

May 30, 2022

John Davison
President & Chief Executive Officer
Public Sector Employers' Council Secretariat
Suite 210 – 880 Douglas Street
Victoria, BC V8W 2B7

Sent via email: John.Davison@gov.bc.ca

Dear Mr. Davison:

Interior Health Authority
Public Sector Executive Compensation Disclosure

Please find the enclosed compensation information for the President and Chief Executive Officer and the next four highest ranking/paid Executives, as per statutory requirements.

I attest that:

- a) As Board Chair of the Interior Health Authority, I am aware of the executive compensation paid to these executives in the fiscal year ending March 31, 2022.
- b) The compensation information being disclosed is accurate and includes all compensation paid by the employer, foundations, subsidiaries or any other organization related to or associated with the Interior Health Authority.
- c) The compensation information being disclosed also includes the value of any pre or post-employment payments made during the 12 month period before or after the term of employment.
- d) Compensation provided was within approved compensation plans and complies with these guidelines.

Sincerely,



Doug Cochrane
Chair, Board of Directors

Encl(s): 2

We recognize and acknowledge that we are collectively gathered on the traditional, ancestral, and unceded territories of the seven Interior Region First Nations, where we live, learn, collaborate, and work together. This region is also home to 15 Chartered Métis Communities. It is with humility that we continue to strengthen our relationships with First Nation, Métis, and Inuit peoples across the Interior.



INTERIOR HEALTH AUTHORITY

Statement of Executive Compensation for the Fiscal Year 2021 : 2022

The Interior Health Authority must disclose all compensation provided to the President and Chief Executive Officer and the next four highest ranking executives for the services they have provided to the organization. This document outlines the governance, design, and total value of executive compensation for the fiscal year ending March 31, 2022.

Section 1 Provides an Organization Overview

Section 2 Provides the Compensation Discussion and Analysis

Section 3 Provides details of the Health Sector's Compensation Reference Plan

Section 1: Organization Overview

Interior Health is mandated by the Health Authorities Act to plan, deliver, monitor and report on publicly funded health services for the people that live within its boundaries. This includes 54 First Nations communities and 15 Métis Chartered Communities. Aboriginal peoples account for 8.8 per cent¹ of IH's total population (more than 63,000 people). Interior Health's Vision, Mission and Values inform how it delivers on its legislated mandate and commitment to people in its region.

Interior Health provides health services to more than 840,000 people² across a large geographic area covering more than 215,000 square kilometres, which includes larger cities and a multitude of rural and remote communities. The mix of services and enabling supports IH provides is driven by population health needs across the continuum of care which includes staying healthy, getting better, living with illness, and coping with end of life.

In support of the IH Vision, Mission, and Values, IH has also identified [Strategic Priorities for 2021-2024](#) that include: Population Health, Primary Care, Seniors Care, Health and Safety in the Workplace, Quality and Patient Safety, Health Human Resource Management, Aboriginal Health and Wellness, Mental Health and Substance Use, Timely Access and Flow, Improved and Inclusive Culture, Technology and Data Driven System of Care, and Financial Sustainability.

Health services are delivered through a health authority-wide "network of care" that includes hospitals, community health centres, long-term care and assisted living facilities, housing supports for people with mental health and substance use issues, primary health clinics, urgent and primary care centres, homes, schools, and other community settings. Health services are provided by IH employees, medical staff, and contracted providers.

A Board of Directors and Senior Executive Team share governance and leadership responsibility for IH's service delivery. Board members are appointed through provincial government's Crown Agency and Board Resourcing Office (CABRO). The primary role of the Board is to create policy and direction decisions to meet the health needs of the region, while remaining aligned with its responsibilities to the provincial government and MOH.

The day-to-day operations and management of IH are led by the Chief Executive Officer and the Senior Executive Team, who are responsible for leading strategic and operational services for the health authority and for meeting the health needs of people and communities in an effective and sustainable manner.

