

PUBLIC BOARD MEETING

February 18, 2010

**Glenrose Rehabilitation Hospital
Conference Room B
10230 – 111 Avenue
Edmonton, AB**

MINUTES

PRESENT:

Board Members Mr. Ken Hughes, Board Chair
 Ms. Catherine Roozen, Board Vice-Chair
 Mr. Jack Ady
 Ms. Lori Andreachuk
 Mr. Gord Bontje
 Ms. Teri Lynn Bougie
 Mr. Jim Clifford
 Mr. Tony Franceschini
 Ms. Linda Hohol
 Dr. Andreas Laupacis
 Mr. John Lehnert
 Ms. Irene Lewis
 Mr. Don Sieben
 Mr. Gord Winkel

Executive & Staff: Dr. Stephen Duckett, President and Chief Executive Officer
 Ms. Lynn Redford, Chief of Staff, Board Office and Vice President, Community
 Engagement

REGRETS: Mr. Strater Crowfoot

CALL TO ORDER

The meeting was called to order at 1:15 p.m.

Mr. Ken Hughes, Board Chair, welcomed the public in attendance today.

DECLARATION OF CONFLICT OF INTEREST

There were no conflicts of interest declared relevant to the agenda.

APPROVAL OF AGENDA

MOVED BY MR. JIM CLIFFORD, SECONDED BY MR. GORD WINKEL, that the agenda for the Alberta Health Services Board Public Meeting of February 18, 2010 be approved.

MOTION UNANIMOUSLY CARRIED

APPROVAL OF MINUTES

MOVED BY MR. JACK ADY, SECONDED BY MR. JOHN LEHNERS, that the minutes for the Alberta Health Services Board Public Meeting dated January 21, 2010 be approved.

MOTION UNANIMOUSLY CARRIED

CHAIR'S REMARKS

The following is an abstract of Mr. Ken Hughes', Board Chair, remarks at the meeting. It is not an official transcript:

“Good afternoon to everyone, and welcome to the Alberta Health Services Public Board Meeting.

For those of you watching today's Board meeting on Telehealth, we are in Edmonton this month, meeting at the Glenrose Rehabilitation Hospital.

For those of you who have joined us in person, I'd like to thank you for joining us. There are some question cards at the back table and we do want to be able to provide answers if you have questions.

We'll collect the question cards at the end of the meeting and ensure that those questions are answered and published on the Alberta Health Services website before our next public meeting.

A video of the meeting will also be available on the website.

We've been holding meetings with the Board and Executive over the past two days in Edmonton.

We also had the chance to tour the Glenrose, learn about the great programs here, and meet some of the staff. There is an incredible range of innovative programs and services here, providing supports to people of all ages – from infants to the elderly. It is a real pillar in health care delivery services in western Canada and the largest freestanding rehabilitation facility in the country. It has an international reputation for excellence in neuro, cardiac, geriatric, and pediatric rehabilitation, as well as pediatric and geriatric psychiatry. Specialized technology services such as the I CAN Centre and the Syncrude Gait and Balance Centre – both of which we visited – ensure that the Glenrose continues to be regarded as one of the leading rehabilitation centres in North America. It is also the academic centre for several University of Alberta medical education programs and plays a strong role in the development and advancement of leading edge research and training opportunities in rehabilitation. The Alberta Health Services' partnerships with academic institutions play a critical role in achieving our strategic goals around workforce development, quality improvement and research. This is a fantastic facility doing great work

that is changing lives every day. The width of scope and the depth of services and the deep commitment to technology innovation is quite evident and quite impressive.

Much has changed since our meetings last month in Calgary. We have reached a turning point in the history of health care in Alberta. A watershed moment. We are positioned to move quickly from strategy to action on access and quality – to reduce wait times and implement the innovations that will truly establish Alberta as the national leader in health care. The provincial budget released last week provides Alberta Health Services with a new, stable, sustainable foundation. We now have a five-year funding envelope, and no deficit. It is unprecedented - certainly in Alberta and by most accounts it is a first in Canada to establish this kind of a long-term agreement. Not only do we know our budget in advance of the next fiscal year which starts in a few months, but we can plan for the next four years as well. With five-year funding in place, we can develop and execute programs that might take two or three or five years to fully implement and yield results. The historical process from year to year uncertainty and funding process made it much more difficult to plan for longer term initiatives. Stable funding means we can target additional funding to areas where we know we need to invest for the long term.

