2014 – 2015

Annual Report

Health PEI

One Island Health System

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2014 – 2015 ANNUAL REPORT

CONTENTS

A MESSAGE FROM HEALTH PEI'S BOARD CHAIR AND CEO

Phyllis Horne
Board Chair, Health PEI

Dr. Richard Wedge
CEO, Health PEI

On behalf of the Board of Directors, staff and physicians of Health PEI, we are pleased to present to the Minister of Health and Wellness and the people of Prince Edward Island the 2014-15 Annual Report for Health PEI. This report provides a mid-point perspective of our 2013-2016 Strategic Plan. The work highlighted in this Annual Report represents our continued progress in relation to our goals of Quality, Access and Efficiency. As we move through our current strategic planning cycle and work on each strategic objective, Health PEI has continued to build on its vision of *One Island Health System supporting improved health for Islanders*.

We are pleased with Health PEI's accomplishments this year and we are honored and proud to serve as leaders within this organization. To illustrate our efforts to embed the philosophy of person-centered care, we have incorporated in to this report, testimonials from Islanders about their experiences using the health care system. Key achievements of quality include the implementation of the provincial hand hygiene policy, improvements in care for seniors in the hospital setting, the implementation of programs in public health targeting new babies and young children, embedding new leadership capabilities throughout the organization and the development of a policy on patient rights and responsibilities.

Significant achievements have been made for improving access to health services. We have implemented advanced clinical access projects to decrease wait times in family physician offices, established a shared care model between primary care and community mental health, opened a new Transitions Unit at the Provincial Addictions Treatment Facility, added pharmacy technicians at the Queen Elizabeth Hospital emergency department, and made program enhancements for children with complex needs and their families to significantly decrease wait times.

Work in the area of efficiency which has improved care for Islanders over the past year includes the implementation of Computerized Provider Order Entry (CPOE) in all hospitals, the completion of quality improvement projects to reduce acute care hospital length of stay, continued implementation of the Better Health, Lower Costs program and the implementation of a program to enhance primary care for patients with Chronic Obstructive Pulmonary Disease (COPD).

Health PEI has made many improvements this past year and we will push ahead while striving to achieve our ultimate vision *One Island Health System supporting improved health for Islanders*. In our final year of the strategic plan we will build on the successes and lessons learned in the past year. We would like to take this opportunity to thank our dedicated staff, physicians and volunteers who continue to support and improve Quality, Access and Efficiency for Islanders every day.

Respectfully submitted,

Phyllis Horne
Board Chair, Health

Richard Wedge
CEO, Health PEI

MISSION, VALUES, VISION AND GOALS

Mission

Our mission statement describes the purpose of Health PEI and reflects the broad functions of the organization as defined in the *Health Services Act*.

Working in partnership with Islanders to support and promote health through the delivery of safe and quality health care.

Values

Core values are integral to our activities and relationships as health care professionals and providers at Health PEI.

Caring: We treat everyone with compassion, respect, fairness, and dignity.

Integrity: We collaborate in an environment of trust, communicate with openness and honesty, and are accountable through responsible decision-making.

Excellence: We pursue continuous quality improvement through innovation, integration, and the adoption of evidence-based practices.

Vision

Our vision statement guides current and future actions and practices of the organization.

One Island health system supporting improved health for Islanders.

Goals

The goals identify our major areas of focus. The future actions of the organization will stem from the following goal statements:

Quality: We will provide safe, quality and person-centered care and services.

Access: We will provide access to appropriate care by the right provider in the right setting.

Efficiency: We will optimize resources and processes to sustain a viable health care system.

2014 – 2015 IN BRIEF

This section highlights the real life health benefits for Islanders that are being achieved through Health PEI's ongoing commitment to make improvements in the areas of Quality, Access and Efficiency. These three goal areas and associated objectives as set out in *Health PEI's 2013 – 2016 Strategic Plan* have guided the efforts of the organization over the past two years. A table at the end of this section lists key activities that were undertaken in 2014-15 in relation to each goal area's objective. The table is followed by testimonials of how some of the improvements made throughout the year have impacted Islanders who access Health PEI services to help meet their health care needs.

Quality

Health PEI is accountable for the quality of care and services provided across the province. Continuous quality improvement remains a top priority for Health PEI. In 2014-15, Health PEI devoted a significant amount of energy to improving quality and safety across the organization. To better control the spread of infections in our health care environments, a provincial hand hygiene policy was developed and implemented. The purpose of this policy is to protect patients, clients and residents and to decrease the risk of infection to staff and visitors in our health care delivery sites.

This past year, Health PEI also focused on ways to prevent adverse drug events by improving accuracy in the communication of medication information. This was achieved through the implementation of electronic medication reconciliation on admission to hospital. Work was also undertaken last year to increase the level of collaboration between health care providers, patients and their families to ensure that care-related decisions are well understood and well informed.

Improving health outcomes for patients living with diabetes was another area of focus under the goal of quality in 2014-15. The launch of the *PEI Diabetes Strategy 2014-2017* and the implementation of a new Insulin Pump Program for children and youth are both instrumental in the delivery of diabetic care.

Improving quality within the work environment was also an area of priority. 18 Leadership Development Workshops aimed at building knowledge and skills were provided to Health PEI staff, in addition to workplace bullying awareness workshops. These workshops are intended to increase safety, civility and respect in the workplace and contribute to a healthy work environment that benefits all staff and ultimately has a positive impact on staff morale and the quality of care and health outcomes for Islanders.

Listed in the table below are the key work activities related to each of the objectives under the goal of quality for 2014-15.

Objective 1.1 Ensure appropriate patient safety standards are met
Developed and implemented provincial hand hygiene policy
Implemented electronic medication reconciliation on admission to hospital

Objective 1.2 Embed the philosophy of person-centered care
Began final phase of the Collaborative Model of Care
Completed planning for the Senior Friendly Hospitals project
Implemented Phase II of the Comprehensive Continuous Integrated System of Care program for supporting quality and access improvements in mental health and addictions

Objective 1.3 Promote improved health outcomes through prevention and education
Implemented the Insulin Pump program for children and youth living with diabetes
Launched the PEI Diabetes Strategy 2014 – 2017
Developed a three-year Cancer Strategy
Launched *Eye See Eye Learn* program in partnership with the PEI Association of Optometrists
Implemented *Launching Little Ones…Growing up Great* program
Held Advance Care Planning information workshops

Objective 1.4 Foster a healthy work environment
Held 18 Health PEI leadership development sessions
Further embedded LEADS in a Caring Environment (leadership capabilities framework) into Health PEI
Training and education materials on the Health PEI Code of Conduct were made available
Workplace psychological health and safety workshops were provided to management
Workplace bullying awareness workshops were offered at various worksites across Health PEI
New medical leadership model was approved in principle
Developed a policy on patient rights and responsibilities

Islander Experiences

Lacey Carlsson – Summerside (now in Sweden)

I became a mother for the first time this year. My life changed forever and obviously for the better. I did struggle with breast feeding in the beginning but wanted to continue with it, as I know the benefits are wonderful. I sought help from the Summerside Public Health Office. I am so incredibly grateful for the lactation consultant I worked with. Without her help, I would have given up on breast feeding and changed to formula. My baby had dipped in weight and my milk production was dwindling. Not only did the lactation consultant boost my spirits, but she gave me several important pointers to help with milk production! It worked!! My four month old is now thriving. Great work Health PEI!! It's so nice to see such an important role being offered to new mothers on PEI.

Leticia LaRosa - Charlottetown

I am a community volunteer on the Senior Friendly Hospitals project. Through this experience as a community member, I have had the opportunity to meet many people from all over the health care system - including nurses and physicians. It has been an interesting experience seeing firsthand how health care projects are developed and how they can grow into programs or services.

We have identified that it is important to communicate the patient/ family perspective to health care provider(s). This is a key part of being a patient in the hospital. It is important that this takes place to the best of a person's ability. A senior may sometimes need additional support from someone who can help communicate with the health care provider. I have also learned about the different tools and information that hospital staff use to assess a senior's health while in hospital. I am looking forward to seeing this work being delivered in other hospitals.

Access

Ensuring that Islanders can access the care they need, by the right provider and in the appropriate setting remains a top priority for Health PEI. To increase and improve access to family physicians, six Advanced Clinical Access projects were implemented in primary care last year. These projects focused on increasing access to physicians as well as primary care providers, such as primary care nurses and a case manager nurse. Over the past several years there have been improvements made which increased access to health care and services. More than 7,400 Islanders were removed from the Provincial Patient Registry and now have a family physician, wait times for long-term care beds were reduced, and access for emergency department visits were improved.

The Queen Elizabeth Hospital emergency department has had several projects implemented with a focus on reducing wait times, including using pharmacy technicians to support medication reconciliation, and decreasing the time from a patient's admission in the emergency department to their arrival on a unit. Wait times for addictions services and hip and knee replacement surgeries have also been greatly improved over the past year. The opening of both the Transitions Unit in the Provincial Addictions Treatment Facility and the expanded day surgery department at the Queen Elizabeth Hospital have increased access to services in these critical areas. One area where access remains a challenge is within mental health. Demand for mental health services continues to increase exponentially and puts a significant strain on services. In the coming year, Health PEI will be undertaking a number of initiatives that will focus on reducing the wait times for mental health services.

