ANNUAL REPORT TO THE MINISTER
CONTENTS

I. Letter of Transmittal and Accountability

II. Board Governance

III. Organizational and Advisory Structure

IV. Annual Achievements

V. Challenges and Future Directions

VI. Quality and Patient Safety

VII. Financial Information

VIII. Public Interest Disclosure (Whistleblower Protection) Act
"We have the honour of presenting the Annual Report for Shared Health Inc. for the fiscal year ended March 31, 2019."

This Annual Report was prepared under the direction of Shared Health's Board and in accordance with The Regional Health Authorities Act and directions provided by the Minister. All material including economic and fiscal implications known as of March 31, 2019 have been considered in preparing the Annual Report. The Board has approved this report.

Respectfully submitted on behalf of Shared Health Inc.,

Ms. Karen Herd
Interim Board Chair, Shared Health
Shared Health’s Board of Directors is accountable to the Minister of Health. Throughout 2018/19, ongoing work to support health system transformation, including Shared Health activation, and the establishment of governance processes were key priority areas for the Shared Health Board of Directors.

2018/2019 Interim Board of Directors of Shared Health

The interim Board of Directors of Shared Health continued in their inaugural form. Their experience in the administration of Manitoba’s health care system provided our organization with strong governance during this time of transition and activation. A permanent board of directors will be appointed at a later time.

- Ms. Karen Herd (Chair)
- Ms. Bernadette Preun
- Mr. Dan Skwarchuk

Board Oversight

The Board performed its fiduciary responsibilities for the oversight of Shared Health’s inaugural health plan, allocation of funds to appropriately support strategic priorities and monitoring of Shared Health’s budget performance through its committees. The Board also set and reviewed quality and patient safety measures, and ensured legislative, regulatory and accreditation compliance.
MAJOR ACTIVITIES AND DECISIONS OF THE BOARD OF DIRECTORS IN 2018-2019

The Shared Health Board of Directors worked toward establishing board governance structures and risk management strategies. The quarterly reporting of key performance indicator’s (KPIs) for diagnostic services (reported by their respective board committee) remained a priority for the Shared Health Board of Directors. Further indicators for transitioned programs and services will be developed in the 2019/20 fiscal year.

A major Board activity was to oversee the implementation of the Shared Health Activation Plan, developed in concert with transformation goals and objectives. While the overall implementation of the Shared Health Activation Plan was a project within Manitoba’s Health System Transformation, numerous operational plans were developed and operationalized within Shared Health to facilitate the seamless transition of incoming facilities, programs and services.

The Board’s strategic priorities for 2018-2019 were:

Quality of Care and Patient Safety - The Board made quality and patient safety key priorities in all decisions, and strengthened its role in providing strategic direction and appropriate oversight of Shared Health’s performance in these areas; the Board assessed itself regularly on the organization’s progress in the provision of patient-focused quality care and ongoing patient safety.

Accountability/Dashboard – The Board prioritized the development of an accountability system, which included a dashboard of safety, quality and fiduciary metrics.

Provincial Leadership Diagnostic Services - The Board embraced the opportunity presented by the creation of Shared Health for a more provincial approach to leadership and innovation in diagnostics, including the ability to ensure consistency, coordination and integration of all diagnostic services across the province.

BOARD COMMITTEES FOR 2018-2019

Quality and Patient Safety

The Board continued to prioritize quality and patient safety as key priorities in all decisions, and continued its role in providing strategic direction and appropriate oversight of diagnostic services performance.

The Board discussed plans to establish and support a new provincial council focused on quality and patient safety initiatives across Manitoba’s health system.

Finance, Human Resources and Audit

The Board prioritized the development of an Annual Work Plan, Accountability Framework and expanded the role of the committee to include Human Resources.

Other committees will be considered as Shared Health develops.
Engagement - To better understand and address the needs of key stakeholders, particularly during a time of transition, the Board emphasized the importance of direct engagement with staff, patients, families, providers and partners and ensure consideration of their feedback in the planning, delivery and evaluation of services.

Sustainability – The Board achieved a balance between the patient-focused delivery of diagnostic services and the system-wide objective of building a sustainable, integrated health system for the future.

Health System Transformation – The Board supported the active engagement of Shared Health in Wave One of Manitoba’s Health System Transformation. Shared Health has led the development of Manitoba’s first Provincial Clinical and Preventive Services Plan, and is leading the establishment of a provincial model of Emergency Medical Services and integrated provincial diagnostic imaging services, among other health system transformation projects.