As a public sector organization, IH is committed to transparency by regularly updating information at www.interiorhealth.ca about services, planning, leadership and Board policies that may be of interest.

An overview of our context, key accomplishments, and performance measures are detailed each year in the [Interior Health Service Plan](#) in alignment with the Ministry of Health.

Section 2: Compensation Discussion and Analysis

Interior Health is a member employer of the Health Employers Association of BC (HEABC) and the HEABC Compensation Reference Plan governs the compensation approach for non-union, management and executive roles within the organization. The Plan was developed

¹ Source: 2016 Census, Statistics Canada

² Source: PEOPLE 2020

pursuant to the statutory requirements of the Public Sector Employers Act and is applied across the employer members of HEABC.

In March 2019, the Public Sector Employers' Council Secretariat (PSEC Secretariat) approved the health sector plan to implement the BC Public Sector Employers' Guide to Accountable Compensation. The new guide provides health sector employers with more flexibility to make reasonable salary decisions subject to defined restrictions.

For each of the Named Executive Officers (NEOs) reported in the Summary Compensation Table of this disclosure Interior Health has applied the Plan, working with HEABC for the necessary approvals. The base salary and total compensation provided to each NEO is consistent with the principles and policy objectives, as mandated by the Public Sector Employers' Council in accordance with the Public Sector Employers Act.

The Chair of the Interior Health Board of Directors approves the President & CEO's compensation levels in conjunction with the Ministry of Health. Performance-based salary increases for CEOs require approval from the Minister responsible for the Public Sector Employers Act.

The President & CEO sets the compensation levels and assesses the performance of their direct reports, including the NEOs, in accordance with the Plan; keeping the Board of Directors informed of the compensation levels and performance of the NEOs and other executive staff.

Section 3: Compensation Reference Plan

The Compensation Reference Plan (Plan) promotes the accountability of health care employers to the public, and enhances the credibility of management in the health sector by providing a framework within which appropriate compensation practices are consistently managed.

All member organizations of HEABC are required to use the Compensation Reference Plan in establishing compensation levels for the executive and non-contract positions in their organizations.

Philosophy

To support the delivery of health services to the people of British Columbia the Plan establishes a fair, defensible and competitive total compensation package designed to attract and retain a qualified, diverse and engaged workforce that strives to achieve high levels of performance.

Core Principles

Performance: The Plan supports and promotes a performance-based (merit) culture with in-range salary progression to recognize performance.

Differentiation: Differentiation of salary is supported where there are differences in the scope of a position and the assignment of the position to the appropriate salary range. Differentiation of salary is also supported based on superior individual or 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: The Plan is designed, managed and communicated in a manner that ensures the program is clearly understood by government, trustees, employers, employees and the public while protecting individual personal information.

Policy Objectives

Consistent with the Core Principles, the Plan has the following policy objectives:

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.

Modules

The Plan promotes the accountability of employers in the health sector to the public, and enhances the credibility of management in the health sector by providing a framework within which appropriate compensation practices are consistently managed.

All member organizations of the HEABC are required to use the Compensation Reference Plan in establishing compensation levels for the executive and non-contract positions in their organizations. The Plan consists of three components that, working in concert, assign jobs to the appropriate salary range.

The three components of the Plan are: the Organization Information Plan, the Role Assessment Plan and the Reference Salary Ranges.

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

The grouping of organizations is determined by assessing certain characteristics that are inherent in all member organizations of HEABC. The factors employed in assessing the organizational characteristics are:

- Diversity of Program Delivery
- Research Activities

- Education Activities
- Work Force Characteristics
- Sources & Stability of Funding

Responsibilities and Accountabilities:

1. HEABC will provide employers in the health sector with the Organizational Information Questionnaire (OIQ), instructions on how it's used, and consulting assistance in order to complete and accurately collect the required information.
2. Employers in the health sector will complete the OIQ.
3. The Board Chair of employers in the health sector will approve the completed OIQ and return the questionnaire to HEABC.
4. HEABC will review all completed questionnaires for consistency in application and inform the employers in the health sector of the final assessment.