Health PEI recognizes that certain population groups can be faced with unique challenges that impact their ability to access care services they need. To improve access for these groups, the organization is dedicated to supporting improved health outcomes for members of these particular population health groups. To better support the health outcomes of PEI's Aboriginal population, Health PEI has made provincial diabetes data available electronically in First Nations' Health Centres and launched a community of practice for mental health and addictions clinicians in Health PEI and the Aboriginal and First Nations communities. This work provides increased opportunities for collaboration and knowledge sharing. Health PEI has also focused on improving access for French speaking Islanders by undertaking a three-year initiative to improve efficiency in the planning and service delivery process in the Acadian and Francophone communities.

Listed in the table below are the key work activities related to each of the objectives under the goal of access for 2014-15.

Objective 2.1 Reduce wait times in priority areas
Primary Care Providers
Implemented Advanced Clinical Access projects
Mental Health Services
Established collaborative shared care model between primary care and community mental health in Montague
Developed a plan for a specialized team for serious behavioral conditions within children's mental health services
Addictions Services
Opened the Transitions Unit at the Provincial Addictions Treatment Facility
A community-based addictions medicine clinic opened to provide services to those with opiate addictions
Long-term Care
Launched the Restorative Care Unit as a permanent program at the Prince Edward Home
Elective Surgical Services
Expanded the day surgery department at the Queen Elizabeth Hospital
Emergency Services
Pharmacy technicians were added to the emergency department at the Queen Elizabeth Hospital
Implemented a collaborative project between the emergency department and inpatient units at the Queen Elizabeth Hospital focusing on patient admission to inpatient unit from the emergency department
Secured funding to develop a Provincial Trauma Registry in collaboration with New Brunswick
Implemented changes to the emergency department at Western Hospital to improve efficiencies

Objective 2.2 Improve access to care for specific populations
Children with complex needs
Made enhancements to a number of program areas to better support children with complex needs and their families, including additional supports in physicial medicine
Frail seniors with complex health needs
Launched Caring for Older Adults in the Community and at Home pilot project to provide improved care for seniors
Aboriginal populations
Cultural Awareness and Sensitivity Training program was developed and presented to clinicians
Established electronic access to provincial diabetes data at First Nations' Health Centres
Launched a community of practice for mental health and addictions to bring together clinicians in Health PEI and the Aboriginal and First Nations communities
French language services
Secured funding from Health Canada to undertake an initiative to improve data collection from French speaking clients
Newcomer populations
Enhanced public health services and family nutrition dietitian services were made available at the newcomer immunization clinics

Islander Experiences

Colleen MacKinnon-Snow – Summerside

The Pap Screening Clinic at the Harbourside Health Centre in Summerside has helped me greatly as I do not currently have a family doctor. I actually referred myself to the clinic and the Nurse Practitioner was able to provide a direct referral to a gynecologist and I was scheduled for surgery soon afterward. Now I am less stressed at home as I know I am addressing my health issue and doing all the right things. I think people should not wait if they have health issues. There are many options for Islanders. You can call the 811 Telehealth line – a great way to better understand health services and how to connect to the service you need.

Claude Creamer – Souris

The COPD (Chronic Obstructive Pulmonary Disease) program helped me quite a bit. I have seen a big difference in my breathing. I used to attend the program once or twice a week for a month and that helped get me going on my own. The program was a great help in getting me to understand how I can manage COPD at home. If I have any problems I can just call the health centre. And it certainly helped slow down the hospital visits. I walk more now and generally feel healthier.

Efficiency

Optimizing the use of resources across the organization is an ongoing priority for Health PEI. Several activities have taken place throughout the system to incorporate technological advances into our work to increase efficiency and improve the quality and safety of our care and services. In 2014-15, the Computerized Provider Order Entry (CPOE) project was implemented in all Island hospitals. CPOE increases efficiency by permitting all clinicians' orders to be available in electronic format.

Under the umbrella of efficiency, work is underway to improve the flow of patients and the coordination of care throughout the system. A number of quality improvement projects were implemented last year to reduce the average length of stay in acute care beds thereby improving the flow of patients through the system. A new standardized process for transfers between Island health care facilities was also implemented, which not only increases efficiency in the transfer process but also clarifies the process to staff and patients. A major component of organizational efficiency is dependent upon effective resource management, which Health PEI has made a significant area of focus in recent years. Last year alone, the organization generated an average savings on contracts of 19.55 per cent by working with our group purchasing organizations to transition to a number of more efficient contracts.

Listed in the table below are the key work activities related to each of the objectives under the goal of efficiency for 2014-15.

Objective 3.1 Utilize technology to improve the quality, safety and continuity of care
Completed the implementation of the Computerized Provider Order Entry project in all hospitals
Planned for the implementation of Remote Patient Monitoring for heart failure
Issued a request for proposals to identify potential electronic medical record solutions for primary care providers

Objective 3.2 Improve management of bed utilization across the system
Completed 32 quality improvement projects aimed at reducing the average length of stay in PEI's acute care beds
Initiated the Timely Transitions project to identify where bed delays are impacting a patient's length of stay
Continued to implement the Better Health, Lower Costs program
Secured funding to implement the INSPIRED program (Implementing a Novel and Supportive Program of Individualized Care for Patients and Families living with Respiratory Disease)

Objective 3.3 Improve the coordination of care across the continuum of health services
Paramedics Providing Palliative Care at Home pilot was launched
Implemented a standard process for inter-facility transfers across Health PEI

Objective 3.4 Effective Resource Management
Continued to work with group purchasing organizations to transition contracts where savings have been identified

Islander Experiences

Darlene MacKinnon – Montague

The COPD (Chronic Obstructive Pulmonary Disease) program did wonders for my health. I learned more than what I already knew and it really helped. The team in Montague helped with my breathing technique and showed me how to use my inhaler properly. It was also great to meet other people in the COPD group who were experiencing the same condition. My breathing technique improved when I am active, such as when climbing stairs and going for longer walks. I am able to be more active as a result. I also learned how pharmacists can help me avoid unnecessary doctor or hospital visits.

Dr. Thor Christensen, son of the late Theresa Ellen Christensen – Charlottetown

The integrated palliative care program was an incredible support to our family during the final months of my mother's life. We worked with palliative care and home care staff and it really helped avoid emergency department visits.

My mother spent 2 or 3 nights in palliative care to deal with an acute care need and the nursing staff were incredible – often going beyond the call of duty. There was great follow up and assistance in tracking down physicians when needed. Physicians were well aware of her case and she was treated with dignity. There was a lot of professional knowledge offered and staff treated us very compassionately. When dealing with end of life issues, it is best to have an early referral to the integrated palliative care program so that an appropriate treatment plan can be developed.

Jack Jans - Fortune

I discovered I had Atrial Fibrillation during a routine check-up. I then became part of the INR program which resulted in regular monthly blood checks to ensure my blood counts were ok. The process is very efficient and convenient. I have a blood check and then, depending on my blood count, the registered nurses adjust my Warfarin dose as needed to thin my blood. All this helps reduce my chance of a stroke. It gives me a piece of mind knowing that I am doing what I need to do to help stay healthy.

FINANCIAL HIGHLIGHTS

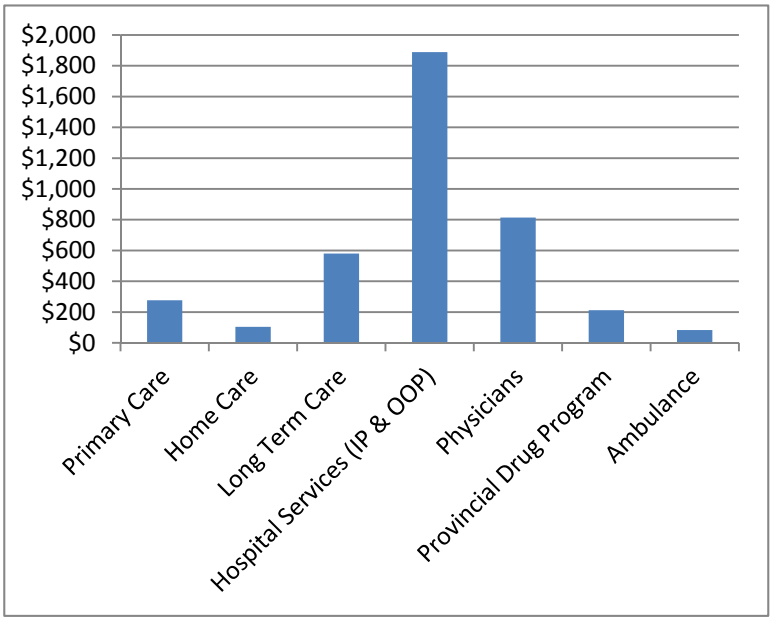
This section of the Annual Report highlights the organization's operations for the fiscal year ending March 31, 2015. This financial section should be read in conjunction with Health PEI's audited financial statements (Appendix C).

