



HSA
Health Services Authority

2023 ANNUAL REPORT

REINFORCING OUR DEDICATION
TO OUR MISSION

Committed to *Caring* for You

The best healthcare providers see patients not as cases, **but as courageous warriors in their fight for health**

In 1937, our journey commenced with the establishment of the first hospital in the Cayman Islands. This modest 4-bed facility, staffed by one physician and four nurses, undertook the responsibility of addressing the comprehensive healthcare needs of the local population.

Today, our organization revolves around the central hubs of a 127-bed hospital in George Town, Grand Cayman, and an 18-bed hospital in Cayman Brac. Additionally, ancillary services are accessible at district health centers situated in West Bay, Bodden Town, North Side, East End, and Little Cayman. Outpatient services are extended to the Smith Road Centre and Bay Town House locations.

The Health Services Authority (HSA) is dedicated to providing the people of the Cayman Islands with the utmost quality in patient care, prioritizing comfort and safety. This commitment is upheld by our professional team of doctors, nurses, and support staff.

What's Inside

The Annual Report for 2023 highlights the notable achievements of the organization's staff, management, and board during a year marked by significant and unprecedented challenges. Despite the pressures faced, the Health Services Authority (HSA) successfully adhered to and executed its strategic objectives, demonstrating remarkable progress.

Undeterred by the obstacles, HSA maintained a steadfast commitment to its vision for future development. The organization unveiled plans for a comprehensive rebranding initiative, aimed at enhancing its identity. Additionally, efforts to improve services, bolster recruitment with the addition of more staff, and an overarching expansion and enhancement of services across the entire Authority were announced, reinforcing HSA's dedication to its mission.

4	About the Report
6	Financial Overview
8	Board Chairman Message
10	CEO Message
13	Overview
15	Governance • Board Sub-committee
16	Organisation Structure
17	Board of Directors
21	Performance • Stats at a glance • 2023 Snapshot • Outcomes & Achievements
35	Our Strategic Priorities • Patient and Staff Experience • Clinical Capabilities and Core Services • Talent attraction and retention • Develop and Expand Infrastructure • Technology
56	Sister Islands Health Services
59	Events & Community
65	Looking Ahead
67	Management Discussion And Analysis • Financial Statements

About the Report

This report has been meticulously prepared in compliance with the stipulations outlined in the Public Management and Finance Act (2020 Revision) (PMFA) for Statutory Authorities and Government Companies.

It comprehensively delineates the Health Services Authority's (HSA) performance throughout the duration spanning from January 1st, 2023, to December 31st, 2023, drawing comparisons with the actual performance from the preceding period.

The imperative for an Annual Report is mandated by section 52 of the Public Management and Finance Act (2020 Revision) (PMFA). In accordance with this section, the report serves as a vital instrument for transparently presenting and assessing the organisation's activities, achievements, and adherence to statutory requirements during the specified timeframe.



Each statutory authority or government company (the “entity”) shall, within two months after the end of each financial year (the “year”)

- (a) prepare an annual report for the year; and
- (b) submit the report to the Auditor General for review.



The report shall —

- (a) state details of the entity’s activities during the year;
- (b) summarise the extent to which the ownership performance targets under the relevant ownership agreement were achieved during the year;
- (c) include the amount of the following during the year —
 - (i) Cabinet equity investments into the entity;
 - (ii) Cabinet capital withdrawals from the entity;
 - (iii) Cabinet loans to the entity; and
 - (iv) the entity’s dividends or profit distributions;
- (d) include details of any Cabinet guarantees relating to entity made during the year;
- (e) include the entity’s financial statements for the year; and
- (f) compare the actual performance shown by the financial statements with the performance proposed in the relevant ownership agreement.



The financial statements shall —

- (a) be prepared on a basis consistent with the forecast financial statements in the relevant ownership agreement; and
- (b) comply with Schedule 4.



For the Public Service Pensions Board, the financial statements are not to include financial statements for pension funds.



Subsection (4) applies despite any contrary requirement of a pensions Law.



The Auditor General shall, within two months after receiving the report, review it and express an opinion on the financial statements.



The entity shall, within five months after the end of the year, present the report and opinion to the Cabinet for review and noting.



After the Cabinet’s review and noting, a member of the Cabinet appointed by it to do so shall present the report to the Legislative Assembly to review at its next sitting.



In this section —

“relevant ownership agreement” means the entity’s ownership agreement under section 50 that includes the year, together with any amendments to that agreement under section 50(6) relating to the year.

Financial Overview

FINANCIAL PERFORMANCE MEASURES	ACTUAL	TARGET
Revenue from Cabinet	48,192	42,082
Revenue from Ministries, portfolios, statutory authorities, government companies	66,354	69,983
Revenue from others	51,343	55,694
Total revenue	176,807	169,150
Operating Expenses	183,899	168,775
Operating (deficit)/Surpluss	(7,092)	374

NET WORTH	ACTUAL	TARGET
Net Worth / (Deficit)	41,301	(69,677)

CASH PERFORMANCE	ACTUAL	TARGET
Cash flows from operating activities	7,015	2,042
Cash flows from investing activities	(24,262)	(27,000)
Cash flows from financing activities	570	-
Change in cash balances	33,040	(7,581)

FINANCIAL PERFORMANCE RATIOS	ACTUAL	TARGET
Current Assets: Current Liabilities	5.29:1	7.37:1
Total Assets: Total Liabilities	0.84:1	0.75:1

HUMAN CAPITAL MEASURES	ACTUAL	TARGET
Total Full-time Staff Employed	1,198	1,000



**Embrace the power
of healing within,
for resilience is the
greatest medicine
prescribed by
the heart**



Chairman's Message



Osbourne Bodden, JP
Board Chairman

As we look ahead, let us continue to embrace our commitment to excellence, knowing that it is the cornerstone of our legacy and the beacon that will guide us to even greater heights in the years to come

As the Chairman of the Board for the Health Service Authority, I am honoured to present the 2023 Annual Report. This document not only encapsulates our operational successes over the past year but also exudes the spirit of our theme: reinforcing our dedication to our mission.

Over the year, we have embraced challenges as opportunities to demonstrate our pledge to this theme, transforming our services and setting new benchmarks in healthcare delivery. Our journey towards excellence is not a static goal but a continuous path of improvement and innovation.

The prestigious Joint Commission International accreditation that we earned is a testament to this commitment. This recognition is not merely an award—it is the embodiment of our daily dedication to quality and safety in patient care. It is a clear indication that our unwavering commitment to excellence is more than a motto; it is the standard by which we operate.

In the spirit of enhancing our clinical services, we expanded our clinical service, introducing new specialty services and investing in cutting-edge technologies. These expansions allow us to provide comprehensive care that meets the evolving health needs of our community.



Our facilities have seen significant improvements, with renovations and new constructions designed to create healing environments that foster wellness and comfort. These facility enhancements are crucial to our mission as they directly impact the patient experience, ensuring that every visit is met with the highest standard of care in a modern and welcoming setting.

Initiatives to enhance the patient experience have been at the forefront of our endeavour. We have implemented new patient-centered protocols and services, such as streamlined admission processes, improved communication systems, and expanded patient support services. Our focus on the patient experience is unwavering, as we believe that the well-being of our patients is the ultimate measure of our success.

Our financial achievements, highlighted by another year of clean audit opinion, reflect our dedication to excellence in

governance and accountability. But financial health is just one aspect of our overall pursuit of sophistication and sustainability in healthcare.

The rebranding initiative we have embarked upon is a bold step forward, signalling our readiness to adapt and excel in a dynamic healthcare environment. This initiative is a reflection of our relentless quest to not just meet but exceed the expectations of those we serve.

To our devoted staff, stakeholders, and the community at large, I extend my deepest appreciation for your steadfast commitment to our mission. Your collective excellence fuels our progress and inspires our vision for the future. As we look ahead, let us continue to embrace our commitment to excellence, knowing that it is the cornerstone of our legacy and the beacon that will guide us to even greater heights in the years to come. ■

CEO's Message



Lizzette Yearwood
Chief Executive Officer

Together, as a family united by a common purpose, we will continue to raise the bar for healthcare excellence, creating a lasting impact and inspiring hope in the hearts of those we serve.

As we look back on the extraordinary progress made over the past year, I am filled with a deep sense of accomplishment and appreciation for the significant achievements we have realized together. Our shared commitment to excellence has been the cornerstone of our success and remains the driving force behind our aspirations for the future.

The achievement of Joint Commission International accreditation in 2023 was a definitive endorsement of our unwavering dedication to excellence and our compliance with the most stringent quality standards in healthcare. This prestigious recognition represents more than just a milestone reached; it embodies our persistent pursuit of excellence and a commitment to our mission - "To provide the highest quality healthcare and improve the well-being of people in the Cayman Islands through accessible, sustainable patient-focused services by highly-skilled, empowered and caring staff in collaboration with our partners."

Our commitment to adopting best practices and providing care grounded in evidence-based quality has been steadfast. Our emphasis on patient and family-centered approaches was underscored by the significant rise in patient admissions, which reflects the confidence that our patients and the broader community place in the caliber of care, the patient experience, and the reputation of the HSA as the healthcare provider of choice in the Cayman Islands.

The many positive feedback from our patients, some of which are captured in this report, and the data from our patient surveys conducted by an independent firm contracted by the HSA are testament to our unwavering dedication to delivering compassionate, patient-focused healthcare. These are not just numbers, but genuine testimonials to the impact of our commitment to excellence—stories that reflect the meaningful changes and positive experiences in lives touched and transformed by our devoted healthcare team.

As we look back on the achievements and progress of the past year, it is with a profound sense of satisfaction that we have remained committed to executing the strategies and objectives outlined in our Strategic Plan.

Improving the Patient and Staff Experience

In our commitment to uphold our position as the leading healthcare provider in the Cayman Islands, we established clear, achievable, and strategic objectives to improve patient satisfaction and loyalty among our patients and employees. We are convinced that fostering a supportive atmosphere is instrumental in aiding our patients' recovery journey and in cultivating a culture of excellence within our workforce. We have introduced measures to gather feedback, address concerns, and celebrate successes, ensuring that the HSA continues to be a place where patients receive compassionate care and a source of professional pride for our staff.

Expanding Clinical Capabilities

Recognising the evolving needs of our growing population, we have undertaken a

thorough evaluation of our clinical services. This has led to significant enhancements to our core offerings, allowing us to not only meet but exceed the healthcare demands of the Cayman Islands. Our focus on increasing market share, revenue, and patient outcomes has been a driving force behind these improvements. We have also introduced new specialties and expanded existing programmes to provide comprehensive care for our community.

Talent Attraction and Retention

Our staff are the cornerstone of our success. In our commitment to securing and retaining top-class professionals, we dedicated significant resources to enhance our recruitment, onboarding and employee retention.

The launch of the 'HSA Employee Recognition Programme' rewarded outstanding performances, resulted in a significant boost in employee morale. This initiative, along with many others throughout the year, was designed to celebrate and reward our employees for their contributions to the HSA. We recognise the importance of investing in our staff's professional development and personal well-being, understanding that such investment is intrinsically connected to the improvement of patient care quality.

Developing and Expanding Infrastructure

Our facility has undergone considerable expansion to accommodate the increasing patient volumes and to prepare for future growth. We embarked on a significant development of our physical infrastructure,

expanding our Accident & Emergency Department and renovations of our District Health Centres. These efforts not only increased capacity but also ensured our buildings reflected the high quality of care provided within.

These developments have been carried out with environmental responsibility at the forefront, ensuring that we not only meet today's needs but also contribute to a sustainable future. The improvements to our infrastructure are designed to enhance the delivery of care and create a comfortable and welcoming atmosphere for all who visit the HSA.

Leveraging Technology

In an era where technology is integral to healthcare delivery, the HSA has embraced innovation to improve access to and efficiency of care. Investments in cutting-edge technology have revolutionised the way we operate, from electronic health records to telemedicine services. The continued rollout of the 'HSA Digital Health Platform' with online bill payment options and patient appointment booking as well as telehealth services in Cayman Brac and Little Cayman revolutionised how we deliver care.

These advancements have made healthcare more accessible to our patients and have streamlined processes for our staff, allowing for a more cohesive and integrated approach to patient care.

Throughout the pages of this Annual Report will delve into the specific achievements and milestones reached as a result of our unwavering dedication to these initiatives. We are confident that the culmination of our

efforts has positioned the HSA to continue delivering exceptional healthcare services and to flourish as the leading healthcare institution in the Cayman Islands.

As we look to the future, I am filled with optimism, knowing that our collective commitment to excellence will continue to be the guiding principle behind every decision we make and every action we take. Our Board of Directors, led by our supportive Board Chairman, is committed to this vision, ensuring that our path forward is one marked by innovation, compassion, and unwavering quality.

Our mission is not one we undertake alone. It is the synergy of our dedicated staff, the Ministry of Health, our patients and their families, and all our stakeholders that fuels our progress. Your belief in our mission is the lifeblood of our institution, and for this, I extend my deepest thanks.

We move ahead with the knowledge that our commitment to excellence is more than a philosophy—it is the very fabric of our being. It is the promise we make to every individual who seeks our care and the legacy we aspire to leave for future generations.

Together, as a family united by a common purpose, we will continue to raise the bar for healthcare excellence, creating a lasting impact and inspiring hope in the hearts of those we serve.

Thank you for your unwavering support and dedication. Here's to a future where our continued commitment to excellence shapes not just the Health Service Authority, but the very future of healthcare. ■

CORE VALUES

Respect
Responsibility
Integrity
Caring
Excellence

The Cayman Islands Health Services Authority (HSA), the country's premier healthcare facility, offers the most comprehensive range of inpatient, outpatient and public health services at nine locations on all three islands. We offer primary and secondary levels of healthcare services, and public health functions for approximately 81,000 residents of the Cayman Islands and visitors, in accordance with the National Strategic Plan for Health, as agreed with the Ministry of Health and Wellness.

OUR MISSION

The Mission of the Health Services Authority is to provide the highest quality healthcare and improve the well-being of people in the Cayman Islands through accessible, sustainable patient-focused services by highly skilled, empowered and caring staff in collaboration with our partners.

CORE VALUES

We believe that caring and compassionate personal behaviours are at the core of our organisation's commitment to delivering quality patient focused care. By making an official commitment to practice these values we reinforce them, acknowledge that they are expected behaviours and encourage our fellow employees to practice them diligently.



HSA Profile

CORE SERVICES

- 24-hour Accident & Emergency
- Anesthesiology
- Blood Bank
- Cardiology
- Chemotherapy
- Chiropractic
- Clinical Dietary & Nutrition
- Critical Care
- Dentistry
- Dermatology
- Dialysis
- Diving & Hyperbaric Medicine
- Ear, Nose & Throat (ENT)
- Emergency Medical Services
- Forensic Science Laboratory
- General Practice & Family Medicine
- General Surgery
- Geriatrics
- Haematology
- Immunizations
- Internal Medicine
- Interventional Radiology
- Laboratory
- Maternity
- Mental Health
- Molecular Biology Laboratory (CIMBL)
- Neonatal Intensive Care (NICU)
- Nephrology
- Neurology
- Neurosurgery
- Obstetrics/Gynecology
- Occupational Therapy
- Ophthalmology
- Oncology
- Oral Surgery
- Orthopedics
- Paediatrics
- Pain Management
- Pathology
- Pharmacy
- Physiotherapy
- Primary & Critical Health Care
- Public Health
- Radiology
- Respiratory Therapy
- Rheumatology
- Sleep Medicine
- Speech Therapy
- Sports & Exercise Medicine & Traumatology
- Urgent Care
- Urology
- Vascular Surgery
- Women's Health

The Health Services Authority through the Public Health Department is responsible for public health programmes by way of a purchase agreement with the Ministry of Health & Wellness. The Public Health Team, under the direction of the Medical Officer, includes public health nurses, surveillance officers, health promotion officer, genetics counsellor, nutritionist and administrative staff.

Board Sub-Committees

The Health Services Authority is governed by a seven-member Board which establishes strategic policy direction for the organisation through various sub-committees.



Human Resources Sub-Committee provides strategic direction in support of the organisation's mandate to recruit, retain, develop and empower highly skilled and caring staff, and maintain the Authority's staffing plan.



Finance Sub-Committee reviews the Authority's budget documents, ownership and purchase agreements with CIG, monthly financials, submits projections and recommendations to the Board, and oversees procurement.



Information Sub-Committee establishes and monitors policies for the management of information systems to ensure that the business objectives of the HSA are being met.



Audit Committee supports the Board with oversight of the financial statements, compliance with legal and regulatory requirements, and the maintenance of independence for the internal and external audit.



Risk Management Sub-Committee monitors actual and potential organisational risk and provides recommendations as to ways the organisation should manage and reduce exposure to liability.

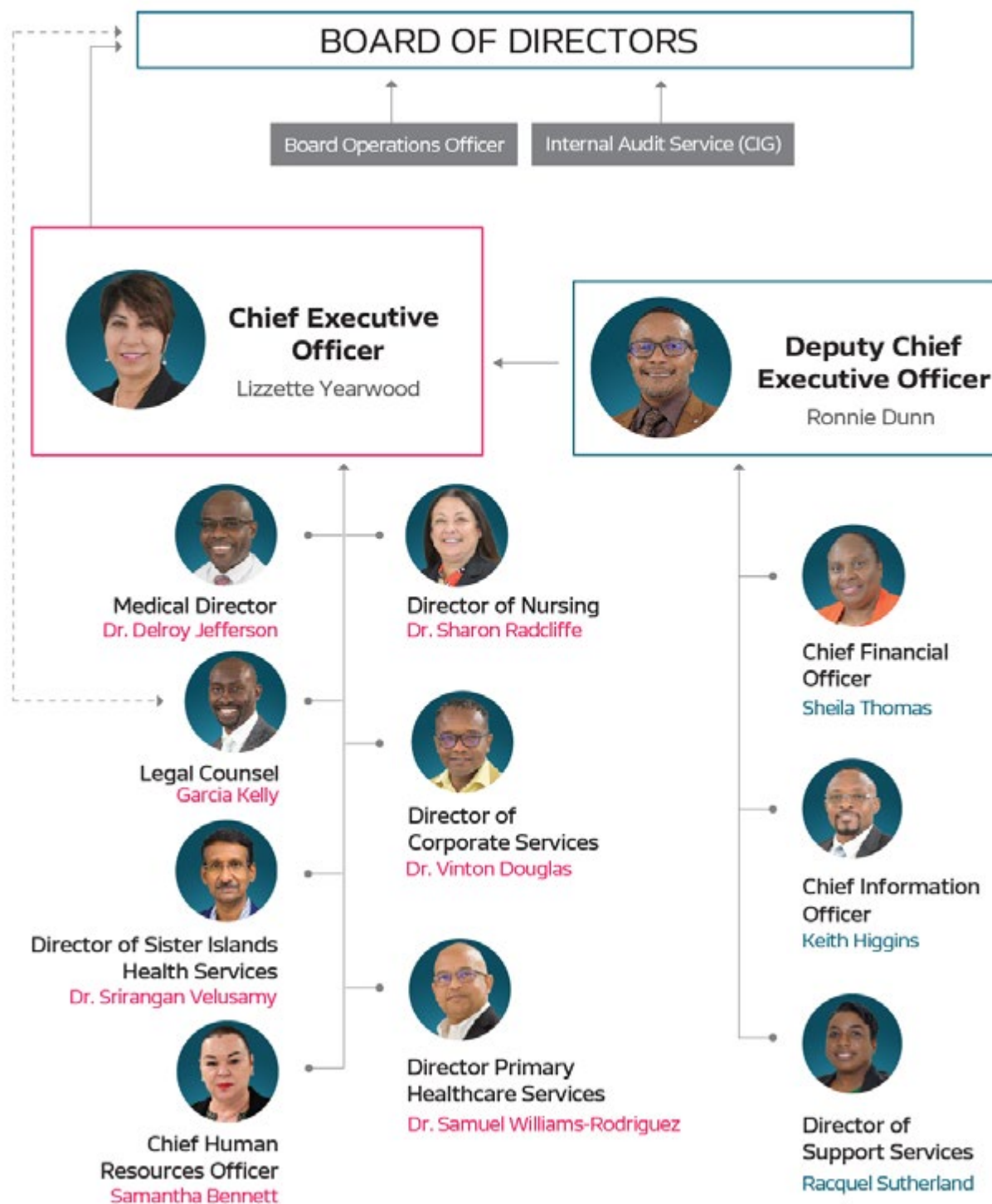


Clinical Sub-Committee provides the Authority's Board of Directors with clinical advice, and examines ways to better manage services, and reviews all new applications, revocations and appeals concerning practicing privileges.



Infrastructure Sub-Committee oversees the planning, development, and maintenance of the physical infrastructure to support the care delivery and the health and safety of patients, visitors and staff.

Organisational Chart



Board of Directors

A board of directors (commonly referred simply as the board) is an executive committee that jointly supervises the activities of an organization, which can be either a for-profit or a nonprofit organization such as a business, nonprofit organization, or a government agency.



Osbourne Bodden, JP, Board Chairman spent 7 years in auditing for two of the Big Four accounting firms Ernst & Young and Price Waterhouse, before taking up employment within the Civil Service working 5 years as an Insurance Analyst for the government's Insurance Department. Mr. Bodden returned to the private sector working in the Health Care Captives, then leaving to start a family business. He has spent the last 23 years as a successful businessman and served two terms as a Member of Parliament for Bodden Town, first as a backbench member from 2005 to 2009, and later as Minister of Health, Sports, Youth and Culture from 2013-2015 and Minister for Community Affairs, Youth and Sports from 2015 to 2017.



Joy Vernon, Deputy Board Chairperson, worked at the HSA from 1992 - 2013 and was the first Caymanian female Paramedic. After working in various positions at the HSA: Nursing Assistant, Emergency Medical Technician and an Emergency Medical Services Educator, Ms. Vernon pursued a law degree and was admitted to the Cayman Islands Bar in January 2021. She now enjoys her new career as an Attorney-at-Law.

Board of Directors



Tayvis Walters, Director is an IT professional with more than 10 years of experience in the IT industry, having worked in the financial services, aviation, and government industries, respectively. Tayvis is presently employed with a leading global offshore law firm on island, and holds a Master of Science in Information Systems Management from the University of Salford. He has served as a member and Chairman of the Proud of Them Initiative, Youth Ambassador to CARICOM, and on various other government/private boards, tribunals and committees.



Golda Tatum Carter, CPA, Notary Public, Director, is the Regional Financial Controller for a local fiduciary business with regional responsibilities. She is a licensed Certified Public Accountant with 11+ years' post qualification experience and 8+ years working for a big four audit firm performing financial and regulatory audits. Her experience includes, budget analysis, and financial accounting and she has proficient knowledge of IFRS and US GAAP and their related GAAS.



Dr. Hazel Brown, Director is the former Chief Nursing Officer (CNO) of the HSA, who has dedicated 41 years of service to the organisation. After joining the HSA as a healthcare aide, Dr. Brown moved through many other nursing positions, becoming a registered nurse, overall supervisor, school nurse, school health coordinator, quality assurance coordinator/infection control practitioner and senior nursing officer for community health, before spending the last 18 years as CNO. During her tenure, Dr. Brown advanced the practice of nursing through her contributions to the School of Nursing, the Public Health Department, the Health Practice Law, the establishment of the Women's Health Service and was awarded the Certificate and Badge of Honour for meritorious service rendered during the COVID-19 pandemic by Her Late Majesty the Queen.

Board of Directors



Trisha McElroy, Director, is a Senior HR practitioner in the Cayman Islands and is the Director of Human Resources for a leading offshore law firm on island. She has over 16 years of experience in operational and strategic HR practices and is a subject matter expert in employee relations, HR strategy and HR transformation. She has a track record in managing change, innovation, policy and procedure development and employee engagement with proven success in merger and acquisition integrations.



Rosie Whittaker-Myles, Director, is an attorney-at-law in private practice & a former partner in a medium-sized law firm on its litigation team. She has over 26 years' experience in civil & commercial litigation with expertise in personal injury, employment, immigration, compulsory acquisition of land, trusts, wills, probate and family law matters. She is the past Chair for the Commission for Public Standards, past Chair of the Adoption Board for over 10 years, past member on the National Council for Persons with Disabilities and a Legal Befriender, providing pro bono legal advice on all areas of Cayman Islands law.



Nellie Pouchie, Chief Officer Ministry of Health & Wellness, (Non-voting member), became a Certified Public Accountant in 2003 and has held various positions in the financial services industry, including audit, banking, captive insurance management, fund accounting, and trusts.

Board of Directors



Dr. Delroy Jefferson, Cert Hon, MCI Medical Director (Non-voting member) was previously the Chief Medical Officer of the Cayman Islands, Medical Officer in Charge of the Sister Islands. Dr. Jefferson also has extensive experience in public sector management and policy, and has served on several national and regional boards and committees.



Karen Rivers, Representative for the Financial Secretary, Cayman Islands Government (Non-voting member), started her career with the Cayman Islands Government in November 1998 as a Budget and Administration Officer. She was promoted five years later to an Analyst. Some of the responsibilities of her job include managing the preparation of the multi-year budget, which includes overseeing the quality assurance process; review and analysis of budgeting and financial planning submissions; managing the preparation of any supplementary budgets during the fiscal year; and monitoring compliance between actual performance and approved budgets.



Lizzette Yearwood, JP, Cert Hon, Chief Executive Officer (Non-voting member) has been with the HSA since 1993 and has a wealth of experience in local and overseas healthcare settings. She holds certification from the American Society of Healthcare Risk Management, and has a master's degree in healthcare administration.

Stats

AT A GLANCE

Stats at a glance provides an overview of patient visits, admissions, surgeries, prescriptions, lab test and more.

