

Minutes of The Hospital for Sick Children Board of Trustees' Meeting held on February 12, 2018 9:00 a.m. at The Hospital for Sick Children, Toronto, Ontario.

Present:

The Hon. S. Marwah, Chair
 Mr. L. Scott, Vice-Chair*
 Dr. M. Apkon
 Mr. T. Penner
 Mr. J. Sullivan
 Mr. R. Prichard
 Mr. S. Rafi
 Ms. B. Wilson
 Ms. Y. Kim
 Mr. D. McKay
 Mr. M. Gertler
 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
 Ms. J. Van Clieaf
 Mr. J. Natale
 Ms. K. Delaney
 Mr. I. Rotenberg*

Regrets:

Dr. T. Sullivan
 Mr. A. Sheiner

By Invitation:

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

By Invitation:

Ms. M. Evans
 Ms. P. Hubley
 Mr. T. Garrard
 Mr. P. Goldthorpe
 Dr. R. Cohn
 Dr. C. Caldarone

Guests:

Dr. S. Muttitt
 Dr. K. Jessa
 Ms. K. Kinnear
 Ms. N. Alkazaz
 Mr. K. Wiley
 Mr. J. Lindgre
 Ms. A. Scriver
 Ms. B. Schmidt

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

EDUCATION SESSION

Dr. Michael Apkon introduced Dr. Sarah Muttitt, VP & Chief Information Officer (CIO), Dr. Karim Jessa, Chief Medical Information Officer (CMIO), Nour Alkazaz, Epic Sr. Project Coordinator, Kevin Wiley, Epic, James Lindgre, Epic, Alyssa Scriver, Epic, and Beckie Schmidt, Epic.

Dr. Muttitt reported that the full spectrum Epic go-live is in 110 days. Dr. Muttitt explained that the Gemba walk is an opportunity for Trustees to see first-hand the Epic system as-built for SickKids and help deepen understanding of the benefits to patients and staff.

Trustees were presented two distinct presentations of how Epic will be used at SickKids. One as a typical clinical scenario to support patient care and research, and the other pertains to capacity management to improve patient flow.

Trustees learned about new features in Epic's next software release, version 2018, which hold great promise for continued innovation in use of social, mobile and analytics technologies to advance aims for safety, patient engagement, provider efficiency and care coordination.

CHAIR'S REMARKS

The Hon. Marwah welcomed Trustees and confirmed no changes to the agenda.

CONSENT AGENDA

The Hon. 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 consent agenda be approved as circulated

- Minutes November 27, 2017
- Medical, dental & scientific staff appointments
- Human Resource Committee Terms of Reference

MEDICAL ADVISORY COMMITTEE (MAC)

Dr. Peter Laussen, Chair, MAC referred members to the MAC for reports for December, January, and February included in the Board materials. Dr. Laussen highlighted the Code Orange Simulation exercise that was led by Dr. Chris Caldarone which proved to be instrumental in the success of the actual Code Orange which occurred on February 2, 2018. The MAC also reviewed and provided input to a proposed policy for discharge against medical advice which will be brought back to the MAC for final approval in March. In February, the MAC was provided with an update and overview of the results of the 2018/19 Operating Plan process. Ms. Laurie Harrison, Vice President, Finance & Chief Financial Officer outlined the original plan, gaps and cost savings across the clinical and research areas. An overview on the Trauma Program was provided to the MAC which outlined the numerous initiatives and protocols in place. New developments regarding Medical Cannabis have resulted in the development of a new policy for Patient's Own Medical Cannabis Administration was reviewed by the MAC.

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 reported that the Hospital has implemented Diligent Board Books software as a solution in providing Trustees with better tools to access Board materials and information digitally and in real time.

Dr. Apkon provided information on an employee injury that occurred several weeks ago. SickKids is working with the Ministry of Labour on closing some gaps in the use of personal protective equipment that have been identified in the root cause analysis. Dr. Apkon confirmed

that employee safety is an important aspect of SickKids' Caring Safely initiative and this was an important case to learn from.

Regulatory Changes

Dr. Apkon outlined the impact of Bill 148 and potential regulatory changes for single employer pension plans.

Bill 148, a fair workplace act was introduced into law in January and goes into effect on April 1, 2018.

