 31, 2014, Western Health will have enhanced programs and services in diabetes management to respond to the identified concerns of residents in the Western region.

Objective Year Two (2012-13)

By March 31, 2013, Western Health will have completed work to prepare for the implementation of the priority initiatives in diabetes management.

Measure Year Two (2012-13)

Completed work to prepare for implementation.

Planned and Actual Performance

INDICATORS FOR THE YEAR TWO OBJECTIVE (2012-13)	ACCOMPLISHMENTS
Program description is developed for basic and advanced diabetes services.	The program description was developed, approved by the regional committee and circulated to key stakeholders in the *Regional Diabetes Services: Supporting Enhanced Management of Diabetes in the Western Region* document.
Infrastructure is in place to support tele-diabetes.	Western Health identified and obtained the telehealth equipment needed to support tele-diabetes. The installation was completed in Burgeo, Ramea, Francois and Stephenville sites. Equipment was obtained to add to that already in operation at Corner Brook and Port aux Basques sites and installation will be completed in year three.
Opportunities to improve self management support are identified.	Opportunities to improve self management support were identified. They included: (1) recruitment of lay leaders, recruitment of participants and local delivery of the Improving Health: My Way program and (2) development of an evaluation framework to measure improvement in self management support. Work to address the opportunities was initiated as Western Health worked with primary health care teams, community advisory committees and community groups to plan for the recruitment of lay leaders and workshop participants and local delivery of the Improving Health: My Way program. Three lay leader workshops were completed (in May, September and November, 2012) to train 12 lay leaders. Five Improving Health: My Way workshops were completed – one in Corner Brook, three in Stephenville and one in Burgeo – to train 69 participants. Western Health worked with the Canadian Foundation for Health Care Improvement to develop an evaluation framework to measure improvement in self management support. Baseline measurement of resources and organizational supports for self management were completed. Assessment results were analyzed and opportunities to improve resources and support for self management were identified. Discussion to begin to improve resources and support was initiated.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INDICATORS FOR THE YEAR TWO OBJECTIVE (2012-13)	ACCOMPLISHMENTS
Processes are identified to monitor diabetes services and outcomes.	To support the identification of processes to monitor diabetes services and outcomes, Western Health indentified the performance indicators and targets to be monitored. These were shared in the *Regional Diabetes Services: Supporting Enhanced Management of Diabetes in the Western Region* document. To monitor diabetes services and outcomes a template for a flow sheet to support best practices in the provision of diabetes services as well as support data collection on the quality indicators was identified. Work to have the flow sheet in electronic format was started. Local teams began to track some of the information; some data quality issues were identified. The next steps to enhance monitoring of diabetes include the development of policy to support use of the diabetes flow sheet for identified Western Health providers, provision of education and resources to support implementation of the flow sheet, implementation of the flow sheet and auditing of compliance with the policy; this work is planned for 2013-14.

Discussion of Results Years One and Two

A literature review was completed on best practices for diabetes prevention and management. The information from the review was incorporated into the diabetes services environmental scan document. Consultations were held with key stakeholders to identify the current status of programs and services that supported diabetes prevention and management. The information from the consultations supported programs and services review and a draft report titled: Recommendations for Strategic Improvements: Prevention and Management of Diabetes in the Western Region, was compiled. The draft report was circulated to key stakeholders along with a template to provide written feedback. Meetings were held with various stakeholders, including the chronic disease prevention and management advisory committee, diabetes education staff and regional directors in community health and family services, to discuss and validate the document. Feedback was incorporated into the document and the final report was posted on the Western Health intranet. Priority initiatives were identified to respond to the needs identified by residents within the Western region. Priority initiatives included: improving access to diabetes services; improving quality of diabetes services and improving monitoring of diabetes outcomes. The self management support, tele-diabetes and diabetes registry working groups have been established to begin to address the identified priority initiatives. As part of the update on recommendations from the diabetes services environmental scan, a review of the diabetes services structure was completed. New recommendations to improve integration of services and support improved client/patient/resident outcomes were included in the Recommendations for Strategic Improvements: Prevention and Management of Diabetes in the Western Region document.

In 2012-13, a regional diabetes steering committee was established. A work plan, to prepare for the implementation of the priority initiatives in diabetes management, guided actions.

The program description for basic and advanced diabetes services was developed, approved by the regional committee and circulated to key stakeholders in the *Regional Diabetes Services: Supporting Enhanced Management of Diabetes in the Western Region* document.

Actions for improving access through awareness of diabetes services, for both clients requiring services as well as other health professionals who refer to the program, were identified and implementation initiated including: communication to the local medical advisory committees and stakeholder groups; intranet updates to all staff; development of a regional referral form; identification of areas in the region where awareness may have been limited. A new local diabetes team was implemented in the Burgeo area and used to enhance awareness of diabetes services. A review of program statistics was started to identify area(s) of the region where awareness of diabetes services may have been limited. The 2012-13 work plan included consulting with primary health care teams and community advisory committees to identify and implement local strategies to improve awareness of diabetes service in targeted area(s).

Improving access to diabetes services through the development of tele-diabetes was a priority in 2012-13. By April 2012, a working group to support tele-diabetes was in place. Western Health identified and obtained the telehealth equipment needed to support tele-diabetes. The installation was completed in Burgeo, Ramea, Francois and Stephenville sites. Additional equipment was obtained for Corner Brook and Port aux Basques sites. Staff training was completed to support the initial implementation of tele-diabetes in Burgeo, Ramea, Francois and Stephenville. Staff training will continue in the next fiscal year. The tele-diabetes project was initiated in the Burgeo primary health care area with first client visits completed December 2012. The working group initiated a review of the potential for Woody Point to be an additional site for expansion, purchased equipment to support Woody Point as an additional site and continued planning for the implementation of tele-diabetes in the identified sites, in the next fiscal year. The working group developed the framework to evaluate the implementation of tele-diabetes and began collecting survey data as part of routine service delivery.

Improving access to diabetes services by increasing access to the Improving Health: My Way program for self management was a priority in 2012-13. Western Health identified regional and local targets for lay leaders and workshops for the Improving Health: My Way program. Primary health care teams and community advisory committees engaged in planning for local delivery of the workshops including recruitment of lay leaders and workshop participants. Western Health staff worked to establish connections with community groups such as the women's centers, aboriginal and francophone groups, to support the implementation of the program. Three lay leader workshops were completed (in May, September and November 2012) to train 12 lay leaders. Five Improving Health: My Way workshops were completed – one in Corner Brook, three in Stephenville and one in Burgeo – to train 69 participants. While Western Health acknowledged challenges with recruitment of lay leaders and participants for the workshops, its work with the francophone association has laid the groundwork for implementing the program in French. Currently, two bilingual master trainers have been trained.

To improve the quality of diabetes services, Western Health partnered with the Canadian Foundation for Health Care Improvement to develop an evaluation framework to measure improvement in self management support. To support measurement, all seven local teams completed the Primary Care Resources and Supports for Self Management assessment (PCRS) to identify baseline measure of resources and organizational supports for self management. Assessment results were analyzed and opportunities to improve resources and support for self management were identified. Priorities included emotional health, staff training/education and patient input. Discussion with staff of the mental health program occurred to begin to identify appropriate emotional health strategies. The work with teams to (1) continue to identify actions required to improve self management support for clients with diabetes, (2) implement strategies identified in work plan and (3) complete a post assessment with PCRS to establish changes in resources and organizational supports for self management, was planned for 2013-14. At the end of the research, Western Health will transfer learning to other areas of chronic disease prevention and management.

