

WINDSOR REGIONAL HOSPITAL



EXECUTIVE COMPENSATION PLAN 2017

**WINDSOR REGIONAL HOSPITAL
PUBLIC POSTING IN COMPLIANCE WITH
THE BROADER PUBLIC SECTOR EXECUTIVE COMPENSATION ACT**

ABOUT WINDSOR REGIONAL HOSPITAL

Windsor Regional Hospital (“WRH”) is a multi-faceted, health services organization operating from two main sites, the Metropolitan Campus and the Ouellette Campus.

WRH is one of the largest community hospitals in the Province of Ontario, serving as the regional provider of advanced care in areas that include complex trauma, renal dialysis, cardiac care, stroke and neurosurgery, intensive care, acute mental health, family birthing centre, neonatal intensive care, paediatric services, regional cancer services, and a broad range of medical and surgical services required to support these specialized areas for more than 400,000 people in Windsor and Essex County.

WRH was one of the first hospitals to introduce patient quality and safety indicators publicly. These included Hospital Standardized Mortality Ratios (HSMR), Hospital Acquired Infection rates, and patient and staff satisfaction and financial performance. WRH regularly publishes its performance information, using indicators to measure and report on how well we're doing towards meeting targets and/or to highlight areas for ongoing improvement.

WRH is committed to providing Outstanding Care - No Exceptions!

The engine of WRH is our staff. This includes employees, professional staff (medical/dental staff) and volunteers. WRH has been recognized and honoured by local, provincial and national organizations for its workplace initiatives. These include the Hospital's vibrant Healthy Lifestyles Program, which includes on-site yoga, jazzercise, healthy eating, weight training, walking clinics and running clinic. WRH has been recognized for multiple years by Heart Health Action, along with being recognized nationally by the National Quality Institute with Gold Awards for both Workplace Wellness and Quality. In 2012, WRH was one of only 10% of the healthcare institutions recognized by Accreditation Canada with Exemplary Status.

In order to ensure that WRH is able to attract and retain the leadership skills required to achieve our vision, mission and strategic directions, the Board of Directors has approved this Executive Compensation Program.

WINDSOR REGIONAL HOSPITAL VISION, MISSION AND VALUES

Vision

Outstanding Care – No Exceptions!

Mission

Deliver an outstanding patient care experience driven by a passionate commitment to excellence.

Values

C - Compassionate

- keeping the patient at the centre of all we do;
- demonstrating compassion for patients and their families;
- supporting staff, professional staff, and volunteers so they are able to care for patients and each other; and
- operating as a team, both within WRH and with our partners, to provide exemplary care.

A - Accountable

- striving for accountability and transparency to those we serve and to ourselves;
- driving fiscal responsibility;
- stimulating effective two-way communication at all levels; and
- facilitating timely access to care and service.

R - Respectful

- treating those we serve and each other with empathy, sensitivity and honesty;
- upholding trust, confidentiality and teamwork;
- communicating effectively; and
- welcoming individuality, creativity and diversity.

E - Exceptional

- promoting a culture of quality and safety;
- embracing change, innovation, and evidence-based practice;
- encouraging learning, discovery, and knowledge sharing; and
- fostering dynamic partnerships.

WINDSOR REGIONAL HOSPITAL COMPENSATION PHILOSOPHY

The Board of Directors of Windsor Regional Hospital (WRH) is responsible for establishing policies which will ensure that the organization is able to attract and retain leaders who can possess the executive leadership skills necessary for the organization to achieve its vision and mission. To this end, the Board has established a compensation program which is designed to maintain an affordable, attractive and competitive executive compensation framework.

The executive compensation program is composed of cash (salary and performance pay) and non-cash (i.e., benefits and pension) compensation. In compliance with the Broader Public Sector Executive Compensation Act (BPSECA), WRH is committed to maintaining competitive salaries and benefits at the 50th percentile of the target labour market.

