

Minutes of The Hospital for Sick Children Board of Trustees' Meeting held on Monday, March 30, 2015 at 4:00 p.m. at The Hospital for Sick Children, Toronto, Ontario.

Present:

Ms. R. Patten, Chair
Mr. S. Marwah, Vice-Chair
Dr. M. Apkon
Ms. P. Hubley
Mr. A. Khanna*
Mr. T. Penner
Dr. P. Laussen
Mr. L. Scott
Mr. D. Guloien
Mr. D. McKay
Ms. S. Younker, Corp. Secretary

Present:

Mr. I. Rotenberg
Ms. C. Reicin
Mr. A. Sheiner
Mr. B. Simpson
Dr. T. Sullivan
Mr. R. Weese
Mr. S. Smith
Ms. K. Taylor
Mr. S. Rafi
Ms. C. Duboc

Regrets:

Mr. R. Prichard
Ms. K. Delaney
Mr. P. Reynolds
Dr. J. Robertson

By Invitation:

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

** attended via telephone*

By Invitation:

Dr. S. Zlotkin
Mr. T. Garrard
Dr. C. Caldarone
Dr. J. Kronick

Regrets:

Dr. J. Rossant

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, Ms. Rose Patten, Chair of the Board, declared that the meeting was properly constituted and called the meeting to order.

CHAIRS REMARKS

Ms. Patten welcomed members to the meeting. Ms. Patten reported that the Medical Staff Association Annual Board event was very successful and thanked Trustees for their attendance. There was a Fireside Chat on March 4th that was well attended by Trustees and there is another one scheduled for July 29th with details to come. A joint Board dinner with the Foundation Board will be held on June 17th, invitations will be issued in the near future.

CONSENT AGENDA

Ms. Patten referred Trustees to the consent agenda items. No questions were raised. Ms. Patten referred members to the February credentials report highlighted Dr. Michael Apkon's appointment to the Medical Staff.

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 22, 2015 be approved, and;

THAT the Medical and Scientific Appointments for January and February 2015 be approved.

EXECUTIVE REPORT

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

Dr. Apkon announced that Dr. Janet Rossant is being awarded the Canada Gairdner Whiteman Award which is Canada's highest honors in the research. The award recognizes Dr. Rossant's incredible contributions to developmental biology, stem cell biology, and scientific policy as well as her work in advancing research of children's illnesses. A celebration to honour Dr. Rossant will be held on April 20.

Appointment

Dr. Apkon announced that the search for a new Chief of Research has been identified in anticipation of the conclusion of Dr. Janet Rossant's second five-year term as Chief of Research in June 2015. A Review and Search Committee was constituted last Fall and carried out an exhaustive search which identified an international slate of candidates including several internal candidates. Six candidates were interviewed by the Committee and three were brought back for an extensive set of meetings with the Committee and stakeholders. Tim Penner was the Board of Trustee representative on the Search Committee. Dr. Apkon reported that the Search Committee overwhelmingly supported the decision to recommend Dr. Michael Salter, MD, PhD, as the next Chief of Research. This support was echoed by the broader RI community. Tim Penner supported the decision and made a motion.

MOTION:

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

THAT Dr. Michael Salter be appointed as the Chief of Research for a term of five years effective July 1, 2015

2015 – 2020 Strategic Directions Approval

Dr. Apkon presented the 2015-2020 Strategic Directions for approval. Dr. Apkon stated that since the introduction of the proposed Strategic Directions at the October Board Retreat there has been ongoing broad engagement of both internal and external stakeholders to reaffirm and validate our vision, mission and values. Through this engagement process, six strategic directions are proposed in the areas of: quality and safety, infrastructure, health systems, innovation, people and finance. This preserves the overall strategic framework we've relied on over the past five years.

A number of new key objectives have been developed to translate each of the six strategies into operational goals in a way that addresses the current healthcare environment and future opportunities. This helps to drive organizational alignment to the strategic plan which supports effective implementation and ultimate success.

Discussion ensued regarding the prioritization of the strategic initiatives and any opportunities to refocus staff from current work in order to ensure the organization has the bandwidth to implement.

MOTION:

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

THAT the 2015-2020 Strategic Directions and the Vision Mission and Values be approved as circulated

Health Information System

Dr. Apkon gave a brief update on one of the strategic priority related to the development of a business case and the selection of a vendor for an integrated Health Information System (HIS). He reported that SickKids is currently working through a Request for Proposal (RFP) process to identify an appropriate vendor. Part of the RFP will explore the possibility of alternatives to our building and implementation strategies. It was noted that while the five year capital plan includes a placeholder for the HIS, the project is not coming forward for approval as part of the 2015/16 capital plan until a later meeting.

Project Horizon

Dr. Apkon presented an update on Project Horizon – Master Facilities Planning. Over the winter months management has focused on completing the Master Program. This includes service volume projections over a 20 year planning horizon which gets converted to space needs coupled with critical adjacencies and other aspects that will be used to inform building options in the Master Plan. Options are being analyzed and preliminary costing will be incorporated into the business case for redevelopment. Management continues to work with the Toronto Central LHIN and Ministry of Health & Long-Term Care to develop the planning projections and further the proposal development.

Discussion ensued with respect to the assumptions, projections and the future model of care.

Integrated Mental Health

Dr. Apkon provided an update on the continuing discussion with a potential partner in the mental health space. He reported that this opportunity would align with the Health System priority for Mental Health.

