



President's Quarterly Report and Review of Financial Statements

As at June 30, 2019



Canadian Institute
for Health Information

Institut canadien
d'information sur la santé

All rights reserved.

The contents of this publication may be reproduced unaltered, in whole or in part and by any means, solely for non-commercial purposes, provided that the Canadian Institute for Health Information is properly and fully acknowledged as the copyright owner. Any reproduction or use of this publication or its contents for any commercial purpose requires the prior written authorization of the Canadian Institute for Health Information. Reproduction or use that suggests endorsement by, or affiliation with, the Canadian Institute for Health Information is prohibited.

For permission or information, please contact CIHI:

Canadian Institute for Health Information

495 Richmond Road, Suite 600

Ottawa, Ontario K2A 4H6

Phone: 613-241-7860

Fax: 613-241-8120

cihi.ca

copyright@cihi.ca

© 2019 Canadian Institute for Health Information

Cette publication est aussi disponible en français sous le titre *Rapport trimestriel du président et revue des états financiers au 30 juin 2019*.

Table of contents

President's update	4
Strategic activities and outcomes	4
Financial highlights and statements	9
Known financial variances to the approved budget.....	9
Known year-to-date financial variances	10
Financial statements.....	10

President's update

Strategic activities and outcomes

The following are key accomplishments for each of the corporate goals for the first quarter of 2019–2020.

1 Be a trusted source of standards and quality data

Deliver more timely, comparable and accessible data across the health continuum.

Key accomplishments

Outreach, stakeholder and collaboration activities

- On April 11, 2019, the Canadian Institute for Health Information (CIHI) shared private reports on analyses of data quality and chronic obstructive pulmonary disease (COPD) with community health centres in Ontario to demonstrate the value of sharing their data with us. We also promoted the CIHI–Alliance data partnership and high-level findings from COPD analyses at conferences, including e-Health and Community Health Connections. Audiences learned about the potential value of analyzing the continuum of primary care and hospital care when quality primary care electronic medical record data is linked with CIHI's administrative data.
- CIHI entered into a new 3-year agreement (April 2019 to March 2022) with Children's Healthcare Canada (CHC) to deliver the Paediatric Rehabilitation Reporting System (PRRS). In the original 3-year agreement with CHC, CIHI developed the PRRS using the National Ambulatory Care Reporting System (NACRS) Clinic Lite. The new agreement builds on previous work and supports ongoing data collection from participating pediatric rehabilitation facilities in Canada, which will provide valuable information on socio-economic status and level of functioning of children with conditions such as autism and cerebral palsy.
- Since the first quarter, CIHI has been onboarding 4 new Level 3 emergency department (ED) sites in Saskatchewan; they are currently reporting slightly less than 50% of their ED visits to NACRS. Prince Edward Island's largest ED began completing a readiness assessment to inform Level 3 ED implementation in 2020–2021. CIHI is currently able to provide ED use and wait time indicators for 85% of ED visits occurring across Canada. Receiving data from new EDs will move CIHI closer to its goal of reporting on 100% of ED visits across Canada.

