

Minutes of The Hospital for Sick Children Board of Trustees' Meeting held on June 16, 2016 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
Mr. A. Khanna*
Mr. T. Penner
Mr. S. Smith
Dr. T. Sullivan
Mr. J. Natale
Dr. P. Laussen
Ms. J. Van Clieaf
Ms. S. Younker, Corp. Secretary

Present:
Ms. C. Reicin
Mr. R. Weese
Ms. K. Taylor
Mr. A. Sheiner
Mr. R. Prichard*
Ms. G. O'Brien
Mr. S. Rafi
Ms. C. Duboc*
Dr. C. De Souza
Mr. I. Rotenberg

Regrets:
Mr. D. Guloien
Mr. D. McKay
Mr. L. Scott
Ms. K. Delaney

By Invitation:
Dr. D. Daneman
Ms. L. Harrison
Mr. T. Garrard
Ms. S. O'Dowd

By Invitation:
Ms. M. Evans
Ms. M. Monk
Mr. J. Mainland

Regrets:
Dr. S. Zlotkin
Dr. M. Salter
Ms. P. Hubley
Dr. L. Huang
Dr. C. Caldarone

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

CHAIR'S REMARKS

Ms. Patten welcomed members to the regular meeting of the Board of Trustees. Ms. Patten highlighted the activities of the Board since the May Board meeting.

CONSENT AGENDA

Ms. Patten 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 of May 19, 2016 be approved.

EXECUTIVE REPORT

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

Dr. Apkon and Ms. Patten recognized Dr. Denis Daneman upon his completion of his 10 years as the Chief of Paediatrics. Dr. Apkon outlined Dr. Daneman's significant accomplishments during his tenure noting that much of his success is founded on his ability to recruit the best talent and his personal approach to mentoring. Dr. Apkon thanked Dr. Daneman, commenting that the organization owes him a tremendous debt of gratitude.

Hincks-Dellcrest

As agreed at the May Board of Trustees meeting, a public statement was issued on June 6th about SickKids' intent to explore amalgamation with the Hincks-Dellcrest Centre. Simultaneous staff meetings were held at both organizations. Dr. Apkon reported that overall, the feedback has been very positive. Through the public commentary process we will be soliciting and incorporating input into the business plan over the summer.

Health Information System (HIS)

SickKids has now entered into discussions with Epic Systems. Dr. Apkon outlined several new developments with the Government and within the provincial healthcare system with respect to HIS systems.

Financial and Operational Performance

Dr. Apkon updated members on the financial and operational performance. He reported that the Optimization Steering Committee has seen positive results due to a documentation and coding initiative to ensure that the Hospital is receiving the appropriate funding for the clinical work it performs.

The Operations teams is creating great momentum around the performance metrics that have challenged the organization over the last two years. Dr. Apkon highlighted the progress on several key performance indicators.

Management has taken a pro-active approach to cost management for the next several years. An RFP has been issued to identify a vendor to assist the organization with an operational review to identify cost management strategies over the summer.

Project Horizon

Dr. Apkon provided an update on Project Horizon. Management continues to advance Project Horizon and has been very active with respect to a Federal Government strategy that involves meeting with Federal Ministers of Research, Health, and Finance. The strategies involve treating SickKids as a national resource focusing on; cancer, rare diseases, transplantation and Proton Therapy.

Dr. Apkon expanded on the Proton Therapy initiative and SickKids' potential role.

Patients First Act – Bill 210

Dr. Apkon provided an overview of the newly proposed Patients First Act – Bill 210. This is an omnibus legislation that addresses current limitations that impede the Patients First Agenda and also addresses some limitations that the Ministry has had in issuing directives. Dr. Apkon highlighted the potential impact of Bill 210 on SickKids.

Members discussed the Hospital and OHA's strategy in dealing with some of the potential consequences of Bill 210.

Caring Safely Campaign

Dr. Apkon reported that the Globe and Mail will be issuing a story on SickKids' Caring Safely Campaign over the next week or so. SickKids pitched the story to the Globe and Mail in order to heighten the public dialogue about medical errors and to show SickKids' leadership in patient and staff safety.

Discussion ensued regarding participation by other Hospitals in the media story.

Motherisk

Dr. Apkon provided an update on Motherisk.

MEDICAL ADVISORY COMMITTEE REPORT

Dr. Peter Laussen, Chair of the Medical Advisory Committee (MAC), reported on the meetings held on June 1, 2016. Dr. Laussen reported that Dr. Gino Somers, Head, Pathology, Department of Paediatric Laboratory Medicine, provided the MAC with an update on the partnership between the College of Physicians and Surgeons of Ontario and Cancer Care Ontario which was mandated by the Ministry of Health and Long Term Care to improve the quality of Pathology services and reports throughout the province.

Dr. Laussen confirmed that he will provide a report on the SickKids' Credentialing process during the 2016/17 Board year.

COMMITTEE REPORTS

Finance & Audit Committee (FAC)

Mr. Tim Penner on behalf of Mr. Larry Scott, Chair of the FAC Committee, reported on the meeting held on June 7, 2016. Mr. Penner referred members to the written report and highlighted several items.

2015/16 Year End Financial Statements and Audit Results

Mr. Penner provided highlights of the Audited Financial Statements for the year ending March 31, 2016. He reported that the Hospital had a surplus for the year of \$9.7M which was \$11M less than last year due to a significant decrease in investment income. For the second year, Management is recommending a transfer of \$28.2M be made from unrestricted net assets to internally (Board) restricted net assets.

