



Hotel Dieu Shaver Health & Rehabilitation Centre
Executive Compensation Program

February 28, 2018

A. Compensation Philosophy

The Hotel Dieu Shaver Health and Rehabilitation Centre is a specialty facility focusing on the provision of state of the art rehabilitation services, as well as complex care and palliative services for the patients we serve. The Hospital houses 134 inpatient beds and through a large and well equipped outpatient facility, facilitates approximately 40,000 outpatient visits per year. Focusing on innovation and cutting edge rehabilitation processes and equipment, and in accordance with the principles of the Hospital's founding Sisters, the Religious Hospitallers of St. Joseph of the Hotel Dieu of St. Catharines, the organization takes great pride in meeting the unmet needs of the community – through, for instance, a focus on business development and the establishment of innovative services not otherwise available in the community – including, a memory clinic, continence clinic, Parkinson's clinic, development of a modified model of rehabilitation care where patients are grouped and treated by diagnosis (called "PODS"), an augmentative communications program, introduction of weekend therapy, and other measures to best meet the needs of the patient and to maximize the patient experience with the most efficient length of stay in hospital without incurring additional costs. The HDS has consistently been awarded contracts for the WSIB Regional Evaluation and Shoulder and Elbow Specialty Clinics, resulting in increased revenues to enhance our patient services. The focus on specialized and innovative patient service results in a requirement for multi-skilled, specialized and creative staff to best meet the changing needs of the community in response to rapidly developing modifications to best practice clinical approaches.

The compensation philosophy of the Hotel Dieu Shaver is to attract and retain atypical executive staff who are able to excel in multiple and various disciplines and roles and to possess the leadership and substantive skills, knowledge, ability and drive to perform in a number of different functions. The focused and specialty nature of the facility is augmented by a strong emphasis on heralding our mission and values and striving to serve as a leader in our respective fields. The lean management complement requires an ability to excel within a diversified and potentially non-traditional portfolio. To the extent that comparator positions are identifiable within comparable hospitals, the compensation philosophy is to target pay based on maximum compensation at the 50th percentile of the comparator group. That is the point where half of our comparators pay above, and half of our comparators pay below. The philosophy is further intended to ensure that the Hotel Dieu Shaver is able to attract, retain and motivate key talent in a manner that is competitive but also fiscally responsible and to ultimately promote the organizational strategic goals of delivery of high quality rehabilitation that is driven by best practice, contributes to a positive patient and family experience, and that supports a cost-effective approach. The management team, including the senior team, is very limited in numbers resulting in an exacerbated need to ensure that specialty functions are filled with high performing, multi-tasking personnel. Pay for performance is predicated on the ability to meet or exceed carefully customized Quality Improvement Plan indicators as well as individual and organizational goals in furtherance of the strategic plan and mission, vision and values of the Hospital.

B. Application

At Hotel Dieu Shaver, the proposed Executive Compensation Program applies to the following designated executives:

1. Chief Executive Officer and Chief Financial Officer
2. Vice President Corporate Services and Legal
3. Vice President Clinical Operations
4. Chief Nursing Officer and Director of Nursing (CNE)
5. Chief of Staff

C. Proposed Comparator Organizations and Analysis

The Government Regulations stipulate that a minimum of eight comparators must be used in the Comparative Analysis and development of the Executive Compensation Framework. In addition, all comparator organizations must be comparable with respect to three or more of the following factors:

1. The scope of responsibilities of the organization’s executives
2. The type of operations the organization engages in
3. The industries within which the organization competes for executives
4. The size of the organization
5. The location of the organization

Rationale for Comparator Organization Selection

In developing this compensation plan, careful consideration was given to the legislative guidelines, including its understood spirit and intent. A focus on multi-skilled and specialized executive and front line staff has allowed the Hotel Dieu Shaver to continually adapt to best practice advances in a highly specialized health care field that grows daily in demand, particularly given the aging population. Despite the space and infrastructure demands of an older structure, patient satisfaction consistently tracks at 98% or higher, the Quality Improvement Plan reflects performance that typically exceeds provincial averages and according to the Ontario Stroke Report Card, the HDS made the greatest improvement in the province for stroke rehabilitation patients meeting Length of Stay Targets – effectively maximizing outcomes through a compressed length of stay. The atypical nature of the organization and its management gives rise to different challenges in the application of the executive compensation exercise.

