



# A year of mobilization and transformation

ANNUAL REPORT  
2022 | 2023





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# A year of mobilization and transformation

## Message from the President and Chief Executive Officer

At the end of a year of great mobilization, I am proud to present the 2022–2023 Annual Report. This document provides an overview of the past year at Vitalité Health Network, highlighting the major accomplishments of our organization and our health care workers.

The past year has also been one of transformation, moving from operational management monopolized by the health crisis to organizational transformation steps to respond to the challenges left by the pandemic, namely the shortage of health care workers, and to review our health care and service delivery models.

In 2022–2023, we have consolidated our major directions, namely **patient experience**, **employee experience**, and **building closer ties with communities**. Based on these, we have established the Network's strategic priorities, which are improving access to primary health care and improving patient flow and hospital performance. We have also reviewed our purpose and organizational values.

Our teams are mobilized in this direction while remaining focused on the objectives of the New Brunswick Provincial Health Plan.

We have adopted a strategic management and rapid execution approach that is based on targeted improvement projects that meet needs identified in the field. It is a demanding approach that engages teams in the search for and implementation of solutions.

Thanks to the contribution of these teams, many improvements have been made to our processes for managing patient flow and surgery waiting lists, for instance, as well as other operational processes that have an impact on patient care and service delivery.

In an effort to ensure transparency, the Network's Performance Report on continuous improvement is posted on our website. To enable the community to follow our progress, a quarterly report is also published, the most recent of which has just been released.

In closing, I salute the resilience and exemplary commitment of our health care workers who remain steadfast despite challenges. Finally, I wish to thank our partners, our communities, our patients and their families for working with us to advance the Network's mission.

Enjoy your reading!

Dr. France Desrosiers



## Message from the Trustee

Among the major achievements of the Network in 2022–2023, the many meetings held in communities are, in my opinion, evidence of a sincere desire to understand the issues specific to the regions and to better meet their needs.

I would like to emphasize the spirit of collaboration that resulted, which is essential in view of the challenges in the health care sector: an aging population and health care workers already struggling to meet needs that are only going to intensify.

As I am completing my term as trustee, I salute the members of the Board of Directors who were in office in 2022 and those who will soon be. The new Board will begin its mandate with the Network's vision, strategic priorities, and solid approach to achieving its objectives already in place.

The new Board will offer strong support to the President and Chief Executive Officer and her teams in pursuing efforts to transform the health care system. Confident about the future, I wish them great success.

I was privileged to see first-hand the work done by the Network and to help carry out projects, namely the implementation of the New Brunswick Provincial Health Plan. So I conclude my term with a sense of accomplishment.

Despite the temporary changes made in the Network's governance, the Regional Medical Advisory Committee (MAC) and the Professional Advisory Committee (PAC) continued their work as usual throughout the year.

As trustee, I have received reports from these committees that are in place under the provisions of the *Regional Health Authorities Act* to conduct an in-depth review of the major areas and functions of the Network's governance.

Since one of my responsibilities consisted in hiring the new Regional Chief of Staff, I would like to take this opportunity to salute Dr. Éric Levasseur, who assumed this position in January 2023. Dr. Levasseur worked as a family physician in the Northwest region for over 32 years. Over the years, he has held various positions such as Chief of Staff in that zone from 2017 to 2022. I also wish to thank Dr. Nicole LeBlanc, who completed her term as Regional Chief of Staff in December 2022 to play a key role with the College of Physicians and Surgeons of New Brunswick.

As this is likely my final message as part of my mandate, I would like to conclude by expressing my gratitude to the health care workers who are the backbone of our health care system. I invite all stakeholders to recognize and support them in this important period of transformation.

Thank you and best of luck to Vitalité Health Network!

Gérald Richard



# Our Purpose and Values

With an aging population in need of more health care and services and a shortage of professional resources capable of providing such care and services, the Network must, more than ever, build on the strengths and synergy of its teams and involve patients, partners and communities in the continuous improvement of the health care system.

In 2022–2023, we revised our purpose and values to align with our commitment to serve people better by optimizing the care and services provided in hospitals and in the community and to recognize and support the teams working in the field.

Resulting from extensive discussions with our teams in the field and with our communities, the new purpose statement and values convey a common, unifying plan, in which our actions inspire confidence and nurture hope in teams, people and communities for the future of health care and services.



# Overview of the Network

Covering all of northern and southeastern New Brunswick, the Network is a one-of-a-kind organization in Atlantic Canada because of its Francophone identity. The Network provides health care services in the official language of the patient's choice from nearly 60 points of service spread across four geographic areas. These areas are designated as follows: Beauséjour Zone (health region 1), Northwest Zone (health region 4), Restigouche Zone (health region 5), and Acadie-Bathurst Zone (health region 6).

With a budget of \$774.9 million (excluding Medicare), the Network serves a population of 247,878 people. Services are provided by a dedicated and committed team of 7,949 full-time and part-time employees, 598 physicians, and nearly 800 volunteers.

The Network is supported by 10 foundations. Their contributions make it possible to fund a number of initiatives and projects for

our patients. The close and favoured ties linking our foundations to our facilities and programs help to improve the health and wellness of people.

The range of services offered by the Network includes acute hospital care, clinics and community health centres, home care, public health, addiction and mental health services, long-term care to veterans, training and research, ambulatory care services, and services provided in communities by our physicians. The Network also helps to provide a wide range of health services to the various First Nation communities in New Brunswick.

The Network provides leadership for some provincial health programs such as the SANE (sexual assault nurse examiner) Program, the New Brunswick Cochlear Implant Follow-Up Program, the Provincial PKU (phenylketonuria) Program, the New Brunswick FASD (fetal alcohol spectrum disorder) Centre of Excellence, the Provincial Genetics Program, the Provincial Bariatric Surgery Program, the Provincial Gynecologic Oncology Program, the Provincial Virology Laboratory, and the Provincial Forensic Psychiatry Program.



# The Network's Territory



## The Network's Profile



Population served  
**247,878**



Budget  
**\$774.9 million**  
(including depreciation but excluding Medicare)

### H Hospital facilities (11)

Dr. Georges-L.-Dumont University Hospital Centre  
Campbellton Regional Hospital  
Chaleur Regional Hospital  
Edmundston Regional Hospital  
Restigouche Hospital Centre  
Enfant-Jésus RJSJ† Hospital  
Tracadie Hospital  
Lamèque Hospital and Community Health Centre  
Stella-Maris-de-Kent Hospital  
Grand Falls General Hospital  
Hôtel-Dieu Saint-Joseph de Saint-Quentin

### ■ Community health centres (3), health centres (7) and clinics (4)

Saint-Isidore Community Health Centre  
Lamèque Hospital and Community Health Centre  
St. Joseph Community Health Centre (Dalhousie)  
Chaleur Health Centre (Pointe-Verte)  
Miscou Health Centre  
Paquetville Health Centre  
Greater Moncton Health Centre  
Shediac Regional Medical Centre  
Dr. Chanel-Dupuis Health Centre (Sainte-Anne-de-Madawaska)  
Jacquet River Health Centre  
Cocagne Health Clinic  
Saint-Paul-de-Kent Satellite Clinic  
Haut-Madawaska Medical Clinic  
E.L. Murray Medical Clinic (Campbellton)

### ★ Veterans' unit/centre (2)

Veterans' Unit, Campbellton Regional Hospital  
Veterans' Health Centre (Moncton)

### Foundations (10)

Fondation Les Amis de l'Hôpital de Tracadie Inc.  
Chaleur Regional Hospital Foundation Inc.  
La Fondation de l'Hôpital de Lamèque Inc.  
Fondation Hôpital de l'Enfant-Jésus Inc.  
Les Ami.e.s de l'Hôpital Stella-Maris-de-Kent  
CHU Dumont Foundation  
Edmundston Regional Hospital Foundation  
Foundation of the Friends of the Grand Falls General Hospital Inc.  
Fondation Dr Romaric Boulay  
Friends of Healthcare Foundation (Campbellton)

### ● Community mental health centres (10 + 2 points of service)

Bathurst  
Campbellton (point of service in Dalhousie)  
Caraquet  
Edmundston  
Grand Falls  
Kedgwick  
Moncton  
Richibucto (point of service in Shediac)  
Shippagan  
Tracadie

