

May 15, 2013

Public Sector Employers' Council Secretariat
Suite 210, 880 Douglas Street
P.O. Box 9400, Stn Prov Govt
Victoria, B.C. V8W 9V1

RE: *Public Sector Employers Act - Section 14.8(3)*
Compensation Disclosure for CEO and Senior Executives

Please accept this letter as Northern Health's Statement of Executive Compensation for the fiscal year 2012/2013. This report is provided in compliance with Section 14.8(3) of the Public Sector Employers Act and in the form and manner as established by the Public Sector Employers' Council (PSEC) per the Public Sector Executive Compensation Reporting Guidelines.

The report that follows is in two parts. Part One is a narrative discussion of our compensation principles, policies and practices. Part Two is the Summary Compensation Table for Northern Health.

As the Board Chair for Northern Health, I am fully aware of Northern Health's executive compensation practices and related performance measures.

If you have any questions or require clarification, please contact Jane Lindstrom, Vice President, Human Resources at 250.565.2116.

Sincerely,



Dr. Charles Jago
Northern Health Board Chair

cc: Cathy Ulrich, President and CEO
Jane Lindstrom, VP Human Resources
Mark De Croos, VP Financial and Corporate Services/CFO
Kindrée Draper, Corporate Relations Manager, PSEC
Pamaljit Gill, Industry Advisor, Management Compensation, HEABC

PART ONE

Compensation Discussion and Analysis

Northern Health is a member of the Health Employers Association of BC (HEABC) and is governed by the HEABC Compensation Reference Plan. This Plan has been developed pursuant to the statutory requirements of the Public Sector Employers Act and is applied across the employer members of HEABC for non-union, management and executive roles within healthcare.

Compensation Philosophy

Northern Health is committed to ensuring that their excluded employees are compensated in a fair and equitable manner. Employees who are doing substantially the same type of work or are in the same job should receive very similar pay, except when the difference is based on an individual's education and/or experience and job performance.

Compensation Policies and Practices

- HEABC's Non-Contract Role Assessment Plan is the tool used to evaluate all excluded positions within Northern Health, with the exception of the President and Chief Executive Officer (CEO). The Ministry of Health has established a maximum total compensation level for the CEO, which serves as the compensation ceiling for all other senior employees within Northern Health.
- The results of an evaluation determine the appropriate salary range for a position. Evaluations are based on information provided in a Role Description. HEABC is responsible for ensuring that evaluations are supportable by both internal and external equity.
- Each salary range has a minimum, midpoint and maximum, established by HEABC and approved by the Public Sector Employers' Council (PSEC). The midpoint is defined as the market value of the job and is based on the 50th percentile of the targeted market. HEABC periodically conducts market surveys to ensure health care salaries remain competitive.
- Placement on the salary range is based on a number of factors including experience, skills, competencies, current placement of incumbents in comparable roles, and current labour market conditions.
- Annual progression through the salary range up to the established maximum of the range is based on the completion of a satisfactory performance review and the organization's ability to pay. Employees normally progress through the range based on individual performance, as measured through Northern Health's Performance Management and Development Plan. Performance and development are assessed between the employee and their manager mid-year and at fiscal year end. Northern Health's Board assesses the performance of the CEO.

Benefits

Northern Health's benefit package includes Medical Services Plan, Long Term Disability (LTD), Sick Leave Accumulation, Life Insurance, Accidental Death & Dismemberment (AD&D), Extended Health, Dental, and Pension Plan. Northern Health's executive benefit provisions are the same as those provided to all its employees with the following exceptions: 1) there is no annual deductible for extended health, 2) the gross monthly benefit for LTD is increased annually based on the Consumer Price Index to a maximum of 5% annually, 3) the monthly LTD benefit for the CEO is \$15,000 with medical evidence and for other members of the Executive, \$12,000 with medical evidence, and 4) the Life and AD&D insurance maximum is \$1.5 million with insurer approval. Northern Health's benefit package is comparable with other health sector employers in British Columbia.

Annual Leave

Executives are eligible for six weeks annual vacation, with an additional day per year to a maximum of seven weeks. Annual vacation provides employees with a period of time away from the work environment. It is Northern Health's intention that all vacation is to be taken as a benefit and therefore employees are expected to utilize their full entitlement each year.

Part Two - Summary Compensation Table at FISCAL, 2013

Name and Position (a)	Salary (b)	Bonus and / or Incentive Plan Compensation (c)	Benefits (d)	Pension (e)	All Other Compensation (expanded below)	2012/13 Total	Previous Two Years Totals	
							2011 / 12	2010 / 11
Catherine Ulrich, President & CEO	\$ 329,000	\$ -	\$ 12,620	\$ 35,194	\$ 15,185	\$ 391,999	\$ 373,227	\$ 361,950
Susan MacDonald, VP Medicine (Acting)	\$ 234,730	\$ -	\$ 11,875	\$ 20,980	\$ -	\$ 267,585	\$ -	\$ -
Ronald Chapman, Chief Medical Health Officer	\$ 230,627	\$ -	\$ 12,934	\$ 20,636	\$ -	\$ 264,197	\$ 253,814	\$ 250,415
Michael McMillan, Chief Operating Officer - Northern Interior	\$ 220,409	\$ -	\$ 12,840	\$ 19,684	\$ -	\$ 252,933	\$ 246,139	\$ 246,272
Suzanne Johnston, Vice President Clinical Programs & Chief Nursing Officer	\$ 213,740	\$ -	\$ 11,933	\$ 19,088	\$ 667	\$ 245,428	\$ 238,371	\$ -

ATTENTION - Crown Agency Policy changes are being implemented. They may not be reflected in the 2012/13 executive compensation disclosure.

Part Two - Summary Other Compensation Table at FISCAL, 2013

Name and Position (a)	All Other Compensation	Severance (f)	Vacation payout (g)	Leave payout (h)	Vehicle / Transportation Allowance (i)	Perquisites / other Allowances (j)	Other (k)
Catherine Ulrich, President & CEO	\$ 15,185	\$ -	\$ 15,185	\$ -	\$ -	\$ -	\$ -
Susan MacDonald, VP Medicine (Acting)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Ronald Chapman, Chief Medical Health Officer	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Michael McMillan, Chief Operating Officer - Northern Interior	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Suzanne Johnston, Vice President Clinical Programs & Chief Nursing Officer	\$ 667	\$ -	\$ 667	\$ -	\$ -	\$ -	\$ -

Notes:
 Susan MacDonald - Effective Mar 4/13 assumed role of Chief Medical Officer; annualized salary \$226,000
 Ronald Chapman - Effective Mar 4/13, assumed role of VP Medicine; annualized salary \$272,474

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