CIHI's Annual Report

2019–2020

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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

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About CIHI

The Canadian Institute for Health Information (CIHI) is an independent, not-for-profit organization that provides essential information on Canada's health systems and the health of Canadians.

Health information has become one of society's most valuable public goods. It informs policy, management, care and research, leading to better, more equitable health outcomes for all Canadians.

CIHI has earned the trust of health systems as the main gatherer, packager and disseminator of information. To succeed in this role, we have evolved to be both knowledge leaders and service providers — in tune with the health systems' needs while setting the pace on data privacy, security, accessibility and innovation.

We are facing rapid change from a place of strength, thanks to the expertise, curiosity and integrity of our people, collaborating with stakeholders at every level throughout Canada's health systems.

Better data, better decisions, healthier Canadians: powered by a shared sense of purpose, the highest standards of excellence and trust.

Land acknowledgement

As CIHI works toward better health for all Canadians, we are mindful that we live on the traditional territories of and work with First Nations, Inuit and Métis in a respectful way.

Message from CIHI's Board Chair and President

When we kicked off our 25th anniversary year — with a look back at where we came from and a re-energized focus on our future work to improve Canada's health systems — we could not have anticipated that it would end in the midst of a global pandemic.

COVID-19 has the people who support our health systems working harder than ever. So, in addition to thanking front-line health care workers who are making an incredible difference across Canada, we also want to acknowledge CIHI's staff. Our more than 700 employees have been working extremely hard throughout the pandemic to provide policy-makers, health care leaders and Canadians with timely health data so that they, in turn, can make informed decisions.

Members of our dedicated CIHI team have adapted well to working from home and continue to deliver reliable, credible health information to those who need it. For example, our agility during COVID-19 has enabled us to lend our modelling expertise to governments and organizations to help them appropriately organize their health resources and predict trends. For all of this work, we are incredibility grateful.

While the ongoing pandemic is top of mind for us here at CIHI, prompting us to shift some of our priorities, we would be remiss in not acknowledging a couple of other key activities from this past year:

- As part of CIHI's 25th anniversary celebrations, we started a year-long initiative called "25 Acts of Kindness," which encouraged employees to volunteer and give back to their communities. Over the course of the campaign, more than 300 employees participated in more than 30 different initiatives, ranging from volunteering at the Summer Solstice Indigenous Festival in Ottawa, to organizing a team for a local CIBC Run for the Cure, to collecting socks for those in need.
- After much preparation and planning, we officially moved our data holdings into the cloud, enabling us to be more flexible and responsive in how we do business.

Over the next 2 years of our strategic plan — which we decided to extend by a year due to current events — we will continue to focus on our priority themes and populations: seniors; children and youth; recipients of mental health and addictions services; and First Nations, Inuit and Métis. As we begin to develop our next plan, we will keep a close eye on the evolving priorities of our stakeholders and how they may change as a result of the impacts of the pandemic.

This annual report highlights our key accomplishments in 2019–2020 and includes a snapshot of our current and future work on the response to COVID-19.

On behalf of all of us at CIHI, we would like to thank our partners, our Board and our advisory committee members for their tremendous support and dedication. As CIHI works toward better health for all Canadians, we are mindful that we live on the traditional territories of First Nations, and we strive to work with First Nations, Inuit and Métis in a respectful way.

> While the pandemic has forced us to reflect on how we can help improve important data flows within and between health care systems in Canada, and has accelerated discussions across the country about how we all must evolve to better protect the health of Canadians, I know that the team at CIHI is up to the task. I look forward to working with the Board as we develop CIHI's next strategic plan and continue to support the response to COVID-19.
>
> Janet Davidson

Janet Davidson
Board Chair

David O'Toole
President and CEO

Our strategic plan

2020–2021 was to be the final year of our 5-year strategic plan. However, COVID-19 has had a significant impact on our stakeholders who would normally provide input into the strategic planning process. In light of this, we will be extending our current strategic plan for 1 more year. When the time is appropriate, we will resume consultations with our stakeholders to get their input into our new strategic plan. In the interim, we will continue to work toward our 3 strategic goals:

Be a trusted source of standards and quality data

Expand analytical tools to support measurement of health systems

Produce actionable analysis and accelerate its adoption

Our accomplishments

Be a trusted source of standards and quality data

Bolstering CIHI's data holdings

CIHI is always working to enhance the scope and availability of our data for analysis and decision-making.

We have developed the Data Advancement Strategy in support of common jurisdictional and federal data and information priorities. This strategy includes developing detailed annual data advancement plans.

In partnership with jurisdictions, progress to fill data gaps continued through 2019–2020 in the following areas: mental health, pharmaceuticals, emergency departments, hip and knee replacement prosthesis, patient experience, costing and health workforce.

In addition to continuing to expand coverage of the data we hold, the Data Advancement Strategy is exploring opportunities to collect data from non-traditional sources, which will help us to better respond to our partners' evolving data needs.

The table Comprehensiveness of CIHI's data holdings as of March 31, 2020 provides a snapshot of all of our current holdings.

Coding for a pandemic

In the midst of a global pandemic, it's essential to quickly test and diagnose patients, and to appropriately capture this information for data tracking.

As requested by the World Health Organization (WHO), we set the national standard for disease reporting in Canada and maintain, distribute and support the application of the Canadian modification of ICD-10.[i] ICD-10 is the source of the codes used to identify diagnoses in hospital data.

When COVID-19 was confirmed to have reached North America, we worked with WHO to develop appropriate direction, and we issued guidance to hospitals and the Canadian medical community about how to appropriately capture suspected and confirmed cases of the novel coronavirus.

This ensured that data started flowing as quickly possible into the National Ambulatory Care Reporting System and the Discharge Abstract Database, allowing for timely analysis.

Developing a roadmap for successful information sharing

We are working to improve the quality of health data and information governance practices across organizations in Canada.

In Canada's health systems, governance of data and information is critical. In the simplest terms, strong data governance ensures that organizations are held accountable for creating high-quality data. It also ensures that data is being used in a secure, ethical and adaptable way, which is especially important when making decisions about patient care.

Today, adaptability is more important than ever as data is collected, shared and used at unprecedented rates and as new data sources emerge.

In 2018, we hosted the Privacy and Health Data Access Symposium, followed by a series of pan-Canadian stakeholder consultations. The meetings revealed the need to improve the quality and consistency of health data and information governance practices across organizations in Canada.

In response, we developed the Health Data and Information Governance and Capability Framework and companion toolkits. These documents contain a checklist of capabilities that, when implemented, will allow organizations to better govern their data and information individually and collectively.

We are now working with interested provinces, territories and health data organizations to implement the framework, and we continue to share insights on data and information governance with partners in Canada's health systems.

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i. The International Statistical Classification of Diseases and Related Health Problems, 10th Revision.

Expand analytical tools to support measurement of health systems

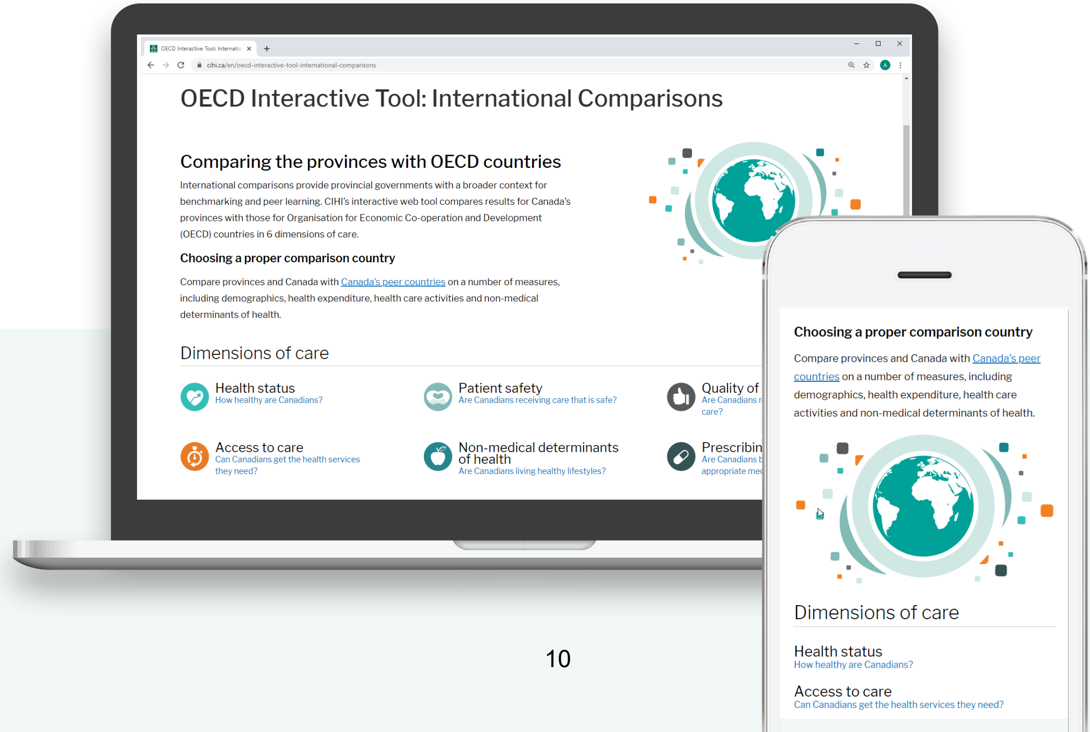
Benchmarking Canada against the world

International comparisons provide governments with a broader context for benchmarking and peer learning.

