



ANNUALREPORT 2025

Delivering exceptional, patient-centred healthcare that enhances the well-being of the Cayman Islands through accessible, sustainable services—provided by skilled, empowered professionals in partnership with our community.

Honouring Our Legacy

Our journey began in 1937 with the opening of the Cayman Islands' first hospital, a humble four-bed facility led by one physician and four nurses, united by a shared commitment to caring for a growing community.

From those early days of service and compassion, a strong foundation was built, one that continues to guide us nearly nine decades later.

In 2025, the Health Services Authority (HSA) stands as the cornerstone of public healthcare in the Cayman Islands. Our services are anchored by two main hospitals: a 127-bed facility in George Town, Grand Cayman, and an 18-bed hospital in Cayman Brac. We extend care even further through district health centres in West Bay, Bodden Town, North Side, East End, and Little Cayman, alongside outpatient services at Smith Road Medical Centre and Bay Town House.

While our facilities and capabilities have grown, our purpose remains steadfast—to deliver high-quality, patient-centred care grounded in safety, dignity, and compassion. In 2025, we continue to strengthen our systems, expand access, and invest in innovation, ensuring that the care we provide today meets the needs of tomorrow.

Led by a dedicated team of physicians, nurses, allied health professionals, and support staff, we remain deeply committed to treating every patient as a valued individual. Together, we honour our legacy not only by remembering where we began, but by boldly shaping the future of healthcare for the Cayman Islands.



Top: Hospital in 1937. Middle: Hospital in 1960. Bottom: Hospital in 2025



Table of Contents

STORIES THAT SHAPED OUR YEAR

HSA Wins
Business Excellence
Awards for
Developing
Local Talent 9

HSA Staff
Member
Steps Up to
Serve Patients
in a New Role 12

Cayman Islands
Blood Bank
sends lifesaving
donation to Jamaica
following
Hurricane
Melissa 23

New HSA
Vascular Service
advances amputation
prevention,
diabetes and
kidney care 58

HSA Nurse
Receives 2025
Eloise Reid
Excellence in
Nursing Award 65

Introduction	4
Financial Overview	6
CEO's Message	7

Health Services Authority Profile	10
-----------------------------------	----

Organisational Chart	14
Board of Directors Sub-Committees	15
Board of Directors Profiles	16

STATS AT A GLANCE

By the numbers: a year of Impact	22
----------------------------------	----

A YEAR IN REVIEW

First Quarter Snap Shot	26
Second Quarter Snap Shot	28
Third Quarter Snap Shot	30
Fourth Quarter Snap Shot	34

STRATEGIES & ACHIEVEMENTS 38

Strategy 1: Revenue growth & cost efficiency	40
---	----

Strategy 2: Enhancing Patient and Staff Experience	41
--	----

Strategy 3: Improving Access to Care and Services	43
---	----

Strategy 4: Recruitment and Retention	44
--	----

Strategy 5: Technological Innovation	50
---	----

Strategy 6: Advancing Population Wellness	51
--	----

Strategy 7: Infrastructure Development	53
---	----

Cayman Brac & Little Cayman	57
Community & Events	60
Looking Ahead	67
Management Discussion & Analysis	68
Financial Statements	89

Introduction



We are pleased to present the Health Services Authority's (HSA) 2025 Annual Report, prepared in accordance with the Public Management and Finance Act (2020 Revision) (PMFA) for Statutory Authorities and Government Companies.

Covering the period from January 1, 2025, to December 31, 2025, this report offers a detailed account of our performance while drawing comparisons with the previous year's results.

As mandated by Section 52 of the PMFA, our Annual Report reflects a commitment to transparency and accountability in all areas of our operations. By sharing these insights, we reinforce HSA's dedication strengthening the delivery of healthcare services through expanded access, improved clinical capability, system modernisation and a renewed emphasis on prevention and quality healthcare across the Cayman Islands.

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
- a. comply with Schedule 4.

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 Parliament 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	76,791	46,282
Revenue from Ministries, portfolios, statutory authorities, government companies	84,301	68,381
Revenue from others	55,041	76,203
Total revenue	216,133	190,866
Operating Expenses	224,817	190,773
Operating (deficit)/Surplus	(8,684)	93
NET WORTH	ACTUAL	TARGET
Net Worth / (Deficit)	(39,699)	32,804
CASH PERFORMANCE	ACTUAL	TARGET
Cash flows from operating activities	14,856	13,233
Cash flows from investing activities	9,214	(10,895)
Cash flows from financing activities	(1,739)	0
Change in cash balances	22,332	2,338
FINANCIAL PERFORMANCE RATIOS	ACTUAL	TARGET
Current Assets: Current Liabilities	5.37	14.65
Total Assets: Total Liabilities	0.85	1.2
HUMAN CAPITAL MEASURES	ACTUAL	TARGET
Total Full-time Staff Employed	1,304	1,175

CEO's Message

Over the past year, the Cayman Islands Health Services Authority has remained the cornerstone of our national health system, leading efforts to promote wellness and deliver reliable, high-quality care to a growing and diverse population.

This 2025 annual report highlights outcomes and achievements from our strategic priorities focusing on delivering high-quality care, improving access to services, fostering local and international talent, advancing infrastructure improvements and addressing the growing burden of chronic diseases. By leveraging technology, expanding clinical services, focusing on cost efficiencies and prioritising patient and staff satisfaction, HSA continues to achieve our mission of improving the health and well-being of Cayman's community.

Providing healthcare services for all remains central to our mandate and mission. Over the past year, we have increased specialist clinic capacity and extended operating theatre hours, while expanding services to meet the rising demand and to reduce the wait times for certain clinical services.



| **Lizzette Yearwood**, Chief Executive Officer

CEO MESSAGE

We continue to closely monitor these pressures and are working collaboratively with private sector healthcare providers and other stakeholders to improve access and ensure patients receive care in a timely manner.

To ensure our patients remain healthy and well, it is essential that we sustain a strong, highly skilled workforce. 2025 brought recruitment challenges driven by global shortages across the healthcare sector and a temporary hiring freeze for part of the year for many positions within the organisation. However, we prioritised patient care, and actively recruited specialists and other key positions to ensure continuity of care.

A central component of our resilience is therefore our sustained investment in local talent through multiple initiatives, such as the Transition to Practice Nursing Programme. These programmes are proudly designed to cultivate future leaders, strengthen workforce sustainability, and retain homegrown clinical and professional expertise for the long-term benefit of the healthcare sector.

Our patient-centred approach continues to reflect our long-standing belief that a healthy nation underpins productivity, social stability, and sustain-

able development. Through the work of the Public Health Department, we have strengthened immunisation coverage, outbreak preparedness, home care services, and disease surveillance, while embedding prevention and early detection across communities.

With the needs of a growing population, our infrastructure development continues to evolve with expanding and modernising spaces while strengthening safety standards. These expansions and capital investments across our facilities allow us to improve clinical services and experiences for patients and staff. An aging infrastructure and patient demand have put strain on the healthcare system. However, we continue to receive support from the Ministry of Health and other stakeholders to progress various initiatives, expansions and relocations, some of which were completed in 2025 or are in progress for 2026 completion.

In recognition of our ongoing efforts to improve our financial position, the HSA has received its eighth consecutive clean audit opinion, further demonstrating our commitment to improving accountability and transparency in financial stewardship.

In 2025 HSA achieved record revenue of CI\$216 million, surpassing financial

targets and significantly reducing our deficit. Strategic recruitment of income-generating specialists, continuous improvements in billing processes and collections, and enhanced financial transparency have been and remain a priority to further strengthen our financial position.

As we close 2025, we continue our mission of providing the highest quality healthcare and improving the well-being of people in the Cayman Islands through accessible, sustainable patient-focused services. Through a sustained commitment to excellence, innovation, and accountability, HSA aims to further elevate the standard of healthcare delivery.

HSA Wins Business Excellence Awards for Developing Local Talent

Press Release, November 16, 2025

The Health Services Authority (HSA) was honoured with two prestigious awards at the Cayman Islands Chamber of Commerce's 2025 Business Excellence Awards on Saturday, 15th November.



HSA representatives accept Training Champion award at the Chamber of Commerce's 2025 Business Excellence Awards.

HSA received both the Training Champion and the Commitment to Youth Education awards, recognising the organisation's longstanding dedication to local talent development and youth empowerment.

The Training Champion Award recognises organisations dedicated to enhancing skills and building a resilient workforce for Cayman's future. The Commitment to Youth Education Awards highlights businesses that have exceeded expectations in supporting students and learning through partnerships, internships, and educational programmes.

In accepting the award for Training Champion, Ms. Lizzette Yearwood, CEO of the HSA, expressed that "we take immense pride in offering various training programmes to Caymanians, opening doors to new career opportunities and further strengthen-

ing our local workforce ... training and development is not only to benefit your team, but more importantly, to benefit all of our patients and wider community."

Over the years, the HSA has launched and expanded numerous training, development, and youth education initiatives designed to cultivate home-grown talent and create career opportunities for Caymanians to contribute to the health sector.

She further emphasised that programmes such as the organisation's Summer Student Internship Programme, "strengthen Cayman's future workforce by cultivating a local talent pipeline. Students build relationships with mentors, see how multidisciplinary teams collaborate, and begin to visualise long-term careers.

As cohorts move through internships, the cumulative effect is a growing pool of Caymanian candidates who are better prepared, more resilient, and more likely to thrive in the sector."

"HSA has many success stories of young Caymanians starting as interns in our summer student programme or participating in the medical internship programme and returning to HSA following their studies," Yearwood added.

Other HSA development initiatives include the Transition to Practice Nursing Programme, Healthcare Aide Programme, Emergency Medical Services Training, Operating Rooms Assistant Training, Phlebotomy Technician Certification, Medical Internships, CIFEC Healthcare Aide Mentorships, among others.

Committed to *Caring* for You

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 90,000 residents of the Cayman Islands and visitors, in accordance with the National Strategic Plan for Health or as agreed with the Ministry of Health, Environment & Sustainability.

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 require our fellow employees to practice them diligently.

Respect
Responsibility
Integrity
Caring
Excellence

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
- ✓ Immunisations
- ✓ 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
- ✓ Orthopaedics
- ✓ Paediatrics
- ✓ Pain Management
- ✓ Pathology
- ✓ Pharmacy
- ✓ Physiotherapy
- ✓ Primary Care
- ✓ Public Health
- ✓ Pulmanology
- ✓ Radiology
- ✓ Respiratory Therapy
- ✓ Rheumatology
- ✓ Sleep Medicine
- ✓ Speech Therapy
- ✓ Sports & Exercise Medicine & Traumatology
- ✓ Urgent Care
- ✓ Urology
- ✓ Vascular
- ✓ Women's Health

HSA Staff Member Steps Up to Serve Patients in a New Role

Press Release, July 11, 2025

After nearly five years serving as a dedicated porter at the Health Services Authority (HSA), Elda Green-James has begun a new chapter of her healthcare journey as an Operating Theatre Scrub Technician.

This exciting career shift is not only a personal triumph but highlights HSA's commitment to supporting the professional development of its Caymanian staff.

Mrs Green-James, who officially began her new role on 1 June 2025, completed a rigorous four-month Operating Theatre Scrub Technician Course in Jamaica, which included two months of theoretical training and two months of hands-on practical experience. The programme, certified by Jamaica's Ministry of Health, covered a wide range of subjects including anatomy and physiology, aseptic techniques, and surgical technologies. The opportunity was made possible through HSA's internal training and development programme, designed to upskill promising Caymanian staff.

Mrs Green-James shared that the de-



Elda Green-James in her new role as scrub technician.

cision to pursue this path stemmed from her desire to spend more time with her children, as the Scrub Tech schedule offered greater flexibility compared to her previous 12-hour shifts as a porter. "It was a proud moment," she said. "It was overwhelming and exciting—but I did it. I spent four months away from my children, and now I can finally be there for school

meetings and functions without asking someone else to step in."

Despite the long hours, Mrs Green-James stated that she loved her job as a porter. It was her experience, working across every ward, from Medical to Accident & Emergency (A&E), that laid the foundation for her career change. A simple conversation with a physician in the A&E Department sparked her interest in the Operating Room (OR). "One of the doctors said to me, 'You take to this so easily, why not go into the OR?'" she recalls. Although she initially hesitated, when the opportunity finally came through HSA, she seized it with the support of key leaders, such as Director of Nursing Dr Karen Stewart.

The transition wasn't without its challenges. "As a porter, I was always on the move. As a scrub tech, I remain in one place for extended periods during surgeries. That took some adjusting," she noted. However, the rewards have been significant. "I'm proud. I went from pushing patients around to directly assisting in their surgeries. I always wanted to do more and now I am."

Mrs Green-James was selected from a competitive pool of 12 internal applicants through a rigorous process that included interviews and examinations. She advanced as one of the top three candidates reviewed by

Jamaica's Ministry of Health and was ultimately the only individual selected for the overseas training opportunity.

Chief Human Resources Officer Samantha Bennett confirmed that the initiative is part of a broader effort to upskill Caymanian staff. "We are proud to offer these professional development opportunities that empower our employees to grow into new roles," said Mrs Bennett. "Elda is a shining example of what's possible through hard work, commitment, and support. She now serves as a beacon of inspiration for her peers and for the wider Caymanian community."

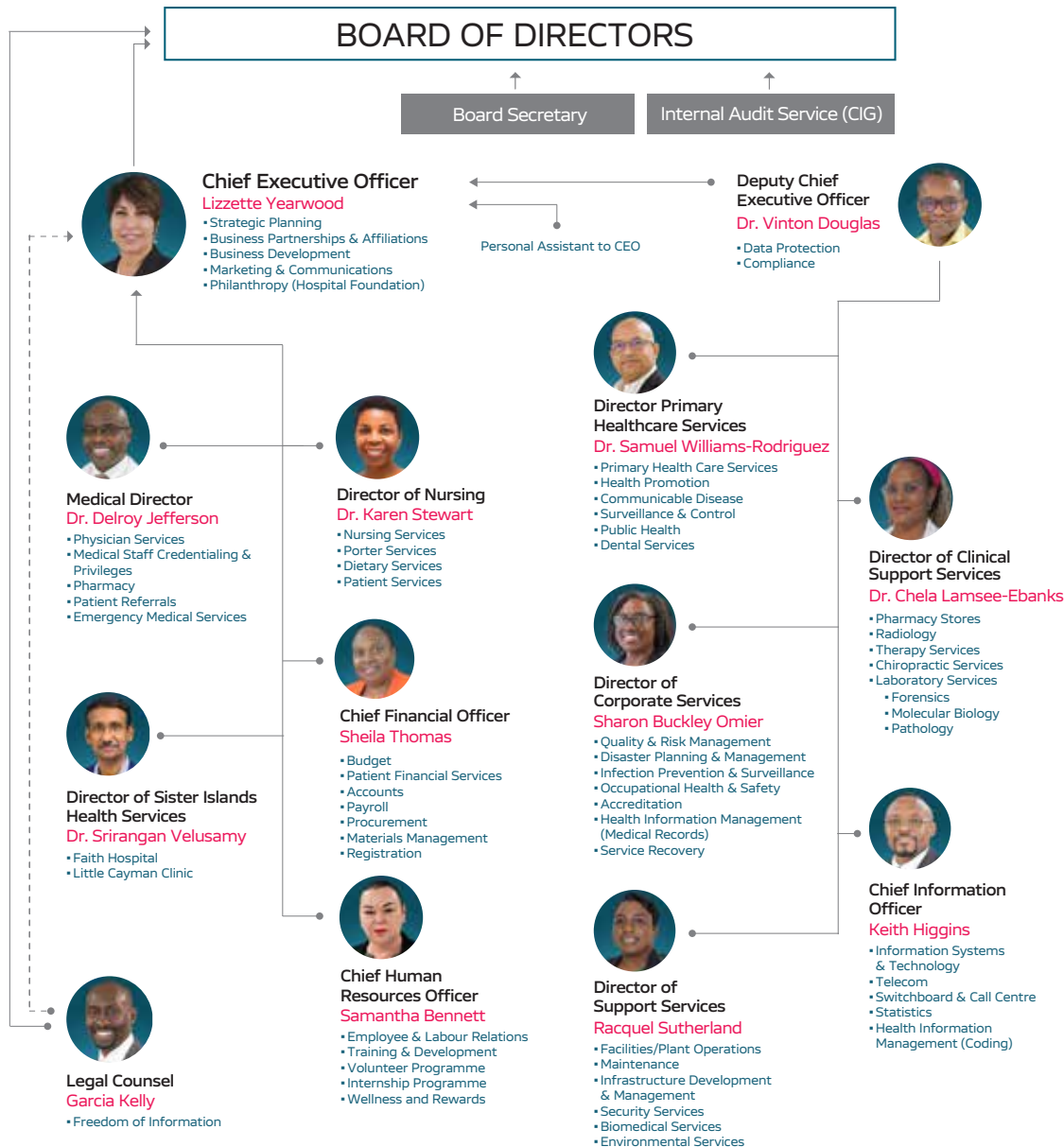
Mrs Green-James also expressed heartfelt appreciation to the HSA leadership team. "Thank you for believing in me. Being away for four months made me value our health-care system even more. In Jamaica, patients may wait an entire day or longer to be seen in A&E and often have to travel between hospitals and private labs just to complete basic tests. Here at HSA, everything is in one place under one Authority. We should never take that for granted."

Her advice to other HSA staff and the wider public is to "Start anywhere you can. You don't have to stay in one position—there are always opportunities to grow."



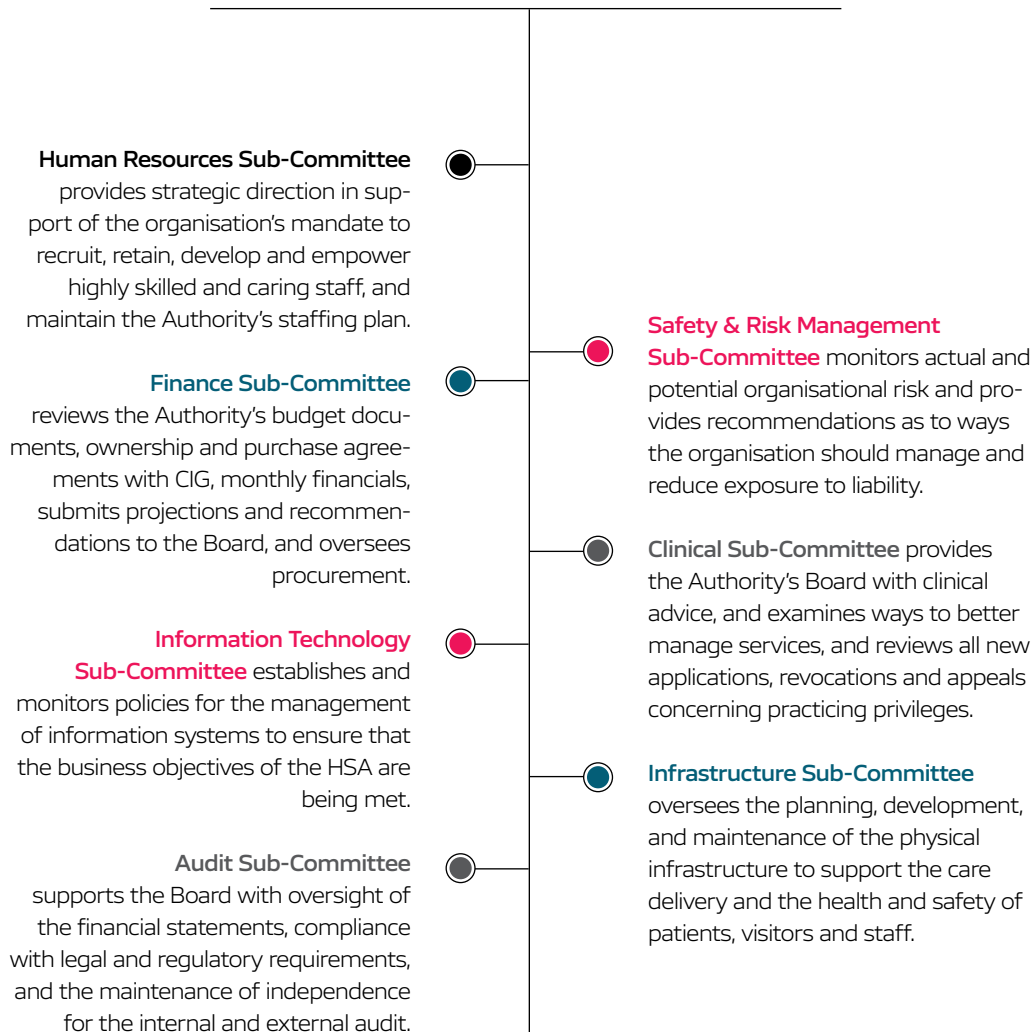


Organisational Chart



Board Sub-Committees

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



HSA Board of Directors

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



Yvette Dilbert, Board Chairperson (January - July 2025)

Ms Dilbert holds a Managing Health Services Certificate from the Institute of Health Services Management in London, a BSc in Nursing from William Carey University, and an MSc in Public Policy and Management from the University of London. With more than four decades in health-care, she began her career in 1974 as a Nursing Assistant, became a Registered Nurse and Midwife, and advanced to Nurse Manager before serving 20 years as Hospital Administrator at Faith Hospital until her retirement in 2020. Throughout her tenure, she strengthened health-care delivery in the Sister Islands by enhancing operations, financial and administrative management, regulatory compliance, disaster preparedness, and specialised services. Now returning as Chairwoman of the Board, she brings deep institutional knowledge, steady leadership, and a strong commitment to community service, including roles with the Cayman Brac CERT Team, the Sister Islands Affordable Housing Board, and Ebenezer Baptist Church.



Joy Vernon, Deputy Board Chairperson (August 2021 - July 2025),
Board Chairperson (August - December 2025)

Ms Vernon 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



Dr. Neely M. Panton, Deputy Chair (August - December 2025)

Mr. Panton completed his medical schooling and internship, and was a Senior House Officer in Surgery at the University of the West Indies in Kingston, Jamaica. He then completed his surgical residency at UBC in 1984 and subsequently joined the surgical team at the UBC Hospital.

A pioneer in laparoscopic surgery in BC, he introduced laparoscopic adrenalectomy, splenectomy, colorectal resections, abdominal wall reconstruction, inguinal hernia repair and Nissen fundoplication at the UBC Hospital and laparoscopic gastric surgery and trans-anal endoscopic rectal surgery at VGH. He also established fluorescent cholangiography and angiography during laparoscopic cholecystectomy at the UBC Hospital and performed the first robotic colectomy for cancer in BC.



Tayvis Walters, Director (August 2021 - December 2025)

Mr. Walters is an IT professional with more than 11 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, Director (November 2021 - July 2025)

Ms. Tatum Carter is a seasoned financial professional serving as the Regional Financial Controller for a prominent local business, where she oversees regional financial operations. With over 12 years of post-qualification experience, including 9 years at a Big Four audit firm, she has extensive expertise in conducting financial and regulatory audits. Ms. Tatum Carter specializes in budget analysis, financial accounting, and possesses advanced proficiency in International Financial Reporting Standards (IFRS) and U.S. Generally Accepted Accounting Principles (GAAP), as well as their associated Generally Accepted Auditing Standards (GAAS). Her leadership and technical acumen make her an asset in the financial management and compliance arenas.

BOARD OF DIRECTORS



Rosie Whittaker-Myles, Director (November 2021 - July 2025)

Ms Whittaker-Myles is an attorney-at-law in private practice & a former partner in a medium-sized law firm on its litigation team. She has over 27 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.



Trisha McElroy, Director (November 2021 - December 2025)

Ms McElroy 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 17 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.



Dr. Hazel Brown, Director (August 23 - December 2025)

Dr. Brown 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



Michelle Coleman, Director (August - December 2025)

Ms. Coleman has held several senior management roles and served as an independent director across a range of alternative investment funds and special purpose vehicles within the Cayman Islands regulatory framework. She previously acted as Vice President and Independent Director of a publicly listed company and now leads a high-net-worth family office in the wealth management sector, where she also serves as a director. She holds a BSc in Accounting and an MBA, is an Accredited Director, CAMS qualified, and a Notary Public in and for the Cayman Islands. Michelle is a member of the Cayman Islands Directors Association and STEP, and is registered as a Director with the Cayman Islands Monetary Authority under the Directors Registration and Licensing Act.



Petrina Moore, Director (August - December 2025)

Ms. Moore is a Senior Paralegal in the Corporate Group in the Cayman Islands, with over 10 years in the legal field working in Finance and Corporate. Petrina has worked for well-known firms where she has handled diverse cases, complex legal issues, and a wide range of clients, all of which have contributed to her professional growth and expertise as a member of the corporate department. She supports the team on various corporate and finance matters including various structured finance transactions, CLOs, mergers and acquisitions, corporate restructuring, corporate governance, joint ventures and debt and equity financing.

BOARD OF DIRECTORS



Tamara Ebanks, Chief Officer,

Ministry of Health, Environment & Sustainability (Ex-Officio Member)

Ms Ebanks, a seasoned public servant with over two decades of experience in the Cayman Islands Civil Service, was appointed Chief Officer of the Ministry of Health, Environment and Sustainability in May 2025. Throughout her distinguished career, Ms. Ebanks has held several senior leadership positions across various ministries, most recently serving as Chief Officer of the Ministry of Social Development and Innovation since August 2023.

Ms. Ebanks holds a Master's degree in Human Resource Management from the University of Portsmouth and a Bachelor's degree in Sociology from York University. She has played a central role in the development and passage of numerous legislative reforms and has assisted in laying the foundation for a more transparent, responsive, and modern social development framework within the Cayman Islands.



