

May 28, 2021

SENT BY EMAIL: John.Davison@gov.bc.ca

Mr. John Davison
President & CEO
PSEC Secretariat
Suite 210 – 880 Douglas Street
Victoria, BC V8W 2B7

Dear Mr. Davison

Re: 2020/2021 Statement of Executive Compensation – Provincial Health Services Authority

The 2020/2021 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, O.B.C., ICD.D
Board Chair
Provincial Health Services Authority

Att.

**Public Sector Executive Compensation Reporting
Provincial Health Services Authority (PHSA)
Statement of Executive Compensation
2020/21**

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 Autism Network
 - BC Cancer
 - BC Centre for Disease Control
 - BC Early Hearing
 - BC Emergency Health Services (including BC Ambulance Service, BC Bedline, and BC Trauma).
 - BC Mental Health Substance Use Services (including Forensic Psychiatric Services, Child and Youth Mental Health, and Corrections Services)
 - BC Renal
 - BC Surgical Patient Registry
 - BC Transplant
 - BC Women's + BC Children's Hospital
 - Cardiac Services BC
 - Health Emergency Management
 - Lower Mainland Biomedical Engineering
 - Lower Mainland Health Information Management
 - Lower Mainland Medical Imaging Program
 - Lower Mainland Pharmacy Services
 - Medical Mobile Unit
 - Perinatal Services BC
 - Provincial Laboratory Medicine Services
 - Provincial Language Service
 - Provincial Infection Control Network
 - Provincial Retinal Disease Treatment
 - Provincial Supply Chain Services
 - Services Francophone
 - Stroke Services BC
 - Trans Care 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 government's 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. 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. There were no parking fees in fiscal year 2020/21 due to of the COVID-19 pandemic.

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 2021

Name and Position	Salary	Holdback/Bonus/ Incentive Plan Compensation	Benefits	Pension	All Other Compensation (expanded below)	2020/2021 Total Compensation	Previous Two Years Totals Total Compensation	
							2019/2020	2018/2019
David Byres, President & CEO	\$ 34,866	-	\$ 5,865	\$ 3,630	\$ 3,070	\$ 47,431		
Benoit Morin, President & Chief Executive Officer	\$ 352,054	-	\$ 13,701	\$ 34,883	\$ 79,176	\$ 479,814	\$ 62,880	
Thomas K Chan, Executive Vice President, Corporate Services & Chief Operating Officer	\$ 298,367	-	\$ 9,697	\$ 29,563	-	\$ 337,627	\$ 351,659	
Linda Lupini, Executive Vice President, Commercial Services, PHSA	\$ 134,142	-	\$ 4,481	\$ 13,293	\$ 232,709	\$ 384,625	\$ 339,990	\$ 332,376
Scott MacNair, Executive Vice President Business Operations	\$ 114,633	-	\$ 13,610	\$ 4,345	-	\$ 132,588		
Ronald Quirk, Executive Vice President, Digital Information Services & Innovation	\$ 292,516	-	\$ 16,068	\$ 28,808	-	\$ 337,392		
Susan Wannamaker, Executive Vice President, Clinical Service Delivery, PHSA	\$ 298,367	-	\$ 14,925	-	-	\$ 313,292	\$ 309,209	
Donna Wilson, Executive Vice President, People & Provincial Diagnostic & Treatment Services, PHSA	\$ 285,991	-	\$ 14,944	\$ 28,336	-	\$ 329,271	\$ 326,134	\$ 317,322

Summary Other Compensation Table at 2021

Name and Position	All Other Compensation	Severance	Vacation Payout	Paid Leave	Vehicle / Transportation Allowance	Perquisites / Other Allowances	Other
David Byres, President & CEO	\$ 3,070	-	\$ 2,490	-	\$ 580	-	-
Benoit Morin, President & Chief Executive Officer	\$ 79,176	-	-	-	\$ 8,130	-	\$ 71,046
Thomas K Chan, Executive Vice President, Corporate Services & Chief Operating Officer	-	-	-	-	-	-	-
Linda Lupini, Executive Vice President, Commercial Services, PHSA	\$ 232,709	\$ 195,742	\$ 36,967	-	-	-	-
Scott MacNair, Executive Vice President Business Operations	-	-	-	-	-	-	-
Ronald Quirk, Executive Vice President, Digital Information Services & Innovation	-	-	-	-	-	-	-
Susan Wannamaker, Executive Vice President, Clinical Service Delivery, PHSA	-	-	-	-	-	-	-
Donna Wilson, Executive Vice President, People & Provincial Diagnostic & Treatment Services, PHSA	-	-	-	-	-	-	-

