

Highlights

from Northern Health's

2015 - 2016 Annual Report



Lakes District Hospital and Health Centre, Burns Lake



northern health
the northern way of caring

A message from Cathy Ulrich, President and CEO, and Dr. Charles Jago, Board Chair

2015-16 has been a year in which we have focused on the next stage in delivering the best possible health care for Northerners. We finalized planning for the Integrated Health Services initiative so that we can begin transitioning to this new model of primary and community care. We also developed a new strategic plan for Northern Health, which will guide our service delivery over the next five years to 2021.

The plan for a new model of primary and community care is now ready for full implementation across the region. The plan's aim is to provide coordinated health service delivery in which different health practitioners work together with the patient and their family to meet their care needs. In the past year, work has centred on the tools and operating structures needed to support interprofessional teams operating in communities all across the North. A big part of this transformational change is shifting how community services are organized and delivered throughout the region. These changes are an important part of creating a system of services that puts a person and their family at its centre, and supports the development of a healthy community.

Throughout 2015, we have had the privilege of continuing the development of Northern Health's relationship with the First Nations Health Authority, First Nations communities, and organizations serving Aboriginal populations across the north. The eight Aboriginal Health Improvement Committees continued their partnership work to develop ways to improve the cultural safety of Northern Health's programs and services. The learning from the patient journey mapping that started in 2014 was used to inform the creation of cultural safety resources and to host training events designed to increase the understanding of First Nations culture and traditions.

Over the course of 2015, we also sought input from staff, physicians, and key community partners in the development of Northern Health's 2016-21 Strategic Plan – Looking to 2021. This plan is the result of months of work to clearly understand what the most important areas of focus are for the next several years. The new plan builds on the journey that began in 2009 when Northern Health's first comprehensive organization-wide strategic plan was created, and the learnings we gained along the way as we started making changes based on this original vision.

The 2016-2021 Strategic Plan describes the path Northern Health will take over the next five years to continue the transformation of health services in Northern BC in order to improve the health of the people we serve. The plan recommits Northern Health to this vision for health services in the North and outlines the work necessary to achieve it,

keeping three new priorities in mind: Healthy People in Healthy Communities; Coordinated and Accessible Services; and Quality

Northern Health's staff and physician partners are the heart of our organization, and we are proud of the work they do every day to help Northerners get well and stay healthy. We look forward to improving health services and partnering with others to improve the health of people who live in northern British Columbia.

Regards,
Cathy Ulrich and Charles Jago



2015-2016 projects in your region:

Northwest

Dease Lake: Stikine Health Centre

- Upgrades for the Carbon Neutral Capital Program were put in place at the centre, including energy-efficient water heaters and building automation system (Total \$0.3 million; \$0.1 million contributed by the NWRHD*)

Hazelton: Wrinch Memorial Hospital

- New fire sprinkler system was put in place (Total \$1.36 million; \$0.54 million contributed by the NWRHD*)
- The phone system was upgraded (Total \$0.16 million; \$0.07 million contributed by the NWRHD*)

Masset: Northern Haida Gwaii Hospital and Health Centre

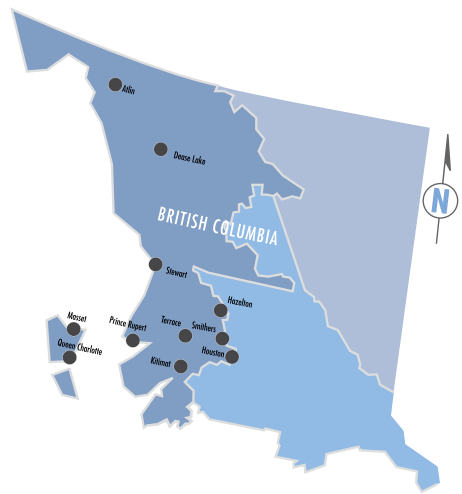
- The hospital's roof was replaced due to mould and structure issues (\$2.6 million)