Operating Activities:	
Revenues	600,799,242
Expenditures	600,799,242
Subtotal: Operating	-
Capital Activities	
Revenues	10,514,784
Amortization	15,863,880
Subtotal: Capital	(5,349,096)
Annual (Deficit) Surplus	(5,349,096)
Government Grant - Budget	581,134,300
Government Grant - Actual	577,262,681
Government Grant Variance	3,871,619

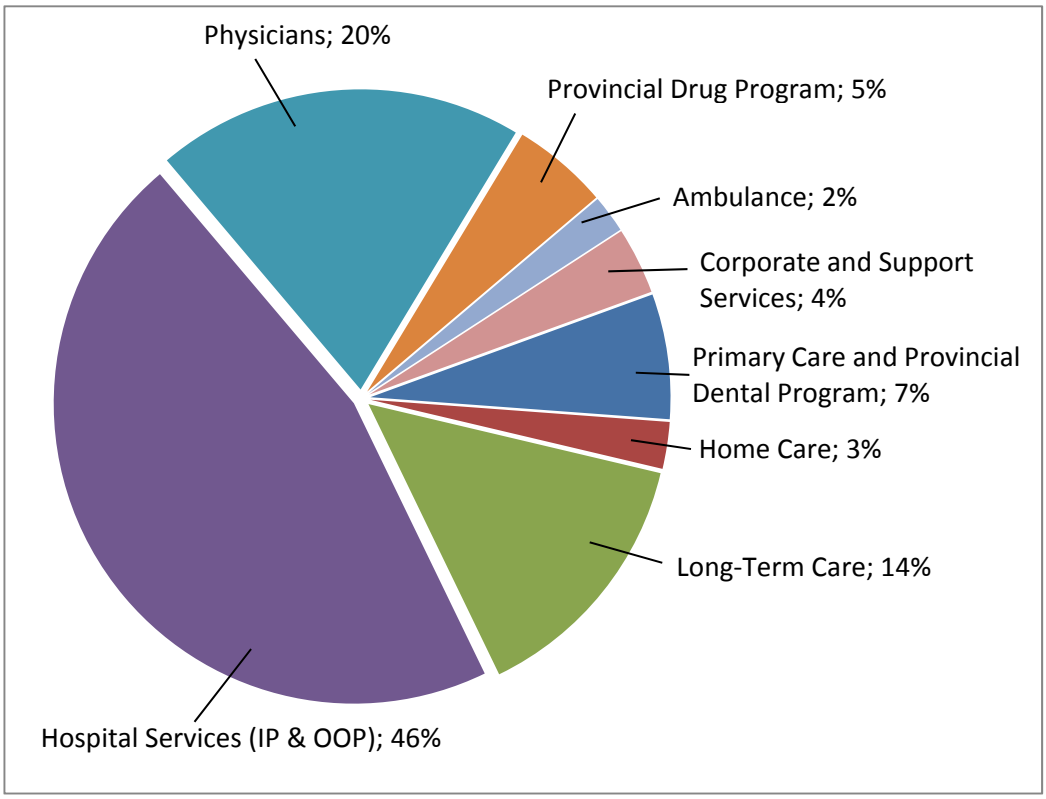
Expenses per Capita

Budgeted spending per capita highlights the Provincial Government's health expenditure by use of funds divided by the population. This indicator allows Health PEI leadership to target and track service enhancement and better control spending in specific areas. Targets are set based on anticipated areas of growth or projected needs for additional resources to meet the needs of Islanders.

2014-15 Expenses per Capita (Actual)



2014–15 Expenses by Sector (actual)



IP = in-province; OOP = out-of-province

Expenses by Sector

Physicians – expenses relating to services provided by physicians and programs for physicians including primary health care, acute medical care, specialty medical care and the medical residency program.

Primary Health Care and Provincial Dental Program – expenses relating to the provision of primary health care by nursing and other health care providers including community primary health care, community mental health, addiction services, public health services and dental programs.

Home-Based Care – expenses relating to the provision of home nursing care, home support services.

Long -Term Care – expenses relating to the provision of long-term residential care including palliative care.

Hospital Services – expenses relating to acute nursing care, ambulatory care, laboratory, diagnostic imaging, pharmacies, ambulance services, the clinical information system, renal services and out-of-province medical care for Islanders.

Provincial Drug Programs – expenses relating to the provision of pharmacare programs including Seniors Drug Cost Assistance program, Social Assistance Drug Cost Assistance program and High Cost Drugs program.

Ambulance – expenses relating to the contracting and provision of emergency medical services.

Corporate & Support Services – expenses relating to the provision of centralized, corporate support services including strategic planning and evaluation, risk management, quality and safety, human resource management, financial planning and analysis, financial accounting and reporting, materials management and health information management.

HEALTH PEI BY THE NUMBERS

Employees	2011/12	2012/13	2013/14	2014/15
Nursing (NPs, RNs, LPNs, RCWs & PCWs)	1,535	1,634	1,647	1,640
Administration and Management	175	191	192	188
Lab Technicians	202	218	220	171
Secretarial/Clerical	261	264	264	247
Utility Worker/Service Worker	363	368	369	376
Other Health Professionals and Support Staff	969	992	1,003	990
Medical Staff				
Family Physicians	117	121	120	120
Specialists	98	102	103	100
Residents	10	10	10	10
Hospital-Based Service Volumes Across Health PEI				
Emergency Visits	100,631	101,657	95,326	92,222
Operative Cases (acute care)	3,824	3,705	3, 653	3,621
Operative Cases (day surgery)	6,665	6,064	6,483	5,670
Inpatient Days (excludes Hillsborough Hospital (HH))	141,552	143,690	140,766	139,350
Admissions (excludes HH)	15,738	15,331	15,287	15,471
Average Length of Stay (days) (excludes HH)	8.70	9.47	9.57	9.08
Number of Diagnostic Imaging Exams	141,151	145,004	143,809	141,545
Number of Tests Processed by Laboratory Services	2,289,000	2,430,755	2,188,040	2,202,936
Hospital-Based Mental Health Services Inpatients	999	1,020	982	848
Long-Term Care				
Occupancy Rate (public manors only)	97.8%	98.9%	99.0%	98.2%
Number of long-term care admissions	225	206	256	272
Number of long-term care beds (public facilities only)	572	575	595	598
Number of long-term care facilities (public facilities only)	9	9	9	9
Average Length of Stay (years) (public manors only)	2.5	2.8	2.9	2.6
Home Care				
Number of Clients Served by Home Care	4,615	4,649	4,449	4,192
Number of Home Care Clients that are 75+ years old	2,719	2,705	2,461	2,316

HEALTH PEI BY THE NUMBERS (CONTINUED)

PEI Cancer Treatment Centre	2011/12	2012/13	2013/14	2014/15
Radiation Therapies and Simulation Visits	8,824	8,630	7,915	9,600
Medical Visits	12,947	14,778	14,862	17,197
Radiation Consults and Follow-Ups	3,759	3,752	3,418	3,579
Medical Consults and Follow-Ups	5,934	4,870	4,277	4,608
Primary Health Care Statistics				
Community Mental Health Provincial – Referrals	5,004	5,394	5,571	5,589
Community Mental Health – Crisis Response	1,040	1,294	1,107	1,560
Addiction Services – Total Admissions	3,150	3,628	3,402	3,013
Speech Language Pathology Program Referrals	335	574	582	574
Audiology Referrals	438	400	484	396
Immunization Rate (2 years old fully immunized)	84%	84%	87%	85%
Visits to Primary Care Health Centres	--	96,318	85,316	78,312
Primary Care Health Centres – # distinct clients	--	22,494	20,414	20,277
Provincial Diabetes Programs – # class attendees	889	724	905	755
Provincial Diabetes Programs – # of classes	177	138	155	156
Provincial Diabetes Programs – Total # of referrals (Pediatric Type 1 & 2; Adult Type 1 & 2; Gestational Diabetes)	1,683	1,576	1,562	1,592
Public Health Dental Program – # of children who received dental treatment	7,191	5,841	4,535	4,486
Public Health Dental Program – # of children who participated in the school-based prevention program*	12,648	13,329	12,761	13,347

*The school numbers run with the school year that we record from July 1 to June 30. The school year starts in the summer because we have clinics running in some schools during that period.