Of course the budget is still before the legislature. It was announced last week. But in a very clear way, this has given our strategic plan, the basis of all of our planning, a boost. The three pillars of our strategic plan are sustainability, quality and access. The new five-year business plan framework allows us to invest and to plan. It supports all three of the pillars of our strategic plan and in particular it supports the sustainability initiative.

Just to give a bit of context, historical health care costs have grown every year by about ten per cent per annum, ten percent over ten percent over ten percent in this province. That is not entirely unique to this province. There are very assertive growth patterns in every western industrialized nation when it comes to the cost of health care. But the new funding plan provides us with a more modest and a more restrained expenditure plan over the next five years. Six per cent per annum increase for each of the first three years and four and a half per cent increase for each of the following two years.

The good news is that we have certainty. We have stability and predictability for everyone. Balancing that is the challenge of managing within a more constrained expenditure growth plan. This Board is deeply committed to working within the budget as provided by the government of Alberta. We have demonstrated over the last year that we can set a budget and we can stick within the budget and we can manage a budget and that was an important aspect of moving forward to this new platform. We are taking a balanced approach. We must use the resources that we have as effectively as we possibly can. One example, of course, is the initiative to use tools like activity based funding which is an innovation, with respect to seniors' programs planned in this upcoming fiscal year. It will be applied with respect to acute care hospital care facilities the following year. Sometimes this is characterized as a model where the dollar follows the patient and that creates tremendous accountability.

We are putting our new flexibility to work to increase access right away, as we saw with the announcement last Tuesday about a ramp-up in surgical and non-surgical procedures to reduce wait times, starting with 2,230 procedures in the next six weeks alone.

In many respects this is also the culmination of months of work by this Board and by the senior management team of Alberta Health Services in planning. We are seeing the transition from strategy to action that in many ways has been two years in the making, going back to the amalgamation of 12 former regions in May, 2008 and the creation of this organization of Alberta Health Services.

This Board and Alberta Health Services have moved quickly from the interim period from early May to about a year ago then we went through a period of three months of very intense articulation of our plans and then from last July moved quickly into the implementation of the plans that reflected the strategic directions document.

I think it is fair to say that we have been directing difficult and unique events – not just the merger of 12 legacy entities but the pandemic response that so many people within Alberta Health Services responded to with a great deal of professionalism and at the same time, worked hard to capture efficiencies in the health care system.

We did not shy away from that challenge. We identified \$700 million in cost savings in non-clinical areas through intensive work by the Alberta Health Services Board, Executive, and staff. But while much of the external attention has been on funding and budgets, our focus has also been on quality. For example, the implementation of the safe Surgery Checklist and access, including the Emergency department pilot projects, such as the flow bed initiative at the Alberta Children's Hospital that cut wait times 50 per cent in the middle of an H1N1 wave. That was a remarkable accomplishment and those wait time reductions have continued after the H1N1 wave ended.

With the foundational governance work and a new funding framework in place, we now have the ability to implement long-term programs and service plans in a timeframe that allows meaningful and comprehensive consultation and engagement on those plans with patients, families, healthcare professionals and other stakeholders. We can accelerate the execution of our strategic plans because we have demonstrated to the province the value of amalgamation.

The strategic plan we developed last year is guiding the actions we are taking today. We identified our highest priorities and we created metrics and measures to help hold ourselves accountable and to drive our highest priority outcomes.

It has been a difficult time for many people within Alberta Health Services and on behalf of the full Board, I want to convey how grateful we are to every person and every member of the Alberta Health Services team who help make this possible.

Now, you will see us begin to move quickly on access and quality. There are several initiatives underway in Emergency Departments across the province to reduce wait times and improve access. I would encourage everyone to visit the Alberta Health Services website features section called "Action on Emergency" and "Action on Wait Times" to learn more about projects that are already yielding measurable improvements in making sure patients get the care they need as quickly as possible.

We are moving quickly. Dr. Duckett will provide details on an announcement we made this week that will get thousands of patients off wait lists and into operating rooms for the surgeries they need.

