

## MINUTES

### BOARD OF DIRECTORS MEETING

Friday March 28, 2008

8:30 a.m. to 12:00 p.m.

Pickering Recreation Centre, O'Brien Room  
1867 Valley Farm Road, Pickering, ON

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**Directors Present:** Foster Loucks (Chair)  
Joseline Sikorski (Vice-Chair)  
Jean Achmatowicz MacLeod (Secretary)  
Ron Francis (Member)  
William Gleed (Member)  
Alexander Hukowich (Member)  
Stephen Kylie (Member)  
Novina Wong (Member)

**Staff Present:** Deborah Hammons (CEO)  
James Meloche (Senior Director – Planning, Integration, and  
Community Engagement)  
Ritva Gallant (Acting Senior Director, Performance, Contracts  
and Allocations, Finance and Contracts Portfolio)  
John Lohrenz (Acting Senior Director, Performance, Contracts  
and Allocations, Business and Performance Portfolio)  
Sandi Kendal (Minutes Recorder)

Foster Loucks, Chairman of Central East Health Integration Network (the “LHIN”), was Chair of the meeting. Jean Achmatowicz-MacLeod, Secretary of the LHIN, served as Secretary of the meeting.

Mr. Loucks welcomed members of the public to the March 28, 2008 Open Board Meeting and introduced Board members and staff.

#### **1.a Meeting Called to Order**

Mr. Loucks called the meeting to order at 8:35 a.m.

**MOTION:** Made by Ms. Achmatowicz MacLeod to approve the agenda for the March 28, 2008 Board meeting.

**SECONDED:** By Dr. Hukowich

**1.b 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, Mr. Loucks declared the meeting duly constituted for the transaction of business.

**1.c Declaration of Conflicts of Interest**

Mr. Loucks requested that those in attendance declare any conflicts of interest. No conflicts were declared.

**1.d Report on the February 22, 2008 and March 14, 2008 Closed Sessions**

Mr. Loucks informed the Board and audience that Closed Sessions are a standing agenda item at all Board meetings, to discuss matters that require the Board to maintain confidentiality. As per section 9(5) of the *Local Health System Integration Act, 2006*, the Board met in camera on February 22, 2008 to discuss matters pertaining to personnel, finances, and negotiations or anticipated negotiations between the network and a person, bargaining agent, or part to a proceeding or an anticipated proceeding. The meeting resulted in three outcomes:

- A letter was sent to the Lakeridge Health Corporation outlining the conditional endorsement of the LHIN for the Bowmanville site redevelopment pending assurances that the hospital would confirm that the redevelopment would not add to the Corporation's debt nor to increased operational costs.
- The Board requested Mr. Loucks to consider standing for a reappointment as Chair to the Central East LHIN.
- The Board reviewed the final H-SAA template and discussed hospital-specific waivers under Schedule B Section 9 of the agreement.

Mr. Loucks then reported that the Board met in a special in camera session on March 14, 2008. As per section 9(5) of the *Local Health System Integration Act, 2006*, the Board met in camera to discuss matters pertaining to negotiations or anticipated negotiations between the network and a person, bargaining agent, or part to a proceeding or an anticipated proceeding. Mr. Loucks reported that the meeting was held to review the final draft H-SAA for the nine public hospitals in the LHIN.

Mr. Loucks then announced that, the LHIN Internal Operations Q3 report and year end projections were discussed in the closed session. These reports dating back to December 31, 2007 reflected a \$300,000 operational surplus due predominantly to staff vacancies. The projected surplus at year end will be substantially smaller. Mr. Loucks and Mr. Gleed, the Finance Committee Chair, confirmed that the LHIN's practice is to review its financial statements in open Board or Finance Committee sessions. The item was included in error in the closed session of the March 14, 2008 meeting.

## **2.0 Minutes of Meeting**

Mr. Loucks invited comments from the Board with respect to errors or omissions concerning the minutes of the Board of Directors meeting held on February 22, 2008, which were previously circulated in the Board package.

No errors or omissions were noted.

**MOTION:** Made by Mr. Gleed that the minutes of the February 22, 2008 meeting of the Central East LHIN Board of Directors be approved.

