



**Approved Executive Compensation Policy and Framework Feb. 28, 2018**  
**Executive Compensation Policy and Framework**  
**WOODSTOCK HOSPITAL**

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## **1. Background**

The Province of Ontario introduced *The Broader Public Sector Accountability Act* in 2010 (BPSAA), which introduced controls on compensation, expenses, perquisites, business documents and procurement in the Broader Public Sector (BPS). This included an immediate freeze on certain executive compensation. In 2012, the Act was amended to extend the freeze to all elements of compensation for designated executives. This 2012 amendment was made to apply until a new provincial compensation framework for the BPS becomes effective. The BPSAA applied to all public designated employers including universities, colleges, hospitals and school boards. This included Woodstock Hospital. Executive salaries were frozen at that time by the government for designated executives.

To be fiscally responsible during the economic downturn, Woodstock Hospital voluntarily froze executive wages in 2008. Therefore, the executive salary grids at Woodstock Hospital have not increased in 9 years.

In 2014, the Province began the process of developing public sector compensation frameworks to manage executive compensation in the BPS. The *Broader Public Sector Executive Compensation Act* of 2014 (BPSECA) authorized the government to establish frameworks, and set out principles that all designated employers must follow. These included ensuring that there is a consistent and evidence-based approach to setting compensation, ensuring that there is a balance between managing compensation costs while allowing employers to attract and retain the talent they seek, and ensuring that there is transparency in how executive compensation decisions are made.

Following consultation with multiple stakeholders in the BPS, in 2016 the Province introduced Ontario Regulation 304/16 in support of the BPSECA, effective September 6, 2016. This Regulation lays out the details and implementation timelines for executive compensation for all employers within the BPS.

The Regulation states that all BPS employers must have a compensation framework in place for designated executives. The framework must be compliant with the Regulation, and have been available for community feedback for a thirty-day period.

The requirements of the BPSECA and Ontario Regulation 304/16 have been considered, and the following Policy developed to ensure that Woodstock Hospital is compliant with the requirements.



## 2. Description of Hospital and Role of the Executive Team

Woodstock Hospital is located in Woodstock within the South West Local Health Integration Network and is a progressive community hospital, delivering compassionate patient care and quality services. We deliver high quality healthcare to the community in a state-of-the-art facility with exceptional healthcare providers. We hold ourselves accountable to our patients for safe, quality healthcare, while meeting the challenges of the economic realities and the growing needs of our community. We strive to continue our role as a regional support and advocate for our community and we have committed to working closely with our community and health system partners to develop an integrated health system.

At Woodstock Hospital, the Senior Leadership Team is accountable for a budget of approximately \$110,000,000 and providing leadership to approximately 950 staff. The Team also leads the organization in building engagement to drive the achievement of its strategic priorities – Patient & Family Centred Care; Safe, Quality Care; and Leadership, Coordination & Integration.

## 3. Designated Executives Positions

The Executive Compensation Regulation applies to all designated executives and all designated employers under the BPSECA. “Designated employers” include public hospitals.

“Designated executives” are individuals who meet two criteria. First, the person is the head of a designated employer regardless of title; or is a vice-president, chief administrative officer, chief operating officer or any other executive regardless of title. Second, the person is entitled to receive or could potentially receive \$100,000 or more in cash compensation in a given calendar year. Total cash compensation includes base salary and any pay for performance.

At Woodstock Hospital, the designated executives include the following positions:

- Chief Executive Officer;
- Chief Operating Officer;
- Chief Nursing Officer;
- Chief Financial Officer.

See Job Summaries in the Appendix for a description of the core responsibilities for each position.

## 4. Compensation Philosophy

The Executive Compensation Program at Woodstock Hospital shall meet the following goals:

- The compensation program shall meet all legislative requirements including, but not limited to the *Broader Public Sector Accountability Act, Broader Public Sector Executive Compensation Act, Excellent Care for All Act, Employment Standards Act and Pay Equity Act.*
- The compensation program will always be maintained within the financial means of Woodstock Hospital.