Prince Rupert: Prince Rupert Regional Hospital

- An electrical power system upgrade, including a new backup generator and an electrical upgrade for operating room suites (Total \$1.2 million; \$0.48 million contributed by the NWRHD*)

Village of Queen Charlotte: Queen Charlotte Islands General Hospital

- New general hospital (replacing existing facility), opening in Fall 2016; the new building will include a range of acute and community services, eight acute care beds plus one labour bed, and eight complex care beds (Total \$50 million; \$18.9 million contributed by the NWRHD*)



Wrinch Memorial Hospital,
Hazelton



Prince Rupert
Regional Hospital



Queen Charlotte Islands General
Hospital, Village of Queen Charlotte

*NWRHD – North West Regional Hospital District

Smithers: Bulkley Valley District Hospital

- Upgrades for the Carbon Neutral Capital Program were put in place at the hospital, including a hot water system upgrade (Total \$0.3 million; \$0.07 million contributed by the NWRHD*)
- Nurse call system replaced (\$0.2 million)
- In partnership with the Bulkley Valley Health Care & Hospital Foundation, the Bulkley Valley District Hospital (BVDH) Auxiliary and other community partners raised \$158,000 towards updating the maternity program in Smithers. This project also included \$58,000 from the BVDH Auxiliary for needed medical equipment, plus \$50,000 from Northern Health. Renovations began in January 2016 and the four new single rooms for Labour-Delivery-Recovery-Postpartum will be completed in the summer of 2016 (\$0.27 million)



Bulkley Valley District Hospital,
Smithers



Stewart Health Centre

Stewart: Stewart Health Centre

- Upgrades for the Carbon Neutral Capital Program were put in place at the centre, including installing energy-efficient lighting and upgrading parts of the building automation system (Total \$0.3 million; \$0.1 million contributed by the NWRHD*)

Terrace: Mills Memorial Hospital

- Nurse call system replaced (Total \$0.3 million; \$0.12 million contributed by the NWRHD*)
- New X-ray room put in place; the room has more space and has lower radiation exposure levels for patients (Total \$0.5 million; \$0.2 million contributed by the NWRHD*)



Mills Memorial Hospital,
Terrace

*NWRHD – North West Regional Hospital District

2015-2016 projects in your region:

Northern Interior

Burns Lake: Lakes District Hospital and Health Centre

- The new hospital opened in 2015 and the old building was deconstructed; a new 100-car parking lot has been built and the final landscaping is under way (Total \$55 million; \$8.9 million contributed by the SNRHD*)
- A healing garden was put in place on the new hospital grounds (Total \$0.18 million; \$0.06 million contributed by the SNRHD*)

Burns Lake: The Pines

- Electrical system upgrade and generator replacement to meet current electrical code (\$0.6 million)

Fort St. James: Stuart Lake Hospital

- New fire sprinkler system was put in place (Total \$0.85 million; \$0.34 million contributed by the SNRHD*)

Quesnel: Dunrovin Park Lodge

- Upgrades for the Carbon Neutral Capital Program were put in place in the building, including a new air handling unit and a new building automation system (Total \$0.3 million; \$0.13 million contributed by the CCRHD**)

Quesnel: GR Baker Memorial Hospital

- The electrical switchgear was replaced; this ensures the hospital will have electricity via a generator during a power failure (Total \$0.2 million; \$0.07 million contributed by the CCRHD**)
- New patient monitoring systems were put in place in the intensive care unit and the emergency department (Total \$0.4 million; \$0.16 million contributed by the CCRHD**)



Lakes District Hospital and Health Centre, Burns Lake



Stuart Lake Hospital, Fort St. James



Dunrovin Park Lodge, Quesnel

*SNRHD – Stuart-Nechako Regional Hospital District

**CCRHD – Cariboo Chilcotin Regional Hospital District

- Renovation done to create new specialist offices (Total \$0.16 million; \$0.06 million contributed by the CCRHD*)

