

Minutes of The Hospital for Sick Children Board of Trustees' Meeting held on May 19, 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. D. McKay
 Mr. S. Smith
 Dr. T. Sullivan
 Mr. L. Scott
 Dr. P. Laussen
 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. K. Delaney
 Mr. D. Guloien
 Dr. C. De Souza

Regrets:
 Mr. I. Rotenberg
 Ms. C. Duboc
 Mr. J. Natale
 Ms. J. Van Clieaf

By Invitation:
 Dr. D. Daneman
 Ms. L. Harrison
 Dr. C. Caldarone
 Mr. T. Garrard
 Ms. P. Hubley
 Dr. L. Huang

By Invitation:
 Dr. M. Salter*
 Ms. M. Evans
 Ms. M. Monk
 Mr. J. Mainland
 Dr. S. Zlotkin
 Dr. Sarah Muttitt

By Invitation:
 Ms. L. Davidson
 Dr. Trevor Young

 Regrets:
 Ms. S. O'Dowd

**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 and special guest, Dr. Trevor Young, Dean of Medicine, University of Toronto. Ms. Patten reported that the Board has been very busy over the past several weeks with all five Committees meeting, there was also a Fireside Chat on April 19th that focused on the Health Information System. Ms. Patten reminded members of the Hospital and Foundation Board dinner being held on June 15th at the York Club.

University of Toronto

Dr. Young presented SickKids and U of T Medicine: Preparing, Discovering, Partnering. Dr. Young described the strong partnership between SickKids and U of T and his excellent working relationship with Dr. Mike Apkon. Dr. Young presented: U of T Medicine Quick Facts; updated members on SickKids and U of T partnerships such as the Medical Psychiatry Alliance and the Ted Rogers Centre for Heart Research; outlined U of T Medicine Strategic Vision, Mission and Priorities. The priorities are focused on three components; Prepare, Discover, and Partner.

Dr. Young stated that U of T is situated at the heart of some of the major players in health care in Ontario and is positioned to partner with outstanding organizations such as SickKids.

Discussion ensued regarding the global positioning of the Paediatric program, Dr. Young stated that the Program is in the top five in North America, top 10 globally, and number one in Canada.

Discussion focused on Research, funding challenges and progress on commercialization of research.

Dr. Apkon thanked Dr. Young for his presentation to the Board of Trustees and stated that the health ecosystem in Toronto is unparalleled and that he is excited about U of T's strategic focus including the future of medical informatics.

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 March 28, 2016 be approved; and

THAT the Medical and Scientific Appointments for March, 2016 be approved.

EXECUTIVE REPORT

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

Corporate Objectives 2015/16 and 2016/17

Dr. Apkon reported that overall 2015/16 was a very successful year with a great deal of momentum built as the organization launched its new strategic plan. Notwithstanding a shortfall in Ministry revenue and investment income, total margin exceeded \$1M. The organization also accelerated the capital program, increasing both total spend and project completion during the fiscal year. Dr. Apkon reported that the organization was challenged however with its clinical operational measures such as Emergency Department Length of Stay, Hand Hygiene and Central Line Infections. While there has been significant improvement over the past few months there is still opportunity to improve these measures. Dr. Apkon outlined several initiatives that are currently being implemented.

Dr. Apkon reported that there have been some modification to the 2016/17 Corporate Objectives. The motion for approval of the 2016/17 Corporate Objectives will be brought forward under the Human Resource Committee report.

Ministry of Health and Long-Term Care Updates

Dr. Apkon reported that SickKids received its final revenue numbers for 2016/17 from the Ministry of Health and Long-Term Care. SickKids will receive \$12M in new funding for 2016/17, however this number amounts to only \$5.5M in new funding of which we will lose \$2M of the \$5.5M in the following fiscal year.

SickKids has received feedback on its Phase 1 Submission regarding Project Horizon. The project was not approved but the Ministry has raised a host of questions. Management continues to work with the Ministry and is developing both a provincial and federal government relations strategy. Trustees made several recommendations on next steps for Project Horizon and potential government strategies.

Dr. Apkon updated Trustees on several notable events and challenges within the provincial health system.

Operating Pressures

Dr. Apkon provided Trustees with an update on discussions with the Ministry regarding SickKids crowding and resource constraints in the Critical Care Unit (CCU). He reported that SickKids has experienced a sustained increase in census in the CCU since last August which has been driven by complexity, devices, and an increase in activity. This has resulted in staffing challenges, physical space limitations, impact on routine operational activities that impact patient safety, no flexibility to meet urgent needs, and finding additional resources.