 LABORATORY TESTS COMPLETED 1,194,337	 PATIENTS TREATED* 41,094 * unique patients
 PRESCRIPTIONS FILLED (OUTPATIENTS) 541,188	 PRESCRIPTIONS FILLED (Inpatient) 71,881
 ACCIDENT & EMERGENCY VISITS 36,180	 URGENT CARE VISITS 24,520
 DENTAL CLINIC VISITS 37,861	 DENTAL CLINIC PATIENTS 13,901
 ADMISSION 5,887	 HOME VISITS 7,833
 GENERAL PRACTICE VISITS (Includes all district health centres) 61,317	 OUTPATIENT CLINIC VISITS 268,782
 SURGERIES 4,253	 LIVE BIRTHS / DELIVERED 719
 RADIOLOGY PROCEDURES 49,075	 CHILDHOOD IMMUNISATIONS 6,514

2023

SNAPSHOT

2023 represented a time of notable change at the Health Services Authority (HSA). Of significance was the reimagining of Brand HSA, the integration of advanced technologies in patient care and experience, the benchmarking of our operation against international standards with the achievement of the Joint Commission International Accreditation and the introduction of new specialised services.

Throughout the year, our ability to pivot inspired confidence among the growing population in meeting their demand for innovative, specialised healthcare.

The highlights of 2023 brought into focus the impact and relevance of our role in the community and propelled us to go above and beyond in the execution of our mandate.





2023 SNAPSHOT



Alex's Place Launch



Radiofrequency Ablation (RFA)



Women's Health Conference

JANUARY

Alex's Place Launched in partnership with the Alex Panton Foundation and Ministry of Health & Wellness opened in January providing care and support to children and adolescents (ages 10 – 20) experiencing mental health issues.

The **Public Health Clinic**, formerly at Faith Hospital, **relocated** to the Medical Wing at the Aston Rutty Civic Centre. The relocation provides larger office space for the Public Health Clinic, and our community health care nurse who will work closely with our existing public health nurse.



February - EMT Graduates

FEBRUARY

Public Health Department announced that effective 1st March 2023, confirmation **PCR testing for positives will no longer be required** and COVID testing centres will cease operations on all three islands.

The HSA announced the **availability of Radiofrequency ablation (RFA)** at the George Town Hospital. RFA is a unique and modern technique that offers an alternative form of treatment for tumours that is less risky, less painful, and requires a shorter recovery time.

HSA celebrated eight (8) **Caymanian graduates on their Emergency Medical Technician (EMT) training**. The addition of this latest cohort further strengthens our capacity to respond to medical emergencies and save lives in the Cayman Islands. Funded and delivered by the HSA, the Emergency Medical Services (EMS) entry-level education programme provides training opportunities through an accredited process. The current aim is to increase the supply of local personnel in preparation for expanding EMS stations located in various districts.

MARCH

Persons ages 12 and over were made **eligible for the Moderna (fall) booster vaccine** against COVID-19 in the Cayman Islands.

The 11th annual **Women's Health Conference** held Friday, 10 March 2023, at the Grand Cayman Marriott Beach Resort saw a record 300+ attendees. Organised by the Women's Health Department of the Health Services Authority (HSA), the full-day conference featured a range of local and international speakers addressing women's health issues and provided an opportunity for practitioners to gain continuing medical education (CMEs). The excellent turnout reflects the relevance, importance and need for the sharing of information and continued education between the private and public sectors.



Renovation of Operating Theatre



Gold Seal of Approval (JCI)



New brand revealed

APRIL

A community united against health threats, the Public Health Department hosted a **Mass Vaccination Drive** offered at key locations across the Cayman Islands in line with the celebration of Vaccination Week in the Americas.

The **renovation of our Operating Theatres and Central Sterile Rooms** at the main hospital campus and Faith Hospital were pivotal this year. These transformative renovations created current, up-to date spaces with cutting-edge technology so that our teams can provide superior patient care, setting a new standard for surgical excellence.



Mass Vaccination Drive

MAY

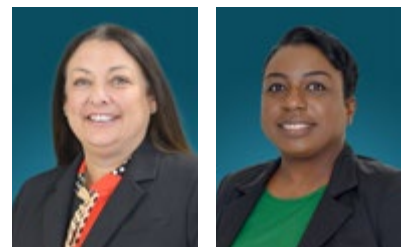
Elevating our standards, the HSA earned the prestigious hospital accreditation **Gold Seal of Approval from the Joint Commission International (JCI)**, a testament to our commitment to patient safety and care.

To obtain accreditation the Authority underwent a rigorous onsite review of its facilities both in Grand Cayman and the Sister Islands from May 1 through 10, 2023. During the visit, a team of Joint Commission surveyors evaluated compliance with global hospital standards spanning several areas including emergency management, an environment of care, infection prevention and control, leadership, medication management, and rights and responsibilities of the patient. They also conducted onsite observations and staff interviews.

Repainting the exterior and various interior upgrades of the George Town Hospital, North Side, Bodden Town and East End Health Centres. Interior renovations of Faith Hospital, Little Cayman Health Centres completed to meet JCI standards and enhance the patient experience.

JUNE

HSA announced the appointments of **two new leaders in the Senior Management Team**. Training and Development Manager Racquel Sutherland was promoted to the role of Director of Support Services and Dr Sharon Radcliffe was appointed as Director of Nursing.



Dr. Sharon Radcliffe & Racquel Sutherland

HSA **unveiled a fresh new look for the organisation's identity** symbolising a forward-thinking approach to healthcare in the Cayman Islands through a new logo, and a more intuitive and functional website. Along the way, the HSA also started facility upgrades throughout the hospital and district health centres furthering our commitment to providing excellent patient care and safety.

2023 SNAPSHOT



New Cardiac Monitoring System

JULY

HSA continually invests in cutting-edge technology and advancing cardiac health through our **new cardiac Monitoring system** ensuring the best care for heart health. The Medtronic LINQ Monitor, smallest insertable cardiac monitor, helps physicians determine heart issues and monitor a patient's heart remotely.



Dr. Glaister Bell, Geriatrician

Meeting the needs of the senior population, the HSA introduced specialised care with the launch of a **new Geriatrics Clinic** headed by Dr. Glaister Bell, Geriatrician. The introduction of this service will provide high-quality, patient-centered care for persons 60 years of age and older, helping them to live comfortably and improve their life expectancy. Approximately 12 percent of the Cayman Islands population is 60 years and older according to the 2021 Population and Housing Census Report.



Best of Cayman Islands

AUGUST

HSA won big on the first-ever **Best of Cayman Islands 2023**. HSA was voted Gold Winners for Urgent Care, Oncologist, Chiropractor, and Occupational Therapy. Our services for Speech Therapy, Mental Health, and Paediatrics won the Silver Award.

Energy efficient and hurricane rated **windows replaced** on the main hospital campus.



Internship Programme

SEPTEMBER

HSA's **annual internship programme** offered to 80 local, high school, and college students during the summer of 2023. The programme offered interns opportunities lasting 4–8 weeks within a range of departments including bio-medical services, pharmacy, maternity, and dentistry. It ran from June to September and sought to match interns with their specific interests and courses of study.

Relocation of administrative teams, human resources, project management and IT analysts to Citrus Grove, will allow for areas on main campus to be utilised for clinical purposes.

A complete **renovation** of our on-site **laundry facility** was completed.

Additional phases of **Accident & Emergency renovations** completed to include new nurses' station, flooring and additional patient bays.

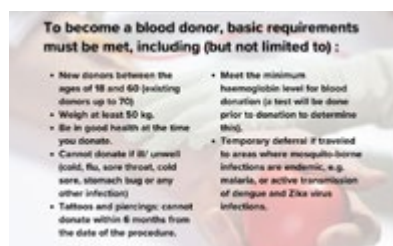


Little Cayman standby generator

SEPTEMBER (continued)

Little Cayman Health Center was the beneficiary of a **standby generator** thanks to a partnership with the R3 Cayman Foundation. The generator will ensure uninterrupted power supply to the health centre during critical periods when power from the main supply grid may not be available. This will enable continuous operation of the island's only clinic and its telemedicine offering. This mitigates the risk of spoilage of essential medicines that require cold storage and improves continuity of care for users of the clinic.

Cayman's **blood donor eligibility** policy now allows persons who lived in the United Kingdom between 1980 to 2001 for 3 months or longer, or who had received a blood transfusion whilst in the UK from 1980 onwards, to donate at the local blood bank.



IC-Flow Imaging System

OCTOBER

Two **advanced diagnostic technologies** revolutionized local treatment options and offered more hope to patients with cancer and other conditions.



IC-Flow Imaging System

The HSA **received IC-Flow Imaging System**, a small yet powerful tool that, when used with a special liquid allows doctors to see inside patient's blood vessels in real time, helping them make crucial decisions about their health. Patients also benefit from the latest research-grade microscopes, a device that enables pathologists and HSA's laboratory team to examine tissue samples with high precision. With these cutting-edge tools, previously hidden details in diagnoses will be visible, enabling better outcomes.



Speech and Language Therapists

OCTOBER (continued)

The Therapy Services team **increased the number of Speech and Language Therapists** at the Bay Town House location. The all-Caymanian speech and language team are licensed holders of Master of Science degrees in the field. The team recently received the silver award in the Best of Cayman Islands 2023 Speech Therapy category.

The back and side **parking lots at the main hospital campus were repaved**, providing a smooth and safe surface for both patients and staff.

Following the relocation of administrative staff on the main campus, a **patient discharge Lounge** was opened to allow for better patient flow and to improve bed capacity on the in-patient wards.



Healthcare Conference

2023 SNAPSHOT



Healthcare Today



Prostate & Colon Cancer Awareness



GAB Wellness Fair

NOVEMBER

With increased demand for access to health information, the HSA launched its 'Healthcare Today with HSA' podcast. The podcast focuses on health education, the treatment of medical conditions, preventative healthcare, and services available at the HSA. Episodes are streamed on Spotify, Google Podcasts and Apple Podcasts.



In honour of **Diabetes Prevention Month**, the HSA brought another Continuing Medical Education (CME) opportunity Spotlight on Diabetes. The team from Faith Hospital in Cayman Brac was also out and about in the community and conducted activities that highlighted the importance of maintaining good health and accessing care.

NOVEMBER (continued)

HSA joined forces with the Lions Club of Grand Cayman and MObember Cayman Islands in hosting a **Prostate & Colon Cancer Awareness** meeting at the Lion's Community Centre to observe Movember Men's Health. Dr. Ernest Jehangir, HSA Consultant Surgeon, shared invaluable insights on the critical issue of colon cancer as one of the highlighting guest speakers.



Senior Sports Day

HSA proudly supported the first **Senior Sports Day** by the Department of Sports and the Department of Children and Family Services. During the event, consultations were offered with Geriatrician, Dr. Glaister Bell, and provided flu shots. Our EMS team was also present and ready to assist in case of an emergency.

DECEMBER

HSA participated in the **GAB Wellness Fair** to ensure that the staff at the Government Administration Building were in good physical and mental health. Participants in the wellness fair were able to get their flu shots, take advantage of free PSA tests, receive tips and info on how to remain or get healthy, and sign up for blood donation. Our team was represented by nutrition, maternity, behavioural and mental health (Alex's Place), therapy services (physiotherapy, speech and language, and occupational therapy), and the public health department.



GAB Wellness Fair



World Aids Day



Healthcare Aide Programme

DECEMBER

An island-wide week-long HIV testing marked World Aids Day from November 27 through December 1 organised by the Public Health in collaboration with the Cayman Islands Red Cross and Cayman Aids Foundation. The campaign focuses on a community-led HIV national response between the partners on the Path to End AIDS and is in line with the theme “Let Communities Lead.”

Twenty-one Caymanians graduated certified healthcare aides through the HSA Healthcare Aide Programme. During the 13-week programme, participants, whom are all employees of HSA, are required to fulfill eight weeks of lectures and four weeks of supervised practical in the hospital's Critical Care, Medical, Surgical, Accident and Emergency and Behavioural Health units.



Cayman Islands Marathon - Team HSA



Outcomes and **Achievements**

In 2020, challenges tested our resilience; 2021 became a year of recovery, followed by refocusing in 2022. However, 2023 emerged as a pivotal year for the Health Services Authority (HSA), marked by transformative endeavours that reshaped our organisation and healthcare in the Cayman Islands.

A crowning achievement was the prestigious **Joint Commission International (JCI) Accreditation**, acknowledged globally as the gold standard in healthcare. This accolade stands as a recognition of our dedication to stringent clinical practices, patient safety, and an unwavering pursuit of quality improvement.

This achievement is a resounding endorsement of the HSA's commitment to providing safe, high-quality care and continuous improvement. To meet the stringent JCI standards, we underwent multiple years of preparation, extensive staff training, system enhancements culminating in a rigorous and exhaustive evaluation process that scrutinised every facet of our operations.

Staff willingly went well beyond their regular scheduled workday and eagerly formed teams across the organisation and challenged colleagues in dynamic ways to ensure that every chapter of the JCI Manual and standards were being adhered to across every aspect of the organisation and that we were adhering to our mantra SIM – Safety, Infection Control and Medication Management.

For the staff, this recognition serves as a powerful motivator, reinforcing the pride we take in our work and the impact they have on the lives

they touch. It is also a clarion call for continuous improvement, as the JCI Accreditation is not an endpoint but a milestone on a never-ending journey towards healthcare perfection.



Beyond JCI, the HSA directed its efforts towards the expansion and enhancement of clinical services. **New clinics**, including the **Adolescent Mental Health Hub (Alex's Place)** and the **Geriatric Clinic**, were established. **Accident & Emergency** services were expanded, and the hiring of additional medical staff, including specialists in **Orthopaedics** and **Behavioural Health** bolstered our ability to meet the diverse healthcare needs of our community.

Recruitment efforts in 2023 resulted in the hiring of 237 individuals, with nearly half being Caymanians.

To enrich staff experience, a clinical rotation programme

between Faith Hospital and the main campus was implemented. Internal promotions were a key focus, with **63 employees**

promoted, acknowledging loyalty and dedication, including 37 Caymanians.

We continued our 5-year, \$60 million capital development programme to invest in infrastructure renewal

and expansion to meet the needs of the population for timely and accessible healthcare. **Our facilities have undergone major renovations and upgrades**, which would include the improvements made at the District Health Centres and Faith Hospital. We have also relocated the administrative team to Citrus Grove for in-patient capacity expansion and installed a backup generator at the Little Cayman Health Centre to ensure continuity of care for our Sister Islands residents.

Financial sustainability is essential as we commit to expanding services and meeting the evolving healthcare needs. Our commitment to fiscal responsibility ensures that resources are allocated effectively, enabling successful patient care and health outcomes, service expansion, and investment in groundbreaking medical technologies.

Outcomes and Achievements

By securing a clean audit opinion for the fiscal year 2022, we have reaffirmed our dedication to this principle, showing the world that we are constantly progressing and deeply rooted in financial integrity and transparency.

For the fifth consecutive year, the HSA earned a clean audit opinion from the Auditor General, underscoring our commitment to upholding the highest standards of financial management, including adherence to Generally Accepted Accounting Principles (GAAP).

Our teams, from the front lines to the finance department, have all played a pivotal role. They have not just followed procedures; they have sought to innovate and improve at every turn, ensuring that every transaction is a step towards fiscal excellence.

The HSA underwent a strategic rebranding initiative in 2023, redefining not only our visual identity but also our commitment to excellence in healthcare services. This moment in the Authority's history marked a triple achievement: celebrating 20 years

as an Authority, the unveiling of an innovative strategic rebranding initiative, and the prestigious honour of being accredited by the Joint Commission International.

The strategic rebranding initiative was the culmination of extensive research, stakeholder and staff engagement, and understanding

The rebranding extended beyond aesthetics, signaling a deeper organisational transformation that permeated all levels of service delivery. From the welcoming environment of our updated facilities to the streamlined digital presence facilitating efficient patient-provider interactions,



Pictured from left to right: Racquel Sutherland, Samantha Bennett, Dr. Samuel Williams-Rodriguez, Sheila Thomas, Dr. Vinton Douglas, Dr. Sharon Radcliffe, Keith Higgins, Garcia Kelly, Lizzette Yearwood, Hon. Sabrina Turner, Nellie Pouchie, Osbourne Bodden, Rosie Whittaker-Myles, Golda Tatum Carter and Tayvis Walters.

the diverse needs of patients. The new brand identity was crafted to resonate with the vibrant spirit of the Cayman community, reflecting a modern, approachable, and professional image that aligns with the HSA's progressive outlook.

the HSA committed to a holistic enhancement of service quality.

2023 is a reflection of the dedication and collaborative efforts of our staff, the guidance of the

board, and the strategic vision of senior management.

Our relentless pursuit of excellence in providing patient and family-centered care, exceptional patient experiences, and uncompromising patient safety has earned us numerous significant accomplishments.

These achievements have reinforced our reputation as the premier healthcare provider of the Cayman Islands. We are committed to maintaining the highest standards of evidence-based medicine, ensuring that we continue to meet and exceed the healthcare needs of our community. ■



Top photo: East End Clinic painted and updated signage. Middle photo: New brand installed on the Brac - (identify people). Bottom photo: George Town Hospital Atrium repainted with new branding and hero's wall installed.



••• To care for those
who once cared
for us is one of
the highest
honours

Strategic Priorities

Strategic priorities are the guiding stars for organisations, defining the key areas where focus and resources must be directed to achieve long-term goals. They act as a roadmap, aligning efforts across teams to ensure that every action contributes to overarching objectives.

Patient & Staff Experience

Creating a comfortable healthcare experience for patients throughout our organisation



Clinical Capabilities and Core Services

The holistic approach to patient care provides the highest quality of care to our community



Talent Attraction and Retention

At the core of the HSA's transformative journey is our investment in human capital



Infrastructure

Infrastructure developments improve our service delivery and embody our commitment to transformation



Technology

Strategic initiatives align with our commitment to patient-centric care, leveraging technology to drive efficiency



Patient Staff Experience

Improve the Patient and Staff Experience

In 2023, the HSA continued to take deliberate steps to refine every aspect of our patient experience to deliver healthcare that exceeds expectations. The patient was at the heart of every decision, every improvement, and every innovation made this year. This was evident in the attention to detail in our patient care protocols, the continuous training of our staff, and the integration of cutting-edge technology designed to streamline processes and increase patient satisfaction.

We aimed to create a seamless healthcare experience for patients, from the moment they enter any of our facilities or interact with our pre-hospital crew through the EMS team. Our staff, empowered by this vision, formed the backbone of the improved patient experience, demonstrating their commitment through compassionate care, active listening, and personalized services.

We expanded our Patient Services Department to ensure that patients are met with knowledgeable and compassionate professionals ready to guide their healthcare journey. The formation of a dedicated Call Centre Team represented a significant milestone. This resource is a symbol of our dedication to being there for our patients whenever they need us, ensuring that they feel supported and making it easier for them to navigate our healthcare system.

Purposeful Hourly Rounding is a proactive approach where nurses check on their patients at least once every hour. This practice ensured routine checks and addressed four critical aspects of care – pain, positioning, personal needs, and proximity of personal items. By consistently engaging with patients, nurses could anticipate and address needs, ultimately reducing the number of call lights and increasing patient satisfaction.



Patient Expression

I want to praise everyone who was involved in my recovery, from the ambulance crew to the lady who brought me my medication. Everyone was superb, very friendly and caring, especially Dr. Price, and nurses Fiona, Shantae and Ash.

Thank you very much.
Keep up the good work.
You are all the best.

-- Ernesto Ebanks



Bedside Shift Reports are a collaborative process that takes place at the patient's bedside during shift changes. This strategy ensures that the incoming nurse is fully briefed on the patient's status through direct communication with the outgoing nurse, with the patient's involvement. It allows for the exchange of vital information, clarification of details, and setting of expectations for the next care period. This transparency and continuity of care foster trust and empower patients to be active participants in their own healthcare.

The implementation of these patient-centered practices has

not only promoted frequent and meaningful interactions between nurses and patients but has also ensured smooth transitions and communication during shift changes. Through these efforts, we have made significant strides in improving the quality of care and enhancing the overall patient experience.

Patients continue to get emails and a call after an interaction, to survey the patient, which provides real time feedback. In 2023, we were pleased to achieve a 88.5% satisfaction rate across all departments.



Patient Expression

I want to take a moment to express my deepest gratitude for the exceptional care and support Cayman Islands Health Services Authority (HSA) provided during my time in the surgical ward and recovery room. In a world where it's all too easy to point fingers and assign blame when something goes wrong, I believe it's equally important to recognize and appreciate those who work tirelessly to make things right and save lives.

The doctors, nurses and staff exhibited a level of care and professionalism that not only touched my heart but showed their remarkable medical expertise that assured me I was in great hands.

Your tireless efforts and countless hours spent by my side, monitoring my progress, alleviating my pain, and ensuring my well-being, did not go unnoticed. It was clear that your motivation extended beyond just a job; you genuinely cared about my recovery and comfort and I thank you for that.

You are the unsung heroes of our healthcare system, working diligently behind the scenes to save lives and improve the quality of life for countless individuals. Thank you again for everything you did for me.

Already feeling so much better!
Can't wait to start my 2024! Thank you for your love and prayers always.

-- Mesha Allenger



Patient Expression

I just wanted to take some time today to praise the Maternity Ward Unit of the HSA. They left an indelible mark on my childbirth experience. The compassionate and attentive midwives played a pivotal role in ensuring a smooth and comforting journey.

Their expertise, coupled with genuine care, made the process memorable. The unwavering support provided by the entire team created an atmosphere of reassurance and warmth.

My gratitude extends to the dedicated midwives who not only showcased professional competence but also demonstrated a profound understanding of the emotional nuances involved in childbirth.

HSA's Maternity Ward truly stands out for its outstanding service and the exceptional care offered by its wonderful midwives.

-- Maddie Rosales

Patient Staff Experience

Achieving JCI Accreditation

The JCI Accreditation is a monumental achievement with far-reaching effects. For patients, it assures them of receiving healthcare services that are on par with the leading institutions around the world. From the time they are admitted until they are discharged, they are enveloped in an ecosystem of excellence that prioritises their health, safety, and dignity.

The journey to accreditation was rigorous, stretching over several years, and it was even more challenging during the pandemic. It required an all-hands-on-deck approach from every member of the HSA staff. The process demanded meticulous planning and unrelenting perseverance. We undertook an in-depth analysis of our existing practices, facilities, and policies. We identified areas for enhancement and implemented strategic changes to align with JCI's robust healthcare standards.

When the JCI surveyors arrived, we were fully prepared. They conducted an exhaustive on-site evaluation, observing procedures, interviewing staff, and examining the infrastructure over several days. The surveyors' findings were incontrovertible: the HSA did not just meet the standards set forth by the JCI - we surpassed them.

Stakeholders also benefit from the HSA's elevated status. The accreditation bolsters public trust, attracts top-tier medical talent, and paves the way for international collaborations, further enhancing the Authority's capabilities and reach.

This achievement is a source of pride and motivation, inspiring us to strive even harder, aim even higher, and do even better. ■

Clinical Capabilities and Core Services

Our commitment is not just a buzzword; it's a tangible practice integrated into our operations through technologies, staff and our patient-care workflows.

The holistic approach to patient care provides the highest quality of care to our community as we live our mission.

The introduction of geriatric medical care showcases our commitment to excellence by addressing the unique needs of the ageing population. This expansion ensures a comprehensive, patient-centric approach to healthcare, offering elderly patients an opportunity to achieve optimal health.

The integration of Radiofrequency Ablation (RFA) technology marks a pivotal moment, as we embrace cutting-edge medical technologies that offer minimally invasive alternatives, pain management and redefine the standards of healthcare.



Alex's Place reception and waiting area

In January 2023, the HSA took steps to address the mental well-being of the adolescent population with the opening of Alex's Place, an Adolescent Mental Health Hub. The hub offers services, tailored to foster early intervention and ongoing support.

During the year, we redefined what it means to provide exceptional care through the implementation of groundbreaking technologies such

as the Medtronic LINQ monitor, the smallest insertable cardiac monitor and the the IC-Flow™ Imaging System, a small yet powerful tool used to help in the treatment of a variety of conditions, including most cancers. By embracing such innovations, we ensure patients receive early diagnosis and advanced treatments.

The transformation of our dental services aim to elevate standards,

Clinical Capabilities and Core Services

streamline operations, integrate cutting-edge technologies, and bolster financial performance. This is evidenced by the 35% increase in patient visits and a boost in revenue.

With substantial investments made in state-of-the-art technologies including the latest Cone-beam Computed Tomography (CBCT) scanners, intraoral scanners, and endodontic microscopes, our Dental Clinics are setting a new standard for professional dental care in the community.

The number of patient dental visits in 2023 increased by 59.76% from 2019.

This exponential rise in patient appointments underscores the confidence in our services. Our financial health has shown improvement, with revenue reflecting a 38.99% increase from 2022.

Our clinical team's exemplary work and the quality of service we provide were highlighted when we won the most awards in the medical categories of Best of Cayman Islands 2023. We won gold for

the best Chiropractor, Oncologist, Occupational Therapy and Urgent Care/Walk-In Clinic, and silver for Behavioral/Mental Health Treatment, Pediatrician, and Speech Therapy, for a total of 7 awards.



General Practice made significant strides in streamlining the appointment scheduling process, yielding a substantial improvement in the patient experience by reducing wait times for appointments. The triage system was also improved leading to an over 10% decrease in the waiting period between triage and consultations.

We expanded our reach by introducing additional clinics on Saturdays at the Smith Road Medical Centre. This initiative was a success, with a total of 202 clinics conducted, serving 2,477 patients. These clinics provided solutions for individuals who struggle to schedule medical appointments during the workweek. This

enhanced the accessibility and convenience of services.