Also to improve the quality of diabetes services, the plan to implement evidence based practices to enhance diabetes management was drafted. The plan included actions to support the implementation of regional standards and clinical policies beginning with communication of roles and responsibilities. Consultation with physicians, to enhance collaboration, occurred through local medical advisory committee meetings and as physicians participated on local teams. Twenty two policies for regional implementation were developed to guide service delivery in keeping with best practice. Work to develop a flow sheet as part of the electronic health record was initiated. An electronic flow sheet will support best practices in the provision of diabetes services as well as support data collection on identified quality indicators. The provision of education and resources to support the implementation of standards, policies and the flow sheet was planned for early 2013-14; auditing of compliance with policies was also planned for the next fiscal year.

Activities to improve the monitoring of diabetes outcomes began with the identification of key information to be collected to track access to, and/or utilization of, key diabetes services within Western Health. Performance indicators and targets were identified and shared in the *Regional Diabetes Services: Supporting Enhanced Management of Diabetes in the Western Region* document. Local teams began to track some of the information; some data quality issues were identified. The next steps to support the collection of regionally reliable information will be the implementation of standards, policies and the flow sheet, in 2013-14. The review and improvement of data quality, as required, was also planned for year three.

Objective Year Three (2013-14)
By March 31, 2014, Western Health will have implemented priority initiatives in diabetes management to support enhanced management.

Measure Year Three (2013-14)
Implemented priority initiatives in diabetes management.

Indicators for the Year Three Objective (2013-14)
Implemented evidence based practices for diabetes management.

Strategic Issue Two: Patient Safety in Infection Prevention and Control

In Canada, the emphasis on patient safety increased with the Canadian Adverse Events Study: The Incidence of Adverse Events Among Hospital Patients in Canada (Baker et al, 2004). In Newfoundland and Labrador, the emphasis on patient safety increased with the Commission of Inquiry on Hormone Receptor Testing (Cameron) report (2009)[4]. Since 2007, Accreditation Canada has required participating organizations to make patient safety a part of their strategic and operational agendas. Accreditation Canada's required organizational practices direct Western Health to track infection rates, analyze and share the information and implement recommendations to prevent recurrence. Western Health is also required to implement a protocol to support the administration of the influenza and pneumococcal vaccines. Patient safety is enhanced through the implementation of best practices.

In 2011-12, Western Health assessed its practices and identified priority initiatives to support evidence based practices in infection prevention and control. In keeping with Government's strategic direction of improving accountability and stability in the delivery of health and community services, the implementation of priority initiatives, in infection prevention and control, to enhance patient safety is a strategic issue for Western Health.

Strategic Goal Two

By March 31, 2014, Western Health will have enhanced patient safety in infection prevention and control to lead to optimal patient outcomes in Western region.

Objective Year Two (2012-13)

By March 31, 2013, Western Health will have established performance outcomes for selected priority initiatives to enhance patient safety in infection prevention and control.

Measure Year Two (2012-13)

Established performance outcomes.

[4]*The Commission of Inquiry on Hormone Receptor Testing (Cameron) report was the report from the investigation into estrogen and progesterone receptor (ER/PR) tests performed in Newfoundland and Labrador from 1997 to 2005.*

Planned and Actual Performance

INDICATORS FOR THE YEAR TWO OBJECTIVE (2012-13)	ACCOMPLISHMENTS
Reviewed current performance.	In 2012-13, the regional infection prevention and control committee continued to monitor regional performance with respect to infection rates in high risk areas and populations and compliance with select infection prevention and control practices.
Identified performance outcomes for priority initiatives.	Performance outcomes were identified for the following priority initiatives: (a) hand hygiene compliance rate - increase by five per cent of 2011-12 rate of 62 per cent; (b) clostridium difficile hospital acquired infection rate per 10,000 patient and resident days – maintain at less than or equal to 1.5; (c) methicillin resistant staphylococcus aureus (MRSA) rate per 10,000 patient and resident days – reduce by five per cent from 2011-12 rates of 4.1 and 1.0; (d) ventilator associated pneumonia rate – reduce to zero; (e) surgical site infection rate – reduce surgical site infections in caesarean sections by five per cent of 2012-13 rate of 7.9; (f) catheter associated urinary tract infection (CAUTI) rate – reduce by 10 per cent of 2011-12 rate.
Improved measurement and monitoring of priority initiatives.	The Provincial Infection Control – Newfoundland Labrador (PIC-NL) guidelines were used to guide changes to regional surveillance practices and improve measurement of priority initiatives. Targeted surveillance for surgical site infections in caesarean sections was initiated. An electronic solution for the collection and reporting of information was developed.
Developed work plan for priority initiatives to support achievement of performance outcomes.	The work plan was developed.

Discussion of Results Years One and Two

An environmental scan was completed in 2011-12, which assessed practices, in current infection prevention and control programs and services, against identified standards. The assessment was completed using the results of infection surveillance, infection prevention and control compliance audits and the 2010 accreditation report. Assessment results were compared with provincial and national best practice documents, Accreditation Canada standards, provincial and national strategic plans. The environmental scan recognized the strengths, weaknesses, opportunities for improvement and threats to regional programs and services. From this, the following priority initiatives, in infection prevention and control, were identified to enhance patient safety: (1) reduce infection rates in high risk areas and populations; (2) improve hand hygiene and (3) improve compliance with infection prevention and control practices. Identification of the actions required to support achievement of the three priority initiatives was begun. The actions included: enhanced targeted surveillance to improved tracking of infection and compliance rates; enhanced communication to support compliance with best practices; strategies to expand infection control education and the development of a more comprehensive hand hygiene program.

In 2012-13, the regional infection prevention and control committee monitored regional performance with respect to infection rates in high risk areas and populations and compliance with select infection prevention and control practices.

The infection rates monitored included clostridium difficile hospital acquired infections, methicillin resistant staphylococcus aureus (MRSA) hospital acquired infections, ventilator associated pneumonia, surgical site infections and urinary tract infections. The Provincial Infection Control – Newfoundland Labrador (PIC-NL) guidelines were used to guide changes to regional surveillance practices. Since 2011, the Department of Health and Community Services has been guiding health care associated infection surveillance and provincial reporting through the Newfoundland and Labrador quarterly disease reports.

Improving measurement and monitoring of the priority initiatives was also achieved as Western Health initiated targeted surveillance for surgical site infections in caesarean sections. Targeted surveillance supported enhanced compliance with best practices in surveillance; following its experience in 2012-13, Western Health planned to expand targeted surveillance for surgical site infections in 2013-14. Western Health also worked with Emerald Health to develop an electronic solution for the collection, trending and reporting of infection prevention and control information including infection rates, results of compliance audits and antibiotic stewardship. The implementation of the electronic solution was planned for year three.

Support for the use of best practices in hand hygiene was initiated through employee and volunteer education and auditing. In 2012-13, quarterly hand hygiene compliance audits were completed at all facilities. Additionally, Western Health participated in the Safer Healthcare Now collaborative and enhanced hand hygiene compliance on one unit at Western Memorial Regional Hospital. The lessons learned guided the year three work plan: the 2013-14, work plan for priority initiatives included increasing auditing, enhancing reporting at program and/or unit levels to support enhance compliance, targeting groups or areas for promotion of, and/or education on, best practices in hand hygiene.

Improving compliance with standards for infection prevention and control was initiated. Infection prevention and control practice compliance audits were completed in the sterile processing department, in the endoscopy suite and on inpatient room terminal cleaning practices. Results of audits were shared with appropriate leadership to develop corrective actions and necessary changes in practice to comply with standards and best practices. The development of online education modules on routine and additional precautions, personal protective equipment and environmental cleaning was initiated.

A regional antimicrobial stewardship committee was established October 2012, to develop and implement an antimicrobial stewardship program to reduce inappropriate use of antimicrobials and the associated risk of hospital acquired illnesses.

