2017-2018
Annual Report to the Minister

Shared health Soins communs
Manitoba
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Letter of Transmittal & Accountability

We have the honour of presenting the Annual Report for Shared Health Inc. (formerly Diagnostic Services of Manitoba Inc.) for the fiscal year ended March 31, 2018.

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, 2018 have been considered in preparing the Annual Report. The Board has approved this report.

Respectfully submitted on behalf of Shared Health Inc. (formerly Diagnostic Services of Manitoba Inc.),

Ms. Karen Herd
Interim Board Chair, Shared Health
Board Governance

Work to support health system transformation began in June 2017, when the Manitoba government committed to the realignment of the health system. The first step of the transformation was the creation of Shared Health from the former Diagnostic Services Manitoba (DSM). Shared Health Inc. presently carries on the business and operations of the former DSM Inc.

DSM operated under the direction of its previous Board of Directors, which in turn was accountable to the Minister of Health. The Board’s plans and decisions were based on established strategic plans and, together with the Chief Executive Officer, reviewed DSM’s measurable benchmarks to monitor performance.

**Board Oversight**

The former Board performed its fiduciary responsibilities to oversee the realization of DSM’s Health Plan, ensure that funds are allocated appropriately to support DSM’s strategic priorities and monitor DSM’s budget performance through its committees. The Board also set and monitored quality and safety performance measures, completed annual board performance evaluations and ensured legislative, regulatory, and accreditation compliance.

**2018/2019 Interim Board of Directors of Shared Health Inc.**

We would like to welcome the interim Board of Directors of Shared Health. Their experience in the administration of Manitoba’s health care system will provide our organization with strong governance during this time of transition. Once Shared Health is fully established, a permanent board of directors will be appointed.

- Ms. Karen Herd (Chair)
  Deputy Minister, Health, Seniors, and Active Living

- Ms. Bernadette Preun
  Assistant Deputy Minister, Health, Seniors, and Active Living

- Mr. Dan Skwarchuk
  Assistant Deputy Minister and Chief Financial Officer,
  Administration & Finance Division,
  Health, Seniors, and Active Living
2017/2018 Board of Directors

Shared Health would like to express our sincere thanks to the former Diagnostic Services Manitoba Inc. Board of Directors for their dedicated service and stewardship of the organization. Their expertise and counsel was integral to DSM’s governance and the improvements to patient care we have achieved are in no small part a tribute to their contributions.

- Ms. Arlene Wilgosh, Chair (pictured to the left)
- Dr. Shaun Gauthier, Chief medical officer, Prairie Mountain Health
- Dr. Helmut Unruh, Surgery lead, Department of Surgery, CancerCare Manitoba
- Mr. Lee Manning, Executive director, Manitoba Association of Health Care Professionals
- Mr. Glenn McLennan, Chief financial officer, Winnipeg Regional Health Authority
- Mr. Martin Montanti, Vice-president of corporate services, Southern Health Santé-Sud
- Mr. Ron Van Denakker, Chief executive officer, Interlake-Eastern Regional Health Authority
- Dr. Paul Van Caeseele, Medical director, Cadham Provincial Laboratory
- Dr. Brock Wright, Senior vice-president clinical and chief medical officer, Winnipeg Regional Health Authority

Major Activities and Decisions of the Board of Directors in 2017-2018

In June 2017, the Manitoba government committed to a sequenced transformation of the province’s health system aimed at improving the quality, accessibility and efficiency of health-care services. This realignment of the health system included a commitment to plan provincially, reducing duplicate services, better coordinating service delivery and creating a provincial clinical and preventive services plan. Much of that work, it was announced, would be enabled via the creation of Shared Health from the former DSM, with specific functions and areas of responsibility realigned or consolidated within Shared Health.