These are just a start. A new start. It is an incredible opportunity – one that will ensure Albertans have the health system they need and deserve, now and in the future.

The Human Resources Committee will present recommendations regarding guiding principles in our upcoming labour negotiations. The Audit and Finance Committee will bring forward a number of reports and recommendations, and the Governance Committee will present recommendations for amendments to the Health Advisory Council Bylaw and Charter and we'll also have an update from the Quality and Safety Committee."

PRESIDENT AND CHIEF EXECUTIVE OFFICER'S REMARKS

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

"The dramatic change in the health care landscape since last month's board meeting has been remarkable.

As the Chair mentioned, the organizational goal of sustainability has required intense focus since I arrived here almost a year ago.

It has taken the collective efforts and dedication of many people on the AHS team to achieve the results that played a large role in getting us to the point we are at today.

It has been a hard year, and I want to recognize the significant contributions made by our Executive team, management, staff and physicians – and the effective governance provided by the Board. We have made the necessary gains in sustainability without affecting front line care.

It's gratifying to be able to talk about something other than the budget.

There is a great deal of innovative work already being done to on access and quality, and we are now able to leverage that work, our integrated system, and the financial stability provided by the new funding envelope in tangibly, immediately improving patient care and in particular, access.

This week, we announced a six-week, eight million dollar drive to reduce wait times by immediately increasing the number of surgeries in high priority areas. The increase will ramp up through June this year as more surgical capacity becomes available. More than 2,200 additional surgeries and non-surgical procedures with long wait lists have been approved for the initial surge through March 31, including cancer surgeries, orthopedic surgery (hips and knees), gynecology, neurosurgery, heart surgeries and cataracts. In addition, 3,500 more MRI and CT scans will be added.

We recognize that wait lists are too long. Funding certainty and stability makes it possible for us to redirect resources to the high priority areas identified in last year's strategic plan. The increase in surgeries in the next six weeks and through the first six months of this year is the foundation of the longer-term plan to increase emphasis on access and quality. We will move as quickly as safe practices and the availability of surgical teams permit. The speed with which we can proceed will depend on the availability of surgeons and surgical teams, nurses and others to support the availability of operating rooms and post-operative beds. But again, I must emphasize that we will do this while maintaining safety and quality of care.

Safety for our workforce is other paramount concern. This month we also released a new Strategic Plan for Workplace Health and Safety, which is essentially within the framework of the Human Resource Strategy previously endorsed by the Board.

I have asked every member of the AHS team to join me in setting a clear collective goal: zero injuries. Every person in our organization needs to make a personal commitment to identify hazards and risks. We all have a role to play. Management and staff must be committed to maintaining a strong culture of employee health, safety and wellness. We have to consistently apply proven workplace health and safety management principles across the organization. We also have to develop and align workplace health and safety professionals across the organization to enhance service and to facilitate further adoption and development of workplace health and safety competence amongst our leaders.

The Hippocratic injunction that we should first “do no harm” was written in the context of our duty of care to our patients. But it should apply with at least as much force to our duty of care to ourselves and our co-workers in health care.

Thank you.”

RECOMMENDATION(S) FROM STANDING COMMITTEE(S)

Human Resources Committee Report – January 25, 2010

Ms. Irene Lewis, Chair, Human Resources Committee, provided an update with respect to the Human Resources Committee meeting held on January 25, 2010.

**HR10-02 2010 United Nurses of Alberta (UNA) Negotiations
Guiding Principles**

Ms. Lewis advised that the collective agreement between Alberta Health Services and the United Nurses of Alberta expires on March 31, 2010 and Guiding Principles have been developed to support the negotiations.

MOVED BY MS. IRENE LEWIS, SECONDED BY MS. LINDA HOHOL, that the Alberta Health Services Board approve the following Guiding Principles for United Nurses of Alberta (UNA) Negotiations:

- **We will make sure we have as many nurses as we need working in the appropriate places in Alberta. Patient care, safety and high quality health services are our highest priorities.**
- **Alberta will be competitive with other provinces, ensuring that we attract and retain nurses.**
- **We want to organize and manage the workforce to optimize the skills, function and expertise of nurses.**
- **We want to engage nurses in the process of improving access, improving quality and safety, and assuring the sustainability of the system.**

MOTION UNANIMOUSLY CARRIED

Audit and Finance Committee Report – February 4, 2010

Mr. Don Sieben, Chair, Audit and Finance Committee, provided an update with respect to the Audit and Finance Committee meeting held on February 4, 2010.