Bobeth O'Garro, Deputy Chief Officer

Ministry of Health & Wellness, (Ex-Officio Member)

Lt. Colonel Bobeth O'Garro, took up her role within the Ministry of Health in 2021. She oversees the Ministry's administrative functions, policy team and provides support and guidance to its departments. Mrs O'Garro has a Masters of Education from the University of Bristol, a Postgraduate Diploma in International Business (Univ. Of Liverpool), a Postgraduate Certificate in Global Executive Leadership (UCCI & FIU), and a Bachelor's Degree in Psychology and Sociology (UWI, Mona). Prior to joining the Ministry of Health, she served in various roles, including extended service instructor at the Cayman Islands Marine Institute, police constable, and deputy commandant and commandant of the Cayman Islands Cadet Corps.

BOARD OF DIRECTORS

Ministry of Finance Representative, (Ex-Officio Member)



Lizzette Yearwood, JP, Cert Hon, **HSA Chief Executive Officer** (Ex-Officio 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.



Dr. Delroy Jefferson, Cert Hon, MCI **HSA Medical Director** (Ex-Officio 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.

By the numbers: a year of Impact

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

 PATIENTS TREATED* 46,382 * unique patients	 HOME VISITS 15,194	 LIVE BIRTHS / DELIVERED 602
 PRESCRIPTIONS FILLED (OUTPATIENTS) 588,962	 DENTAL CLINIC VISITS 34,467	 TOTAL 69,165
 LABORATORY TESTS COMPLETED 1,241,392	 DENTAL CLINIC PATIENTS* 12,325 * unique patients	GENERAL PRACTICE VISITS GEORGE TOWN 22,193
 RADIOLOGY PROCEDURES 55,034	 ACCIDENT & EMERGENCY VISITS 33,142	WEST BAY HEALTH CENTRE 15,551
 OUTPATIENT CLINIC VISITS 317,461	 URGENT CARE VISITS 33,845	BODDEN TOWN HEALTH CENTRE 11,437
 SURGERIES 4,573	 PRESCRIPTIONS FILLED (Inpatient) 55,963	EAST END HEALTH CENTRE 3,820
 ADMISSIONS 5,194	 CHILDHOOD IMMUNISATION VISITS 5,723	NORTH SIDE HEALTH CENTRE 3,187
		SISTER ISLANDS 12,977

Cayman Islands Blood Bank sends lifesaving donation to Jamaica following Hurricane Melissa

Featured Story, October 31, 2025



Representatives from Ministry of Health, Environment & Sustainability and HSA dispatch the first donation of blood components.

The Cayman Islands Blood Bank, operated by the Health Services Authority (HSA), has dispatched a critical donation of 51 units of red cells and 72 units of plasma to the National Blood Transfusion Service in Jamaica on Friday, 31 October 2025.

This marks the first of multiple donations to be made to Jamaica as part of relief efforts following Hurricane Melissa, which struck the country on Tuesday, 28 October 2025.

As a result of the Cayman community's overwhelming support over the past few days, 65 donors including 13 new donors stepped forward to meet the urgent request for blood. This represents a remarkable increase compared to the usual daily average of 10 or fewer donations.

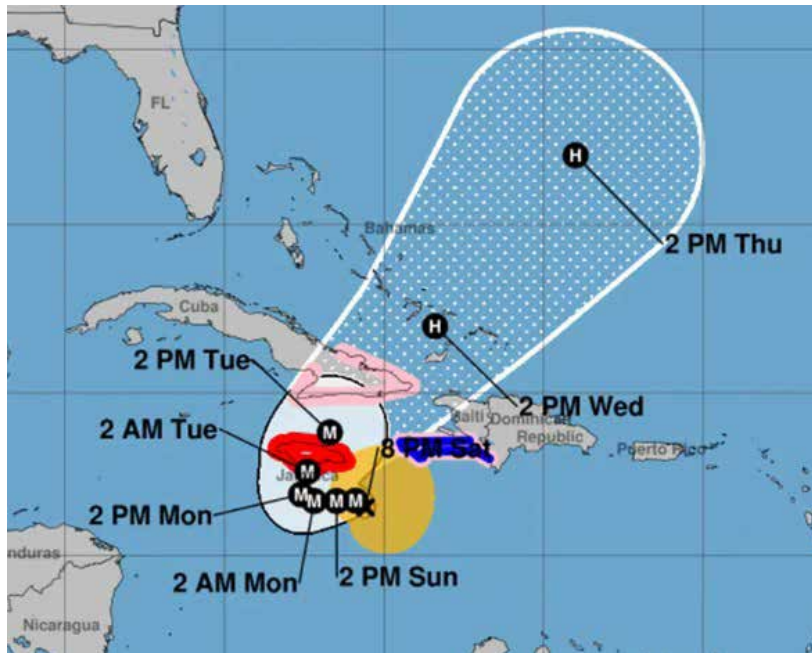
"This extraordinary turnout demonstrates the generosity and solidarity of our community," said Dr Lundie Richards, Consultant Haematologist-Oncologist at the HSA and lead for blood bank and transfusion services.

The blood products, accompanied by Dr. Richards, were flown courtesy of Cayman Airways and delivered to Jamaica's central blood bank for island-wide distribution. The HSA and Cayman Islands Blood Bank expressed gratitude to Cayman Airways for providing the flight and Dr Joseph Marzouca, Jamaica's Honorary Consul in the Cayman Islands, for assisting with coordination.

"As Jamaica's Honorary Consul here in the Cayman Islands, I am deeply touched by our Cayman donor community's generosity," said Dr Joseph Marzouca, Honorary Consul of Jamaica in the Cayman Islands. "This donation strengthens the bonds between our islands and shows that lifesaving care knows no borders."

The HSA and Blood Bank emphasise that this donation is not a one-off event, but part of a broader effort to strengthen regional health collaboration and emergency preparedness. With the current influx of donors, the Blood Bank will continue in-house col-

Lifesaving donation to Jamaica (continued)



By stepping up in such an incredible way, our donor community shows what can be achieved when healthcare systems and citizens work together. This is humanitarian leadership in action.

Ms Lizzette Yearwood,
Chief Executive Officer at the HSA

lection for now with plans to resume mobile blood drives in the coming weeks once staffing allows.

"The Health Services Authority is honoured to lead this lifesaving initiative," noted Ms Lizzette Yearwood, Chief Executive Officer at the HSA.

"However, I would like to encourage donors not to stop here. The donation already on its way can save at least 120 lives, but the need for ready, willing blood donors remains ongoing,

both locally and regionally. Blood has a shelf life of 35 days, so consistent donations are necessary," she added.

"This generous donation from the Cayman Islands to Jamaica reflects Caribbean solidarity at its best," said Hon. Katherine Ebanks-Wilks, MP, Minister for Health, Environment & Sustainability. "I applaud every donor and everyone involved for turning compassion into action. Our health systems are stronger when we support each other, and today's achievement is proof."

The CI Blood Bank, managed by the HSA, provides a full range of blood-banking and transfusion services, including whole blood, platelets, and apheresis-based collections. It has expanded platelet availability and strengthened its transfusion-medicine capacity.

The CI Blood Bank is located at the Anthony S. Eden, 95 Hospital Road, George Town, and is open Monday to Friday, 7:00 a.m. – 6:30 p.m., and Saturdays, 9:00 a.m. – 5:00 p.m.

To donate blood, please call 244-2674, email bloodbank@hsa.ky, or visit www.bloodbank.ky to learn more.

2025 has been a year of momentum, growth, and meaningful progress.

Each milestone reached reflects the dedication, innovation, and collaboration of our community. These **snapshots** highlight the moments that shaped our journey; celebrating accomplishments, breakthroughs, and the people who made them possible. Together, they tell the story of a year defined by impact and forward movement.



First Quarter **Snap Shot**

JANUARY



The HSA enhanced its visitor security policy by implementing a new system that issues temporary **photo identification (ID) badges** to visitors of patients in inpatient areas.



With the launch of a **Full-time Paediatric Service at Faith Hospital** in Cayman Brac, HSA will ensure children in the Sister Islands have access to timely, specialised, and comprehensive care close to home.

FEBRUARY



Healthcare providers and members of the public were invited to the **HSA's free Annual World Cancer Day Event** at The Westin Grand Cayman Seven Mile Beach Resort & Spa. This year's event highlighted some of the latest advancements and collaborative efforts in cancer care within the Cayman Islands.

First Quarter **Snap Shot**

MARCH



HSA expanded weekend hours to its **Phlebotomy Department** at the George Town Hospital providing more flexibility for weekend blood work.



HSA hosted the **13th Annual Women's Health Conference** at Hotel Indigo. The theme, "Women's Reproductive Healthcare: A Collaborative Approach," focused on the importance of interdisciplinary cooperation in advancing women's health, featuring presentations on cutting-edge topics.



HSA expanded its Clinical Education Department to focus on staff development through capacity building and skill enhancement. This initiative aimed to empower employees to deliver superior patient care while seizing new professional opportunities and filling critical vacancies.



HSA Recognised World Kidney Day with Free Health Screenings in West Bay As part of the event, the public access to free screenings, including blood pressure, blood sugar, urine test (optional), weight and height. A physician and dietitian were available on-site to review any abnormal results and provide guidance on kidney health.

Second Quarter **Snap Shot**

APRIL



Public Health Launched Inaugural Primary Healthcare Awareness Day, a community event designed to raise awareness about the importance of preventive healthcare while providing attendees with valuable resources, services, and activities to support their well-being.



HSA Partnered with Autism Cayman to Host an Inaugural Autism and Neurodevelopment Symposium dedicated to supporting neurodiverse individuals across their lifespan. The symposium showcased a full day of engaging presentations, storytelling by teachers, parents, and autistic students, thought-provoking discussions.



George Town Hospital was renamed Anthony S. Eden Hospital in recognition of the extraordinary contributions the Honourable Anthony Samuel Eden, OBE, JP (Ret), whose visionary leadership and unwavering dedication provided to the Cayman Islands.

Second Quarter Snap Shot

MAY



HSA hosted a **week of celebrations to honour long-serving employees** for their dedication, loyalty, and years of service. Nearly 160 employees reached their employment milestones in 2024 recognising 5, 10, 15, 20, 25, 30, 35, 40 and 45 years of service. A special ceremony was held at the Hotel Indigo Grand Cayman to recognise 14 of the organisation's longest-serving staff members, each with 30 or more years of service.

JUNE



HSA Launches Diabetes Education Clinics across all districts in a major step toward improving access to care and preventing diabetes-related complications.



Young Caymanian Nurse, Shanique Ayres was awarded the **2025 Eloise Reid Excellence in Nursing Award** by the Cayman Islands Nursing and Midwifery Association (CINMA) at its Nursing Symposium. The award, last given in 2013, recognises registered nurses/midwives in the Cayman Islands who have demonstrated excellence, creativity and commitment to improving nursing practice for the benefit of patients and the people of our Islands.

Third Quarter **Snap Shot**

JULY



Rotary Central Cayman Islands donated a **State-of-the-Art Mobile Blood Collection Unit** to Health Services Authority in a major step toward enhancing national blood security and access to lifesaving care.



From Porter to Scrub Tech. After nearly five years as a dedicated porter with HSA, **Elda Green-James began a new chapter** of her healthcare journey as an **Operating Theatre Scrub Technician**. This exciting career shift highlights HSA's commitment to supporting the professional development of its Caymanian staff.



The HSA announced the appointment of **Dr. Chela Lam-see-Ebanks as Director of Clinical Support Services** and **Dr. Karen Stewart as Director of Nursing**. These strategic appointments underscore HSA's steadfast commitment to enhancing medical care and strengthen its clinical and nursing operations.

Third Quarter **Snap Shot**

JULY



Patients in Cayman Brac now benefit from advanced dental diagnostics closer to home, as a result of the installation of a **new cone beam computed tomography (CBCT) scanner at Faith Hospital**, the first of its kind on the island. The cutting-edge dental imaging system provides high-resolution 3D scans of the oral and maxillofacial region, allowing for more accurate and efficient treatment planning for a variety of dental procedures.

**HSA Hosts University of Michigan Medical Graduates**

Graduate students in Midwifery and Family Practice Nurse Practitioners from the University of Michigan gained hands-on experience at the HSA, the islands' sole teaching hospital. Their visit marks the first group of advanced practice students hosted by the HSA, aiming to inspire Caymanians to pursue those roles as part of the continued strategic development of healthcare.

Third Quarter **Snap Shot**

AUGUST



The HSA Orthopaedic Clinic at the Anthony S. Eden Hospital relocated to the second floor of the Smith Road Medical Centre. As part of this transition, the clinic was renamed the HSA Orthopaedic, Sports & Exercise Medicine Clinic, reflecting the Health Services Authority's ongoing efforts to enhance patient care and improve access to orthopaedic services.



Dialysis patients in West Bay can now receive treatment closer to home with the **opening of a new dialysis unit at the West Bay Health Centre**. The new unit is equipped with two advanced B Braun dialysis machines, which are known for their precision and efficiency, and two comfortable dialysis chairs. The highly qualified staff at the facility are certified in Advanced Cardiovascular Life Support (ACLS), ensuring that patients receive the best possible care in the event of an emergency.

Third Quarter **Snap Shot**

AUGUST



The Ministry of Health, Environment and Sustainability, Public Health and the Cayman Islands Cancer Society announced the **expansion of** what has become an **annual HPV vaccination drive for school age children and young adults**, ages 9-25, via not only the school vaccination programme but also a partnership with six private sector providers to enhance access to this vaccine across our Islands.

SEPTEMBER



Six new nurses have officially completed the **HSA's year-long Transition to Practice (TTP) Programme**, stepping into full-time roles within the Cayman Islands' healthcare system.



Balancing medical school, hospital shifts, motherhood, and personal loss, Caymanian physician **Dr. Davina McCoy** (BSc, BMedSci, MBBS, PGDip Family Medicine) persevered and successfully **completed her Doctor of Medicine (DM) in Family Medicine** through the University of the West Indies.

Fourth Quarter **Snap Shot**

SEPTEMBER



Through a visionary public-private partnership, residents of the Sister Islands may soon have access to critical, life-saving treatment close to home with **the establishment of the HOPE Oncology and Dialysis Centre, a 2,000 square-foot facility,** designed to meet urgent healthcare needs.

OCTOBER



Eighty-nine (89) Caymanian high school and college students have successfully completed the **HSA's 2025 Summer Student Internship Programme.** This highly competitive programme offers hands-on experience across a wide range of healthcare careers, inspiring the next generation of Caymanian professionals who will help sustain the Islands' healthcare system for years to come



The Cayman Islands Blood Bank, operated by the HSA, sends lifesaving donation of Jamaica following Hurricane Melissa. Fifty one (51) units of red cells and seventy two (72) units of plasma were sent to the National Blood Transfusion Service in Jamaica.

Fourth Quarter **Snap Shot**

NOVEMBER



The reintroduction of vascular surgery services has provided patients facing diabetes-related complications and kidney disease with more advanced, coordinated care. This vital specialty treats diseases affecting the arteries and veins, which are the body's essential network for blood circulation. Vascular surgery includes both minimally invasive and open operations to help in prevention of amputation, restore blood flow, relieve pain, prevent strokes, and save limbs.



In continued support for Jamaica's post-recovery efforts following Hurricane Melissa, **HSA staff raised more than \$11,000 through its HSA Cares programme.** Funded by voluntary employee salary donations, the funds were used to purchase urgently needed medical supplies, as requested by Jamaica through the Cayman Islands Medical Relief Emergency Support Team (EST), part of the National Emergency Operations Centre (NEOC) Human Concerns Cluster.

Fourth Quarter **Snap Shot**

NOVEMBER



The Public Health Department, in collaboration with the Cayman Islands Red Cross and the Cayman AIDS Foundation, offered **free HIV screenings** as it joins the global community in observing World AIDS Day on 1 December, under the theme "Overcoming Disruption, Transforming the AIDS Response."

DECEMBER



The HSA was honoured with two prestigious awards at the Cayman Islands Chamber of Commerce's 2025 Business Excellence Awards. HSA received both the **Training Champion and the Commitment to Youth Education awards**, recognising the organisation's longstanding dedication to local talent development and youth empowerment.

The most awarded organisation in the Cayman Islands

Every day, we strive to provide the highest standard of care with compassion, integrity, and dedication. Your support reminds us why we do what we do, to serve this community with kindness and excellence.



- Behavioral/Mental Health
- Dietician/Nutritionist
- Dermatology
- Chiropractic Services
- Home Care
- Occupational Therapy
- Pediatric Dentistry
- Pediatrics
- Speech Therapy



HSA
Committed to *Caring* for You



949-8600 | hsa.ky

Strategic Pillars for Progress

HSA's 2024 – 2026 strategies are dedicated to population wellness aligning with the Ministry of Health's policy goals to elevate the overall health of our community while simultaneously reducing healthcare expenditures.



STRATEGY ONE

Revenue Growth & Cost Efficiency:

Implementation of a multifaceted strategy to enhance revenue growth and increase cost efficiency by refining our billing processes to increase efficiency, reducing financial leakage, ensuring optimal revenue capture, and broadening our service offerings to cater to a more diverse customer base.



STRATEGY TWO

Enhancing the Patient & Staff Experience

Enhancing tools for staff development and patient satisfaction through a commitment to patient-centred care, which prioritises open communication and tailored treatment plans to meet individual needs.



STRATEGY THREE

Improving Access to Care & Services

Expand services offerings to reduce overseas referrals, improve continuity of care and address growing demand driven by population growth and ageing demographics.



STRATEGY FOUR

Recruitment and Retention

Enhance the HSA's ability to attract, nurture, and retain top-tier talent by cultivating a nurturing work atmosphere, offering market- competitive remuneration packages, and presenting ample prospects for career advancement and professional development.



STRATEGY FIVE

Technological Innovation

Implement technological tools and upgrades to improve on organisational, staff and patient safety & resiliency.



STRATEGY SIX

Advancing Population Wellness

Promote initiatives that foster a healthy lifestyle to enhance the overall well-being of the population, including expanding access to preventive services, such as health screenings, vaccinations, and educational programmes, to empower individuals with the knowledge they need to take proactive steps toward their health.



STRATEGY SEVEN

Infrastructure Development

Strengthen and modernise infrastructure expanding clinical capacity, enhancing patient safety, and improving operational resilience to meet rising demand and ensure continuity of care.

STRATEGY ONE

Revenue growth & cost efficiency

Revenue growth and financial sustainability remain foundational to the Health Services Authority's ability to deliver high-quality, accessible healthcare across the Cayman Islands.

In 2025, the Authority strengthened financial stewardship through disciplined revenue cycle management, targeted financial initiatives and recruitment, strengthened internal controls, and strategic capital investment.

A comprehensive review of billing practices resulted in the **establishment of a cross-functional Revenue Integrity Team** to improve charge capture accuracy, billing efficiency and denials management. The Finance team was also bolstered with additional resources to support complex financial operations, data migration and the transition to an internal accounting and reporting platform.

The Authority adopted key audit recommendations and **temporarily engaged local accounting support services** to strengthen technical capacity while efforts to recruit permanent specialised roles were underway. Strategic recruitment of specialist physicians is projected to generate an additional CI\$8.9 million annually, reducing overseas referrals while increasing local service capacity and revenue growth.

The Authority achieved **record revenue of CI\$216 million**, exceeding financial targets and reflecting improved collections, strengthened reimbursement practices, service expansion and sustained monitoring of charge capture. Liquidity was maintained well above the statutory 90-day reserve requirement throughout the year, sustaining

a strong current ratio exceeding 5.37:1, reinforcing operational resilience. For 2025, total revenue of CI\$216 million represented a 5% year-over-year increase and CI\$25.2 million above budget. Faith Hospital also recorded significant revenue growth, averaging CI\$1.06 million per month representing a 20% year-over-year increase.

Top revenue earners remained the Operating Theatre, Laboratory Services, and Radiology. **Key expense drivers** included personnel costs of CI\$143.5 million (64% of total expenses and 14% above budget), supplies and materials of CI\$36.08 million influenced by supply chain pressures and JCI-related standards, utilities of CI\$3.7 million (2.5% below 2024 due to reduced fuel costs), and a 11% year-over-year increase in insurance due to higher property insurance rates.

Capital investments were strategically prioritised to support clinical growth and operational efficiency. Installation of new operating room lights, upgrades to medical gas systems, expanded chemotherapy bed capacity, enhanced imaging services, ambulance upgrades, and deployment of 50 new patient beds improved throughput and service capability.

Despite prudent revenue growth, stronger cost controls and improved billing and reimbursement practices, financial sustainability continues to be challenged by escalating demand, underfunded government output contracts and mounting unpaid receivables. These funding gaps, alongside rising service demand, remain a key focus as the Authority continues to pursue sustainable financing solutions. Despite a year-to-date accounting loss, structural revenue growth and operational improvements position the HSA toward improved sustainability in 2026.

STRATEGY TWO

Enhancing Patient & Staff Experience

Improving patient and staff experience remained a core focus of the HSA's strategy, with continued recognition that quality outcomes are directly linked to safety culture, operational efficiency and workforce engagement. This was supported by operational improvements and quality systems development to strengthen safety and satisfaction.

Operational improvements in Accident & Emergency included the temporary deployment of an additional triage unit to reduce arrival-to-assessment times during high-volume periods. Although staffing constraints limited sustained expansion, the initiative demonstrated measurable improvements in patient throughput and experience.

Nursing-led initiatives further strengthened patient safety through a comprehensive wound care programme, which trained 121 nurses and physicians and led to the introduction of a dedicated wound care role with protocol development. The initiatives also included improved care-plan documentation, sustained high medication-administration compliance and progress toward implementing a Paediatric Early Warning System to improve early detection of clinical deterioration.

Documentation quality and medication safety continued to be major focus areas. Enhanced clinical documentation compliance reaching 96–98 percent in outpatient services, and the development of a quality management system aligned with international standards.

Continued **investments in clinical safety and automation**, such as medication dispensing systems and barcode med-

ication scanning supported safer patient care. This system will enhance accuracy, reduce medication errors, improve inventory control and streamline workflow for healthcare providers, ultimately contributing to safer and more efficient patient care.

Continuous **readiness for JCI re-accreditation** remained a priority, supported by recurring staff training and support initiatives, which also continued to strengthen retention and wellbeing and sustain quality care. Over 200 training sessions were delivered across mandatory safety, clinical, and professional development areas, with over 16,000 individual staff completions.

Leadership training through ILM programmes, performance management workshops, and structured annual appraisal



Civil Service College ILM Awards

STRATEGIES & ACHIEVEMENTS



Mobile Blood Collection Unit donated by Rotary Central Cayman Islands.

frameworks bolstered succession planning and accountability. The Clinical Education Department expanded significantly, certifying seven Operating Room Assistants and reinforced the Authority's teaching capacity. The Long Service Awards recognised nearly 160 employees for milestone achievements, reinforcing organisational culture and retention.

Service enhancements also contributed to improved patient flow and access. **Extended Urgent Care and Phlebotomy hours and increased Operating Theatre capacity reduced waiting times and improved satisfaction.** Marketing efforts and the addition of patient experience officers supported improved patient engagement and service utilisation.

In support of a safe, respectful inpatient environment, the HSA implemented a new visitor security process using temporary **photo ID badges**. This system aligns with global hospital standards, supports efficient verification, and improves operational control in inpatient areas. Addition-

ally, community partnership strengthened national blood security through the **donation of a state-of-the-art Mobile Blood Collection Unit by Rotary Central Cayman Islands**, expanding outreach to underserved areas and supporting increased blood collection capacity across districts.

Collectively, these initiatives reflect a deliberate shift toward a safer, more patient-centred and staff-supported healthcare environment – one that integrates quality systems, technological advancement and workforce empowerment.

STRATEGY THREE

Improving Access to Care and Services

Population growth across the Cayman Islands has placed increasing pressure on healthcare services, intensifying the demand for expanded infrastructure, clinical capacity and service accessibility. In response, the HSA has been actively planning and advancing projects to modernise facilities, optimise patient flow and enhance operational efficiency.

The HSA continued to expand specialist and clinical support services across Grand Cayman and the Sister Islands to reduce overseas referrals, improve continuity of care and address growing demand driven by population growth and ageing demographics. Specialist services were expanded in vascular surgery, pulmonology, ophthalmology, paediatrics, orthopaedics, interventional radiology, glaucoma surgery and joint replacement.

Despite this progress, some service lines remain under significant pressure, resulting in delays. To address this, we are working collaboratively with private sector partners to ensure patients are seen within clinically appropriate timeframes and continue to receive timely, high-quality care.

Pulmonary rehabilitation services were successfully launched and expanded at Faith Hospital and outpatient clinics, supporting improved outcomes and reduced readmissions. Progress also continued on major service expansion projects, including the Endoscopy Suite and Dental Laboratory expansion, with completion anticipated in 2026. A comprehensive referral policy was implemented to strengthen consistency, transparency, and accountability in referral decision-making.

Clinical Support Services increased diagnostic and laboratory capacity through the introduction of new testing panels, including HPV, arbovirus, cystatin C, vitamin D and PSA testing reducing reliance on overseas diagnostics and enhancing disease surveillance.

The Mobile Blood Bank Unit became fully operational across districts, while improved courier services between the HSA and private clinics improved specimen transport

and turnaround times. Interventional radiology clinics expanded access to image-guided procedures and anaesthesia clinics were expanded to reduce wait times and support maternity services through dedicated anaesthetist coverage.

The HSA Laboratory expanded Sunday phlebotomy hours to provide greater convenience for patients requiring week-end bloodwork. Clinic accessibility also improved through



Government officials, HSA Board, Management and staff at the West Bay Dialysis ribbon cutting ceremony.

extended Specialist Clinic operating hours on weekdays and additional Saturdays.