As for performance pay, the Excellent Care For All Act (ECFAA) stipulates that all hospital executives must have a component of their compensation linked to quality indicators. The Quality Improvement Plan (QIP) is a system-wide tool that supports organizations in contributing to and achieving this vision. Each year, Health Quality Ontario identifies a series of priority issues and corresponding indicators for Hospitals to work together on as a system. This is what forms the foundation of the QIP. WRH's QIP is a public, documented set of quality improvement commitments that we make to our patients and communities on an annual basis to improve quality through focused targets and actions. In compliance with ECFAA, a portion of each executive's compensation is set aside and linked to the QIP. At the completion of each fiscal year, the Board of Directors, with the support of the executive team, evaluates the success of each indicator to determine the amount of performance pay.

Windsor Regional Hospital's compensation framework and philosophy were developed by the Board of Directors, with the assistance of Korn Ferry Hay Group, to provide independent expert advice and consultation.

DESIGNATED EXECUTIVE POSITIONS

The following designated executive positions are covered by this policy statement:

Position Title	Class of Position
President & CEO	President & CEO
Chief of Professional Staff	Chief of Professional Staff
Chief Operating Officer & Chief Nursing Executive	Chief Operating Officer & Chief Nursing Executive
Vice President, Corporate Services & CFO	Vice President, Corporate Services & CFO
Vice President, Critical Care, Stroke & Cardiology	Clinical Vice President
Vice President, Medicine & Emergency Services	Clinical Vice President
Vice President, Peri-Operative, Surgery & Women's and Children's	Clinical Vice President
Regional Vice President, Cancer Services/ Renal/Patient Relations/Legal	Clinical Vice President
Vice President, Public Affairs, Communication & Philanthropy	Vice President, Public Relations

BROADER PUBLIC SECTOR COMPARATOR ORGANIZATIONS

In accordance with the BPSECA, the following broader public sector organizations have been selected as comparators for the purpose of benchmarking WRH's executive compensation program:

- Health Sciences North
- Humber River Hospital
- Kingston General Hospital
- Lakeridge Health
- Niagara Health System
- North York General Hospital
- Royal Victoria Hospital
- Southlake Regional Health Centre
- St. Joseph's Health Care – Hamilton
- St. Joseph's Healthcare – London
- St. Michael's Hospital
- William Osler Health System

The 12 comparator organizations were selected based on their similarities with WRH with respect to the five factors as specified by the Government of Ontario’s Broader Public Sector Executive Compensation Framework (Regulation 304/16):

- a) The scope of responsibilities of organization’s executives – The Comparator organizations that were selected have executive positions with similar responsibilities, competencies (knowledge, skill and abilities), relative complexity and levels of accountability to those at WRH. The positions are responsible for the development and implementation of the strategic and operational plans for the delivery of excellent patient care.
- b) Type of Operations – From an operational perspective, the primary factors that were considered in selecting the comparator organizations was the hospital type and number of sites, as well as community hospitals like WRH which tend to have similar programs, services and operations.
- c) Industry – The majority of talent recruited for executive positions at Windsor Regional Hospital have a healthcare background. Therefore, public hospitals in Ontario were considered for selection of comparators.
- d) Size – When assessing the size of potential comparator organizations, primary consideration was given to total operating budget (revenue) and number of staff, with secondary consideration being given to the number of beds operated by the comparator hospitals. As presented in the following table, WRH is positioned at the 76th percentile of the comparator group based on total expenses, i.e., three-quarters of the comparator hospitals are smaller than WRH, indicating that WRH is similar to, but larger than, the comparator group with respect to size and scope.

