

**Minutes of The Hospital for Sick Children Board of Trustees' Meeting held on Thursday, May 22, 2014 at 4:00 p.m. at The Hospital for Sick Children, Toronto, Ontario.**

**Present:**

Mr. R. Harding, Chair  
Ms. R. Patten, Vice-Chair  
Dr. M. Apkon  
Ms. K. Delaney  
Ms. C. Duboc  
Mr. J. Francis  
Ms. P. Hubley  
Mr. A. Khanna  
Mr. D. McKay  
Ms. G. O'Brien  
Mr. T. Penner  
Ms. S. Younker, Corp. Secretary

**Present:**

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

**Regrets:**

Ms. S. Baxendale  
Mr. S. Marwah, Vice-Chair

**By Invitation:**

Dr. D. Daneman  
Mr. J. Mainland  
Ms. L. Harrison  
Ms. S. O'Dowd  
Ms. M. Evans

*\* attended via telephone*

**By Invitation:**

Dr. J. Rossant  
Dr. J. Kronick  
Dr. S. Zlotkin  
Mr. T. Garrard

**Regrets:**

Ms. M. Monk

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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 Trustees and guests to the 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 March 27, 2014 be approved as circulated;

and

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

## **MEDICAL ADVISORY COMMITTEE REPORT**

Dr. James Wright, Chair of the Medical Advisory Committee (MAC) referred Trustees to the written report. Dr. Wright reported that the MAC spent time discussing the reviews and recommendations of the serious patient safety incidents, and one of which is a critical incident.

Dr. Wright supplied the history and context for the motion to approve the Research Ethics Board (REB) – Board of Record. Discussion ensued regarding the governance process for the on-going renewal of the two external REB – Boards of Record to ensure they are meeting acceptable standards. Dr. Wright stated that there is a one year approval with follow-up review for both organizations but that he would report back to the Board on the process on a go forward basis after the first year.

### **MOTION:**

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

THAT the Board approves the recommendations by the REB – Boards of Record Review subcommittee to approve the Holland Bloorview Kids Rehabilitation Hospital REB and Ontario Cancer REB as qualified, based on the qualification results and conditions outlined, to act as delegated REB boards of record for SickKids.

## **EXECUTIVE REPORT**

Dr. Michael Apkon presented his executive report. Dr. Apkon updated Trustees on events and activities since the last Board meeting.

The Surgeon-in-Chief external review has taken place and the review lauded Dr. Wright's many accomplishments during his tenure. The search for the Surgeon-in-Chief is also underway.

Dr. Apkon reported that the Scientific Advisory Board (SAB) delivered their report and recommendations to the Chief of Research, the CEO and the Board Chair prior to the Board meeting. They were extremely positive about the impact of the Peter Gilgan Centre for Research and Learning on the Research Institute and made recommendations regarding on-going operating needs, RI leadership transition, priority funding, and recruitment.

Dr. Apkon presented some emerging thinking as SickKids contemplates its next strategic plan. Dr. Apkon shared his initial observations of the current approach to care for children in the province, stating that care is fragmented, lacks coordination, and leaves patients and their families to navigate a complex system. In addition, there are missed opportunities to utilize evidence-based practice to improve quality and safety across the entire system while improving efficiency through productivity and strong prudent financial management that leverages economies of scale.

Dr. Apkon reported that SickKids has an opportunity to improve the healthcare system and to ensure its future success by fostering the development of a more integrated system that leverages our expertise, amplifies our research capabilities, and allows us to extend our management capability to improve and link to the systems of care beyond our walls.

Discussion ensued regarding the opportunities and challenges outlined by Dr. Apkon. Management will continue to gather information and formulate strategies which will be brought back to the Board for further discussion.

