



President's Quarterly Report and Review of Financial Statements

As at September 30, 2023



Canadian Institute
for Health Information

Institut canadien
d'information sur la santé

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How to cite this document:

Canadian Institute for Health Information. *President's Quarterly Report and Review of Financial Statements as at September 30, 2023*. Ottawa, ON: CIHI; 2023.

Cette publication est aussi disponible en français sous le titre *Rapport trimestriel du président et revue des états financiers au 30 septembre 2023*.

Table of contents

Introduction	4
President's update	4
Key initiatives in progress.	4
Strategic activities and outcomes	5
Corporate foundations	7
CIHI's public releases from July 1 to September 30, 2023.	8
Financial highlights and statements	10
Known financial variances to the approved budget	10
Known year-to-date financial variances	11
Financial statements	11

Introduction

This document includes the following sections:

- President's update: Key activities in progress and accomplishments under CIHI's strategic plan for the second quarter of 2023–2024 (i.e., July 1 to September 30, 2023)
- CIHI's public releases from July 1 to September 30, 2023
- Financial highlights and statements: CIHI's financial situation as at September 30, 2023

President's update

Key initiatives in progress

- CIHI is increasingly being called upon to take a leadership role in helping to solve complex health issues and modernizing health data and information. The latest Marketing and Communications strategy focuses on positioning CIHI as Canada's leader in health data and information, taking an "always on" approach to enhancing awareness of CIHI's brand, increasing engagement with its diverse products and strengthening the corporate culture of a talented and skilled workforce. The strategy sets out different approaches to help meet these goals, including thought-leadership positioning, brand awareness campaigns, product engagement tactics and humanizing health care data through storytelling, all of which will leverage a variety of communication channels and platforms. CIHI aims to officially deploy the Marketing and Communications strategy in Q4 2023–2024.
- CIHI, in collaboration with our partners, is playing a role in the modernization of Canada's health data systems by supporting the provincial/territorial and federal governments in the delivery of multiple initiatives, including projects related to health human resources (HHR), pharmaceuticals, interoperability and new indicators. To support these emerging priorities, CIHI has retained 2 strategic advisors to complement and/or fill key knowledge and expertise gaps and to help advance new and existing work at the organization. Drs. Kimberlyn McGrail and Ewan Affleck — who were part of the Pan-Canadian Health Data Strategy Expert Advisory Group — have worked closely with CIHI's executive team to plan and prioritize CIHI's role in advancing health data literacy and modernizing the health data systems in Canada. Additionally, the strategic advisors are sharing their expertise and knowledge throughout the organization, advising on priority projects and representing CIHI at larger discussions, panels and advisory groups.

- In February 2023, CIHI was asked to lead a collaborative process to develop and report on indicators in 4 new shared health priority areas. CIHI has developed a process for indicator selection endorsed by the federal/provincial/territorial Shared Health Priorities Advisory Council. Over the summer, environmental scans were completed, stakeholder consultations with experts and patient partners were conducted, and Nanos Research completed public consultations to inform measurement priorities. In September, a draft short-list of indicators was developed. Final selection of common indicators is expected to be completed by December 2023. For the refinement of the 8 headline indicators, CIHI has established a collaborative working model with data partners that includes common approaches, milestones, responsibilities and a potential set of disaggregations for common indicators.

Strategic activities and outcomes

The following are key accomplishments for the second quarter of 2023–2024 that align with each of CIHI's strategic goals for 2022 to 2027.

1 A comprehensive and integrated approach to Canada's health system data

Collaborate with partners to continuously advance the creation, validation and accessibility of health system data

Key accomplishments

- CIHI's Data and Analytics Ethical Framework was launched internally in September and all staff were required to review it as part of the Code of Business Conduct renewal this fall. This framework will help us to discern and systematically work through ethical issues that emerge in our work with health data, to minimize ethical harms and to build public trust in health data and how we use it. A toolkit was developed to assist with the application of the framework, and work is underway to implement its use in our key data and information governance committees.