A Board visioning and strategic planning session was held in the fall of 2017 to outline the high-level strategic direction of our organization for the upcoming year(s) and to ensure alignment with the priorities of Government and the planning for the phased implementation of broad health system changes through the Health System Transformation Program. Strategic and generative discussions were held at each subsequent Board meeting to provide DSM’s Senior Management Team with input, ideas and commentary to guide the organization and ensure focus on strategic priorities. Oversight and governance included regular reporting from the CEO, an opportunity for a Question and Answer (Q&A) period as well as regular reports from the Quality and Patient Safety Committee, Finance Committee and Governance Committee.
The Board’s strategic priorities for 2017-2018 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 DSM’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.

**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 to generate feedback from staff, patients, families, providers and partners and ensure its consideration 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.

**Major Consultations with the Public and Other Stakeholders**

The Board held a public Annual General Meeting at DSM’s Pathology Conference on September 22, 2017. The meeting was attended by the Minister of Manitoba Health, Seniors and Active Living, along with DSM staff and other partners in the health care system.

In addition to hosting our own AGM, members of our organization attended and participated in the AGMs held by our Regional Health Authority partners. This ongoing engagement demonstrates our commitment to collaboration and integration and as we work jointly to deliver, plan and sustain quality health care services for Manitobans.

**Organizational & Advisory Structure**

The creation of Shared Health, and the associated decommissioning of Diagnostic Services Manitoba, is guided by the Health System Transformation Blueprint which outlines the role of each health organization, the functions it will perform in the target state and how each will interact and connect to achieve a more aligned and responsive health system for Manitobans. Previous studies of our health system – including the KPMG Health System Sustainability and...
Innovation Review, the Provincial Clinical and Preventive Services Planning for Manitoba: Doing Things Differently and Better (the Peachey Report) have concluded that the way Manitoba’s health-system is organized is an impediment to effective provincial service delivery. These studies, in addition to data, leading practices and experience from other jurisdictions, and the expertise of Manitoba clinicians are enabling the prioritization of transformation initiatives.

**2017-2018 Organizational Structure Chart**

This Diagnostic Services Manitoba organizational structure chart was valid for 2017-2018 fiscal year.
**Provincial 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:

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

**Regional Health Authority Liaisons**

The organization works closely with its Regional Health Authority partners through designated liaisons and participates in various provincial groups with Chief Executive Officers, Chief Medical Officers, Chief Financial Officers, Communications and other counterparts.

**Our Facilities**

With 82 points of access to provincial laboratory and medical imaging services, Shared Health is proud to be Manitoba’s leading provider of public laboratory and rural diagnostic imaging services. For a complete list of our sites, please visit www.dsmanitoba.ca.
Shared Health (formerly DSM) Annual Achievements

The Creation of Shared Health

Effective April 3, 2018, DSM officially became Shared Health Inc. with a mandate of improving patient care and providing coordinated clinical and business support to the province’s health system. Shared Health is responsible for the development of a provincial clinical and preventive services plan, and will be responsible for physician recruitment strategies, health labour relations and will include support functions that are better managed provincially such as contracting and procurement, information and communications technology, human resources and laundry services.

Shared Health’s executive structure was announced on June 7, 2018.

- Dr. Brock Wright, Chief executive officer, Provincial lead, health services
- Dr. Catherine Cook, Provincial lead, Indigenous health
- Olivia Baldwin, Provincial lead, strategic communications and stakeholder relations
- Dr. Perry Gray, Provincial lead, medical specialist services and chief medical officer
- Lanette Siragusa, Chief integration officer, health services and chief nursing officer
- Jim Slater, Provincial lead, health support services and chief operating officer
- Glenn McLennan, Provincial lead, administrative support services and chief financial officer
- Beth Beaupre, Provincial lead, health workforce
- Perry Poulsen, Provincial lead, digital health and chief information officer
- Helen Clark, Chief operating officer of emergency response services and chief allied health officer
- Ronan Segrave, Interim chief operating officer at Health Sciences Centre Winnipeg
- Dr. Denis Fortier, Chair, Manitoba clinical leadership council
- Jeanette Edwards, Strategic lead, community health, quality and learning