We compare Canada, and its provinces and territories, with other countries through collaborations with the Organisation for Economic Co-operation and Development (OECD) and the Commonwealth Fund. Both of these organizations work to advance the collection and reporting of comparable measures to better monitor health system performance and to drive continuous improvement across countries.

OECD results are released every 2 years and serve as a point of reference for Canada's performance across 6 dimensions of care: health status, non-medical determinants of health, patient safety, quality of care, access to care and prescribing in primary care. Results released this year highlighted that while Canada does a good job of documenting, reporting and acting on patient safety events, our results remained below the international average in 4 out of 5 measures of patient safety.

The Commonwealth Fund International Health Policy surveys fill important information gaps by polling patients and providers in 11 developed countries. The 2019 edition focused on primary care physicians and found that Canadian family doctors reported providing better access to care than in the past but that when compared with physicians in other surveyed countries, they are lagging behind in offering digital services.



Driving improvements in Canadians' access to health services

Measurement and public reporting are key to assessing progress on access to mental health and addictions services, and to home and community care.

In 2017, the federal, provincial and territorial (FPT) governments committed to improving access for Canadians to home and community care, and to mental health and addictions services as part of A Common Statement of Principles on Shared Health Priorities. We have been working with FPT governments, stakeholders, measurement experts and the public to select and develop a set of 12 pan-Canadian health system performance indicators to measure improvements in these sectors, all of which will be developed and publicly reported by 2022.

Initial results for the first 3 indicators were publicly released in spring 2019, and in May 2020 we provided the first annual update for them:

- Hospital Stays for Harm Caused by Substance Use
- Frequent Emergency Room Visits for Help With Mental Health and/or Addictions
- Hospital Stay Extended Until Home Care Services or Supports Ready

Later this year, we will release 3 new indicators:

- Caregiver Distress
- New Long-Term Care Residents Who Potentially Could Have Been Cared for at Home
- Self-Harm, Including Suicide

Over time, these indicators will begin to tell a clearer story about access to care across the country, identify where there are gaps in services and help make meaningful changes to improve the experiences of Canadian patients and their families.

We will continue to work with FPT governments to develop common information standards, expand coverage in existing data holdings and acquire new data to fill information gaps that exist in these sectors of care.

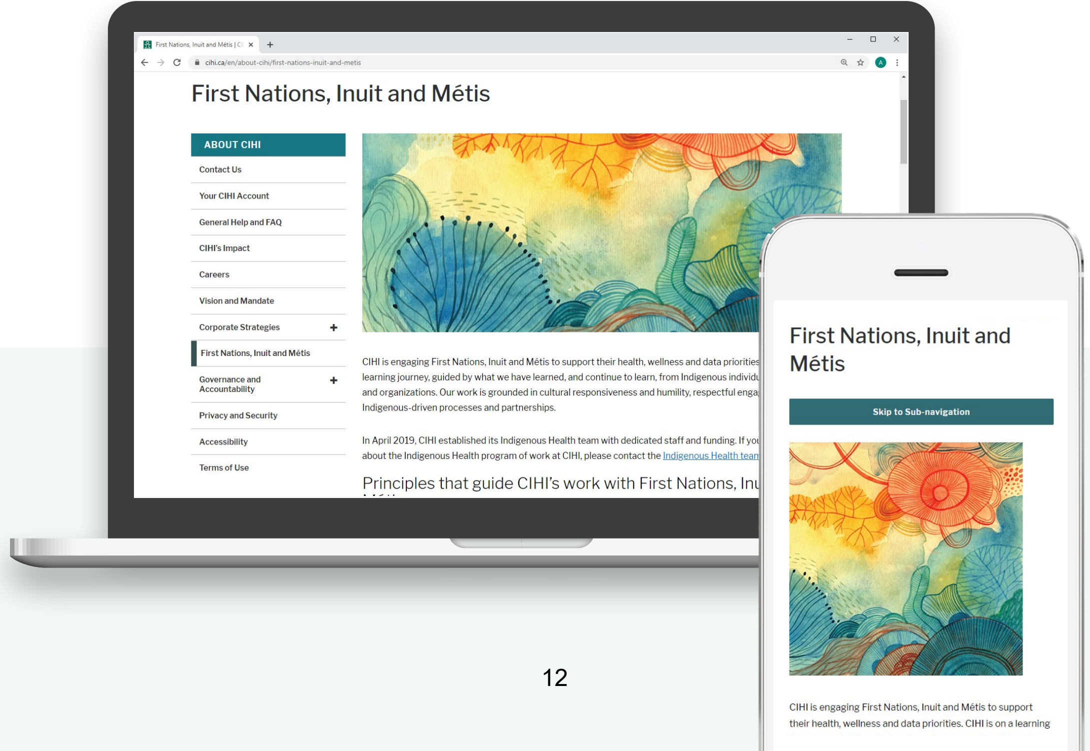
Developing relationships with First Nations, Inuit and Métis

We are on a journey, guided by what we have learned and continue to learn from Indigenous individuals, communities and organizations.

We are engaging and developing relationships and partnerships with First Nations, Inuit and Métis communities and organizations to support their health, wellness and data priorities.

Our work is grounded in cultural responsiveness, humility, engagement and respect for Indigenous data sovereignty, Indigenous-driven processes and partnership. In April 2019, we formally established our Indigenous Health team with dedicated staff. In the past year, we have worked to

- **Develop foundational capacity** by cultivating and embedding cultural responsiveness within CIHI. This includes supportive policies, training and processes to promote cultural humility and safety.
- **Build relationships and partnerships** locally, regionally and nationally with First Nations, Inuit and Métis to identify opportunities to work together in pursuit of Indigenous health and wellness.
- **Enable actionable analysis and capacity-building** by working in collaboration with First Nations, Inuit and Métis to identify relevant analyses, data infrastructure and/or tools to support their health priorities, health planning and improvements to well-being.
- **Develop a respectful approach to the governance of Indigenous data** at CIHI by working to align our policies and procedures with Indigenous data sovereignty principles.



Produce actionable analysis and accelerate its adoption

Supporting the provinces and territories with COVID-19 modelling

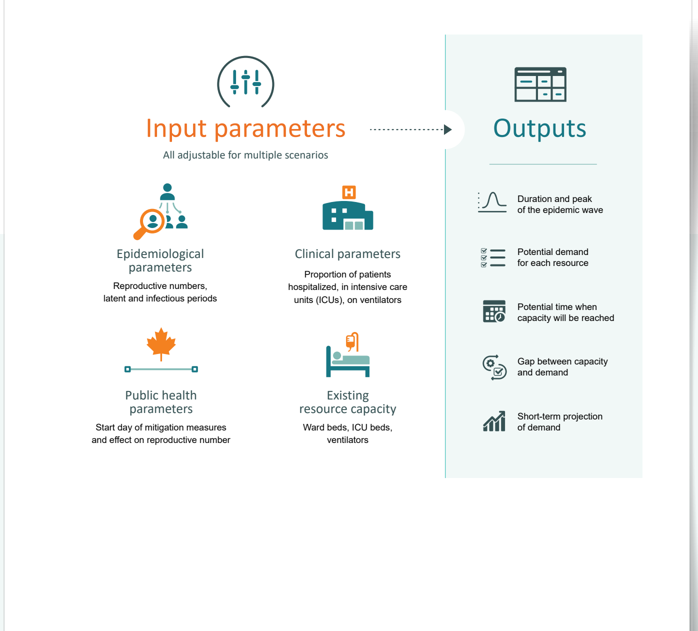
Our modelling expertise helped governments, health authorities and hospitals take action to slow the spread of COVID-19 and to prepare our health systems.

When cases of COVID-19 started appearing in greater numbers across Canada in early March, modelling the demand for health care resources (e.g., hospital beds, ventilators, staff, personal protective equipment for health care workers) reached an unprecedented level of importance.

Building on previous work and experience in supporting the provinces and territories to model demand for health system capacity, we developed the interactive Health System Capacity Planning Tool. The tool was designed for decision-makers, who can use it to understand expected health resource demands and supply shortfalls related to the COVID-19 pandemic.

The tool predicts the number of new daily COVID-19 cases, the number of individuals requiring treatment in critical care and non–critical care beds with or without a ventilator, and the number of other hospital resources required to treat these individuals. Users can input their population size and other parameters about the historical progression of COVID-19 cases in their population.

The tool and the support we provide allow for timely and informed decision-making based on the latest available information, which in turn contributes to educated efforts to temper the impact of COVID-19.