The potential changes in the treatment of single employer pension plans could make it so that SickKids would no longer enjoy a pension holiday and would erase the benefit of staying outside the Healthcare of Ontario Pension Plan (HOOPP) but would have adverse impact on the bottom line of the organization. Management is following the developments on this issue closely and determining how best to delay the impact on the organization.

Capital Projects

SickKids is making good progress on its major capital projects. Dr. Apkon reported that the new pharmacy formulation suite is about to go live which will be a major improvement over what Trustees witnessed a few years ago during a tour of the existing pharmacy space. The space is designed for safety, sterility, security, and efficiency.

Project Horizon

Management has been working to create greater awareness within the Government about Project Horizon. SickKids has hosted a series of visits by Members of Provincial Parliament (MPPs) and other government officials. SickKids also hosted Bob Bell, Deputy Minister of the Ministry of Health and Long Term Care (MOHLTC). Management believes that these visits have resulted in a recognition of the urgency for Project Horizon. In the meantime management is proceeding with re-zoning and preparatory work to demolish the McMaster building.

Epic Health Information System Implementation

Dr. Apkon reported that the Epic project is on track to go-live on June 2nd, 2018 but not without its challenges. The team is working to catch up with earlier delays related to third party installs, data migration from CHEO, and other factors. Epic has added resources to help catch the project up and management is working through governance to accelerate processes around decisions. Deloitte has been engaged to develop a long-term operating model that supports both sites and addresses governance of a shared instance.

Kids Health Alliance

Dr. Apkon reported that great progress is being made with the Kids Health Alliance (KHA). There is strong interest in KHA from several of the Central LHIN hospitals and in eastern Ontario. KHA is also exploring a telemedicine pilot to three hospitals extending ED-ED and NICU-NICU consultation.

Funding

Discussions are ongoing with the Ministry of Health and Long Term Care (MOHLTC) regarding funding for next year. Management has successfully advocated for some considerations in the funding formula that will help fill the 2018/19 funding gap. Between new revenue and the work that management has done to reduce expenses, a balanced budget should be achieved without compromising service delivery or key objectives. Dr. Apkon reported that the Health-Based Allocation Model (HBAM) funding formula used to guide the Ministry in the distribution

of funds to hospitals is not effective or equitable and it is beyond complicated. Dr. Apkon had indicated his desire to step off of the steering committee.

Research Institute (RI)

Dr. Apkon reported that the RI has achieved incredible success in the latest round of Canadian Institutes of Health Research (CIHR) funding competitions. SickKids had virtually twice the success rate (30%) of the rest of the country and of the TASHN-affiliated hospitals. This is a great testament to the kind of talent we have as well as the support our RI provides to investigators as they develop their independent research careers.

Updates

Dr. Apkon provided updates on several additional issues.

Discussion ensued regarding the implications and considerations related to Bill 148.

COMMITTEE REPORTS

Investment and Pension Committee (IPC)

Mr. Irwin Rotenberg, Chair of the IPC, reported on the meeting held on December 11, 2017. Mr. Rotenberg reviewed the results for the quarter and long term rates of return.

The Asset Mix remains the same as in September 2017: Cash 18.8%, Bonds 14.1%, Equities 66.9% and Derivatives 0.2%.

Governance and Nominating Committee (GNC)

Mr. Donald Guloien, Chair of the GNC, reported on the Committee meeting that took place on February 5, 2018. Members reviewed the recruitment for several vacancies over the next few years. With the retirement of Mr. Larry Scott at the end of May 2018, the Committee agreed that Mr. Frank Vettese, Chief Executive and Managing Partner of Deloitte Canada would be recommended to the Board of Trustees for approval as Trustee at the Annual Meeting in May. A short list of candidates was reviewed and potential candidates identified to fill two vacancies in June 2019. Discussions with these individuals to determine interest and availability are underway.

Mr. Guloien reported that the GNC approved for recommendation to the Board of Trustees a new Relationship (Conflict of Interest) Disclosure and Management process and policy. The Collaborative Governance Model performance between the Hospital and Foundation was evaluated with positive results with some revisions to the document that will be brought forward today for approval. The GNC also met jointly with the Foundation GNC on February 5, 2018 to review the work of both Committees, Trustee/Director recruitment strategies, and the Collaborative Governance Model. Both Committees confirmed their support of the changes to the model to be brought forward for approval at both Boards.

