



2024
2025

Annual Performance Report



NL Health
Services

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Message from the Board of Trustees

With the full endorsement of the Board of Trustees, it is my pleasure to submit Newfoundland and Labrador (NL) Health Services' 2024-25 Annual Report on Performance. As a category one entity within the province's **Transparency and Accountability Act (the Act)**, this document provides a performance report on NL Health Services' progress in its second year as a provincial health authority. Our Board of Trustees is accountable for the results reported in this document, which highlights the progress made toward achieving the goals and objectives outlined in the two-year strategic plan.

It is my pleasure to again welcome Dr. Pat Parfrey, who was appointed as the new Chief Executive Officer (CEO) of NL Health Services on January 23, 2025. Dr. Parfrey brings over 40 years of experience in health care, including his role as co-chair of Health Accord NL and Deputy Minister of Health Transformation. His leadership is expected to accelerate the implementation of Health Accord NL's recommendations, which aim to enhance health care and health equity in the province. I would like to thank David Diamond, who served as CEO during the transition to one provincial health authority. The health transformation work started under his leadership is leading to improvements in health care and contributing to the overall health and well-being of the province. I would also like to thank Karen Stone, who served as interim CEO from June 2024 until January 2025 for dedication and commitment to advancing this important work.

The results highlighted in this report demonstrate the significant efforts NL Health Services has made to achieve the goals and objectives in five priority areas: transformation, access, our people, quality, and health equity. It also highlights many of the accomplishments our dedicated employees, physicians, volunteers, and partners achieved throughout the region.

This past year was significant for NL Health Services as we advanced integration and transformation through implementation of health transformation and quality frameworks and the establishment of provincial operating networks and integration teams. These developments continue to enable the provincial health authority to become a Learning Health and Social System. A Learning Health and Social system is a health-care system which supports a people-centred focus; shifts to preventative and outcomes-based models of care; embraces digital and technology enablers; and advances innovative approaches that drive improvements in quality of care and access to services. It also supports the achievement of outcomes of the Quintuple Aim for Health Care Improvement – enhancing the care experience, increasing value for care, improving population health, promoting care team well-being, and advancing health equity.

On behalf of the Board of Trustees, I want to thank all of NL Health Services' employees for their efforts and resilience during this period of transformational change. Our people are NL Health Services' greatest strength. Our dedicated employees, physicians and volunteers bring compassion and expertise to services and programs in hospitals, long-term care homes, and communities every single day. As we continue to transform health care, we look forward to creating a path forward that is collaborative, innovative, and above all else, supports health and well-being for every person and every community in Newfoundland and Labrador.

A handwritten signature in black ink, appearing to read 'R. Andrews', with a long horizontal flourish extending to the right.

Robert Andrews KC
Board Chair

Meet Newfoundland and Labrador Health Services Board of Trustees

NL Health Services is governed by a voluntary Board of Trustees. Each member brings their own unique background and experience to help ensure the delivery of safe, high-quality care for our patients, clients, residents, and families within our region. Below is NL Health Services' Board of Trustees for the 2024-25 fiscal year as of March 31, 2025.



**Robert
B. Andrews K.C.,
Chairperson**



**Alvin
Banfield**



**Michelle
Baikie**



**Dr. Catherine
Bradbury**



**Stephen
Crewe**



**Sharon
Forsey**



**Edward
Goudie**



**Beverly
Griffiths**



**Dr. Colleen
Hanrahan**



**Tara
Laing**



**Dr. Francine
Lemire**



**Candace
Matthews**



**David
Oxford**



**Hon. David
Peddle**



**Goronwy
Price**



**Dr. David
Sutherland**



**David
Thornhill**



**Lloyd
Walters,
Vice Chairperson**

NL Health Services Executive Team

as of March 31, 2025



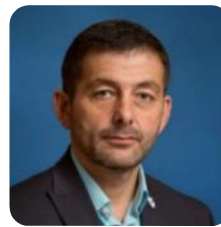
Dr. Pat Parfrey,
Chief Executive
Officer



Lynette Oates,
Chief – Public
Engagement and
Communications



Joanne Pelley,
Provincial Chief
Nursing Officer – Vice
President and Chief
Nursing Information
Officer (Interim), Chief
Operating Officer
(Acting) – Labrador-
Grenfell Zone



Ron Johnson,
Vice President and
Chief Operating
Officer
– Eastern-Urban



Debbie Walsh,
Vice President and
Chief Operating
Officer
– Eastern-Rural



Craig Davis,
Vice President and
Chief Operating
Officer (Acting)
– Central



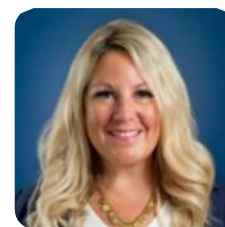
Teara Freake,
Vice President and
Chief Operating
Officer
– Western



Scott Bishop,
Vice President –
Corporate Services
and Chief Financial
Officer



Steve Greene,
Vice President –
Digital Health and
Chief Information
Officer



Dr. Gena Bugden,
Vice President –
Medical Services



Kelli O'Brien,
Vice President –
Quality and
Learning Health
Systems



Debbie Molloy,
Vice President –
Human Resources



Darla King,
Vice President –
Transformation
Well-being



Cassie Chisholm,
Vice President –
Transformation
Health Systems



Glenda Webber,
Vice President –
Mental Health and
Addictions and
Correctional Health
Services (Interim)

Acronyms Used in this Document

Acronym	Full Term
ACE	Acute Care of the Elderly
ACT	Assertive Community Treatment
AI	Artificial Intelligence
ALC	Alternate Level of Care
CABG	Coronary Artery Bypass Graft
CAC	Community Advisory Committee
CAN	Coordinated Accessible National
CEO	Chief Executive Officer
CIHI	Canadian Institute for Health Information
CLPNNL	College of Licensed Practical Nurses of Newfoundland and Labrador
COPD	Chronic Obstructive Pulmonary Disease
CT	Computed Tomography
CVOR	Cardiovascular Operating Room
DEIR	Diversity, Equity, Inclusion, and Reconciliation
eCGA	Electronic Comprehensive Geriatric Assessment
EDI	Equity, Diversity, and Inclusion
ER	Emergency room
ERG	Employee Resource Group
ERP	Enterprise Resource Planning
EVT	Endovascular Thrombectomy
FACT	Flexible Assertive Community Treatment
FCT	Family Care Team
GWS	Global Workforce Survey
HHR	Health Human Resource
HIS	Health Information System
HP	Health Professional
HR	Human Resources

HS	Health Support
HSO	Health Standards Organization
IEN	Internationally Educated Nurse
LEED®	Leadership in Energy and Environmental Design®
LHSS	Learning Health and Social System
LMS	Learning Management System
LPN	Licensed Practical Nurse
MRI	Magnetic Resonance Imaging
NAPE	Newfoundland and Labrador Association of Public and Private Employees
NL	Newfoundland and Labrador
NLCHI	Newfoundland and Labrador Centre for Health Information
NL Health Services	Newfoundland and Labrador Health Services
NP	Nurse Practitioner
ODT	Opioid Dependence Treatment
OLHP	Official Languages Health Program
PCA	Personal Care Attendant
PCC	People-Centred Care
PFEA	Patient and Family Experience Advisor
PHC	Primary Health Care
PMCC	Provincial Medical Communications Centre
POCT	Point of Care Testing
PSG	Preyra Solutions Group
RFSQ	Request for Supplier Qualification
RHA	Regional Health Authority
RN	Registered Nurse
RNUNL	Registered Nurses Union of Newfoundland and Labrador
SIT	Service Integration Team
SNH	Strategic Health Networks
TAO	Therapy Assistance Online
UHN	University Health Network

VBP	Value Based Procurement
VFM	Value For Money
vPHC	Virtual Primary Care
2SLGBTQIA+	Two-Spirit, Lesbian, Gay, Bisexual, Transgender, Queer, and Additional People Who Identify as Part of Sexual and Gender Diverse Communities

NL Health Services Overview

NL Health Services provides a full continuum of health and community services, including public health, long-term care, and acute (hospital) care to the people of Newfoundland and Labrador across five zones: Central, Eastern-Rural, Eastern-Urban, Labrador-Grenfell, and Western.

The **Provincial Health Authority Act** outlines the mandate and responsibilities of NL Health Services. NL Health Services accomplishes its mandate through four lines of business:

- **Promoting Health and Well-Being**
- **Providing Supportive Care and Rehabilitative Services**
- **Treating Illness and Injury**
- **Advancing Knowledge and Transforming Health Systems**

Please visit <https://nlhealthservices.ca/our-organization/> for more information on NL Health's Services mandate and lines of business.



2024-25 Fiscal Year

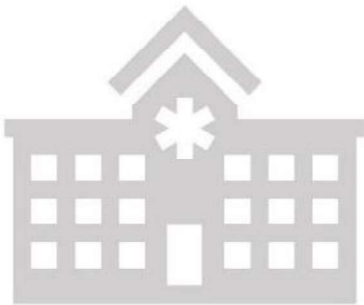


Delivering Health Services to more than

556,019

Newfoundlanders
and Labradorians

in **5** Geographic Zones



Hospital Services

9 days

Average Hospital Stay

35,557

Inpatient Hospitalizations

\$13,500

Average Inpatient Cost

488,770

Emergency Department Visits

30,213

Surgeries

32,703

Minor Procedures

12,943

Cataract Procedures

2,613

Total Hip and Total Knee
Replacements

9% Rate of Overall Readmission Within 30 days of Discharge.
(obstetric, pediatric, surgical and medical)

7% Hospital Days Spent in Alternative Level of Care (ALC)

7% Rate of Harm in Hospital
(newborn, obstetric, pediatric, surgical and medical)

6% Unanticipated Deaths in Hospital (HSMR)*



Data sources: Compiled by Data and Information Services, NL Health Services, using data from CIHI Discharge Abstract Database, open-year 2024/25; MCP Beneficiary Registry; Provincial Resumption of Services report; Meditech Outpatient Encounters data.

*HSMR: ratio of the number of in-hospital deaths to the number that would have been expected, based on the types of patients a region or hospital treats

Family Care Teams

78,550

Patients Connected to
Family Care Teams



45,106

Patients on
Family Care Team
Waitlist



Mental Health and Addictions

16,762

Doorways Appointments*



11,142

Naloxone Kits Distributed



1,772

Health Prevention and
Promotion Activities

Ambulatory and Diagnostic Care

2.3 million

Outpatient Encounters



796,673

Diagnostic Imaging Exams



11.4 million

Lab Tests

Workforce and Resources

24,191

Employees*



1,399

Physicians*
(856 FFS; 75 APP; 402 Salaried; 66 Other)



2,432

Volunteers*

\$3.7 billion

Operational Expenditures



14

Health Foundations



93%

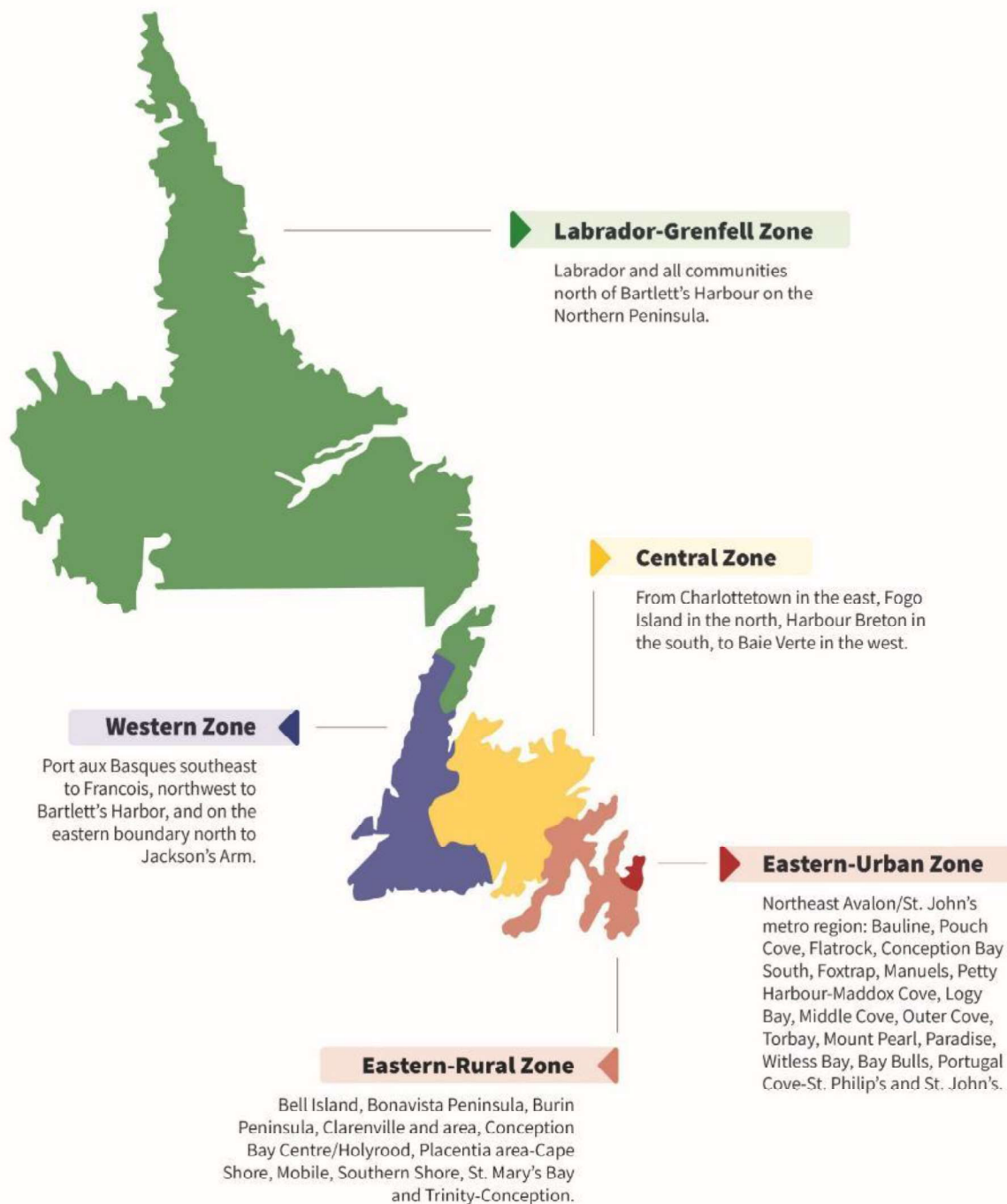
Local Nursing Grads
Accepted Positions with
NL Health Services

Data sources: Compiled by Data and Information Services, NL Health Services, using data from CIHI Discharge Abstract Database, open-year 2024/25; MCP Beneficiary Registry; Provincial Resumption of Services report; Meditech Outpatient Encounters data.

*Employee & Physician counts as of June 6, 2025. EZ Volunteers estimated for three sites. Doorways count not complete for March 2025.

Regional Zone Boundaries

NL Health Services is comprised of five health zones, as listed below. Health zones ensure regional representation, as recommended by Health Accord NL.



Vision and Mission

NL Health Services works collaboratively with residents, communities, and partners to achieve its vision: **Health and Wellbeing. Every Person. Every Community**. This vision highlights the important role that residents and communities across the province play in promoting and achieving improvements in health and well-being. NL Health Services' mission statement outlines how we intend to get there, which is by **working together to improve health outcomes through an innovative, integrated, and sustainable health system**.

Values

The core values of NL Health Services—**Innovation, Compassion, Accountability, Respect, and Excellence (I CARE)**—serve as a guiding framework for all employees, physicians, volunteers, and leadership. Our values enhance our people- and family-centred care philosophy, placing the person we serve and their family at the heart of every decision we make and every action we take. Our values influence all decision making and encourage us to strive for excellence as we support the health and well-being of the people of Newfoundland and Labrador.



Innovation

We are creative and collaborative. We use the talent and ideas of our employees and partners in seeking solutions.



Compassion

We are kind, caring and committed to people-centred care.



Accountability

We are honest, transparent, responsible and serve with integrity. We build relationships based on open communication.



Respect

We are inclusive and embrace diversity. We provide care in ways that are fair and reflective of the knowledge, values, beliefs and cultures of the people we serve.



Excellence

We deliver safe high-quality care and measure our performance in pursuit of continuous improvement.

Revenues and Expenditures

The figure below shows NL Health Services' operating revenue and expenditures for 2024-25. See Appendix B for audited financial statements in full detail.

Figure 3: NL Health Services' Operating Revenue for 2024-25

Provincial Plan	3,370,507,000
Provincial Plan Capital Grant	174,627,000
Medical Care Plan	146,681,000
Other	111,330,000
Resident	44,498,000
Inpatient	20,183,000
Outpatient	18,888,000
Other Capital Contributions	9,277,000
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	3,895,991,000

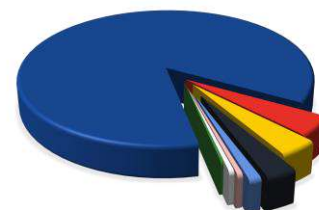


Figure 3: NL Health Services' Expenditures by Sector for 2024-25

Acute care	1,550,594,000
Community	822,673,000
Support	654,724,000
Long-term care	376,603,000
Administration	257,962,000
Amortization of tangible assets	62,588,000
Research and education	32,468,000
Employee future benefits	8,207,000
	<hr/>
	3,765,818,000



Highlights and Partnerships

NL Health Services' mission of **working together to improve health outcomes through an innovative, integrated and sustainable health system** acknowledges the important role and value placed on partnerships and collaboration.

Partnerships are integral to NL Health Services' vision, values and operations, from direct program and service delivery to policy and advocacy. To effectively and efficiently meet the needs of clients and in keeping with the lines of business, the Board of Trustees, staff, physicians, advisors and volunteers within NL Health Services work collaboratively with a broad range of partners.

During 2024-25, NL Health Services finalized a Public Engagement Framework and Guidelines that govern how we engage formally as an organization. To support public engagement, the organization has also launched an online engagement platform, Engage.NLHealthServices.ca.

Recruitment

In alignment with the strategic priority of 'Our People', NL Health Services has taken significant efforts to develop recruitment strategies including the promotion of opportunities and incentives to work in various health-care fields. It is through such targeted strategies that the health authority is addressing the critical need for skilled health-care professionals across the province.

► Increased Local Nursing Talent through Ongoing Recruitment Efforts

NL Health Services has achieved a record-high recruitment rate, with 93% of 2024 nursing graduates from local institutions accepting positions within the organization. To support recruitment and retention of local nurses, initiatives included conditional job offers prior to graduation, financial incentives such as signing bonuses or tuition support, and enhanced focus on work-life balance.

This reporting year, 203 Bachelor of Nursing and 167 Practical Nursing graduates have already started work across the province. These locally trained nurses add value given their community connections and familiarity with NL Health Services, thereby contributing to the sustainability of the health-care system.

► NL Health Services Welcomes New Nurses from Jamaica

Building upon longstanding partnerships with secondary and post-secondary institutions, NL Health Services welcomed 28 new nurses from Jamaica in 2024-25. These nurses were enrolled assistant nurses in Jamaica and following completion of a bridging program at the Centre for Nursing Studies and supervised clinical practice and preceptorships they began working in health-care facilities across the province and supporting the nursing needs of the organization.

Infrastructure Improvements

Health-care infrastructure encompasses the physical facilities, equipment, systems, and processes that enable the delivery of health-care services, including hospitals, clinics, laboratories, and IT systems, all of which are vital for providing quality care. NL Health Services has made some notable improvements to infrastructure, appreciating it as a fundamental requirement of improved standards of care and wellbeing for all patients, together with improved patient experience of the health-care system.

► Opening of the Mental Health and Addictions Facility

NL Health Services completed significant advancements to prepare for the New Mental Health and Addictions Centre, a 102-bed facility planned to be open to patients and clients in April 2025. The facility includes individual inpatient rooms, shared spaces, upgraded counselling and therapy spaces, as well as accommodation for both acute and forensic care.

Work continued towards a seamless transition period to the new hospital which included intensive staff orientation and training and clinical equipment testing. The new facility replaces the 170-year-old Waterford Hospital, with 78 acute care beds and 24 forensic beds within provincial correctional health services. Along with the 14 adult acute care beds at the Health Sciences Centre, there will be a total 116 beds in the Eastern-Urban Zone for mental health and addictions clients. The new hospital represents a significant step forward in improving mental health and addictions care in the province.

► Opening of the New Western Memorial Regional Hospital

In June 2024, NL Health Services opened the new Western Memorial Regional Hospital in Corner Brook. The 164-bed, seven story acute care hospital provides quality patient care with individual inpatient rooms, state-of-the-art treatment rooms, and enhanced diagnostics systems. Designed with service delivery enhancements and welcoming spaces to strengthen patient experiences, the new Western Memorial Regional Hospital provides a modern work environment for physicians, health-care teams and employees staff that supports improved quality care for patients.

The facility is energy efficient, powered by a combination of electrical and geothermal energy eliminating the use of fossil fuels and reducing overall energy consumption. The facility has been awarded Leadership in Energy and Environmental Design® (LEED®) Silver Certification. LEED® certification provides independent, third-party verification that a building project was designed and built, or operated, to achieve high performance in specific areas of human and environmental health.

