

Minutes of The Hospital for Sick Children Board of Trustees' Meeting held on Thursday, March 27, 2014 at 4:00 p.m. at The Hospital for Sick Children, Toronto, Ontario.

Present:

Mr. R. Harding, Chair
Ms. R. Patten, Vice-Chair
Mr. S. Marwah, Vice-Chair
Dr. M. Apkon
Ms. S. Baxendale
Ms. K. Delaney
Ms. C. Duboc
Mr. J. Francis
Ms. P. Hubley
Mr. A. Khanna
Mr. D. McKay
Ms. G. O'Brien
Ms. S. Younker, Corp. Secretary

Present:

Mr. T. Penner
Mr. R. Prichard
Ms. C. Reicin
Mr. P. Reynolds*
Dr. J. Robertson
Mr. L. Scott
Mr. A. Sheiner
Mr. B. Simpson*
Mr. S. Smith
Mr. T. Sullivan
Mr. R. Weese
Dr. J. Wright

Regrets:

By Invitation:

Dr. D. Daneman
Ms. M. Evans
Mr. T. Garrard
Ms. L. Harrison

By Invitation:

Mr. J. Mainland
Ms. M. Monk
Ms. S. O'Dowd
Dr. J. Rossant

Regrets:

Mr. J. Garner
Dr. J. Kronick
Dr. S. Zlotkin

** attended via telephone*

Ms. Sharon Younker, Corporate Secretary, confirmed that notice of the meeting had been duly sent to all Trustees and that a quorum was present in person or by phone, all in accordance with the Hospital's by-laws. Accordingly, Mr. Robert Harding, Chair of the Board, declared that the meeting was properly constituted and called the meeting to order.

Mr. Harding welcomed Dr. James Robertson, the new President of the MSA, to his first Board meeting.

CONSENT AGENDA

Mr. Harding referred Trustees to the consent agenda items. No questions were raised.

MOTION:

NOW THEREFORE, UPON MOTION duly made, seconded and unanimously carried, IT WAS RESOLVED:

THAT the minutes of the Board of Trustees meeting held on January 23, 2014 be approved as circulated;

and

THAT the Medical and Scientific Appointments for January 2014 be approved.

MEDICAL ADVISORY COMMITTEE REPORT

Dr. James Wright, Chair of the Medical Advisory Committee (MAC) referred Trustees to the written report. He highlighted the approval of the Most Responsible Physician Policy, the report on IGT Peripherally Inserted Central Catheter services trends and challenges, and the consideration by the Toronto Academic Health Science Network of introducing mandatory “Influenza vaccination or mask” policy for healthcare providers.

EXECUTIVE REPORT

Dr. Michael Apkon presented his executive report.

Dr. Apkon reported that SickKids has received Accreditation Canada exemplary standing, Accreditation Canada's highest designation. He noted that these results are a testament to the leadership team, management, and the Board of Trustees' governance. The organization met all of the Required Organizational Practices, had 12 Leading practices and was 99.5% in compliance with 2,400 standards and all of the recommendations raised through the process have been addressed. He stated that these results demonstrate SickKids' ability to innovate and excel even during times of a changing funding environment and other challenges.

Dr. Apkon set the context for the 2014/15 Operating Plan. He reported that over the next several years expenses for medications, technology and wages will rise faster than the GDP. As a result, pressures will increase to keep revenues growing as fast as expenses. Dr. Apkon explained that the relative distribution of funds will shift from the acute care sector to mental health, community care and long-term care and away from Paediatrics due to the aging population. Dr. Apkon reported that the hospital has had productive conversations with MOHLTC about the current year and next year's Operating Plan pressures. SickKids is also working to establish relationships with other providers, ministries, and federal agencies. Dr. Apkon stated that the Provincial Council for Maternal and Child Health (PCMCH) has an opportunity to play a greater role in the evolution of system and with a new chair and members, there is an opportunity to refresh the workplan.

Dr. Apkon gave an update on the CEO transition. He reported that the transition is going well and that he is spending time looking at the structure, processes around enterprise projects, launching the external review of the surgical program and search for the Surgeon-in-Chief which is taking place in April and May, preparing to initiate the Research Institute external review, and identifying emerging priorities such as clinical computing - business intelligence and decision support, facilities renewal and deferred maintenance. Dr. Apkon reported that he is working to build relationships and connect within the province and in Ottawa.

