



President's Quarterly Report and Review of Financial Statements

As at June 30, 2020



Canadian Institute
for Health Information

Institut canadien
d'information sur la santé

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President's update

Strategic activities and outcomes

The following are key accomplishments for each of CIHI's corporate goals for the first quarter of 2020–2021.

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

- In the first quarter, CIHI continued collaboration with the World Health Organization (WHO) on developing COVID-19–related ICD-10-CA codes. We also provided timely COVID-19–related coding education, resources and support to stakeholders, including
 - A bulletin released to clients in April outlining coding of COVID-19 in obstetrics and use of COVID-19 lab results;
 - An infographic for clinicians to facilitate more specific clinical documentation, supporting the capture of high-quality data;
 - Live webinars on coding direction for COVID-19 in May; the recording is available on CIHI's website; and
 - Support to clients for COVID-19–related data submission and analysis.
- On April 17, 2020, CIHI released the COVID-19 Major Comorbidity Count Algorithm, which is designed to identify home care clients and long-term care residents who are at particularly high risk of poor outcomes should they contract COVID-19. This algorithm was developed in collaboration with interRAI Canada and is to be used with home care and long-term care interRAI assessments to support advanced care planning and resource allocation, and for health system planning. More than 5,000 home care and long-term care stakeholders were provided with information sheets about the algorithm. To date, CIHI has responded to numerous requests from jurisdictions and software vendors for the algorithm's specifications and has generated custom risk profiles of home care clients or long-term care residents at an organizational, regional and/or provincial level through the data request process.

- In June 2020, CIHI signed a data-sharing agreement with the Saskatchewan Cancer Agency allowing for the submission of radiation treatment incidents to CIHI's National System for Incident Reporting. This increases the amount of incident data shared between radiation treatment centres across Canada. Sharing incident data allows centres to learn from past incidents, helping to prevent them from reoccurring and improving patient safety.
- In June 2020, Health Canada confirmed Year 2 (2020–2021) funding for the Organ Donation and Transplantation (ODT) Data and Performance Reporting System. Upon request from Health Canada, CIHI is collaborating with Canada Health Infoway, ministries of health, health organizations, clinicians, researchers, patients and the ODT community to develop a pan-Canadian data and performance reporting system for ODT. CIHI is currently in the second year of a 5-year, \$40 million project to develop the system. This project aims to support improvements in ODT care — ultimately leading to equitable and timely access to quality transplantation across Canada.
- CIHI continued to deliver priority COVID-19 data and information for use by governments, health systems, the media and other stakeholders through the [COVID-19 resources web page](#). In addition, CIHI responded to more than 400 information queries in the first quarter. Included in this were 89 custom data requests, a 20% increase in volume compared with the same quarter in 2019–2020.

Priority themes and populations

- On May 29, 2020, CIHI released an interim race data collection standard to support the measurement of racial inequalities. This interim standard was intended for any jurisdiction or organization that has decided to collect race-based data, especially during the COVID-19 pandemic. In addition, CIHI released a [discussion document](#) on July 24, 2020, providing additional information on the proposed standard and context for the collection and measurement of race, Indigenous identity and ethnicity data. This proposed standard supports the measurement of racial health inequalities and provides a starting point for stakeholders to understand potential impacts of racism and discrimination in Canada's health systems. This work can inform improvements to patient experience and promote culturally appropriate care and training for health care workers.

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

Outreach, stakeholder and collaboration activities

- In June 2020, CIHI released version 2 of the Health System Capacity Planning Tool, which was developed to help decision-makers understand resource demands and supply shortfalls related to COVID-19. This version includes asymptomatic cases and pre-symptomatic and pre-hospital self-isolation periods, as well as the length of stay and fatalities in each hospital setting. The new version has the ability to handle new cases imported from outside a region and was calibrated with the latest Canadian data. CIHI shared the tool with 40 clients (including ministries of health, regional authorities and public health units) and provided several demo sessions that were attended by more than 170 attendees.
- On June 2, 2020, CIHI released a preliminary version of a population grouping predictive model, designed to predict risk of hospitalization due to COVID-19, to support health system resource planning. To date, stakeholders from a range of organizations, including ministries of health, health regions and research organizations in British Columbia, Alberta, Saskatchewan, Manitoba and Quebec have requested access to the tool.

