



BOARD OF DIRECTORS MEETING MINUTES

Friday, February 13, 2015 at 9:00 a.m.
RBC Convention Centre, Winnipeg, MB

Attendance:

H. Azzam	P. Baker	S. Gauthier	L. Manning
G. McLennan (teleconference)	M. Montanti	M. Perchotte (facetime)	P. Van Caesele
B. Wright			

Regrets:

J. Cox	H. Unruh		
--------	----------	--	--

Staff:

C. Conway	D. Labelle	T. Mangano	P. Penner
J. Slater	G. Whitehill		

APPROVAL

1) Call to Order

2) Approval of Agenda

The agenda was approved as distributed.

3) Approval of Board Minutes and Conflict of Interest

Minutes of the January 9, 2015 meeting were approved as distributed. No conflicts were declared.

MOVED: M. Montanti

SECONDED: L. Manning

CARRIED.

4) Strategic Discussion (Leadership):

DSM Finances and Structural Deficit

DSM is projecting a structural deficit of \$4.2 million for the 15/16 fiscal year, not including any costs associated with adding genomics testing. The deficit represents the shortfall between funding and expenses after eliminating carry forwards and one-time expenses/funding.

A \$0.3 million deficit is projected for year-end 2014/15. Deficit drivers are related to volume and price pressures, increases in referred out testing, and no funding increases. Initiatives to mitigate the situation are underway, and mostly involve supply costs, the “call back” strategy, appropriate utilization, seeking permanent funding to address regional volume and price pressures service model delivery changes where appropriate and technical automation. All of these are longer term initiatives that will not significantly address the current deficit, but will generate savings and or avoid future cost increases.

DSM is looking to identify other methods of funding to address the projected deficit. The Choosing Wisely initiative and other appropriateness initiatives will begin yielding savings this fiscal year. For

instance, DSM expects to see fiscal savings within the next year on Vitamin D (\$.5 million of current spending) and on pathology samples that do not need review by a pathologist. Though vendor contract costs has been analyzed, little savings can be gained on service costs and maintaining equipment. However, DSM expects to secure savings from our largest vendor over the next 6 years.

5) Standing Reports (Oversight)

Board Chair Report

Along with other RHA Board Chairs, M. Perchotte attended a meeting with the Minister of Health on January 25th to discuss structural deficits faced across the province. Agreement overall is that the system needs to be examined as a whole to identify challenges, weaknesses and opportunities to improve system-wide.

Congratulations to M. Montanti for being awarded the 2014 Garner Themoin Award from the International Federation of Purchasing and Supply Management.

Last year two Board members and the CEO were supported by the Board to attend the National Healthcare Leadership Conference. Board members interested in attending the 2015 conference can email M. Perchotte. If there are more than two expressions of interest, the Board will make a determination on who should attend.

CEO Report

The CAP Accreditation is a two-year cyclical process. DSM is currently in the response phase of its 3rd CAP accreditation cycle, which means the organization is responding to the citations and deficiencies noted by CAP inspectors. The CAP accredits more than 7500 labs worldwide and it remains the gold standard for accreditation.

DSM won two gold medals honouring excellence in the field of digital communications. The awards are part of an international competition called the AVA Digital Awards. Both awards were received for improvements made on the external website

Quality and Patient Safety Committee Report (QPSC)

No report. There was an email discussion on the notification of any significant changes in service delivery to the Chief Medical Examiner Office. This will be brought forth for discussion at a later date.

6) Governance (Foundational Factors)

Governance Committee Report

The Committee has not met recently. There are no concerns with any reappointments. The government is aware that Dr. Baker's reappointment requires approval. MGEU has not advised on a replacement for Shelley Neel. The Board evaluation process is near complete. The Committee is currently looking at developing KPIs for its mandate.

Finance Committee Report

DSM has a Promissory Note (declaration of debt) with Manitoba Health. It replaces prior operating loans that were in effect. The Promissory Note has no impact on net borrowings. As the note is valued at over \$10 million, the Board must approve the CEO and CFO to approve on their behalf.

The Board of Directors supports the promissory note and approves J. Slater, CEO, to sign approval.

MOVED: G. McLennan

SECONDED: S. Gauthier

CARRIED.

7) Board Q & A Session

March Strategic Discussion: Information Communications Technology

Meeting is moved to in-camera session

MOVED: P. Van Caesele

SECONDED: M. Montanti

CARRIED.

8) In-Camera Session

No actions recorded.

9) Adjournment

Next Meeting: March 13, 2015 at 9:00 a.m. – at RBC Convention Centre