- On April 25, 2019, CIHI publicly released the 2017–2018 Discharge Abstract Database/ Hospital Morbidity Database snapshot and Quick Stats static and interactive data tables on hospitalizations and childbirth indicators. There was extensive media coverage of this release, focusing on the top 5 reasons for hospitalizations and for inpatient surgeries. Media coverage included interviews with CIHI spokespeople, print and online articles, and radio mentions. The release also includes hospitalization rates and average lengths of stay for the past 5 years, and the number of babies born in hospital over time and by province and territory. The data can be used to provide valuable insights to monitor and support health care as well as to improve patient outcomes.
- In June 2019, Health Canada approved the joint CIHI–Canada Health Infoway proposal for Year 1 of a 5-year initiative to develop and operationalize a pan-Canadian organ donation and transplantation (ODT) data and performance reporting system. The first year is focused on establishing a common vision for modernized ODT data and performance reporting, developing an approach to prioritize system-level performance measures within a reporting framework, and assessing existing ODT data management systems and data collection capabilities.
- On June 20, 2019, CIHI released the 2019 Canadian Joint Replacement Registry (CJRR) annual report and Quick Stats data tables, providing updated data on hip and knee replacements performed in Canada. The report includes revision risk curves that examine factors for early revisions, which are associated with poorer patient outcomes, longer hospital stays and higher health system costs. The 2019 CJRR report was launched at a special session at the Canadian Orthopaedic Association annual meeting, where CIHI's work on patient-reported outcome measures (PROMs) was also highlighted. Revision curves from the CJRR report and leadership work that CIHI and the Organisation for Economic Co-operation and Development (OECD) are doing on hip and knee PROMs indicators were also presented at the International Society of Arthroplasty Registries conference in Leiden, Netherlands.

2 Expand analytical tools to support measurement of health systems

Deliver reporting tools, methods and information that enable improvements in health care, health system performance and population health.

Key accomplishments

Priority themes and populations

- On May 30, 2019, the Health Indicators e-Publication tool was refreshed with new data on 31 indicators, in parallel with the Your Health System (YHS): In Brief and In Depth and Statistics Canada releases. The Health Indicators e-Publication is produced jointly by Statistics Canada and CIHI and provides data for more than 80 health indicators in 1 integrated online tool. It is designed to provide comparable information at the health region and provincial/territorial levels. This data is produced using a wide range of the most recently available sources.
- Also on May 30, 2019, CIHI publicly released updated results for the Hospitalizations Entirely Caused by Alcohol indicator in YHS and the Health Indicators e-Publication. New this year, results are available for trends over time and by income quintile. This indicator supports population health and health system decision-making. It is calculated, released and promoted to raise awareness of the seriousness of harm associated with alcohol use and to drive action to manage, reduce and prevent alcohol use.

3 Produce actionable analysis and accelerate its adoption

Collaborate with stakeholders to increase their ability to use data and analysis to accelerate improvements in health care, health systems and the health of populations.

Key accomplishments

Outreach, stakeholder and collaboration activities

- On April 9, 2019, CIHI participated in an activity-based funding event hosted by the Nova Scotia Health Authority (NSHA) titled The Future of Case Costing at the NSHA and Its Impact on Quality Patient Care. The approximately 55 participants included physician, finance and perioperative leaders. The event was geared toward providing a customized product and service to support Nova Scotia's local decision-making needs.
- On May 8, 2019, senior executives from all 4 Atlantic provinces attended the Atlantic Strategic Advisory Committee's full-day session in Halifax. The topics discussed included data governance, the Shared Health Priorities, patient-reported experience measures, CIHI's health equity toolkit, advanced analytics and custom local analytics. This meeting provides an opportunity to ensure CIHI remains relevant to stakeholders.
- On May 23, 2019, the Western Strategic Advisory Collaborative met with CIHI leadership for a full-day semi-annual session in Vancouver. These sessions provide CIHI with strategic insight into jurisdictional and regional context for western provinces, and allow CIHI to further tailor activities to ensure ongoing relevance to these priority stakeholders.

Priority themes and populations

- The quarterly National System for Incident Reporting (NSIR) eBulletin was released on April 24, 2019. It contains an analysis of critical incidents and highlights recommendations from Canadian Medication Incident Reporting and Prevention System partners, the Canadian Patient Safety Institute and the Institute for Safe Medication Practices Canada. The data reveals that opioids and anticoagulants are the 2 most common groups of drugs associated with critical incidents (those resulting in severe harm or death) reported to NSIR.
- On May 1, 2019, CIHI hosted a panel session at the 2019 Canadian Public Health Association Conference titled Strength-Based Approaches to Health and Wellness: Learning From and Building on the Knowledge and Wisdom of First Nations, Inuit and Métis. One of the objectives of the session was to discuss how strength-based approaches to wellness can help close the gaps in health outcomes between Indigenous and non-Indigenous communities. The panellists shared their different perspectives on approaches to strength-based wellness, wellness indicators and the systems by which they are governed.