2

An expanded offering of analytics, indicators and tools to support health system decision-making

Provide the insight needed to drive better health outcomes across Canada's health systems

Key accomplishments

- On July 3, 2023, the Organisation for Economic Co-operation and Development (OECD) released OECD Health Statistics 2023. Canada contributes to the OECD Health Database each year. The tool contains standardized data from various health systems across OECD member countries, providing an invaluable source for comparative analysis at the international level. CIHI data and indicators can be accessed by policy-makers, researchers, jurisdictions and citizens through the OECD database.
- On July 25, 2023, version 1.4 of CIHI's Population Grouping Methodology (POP Grouper) was released. This version includes additional information on longitudinal tracking of chronic illnesses; enables users to group the latest Integrated InterRAI Reporting System (IRRS) assessments for long-term care and home care; includes Ontario Community Health Centre visits identified through electronic medical record data (i.e., primary health care data from the Alliance for Healthier Communities); and predicts risk of hospitalization for pneumonia. These updates to the POP Grouper allow stakeholders to incorporate more data inputs, which ensures a more complete picture of their population's overall health and resource utilization. We have received numerous requests for the latest version: 11 organizations in 7 jurisdictions requested this version and 7 organizations and 5 ministries of health have downloaded it. As evidenced by the prompt interest in acquiring the latest version of CIHI's POP Grouper, Canadian stakeholders are integrating this tool into their suite of decision-support and health system planning analytics. Several jurisdictions have created longitudinal data sets with 10+ years of grouped data to support health system planning and capacity-building, and in some cases are using POP Grouper outputs in funding formulas.

3

Health information users who are better equipped and enabled to do their jobs

Help build users' capacity by equipping them to make the best use of data, and by convening forums where they can explore solutions together and share best practices

Key accomplishments

- The Canadian Health Information Podcast (CHIP) returned in Q2 with English and French episodes on health care funding, and on climate change and health. For the latter, Dr. Theresa Tam and Dr. Howard Njoo — Canada's chief and deputy chief public health officers — offered advice on how to leverage data to help respond to events like the pandemic, in addition to providing insights on climate change. New episodes will follow monthly in Q3 and Q4. The CHIP now has more than 2,000 monthly subscribers (a 150% year-over-year increase) and episodes have been streamed or downloaded more than 100,000 times since its launch in May 2021.

Corporate foundations

Maintaining a strong foundation includes caring for our people, continuously investing in our information technology, remaining committed to managing privacy and security risks, and meaningfully engaging with stakeholders and partners.

- CIHI staff commemorated National Day for Truth and Reconciliation (September 30) with a week of activity and discussion honouring First Nations, Inuit and Métis children who lost their lives as a result of the residential school system, the far-reaching impact on survivors and the intergenerational trauma that persists to this day. CIHI staff participated in a number of activities led by Victoria Tenasco-Commanda, who is Algonquin Anishinabekwe from Kitigan Zibi Anishinabeg and a program consultant with CIHI's Indigenous Health team. Activities included the following:
 - A lunch-and-learn session that included a screening of the National Centre for Truth and Reconciliation video *Every Child Matters: Truth (Act One)*.
 - A film screening of *Indian Horse* — an adaptation of Richard Wagamese's award-winning story about the residential school system in Canada during the 1950s. Following the screening, Victoria engaged staff in a facilitated discussion about the story and the characters that so meaningfully brought this story to life.
 - A Sharing Circle that featured a discussion of the impacts of intergenerational trauma. Sharing Circle sessions provide a safe space where staff can learn and share, and are held monthly at CIHI.

CIHI's public releases from July 1 to September 30, 2023

[Better quality hospital data for identifying patients experiencing homelessness](#): CIHI published a requirement for hospitals to record homelessness in their data submissions beginning in 2018–2019, using ICD-10-CA code Z59.0 *Homelessness*. This release examines the impact of the requirement on the use of the Z59.0 code and demonstrates the important roles that different stakeholders have in creating and using quality data to improve care for patients experiencing homelessness. The release includes information on trends in recording homelessness in inpatient hospitalization data from 2015–2016 to 2020–2021.

[Injury and Trauma Emergency Department and Hospitalization Statistics, 2021–2022](#): This release contains information on emergency department visits and hospitalizations for injuries and trauma, with breakdowns provided by cause, province, age group and sex. It also contains the most recent data on sport-related brain injuries (including concussions) from 2017–2018 to 2021–2022.