The launch of a multidisciplinary Respiratory Rehabilitation Programme, fully integrated with new Pulmonology services, represents another important step in reducing hospital readmissions and improving quality of life for patients with chronic respiratory conditions.

STRATEGIES & ACHIEVEMENTS

Diabetes Education Clinics were launched across all district health centres, providing consistent community-based education on lifestyle, medication adherence, nutrition, activity, and blood glucose monitoring aimed at reducing complications and supporting prevention. The Orthopaedic Clinic was relocated to Smith Road Medical Centre and rebranded as the HSA Orthopaedic, Sports & Exercise Medicine Clinic, enhancing access.

Access initiatives also included the opening of a dialysis unit at the West Bay Health Centre, enabling patients to receive treatment closer to home with advanced equipment and ACLS-certified staff. The reintroduction of vascular surgery services strengthened coordinated care for diabetes- and kidney-related complications. In mental health services, the HSA proposed and progressed an interim Adolescent Behavioural Health Inpatient wing adjacent to the adult facility, providing age-appropriate care with improved privacy, safety features and dedicated clin-

ical spaces while broader system improvements continue. This initiative addresses a growing national need while aligning with global mental health priorities.

Collectively, these access initiatives reduce waiting times, improve patient flow, strengthen local specialist capacity, and ensure equitable care delivery across all three islands. Continued investment in endoscopy expansion, dialysis services, diagnostic capacity and mental health infrastructure will further advance accessibility and national health resilience.

STRATEGY FOUR

Recruitment & Retention

The HSA continued to maintain workforce stability through recruitment, staff development and structured retention efforts, recognising that a skilled and engaged workforce is essential to delivering high-quality care.

As of 31 December 2025, the Authority employed 1,304 staff members, 53% of whom are Caymanians, reflecting its ongoing commitment to local employment and career progression through structured development programmes and targeted workforce initiatives.

Workforce pressures nevertheless persisted across several clinical and support areas, affecting staffing flexibility, service expansion and programme sustainability. Recruitment constraints including a mid-year hiring freeze, specialist shortages, term limits, evolving workforce policies and reliance on overtime placed additional strain on staff, particularly as extended clinic hours, expanded services and rising patient volumes increased demand.

Despite these challenges, the HSA continued to prioritise workforce development, regulatory compliance and a culture of continuous improvement to ensure staff remain skilled, supported and equipped to meet modern health-care demands, while also advancing long-term efforts to build local capacity in specialised clinical roles.

STRATEGIES & ACHIEVEMENTS



| Dr. Chela Lamsee-Ebanks

| Dr. Karen Stewart

Recruitment efforts supported **critical service expansion** through specialist recruitment in vascular surgery, pulmonology, paediatrics, ophthalmology, orthopaedics, and interventional radiology, while key operational gaps were addressed through hiring for nursing, paramedicine, general practice and pharmacy support roles. These appointments directly supported expanded clinical services and improved access to care. HR systems were enhanced through upgrades to the VISTA HR system, which improved recruitment, onboarding, tracking and analytics.

Workforce development remained a fundamental factor of retention and Caymanian succession planning. Caymanians are prioritised for promotion into middle management and senior leadership roles.

Leadership and succession development were supported through the **Institute of Leadership and Management (ILM) training programmes** across Levels 2–7, performance management workshops for managers and structured appraisal systems aligned with strategic objectives. These initiatives reinforce accountability and prepare future leaders.

Over 200 training sessions were delivered, including certification programmes, clinical ladders and internships. As it continues to strengthen its role as a teaching facility, the HSA expanded its Clinical Education Department, including the certification of Operating Room Assistants and the launch of a Certified Phlebotomy Technician Programme. The Clinical Ladder Programme achieved its first cohort completion, providing leadership development opportunities for nurses.

Reinforcing its reputation as the only teaching hospital on island, the Authority also hosted its first group of advanced practice students - graduate students in Midwifery and Family Practice Nurse Practitioners from the University of Michigan. Furthermore, it continues to support local nurses through the Transition to Practice Programme and delivered a record year in applications for the Summer Student



| Intern Dylan Whittaker

Internship Programme, indicating greater awareness of the competitive programme, which provided eighty-nine Caymanian youth with exposure to a wide range of healthcare careers.

Secondary seniors are offered one-week work-experience placements that position students alongside clinicians and clinical support teams. **Twelve students from CIFEC enrolled in the Healthcare aide programme** completing hands-on skills relating to patient care. Another Nineteen CIFEC students were also provided work experience various areas of the hospital including medical ward, surgical ward, Emergency Medical Services, urgent care, emergency room, pharmacy, molecular biology lab and medical records.

STRATEGIES & ACHIEVEMENTS

These initiatives, alongside recognition through the Chamber of Commerce Business Excellence Awards, highlight the HSA's commitment to building a sustainable, skilled, Caymanian-centred workforce.

An action plan to improve employee engagement survey results was developed and launched, alongside enhanced leadership visibility, staff huddles and improved communication. A standardised performance management framework was implemented, including annual appraisals, mandatory training compliance, revised human resources policies and an updated HR Manual aligned with current legislation.

Other retention initiatives included expanded wellness, rewards and recognition programmes and continued access to the Employee Assistance Programme (EAP), supporting staff wellbeing and resilience. Through its Long Service Awards, the Authority also recognised nearly 160 employees for their milestone tenure, rewarding loyalty and reinforcing morale.

The HSA recruitment efforts will continue to prioritise essential clinical roles while balancing fiscal discipline and developing the next generation of Caymanian healthcare workers. Continued focus on local development, structured leadership pathways, and workforce analytics through enhanced HR systems will ensure sustainable talent pipelines.

Departmental Training

A variety of training and development initiatives were implemented in 2025 which resulted in over 16,396 certifications issued to clinical, clinical support and non-clinical personnel to meet the health care needs of the Caymanian community. Training sessions are completed as mandatory organisational requirements or for professional licensure with the various Health Care Regulatory Bodies.

Life Support Trainings accounted for 918 certifications in the areas of Cardiopulmonary resuscitation, Basic life support, Advanced Cardiac Life support, Pediatric Advanced Life support and neonatal Resuscitation Programme.

Health and Safety training continues to be integral in maintaining the impeccable safety culture within the organisation. Other training for workplace safety and customer service is also conducted. Staff trained in the various areas include:

Departmental Training	# of Emp
Basic Fire Safety Training	1223
Fire Marshall Course	33
Disaster Preparedness	1300
Bloodborne Pathogens	945
Hand Hygiene	1015
Basic Hazardous Materials	710
Moving and Handling	755
CPI Nonviolent Crisis Intervention	968
Hostile Situation	1204
Incident reporting	1108
Office Ergonomics	1300
Compress Gas	600
Cybersecurity	1059
Data Protection	1077
Antibullying	1055
Medication Error	803
Operating Room Fire	197
Standards of Performance & Customer Service	155
Just Culture	157
Darkness to light	23

Educational and Development Training

Two hundred and eighty-six (286) staff were sponsored to complete trainings in the following areas

- Leadership and management training in partnership with the civil service college and international correspondence school (UK).
- Seminars and conferences in areas such as finance, nursing, medicine, supervisory management, various healthcare conferences, radiology, public health and pharmacy
- Specialist training for Caymanian physicians completing the family medicine DM programme
- Further education for pre-university, undergraduate and post graduate programmes
- Nurses pursuing postgraduate specialty certification in critical care nursing
- Diabetes clinician training programme

CE/CNE/CMEs

Continuing education, nursing education and medical education hours were offered by several areas of practice across the Health Services Authority. Below is a sample of those offered.

- Adolescent Mental Health Suicidal Behavior
- Adult Seizure Management
- Advancement in the Management and Treatment of Resistant Depression
- Airport Emergency Response Field Exercise
- Anatomy of a Prosthesis
- Antenatal and Intrapartum Electronic Fetal Monitoring
- Chest Pain in the Urgent Care
- Chronic hypertension with superimposed preeclampsia/Anal Atresia
- Chronic Pain Management
- Complex congenital heart disease/complex AV Canal Defect
- Congenital diaphragmatic Hernia
- Dementia Presenting with a Mood Disorder
- Diagnosis of Bipolar Disorder Complicated by a recent bereavement
- Diasorin Liasion XL H. pylori Stool Antigen Test



I CPI Nonviolent Crisis Prevention Training

- ECG Interpretation part 3 : Supraventricular Tachycardia & Ventricular Tachycardia
- Edward syndrome
- Establishing a System of Care for Severe & Refractory Dual Diagnosis
- Event Supposedly Attributable to Vaccination or Immunization
- Extreme Prematurity and Subsequent Clinical Outcomes
- Forensic Science -Paternity Testing and the Laboratory
- Formulary Management - A Tale of Two Drugs
- Hypertensive Emergencies
- Hypoxic-Ischemic Encephalopathy Case presentation
- Introduction to Inpatient Psychiatry
- Management of Maternal Diabetic Ketoacidosis
- Maternal Collapse and Maternal Cardiac Arrest
- Medication Reconciliation-Maintaining Accurate Drug History for Improved Safety

STRATEGIES & ACHIEVEMENTS

- Mental Health Law Challenges
- Neonatal jaundice
- One Health Insurance Verification and Portal Training
- Paediatric Conference
- Paediatric Neurology Case with Right-Sided Weakness
- Perinatal Statistics 2024
- Pituitary Disorders and the Unique relationships of mental and emotional states
- Plastic Surgery in the Cayman Islands
- Prodromal Phase in Schizophrenia
- Schizoaffective Disorder - Bipolar Type Diagnosis & Management
- Screening for Hip Dysplasia
- Severe Conduct Disorder & Social Pragmatic Disorder
- Shoulder Dystocia and Post Partum Haemorrhage
- Sickle Cell disease management in adults and children
- Sirginet: Peri-operative Nurse Training
- Spinal Deformity-Scoliosis
- Telemedicine Training
- The role and function of Poinciana Rehabilitation Centre
- Women's Health Conference
- World Cancer Day
- Chamber of Commerce Career Expo
- CIFEC
- Clifton Hunter High School
- John Gray High School
- Prospect Primary
- Prospect Primary Science Fair
- Joanna Clarke Primary School (Savannah)
- Theoline McCoy Primary School (Bodden Town)
- St. Ignatius Catholic School
- UCCI
- WORC District Days Initiative
 - Bodden Town, West Bay & North Side

Career Fairs

HSA partnered with several schools and organisations to expose students to career options within the health sector. The sessions had record turnout of students providing resumes, asking questions from professionals, seeking internships or enjoying the displays and activities. Career fairs included:



| Public Safety Career Fair

STRATEGIES & ACHIEVEMENTS

Clinical/Nonclinical	# of Emp	%
Clinical	810	61.12
Non-Clinical	312	23.93
Clinical Support	182	13.96
Grand Total	1304	100.00

Type	# of Emp	%
Casual	6	0.46
Full-time	1274	97.70
Medical Intern	4	0.31
Part-time	6	0.46
Temporary	14	1.07
Grand Total	1304	100.00

Nationality	# of Emp	%
Caymanian	689	52.84
Non-Caymanian	615	47.16
Grand Total	1304	100.00

Gender	# of Emp	%
Female	907	69.56
Male	397	30.44
Grand Total	1304	100.00

Fixed/Open Contract	# of Emp	%
Fixed Term	696	53.37
Open Ended	608	46.63
Grand Total	1304	100.00

Ages	# of Emp	%
18-20	2	0.15
21-30	154	11.81
31-40	362	27.76
41-50	363	27.84
51-60	299	22.93
61-65	81	6.21
66-83	43	3.30
Grand Total	1304	100.00

Years of Service	# of Emp	%
0-10	924	70.86
11-20	237	18.17
21-30	103	7.90
31-40	35	2.68
41-50	5	0.38
Grand Total	1304	100.00

Categories	# of Emp	%
Caymanian		
CLINICAL	284	21.78
CLINICAL SUPPORT	138	10.58
NON-CLINICAL	267	20.48
Non-Caymanian		
CLINICAL	426	40.34
CLINICAL SUPPORT	44	3.37
NON-CLINICAL	45	3.45
Grand Total	1304	100.00

STRATEGY FIVE

Technological Innovation

Innovation continued to enhance clinical quality, efficiency and organisational resilience. Telehealth and virtual consultation equipment were deployed across General Practice and Urgent Care Clinics, which will support more flexible access to care for patients.

Major IT milestones included the launch of a 24/7 Cyber-security Operations Centre across the three islands, significantly building on cyber-resilience and data protection. They also included improvements in clinical documentation workflows, Oracle reporting automation and enterprise-wide medication history cleanup leading to better reporting and data integrity.

The organisation upgraded its data-centre systems so that critical IT operations are now supported in more than one physical location. As a result, the risk of downtime during scheduled work has been reduced by 40%, improving reliability and business continuity.

An AI-assisted diagnostics pilot contributed to reduced X-ray turnaround times and improving speed and efficiency in care delivery. Medication safety was strengthened through barcode medication scanning, achieving 93% in-patient compliance and surpassing the 85% target. This has helped to reduce the risk of administration errors and improve patient safety. Progress was also made with the implementation of an automated medication dispensing system.

Furthermore, HR technology capabilities advanced significantly through additional VISTA HR modules supporting recruitment, onboarding, training, leave management and workforce analytics.



WORC Technology Expo

Collectively, these technological investments modernised systems, improve data security and clinical and operational performance at the HSA.

STRATEGY SIX

Advancing Population Wellness

As the largest and longest-standing provider of healthcare in the Cayman Islands, the Health Services Authority remains firmly committed to advancing population wellness. We recognise that a healthy society underpins national productivity and sustainable development. Our work, therefore, extends beyond the treatment of illness to a comprehensive, prevention-focused model that promotes healthier lives across every stage of the lifespan.

During 2025, the HSA advanced a population-wide wellness strategy aligned with standards set by the Pan American Health Organisation (PAHO) and the World Health Organisation (WHO). The strategy prioritises hypertension, diabetes, mental health, and oral health, key drivers of non-communicable disease (NCD) burden within our community.

Central to our Population Wellness Strategy, which is near completion, is the use of data to inform focus and treatment. **During the year, the HSA strengthened its surveillance capacity through the development of a digital non-communicable disease registry.** Beginning with enhanced hypertension screening, this initiative has evolved into a comprehensive NCD strategy that enables targeted interventions, supports early detection, and empowers evidence-based public health decision-making.

Key achievements in collaboration with the Ministry of Health, included the full completion of the Hypertension Registry, expanded workplace biometric screening programmes, oral health initiatives such as the school-based

Smile Smart programme to 20 schools, and community education campaigns which led to the screening of over 700 individuals.

The Workplace Biometric Screening initiative 'Healthy Workforce, Thriving Communities', established partnerships with two workplaces, both having completed the 90-day programme, showing measurable health improvements among participants. The Smile Smart school programme included education and interactive sessions, screening of over 300 students with 5% being referred for urgent dental care.

Public Health programmes strengthened immunisation coverage with over 2,000 flu vaccines administered, outbreak preparedness, home care visits which increased from approximately 2,600 over 3,000 visits.

Monthly Diabetes Education sessions were launched across all district health centres to improve access to structured, practical guidance. These sessions focus on lifestyle modification, medication adherence, nutrition, physical activity, and blood glucose monitoring, critical components in preventing complications and improving long-term outcomes. By embedding these services within local clinics, we are empowering individuals to take an active role in managing their health.

Public Health, along with the Ministry of Health, Environment and Sustainability expanded their annual **HPV vaccination drive for school age children and young adults**, ages 9-25, via not only the school vaccination programme but also a partnership with six private sector providers to enhance access to this vaccine.

Public health outreach was further strengthened through the inaugural **Primary Healthcare Awareness Day**. This free community event offered blood pressure, blood sugar, and body mass index screenings, onsite immunisation, and information on available health services. Expert-led workshops addressed preventive care and chronic disease man-

STRATEGIES & ACHIEVEMENTS

This event is FREE for **EVERYONE!**

Get ready for:

- **Free health screenings** (Blood Pressure, Cholesterol and Glucose, BMI)
- Expert-led **workshops** on preventive care and managing chronic diseases
- Immunizations and local **healthcare resources**
- Fun physical **activity demos** like Zumba & simple exercises!



SATURDAY
April 5, 2025
9:00 AM – 3:30 PM
John Gray High School

Tag a friend to spread the word and help us
#StayHealthyTogether!

 **HSA**
Public Health
Health Services Authority

Learn more
hsa.ky/events-classes

agement, while interactive fitness demonstrations, including Zumba and at-home exercise techniques, reinforced the importance of physical activity in daily life.

Additionally, the Public Health Department conducted its annual **School Entry Screening Programme** for students enrolling for the first time in government and private schools, providing a series of health assessments to support early identification of health needs and promote student wellbeing. Screenings include growth and developmental assessments, vision and hearing tests, dental evaluations, and administration of required vaccinations.

The Public Health Department, in collaboration with the Cayman Islands Red Cross and the Cayman AIDS Foundation, offered **confidential free HIV screenings to the public** across Grand Cayman and Cayman Brac in observance of HIV Testing Day on 27 June and World AIDS Day on 1 December. As a result of continued awareness efforts, HIV testing doubled from approximately 150 to over 300 tests.

Sustaining population wellness initiatives and expanded access to care will require continued funding, workforce capacity, digital infrastructure, regulatory adaptability and strong cross-sector partnerships.

Through strategic alignment and planning with international standards, expanded community-based services, enhanced diagnostic capabilities, ongoing collaboration and data-driven public health interventions and investments, the HSA continues to build a healthier, more resilient Cayman Islands, one where prevention, access, and quality define the standard of care.

STRATEGY SEVEN

Infrastructure Development

In response to significant demographic shifts and the geographic vulnerability of the Cayman Islands, HSA has continued to strengthen and modernise its infrastructure to meet rising demand and ensure continuity of care under all circumstances. Strategic capital investment throughout the year focused on expanding clinical capacity, enhancing patient safety, improving operational resilience, and preparing the public health system for sustained growth.

Infrastructure upgrades have modernised clinical spaces, enhanced safety systems, and increased service capacity across multiple facilities. However certain projects experienced delays due to regulatory approvals, procurement timelines, design revisions and resource constraints. Several capital projects were deferred, revised or placed on hold, resulting in the full capital budget allotment being unspent. Other in-progress and on-going capital projects have unspent funding rolled over to complete these. While challenges in project scheduling

and regulatory coordination persisted, lessons learned have informed improved planning, procurement sequencing, and project governance processes to support more efficient implementation going forward.

HSA continued to advance key initiatives such as the expansion of the Emergency Room, the development plans of a new Mental Health Inpatient Facility, and the relocation and enhancement of the Dental Clinic and Physiotherapy & Chiropractic services.

At the Anthony S. Eden Hospital (for-



| Anthony S Eden accepts acknowledgement

STRATEGIES & ACHIEVEMENTS



| New Operating room lights

merly Cayman Islands/George Town Hospital) significant capital improvements were completed or advanced. These included **installation of new operating room lights, upgrades to medical gas lines, redesign of Operating Rooms and Central Sterile Room** to optimise clean/dirty workflow in accordance with best-practice infection prevention standards, Phase 1 of the morgue expansion also progressed, increasing national capacity.

Additional investments strengthened diagnostic and treatment capacity, including enhanced dental and radiology imaging services, upgraded

ophthalmology equipment, acquisition of a GeneXpert machine for the microbiology laboratory, replacement and certification of the pharmacy chemotherapy hood, expansion of chemotherapy chair capacity, deployment of 50 new patient beds, and upgrades to ambulance equipment. Critical utility improvements, including procurement of a new medical air compressor, further ensured regulatory compliance and operational continuity.

Updates to Urgent Care and Orthopaedics were initiated to improve patient comfort, streamline service

delivery, and expand capacity to meet growing demand. Ongoing projects, including relocation of the Ambulatory Care Unit and further chemotherapy expansion, will continue to enhance clinical throughput and patient experience.

At Faith Hospital, infrastructure investments have significantly improved healthcare equity and access for residents of Cayman Brac and Little Cayman. This community hospital expanded physiotherapy, speech therapy, chiropractic, and outpatient services, supported by new diagnostic and clinical equipment.

STRATEGIES & ACHIEVEMENTS



| Faith Hospital, Cayman Brac

STRATEGIES & ACHIEVEMENTS

Key upgrades included rebranding all buildings, morgue and laundry roof replacement, helipad fencing enhancements, installation of keyless access systems, expansion of CCTV coverage, server room relocation to increase outpatient clinical space, and multiple equipment replacements.

To address outpatient space constraints in Cayman Brac, the HSA leased space at Kirkconnell Business Centre for use for Specialist Clinic services, providing additional clinic capacity.

Through a visionary public-private partnership, the fundraising has commenced for an approximately 2,000-square-foot HOPE Oncology and Dialysis centre. This purpose-built centre, to be constructed on the grounds of Faith Hospital in Cayman Brac, will include dedicated chemotherapy treatment chairs, dialysis stations, and consultation suites equipped to support both in-person and virtual specialist consultations. This development represents a transformative step in advancing cancer and renal care across all three islands, reducing off-island referrals and strengthening continuity of care.

Critical resilience upgrades were executed, including installation of security shutters across four district health centres and pharmacies, hurricane shutters at the East End Health Centre, and broader security enhancements. Upgrades to plumbing, emergency power systems, and medical air

infrastructure strengthened climate resilience and service continuity in a hurricane-prone environment.

The increasing demand for specialized services, particularly in mental health care, has highlighted capacity limitations within existing facilities. In response, the HSA has developed plans to expand mental health inpatient services, including dedicated spaces for adolescents and other vulnerable populations.

In alignment with national priorities, the HSA successfully implemented an interim initiative to enhance inpatient mental health services for adolescents. A dedicated Adolescent Behavioral Health Inpatient Wing has been established adjacent to the existing Adult Inpatient Behavioral Health Ward.

This new space can accommodate up to three adolescent patients and features a separate access point, dedicated dining and recreational areas, private bathroom facilities, and 24/7 CCTV monitoring to ensure safety and privacy. The adult inpatient unit has eight beds. Patients are supported by a multidisciplinary team of trained mental health nurses, clinicians, and social workers, ensuring age-appropriate, secure, and therapeutic care.

While these initiatives demonstrate a commitment to improving access to care, the current demand continues to exceed available capacity, highlight-

ing the need for ongoing investment in facilities, staffing, and specialized care environments.

Despite the challenges, infrastructure investments during the year delivered tangible improvements across the health system. Projects completed or advanced have increased treatment capacity, strengthened regulatory compliance, improved safety and security, enhanced diagnostic capability, and expanded equitable access to care for Sister Islands communities.

Through capital planning and targeted infrastructure development, the HSA continues to provide and expand a resilient, safe healthcare system for our patients.

Cayman Brac & Little Cayman

At Faith Hospital, the Authority achieved significant financial and operational performance during the reporting period. Annual revenue reflecting an approximate 20% year-over-year increase and underscoring sustained growth in service demand and delivery capacity.

In the Sister Islands, the Authority continued to advance access to specialised care closer to home, reducing the need for off-island referrals and enhancing continuity of care. Faith Hospital launched a full-time, consultant-led paediatric service in response to increasing local demand, ensuring continuous specialist care for children. The Hospital also introduced advanced dental imaging capabilities by installing Cayman Brac's first Cone Beam CT scanner, strengthening diagnostic precision and expanding the scope of on-island services. Service capability also expanded with the introduction of echocardiograms and a dedicated Behavioural Health Clinic space.

Planning progressed for the HOPE Oncology and Dialysis Centre through a public-private partnership model. The proposed facility is designed to deliver chemotherapy and dialysis services locally, incorporate telemedicine consultation space, and provide a patient-centred environment to support essential treatment within the community.

Expanded physiotherapy services improved patient throughput and supported more timely recovery and discharge planning. Enhanced patient engagement and broader service availability at the Hospital and its outpatient clinics contributed to improved clinical outcomes, including reduced respiratory readmissions. Monthly pulmonologist visits further improve specialist access in the Sister Islands.

Outpatient clinics have started transitioning to a new Specialist Clinic location at Kirkconnell Business Centre for use for Specialist Clinic services, providing additional clinic capacity. This expansion supports integrated care delivery, enhances access to specialist consultation, and improves HSA's responsiveness.



| Cone Beam CT Scanner



| Rendering of HOPE Oncology and Dialysis Centre



| Specialist Clinic, Kirkconnell Business Centre

New HSA vascular service advances amputation prevention, diabetes and kidney care

Press Release, November 13, 2025

Patients facing diabetes-related complications and kidney disease that can lead to limb loss can now receive more advanced, coordinated care with the reintroduction of vascular surgery services at the Health Services Authority (HSA).



Dr. Steven Richardson,
Vascular Surgeon, HSA

The HSA has welcomed back this vital specialty, which treats diseases affecting the arteries and veins, the body's essential network for blood circulation. Vascular surgery includes both minimally invasive and open operations to restore blood flow, relieve pain, prevent strokes, and save limbs.

"Here in the Cayman Islands, the most common conditions we see include peripheral artery disease, diabetic foot complications, varicose veins, and dialysis access issues," explained Dr Steven Richardson, Vascular Surgeon at the HSA. "We can

also see and treat patients with stroke caused by carotid artery disease, and less commonly aneurysms, which are swellings in the arteries of the body."

Dr Richardson noted that diabetes, high blood pressure, and high cholesterol are leading causes of vascular disease locally, often worsened by sedentary lifestyles and smoking. He emphasised that two of the most common causes of limb loss world-

”

Diabetes damages both small and large blood vessels, reducing blood flow and sensation in the legs and feet. Even minor injuries can become ulcers or infections that fail to heal. Early vascular treatment can stop this process and prevent amputation

Dr Steven Richardson,
HSA Vascular Surgeon



The addition of a vascular surgeon strengthens our integrated model of care for chronic diseases like diabetes. Dr Richardson works closely with a multidisciplinary team to ensure patients receive comprehensive treatment addressing circulation, infection control, and metabolic health.