Diversity, Equity and Inclusion

NL Health Services acknowledges that many groups in Newfoundland and Labrador experience health disparities. Enhancing health equity, diversity and inclusion means developing policies, programs, and removing systemic barriers which influence them, thereby supporting equal access. In keeping with the recommendations of Health Accord NL, the provincial health

authority is increasing its capacity for health equity by building a foundation for action, establishing and using a strong knowledge base, and collaborating with non-health sector partners.

► **Introduced New French-Language Initiatives**

NL Health Services has launched two initiatives to improve health care for French-speaking patients and professionals. The Provincial Linguistic Data Strategy will integrate language data into the new CorCare health information system (HIS). This supports equitable access to health-care services for the Francophone community by identifying available French-speaking personnel and matching them with patient needs.

This strategy aims to enhance the retention of French-speaking health-care professionals to ensure better delivery of French-language services across the province. These efforts will help improve access and quality of health services for Francophone communities and is financially supported through the multi-year funding from Health Canada and Société Santé en Français through the Official Languages Health Program (OLHP). By strengthening the presence of French services within our organization, NL Health Services will establish more informed decision-making to improve health-care services for the Francophone population.

► **Launched Accessibility Plan**

With one in four people in Newfoundland and Labrador identifying as having a disability, and others also facing barriers to quality care, including Indigenous communities, 2SLGBTQIA+ people, new Canadians and seniors, NL Health Services must be responsive to the needs of its population. NL Health Services launched an accessibility plan to create a more accessible and inclusive health-care system by reducing barriers to services for people with visible and non-visible disabilities. The plan encompasses goals to improve accessibility over a two-year period from January 1, 2025 to December 31, 2026.

In alignment with the Provincial Government's **Accessibility Act**, this plan outlines steps to increase accessibility for patients and staff alike in the areas of training and education, communications and access to information, policy and procedures, access to services and accessibility supports, infrastructure and built environment, and employment. With people with disabilities at the heart of this work as partners, this plan highlights the progress being made in advancing a culture of inclusion and accessibility.

► **Expanded Health Equity Group Representation and Oversight**

NL Health Services' Diversity, Equity, Inclusion, and Reconciliation (DEIR) Council is proud to have five employee resource groups (ERGs) focusing on the following areas: anti-racism, accessibility, Indigenous reconciliation, mental health, and sexual and gender diversity. These ERGs work with the DEIR Council to educate staff, consult on policies and health equity initiatives, and champion diversity amongst employees. NL Health Services has also established an internal Health Equity steering committee to oversee strategic work related to health equity and support initiatives that increase health equity.

Supporting Timely Access to Care

To achieve the best possible health outcomes, people require the ability to see the most appropriate health-care provider, in the most suitable care setting, in a timely manner, and without barriers. In alignment with the 'Access' strategic priority area, NL Health Services made many advancements in improving access through innovation and partnership.

► Launched Lung Screening Pilot Project

Funded by the Canadian Partnership Against Cancer, NL Health Services launched a provincial Lung Screening Pilot to detect lung cancer among eligible individuals aged 55-74. The program focused on high-risk populations in the Eastern Avalon Peninsula portion of the Eastern-Urban Zone and the Western portion of the Central Zone. With an aim to reduce lung cancer mortality, it integrated low dose computed tomography (CT) scans for early detection along with smoking cessation support.

From May 2024 to January 31, 2025, 1,286 referrals were received, with 832 individuals meeting the initial eligibility criteria. Screenings were conducted in both St. John's and Grand Falls-Windsor for a total of 685 low-dose CT (LDCT) scans completed.

As part of 2025-26 budget submission, a request for funding to establish a provincial lung screening program was submitted. This program aligns with Action 9.14 of the Health Accord's call for the establishment of aggressive oncology prevention programs and the optimization and development of high-risk cancer screening programs and is keeping with national cancer screening trends and current practice.

► Expansion of Provincial Breast Screening Program Capacity

In May 2024, the provincial government lowered the age for recommended breast screening from 50 to include women between the ages of 40 and 49. By lowering the recommended age to 40, it is estimated an additional 34,000 people will become eligible for the Provincial Breast Screening Program. The lowered age will:

- Provide more preventative health choices.
- Lead to early detection of cancerous cells and allow for timely intervention and treatment.
- Reduce mortality rates through early detection and intervention.
- Provide opportunities for less invasive treatment options when cancer is detected at an earlier stage.
- Lead to treatment that is more effective and less costly.

This change in provincial policy was implemented by NL Health Services, February 2025. This expansion aligns with recommendations in Health Accord NL to place greater emphasis on health promotion and chronic disease management.

► Increased Availability of Province-wide Virtual Primary Health Care

Provincial virtual primary care services are available to individuals who do not have a primary care provider (family doctor or nurse practitioner) and have registered with Patient Connect NL.

Virtual primary care is an additional service option that can provide diagnosis and treatment for numerous common illnesses with the use of innovative technology.

With provincial virtual primary care services available, users can access primary health care via phone, mobile app or computer, enabling them to promptly schedule appointments with Canadian-based family physicians and nurse practitioners. Launched in 2023, virtual primary care services have added capacity and helped to stabilize the health-care system by increasing the number of health-care providers available to provide primary health care services.

Innovation and System Improvements

► Expansion of NL Health Services Provincial Medical Communications Centre

NL Health Services announced the completion of an expanded Provincial Medical Communications Centre (PMCC) in St. John's in late 2024, supporting the integrated provincial ambulance services (see the Report on Performance for further detail). The newly modernized facility, three times larger than before, features 19 advanced consoles and offers space for training, debriefing, and rest areas. The renovations were completed in partnership with the Government of Newfoundland and Labrador as part of a broader effort to enhance health care services.

The PMCC, which manages emergency call-taking and dispatch for ground, air, and community ambulance services, has already processed over 66,000 calls since the provincial integration in June 2024. This expansion aims to improve service delivery and provide an enhanced working environment for staff who play a critical role in emergency health care.

► Tele-Monitoring Technology Launched to Enhance Patient Safety

In October 2024, NL Health Services began piloting Halo, a tele-monitoring technology, in four acute care facilities within the Eastern-Rural Zone: Burin Peninsula Health Care Centre, Carbonear General hospital, Dr. G.B. Cross Memorial Hospital, and Placentia Health Centre. Developed by the University Health Network (UHN) of Toronto, Halo uses bedside cameras with audiovisual communication to monitor patients remotely and alert care teams to health risks. The system enhances patient safety, streamlines workflows, and supports personalized care, which has been proven effective in reducing falls and adverse events across Canadian hospitals.

Since implementation in November, the solution has resulted in 102 avoided behaviors of patient safety occurrences, there have been zero patient falls, and two times patients have been flagged for removing oxygen line, which were promptly addressed due to system monitoring. Expansion of the tele-monitoring solution in other zones is planned over the next year.

► Launched Automated Laboratory System at Western Memorial Regional Hospital

NL Health Services was pleased to introduce a state-of-the-art track system at the new Western Memorial Regional Hospital in Corner Brook to improve laboratory services. The track system uses robotics automation to move laboratory samples from submission to analysis, which was

previously manual, resulting in increased efficiency, streamlined workflows, and optimized personnel resources. This innovation has benefits for both patient care and staff work environments, with the hospital becoming the second in Canada to adopt this advanced technology. Part of a broader plan under Health Accord NL, this innovation supports the development of a province-wide networked pathology and laboratory medicine program, with additional hubs planned across the province.

► **Established New Innovation Partnerships**

NL Health Services has announced seven new innovation partners – AstraZeneca Canada, CGI, Ernst & Young, Fonemed North America Inc., GSK, Roche Diagnostics, and Trudell Medical – through its annual Health Innovation Summit in October 2024. These partnerships, formed via an open call Request for Supplier Qualification (RFSQ) process, aim to enhance patient care, improve health system efficiencies, and drive economic growth. Additionally, NL Health Services renewed 13 existing partnerships with organizations like Amazon Web Services, Deloitte, and Medtronic. As vendors of record, partners will collaborate on innovative health-care solutions, including medical device development and software implementation, aligning with NL Health Services' commitment to transforming the health-care system for the province's residents.

► **Desflurane Anesthetic Discontinued - Reducing Environmental Impacts**

NL Health Services has taken significant steps to reduce its environmental impact by becoming the first province in Canada to discontinue the use of desflurane, a widely used anesthetic agent. This decision aligns with the Canadian Anesthesiologists' Society's recommendation to opt for safer, environmentally friendly alternatives. Desflurane has a much greater carbon footprint compared to other anesthetic agents that are equally effective. The move was supported by consultations with various health organizations, including Choosing Wisely Canada and the Canadian Association of Physicians for the Environment. This initiative is part of NL Health Services' broader Environmental Sustainability Strategy, which aims to reduce the health-care systems environmental footprint and promote climate action, as outlines in the 2024-26 Strategic Plan (see the Report on Performance for additional information).

Accreditation and Recognition

In alignment with the strategic priority of 'Quality' and the organization's goal to create an integrated Quality and Learning Health and Social System, NL Health Services strives to embed robust standards and processes, delivered by a healthy and sustainable workforce in an environment that is inclusive and respectful. It integrates equitable access to health services and information and reflects the voice of the patient and family in the care provided. NL Health Services has received recognition and accreditation in multiple areas during 2024-25 demonstrating efforts in the pursuit of the quintuple aim.

► **National Standards of Excellence Achieved Across NL Health Services**

As of June 2024, all geographic zones across the provincial health authority had completed their on-site assessment processes as part of the Q-Mentum Global Accreditation Program. All zones

maintained accreditation status, meeting national standards of excellence and highlighting the dedication of staff, physicians, and volunteers for delivering high-quality, safe, and person-centred care, aligning with NL Health Services values of innovation, compassion, and excellence. NL Health Services is now embarking upon an integrated, provincial four-year accreditation process.

During 2024-25, all 42 medical imaging sites across NL Health Services also underwent on-site assessments as part of Accreditation Canada (AC) Diagnostics ISO 15189 Plus program. All 16 Mammography machines in Newfoundland and Labrador have achieved full accreditation from the Canadian Association of Radiologist - Mammography Accreditation Program (MAP).

► **Practical Nursing Program Received Highest Approval Rating**

In December 2024, NL Health Services announced that the Practical Nursing Program, offered by the Centre for Nursing Studies, has received a seven-year approval, the highest rating possible, from the College of Licensed Practical Nurses of Newfoundland and Labrador (CLPNNL), with a perfect score of 100%. This achievement reflects the program's excellence in preparing graduates to meet entry-level competencies and practice safely and competently.

► **NL Health Services Received National Innovation Award**

On October 30, 2024, NL Health Services received the 2024 Edge of the Year award from the Coordinated Accessible National (CAN) Health Network, recognizing the consistent engagement and participation in CAN Health Network initiatives at all levels of the organization and a commitment to developing Canadian innovation. This federally funded network connects health organizations with companies to develop and implement innovative solutions. NL Health Services is currently advancing four projects, aimed at improving access to care, the experiences of patients and staff, and the management of resources. The award highlights NL Health Services' dedication to leveraging innovation to enhance health outcomes, drive efficiency, and foster economic growth in the province.

► **NL Health Services Recognized with takeCHARGE Luminary Award.**

NL Health Services received the BIG award at Newfoundland Power's takeCHARGE Luminary Awards on October 23, 2024 in acknowledgement of the organization's strides in energy efficiency and showcasing outstanding leadership, creativity, and collaboration. This award recognizes participants of the takeCHARGE Business Efficiency Program that, through energy efficient upgrades, has seen the most significant increase in their energy savings.

Report on Performance

The following section outlines the progress made during 2024-25 towards the goals and objectives of NL Health Services' two-year, 2024-26 Strategic Plan.

The update presented is based on the five priority areas and their corresponding key performance indicators. Appendix A provides a Glossary of Terms within the report. To support this work, the organization develops annual action plans aimed at advancing each indicator in the NL Health Services Operational Plan.





STRATEGIC ISSUE ONE:

Transformation



NL Health Services has taken bold steps to create new and modern integration mechanisms and structures, aiming to build a sustainable and balanced healthcare system that meets the needs of the population.

To better address current challenges and leverage opportunities, a shift in the way the system previously operated was necessary. The transition of the four regional health authorities (RHAs) and the Newfoundland and Labrador Centre for Health Information (NLCHI) into one provincial health authority represented a fundamental change. This integration has been pivotal to leading a more cohesive and responsive healthcare system that is both forward-thinking and capable of addressing immediate needs.

As a new organization, NL Health Services is paving pathways through provincial integration, innovation, and sustainability mechanisms and structures in pursuit of the Quintuple Aim - enhanced care experiences and outcomes, better health, health equity, workplace well-being, and value for money. With an appreciation of the Social Determinants of Health and focus on expenditure management, the organization has made changes in governance, decision making, and policy, to ensure a re-balanced health system through a one provincial approach. The transformational redesign of organizational structure, along with the development of integration pathways, guiding principles strategies, and frameworks, marks the beginning of a transformation journey.

Transformation Goal

By March 31, 2026, NL Health Services will have improved health outcomes in Newfoundland and Labrador through the implementation of innovative and sustainable transformation initiatives.



Objective One (2024-25)

By March 31, 2025, NL Health Services will have implemented innovative and sustainable transformation initiatives.



Indicator: Identified the 12 clinical services that will benefit from the implementation of a Strategic Health Network and established eight of them

A key pillar of the Health Transformation Framework is the establishment of Strategic Health Networks (SHNs). A Strategic Health Network is a provincially mandated group of experts responsible for setting care standards and driving system-level optimization, particularly for high-priority services. SHNs function as decision-making bodies and include leadership resources within their structure. These inter-professional groups have a provincial mandate to drive targeted, measurable, and sustainable improvements in health outcomes and service delivery. NL Health Services plan to establish 12 SHNs by March 31, 2026.

What did we do during 2024-25?

- Continued implementation work to formally establish three SHNs¹, which include the Surgical Services, Primary Health Care, and the Health of the Older Adult SHNs.
- Established defined terms of reference, membership, areas of focus, and planning, performance and monitoring mechanisms to support SHNs.
- Implemented targeted strategies through the SHN structure to support transformation objectives that address current needs and priorities. For example, Family Care Teams (FCTs) and Ophthalmology Central Intake.
- Identified three new SHNs to be established: Emergency SHN, Pain SHN, and Child Health SHN.

How did we perform?

During the 2024–25 fiscal year, NL Health Services identified eight of the 12 targeted SHNs and established three. Efforts focused on effectively implementing existing SHNs, which delayed further identification and establishment.

NL Health Services continues working to establish SHNs in areas that would benefit from integration and targeted improvements in health outcomes and service delivery. While the goal of 12 identified and eight established SHNs was not met, the three implemented SHNs were monitored and piloted to support future rollout.

¹ A SHN is considered established once they have a Director and Medical Lead in place, have had planning and strategy meetings, finalized membership, and have a terms of reference to ensure the achievement of targeted, measurable, and sustainable clinical and operational improvements in health outcomes and service delivery.



Indicator: Established six Service Integration Teams

Service Integration Teams (SITs) are an initiative being implemented by NL Health Services to offer provincial coordination across zones for operational issues, risk and quality improvement, implementation activities, and facilitate information exchange, problem-solving, and collaboration on relevant issues.

What did we do during 2024-25?

- Established four SITs²: Diabetes, Obstetrics/Midwifery, Infection Prevention and Control, and Critical Care SITs.
- Established defined terms of reference, membership, areas of focus, and monitoring mechanisms to support effective implementation and standardization of SITs.
- Implemented improvement initiatives and standardized policies and procedures in priority areas identified by the SITs. For example, the Obstetrics/Midwifery SIT completed work, including the establishment of the Provincial Perinatal Steering Committee, worked in partnership with Learning and Development working group to standardize orientation process, enhanced Baby-Friendly Council to support teams to reach the different levels of designations in the Breastfeeding Committee for Canada, and continued work towards the development of prenatal record.

How did we perform?

NL Health Services established four SITs, but prioritized effective implementation, resulting in not meeting the planned target of six SITs. NL Health Services will continue to establish SITs in key priority areas through processes that ensure effective team implementation.



Indicator: Initiated the consolidation of a provincial air and road ambulance system including amalgamating community and private operator ambulances into NL Health Services

In alignment of the goal of a provincial approach, NL Health Services was tasked to implement one provincial, modern, and integrated air and road ambulance system with a central medical dispatch. An integrated air and road ambulance service, recommended by Health Accord NL, aims to improve healthcare by reducing wait times, enhancing staff training, and optimizing resource allocation.

What did we do during 2024-25?

- Selected Medavie Health NL Inc. to design, manage, and operate an integrated air and road ambulance service in the province. They will partner with PAL Airlines and Air Borealis to deliver fixed and rotary wing air ambulance services. An internal team,

² A SIT is considered established once they have an assigned chair and Chief Operating Officer sponsor.

including an ambulance contracting sub-committee reporting to the Ambulance Integration Deputies' Steering Committee, led the contract development with Medavie.

- Implemented a new provincial electronic scheduling software system.
- Established base stations across the province and temporary NL Health Services management team oversee the consolidation process.
- Established an integrated Centralized Medical Dispatch Centre, resulting in all provincial 911 calls now being routed to the same dispatching service. All provincial road ambulances are coordinated and dispatched by NL Health Services.
- Launched the provincial P25 Trunked Radio System, enabling province-wide communication and interoperability with dispatch centers, police, and fire departments. All services now operate on the same radio communications, accessing the required channels immediately, positively impacting efficiency and response times.

How did we perform?

NL Health Services has initiated the consolidation of a provincial air and road ambulance system including amalgamating community and private operator ambulances.

- Approximately 583 private sector paramedics and emergency medical responders joined NL Health services forming a provincial workforce of approximately 850 paramedicine professionals.



Indicator: Commenced 40 translational research studies for patient recruitment

Translational research applies the findings from empirical research to real world settings to improve patient care. These studies bridge the gap between scientific discoveries and practical, real-world applications. There is a focus to ensure that clinical trials and healthcare interventions are tested on diverse, representative populations, and that the interventions will produce the desired outcomes.

What did we do during 2024-25?

- Commenced translational research studies for patient recruitment through both internal research, and research with partners, including Memorial University's School of Nursing. Following the completion of studies, findings are analyzed and drafted to inform improvements in patient recruitment.
- Applied for and successfully obtained research grants to support current and future translational research in patient recruitment.
- Continued engagement in collaborative multidisciplinary research.

How did we perform?

During 2024-25, 48 new translational research studies for patient recruitment commenced.



Indicator: Initiated eight innovation challenges that focus on health transformation priorities

NL Health Services fosters a culture to promote innovation that delivers impactful results to improve the health of patients, clients and residents. Reverse pitches are delivered by our Strategic Innovation Partners at our annual Health Innovation Summit and annual private strategic partner event. A topic, challenge, and/or direction is provided to NL Health Services upfront and innovation partners submit pitches to help solve an issue we are facing.

As part of our annual Health Innovation Summit, we also send out a call to our staff earlier in the year to submit any challenges and innovative ideas they encounter in their daily work for consideration. Staff submissions are assessed and select submissions are shared as pitches at the annual Health Innovation Summit.

What did we do during 2024-25?

- Hosted the fifth Annual Health Innovation Summit in October 2024. The theme for the summit was 'A Call to Action: Incremental Innovation to Ignite Organizational Productivity', which explored how small, strategic improvements can drive significant gains in productivity and efficiency. The summit featured keynote presentations, interactive workshops, and real-world case studies on how small innovative improvements can produce greater outcomes. It also provided practical strategies to foster a culture of innovation that delivers impactful results to improve the health of patients, clients and residents. There were seven internal innovator pitches presented at the summit.
- Entered into partnerships with seven new Innovation Partners. Through an open call RFSQ process, NL Health Services formed partnerships with vendors of record who can provide professional services to NL Health Services. These new partners are AstraZeneca Canada, CGI, Ernst & Young, Fonemed North America Inc., GSK, Roche Diagnostics, and Trudell Medical. In addition to seven new vendors of record, NL Health Services also renewed 13 existing partnerships with Amazon Web Services, Care Partners, Deloitte, General Electric Healthcare, Vision 33 Inc., Medtronic, Mobia Technology Innovations, Accenture, KPMG LP, Lifeworks Canada, Ricoh Canada, Sequence Bioinformatics, and Seafair Capital. NL Health Services also initiates limited call for proposals and issues challenges to these vendors based on specific innovation requirements such as medical device design and implementation or application and software development.
- Collaborated on four reverse pitch ideas with NL Health Services' innovation partners which have proceeded to the potential project phase.
- Two priorities related to primary healthcare and child and youth pathways were identified through provincial health transformation subtables and pitched to innovation partners for consideration of potential solutions to address these needs.

How did we perform?

NL Health Services initiated 13 total innovation challenges/pitches that focus on health transformation priorities, exceeding the target.



