

AGENDA

Meeting:	Annual Meeting - Members of SHHA Corporation		
Date:	June 29 th , 2023	Time:	7:30pm
Location:	Clinton Libro / **MS Teams		
Chair:	Bruce Shaw	Recorder:	Alana Ross
SHHA Members:	Allan Ball, Dr. Aaron Daters, Brian Heagle, Heather Hern, Anthony Hodsman, Steve Ireland, Aileen Knip, Christie MacGregor, Glen McNeil, Dr. Shannon Natuik, Dr. Mark Nelham, Tara Oke, Pat O'Rourke, Susan Reis, Bob Robson, Dr. Sean Ryan, Jane Sager, Bruce Shaw, Laura Stire, Jimmy Trieu, Michelle Wick		
Guests:	Matt Trovato, Paul Seebach, Rob Tait (SHH Foundation)		
	Agenda Item	Presenter	Attachments
1	Call to Order / Welcome		
1.1	Welcome	Shaw	
1.2	Confirmation of Notice to Members & Quorum	Trieu	
1.3	Land Acknowledgement	Trieu	
2	Previous Annual Meeting Minutes		
2.1	<u>Presentation of Amended and Restated By-Law #2022-1</u> <ul style="list-style-type: none"> The Amended and Revised By-Law may be reviewed upon request at the Administrative offices or available on the SHHA web site along with a summary of the changes 	Shaw	<ul style="list-style-type: none"> 2023-06-SHHA By-Law (draft corporate)
	<u>MOTION: BE IT RESOLVED THAT:</u> <ol style="list-style-type: none"> <i>The By-Law, being a by-law relating generally to the conduct of the business and affairs of the Corporation, is hereby confirmed as a By-Law of the Corporation by the Members of the Corporation</i> <i>By the confirmation of the By-Law, all prior By-Laws of the Corporation are hereby repealed, subject to any exceptions relative to the repeal of the By-Laws as are contained in the said By-Law</i> <i>A copy of the By-Law shall be submitted to the Charities Directorate of the Canada Revenue Agency to update their files.</i> 		
	9. BOARD OF DIRECTORS <p>(a) Board Composition</p> <p>The affairs of the Corporation shall be managed by a Board of fourteen (14) Directors:</p> <p>ELECTED DIRECTORS</p> <p>(i) Fourteen (14) Directors, who shall be elected by the Members;</p> <p>(ii) Expired terms will be filled annually by elections for three (3) year terms, notwithstanding the foregoing, a Director may be elected for less than three years to fill the unexpired term of a Director who has retired;</p>		
2.2	<ul style="list-style-type: none"> Presentation of the Amended and Restated SHHA Professional Staff By-Law 	Shaw	<ul style="list-style-type: none"> SHHA Professional Staff By-Laws- Approved at 2023-04-MAC
	**DRAFT MOTION: To accept SHHA Professional Staff By-Law as recommended to the Board by MAC on April 13th, 2023.		
2.3	Previous Minutes <ul style="list-style-type: none"> Approval of the SHHA Annual Meeting Minutes of June 16th, 2022 	Shaw	<ul style="list-style-type: none"> 2022-06-16-Members of the SHHA Corporation Annual Meeting Minutes

	**DRAFT MOTION: To approve the Members of the SHHA Corporation Annual Meeting Minutes of June 16th, 2022, as circulated.		
2.4	Business from Previous Minutes	Shaw	
3	Reports		
3.1	Report of the Chair of the Board	Shaw	• HHS AMGH & SHHA Annual Report (separate attachment)
3.2	Report of President/CEO • Presentation of the Community Report	Trieu	
3.3	Report of SHHA Chief of Staff	Nelham	
3.4	Report of SHHA President of Medical Staff	Ryan	
3.5	Report of CNE	Wick	
3.6	Report of Hospital Auxiliary	Stire	
3.7	Report of SHHA Hospital Foundation	Tait	
3.8	Acceptance of Reports	Shaw	
	**DRAFT MOTION: To accept the Reports to the Members of the SHHA Corporation Annual Meeting of June 29th, 2023, as presented.		
4	Auditor's Financial Report		
4.1	Review and Acceptance of the Auditor's Report-Seebach & Company	Seebach	• 2023-03-31-SHHA Audited Financial Statements • 2023-Management Letter (SHHA)
4.2	Report of the Board on Audited Financial Statements	Ireland	
	**DRAFT MOTION: To accept the Auditor's Report and Audited Financial Statements to March 31st, 2023, as recommended by the HHS Common Board on June 29th, 2023, and to recommend signing of the final document by two Board representatives.		
4.3	Appointment of Seebach & Company as Auditor for 2023/2024	Ireland	
	**DRAFT MOTION: To approve the appointment of Seebach & Company as Auditor for 2023/2024.		
5	New Business		
5.1	<u>Governance & Nominating Committee:</u> • Nomination & Election of Directors	Shaw / Trieu	**declaration of conflict of interest required regarding election of director terms
a)	<u>Election / Re-Election of Directors:</u> • Christie MacGregor (2 nd) • Glen McNeil (4 th) • Susan Reis (2 nd) • Bruce Shaw (3 rd) • Laura Stire (2 nd)	Shaw / Trieu	
	**DRAFT MOTION: To elect Christie MacGregor for her 2nd three-year Term on the HHS Common Board of Directors.		
	**DRAFT MOTION: To elect Glen McNeil for his 4th three-year Term on the HHS Common Board of Directors.		
	**DRAFT MOTION: To elect Susan Reis for her 2nd three-year Term on the HHS Common Board of Directors.		
	**DRAFT MOTION: To elect Bruce Shaw for one year of his 3rd three-year Term on the HHS Common Board of Directors.		
	**DRAFT MOTION: To elect Laura Stire for her 2nd three-year Term on the HHS Common Board of Directors.		
b)	<u>Recognition of AMGH & SHHA Chairs:</u> • McNeil • Shaw	Trieu	

6	Adjournment		
6.1	<u>Motion to adjourn the meeting</u> <ul style="list-style-type: none">• The HHS Common Board of Directors will hold the first meeting of the year immediately following the SHHA Annual Meeting	Shaw	
**DRAFT MOTION: To adjourn the Annual Meeting of the SHHA Corporation of June 29th, 2023 at XX:XXpm.			

SOUTH HURON HOSPITAL ASSOCIATION
BY-LAW NO. 2022-1

Approved by the Board of Directors: **June 8th, 2023**

Approved by the Members of the Corporation: **June 29th, 2023**

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SCHEDULE A

PROCEDURE REGARDING REAPPOINTMENTS, REQUESTS FOR CHANGES IN PRIVILEGES AND MID-TERM ACTION

SCHEDULE B RESPONSIBILITIES OF THE BOARD

SOUTH HURON HOSPITAL ASSOCIATION

BY-LAW 2022-1

PART I – ADMINISTRATIVE BY-LAW

1. INTERPRETATION

This By-Law shall be interpreted in accordance with the following unless the context otherwise specifies or requires:

- (a) all terms which are contained in this By-Law and which are defined in the Ontario *Not-for-Profit Corporations Act*, the *Public Hospitals Act* (Ontario), the *Excellent Care for All Act* or the regulations made thereunder, shall have the meanings given to such terms in the Ontario *Not-for-Profit Corporations Act*, the *Public Hospitals Act*, the *Excellent Care for All Act* or the regulations made thereunder. If there is a conflict between the Act as defined below and any other legislation applicable to the Corporation, the provisions of such other legislation shall prevail;
- (b) the use of the singular number shall include the plural and vice versa, the use of gender shall include the masculine, feminine and neuter genders, and the word “person” shall include an individual, a trust, a partnership, a body corporate or public, an association or other incorporated or unincorporated entity;
- (c) the headings in this By-Law are inserted for reference purposes only and are not to be considered or taken into account in construing the terms or provisions thereof or to be deemed in any way to clarify, modify or explain the effect of any such terms or provisions; and
- (d) any references herein to any law, by-law, rule, regulation, order or act of any governmental body or other regulatory body shall be construed as a reference thereto as amended or re-enacted from time to time or as a reference to any successor thereto.