The Role Assessment Plan (a point factor job evaluation plan) is the tool that allows employers to describe the jobs in their organizations. The Role Assessment Plan provides a means of establishing an equitable hierarchy of jobs within an organization, as well as a comparison of jobs across the health sector. The hierarchy of jobs is determined by assessing the skill, effort, responsibility and working conditions inherent in all jobs in HEABC member organizations. The factors employed in assessing the skill, effort, responsibility and working conditions are described in the table that follows.

Role Assessment Plan Factors

Skill	• Knowledge Gained Through Education and Training
	• Knowledge Gained Through Previous Experience
	• Internal Communications and Contacts
	• External Communication and Contacts
Effort	• Effort as a Result of Concentration
	• Effort as a Result of Physical Exertion
Responsibility	• Complexity of Decision Making
	• Impact of Decision Making
	• Nature of Responsibility of Financial Resources
	• Magnitude of Financial Resources
	• Nature of Leadership
Working Conditions	• Magnitude of Leadership
	• Conditions Under which the Work is Performed

Responsibilities and Accountabilities

1. HEABC will provide employers in the health sector with consulting advice on the application of the Role Assessment Plan.
2. Employers in the health sector will ensure that all executive and non-contract jobs are assessed using the Role Assessment Plan.
3. HEABC will work with employers in the health sector to ensure the consistent application of the plan through periodic reviews.
4. HEABC will work with employers in the health sector to resolve any disputes on the application of the Plan.

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.

Responsibilities and Accountabilities

1. HEABC will provide employers in the health sector with reference salary ranges.
 - 1.1. The reference salary ranges will be based on the 50th percentile of the blended market survey.
 - 1.2. The reference salary ranges will include provisions for an adequate range and spread of salary rates to differentiate developmental, job standard, and above standard rates.
2. Employers will administer salaries within the reference salary ranges.
 - 2.1. 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.
 - 2.2. Employers compensation practices will be deemed to conform to the reference salary ranges if the organization's overall comparison ratio is within 0.90 and 1.10 of the appropriate salary control points.
 - 2.3. The comparison ratio calculation is the total of the organization's actual salaries divided by the total of the appropriate salary control points.

Benchmarking the Reference Salary Ranges

- 1 The Plan will be reflective of a representative market that shall be composed of an appropriate mix of employers from which the health sector must attract and retain qualified individuals.
- 2 The composite market is based on consideration of:
 - 2.1 Size of organization, as this drives the span of control and scope of accountability.
 - 2.2 The industry, as organizations operating in the broad public sector likely have jobs that require similar skills and capabilities.
 - 2.3 Geography, considers the locations where qualified talent could be sourced from when recruiting and where current employees could potentially leave to join other organizations.
 - 2.4 Ownership type, for example public sector, health sector where jobs that require similar skills and capabilities form part of the recruitment/retention matrix.
- 3 This mix is to include:
 - 3.1 B.C. Public Sector Organizations – Crown corporations, health sector, K-12 education, community social services, regional government, municipalities and the public service.
 - 3.2 Other provincial jurisdictions (including the health sector) where relevant, excluding territories.
 - 3.3 Private Sector – to be utilized only in cases of talent in high demand with significant recruitment pressure from the private sector.
- 4 HEABC will conduct total cash and total compensation surveys to ensure appropriate internal and external equity are maintained.

