

BOARD OF TRUSTEES MEETING
Wednesday, November 18, 2020 at 12:00 p.m.
Microsoft Teams Meeting
Teleconference: 416-603-6338
Conference ID: 783 259 361#

Elected Trustees (Voting)

Brian Porter, Chair
Ross Baker
Dean Connor
Todd Halpern
Stu Kedwell
Peter Menkes
Lawrence Pentland
Janet Rossant
Mark Saunders
Shirlee Sharkey
Barbara Stymiest
Peter Wallace
Jaime Watt
Cornell Wright

Trustees Appointed by U of T Governing Council (Voting)

Trevor Young
Cheryl Regehr

Ex Officio Trustees (Non-Voting)

Kevin Smith (Chief Executive Officer)
Joy Richards (Chief Nursing Executive)
Fei Fei Liu (Chair of the Medical Advisory Committee)
Mark Osten (President of the Medical Staff Association)
Janice Fukakusa (Chair of the Princess Margaret Foundation Board)
Raj Kothari (Chair of the Toronto General & Western Hospital Foundation Board)

Regrets

Guests

Marc Toppings, Vice President & Chief Legal Officer
Patricia Murphy, Incoming Chair of the Medical Advisory Committee
Ajay Virmani

Recording Secretary

Grace Ivo

Quorum – 40% of Voting Members or 7 Voting Members

1.0 Call to Order

Mr. Brian Porter, Chair, called the meeting to order at 12:03 pm.

1.1 Declaration of Conflict of Interest

The Chair asked that any member of the Board participating in this meeting declare if they have any perceived or known conflicts of interest relating to any of the items listed on the Agenda.

There was no declaration of conflict of interest from any Board Trustee participating in the meeting.

1.2 Approval of Agenda

The Board of Trustees' meeting agenda was approved as circulated.

2.0 Consent Agenda

2.1 Approval of Minutes of the Board – September 16, 2020

Pre-circulated for members' information were the minutes of the Board meeting held on September 16, 2020

2.2 Approval of Minutes and Embedded Motions

2.2.1 Governance and Nominating Committee (“GNC”)

No minutes to approve.

2.2.2 Research Committee

Pre-circulated for members' information were the minutes of the Research Committee meeting held on September 14, 2020.

2.2.3 Human Resources Committee

No minutes to approve.

2.2.4 Michener Education Committee

Pre-circulated for members' information were the minutes of the Education Committee meeting held on September 10, 2020

2.2.5 Michener Board

Pre-circulated for members' information were the minutes of the Michener Board meeting held on September 10, 2020

2.2.6 Medical Advisory Committee (“MAC”)

Pre-circulated for members' information and approval were the minutes of the MAC meetings held on September 3 and October 1, 2020; and the Medical Staff Appointments from October 1 and November 5, 2020..

BOARD MOTION

On a motion duly made, seconded and carried, the Board of Trustees approve all minutes and embedded motions on the consent agenda in section 2.0.

3.0 **Chair's Report**

The Chair provided a verbal update to the Board of Trustees, and highlighted the following:

On behalf of the Board of Trustees, the Chair acknowledged Dr. Fei-Fei Liu for her leadership over the past three years as Chair of the Medical Advisory Committee (MAC). With her three-year term at completion, Mr. Porter noted that this was Dr. Liu's final meeting as a Board Trustee and thanked her for her years of service.

The Board was advised that Dr. Patricia Murphy was recommended by the MAC and the Governance & Nominating Committee to assume the role of Chair of the MAC, the primary committee responsible for supervising the medical and other professional staff in the Hospital, for a term of three years, commencing January 1, 2021. Dr Murphy's previous administrative positions at UHN include Medical Director of Cardiovascular Intensive Care Unit, and Director of Cardiac Anesthesiology in Peter Munk Cardiac Center. She is also a full Professor, Department of Anesthesia, Faculty of Medicine, University of Toronto.

Ex officio Trustees, which include the Chair of the MAC as per *Public Hospital Act* Requirements, are elected, however, for successive one-year terms or until their successors are elected. As Dr. Liu will now be succeeded by Dr. Murphy, the Board must pass a resolution confirming Dr. Murphy as Chair of the MAC, effective January 1, 2021.

