

ATTENDEES:

(P) Linda Franklin	(P) Ricco Bhasin	(P) Susan Britton Payne	(P) Jasmine Tehara
(P) Kulvir Singh Gill	(P) Mark Beckles	(P) Michael Torrance	(P) Pardeep Singh Gill
(P) Elsa Cabral	(P) Stuart Johnston	(P) Glenn Martin	(P) Dr. Frank Martino
(P) Dr. Brian Klar	(P) Tiziana Rivera	(R) Dr. Victor Rajkotwala	(R) Dr. Ioana Ciric
(P) Brenda Bushey (Resource)			

Dr. Rardi van Heest	Kiki Ferrari	Florine Lobo	Ann Ford
Cara Francis	Kelly Kimens	Ken Mayhew	Steven Hall
KPMG Representatives			

1.0 CALL TO ORDER & DECLARATION OF CONFLICT

The meeting was called to order. No declarations of conflict were made.

MOVED, seconded

That the agenda be approved - CARRIED

1.1 CHAIR'S REPORT

At the last Board meeting it was decided to defer any decisions regarding the HIS until further conversations could be held. Upon further discussion, it was clear that there was a desire to separate the HIS financing discussions from the rest of the redevelopment projects. As a result, the approvals pertaining to the HIS financing and RFP will be coming forward to the members this evening.

A copy of the Ethical Decision Making Framework was included in the package for reference.

Kelly Kimens was asked to provide an update on the status of the search for a permanent Chief of Staff. Odgers Berndtson has been selected as the executive recruitment firm that will assist with the search. The initial kick-off meeting will be scheduled in the next couple of weeks to officially launch the search. Linda Franklin will Chair the search committee.

2.0 CONSENT AGENDA

One motion is required to approve all items included in the Consent Agenda. Any of the items contained within the Consent Agenda may be placed on the regular agenda for discussion. A summary of the motions are contained within the Consent Agenda.

The following items are included within the Consent Agenda for approval:

- CA 3.1 Board Minutes: October 6, 2022
- CA 3.2 MAC Minutes: October 12, 2022
- CA 3.3 Health Services & Quality Committee Minutes: October 5, 2022
- CA 3.4 Resources & Audit Minutes: October 11, 2022.

MOVED, seconded

That the items listed within the Consent Agenda be approved - CARRIED

3.0 BUSINESS ARISING

3.1 CHAIR'S REPORT: Health Services & Quality Committee

A verbal update was provided by the Chair of the Health Services & Quality Committee. There were zero critical incidents reported for the past quarter. This is a significant achievement and an indication of the work that has been done to tighten up internal processes. Various systems and structures have been aligned across the organization and are making a significant impact to patients and staff.

Q: *In regard to Bill 7, it was reported that there are currently 50 patients across the organization that would be impacted at Osler as a result of this new legislation. Has that number changed since the last Board meeting?*

A: Yes. The number has dropped since the last meeting and some patients have been transferred out. To date, there has been no significant impact from Bill 7 on Osler's patients.

Q: *How does the \$400 charge to patients who refuse to leave hospital compare to the actual daily costs incurred?*

A: The average cost per day to support this type of patient is approximately \$900-\$950.

4.0 EDUCATION SESSION: PMC PHASE II UPDATE

An update was provided on the status of the PMC Phase II redevelopment project.

A review of the various stages of the redevelopment project was provided.

- Stage 2.1/2.2 includes:
 - Project Specific Output Specifications (PSOS)
 - Illustrative Design
 - RFP Evaluation

- Capacity strategy includes:
 - Phase II – post-acute
 - Post-acute care and outpatient MH will be relocated from BCH
 - Functional enhancement service (medicine beds) & CC beds will move from EGH
 - New emergency department will also be included as part of Phase II

- Ministry capital planning & approvals process includes:
 - MOH governs first two stages of the project (scope of clinical care); Ontario Health (OH) is also involved in first two stages & final financial settlement
 - Infrastructure Ontario (IO) joins later in the process when discussions occur regarding which procurement model will be used
 - IO governs the procurement process, construction & transitioning.

