

BOARD MEETING

Minutes of the meeting of the Board (the “**Board**”) of Alberta Health Services (“**AHS**”) held at the Rockyview General Hospital, Room 10331, 10th Floor, 7007 – 14 Street SW, Calgary, Alberta, on January 31, 2013.

Present:

Board Members: Mr. Stephen Lockwood (Chair)
Ms. Catherine Roozen (Vice Chair)
Ms. Teri Lynn Bougie
Dr. Ruth Collins-Nakai
Dr. Kamallesh Gangopadhyay
Mr. Don Johnson
Mr. John Lehnert
Mr. Don Sieben
Dr. Eldon Smith
Mr. Gord Winkel

Management: Dr. Chris Eagle, President & Chief Executive Officer
Ms. Patti Grier, Chief of Staff & Corporate Secretary

Mr. Lockwood acted as Chair of the meeting and Ms. Grier acted as Corporate Secretary.

Mr. Lockwood called the meeting to order at approximately 11:48 a.m. Notice of the meeting had been properly given and quorum was met.

1. Comments to the Board

a. Comments from the Chair

The following is an abstract of Mr. Stephen Lockwood’s, Board Chair, remarks at the meeting. It is not an official transcript:

I would like to welcome everyone in person at the Rockyview General Hospital, and those joining us through Telehealth, to today’s AHS public Board meeting.

I would like to recognize the Calgary Zone leadership team of Dr. François Bélanger, Senior Vice President and Zone Medical Director, and Brenda Huband, Senior Vice President, Calgary Zone, and thank them and the staff, physicians and volunteers who have welcomed us this week here at the Rockyview.

We had a great evening last night. The Board, in partnership with the Prairie Mountain Health Advisory Council, celebrated some of the great work achieved by our eleven Foundation partners in the Calgary Zone, with a new Foundation having recently formed in Airdrie. I would really like to thank the Foundations for the great work that they do.

Today I would like to talk about fiscal reality, fiscal responsibility and fine-tuning our health system.

In recent weeks I have talked about the importance of getting better value for money in our health system. It is important to be frank with Albertans about the actions we are taking to get value from every dollar they invest in health care, and what we are doing to reinvest those dollars to improve their health care experience.

As I have said, the big picture is clear. Alberta is near the top in terms of health spending per person in Canada, but not in terms of the impact of that investment on improved health care. We are actively working to change that. We have got to get better value for the money we have to work with.

We have made some progress on improved patient satisfaction. According to the most recent report released earlier this week by the Health Quality Council of Alberta, overall, 64 percent of Albertans indicate they are satisfied with the health care services they have received, compared to 62 percent in the previous HQCA patient satisfaction survey from 2010. However, 64 percent is not acceptable and we do have to work harder in that regard.

The survey also shows more Albertans believe that access has improved since 2010 for a number of health care services, including family doctors, specialists, diagnostic imaging, MRIs and walk-in clinics. We have also made some progress on engaging our frontline staff and on our performance measures.

We have, according to the Canadian Institute for Health Information, the leanest administration of any health organization in Canada. Largely I would argue, as a result of amalgamation.

The cost of administration within Alberta, as a percentage of total expenses, was 3.3 percent in 2010/2011. Again, this is the lowest in Canada, but we can and we must do better. The Canadian Institute for Health Information reports that Alberta, for example, spends \$4,606 per Albertan each year on health care. That is among the highest rates in Canada, and compares to \$3,500 in Quebec and \$3700 in British Columbia.

We must face that gap squarely.

At the same time, I have also said that I will not be surprised if we do not receive the planned 4.5 percent increase in provincial funding for our next fiscal period which starts on April 1st of this year. If that is the case, I have seen this organization, and the people who provide care every day, do outstanding work on all of the fronts I just mentioned, and I am confident that we will rise to that challenge as well.

Amalgamation and, more recently, our move to increased local decision making at the hospital and site levels really puts us in a better position than we have ever been to improve access, the economic realities that we have to meet, and our fiscal responsibilities.

Here is how we are going to do that. First of all, our responsibility is to patients, and every decision must start with what is best for them. That includes spending well and wisely, because every dollar we save on efficiency and reducing bureaucracy is a dollar we can invest elsewhere on improving access and patient satisfaction.

