



President's Quarterly Report and Review of Financial Statements

As at December 31, 2023



Canadian Institute
for Health Information

Institut canadien
d'information sur la santé

All rights reserved.

The contents of this publication may be reproduced unaltered, in whole or in part and by any means, solely for non-commercial purposes, provided that the Canadian Institute for Health Information is properly and fully acknowledged as the copyright owner. Any reproduction or use of this publication or its contents for any commercial purpose requires the prior written authorization of the Canadian Institute for Health Information. Reproduction or use that suggests endorsement by, or affiliation with, the Canadian Institute for Health Information is prohibited.

For permission or information, please contact CIHI:

Canadian Institute for Health Information

495 Richmond Road, Suite 600

Ottawa, Ontario K2A 4H6

Phone: 613-241-7860

Fax: 613-241-8120

cihi.ca

copyright@cihi.ca

© 2024 Canadian Institute for Health Information

How to cite this document:

Canadian Institute for Health Information. *President's Quarterly Report and Review of Financial Statements as at December 31, 2023*. Ottawa, ON: CIHI; 2024.

Cette publication est aussi disponible en français sous le titre *Rapport trimestriel du président et revue des états financiers au 31 décembre 2023*.

Table of contents

Introduction	4
President's update	4
Key initiatives in progress.	4
Strategic activities and outcomes	5
Corporate foundations	8
CIHI's public releases from October 1 to December 31, 2023	8
Financial highlights and statements	11
Known financial variances to the approved budget	11
Financial statements	12

Introduction

This document includes the following sections:

- President's update: Key activities in progress and accomplishments under CIHI's strategic plan for the third quarter of 2023–2024 (i.e., October 1 to December 31, 2023)
- CIHI's public releases from October 1 to December 31, 2023
- Financial highlights and statements: CIHI's financial situation as at December 31, 2023

President's update

Key initiatives in progress

- CIHI has been working to launch the Healthy Data for Healthy People Collective, an initiative to optimize how health data is used in Canada and reduce harms associated with lack of access to meaningful and quality health data. This work aligns with recommendations from the Pan-Canadian Health Data Strategy Expert Advisory Group and will support many of CIHI's strategic initiatives that are underway. At its June 2023 meeting, CIHI's Board of Directors emphasized the importance of CIHI's supportive role to advance this work. Over the past few months, CIHI has been working closely with Paul Born, co-founder of the Tamarack Institute and an expert on the collective impact approach used to drive social change, as well as with Dr. Ewan Affleck and Dr. Kimberlyn McGrail, to design a collaborative approach that will mobilize various players across the health systems to address these long-standing health data issues in alignment with the principles of the Pan-Canadian Health Data Charter.
- In support of priorities identified by Indigenous organizations, CIHI is working to report on data for 18 indicators selected by the First Nations of Quebec and Labrador Health and Social Services Commission. The report, expected by March 31, 2024, will provide results for each of the 33 communities under the commission's jurisdiction. This is the second year we have completed this data request. This work demonstrates CIHI's respect for Indigenous data sovereignty, commitment to building capacity of Indigenous health organizations, support for priorities identified by Indigenous organizations and commitment to providing health information to support measurement of cultural safety.

Strategic activities and outcomes

The following are key accomplishments for the third quarter of 2023–2024 that align with 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

- In fall 2023, 2 new co-contributor working groups were launched to support CIHI's interoperability project. One group — composed of clinicians, patients and persons with lived experience, researchers, provincial/territorial ministry representatives and standards experts — will support the development of data content standards for the delivery and management of clinical care in the primary health care sector. The other group — composed of provincial/territorial ministry representatives, data standards experts and data modellers — will support the data modelling and architecture of these data content standards. These groups will help to shape CIHI's interoperability work ahead of an open public review in early 2024.
- CIHI completed a comprehensive environmental scan and external interviews to identify flexible data submission options to support data advancement for hospital and clinic data. A final report on data supply changes and potential risks was presented to CIHI's National Clinical Administrative Databases (NCAD) Advisory Committee in November 2023. This information will help CIHI begin its Hospital Data Transformation Project (known as "iHospital").
- In December 2023, CIHI, the Australian Institute of Health and Welfare, the Australia Department of Health and Aged Care, and the Australian National University co-hosted 2 inaugural transnational Health Workforce and Aged Care Symposiums in Australia. Attendees from Australia, Canada and New Zealand exchanged information related to policy, data and modelling, and governance approaches to addressing health workforce issues in each country, as well as the importance of data standards in improving the quality of care in both long-term care and home care.
- In November 2023, CIHI acquired the first provisional MED-ÉCHO-compliant production file for Q1 and Q2 2023–2024 data from Quebec. Upstream data processing into the Discharge Abstract Database–Hospital Morbidity Database (DAD-HMDB) has been completed and data is available for internal use. This is the first time that Quebec's hospital data is part of CIHI's provisional (i.e., open-year) data program.