APPENDICES

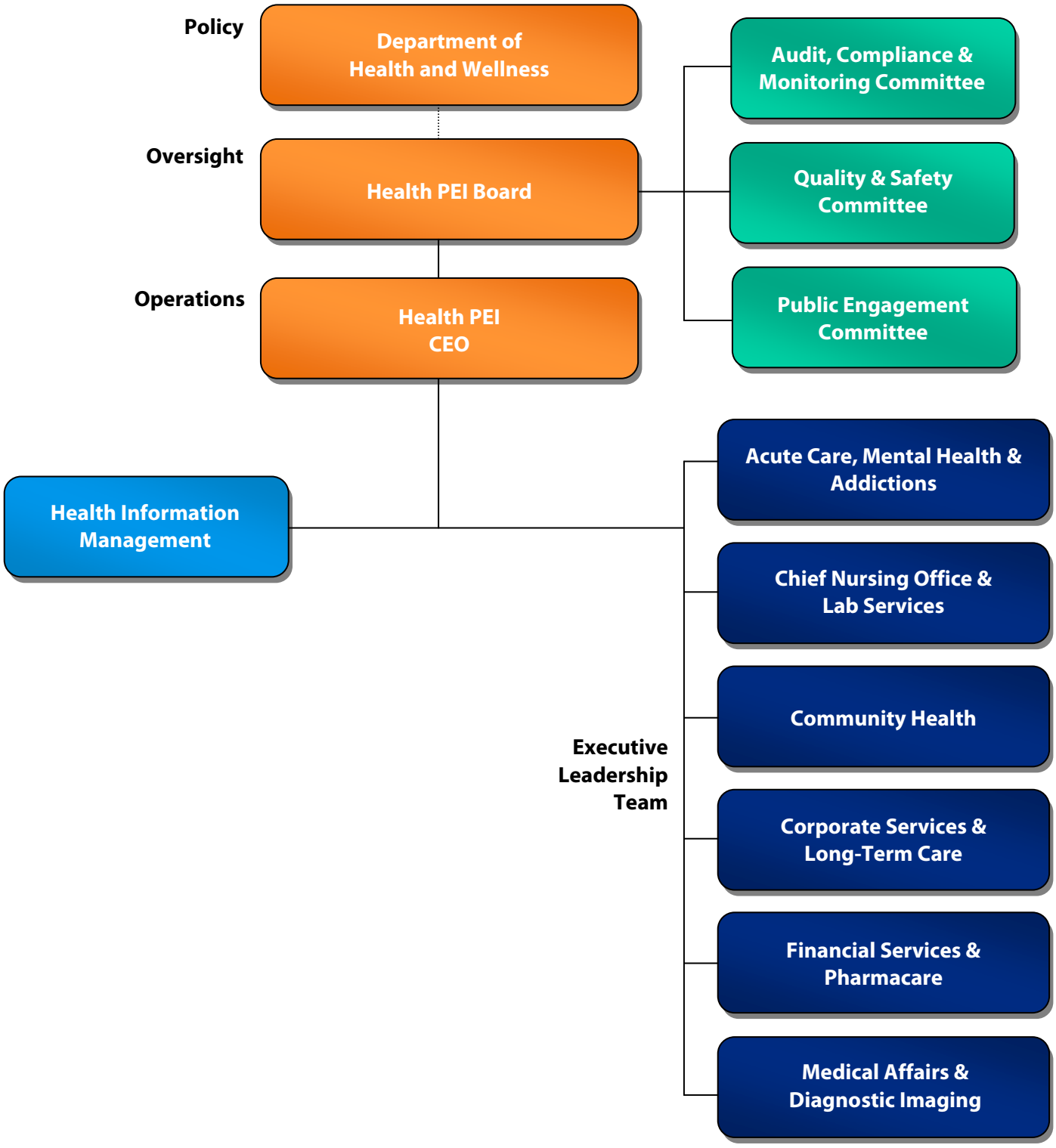
Appendix A – HEALTH PEI ORGANIZATIONAL STRUCTURE

Appendix B – STRATEGIC PERFORMANCE INDICATOR REPORT

Appendix C – GLOSSARY

Appendix D – AUDITED FINANCIAL STATEMENTS

APPENDIX A – HEALTH PEI ORGANIZATIONAL STRUCTURE



APPENDIX B – STRATEGIC PERFORMANCE INDICATOR REPORT

Quality					
Objective	Measure	Actual 2013/14	Target 2014/15	Actual 2014/15	Target 2015/16
Ensure appropriate patient safety standards are met	Hospital standardized mortality ratio	116	≤100	105	≤100
	Adverse events for incident severity levels 4 & 5 per 1,000 patient days – acute care	0.26	0.23	0.32	0.21
	Adverse events for incident severity levels 4 & 5 per 1,000 resident days – long-term care	0.1	0.09	0.12	0.08
Embed the philosophy of person-centered care	Patient survey - per cent of patients who rated their overall hospital stay as greater than or equal to 9 out of 10	66%	73%	59%	80%
Promote improved health outcomes through prevention and education	Per cent of participants in the diabetes program with an A1C of ≤ 7 %	42%	50%	48%	60%
	Per cent participation of those aged 50 to 74 years old in colorectal cancer screening program within the past 2 years[1]	--	--	15%	20%
	Ambulatory care sensitive conditions discharges per 100,000 under 75 years	444	430	359	410
	Number of PEI residents who received influenza vaccine in Health PEI community clinics[2]	21,700	21,700 ± 10%	16, 817	21,700 ± 10%
	Per cent of children born in PEI immunized under the age of 2	87%	87%	85%	90%
Foster a healthy work environment	Employee survey – per cent of employees who responded favourably to the question "overall, how satisfied are you with your job"[3]	--	≥75%	--	--
	Sick days per budgeted full-time equivalent	10.54 days/FTE	10.5 days/FTE	11 days/FTE	10 days/FTE

Access						
Objective		Measure	Actual 2013/14	Target 2014/15	Actual 2014/15	Target 2015/16
Reduce wait times in priority areas	Primary Care Provider	Utilization of QEH emergency department for triage levels 4 and 5	39.0%	40%	37.7%	40%
		Utilization of PCH emergency department for triage levels 4 and 5	41.4%	40%	42.1%	40%
		Utilization of KCMH emergency department for triage levels 4 and 5	52.4%	45%	53%	45%
		Utilization of WH emergency department for triage levels 4 and 5[4]	73.1%	--	73.70%	--
		Wait times to access primary care physician[5]	--	--	21.8 days	≤7 days
	Mental Health Services	Youth clients seen by community mental health services within current access standards	54%	60%	23%	70%
		Adult clients seen by community mental health services within current access standards	67%	68%	57%	70%
	Addiction Services	Wait time for inpatient withdrawal management	8 days	7.5 days	4 days	6.5 days
		Wait time for outpatient withdrawal management	7 days	5 days	5 days	4.5 days
	Long-Term Care	Length of stay in long-term care for people aged 65 and over	2.7 years	2.7 years	2.6 years	2.5 years
		Wait time in days from hospital bed to any LTC facility (public or private)	58.0 days	52.2 days	47.1 days	50 days
	Elective Surgical Services	Per cent of cataract surgeries completed within access standard of 16 weeks	46%	90%	63%	90%
		Per cent of hip replacement surgeries completed within access standard of 26 weeks	77%	90%	92%	90%
		Per cent of knee replacement surgeries completed within access standard of 26 weeks	62%	90%	88%	90%
	Emergency Services	Per cent of patients who left without being seen at QEH & PCH emergency departments	8%	6%	8%	6%
		Per cent of patients who left without being seen at KCMH emergency department	1.4%	≤4%	1.7%	≤4%
		Per cent of patients who left without being seen at WH emergency department	2.5%	≤4%	3.5%	≤4%

Efficiency					
Objective	Measure	Actual 2013/14	Target 2014/15	Actual 2014/15	Target 2015/16
Utilize technology to improve the quality, safety and continuity of care	STAT lab tests meeting turnaround time[6]	86.2%	90%	87.6%	90%
	Medication orders placed on-line by physicians	87%	90%	89%	90%
	Medication reconciliation completed on admission using CPOE in acute care[7]	89.5%	95%	86%	95%
Improve management of bed utilization across the system	Overall average length of stay in acute care facilities[8]	9.1 days	7.3 days	8.78 days	7.3 days
Improve coordination of care across the continuum of health services	Average daily census for patient coded as alternate level of care in acute care facilities[9]	62.4	<62	54.5	<62
	Number of inpatients in emergency department awaiting acute care beds per day[10]	10.8 patients	10 patients	9.84 patients	10 patients
Effective resource management	Annual variance between budget and actual as documented in Health PEI annual financial statements[11] – in millions	$0.71	$0	$3.87	$0
	Over-time days per budgeted full-time equivalent	4.97 days/FTE	5.8 days/FTE	6.51 days/FTE	5.6 days/FTE

Technical Notes:

1 2012-13 baseline includes two year screening interval: 2011-13 fiscal years and 2014-15 actual includes two year screening interval: 2013-15 fiscal years. Target not applicable for 2014-15. This indicator only tracks screening rates through the colorectal cancer screening program.

2 Program changes in the fall of 2014-15 may significantly reduce the utilization of Health PEI community clinics for influenza vaccination.

3 Baseline data is from 2011-12. Target and result are not applicable for 2014-15since survey was last conducted in 2011.

4 Due to changes in West Prince impacting Western Hospital emergency department use, data was not collected and targets will be set for 2015-16 at a later date.

5 Based on voluntary data submission of physician offices; 2014-15 there were 29 submitting physicians. 2014-15 actuals are the baseline year for GP wait times data.

6 STAT lab test turnaround times includes lab turnaround time plus the time it takes for physicians and nurses to place the order.

