



PUBLIC BOARD MEETING

October 29, 2009

**Red Deer Regional Hospital Centre - Boardroom
South Complex Building, 3rd Floor
3942 – 50A Avenue
Red Deer, AB**

1:15 to 2:00 p.m.

A G E N D A

CALL TO ORDER

DECLARATION OF CONFLICT OF INTEREST

APPROVAL OF AGENDA

APPROVAL OF MINUTES

- September 24, 2009

CHAIR'S REMARKS

PRESIDENT AND CHIEF EXECUTIVE OFFICER'S REMARKS

RECOMMENDATION(S) FROM STANDING COMMITTEE(S)

Quality and Safety Committee, October 14, 2009

- Verbal Update

QS09-21 Terms of Reference – Quality and Safety Committee

Audit and Finance Committee, October 15, 2009

- Verbal Update

AF09-104 Towards an Alberta Health Services ('AHS') Environmental Sustainability Strategy

Special Meeting of Human Resources Committee, October 20, 2009

- **Verbal Update**

HR09-37 AHS Pay at Risk Program

HR09-38 Public Sector Compensation

Special Meeting of Health Advisory Committee, October 21, 2009

- **Verbal Update**

HAC09-25 Health Advisory Council Membership Recommendations for Health Advisory Councils 7, 9 and 10

HAC09-26 Amendment to Health Advisory Council Bylaws and Charter

Special Meeting of Governance Committee, October 26, 2009

- **Verbal Report**

OTHER BUSINESS

AHSB09-07 Amendment to President and Chief Executive Officer's Delegation of Authority / Covenant Health

AHSB09-08 AHS Strategic Directions for Research

NEXT BOARD MEETING

- December 3, 2009
Edmonton, Alberta

ADJOURNMENT



QUALITY AND SAFETY COMMITTEE

RECOMMENDATION TO THE BOARD

Meeting Date: October 29, 2009

Agenda Item: QS09-21 Review of Terms of Reference

Issue:

A periodic review of the Terms of Reference ("TOR") for the Quality and Safety Committee identified the need for revision.

Recommendation:

That the Alberta Health Services Board approve Report QS09-21, Review of Terms of Reference, and approve and adopt the amended TOR for the Quality and Safety Committee and the updated Definitions document.

Background:

In the early formation of Alberta Health Services ("AHS"), TORs were created and adopted for the Board, Chair, Board Member, Board Committees, and the Chief Executive Officer. At the time of adoption, these documents met the initial needs and requirements; however, as AHS has evolved and established and refined its structures and processes, it is important to review founding documents such as the TOR to ensure relevance and alignment with the vision, mission, and goals, and to facilitate current operations and future plans.

Current Situation:

The TOR requires revision to formalize roles and responsibilities and address changes in the organization that were made subsequent to the approval of the initial TOR.

The TOR was sent to the Quality and Safety Committee for review and comment. The TOR was also reviewed by the Governance Committee. All changes made to the previous Board-approved version, including those made by the Governance Committee, are reflected in the attached blackline. The following specific change was made at the Governance Committee meeting on September 17, 2009:

- The last sentence in Section B (Delegation) was deleted.

The Definitions document has been updated to reflect the transition from the various regional health authorities to AHS and has been reviewed (in conjunction with the TORs) at the various Board committees. The document has been updated to remove references to the former health regions, has updated references to relevant legislation, has changed the definition of AHSB to the Board, and has aligned the definition of Senior Executive in the Conflict of Interest Bylaw.



**AUDIT & FINANCE COMMITTEE
RECOMMENDATION TO THE BOARD**

Meeting Date: October 29, 2009

**Agenda Item: AF09-104 Towards an Alberta Health Services (AHS)
Environmental Sustainability Strategy**

Issue:

Requesting the Audit & Finance Committee's review and approval of the proposed Alberta Health Services' (AHS) "Towards an Alberta Health Services (AHS) Environmental Sustainability Strategy".

Recommendation:

That the Alberta Health Services Board approve the proposed "Towards an Alberta Health Services (AHS) Environmental Sustainability Strategy" and direct CEO or designate to develop key performance baseline metrics and 3-year improvement targets.

Background:

It is becoming widely recognized that there is a direct link between the health of our natural environment and the health of our communities. Environmental contaminants, including air and water contaminants, as well as natural resource degradation, have been linked to compromised health status, including certain cancers, birth defects, respiratory and cardiovascular illness, gastrointestinal ailments and even death. These conditions result in an increased demand for health care services. AHS is committed to improving population health, and taking care of the environment will play a large role in achieving this objective.