2. DEFINITIONS

- (a) “**Act**” means the *Not-for-Profit Corporations Act, 2010*, S.O. 2010, c.15 and the regulations thereunder, as amended from time to time;
- (b) “**Admitting Privileges**” means the privileges, granted to members of the Professional Staff related to the admission of in-patients, registration of out-patients, and the diagnosis, assessment and treatment of in-patients and out-patients in the Hospital;
- (c) “**Annual Meeting**” means an Annual Meeting of Members as provided in section 4;
- (d) “**AMGH**” means the Alexandra Marine and General Hospital;
- (e) “**Associates**” includes the parents, siblings, spouse or common-law partner, grandchildren, grandparents and/or members of the household of a Director as well as any organization, agency, company, or individual (such as a business partner) with a formal relationship to a Director;

- (f) **“Board”** means the governing body of the South Huron Hospital Association;
- (g) **“By-Law”** or **“By-Laws”** means this by-law, and all other by-laws of the Corporation from time to time in force and effect;
- (h) **“Certification”** means the holding of a specialty certificate issued by a professional body recognized by the Board on the advice of the Medical Advisory Committee;
- (i) **“Chief of Department”** means the physician appointed by the Board to be in charge of a specialized services of the Professional Staff of South Huron Hospital Association;
- (j) **“Chief of Staff”** means the physician appointed by the Board to be the Chief of the Professional Staff;
- (k) **“Chair of the Medical Advisory Committee”** means the member of the Professional Staff appointed to serve as Chair of the Medical Advisory Committee;
- (l) **“Chief Executive Officer”** means in addition to ‘administrator’ as defined in the *Public Hospitals Act*, the Chief Executive Officer of the Corporation;
- (m) **“Chief Nursing Executive”** means the senior nurse employed by the Hospital who reports directly to the Chief Executive Officer and is responsible for nursing services provided in the Hospital;
- (n) **“Conflict of Interest”** includes without limitation, the following three (3) areas that may give rise to a Conflict of Interest for the Directors or Officers, namely:
 - (i) *pecuniary or financial interest* – a Director or Officer is said to have a pecuniary interest in a decision when the Director or Officer (or his Associates) stands to gain by that decision, either in the form of money, gifts, favours, gratuities, or other special considerations. In such cases, the declaration of any pecuniary interest held by a Director or Officer (or his Associates) is essential;
 - (ii) *undue influence* – a Director or Officer is said to have engaged in undue influence and to have violated his entrusted responsibility to the Corporation when he participates or influences Board decisions that selectively and disproportionately benefit particular agencies, companies, organizations, professional groups, or patients from a particular demographic, geographic, political, socio-economic, or cultural group; and
 - (iii) *adverse interest* – a Director or Officer is said to have an adverse interest to the Corporation when he is in opposition to a claim, application or proceeding against the Corporation;
- (o) **“Corporation”** or **“Hospital”** means the South Huron Hospital Association with the Head Office at 24 Huron St. W., Exeter, Ontario;
- (p) **“Credentials Committee”** means the committee established by the Medical Advisory Committee to review applications for appointment and reappointment to the Professional Staff and to make recommendations to the Medical Advisory Committee. If no such committee is established it shall mean the Medical Advisory Committee;

- (q) **“Dental Staff”** means those Dentists appointed by the Board to attend or perform dental services for patients including oral and maxillofacial in the Hospital;
- (r) **“Dentist”** means a dental practitioner in good standing with the Royal College of Dental Surgeons of Ontario;
- (s) **“Department”** or **“department”** means an organizational unit of the Professional Staff to which members with a similar field of practice have been assigned;
- (t) **“Director”** means a member of the Board;
- (u) **“Ex officio”** means membership “by virtue of the office”;
- (v) **“Extended Class Nursing Staff”** means those Registered Nurses in the Extended Class who are nurses that are granted Privileges to diagnose, prescribe for or treat out patients in the Hospital;
- (w) **“Impact Analysis”** means a study to determine the impact upon the resources of the Corporation of the proposed appointment of an applicant for appointment to the Professional Staff or an application by a member of the Professional Staff for reappointment or for additional Privileges;
- (x) **“Ineligible Individual”** has the meaning in section 149.1 of the *Income Tax Act* (Canada), as amended from time to time;
- (y) **“in camera”** means a meeting that is restricted to Directors/voting members of such meeting and such invitees as determined by the chair of the meeting;
- (z) **“Locum Tenens”** means the legally qualified professional who provides coverage for a member of the Professional Staff during their absence;
- (aa) **“Medical Staff”** means those Physicians who are appointed by the Board and who are granted Privileges to practice medicine in the Hospital;
- (bb) **“Member”** means an individual who is a Member as provided in section 3(a);
- (cc) **“Midwife”** means a midwife in good standing with the College of Midwifery of Ontario;
- (dd) **“Midwifery Staff”** means those Midwives who are appointed by the Board and granted Privileges to practice Midwifery in the Hospital;
- (ee) **“Nurse”** means a holder of a current certificate of competence issued in Ontario as a registered nurse;
- (ff) **“Patient”** includes an in-patient and out-patient except where the context otherwise requires;
- (gg) **“Physician”** means a medical practitioner in good standing with the College of Physicians and Surgeons of Ontario;
- (hh) **“Privileges”** or “privileges” means the right to admit in-patients, register out-patients and/or provide the clinical services which the Board has granted to a member of the Professional Staff;

- (ii) **“Professional Staff”** means the Medical Staff, Dental Staff, Midwifery Staff and members of Extended Class Nursing Staff who have been granted privileges;
- (jj) **“Professional Staff Human Resources Plan”** means the Hospital’s plan from time to time which provides information and future projections with respect to the management and appointment of the Professional Staff based on the mission and strategic plan of the Corporation;
- (kk) **“Professional Staff Officer”** means the President, Vice President or Secretary-Treasurer of the Professional Staff;
- (ll) **“Public Hospitals Act”** means R.S.O. 1990, c.P.40, and, where the context requires, includes the regulations made under it, all as may be amended from time to time;
- (mm) **“Resource Plan”** means the plan developed by the Professional Staff, based on the mission and strategic plan of the Hospital and on the regional needs of the community, which provides information and future projections of this information with respect to the management and appointment of physicians, dentists, midwives and Registered Nurse-Extended Class who are or may become members of the Professional Staff;
- (nn) **“Registered Nurse in the Extended Class”** means a member of the College of Nurses of Ontario who is a registered nurse and who holds an extended certificate of registration under the *Nursing Act, 1991*;
- (oo) **“Rules and Regulations”** means the rule and regulations governing the practice of the Professional Staff at the Hospital both generally and within a particular department, which have been established respectively by the staff in general and the staff of the department;
- (pp) **“Special Meeting”** means a meeting of the Members called pursuant to section 6; and
- (qq) **“Special Resolution”** means a resolution submitted to a Special Meeting duly called for the purpose of considering the resolution and passed at the meeting, with or without amendment, by at least two-thirds (2/3rds) of the votes cast, or consented to in writing by each Member of the Corporation entitled to vote at a meeting of the Members.

3. MEMBERS OF THE CORPORATION

(a) Membership

There shall be one (1) class of Members in the Corporation, consisting of:

- (i) those persons who are from time to time the Directors of the Corporation, each of whom shall automatically become a Member upon becoming a Director without further action or formality, and shall cease to be a Member immediately upon ceasing to be a Director, without further action or formality.

(b) Transfer of Membership

Membership in the Corporation is not transferable.

(c) Revocation of Membership

- (i) The Members may remove a Member by resolution passed by at least two-thirds (2/3rds) of the votes cast by the Members entitled to vote at a Special Meeting duly called for that purpose.
- (ii) Any disciplinary action or termination of Membership must be done in good faith and in a fair and reasonable manner.
- (iii) Any Member being considered for removal shall be given fifteen (15) days notice of a disciplinary action or termination with reasons and given an opportunity to be heard orally or in writing not less than five (5) days before the disciplinary action or termination of Membership becomes effective, by the person with authority to impose or revoke the disciplinary action or termination.

(d) Termination of Membership

Membership in the Corporation automatically terminates upon the happening of any of the following events:

- (i) if a Member, in writing, resigns as a Member of the Corporation;
- (ii) if the person ceases to be a Director of the Corporation;
- (iii) the death of a Member;
- (iv) the expulsion of a Member pursuant to section 3(c); or
- (v) the liquidation or dissolution of the Corporation.

4. ANNUAL MEETING OF THE MEMBERS

- (a) Notice of the Annual Meeting of the Members of the Corporation shall be given to each Member, each Director and the Auditor by prepaid mail, e-mail or other electronic means not less than ten (10) days and not more than fifty (50) days before the meeting by sending it to the last address as shown on the records of the Corporation.
- (b) No error or omission in giving notice of a meeting of Members of the Corporation may invalidate resolutions passed or proceedings taken at the meeting. Any Member may at any time waive notice of such meeting and may ratify, approve and confirm any or all resolutions passed or proceedings taken at the meeting.
- (c) The Annual Meeting will be held between April 1 and July 31 (on a day to be fixed by the Board) and not more than 15 months after the holding of the last preceding Annual Meeting.

5. BUSINESS

- (a) The business transacted at the Annual Meeting of the Corporation shall include:

- (i) the presentation of:
 - (A) minutes of the previous meeting;
 - (B) report of the Board including the audited financial statements and committee reports;
 - (C) report of the unfinished business from any previous meeting of the Corporation;
 - (D) report of the Chief Executive Officer;
 - (E) report of the Auditor;
 - (F) report of the Chief of Staff;
 - (G) report of the Chair;
- (ii) election of Directors; and
- (iii) the appointment of an Auditor to hold office until the next Annual Meeting.