### **Enterprise Risk Management**

Ms. Megan Evans, Chief Legal & Risk Officer, reported on SickKids' Enterprise Risk Management (ERM) program. Ms. Evans explained that ERM is an organization wide systematic approach to identifying, assessing, understanding, acting on, and communicating risk. She stated that SickKids formally implemented ERM in 2010 and since then a great deal of work has gone into establishing a solid

foundation that continues to build. Included in this work is the implementation of a dynamic process for ERM mapped to the strategic directions and the adoption of a formalized approach for risk reporting at an enterprise level. A risk register has been compiled identifying high exposure risks of which the Board of Trustees has oversight responsibilities. Over the past several months Management has undertaken a comprehensive update of the register. Ms. Evans stated that in June, Board Committees will have an opportunity to review the high exposure risks that are associated with the specific Committee's mandate. ERM will be reported annually to the Board of Trustees.

### **Appointments**

Dr. Apkon reported that Dr. Jim Wright's second term as MAC Chair has been completed. Following due process, the MAC is recommending the appointment of Dr. Peter Laussen as Chair of the MAC for a 2 year term effective July 1, 2014.

Dr. Apkon brought forward a motion following a successful external review of the Department of Anaesthesia to re-appoint Dr. Mark Crawford as Chief, Department of Anaesthesia and Pain Medicine for a second 5 year term.

### **MOTION:**

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

THAT Dr. Peter Laussen be appointed as Chair of the Medical Advisory Committee for a 2 year term effective July 1, 2014, and;

THAT, following an external review of the Department of Anaesthesia and Pain Medicine, Dr. Mark Crawford be re-appointed as Chief, Department of Anaesthesia and Pain Medicine for a second 5 year term.

### **COMMITTEE REPORTS**

#### **Finance & Audit Committee (F&A)**

Mr. Larry Scott, Chair of F&A reported on the May meeting of the Committee. He referred Trustees to the Report circulated at the table and informed that the Committee is bringing forward several motions for approval.

#### ***2013/14 Year-End Financial Results***

Ms. Laurie Harrison, VP Finance & CFO, reviewed the year-end financial results. She noted the year end surplus of \$4.3M was \$1.6M unfavourable to Plan and \$17.3M unfavourable to prior year (on an internal reporting basis). Patient Care had a negative variance to plan due primarily to clinical mix and severance costs. Investment income was approximately 5.5% or \$17.3M for the year which was \$6.1M favourable to Plan and \$3.5M unfavourable to prior year. All inpatient clinical indicators were within approximately 3% of plan and prior year. Total Patient Care capital spending was \$32.6M or 45.4% of the annual plan.

#### ***2013/14 Audited Financial Statements***

Ms. Harrison reviewed the year-end draft financial statements and provided a brief explanation on the year-over-year changes to the Balance Sheet and Income Statement. Mr. Scott confirmed that the Committee met in-camera with the external auditors and they are satisfied with the auditor's report which was again better than the year before due to process improvements.

### **MOTION:**

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

THAT the Financial Statements for year ending March 31, 2014 be approved, and that management be authorized to make such necessary immaterial changes, as may be required.

### **Foundation Funding Priorities & Core Funding Agreement**

Ms. Harrison provided an overview of the March 2014 granting from the Foundation, the 2014/15 Fundraising Priorities and an Amendment to the Core Funding Agreement.

#### **MOTION:**

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

THAT the Fourth Amendment to the Core Funding Agreement be approved.

### **Capital Projects**

Ms. Harrison presented 3 capital projects for approval:

- *Heliport (\$1.3M)*  
The scope of the project is to bring heliport into compliance with current Transport Canada regulation. The project is fully funded by HIRF (Health Infrastructure Renewal Fund) with the exception of internal SickKids project management resources. Management is reviewing opportunities to share operating costs of the Heliport with other downtown hospitals who use the Heliport.
- *Molecular Genetics Lab Renovations (\$1.9M)*  
Ms. Harrison reported that a number of existing labs within the 3<sup>rd</sup> floor, Black Wing are being renovated to accommodate new space for the Centre for Genetic Medicine's in support of their priority objective for increased translational research. The project is in 2 phases and is expected to be completed by the end of November 2014.
- *Image Guided Therapy (IGT) Rooms 3 & 4 (\$17.1M)*  
Ms. Harrison presented the IGT Rooms 3 & 4 project and reported that this project is funded by the Foundation through the Priorities Fund. She noted that the current equipment is outdated. The replacement of the existing IGT suites and the introduction of an interventional Magnetic Resonance (MR) for Rooms 3 and 4 will enhance patient care for Neurosurgical intervention and other specialized care. The MR will also be available for use as a stand-alone diagnostic system and will support the growing need for Magnetic Resonance Imaging (MRI).

#### **MOTION:**

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

THAT the Capital Projects listed below, be approved.

1. Heliport Upgrades at a cost of \$1.3M
2. Molecular Genetics Lab Renovations at a cost of \$1.9M
3. Image Guided Therapy (IGT) Rooms 3 & 4 at a cost of \$17.1M

Mr. Scott reported that there was an update presented on Boomerang Health. The Committee was introduced to the new General Manager and management presented its early thinking on strategies to enhance the service offerings in an effort to meet performance.

### **Toronto Centre for Phenogenomics (TCP)**

#### **1. Renewed Joint Venture Agreement with Mount Sinai regarding TCP**

Dr. Janet Rossant, Chief of Research, explained that original membership in TCP was SickKids, Mount Sinai, UHN, and St. Michael's Hospital. UHN and St. Michael's withdrew from participating in December 2011. Since then, the responsibility for managing and operating TCP has been equally

shared by SickKids and Mount Sinai. A 5 year Joint Venture Agreement is being entered into to address the mutual rights and responsibilities of SickKids and Mount Sinai.

Dr. Rossant confirmed that SickKids' portion of the operating costs and share of the operating loss of TCP will continue to be planned in the Research Institute's Operating Budget and has been reflected in the 2014/15 RI Operating Plan and 5 year forecast. There is no additional financial impact of entering into this new Joint Venture. This new agreement is proposed to reflect the changes in membership from 2011 and to match the current financial and operating practice of SickKids and Mount Sinai in regards to TCP.

## **2. Renewed Occupancy and Services Agreement for the MICE and CMMR Programs**

Dr. Rossant explained that the current Occupancy and Services Agreement with TCP for MICE and CMMR has expired. She noted that the Research Institute would like to renew the Occupancy and Services Agreement for these programs for additional 5 year period. The total value of the renewal is \$2.5M over the 5 year term and has been planned in the 2014/15 RI Operating Plan and 5 year forecast. Dr. Rossant explained that SickKids and Mount Sinai would like to install the new MRI in June but before the MRI can be procured or the building renovated to accommodate the MRI, CFI requires that SickKids has control over the space where the MRI is to be installed for a period of at least 5 years.

### **MOTION:**

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

**THAT** the request tabled below be approved.

1. Approve SickKids' management to enter into a Joint Venture Agreement with Mount Sinai regarding Toronto Centre for Phenogenomics (TCP) with a minimum term of 5 years and a total commitment of \$6M subject to the annual budgeting process.
2. Approve SickKids' management to enter into a renewed Occupancy and Services Agreement with Toronto Centre for Phenogenomics (TCP) for the Mouse Imaging Centre (MICE) and Canadian Mouse Mutant Repository (CMMR) Programs for a 5 year term and a commitment of \$2.5M subject to the annual budgeting process.