[Nursing in Canada, 2022](#): This data release provides information on supply, workforce, employment, education and demographic trends for regulated nurses in Canada between 2013 and 2022.

[Taking the pulse: A snapshot of Canadian health care, 2023](#): This is the first release in an annual series that CIHI is producing to report on 4 priority improvement areas agreed upon by the Government of Canada and the provincial and territorial governments:

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

[Personal Support Workers in Alberta, 2022](#): This data release provides information on supply, workforce, demographic, education and employment trends of Alberta's personal support workers between 2020 and 2022. The data contained in this release was submitted by the College of Licensed Practical Nurses of Alberta, with the approval of Alberta Health, as part of a pilot project. This is the first edition of this data release published by CIHI.

[COVID-19 Hospitalization and Emergency Department Statistics, 2022–2023](#): Explore 2022–2023 information on hospitalizations and emergency department visits for patients with a diagnosis of COVID-19, including volumes, patient demographics and other key factors.

[NACRS Emergency Department Visits and Lengths of Stay by Province/Territory, 2022–2023 \(Q1 to Q4\)](#): Explore the most recent information on emergency department visits and lengths of stay for participating provinces and territories in Canada, based on 2022–2023 data submitted to the National Ambulatory Care Reporting System (NACRS).

[NRS Quick Stats, 2022–2023](#): These at-a-glance data tables provide the most recent aggregate-level data about inpatient rehabilitation in Canada, based on data submitted to the National Rehabilitation Reporting System (NRS).

[Factors impacting the number of physicians practising in Canada over 20 years](#): This release delves into some of the many factors that inform projections of the supply of physicians in Canada over 20 years. Interactive visuals present the impacts of changing the number of medical school seats, the number of residency positions and retirement rates as examples of policy levers that influence projections of physician supply. Strong projection models allow users to customize several factors that may influence the supply of and need for the health workforce in the future to facilitate informed HHR planning and decision-making processes and, ultimately, to ensure that the right mix of doctors is available to practise where needed.

[Hospital spending](#): The data tables in this release contain hospital spending information and trends in Canada by type of expense, by service area, and by average direct cost per patient by functional centre, from 2005–2006 to 2021–2022, as well as information on beds staffed and in operation by functional centre and on hours worked by service area, from 2009–2010 to 2021–2022.

[CJRR annual report: Hip and knee replacements in Canada, 2021–2022](#): This report presents the latest available Canadian statistics on hip and knee replacements for patients age 18 and older. It includes an examination of the emergence of day surgery joint replacements and a section on patient-reported outcome measures (PROMs).

[Profile of Residents in Residential and Hospital-Based Continuing Care, 2022–2023](#): These data tables provide a profile of residents of submitting residential care (commonly known as long-term care homes) and hospital-based continuing care facilities in 2022–2023.

Financial highlights and statements

In March 2023, CIHI's Board of Directors approved *CIHI's Operational Plan and Budget, 2023–2024* for up to \$139.2 million.

Based on year-to-date progress, activities planned for the remainder of the year to advance the strategic goals outlined in *CIHI's Strategic Plan, 2022 to 2027* and the detailed second-quarter financial review, management estimates that CIHI's overall year-end projection will be approximately \$156.7 million.

Known financial variances to the approved budget

The following represents the significant known annual financial variances to the approved budget based on the current review and second-quarter results:

- The Board-approved budget includes an annual funding allocation of up to \$111.6 million from Health Canada; it is now expected to be \$129.3 million, an increase of \$17.7 million explained as follows:
 - The anticipated carryforward amount of \$10.0 million was subsequently increased to \$10.6 million.
 - Additional funding and associated expenses have been confirmed for the following initiatives:
 - \$3.2 million to continue the implementation of the Pharmaceuticals Data and Information Roadmap (bringing the total for this initiative to \$3.7 million);
 - \$1.7 million to advance new data work for the Drugs for Rare Diseases strategy;
 - \$1.2 million to conduct a 1-year Data Pathways for Public Health pilot project; and
 - \$11 million corresponding to the first of 5 years of funding announced by the federal government in February 2023 to work on 3 priority areas: health indicators, interoperability and establishing a Centre of Excellence for the Future of the Health Workforce.
- Conversely, funding from the British Columbia Ministry of Health has decreased by \$235,000 due to planned initiatives being delayed. Associated expenses have been removed from the reforecast.
- Budgeted interest income has further increased by \$100,000 in Q2, for a total increase of \$300,000 due to current and projected increases in interest rates.