The 2013-14, work plan for priority initiatives, to support achievement of identified performance outcomes, included implementing evidence based practices in: (1) hand hygiene; (2) screening for clostridium difficile and methicillin resistant staphylococcus aureus (MRSA) hospital acquired colonizations and infections; (3) environmental cleaning; (4) prevention of surgical site infections; (5) prevention of catheter associated urinary tract infections; (6) antimicrobial stewardship. The work plan also included actions to continue to improve measurement, monitoring, communication and education related to the priority initiatives.

Objective Year Three (2013-14)
By March 31, 2014, Western health will have implemented priority initiatives in an infection prevention and control work plan for enhanced patient safety.

Measure Year Three (2013-14)
Implemented priority initiatives in an infection prevention and control work plan.

Indicators for the Year Three Objective (2013-14)
Implemented evidence based practices.
Improved tracking of infection rates.
Communication to support compliance with best practices.

Strategic Issue Three: Health Promotion

Health promotion, according to the World Health Organization (1998), is the process of enabling people to increase control over, and to improve their health. Health promotion not only embraces actions directed at strengthening the skills and capabilities of individuals, but also actions directed towards changing social, environmental and economic conditions so as to alleviate their impact on public and individual health. Within Newfoundland and Labrador, the Government of Newfoundland and Labrador identified population health as a strategic direction. To achieve improved population health, Government will focus on public health interventions that will promote healthy lifestyles and reduce health inequalities, prevent acute and chronic illness and injury, and protect people from health hazards. Achieving Health and Wellness: Provincial Wellness Plan for Newfoundland and Labrador (2006) provided a focus on improving the health of residents of Newfoundland and Labrador through the following key directions: strengthening partnerships and collaboration; developing and expanding wellness initiatives; increasing public awareness; enhancing capacity for health promotion and evaluating and monitoring progress. The incidence of chronic diseases, especially diabetes, heart disease and some cancers, contributes to poorer health outcomes for residents of Newfoundland and Labrador, and may be attributable to unhealthy behaviors and health practices. In the Community Health Needs and Resources Assessment of the Western region (2009), households identified the impact of lifestyle, including smoking, illegal drug abuse, unhealthy eating habits and alcohol abuse, among their top community health concerns. In 2011-12, the Department of Health and Community Services implemented new initiatives in priority wellness areas including the promotion and support of breastfeeding and the creation of a new print resource Healthy Eating for Your Toddler Age 12-24 Months. To support Government's direction of improving population health, enhanced health promotion is a strategic issue for Western Health.

Strategic Goal Three

By March 31, 2014, Western Health will have enhanced health promotion through the implementation of priority initiatives in a health promotion plan to support improving population health.

Objective Year Two (2012-13)

By March 31, 2013, Western Health will have developed a work plan for implementation of the priority initiatives in health promotion.

Measure Year Two (2012-13)

Developed a work plan for implementation of priority initiatives.

Planned and Actual Performance

INDICATORS FOR THE YEAR TWO OBJECTIVE (2012-13)	ACCOMPLISHMENTS
Work plan is developed.	The work plan to implement priority initiatives in health promotion to address (a) healthy eating and (b) physical activity, necessary for healthy growth and the prevention of obesity in children aged 12 and under, including their families, was developed.

Discussion of Result Years One and Two

An environmental scan of health promotion in Western Health was completed June 2011, shared internally and externally and posted on the Western Health intranet and website. The environmental scan identified Western Health's strengths, weaknesses, opportunities, and threats in six areas of the provincial wellness plan including: healthy eating, physical activity, injury prevention, tobacco control, mental health promotion, and child and youth development. The health promotion steering committee was established in November 2011, and met monthly to support the development of a regional health promotion plan to address priority areas. The committee identified two priority areas for health promotion efforts in Western Health over the next two years. These priorities include (1) healthy eating for children, aged 12 years and under, and their families and (2) physical activity for children, aged 12 years and under, and their families. The health promotion steering committee reviewed the strengths, weaknesses, opportunities and threats (SWOT) analysis in the environmental scan noting the challenges and opportunities in the current processes and capacity for health promotion. The steering committee identified existing working groups and committees that could contribute to actions in a work plan. In June 2012, the steering committee established a regional working group to guide the work plan for the promotion of physical activity. In 2012-13, the steering committee completed the development of a work plan for implementation of priority initiatives in health promotion to address (1) healthy eating and (2) physical activity, necessary for healthy growth and the prevention of obesity in children, aged 12 and under, and their families. Implementation of the work plan was begun in 2012-13, and will continue in 2013-14.

The work plan to enhance health promotion to address priority initiatives in healthy eating for children, aged 12 years and under, and their families included:

(1) increasing access to best practice information on healthy eating behaviors, food choice and healthy weights for prenatal women;
(2) increasing breastfeeding initiation rates among mothers of newborns in the Western region;
(3) increasing access to best practice information on healthy eating for parents of toddlers and preschool children;
(4) promoting healthy eating for the school age population, targeting children aged five to 12 years.

The work plan to enhance health promotion to address priority initiatives in healthy eating and physical activity, for children, aged 12 years and under, and their families, included:

(5) increasing community action;
(6) providing access to programming to increase skill necessary to support healthy eating and physical activity, for children, aged 12 years and under, and their families.

Increasing access to best practice information on healthy eating for prenatal women was started in 2012-13, as staff efforts supported increased referrals to the Before Birth and Beyond Information Education Support (BABIES) program; 290 women participated in the BABIES program in 2012-13, as compared to 275 in 2011-12, and more women were referred earlier in their pregnancy. Western Health made best practice information on healthy eating available to prenatal women on the Western Health website. Staff initiated work on the use of telehealth to increase access to services for prenatal women and service providers related to healthy eating during pregnancy. This work will continue in year three.

A regional breastfeeding policy was implemented to increase breastfeeding initiation rates among mothers of newborns in the Western region. Monitoring to ensure compliance with the policy was also initiated. In 2012-13, community health nurses contacted 97 per cent of breastfeeding mothers within 24 to 48 hours after discharge from hospital and visited 82 per cent of mothers within 48 hours. Best practice information on breastfeeding was made available, to the public, on the Western Health website. In addition, Western Health worked with family resource centres to enhance support for breastfeeding moms, including the establishment of two breastfeeding support groups.

Increasing access to best practice information on healthy eating for parents of toddlers and preschool children was started as community health nurses implemented two changes in practice at child health clinics: (1) providing education, in keeping with the Healthy Eating for Your Toddler Age 12-24 Months booklet, to parents and (2) completing a clinical assessment, using the World Health Organization growth chart and guideline, to identify children at risk of health complications related to his/her weight. Western Health developed a policy for appropriate intervention when a child is assessed at risk of health issues related to his/her weight; implementation of this policy will continue in 2013-14. Best practice information on healthy eating for toddlers and preschool children was made available on the Western Health website.

Promoting healthy eating for the school age population (children aged five to 12 years) was initiated as Western Health completed an evaluation of school menus to assess level of compliance with the School Food Guidelines and worked with schools to remove specific food items. Working with schools in the Western region, Western Health assessed the healthy eating needs of children, using the Comprehensive School Health Needs Assessment, and the healthy food choices made by children during recess and lunch. Staff identified priority target areas based upon the results from these two assessments and initiated the implementation of the 5-2-1-0 campaign (five fruit and vegetables, no more than two hours of screen time, one hour of physical activity, and zero sugar sweetened beverages) as one best practice strategy to address priority initiatives in healthy eating and physical activity. In 2013-14, Western Health will evaluate strategies implemented to determine effectiveness.

