

July 3, 2020

Ms. Christina Zacharuk
President & CEO
PSEC Secretariat
Suite 210 – 880 Douglas Street
Victoria, BC V8W 2B7

Via Email: Christina.zacharuk@gov.bc.ca

Dear Ms. Zacharuk:

Re: 2019/2020 Statement of Executive Compensation – Provincial Health Services Authority

The 2019/2020 Statement of Executive Compensation of the Provincial Health Services Authority (PHSA) has been reviewed and approved by myself as Board Chair of PHSA. I confirm the following:

- The board is aware of the executive compensation paid in the prior fiscal year.
- The compensation information being disclosed is accurate and includes all compensation paid by PHSA, foundations, subsidiaries or any other organization related to or associated with PHSA. It also includes the value of any pre or post-employment payments made during the 12-month period before or after the term of employment.
- Compensation was within approved compensation plans and complies with government guidelines including the Taxpayer Accountability Principles.

Sincerely,



Tim Manning, ICD.D
Chair, PHSA Board of Directors

Att.

**Public Sector Executive Compensation Reporting
Provincial Health Services Authority (PHSA)
Statement of Executive Compensation
2019/20**

COMPENSATION DISCUSSION AND ANALYSIS

Provincial Health Services Authority (PHSA) plans, manages and evaluates specialty and province-wide health care services across BC, working with the five geographic health authorities and the First Nations Health Authority to meet local and provincial needs. The goal is to ensure that everyone in the province has access to the kind of specialized health services they need, when they need them, wherever they happen to live.

PHSA achieves this goal by fulfilling two main roles:

1. It is responsible for managing and governing well-known specialized programs and services:
 - BC Cancer
 - BC Centre for Disease Control
 - BC Children's Hospital and Sunny Hill Health Centre for Children
 - BC Mental Health Substance Use Services (including Forensic Psychiatric Services, Child and Youth Mental Health, and Corrections Services)
 - BC Emergency Health Services (including BC Ambulance Service, BC Bedline, and BC Trauma).
 - BC Renal
 - BC Transplant
 - BC Women's Hospital & Health Centre
 - Cardiac Services BC
 - Perinatal Services BC
2. It plans, coordinates, evaluates and, in some cases funds specialized services delivered by the regional health authorities. PHSA's role supports the accessibility, quality, efficiency and effectiveness of province-wide programs and services.

PHSA is a member employer of the Health Employers Association of BC and is governed by the HEABC Compensation Reference Plan. The Plan has been developed pursuant to the statutory requirements of the Public Sector Employers Act and is applied across the member employers of HEABC for non-union, management and executive roles within healthcare. The Plan was refreshed in November 2015 to align with Governments recommendation of a common compensation philosophy for the broader public sector using shared principles aligned with the Province's Taxpayer Accountability Principles. As with other public employers, we are also subject to policies determined by the Public Sector Employers Council Secretariat (PSEC).

Compensation Principles

PHSA's compensation principles have been updated to reflect governments core principles and are consistent with the compensation principles contained in the Compensation Reference Plan Guidelines. The core principles are:

- **Performance:** Compensation programs support and promote a performance-based (merit) organizational culture.
- **Differentiation:** Differentiation of salary is supported where there are differences in the scope of the position within an organization, and/or due to superior individual team contributions.
- **Accountability:** Compensation decisions are objective and based upon a clear and well documented business rationale that demonstrates the appropriate expenditure of public funds.

- **Transparency:** Compensation programs are designed, managed, and communicated in a manner that ensures the program is clearly understood by employees and the public while protecting individual personal information.

Compensation Policy Objectives

PHSA's Compensation Policy Objectives are consistent with the updated compensation policy objectives contained in the Compensation Reference Plan Guidelines. The objectives are as follows:

1. A defensible compensation system recognizes the responsibility of the health sector to establish compensation levels that acknowledge fairness and the public's ability to pay. Compensation levels in the health sector will reflect the market average and will not lead the market. This ensures that taxpayers receive the maximum benefits from qualified individuals occupying jobs in the health sector.
2. External equity requires competitive levels of compensation be established, that address issues of attraction and retention, by analyzing compensation practices in relevant labour markets including British Columbia health sector bargaining associations.
3. Internal equity requires the relative worth of jobs be established by measuring the composite value of skill, effort, responsibility and working conditions.
4. Compensation will reinforce and reward performance through measurable performance standards that support and promote a performance based culture.
5. Compensation policies will comply with the intent and requirements of legislation and be non-discriminatory in nature.