- On May 6, 2019, CIHI released an updated infographic and data tables that examine child and youth mental health across Canada. The number of Canadians age 5 to 24 who visited the ED for mental health disorders increased by 75% between 2006–2007 and 2017–2018, and hospitalizations for mental health disorders rose by 65% over the same period. The number of mood/anxiety or antipsychotic medications dispensed also increased. The infographic and data tables continue to receive significant interest from stakeholders across the country.
- On June 21, 2019, CIHI collaborated with the Ontario Hospital Association to deliver a half-day capacity-building session at the Healthcare Leadership for Physicians event in Hamilton, Ontario. The session focused on the importance of clinical documentation and how it impacts the flow of data for health system resource allocation and funding approaches, as well as its use in developing health indicators.
- On June 27, 2019, CIHI released the latest edition of its annual nursing report, *Nursing in Canada, 2018: A Lens on Supply and Workforce*. Regulated nurses work independently or in collaboration with other members of a health care team, providing services to individuals of all ages, and to families and communities. Understanding the trends in the supply of regulated nurses and the factors that influence the nursing labour market provides needed insight for effective planning and management of health care delivery across the country. Collecting and reporting health workforce data assists decision-makers in the planning and distribution of health care providers, which can then influence outcomes of care.

Financial highlights and statements

In March 2019, CIHI's Board of Directors approved the *2019–2020 Operational Plan and Budget* for up to \$113.5 million, including \$113.2 million for operations and \$300,000 in capital expenditures.

Management is currently implementing key initiatives to achieve the strategic goals outlined in *CIHI's Strategic Plan, 2016 to 2021* while continuing to provide important services and achieve improvements in its core program of work.

Known financial variances to the approved budget

The following represents the significant known annual financial variances to the approved budget based on the current review and first-quarter results:

- The Board-approved budget includes an annual funding allocation of up to \$87.7 million from Health Canada. There was an approved carryforward of \$750,000 from 2018–2019 to bring the revised Health Canada funding for 2019–2020 to \$88.5 million. Projected annual spending also increased by the same amount. The carryforward projects are for the following initiatives: opioid environmental scan, recruitment and space optimization based on organizational growth, improvement of digital tools and web reporting, closing data gaps, and modernizing data streams and stakeholder engagement.
- In addition, CIHI and Canada Health Infoway are currently working with Health Canada to secure additional funding for a total of \$500,000 that will be used to develop a vision and plan for a modernized organ donation and transplantation data management and reporting system. This is the first year of a 5-year initiative.
- On April 23, 2019, the Canadian Institutes of Health Research announced the Canadian Data Platform, a new \$39 million initiative funded through the Strategy for Patient-Oriented Research (SPOR). CIHI is one of the many partners involved in this 7-year project, led by Dr. Kim McGrail from the University of British Columbia. CIHI will lead the establishment and operationalization of the Data Access Support Hub (DASH) for the Canadian Data Platform. The DASH will provide a single intake for requests for multi-jurisdictional data. DASH work will start this fiscal year. CIHI anticipates receiving approximately \$350,000 this fiscal year to fund additional staff to support this multi-year initiative.
- The planned annual occupancy expense was reduced by \$238,000 to account for an unbudgeted credit for operating expenses and realty tax for the Ottawa location, which has also led to a decrease in our monthly rental expenses.

Known year-to-date financial variances

- Although the actual results for the 3-month period ended June 30, 2019, are slightly different from the approved budget, these differences are largely due to timing. Other than the items listed above, the annual results are expected to be relatively in line with the budget.
- Management will continue to monitor budgets to ensure that resources are best allocated between the operating and capital budgets to meet CIHI's deliverables and commitments in the current fiscal year, as well as to achieve notable progress toward its strategic goals. CIHI will prepare a thorough year-end projection as part of the mid-year review exercise.