### **Board Quality Committee**

Ms. Rose Patten, Chair, Board Quality Committee, reported on the May meeting of the Committee. Ms. Patten highlighted several presentations including 3 reviews of serious patient safety incidents including one critical incident as reported by Dr. Wright. There was an update on Project Horizon which is currently in the visioning and programming phase. The Family Presence at Nursing Handover project was presented. Ms. Patten reported that there was also a presentation on the Health Equity Socio-Demographic Data Collection initiative which mandates the collection of patient socio-demographic data in all TC LHIN hospitals. This project has been initiated by the LHIN based on research that indicated the influence socio-demographic factors have on the quality of care received and health outcomes. Two Division/Departmental reviews were also presented. Dr. Wright presented the external review for the Division of Anaesthesia which supported the reappointment of Dr. Mark Crawford as Head for an additional 5 year term. Dr. Daneman presented the internal review of the Division of Rheumatology and reported that there was unanimous agreement to appoint Dr. Brian Feldman for a 2<sup>nd</sup> term as head of the Division.

Ms. Patten thanked and acknowledged Gail O'Brien who will be retiring from the Board of Trustees in June following her 10 years of service to the Board. Ms. O'Brien has been a member of the Board Quality Committee for her full 10 year tenure and has been a major contributor to the Committee.

### **Governance & Nominating Committee**

Mr. Stuart Smith, Chair, Governance & Nominating Committee, reported on the May meeting. Mr. Smith reported that the Committee has spent a majority of its time this year focusing on recruitment of Trustees and building a pool of candidates that meet the skills and experience needs of the Board over the next

several years. One of the areas of focus was Government/Public policy and the Committee has been successful in bringing forward for approval Saad Rafi, former Deputy Minister of Health.

**MOTION:**

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

THAT Saad Rafi be appointed to the Board of Trustees effective June 19<sup>th</sup>, 2014 for a term of 4 years to June, 2018.

Mr. Smith reported that the Board Effectiveness Survey will be issued to Trustees on May 23<sup>rd</sup> and will close May 30<sup>th</sup>. Mr. Smith thanked Bruce Simpson and McKinsey and Company for administering the survey on behalf of the Board.

**Commercialization Task Force**

Mr. Tim Penner, Chair, Commercialization Task Force gave an update on the work of the Commercialization Task Force. Mr. Penner reviewed the mandate of the Task Force and reported that several recommendations to improve the success rate of commercialization activity at the hospital have been compiled. He stated that with the submission of this report, the Task Force believes that they have completed the mandate and that the Task Force should now be disbanded and the recommendations handed off to the management team for implementation.

Dr. Janet Rossant, Chief of Research reviewed each of the 8 recommendations and preliminary progress being made.

Mr. Penner reported that next steps include: the exploration of the establishment of an investment fund; develop a cohort of advisors who can assist management in evaluating the commercialization potential of discoveries made at the Hospital; establish a Conflict of Interest policy; and use the F&A Committee of the Board to oversee investments in existing projects.

Dr. Apkon confirmed that this work has been valuable internally and externally and thanked the Task Force members and Mr. Penner for his leadership.

**Human Resources Committee**

Mr. Dave McKay, Chair, Human Resources Committee, reported on the May meeting of the Committee. The Committee reviewed the proposed non-executive salary increases for 2014 and the corporate performance indicators which achieved an "Exceeds Expectations" in 2013/14. The Committee reviewed and approved the executive performance and compensation subject to conditions related to compliance with provincial legislation. The CEO and Organizational 2014/15 Objectives were also reviewed and approved for recommendation to the Board. Mr. McKay reported that the corporate objectives are relatively the same as the previous year with the addition of a measure on capital spending.

**MOTION:**

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

**THAT** the 2014/15 CEO Objectives be approved as presented and recommended by the Human Resources Committee.

**THAT** the 2014/15 Corporate Objectives be approved as recommended by the Human Resources Committee.

**FOUNDATION**

Ms. Claire Duboc updated Trustees on the Canaccord Genuity Great Camp Adventure which is scheduled to take place on September 27, 2014. Ms. Duboc reported that the event has been improved following the

feedback received after the launch of the event in September 2013. Ms. Duboc encouraged Trustees to participate personally and/or through their corporations.

### **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.