Performance Based Pay

- 1 Employers in the health sector recognize that strengthening the linkage between individual performance and organizational objectives is a fundamental role for an organization's compensation strategy.
- 2 Performance based pay programs would include documented objectives with clearly defined and measurable performance outcomes.
- 3 The Compensation Reference Plan's salary ranges are applicable to a system of performance based pay. The salary ranges are structured to recognize competence, performance and exceptional market conditions. *Employers cannot establish salaries above the range maximum.*

Salary Structure Ranges 13 through 18

Range Minimum		Midpoint		Range Maximum	
80%	90%	90%	110%	110%	120%
Developmental Zone		Standard Zone		Advanced/Market Zone	

Salary Range Structure Ranges 5 through 12

Range Minimum		Midpoint		Range Maximum	
80%	90%	90%	110%	110%	115%
Developmental Zone		Standard Zone		Advanced/Market Zone	

Salary Range Structure Ranges 1 through 4

Range Minimum		Midpoint		Range Maximum	
80%	90%	90%	105%	n/a	n/a
Developmental Zone		Standard Zone			

Developmental Zone: Target pay for individuals who are new or developing in the job and are not yet performing the full breadth of duties and responsibilities expected of the job at this level. Accelerated progression through this portion of the salary range is common.

Market Zone: Target pay for employees who are fully seasoned in the job with the combination of experience and competencies needed to perform all duties and responsibilities expected of the job.

Innovative Practice Zone: Target pay for employees who consistently exceed all expectations through a unique and exceptional application of knowledge, skills and/or effort over a consistent and sustained period that

justifies the use of this this Zone; or to address exceptional recruitment and retention market pressures.

- 4 Each job will have an assigned salary range. Employers in the health sector will place their employees on the applicable range for that job. Progression throughout the range is based on job proficiency or performance. Employers cannot establish salaries above the range maximum.
- 5 A Merit Matrix will be used to determine the amount of the approved salary increases to targeted groups of employees. The matrix addresses both the performance (performance based culture) and position in the range (internal equity) to differentiate salaries. The table that follows illustrates the grid. The position in range bands would be adjusted to reflect the actual width of the salary range. The grid becomes an effective tool when the salary ranges match the levels recommended by market surveys and there is a consistent performance management practice and the level of increase for the base calculation provides a meaningful change in salary.

Illustrative Merit Matrix Illustration: ex.1% increase)			Position on Range		
			80% to 90%	90% to 110%	110% to 120%
Performance Rating	5	Highest	2.0%	1.7%	1.3%
	4	Next Highest	1.7%	1.3%	1.0%
	3	Middle	1.3%	1.0%	.7%
	2	Low	.7%	.7%	0.0%
	1	Lowest	0.0%	0.0%	0.0%
% increase cannot exceed the salary range maximum					

Disclosure & Reporting Requirements

- 1 HEABC will coordinate the reporting of total compensation for executive and non-contract employees within the sector.
- 2 Employers in the health sector will provide HEABC with total compensation information and related compensation policy information to meet the reporting requirements of employers and employers' associations within the sectoral compensation guidelines. Full disclosure of public sector compensation is public policy in British Columbia. This policy serves two main purposes:
 - 2.1. Promotes the accountability of public sector employers to the public.
 - 2.2. Enhances the credibility of public section management by provided a framework within which appropriate compensation practices can be explained to the public.

Interior Health Authority

Summary Compensation Table at 2022

Name and Position	Salary	Holdback/Bonus/ Incentive Plan Compensation	Benefits	Pension	All Other Compensation (expanded below)	2021/2022 Total Compensation	Previous Two Years Totals Total Compensation	
							2020/2021	2019/2020
Susan Brown, PRESIDENT & CHIEF EXECUTIVE OFFICER	\$ 341,925	-	\$ 30,566	\$ 34,611	\$ 34,343	\$ 441,445	\$ 420,255	\$ 417,684
Albert S De Villiers, CHIEF MEDICAL HEALTH OFFICER	\$ 189,958	-	\$ 22,860	\$ 27,267	\$ 116,653	\$ 356,738	\$ 205,636	
Mike Ertel, VP, MEDICINE & QUALITY	\$ 280,947	-	\$ 26,947	\$ 28,553	\$ 14,072	\$ 350,519	\$ 343,379	\$ 334,967
Shallen Letwin, VP, CLINICAL OPERATIONS, IH SOUTH	\$ 259,096	-	\$ 25,536	\$ 25,662	\$ 5,350	\$ 315,644	\$ 310,048	\$ 278,578
Donna Lommer, VP, CLINICAL & CORPORATE SERVICES	\$ 255,739	-	\$ 26,129	\$ 26,230	\$ 17,712	\$ 325,810	\$ 315,039	\$ 313,182
Sue Pollock, CHIEF MEDICAL HEALTH OFFICER	\$ 269,118	-	\$ 20,660	\$ 30,032	\$ 57,604	\$ 377,414		