This mindset does not start with the number of dollars we have. It really starts with how we spend those dollars, always keeping the patients and their families at the forefront. That is my belief and why local decision making is a means to an end.

In the next few weeks and months we will talk more about how we are going to move our organization forward with local decision making and move towards a long term goal of having a best in class health organization.

The principles are quite simple: We are simplifying the health care system by looking at health care delivery through the eyes of patients and families. We are reducing bureaucracy and making the system more efficient. We are engaging staff and physicians in that effort and we are reinvesting in the highest priorities.

Although we are several months away from finalizing next year's budget, I can tell you that we are building on those principles and that I have every reason to believe we will succeed.

Today we will hear comments from AHS' President and CEO, Dr. Chris Eagle, and from the Quality & Safety Committee Chair, Gord Winkel. We will then hear reports from the following AHS Board committees:

- Quality and Safety;
- Governance;
- Audit and Finance;
- Health Advisory; and
- Human Resources.

b. Comments from the President & Chief Executive Officer

The following is an abstract of Dr. Chris Eagle's, President and Chief Executive Officer, remarks at the meeting. It is not an official transcript:

Mr. Lockwood referenced organizational culture a moment ago and this morning I would like to expand on that a bit.

It is certainly important that we are good stewards of the health system. We want Albertans to know that AHS is committed to system improvements that are always focused on providing quality patient care and equal access to services for everyone.

Our reputation will be a reflection of our organizational culture.

Recently, the judicial inquiry into inappropriate preferential access has heard some unsettling evidence. I want to assure Albertans that steps to address these concerns were taken the first time AHS became aware of them.

Our information at the time was that the practices in question had stopped, however the review conducted at that time did not reveal the full scope of the issues raised. AHS is now working to ensure that processes are in place to provide appropriate access to services.

Decisions on access to services must be based on patients' clinical circumstances and needs.

Our responsibility is to ensure quality, safety and public confidence and we will follow through on that. We will be unequivocally committed to equal access as part of our culture.

Providing a sustainable provincial health care system that is available and accessible to everyone, no matter who or where they are, is a priority for AHS and I am confident that we are up to the challenge.

We are here to take care of people and we do it well.

For that, as always, I thank all of the men and women of AHS for your continued creativity and dedication to care.

2. Review of Agenda

UPON MOTION duly moved, seconded and unanimously carried, the Board approved the agenda for the meeting of the Board held on January 31, 2013, which was provided to the Board in advance of the meeting.

3. Conflict of Interest

Mr. Lockwood requested that any conflicts of interest, other than those previously declared, relevant to the meeting or items noted on the agenda be declared. None were declared.

4. Approval of Minutes

UPON MOTION duly moved, seconded and unanimously carried, the Board approved the minutes of the meeting of the Board dated December 13, 2012, in substantially the form before them, and the Chair of the Board and the Corporate Secretary were authorized and directed to sign the minutes in the form so approved and the Corporate Secretary was directed to file them in the corporate records of AHS and deliver a copy to the Minister of Health.

5. Comments from the Quality and Safety Committee Chair (Q & S moment)

The following is an abstract of Mr. Gord Winkel's, Chair of the Quality and Safety Committee, remarks at the meeting. It is not an official transcript:

Welcome everyone. Quality and safety are the underpinnings of what we do as an organization. In the spirit of understanding that organizations are designed to get the results they get, quality and safety really depends on a lot of things coming together at many different points in the organization.

AHS has recently maintained its accreditation status. What a golden opportunity to have people come in and take a snap shot of our organization on many different fronts in order to identify opportunities and to recognize some of the great things that are happening in the organization. All of these accomplishments are underpinnings that support a unified quality and safety effort. I would like to take you briefly on that journey here today.

In that regard, let us start with some opportunities. We do not have problems, we have opportunities. Our glass is half full and we are going to keep on filling it. In terms of opportunities moving forward, we have a

lot of successes in this organization. Let us think about how we can perhaps keep sharing those successes and let us keep reinforcing that vision that we have for the future. These are things that drive motivation and commitment which are already at strong levels as we will see shortly.