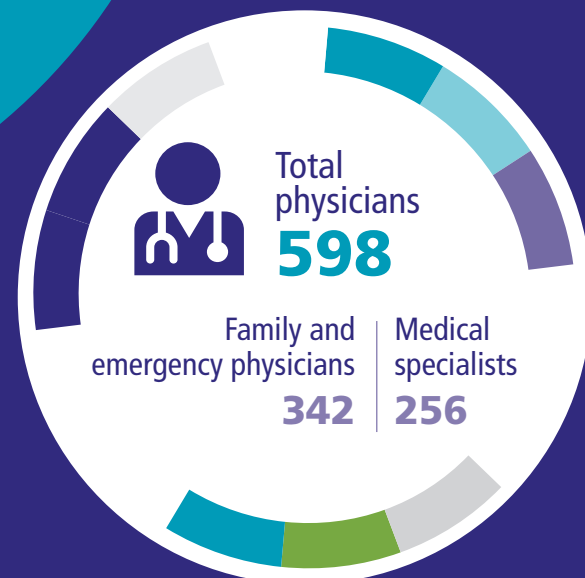
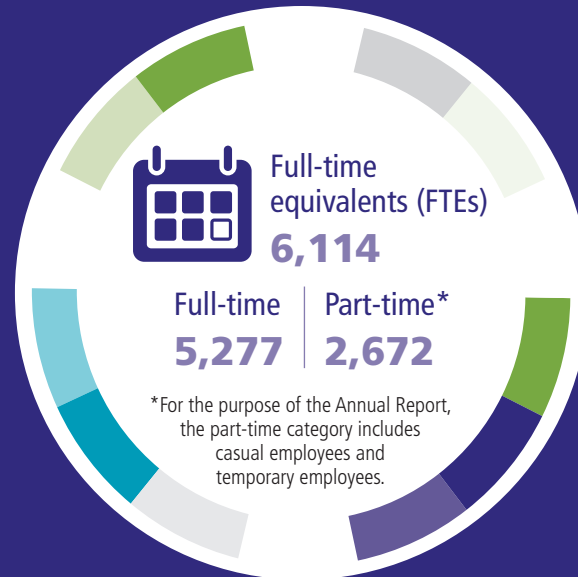
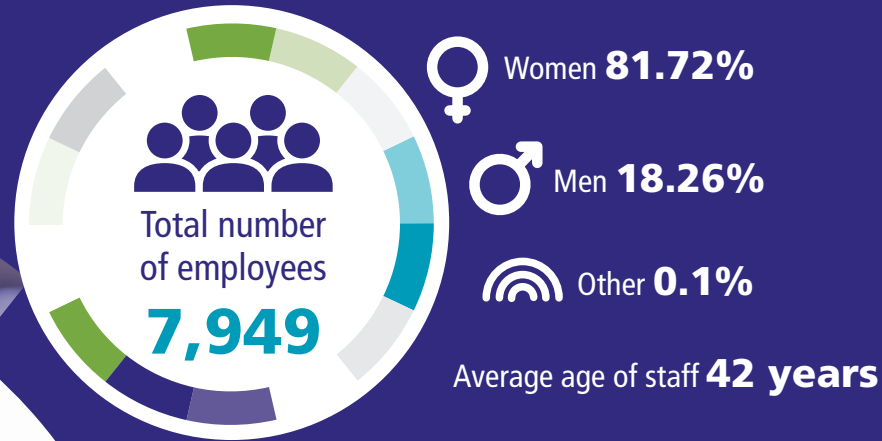
### ▲ Public Health – Main offices (11 + 3 points of service)

Bathurst  
Campbellton (point of service in Dalhousie and Jacquet River)  
Caraquet  
Edmundston  
Grand Falls  
Kedgwick  
Moncton (point of service in Sackville)  
Richibucto  
Shediac  
Shippagan  
Tracadie

### ❖ Addiction Services (4)

Bathurst  
Tracadie  
Edmundston  
Campbellton

# Human Resources Profile



## Board of Directors, Trustee and Leadership Team

Board of Directors (in office from April 1 to July 15, 2022)

**Mathieu Picard**, Chairperson, Moncton  
**Claire Savoie**, Vice-Chairperson, South Tetagouche  
**Gilles Lanteigne**, Treasurer, Caraquet  
**Monica L. Barley**, Moncton  
**J. Roger Clinch**, Bathurst  
**Julie Cyr**, Campbellton  
**Joanne Fortin**, Saint-Quentin  
**Janice Goguen**, Moncton

**Norma McGraw**, Petit-Tracadie  
**Denis M. Pelletier**, Edmundston  
**Chief Terry Richardson**, Pabineau First Nation  
**Liza A. Robichaud**, Bathurst  
**Dr. Louis-Marie Simard**, Cocagne  
**Krista Toner**, Grand Falls  
**Clément Tremblay**, Dalhousie

**Dr. France Desrosiers**, President and Chief Executive Officer, Board Secretary, ex-officio member  
**Dr. Nicole LeBlanc**, Chief of Staff, Chairperson of the Regional Medical Advisory Committee, ex-officio member  
**Justin Morris**, Chairperson of the Professional Advisory Committee, ex-officio member

Trustee (in office from July 15, 2022 to June 30, 2023)

**Gérald Richard**

Leadership Team (on March 31, 2023)

**Dr. France Desrosiers**, President and Chief Executive Officer  
**Patrick Parent**, Assistant Chief Executive Officer, Strategic Execution and Senior Vice-President, Client Programs and Professional Services  
**Dr. Natalie Banville**, Senior Vice-President, Client Programs and Medical Affairs  
**Sharon Smyth Okana**, Senior Vice-President, Client Programs and Nursing

**Brigitte Sonier-Ferguson**, Senior Vice-President, Performance, University Mission and Strategy  
**Stéphane Legacy**, Senior Vice-President, Corporate Services  
**Ghislaine Arsenault**, Vice-President, Communications and Engagement  
**Frédéric Finn**, Vice-President, Employee Experience

From left to right: Frédéric Finn, Ghislaine Arsenault, Dr. Éric Levasseur, Dr. Natalie Banville, Stéphane Legacy, Sharon Smyth Okana, Dr. France Desrosiers, Patrick Parent and Brigitte Sonier-Ferguson



# The Network's Performance

As a learning organization, Vitalité Health Network has taken the liberty of reviewing and improving the way projects are prioritized and executed by adopting a strategic management and rapid execution approach. Several improvement projects have been identified as a result of our major directions, namely patient experience, employee experience and building closer ties with communities. First carried out on a smaller scale, some of these projects will then be rolled out across the Network. Since fall 2022, the Network has prioritized nearly sixty projects through this new approach (47% of projects are underway and 53% of projects are either completed or at the monitoring phase).

## Project distribution by strategic direction

Thanks to the sustained efforts of our teams, we are seeing tangible improvements in several areas. The solutions that are emerging are realistic and sustainable because they are coming from the people who are experiencing the realities on the ground every day.

We would like to thank the teams that are working hard to contribute to our improvement efforts. It is hard and demanding work, but it is paying off.

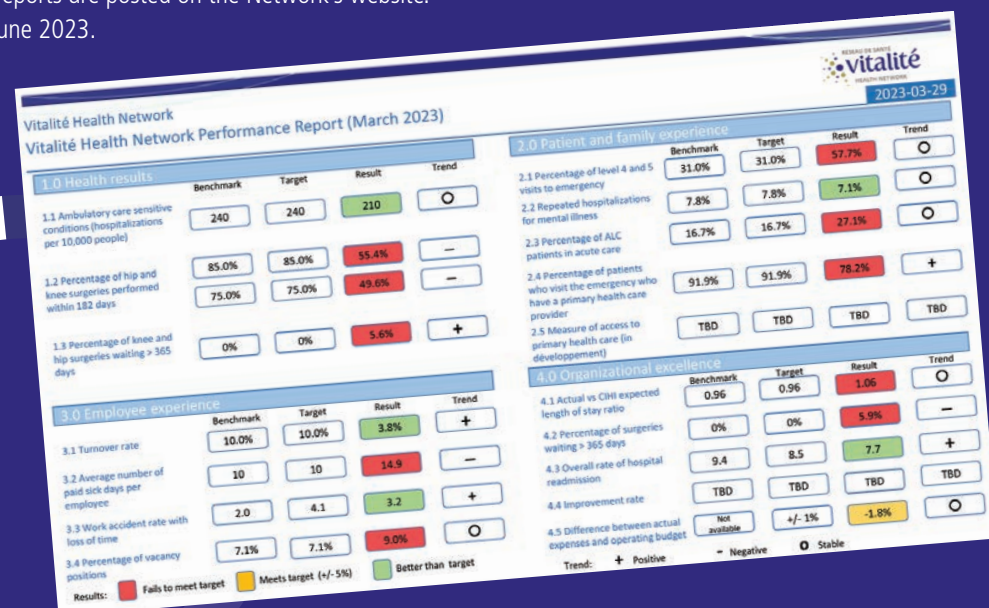


## Performance Report

In an effort to be transparent and accountable, the Network publishes a quarterly performance report showing its achievement, as well as detailed results per zone or facility with respect to health, employee experience, patient and family experience, and organizational excellence.

For each key indicator, the report provides the benchmark (national or international data for the same indicators), the target for the current quarter, the results at the end of the quarter, and the trend since the previous quarters.

Performance reports and quarterly reports are posted on the Network's website. The latest ones were published in June 2023.



# Integrated Service Network: A promising model for the future

In view of the challenges in the health sector, especially the aging population and the labour shortage, the teams at Vitalité Health Network are making efforts to review the delivery of health care and services, to make it more efficient and effective.

The implementation of integrated service networks in the 13 communities of Vitalité Health Network's territory is the recommended model based on national and international evidence on population health.

In 2022–2023, the model was defined, along with its mission, principles, objectives and essential components. Of the principles adopted, accessibility, collaborative work in interdisciplinary and intersectoral teams, and engagement with communities are the fundamental and central principles. Medical engagement meetings and engagement meetings with community leaders were held in several regions.

Developed in the community, from the needs of its citizens, this collaborative approach fosters access to primary health care for the general public and people with complex needs while ensuring that all community services are fully integrated into the Network's service offering.