Priority themes and populations

- On May 28, 2020, CIHI released
 - The most recent year of data for 37 indicators and 13 contextual measures in the Your Health System (YHS) public tool (In Brief and In Depth); and
 - A refresh of the Health Indicators e-Publication tool with new data on 31 indicators and 3 additional Acute Care indicators. The e-Publication tool is produced jointly by Statistics Canada and CIHI and measures health status, non-medical determinants of health, health system performance and community and health system characteristics, and is available at regional, provincial/territorial and national levels. This free web-based product provides data for more than 80 health indicators from the 2 organizations in 1 integrated online publication.

- In May 2020, CIHI released its new Health Workforce Quick Stats tool. It provides customizable information on supply and workforce that allows users to stratify health care provider data by age, sex, geography, place of work, area of responsibility, etc. This tool enables health workforce planners and analysts to create customized visuals and tables to support the monitoring and evaluation of health system planning. This can inform questions such as “How many new professionals should be trained?”; “What is the appropriate distribution of workers in urban and rural regions, and across care settings?”; and “How does this impact outcomes of care?” The tool currently contains data on 4 types of nurses in Canada and will expand to include physiotherapists, occupational therapists and pharmacists in future iterations.
- The annual update of the Wait Times Tool was released under embargo on June 24, 2020, and became publicly available on July 9, 2020. As reducing wait times and improving access to care remains a priority for jurisdictions across Canada, this tool provides a snapshot of how long patients wait for priority procedures. This year’s key findings (based on the 2019 data cycle before the COVID-19 pandemic) include the following:
 - Approximately 30% of patients who required a hip or knee replacement or cataract surgery did not have their procedure done within the recommended wait times, and there is a large variation in wait times for these procedures across Canada.
 - Despite performing more surgeries, many provinces have seen increases in wait times for joint replacement and cataract surgery since 2017.
 - Median wait times for prostate cancer surgery (41 days) and lung cancer surgery (24 days) have increased by 3 days since 2017.
 - For urgent procedures such as hip fracture repair and radiation therapy, most Canadians continue to receive care within benchmark time frames.

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 May 28, 2020, the Western Strategic Advisory Collaborative, which includes ministry and health authority executive leaders, met to discuss the impact of COVID-19 on the health systems across Western jurisdictions and to provide input to CIHI on data priorities. Similarly, the Atlantic Strategic Advisory Collaborative met on June 3, 2020, to discuss the impact of COVID-19 across the Atlantic jurisdictions. In addition, communication exchanges with the ministère de la Santé et des Services sociaux du Québec on the COVID-19 data priorities provided valued insights to inform our work. These meetings serve as a forum for health system leaders to engage on strategic issues, and they serve as an important input to CIHI as the discussions provide context that is leveraged to inform our planning.
- On June 18, 2020, the Western Canada Health Systems Analytics Network, which includes analytical leaders from all ministries and health regions across Western Canada, met to discuss the impact of COVID-19 on health system data and analytical priorities. These meetings serve as a forum for analytical leaders to learn about important work being conducted across Western Canada, and are an important input to CIHI as they provide insight to the data and analytical needs and interests of stakeholders that routinely use CIHI data and information products.
- CIHI released the first version of an Excel-based [COVID-19 Intervention Scan](#) on June 18, 2020. CIHI is maintaining this comprehensive scan of federal, provincial and territorial government interventions, announcements and other measures to reduce the spread of and improve the health outcomes related to COVID-19. The scan covers case findings and management, health workforce capacity, business closures, travel restrictions and other measures; can be sorted by province, territory or federal jurisdiction; and will be updated regularly. An interactive web tool will be released in the second quarter, which contains similar information in a format that is easier to use for a broad audience. The interactive tool will allow users to select jurisdiction, time frame and type of intervention to create a customized timeline of key COVID-19 intervention events. CIHI developed these products to support policy analysts, researchers and others in understanding key interventions that took place during the COVID-19 pandemic to help reduce the spread of infection and improve outcomes.

Priority themes and populations

- On June 1 and June 19, 2020, representatives from the First Nations Information Governance Centre provided training to approximately 200 CIHI staff on the First Nations principles of ownership, control, access and possession (OCAP®). As a result of these sessions, more staff now have the foundational knowledge of the principles and the importance of respecting Indigenous data sovereignty and OCAP. CIHI is part of and is supporting a shift to a more respectful approach to how Indigenous data is managed.