Quesnel: Avery Clinic

- Renovation of offices to create primary care space (Total \$0.9 million; \$0.3 million contributed by the CCRHD*)



GR Baker Memorial Hospital, Quesnel

Prince George: University Hospital of Northern British Columbia

- The new Learning and Development Centre opened in 2015; it provides a state-of-the-art teaching and learning environment for medical students and health care professionals (\$10 million)
- Removal and replacement of heart monitoring equipment in the emergency department (Total \$0.7 million; \$0.26 million contributed by the FFGRHD**)
- New waste handling system was put in place; it will be able to sterilize 1600 pounds of biomedical waste in an eight-hour shift (Total \$1 million; \$0.34 million contributed by the FFGRHD**)
- New water filtering system for a sterile processing cart washer (Total \$0.3 million; \$0.12 million contributed by the FFGRHD**)
- New patient monitoring systems were put in place in the family medicine, intensive care, and internal medicine units (Total \$0.8 million; \$0.3 million contributed by the FFGRHD**)
- A computed tomography (CT) scanner was upgraded; this machine uses X-rays to take pictures inside the body (Total \$0.2 million, all of which was contributed by the SOTN***)
- The hospital pharmacy area was renovated and a new machine for packaging medication was installed (Total \$0.3 million; \$0.1 million contributed by the FFGRHD**)



University Hospital of Northern British Columbia, Prince George

*CCRHD – Cariboo Chilcotin Regional Hospital District

**FFGRHD – Fraser-Fort George Regional Hospital District

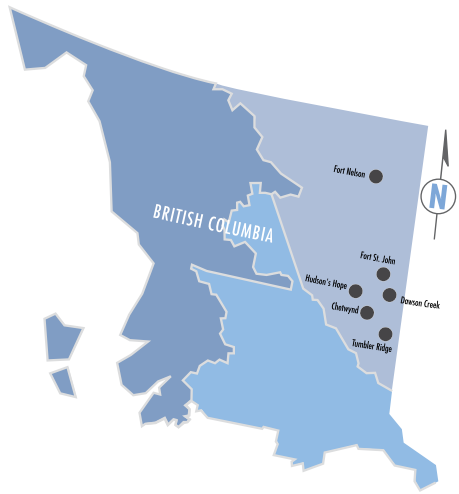
***SOTN – Spirit of the North Healthcare Foundation

2015-2016 projects in your region:

Northeast

Chetwynd: Chetwynd Hospital and Health Centre

- Upgrades for the Carbon Neutral Capital Program were put in place, including an upgrade to the building system to provide better heating, ventilation and air conditioning control; improving energy efficiency; and reducing natural gas/electricity use and greenhouse gas emissions (Total \$0.16 million; \$0.06 million contributed by the PRRHD*)



Dawson Creek: Dawson Creek and District Hospital

- Upgrades for the Carbon Neutral Capital Program were put in place, including a new digital control system for heating, ventilation and cooling; improving energy efficiency; and reducing natural gas/electricity use and greenhouse gas emissions (Total \$0.16 million; \$0.04 million contributed by the PRRHD*)
- A new automated medication dispensing cabinet was installed, which provides controlled dispensing of medications (Total \$0.1 million; \$0.04 million contributed by the PRRHD*)
- The console (through which a machine is operated) of a CT scanner was upgraded; this machine uses X-rays to take pictures inside the body (Total \$0.2 million, all of which was contributed by the DCDHF**)



Chetwynd Hospital and Health Centre



Dawson Creek and District Hospital

*PRRHD – Peace River Regional Hospital District

**DCDHF – Dawson Creek and District Hospital Foundation

Fort St. John: Fort St. John Hospital

- The console (through which a machine is operated) of a CT scanner was upgraded; this machine uses X-rays to take pictures inside the body (Total \$0.2 million, all of which was contributed by the FSJHF*)