The Chair also advised the Board that, with respect to Independent Trustee slate, Dr. Ajay Virmani, President & CEO, Cargojet, was recommended for election to the Board to fill an existing vacancy by the Governance & Nominating Committee.

Dr. Virmani was noted to be recognized for his leadership and commitment to customer and team excellence, and would bring bench strength to the UHN Board with respect to innovation and corporate social responsibility. The Board was advised of that Dr. Virmani, a long-time philanthropist through the Virmani Family Foundation and the Cargojet Foundation, was particularly passionate about healthcare initiatives, social justice causes, and the community. Mr. Porter noted that Dr. Virmani was instrumental in the launch of UHN's highly successful Diwali Gala in 2011 which has since raised over \$9 million for programs at UHN.

The Board of Trustees approved the following motions:

BOARD MOTION

On a motion duly made, seconded and carried, the Board of Trustees, as recommended by the Governance & Nominating Committee of the Board and in accordance with UHN's By-Law Number 2, elected Dr. Ajay Virmani to the UHN Board of Trustees for a term of one (1) year or until such time as his election is ratified by the Members of the Corporation or until his successor is elected subject to the provisions of the Corporation's By-Law Number 2.

BOARD MOTION

On a motion duly made, seconded and carried, the Board of Trustees, as recommended by the Governance & Nominating Committee of the Board and in accordance with UHN's

Medical Dental Staff By-Law Number 2, appoint Dr. Patricia Murphy as Chair of the Medical Advisory Committee, effective January 1, 2021 for a term of one (1) year or until such time as her successor is elected subject to the provisions of the Corporation's Medical Dental Staff By-Law Number 2.

4.0 Chief Executive Officers' Report

Pre-circulated for members' information was the Chief Executive Officer's Report.

Dr. Kevin Smith, President & Chief Executive Officer, provided the following updates:

COVID-19 cases are increasing at an alarming rate. Management discussed the projections released last week by Ontario's scientific advisory table and the potential for the province's daily case count to reach ~6500 cases daily by mid-December if current growth rates continue

Dr. Smith discussed the implications of such numbers in the Province for UHN and the broader health system, including strained operational and ICU capacity as well as the requisite clinical activity ramp down plans that would be required. It was noted that ICU occupancy levels could surpass the 150-bed mark in two weeks under most projections, which in turn would trigger cancellation of surgeries. In the worst case projections, UHN would exceed 400 occupied beds in the ICU in six weeks.

Dr. Smith advised the Board, with respect to Provincial level updates, of the establishment of the GTA Hospital IMS table reporting to Ontario Health, the goal of which is to implement a coordinated response for the movement of patients within the system in the event that our peer hospitals become overwhelmed with high volumes of COVID-19 positive patients. The Board was advised of the representative UHN leadership that has been invited to sit at that IMS table.

The Board was updated as to vaccine efficacy status. In addition to Pfizer (reported 90% effective), Moderna is reporting early results that its vaccine is over 94% effective at preventing the virus.

With respect to Board governance, with the successful launch of Synapse – UHN's Clinical Transformation powered by an advanced Health Information System (HIS) – the IT Committee of the Board has fulfilled its mission and has since been dissolved. The IT Committee of the Board was a time-limited sub-committee of the Finance & Audit Committee with the purpose of supporting that Committee on IT matters. Going forward, the Finance & Audit Committee and UHN's Quality and Safety Committee will continue to have oversight over the clinical transformation and will provide regular updates to the Board of Trustees.

Ontario's 2020 Budget was released on November 5, which projects more than \$187 B in expenditures, \$30 B of which is pandemic-specific. With respect to impacts to UHN, Dr. Smith advised the Board that Ontario Health recently provided UHN with one-time surge funding for 30 acute beds as well as 12 ICU beds until the end of the current fiscal year – this is in addition to the previous one-time surge funding for 40 acute beds received earlier this year.