Personalized Medicine - Genomics

Work continued on the development of a Provincial Genomics Strategy for cancer and also within the provincial Genetics Program to develop a Provincial Strategy for hereditary diseases. The diagnosis, staging and monitoring of cancers and more increasingly, decisions around treatment are becoming dependent on Genomics Testing. The increasing demand in this area represents a paradigm shift in how medicine will be practiced in the future and has been described as a “tsunami” with respect to the challenge this increasing demand places on the health care system. Genomics Testing (Personalized Medicine) can increase positive outcomes for patients with more effective treatments; more predictability in treatment outcomes; more efficient use of
resources; the ability to avoid ineffective treatments and their often devastating side effects; earlier detection and prediction of future disease; and potential interventions. Genomic testing can also provide benefits for families by facilitating more accurate genetic counseling.

**Choosing Wisely Manitoba (CWMB) initiatives for appropriate and effective use of health services**

The Choosing Wisely campaign is founded in the concept of more is not always better in health care. Unnecessary tests, treatments and procedures undermine our ability to provide quality care by exposing patients to potential delays and even unintended harm while utilizing limited resources in an ineffective manner. Many jurisdictions are recognizing the importance of appropriate guidelines, engagement, and leadership, with Choosing Wisely gaining momentum in North America, South America, the United Kingdom and in Australia.

CWMB’s initiatives in 2017-18 built on previous successes (see choosingwiselymanitoba.ca for more details), and included:

**Reducing unnecessary testing**

**Prostate-specific antigen**
Evidence does not exist linking prostate-specific antigen (PSA) screening with a reduction in prostate-specific mortality. In fact, the harms from testing for cancer in asymptomatic men can outweigh the benefits. A survey conducted by CWMB on the top PSA-ordering primary care providers, discovered that 92 per cent of PSA tests are performed on men without symptoms.

CWMB collaborated with representatives from urology and primary care medicine to examine the use of PSA testing and develop guidelines to reinforce appropriate testing parameters and clinical indicators for testing. Next steps include the implementation of an information strategy to help physicians engage in educational conversations with patients about PSA testing.

**Thyroid**
Bundling tests or standardized order sets are significant drivers of overuse in health care. This is often the case when testing thyroid stimulating hormone (TSH) and free thyroid hormones such as free T3 and free T4. In the majority of cases, testing all three at the same time does not help clinicians diagnose or treat thyroid disease. Rather, the TSH test alone can provide enough information to make an introductory diagnosis.

CWMB worked in partnership with regional adult and pediatric endocrinology programs and various labs across Manitoba to implement revised provincial ordering requisitions for both primary care and endocrinologists.

The project will include the development of an educational program to inform health care professionals of appropriate indications for free thyroid hormone testing and a clinical practice change for thyroid function ordering practices. This change will implement a laboratory reflex
testing process in which fT3 and fT4 are only processed if the thyroid stimulating hormone is outside lab reference ranges or clinical justification is provided on the lab requisition.

It is anticipated this resource stewardship project will significantly reduce free thyroid hormone testing, thereby contributing to cost savings without affecting physician satisfaction or patient outcomes.

**Antimicrobial stewardship (AMS)**

The overuse of antibiotics is a major contributor to antibiotic resistance and is threatening our ability to treat common infectious diseases.

CWMB and provincial partners such as the National Collaborating Centre for Infectious Disease (NCCID), Medical Officers of Health, pharmacists, infectious disease physicians and other key stakeholders began working together to develop strategies for addressing AMS.

In order to promote messaging around the appropriate use of antibiotics, CWMB participated in a Canadian Medical Education (CME) event in Manitoba that involved the broad distribution of Choosing Wisely Canada (CWC) “Antibiotic Wisely” campaign materials.

CWMB’s involvement in provincial AMS activities is ongoing.

**Strengthening medical education and practice**

The strategic integration of Choosing Wisely concepts and recommendations into an existing Undergraduate Medical Education curriculum resulted in significant changes in knowledge and attitudes with respect to resource stewardship. Survey results indicated students’ attitudes about the value and importance of the CW campaign increased post-implementation. Overall knowledge scores for both first and second year students also improved.