- The compensation program shall be competitive to the market. The comparator market is detailed in the section titled External Comparator Organizations. Executive Compensation shall be set to the 50<sup>th</sup> percentile of the market.
- The compensation program shall provide for the attraction, retention and motivation of the high performing executives required to meet the strategic goals of the organization by being competitive to the market, compensating for the value of a role and recognizing performance.
- The compensation program shall provide designated executives with performance pay equal to 2% for achieving annual performance expectations related to the organization's Quality Improvement Plan (QIP), Strategic Plan and Operating Plan.

## 5. External Comparator Organizations

As per the Regulations, organizations are to select a minimum of eight (8) comparators. An organization may be selected as a comparator organization if:

- The potential comparator organization has at least one executive who holds a position comparable to the position or class of positions held by the designated executive or class of designated executives; and
- The organization is comparable to the designated employer with respect to most or all of the following factors: (a) the scope of responsibilities of the executives; (b) the type of operations; (c) the industries within which the organization competes for executives; (d) size; and (e) location.

In determining the external comparator organizations for Woodstock Hospital, the following was given consideration for the five factors:

1. Scope of Responsibilities – Comparator organizations were selected that had executive positions with similar responsibilities to those at Woodstock Hospital. From this perspective, the same comparator pool of organizations are used for the CEO and Chief Nursing Executive positions. Different comparator organizations were selected for the Chief Financial Officer and Chief Operating Officer because many hospitals of a similar size and complexity do not have this role as a designated executive.
2. Type of Operations – From an operational perspective, the primary factors that were considered in selecting the comparator organizations was the hospital type and multi-specialized services. The primary focus was on community hospitals like Woodstock Hospital which tend to have similar programs, services and operations including Regional Support Programs, large Surgical and Orthopedic Services and Schedule 1 Services including Mental Health, Obstetrics, Rehabilitation and Chronic Care. As well, Woodstock Hospital is one of 50 P3 hospitals in Canada (Public Private Partnerships) as the model was used for building the new hospital. For the CEO and COO positions, this adds a complexity to their responsibilities, not seen in other hospitals of a similar size, in managing the ongoing financial model. Other P3 hospitals in Ontario were considered as comparators for those two positions.
3. Industry – The majority of talent recruited for executive positions at Woodstock Hospital have a healthcare background. Therefore, public hospitals in Ontario were considered for selection of comparators.
4. 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.

5. Location – Woodstock Hospital operates within the South West LHIN. There are not many similar sized hospitals within the South West LHIN. Given the lack of appropriate comparators within a close geographic proximity along with 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.

The comparator organizations for Woodstock Hospital represent a combined analysis for the factors above, and are as follows:

### President & Chief Executive Officer

Organization Name	Hospital Type	LHIN	Location	Operating Budget	# of Beds	# of Staff
Woodstock Hospital	Community	South West	Woodstock	\$110M	161	911
Norfolk & West Haldimand General Hospitals	Community	Hamilton Niagara Haldmand Brant	Simcoe / Hagersville	\$64M	100-199	600
St. Thomas Elgin	Community	South West	St. Thomas	\$89 M	158	850
St. Marys General Hospital	Community	Waterloo Wellington	Kitchener	\$135M	149	1900
Orillia Soldiers Memorial	Community	North Simcoe Muskoka	Orillia	\$127 M	230	1,000-1,999
Chatham-Kent Health Alliance	Community	Erie St. Clair	Chatham	\$140 M	200-299	1,350
Ross Memorial Hospital	Community	Central East	Lindsay	\$85 M	175	820
Huron Perth Health Care Alliance	Community	South West	Stratford and 3 others	\$132 M	100-199	1,000-1,999
Guelph General Hospital	Community	Waterloo Wellington	Guelph	\$142 M	182	1,300
Grey Bruce Health Services	Community	South West	Owen Sound and 5 others	\$182 M	200-299	1,600
Cambridge Memorial Hospital	Community	Waterloo Wellington	Cambridge	\$127 M	100-199	1,100
Brant Community Healthcare System	Community	Hamilton Niagara Haldmand Brant	Brantford / Paris	\$166 M	262	1,000-1,999
Joseph Brant Hospital	Community	Hamilton Niagara Haldmand Brant	Burlington	\$153 M	200-299	1,400
West Park Healthcare Centre	P3 Hospital	Toronto Central	Toronto	\$93M	200-299	1200