The AHS mission is to provide a patient-focused, quality health system that is accessible and sustainable for all Albertans. To become a more sustainable organization, we must be diligent in our use of today's resources such that we don't compromise our ability to use those same resources in the future. The healthcare industry as a whole has been identified as a significant contributor to greenhouse gas emissions with a high ecological footprint given its constant energy and water needs, and its continuous waste output. We can improve our environmental sustainability by taking an active role in mitigating, reducing or eliminating the damaging effects that health care activities may have on the environment.

At this stage in the process, no financial commitment (outside of the normal budgetary allocation by function centre) is being requested in relation to the proposed Environmental Sustainability Strategy.

Current Situation:

The former health regions that were amalgamated to create AHS have had many successes in improving their environmental sustainability. AHS is now developing an internal focus to support the 'greening' of ongoing operations and existing infrastructure throughout the organization.

The proposed Environmental Sustainability Strategy will apply to all portfolios and functional centers within AHS, including both clinical and support areas, and will be supported by Corporate Policy. AHS will act within its sphere of influence to encourage environmental sustainability from internal stakeholders, as well as suppliers, vendors, contractors and other third parties involved in AHS operations.

The proposed Environmental Sustainability Strategy was created based on a review of the environmental strategies currently in place at leading-edge healthcare organizations throughout Canada and the United States. Education institutions such as the University of Calgary's Office of Sustainability, and North American Healthcare Associations such as Practice Greenhealth and the Canadian Coalition for Green Health Care, were also leveraged as key resources for the drafting of the AHS Environmental Sustainability Strategy.

The AHS Environmental Coalition will return to the Board in 12 months time with an environmental footprint baseline and 3-year improvement targets.



SPECIAL HUMAN RESOURCES COMMITTEE

RECOMMENDATION TO THE BOARD

Meeting Date: October 29, 2009

Agenda Item: HR09-37 AHS Pay at Risk Program

Issue:

Provide a brief description of the Executive Pay at Risk program including, pay at risk percentages, plan design and implementation process.

Recommendation:

That the Alberta Health Services Board approves the structure and annual targets for pay at risk for Senior Executive, consistent with previously approved contracts and budget.

Key Messages:

Alberta Health Services (AHS) Total Compensation Program includes five elements including: base salary, pay at risk, group benefits and pension.

The Pay at Risk program is an annual incentive plan designed to reward the accomplishment of specific results in a manner consistent with AHS' Mission, Goals, Strategic Priorities and Values. Allocations under the Pay at Risk program are based on the achievement of results typically identified at the beginning of the fiscal year. The 2009/2010 process is being completed in September/October 2009, due to the timing in approving the AHS Strategic Plan.

The objectives of the AHS Pay at Risk program are to:

- Align focus on high priority AHS initiatives;
- Support AHS' performance orientation and desired culture; and
- Provide an incentive to achieve desired results.

Background:

In May 2009, in accordance with the Terms of Reference of the Human Resources Committee, the AHS Board approved the Pay at Risk percentages for each Executive Level as follows:

Executive Level	Pay at Risk
President/Chief Executive Officer (CEO)	25%
Executive Vice President	25%
Senior Vice President	20%
Vice President	20%

The Pay at Risk percentage is expressed as a percentage of base salary and represents the maximum earning potential.

Current Situation:

Eligibility

The Pay at Risk Program is eligible for positions at the Vice President level and above.

Plan Components/Weightings

For 2009/2010, three components have been established to measure the performance of Vice Presidents, Senior Vice Presidents, and Executive Vice Presidents' performance. They are:

- The successful achievement of the CEO's Performance Agreement (40% of target);
- Achievement as defined by the individual's Performance Agreement (30% of target); and
- Demonstration of the AHS values of respect, accountability, transparency and engagement (30% of target).

The annual Performance Agreements will be reviewed, approved and formally signed off between direct reports and the applicable Executive. As per the Terms of Reference for the HR Committee of the Board, the Performance Agreements of the CEO's direct reports (senior executives) need to be approved by the HR Committee. Attached are the Performance Agreements for each direct report and a copy of the CEO's approved Performance Agreement for reference.

Pay at Risk Distribution

The sum of the ratings from each of the three components will determine the annual payment for each individual.

Review Process

At the conclusion of the fiscal year, each participant in the Pay at Risk Program will provide evidence to support the level of achievement in each performance measure. The CEO's Performance Agreement will be completed first, as the results achieved are reflected in other Performance Agreements. The Performance Agreements of the CEO and senior executives, combined with the values component, will then be rated. These documents will be provided to the HR Committee for review. Subsequently, the remainder of the VP performance reviews will be completed by each Executive lead for their direct reports.

All performance reviews will be sent to Human Resources, Compensation for collating and then for review at Executive Committee for validation. After Executive Committee review and approval, performance reviews will be completed and recommended payments submitted to the CEO for final approval.