While hospitals have traditionally occupied a central place in the health care system, the proposed model places greater emphasis on community services, both for referral and follow-up. In the same way, physicians were often the only health care providers. This model relies on the collaboration of interdisciplinary teams (physicians, nurses, pharmacists, physiotherapists, psychologists, social workers and other practitioners) to support people in their health journey. It also provides for the management of patients with complex needs who are heavy users of care and services.

# 2022–2023 Highlights and Achievements



In 2022–2023, efforts were pursued as part of the Network’s three major directions, namely **patient experience**, **employee experience**, and **building closer ties with communities**. Over the year, great initiatives were launched, and some accomplishments brought a great deal of attention to the Network and its health care workers. Here are just a few examples:

## PATIENT EXPERIENCE

*Improve the organization’s performance to better serve and treat patients*



### Community outreach teams collaborate to support shelter clients

Outreach programs were expanded to help shelter clients in Moncton and Saint John, thanks to collaboration between Vitalité Health Network and Horizon Health Network. In Moncton, Vitalité’s Public Health and Addiction and Mental Health Services, Horizon’s Primary Health Care team, and the Salvus Clinic coordinated their efforts to improve care for shelter clients.

Multidisciplinary team members are providing primary health care, addiction and mental health services, vaccinations, and education on communicable diseases. This initiative strengthens community-based interventions and facilitates access to services for vulnerable clients at shelters.



### Partnership gives patients awaiting cataract surgery in Chaleur region faster service

The Network has formed a partnership with the Acadie-Bathurst Ophthalmology Center that doubles the efficiency of cataract surgery services in the region. Under the agreement, services are provided by the clinic in Bathurst, freeing up operating rooms at the Chaleur Regional Hospital and increasing efficiency.

This pilot project makes it possible to treat patients who are awaiting cataract surgery in the Chaleur and Restigouche regions faster. While just over 30 cataract surgeries per week were being performed, the pilot project increased this number to approximately 75 for the same period. From September 2022 to March 2023, the number of patients on the waiting list in the Acadie-Bathurst Zone was reduced from 1,551 to 476. This is a drop of almost 70%.

### One-at-a-time therapy: quick access to addiction and mental health services

The one-at-a-time therapy model, also known as single session therapy, was implemented by all child-youth teams in the Network. This new approach is designed to improve access to addiction and mental health services for children, youth and their families. The information collection and assessment process was streamlined and therapeutic intervention is now offered at first contact.

The initiative has yielded convincing results. The number of patients on the waiting list within the Network decreased by 66% from May 2022 to March 2023. This service is provided on a walk-in basis or by appointment. The session can take place in person, via videoconference or by phone.

Single session therapy for adults was also rolled out to all the Network’s addiction and community mental health services centres, reducing the waiting list by 55%.



### Personalized service management: a proven approach

The personalized service management (PSM) model developed by the Network is producing promising results. The program is for heavy hospital service users, namely people who have visited the emergency department five or more times or have been hospitalized three or more times in a period of 12 months.

Our teams proactively reach out to these patients to offer support. A nurse provides a follow-up by developing a personalized intervention plan. A social worker may also be involved. The goal is to identify the unmet needs of the individuals requiring services in order to help them better manage their health condition and improve their quality of life.

The program was implemented in all the Network zones. Depending on the region, a reduction in emergency room visits ranging from 45% to 65% has been noted among participants, as well as a decrease in hospitalizations between 15% and 40%.



### Access to surgery: shorter hospital stays after certain types of surgery resulting in excellent outcomes

The Network continued to innovate in order to improve access to surgery while ensuring that the public receives safe, quality care. The implementation of the “surgical short stay” concept made significant progress and results in excellent patient outcomes.

This approach consists in designating short-stay inpatient beds for certain eligible patients who, after undergoing surgery, need a short period of monitoring or care before being discharged. The stay is usually 24 to 36 hours. There are eight short-stay inpatient beds at the Dr. Georges-L.-Dumont University Hospital Centre and three at the Chaleur Regional Hospital. The work continues to implement this initiative in the Northwest and Restigouche zones.

There are many benefits to surgical short stay. Prioritization of patients is more effective and a larger number of certain types of surgery can be performed. The referral of certain patients to surgical short stay helps avoid admissions to traditional surgical units and keep the beds in these units for more complex cases. Finally, this approach helps stabilize and, in some cases, reduce wait times.





### Snoezelen room implemented at Edmundston Addiction Services Centre

Through a joint effort involving the Edmundston Regional Hospital Foundation, the Fondation Jean-Paul Ouellet, and the Maison Cap d'Espoir, a new multisensory Snoezelen room was implemented at the Edmundston Addiction Services Centre.

This type of room is used to help patients relax, relieve their pain, and reduce their anxiety. It has well-known benefits in the treatment of self-injury, behaviour disorders, etc. For many, it is an alternative to medication and a different universe.

The Edmundston Regional Hospital Foundation invested \$30,000 in the project, with the Fondation Jean-Paul Ouellet and the Maison Cap d'Espoir each contributing an additional \$5,000. These investments will improve the health and wellness of people.

### New Brunswick Fetal Alcohol Spectrum Disorder Centre of Excellence Dream Catcher service delivery model: an innovative approach presented to the Legislative Assembly

The New Brunswick Fetal Alcohol Spectrum Disorder (FASD) Centre of Excellence Dream Catcher model was presented to the Legislative Assembly in October 2022 at the request of the Select Committee on Accessibility in New Brunswick.

This is a key moment for the NB FASD Centre of Excellence. The Centre, which reports to the Network, offers a bilingual provincial program and aims to improve people's health with respect, compassion, integrity, accountability, equity and commitment. Moreover, it aspires to raise the awareness of all New Brunswickers to the dangers of consuming alcohol during pregnancy and it endeavours to reduce the impact of prenatal exposure to alcohol through prevention, diagnostic, intervention and support measures. It provides services to individuals with FASD and their families, as well as to professionals.

In order to help communities and meet needs, the Centre wanted to incorporate the Indigenous perspective into the program. First Nation elders were consulted to understand and learn about the best ways to deliver services in the communities. So was born the Dream Catcher model, which is based on how First Nations take action, and incorporates love, trust and honesty. Merging traditional Western medicine with First Nations science, the model places the client, family, community and culture at the centre of the circle of services.



### Care and services provided at the Network meet nationally recognized quality standards

The Network's status as an accredited organization was recently renewed, thereby confirming that the care and services it provides to the public meet national quality standards. The Network earned an overall compliance rate of 95.4%. This is a 4.5% increase over the last survey done in 2017.

In June 2022, a team of 13 Accreditation Canada representatives, including a patient experience partner, visited the Network's points of service. Nearly 13,000 criteria were assessed to determine whether the care and services provided meet Canadian standards. The Network earned a compliance rate of 95% or over for 18 out of 25 of the standards manuals. It also attained a perfect score of 100% in four areas: (1) governance; (2) infection prevention and control; (3) point-of-care testing; and (4) addiction services.

The Accreditation Canada representatives observed the Network's great resilience during the pandemic. They highlighted the team approach of the new nursing model, the importance placed on improving wellness at work, the community partnership approach, and the constant effort to put the patient in the right place at the right time. The accreditation status is valid for four years.



**ACCREDITATION  
AGRÉMENT  
CANADA**

## EMPLOYEE EXPERIENCE

*From the experience of candidates (recruiting and integration) to the experience of current employees (retention, work climate, support and appreciation)*

### The Network to provide greater support to its nurse practitioners

The Network has undertaken a major improvement project to better support the practice of nurse practitioners.

A series of measures was taken to redesign the training available, improve the orientation process, eliminate tasks and procedures that have no added value, ensure access to technology tools, allow greater flexibility in scheduling, and develop tools to gather information on patient experience.

Consultation days are now held twice a year. An advisory committee of four nurse practitioners was set up and a manager's position was added to provide guidance and support. The Network wants to connect with its nurse practitioners, understand their needs, and involve them more in decision-making. These initiatives are being carried out as part of the EXTRA training program developed by Healthcare Excellence Canada.



### The Network innovates in its nursing delivery method

The Network launched its new care model, which aims to reinvent the way nursing care is delivered to inpatients. Called the "collaborative care model," this innovative approach fits into its efforts to mitigate the staff shortage.

According to this model, team synergy is enhanced. The first component consists in adding a patient care attendant who works in a triad with a registered nurse and a licensed practical nurse. The group shares the responsibility for care delivery based on patient needs. Other components involve other health professionals, such as kinesiologists or social workers. This is an unprecedented approach in the province, which requires a change in culture and increased collaboration among nursing staff.

The collaborative care model also supports patient-centred care by building on integrating patients and families as partners in all the steps of care delivery. The concept of active offer by patient care attendants is another important element. It is a structured way of making rounds at specific times to meet patient needs proactively.



### The Network joins forces with UNB for mental health project

The Restigouche Hospital Centre (RHC) in Campbellton established a partnership with the Faculty of Nursing at the University of New Brunswick (UNB) in Fredericton that allows it to offer placements for nursing students, therefore enabling them to acquire knowledge about mental health and to practise with the staff at the RHC.

Between September 2022 and March 2023, the RHC welcomed nine students who benefited from the experience of its staff and facilities as they worked to complete their studies in psychiatric care. These students represent potential new employees for the organization.

The new initiative is part of a feasibility study to create registered psychiatric nurse positions. For the moment, there are no registered psychiatric nurses in Atlantic Canada. With mental health needs constantly on the rise, the Network is considering training this type of nurses to meet the increasingly complex needs of these clients.