## Chief Operating Officer

Organization Name	Hospital Type	LHIN	Location	Operating Budget	# of Beds	# of Staff
Woodstock Hospital	Community	South West	Woodstock	\$110M	161	911
Grey Bruce Health Services	Community	South West	Owen Sound and 5 others	\$182 M	200-299	1,600
St. Marys General Hospital	Community	Waterloo Wellington	Kitchener	\$135M	149	1900
Pembroke Regional Hospital	Community	Champlain	Pembroke	\$85M	100-199	750
Grand River Hospital	Community	Waterloo Wellington	Kitchener	\$205 M	293	1,850
Lakeridge Health Corporation	Community	Central East	Oshawa	\$256M	300-499	3,000
Joseph Brant Hospital	Community	Hamilton Niagara Haldmand Brant	Burlington	\$153 M	200-299	1,400
St. Joseph's Toronto	Community	Toronto Central	Toronto	\$287M	300-499	>2,000
Mackenzie Health	Community P3 Hospital	Central	Richmond Hill	\$258M	494	2,200

## Chief Nursing Officer

Same list as for CEO excluding Guelph Hospital which does not have similar positions.

## Chief Financial Officer

Organization Name	Hospital Type	LHIN	Location	Operating Budget	# of Beds	# of Staff
Woodstock Hospital	Community	South West	Woodstock	\$110M	161	911
Norfolk & West Haldimand General Hospitals	Community	Hamilton Niagara Haldmand Brant	Simcoe / Hagersville	\$64M	100-199	600
St. Thomas Elgin	Community	South West	St. Thomas	\$89 M	158	850
Chatham-Kent Health Alliance	Community	Erie St. Clair	Chatham	\$140 M	200-299	1,350
Huron Perth Health Care Alliance	Community	South West	Stratford and 3 others	\$142 M	182	1,300



Orillia Soldiers Memorial	Community	North Simcoe Muskoka	Orillia	\$127 M	230	1,000- 1,999
Ross Memorial Hospital	Community	Central East	Lindsay	\$85 M	175	820
Cambridge Memorial Hospital	Community	Waterloo Wellington	Cambridge	\$127 M	100- 199	1,100
Joseph Brant Hospital	Community	Hamilton Niagara Haldmand Brant	Burlington	\$132 M	100- 199	1,400
Timmins & District Hospital	Community	North East	Timmins	\$94M	100- 199	400-999
Brockville General Hospital	Community	South East	Brockville	\$74M	100- 199	400-999

## 6. Comparative Analysis Details

The following provides the comparative data for each of the designated executives and identifies the 50<sup>th</sup> percentile at which the maximum salary and performance pay will be set.

Note that this information was gathered from the Designated Executives Compensation Survey sponsored by the Ontario Hospital Association.

