

BOARD MEETING

Minutes of the meeting of the Board (the “Board”) of Alberta Health Services (“AHS”) held at Cross Cancer Institute – 2nd Floor, Zane Feldman Auditorium, 11560 University Avenue, Edmonton on December 8, 2011.

Present:

Board Members: Mr. Ken Hughes (Chair)
Ms. Catherine Roozen (Vice Chair)
Dr. Ray Block
Ms. Teri Lynn Bougie
Dr. Ruth Collins-Nakai
Dr. Kamalesh Gangopadhyay
Mr. Don Johnson
Mr. John Lehnert
Ms. Irene Lewis
Mr. Stephen Lockwood
Mr. Don Sieben
Dr. Eldon Smith
Ms. Sheila Weatherill
Mr. Gord Winkel

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

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

Mr. Hughes called the meeting to order at approximately 1:45 p.m. Notice of the meeting had been properly given and quorum was met.

1. Review of Agenda

UPON MOTION duly moved, seconded and unanimously carried, the Board approved the agenda for the meeting of the Board held on December 8, 2011, which was provided to the Board in advance of the meeting.

2. Conflict of Interest

Mr. Hughes 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.

3. Approval of Minutes

UPON MOTION duly moved, seconded and unanimously carried, the Board approved the minutes of the meeting of the Board dated October 14, 2011, 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 and Wellness.

4. Comments to the Board

a) Chair's Report

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

Good afternoon. I would like to welcome everyone here in person and those watching through Telehealth to the AHS public board meeting, being held this month at the Cross Cancer Institute in Edmonton, Alberta.

We move our meetings to different locations to help us stay in touch with communities across the province. I am pleased that folks have joined us in person today. We also ensure that people across Alberta can follow the Board meetings through Telehealth.

As a governance board, the public meetings are an important aspect of being transparent and accountable. The decisions we make are voted on publicly and recorded as part of the public record.

We have had a great couple of days here in Edmonton. Earlier today, we announced an innovative new treatment for uveal cancer, a rare form of eye cancer. AHS ophthalmologist Dr. Ezekiel Weis, who specializes in cancers of the eye, has started treating patients at the Cross Cancer Institute using a technique called ocular brachytherapy. Before this was offered here, patients would have to travel long distances to Philadelphia or Toronto for treatment, or risk losing an eye. Just in the last couple of months, AHS has started being able to provide this service in Alberta, ensuring patients and families for years to come benefit from the knowledge and expertise here at the Cross Cancer Institute. In any given year there will be about 24 patients from across Western Canada looked after for this particular service. It is a very important and specialized service and is a reflection of the exceptional expertise that we have within AHS.

Last night, Dr. Eagle, the Board and I were pleased to be a part of AHS' Report to the Community event. The evening, co-hosted by Mr. Lawrence Tymko, the Chair of the Greater Edmonton Health Advisory Council, was an opportunity for the Board to connect with members of this community and share our direction and vision for the future of AHS.

The success of this event was to speak with people and discuss their take on the health system as it stands today, and share our collective vision for tomorrow. The evening was also an opportunity to reflect on AHS' successes over the past year, since Dr. Chris Eagle took over the responsibility of leading AHS as President and CEO.

We have had a tremendous year in 2011. Our efforts have relieved us of the annual budget uncertainty we faced in the past. The five-year health funding agreement with the Government of Alberta provides us the chance to focus our efforts solely on improving patient care. Our commitment to the Five-Year Health Action Plan is also deeply entrenched, and we are making great strides towards accomplishing

the goals outlined in it. Simply put, we have turned a corner. We can feel it in our hospitals and health care centres across the province, and when we are out in the community talking to Albertans about health care.

We are entirely focused on the five strategies outlined in our Five-Year Health Action Plan: improving access and reducing wait times, providing more choice for continuing care, strengthening primary health care, providing Albertans the support they need to be healthy and stay healthy, and finally, building one fully integrated health system that meets the needs of all Albertans, today and in the future. With our roadmap in place, we are out to achieve some intentionally ambitious targets. The reason for this is simple: none of us improve without setting goals. We improve by setting our sights high and working tirelessly to achieve what seems impossible.

We are fully committed to two things. First, engaging with all Albertans about the work we are doing and the progress we are making. Second, we are focused on patient care. The Five-Year Health Action Plan is our roadmap towards improvement in the health system, and it is also our guide to achieving what Albertans have clearly said they want: a system that is focused first and foremost on the needs of the patient. That is our guide, our goal, our end game, period.