In our quest to enhance emergency room operations, two strategic ER retreats were held. From these retreats, we gained approval for five additional nurses for triage, six RNs and three Healthcare Assistants to further facilitate department operations.

In alignment with our commitment to patient care, we made the strategic decision to extend the operating room schedule by an additional week in December. During this extension, our surgical team completed 48 surgical procedures. This proactive approach was instrumental in minimising delays in patient care and contributed to a more positive health experience during the holiday season.

The team also performed 18 additional medical procedures enabling patients to celebrate the Christmas holidays surrounded by family and friends in a more robust state of health, ready to embrace the new year having surmounted their health challenges.

Public Health Leading with Vigilance and Innovation

In 2023, the Public Health Department demonstrated a strong commitment to the health and safety of our community by implementing various strategic and proactive measures to mitigate the spread of infectious diseases. These measures included effective vaccination programmes that contributed significantly to controlling diseases such as tuberculosis (TB), and COVID-19.

We have received recognition for the effectiveness of our vaccination initiatives. In 2022, our programme was praised as the most improved in the Caribbean region. In 2023, we continued to make progress and administered over 3,200 doses of the influenza vaccine. This effort was aimed at preventing the seasonal flu and its complications within our communities.

Our strategic partnerships have been instrumental in bolstering our public health initiatives. By collaborating with the Mosquito Research and Control Unit (MRCU),

the Department of Environmental Health (DEH), and the Cayman Islands Molecular Biology Lab (CIMBL), we effectively managed vector-borne diseases like Dengue fever. These partnerships have facilitated a swift and coordinated response to emerging threats, allowing for the implementation of control measures such as mosquito population surveillance, targeted spraying, and public education campaigns on preventive practices.

Through a multipronged approach to Health Promotion, we addressed the health implications of smoking, the importance of a balanced and nutritious diet, the management and prevention of diabetes, the risks related to hypertension, and other chronic diseases.

Central to our health promotion efforts during the year was the continuation of our comprehensive smoking cessation programme. Recognizing the profound impact that smoking has on health, we've carefully designed this programme to support individuals in their journey to quit smoking. The programme was successfully completed on two separate occasions throughout the year,

indicating a significant stride in our fight against tobacco use.

Collaboration with the Ministry of Health: Developing an NCDs Registry

In a significant collaborative effort, we worked closely with the Ministry of Health to develop a robust registry for Non-Communicable Diseases (NCDs). This registry is a critical tool in the fight against NCDs, as it will provide valuable data to guide public health policies, identify trends, and allocate resources more effectively.

Through these comprehensive efforts in health promotion, the Public Health Department remained at the forefront of public health advocacy, striving to create a healthier future for all members of our community. Our dedication to educational outreach, support programmes, and collaborative policy development with the Ministry of Health reflects our devotion to improving health outcomes and enhancing the quality of life for individuals and families. ■



• The most sought after employees have a tendency to seek out challenges, to extend and exercise their capabilities, to explore and to learn.

Talent Attraction and Retention

Talent Attraction

At the core of the HSA's transformative journey is our investment in human capital. In 2023, our team grew to include 236 new employees, of which over 46% are Caymanian. This considerable expansion has increased our total workforce to 1,198 employees.

Recognising that the quality of healthcare is inextricably linked to the calibre of its clinical staff, we implemented a rigorous hiring process, ensuring that only practitioners with the highest levels of expertise and a demonstrated history of patient-centric care joined the ranks.

In our clinical staff cohort, 61 out of 121 new members were Caymanians, reflecting our commitment to investing in local employment opportunities and incorporating local insights into our healthcare delivery model.

We improved our staffing model throughout the year by hiring more qualified Urgent Care general practitioners, enabling us to manage the health needs of

our patients more effectively and promptly.

We also recruited a new Director of Nursing to the senior leadership team, Dr Sharon Radcliffe, who is a returning HSA nurse with over 30 years' experience.



Dr Sharon Radcliffe

appointment of Caymanian Ms Racquel Sutherland to the senior management position of Director of Support Services.

This transformative year was also marked by a reduced turnover of 7.6% compared to 2022's turnover



Racquel Sutherland

Talent Retention

The HSA celebrated the promotion of 63 colleagues—37 of whom are Caymanians - illustrating our dedication to personal and professional development as cornerstones of excellence. Our promotions included the

of 9.6%. This statistic symbolises the unwavering dedication of our staff and the effectiveness of our organisational culture that prioritises employee satisfaction and engagement.

We reinvigorated our employee recognition programme, as

Talent Attraction and Retention

a means of acknowledging outstanding performance and the pursuit of excellence that characterises our organisation's culture. Moreover, we honoured those employees who reached significant milestones—5, 10, 15, 20, 25, 30, 35, and 40 years of service—as a profound expression of our gratitude for the loyalty and dedication that these individuals have contributed to the HSA.

Additionally, we welcomed a Senior Nursing Officer for Public Health, three Nursing Supervisors, and a Senior Nursing Leader, among others. These appointments included two Caymanian promotions.

Training & Professional Development

In our journey towards JCI accreditation, we embarked on an institutional upskilling of our staff. Staff were fully committed and engaged throughout the entire process and provided support to each other, from housekeeping to frontline staff, doctors, nurses, allied health professionals, and administrative staff. Our Board and senior management also showed



Emergency Medical Technician (EMT) training graduates

their full support and commitment. We ensured that every employee, regardless of their level, received instruction on best practices, patient-centred care, and maintaining a safe environment.

Our financial commitment to excellence has been substantial. In 2023, the HSA allocated \$2 million to continuing education programmes, ensuring that our medical professionals have access to cutting-edge knowledge and skills.

Skill enhancement workshops have also played a crucial role in our

journey towards excellence. These workshops were meticulously designed to bridge the gap between current practices and emergent medical advancements. In the past year, over 5,000 hours were dedicated to these transformative workshops, enabling our medical professionals to stay ahead of the curve and deliver exemplary care to our patients.

We forged international collaborations that serve as conduits for knowledge exchange, ensuring that our professionals are integrated into the global healthcare community. These



Healthcare Aide programme graduate

In a strategic move towards securing the future leadership of the HSA, we launched its succession planning programme. Aimed at preparing Caymanians for key leadership positions, the programme invites internal candidates to apply for training at various levels, including general, new/middle management, and senior leadership roles.

Additionally, we began the creation of a dedicated RN orientation programme to support our nursing staff's professional growth further.

partnerships have allowed us to import best practices from around the world and export our homegrown innovations, thus enhancing the quality of healthcare provision on an international scale.

During the year we graduated eight Caymanians from the Emergency Medical Technician (EMT) Training programme as a part of our conscientious efforts to fortify our emergency response capabilities. The programme's accreditation by the Commission on Accreditation for Prehospital Continuing Education (CAPCE) is a hallmark of quality and a steppingstone for

graduates aspiring to reach even greater heights as Advanced EMTs or Paramedics.

Our Healthcare Aide programme saw 21 graduates in 2023. These non-licensed/registered healthcare providers assist in delivering nursing care within the hospital.

We continued the nurturing of the next generation of Caymanian healthcare professionals through the expansion of our annual internship programme, which welcomed over 80 local high school and college students.

Every step of this journey, from onboarding new talent to celebrating the growth of our existing team members, embodies our relentless pursuit of excellence.

Four (4) medical doctors (MBBS) completed their first year of medical internship rotation throughout the HSA in general surgery/orthopaedics, paediatrics, OBGYN and internal medicine. Two (2) are currently completing their second year of the programme at the University of the West Indies in Jamaica. ■



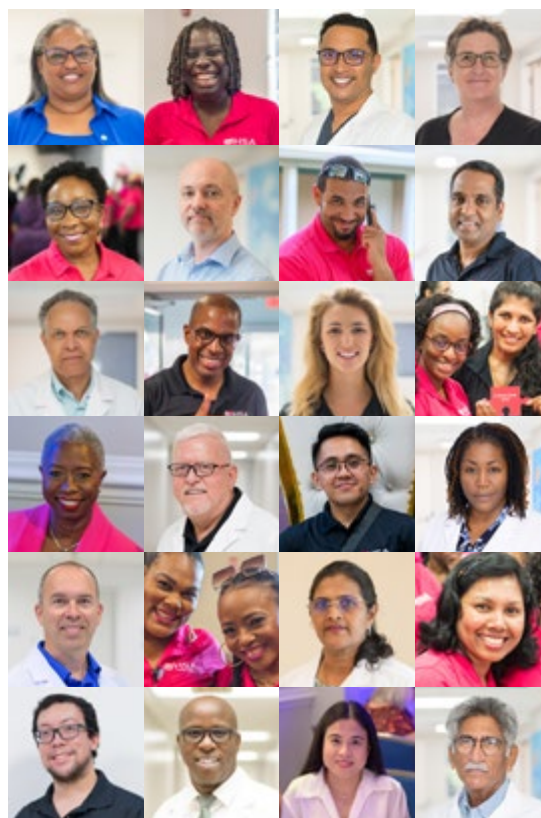
Our People at a glance

Statistics at 31 December, 2023

Nationality	# of Emp	%
American	11	0.92
Bahamian	5	0.42
Barbadian	6	0.50
Belizean	2	0.17
British	59	4.92
Canadian	16	1.34
Caymanian	630	52.59
Colombian	1	0.08
Cuban	6	0.50
Danish	1	0.08
Dominican (Dominica)	2	0.17
Filipino	31	2.59
Finnish	2	0.17
German	2	0.17
Ghanaian	1	0.08
Guyanese	7	0.58
Haitian	1	0.08
Honduran	8	0.67
Hungarian	1	0.08
Indian	77	6.43
Irish	6	0.50
Italian	1	0.08
Jamaican	257	21.45
Kenyan	1	0.08
Mauritian	2	0.17
Myanmar	1	0.08
Namibian	1	0.08
New Zealander	3	0.25
Nicaraguan	1	0.08
Nigerian	5	0.42
Pole	4	0.33
Romanian	3	0.25
Saint Lucian	12	1.00
Saint Vincentian	5	0.42
South African	13	1.09
Spanish	4	0.33
Trinidadian	8	0.67
Zimbabwean	2	0.17
Totals	1198	100.00

Nationality	# of emp	%
38 different nationalities, including Caymanians		
Caymanian	630	52.59
Non-Caymanian	568	47.41
Grand Total	1198	100
New Hires	236	
Casual	7	
Full-time	189	
Temp	40	
Total*	236	

* Locums not included



Our People at a glance



Type	# of emp	%
Casual	6	0.50
Full time	1169	97.58
Part time	5	0.42
Temporary	18	1.50
Grand Total	1198	100

Gender	# of emp	%
Female	838	69.95
Male	360	30.05
Grand Total	1198	100

Fixed/Open	# of emp	%
Fixed Term	644	53.76
Open Ended	554	46.24
Grand Total	1198	100

Age	# of emp	%
18 - 20	6	0.50
21 - 30	143	11.94
31 - 40	354	29.55
41 - 50	292	24.37
51 - 60	282	23.54
61 - 65	77	6.43
66 - 82	44	3.67
Grand Total	1198	100

Clinical/Non-Clinical	# of emp	%
Clinical	779	65.03
Clinical Support	117	9.77
Non-Clinical	302	25.21
Grand Total	1198	100

Clinical/Non-Clinical	# of emp	%
Caymanian		
Clinical	287	23.96
Clinical Support	83	6.93
Non-Clinical	260	21.70
Sub Total	630	52.59

Non-Caymanian		
Clinical	492	41.07
Clinical Support	34	2.84
Non-Clinical	42	3.51
Sub total	568	47.41

Grand Total	1198	100
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Years of Service	# of emp	%
0-10	823	68.70
11-20	244	20.37
21 to 30	92	7.68
31 to 50	39	3.26
Grand Total	1198	100

 **A good physician
treats the disease;**
a great physician
treats the patient
who has the
disease



Develop and Expand Current Infrastructure

2023 was marked by significant progress in our mission to enhance healthcare services.

We achieved this by implementing a series of infrastructure developments that not only improved our service delivery, but also embodied our commitment to transformation.

We undertook a herculean task of renovating the Operating Theatres on Grand Cayman and Cayman Brac while maintaining seamless patient care delivery. Additionally, we continued the expansion of our Accident & Emergency Department and meticulously planned and executed each step of the renovation process to meet the highest standards of care and efficiency, all while providing care 24/7.

As patients enter our facilities, they will immediately notice the positive changes made in the atrium including new flooring and painting, boasting our new branding.

During the year, we also transformed the laundry and repaved the entire



North side Health Centre

staff parking lot to provide a safe and welcoming environment for our team.

Our administrative team's relocation to Citrus Grove was a strategic move aimed to expand the administration area and increase bed capacity, ensuring that we are prepared to deliver exceptional care now and in the future. We also started the renovations in order to facilitate the future relocation of the Ambulatory Care which will allow for further A&E expansion.

The repainting of the main hospital and our district health centres was a visual representation of our progression and a daily reminder to our staff, patients, and community that we are dedicated to creating an environment that is not only healing but also reflective of our high standards. The standby generator donated by the R3 Cayman Foundation to the Little Cayman Health Centre was a critical piece of equipment and backup power source, ensuring an uninterrupted power supply.



George Town Hospital



Redesigned Nurses Station

We also replaced all of our nursing stations by designing them to cater to the ergonomic needs of our staff and enhance their ability to deliver prompt and efficient care.

As the patient demand increases for Urgent Care, we converted the area formerly used by the orthopedic department into new treatment rooms and consulting spaces that provide a more comfortable and private environment for patient evaluations,

treatments, and consultations.

Additionally, there were extensive renovations of our District Health Centres to include interior and exterior painting, new flooring and millwork.

We will continue to expand our facility's physical space to adapt to the growing demand for our services and improve our operational capabilities. ■

Technology

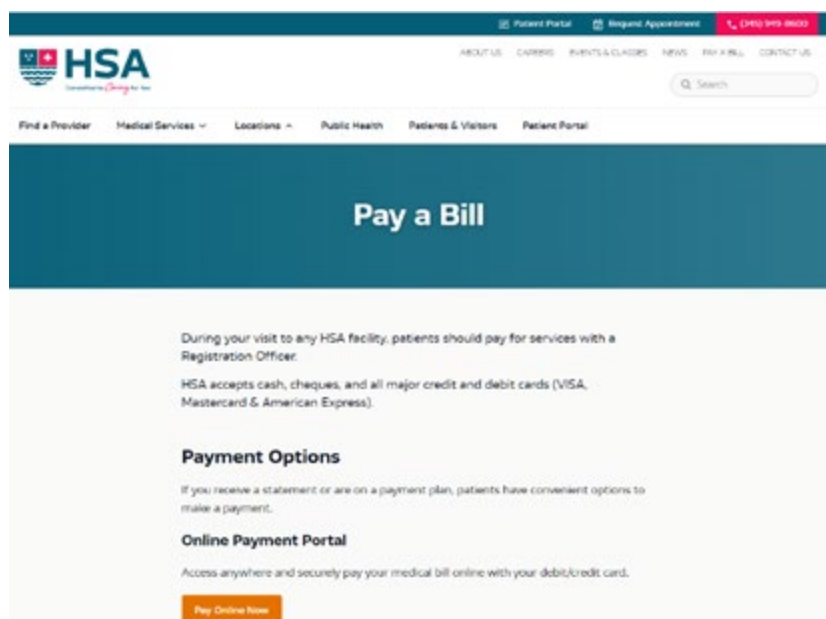
Leverage Technology to improve access to and delivery of care

In the pursuit of enhancing healthcare services, HSA has strategically invested in advanced technologies, marking significant milestones in improving access and delivery of care.

Key initiatives include:

Successfully completing the full integration of Oracle Fusion, ensuring a cohesive interface with the existing CERNER system. Barcode scanning capabilities were introduced to optimize inventory management and reduce errors in medication administration. This integration enables comprehensive patient data management, improving clinical decision support and overall workflow efficiency.

Implementing CERNER Registration and Scheduling systems, contributing to a more synchronized approach in managing financial aspects of patient care. Revenue cycle management has been



Online payment feature on website

optimized, and appointment scheduling has become more efficient, reducing wait times and enhancing patient satisfaction.

Completing a comprehensive revamp of the HSA website, focusing on intuitive navigation, clear information presentation, and improved accessibility. Patient resources, appointment scheduling options, providers information and service content are now easily accessible, promoting a positive

online experience for users.

Upgrading the Picture Archiving & Communication System to include advanced features for efficient storage, retrieval, and sharing of medical imaging data. This results in quicker access to diagnostic information, facilitating collaboration among staff and ultimately improving the accuracy and speed of patient diagnoses and treatments.

Recognizing the importance of digital convenience, HSA introduced an online payment feature on the website. Patients can now securely and conveniently make payments for services, ensuring a seamless and hassle-free experience in alignment with evolving digital trends in healthcare.

Redefining the call centre processes to improve responsiveness and effectiveness in handling patient inquiries. Additionally, an appointment email system was implemented, providing patients with timely reminders and essential details, thereby reducing no-show rates, and improving overall appointment adherence.

Optimizing barcode scanning for medication dispensing, automating the process to reduce errors and increase efficiency in the pharmacy. This system ensures accurate medication dispensing, minimizes the risk of human errors, and contributes to a safer medication administration process for patients.



Call Centre improvements

The new Vista HR System development is in progress for a 2024 launch which allow all types of leave requests to be automated, providing employees with a user-friendly platform for managing their leave. Payroll processing is targeted for implementation by the end of the second quarter, further optimizing HR operations.

These strategic initiatives align with our commitment to patient-centric care, leveraging technology to drive efficiency across the HSA environment and ultimately improve patient outcomes. ■



**To do what nobody else
will do, in a way that
nobody else can,
in spite of all we
go through,
is to be a nurse**



Sister Islands Health Services

Throughout the past year, Faith Hospital and Little Cayman Health Center (LCHC) have persevered in our mission to provide exceptional healthcare services.

Our continuous commitment to excellence is evident in our strategic achievements that have not only elevated the quality of patient care but also ensured our sustainability and growth in an ever-evolving healthcare sector.



Faith Hospital, Cayman Brac

The commitment to excellence truly shone through with the renovation of the Operating Theatre at Faith Hospital. These renovations are at the heart of our transformative journey, creating spaces where cutting-edge technology and superior patient care converge, setting a new standard for surgical excellence.

In addition, much progress was made in the beautification throughout both Faith Hospital

and Little Cayman Health Centre, including interior painting, updating fixtures and flooring, providing a clean, welcoming environment for our patients.

One of the proud key achievements of the year was successfully obtaining Joint Commission International (JCI) accreditation for both Faith Hospital and Little Cayman Health Centre, affirming our adherence to the highest international healthcare standards.

Sister Islands Health Services

Clinical

The inauguration of a new clinical rotation programme between Faith Hospital and the main campus has fostered professional development and collaboration among healthcare providers.

The Public Health and Community Health services were relocated to the medical wing at Aston Ruddy Centre, providing a dedicated space for these services, with room to grow. The move of these services off campus has also afforded the ability to add an additional consulting room, optimising our healthcare delivery.

Faith Hospital improved and expanded home visit services through the addition of a new dedicated Registered Nurse (RN) for community health, reinforcing our commitment to community-focused healthcare.

The recruitment of a full-time psychologist and the filling of the Community Psychiatric Nurse (CPN) position have greatly enhanced Behavioral Health services, offering more comprehensive mental health care.



Public Health and Community Health services relocate to Aston Ruddy Centre

In response to a growing need, a second Dialysis nurse was added to the team, ensuring that we can effectively meet the increasing demand for dialysis services. We also have a visiting Nephrologist for patients so they do not have to travel off island.

Little Cayman Health Centre also has the added benefit of a new generator for the clinic, made possible in partnership with R3 Foundation, which will allow the centre to keep power during a storm, which allows continuity of care and the ability to maintain

cold chain for items such as medications and vaccines.

The year has been marked by remarkable advancements and steadfast dedication to excellence. Each strategic achievement is a testament to our unwavering resolve to serve our community with the highest quality healthcare services. We move forward with the confidence that Faith Hospital and Little Cayman Health Centre will continue to be beacons of healthcare excellence for the years to come. ■



Little Cayman Health Centre new generator, donated by R3 Foundation



Committed to *Caring* for You



Chiropractor



Occupational
Therapy



Oncologist



Urgent Care/
Walk-In Clinic



Behavioral/
Mental Health
Treatment



Pediatrician



Speech
Therapy

Wining big at the inaugural Best of Cayman Islands Awards

Community & Events

In 2023, the HSA demonstrated its commitment to the well-being of the community through diverse and impactful initiatives.

Several milestones were achieved including the **JCI Accreditation**, launch of the **new branding** and identity, and winning big at the inaugural **Best of Cayman Islands Awards**. Through our headlining events, new clinic and service offerings, a roster of continuing medical education (CMEs), and our active participation in the different community activities, we further advanced our position as the leader in healthcare in the Cayman Islands.

The HSA kickstarted the year by inaugurating **Alex's Place**, a comfortable and youth-friendly centre providing care and support to children and adolescents (ages 10-20) experiencing mental health issues in partnership with the Alex Panton Foundation and the Ministry of Health & Wellness.

A record-breaking 300+ attendees were present at the annual **Women's Health Conference** in March at the Grand Cayman Marriott Beach Resort. The full-day conference featured a range of local and international speakers addressing women's health issues and provided an opportunity for

practitioners to gain continuing medical education (CMEs). The excellent turnout reflects the relevance, importance, and need for the sharing of information and continued education between the private and public sectors.

To build a community united against health threats, and adherence to the Vaccination Week in the Americas, the Public Health Department hosted a **Mass Vaccination Drive** in April.

Our Faith Hospital Emergency Medical Services (EMS) Team in Cayman Brac conducted **school visits** to celebrate EMS week to spread awareness and education among students at West End Primary School and Creek & Spot Bay Junior School. **Informative EMS-themed coloring books** and crayons were distributed, and the kids enjoyed an amazing time learning what EMS does for the community.

Celebrating the success of achieving the Gold Seal of Approval for excellent patient care and safety through our **Joint Commission International (JCI)**



Women's Healthcare Conference



Senior Managers meet and greet



Public Health Blood Drive



World Aids Day - Noel Cayasso, Dr Shreya Nauhria and Dr. Samuel Williams-Rodriguez



Civil Service Wellness Fair

Community & Events

Accreditation, HSA senior management team organised a **meet and greet** at the main atrium entrance and actively engaged with our valued patients, visitors, and staff.

The HSA wins big on the first-ever **Best of the Cayman Islands 2023**. The HSA bested 7 awards and has been voted Gold Winners for Urgent Care, Oncologist, Chiropractor, and Occupational Therapy. Our services for Speech Therapy, Mental Health, and Paediatrics have won the Silver Award. The Best of Cayman Islands is organized by Compass Media to highlight service providers operating on the island.

For the third consecutive year, we joined in the annual **Wellness Week** held at Cricket Square for all of their tenants, featuring our doctors and staff from Psychiatric and Behavioural Health Department, Therapy Services, and Nutritionists. The Public Health Department also offered on-site vaccination for flu shots.

In recognition of **Diabetes Month** in November, our team from Faith Hospital in Cayman Brac was out and about in the community and conducted activities that highlighted the importance of maintaining good health and accessing care. Among the activities include home visits to KCCC Nursing Home on diabetes mellitus risk and response, a mini-fair at Kirkconnell, a diabetes fair, and walk-a-thon, and a public presentation on acute metabolic complications.

Teaming up with the Lions Club of Grand Cayman and Movember Cayman Islands, we proudly **sponsored the 2023 Prostate & Colon Cancer Awareness** meeting at the Lion's Community Centre, specially dedicated to observing Movember Men's Health. Dr. Ernest Jehangir, HSA Consultant Surgeon, took the stage as one of the distinguished guest speakers, sharing invaluable insights into the critical issue of colon cancer.



Senior Sports Day

We proudly supported the first **Senior Sports Day** by the Department of Sports and the Department of Children and Family Services. During the event, we offered consultations with our Geriatrician, Dr. Glaister Bell, and provided flu shots. Our EMS team was also present and ready to assist in case of an emergency.

An island-wide week-long HIV testing marked **World Aids Day** from November 27 through December 1 organised by the HSA in collaboration with the Cayman

Island Red Cross and Cayman Aids Foundation. The campaign focuses on a community-led HIV national response between the partners on the Path to End AIDS and is in line with the theme "Let Communities Lead."

A healthy civil service is a productive one and we were happy to support the **Civil Service Wellness Fair** throughout the Government Administration Building. Our staff from various departments were out to ensure that the civil servants were in good physical and mental health. Participants in the wellness fair were able to get their flu shots, take advantage of free PSA tests, receive tips and info on how to remain or get healthy, and sign up for blood donation. Our team was represented by nutrition,



Walkers Cayman Islands Marathon Waterstop

Community & Events

maternity, behavioural and mental health (Alex's Place), therapy services (physiotherapy, speech and language, and occupational therapy), laboratory, and the Public Health Department.

This year, we earned a podium finish in the annual **Walker Cayman Islands Marathon**. Our Barbie-inspired water stop brought smiles, energy, and extra push to the runners and was voted 3rd best water stop for this year. Our 45-strong runners' team joined more than 1,000 participants in completing the marathon. For the fourth year on the sidelines, it was our pleasure to cheer on the participants and play an important role in helping them finish healthy and hydrated throughout the course.

As the country's leader in maternal health, the HSA hosts a free **ParentCraft class** for expectant mothers and partners every Monday. It is an eight-week series with different topics covered from general health in pregnancy to infant CPR. This series is open to both HSA and private patients.

Throughout the year, our team actively participated in different **career fair expos** including John Gray High School, Clifton Hunter High School, Chamber of Commerce, University of the Cayman Islands, Cayman Islands Further Education Centre



Cayman Islands Cancer Society's Cancer Symposium



Career Expo

and various primary schools, presenting the diverse healthcare career opportunities offered at HSA.

