

**BOARD APPROVED MINUTES
BOARD OF DIRECTORS MEETING**

Wednesday, August 24, 2016

**Auditorium, Carefirst Seniors and Community Services Association
300 Silver Star Blvd., Scarborough ON M1V 0G2
10:00 AM – 2:00 PM**

Directors Present: Ms. Margaret Risk (Acting Chair)
Ms. Amorell Saunders N'Daw (Acting Vice-Chair)
Ms. Aileen Ashman (Member)
Mr. S. Gopikrishna (Member)
Ms. Joanne Hough (Member)
Mr. Glenn Rogers (Member)

Staff Present: Ms. Deborah Hammons (Chief Executive Officer)
Mr. Stewart Sutley (Senior Director, System Finance and Performance Management)
Mr. Brian Laundry (Senior Director, System Design & Integration)
Ms. Katie Cronin-Wood (Director, Communications & Community Engagement, Corporate)
Ms. Ritva Gallant (Director, Finance and Risk Management, SFPM)
Ms. Antoinette Larizza (Director, SDI)
Ms. Jenny Greensmith (Central East Hospice Palliative Care Network (CEHPCN) Coordinator)
Mr. Dieufert Bellot (Planner, French Language Services, SDI)
Ms. Emily Van de Klippe (Lead, SFPM)
Ms. Sheila Rogoski (Executive Coordinator)
Ms. Jennifer Persaud (Governance Coordinator, Minutes Recorder)

Ms. Margaret Risk, Acting Chair of the Central East Local Health Integration Network (the “Central East LHIN”) Board of Directors chaired the meeting. Ms. Risk thanked the Board and staff of CareFirst Seniors and Community Services Association Congratulated CareFirst and thanked them for hosting our meeting today.

1.1 MEETING CALLED TO ORDER

Ms. Risk called the meeting to order at 10:00 am and welcomed the members of the public to the Central East LHIN open Board meeting. Ms. Risk thanked the CareFirst Board and staff for hosting the Board meeting and commended the organization for their approach to client and patient care.

Constitution of Meeting and Quorum

Notice of the meeting having been properly given to the public and to each Board member, and a quorum of Board members being present at the meeting, Ms. Risk declared the meeting duly constituted for the transaction of business.

2.1 CONSENT AGENDA

Prior to introducing the motion, Ms. Risk asked if there were any items on the consent agenda requiring further discussion. There were no items raised for discussion by members in attendance.

MOTION: Ms. Ashman
Be it resolved, that the consent agenda of the August 24, 2016 meeting of the Central East LHIN Board of Directors be approved.

- Included are the following items for approval:
 - Board meeting agenda: August 24, 2016
 - Board meeting minutes: June 22, 2016

SECONDED: Ms. Saunders N'Daw

MOTION CARRIED

2.2 DECLARATION OF CONFLICTS OF INTEREST

Ms. Risk requested that those in attendance declare any conflicts of interest. There were no conflicts raised by members in attendance.

3.0 MOVED INTO CLOSED SESSION

MOTION: By Mr. Rogers
Be it resolved that the Board of Directors move into closed session, pursuant to Section 9, subsection 5 of the Local Health System Integration Act (LHSIA) to:

- consider a matter concerns personal or public interest
- consider a matter that would prejudice legal proceedings; and
- consider a personnel matter.

and that the following persons including members of the Central East LHIN staff, Deborah Hammons, Brian Laundry, Stewart Sutley, Katie Cronin-Wood and Jennifer Persaud join the Board in the closed session.

SECONDED: Mr. Gopikrishna

MOTION CARRIED

5.0 RETURN TO OPEN SESSION

Upon reconvening to the open session, Ms. Risk reported that during the in-camera session the Board discussed details pertaining to personnel and matters that could prejudice legal proceedings and that a subsequent closed session was scheduled for the meeting.

6.0 DELEGATIONS TO THE BOARD

Ms. Risk indicated that there were no delegations to the Board.

7.1 CAREFIRST – OVERVIEW OF MULTI-SERVICE CENTRE

Ms. Risk welcomed Dr. Paul Tam, Board Member at CareFirst to give the Board an overview of the services offered at CareFirst's new location. Dr. Tam was joined by Mr. James Meloche, Board Member at CareFirst and Ms. Helen Leung, Executive Director at CareFirst. A video on CareFirst was viewed by members of the Board. Dr. Tam took questions and the members congratulated CareFirst on putting this innovative patients first model into action.