Dr Delroy Jefferson,
HSA Medical Director

wide are diabetes and kidney disease complications —conditions that can often be prevented through timely, coordinated care.

“The encouraging part is that most amputations can be prevented through early vascular assessment and revascularisation,” said Dr Richardson.

According to the Cayman Islands STEPS 2023 Survey, approximately 1 in 10 adults (10.8%) have been diagnosed with raised blood sugar or diabetes, while nearly 1 in 4 (23.6%) have never had their blood sugar checked. Among those living with diabetes, half have never had a foot examina-

tion, significantly increasing the risk of ulcers, poor circulation, and amputation.

Vascular surgery will also enhance care for dialysis patients through improved vascular access management. “Reliable access to the bloodstream is essential for dialysis,” said Dr Richardson. “We create and maintain arteriovenous fistulas or grafts and perform minimally invasive procedures to keep them functioning. Good access management reduces infection and helps preserve long-term dialysis success.”

As part of Diabetes Awareness Month, Dr Richardson urges early screening: “Diabetes affects much

more than blood sugar. It impacts your circulation, kidneys, and heart. Early detection and good circulation save both lives and limbs,” he said.

HSA Medical Director, Dr Delroy Jefferson, highlighted the importance of a multidisciplinary approach to managing chronic diseases.

Patients can access vascular surgery services through referral from their general practitioner or specialist.

Community & Events

The Cayman Islands Health Services Authority continues to prioritise the improvement of public health through community education programmes and sponsorships aimed at increasing awareness of preventive care, healthy lifestyles, and management of chronic conditions such as diabetes, hypertension, and heart disease.

By fostering partnerships with local stakeholders, schools, and community organisations, we aim to promote proactive health measures and early detection of health concerns.

In 2025, HSA participated in XX lunch & learn seminars at various public and private organisations. Clinicians presented on topics from cancer prevention, to men's health and suicide awareness. These new collaborations provide community education on an intimate level, in a smaller group setting.

Teaming up with the Cayman Islands Government Portfolio of the Civil Service, HSA presented eleven webinars



| Dr. Courtney Cummings
Deputy Medical Director,
Consultant Internal Medicine

throughout the year. This was a new platform allowing us to engage with civil servants on a range of services.

In February, 200 healthcare providers and members of the public attended the HSA's 4th annual World Cancer Day event held at The Westin. This year's theme, "Empowering Progress: New Frontiers in Cancer Care Pathways," highlighted some of the latest



| Caroline Hopkinson
HSA Midwife, RN

advancements and collaborative efforts in cancer care within the Cayman Islands. The free CME event featured presentations from Cayman's healthcare leaders, including cancer care experts from the HSA, Baptist Health and local insurance provider CINICO, on stories of shared hope for advancing and managing cancer in the Cayman Islands.

COMMUNITY & EVENTS



| World Kidney Day health screening at the West Bay Health Centre



| DG 5K Event Acknowledgement



| Civil Service Lunch & Learn



| Health Fair

The Authority hosted its **13th annual Women's Health Conference** at the Hotel Indigo celebrating International Women's Day. With the theme, "Women's Reproductive Healthcare: A Collaborative Approach," this year's conference focused on the importance of interdisciplinary cooperation in advancing women's health and featured presentations on cutting-edge topics. The event attracted over 400 attendees, 17 public and private spon-

sors and 4 not-for-profit exhibitors marking its most successful year.

In recognition of **World Kidney Day 2025**, the HSA hosted health screenings at the West Bay Health Centre. Designed to increase awareness of the importance of our kidneys to our health and reduce the impact of kidney disease and its associated problems, the public had access to free screenings, including blood pressure, blood sugar, urine test (optional),

weight and height. A physician and dietitian were also available on-site to review any abnormal results and provide guidance on kidney health.

In April, the Public Health Department hosted its inaugural **Primary Healthcare Awareness Day** at the John Gray High School Gymnasium. This free community event was designed to raise awareness about the importance of preventive healthcare while providing attendees with valuable resources, services, and activities to support their well-being.

During the month of April, Autism Cayman announced the inaugural **Cayman Islands Autism and Neurodevelopment Symposium**, a free educational event dedicated to

COMMUNITY & EVENTS



Paediatric Developmental Symposium

supporting neurodiverse individuals across their lifespan. The symposium took place at the John Gray High School Performance Hall and featured HSA Consultant Psychiatrist, Dr. Stenette Davis who discussed the crucial role of psychiatry in autism care. The symposium aimed to provide a platform for the latest research, strategies, and resources to better support individuals on the autism spectrum and others with neurodevelopmental differences.

HSA hosted its inaugural **Paediatric Health Symposium** in May, centered around the theme 'Evaluating Developmental Challenges'. The event, which took place in the Hibiscus Conference Rooms, saw a strong turnout and included presentations from speakers representing HSA's Paediatrics and Therapy Services departments, as well as The Wellness Centre.

In a major step toward improving access to care and preventing diabetes-related complications, the **HSA launched monthly Diabetes Education sessions** at all district health clinics. These group sessions, led by certified Diabetes Educators and Pharmacists, provide practical guidance on lifestyle changes, medication adherence, nutrition, physical activity, and blood glucose monitoring.

In recognition of HIV Testing Day observed in June, the Public Health Department together with the Cayman Islands Red Cross and the Cayman AIDS Foundation urged residents to take proactive steps toward their well-being by getting tested at their



Mobile Blood Collection Unit

free testing clinics throughout the week. The event serves as a vital reminder that testing is the gateway to prevention, treatment, and care.

The Ministry of Health, Environment and Sustainability, the Public Health Department and the Cayman Islands Cancer Society announced the **expansion of what has become an annual HPV vaccination drive** for school age children and young adults, ages 9-25, via not only the school vaccination programme but also a partnership with six private sector providers to enhance access to this vaccine and eliminate cervical cancer across our Islands.



HSA maintained its title as **the most awarded organisation in the Cayman Islands** winning 9 category awards in the Best of Cayman Islands 2025 Awards.

Gold Winning Categories: Behavioural/Mental Health, Dietician/Nutrition

Silver Winning Categories: Chiropractic Services, Occupational Therapy,



| Civil Service Wellness Fair

Speech Therapy, Pediatric Dentistry, Pediatrics, Dermatology, Home Care

The Civil Service Wellness Fair held annually at the Government Administration Building, again hosting many HSA departments providing much

needed screenings to civil servants. Attendees were provided free PSA tests and biometric screenings. Participating HSA departments included Public Health, Laboratory, Behavioural Health, Women's Health, Dietetics & Nutrition and Physiotherapy.



The HSA was honoured with two prestigious awards at the **Cayman Islands Chamber of Commerce's 2025 Business Excellence Awards**. HSA received both the Training Champion and the Commitment to Youth Education awards, recognising the organisation's longstanding dedication to local talent development and youth empowerment.

| Walkers Marathon
Waterstop volunteers

COMMUNITY & EVENTS

As part of a coordinated commitment across government emergency services, the HSA partnered with the National Road Safety (NRA) to film the *After the Impact*: Experience of First Responders docuseries. The series aims to inspire meaningful behaviour change on Cayman's roads by showcasing the impact of road crashes from the perspective of first responders.

Team HSA provided refreshments, vibes and encouraged participants at the Walkers Cayman Islands Marathon. Our 'Around the World' themed water stop gained admiration from the 1,600+ runners in attendance.

HSA also participated in many local events, such as the the Cayman Islands Healthcare Conference, Cayman Heart Foundation Cardiovascular Conference, Alex Panton Youth Men-

tal Health Symposium, UCCI Nursing Symposium, Breast Cancer Gala, CHF Heart Heroes Brunch, various Chamber events, CICS Conquering Cancer Symposium, Movember, Jasmine's Light up a Life, among others.



| Krystal Arch, HSA Paramedic



| After the Impact: First Responders

HSA Nurse Receives 2025 Eloise Reid Excellence in Nursing Award

Featured Story, June 20, 2025

Young Caymanian Nurse, Shanique Ayres, of the Health Services Authority (HSA) was awarded the 2025 Eloise Reid Excellence in Nursing Award by the Cayman Islands Nursing and Midwifery Association (CINMA) at its Nursing Symposium on the 8th May at the University College of the Cayman Islands (UCCI).

The Eloise Reid Excellence in Nursing Award was re-established by CINMA to recognise the 30-year contribution of Nurse Eloise Reid, one of the longest-serving chief nursing officers at the HSA, who moved on to become CEO at the HSA in 2004 before retiring in 2005. Renowned for her visionary leadership and commitment to advancing patient care, Nurse Reid's distinguished career stands as a testament to excellence, foresight and resilience.

The award, last given in 2013, recognises registered nurses/midwives in the Cayman Islands who have demonstrated excellence, creativity and commitment to improving nursing practice for the benefit of patients and the people of our Islands.

Award recipient Shanique Ayres shared her heartfelt gratitude upon receiving the prestigious Eloise Reid Excellence in Nursing Award. "I am truly humbled and honoured," she expressed.



Shanique Ayres, recipient of the Eloise Reid Excellence in Nursing Award

Nurse Ayres, a 2019 graduate of UCCI, joined the HSA team on the medical ward in May 2020. Reflecting on her dedication and growth, Medical Unit Nurse Manager Marsha Clark remarked that, "Shanique exemplifies transformational leadership. She actively mentors junior staff and nursing students, creating a supportive environment where nurses feel empowered to voice ideas and concerns. She is passionate about patient care and patients having a great experience. Shanique upholds our core values and complies wholeheartedly with standard operating procedures. It's difficult to find an area she does not excel. I am inspired by her professional integrity, humility, and tireless advocacy for both patients and staff"

HSA's Public Health/Primary Health-care Team received the runner-up position. "We are honoured and grateful. Nurse Eloise has left a lasting legacy that continues to inspire and empower others," noted Public Health/Primary Health Care Services Senior Nursing Officer, Joanna Rose-Wright. "Every day, we strive to make a meaningful impact in our community. We are also deeply appreciative of the hard work of our public health nurses and team members who bridge the gap and consistently care for our residents and visitors alike. This acknowledgement is not just a celebration of their dedication; it is a call to continue supporting and empowering those on the front lines in community health.

In congratulating Nurse Shanique Ayres and the Public Health/Primary Healthcare Team, HSA's CEO Ms. Lizzette Yearwood emphasised, "We are incredibly proud to celebrate Nurse Ayres for receiving this prestigious nursing award. Her compassion and commitment to patient care exemplify the very best of our profession and our organisation. She is a true inspiration to her colleagues and a shining example of the profound impact that skilled and empathetic nursing can have on our community."



Looking Ahead

As the HSA looks ahead to 2026, the strategic focus shifts toward addressing critical infrastructure needs to support a growing population and evolving service demands. Several major relocation and expansion projects are planned to optimize patient flow, modernize facilities and enhance operational efficiency.

This includes the relocation of the Physiotherapy & Chiropractic Department to the Ground Floor of Baytown House, improving accessibility and patient satisfaction and enhancing service delivery.

Dental services will be strengthened through the relocation and expansion of the Dental Clinic, while the Morgue capacity will be increased to ensure dignified and effective management of deceased bodies. The Emergency Room Expansion Project represents a significant investment in acute care capacity, aimed at improving service efficiency and reducing wait times.

Additional priorities include the development of a new Mental Health

Inpatient Facility, which will increase patient capacity, provide age, gender and diagnosis appropriate accommodations, to address the critical need for mental health care in the country; in addition to the expansion of the Chemotherapy Department to enhance treatment capabilities and patient outcomes.

The Atrium Enclosure Project will create a more modern, comfortable environment for both patients and staff. This upgrade will improve patient flow and accessibility through sustainable design features. Overall, the project supports the HSA's commitment to creating a welcoming, efficient, and environmentally responsible healthcare setting.

Modernising medication management through the implementation of an automated medication dispensing system is another critical initiative. This system will enhance accuracy, reduce medication errors, improve inventory control and streamline workflow for healthcare providers, ultimately contributing to safer and more efficient patient care.

Preparation for JCI re-accreditation and completion of departmental readiness assessments for 2026 are also key priorities, underscoring the HSA's commitment to maintaining the highest standards of quality and safety.

The strength of the HSA lies in its people, and we remain committed to recruiting for essential roles while investing in staff growth through targeted training and CME activities. We will also continue to elevate the HSA's profile through strategic marketing and communications, leveraging social media, video storytelling and community engagement to reinforce our reputation and expand our reach.

As we move forward, the HSA will continue to align our strategic initiatives with the Ministry of Health's input, working closely with the Ministry to create a unified, efficient, and patient-focused healthcare system. These efforts will not only improve health outcomes but also reduce healthcare costs and strengthen the resilience of our national health system.

Our vision for 2026 and beyond is bold, but it is achievable with the collective support of our dedicated team, valued partners, and the people of the Cayman Islands.

By investing in our people, infrastructure, technology, and wellness initiatives, we will create a healthier, stronger, and more prosperous Cayman Islands for generations to come.



MANAGEMENT DISCUSSION & ANALYSIS

Financial Statements

Executive Overview

Productivity has improved, but cost continues to compress margins.

In 2025 the Health Services Authority (HSA) continued to advance its mandate as the national healthcare provider through strategic investments aimed at improving access to care through service expansion and increased clinical capacity. While 2025 delivered strong revenue growth through increased patient volumes, cost escalation—particularly in personnel costs, resulted in a year-end operating deficit. Nevertheless, the Authority remains financially stable, with liquidity exceeding statutory requirements as it continues its operations and long-term sustainability efforts.

2025 Performance

Improving fiscal discipline

The 2025 results reflect a transition year from rapid post-pandemic expansion to operational stabilisation. Moderate growth was indicated compared with 2024. In 2025, the Authority made measurable progress in strengthening liquidity, reducing operating deficit, and improving revenue productivity. The focus in 2025 shifted from scaling services to consolidating gains, managing costs, and improving financial resilience. Financial performance is stabilizing, with deficit reduction outpacing revenue growth moderation—a key signal of improving fiscal discipline.



Current Ratio
5.4:1



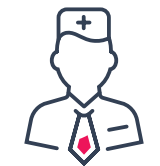
Cash on Hand
140 Days



Net revenue
UP 5.6% YOY



Operating expense
UP 3.6% YOY



YoY Encounters
UP 2%



Personnel Cost
as a % of Revenue 66%



Capital Spend
\$5.8 Million

2025 Performance

Category	Financial Health
KPI	Total Revenue Growth
2025 Result	+5.6%
2024 Result	+16%
Change	↑ Strong
Status	Positive. Growth remained positive but moderated from 2024's exceptional +16%, signaling a return to more sustainable demand patterns following earlier service expansion. Revenue gains were driven by incremental and natural growth activity rather than major programme rollouts.

KPI	Operating Deficit
2025 Result	\$8.7M
2024 Result	\$12.4M
Change	→
Status	The organisation has made progress in the negative trajectory through better collection and inventory management as it makes the required movement towards profitability.

Category	Liquidity
KPI	Cash Reserves
2025 Result	140 Days
2024 Result	113-Days
Change	↑
Status	Strong. Liquidity strengthened considerably, well above the statutory 90-day requirement. This improvement enhances the Authority's ability to manage receivable delays, fund capital works, absorb cost volatility and reduce short-term financial risks.

The overall picture confirms that;

1. Financial trajectory improved — deficit significantly reduced due to improved fiscal discipline amid lower revenue growth.
2. Liquidity strengthened materially, providing resilience against economic and reimbursement risks.
3. Operational demand stabilised, signalling a move from expansion to optimisation.
4. Cost pressures remain the principal challenge.
5. Revenue-cycle improvements are yielding results, as seen in reduced receivables.
6. Strategic focus is shifting toward efficiency, sustainability, and infrastructure modernisation.

Strategic Pillar Progress

In 2025, the organisation made strong progress across its strategic priorities. Efforts to improve Patient Experience and Recruitment & Retention are leading at 87%, driven by reduced waiting times, expanded services, and continued clinical workforce growth which has positively impacted revenue growth.

Access to Care, Technology & Innovation, and Population Wellness initiatives attained 80% completion, reflecting steady advancement in district clinic expansion, clinical outreach, innovation efforts, and community-based care programmes.

While Revenue Growth trails slightly at 70%, there is an underlying two-

year strategy with focused efforts on improved revenue capture to strengthen financial sustainability.

Overall, performance demonstrates meaningful momentum toward organisational goals and a solid foundation for continued progress.

Strategic Priority	% Complete	2025 Focus
Improving Patient Experience	87%	Reduced wait times, expanded services
Improving Access to Care	80%	District clinic growth and outreach
Recruitment & Retention	87%	Clinical workforce expansion
Revenue Growth	70%	Improved revenue capture
Technology & Innovation	80%	
Population Wellness	80%	Community-based care initiatives
Infrastructure & Efficiency	80%	Long-term modernization planning

Financial Position

The overall net worth of the Authority declined by \$18.7 million when compared to 2024 due to the deficit sustained in 2025 and actuarial adjustments. While the Authority had projected a better outcome, a strategic decision was made to critically review the aging debtor portfolio and its collectability resulting in the recognition of significantly higher than expected allowances for credit losses.

Liquidity and Cash Management

A strengthened cash management strategy resulted in reserves exceeding statutory requirements throughout the year.

Metric	2025 Result
Year-End Cash Balance	\$71.5M
Statutory Requirement	90 Days
Actual Coverage	140 Days
Increase vs. 2024	+\$7.3M

The yearend cash reserves position the Authority to manage operational risks while funding strategic capital investments currently being finalized for implementation in 2026. The growth is explained by increased revenue, reduction in denial and the delays in the required approvals and mobilization of capital projects.

Throughout 2025, HSA actively employed an aggressive cash management strategy to better manage funds designated for its capital de-

velopment programmes through the placement of fixed deposits in A-class banks while hedging against the high concentration of debts from a single source.

Accounts Receivable and Risk Concentration:

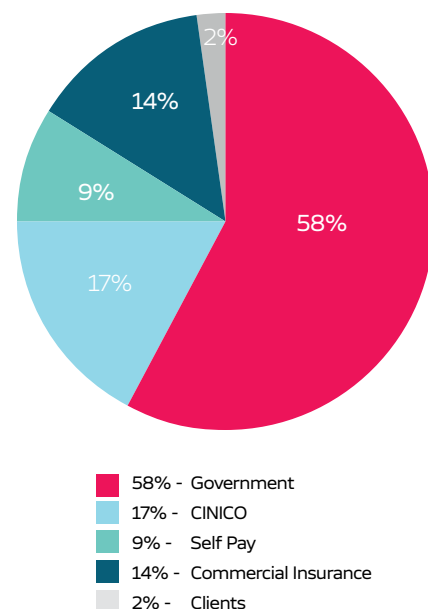
Accounts Receivable decreased to \$35.9 million (2024: \$43.6 million). The continued high dependency on Government entities presents both an opportunity and a risk in that while the Authority has the benefit of the surety of payment, the collection however is fraught with delays which can result in cash flow issues. The delays also impact bad debt provisions as the Authority has had to absorb a \$4.6 million debt arising from 2020 unpaid advances made on behalf of the Treasury to third parties.

Category	Key Performance Indicator
KPI	Accounts Receivable
2025 Result	\$35.9 M
2024 Result	\$43.6 M
Change	↑ 18%
Status	The 18% reduction reflects strengthened collection efforts aimed at improving recoverability, particularly among commercial and self-pay categories while reducing credit exposure and improving cashflows.

Accounts Receivable Risk Profile

At the end of 2025, related government (CIG and CINICO combined) entities accounted for 75% of the total net receivables. Note that while the government has the highest receivables, it presents the lowest collectability risk even with delayed collection.

Commercial insurance and Self-Pay were each 14% and 9% respectively of total receivables. Self-pay receivables represent the highest concentration of risk and the highest buckets of collectability and correspondent allowances for credit losses. Self-pay transactions primarily arise from of underinsured and uninsured patients.



Financial Position

Government Receivable

The total due from CIG at the end of 2025 was \$25.9 million broken down between the Ministry of Finance and Ministry of Health as shown in the accompanying table.

\$4.6 million remains outstanding from the Ministry of Finance (MoF) in relation to the 2020 Covid-19 reimbursables representing services ren-

dered on behalf of the government as well as payments made to other healthcare facilities for Covid-19 testing on behalf of CIG.

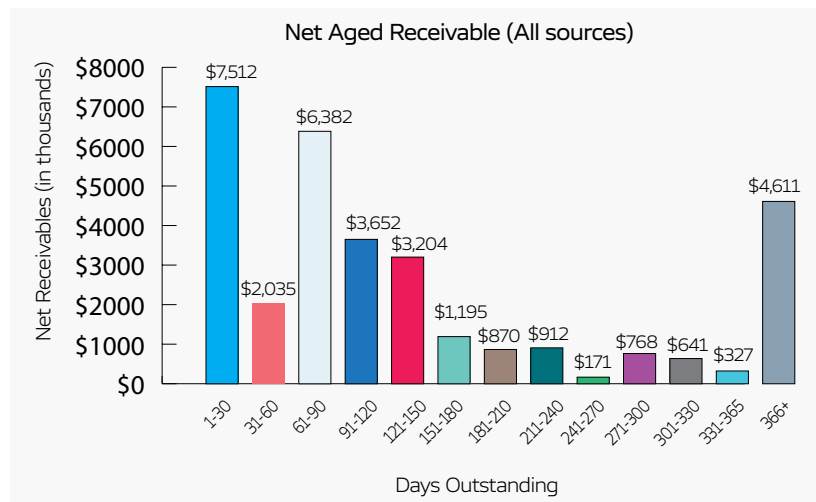
The Ministry of Health (MoH) also has undisputed outstanding prior year receivable of \$6.6 million awaiting Sec.12 supplementary approval. Continued late payments from CIG leads to cash flow challenges as 75% of

the total net receivable comes from CIG and government entities. Therefore, diligent collection of receivables remains imperative to meet, exceed, and maintain statutory cash targets. HSA received combined Sec.11 supplementary approval of \$21.2 million for the 2025 fiscal year.

Customer	Category	Sum of Balance	Total Due
Ministry of Finance	FY 2020	4,597,000	
	Total due from Ministry of Finance		\$4,597,000
Ministry of Health	FY 2024 - Episodic	5,885,556	
	FY 2024 - Indigent	760,359	
	Total Due for 2024	6,645,915	
	FY 2025 - Episodic	3,506,483	
	FY 2025 - Indigent	8,044,935	
	FY 2025 - 1/12 Programme	2,797,750	
	Current Month Accrual	320,079	
	FY Total 2025	14,669,247	
	Total due from Ministry of Health		\$21,315,162
	Grand Total Due From CIG		\$25,912,162

Receivables Aging Profile

74% of the total net receivables is concentrated over 0-180 days, while 14% is aged over 365 days. HSA has achieved an average 84% acceptance rate across the various health plans over the past seven years.

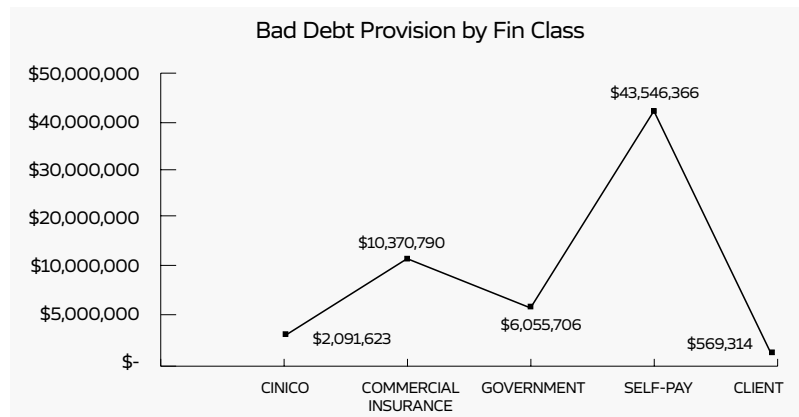


MANAGEMENT DISCUSSION & ANALYSIS

Financial Position

Bad Debts

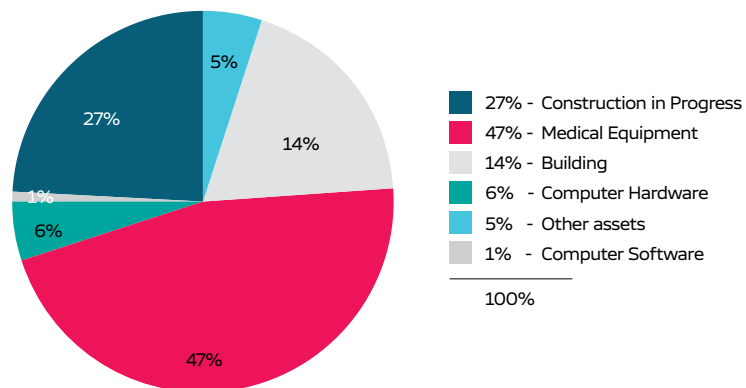
The total bad and doubtful debt provision for patient debts was \$62.6 million at the end of 2025 with \$18.5 million related to outstanding government debts. While government debts are fully recoverable, under accounting convention, a provision for bad debt is mandatory hence an allowance for credit loss (bad debt) provision was made for receivables.



Capital Investment and Infrastructure

Infrastructure expansion remains essential as the population has now exceeded 90,000 persons—significantly above the capacity since the 1998 facility upgrades.

True to its mandate as the national healthcare provider, HSA made capital investments of \$5.9 million in 2025 primarily geared towards patient safety and improved patient care.