Measuring patient experience to drive quality improvements

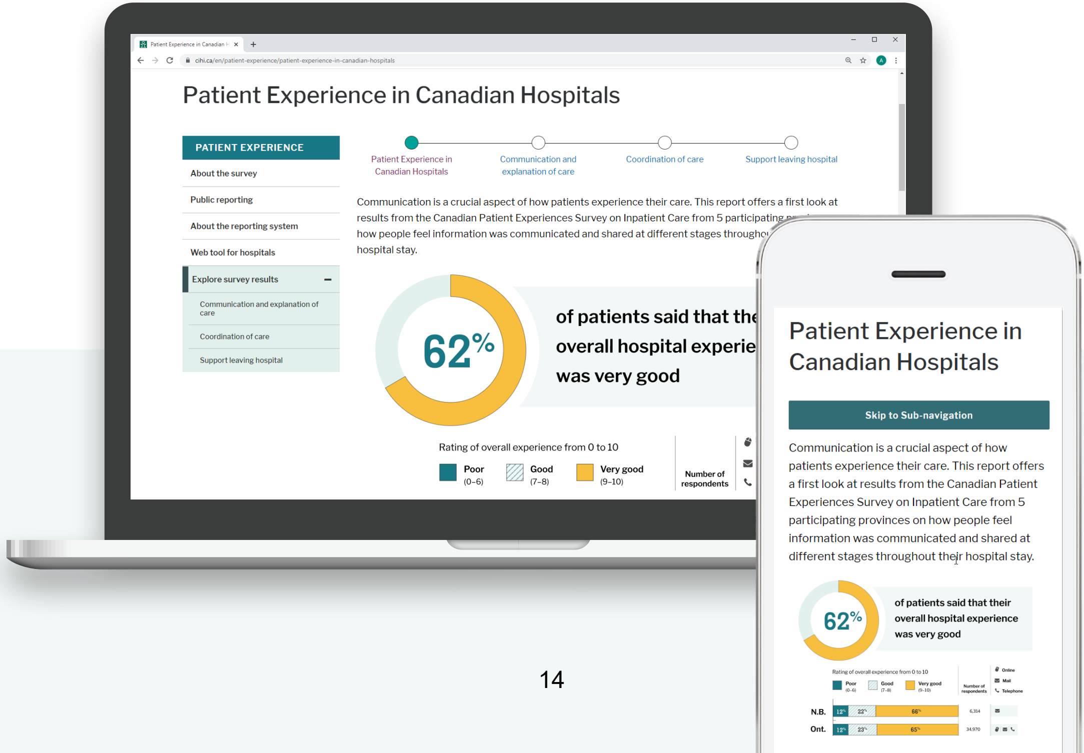
Patient experience data informs delivery of patient-centred care.

This past year, we publicly released patient experience survey data for the first time, shedding light on how Canadians feel about care received during a hospital stay. This work is part of our strategy to reflect patient perspectives through meaningful engagement, as Canadians interact with their health care systems.

The survey, which is administered by hospitals, gathers feedback about the quality of care patients experienced during their most recent stay in a Canadian acute care hospital. We reported on how patients felt about communication during their stay, including with and between care providers, about medications and of instructions when leaving the hospital.

Overall, it was found that patients were satisfied with communication with doctors and nurses throughout their stay, though being informed about their condition, treatment and medication when leaving the hospital was an area that warrants a closer look.

The use of the survey continues to grow across the country. Further reporting of a small set of patient experience measures at the facility level is planned for 2021.



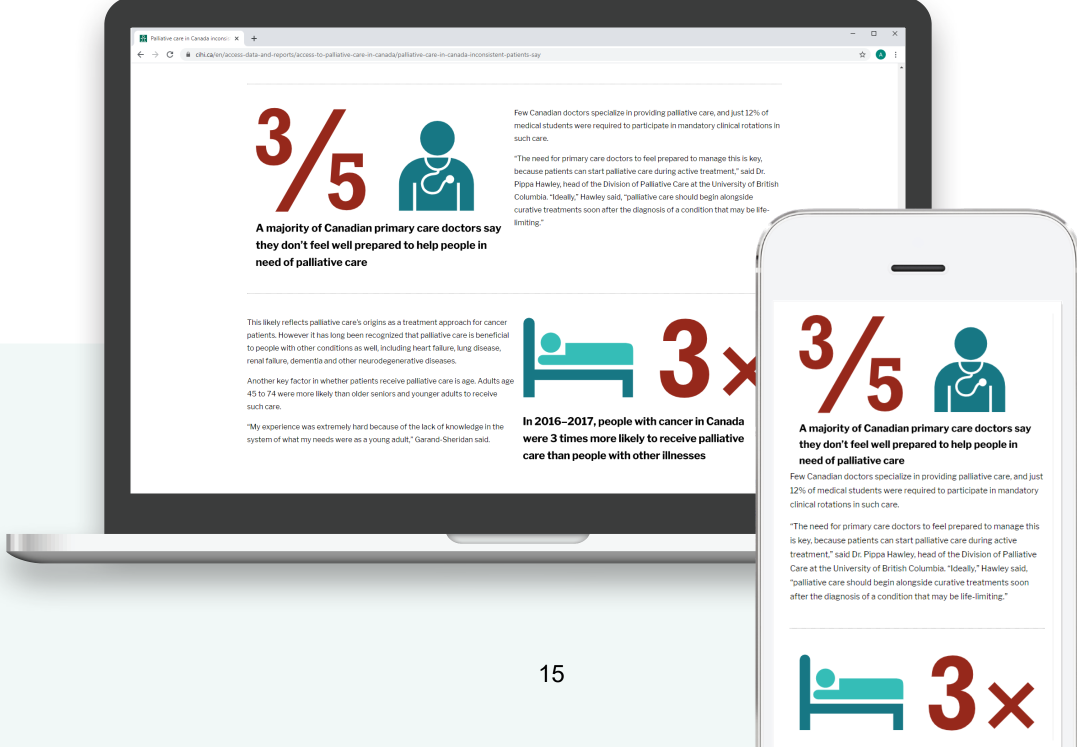
Letting the data tell the story about access to palliative care in Canada

We presented to the House of Common's Standing Committee on Health about access to palliative care in Canada.

As part of the Standing Committee on Health's study of palliative care in Canada, CIHI was invited alongside Health Canada to appear as the committee's first set of witnesses.

We presented an overview of what we know about access to palliative care for Canadians, and where data and service gaps remain. We shared key findings from our report *Access to Palliative Care in Canada*, as well as details of the work we have planned to help accelerate improvements to access to palliative care for Canadians.

While the pandemic has slowed the committee's study, it has also highlighted the importance of palliative care, particularly as families have been separated from their loved ones in their final moments. The committee's work continues, and we look forward to seeing our analysis in action when it issues its final report and recommendations.



Highlights of our COVID-19 work

The COVID-19 pandemic has required an unprecedented mobilization of health systems, here in Canada and around the world.

To those on the front lines and those behind the scenes keeping our health information systems going, we are endlessly grateful for your commitment to your work during these challenging times.

Across the country, we have seen our partners rapidly reorganizing their service delivery, building capacity and shifting resources to respond to this evolving situation.

With an eye on the changing health system landscape, we too have adjusted course and adapted in response to the pandemic.

We've made it a priority to deliver COVID-19 data and information for use by governments, health systems and media.

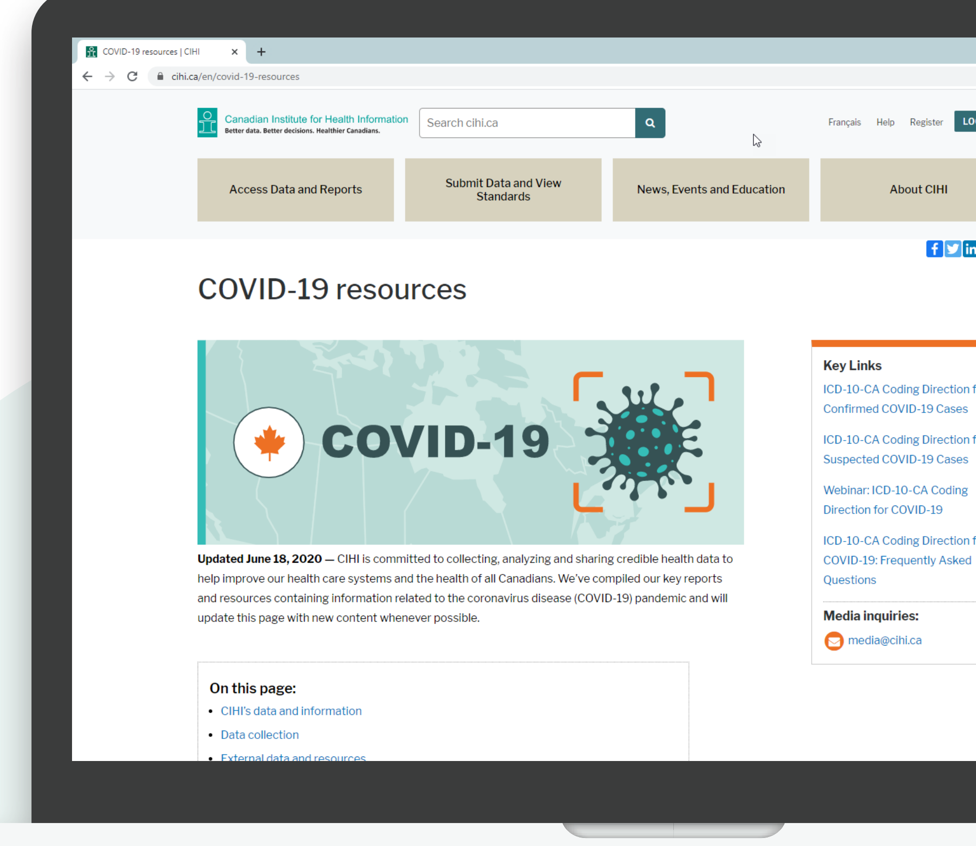
As always, we're committed to collecting, analyzing and sharing credible health data to help improve our health care systems and the health of all Canadians.