Mr. Penner reported that the Committee met in-camera with the external auditors, Ernst & Young and were satisfied with their report. The Committee agreed to recommend the reappointment of Ernst & Young as auditors for the 2016/17 year.

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

Motions:

THAT the audited Financial Statements for year ending March 31, 2016 be approved by the Board of Trustees.

and

THAT the transfer of Internally Restricted Net Assets as presented in the Financial Statements for year ending March 31, 2016 be approved by the Board of Trustees.

Mr. Penner explained the proposed changes to the Board Delegation of Authority for Contracts and Other Documents and for Payment Instruments which is being brought forward for approval at the Annual General Meeting today.

2015/16 Year End – Employee Pension Plan

The Hospital for Sick Children Employee Pension Plan's audited Financial Statements for the year ending March 31, 2016 were also reviewed and are being recommended to the Board for approval. The Plan had net assets available for benefits of \$1.538B at March 31, 2016 which represented a decline of \$56M from the previous year due to negative returns on investments.

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

THAT the audited Financial Statements of the Employee Pension Plan for year ending March 31, 2016 be approved by the Board of Trustees.

BPS Accountability Reporting

Mr. Penner reported that an update was provided on the requirements under the Broader Public Sector Accountability Act, 2010 (BPSAA). The hospital is required, on an annual basis, to (i) Prepare a report on the hospital's use of consultants; (ii) Prepare a compliance attestation which is signed by the CEO regarding engaging lobbyist services, expense claims directives, perquisite directives and applicable procurement directives. The Committee approved for recommendation to Board of Trustees the final form of the CEO attestation.

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

THAT the Board of Trustees approve the final form of the CEO Broader Public Sector Accountability attestation.

Core Funding Agreement with SickKids Foundation

Management presented the proposed Sixth Amendment to the Core Funding Agreement between SickKids and the Foundation. A motion was made for a recommendation to the Board of Trustees for approval.

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

THAT the Sixth Amendment to the Core Funding Agreement with the Foundation be approved.

Microsoft Office 365

The Committee was presented with a request for approval to proceed with a five year contract with Microsoft reseller (Compugen) to provide cloud based MS Office 365 products and services to SickKids. The item was presented for approval because while the funds are available in the operating and capital plans, the item is greater than \$5M and was not accounted for as a single item in the plans.

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

THAT the Board of Trustees approve a five year contract with Microsoft (Compugen) to provide cloud based MS Office 365 products and services.

Ms. Patten thanked the Finance & Audit Committee and the Chair, Larry Scott for their work over the past year.

Board Quality Committee (BQC)

Dr. Terry Sullivan, Chair of the BQC, reported on the meeting held on June 9, 2016. Dr. Sullivan provided highlights of two safety stories that were presented to the BQC. Management reported on four new critical incidents and the recommendations resulting from the reviews. The Committee received an update on concerns and feedback received by the Child and Family Relations Office which will be changing its name to Office of Patient and Family Experience. They reported that they have experienced a downward trend in the volume of complaints and have implemented a refresh campaign to raise awareness of the services provided by the office. The BQC were introduced to eSafety and an eSafety Program at SickKids. Health Information Technology (HIT) was explained as a key enabler to delivering safer, high quality care for patients but that there is also significant evidence that poor design, implementation and/or use of HIT can result in unintended consequences and potential harm to patients. The Committee was provided an overview of the new tools and collaborations that are available to support the introduction of eSafety at SickKids. The Committee was also provided a demo of the new Business Intelligence (BI) tool that is enhancing the ability of leaders to make more timely decisions and plan appropriately and strategically for future activity. The BQC was also provided with insights from Dr. Daneman as he completes his 10 years as the Chief of Paediatrics.

Ms. Patten thanked Dr. Sullivan for his leadership of the BQC and the Committee members for their work on behalf of the Board over this past year.

Governance & Nominating Committee (GNC)

Mr. Sabi Marwah, Chair of the GNC, reported on the conference call held on June 7, 2016. The meeting was held in order to discuss and confirm the GNC's recommendation to appoint Meric Gertler, President of the University of Toronto as member on the Board of Trustees. Mr. Gertler is an ideal candidate as he is a senior leader of a complex organization and a preeminent leader in the academic field. Mr. Marwah confirmed that Mr. Gertler, like all Trustees, will ensure that he is not recorded as being a member of any other Hospital Board as per the Hospital By-Laws.

MOTIONS:

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

THAT Mr. Meric Gertler be recommended for appointment to the Board of Trustees at the June 16th, 2016 Board of Trustees Annual General Meeting.

Ms. Patten thanked Mr. Marwah for his leadership of the GNC and the Committee members for their many accomplishments this year and their diligence in bringing forward two excellent candidates for appointment to the Board. Ms. Patten also thanked Mr. Marwah for his leadership of the Board as Vice Chair and support he has provided her over this past year.

Investment & Pension Committee (I&P)

Mr. Irwin Rotenberg, Chair I&P reported on the meeting held on June 13, 2016. He referred members to the written report and supporting schedules and highlighted the one year investment returns of -1.6%. Mr. Rotenberg outlined the reasons for the lower than expected returns stating that SickKids continues to maintain a conservative asset mix with 30% held in 30 year bonds in order to protect capital.

Ms. Patten thanked Mr. Rotenberg for his leadership of the Committee and recognized Committee members for their oversight of the organization's investment funds.

IN-CAMERA MEETING OF THE BOARD OF TRUSTEES

An in-camera session of the Board of Trustees was held.

ADJOURNMENT

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

Rose M. Patten, Chair of the Board

Sharon Younker, Corporate Secretary