6. SPECIAL MEETINGS OF THE MEMBERS

- (a) The Board or Chair may call a Special Meeting of the Members of the Corporation.
- (b) Not less than ten (10) per cent of the Members of the Corporation entitled to vote at a meeting proposed to be held may, in writing, requisition the Directors to call a Special Meeting of the Members for any purpose connected with the affairs of the Corporation which are properly within the purview of the Members' role in the Corporation authority and that is not inconsistent with the Act.
- (c) The requisition shall state the business to be transacted at the meeting and must be sent to each Director and be deposited at the registered office of the Corporation and may consist of several documents in like forms signed by one or more requisitioners.
- (d) Notice of a Special Meeting shall be given in the same manner as provided in section 4(a).
- (e) The notice of a Special Meeting shall specify the nature of the business to be transacted at the Special Meeting in sufficient detail to permit a Member to form a reasoned judgement on the business and state the text of any special resolution to be submitted to the meeting.

7. MEETINGS OF THE CORPORATION

(a) Chair

The meetings of the Corporation shall be chaired by:

- (i) the Chair;
- (ii) the 1st Vice-Chair if the Chair is absent or is unable to act;

- (iii) the 2nd Vice-Chair if the Chair and 1st Vice-Chair are absent or unable to act; or
- (iv) a Director of the Corporation elected by the Members present if the Chair and Vice-Chairs are either absent or unable to act.

(b) Quorum

A majority of Members shall constitute a quorum at any meeting of the Corporation.

(c) Voting

- (i) The Members, Directors and the Auditor of the Corporation are entitled to receive notice of and attend at a meeting of the Corporation.
- (ii) At all meetings of the Corporation, questions shall be determined by a majority of affirmative votes cast by Members present at the meeting, unless otherwise required by statute or this By-Law. In case of an equality of votes at any meeting of the Corporation, the motion is lost. The Chair shall not be entitled to a second or casting vote.
- (iii) At all meetings of the Corporation, every question shall be decided by a show of hands unless a ballot thereon is demanded by any Member either before or after any vote. Every Member present shall have one (1) vote. A declaration by the Chair that the vote upon the question has been carried or carried by a particular majority or not carried, and an entry to that effect in the minutes of the proceedings of the meeting shall be prima facie evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against any resolution or other proceeding in respect of the said question and the result of the vote so taken at the meeting shall be the decision of the Corporation upon the question.
- (iv) Voting at all meetings of the Members of the Corporation shall be in person and not by proxy.

(d) Electronic Meetings

If all the Members present at the meeting of the Corporation consent, a meeting of the Corporation may be held by conference telephone, electronic or other communication facilities as to permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and the Member participating in the meeting by those means is deemed to be present at the meeting.

(e) Adjourned Meeting

- (i) If a quorum is not present within one-half (1/2) hour after the time appointed for a meeting of the Corporation, the meeting shall stand adjourned until a day within two (2) weeks to be determined by the Board.
- (ii) At least three (3) days' notice of the re-scheduled meeting following an adjournment shall be given in such manner as the Board may determine.

8. FISCAL YEAR

The fiscal year of the Corporation shall end with the 31st day of March in each year.

9. BOARD OF DIRECTORS

(a) Board Composition

The affairs of the Corporation shall be managed by a Board of ~~sixteen (16)~~ fourteen (14) Directors as follows:

ELECTED DIRECTORS

- (i) ~~Sixteen (16)~~ fourteen (14) Directors, who shall be elected by the Members and retire in rotation, as follows:

- (ii) Expired terms will be filled annually by elections for three (3) year terms, notwithstanding the foregoing, a Director may be elected for less than three years to fill the unexpired term of a Director who has retired;

~~(A) Six previously elected Directors who have (2) years remaining in their terms of office shall continue to serve for the remaining two (2) years;~~

~~(B) Six previously elected Directors who have one (1) year remaining in their terms of office shall continue to serve for the remaining one (1) year;~~

~~(C) Four remaining Directors shall be elected for a term of three (3) years; and~~

~~(D) thereafter, the expired terms will be filled annually by elections for three (3) year terms, notwithstanding the foregoing, a Director may be elected for less than three years to fill the unexpired term of a Director who has retired;~~

NON-VOTING *EX OFFICIO* DIRECTORS

- (iii) The following non-voting *ex officio* directors:

- (A) the Chief Executive Officer;
- (B) the Chief Nursing Executive;
- (C) the Chief of Staff of the Corporation;
- (D) the Chief of Staff of AMGH;
- (E) the President of the Medical Staff of the Corporation; and
- (F) the President of the Medical Staff of AMGH.

(b) Qualifications

- (i) No member of the Professional Staff of the Hospital shall be eligible for election to the Board except as where otherwise provided in this By-Law.
- (ii) No employee of the Hospital shall be eligible for election to the Board except as where otherwise provided in this By-Law.
- (iii) No spouse, child, parent, brother or sister, grandchildren, grandparents and/or members of the household of any person included in (a) or (b) above, nor the spouse of any such child, parent, brother or sister, grandchildren, grandparents and/or members of the household shall be eligible for election to the Board.
- (iv) Each Director shall:
 - (A) automatically become upon election, and thereafter remain through the term of office, a Member of the Corporation who is qualified by the terms of this section 9(b) to hold office;
 - (B) be an individual who is at least eighteen (18) years of age;
 - (C) not have the status of a bankrupt;
 - (D) not be a person who has been found under the Substitute Decisions Act, 1992 or under the Mental Health Act to be incapable of managing property;
 - (E) not be a person who has been declared incapable by any court in Canada or elsewhere; and
 - (F) not be an Ineligible Individual who has made disclosure to the Board as required by section 9(b)iv(E).

Every Director or Officer who ceases to be qualified as provided in this section shall disclose such fact to the Board immediately upon learning that he or she has ceased to be qualified.

If a person ceases to be qualified as provided in this section 9(b), the person thereupon ceases to be a Director and the vacancy so created may be filled in the manner prescribed by section 9(f).

(c) Nominations for Election of Directors

Nominations for the position of Director of the Corporation for the purpose of electing those Directors described in Section 9(a)(ii)(D) 9(a)(ii) at the Annual Meeting of the Corporation shall be made by the Governance & Nominating Committee in accordance with a Nominating Policy established by the Board.

(d) Director Consent to Act

An individual who is elected or appointed to hold office as a Director shall, in writing, consent to the election or appointment before or within 10 days after the election or appointment, unless the Director has been elected or appointed where there is no break in the Director's terms of office. If an elected or appointed Director consents in writing after the 10-day period, the election or appointment is valid.

(e) Term

- (i) The term of office of each Director elected pursuant to 9(a)(ii)(D) shall be three (3) years, to expire at the third Annual Meeting following election.
- (ii) Other than an *ex officio* Director, each Director is eligible for election for three (3) consecutive full terms, and afterwards is not eligible for re-election until a period of eleven (11) months has elapsed from the date such person ceases to be a Director.
- (iii) A Director may serve one additional three (3) year term, subject to the unanimous approval of the Board.
- (iv) Where a person has been elected to fill a vacancy and serve for the unexpired term of the Director's predecessor, the vacancy term will not be counted toward the three consecutive term total.

(f) Vacancy

- (i) If a vacancy occurs for any reason among the elected Directors, such vacancy may be filled by an eligible person elected by the Board to serve for the unexpired term of the Director's predecessor.
- (ii) If there is not a quorum of Directors or if there has been a failure to elect the number of Directors provided for in the Articles, the Directors then in office shall without delay call a Special Meeting of the Members to fill the vacancy and, if they fail to call a meeting or if there are no Directors then in office, the meeting may be called by any Member.
- (iii) The office of a Director shall be vacated if:
 - (A) a Director ceases to meet the requirements of section 9(b);
 - (B) a Director is removed as a Director pursuant to section 9(g); or
 - (C) a Director dies.
- (iv) The office of a Director may be vacated if:
 - (A) a Director is absent for three (3) consecutive meetings of the Board, or if a Director is absent for one-third (1/3) or more of the meetings of the Board in any twelve (12) month period; or
 - (B) a Director fails to comply with this By-Law, including without limitation, the confidentiality requirements and conflict of interest requirements set out in this By-Law or the Corporation's policies, as determined by the Board.

(g) Removal of Directors

The Members may, by resolution passed by majority of the votes cast at a Special Meeting of which notice specifying the intention has been given, remove an elected Director before the expiration of his or her term of office and may, by a majority of

the votes cast at that meeting, elect a person in the place and stead of the person removed for the remainder of the term of the removed Director.

10. BOARD MEETINGS

(a) Regular Meetings of the Board and Notice

- (i) The Board may appoint one or more days for regular Board meetings at a time and place named. A copy of any Board resolution fixing the time and place of regular Board meetings shall be given to each Director forthwith after being passed and, subject to these By-Laws, no other notice shall be required for any regular meeting.
- (ii) If the meeting is to be held at another time or day or at a place other than the Registered Office, the Secretary shall give notice of the meeting to the Directors. If notice is to be given it shall be delivered, telephoned or emailed to each Director at least twenty-four (24) hours in advance of the meeting or shall be mailed to each Director at least five (5) days in advance of the meeting.
- (iii) There shall be at least nine (9) regular meetings of the Board per annum.
- (iv) A meeting of the Board may be held without notice, immediately following the Annual Meeting of the Corporation.

