

Minutes of The Hospital for Sick Children Board of Trustees' Meeting held on September 23, 2019 at 3:45 p.m. at The Hospital for Sick Children, Toronto, Ontario.

Present:

Mr. Robert Prichard, Chair
 Dr. Ronald Cohn
 Mr. Tim Penner
 Mr. Joseph Natale
 Dr. Terry Sullivan
 Mr. Frank Vettese
 Ms. Clara Angotti
 Mr. Andrew Sheiner*
 Dr. Edward Barrett
 Mr. Robert Weese
 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. Irwin Rotenberg
 Ms. Yongah Kim
 Dr. Jeremy Friedman
 Ms. Cheryl Reicin
 Mr. Bharat Masrani

Regrets:

Mr. Dave McKay
 Mr. John Sullivan
 Ms. Beth Wilson
 Mr. Meric Gertler

By Invitation:

Ms. Laurie Harrison
 Dr. Lennox Huang
 Mr. Jeff Mainland
 Ms. Karen Kinnear
 Ms. Susan O'Dowd
 Ms. Pam Hubley

By Invitation:

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

Regrets:

Dr. Michael Salter

**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. Robert Prichard, Chair of the Board, declared that the meeting was properly constituted and called the meeting to order. Mr. Prichard confirmed that no conflicts of interest were declared by Trustees.

CHAIR'S REMARKS

Mr. Prichard welcomed Trustees and leadership to the meeting. He reviewed the agenda and confirmed that there were no changes to the agenda.

Mr. Prichard congratulated Dr. Ronald Cohn, SickKids President and CEO who was formally inducted into the Canadian Academy of Health Sciences (CAHS) Fellowship, one of Canada's highest academic honours, on September 20. Dr. Cohn was selected for his global leadership and scientific achievements in genetic medicine.

Mr. Prichard reported that this year the Board of Trustee meetings will focus on three major topics: the executive report which will ensure transparency on issues; strategy presentations to ensure that the Board has an opportunity for input on the direction, financial sustainability, and takes ownership of the 2020-2025 Strategic Directions; and Government Relations.

EXECUTIVE REPORT

Dr. Ronni Cohn provided the Board with an update on his first four months as President and CEO. He reported that this summer has been challenging for the organization with the loss of several staff members.

CEO First 4 Months

Dr. Cohn reported that he has received incredible support from the senior team, staff and external partners. He has met with 14 teams, toured most areas of the organization, and met many SickKids' staff members for the first

time. The commitment and dedication of SickKids staff are demonstrated by the number of staff members who have been employed here for anywhere from 10 to 40 years. Dr. Cohn has presented the vision for Precision Child Health, an initiative which will change the way in which we care for our patients in the future, to numerous groups throughout the organization.

Key Recruits

There have been several key recruitments launched over the summer including the Chief Data Officer, the Executive Director for the Leung Centre, and maternity leave coverage for the Executive Director of Kids Health Alliance (KHA).

Project Horizon

Dr. Cohn reported that Project Horizon has been a major focus for him and the team during the past four months. The Patient Support Centre (PSC) design concept continues to embrace in large part, a flexible/nimble use of space that would allow the organization to fit the entirety of its Learning Centre, and corporate and medical administration functions into the new space. Following many user group meetings, data validation, and needs assessments over the past several months, it became clear that the space requirements for these user groups are such that all the floors of the PSC are required for SickKids staff and therefore eliminating any lease revenue opportunities. There have been compromises at all levels to make the design and space effective and efficient. As a result, the SickKids Foundation has agreed that it will not occupy space in the PSC. Dr. Cohn thanked Mr. Garrard, CEO SKF for his support.

The Patient Care Centre, now named the Peter Gilgan Family Patient Care Tower (PCT), is also progressing with a functional planning process underway.