Dr. Apkon gave an update on system developments. He reported that the Minister of Health has announced that Dr. Robert (Bob) Bell, CEO of UHN, has been appointed as the next Deputy Minister of Health. Dr. Apkon has met with 14 community Paediatric Chiefs working at general Hospitals who are all interested in expanding capabilities and achieving greater integration which creates an opportunity for SickKids to work with others to enhance the system. Dr. Apkon gave an update on the status of ongoing collaborations and future opportunities with partners in the sector. .

Dr. Apkon updated Trustees on his visit to Qatar in February. He reported that SickKids has been very successful in the 4 years they have been working in Qatar. There are on-going opportunities to work on capacity development and system reform. SickKids has responded to an RFP for recruitment of nurses for a major paediatric hospital in Qatar. Today the Board will be asked to approve a contract with a corporation focused on primary healthcare in Qatar. Dr. Apkon stated that one of the values to SickKids is the development of capacity for use at home through the experience SickKids staff are obtaining in Qatar.

Dr. Apkon concluded his report stating that SickKids can manage through the current challenges which he believes are normal, not unique to SickKids, Ontario, or Canada and not necessarily new. There are many opportunities to play a more significant role in the system which will be an important component of the long term solution for health care. SickKids has a terrific foundation in the management team and business processes that can also be harnessed to keep it buoyant in the face of reform.

Dr. Apkon highlighted several significant and distinguishing accomplishments:

- Dr. Zulfi Bhutta, the Robert Harding Chair in Global Child Health being awarded the Samuel J. Fomon Nutrition Award 2013 by the American Academy of Paediatrics
- Dr. Bonnie Stevens being awarded both the Distinguished Career Award by the Canadian Pain Society and the Award for Merit in Nursing Research by the Canadian Nurses Association
- The remarkable success of our residency programs in drawing the best possible recruits. This year, our program was the only program in Canada to fill all of its positions. We recruited 17 incoming residents going only as far as 27 in our list of 169 candidates Including recruiting 4 MD PhDs and 3 of our top 4 international medical graduates - this is the best year ever and a testament to Denis' leadership and that of Adele Atkinson our program director and Meredith Irwin, the Associate Chair for Research
- Our scientists bringing in almost \$13M in new funding through the CIHR Open Operating Grant Competition. Our success rate was 23% against an average of 16%.
- Patient satisfaction scores that put us in the top few % of children's hospitals
- Success in driving outcomes in our clinical programs like the Cardiac Centre reducing mortality by nearly 2/3 for the most fragile, highest risk babies undergoing cardiac surgery

Discussion ensued regarding impact of the development and sustainable revenue opportunities on management and staff resources. It was agreed that it is important to be strategic about the relationships SickKids pursues to ensure limited impact on operations. Trustees discussed the issues and challenges with various partnership opportunities and agreed that MOHLTC support of these types of initiatives is important.

Better integration of the patient care for paediatric patients through system improvement was discussed. MOHLTC is encouraging PCMCH to take the lead on paediatric system reform.

COMMITTEE REPORTS

Finance & Audit Committee

Mr. Larry Scott, Chair F&A Committee reported on the March meetings. He referred Trustees to the two reports circulated at the meeting and reported that the Committee is bringing forward four motions for approval.

The 2014/15 Operating Plan was presented, reporting that management has been able to balance the budget following significant revenue increases/cost reduction initiatives planned in the coming year. The 2014/15 Capital Plan was presented. A motion to approve the capital project involving the remediation of the Atrium Parking Garage as well as a contract with Primary Health Care Corporation in Qatar are being brought forward.

2014/15 Operating Plan

Ms. Laurie Harrison presented the 2014/15 Operating Plan, reporting a \$1.3M surplus. Ms. Harrison reported that the PGCRL Operating Plan has increased to \$18.15 per square foot, for 2014/15.

She highlighted several key messages, noting that Patient Care is planning revenue increases/cost reduction initiatives to "right size" the cost structure to offset inflation and declining MOH revenues. Ms. Harrison outlined the significant budget balancing initiatives for patient care and reviewed the risks/opportunities of the plan.

Discussion ensued regarding the impact of investment income on the plan and opportunities to increase revenues through commercial opportunities such as Boomerang.

MOTION:

NOW THEREFORE, UPON MOTION duly made, seconded and unanimously carried, IT WAS RESOLVED:

THAT the 2014/15 Operating Plan be approved as recommended by the Finance & Audit Committee.

2014/15 Capital Plan

Ms. Harrison presented the 2014/15 Capital Plan. The 2013/14 forecasted capital gross spend was 56% of the annual plan. Management presented a one-year capital plan with a commitment to re-design the process for allocating capital and present a multi-year plan to the Committee in six months.