HSA also participated in the **Cayman Islands Healthcare**

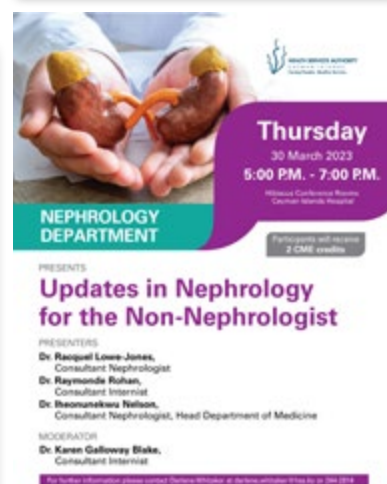
Conference, Cayman Heart Fund Cardiovascular Conference and **Cayman Islands Cancer Society's Cancer Symposium** with speakers and exhibitor representation at each.

Continuing Medical Education (CMEs)

Keeping our lead in healthcare education in the Cayman Islands, we hosted several Continuing Medical Education (CMEs) in different areas of medicine specialties including surgery, cancer education, diabetes, nephrology, mental health, and rare genetic disorders.

- ➔ **Red Eye:** What the medical practitioner should know;
- ➔ **GI bleed:** When to call the surgeon;
- ➔ **Back pain:** Is it all about Neurosurgery
- ➔ **Advances in Colorectal Cancer** Tribute to Pele and Chadwick Boseman
- ➔ **Updates in Nephrology** for the Non-Nephrologist
- ➔ **Multidisciplinary management** of the agitated patient
- ➔ **Internal Medicine Insights:** Cardio-Renal Intersection for the Non-Cardiologist and Non-nephrologist
- ➔ **Rare disorders** seen among children in the Cayman Islands
- ➔ **Panel Discussion** on the Cayman Islands Human Rights Legislation and its implication for persons with mental health challenges
- ➔ **Spotlight on Diabetes**

Over 50 community events were supported.





Looking Ahead

We eagerly outline our strategic initiatives and projects for the year ahead.

As we set our sights on 2024, the Health Services Authority (HSA) continues its transformative journey on its commitment to enhancing patient care and improving access to healthcare across the Grand Cayman and Sister Islands.



From extending our urgent care services to upgrading infrastructure and expanding telemedicine, our comprehensive roadmap reflects our duty as the nation's healthcare provider in delivering quality patient care and setting new standards of excellence.

These several initiatives and projects include:

Grand Cayman

Extending Urgent Care Clinic hours to operate seven days a week to provide patients with convenient access to urgent medical care. The HSA aims to cater to the needs of its patients by providing more flexible hours to suit their schedule while at the same time reducing the need for emergency room visits for non-life threatening conditions.

Continuing to improve quality and accessibility for patients across districts by opening a **dialysis unit in the West Bay Health Centre**. This will allow dialysis patients in West Bay to receive treatment closer to home. The new unit will be equipped with two advanced B Braun dialysis machines and highly qualified staff certified in Advanced Cardiovascular Life Support (ACLS).

Establishing a fully functioning **specialised clinic within the Smith Road Medical Centre** to maintain HSA's critical patient base, which primarily consists of civil servants and seafarers. By providing a dedicated clinic for these patient groups, the HSA aims to ensure that this group receives the highest possible standard of care and support and maintains their loyalty to the organisation.

Adding a **second Triage Station** to the Accident & Emergency Unit to improve patient experience, safety, and flow with reduced wait times for Triage.

Completing the **new EMS station in Bodden Town**, which is an essential initiative to provide better emergency response times within the fastest-growing district.

Opening a **new Endoscopy Suite** on the main campus to offer additional surgical procedures

which will provide additional capacity in the Operating Theatre for more complex and urgent surgeries..

Expanding HSA facilities and modernising infrastructures. This includes updates to the district health centres, relocation of select non-clinical departments to off-site locations to allow expansion of clinical services,

Inspired by the endless possibilities of tomorrow, together, let us continue to forge ahead in revolutionising the way we provide care for the people of the Cayman Islands.

additional services (Radiology & Blood Bank) at Smith Road Medical Centre, and continuation of numerous renovation projects. The multi-phased A&E expansion and relocation of ACU will also continue.

Completing the **Patient Bed Replacement Project** to reduce fall risks and incidents, adhering to the latest patient safety standards.

Expanding telemedicine and virtual health visits by developing a comprehensive electronic patient virtual visits system/telemedicine programme.

Sister Islands

Establishing a **dedicated space for Behavioral Health Services** at Kirk Business Centre in Cayman Brac.

Advancing plans for **ER/Diagnostic Imaging Centre**, including installation of a new X-ray unit, to improve access, timely provision of care, patient experience, quality of care, and patient safety.

In conclusion, with our focus on innovation, accessibility, and quality, we are not merely envisioning the future of healthcare in the Cayman Islands – the HSA is actively shaping it. As we look back on our achievements and aspirations outlined in this report, we reaffirm our commitment to positive change, fostering healthier communities, and realising our collective vision of a future-proof healthcare system that is truly patient-centered, adaptive, and resilient.

Inspired by the endless possibilities of tomorrow, together, let us continue to forge ahead in revolutionising the way we provide care for the people of the Cayman Islands. ■



**The best way to
find yourself**
is to lose yourself
in the service of
others





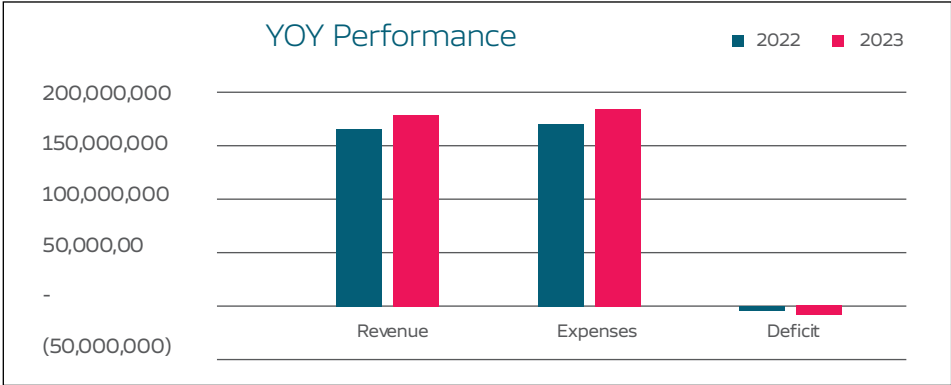
Management
Discussion
And Analysis

Financial Statements

As one of the leading healthcare providers in the Cayman Islands, our hospital is committed to providing exceptional medical care to our patients. With a team of highly skilled physicians, nurses, and support staff, we strive to offer comprehensive services that meet the diverse needs of our community. In this executive summary, we will provide an overview of our hospital's operations, including our achievements, challenges, and goals for the future.

EXECUTIVE SUMMARY

The Health Services Authority recorded improved patient activity in 2023, however increased operating costs resulted in an overall operating deficit of \$7.1 million.



At the end of December 2023, aggregate cash holdings amounted to \$49.2 million. The statutory 90-day cash reserve days was 23 days above statutory requirements. Accounts Receivable increased by \$6.1 million. An increase of 15% year-over-year (YoY). Total liabilities increased by \$20 million year on year, an 11% increase. Net worth was \$88.9 million year on year, a 50.4% increase resulting in a deficit of \$41.3 million at the end of December.

2024 KEY PERFORMANCE INDICATORS



Current Ratio
5.3:1



Cash on Hand
113 Days



Net revenue
UP 6.6% YOY



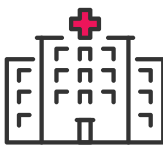
Operating expense
UP 7.5% YOY



YoY Encounters
UP 4.2%



Personnel Expenses
as a % of Revenue 68%



Capital Spend
\$9 million

The above key performance indicators are quantifiable measures of current liquidity. The current liquidity ratio indicates that the HSA remains in a strong liquidity position of 5.3:1. While the entity is highly liquid, the operating expenses fell outside the annual inflation target of 4.1%.

FINANCIAL POSITION

Dec-22 Actual \$000's	FINANCIAL Position	Dec-23 Actual \$000's	Movement from PY \$000's	YTD Budget \$000's	Variance \$000's
218,063	Total Assets	224,121	6,058	209,890	14,231
(176,501)	Total Liabilities	(265,422)	(88,921)	(279,567)	14,145
41,562	Net Accumulated Surplus(Deficit)	(41,301)	(82,863)	(69,677)	28,376

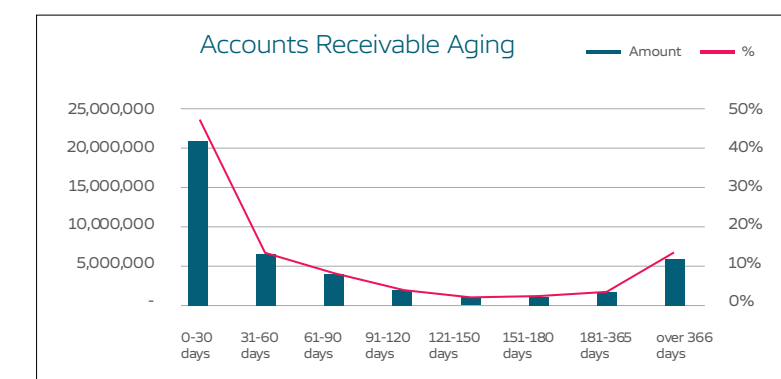
Assets grew by 2.8% compared to 2022, while liabilities grew by \$88.9 million (50.4%) resulting in an overall decline of net worth to negative \$41.3 million.

Investment and Cash

Management:

Throughout 2023, HSA actively employed an aggressive cash management strategy to better manage 'idle funds' through the placement of fixed deposits in A-class banks, especially given the rise in interest income. This was also to hedge against the high concentration of debts from a single source and ensure continued liquidity. Vigilant collection of receivables therefore was imperative to meet, exceed and maintain the 90-day statutory cash target.

Based on the governing legislation, HSA has a statutory requirement to maintain cash reserve of 90 days. This was exceeded by 23 days at the end of the financial year. The year end position of \$49.4 million was \$1.4 million below the 2022 position, however the decline is attributable to timing differences in cash receipts. Although there were higher levels of receivables,



the active management of cash flows and closer monitoring of receivables minimized the year-on-year decline.

Accounts Receivable and Risk Concentration:

Accounts Receivable increased to \$46.9 million (2022: \$40.7 million), or \$6.1 million (15%) above the 2022 position. The YoY increase amplifies the potential challenges in cash flow management due to the risk in the receivable concentration.

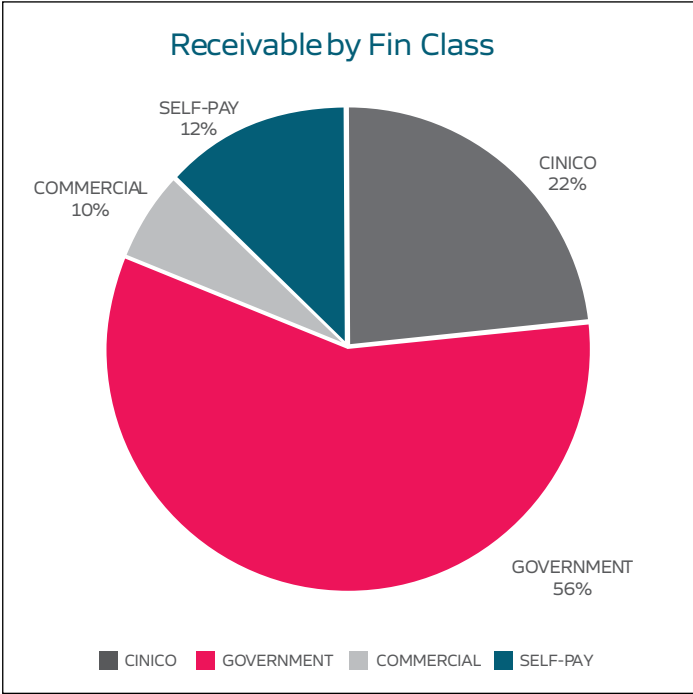
The increase in accounts receivable was primarily driven by settlement delays from

government entities. While there is limited risk of a default, the need to provide for debts over 42 days under the current credit policy increased operating expenses therefore negatively impacting the final outcomes. This is even more concerning due to the management of the civil service and indigent portfolio currently managed through the Cayman Islands National Insurance Company CINICO.

The aging profile below shows that 47% of the receivables were within the 0–30-day range, 17% were between 31-60 days, 21%

were between 61-365 days while the remaining 15% were over 366+ days. Self-pay clients accounted for 52% of the receivable's amounts aged over 366 days. The remaining 48% was split between commercial (20%) and government departments 8%. HSA continues to actively pursue these debts as all were timely filed in accordance with the relevant legislation.

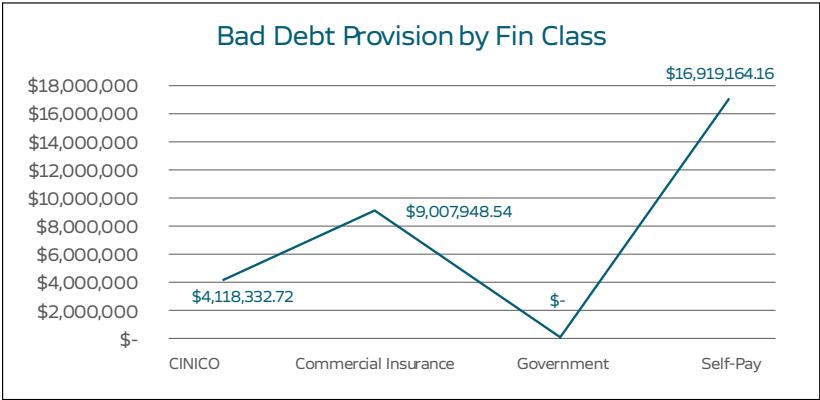
The receivables customer profile showed the Cayman Islands Government (CIG) and Cayman Islands National Insurance Company (CINICO) with a combined 78% of the total net receivables. While this presents a certain level of assurance against default, it also signals the continued inherent risk of a having limited diversity in the debtor portfolio. Self-pay encounters represent 12% of the total receivables. This debtor group presents the highest risk of collection default due to the transient nature of most patients in



this receivable grouping. The HSA has embarked on a cross ministry project to improve collectability in this financial class.

In keeping with HSA's credit policy, a bad debt provision is

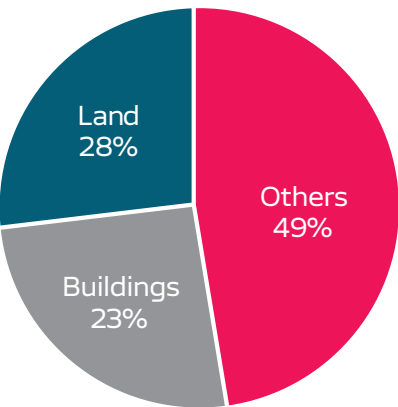
required for debts aged 42 days and over, with the exception of debts arising from government outputs. In 2023, a provision of \$3.8 million was recognised in relation to disputed Covid-19 charges invoiced to the Ministry of Finance in 2021. The accumulated bad debt provision as of 31 December 2023 was \$30.0 million, 56% of which relates to self-pay charges, i.e. charges where the patient either has no insurance, is under-insured or the charges are not covered by the patient's insurance policy.



Property, Plant, and Equipment (PPE)

Major acquisitions and works recorded in 2023 and included in the capital additions are:

- Two (2) parcels of crown lands valued at \$2.4 million.
- Construction and renovation work for the new ambulatory care inpatient unit valued at \$0.7 million.
- Main campus repainting and rebranding project, \$0.4 million
- Car park upgrades valued at \$0.7 million.

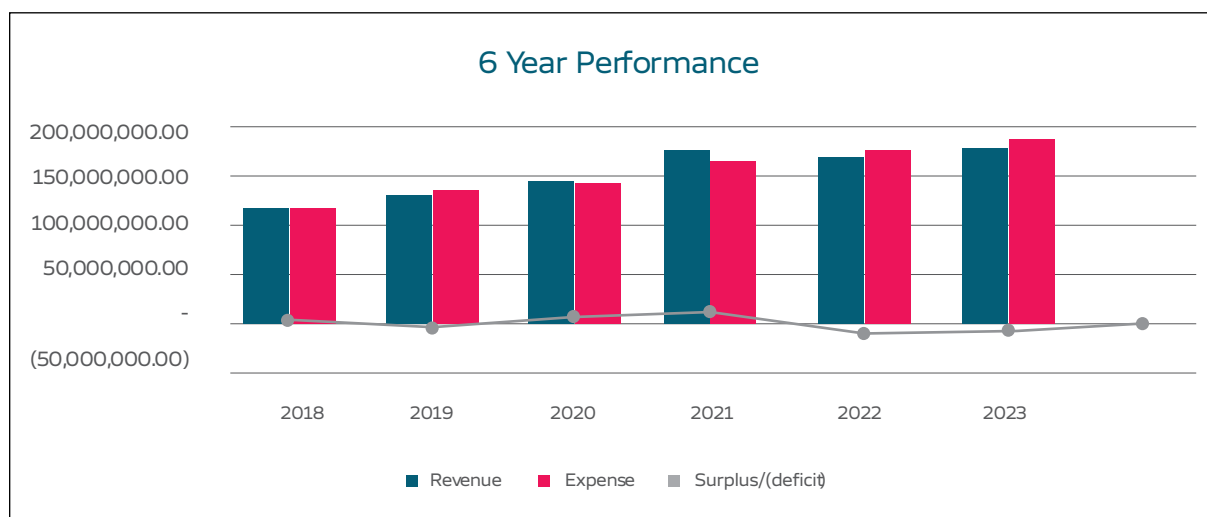


The 2023 capital spend of \$9.0 million represented a 38% utilization of the annual budget. Work in Progress at year end valued at \$1.5 million included,

- Bodden Town and West Bay District Health Centres interior and exterior renovations.
- The hospital atrium upgrades.
- Phase II of the A&E renovations and patient room renovations.
- The replacement of 50 hospital beds.

PPE includes net right-of-use assets (lease value) of \$3.9 million. During the year ended 31 December 2023, HSA added locations to the right-of-use asset portfolio, namely (offices at Citrus Grove), units at the Georgetown Financial Centre and Smith Road Medical Centre as well as four warehouses across the George Town area. Combined, these rented properties represent lease costs of over \$2 million per annum.

FINANCIAL PERFORMANCE SUMMARY

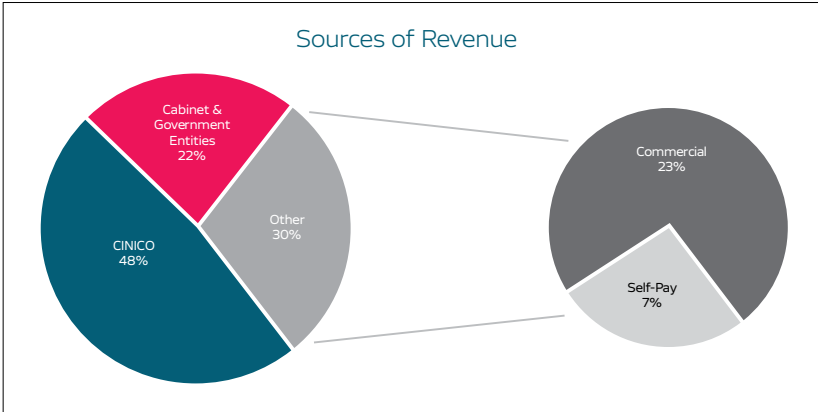


The organisation exceeded its revenue targets by 6.6% compared to the prior year. This is a positive indicator. However, this growth was negated by a 7.5% expenditure budget overspend resulting in a net deficit of \$7.1 million. This deficit marks a 37.0% decline compared to the previous year, signaling a need for more stringent financial controls and revenue enhancement strategies.

Dec-22 Actual \$000's	FINANCIAL Performance	Dec-23 Actual in \$000's	Movement from PY YTD \$000's	YTD Budget in \$000's	Variance \$000's
165,889	Revenue	176,807	10,918	169,150	7,657
171,064	Operating Expenses	183,899	12,835	168,776	(15,124)
(5,174)	Net Surplus (Deficit)	(7,092)	(1,918)	375	(7,467)

REVENUE

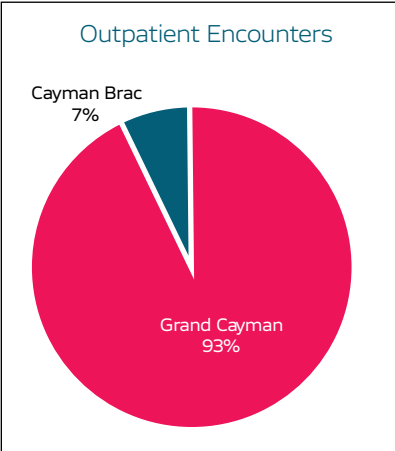
Revenue Trends: The organisation saw a commendable increase in revenues compared to the previous year, driven mainly by outpatient services.



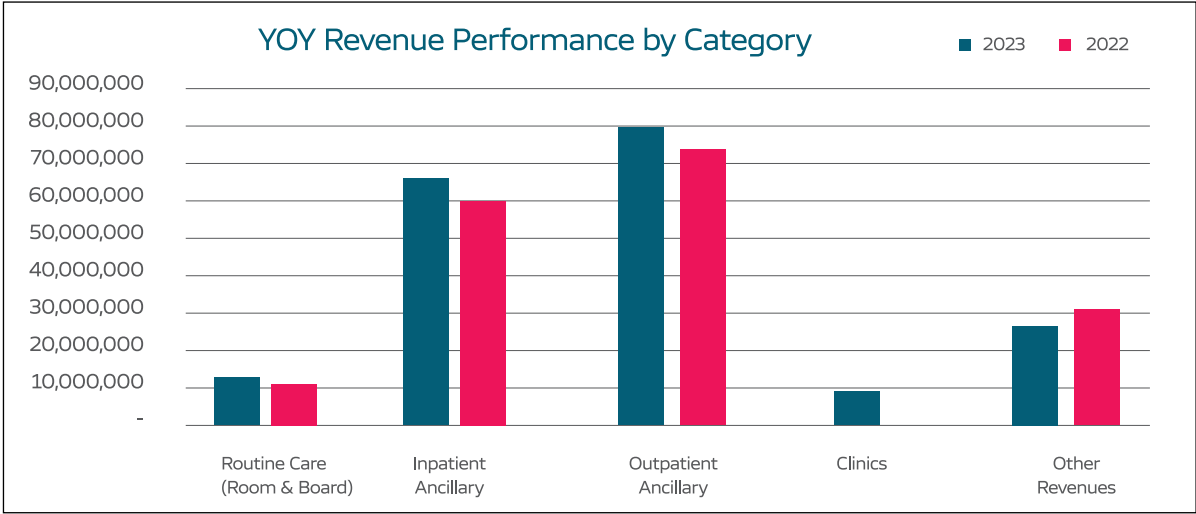
CINICO accounted for 48% of total revenue through its management of the Civil Service and the indigent health market. Combined, government entities represent 70% of the total revenue. This poses a high risk to the organization in the event these patients have a choice of public or private healthcare providers.

Faith Hospital outpatient revenue consisted of 7% of total outpatient revenue. This was a slight increase from 2022 (6%).

Both the Faith Hospital and Grand Cayman continue to maintain JCI certification in line with delivering the highest level of care to residents across all three islands.



Revenue Performance for gross patient revenues (before contractual adjustments) was \$20.3 million (14%) higher than the prior year except for Other Revenues which included government COVID-19 grants in the prior year.



Inpatient Revenue Performance

Cayman’s population has risen by 10.5% since 2021 with corresponding demand for healthcare services and in particular, Inpatient services with higher incidences of non-communicable diseases and chronic conditions like obesity, heart disease, and diabetes. Cayman also has an ageing population, the population of over 65-year-olds has increased from 5.4% in 2010 to 7.8% in 2021. Multimorbidity increases with age, and as more of the population ages and lives longer placing increased demand for healthcare services,

Inpatient revenue was \$30.4 million (74%) above budget having been positively impacted by higher levels of admissions, patient days, and increased bed occupancy rates. This was achieved by increased clinical capacity over the course of 2023.

A&E encounters increased marginally in 2023 in comparison to the prior year.

Outpatient Revenue Performance

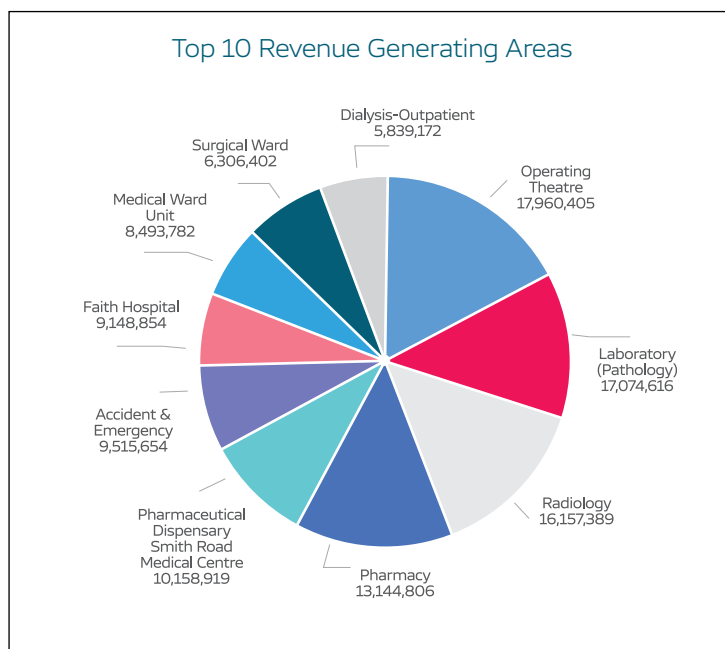
There was a noticeable 20% (\$20.6 Million) downturn against budget in outpatient earnings.