Kids Health Alliance

Dr. Apkon reported that there is continued momentum around the Kids Health Alliance (KHA) concept. He updated Trustees on the numerous on-going discussions and a successful half day retreat. Dr. Apkon outlined next steps and the estimated timeline for launching KHA.

Discussion ensued regarding the Kids Health Alliance membership requirements.

Project Swan

SickKids has completed the second phase of due diligence around the voluntary integration with Hincks-Dellcrest Centre (HDC). Dr. Apkon reported that a management Steering Committee co-chaired by Mr. Jeff Mainland and Ms. Marilyn Monk oversaw the due diligence process and provided highlights of the process and the outcomes. Management is comfortable with the due diligence results to-date. Next steps involve a Community Engagement process that will incorporate feedback into the planning and implementation of the integration. The process involves a public commentary period that would commence with a joint public announcement of the "intention to explore integration". This intention is non-binding. Management is recommending that we move forward with this announcement in June and a motion is being recommended by the Finance & Audit Committee for approval.

Health Information System (HIS)

Management has continued to move towards an integrated clinical computing system. A very detailed process has been undertaken including financial analysis of the total cost and the offsetting benefits that will be realized. Dr. Apkon outlined a number of strategies that have been identified to manage the complexity and risk of this project. Dr. Apkon stated that this project is a transformational catalyst for what SickKids needs to do around clinical care and research. Dr. Sarah Muttitt, CIO will provide more detailed information on the HIS under the Finance and Audit Committee report.

MEDICAL ADVISORY COMMITTEE REPORT

Dr. Peter Laussen, Chair of the Medical Advisory Committee (MAC), reported on the meetings held in April and May, 2016. Dr. Laussen highlighted the MAC's focus on staff-to-staff communication which can be fragmented. A task group has been created to look at ways to standardize both direct and indirect communication between staff.

The MAC also reviewed the MAC structure and the various sub committees and agreed that with the work undertaken by Caring Safely, the MAC needs to establish a specific role for themselves in operationalizing peer reviews of clinical performance by staff. This would require a change in the by-laws and will be brought back to the Board of Trustees for approval in the near future.

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 May 10, 2016. Mr. Penner referred members to the written report and highlighted several items.

Mr. Penner reported that the FAC received an update on the Operating and Capital five year outlook which has improved slightly but there is still a significant gap that needs to be addressed. The FAC was presented three projects which are being brought forward to the Board of Trustees for approval.

Cryo-EM Capital Project

A capital request to purchase a Cryo Electron Microscope as part of a multi institutional agreement with the University of Toronto (“UofT”) and Princess Margaret Cancer Centre (“PMCC”) was presented to the FAC. SickKid’s share of the total cost of \$7M is \$2.56M and will be funded via the Canada Foundation for Innovation (CFI) or by the SickKids Foundation through the PGCRRL capital project funding. The FAC agreed to recommend this project for approval to the Board of Trustees as part of the 2016/17 capital plan.

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

THAT the purchase of the Cryo-EM (together with the University of Toronto and Princess Margaret) SickKids portion \$2.6M, be approved by the Board of Trustees

Hincks-Dellcrest

Jeff Mainland provided an update on the due diligence undertaken on the proposed Hincks-Dellcrest voluntary integration. Mr. Mainland also outlined the next steps which include a public disclosure, and a community and stakeholder engagement process which are required by the government. The FAC brought forward a motion to approve Management making a public announcement of our intent to explore a voluntary integration with Hincks Dellcrest.

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

THAT the Board of Trustees approve the public announcement and next steps to explore a voluntary integration with Hincks Dellcrest.

Hospital Information System (HIS)

Dr. Sarah Muttitt provided an overview of the proposed enterprise-wide integrated Health Information System, stressing the reasons for the significant investment. Dr. Muttitt provided an overview of the current state, which is a very fragmented system with a huge demand for upgrading. She reported that a new HIS will integrate all systems hospital-wide and will support SickKids’ strategic plan. The implementation time-line for the HIS is estimated to go-live in May/June of 2018.

The risks and mitigating actions of the project were presented and discussed. Dr. Muttitt confirmed that there will be strong project management representation with oversight by a task force that includes Board representation.