Increasing community action to address priority initiatives in healthy eating and physical activity, for children, aged 12 years and under, and their families, was initiated as Western Health facilitated a community forum in each of the seven primary health care team areas. Representatives from primary and elementary school councils, community advisory committees, schools and other key stakeholders were invited to identify opportunities to promote physical activity and healthy eating for the promotion of healthy weights and the prevention of obesity.

Reports on strengths, opportunities for improvement and recommendations for future action were prepared for each primary health care team area. Working with community partners, implementation of actions was initiated. In 2013-14, Western Health will implement a program, utilizing best practices, which focuses on improving the capacity of families of children, aged 12 years and under, to be physically active and eat healthy, within each primary health care team area. Two examples of programs considered for implementation are the KICK program (Kids In the Community Kitchen) and Fun Food Camp. Western Health trialed the KICK program at the West Rock Community Center during the last quarter of 2012-13. In the next fiscal year, Western Health will evaluate the programs/strategies implemented to determine the effectiveness of initiatives.

Objective Year Three (2013-14)
By March 31, 2014, Western Health will have implemented priority initiatives in the health promotion plan.

Measure Year Three (2013-14)
Implemented priority initiatives in the health promotion plan.

Indicators for the Year Three Objective (2013-14)
Continued implementation of work plan.
Implemented priority initiatives in keeping with evidence based practices.

OPPORTUNITIES AND CHALLENGES AHEAD FOR WESTERN HEALTH

Financial Health
During the fiscal year, Western Health looked for opportunities to improve its performance by participating in operational improvement exercises and comparing itself to similar health organizations with a focus on efficiency and effectiveness in an effort to control expenditures. Western Health will continue this process in the coming year.

Aging Population
Western Health continued to plan to enhance delivery of programs and services to an aging population. Growing demands for long term care, home support, services to adults with disabilities, the special assistance program and ambulance services continued to present some challenges. Western Health will continue to lead the development and implementation of clinical practice guidelines for care of the older adult across the continuum of care specifically in the areas of identification and management of chronic pain and depression. Design and construction of the new 14 bed restorative care unit within the Corner Brook Long Term Care Home is planned for 2013–14.

Timely Access
Recruitment and retention of staff and service demands continued to present opportunities and challenges for timely access to some services. Managers and staff will continue to work on strategies to improve access in areas such as: audiology, speech language pathology, developmental psychology and some areas of mental health and addictions. As well, no shows for, and cancellations of, scheduled appointments were having a negative impact on access to services as it created delays for both the individuals who were missing the appointments and those waiting for services. Western Health has begun implementing guidelines to address this issue.

Accreditation
On its path to accreditation Western Health completed Accreditation Canada's self assessment process to identify compliance with standards of excellence in the provision of programs and services. Using the results of the self assessment, Western Health is continuing to implement plans to support and enhance quality and safety. Surveyors from Accreditation Canada will complete their on site assessment of our compliance with the standards in November 2013. Accreditation offers Western Health an invaluable opportunity for continuous self improvement as an organization.

New Acute Care Facility
Western Health, in partnership with the Department of Health and Community Services and the Department of Transportation and Works, will continue to plan for a new regional acute care facility to be located in Corner Brook at the top of Wheeler's Road, off the Lewin Parkway. Government has committed $227 million over the next three years to advance construction of the facility. The new regional hospital complex will provide vital health services to the residents of the Western region for generations to come.

FINANCIAL REPORTS

In keeping with the *Transparency and Accountability Act*, Western Health is pleased to share its audited financial statement for 2012-13.

Consolidated Financial Statements

Western Regional Health Authority

March 31, 2013

Contents

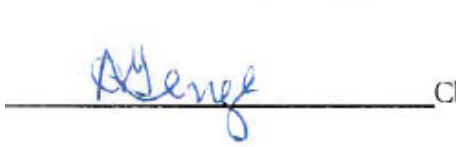
Statement of responsibility

The accompanying consolidated financial statements are the responsibility of the Board of Trustees of the Western Regional Health Authority (the "Board") and have been prepared in compliance with legislation, and in accordance with Canadian Public Sector Accounting Standards as recommended by the Canadian Institute of Chartered Accountants.

In carrying out its responsibilities, management maintains appropriate systems of internal and administrative controls designed to provide reasonable assurance that transactions are executed in accordance with proper authorization, that assets are properly accounted for and safeguarded, and that financial information produced is relevant and reliable.

The Board met with management and its external auditors to review a draft of the consolidated financial statements and to discuss any significant financial reporting or internal control matters prior to their approval of the consolidated finalized financial statements.

Grant Thornton LLP as the Board's appointed external auditors, have audited the consolidated financial statements. The auditor's report is addressed to the Board and appears on the following page. Their opinion is based upon an examination conducted in accordance with Canadian generally accepted auditing standards, performing such tests and other procedures as they consider necessary to obtain reasonable assurance that the consolidated financial statements are free of material misstatement and present fairly the financial position and results of the Board in accordance with Canadian public sector accounting standards.



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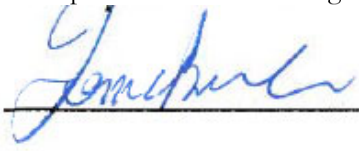

Director

Independent auditors' report

Grant Thornton LLP
Suite 201
4 Herald Avenue
Corner Brook, NL
A2H 4B4

T (709) 634-4382
F (709) 634-9158
www.GrantThornton.ca

To the Board of Trustees

Western Regional Health Authority

We have audited the accompanying consolidated financial statements of Western Regional Health Authority, which comprise the consolidated statement of financial position as at March 31, 2013 and the consolidated statement of operations, changes in net debt and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

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

Auditor's responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Western Regional Health Authority as at March 31, 2013 and the results of its consolidated operations and changes in net debt and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Grant Thornton LLP

Corner Brook, Canada

June 20, 2013

Chartered Accountants

Western Regional Health Authority

Consolidated statement of financial position

Year ended March 31 (in thousands of dollars)		**2013**		2012
Financial assets				
Cash and cash equivalents	**$**	**546**	$	1,778
Receivables (Note 3)		**25,073**		13,562
Trust funds on deposit (Note 4)		**580**		625
Replacement reserve fund		**150**		139
Restricted cash and investments		**141**		135
	$	**26,490**	$	16,239
Liabilities				
Bank indebtedness (Note 5)	**$**	**8,510**	$	-
Payables and accruals		**27,345**		30,948
Vacation pay accrual		**9,237**		9,387
Severance pay accrual (Note 6)		**30,474**		28,385
Sick leave accrual (Note 6)		**17,806**		17,331
Deferred contributions – operating		**2,751**		2,826
Deferred contributions – capital		**11,789**		11,349
Long term debt (Note 7)		**7,475**		8,143
Trust funds payable		**580**		625
	$	**115,967**	$	108,994
Net debt	**$**	**(89,477)**	$	(92,755)
Non-financial assets				
Tangible capital assets (Note 9)	**$**	**75,863**	$	78,691
Inventory (Note 10)		**6,156**		5,840
Prepaid expenses		**7,479**		6,898
		89,498		91,429
Accumulated surplus(deficit)	**$**	**21**	$	(1,326)

Contingencies and commitments (Note 11)