	2023	2022	Variance
Routine Care (Room & Board)	12,077,795	11,069,534	1,008,261
Inpatient Ancillary	66,043,609	60,151,180	5,893,430
Outpatient Ancillary	81,154,475	75,022,118	6,132,358
Clinics	7,323,093	-	7,323,093
	166,598,973	146,241,832	20,357,142

Top Revenue Earners

The top ten (10) revenue-generating departments produced \$113.8 Million (68.3%) Of the total patient earnings.

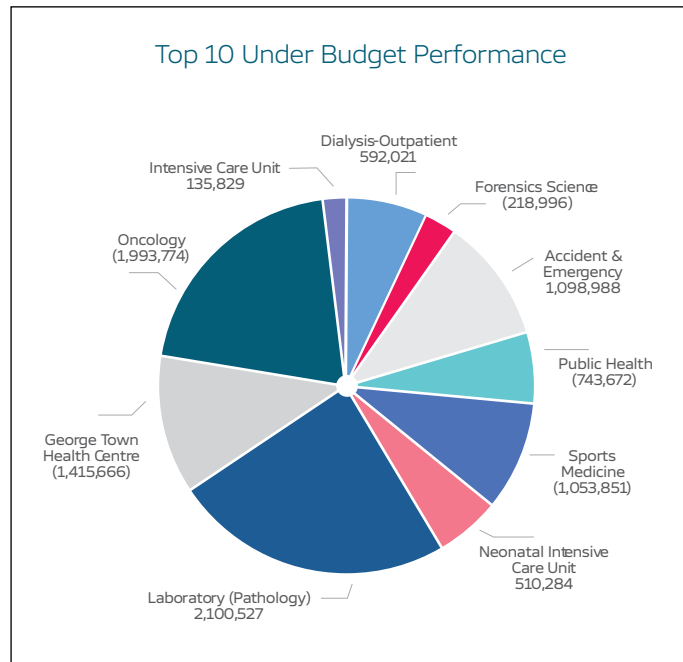
The top ten earners remained consistent year on year. In 2023, the operating theatre generated revenue of \$17.9 Million or 10.7% of the total patient revenue. This was one percentage point above laboratory services and radiology, which brought in \$17.1 Million and \$16.1 Million respectively. There is also significant growth in the smith road pharmacy dispensary launched in 2022 having generated income of \$10.1 Million in 2023.



Revenue Under Performance

There are a few departments that fell below annual budget targets as a result of reduced encounters including fewer COVID spikes throughout the year, as compared to 2022. The top 10 are shown here.

Donations for the year totaled \$0.4 million. \$0.33 million of these (83%) were COVID-related donations earned in Q1. In April 2023, the Ministry of Health issued a policy directive in keeping with best practice, to treat COVID-19 as a regular viral infection, effectively ending government grants for COVID-19 related services. In addition, the Cayman Islands Cancer Society donated funds of \$33,000 as part of the ongoing partnership with the HSA Oncology Unit while \$16,275 was received in relation to child safeguarding programmes.



EXPENDITURE

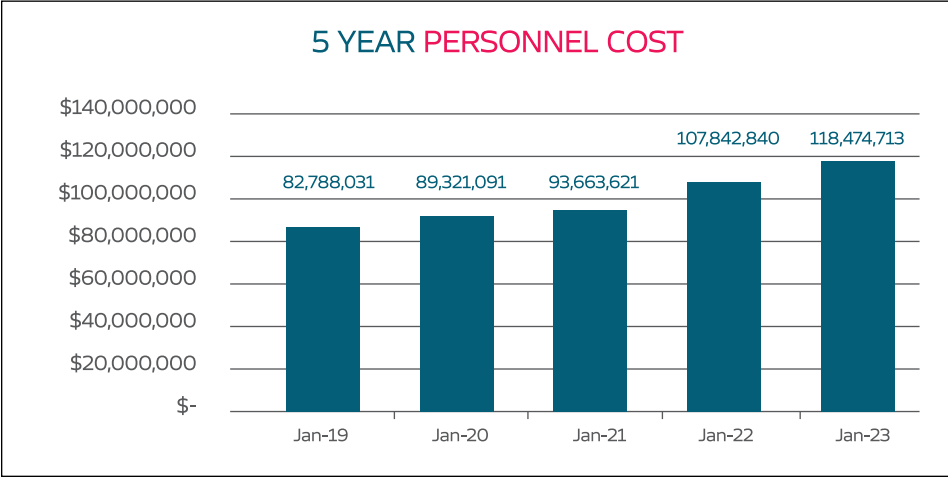
Expense Management: Expenses exceeded budget by 8.9% and surpassed the prior year by 7.5%. The main drivers of the increased spending were personnel costs (\$10.6 million), doubtful debts (\$5.5 million), supplies and materials (\$1.1 million) and depreciation (\$1.0 million).

Expenses for the 12 - month period ending 31 December 2023 were \$183.8 million or \$12.8 million more than the \$171.1 million incurred in the comparable 12-month period ended 31 December 2022. Personnel costs were the largest expense category accounting for 64% of the total expenditure followed by supplies

and materials with a 15% spend. Together, personnel costs and supplies and materials accounted for a combined 79% of total operating spend.

Personnel costs

Personnel costs of \$118.5 million were \$10.6 million above the 2022 outturn and \$6.3 million above the annual budget. The increase in cost was in line with the increased head count as well as the increased encounter levels. A review of the 5-year personnel cost trend also shows a steady annual increase due to increased headcounts and remuneration rates over the period.



In December 2023, the government announced a one-time honorarium of \$1500 per employee. This was paid as directed to the 1,198 employees.

The 1,198 FTEs headcount represented an increase of 97 employees (9%) in comparison to FY2022.

In early 2023, HSA onboarded an in-house legal counsel rather hence reducing the cost of third-party legal representation. At the end of 2023 non-clinical staff accounted for 25% of the total staff cohort. Staff costs as a percentage of revenue were 68% which was

approximately 14% above US health care trends.

Overtime

Overtime costs of \$4.5 million exhibited a significant negative variance of \$3.1 million (228%) when compared to the budget, reflecting substantial overspending in this category.

Overtime costs represented 3.9% of total staff remuneration charges for the year and were split 92% clinical and 8% non-clinical support / administrative services. The primary drivers of overtime in 2023 were sick leave,

call outs, acuity and extra clinics and periodic inventory counts. The drivers were consistent with the healthcare industry.

Supplies and materials were 15% of total operating expenses and remained the second largest operating expenditure after personnel costs. Supplies and materials were \$5.0 million (23.0%) above budget but was \$1.1 million (4%) higher than the prior year. There was an increase in supplies and materials usage driven increased encounters coupled with inflationary factors impacting the supply chain. HSA relies heavily on healthcare supplies from overseas

markets and therefore costs are directly impacted by world market prices and transportation charges. To hedge against these HSA proactively contracts for critical supplies on a biennial basis and currently manages multi-year multicurrency consignment contracts as well as contracts for pharmaceutical and med-surg items.

Utility costs were 33% above budget and 8.4% higher than the prior year. The primary driver for utility expenditure was electricity which was 39% higher than budget. In 2022, the Board of the HSA approved a 200KW photovoltaic solar power system for the main campus intended to reduce the hospital's energy bill by 20%. Utilisation and savings for the year 2023 was 28%. Notwithstanding the gains being realised from the solar system, in February 2023, the local electricity provider increased their base rates by 5.8% which negatively impacted HSA for the greater part of the financial year.

In response to the demand for adequate healthcare service for the current population levels,

additional clinical sites/campuses had to be created and warehouses were leased, effectively losing the gains from the main campus solar energy project.

Water costs were 23% above budget due to the local provider's 10% rate increase and higher levels of patient activity when compared to 2022.

Other operating expenses were \$1.7 million (15%) better than the budget and \$4.5 million (31.8%) better than the prior year's outturn. The decreased YoY cost was attributable to timing differences in recognition of freight and shipping charges (down 4.6%), reduced overseas lab tests (down 48.5%). It is important to note that some overseas lab tests are now being done in-house, hence some savings in this expenditure category.

Conclusion

The 2023 financial performance and position presents a mixed picture, reflecting both strengths and areas for improvement as demonstrated in the discussion above. While the organisation

faced challenges in terms of a net operating deficit, the overall increase in revenue vis a vis encounter levels, as well as the strategic management of assets and investments provided a foundation for future financial stability.

Continuous monitoring and adaptive strategies are being employed to navigate the evolving healthcare landscape.

Future Outlook

To maintain financial health, the organisation has embarked on strategies to enhance revenue, particularly by addressing customer service, service delivery times, expenditure control, exploring new revenue streams, brand management, partnerships and strategic capital investments and strengthen the financial stability of the HSA.



Financial Statements of

**CAYMAN ISLANDS HEALTH
SERVICES AUTHORITY**

31 December 2023

CAYMAN ISLANDS HEALTH SERVICES AUTHORITY

Table of contents

Statement of Responsibility for the Financial Statements	82
Auditor General's Report	83
Statement of Financial Position	85
Statement of Comprehensive Income	86
Statement of Changes in Equity	87
Statement of Cash Flows	88
Notes to Financial Statements	89

Chief Executive Officer

95 Hospital Road· P.O. Box 915
Grand Cayman KY1-1103· Cayman Islands
Tel: (345) 244 2602· Fax: (345) 244 2595

STATEMENT OF RESPONSIBILITY FOR FINANCIAL STATEMENTS

These financial statements have been prepared by the Cayman Islands Health Services Authority ("the Health Authority") in accordance with the Public Management and Finance Act (2020 Revision).

We accept responsibility for the accuracy and integrity of the financial information in these financial statements and their compliance with the Public Management and Finance Act (2020 Revision).

As the Chief Executive Officer (CEO) and Chief Financial Officer (CFO), we are responsible for establishing; and have established and maintained a system of internal controls designed to provide reasonable assurance that the transactions recorded in the financial statements are authorised by the Act, and properly record the financial transactions of the Health Authority.

As CEO and CFO, we are responsible for the preparation of the Health Authority's financial statements and for the judgements made in them.

The financial statements fairly present the financial position, financial performance and the cash flows of the Health Authority.

To the best of our knowledge the financial statements are:

(a) complete and reliable.

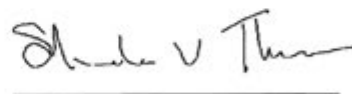
(b) fairly reflect the financial position as at 31 December 2023 and performance for the period ended 31 December 2023; and

(c) in compliance with the International Financial Reporting Standards under the responsibility of the International Accounting Standards Board.

The Office of the Auditor General conducts an independent audit and expresses an opinion on the accompanying financial statements. The Office of the Auditor General has been provided access to all the information necessary to conduct an audit in accordance with International Standards on Auditing.



Lizzette R. Yearwood, BScN, MHA, MMH, Cert. Hon., JP
Chief Executive Officer
30 April 2024



Sheila Thomas
Chief Financial Officer
30 April 2024

CC:

Chairman, HSA Board
Deputy CEO

AUDITOR GENERAL'S REPORT

To the Board of Directors of the Cayman Islands Health Services Authority

Opinion

I have audited the financial statements of the Cayman Islands Health Services Authority (the "Health Authority" or the "HSA"), which comprise the statement of financial position as at 31 December 2023 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 31 December 2023, and notes to the financial statements, including a summary of significant accounting policies as set out on pages 10 to 58.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Cayman Islands Health Services Authority as at 31 December 2023 and its financial performance and its cash flows for the year ended 31 December 2023 in accordance with International Financial Reporting Standards.

Basis for Opinion

I conducted my audit in accordance with International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Health Authority in accordance with the International Standards Board for Accountants' *Code of Ethics for Professional Accountants (IESBA Code)*, together with the ethical requirements that are relevant to my audit of the financial statements in the Cayman Islands, and I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of Matters

I draw attention to note 25 of the financial statements, which states that the recognition of post-retirement health liability resulted in a net liability of \$41.30 million in the statement of financial position. This event raised a substantial doubt about the Health Authority's ability to continue as a going concern. The note also describes the series of action plans taken by management to alleviate this concern. My opinion is not modified in respect of this matter.

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 International Financial Reporting 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 Authority'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 the Health Authority or to cease operations, or has no realistic alternative but to do so.

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

AUDITOR GENERAL'S REPORT (continued)

Auditor's Responsibilities for the Audit of the Financial Statements

My 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 my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs 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 financial statements.

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

As part of an audit in accordance with ISAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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 my 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 Health Authority'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 Authority's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Health Authority to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I have undertaken the audit in accordance with the provisions of Section 60(1)(a) of the *Public Management and Finance Act (2020 Revision)* and Section 24(1) of the *Health Services Authority Act (2010 Revision)*. I 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 I identify during my audit.



Sue Winspear, CPFA
Auditor General

30 April 2024
Cayman Islands

CAYMAN ISLANDS HEALTH SERVICES AUTHORITY

Statement of Financial Position

As at December 31, 2023
(stated in Cayman Islands dollars)

	Note	31 December 2023	Budget	31 December 2022
Current assets				
Cash and cash equivalents	4	24,141,844	45,585,516	\$40,818,478
Short-term investments	5	25,228,829	-	10,000,000
Accounts receivable - net	6	44,385,319	31,302,958	35,253,001
Other receivables - net	7	2,534,937	2,914,696	5,538,196
Inventory - net	8	14,235,843	14,126,443	14,485,101
Advances to suppliers	9	1,102,677	3,904,163	1,822,670
Prepaid expenses		72,589	(136,201)	40,822
Total current assets		111,702,038	97,697,574	107,958,268
Non-current assets				
Fixed assets	9	108,487,248	111,310,680	108,209,750
Right-of-use assets	10	3,932,017	881,063	1,895,493
Total Non-current assets		112,419,264	112,191,743	110,105,243
Total Assets		224,121,305	209,889,317	218,063,511
Current liabilities				
Accounts payable and accrued expenses	11	19,869,765	12,731,237	17,648,536
Lease liability	10	1,248,682	531,682	678,185
Total current liabilities		21,118,447	13,262,920	18,326,721
Non-current liabilities				
Unfunded employee healthcare benefits, net	12	236,138,000	246,336,000	150,490,000
Employee pension benefits, net	13	5,284,000	17,849,000	6,265,000
Lease liability	10	2,881,918	2,119,027	1,419,623
Total non-current liabilities		244,303,919	266,304,027	158,174,623
Total Liabilities		265,422,365	279,566,947	176,501,344
Net (Liability) Assets		(41,301,060)	(69,677,630)	41,562,167
Represented by:				
Contributed capital		141,983,402	141,180,105	141,983,402
Accumulated deficit		(213,489,763)	(238,440,274)	(206,397,536)
Other comprehensive loss		(12,596,000)	-	63,175,000
Asset revaluation		42,801,301	27,582,539	42,801,301
Net (Deficit) Equity		(41,301,060)	(69,677,630)	\$41,562,167

The accounting policies and notes starting on page 10 form an integral part of these financial statements.

CAYMAN ISLANDS HEALTH SERVICES AUTHORITY

Statement of Comprehensive Income

For the year ended December 31, 2023
(stated in Cayman Islands dollars)

	Note	31 December 2023	Budget	31 December 2022
Revenue				
Patient services fees	14	154,155,592	149,446,381	\$135,550,246
Government programme	15	19,826,921	18,556,473	17,973,387
Other income	16	2,824,516	1,147,584	12,365,798
		176,807,029	169,150,438	165,889,431
Operating expenses				
Staff costs	17	118,474,713	112,198,845	107,842,840
Supplies and materials	18	27,097,402	22,015,714	25,990,835
Other operating expense	19	9,605,188	11,283,421	14,100,612
Provision for doubtful debts	6, 7	9,916,980	8,147,566	4,339,279
Depreciation	9, 10	8,755,911	5,524,933	7,682,750
Utilities		3,940,681	2,965,931	3,633,499
Legal and professional fees	20	1,468,186	3,372,424	1,555,181
Insurance		1,848,487	1,945,000	1,711,654
Security services		970,084	-	1,065,515
Travel and subsistence		768,309	486,000	553,453
Training		267,981	378,000	292,956
Reference materials		13,301	67,700	72,653
Inventory adjustment	8	772,032	390,000	2,222,681
		183,899,254	168,775,533	171,063,908
Net (loss) income for the year		(7,092,225)	374,905	(5,174,476)
Other comprehensive income				
Revaluation surplus on land and building		-	-	-
Re-measurement of defined pension benefit	13	1,439,000	-	4,326,000
Re-measurement of defined healthcare benefit	12	(77,210,000)	-	50,538,000
		(75,771,000)	-	54,864,000
Total comprehensive (loss)/income for the year		(\$82,863,225)	\$374,905	49,689,524

The accounting policies and notes starting on page 10 form an integral part of these financial statements.

CAYMAN ISLANDS HEALTH SERVICES AUTHORITY

Statement of Changes in Equity

For the year ended December 31, 2023
(stated in Cayman Islands dollars)

	Note	Contributed capital	Accumulated deficit	Other comprehensive (loss) income	Asset revaluation	Total
Beginning Balance, 1 January 2022		\$141,983,402	(\$201,223,062)	\$8,311,000	\$42,801,301	(8,127,359)
Net loss for the year		-	(5,174,476)	-	-	(5,174,476)
Other comprehensive income for the year	12, 13	-	-	54,864,000	-	54,864,000
Capital contribution during the year		-	-	-	-	-
Ending Balance, 31 December 2022		\$141,983,402	(\$206,397,538)	\$63,175,000	\$42,801,301	\$41,562,165
Beginning Balance, 1 January 2023		\$141,983,402	(\$206,397,538)	\$63,175,000	\$42,801,301	\$41,562,165
Net loss for the year		-	(7,092,225)	-	-	(7,092,225)
Other comprehensive loss for the year	12, 13	-	-	(75,771,000)	-	(75,771,000)
Capital contribution during the year		-	-	-	-	-
Ending Balance, 31 December 2023		\$141,983,402	(\$213,489,763)	(\$12,596,000)	\$42,801,301	(\$41,301,060)

The accounting policies and notes starting on page 10 form an integral part of these financial statements.

CAYMAN ISLANDS HEALTH SERVICES AUTHORITY

Statement of Cash Flows

For the year ended December 31, 2023
(stated in Cayman Islands dollars)

	Note	31 December 2023	Budget	31 December 2022
Cash provided by/(applied in):				
Operating activities				
Net (loss) income for the year		(7,092,225)	374,904	(5,174,476)
Add item not affecting working capital:				
Provision for doubtful debts	6	9,916,980	8,147,568	4,339,279
Depreciation	9, 10	8,755,911	5,524,932	7,682,750
Inventory (write-up) write-downs	8	772,032	390,000	2,222,681
Net changes in non-cash working capital balances relating to operations:				
Accounts receivable, net, (increase)	6	(19,049,303)	(3,964,144)	17,979,942
Other receivables, decrease	7	3,003,260	147,178	16,325,001
Inventory, net, (increase) decrease	8	(522,774)	477,250	703,399
Advances to suppliers, (increase) decrease		719,992	(18,050)	1,735,843
Prepaid expenses, (increase) decrease		(31,767)	(12,799)	2,919
Accounts payable and accrued expenses, increase (decrease)	11	2,221,229	197,781	(306,860)
Right of use asset, (increase) decrease	10	(2,036,525)	-	2,569,484
Lease liability, increase (decrease)	10	1,462,294	54,958	(2,291,654)
Employee pension benefits, net, increase (decrease)	13	458,000	(3,647)	745,000
Employee healthcare benefits, net, increase (decrease)	12	8,438,000	(9,273,901)	8,722,000
Net cash generated from operating activities		7,015,104	2,042,030	55,255,308
Investing activities				
Cost of fixed assets purchased	9	(9,033,409)	(27,000,000)	(11,962,442)
Short-term investments	5	(15,228,829)	-	(10,000,000)
Net cash used in investing activities		(24,262,238)	(27,000,000)	(21,962,442)
Financing activities				
Capital contributions		-	-	-
Finance interest on Operating Leases	10	(183,165)	-	(283,774)
Lease liabilities - Long-term, (decrease) increase	10	753,661	-	30,746
Net cash provided by (used in) financing activities		570,496	-	(253,028)
(Decrease) Increase in cash during the year		(16,676,638)	(24,957,970)	33,039,838
Cash and cash equivalents at beginning of year		40,818,478	38,416,280	7,778,638
Cash and cash equivalents at end of year		24,141,842	\$13,458,310	\$40,818,476
Operating Cash Flows from Interests				
Interest received		690,245	-	66,493

The accounting policies and notes starting on page 10 form an integral part of these financial statements.

CAYMAN ISLANDS HEALTH SERVICES AUTHORITY

Notes to financial statements

For the year ended 31 December 2023
(stated in Cayman Islands dollars)

1. Background information

The Cayman Islands Health Services Authority (the “Health Authority”) is a statutory body established on 1 July 2002 under the Health Services Authority Act. The purpose of the Health Authority is to provide health care services and facilities in the Cayman Islands in accordance with the National Strategic Plan for Health prepared by the Cayman Islands Government (the “Government”).

The Health Authority is comprised of the following health care agencies:

- Cayman Islands Hospital
- Faith Hospital
- Community-based service:
 - Little Cayman Health Centre
 - George Town General Practice Clinic
 - West Bay Health Centre
 - Bodden Town Health Centre
 - East End Health Centre
 - North Side Health Centre
 - Public Health Unit
 - Lions Eye Clinic
 - George Town Dental Clinic
 - Merren’s Dental Clinic
 - Cayman Brac Dental Clinic
 - Smith Road Health Centre
 - Bay Town Plaza (Physiotherapy)

The Health Authority is located on Hospital Road, PO Box 915, Grand Cayman, KY1-1103 Cayman Islands.

CAYMAN ISLANDS HEALTH SERVICES AUTHORITY

Notes to financial statements

For the year ended 31 December 2023
(stated in Cayman Islands dollars)

2. Adoption of new and revised Standards

Adoption of IAS 1 - Disclosure of Accounting Policies (effective on or after January 2023)

In June 2021 the IASB issued amendments to IAS 1, Presentation of Financial Statements to require entities to disclose their material accounting policy information rather than their significant accounting policies; and amended IFRS Practice Statement 2 Making Materiality Judgements (Materiality Practice Statement) to explain and demonstrate the application of the 'four-step materiality process' to accounting policy disclosures by including guidance and examples on the application of materiality to accounting policy disclosures. The Health Authority has adopted and applied this standard in preparing its 31 December 2023 financial statements.

A) Relevant standards and amendments issued prior to 1 January 2023 but effective in future periods and are predicted to have an impact on Health Authority:

Certain new accounting standards have been published that are not mandatory for the 31 December 2023 reporting period.

The Health Authority's assessment of the impact of these new standards is set out below:

- (i) *Amendment to IAS 1 – Classification of Liabilities as Current or Non-current (Effective for annual periods beginning on or after 1 January 2024)*

In January 2020, the IASB issued amendments to IAS 1 which clarify the criteria used to determine whether liabilities are classified as current or non-current. These amendments clarify that current or non-current classification is based on whether an entity has a right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period.

It is anticipated that the amendment does not have a significant impact on the Health Authority's financial statements.

- (ii) *Amendments to IFRS 16 – Leases which add to requirements to specify a seller-lessee would apply the subsequent measurement requirements in IFRS 16 to the lease liability that arises in a sale and leaseback transaction. (Effective for annual periods beginning on or after 1 January 2024)*

The amendment applies to paragraphs 36–38 of IFRS 16 to a sale and leaseback transaction with variable lease payments, a seller-lessee be required:

- to determine the lease payments made (as described in paragraph 36(b)) as the payments included in the measurement of the lease liability. The payments included in that measurement are those that, when discounted using the discount rate described in paragraph 37, result in an amount equal to the carrying amount of the lease liability.
- not to remeasure the lease liability to reflect any reassessment of future variable lease payments.

CAYMAN ISLANDS HEALTH SERVICES AUTHORITY

Notes to financial statements

For the year ended 31 December 2023
(stated in Cayman Islands dollars)

2. Adoption of new and revised Standards (continued)

- to apply paragraph 38 in accounting for any difference between the payments made for the lease and those included in the measurement of the lease liability.
- in applying paragraphs 40 and 45 of IFRS 16 to lease modifications and changes in the lease term related to a sale and leaseback transaction, a seller-lessee be required to determine the revised lease payments as the revised expected payments for the lease.

It is anticipated that the amendment will not have a significant impact on the Health Authority's financial statements.

(iii) *Amendments to IFRS 17 - Insurance Contracts (Effective for annual periods beginning on or after 1 January 2024)*

The main changes resulting from Amendments to IFRS 17 and Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4) are:

- Deferral of the date of initial application of IFRS 17 by two years to annual periods beginning on or after 1 January 2023, and change the fixed expiry date for the temporary exemption in IFRS 4 Insurance Contracts from applying IFRS 9 Financial Instruments, so that entities would be required to apply IFRS 9 for annual periods beginning on or after 1 January 2023.
- Additional scope exclusion for credit card contracts and similar contracts that provide insurance coverage as well as optional scope exclusion for loan contracts that transfer significant insurance risk.
- Recognition of insurance acquisition cash flows relating to expected contract renewals, including transition provisions and guidance for insurance acquisition cash flows recognized in a business acquired in a business combination.
- Simplified presentation of insurance contracts in the statement of financial position so that entities would present insurance contract assets and liabilities in the statement of financial position determined using portfolios of insurance contracts rather than groups of insurance contracts.

It is anticipated that IFRS 17 will not have a significant impact on Health Authority's financial statements.