- After a detailed review of our compensation budget, our year-end projection reflects an annual overspending due mainly to an increase in staff to support the projects related to our increase in funding noted above, offset by an underspending related to an increase in our planned vacancy rate caused by current market conditions.
- Plans continue to be reviewed, and savings identified will continue to be reallocated as needed.

Known year-to-date financial variances

- Although the actual results for the 6-month period ended September 30, 2023, are different from the approved budget, the variances can largely be attributed to the items noted above, in addition to delays in spending.
- Management will continue to monitor the budget to ensure that resources are best allocated to meet CIHI's deliverables and commitments in the current fiscal year, as well as to achieve notable progress toward CIHI's strategic goals.

Financial statements

- Financial statements included in the following section present CIHI's financial position as at September 30, 2023, with detailed results of operations for the first 6 months of the fiscal year.
- Notes to the financial statements provide details related to specific lines of each statement.
- The closing balances of the balance sheet accounts in the following section are reasonably in line with the organization's operating cycle.

Balance sheet (\$000) as at September 30, 2023

Balance sheet	September 30, 2023 \$	March 31, 2023 (audited) \$
Assets		
Current assets		
Cash and short-term investments <i>(note 1)</i>	9,464	18,403
Accounts receivable <i>(note 2)</i>	3,720	5,279
Prepaid expenses <i>(note 3)</i>	7,006	5,001
Total current assets	20,190	28,683
Long-term assets		
Capital assets <i>(note 4)</i>	1,462	1,698
Total long-term assets	1,462	1,698
Total assets	21,652	30,381
Liabilities and net assets		
Current liabilities		
Accounts payable and accrued liabilities <i>(note 5)</i>	7,160	6,485
Unearned revenue <i>(note 6)</i>	1,587	1,296
Deferred contributions — Health Information Initiative <i>(note 7)</i>	4,552	14,017
Total current liabilities	13,299	21,798
Long-term liabilities		
Deferred contributions — expenses of future periods <i>(note 8)</i>	126	126
Deferred contributions — capital assets <i>(note 9)</i>	729	812
Lease inducements <i>(note 10)</i>	895	1,042
Total long-term liabilities	1,750	1,980
Net assets	6,603	6,603
Total liabilities and net assets	21,652	30,381

Notes to balance sheet as at September 30, 2023

1. **Cash and short-term investments:** Presented net of outstanding cheques as at September 30, 2023. Current short-term investments include \$5.0 million in term deposits, which will yield 5.16% and mature within 27 days.
2. **Accounts receivable:** Relates to the sale of products and services. Also composed of \$1.2 million from the Ontario government related to contributions for specific programs and projects, \$258,000 from the University of British Columbia for the Strategy for Patient-Oriented Research Initiative, \$128,000 from the Public Health Agency of Canada for the National Dementia Strategy, as well as \$941,000 related to the provision of the Core Plan through provincial and territorial agreements.
3. **Prepaid expenses:** Represents payments that have yet to be recognized as expenses, consisting of software and maintenance, cloud services, rent to landlords for office space and other expenses.
4. **Capital assets:** Presented net of accumulated amortization, including computers and telecommunications equipment, furniture and leasehold improvements. The capital assets are amortized over their estimated useful lives using the straight-line method: 5 years for computer hardware/software and office/telecommunications equipment; 10 years for furniture; and lease term for leasehold improvements. Assets acquired during the year are amortized beginning in the month of acquisition.
5. **Accounts payable and accrued liabilities:** Operational in nature. The accounts payable is mostly current (less than 30 days). The accrued liabilities represent goods received and services rendered up to the end of the quarter (e.g., external and professional services) as well as payroll and benefit accruals.
6. **Unearned revenue:** Includes contributions received for which expenses have yet to be incurred. The balance includes \$920,000 in Core Plan billings related to future quarters and \$494,000 in funding contributions received from the British Columbia Ministry of Health for special projects. The contributions are recognized as revenue in the same period as the related expenses are incurred.
7. **Deferred contributions — Health Information Initiative:** Related to contributions received from Health Canada but not yet recognized as revenue. The contributions are recognized as revenue in the same period as the related expenses are incurred.
8. **Deferred contributions — expenses of future periods:** Represents long-term unspent restricted contributions. The funding is recognized as income to match the occurrence of specific expenditures for projects and activities.
9. **Deferred contributions — capital assets:** Represents contributions provided for the purpose of capital assets acquisitions. The deferred contributions are recognized as revenue on the same basis as the amortization of the related capital assets.
10. **Lease inducements:** Represents leasehold improvement allowances, other inducements and free rent received/provided over the years for the Montréal, Victoria, Toronto and Ottawa offices. The inducements are amortized over the period of their respective leases.