**SECONDED:** By Mr. Kylie

### **MOTION CARRIED**

Mr. Loucks invited comments from the Board with respect to errors or omissions concerning the minutes of the Board of Directors meeting held on March 14, 2008, which were previously circulated in the Board package.

No errors or omissions were noted.

**MOTION:** Made by Mr. Gleed that the minutes of the March 14, 2008 meeting of the Central East LHIN Board of Directors be approved

**SECONDED:** By Ms. Sikorski

**MOTION CARRIED**

**3.0 Business Arising**

Mr. Loucks reported that a letter was sent to the Ministry of Health and Long Term Care and Lakeridge Health Corporation advising the Capital Branch of the LHIN's endorsement of the Lakeridge Health-Bowmanville Site redevelopment project.

Ms. Achmatowicz MacLeod requested an update on the implementation of the Governance recommendations contained within the Rouge Valley Health System Peer Review. Ms. Hammons informed the Board that a request has been made to the hospital to submit a report on the implementation of these recommendations. The response has been delayed due to the focus on the Hospital Service Accountability Agreement (H-SAA) negotiations.

In response to a question, Ms. Gallant clarified that a template has been developed for Lakeridge Health Corporation to provide quarterly dashboard and variance reports on the implementation of their Peer Review conditions.

Mr. Meloche provided an update on the Priority Project teams. All 17 project coordinator positions have been recruited and will be negotiating their contracts with the representative transfer payment agencies. Mr. Meloche further reported that the \$163,000 fund for pending service disruptions approved by the Board at the December 14, 2007 meeting were allocated as follows:

- \$71,000 to Rouge Valley Health System to initiate a Paediatric LHIN Lead to review pediatric services across the LHIN;

- \$40,000 to Peterborough Regional Health Centre for Paediatric Services; and
- \$50,000 to Whitby Mental Health Centre to initiate the Alternate Levels of Care proposed directions that will be brought to the Board for approval at a subsequent meeting.

Mr. Loucks reported that the LHIN sent notice of the Board's approval at the February 22, 2008 voluntary integration request to the Central Ontario Health Procurement Alliance (COHPA) and the Central and North Simcoe Muskoka LHINs.

#### **4.0 CEO Report**

Mr. Loucks welcomed Ms. Hammons to present her CEO Report previously circulated in the Board package. Ms. Hammons spoke to all the initiatives incorporated in her written report.

Upon a question from the Board, Ms. Hammons explained that she hoped to review the applications for the Health Professionals Advisory Committee and conduct interviews with short-listed applicants.

Ms. Hammons confirmed that there have been no reports of mould following the leak at Lakeridge Health – Oshawa. She will inform the Board if there is any new information.

Ms. Hammons reported that meetings were being scheduled with the presidents of Trent University and UOIT in order to discuss the LHIN's future Health Human Resources needs. Ms. Hammons acknowledged the importance of seeking opportunities for collaboration with the two universities.

**MOTION:** Made by Mr. Francis to receive the March 28, 2008 report of the Central East LHIN CEO for information.

**SECONDED:** By Dr. Hukowich

**MOTION CARRIED**

## 5.0 Committee Reporting

Mr. Loucks invited the committee Chairs to present an update from each of the Board committees.

**CONSENT MOTION:** Made by Ms. Achmatowicz MacLeod to receive the verbal reports from the Governance and Community Nominations Committees of the Board for information.

**SECONDED:** By Ms. Sikorski.

**MOTION CARRIED**

## 5.1 Governance Committee

Ms. Achmatowicz MacLeod reported on the Governance Committee meeting held March 25, 2008.

Ms. Achmatowicz MacLeod brought to the Board's attention the governance survey tabled at the Board meeting. She explained that the survey was developed by the Rotman School of Management in conjunction with the LHIN Chairs, and will be circulated to all fourteen LHIN Boards for input through the survey monkey web application. The Committee has made arrangements with the Rotman School to circulate the survey to the Central East LHIN Board in advance on paper in order to use the LHIN's responses to facilitate the planning of an effective Board/Senior-Team retreat. Board members are asked to submit the survey to the Corporate Coordinator by April 4, 2008 in order to be compiled and reviewed by the retreat planning team. The Corporate Coordinator will ensure that the evaluations are entered into the survey monkey application when the evaluation tool is formally launched across the LHINs.

