

Minutes of The Hospital for Sick Children Board of Trustees' Meeting held on September 25, 2017 at 3:30 p.m. at The Hospital for Sick Children, Toronto, Ontario.

Present:

Mr. S. Marwah, Chair
Dr. M. Apkon
Mr. T. Penner
Mr. J. Sullivan
Dr. T. Sullivan
Mr. M. Gertler
Mr. R. Prichard
Mr. S. Rafi
Ms. B. Wilson
Ms. Y. Kim
Ms. J. Van Cleef
Ms. S. Younker, Corp. Secretary

Present:

Ms. C. Reicin
Mr. R. Weese
Ms. K. Taylor
Ms. G. O'Brien
Mr. D. Guloien
Ms. C. Duboc
Dr. C. De Souza
Dr. P. Laussen
Mr. D. McKay
Mr. J. Natale
Mr. I. Rotenberg

Regets:

Ms. K. Delaney
Mr. A. Sheiner
Mr. L. Scott, Vice-Chair

By Invitation:

Ms. L. Harrison
Ms. M. Monk
Dr. L. Huang
Mr. J. Mainland
Dr. M. Salter
Ms. S. O'Dowd
Dr. R. Cohn

By Invitation:

Ms. M. Evans
Ms. P. Hubley
Dr. S. Zlotkin
Mr. T. Garrard
Mr. P. Goldthorpe
Mr. P. Sawras

Regrets:

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, Mr. Sabi Marwah, Chair of the Board, declared that the meeting was properly constituted and called the meeting to order.

CHAIR'S REMARKS

Mr. Marwah welcomed Trustees and provided an update on the agenda.

HUMAN RESOURCES COMMITTEE (HRC)

This portion of the meeting was held in-camera for Trustees only along with Ms. Susan O'Dowd and Ms. Younker. Ex-officio members that were conflict were not in the room.

Mr. Robert Prichard, Chair, HRC reported on the two HRC meetings that took place in August and September. Both meeting were focused on the Executive Compensation Framework (Framework). Mr. Prichard provided an update on changes to the legislation affecting the Framework requirements since SickKids' submitted its plan to the Treasury Board at the end of March 2017. He reported on the rework that has been undertaken in cooperation with the Treasury Board and the MOHLTC in order to meet the requirements of the new legislation and provided details of the proposed Framework submission due on September 29th, 2017.

Trustees reviewed the 5 criteria required in determining the appropriateness of a comparator organization of which an organization must meet at least 3 out of the 5 to be acceptable under the legislation.

Following discussion, Trustees agreed to endorse the revised Framework for submission to the MOHLTC and the Treasury Board on September 29, 2017.

MOTION:

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

THAT the Executive Compensation Framework be approved by the Board of Trustees for submission to the MOHLTC and Treasury Board of Ontario by September 29, 2017.

Mr. Marwah thanked Mr. Prichard, Ms. O'Dowd and her team for the enormous amount of work that has gone into the development of the Framework.

Staff ex-officio Trustees and staff members were invited into the board room.

CARING SAFELY PROGRAM

Mr. Jeff Mainland introduced Dr. Lennox Huang and Dr. Trey Coffey and provided the background for the Caring Safely Program. SickKids is in the third year of its initiative to improve quality and safety at SickKids and eliminate preventable harm through the Caring Safely initiative.

Dr. Lennox Huang presented the four objectives of SickKids' Caring Safely Program.

- 1) Reduce Serious Safety Events (SSEs) by 2/3 over 3 years;
- 2) Reduce Staff injuries by 20% over 3 years;
- 3) Reduce the numbers of potentially preventable hospital acquired conditions (HACs); and
- 4) Enhance the hospital's safety culture

Dr. Huang explained that Caring Safely relies on enhancing the safety culture by adhering to principles of High Reliability Organizations and by training all staff in the use of safety behaviours for error prevention. A safety coach program has recently been introduced at SickKids to reinforce these behaviours. Dr. Huang presented the SickKids' Harm Index Report which is one mechanism that allows the organization to measure and monitor trends of harm events over time.

Dr. Coffey presented Serious Safety Events (SSEs) and Hospital Acquired Infections (HACs). She reported that SickKids is meeting its objectives in reducing SSEs and employee injuries. However, while there have been reductions in HACs, SickKids is not yet meeting its goals for some conditions such as Central Line-associated Bloodstream Infection (CLABSI). SickKids has deployed a multimodal strategy to reduce preventable harm that involves changing the organizational culture and individual behaviours through: continued auditing of units on bedside procedures, error prevention training, and leadership training, as well as implementing safety coaches. Dr. Coffey reported that SickKids has been very successful in shifting the culture of the organization and that staff training is on target and SickKids is experiencing a high level of engagement at all levels of the organization. SickKids has also had three Trustees attend the education course sponsored by the Solutions for Patient Safety organization and it was acknowledged that this program was very helpful for Trustees in understanding patient safety and the role of the Board. Trustees were encouraged to attend the program.