Indicator: Completed hiring and begun training of the CorCare (formally known as Epic) project team

CorCare (formally known as Epic) is a widely-used HIS that manages various aspects of patient care, including electronic health records, billing, scheduling, registration, and lab results. NL Health Services' transition to CorCare will enhance the efficiency and effectiveness of healthcare delivery in the province. This new system will replace multiple applications and systems used in acute and long-term care. A team of clinicians and specialists will support project management, change management, communications and training, clinical informatics, analytics, and technology.

What did we do during 2024-25?

- Filled 98% of positions for the CorCare Team.
- Backfilled over 93% of positions in Digital Health and Clinical Operations related to the CorCare project.
- Conducted an environmental scan to identify training locations for staff.

How did we perform?

NL Health Services completed hiring and has begun training of the CorCare project team.

- Completed workforce recruitment of the CorCare team.
- 95% of the targeted 174 staff requiring CorCare certification have been trained in at least one certification for the Epic project.
- The implementation of the new HIS will be the largest health-care system implementation ever launched in Newfoundland and Labrador. The CorCare system will replace upwards of 100 instances of applications currently in use across the province, and it will serve as a single patient record, connecting patient health information in real time. During 2024-25, hiring for the project was completed and training has begun. In 2025-26, Credentialed Trainers in Service will ensure the CorCare teams have all appropriate training for go-live readiness of the new HIS system.



Indicator: Operated within the approved government operating expenditure budget

It is a key priority for NL Health Services to operate as efficiently as possible amid a period of strong inflationary growth in the global economy leading to rising health care costs. The organization is also experiencing significant financial pressures stemming from systemic overcapacity issues in most programs and services across the province. Strategies to mitigate operating expenditure growth are being implemented on a priority basis and many will take time to mature. NL Health Services is dedicated to the pursuit of achieving financial sustainability amid increasing costs and services demands on the health care system.

What did we do during 2024-25?

- Developed a Value for Money (VFM) Framework based on four pillars: Accountability, Efficiency, Innovation, and Value-Based Procurement.
- Established working groups in partnership with the NL Office of the Chief Information Officer to implement a new Enterprise Resource Planning (ERP) Oracle Platform, covering Finance, Budgeting, Human Resources, and Procurement/Supply Chain functions.
- Launched an Agency Resource Reduction Strategy to reduce agency resources to pre-COVID levels by March 31, 2026, across all zones.
- Maintained, monitored and solidified a multi-year Financial Sustainability Plan, including an operational benchmarking exercise comparing NL Health Services acute care site level programming to similar-sized counterpart peers in Ontario. Provincial and zonal level programs have reviewed the initial theoretical efficiency opportunities - Phase 1, with sessions led by NL Health Services Budgeting and Sustainability division. Annualized savings are expected as action plans are implemented during a multi-year approach to operational efficiency, leveraging evidence-based and data driven decision-making.

How did we perform?

In 2024–25, NL Health Services' operating expenses exceeded the approved budget. This was driven by factors such as reliance on private agency staff, overtime costs in areas facing staffing shortages, borrowing expenses, and broader inflation and capacity pressures.

Despite these challenges, NL Health Services remains committed to delivering high-quality care while improving efficiency and resource use. By focusing on population health and reducing chronic illness, we aim to lower long-term demand and costs.

To support financial sustainability, NL Health Services is implementing province-wide budgeting tools, a consolidated ERP system, and an Internal Audit Office. Program benchmarks are monitored, reducing reliance on private agencies and maintaining regular financial oversight with the Board Finance Committee and the Department of Health and Community Services.



Indicator: Developed an environmental sustainability strategy which serves to protect the environment and mitigate potential organizational risk

Climate change, identified by the World Health Organization as the biggest health threat of the 21st century, is impacting individuals, families, and communities. NL has recently witnessed devastating impacts of weather events such as those caused by Hurricane Fiona on our West Coast and wildfires in Central NL and Labrador which led to mass community evacuations. The healthcare system is affected by extreme weather and supply chain disruptions but also contributes to climate change through greenhouse gas emissions. NL

Health Services is enhancing existing mitigation and adaptation efforts and developing an organization-wide environmental sustainability strategy through systems transformation and a Learning Health and Social System.

What did we do during 2024-25?

- Established an Environmental Sustainability Steering Committee for the purpose of developing an organization-wide environmental sustainability strategy.
- Completed an external jurisdictional scan and evidence review on Environmental Sustainability in Healthcare Systems.
- Engaged with leading Canadian Health Authorities in environmental sustainability and planetary health to learn from their experiences.
- Completed an internal scan on environmental sustainability efforts.
- Collaborated with the Department of Health and Community Services and the Department of Environment and Climate Change on the completion of a Climate Change Health Vulnerability Adaptation Assessment.
- Contributed to provincial environmental sustainability strategy development.
- Executed an internal and external engagement plan to inform NL Health Services' Environmental Sustainable Strategy's vision, mission, priorities, and goals.

How did we perform?

NL Health Services has developed an environmental sustainability strategy based on extensive engagement, jurisdictional and evidence scans, the Health Accord NL recommendations, Department of Environment and Climate Change 2025-2030 health actions, Accreditation Canada / HSO standards, and the World Health Organization Operational Framework for Building Climate Resilient and Low Carbon health Systems.



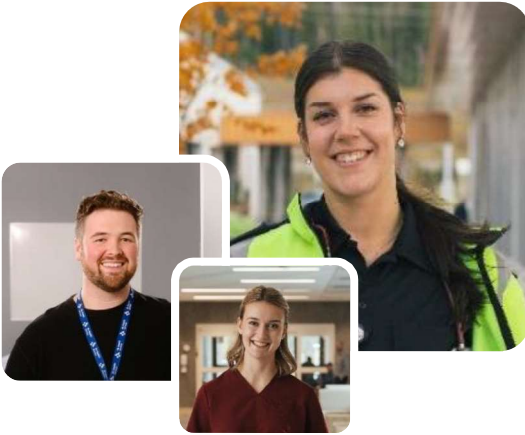
Objective Two (2025-26)

By March 31, 2026, NL Health Services will have implemented innovative and sustainable transformation initiatives.

- ▶ Implemented provincially innovative solutions co-developed with NLHS partners or independently developed, both with demonstrated efficiencies.
- ▶ Initiated implementation of the NL Health Services Environmental Sustainability Plan.
- ▶ Established nine new Strategic Health Networks to improve clinical service delivery.
- ▶ Established eight new Service Integration Teams for provincial coordination and collaboration.
- ▶ Initiated eight innovation challenges that focus on health transformation priorities.
- ▶ Began 40 translational research studies for patient recruitment.
- ▶ Exceeded the National Stroke Distinction benchmark, with $\geq 5\%$ of acute ischemic stroke patients receiving EVT.
- ▶ Complete all remaining requirements to prepare and deliver training and complete technical readiness for the launch of CorCare.



STRATEGIC ISSUE TWO: **Our People**



Our People are NL Health Services' greatest strength. They bring compassion and expertise to services and programs in hospitals, long-term care homes, and communities every single day. To support our people, NL Health Services is committed to providing a healthy workplace that is inclusive, psychologically and physically safe, runs with optimal staffing and volunteer levels, and delivers opportunities to learn and grow.

As recommended in the Health Accord, NL Health Services is tasked with the development of a Provincial Health Human Resource Plan, and with this vision in place, have partnered with the Department of Health and Community Services to develop and implement integrated and strategic initiatives to ensure the needs of our people, communities and workforce are met. A skilled, engaged, diverse workforce focused on the health and wellbeing of individuals, families and communities is an essential component of accessible and sustainable health and community services for the future.

Our People Goal

By March 31, 2026, NL Health Services will have retained and recruited employees and physicians while supporting a safe, engaged, inclusive, and equitable work culture.

Objective One (2024-25)

By March 31, 2025, NL Health Services will have implemented initiatives to retain and recruit employees and physicians to meet the current and future health care needs.

Indicator: Increased number of new hires that resulted from targeted recruitment efforts

NL Health Services partners with the Provincial Government on the Work in Health NL campaign to address healthcare workforce shortages, improve recruitment and retention, increase workforce diversity, support sustainability of healthcare services, and engage communities. The Work in Health NL campaign offers opportunities and incentives for

healthcare careers in Newfoundland and Labrador, including grants, bursaries, and streamlined pathways to employment and licensure, ensuring a welcoming and inclusive workplace for new and prospective staff.

What did we do during 2024-25?

- Standardized core recruitment processes across all zones, including updated recruitment documents and checklists. Also implemented a new Job System to streamline job postings and the application process.
- Continued attendance at international and national medical conferences to recruit physicians across various specialties.
- Created a Physician Workforce Plan and Vacancy Report Strategy to support strategic recruitment efforts.
- Worked with the Department of Health and Community Services, NL Schools and Union Partners to visit over 35 high schools across the province to promote careers in health care.
- Secured seats with several educational institutions across the country to improve recruitment in difficult-to-fill areas.
- Continued implementation of the tuition relief program for Paramedicine students.
- Increased personal care attendant (PCA) and licensed practical nurse (LPN) recruitment through hiring domestic graduates, as well as internationally educated nurses as PCAs, a pilot initiative to offer internationally educated nurses (IEN) the opportunity to become LPNs and partnering and promoting opportunities locally and internationally.
- In October 2024, NL Health Services conducted virtual information sessions with 2025 graduates from all accredited educational institutions to promote careers in the organization in nursing, practical nursing, PCA, social work, pharmacy, pharmacy technician, medical lab assistant, medical lab technologist, diagnostic imaging technician, and clerical.
- Successfully implemented physician incentive programs to increase the number of new physician recruits.

How did we perform?

For this reporting year, NL Health Services' recruitment efforts have focused on targeted areas, including internationally educated health-care professionals, PCAs, paramedics, physicians, and new nursing graduates.

- Recruited 93% of the Bachelor of Nursing students from the 2024 graduating class of three local schools of nursing, with over 180 students accepting full time work in Permanent Full-Time or Temporary Full-Time positions.
- 204 IENs started work as RNs across the province (an increase from six in the previous year), 197 IENs started work as PCAs across the province (an increase from 162 in the previous year).
- 62 IENs who started as PCAs, became RNs (a decrease from 88 in 2023-24), and 26 IENs who started as PCAs, became LPNs (an increase from six in 2023-24)

- Managed the recruitment/transition process for the navigation of over 400 private ambulance operator employees to NL Health Services employees.
- 182 new physicians were hired throughout the 2024 and 2025 calendar years to date.³

NL Health Services is committed to supporting our workforce through strategic priorities that foster a collaborative, safe, respectful, and inclusive environment. This dedication aims to enhance employee experience, improve retention, and boost service delivery.



Indicator: Developed and implemented an evidence-informed retention strategy

NL Health Services developed and is implementing an evidence-informed retention strategy to address high turnover rates and improve overall employee satisfaction. This strategy focuses on empowering front-line employees, managers, and patient and family experience advisors to create practical retention programs. By emphasizing key areas such as leadership support, work/life balance, and anti-racism, the strategy aims to enhance workplace culture, ensure employee voices are heard, and ultimately reduce turnover. The goal is to create a supportive and inclusive environment that fosters long-term employee engagement and satisfaction.

What did we do during 2024-25?

- Re-launched Emerging Leaders leadership program to support provincial operations, with revised and additional offerings.
- Continued offering Physician Management and Leadership Program through the Gardner Institute.
- Developed an Inclusive Workplace Strategy that is reflective of diversity, equity, inclusion, and racism. Included in this strategy is an organizational accessibility plan, educational sessions for staff on unconscious bias, and positionality statements regarding diversity and anti-racism in the organization.
- Established the Office of Physician Wellness and Retention and appointed a director to oversee initiatives supporting physician well-being and retention, based on a review of existing programs across Canada.
- Appointed an inaugural Chief Wellness Officer to lead the provincial physician wellness program, focusing on reducing burnout, improving work-life balance, and fostering a supportive work environment.
- Continued active participation in the Physician Health Collaborative with the Newfoundland and Labrador Medical Association, Memorial University, and the Department of Health and Community Services.
- Developed a strategy for advancing individual career pathways. A contract for a new Learning Management System platform has been signed and pathways have been

³ Data as of May 16th, 2025.

established for employees interested in advancing their careers in medical imaging and paramedicine.

- Improved and supported the development of leaders and managers with a focus on “ideal future state”, with the launch of management orientation and onboarding program as a part of a newly introduced Learning Management System (LMS).

How did we perform?

NL Health Services enacted an evidence-informed retention strategy through multiple targeted initiatives aimed at improving retention throughout the organization.

► Indicator: Reduced number of agency nurses by 30%

NL Health Services is introducing measures to reduce the number of agency nursing staff used within the organization to pre-COVID-19 pandemic levels by April 2026. NL Health Services aims to reduce the number of agency nurses to improve continuity of care, enhance patient outcomes, and ensure better integration of nursing staff within their teams. By relying less on agency nurses, we can focus on building a stable, dedicated workforce that is more familiar with the organization's policies, procedures, and patient needs. This approach also helps in managing costs more effectively and fostering a more cohesive work environment. As a baseline, during February 2024, NL Health Services had approximately 385 agency nursing staff throughout all zones in areas such as long-term care, emergency departments, acute care, obstetrics, and intensive care units.

What did we do during 2024-25?

- Developed a comprehensive Health Human Resource (HHR) Plan that focuses on ex-recruits and vacancies.
- Successfully hired and orientated Bachelor of Science in Nursing graduates. NL Health Services hired 93% of the students graduating from the three schools of nursing in the province in the 2024 graduating class, with over 180 students having accepted full-time employment.
- Piloted the use of IENs in specialized areas such as critical care, cardiovascular surgery, and emergency medicine, with plans for additional specialty sites. Developed strategies to support successful introduction of IEN in specialized areas such as the development of a comprehensive onboarding program to build a solid foundation, supported by IEN Orientation Teams working collaboratively with unit managers, educators, and preceptors, and striving to align past work experience with the best-fit opportunities available, with the goal of enhancing each IEN's overall transition and professional success.
- Implemented an orientation pathway for IENs, with the first graduating cohort demonstrating program success.
- Awarded contracts to 17 successful proponents for agency nurses, with standardized contracts in place.

- Achieved a 38.4% reduction in number of agency nurses.

How did we perform?

The organization has surpassed the target of reducing the number of agency nurses by 30%, reaching a reduction of number of agency nursing of 38.4% during 2024-25.

► Indicator: Worked with union partners to negotiate transition agreements

The Human Resources department is working with its union partners to negotiate transition agreements to align the collective agreement language to be represented as one provincial employer. This will reduce barriers for employees moving positions throughout NL Health Services.

What did we do during 2024-25?

- Discussions occurred throughout the year with the Registered Nurses Union of Newfoundland and Labrador (RNUNL) and Lab and X-Ray employees represented by Newfoundland and Labrador Association of Public and Private Employees (NAPE-LX) to continue transition agreement discussions that are representative and aligned with the collective agreement language consistent with one provincial employer for RNUNL and NAPE-LX.
- Reviewed pathway to negotiating transition agreements for NL Health Services Health Professionals and progress made in transition in agreements.

How did we perform?

NL Health Services worked with RNUNL and NAPE-LX during the 2024-25 fiscal year to negotiate transition agreement language. RNUNL and NAPE-LX transition agreements were nearing finalization as of March 2025.

► Indicator: Established a baseline of employee and physician perceptions of select dimensions of Health Standards Organization (HSO) Workforce Survey™ on Well-Being, Quality, and Safety:

- Overall work experience
- Your health, safety, and well-being
- Equity, Diversity, and Inclusion

The HSO Global Workforce Survey (GWS) is the first of its kind, measuring perceptions of work-life quality and safety culture together in a single instrument, which generates actionable data for improvement. This survey tool provides the ability to measure, analyze, and trend workforce perceptions of key aspects of safety culture and working conditions, including physical, psychological, and safety culture. The GWS replaces the two existing HSO/Accreditation Canada survey instruments: the Worklife Pulse Tool/Physician Worklife Pulse Tool and Canadian Patient Safety Culture Survey – which were developed over a

decade ago. Select dimensions of the HSO Workforce Survey™ on Well-Being, Quality, and Safety included: overall work experience; health, safety, and well-being; and Equity, Diversity, and Inclusion.

What did we do during 2024-25?

- Administered the HSO Workforce survey, which closed in November 2024 with a completion rate of 14% of all employees and physicians (3,195 employees/physicians). While this response rate may appear low, NL Health Services surpassed the response rate set by Accreditation Canada for this survey.
- Established baseline measures of employee and physician perceptions of select dimensions of HSO Workforce Survey™ on Well-Being, Quality, and Safety, specifically in the areas of overall work experience, health, safety, and well-being, and Equity, Diversity, and Inclusion, as identified in the Strategic Plan.
- Analyzed results of the HSO Workforce survey and determined key findings.
- Developed plans for actioning feedback from HSO Workforce survey.

How did we perform?

NL Health Services achieved the indicator of establishing baselines in select areas of the HSO Workforce Survey™. Specifically,

- Overall work experience had an overall baseline score of 60.9% positive.
- Your Health, Safety, and Well-being had an overall baseline score of 53.2% positive, making it one of the lower-rated dimensions.
- While HSO does not provide an overall dimension score for Equity, Diversity, and Inclusion, this is explored through select questions throughout the survey. Over 98% of respondents reported no unfair treatment based on sexual orientation, nationality, or language, while religion received the highest positivity. However, 15% reported witnessing unfair treatment or discrimination directed at patients or their families, signaling an area for improvement.

The Health Standards Organization Global Workforce Survey has generated a baseline for the organization to measure perceptions of work life quality and safety culture together in a single instrument, which generates actionable data for improvement. This survey tool provides the ability to measure, analyze, and trend workforce perceptions of key aspects of safety culture and working conditions, including physical, psychological, and safety culture.



Indicator: Increased the number of leaders completing Just Culture training by 30%

Just Culture is the concept of designing, implementing, and supporting a fair and just learning culture within an organization. Just Culture entails managing behavioral choices and designing safer systems to prevent errors. Just Culture training includes educating leaders about the principles of Just Culture to ensure they foster an environment where everyone is physically and psychologically safe, encouraged, and enabled to discuss and report quality

and safety concerns. Leaders are also educated on how to use a standardized set of tools to support a thorough and consistent approach to investigation and a fair and consistent approach for managing behavioral choices, contributing to learning and improvement as an overall goal. Implementation of the Just Culture model started prior to integration in 2023-24 within Eastern and Central legacy organizations with the majority of managers having completed standardized training. The current indicator focuses on implementation of Just Culture training in Western and Labrador-Grenfell Zones.

What did we do during 2024-25?

- Offered Just Culture training to all managers and clinical chiefs in Western and Labrador-Grenfell zones and exceeded completion rate targets. Implemented and aligned processes to access provincial electronic Just Culture manager training through a LMS module across NL Health Services.
- Offered Just Culture training for all new managers across NL Health Services.
- Developed a strategy to offer trainer led education for practice and application of model.

How did we perform?

NL Health Services exceeded the target of increasing the number of leaders completing Just Culture training by 30% of leaders Western and Labrador-Grenfell Zones, with 92.5% of the target audience having completed Just Culture training within 2024-25.



Objective Two (2025-26)

By March 31, 2026, NL Health Services will have further implemented initiatives to retain and recruit employees and physicians to meet the current and future health care need.

- ▶ Continued to implement Just Culture training, targeting 80% of NL Health Services employees.
- ▶ Improved Workforce Stability Ratio in RN, LPN, PCA, Paramedicine groups.
- ▶ Reduced number of agency nurses to 200.
- ▶ Reduced financial expenditures on nursing agencies by 30%.
- ▶ Launched exit survey tool for all employees and physicians leaving NL Health Services.
- ▶ Worked with union partners to negotiate transition agreements
- ▶ Implemented and identified meaningful strategies to address the Health Standards Organization (HSO) Workforce Survey™ results.



STRATEGIC ISSUE THREE:

Access



To achieve the best possible health outcomes, people require the ability to see the most appropriate health-care provider, in the most suitable care setting, in a timely manner, and without barriers.

To improve access to services, NL Health Services must be innovative in our approach to

providing the most appropriate level of care and services, address areas that are experiencing high demands, and empower individuals and families with the skills and ability to understand and navigate the healthcare system.

To achieve a re-balanced system, NL Health Services is taking action toward a more sustainable, effective and efficient way of providing access, with a focus on expanding access to primary care; aging in place; reducing backlogs for surgeries and diagnostics; and an integrated approach to mental health and addiction.

Access Goal

By March 31, 2026, NL Health Services will have improved access to care, particularly in remote and rural locations of the province, by completing work intended to better balance community-based and hospital-based service delivery.

Objective One (2024-25)

By March 31, 2025, NL Health Services will have implemented initiatives to better balance community-based and hospital-based service delivery.



Indicator: Established two Acute Care for Elders (ACE) units in hospital

The Health of the Older SHN is one of four initial SHNs announced by NL Health Services. Early priorities align with the Provincial Government's commitment to establishing Centres of Excellence in Aging, enhancing care quality for older adults, and supporting aging in place. These priorities include creating senior-friendly hospitals and establishing ACE Units at St. Clare's Mercy Hospital and Western Memorial Regional Hospital. ACE units, through an interdisciplinary approach, aim to identify frailty, reduce patient length of stay, prevent functional decline, and minimize readmissions.