On behalf of the Board

Member

Member

See accompanying notes to the consolidated financial statements

Western Regional Health Authority

Consolidated statement of operations

Year ended March 31 (in thousands of dollars)	Budget 2013	Actual 2013	Actual 2012
Revenue			
Provincial plan – operating grant	$ 292,661	$ 292,661	$ 284,929
Capital grant – provincial	5,259	5,259	7,891
Capital grant – other	1,037	1,037	645
National Child Benefit	757	757	464
Early Childhood Development	359	359	359
MCP physician revenue	17,249	16,961	17,907
Inpatient	1,642	1,725	1,247
Outpatient	1,638	1,759	1,533
Resident revenue – long term care	8,070	7,538	7,368
Mortgage interest subsidy	40	23	33
Food service	1,821	1,877	2,107
Other recoveries	8,628	9,468	9,619
Other	2,543	4,976	6,712
	341,704	344,400	340,814
Expenditures			
Administration	28,049	30,269	27,238
Support services	55,641	56,922	59,250
Nursing inpatient services	81,929	80,672	82,150
Medical services	21,917	21,891	21,281
Ambulatory care services	25,829	25,206	24,751
Diagnostic and therapeutic services	32,969	32,062	32,166
Community and social services	80,957	77,809	74,360
Educational services	5,913	5,446	5,570
Undistributed	2,204	2,061	2,091
	335,408	332,338	328,857
Surplus	$ 6,296	$ 12,062	$ 11,957

See accompanying notes to the consolidated financial statements

Western Regional Health Authority

Consolidated statement of operations (cont'd)

Year ended March 31 (in thousands of dollars)	Budget 2013	Actual 2013	Actual 2012
Adjustments for undernoted items – net expenses			
Amortization expense	**$ 8,274**	**$ 8,274**	$ 8,590
Accrued vacation expense-increase (decrease)	**(150)**	**(150)**	91
Accrued severance expense-increase	**2,089**	**2,089**	3,529
Accrued severance expense (cottages) - (decrease) increase	**-**	**-**	(14)
Accrued sick expense – increase	**475**	**475**	889
Cottages - deficit	**-**	**27**	137
Total adjustments for above noted items	**10,688**	**10,715**	13,222
Surplus (Deficit)	**(4,392)**	**1,347**	(1,265)
Accumulated deficit, beginning of year	**(1,326)**	**(1,326)**	(61)
Accumulated surplus (deficit), end of year	**$ (5,718)**	**$ 21**	$ (1,326)

Western Regional Health Authority

Consolidated statement of changes in net debt

March 31 (in thousands of dollars)	**Budget 2013**	**Actual 2013**	Actual 2012
Net debt, beginning of year	$ **(92,755)**	$ **(92,755)**	$ (91,420)
Surplus (deficit) for the year	**(4,392)**	**1,347**	(1,265)
Changes in tangible capital assets			
Acquisition of tangible capital assets	**(6,500)**	**(6,468)**	(9,699)
Disposal of tangible capital assets	-	**534**	-
Amortization of tangible capital assets	**8,274**	**8,274**	8,590
Amortization of tangible capital assets-Cottages	**-**	**488**	446
Increase (decrease) in net book value of tangible capital assets	**1,774**	**2,828**	(663)
Changes in other non-financial assets			
Acquisition of prepaid expense (net of usage)	**-**	**(581)**	613
Acquisition of inventories of supplies (net of usage)	**-**	**(316)**	(20)
Increase (decrease) in other non-financial assets	**-**	**(897)**	593
(Increase) decrease in net debt	**(2,618)**	**3,278**	(1,335)
Net debt, end of year	$ **(95,373)**	$ **(89,477)**	$ (92,755)

See accompanying notes to the consolidated financial statements

Western Regional Health Authority

Consolidated statement of cash flows

Year ended March 31 (in thousands of dollars)		**2013**		2012
Operating				
Annual surplus (deficit)	**$**	**1,347**	$	(1,265)
Add (deduct) non-cash items:				
Amortization of capital assets		**8,274**		8,590
Amortization of capital assets - cottages		**488**		446
Accrued vacation expense – increase (decrease)		**(150)**		91
Accrued severance expense – increase		**2,089**		3,529
Accrued sick expense – increase		**475**		889
Changes in:				
Receivables		**(11,511)**		8,501
Inventory		**(316)**		(20)
Prepaid expenses		**(581)**		613
Deferred contributions - operating		**(75)**		(2,726)
Payables and accruals		**(3,603)**		5,936
Severance accrual – cottages		**-**		(14)
Net cash (applied to) provided by operating transactions		**(3,563)**		24,570
Capital				
Acquisitions of tangible capital assets		**(6,468)**		(9,699)
Disposal of tangible capital assets		**534**		-
Net cash applied to capital transactions		**(5,934)**		(9,699)
Financing				
Short term debt assumed		**8,510**		-
Short term debt repaid		-		(8,737)
Repayment of long term debt		**(668)**		(1,523)
Increase (decrease) capital contributions		**440**		(3,499)
Net cash (applied to) provided by financing transactions		**8,282**		(13,759)
Investing				
Restricted cash and investments		**(6)**		1
Replacement reserve fund		**(11)**		44
Net cash provided by (applied to) investing transactions		**(17)**		45
Net cash provided (applied)		**(1,232)**		1,157
Cash and cash equivalents - beginning of year		**1,778**		621
Cash and cash equivalents - end of year	**$**	**546**	$	1,778

See accompanying notes to the consolidated financial statements

Western Regional Health Authority

Notes to the consolidated financial statements

March 31, 2013
(in thousands of dollars)

1. Nature of operations

The Western Regional Health Authority ("Western Health") is constituted under the Regional Health Authority's Act (formerly known as the Hospital's Act) Constitution Order and is responsible for the management and control of the operations of acute and long term care facilities as well as community health services in the western region of the Province of Newfoundland and Labrador.

Western Health is an incorporated not-for-profit with no share capital, and as such, is exempt from income tax.

Western Health controls Gateway Apartments, Emile Benoit House & Units, Interfaith Home and Cottages, Bay St. George Cottages and LHC Cottages. These entities were established to provide housing to senior citizens. These entities have been included in the consolidated financial statements.

2. Summary of significant accounting policies

The consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles as recommended by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants and reflect the following significant accounting policies:

Basis of consolidation
The consolidated financial statements include the assets, liabilities, revenues and expenses of the reporting entity. The reporting entity is comprised of all organizations which are controlled by Western Health including Gateway Apartments, Emile Benoit House & Units, Interfaith Cottages 1 & 2, Bay St. George Cottages and LHC Cottages.

Use of estimates
The preparation of consolidated financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities, at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Items requiring the use of significant estimates include department of veteran affairs accounts receivable, accrued severance, accrued sick leave, useful life of tangible capital assets, impairment of assets and allowance for doubtful accounts.

Estimates are based on the best information available at the time of preparation of the consolidated financial statements and are reviewed annually to reflect new information as it becomes available. Measurement uncertainty exists in these financial statements. Actual results could differ from these estimates.

Western Regional Health Authority

Notes to the consolidated financial statements

March 31, 2013
(in thousands of dollars)

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

Cash and cash equivalents
Cash and cash equivalents include cash on hand and balances with banks and short term deposits, with original maturities of three months or less. Bank borrowings are considered to be financing activities.

Accrued severance and sick leave
Upon termination, retirement or death, the organization provides their employees, with at least nine years of services, with severance benefits equal to one week of pay per year of service up to a maximum of 20 weeks. An actuarially determined accrued liability for severance has been recorded in the statements. This liability has been determined using management's best estimate of employee retention, salary escalation, long term inflation and discount rates.

The organization provides their employees with sick leave benefits that accumulate but do not vest. The benefits provided to employees vary based upon classification within the various negotiated agreements. An actuarially determined accrued liability has been recorded on the statements for non-vesting sick leave benefits. The cost of non-vesting sick leave benefits are actuarially determined using management's best estimate of salary escalation, accumulated sick days at retirement, long term inflation rates and discount rates

Accrued vacation pay
An accrued liability for vacation pay is recorded in the accounts at year end for all employees who have a right to receive these benefits.