SPECIAL HUMAN RESOURCES COMMITTEE

RECOMMENDATION TO THE BOARD

Meeting Date: October 29, 2009

Agenda Item: HR09-38 Public Sector Compensation

Issue:

Public sector wage freeze announced by Premier of Alberta.

Recommendation:

That the Alberta Health Services Board endorses management initiating action within Alberta Health Services consistent with the Premier's stated goals with respect to public sector compensation.

Background:

On October 14, 2009, the Premier of Alberta announced a two year wage freeze for all management staff in the public sector as part of the Government's plan to eliminate annual provincial deficits. The Premier also challenged public sector unions to assist the Province by considering voluntary wage freezes for two years.

Current Situation:

Although not directly implicated in the provincial announcement, Alberta Health Services (AHS), as Alberta's largest public sector employer, should consider its support of the Government's initiative to freeze management and exempt salaries in an effort to manage cost increases for the 2010/2011 and 2011/2012 fiscal years. AHS would cease changes to pay grid based on cost of living increases, however AHS would continue to provide merit based increases based on above target and exceptional performance.

Moreover, AHS should take a leadership role in engaging our union groups and seek a voluntary wage freeze as a means of avoiding more compulsory layoffs than would otherwise be required.



SPECIAL HEALTH ADVISORY COMMITTEE

RECOMMENDATION TO THE BOARD

Meeting Date: October 29, 2009

**Agenda Item: HAC09-25 Health Advisory Council Membership
Recommendations for Health Advisory Councils 7, 9
and 10**

Issue: To provide membership recommendations for Health Advisory Council 7 (Edmonton and area), Health Advisory Council 9 (Red Deer and area) and Health Advisory Council 10 (Calgary and area) to the Health Advisory Committee for consideration and recommendation to the Alberta Health Services Board.

Recommendation:

That the Alberta Health Services Board approve Report HAC09-25, Health Advisory Council Membership Recommendations for Health Advisory Councils 7, 9 and 10, as per the attached list.

Background:

The Alberta Health Services Board approved the establishment bylaw for Health Advisory Councils in June, 2009. A province-wide recruitment drive was hosted through the Alberta Health Services Community Engagement department from July – August, with rural areas of the province granted an extension to submit applications of interest beyond the initial August 14 deadline. All deadlines for submission closed on September 18, 2009.

Health Advisory Council 7 (Edmonton and area), Health Advisory Council 9 (Red Deer and area) and Health Advisory Council 10 (Calgary and area) received a substantive number of applications, thus no extension to apply was granted. Recruitment to councils 7, 9 and 10 closed on August 14, 2009 and the selection process sought to recommend between 10 and 15 members per council.

All applicants were interviewed in person or by phone by members of the Community Engagement team, members of the Human Resources department and members of operational areas who will be involved in Health Advisory Council operations in the future.

Current Situation:

HAC #	# Applications Received	Interviews (in person)
7	100	Edmonton, September 2 – 4, 2009
9	53	Red Deer, September 10, 2009
10	85	Calgary, August 25 – 26, 2009

Council members were sought who could represent the diversity of a geographic area and who possess a broad spectrum of health care knowledge and related matters and who generally were well connected to the opinions and perspectives of their local communities. A list of recommended applicants for each of the three councils is attached for consideration.



SPECIAL HEALTH ADVISORY COMMITTEE

RECOMMENDATION TO THE BOARD

Meeting Date: **October 29, 2009**

Agenda Item: **HAC09-26 Amendment to Health Advisory Council Bylaws and Charter**

Issue: The geographic area defined for the most north western part of the province, identified in the Health Advisory Council Bylaw as "Health Advisory Council 1" (approved by the Alberta Health Services Board in June, 2009) requires boundary revision to better account for health service utilization patterns by the Tallcree First Nation. The boundary revision also affects the Health Advisory Council Charter which shares a common map.

Recommendation:

That the Alberta Health Services Board approve Report HAC09-26, to amend the Health Advisory Council Bylaws and Charter by updating the map referenced in both documents to adjust the boundary between Health Advisory Council 1 and 3.

Background:

The Tallcree First Nation requested a change in Health Advisory Council boundaries to more accurately reflect where their community members access health services and to enable the community to be represented by the council in the catchment area they reside.

The Tallcree First Nation is located in the north part of the province on four sites located approximately 400 kilometers north of Slave Lake on Highway 88. Members of the Tallcree First Nation access health services in Fort Vermilion, 80 kilometers north, as mandated by First Nation and Inuit Health. Fort Vermilion and its surrounding communities are defined within Health Advisory Council 1 in the Health Advisory Council Bylaws. The Tallcree First Nation settlements and catchment area are geographically represented by Health Advisory Council 3, located directly to the south of Health Advisory Council 1. It is appropriate to change the current boundary so the Tallcree First Nation becomes part of Health Advisory Council 1.