9.1 LAKERIDGE HEALTH (LH) – ROUGE VALLEY HEALTH SYSTEM (RVHS) – THE SCARBOROUGH HOSPITAL (TSH) BUSINESS CASES – INTEGRATION PROPOSALS

Ms. Risk welcomed Mr. Robert Biron, President and Chief Executive Officer of The Scarborough Hospital, Ms. Andrée Robichaud, President and Chief Executive Officer of Rouge Valley Health System and Mr. Tom McHugh, Acting President and Chief Executive Officer, who presented to the Board. Mr. Valentine Lovekin, Board Chair at Lakeridge Health and Mr. Dale Lawr, Board Member from The Scarborough Hospital were acknowledged for their attendance at the meeting.

Mr. Biron introduced the integration context and provided an overview on the approach to preparing the Integration Proposals. It was noted that the three (3) hospital Boards considered recommendations of the Integration Steering Committees (ISC) and all three Hospital Boards have approved moving forward with these integrations with a targeted date of amalgamation and asset transfer on November 1st, 2016. Mr. Biron reported that they are on track to meet this target date.

A review of the financial implications stemming from the integration proposals was presented by Mr. Biron, it was indicated that a determination of the allocation of assets and liabilities between Amalco and Lakeridge Health will be completed going forward. A request for a modified Hospital Based Allocation Methodology (HBAM) funding formula that excludes restructuring costs for this particular integration has been put forward and the hospitals are seeking to ensure adequate financial support is available. It was noted that this modified formula considers the organizations' current financial positions.

Members of the Board were walked through a summary of financial projections for Rouge Valley Health System and The Scarborough Hospital:

RVHS TSH Integration

Opportunity Category	Estimated Incremental Costs (\$000's)	Estimated Annual Savings (\$000's)	Estimated Incremental Annual Funding (\$000's)	Estimated One Time Investments (\$000's)
Efficiencies				
1 Operating efficiencies*		\$4,400		
2 HBAM efficiencies**		\$1,200	\$1,100	
Investments Required to Support Integration				
3 Transformation management				(\$4,300)
4 IM/IT integration	(\$1,000)***			(\$15,600)
5 Transaction				(\$1,200)
6 Workforce restructuring				(\$4,000)
7 Workforce harmonization of compensation & benefits	(\$1,400)			
8 Pay equity	(\$2,500-3,300)			
Total	(\$4,900-5,700)	\$5,600	\$1,100	(\$25,100)
Net Financial Impact			\$1,000 to \$1,800	(\$25,100)

*Targeted cost savings from administrative functional centres (35% of executive and 15% of back office administrative compensation costs).

** Estimated cost savings informed by HBAM model. HBAM efficiencies are based on 2014/15 OCDM data and excludes executive restructuring or operating efficiencies.

*** Incremental software licensing costs.

LH RVHS Integration

Opportunity Category	Estimated Incremental Costs (\$000's)	Estimated Annual Savings (\$000's)	Estimated Incremental Annual Funding (\$000's)	Estimated One-Time Investments (\$000's)
Efficiencies				
1 Operating efficiencies*		\$990		
2 HBAM efficiencies**		\$2,700	(\$700)	
Investments Required to Support Integration				
3 Transformation management				(\$1,900)
4 IM/IT integration	(\$1,000)***			(\$13,600)
5 Transaction				(\$1,100)
6 Workforce restructuring				(\$2,200)
7 Workforce harmonization of compensation of benefits	(\$290)			
8 Pay Equity	(\$1,400 – 2,000)			
Total	(\$2,690-3,290)	\$3,690	(\$700)	(\$18,800)
Net Financial Impact			(\$300) - \$300	(\$18,800)

Ms. Robichaud presented an overview on the Human Resource Implications and discussed the work ahead in relation to the human resource transition plan. The following estimated costs for workforce integration were outlined:

RVHS TSH Integration

- Workforce Restructuring One Time Cost ~ \$4M
- Workforce Harmonization Ongoing Cost ~ \$1.4M
- Pay Equity Potential Future Ongoing Cost ~ \$2.5M to \$3.3M