Further, we need to keep continuing to share how this good work connects to overall objectives for the organization. We have so many people that are contributing in very important ways and are connecting their results to the big picture achievements of AHS. We have done great work to establish some of these best efforts and practices and if we can focus on implementing these practices and learning from each other, it would be to our great benefit.

Continuing on with our opportunities, there is also learning to be done on at least a couple of fronts. The first is that where we have early adoption of improved programs, there is a real opportunity to spread that learning. I know that here at this facility, as we do a lot of good work to look at self managed teams and share some of those experiences internally, the rest of the organization also looks at us and will benefit from those experiences. We have reporting systems now that in fact inform our strategies about where our system does not come together right and how we can expand from there to make it better.

Lastly, there is continued good work on three fronts: unified information systems, leadership development, and measuring outcomes. These are all going to be very important to our future and as you can imagine, will be directly supportive of not only quality and safety, but also of good local decision making.

Let us shift gears and talk about recognizing achievement. Again, remember that accreditation is an external team looking in on AHS and giving us a critical examination. They have come forward and said, as they have said before, that our strength is in our thousands of highly skilled and compassionate staff that we have across this organization and that there are impressive levels of enthusiasm and engagement by many of our staff. We have heard of excellent examples of teamwork and we are also seeing the benefit of our integration efforts where we can leverage that kind of integration towards returning some of the pathways and sharing expertise that I spoke of earlier.

We are seeing a growing sense of stability and optimism across the organization. Another really important point, and this one really comes home to all of us here, is that yes, quality and safety does enjoy strong demonstrated commitment. I know I speak for the Board in terms of our appreciation for this commitment and further, the focus on client centered care and the focus on improving that care.

Lastly, in terms of commitment to safety, health, and well-being, we are seeing impressive focus and support for the safety and well-being of all of our staff. This is so critical if we are going to move forward. Again, we have had good feedback that this is alive and well but we also know on the opportunities side that we have a long way to go. Our encouragement is, let's see if we can address safety in our workplace here and make it better.

We also see that from the AHS Board, to leaders, to staff, there is in fact a unified commitment to serve the people of Alberta and improve this health system. Our accreditation staff was in fact very impressed by the progress that has been made in even the last two years. This progress is supported by a very vibrant volunteer workforce and again a commitment and investment in such things as learning and professional development. That's a good story.

A way to end this very good story is for our Board to also recognize AHS staff and say thank you. Thank you to the men and women of AHS: men and women who are working together to deliver high value healthcare every day.

6. Governance Committee

a. Report to the Board

Ms. Teri Lynn Bougie, Chair of the Governance Committee, advised that the Governance Committee met on January 9, 2013 and offered a brief summary of the meeting.

She advised that the Governance Committee had a very helpful discussion around a number of items, including AHS' ongoing development of its strong relationship with STARS and the conflict of interest declarations that were made on behalf of the different members of the AHS Board. The committee ensured that appropriate management plans are in place to deal with any conflicts. The Governance Committee also reviewed the current draft of the Board Skills and Competencies Matrix to identify what types of skills the members possess and where AHS might like to fill the gaps that exist.

Ms. Bougie advised that there are three items for Board approval and provided a brief summary of each item before making the motions.

b. [GOV13-01] Revisions to the Delegation of Authority and Establishment of Controls for Commitments Policy

The first item for approval was a revision to the AHS Delegation of Authority and Establishment of Controls for Commitments Policy. This policy allows for the delegation and establishment of appropriate limits on commitments to be approved and executed by the Chief Executive Officer on behalf of AHS. It was recommended that the provision of the policy giving the Chief Executive Officer the authority to approve and execute matters that have already been approved by the Board within the business plans and budgets, but that exceed the CEO's approved limits, be deleted from the policy so as to provide clarity to management.

Ms. Bougie advised that a sentence in the policy was being interpreted in a number of different ways and that the Committee felt that the easiest way to deal with this ambiguity was to simply remove the sentence from the policy.