Some of the pillars of our ongoing work related to COVID-19 include the following items:

We developed our COVID-19 resources web page,

which highlights our key reports and resources containing information related to the coronavirus pandemic, and what is typical for the system in non-pandemic times.

Explore the page



Information Sheet

CIHI's Health System Capacity Planning Tool

Building on previous work and experience in forecasting demand for health system capacity, the Canadian Institute for Health Information (CIHI) has developed the interactive Excel-based Health System Capacity Planning Tool. The tool is designed for decision-makers, who can use it to understand expected health resource demands and supply shortfalls related to the COVID-19 pandemic.

Overview of the planning tool

The tool's foundation is a deterministic SEIR model that separates the population into susceptible, exposed, infected and recovered compartments, and then models the spread of the disease and the movement of the population among the compartments.

It predicts the number of new daily COVID-19 cases, the number of individuals requiring treatment in critical care and non–critical care beds with or without a ventilator, and the number of other hospital resources required to treat these individuals. Users can input their population size and other parameters about the historical progression of COVID-19 cases in their population.

The tool outputs information in tabular and graph formats on the duration and peak of the pandemic wave, potential demand for each resource, the gap between capacity and demand, the potential time when capacity will be reached, short-term projection of demand and other parameters.

By adjusting the input parameters, users can perform sensitivity analysis, and show varying scenarios of disease progression and sensitivity of expected resource demands.

Forward direction

CIHI is continuing to enhance the tool. Considerations include the evolving progression and future waves of COVID-19, as well as policy discussions around such things as easing of public health measures, the upcoming influenza season, health human resources capacity, vulnerable populations (e.g., seniors) and the optimization of health system capacity for other urgent and elective care.

How to cite this document:
Canadian Institute for Health Information. *CIHI's Health System Capacity Planning Tool* [information sheet]. Ottawa, ON: CIHI; 2020.

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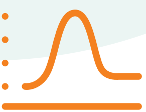


We're lending our data and modelling expertise

to the FPT governments to assist with their health capacity planning.

We worked with WHO, Canadian hospitals and partners across health systems

to ensure we consistently capture suspected and confirmed cases of COVID-19 in Canadian clinical databases.

CIHI Snapshot
June 2020

Pandemic Experience in the Long-Term Care Sector

How Does Canada Compare With Other Countries?

Issue

Canada's long-term care (LTC) sector has been especially hard hit by the COVID-19 pandemic. More than 840 outbreaks have been reported in LTC facilities and retirement homes, accounting for more than 80% of all COVID-19 deaths in the country (as of 9 p.m. ET on May 25, 2020).

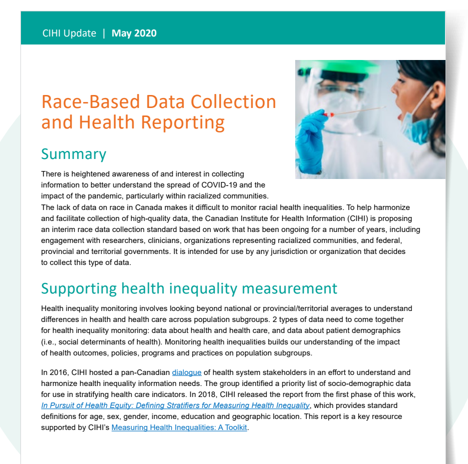
This short analysis examines the similarities and differences between Canada's pandemic experience in LTC and that of other countries in the Organisation for Economic Co-operation and Development (OECD). Specifically, it focuses on 3 areas of comparison:

- COVID-19 outcomes in LTC (cases and deaths);
- Baseline sector characteristics; and
- Policy responses to address the pandemic.

Comparisons must be interpreted with extreme caution due to rapidly evolving infection case numbers, different definitions of LTC and variations across countries in COVID-19 testing and reporting practices.

How to cite this document:
Canadian Institute for Health Information. *Pandemic Experience in the Long-Term Care Sector: How Does Canada Compare With Other Countries?*. Ottawa, ON: CIHI; 2020.

Canadian Institute for Health Information
Institut canadien d'information sur la santé



CIHI Update | **May 2020**

Race-Based Data Collection and Health Reporting

Summary

There is heightened awareness of and interest in collecting information to better understand the spread of COVID-19 and the impact of the pandemic, particularly within racialized communities. The lack of data on race in Canada makes it difficult to monitor racial health inequalities. To help harmonize and facilitate collection of high-quality data, the Canadian Institute for Health Information (CIHI) is proposing an interim race data collection standard based on work that has been ongoing for a number of years, including engagement with researchers, clinicians, organizations representing racialized communities, and federal, provincial and territorial governments. It is intended for use by any jurisdiction or organization that decides to collect this type of data.

Supporting health inequality measurement

Health inequality monitoring involves looking beyond national or provincial/territorial averages to understand differences in health and health care across population subgroups. 2 types of data need to come together for health inequality monitoring: data about health and health care, and data about patient demographics (i.e., social determinants of health). Monitoring health inequalities builds our understanding of the impact of health outcomes, policies, programs and practices on population subgroups.

In 2016, CIHI hosted a pan-Canadian dialogue of health system stakeholders in an effort to understand and harmonize health inequality information needs. The group identified a priority list of socio-demographic data for use in stratifying health care indicators. In 2018, CIHI released the report from the first phase of this work, *In Pursuit of Health Equity: Defining Stratifiers for Measuring Health Inequality*, which provides standard definitions for age, sex, gender, income, education and geographic location. This report is a key resource supported by CIHI's Measuring Health Inequalities: A Toolkit.

We proposed an interim standard for collecting race data.

Number of data and information requests received as of June 30, 2020

Breakdown by organization type

55 Government (federal, provincial and territorial)

158 Health care organization

130 Media

45 Data and research organization

2 International

26 Other

We're delivering new analytical work on the impact of COVID-19 on health systems.

We pulled together new data collections, identified data gaps that this pandemic has exposed,

and proposed potential solutions for discussion with our partners and stakeholders.

We know that as the pandemic evolves, our partners will continue to look to us to provide timely, relevant and trustworthy data and analysis to make a positive difference in our health systems — and we'll be there every step of the way.

What's next?

Be a trusted source of standards and quality data

Helping to unlock the potential of Canada's data and expertise

We are playing a key role in delivering a national platform for researchers to request access to multi-jurisdictional data to improve the health care system for patients.

In April 2019, the Canadian Institutes of Health Research announced that the Health Data Research Network Canada, which includes CIHI, had received a grant to launch a national data platform for its Strategy for Patient-Oriented Research initiative.

CIHI has led the work to establish and roll out the Data Access Support Hub (DASH) for the platform. The DASH makes jurisdictional data access processes more transparent to researchers conducting multi-jurisdictional studies, and provides coordinated support across participating data centres for navigating the various access stages. Over time, the DASH will progressively streamline, harmonize and automate aspects of the data access processes, reducing inefficiencies and the time required to access data.

Creating a national data system that drives improvements in organ donation and transplantation

In partnership with Canada Health Infoway, we are developing a pan-Canadian data and performance reporting system for organ donation and transplantation (ODT).

Since 2018, Health Canada has been leading an initiative called the Organ Donation and Transplantation Collaborative with provinces and territories (except Quebec), Canadian Blood Services, patients, families, clinical and administrative stakeholders, and researchers.

A key component of this is creating a pan-Canadian data system that will inform system-level decision-making to maximize donation opportunities and improve patient care. In partnership with Canada Health Infoway, we are leading the development of this system.

As a first step in our 5-year commitment, we engaged with and gathered input from the ODT community and system planners to develop a common vision for a modernized pan-Canadian data and performance reporting system.

From here, we'll be working to establish and roll out this collectively agreed-upon system that will ultimately help modernize ODT data management and reporting systems, as well as establish common pan-Canadian performance measures, benchmarks and data standards.

Expand analytical tools to support measurement of health systems

Working collaboratively to ensure we release the highest-quality information

We are working with partners across the country to develop new indicators that better measure access to health services.

As showcased earlier in this report, we have been working with various levels of government, as well as with stakeholders, measurement experts and the public, to select and develop a set of 12 pan-Canadian health system performance indicators to measure improvements in access to home and community care, and to mental health and addictions services.

We released the first 3 indicators last year and are scheduled to release the next 3 later this year. The following indicators are currently under development and slated to be released by 2022:

- Wait Times for Community Mental Health Counselling
- Wait Times for Home Care Services
- Home Care Services Helped the Recipient Stay at Home
- Death at Home/Not in Hospital
- Early Identification for Early Intervention in Youth
- Navigation of Mental Health and Addictions Services

As teams at CIHI and our partners at Statistics Canada continue to develop these indicators, we are working closely with our stakeholders to ensure that the highest-quality information is available to support decision-making across the country. To that end, we are continuing to

- Develop common definitions and standards to ensure comparability;
- Explore new data sources to fill information gaps and support expanded coverage in existing data holdings;
- Collaborate and engage with stakeholders in different ways to bring in diverse perspectives; and
- Define and test new approaches to engage persons with lived experience and the public.

Ensuring our products are fit for purpose

We are reviewing some of our long-standing products to ensure they continue to resonate with stakeholders and reflect the evolving Canadian health care landscape.