(b) Special Meetings of the Board and Notice

- (i) The Chair may call Special Meetings of the Board.
- (ii) The Secretary shall call a Special Meeting of the Board if three (3) Directors so request in writing.
- (iii) Notice of a Special Meeting of the Board shall specify the purpose of the meeting, and may be given by telephone or by email, and shall be given at least twenty-four (24) hours in advance of the meeting.

(c) Board Quorum

- (i) A quorum for any meeting of the Board shall be a majority of the Directors entitled to vote.
- (ii) If no quorum exists for the purpose of voting on a resolution to approve a contract or transaction only because a director is not permitted to be present at the meeting by reason of Conflict of Interest the remaining directors are deemed to constitute a quorum for the purposes of voting on the resolution.
- (iii) If all of the Directors are required to make disclosure of a Conflict of Interest, then except as otherwise provided in the Act, the contract or transaction may be approved only by the Members.

(d) Voting at Board Meetings

- (i) The method of voting at any meeting of the Board shall be determined by the chair of the meeting prior to any vote being taken. Unless this By-law states otherwise, each Director shall have one (1) vote on each question raised at any meeting of the Board, and all questions shall be determined by a majority of the votes cast. Votes shall be taken by written ballot if so demanded by any voting Director present. In the case of an equality of votes, the vote shall be deemed to have been lost.
- (ii) A written resolution, signed by all the Directors entitled to vote on that resolution at a meeting of Directors is as valid as if it had been passed at a meeting of Directors, constituted and held for that purpose.
- (iii) Unless a ballot is demanded, a declaration by the Chair that a resolution, vote or motion has been carried and an entry to that effect in the minutes shall be admissible in evidence as prima facie proof of the fact without proof of the number or proportion of the votes recorded in favour or against such resolution, vote or motion.

(e) Chair

Board meetings shall be chaired by:

- (i) the Chair,
- (ii) the 1st Vice-Chair if the Chair is absent or is unable to act,
- (iii) the 2nd Vice-Chair if the Chair and 1st Vice-Chair are absent or unable to act, or
- (iv) a Director elected by the Directors present if the Chair and Vice-Chairs are either absent or unable to act.

(f) Procedures for Board Meetings

- (i) The declaration of the Secretary or Chair that notice has been given pursuant to the By-Law, shall be sufficient and conclusive evidence of the giving of such notice.
- (ii) No error or omission in giving notice for a meeting of Directors shall invalidate such meeting or invalidate or make void any proceedings taken or had at such meeting and any Director may at any time waive notice of any such meeting and may ratify and approve any or all proceedings taken or had thereat.
- (iii) Meetings of the Board shall be open to the public. The Chair shall, in accordance with the Corporation's policy on in-camera meetings, have the discretion at any time to declare the meeting or any portion of any meeting to be in camera.
- (iv) Minutes shall be kept for all meetings of the Board.

(g) Electronic Meetings

If all the Directors present at the meeting consent, a meeting of Directors or a meeting of a committee of the Board may be held by conference telephone, electronic or other communication facilities as to permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and the Director or committee member participating in the meeting by those means is deemed to be present at the meeting.

11. RESPONSIBILITIES OF THE BOARD

The Board shall govern and manage the affairs of the Corporation consistent with the *Public Hospitals Act*, the Hospital Management regulations thereunder and other applicable legislation and in so doing shall assume responsibility for the matters described in Schedule B.

12. STANDARDS OF CARE

- (a) Every Director and Officer of the Corporation in exercising his or her powers and discharging his/her duties shall:
 - (i) act honestly and in good faith, loyal to the Corporation and with a view to the best interests of the Corporation;
 - (ii) exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances;
 - (iii) adhere to the Hospital's mission, vision and values;
 - (iv) respect and abide by decisions of the Board;
 - (v) keep informed about,
 - (A) matters relating to the Corporation,
 - (B) the community served,
 - (C) necessary information and background preparation so as to participate effectively in meetings of the Board and its committees, and
 - (D) other healthcare services provided in the region;
 - (vi) participate in the initial orientation as a new Director and in ongoing Board education;
 - (vii) participate in the annual evaluation of overall Board effectiveness; and
 - (viii) represent the Board, when requested.
- (b) A Director shall be knowledgeable of the stakeholders to whom the Corporation is accountable and shall appropriately take into account the interests of such stakeholders when making decisions as a Director but shall not prefer the interests of any one group if to do so would not be in the best interests of the Corporation.

13. CONFLICT OF INTEREST

- (a) Every Director or Officer who, either directly or through one of his or her Associates, has, or thinks he or she may potentially have, a Conflict of Interest shall disclose the nature and extent of the interest at a meeting of the Board in accordance with Board policy on Conflicts of Interest, as set from time to time.
- (b) The declaration of actual or potential Conflict of Interest shall be disclosed at the meeting of the Board at which the contract, transaction, matter or decision is first raised. The disclosure shall be in writing or be requested by the Director or Officer to be entered into the minutes.
- (c) If a Director or Officer believes that any other Director or Officer is in a Conflict of Interest position with respect to any contract, transaction, matter or decision, the Director or Officer shall have the concern recorded in the minutes in accordance with Board policy on conflicts of interest, as set from time to time. Once a concern is raised, determination must be made as to whether there is a conflict and procedures for recusal shall be observed in accordance with the Board policy on Conflict of Interest.
- (d) Subject to the Act, a Director or Officer who has declared a Conflict of Interest or who has been determined by the Board to be in a Conflict of Interest, shall not attend any part of a meeting of the Directors or Officers during which the contract, transaction, matter or decision is discussed and shall not vote on any resolution in regard to the contract, transaction, matter or decision.
- (e) If a Director or Officer has made a declaration of Conflict of Interest in compliance with this By-Law the Director is not accountable to the Corporation for any profit he/she may realize from the contract, transaction, matter or decision.
- (f) If a Director or Officer fails to make a declaration of his/her interest in a contract, transaction, matter or decision as required by this By-Law, this shall be considered grounds for termination of his/her position as a Director or Officer of the Corporation.
- (g) The failure of any Director or Officer to comply with the Corporation's Conflict of Interest policy or the Conflict of Interest provisions in this By-Law does not, in or of itself, invalidate any contract, transaction, matter or decision undertaken by the Board of the Corporation.

14. CONFIDENTIALITY

Every Director, Officer, member of the Professional Staff, member of a committee of the Board, employee and agent of the Corporation shall respect the confidentiality of matters:

- (a) brought before the Board;
- (b) brought before any committee;
- (c) dealt with in the course of the employee's employment or agent's activities; or
- (d) dealt with in the course of the Professional Staff member's activities in connection with the Corporation.

15. COMMUNICATION

Responsibility for public communications shall rest with the Chair of the Board and the Chief Executive Officer and the Board may give authority to one or more Directors, Officers or employees of the Corporation to make statements to the news media or public about matters brought before the Board.

16. INDEMNIFICATION

- (a) Except as otherwise provided in any legislation or law, no Director or Officer for the time being of the Corporation shall be liable for the acts, receipts, neglects or defaults of any other Director or Officer or employee or for any loss, damage or expense happening to the Corporation through the insufficiency or deficiency of title to any property acquired by the Corporation or for or on behalf of the Corporation or for the insufficiency or deficiency of any security in or upon which any of the monies of or belonging to the Corporation shall be placed out or invested or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any person including any person with whom or which any monies, securities or effects shall be lodged or deposited or for any loss, conversion, misapplication or misappropriation of or any damage resulting from any dealings with monies, securities or other assets belonging to the Corporation or for any other loss, damage or misfortune whatever which may happen in the execution of the duties of the Director's or Officer's respective office or trust or in relation thereto unless the same shall happen by or through the Director's or Officer's own failure to act honestly and in good faith with a view to the best interests of the Corporation and if the matter is a criminal or administrative proceeding that is enforced by a monetary penalty, the individual did not have reasonable grounds for believing their conduct was lawful
- (b) Before giving approval to the indemnities provided in section 16(c), or purchasing insurance provided in section 16(d), the Board shall, in accordance with the *Charities Accounting Act*, consider:
 - (i) the degree of risk to which the Director or Officer is or may be exposed;
 - (ii) whether, in practice, the risk cannot be eliminated or significantly reduced by means other than the indemnity or insurance;
 - (iii) whether the amount or cost of the insurance is reasonable in relation to the risk;
 - (iv) whether the cost of the insurance is reasonable in relation to the revenue available; and
 - (v) whether it advances the administration and management of the property to give the indemnity or purchase the insurance.
- (c) Upon approval by the Board from time to time, every Director and Officer of the Corporation and every member of a committee, or any other person who has undertaken, or is about to undertake, any liability on behalf of the Corporation or any corporation controlled by it, and the person's respective heirs, executors and administrators, and estate and effects, successors and assigns, shall from time to

time and at all times, be indemnified and saved harmless out of the funds of the Corporation, from and against:

- (i) all costs, charges and expenses whatsoever which such Director, Officer, committee member or other person sustains or incurs in or in relation to any action, suit or proceeding which is brought, commenced or prosecuted against the Director, Officer, committee member or other person, for or in respect of any act, deed, matter or thing whatsoever, made, done or permitted by them, in or in relation to the execution of the duties of such office or in respect of any such liability; and
- (ii) all other costs, charges and expenses which the Director, Officer, committee member or other person sustains or incurs in or in relation to the affairs thereof, except such costs, charges or expenses as are occasioned by their own failure to act honestly and in good faith in the performance of the duties of office, or by other wilful neglect or default.
- (iii) The indemnity provided for in the preceding paragraph:
 - (A) shall not apply to any liability which a Director, Officer, committee member or any other person who has undertaken, or is about to undertake, any liability on behalf of the Corporation may sustain or incur as the result of any act or omission as a member of the Professional Staff of the Corporation; and
 - (B) shall be applicable only if the Director, Officer, committee member or any other person who has undertaken, or is about to undertake, any liability on behalf of the Corporation acted honestly and in good faith with a view to the best interests of the Corporation and in the case of criminal or administrative action or proceeding that is enforceable by a monetary penalty, had reasonable grounds for believing that his or her conduct was lawful.