While there are several limitations to this student-led project, it represents the first project of its kind in a Canadian medical school.

**Improving preoperative diagnostic testing**

CWMB collaborated with CWC, the Canadian Anesthesiologists Society and representatives from surgery, anesthesia, primary care and family medicine, to develop:

- New preoperative testing guidelines
- A new WRHA History & Physical Form
- Updated physician cover letters to remove cues for unnecessary preoperative testing

The evaluation results demonstrated a significant reduction in unnecessary testing (approximately 34 per cent) dropping from 2.95 tests to 1.94 tests per person.
The results also demonstrated a significant reduction in the average number of all ordered tests per person from 5.07 to 3.16 (approximately 38 per cent) from pre to post implementation.

The reductions resulting from this project (between 2013 and 2017) represent a conservative annual savings of more than $800,000.

**Upcoming Choosing Wisely initiatives**

- Pharmacy de-prescribing in older adults to support the successful reduction of polypharmacy
- Reducing IVIG usage by requiring biannual assessments and encouraging weight-based dosage
- Implementing CWC recommendations for appropriate testing methods for H Pylori
- Implementing emergency department standard lab and diagnostic imaging orders and processes for common emergency department presentations at all Winnipeg acute and subacute sites
- Implementing a provincial awareness campaign of CW guidelines to transfuse one unit of blood at a time in non-bleeding patients

**Diagnostic Human Resources**

The human resources department is heavily engaged in the planning and transition efforts to consolidate provincial diagnostics within Shared Health. At the same time, collective bargaining units will be streamlined and labour negotiations simplified into a reduced and more efficient structure. A commissioner has been appointed to oversee the process. Human resources continues to focus on improvements to patient care and sustainability of services and has focused on pathologist recruitment. Another area of focus has been the reduction of on-call hours at rural sites where patient needs may be met within reliable hours of operation to reduce costs and improve patient care.

**Research Support Office (RSO) Initiatives**

The RSO continued to work with our research partners to accomplish multiple initiatives throughout the year. Some of these initiatives included:

- Development of a system able to accommodate “non-clinical” testing for clinicians who need samples to be collected, processed and sent to a non-CAP/CLIA approved facility. This project has led to:
  - Results being sent directly to the clinician to ensure alignment with our CAP accreditation while ensuring patients are able to obtain required testing
Establishment of excellent working relationships with two primary facilities where samples are directed (National Institutes of Health and University of Iowa)

Streamlined process for sample collection, allowing for same day testing, sample collection and direction to primary facility

- Standard Operating Procedures to ensure research is handled consistently across Manitoba, including the development of new documentation and a SharePoint site for access from all sites

- Creation of a centralized system to ensure any DSM (now Shared Health) facility is able to accommodate a study with one approval

- Participation in a Non-Alcoholic Fatty Liver Disease (NAFLD) project with Dr. Minuk and his team. This project involved traveling to remote communities to look at approximately 1000 patients with NAFLD. The project represented cost savings to the health system as it allowed the avoidance of each patient traveling to Winnipeg by air for testing. Our role in the project included:
  - Providing a process management service to coordinate and manage the study, as it was a situation outside of the norm
  - Enabling large batch testing with minimal impact to operations
  - Ensuring the team had the necessary supplies to conduct collections

Technologies & Efficiencies

Improving effectiveness and efficiency continued to be a high priority for our business areas. Focus in this area included:

Turn Around 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 Winnipeg Regional Health Authority.

In the area of Pathology, we continued emphasis on appropriate utilization, improved reporting and performance management capability with the Pathology LIS, and facilitating process improvement initiatives internally and with our partners.
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

On December 15, 2017, the organization enforced the Hospital Standards Regulation for exemptions from pathology examination, as outlined in The Hospitals Act. This process was implemented in an effort to be more efficient with our pathologists’ time and reduce the amount of unnecessary testing. Prior to implementation, targeted messages about specific specimens, including hip and knee, nasal septa, foreskin, tonsils/adenoids and teeth were distributed.