Financial statements

- Financial statements included in the following section present CIHI's financial position as at June 30, 2019, with detailed results of operations for the first 3 months of the fiscal year.
- Notes to the financial statements provide details related to specific lines of each statement.
- The closing balances of the balance sheet accounts in the following section are reasonably in line with the organization's operating cycle.

Balance sheet (\$000) as at June 30, 2019

Balance sheet	June 30, 2019 \$	March 31, 2019 (audited) \$
Assets		
Current assets		
Cash and short-term investments <i>(note 1)</i>	8,522	6,840
Accounts receivable <i>(note 2)</i>	5,826	8,256
Prepaid expenses <i>(note 3)</i>	5,002	3,887
Total current assets	19,350	18,983
Long-term assets		
Capital assets <i>(note 4)</i>	4,202	4,565
Total long-term assets	4,202	4,565
Total assets	23,552	23,548
Liabilities and net assets		
Current liabilities		
Accounts payable and accrued liabilities <i>(note 5)</i>	7,124	6,669
Unearned revenue <i>(note 6)</i>	1,596	1,378
Deferred contributions — Health Information Initiative <i>(note 7)</i>	3,785	4,217
Total current liabilities	12,505	12,264
Long-term liabilities		
Deferred contributions — expenses of future periods <i>(note 8)</i>	293	293
Deferred contributions — capital assets <i>(note 9)</i>	2,067	2,246
Lease inducements <i>(note 10)</i>	1,596	1,654
Total long-term liabilities	3,956	4,193
Net assets	7,091	7,091
Total liabilities and net assets	23,552	23,548

Notes to balance sheet as at June 30, 2019

1. **Cash and short-term investments:** Presented net of outstanding cheques as at June 30, 2019. Current short-term investments include \$2.0 million in term deposits, which will yield 1.86% and mature within 45 days.
2. **Accounts receivable:** Relates to the sale of products and services. Also composed of \$3.7 million related to the provision of the Core Plan through provincial and territorial bilateral agreements.
3. **Prepaid expenses:** Represents payments that have yet to be recognized as expenses, consisting of software and maintenance, rent to landlords for office space and other expenses.
4. **Capital assets:** Presented net of accumulated amortization, including computers and telecommunications equipment, furniture and leasehold improvements. The capital assets are amortized over their estimated useful lives using the straight-line method: 5 years for computer hardware/software and office/telecommunications equipment; 10 years for furniture; and lease term for leasehold improvements. Assets acquired during the year are amortized beginning in the month of acquisition.
5. **Accounts payable and accrued liabilities:** Operational in nature. The accounts payable is mostly current (less than 30 days). The accrued liabilities represent goods received and services rendered up to the end of the quarter (e.g., external and professional services, advisory groups, travel) as well as payroll and benefit accruals.
6. **Unearned revenue:** Includes contributions received for which expenses have yet to be incurred. The balance includes \$1.1 million in funding contributions received from the British Columbia Ministry of Health Services for special projects. The contributions are recognized as revenue in the same period as the related expenses are incurred.
7. **Deferred contributions — Health Information Initiative:** Related to contributions received from Health Canada but not yet recognized as revenue. The contributions are recognized as revenue in the same period as the related expenses are incurred.
8. **Deferred contributions — expenses of future periods:** Represents long-term unspent restricted contributions. The funding is recognized as income to match the occurrence of specific expenditures for projects and activities.
9. **Deferred contributions — capital assets:** Represents contributions provided for the purpose of capital assets acquisitions. The deferred contributions are recognized as revenue on the same basis as the amortization of the related capital assets.
10. **Lease inducements:** Represents leasehold improvement allowances, other inducements and free rent received/provided over the years for Toronto and Ottawa offices. The inducements are amortized over the period of their respective leases.