7 Baseline data is from November to March 2013/14 for the QEH and June to March 2013-14 for PCH. Other PEI hospital data will be added in subsequent years.

8 Indicator is tied to the OALoS initiative and includes the following acute care facilities QEH, PCH, KCMH and WH.

9 Includes the following acute care facilities QEH, PCH, KCMH and WH.

10 Includes QEH, PCH and KCMH

11 Operational results only: excludes all capital grants, other capital contributions and depreciation.

(--) indicates data is not applicable

APPENDIX C – GLOSSARY

Strategic Performance Indicator	Description
Hospital Standardized Mortality Ratio (HSMR)	The hospital standardized mortality ratio (HSMR) is a ratio of the actual number of in-hospital deaths in a region or hospital to the number that would have been expected based on the types of patients a region or hospital treats.
Rate of incident severity levels 4 & 5 per 1000 patient days for acute care and long-term care (LTC) facilities	Level 4 and 5 adverse events are very serious concerns for a health care system. It is important to ensure these events are properly tracked and handled to reduce the likelihood of them happening again. Incident severity level 4 = Serious Injury/Damage and level 5 = death.
Ambulatory Care Sensitive Conditions discharges per 100,000 under 75 years of age	Hospitalization for an ambulatory care sensitive condition is considered to be a measure of access to appropriate primary health care. While not all admissions for these conditions are avoidable, it is assumed that appropriate ambulatory care could prevent the onset of this type of illness or condition, control an acute episodic illness or condition, or manage a chronic disease or condition. A disproportionately high rate is presumed to reflect problems in obtaining access to appropriate primary care.
Utilization Rates of emergency department for triage levels 4 and 5	High usage rates of triage levels 4 and 5 presenting to an emergency department can be an indicator of limited access to primary care services. Canadian Emergency department Triage Acuity and Scale (CTAS) level 4 = less urgent and level 5 = non-urgent.
Percentage of STAT lab tests meeting turnaround time benchmark	Turnaround time (TAT) for STAT tests (i.e. as soon as possible) is identified by users as a quality performance indicator of the service provided by the lab and the facility as a whole.

APPENDIX D - AUDITED FINANCIAL STATEMENTS

HEALTH PEI

Financial Statements
March 31, 2015

Management's Report

Management's Responsibility for the Financial Statements

The financial statements have been prepared by management in accordance with Canadian public sector accounting standards and the integrity and objectivity of these statements are management's responsibility. Management is responsible for the notes to the financial statements and for ensuring that this information is consistent, where appropriate, with the information contained in the financial statements.

Management is responsible for implementing and maintaining a system of internal control to provide reasonable assurance that reliable financial information is produced.

Management is accountable to the Board of Directors of Health PEI on matters of financial reporting and internal controls. Management provides internal financial reports to the Board of Directors on a regular basis and externally audited financial statements annually.

The Auditor General conducts an independent examination, in accordance with Canadian generally accepted auditing standards and expresses her opinion on the financial statements. The Auditor General has full and free access to financial information and management of Health PEI to meet as required.

On behalf of Health PEI

ORIGINAL SIGNED
Dr. Richard Wedge
Chief Executive Officer

ORIGINAL SIGNED
Denise Lewis Fleming
Executive Director of Financial Services and Pharmacare

June 26, 2015

Prince Edward Island
Office of the
Auditor General
PO Box 2000, Charlottetown PE
Canada C1A 7N8

Île-du-Prince-Édouard
Bureau du
vérificateur général
C.P. 2000, Charlottetown PE
Canada C1A 7N8

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Health PEI

I have audited the financial statements of **Health PEI**, which comprise the statement of financial position as at March 31, 2015, and the statements of operations and accumulated surplus, changes in net debt, and cash flow for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the 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 controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall financial statement presentation.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Corporation as at March 31, 2015, and the results of its operations, changes in net debt, and cash flow for the year then ended in accordance with Canadian public sector accounting standards.

B. Jane MacAdam, CPA, CA
Auditor General

Charlottetown, Prince Edward Island
June 26, 2015

HEALTH PEI

Statement of Financial Position
March 31, 2015

	2015	2014
	$	$
Financial Assets		
Cash	12,316,834	2,846,880
Accounts receivable (Note 4)	5,226,297	7,708,390
Due from the Department of Health and Wellness	36,265,175	30,763,408
	53,808,306	41,318,678
Liabilities		
Accounts payable and accrued liabilities (Note 7)	81,413,180	75,056,659
Employee future benefits (Note 8)	58,970,197	53,126,903
Deferred revenue (Note 9)	287,600	57,503
	140,670,977	128,241,065
Net Debt	(86,862,671)	(86,922,387)
Non Financial Assets		
Tangible capital assets (Note 11)	242,145,128	247,494,224
Inventories held for use (Note 5)	3,511,427	3,436,146
Prepaid expenses (Note 6)	584,920	719,917
	246,241,475	251,650,287
Accumulated Surplus	159,378,804	164,727,900
Designated assets (Note 16)	891,715	672,954
Trusts under administration (Note 17)	750,830	691,644

(The accompanying notes are an integral part of these financial statements.)

Approved on behalf of Health PEI

ORIGINAL SIGNED
Chair

ORIGINAL SIGNED
Board Member

HEALTH PEI

Statement of Operations and Accumulated Surplus
For the year ended March 31, 2015

	Budget (Note 19) 2015	2015	2014
	$	$	$
Revenues			
Grants - Dept. of Health and Wellness	581,134,300	577,262,681	565,701,700
Fees - patient and client (Note 14)	20,651,800	19,799,741	20,125,007
Food services	1,064,900	956,663	1,042,997
Federal revenues	517,200	246,792	583,577
Sales	895,600	771,100	811,173
Other	1,283,200	1,762,265	1,674,974
Operational Revenues	605,547,000	600,799,242	589,939,428
Capital grants - Dept. of Health and Wellness	11,356,600	7,124,300	18,114,364
Other capital contributions	4,026,500	3,390,484	4,897,790
Capital Revenues	15,383,100	10,514,784	23,012,154
	620,930,100	611,314,026	612,951,582
Expenses (Note 20)			
Community Hospitals	21,618,400	22,121,082	21,634,622
Acute Care	162,707,400	163,293,431	160,292,461
Addiction Services	11,793,900	10,779,799	10,070,563
Acute Mental Health	17,785,800	18,053,006	17,507,649
Community Mental Health	8,243,900	7,650,471	7,552,408
Continuing Care	62,042,000	63,975,423	62,182,516
Private Nursing Home Subsidies	21,716,500	20,926,847	18,737,257
Public and Dental Health	10,296,200	10,035,731	9,608,398
Provincial Pharmacare Programs	35,355,900	31,041,451	34,904,191
Home Care and Support	15,253,100	15,131,149	14,464,781
Provincial Laboratory and Diagnostic Imaging	28,912,200	29,626,106	29,253,264
Provincial Hospital Pharmacies	5,841,300	5,339,495	4,985,790
Emergency Health Services	15,171,100	14,608,105	14,179,581
Corporate and Support Services	22,674,200	21,630,820	23,143,221
Medical Programs - In Province	107,181,500	108,607,074	103,485,063
Medical Programs - Out of Province	46,282,100	46,004,258	46,792,153
Primary Care	12,671,500	11,974,994	10,433,044
Operational Expenses	605,547,000	600,799,242	589,226,962
Amortization of tangible capital assets	-	15,863,880	15,869,352
	605,547,000	616,663,122	605,096,314
Annual (Deficit) Surplus (Note 15)	15,383,100	(5,349,096)	7,855,268
Accumulated Surplus, beginning of year		164,727,900	156,872,632
Accumulated Surplus, end of year		159,378,804	164,727,900

(The accompanying notes are an integral part of these financial statements.)

HEALTH PEI

Statement of Changes in Net Debt
For the year ended March 31, 2015

	Budget 2015	2015	2014
	$	$	$
Net Debt, beginning of year	(86,922,387)	(86,922,387)	(87,546,892)
Changes in year:			
Annual (deficit) surplus	15,383,100	(5,349,096)	7,855,268
Acquisition of tangible capital assets	(15,383,100)	(10,514,784)	(23,012,154)
Amortization of tangible capital assets	-	15,863,880	15,869,352
Increase in inventories	-	(75,281)	(12,330)
Decrease (increase) in prepaid expenses	-	134,997	(75,631)
Change in Net Debt	-	59,716	624,505
Net Debt, end of year	(86,922,387)	(86,862,671)	(86,922,387)

(The accompanying notes are an integral part of these financial statements.)