Ms. Achmatowicz MacLeod further reported that the Committee has reviewed a draft project charter to launch the Board to Board engagement process. The charter outlines a process by which the LHIN Board will engage with health service providers and will be launched through a Governance day at the June 2008

symposium. The final draft will be reviewed at the April 29 committee meeting and then brought to the Board for approval.

Ms. Achmatowicz MacLeod also stated that the Committee moved into closed session to receive six month Goals and Objectives from the CEO.

## **5.2 Community Nominations Committee**

Ms. Wong reported on the Community Nominations Committee meeting held March 25, 2008.

Ms. Wong reported that the Committee reviewed the policy for community recruitment for a vacant Director position that was approved by the Board on August 10, 2007. She requested the Board to complete the Board profile matrix tabled at the meeting by April 4, in order to facilitate the development of an ideal candidate profile to assist in the recruitment process.

Ms. Wong also expressed the Committee's gratitude that Mr. Loucks agreed to seek reappointment to the Board. She will send a letter recommending Mr. Loucks for reappointment to a second term of office to the Minister's Office as per the precedence established by the LHIN.

Finally, Ms. Wong reminded the Board that the Committee continues to recruit two community members to serve on the Community Nominations Committee. The Committee recommended that outreach be made to the Collaboratives and other Planning Partners to identify potential non-director candidates. Board members are also asked to encourage qualified members of the public to submit their expressions of interest.

## **6.0 Chair's Report**

Mr. Loucks spoke to all initiatives highlighted in his written Chair's report, which had been previously circulated to the Board.

The Board discussed the balance between transparency and confidentiality of decision-making. Upon a request from the Board for population health data, Mr. Lohrenz committed to provide decision support information from the new census

data to the Board in order to facilitate the identification of potential integration opportunities. Mr. Meloche clarified that there are several examples of integration occurring within the LHIN that should be celebrated as voluntary collaboration to enhance the access to a quality, coordinated system of care in the LHIN.

**Action Items:**

- ⇒ Ms. Sikorski agreed to present at a future Central East LHIN Education Session the presentation she gave to the LHIN Chairs and CEOs on the Ontario Safety Association for Community and Healthcare’s proposed system of care to achieve safety solutions and quality outcomes.
- ⇒ Ms. Hammons will showcase examples of integration, collaboration, and partnership among HSPs in the LHIN in future CEO reports
- ⇒ Mr. Lohrenz will provide decision support materials and emerging population health census data to the Board

**MOTION:** Made by Ms. Wong to receive the March 28, 2008 report of the Chair of the Central East LHIN for information.

**SECONDED:** By Mr. Kylie

**MOTION CARRIED**

**7.0 Hospital-Service Accountability Agreements (H-SAA)**

Mr. Loucks invited Ms. Hammons to review the H-SAA materials which were tabled at the Board meeting.

Ms. Hammons walked the Board through the “Review and Recommendations of HAPS and H-SAA” PowerPoint presentation, which reviewed the process of the H-SAA negotiations through the entire negotiations cycle up to March 27, 2008. Upon a question from the Board, CE LHIN management reviewed the options in front of the Board: signing the H-SAAs; re-negotiating material changes; extending the 2007/2008 HAA until an agreement is reached; and halting the flow of funding on April 1.

The Board expressed their appreciation and support for the work of the CE LHIN and hospital staff and management in negotiating the H-SAAs. The Board then expressed concerns regarding the definition of a balanced budget in the agreements, and requested that future agreements incorporate focus on working capital and debt reduction, and on the identification of integration opportunities.

**MOTION:** Made by Dr. Hukowich that the Board authorize the Chair to execute the signed H-SAA for **Whitby Mental Health Centre** on March 31, 2008, pending no material changes made by the hospital to the document, and with the waiver condition in schedule B, section 9:

9.1. Labour Harmonization:

-Both parties agree that the balanced budget position is dependent upon receipt of additional funding from the Ministry of Health and Long-Term Care related to the impact of labour harmonization resulting from the recent divestment of Whitby Mental Health.

**SECONDED:** By Ms. Achmatowicz MacLeod

Ms. Gallant explained that the labour harmonization costs represent a potential deficit of \$7 million. The Ministry has not committed in writing to the additional labour harmonization funding.

