

Minutes of The Hospital for Sick Children Board of Trustees' Meeting held on May 28, 2018 at 3:45 p.m. at The Hospital for Sick Children, Toronto, Ontario.

Present:

The Hon. Sabi Marwah, Chair
 Mr. Larry Scott, Vice-Chair*
 Dr. Michael Apkon
 Mr. Tim Penner
 Mr. John Sullivan
 Dr. Terry Sullivan
 Mr. Robert Prichard
 Mr. Saad Rafi
 Ms. Beth Wilson
 Mr. Andrew Sheiner
 Dr. Edward Barrett
 Ms. Sharon Younker, Corp. Sec.

Present:

Ms. Cheryl Reicin
 Mr. Meric Gertler
 Ms. Kathleen Taylor
 Ms. Gail O'Brien
 Mr. Donald Guloien
 Ms. Clair Duboc
 Ms. Judy Van Clieaf
 Mr. Joseph Natale
 Mr. Irwin Rotenberg
 Ms. Yongah Kim
 Dr. Peter Laussen

Regrets:

Mr. Dave McKay
 Mr. Robert Weese
 Ms. Kiki Delaney

By Invitation:

Ms. Laurie Harrison
 Ms. Marilyn Monk
 Dr. Lennox Huang
 Mr. Jeff Mainland
 Dr. Michael Salter
 Ms. Susan O'Dowd

By Invitation:

Ms. Megan Evans
 Ms. Pam Hubley
 Mr. Ted Garrard
 Mr. Peter Goldthorpe
 Dr. Christopher Caldarone

Regrets:

Dr. Ronni Cohn
 Dr. Stanley Zlotkin

**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.

CHAIR'S REMARKS

The Hon. Marwah welcomed Trustees and provided an update on the agenda. The Hon. Marwah welcomed Dr. Edward Barrett who was appointed the President of the Medical Staff Association in February and is an ex-officio member of the Board.

EDUCATION SESSION

Dr. James Drake introduced the Fetal Surgery Program which is a partnership between SickKids and Mount Sinai to create a Centre for Fetal Surgery. In June 2017, Dr. Greg Ryan, the head of the fetal therapy program at Mount Sinai, and Dr. James Drake, the head of the neurosurgical centre for the postnatal repair of spina bifida at SickKids, performed Canada's first in-utero repair of spina bifida on the daughter of Romeila Son. The surgery was conducted five weeks after Ms. Son first learned about her daughter's spina bifida during her 20-week ultrasound. Ms. Son, her husband and her daughter attended the Board meeting and shared her experience with Trustees. Since this procedure, the government has announced \$4M in funding for the Ontario Fetal Centre.

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 – March 26, 2018
- Medical, dental & scientific staff appointments - March and April 2018

MEDICAL ADVISORY COMMITTEE (MAC)

Dr. Peter Laussen, Chair MAC, reported on the MAC meetings that occurred in April and May, 2018. Dr. Laussen announced that today would be his last meeting as President of the MAC and that Dr. Jeremy Friedman has been appointed the new Chair effective July 1st, 2018. Also, Dr. Peter Judd, Chair of the Credentialing Committee is retiring from SickKids and Dr. Manohar Shroff has been appointed the new Chair effective June 1st, 2018. The MAC also reviewed the proposed revisions to the SickKids Medical and Scientific By-laws and they were approved for recommendation to the Board of Trustees for final approval. The Discharge against Medical Advice Policy was reviewed and the minor revisions were approved as well as the newly developed process map.

At the May MAC meeting Dr. Peter Judd provided an overview of the SickKids Credentialing process including all of the various steps involved and the role of the Credentials Committee. Dr. Huang presented a summary of the 2018/19 Medical, Dental and Scientific Staff Annual re-appointment recommendations which were approved by the MAC. There was also an update on Epic with a focus on new and revised policies which were approved by the MAC.

The Hon. Sabi Marwah thanked Dr. Laussen for his four years of service on the Board of Trustees as the MAC Chair.