Mr. Marwah thanked Mr. Mainland, and Drs. Huang and Coffey for their presentation.

CONSENT AGENDA

Mr. Marwah 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 June 22, 2017, be approved; and

THAT the Medical and Scientific Appointments for September, 2017, be approved; and

THAT the Revised Committee Membership be approved as circulated; and

THAT the Committee Terms of Reference listed below, be approved as circulated

- Finance & Audit Committee
- Board Quality & Safety Committee
- Investment & Pension Committee

MEDICAL ADVISORY COMMITTEE (MAC)

Dr. Peter Laussen, Chair of the MAC, reported on the MAC meeting that took place on September 6, 2017. An overview of the paediatric procedural sedation model of the SickKids Integrated Sedation Service was provided. The presentation highlighted issues and learning opportunities related to transition of practice, service activity, satellite anaesthesia versus procedural sedation. The Ultrasound Standards Committee leadership presented an update on the status and progress of the Committee, including the background, committee mandate, progress on past recommendations previously approved at MAC and resources available from DPLM. The MAC was also provided an update on the EPIC Project related to MyChart and the timing of release and identification of “sensitive” results.

EXECUTIVE REPORT

Dr. Mike Apkon presented his executive report and updated Trustees on events and activities since the last Board meeting. Dr. Apkon canvassed the Trustees for questions on his written report. There being none, Dr. Apkon proceeded with his report.

Dr. Apkon thanked Trustees who participated in the Great Camp Adventure Walk and those who supported the Senior Management team. He congratulated Mr. Ted Garrard, Ms. Katie Taylor and the Foundation team for a successful event.

Leadership

Dr. Apkon brought forward a recommendation to appoint Dr. Asim Ali as the interim Chief of Ophthalmology following Dr. Agnes Wong’s completion of her term in August. A search process has been launched for the Chief of Ophthalmology.

MOTION:

THAT Dr. Asim Ali be appointed as Interim Ophthalmologist-in-Chief, Ophthalmology and Vision Sciences effective August 31, 2017

2018/19 Operating Plan

Dr. Apkon reported that the organization has initiated the development of next year's operating plan. SickKids is anticipating similar challenges as in prior years and after accounting for increases in clinical activity, inflation, and other new costs, management is working to close a gap of \$14M. Dr. Apkon outlined some of the challenges and strategies management is exploring to address the gap. He also shared some unique cost pressures related to recently approved medications for rare diseases which could significantly impact the operating plan. Dr. Apkon provided an update on discussions with government with respect to paediatric funding, perpetual underfunding based on actual clinical activity, funding for added newborn capacity, and relief for costs of rare disease drugs.

Workforce Update

Dr. Apkon provided an update on the status of the collective bargaining across OHA members with the Canadian Union of Public Employees which represents a number of employees in the Hospital's Environmental Services and other areas.

Dr. Apkon reported that SickKids' biannual employee engagement survey will be launched in October, 2017. He also announced that SickKids has once again been recognized as one of Canada's, and one of Toronto's, top employers by MediaSource.

Neonatal Intensive Care Unit (NICU)

Dr. Apkon provided an overview of the challenges SickKids has been facing with a sustained level of high activity in the NICU. He provided the background for recent media attention and provided details with respect to SickKids' physical space challenges, strategies, and NICU funding. Dr. Apkon highlighted the bigger issue around capacity which is the projected growth between now and when SickKids is able to build the new patient care centre in approximately 10 years. There are concerns about how SickKids will meet increased demand for NICU beds between now and the completion of a new building.

EPIC – Health Information System

The Epic implementation is going well and the anticipated SickKids go-live target of June 2nd is on track. The partnership with Children's Hospital of Eastern Ontario (CHEO) is progressing according to plan and CHEO is on track for their go-live in two weeks. Both management teams are working on the end game strategy on how to administer IT between both organizations and anticipate the engagement of a third party to develop an independent evaluation. Dr. Apkon noted that there is a great deal of interest in the partnership and he has been asked to speak at the Epic CEO Forum about the SickKids/CHEO partnership.

Motherisk Litigation

Dr. Apkon provided an update on the Motherisk litigation.

Kids Health Alliance (KHA)

The Kids Health Alliance continues to develop with the engagement of the first community hospital partner, Markham Stouffville Hospital. Additional partnerships are in negotiations now with one to potentially close within a few weeks. Dr. Apkon announced a \$3M gift from the Bank of Montreal in support of KHA to help develop the community hospital vertical. Dr. Apkon highlighted several KHA priorities for the coming year including: eHealth strategy, development of the community hospital vertical, feasibility of the next vertical, back-office integration opportunities, and clinical collaboration opportunities.