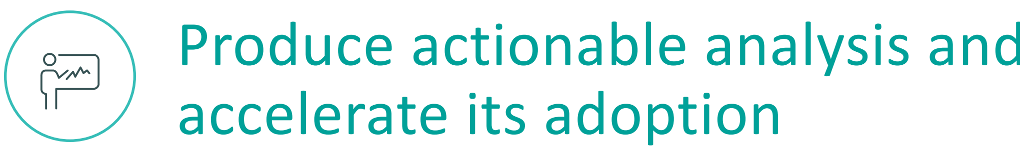
We have been using a life cycle approach to evaluate new products for some time, and we've now decided to expand this standardized approach to look at some of our more established releases.

The National Health Expenditure Database (NHEX) release, which provides an overview of how much is spent on health care annually, was the first product to undergo this type of review. It is a prime example of one of our long-standing, high-profile products.

Over the past 6 months, we have examined underlying data, methodologies, and the content and format of the NHEX products to ensure they continue to meet the needs of stakeholders into the future. Overall, the review affirmed the value of the products for government and non-government audiences — particularly with respect to jurisdictional comparisons, historical time series, public/private spending breakdowns and international comparisons — and suggested some areas for enhancement for the future.

Recommendations focus on improving comparability across provinces and territories, clarifying the relationship between forecasts and actual expenditures, addressing issues with specific secondary data sources and refining specific health spending categories, as well as suggestions for new and more detailed analyses. The review report with a multi-year implementation plan will be released in early summer 2020.

Our next long-standing products slated for review include the Physicians in Canada, Nursing in Canada and Health Workforce Database releases, which are being examined as a bundle.



Produce actionable analysis and accelerate its adoption

Bringing data to life for our stakeholders

We have plans to further collaborate with stakeholders to increase their capacity to use our data and analysis in their work.

Our stakeholders’ information needs are diverse and evolving, and we work to align our knowledge exchange work with them.

In the year ahead, we will continue to convene discussions with stakeholders on important health information issues to facilitate dialogue, build capacity and advance thinking for Canada’s health systems.

Planned activities include capacity-building sessions to support the ongoing understanding and use of the Shared Health Priorities indicators, and collaborating with Indigenous organizations to strengthen health information capacity and access to data at the community level.

Risk management

Audit Program

CIHI maintains an Audit Program that serves to

- Evaluate the extent to which operations are compliant with applicable administrative policies, procedures and government regulations;
- Assess the overall effectiveness of controls and processes currently in place; and
- Identify opportunities for improvement.

In 2019–2020, activities included

- Penetration testing and vulnerability assessments of the information technology network, server infrastructure and selected applications;
- An audit of staff and consultant access to CIHI's health data;
- An internal audit of ISO 27001 and an ISO 27001 version 2013 surveillance audit;
- A privacy audit of a third-party data recipient to determine compliance with CIHI's Data Request Form and Non-Disclosure/Confidentiality Agreement;
- An access management audit; and
- A corporate fraud risk assessment.

We developed action plans to address the recommended areas for improvement that resulted from these audits.

Risk management activities

CIHI's Strategic Risk Management Program for 2019–2020 focused on identifying risks that could harm CIHI's reputation and/or impede our ability to meet our commitments to stakeholders and achieve the 3 overarching goals in our strategic plan for 2016 to 2021.

The program's goal is to foster reasonable risk-taking based on risk tolerance, and to create action plans that focus on mitigating the risks in question. Our approach to risk management is to proactively deal with future potential events and build consensus on how to reduce or minimize their impact. Our Strategic Risk Management Program serves to support effective management, strengthen accountability and improve future performance.

CIHI is committed to focusing on corporate strategic risks that

- Cut across the organization;
- Have clear links to achieving our strategic goals and priorities;
- Are likely to remain evident for the next 3 years; and
- Can be managed by our senior leadership.

CIHI's Risk Management Framework

Risk management activities for 2019–2020

The executive management team identified and assessed a number of key risks based on the likelihood of their occurrence and their potential impacts. 5 of these risks were identified as strategic risks due to their high level of residual risk (risk level after considering existing mitigation strategies):

Addressing emerging technology needs

Our ability to achieve our strategic goals is contingent upon keeping pace with emerging technologies. To mitigate this potential risk, we continued to implement technology and business modernization initiatives, including implementing a secure data access environment, expanding our digital strategy and moving to the cloud. We developed and started implementing a multi-year comprehensive IT roadmap to ensure we are responding to the evolving needs of our stakeholders and funders.

Maintaining focus to achieve the 2016 to 2021 strategic plan

This strategic risk has been in place over the latter years of the current strategic plan, with the goal of ensuring the organization doesn't lose focus on delivering the objectives laid out at the start of the strategic plan. We have been addressing this risk by introducing new approaches to help prioritize and plan work, and to evolve decision-making processes. We also continued to implement the recommendations stemming from the mid-point review of the strategic plan in 2018. Finally, our Performance Measurement Framework and corresponding indicators (with annual targets) help keep us on track to achieve our goals and objectives.

Late in 2019–2020, the COVID-19 global pandemic made it impossible to consult our stakeholders to support the development of a new strategic plan beyond 2021. We decided to extend our current strategic plan by 1 year. We will continue to monitor our current plan to ensure all goals are met using the strategies described above.

Developing and maintaining effective stakeholder relationships

Effective stakeholder relationships are critical to ensuring value and relevance in the work we do, and to focusing decisions to meet stakeholder needs. To manage this, we continued to update and implement our multi-year stakeholder engagement strategy. We also conducted additional supplemental analyses with key releases to ensure local relevance. Finally, we developed a strategic framework for patient involvement and introduced the patient voice into several of our products.

Privacy and security

Our Privacy and Security Risk Management Program is one of our core strengths; however, there is always a risk that current strategies will not meet emerging threats as social engineering techniques become more sophisticated, and as business processes and technologies evolve. In 2019–2020, we addressed this risk by continuing to mature the Privacy and Security Risk Management Program, including continuously reviewing the risk register and increasing staff training activities. We incorporated new privacy and security requirements and activities into new and existing processes, and we reviewed the Privacy and Audit programs to ensure that privacy and security risks are adequately addressed. Finally, we proactively monitored the privacy and security landscape to ensure that CIHI continues to respond to emerging risks and to the evolving privacy needs of stakeholders and regulators. An example of this includes maintaining our privacy and security requirements when all staff began working from home in March as a result of the pandemic.

Pan-Canadian health organizations review

Mid-way through 2017–2018, an independent review of the pan-Canadian health organizations (PCHOs) was announced. In March 2018, Health Canada release the results of the review in the report *Fit for Purpose: Findings and Recommendations of the External Review of the Pan-Canadian Health Organizations*. In 2019–2020, we worked closely with Health Canada and the other PCHOs on collaborative opportunities that stemmed from the report, focusing on strategic alignment of work and administrative efficiencies. We will continue these efforts going forward.

Our people

Our leadership and governance

Board of Directors as of March 31, 2020

Chair

Ms. Janet Davidson
Former Special Advisor and Deputy Minister
Alberta Health

Canada at large

Dr. Vivek Goel (Vice Chair)
Vice-President
Research and Innovation
University of Toronto

Region 1 • British Columbia

Mr. Martin Wright
Assistant Deputy Minister
Health Sector Information, Analysis and Reporting
British Columbia Ministry of Health
(Government)

Dr. Maureen E. O'Donnell
Executive Vice President, Clinical Policy, Planning and Partnerships
Provincial Health Services Authority
(Non-government)

Region 2 • Prairies

Mr. Réal Cloutier
Former President and CEO
Winnipeg Regional Health Authority
(Non-government)

Region 3 • Ontario

Ms. Janet Beed
Former President and CEO
Markham Stouffville Hospital
(Non-government)

Ms. Helen Angus
Deputy Minister
Ontario Ministry of Health
(Government)

Region 4 • Quebec

Dr. Denis Roy
Vice President, Strategy
Institut national d'excellence en santé et en services sociaux
(Non-government)

Ms. Sylvie Vézina
Director
Information and Performance Integration Management
Ministère de la Santé et des Services sociaux du Québec
(Government)

Region 5 • Atlantic

Mr. Gilles Lanteigne
President and CEO
Vitalité Health Network, New Brunswick
(Non-government)

Ms. Christine Grimm
Senior Executive Director, Digital Health, Analytics and Privacy
Nova Scotia Department of Health and Wellness
(Government)

Region 6 • Territories

Mr. Bruce Cooper
Deputy Minister
Northwest Territories Department of Health and Social Services

Health Canada

Mr. Stephen Lucas
Deputy Minister
Health Canada

Statistics Canada

Ms. Lynn Barr-Telford
Assistant Chief Statistician
Social, Health and Labour Statistics Field
Statistics Canada

The Board met in June 2019, November 2019 and March 2020.