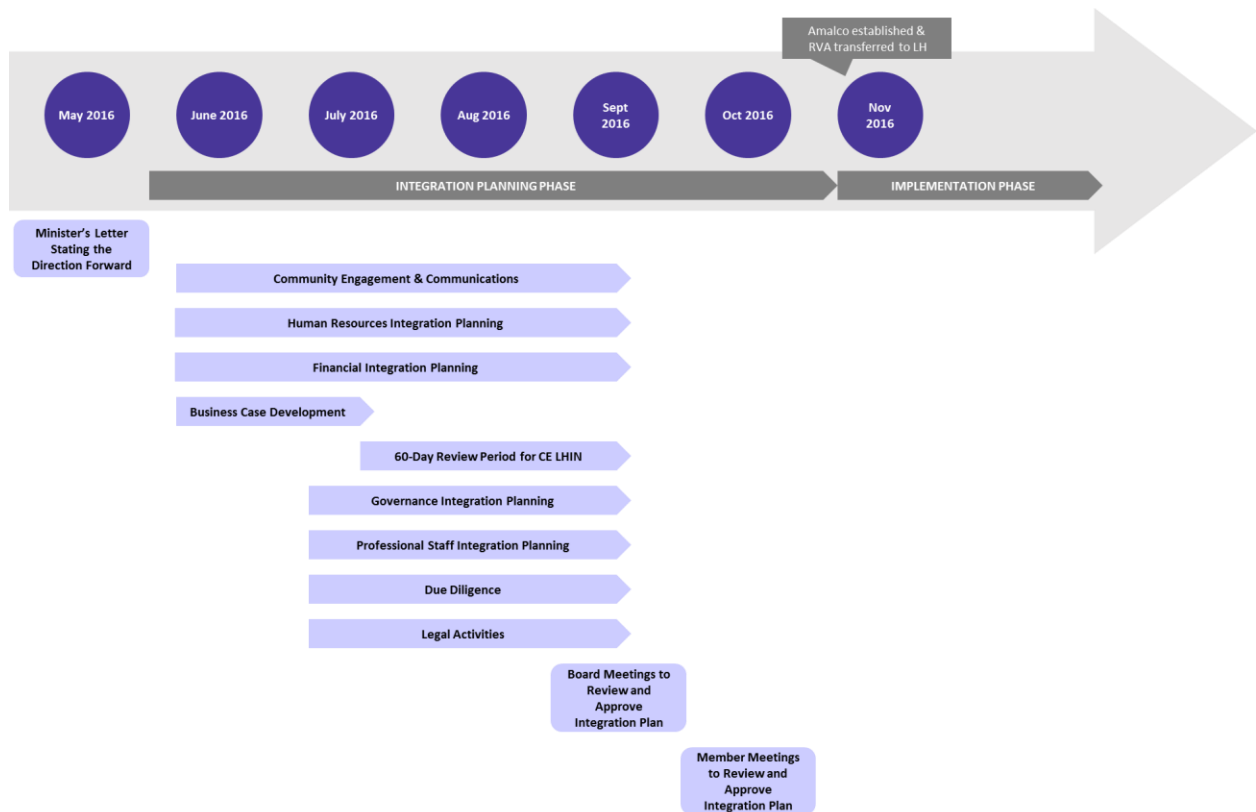
LH RVHS Integration

- Workforce Restructuring One Time Cost ~ \$2.2M
- Workforce Harmonization Ongoing Cost ~ \$290K
- Pay Equity Potential Future Ongoing Cost ~ \$1.4M to \$2M

Mr. McHugh walked members of the Board through the Community Engagement and Communication activities that have accompanied the integration planning. It was noted that the integration proposals were prepared and included a review of the work done to date with respect to the previous integration work, recognizing the importance of engagement, collaboration, sustainability and accessibility, quality of care and excellence.

It was noted that for November 1st, there aren't any anticipated changes for patients, immediate priorities for November 1st will be to ensure no disruptions to care.

Mr. McHugh discussed next steps for the integration proposal between the hospitals.



Ms. Hammons thanked the presenters and commended the organizations for their efforts in preparing the integration proposals. Mr. Stewart Sutley, Senior Director System Finance Performance Management, walked members of the Board through an analysis conducted by the LHIN on the integration proposals. Members of the Board noted that the purpose of this analysis will be to formulate the Board's advice to the Minister as required by the Local Health System Integration Act, 2006 (LHSIA).