RECOMMENDATION TO THE BOARD

Meeting Date: October 29, 2009

Agenda Item: AHSB09-07 Amendment to President and Chief Executive Officer's Delegation of Authority / Covenant Health

Issue:

The current monthly acute care funding to Covenant Health exceeds the current delegation limit of the President & Chief Executive Officer of \$30 million. For example, in the immediate future the following payment are scheduled:

November 2009 - 2 payments required: \$37.9 million monthly funding
\$29.1 million one time retroactive funding

December 2009 to March 2010 – Monthly payment of \$36.9 million

Recommendation:

That with respect to Report AHSB09-07, the Alberta Health Services Board to amend the President and Chief Executive Officer's delegation of authority to provide for payments to Covenant Health provided the payments are in accordance with the Covenant Health Funding Letter and Payment Schedule.

Background:

Covenant Health is a major contracted service provider with Alberta Health Services. It provides acute care services for 11 sites across the province. 2009/10 total contract value for these acute care services is \$450,870,709. An average monthly payment of \$37 million is required to be made on the 1st day of each month. In November, an additional retroactive payment of \$29 million is required for the approved retroactive increase effective April 1, 2009.

Current Situation:

The monthly funding payment and the retroactive funding payment exceed the President & Chief Executive Officer's current delegation limit of \$30 million as per the Delegation of Authority for Financial Commitments.

Financial and Human Resource Impact:

The acute care funding to Covenant Health includes:

- 11 acute care sites across the province, the largest ones include Misericordia and Grey Nuns.
- 815 inpatient acute beds
- 7000 employees



RECOMMENDATION TO THE BOARD

Meeting Date: October 15, 2009

Agenda Item: AHSB09-08 AHS Strategic Directions for Research

Issue: Approval of the *AHS Strategic Directions for Research* framework. The draft document has been revised to reflect relevant feedback from external and internal stakeholders.

Recommendation:

That the Alberta Health Services Board approve Report AHSB09-08, the *AHS Strategic Directions for Research* document.

Background:

The draft *Strategic Directions for Research* document is an initial step in the "research commitment" strategy identified in the *AHS Strategic Direction 2009-2012* document as critical to making AHS "fit for the future". Informed in part by the Tyrrell/Palmer Research Report, this draft document is a one-page summary that outlines the current research landscape in AHS, key objectives, the actions required to achieve these objectives, and the need to develop a clear management and reporting strategy for research.

Letters from the Office of the President and CEO were sent to various academic and government partners outlining AHS' research commitment and welcoming feedback around:

1. the draft Strategic Directions for Research,
2. the Research Report,
3. and the Senior Vice-President, Research position description.

An invitation to meet to discuss the above items was extended through these letters.

In addition, the draft *Strategic Directions for Research* was posted to the AHS website on July 23, 2009 with a deadline of September 15, 2009 for feedback, to the Office of the SVP, Research. Posted with this request for feedback was the Tyrrell/Palmer Research Report. Notice of the consultation request was circulated to contacts in the AHS research community and the universities. Dr. Duckett also highlighted the goals of the *Strategic Directions for Research* work and the consultation process in his August 11, 2009 blog.

Current Situation:

The Office of the SVP, Research received feedback into early October. The response summary is as follows:

Internal/External	Categories	No. of Responses*
AHS	Board Members	1
	Individual Staff Members	9
	AHS Groups or Departments	4
Non-AHS	Interregional Rural Research and Evaluation Network (RREN)	1
	University of Alberta	5
	University of Calgary	2
	University of Lethbridge	1
Total		23

*Captures responses that were submitted directly to the Research Office. Responses from academic and government partners that were submitted to other offices (*i.e.*, Office of the President and CEO) are not captured in this tally, but the comments were considered in the edits to the Directions Document.

Generally, the feedback demonstrated good overall support for the high-level directions outlined in the one-page framework. The revisions to the *Directions* document were relatively minor, largely because the feedback compiled was more appropriate for future work on a detailed Strategic Research Plan. Where applicable, the revisions were intended to make the "*Directions*" more inclusive of all stakeholders.

Respondents provided detailed suggestions and strategies, often department or context-specific, for the implementation of these high-level research directions. Respondents also highlighted opportunities for the provincial research agenda. Although difficult to capture in the revisions to the one-page *Directions* document, as mentioned above, many of these comments could be more appropriately addressed and reflected in a detailed Strategic Research Plan.

Various research entities and academic partners also provided feedback on the Tyrrell/Palmer report. Their comments will be important in evaluating the value of each of the 18 research recommendations for AHS as the detailed plan is developed.