Financial Position

Key Performance Indicator:

Category	Infrastructure	Category	Infrastructure
KPI	Capital Projects Delivered	KPI	Average Age ratio
2025 Result	\$5.9 M	2025 Result	38%
2024 Result	\$6.0 M	2024 Result	35%
Status	Investment remained consistent with 2024 levels, demonstrating continued commitment to facility upgrades while avoiding large-scale expansion that could strain cash reserves. Capital spending is being paced to match financial capacity, supporting sustainability rather than rapid infrastructure growth.	Status	HSA continues to allocate and invest significant sums in its assets to ensure positive outcomes in service delivery.

Category	Infrastructure	Category	Infrastructure
KPI	Capex ratio	KPI	Fixed asset turnover ratio
2025 Result	3%	2025 Result	2.1:1
2024 Result	3%	2024 Result	1.9:1
Status	There has not been a significant investment year on year.	Status	In 2025, there was greater efficiency in the use of capital as shown by the improved year on year ratio.

Facility Upgrades

Expanded healthcare facilities with the completion of Phase 1 of the Physiotherapy Department expansion at Baytown Plaza. Phase 2 is nearing completion.

Enhanced chemotherapy services: completion of Phase 1 and ongoing design for Phase 2.

Improved infrastructure resilience: Completed the Faith Hospital Morgue roof replacement and installed hurricane shutters at district health centers.

Relocated specimen collection functions from the Forensic Department to a more accessible location, improving operational efficiency.

Financial Position

Improved Patient Experience

- Strategic renovations, including Public Health Admin and Urgent Care (Phase 1) to improve service delivery and patient comfort.
- Expansion of CCTV coverage to improve safety.
- Upgraded the Chemotherapy Clean Room, Eye Clinic, and Radiology.
- Trained mental health security officers to provide 24/7 coverage in the mental health unit.

Ongoing and Pre-Construction Projects

- HVAC Upgrades (60% completed).
- Ambulatory Care Unit expansion (82% completed).
- Morgue Expansion (88% completed).
- Faith Hospital Helipad Lights Phase 1 (90% completed).
- Atrium Enclosure (70% completed).
- Emergency Medical Service ambulance bay cover (50% completed).

Sustainability and Energy Management

As an organisation, HSA constantly seeks ways to reduce its carbon footprint. To that end additional roof insulation and air corridors were installed, environmental alarms deployed with the use of critical systems and upgraded windows to category 5 UV rated to reduce energy costs. The 200Kwh photovoltaic solar system continues to exceed the expected ROI of 20% by an average 9-12% annually.

Category	Energy Efficiency
KPI	Solar Energy Savings
2025 Result	28%
2024 Result	28%
Change	→
Status	Stable. Energy savings achieved in 2024 were sustained in 2025, confirming the long-term value of the photovoltaic investment in mitigating utility cost escalation. The initiative has moved from implementation success to steady operational benefit.

In 2025, HSA successfully reduced its monthly average power consumption by 9% (513,525 Kwh in 2024 to 466,177 Kwh in 2025) This is mainly due to the frequency drives installed in the Air Handler Units (AHU) at the Anthony S. Eden Hospital coming online with the Building Management System (BMS).

Revenue Overview

Service Demand & Utilization

Healthcare demand continued to grow alongside the population. The 2025 activity profile reflects a shift from acute, hospital-based demand towards a more ambulatory and managed care delivery, consistent with the Authority's strategy to expand outpatient access and reduce avoidable hospital utilisation. This shift resulted in moderate revenue growth, rising cost of encounter due to more complex ambulatory management while producing efficiency gains from workflow optimisation rather than volume expansion.

Revenue Performance at Glance

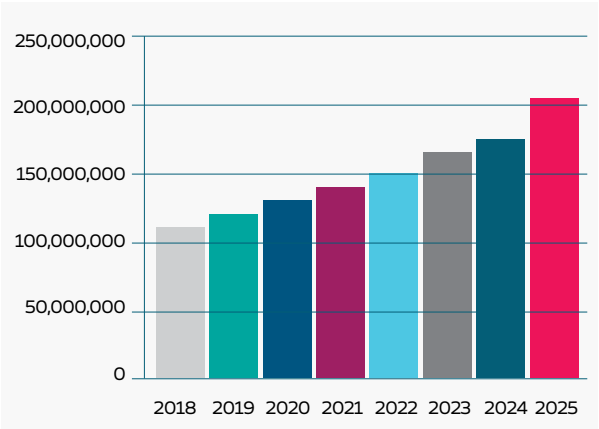
HSA has maintained an average annual revenue growth rate of approximately 9% over the past 8 years

There has been a steady upward trend in annual patient revenue over the 8-year period with no declines, indicating stable demand and effective operational revenue performance. The 2018–2020 growth was moderate and gradual, suggesting a period of steady expansion however there was a noticeable jump between 2020 and 2021 as the world emerged from COVID-19, where revenue rose more sharply than in prior years. The post Covid-19 years marked a transition from slow growth to a stronger scaling

phase. Between 2022–2025 the increases became larger annually, showing momentum rather than plateauing aligning with higher patient volumes, expanded services and improved billing/reimbursement strategies.

This combination of operational efficiencies and market demand moved revenues from roughly \$110M in 2018 to over \$202M by 2025, nearly doubling in seven years and solidify a strong long-term revenue growth trajectory. While the momentum has now slowed, the curve did not flatten in 2025 which means the organisation is still in a slow growth phase rather than maturity, with room for continued expansion.

Annual Patient Revenue Trends 2018-2025



MANAGEMENT DISCUSSION & ANALYSIS

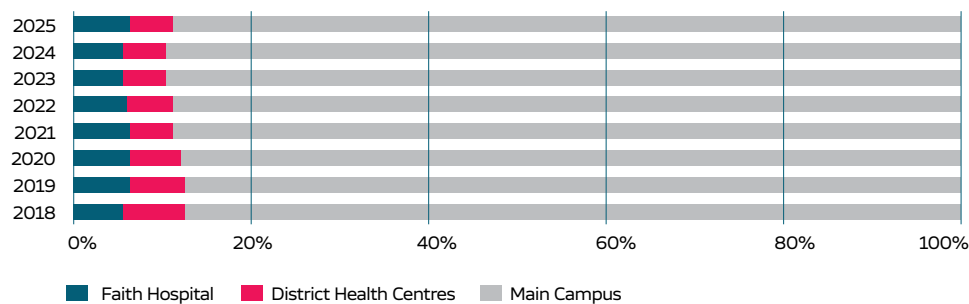
Financial Position

Performance by location

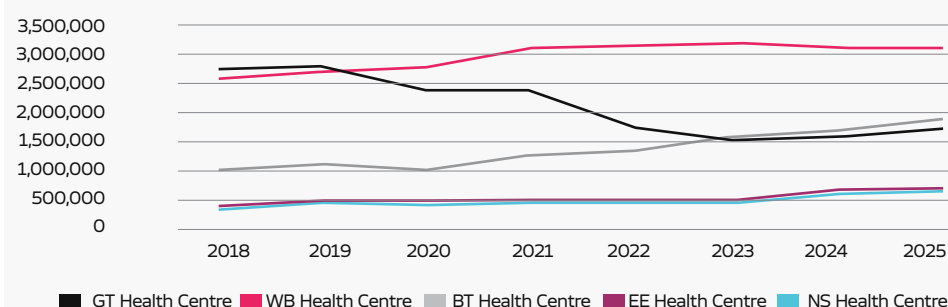
Faith Hospital accounts for an average 6% of annual revenues, while district health centres 5% and the lion's share 89% comes from the main campus locations (Anthony Eden Campus and the Smith Road Medical Centre). Faith Hospital revenue performance has grown steadily up from \$5.9M in 2018 to \$12.9M in 2025. This reflects the result of the strategic decision to improve infrastructure and expand services in the Sister Islands.

There has been mixed performance at the district health centres with a marked decline in 2023 as a result of the rollout of the Urgent Care Clinic at the Anthony S. Eden Campus which pulled services away from the then George Town Clinic.

Revenue Growth Trends by Location 2018-2025



Revenue Performance by District Health Centres 2018-2025



Revenue Overview

Key Performance Indicators

Category	Productivity
KPI	Revenue per employee
2025 Result	\$155,472
2024 Result	\$148,448
Status	Moderate 5% gain over 2024. Productivity gains reflect better alignment of staffing levels with service demand and optimization of clinic throughput.

Category	Productivity
KPI	Revenue per Encounter
2025 Result	\$588
2024 Result	\$559
Status	Moderate 5% growth indicating sustained productivity gains from expanded clinical capacity in spite of ongoing external market pressures.

Category	Efficiency
KPI	Cost per Encounter
2025 Result	\$661
2024 Result	\$642
Status	Moderate 3% growth in costs: HSA has experienced ongoing inflationary pressures in pharmaceutical and medical supplies costs, clinical staffing, higher acuity and treatment of more complex of cases.

Category	Efficiency
KPI	Denial rate
2025 Result	11.26%
2024 Result	16.92%
Status	Denials have improved by 33% YOY. This strong performance signals effective revenue cycle oversight, tighter documentation practices, and successful implementation of denial prevention initiatives.

Category	Operational Activity
KPI	Patient Encounters
2025 Result	+2%
2024 Result	+9.2%
Status	Modest 2% growth. Growth slowed markedly from 2024 (+9.2%), indicating demand normalization after several years of catch-up healthcare utilization. Activity levels remain historically high, suggesting services are reaching maturity rather than declining.

Financial Position

Inpatient vs Outpatient Performance

Prior to Covid-19, the organisation largely followed and outpatient model however the performance has indicated that growth in inpatient services up from the 37% achieved in 2018.

Revenue Type

	2018	2019	2020	2021	2022	2023	2024	2025
Inpatient	37%	34%	44%	45%	49%	47%	44%	43%
Outpatient	63%	66%	56%	55%	51%	53%	56%	57%

This is also a testament to the community's growing confidence in the delivery and access to care. It also aligns with the maturity in local healthcare and patient behaviours where several specialised services are now being sought and delivered locally.

Revenue Performance in 2025

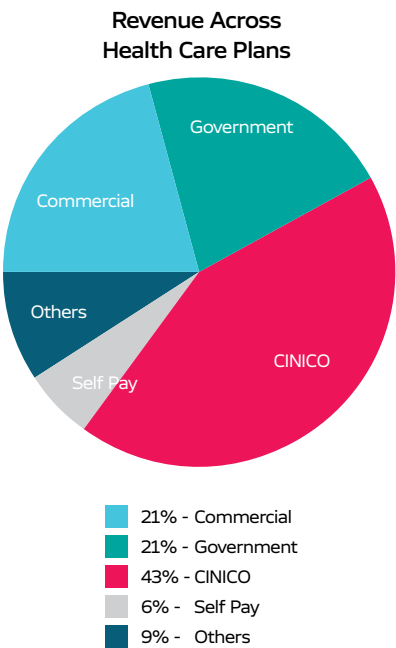
In FY 2025, net patient revenue increased by \$10.9M, driven primarily by outpatient growth (+9%), sustained inpatient activity (+5%) and district health centers 9%.

The 9% growth in district health centers revenues resulted from expanded hours and expanded service delivery at the community level.

Revenue Across Health Plans

CINICO accounted for 43% of annual revenue while the government another 21%. Combined government represents 64% of the total 2025 patient revenue earnings.

The significant contribution from government-related entities underscores the importance of maintaining strong partnerships and service delivery standards in the public sector. However, having 64% of total patient earnings coming from a single source, poses a financial risk in the event of a change in government policy.



Government Programmes

The government provides funding for various programmes in the interest of the public. These are categorised as episodic and non-episodic outputs based on the nature of the services provided and how they are funded. Non-episodic funding is a

government grant received to offset the cost of the delivery of a particular service as shown below. In 2025, the government contributed sums from general revenue to offset the cost of operating the programmes below. These are delivered in the interest

of the nation in accordance with our government's strategic plan and our World Health Organisation's mandate as a national healthcare provider.

Ministry Reference	Entity Reference	Output Description	2025 Budget (CIG Contrib)
HEA 18	HSA11	School Health Nursing	1,100,000
	HSA12	School Dental Programme	1,400,000
HEA 6	HSA21	Cayman Brac and Little Cayman	4,161,000
HEA 10	HSA23	Ambulance Services	3,716,000
HEA 12	HSA28*	Adult Mental Health (Combines HSA47)	4,335,000
HEA 11	HSA31	Bodden Town Clinic	250,000
	HSA32	East End Clinic	100,000
	HSA33	North Side Clinic	200,000
	HSA34	George Town Clinic	3,026,000
HEA 20	HSA39	Public Health Programme	2,000,000
HEA 20		Honorarium	654,500
HEA 21	HSA40	Medical Internship Programme	287,000
HEA 25	HSA43	Children Trauma Diagnosis & Treatment (formerly Child Abuse Programme)	208,000
HEA 26	HSA44	Cancer Registry	136,000
HEA 24	HSA45	Adolescent Mental Health Hub	1,200,000
HSA46	HSA46	Molecular Biology	2,000,000
HSA47	HSA47	Expansion of inpatient MH and Community Mental Health Nurses	1,500,000
Total for Non-episodic output (Fixed monthly payments)			26,273,500

MANAGEMENT DISCUSSION & ANALYSIS

Patient Output (Episodic) Summary

In 2025, the government approved approved \$20.4M for the delivery of episodic programmes. During the course of the year a further \$30.8 million was approved to maintain the uninterrupted delivery of services to the public.

Episodic funding is driven by patient demand and billed only when the service is delivered to a patient. At the end of December 2025, the status of the episodic programmes is shown below:

Ministry Reference	Entity Reference	Output Description	2025 Budget	FY 2025 Actual	Budget shortfall addressed via supplementary funding
HEA 17	HSA1	Medical Care for Beyond Insurance Coverage/Un-insured Children	1,675,000	2,450,775	-\$775,775
	HSA2	Medical Care for Uninsured/ Underinsured Pregnant Women	200,000	402,080	-\$202,080
	HSA3	Postnatal and Family Planning Services to Uninsured/ Under-Insured Caymanians	125,000	203,883	-\$78,883
HEA 2	HSA7	Medical Care for Indigents	12,000,000	35,321,555	-\$23,321,555
HEA 16	HSA37	Geriatric Services	4,000,000	7,677,068	-\$3,677,068
HEA 19	HSA38	Medical Care for Chronic Ailments	1,359,255	4,017,145	-\$2,657,890
HEA 20	HSA41	Public Health Investigations and Treatment of Communicable Diseases	500,000	309,856	\$190,144
HEA 23	HSA42	Provision of Antiretroviral Medication	492,000	752,603	-\$260,603
Total for Episodic Output (Drawn Per Patient Encounter Basis)			20,351,255	51,134,966	-\$30,783,711

Top Revenue Earners

The revenue distribution is consistent with the prior year's rankings, indicating stable performance across key service areas, amid operational constraints and changes in the health-care landscape.

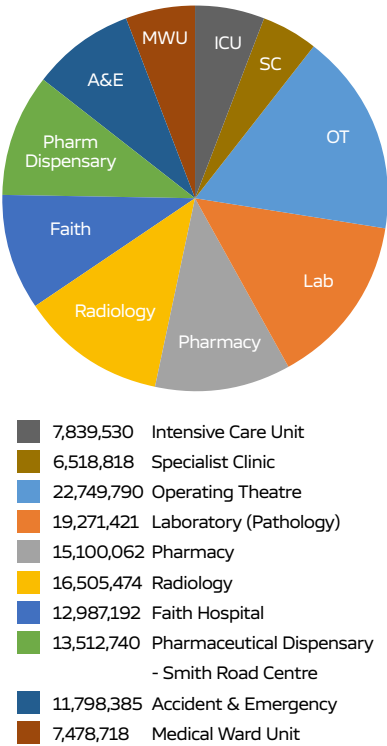
Operating Theatre (OR)

In 2025, the OR earned \$22.8 million and maintained the top revenue earning position despite reduced capacity in the first half of the year due to required upgrades and enhancements to meet the changing needs of the community. This performance was followed by Laboratory Services: \$19.3 million, Radiology: \$16.5 million, respectively.

The positive revenue performance has been fueled primarily by an increase in clinical capacity in the Operating Theatre allowing for a quicker turnaround in surgeries while reducing referrals.

Similarly, the extended opening hours in Urgent Care continue to positively impact patient waiting times.

Top 10 Revenue Generating Areas in 2025



Denials Management

Denials averaged 14 percent over the 2024-2025 financial year with the primary reason being service not covered or benefits maxed. The HSA is mandated to deliver health service to residents irrespective of whether they have adequate insurance coverage, are uninsured or qualify for Government programmes. This means that the HSA will carry a high level of self-pay with limited ability to recover same.

HSA will continue to advocate for a local insurance clearing house system.

In order to reduce denials and become more efficient in the revenue cycle, options for self-service (kiosks), online registration, centralized registration points, e-statements, scheduling and benefits check capabilities are being explored.

MANAGEMENT DISCUSSION & ANALYSIS

Expenses

Expenditure Overview

The accompanying table provides a synopsis of the performance during 2025 vs the results of 2024. At a glance it shows that we are working more in our communities with increased loads in Homecare and ser-

vice at District Clinics. Total operating expenditure increased by \$7.8 million when compared to 2024. As a service organisation, our biggest driver of the year-on-year expenses remains personnel costs (\$10.9 million), supplies & materials (\$2.1 million) offset by

gains in doubtful debts (\$3.0 million), and impairment of inventory (\$1.9 million). Cost pressures reflect global healthcare inflation, expanded clinical capacity, and workforce investment.

Expenditure by Category

Group	2018	2019	2020	2021	2022	2023	2024	2025
Fixed expenses	90,222,024	91,432,079	98,401,683	104,673,012	123,665,962	135,838,064	148,098,551	160,660,816
Semi-variable exp	(3,192,120)	10,238,002	9,920,100	11,836,778	5,277,429	15,101,407	23,470,960	17,490,930
Variable expenses	24,320,753	26,660,064	35,892,591	44,501,454	45,952,325	37,743,202	45,409,551	46,665,242
Total cost	111,350,657	128,330,145	144,214,373	161,011,244	174,895,716	188,682,673	216,979,061	224,816,989

Fixed Costs:

These are costs that do not change in line with encounters in the short term and include salaries of permanent staff, provisions for past service liabilities, insurance, and depreciation. In 2025 salaries were the main fixed cost with a 2 % increase in head count year on year. Recruitment challenges due to geographic location and remuneration packages also limits flexibility recruitment. Fixed costs increased by 6 percent as the Authority increased its clinical and administrative bench strength to meet the strategic priorities.

Variable Costs:

These costs are controllable and will fluctuate based on the activity levels and needs of the Authority. The purchase of clinical supplies, pharmaceuticals and medical supplies inventory, and consultancies are considered in this category.

Semi-Variable Costs:

These are costs that contain both fixed and variable components such as utilities which carry minimum fixed charges, but the final cost is driven by usage.

As a service organisation, the expectation is that staff costs will be the largest single expenditure category. In 2018, staff costs were as high as 73% of total cost however over time, global shocks and shifts in the supply chain has led to a notable increase in the non-staff costs moving from 27% in 2018 to 36% in 2025..

Expenditure by Category (continued)

Expenditure Type	2018	2019	2020	2021	2022	2023	2024	2025
Staff Costs	73%	65%	62%	58%	63%	64%	61%	64%
Other Costs	27%	35%	38%	42%	37%	36%	39%	36%

In 2025, as part of the Authority's cost containment strategy, variable and semi-variable costs declined through the implementation of fixed price ten-

ders, best and final offer negotiations, controlled recruitment and improved inventory capitalization.

Personnel Costs:

Personnel costs of \$143.5 million were \$10.9 million more than the prior year and \$17.3 million (14 percent) above the annual budget. The increase in cost was in line with the increased head count as well as the increased encounter levels. The 8-year personnel cost trend also shows a steady annual increase due to increased headcounts and increased remuneration rates over the period.

Workforce Metric	2025
Full Time Employees	1,304
Increase from 2024	+30
Personnel Cost	\$144M
Post-Retirement Benefit Adjustment	\$12.4M

In 2025 the HSA invested heavily in its workforce to meet growing national demand so much so that staff costs were 14% over budget with an equiv-

alent 1,304 in full time employees.

Recruitment remains challenging due to geographic location and global competition for healthcare professionals. The 1,304 FTE represented a 2% increase over FY2024. Additionally, HSA implemented the unbudgeted government-mandated 5% cost-of-living adjustment (COLA) in January 2025, further increasing staff rates and associated costs.

Workforce	Headcount	1,304	1,274	+2%	Managed Growth. Growth slowed significantly compared with 2024, indicating deliberate workforce stabilization after earlier expansion. Recruitment is now more targeted toward specialized clinical roles rather than broad staffing increases. The slowed growth also aligns with the new thrust of shifting from workforce expansion to workforce optimization and retention.
-----------	-----------	-------	-------	-----	---

MANAGEMENT DISCUSSION & ANALYSIS

Expenditure by Category (continued)

The split-in headcount as shown in the table is in line with industry expectations where non-clinical teams are expected to be within the 25% - 35% range. Similarly, the support staff cost is benchmarked between 15% -30% of total revenue. The ratios have remained consistent over the past four years and also speaks to the recruitment challenges faced due to the geographic location of the HSA.

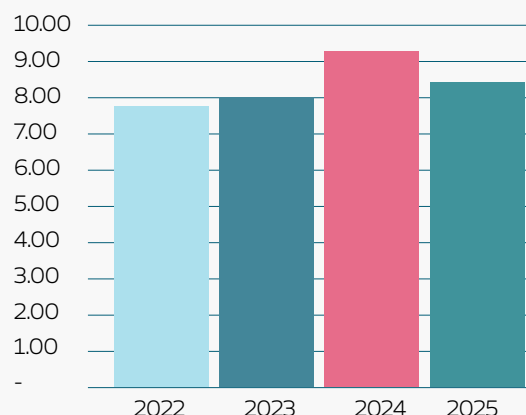
Staff Numbers

	Clinical	Clinical Support	Non-Clinical
FY2022	66%	9%	25%
FY2023	65%	10%	25%
FY2024	64%	10%	26%
FY2025	62%	14%	24%

Staff Costs

	Clinical	Clinical Support	Non-Clinical
FY2022	76%	4%	20%
FY2023	75%	5%	20%
FY2024	74%	5%	21%
FY2025	74%	7%	19%

Support Staff at % of Total Revenue 2022-2025



Staff Healthcare Costs

The HSA as a healthcare provider, self-insures its employees thereby saving upwards of \$14 million annually to the government in healthcare costs. The healthcare plan is administered by Britcay. Staff access services in house (referred to as contractual allowance in the financial statements), in addition to referrals to external providers. The total cost is shown below.

Year	Employees	Dependent	Total
2024	1347	1182	2529
2025	1398	1240	2638
YoY Change	4%	5%	4%

Note: These figures are different to those on page 85 because these figures include all employees, whether full-time or not, whereas the figures on page 85 are full-time equivalent figures.

There was an overall 4% increase in the total pool membership, (including non FTE) with staff healthcare costs increasing by 26% in 2025.

Year	2020	2021	2022	2023	2024	2025
Staff Healthcare Costs	\$9,846,453	\$12,062,940	\$13,980,939	\$17,594,469	\$19,563,250	\$24,052,864
% Increase (YoY)		23%	16%	26%	11%	23%

Expenditure by Category (continued)

Overtime (OT)

Overtime cost for the twelve (12) months was \$3.7 million (\$0.8 million over budget) equated to a 23% decrease YoY but was within the accepted 2% payroll benchmark.

Key Challenges

The annual outturn continues to be negatively impacted by a number of factors as indicated below.

- Rising global pharmaceutical and insurance costs
- Workforce recruitment and retention pressures
- Aging infrastructure and decentralized service delivery model
- Revenue collection complexity without a national insurance clearinghouse

In order to manage the controllable issues above, the supply chain team has been tasked with improving inventory tender and supplier management and several revenue initiatives have been considered to improve earnings in the short to medium term.

Outlook and Strategic Focus (2026–2027)

HSA will focus on transitioning from expansion to optimisation by:

- Restoring operating surplus through cost discipline and workflow redesign.
- Strengthening revenue-cycle management and collections
- Embedding sustainability and energy savings into baseline operations.
- Controlling fixed-cost growth while maintaining clinical quality
- Advancing infrastructure modernization planning aligned to population growth
- Expanding community-based and preventative care models
- Leveraging digital health systems to improve efficiency, throughput and reduce unit cost.

Conclusion

Despite a challenging cost environment, HSA has demonstrated resilience through sustained revenue growth, increased service delivery, and strong liquidity.

The Authority is now entering a phase focused on financial sustainability, operational efficiency, and infrastructure transformation to ensure it continues meeting the healthcare needs of the Cayman Islands.



Audited Financial Statements of

**CAYMAN ISLANDS HEALTH SERVICES
AUTHORITY**

31 December 2025

CAYMAN ISLANDS HEALTH SERVICES AUTHORITY

Table of Contents

Statement of Responsibility for the Financial Statements	
Auditor General's Report	
Statement of Financial Position	92
Statement of Comprehensive (Loss)/Income	94
Statement of Changes in Equity	95
Statement of Cash Flows	96
Notes to Financial Statements	97
	98

STATEMENT OF RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

As signatories below, 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 Services Authority. However, the Chairman was not a part of the Health Services Authority during the financial year. Therefore, as Chief Executive Officer (CEO) and Chief Financial Officer (CFO), we are responsible for ensuring appropriate internal controls were established and maintained throughout the financial year ended 31 December 2025.

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

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

To the best of our knowledge, we represent that these financial statements:

- completely and reliably reflect the financial transactions for the Health Services Authority for the year ended 31 December 2025.
- fairly reflect the financial position as of 31 December 2025 and performance for the year ended 31 December 2025; and
- comply 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.