Major Consultations with the Public and Other Stakeholders
The Board held an online Annual General Meeting (AGM) on December 10, 2018. In addition to hosting a Shared Health AGM, members of Shared Health attended and participated in the AGMs held by Shared Health’s regional health authority partners. This ongoing engagement demonstrates Shared Health’s commitment to collaboration and integration as we plan with our partners to deliver and sustain quality health care services for Manitobans.

ORGANIZATIONAL AND ADVISORY STRUCTURE

Effective April 3, 2018, Diagnostic Services Manitoba (DSM) Inc. officially became Shared Health Inc. through an amendment to its articles of incorporation with a mandate of improving patient care and providing coordinated clinical and business support to the province’s health system. The creation of Shared Health from the foundation of the former DSM was an early step within Manitoba’s Health System Transformation.

For the 2018/19 Fiscal Year, Shared Health was accountable largely for the budget and operations of the former DSM. However, over the course of 2018/19 Shared Health leadership played a key role in broader health system transformation, including detailed planning related to service that would transition to Shared Health in the 2019/20 fiscal year.

Throughout 2018/19, Shared Health acted as the Secretariat for provincial quality and learning as work continued on the establishment of a Provincial Quality and Learning Council.
Please note that in February 2019, Shared Health bid farewell to Jim Slater who had served as provincial lead, health support services and chief operating officer. We thank Jim for his leadership and significant contributions during his time with Shared Health, and for his previous role as chief executive officer of DSM.

**Provincial Diagnostic Teams**

Provincial diagnostics teams provide expertise in all testing disciplines, guiding service delivery based on best practices, research and emerging trends and technology. In addition to their focus on quality, standardization and continuous improvement initiatives, the Provincial Teams are a resource for sites across Manitoba and directly contribute to a high standard of excellence province-wide.

Shared Health’s complete list of Provincial Diagnostic Teams includes:

- Clinical Biochemistry
- Clinical Microbiology
- Diagnostic Imaging
- Genomics
- Hematology
- Immunology
  - Transplant Immunology
- Transfusion Medicine
- Pathology
  - Autopsy and Forensic Pathology

**Provincial Service Delivery Organization partnerships**

Shared Health works closely with its regional health authority partners and CancerCare Manitoba through designated liaisons and participates in various provincial groups with chief executive officers, chief medical officers, chief financial officers, communications and other counterparts.
Our Diagnostics Facilities

With 80 points of access to provincial laboratory, diagnostic imaging and non-invasive cardiac testing, Shared Health is proud to be Manitoba’s leading provider of public laboratory, rural diagnostic imaging and non-invasive cardiac testing services. For a complete list of our sites, please visit www.sharedhealthmb.ca.

SHARED HEALTH ANNUAL ACHIEVEMENTS

This section will address expected results, critical success factors and strategies and actual results.

The Activation of Shared Health

A significant focus throughout 2018/19 was the preparation required to support the phased transition of staff, departments, programs, services and sites to Shared Health beginning April 2019. These included:

- Diagnostic Services - diagnostic imaging and non-invasive cardiac testing Winnipeg Regional Health Authority (WRHA) and Prairie Mountain Health (PMH)
- Health Sciences Centre Winnipeg
- Digital Health (Manitoba eHealth, Regional Health Authorities and CancerCare Manitoba)
- Medical Assistance in Dying
- WRHA Mental Health Program Services:
  - Crisis Response Centre
  - Co-Occurring Mental Health and Substance Use Disorders (CODI) Outreach Program
  - Crisis Stabilization Unit
  - Forensic Assertive Community Treatment Team (FACT)
  - Forensic Community Mental Health Services.
- Regional Emergency Medical Services and Patient Transport and WRHA Emergency and Continuity Management (Municipal-based services and other contracted services, such as Winnipeg Fire Paramedic Services, STARS, Brandon Fire Emergency Services, and Thompson Fire and Emergency Services are excluded. Service purchase agreements with these organizations would transfer to Shared Health.)
- WRHA corporate and administrative departments.
  - Audit and Risk
  - Corporate Capital Planning
  - Corporate Legal Services
  - Human Resource Services Staff sited at HSC
  - Human Resources Legal Services
  - Insurance and Related Risk
  - Medical Staff Administrative Services
  - Provincial Health Labour Relations Services
  - ESP Administration (WRHA and HSC sites, Churchill EMS and PT)
  - Regional Facilities Management and Security
  - Regional Privacy Support Services
  - Tissue Bank
  - Transplant Manitoba
These transitions, guided by Manitoba’s Health System Transformation, were foundational to the achievement of broad improvements to health-care planning and delivery across the province.