### President & Chief Executive Officer

Organization Name	Position	Max Base	Ann Max Perf Pay	Max Base + Perf Pay
<b>Woodstock Hospital</b>	<b>President &amp; CEO</b>	\$245,000	2%	\$250,000
St. Thomas Elgin General Hospital	President & CEO	\$205,569	0%	\$205,569
St. Mary's General Hospital	President & CEO	\$240,000	0%	\$240,000
Norfolk & West Haldimand General Hospitals	President & CEO	\$251,043	0%	\$251,043
Orillia Soldiers Memorial	President & CEO	\$270,000	0%	\$270,000
Chatham-Kent Health Alliance	President & CEO	\$285,000	0%	\$285,000
Ross Memorial Hospital	President & CEO	\$280,500	4%	\$290,500
Huron Perth Health Care Alliance	President & CEO	\$294,860	0%	\$294,860
Guelph General Hospital	President & CEO	\$304,337	0%	\$304,337
Grey Bruce Health Services	President & CEO	\$304,500	0%	\$304,500
Cambridge Memorial Hospital	President & CEO	\$285,000	20%	\$342,000
Brant Community Healthcare System	President & CEO	\$350,000	0%	\$350,000
Joseph Brant Hospital	President & CEO	\$356,195	0%	\$356,195
West Park Healthcare Centre	President & CEO	\$331,500	20%	\$397,800
	<b>50<sup>th</sup> Percentile</b>			<b>\$294,860</b>



## Chief Operating Officer

Organization Name	Position	Max Base	Ann Max Perf Pay	Max Base + Perf Pay
Woodstock Hospital	Chief Operating Officer	\$209,716	2%	\$213,996
Grey Bruce Health Services	VP, Corporate & Diagnostic Services	\$174,447	0%	\$174,447
St. Mary's General Hospital	CFO & VP Diagnostics, HR, Performance, Quality & Risk	\$177,694	0%	\$177,694
Pembroke Regional Hospital	Senior VP, Corporate & Support Services CFO/CIO	\$173,616	5%	\$182,297
Grand River Hospital	VP, Finance, Administration & CFO	\$213,000	10%	\$234,300
Lakeridge Health Corporation	Executive VP	\$266,000	0%	\$266,000
Joseph Brant Hospital	Senior VP	\$287,269	0%	\$287,269
St. Joseph's Toronto	VP, Corporate Services & Chief of Planning & Development	\$323,400	0%	\$323,400
Mackenzie Health	EVP & CAO	\$381,915	15%	\$439,202
	<b>50th Percentile</b>			<b>\$250,150</b>

## Chief Nursing Officer

Organization Name	Position	Max Base	Ann Max Perf Pay	Max Base + Perf Pay
Woodstock Hospital	Chief Nursing Officer	\$157,919	2%	\$161,142
Orillia Soldiers Memorial	VP, Regional Patient Programs	\$150,000	0%	\$150,000
Ross Memorial Hospital	VP, Patient Care & CNO	\$150,000	7%	\$160,000
Norfolk & West Haldimand Hospitals	VP, Patient Care	\$168,617	0%	\$168,617
Guelph General Hospital	VP Patient Services & CNE	\$174,700	0%	\$174,700
St. Thomas Elgin General Hospital	Vice President	\$175,000	0%	\$175,000
Chatham-Kent Health Alliance	VP & CNE	\$177,625	0%	\$177,625
St. Mary's General Hospital	VP & CNE	\$177,694	0%	\$177,694
Huron Perth Health Care Alliance	VP, Patient Experience	\$177,899	0%	\$177,899
Grey Bruce Health Services	VP, Clinical Services	\$180,166	0%	\$180,166
Cambridge Memorial Hospital	VP, Clinical Programs & CNE	\$175,000	4%	\$182,500
Joseph Brant Hospital	VP, Patient Care Services & CNE	\$214,854	0%	\$214,854
Brant Community Healthcare System	COO/CNE	\$239,597	0%	\$239,597
	<b>50th Percentile</b>			<b>\$177,660</b>