Regarding UHN impact, Dr. Smith advised the Board that earlier this week UHN released the UHN's 2020 Global Impact Award winners: Dr. Gary Levy and Dr. Ian Tannock. Dr. Levy was recognized for his leadership in creating the UHN Multi-Organ Transplant Program – now known as the Ajmera Transplant Centre – and for his significant contributions to our understanding of viral hepatitis. Dr. Ian Tannock was recognized for his leadership in the development of novel treatments for prostate cancer and for his role in introducing scientific rigor to clinical trials research.

Dr. Kevin Smith also advised that Dr. Naoto Hirano was recently recognized as UHN's Inventor of the Year for his work in cancer immunotherapy and the development of the TCR-HLA multimer staining technique.

4.1 Enterprise Risk Management Update (“ERM”)

Pre-circulated for members' information was an ERM update. The purpose of this standing update is to highlight the Hospital's top risk for the Board of Trustees. As October is internationally recognized as Cyber Security Awareness Month, and as this year has seen a dramatic increase in the number of cyber-attacks, globally, due in large part to the COVID-19 pandemic and the related movement of many individuals to working from home, the time was apt to highlight cyber security to the Board as the Risk-In-Focus. The Report, taken as read, updated the Board on the ongoing activities Management is taking to continually address and adapt to this threat.

5.0 Quality & Safety Committee Report

5.1 Approval of Minutes & Embedded Motions

Pre-circulated for members' information were the minutes of the Quality & Safety Committee meeting held on September 28, 2020.

Dr. Ross Baker, Chair of the Quality and Safety Committee of the Board, provided an update on the work of the Committee during its meeting on September 28, 2020. Dr. Baker recognized the work of the Quality and Safety team and partners across UHN in achieving progress on the hospital acquired conditions (HACs).

BOARD MOTION

On a motion duly made, seconded and carried, the Board of Trustees approve the Quality & Safety Committee meeting minutes from the meeting held on September, 28, 2020.

6.0 Finance Committee Chair Updates/Chief Financial Officer Report

Pre-circulated for members' information were the Chief Financial Officer's Report and the minutes of the Finance and Audit Committee meetings held on September 8 and November 10, 2020; and Briefing Notes for Approval from its November 10, 2020 meeting.

6.1 Approval of Minutes & Embedded Motions

Ms. Barbara Stymiest, Chair of the Finance & Audit Committee, provided updates on the recommendations made at the November 10, 2020 Finance & Audit Committee meeting. In particular, Ms. Stymiest updated the Board on the Committee's ongoing oversight of HIS including project status, progress and risks. The Board was advised that Management had completed its review of potential financing options in relation to

HIS and is recommending pursuing a loan with the Ontario Financing Authority (OFA). The draft agreement terms include a loan of up to \$250 M on a 40-year, non-amortizing term to finance the HIS component of the clinical transformation. The \$250 M will fund a component of the HIS project along with key enabling digital/business projects. The remaining cost of the HIS project will be funded through \$105 M from UHN's Foundations.

Ms. Darlene Dasent, Vice President & Chief Financial Officer, highlighted the following for the Board as part of the CFO's Report:

- After an extensive recruitment process led by an external search firm, Ms. Kelly Enair has been appointed as the Deputy Chief Financial Officer. Ms. Enair joined UHN in 2019 as the Senior Director of Finance, Corporate Services. Since that time, Ms. Enair has led a number of strategic initiatives including developing a new Investment Policy and HIS financing strategy.
- UHN incurred a deficit of \$4.5 M for consolidated operations. This result reflects a key underlying assumption – that the government will cover the full amount of \$112 M that is currently recorded as a receivable related to COVID-19 financial impacts.
- Management's goal remains a \$30 M Margin; however, current projections trend towards a \$2 M deficit due to operational pressures.
- The Finance department is working with portfolios and refreshing models and assumptions for best, worst, most-likely scenarios.
- Management has submitted claims to the government for reimbursement of \$176 M related to incremental COVID-19 expenses and unfunded cost structures throughout all of UHN to support the pandemic response. To date, UHN has received \$65 M of funding for operating costs.
- Management will continue to work closely with the Ministry of Health (MOH) and the TC-LHIN to continue the dialogue regarding full reimbursement of incremental costs and funding required for new costs related to COVID-19.
- The working capital ratio has decreased and is currently below the minimum Hospital Service Accountability Agreement (HSAA) target of 0.80.
- Ministry Planning guidelines and timelines have not yet been released. UHN is, therefore, taking a proactive internal approach focused on realigning and rightsizing budgets, and advocating with the MOH for inflationary funding.