The transition required careful planning and sequencing to ensure a continued focus on patient care throughout the process. Teams comprised of Shared Health, WRHA and Transformation Management Office representatives focused on the transition of the following areas to Shared Health:
- Payroll and employee information
- Benefits
- Website and email addresses (if applicable)
- Communications materials
- Annual operations budgets

**The Provincial Clinical and Preventive Services Plan**

At the centre of Shared Health’s new mandate is responsibility for the development of Manitoba’s first provincial clinical and preventive services plan (PCPSP). The PCPSP will aim to improve access, coordination and integration of health services in Manitoba. Planning is aligned with principles that will support better patient care, fiscal affordability and consistency in the quality of care offered both now and into the future. Streamlined pathways and clear provider roles and responsibilities, as well as equity of patient access and improved integration will all be essential to improved outcomes and the creation of an efficient, effective and sustainable health system.

Led by Shared Health, the plan is drawing on the collective expertise and experience of Manitoba clinical leaders. Nearly 300 health-care professionals from across the province, including leaders from varied professional backgrounds and specialties and with experience delivering service in urban, rural and remote areas of the province, Indigenous communities, francophone communities, as well as Manitoba’s urban centres, have participated in planning.

Organized into eleven Provincial Clinical Teams, these health-care professionals bring varied knowledge and perspectives to the planning process and have been instrumental in gathering information and analyzing data on the services, delivery and models of care used across the province.
Teams involved in the planning provided an overview of the work completed so far, including observations of the current state and the need for change.

The second level of engagement began in March 2019. Over the course of six weeks, nearly 600 clinical leaders, more than 200 stakeholders from professional associations and colleges and approximately 500 municipal officials from across Manitoba participated in sessions that provided participants with an overview of the work underway to develop models of care that will address ongoing issues and challenges affecting the delivery of care across Manitoba.

Ongoing work to finalize the plan is underway, with a final plan to be submitted to Manitoba Health, Seniors and Active Living in summer 2019.

For more information on the clinical plan, visit https://sharedhealthmb.ca/clinical-planning.

Genomics – Precision Medicine

Diagnostic Services continued to work collaboratively with our partners to evaluate and refresh our Clinical Genomics Strategy, originally developed in 2016, and to execute our tactical plans. The focus for 2018/19 was on leveraging the necessary resources to develop the systems and infrastructure to effectively meet the needs to deliver genomics testing to Manitoba patients. The foundation was strengthened through internal reorganization of resources, and partnerships with research, industry and other health service delivery organizations. Over the next few years these foundational elements will result in the repatriation of a number of genomics tests that are currently sent out of province (at a premium, and with extended turnaround times) and the expansion of genomics testing to more closely meet the evolving, growing standards of care models.

Genomics testing can increase positive outcomes for patients by providing more effective treatments and more predictable treatment outcomes through a more efficient use of resources. Genomics testing can help patients avoid ineffective treatments that could result in negative side effects. In addition, genomic testing could lead to earlier detection, prediction of future disease, potential interventions and genetic counseling for families.

This is a high growth area that will continue to require increased investments and re-alignment of resources within the sector and reliance on partnerships to meet its exponentially growing demand.

Turnaround Times (TAT) Strategy

Working in collaboration with our partners, our organization’s efforts to address wait times related to diagnostic services continued. Wait times in diagnostic imaging were primarily related to MRI, CT, and Ultrasound access at our major hub sites in rural Manitoba. In laboratory services, wait times were primarily related to Pathology TATs, Genomic Testing delays and Emergency Department response times in the WRHA.

In the area of Pathology, we continued emphasis on appropriate utilization, improved reporting and performance management capability. Implementation of a single provincial Pathology LIS provides an important foundation for future improvement activities. A major initiative was launched in late 2018/19 aimed at achieving significant improvements in pathology TAT.

Improved turnaround times, increased productivity and reduced costs have been achieved with investigation of potential partnerships with the private sector to be undertaken as our efforts to increase overall system efficiency continue.

Tissues for Disposal

Pathology has maintained a focus on lab utilization with several ongoing initiatives including but not limited to thyroid testing, endoscopy specimens, placental specimens, and H. Pylori testing. Additional process improvement initiatives have also been undertaken to improve quality and efficiencies within the laboratory.

2018 Diagnostic Imaging Conferences

Shared Health hosted the following educational workshops for diagnostic imaging professionals, in collaboration with industry partners.

- October 20, 2018: Shared Health and Siemens offered a full-day Mammography workshop focusing on Breast Health collaboration workflow and modalities,
In Sixty: Cancer Patient Journey, and Tomosynthesis among other related topics.

- **November 3, 2018:** Shared Health partnered with Philips to offer a full day Sonographer Education workshop to sonographers and radiologists working in Manitoba.