**MOTION CARRIED**

**MOTION:** Made by Mr. Glead that the Board authorize the Chair to execute the signed H-SAA for **Haliburton Highlands Health Services** on March 31, 2008, pending no material changes made by the hospital to the document, and with the waiver condition in schedule B, section 9:

9.1. Operating Pressures:

Consistent with Sections 1.2 and 1.3, and recognizing the interdependence of the parties to facilitate the achievement of this Agreement, the

parties agree to resolve pressures and cover deficits relating to the following:

- ALC (Alternate Level of Care): Work with the LHIN and the ALC task force to reduce ALC pressures.
- Non-Urgent Transportation: Work with the LHIN to reduce non-urgent transportation pressures.
- Laboratory and Pharmacy: Work with the LHIN to reduce the pressures of Lab and pharmacy costs.

**SECONDED:** By Ms. Sikorski

The Board expressed concern with the terminology in the waiver condition to “resolve pressures and cover deficits.” The Board felt the word “eliminate deficits” would be preferable to “cover deficits” but recognize that the hospital Board has already approved the language contained in the waiver. Ms. Gallant clarified that the language was provided by the hospital and is consistent with waiver conditions being applied throughout the province. The waiver and the referenced sections 1.2 and 1.3 indicate that the LHIN will work with the hospital to find alternate methods to resolve potential deficits but will not provide further funding. The projected deficit is \$225,000.

**MOTION CARRIED**

**MOTION:** Made by Mr. Glead that the Board authorize the Chair to execute the signed H-SAA for **Campbellford Memorial Hospital** on March 31, 2008, pending no material changes made by the hospital to the document, and with the waiver condition in schedule B, section 9:

9.1. Operating Pressures:  
Consistent with Sections 1.2 and 1.3, and recognizing the interdependence of the parties to facilitate the achievement of this Agreement, the parties agree to resolve pressures and cover deficits relating to the following:

- ALC (Alternate Level of Care): Work with the LHIN and the ALC task force to reduce ALC pressures.
- Non-Urgent Transportation: Work with the LHIN to reduce non-urgent transportation pressures.
- Laboratory and Pharmacy: Work with the LHIN to reduce the pressures of Lab and pharmacy costs.

**SECONDED:** By Mr. Kylie

The Board expressed concern with the terminology in the waiver condition to “resolve pressures and cover deficits.” The Board felt the word “eliminate deficits” would be preferable to “cover deficits” but recognize that the hospital Board has already approved the language contained in the waiver. Ms. Gallant clarified that the language was provided by the hospital and is consistent with waiver conditions being applied throughout the province. The waiver and the referenced sections 1.2 and 1.3 indicate that the LHIN will work with the hospital to find alternate methods to resolve potential deficits but will not provide further funding. The total projected deficit for Campbellford Memorial Hospital is \$220,000.

**MOTION CARRIED**

**MOTION:** Made by Ms. Achmatowicz MacLeod that the Board authorize the Chair to execute the signed H-SAA for **Lakeridge Health Corporation** on March 31, 2008, pending no material changes made by the hospital to the document, and with the waiver condition in schedule B, section 9:

9.1 PCOP (Post-Construction Operating Plan):  
Subject to section 5 in this agreement, an amendment will be made under section 15.3 of the Agreement to include these targets in Schedule F and any additional conditions not otherwise set out by Schedule B. This funding is

an additional in-year allocation contemplated by section 5.3 of the Agreement.

**9.2 Protected Services:**

An amendment will be made under section 15.3 of the Agreement to include these targets in Schedule G and any additional conditions not otherwise set out in Schedule B. This funding is an additional in-year allocation contemplated by section 5.3 of the Agreement.

**9.3 TP5 and other Capital Funding:**

Work with the LHIN to develop capital funding and related long-term debt strategies.

**9.4 Operating Pressures:**

Consistent with Sections 1.2 and 1.3, and recognizing the interdependence of the parties to facilitate the achievement of this Agreement, the parties agree to resolve pressures and cover deficits relating to the following:

- Whitby Site Fire: Work with the LHIN and the task force to resolve pressures related to the Whitby site fire.
- Mental Health Plan: Work with the LHIN to resolve pressures relating to the Mental Health Plan for Addictions and Mental Health services.