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.

Leadership

Dr. Apkon reported that there are several leadership transitions to update Trustees on, two of them will require Board approval.

Dr. Martin Gargan, Division Head of Orthopaedics, has left SickKids and Dr. Christopher Caldarone has recommended that Dr. Andrew Howard be appointed as interim Division Head while a search is conducted for Dr. Gargan's successor.

Dr. Glen Van Arsdell, Chief of Congenital Heart Surgery, has decided to return to the United States and will be the Chief of Cardiac Surgery at UCLA Children's Hospital. A search for Dr. Van Arsdell's successor is underway and has generated much interest. Dr. Apkon reported that he will appoint an interim Chief before the next Board meeting in September.

Dr. Peter Judd, SickKids' Dentist-in-Chief, has retired after a full and impactful career at SickKids. Dr. Caldarone, Chief of Perioperative Services of which Dentistry is a component, has recommended Dr. Mike Casas be appointed as Dr. Judd's successor. Dr. Casas is a senior faculty member within the Department and a highly respected clinician and scholar. Dr. Apkon referred members to Dr. Casas' biography and brought forward a

motion for approval.

MOTION:

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

THAT Dr. Michael Casas be appointed Dentist-in-Chief for a five-year term effective May 28, 2018.

Dr. Christopher Caldarone has decided to leave his position as Surgeon-in-Chief and Chief of Perioperative Services to accept the position of Chief of Cardiac Surgery at Texas Children's Hospital. Dr. Caldarone has been a very capable leader and a valued member of the Senior Management Committee as well as a member of the Congenital Heart Surgery group. Dr. Apkon will implement an open nomination process for internal candidates for the Surgeon-in-Chief role but wants to appoint an interim Chief to coincide with Dr. Caldarone's departure and as a search is conducted for his successor. To that end, Dr. Apkon brought forward a motion to appoint Dr. James Drake, Chief of Neurosurgery, as the interim Surgeon-in-Chief.

MOTION:

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

THAT Dr. James Drake be appointed Interim Surgeon-in-Chief.

Dr. Apkon provided an update on the recruitment of two new surgeons, one in General Surgery and the other in neurosurgery, both are spectacular young recruits with significant scholarly accomplishments already in their careers. Dr. Apkon announced that a fireside chat is scheduled for June 25th where he intends to discuss the hospital-physician relationship strategy and other issues related to physician personnel planning.

Dr. Apkon reported that the 2017/18 fiscal year is now closed and overall the organization continues to have strong financial performance.

Operations

Dr. Apkon provided an update on the transition of older adolescents to the adult healthcare system and the plan to eliminate a program called "Good2 Go Transition Program" which has recently had some media attention. He reported that the plan is to replace this program with a broader strategy that is more effective, broadly impactful, and more fiscally responsible to address this important challenge as adolescents "age out" of SickKids' care delivery.

Epic Health Information System

Dr. Apkon reported that Epic Go-live will take place in five days. Staff members have been trained, the system is tested, equipment has been installed, and excitement is building. The system has been live for some time with scheduling and some back-office functions which had to go live early in order to be ready for the June 2nd clinical Go-live. Feedback to-date has been very positive. Dr. Apkon provided an update on the privacy/security requirements to share the system with CHEO. He outlined the challenges and process undertaken to address the issues and confirmed that with the agreement with CHEO, the governance structure in place, and the alignment of privacy/security principles are consistent with the precedents in the privacy regulations.

Dr. Apkon reported that an agreement has been reached on the approach to jointly govern the single instance of Epic with CHEO as well as a model for sharing costs and making operational decisions. SickKids and CHEO have an agreement about those features and have settled on a model that has the operational responsibilities under a single IT team with a single Epic Director – all of which will be the SickKids team under Sarah Muttitt. Management will work to ensure that people recognize they have a responsibility to both organizations and that CHEO is not simply a "client" of SickKids.