Summary Other Compensation Table at 2022

Name and Position	All Other Compensation	Severance	Vacation Payout	Paid Leave	Vehicle / Transportation Allowance	Perquisites / Other Allowances	Other
Susan Brown, PRESIDENT & CHIEF EXECUTIVE OFFICER	\$ 34,343	-	\$ 9,482	\$ 13,677	\$ 10,681	-	\$ 503
Albert S De Villiers, CHIEF MEDICAL HEALTH OFFICER	\$ 116,653	-	-	\$ 90,094	-	-	\$ 26,559
Mike Ertel, VP, MEDICINE & QUALITY	\$ 14,072	-	-	\$ 12,411	-	-	\$ 1,661
Shallen Letwin, VP, CLINICAL OPERATIONS, IH SOUTH	\$ 5,350	-	-	\$ 4,563	-	-	\$ 787
Donna Lommer, VP, CLINICAL & CORPORATE SERVICES	\$ 17,712	-	-	\$ 16,751	-	-	\$ 961
Sue Pollock, CHIEF MEDICAL HEALTH OFFICER	\$ 57,604	-	-	\$ 7,899	-	-	\$ 49,705

Notes

Susan Brown, PRESIDENT & CHIEF EXECUTIVE OFFICER	<p>General Note: This position met criteria for inclusion in the 2020/21 executive compensation freeze, which came into effect on August 31, 2020. As a result, this individual was ineligible to receive a performance-based increase for the 2020/21 performance year. Paid Leave = 37.5 hours CTO (\$6838.50) and 37.5 hours on-call in lieu (\$6838.50). Vehicle Transportation Allowance = Car Lease Payments (\$8.023), Insurance (\$705), Maintenance (\$557), Fuel (\$1370), Registration (\$27) 15 weeks of retirement allowance has been accrued thus far, no additional time was accrued during the current reporting period. An error with the previous year's disclosure omitted statutory benefits from the total value of compensation reported under the Statutory and Health Benefits heading. The corrected value of compensation earned by this executive in the Statutory and Health Benefits section for the 2020/2021 period was \$25,562.</p> <p>Other Note: Other = CEO Membership Renewal (\$503.31)</p>
Albert S De Villiers, CHIEF MEDICAL HEALTH OFFICER	<p>General Note: This position did not meet criteria for inclusion in the 2020/21 executive compensation freeze, which came into effect on August 31, 2020. As a result, this individual was eligible to receive a performance-based increase for the 2020/21 performance year. Paid Leave = 7.5 hours of Compensating Time Off (\$1085.48) + 615 hours of general leave (\$89,008.96) This executive also received \$4,917.24 in compensation in recognition of MOCAP and their role as a physician. During the 2020/21 fiscal year, Dr. De Villiers was in the Chief MHO role from April 1, 2021 to June 8, 2021. He was then on a general paid leave from Jun 9, 2021 to October 3, 2021. Upon return to work on October 4, 2021 he has been reassigned to project MHO duties. An error with the previous year's disclosure omitted statutory benefits from the total value of compensation reported under the Statutory and Health Benefits heading. The corrected value of compensation earned by this executive in the Statutory and Health Benefits section for the 2020/2021 period was \$21906.</p> <p>Other Note: Other = Extraordinary Event Compensation (\$22,433.16), Canadian Medical Protection Association Fees (\$1800), College of Physician & Surgeons (\$1656.82), Royal College of Physicians & Surgeons (\$669.48)</p>
Mike Ertel, VP, MEDICINE & QUALITY	<p>General Note: Dr. Ertel received payment for physician services over the course of the fiscal year 2021/22 which will be disclosed by the Medical Services Commission's Financial Statement or Blue Book later in the year. Dr. Ertel is a practicing physician with earnings (\$471.90) for clinical duties disclosed separately as required by the Financial Information Act. Paid Leave = 37.5 hours of CTO (\$5641.50), 30 hours of On-Call in lieu (\$4513.20) and 15 hours of Employee requested paid education (\$2256.60). This position met criteria for inclusion in the 2020/21 executive compensation freeze, which came into effect on August 31, 2020. As a result, this individual was ineligible to receive a performance-based increase for the 2020/21 performance year. An error with the previous year's disclosure omitted statutory benefits from the total value of compensation reported under the Statutory and Health Benefits heading. The corrected value of compensation earned by this executive in the Statutory and Health Benefits section for the 2020/2021 period was \$27,201.</p> <p>Other Note: Other = \$1661 Membership dues for the College of Physicians & Surgeons of BC.</p>
Shallen Letwin, VP, CLINICAL OPERATIONS, IH SOUTH	<p>General Note: This position met criteria for inclusion in the 2020/21 executive compensation freeze, which came into effect on August 31, 2020. As a result, this individual was ineligible to receive a performance-based increase for the 2020/21 performance year. Paid Leave = 7.5 hours of CTO (\$1014) and 26.25 hours of on-call in lieu (\$3549) Total accrued retirement allowance to date is 11 weeks. An error with the previous year's disclosure omitted statutory benefits from the total value of compensation reported under the Statutory and Health Benefits heading. The corrected value of compensation earned by this executive in the Statutory and Health Benefits section for the 2020/2021 period was \$25,736.</p> <p>Other Note: Other = \$787 Membership Dues, College of Pharmacists of BC.</p>

