

Minutes of The Hospital for Sick Children Board of Trustees' Meeting held on March 25, 2019 at 3:45 p.m. at The Hospital for Sick Children, Toronto, Ontario.

Present:

The Hon. Sabi Marwah, Chair
 Dr. David Naylor
 Mr. Tim Penner
 Mr. Dave McKay*
 Dr. Terry Sullivan
 Mr. Robert Prichard
 Ms. Clara Angotti
 Ms. Beth Wilson
 Dr. Edward Barrett
 Mr. Robert Weese
 Mr. John Sullivan
 Ms. Sharon Younker, Corp. Sec.

Present:

Ms. Kathleen Taylor*
 Ms. Gail O'Brien
 Mr. Donald Guloien
 Ms. Clair Duboc
 Ms. Judy Van Clieaf
 Mr. Saad Rafi
 Mr. Meric Gertler
 Ms. Yongah Kim
 Dr. Jeremy Friedman
 Ms. Cheryl Reicin
 Mr. Andrew Sheiner

Regrets:

Mr. Bharat Masrani
 Mr. Irwin Rotenberg
 Mr. Joseph Natale
 Mr. Frank Vettese
 Ms. Kiki Delaney

By Invitation:

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

**attended via telephone*

By Invitation:

Ms. Megan Evans
 Ms. Marilyn Monk
 Mr. Ted Garrard
 Mr. Peter Goldthorpe
 Dr. James Drake
 Ms. Karen Kinnear

Regrets:

Ms. Pam Hubley

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. The Hon. Sabi Marwah confirmed that no conflicts of interest were declared by Trustees.

CHAIR'S REMARKS

The Hon. Sabi Marwah welcomed Trustees and leadership to the meeting. He reviewed the agenda and confirmed that there were 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 – February 11, 2019 and February 22, 2019
 - Medical, dental & scientific staff appointments

MEDICAL ADVISORY COMMITTEE (MAC)

Dr. Jeremy Friedman, Chair MAC, reported on the MAC meeting that took place in March 2019. Dr. Friedman

reported that Credentials Committee brought forward five appointments and highlighted the following items addressed by the MAC: the MSA presented its Annual Report; a detailed report on Code Orange which outlined the two levels of activation, the Incident Management System and four phases of response for dealing with emergencies and disasters; an update and overview of the evolution of the Code Blue/Resuscitation Committee; Project Horizon demolition of the McMaster Building and planning for Physician Workspaces; and an update on Epic training and single sign-on.

EXECUTIVE REPORT

Dr. David Naylor, Interim President and CEO, thanked Trustees for the opportunity to lead SickKids over the past six months and expressed his appreciation for Trustees' continued volunteer service in support of SickKids. Dr. Naylor referred members to his written report which provides substantial information summarizing initiatives and milestones in many programs. He reported on the evolving policy context, the fiscal position of the hospital, the challenges ahead, and the transition plans for the next month.

Policy Context

The first interim report from the Premier's Council on Improving Healthcare and Ending Hallway Medicine was released in early February 2019 and contained commentary on the special health needs of children and youth. On February 26th Minister Elliott unveiled the Ontario Government's reform plans and the structure of the anticipated 'Super-Agency'. The reform hinges on promoting integration on a bottom-up basis, with entities forming alliances to enable improved transitions in care, greater efficiency of delivery, and better coordination. A single entity called an Ontario Health Team (OHT) would embody each alliance, ultimately be the budget holder for the services of interest, and be held accountable fiscally and for quality and continuity of care with respect to those services. Ontario Health will consolidate the number of Local Health Integration Networks (from 14 to effectively 5 or 6 operating subunits), along with 6 provincial health service agencies: Cancer Care Ontario, eHealth Ontario, HealthForceOntario, Health Shared Services Ontario, Health Quality Ontario and Trillium Gift of Life Network. Smaller agencies in general will have at least a one year reprieve, although budget reductions for most seem inevitable. Dr. Naylor provided detail on the opportunities and challenges of these reforms for SickKids.

SickKids' Financial Position

The annual budgeting process has been completed with a gap of \$23M eliminated through substantial cost reductions and cuts across the organization. Unfunded mandates continue to be an issue and management is working with the Ministry of Health and Long Term Care (MOHLTC) to obtain support for these business cases. The plan also includes a one percent increase in the global budget; however, if this is not granted the hospital will have to implement an Option B that will require serious cuts to staff and impact services.

Project Horizon

Management is working with the new Government to confirm its support for the Patient Care Centre. The capital development teams need clarity about planning grants and timetables to move the project forward.

Challenges

Dr. Naylor provided insights on the challenges that SickKids is facing. Dr. Naylor reported that SickKids is well-positioned for a series of successes in the decade ahead however the provincial hospital funding formula does not work for SickKids' case mix. SickKids needs to work with the Ministry to find a new and more sustainable financial dispensation. A starting point would be to get very complex in-patient episodes of care pulled out for costs-as-incurred reimbursements. It is also critically important that safety and quality remain priorities.

Dr. Naylor also reported that the Epic roll-out, aging physical plant, and relentless budget pressures have made it unfeasible to meet the targets set out this year. He noted however that in recent weeks and months, there has been positive tracking on the key performance indicators.

Transition Plans

Dr. Ronald Cohn assumes the CEO role on May 1st. Dr. Cohn has been briefed on a variety of developments, and a number of meetings are booked in April for updates and hand-over purposes.

Discussion ensued with respect to SickKids strategy for the OHT and the role of Kids Health Alliance (KHA).

The Hon. Sabi Marwah thanked Dr. Naylor for his report and his service.