2020 – 2021 Operating & Capital Plans

Dr. Cohn reported that the Operational and Capital planning process for 2020/21 has begun with significant challenges ahead. The organization will be looking to close a significant gap in its operating plan and restrained capital budgets in the coming fiscal year 2020/21. Strategies on how we can approach our sixth year of closing an operational gap are being developed to create a sustainable plan for the next few years. SickKids also continues to deal with an increasing number of physician retention challenges mainly due to an underfunded Alternative Funding Plan (AFP). SickKids AFPs are inadequately funded to meet current market compensations levels. As a result, we have had 34 physicians leave the organization of which 31 are lateral moves just in the past two years.

Health Systems

Dr. Cohn reported that current reality is that there are too many different organizations in paediatric health which the government is now looking to streamline through its Ontario Health Teams (OHT) strategy. The Kids Health Alliance (KHA), Provincial Council of Maternal Child Health (PCMCH) as well as the five CEOs of the provincial children's hospitals are working to develop a coordinated approach to paediatric care under one umbrella. They are also working together to ensure the OHT's that have paediatric care as a component in their plan have the right expertise embedded in their structures to ensure appropriate standards of care for these patients.

Dr. Cohn provided details on a request from the Weeneebayko General Hospital (WAHA) in Moose Factory, Ontario to visit and provide recommendations on how SickKids might be able to assist them in providing care to their paediatric patients. Six clinical leaders including Dr. Cohn travelled to WAHA and identified several areas where we could help. He reported that it was an excellent opportunity to understand the challenges facing many of the northern communities, and to find ways in which SickKids can support them.

Government Relations

Over the past several months, SickKids has hosted a number of meetings and tours with government officials. The Honourable Doug Ford, Premier of Ontario, along with Ministers Laurie Scott (Infrastructure) and Christine Elliott (Health) visited SickKids for a tour to witness some of our greatest infrastructure and capacity challenges. It was a successful meeting with the letter of support for Project Horizon arriving directly following the visit, and a commitment to address at least one of our unfunded mandates. The Honourable Christine Elliott has accepted an invitation from the Board of Trustees to attend and address the group at today's meeting.

Dr. Cohn acknowledged Ted Garrard and the SickKids Foundation for their ongoing support and exceptional

success with the Campaign to-date.

Mr. Prichard thanked Dr. Cohn for his report and opened the floor for questions.

When asked, Dr. Cohn confirmed that approximately 50 per cent of the physicians who have left SickKids in the past two years have gone to the United States and the remaining have gone to other Canadian provinces and Ontario hospitals. Dr. Cohn reported that while recruitment of physicians continues to go well, the compensation market rates continue to be a challenge.

2020 – 2025 STRATEGIC DIRECTIONS

Dr. Cohn introduced Mr. Jeff Mainland, Executive Vice President and Mr. Greg Kennedy, Director of Strategy to present an update on the strategic planning process and to obtain insights/guidance on potential strategic themes and partnerships.

Mr. Mainland reported that in May of this year, SickKids launched SickKids 2025, the co-design process to build the organization's 2020-2025 strategic plan. Development work to date has yielded recommendations for SickKids' Vision, Mission, and Values, as well as initial insights regarding strategic priorities for the next five years.

Work to identify strategic opportunities for SickKids has yielded a series of themes which were presented to Trustees. Mr. Kennedy presented the evolving priority areas and the potential enablers/accelerators.

Throughout October, SickKids Senior Management Committee will be working to solidify strategic priorities, translate them into a comprehensive plan, and vet with key stakeholders. A refined version of the strategic plan will be presented at the November Board meeting for further input.

Mr. Prichard opened the floor for discussion.

Trustees provided input on the strategic work and priorities identified. They emphasized the importance of ensuring that the strategic plan and supporting initiatives are fiscally sustainable considering the current financial realities of the organization.

Trustees noted that while revenue opportunities are important for sustainability, only opportunities with significant margin should be considered and that comprehensive risk assessments be performed. Commercialization was identified as a potential significant revenue opportunity that would have low risk for the organization. Diversity of revenue streams is important for sustainability but should support enhancing the organization's competencies, capabilities, and talent towards building a platform and not just a project. The impact on already strained hospital resources including executive time and focus was identified as something that needs to be considered. It was suggested that management leverage current digital technologies to change the way work gets done as an effective way to drive value when considering opportunities.