Operating budget (\$000) for the 6-month period ended September 30, 2023

Operating budget	Actual year to date \$	Approved budget year to date \$	Variance \$	Year-end projection (12 months) \$	Approved budget (12 months) \$
Revenue					
Sales (note 1)	847	897	(50)	2,405	2,449
Core Plan (note 2)	10,243	10,243	—	20,485	20,485
Health Information Initiative (note 3)	55,135	56,195	(1,060)	129,272	111,742
Funding — other (note 4)	1,821	2,049	(228)	3,828	4,118
Other revenue (note 5)	497	233	264	700	400
Total revenue	68,543	69,617	(1,074)	156,690	139,194
Expenses					
Compensation (note 6)	52,503	53,042	539	111,350	104,309
External and professional services (note 7)	6,078	5,803	(275)	21,660	12,745
Travel and advisory committee (note 8)	1,047	1,463	416	3,775	2,631
Office supplies and services (note 9)	245	429	184	623	620
Computer and telecommunica- tions (note 10)	4,742	4,843	101	11,220	9,757
Occupancy (note 11)	3,928	4,037	109	8,062	8,132
Corporate provision (note 12)	—	—	—	—	1,000
Total expenses	68,543	69,617	1,074	156,690	139,194
Excess of revenue over expenses	—	—	—	—	—

Notes to operating budget for the 6-month period ended September 30, 2023

1. **Sales:** Includes CIHI's products and services over and above those sold as part of the Core Plan (e.g., on a fee-for-service basis).
2. **Core Plan:** Represents subscription revenue from the bilateral agreements with provincial and territorial governments.
3. **Health Information Initiative:** Represents Health Canada's funding allocation recognized as revenue to match the operating expenses incurred. As well, it includes deferred contributions received in prior years recognized as revenue to match the capital assets amortization.
4. **Funding — other:** Represents contributions from provincial and territorial governments and from other agencies for special projects or specific programs (e.g., Ontario Patient-Reported Outcome Measures, National Ambulatory Care Reporting System, Strategy for Patient-Oriented Research, Ontario Mental Health Reporting System, Ontario Trauma Registry, Ontario Health Based Allocation Model, Ontario Opioid Overdose Surveillance System, National Dementia Strategy). The funding is recognized as revenue in the same period as the related expenses are incurred.
5. **Other revenue:** Includes interest income generated from the bank accounts and short-term investments, as well as miscellaneous income.
6. **Compensation:** Includes salaries, benefits and pension expense for both full-time employees and agency/contract staff.
7. **External and professional services:** Includes accruals for services rendered to date. At the end of September, the unrecorded contractual commitments pertaining to this fiscal year are in the order of \$8.0 million.
8. **Travel and advisory committee:** Includes travel expenses for staff and for members of the Board of Directors and of advisory committees, as well as facility costs relating to CIHI's education sessions and externally hosted meetings.
9. **Office supplies and services:** Includes printing, postage/courier/distribution, office equipment and supplies, insurance costs, and equipment, furniture and leasehold improvements of a capital nature under \$5,000.
10. **Computer and telecommunications:** Includes supplies, software/hardware support and maintenance, minor software costs and upgrades, telecommunications line charges and long-distance charges, cloud computing costs, capital purchases under \$5,000, as well as depreciation of computers and telecommunication assets.
11. **Occupancy:** Includes rent, facility maintenance and depreciation of furniture and leasehold improvements.
12. **Corporate provision:** Set aside by management; essentially a contingency for emerging issues and year-end adjustments.



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