Comparator Organization	Total Operating Expenses
St. Michael’s Hospital	\$675,192,000
William Osler Health System	\$654,681,000
St. Joseph’s Health Care - Hamilton	\$520,465,000
<i>Windsor Regional Hospital</i>	<i>\$500,250,000</i>
Niagara Health System	\$486,472,000
Health Sciences North	\$448,967,000
Lakeridge Health	\$444,038,000
Kingston General Hospital	\$443,270,000
Humber River Hospital	\$438,218,000
St. Joseph’s Healthcare – London	\$417,241,000
North York General Hospital	\$365,387,000
Southlake Regional Health Centre	\$357,626,000
Royal Victoria Hospital	\$318,335,000
Comparator Percentile	Total Operating Expenses – By Percentile
75 th Percentile	\$494,970,000
50 th Percentile	\$445,654,000
25 th Percentile	\$404,277,000

- e) Location – WRH operates within the Erie St. Clair LHIN. Given the lack of appropriate comparators within a close geographic proximity, the mobility of talent and the number of personal factors that can influence where people live and work, consideration was given to similar hospitals (based on size, operations and complexity) throughout Ontario. All comparator organizations are located in Ontario, which is the geographic market within which WRH primarily competes for executive talent. Half (6) are located in the Greater Toronto Area, and the remaining hospitals (6) are located in Barrie, Hamilton, Kingston, London, Niagara and Sudbury.

Note on Southwestern Ontario Hospitals: Since Windsor Regional Hospital is located in Southwestern Ontario, consideration was given to identifying potential comparators in this region. It was determined that only one hospital in this region, St. Joseph’s Healthcare – London, meets most the comparator factors. Other hospitals in the region are either too large or too small to be considered as reasonable comparators.

Overall, Windsor Regional Hospital believes this group of 12 hospitals is comparable in scope of executive responsibilities, type of operations, competition for talent, size of organization and location, with one exception. The position of Vice-President, Public Affairs, Communications and Philanthropy lacked a sufficient number of comparator roles. To address this, the following additional Ontario hospitals, although smaller in size, were used in the benchmarking exercise for this role:

- Markham Stouffville Hospital
- Women’s College Hospital
- Bluewater Health
- Providence Healthcare
- Joseph Brant Hospital
- Providence Care
- Hotel-Dieu Kingston

BENCHMARK POSITIONS

In the following table, we present the titles of representative positions that were used as benchmark roles for each of the designated executive classes:

Designated Executive Class of Positions	Representative Benchmark Positions
President & CEO	President & CEO
Chief of Professional Staff	Chief of Staff; Vice President, Medical Affairs
Chief Operating Officer & Chief Nursing Executive	Executive Vice President & Chief Nursing Executive; Chief Nursing Executive; Senior Vice President & Chief Operating Officer
Vice President, Corporate Services & CFO	Vice President & CFO; Vice President Corporate Services & CFO
Clinical Vice President	Vice President, Patient Services; Vice President & Regional Vice President Cancer Services; Vice President Clinical Programs
Vice President, Public Relations	Vice President Communications & Public Relations; Chief Communications Officer

COMPARATIVE ANALYSIS DETAILS

In this section, we provide the comparative data for each Designated Class of Executives and identify the 50th percentile. The Salary and Performance-Related Pay Cap (Maximum Base Salary plus Maximum Performance Pay) will be set at an amount that is equal to or less than the 50th percentile.

President and CEO

Hospital Name	Job Title	Maximum Base Salary	Maximum Annual Performance Pay	Maximum Base + Performance Pay
Windsor Regional Hospital	President & CEO	\$420,000	5.0%	\$441,000
Health Sciences North	President & CEO	\$350,000	0%	\$350,000
Humber River Hospital	President & CEO	\$493,884	10%	\$543,272
Kingston General Hospital	Interim President & CEO	\$410,000	25%	\$512,500
Lakeridge Health	CEO	\$490,000	0%	\$490,000
Niagara Health System	President	\$419,000	0%	\$419,000
North York General Hospital	President & CEO	\$430,000	10%	\$473,000
Royal Victoria Hospital	President & CEO	\$276,740	5%	\$290,577
Southlake Regional Health Centre	President & CEO	\$412,000	10%	\$453,200
St. Joseph's Health Care - Hamilton	President	\$500,000	0%	\$500,000
St. Joseph's Healthcare, London	President & CEO	\$435,000	20%	\$522,000
St. Michael's Hospital	President & CEO	\$675,000	5%	\$708,750
William Osler Health System	President & CEO	\$445,000	9%	\$485,050
	50th Percentile	\$432,500		\$487,525