With that in mind, I now turn to business. Today, the Board will review and approve the second quarter investment and financial reports, and a land sale and purchase in Drayton Valley, Alberta. Additionally, the Board will be reviewing and approving Health Advisory Council member appointments, terms of reference and bylaws for the Provincial Advisory Council on Addiction and Mental Health, the re-appointment of the Chair for the Calgary Health Trust and the appointment of trustees to health foundations from across the province.

We will also be hearing a report from the Quality and Safety Committee and the Human Resources Committee of the Board.

I would now like to turn things over to Dr. Chris Eagle for his comments.

b) President & CEO's Report

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:

Thank you, Ken.

Today, I would like to take a moment to reflect on the last year and the progress that AHS has made. It was just over a year ago that I was asked to take on the responsibility of leading AHS.

The actions we have taken in the past year have been both challenging and rewarding. We have worked hard to create a structure that recognizes the unique needs of communities across the province. Our goal was to ensure that even within a single health care system, the focus would be on patient care locally, with decisions made closest to where care is provided.

We have also focused on ensuring that our staff and physicians are increasingly engaged in the decision-making process and understand that at all levels, no matter what role we play, we are first and foremost advocates for our patients and their families.

Also, it means that we work diligently to build strong and effective relationships with our care providers and partners outside of AHS. We have spent the last number of months visiting communities throughout the province to engage our stakeholders in a dialogue about health services, and we look forward to continued engagement with our partners in the months and years to come.

The lesson reinforced by this engagement is clear: our partners are critical to our success as an organization and ensuring our health system remains focused first on patients and communities.

The progress we have made in the last year demonstrates that we are moving in the right direction. I say with confidence that we are well beyond talking about what needs to be done and are actually getting it done.

Yet, there is much work ahead of us. This means that we will continuously focus on investing our time and resources into further transforming our system to meet the health needs of Albertans. The bottom line is that over the past year we have shown improvement in the majority of clinical targets, but our goal is to improve 100 per cent of our targets over the coming year.

As we look ahead to the coming year, we see only opportunity for AHS. We are bringing new services, new spaces, and new capacity online. For example, earlier today as mentioned by the Chair, we announced a new treatment program for patients with uveal melanoma, a rare cancer of the eye. The introduction of this treatment means patients no longer have to travel to Eastern Canada or Northeastern United States for care, or risk losing an eye unnecessarily.

We are also developing new ways and forums to connect with Albertans, our stakeholders and our partners. As mentioned, we have spent some time over recent months visiting communities throughout Alberta to engage and connect locally, and we have also worked with our foundation partners to help them achieve success which ultimately benefits our patients and families by improving care. We look forward to continued engagement in the coming year.

We are also looking at new ways to share and celebrate our success stories. When I took on the role of CEO last year, it was, and remains, my commitment to share with Albertans more of what we are doing on the frontlines of care. The best of what we do everyday deserves a higher profile, and so today I am renewing that commitment to share and celebrate our success with Albertans.

I would like to share one simple message. With every accomplishment I have described here today, I believe our biggest single success over the past year is that we renewed our focus on patient care.

Patient care is why we are here. It is what we do, and we do it well. We take care of people. We help them get well when we can, and treat them with dignity and respect when we cannot. This must always remain our touchstone. No matter what lies ahead, it is something all of us remember day in and day out.

I would like to also talk about transparency and accountability in two contexts. Today, we will review our second quarter performance report, a measure of both how we are doing and our commitment to sharing both our successes and challenges with the people of this province.

We continue to see improvements on a number of performance targets outlined in the Five-Year Health Action Plan. Make no mistake: these ambitious targets are hard to achieve and in some instances will take years to fully achieve. This is to be expected, as we set long and short term goals and continuously monitor our performance as we work toward transforming the health system in Alberta. But we *are* seeing real, tangible results today.

To name a few: we have created more flexibility to deal with pressures in Emergency Departments. We have launched new Addiction and Mental Health and Primary Care plans. We are seeing improved wait times for cataract surgeries and radiation therapy.

The second quarter performance report also highlights areas where we need to improve. I can assure you of one thing: moving forward we will continue to stay the course and implement innovative solutions to see improvements in all clinical areas.

I would also like to talk about transparency and accountability in the context of the Health Quality Council of Alberta review of the concerns regarding the reading and interpretation of biopsies taken over the last four months at the Royal Alexandra Hospital. It is a fundamental principle in health care – taught from the first year of medical school – that when something goes wrong in the system, we identify it, act on it and learn from it. It is our responsibility as care providers to both our patients and to our colleagues.