The Corporation shall also, upon approval by the Board from time to time, indemnify any such person in such other circumstances as any legislation or law permit or requires provided the individual acted honestly and in good faith with a view to the best interests of the Corporation and if the matter is a criminal or administrative proceeding that is enforced by a monetary penalty, the individual has reasonable grounds for believing their conduct was lawful. Nothing in this By-Law shall limit the right of any person entitled to indemnity to claim indemnity apart from the provisions of this By-Law to the extent permitted by any legislation or law.

- (d) Upon approval by the Board from time to time, the Corporation shall purchase and maintain insurance for the benefit of any Director, Officer or other person acting on behalf of the Corporation against any liability incurred in that person's capacity as a Director, Officer or other person acting on behalf of the Corporation, except where the liability relates to that person's failure to act honestly and in good faith with a view to the best interests of the Corporation and if the matter is a criminal or administrative proceeding that is enforced by a monetary penalty, the individual has reasonable grounds for believing their conduct was lawful.

17. OFFICERS

(a) The following shall be Officers of the Corporation:

- (i) the Chair;
- (ii) the 1st Vice-Chair;
- (iii) the 2nd Vice-Chair;
- (iv) the Secretary, who shall be the Chief Executive Officer; and
- (v) the Treasurer,

Provided that one person may hold the office of Secretary and Treasurer simultaneously.

- (b) The Directors shall elect a Chair from among themselves at the meeting immediately following each Annual Meeting of the Corporation who shall preside as the Chair of the Board.
- (c) The Board shall appoint a 1st Vice-Chair, 2nd Vice-Chair, Treasurer and Secretary at the meeting immediately following each Annual Meeting of the Corporation.
- (d) Unless by a resolution of the Board, no Director may serve as Chair or Vice-Chair for more than two (2) consecutive years in one office, provided however that following a break in the continuous service of at least one (1) year the same person may be re-elected.
- (e) *Ex officio* Directors are ineligible for election as Chair or Vice-Chair.
- (f) The Chief Executive Officer may be appointed Secretary or Secretary-Treasurer of the Board.
- (g) The Officers of the Corporation shall be responsible for the duties set forth in this By-Law and they are not necessarily required to perform such duties personally, but they may delegate to others the performance of any or all such duties provided that the delegating Officer remains responsible for ensuring that such duties are carried out.
- (h) Any Officer of the Corporation shall cease to hold office upon resolution of the Board.

18. OFFICER DUTIES

(a) Duties of the Chair

The Chair shall:

- (i) chair all meetings of the Board;
- (ii) be responsible for the naming of Directors to committees not otherwise provided for in this By-Law;

- (iii) report to each Annual Meeting of Members of the Corporation concerning the management and operations of the Hospital;
- (iv) be an ex officio member of Committees of the Board;
- (v) represent the Corporation at public or official functions; and
- (vi) perform such other duties as may from time to time be determined by the Board.

(b) Duties of the 1st Vice-Chair

The 1st Vice-Chair shall have all the powers and perform all the duties of the Chair in the absence or disability of the Chair and perform any other duties assigned by the Chair or the Board.

(c) Duties of the 2nd Vice-Chair

The 2nd Vice-Chair shall have all the powers and perform all the duties of the 1st Vice-Chair in the absence or disability of the 1st Vice-Chair and perform any other duties assigned by the Chair or the Board.

(d) Duties of the Treasurer

The Treasurer shall:

- (i) be the custodian of the books of account and accounting records of the Corporation required to be kept by the provisions of the Act or otherwise by law;
- (ii) submit a financial report at each regular meeting of the Board indicating the financial position of the Hospital on a timely basis;
- (iii) submit an annual audited financial report to the Board and the Corporation of the financial operations of the Hospital;
- (iv) submit quarterly certificates to the Board in respect of the previous quarter that all wages owing to employees and source deductions relating to the employees that the Corporation is required to deduct and remit to the proper authorities pursuant to all applicable legislation, including without limitation, the *Income Tax Act* (Canada), the Canada Pension Plan (Canada), the *Employment Insurance Act* (Canada), and *Employer Health Tax Act* (Ontario), have been made and remitted to the proper authorities, and that all taxes collected pursuant to the *Excise Tax Act* (Canada) and *Retail Sales Tax Act* (Ontario) have been collected and remitted to the proper authorities; and
- (v) perform such other duties as may from time to time be determined by the Board.

(e) Duties of the Secretary

The Secretary shall:

- (i) attend meetings of the Board and Board Committees as required;
- (ii) keep minutes of all Board and Board Committee meetings and circulate the minutes to all members of the Board or Committee;
- (iii) attend to correspondence of the Board;
- (iv) prepare all reports required under any Provincial Act or Regulation or Federal Act or Regulation;
- (v) be the custodian of all minute books, documents and registers of the Corporation required to be kept by the provisions of the Act and all minutes, documents and records of the Board;
- (vi) keep copies of all testamentary documents and trust instruments by which benefits are given to the use of the Hospital and provide the office of the Public Guardian and Trustee with attested or notarial copies of such documents in accordance to the provisions of the *Charities Accounting Act* (Ontario);
- (vii) give such notice as required by this By-Law of all meetings of the Corporations, the Board and its Committees; and
- (viii) perform such other duties as may from time to time be determined by the Board.

19. COMMITTEES OF THE BOARD

(a) Standing Committees of the Board

- (i) There shall be the following Standing Committees:
 - (A) Executive & Resources Committee;
 - (B) Governance & Nominating Committee;
 - (C) Audit & Finance Committee; and
 - (D) Any other committee as set out in a Board policy.
- (ii) The duties and terms of reference for the Standing Committees shall be determined by the Board.
- (iii) Subject to the provisions of this By-Law, the Board shall appoint members of the committees of the Board, the chairs of the committees of the Board and if desirable, the vice-chair thereof.
- (iv) The Board may appoint additional members who are not Directors to any committee of the Board except the Executive & Resources Committee, and those persons shall be entitled to vote, but the number of non-Directors shall not exceed the number of Directors on a committee of the Board.

- (v) The members, the chair and vice chair of a committee will hold their office at the pleasure of the Board. Each chair of a Standing Committee shall be a member of the Board.
- (vi) Subject to applicable law, the Board may, by resolution, dissolve any committee at any time.
- (vii) Procedures for committee meetings shall be determined by the chair of each committee, unless established by the Board by resolution or by way of general committee regulations from time to time.
- (viii) The Board Chair and Chief Executive Officer shall be ex-officio members of all committees.

(b) Special Committees of the Board

- (i) The Board may appoint Special Committees being those committees appointed for specific duties whose mandate shall expire with the completion of the tasks assigned.
- (ii) The Board may at any meeting, appoint any Special Committee and name the chair of the Special Committee.
- (iii) The Board may appoint additional members who are not Directors to any special committee of the Board and those persons shall be entitled to vote, but the number of non-Directors shall not exceed the number of Directors on a special committee of the Board.
- (iv) The Board shall prescribe terms of reference for any Special Committee.
- (v) The Board may by resolution dissolve any Special Committee at any time.

20. BOARD COMMITTEE MEETINGS

(a) Procedures for Board Committee Meetings

- (i) Board Committee meetings shall be held at the call of the Chair of the Board, the chair of the Board Committee or at the request of any two members of the Board Committee.
- (ii) Minutes shall be kept for all Board Committee meetings.
- (iii) Guests may attend Board Committee meetings at the invitation of the chair.
- (iv) Business arising at any Board Committee meeting shall be decided by a majority of votes.
- (v) Any motion is lost if there is an equality of votes.

(b) Committee Quorum

A quorum for any Board Committee meeting shall be a majority of the members of the Board Committee entitled to vote.