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 November 27 and 28, 2023, CIHI hosted an in-person meeting of the federal/provincial/territorial (FPT) Shared Health Priorities Advisory Council. Members reached consensus on 10 additional common indicators to be reported to Canadians across the 4 shared health priority areas: improving access to family health services, increasing the supply of health workers and reducing backlogs, improving access to mental health and substance use services, and modernizing health care information systems. The 18 common indicators (8 headline indicators from the February 2023 announcement and 10 newly selected by the Advisory Council) will form a balanced set that can measure progress over time in the 4 priority areas.
- A CIHI analysis on the topic of people experiencing homelessness was published in CMAJ Open in December 2023. The peer-reviewed article, "[Trends in hospital coding for people experiencing homelessness in Canada, 2015–2020: A descriptive study](#)," was the result of a successful collaboration between CIHI and researchers at the MAP Centre for Urban Health Solutions at Unity Health Toronto. Since 2018, it has been mandatory for coders to record ICD-10-CA code Z59.0 Homelessness when preparing inpatient hospital data. The study found that hospitals in Canada have been reporting more patients experiencing homelessness since the mandate came into effect. Better identification of patients experiencing homelessness presents an opportunity for health system and hospital stakeholders to leverage data and information on this population for planning and improvement.
- CIHI partnered with the ministère de la Santé et des Services sociaux du Québec to develop a new financial and statistical chart of accounts aligned with CIHI's MIS Standards. This collaborative effort between the ministry, health professionals and CIHI spanned several years and will enable the implementation of an accounting system that will track health spending and activity across the province's health system using 1 data standard aligned with CIHI's standard.
- On December 14, 2023, CIHI launched the newly upgraded Physician Resource Planning (PRP) Tool to provinces/territories and Health Canada. The upgraded tool allows users to create in-depth customized supply and demand models and see projected supply–demand gaps to assist with physician resource planning in Canada. CIHI provided a demo of the upgraded PRP Tool to the FPT Committee on Health Workforce. The committee supported CIHI in extending access to the tool to selected organizations, including Health Workforce Canada.

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

- CIHI released 2 new eLearning courses in our [Learning Centre](#) to help health information users work with CIHI's products more effectively.
 - **CIHI's Clinical Administrative Databases — An Introduction to DAD, NACRS and HMDB** enhances clinicians', managers' and policy-makers' understanding and use of the DAD, National Ambulatory Care Reporting System (NACRS) and HMDB, including how data is collected, submitted and used by various stakeholders in our health care systems, and how to use these databases to get reliable information that can support their decision-making.
 - **Using CIHI Indicators** supports data analysts, decision-support analysts/managers, financial analysts/administrators and quality managers/directors in learning how to break down specific indicators to better understand drivers and compare results with those of peers.
- CIHI expanded access to our private eReporting environment for drug data, in line with our privacy regulations, to organizations like CADTH and the pan-Canadian Pharmaceutical Alliance (pCPA). As of September 2023, these organizations have instant access to aggregated data; they can run reports themselves and look at the cost and use of pharmaceuticals across the country for decision-making and to support their work. Many of the data requests from CADTH and pCPA that CIHI has spent time on can now be filled by the organizations themselves by accessing the data in eReports.

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 is a prescribed entity under Ontario's *Personal Health Information Protection Act* (PHIPA), which authorizes health information custodians in Ontario, such as hospitals, to disclose personal health information to CIHI for the purposes of its mandate. As a prescribed entity, CIHI must have its practices and procedures reviewed and approved by the Information and Privacy Commissioner of Ontario (IPC/ON) every 3 years to ensure that CIHI continues to protect the privacy of individuals. As of October 31, 2023, CIHI has been approved as a prescribed entity for a further 3-year period. This approval by the IPC/ON is an important indicator of the strength of CIHI's privacy and information security programs and CIHI's commitment to protecting the health information of Canadians.

CIHI's public releases from October 1 to December 31, 2023

[Hospital staffing and hospital harm trends throughout the pandemic](#): A high-level look at available pan-Canadian data on hospital staffing — including sick time, overtime, agency use and potential impacts on patient harm — to explore trends observed during the COVID-19 pandemic on the health workforce in Canada.

[Hospital Harm indicator updates, 2022–2023](#): Canada-level Hospital Harm indicator crude rates, harmful event case counts and crude rates by category of harm and clinical group for 2022–2023, along with associated infographics. For the first time, case counts and crude rates are also broken down by equity stratifiers, including age group, recorded sex/gender, neighbourhood income quintile, and rural/remote and urban location.