Finance and Audit Committee recommendations from its November 10 2020 meeting.

a) Minutes of Meeting held September 8, 2020

Motion for Approval

That the Board of Trustees approve the minutes of the Finance and Audit Committee meeting held on September 8, 2020

b) UHN Capitalization

Motion for Approval

That the Board of Trustees approve UHN borrowing up to \$250 M by way of a loan agreement with the Ontario Financing Authority, and that the Board of Trustees pass the specific resolution in Appendix B.

- c) Operating and Capital Plan Approach for 2021/22 (for Support in Principle)

Motion for Approval

That the Board of Trustees approve support in principle for the 2021/22 Operating Plan preliminary approach as presented by Management and conditionally recommended for approval by the Finance & Audit Committee. Management will return to the February 2021 Finance and Audit Committee with an updated plan to balance and draft 5 year operating and capital plan.

- d) UHN Financial Statements for the Six Months Ended September 30, 2020

Motion for Approval

That the Board of Trustees approve the Financial Statements for the Six Months Ended September 30, 2020.

- e) Bayer – Supply of Contrast Media

Motion for Approval

That the Board of Trustees approve the non-competitive procurement of Bayer Inc. for the supply of Contrast Media at the cost of ██████ CAD over 34 months.

- f) 10X Genomics – Reagents for Single Cell Genomics Services

Motion for Approval

That the Board of Trustees approve the non-competitive procurement of 10X Genomics Inc. for the supply of Reagents and Consumables products contract at the cost of ██████ USD over 3 years.

- g) Illumina Canada Inc. – Reagents for Sequencing Services

Motion for Approval

That the Board of Trustees approve the non-competitive procurement of Illumina Inc. for the supply of Reagents and Consumables products contract at the cost of ██████ CAD over 3 years.

BOARD MOTION

On a motion duly made, seconded and carried, the Board of Trustees approve all minutes and embedded motions in section 6.1.

7.0 Education Session

7.1 Cyber Security

Pre-circulated for members' information was an overview on cyber security activities and risk mitigation plans at UHN.

Healthcare institutions as well as research facilities worldwide are increasingly being targeted for attack by cyber criminals. The Board was advised that, according to IBM, healthcare records are increasingly viewed as more valuable to attackers than banking records. The reason for this is twofold: first, health records contain the information required to perform identity theft, and second, healthcare institutions typically do not protect their data as well as do financial institutions.

Cyber attacks on healthcare institutions have become more common including a recent breach at Universal Health Services (UHS) in the USA. Closer to home at Michael Garron Hospital in September 2019, an attack had a significant impact on hospital operations, requiring up to ten days to restore access to most hospital systems including electronic medical records.

Management has undertaken a 5-year cyber renewal program to improve organizational cyber maturity level. . The program, which commenced in 2018, is now in its third year and a number of deliverables have now been completed, such as a cyber-maturity assessment, development of cyber awareness training, and establishment of rapid incident response services. By the end of the 5-year cyber program, UHN anticipates to be at a defined cyber maturity level, with HIS account activity monitoring and full automation of incident response to common security events. The Board discussed the benefit of external audit of such cyber maturity.

UHN will be conducting a table top exercise in 2021 to ensure senior leaders are ready and well versed in potential response activities when faced with cyber attacks. Management will continue to bring cyber security updates through the Finance & Audit Committee as a standing agenda item on ERM risk narrative reports to identify and assess ongoing risks in this area.

8.0 Other Business

No other business

9.0 Termination

There being no further business, the meeting was terminated at 2:00 p.m.

The Chair agrees these meeting minutes are an accurate reflection of the meeting.



Mr. Brian Porter
Chair, Board of Trustees
University Health Network

November 18, 2020

Date