The Functional Program for this project was submitted in January. The team is currently awaiting final approvals. The Early Planning work has culminated in the design of a multi-storey clinical building of approximately 550,000 sf that includes 250 inpatient beds, with shelled space for an additional 96 beds, totalling 346 beds. The current budgeted estimates have been stated at \$896M with a local share requirement of \$263M.

Q: *Are the project dollars based on 2022 numbers or have they been projected to reflect future costs?*

A: Costs presented have been stated to reflect future adjustments.

Phase 2 Evolution:

A brief overview of the Phase 2 evolution was provided. It has been recommended that the new building be shifted to the west side of the property to enhance the flow of patients between existing and new facility. This change will ultimately provide for operational efficiencies and potentially will allow for an underground connection to parking. The amount of square footage will not decrease. The current model will be 12-15 stories high and will include the same number of beds as the original plan.

A Planning, Design and Conformance (PDC) team has been established and has completed preliminary design work to critique the master and functional programs, test fit the site, and support project start-up efforts including scheduling and project management. The PDC team and functional programmers (Agnew Peckham) will lead multiple user groups through detailed planning sessions to support discussions related to the development of requirements and specifications to support procurement of the project. Key project milestones for each phase were reviewed. Dollars associated with the project will be required at Substantial Completion which is targeted for 2027.

Q: *When are we at the point where we have to commit the required funds?*

A: Once the awarding of the Request for Proposal (RFP) has taken place, the dollars are committed to the project.

Q: What is Osler currently doing to address energy efficiencies for these projects?

A: Osler has followed LEED (Leadership in Energy and Environmental Design) requirements in its new builds (PMC and EGH) which is partly dictated by Infrastructure Ontario and incorporated into the design. It was noted that PMC has been recognized as the second most efficient building in the country due to the implementation of energy efficient systems and building design.

Q: Has there been any discussions with the community regarding the scope of this project? Is the community on side?

A: A community information session will be planned for early in the New Year at which time plans will be presented. Updates are provided on a monthly basis to the members of the Patient Family Advisory Committee and additional discussions are being held with external stakeholder groups such as CARP.

Q: There are expectations in the community of what this facility will include; how will the community receive this information?

A: There is a recognition that there will be some challenges with the scope and services being provided at PMC. A system wide approach to capacity has been used to develop the next stage of PMC which has included consideration for the other facilities within Osler. The current plan provides future capacity as well as partnership opportunities.

Q: How do we manage the community's expectations knowing there will be challenges and while continuing to move forward with required advocacy and fundraising efforts?

A: Planning will be key. It will be necessary to identify "Champions" for this project to ensure that the ultimate goal is achieved and accepted by community. Phase 2 of the project will provide Osler with the required capacity until a third hospital can be built.

Q: Do we position the plans for PMC Phase 2 as part of the greater plan?

A: Yes. The message will focus on how the health system will be transforming with the proposed changes.

Q: The PMC and oncology projects are still unaffordable unless the government provides funding; when will we see the government relations piece and how will we manage the timelines?

A: With election results now finalized, the team is continuing its efforts to build and strengthen relationships and educate members of the current situation and required need for Osler's communities. A plan has been developed which will be brought back to the Board for discussion.

Q: Will what we are proposing meet the needs of the community?

A: It will be necessary to be transparent with the community and clearly define what services will be included.

Q: How much wiggle room do we have?

A: The Board and management will need to be clear on the Government Relations strategy and stress with government officials the need for funding and support.

3.2 CHAIR'S REPORT: Resources & Audit Committee

The Chair's Report was tabled for information. The Board will be asked to consider three motions relating to the issuance of an RFP for the HIS project, a debt financing strategy and implementing a shelf-ready plan to issue the debt. There are risks with the plan and detailed discussions have occurred with the full Board and members of the Resources & Audit Committee. A brief overview of the steps taken to arrive at the current state was provided.