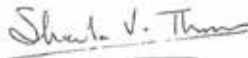


Lizzette R. Yearwood
Chief Executive Officer
30 April 2026



Tim Ridley
Chairman, HSA Board
30 April 2026

As stated previously, the Chairman was not a part of the Health Services Authority during the financial year.



Sheila Thomas
Chief Financial Officer
30 April 2026

AUDITOR GENERAL'S REPORT

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

Qualified Opinion

I have audited the financial statements of the Cayman Islands Health Services Authority (the "Health Authority"), which comprise the statement of financial position as at 31 December 2025 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 31 December 2025, and notes to the financial statements, including a summary of significant accounting policies as set out on pages 8 to 62.

In my opinion, except for the effect of the matter described in the Basis for qualified opinion paragraph, the accompanying financial statements present fairly, in all material respects, the financial position of the Cayman Islands Health Services Authority as at 31 December 2025 and its financial performance and its cash flows for the year ended 31 December 2025 in accordance with International Financial Reporting Standards.

Basis for Qualified Opinion

I was unable to obtain sufficient appropriate audit evidence in respect of the inventory balance of \$14.4 million reported in the statement of financial position and the cost of sales of \$36 million reported in the statement of comprehensive income of the Health Authority for the year ended 31 December 2025. Management was unable to provide a reliable reconciliation of inventory movements to the general ledger during the audit. Accordingly, I was unable to determine whether any adjustments were necessary to the inventory, cost of sales and the statement of changes in equity as reported in the financial statements.

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 Matter

Without modifying our opinion, I draw attention to note 25 of the financial statements, which describes supplementary funding totalling \$21.23 million approved by Cabinet pursuant to section 12 of the Public Management and Finance Act (2020 Revision). The supplementary funding was approved to ensure adequate coverage of critical healthcare services, including medical care for indigent and uninsured persons, geriatric care, and management of chronic illnesses. A Supplementary Appropriation Bill for the funding was not introduced in Parliament by 31 March 2026, as required by section 12(3) of the Act. 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.

AUDITOR GENERAL'S REPORT (continued)

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

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'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.



Patrick O. Smith CPA, CFE
Auditor General

30 April 2026
Cayman Islands

CAYMAN ISLANDS HEALTH SERVICES AUTHORITY

Statement of Financial Position

As at 31 December 2025

(stated in Cayman Islands dollars)

	Note	31 December 2025	Budget	31 December 2024
Current assets				
Cash and cash equivalents	4	71,527,843	44,222,332	49,196,305
Short-term investments	5	-	-	15,057,966
Accounts receivable - net	6	32,279,754	38,919,531	29,331,697
Other receivables - net	7	3,666,307	1,280,066	14,295,452
Inventory - net	8	14,409,395	13,085,101	12,980,795
Advances to suppliers		728,043	-	1,598,229
Prepaid expenses		356,961	40,822	274,329
Total current assets		122,968,303	97,547,852	122,734,774
Non-current assets				
Fixed assets	9	104,066,385	134,486,021	106,515,634
Right-of-use assets	10	4,379,425	-	3,285,895
Total non-current assets		108,445,810	134,486,021	109,801,529
Total Assets		231,414,113	232,033,873	232,536,303
Current liabilities				
Accounts payable and accrued expenses	11	21,500,829	6,651,668	27,417,724
Lease liability	10	1,397,463	-	1,297,146
Total current liabilities		22,898,292	6,651,668	28,714,870
Non-current liabilities				
Unfunded employee healthcare benefits, net	12	245,036,000	183,403,000	221,389,000
Employee pension benefits, net	13	3,000	9,175,000	1,180,000
Lease liability	10	3,175,541	-	2,209,989
Total non-current liabilities		248,214,541	192,578,000	224,778,989
Total Liabilities		271,112,833	199,229,668	253,493,859
Net (Liabilities)		(39,698,720)	32,804,205	(20,957,556)
Represented by:				
Contributed capital		141,983,402	140,805,201	141,983,402
Accumulated deficit		(234,461,423)	(150,802,298)	(225,771,259)
Other comprehensive income		9,978,000	-	20,029,000
Asset revaluation		42,801,301	42,801,302	42,801,301
Net (Deficit)		(39,698,720)	32,804,205	(20,957,556)

The accounting policies and notes on pages 8 to 62 form an integral part of these financial statements.

CAYMAN ISLANDS HEALTH SERVICES AUTHORITY

CAYMAN ISLANDS HEALTH SERVICES AUTHORITY

Statement of Comprehensive (Loss) / Income

For the year ended 31 December 2025

(stated in Cayman Islands dollars)

	Note	31 December 2025	Budget	31 December 2024
Revenue				
Patient services fees (net)	14	186,518,787	163,381,252	175,648,628
Government programme	15, 22	26,273,500	25,619,000	25,635,954
Other income	16	3,340,375	1,865,321	3,257,027
		216,132,662	190,865,573	204,541,610
Operating expenses				
Staff costs	17	143,512,854	126,231,231	132,586,464
Supplies and materials	18	36,088,498	28,374,500	34,010,848
Allowance for credit losses	6, 7	13,631,165	9,840,864	16,670,414
Depreciation	9, 10	9,775,249	7,085,000	9,292,486
Utilities		3,686,357	3,831,600	3,779,944
Information technology expenses		2,721,977	2,522,700	3,803,002
Insurance		2,709,433	1,728,770	2,439,657
Repairs and maintenance		2,346,086	2,042,281	2,371,126
Overseas laboratory tests		1,953,232	1,086,600	1,233,796
Legal and professional fees	19	1,775,769	1,551,745	1,332,989
Lease management		1,471,784	260,916	1,647,921
Other operating expenses		391,465	863,350	603,762
Security services		1,255,679	1,263,000	1,056,103
Freight & shipping		1,211,484	1,404,250	2,069,096
Advertising & promotion		729,902	807,300	659,733
Travel and subsistence		534,499	613,362	398,146
Training		325,354	394,599	308,104
Inventory adjustment	8	278,356	400,000	2,255,563
Interest expense		228,812	-	258,659
Bank charges		165,271	127,600	149,742
Postage & courier service		37,164	269,650	29,733
Reference materials		20,074	73,358	1,864
Foreign exchange (gain)/loss		(33,474)		19,912
		224,816,989	190,772,676	216,979,062
Net (loss) for the year		(8,684,327)	92,897	(12,437,452)
Other comprehensive income				
Re-measurement of defined pension benefit	13	1,345,000	-	4,596,000
Re-measurement of defined healthcare benefit	12	(11,396,000)	-	28,029,000
		(10,051,000)	-	32,625,000
Total comprehensive (loss)/gain for the year		(18,735,327)	92,897	20,187,548

The accounting policies and notes on pages 8 to 62 form an integral part of these financial statements.

CAYMAN ISLANDS HEALTH SERVICES AUTHORITY

Statement of Changes in Equity

For the year ended 31 December 2025
(stated in Cayman Islands dollars)

	Contributed capital	Accumulated deficit	Other comprehensive loss	Asset revaluation	Total
Beginning Balance, 1 January 2025	141,983,402	(225,771,259)	20,029,000	42,801,301	(20,957,556)
Net loss for the year	-	(8,684,327)	-	-	(8,684,327)
Prior period adjustment	-	(5,837)	-	-	(5,837)
Other comprehensive loss for the year	-	-	(10,051,000)	-	(10,051,000)
Ending Balance, 31 December 2025	141,983,402	(234,461,423)	9,978,000	42,801,301	(39,698,720)
Beginning Balance, 1 January 2024	141,983,402	(213,489,763)	(12,596,000)	42,801,301	(41,301,060)
Net loss for the year	-	(12,437,452)	-	-	(12,437,452)
Prior period adjustment	-	155,956	-	-	155,956
Other comprehensive gain for the year	-	-	32,625,000	-	32,625,000
Ending Balance, 31 December 2024	141,983,402	(225,771,259)	20,029,000	42,801,301	(20,957,556)

The accounting policies and notes on pages 8 to 62 form an integral part of these financial statements.

CAYMAN ISLANDS HEALTH SERVICES AUTHORITY

Statement of Cash Flows

For the year ended 31 December 2025
(stated in Cayman Islands dollars)

	Note	31 December 2025	Budget	31 December 2024
Cash provided by/(applied in):				
Operating activities				
Net loss for the year		(8,684,327)	92,897	(12,437,452)
Add item not affecting working capital:				
Allowance for credit losses	6, 7	13,631,165	-	16,670,414
Depreciation	9, 10	9,775,249	-	9,292,486
Inventory write-downs	8	278,356	-	2,255,563
Prior period adjustment		(5,837)		155,956
Net changes in non-cash working capital balances relating to operations:				
Accounts receivable, net, (increase)	6	(18,299,680)	160,923,321	(109,386)
Other receivables, decrease / (increase)	7	12,349,601	29,023,712	(13,267,921)
Inventory, net, (increase)	8	(1,706,956)		(1,000,515)
Advances to suppliers, decrease / (increase)		870,186	-	(495,552)
Prepaid expenses, (increase)		(82,631)	-	(201,740)
Accounts payable and accrued expenses, (decrease) / increase	11	(5,916,895)	(153,085,781)	7,547,958
Finance interest on leases		228,812	-	258,659
Employee pension benefits, net, increase	13	168,000		492,000
Employee healthcare benefits, net, increase	12	12,251,000	(23,721,234)	13,280,000
Net cash generated from operating activities		14,856,043	13,232,915	22,440,471
Investing activities				
Cost of fixed assets purchased	9	(5,843,731)	(10,895,000)	(5,927,229)
Short-term investments	5	15,057,966	-	10,170,863
Net cash provided by investing activities		9,214,235	(10,895,000)	4,243,634
Financing activities				
Finance interest on leases		(228,812)	-	(258,659)
Lease payments - principal		(1,509,928)	-	(1,370,987)
Net cash used in financing activities		(1,738,740)	-	(1,629,646)
Increase in cash during the year		22,331,538	2,337,915	25,054,459
Cash and cash equivalents at beginning of year		49,196,305	41,884,417	24,141,846
Cash and cash equivalents at end of year		71,527,843	44,222,332	49,196,305
Operating Cash Flows from Interests				
Interest received		1,352,764	-	1,603,001

The accounting policies and notes on pages 8 to 62 form an integral part of these financial statements.

CAYMAN ISLANDS HEALTH SERVICES AUTHORITY

Notes to financial statements

For the year ended 31 December 2025

(stated in Cayman Islands dollars)

1. Background information

The Cayman Islands Health Services Authority (the "Health Services Authority") is a statutory body established on 1 July 2002 under the Health Services Authority Act. The purpose of the Health Services 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 Services Authority is comprised of the following health care agencies:

- Anthony S. Eden Hospital (previously known as Cayman Islands Hospital, was renamed 10 April 2025)
- 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)
 - George Town Financial Centre
 - Caybrac Centre
 - EMS Eastern District Response Station (Bodden Town EMS station)

The registered office of the Health Services Authority is located at 95 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 2025
(stated in Cayman Islands dollars)

1. Background information

The Cayman Islands Health Services Authority (the “Health Services Authority”) is a statutory body established on 1 July 2002 under the Health Services Authority Act. The purpose of the Health Services 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 Services Authority is comprised of the following health care agencies:

- Anthony S. Eden Hospital (previously known as Cayman Islands Hospital, was renamed 10 April 2025)
- 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)
 - George Town Financial Centre
 - Caybrac Centre
 - EMS Eastern District Response Station (Bodden Town EMS station)

The registered office of the Health Services Authority is located at 95 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 2025
(stated in Cayman Islands dollars)

2. Significant accounting policies

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

(a) Basis of accounting

The financial statements of the Health Services Authority are prepared on an accrual basis under the historical cost convention except for: (1) the revaluation of land and buildings [see note (2d) below] and employee benefits [see note 12 and note 13]. The financial statements are presented in Cayman Islands Dollars (CIS\$), 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 Services 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), or fair value through profit or loss.

CAYMAN ISLANDS HEALTH SERVICES AUTHORITY

Notes to financial statements

For the year ended 31 December 2025
(stated in Cayman Islands dollars)

2. 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 Services 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 the instrument level. All debt instruments are classified as "hold to collect and sell" and recognised at fair value through the OCI. The debt instruments were previously classified as available for sale under IAS 39. Accounts receivable 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 amortised cost at the adoption date of the standard.

The Health Services 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 Services 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 recognised in the OCI. Interest income and foreign change gains and losses are recognised 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 2025
(stated in Cayman Islands dollars)

2. Significant accounting policies (continued)

(c) *Financial instrument(continued)*

(i) *Financial assets (continued)*

Derecognition

The Health Services 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 Services Authority has transferred substantially all the risks and rewards of the asset, or (b) the Health Services 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 recognised in OCI are reclassified from OCI to profit or loss.

Impairment of financial assets

The Health Services 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 Services 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 possible default events 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 receivable, the Health Services 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.

CAYMAN ISLANDS HEALTH SERVICES AUTHORITY

Notes to financial statements

For the year ended 31 December 2025
(stated in Cayman Islands dollars)

2. Significant accounting policies (continued)

(c) Financial instruments (continued)

(i) Financial assets (continued)

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

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.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. 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 (loss).

CAYMAN ISLANDS HEALTH SERVICES AUTHORITY

Notes to financial statements

For the year ended 31 December 2025
(stated in Cayman Islands dollars)

2. Significant accounting policies (continued)

(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 recognised 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 (loss)/income, in which case the increase is credited to the statement of comprehensive (loss)/income to the extent of the decrease previously charged.

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

Depreciation on revalued buildings is charged to the statement of comprehensive (loss)/income. On the subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the property's revaluation reserve is transferred directly to accumulated deficit. No transfer is made from the revaluation reserve to accumulated 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 Services 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 recognise 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 2025
(stated in Cayman Islands dollars)

2. Significant accounting policies (continued)

(d) Fixed assets and depreciation (continued)

Depreciation is charged to the statement of comprehensive (loss)/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

Right of use assets 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 asset's carrying amount is recognised in the statement of comprehensive (loss)/income.

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

(a) The Health Services Authority assesses whether a contract is or contains a lease at the 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 Services Authority is the lessee, except for short-term cancellable leases (a lease is no longer enforceable when both the lessee and lessor have the right to terminate it without the other party's consent and with no more than an insignificant penalty), and leases of low value assets (where the value of the underlying asset is less than \$5,000). For these leases, the lease payments are recognised as an operating expense on a straight-line basis over the lease term 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 at 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.

CAYMAN ISLANDS HEALTH SERVICES AUTHORITY

Notes to financial statements

For the year ended 31 December 2025
(stated in Cayman Islands dollars)

2. 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 changes 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 2025
(stated in Cayman Islands dollars)

2. Significant accounting policies (continued)

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

Right-of-use assets are depreciated over the shorter period of the lease term and the 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 of 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 lease management in statement of comprehensive (loss)/income.

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 Services 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 Services 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 of non-financial assets*

The carrying amount of the Health Services Authority's non-financial assets 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 2025
(stated in Cayman Islands dollars)

2. 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 on the statement of financial position date. Foreign exchange differences arising on translation are recognised in the statement of comprehensive (loss)/income. Non-monetary assets and liabilities denominated in foreign currencies, which are stated at historical cost, are translated into 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 into Cayman Islands dollars at the prevailing foreign exchange rates at the dates that the values were determined.

(h) *Allowance for credit losses*

Health Services Authority uses the allowance method to record its estimated annual expense for allowance for credit losses. Under the allowance method, receivables are written off against the allowance for credit losses (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 credit losses, based on an evaluation of collectability and prior credit losses 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*

Revenues including government programme, is recognised upon transfer of promised goods or services to customers in an amount that reflects the consideration to which the Health Services Authority expects to be entitled in exchange for 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) Recognise revenue when the Health Services Authority satisfies a performance obligation.

Non-episodic output revenue is recognised uniformly during the year based on a 1/12 basis of the approved budget amount. This revenue stream is a contribution to the Health Services Authority's operational budget by the Cayman Islands Government.

Revenue such as donations, interest on deposits, rental and other miscellaneous income are recognised 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 recognised in the statement of comprehensive (loss)/income in the period received.

CAYMAN ISLANDS HEALTH SERVICES AUTHORITY

Notes to financial statements

For the year ended 31 December 2025
(stated in Cayman Islands dollars)

2. Significant accounting policies (continued)

(k) Employee benefits

The Health Services Authority employees and their dependents receive free medical benefits of which a portion is provided by the Health Services Authority within its facilities. The portion provided by the Health Services Authority within its facility is valued at \$16,217,346 (2024: \$13,474,815). This amount is netted against revenue as this is considered a contractual adjustment.

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

Defined benefit plans

The Health Services 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 unrecognised 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 (loss)/income. 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 2025
(stated in Cayman Islands dollars)

2. Significant accounting policies (continued)

(k) Employee benefits (continued)

Defined benefit plans (continued)

In addition to employee pension benefits, the Health Services 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 Services Authority and the Government as principal employer; retire from the Health Services Authority at age 65 (retirement age) or after age 50 (early retirement age) on the advice of the Medical Board; hired by Government and transferred to the Health Services Authority without a break in service.

In accordance with IAS 19, the Health Services Authority recognises 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 the service provided by an employee in exchange for employee benefits. These amounts are reported in the statements of financial position and comprehensive (loss)/income, respectively. They are also presented in additional details in the notes to the financial statements.

The Health Services Authority presently pays its post-retirement health care obligations annually from its operating expenditure budget. The Health Services 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 Services Authority's obligations for contributions to employee defined contribution pension plans are recognised in the statement of comprehensive (loss)/income in the periods during which services are rendered by employees.

(l) Provisions

Provisions are recognised when the Health Services Authority has a present obligation (legal or constructive) as a result of a past event, it is probable that the Health Services 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 2025
(stated in Cayman Islands dollars)

3. Adoption of new and revised Standards

The Health Services Authority applied for the first time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2025. The Health Services Authority has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Amendments to IAS 21 - Lack of Exchangeability

Effective 1 January 2025, the Amendments to IAS 21 introduced requirements to assess when a currency is exchangeable into another currency and when it is not. The Amendments require an entity to estimate the spot exchange rate when it concludes that a currency is not exchangeable into another currency.

The amendments had no impact on the Health Services Authority's financial statements.

■ Standards effective for periods beginning on or after 1 January 2026

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Health Services Authority's financial statements are disclosed below. The Health Service Authority intends to adopt these new amended standards and interpretations, if applicable, when they become effective in the next financial year.

Annual Improvements to IFRS Accounting Standards – Volume 11

In July 2024, the IASB published 'Annual Improvements to IFRS Accounting Standards – Volume 11'. The publication is a collection of amendments to IFRS Accounting Standards discussed by the IASB during the current project cycle for annual improvements. The amendments make changes to relatively narrow areas within IFRS Accounting Standards where diversity of practice previously existed. The IASB uses the Annual Improvements to IFRS Accounting process to make necessary, but non-urgent, amendments to IFRS Accounting Standards that will not be included as part of any other project. Therefore, by their nature the commercial significance can be expected to be low. The amendments are effective from annual reporting periods beginning on or after 1 January 2026, with early application permitted.

CAYMAN ISLANDS HEALTH SERVICES AUTHORITY

Notes to financial statements

For the year ended 31 December 2025
(stated in Cayman Islands dollars)

3. Adoption of new and revised standards continued

Standards effective for periods beginning on or after 1 January 2026 (continued) Annual

Improvements to IFRS Accounting Standards – Volume 11 (continued)

A summary of the issues addressed is set out below:

Standard affected	Subject	Summary of the changes
IFRS 1 'First-time Adoption of International Financial Reporting Standards'	Hedge accounting by a first-time adopter	Amends paragraphs B5–B6 of IFRS 1: • to improve consistency with the requirements in IFRS 9, and • to add cross-references to improve the understandability of IFRS 1.
IFRS 7 'Financial Instruments: Disclosures'	Gain or loss on derecognition	Amends paragraph B38 of IFRS 7: • to replace an obsolete reference to paragraph 27A of IFRS 7 with a reference to paragraphs 72–73 of IFRS 13 'Fair Value Measurement', and • to replace the phrase 'inputs that were not based on observable market data' with 'unobservable inputs' to make the wording consistent with the wording in paragraph 72 of IFRS 13.
Guidance on implementing IFRS 7 'Financial Instruments: Disclosures'	Disclosure of deferred difference between fair value and transaction price	Amends paragraph IG14 to make its wording consistent with the requirements in paragraph 28 of IFRS 7 and with the wording and concepts in IFRS 9 and IFRS 13.

CAYMAN ISLANDS HEALTH SERVICES AUTHORITY

Notes to financial statements

For the year ended 31 December 2025
(stated in Cayman Islands dollars)

3. Adoption of new and revised standards continued

Standards effective for periods beginning on or after 1 January 2026 (continued) Annual

Improvements to IFRS Accounting Standards – Volume 11 (continued)

Guidance on implementing IFRS 7 'Financial Instruments: Disclosures'	Introduction and credit risk disclosures	Improves previously issued guidance by: • amending paragraph IG1 to clarify that the guidance does not necessarily illustrate all the requirements in the referenced paragraphs of IFRS 7, and • amending paragraph IG20B to simplify the explanation of the aspects of the requirements that are not illustrated.
IFRS 9 'Financial Instruments'	Derecognition of lease liabilities	Amends paragraph 2.1(b)(ii) of IFRS 9 to add a cross-reference to paragraph 3.3.3 of IFRS 9 to clarify that when a lease liability has been extinguished in accordance with IFRS 9, the lessee is required to apply paragraph 3.3.3 and recognise any resulting gain or loss in profit or loss.
IFRS 9 'Financial Instruments'	Transaction price	Amends paragraph 5.1.3 of IFRS 9 to replace 'their transaction price (as defined in IFRS 15)' with 'the amount determined by applying IFRS 15' due to an inconsistency between 5.1.3 and the requirements in IFRS 15 'Revenue from Contracts with Customers'. As a result, IFRS 9 Appendix A was also amended to remove the term.
IFRS 10 'Consolidated Financial Statements'	Determination of a 'de facto agent'	Amends paragraph B74 of IFRS 10 to use less conclusive language and to clarify that the relationship described in paragraph B74 is just one example of a circumstance in which judgement is required to determine whether a party is acting as a de facto agent.
IAS 7 'Statement of Cash Flows'	Cost method	Amends paragraph 37 of IAS 7 to replace the term 'cost method' with 'at cost'.

CAYMAN ISLANDS HEALTH SERVICES AUTHORITY

Notes to financial statements

For the year ended 31 December 2025
(stated in Cayman Islands dollars)

3 Adoption of new and revised Standards (continued)

Standards effective for periods beginning on or after 1 January 2026 (continued)

Amendments to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments

Effective 1 January 2026, the Amendments will modify the following requirements in IFRS 9 Financial instruments and IFRS 7 Financial Instruments: Disclosures:

Derecognition of financial liabilities:

Derecognition of financial liabilities settled through electronic transfers

Classification of financial assets:

Elements of interest in a basic lending arrangement (the solely payments of principal and interest assessment – ‘SPPI test’)

Contractual terms that change the timing or amount of contractual cash flows

Financial assets with non-recourse features

Investments in contractually linked instruments

Disclosures

Investments in equity instruments designated at fair value through other comprehensive income

Contractual terms that could change the timing or amount of contractual cash flows

HSA will not pursue early adoption.

IFRS 18 Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.

It also requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified ‘roles’ of the primary financial statements (PFS) and the notes.

In addition, narrow-scope amendments have been made to IAS 7 Statement of Cash Flows, which include changing the starting point for determining cash flows from operations under the indirect method, from ‘profit or loss’ to ‘operating profit or loss’ and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards.

CAYMAN ISLANDS HEALTH SERVICES AUTHORITY

Notes to financial statements

For the year ended 31 December 2025
(stated in Cayman Islands dollars)

3. Adoption of new and revised Standards (continued)

IFRS 18 Presentation and Disclosure in Financial Statements (continued)

IFRS 18, and the amendments to the other standards, is effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. The Health Services Authority is currently working to identify all impacts the amendments will have on the primary financial statements and notes to the financial statements.

■ IFRS 19 Subsidiaries without Public Accountability: Disclosures

In May 2024, the IASB issued IFRS 19, which allows eligible entities to elect to apply its reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS 10, cannot have public accountability and must have a parent that prepares consolidated financial statements, available for public use, which comply with IFRS accounting standards.

IFRS 19 will become effective for reporting periods beginning on or after 1 January 2027, with early application permitted. As the Health Services Authority has public accountability, it is not eligible to elect to apply IFRS 19.

CAYMAN ISLANDS HEALTH SERVICES AUTHORITY

Notes to financial statements

For the year ended 31 December 2025
(stated in Cayman Islands dollars)

4. Cash and cash equivalents

	2025	2024
	\$	\$
Petty cash	19,459	18,897
Current accounts	36,216,713	31,376,099
Fixed deposits	35,291,671	17,801,309
	71,527,843	49,196,305

The Health Services Authority has an unsecured bank overdraft of \$4 million with CIBC First Caribbean International Bank (Cayman) Ltd. ("CIBC") as at 31 December 2025. The amount utilized during the year was nil (2024: Nil).

At 31 December 2025, Health Services Authority had two term deposits placed at local A-class banking institutions. One valued at \$15.3 million (30 days at 3.8% p.a. interest rate) and the other at \$20.0 million with a placement of 90 days at 3.7% p.a. maturing in March 2026.

5. Short-term investments

	2025	2024
	\$	\$
Term deposits	-	15,057,966
	-	15,057,966

At the end of the 2025 financial year, the Health Services Authority had no short-term investments (2024: \$15.1 million).