UPON MOTION duly moved, seconded and unanimously carried, the Board of Alberta Health Services ("AHS") approved the amended AHS Delegation of Authority and Establishment of Controls for Commitments policy, in the form reviewed by the Committee of the Whole, with such non-substantive changes that management of AHS considers necessary or advisable.

c. [GOV13-10] Code of Conduct Review (3 Year Review)

The second item for approval was the comprehensive three-year review and resulting amendments to the AHS Code of Conduct. Ms. Bougie advised that when AHS became a legal entity, one of the first priorities was to develop and adopt a Code of Conduct to outline the values, principles and standards of conduct that guide and shape AHS' actions, choices and decisions every day. The Code reflects AHS' values and ensures

AHS is working in the best interests of its patients and clients and is reviewed regularly to ensure AHS is responding appropriately to issues and trends that may impact its patients, staff, clients and community partners.

Ms. Bougie advised that this particular review was of Appendix A to the Code of Conduct to ensure that it is pointing people to the most appropriate place within the organization to find resources.

UPON MOTION duly moved, seconded and unanimously carried, the Board of Alberta Health Services (“AHS”) approved the amended Appendix A to the AHS Code of Conduct, in the form reviewed by the Committee of the Whole, with such non-substantive changes that management of AHS considers necessary or advisable.

d. [GOV13-12] AHS Conflict of Interest Bylaw

The final item for approval was a comprehensive three-year review of AHS’ Conflict of Interest Bylaw. Ms. Bougie advised that the bylaw was adopted in 2009, after AHS became a legal entity and that review and feedback on the bylaw is provided on an ongoing basis. Opportunities for clarification and alignment have been recommended by the Governance Committee, the majority of which were housekeeping items. The names of the Minister of Health and the Chair of the AHS Board were updated and further, the bylaw had used language that referred to historical documents that have since been revised to better align with the overall picture of the organization.

UPON MOTION duly moved, seconded and unanimously carried, the Board of Alberta Health Services (“AHS”):

- (a) approved the amended AHS Conflict of Interest Bylaw (the “COI Bylaw”), in the form reviewed by the Committee of the Whole, with such non-substantive changes that management of AHS considers necessary or advisable, subject to approval of such bylaw by the Minister of Health; and**
- (b) authorized and directed management of AHS to request that the Minister of Health approve the COI Bylaw.**

7. Quality and Safety Committee

a. Report to the Board

Mr. Gord Winkel, Chair of the Quality and Safety Committee, advised that the Quality and Safety Committee met on January 16, 2013 and provided a summary of the items discussed.

Mr. Winkel advised that the Quality and Safety Committee discussed workplace health and safety and examined AHS’ reporting systems and case management systems. He advised that the Quality and Safety Committee was very encouraged by AHS’ President and Chief Executive Officer, Dr. Chris Eagle, who is now working with his executive team to identify how they can champion their efforts in each of their particular areas to advance the workplace safety agenda for all of AHS’ staff. Mr. Winkel thanked Dr. Eagle for his leadership in this regard.

Mr. Winkel advised that the Quality and Safety Committee heard an actual patient story that reinforced what AHS needs to keep doing right and where opportunities exist. He advised that hearing a personal account first hand is a powerful incentive and an emotional moment that spurs AHS forward as it looks to improve its systems. He further advised that the Quality and Safety Committee reviewed patient safety and feedback reports and were encouraged by increasing reporting levels. Committee members were also encouraged by the fact that people within the organization are taking the time to commend good performance. Mr. Winkel spoke briefly to accreditation and advised that AHS had its accreditation status maintained as a result of the great work being done on many fronts throughout the organization.

Mr. Winkel advised that the Quality and Safety Committee discussed research and its importance. He advised that research is another empowering agent for some of the good work that AHS is trying to do and that there has been first class leadership and work in this area.

Mr. Winkel advised that the Quality and Safety Committee also discussed infection prevention and control and the work being done within this portfolio.

8. Audit and Finance Committee

Report to the Board

Mr. Don Sieben, Chair of the Audit and Finance Committee, advised that the Audit and Finance Committee met on January 7 and January 17, 2013 and provided an update of the items discussed.

Mr. Sieben advised that on January 7, 2013, the Audit and Finance Committee received the Auditor General's report on AHS controls over claims, procurement cards and other travel expenses and that the Office of the Auditor General had made one recommendation, which AHS has agreed with. Mr. Sieben advised that the Auditor General stressed that AHS use the overarching principle of being cost effective when trying to achieve cost effectiveness.