It was also recommended that management look for opportunities to revise the Vision and Mission to include innovation, technology and security of patient data, imply an owner mentality, and a solution for new diseases. It was also suggested that the strategy embrace the patient and family experience.

Trustees discussed the process and the opportunities over the next several months for input, validation and perspective. Dr. Cohn confirmed that he will reach out to Trustees as we develop next steps to ensure that the organization is on the right path.

COMMITTEE REPORTS

Facilities & Real Estate Committee (FREC)

Mr. Tim Penner, on behalf of Mr. John Sullivan, Chair FREC, reported on the meeting that took place just prior to the Board meeting. Mr. Penner reported that the Hospital has now received a letter of support for Project Horizon from the Ministry of Health.

Patient Support Centre (PSC)

The FREC approved the final space allocation and proposed stacking of various departments/services for the PSC that allocated two additional floors for medical administration.

Patient Care Tower (PCT)

The Ministry of Health (MOH) has recently indicated that it will likely require the development of various facilities redevelopment sub-options. Management presented a revised work schedule and Stage 2 Functional Program planning budget for approval by the FREC to account for this additional work. The planning costs are recoverable from the Ministry Stage 2 planning grant once received. Mr. Goldthorpe confirmed that this will not impact the overall timeline.

Mr. Penner reported that management has received authorization from the Ministry of Health to bring forward a series of “head start” projects to prepare for the relocation of services and people from the Black and Hill Wings. Approval of an early works budget to begin the necessary planning for these projects is being brought forward to the Board for approval. These expenses will ultimately form part of the capital costs for Project Horizon and will be largely recoverable from the Ministry in accordance with its cost sharing formula.

MOTION:

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

Upon the recommendation of the Facilities & Real Estate Committee and the Finance & Audit Committee, the Board of Trustees:

1. Approves an additional \$2 million for the Project Horizon Stage 2 planning budget;
2. Approves the revised schedule to accommodate additional work required to meet Ministry of Health Stage 2 submission requirements; and
3. Requests management to approach the SickKids Foundation to finance the additional \$2 million from donations received to date for Project Horizon.

Upon recommendation of the Facilities and Real Estate Committee and the Finance & Audit Committee, the Board of Trustees:

1. Authorizes management to spend up to \$10.6 million from the notional capital budget for Project Horizon to advance planning for various projects associated with the decanting of the Hill and Black Wings and related infrastructure relocations/upgrades; and
2. Requests management to approach the SickKids Foundation to finance the additional \$10.6 million from donations received to date for Project Horizon.

Finance & Audit Committee (FAC)

Mr. Tim Penner, on behalf of Beth Wilson, Chair of FAC, reported on the meeting that took place earlier in the day. Mr. Penner provided members with update on the Pension Plan solvency issue and management’s plans to lobby the government for an exception to the new legislation.

The FAC reviewed Period 4 (July) 2019/20 financial results. The Hospital had a year-to-date deficit from operations of (\$7.5M) which was \$3.1M worse than plan. The year-end forecast is a deficit of (\$26.4M) which is \$9.9M worse to plan. The deficit per MOH reporting was (\$7.3M) which was \$6.0M worse to plan and the year-end forecast is a deficit of (\$19.9M) which is \$12.8M worse to plan.

Mr. Penner reported that the 2020/21 Operating Plan projection shows a planning gap of \$33.7M due to operating pressures continuing from 19/20, projected growth in patient activity, inflation assumptions, and the required contribution to the pension plan, offset by assumed Ministry of Health funding increases. Mr. Penner emphasized

the importance of integrating the strategy plans with the fiscal reality of the organization and that new revenue streams will be key to the sustainability of the organization.

Board Quality and Safety Committee (BQSC)

Dr. Terry Sullivan, Chair, BQSC reported on the meeting that took place earlier in the day. Dr. Sullivan reported that the BQSC had a positive opener to the meeting with an overview of the 'Good Catch Awards' which is a program where staff are recognized for intervening when they see a preventable harm. The BQSC approved the annual objectives and work plan. Two members of the BQSC attended the Solutions for Patient Safety Board training session in Chicago in late August. They shared their learnings and reflections from the training with the Committee.