CAYMAN ISLANDS HEALTH SERVICES AUTHORITY

Notes to financial statements

For the year ended 31 December 2023
(stated in Cayman Islands dollars)

3. Significant accounting policies

These financial statements are prepared in accordance with International Financial Reporting Standards (IFRS). The principal accounting policies adopted by the Health Authority are as follows:

(a) Basis of accounting

The financial statements of the Health Authority are prepared on an accrual basis under the historical cost convention except for: (1) the revaluation of land and buildings [see (d) below] and (2) employee benefits [see note 12 and note 13 below]. The financial statements are presented in Cayman Islands Dollars (CIS\$) and are prepared on the accrual basis of accounting, unless otherwise stated. The statements are rounded to the nearest dollar except otherwise stated.

Changes in accounting policies

When presentation or reclassification of items in the financial statements is amended or accounting policies are changed, corresponding figures are restated to ensure consistency with the current period unless it is impracticable to do so.

(b) Use of estimates

The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the year. Actual results could differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year of the revision and future years, where applicable.

(c) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The Health Authority recognises financial assets and financial liabilities on the date it becomes a party to the contractual provisions of the instrument.

(i) Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, and subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

CAYMAN ISLANDS HEALTH SERVICES AUTHORITY

Notes to financial statements

For the year ended 31 December 2023
(stated in Cayman Islands dollars)

3. Significant accounting policies (continued)

(c) Financial instruments (continued)

(i) Financial assets (continued)

Initial recognition and measurement (continued)

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Health Authority's business model for managing them. In order for a financial asset to be classified and measured at amortised cost or fair value through the OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. All debt instruments are classified as "Hold to collect and sell" and recognized at fair value through the OCI. The debt instruments were previously classified as available for sale under IAS 39. Accounts receivables are measured at the transaction price determined under IFRS 15.

Cash and Cash Equivalents classified as loans and receivables under IAS 39 have been reclassified to amortized cost at the adoption date of the standard.

The Health Authority's business model for managing financial assets refers to how it manages its financial assets to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Health Authority commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through the OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through the OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

All debt instruments are subsequently measured at fair value with gains and losses arising due to change in the fair value recognized in the OCI. Interest income and foreign change gains and losses are recognized in profit or loss in the same manner as for financial assets measured at amortised cost.

CAYMAN ISLANDS HEALTH SERVICES AUTHORITY

Notes to financial statements

For the year ended 31 December 2023
(stated in Cayman Islands dollars)

3. Significant accounting policies (continued)

(c) *Financial instruments (continued)*

(i) *Financial assets (continued)*

Derecognition

The Health Authority has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Health Authority has transferred substantially all the risks and rewards of the asset, or (b) the Health Authority has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

On derecognition, cumulative gains or losses previously recognized in OCI are reclassified from OCI to profit or loss.

Impairment of financial assets

The Health Authority recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Health Authority expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For accounts receivables, the Health Authority uses the simplified approach to assess and make provision for ECLs applied to trade and other receivables at the end of each reporting period. The allowance is assessed on a customer basis, based on the number of days overdue and considering the historical loss experience and incorporating any external and future information. The trade and other receivables are recorded at the amount due, less the allowance for expected credit losses.

For debt instruments at fair value through OCI, the Health Authority applies the low credit risk simplification. At every reporting date, the Health Authority evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Health Authority reassesses the credit rating of the debt instrument. In addition, the Health Authority considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

CAYMAN ISLANDS HEALTH SERVICES AUTHORITY

Notes to financial statements

For the year ended 31 December 2023
(stated in Cayman Islands dollars)

3. Significant accounting policies (continued)

(c) *Financial instruments (continued)*

(ii) *Financial liabilities*

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. Financial liabilities comprise accounts payable and accrued expenses.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent measurement

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

(iii) *Derecognition*

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of comprehensive income.

(d) *Fixed assets and depreciation*

Land and buildings held for use in the supply of goods or services, or for administrative purposes, are stated in the statement of financial position at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are performed with sufficient regularity such that the carrying amounts do not differ materially from those that would be determined using fair values at the statement of financial position date.

Any revaluation increase arising on the revaluation of such land and buildings is recognized in the statement of changes in equity, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in the statement of comprehensive income, in which case the increase is credited to the statement of comprehensive income to the extent of the decrease previously charged.

CAYMAN ISLANDS HEALTH SERVICES AUTHORITY

Notes to financial statements

For the year ended 31 December 2023
(stated in Cayman Islands dollars)

3. Significant accounting policies (continued)

(d) Fixed assets and depreciation (continued)

A decrease in the carrying amount arising on the revaluation of such land and buildings is charged to the statement of comprehensive income to the extent that it exceeds the balance, if any, held in the properties revaluation reserve relating to a previous revaluation of that asset.

Depreciation on revalued buildings is charged to statement of comprehensive income. On the subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the properties revaluation reserve is transferred directly to retained earnings (deficit). No transfer is made from the revaluation reserve to retained earnings (deficit) except when an asset is derecognised.

Properties in the course of construction for the main healthcare business, administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Health Authority's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Medical equipment and other fixed assets are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is charged to recognize the consumption of an asset, other than land and properties under construction, over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

CAYMAN ISLANDS HEALTH SERVICES AUTHORITY

Notes to financial statements

For the year ended 31 December 2023
(stated in Cayman Islands dollars)

3. Significant accounting policies (continued)

(d) Fixed assets and depreciation (continued)

Depreciation is charged to the statement of comprehensive income on a straight-line basis based on the following periods estimated to write off the cost of the assets over their expected useful lives:

Buildings	up to 60 years
Medical equipment	8 – 20 years
Other fixed assets	3 – 20 years

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease.

The gain or loss arising on the disposal or retirement of an item of fixed asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of comprehensive income.

(e) Right-of-use assets (Leases)

(a) The Health Authority assesses whether a contract is or contains a lease, at inception of the contract. The right-of-use asset and a corresponding lease liability is recognised with respect to all lease arrangements in which the Health Authority is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (defined as any monthly lease payment \$5,000 or less). For these leases, the lease payments are recognised as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Cayman Islands borrowing rate is used.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable.
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date.
- The amount expected to be payable by the lessee under residual value guarantees.
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and

CAYMAN ISLANDS HEALTH SERVICES AUTHORITY

Notes to financial statements

For the year ended 31 December 2023
(stated in Cayman Islands dollars)

3. Significant accounting policies (continued)

(e) *Right-of-use assets (Leases) (continued)*

- Payments of penalties for terminating the lease if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability and by reducing the carrying amount to reflect the lease payments made.

The lease liability is remeasured (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified, and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

No such adjustments were made during the periods presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever an obligation is incurred for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

CAYMAN ISLANDS HEALTH SERVICES AUTHORITY

Notes to financial statements

For the year ended 31 December 2023
(stated in Cayman Islands dollars)

3. Significant accounting policies (continued)

(e) *Right-of-use assets (Leases) (continued)*

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the organization expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the statement of financial position.

IAS 36 is applied to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the “Fixed Asset” policy.

Variable rents that do not depend on an index or rate are not included in the measurement the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line “Other expenses” in profit or loss (see Note 19).

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement.

The Health Authority has not used this practical expedient. For contracts that contain a lease component and one or more additional lease or non-lease components, the Health Authority has allocated the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

(f) *Impairment*

The carrying amount of the Health Authority’s assets other than inventory is reviewed at each statement of financial position date to determine whether there is any indication of impairment. If any such indication exists, the asset’s recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount.

CAYMAN ISLANDS HEALTH SERVICES AUTHORITY

Notes to financial statements

For the year ended 31 December 2023
(stated in Cayman Islands dollars)

3. Significant accounting policies (continued)

(g) *Foreign currency translation*

Transactions in foreign currencies are translated at the prevailing foreign exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated to Cayman Islands dollars at the prevailing exchange rate at the statement of financial position date. Foreign exchange differences arising on translation are recognised in the statement of comprehensive income. Non-monetary assets and liabilities denominated in foreign currencies, which are stated at historical cost, are translated to Cayman Islands dollars at the prevailing foreign currency exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the Cayman Islands dollars at the prevailing foreign exchange rates at the dates that the values were determined.

(h) *Allowance for doubtful debts*

Health Authority uses the allowance method to record its estimated annual expense for doubtful debts. Under the allowance method, receivables are written off against the allowance for doubtful debts (a contra asset account) when management believes that the collectability of the account is unlikely. The allowance is an amount that management believes will be adequate to cover any doubtful debts, based on an evaluation of collectability and prior doubtful debts experience.

(i) *Inventory*

Inventory is valued at the lower of net realisable value or cost, on a moving average basis. Inventory is recorded net of obsolete, slow-moving, and expired items.

(j) *Revenue recognition*

Revenue including government programme is recognized upon transfer of promised goods or services to customers in an amount that reflects the consideration to which the Health Authority expects to be entitled in exchange of goods or services. This core principle is delivered as per the IFRS 15 five-step model framework which are: (1) Identify the contract with a customer; (2) Identify the performance obligations in the contract; (3) Determine the transaction price; (4) Allocate the transaction price to the performance obligations in the contract; and (5) Recognize revenue when the Health Authority satisfies a performance obligation.

Other income such as donations, interest on deposits, rental and other miscellaneous income are recognized when the condition (if any) relating to a donation is met, or the agreed criteria for interest revenue has been settled or when services are provided. Grants received or receivable in recognition of specific expenses are recognized in the statement of comprehensive income in the period received.

CAYMAN ISLANDS HEALTH SERVICES AUTHORITY

Notes to financial statements

For the year ended 31 December 2023
(stated in Cayman Islands dollars)

3. Significant accounting policies (continued)

(k) Employee benefits

The Health Authority employees and their dependants receive free medical benefits of which a portion is provided by the Health Authority within its facilities. The portion provided by the Health Authority within its facility is valued at \$10,677,066 (2022: \$8,960,406). This amount is netted against revenue as this is considered as contractual adjustments.

The Health Authority provides post-employment benefits through defined benefit and defined contribution plans.

Defined benefit plans

The Health Authority's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of plan assets. The cost of pensions and other retirement benefits earned by employees is actuarially determined using the projected unit credit method prorated on service and Management's best estimate of expected plan investment performance, salary escalation, retirement ages of employees, and mortality rates. When the calculation results in a net benefit asset, the recognised assets are limited to the total of any unrecognized past service costs and the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in other comprehensive income (loss). The net interest expense on the net defined benefit liability for the period is determined by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

The discount rate used to value the defined benefit obligation is based on a combination of high-quality corporate bonds, in the same currency in which the benefits are expected to be paid and with terms to maturity that, on average, match the terms of the defined benefit obligations and the long-term rate of return of plan assets.

CAYMAN ISLANDS HEALTH SERVICES AUTHORITY

Notes to financial statements

For the year ended 31 December 2023
(stated in Cayman Islands dollars)

3. Significant accounting policies (continued)

(k) Employee benefits (continued)

Defined benefit plans (continued)

In addition to employee pension benefits, the Health Authority also provides certain employee health care benefits to certain current and future retirees. To be eligible, employees must meet the following criteria at retirement: hired prior to 1 November 2010; complete 10 consecutive years with the Health Authority and the Government as principal employer; retire from the Health Authority at age 65 (statutory retirement age) or after age 50 (early retirement age) on the advice of the Medical Board; hired by Government and transferred to the Health Authority without a break in service.

In accordance with IAS 19, the Health Authority recognizes a liability when an employee has provided services in exchange for employee benefits to be paid in the future; and an expense when the entity consumes the economic benefit arising from service provided by an employee in exchange for employee benefits. These amounts are reported in the statements of financial position and comprehensive income, respectively. They are also presented in additional details in the notes to the financial statements.

The Health Authority presently pays its post-retirement health care obligations annually from its operating expenditure budget. The Health Authority is presently considering alternative funding arrangements which will set aside funds to meet future post-retirement health care obligations as and when they fall due.

Defined Contribution Plans

The Health Authority's obligations for contributions to employee defined contribution pension plans are recognized in the statement of comprehensive income in the periods during which services are rendered by employees.

(l) Provisions

Provisions are recognised when the Health Authority has a present obligation (legal or constructive) as a result of a past event, it is probable that the Health Authority will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the statement of financial position date, considering the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received, and the amount of the receivable can be measured reliably.

CAYMAN ISLANDS HEALTH SERVICES AUTHORITY

Notes to financial statements

For the year ended 31 December 2023
(stated in Cayman Islands dollars)

4. Cash and cash equivalents

	2023	2022
Petty cash	\$ 14,800	\$ 11,069
Bank accounts	\$ 24,127,044	\$ 40,807,409
	\$ 24,141,844	\$ 40,818,478

The Health Authority has an unsecured bank overdraft in the amount of \$4 million with CIBC First Caribbean International Bank (Cayman) Ltd. ("CIBC") as 31 December 2023. The amount utilized during the year was nil (2022: nil).

5. Short-term investments

	2023	2022
6-month fixed deposits	\$ 25,228,829	\$ 10,000,000
	\$ 25,228,829	\$ 10,000,000

HSA has a \$15.0 million (5.2% p.a. interest rate), six-month fixed deposit which matures in June 2024 at a local banking institution. There was an additional six-month investment of \$10.2 million (5.1% p.a. interest rate) with a maturity date of January 2024.

Start Date	Principal	End Date	Int Rate	Int to Maturity
21-Dec-23	15,000,000	21-Jun-24	5.20%	391,068
11-Jul-23	10,228,729	10-Jan-24	5.10%	260,121

6. Accounts receivable - net

	2023	2022
Gross accounts receivable	\$ 74,430,765	\$ 59,228,387
Allowance for doubtful debts	\$ (30,045,446)	\$ (23,975,386)
	\$ 44,385,319	\$ 35,253,001

Allowance for doubtful debts movement:

	2023	2022
Balance at beginning of the year	\$ 23,975,386	\$ 21,764,537
Additional provisions	\$ 6,070,060	\$ 4,339,279
Additional contractual adjustments	\$ -	\$ 1,731,179
Write-offs/Adjustments	\$ -	\$ (3,859,610)
	\$ 30,045,446	\$ 23,975,386

CAYMAN ISLANDS HEALTH SERVICES AUTHORITY

Notes to financial statements

For the year ended 31 December 2023
(stated in Cayman Islands dollars)

6. Accounts receivable – net (continued)

Below is the aging profile of accounts receivable as at 31 December 2023 and 31 December 2022:

	2023	2022
1 - 30 days	\$ 25,744,438	\$ 18,933,097
31 - 90 days	\$ 7,281,891	\$ 8,218,535
91 - 365 days	\$ 15,768,474	\$ 11,764,000
Over 365 days	\$ 25,635,962	\$ 20,312,755
	<u>\$ 74,430,765</u>	<u>\$ 59,228,387</u>

7. Other receivables - net

	2023	2022
Cabinet receivable	\$ 5,676,815	\$ 5,027,362
Other accounts receivable	\$ 565,313	\$ 453,539
Salary advance	\$ 139,729	\$ 57,296
	<u>\$ 6,381,857</u>	<u>\$ 5,538,196</u>
Less allowance for doubtful debts	3,846,920	-
	<u>\$ 2,534,937</u>	<u>\$ 5,538,196</u>

Allowance for doubtful debts movement:

	2023	2022
Balance at beginning of the year	\$ -	\$ -
Additional contractual adjustments (Note 3(k))	\$ 3,846,920	-
Write-offs	\$ -	-
	<u>\$ 3,846,920</u>	<u>\$ -</u>

Health Authority provided medical benefits to its employees and their dependents throughout the year in line with its contractual obligations. These benefits were recorded as contractual adjustments (or reduction to revenue) and reported under Other Accounts Receivable subject to adjudication with a 100% allowance for bad debts, as these are not collectible. Additional disclosure is presented as part of Note 17 - Staff Costs.

CAYMAN ISLANDS HEALTH SERVICES AUTHORITY

Notes to financial statements

For the year ended 31 December 2023
(stated in Cayman Islands dollars)

7. Other receivables – net (continued)

Cabinet receivables pertains to a receivable from the Ministry of Finance (\$3,846,920) related to outstanding COVID-19 services reimbursements and (\$1,828,695) from the Ministry of Health for monthly programmes. The \$3,846,920 has been disputed and a bad debt provision has been in accordance with policy made for potential write-off.

8. Inventory – net

	2023	2022
Pharmaceutical supplies	\$ 7,706,133	\$ 5,475,020
Medical supplies	\$ 6,529,710	10,995,697
	\$ 14,235,843	16,470,717
Less allowance for inventory impairment	\$ -	1,985,616
	\$ 14,235,843	\$ 14,485,101

The cost of inventories sold or used during the year is recognized as supplies and materials expenses in the statement of comprehensive income was \$27,097,402 (2022: \$25,990,835).

The inventory adjustment presented in the statement of comprehensive income for the year ended 31 December 2023 of \$772,032 (2022: \$2,222,681) represents the provision for slow moving stock as well as write-off for expired drugs and other inventory items.

CAYMAN ISLANDS HEALTH SERVICES AUTHORITY

Notes to financial statements

For the year ended 31 December 2023
(stated in Cayman Islands dollars)

9. Fixed assets

As at 31 December 2023	Land	Building	Medical equipment	Computer Hardware and Software	Construction in Progress	Other assets	Total
Cost:							
At 1 January 2023	16,093,000	82,779,362	27,005,713	11,363,816	379,415	13,279,704	150,901,010
Additions during the year	2,447,000	2,061,734	1,263,207	510,284	1,352,378	474,635	8,109,238
Disposals during the year	-	-	(129,407)	(18,023)	-	(20,881)	(168,311)
Transfers during the year	-	75,959	-	(96,206)	-	20,247	-
Revaluation adjustment	-	(9,716)	(8,703)	-	(199,269)	-	(217,688)
At 31 December 2023	\$ 18,540,000	\$ 84,907,340	\$ 28,130,810	\$ 11,759,874	\$ 1,532,524	\$ 13,753,705	\$ 158,624,249
Accumulated depreciation:							
At 1 January 2023	-	7,476,582	18,476,696	9,963,062	-	6,774,920	42,691,260
Charge for the year	-	4,224,784	1,641,702	617,791	-	1,108,404	7,592,680
Disposals during the year	-	-	(108,058)	(18,023)	-	(20,858)	(146,939)
At end of the year	-	11,701,366	20,010,340	10,562,830	-	7,862,466	50,137,001
Net Book Value							
At 31 December 2023	\$ 18,540,000	\$ 73,205,974	\$ 8,120,470	\$ 1,197,043	\$ 1,532,524	\$ 5,891,239	\$ 108,487,248

As at 31 December 2022	Land	Building	Medical equipment	Computer Hardware and Software	Construction in Progress	Other assets	Total
Cost:							
At 1 January 2022	16,093,000	74,291,122	24,594,571	10,689,633	4,304,321	9,870,861	139,843,508
Additions during the year	-	3,992,947	2,585,008	723,677	570,388	3,478,761	11,350,780
Disposals during the year	-	-	(173,866)	(49,494)	-	(69,918)	(293,278)
Transfers during the year	-	4,495,293	-	-	(4,495,293)	-	-
At 31 December 2022	16,093,000	82,779,362	27,005,713	11,363,816	379,416	13,279,704	150,901,010
Accumulated depreciation:							
At 1 January 2022	-	3,555,013	17,083,236	9,447,434	-	5,827,766	35,913,449
Charge for the year	-	3,962,099	1,556,415	629,243	-	581,298	6,729,056
Disposals during the year	-	(40,530)	(162,955)	(113,615)	-	365,856	48,756
At end of the year	-	7,476,582	18,476,696	9,963,062	-	6,774,920	42,691,261
Net Book Value							
At 31 December 2022	\$ 16,093,000	\$ 75,302,780	\$ 8,529,017	\$ 1,400,754	\$ 379,416	\$ 6,504,784	\$ 108,209,750

Included in other fixed assets are furniture & fittings, motor vehicles, office equipment, and leasehold improvements. The computer hardware and software include computer software valued at \$258,300 (2022: \$396,274).

Included in the advances to suppliers in the statement of financial position are amounts valued at \$666,722 (2022: \$1,280,066) related to the purchase of fixed assets that are yet to be delivered as of December 31, 2023.

During the year ended 31 December 2023 the Health Services Authority, through Lands & Survey Department, acquired two pieces of Crown land valued at \$2,447,000. Both are earmarked for the expansion of services in the districts.

Under the Health Authority Act, the Cayman Islands Government vested various healthcare facilities in the Cayman Islands into the Health Authority. These properties were valued on 1 January 2001, 17 June 2011, 5 July 2016, and 1 January 2021 by an independent appraiser such as BCQS International, JEC Property Consultants and DDL Studio Ltd., on a depreciated replacement cost basis. The next valuation is scheduled for January 2026.

CAYMAN ISLANDS HEALTH SERVICES AUTHORITY

Notes to financial statements

For the year ended 31 December 2023
(stated in Cayman Islands dollars)

10. Right-of-use assets

This note provides information for leases where the Health Authority is a lessee.

(i) Amounts recognised in the statement of financial position.

	2023	2022
Right-of-use assets:		
Buildings	\$ 3,932,017	\$ 1,895,493
Total	\$ 3,932,017	\$ 1,895,493
Lease Liability		
Current	\$ 1,248,682	\$ 678,185
Non-Current	\$ 2,881,918	\$ 1,419,623
Total	\$ 4,130,600	\$ 2,097,808

(ii) Amounts recognised in the statement of comprehensive income

The depreciation expense on statement of comprehensive income includes the following amounts relating to leases:

	2023	2022
Depreciation charge of right-of-use assets		
Buildings	\$ 1,163,178	\$ 953,694
	\$ 1,163,178	\$ 953,694

CAYMAN ISLANDS HEALTH SERVICES AUTHORITY

Notes to financial statements

For the year ended 31 December 2023
(stated in Cayman Islands dollars)

10. Right-of-use assets (continued)

Interest Expense relating to the finance cost portion of the lease liability is \$183,165, (2022: \$283,774). Expense relating to short-term leases and leases of low-value assets that are not shown above are included in other operating expenses. The total cash outflow for leases in 2023 was \$1,324,802 (2022: \$2,820,396).

(iii) The Health Authority's leasing activities and recognition

The Health Authority has lease contracts for various offices, and equipment used in its operations. Leases contracts are typically made for fixed periods of 6 months to 5 years but may have an extension option as described below.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Until the 2018 financial year, leases of buildings and equipment were classified as either finance leases or operating leases. From 1 January 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Health Authority.

The Health Authority also has certain leases of buildings and equipment with lease terms of 12 months or less and with low value. The Health Authority applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

Extension and termination options are included in several property and equipment leases across the Health Authority. These are used to maximise operational flexibility in terms of managing the assets used in the Health Authority's operations. Most of the extension and termination options held are exercisable only by the Health Authority and not by the respective lessor.

During the year 2023, HSA added locations to the right-of-use assets portfolio, namely Citrus Grove 4th floor and units on the 2nd floor, Georgetown Financial Centre unit 201 & 203 and Smith Road Centre unit 308. The following are the properties under ROU leases (leases over 365 days):

CAYMAN ISLANDS HEALTH SERVICES AUTHORITY

Notes to financial statements

For the year ended 31 December 2023
(stated in Cayman Islands dollars)

10. Right-of-use assets (continued)

Leasehold Property	Per lease
Bay Town Plaza Unit 203	\$ 143,548
Bay Town Plaza Unit 201 and 204	\$ 257,590
Bay Town Plaza Unit 105 & 205	\$ 182,101
Georgetown Financial Centre Unit 201 & 203	\$ 311,753
TPC -Smith Road Centre unit 301	\$ 242,103
TPC -Smith Road Centre unit 308	\$ 118,558
Citrus Grove 2nd Floor	\$ 111,027
Citrus Grove 4th Floor	\$ 306,747
Sigma Building upstairs office	\$ 57,400
Merren Dental Clinic	\$ 94,200
Heritage Holdings Warehouses	\$ 226,094
Elizabethan (Rovida Estates) storage	\$ 105,600
	<u>\$ 2,156,720</u>

The Health Authority also rents four warehouse units in the Heritage Holdings facility and one unit in Elizabethan Square used to house financial records and inventory items. Combined these various rented properties has committed the Health Authority to lease costs of over \$2 million per annum (including utilities and other pass-through charges).

11. Accounts payable and accrued expenses

	2023	2022
Accounts payable	\$ -	\$ (1,058)
Accrued expenses	\$ 4,943,904	\$ 6,342,368
Other payable	\$ 14,192,814	\$ 10,610,913
Employee benefits (Note 3(k))	\$ 733,048	\$ 696,313
	<u>\$ 19,869,765</u>	<u>\$ 17,648,536</u>

CAYMAN ISLANDS HEALTH SERVICES AUTHORITY

Notes to financial statements

For the year ended 31 December 2023
(stated in Cayman Islands dollars)

12. Employee healthcare benefits, net

The Health Authority provides post-retirement health care benefits to staff employed before 1 November 2010 who provide qualifying periods of service, and existing retirees whose medical coverage was dropped by the Portfolio of the Civil Service (POCS).

Starting April 2010, the Health Authority has paid for medical bills of its retirees whose medical coverage was dropped by the POCS. A policy directive has been received from POCS making the Health Authority liable for future medical bills of such retirees. Subsequently, the Board made a policy decision that all new employees hired after 1 November 2010 will no longer be extended post-retirement medical benefits.