21. LIMITS ON AUTHORITY OF COMMITTEES

No Committee has authority to:

- (a) submit to the Members any question or matter requiring approval of the Members;
- (b) fill a vacancy among the Directors or in the office of Auditor or of a person appointed to conduct a review engagement of the Corporation;
- (c) appoint additional Directors;
- (d) issue debt obligations except as authorized by the Board;
- (e) approve any financial statements;
- (f) adopt, amend or repeal any By-Law; or
- (g) establish contributions to be made, or dues to be paid, by Members.

22. CHIEF EXECUTIVE OFFICER

- (a) The Chief Executive Officer shall be appointed by the Board in accordance with its approved selection process.
- (b) The Board may at any time revoke or suspend the appointment of the Chief Executive Officer.

23. DUTIES OF THE CHIEF EXECUTIVE OFFICER

- (a) The Chief Executive Officer shall:
 - (i) be responsible to the Board for the organization and management of the Hospital in accordance with policies established by the Board and subject to direction of the Board;
 - (ii) ensure appropriate systems and structures are in place for the effective management and control of the Hospital and its resources including the employment, development, control, direction and discharge of all employees of the Hospital;
 - (iii) ensure structures and systems for the development, review and recommendation of new programs, program expansion or changes;
 - (iv) ensure effective manpower planning and identify resource implications;
 - (v) establish an organizational structure to ensure accountability of all departments and staff for fulfilling the mission, objectives and strategic plan of the Hospital;
 - (vi) provide leadership in support of the Board's responsibility to develop and periodically review the mission, objectives and strategic plan of the Hospital;
 - (vii) develop, recommend and foster the values, culture and philosophy of the Hospital;

- (viii) communicate with related health care agencies to promote co-ordination and/or planning of local health care services;
- (ix) represent the Hospital externally to the community, government, media and other organizations and agencies;
- (x) be responsible for the payment by the Corporation of all salaries and amounts due from and owing by the Corporation which fall within the purview and scope of the approved annual budget or otherwise as may be established from time to time by resolution of the Board;
- (xi) notify the Chief of Staff, the Chief of Department and the Board if necessary, of:
 - (A) any failure of any member of the medical or dental staff to act in accordance with statute law or regulations thereunder, or the Hospital By-Law and policies,
 - (B) any belief that a member of the medical or dental staff is unable to perform the person's professional duties with respect to a patient in the Hospital,
 - (C) any patient who does not appear to be receiving the most appropriate treatment and care or who is not being visited frequently enough by the attending member of the medical or dental staff,
 - (D) any other matter about which they should have knowledge;
- (xii) be responsible to the Board for taking such action as considered necessary to ensure compliance with the *Public Hospitals Act*, the Regulations and the By-Laws of the Hospital and all other statutory and regulatory requirements;
- (xiii) attend meetings of the Medical Advisory Committee without a vote;
- (xiv) attend meetings of the Board without a vote and report to the Board on any matters about which it should have knowledge and subject to this By-Law, be an ex officio voting member of all Board Committees, except the Executive Committee, where he or she shall attend without a vote;
- (xv) perform such other duties as directed from time to time by the Board; and
- (xvi) where appointed by the Board, performing the duties of Secretary as set forth in the By-Laws of the Corporation.

24. RETENTION OF WRITTEN STATEMENTS

The Chief Executive Officer shall cause to be retained for at least twenty-five (25) years, all written statements made in respect of the destruction of medical records, notes, charts and other material relating to patient care and photographs thereof as per corporate policy.

25. RULES OF ORDER

Any questions of procedure at or for any meetings of the Corporation, of the Board, of the Medical Staff, or any committee, which have not been provided for in this By-Law or by the Act or by the *Public Hospitals Act* or Regulations thereunder, or the Professional Staff Rules, shall be determined by the Chair in accordance with an acceptable best practice.

26. BONDING - FIDELITY INSURANCE

- (a) Directors, Officers and employees as the Board may designate shall secure from a guarantee company a bond of fidelity of an amount approved by the Board.
- (b) The requirements of section 26(a) may be met by an alternative form of employee fidelity insurance such as, but not limited to, a blanket position bond, a commercial blanket bond, or a comprehensive dishonesty, disappearance and destruction policy, at the discretion of the Board.
- (c) The Corporation shall pay the expenses of any fidelity bond or policy secured under this section.

27. SIGNING OFFICERS

Documents, contracts and instruments requiring execution by the Corporation shall be executed in accordance with a Signing Authority Policy approved by the Board.

28. AUDITOR

(a) Appointment of Auditor

- (i) Subject to the Act, the Members of the Corporation at each Annual Meeting shall appoint an Auditor of the Corporation, who shall hold office until the close of the next Annual Meeting. If an appointment is not made, then the incumbent Auditor continues in office until a successor is appointed.
- (ii) In addition to making the report at the Annual Meeting of the Corporation, the Auditor shall from time to time report through the Audit & Finance Committee to the Board on the audit work with any necessary recommendations.

(b) Remuneration of Auditor

The remuneration of an Auditor may be fixed by the Members by Ordinary Resolution, or if the Members do not do so, then it shall be fixed by the Board.

(c) Auditor Rights

The Auditor shall have the rights and privileges as set out in the Act and shall perform the audit function as prescribed therein.

(d) Removal of Auditor

- (i) The Members may, by Ordinary Resolution passed at a Special Meeting of the Members, remove any Auditor before the expiration of the term of office in accordance with the Act, and may elect a replacement to fill such

vacancy. Where the Members do not fill the vacancy, the Directors may do so in accordance with section 28(d)(iii).

- (ii) The Corporation shall give the Auditor at least two (2) days to prepare a statement giving reasons opposing the Auditor's removal. The Auditor shall provide any such statement to the Board. Any such statement provided by the Auditor shall be included in the notice of the Special Meeting called to remove the Auditor.
- (iii) Subject to the Articles, the Board shall immediately fill any vacancy in the office of Auditor.

**SOUTH HURON HOSPITAL ASSOCIATION
PROFESSIONAL STAFF BY-LAW NO. 2023-1**

Approved by the Board of Directors: _____, 2023

Approved by the Members of the Corporation: _____, 2023

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SCHEDULE A

PROCEDURE REGARDING REAPPOINTMENTS, REQUESTS FOR CHANGES IN PRIVILEGES AND MID-TERM ACTION

SOUTH HURON HOSPITAL ASSOCIATION

BY-LAW 2022-1

PROFESSIONAL STAFF BY-LAW

1. INTERPRETATION

This By-Law shall be interpreted in accordance with the following unless the context otherwise specifies or requires:

- (a) all terms which are contained in this By-Law and which are defined in the Ontario *Not-for-Profit Corporations Act*, the *Public Hospitals Act* (Ontario), the *Excellent Care for All Act* or the regulations made thereunder, shall have the meanings given to such terms in the Ontario *Not-for-Profit Corporations Act*, the *Public Hospitals Act*, the *Excellent Care for All Act* or the regulations made thereunder. If there is a conflict between the Act as defined below and any other legislation applicable to the Corporation, the provisions of such other legislation shall prevail;
- (b) the use of the singular number shall include the plural and vice versa, the use of gender shall include the masculine, feminine and neuter genders, and the word “person” shall include an individual, a trust, a partnership, a body corporate or public, an association or other incorporated or unincorporated entity;
- (c) the headings in this By-Law are inserted for reference purposes only and are not to be considered or taken into account in construing the terms or provisions thereof or to be deemed in any way to clarify, modify or explain the effect of any such terms or provisions; and
- (d) any references herein to any law, by-law, rule, regulation, order or act of any governmental body or other regulatory body shall be construed as a reference thereto as amended or re-enacted from time to time or as a reference to any successor thereto.

2. DEFINITIONS

- (a) “**Board**” means the governing body of the South Huron Hospital Association;
- (b) “**By-Law**” or “**By-Laws**” means this by-law, and all other by-laws of the Corporation from time to time in force and effect;
- (c) “**Certification**” means the holding of a specialty certificate issued by a professional body recognized by the Board on the advice of the Medical Advisory Committee;
- (d) “**Chief of Department**” means the physician appointed by the Board to be in charge of a specialized services of the Professional Staff of South Huron Hospital Association;
- (e) “**Chief of Staff**” means the physician appointed by the Board to be the Chief of the Professional Staff;