Diagnostic Imaging is a continuously evolving science that provides crucial results that enable physicians to make diagnoses and treatment decisions for Manitobans. As we learn, we make improvements that benefit patients and help improve health outcomes.

**CWMB’s initiatives in 2018-19 were built on previous successes and included the following (see choosingwiselymanitoba.ca for more details):**

**Orthopaedics: When Surgery Isn’t The Solution**

Close to half of Canadians ages 65 and older experience osteoarthritis in their knees. To treat this type of osteoarthritis, a common minor surgical procedure that involves trimming loose cartilage and washing the joint out is used called arthroscopy. Dr. Eric Bohm, Orthopaedic Surgeon and Director of Health Systems Performance at the George and Fay Yee Centre for Healthcare Innovation (CHI) and co-lead of Choosing Wisely Manitoba (CWMB) championed the development of best practice recommendations in orthopaedic medicine. One of these recommends against the practice of knee arthroscopy in older adults with arthritis. There is a growing body of research showing that this procedure is not necessary for most older patients since it typically has the same long-term outcomes as non-operative and less invasive treatment. Dr. Bohm and Choosing Wisely Manitoba are developing strategies to address the appropriate use of knee arthroscopy in Manitoba helping patients and clinicians to understand when arthroscopy is indicated and when safe alternatives to surgery can be used. Thoughtful, evidence-based utilization of our healthcare system resources will help to improve appropriate care for all Canadians.

**Eliminating Creatinine Kinase Use in WRHA Emergency Departments**

Creatinine kinase (CK) has been a traditional biomarker for identifying patients with acute cardiac syndrome (ACS). High-sensitivity cardiac troponin (hsTnT), however, has been shown to be significantly more sensitive and specific in identifying myocardial ischemia and has become the preferred biomarker for myocardial necrosis among consensus
recommendations. This has called into question the clinical utility and cost effectiveness of CK in the work-up of chest pain in the emergency department (ED). Based on this evidence and on Choosing Wisely Canada recommendations, CWMB, in partnership with Emergency Departments, Cardiac Sciences and Internal Medicine, has developed a provincial Clinical Practice Change to discontinue the use of CK for the diagnosis of ACS in Manitoba. The Clinical Practice Change has been endorsed by Emergency Departments, Cardiac Sciences and WRHA Medical standards committee and is currently being reviewed by the Regional Medical Advisory Committees (RMAC) for ultimate consideration by the Manitoba Clinical Leadership Council.

**Improving the Appropriate Use of MRI for Lower Back Pain**

Lower back pain is very common: 50-90 per cent of people will experience lower back pain at some time in their lives. Patient demands for diagnosis, treatment and recovery, are large drivers of inappropriate use of MRI and other medical imaging. In some cases, this testing provides no clinical value and can lead to more tests (sometimes surgeries) that they do not need. In the absence of red-flag symptoms, MRI is not recommended for lower back pain. The pilot project that took place at Boundary Trails Health Centre saw a 56 per cent reduction in this common type of unnecessary testing. Reducing these unnecessary tests will reduce overall wait times, allowing other patients to get their exams faster. Patient and clinician education materials created for this project will be repurposed to support a provincial roll-out.

**Emergency Department Lab Test Standardization**

Working with the Emergency/ Urgent Care Departments of three Winnipeg Hospitals (Health Sciences Centre, Grace Hospital and Victoria General Hospital), a working group has established standardized testing protocols for common ED presentations and common test groupings. This implementation has resulted in an overall 19 per cent decrease in lab tests ordered in each of these sites. This project is working with other Emergency and Urgent Care departments in Winnipeg to adopt these protocols, which will standardize appropriate care across Winnipeg.

**Choosing Wisely Manitoba Advisory Committee**

Choosing Wisely Manitoba held its inaugural Choosing Wisely Manitoba Advisory Committee meeting in 2019. In addition to the leads from Shared Health and the George and Fay Yee Centre for Healthcare Innovation the Advisory Committee includes stakeholders from Doctors Manitoba, the College of Pharmacy, Public Health, the University of Manitoba, Medical Education, medical students, Manitoba College of Family Physicians, Choosing Wisely Canada and members of the public. The Choosing Wisely Manitoba (CWMB) Advisory committee is responsible for providing broad input and direction into the implementation of the Choosing Wisely Campaign in Manitoba. The committee provides guidance and recommendations to the CWMB executive teams on the implementation and promotion of Choosing Wisely in Manitoba as well as identifying opportunities to align work and leverage resources. CWMB Advisory Committee members serve as ambassadors of Choosing Wisely in Manitoba and actively engage healthcare professionals, patients and the public.
Shared Health Activation

With the transition of staff and services identified in Wave One of Manitoba’s Health System Transformation nearing completion, organizational design work is ongoing. We are mindful of the significant work and resourcing necessary on an ongoing basis to support transformation efforts through Wave Two and beyond.