Financial highlights and statements

In March 2020, CIHI's Board of Directors approved *CIHI's Operational Plan and Budget, 2020–2021* for up to \$117.3 million, including \$117.1 million for operations and \$160,000 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 CIHI's 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 \$92.7 million from Health Canada. There was an approved carryforward of \$582,000 from 2019–2020 to bring the revised Health Canada funding for 2020–2021 to \$93.3 million. Projected annual expense spending also increased by the same amount. The carryforward projects are for the following initiatives: space optimization, improvement of digital tools and web reporting, and modernization of information technology infrastructure.
- In addition, CIHI and Canada Health Infoway are currently working with Health Canada to secure additional funding for a total of \$3.4 million to fund the second year of a 5-year initiative to modernize the organ donation and transplantation data management and reporting system.
- Budgeted interest income has decreased by \$140,000 due to the current reduction in rates.
- Planned travel and committee expenses have been significantly reduced because of ongoing travel restrictions related to COVID-19 (which was declared a pandemic by the WHO in March 2020), and continue to be closely monitored. Savings will be reallocated as needed to support other areas of the organization in order to deliver on our initiatives.

Known year-to-date financial variances

- Although the actual results for the 3-month period ended June 30, 2020, are slightly different from the approved budget, these differences are largely due to delays in spending and reallocations resulting from the COVID-19 pandemic. Other than the items listed above, the annual results are expected to be relatively in line with the budget.
- Management will continue to monitor the budget to ensure that resources are best allocated in order to meet CIHI's deliverables and commitments in the current fiscal year, as well as to achieve notable progress toward CIHI's strategic goals. We 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, 2020, 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, 2020

Balance sheet	June 30, 2020 \$	March 31, 2020 (audited) \$
Assets		
Current assets		
Cash and short-term investments (<i>note 1</i>)	6,131	7,105
Accounts receivable (<i>note 2</i>)	9,344	7,140
Prepaid expenses (<i>note 3</i>)	4,075	4,160
Total current assets	19,550	18,405
Long-term assets		
Capital assets (<i>note 4</i>)	2,177	2,332
Total long-term assets	2,177	2,332
Total assets	21,727	20,737
Liabilities and net assets		
Current liabilities		
Accounts payable and accrued liabilities (<i>note 5</i>)	7,467	6,383
Unearned revenue (<i>note 6</i>)	1,363	1,589
Deferred contributions — Health Information Initiative (<i>note 7</i>)	3,832	3,572
Total current liabilities	12,662	11,544
Long-term liabilities		
Deferred contributions — expenses of future periods (<i>note 8</i>)	190	190
Deferred contributions — capital assets (<i>note 9</i>)	998	1,066
Lease inducements (<i>note 10</i>)	1,381	1,441
Total long-term liabilities	2,569	2,697
Net assets	6,496	6,496
Total liabilities and net assets	21,727	20,737

Notes to balance sheet as at June 30, 2020

1. **Cash and short-term investments:** Presented net of outstanding cheques as at June 30, 2020. Current short-term investments include \$1.5 million in term deposits, which will yield 0.63% and mature within 44 days.
2. **Accounts receivable:** Relates to the sale of products and services. Also composed of \$4.6 million related to the provision of the Core Plan through provincial and territorial bilateral agreements as well as \$3.3 million from the Ontario government related to contributions for specific programs and projects.
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 for special projects, and \$198,000 from the University of British Columbia for the Strategy for Patient-Oriented Research Initiative. 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 the Victoria, 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, 2020

Operating budget	Actual year to date \$	Approved budget year to date \$	Variance \$	Approved budget (12 months) \$
Revenue				
Sales (note 1)	570	576	(6)	2,588
Core Plan (note 2)	4,689	4,689	—	18,756
Health Information Initiative (note 3)	21,865	23,233	(1,368)	92,921
Funding — other (note 4)	526	725	(199)	2,665
Other revenue (note 5)	18	43	(25)	170
Total revenue	27,668	29,266	(1,598)	117,100
Expenses				
Compensation (note 6)	22,311	22,555	244	88,364
External and professional services (note 7)	780	1,302	522	6,525
Travel and advisory committee (note 8)	—	1,353	1,353	3,888
Office supplies and services (note 9)	206	265	59	636
Computer and telecommunications (note 10)	2,497	1,864	(633)	9,709
Occupancy (note 11)	1,874	1,927	53	7,778
Corporate provision (note 12)	—	—	—	200
Total expenses	27,668	29,266	1,598	117,100
Excess of revenue over expenses	—	—	—	—

Notes to operating budget for the 3-month period ended June 30, 2020

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, Ontario Patient-Reported Outcome Measures, National Ambulatory Care Reporting System, Strategy for Patient-Oriented Research) 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 \$1.4 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.



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