The SHN received funding from Healthcare Excellence Canada to participate in a national collaborative to enable aging in place. This collaborative helps organizations implement practices that allow older adults to age at home with formal support. Initial funding covered planning sessions in all zones to identify resources, training, and support needed for ACE units, along with ACE coaching calls with Dr. Samir Sinha regarding Mount Sinai Hospital's ACE Strategy.

What did we do during 2024-25?

- Implemented an ACE Unit at Western Memorial Regional Hospital.
- Began recruitment and renovations to support the implementation of an ACE unit at St. Clare's Mercy Hospital. Information specialists have been assigned to provide information technology support to the unit, and clinical tools have been developed for the unit. Education and training plans for an interdisciplinary team are in place.

How did we perform?

One of the two targeted ACE Units has been successfully implemented at Western Memorial Regional Hospital.



Indicator: Increased use of virtual care in the emergency department, primary health care, and pre- and post-operative care

NL Health Services uses virtual ER care to improve the sustainability of Emergency Departments by connecting virtual doctors with patients in select communities. Patients may be seen in-person by a nurse or clinician and then connected to a virtual ER doctor or nurse practitioner. Virtual Primary Health Care (vPHC) offers diagnosis and treatment for common illnesses through virtual appointments via Teladoc Health Canada for those without a primary care provider. Virtual pre- and post-operative care uses remote services to prepare patients, reducing in-person visits and providing personalized care.

What did we do during 2024-25?

- Implemented vPHC in all zones to enhance access for patients without a primary care provider (physician or nurse practitioner), including a collaborative model with four FCT sites in the Eastern-Rural Zone and Labrador-Grenfell Zone. The vPHC model supports

those that do not have a primary care provider and are registered with Patient Connect NL. Western Zone uses an Integrated vPHC Model for all patients, offering virtual appointments via telephone, video, and enhanced assessment technology. vPHC pathways support in-person assessments when needed, ensuring continuity of care with a shared electronic medical record.

- Implemented virtual ER across all zones of NL Health Services, with 15 sites offering virtual ER options and more under development. Virtual ER services are supported through an internal physician model or through Teladoc Health Canada, a virtual care platform that offers telemedicine, mental health services, and expert medical opinions virtually, aiming to make healthcare more accessible and convenient for individuals. Additionally, virtual urgent care clinics and virtual fast track services have been established at sites to increase access to urgent care. These sites have averaged 12 patients per day virtually.
- Virtual Pre-Admission Clinics (vPAC) are offered at a number of sites throughout the province. Patients attend an approved site for vPAC where they will have necessary tests completed on site and connect with the registered nurse and anesthetist to decrease the time required to travel. A virtual pre-operative care plan has been developed for FCTs in Labrador-Grenfell Zone, and virtual pre-admissions continued at Western Zone.

How did we perform?

In 2024-25, NL Health Services expanded virtual services across the province by introducing virtual care services in the ER, primary health care, and pre- and post-operative care. This increased patient use of virtual care and improved access.



Indicator: Increased volume of hip and knee replacements performed by 20%

NL Health Services aims to increase hip and knee replacement surgeries to reduce waitlists, meet growing demand from an aging population, and maximize the use of underused rural operating rooms. These efforts are intended to enhance patient outcomes and overall health care efficiency in Newfoundland and Labrador.

What did we do during 2024-25?

- Created a surgical dashboard to monitor the total volumes of surgeries being completed and total number of patients waiting for specific high-volume or high-priority procedures. The data is used to report regularly on progress and currently provides data on the following surgery types: cataracts, joints, and volumes for major surgeries.
- Implemented an Orthopedic Blitz (a concerted effort to increase orthopedic surgeries) in the Eastern-Urban Zone during a six-week period which resulted in an increase in joint volumes (175 completed procedures) when compared to the same time period in the previous fiscal year (78 completed procedures). Other efforts, such as the Carbonear Initiative and Central Short Stay Initiative, have both contributed to an increased volume of

joint replacements. The Carbonear Initiative completed joint replacement volume by using surgical capacity at the Carbonear General Hospital site for joint replacement surgeries. The Central Short Stay initiative focused on reduced length of stay and optimization of surgical resources to support increased volume of joint replacements. Same-day joint procedures have been implemented in Western Zone as well.

- Protected surgical beds at St. Clare's Mercy Hospital for surgery patients supported an increase in the volumes of orthopedic surgeries completed as well as a reduction in cancellations for orthopedic surgeries. Protecting beds, which is the reserving of hospital beds specifically for patients undergoing surgery in a specific area, contributes to maintaining or increasing surgical volumes by decreasing cancellations due to current bed availability.

How did we perform?

Joint replacement volumes increased by 14.2% in 2024-25 compared to the previous year, with hip replacements up 6.3% and knee replacements up 19.1%. While the goal remains a 20% overall increase, this year's growth reflects strong system performance and capacity.

In 2023-24, Newfoundland and Labrador saw a significant 40% increase in total hip and knee replacements. Given current resources, matching that pace in 2024-25 was less feasible. However, targeted initiatives—such as protected beds, outpatient procedures, surgical short stays, and orthopedic blitzes—continue to drive progress by increasing surgical volumes and reducing cancellations.



Indicator: Increased volume of coronary artery bypass graft (CABG) surgeries performed by 10%

Reducing wait times for CABG surgeries in Newfoundland and Labrador is essential to improve patient outcomes, meet national healthcare benchmarks, enhance quality of life, and increase healthcare efficiency. Timely surgeries can prevent health deterioration, alleviate symptoms, and ensure better resource allocation within the healthcare system. Efforts to reduce wait times include optimizing surgical schedules and improving coordination among healthcare providers.

What did we do during 2024-25?

- Implemented various recruitment and retention initiatives for the Cardiovascular Operating Room (CVOR) including successfully recruiting three cardiovascular surgeons, establishing locum perfusionists to support uptake in cardiovascular surgeries, securing contracts for cardiac surgery nurses and upskilling staff to support retention, including upskilling RNs to support cardiac surgical procedures, IENs to support CVOR, and LPNs to promote skill mixing and maximize scope of practice.

- Continued ongoing efforts to upskill local nurses and internationally educated nurses to expand the local recruitment pool of cardiovascular nurses.
- Enhanced operating room efficiency with a 12-hour staggered shift schedule and modified perfusionist models to increase capacity.

How did we perform?

NL Health Services achieved an 8.2% increase in coronary artery bypass graft (CABG) surgeries in 2024-25 compared to the previous year, just shy of the 10% target. While the percentage of isolated-CABG cases did not meet the goal, overall cardiac surgery volumes continued to rise.

Three key factors contributed to the shortfall:

- **Complex Cases:** A higher number of complex procedures reduced capacity for isolated-CABG surgeries.
- **Human Resources:** Building a skilled surgical team required significant investment. Recruitment and training efforts for cardiac surgeons, perfusionists, and nurses are progressing and remain a priority.
- **Operating Room Access:** Limited access to operating rooms—one full-time and one part-time—impacted surgical capacity. The program aims to secure a second full-time operating room to support future growth.

Despite these challenges, ongoing initiatives are strengthening the program and positioning it for continued success.



Indicator: Develop and Implement Central Intake for Orthopedics and Ophthalmology to improve access and reduce wait times

NL Health Services is implementing a central intake model for orthopedics and ophthalmology to improve access and reduce wait times. This single-entry management model aims to streamline the referral process, facilitating a provincial view of service demand and more efficient handling of referrals. The initiative is expected to enhance patient care by improving timely and equitable access to necessary treatments and optimizing resource allocation across the health-care system.

What did we do during 2024-25?

- Implemented central intake for ophthalmology effective February 17, 2025, using an electronic solution accessible through HealthNL. This system accepts all new referrals and integrates paper and electronic referrals from legacy systems, providing a provincial view of service demand.

- The Central Intake model for Orthopedics is in development, with lessons learned from the initial rollout of ophthalmology services informing ongoing process improvements. The orthopedic solution is nearing completion, with go-live anticipated in next fiscal period.

How did we perform?

A central intake model has been developed and implemented for ophthalmology services. At this time, a central intake model is in the developmental phase for orthopedics services.



Indicator: Decreased wait times for MRI scans

NL Health Services is committed to providing timely and efficient patient access to magnetic resonance imaging (MRI) exams, aiming to meet the Canadian Association of Radiologists' national wait time targets of seven days for urgent cases and up to 60 days for non-urgent cases, based on clinical need. By working to reduce MRI wait times, NL Health Services aims to improve patient outcomes by reducing delays in diagnoses, supporting timely and effective care.

What did we do during 2024-25?

- Implemented an enhanced patient notification system that includes “human” notifications in addition to automated notifications, where dedicated MRI clerical staff call each patient closer to their appointment time.
- Continued monitoring and addressing no-show rates by daily tracking in each zone to identify patterns and calculate safe overbooking limits for future use.
- Implemented a day-of cancellation list for MRI appointments which is reviewed daily to quickly fill last-minute cancellations, further reducing idle time and improving patient throughput.
- Artificial Intelligence (AI)-driven protocols have been implemented for select exams that can benefit from shortened scan durations which allow additional appointments to be completed.
- Expanded service hours as staffing levels permitted in all zones. This has increased the number of exams that can be performed with current resources.
- Continued analysis to assess duplicate referrals throughout the province, resulting in more efficient resource utilization and ensures patients receive care closest to their home.
- Established educational resources and procured funding to support recruitment to expand services this specialty field.

How did we perform?

While NL Health Services did not meet its goal to reduce MRI wait times, an 8.2% improvement was achieved in 2024-25 compared to the previous year. Key strategies, such as reducing no-shows, improving booking efficiency, expanding service hours, and standardizing priority rankings, are helping drive progress.

Increased demand for acute care diverted resources, impacting wait time reductions. However, ongoing efforts including standardized MRI protocols and expanded services at the Ambulatory Health Hub are expected to improve access and reduce delays.

Continued focus on technology upgrades, staffing, and service expansion will support further improvements in MRI wait times and patient experience.



Indicator: Decreased wait times for radiotherapy

Radiation therapy uses high energy radiation to shrink tumours and destroy cancer cells; it can be given alone or used with other treatments such as chemotherapy or surgery. Radiation therapy is a key aspect of cancer care treatment. Reducing wait times for radiation therapy improves patient outcomes, enhances quality of life, and increases healthcare efficiency. These efforts are designed to enhance the overall quality of care and improve patient outcomes, including access to radiation services without being limited by geographic boundaries. The national benchmark identified by the Canadian Institute for Health Information (CIHI) is that 90% all patients receive radiation therapy within 28 days.

What did we do during 2024-25?

- Signed a 3-year Affiliation Agreement between NL Health Services and The Michener Institute of Education at UHN/ University of Toronto's Radiation Therapy Program. This will allow two radiation therapy students to complete the clinical training portion of their Degree/Diploma, at the Dr. H. Bliss Murphy Cancer Centre in St. John's.
- Introduced CT simulation within Western Zone. A CT simulation is an important first step before starting radiation treatment. It's a special type of CT scan that helps the care team plan treatment safely. These images help doctors map out exactly where to target the radiation, making sure it targets cancer while protecting the healthy body parts. Between July 2024 - March 2025, 50 patients received a CT at the Western Cancer Centre, as part of their treatment plan.
- Secured funding of \$3 million in capital funding to replace aging radiation therapy machines with new, advanced autocontouring equipment. These new machines will help reduce treatment wait times and improve the overall patient experience.

How did we perform?

Wait times for radiation therapy have improved due to targeted efforts over the last two years. In 2024-25, we met the national benchmark of 90% of patients receiving first treatment within 28 days, an increase from 87.5% in 2023-24.



Indicator: Increased availability of point of care tests in remote sites

Point-of-care testing (POCT) is a form of patient-centric health care and refers to diagnostic, monitoring, screening, or prognostic tests performed at, or near, the site of a patient, with the result leading to a possible change in care for the patient. POCT can guide treatment decisions and support care and is often provided by health care professionals or, in some cases, by individuals themselves. This indicator highlights NL Health Services aim to improve availability of point of care tests in remote sites.

What did we do during 2024-25?

- Engaged primary health care professionals to determine appropriate POCT solutions that align with clinical needs and practical challenges.
- Implemented comprehensive training programs for healthcare professionals to ensure proficiency in using POCT devices and understanding their role in diagnostics.
- Acquired point-of-care technology for chemistry as part of an exercise to ensure up-to-date technology for Pathology and Laboratory Medicine.
- Ensured the accuracy and reliability of diagnostic results produced by POCT instruments through thorough validation processes. Validation of the technical performance of INSTI Multiplex HIV and Syphilis antibody kit has been completed, and technical performance work has been completed for all IStat cartridges, pending statistical review.
- Initiated the development and implementation of a quality management program to maintain high standards of accuracy, reliability, and consistency in POCT.

How did we perform?

POCT was introduced in two remote clinics during 2024-2025, with Syphilis and HIV testing established in each. Initial work in point of care tests in remote sites included offering of Point of care tests in Northern Community Clinics; Sexually Transmitted and Blood-borne Infections pop-up clinics were offered in Natuashish during 2024-25, with plans developed to increase services to other remote community clinics in the Labrador-Grenfell Zone.



Indicator: Decreased wait times for inpatient adult addictions treatment by 10%

Inpatient adult addiction treatment services are offered to individuals 18 years and older who are in the middle to late stages of addiction who require intensive inpatient treatment. This service is a 28-day treatment program with withdrawal management services available if needed. The overall goal of treatment is to help individuals with their recovery journey and reduce their risk of relapse and achieve healthy, balanced lifestyles. To help clients achieve these goals the program operates from a holistic perspective that addresses the individual's physical, social, psychological and spiritual health. Improving access to these services remains a focus for NL Health Services.

What did we do during 2024-25?

- Enhanced the intake process to support admissions at the Recovery Centre, which serves the entire province for withdrawal management, including reallocating funding to pilot an admission RN role. This role helps streamline this process to take calls from across the province.
- Increased bed capacity to reduce wait times by expanding Humberwood Treatment Centre from 11 to 12 beds, as well as availing of short notice admissions to fill beds whenever possible.
- Implemented a new system for measuring wait times to ensure accurate data and better management.

How did we perform?

NL Health Services saw a 34% decrease in provincial wait times for inpatient adult addictions treatment.



Indicator: Increased number of individuals attached to flexible assertive community teams (FACT)/assertive community teams (ACT) in keeping with standardized client to clinician ratios

NL Health Services is aiming to increase the number of individuals attached to FACTs and ACTs to ensure continuity of care and prevent unnecessary hospital admissions. These teams provide intensive services for individuals with serious mental illness and concurrent disorders, helping them manage symptoms, achieve personal goals, and maintain optimism. By increasing access to FACT and ACT teams, NL Health Services ensures that individuals in need of services receive appropriate care within their communities, improving overall mental health outcomes.

What did we do during 2024-25?

- Continued promotion to ensure internal and external awareness of the FACT and ACT teams. This work included community engagement sessions and collaboration with community partners. Teams regularly met with income support, NL Housing/ Emergency Housing, police, the Department of Children, Seniors and Social Development, Seniors NL, Indigenous groups, and other community partners to discuss programming, referral criteria and processes.
- FACT staff also presented twice during 2024-25 to the Memorial University School of Medicine classes. FACT representatives also worked closely with the Primary Health Care committees, Home First working groups, as well as Personal Care Home monitoring teams to ensure that FACT services are promoted within zones.

How did we perform?

In 2024-25, the number of individuals actively attached to FACT/ACT teams across the

province decreased by 14% compared to the previous year. This decline was influenced by challenges in recruitment and retention, promotion and community engagement, and caseload management.

NL Health Services is actively working to strengthen the program through increased outreach, improved caseload reviews, and continued efforts to build and support multidisciplinary teams. These actions aim to improve client attachment and access to care moving forward.



Indicator: Increased percentage of individuals accessing e-mental health and addictions tools by 20%

NL Health Services has developed a series of online mental health and addiction resources to enhance access to key services when needed. [Bridge the gap](#) offers a way to connect with guidance and support for mental health and addictions in Newfoundland and Labrador. Other tools include [Breaking Free](#), [Breathing Room](#), [CheckItOutNL](#), [Mindwell U](#), [Strongest Families](#), [Therapy Assistance Online](#) (TAO) and [TAO self-help](#). NL Health Services is focused on ensuring awareness and access to these tools to support individuals in managing their mental health and addiction challenges.

What did we do during 2024-25?

- Enhanced promotion throughout the province to increase awareness of [Bridgethegap.ca](#).
- Updated e-mental health promotional materials to better understand e-mental health programs and promote them to individuals and families.
- Implemented a communications plan for e-mental health and addictions tools.
- Developed a provincial pathway for clinician assisted services with TAO and Breaking Free. TAO and Breaking Free are now part of Remote Patient Monitoring devices.

How did we perform?

A total of 4,494 users accessed e-mental health and addictions tools across the seven platforms. While this reflects continued engagement with digital mental health and addictions resources, it falls short of the target of 6,878 users and the intended 20% increase.

The 20% target for increasing the percentage of individuals accessing e-mental health and addiction tools was not reached due to several challenges. These included recruitment delays for dedicated staffing resources, competing priorities with partnering programs needed to support the promotion and implementation of e-mental health tools, and increased staff turnover in mental health and addictions outpatient services. These factors impacted the overall performance and prevented the target from being met.



Objective Two (2025-26)

By March 31, 2026, NL Health Services will have further implemented and evaluated initiatives to better balance community-based and hospital-based service delivery.

- ▶ Increased number of referrals in opioid dependence treatment (ODT) services.
- ▶ Increased number of requests support by the Mental Health and Addictions navigator program by 25% in all zones.
- ▶ Decreased wait times for magnetic resonance imaging (MRI) scans.
- ▶ Improved access to emergency department, primary health care, and pre- and post-operative care through virtual solutions.
- ▶ Increased volume of hip and knee replacements performed by 10%.
- ▶ Developed and implemented a plan to optimize operating room capacity.
- ▶ Increased volume of isolated-CABG procedures by 10%.
- ▶ Reduced wait times for isolated-CABG surgical outpatients (Priority 4) by 10%.
- ▶ Completed implementation of Chemistry Point of Care Testing in each of the fly in – fly out communities.
- ▶ Implemented NICHE (Nurses Improving Care for Health System Elders) program at select sites.
- ▶ Completed recruitment and onboarding of senior-friendly managers (acute and community).
- ▶ Established 8 new Family Care Teams across the province.
- ▶ Increased the number of patients connected to Family Care Teams by 30,000.
- ▶ Established ACE Unit at St. Clare's Mercy Hospital.



STRATEGIC ISSUE FOUR:

Quality

Quality involves providing safe care that enhances health outcomes and experiences for patients, residents, clients, and families. It relies on robust standards and processes from a

healthy, sustainable workforce in an inclusive and respectful environment. It ensures equitable access to health services and information, incorporating patient and family voices.

NL Health Services is committed to achieving quality, by embedding strategies that align with eight dimensions: population focus, accessibility, safety, work-life, client-centred services, continuity, appropriateness, and efficiency. These dimensions, combined with people-centred care, help create a safe and efficient care model for individuals, families, and communities.

As recognized through the Health Accord NL, the achievement of quality outcomes and patient experiences is also dependent on the establishment of a comprehensive, effective, and sustainable Learning Health and Social System (LHSS). As recognized through this strategic issue – Quality, NL Health Services strives to be a high performing LHSS, one that supports collaboration and meaningful partnerships, leverages evidence and data in the health and social systems, expands this knowledge base and uses the evidence and data in strategy development.

Quality Goal

By March 31, 2026, NL Health Services will have enhanced clinical care and service excellence by applying knowledge generated through research, data, and engagement and partnership with patients, families, and communities.

Objective One (2024-25)

By March 31, 2025, NL Health Services will have implemented initiatives to enhance clinical care and service excellence.



Indicator: Increased number of rapid learning and improvement initiatives

NL Health Services is committed to adopting problem-focused rapid-learning and improvement initiatives at all levels of the health system to enhance patient care, boost efficiency, foster innovation, support staff, and adapt to changing healthcare needs. These initiatives focus on quickly identifying, implementing, and evaluating changes to improve healthcare quality and efficiency, ensuring a high standard of care and responsiveness to evolving demands. Rapid learning can take place at all levels of a health system (self-management, clinical encounter, program, zone, provincial health authority, and government).

What did we do during 2024-25?

- Scheduled rapid improvement events focusing on HR recruitment, and other areas, such as FCTs. A rapid improvement event or rapid learning and improvement cycle is a quick and structured way to test ideas, learn from the results, and make improvements, using real information to guide decisions and improve outcomes. Regularly scheduled improvement sessions are ongoing with the Grand-Falls Windsor FCT. Identified areas of focus are patient care pathway development in diabetics and chronic obstructive pulmonary disease (COPD).
- Completed the first rapid improvement events in February 2025.
- Created the 'I have a change idea' process with a rollout planned for Fall 2025.