Efforts to align services and functions within Shared Health as well as to establish certain shared services to be leveraged beyond the organization are underway. Shared Health will convert financial and payroll systems from QHR to SAP by the end of 2019. This transition is a significant undertaking requiring careful planning, appropriate sequencing of implementation and sufficient support to ensure success. This initiative includes former Diagnostic Services Manitoba staff, as well as Diagnostic Services, Emergency Response Services, Digital Health staff located in Interlake-Eastern, Prairie Mountain Health, Southern Health – Santé Sud, and Northern Health Region.

Wave Two Health System Transformation

Shared Health continues to monitor the progress and resourcing requirements of Health System Transformation program priorities alongside the organization’s continued mandate for – and focus on – the delivery of patient services. Shared Health will continue to be adaptable to the priorities identified by Transformation while ensuring we are supporting our staff through the changes.

Change can be difficult and our organization is committed to clear and consistent communication with staff about their continued role in the health system and the ongoing priority of delivering excellent patient care.

Wait Times and Turnaround Times

An important area of focus for Shared Health is the improvement of wait times and turnaround times for diagnostic testing in Manitoba. Diagnostic Services will continue to monitor demand for testing to ensure appropriate resources are available to meet patient demand. Work being done through Choosing Wisely Manitoba to support conversations between clinicians and patients about unnecessary testing will also have significant positive impact on the availability of quality health services for Manitobans.

Provincial Clinical and Preventive Services Plan

Development of a rolling, five-year clinical and preventive services plan will continue to be a priority of Shared Health. Once approved by Manitoba Health, Seniors and Active Living, our focus will expand to include implementation, including ongoing engagement of public and health system stakeholders.

Provincial Clinical Governance and Oversight

Shared Health is working with our health system partners to build a robust clinical governance model that will support clinical planning and enable continuous improvement in quality of care and patient safety and implementation of provincial standards. Provincial Specialty Leads will be the most senior clinical leaders in their service within the organization and will be responsible for informing planning and monitoring the implementation of changes across the province. They will also be responsible for identifying challenges in the implementation of the clinical plan and will work with the service delivery organizations to address issues.
Supporting the continued implementation of The Health Sector Bargaining Unit Review Act, including the restructuring of bargaining units and the negotiation of revised collective agreements is a priority for the upcoming year.

**Partnerships with Educational Institutions**

Shared Health is focused on strengthening the organization’s affiliation with educational institutions, including the University of Manitoba and other post-secondary institutions. Provincial Clinical Teams, are co-led by clinical leads, many of whom are in university-affiliated medical leadership positions and who are transitioning to Provincial Specialty Lead roles as part of Shared Health clinical governance. Shared Health staff also teach and conduct research at the institutions.

As a teaching hospital, Health Sciences Centre Winnipeg, a Shared Health facility, provides students with the opportunity to learn at the bedside and in the lab.

---

**Phase Two WRHA Clinical Consolidation**

The WRHA “Healing our Health System” plan was approved prior to the initiation of provincial clinical and preventive services planning. However, the clinical consolidation in Winnipeg will be incorporated and reflected in the broader provincial planning led by Shared Health.

Shared Health will help lead planning related to Phase II of clinical consolidation in Winnipeg. Shared Health will also closely monitor outcomes and participate in plan and timeline adjustments, as needed, reflecting the collaborative planning and implementation oversight roles of Shared Health within the provincial healthcare system.

**Workforce Planning, Recruitment and Retention**

Recruiting and retaining skilled and experienced staff to serve patients, clients and residents throughout the province requires a collaborative, inclusive approach to health human resource planning involving many stakeholders. Shared Health is developing a provincial workforce plan to support the implementation of the provincial clinical plan. The training and recruitment and retention strategies needed to support the implementation of the provincial clinical and preventive services plan will be a focus of this work in collaboration with stakeholders.

**Provincial Health Labour Relations Services**

Provincial Health Labour Relations Services is responsible for negotiations on behalf of health employers organizations for the 7 sectors included in The Health Sector Bargaining Unit Review Act, including nurses, physicians, medical residents, physician assistants and clinical assistants, professional/technical/paramedical, facility support and community support.