We would like to recognize the contributions of 7 departing Board members:

Mr. Simon Kennedy
Deputy Minister
Health Canada

Mr. Anil Arora
Chief Statistician
Statistics Canada

Ms. Kim Critchley
Deputy Minister
Prince Edward Island Department of Health and Wellness
(Government)

Dr. David Ostrow
Former President and CEO
Vancouver Coastal Health
(Non-government)

Ms. Lorna Rosen
Deputy Minister
Alberta Health
(Government)

Mr. Milton Sussman
Deputy Minister
Alberta Health
(Government)

Dr. Verna Yiu
President and CEO
Alberta Health Services
(Government)

Board committees as of March 31, 2020

Finance and Audit Committee

Members	**Meetings**
Gilles Lanteigne, Chair	May 31, 2019
Janet Davidson	November 14, 2019
Lynn Barr-Telford	February 12, 2020
Bruce Cooper	
Christine Grimm	
Réal Cloutier	

Governance and Privacy Committee

Members	**Meetings**
Vivek Goel, Chair	October 28, 2019
Stephen Lucas	February 18, 2020
Martin Wright	
Sylvie Vézina	
Helen Angus	

Human Resources Committee

Members	**Meetings**
Janet Davidson, Chair	November 4, 2019
Vivek Goel	January 21, 2020
Janet Beed	March 5, 2020
Denis Roy	
Maureen O'Donnell	

Senior management as of March 31, 2020

David O'Toole
President and CEO

Brent Diverty
Vice President
Programs

Cal Marcoux
Chief Information Security Officer
Information Security and
Technology Services

Caroline Heick
Vice President
Corporate Services

Chantal Poirier
Director
Finance

Cheryl Gula
Director
Thematic Priorities

Connie Paris
Director
Strategy and Operations

Elizabeth Blunden
Director
Human Resources and Administration

Eric Sutherland
Executive Director
Data Governance Strategy

Francine Anne Roy
Vice President
Eastern Canada

Gregory Webster
Director
Acute and Ambulatory Care
Information Services

Hassan Gesso
Director
Infrastructure and Technology Services

Herbet Brasileiro
Director
ITS Product Delivery

Jean Harvey
Director
Canadian Population Health Initiative

Jeffrey Hatcher
Director
Advanced Analytics

Kathleen Morris
Vice President
Research and Analysis

Keith Denny
Director
Clinical Data Standards and Quality

Kimberly Harvey
Executive Director
Digital Innovation

Georgina MacDonald
Vice President
Western Canada

Mélanie Josée Davidson
Director
Health System Performance

Michael Gaucher
Director
Pharmaceuticals and Health Workforce
Information Services

Michael Hunt
Director
Spending, Primary Care and
Strategic Initiatives

Natalie Damiano
Director
Specialized Care

Neala Barton
Vice President
Communications and Client Experience

Rhonda Wing
Chief Privacy Officer and General Counsel
Privacy and Legal Services

Ronald Huxter
Vice President and
Chief Information Officer
Information Technology and Services

Shawn Henderson
Director
Client Experience

Stephen O'Reilly
Executive Director
Federal Relations

Tracy Johnson
Director
Health System Analysis
and Emerging Issues

A great place to work

For the second year in a row, CIHI was recognized as one of the National Capital Region's Top Employers.

This special designation recognizes employers in the Ottawa–Gatineau metropolitan area that lead their industries in offering exceptional places to work. The annual competition, which forms part of Canada's Top 100 Employers, also identifies those employers that lead in attracting and retaining employees.

Leading practices

This section provides an overview of our operations and an explanation of our financial results. It should be read along with the financial statements in this annual report.

Who does what

- Management prepares the financial statements and is responsible for the integrity and objectivity of the data in them. This is in accordance with Canadian accounting standards for not-for-profit organizations.
- CIHI designs and maintains internal controls to provide reasonable assurance that the financial information is reliable and timely, that the assets are safeguarded and that the operations are carried out effectively.
- The Board of Directors carries out its financial oversight responsibilities through the Finance and Audit Committee (FAC), which is made up of directors who are not employees of the organization.
- Our external auditors, KPMG LLP, conduct an independent audit in accordance with Canadian generally accepted auditing standards and express an opinion on the financial statements. The auditors meet on a regular basis with management and the FAC and have full and open access to the FAC, with or without the presence of management.
- The FAC reviews the financial statements and recommends their approval by the Board of Directors. For 2019–2020 and previous years, the external auditors have issued unqualified opinions.

Disclaimer

This section includes some forward-looking statements that are based on current assumptions. These statements are subject to known and unknown risks and uncertainties that may cause the organization's actual results to differ materially from those presented here.

Revenue

Annual sources of revenue

Revenue source ($ millions)	2016–2017 Actual	2017–2018 Actual	2018–2019 Actual	2019–2020 Planned	2019–2020 Actual	2020–2021 Planned
Federal government — Health Information Initiative*	79.7	79.9	85.0	88.8	88.7	93.3
Provincial/territorial governments — Core Plan	17.4	17.7	18.1	18.4	18.4	18.8
Other†	5.8	6.9	7.4	5.6	6.2	5.3
Total annual source of revenue	**102.9**	**104.5**	**110.5**	**112.8**	**113.3**	**117.4**

Notes

* Reflects annual revenue on a cash basis, adjusted for the carry-forward projects. Therefore, excludes depreciation expense–related revenue. In addition, the 2019–2020 planned and actual amounts include $306,525 transferred from pension plan deferred funds.

† Includes contributions from provincial/territorial governments for special-purpose programs/projects as well as lease inducements for 2016–2017 and 2019–2020.

Funding agreements

CIHI receives most of its funding from the federal government and the provincial/territorial ministries of health.

- The proportion coming from these 2 levels of government has evolved over time, and Health Canada's proportion has grown since the renewal of the Health Information Initiative (HII) agreement.
- Our total annual source of revenue averaged $107.8 million between 2016–2017 and 2019–2020. This pays for our ongoing program of work related to our core functions and priority initiatives.

Since 1999, Health Canada has significantly funded the building and maintenance of a comprehensive and integrated national health information system. Funding has come through a series of grants and contribution agreements referred to as the Roadmap Initiative or HII.

- Our base HII funding is $77.7 million per year.
- In 2017–2018, the HII funding agreement was renewed, providing $53 million over 5 years in addition to our base funding: $3 million in year 1 (2017–2018), $5 million in year 2, $10 million in year 3, $15 million in year 4 and $20 million in year 5.

- The 2020–2021 planned funding from Health Canada includes an approved carry forward of $581,525 from 2019–2020 related to key initiatives underway in 2019–2020 that will continue in 2020–2021. Similarly, the results presented for 2019–2020 include a carry forward of $750,000 from 2018–2019, the results presented for 2018–2019 include a carry forward of $1.8 million from 2017–2018, and the results presented for 2016–2017 include a carry forward of $832,000 from 2015–2016.
- In addition, CIHI and Canada Health Infoway secured additional funding of $500,000 in 2019–2020. This funding was used to develop a vision and plan for a modernized ODT data management and reporting system. This is the first year of an anticipated 5-year initiative.
- Finally, the agreement also included a multi-year program of work on prescription drug abuse, for a total of $4.42 million over 5 years (2014–2015 to 2018–2019).

Through bilateral agreements, the provincial/territorial ministries of health continued to fund our Core Plan (a set of products and services provided to the ministries and identified health regions and facilities).

- These agreements provided $18.4 million in funding in 2019–2020.
- The agreements are currently being renewed for 3 years (2020–2021 to 2022–2023). $18.8 million has been budgeted for 2020–2021, which reflects a 2% increase as outlined in the 3-year agreements.

Expenses

Operating expenses

Operating expenses ($ millions)*	2016–2017 Actual	2017–2018 Actual	2018–2019 Actual	2019–2020 Planned	2019–2020 Actual	2020–2021 Planned
Salaries, benefits and pension expenses	77.7	79.9	85.4	86.8	87.5	88.6
External and professional services, travel and advisory committee expenses	8.3	8.8	8.6	10.7	8.8	11.0
Occupancy, information technology and other expenses†	16.4	15.7	17.5	16.5	19.0	18.1
Total operating expenses	**102.4**	**104.4**	**111.5**	**114.0**	**115.3**	**117.7**

Notes

* Reflects operating expenses; therefore, includes amortization of capital assets and a loss on impairment in 2019–2020.

† Effective April 1, 2018, CIHI changed its accounting policy related to the capitalization of capital assets. The capitalization threshold was increased from $1,000 to $2,500 to more accurately reflect the organization's assets with future economic value. CIHI has applied this policy change retrospectively, but only in CIHI's audited financial statements.

Total operating expenses, 2019–2020: $115.3 million

These include compensation costs, external and professional services, travel expenses, occupancy costs and information technology costs required to deliver on several key projects undertaken in 2019–2020. Additional information about employee remuneration is provided in the table below. Total remuneration paid to the CIHI Board of Directors was $17,900.

Occupational category	Salary range ($)	Taxable benefits ($)*	Number of employees†
Administration	35,580–54,700	17–224	7
Support	52,110–78,470	23–1,446	141
Professional/technical	76,220–114,300	12–2,525	503
Management	109,760–197,570	201–6,346	98
Vice presidents	189,830–237,280	2,581–6,180	7
President and CEO	299,690–374,610	11,194	1

Notes

* Taxable benefits paid include insurance benefits and car allowance.

† Number of employees as of March 31, 2020.

Total expenses variance relative to planned 2019–2020 activities: overspending of $1.3 million

The overspending of $1.3 million in 2019–2020 is mainly due to a loss on impairment related to the planned move of CIHI's applications and data to a cloud environment in 2020–2021, as well as to additional spending related to new special-purpose funding projects. This increase in operating expenses is partially offset by savings due to delays in certain initiatives that will be carried forward to 2020–2021, as approved by Health Canada. Furthermore, during the year, reallocations were made between expense categories based on resource requirements to deliver on CIHI's work plan.