CAYMAN ISLANDS HEALTH SERVICES AUTHORITY

Notes to financial statements

For the year ended 31 December 2025
(stated in Cayman Islands dollars)

6. Accounts receivable - net

	2025	2024
	\$	\$
Gross accounts receivable	90,059,406	71,650,903
Allowance for credit losses	(57,779,652)	(42,319,207)
	32,279,754	29,331,697

Allowance for credit losses movement:

	2025	2024
	\$	\$
Balance at beginning of the year	42,319,207	30,045,446
Additional credit losses	15,460,445	13,942,730
Write-offs/Adjustments	-	(1,668,970)
	57,779,652	42,319,207

Below is the aging profile of accounts receivable as at 31 December 2025 and 31 December 2024:

	2025	2024
	\$	\$
1 - 30 days	12,443,739	25,606,261
31 - 90 days	10,207,357	7,725,291
91 - 365 days	20,997,085	13,589,548
Over 365 days	46,411,225	24,729,803
	90,059,406	71,650,903

The Health Services Authority policy performed an individual/specific expected credit loss (ECL) assessment of related party debtors with qualitative or quantitative factors indicating doubts around collectability. Related party receivables from the Cayman Islands Government are presumed to have a low risk of default. For third party receivables balances from insurance companies, estimated credit losses are provided for based on the approved ECL rate schedule. For self-pay balances, estimated credit losses are provided for balances over 30 days.

CAYMAN ISLANDS HEALTH SERVICES AUTHORITY

Notes to financial statements

For the year ended 31 December 2025
(stated in Cayman Islands dollars)

7. Other receivables – net

	2025	2024
	\$	\$
Cabinet receivable	7,395,028	18,528,897
Other accounts receivable	874,964	2,274,959
Salary advance	250,463	66,200
	8,520,455	20,870,056
Less allowance for credit losses	4,854,148	6,574,604
	3,666,307	14,295,452

(Recovery of) / allowance for credit losses movement:

	2025	2024
	\$	\$
Balance at beginning of the year	6,574,604	3,846,920
(Recovery of) / allowance for credit losses	(1,720,456)	2,727,684
	4,854,148	6,574,604

8. Inventory – net

	2025	2024
	\$	\$
Pharmaceutical supplies	6,690,149	7,620,078
Medical supplies	9,135,783	6,985,149
	15,825,932	14,605,227
Less allowance for inventory impairment	1,416,537	1,624,432
	14,409,395	12,980,795

The cost of inventories sold or used during the year is recognised as supplies and materials expenses in the statement of comprehensive (loss)/income was \$36,088,498 (2024: \$34,010,848).

The inventory adjustment presented in the statement of comprehensive income (loss) for the year ended 31 December 2025 of \$278,356 (2024: \$2,255,563) 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 2025
(stated in Cayman Islands dollars)

9. Fixed Assets

As at 31 December 2025	Land	Buildings	Medical equipment	Computer Hardware	Computer Software	Construction in Progress	Other assets	Total
Cost:								
At 1 January 2025	18,540,000	85,645,249	30,525,238	6,173,950	6,403,432	2,675,594	13,771,913	163,735,376
Additions during the year	-	826,377	2,736,525	323,951	36,524	1,615,723	306,787	5,845,887
Disposals during the year	-	-	(229,849)	(175,361)	-	-	(56,176)	(461,093)
Transfers during the year	-	372,305	-	-	-	(372,305)	-	-
At 31 December 2025	18,540,000	86,843,931	33,031,914	6,322,540	6,439,956	3,919,012	14,022,524	169,119,878
Accumulated depreciation:								
At 1 January 2025	-	16,086,503	21,337,160	5,329,539	5,815,410	-	8,651,130	57,219,742
Charge for the year	-	4,328,595	2,138,070	418,456	279,961	-	1,127,897	8,292,980
Disposals during the year	-	-	(229,698)	(173,648)	-	-	(55,883)	(459,229)
At end of the year	-	20,415,098	23,245,532	5,574,346	6,095,370	-	9,723,144	65,053,493
Net Book Value								
At 31 December 2025	18,540,000	66,428,833	9,786,382	748,193	344,585	3,919,012	4,299,673	104,066,385
As at 31 December 2024	Land	Buildings	Medical equipment	Computer Hardware	Computer Software	Construction in Progress	Other assets	Total
Cost:								
At 1 January 2024	18,540,000	84,907,340	28,130,810	5,839,076	5,920,795	1,532,524	13,753,705	158,624,250
Additions during the year	-	-	1,396,929	347,504	482,637	3,328,575	478,614	6,034,259
Disposals during the year	-	-	(450,097)	(12,630)	-	-	(460,406)	(923,133)
Transfers during the year	-	737,909	1,447,596	-	-	(2,185,505)	-	-
At 31 December 2024	18,540,000	85,645,249	30,525,238	6,173,950	6,403,432	2,675,594	13,771,913	163,735,376
Accumulated depreciation:								
At 1 January 2024	-	11,701,366	20,010,340	4,900,348	5,662,481	-	7,862,466	50,137,001
Charge for the year	-	4,385,137	1,776,917	441,821	152,929	-	1,242,688	7,999,492
Disposals during the year	-	-	(450,097)	(12,630)	-	-	(454,024)	(916,751)
At end of the year	-	16,086,503	21,337,160	5,329,538	5,815,409	-	8,651,130	57,219,742
Net Book Value								
At 31 December 2024	18,540,000	69,558,746	9,188,078	844,412	588,024	2,675,594	5,120,783	106,515,634

Included in other assets are motor vehicles valued at net \$1,128,124 (2024: \$1,485,876), furniture and fittings \$1,014,469 (2024: \$1,140,451), leasehold improvements at \$742,623 (2024: \$1,012,667), and office equipment at \$80,349 (2024: \$91,982).

Included in the advances to suppliers in the statement of financial position are amounts of \$216,677 (2024: \$703,381) related to the purchase of fixed assets that have not yet been delivered as of 31 December 2025.

Under the Health Services Authority Act, the Cayman Islands Government vested various healthcare facilities in the Cayman Islands into the Health Services Authority. These properties were valued on 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 September 2026.

CAYMAN ISLANDS HEALTH SERVICES AUTHORITY

Notes to financial statements

For the year ended 31 December 2025
(stated in Cayman Islands dollars)

10. Right-of-use assets

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

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

	2025	2024
Right-of-use assets:	\$	\$
Buildings	4,379,425	3,285,895
	4,379,425	3,285,895
Lease Liability	\$	\$
Current	1,397,463	1,297,146
Non-Current	3,175,541	2,209,989
	4,573,004	3,507,135

	2025	2024
Depreciation charge of right-of-use assets	\$	\$
Buildings	1,482,269	1,393,643
	1,482,269	1,393,643

(ii) Amounts recognised in the statement of comprehensive (loss)/income

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

	2025	2024
Depreciation charge of right-of-use assets	\$	\$
Buildings	1,482,269	1,393,643
	1,482,269	1,393,643

The lease liabilities are secured by the related underlying assets.

CAYMAN ISLANDS HEALTH SERVICES AUTHORITY

Notes to financial statements

For the year ended 31 December 2025
(stated in Cayman Islands dollars)

10. Right-of-use assets (continued)

The undiscounted maturity analysis of lease liabilities at 31 December 2025 is as follows;

	One year or less	One to five years	Over five years	Total
31 December 2025				
Lease payments	1,612,785	3,813,365	-	5,426,151
Finance charges	(215,322)	(637,824)	-	(853,147)
Total	1,397,463	3,175,541	-	4,573,004
31 December 2024				
Lease payments	1,511,732	2,503,023	-	4,014,755
Finance charges	(214,586)	(293,034)	-	(507,620)
Total	1,297,146	2,209,989	-	3,507,135

Interest expense relating to the finance cost portion of the lease liability was \$228,812 (2024: \$258,658). Expenses 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 2025 was \$1,738,740 (2024: \$1,629,852).

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

The Health Services Authority has lease contracts for various offices, and equipment used in its operations. Lease 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.

The Health Services Authority also has certain leases of buildings and equipment with lease terms of 12 months or less and with low value. The Health Services 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 Services Authority. These are used to maximise operational flexibility in terms of managing the assets used in the Health Services Authority's operations. Most of the extension and termination options held are exercisable only by the Health Services Authority and not by the respective lessor.

In 2025, Health Services Authority added two new locations at the Pasadora Plaza, to the right-of-use assets portfolio.

CAYMAN ISLANDS HEALTH SERVICES AUTHORITY

Notes to financial statements

For the year ended 31 December 2025
(stated in Cayman Islands dollars)

10. Right-of-use assets (continued)

The following are the properties under ROU leases (leases over 365 days):

Property	Annual Lease
Bay Town Plaza Unit 203	\$167,287
Bay Town Plaza Unit 201 and 204	\$278,046
Bay Town Plaza Unit 105 & 2025	\$198,147
Georgetown Financial Centre Unit 201 & 203	\$320,855
TPC -Smith Road Centre unit 301	\$263,266
TPC -Smith Road Centre unit 308	\$135,850
Citrus Grove 2nd Floor	\$154,579
Citrus Grove 4th Floor	\$314,030
Sigma Building upstairs office	\$60,817
Merren Dental Clinic	\$100,140
Bay Town Plaza Unit 104	\$86,786
Elizabethan Square (Rovida Estates) storage	\$105,600
Pasadora - Dental	\$80,000
Pasadora - Sedano	\$38,717
	\$2,304,121

The Health Services Authority also rents four warehouse units in the Heritage Holdings facility used to house financial records and inventory items. Combined, these various rented properties have committed the Health Services Authority to lease costs of over \$2.3 million per annum (including utilities and other pass-through charges).

11. Accounts payable and accrued expenses

	2025	2024
	\$	\$
Trade payables and accrued expenses	11,039,614	10,676,778
Other payable	10,040,531	16,209,939
Employee benefits (Note 2(k))	420,684	531,007
	21,500,829	27,417,724

CAYMAN ISLANDS HEALTH SERVICES AUTHORITY

Notes to financial statements

For the year ended 31 December 2025
(stated in Cayman Islands dollars)

12. Employee healthcare benefits, net

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

Starting April 2010, the Health Services Authority has paid for the medical bills of its retirees whose medical coverage was dropped by the POCS. A policy directive has been received from POCS making the Health Services 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 Services Authority or CIG as the principal employers
- Must retire from the Health Services Authority at the age of 65 (retirement age) or after the age 50 (early retirement age), or on the advice of the Medical Board
- Employees hired with the CIG and transferred to the Health Services Authority without a break in service

The benefit entails continued health insurance coverage under the medical plan offered to active employees. The premiums for this health insurance coverage are paid for by the Health Services 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 Services Authority. The Health Services 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 recognised in the statement of financial position (in the case of net defined liability or asset) and the statement of comprehensive income (loss) 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 medical premium costs, and the claims rate for the medical plans. Demographic assumptions include estimated mortality and benefits levels.

The Health Services Authority commissioned actuaries to provide this service, and the results of their assessment are included hereunder. The Health Services Authority has a present value net defined benefit obligation of \$245,036,000 as at 31 December 2025 (2024: \$221,389,000). The details of the valuation and the assumptions used are reproduced hereunder in accordance with IAS 19.

CAYMAN ISLANDS HEALTH SERVICES AUTHORITY

Notes to financial statements

For the year ended 31 December 2025
(stated in Cayman Islands dollars)

12. Employee healthcare benefits, net (continued)

The Health Services Authority has not contributed to any fund in order to meet future post-retirement health care obligations. Consequently, the entire \$245,036,000 is unfunded. See Note 24 for further discussion.

Disclosure Information:

Financial year ending on	31 December 2025 CIS(000)	31 December 2024 CIS(000)
A. Change in defined benefit obligation		
1. Defined benefit obligation at end of prior year	221,389	236,138
2. Service cost		
a. Current service cost	3,384	3,972
b. Past service cost	-	-
c. (Gain)/loss on settlements	-	-
3. Interest expense	12,264	12,056
4. Cash flows		
a. Benefit payments from plan assets	-	-
b. Benefit payment from employer	(3,397)	(2,748)
5. Other significant events	-	-
6. Remeasurements		
a. Effect of changes in demographic assumptions	(43,243)	-
b. Effect of changes in financial assumptions	55,517	(26,624)
c. Effect of experience adjustments	(878)	(1,405)
7. Effect of changes in foreign exchange rates	-	-
8. Defined benefit obligation at end of year	245,036	221,389
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	3,397	2,748
(iii) Employer direct settlement payments	-	-
b. Participant contributions	-	-
c. Benefit payments from plan assets	-	-
d. Benefit payments from employer	(3,397)	(2,748)
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 2025
(stated in Cayman Islands dollars)

12. Employee healthcare benefits, net (continued)

Disclosure Information: (continued)

Financial year ending on	31 December 2025	31 December 2024
	CIS(000)	CIS(000)
C. Amounts recognized in the statement of financial position		
1. Defined benefit obligation	245,036	221,389
2. Fair value of plan assets	-	-
3. Funded status	245,036	221,389
4. Effect of asset ceiling/onerous liability	-	-
5. Net defined benefit liability	245,036	221,389
D. Components of defined benefit cost		
1. Service cost		
a. Current service cost	3,384	3,972
b. Reimbursement service cost	-	-
c. Past service cost	-	-
d. (Gain)/loss of settlements	-	-
e. Total service cost	3,384	3,972
2. Net interest cost		
a. Interest expense on DBO	12,264	12,056
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	12,264	12,056
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	15,648	16,028
6. Remeasurements (recognized in other comprehensive income)		
a. Effect of changes in demographic assumptions	(43,243)	-
b. Effect of changes in financial assumptions	55,517	(26,624)
c. Effect of experience adjustments	(878)	(1,405)
d. Total remeasurements included in OCI	11,396	(28,029)
7. Total defined benefit cost recognized in P&L and OCI	27,044	(12,001)

CAYMAN ISLANDS HEALTH SERVICES AUTHORITY

Notes to financial statements

For the year ended 31 December 2025

(stated in Cayman Islands dollars)

12. Employee healthcare benefits, net (continued)

Disclosure Information: (continued)

Financial year ending on	31 December 2025 CIS(000)	31 December 2024 CIS(000)
E. Net defined benefit liability (asset) reconciliation		
1. Net defined benefit liability	221,389	236,138
2. Defined benefit cost included in P&L	15,648	16,028
3. Total remeasurements included in OCI	11,396	(28,029)
4. Other significant events	-	-
5. Cash flows		
a. Employer contributions	-	-
b. Employer direct benefit payments	(3,397)	(2,748)
c. Employer direct settlement payments	-	-
6. Credit to reimbursements	-	-
7. Effect of changes in foreign exchange rates	-	-
8. Net defined benefit liability as of end of year	245,036	221,389
F. Defined benefit obligation		
1. Defined benefit obligation by participant status		
a. Actives	176,311	156,288
b. Vested deferreds	-	-
c. Retirees	68,725	65,101
d. Total	245,036	221,389
G. Significant actuarial assumptions		
<i>Weighted-average assumptions to determine defined benefit obligation</i>		
Effective discount rate for defined benefit obligation	5.85%	5.80%
Health care cost trend rates		
Immediate trend rate	7.22%	5.15%
Ultimate trend rate	4.00%	4.00%
Year rate reaches ultimate trend rate	2048	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 2025
(stated in Cayman Islands dollars)

12. Employee healthcare benefits, net (continued)

Disclosure Information: (continued)

Financial year ending on	31 December 2025	31 December 2024
	CIS(000)	CIS(000)
G. Significant actuarial assumptions		
<i>Weighted-average assumptions to determine defined benefit cost</i>		
Effective discount rate for defined benefit obligation	5.80%	5.15%
Effective rate for net interest cost	5.60%	5.15%
Effective discount rate for service cost	5.85%	5.10%
Effective rate for interest on service cost	5.85%	5.15%
Health care cost trend rates		
Immediate trend rate	5.15%	5.19%
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	10,199	9,087
Effective discount rate + 25 basis points	(9,624)	(8,576)
Health care cost trend rates - 100 basis points	(36,506)	(31,943)
Health care cost trend rates + 100 basis points	45,405	39,673
Mortality assumption + 10%	(8,527)	(8,258)
I. Expected cash flows for following year		
1. Expected employer contributions	5,403	4,761
2. Expected total benefit payments		
Year 1	5,403	4,761
Year 2	6,227	5,436
Year 3	7,090	6,162
Year 4	8,039	6,909
Year 5	9,023	7,720
Next 5 years	61,539	51,670

Participant data:

The defined benefit obligation at 31 December 2025 of the Health Services Authority as it relates to its participation in the plan was based on the data provided as at 31 December 2023 (345 active participants and 119 retired).

CAYMAN ISLANDS HEALTH SERVICES AUTHORITY

Notes to financial statements

For the year ended 31 December 2025

(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. The actuaries used the actuarial assumptions outlined below to value the Health Services Authority's defined benefit obligation. 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 2025 and 31 December 2024 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 2024 · 31 December 2025	5.80% 5.85%	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 2024 · 31 December 2025	5.85% 6.10%	
Rate of Medical Inflation 2024	5.33% per annum in 2021 grading down to 4.00% in <u>and after 2045 for healthcare costs</u> 4.00% for dental and vision care costs	Based on Mercer U.S. November 2021 Retiree Medical Trend Model
Rate of Medical Inflation 2025	12% per annum in 2024 grading down to 4.00% in <u>and after 2048 for drug costs</u> 4.00% for dental and vision care costs. 7% per annum in 2024 grading down to 4.00% in and after 2048 for other dental costs. 4% per annum for dental costs.	Based on Mercer U.S. September 2023 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	Reasonable reflection of recent pensioner mortality experience, subject to the mortality improvement rates described below. The same table was used for the prior financial reporting valuation.
Mortality improvements	Scale MP-2021	Broad consensus amongst longevity experts that mortality improvement will continue in the future. In the U.S., the latest future mortality improvement scale issued by the Society of Actuaries is Scale MP-2021. There was no new mortality improvement scale published in 2024. The prior financial reporting valuation also used scale MP-2021.

CAYMAN ISLANDS HEALTH SERVICES AUTHORITY

Notes to financial statements

For the year ended 31 December 2025
(stated in Cayman Islands dollars)

12. Employee healthcare benefits, net (continued)

Actuarial Assumptions	Post-retirement Healthcare	Basis of Development - Accounting Specific Assumptions
Turnover rates	Rate	
	Age Male Female	
	20-24 7.5% 12.5%	
	25-29 5.0% 12.5%	
	30-34 3.5% 7.5%	
	35-39 2.5% 4.5%	
	40-44 1.5% 2.5%	
	45-49 0.5% 0.5%	
	50+ 0.0% 0.0%	
Disability rates	None assumed	
Retirement age	Age Rate	Based on 2020 experience study
	<55 0.0%	
	55-59 8.0%	
	60-64 15.0%	
	65+ 100.0%	
Marital assumption	80% married, wife 3 years younger	
Healthcare claims cost assumption at age Prior Year end	Medical - \$13,050 per participant Other Medical - \$12,145 per participant Vision - \$120 per participant Dental - \$210 per participant Administrative expenses Per retiree with spouse -\$114/month per retiree without spouse - \$104/month	Based on 2022 Britcay premium rates (converted to KYD), adjusted to age 65 using healthcare utilization changes due to age.
Healthcare claims cost assumption at age Year end	Medical - \$1,815 per participant Other Medical - \$12,145 per participant Vision - \$115 per participant Dental - \$195 per participant Administrative expenses Per retiree with spouse -\$114/month per retiree without spouse - \$104/month	Based on 2022 Britcay premium rates (converted to KYD), adjusted to age 65 using healthcare utilization changes due to age.
Healthcare coverage - future pensioners	Male - 27% single, 73% family Female - 50% single, 50% family	
Healthcare utilization differences due to age at Prior Year End	Mercer standard healthcare aging assumptions for medical and dental	Based on analysis of healthcare utilization for Mercer clients in Canada and US.
Healthcare utilization differences due to age at Year End	Cayman specific healthcare aging assumptions	Based on analysis of Cayman Islands resident healthcare utilization.

CAYMAN ISLANDS HEALTH SERVICES AUTHORITY

Notes to financial statements

For the year ended 31 December 2025

(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 Services Authority that the decision to keep the unfunded defined benefit liability a central liability of the Government had been reversed, and the Health Services Authority was expected to recognise 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 the Health Services Authority by the Pensions Board and are recognised as an expense in the period incurred. The Health Services 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 Services Authority by the PSPB.

The Health Services Authority recognises 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 2025
(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 Services Authority under the Plan, PSPB engaged a professional actuary to conduct annual studies. The most recent actuarial estimate performed as of 31 December 2025 by the actuary indicated a plan deficit attributable to the Health Services Authority of \$3,000 (2024: \$1,180,000).

Pension Expense and Reconciliation of Defined Pension Unfunded Liability

	<u>31 December 2025</u>	<u>31 December 2024</u>
	CIS(000)	CIS(000)
Provision at the beginning of the year	1,180	5,284
P&L charge/credit	606	980
Other comprehensive (income)/loss	(1,345)	(4,596)
Employer contributions	(438)	(488)
	3	1,180

Reconciliation of Funded Status:

Defined benefit obligation	19,623	17,656
Vested deferreds	1,657	1,172
Defined benefit obligation	21,280	18,828

Components of Defined Benefit Cost for the year:

Current service cost	560	727
Total net interest cost	46	253
Defined benefit cost included in P&L	606	980

CAYMAN ISLANDS HEALTH SERVICES AUTHORITY

Notes to financial statements

For the year ended 31 December 2025
(stated in Cayman Islands dollars)

13. Employee pension benefits, net (continued)

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

	<u>31 December 2025</u>	<u>31 December 2024</u>
	CIS(000)	CIS(000)
Remeasurement Included in Other Comprehensive Income (OCI):		
Demographic assumptions change	-	-
Financial assumptions change	600	(2,273)
Experience adjustments	136	(616)
Return on plan asset (excluding interest)	(2,081)	(1,707)
Total remeasurement included in OCI	(1,345)	(4,596)
Pension Expense for the year	(739)	(3,616)

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

	<u>31 December 2025</u>	<u>31 December 2024</u>
	CIS(000)	CIS(000)
Fair value of plan assets at beginning of year	17,648	15,555
Interest income	980	810
Cash flows		
Employer and participant contributions	438	488
Participant contribution	202	200
Benefit payments from plan	(80)	(324)
Transfers between other participating employers	8	(788)
Other significant event – decrease due to the effect of an business combinations/divestitures/transfers	-	-
Remeasurements – return on plan assets (excluding interest income)	2,081	1,707
Fair value of plan assets at end of year	21,277	17,648

CAYMAN ISLANDS HEALTH SERVICES AUTHORITY

Notes to financial statements

For the year ended 31 December 2025

(stated in Cayman Islands dollars)

13. Employee pension benefits, net (continued)

(a) Defined Benefit Plan (continued)

The defined benefit liability reconciliation is as follows:

	<u>31 December 2025</u>	<u>31 December 2024</u>
	<u>CIS(000)</u>	<u>CIS(000)</u>
Defined benefit obligation at beginning of year	18,828	20,839
Current service cost	560	727
Interest expense	1,026	1,063
Cash flows		
Benefit paymnts from plan assets	(80)	(324)
Transfer between other participating employers	8	(788)
Participants contributions	202	200
Effect of changes in demographic assumptions	-	-
Effect of changes in financial assumptions	600	(2,273)
Effect of changes in experience adjustments	136	(616)
Defined benefit obligation at end of year	21,280	18,828

The sensitivity analysis on defined benefit obligation is shown below:

	<u>31 December 2025</u>	<u>31 December 2024</u>
1. Discount rate		
a. Discount rate - 25 basis points	22,078	19,568
b. Discount rate + 25 basis points	20,527	18,129
2. Inflation rate		
a. Inflation rate - 25 basis points	20,821	18,153
b. Inflation rate + 25 basis points	21,761	19,539
3. Mortality		
a. Mortality - 10% of current rates	21,658	19,146
b. Mortality +10% of current rates	20,932	18,533
Duration of defined obligation		
Weighted average duration of defined benefit obligation (in years)	15.39	16.15

CAYMAN ISLANDS HEALTH SERVICES AUTHORITY

Notes to financial statements

For the year ended 31 December 2025
(stated in Cayman Islands dollars)

13. Employee pension benefits, net (continued)

(a) Defined Benefit Plan (continued)

Expected Employer contribution is as follows:

	<u>31 December 2025</u>	<u>31 December 2024</u>
	<u>\$000</u>	<u>\$000</u>
Expected employer contributions	425	443

The significant actuarial assumptions are presented below:

<i>Weighted-average assumptions to determine benefit obligations</i>	<u>31 December 2025</u>	<u>31 December 2024</u>
1. Discount rate	5.65%	5.75%
2. Rate of salary increase	3.0% in 2026 and 6.5% in 2027 and 2.5% thereafter	5.0% in 2025 and 4.0% in 2026 and 3.0% thereafter
3. Rate of price inflation	3.1% in 2026 and 2.4% in 2026 and 2.2% thereafter	2.9% in 2025 and 2.5% in 2026 and 2.2% thereafter
4. Rate of pension increases	3.1% in 2026 and 2.4% in 2026 and 2.2% thereafter	2.9% in 2025 and 2.5% in 2026 and 2.2% 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
<i>Weighted-average assumptions to determine defined benefit cost</i>	<u>31 December 2025</u>	<u>31 December 2024</u>
1. Discount rate used to determine:		
Current service cost	5.45%	5.10%
Interest on current service cost	5.80%	5.15%
Net interest cost	5.65%	5.10%
2. Rate of salary increase	5.0% in 2025 and 4% in 2026 and 3% thereafter	4.0% in 2024 and 3.7% thereafter
3. Rate of price inflation	2.9% in 2025 and 2.3% in 2026 and 2.2% thereafter	2.5% in 2024 and 2.4% in 2025 and 2.0% thereafter
4. Rate of pension increases	2.9% in 2025 and 2.3% in 2026 and 2.2% thereafter	2.5% in 2024 and 2.4% in 2025 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

CAYMAN ISLANDS HEALTH SERVICES AUTHORITY

Notes to financial statements

For the year ended 31 December 2025
(stated in Cayman Islands dollars)

13. Employee pension benefits, net (continued)

Measurement Date	31 December 2025	31 December 2024
Discount rate		
- BOY disclosure and current year expense	5.75% per year	5.15% per year
- EOY disclosure	5.65% per year	5.75% per year
- Following year current service cost	5.80% per year	5.80% per year
- Rate used to determine interest on defined benefit obligation and plan assets for following year expense	5.05% per year	5.45% per year
- Rate used to determine interest on current service cost for following year expense	5.40% per year	5.65% per year
Increases in pensionable earnings	3.0% in 2026, 6.3% in 2027 and 2.9% per year thereafter	5.0% in 2025, 4.0% in 2026 and 3.0% per year thereafter
Rate of Pension Increases	3.1% in 2026, 2.4% in 2027 and 2.2% per year thereafter	2.9% in 2025, 2.5% in 2026, 2.2% in 2027 and 2.0% per year thereafter
Mortality rates	100% of the rates of the RP-2014 scaled back from 2014 to 2006 using Scale MP-2014	100% of the rates of the RP-2014 Morality Table, generational projections using Scale MP-2021
Mortality improvements	100% of the rates of the RP-2014 Morality Table, generational projections using Scale MP-2021	100% of the rates of the RP-2014 Morality Table, generational projections using Scale MP-2021
Disability	None	None

Plan Assets

The Defined Benefit assets, as well as the 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. As at 31 December 2025, the Fund was invested as follows:

Plan Assets by Asset Category	31 December 2025		31 December 2024	
	(\$000)	Percentage	(\$000)	Percentage
Global equities securities	1,040,620	67%	1,050,497	78%
Debt securities	384,189	24%	237,485	18%
Real estate	67,410	4%	0	0%
Infrastructure	67,639	4%	44,457.00	3%
Cash	16,015	1%	11,850	1%
Total	1,575,873	100%	1,344,289	100%

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 Fund's rate of return.