The Capital Asset Development Taskforce (CADF) Working Group comprising of Osler and Foundation board members and community representation was created in May 2021 to "develop and recommend the funding strategy for Osler's extensive redevelopment and digital agenda to ensure the effective utilization of the Corporation's financial, physical and information resources." CADF recommended prioritization and focus on 3 projects - Peel Phase 2, Health Information System (HIS) and Radiation Therapy for any financing decisions. It also recommended the decoupling of the HIS project from the other two redevelopment projects as the financing options for the HIS were more limited.

The following highlights were noted:

- The HIS project is not funded by the Government
- Management engaged KPMG to assess financing options and determine the impact to the organization
- The primary objectives for the financing strategy were flexibility on the use and repayment of funds; affordability and sustainability of incremental costs; minimize restrictive covenants and mitigate interest rate risk
- To meet the immediate need of the HIS project it was determined that the issuance of a \$200M, non-amortizing private placement debenture with a 40-year term and set up a repayment plan in a self-directed sinking fund was the best option
- KPMG advised that by directing approximately \$2M annually towards a restricted sinking fund with an annual rate of return of 4 percent would allow Osler to accumulate sufficient cash to repay the \$200M debt upon maturity
- An operational impact analysis was developed, including identifying opportunities (revenue generation, cost containment and advocacy efforts) to mitigate the debt servicing cost; estimates presented are conservative.

Q: How will the hospital repay this debt and what oversight will the Board have?

A: It was recommended that management controls be established including rules around the use of the sinking fund. Management will be asked to report quarterly on the status. Once the controls have been developed and formalized, they will be presented to the Resources & Audit Committee.

Q: Will it be necessary to increase the amount that is applied to the sinking fund?

A: Monies cannot be withdrawn from the sinking fund without Board approval.

Q: How will the other redevelopment projects be funded?

A: It will be necessary as a Board to provide clarity on expectations. A detailed plan will be developed to keep the conversation and momentum moving forward for all redevelopment project.

Q: Does the Board have the authority to authorize issuance of debt?

A: Yes. However, it was noted that debt beyond \$200M will need to be further discussed.

Q: What is the view of the hospital's expenses; what is the critical breaking point regarding interest rates 10+ years; and how has that been accounted for?

A: A cash pro forma was developed considering ongoing annual maintenance costs and estimation of debt required for PMC Phase II and the Oncology Centre. With every 50 basis point increase that occurs, the overall cost increases by \$1M. The Board has requested that controls be put in place to monitor the progress being made.

Q: Are we taking into account future development and will we be able to flex up and down as needs change?

A: The majority of costs related to the HIS project will be incurred during the implementation period. There is a small variable component to cost which is tied to licensing fees. These costs will rise and fall over time based on clinical activity.

Q: Other hospitals have gone through similar processes; how are we getting ahead of this from a PR perspective?

A: Conversations with the community regarding a new HIS system have begun using a quality and clinical perspective rather than an information system upgrade. Appreciation that this type of initiative is not funded by the government is also being shared.

Modifications to the required motions were suggested. Before debt is issued, final costs will be brought back to the Board for approval; issuance of debt as opposed to a debenture that provides flexibility depending on market changes as well as consideration for a social impact bond will also be considered. The approval of the Board today is to allow the issuance of an RFP. A summary of results will be brought forward and at that time, the Board will be asked to approve the actual spend.

The Resources & Audit Committee and members of the management team were thanked for the work that has been completed to date. It was stated that to date, the process has been a very thorough process knowing that there are significant consequential decisions to be made.

4.1 HIS UPDATE

The following updates were provided on implementing a new HIS system:

- The key drivers for a modernized HIS system include: quality of care, patient safety and operational effectiveness (including recruitment and retention of health human resources)
- A cost analysis was completed in 2020;
- The target timeline provided included a procurement stream;
- It is anticipated that three bids will be received;
- After consultation and review, the RFP process is the recommended process to be undertaken which takes approximately 12 months to complete from initial release to final contract;
- It is also recommended that the RFP allow bidders to include a nearby hospital partner in their bid to evaluate the option of sharing their HIS platform.

Q: *What is the pathway of Osler's OHT partners?*

A: It has been proposed that OHT members be named as potential parties in the agreement; with the option of adopting the solution over time.