Donna Lommer, VP, CLINICAL & CORPORATE SERVICES	<p>General Note: This position met criteria for inclusion in the 2020/21 executive compensation freeze, which came into effect on August 31, 2020. As a result, this individual was ineligible to receive a performance-based increase for the 2020/21 performance year. Paid Leave = 30 hours of Compensatory Time Off (\$4146), 37.5 hours of on-call in lieu (\$5182.50), 8 hours of Employer requested paid education (1105.60), 24 hours of employee requested paid education (3316.80). Accrued one week of retirement allowance to be paid at final salary. Total accrued to date is sixteen weeks. An error with the previous years disclosure omitted statutory benefits from the total value of compensation reported under the Statutory and Health Benefits heading. The corrected value of compensation earned by this executive in the Statutory and Health Benefits section for the 2020/2021 period was \$25,078.</p> <p>Other Note: Other = CPABC Membership Dues of \$961.</p>
Sue Pollock, CHIEF MEDICAL HEALTH OFFICER	<p>General Note: \$92,859 of total salary earnings was in MHO role, remainder was in CMHO role. This position did not meet criteria for inclusion in the 2020/21 executive compensation freeze, which came into effect on August 31, 2020. As a result, this individual was eligible to receive a performance-based increase for the 2020/21 performance year. Paid Leave = 30 hours of CTO (\$4460.25), 7.5 hours of On-Call in lieu (\$1146.15), 15 hours of Employer requested paid education leave (\$2292.30). This executive also received \$11,944.56 in compensation in recognition of MOCAP and their role as a physician. Accrued one week of retirement allowance to be paid at final salary. Total accrued to date is five weeks.</p> <p>Other Note: Other = Extraordinary Event Compensation (\$29,668.11), 2019, 2020 & 2021 retroactive payments for increase to PMA salary grid (\$15,550.63), Membership fees - Public Health Physicians of Canada (\$269.72), Canadian Medical Protective Association (\$1602.07), College of Physicians & Surgeons of BC (\$1661.08), Royal College of Physicians & Surgeons (\$953.63)</p>