How did we perform?

NL Health Services has successfully increased the number of rapid learning and improvement initiatives in 2024-25, conducting a total of four distinct rapid learning and improvement initiatives.

NL Health Services has embedded rapid-learning and improvement cycles as a key component of an LHSS. This agile approach is imperative to NL Health Services' mandate to make transformational change in an accelerated manner.



Indicator: Increased number of leaders who have completed educational opportunities related to the creation of a Learning Health and Social System

A LHSS, as defined by Health Accord NL, uses science, education, informatics, incentives, and culture for continuous improvement, innovation, and equity. Best practices are embedded in the delivery process, with active participation from individuals and families, generating new knowledge. NL Health Services is committed to establishing an LHSS to deliver high-quality, safe care and increase the number of leaders who have completed education opportunities related to the LHSS. This involves targeted education to build quality improvement capacity and capabilities in process improvement, change management, and implementation science.

What did we do during 2024-25?

- Conducted two-day LEAN Management Systems Training sessions in Labrador City, Corner Brook, St. Anthony, and Happy Valley-Goose Bay.
- Offered monthly LEAN Yellow Belt training sessions to leadership and frontline staff, resulting in 225 new leaders completing the training.

How did we perform?

NL Health Services has increased the number of leaders with LEAN Yellow-Belt training by 225, enhancing educational opportunities in the LHSS within the organization.

NL Health Services is committed to the ongoing development of an LHSS, a pathway that supports meaningful change towards a more balanced health and social system. An LHSS connects data, research, translation, and quality improvement. Strong engagement with partners, especially patient partners, as well as a focus on evidence and quality improvement, are key levers of high performing organizations.



Indicator: Introduced structures, processes and resources to strengthen decisions, quality improvement and learning through high quality evidence, methods, and data

NL Health Services is dedicated to enhancing decisions, quality improvement, and learning through high-quality evidence, methods, and data. In alignment with Health Accord NL, this supports delivering top-quality safe care by establishing a Learning Health and Social System, following the Pan-Canadian Health Data Charter principles for managing health data, including supporting data literacy.

What did we do during 2024-25?

- Established an Office of Patient-Centered Measurement for the organization.
- Created an organizational Quality and Safety Scorecard. The scorecard identifies key performance measures which provide insight into NL Health Services Quality and Safety performance and supports decision making, quality improvement, and learning. Additionally, an operational scorecard has also been developed that provides up to date data on operational performance.
- Established processes for evaluation intake, survey requests, and approvals of external requests for evaluation.
- Developed an environmental scan application to inform planning across the organization, providing evidence and data to support decision-making. The application is a live, continually updated resource of key information to support programs across NL Health Services to make informed decisions with key data in population change, income, social determinants of health, and internal and external factors affecting the organization.

- Identified key performance indicators to support decision-making, improve efficiency, and measure performance to continue to deliver quality care.
- The deployment of a Value for Money Framework began in partnership with the Department of Health and Community Services and Health Transformation officials, including dedicated leadership, the Health Transformation Advisory Council, partners, SHNs and SITs. This framework provides a structure to support the oversight of financial investment and ensure success is monitored using key performance indicators. It will enable NL Health Services to deliver their desired objectives in a manner that is cost-effective and of high quality. This framework is grounded by four pillars: Accountability, Efficiency, Innovation and Value Based Procurement (VBP).

How did we perform?

Through the identified initiatives, NL Health Services has successfully introduced structures, processes, and resources, to strengthen decisions, quality improvement, and learning through the establishment and presentation of high-quality evidence, methods, and data.



Indicator: Established a baseline of employee/physician perceptions of the overall patient safety dimension of Health Standards Organization (HSO) Workforce Survey™

The HSO GWS is the first of its kind, measuring perceptions of work life quality and safety culture together in a single instrument, which generates actionable data for improvement. This survey tool provides the ability to measure, analyze, and trend workforce perceptions of key aspects of safety culture and working conditions, including physical, psychological, and safety culture. Section K: Patient Safety of the 2024 HSO Global Workforce Survey has 10 specific items providing a baseline and pulse on employee/physician overall perceptions of patient safety. It is anticipated that the follow-up work related to the action plan will help to support increased ratings in subsequent HSO Global Workforce Surveys related to employee/physician overall perceptions of patient safety.

What did we do during 2024-25

- Finalized the HSO Global Workforce Survey Tool for NL Health Services.
- Administered the HSO Workforce survey, which closed in November 2025 with a completion rate of 14% of all employees and physicians (3,195 employees/physicians). NL Health Services surpassed the response rate set by Accreditation Canada for this survey.
- Formed a Workforce Survey Working Group.
- Developed and implemented a communications plan to share for survey results.
- Established a baseline for employee/physician perceptions of the overall patient safety dimension of HSO Workforce Survey.

How did we perform?

The baseline of the overall patient safety dimension of the HSO Workforce Survey was established, with nearly two-thirds of employees and physicians (64.2%) who completed the survey having expressed positive perceptions of patient safety practices.

NL Health Services believes in the importance of a safety culture. A safety culture can be defined as the extent to which an organization culture fosters and promotes patient safety. It is the shared collection of employees and physicians' attitudes, values, standards, and beliefs about safety that impact actions and behaviors. In addition to providing baseline data to support improvement, completion of the HSO GWS will help the organization identify targeted actions to enhance a patient safety culture.



Indicator: Minimum of 70% of patient and family experience advisors' responses scored an average of four or above on the Patient and Family Experience Advisor Meaningfulness Survey

Patient and family experience advisors (PFEA) volunteer with NL Health Services to improve decision-making, policy, programs, and people-centered care. This indicator measures the meaningful engagement of PFEAs based on their perceptions of their involvement in NL Health Services activities.

What did we do during 2024-25?

- Established a People-Centered Care Policy Working Group to co-design the NL Health Services' Family Presence policy, informed by literature reviews, legacy policies, and a jurisdictional scan across Canada.
- Conducted research, including a jurisdictional scan, best practice, and literature review, to inform development of Patient Rights and Responsibilities documentation. Established a working group in partnership with the Ethics Department for co-design of NL Health Services Patient Rights and Responsibilities.
- Co-designed tools for evaluating meaningful engagement, including a new survey for staff/physicians/leaders. The second Annual Family Experience Advisor Evaluation of Meaningful Engagement Survey closed in March 2025, and the new annual NL Health Services organizational tool was implemented in March 2025. Results were incorporated in action planning.
- Established a working group to co-design educational resources, creating posters and brochures to increase awareness of People-Centered Care. Launched social media messaging to support awareness and recruitment for the Patient and Family Experience advisor role. Streamlined onboarding provincially.
- Established new People-Centred Care (PCC) reporting and alignment structures for PFEA engagement and PCC initiatives. This includes a Patient and Family Advisory Council and a Provincial PCC Implementation Steering Committee.

- Continued PFEA engagement and support for programs/services. (e.g., policy, website, Child Health, Emergency, focus group session, public service announcements, etc.)

How did we perform?

The Patient and Family Experience Advisor Meaningfulness Survey achieved 58.1% of patient and family experience advisors' responses scoring an average of four or above, below the target of 70% or higher. These results will be used to determine future improvements.

There is emerging recognition of the importance of meaningful engagement of partners in healthcare. NL Health Services believes meaningful engagement is a result of active engagement, respecting partners in decision-making, ensuring voices are heard and valued, and being responsive to the engagement. During this reporting period, the evaluation of meaningful engagement amongst NL Health Services PFEAs showed that engagement was impacted by both leadership turnover on various committee structures and need. These results will inform future actions to support meaningful engagement and involvement of PFEAs.



Indicator: Increased meaningful involvement of community advisory committee (CAC) members

Community Advisory Committees (CACs) involve community members in planning, implementing, and evaluating primary health-care services, fostering collaboration to address priority health needs. CACs enable community influence on health planning, enhancing service to clients, families, and communities. This indicator measures the meaningful engagement of CAC members based on their perceptions of whether their involvement in NL Health Services activities was meaningful.

What did we do during 2024-25?

- A survey to measure meaningful involvement has been selected and customized to provincial CAC needs.
- Through the Strategic Health Network for Primary Health Care, continued development of a standardized provincial approach to Community Advisory Committees that is consistent with the Provincial Family Care Team Policy Framework, supporting active and effective community engagement.
- Regional Health Council members have been appointed by the Minister of Health and Community Services and work has started to connect CAC's with Regional Health Councils. Regional Health Councils will support NL Health Services by engaging with partners and providing advice that outlines the local and zonal health needs and priorities, and the quality of health care delivery. This will be another opportunity to support meaningful engagement of community members in NL Health Services activities.

How did we perform?

Work towards increasing meaningful involvement of CAC members was impacted by staffing changes and competing priorities, thus impacting the achievement of this indicator. However other activities to support CACs and Regional Health Councils, such as those listed above, set the stage for more meaningful engagement of community representatives in NL Health Services.



Indicator: Implemented standardized care pathways in priority areas to support optimal outcomes and enable care in the most appropriate location

Standardized care pathways guide evidence-informed healthcare by translating best practices into clinical processes while considering unique environments. SHNs use these pathways to reduce practice variation and support improved patient outcomes.

What did we do during 2024-25?

- Implemented standardized care pathways in Primary Care, Emergency, Surgery, and the Older Adult SHNs.
- Developed an Affiliation Agreement with FCTs to ensure provincial access. 19 physicians affiliated by March 31, 2025.
- Implemented the Social Prescribing Project to assist patients with navigating community resources. Social prescribing bridges the gap between clinical and social care by referring patients to local, non-clinical services that are chosen according to the client's interests and goals, allowing doctors, nurse practitioners, and interprofessional health providers to formally refer patients to community-based programs.
- Completed work aimed at improving emergency department flow with new strategies and training introduced on Virtual Emergency Department airway competency.
- Introduced central intake to aid in provincial standardization and consistency in the patient experience in Ophthalmology. A jurisdictional scan has also been completed towards the development of criteria for Outpatient Total Joint Replacement.
- Developed and tested a Daily Rounding Tool for ACE at St. Clare's Mercy Hospital. Updated ACE Patient Order Sets at Western Memorial Hospital. Developed an Electronic Comprehensive Geriatric Assessment (eCGA) and ACE eligibility criteria for future implementation.

How did we perform?

NL Health Services has successfully implemented standardized care pathways in priority areas to support optimal outcomes and enable care in the most appropriate location.



Objective Two (2025-26)

By March 31, 2026, NL Health Services will have further implemented and evaluated initiatives to enhance clinical care and service excellence.

- ▶ Increased number of leaders who have completed educational opportunities related to the creation of a Learning Health and Social System.
- ▶ Increased number of frontline staff who have completed educational opportunities related to the creation of a Learning Health and Social System.
- ▶ Decreased percentage of residents in long term care potentially receiving inappropriate use of antipsychotics.
- ▶ Implemented strategies to improve Hospital Standardized Mortality Ratio (HSMR) and Hospital Harm Indicator (HHI) as priority areas.



STRATEGIC ISSUE FIVE:

Health Equity



Equity is the absence of unfair differences among groups, whether defined socially, economically, demographically, or by other dimensions like sex, gender, ethnicity, disability, or sexual orientation. Health equity is achieved when everyone can reach their full health potential without being disadvantaged by social, economic, or environmental conditions. These conditions, known as the social

determinants of health, include both downstream factors like living and working conditions, and upstream factors like economic inequality and structural racism. Social norms and institutional power influence these upstream factors. Targeted actions on social determinants can reduce health inequities.

Achieving health equity requires acknowledging unequal starting points and providing different strategies and resources to correct imbalances. NL Health Services recognizes health disparities among groups in Newfoundland and Labrador and is committed to increasing capacity for health equity by building a foundation for action, using a strong knowledge base, and collaborating with non-health sector partners, in line with the Health Accord NL recommendations. NL Health Services is dedicated to the Quintuple Aim, which includes improving health outcomes and achieving health equity for Newfoundlanders and Labradorians.

Health Equity Goal

By March 31, 2026, NL Health Services will have advanced health equity through the integration of health equity into its policies, programs, and practices as well as through collaboration with other sectors.

Objective One (2024-25)

By March 31, 2025, NL Health Services will have implemented initiatives to advance health equity.



Indicator: Increased number of patient and family experience advisors who have lived/grounded expertise of inequities

NL Health Services aims to increase the number of PFEAs with lived expertise of inequities to ensure that healthcare services are more inclusive and responsive to the needs of all community members. Advisors with firsthand experience of inequities can provide valuable insights into the barriers faced by marginalized groups, helping to shape policies and practices that address these challenges effectively. NL Health Services is committed to ensuring meaningful engagement of those with lived/grounded expertise in inequities, including patient and family experience advisors.

What did we do during 2024-25?

- Identified engagement barriers and mitigation strategies to enhance lived expertise in inequities. Feedback was collected through PFEA engagement surveys, direct patient and family feedback via patient relations and the system navigation office, and the Public Engagement office. The annual PFEA Meaningful Engagement Tool survey results were used to identify challenges and barriers, including those related to diversity, equity, and inclusion.
- Continued work towards establishing a baseline for PFEAs with lived/grounded expertise of inequities. An established baseline will support identification of gaps and areas for improvement
- Efforts were made to ensure lived experience was obtained and considered in the development of the accessibility plan, with multiple engagement opportunities used. An internal working group of 12 members (including one PFEA), some who self-identified as having lived experience developed the plan. Engagement sessions were held in person and online with seven organizations from the province's disability network. Findings were presented to eight organizations at the disability network meeting. For public engagement, an online engagement platform was used to ask the following questions: What are the accessibility barriers you face? (nine responses), Do you agree with the proposed pillars for the plan? (nine responses). Feedback was incorporated from all engagement activities into the development of the plan and committed to ongoing engagement with the network of disability organizations and the public to guide the implementation of the plan.

How did we perform?

NL Health Services is working to increase the number of PFEAs with lived experience of inequities. However, accurately measuring this remains challenging due to privacy concerns, reluctance to self-identify, and the complexity of individual experiences.

To address this, strategies are being developed, including partnering with community organizations, identifying barriers to participation, and creating a plan to better track representation. These efforts aim to ensure more inclusive and meaningful engagement moving forward.



Indicator: Increased number of well-being grants and initiatives targeting social determinants of health

Well-being grants fund initiatives targeting social determinants of health, such as access to healthy food, safe housing, and healthcare services, aiming to improve community health and reduce disparities. Grant opportunities often provide starter funds for local schools and communities to take action on well-being in partnership with NL Health Services. This collaborative approach is essential, as the health system alone cannot improve health outcomes.

What did we do during 2024-25?

- NL Health Services continued to provide well-being grants to communities through Wellness Coalitions across the province.
- Wellness Coalitions provided grants in through school and community-based grants, and additional grants as required.

How did we perform?

During the 2024-25 year, NL Health Services increased the number of well-being grants and initiatives targeting social determinants of health through awarding 169 grants, an increase from 166 grants in 2023-24, with a total disbursed amount in 2024-25 of \$147,324.11.

While Wellness Coalitions across the province consider social determinants of health in their granting process, due to the previous zonal structure prior to integration, a provincial process is not yet in place for grant approvals. While the year-over-year data on well-being grants is consistent in measurement, there is variation between zones on school, community, and discretionary funded grants are calculated.



Indicator: Increased number of regional well-being networks in which NL Health Services is an active partner

Regional well-being networks, recommended in Health Accord NL, are collaborative groups designed to improve health and well-being by addressing region-specific priorities and the social determinants of health. These networks bring together key decision-making partners to identify challenges and deliver solutions effectively. The first goal is to offer well-being fairs to develop a shared understanding of social determinants of health and improve health literacy, engaging the community through food, music, and cultural activities to encourage community action. NL Health Services aims to increase these networks to enhance community health, foster collaboration, and improve health equity.

What did we do during 2024-25?

- Worked with the provincial government's Health Transformation Team, specifically through Well-Being NL, and with the Community Sector Council, to engage key interest holders in each zone on understanding the social determinants of health and how we can collectively work together to improve health and wellness for residents.
- Co-organized Well-Being Fairs and 'A Time for Health' Event in the Central, Eastern-Urban, and Western Zones. Key partners of these events included municipalities, wellness coalitions, school councils, chambers of commerce, and community organizations.
- Participated in a provincial committee of Well-being NL to plan for the introduction of regional well-being networks including creating job descriptions, guidelines and Terms of Reference to guide the operations of the networks, the first of which will be initiated in the Western Zone in 2025.

How did we perform?

NL Health Services successfully co-organized Well-Being Fairs and 'A Time for Health' Event in three of the five zones, thereby increasing the number of informal well-being networks in the province. NL Health Services, in partnership with the Government of Newfoundland and Labrador, is preparing for further development in creating well-being networks.



Indicator: Increased number of NL Health Services policies which incorporate a health equity/inclusion lens

NL Health Services aims to increase policies incorporating a health equity/inclusion lens to create a more accessible and inclusive healthcare system. Health equity is achieved when disparities in health status between groups due to social and structural factors are reduced or eliminated. Ensuring all policies consider health equity and inclusion is key to eliminating such disparities. Policies that encompass health equity and inclusion can lead to enhanced health care experiences and outcomes for patients, increased employee trust in leadership, improved recruitment and retention, innovation in program and service delivery, and reduced discrimination and harassment for patients and staff, fostering a fairer and more just healthcare environment for all Newfoundlanders and Labradorians.

What did we do during 2024-25?

- Completed a literature review and jurisdictional scan, inclusive of HSO/Accreditation Standards, to identify best practices as related to health equity and inclusion in policy development.
- Validated and ensured that current Provincial Policy Office resources and processes include consultation and collaboration with impacted individuals and groups. All active policies which have been developed or updated since the Provincial Policy Office became

operational on August 1, 2024, have utilized the Provincial Policy Office resources and processes, and have therefore incorporated a health equity and inclusion lens.

- Identified necessary enhancements to existing Provincial Policy Office resources and processes and the development of new resources focusing on health equity and inclusion.
- Included Policy Office staff in membership of the Diversity, Equity, Inclusion and Reconciliation Council and the Health Equity Steering Committee to increase the incorporation of a health equity/inclusion lens into policy.

How did we perform?

The actions completed by NL Health Services in policy development have enhanced the focus on health equity and inclusion in the policy development process.



Indicator: Increased number of staff availing of equity, diversity, and inclusion education and learning opportunities

NL Health Services aims to increase Diversity, Equity, and Inclusion (EDI) training for staff to create a more inclusive and equitable workplace. This training promotes the fair treatment and full participation of all people, especially those historically underrepresented or subject to discrimination due to their background, identity, disability, or other characteristics. EDI training helps reduce discrimination, improve health outcomes, foster innovation, and build trust in leadership, ultimately enhancing patient care and staff recruitment and retention. By prioritizing EDI training, NL Health Services can better meet the diverse needs of its community and work towards a more equitable healthcare system.

What did we do during 2024-25?

- Formalized the structure for the DEIR council and ERGs to increase capacity to provide and consult on education.
- Hired an HR Strategist with a focus on Diversity and Inclusion, Civility and Respect, who also co-chairs the DEIR Council.
- As of 2024-25, the DEIR council had 59 staff on the council. This has been achieved through continued engagement with current external partners and the development of new partnerships with community organizations to offer education sessions to all staff.
- Developed and published the first organizational NL Health Services accessibility plan.
- Other program specific education has been provided and supported through the DEIR Council and HR strategists including:
 - A presentation about gender affirming care in primary healthcare provision at the primary care networking day (approximately 140-150 in attendance)
 - Presentation about 2SLGBTQIA+ inclusion in Obstetrics/Gynecology practices (124 in attendance)

- Two Patient Safety Week presentations on gender affirmation in healthcare provision and the role of Indigenous patient navigators
- Made DEI learning opportunities available to staff online; 12 courses currently offered that are directly about DEI topics and 12 that are partially related to DEI or make mention of some DEI topics. Twelve pertain to mental health, five on sexual and gender diversity, two on indigeneity, one about anti-racism, one about accessibility, and one about culture/religion specifically.

How did we perform?

Systems currently in place do not allow for a count of unique individuals completing DEI training, but NL Health Services has offered a series of learning opportunities with attendees increasing the number of staff who have availed of DEI education and learning opportunities.

- 169 managers completed Intercultural Competency Training provided through the Association of New Canadians this year.
- Staff attended 31 unique webinars and education opportunities provided by the Canadian Centre for Diversity and Inclusion.
- The DEIR Council offered five internal all-staff learning opportunities related to DEIR initiatives.
- Sent out 40 Diversity Spotlights in the 2024-25 year



Indicator: Enrolled 1,500 clients in clinical trials

NL Health Services aims to increase participation in clinical trials to advance medical research and improve healthcare outcomes. Clinical trials provide key information to analyze current patient treatments for safety and effectiveness. Findings support operations across all medical areas, helping investigators and sponsors improve and support patient care. Benefits to the population include access to innovative treatments, improved health outcomes, and enhanced knowledge through diverse data collection. By boosting clinical trial participation, NL Health Services can better serve the community and contribute to global medical advancements.