The BQSC reviews the Quality Improvement Plan (QIP) results on a quarterly basis to monitor quality performance and redirect improvement efforts and /or resources to address performance gaps. The BQSC also reviews the Harm Index report which tracks the total number of Hospital Acquired Conditions (HAC), Serious Safety Events (SSE) and Employee Serious Safety Events (eSSE).

For the first time the BQSC reviewed a Serious Safety Event (SSE) involving a staff member. The BQSC committee was made aware of the facts of the case, the outcomes of the investigation, and the recommendations that are being implemented to prevent these errors in the future.

Investment Pension Committee (IPC)

Mr. Irwin Rotenberg, Chair, IPC reported on the IPC meeting that took place last week. Mr. Rotenberg outlined the current and historical investment returns and outlined the IPC investment long-term strategy to preserve and grow the capital through value investing. Mr. Rotenberg also reported on the Willis Towers Watson report on SickKids Defined Pension liabilities and plans to meet with government to request an exemption from the new legislation that comes into effect in 2020.

MEDICAL ADVISORY COMMITTEE (MAC)

Dr. Jeremy Friedman, Chair MAC, reported on the MAC meetings that took place in June and September 2019. Dr. Friedman reported on the MAC discussions regarding telephone consultations in the Department of Paediatrics. Some of the problems observed include variability in current status and identified risks. Several recommendations were made, including developing standards for trainees and the prospect of developing a one number protocol needs to be explored. Dr. Friedman reported that a Project Horizon Medical Director position has been created and posted which the MAC sees as an important role as we move into the Functional Programming portion for the PCT. The Credentials Committee has been very busy with higher than normal turnover however high-quality candidates have been recruited. Dr. Friedman referred members to the Credentials Report.

FOUNDATION REPORT

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

CONSENT AGENDA

Mr. Prichard 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 – June 3, 2019
- Medical, dental and scientific staff appointments
- Committee Terms of Reference
 - Facilities & Real Estate Committee
 - Finance & Audit Committee
 - Board Quality & Safety Committee

- o Investment & Pension Committee

IN-CAMERA MEETING OF THE BOARD OF TRUSTEES

An in-camera session of the Board of Trustees was held.

ADJOURNMENT

Meeting was adjourned for Independent Meeting of Trustees.

RESUMPTIONS OF THE BOARD OF TRUSTEE MEETING

The Board of Trustee meeting resumed, and staff returned to the Board for the Minister of Health, Christine Elliott's presentation to the Board.

MINISTER OF HEALTH CHRISTINE ELLIOTT

Mr. Prichard introduced The Honourable Christine Elliott and welcomed her to the Board of Trustees meeting. Mr. Prichard thanked Minister Elliott for taking the time to speak to the Board and for her support of Project Horizon. Mr. Prichard asked her to share with Trustees the Ministry of Health's vision for healthcare in Ontario and specifically how she sees SickKids's role.

Minister Elliott gave a high-level overview of the MOH Ontario Health Team (OHT) Strategy and explained how her experience as the Ontario Patient Ombudsman provided her with insights on the issues facing patients and families as they try to navigate their healthcare journey through the current health care system. The focus of the OHT strategy is to build a connected, sustainable public health care system that will improve access to care and centre it on the needs of the patient. She explained that SickKids should play an advisory role that is provincially focused and supply expertise across the province.

Trustees and the senior leadership provided Minister Elliott with some of the concerns and challenges the Hospital is facing such as its ongoing and significant funding gaps, market pressures for physician compensation, capital demands, etc. Trustees and leadership confirmed that they are committed to finding innovative ways to meet SickKids's challenges and deliver the care patients deserve. We look forward to engaging the Minister and Ministry officials in defining a sustainable path forward for SickKids to continue delivering high quality world-class care to our patients and families.

Mr. Prichard thanked Minister Elliott for attending the Trustee meeting.

ADJOURNMENT

There being no further business for discussion, the meeting was adjourned.

J. Robert S. Prichard
Chair of the Board

Sharon Younker
Corporate Secretary