Compensation Survey

HEABC is responsible for conducting an annual cash compensation survey to ensure appropriate internal and external equity are maintained.

Job market matches shall be appropriate to the type of position: local for administrative support positions; and provincial or national for managerial positions and provincial, national and international for executive positions. The comparison of compensation shall be relevant to the PSEC approved external labour markets.

Reference Salary Ranges

A defensible compensation system responds to broad equity issues. The Plan recognizes the responsibility of the health sector to establish compensation levels that acknowledge fairness and the public's ability to pay, re-enforcing the notion of accountability. Fundamental to this statement is the fact that compensation practices in the health sector cannot lead the market, while providing appropriate levels of compensation that support recruitment and retention needs. This ensures that taxpayers receive the maximum benefits from qualified individuals occupying jobs within the health care sector, further re-enforcing the notion of accountability.

HEABC is responsible for providing healthcare employers with reference salary ranges. The reference salary ranges will be based on the 50th percentile of the blended market survey. The

salary reference ranges will include provisions for an adequate range and spread of salary rates to differentiate developmental, job standard, and above standard rates.

Employers will administer salaries within the reference salary ranges and compensation guidelines.

Circumstances may require employers to address compression or inversion issues between non-contract staff and directly supervised bargaining unit employees. A differential of up to 15% may be established where there is a functional supervisory role, with responsibility and accountability for outcomes. This differential does not form part of the comparison ratio calculation.

Organization Information Plan

The Organization Information Plan provides a means of grouping organizations with similar characteristics for the purpose of comparing pay practices of the employer groups to their relevant labour markets and establishing discrete salary ranges for each of the employer groups.

Role Assessment Plan

The Role Assessment Plan (a point factor job evaluation plan) provides a means of establishing an equitable hierarchy of jobs within an organization, as well as a comparison of jobs across the healthcare sector. The hierarchy of jobs is determined by assessing the skill, effort, responsibility, and working conditions inherent in all jobs in HEABC member organizations.

Application of the Compensation Reference Plan

Newly hired employees are placed on the appropriate salary range based on the new hire's work experience, skills, and competencies for placement within the salary range established for the job, in most circumstances, not to exceed the Competitive Market Rate for the job. PHSA has established job rates (Competitive Market Rates) for individual jobs or job classifications consistent with the mandated 50th percentile.

Performance reviews are conducted annually (April each year) using a comprehensive employee performance and development plan tool. The amount of adjustments varies based on the employee's performance evaluation score and the competitive market rate established for the job.

Executive Compensation

The CEO and each named executive officer (NEO) is reported in the Summary Compensation Table of this disclosure pursuant to the Public Sector Executive Compensation Reporting Guidelines. We are unique from the other five geographic health authorities, in that PHSA has a specialized and province-wide mandate. As such, we provide high quality, specialized services in areas such as oncology, paediatrics, psychiatry and perinatal care. As a result, we employ a higher number of specialists than other health authorities. In addition, due to our structure, we are responsible for and report out on the Programs and Services that comprise PHSA, the senior leaders of which are employees of those Programs/Services or may be paid by a partner organization in some instances (eg. an academic centre).

Benefits

PHSA executive benefit package (Standard Executive Benefit Plan – refreshed in January 2015) is comparable to other health sector employers in British Columbia and includes the following key elements:

Medical Services Plan

The PHSA covers the premium costs for participation of the employee and their eligible dependent(s) in the British Columbia Medical Services Plan.

Extended Health Benefits Plan

The Plan provides employees and their dependent(s) with prescription drug reimbursement and other approved paramedical services subject to yearly maximum levels and a deductible of \$100/year effective January 2015. Premium costs are fully paid by the PHSA.

Dental Plan

PHSA pays the cost of a Dental Plan that provides to the employee and their dependent(s) 100% reimbursement for Basic Services, Prostheses, Crowns, Bridges, and Orthodontics.

Group Life Insurance

This plan provides a non-evidenced benefit of five (5) times annual salary to a maximum of \$1,000,000 to the beneficiary or estate of a deceased employee. PHSA pays the cost of premiums.