CAYMAN ISLANDS HEALTH SERVICES AUTHORITY

Notes to financial statements

For the year ended 31 December 2025
(stated in Cayman Islands dollars)

13. Employee pension benefits, net (continued)

(a) Defined Benefit Plan (continued)

Based on the data provided, the gross rate of return earned by the Fund over the 12-month period, 1 January 2025 to 31 December 2025, was 16.78% per annum (2024: 16.40%). Similar internal accounting is used for developing each participating entity's share of the Fund's asset portfolio.

The valuations are based on the asset values as at 31 December 2025 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 an policy with a target asset mix of 70% equities, 20% bonds, 5% real estate and 5% infrastructure.

The share of the Fund that has been notionally allocated to the Health Services Authority with regard to its participation in the Defined Benefit Part of the Plan is \$21,277,000 as at 31 December 2025 (2024: \$17,648,0000).

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 2025 are shown in the table below.

Measurement Date	31 December 2025	31 December 2024
Turnover rates	Age related table	Age related table
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): 29.2	Retiring today (member age 57): 28.87
	Retiring in 25 years (at age 57): 31.13	Retiring in 25 years (at age 57): 31
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

CAYMAN ISLANDS HEALTH SERVICES AUTHORITY

CAYMAN ISLANDS HEALTH SERVICES AUTHORITY

Notes to financial statements

For the year ended 31 December 2025
(stated in Cayman Islands dollars)

13. Employee pension benefits, net (continued)

(a) Defined Benefit Plan (continued)

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 2025
(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 2025 of the Health Services Authority as it relates to its participation in the Plan is based on the member data as at 31 December 2025 of 47 active members (2024: 49). The data was updated from that used for the calculation of the defined benefit obligation as at 31 October 2023: 53 active members.

b) Defined contribution plan

Employees who are not participants in the defined benefit part of the Plan are enrolled in the defined contribution part of the Plan. The total number of employees enrolled in the defined contribution plan with the PSPB at 31 December 2025 was 1,200 (2024: 1,222).

During the year ended 31 December 2025, the Health Services Authority and its employees contributed to the fund 12% and NIL, respectively (2024: 12% and NIL, respectively).

The total amount recognised as a pension expense for the year ended 31 December 2025, inclusive of both defined benefit and defined contribution parts, was \$11,911,392 (2024: \$10,732,020).

14. Patient services fees

	2025	2024
	\$	\$
Fees from the rendering of services-net	130,962,789	126,321,070
Fees from sale of goods	55,555,998	49,327,559
	186,518,787	175,648,628

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 (See Note 22 – Related Party).

The Health Services Authority had a shortfall in the indigent output funding of \$3,089,076 (2024: \$6,715,672). In 2025, \$6,821,554 (2024: \$7,295,000) was paid as Indigent output funding from the Segregated Insurance Fund.

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 the medical benefits to employees and their dependents provided by the Health Services Authority.

Fees from sale of goods are derived from the sale of medical 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 2025
(stated in Cayman Islands dollars)

15. Government programmes

	2025	2024
	\$	\$
Mental Health Services	7,035,000	7,051,954
Medical Services in Cayman Brac and Little Cayman	4,161,000	4,161,000
Ambulance Services	3,716,000	3,716,000
District Clinics Services	3,576,000	3,576,000
Public Health Program	2,654,500	2,000,000
Molecular Biology	2,000,000	2,000,000
Dental Services to children and special needs population	1,400,000	1,400,000
School Health Nursing Services	1,100,000	1,100,000
Medical Internship Program	287,000	287,000
Child Abuse Program	208,000	208,000
Cancer Registry	136,000	136,000
	26,273,500	25,635,954

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 2025.

16. Other income

	2025	2024
	\$	\$
Other income - general	3,340,375	3,257,027
	3,340,375	3,257,027

Other income includes interest earned on cash balances, rental and concession income, insurance proceeds and other miscellaneous receipts.

CAYMAN ISLANDS HEALTH SERVICES AUTHORITY

Notes to financial statements

For the year ended 31 December 2025
(stated in Cayman Islands dollars)

17. Staff costs

	2025	2024
	\$	\$
Salaries and wages (excluding overtime)	99,572,377	89,624,185
Overtime costs	5,013,337	4,768,390
Health care - overseas/local	7,835,518	6,088,435
Pension contribution	11,911,392	10,732,386
Allowances	3,751,260	3,729,091
Staff honorarium	661,191	2,500,951
Other staff costs	2,348,779	1,371,567
Defined benefit healthcare and pension, net of re-measurement	12,419,000	13,771,459
	143,512,854	132,586,464

In addition to the healthcare cost shown in the schedule above, the Health Services Authority employees and their dependants receive free medical benefits valued at \$16,217,346 (2024: \$13,474,815). The total health care cost of employees and their dependants amounted to \$24,052,864 (2024: \$19,563,250), excluding the unfunded defined benefit portion of healthcare cost for current and future retirees.

In 2022, the Health Services 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 and the absorption of full pension contributions by the Health Services Authority.

Other staff costs comprise, technical staff costs \$693,559 and locums \$624,071.

CAYMAN ISLANDS HEALTH SERVICES AUTHORITY

Notes to financial statements

For the year ended 31 December 2025
(stated in Cayman Islands dollars)

18. Supplies and materials

	2025	2024
	\$	\$
Pharmaceuticals	22,717,714	22,591,112
Medical, dental and health supplies	7,974,828	8,403,266
Laboratory supplies	1,979,666	1,525,017
Food and dietary	1,492,848	497,852
Cleaning supplies	1,220,177	295,892
Primary health vaccines	212,650	168,613
Vehicle and maintenance supplies	142,340	234,582
Other supplies	226,101	122,870
Office consumables	64,605	104,547
Attractive assets	57,569	67,098
	36,088,498	34,010,848

Supplies and materials relate to the cost of inventory supplies consumed or sold during the year.

19. Legal and professional fees

	2025	2024
	\$	\$
Professional fees	994,599	605,647
Legal fees	377,482	476,203
Audit services	403,688	251,139
	1,775,769	1,332,989

20. Provision

The Health Services 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 2025 is \$255,000 (2024: \$310,000). As of 31 December 2025, \$39,864 (2024: NIL) was paid out as settlement for medical malpractice claims and NIL (2024: NIL) for employee claims, respectively.

CAYMAN ISLANDS HEALTH SERVICES AUTHORITY

Notes to financial statements

For the year ended 31 December 2025
(stated in Cayman Islands dollars)

21. Contingencies and commitments

(a) Contingent legal claims

For the year ended 31 December 2025, the Health Services Authority has assessed and determined that the gross potential outflow of funds for the malpractice and employee related legal claims amounts to \$1,396,500 (2024: \$1,723,015).

The claims are partly covered by the Health Services Authority malpractice insurance in excess of the deductible of \$50,000.

There are several outstanding claims relating to services provided prior to the establishment of the Health Services 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 Services Authority believes any costs encountered (that are not covered by insurance) will be met by the Ministry of Health and Wellness (MHW).

(b) Capital and operating commitments

Type	One year or less	One to five years	Over five years	Total
Capital Commitments				
Land and buildings	135,673	-	-	135,673
Leases	1,664,180	1,787,987	-	3,452,167
Total Capital Commitments	1,799,853	1,787,987	-	3,587,840
Operating Commitments				
Non-cancellable contracts for the supply of goods and services	24,871,925	6,686,033	242,159	31,800,117
Total Operating Commitments	24,871,925	6,686,033	242,159	31,800,117
Total Commitments 31 December 2025	26,671,778	8,474,020	242,159	35,387,956
Type	One year or less	One to five years	Over five years	Total
Capital Commitments				
Land and buildings	175,875	-	-	175,875
Leases	1,323,051	1,700,067	52,305	3,075,423
Total Capital Commitments	1,498,926	1,700,067	52,305	3,251,298
Operating Commitments				
Non-cancellable contracts for the supply of goods and services	5,219,527	3,499,294	684,489	9,403,310
Total Operating Commitments	5,219,527	3,499,294	684,489	9,403,310
Total Commitments 31 December 2024	6,718,453	5,199,361	736,794	12,654,608

CAYMAN ISLANDS HEALTH SERVICES AUTHORITY

Notes to financial statements

For the year ended 31 December 2025
(stated in Cayman Islands dollars)

21. Contingencies and commitments (continued)

(b) Capital and operating commitments (continued)

The outstanding capital commitments are for related improvements at the Health Services Authority facilities of \$135,673 (2024: \$175,875) and for lease cost amounting to \$3,452,167 (2024: \$3,075,423). In addition, the Health Services Authority has entered various operating commitments with terms less than one year to over five years term amounting to \$31,800,117 (2024: \$9,403,310). A substantial part of this amount pertains to the contract with various medical suppliers for medical and pharmaceutical items \$30,169,509 (2024: \$2,757,299). These contracts will expire in 2028.

(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 months' reserve should be paid over to the core government, unless directed otherwise by Cabinet. In prior years, the Cabinet has exempted public authorities from paying over surplus cash reserves and the Health Services Authority, based on past practice, expects a similar exemption will be made in respect of its surplus cash reserves as at 31 December 2025.

Under Section 39(3) of the PAA (2020 Revision), the Health Services 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 Services Authority, the payment of a dividend will prejudice the Health Services Authority's ability to meet its financial obligations as and when they fall due for payment. The Health Services Authority is also exempted per Section 19 (b) due to sustaining an Operating loss for the 2025 financial year and under Section 19 (c).

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

Section 36(1) of the PAA requires the Health Services Authority to pay an annual capital charge for the use of equity invested by the Government in the Health Services Authority. The capital charge is set by the Minister of Finance after consultation with the public authority's board. Based on past practice, the Authority expect the applicable rate for the 2025 financial year to be set at 0% (2024: 0%), as the capital charge rate for the 2024 financial year was 0%. Going forward, the Health Services Authority may be required to pay a capital charge in accordance with the PAA.

CAYMAN ISLANDS HEALTH SERVICES AUTHORITY

Notes to financial statements

For the year ended 31 December 2025
(stated in Cayman Islands dollars)

22. Related party transactions

The Health Services 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 Services Authority has transactions with other government-related entity including the sale and purchase of goods and ancillary materials, rendering and receiving services, leasing of assets, depositing money, and using public utilities.

These transactions are conducted in the ordinary course of Health Services Authority’s business on terms comparable with other entities that are not government related. The Health Services Authority has established procurement policies, pricing strategy, and an approval process for the purchases and sale 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 2025, management estimates that the aggregate amount of Health Services Authority’s transactions with government-related entities are at least 68% (2024: 70%) of its revenue and between 2% (2024: 1%) of its operating expenditures. Significant transactions with the government-related entities are discussed as follows:

- The Health Services Authority provides health care for a large portion of the employees of the Government and their dependents including other ancillary services to other government-related entity and reported this as revenue in the amount of \$84,300,748 (2024: \$77,194,813). The Health Services Authority is reimbursed by Cayman Islands National Insurance Company (CINICO) for the services provided to the employees of the Government and their dependents.
- The Health Services Authority did not receive an equity injection in 2025 (*NIL* in 2024) from the Cayman Islands Government.
- Pursuant to the general appropriation for the year ended 31 December 2025, the Health Services Authority billed the Government \$46,445,758 (2024: \$45,728,047) 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 \$26,273,500 (2024: \$25,635,954). This included the maintenance of Faith Hospital for the amount of \$4,161,000 (2024: \$4,161,000).

CAYMAN ISLANDS HEALTH SERVICES AUTHORITY

Notes to financial statements

For the year ended 31 December 2025
(stated in Cayman Islands dollars)

22. Related party transactions (continued)

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

	2025	2024
	Billed	Billed
	\$	\$
Mental Health	5,835,000	5,851,954
Faith Hospital	4,161,000	4,161,000
Ambulance	3,716,000	3,716,000
District Clinics	3,576,000	3,576,000
Public Health	2,654,500	2,000,000
Molecular Biology	2,000,000	2,000,000
Dental Services	1,400,000	1,400,000
Adolescent Mental Health Hub	1,200,000	1,200,000
Schools Health	1,100,000	1,100,000
Medical Internship	287,000	287,000
Child Abuse Program	208,000	208,000
Cancer Registration	136,000	136,000
	26,273,500	25,635,954
Due From	Amount	Amount
Ministry of Finance	4,597,278	4,597,278
Ministry of Health	2,797,750	2,135,222
	7,395,028	6,732,500

CAYMAN ISLANDS HEALTH SERVICES AUTHORITY

Notes to financial statements

For the year ended 31 December 2025
(stated in Cayman Islands dollars)

22. Related party transactions (continued)

There were 25 personnel categorized in 2025 as related parties. These are broken down as 15 key management personnel and 10 Board of Directors (2024: 11 key management personnel and 7 Directors). The remuneration of directors and other members of key management mainly comprises staff costs including pension and honorarium payments during the year was as follows:

	2025	2024
	\$	\$
Senior management	2,861,748	2,285,780
Board of directors	291,050	326,700
	<u>3,152,798</u>	<u>2,612,480</u>

For the year ended 31 December 2025, the Health Services Authority incurred medical costs for its key management and their dependants in the amount of \$190,256 (2024: \$152,373), including the cost provided in its own facility.

The Health Services Authority also had transactions with members of key management or with their family, such as official travel reimbursements with an annual disbursement of \$17,999 (2024: \$82,618) and remuneration of other related party amounting to \$532,199 (2024: \$245,114).

CAYMAN ISLANDS HEALTH SERVICES AUTHORITY

Notes to financial statements

For the year ended 31 December 2025
(stated in Cayman Islands dollars)

23. Financial instruments and associated risks

The carrying amounts of Health Services 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 Services Authority assessed the potential impact of IFRS 9 on its operations and determined it to be minimal.

The Health Services 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 on accounts receivable is further outlined below.

Accounts receivable is held at amortised cost. The Health Services 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 have been grouped based on shared risk characteristics and the days past due.

The expected loss rates are based on the payment profile of revenue over a 5-year period prior to 31 December 2024, and on the corresponding historical credit losses experienced during 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 Services Authority's recovery of past due amounts. These revised rates were used to calculate the 2025 ECL values.

The Health Services Authority has determined that the number of days outstanding is the most relevant factor in assessing the potential collectability of past-due receivables.

CAYMAN ISLANDS HEALTH SERVICES AUTHORITY

Notes to financial statements

For the year ended 31 December 2025
(stated in Cayman Islands dollars)

23. Financial instruments and associated risks (continued)

On that basis, the estimated credit loss allowance as of 31 December 2025 was determined to be \$57,779,652 (2024: \$42,319,207) for accounts receivable. This was calculated as follows:

31-Dec-25		Current	More than 180 days	More than 365 days	Total
	Expected loss rate	29%	63%	90%	
	Gross carrying amount – Accounts	\$ 33,746,873	\$ 9,901,308	\$ 46,411,225	\$ 90,059,406
	Less allowance for credit losses	\$ 9,767,380	\$ 6,212,412	\$ 41,799,859	\$ 57,779,652

31-Dec-24		Current	More than 180 days	More than 365 days	Total
	Expected loss rate	9%	95%	97%	
	Gross carrying amount – Accounts	\$ 30,625,486	\$ 7,295,614	\$ 33,729,803	\$ 71,650,903
	Less allowance for credit losses	\$ 2,635,110	\$ 6,940,589	\$ 32,743,507	\$ 42,319,207

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 Services Authority's activities expose it to various types of risk. The most important type of financial risks to which the Health Services Authority is exposed are as follows:

23.1 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 Services Authority performs ongoing credit evaluations of its customers' financial condition 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 Services Authority is exposed to credit-related losses in the event of non-performance by counter parties to these financial instruments.

Accounts receivable 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 35% to 100% (2024: 40% to 100%) uncollectible.

CAYMAN ISLANDS HEALTH SERVICES AUTHORITY

Notes to financial statements

For the year ended 31 December 2025
(stated in Cayman Islands dollars)

23. Financial instruments and associated risks (continued)

23.1 Credit risk (continued)

Accounts receivable 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 allowance for credit losses within the statement of comprehensive (loss)/income. Subsequent recoveries of amounts previously written off are credited against the same line item.

The carrying amount of financial assets recorded in the financial statements as accounts receivable from the “self-pay” group of customers, which is net of allowance for credit losses, 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
2025					
Gross accounts receivable	3,061	1,317	7,081	35,036	46,495
Allowance for credit losses	(1,045)	(1,084)	(6,629)	(35,036)	(43,794)
	2,016	233	451	0	2,701
	Less than 1 month	1-3 months	3 months to 1 year	1 year over	Total
	\$000	\$000	\$000	\$000	\$000
2024					
Gross accounts receivable	3,586	1,557	6,452	30,487	42,082
Allowance for credit losses	(161)	(830)	(5,404)	(25,460)	(31,856)
	3,425	727	1,048	5,027	10,226

23.2 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 Services Authority’s funding and liquidity management requirements. The Health Services 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 2025.

CAYMAN ISLANDS HEALTH SERVICES AUTHORITY

Notes to financial statements

For the year ended 31 December 2025
(stated in Cayman Islands dollars)

23. Financial instruments and associated risks (continued)

23.2 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 2025							
Financial assets							
Cash and cash equivalents	71,527,843	-	71,527,843	-	-	-	-
Short-term investments	-	-	-	-	-	-	-
Accounts receivable, net	32,279,755	-	32,279,755	-	-	-	-
Other receivables	3,666,307	-	3,666,307	-	-	-	-
	107,473,905	-	107,473,905	-	-	-	-
Financial liabilities							
Accounts payable and accrued expenses	21,500,829	-	21,500,829	-	-	-	-
	21,500,829	-	21,500,829	-	-	-	-
Difference in contractual flows	85,973,076	-	85,973,076	-	-	-	-
		No stated maturity					
	Carrying amount		Contractual cash flows (undiscounted)				
			0-1 yr	1-2 yrs	2-3 yrs	3-4 yrs	>5 yrs
31 December 2024							
Financial assets							
Cash and cash equivalents	49,196,305	-	49,196,305	-	-	-	-
Short-term investments	15,057,966	-	15,057,966	-	-	-	-
Accounts receivable, net	29,331,697	-	29,331,697	-	-	-	-
Other receivables	14,295,452	-	14,295,452	-	-	-	-
	107,881,421	-	107,881,421	-	-	-	-
Financial liabilities							
Accounts payable and accrued expenses	27,417,724	-	27,417,724	-	-	-	-
	27,417,724	-	27,417,724	-	-	-	-
Difference in contractual flows	80,463,697	-	80,463,697	-	-	-	-

CAYMAN ISLANDS HEALTH SERVICES AUTHORITY

Notes to financial statements

For the year ended 31 December 2025
(stated in Cayman Islands dollars)

23. Financial instruments and associated risks (continued)

23.3 Interest risk

Interest rate risk – The Health Services 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 Services Authority by maintaining a short-term credit agreement that is renewable every year to have a negotiable and preferred rate. In addition, the Health Services Authority is limiting the usage of the credit facility by continuously monitoring the daily cash position, which management views as likely to result in a bank preferred interest rate on the renewal of the agreement. The Health Services Authority has a minimal exposure to interest risk as none of the other financial instruments is exposed to this type of risk.

24. 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 Services Authority's financial position as of 31 December 2025 was -\$39,698,720 (2024: -\$20,957,556) with a net deficit for the year of -\$8,684,328 (2024: -\$12,437,452) as presented in the statement of comprehensive (loss)/income.

The accumulated deficit does not represent an immediate liquidity crisis and does not impair the Authority's ability to meet its obligations as they fall due within the assessed 12-month period. Similarly, the unfunded past service obligation represents a long-term actuarial liability and does not result in immediate cash outflows. The Authority continues to fund retiree healthcare costs on a pay- as-you-go basis and is actively monitoring and managing this exposure.

As of 31 December 2025, the Health Services Authority had aggregate cash holdings of \$71,527,843. This puts the Health Services Authority in a position well above the required 90-day cash holding and the projected payout for annual past service liabilities as projected by our actuaries (refer to note 12 & 13).

As a healthcare facility, Management believes that the Health Services Authority can provide adequate 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 Services Authority. In addition, the Health Services Authority has a \$4 million overdraft facility as additional buffer for any cash short fall in the future, and this remain unused.

Finally, the Health Services Authority remains a wholly owned subsidiary of the Cayman Islands government and the entitled were engaged by government then transferred to the Authority. We therefore being that the government still remains a contractual obligation to persons so engaged as all persons were transferred with the understanding that they would retain full benefits.

Nevertheless, the leadership of the Health Services Authority, 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 2025
(stated in Cayman Islands dollars)

25. Supplementary Appropriation

Over the course of the financial year, Cabinet and the Finance Subcommittee of Parliament, authorised the supplementary funding to the Ministry of Health, Environment and Sustainability for settlement of outstanding claims under the various episodic outputs below. All reallocations by Cabinet and Finance Subcommittee of Parliament were made pursuant to Section 12 of the Public Finance and Management Act.

The total supplementary funding approved under Section 12 was \$21,238,000.

It is important to note that the Health Services Authority is not responsible for supplementary bills, as the contractual arrangements for these services are with the Ministry of Health, Environment and Sustainability and the Cabinet of the Cayman Islands. Consequently, the introduction of supplementary bills under Section 12 falls outside the purview of the Health Services Authority. The information below is therefore disclosed for transparency purposes only.

Cabinet Approval and Parliament Finance Subcommittee	Original Budget	11 June 2025 Sec. 12 funding	25 September 2025 Sec. 12 funding	Revised Full Year Budget
HEA 17 – Beyond Insurance	2,000,000		586,000	2,586,000
HEA 2 – Indigents	12,000,000	8,250,000	8,250,000	28,500,000
HEA 16 – Geriatric services	4,000,000		2,696,000	6,696,000
HEA 19 – Chronic ailment	1,359,255	1,456,000		2,815,255
Grand Total	19,359,225	9,706,000	11,532,000	40,597,255

CAYMAN ISLANDS HEALTH SERVICES AUTHORITY

Notes to financial statements

For the year ended 31 December 2025
(stated in Cayman Islands dollars)

26. Subsequent events

In January 2026, Directors who were appointed prior to Minister for Health, Environment & Sustainability, Katherine Ebanks-Wilks taking office, vacated their posts making way for the appointment of a new Board.

In January 2026, the Ministry for Health, Environment & Sustainability engaged, KPMG Cayman to do governance audit of the Health Services Authority in an effort to improve the governance framework and strengthen accountability and operational effectiveness of the entity.

In March 2026, the government announced its approval of Cayman Islands National Insurance Company (CINICO) pilot programme under which CINICO employees will be allowed to freely access services at other healthcare facilities. The results of this exercise is expected to inform the government of the impact of expanding the CINICO's preferred provider network to include the private sector. At the end of the pilot there could potentially be an open procurement exercise for preferred providers. Should this materialize, this is expected to have a financial impact on the Health Services Authority but does not present going concern challenges as the government is legally obligated to maintain a national hospital.

In April 2026, the Government of the Cayman Islands, through the Ministry of Health, Environment and Sustainability, announced the decision to transition public health responsibilities away from the Health Services Authority to a more neutral role under the Ministry. This decision is intended to align Public Health's responsibility in national decision-making and planning.

The transition will be implemented in phases, with the detailed arrangements still being developed.

The Health Services Authority currently receives funding of \$4,092,000 (2024: \$4,092,000) in support of these functions. As a result, the transition is expected to have a financial impact on the operations of the Health Services Authority.

Management is not aware of any other events after the reporting date which will have an impact on the operations of the Health Services Authority or its financial statements as at 31 December 2025.

Committed to *Caring* for You