Therefore, to be eligible for the post-retirement healthcare program, an employee must meet the following criteria at retirement:

- Must have been hired before 1 November 2010
- Must have completed 10 consecutive years of service with the Health Authority or CIG as principal employers
- Must retire from the Health Authority at the age 65 (statutory retirement age) or after age 50 (early retirement age) or on the advice of the Medical Board
- Employees hired with the CIG and transferred to the Health Authority without a break in service

The benefit entails a continuation of health insurance coverage on the medical plan offered to active employees. The premiums for this health insurance coverage are paid for by Health Authority for all eligible retirees until the end of their lives. This coverage falls within the definition of a defined benefit by the International Accounting Standards and as such represents a future liability of the Health Authority. The Health Authority is required to use the actuarial valuation method to determine the present value of its health insurance benefit obligations for its former employees as well as future retirees and the related current service costs. International Accounting Standards No. 19 (IAS 19) directs that funded or unfunded post-employment benefits be recognized in the statement of financial position (in the case of net defined liability or asset) and the statement of comprehensive income (for the annual expense).

These actuarial valuations use several financial and demographic assumptions to determine the liability and current expense of the benefits which will be honoured on behalf of the retirees. Financial assumptions include, the discount rate, estimated future costs of the medical premiums, and the claims rate for the medical plans. Demographic assumptions include estimated mortality and benefits levels.

The Health Authority commissioned Mercer Actuaries to provide this service and the results of their assessment are included hereunder. The Health Authority has a present value net defined benefit obligation of \$236,138,000 as at 31 December 2023 (2022: \$150,490,000). The details of the valuation and the assumptions used are reproduced hereunder in accordance with IAS 19.

The Health Authority has not contributed to any fund in order to meet future post-retirement health care obligations. Consequently, the entire \$236,138,000 is currently unfunded. Management's plan to address this unfunded post-retirement health liability is discussed in Note 25.

CAYMAN ISLANDS HEALTH SERVICES AUTHORITY

Notes to financial statements

For the year ended 31 December 2023
(stated in Cayman Islands dollars)

12. Employee healthcare benefits, net (continued)

Disclosure Information:

Financial year ending on	31 December 2023 CIS(000)	31 December 2022 CIS(000)
A. Change in defined benefit obligation		
1. Defined benefit obligation at end of prior year	150,490	192,306
2. Service cost		
a. Current service cost	2,988	5,477
b. Past service cost	-	-
c. (Gain)/loss on settlements	-	-
3. Interest expense	7,983	5,412
4. Cash flows		
a. Benefit payments from plan assets	-	-
b. Benefit payment from employer	(2,533)	(2,167)
5. Other significant events	-	-
6. Remeasurements		
a. Effect of changes in demographic assumptions	71,971	22,364
b. Effect of changes in financial assumptions	8,440	(73,130)
c. Effect of experience adjustments	(3,201)	228
7. Effect of changes in foreign exchange rates	-	-
8. Defined benefit obligation at end of year	236,138	150,490
B. Change in fair value of plan assets		
1. Fair value of plan assets at end of prior year	-	-
2. Interest income	-	-
3. Cash flows		
a. Total employer contributions		
(i) Employer contributions	-	-
(ii) Employer direct benefit payments	2,533	2,167
(iii) Employer direct settlement payments	-	-
b. Participant contributions	-	-
c. Benefit payments from plan assets	-	-
d. Benefit payments from employer	(2,533)	(2,167)
e. Settlement payments from plan assets	-	-
f. Settlement payments from employer	-	-
4. Other significant events	-	-
5. Remeasurements	-	-
6. Effect of changes in foreign exchange rates	-	-
7. Fair value of plan assets at end of year	-	-

CAYMAN ISLANDS HEALTH SERVICES AUTHORITY

Notes to financial statements

For the year ended 31 December 2023
(stated in Cayman Islands dollars)

12. Employee healthcare benefits, net (continued)

Disclosure Information: (continued)

Financial year ending on	31 December 2023 CIS\$(000)	31 December 2022 CIS\$(000)
C. Amounts recognized in the statement of financial position		
1. Defined benefit obligation	236,138	150,490
2. Fair value of plan assets	-	-
3. Funded status	236,138	150,490
4. Effect of asset ceiling/onerous liability	-	-
5. Net defined benefit liability (asset)	236,138	150,490
D. Components of defined benefit cost		
1. Service cost		
a. Current service cost	2,988	5,477
b. Reimbursement service cost	-	-
c. Past service cost	-	-
d. (Gain)/loss of settlements	-	-
e. Total service cost	2,988	5,477
2. Net interest cost		
a. Interest expense on DBO	7,983	5,412
b. Interest (income) on plan assets	-	-
c. Interest (income) on reimbursement rights	-	-
d. Interest expense on effect of (asset ceiling)/onerous liability	-	-
e. Total net interest cost	7,983	5,412
3. Remeasurements of other long term benefits	-	-
4. Administrative expenses and/or taxes (not reserved within DBO)	-	-
5. Defined benefit cost included in P&L	10,971	10,889
6. Remeasurements (recognized in other comprehensive income)		
a. Effect of changes in demographic assumptions	71,971	22,364
b. Effect of changes in financial assumptions	8,440	(73,130)
c. Effect of experience adjustments	(3,201)	228
d. Total remeasurements included in OCI	77,210	(50,538)
7. Total defined benefit cost recognized in P&L and OCI	88,181	(39,648)

CAYMAN ISLANDS HEALTH SERVICES AUTHORITY

Notes to financial statements

For the year ended 31 December 2023
(stated in Cayman Islands dollars)

12. Employee healthcare benefits, net (continued)

Disclosure Information: (continued)

Financial year ending on	31 December 2023 CIS(000)	31 December 2022 CIS(000)
E. Net defined benefit liability (asset) reconciliation		
1. Net defined benefit liability (asset)	150,490	192,306
2. Defined benefit cost included in P&L	10,971	10,889
3. Total remeasurements included in OCI	77,210	(50,538)
4. Other significant events	-	-
5. Cash flows		
a. Employer contributions	-	-
b. Employer direct benefit payments	(2,533)	(2,167)
c. Employer direct settlement payments	-	-
6. Credit to reimbursements	-	-
7. Effect of changes in foreign exchange rates	-	-
8. Net defined benefit liability (asset) as of end of year	236,138	150,490
F. Defined benefit obligation		
1. Defined benefit obligation by participant status		
a. Actives	168,495	118,280
b. Vested deferreds	-	-
c. Retirees	67,643	32,210
d. Total	236,138	150,490
G. Significant actuarial assumptions		
<i>Weighted-average assumptions to determine defined benefit obligation</i>		
Effective discount rate for defined benefit obligation	5.15%	5.35%
Health care cost trend rates		
Immediate trend rate	5.19%	5.28%
Ultimate trend rate	4.00%	4.00%
Year rate reaches ultimate trend rate	2045	2045
Mortality assumption	RP-2014 projected with MP-2021	RP-2014 projected with MP-2021

CAYMAN ISLANDS HEALTH SERVICES AUTHORITY

Notes to financial statements

For the year ended 31 December 2023
(stated in Cayman Islands dollars)

12. Employee healthcare benefits, net (continued)

Disclosure Information: (continued)

Financial year ending on	31 December 2023 CIS(000)	31 December 2022 CIS(000)
G. Significant actuarial assumptions		
<i>Weighted-average assumptions to determine defined benefit cost</i>		
Effective discount rate for defined benefit obligation	5.35%	2.95%
Effective rate for net interest cost	5.35%	2.83%
Effective discount rate for service cost	5.25%	2.95%
Effective rate for interest on service cost	5.30%	2.98%
Health care cost trend rates		
Immediate trend rate	5.28%	5.33%
Ultimate trend rate	4.00%	4.00%
Year rate reaches ultimate trend rate	2045	2045
Mortality assumption	RP-2014 projected with MP-2021	RP-2014 projected with MP-2021
H. Sensitivity analysis		
<i>Change in the defined benefit obligation</i>		
Effective discount rates - 25 basis points	11,176	7,184
Effective discount rate + 25 basis points	(10,484)	(6,738)
Health care cost trend rates - 100 basis points	(37,770)	(25,385)
Health care cost trend rates + 100 basis points	47,787	32,397
Mortality assumption + 10%	(9,970)	(6,233)
I. Expected cash flows for following year		
1. Expected employer contributions	4,091	
2. Expected total benefit payments		
Year 1	4,091	
Year 2	4,761	
Year 3	5,436	
Year 4	6,162	
Year 5	6,909	
Next 5 years	47,182	

Participant data:

The defined benefit obligation at 31 December 2023 of the Health Authority as it relates to its participation in the plan were based on the data provided as at 31 December 2023 (345 active participants and 119 retired not employed).

CAYMAN ISLANDS HEALTH SERVICES AUTHORITY

Notes to financial statements

For the year ended 31 December 2023
(stated in Cayman Islands dollars)

12. Employee healthcare benefits, net (continued)

Actuarial Assumptions:

The assumptions as at the reporting date are used to determine the present value of the defined benefit obligation (DBO) as at that date and the defined benefit cost for the following year. Mercer has used the actuarial assumptions selected by Health Authority. The assumptions, other than the claims and the future healthcare coverage assumptions, are consistent with the assumptions used to determine the results for the CIG's post-retirement healthcare program. The principal financial and demographic assumptions used at 31 December 2023 and 31 December 2022 are shown in the table below:

Economic Assumptions	Post-retirement Healthcare	Basis of Development - Accounting Specific Assumptions
Discount rate for benefit obligation (p.a.) . 31 December 2022 . 31 December 2023	5.35% 5.15%	Per IAS 19 para. 83, determined by reference to market yields on high quality corporate bonds (consistent with the term of the benefit obligations) at the fiscal year end date. Mercer US Above Mean Yield Curve (referencing US corporate bond yields) used to determine discount rates due to strong economic and currency links between the US and Cayman Islands.
Discount rate for the following year's current service cost (p.a.) . 31 December 2022 . 31 December 2023	5.25% 5.10%	
Rate of Medical Inflation (p.a.)	5.33% in 2021 grading down to 4.00% in <u>and after 2045 for healthcare costs</u> 4.00% for dental costs	Based on Mercer U.S. November 2021 Retiree Medical Trend Model
Demographic Assumptions	Post-retirement Healthcare	Basis of Development - Accounting Specific Assumptions
Current mortality rates	RP-2014 Mortality Table scaled back to 2006 using MP-2014	Recent mortality studies in the U.S. and Canada show that people are living longer. New mortality tables have been issued by U.S. and Canada. The mortality table has been updated to better reflect actual mortality improvement rates experienced in the US over the last 20 years.
Mortality improvements	Scale MP-2021	Broad consensus amongst longevity experts that mortality improvement will continue in the future. Scale MP-2014 was released October 2014. In the U.S., the latest future mortality improvement scale updated issued by the Society of Actuaries is Scale MP-2021.

CAYMAN ISLANDS HEALTH SERVICES AUTHORITY

Notes to financial statements

For the year ended 31 December 2023

(stated in Cayman Islands dollars)

12. Employee healthcare benefits, net (continued)

Actuarial Assumptions: (continued)

Demographic Assumptions	Post-retirement Healthcare	Basis of Development - Accounting Specific Assumptions
Turnover rates	Rate	
	<u>Age</u> <u>Male</u> <u>Female</u>	
	20-247.5%12.5%	
	25-295.0%12.5%	
	30-343.5%7.5%	
	35-392.5%4.5%	
	40-441.5%2.5%	
	45-490.5%0.5%	
	50+0.0%0.0%	
Disability rates	None assumed	
Retirement age	<u>Age</u> <u>Rate</u>	Based on 2020 experience study
	<550.0%	
	55-598.0%	
	60-6415.0%	
	65+100.0%	
Marital assumption	80% married, wife 3 years younger	

Demographic Assumptions	Post-retirement Healthcare	Basis of Development - Accounting Specific Assumptions
Healthcare claims cost assumption at Prior Year End	Health - \$7,630 per participant per year Dental - \$155 per participant per year Vision - \$78 per participant per year Administrative expenses - \$101.20 per retiree per month	Based on CIHSA active employee and retiree claims experience from 1 January 2017 to 31 December 2019 and 2020 renewal (converted to KYD), adjusted to age 65 using healthcare utilization differences due to age
Healthcare claims cost assumption at Year End	Health - \$13,530 per participant per year Dental - \$195 per participant per year Vision - \$115 per participant per year Administrative expenses · per retiree with spouse - \$114 per month · per retiree without spouse - \$104 per month	Based on CIHSA retiree-only claims experience from 1 January 2021 to 31 December 2022, adjusted to age 65 using healthcare utilization differences due to age
Healthcare coverage-future pensioners	Male - 27% single, 73% family Female - 50% single, 50% family	Based on CIG experience
Healthcare utilization changes due to age	Mercer standard healthcare aging assumptions for medical and dental	Based on analysis of healthcare utilization for Mercer clients in Canada and US

CAYMAN ISLANDS HEALTH SERVICES AUTHORITY

Notes to financial statements

For the year ended 31 December 2023
(stated in Cayman Islands dollars)

13. Employee pension benefits, net

(a) *Defined Benefit Plan*

The Public Service Pension Plan (the “Plan”) is managed by the Public Service Pension Board (the “PSPB”). The PSPB is responsible for, among other things, administering the Public Service Pensions Fund (the “Fund”), communicating with plan participants and employers, prescribing contribution rates in accordance with the latest actuarial valuation and recommending amendments to the Plan as needed.

In March 2005, the Government’s Financial Secretary informed the Health Authority that the decision to keep the unfunded defined benefit liability a central liability of the Government has been reversed and the Health Authority is expected to recognize the unfunded defined benefit pension liability on its financial statements.

Contributions towards benefits accruing in respect of the current service (i.e. for the period since the employee was enrolled in the plan) are funded at rates periodically advised to Health Authority by the Pensions Board and are recognised as an expense in the period incurred. The Health Authority is also required to make payments to the plan to fund benefits accruing in respect of past service (the “past service funding liability”).

This past service funding liability, which is generally equivalent to the actuarially determined present value of the defined benefit obligations less the value of the assets available to meet such obligations, is calculated periodically by the Plan actuaries and reported to the Health Authority by the Pensions Board.

The Health Authority recognizes changes in the past service funding liability, adjusted for funding payments made, as an expense or gain in the period in which such changes are incurred.

CAYMAN ISLANDS HEALTH SERVICES AUTHORITY

Notes to financial statements

For the year ended 31 December 2023
(stated in Cayman Islands dollars)

13. Employee pension benefits, net (continued)

(a) Defined Benefit Plan (continued)

To determine the defined benefit obligation of the Health Authority under the Plan, a professional actuary of PSPB was engaged to conduct annual studies. The most recent provisional actuarial estimate performed as of 31 December 2023 by the PSPB indicated a plan deficit attributable to the Health Authority of \$5,284,000 (2022: \$6,265,000).

Pension Expense and Reconciliation of Defined Pension Liability

	<u>31 December 2023</u> CIS(000)	<u>31 December 2022</u> CIS(000)
Provision at the beginning of the year	\$ 6,265	\$ 9,846
P&L charge/credit	970	1,272
Other comprehensive (income)/loss	(1,439)	(4,326)
Employer contributions	(512)	(527)
	<u>\$ 5,284</u>	<u>\$ 6,265</u>

Reconciliation of Funded Status:

Defined benefit obligation	20,839	18,899
Less: Fair value of plan assets	(15,555)	(12,634)
Defined benefit liability	<u>\$ 5,284</u>	<u>\$ 6,265</u>

Components of Defined Benefit Cost for the year:

Current service cost	654	1,021
Total net interest cost	316	251
Defined benefit cost included in P&L	<u>\$ 970</u>	<u>\$ 1,272</u>

CAYMAN ISLANDS HEALTH SERVICES AUTHORITY

Notes to financial statements

For the year ended 31 December 2023
(stated in Cayman Islands dollars)

13. Employee pension benefits, net (continued)

(a) Components of Defined Benefit Cost for the year (continued)

	<u>31 December 2023</u>	<u>31 December 2022</u>
	CIS(000)	CIS(000)
Remeasurement Included in Other Comprehensive Income (OCI):		
Demographic assumptions change	-	-
Financial assumptions change	(781)	(7,072)
Experience adjustments	1,158	(359)
Return on plan asset (excluding interest)	(1,816)	3,105
Total remeasurement included in OCI	(1,439)	(4,326)
Pension Expense for the year	(469)	(3,054)

The change in fair value of plan assets is as follows:

	<u>31 December 2023</u>	<u>31 December 2022</u>
	CIS(000)	CIS(000)
Fair value of plan assets at beginning of year	12,634	15,259
Interest income	695	414
Cash flows		
Employer and participant contributions	720	733
Benefit payments from plan	(157)	(316)
Transfers between other participating employers	(153)	(351)
Other significant event – decrease due to the effect of business combinations/divestitures/transfers	-	-
Remeasurements – return on plan assets (excluding interest income)	1,816	(3,105)
Fair value of plan assets at end of year	15,555	12,634

The defined benefit liability reconciliation is as follows:

	<u>31 December 2023</u>	<u>31 December 2022</u>
	CIS(000)	CIS(000)
Defined benefit obligation at beginning of year	18,899	25,105
Current service cost	654	1,021
Interest expense	1,011	665
Effect of changes in demographic assumptions	-	-
Effect of changes in financial assumptions	(781)	(7,072)
Effect of changes in experience adjustments	1,158	(359)
Cash flows	(102)	(461)
Defined benefit obligation at end of year	20,839	18,899

CAYMAN ISLANDS HEALTH SERVICES AUTHORITY

Notes to financial statements

For the year ended 31 December 2023
(stated in Cayman Islands dollars)

13. Employee pension benefits, net (continued)

(a) Defined Benefit Plan (continued)

The sensitivity analysis on defined benefit obligation is shown below:

	<u>31 December 2023</u>	<u>31 December 2022</u>
1. Discount rate		
a. Discount rate - 25 basis points	21,709	19,711
b. Discount rate + 25 basis points	20,021	18,135
2. Inflation rate		
a. Inflation rate - 25 basis points	19,964	18,130
b. Inflation rate + 25 basis points	21,767	19,713
3. Mortality		
a. Mortality - 10% of current rates	21,231	19,242
b. Mortality +10% of current rates	20,477	18,582

The expected cash flow for the following year is as follows:

	<u>31 December 2023</u>	<u>31 December 2022</u>
	<u>\$000</u>	<u>\$000</u>
Expected employer contributions	466	483

The significant actuarial assumptions are presented below:

<i>Weighted-average assumptions to determine benefit obligations</i>	<u>31 December 2023</u>	<u>31 December 2022</u>
1. Discount rate	5.15%	5.40%
2. Rate of salary increase	4.0% in 2024 and 3.7% thereafter	5.0% in 2023, 4.0% in 2024 and 3.7% thereafter
3. Rate of price inflation	2.5% in 2024 and 2.4% in 2025 and 2.0% thereafter	4.0% in 2023, 2.4% in 2024 and 2.0% thereafter
4. Rate of pension increases	2.5% in 2024 and 2.4% in 2025 and 2.0% thereafter	4.0% in 2023, 2.4% in 2024 and 2.0% thereafter
5. Post-retirement mortality table	100% RP-2014 generationally projected using scale MP-2021	100% RP-2014 generationally projected using scale MP-2021
6. Cost Method	Projected Unit Credit	Projected Unit Credit
7. Asset valuation method	Market Value	Market Value

CAYMAN ISLANDS HEALTH SERVICES AUTHORITY

Notes to financial statements

For the year ended 31 December 2023
(stated in Cayman Islands dollars)

13. Employee pension benefits, net (continued)

(a) Defined Benefit Plan (continued)

<i>Weighted-average assumptions to determine defined benefit cost</i>		<u>31 December 2023</u>	<u>31 December 2022</u>
1. Discount rate used to determine:			
Current service cost		5.35%	2.95%
Interest on current service cost		5.40%	2.85%
Net interest cost		5.35%	2.65%
2. Rate of salary increase	5.0% in 2023, 4.0% in 2024 and 3.7% thereafter		2.50%
3. Rate of price inflation	4.0% in 2023, 2.4% in 2024 and 2.0% thereafter		2.00%
4. Rate of pension increases	4.0% in 2023, 2.4% in 2024 and 2.0% thereafter		2.00%
5. Post-retirement mortality table	100% RP-2014 generationally projected using scale MP-2021	100% RP-2014 generationally projected using scale MP-2020	

Plan Assets

The Defined Benefit assets as well as Defined Contribution assets of the Plan are held as part of the Fund and managed by the PSPB. The assets of two other pension plans are pooled together to constitute the Fund.

The assets are notionally allocated to each of the three participating pension plans through an international accounting mechanism that tracks, for each accounting period, actual cash flows and allocates investment income based on the rate of return earned by the Fund. Based on the data provided, the gross rate of return earned by the Fund over the 12-month period, 1 January 2023, to 31 December 2023, was 19.57% per annum (2022: 17.6%). Similar internal accounting is used for developing each participating entity's share of the asset portfolio of the Fund.

The valuations are based on the asset values as at 31 December 2023 provided by the PSPB, along with cash flow and other supplemental asset information provided by PSPB. The assets are held in trust by CIBC Mellon. The data provided by the PSPB has been relied upon without further audit.

The Fund currently has investment policy with a target asset mix of 80% equities and 20% bonds. As at 31 December 2023, the Fund was invested as follows:

Plan Assets by Asset Category	<u>31 December 2023</u>		<u>31 December 2022</u>	
	(\$000)	Percentage	(\$000)	Percentage
Global equities securities	934,942	81%	767,353	81%
Debt securities	209,351	18%	175,678	18%
Cash	4,447	1%	7,991	1%
Total	1,148,740	100%	951,022	100%

CAYMAN ISLANDS HEALTH SERVICES AUTHORITY

Notes to financial statements

For the year ended 31 December 2023
(stated in Cayman Islands dollars)

13. Employee pension benefits, net (continued)

(a) Defined Benefit Plan (continued)

The share of the Fund that has been notionally allocated to the Health Authority with regards to its participation in the Defined Benefit Part of the Plan is \$15,555,000 as at 31 December 2023 (2022: \$12,634,100).

The Actuarial Assumptions

The assumptions as at the reporting date are used to determine the present value of the benefit obligation at that date and the defined benefit cost of the following year using the actuarial assumptions approved by the Cabinet. The principal financial and demographic assumptions used at 31 December 2023 are shown in the table below.

Measurement Date	31 December 2023	31 December 2022
Discount rate		
- BOY disclosure and current year expense	5.40% per year	2.90% per year
- EOY disclosure	5.15% per year	5.40% per year
- Following year current service cost	5.10% per year	5.35% per year
- Rate used to determine interest on defined benefit obligation and plan assets for following year expense	5.10% per year	5.35% per year
- Rate used to determine interest on current service cost for following year expense	5.15% per year	5.40% per year
Increases in pensionable earnings	4.0% in 2024 and 3.7% per year thereafter	5% in 2023, 4.0% in 2024 and 3.7% per year thereafter
Rate of Pension Increases	2.5% in 2024, 2.4% in 2025 and 2.0% per year thereafter	4.0% in 2023, 2.4% in 2024 and 2.0% per year thereafter
Mortality		
- BOY disclosure and current year expense	100% of the rates of the RP-2014 Mortality Table, generational projections using Scale MP-2021	100% of the rates of the RP-2014 Mortality Table, generational projections using Scale MP-2021
- EOY disclosure and following year expense	100% of the rates of the RP-2014 Mortality Table, generational projections using Scale MP-2021	100% of the rates of the RP-2014 Mortality Table, generational projections using Scale MP-2021
Disability	None	None
Turnover Rates	Age related table	Age related table

CAYMAN ISLANDS HEALTH SERVICES AUTHORITY

Notes to financial statements

For the year ended 31 December 2023
(stated in Cayman Islands dollars)

13. Employee pension benefits, net (continued)

(a) Defined Benefit Plan (continued)

Measurement Date	31 December 2023	31 December 2022
Retirement	Age-related retirement rates used. See table below	Age-related retirement rates used. See table below
Assumed life expectations on retirement	Retiring today (member age 57): 28.78 Retiring in 25 years (at age 57): 30.92	Retiring today (member age 57): 28.69 Retiring in 25 years (at age 57): 30.84
Liability Cost Method	Projected unit credit method	Projected unit credit method
Asset Value Method	Market Value of Assets	Market Value of Assets
Commutation of pension	All members commute 25% at retirement	All members commute 25% at retirement

Turnover Rates at sample ages:

Age	Males	Females
20	7.50%	12.50%
25	5.00%	12.50%
30	3.50%	7.50%
35	2.50%	4.50%
40	1.50%	2.50%
45	0.50%	5.00%
50	0.00%	0.00%

Retirement Rates:

Age	
Below 55	0%
55-59	8%
60-64	15%
65	100%

There have been no changes in actuarial assumptions since the prior valuation other than the changes to the principal assumptions shown in the table above.

CAYMAN ISLANDS HEALTH SERVICES AUTHORITY

Notes to financial statements

For the year ended 31 December 2023
(stated in Cayman Islands dollars)

13. Employee pension benefits, net (continued)

(a) Defined Benefit Plan (continued)

Participant Data

The defined benefit obligation at 31 December 2023 of the Health Authority as it relates to its participation in the Plan is based on the member data as at 31 October 2023 (53 active members). The data was updated from that used for the calculation of the defined benefit obligation as at 31 October 2023 (31 October 2022: 53 active members).

b) Defined contribution plan

Employees who are not participants in the defined benefit part of the Plan are enrolled in defined contribution part of the Plan. The total number of employees enrolled in the defined contribution with the PSPB at 31 December 2023 was 1,088 (2022: 958).

During the year ended 31 December 2023, the Health Authority and its employees contributed to the fund 12% and NIL respectively (2022: 12% and NIL, respectively).

The total amount recognised as a pension expense for the year ended 31 December 2023, inclusive of both defined benefit and defined contribution parts, was \$9,773,959 (2022: \$9,305,135).