- (f) **“Chair of the Medical Advisory Committee”** means the member of the Professional Staff appointed to serve as Chair of the Medical Advisory Committee;
- (g) **“Chief Executive Officer”** means in addition to ‘administrator’ as defined in the *Public Hospitals Act*, the Chief Executive Officer of the Corporation;
- (h) **“Chief Nursing Executive”** means the senior nurse employed by the Hospital who reports directly to the Chief Executive Officer and is responsible for nursing services provided in the Hospital;
- (i) **“Corporation”** or **“Hospital”** means the South Huron Hospital Association with the Head Office at 24 Huron St. W., Exeter, Ontario;
- (j) **“Credentials Committee”** means the committee established by the Medical Advisory Committee to review applications for appointment and reappointment to the Professional Staff and to make recommendations to the Medical Advisory Committee. If no such committee is established it shall mean the Medical Advisory Committee;
- (k) **“Dental Staff”** means those Dentists appointed by the Board to attend or perform dental services for patients including oral and maxillofacial in the Hospital;
- (l) **“Dentist”** means a dental practitioner in good standing with the Royal College of Dental Surgeons of Ontario;
- (m) **“Department”** or **“department”** means an organizational unit of the Professional Staff to which members with a similar field of practice have been assigned;
- (n) **“Extended Class Nursing Staff”** means those Registered Nurses in the Extended Class who are nurses that are granted Privileges to diagnose, prescribe for or treat out patients in the Hospital;
- (o) **“Impact Analysis”** means a study to determine the impact upon the resources of the Corporation of the proposed appointment of an applicant for appointment to the Professional Staff or an application by a member of the Professional Staff for reappointment or for additional Privileges;
- (p) **“in camera”** means a meeting that is restricted to voting members of such meeting and such invitees as determined by the chair of the meeting;
- (q) **“Locum Tenens”** means the legally qualified professional who provides coverage for a member of the Professional Staff during their absence;
- (r) **“Medical Staff”** means those Physicians who are appointed by the Board and who are granted Privileges to practice medicine in the Hospital;

- (s) **“Midwife”** means a midwife in good standing with the College of Midwifery of Ontario;
- (t) **“Midwifery Staff”** means those Midwives who are appointed by the Board and granted Privileges to practice Midwifery in the Hospital;
- (u) **“Nurse”** means a holder of a current certificate of competence issued in Ontario as a registered nurse;
- (v) **“Patient”** includes an in-patient and out-patient except where the context otherwise requires;
- (w) **“Physician”** means a medical practitioner in good standing with the College of Physicians and Surgeons of Ontario;
- (x) **“Privileges”** or “privileges” means the right to admit in-patients, register out-patients and/or provide the clinical services which the Board has granted to a member of the Professional Staff;
- (y) **“Professional Staff”** means the Medical Staff, Dental Staff, Midwifery Staff and members of Extended Class Nursing Staff who have been granted privileges;
- (z) **“Professional Staff Human Resources Plan”** means the Hospital’s plan from time to time which provides information and future projections with respect to the management and appointment of the Professional Staff based on the mission and strategic plan of the Corporation;
- (aa) **“Professional Staff Officer”** means the President, Vice President or Secretary-Treasurer of the Professional Staff;
- (bb) **“Public Hospitals Act”** means R.S.O. 1990, c.P.40, and, where the context requires, includes the regulations made under it, all as may be amended from time to time;
- (cc) **“Resource Plan”** means the plan developed by the Professional Staff, based on the mission and strategic plan of the Hospital and on the regional needs of the community, which provides information and future projections of this information with respect to the management and appointment of physicians, dentists, midwives and Registered Nurse-Extended Class who are or may become members of the Professional Staff;
- (dd) **“Registered Nurse in the Extended Class”** means a member of the College of Nurses of Ontario who is a registered nurse and who holds an extended certificate of registration under the *Nursing Act, 1991*;
- (ee) **“Rules and Regulations”** means the rule and regulations governing the practice of the Professional Staff at the Hospital both generally and within a particular department, which have been established respectively by the staff in general and the staff of the department;

PROFESSIONAL STAFF BY-LAWS

3. THE PROFESSIONAL STAFF BY-LAWS

- (a) These By-laws shall:
 - (i) govern the appointment, organization, duties and responsibilities of the Professional Staff;
 - (ii) define the relationship and responsibilities of the Professional Staff to the Leadership Team and the Board; and
 - (iii) outline how the requirements of the *Public Hospitals Act* and its regulations are put into force.

4. PURPOSE OF THE PROFESSIONAL STAFF BY-LAWS

- (a) The purposes of the Professional Staff By-laws are:
 - (i) to outline clearly and succinctly the purposes and functions of the Professional Staff;
 - (ii) to identify specific departments, committees, etc. necessary to allocate the work of carrying out those functions;
 - (iii) to designate a process for the selection of officials of the Professional Staff, including the Chief of Staff, and Chief of Departments;
 - (iv) to assign responsibility, define authority, and describe the manner of accountability to the Board of all officials, organizational units and each member of the Professional Staff for patient care, and for professional and ethical conduct;
 - (v) to maintain and support the rights and privileges of the Professional Staff as provided herein; and
 - (vi) to identify a professional staff organization with responsibility, authority and accountability so as to ensure that each Professional Staff member conducts him/herself in a manner consistent with the requirements of the *Public Hospitals Act* and its regulations, these By-Laws and such rules and regulations, or any amendments thereto, which become effective when approved by the Board.

5. PURPOSE OF THE MEDICAL STAFF ORGANIZATION

- (a) The purposes of the Medical Staff Organization, in addition to fulfilling the responsibilities established by the Laws of the Province of Ontario and these By-Laws, are:
 - (i) to provide a structure whereby the members of the Medical Staff participate in the Hospital's planning, policy setting, and decision making;

- (ii) to serve as a quality assurance system for medical care rendered to patients by the Hospital's Medical Staff and to ensure the continuing improvement of the quality of professional care;
- (iii) to provide a structure and process to ensure that all patients have access to medical care; and
- (iv) to facilitate the best possible environment for learning.

6. RULES AND REGULATIONS

- (a) The Medical Advisory Committee shall make Rules and Regulations, as well as corresponding policies and procedures, as it deems necessary for patient care, and the conduct of members of the Professional Staff, consistent with the mission of the Hospital.
- (b) Such Rules and Regulations, or any amendments thereto, will become effective when recommended by the Medical Advisory Committee, and approved by the Board.

7. PROFESSIONAL STAFF RESOURCE PLAN

- (a) The Medical Advisory Committee with the advice of the Administration of the Hospital will recommend to the Board for approval, on an annual basis, a Professional Staff Resource Plan for each department of the Professional Staff.
- (b) This plan will be consistent with the strategic directions of the Hospital as established by the Board, and the *Public Hospitals Act*, Section 44(2) regarding cessation of services.
- (c) Each department's Clinical Services Resource Plan shall include:
 - (i) a recruitment plan, which shall include an impact analysis;
 - (ii) reasonable on-call requirements for members of the Professional Staff of the department; and
 - (iii) a process for equitably distributing resources to the members of the Professional Staff within the department.

8. APPOINTMENT OF PROFESSIONAL STAFF

- (a) The Board shall appoint annually a Professional Staff for the Hospital;
- (b) Subject to revocation by the Board, appointments to the Professional Staff shall be for a period of twelve (12) months or for such shorter period of time as the Board may determine and appointments shall continue where a member of the Professional Staff has reapplied for appointment during the then current appointment period, until the Board has made the appointments for the ensuing year;

- (c) The Board shall establish from time to time criteria for appointment to the Professional Staff after considering the advice of the Medical Advisory Committee;
- (d) Notwithstanding the other requirements of these By-laws, a person who is not a physician, dentist, midwife or nurse in the extended class may be honored by appointment to the Honorary Staff category;
- (e) Where the Board determines that the Hospital shall cease to provide a service or the Minister directs the Hospital to cease to provide a service, the Board may:
 - (i) refuse the application of a member for appointment or reappointment to the Professional Staff;
 - (ii) revoke the appointment of any member; and
 - (iii) cancel or substantially alter the privileges of any member as long as such determination relates to the termination of the service.

9. APPOINTMENT TO PROFESSIONAL STAFF

- (a) Application for Appointment to the Professional Staff
 - (i) An application for appointment to the Professional Staff will be processed in accordance with the provisions of the *Public Hospitals Act*, these By-laws and the Rules and Regulations of the Professional Staff.
 - (ii) On request, the Chief Executive Officer will supply a copy of an application, these By-laws, the Rules and Regulations of the Professional Staff, the *Public Hospitals Act* and the Regulations thereunder to each applicant who expresses in writing the intention to apply for appointment to the Professional Staff.
 - (iii) Each applicant for membership to the Professional Staff shall submit on the prescribed forms one original written application to the Chief Executive Officer, together with a consent for release of the required information.
 - (iv) Each application must contain:
 - (A) a statement by the applicant that they have read the *Public Hospitals Act* and the Hospital Management Regulations thereunder, these By-laws and the Rules and Regulations of the Professional Staff of the Hospital;
 - (B) an undertaking in writing that, if the applicant is appointed to the Professional Staff, he or she will provide the agreed upon services to the Hospital and will act in accordance with the *Public Hospitals Act* and its Regulations, the laws of the Province of Ontario relating to hospital practice, the requirements set out in the By-laws and the Rules and Regulations of the Professional Staff and policies of the Hospital, and will be guided by the ethical standards of the profession;