Additionally, the nature of the HDS and the services provided require a notably high proportion of graduate level educated and other specialized multi-disciplinary registered staff compensated at very competitive unionized rates - resulting in significant compression between front line and management and executive personnel over the last eight years of the executive compensation freeze.

Comparable positions and organizations were identified on the basis of the following legislative criteria:

Scope of Responsibilities of the organizations' executives: The Hotel Dieu Shaver (HDS) is a speciality rehabilitation facility located in the Niagara Region. The executive group is very lean in number and is also atypical in job scope and responsibilities. The CEO also operates as Chief Financial Officer. In addition to responsibility for oversight of a large reporting portfolio, the VP of Corporate and Legal is also Legal Counsel and Chief Human Resources Officer, the VP of Clinical also develops, implements and monitors business development/revenue generation initiatives and the Chief Nursing Executive also provides front line nursing management services. In most facilities, these combined roles do not exist resulting in, for instance, additional staff on payroll and/or reliance on external legal services and consultants for business plan development. At HDS, given the knowledge, skills and abilities required of the executive group, those additional "external costs" are not typically incurred.

Given the diversified atypical portfolios exact matches are not necessarily available for all of the HDS Executive positions at all comparator organizations. Job titles are not the same in all cases but were selected based on match/comparable job scope taking into account required knowledge, skill, ability, scope and responsibility of the role to the extent possible. Importantly, as well, to ensure maximum consistency, all organizations and positions selected as comparators were drawn from the Ontario Hospital Association 2016 Chief Executive Officer and Designated Executive Survey for all of the following: Job Band Descriptions and Job Matrix, compensation arrangements, demographic data including type of hospital, number of beds and sites, size of operating budget and number of staff/FTE's ; thereby relying on comparison data that is consistent for job type, job scope and complexity, compensation arrangements, and comparator organizations.

Type of Operations HDS engages in: Hotel Dieu Shaver provides speciality rehabilitation inpatient and outpatient services, as well as Complex Continuing and palliative care. As a result, similar functioning facilities (Rehab and CCC) were identified where possible. Additionally, HDS looked to small and medium sized community hospitals in order to ensure an adequate comparison base of comparable executives was available. Community hospitals serve a similar geographic community and though not supporting acute care services, other enhanced services are provided at HDS requiring a high degree of specialized education and training for both front line staff and managerial personnel.

Industries within which the organization competes for executives: The standard recommended approach in identifying comparator organizations is to consider who the facility recruits from and loses staff to – typically, at HDS, given the speciality and multi-functional nature of the work, management and clinical speciality staff are drawn from and re-locate to very large acute care hospitals (such as Niagara Health System, Hamilton Health, University Health Network, Roswell Park in Buffalo, New York) as well as large teaching facilities, such as Brock University,

that pay at highly competitive rates. Nonetheless, those facilities were not chosen as comparators given their exceptionally large size. Given the atypical nature of the HDS executive roles, and to ensure the ability to identify a suitable number of comparable executive positions which are not normally found at all small hospitals, comparators were drawn from small to medium sized facilities, and again, in an attempt to better match the work performed at HDS, with a focus on rehabilitation/CCC and community hospitals.

Location: The requirement to look to small to medium sized facilities to identify at least one comparable executive position also resulted in the need to identify comparator organizations throughout the province. As noted, all local hospitals (Niagara and Hamilton) are exceptionally large facilities and were therefore not included in the comparator pool. Comparisons therefore required looking outside of the Niagara and Hamilton Regions. To ensure an appropriate balance of comparators reflecting a fair mix of cost of living and local economic factors, as well as the likely attractiveness of the geographical environment to potential recruits, comparators were identified from geographical areas similar to the Niagara Region in terms of urban and rural mix (i.e. Cornwall, Norfolk and Cambridge) as well as the larger urban centres – such as Toronto.