Mr. Sieben advised that on January 17, 2013, the Audit and Finance Committee received an update on the 2013/2014 budget and advised that it is a work in progress. Funding should be finalized once the Alberta Government releases its provincial budget and Mr. Sieben stressed that AHS will continue to work on a number of scenarios that provide AHS with a budget that will meet the needs of Albertans.

Mr. Sieben advised that the Audit and Finance Committee discussed an Information Technology ("IT") issue related to the July 2012 fire at the Shaw Court facility which caused significant service outage to the AHS IT data center. The Audit and Finance Committee was informed of a four-step process that was developed in response to the service outage and it was accepted by the committee. Mr. Sieben advised that real time data mirroring is now taking place to ensure that if something should happen again in the future, AHS systems will remain operational. All AHS applications will have been transferred from the Shaw Court facility to the new Bell Maynard Data Center by the end of 2014.

Mr. Sieben spoke to receiving the Second Quarter Enterprise Risk Management ("ERM") report which identified three objectives: 1. Assess any significant changes in the risk levels for all of AHS' risks; 2. Update key performance measures; and 3. Review and update the key controls and their mitigation strategies that have significantly changed since the last quarterly review. Several organizational risks were highlighted as

part of this report, including Quality and Safety Risks such as medication management, hospital acquired infections, patients flow and adverse events. The adverse events risk was discussed at the Committee of the Whole meeting on January 30, 2013. Mr. Sieben advised that other highlighted organizational risks included financial sustainability, health and safety infrastructure, and IT and information systems. He stated that there were currently no significant changes in those risk levels.

Mr. Sieben stressed that the Audit and Finance Committee receives ERM reports on a quarterly basis and that it is very important for AHS to look at the risks themselves as well as the mitigation strategies associated with these risks. He stated that ERM will continue to work with the risk leads to review all actions taken with respect to the mitigation strategies.

9. Health Advisory Committee

a. Report to the Board

Mr. John Lehnert, Chair of the Health Advisory Committee, provided an update of the Health Advisory Committee.

Mr. Lehnert advised that the Health Advisory Committee has not had an opportunity to meet since the last Board meeting on December 12 & 13, 2013. He stated that the Board had the pleasure yesterday of speaking with Mr. Larry Albrecht, the Chair of the Prairie Mountain Health Advisory Council, and that Mr. Albrecht discussed several exciting things that his council is doing and the impacts it has had on EMS and seniors health issues. Mr. Lehnert advised that it is exciting to see that the Prairie Mountain Health Advisory Council, like the rest of the HACs in the province, are starting to make meaningful progress in some of the activities that they have been involved with and continue to do great work.

Mr. Lehnert spoke to an upcoming conference with the Chairs of the Health Advisory Councils and advised that they will be discussing issues that are pertinent to the councils and areas that can be improved.

10. Human Resources Committee

a. Report to the Board

Dr. Ruth Collins-Nakai, Chair of the Human Resources Committee, advised that the Human Resources Committee met on January 14, 2013 and provided an update of the items discussed.

Dr. Collins-Nakai advised that the Human Resources Committee has no recommendations to bring forward to the Board. She advised that the Human Resources Committee discussed the senior leadership compensation policy and confirmed that the mid-point of AHS salary structure will be representative of the median of the market: the 50th percentile. Dr. Collins-Nakai further advised that to ensure that AHS remains market competitive, the committee will review AHS' market positioning on a regular basis, no less than every two years. In keeping with AHS' commitment of transparency, its compensation policy for executives is made publicly available and is on the AHS website.

Dr. Collins-Nakai advised that the Human Resources Committee also discussed and streamlined workforce indicators as a number of them were duplicative. She indicated that going forward the workforce indicators will be reported on a regular basis to the committee.

Dr. Collins-Nakai spoke to the updates that were provided on various negotiations including the negotiations with the Devonshire Care Centre and with the United Nurses of Alberta. She further advised that the committee was provided with an update on the Transition Graduate Nurse Recruitment Program. This program assists new nurses in their jobs and continues to be implemented across AHS. It is an example of a successful clinical workforce initiative.

11. Adjournment of Meeting

There being no further business, the meeting was adjourned at 12:20 p.m.

Stephen Lockwood
Chair

Patti Grier
Corporate Secretary