The targeted approach resulted in a 87 per cent reduction in the select specimens being submitted to pathology.

2017 Shaping the Future of Quality Improvements in Pathology

On September 22-23, we held our fifth annual Pathology conference exploring quality improvements in Pathology, providing an update on:

- Autopsy and forensic pathology,
- Quality Assurance procedures, and
- Appropriate communication to patients and peers regarding error disclosures and diagnostic disagreements

Pathology is a continuously evolving science. As we learn, we make improvements that benefit patients and help improve health outcomes.

Quality and Patient Safety

Accreditation has remained a high priority for laboratory and imaging services and has become embedded within normal diagnostic services functions. It is anticipated diagnostic services will be included within the future planning work of the Provincial Quality and Patient Safety Review – to 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.

We have a number of quality and patient safety initiatives underway:
Provincial pre-analytic committee

This committee 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 ensured pre-analytics are assessed from a provincial perspective and issues are resolved in a systemic way.

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:

INR testing

Our Quality team has been providing provincial leadership on the use of POCT across the health regions. This began with a pilot project at three WRHA Access Centres to introduce POCT for INR (a critical test for patients taking anti-coagulants and blood thinners, typical for those who have had or are at risk of a heart attack or stroke). With POCT, a less invasive finger poke replaces a blood draw and a handheld meter and test strips allow for immediate results. This results in a much quicker procedure and improved ability to adjust medication for a group of patients who usually require frequent and life-long monitoring.

We continue to provide the expertise to ensure these positive service changes are supported by quality systems. This includes ongoing training, competency and proficiency testing support, each of which are fundamental to a strong POCT program and ongoing maintenance of accreditation requirements.

Off-hour testing in Swan River

Roll-out of POCT for urgent off-hour testing in Swan River has been completed and the program is proving successful. This initiative provides better patient care to those who are acutely ill and need immediate chemistry, hematology and EKG testing and who would otherwise have to wait for laboratory on call staff to arrive. Our Quality team was among the key partners planning this initiative in collaboration with the site’s laboratory, nursing and medical staff. Quality framework and resources were developed by our team, including, standard operating procedures, job aides and training documents. Stat results will allow necessary care/treatment to be initiated sooner.

This project is serving as the pilot for other POCT initiatives at health care facilities across the province.

Other POCT initiatives

- POCT was successfully introduced at Misericordia Health Centre to meet urgent testing needs.
- Our organization is 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.

- Our organization is collaborating with First Nations and Inuit Health Branch to pilot POCT 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

We 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 www.dsmanitoba.ca.

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 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 at the Health Sciences Centre.

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 rural and urban labs.
Challenges and Future Directions

**Shared Health Activation**

The realignment or consolidation of functions and areas of responsibility to Shared Health is ongoing. We are mindful of the simultaneous draw on resources of the Health System Transformation Program priorities and the need to deliver patient services and will continue to assess and monitor progress on these shared priorities. 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.

**Transition projects**

The shift of key facilities to Shared Health is a large and complex task, requiring focus on daily business operations, ongoing patient care and the creation of a more integrated system for the future. Guided by the Health System Transformation Blueprint, we are working with our partners to ensure as seamless a transition as possible.

**Clinical and preventive services plan**

Developing a five year clinical plan for the province is a significant undertaking which requires broad engagement and consultation and a review of leading practices from other jurisdictions. Our principle goal throughout this process will be to establish the clinical foundation for health system transformation, focused on ensuring safe patient care, consistent standards and models of care, and appropriate access and availability of services across Manitoba to improve both the health and wellness of the population and the sustainability of the health system.

**Rural workforce recruitment and retention**

Attracting experienced and knowledgeable staff to rural and remote locations can be difficult. Specific to diagnostic services, our recruitment efforts are focused on staff who are cross-trained in laboratory and imaging, which may require additional training on site. In the future, Shared Health will also be responsible for physician recruitment strategies.
Financial Information


To the Member of
Shared Health Inc. (formerly Diagnostic Services of Manitoba Inc.)