[Patient Cost Estimator](#): Estimated hospital costs aggregated by province and territory for hospital inpatient services by case-mix group and age group. The tool was updated for all provinces and territories with 2021–2022 data.

[Physicians in Canada, 2022](#): The most recent and historical information on the supply of physicians in Canada, as well as on their service utilization and their payments that are administered through the provincial/territorial medical care plans, using data from the National Physician Database and Scott's Medical Database.

[Occupational therapists, pharmacists and physiotherapists in Canada, 2022](#): The supply, workforce, demographic, education and employment trends of occupational therapists, pharmacists and physiotherapists in Canada between 2013 and 2022.

[National health expenditure trends, 2023](#): An overview of how much is spent on health care annually, in what areas money is spent and on whom, and where the money comes from. It features comparative expenditure data at the provincial/territorial and international levels, as well as Canadian health spending trends from 1975 to the present.

[Prescribed drug spending in Canada, 2023](#): An in-depth look at prescribed drug spending in Canada and how different drug classes contribute to current trends in total public drug program spending.

[CIHI Hospital Frailty Risk Measure \(HFRM\)](#): A measure that characterizes the risk of frailty among seniors (age 65 and older) in hospitals across Canada. A range of statistics derived from the CIHI HFRM are provided by hospital, health region and province/territory for 2016–2017 to 2021–2022 (all jurisdictions) and for 2022–2023 (all jurisdictions excluding Quebec).

Mental Health and Substance Use (MHSU) indicators: Updated and new data for 3 MHSU indicators:

- [30-Day Readmission for MHSU \(2013–2014 to 2022–2023\)](#)
- [Repeat Hospital Stays for MHSU \(2013–2014 to 2022–2023\)](#)
- [Frequent Emergency Room Visits for Help With MHSU \(2017–2018 to 2022–2023\)](#)

Results were released concurrently in [Your Health System](#) (YHS) for Repeat Hospital Stays for MHSU and Frequent Emergency Room Visits for Help With MHSU.

[Measuring access to priority health services](#): Updated results for the 12 indicators in the Shared Health Priorities portfolio, which measure access to mental health and substance use services, and to home and community care. The indicators were updated in CIHI's [YHS: In Brief](#) web tool in November 2023.

[Health Indicators e-Publication update](#): The Health Indicators e-Publication is a free web-based product that is produced jointly by CIHI and Statistics Canada. It is a compilation of more than 80 indicators measuring health status, non-medical determinants of health, health system performance, and community and health system characteristics for health regions, provinces and territories. On November 30, 2023, 26 indicators were updated with the most recent year of data. This release was accompanied by the public release of YHS (In Brief and In Depth).

[YHS web tool update](#): YHS: In Brief provides the public with information about how Canada's health systems are performing. YHS: In Depth gives decision-makers in hospitals, long-term care facilities, health regions and governments the data and information they need to make policy and service delivery decisions to improve health systems. About 48 indicators and 17 contextual measures were updated with the most recent year of data. This release was accompanied by the update of the Health Indicators e-Publication.

[Annual statistics on organ replacement in Canada, 2013 to 2022](#): The Canadian Organ Replacement Register annual statistics provide information on dialysis and on solid organ donation and transplantation. The report examines trends in patient characteristics and outcomes in Canada between 2013 and 2022.

[Health Workforce in Canada, 2022 — Quick Stats](#): This interactive tool contains data on the supply, workforce, inflow/outflow and provincial/territorial trends of Canada's health workforce, as well as on vacancies and selected staffing indicators. The file currently contains information on physicians, regulated nurses, physiotherapists, occupational therapists and pharmacists.

[Profile of Clients in Home Care, 2022–2023](#): Information on demographics, clinical and functional characteristics, treatments and medications, resource utilization, and admissions and discharges for clients who received home care services from publicly funded programs in participating jurisdictions 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 third-quarter financial review, management estimates that CIHI's year-end projection will be approximately \$151.0 million for operations and \$312,000 for capital expenditures. This reforecast considers additional sources of revenue and the expectation of requesting Health Canada to authorize a carryforward of approximately \$15.0 million.

Known financial variances to the approved budget

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

- The Board-approved budget includes an annual funding allocation of up to \$111.6 million from Health Canada. Our reforecast amounts to \$123.3 million, which takes into consideration an additional \$0.6 million that was carried forward from 2022–2023 and the underspending of \$15 million expected for 2023–2024. It also includes additional funding confirmed for specific initiatives:
 - \$3.2 million to continue implementing 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
 - \$20 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 Health Workforce Canada (a centre of excellence for the future of the health workforce). An initial \$11 million was confirmed in August 2023 and the remaining \$9 million was confirmed in January 2024.