Capital investments

Capital investments ($ millions)	2016–2017 Actual	2017–2018 Actual*	2018–2019 Actual	2019–2020 Planned	2019–2020 Actual	2020–2021 Planned
Furniture and office equipment	0.2	0.1	0.0	0.0	0.1	0.0
Computers and telecommunications equipment	2.0	2.0	0.5	0.3	0.1	0.2
Leasehold improvements	0.7	0.2	0.6	0.0	0.0	0.0
Total capital investments	**2.9**	**2.3**	**1.1**	**0.3**	**0.2**	**0.2**

Note

* Effective April 1, 2018, CIHI changed its accounting policy related to the capitalization of capital assets. The capitalization threshold was increased from $1,000 to $2,500 to more accurately reflect the organization's assets with future economic value. CIHI has applied this policy change retrospectively, but only in CIHI's audited financial statements.

Acquisition of capital assets, 2019–2020: $0.2 million

- Capital investments for 2019–2020 were slightly lower than planned, mainly due to a transfer of funds to support information technology operating expenses. Savings were partially offset by unbudgeted purchases of furniture and office equipment.
- Capital investments over the years are based on an ongoing roadmap of planned acquisitions and upgrades to ensure that equipment and software are robust and adequate to meet changing operational demands.
- The amount of capital asset disposals during 2019–2020 was $2.6 million.

Audited financial statements

Independent auditors' report

To the Board of Directors of the Canadian Institute for Health Information

Opinion

We have audited the financial statements of the Canadian Institute for Health Information ("CIHI"), which comprise:

- the statement of financial position as at March 31, 2020
- the statement of operations for the year then ended
- the statement of changes net assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements, present fairly, in all material respects, the financial position of CIHI as at March 31, 2020, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

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 "*Auditors' Responsibilities for the Audit of the Financial Statements*" section of our auditors' report.

We are independent of CIHI in accordance with the ethical requirements that are relevant to our audit of the 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.

Other Information

Management is responsible for the other information. The other information comprises:

- Information, other than the financial statements and the auditors' report thereon, included in the Canadian Institute for Health Information Annual Report

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained the information, other than the financial statements and the auditors' report thereon, included in the Canadian Institute for Health Information Annual Report as at the date of this auditors' report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditors' report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, 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 CIHI's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate CIHI or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing CIHI's financial reporting process.

Auditors' 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 auditors' 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 the 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 CIHI'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 CIHI's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause CIHI 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.
- 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.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Ottawa, Canada

June 11, 2020

Statement of financial position

As at March 31, 2020, with comparative information for 2019

	Notes	2020	2019
Assets			
Current assets			
Cash and cash equivalents	3	$7,104,703	$6,839,883
Accounts receivable	4	7,139,948	8,256,380
Prepaid expenses		3,968,144	3,591,523
Total current assets		**18,212,795**	**18,687,786**
Long-term assets			
Capital assets	5	2,331,508	4,564,628
Other assets	6	192,370	295,539
Total long-term assets		**2,523,878**	**4,860,167**
Total assets		**$20,736,673**	**$23,547,953**
Liabilities and net assets			
Current liabilities			
Accounts payable and accrued liabilities	8	$6,382,801	$6,668,484
Unearned revenue		1,588,723	1,378,268
Deferred contributions	9a	3,572,394	4,216,800
Total current liabilities		**11,543,918**	**12,263,552**
Long-term liabilities			
Deferred contributions			
Expenses of future periods	9a	189,565	292,733
Capital assets	9b	1,065,790	2,246,173
Lease inducements	10	1,441,158	1,654,253
Total long-term liabilities		**2,696,513**	**4,193,159**
Net assets			
Invested in capital assets		784,904	1,772,721
Unrestricted		5,711,338	5,318,521
Total net assets		**6,496,242**	**7,091,242**
Commitments	14		
Total liabilities and net assets		**$20,736,673**	**$23,547,953**

See the accompanying notes to the financial statements.

On behalf of CIHI's Board:

Director

Director

Statement of operations

Year ended March 31, 2020, with comparative information for 2019

	Notes	2020	2019
Revenue			
Core Plan	11	$18,420,430	$18,067,078
Sales		2,626,678	2,712,855
Funding — other	12	3,341,998	4,433,061
Health Information Initiative	9	90,086,936	86,206,647
Other revenue		212,454	215,842
Total revenue		**114,688,496**	**111,635,483**
Expenses			
Compensation		87,527,220	85,431,768
External and professional services		5,552,707	5,262,886
Travel and advisory committee		3,255,800	3,319,390
Office supplies and services		1,127,272	1,486,069
Computers and telecommunications		10,267,880	7,901,851
Occupancy		7,552,617	8,126,972
Total expenses		**115,283,496**	**111,528,936**
Excess (deficiency) of revenue over expenses		**$(595,000)**	**$106,547**

See the accompanying notes to the financial statements.

Statement of changes in net assets

Year ended March 31, 2020, with comparative information for 2019

	Invested in capital assets	Unrestricted	Total 2020	Total 2019
Balance, beginning of year	$1,772,721	$5,318,521	$7,091,242	$7,111,085
Excess (deficiency) of revenue over expenses	(1,136,744)	541,744	(595,000)	106,547
Change in invested in capital assets	148,927	(148,927)	0	0
Remeasurements — pension	0	0	0	(126,390)
Balance, end of year	**$784,904**	**$5,711,338**	**$6,496,242**	**$7,091,242**

See the accompanying notes to the financial statements.

Statement of cash flows

Year ended March 31, 2020, with comparative information for 2019

	Notes	2020	2019
Cash provided by (used in)			
Operating activities			
Excess (deficiency) of revenue over expenses		$(595,000)	$106,547
Items not involving cash			
Amortization of capital assets		1,348,039	1,913,430
Amortization of lease inducements		(234,064)	(355,814)
Pension benefits		0	(83,490)
Amortization of deferred contributions — capital assets		(1,180,383)	(1,246,379)
Loss on disposal of capital assets		12,844	51,516
Loss on impairment of capital assets	5	1,042,133	0
Change in non-cash operating working capital	13	664,583	(765,482)
Net change in other assets		103,169	263,748
Net change in deferred contributions		(747,574)	(1,011,289)
Cash provided by (used in) operating activities		**413,747**	**(1,127,213)**
Investing activities			
Acquisition of capital assets		(169,896)	(1,052,575)
Cash used in investing activities		**(169,896)**	**(1,052,575)**
Financing activities			
Lease inducement received		20,969	0
Cash provided by financing activities		**20,969**	**0**
Increase (decrease) in cash and cash equivalents		**264,820**	**(2,179,788)**
Cash and cash equivalents, beginning of year		6,839,883	9,019,671
Cash and cash equivalents, end of year		**$7,104,703**	**$6,839,883**
Represented by			
Cash		$104,703	$339,883
Short-term investments		7,000,000	6,500,000
		$7,104,703	**$6,839,883**
Supplemental information			
Interest received		$207,292	$212,352

See the accompanying notes to the financial statements.

Notes to financial statements

1. Organization

The Canadian Institute for Health Information (CIHI) is a national not-for-profit organization continued under Section 211 of the *Canada Not-for-profit Corporations Act*.

CIHI’s mandate is to deliver comparable and actionable information to accelerate improvements in health care, health system performance and population health across the continuum.

CIHI is not subject to income taxes under paragraph 149(1)(l) of Canada’s *Income Tax Act*.

2. Significant accounting policies

These financial statements have been prepared by management in accordance with the Canadian accounting standards for not-for-profit organizations in Part III of the *CPA Canada Handbook — Accounting* and include the following significant accounting policies:

a) Revenue recognition

CIHI follows the deferral method of accounting for contributions for not-for-profit organizations.

Funding contributions are recognized as revenue in the same period as the related expenses are incurred. Amounts approved but not received at the end of the period are recorded as accounts receivable. Excess contributions that require repayment in accordance with the agreement are recorded as accrued liabilities.

Contributions provided for a specific purpose and those restricted by a contractual arrangement are recorded as deferred contributions, and subsequently recognized as revenue in the same period as the related expenses are incurred.

Contributions provided for the purchase of capital assets are recorded as deferred contributions — capital assets, and subsequently recognized as revenue over the same terms and on the same basis as the amortization of the related capital assets.

Interest revenue is recorded as period income on the basis of the accrual method.

Restricted investment revenue and investment losses on restricted contributions are debited or credited to the related deferred contributions account and recognized as revenue in the same period as eligible expenses are incurred.

b) Capital assets

Capital assets are recorded at cost and are amortized on a straight-line basis over their estimated useful lives, as follows:

Assets	Useful life
Tangible capital assets	
Computers and telecommunication equipment	5 years
Furniture and equipment	5 to 10 years
Leasehold improvements	Term of lease
Intangible assets	
Computer software	5 years

c) Lease inducements

Lease inducements, consisting of leasehold improvement allowances, free rent and other inducements, are amortized on a straight-line basis over the term of the lease.

d) Pension benefits

Until December 31, 2015, CIHI maintained a contributory defined benefit pension plan.