Chief of Professional Staff

Hospital Name	Job Title	Maximum Base Salary	Maximum Annual Performance Pay	Maximum Base + Performance Pay
Windsor Regional Hospital	Chief of Professional Staff	\$300,000	5.0%	\$315,000
Health Sciences North	VP, Medical & Academic Affairs/Chief of	\$375,000	0%	\$375,000
Humber River Hospital	VP Medical & Academic Affairs	\$325,000	0%	\$325,000
Kingston General Hospital	EVP & Chief of Staff	\$296,200	18%	\$349,516
Lakeridge Health	<i>No Comparable Position</i>			
Southlake Regional Health Centre	<i>No Comparable Position</i>			
Niagara Health System	Chief of Staff/ EVP Medical	\$429,000	0%	\$429,000
North York General Hospital	VP, Medical & Academic Affairs	\$393,345	5%	\$413,012
Royal Victoria Hospital	VP, Medicine & Academic Affairs	\$272,500	10%	\$299,750
St. Joseph's Healthcare, London	VP, Medical	\$282,233	3%	\$290,700
William Osler Health System	VP, Medical Affairs	\$276,600	6%	\$293,196
	50th Percentile	\$310,600		\$337,258

Chief Operating Officer & Chief Nursing Executive

Hospital Name	Job Title	Maximum Base Salary	Maximum Annual Performance Pay	Maximum Base + Performance Pay
Windsor Regional Hospital	Chief Operating Officer & Chief Nursing Executive	\$260,000	5.0%	\$273,000
Health Sciences North	Senior VP & COO	\$280,985	0%	\$280,985
Humber River Hospital	CNE	\$270,000	0%	\$270,000
Kingston General Hospital	EVP & CNE	\$230,000	18%	\$271,400
Lakeridge Health	Executive VP	\$266,000	0%	\$266,000
Niagara Health System	VP, Clinical Services & CNE	\$314,453	0%	\$314,453
Southlake Regional Health Centre	EVP & COO	\$270,000	10%	\$297,000
St. Joseph's Health Care - Hamilton	EVP & Nursing Executive	\$365,000	0%	\$365,000
St. Joseph's Healthcare, London	VP, Patient Care & CNE	\$235,437	3%	\$242,500
	50th Percentile	\$270,000		\$276,193

Vice President, Corporate Services & CFO

Hospital Name	Job Title	Maximum Base Salary	Maximum Annual Performance Pay	Maximum Base + Performance Pay
Windsor Regional Hospital	Vice President Corporate Services & CFO	\$230,000	2.0%	\$234,600
Health Sciences North	VP & CFO	\$176,800	0%	\$176,800
Humber River Hospital	EVP, Finance, IT & Services	\$265,000	0%	\$265,000
Kingston General Hospital	VP & CFO	\$184,300	11%	\$204,573
Lakeridge Health	VP, Finance & Information Management	\$239,000	0%	\$239,000
North York General Hospital	VP, Information & Corporate Services & C	\$250,000	5%	\$262,500
Royal Victoria Hospital	VP, Corporate Services & CFO	\$225,000	9%	\$245,250
Southlake Regional Health Centre	VP, Accountable Care, CFO & CEO	\$230,000	10%	\$253,000
St. Joseph's Health Care - Hamilton	VP & CFO	\$263,476	0%	\$263,476
St. Joseph's Healthcare, London	VP Corporate Services & CFO	\$235,437	3%	\$242,500
St. Michael's Hospital	VP & CFO	\$350,000	5%	\$367,500
William Osler Health System	Joint CFO & VP for Organizational Performance	\$275,000	6%	\$291,500
	50th Percentile	\$239,000		\$253,000