COMMITTEE REPORTS

Human Resource Committee (HRC)

Mr. Dave McKay, Chair of the HRC referred members to the Committee report and highlighted several items. He reported that the HRC reviewed the current salary disclosure summary which this includes Research Institute salaries which will be submitted on March 31, 2015. The HRC also discussed the staffing reduction plans as the result of the Operating Planning balancing initiatives and received an update on succession planning. Employee engagement survey for 2015 will be performed using the patient safety survey and there is an RFP out to market for a more fulsome survey tool. An overview of the processes which underpin the Succession Planning Program was also presented.

Board Quality Committee (BQC)

Mr. Bob Weese on behalf of Dr. Terry Sullivan, Chair of the BQC reported on the BQC meeting held March 19, 2015. The BQC had an update on the Quality Management Committee activity and discussions which included an update of a serious patient safety incident review and Motherisk. The Quality Improvement Plan results for 2014/15 and the 2015/16 indicators that will be submitted to the Ministry of Health in March, were presented. The 2015/16 Operating Plan was also presented with a focus on the impact to patient care. The BQC endorsed and recommended the approval by the Board of the 2015/16 Operating Plan.

Finance & Audit Committee (F&A)

Mr. Larry Scott, Chair, F&A reported on the meeting held on March 23, 2015. The F&A reviewed the Key Performance Indicators that monitor financial performance. All KPI's are performing on or better to target with the exception of the % Capital Spent which is significantly below target despite improvements made this year in the capital planning and execution process. The P10 Financial Results were reviewed which show a YTD consolidated surplus of \$41.1M which is \$39.4M favourable to plan. These results are significantly favourable to plan due to Investment Income.

There was an update on the Master Facilities Plan – Project Horizon which has been presented at today's meeting.

2015/16 Operating Plan

Ms. Laurie Harrison presented the 2015/16 Operating Plan. The 2015/16 Consolidated Operating plan will be at breakeven on an MOH reporting basis. The 2015/16 Operating Plan includes cost reductions and revenue generation of \$24.1M to offset the impact of inflation, increases in patient activity, and cost pressures. Ms. Harrison reported that the \$24.1M of initiatives will result in a reduction of FTEs and people leaving the organization. While cost reductions were necessary, there were also investments to the Caring Safely Campaign and the creation of an Enterprise Project Management Office in addition to major IT system implementations, Pharmacy Transformation, and facilities renewal projects. Inpatient discharges will increase by 3% enabled by a 3.9% reduction in average length of stay.

Ms. Harrison reported that management sought endorsement from the Finance & Audit Committee for the practice of repurposing Foundation Core Funding from Research infrastructure to future Capital purposes for year ending March 31, 2015. The F&A Committee endorsed this practice.

Discussion ensued regarding any impacts of the Operating Plan and the repurposing strategy.

MOTION:

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

THAT the 2015/16 Operating Plan be approved as recommended by the Finance & Audit Committee.

2015/16 Capital Plan

Ms. Harrison presented the 2015/16 Capital Plan (Plan). The Plan represents the first year of the five-year capital and operating plan. Total capital needs for 2015/16 are \$133M with \$170M available for capital spending resulting in a surplus of \$37M. The Plan does not include the new integrated Health Information System which will be brought to the Board at a future meeting. The Plan includes \$23M which was approved in a previous year (carryovers and multi- year approvals). There are 14 new projects which are individually greater than \$1M and total \$42M.

Discussion ensued on the ability of the organization to execute the Capital Plan. Dr. Apkon reported that accountability for capital projects has been elevated to the executive team and an Enterprise Wide Project Management Office has been put into place to provide leadership to project management activities to improve project planning, measurement and reporting of project execution across the enterprise.

Mr. Bruce Simpson abstained.

MOTION:

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

THAT the 2015/16 Capital Plan be approved as recommended by the Finance & Audit Committee, including:

\$134.0M to be spent in 2015/16

\$29.7M to be spent in 2016/17

\$2.9M to be spent in 2017/18

Governance & Nominating Committee (GNC)

Mr. Stuart Smith, GNC Chair, reported on the GNC meeting which took place on February 5th and a portion was held jointly with the Foundation Nominating and Governance Committee. The GNC reviewed its recruitment requirements and focused on developing a pool of candidates with IT background. Members were also updated on the status of the strategies to address the key themes derived from 2014 Board Effectiveness Survey.

The GNC Committees of the Hospital and Foundation met to ensure that the Hospital and the Foundation are working well together in the spirit of collaboration and partnership. The GNC Committees met and updated each other's members on the activities of both Boards, identified and discussed potential Trustee candidates for the Hospital Board, and reviewed the results of the Joint Governance Model evaluation. The Governance Committees reached a consensus that they would re-visit the Joint GNC Meeting format with a goal of further enhancement.

Investment & Pension Committee (I&P)

Mr. Sabi Marwah on behalf of Ms. Kiki Delaney, Chair, Investment & Pension Committee (I&P) referred members to the written I&P report for the March 27th meeting. He highlighted the performance results for the Pension, Investment, and Trust Funds. I&P Committee discussed the risks and mitigation strategies for the pension plan as the result of a potential decline in interest rates and equity exposure. Two Investment Managers presented satisfactory reports.

MEDICAL ADVISORY COMMITTEE REPORT

Dr. Peter Laussen, Chair of the Medical Advisory Committee (MAC), referred Trustees to the written reports and confirmed that there were no questions or inquiries.

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.

Rose M. Patten, Chair of the Board

Sharon Younker, Corporate Secretary