Dependent Group Life Insurance

This plan provides for \$10,000 spousal insurance and \$5,000 insurance for each dependent child. PHSA pays the cost of premiums.

Accidental Death and Dismemberment

This plan provides up to five (5) times annual salary to a maximum non-evidenced coverage of \$1,000,000 in the event of accidental death or dismemberment. PHSA pays the cost of premiums.

Long Term Disability Insurance

This plan provides continuing income in the event of total disability after a qualifying period. The taxable benefit is 77% of pre-disability gross salary to a maximum non-evidenced monthly benefit of \$10,000. PHSA pays the cost of premiums.

Pension Plan

Eligible executives participate in the Municipal Pension Plan or the Public Service Pension Plan.

Perquisites

The CEO and the Executive Vice President are provided a vehicle allowance, if eligible. Parking is paid for by PHSA for the CEO and executive staff located at PHSA's corporate office.

Annual Leave

Subject to portability rules, executives are eligible for annual vacation entitlements as follows:

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- Up to a maximum of twenty (20) days after one (1) year of service and up to four (4) years of service.
- After four (4) years of continuous service, one (1) additional day for each additional year of employment, up to a maximum of thirty-five (35) days.

Provincial Health Services Authority

Summary Compensation Table at 2020

| Name and Position | Salary | Holdback/Bonus/ Incentive Plan Compensation | Benefits | Pension | All Other Compensation (expanded below) | 2019/2020 Total Compensation | Previous Two Years Totals Total Compensation | |
|---|------------|---|-----------|-----------|--|------------------------------------|---|------------|
| | | | | | | | 2018/2019 | 2017/2018 |
| Provincial Health Services Authority | | | | | | | | |
| Benoit Morin, President & Chief Executive Officer | \$ 46,031 | - | \$ 12,433 | \$ 4,025 | \$ 391 | \$ 62,880 | | |
| Carl Roy, President & Chief Executive Officer | \$ 350,394 | - | \$ 14,608 | \$ 34,951 | \$ 10,375 | \$ 410,328 | \$ 403,084 | \$ 403,004 |
| Thomas K Chan, Executive Vice President, Corporate Services & Chief Operating Officer | \$ 292,009 | - | \$ 11,081 | \$ 29,628 | \$ 18,941 | \$ 351,659 | | |
| Linda Lupini, Executive Vice President, Commercial Services, PHSA | \$ 292,508 | - | \$ 15,380 | \$ 29,180 | \$ 2,922 | \$ 339,990 | \$ 332,376 | \$ 330,346 |
| Susan Wannamaker, Executive Vice President, Clinical Service Delivery, PHSA | \$ 291,646 | - | \$ 15,141 | - | \$ 2,422 | \$ 309,209 | | |
| Donna Wilson, Executive Vice President, People & Provincial Diagnostic & Treatment Services, PHSA | \$ 280,373 | - | \$ 14,870 | \$ 27,969 | \$ 2,922 | \$ 326,134 | \$ 317,322 | \$ 95,446 |
| BC Cancer Agency | | | | | | | | |
| Malcolm Moore, Vice President, PHSA and President, BCCA/BCCRC | \$ 350,000 | - | \$ 13,788 | \$ 43,737 | \$ 20,025 | \$ 427,550 | \$ 418,154 | \$ 377,561 |

Summary Other Compensation Table at 2020

| Name and Position | All Other Compensation | Severance | Vacation Payout | Paid Leave | Vehicle / Transportation Allowance | Perquisites / Other Allowances | Other |
|---|-------------------------------|------------------|------------------------|-------------------|---|---------------------------------------|--------------|
| Provincial Health Services Authority | | | | | | | |
| Benoit Morin, President & Chief Executive Officer | \$ 391 | - | - | - | - | - | \$ 391 |
| Carl Roy, President & Chief Executive Officer | \$ 10,375 | - | \$ 44 | - | \$ 7,800 | - | \$ 2,531 |
| Thomas K Chan, Executive Vice President, Corporate Services & Chief Operating Officer | \$ 18,941 | - | \$ 10,204 | - | - | - | \$ 8,737 |
| Linda Lupini, Executive Vice President, Commercial Services, PHSA | \$ 2,922 | - | - | - | - | - | \$ 2,922 |
| Susan Wannamaker, Executive Vice President, Clinical Service Delivery, PHSA | \$ 2,422 | - | \$ 227 | - | - | - | \$ 2,195 |
| Donna Wilson, Executive Vice President, People & Provincial Diagnostic & Treatment Services, PHSA | \$ 2,922 | - | - | - | - | - | \$ 2,922 |
| BC Cancer Agency | | | | | | | |
| Malcolm Moore, Vice President, PHSA and President, BCCA/BCCRC | \$ 20,025 | - | \$ 20,025 | - | - | - | - |