Clinical Vice President

Hospital Name	Job Title	Maximum Base Salary	Maximum Annual Performance Pay	Maximum Base + Performance Pay
Windsor Regional Hospital	Clinical Vice President	\$211,396	2.0%	\$215,624
Health Sciences North	VP, Patient Services, Clinical Transformation & CNE	\$217,861	0%	\$217,861
Humber River Hospital	EVP Patient Service	\$255,000	0%	\$255,000
Lakeridge Health	VP Clinical Services & CNE	\$257,250	0%	\$257,250
Niagara Health System	EVP Quality, Community Development & Addictions	\$314,453	0%	\$314,453
North York General Hospital	<i>No Comparable Position</i>			
Royal Victoria Hospital	VP, Patient Programs & CNE	\$200,000	10%	\$220,000
Southlake Regional Health Centre	VP, Patient Experiences & CNO	\$227,000	10%	\$249,700
St. Joseph's Health Care, London	VP Patient Care & Risk Management	\$235,437	3%	\$242,500
William Osler Health System	EVP, Clinical Services	\$289,000	6%	\$306,340
	50th Percentile	\$245,219		\$252,350

Vice President, Public Relations

Hospital Name	Job Title	Maximum Base Salary	Maximum Annual Performance Pay	Maximum Base + Performance Pay
Windsor Regional Hospital	Vice President, Public Affairs, Communication and Philanthropy	\$160,000	2.0%	\$163,200
Bluewater Health	Chief, Communications & Public Relations	\$140,147	2.0%	\$142,950
Health Sciences North	Chief Communications & Community Engagement Officer	\$164,992	0%	\$164,992
Hotel Dieu Kingston	VP Mission, Strategy & Communications	\$158,991	10%	\$174,890
Joseph Brant Hospital	VP Public Affairs & Communications	\$150,000	0%	\$150,000
Lakeridge Health	Senior Director, Communications	\$142,138	0%	\$142,138
Markham Stouffville Hospital	VP Communications & Public Affairs	\$160,000	0%	\$160,000
Providence Care	VP Community Partnerships & Chief Communications Officer	\$201,176	0%	\$201,176
Providence Healthcare	Executive Director Mission Integration & Chief Communications Officer	\$156,060	0%	\$156,060
Royal Victoria Hospital	VP Strategy, Communications & Stakeholder Relations	\$176,500	8%	\$190,620
St. Michael's Hospital	VP Strategy & Public Affairs	\$287,054	0%	\$287,054
William Osler Health System	Joint VP Service Quality & Community Relations	\$256,600	6%	\$271,996
Women's College Hospital	Chief Communications & Marketing Officer	\$166,249	5%	\$174,561
	50th Percentile	\$162,496		\$169,777

Salary and Performance-Related Pay

In accordance with the BPSECA, the Board of Directors of WRH has set maximum total cash compensation (i.e., *pay cap*), comprising base salary and performance pay, or each Designated Executive Class of Positions, at the 50th percentile of the comparator market, and minimum compensation at 90 per cent of the maximum. Job match considerations included job and organization size, function and scope.