Non-financial assets
Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives generally extending beyond the current year and are not intended for sale in the ordinary course of operations. The change in non-financial assets during the year, together with the annual deficit (surplus), provides the change in net financial debt for the year.

Inventory
Inventory is valued at average cost. Cost includes purchase price plus the non-refundable portion of applicable taxes.

Western Regional Health Authority

Notes to the consolidated financial statements

March 31, 2013
(in thousands of dollars)

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

Tangible capital assets
Western Health has control over certain assets for which title resides with the Government of Newfoundland and Labrador. These assets have not been recorded in the financial statements of Western Health. Capital assets acquired after January 1, 1996 are recorded at cost. Assets are not amortized until placed in use. Assets in use are amortized over their useful life on a declining balance basis at the following rates:

Land improvements	2 ½%
Buildings	6 ¼%
Parking lot	6 ¼%
Equipment	15%
Motor vehicles	20%
Leasehold Improvements	20%

Capital and operating leases
A lease that transfers substantially all of the risks and rewards incidental to the ownership of property is accounted for as a capital lease. Assets acquired under capital lease result in a capital asset and an obligation being recorded equal to the lesser of the present value of the minimum lease payments and the property's fair value at the time of inception. All other leases are accounted for as operating leases and the related payments are expensed as incurred.

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

Revenue recognition
Provincial plan revenues for operating and capital purposes are recognized in the period in which all eligibility criteria or stipulations have been met. Any funding received prior to satisfying these conditions is deferred until conditions have been met. When revenue is received without eligibility criteria or stipulations, it is recognized when the transfer from the Province of Newfoundland and Labrador is authorized.

Donations of materials and services that would otherwise have been purchased are recorded at fair value when a fair value can be reasonably determined.

Western Regional Health Authority

Notes to the consolidated financial statements

March 31, 2013
(in thousands of dollars)

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

Revenue recognition (cont'd)
Revenue from the sale of goods and services is recognized at the time the goods are delivered or the services are provided.

Western Health reviews outstanding receivables at least annually and provides an allowance for receivables where collection has become questionable.

Pension costs
Employees of Western Health are covered by the Public Service Pension Plan and the Government Money Pension Plan administered by the Province of Newfoundland and Labrador. Contributions to the plans are required from both the employees and Western Health. The annual contributions for pensions are recognized in the accounts on an accrual basis.

Funds and reserves
Certain amounts, as approved by the board are set aside in accumulated surplus for future operating and capital purposes. Transfers to/from funds and reserves are an adjustment to the respective fund when approved.

Financial instruments

Western Health considers any contract creating a financial asset, liability or equity instrument as a financial instrument, except in certain limited circumstances. Western Health accounts for the following as financial instruments:

- cash and cash equivalents
- receivables
- trust funds on deposit
- restricted cash and investments
- bank indebtedness
- payables and accruals
- long term debt
- trust funds payable

A financial asset or liability is recognized when Western Health becomes party to contractual provisions of the instrument. Amounts due to and from related parties are measured at the exchange amount, being the amount agreed upon by the related parties.

Western Regional Health Authority

Notes to the consolidated financial statements

March 31, 2013
(in thousands of dollars)

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

Measurement

The company initially measures its financial assets and financial liabilities at fair value, except for certain non-arm's length transactions.

Financial assets or liabilities obtained in related party transactions are measured in accordance with the accounting policy for related party transactions except for those transactions that are with a person or entity whose sole relationship with Western Health is in the capacity of management in which case they are accounted for in accordance with financial instruments.

Western Health subsequently measures all of its financial assets and financial liabilities at cost or amortized cost less any reduction for impairment, except for investments in equity instruments that are quoted in an active market, which are measured at fair value; derivative contracts, which are measured at fair value; and certain financial assets and financial liabilities which the Authority has elected to measure at fair value.. Changes in fair value are recognized in annual surplus.

Financial assets measured at cost include cash and cash equivalents, receivables, trust funds on deposit, and restricted cash and investments.

Financial liabilities measured at cost include bank indebtedness, payables and accruals, long term debt and trust funds payable.

Impairment

Western Health removes financial liabilities, or a portion of, when the obligation is discharged, cancelled or expires.

A financial asset (or group of similar financial assets) measured at cost or amortized cost are tested for impairment which there are indicators of impairment. Impairment losses are recognized in the statement of operations. Previously recognized impairment losses are reversed to the extent of the improvement provided the asset is not carried at an amount, at the date of the reversal, greater than the amount that would have been the carrying amount had no impairment loss been recognized previously. The amounts of any write-downs or reversals are recognized in annual surplus.

Western Regional Health Authority

Notes to the consolidated financial statements

March 31, 2013
(in thousands of dollars)

3. Receivables

	2013	2012
Province of Newfoundland and Labrador		
Capital contributions	**$ 1,534**	$ -
Provincial plan	**9,538**	999
MCP	**2,918**	3,202
Patient services	**2,229**	1,518
Foundations	**876**	344
Employees' pay and travel advances	**351**	404
Harmonized sales tax rebate	**321**	419
Department of veteran affairs	**2,554**	1,247
Other	**4,749**	5,429
NLHC	**3**	-
	$ 25,073	$ 13,562

4. Trust funds

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

5. Bank indebtedness

Western Health has access to a line of credit with the Bank of Montreal in the amount of $17,500 (2012 - $17,500) in the form of revolving demand loans and/or bank overdrafts. The authorization to borrow has been approved by the Minister of Health and Community Services. The balance outstanding on this line of credit at March 31, 2013 is $NIL (2012 - $NIL) Interest is being charged at prime less 1.15% on any overdraft March 31, 2013 – 1.85% (March 31, 2012 - 1.85%).

6. Employee future benefits

The actuarial valuation was completed on May 15, 2013. The assumptions are based on future events. The economic assumptions used in the valuation are Western Health's best estimates of expected rates as follows:

	2013	2012
Wages and salary escalation	**4%**	4%
Interest	**3.6%**	3.85%

Western Regional Health Authority

Notes to the consolidated financial statements

March 31, 2013
(in thousands of dollars)

6. Employee future benefits (cont'd)

The sick leave accrual as at March 31 is as follows:

		2013		2012
Accrued sick pay obligation beginning of year	**$**	**17,331**	$	16,442
Current period benefit cost		**1,715**		1,817
Benefit payments		**(2,152)**		(2,453)
Interest on the accrued benefit sick leave obligations		**658**		750
Actuarial (gains)/losses		**254**		775
Accrued sick pay obligations end of year	**$**	**17,806**	$	17,331

The severance pay accrual as at March 31 is as follows:

		2013		2012
Accrued severance obligation beginning of year	**$**	**28,385**	$	24,869
Current period benefit cost		**2,090**		1,821
Benefit payments		**(1,767)**		(1,401)
Interest on the accrued severance obligation		**1,098**		1,165
Actuarial (gains)/losses		**668**		1,931
Accrued severance obligation end of year	**$**	**30,474**	$	28,385

Western Regional Health Authority

Notes to the consolidated financial statements

March 31, 2013
(in thousands of dollars)

7. **Long term debt**		**2013**		2012
1.8% mortgage on the Bay St. George Seniors Home, maturing in 2021, repayable in blended monthly payments of $12,113	**$**	**1,104**	$	1,228
8% mortgage on the Bay St. George Seniors Home, maturing in 2026, repayable in blended monthly payments of $9,523		**953**		991
4.56% mortgage on the Woody Point Clinic, maturing in 2020, repayable in blended monthly payments of $2,304		**169**		187
1.71 % CMHC loan maturing in 2017, repayable in monthly blended instalments of $9,270, amortized to 2017		**481**		579
2.86% CMHC loan due in 2018, repayable in monthly blended instalments of $6, 073 until December 1, 2013		**386**		447
10% CMHC loan due 2028, repayable in monthly blended instalments of $8,028		**756**		777
2.65% CMHC mortgage due 2019, amortized over 25 years, repayable in monthly blended instalments of $7, 370		**546**		619
2.40% CMHC mortgage due 2020, amortized over 25 years, repayable in monthly blended instalments of $7,473		**577**		652
1.67% NLHC loan due in 2024, payable in monthly blended instalments of $6,351 until March 2017		**766**		829