Size of the Organization: As identified, in order to identify positions reflecting comparable education, skill, complexity and level of accountability, small to medium sites were identified. In so doing, the following additional considerations were adopted to ensure the size criterion was met to the best ability:

- Number of Sites – all comparators have only one site. The HDS effectively has two buildings that are connected by a tunnel, one being an inpatient facility with 134 beds and the other being an outpatient rehabilitation facility with 40,000 outpatient visits per year. The two components provide distinctly different services requiring significantly different staffing complements with integration of services for some patients. However, HDS is characterized as a one site facility.
- All comparators share at least two of the three following categories with the HDS, as identified by the OHA in the 2016 Executive Salary Survey:
 - Number of Beds
 - Annual Operating Budget Size as of March 31, 2016
 - Number of Staff- Total Full Time Equivalents as of September 30, 2016

For all of the reasons identified above, comparator organizations were selected in an effort to best accurately reflect fair comparators for atypical roles in a specialty hospital. In order to maintain and enhance successes achieved, it is important that the Hotel Dieu Shaver recruits and retains professionals who are multi-functional with a broad education and experience base, in order to continue to provide our community the level of service we are so proud of within limited fiscal resources.

Identified Comparator Group: As a result of all of the above, the following 14 hospital comparators were identified:

Rehabilitation and Complex Care Hospitals:

Holland Bloorview, Westpark, Runnymede, Toronto Grace and Providence

Community Hospitals: Pembroke, Cambridge, Ross Memorial, Timmins, Northumberland, Norfolk, Woodstock, Muskoka General and Cornwall.

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Analysis based on Available Comparator Positions for each of the 14 Comparator Hospitals:

Pursuant to the Regulation, the cap for the combined total of base salary and performance related pay for each of the five (5) executive positions will be the associated **50th percentile value** for the comparator positions at the comparator organizations, in other words, the maximum cap will be no greater than the point in the comparator range that half the values fall below. The comparison analysis for each position is as follows:

CHIEF EXECUTIVE OFFICER/CHIEF FINANCIAL OFFICER		
	<i>Comparable Positions at:</i>	<i>Salary + performance related pay cap 2016</i>
1.	Holland Bloorview (Rehab)	478,572
2.	Westpark (Rehab)	397,800
3.	Runnymede (Rehab)	389,750
4.	Providence Toronto (Rehab)	387,600
5.	Cambridge (Community)	342,000
6.	Pembroke (Community)	308,254
7.	Ross Memorial (Community)	291,720
8.	Timmins (Community)	280,000
9.	Northumberland (Community)	275,000
10.	Norfolk (Community)	251,043
12.	Woodstock (Community)	250,000
13.	Muskoka General (Community)	242,256
15.	Cornwall (Community)	236,400
16.	Toronto Grace (Rehab)	226,000
	MEDIAN (50th %)	285,860

VICE PRESIDENT CORPORATE SERVICES AND LEGAL		
	<i>Comparable Positions at:</i>	<i>Salary + performance related pay cap 2016</i>
1.	Holland Bloorview (Rehab)	223,300
2.	Runnymede (Rehab)	216,000
3.	Woodstock (Community)	213,996
4.	Westpark (Rehab)	207,882
5.	Providence Toronto (Rehab)	201,960
6.	Norfolk (Community)	191,627
7.	Cornwall (Community)	185,000
8.	Pembroke (Community)	182,297
	MEDIAN (50th%)	204,921

VICE PRESIDENT CLINICAL OPERATIONS		
	Comparable Positions at:	Salary + performance related pay cap 2016
1.	Holland Bloorview (Rehab)	223,315
2.	Runnymede (Rehab)	216,000
3.	Westpark (Rehab)	207,882
4.	Providence Toronto (Rehab)	201,960
5.	Cornwall (Community)	185,000
6.	Cambridge (Community)	182,500
7.	Norfolk (Community)	168,617
8.	Pembroke (Community)	157,500
	MEDIAN (50th %)	193,480