Pension benefits are accounted for using the immediate recognition approach. Under this approach, the amount of the accrued benefit obligation net of the fair value of the plan asset is recognized on the statement of financial position. Current service and finance costs are expensed during the year, while remeasurements and other items — representing the total difference between the actual and expected return on plan assets, actuarial gains and losses, and past service costs — are recognized as direct increases or decreases in net assets.

The accrued benefit obligation and the assets are nil at the date of the statement of financial position, as all the obligations have been settled.

e) Foreign currency translation

Revenue and expenses are translated at the exchange rates prevailing on the transaction date. Any resulting foreign exchange gains or losses are charged to miscellaneous income or expenses. Foreign currency monetary assets and liabilities are translated at the prevailing rates of exchange at year end.

f) Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenue and expenses during the year. Actual results could differ from management's estimates. These estimates are reviewed annually; as adjustments become necessary, they are recognized in the financial statements in the period they become known.

3. Cash and cash equivalents

Cash and cash equivalents are made up of cash and short-term investments that have a variety of interest rates and original maturity dates of 100 days (2019: 90 days) or less.

4. Accounts receivable

	2020	2019
Operating	$3,984,280	$4,114,590
Funding — other	3,155,668	4,141,790
Total accounts receivable	**$7,139,948**	**$8,256,380**

Government refunds receivable at the end of the year are $27,791 (2019: $1,983).

5. Capital assets

	Cost	Accumulated amortization	2020 Net book value	2019 Net book value
Tangible capital assets				
Computers and telecommunication equipment	$9,398,132	$8,739,423	$658,709	$2,433,995
Furniture and equipment	3,167,627	3,081,450	86,177	49,348
Leasehold improvements	10,154,865	8,802,972	1,351,893	1,541,667
Intangible assets				
Software	9,787,880	9,553,151	234,729	539,618
Total capital assets	**$32,508,504**	**$30,176,996**	**$2,331,508**	**$4,564,628**

Cost and accumulated amortization as at March 31, 2019, amounted to $34,934,933 and $30,370,305, respectively.

During the year ended March 31, 2020, CIHI determined certain tangible and intangible computer assets were impaired due to moving CIHI's applications and data to a cloud environment. The $1,042,133 net book value of the assets, with a cost of $6,688,617 and accumulated amortization of $5,646,484 was recorded as an impairment loss as their fair value was assessed as $Nil.

6. Other assets

Other assets consist of rent deposits to landlords for office space as well as prepaid software, equipment support and maintenance expenses.

7. Bank indebtedness

CIHI has a line of credit of $5,000,000 (2019: $5,000,000) with a financial institution bearing interest at the prime rate. This credit facility is secured by a general security agreement on all assets with the exception of information systems.

As at March 31, 2020, there are no draws on the line of credit (2019: $0).

8. Accounts payable and accrued liabilities

Accounts payable and accrued liabilities are operational in nature.

The government remittance payable at the end of the year is $21,469 (2019: $260,318).

9. Deferred contributions

a) Expenses of future periods

Since 1999, Health Canada has been significantly funding the building of a comprehensive national health information system and infrastructure to provide Canadians with the information they need to maintain and improve Canada's health systems and the population's health. Health Canada's funding contribution is received annually based on CIHI's capital resource requirements.

Deferred contributions related to expenses of future years represent unspent restricted contributions. The changes for the year in the deferred contributions — expenses of future years are as follows:

	2020	2019
Balance, beginning of year	$4,509,533	$5,901,007
Contribution received from Health Canada	88,158,979	83,948,979
Amount recognized as funding revenue	(88,906,553)	(84,960,268)
Amount transferred to deferred contributions — capital assets	0	(380,185)
Balance, end of year	**3,761,959**	**4,509,533**
Less current portion	3,572,394	4,216,800
Balance, end of year, long-term portion	**$189,565**	**$292,733**

b) Capital assets

Deferred contributions related to capital assets include the unamortized portions of restricted contributions with which capital assets were purchased.

The changes for the year in the deferred contributions — capital assets balance are as follows:

	2020	2019
Balance, beginning of year	$2,246,173	$3,112,367
Amount received from Health Information Initiative	0	380,185
Amount recognized as funding	(1,180,383)	(1,246,379)
Balance, end of year	**$1,065,790**	**$2,246,173**

10. Lease inducements

The lease inducements include the following amounts:

	2020	2019
Leasehold improvement allowances	$480,814	$545,734
Free rent and other inducements	960,344	1,108,519
Total lease inducements	**$1,441,158**	**$1,654,253**

During the year, a leasehold improvement allowance of $20,969 (2019: $0) was received. The amortization of leasehold improvement allowances was $85,889 (2019: $85,050). The amortization of free rent and other inducements was $148,175 (2019: $270,764).

11. Core Plan

The Core Plan revenue relates to a set of health information products and services offered to Canadian health care facilities, regional health authorities and provincial/territorial ministries of health. Provincial/territorial governments have secured CIHI's Core Plan on behalf of all facilities in their jurisdiction.

12. Funding — other

	2020	2019
Provincial/territorial governments	$3,099,468	$4,272,879
Other	242,530	160,182
Total funding — other	**$3,341,998**	**$4,433,061**

13. Change in non-cash working capital items

	2020	2019
Accounts receivable	$1,116,432	$(1,328,048)
Prepaid expenses	(376,621)	(149,056)
Accounts payable and accrued liabilities	(285,683)	1,080,322
Unearned revenue	210,455	(368,700)
	$664,583	**$(765,482)**

14. Commitments

CIHI leases office space under different operating leases, which expire on various dates. In addition, CIHI is committed under various agreements with respect to professional contracts and software and equipment maintenance and support. The minimum amounts payable over the next 5 years and thereafter are as follows:

2021	$12,290,260
2022	10,727,383
2023	8,850,161
2024	8,369,821
2025	8,100,232
2026 and thereafter	16,175,230

15. Financial instruments

Financial instruments are measured at fair value on initial recognition. Subsequent to initial recognition, they are accounted for based on their classification. Cash and cash equivalents as well as investments are measured at fair value. Accounts receivable net of allowance for doubtful accounts and accounts payable and accrued liabilities are carried at amortized cost. Because of the short-term nature of the accounts receivable as well as the accounts payable and accrued liabilities, amortized cost approximates fair value.

It is management's opinion that CIHI is not exposed to significant interest rate, credit, liquidity, current or other price risks arising from the financial instruments.

a) Interest rate risk

Interest rate risk refers to the adverse consequences of interest rate changes on CIHI's cash flows, financial position and investment income.

b) Credit risk

Credit risk relates to the potential that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur financial loss.

Credit risk concentration exists where a significant portion of the portfolio is invested in securities that have similar characteristics or similar variations relating to economic, political or other conditions. CIHI monitors the financial health of its investments on an ongoing basis.

c) Liquidity risk

Liquidity risk is the risk that CIHI will be unable to fulfill its obligations on a timely basis or at a reasonable cost. CIHI manages its liquidity risk by monitoring its operating requirements. CIHI prepares budget and cash forecasts to ensure that it has sufficient funds to fulfill its obligations.

In addition, as disclosed in note 7, CIHI has an available line of credit that is used when sufficient cash flow is not available from operations to cover operating and capital expenditures.

d) Other

Management does not believe that CIHI is exposed to significant current, foreign currency or other price risks.

The ultimate duration of the COVID-19 pandemic and the magnitude of its impact are not known at this time. CIHI is continually monitoring the impact of market volatility on its financial instruments. These financial risks are not considered significant to operations by management; as such, there have been no significant changes in the policies, procedures and methods used to measure the risks.

16. Adoption of new accounting policies

CIHI has adopted the following Canadian Not-for-Profit Accounting Standards effective on April 1, 2019:

- Section 4433, to replace Section 4431, Tangible Capital Assets Held by Not-for-Profit Organizations
- Section 4434, to replace Section 4432, Intangible Assets Held by Not-for-Profit Organizations
- Section 4441, to replace Section 4440, Collections Held by Not-for-Profit Organizations

CIHI has adopted these standards on a prospective basis and will apply the componentization approach of significant tangible capital assets (and related amortization) acquired in future years.

CIHI does not have assets that meet the intangible asset or collections definition set out by the revised standards and as such there is no impact to the prior period or current period financial statements.

The adoption of these standard did not result in any adjustments to the financial statements as at April 1, 2019.

17. Effects of COVID-19

In March 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization and has had a significant financial, market and social dislocation impact.

At the time of approval of these financial statements, CIHI has undertaken the following activities in relation to the COVID-19 pandemic:

- Closed administrative buildings (starting March 23, 2020) based on public health recommendations; and
- Implemented mandatory work-from-home arrangements for those able to do so.

Financial statements are required to be adjusted for events occurring between the date of the financial statements and the date of the auditor's report that provide additional evidence relating to conditions that existed as at year-end. Management has assessed the financial impacts and there are no additional adjustments required to the financial statements at this time.

Appendix: Text alternative for image

CIHI's Risk Management Framework

The first process is Establish framework (which involves the policy and governance frameworks, as well as the process, methods and tools). The second process is Assess the risks (which involves identification of strategic goals and risks, as well as risk assessment). The third process is Risk response and treatment (which involves key risk indicators, strategy and action plans, and risk champions). The fourth process is Monitor and communicate (which involves reviewing the framework, Executive and Board oversight and risk management reporting).

media@cihi.ca

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

22384-0720