Q: *Are there any other hospital in the province that are in the same position as Osler?*

A: No; Osler is the last hospital to seek a new HIS system.

Q: *Are there any lessons learned from others who have experienced this process?*

A: Vendors are becoming very skilled at leveraging the work already completed.

Q: *How will the province/city react to Osler issuing debt for an HIS system? What is the impact on donors?*

A: It was suggested that this item be brought back for further dialogue.

Q: *Will the process to develop an RFP really take 12 months to complete? Can this process be expedited?*

A: It is important to take the time to engage the various stakeholders across the organization to ensure that when the final decision is made people feel like they own it. It is anticipated that a preferred proponent will be identified by July.

To assure the Board that there was no conflict of interest, Pardeep Singh Gill stated that although he is a Partner with KPMG he was and has not been involved with nor influenced the work on this file conducted by KPMG.

MOVED, seconded

That the Board of Directors authorize management to proceed with the issuance of a Request for Proposal for the procurement of a new Hospital Information System for William Osler Health System – CARRIED

MOVED, seconded

That the Board of Directors approve debt financing as the financing strategy for the Hospital Information System project, as presented, subject to review of the terms and conditions of the debt once finalized and approved by the Resources and Audit Committee and Board of Directors - CARRIED

MOVED, seconded

That the Board of Directors approve the implementation plan to get shelf ready for launch of the debt financing strategy for the Hospital Information System project, as presented – CARRIED

6.0 NEW BUSINESS

6.1 REPORT OF THE PRESIDENT & CHIEF EXECUTIVE OFFICER

A written report was provided for information. The following highlights were provided.

- The CEO acknowledged the current extreme gridlock situation and increased volumes being felt across Osler and the province. The organization has proactive plans and strategies in place to help mitigate and manage the coming season. Bill 7 will assist with the movement of patients. The number of isolation beds have been returned back into the system.
- The results of the recent municipal election were briefly discussed. There are four new faces at the Council table. The teams will be working to brief and build relationships with the new parties, as well as deepen ongoing

relationships with incumbents as Osler continues its efforts to advance hospital and revisit the local share discussions once again.

6.2 REPORT OF THE INTERIM CHIEF OF STAFF

A written report was provided for information. The following highlights were provided.

- The Chief of Staff thanked the Board and members of the Executive Team for moving the HIS initiative forward stating that this new system will be essential to the services provided for patients.
- An update regarding the activities of the Central West OHT was provided. A number of initiatives were highlighted:
 - Online Appointment Booking; the numbers continue to increase and has provided a modernized platform and greater accessibility to patients
 - Virtual Urgent Care – the goal is to continue growing this service
 - 24/7 Patient Navigation – it was noted that the Government is trying to create its own navigation system
 - SCOPE program – continues to be a success
 - Priority population – efforts underway to get primary care in the home.
- COVID Cold and Flu Clinics are being developed; working with primary care providers
- It was noted that the Ministry has deferred some of its work to Ontario Health who will be responsible for making programmatic decisions. It is anticipated that Ontario Health will play a greater role going forward.

Q: *Regarding the update on COVID, does Osler have an internal policy regarding booster shots?*

A: Although there is no obligatory vaccination policy beyond the two initial vaccines for COVID, all staff, physicians and volunteers are encouraged to get their booster shots.

Q: *What is happening with the LHINs?*

A: The LHINs have essentially been disbanded with the exception of Home & Community Care services. Ontario Health has assumed a lot of the work previously provided by the LHINs.

7.0 IN-CAMERA SESSION

An overview of the new executive team structure was provided. The changes are expected to begin to occur in November into early spring 2023. The Board was reminded that the CEO is responsible for establishing their own management structure, however, the Board is responsible for setting and approving the compensation framework.

After review the compensation framework, it was agreed that the Board would revisit the salary levels in the future to ensure appropriateness.

MOVED, Seconded

That the Board of Directors approve the changes to the Executive Compensation envelope as presented – CARRIED.

8.0 ADJOURNMENT

MOVED, Seconded

That the meeting be adjourned – CARRIED