COMMITTEE REPORTS

Finance & Audit Committee (FAC)

Mr. Tim Penner, Chair of FAC reported on the meeting that took place earlier in the day. The FAC reviewed two matters related to the Registered Pension Plan; Contribution to the Registered Pension Plan and the Discount rate used for Pension Plan Accounting. Mr. Penner outlined both matters and provided the Board with FAC's discussion and decisions.

P10 2018/19 Operating Results

The FAC received an update on the P10 2018/19 Operating results which are marginally better to plan with a forecast of a surplus from operation of \$1.7M at year end.

2019/20 Operating Plan

Ms. Laurie Harrison presented the 2019/20 Consolidated Operating Plan. Patient Care and Research are planning deficits of (\$18.5M) and (\$5.0M) respectively. Commercial Ventures is planning a surplus of \$10.1M. The planned consolidated deficit is (\$13.5M) from operations and (\$0.4M) as reported to the Ministry of Health (MOH). Modest growth is expected in clinical activities. Over the last five years, reductions of \$94M and 459 positions have been made. Ms. Harrison reported that the cumulative impact of these reductions are being felt throughout the organization.

5 Year Plan

Ms. Harrison also presented the updated 5-year Plan. Over the 5-year period, unrestricted cash is projected to increase by \$44M from \$65M at March 31, 2019 to \$110M at March 31, 2024. The growth is due to \$209M in cash from operations offset by \$165M in internally funded capital acquisitions.

Discussion ensued regarding the funding formula and unfunded mandates. Trustees discussed strategies to engage the government on the impact of ongoing cuts to the organization and to the patients and family SickKids serves.

MOTION:

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

THAT the 2019/20 Operating Plan as recommended by the Finance & Audit Committee on March 25, 2019, be approved.

Facilities & Real Estate Committee (FREC)

Mr. John Sullivan, Chair FREC, reported on the meeting that took place just prior to the Board meeting. The FREC was provided a Project Horizon status report on both the Patient Support Centre (PSC) and the Patient Care Centre (PCC). Mr. Sullivan highlighted three key financial risks which include: rising construction costs in the GTA; costs related to the decanting of the Hill and Black Wings; and, costs related to the planning of physician workspaces in the PSC.

The PSC is progressing on schedule with the demolition of the Elizabeth McMaster Building underway and expected to be completed by August 2019. Design work is currently underway and the PSC budget should be locked down by mid-summer. The FREC also reviewed management's proposal for the heating and cooling requirements of the PSC.

Mr. Sullivan reported that the budget for the PCC is in flux until the organization is able to scope the project. Trustees discussed the variables in determining a budget for the PCC.

Investment Pension Committee (IPC)

Mr. David Naylor provided an update on the IPC meeting that took place in March 2019 on behalf of Mr. Irwin Rotenberg, Chair, IPC. The IPC was provided an overview of the Pension Plan – Cash Contribution and the change in the Discount Rate for Accounting Purposes.

Dr. Naylor provided an overview of the Pension and Trust Fund performance as at December 31, 2018. There is short term pressure on the funds with a one year loss of 6.2% in the Pension and 5.8% in the Trust Fund. The IPC agreed to stay the course with 2/3 of the funds invested in equities and confirmed that the investment strategy is a long term gain outlook.

Board Quality and Safety Committee (BQSC)

Dr. Terry Sullivan, Chair, BQSC reported on the meeting that took place earlier in the day. Dr. Sullivan provided details on a safety story and a serious safety event.

Dr. Sullivan reported that Drs. Osami Honjo and Edward Hickey presented an overview of the quality & safety performance of the cardiovascular surgery (CVS) program at SickKids. Results demonstrate that the outcomes for cardiovascular patients at SickKids benchmark well against the top CVS programs around the world.

There was also a presentation on Escalation of Care which is an initiative developed by the Toronto Academic Health Science Network (TAHSN) with the core objective of improving escalation of care for patients and families, learners and clinicians as it related to communication and associated behaviours.

The 2018/19 Quality Improvement Plan (QIP) results and the proposed 2019/20 QIP indicators were presented. The indicators for the 2019/20 plan have been chosen to align with key quality and safety priorities and have been set with extensive stakeholder input including patients and families. Targets have been selected following data analysis and using external benchmarks. The BQSC approved the 2019/20 QIP.

The Committee was provided with a debrief on a hospital-wide Code Purple exercise that took place on November 28, 2018 to test SickKids' plans and response to an armed individual/hostage-taking situation at SickKids. Dr. Sullivan reported that a Code Orange exercise is being planned next year that will involve a mass casualty exercise through the emergency room.

FOUNDATION REPORT

Mr. Ted Garrard, CEO, SickKids Foundation, provided Trustees with an update and reported that the Foundation has 6 days left to the end of the fiscal year and will achieve another record breaking year with fundraising revenues of \$155M. Mr. Garrard thanked his colleagues in the hospital and the Board of Trustees for their help in raising these funds. The Campaign has achieved \$800M through 727,000 donors. The Foundation is waiting for confirmation from the government on the PCC to firm up several major donors. Mr. Garrard thanked Ms. Katie Taylor and Mr. John Francis for their Campaign Leadership.

Mr. Garrard reported on the increased value of the SickKids' brand and recommended opportunities to leverage this value when working with partners.

RECOGNITION

The Hon. Sabi Marwah, on behalf of the Board of Trustees, the senior management team and the organization thanked Dr. David Naylor for his interim leadership as President and CEO of SickKids for the past six months. The Hon. Marwah spoke about Dr. Naylor's exceptional leadership, his ability to calm the organization, mentoring of staff and leadership, as well as his contributions to the CEO search.

Dr. Naylor thanked Trustees and the leadership stating that it has been an honour and privilege to serve SickKids.

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