## Chief Financial Officer

Organization Name	Position	Max Base	Ann Max Perf Pay	Max Base + Perf Pay
Woodstock Hospital	Chief Financial Officer	\$157,919	2%	\$161,142
Timmins & District Hospital	Chief Financial Officer	\$150,833	0%	\$150,833
Brockville General Hospital	Senior Director & CFO	\$155,682	0%	\$155,682
St. Thomas Elgin	VP	\$175,000	0%	\$175,000
Chatham-Kent Health Alliance	VP & CFO	\$177,625	0%	\$177,625
Huron Perth Health Care Alliance	VP, Performance & Fiscal Health	\$177,899	0%	\$177,899
Orillia Soldiers Memorial	EVP, Corporate Services & CFO	\$180,000	0%	\$180,000
Ross Memorial Hospital	Regional CFO	\$175,000	6%	\$185,000
Cambridge Memorial Hospital	VP, Finance & Corporate Services	\$195,000	0%	\$195,000
Joseph Brant Hospital	VP, Finance & Corporate Services & CFO	\$195,234	0%	\$195,234
	<b>50th Percentile</b>			<b>\$178,950</b>

## 7. New Salary Range and Pay for Performance

The following are the new salary ranges and maximum potential pay for performance for each designated executive position at Woodstock Hospital.

Therefore, the minimum and maximum base plus performance pay is as follows:

Position	Min Base (80% of Max)	Max Base	Ann Max Perf Pay	Max Base + Perf Pay*
President & Chief Executive Officer	\$235,887	\$289,078	2%	\$294,860
Chief Operating Officer	\$200,120	\$245,245	2%	\$250,150
Chief Nursing Officer	\$139,342	\$174,177	2%	\$177,660
Chief Financial Officer	\$139,342	\$174,177	2%	\$177,660

\* <=50th percentile of the comparators





## 8. Salary and Performance-related Pay Envelope

The designated executives at Woodstock Hospital shall be moved within the new salary grids up to a maximum of 5%. None of the designated executives will have reached the maximum base pay for their positions with the increase. Annual salary adjustments for the designated executives will be approved by the Board of Directors and, if approved, occur once a year beginning 12 months following the date at which this Policy comes into effect. Adjustments will be consistent with Regulation 304/16.

In the future, newly hired designated executives will be hired between the minimum and maximum of the salary scale based on experience and skills.

The total proposed increase to the salary and performance-related pay envelope is 5.00%.

In proposing this increase to the salary and performance-related pay envelope, the Board considered the five factors articulated in the Directive, which are summarized below.

- **Financial and compensation priorities of the Ontario government.** The Ontario government has approved a balanced budget in 2017-18 for the first time since 2008-09.
- **Compensation trends.** According to the Ontario Ministry of Labour, the 11-year average from 2006 to 2016 of the annual wage base increase for the provincial public sector was 1.82%. Most of these employees also receive annual increases for progress-through-the-ranks up to the maximum of their salary ranges.
- **Proportion of the operating budget used for executive compensation.** On the budget of \$110 million, Woodstock Hospital spent less than one percent (0.69%) on executive compensation in the last year. With the proposed increase, the increase will be marginal and the amount will remain below one percent (0.73%). This is low compared to other similar size hospitals.
- **Impact of salary compression on attracting and retaining talent.** Woodstock Hospital has wage compression occurring as non-executive wage increases have grown based on economic indicators (in line with non-management staff) and new senior leadership team members have been hired at more modest salaries with existing senior leadership frozen. The differential between a designated executive and non-designated executive that reports to them is being compressed. This lends itself to challenges in attracting individuals into the designated executive positions, which have significantly greater responsibility and accountability without the equivalent compensation.
- **Expansion in the operations.** Compensation of designated executives has been frozen at Woodstock Hospital since 2008. Woodstock Hospital chose to freeze the wages two years before it was mandated by the Government. Since that time, Woodstock Hospital moved into a new 685 million (total project costs) P3 facility with \$25 million worth of new capital equipment. The Hospital is growing its position as the lead in a full continuum of care within a regional system for Oxford County, reaching out to a larger catchment area. The designated executives at the Hospital are leading the development of a patient-centred health system within a culture of service excellence.