Trustees discussed the benefits of the project specifically as it pertains to patient safety as well as effective and efficient care. Trustees made several recommendations regarding the contract negotiations and also to ensure minimal customization in order to control the costs of the project. It was also recommended that the accountability for the benefits that are being sited from this project be built into the organization’s key performance objectives.

A motion was made to authorize management to negotiate a contract with Epic Systems Corporation. The HIS will return to the Finance and Audit Committee and the Board for full approval in September, 2016.

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

THAT the Board of Trustees approve the negotiation of a contract with Epic Systems Corp. for the software and implementation services related to the enterprise-wide integrated Health Information System (HIS).

Board Quality Committee (BQC)

Dr. Terry Sullivan, Chair of the BQC, reported on the meeting held on May 12, 2016.

The BQC was provided with an update on Enterprise Risk Management (ERM) reporting to provide assurances that risks associated with SickKids Quality and Safety strategic direction are identified and are appropriately managed. Two new high exposure risks have been added to the register.

The BQC was provided with a high level overview of the Serious Safety Event (SSE) process, where it fits in with Caring Safely Program, and the process around root cause analysis. Management presented their efforts around identification and management of sepsis, which has been an underlying factor in a couple of recent SSE's.

Dr. Sullivan invited all Trustees to attend the BQC meetings to deepen their understanding of quality and safety.

Governance & Nominating Committee (GNC)

Mr. Sabi Marwah, Chair of the GNC, reported on the meeting held on May 17, 2016. He reported that the GNC is bringing forward a motion today to appoint Mr. John Sullivan, President & CEO of Cadillac Fairview, to the Board of Trustees in June. Mr. Sullivan has extensive experience in the real estate development market which was a focus of the GNC's recruitment strategy for this year. The GNC also reviewed the current Board of Trustee Skills and Knowledge Matrix and identified three areas of focus for recruitment in the future: Chartered Accountant, Information Technology, and Healthcare. Mr. Marwah asked that Trustees bring forward any potential candidates with one or more of these skill sets to his or Sharon Younker's attention.

The GNC discussed and reviewed the annual business of the Board which will be brought forward to the Annual Meeting on June 16, 2016 for approval. The Chair of the Board succession plan process was discussed and will be brought back to the GNC and to the Board in September. There was a revision to the Board Chair & Vice Chair Selection Process & Guideline that the GNC is bringing forward for approval to allow for more flexibility in timing to complete the process.

The Governance Accreditation 2017 Process and survey recommendations were presented. The process involves the completion of two surveys by representative groups of Trustees determined by the Board of Trustees. The proposed timeline for the surveys will be in the Fall. The GNC agreed that the participation in the surveys would follow the same process as in the 2012/13 Accreditation and that the Annual Board Effectiveness Survey will not be issued for 2016.

MOTIONS:

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

THAT Mr. John Sullivan be recommended for appointment to the Board of Trustees at the June 16th, 2016 Board of Trustees Annual General Meeting, and;

THAT the revised Board Chair & Vice Chair Selection Process & Guidelines be approved by the Board of Trustees, as circulated.

Human Resource Committee

Mr. Dave McKay, Chair of the HRC reported on the meeting that took place on May 9th, 2016. He referred members to the written report and highlighted several items. The HRC reviewed the Organizations 2015/16 performance indicators which had an overall rating of 3.15 or fully competent. Executive Incentive pay recommendations were presented by Dr. Apkon and approved.

The HRC reviewed and discussed both the CEO's and the Organization's 2016/17 Objectives to be approved by the Board of Trustees at today's meeting. Mr. McKay noted that both sets of objectives are ambitious but are critical to the success of the organization.

Mr. McKay confirmed that he will review Dr. Apkon's performance and compensation during the in-camera session later in the meeting.

Motions:

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

THAT the CEO 2016/17 Objectives be approved as circulated, and;

THAT the 2016/17 Organizational Objectives be approved as circulated.

Investment & Pension Committee (I&P)

Ms. Kiki Delaney, on behalf of Irwin Rotenberg, Chair I&P reported on the meeting held on February 12, 2016. Ms. Delaney referred members to the written report and supporting schedules and highlighted the one year investment returns of 6.8% - 46th percentile and since inception ranked 1st percentile. Ms. Delaney noted that the portfolio is conservative with a mix of equity and cash. There were presentations from two Investment Managers that had lagged this past year.

SICKKIDS FOUNDATION REPORT

Mr. Ted Garrard, President, SickKids Foundation, referred members to his written report updating Trustees on the Foundation's activities.

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