What did we do during 2024-25?

- Conducted a combination of clinical trials involving drugs, devices, databases, and observational studies. Clinical trials continue over varying time periods from months to years, and the information collected is used to inform multiple areas of work, supporting operations on a daily basis. Clinical trials focused on industry sponsored multi-centre trials.
- Filled nurse coordinator vacancies in clinical trial area to improve clinical trial enrollment.
- Utilized digital tools to ensure equal access to clinical trials for rural communities.

- Provided remuneration options for travel for clinical trial participants in rural communities to incentivize equitable access to trials.

How did we perform?

During 2024-25, there have been 2,473 clients enrolled in clinical trials, surpassing the target of 1,500.



Indicator: Opened three decentralized clinical trials for patient recruitment in two or more NL Health Services zones

NL Health Services aims to open decentralized clinical trials across the province to improve patient recruitment and enhance access to clinical research. Decentralized trials increase accessibility, convenience, and cost savings, leading to larger, more diverse sample sizes and better research quality. Operating like a Living Lab, NL Health Services forges public and private partnerships to improve patient care and outcomes. Health research studies that are conducted as part of the Living Lab develop, test, refine, and apply innovative solutions across healthcare. These studies provide clients with access to health solutions they might not otherwise have and contribute to broader knowledge and application. Decentralized trials offer patients care and up-to-date treatments not otherwise available in their region, improving patient outcomes.

What did we do during 2024-25?

- Temporarily opened two decentralized services in Grand Falls-Windsor and Carbonear, but due to staff issues have since closed and not re-opened.
- Initiated implementation of Sciteline, a digital tool to support decentralized clinical trials, which will increase public and patient awareness of clinical trials open to recruitment throughout Newfoundland and Labrador. The platform will also increase public understanding of how clinical trial participation impacts individual patient care and influences standards of care.

How did we perform?

Two decentralized services were established in Grand Falls-Windsor and Carbonear early in 2024-25, but due to staff issues have since closed and not re-opened.



Indicator: Increased access to cultural healing spaces within NL Health Services facilities

NL Health Services aims to increase access to cultural healing spaces within its facilities to provide more inclusive and culturally sensitive care. Healing spaces that reflect the cultural

values and practices of Indigenous peoples can enhance healthcare effectiveness. For Indigenous people, a welcoming, culturally safe space might be one where they see their culture reflected in the design and can practice traditional healing activities. NL Health Services is striving to create environments and policies that support the integration of Indigenous cultural practices and protocols, promoting health equity and better meeting the diverse needs of its community.

What did we do during 2024-25?

- Approved and implemented a Smudging Policy supporting smudging in inpatient facilities in the Western Zone, in collaboration with the Journey of Collaboration Steering Committee.
- Developed a dedicated Spiritual Health Room at Western Memorial Regional Hospital for meditation, prayer, worship, quiet reflection, and other spiritual practices. The room accommodates smudging ceremonies and is fitted with sound-dampening material for drumming.
- Opened a new Mental Health and Addictions Centre in St. Johns within the Eastern-Urban Zone, which featured a dedicated spiritual space for cultural healing, including a ventilated room for smudging and culturally appropriate artwork. Indigenous leaders led various ceremonies in the new spiritual room.
- Developed dedicated spiritual space for cultural healing within the new Mental Health and Addictions Unit at the Labrador Health Centre.
- The Provincial Cancer Care Program, in collaboration with Canadian Partnership Against Cancer, has worked with Indigenous communities and NL Health Services to create a Provincial Indigenous Ceremony Policy, which is currently in final approval stages. This policy supports Indigenous patients to use ceremonial tobacco and traditional medicines in prayer, smudge, or lighting of the Kullik, and other cultural ceremonies in inpatient facilities. This draft policy has been used to facilitate a smudge in several facilities in the Eastern-Urban Zone, as well as in the Central and Eastern-Rural Zone.
- The Journey of Collaboration steering committee has partnered with the Mi'kmaw Cultural Foundation and has been successful in receiving funds through Canada Council for Arts to place Mi'kmaw artwork in health care facilities in Western NL.

How did we perform?

Through various initiatives, NL Health Services has provided increased access to cultural healing spaces within facilities and remains committed to increasing this in the future. NL Health Services acknowledges that significant work is needed to provide orientation and support to implement the new policy, and to implement other strategies to improve culturally safe care.



Objective Two (2025-26)

By March 31, 2026, NL Health Services will have further implemented initiatives to advance health equity.

- ▶ Achieved 2,600 active clients in clinical trials.
- ▶ Opened three decentralized clinical trials for patient recruitment in two or more NL Health Services zones.
- ▶ Implemented standardized telephone/video interpretation provincially.
- ▶ Begun implementation of NL Health Services' Accessibility Plan with a focus on accessibility and disability training educational opportunities.
- ▶ Established a provincial process for including Social Determinants of Health considerations into well-being grants.
- ▶ Developed a Tip Sheet for policy authors and completed improvements to policy resources (planning record, collaborator feedback resource, and writing guide) focused on health equity and inclusion.
- ▶ Developed Provincial Office of Indigenous Health and Safety.
- ▶ Developed partnership agreements with Indigenous partners.

Opportunities and Challenges Ahead

A Changing Population

Looking forward, NL Health Services has an opportunity to address emergent needs of a shifting demographic in our province. Canada is currently experiencing a demographic shift toward an aging population, with Canadians aged 65 and older being the fastest growing demographic group. With a higher proportion of older adults than the rest of Canada, these trends may have an impact on the needs, demands, and expectations of the province's population. NL Health Services is dedicated to adapting service delivery in an evidence-based approach that reflects trends in our population. In response, NL Health Services has launched two Acute Care for Elderly units, established the Health of the Older Adult Strategic Health Network, and is promoting a "home first" philosophy to support clients in the most appropriate setting.

Additionally, Newfoundland and Labrador have experienced notable benefits from a higher in-migration rate, with 2023 marking the largest population increase since 1976, which presents both challenges and opportunities in meeting the healthcare needs of this growing and changing population. As in-migration rates continue to rise, NL Health Services must ensure equity, diversity, and inclusion remain at the forefront, with the health equity lens applied to all programs, policies, communications, and learning opportunities. We are committed to providing culturally safe care, such as establishing cultural healing spaces within NL Health Services' facilities, including the Mental Health and Addictions Facility and the new Western Memorial Regional Hospital, both featuring dedicated spaces for cultural healing.

Technology and Institutional Integration

Technology is rapidly transforming health care, with AI, machine learning, and digital tools driving advancements in diagnosis, treatment, and patient care, while also improving efficiency and accessibility. This accelerated change in technology has the potential to create enormous opportunities to increase access to care, to better connect with those living in rural and remote areas, and to remotely monitor chronic conditions and offer remote care plans which in turn, offer a cost-effective solution for the public and the health system. Health systems are evolving from limited, outdated, and soiled data towards a more integrated and accessible approach, enabling care providers, individuals, and administrators to share and use data more effectively.

NL Health Services' implementation of the new Health Information System CorCare presents both significant opportunities and challenges for the organization. As envisioned by Health Accord NL, CorCare will modernize the organization's information technology infrastructure and establish consistent and uniform practices across the province, which will result in improved efficiency in the delivery of health-care services. However, a transition of this magnitude also presents challenges, including the need for extensive staff training and potential disruptions to operations. With the right resources and support structures in place including a continued focus on the quality aim of improvement and a strive to a balanced health-care system, CorCare represents a landmark opportunity for growth, innovation, and integration within the organization.

Our People

NL Health Services recognizes “Our People” as our most valuable asset. Throughout the past year, our staff, physicians, managers, and senior leaders have continued to demonstrate resilience, dedication, and commitment to delivering high-quality, efficient care and services. With Canada facing a projected shortage of over 60,000 registered nurses and 78,000 physicians expected by 2031, NL Health Services remains committed to improving recruitment and retention strategies in the years to come.

In response to this need, the organization implemented a Recruitment and Retention strategy for 2024-25, leading to a 38% reduction in agency nurses. Additionally, turnover rates have decreased in most zones, reflecting the success of these efforts. The current and future demand for health human resources nationally and internationally necessitates continued actions to build a people-centered culture based on the shared values of I CARE.

We extend our utmost gratitude and appreciation to all NL Health Services employees and volunteers, as well as the Board of Trustees. As we move forward with the 2024-26 planning cycle, we remain committed to strengthening our human resources by attracting and retaining health-care professionals, improving access to care, and addressing resource gaps and service discrepancies across Newfoundland and Labrador.

Culture and Branding

Since its formation, NL Health Services has brought together talented individuals from legacy organizations, each with its own proud history and culture. We recognize that transitions of this scale take time, and many continue to feel a deep connection to their former organizations. At NL Health Services we see this as a strength and are honouring the diverse backgrounds and experiences that shape our workforce, while fostering a shared sense of purpose and belonging as one organization.

Through collaborative efforts we are developing a dedicated strategy that celebrates our collective identity and to help ensure employees feel valued, connected, and inspired as part of the NL Health Services community. This strategy will support an organizational culture that promotes our mission, vision, and values across all levels of employees including physicians, management, board, patient and family advisors, students, and volunteers.

A successful branding strategy contributes to a sense of pride throughout an organization and is therefore critical in helping build a positive workplace culture throughout NL Health Services. The brand and reputation of the organization directly impacts every aspect of the organization's service delivery, operations and business and is closely linked to both reputation and public confidence. A positive brand reputation attracts and retains talent. Also, employees who are proud of the organization they work for and believe in its mission are more engaged, motivated and stay with that organization. NL Health Services is therefore committed to building a strong and trusted brand for its' organization, one that is consistent, clear and reliable to unify the provincial health-care system under a singular umbrella.

Access to Health Care

Access to health care is an ongoing challenge across Canada, with patients reporting barriers to timely access to primary care, specialist care, and elective surgeries. In Newfoundland and Labrador, in particular, a higher proportion of residents indicate that there are no primary care providers accepting new patients. Long wait times and geographical barriers continue to impact the health-care system, particularly in rural areas. There are also workforce shortages, increasing demand for services, and the growing complexity of health-care needs. In response, the Government of Canada and the provincial and territorial governments (excluding Quebec) committed to funding improvements in the following priority areas:

1. Expanding family health services and improving access to primary health care;
2. Increasing the supply of health workers and decreasing backlogs in care to support resilient health systems;
3. Improving access to mental health and substance use services; and
4. Modernizing health care information systems and digital tools for secure sharing of electronic health-care information.

NL Health Services remains committed to each of these priority areas and, in particular, to improving access to health care and ensuring that every resident receives timely and effective care across the province.

Environmental Sustainability

The World Health Organization (WHO) states that climate change is the biggest health threat of the 21st century. In Newfoundland and Labrador, the effects of climate change are already being felt with Labrador experiencing the most significant impacts from reduced sea ice and unstable and thawing permafrost to changes in wildlife and vegetation. Over 90% of the people of our province live near the Atlantic Ocean and communities are experiencing more storm surges and coastal erosion, storms, floodings, and sea level rise. Rising temperatures are resulting in increased heat and wildfire events, and combined with changes in precipitation, contributing to variations to patterns of disease caused by bacteria, viruses, and other pathogens carried by mosquitoes, ticks, and animals.

The impact of climate change on health and well-being is far reaching, from the inability to access traditional lands and way of life, to food insecurity and mental health disorder as well as heat-related illnesses, increased allergens, and respiratory illnesses like asthma exacerbation. While everyone is affected by climate change in some way, climate change affects some more than others and can amplify health inequities. Climate change also impacts the health-care system from increasing clinical needs to damaging health facilities and creating disruptions to health services and operations such as supply chain.

The health-care system itself is a significant contributor to climate change from energy-intensive operations to procurement and waste, and anesthetic gases.

NL Health Services is committed to making wise environmental choices in health care that

benefit both the patient and the environment. In alignment with Health Accord NL's call to action to address the climate emergency, NL Health Services has developed its inaugural environmental sustainability strategy. The strategy outlines how we can better understand the linkages between climate change and health and well-being, preparing for the effects of climate change, and reducing NL Health Services' environmental footprint.

A part of this work is using the Climate Change Health Vulnerability and Adaptation Assessment, which was conducted in partnership with the Department of Health and Community Services and the Department of Environment and Climate Change, to help inform the organization's adaptation actions. NL Health Services will continue to build a system that is environmentally sustainable through innovation, dedicated leadership, meaningful engagement, and strategic partnerships.

NL Health Services Fiscal Environment

Financial constraints will continue to challenge NL Health Services, given the ever-increasing demands on our health-care system. According to Health Accord NL, the province needs a more efficient and sustainable health system. In response to increased demands, the province invested \$4.1 billion in health care in 2024.

Key investments this year have been focused on improved health care, such as investments into FCTs. These teams provide individuals and families with access to health care professionals to help meet their health care needs. Currently, over 50,000 residents of the province have been connected.

Other areas of investment include recruitment and retention in health care professionals throughout the province, and health innovations such as the MyHealthNL app and website, which allow users to securely view personal health records and access health information and services easier and faster than ever before.

Health Accord NL indicates that the greatest opportunity for long-term cost reduction is through improving population health. This focus on improved population health will reduce incidence of chronic illnesses and increase wellness, thereby decreasing the demands on the health-care system and reducing costs. This forward thinking is particularly important given the anticipated pressures of the demographic shift toward an aging population and workforce demands. Looking ahead, NL Health Services will continue to invest in improving population health and are committed to optimizing resources and improving efficiency in health care delivery, while maintaining the highest standards of care for the communities we serve.

Appendix A: Glossary of Terms

Term	Definition
Category A Emergency Room	A Category A Emergency Room is a healthcare facility that provides 24/7 physician coverage with the capability to manage critically ill patients using advanced life support techniques. This category of ER ensures the availability of all necessary diagnostic evaluations, such as CT scans, to promptly and effectively address a wide range of medical emergencies.
Category B Emergency Room	Category B Emergency Room offers 24-hour care, with a physician on-call after hours and limited diagnostics.
CorCare (formally Epic)	CorCare (Formally Epic) is a widely used health information system that helps health care organizations manage various aspects of patient care, including electronic health records, billing, patient scheduling, patient registration, and lab results among other functionalities. NL Health Services is transitioning to CorCare, which will improve the efficiency and effectiveness of health care delivery in the province. CorCare provides a unified, integrated system to manage patient care across all departments, improving communication and workflow.
Health Accord NL	Health Accord NL was a task force established in November 2020 by the Government of Newfoundland and Labrador to reimagine health care in the province. In February 2022, Health Accord NL submitted its final report titled Our Province. Our Health. Our Future. A 10-Year Health Transformation . In June 2022, a companion Blueprint report was released, outlining implementation recommendations and timelines.
Learning Health and Social System	A learning health and social system is one in which science, education, informatics, incentives, and culture are aligned for continuous improvement, innovation, and equity. Best practices are seamlessly embedded in the delivery process, individuals and families are active participants in all elements, and new knowledge is generated as an integral by-product. ⁴
Quintuple Aim	The Quintuple Aim is a framework for health care improvement that includes enhancing the care experience, increasing value for care, improving population health, promoting care team wellbeing and advancing health equity.

⁴ The Agency for Healthcare Research and Quality (2019). About Learning Health Systems. Retrieved from <https://www.ahrq.gov/learning-health-systems/about.html#:~:text=Defining%20a%20Learning%20Health%20System,knowledge%20is%20put%20into%20practice>.

Appendix B: Audited Financial Statements



OFFICE OF THE AUDITOR GENERAL
NEWFOUNDLAND AND LABRADOR

Independence. Credibility. Integrity.

July 17, 2025

Ref: DP15-F1025

Ms. Sharon Forsey, FCPA, ICD.D
Chair of the Finance Committee of the Board of Trustees
Newfoundland and Labrador Health Services
760 Topsail Road
St. John's, Newfoundland and Labrador
A1E 2C9

Dear Ms. Forsey:

I enclose one copy of the audited non-consolidated financial statements of Newfoundland and Labrador Health Services – Operating Fund for the year ended March 31, 2025. After signing, please return a copy to me.

The Comptroller General, Treasury Board Secretariat, has indicated that a signed copy of the audited non-consolidated financial statements should also be forwarded to that Office.

Yours truly,

DENISE HANRAHAN, CPA, MBA, ICD.D
Auditor General

Enclosure

c.c. Honourable Krista Lynn Howell
Minister Responsible for Newfoundland and Labrador Health Services

Mr. Bren Hanlon, CPA, MBA
Comptroller General

Newfoundland and Labrador Health Services – Operating Fund

**Non-consolidated financial statements
March 31, 2025**

Newfoundland and Labrador Health Services – Operating Fund

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March 31, 2025

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Management's Report

Management's Responsibility for Newfoundland and Labrador Health Services – Operating Fund Financial Statements

The non-consolidated 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 also responsible for all of the notes to the non-consolidated financial statements, and for ensuring that this information is consistent, where appropriate, with the information contained in the non-consolidated financial statements.

Management is also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that transactions are properly authorized, assets are safeguarded and liabilities are recognized. Management is also responsible for ensuring that transactions comply with relevant policies and authorities and are properly recorded to produce timely and reliable financial information.

The Board of Trustees [the "Board"] is responsible for ensuring that management fulfils its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the non-consolidated financial statements. The Board carries out this responsibility principally through its Finance Committee [the "Committee"]. The Committee meets with management and the external auditor to review any significant accounting and auditing matters, to discuss the results of audit examinations, and to review the non-consolidated financial statements and the external auditor's report. The Committee reports its findings to the Board for consideration when approving the non-consolidated financial statements.

The Office of the Auditor General conducts an independent audit of the annual non-consolidated financial statements of Newfoundland and Labrador Health Services – Operating Fund, in accordance with Canadian generally accepted auditing standards, to express an opinion thereon. The Office of the Auditor General has full and free access to financial management of Newfoundland and Labrador Health Services – Operating Fund.


On behalf of Newfoundland and Labrador Health Services – Operating Fund.



Dr. Patrick Parfrey
Chief Executive Officer

July 16, 2025

Date



Scott Bishop, CPA, CGA, CHE
Vice President – Corporate Services
and Chief Financial Officer

July 16, 2025

Date



OFFICE OF THE AUDITOR GENERAL
NEWFOUNDLAND AND LABRADOR

INDEPENDENT AUDITOR'S REPORT

To the Chair of the Finance Committee of the Board of Trustees and Members
Newfoundland and Labrador Health Services
St. John's, Newfoundland and Labrador

Opinion

I have audited the non-consolidated financial statements of Newfoundland and Labrador Health Services – Operating Fund, which comprise the statement of financial position as at March 31, 2025, and the statement of operations and accumulated deficit, statement of change in net debt, and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying non-consolidated financial statements present fairly, in all material respects, the financial position of Newfoundland and Labrador Health Services – Operating Fund as at March 31, 2025, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Non-Consolidated Financial Statements section of my report. I am independent of Newfoundland and Labrador Health Services – Operating Fund in accordance with the ethical requirements that are relevant to my audit of the non-consolidated financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the non-consolidated financial statements and my auditor's report thereon. The annual report is expected to be made available to me after the date of this auditor's report.

My opinion on the non-consolidated financial statements does not cover the other information and I will not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the non-consolidated financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated. When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance.

Independent Auditor's Report (cont.)

Other Matters

I draw attention to the fact that the supplementary information included with the non-consolidated financial statements related to Newfoundland and Labrador Health Services – Operating Fund does not form part of the non-consolidated financial statements. I have not audited or reviewed this supplementary information and, accordingly, I do not express an opinion, a review conclusion or any other form of assurance on this supplementary information.

Basis of Accounting and Restriction on Distribution and Use

Without modifying my opinion, I draw attention to Note 2 to the non-consolidated financial statements, which describes the basis of presentation of the non-consolidated financial statements of Newfoundland and Labrador Health Services – Operating Fund. These non-consolidated statements have been prepared for specific users and may not be suitable for another purpose.

Responsibilities of Management and Those Charged with Governance for the Non-Consolidated Financial Statements

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

In preparing the non-consolidated financial statements, management is responsible for assessing Newfoundland and Labrador Health Services – Operating Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Newfoundland and Labrador Health Services – Operating Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Non-Consolidated Financial Statements

My objectives are to obtain reasonable assurance about whether the non-consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

Independent Auditor's Report (cont.)