HEALTH PEI

Statement of Cash Flow
For the year ended March 31, 2015

	2015	2014
	$	$
Cash provided (used) by:		
Operating Activities		
(Deficit) surplus for the year	(5,349,096)	7,855,268
Amortization of tangible capital assets	15,863,880	15,869,352
Changes in:		
Accounts receivable	2,482,093	(802,003)
Due from the Department of Health and Wellness	(5,501,767)	(4,344,147)
Accounts payable and accrued liabilities	6,356,521	(1,264,141)
Employee future benefits	5,843,294	2,386,575
Deferred revenue	230,097	(67,186)
Inventories held for use	(75,281)	(12,330)
Prepaid expenses	134,997	(75,631)
Cash provided by operating activities	19,984,738	19,545,757
Capital Activities		
Acquisition of tangible capital assets	(10,514,784)	(23,012,154)
Cash used by capital activities	(10,514,784)	(23,012,154)
Change in cash	9,469,954	(3,466,397)
Cash, beginning of year	2,846,880	6,313,277
Cash, end of year	12,316,834	2,846,880

(The accompanying notes are an integral part of these financial statements.)

1. Nature of Operations

Health PEI is a provincial Crown corporation established on April 1, 2010, and operates under the authority of the *Health Services Act*. Health PEI is a government organization named in Schedule B of the *Financial Administration Act* and reports to the Legislative Assembly through the Minister of the Department of Health and Wellness. The mandate of Health PEI is to be responsible for the operation and delivery of all health services in the Province of Prince Edward Island. These services are categorized as follows:

Community Hospitals	Home Care and Support
Acute Care	Public and Dental Health
Addiction Services	Provincial Laboratory and Diagnostic Imaging
Acute Mental Health	Provincial Hospital Pharmacies
Community Mental Health	Emergency Health Services
Continuing Care	Corporate and Support Services
Private Nursing Home Subsidies	Medical Programs - In Province
Provincial Pharmacare Programs	Medical Programs - Out of Province
Primary Care	

Health PEI is a provincial Crown corporation and as such is not subject to taxation under the federal *Income Tax Act.*

2. Summary of Significant Accounting Policies

Basis of Accounting

These financial statements are prepared by management in accordance with Canadian public sector accounting standards. Health PEI complies with the recommendations of the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada (CPA) wherever applicable. PSAB standards are supplemented, where appropriate, by other CPA Canada accounting pronouncements.

Since Health PEI has no unrealized remeasurement gains or losses attributable to foreign exchange, derivatives, portfolio investments, or other financial instruments, a statement of remeasurement gains and losses is not prepared.

For the year ended March 31, 2015, Health PEI adopted the new Public Sector Accounting Standard PS3260 “Liability for Contaminated Sites,” which establishes standards on accounting for and reporting liabilities associated with the remediation of contaminated sites. The adoption of the new PS3260 standard has not resulted in any changes to the measurement and recognition of liabilities in Health PEI’s financial statements. Two former continuing care facilities, which are no longer in productive use by Health PEI, are owned by the Province of Prince Edward Island, and the responsibility for remediation of contamination, if any, is the responsibility of the province’s Department of Transportation, Infrastructure and Energy and the Department of Family and Human Services.

2. Summary of Significant Accounting Policies (continued...)

a) Cash

Cash includes cash on hand and balances on deposit with financial institutions, net of overdrafts.

b) Accounts Receivable

Accounts receivable are recorded at cost less any provision when collection is in doubt.

c) Inventories Held for Use

Inventories of supplies as described in Note 5 are recorded at the lower of the moving average and replacement cost. Damaged, obsolete, or otherwise unusable inventory is expensed as identified. Inventories of supplies that are resold to the public are not segregated due to their immaterial value.

d) Due from the Department of Health and Wellness

Amounts due to or from the Department of Health and Wellness arise from the difference between cash flows provided to Health PEI and expenditures up to a maximum of the approved grant from the Department. These balances have no repayment terms and are non-interest bearing.

e) Deferred Revenue

Certain amounts are received pursuant to legislation, regulation, or agreement and may only be used in the conduct of certain programs or in the delivery of specific services and transactions. These amounts are recognized as revenue when eligibility criteria, if any, have been met.

f) Tangible Capital Assets

Tangible capital assets are recorded at cost, which includes amounts that are directly related to the acquisition, design, construction, development, improvement, and/or betterment of the assets. Cost includes overhead directly attributable to construction and development. Interest, if any, on capital projects is expensed as incurred.

2. Summary of Significant Accounting Policies (continued...)

f) Tangible Capital Assets (continued...)

The cost of the tangible capital assets, excluding land, is amortized on a straight-line basis over their estimated useful lives as follows:

Buildings	40 years
Building improvements	10 years
Paving	10 years
Equipment	5 years
Computer hardware	5 years
Computer software systems	5-20 years
Motor vehicles	5 years

For each category of tangible capital assets, only those individual assets meeting a minimum dollar threshold for that category are recorded as capital assets.

The cost of assets under construction is not amortized until construction is complete and the asset is available for use. In the year of acquisition, one half of the annual amortization is recorded.

Tangible capital assets are written down when conditions indicate they no longer contribute to Health PEI's ability to provide goods and services, or when the value of the future economic benefits associated with the tangible capital assets are less than their net book value. Write downs are expensed when identified.

g) Prepaid Expenses

Prepaid expenses, as described in Note 6, are charged to expenses over the periods expected to benefit.

h) Revenues

Revenues are recorded on an accrual basis in the period in which the transaction or event which gave rise to the revenue occurred. When accruals cannot be determined with a reasonable degree of certainty or when their estimation is impracticable, revenues are recorded as received.

Transfers (revenues from non-exchange transactions) are recognized as revenue when the transfer is authorized, any eligibility criteria are met, and a reasonable estimate of the amount can be made. Transfers are recognized as deferred revenue when amounts have been received but eligibility criteria have not been met.

Grants from the Department of Health and Wellness are recognized as revenue on a monthly basis as services are delivered by Health PEI in accordance with its legislated mandate.

2. Summary of Significant Accounting Policies (continued...)

i) Expenses

Expenses are recorded on an accrual basis in the period in which the transaction or event which gave rise to the expense occurred.

Transfers include entitlements, grants, and transfers under cost shared agreements. Grants and transfers are recorded as expenses when the transfer is authorized, eligibility criteria have been met by the recipient, and a reasonable estimate of the amount can be made.

j) Foreign Currency Translation

Monetary assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the exchange rate prevailing at year-end. Foreign currency transactions are translated at the exchange rate prevailing at the date of the transaction.

Health PEI has limited exposure to foreign currency, as substantially all of its transactions are conducted in Canadian dollars and year-end foreign currency balances are not significant.

k) Use of Estimates and Measurement Uncertainty

The preparation of 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 financial statements and the reported amounts of the revenues and expenses during the period. Items requiring the use of significant estimates include the useful life of capital assets, employee retirement and sick leave benefits, provisions for doubtful accounts, accrued liabilities for out-of-province health services including academic funding premiums payable to Nova Scotia, and negotiated settlements with unions and other employees.

Estimates are based on the best information available at the time of preparation of the 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 and the differences could be material.

3. Financial Instruments

Fair Value

Health PEI's financial instruments consist of cash, accounts receivable, amounts due from the Department of Health and Wellness, accounts payable, deferred revenue, and accrued liabilities. Due to their short-term nature, the carrying value of these financial instruments approximate their fair value.

Risk Management

Health PEI is exposed to a number of risks as a result of the financial instruments on its statement of financial position that can affect its operating performance. These risks include credit and liquidity risk. Health PEI's financial instruments are not subject to significant market, interest rate, foreign exchange, or price risk.

Credit Risk

Health PEI is exposed to credit risk with respect to accounts receivable. Health PEI has a collection policy and monitoring processes intended to mitigate potential credit losses. Health PEI maintains provisions for potential credit losses that are assessed on an on-going basis. The provision for doubtful accounts is disclosed in Note 4.

Liquidity Risk

Health PEI is subject to minimal liquidity risk. Liquidity risk is the risk that Health PEI will not be able to meet its financial obligations as they fall due. Health PEI's approach to managing liquidity is to evaluate current and expected liquidity requirements, and to communicate these requirements with the Province of Prince Edward Island to ensure that provincial funding grant payments are timed accordingly.

4. Accounts Receivable

	2015 $	2014 $
Fees and revenues receivable	4,028,516	3,621,970
Less: provision for doubtful accounts	(1,473,310)	(1,574,628)
	2,555,206	2,047,342
Hospital foundations	482,778	3,133,903
Province of Prince Edward Island	498,822	588,622
Employee advances	735,236	802,728
Other	954,255	1,135,795
	5,226,297	7,708,390

4. Accounts Receivable (continued...)

The aging of fees and revenues receivable is as follows:

	2015 $	2014 $
Current	2,326,611	1,683,235
61-90 days	86,009	94,274
91-180 days	155,743	702,853
Greater than 180 days	1,460,153	1,141,608
	4,028,516	3,621,970

5. Inventories Held for Use

	2015 $	2014 $
Medical supplies	1,885,237	1,720,636
Drugs	1,410,728	1,303,638
Food and other supplies	215,462	411,872
	3,511,427	3,436,146

6. Prepaid Expenses

	2015 $	2014 $
Maintenance contracts	579,815	702,854
Other	5,105	17,063
	584,920	719,917

7. Accounts Payable and Accrued Liabilities

	2015 $	2014 $
Accounts payable	20,672,896	21,600,315
Accrued liabilities	23,320,207	17,834,159
Salaries and benefits payable	19,706,134	17,591,732
Accrued vacation pay	17,713,943	18,030,453
	81,413,180	75,056,659

Included in accrued liabilities are academic funding premiums payable to the Province of Nova Scotia in the amount of $1,862,944 which are currently subject to negotiation.