### Robotic surgery coming to two New Brunswick hospitals

A collaborative study between Vitalité Health Network and Horizon Health Network clearly indicated a need for robotic surgery programs to be implemented in the two leading health facilities in New Brunswick.

As a result, the Dr. Georges-L.-Dumont University Hospital Centre and Horizon's Saint John Regional Hospital (SJRH) both acquired Intuitive's da Vinci surgical robotics technology. These acquisitions were made possible thanks to the efforts of the foundations of the two hospital facilities.

Robotics technology improves patient outcomes, by allowing less painful, minimally invasive procedures and a faster recovery. It also plays an important role in retaining and recruiting top health care talent.

### Major investment at Campbellton Regional Hospital

The Network invested \$1.72 million in a major renovation project in the Sterilization Department of the Campbellton Regional Hospital. The area was completely renovated. Equipment at the end of its useful life was replaced by new, cutting-edge equipment and the department was revamped to meet current regulatory requirements.

## BUILDING CLOSER TIES WITH COMMUNITIES

### Involving communities in change

#### The Network holds meetings with communities and stakeholders

In the course of 2022–2023, the Network has held a series of meetings to build closer ties with its communities. The health needs vary from place to place, and community involvement, whether in urban or rural areas, is essential to optimizing health care and services in every region. Responsibility for health issues in communities extends beyond that of the Network.

Network representatives went to Caraquet, Campbellton, Cap-Acadie, Dalhousie, Edmundston, Lamèque, Memramcook, Shediac, Moncton and Richibucto to meet with municipal officials and community stakeholders. Discussions focused on a number of important issues, including recruiting and retention efforts, access to primary care, health care needs assessments, and the learning community approach.



### Integrated mobile crisis response services: a winning partnership between the Network and police services

The Network improved the delivery of crisis response services related to addiction and mental health needs through a partnership with the Royal Canadian Mounted Police (RCMP) and other police services. By successfully encouraging the use of community services, this collaboration is reducing the number of emergency room visits and police arrests.

Integrated mobile response teams are at work in several areas of the Network. These teams, made up of qualified professionals, support people in crisis by conducting an assessment in the field, defusing the crisis, and making rapid and efficient referrals to community-based services.

Collaboration between the Network's integrated mobile response teams and the RCMP and other police services has proven its worth. Preliminary data show a drop in the potential number of emergency room visits and police arrests during interventions. This collective crisis resolution approach will be maintained and expanded to benefit clients throughout our communities.



### 100 years of French-language health care in Moncton: pride, celebration and looking to the future

A series of activities were proudly launched in October 2022 to mark the 100th anniversary of the French-language health care in Moncton. The first steps of this long, rich history were taken with the founding of the Hôtel-Dieu de l'Assomption in 1922 by the Sisters of Providence congregation.

Following the idea launched by the Medical Staff of the Dr. Georges-L.-Dumont University Hospital Centre, an organizing committee was set up with the participation of the CHU Dumont Foundation, the Centre de formation médicale du Nouveau-Brunswick, the Université de Moncton, and the Network. In March 2023, two days of prospective retreat on French-language health care were held under the theme "Unite, innovate and care for our communities." A major concert was presented at Our Lady of the Assumption Cathedral in Moncton in May 2023.



### 50 candles for Chaleur Regional Hospital

2022 was a jubilee year for the Chaleur Regional Hospital, which celebrated its 50th anniversary. Various activities were held in October 2022 to thank health professionals, physicians and volunteers of the hospital. A big outdoor celebration that brought together health professionals and members of the staff and the community was held to mark this historic anniversary.

The facility, which officially opened its doors on February 9, 1972, had 204 beds, 17 physicians, and 525 health care workers at the time. It now has 215 beds, 108 physicians and 1,405 health care workers. The expansion and renovation work that has been underway since 2015 is evidence that this facility is dedicated to growing and improving access to health care in the Chaleur region and on the Acadian Peninsula.

Many projects have been completed at the Chaleur Regional Hospital since the late 1990s to modernize some sectors, including the emergency department, the surgical suite, central processing, and the intensive care unit.

# Review of the University Mission

## - Research and Training

The Network continues to distinguish itself by ranking, for the second year in a row, among the top 40 research hospitals in Canada. This recognition is awarded by the research and development analysis firm Research Infosource Inc., promoting Canadian hospitals that are enhancing Canada's global competitiveness in the knowledge economy. The Network is the only organization in New Brunswick, and one of three facilities in the Atlantic provinces, to rank among the top 40 research hospitals. This national recognition is shared with the Dr. Georges-L.-Dumont University Hospital Centre, as well as with research partners such as the Université de Moncton, the New Brunswick Centre for Precision Medicine, the Atlantic Cancer Research Institute (ACRI), and the Centre de formation médicale du Nouveau-Brunswick (CFMNB).

In 2022–2023, the research sector conducted 199 research activities, including 60 research and evaluation projects and 56 knowledge transfer initiatives (including 49 scientific publications with Network clinicians and professionals).

In June 2022, Vitalité Health Network and Horizon Health Network partnered with health authorities in the other Atlantic provinces to form the Atlantic Clinical Trials Network. This initiative will serve as a single point of entry for partners wishing to take part in clinical trials, positioning Atlantic Canada as a world leader in that field. This network will increase the impact on patients by offering decentralized clinical trials to improve access east of Quebec. Six new clinical trials have begun in 2022–2023, while 12 new clinical trials have already been scheduled for 2023–2024.

The Dr. Georges-L.-Dumont UHC Biobank continued to grow in 2022–2023, recording a 23% increase in patient recruitment. The number of patients who consented to specimen collection went from 754 in March 2022 to 989 in March 2023. The integration of the Atlantic Canada Biobank Consortium (ACBC) as a member of the Marathon of Hope Cancer Centres Network in 2022 will help contribute to the advancement of cancer research nationally by committing to offer precision oncology to rural and poorly served communities and by also making a commitment with aboriginal communities.

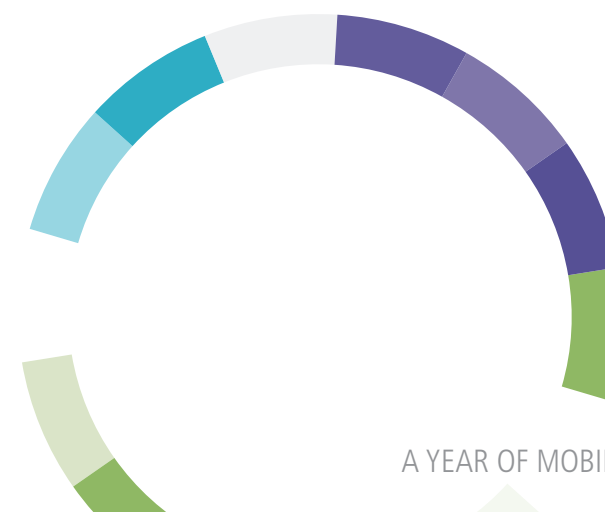
The Network also continues to connect with post-secondary institutions and high schools. In 2022–2023, the Network had 73 affiliation agreements with Canadian post-secondary institutions, covering a total of 162 training programs at the college, undergraduate and graduate levels, as well as the doctorate in medicine. Three new agreements were finalized in the course of 2022–2023, including one with Trent University, in Ontario, for nursing program interns.

During the year, the Network has offered internships to no fewer than 1,116 students, all occupations combined. Of these internships, 75% come from nursing programs and approximately 50% are being held in the Beauséjour Zone.

# Activity Volumes

Total for the Network	2022–2023	2021–2022
Beds	961	960
Beds - Veterans	60	60
Beds - Restigouche Hospital Centre	140	140
<b>TOTAL</b>	<b>1,161</b>	<b>1,160</b>
Admissions (excluding newborns)	22,738	22,649
- Veterans	37	30
- Restigouche Hospital Centre	291	271
<b>TOTAL</b>	<b>23,066</b>	<b>22,950</b>
Newborns	1,502	1,520
Patient days (excluding newborns)	283,320	274,087
- Veterans	20,390	19,189
- Restigouche Hospital Centre	34,357	32,278
<b>TOTAL</b>	<b>338,067</b>	<b>325,554</b>
Emergency Department visits (triage codes 1 to 5)	175,313	163,323
Ambulatory Care visits	331,010	394,301
Surgical cases	15,218	16,108
Dialysis treatments	63,612	65,258
Oncology Clinic treatments (chemo) (excluding bedside treatments)	10,736	10,610
Attendance days - Radiation therapy	20,638	21,256
Laboratory procedures	10,152,897	10,663,950
Medical Imaging procedures	366,708	358,355
Respiratory Therapy and Pulmonary Clinic procedures	47,357	44,059

Total for the Network	2022–2023	2021–2022
<b>Attendance days - Rehabilitation Services</b>		
Audiology	7,214	6,798
Occupational Therapy	30,308	32,117
Physiotherapy	93,966	90,105
Speech-Language Pathology	11,914	11,664
Recreational Therapy	31,401	28,521
<b>Attendance days - Therapeutic Services</b>		
Social Work	15,850	14,924
Psychology	5,981	7,990
Clinical Nutrition	35,954	36,729
<b>Community Health</b>		
Visits	35,621	34,589
<b>Public Health</b>		
<i>Immunization: school-based vaccines - %</i>		
- Tdap	81%	82%
- HPV	74%	72%
- Varicella	67%	67%
- Meningococcal	71%	70%
<i>Healthy Families, Healthy Babies Program:</i>		
- prenatal cases admitted	67	32
- postnatal cases admitted	448	87
Healthy Toddler Assessment: children seen	1,422	224
Immunization: COVID-19	147,796	801,514
<b>Community Mental Health</b>		
Individuals seen for an intake interview	9,903	8,268
<b>Addiction Services</b>		
Admissions	794	732
<b>Health Centres</b>		
Visits	76,379	57,897



# Annual Salaries Paid to the Leadership Team

President and CEO

**\$367,236**

Senior VP, Client Programs and Medical Affairs

**\$299,936 - \$327,184**

Assistant CEO, Strategic Execution and Senior VP,  
Client Programs and Professional Services

**\$250,563**

Senior VPs, Corporate Services | Client Programs and  
Nursing | Performance, University Mission and Strategy

VP – Employee Experience

VP – Communications and Engagement

**\$166,582 - \$202,488**

# Financial Summary 2022-2023

For the fiscal year ending March 31, 2023, the Network's total revenue was \$917,824,085 and its operating expenses were the same, for an operating result balanced to zero before other financial items.