Mr. Guloien also reported that the GNC had a discussion regarding workplace harassment.

Mr. Guloien brought forward the following two motions:

MOTIONS:

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

THAT the Board of Trustees approve the "Relationship Management for Trustees and Executives and Institutional Relationships process" as circulated; and,

THAT the Board of Trustees approve the revisions to the Collaborative Governance Model, 2018, as circulated.

Human Resource Committee (HRC)

Mr. Rob Prichard, Chair of the HRC reported on the meeting that took place on December 11, 2017. The HRC was provided an analysis of the costs and benefits of SickKids joining the HOOPP to determine whether a change in strategy is warranted. Management completed a comparison of HOOPP vs. SickKids Pension Plan on the basis of costs to employees, cost to employers, investment performance, and employee benefits level as well as other factors. After reviewing the results of the assessment, members agreed that SickKids should stay the course at this time but recommended management consistently monitor the status of the pension fund and its surplus in the event circumstances change that would warrant consideration of a change in policy direction. Mr. Prichard remarked that in light of the proposed regulatory changes for single payer pensions this may need to be reviewed again in the near future.

Mr. Prichard reported that the overall employee engagement survey results from October, 2017 indicate a high level of employee engagement for both staff and physicians, consistently higher than benchmark data.

The Annual CEO Assessment process involving 360 degree feedback and data collection for reporting on the CEO's performance from multiple stakeholders was reviewed. The HRC agreed with management's recommendation to engage in a similar process involving a third party vendor and that mandatory participants will be identified. The HRC recommended that the process be open to all Trustees who may want to provide input.

Facilities and Real Estate Committee

The Hon. Sabi Marwah on behalf of Mr. John Sullivan, Chair of the Facilities and Real Estate Committee (FREC) reported on the Committee's conference call meeting that took place on February 9, 2018. The meeting was held jointly with the Finance and Audit Committee (FAC). Management provided an update on Project Horizon, reporting that the project is on track with four main activities underway: securing Government approval of the updated Stage 1 Capital Proposal; completing a Stage 2 Functional program for the Patient Support Centre (PSC); re-zoning and demolition of the McMaster site; and, completing a Stage 2 Functional Program for the Patient Care Centre (PCC).

PSC Project Delivery Options

The FREC reviewed two approaches to construction delivery: Design-Bid-Build (DBB) and the Construction Management (CM) methods. Following discussion and confirmation that the CM method is the most commonly used and preferred method on projects in today's construction market, the Committee agreed to approve the CM method for the PSC.

PSC Early Works Budget

Management and the FREC brought forward for approval to the FAC, an Early Works budget and cash flow. The total estimated budget for Early Works activities cost and contingency is \$48M and is consistent with the original \$314M budget for the PSC.

Following discussion the FAC agreed to recommend to the Board of Trustees the authorization for management to draw up to \$48M from the project budget for the PSC.

Finance & Audit Committee (FAC)

Mr. Tim Penner, Chair of the FAC, provided an update on SickKids financials. He reported that

there have been significant challenges with increased volumes especially through December and January. However, management has been able to contain costs and is forecasting a balanced budget for 2017/18.

As reported by the FREC, the FAC met jointly with the FREC for an update on Project Horizon and to consider management's request for authorization of an Early Works Budget of \$48M for the PSC.

Following discussion the FAC agreed to bring forward the following motion to the Board of Trustees for approval.

MOTION:

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

Upon the recommendation of the Facilities and Real Estate Committee, the Finance & Audit Committee authorizes management to draw up to \$48 million from the notional project budget for the Patient Support Centre to support enabling works and planning activities related to the McMaster site, and directs management to provide an accounting of spending activities (actual and forecasted) at each regular meeting of the Finance and Audit Committee until such works and activities are completed.

FOUNDATION REPORT

Mr. Ted Garrard, CEO SickKids Foundation, referred members to the written report and noted that a full report will be provided at the Board Retreat later today.

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.

The Honourable Sarabjit (Sabi) S. Marwah
Chair of the Board

Sharon Younker
Corporate Secretary