Canadian Children's Hospitals

Dr. Apkon reported that he hosted a summit of Canadian Children's Hospital CEOs to look at opportunities to collaborate in finding ways to support a broader health system across Canada. Attendees shared a generative discussion on topics such as telemedicine, home care, greater

responsibility for community hospitals, and a shared advocacy platform.

Accreditation 2017

SickKids will undergo its Accreditation survey next week. Dr. Apkon explained that this is an important external validation that the Hospital is operated as intended, striving for quality, safety, and service. Dr. Apkon reported that the organization is well prepared and acknowledged the Trustees who will meet with the Surveyors to speak to SickKids' governance processes.

COMMITTEE REPORTS

Finance & Audit Committee (FAC)

Mr. Tim Penner, Chair of the FAC, provided an update on the meeting that took place today. The FAC approved the Committee's annual work plan, terms of reference, and Committee goals. There was an update on the Epic Project which is progressing on plan and going well. The 5-year Operating & Capital Planning Summary was presented and now includes three scenarios: base case, best case, and worst case to ensure that the organization is able to deliver on expected growth in demand and increasing expenses due to inflation. The 2018/19 Operating Planning process has begun and the organization is engaged in finding opportunities to close the \$14M gap. The P5 (August) financial results were presented. The Hospital has a year-to-date surplus from operations of \$5.3M which is better to budget by \$1.0M. The year-end forecast is a deficit from operations of (\$0.8M) which is (\$0.5M) worse to budget.

Pension Plan

Mr. Penner reported that the Pension Plan valuation as of December 31, 2016 has been completed by the actuary, Willis Towers Watson. He explained that the Board of Trustees has the responsibility to approve the valuation prior to filing with Financial Services Commission of Ontario. The FAC is bringing forward a recommendation that the Board of Trustees approve the Actuarial Valuation as at December 31, 2016 of the Employee Pension Plan.

MOTION:

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

THAT the Board of Trustees approve the actuarial valuation for the Employee Pension Plan as at December 31, 2016.

Project Horizon Financing Plan

Ms. Laurie Harrison presented an update on the Project Horizon financing plan. The Hospital must have a plan to cover its share (Local Share Plan) of the investment in Project Horizon. Management is recommending that a \$270M debenture (serviced by the Foundation) be issued as soon as possible in order to take advantage of low interest rates and be invested until needed for construction costs (anticipated in 2021). The FAC will continue to identify factors that would have to be considered prior to obtaining final approval from the Board of Trustees.

Trustees discussed the funding options and critical path for moving forward with the build of the Patient Support and Patient Care buildings. They discussed the E&Y report on potential real estate development opportunities. It was recommended that the Facilities and Real Estate Committee of the Board review the E&Y report as well and that the report also be shared with the Foundation.

Following discussion it was agreed that a motion to proceed with initiation of the process will be proposed today and that a final motion for the issuance of the debenture will be brought back to the Board of Trustees for final approval.

MOTION:

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

THAT management proceed with the initiation of the process for the issuance of a \$270M Debenture for the purpose of funding the local share plan for Project Horizon.

Board Quality & Safety Committee (BQSC)

Dr. Terry Sullivan, Chair of the BQSC, reported on the meeting that took place earlier today. Dr. Sullivan provided an overview of a safety story and a SSE that was shared with the BQSC. The BQSC Terms of Reference were updated and approved for recommendation to the Board. The biannual report on the Enterprise Risk Management Framework and Risk Register was presented. A new risk added to the register was presented; “the loss of access to critical systems or malicious activity to data, impacting clinical care and/or patient privacy”. As part of BQSC's monitoring of quality and safety, the Quality Improvement Plan (QIP) results were reviewed. Dr. Sullivan reported that management continues to monitor quality performance very closely and redirect improvement efforts and/or resources to address performance gaps. There are concentrated efforts to reduce the number of CLABSIs which continue to be a challenge for the organization. The Committee was presented with an update regarding KHA. Dr. Ronald Cohn presented the results of an external review completed on the Immunology/Allergy Division.

Investment & Pension Committee (IPC)

Mr. Irwin Rotenberg, Chair of the IPC, reported on the meeting that took place on September 13, 2017. The IPC approved its terms of reference, goals and objectives, and the workplan for 2017/18.

FOUNDATION REPORT

Mr. Ted Garrard (CEO SickKids Foundation) provided Trustees with an update.

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.

Sarabjit (Sabi) S. Marwah, Chair of the Board

Sharon Younker, Corporate Secretary