Notes

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|---|--|
| Benoit Morin, President & Chief Executive Officer | <p>General Note: Effective February 3, 2020, Benoit Morin was appointed as PHSA President & Chief Executive Officer.</p> <p>Other Note: Other compensation includes employer paid parking.</p> |
| Carl Roy, President & Chief Executive Officer | <p>General Note: Effective July 9, 2019, Carl Roy's annualized base salary was increased to \$352,441. Carl Roy retired in early 2020. His last day in office as the President & Chief Executive Officer was February 6, 2020, and accrued vacation was paid for the period of February 7 to March 31, 2020. Carl Roy's 10% holdback process was eliminated effective September 2018. A one-time payment of \$14,487 for the holdback earned for the period of April - August 2018 was included in Carl Roy's FY 2018/19 compensation.</p> <p>Other Note: Other compensation includes employer paid parking.</p> |
| Thomas K Chan, Executive Vice President, Corporate Services & Chief Operating Officer | <p>General Note: Effective January 7, 2019, Thomas Chan was appointed as Executive Vice President, Corporate Services and Chief Operating Officer. Effective Apr 1, 2019, Thomas Chan's annualized base salary was increased to \$292,640.</p> <p>Other Note: A retroactive pay adjustment in the amount of \$5,815 was paid on July 5, 2019 for the period of January 7 to March 31, 2019 and is included in FY 2019/20 compensation. Other compensation (\$2,922) includes employer paid parking.</p> |
| Linda Lupini, Executive Vice President, Commercial Services, PHSA | <p>General Note: Effective Apr 1, 2019, Linda Lupini's annualized base salary was increased to \$292,640.</p> <p>Other Note: Other compensation includes employer paid parking.</p> |
| Susan Wannamaker, Executive Vice President, Clinical Service Delivery, PHSA | <p>General Note: Effective June 24, 2019, Susan Wannamaker was appointed as Executive Vice President, Clinical Service Delivery, PHSA. Included in FY 2019/20 compensation is pay received for the period April 1 to June 23, 2019 in her previous role as President, Children's and Women's Health Centre and Vice President, PHSA. Included in FY 2019/20 compensation is acting pay in the amount of \$1,843 received for the period of December 18, 2019 to February 3, 2020 for her acting appointment as President and Chief Executive Officer.</p> <p>Other Note: Other compensation includes employer paid parking.</p> |
| Donna Wilson, Executive Vice President, People & Provincial Diagnostic & Treatment Services, PHSA | <p>General Note: Effective Apr 1, 2019, Donna Wilson's annualized base salary was increased to \$280,500.</p> <p>Other Note: Other compensation includes employer paid parking.</p> |
| Malcolm Moore, Vice President, PHSA and President, BCCA/BCCRC | <p>General Note: Salary continuance in the amount of \$308,269 for the period May 7, 2019 to March 31, 2020 is included in FY 2019/20 compensation. Stipends in the total amount of \$88,461 were paid to Dr. Moore in FY 2019/20. This amount reflects Dr. Moore's honoraria funding paid by UBC and SFU conditional upon Dr. Moore continued employment with PHSA, for which funding from academic institutions ceased upon Dr. Moore commencing salary continuance on May 7, 2019. Salary continuance to end on November 6, 2020. Estimated total compensation for the period April 1 to November 6, 2020 is of \$248,534, which includes salary continuance (\$215,384), pension (\$27,443) and benefits (\$5,707). Estimated amount in stipends to be paid for the period April 1 to November 6, 2020 is of \$61,538. The position of Vice-President, PHSA and President, BCCA/BCCRC will not be included in future years' disclosure statements further to the 2019 executive team restructure.</p> |