It is for this reason that I have great faith in our care providers, everywhere in Alberta. They have their priorities right, their principles front and centre, even when the decisions we must make are difficult.

Thank you.

5. Audit and Finance Committee

a. [AFC11-107] Second Quarter Investment Report (PH&N)

Mr. Don Sieben, Chair of the Audit and Finance Committee, advised that three motions were being recommended by the Audit and Finance Committee to the Board for approval.

Mr. Sieben spoke to the Second Quarter Investment Report prepared by Phillips, Hager & North Investment Management Ltd., which summarizes the activities and performance of AHS' investment portfolios on a quarterly basis. He advised that this report details the investment transactions AHS entered into, income earned, realized and unrealized gains and losses, and investments held, for the six months ending September 30, 2011.

UPON MOTION duly moved, seconded and unanimously carried, the Board of Alberta Health Services ratified the investment transactions described below, made on behalf of AHS by Phillips, Hager & North Investment Management Ltd. ("PH&N") as follows:

- (a) as at September 30, 2011, AHS held restricted and unrestricted funds totaling \$1.515 billion (the "Funds");
- (b) the Funds were invested in short term treasury bills, federal, provincial and corporate fixed income bonds, pooled mortgage funds and equity funds; and
- (c) both PH&N and management of AHS, have confirmed that all of the Funds invested by PH&N during the quarter ended September 30, 2011, were substantially invested in accordance with the Investment Bylaw and Investment Policy.

Mr. Sieben noted that AHS receives compliance certificates from the investment manager and AHS' treasury portfolio to ensure compliance with the AHS Investment Bylaw.

b. [AFC11-108] Second Quarter Financial Report

Mr. Don Sieben, Chair of the Audit and Finance Committee, advised that the Second Quarter Financial Report indicates that AHS is well positioned to meet its annual budget targets. He further advised that for the second quarter of 2011/2012, the total current revenue was at \$5.702 billion and the total current expenses were at \$5.588 billion, resulting in an operating surplus of \$114 million. He commented that this surplus is forecasted to be reduced due to higher expenditures and additional purchases of internally funded equipment in the second half of the year.

UPON MOTION duly moved, seconded and unanimously carried, the Board of Alberta Health Services:

- (a) ratified and approved the Quarterly Financial Report to Alberta Health and Wellness for the quarter ended September 30, 2011 in the form reviewed by the Committee of the Whole, with such non-substantive changes that management of AHS considers necessary or advisable;
- (b) approved the Quarterly Financial Statements for the quarter ended September 30, 2011 (the "Q2 Financial Statements") in the form reviewed by the Committee of the Whole, with such non-substantive changes that management of AHS considers necessary or advisable; and
- (c) authorized and directed management of AHS to make the Q2 Financial Statements available to the public through the AHS website.

c. [AFC11-109] Approval of Land Sale and Land Purchase - Drayton Valley Condos

Mr. Don Sieben, Chair of the Audit and Finance Committee, advised that management is seeking approval of a set of transactions for two units in Drayton Valley Condos. He further advised that these transactions would allow a couple to purchase one unit from AHS and for AHS to purchase the other unit back from the couple and that this transaction is a long standing agreement necessitated by medical needs.

UPON MOTION duly moved, seconded and unanimously carried, the Board of Alberta Health Services:

- (a) approved the sale of unit #9, 4552 Madsen Avenue at the Horizon Village Condominium Development in Drayton Valley, Alberta and legally described as "9825856;3", from AHS to Ray and Margaret Hutchinson for consideration of \$131,000 (the "Land Sale"), subject to approval from the Minister of Health and Wellness;
- (b) approved the purchase of unit #10, 4552 Madsen Avenue at the Horizon Village Condominium Development in Drayton Valley, Alberta and legally described as "9825856;4", by AHS from Ray and Margaret Hutchinson for consideration of \$124,000 (the "Land Purchase"), subject to approval from the Minister of Health and Wellness; and
- (c) authorized and directed management of AHS to request that the Minister of Health and Wellness approve the Land Sale and the Land Purchase.

6. Health Advisory Committee

a. [HAC11-48] Health Advisory Council Member Appointments

Mr. John Lehnert, Chair of the Health Advisory Committee, advised that Mr. Don Johnson, Vice Chair of the Health Advisory Committee, himself and others have been travelling to meet with Health Advisory Councils across the province. He spoke to these meetings and the achievements of these Councils across the province.