- Identify and assess the risks of material misstatement of the non-consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Newfoundland and Labrador Health Services – Operating Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Newfoundland and Labrador Health Services – Operating Fund's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause Newfoundland and Labrador Health Services to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the zones within Newfoundland and Labrador Health Services – Operating Fund as a basis for forming an opinion on the group non-consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



DENISE HANRAHAN, CPA, MBA, ICD.D
Auditor General

July 17, 2025
St. John's, Newfoundland and Labrador

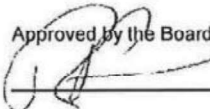
Newfoundland and Labrador Health Services - Operating Fund
Non-consolidated statement of financial position
(in thousands of Canadian dollars)

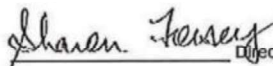
As at March 31,

	2025	2024
	\$	[note 22] \$
Financial assets		
Cash	-	896
Restricted cash [note 3]	2,501	2,137
Accounts receivable [note 4]	189,158	153,374
Due from other entities	3,318	2,613
Sinking fund investment [note 5]	33,629	31,517
	<u>228,606</u>	<u>190,537</u>
Liabilities		
Bank indebtedness	4,202	-
Operating facility [note 6]	624,365	648,325
Accounts payable and accrued liabilities [note 7]	389,629	380,511
Employee future benefits		
Accrued severance pay [note 14]	1,723	2,067
Accrued sick leave [note 15]	122,697	121,148
Accrued vacation pay	141,214	134,228
Deferred contributions		
Deferred capital revenue [note 8a]	110,989	94,983
Deferred operating revenue [note 8b]	91,520	79,443
Special purpose fund	2,382	2,015
Asset retirement obligation - long-term capital [note 17]	11,084	11,084
Long-term debt [note 9]	133,639	135,027
	<u>1,633,444</u>	<u>1,608,831</u>
Net debt	<u>(1,404,838)</u>	<u>(1,418,294)</u>
Non-financial assets		
Tangible capital assets [note 10]	808,684	688,163
Deposits on capital assets	-	335
Supplies inventory [note 18]	50,236	50,480
Prepaid expenses	35,154	38,380
	<u>894,074</u>	<u>777,358</u>
Accumulated deficit	<u>(510,764)</u>	<u>(640,936)</u>

Contingencies [note 12]
Contractual obligations [note 13]

Approved by the Board

 Director

 Sharon Jensen Director

See accompanying notes which are integral to these financial statements.

Newfoundland and Labrador Health Services - Operating Fund
Non-consolidated statement of operations and accumulated deficit
[in thousands of Canadian dollars]

Year ended March 31,	Original Budget	Final Budget	2025	2024
	\$	\$	\$	\$
	[unaudited] [note 21]	[unaudited] [note 21]		
Revenue				
Provincial plan	2,907,907	3,370,507	3,370,507	2,766,034
Medical Care Plan	136,634	145,618	146,681	133,931
Other	82,445	107,479	111,330	103,934
Provincial plan capital grant	-	-	174,627	127,209
Resident	40,081	40,081	44,498	41,637
Inpatient	17,238	19,438	20,183	18,225
Outpatient	17,350	17,513	18,888	17,345
Other capital contributions	-	-	9,277	10,244
	<u>3,201,655</u>	<u>3,700,636</u>	<u>3,895,991</u>	<u>3,218,559</u>
Expenses [note 19]				
Patient and resident services	792,407	862,207	917,401	834,222
Client services	791,243	814,942	822,673	765,759
Diagnostic and therapeutic	339,273	381,289	390,484	363,472
Support	478,949	453,911	494,149	451,937
Ambulatory care	333,650	380,188	406,973	368,218
Administration	300,320	357,229	380,006	322,700
Medical services	172,390	205,314	212,339	208,419
Amortization of tangible capital assets	-	-	62,588	51,576
Research and education	60,380	33,141	32,468	36,152
Other	(11,957)	17,415	38,531	37,076
Employee future benefits				
Accrued severance pay recovery	-	-	(344)	(1,651)
Accrued sick leave expense	-	-	1,549	1,355
Accrued vacation pay expense	-	-	6,986	5,683
Loss on disposal of capital assets	-	-	16	18
Loss on effect on restructuring transaction [note 23]	-	-	-	414,559
	<u>3,256,655</u>	<u>3,505,636</u>	<u>3,765,819</u>	<u>3,859,495</u>
Annual surplus (deficit)	<u>(55,000)</u>	<u>195,000</u>	<u>130,172</u>	<u>(640,936)</u>
Accumulated deficit, beginning of year	(640,936)	(640,936)	(640,936)	-
Accumulated deficit, end of year	<u>(695,936)</u>	<u>(445,936)</u>	<u>(510,764)</u>	<u>(640,936)</u>

See accompanying notes which are integral to these financial statements.

Newfoundland and Labrador Health Services - Operating Fund
Non-consolidated statement of changes in net debt
[in thousands of Canadian dollars]

Year ended March 31,	2025	2024
	\$	\$
Annual surplus (deficit)	130,172	(640,936)
Changes in tangible capital assets		
Acquisition of tangible capital assets	(182,960)	(140,531)
Acquisition of tangible capital assets from long term debt	(165)	-
Additions of tangible capital assets due to restructuring	-	(599,272)
Loss on disposal of capital assets	16	64
Amortization of tangible capital assets	62,588	51,576
Increase in net book value of tangible capital assets	(120,521)	(688,163)
Changes in other non-financial assets		
Prepaid expenses	3,226	(38,380)
Supplies inventory	244	(50,480)
Deposits on capital assets	335	(335)
Decrease (increase) in other non-financial assets	3,805	(89,195)
Decrease (increase) in net debt	13,456	(1,418,294)
Net debt, beginning of year	(1,418,294)	-
Net debt, end of year	(1,404,838)	(1,418,294)

See accompanying notes which are integral to these financial statements.

Newfoundland and Labrador Health Services - Operating Fund
Non-consolidated statement of cash flows
[in thousands of Canadian dollars]

Year ended March 31,

	2025	2024
	\$	[note 22] \$
Operating transactions		
Annual surplus (deficit)	130,172	(640,936)
Adjustments for		
Loss on restructuring	-	427,963
Amortization of tangible capital assets	62,588	51,576
Capital grants - provincial and other [note 8]	(183,904)	(151,938)
Changes in non-cash working capital		
Accrued severance pay	(344)	(1,651)
Accrued sick leave	1,549	1,355
Accrued vacation	6,986	5,683
Accounts receivables and due from other entities	(36,489)	(33,193)
Accounts payable	9,118	105,148
Supplies inventory	244	(382)
Prepaid expenses	3,226	4,615
Deferred operating	12,077	(6,797)
Cash provided by (used in) operating transactions	5,223	(238,557)
Capital transactions		
Acquisition of tangible capital assets	(182,960)	(140,531)
Acquisition of tangible capital assets - long term debt	(165)	-
Disposal of tangible capital assets	16	64
Change in deposit on capital assets	335	2,545
Capital grants received [note 8]	199,910	132,913
Cash provided by (used in) capital transactions	17,136	(5,009)
Investing transactions		
Increase in restricted cash	(364)	(2,137)
Increase in sinking fund investment	(2,112)	(2,064)
Cash used in investing transactions	(2,476)	(4,201)
Financing transactions		
Proceeds on long-term debt	165	-
Repayment of long-term debt	(1,553)	(1,526)
Special purpose funds	367	732
Change in operating facility, net	(23,960)	249,457
Cash (used in) provided by financing transactions	(24,981)	248,663
Net (decrease) increase in cash	(5,098)	896
Cash, beginning of year	896	-
(Bank indebtedness) cash, end of year	(4,202)	896
Cash consists of:		
Cash	13,192	9,227
Bank indebtedness	(17,394)	(8,331)
	(4,202)	896

See accompanying notes which are integral to these financial statements.

Newfoundland and Labrador Health Services – Operating Fund

Notes to non-consolidated financial statements

[Tabular amounts in thousands of Canadian dollars]

March 31, 2025

1. Nature of operations

Newfoundland and Labrador Health Services ["NL Health Services"] is responsible for the governance of health services in the Province of Newfoundland and Labrador [the "Province"].

NL Health Services was established on April 1, 2023, through the amalgamation of the Province's four regional health authorities, [Eastern Regional Health Authority, Central Regional Health Authority, Western Regional Health Authority, and Labrador-Grenfell Regional Health Authority] and the Newfoundland and Labrador Centre for Health Information ["NLCHI"]. See note 23 for further details.

The mandate of NL Health Services spans the full health continuum, including primary and secondary level health and community services for the Province. NL Health Services also has a mandate to work to improve the overall health of the population through its focus on public health as well as on health promotion and prevention initiatives. Services are both community and institutional based. In addition to the provision of comprehensive health care services, NL Health Services also provides education and research in partnership with all stakeholders.

2. Summary of significant accounting policies

Basis of accounting

The non-consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards ["PSAS"] established by the Public Sector Accounting Standards Board of the Chartered Professional Accountants of Canada. The significant accounting policies used in the preparation of these non-consolidated financial statements are as follows:

Basis of presentation

These non-consolidated financial statements reflect the assets, liabilities, revenue, and expenses of the Operating Fund. Trusts administered by NL Health Services are not included in the non-consolidated statement of financial position (note 11). These non-consolidated financial statements have not been consolidated with those of other organizations controlled by NL Health Services because they have been prepared for NL Health Services Board of Trustees and the Department of Health and Community Services [the "Department"]. Since these non-consolidated financial statements have not been prepared for general purposes, they should not be used by anyone other than the specified users. Consolidated financial statements have also been issued.

Revenue recognition

Provincial plan revenue without eligibility criteria and stipulations restricting its use is recognized as revenue when the government transfers are authorized.

Government transfers with stipulations restricting their use are recognized as revenue when the transfer is authorized and the eligibility criteria are met by NL Health Services, except when and to the extent the transfer gives rise to an obligation that constitutes a liability. When the transfer gives rise to an obligation that constitutes liability, the transfer is recognized in revenue when the liability is settled. Medical Care Plan ["MCP"], inpatient, outpatient and residential revenues are recognized in the period services are provided.

Newfoundland and Labrador Health Services – Operating Fund

Notes to non-consolidated financial statements

[Tabular amounts in thousands of Canadian dollars]

March 31, 2025

NL Health Services is funded by the Department for the total of its operating costs, after deduction of specified revenue and expenses, to the extent of the approved budget. The final amount to be received by NL Health Services for a particular fiscal year will not be determined until the Department has completed its review of NL Health Services' non-consolidated financial statements. Adjustments resulting from the Department's review and final position statement will be considered by NL Health Services and reflected in the period of assessment. There were no changes from the previous year.

Other revenue includes dietary revenue, shared salaries and services and rebates and salary recoveries from WorkplaceNL. Rebates and salary recovery amounts are recorded once the amounts to be recorded are known and confirmed by WorkplaceNL. There is no revenue from non-recurring activities with performance obligations presented in these financial statements.

Expenses

Expenses are recorded on an accrual basis as they are incurred and measurable based on receipt of goods or services.

Asset classification

Assets are classified as either financial or non-financial. Financial assets are assets that could be used to discharge existing liabilities or finance future operations and are not to be consumed in the normal course of operations. Non-financial assets are acquired, constructed, or developed assets that do not provide resources to discharge existing liabilities but are employed to deliver healthcare services, may be consumed in normal operations and are not for resale.

Cash (bank indebtedness)

Bank balances, including bank overdrafts with balances that fluctuate from positive to overdrawn, are presented under cash or bank indebtedness, respectively.

Supplies inventory

Supplies inventory is valued at the lower of cost and replacement cost, determined on a first-in, first-out basis.

Tangible capital assets

NL Health Services has control over certain assets for which title resides with the Government of Newfoundland and Labrador [the "Government"]. These assets have not been recorded in the non-consolidated financial statements of NL Health Services. The Government does not charge NL Health Services any amount for the use of such assets. Certain additions and improvements made to said tangible capital assets are paid for by NL Health Services and are reflected in the non-consolidated financial statements.

It is expected that these rates will charge operations with the total cost of the assets less estimated salvage value over the useful lives of the assets as follows:

Newfoundland and Labrador Health Services – Operating Fund

Notes to non-consolidated financial statements

[Tabular amounts in thousands of Canadian dollars]

March 31, 2025

Land improvements	Straight-line 10 years and declining balance 2.5% - 20%
Buildings and improvements	Straight-line 40 years and declining balance 5% - 20%
Equipment and motor vehicles	Straight-line 5 - 7 years and declining balance 6.67% - 33.3%
Computer network assets	Straight-line 3 - 10 years

Gains and losses on disposal of individual assets are recognized in operations in the period of disposal.

Construction in progress is not amortized until the project is substantially complete, at which time the project costs are transferred to the appropriate asset class and amortized accordingly.

Impairment of long-lived assets

Tangible capital assets are written down when conditions indicate that they no longer contribute to NL Health Services' ability to provide goods and services, or when the value of future economic benefits associated with the tangible capital assets is less than their net book value. The net write-downs are accounted for as expenses in the non-consolidated statement of operations and accumulated deficit.

Capital and operating leases

A lease that transfers substantially all of the benefits and risks associated with ownership of property is accounted for as a capital lease. At the inception of a capital lease, an asset and an obligation are recorded at an amount equal to the lesser of the present value of the minimum lease payments and the asset's fair value. Assets acquired under capital leases are amortized on the same basis as other similar capital assets. All other leases are accounted for as operating leases and the payments are expensed as incurred.

Employee future benefits

Accrued severance

Due to changes in collective agreements, severance benefits accrued have been paid out to eligible employees. Employees who opted not to receive eligible severance payments were given the option to defer payment but will not accrue any further severance benefits.

Accrued sick leave

Employees of NL Health Services are entitled to sick leave benefits that accumulate but do not vest. NL Health Services recognizes the liability in the period in which the employee renders service. The obligation is actuarially determined using assumptions based on management's best estimates of the probability of accrued sick leave, future salary and wage changes, employee age, the probability of departure, retirement age, the discount rate and other factors. Discount rates are based on the Province's long-term borrowing rate. Actuarial gains and losses are deferred and amortized over the average remaining service life of employees, which is 13 years.

Accrued vacation pay

Vacation pay is accrued for all employees as entitlement is earned.

Newfoundland and Labrador Health Services – Operating Fund

Notes to non-consolidated financial statements

[Tabular amounts in thousands of Canadian dollars]

March 31, 2025

Pension costs

Employees are members of the Public Service Pension Plan and/or the Government Money Purchase Plan [the "Plans"] administered by the Government. The Plans are defined benefit plans and are considered multi-employer plans for accounting purposes. Contributions to the Plans are required from both the employees and NL Health Services. The annual contributions for pensions are recognized as an expense as incurred and amounted to \$137,252,864 for the year ended March 31, 2025 [2024 - \$119,793,782].

Sinking fund investment

The sinking fund was established for the partial retirement of NL Health Services' sinking fund debenture, which is held and administered by the Government.

Contributed services

Volunteers contribute a significant amount of their time each year assisting NL Health Services in carrying out its service delivery activities. Due to the difficulty in determining fair value, contributed services are not recognized in these non-consolidated financial statements.

Use of estimates

The preparation of non-consolidated financial statements in conformity with PSAS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities as at the date of the non-consolidated financial statements, and the reported amounts of revenue and expenses during the reporting period. Areas requiring the use of management estimates include the assumptions used in the valuation of employee future benefits, tangible capital asset useful life, allowance for doubtful accounts, and asset retirement obligations. Actual results could differ from these estimates.

Financial instruments

Financial instruments are classified in one of the following categories: [i] fair value or [ii] cost or amortized cost. NL Health Services determines the classification of its financial instruments at initial recognition.

Long-term debt is initially recorded at fair value and subsequently measured at amortized cost using the effective interest rate method. Transaction costs related to the issuance of long-term debt are capitalized and amortized over the term of the instrument.

Cash and bank indebtedness are classified at fair value. Other financial instruments, including accounts receivable, sinking fund investment, accounts payable and accrued liabilities, and due to/from government/other government entities, are initially recorded at their fair value and are subsequently measured at amortized cost, net of any provisions for impairment.

Newfoundland and Labrador Health Services – Operating Fund

Notes to non-consolidated financial statements

[Tabular amounts in thousands of Canadian dollars]

March 31, 2025

3. Restricted cash

Restricted cash relates to amounts held for special purpose funds and endowment funds.

4. Accounts receivable

	2025 \$	2024 \$
Services to patients, residents and clients	46,211	32,091
Other	68,086	25,998
Government of Newfoundland and Labrador	80,656	77,072
Other government entities	2,731	25,418
Gross accounts receivable	197,684	160,579
Less allowance for doubtful accounts	(8,526)	(7,205)
Net accounts receivable	189,158	153,374

5. Sinking fund investment

A sinking fund investment, established for the partial retirement of the Debenture [note 9], is held in trust by the Government. The balance as at March 31, 2025 includes interest earned in the amount of \$15,684,807 [2024 - \$14,320,872]. The annual principal payment to the sinking fund investment until the maturity of the Debenture on June 15, 2040, is \$747,500.

6. Operating facility

NL Health Services has access to a line of credits totaling \$665,000,000 [2024 - \$693,000,000] in the form of revolving demand loans and/or overdrafts at its financial institutions. As at March 31, 2025, NL Health Services had used \$624,365,000 [2024 - \$648,325,201] from their line of credit. NL Health Services' ability to borrow has been approved by the Province's Minister of Health and Community Services.

Newfoundland and Labrador Health Services – Operating Fund

Notes to non-consolidated financial statements

[Tabular amounts in thousands of Canadian dollars]

March 31, 2025

7. Accounts payable and accrued liabilities

	2025 \$	2024 \$
Accounts payable and accrued liabilities	210,236	207,222
Salaries and wages payable	117,087	98,027
Employee/employer remittances	2,817	3,058
Government of Newfoundland and Labrador	9,483	13,838
Government of Canada	26,798	34,384
Other government entities	23,208	23,982
	<u>389,629</u>	<u>380,511</u>

8. Deferred contributions

	2025 \$	2024 \$
Deferred capital grants [a]		
Balance as at beginning of year	94,983	-
Transfers due to restructuring	-	114,008
Receipts during the year	199,910	132,913
Recognized in revenue during the year	(183,904)	(151,938)
Balance as at end of year	<u>110,989</u>	<u>94,983</u>
Deferred operating revenue [b]		
Balance as at beginning of year	79,443	-
Transfers due to restructuring	-	86,240
Receipts during the year	2,267,388	1,866,821
Recognized in revenue during the year	(2,255,311)	(1,873,618)
Balance as at end of year	<u>91,520</u>	<u>79,443</u>

[a] Deferred capital grants represent transfers from government and other government entities received with associated stipulations relating to the purchase of capital assets, resulting in a liability. These grants will be recognized as revenue when the related assets are acquired or constructed, and the liability is settled.

[b] Deferred operating revenue represents externally restricted government transfers with associated stipulations relating to specific projects or programs, resulting in a liability. These transfers will be recognized as revenue in the period in which the resources are used for the specified purpose.

Newfoundland and Labrador Health Services – Operating Fund

Notes to non-consolidated financial statements

[Tabular amounts in thousands of Canadian dollars]

March 31, 2025

9. Long-term debt

	2025	2024
	\$	\$
Sinking fund debenture, Series HCCI, 6.90%, maturing June 2040, interest payable semi-annually on June 15 and December 15 [the "Debenture"]	130,000	130,000
Newfoundland and Labrador Housing ["NLHC"] [Blue Crest Seniors Home], 8.00% mortgage, maturing in November 2025, repayable in blended monthly instalments of \$7,777.	64	148
NLHC, [Golden Heights Manor Seniors Home], 10.50% mortgage, maturing in August 2027, repayable in blended monthly instalments of \$7,549.	200	266
Royal Bank of Canada, 6.99% interest rate, maturing July 2027, repayable in blended monthly payments of \$597.	15	22
Royal Bank of Canada, 6.99% interest rate, maturing July 2027, repayable in blended monthly payments of \$597.	15	22
Royal Bank of Canada, 4.63% interest rate, maturing August 2027, repayable in blended monthly payments of \$1,490.	41	56
Compass Group Canada Ltd, 4.50% interest, maturing March 2028	99	-
NLHC, [Bay St. George Seniors Home], 8.00% mortgage, maturing in October 2026, repayable in blended monthly payments of \$9,523	175	270
Obligations under capital lease, 3.00% maturing in May 2028, payable in blended monthly instalments which escalate on an annual basis	1,546	1,973
Canadian Imperial Bank of Commerce, ["CIBC"], [Carmelite House], 2.67%, maturing January 2027, repayable in equal blended monthly payments of \$56,108.	1,200	1,832
CIBC, [3 Twomey Drive, Botwood], 4.49%, maturing July 2027, repayable in equal blended monthly payments of \$399.	11	15
NLHC, [Valley Vista Senior Citizens Home], 8.00%, maturing August 2027, repayable in equal monthly payments of \$10,124	273	369
NLHC, [Authority offices], 7.88%, matured August 2024.	-	54
	133,639	135,027

Newfoundland and Labrador Health Services – Operating Fund

Notes to non-consolidated financial statements

[Tabular amounts in thousands of Canadian dollars]

March 31, 2025

9. Long-term debt (continued)

The semi-annual interest payments on the Debenture are \$4,485,000. The semi-annual interest payments and mandatory annual sinking fund payments on the Debenture are guaranteed by the Government.