Fort St. John Hospital

Fort St. John: Fort St. John Medical Clinic

- Northern Health purchased the Fort St. John Medical Clinic - building and land (\$4.8 million)

Fort Nelson: Fort Nelson Hospital

- The old two-tray morgue was renovated, and now has four trays and a viewing room (Total \$0.7 million; \$0.28 million contributed by the NRRHD**)
- The tub room in the hospital's multi-level care unit was renovated; this project was extended to 2015/16 due to a budget increase wait (Total \$0.26 million; \$0.1 million contributed by the NRRHD**)
- Work was finished on the second phase of the hospital's roof replacement program; this project is now finished (\$0.2 million)



Fort Nelson Hospital

Regional Projects

Community Health Record Project

- Phase I (Total \$2.6 million; including contributions from all of the regional hospital districts)

*FSJHF – Fort St. John Hospital Foundation

**NRRHD – Northern Rockies Regional Hospital District

Financial Summary

Northern Health provides a wide range of health services to the population it serves. Each year Northern Health is challenged to provide high-quality accessible services within the available financial, human, and capital resources. For the fiscal year ended March 31, 2016, Northern Health realized an operating deficit of \$9.7 million (1.2% of budgeted expenditures).

The 2015-16 annual operating deficit, the first in Northern Health's history, is due to an actuarial loss of \$12.0 million on employee benefit plans for long-term disability, health and wellness benefits. An actuarial valuation was performed at the end of the 2014 and 2015 calendar years. The difference between the results expected at the end of 2014, and the actual results at the end of 2015 is a gain or a loss. This gain or loss must be fully recognised on Northern Health's statement of operations. The gain and loss develops as a result of investment and claims experience differing from expectations. As it is an estimate of future costs, there is no immediate impact to cash or health service delivery.

Revenues

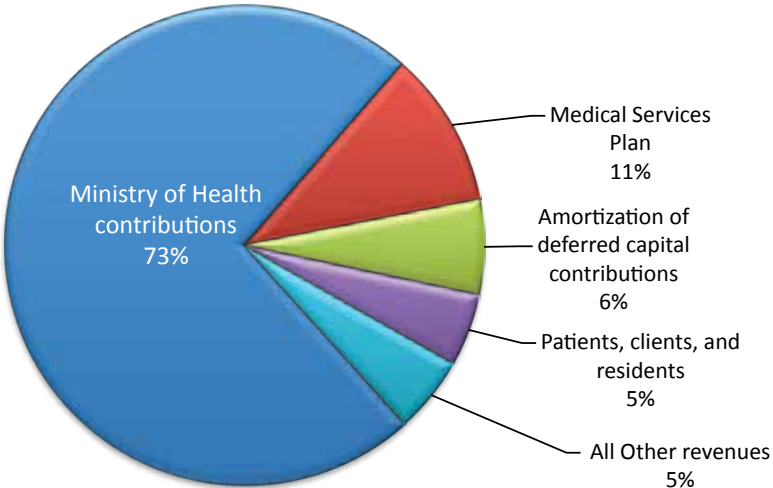
Total revenues for the year were \$781.0 million, an increase of \$16.6 million or 2.2% from the prior year. Funding from the Ministry of Health is Northern Health's primary source of revenue. In 2015-16 operating funding from the Ministry of Health was \$570.7 million, which represented 73% of total revenues.