Mr. Lehnert advised that in order to facilitate full membership on the Lesser Slave Lake Health Advisory Council, a recruitment campaign began in mid-October of this year to fill five vacant positions created by recent resignations. He advised that following a review of applicants, four candidates were interviewed and have been put forward for Board consideration. In addition, he advised that AHS is considering a term renewal approval for members of the Lesser Slave Lake and the Oldman River Health Advisory Councils, and new member appointments for the Greater Edmonton, Palliser Triangle and Prairie Mountain Health Advisory Councils.

UPON MOTION duly moved, seconded and unanimously carried, the Board of Alberta Health Services appointed or re-appointed, as applicable, the following individuals as members to the Health Advisory Council indicated in the table below for a term of three years effective January 1, 2012:

Health Advisory Council	Location	Candidate
Lesser Slave Lake	Swan Hills	Gary Beeson
Lesser Slave Lake	High Prairie	Kirsten Dupres
Lesser Slave Lake	High Prairie	Rowland Johnson
Lesser Slave Lake	Slave Lake	Roberta McKale
Lesser Slave Lake	Wabasca	Marian Wolitski
Greater Edmonton	Beaumont	Jacqueline Biollo
Prairie Mountain	Airdrie	Marie Lauer
Palliser Triangle	Medicine Hat	Jim Black
Oldman River	Fort Macleod	Tara Linklater

b. [HAC11-49] Provincial Advisory Council on Addiction and Mental Health – Terms of Reference and Bylaw

Mr. John Lehnert, Chair of the Health Advisory Committee, advised that the Provincial Advisory Council on Addiction and Mental Health provides an opportunity for Albertans, including those with addiction and mental health concerns, to contribute their insight and advice into addiction and mental health issues. He commented that this Council's input will strengthen AHS' Addiction and Mental Health network and will help build the best performing publicly funded health care system in Canada.

Mr. Ken Hughes, Chair of the Board, commented that this is an incredibly important opportunity for engagement and involvement by people who have a real interest in the delivery of mental health and addiction services in this province and that this is an area of growth in terms of understanding and development of the kinds of services that AHS is able to deliver.

Mr. Don Johnson, Vice Chair of the Health Advisory Committee, echoed support of this Council and commented that one issue he has consistently heard from Health Advisory Councils across the province is that addiction and mental health problems are a key issue in adolescence. Mr. Johnson congratulated the Board on this step forward.

Mr. Lehnert spoke to the recruitment process for members of the Provincial Advisory Council on Addiction and Mental Health.

UPON MOTION duly moved, seconded and unanimously carried, the Board of Alberta Health Services approved the Terms of Reference and Establishing Bylaw of the Provincial Advisory Council on Addiction & Mental Health in the form reviewed by the Committee of the Whole, with such non-

substantive changes that management of AHS considers necessary or advisable, and subject to approval of such Establishing Bylaw by the Minister of Health and Wellness.

a. [HAC11-50] Re-Appointment of Chair to Calgary Health Trust and Appointment of Trustees to Health Foundations

Mr. John Lehnern, Chair of the Health Advisory Committee, advised that appointments are made to foundations and health trusts that fall under the *Regional Health Authorities Act* based on recommendations made to the Board.

- 1. UPON MOTION** duly moved, seconded and unanimously carried, the Board of Alberta Health Services appointed or re-appointed, as applicable, the following individuals as trustees to the foundation indicated for the term as set forth in the table below:

Foundation	Name	Period of Appointment
Oyen & District Health Care Foundation	Ann Berg	Three Year Term (December 2014)
Oyen & District Health Care Foundation	Marian Peers	One Year Term (December 2012)
Oyen & District Health Care Foundation	Derek McBain	Two Year Term (December 2013)
Oyen & District Health Care Foundation	Maggie Gamble	Two Year Term (December 2013)
Oyen & District Health Care Foundation	Bev Haag	Two Year Term (December 2013)
Oyen & District Health Care Foundation	Dianne Ball	Two Year Term (December 2013)
Oyen & District Health Care Foundation	Sharon Ness	Three Year Term (December 2014)
Oyen & District Health Care Foundation	Lee Van Otterloo	Three Year Term (December 2014)
Claresholm & District Health Foundation	Shaun Boyle	Three Year Term (December 2014)
Claresholm & District Health Foundation	Lis Gillespie	Three Year Term (December 2014)
Fort Macleod & District Health Foundation	Lanie Vanee	Three Year Term (December 2014)
Windy Slopes Health Foundation	Steven Barfuss	Three Year Term (December 2014)
Crowsnest Pass Health Foundation	Bonnie Linderman	Three Year Term (December 2014)
Canmore & Area Health Care Foundation	Tom Docking	Three Year Term (December 2014)
Canmore & Area Health Care Foundation	Gary Montgomery	Three Year Term (December 2014)
Medicine Hat & District Health Foundation	Jason Melhoff	Three Year Term (December 2014)
Northwest Health Foundation	Susan McNeil	Three Year Term (December 2014)

- 2. UPON MOTION** duly moved, seconded and unanimously carried, the Board of Alberta Health Services re-appointed Ms. Ann McCaig as Chair of the Calgary Health Trust for a term of three years effective December 8, 2011.