Mr. Sutley provided a summary to the Board on the context and timeline for the Integration Proposals and outlined the LHIN Review Process. It was noted that the LHIN Board is following two sets of expectations under the *Public Hospitals Act, 1990 (PHA)* and the *Local Health System Integration Act, 2006 (LHSIA)*. Under PHA, the LHIN is expected to provide advice to the Minister of Health and Long-Term Care. Under LHSIA, the LHIN is required to make a decision to either stop or not stop a proposed voluntary integration.

Mr. Sutley noted that the two Integration Proposals can be assessed in relation to the Minister's direction and intentions. The following recommendations were tabled to the Board for their consideration:

- Staff recommend that the LHIN Board of Directors receive both Integration Proposals and not stop their ongoing development. This recommendation is also based on the LHIN's understanding that additional information prepared at the direction of the Minister's special advisor will support the LHIN's further due diligence from the perspective of the PHA and LHSIA.
- Staff also recommend the LHIN, based on the information and analysis completed to-date, convey advice to the Minister regarding:
 - the importance of the MOHLTC making investments in integration;
 - the need of the Ministry to treat one-time integration costs outside the current HSFR framework; and
 - the necessity of sharing with the LHIN details of the community engagement completed and planned in Scarborough and Durham to inform the Integration Proposals and Integration Plans.
- The Board is also recommended to direct staff to work with the Minister's special advisor and affected Hospitals to:
 - receive their detailed community consultation and engagement plans;
 - validate the one-time costs of the proposed integrations;
 - reach prompt agreement with affected Hospitals on the availability of any one-time financial resources to address integration costs and negotiate its use for this purpose with the MOHLTC; and
 - pursue negotiations with the MOHLTC to exclude identified integration costs from the current HSFR framework.

It was indicated that the Board was being advised on elements of the Integration Plan to meet the expectations under PHA and that a further analysis would be presented to the Board at the next meeting to meet the expectation of making a decision under LHSIA.

MOTION:

By Ms. Ashman

Be it resolved that the Central East Local Health Integration Network (Central East LHIN) Board of Directors receive the Integration Proposal from the Rouge Valley Health System and The Scarborough Hospital regarding their statutory amalgamation, and the Integration Proposal from Lakeridge Health and the Rouge Valley Health System regarding the asset transfer of the Ajax Pickering site of Rouge Valley Health System to Lakeridge Health.

Whereas the LHIN Board has an expectation that community engagement is carried out with every integration, the Hospitals will provide to staff detailed descriptions of the community consultations and engagements that have taken place and are planned, including their outcomes, by mid-September 2016.

Whereas the Integration Proposals identify significant one-time integration costs, the LHIN Board directs staff to work with the special advisor, the Hospitals, and the Ministry

of Health and Long-Term Care on the validation and source of funds to support these costs.

And further be it resolved that the three Hospitals return to report to the Board by October 2016 with an update on the progress they have made to complete the integration planning phase of their work and their readiness to initiate the integration implementation phase.

SECONDED: Ms. Hough

MOTION CARRIED

9.2 **COMMUNITY CARE CITY OF KAWARTHA LAKES – CAPITAL PROJECT**

Mr. Sutley indicated that the capital project was being tabled for the Board's decision and commended the organization for their efforts contributed to the process for obtaining new land. Mr. Glenn Wilcox, Board member and Ms. Catherine Danbook, Executive Director at Community Care City of Kawartha Lakes were acknowledged for being at the meeting.

It was reported that the capital process has been ongoing since 2010, the LHIN has received information on services being offered in the community, including operating costs, the expected staff complement and the size of the premise. The Board was informed that staff review of the submission does not raise any concerns with respect to operational risks and further that performance is expected to increase in some areas once the operations are up and running.

MOTION: By Ms. Hough
Be it Resolved that the Central East Local Health Integration Network Board endorses the program and service elements (Part A) of Community Care of the City of Kawartha Lakes Community Health Centre's combined/modified Stage 1 and 2 capital submission for the new build project and requests the Ministry of Health and Long-Term Care to complete its review of the physical and cost elements (Part B).