Notes

David Byres, President & CEO	General Note: Effective February 9, 2021, Dr. David Byres was appointed as PHSA Interim President & Chief Executive Officer.
Benoit Morin, President & Chief Executive Officer	General Note: Benoit Morin's last day as PHSA President & Chief Executive Officer was on February 9, 2021. Salary continuance in the amount of \$37,908 for the period of February 10 to March 31, 2021 is included in FY 2020/21 compensation. Salary continuance to end on November 9, 2021. Estimated total compensation for the period April 1 to November 9, 2021 is of \$345,266, which includes salary continuance (\$243,989), vacation payout (\$57,849), car allowance (\$5,312.50), 2 months of monthly lease payment (\$9,000), pension (\$24,179) and benefits (\$4,936). Other Note: This is a taxable benefit that was provided for Benoit Morin's moving allowance and alternative living arrangement. 71,046.51 was manually added to Benoit's T4 post termination in it's full amount, pre-tax.
Thomas K Chan, Executive Vice President, Corporate Services & Chief Operating Officer	General Note: PHSA provided a 2.00% performance-based salary increase to Thomas Chan effective April 1, 2020 for the 2019/20 performance year. Thomas Chan's last day as Executive Vice President, Corporate Services and Chief Operating Officer was on November 30, 2020. The public announcement regarding Mr. Chan was communicated as retirement based on mutual agreement. Salary continuance in the amount of \$89,548 is included in FY 2020/21 compensation for the period starting on December 1, 2020 to March 31, 2021. Salary continuance to end on September 30, 2021. Estimated total compensation for the period April 1 to September 30, 2021 is of \$182,239, which includes salary continuance (\$149,246), vacation payout (\$15,343), pension (\$14,790) and benefits (\$2,860). The position of Executive Vice President, Corporate Services and Chief Operating Officer will not be included in future years' disclosure statements further to a restructure in the executive team in FY 2020/21.
Linda Lupini, Executive Vice President, Commercial Services, PHSA	General Note: PHSA provided a 2.00% performance-based salary increase to Linda Lupini effective April 1, 2020 for the 2019/20 performance year. Linda Lupini's appointment as Executive Vice President, Commercial Services ended on September 1, 2020. Salary continuance in the amount of \$58,551 for the period of June 22 to August 31, 2020 is included in FY 2020/21 compensation. Severance in the amount of \$195,742 was paid to Linda Lupini upon early termination of employment as per the termination agreement. The position of Executive Vice President, Commercial Services will not be included in future years' disclosure statements further to a restructure in the executive team in FY 2020/21.
Scott MacNair, Executive Vice President Business Operations	General Note: Effective October 26, 2020, Scott MacNair was appointed Executive Vice President, Business Operations.
Ronald Quirk, Executive Vice President, Digital Information Services & Innovation	General Note: PHSA provided a 2.00% performance-based salary increase to Ronald Quirk effective April 1, 2020 for the 2019/20 performance year. As the executive freeze was implemented on August31, 2020, executives will forgo standard performance based increases for the 2020/21 performance year.
Susan Wannamaker, Executive Vice President, Clinical Service Delivery, PHSA	General Note: PHSA provided a 2.00% performance-based salary increase to Susan Wannamaker effective April 1, 2020 for the 2019/20 performance year. As the executive freeze was implemented on August31, 2020, executives will forgo standard performance based increases for the 2020/21 performance year.
Donna Wilson, Executive Vice President, People & Provincial Diagnostic & Treatment Services, PHSA	General Note: PHSA provided a 2.00% performance-based salary increase to Donna Wilson effective April 1, 2020 for the 2019/20 performance year. As the executive freeze was implemented on August31, 2020, executives will forgo standard performance based increases for the 2020/21 performance year.