Negotiations with the association representing medical residents are ongoing, and negotiation of the Master Agreement between Doctors Manitoba and the government of Manitoba commenced in November 2018.
QUALITY AND PATIENT SAFETY

Within the former DSM, a significant focus was placed on accreditation for laboratory and imaging services. With the transition to Shared Health, accreditation has remained a high priority and has been embedded within normal diagnostic services functions.

As Shared Health continues to develop, quality and patient safety will remain an area of focus. It is anticipated that diagnostic services will be included within the future planning work of the Provincial Quality and Patient Safety Review. The Review will assess quality, patient safety and accreditation and make recommendations that will lead to greater provincial integration and consistency across all clinical working groups.

Through audit and data analysis, Quality supports and enables discipline and site operations to drive improvements that will enhance aspects of our quality and our services.

Shared Health has a number of quality and patient safety initiatives underway:

**Provincial Pre-Analytic Committee**

This committee is focused on the important aspects of testing processes to see what efficiencies and economies could be gained. Representation from all diagnostic discipline areas and multiple sites ensure pre-analytics are assessed from a provincial perspective and issues are resolved in a systemic way.

**Point of Care Testing**

Shared Health is taking the lead on a more standardized approach to point of care testing. A working group has been created to ensure individual projects meet accreditation requirements and are implemented for appropriate clinical need.

**Quality Leadership for Point of Care Testing**

As the provincial leader for diagnostics, our organization plays a significant role not only in the delivery of services, but also in guiding best practices for diagnostics across the province. We continue to provide leadership through point of care testing (POCT) through a number of initiatives, including:

- Developing a POCT policy which outlines general roles and responsibilities associated with a point of care testing program.
- Leading POCT programs in all regions to meet the Accreditation Canada Qmentum Point of Care Testing Standards.
- Partnering with Seven Oaks General Hospital Chronic Diseases Innovation Centre Kidney Screening Project (“Kidney Check”) to do chronic disease testing in remote and northern communities.
- Collaborating with First Nations and Inuit Health Branch to offer POCT services in Federal Nursing Stations to allow for acute and emergency diagnostic testing in sites that currently have little or no access to these services.

Other Clinical Programs continue to approach Diagnostic Services for expert guidance and Quality Assurance Consulting for their POCT programs.
Proficiency Testing

Proficiency Testing (PT) is a fundamental component of our organization’s quality processes. PT helps to ensure analytical systems are performing appropriately compared to expected results and peer labs. Our organization participates in a robust PT program, which includes subscriptions to numerous laboratory PT organizations in Canada, the US and the UK. Thousands of tests across all laboratory disciplines are assessed through these PT programs multiple times per year.

Critical Incident Reporting

Shared Health continued to report all Critical Incidents (CI) (incidents where patient harm has occurred) to Manitoba Health, Seniors and Active Living as per provincial legislation. In the interest of continual systemic improvement, our organization proactively expands upon this principle by investigating all incidents whether or not harm has occurred to a patient.

In the interest of providing patients and the public with an understanding of the CI investigation and reporting process, the process and our commitment to the process is outlined at sharedhealthmb.ca/services/diagnostic/occurrence-management.

Accreditation Status

Accreditation is a primary measure of how our quality management system is working.

The province of Manitoba requires all medical laboratory and diagnostic imaging facilities to be accredited by a third party agency. Diagnostic Services used two third-party accreditation agencies for the majority of its accreditation needs: The Manitoba Quality Assurance Program (MANQAP) and the College of American Pathologists (CAP). Additional third party accreditation agencies are used for specialty areas and include the Canadian Association of Radiologists (CAR) for mammography; The American Board of Forensic Toxicology (ABFT) for Toxicology; and Public Health Agency Canada (PHAC) for Microbiology services.

MANQAP

All Diagnostic Services sites have achieved accreditation status from MANQAP. Accreditation of a facility is for a defined period of time, which is typically five years.

College of American Pathologists Accreditation (CAP)

Our organization’s relationship with CAP began in 2011 when our two largest laboratories, located at HSC and SBH, were first accredited by CAP. In 2013, CAP accreditation was expanded to all pathology laboratories, which is a true reflection of the quality services and staff expertise in each of our labs.
FINANCIAL INFORMATION

To the Corporate Member of Shared Health Inc.

Opinion
The accompanying summary financial statements, which comprise the summary statement of financial position as at March 31, 2019 and the summary statement of operations and accumulated deficit for the year then ended, are derived from the audited financial statements of Shared Health for the year ended March 31, 2019.

In our opinion, the accompanying summary financial statements are a fair summary of the audited financial statements, in accordance with the Canadian Auditing Standard 810, Engagements to Report on Summary Financial Statements.