Western Regional Health Authority

Notes to the consolidated financial statements

March 31, 2013
(in thousands of dollars)

7. Long term debt (cont'd)	2013	2012
2.14% NLHC loan amortized to 2029, repayable in monthly blended instalments of $3,953 until March 2014	**660**	693
1.67% NLHC mortgage due 2028, repayable in monthly blended instalments of $2,726 until March 2017	**350**	371
1.67% NLHC mortgage due 2027 repayable in monthly blended instalments of $4,529 until March 2017	**727**	770
	$ 7,475	$ 8,143

As security for the mortgages, Western Health has provided a first mortgage over land and buildings at Corner Brook Interfaith Cottages 1 and 2, Bay St. George Senior Citizens Home, Gateway Cottages, Cottages #1 & 2, NLHC and Woody Point Clinic having a net book value of 2013 - $7,475 (2012 - $ 8,143)

See Note 8 for five year principal repayment schedule.

8. Obligations under long term debt

Western Health has acquired building additions and equipment under the terms of long term debt. Payments under these obligations, scheduled to expire at various dates to 2018 are as follows:

Fiscal year ended	
2014	$ 653
2015	681
2016	712
2017	745
2018	708
	$ 3,499

Western Regional Health Authority

Notes to the consolidated financial statements

March 31, 2013
(in thousands of dollars)

9. Tangible capital assets

	Land	Land Improvements	Buildings	Parking Lot	Equipment	Motor Vehicles	Leasehold Improvements	Total
March 31, 2013								
Cost								
Opening balance	$ 1,102	$ 435	$ 65,651	$ 1,142	$ 120,601	$ 1,461	$ 232	$ 190,624
Additions	-	-	1,230	-	5,150	88	-	6,468
Disposals	-	-	534	-	-	-	-	534
Closing balance	1,102	435	66,347	1,142	125,751	1,549	232	196,558
Accumulated amortization								
Opening balance	-	248	31,601	668	78,367	835	214	111,933
Additions	-	5	2,119	29	6,471	134	4	8,762
Disposals	-	-	-	-	-	-	-	-
Closing balance	-	253	33,720	697	84,838	969	218	120,695
Net book value	**$ 1,102**	**$ 182**	**$ 32,627**	**$ 445**	**$ 40,913**	**$ 580**	**$ 14**	**$ 75,863**

Western Regional Health Authority

Notes to the consolidated financial statements

March 31, 2013
(in thousands of dollars)

9 Tangible capital assets (cont'd)

	Land	Land Improvements	Buildings	Parking Lot	Equipment	Motor Vehicles	Leasehold Improvements	Total
March 31, 2012								
Cost								
Opening balance	$ 1,102	$ 435	$ 64,364	$ 1,142	$ 112,554	$ 1,096	$ 232	$ 180,925
Additions	-	-	1,287	-	8,047	365	-	9,699
Disposals	-	-	-	-	-	-	-	-
Closing balance	1,102	435	65,651	1,142	120,601	1,461	232	190,624
Accumulated amortization								
Opening balance	-	244	29,551	635	71,533	724	210	102,897
Additions	-	4	2,050	33	6,834	111	4	9,036
Disposals	-	-	-	-	-	-	-	-
Closing balance	-	248	31,601	668	78,367	835	214	111,933
Net book value	**$ 1,102**	**$ 187**	**$ 34,050**	**$ 474**	**$ 42,234**	**$ 626**	**$ 18**	**$ 78,691**

Book value of capitalized items that have not been amortized is $4,389 (2012 - $4,676)

Western Regional Health Authority

Notes to the consolidated financial statements

March 31, 2013
(in thousands of dollars)

10. Inventory

	2013	2012
Dietary	**$ 135**	$ 154
Pharmacy	**1,985**	1,867
Supplies	**3,667**	3,819
Consignment	**369**	-
	$ 6,156	$ 5,840

11. Contingencies and commitments

Claims

As of March 31, 2013, there were a number of claims against Western Health in varying amounts for which no provision has been made. It is not possible to determine the amounts, if any, that may ultimately be assessed against Western Health with respect to these claims, but management believes any claim, if successful, will be covered by liability insurance.

Operating leases

Western Health has a number of agreements whereby it leases vehicles, office equipment and buildings. These leases are accounted for as operating leases. Future minimum lease payments for the next five years are as follows:

Fiscal year ended

2014	$ 3,750
2015	3,074
2016	2,020
2017	1,241
2018	614
	$ 10,699

Western Regional Health Authority

Notes to the consolidated financial statements

March 31, 2013
(in thousands of dollars)

12. Budget

Western Health prepares an initial budget for a fiscal period that is approved by the Board of Trustees and 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 would be funded through amendments to the Original Budget and an updated budget is prepared by Western Health. The updated budget amounts are reflected in the budget amounts as presented in the non-consolidated statement of operations [the "Budget"].

The Original Budget and Budget do not include amounts relating to certain non-cash and other items including capital asset amortization, the recognition of provincial capital grants and other capital contributions, adjustments required to the accrued benefit obligations associated with severance and sick leave, and adjustments to accrued vacation pay.

The following presents a reconciliation of budgeted revenue for the year ended March 31, 2013:

Original budgeted provincial plan revenue	$	289,638
Add: Net provincial plan budget adjustments		3,023
Ending budgeted provincial plan revenue		292,661
Original budgeted other revenue		41,833
Add: Net budget increases - other		914
Ending budgeted revenue	$	335,408
Original budgeted salary expenditure	$	207,372
Add: Net salary budget adjustments		93
Ending budgeted salary expenditure		207,465
Original budgeted supply expenditure		124,099
Add: Net supply budget adjustments		3,844
Ending budgeted expenditures	$	335,408

Western Regional Health Authority

Notes to the non-consolidated financial statements

March 31, 2013
(in thousands of dollars)

13. Financial instruments

The main risks Western Health is exposed to through its financial instruments are credit risk, liquidity risk and market risk.

Credit risk
Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Authority's main credit risks related to its accounts receivable and notes receivable. The entity provides credit to is clients in the normal course of its operations. There was no significant change in exposure from the prior year.

The Authority's credit risk is primarily attributable to accounts receivable. Western Health has a collection policy and monitoring process intended to mitigate potential credit losses. Management believes that the credit risk with respect to accounts receivable is not material.

Liquidity risk
Liquidity risk is the risk that the Authority will encounter difficulty in meeting the obligations associated with its financial liabilities. The Authority is exposed to this risk mainly in respect of its long term debt, contributions to the pension plan and accounts payable. There was no significant change in exposure from the prior year.

The Authority mitigates this risk by having access to a line of credit in the amount of $17,500. In addition, consideration will be given to obtaining additional funds through third party funding in the Province, assuming these can be obtained.

Market risk
Market risk is the risk that the fair value or expected future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The Authority is not significantly impacted by foreign exchange risk or interest rate risk.

14. Comparative figures

Comparative figures have been adjusted to conform to changes in the current year presentation.