In the following table, we present information on the salary and performance-related pay cap for each Designated Executive Class of Positions:

Executive Class of Positions	Salary Range Maximum	Job Rate	Salary Range Maximum	Target Annual Performance-Related Pay	Maximum Annual Performance-Related Pay	Salary and Performance-Related Pay Cap
President & CEO	\$417,900	n/a	\$464,300	n/a	5.0%	\$487,500
Chief of Professional Staff	\$289,000	n/a	\$321,100	n/a	5.0%	\$337,200
Chief Operating Officer & Chief Nursing Executive	\$236,600	n/a	\$262,900	n/a	5.0%	\$276,100
Vice President, Corporate Services & CFO	\$223,200	n/a	\$248,000	n/a	2.0%	\$253,000
Clinical Vice President	\$211,800	n/a	\$235,300	n/a	2.0%	\$240,000
Vice President, Public Relations	\$149,700	n/a	\$166,420	n/a	2.0%	\$169,750

SALARY AND PERFORMANCE-RELATED PAY ENVELOPE

In the following table, we present the sum of salary and performance-related pay paid to the Designated Executives for the most recently completed pay year. In addition, we provide the maximum rate of increase to the salary and performance-related pay envelope:

Sum of Salary and Performance-Related Pay for the Most Recently Completed Pay Year	Maximum Rate of Increase to Envelope
\$2,278,526	5.0%

The Board of Directors has considered the five factors outlined in section 3.3 of the Broader Public Sector Executive Compensation Framework (Regulation 304/16) in determining the maximum rate of increase. Although all the factors were considered, some factors were given more attention due to data availability and/or relative impact on WRH's executive compensation needs and organization-specific circumstances. Following are specific comments on the application of the five factors:

Factor 1: The financial priorities and the compensation priorities of the Ontario Government as indicated in the most recently published 2017 Ontario Budget: The Ontario provincial public sector wage settlement trend was 1.3% for the time period of April 2015 to March 2017.

Factor 2: Recent executive compensation trends in the part of the Canadian public sector and broader public sector that is in the industry within which the designated employer competes for executives: Korn Ferry Hay Group's 2016 Executive Market Trends report indicates a compound annual growth rate in actual base salary from 2012 to 2016 of 1.9%, or 1.8% in the most recently completed year (2016) for executives in the national broader public sector. WRH has proposed a maximum rate of increase of 5%; although WRH may decide not to use the maximum rate of increase initially (e.g., increase executive compensation by no greater than that of other non-executive management staff), this allows for future annual compensation adjustments that may be needed to attract, retain and motivate the executive team, or address any internal/external inequities that may arise.

Factor 3: A comparison between the percentage of the designated employer's operating budget that is used for executive salary and performance-related pay and the percentages of the operating budgets of the designated employer's comparator organizations that are used for executive salary and performance-related pay: As indicated in the Broader Public Sector Executive Compensation Guide, information on total executive compensation spending is not readily available at this time.

Factor 4: The effect on attracting talent to the designated employer's executive positions, and retaining talent in the designated employer's executive positions, of the difference between the salary and performance-related pay range for those positions and the salary and performance-related pay ranges for the employees or office holders who directly report to the holders of those positions. Both compression and inversion exist at WRH between various levels of non-executives and the lowest paid executives. The proposed maximum rate of increase would allow for increases to these executives' compensation, to which a portion would be allocated to correct the compression/inversion issues that are currently present, and ensure reasonable pay gaps between the executives and non-executives moving forward.

Factor 5: Any significant expansion in operations that is not the result of a significant organizational restructuring. At this time, WRH does not anticipate any significant restructuring projects in the near future.

OTHER ELEMENTS OF COMPENSATION

Car Allowance

The President & Chief Executive Officer has a monthly car allowance in the amount of \$850, in lieu of any mileage reimbursements which is intended to be used to purchase or lease a vehicle and cover all related expenses (e.g., repair, maintenance, fuel, insurance, etc.). A car allowance is required for business purposes as WRH operates from two main sites and regular travel between sites is required, as well as required travel to meet with community partners. The car allowance is less expensive to the organization than the per kilometer rate of reimbursement in accordance with Hospital policy applicable to all employees.

Benefits

The benefits provided to Designated Executives will be aligned within 3 years of implementation of the Executive Compensation Framework, as per the regulations, including the following:

- Health and Dental
- Life Insurance
- AD&D
- LTD