Operating budget (\$000) for the 3-month period ended June 30, 2019

Operating budget	Actual year to date \$	Approved budget year to date \$	Variance \$	Approved budget (12 months) \$
Revenue				
Sales (note 1)	573	498	75	2,415
Core Plan (note 2)	4,605	4,605	—	18,420
Health Information Initiative (note 3)	22,170	23,024	(854)	88,625
Funding — other (note 4)	710	626	84	3,017
Other revenue (note 5)	45	33	12	130
Total revenue	28,103	28,786	(683)	112,607
Expenses				
Compensation (note 6)	21,896	21,939	43	86,580
External and professional services (note 7)	1,113	1,178	65	6,340
Travel and advisory committee (note 8)	950	1,369	419	4,067
Office supplies and services (note 9)	242	158	(84)	614
Computer and telecommunications (note 10)	2,160	2,231	71	7,914
Occupancy (note 11)	1,742	1,911	169	7,692
Corporate provision (note 12)	—	—	—	—
Total expenses	28,103	28,786	683	113,207
Excess of revenue over expenses	—	—	—	(600)

Notes to operating budget for the 3-month period ended June 30, 2019

1. **Sales:** Includes CIHI's products and services over and above those sold as part of the Core Plan (e.g., on a fee-for-service basis).
2. **Core Plan:** Represents subscription revenue from the bilateral agreements with provincial and territorial governments.
3. **Health Information Initiative:** Represents Health Canada's current-year funding allocation recognized as revenue to match the operating expenses incurred. As well, it includes deferred contributions received in prior years recognized as revenue to match the capital assets amortization.
4. **Funding — other:** Represents contributions from provincial and territorial governments and from other agencies for special projects (e.g., Ontario Opioid Overdose Surveillance System, Patient-Reported Outcome Measures) or specific programs (e.g., Ontario Mental Health Reporting System, Ontario Trauma Registry, Ontario Health Based Allocation Model). The funding is recognized as revenue in the same period as the related expenses are incurred.
5. **Other revenue:** Includes interest income generated from the bank accounts and short-term investments, as well as miscellaneous income.
6. **Compensation:** Includes salaries, benefits and pension expense for both full-time employees and agency/contract staff.
7. **External and professional services:** Includes accruals for services rendered to date. At the end of June, the unrecorded contractual commitments pertaining to this fiscal year are in the order of \$1.3 million.
8. **Travel and advisory committee:** Includes travel expenses for staff and for members of the Board of Directors and of advisory committees, as well as facility costs relating to CIHI's education sessions and externally hosted meetings.
9. **Office supplies and services:** Includes printing, postage/courier/distribution, office equipment and supplies, insurance costs, and equipment, furniture and leasehold improvements of a capital nature under \$2,500.
10. **Computer and telecommunications:** Includes supplies, software/hardware support and maintenance, minor software costs and upgrades, telecommunications line charges and long distance charges, cloud computing costs, capital purchases under \$2,500, as well as depreciation of computers and telecommunication assets.
11. **Occupancy:** Includes rent, facility maintenance and depreciation of furniture and leasehold improvements.
12. **Corporate provision:** Set aside by management; essentially a contingency for emerging issues and year-end adjustments.

**CIHI Ottawa**

495 Richmond Road
Suite 600
Ottawa, Ont.
K2A 4H6
613-241-7860

CIHI Toronto

4110 Yonge Street
Suite 300
Toronto, Ont.
M2P 2B7
416-481-2002

CIHI Victoria

880 Douglas Street
Suite 600
Victoria, B.C.
V8W 2B7
250-220-4100

CIHI Montréal

1010 Sherbrooke Street West
Suite 602
Montréal, Que.
H3A 2R7
514-842-2226

cihi.ca

20742-0819