Mr. Lehnern commented that Ms. McCaig has been an important part of the Calgary Health Trust Foundation for many years and that AHS is fortunate that she is willing to continue to help the community in this way.

Mr. Hughes echoed those comments and added that Ms. McCaig has seized with real enthusiasm and a very deep commitment her role as Chair of the Calgary Health Trust and that the McCaig family has made a huge commitment to support healthcare across Alberta.

7. Quality and Safety Committee

a. [QS11-57] AHS Performance Report, Q2 2011/2012

Mr. Gord Winkel, Chair of the Quality and Safety Committee, spoke to the items discussed at the recent Quality and Safety Committee meetings and advised that many of these items have focused on advancing workplace health and safety, examining events that provide opportunities for learning, the promotion of hygiene, initial research reviews, and key strategic planning.

Mr. Winkel provided an overview of the Second Quarter Performance Report, which is the only item recommended from the Quality and Safety Committee for Board approval. He stated that this Report highlights that AHS is making progress on a number of key performance targets, including access to cataract surgeries, semi-urgent coronary artery bypass procedures, and wait times for continuing care and emergency care. Mr. Winkel advised that AHS has seen the addition of 1,000 surgeries in 2011/12, which is expected to have a positive effect on wait times, and that AHS is expanding continuing care to add more than 5,300 beds between 2011 and 2015. He commented that in the last year, 1,166 beds were added to the system and that AHS anticipates that another 1,000 beds will be added by the end of March 2012.

Mr. Winkel commented that the measures outlined in this Report are not static and AHS is continuously looking at how our facilities are performing and adding new measures if needed.

He stated that overall, the Board is satisfied with the performance and progress described in the report.

UPON MOTION duly moved, seconded and unanimously carried, the Board of Alberta Health Services:

- (a) approved the "Alberta Health Services Performance Report, Q2 2011/2012" in the form reviewed by the Committee of the Whole, with such non-substantive changes that management of AHS considers necessary or advisable; and**
- (b) authorized and directed management to deliver this report to the Minister of Health and Wellness, and thereafter to make this report available to the public through the AHS website.**

Mr. Ken Hughes, Chair of the Board, commented that AHS issues Performance Reports each quarter to track progress. He advised that this holds both the AHS and the Board accountable and helps send a clear message about what AHS is trying to accomplish.

8. Human Resources Committee

a. [HR11-44-1] Executive Total Compensation Strategy

Ms. Irene Lewis, Chair of the Human Resources Committee, advised that AHS is committed to providing a clear line of sight for Albertans to understand AHS' performance and associated pay rewards for senior executives. She stated that AHS wants to recruit and retain talented and skilled professionals who are passionate about patient care, and in order to do this, AHS offers competitive and fair compensation, which is part of the organizations commitment to providing the best service while demonstrating sound fiscal management. Ms. Lewis commented that the approval of the Compensation Strategy delivers on AHS' commitment to transparency and openness and that this strategy will be posted externally on the AHS website.

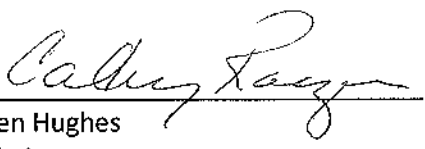
UPON MOTION duly moved, seconded and unanimously carried, the Board of Alberta Health Services:

- (a) approved the Executive Total Compensation Strategy in the form reviewed by the Committee of the Whole, with such non-substantive changes that management of AHS considers necessary or advisable; and**
- (b) authorized and directed management of AHS to make the Executive Total Compensation Strategy available to the public through the AHS website.**

Mr. Hughes thanked everyone for joining AHS and encouraged them to stay involved and engaged. He advised that the next public Board meeting will be held on February 2, 2012 in Canmore.

9. Adjournment of Meeting

There being no further business, the meeting was adjourned at 2:30 p.m.

for

Ken Hughes
Chair


Patti Grier
Corporate Secretary