- Conversely, funding from the British Columbia Ministry of Health decreased by \$235,000 due to planned initiatives being delayed. Associated expenses have been removed from the reforecast.
- Budgeted interest income further increased by \$100,000 in Q3, for a total increase of \$400,000 due to current and projected increases in interest rates.
- Overall expenses have increased to support various initiatives associated with the new funding noted above. Savings have been identified in areas such as contract staff, external and professional services, and travel due to delays in commencing these priority initiatives and other delays in spending. Although plans continue to be reviewed and savings that are identified will continue to be reallocated as needed to support other areas of the organization to deliver on our priority initiatives, an underspending of approximately \$15 million is anticipated at year end.

Financial statements

Financial statements included in the following section present CIHI's financial position as at December 31, 2023, with detailed results of operations for the first 9 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 December 31, 2023

Balance sheet	December 31, 2023 \$	March 31, 2023 (audited) \$
Assets		
Current assets		
Cash and short-term investments <i>(note 1)</i>	4,650	18,403
Accounts receivable <i>(note 2)</i>	5,996	5,279
Prepaid expenses <i>(note 3)</i>	5,190	5,001
Total current assets	15,836	28,683
Long-term assets		
Capital assets <i>(note 4)</i>	1,340	1,698
Total long-term assets	1,340	1,698
Total assets	17,176	30,381
Liabilities and net assets		
Current liabilities		
Accounts payable and accrued liabilities <i>(note 5)</i>	7,285	6,485
Unearned revenue <i>(note 6)</i>	1,653	1,296
Deferred contributions — Health Information Initiative <i>(note 7)</i>	—	14,017
Total current liabilities	8,938	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>	688	812
Lease inducements <i>(note 10)</i>	821	1,042
Total long-term liabilities	1,635	1,980
Net assets	6,603	6,603
Total liabilities and net assets	17,176	30,381

Notes to balance sheet as at December 31, 2023

- 1. Cash and short-term investments:** Presented net of outstanding cheques as at December 31, 2023. Current short-term investments include \$5.0 million in term deposits, which will yield 5.25% and mature within 45 days.
- 2. Accounts receivable:** Relates to the sale of products and services. Also composed of \$2.0 million from the Ontario government related to contributions for specific programs and projects, \$2.7 million related to the provision of the Core Plan through provincial and territorial agreements, as well as \$223,000 from Health Canada related to Health Information Initiative funding.
- 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 \$697,000 in Core Plan billings related to the fourth quarter, \$524,000 in funding contributions received from the British Columbia Ministry of Health for special projects and \$285,000 from the University of British Columbia for the Strategy for Patient-Oriented Research Initiative. 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 9-month period ended December 31, 2023

Operating budget	Actual year to date \$	Year-end projection (12 months) \$	Approved budget (12 months) \$	Variance, budget versus projection \$
Revenue				
Sales (note 1)	1,145	2,636	2,449	187
Core Plan (note 2)	15,364	20,485	20,485	—
Health Information Initiative (note 3)	85,309	123,272	111,742	11,530
Funding — other (note 4)	2,722	3,815	4,118	(303)
Other revenue (note 5)	666	800	400	400
Total revenue	105,206	151,008	139,194	11,814
Expenses				
Compensation (note 6)	78,933	108,766	104,309	(4,457)
External and professional services (note 7)	10,645	18,993	12,745	(6,248)
Travel and advisory committee (note 8)	1,962	3,393	2,631	(762)
Office supplies and services (note 9)	406	678	620	(58)
Computer and telecommunications (note 10)	7,314	10,999	9,757	(1,242)
Occupancy (note 11)	5,946	8,179	8,132	(47)
Corporate provision (note 12)	—	—	1,000	1,000
Total expenses	105,206	151,008	139,194	(11,814)
Excess of revenue over expenses	—	—	—	—

Notes to operating budget for the 9-month period ended December 31, 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 December, the unrecorded contractual commitments pertaining to this fiscal year are in the order of \$6.3 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.



CIHI Ottawa

495 Richmond Road
Suite 600
Ottawa, Ont.
K2A 4H6
613-241-7860

CIHI Toronto

4110 Yonge Street
Suite 300
Toronto, Ont.
M2P 2B7
416-481-2002

CIHI Victoria

880 Douglas Street
Suite 600
Victoria, B.C.
V8W 2B7
250-220-4100

CIHI Montréal

1010 Sherbrooke Street West
Suite 602
Montréal, Que.
H3A 2R7
514-842-2226

cihi.ca

47344-0224