8. Employee Future Benefits

a) Retirement Allowance

Health PEI provides a retirement allowance to its permanent employees in accordance with the applicable collective agreement. The amount paid to eligible employees at retirement is one week's pay per year of eligible service based on the rate of pay in effect at the retirement date to the maximum specified in the applicable collective agreement. These benefits are unfunded. The benefit costs and liabilities related to these allowances are included in these financial statements.

The most recent actuarial valuation for accounting purposes prepared by the actuarial consulting firm Morneau Shepell, disclosed an accrued benefit obligation of $45,638,200 as at April 1, 2014. The total liability is projected by Health PEI in the years between the tri-annual valuations.

The economic assumptions used in the determination of the actuarial value of the accrued retirement allowance were developed by reference to the expected long-term borrowing rate of the Province of Prince Edward Island as of April 1, 2014. Significant actuarial assumptions used in the valuation and projection are:

	2015	**2014**
Discount rate	3.80% per annum	4.47% per annum
Expected salary increase	2.75% per annum and promotional scale	2.50% per annum
Expected average remaining service life	12 years	15 years

Retirement age: varying by age and service, with all employees retiring between the ages of 55 and 66. Employees age 66 and older at the valuation date are assumed to retire one year after the valuation date. (2014 - when age plus service equals 90, but no earlier than 55 and no later than 63).

Assumptions used for March 31, 2014 to March 31, 2015, have been revised by Health PEI based on a reduction in the province's long term borrowing rate. A revised rate of 2.64 percent based on the province's April 1, 2015, long term borrowing rate has been applied resulting in an increase of $5,903,342 to the accrued benefit obligation and a corresponding increase in the unamortized gains and losses.

8. Employee Future Benefits (continued...)

a) Retirement Allowance (continued...)

	2015 $	2014 $
Balance, beginning of year	35,059,810	33,564,842
Current service cost	3,310,900	2,170,688
Interest accrued on liability	1,738,142	1,833,472
Amortization of actuarial losses	1,372,364	877,338
Less: payments made	(3,106,146)	(3,386,530)
Balance, end of year	38,375,070	35,059,810
Gross accrued benefit obligation	52,653,200	44,806,962
Less: unamortized actuarial losses	(14,278,130)	(9,747,152)
Net accrued benefit obligation	38,375,070	35,059,810

b) Accrued Sick Leave

Health PEI employees working full-time/part-time hours receive sick leave that accumulates at a rate of 11.25 hours per month. Members of the excluded (management) group can accumulate to a maximum of 1950 hours with the exception of 20 grandfathered members whose sick leave balances are currently higher than 1950 hours. All other employees can accumulate to a maximum of 1612.50 hours. An actuarial estimate for this future liability has been completed and forms the basis for the estimated liability reported in these financial statements.

The most recent actuarial valuation for accounting purposes, prepared by the actuarial consulting firm Morneau Shepell, disclosed an accrued benefit obligation of $26,204,000 as at April 1, 2014. The total liability is projected by Health PEI in the years between the tri-annual valuations.

The economic assumptions used in the determination of the actuarial value of accrued sick leave benefits were developed by reference to the expected long-term borrowing rate of the Province of Prince Edward Island as at April 1, 2014.

8. Employee Future Benefits (continued...)

b) Accrued Sick Leave (continued...)

Significant actuarial assumptions used in the valuation and projections are:

	2015	2014
Discount rate	3.80% per annum	3.21% per annum
Expected salary increase	3.00% per annum	2.50% per annum
Expected average remaining service life	15 years	14.63 years
Termination rates	0.5% terminate per year	None

Retirement age: age 61, or in one year if employee has attained age 61. (2014 - when age plus service equals 90, but no earlier than 55 and no later than 63.)

Assumptions used for March 31, 2014 to March 31, 2015, have been revised by Health PEI based on a reduction in the province's long-term borrowing rate. A revised rate of 2.64 percent based on the province's April 1, 2015, long-term borrowing rate has been applied resulting in an increase of $9,554,468 to the accrued benefit obligation and a corresponding increase in the unamortized gains and losses.

	2015 $	2014 $
Balance, beginning of year	18,067,093	17,175,486
Current service cost	3,190,600	2,885,817
Interest accrued on liability	1,013,995	586,597
Amortization of actuarial losses	553,894	72,100
Less: payments made	(2,230,455)	(2,652,907)
Balance, end of year	20,595,127	18,067,093
Gross accrued benefit obligation	30,505,700	18,977,093
Less: unamortized actuarial losses	(9,910,573)	(910,000)
Net accrued benefit obligation	20,595,127	18,067,093

8. Employee Future Benefits (continued...)

c) Pension and Other Benefits

i) All permanent employees of Health PEI, other than physicians, participate in the multi-employer contributory defined benefit pension plan as defined by the *Civil Service Superannuation Act*. This plan provides a pension on retirement based on two percent of the average salary for the highest three years times the number of years of pensionable service, for service to December 31, 2013, and two percent of the career average salary indexed with cost-of-living adjustments, for service after 2013. Indexing is subject to the funded level of the plan after December 31, 2016.

The Plan is administered by the Province of Prince Edward Island. Additional information on the pension plan as defined in the *Civil Service Superannuation Act* can be found in the notes to the Public Accounts of the Province of Prince Edward Island. The province is responsible for any unfunded liabilities of the Plan. A total of $17,183,892 (2014 - $17,011,003) was contributed towards the Civil Service Superannuation Plan as the employer share of contributions.

ii) Salaried physicians maintain their own personal RRSP accounts to which Health PEI makes contributions in accordance with the Master Agreement between the Medical Society of Prince Edward Island and the Province of Prince Edward Island. Health PEI's contributions are equivalent to 9 per cent of the physician's base salary and shall not exceed 50 per cent of the maximum permissible contribution provided for in the *Income Tax Act*. Health PEI's liability is limited to its required contributions in accordance with the agreement. A total of $945,945 (2014 - $978,291) was contributed towards salaried physicians' personal RRSP accounts.

iii) The Public Sector Group Insurance Plan provides life insurance, long-term disability, and health and dental benefits to eligible employees of Health PEI. The Plan is administered by a multi-employer, multi-union Board of Trustees who are responsible for any unfunded liabilities of the plan. The cost of insured benefits reflected in these financial statements are the employer's portion of the insurance premiums owed for employee coverage during the period.

9. Deferred Revenue

Deferred revenues set aside for specific purposes as required either by legislation, regulation, or agreement as at March 31, 2015:

	Balance, beginning of year	Receipts during year	Transferred to revenue	Balance, end of year
	$	$	$	$
Health promotion projects	24,464	278,940	24,464	278,940
Conference hosting revenues	19,208	8,660	19,208	8,660
Staff education	13,831	-	13,831	-
	57,503	287,600	57,503	287,600

10. Contingent Liabilities

Health PEI is subject to legal actions arising in the normal course of business. At March 31, 2015, there were a number of outstanding legal claims against Health PEI. Costs and damages, if any, related to these outstanding claims are the responsibility of the Prince Edward Island Self-Insurance and Risk Management Fund. The Fund provides general liability, errors and omissions, primary property, crime, and automobile liability insurance. The Fund is administered by the Province of Prince Edward Island and the province is responsible for any liabilities of the Fund.

11. Tangible Capital Assets

	Land	Buildings	Equipment and Vehicles	Computer hardware and software	Land improve-ments	Buildings major improve-ments	2015 Total	2014 Total
	$	$	$	$	$	$	$	$
Cost								
Opening balance	1,877,240	263,378,687	106,192,432	54,351,953	1,125,499	5,305,494	432,231,305	409,315,151
Additions	-	4,866,256	3,678,715	1,455,851	23,920	490,042	10,514,784	23,012,154
Disposals	-	-	(895,968)	-	-	-	(895,968)	(96,000)
Closing balance	1,877,240	268,244,943	108,975,179	55,807,804	1,149,419	5,795,536	441,850,121	432,231,305
Accumulated Amortization								
Opening balance	-	68,347,187	89,534,549	24,063,085	760,391	2,031,869	184,737,081	168,963,729
Disposals	-	-	(895,968)	-	-	-	(895,968)	(96,000)
Amortization	-	5,463,488	6,061,042	3,702,720	81,700	554,930	15,863,880	15,869,352
Closing balance	-	73,810,675	94,699,623	27,765,805	842,091	2,586,799	199,704,993	184,737,081
Net book value	1,877,240	194,434,268	14,275,556	28,041,999	307,328	3,208,737	242,145,128	247,494,224

11. Tangible Capital Assets (continued...)

Cost at March 31, 2015 includes assets under construction as follows:

	2015 $	2014 $
Queen Elizabeth Hospital redevelopment	-	6,863,123
Palliative Care Centre	-	634,945
Other buildings - major improvements	-	286,260
Other	1,363	-
Computer software	898,837	-
	900,200	7,784,328

12. Contractual Obligations

	2016 $	2017 $	2018 $	2019 $	2020 $	Thereafter $
Private nursing home subsidies	20,074,125	-	-	-	-	-
Ambulance services	8,074,733	8,074,733	8,074,733	-	-	-
IT support services (Cerner)	2,739,439	2,739,439	2,739,439	2,739,439	-	-
PEI Medical Society	-	-	-	-	-	-
Maintenance contracts	1,493,992	1,104,674	970,818	887,786	415,356	-
Education funds	1,445,000	1,445,000	1,150,000	800,000	-	-
Facility rental/overhead	608,016	310,940	265,079	269,744	165,098	-
Other	3,116,550	2,907,955	2,395,354	1,100,453	430,472	5,705,499
Contractual obligations for operating expenses	37,551,855	16,582,741	15,595,423	5,797,422	1,010,926	5,705,499

Health PEI has $570,343 in outstanding contractual commitments for capital projects which commenced on or before March 31, 2015, and are still incomplete.