Factoring in the other financial items, i.e., year-end adjustments for previous years, capital revenues for equipment purchasing, amortization of capital assets and accrued sick leave benefits, the Network's financial statements show a net annual deficit of \$4,172,831.

During the 2022–2023 year, the resumption of regular activities was one of the Network's priorities. Nevertheless, the pandemic continued to impact activities and human and physical resources, which affected the financial results. Revenues had a net increase of \$68.1 million for the year over 2021–2022. This increase is attributable to additional funding agreed upon in the budget to offset cost increases due to inflation, salary increases and certain new initiatives approved by the Department of Health, as well as the reimbursement of excess costs incurred.

Operating costs experienced a similar increase of \$68.1 million, i.e., 8% over the previous year. Cases from the health crisis stabilized at the low-to-moderate level, which allowed for the redistribution of human and physical resources necessary to gradually resume regular activities related to obligations to serve the population.

This \$68.1 million increase in operating expenses is attributable to several factors. We note the estimated \$12.7 million reduction of additional costs, related to the pandemic, given that a total expenditure of \$29.4 million was recorded the previous year. However the resumption of activities, and the inflation of products and services increased costs by nearly \$24.7 million, including medical, surgical and other supplies, drugs, energy, and purchased services. In addition, an accounting directive change diverted the recording of regular equipment acquisitions worth \$11.5 million from the capital budget to the operating budget. Funds earmarked for budget pressures along with additional ad hoc funds also allowed for the execution of certain renovation projects and initiatives needed to improve the patient experience in the amount of \$16.7 million.

Furthermore, new agreements involving the physicians resulted in compensation increases and, in addition, if we consider the growing costs for the entire Network for statutory holidays and other leave, as well as the impacts of other salary-related adjustments, such as vacation, bonuses, etc., the salary gap (net from the pandemic) amounts to \$23.6 million. Benefits related to salary variations and the new federal taxation on employer contributions resulted in an increase of \$4.3 million.

Finally, on the financial plan, the Network is complying with the new accounting standard related to asset retirement obligations. According to preliminary studies on the condition of facilities and equipment, it was estimated that the potential costs of this obligation would be \$23,907,700. The financial statements reflect this change as prescribed by standard PS 3280.

*Note: The detailed financial report for fiscal year 2022–2023 is presented in the appendix to this report.*



Raymond Chabot  
Grant Thornton

**Vitalité Health Network  
(Regional Health Authority A)  
Financial Statements  
March 31, 2023**

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## Independent auditor's report

To the Directors of Vitalité Health Network  
(Regional Health Authority A)

To the Minister of Health  
Province of New Brunswick

---

**Raymond Chabot Grant  
Thornton**  
507 Victoria Street  
Edmundston (Nouveau-  
Brunswick)

Phone: (506) 739-1144  
Fax: (506) 739-1145  
[www.rcgt.com](http://www.rcgt.com)

### Opinion

We have audited the consolidated financial statements of Vitalité Health Network, which comprise the statement of financial position as at March 31, 2023, and the statement of operations, changes in net debt and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Vitalité Health Network (Regional Health Authority A) as at March 31, 2023, and the results of its operations, changes in net debt, and its cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the financial statements* section of our report. We are independent of the Health Network in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Responsibilities of Management and Those Charged with Governance for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian Public Sector Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Health Network's ability to continue as a going concern, disclosing, as applicable, matters related to a going concern and using the going concern basis of accounting unless management either intends to liquidate the Health Network or to cease operations, or has no realistic alternative to do so.

Those charged with governance are responsible for overseeing the Health Network's financial reporting process.

## **Auditor's Responsibilities for the Audit of the financial statements**

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

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

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Health Network's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Health Network to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

*Raymond Chabot Grant Thornton S.E. N.C. R. L.*

Chartered Professional Accountants  
Edmundston  
June 16, 2023



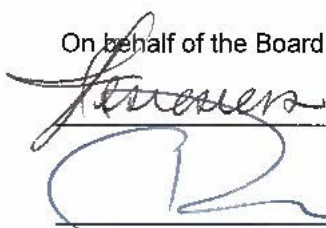
**Vitalité Health Network****Financial Position**

	March 31, 2023	March 31, 2022
<b>Financial assets</b>		
Cash	\$ 5,357,599	\$ 10,470,108
Cash - patients trust funds	78,191	82,419
Accounts receivable (Note 3)	131,016,628	124,717,060
Estimated year end adjustment from the Province (Note 4)	3,342,423	463,974
Temporary investments (Note 5)	7,634,403	7,557,887
	<b>147,429,244</b>	<b>143,291,448</b>
<b>Liabilities</b>		
Patients trust funds	78,191	82,419
Accounts payable and accrued liabilities (Note 6)	117,172,649	114,131,254
Deferred revenues (Note 7)	3,487,048	3,624,829
Deferred capital revenues (Note 9)	165,498,490	148,225,429
Accrued employee benefits (Note 8)	94,200,861	92,411,359
Capital lease obligation (Note 12)	75,399,542	77,340,964
Asset retirement obligation (Note 24)	23,907,700	-
	<b>479,744,481</b>	<b>435,816,254</b>
<b>Net financial debt</b>	<b>(332,315,237)</b>	<b>(292,524,806)</b>
<b>Non-financial assets</b>		
Tangible capital assets (Note 10)	621,428,049	585,206,400
Prepaid expenses and supplies (Note 11)	13,342,159	13,946,208
	<b>634,770,208</b>	<b>599,152,608</b>
<b>Accumulated surplus</b>	<b>\$ 302,454,971</b>	<b>\$ 306,627,802</b>

Contingencies (Note 14)

Commitments (Note 15)

On behalf of the Board



Director

Director

See accompanying notes to the financial statements.

**Vitalité Health Network**  
Operations

For the year ended	Budget	March 31, 2023	March 31, 2022
<b>Revenues</b>			
Department of Health	\$ 771,886,574	\$ 874,107,030	\$ 809,422,180
Federal Programs	7,989,332	7,815,886	8,634,074
Patients recoveries	32,661,945	21,653,908	20,606,649
Recoveries and sales	5,989,653	14,247,261	11,045,152
	<b>818,527,504</b>	<b>917,824,085</b>	<b>849,708,055</b>
<b>Expenses</b>			
Nursing inpatient services	197,248,216	207,514,410	195,749,438
Ambulatory care services	99,843,252	127,226,427	106,211,432
Diagnostic and therapeutic services	182,275,154	193,759,225	182,852,634
Community services	64,192,218	65,164,728	75,040,853
Education and Research	14,693,457	15,844,420	14,151,020
Medicare	75,124,446	92,255,321	77,175,853
Support services	155,523,146	181,856,750	165,972,415
Administrative services	28,180,377	32,757,632	30,420,704
Auxiliary services	1,447,238	1,445,172	2,133,706
	<b>818,527,504</b>	<b>917,824,085</b>	<b>849,708,055</b>
<b>Annual operations surplus before adjustments below</b>	-	-	-
Adjustment of prior year end settlements	-	141,735	91,962
Capital revenues	10,000,000	28,976,539	18,223,468
Amortization of tangible capital assets	(31,500,000)	(32,761,805)	(31,491,017)
Provision for sick pay obligation	(1,500,000)	(529,300)	(750,100)
<b>Annual deficit</b>	<b>\$ (23,000,000)</b>	<b>\$ (4,172,831)</b>	<b>\$ (13,925,687)</b>

See accompanying notes to the financial statements.

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**Vitalité Health Network**  
Accumulated surplus

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<b>For the year ended</b>	<b>March 31, 2023</b>	<b>March 31, 2022</b>
<b>Accumulated surplus, beginning of year</b>	<b>\$ 306,627,802</b>	<b>\$ 320,553,489</b>
Annual deficit	(4,172,831)	(13,925,687)
<b>Accumulated surplus, end of year</b>	<b>\$ 302,454,971</b>	<b>\$ 306,627,802</b>

See accompanying notes to the financial statements.