**SECONDED:** By Mr. Kylie

The Board expressed concern with the terminology in clause 9.4 to “resolve pressures and cover deficits.” The Board felt the word “eliminate deficits” would be preferable to “cover deficits” but recognize that the hospital Board has already approved the language contained in the waiver. Ms. Gallant clarified that the language was provided by the hospital and is consistent with waiver conditions being applied throughout the province. The waiver and the referenced sections 1.2 and 1.3 indicate

that the LHIN will work with the hospital to find alternate methods to resolve potential deficits but will not provide further funding. The total projected deficit includes \$1.5 million PCOP pressure, \$4 million resulting from the Whitby site fire, and \$2 million from the mental health programming.

**MOTION CARRIED**

**MOTION:** Made by Mr. Francis that the Board authorize the Chair to execute the signed H-SAA for **The Scarborough Hospital** on March 31, 2008, pending no material changes made by the hospital to the document, and with the waiver condition in schedule B, section 9:

9.1 LHIN and Hospitals can add additional specific performance obligations mutually agreed upon in this schedule.

9.2

For 2008/08 the Hospital has planned for a balanced budget.

For 2009/10 the hospital has planned for a balanced budget.

However, should conditions change, the Hospital agrees that it will provide a revised plan for a balanced budget for 2009/10 no later than September 30, 2008. The plan can include a discussion on service volumes and organizational changes.

\*The hospital and the LHIN will conduct a refresh, including indicators and schedules by January 31, 2009.

**SECONDED:** By Ms. Wong

The Board commended The Scarborough Hospital for forecasting a balanced budget over the two year agreement.

**MOTION CARRIED**

**MOTION:** Made by Ms. Sikorski that the Board authorize the Chair to execute the signed H-SAA for **Peterborough Regional Health Centre** on March

31, 2008, pending no material changes made by the hospital to the document, and with the waiver condition in schedule B, section 9:

**9.1 PCOP (Post-Construction Operating Plan):**

Subject to section 5 in this agreement, an amendment will be made under section 15.3 of the Agreement to include these targets in Schedule F and any additional conditions not otherwise set out by Schedule B. This funding is an additional in-year allocation contemplated by section 5.3 of the Agreement. Both parties agree that the balanced budget position is dependent upon receipt of adequate funding from the Ministry of Health and Long-Term Care related to PCOP.

**9.2 Transitional Funding**

Both parties agree that the balanced budget position is dependent upon receipt of adequate funding from the Ministry of Health and Long-Term Care related to the impact of transitional costs resulting from the 2008 move to the new hospital building.

\*The hospital and the LHIN will conduct a refresh, including indicators and schedules by January 31, 2009.

**SECONDED:** By Ms. Wong

Ms. Gallant explained that the hospital has received \$3 million in PCOP funding but are awaiting an additional \$14 million to be phased in as inpatient bed volumes increase. She added that the LHIN monitors the performance of the hospital on a quarterly basis. These quarterly reports form a part of the complex calculations to determine PCOP funding levels.

**MOTION CARRIED**

- MOTION:** Made by Mr. Kylie that the Board authorize the Chair and CEO to execute an extension of the 2007/2008 HAA with **Northumberland Hills Hospital** until April 30, 2008. During this extension period:
- Base funding will continue as defined by the 2007/2008 HAA
  - Volumes and targets required by the H-SAA will not be reduced or otherwise modified to reflect any delay in executing the H-SAA.
  - The LHIN management will work with the hospital to reach agreement on the 2008/10 H-SAA, and begin the process set out in section 23(5) of the *Commitment to the Future of Medicare Act*.

**SECONDED:** By Dr. Hukowich

Ms. Hammons explained that the hospital has not agreed to sign their Accountability Agreement due to a lack of consensus around the balanced budget waiver conditions. Upon a question from the Board, the CE LHIN management clarified that the hospital projects a \$1.5 million deficit, compared to the LHIN's estimation of \$400,000. Mr. Loucks added that the LHIN management and Chair has met with representatives from the hospital's senior team and Board to try to resolve the waiver conditions.