14. Patient services fees

	2023	2022
Fees from the rendering of services-net	\$ 115,463,861	\$ 100,133,221
Fees from sale of goods	\$ 38,691,731	\$ 35,417,025
	<u>\$ 154,155,592</u>	<u>\$ 135,550,246</u>

Patient services fees include fees earned from medical care for 'beyond insurance coverage', indigent, and other services sold to the Government under a Purchase Agreement.

The Health Authority recorded a shortfall on the indigent output in the amount of \$7,514,057 (2022: \$6,635,472). This was ultimately funded through Segregated Insurance Fund (SIF) in the amount of \$4,500,000 (2022: \$4,500,000).

Fees from the rendering of service-net represent fees from all patient services provided (other than those sold to the Government under the Purchase Agreement), net of medical benefit of employees and their dependents provided by the Health Authority.

Fees from sale of goods are derived from the sale of drugs at pharmacy stores, district clinics, wards, and all other locations.

CAYMAN ISLANDS HEALTH SERVICES AUTHORITY

Notes to financial statements

For the year ended 31 December 2023
(stated in Cayman Islands dollars)

15. Government programmes

	2023	2022
Medical Services in Cayman Brac & Little Cayman	\$ 3,783,158	\$ 3,783,158
Mental Health Services	\$ 5,085,204	\$ 4,395,204
Ambulance Services	\$ 3,395,337	\$ 3,638,537
District Clinics Services	\$ 2,489,947	\$ 2,489,947
Public Health Programmes	\$ 1,353,576	\$ 1,353,576
Dental Services to children & special needs population	\$ 966,660	\$ 966,660
School Health Nursing Services	\$ 1,052,118	\$ 952,118
Medical Internship Programme	\$ 263,445	\$ 227,160
Child Abuse Program	\$ 105,000	\$ 105,000
Cancer Registry	\$ 62,027	\$ 62,027
Molecular Biology	\$ 1,270,449	\$ -
	<u>\$ 19,826,921</u>	<u>\$ 17,973,387</u>

Government programmes shown above were delivered in line with the terms and conditions agreed in the annual purchase agreement for the year ended 31 December 2023.

16. Other income

	2023	2022
Grant from Shareholder	\$ 308,997	\$ 10,054,588
Other income - general	\$ 2,515,518	\$ 2,311,210
	<u>\$ 2,824,515</u>	<u>\$ 12,365,798</u>

The amounts shown above as Grant from Shareholder represent funding received from the Government for services required in response to the COVID-19 pandemic. In 2022 public health demands on the Health Authority's service increased as a result of the Covid-19 pandemic, the Health Authority procured emergency supplies, medical services, testing, setup of a temporary field hospital, equipment, additional staffing, etc on behalf of the Government as advised by the Covid Taskforce. These costs were reimbursed to the Health Authority by the Government, which they have recorded as grants reflected above. However, in March 2023 the Ministry of Health issued a directive that COVID-19 related illness should be treated as any other regular illness and managed as such through the insurance companies.

CAYMAN ISLANDS HEALTH SERVICES AUTHORITY

Notes to financial statements

For the year ended 31 December 2023
(stated in Cayman Islands dollars)

17. Staff costs

	2023	2022
Salaries and wages (including overtime)	\$ 83,671,577	\$ 78,336,893
Health care - overseas/local	\$ 7,762,145	\$ 5,311,184
Pension contribution	\$ 9,773,959	\$ 9,305,135
Allowances	\$ 4,568,150	\$ 3,417,481
Other staff costs	\$ 3,802,882	\$ 2,005,147
Defined benefit healthcare and pension, net of re-measurement (Notes 19 & 20)	\$ 8,896,000	\$ 9,467,000
	<u>\$ 118,474,713</u>	<u>\$ 107,842,840</u>

In addition to the medical cost shown in the schedule above, the Health Authority employees and their dependants receive free medical benefits valued at \$10,677,323 (2022: \$8,960,406). The total health care cost of employees and their dependants amounted to \$18,439,212 (2022: \$14,271,590) excluding the unfunded defined benefit portion of healthcare cost for current and future retirees.

In 2022, the Health Authority adopted Section 47 (2) and (3) of the Public Authorities Act (2017). This resulted in the transition to the Cayman Islands Government salary scale as well as the absorption of full pension contributions by the Health Authority.

18. Supplies and materials

	2023	2022
Pharmaceuticals	\$ 19,696,895	\$ 15,566,700
Medical, dental and health supplies	\$ 5,656,853	\$ 6,023,119
Laboratory supplies	\$ 854,363	\$ 2,369,942
Cleaning supplies	\$ 104,155	\$ 632,083
Food and dietary	\$ 280,098	\$ 311,173
Attractive assets	\$ 66,415	\$ 211,276
Primary health vaccines	\$ 141,130	\$ 216,350
Office consumables	\$ 69,967	\$ 243,345
Vehicle and maintenance supplies	\$ 182,365	\$ 247,338
Other supplies	\$ 45,161	\$ 169,509
	<u>\$ 27,097,402</u>	<u>\$ 25,990,835</u>

Supplies and materials relate to the cost of inventory supplies consumed or sold during the year. It also includes attractive assets which that do not meet the Health Authority's criteria for capitalisation. As per government policy, these are immediately expensed.

CAYMAN ISLANDS HEALTH SERVICES AUTHORITY

Notes to financial statements

For the year ended 31 December 2023
(stated in Cayman Islands dollars)

19. Other operating expenses

	2023	2022
COVID-19 expenditures	\$ 76,135	\$ 3,551,127
Repairs and maintenance	\$ 2,147,086	\$ 1,956,143
Software licensing fees	\$ 2,034,665	\$ 1,951,887
Overseas laboratory tests	\$ 1,028,751	\$ 1,538,171
Freight and shipping	\$ 1,278,778	\$ 1,341,216
Leases and common area maintenance	\$ 2,623,848	\$ 1,969,311
Mail courier services	\$ 151,828	\$ 234,817
Public relations and publicity	\$ 444,330	\$ 302,387
Contracted services	\$ 92,006	\$ 144,705
Advertising	\$ 286,613	\$ 311,559
Miscellaneous medical expenses	\$ 107,804	\$ 164,566
Bank charges	\$ 162,103	\$ 125,928
Finance charges	\$ -	\$ -
Computer maintenance	\$ 229,524	\$ 256,796
Gain on reversal of revaluation loss	\$ -	\$ -
Miscellaneous	\$ (7,676)	\$ 494,179
Exchange rate net gain	\$ (1,050,607)	\$ (242,178)
	\$ 9,605,189	\$ 14,100,614

20. Legal and professional fees

	2023	2022
Professional fees	\$ 1,093,661	\$ 1,072,912
Legal fees	\$ 196,399	\$ 317,644
Audit services	\$ 175,000	\$ 164,000
Others	\$ 3,125	\$ 625
	\$ 1,468,186	\$ 1,555,181

CAYMAN ISLANDS HEALTH SERVICES AUTHORITY

Notes to financial statements

For the year ended 31 December 2023
(stated in Cayman Islands dollars)

21. Provision

The Health Authority is a defendant to several claims that have been brought against it by patients and employees resulting from its medical and business operations. Estimated liability for the lawsuits as of 31 December 2023 is NIL (2022: NIL). As of 31 December 2023, NIL (2022: NIL) was paid out as settlement for medical malpractice claims and NIL (2022: NIL) for employee claim, respectively.

22. Contingencies and commitments

(a) Contingent legal claims

For the year ended 31, December 2023, the Health Authority has assessed and determined that the potential outflow of funds for the malpractice and employee related legal claims amounts to \$1,485,000 (2022: \$1,320,000).

Included in this amount are claims worth \$375,000 which are more likely than not to result in a less than favourable outcome. However, no provision has been made against these claims in the financial statements since these claims are covered by the Health Authority malpractice insurance in excess of deductible, and the potential outflow of funds related to the deductible are deemed immaterial.

There are several claims outstanding that relate to services provided prior to the establishment of the Health Authority or prior to 1 July 2002. Neither provision nor contingent liability has been made for these claims in the financial statements, as the Health Authority believes any costs encountered (that are not covered by insurance) will be met by the Ministry of Health, Environment, Culture & Housing.

(b) Capital and operating commitments

Type	One year or less	One to five years	Over five years	Total
Capital Commitments				
Land and buildings	1,128,474	-	-	1,128,474
Leases	1,482,789	2,405,587	52,305	3,940,681
Total Capital Commitments	2,611,263	2,405,587	52,305	5,069,155
Operating Commitments				
Non-cancellable contracts for the supply of goods and services	3,557,498	2,465,690	1,116,377	7,139,565
Total Operating Commitments	3,557,498	2,465,690	1,116,377	7,139,565
Total Commitments 31 December 2023	\$ 6,168,761	\$ 4,871,277	\$ 1,168,682	\$ 12,208,719
Type	One year or less	One to five years	Over five years	Total
Capital Commitments				
Land and buildings	111,229	-	-	111,229
Leases	1,265,570	2,522,663	649,567	4,437,800
Total Capital Commitments	1,376,799	2,522,663	649,567	4,549,029
Operating Commitments				
Non-cancellable contracts for the supply of goods and services	4,962,179	2,432,443	1,491,833	8,886,455
Total Operating Commitments	4,962,179	2,432,443	1,491,833	8,886,455
Total Commitments 31 December 2022	\$ 6,338,978	\$ 4,955,106	\$ 2,141,400	\$ 13,435,484

CAYMAN ISLANDS HEALTH SERVICES AUTHORITY

Notes to financial statements

For the year ended 31 December 2023
(stated in Cayman Islands dollars)

22. Contingencies and commitments (continued)

(b) Capital and operating commitments (continued)

The outstanding capital commitments are for the commitments related to improvements at the Health Authority facilities \$1,128,474 and lease cost amounting to \$3,940,681 (2022: \$111,229 and \$4,437,800).

In addition, the Health Authority has entered various operating commitments with terms less than one year to over five years term amounting to \$7,139,565 (2022: \$13,324,255). A substantial part of this amount pertains to the contract with Abbott International for the equipment rental and service agreement which was \$3,148,069 (2022: \$3,563,985). The contract will expire on 22 August 2031.

(c) Sections 39(2) and 39(3) of the Public Authorities Act (2020 Revision) (PAA):

Under Section 39(2) of the PAA (2020 Revision), any surplus cash exceeding three month's reserve should be paid over to core government, unless directed otherwise by Cabinet. The Cabinet has granted the exemption to public authorities from paying over surplus cash reserve as at 31 December 2023.

Under Section 39(3) of the PAA (2020 Revision), the Health Authority is required to pay dividends in accordance with the formula established by the Minister of Finance.

Pursuant to Section 19 (d) of the "Policy for the payment of annual dividends by statutory authorities and government companies (SAGCs)" (the "Dividend Payment Policy") approved by Cabinet on 11 February 2020 and based on the long-term liabilities of the Health Authority, the payment of a dividend will prejudice the Health Authority's ability to meet its financial obligations as and when they fall due for payment. The Health Authority is also exempted per Section 19 (b) due to sustaining an Operating loss for the 2023 financial year and under section 19 (e).

(d) Sections 36(1) of the Public Authorities Act (2020 Revision) (PAA):

Section 36(1) of the PAA requires the Health Authority to pay an annual capital charge for the use of equity invested by the Government in the Health Authority. The capital charge is set by the Minister of Finance after consultation with the public authority's board. There is no capital charge payable for 2023 (2022: \$0) as the capital charge rate for the 2023 financial year was set at 0%.

CAYMAN ISLANDS HEALTH SERVICES AUTHORITY

Notes to financial statements

For the year ended 31 December 2023
(stated in Cayman Islands dollars)

23. Related party transactions

The Health Authority is directly controlled by the Government and has transactions with entities directly or indirectly controlled by the Government through its government authorities, agencies, affiliations, and other organizations (collectively referred to as “government-related entities”). The Health Authority has transactions with other government-related entities including the sale and purchase of goods and ancillary materials, rendering, and receiving services, lease of assets, depositing money, and use of public utilities.

These transactions are conducted in the ordinary course of Health Authority’s business on terms comparable with other entities that are not government related. The Health Authority has established procurement policies, pricing strategy and approval process for purchases and sales of goods and services, which are independent of whether the counterparties are government-related entities or non-government-related entities.

For the year ended 31 December 2023, management estimates that the aggregate amount of Health Authority’s transactions with government-related entities are at least 71% (2022: 68%) of its revenue and between 1% (2022:3%) of its operating expenditures. Significant transactions with the government-related entities are discussed as follows:

- The Health Authority provides health care for a large portion of the employees of the Government and their dependants including other ancillary services to other government related entities and reported this as revenue in the amount of \$68,689,705 (2022: \$59,450,830). The Health Authority is reimbursed by Cayman Islands National Insurance Company (CINICO) for the services provided to the employees of the Government and their dependants.
- The Health Authority did not receive an equity injection in 2023 (NIL in 2022) from the Cayman Islands Government.
- Pursuant to the general appropriation for the year ended 31 December 2023, the Health Authority billed the Government \$65,438,714 (2022: \$51,144,378) during the year for the outputs that have been purchased by the Government to provide medical care for indigent persons and under/un-insured children (included in patient services fees) and other government programmes totalling \$19,826,921 (2022: \$17,973,387). This included the maintenance of Faith Hospital in the amount of \$3,783,158 (2022: \$3,783,158).

CAYMAN ISLANDS HEALTH SERVICES AUTHORITY

Notes to financial statements

For the year ended 31 December 2023
(stated in Cayman Islands dollars)

23. Related party transactions (continued)

Below is the cost incurred by Health Authority for the other government programmes delivered to the Government and the budget amount:

		Billed		Budget
Faith Hospital	\$	3,783,158	\$	3,783,158
Ambulance	\$	3,395,337	\$	3,395,337
District Clinics	\$	2,489,947	\$	2,489,947
Mental Health	\$	4,245,204	\$	4,245,204
Public Health	\$	1,353,576	\$	1,353,576
Dental Services	\$	966,660	\$	966,660
Schoold Health	\$	1,052,118	\$	1,052,118
Adolescent Mental Health Hub	\$	840,000	\$	840,000
Medical Internship	\$	263,445	\$	263,445
Child Abuse Program	\$	105,000	\$	105,000
Cancer Registration	\$	62,027	\$	62,027
Molecular Biology	\$	1,270,449	\$	1,270,449
	\$	19,826,921	\$	19,826,921

There were 20 personnel categorized as related parties as of 31 December 2023. These are broken down as 13 key management personnel and 7 Board of Directors (2022: 13 key management personnel and 7 Directors). The remuneration of directors and other members of key management mainly included as staff costs including pension during the year was as follows:

	2023	2022
Short-term benefits:		
Senior management	\$ 2,453,449	\$ 2,362,034
Board of directors	\$ 250,750	\$ 250,900
	<u>\$ 2,704,199</u>	<u>\$ 2,612,934</u>

In addition to the above, for the year ended 31 December 2023 the Health Authority incurred medical costs for its key management and their dependants in the amount of \$173,167 (2022: \$209,683) including the cost provided in its own facility.

The Health Authority also had transactions with members of key management or with their family such as official travel reimbursements with an annual disbursement of \$26,349 (2022: \$16,880) and remuneration of other related party amounting to \$693,479 (2022: \$828,375).

CAYMAN ISLANDS HEALTH SERVICES AUTHORITY

Notes to financial statements

For the year ended 31 December 2023
(stated in Cayman Islands dollars)

24. Financial instruments and associated risks

The carrying amounts of Health Authority's financial instruments, including cash and cash equivalents, short-term investments, other receivables, accounts receivable, accounts payable and accrued expenses, approximate fair value due to the immediate or short-term nature of these financial instruments.

The Health Authority assessed the potential impact of IFRS 9 on the operations of the Health Authority and determined them to be minimal.

The Health Authority applied the ECL model, on the basis that (a) future cash flows from qualifying financial instruments (i.e. accounts receivable) are solely payments of principal and interest; and (b) receivables are held with the objective to collect future contractual cash flows and not for sale. The impact to accounts receivables is further outlined below.

Accounts receivables are held at amortized cost. The Health Authority applies the IFRS 9 simplified approach to measure ECL which uses a lifetime expected loss allowance for all accounts receivable. To measure ECL, accounts receivable has been grouped based on shared risk characteristics and the days past due.

The expected loss rates are based on the payment profile for revenue over a period of 5 years prior to 31 December 2023, and the corresponding historical credit losses experienced within this period. The historical loss rates are then adjusted to reflect current and forward-looking information including the use of third-party debt collectors as a strategy to improve the Health Authority's recovery of past due amounts.

The Health Authority has determined the number of days outstanding to be the most relevant factor in determining the potential collectability of past due receivables.

CAYMAN ISLANDS HEALTH SERVICES AUTHORITY

Notes to financial statements

For the year ended 31 December 2023
(stated in Cayman Islands dollars)

24. Financial instruments and associated risks (continued)

On that basis, the estimated credit loss allowance as of 31 December 2023 was determined to be \$30,045,446 for accounts receivable. This was calculated as follows:

	Current	More than 180 days	More than 365 days	Total
Expected loss rate	8%	85%	79%	
Gross carrying amount – Accounts receivables	\$ 40,895,734	\$ 7,899,068	\$ 25,635,963	\$ 74,430,765
Less allowance	\$ 3,211,014	\$ 6,689,764	\$ 20,144,668	\$ 30,045,446

Fair value estimates are made at a specific point in time, based on market conditions and information about the financial instrument. These estimates are subjective in nature and involve uncertainties and matters of significant judgment and therefore, cannot be determined with precision. Changes in assumptions could significantly affect the estimates. The Health Authority's activities expose it to various types of risk. The most important type of financial risks to which the Health Authority is exposed are as follows:

24.1 Credit risk

Credit risk represents the accounting loss that would be recognised at the reporting date if counter parties failed completely to perform as contracted. To reduce exposure to credit risk, the Health Authority performs ongoing credit evaluations of the financial condition of its customers but generally does not require collateral. Parties who default on their obligations despite repetitive collection efforts are referred to a collection agency or to legal counsel. The Health Authority is exposed to credit-related losses in the event of non-performance by counter parties to these financial instruments.

Accounts receivables consist of a large number of customers who would either have health insurance coverage with CINICO or with various commercial insurance, or no insurance coverage at all. Concentration of credit risk belongs to the group of customers known as "self-pay". These amounts are owed by customers who have neither insurance coverage nor sufficient coverage. These are estimated to be 40% - 100% (2022: 40% - 100%) uncollectible.

Accounts receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include: age, balance outstanding, inability to contact debtor, means of debtor to make repayment, existence of a repayment plan or promissory note.

Impairment losses on accounts receivable are presented as provision for doubtful debts within the statement of comprehensive income. Subsequent recoveries of amounts previously written off are credited against the same line item.

CAYMAN ISLANDS HEALTH SERVICES AUTHORITY

Notes to financial statements

For the year ended 31 December 2023
(stated in Cayman Islands dollars)

24. Financial instruments and associated risks (continued)

24.1 Credit risk (continued)

The carrying amount of financial assets recorded in the financial statements as accounts receivable from “self-pay” group of customers, which is net of allowance for doubtful debts, represents the maximum exposure to credit risk:

	Less than 1 month	1-3 months	3 months to 1 year	1 year over	Total
	\$000	\$000	\$000	\$000	\$000
2023					
Gross accounts receivable	2,300	1,827	7,529	21,017	32,673
Allowance for bad debts	(131)	(1,000)	(6,401)	(14,089)	(21,620)
	<u>2,170</u>	<u>827</u>	<u>1,128</u>	<u>6,928</u>	<u>11,053</u>
	Less than 1 month	1-3 months	3 months to 1 year	1 year over	Total
	\$000	\$000	\$000	\$000	\$000
2022					
Gross accounts receivable	1,550	1,399	7,099	14,601	24,649
Allowance for bad debts	(141)	(820)	(6,053)	(9,976)	(16,990)
	<u>1,409</u>	<u>579</u>	<u>1,046</u>	<u>4,625</u>	<u>7,659</u>

24.2 Liquidity risk

Ultimate responsibility for liquidity risk management rests with the board of directors, which has built an appropriate liquidity risk management framework for the management of the Health Authority’s funding and liquidity management requirements. The Health Authority manages liquidity risk by maintaining the \$4 million credit facility, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The following tables indicate the contractual timing of cash flows arising from assets and liabilities included in the financial statements as of 31 December 2023.

CAYMAN ISLANDS HEALTH SERVICES AUTHORITY

Notes to financial statements

For the year ended 31 December 2023

(stated in Cayman Islands dollars)

24. Financial instruments and associated risks (continued)

24.2 Liquidity risk (continued)

	Carrying amount	No stated maturity	Contractual cash flows (undiscounted)				
			0-1 yr	1-2 yrs	2-3 yrs	3-4 yrs	>5 yrs
31 December 2023							
Financial assets							
Cash and cash equivalents	24,141,844	-	24,141,844	-	-	-	-
Short-term investments	25,228,829	-	25,228,829	-	-	-	-
Accounts receivable, net	44,385,319	-	38,894,025	5,491,295	-	-	-
Other receivables	2,534,937	-	2,534,937	-	-	-	-
	96,290,929	-	90,799,635	5,491,295	-	-	-
Financial liabilities							
Accounts payable and accrued expenses	19,869,765	-	19,869,765	-	-	-	-
	19,869,765	-	19,869,765	-	-	-	-
Difference in contractual flows	76,421,164	-	70,929,869	5,491,295	-	-	-
	Carrying amount	No stated maturity	Contractual cash flows (undiscounted)				
			0-1 yr	1-2 yrs	2-3 yrs	3-4 yrs	>5 yrs
31 December 2022							
Financial assets							
Cash and cash equivalents	40,818,478	-	40,818,478	-	-	-	-
Short-term investments	10,000,000	-	10,000,000	-	-	-	-
Accounts receivable, net	35,253,001	-	30,090,905	5,162,096	-	-	-
Other receivables	5,538,196	-	5,538,196	-	-	-	-
	91,609,675	-	86,447,580	5,162,096	-	-	-
Financial liabilities							
Accounts payable and accrued expenses	17,648,536	-	17,648,536	-	-	-	-
	17,648,536	-	17,648,536	-	-	-	-
Difference in contractual flows	73,961,139	-	68,799,043	5,162,096	-	-	-

CAYMAN ISLANDS HEALTH SERVICES AUTHORITY

Notes to financial statements

For the year ended 31 December 2023
(stated in Cayman Islands dollars)

24. Financial instruments and associated risks (continued)

24.3 Interest risk

Interest rate risk – The Health Authority is exposed to interest rate risk for the \$4 million credit facility with CIBC at a rate of prime plus 0.25% per annum. This interest rate will fluctuate from time to time in line with the general level of interest rates. The risk is managed by the Health Authority by maintaining a short-term credit agreement that is renewable every year to have a negotiable and preferred rate. In addition, the Health Authority is limiting the usage of the credit facility by continuously monitoring the daily cash position which management views as likely to result into a bank preferred interest rate on the renewal of the agreement. The Health Authority has a minimal exposure on interest risk as none of the other financial instruments is exposed to this type of risk.

25. Going concern considerations

Management continues to adopt the going concern basis of accounting in preparing the financial statements.

Following the recognition of the post-retirement health care liability, Health Authority's financial position as of 31 December 2023 was -\$41,301,060 (2022: \$41,562,165) with a net deficit for the year of \$7,092,225 (2022: \$5,174,477) as presented in the statement of comprehensive income.

The Health Authority has the ability to fund annual past service liabilities as they fall due. As of 31 December 2023, the Health Authority had aggregate cash holdings including liquid investments of \$49,370,673. This puts the Health Authority in a position well above the required 90-day cash holding. The Health Authority is a health care facility, Management believes that the Health Authority can provide a proper health care to its retirees within its facility nevertheless, a stop loss insurance coverage is in place to cover the acute cases of retirees thereby limiting the medical credit risk exposure of Health Authority. In addition, the Health Authority has a \$4 million overdraft facility as additional buffer for any cash short fall in the future and this remain unused at present.

Nevertheless, the leadership of the Health Authority's continues to monitor and manage the risk resulting from annual actuarial valuations.

CAYMAN ISLANDS HEALTH SERVICES AUTHORITY

Notes to financial statements

For the year ended 31 December 2023
(stated in Cayman Islands dollars)

26. Subsequent events

In January 2024, Dr Vinton Douglas was appointed as the new deputy chief officer. In tandem with this appointment, a new organisation structure was rolled out. The move is expected to strengthen the clinical arm of the organisation.

In January, the Authority adopted a Time and Attendance policy aimed at reducing absenteeism and curbing overtime which currently amounts to over \$4 million annually. To ensure the ability to recruit and retain highly skilled physicians and specialist nurses the Board had to amend compensation rates for Physicians, and specialist nurses in alignment with the S.47 (Public Authorities Act) implementation. The HSA also in the process of implementing a Work from Home policy by Q3 of 2024. This move is expected to reduce lease costs and improve job satisfaction.

In February 2024, the HSA pathology laboratories in Grand Cayman and Cayman Brac were both reaccredited by Joint Commission International. This will strengthen the HSA brand and place the Health Authority on par with other international medical facilities worldwide.

In February 2024, an ambulatory response unit was commissioned to serve the eastern districts. The unit is based in Bodden Town and all contractual arrangements to facilitate same are already in place. The unit is expected to cost \$0.1 million in addition to staff costs.

In March 2024, the Public Procurement committee approved plans for the establishment of a Radiology Centre and Blood Bank at the Smith Road Centre expected to cost \$1.6 million to better serve the public through the reduction of wait times. Additionally, architectural plans are now in place for the expansion of the Bodden Town and West Bay health centres to meet the needs of the respective districts.

Management is not aware of any other events after the reporting date which will have an impact on the operations of the Health Authority or its financial statements at 31 December 2023.



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