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**Vitalité Health Network**Changes in Net Financial Debt

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<b>For the year ended</b>	<b>March 31, 2023</b>	<b>March 31, 2022</b>
<b>Annual surplus deficit</b>	<b>\$ (4,172,831)</b>	<b>\$ (13,925,687)</b>
Acquisition of tangible capital assets	(45,075,754)	(28,320,926)
Amortization of tangible capital assets	32,761,805	31,491,017
	(12,313,949)	3,170,091
Increase in prepaid expenses and supplies	604,049	(1,678,235)
Net financial debt increase	(15,882,731)	(12,433,832)
<b>Net financial debt at beginning of year (Note 24)</b>	<b>(316,432,506)</b>	<b>(280,090,974)</b>
<b>Net financial debt at end of year</b>	<b>\$ (332,315,237)</b>	<b>\$ (292,524,806)</b>

See accompanying notes to the financial statements.

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**Vitalité Health Network****Cash Flows**

---

<b>For the year ended</b>	<b>March 31, 2023</b>	<b>March 31, 2022</b>
<b>OPERATIONS</b>		
Annual deficit	\$ (4,172,831)	\$ (13,925,687)
Non-cash items		
Amortization of tangible capital assets	32,761,805	31,491,017
Change in working capital items (Note 13)	(3,880,852)	(7,734,751)
	<b>24,708,122</b>	<b>9,830,579</b>
<b>FINANCING AND INVESTING</b>		
Change in deferred capital revenues	17,273,061	11,452,731
Repayment of capital lease obligation	(1,941,422)	(1,836,671)
Tangible capital assets additions	(45,075,754)	(28,320,926)
(Increase) decrease in temporary investments	(76,516)	45,092
	<b>(29,820,631)</b>	<b>(18,659,774)</b>
Net decrease in cash and cash equivalents	<b>(5,112,509)</b>	<b>(8,829,195)</b>
Cash , beginning of year	<b>10,470,108</b>	<b>19,299,303</b>
Cash, end of year	\$ <b>5,357,599</b>	\$ <b>10,470,108</b>

See accompanying notes to the financial statements.

## **1 - STATUTES AND NATURE OF OPERATIONS**

The Regional Health Authority A, was incorporated under the laws of the Province of New Brunswick on September 1, 2008. It operates as Vitalité Health Network (the "Network"). The Network included the previous Regional Health Authorities as follows: Regional Health Authority 1 (Beauséjour), Regional Health Authority 4, Regional Health Authority 5 and Regional Health Authority 6.

The principal activity of the Network is providing for the delivery and administering of health services to the people of New Brunswick. Through a network of hospitals, health centers and specialty centers the Network provides programs and services ranging from primary care to specialized and tertiary services. Community based services, such as Addiction Services, Community Mental Health and Public Health are located in several communities.

The Vitalité Health Network is funded primarily by the Province of New Brunswick in accordance with budget arrangements established by the Department of Health.

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## **2 - SIGNIFICANT ACCOUNTING POLICIES**

### **Basis of presentation**

These financial statements are prepared in accordance with Canadian public sector accounting standards established by the Canadian Public Sector Accounting Board.

### **Accounting estimates**

The preparation of financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the amounts recorded in the financial statements and notes to the financial statements. These estimates are based on management's best knowledge of current events and actions that the organization may undertake in the future. Areas of significant estimate include allowance for doubtful accounts, the estimated year end adjustment, the sick pay accrual, the tangible asset retirement obligation and the estimated useful lives of the tangible capital assets. Actual results may differ from these estimates.

### **Revenue recognition**

Revenues are recognized on the accrual basis and measurable as they are earned. Revenue received prior to being earned is recorded as deferred revenue until such time as the revenue is earned.

Government transfers and donations without eligibility criteria and stipulations restricting their use are recognized as revenue in the Statement of Operations when the transfers are authorized.

Government transfers and donations with eligibility criteria but no stipulations are recognized as revenue in the Statement of Operations when the transfers are authorized, and the eligibility criteria are met by the Network.

Government transfers and donations with stipulations restricting their use are recognized as revenue in the Statement of Operations when the transfer is authorized, and the eligibility criteria is met by the Network except when, and to the extent that, the transfer gives rise to an obligation that constitutes a liability. When the transfer gives rise to an obligation that constitutes a liability, the transfer is recognized in revenue when, and in proportion to how, the liability is settled.

### **Expenses recognition**

Expenses are recorded on the accrual basis as they are incurred and measurable based on receipt of goods or services and obligation to pay.

### **Cash and cash equivalents**

The Network's policy is to present cash (bank overdraft) and investments having a term of three months or less with cash and cash equivalents.

## 2 - SIGNIFICANT ACCOUNTING POLICIES (continued)

### Tangible capital assets

Tangible capital assets are physical assets used to provide Network services and Network administration, and will be used on a regular basis for a period greater than one year and are not surplus properties held for resale or disposal.

Tangible capital assets are recorded at cost, which includes all amounts directly attributable to acquisition, construction, development or betterment of the asset, and are amortized on a straight-line basis over their estimated useful lives. Amortization begins in the year after the asset has been put to use. Assets under construction are not amortized until they are put into use. Descriptions and useful lives are as follows:

	<u>Rates</u>
Land: all land owned by the Network, including land under buildings.	<i>n/a</i>
Land improvements: includes major landscaping projects, parking lots, and similar assets.	5 - 20%
Buildings: all Network owned or lease capital buildings, as single assets or broken into components: structural, interior, exterior, mechanical, electrical, specialty items and equipment, and site works.	2 - 10%
Equipment: includes information technology assets, medical equipment, motorized fleet equipment.	4 - 50%
Vehicles: all Network vehicles including cars, trucks and similar assets.	6 - 20%
Leasehold improvements: includes major improvements to leased buildings.	5 - 10%

Tangible capital assets are written down when conditions indicate that they no longer contribute to the Network's ability to provide services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value. The net write-downs are accounted for as expenses in the statement of operations.

### Prepays expenses and inventory

Prepaid expenses and supplies consist of consumables including drugs, food, fuel, medical, surgical and general supplies, and prepayment of service contracts which are charges to expense over the period of expected benefit or usage. Inventory is valued at the lower of average cost and net realizable value with cost determined on the average cost basis. Net realizable value is determined to be replacement cost.

### Financial instruments

The financial instruments are recorded at fair value at the moment of the initial recognition. All financial instruments are subsequently recorded at cost or amortized costs other than the temporary investments that are priced on an active market and presented at fair value.

The variances of fair value are presented in the statement of operations.

The costs related to the acquisition of financial instruments that were previously evaluated at fair value are recognized as an expense when they are incurred. All other financial instruments are adjusted according to the transaction costs at the moment of the acquisition as well as financing fees, which are amortized on a linear method.

Once a year, all financial assets are submitted to an amortization test. If it is judged that there is a durable reduction of value, the amount is recorded in the statement of operations.

**2 - SIGNIFICANT ACCOUNTING POLICIES** (continued)

**Financial instruments** (continued)

The PSAB requires public organizations to classify its evaluations at fair value according to a hierarchy of fair values according to the following three levels:

Level 1 - Prices not adjusted on active markets for similar assets or liabilities;

Level 2 - Observable entries on the market, other than those at level 1, such as similar assets and liabilities on markets that are not actives;

Level 3 - Observables entries that are not available because there is little to no activity on markets and that are important for the evaluation of fair value.

All financial instruments evaluated at fair value are at Level 1.

**3 - ACCOUNTS RECEIVABLE**

	2023	2022
Province of New Brunswick:		
Medicare	\$ 9,604,225	\$ 12,290,851
Equipment contributions	6,638,580	6,554,401
Provincial plan	82,729,707	87,308,105
	<b>98,972,512</b>	106,153,357
Patients, less allowance for doubtful accounts	5,138,626	6,456,920
Harmonized sales tax	6,586,098	3,836,315
Other	20,319,392	8,270,468
	<b>\$ 131,016,628</b>	\$ 124,717,060

The allowance for doubtful accounts included in the accounts receivable from patients is \$1,301,029 (\$1,237,905 in 2022).

**4 - ESTIMATED YEAR END ADJUSTMENT FROM THE PROVINCE - MARCH 31, 2023**

	Receivable
Year-end settlement receivable	<b>\$ 3,342,423</b>
	<b>\$ 3,342,423</b>

In 2023, the year-end settlement corresponds to the net deficit in patient revenues of \$10,983,722, minus the budget amendment related to the pandemic's deficit in patient revenues in the amount of \$7,641,299 (net of \$463,974 in 2022). For 2023, a budget amendment has been submitted to the Province of New Brunswick Department of Health for pandemic-related expenses in the amount of \$16,758,912 (\$37,789,514 in 2022), and a budget amendment to balance the annual operating surplus (deficit) before the aforementioned has been submitted in the amount of \$22,204,968. The year-end settlement is subject to the approval by the Province of New Brunswick Department of Health.