Summary Financial Statements
The summary financial statements do not contain all the disclosures required by Canadian public sector accounting standards. Reading the summary financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited financial statements and the auditor's report thereon. The summary financial statements and the audited financial statements do not reflect the effects of events that occurred subsequent to the date of our report on the audited financial statements.

The Audited Financial Statements and Our Report Thereon
We expressed an unmodified audit opinion on the audited financial statements in our audit report dated July 3, 2019.

Management's Responsibility for the Summary Financial Statements
Management is responsible for the preparation of the summary financial statements.

Auditor's Responsibility
Our responsibility is to express an opinion on whether the summary financial statements are a fair summary of the audited financial statements based on our procedures, which were conducted in accordance with Canadian Auditing Standard 810, Engagements to Report on Summary Financial Statements.

Chartered Professional Accountants
July 3, 2019
Winnipeg, Manitoba
Shared Health Inc.

Summary statement of financial position

As at March 31, 2019
(amounts expressed in thousands of dollars)

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Financial assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>29,875</td>
<td>34,395</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>4,075</td>
<td>3,698</td>
</tr>
<tr>
<td>Vacation pay benefits recoverable</td>
<td>598</td>
<td>598</td>
</tr>
<tr>
<td>Pre-retirement leave benefits recoverable</td>
<td>12,494</td>
<td>12,494</td>
</tr>
<tr>
<td></td>
<td>47,042</td>
<td>51,185</td>
</tr>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable and accrued liabilities</td>
<td>12,188</td>
<td>17,514</td>
</tr>
<tr>
<td>Accrued vacation and overtime payable</td>
<td>10,994</td>
<td>10,633</td>
</tr>
<tr>
<td>Pre-retirement leave benefits payable</td>
<td>13,886</td>
<td>13,874</td>
</tr>
<tr>
<td>Sick leave benefits payable</td>
<td>2,385</td>
<td>2,407</td>
</tr>
<tr>
<td>Unearned revenue</td>
<td>9,026</td>
<td>8,153</td>
</tr>
<tr>
<td>Long-term debt</td>
<td>70,627</td>
<td>69,502</td>
</tr>
<tr>
<td></td>
<td>119,106</td>
<td>122,083</td>
</tr>
<tr>
<td><strong>Net debt</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(72,064)</td>
<td>(70,898)</td>
</tr>
<tr>
<td><strong>Non-financial assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tangible capital assets</td>
<td>50,956</td>
<td>54,528</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>2,628</td>
<td>2,900</td>
</tr>
<tr>
<td></td>
<td>53,584</td>
<td>57,428</td>
</tr>
<tr>
<td><strong>Accumulated deficit</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(18,480)</td>
<td>(13,471)</td>
</tr>
</tbody>
</table>

Approved on behalf of the Board

Karen Herd, Board Chair and Director

Dan Skwarchuk, Director
Shared Health Inc.

Summary statement of operations and accumulated deficit
Year ended March 31, 2019
(amounts expressed in thousands of dollars)

<table>
<thead>
<tr>
<th></th>
<th>Actual 2019</th>
<th>Capital operations</th>
<th>Total</th>
<th>Budget 2019</th>
<th>Actual 2018</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Core operations</td>
<td>194,354</td>
<td>190,745</td>
<td></td>
<td></td>
<td>188,423</td>
<td></td>
</tr>
<tr>
<td>Capital operations</td>
<td>6,472</td>
<td>17,504</td>
<td></td>
<td>4,069</td>
<td>17,465</td>
<td>17,052</td>
</tr>
<tr>
<td>Total</td>
<td>210,176</td>
<td>7,648</td>
<td>217,824</td>
<td>212,320</td>
<td>210,756</td>
<td></td>
</tr>
</tbody>
</table>

Revenue
Manitoba Health, Seniors and Active
Living operating income
187,882
Recoveries from regional health authorities
17,504
Other recoveries
3,502
Government of Canada
227
Interest income
543
Recognition of unearned revenue
519

Expenses
Diagnostic services
191,863
Administration
18,188

Operating surplus (deficit)
124
Loss on disposal of tangible capital items
- (216)

Annual deficit
124
Accumulated deficit, beginning of the year
(13,471)
Accumulated deficit, end of the year
(18,480)
PUBLIC SECTOR COMPENSATION DISCLOSURE

In compliance with The Public Sector Compensation Disclosure Act of Manitoba, interested parties may obtain copies of the Shared Health Inc. public sector compensation disclosure (which has been prepared for the purpose and certified by its auditor to be correct) and contains the amount of compensation it pays or provides in the corresponding fiscal year for each of its officers and employees whose compensation is $50,000.00 or more. This information is available online at: https://sharedhealthmb.ca/files/sh-2018-bill-57-audit-report-and-

ADMINISTRATIVE COST REPORTING

Administrative Costs

The Canadian Institute of Health Information (CIHI) defines a standard set of guidelines for the classification and coding of financial and statistical information for use by all Canadian health service organizations. Shared Health adheres to these coding guidelines.