Expenses

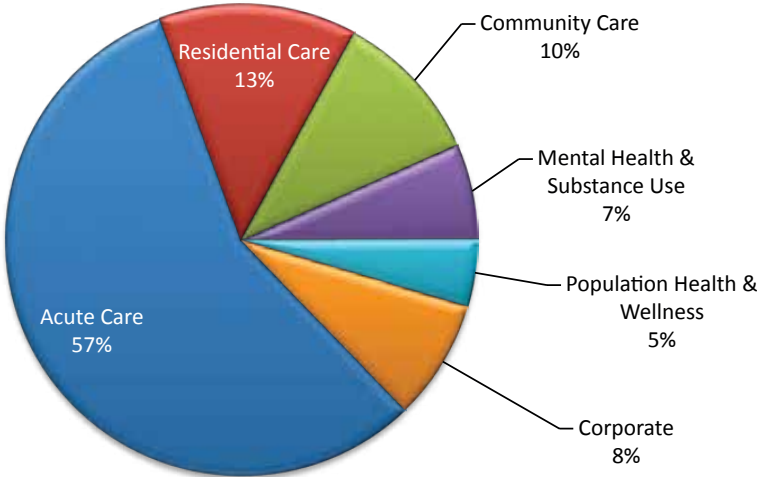
Total expenses for the year were \$790.6 million, an increase of \$29.1 million or 3.8% from the prior year. Acute care remains the largest sector of expenditure at \$447.8 million or 57% of total expenses. The next largest sector is residential care at \$106.9 million, or 13% of total expenses.

The full 2015-16 audited financial statements are available at northernhealth.ca > About Us > Northern Health Reports > Financial Accountability

Distribution of 2015-16 Actual Revenues



Distribution of 2015-16 Actual Expenses



Financial Summary, cont'd.

Financial Summary 2015-16

(in thousands of dollars)

	2015-16			
	Budget	Actual	\$ Variance	% Variance
Revenues				
Ministry of Health contributions	\$ 571,348	\$ 570,680	\$ (668)	-0.1%
Medical Services Plan	79,918	82,189	2,271	2.8%
Amortization of deferred capital contributions	49,007	49,798	791	1.6%
Patients, clients, and residents	37,940	38,189	249	0.7%
Other contributions	22,391	16,643	(5,748)	-25.7%
Recoveries from other HA and BC GRE and BC government related entities	10,786	11,970	1,184	11.0%
Investment income	830	985	155	18.7%
Other	8,415	10,526	2,111	25.1%
Total Revenues	780,635	780,980	345	0.0%
		\$ 781.0		
Expenses				
Acute Care	434,589	447,750	(13,161)	-3.0%
Residential Care	103,582	106,919	(3,337)	-3.2%
Community Care	84,444	82,867	1,577	1.9%
Mental Health & Substance Use	56,262	51,622	4,640	8.2%
Population Health & Wellness	36,766	36,362	404	1.1%
Corporate	64,992	65,123	(131)	-0.2%
Total Expenses	780,635	790,643	(10,008)	-1.3%
Annual operating surplus (deficit)	\$ -	\$ (9,663)		

	2014-15	2015-16 vs 2014-15	
	Actual	\$	%
Revenues			
Ministry of Health contributions	\$ 550,502	\$ 20,178	3.7%
Medical Services Plan	80,592	1,597	2.0%
Amortization of deferred capital contributions	54,548	(4,750)	-8.7%
Patients, clients, and residents	37,858	331	0.9%
Other contributions	18,634	(1,991)	-10.7%
Recoveries from other HA and BC GRE and BC government related entities	12,134	(164)	-1.4%
Investment income	817	168	20.6%
Other	9,334	1,192	12.8%
Total Revenues	764,419	16,561	2.2%
Expenses			
Acute Care	435,760	11,990	2.8%
Residential Care	99,153	7,766	7.8%
Community Care	75,878	6,989	9.2%
Mental Health & Substance Use	49,677	1,945	3.9%
Population Health & Wellness	37,330	(968)	-2.6%
Corporate	63,711	1,412	2.2%
Total Expenses	761,509	29,134	3.8%
Annual operating surplus (deficit)	\$ 2,910		



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Artist's rendition of the new Queen Charlotte Islands General Hospital, planned to open in Fall 2016



northern health
the northern way of caring



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10-300-6102 (IND 08/16)