**Vitalité Health Network**  
Notes to Financial Statements  
March 31, 2023

**5 - TEMPORARY INVESTMENTS**

	2023	2022
Fixed revenue securities	\$ 7,634,403	\$ 7,557,887
	\$ 7,634,403	\$ 7,557,887

**6 - ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	2023	2022
Accounts payable	\$ 73,657,239	\$ 39,491,171
Salaries and benefits payables	43,515,410	74,640,083
	\$ 117,172,649	\$ 114,131,254

**7 - DEFERRED REVENUES - MARCH 31, 2023**

	Balance beginning year	Receipts during year	Transferred to revenue	Balance at end of year
Deferred revenues	\$ 3,624,829	\$ 962,553	\$ (1,100,334)	\$ 3,487,048

**8 - ACCRUED EMPLOYEE BENEFITS**

	2023	2022
Accrued vacation pay	\$ 37,380,523	\$ 37,282,435
Overtime payable	4,628,996	4,646,884
Statutory holidays payable	5,309,443	4,129,440
Sick pay obligation	46,881,899	46,352,600
	\$ 94,200,861	\$ 92,411,359

**9 - DEFERRED CAPITAL REVENUES - MARCH 31, 2023**

	Balance beginning year	Receipts during year	Transferred to revenue	Balance at end of year
Deferred capital revenues	\$ 148,225,429	\$ 17,807,460	\$ (534,399)	\$ 165,498,490

10 - TANGIBLE CAPITAL ASSETS

	Land	Land improvements	Land	Buildings (Note 24)	Materials and equipment	Vehicles	Leasehold improvement	Work in process	Capital lease equipment	Capital lease building	Total
2023											
<b>Cost</b>											
Opening balance	\$ 3,053,663	\$ 3,827,600	\$ 688,394,518	\$ 640,974	\$ 212,348,965	\$ 591,588	\$ 4,686,068	\$ 148,225,430	\$ 5,583,690	\$ 144,000,000	\$ 1,210,711,522
Additions	599,109	2,158,307	-	-	23,869,904	-	-	17,807,460	-	-	45,075,754
Transfers of work in progress	-	-	-	-	534,400	-	-	(534,400)	-	-	-
Write-downs/disposals	-	-	-	-	(590,794)	-	-	-	-	-	(590,794)
Closing balance	3,652,772	5,985,907	689,035,492	640,974	235,162,475	591,588	4,686,068	165,498,490	5,583,690	144,000,000	1,255,196,482
<b>Accumulated amortization</b>											
Opening balance	-	3,707,030	406,999,191	-	159,215,626	583,746	3,669,945	-	2,221,884	25,200,000	601,597,422
Amortization	-	14,169	16,809,960	-	11,964,053	3,921	145,581	-	224,121	3,600,000	32,761,805
Write-downs/disposals	-	-	-	-	(590,794)	-	-	-	-	-	(590,794)
Closing balance	-	3,721,199	423,809,151	-	170,588,885	587,667	3,815,526	-	2,446,005	28,800,000	633,768,433
Net book value	\$ 3,652,772	\$ 2,264,708	\$ 265,226,341	\$ -	\$ 65,573,590	\$ 3,921	\$ 870,542	\$ 165,498,490	\$ 3,137,685	\$ 115,200,000	\$ 621,428,049

Vitalité Health Network  
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10 - TANGIBLE CAPITAL ASSETS (continued)

	Land	Land improvements	Land	Buildings	Materials and equipment	Vehicles	Leasehold improvement	Work in process	Capital lease equipment	Capital lease building	2022 Total
<b>Cost</b>											
Opening balance	\$ 3,053,663	\$ 3,715,600	\$ 661,148,663	\$ 202,636,574	\$ 591,588	\$ 4,686,068	\$ 136,772,699	\$ 5,583,690	\$ 144,000,000	\$ 1,162,188,545	
Additions	-	112,000	3,338,155	13,418,040	-	-	11,452,731	-	-	-	28,320,926
Transfers of operations	-	-	-	-	-	-	-	-	-	-	-
Transfers of work in progress	-	-	-	-	-	-	-	-	-	-	-
Write-downs/disposals	-	-	-	(3,705,649)	-	-	-	-	-	-	(3,705,649)
Closing balance	3,053,663	3,827,600	664,486,818	212,348,965	591,588	4,686,068	148,225,430	5,583,690	144,000,000	1,186,803,822	
<b>Accumulated amortization</b>											
Opening balance	-	3,639,966	390,971,177	151,499,497	579,286	3,524,364	-	1,997,764	21,600,000	573,812,054	
Amortization	-	67,064	16,028,014	11,421,778	4,460	145,581	-	224,120	3,600,000	31,491,017	
Write-downs/disposals	-	-	-	(3,705,649)	-	-	-	-	-	-	(3,705,649)
Closing balance	-	3,707,030	406,999,191	159,215,626	583,746	3,669,945	-	2,221,884	25,200,000	601,597,422	
Net book value	\$ 3,053,663	\$ 120,570	\$ 257,487,627	\$ 53,133,339	\$ 7,842	\$ 1,016,123	\$ 148,225,430	\$ 3,361,806	\$ 118,800,000	\$ 585,206,400	

**11 - PREPAID EXPENSES AND INVENTORY**

	2023		2022	
Drugs	\$	6,111,737	\$	5,411,158
Food		94,159		61,029
Medical, surgical and supplies		5,336,362		7,021,302
Services contracts and prepaid expenses		1,799,901		1,452,719
	\$	<b>13,342,159</b>	\$	13,946,208

**12 - CAPITAL LEASE OBLIGATION**

Minimum payments for the years to come in relation to the capital lease contract expiring July 2031 and October 2044 and balance of the capital lease obligation coming from these contracts:

	2023		2022	
2023	\$	-	\$	6,293,704
2024		6,293,704		6,293,704
2025		6,293,704		6,293,704
2026		6,293,704		6,293,704
2027		6,293,704		6,293,704
2028		6,293,704		6,293,704
2029-2044		98,499,491		98,499,491
Total minimum lease payments under the lease		<b>129,968,009</b>		136,261,715
Amount representing the interest calculated at 4.5% and 5.743%		<b>(54,568,467)</b>		(58,920,750)
Capital lease obligation balance	\$	<b>75,399,542</b>	\$	77,340,965

The first capital lease obligation is a contract between the Network and Fondation de l'Hôpital Régional Chaleur Inc. for a period of 20 years. The Network has agreed to disburse minimum monthly payments of \$35,325 and an additional amount for the savings that the lease equipment generates. During 2022, the Network paid \$418,519 (\$570,924 in 2022) to the Foundation for the savings generated and this amount is recorded in the expenses of maintenance and operating.

The second capital lease obligation is a contract between the Minister of Transportation and Infrastructure and the Minister of Health of New Brunswick and Rainbow1 Partner Inc. for the Restigouche Hospitality Center for a period of 30 years. The Network has agreed to disburse minimum monthly payments of \$489,150.

**13 - INFORMATION INCLUDED IN CASH FLOWS**

The changes in working capital items are detailed as follows:

	2023		2022	
Increase in accounts receivable	\$	(6,299,568)	\$	(51,830,147)
Increase in estimated year end adjustment from the Province		(2,878,449)		(463,974)
Decrease (increase) of prepaid expenses and supplies		604,049		(1,678,235)
Increase in accounts payable and accrued liabilities		3,041,395		41,357,336
Increase (decrease) in deferred revenues		(137,781)		405,339
Increase in accrued employees benefits		1,789,502		4,474,930
	\$	<b>(3,880,852)</b>	\$	(7,734,751)

#### 14 - CONTINGENCIES

##### Contingent liabilities

Management believes that the Network has valid defenses and appropriate insurance coverages in place with respect to claims pending at the end of the year. In the event any claims are successful, management believes that such claims are not expected to have a material effect on the Networks financial position.

The Network is covered under the Health Services Liability Protection Plan which is underwritten by the Province of New Brunswick and administered by Health Care Insurance Reciprocal of Canada ("HIROC").

##### Collective agreement

As of March 31, 2023, no collective agreement have expired. The New Brunswick Union of Public Employees collective agreement for the Medical Science Professionals group has been renewed, but retroactive salary adjustments have not been paid as of March 31, 2023. A provision of \$12,450,000 (\$6,443,171 in 2021-2022 and \$6,006,928 in 2022-2023) for retroactive salary adjustments was recorded in the financial statements as well as a receivable from the Ministry of Health for the same amount.

#### 15 - COMMITMENTS

The Network has lease commitments for equipment rental and purchase contracts for goods and services expiring at various dates. Minimum payments payable over the next five years are as follows:

2024	\$	27,200,914
2025		17,094,957
2026		9,837,059
2027		4,125,118
2028		2,217,383

#### 16 - DONATIONS FROM THE FOUNDATIONS

The Network holds a financial interest in many foundations and auxiliary services which are registered not-for-profit organizations established in various communities. They have a purpose of raising, investing and distributing funds to the Network for the enhancement of its services and facilities.