Kids Health Alliance

Dr. Apkon reported that the governance structure implemented for the single instance of Epic with CHEO will essentially function as a part of the Kids Health Alliance (KHA) which is also exploring other areas of potential integration beyond IT. KHA continues to see growth in the community hospital practice with two other hospitals having signed an affiliation agreement.

Recognition

Dr. Apkon thanked Trustees for their leadership over this past year. In particular he thanked Mr. Larry Scott who is completing 10 years as a Trustee. Mr. Scott has served in many important roles including membership on the Board Quality and Safety Committee, the Capital Redevelopment Committee which oversaw the development of the PGCRL, the Commercialization Task Force, and nine years on Finance and Audit Committee of which he held the Chair role for eight years and has held the Vice Chair role of the Board this past year. Dr. Apkon thanked Mr. Scott for his sage advice on a number of issues and for his wisdom, calm, expertise, and friendship.

Dr. Apkon also thanked the Hon. Sabi Marwah for his leadership as Chair this past year.

FOUNDATION REPORT

Mr. Ted Garrard, CEO, SickKids Foundation, provided Trustees with an update and reported that the Foundation had a record year with cash donations of \$145M and with future pledges at a total of \$190M. The Campaign is on track and so is the fiscal 2018/19.

Trustees congratulated Mr. Garrard and Ms. Katie Taylor for a successful year and thanked them for the Foundation's ongoing support of the Hospital.

COMMITTEE REPORTS

Finance & Audit Committee (FAC)

Mr. Tim Penner, Chair of the FAC, provided an update on the meeting that took place earlier today. Mr. Penner reported that the Hospital had a very good year with a year-end surplus from operations of \$6.8M which was better to budget by \$9.8M and better than forecast by \$4.1M.

Ernst & Young delivered the Audited Financial Statements and reported that the Hospital had a clean audit.

Ms. Laurie Harrison presented the 2017/18 financial results, the 5-Year Plan, the revised 2018/19 capital plan, and the new plan to manage cash flow.

KPMG provided an overview of the status of the Internal Audit Plan including the Capital Planning and Cash Flow audit which received a grading of significant assurance (green). KPMG reviewed the processes and assumptions surrounding the preparation of the newly updated and revised 5-Year Consolidated Operating, Capital and Cash Flow Plan.

Following discussion, Mr. Penner brought forward the following motion for approval.

MOTION:

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

That the 2018/19 Capital Plan, be approved; and,

That the audited Financial Statements for year ending March 31, 2018 be approved and that management be authorized to make such necessary immaterial changes as may be required; and,

That the transfer of Internally Restricted Net Assets as presented in the Financial Statements for year ending March 31, 2018 be approved; and,

That the Broader Public Sector Accountability Act (BPSAA) Reporting for 2017/18, be approved; and,

That the Eighth Amendment to the Core Funding Agreement, be approved.

Facilities and Real Estate Committee (FREC)

Mr. John Sullivan, Chair of the FREC, report on the meeting that took place just prior to the Board meeting. Mr. Sullivan reported that the FREC was provided an update on Project Horizon including milestones achieved over the past several weeks and activities currently underway. Functional programming has now been completed for the Patient Support Centre (PSC). SickKids submitted a re-zoning application and proposed Official Plan Amendment (OPA) for the McMaster Building site on February 28. Following a Request for Proposal (RFP) process, B+H Architects has been selected to design the PSC. A Request-for-Pre-Qualification (RFPQ) was also issued in March to select the Construction Manager (CM) who will support the PSC design process, undertake demolition of the Elizabeth McMaster Building, and construct the PSC. A short list of CM proponents has been identified. The FREC approved the Construction Management Services Term Sheet that will be used as the basis for negotiations with the preferred CM proponent. The FREC also reviewed the key project risks and the corporate structure. After discussion on the corporate structure the FREC agreed that more investigation is required.