Position	Current Salary + Perf Pay 2%	New Salary	New Perf Pay (2%)	Total New Compensation	Difference %
President & Chief Executive Officer	\$250,000	\$257,353	\$5,147	\$262,500	5.00%
Chief Operating Officer	\$213,996	\$220,290	\$4,406	\$224,696	5.00%
Chief Nursing Officer	\$161,142	\$165,881	\$3,318	\$169,199	5.00%
Chief Financial Officer	\$138,588	\$142,664	\$2,853	\$145,517	5.00%
<b>Totals</b>	<b>\$763,726</b>			<b>\$801,912</b>	<b>5.00%</b>

- Refers to current salary and performance pay and details the proposed new compensation including performance pay

## 9. Other Elements of Compensation

The benefits provided to the designated executives are not more than that provided to other leadership positions at Woodstock Hospital. The one exception is the President & CEO who receives a leased car as a taxable benefit equal to \$10,160. The car was provided because of the requirement to travel to partner sites and attend offsite meetings in Southwestern and Central Ontario. The taxable benefit for the car will cease at the expiry of the current lease on July 1, 2019.



## APPENDIX JOB SUMMARIES

Position Title	Position Description
<p><b>President &amp; Chief Executive Officer</b></p>	<p>Reporting to the Board of Directors, the President &amp; Chief Executive Officer (CEO) of Woodstock Hospital has responsibility for the overall operational and financial management of the organization in alignment with the policies established by the Board and applicable provincial legislation. The President &amp; CEO is responsible to guide the implementation of strategic priorities and ensure the resources of Woodstock Hospital (organizational, human, information, financial) are aligned with its Mission, Vision, Principles and strategic goals.</p> <p><b>Responsibilities include:</b> Develop and recommend to the Board a short and long-term strategy and vision for Woodstock Hospital. Facilitates, with the Board, key deliverables that are specific, attainable, realistic and within specific timeframes and executes same; Develops broad goals, objectives and policies aligned to the mission and strategic plan.</p>
<p><b>Chief Operating Officer</b></p>	<p>Reporting to the President &amp; CEO, the Chief Operating Officer is the top ranking Executive Officer next to the President/CEO and is accountable for all aspects of day-to-day operations, including ensuring effective operation, formulating and recommending policies that govern the above services. The COO acts as owner's representative in construction and renovations projects and provides broad direction and guidance to activities in accordance with the policies, goals and objectives established by CEO and Board of Directors, thereby facilitating the effective integration of strategic plan with operations.</p> <p><b>Responsibilities include:</b> Direct and coordinate Information Technology, Human Resources, Regional Support Associates, Housekeeping, MDRD, Porterage, Health Records, Capital Projects, Laboratory, Speech Pathology, Food Services and Strategic Planning. Lead for Biomedical Services and Maintenance &amp; Engineering operations of the Hospital.</p>
<p><b>Chief Nursing Executive</b></p>	<p>Reporting to the President &amp; CEO the Chief Nursing Executive contributes to the development and execution of Woodstock Hospital's strategic and operational plans for the delivery of excellent patient care.</p> <p><b>Responsibilities include:</b> Facilitate excellence in clinical practice and patient safety; Identify, for the senior team, relevant emerging, local (LHIN), regional, provincial (Ontario Ministry of Health) and national health care issues; Establish a nursing model of care that reflects the Woodstock Hospital philosophy of patient and family centered care, evidence-based practice and the effective and efficient use of nursing care resources; Evaluate nursing services against evidence based standards.</p>



Position Title	Position Description
<b>Chief Financial Officer</b>	<p>Reporting to the President &amp; CEO the Chief Financial Officer, the Chief Financial Officer is responsible for the oversight of Woodstock Hospital's financial portfolio and provides assistance to the organization's President/CEO, and leadership and guidance to designated departments to ensure the financial stability of the organization.</p> <p><b>Responsibilities include:</b> Develop and manage the operating and capital budgets, including revenue and expense budgets, cash forecasts, profit planning, and programs for capital investments and financing; Gather and analyze all the financial data and information to make sure the hospital is operating within budget and to determine how to allocate funds to various areas. Create detailed reports of findings and present to department heads and Board of Directors.</p>