MOTION:

NOW THEREFORE, UPON MOTION duly made, seconded and unanimously carried, IT WAS RESOLVED:

THAT the 2014/15 Capital Plan be approved as recommended by the Finance & Audit Committee

Capital Project

MOTION:

NOW THEREFORE, UPON MOTION duly made, seconded and unanimously carried, IT WAS RESOLVED:

THAT the Atrium Parking Garage P1 Traffic Topping Remediation Project with a budget of \$1.2 million, be approved as recommended by the Finance & Audit Committee

Primary Health Care Corporation (PHCC) - Qatar

Ms. Harrison presented the opportunity with Primary Health Care Corporation (PHCC) of Qatar. SickKids has been working to develop this contract for some time and only reached final agreement with PHCC this week.

PHCC was created by the Qatari government in 2012, after SickKids had already begun working with the Hamad Medical Corporation (HMC). PHCC assumed many of the responsibilities that HMC originally had for developing primary care services in Qatar. It was both HMC's and PHCC's intent that SickKids would complete the work related to primary care by working with PHCC rather than with HMC.

A formal agreement has now been developed that will function as an appendix to the original Master Consulting Agreement SickKids has with HMC. The agreement covers work done back to October 2013 and will allow appropriate payment for services already rendered as well as for future services to be delivered through June 2015.

The F&A Committee has reviewed the financial value and risks associated with the contract and recommends that the Board of Trustees approves the agreement.

MOTION:

NOW THEREFORE, UPON MOTION duly made, seconded and unanimously carried, IT WAS RESOLVED:

THAT the Project Proposal and Work Statement with the Primary Health Care Corporation of Qatar be approved

Board Quality Committee

Ms. Rose Patten, Chair, Board Quality Committee, reported on the March meeting of the Committee.

SickKids been granted exemplary standing from Accreditation Canada following the subsequent work the hospital did to address the recommendations around 'look-alike, sound-alike' medications. Congratulations were extended to the team.

There was an update from Quality Management Council regarding the successful outcome of the FACT accreditation (Foundation for Accreditation of Cellular Therapies). This accreditation informs patients, medical professionals, health insurance and the government that SickKids exceeds standards in patient care and laboratory practices related to cellular therapies.

The Committee reviewed the Quality Improvement Plan with management. There was comprehensive engagement in putting this year's plan together. The Committee discussed the principles in setting targets and choosing the indicators. The Committee also heard how performance against the targets is tied to executive compensation. The Committee was satisfied that there are appropriate links between the QIP indicators and performance-based pay of executives. The QIP was approved.

The Committee reviewed the Operating Plan for 2014/15 from the quality lens. The Committee discussed the mitigation strategies to ensure quality and safety would not be impacted. Trustees were satisfied that the operating plan, while challenging, had sufficient safeguards in place to ensure quality standards would be maintained.

The Committee heard about the external review of the Division of Orthopedic Surgery. The Division is clearly very accomplished and the reviewer indicated that the division is viewed in the highest regards around the world.

Human Resource Committee

Mr. Dave McKay, Chair, Human Resource Committee, reported on the March meeting of the Committee. The Committee was presented an update on the Q3 Scorecard, Absenteeism & Turnover reporting, Broader Public Sector Accountability Act in relation to compensation, Accessibility for Ontarians with Disabilities Act, and Occupational Health and Safety Awareness and Training Regulations. There was an update on HR strategic priorities including service, processes, and programs. There was a presentation on the current salary disclosure which was disclosed to the Government on March 7th and goes public on March 31st. There was a 10% increase this year over last year in the number of disclosures.

Investment & Pension

Ms. Kiki Delaney, Chair, Pension & Investment Committee, reported on the Committee meeting held in March. The Committee reviewed the performance summary as at December 31, 2013. Three Investment Managers presented to the Committee.

Governance & Nominating Committee

Mr. Stuart Smith, Chair, Governance & Nominating Committee, reported on the February meeting. The Committee reviewed candidates for the Board of Trustees. Finalist candidates will meet with the incoming Chair, GNC Chair, and President & CEO. Nominations will be finalized at the May GNC meeting and brought to the Board for approval at the May 2014 Board of Trustee meeting. The Committee held a portion of the meeting jointly with the Foundation Nominating and Governance Committee to receive updates on the work of both Boards, review the 2013/14 assessment of the Governance Model which was very positive and to introduce Dr. Apkon to the Foundation Committee.

IN-CAMERA MEETING OF THE BOARD OF TRUSTEES

The Trustees held an in-camera session.

ADJOURNMENT

There being no further business for discussion, the meeting was adjourned.

Robert Harding, Chair of the Board

Sharon Younker, Corporate Secretary