13. Related Party Transactions

Health PEI had the following transactions with the Province of Prince Edward Island and other government controlled organizations:

	2015 $	2014 $
Transfers from the Province of Prince Edward Island:		
Operating grant - Department of Health and Wellness	577,262,681	565,701,700
Capital grant - Department of Health and Wellness	7,124,300	18,114,364
Salary recoveries	947,398	1,203,692
PEI Lotteries Commission	223,996	243,656
Other sales and expenses	507,678	693,288
	586,056,053	585,956,700
Transfers to the Province of Prince Edward Island:		
Salary reimbursements	1,248,292	2,324,731
Insurance premiums	1,777,398	1,695,781
Public Service Commission	566,300	566,300
Other expenses	1,481,731	1,768,966
	5,073,721	6,355,778

Included within the accounts receivable balance at year-end are $498,822 (2014 - $588,622) of transfers from the Province of Prince Edward Island. Included within the accounts payable balance at year-end are $896,188 (2014 - $1,467,138) of transfers to the Province of Prince Edward Island.

The Province of Prince Edward Island provides the use of several facilities and certain maintenance services for some of these facilities at no cost to Health PEI. Health PEI is responsible for most operational and maintenance costs related to these facilities.

14. Fees - Patient and Client

	2015 $	2014 $
Continuing Care resident fees	12,002,713	11,939,123
Hospital medical services:		
Non-residents	4,071,993	4,070,140
Uninsured hospital services - workers compensation	2,034,180	2,093,361
Other uninsured hospital services	1,266,325	1,597,199
Hospital preferred room accommodations	390,140	395,967
Other	34,390	29,217
	19,799,741	20,125,007

15. Annual Deficit

Throughout the fiscal year, Health PEI regularly communicates with the Department of Health and Wellness and the Department of Finance on the expected operational results for the year and action plans developed to address potential deficits.

The annual deficit for the year ended March 31, 2015 is comprised of:

	Operational $	Capital $	2015 $
Revenues	600,799,242	10,514,784	611,314,026
Expenses	600,799,242	15,863,880	616,663,122
Deficit	-	(5,349,096)	(5,349,096)

A special warrant is not required for capital as the tangible capital asset additions, as described in Note 11, are less than the approved capital budget. Amortization expenses are budgeted by the province as described in Note 19.

16. Designated Assets

At March 31, 2015, the balance of funds held as designated assets was $891,715 (2014 - $672,954). Designated assets consist of funds received as donations by a health facility or program that are restricted for the purchase of equipment, supplies, and/or other needs of the specific facility or program. These amounts are not included in the statement of financial position.

17. Trusts Under Administration

At March 31, 2015, the balance of funds held in trust for residents of facilities in Continuing Care was $750,830 (2014 - $691,644). These trusts consist of a monthly comfort allowance provided to Continuing Care residents who qualify for subsidization of resident fees. These amounts are not included in the statement of financial position.

18. Comparative Figures

Certain 2014 comparative figures have been reclassified to conform with the 2015 financial statement presentation.

19. Budgeted Figures

Budgeted figures have been provided for comparative purposes and have been derived from the estimates approved by the Legislative Assembly of the Province of Prince Edward Island.

The budget for amortization of tangible capital assets remains with the Province of Prince Edward Island. For the fiscal year ended March 31, 2015, the Province budgeted $15,763,300 for amortization of Health PEI's tangible capital assets.

Subsequent to the tabling of the 2014 P.E.I. Estimates of Revenue and Expenditures, Health PEI reallocated certain budget amounts among its divisions. The following table shows the reallocation of the original approved budget.

19. Budgeted Figures (continued...)

	Original Approved Budget	Adjustments Between Divisions	Budget - Statement of Operation
	$	$	$
Revenues			
Grants - Dept. of Health and Wellness	581,134,300	-	581,134,300
Fees - patient and client	20,212,300	439,500	20,651,800
Food services	1,398,400	(333,500)	1,064,900
Federal revenues	463,400	53,800	517,200
Sales	1,209,000	(313,400)	895,600
Other	2,101,800	(818,600)	1,283,200
Operational Revenues	606,519,200	(972,200)	605,547,000
Capital grants - Department of Health and Wellness	11,356,600	-	11,356,600
Other capital contributions	4,026,500	-	4,026,500
Capital Revenues	15,383,100	-	15,383,100
	621,902,300	(972,200)	620,930,100
Expenses			
Community Hospitals	21,817,300	(198,900)	21,618,400
Acute Care	162,308,700	398,700	162,707,400
Addiction Services	11,570,300	223,600	11,793,900
Acute Mental Health	17,924,700	(138,900)	17,785,800
Community Mental Health	8,276,700	(32,800)	8,243,900
Continuing Care	62,117,900	(75,900)	62,042,000
Private Nursing Home Subsidies	21,930,200	(213,700)	21,716,500
Public and Dental Health	10,332,800	(36,600)	10,296,200
Provincial Pharmacare Programs	36,352,500	(996,600)	35,355,900
Home Care and Support	15,606,700	(353,600)	15,253,100
Provincial Laboratory and Diagnostic Imaging	28,976,800	(64,600)	28,912,200
Provincial Hospital Pharmacies	5,599,400	241,900	5,841,300
Emergency Health Services	15,210,200	(39,100)	15,171,100
Corporate and Support Services	22,942,300	(268,100)	22,674,200
Medical Programs - In Province	107,098,600	82,900	107,181,500
Medical Programs - Out of Province	45,600,300	681,800	46,282,100
Primary Care	12,853,800	(182,300)	12,671,500
	606,519,200	(972,200)	605,547,000
Annual Surplus	15,383,100	-	15,383,100

20. Expenses by Type

The following is a summary of expenses by type:

	Compensation	Supplies	Sundry*	Equipment	Contracted Out Services	Building and Grounds	2015 Total
	$	$	$	$	$	$	$
Community Hospitals	17,124,358	3,550,619	435,927	251,158	394,483	364,537	22,121,082
Acute Care	116,120,908	36,248,725	2,610,001	5,029,525	1,822,669	1,461,603	163,293,431
Addiction Services	9,242,150	700,784	489,104	88,766	150,827	108,168	10,779,799
Acute Mental Health	15,783,067	1,488,390	191,821	225,696	202,429	161,603	18,053,006
Community Mental Health	7,281,195	47,274	232,390	20,016	69,596	-	7,650,471
Continuing Care	55,091,691	6,136,044	822,109	542,858	266,378	1,116,343	63,975,423
Private Nursing Home Subsidies	-	-	20,926,847	-	-	-	20,926,847
Public and Dental Health	8,602,128	341,617	388,276	19,593	654,294	29,823	10,035,731
Provincial Pharmacare Programs	1,196,626	63,481	28,523,627	2,038	1,255,679	-	31,041,451
Home Care and Support	13,623,165	397,162	804,255	34,455	219,315	52,797	15,131,149
Provincial Laboratory and Diagnostic Imaging	17,818,344	10,351,928	377,768	182,404	888,405	7,257	29,626,106
Provincial Hospital Pharmacies	5,230,148	22,957	61,902	4,302	-	20,186	5,339,495
Emergency Health Services	322,568	9,577	12,740,008	-	1,535,952	-	14,608,105
Corporate and Support Services	14,537,365	2,109,484	3,224,936	1,092,274	653,387	13,374	21,630,820
Medical Programs - In Province	98,476,515	88,700	3,595,069	3,685	6,443,059	46	108,607,074
Medical Programs - Out of Province	426,496	1,571	93,285	607	45,482,299	-	46,004,258
Primary Care	10,012,086	453,389	676,058	34,208	626,864	172,389	11,974,994
	390,888,810	62,011,702	76,193,383	7,531,585	60,665,636	3,508,126	600,799,242

*****Sundry expenses are defined by the Management Information System Standards of the Canadian Institute for Health Information and consists of expenses that cannot be otherwise classified as Compensation, Supplies, Equipment, Contracted Out Services, or Buildings and Grounds. Sundry expenses includes operating grants to non government organizations, public drug program subsidies, and grants established under union collective agreements.

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