AF10-02 Risk Based Year Internal Audit Plan

Mr. Sieben advised that the Risk Based 3-Year Internal Audit Plan includes a schedule of the proposed internal audit engagements for the upcoming fiscal year (April 1, 2010-March 31, 2011), as well as for fiscal years 2011/2012 and 2012/2013. The Plan will be revisited through each year to ensure that each project continues to be relevant and consistent with the organization's goals, and will be presented to the Audit and Finance Committee for approval on an annual basis.

MOVED BY MR. DON SIEBEN, SECONDED BY MR. TONY FRANCESCHINI, that the Alberta Health Services Board approve Report AF10-02, Risk Based 3-Year Internal Audit Plan (April 2010 – March 2013).

MOTION UNANIMOUSLY CARRIED

AF10-04 Selection of Investment Manager

Mr. Sieben advised that on November 23, 2009 Alberta Health Services issued a formal Request for Proposal (RFP) for the procurement of investment management services. Vendor submissions were evaluated based on four key criteria: i) transition plan, ii) experience, iii) process and performance, and iv) pricing. Vendors meeting the minimum criteria in all categories were invited to present to the Evaluation and Selection Committee, consisting of senior members of the AHS Finance management team.

The RFP process has concluded and the Evaluation & Selection Committee has recommended Phillips, Hager & North (PH&N) as the preferred vendor.

PH&N is bringing to AHS an experienced team in both transition and portfolio management, and a system of strong internal controls, superior client service, and established systems / processes to meet AHS' investment objectives. PH&N obtained the highest scoring in the three technical categories, as well as offered competitive value relative to other providers.

PH&N ranks third in terms of Canadian Pension Assets Under Management, third in terms of Canadian Endowment Assets, as determined by Benefits Canada and ranks in the top decile (3rd percentile) in terms of Client Service for Canadian clients as determined by Greenwich Associates which provides the most relevant industry metric in terms of quality and service.

MOVED BY MR. DON SIEBEN, SECONDED BY MR. GORD BONTJE, that the Alberta Health Services Board approve Report AF10-04, appointment of Phillips, Hager & North (PH&N) as AHS' Investment Manager.

MOTION UNANIMOUSLY CARRIED

AF10-05 Banking Resolution Amendments

Mr. Sieben advised the basis for this resolution amendment is that AHS requires additional officers due to the changes that took place over the past year. The additional officers would provide efficiencies and signing coverage due to position vacancies, geographic limitations, travel, and vacation.

AHS proposes the following positions to be added to the original six signing authorities: Director, Debt & Investment Management; Vice President – Financial Reporting; and Vice President – Financial Planning.

In addition, any new Financial Matters require at least one of the two signing officers to be at a Vice President level or higher.

It should be noted that the named officers must exercise all rights, powers, and authorities relating to financial matters in accordance with the Bylaws and statutes that govern AHS, including the Borrowing Bylaw, and Investment Bylaw.

MOVED BY MR. DON SIEBEN, SECONDED BY MR. JIM CLIFFORD, that the Alberta Health Services Board approve Report AF10-05, Banking Resolution Amendments, as follows:

WHEREAS the Alberta Health Services Board (the “Board”) deems it to be in the best interest of Alberta Health Services (“AHS”) to increase the number of officers with authorization to conduct financial matters on behalf of AHS, which matters may include, without limitation, the authorization to:

- (i) execute financial instruments or other documents on behalf of AHS;**

- (ii) invest or make investment decisions on behalf of AHS;**
- (iii) withdraw or order the transfer of funds;**
- (iv) mortgage, hypothecate, charge, pledge convey, assign, transfer or create security interests in any or all of the property of AHS;**
- (v) receive from the financial institution, cash or any securities, instruments or other property of AHS held by the institution;**
- (vi) deposit with the financial institution, cash, securities or other property;**
- (vii) instruct the financial institution to debit accounts of third parties;**
- (viii) receive statements and other documents relating to AHS; and**
- (ix) close any accounts or facilities.**