Board Quality & Safety Committee (BQSC)

Dr. Terry Sullivan, Chair of the BQSC, reported on the meeting that took place earlier today. The BQSC were presented a mission reminder through a video on "Emily's House Advanced Care" which depicts the value of personalized palliative care for children and families in a home-like environment with around the clock nursing. Mr. Ed Daugavietis, BQSC's Family Advisor, provided his experience following his attendance this past April at the SPS conference entitled "Leading toward Zero Harm: The Critical Role of the Board" where he learned about the critical role of senior leaders and hospital boards in achieving safety goals. Ms. Megan Evans provided an update on a Serious Safety Event (SSE) regarding a biopsy sample that was not processed in a timely fashion. Dr. Huang presented an update on the Critical Incidents (CI) which are reported to the BQSC on a semi-annual basis. As part of BQSC's monitoring of quality and safety, the Harm Index Report and 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. Also, Representatives from both the Research Institute and Learning Institute presented their methods on how quality and safety are measured, monitored and managed in their respective areas.

Governance & Nominating Committee (GNC)

Mr. Donald Guloien, Chair of GNC, reported on the meeting that took place on May 4, 2018. The GNC spent considerable time this past year on recruitment and as a result will be bringing forward three candidates for approval by the Board. Mr. Guloien provided an overview of each candidate's background, skills and knowledge. He reported with three new appointments to the Board in May 2018, the GNC is recommending that the Board increase its size by two to accommodate these appointments.

The GNC also discussed the Vice Chair and Chair appointment process. The GNC agreed to postpone appointment of a Vice Chair at the Annual Meeting to provide time for an inclusive and transparent process, with all Trustees being consulted. Mr. Guloien reported that the By-laws have been revised whereby in the event a Vice Chair is not appointed and the Chair is unavailable then the "Acting Chair" would fall to the Committee Chairs of Governance and Nominating, Finance and Audit, and Human Resources, in that order.

Mr. Guloien reported that McKinsey and Co. has generously agreed to act as a third party service to issue and compile the Board of Trustees 2018 Board Effectiveness Survey which will be issued in the near future.

The GNC reviewed proposed amendments to the Hospital's By-Laws. Revisions focus on both the Administrative & General and the Medical, Dental & Scientific Staff sections of the By-laws.

MOTION:

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

THAT Clara Angotti be recommended to the Board of Trustees for approval to be appointed as

Trustee at the May 28, 2018 Board of Trustees Annual General Meeting; and,
THAT Bharat Masrani be recommended to the Board of Trustees for approval to be appointed as Trustee at the May 28, 2018 Board of Trustee Annual General Meeting; and,
THAT the GNC would recommend to the Board of Trustees that the size of the Board be increased to accommodate the new appointments beyond the current number of 25 Trustees; and,
THAT the Board of Trustees approve the revisions to The Hospital for Sick Children's By-Laws, as circulated.

Human Resource Committee (HRC)

Mr. Rob Prichard, Chair of the HRC reported on the Committee meeting that took place on May 14, 2018. The HRC reviewed and discussed the Metrics (Scorecard), Absenteeism & Attrition, Enterprise Risk Management and 2018 Non-Executive Salary Increases. Management also provided an update on the changes to the succession plan in terms of successor and contingency candidates, and the development activities that have occurred over the past year to further develop SickKids' high potential and successor talent. Mr. Prichard reported that SickKids had a very successful year, achieving an "Outstanding" rating for the 2017/18 organization performance results. Executive incentive pay recommendations were reviewed and approved for 2017/18. The HRC approved for recommendation to the Board of Trustees the proposed 2018/19 Organizational Objectives and the 2018/19 CEO Objectives.

Mr. Prichard acknowledged Ms. Susan O'Dowd, VP of HR and Commercial Services, for her work on behalf of the HRC and specifically her work on the executive compensation framework.

The CEO performance and incentive pay recommendation were discussed in-camera.

MOTION:

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

THAT the 2018/19 Organizational Objectives be approved as presented without exception; and,

THAT the 2018/19 CEO Objectives be approved as circulated.

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