SECONDED: Mr. Gopikrishna

MOTION CARRIED

9.3 **TRANSFER OF BELLWOOD HEALTH SERVICES**

Ms. Emily Van de Klippe, Lead, System Finance and Performance Management, walked members of the Board through a request for a Private Hospital Service Accountability Agreement transfer related to Bellwood Health Services. It was noted that the Central East LHIN currently funds the operation of 12 in-patient beds to provide alcohol addiction/dependency services and these beds are currently housed within a Central East LHIN Long-Term Care Home. The application is to support a change in location from 1020 McNicoll Avenue, Scarborough to 175 Brentcliffe Road, Toronto. Toronto Central LHIN and LHIN legal counsel have been consulted and are in agreement with the request. The following steps will need to be taken to ensure the transfer is complete:

1. Execute Notice of Assignment with signatories from Central East and Toronto Central LHINs.
2. Send Notice of Assignment to BHSI.
3. Provide all relevant background information and current PHSAA to Toronto Central LHIN.
4. Ensure the MOHLTC's Financial Management Branch transfers the funding accordingly.

MOTION: By Ms. Saunders N'Daw
Be it resolved that the 2008-17 Private Hospital Service Accountability Agreement (PHSAA) between Bellwood Health Services and the Central East LHIN be transferred to the Toronto Central LHIN effective October 1, 2016.

Be it further resolved that the Central East LHIN Acting Board Chair and CEO sign the Notice of Assignment and transmit it to the Toronto Central LHIN to meet the October 1, 2016, deadline.

SECONDED: Ms. Ashman

MOTION CARRIED

6.1 **Q1 DECLARATION OF COMPLIANCE**

Ms. Hammons tabled the Q1 Declaration of Compliance report for the Board's review and approval, noting two exceptions which have carried forward from past reports. It was noted that the status of the two exceptions remain unchanged.

MOTION: By Mr. Rogers
Be it resolved that the Central East LHIN Board authorize the Chair, by resolution dated the 24th day of August 2016, to declare to the Minister of Health and Long-Term Care that to the best of the Board's knowledge and belief, upon due enquiry of the Chief Executive Officer and other appropriate LHIN officers and personnel, the Central East LHIN:

1. fulfilled its obligations under the Memorandum of Understanding dated April 1, 2007, the Ministry LHIN Performance Agreement and applicable law; and
2. without limiting the generality of the foregoing, complied with the provisions of the government directives applicable to it, including the Transfer Payment Accountability Directive, Procurement Directive and the Travel, Meal & Hospitality Expenses Directive.

during the Applicable Period of April 1 through to June 30, 2016, with the noted exceptions to LHINs Insurance and the LHIN-Managed Quality-Based Procedures Volume Management.

SECONDED: Mr. Krishna

MOTION CARRIED

10.0 MOVED INTO CLOSED SESSION

MOTION: By Ms. Hough
Be it resolved that the Board of Directors move into closed session, pursuant to Section 9, subsection 5 of the Local Health System Integration Act (LHSIA) to:

- √ consider a matter that concerns personal or public interest
- √ consider a matter that would prejudice legal proceedings; and
- √ consider a personnel matter.

And that the following Central East LHIN staff, Deborah Hammons, Stewart Sutley, Brian Laundry, Katie Cronin-Wood, Karen O'Brien, Jennifer Persaud and Sheila Rogoski join the Board in the closed session.

SECONDED: Ms. Saunders N'Daw

MOTION CARRIED

14.1 REPORT ON CLOSED SESSION

Upon reconvening to the open session, Ms. Risk reported that during the in-camera session the Board discussed details pertaining to personnel, consider a matter concerning personal or public interest and matters that could prejudice legal proceedings.

MOTION: By Mr. Rogers
Be it resolved that the Chair's report of the August 24, 2016 closed session be received and approved, and further that there will be follow up on the actions discussed.

SECONDED: Ms. Hough

MOTION CARRIED

12.2 MOTION OF TERMINATION

MOTION: By Mr. Krishna
Be it resolved that the August 24, 2016 Central East LHIN Board meeting be adjourned.

SECONDED: Mr. Rogers

MOTION CARRIED

The meeting was terminated at 2:30 PM

Margaret Risk
Acting Chair, Central East LHIN

Deborah Hammons
Chief Executive Officer, Board Secretary