The accompanying summarized financial statements, which comprise the summarized statement of financial position as at March 31, 2018 and the summarized statement of operations for the year then ended, are derived from the audited financial statements of Shared Health Inc. (formerly Diagnostic Services of Manitoba Inc.) for the year ended March 31, 2018. We expressed an unmodified audit opinion on those financial statements in our report dated June 25, 2018. Those financial statements, and the summarized financial statements, do not reflect the effects of events that occurred subsequent to the date of our report on those financial statements.

The summarized financial statements do not contain all the disclosures required by Canadian public sector accounting standards. Reading the summarized financial statements, therefore, is not a substitute for reading the audited financial statements of Shared Health Inc.

Management's responsibility for the summarized financial statements
Management is responsible for the preparation of the summarized financial statements.

Auditor's responsibility
Our responsibility is to express an opinion on the summarized financial statements based on our procedures, which were conducted in accordance with Canadian Auditing Standards 810, "Engagements to Report on Summary Financial Statements".

Opinion
In our opinion, the summarized financial statements derived from the audited financial statements of Shared Health Inc. for the year ended March 31, 2018 are a fair summary of those financial statements.

Winnipeg Canada
Chartered Professional Accountants

September 17, 2018
Shared Health Inc.  
(formerly Diagnostic Services of Manitoba Inc.)  
Incorporated under the laws of Manitoba  

**SUMMARIZED STATEMENT OF FINANCIAL POSITION**  

[Expressed in thousands of dollars]  

As at March 31  

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<th>2018</th>
<th>2017</th>
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<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
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<tr>
<td>Current</td>
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<tr>
<td>Cash and cash equivalents</td>
<td>34,396</td>
<td>8,379</td>
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<tr>
<td>Accounts receivable</td>
<td>3,691</td>
<td>18,768</td>
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<td>Prepaid expenses</td>
<td>2,900</td>
<td>1,312</td>
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<td>Vacation pay recoverable from</td>
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<td>Manitoba Health, Seniors and Active Living</td>
<td>598</td>
<td>598</td>
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<tr>
<td>Regional Health Authorities of Manitoba</td>
<td>-</td>
<td>1,544</td>
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<tr>
<td><strong>Total current assets</strong></td>
<td>41,585</td>
<td>30,601</td>
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<td>Capital assets, net</td>
<td>54,530</td>
<td>58,787</td>
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<tr>
<td>Pre-retirement leave benefits recoverable</td>
<td>12,494</td>
<td>12,721</td>
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<td>Future sick leave benefits recoverable</td>
<td>-</td>
<td>1,970</td>
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<tr>
<td><strong>Total liabilities</strong></td>
<td>108,609</td>
<td>104,079</td>
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<tr>
<td><strong>Net assets (liabilities)</strong></td>
<td>(149)</td>
<td>(976)</td>
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Signed on behalf of the Board:  

Dan Kwarchuk  
Director  

Karen Herd  
Director and Board Chair
Shared Health Inc.  
(formerly Diagnostic Services of Manitoba Inc.) 
Incorporated under the laws of Manitoba