(such actions being collectively, the “Financial Matters”)

NOW THEREFORE, be it resolved that:

- 1. The following officers be authorized to conduct Financial Matters on behalf of AHS:**
 - (i) President and Chief Executive Officer;**
 - (ii) Chief Financial Officer;**
 - (iii) Senior Vice President, Finance;**
 - (iv) Executive Director, Treasury;**
 - (v) Director Cash Management, Treasury;**
 - (vi) Executive Director, Financial Operations and Business Systems;**
 - (vii) Director, Debt and Investment Management;**
 - (viii) Vice President – Financial Reporting;**
 - (ix) Vice President – Financial Planning; and**
- 2. The officers named above be authorized to execute and deliver on behalf of AHS such agreements, documents and other writings and to take such actions as they consider necessary or desirable to give effect to the foregoing resolution.**

3. Any Vice President level or higher named above and one other officer named above be authorized to execute documents relating to new Financial Matters.
4. Any two officers named above be authorized to execute documents relating to ongoing Financial Matters.
5. The authorization granted to each of the officers does not extend to any wholly owned subsidiary of AHS.

IN WITNESS WHEREOF the Board has approved these resolutions as of this • day of February, 2010.

MOTION UNANIMOUSLY CARRIED

AF10-06 Third Quarter Investment Report

Mr. Sieben advised that as part of the process for the Audit and Finance Committee, AHS investment report is reviewed on a quarterly basis and over the last year, the investments having been high and have been significant enough that the independent internal audit reviewed the detailed transactions in the investment managers report for the third quarter and found nothing material that would cause the Board not to accept this report.

MOVED BY MR. DON SIEBEN, SECONDED BY MR. GORD WINKEL, that the Alberta Health Services Board approve Report AF10-06, Third Quarter Investment Report.

MOTION UNANIMOUSLY CARRIED

AF10-07 Lloydminster LTC Project – Land Purchase

Mr. Sieben advised that as part of the plan to increase continuing care capacity in Lloydminster and as per Alberta Health Services' agreement with the City of Lloydminster, the servicing of the land has been completed and Alberta Health Services is now fulfilling its commitment to purchase the serviced land from the City.

MOVED BY MR. DON SIEBEN, SECONDED BY DR. ANDREAS LAUPACIS, that the Alberta Health Services Board approve Report AF10-07, the purchase of 10.15 acres of land, legally described as: Plan 0928995, Block 32, Lot 9 (as part of SW 35-49-1-W4), for the amount of \$2.5M from the City of Lloydminster, for current and future development of Continuing Care spaces; subject to Ministerial approval and funding from total Provincial Support funds.

MOTION UNANIMOUSLY CARRIED

AF10-09 Third Quarter Financial Reports

Mr. Sieben advised the key results of the third quarter financial report are as follows:

(millions)	YTD Actual	YE Forecast	YE Budget
Operating deficit	\$378	\$812	\$885
Accumulated deficit	\$767	\$1,238	\$1,273
Unrestricted cash	\$191	\$(612)	\$(921)

MOVED BY MR. DON SIEBEN, SECONDED BY MS. LINDA HOHOL, that the Alberta Health Services Board approve Revised Report AF10-09, Third Quarter Financial Reports.

MOTION UNANIMOUSLY CARRIED**AHSB10-02 Sale of Additional Northtown Seniors Housing
Condominiums in Wetaskiwin, Alberta**

Mr. Sieben advised that approval for sale of 14 units of AHS-owned Northtown Seniors Housing Condominiums in Wetaskiwin to the Good Samaritan Society (GSS) was received from the Alberta Health Services Board on May 28, 2009, subsequent approval by the Minister of Health and Wellness was received on September 15, 2009 and from the time of the original request for decision and February 2010, an additional 7 units have become available.