CHIEF NURSING EXECUTIVE AND DIRECTOR OF NURSING		
	Comparable Positions at:	Salary + performance related pay cap 2016
1.	Woodstock (Community)	161,142
2.	Timmins (Community)	161,031
3.	Ross Memorial (Community)	160,500
4.	Westpark (Rehab)	159,600
5.	Cornwall (Community)	154,524
6.	Northumberland (Community)	153,265
7.	Holland Bloorview (Rehab)	149,691
8.	Toronto Grace (Rehab)	144,522
9.	Muskoka General (Community)	139,988
	MEDIAN (50th%)	154,524

CHIEF OF STAFF (Employed at 0.5 FTE- Salaries annualized based on 1.0 FTE)		
	Comparable Positions at:	Salary + performance related pay cap 2016(Annualized Based on 1.0 FTE)
1..	Toronto Grace (Community)	356,850
2.	Providence Toronto (Rehab)	343,611
3.	Pembroke (Community)	315,000
4.	Ross Memorial (Community)	310,000
5.	Cornwall (Community)	300,000
6.	Muskoka General (Community)	281,413
7.	Holland Bloorview (Rehab)	274,340
8.	Runnymede (Rehab)	240,000
9.	Cambridge (Community)	240,000
11.	Timmins (Community)	150,000
	MEDIAN (50th%)	290,706

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D. Salary and Performance Related Pay Framework

Pursuant to the Regulations, the maximum salary and performance-related pay caps for each designated executive is based on the 50th percentile of the total salary paid for similar positions of the comparable organizations as outlined above.

From there, that amount was reduced by a further 3% to allow for possible performance pay. Range markers were then established by decreasing that amount by an additional 5% per step.

Executive Position	Salary Range Minimum (\$)	Job Rate (\$)	Salary Range Maximum (\$)	Maximum Annual Performance-related Pay (% of Salary)	Salary and Performance-related Pay Cap (BEING 50th Percentile of Comparators)
CEO/CFO	\$251,732	\$264,319	\$277,535	3%	\$285,860
Vice President Corporate Services and Legal	\$180,455	\$189,478	\$198,952	3%	\$204,921
Vice President Clinical Operations	\$173,688	\$178,899	\$187,844	3%	\$193,480
Chief Nursing Officer	\$138,717	\$142,879	\$150,023	3%	\$154,524
Chief of Staff *Employed at 0.5 FTE; salary reflected at annualized 1.0 FTE	\$243,808	\$255,998	\$268,798	3%	\$290,706

Adjustments to the salary and performance related pay cap:

Once per year, pursuant to the Regulation, Hotel Dieu Shaver may increase the salary and performance related pay cap for a designated executive position by a rate that does not exceed the lesser of the following:

- The average rate of increase in salary and performance-related pay of the designated employer’s non-executive managers for the most recent one-year period in respect of which Hotel Dieu Shaver determined the salary and performance-related pay to be paid to the non-executive managers.
- The public sector wage settlement trend in Ontario.

E. Designated Executive Salary and Performance Related Pay Envelope

The Hotel Dieu Shaver's total pay envelope for designated executives for the most recently completed pay year was \$897,885. The proposed maximum rate that this pay envelope could be increased in each year is 5%.

Actual annual increases paid to executives may be less than the proposed maximum rate of increase and individuals may receive more or less than the proposed maximum rate of increase, considering a variety of factors including their tenure with the organization and position on their respective salary grids.

In proposing the amount of 5%, the Hotel Dieu Shaver considered the five factors articulated in the Government Directive, which are summarized below.

1. **Financial and compensation priorities of the Ontario government.** The proposed pay envelope is consistent with the mandate of the Ontario government as set out in the Provincial Budget 2017, the fiscal plan and the speech from the throne, and other public documents. Over the past seven years, the provincial government has been successful in moderating wage growth and meeting its fiscal commitments without compromising the quality of critical public services. The Ontario government has approved a balanced budget in 2017-18 for the first time since 2008-2009.