**MOTION CARRIED**

The Board then engaged in a lengthy discussion regarding the H-SAA for Rouge Valley Health System and the proposed consolidation of mental health inpatient beds to the Centenary site, which was submitted as a component of the hospital's cost recovery plan. Mr. Meloche referred to the PowerPoint presentation which detailed the benefits and challenges in the proposed consolidation. Mr. Meloche then highlighted that Mental Health and Addictions is a priority for the LHIN, as is community engagement, and proposed that the Board direct the hospital to conduct a 30 day consultation period with community stakeholders in conjunction with the LHIN. With the Board's approval of a 30 day consultation, the LHIN and hospital would table a consultation report with the respective Boards.

The Board decided to consider the approval of the H-SAA, the proposed consolidation, and the reporting on quality and risk outcomes as separate motions.

**MOTION:** Made by Mr. Kylie that the Board authorize the Chair to execute the signed H-SAA for Rouge Valley Health System on March 31, 2008, pending no material changes made by the hospital to the document, and with the waiver condition in schedule B, section 9 that:

9.1 Regional Paediatric Program

Consistent with Sections 1.2 and 1.3, and recognizing the interdependence of the parties to facilitate the achievement of this agreement, the parties agree to continue working closely to resolve pressures relating to the Regional Paediatric program.

9.2 Peer Review Recommendations

The hospital will work on the utilization management improvements and will work closely with the LHIN on implementation plans to resolve operational pressures.

**SECONDED:** By Mr. Francis

Mr. Gleed expressed concern that the wording of the waiver condition 9.2 would shift the onus of the implementation of the Peer Review recommendations to the LHIN. The Board was also reminded that approval of the H-SAA would signify an approval in principle of the hospital's cost recovery plan.

**MOTION CARRIED.** Mr. Gleed opposed

**MOTION:** Made by Ms. Wong that RVHS to work with the LHIN prior to the implementation of the planned consolidation of MHA services in conducting a 30 day consultation period with community stakeholders, and the general public.

**SECONDED:** By Mr. Francis

Upon a question from the Board, Mr. Meloche clarified that the consultation will reach out to a broad range of stakeholders, including members of the general public.

**MOTION CARRIED**

**MOTION:** Made by Ms. Sikorski that the LHIN requires the hospital to provide a report on their planned strategies and activities associated with their recovery plan as it relates to patient risk and quality outcomes at six month intervals.

**SECONDED:** By Mr. Kylie

Ms. Sikorski expressed support for monitoring on quality and risk management strategies and outcomes related to the change process and the implementation of the cost recovery plan.

**MOTION CARRIED**

Ms. Gallant referred the Board to the tabled draft Private Hospital-SAA contract developed for Bellwood Health Services. The agreement was only finalized on March 27, 2008 due to a delay by the negotiating team at the Ministry level in developing the private hospital template.

**MOTION:** Made by Dr. Hukowich that the Board authorize the Chair to execute the signed H-SAA for Bellwood Health Services upon obtaining approval from the majority of the Board members within the next seven days.

**SECONDED:** By Mr. Francis

**MOTION CARRIED**

**8.0 Closed Session**

Mr. Loucks informed the Board and audience that Closed Sessions are a standing agenda item at all Board meetings to discuss matters that require the Board to maintain confidentiality.

**MOTION:** Made by Mr. Francis to enter into closed session, in order to consider a matter pertaining to negotiations or anticipated negotiations between the network and a person, bargaining agent, or party to a proceeding or an anticipated proceeding, pursuant to Section 9, subsection 5(h) of the Local Health System Integration Act.

**SECONDED:** By Mr. Kylie

**MOTION CARRIED**

The Board moved into an in camera session at 1:22 p.m.

**CONSENT MOTION:** Be it resolved that the closed session now be adjourned with the meeting reconvened at 1:26 p.m.

Mr. Loucks announced that the closed session was held to review the confidential minutes of the March 14, 2008 special in camera Board meeting.

**9.0 MOTION OF TERMINATION**

**MOTION:** Made by Mr. Gleed that the meeting be adjourned.

**SECONDED:** By Dr. Hukowich

**MOTION CARRIED**

The Chair declared the meeting adjourned at 1:29 p.m.

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Foster Loucks, Chairman

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Jean Achmatowicz MacLeod, Secretary

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