MOVED BY MR. DON SIEBEN, SECONDED BY MS. TERI LYNN BOUGIE, that the Alberta Health Services Board approve:

- (1) The request to the Minister of Health & Wellness seeking approval to sell an additional 7 Northtown Seniors Condominiums in Wetaskiwin to Good Samaritan Society for the total price of \$1,022,000.**
- (2) The transfer of Alberta Health Services interests in the housing condominium development to the Good Samaritan Society subject to the adjustments in accordance with and upon the terms and conditions set out in the proposed Sale Agreement. (The sum of the original approval of \$2,080,400. + \$1,022,000 + \$30,000 = Total estimated proceeds to AHS of \$3,132,400.)**
- (3) The Board delegates authority to CEO to complete all transactions related to AHS interests in this development.**

MOTION UNANIMOUSLY CARRIED

Governance Committee Report – February 8, 2010

Ms. Linda Hohol, Chair, Governance Committee, provided an update with respect to the Governance Committee meeting held on February 8, 2010.

Ms. Hohol advised of the evaluations of the full Board, including the Committees, each individual Board member and the Chair. The work was shared with the Chair, summary of the full board evaluation was shared with the Board and each individual member and Committee Chair will receive those evaluations.

Ms. Hohol advised the purpose of these evaluations is for the Board members and the Chair to continually improve and becoming a best practice Board. Further, these evaluations will be done on an annual basis.

Ms. Hohol advised that the Governance Committee also looked at the Board matrix of skills and competencies which was developed when the Alberta Health Services Board formed.

Ms. Hohol advised that some changes were made and the document was shared with the Chair so that as Board vacancies arise, candidates can be chosen to meet the needs as noted on the matrix. The matrix will be used for the first time this year.

Ms. Hohol provided an update with respect to the Ethics and Compliance Officer's report to the Governance Committee which advises the Committee of the nature, number and disposition of all of the complaints and issues which come forward from the Conflict of Interest bylaw and the Code of Conduct. These are reviewed quarterly by the Committee.

GOV10-01 Amendments to Health Advisory Council Bylaw and Charter

Ms. Hohol advised that during the course of developing the structure and reporting requirement of Health Advisory Councils, it became clear the role of Health Advisory Councils should be more specifically defined. The Health Advisory Committee has identified the need to update both the Bylaw and Charter to ensure the advisory role of Health Advisory Councils is made clear and to better define the opportunities of Health Advisory Councils to engage with the Health Advisory Committee of the Board.

MOVED BY MS. LINDA HOHOL, SECONDED BY MR. JOHN LEHNERS, that the Alberta Health Services Board approve Report GOV10-01, Amendments to Health Advisory Council Bylaw and Charter.

MOTION UNANIMOUSLY CARRIED

<p>Mr. Ken Hughes, Board Chair, provided additional comments with respect to the Board membership process.</p> <p>Mr. Hughes advised that members were given one, two and three year appointments. This year, five positions are up for re-appointment. There will be an open and public call for expressions of interest. The Board will map those candidacies against the matrix of the requirements for a full well-rounded Board. The re-appointments and appointments are made by the Minister of Health and Wellness once this public open process has been completed. Mr. Hughes encouraged individuals who have an interest to keep an eye out for advertisements. Mr. Hughes will be working with the Minister and the Deputy Minister of Health and Wellness to ensure that there is a process that ensures the constant renewal of the Board and those terms would likely be for a three year term so that there is a continual renewal for the long term members of the Board.</p>	
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<p><u>Quality and Safety Committee Report – February 8, 2010</u></p> <p>Dr. Andreas Laupacis, Chair, Quality and Safety Committee, provided an update with respect to the Quality and Safety Committee meeting held on February 8, 2010.</p> <p>Dr. Laupacis provided an update on three items that were discussed at the February 8, 2010 Quality and Safety Committee meeting: Alberta Health Services signed a contract with Accreditation Canada to accredit Alberta Health Services; the Clinical Networks are starting to be rolled out across the province; and that research and academic affairs will become the fifth area of focus for the Committee.</p>	
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<p><u>OTHER BUSINESS</u></p> <p>No other business was discussed.</p>

NEXT PUBLIC MEETING

Date: **March 25, 2010**
Location: **Lethbridge, AB**
Time: **TBD**

ADJOURNED

MOVED BY MR. JACK ADY, SECONDED BY MS. IRENE LEWIS, that the meeting of the Alberta Health Services Board adjourn at 2:00 p.m.

MOTION UNANIMOUSLY CARRIED

Chair

Recording Secretary