Future principal repayments to maturity are as follows:

	\$
2026	1,516
2027	1,370
2028	666
2029	87
2030	-
Thereafter	130,000
	<u>133,639</u>

10. Tangible capital assets

	Land and land improvements \$	Buildings and Improvements \$	Equipment and Motor Vehicle \$	Construction in progress \$	Computer Network Assets \$	Total \$
2025						
Cost						
Opening balance	5,175	722,211	1,110,177	169,119	39,975	2,046,657
Additions	-	19,270	138,520	20,795	4,540	183,125
Disposals	-	-	(359)	-	-	(359)
Closing balance	5,175	741,481	1,248,338	189,914	44,515	2,229,423
Accumulated amortization						
Opening balance	1,343	385,474	934,954	-	36,723	1,358,494
Additions	26	14,824	45,638	-	2,100	62,588
Disposals	-	-	(343)	-	-	(343)
Closing balance	1,369	400,298	980,249	-	38,823	1,420,739
Net book value	3,806	341,183	268,089	189,914	5,692	808,684

Newfoundland and Labrador Health Services – Operating Fund

Notes to non-consolidated financial statements

[Tabular amounts in thousands of Canadian dollars]

March 31, 2025

10. Tangible capital assets (continued)

	Land and land improvements \$	Buildings and Improvements \$ [note 22]	Equipment and Motor Vehicle \$ [note 22]	Construction in progress \$ [note 22]	Computer Network Assets \$	Total \$
2024						
Cost						
Opening balance	-	-	-	-	-	-
Additions due to restructuring	5,175	686,149	1,076,213	99,571	53,389	1,920,497
Reclassification adjustment	-	(10,467)	(10,638)	21,105	-	-
Additions	-	46,529	44,911	48,443	648	140,531
Disposals	-	-	(309)	-	(14,062)	(14,371)
Closing balance	5,175	722,211	1,110,177	169,119	39,975	2,046,657
Accumulated amortization						
Opening balance	-	-	-	-	-	-
Additions due to restructuring	1,330	371,056	900,271	-	48,568	1,321,225
Additions	13	14,418	34,928	-	2,217	51,576
Disposals	-	-	(245)	-	(14,062)	(14,307)
Closing balance	1,343	385,474	934,954	-	36,723	1,358,494
Net book value	3,832	336,737	175,223	169,119	3,252	688,163

11. Trust funds

Trusts administered by NL Health Services have not been included in the non-consolidated financial statements as they are excluded from the Government reporting entity. As at March 31, 2025, the balance of funds held in trust for residents of long-term care facilities was \$5,329,887 [2024 - \$4,636,372]. These trust funds include a monthly comfort allowance provided to residents who qualify for subsidization of their boarding and lodging fees.

12. Contingencies

Several legal claims have been filed against NL Health Services. An estimate of loss, if any, relating to these matters is not determinable at this time, and no provision has been recorded in the accounts for these matters.

Newfoundland and Labrador Health Services – Operating Fund

Notes to non-consolidated financial statements

[Tabular amounts in thousands of Canadian dollars]

March 31, 2025

13. Contractual obligations

NL Health Services has entered into a number of multiple-year operating leases, contracts for the delivery of services and the use of assets. These contractual obligations will become liabilities in the future when the terms of the contracts are met. Future minimum lease payments for the next five years are as follows:

	\$
2026	43,256
2027	20,767
2028	15,924
2029	15,230
2030	14,886
Thereafter	16,766
	<u>126,829</u>

14. Accrued severance pay

NL Health Services has contracts with the Newfoundland and Labrador Medical Association for salaried physicians, as well as collective agreements with various unions in each zone. All current contracts and collective agreements have resulted in the curtailment and settlement of severance benefits, however eligible employees were given the option to defer payment without accruing any further severance benefits. At March 31, 2025, the accrued severance pay is \$1,723,000 [2024 - \$2,067,000].

15. Accrued sick leave

NL Health Services provides sick leave to employees as the obligation arises and accrues a liability based on anticipation of sick days accumulating for future use. In 2025, cash payments to employees for NL Health Services' unfunded sick leave benefits amounted to \$15,582,000 [2024 - \$14,328,000].

The most recent actuarial valuations for the accrued sick obligation was performed effective March 31, 2024, with an extrapolation to March 31, 2025, and March 31, 2023, with an extrapolation to March 31, 2025.

Newfoundland and Labrador Health Services – Operating Fund

Notes to non-consolidated financial statements

[Tabular amounts in thousands of Canadian dollars]

March 31, 2025

15. Accrued sick leave (continued)

The accrued benefit liability and benefit expense of the sick leave are outlined below:

	2025 \$	2024 \$
Accrued benefit liability, beginning of year	121,148	-
Benefits expense		
Transfer due to restructuring	-	119,793
Current period benefit cost	10,753	9,898
Interest on accrued benefit obligation	4,972	4,520
Amortization of actuarial losses and gains	1,558	1,106
	138,431	135,317
Benefits paid	(15,582)	(14,328)
Unamortized actuarial (gains)/losses	(152)	159
Accrued benefit liability, end of year	122,697	121,148
Current period benefit cost	10,753	9,898
Interest on accrued benefit obligation	4,972	4,520
Amortization of actuarial losses and gains	1,558	1,106
Total expense recognized for the year	17,283	15,524

The significant actuarial assumptions used in measuring the accrued sick leave benefit expense and liability are as follows:

Discount rate – liability 4.48% as at March 31, 2025
4.71% - 4.75% as at March 31, 2024

Discount rate – benefit expense 4.48% as at March 31, 2025
4.71% - 4.75% as at March 31, 2024

Rate of compensation increase As at March 31, 2025
2.75% on April 1, 2024, and 2025. 3.00% - 3.50% per annum thereafter. Rates include 0.75% for promotion and merit.

As at March 31, 2024
NLNU salary rate assumed an increase of 2.75% on April 1st of 2021 and 2022. 11.75% at April 1, 2023, 2.75% on April 1st of 2024, 2025, and 3.50% increases per annum thereafter.
All other contracts salary rates will be assumed to increase at 2.75% on April 1st of 2021, 2022, 2023, 2024, 2025, and 3.50% per annum thereafter. Rates include 0.75% for promotion and merit.

Newfoundland and Labrador Health Services – Operating Fund

Notes to non-consolidated financial statements

[Tabular amounts in thousands of Canadian dollars]

March 31, 2025

16. Related party transactions

NL Health Services' related party transactions occur with the Government and other government entities. Other government entities are those who report financial information to the Government.

Transfers from the Government are funding payments made to NL Health Services for both operating and capital expenditures, and payments made from the MCP. Transfers from other related government entities are payments made to NL Health Services from WorkplaceNL. Transfers to other related government entities are payments made by NL Health Services to faith-based long-term care facilities and Memorial University. Transactions are settled at prevailing market prices under normal trade terms.

NL Health Services had the following transactions with the Government and other government entities:

	2025 \$	2024 \$
		[note 22]
Transfers from the Government of Newfoundland and Labrador	3,749,872	3,037,802
Transfers from other government entities	11,477	8,980
Transfers to other related government entities	88,550	88,719
	<u>3,849,899</u>	<u>3,135,501</u>

17. Asset retirement obligation

NL Health Services owns and operates several buildings that are known to have asbestos, which represents a health hazard upon demolition of the building and there is a legal obligation to remove it. Following the adoption of PS 3280 Asset Retirement Obligations, NL Health Services recognized an obligation relating to the removal and post-removal care of the asbestos in these buildings as estimated at April 1, 2022.

The buildings had an estimated useful life of 40 years when they were purchased prior to 1983 and are fully depreciated. Post-closure care is estimated to extend for up to a year post the closure of the building, while demolition and construction continues. The original buildings are recorded as tangible capital assets in the financial records of the Government of Newfoundland and Labrador and NL Health Services equipment disposal is handled by vendors as per contract. The estimated total undiscounted future expenditures are \$11,083,936 [2024 - \$11,083,936]. The liability is expected to be settled upon demolition or renovation of each of the buildings.

18. Supplies inventory

	2025 \$	2024 \$
Supplies inventories	40,206	41,468
Pandemic inventories	10,030	9,012
	<u>50,236</u>	<u>50,480</u>

Newfoundland and Labrador Health Services – Operating Fund

Notes to non-consolidated financial statements

[Tabular amounts in thousands of Canadian dollars]

March 31, 2025

19. Expenses by object

This disclosure supports the functional display of expenses provided in the non-consolidated statement of operations and accumulated deficit by offering a different perspective of the expenses for the year. The following presents expenses by object, which outlines the major types of expenses incurred by NL Health Services during the year.

	2025 \$	2024 \$
Salaries	1,843,803	1,678,787
Supplies – other	725,091	664,247
Direct client costs	496,926	477,615
Employee benefits	316,597	284,198
Maintenance	59,938	55,672
Supplies – medical and surgical	126,518	114,306
Drugs	125,173	109,292
Amortization of tangible capital assets	62,588	51,576
Interest - long-term debt	9,169	9,225
Other	16	18
Loss on effect on restructuring transaction [note 23]	-	414,559
Total expenses	3,765,819	3,859,495

20. Financial instruments and risk management

Risks and uncertainties

NL Health Services is exposed to a number of risks as a result of the financial instruments on its non-consolidated statement of financial position that can affect its operating performance. These risks include credit risk, liquidity risk, and interest rate risk. NL Health Services Board of Trustees has overall responsibility for the oversight of these risks and reviews NL Health Services' policies on an ongoing basis to ensure that these risks are appropriately managed. NL Health Services is not exposed to interest rate risk as the majority of its long-term debt obligations are at fixed rates of interest. The sources of risk exposure and how each is managed are outlined below:

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfil its payment obligation. NL Health Services' credit risk is primarily attributable to accounts receivable. NL Health Services has a collection policy and monitoring processes intended to mitigate potential credit losses. The risk is further reduced as a significant portion of accounts receivable are associated with the Government in addition to other government entities; therefore, collection of these amounts is reasonably assured. Management believes that the credit risk with respect to accounts receivable is not material.

Newfoundland and Labrador Health Services – Operating Fund

Notes to non-consolidated financial statements

[Tabular amounts in thousands of Canadian dollars]

March 31, 2025

20. Financial instruments and risk management (continued)

Liquidity risk

Liquidity risk is the risk that NL Health Services will not be able to meet its financial obligations as they become due. In fiscal 2025, NL Health Services had an authorized credit facility [the "Facility"] of \$665,000,000 [2024 - \$693,000,000]. As at March 31, 2025, NL Health Services had \$40,635,000 [2024 - \$44,674,799] in funds available on the Facility. To the extent that NL Health Services does not believe it has sufficient liquidity to meet current obligations, consideration will be given to obtaining additional funds through third-party funding or from the Province, assuming these can be obtained.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. NL Health Services' interest rate risk is primarily attributable to its operating loan, sinking funds, and long-term debt. NL Health Services is not materially exposed to interest rate risk on its long-term debt obligations as the majority are at a fixed rate of interest. The operating loan has a variable interest rate which involves the risk of default on interest and principal and price changes due to, without limitation, such as factors as interest rates and economic conditions.

21. Final Budget

NL Health Services prepares an initial budget for a fiscal period that is approved by the Board of Trustees and the Government [the "Original Budget"]. The Original Budget may change significantly throughout the year as it is updated to reflect the impact of all known service and program changes approved by the Government. Additional changes to services and programs that are initiated throughout the year would be funded through amendments to the Original Budget, and an updated budget is prepared by NL Health Services. The updated budget [the "Budget"] amounts are reflected in the budget amounts as presented in the non-consolidated statement of operations and accumulated deficit. Budgeted figures in the non-consolidated financial statements are not audited.

The Original Budget and the Budget do not include amounts relating to certain non-cash and other items including tangible capital asset amortization, the recognition of provincial capital grants and other capital contributions, adjustments required to the accrued benefit obligations associated with severance and sick leave, and adjustments to accrued vacation pay as such amounts are not required by the Government to be included in the Original Budget or the Budget. NL Health Services also does not prepare a full budget in respect of changes in net debt as NL Health Services does not include an amount for tangible capital asset amortization or the acquisition of tangible capital assets in the Original Budget or the Budget.

Newfoundland and Labrador Health Services – Operating Fund

Notes to non-consolidated financial statements

[Tabular amounts in thousands of Canadian dollars]

March 31, 2025

21. Final Budget (continued)

The following presents a reconciliation between the Original Budget and the final Budget as presented in the non-consolidated statement of operations and accumulated deficit for the year ended March 31, 2025:

	Revenue \$	Expenses \$	Annual surplus (deficit) \$
Original Budget	3,201,655	3,256,655	(55,000)
Adjustments during the year for service and program changes, net	248,981	248,981	-
Revised Original Budget	3,450,636	3,505,636	(55,000)
One-time funding approved by the Government	250,000	-	250,000
Final Budget	3,700,636	3,505,636	195,000

	Revenue \$	Expenses \$	Annual surplus (deficit) \$
2024			
Original Budget	2,857,004	2,910,756	(53,752)
Adjustments during the year for service and program changes, net	226,632	226,632	-
Revised Original Budget	3,083,636	3,137,388	(53,752)
One-time funding approved by the Government	5,000	-	5,000
Final Budget	3,088,636	3,137,388	(48,752)

22. Comparative figures

Certain comparative figures have been reclassified from those previously presented to conform to the presentation of the 2025 financial statements.

23. Restructuring transactions

On April 1, 2023, NLHS entered into a restructuring transaction with the Province's 4 regional health authorities, [Eastern Regional Health Authority ("Eastern"), Central Regional Health Authority ("Central"), Western Regional Health Authority ("Western"), Labrador-Grenfell Regional Health Authority ("Labrador")] and Newfoundland and Labrador Centre for Health Information ("NLCHI") to join operations together. The restructuring transaction was undertaken to streamline programs and services, as well as associated corporate services.

Newfoundland and Labrador Health Services – Operating Fund

Notes to non-consolidated financial statements

[Tabular amounts in thousands of Canadian dollars]

March 31, 2025

23. Restructuring transactions (continued)

NLHS has recognized in the Statement of Financial Position, the assets and liabilities received from the five entities at their carrying amount on the date of the restructuring as illustrated below. No adjustments were made to the carrying amounts of the assets or liabilities. No costs, including compensation, were incurred because of the restructuring.

The Regional Health Authority Act was repealed and replaced with Provincial Health Authority Act on April 1, 2023. This legislative change required restructuring transactions to be completed.

Newfoundland and Labrador Health Services - Operating Fund
Notes to non-consolidated financial statements
[Tabular amounts in thousands of Canadian dollars]
March 31, 2025

Note 23. Restructuring transaction on April 1, 2023

	Eastern \$	Labrador \$	Central \$	Western \$	NLCHI \$	Total \$
Financial assets						
Cash	1,737	1,931	-	-	16,073	19,741
Accounts receivable	73,639	14,480	13,064	16,660	4,062	121,905
Due from other entities	336	-	-	-	-	336
Sinking fund investment	29,453	-	-	-	-	29,453
Due from Cottage operations	-	-	553	-	-	553
	105,165	16,411	13,617	16,660	20,135	171,988
Liabilities						
Bank indebtedness	-	6,337	-	-	-	6,337
Operating facility	289,486	21,780	35,482	52,120	-	398,868
Accounts payable and accrued liabilities	176,341	14,837	42,252	30,793	11,140	275,363
Employee future benefits						
Accrued severance pay	2,441	513	264	486	14	3,718
Accrued sick leave	71,006	9,302	19,372	19,547	566	119,793
Accrued vacation pay	80,837	8,778	20,860	13,246	4,824	128,545
Deferred contributions						
Deferred capital gains	49,522	16,235	23,950	23,010	1,291	114,008
Deferred operating revenue	40,625	7,185	6,692	9,294	22,444	86,240
Special purpose fund	-	1,283	-	-	-	1,283
Asset retirement obligation - long-term capital	1,400	1,244	6,741	1,699	-	11,084
Long-term debt	130,736	-	3,085	2,732	-	136,553
	842,394	87,494	158,698	152,927	40,279	1,281,792
Net debt	(737,229)	(71,083)	(145,081)	(136,267)	(20,144)	(1,109,804)
Non-financial assets						
Tangible capital assets	396,415	52,648	73,262	72,095	4,851	599,272
Deposits on capital assets	-	-	2,880	-	-	2,880
Supplies inventory	37,423	2,916	3,531	6,198	30	50,098
Prepaid expenses	24,791	1,147	4,301	2,898	9,858	42,995
	458,629	56,711	83,974	81,192	14,739	695,245
Effect of restructuring transactions	(278,600)	(14,372)	(61,107)	(55,076)	(5,405)	(414,559)

Newfoundland and Labrador Health Services - Operating Fund
Non-consolidated schedule of expenses for government reporting - Schedule 1
[in thousands of Canadian dollars]

Year ended March 31

	2025	2024
	\$	\$
	[unaudited]	[unaudited]
Patient and resident services		
Acute care	540,798	488,220
Long-term care	376,603	346,002
	<u>917,401</u>	<u>834,222</u>
Client services		
Community support programs	649,688	614,389
Mental health and addictions	113,256	102,703
Health promotion and protection	59,729	48,667
	<u>822,673</u>	<u>765,759</u>
Diagnostic and therapeutic		
Other diagnostic and therapeutic	164,337	148,737
Clinical laboratory	118,409	113,316
Diagnostic imaging	107,738	101,419
	<u>390,484</u>	<u>363,472</u>
Support		
Facilities management	171,035	162,287
Other support	142,323	114,402
Food services	86,939	84,008
Housekeeping	75,996	74,007
Laundry and linen	17,856	17,233
	<u>494,149</u>	<u>451,937</u>
Ambulatory care	406,973	368,218
Administration		
General administration	61,512	52,618
Finance and budgeting	32,420	30,273
Human resources	63,106	37,700
Systems support	122,044	99,343
Other administrative	100,924	102,766
	<u>380,006</u>	<u>322,700</u>
Medical services	212,339	208,419
Undistributed	38,531	37,076
Education	29,923	34,021
Research	2,545	2,131
Loss on effect on restructuring transaction	-	414,559
Total shareable expenses	<u>3,695,024</u>	<u>3,802,514</u>

Newfoundland and Labrador Health Services - Operating Fund
Non-consolidated schedule of revenue and expenses for government reporting - Schedule 2
[in thousands of Canadian dollars]

Year ended March 31

	2025	2024
	\$	\$
	<i>[unaudited]</i>	<i>[unaudited]</i>
Revenue		
Provincial plan	3,370,507	2,766,034
Medical Care Plan	146,681	133,931
Other	108,680	101,332
Resident	44,498	41,637
Inpatient	20,183	18,225
Outpatient	18,888	17,345
Transportation and Works	1,286	1,286
	<u>3,710,723</u>	<u>3,079,790</u>
Expenses		
Compensation		
Salaries	1,843,803	1,678,787
Employee benefits	308,406	278,811
	<u>2,152,209</u>	<u>1,957,598</u>
Supplies		
Other	725,091	664,247
Drugs	125,173	109,292
Medical and surgery	126,518	114,306
Plant operations and maintenance	59,938	55,672
	<u>1,036,720</u>	<u>943,517</u>
Direct client costs		
Mental health and addictions	105,811	104,383
Community support	391,115	373,232
	<u>496,926</u>	<u>477,615</u>
Long-term debt		
Long-term debt – interest	9,169	9,225
Long-term debt – principal	2,301	2,274
	<u>11,470</u>	<u>11,499</u>
Total expenses	<u>3,697,325</u>	<u>3,390,229</u>
Surplus (deficit) for government reporting	13,398	(310,439)
Long-term debt – principal	2,301	2,274
Surplus (deficit) before non-shareable items	<u>15,699</u>	<u>(308,165)</u>
Adjustments for non-shareable items		
Provincial plan capital grant	174,627	127,209
Other capital contributions	9,277	10,244
Amortization of tangible capital assets	(62,588)	(51,576)
Interest on sinking fund	1,364	1,316
Gain on disposal of capital assets	(16)	(18)
Accrued severance pay	344	1,651
Accrued sick leave	(1,549)	(1,355)
Accrued vacation pay	(6,986)	(5,683)
	<u>114,473</u>	<u>81,788</u>
Loss on effect on restructuring transaction	-	414,559
Annual surplus (deficiency) as per non-consolidated statement of operations and accumulated deficit	<u>130,172</u>	<u>(640,936)</u>

Newfoundland and Labrador Health Services - Operating Fund
Non-consolidated schedule of capital transactions funding and expenses - Schedule 3
[in thousands of Canadian dollars]

Year ended March 31

	2025	2024
	\$	\$
	<i>[unaudited]</i>	<i>[unaudited]</i>
Revenue		
Deferred grants – previous year	94,983	114,008
Provincial plan	169,214	115,819
Long term debt	165	-
Department of Works, Service, and Transportation	9,752	617
Foundations and auxiliaries	8,624	10,294
MUN	96	900
Other	6,033	5,762
Transfer from operations	25,402	2,708
Transfer to other regions	(469)	(1,456)
Transfer to operations	(18,726)	(13,138)
Deferred grants – current year	(110,989)	(94,983)
	184,085	140,531
Expenses		
Equipment	51,886	41,599
Equipment funded by LTD	165	-
Buildings	20,700	51,225
Construction in progress	85,576	45,354
Vehicles	24,798	2,353
Disposal of equipment	(16)	(64)
	183,109	140,467
Surplus on capital transactions	976	64