During the year, the Network received donations from the following foundations:

	2023	2022
Fondation Hôpital Dr.-Georges-L.-Dumont Inc. (Moncton)	\$ 4,400,706	\$ 363,551
Les ami.e.s de l'Hôpital Stella-Maris-de-Kent.	16,925	-
La Fondation de l'Hôpital régional d'Edmundston Inc.	331,221	101,694
La Fondation des Amis de l'Hôpital Général de Grand-Sault Inc.	60,087	61,568
Fondation Dr. Romaric Boulay Inc. (St-Quentin)	51,903	2,794
Fondation des amis de la santé (Campbellton)	144,938	179,267
Fondation de l'Hôpital régional Chaleur Inc. (Bathurst)	841,684	1,202,169
Fondation de l'Hôpital de l'Enfant-Jésus Inc. 1988 (Caraquet)	277,108	49,179
La Fondation de l'Hôpital de Lamèque Inc.	26,216	9,625
Fondation Les Amis de l'Hôpital de Tracadie Inc.	205,679	98,804
	<b>\$ 6,356,467</b>	<b>\$ 2,068,651</b>

**17 - EMPLOYEE FUTURE BENEFITS**

**Pension plan**

Network employees are members of a pension plan established by the Province of New Brunswick in accordance with the Pension Benefits Act. The province of New Brunswick is responsible for funding this plan. Effective April 1, 2014, the ministry takes responsibility for making annual employer dues payments for the majority of unionized employees. As of March 31, 2023, Vitalité's contributions amounted to \$5,738,719 (\$4,823,221 in 2022).

**Vacation pay and overtime accrual**

Vacation pay and overtime is accrued to year end. Related funding from the Department of Health is recorded when received.

**Sick pay accrual**

The cost of the obligation made for sick leave benefits is actuarially determined using the best estimates of management on wage increases, the number of sick days accumulated at retirement, and inflation and long-term discount.

Significant economic and demographic assumptions used in the actuarial valuation are:

Discount rate:	4.25 % per annum - equal to Province's long-term borrowing rate of 15 years
Rate of compensation increase:	2.15 % per annum
Retirement age:	age 60

Based on actuarial valuation of the liability, the results at March 31, 2023 are as follows:

	<b>2023</b>	<b>2022</b>
Accrued sick pay obligation, beginning of year	<b>\$ 46,352,600</b>	\$ 45,602,500
Current service cost	<b>5,663,300</b>	5,782,400
Interest on obligation	<b>1,810,200</b>	1,509,700
Loss experience	<b>478,100</b>	672,900
Benefit payments	<b>(7,422,300)</b>	(7,214,900)
Accrued sick pay obligation, end of year	<b>\$ 46,881,900</b>	\$ 46,352,600

**Retirement allowance accrual**

The management personnel and the non-union employees, the employees of the New Brunswick Nurses Union, which includes nurse managers and nurse supervisors, the New Brunswick Union of Public and Private Employees, which includes the Specialized Health Care Professionals (SHPC) group and the Medical Science Professionals (MSP) group, all received the option to cash in their retirement allowance. The employees who don't use the option to cash in willingly can do so at the time of their retirement. For the SHPC and MSP groups, the retirement allowance stopped to cumulate in March 2019. For the management personnel and the non-union employees, the accumulation of the retirement allowance stopped on March 31, 2013. For the nurses, nurse managers and nurse supervisors, the accumulation of their retirement allowance is continuing for those who did not already cashed in their allowance, and they still have the option of cashing in whenever they desire. The employees of the Canadian Union of Public Employees did not received those options yet, and will continue to accumulate retirement allowances. Their collective agreement will only expire on June 30, 2024. The Province of New Brunswick funds these retirement benefits through separate funding from the annual operations and is responsible for the calculation of the benefits. No contingent liability has been recorded by the Network.

**18 - EXPENSES BY OBJECT**

	2023	2022
Salaries	\$ 572,758,700	\$ 555,137,026
Benefits	61,526,375	57,273,524
Medical and surgical supplies	42,846,273	39,007,760
Drugs	50,676,217	45,149,294
Other services	64,361,562	58,994,705
Other supplies	126,184,258	94,895,846
Amortization	32,761,805	31,491,017
<b>Total</b>	<b>\$ 951,115,190</b>	<b>\$ 881,949,172</b>

**19 - RELATED PARTIES**

Horizon Health Network (Regional Health Authority B) was created at the same time as Vitalité Health Network through an act of the legislature. Horizon Health Network resulted from the merger of the Regional Health Authorities 1, 2, 3 and 7.

The new Service New Brunswick (Service NB) was launched on October 1st, 2015 to consolidate the common government services within a single body. The new organization includes the former Service New Brunswick, the Department of Government Services, FacilicorpNB and the New Brunswick Internal Services Agency.

Following the adoption of Bill 5 "An Act Respecting Extra-Mural Services" all extramural services were transferred to EM/ANB Inc. with the exception of services offered in schools, occupational therapy and physiotherapy.

The purchase and sale of materials and services were measured at exchange amounts as agreed between the related parties. The Harmonized Sales Tax (HST) is included when applicable.

	2023	2022
Transactions during the year		
Services sold to:		
Service NB	\$ 331,348	\$ 2,656,620
EM/ANB Inc.	339,422	457,968
Purchased services from:		
Service NB	\$ 2,663,643	\$ 2,743,206
EM/ANB Inc.	286,441	201,792
Balances at end of year		
Accounts receivable		
Service NB	\$ 110,289	\$ 1,786,983
EM/ANB Inc.	149,532	100,884
Accounts payable		
Service NB	\$ 1,100,608	\$ 192,317
EM/ANB Inc.	15,189	61,652

## **20 - Financial instruments**

### *Credit risk*

Credit risk arises from the possibility that a counterparty doesn't fulfill its financial obligations. A significant portion of the accounts receivables is from the province of New Brunswick. The entity supervises the recoverability of its receivable on a continuous basis.

### *Liquidity risk*

Liquidity risk is the risk that the entity can't fulfill its financial obligations on a timely basis and at a reasonable cost. The entity manages its liquidity by overseeing its financial needs to operate. The entity prepares a budget and establishes anticipated funds to make sure that there are sufficient funds to cover its obligations.

### *Market risk*

Market risk corresponds to the risk of variations in the market values such as exchange or interest rates, which affect the revenues of this entity or changes in the value of the temporary investments or other financial instruments.

#### *Exchange risk*

Fluctuation and volatility of exchange rates expose the entity to financial risk. In the normal course of operations, the entity holds temporary investments in American currency. Currently, the entity doesn't have term contracts to mitigate this risk, but reduces the risk by diversifying its investments.

#### *Interest rate risk*

Interest rate risk is the risk that the fair value or future cash flow fluctuate because of variations in the interest rate on the market. The revenue debentures fixed expose a risk to the entity in regards to its future cash flows. The entity mitigates this risk by diversifying its investments.

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## **21 - BUDGETED FIGURES**

Budget figures in these financial statements have been approved by the Board of Directors of Vitalité Health Network for the financial year in question.

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## **22 - ECONOMIC DEPENDENCE**

The Network depends on funds received from the Department of Health to continue operations, replace essential equipment and complete its capital projects.

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## **23 - IMPACT OF COVID-19**

Since early 2020, the outbreak of a new strain of coronavirus (COVID-19) has resulted in a major global health crisis that continues to impact the global economy and financial markets as of the release date of the financial statements.

These events led to significant changes in the operations of the Network during the end of 2020 and the subsequent years of 2021, 2022 and 2023. The Network has received financial assistance from the Ministry of Health for the year 2020, 2021, 2022 and 2023 in order to be able to cover the additional costs incurred due to this pandemic and allow the Network to achieve a balance in their operating surplus. The Network has taken and will continue to take measures following these events in order to minimize the repercussions.

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#### **24 - CHANGE IN ACCOUNTING POLICY**

On April 1, 2022, the organization adopted the recommendations of the new PS 3280 chapter, "Asset retirement obligations," of the CPA Canada Public Sector Accounting Handbook. In accordance with the transitional provisions, this new standard, applicable to fiscal years beginning on or after April 1, 2022, was applied retrospectively, and the financial statements of prior fiscal years were not restated. In accordance with the requirements of the new Chapter PS 3280, the organization recognizes a liability and a corresponding increase in the carrying amount of the tangible capital asset related to legal obligations arising from the disposal of a tangible capital asset, which result from its acquisition, construction, development, enhancement, or normal use.

Such a liability is recognized when the following conditions are met:

- There is a legal obligation to incur retirement costs in relation to a tangible capital asset
- The past transaction or event giving rise to the liability has occurred;
- It is expected that future economic benefits will be given up; and
- A reasonable estimate of the amount can be made.

The organization has determined that obligations related to asset retirement should be recognized in relation to the legal obligations associated with the removal of fuel storage tanks from its facilities.

As of April 1, 2022, this change resulted in an increase in the net carrying value of property, plant, and equipment by \$23,907,700 and an increase in the liability for decommissioning obligations related to property, plant, and equipment by \$23,907,700.

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#### **25 -ASSET RETIREMENT OBLIGATION**

The asset retirement obligations relates to the removal of regulated materials such as asbestos, lead, mercury, polychlorinated biphenyls (PCBs), refrigerants, ozone-depleting substances, removal of petroleum storage tanks, and water supply wells. The removal of regulated materials is governed by applicable government laws regarding environmental protection.

The main information related to the associated liability is as follows:

- The asset retirement costs are amortized using the straight-line method based on the remaining useful life of the buildings;
- The liability is based on current estimated costs. In the absence of detailed information from the province, the main sources of information for preparing these estimates were an expert appraiser with connections to remediation contractors and in-depth knowledge of regulated materials remediation. It was an office exercise aimed at providing an estimate based on the available information. The total estimated expenses is \$23,907,700;
- Estimated remaining operational lifespan: 30 to 50 years.

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#### **26 - COMPARATIVE FIGURES**

Comparative figures have been adjusted to conform to change in the current year presentation.

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