**SUMMARIZED STATEMENT OF OPERATIONS**

[Expressed in thousands of dollars]  
Year ended March 31

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<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
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<tbody>
<tr>
<td><strong>REVENUE</strong></td>
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<td></td>
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<tr>
<td>Manitoba Health, Seniors and Active Living operating income</td>
<td>183,861</td>
<td>181,659</td>
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<tr>
<td>Government of Canada Revenue</td>
<td>202</td>
<td>408</td>
</tr>
<tr>
<td>Recoveries from Regional Health Authorities</td>
<td>16,532</td>
<td>16,669</td>
</tr>
<tr>
<td>Revenue from non-resident out-patient services</td>
<td>17</td>
<td>7</td>
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<tr>
<td>Interest income</td>
<td>268</td>
<td>3</td>
</tr>
<tr>
<td>Other recoveries</td>
<td>3,906</td>
<td>3,678</td>
</tr>
<tr>
<td>Loss on disposal of capital assets</td>
<td>(107)</td>
<td>(38)</td>
</tr>
<tr>
<td>Recognition of deferred contributions</td>
<td></td>
<td></td>
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<tr>
<td>Capital – amortization</td>
<td>9,795</td>
<td>9,209</td>
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<tr>
<td>Expenses</td>
<td>683</td>
<td>647</td>
</tr>
</tbody>
</table>

| **EXPENSES**             |       |       |
| Direct operating         |       |       |
| Salaries and benefits    | 147,694 | 150,165 |
| Write-off - Benefits receivable from Regional Health Authorities of Manitoba | 3,717 | - |
| Communications           | 10    | 16    |
| Equipment                | 8,921 | 8,208 |
| External consulting      | 290   | 314   |
| Grants                   | 125   | 85    |
| Insurance                | 152   | 140   |
| Laboratory and diagnostic supplies | 31,194 | 32,710 |
| Legal and audit          | 158   | 212   |
| Meetings                 | 33    | 17    |
| Miscellaneous            | 904   | 894   |
| Printer, paper and office supplies | 750 | 843 |
| Recruitment              | 120   | 99    |
| Referred out services    | 8,158 | 8,251 |
| Rent and utilities       | 634   | 667   |
| Staff training and development | 762    | 833 |
| Telephone                | 186   | 208   |
| Travel                   | 665   | 1,013 |

|                          | 204,473 | 204,675 |
| Amortization of capital assets | 9,857 | 9,035 |

|                          | 214,330 | 213,710 |
| **Excess (deficiency) of revenue over expenses for the year** | 827 | (1,468) |
Supplementary Information
For the year ended March 31
(unaudited)

**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 Inc. (formerly Diagnostic Services of Manitoba Inc.) adheres to these coding guidelines.

The most current definition of administrative costs by CIHI includes: General Administration (including Acute/Long Term Care/Community Administration, Patient Relations, Community Needs Assessment, Risk Management, Quality Assurance and Executive costs), Finance, Human Resources, Labour Relations, Nurse/Physician Recruitment and Retention and Communications.

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

The figures presented are based on data available at time of publication. Restatements are made in the subsequent year to reflect the final data and changes in the CIHI definition, if any.

Administrative costs and percentages for Shared Health Inc. are:

<table>
<thead>
<tr>
<th>Administrative Cost Summary</th>
<th>Mar-18 $</th>
<th>%</th>
<th>Mar-17 $</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporate</td>
<td>4,070,720</td>
<td>2.03%</td>
<td>4,099,756</td>
<td>2.04%</td>
</tr>
<tr>
<td>Patient care related costs</td>
<td>1,301,557</td>
<td>0.65%</td>
<td>1,484,389</td>
<td>0.74%</td>
</tr>
<tr>
<td>Recruitment/Human Resources related costs</td>
<td>1,461,329</td>
<td>0.73%</td>
<td>1,511,899</td>
<td>0.75%</td>
</tr>
<tr>
<td>TOTAL Administrative costs</td>
<td>6,833,606</td>
<td>3.41%</td>
<td>7,096,044</td>
<td>3.53%</td>
</tr>
</tbody>
</table>
Public Sector Compensation Disclosure

In compliance with The Public Sector Compensation Disclosure Act of Manitoba, interested parties may obtain copies of the Diagnostic Services of Manitoba 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 upon request at info@sharedhealthmb.ca.

Public Interest Disclosure (Whistleblower Protection) Act

In accordance with DSM Policy 10-40-12, Public Interest Disclosure (Whistleblower Protection) Act, paragraph 3.2, 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, 2017 to March 31, 2018.

Glenn McLennan, CFO
Designated Officer for Public Interest Disclosure
Diagnostic Services Manitoba

17 September 2018