Western Regional Health Authority

Consolidated expenditures – operating/shareable

Schedule I

Year ended March 31 (in thousands of dollars)	**2013**	2012
Administration		
General administration	**$ 10,925**	$ 9,386
Finance	**3,340**	3,039
Personnel services	**5,257**	5,150
System support	**4,927**	4,037
Other administrative	**5,820**	5,626
	30,269	27,238
Support services		
Housekeeping	**10,547**	10,527
Laundry and linen	**2,655**	2,704
Plant services	**18,516**	21,034
Patient food services	**11,502**	11,525
Other support services	**13,702**	13,460
	56,922	59,250
Nursing inpatient services		
Nursing inpatient services – acute	**55,237**	54,494
Medical services	**21,891**	21,281
Nursing inpatient services – long term care	**25,435**	27,656
	102,563	103,431
Ambulatory care services	**25,206**	24,751
Diagnostic and therapeutic services		
Clinical laboratory	**10,808**	10,670
Diagnostic imaging	**8,725**	8,681
Other diagnostic and therapeutic	**12,529**	12,815
	32,062	32,166

Western Regional Health Authority
Consolidated expenditures – operating/shareable
Schedule I (cont'd)

Year ended March 31 (in thousands of dollars)	**2013**	2012
Community and social services		
Mental health and addictions	**7,485**	7,522
Community support programs	**59,051**	55,828
Family support programs	**2,936**	2,950
Health promotion and protection program	**8,337**	8,060
	77,809	74,360
Education	**5,446**	5,570
Undistributed	**2,061**	2,091
Shareable amortization	**180**	542
Total expenditures	**$ 332,518**	$ 329,399

Western Regional Health Authority

Consolidated revenue and expenditures for government reporting

Schedule II

Year ended March 31 (in thousands of dollars)	**2013**	2012
Revenue		
Provincial plan – operating grant	**$ 292,661**	$ 284,929
Capital grant – provincial	**5,259**	7,891
Capital grant – other	**1,037**	645
MCP physician revenue	**16,961**	17,907
National Child Benefit	**757**	464
Early Childhood Development	**359**	359
Inpatient	**1,725**	1,247
Outpatient	**1,759**	1,533
Resident Revenue – long term care	**7,538**	7,368
Mortgage interest subsidy	**23**	33
Food service	**1,877**	2,107
Other recoveries	**9,468**	9,619
Other	**4,976**	6,712
Total revenue	**344,400**	340,814
Expenditures		
Worked and benefit salaries and contributions	**174,728**	174,595
Benefit contributions	**30,553**	30,584
	205,281	205,179
Supplies – plant operations and maintenance	**6,640**	7,037
Supplies – drugs	**8,818**	8,474
Supplies – medical and surgical	**11,926**	11,973
Supplies – other	**12,780**	13,963
	40,164	41,447
Direct client costs – mental health and addictions	**357**	348
Direct client costs – community support	**44,156**	41,710
Direct client costs – family support	**1,304**	1,397
	45,817	43,455
Other shareable expenses	**40,969**	38,640

Western Regional Health Authority

Consolidated revenue and expenditures for government reporting

Schedule II (cont'd)

Year ended March 31 (in thousands of dollars)	**2013**	2012
Expenditures (cont'd)		
Long term debt – interest	**107**	139
Long term debt – principal	**180**	169
Capital lease – interest	**-**	(3)
Capital lease – principal	**-**	373
	287	678
Total expenditures	**332,518**	329,399
Less: Capital grant – provincial	**5,259**	7,891
Less: Capital grant – other	**1,037**	645
Surplus for government reporting	**5,586**	2,879
Long term debt - principal	**180**	169
Capital lease – principal	**-**	373
Surplus inclusive of other operations	**5,766**	3,421
Shareable amortization	**180**	542
Surplus before non-shareable items	**5,586**	2,879
Non-shareable items		
Amortization expense	**8,094**	8,048
Accrued vacation expense (decrease) increase	**(150)**	91
Accrued severance expense - increase	**2,089**	3,515
Accrued sick expense – increase	**475**	889
Cottages	**27**	137
Capital grant – Provincial	**(5,259)**	(7,891)
Capital grant - Other	**(1,037)**	(645)
	4,239	4,144
Surplus (deficit) as per Statement of Operations	**$ 1,347**	$ (1,265)

Western Regional Integrated Health Authority

Consolidated funding and expenditures for government reporting

Capital transactions

Schedule III

Year ended March 31 (in thousands of dollars)		**2013**		2012
Sources of funds				
Provincial capital equipment grant for current year	**$**	**5,313**	$	6,583
Provincial facility capital grant in current year		**1,575**		1,952
Add: Deferred capital grant from prior year		**11,349**		14,848
Add: Transfer from operating fund		**500**		-
Less: Capital facility grant reallocated for operating fund purchases		**(1,689)**		(4,143)
Less: Deferred capital grant from current year		**(11,789)**		(11,349)
		5,259		7,891
Other contributions				
Foundations, auxiliaries and other		**1,037**		645
Total funding		**6,296**		8,536
Capital expenditures				
Asset, building and land		**1,231**		1,287
Asset, equipment		**5,237**		8,412
Total expenditures		**6,468**		9,699
(Deficit) surplus on capital purchases	**$**	**(172)**	$	(1,163)

Western Regional Health Authority

Accumulated operating deficit for government reporting - excluding cottages

Schedule IVA

Year ended March 31 (in thousands of dollars)		**2013**		2012
Accumulated operating deficit				
Current assets				
Cash and cash equivalents	**$**	**103**	$	1,610
Accounts receivable		**24,177**		13,204
Due from associated funds		**2,125**		1,297
Inventory		**6,156**		5,840
Prepaid expenses		**7,362**		6,798
Other		**(14)**		(13)
Total assets		**39,909**		28,736
Current liabilities				
Bank indebtedness		**8,510**		-
Accounts payable and accrued liabilities		**27,225**		30,868
Deferred contributions – operating		**2,748**		2,823
Deferred contributions - capital		**11,789**		11,349
Total current liabilities		**(50,272)**		45,040
Accumulated operating deficit	**$**	**(10,363)**	$	(16,304)
Reconciliation of operating deficit – operating fund only				
Accumulated operating deficit – beginning of year	**$**	**(16,304)**	$	(17,485)
Add: IFH mortgage settlement		**535**		(535)
Add: Net operating income per schedule II		**5,586**		2,880
Add: Net deficit on capital purchases per schedule III		**(172)**		(1,163)
Less: Restricted interest income		**(8)**		(1)
Accumulated operating deficit –end of year		**(10,363)**		(16,304)
Less: Net surplus on capital purchases-prior years	**$**	**1,170**	$	2,333
Less: Net surplus (deficit) on capital purchases -2012		**-**		(1,163)
Less: Net surplus (deficit) on capital purchases -2013		**(172)**		-
Accumulated operating deficit – per Department of Health and Community Services	**$**	**(11,361)**	$	(17,474)

Western Regional Health Authority

Reconciliation of consolidated accumulated operating deficit for government reporting

Schedule IVB

Year ended March 31 (in thousands of dollars)	**2013**	2012
Accumulated operating deficit – end of year per Schedule IVA	**$ (10,363)**	$ (16,304)
Adjustments:		
Intercompany – cottages elimination	**(1,249)**	(954)
Cottages – current assets	**580**	283
Cottages – current liabilities	**(123)**	(83)
Other assets	**14**	13
Restricted cash and investments	**141**	135
Replacement reserve	**150**	139
Vacation pay accrual	**(9,237)**	(9,387)
Severance pay accrual	**(30,474)**	(28,385)
Sick pay accrual	**(17,806)**	(17,331)
Long term debt	**(7,475)**	(8,143)
Tangible capital assets	**75,863**	78,691
	10,384	14,978
Accumulated deficit per Statement of Financial Position	**$ 21**	$ (1,326)

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