Administrative costs as defined by CIHI, include:

Corporate functions including: Acute, Long Term Care and Community Administration; General Administration and Executive Costs; Board of Trustees; Planning and Development; Community Health Assessment; Risk Management; Internal Audit; Finance and Accounting; Communications; Telecommunications; and Mail Service

Patient Care-Related costs including: Patient Relations; Quality Assurance; Accreditation; Utilization Management; and Infection Control

Human Resources & Recruitment costs including: Personnel Records; Recruitment and Retention (general, physicians, nurses and staff); Labour Relations; Employee Compensation and Benefits Management; Employee Health and Assistance Programs; Occupational Health and Safety

Administrative Cost Percentage Indicator

The administrative cost percentage indicator (administrative costs as a percentage of total operating costs) also adheres to CIHI definitions.

Figures presented are based on data available at time of publication. Restatements, if required to reflect final data or changes in the CIHI definition, will be made in the subsequent year.

Across Manitoba, as broad Health System Transformation initiatives were implemented through 2018/19, administrative costs declined as a percentage of total operating costs for the health system as a whole (including regional health authorities and CancerCare Manitoba).
Shared Health Activation

The activation of Shared Health as a provincial organization responsible for leading the planning and coordinating the integration of patient-centred clinical and preventive health services across Manitoba involved the establishment of a leadership team to support health system transformation initiatives. This included leadership responsible for the departments, sites and services that would transition to Shared Health in April 2019.

Leadership transitioned in advance of staff and operational budgets, resulting in an increase to the administrative cost ratio for 2018/19.

Beginning April 1, 2019 program budgets associated with the ongoing operation of departments, sites and services, including Health Sciences Centre Winnipeg, provincial diagnostic services, digital health and emergency medical services and patient transport, among others, transitioned to Shared Health. These movements will decrease and normalize the administrative cost ratio for Shared Health in 2019/20.

Health System Transformation

Decision-making within Manitoba’s Health System Transformation is rooted in principles that require initiatives to both enhance the patient experience and align with the strategic direction of a future health system that is sustainable and effective, that reduces overlap and duplicate processes, improves accountability and responsibility and achieves efficiencies that are able to be reinvested in front-line patient care.

Under the Regional Health Authorities Act of Manitoba, health authorities must ensure their corporate
administrative costs do not exceed a set amount as a percentage of total operation costs (2.99% in WRHA; 3.99% in Rural; 4.99% in Northern). Simplification of the overall health system, including holding the line or further reducing administrative costs as a percentage of total operation costs will continue to be a focus of transformation initiatives in 2019/20.

Shared Health Administrative Costs

<table>
<thead>
<tr>
<th>For Year to Date Ending:</th>
<th>Mar-19 $</th>
<th>%</th>
<th>Mar-18 $</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporate (DSM)</td>
<td>N/A</td>
<td>N/A</td>
<td>4,070,720</td>
<td>2.03%</td>
</tr>
<tr>
<td>Corporate (Shared Health)</td>
<td>7,790,028</td>
<td>3.76%</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Patient care related costs</td>
<td>1,239,709</td>
<td>0.60%</td>
<td>1,301,557</td>
<td>0.65%</td>
</tr>
<tr>
<td>Recruitment/Human Resources related costs</td>
<td>2,696,609</td>
<td>1.30%</td>
<td>1,461,329</td>
<td>0.73%</td>
</tr>
<tr>
<td><strong>TOTAL Administrative costs</strong></td>
<td>11,726,346</td>
<td>5.66%</td>
<td>6,833,606</td>
<td>3.41%</td>
</tr>
</tbody>
</table>

PUBLIC INTEREST DISCLOSURE (WHISTLEBLOWER PROTECTION) ACT

In accordance with the Public Interest Disclosure (Whistleblower Protection) Act, a report must be prepared annually by the Designated Officer on disclosures that have been made and the action taken to address the disclosures.

There were no disclosures for the period April 1, 2018 to March 31, 2019.

Glenn McLennan, Provincial lead, administrative support services and chief financial officer  
Designated Officer for Public Interest Disclosure  
Shared Health

17 September 2019

Shared Health Corporate Office
1502-155 Carlton St.  
Winnipeg, MB R3C 3H8  
(204) 926-8005  
info@sharedhealthmb.ca