At the Hotel Dieu Shaver, the hospital operates with a very lean executive complement (five in total) while paying salaries that are well below the 50th percentile of comparator organizations and with no adjustment to base since 2009. Meanwhile, through the commitment of all staff at the Hotel Dieu Shaver, Quality Improvement Plan results reflect performance that exceed provincial averages, including lower than average alternate level of care days and CDIF rates, and much higher than average performance in hand hygiene and medication reconciliation rates and a 98% positive result for the question "Would you recommend this hospital to family and friends" from the last reported patient satisfaction survey. Further, according to the Ontario Stroke Report Card, the Hotel Dieu Shaver made the greatest improvement in the province for stroke rehabilitation patients meeting Length of Stay Targets – effectively maximizing outcomes through a compressed length of stay.

2. **Compensation trends.** Although it is difficult to conduct a comparison with recent executive compensation trends within the broader public sector, given that the full sector has been governed by the restraint legislation, the results of the current comparison exercise reveal that the Hotel Dieu Shaver recruits executives and maintains salary levels that fall well below the provincial medians for comparator positions at comparator organizations. Further, approximately 95% of the staff at the Hospital are unionized. Recognizing that adjustments in any given year have been marginal since 2009, the cumulative adjustment for each of the three unions ranges from 14.2% to 18.35% from 2009 to the present, non-compounded. The specialized nature of the facility results in the retention of a proportionately high percentage of Masters level educated and other specialized registered staff that are paid at competitive rates. The result has been significant compression between front line and managerial and executive staff since the freeze was introduced in 2010 (effectively freezing executive salaries since 2009).

3. **Proportion of the operating budget used for executive compensation.** At the HDS, total salaries and wages for the entire hospital represent 62% of the budget and executive salaries represent 2.6%, reflective of a very lean organization.
4. **Impact of salary compression on attracting and retaining talent.** In an effort to ensure the ability to recruit and retain management staff, in light of salaries paid to front line clinical unionized staff, many of whom are Masters educated and other specialized registered staff paid at very competitive rates, the salaries for the manager and director complement have been adjusted by a cumulative increase of 15% since 2012, as opposed to 0% to the executive complement since 2009. This has resulted in significant compression between the executive and managerial groups.
5. **Expansion in the operations:** With limited increase in funding, the Hospital has adopted a number of special projects in order to best address the unmet needs of our community and continue to meet and exceed best practice initiatives in rehabilitation and complex continuing care. New program development has included, but is not limited to, a privately funded Parkinson's' clinic (which now has a significant waiting list); a memory clinic – by receiving Memory Clinic interventions at the right time, patients will be able to optimize their functional independence, slow down their progression of memory loss and delay significant cognitive deficits, an Augmentative and Alternative Communication Program for individuals in Niagara requiring the service who have “aged out” of the Niagara Children’s Centre since they are over 18, and a continence clinic. Very specific to rehabilitation services, the Hospital has introduced weekend therapy and developed a modified approach to the provision of rehabilitation care whereby patients are grouped and treated by diagnosis (called the POD model), all without increased costs to the facility. Additionally, the Hospital has been awarded the contracts for the WSIB Regional Evaluation Centre and the WSIB Shoulder and Elbow Specialty Clinic, resulting in enhanced revenue generation for the Hospital to enhance the patient services we provide.

In order to maintain and enhance these successes, it is important that the Hotel Dieu Shaver recruits and retains professionals who are multi-functional and highly specialized, in order to provide an exemplary service to the community within limited fiscal resources.

F. Other Elements of Compensation

Other than salary and performance-related pay, a car allowance is provided to the Chief Executive Officer/Chief Financial Officer as a result of the requirement to engage in significant travel within and outside of the Region of Niagara in the course of performing the job function. The CEO/CFO travels outside of the LHIN for meeting requirements on a regular basis, whereas other executives normally travel within the LHIN geographic region. Other executives do not receive a car allowance.