- (C) a current, valid certificate of Registration and certificate of Professional Conduct from the College of Physicians and Surgeons of Ontario (physicians); certificate of Registration or Specialty Certificate of Registration from the Royal College of Dental Surgeons of Ontario (dentists); certificate of Registration from the College of Midwives of Ontario (midwives); Annual Registration Payment Card as a Registered Nurse Extended Class from the College of Nurses of Ontario (nurse practitioners);
- (D) a signed consent authorizing any regulatory body or referee to provide a report on but not limited to:
 - (I) any action taken by its disciplinary or fitness to practice committee, and
 - (II) whether the applicant's privileges have been curtailed or cancelled by any regulatory body or by another hospital because of incompetence, negligence or any act of professional misconduct;
 - (1) a list of three (3) appropriate referees;
 - (2) reports to include reports on experience, competence and conduct from:
 - (III) the Chief of Staff or Chief of Department in the last hospital in which the applicant held an appointment;
 - (IV) the director or head of the program in which the applicant has completed training, if such training has been completed within the past five years;
 - (V) the chief executive officer of the last hospital where the applicant held privileges;
- (E) a list of procedural privileges which are requested;
- (F) an up-to-date curriculum vitae, including a record of the applicant's professional education, post-graduate training, history of academic and professional career, and continuing medical education;
- (G) evidence of appropriate current immunization status;
- (H) evidence of professional practice protection coverage satisfactory to the Board and appropriate to the scope and nature of the intended practice;
- (I) where there has been an adverse finding or the applicant did voluntarily or involuntarily resign or restrict their privileges, the applicant shall provide a recital and description of disciplinary actions, voluntary restriction of privileges, competency investigations, performance reviews and details with respect to prior privileges disputes with other hospitals regarding appointment,

re-appointment, change in privileges, or mid-term suspension or revocation of privileges;

- (J) information of any civil suit related to professional practice where there was a finding of negligence or battery, including any suit settled by a payment;
 - (K) information regarding any criminal proceedings or convictions involving the applicant which may impact the applicant's ability to practice;
 - (L) information regarding the applicant's health, including any impairments, medical conditions, diseases or illnesses that may impact on his or her ability to practice, along with a signed consent authorizing the treating health professional to release relevant information to the Hospital, such information as released by a treating health professional to not form part of the applicant's credentialing file;
 - (M) an undertaking, in writing, that if appointed, the applicant will abide the Hospital's policies as related to the privacy and confidentiality of patient information and Hospital matters. No member will make statements on behalf of the Hospital to the news media or public without the express authority of the Chief Executive Officer or delegate.
- (v) Each applicant may be required to visit the Hospital for an interview with appropriate members of the Professional Staff and the Administration.
 - (vi) The Chief Executive Officer shall retain a copy of the application and shall refer the original application immediately to the Chief of Staff and to the Chair of the Credentials Committee.

10. PROCESS FOR EVALUATING APPLICATIONS FOR PROFESSIONAL STAFF APPOINTMENTS

- (a) The Chief Executive Officer shall refer the original application immediately to the Chief of Staff who shall keep a record of each application received and then refer the original forthwith to the Chair of the Credentials Committee (MAC), and to the Program(s) and Medical Department(s) involved, if applicable.
- (b) Where appropriate, the Chief of Department, shall review and make recommendations concerning each application for reappointment within his or her respective Department to the Credentials Committee (MAC).
- (c) The Medical Advisory Committee, functioning in the capacity of a Credentials Committee, will investigate and establish the authenticity of the qualifications and experience of each applicant. The Medical Advisory Committee will give consideration to reports of interviews with the applicant, and to the recommendation of the Chief of the relevant department.

The Medical Advisory Committee will:

- (i) ensure the application is complete
 - (ii) consider whether the criteria set out generally in section 11 of these By-laws has been met;
 - (iii) take into consideration available resources of the Hospital;
 - (iv) include an analysis of the impact on human and fiscal resources of the application;
 - (v) delineate the applicant's responsibilities of the appointment, including specific procedural privileges; and
 - (vi) include a recommendation of appointment, or not, of the applicant.
- (d) The Medical Advisory Committee will send its recommendation in writing to the Board within sixty (60) days of the date of receipt by the Chief Executive Officer or delegate of the completed application, as outlined in the *Public Hospitals Act*.
 - (e) The Medical Advisory Committee, in accordance with the *Public Hospitals Act*, may make its recommendation to the Board later than sixty (60) days after the receipt of the application if, prior to the expiry of the sixty (60) day period, it indicates in writing to the Board and the applicant that a final recommendation cannot yet be made and includes written reasons for the delay.
 - (f) Where the Medical Advisory Committee recommends to the Board that an application for appointment, reappointment or requested privileges not be granted, it will follow the procedure as outlined in Schedule A of these By-laws, the Medical Advisory Committee and Board Process for Applications, Re-applications, Changes in Privileges, and Mid-Term Action.
 - (g) In addition to any other provisions of the By-laws, the Board may refuse to appoint any applicant to the Professional Staff on any of the following grounds:
 - (i) the appointment is not consistent with the need for service, as determined by the Board from time to time;
 - (ii) the Resource Plan of the Hospital does not demonstrate sufficient resources to accommodate the applicant; and
 - (iii) the appointment is not consistent with the strategic plan of the Hospital.
 - (h) Where the Medical Advisory Committee recommends to the Board that an application for appointment, re-appointment or requested privileges be denied, the Board shall not consider or make a decision on such recommendation of the Medical Advisory Committee until it is determined as to whether a hearing is required by the applicant.

11. CRITERIA FOR APPOINTMENT TO THE PROFESSIONAL STAFF

- (a) Each applicant for appointment to the Professional Staff must:
 - (i) be a registrant in good standing of the relevant college; and
 - (ii) be in compliance with the requirements of section 9(a)(iv) of these By-laws.
- (b) The individual should meet the needs of the Hospital and community as described in the Professional Staff Resource Plan, and will be assessed on the basis of credentials and experience, impact analysis, and such other factors as the Board, may from time to time, consider relevant or as set out in the Rules and Regulations of the Professional Staff.
- (c) The applicant must demonstrate to the Medical Advisory Committee adequate control of any physical or behavioral impairment that affects skill, attitude or judgment.
- (d) The granting of privileges will be further based upon:
 - (i) a demonstrated ability to provide patient care at an appropriate level of quality and efficiency;
 - (ii) a demonstrated ability to communicate, work with and relate to all members of the Professional and Hospital Staff in a cooperative and professional manner;
 - (iii) a demonstrated ability to communicate and relate appropriately with patients and patient's relatives;
 - (iv) a willingness to participate in the discharge of staff, committee if applicable, teaching responsibilities and obligations appropriate to the respective membership group;
 - (v) adequate training and experience for the privileges requested;
 - (vi) agreement by the applicant to provide reasonable "on-call" coverage as required by relevant roster or schedule.
 - (vii) a demonstrated ability to meet an appropriate standard of ethical conduct and behaviour

12. TERM

- (a) Each appointment to the medical staff shall be for one (1) year, but shall continue in effect until the Board has made appointments for the ensuing year.

13. REAPPOINTMENT

- (a) Application for Re-Appointment and Performance Review

- (i) Upon recommendation by the Medical Advisory Committee, the Board shall establish and approve a process for the annual performance review of each member of the Professional Staff.
 - (ii) Each year each member of the Professional Staff shall make a written application for re-appointment to a group of the Professional Staff of the Hospital in a prescribed form. The application will update information from the original application and subsequent applications.
 - (iii) Where a member of the Professional Staff has applied for re-appointment, the Chief of Staff or delegate shall conduct a review of the applicant's performance for the past year in accordance with the criteria for appointment to Professional Staff as established in section 11 (Criteria for Appointment to the Professional Staff) of this By-law, and shall make a report to the Medical Advisory Committee in respect of the applicant's performance for the past year.
 - (iv) If an applicant for re-appointment shall be seventy (70) years of age or older on the date that his or her existing appointment expires, the Chief of Staff or delegate shall, in addition to the requirements set out in section 13(c) (Refusal to Reappoint), conduct the following review with the applicant and make a report thereon to the Medical Advisory Committee:
 - (A) a review of the applicant's performance and health during the past year;
 - (B) a discussion of the applicant's plans for any changes in type or level of service provided and reasons therefore;
 - (C) a discussion of the applicant's retirement plans; and
 - (D) a discussion of any other matters listed in section 11 (Criteria for Appointment to the Professional Staff).
 - (v) The application for re-appointment to a group of the Professional Staff of the Hospital shall be processed in the same manner as set out in section 10 (Process for Evaluating Applications for Professional Staff Appointments)
- (b) Criteria for Re-Appointment to Professional Staff
- (i) In order to be eligible for re-appointment, the applicant shall,
 - (A) continue to meet the criteria set out in section 11 (Criteria for Appointment to the Professional Staff); and
 - (B) have demonstrated an appropriate use of Hospital resources.
 - (C) have conducted themselves in accordance with this By-law and the Corporation's values, rules and policies.
 - (c) Refusal to Re-Appoint

- (i) Pursuant to the *Public Hospitals Act*, and in accordance with the Regulations thereunder, the Board may refuse to re-appoint a member of the Professional Staff as outlined in section 13 of these By-Laws.
- (ii) Where a member has applied for re-appointment, his or her appointment shall be deemed to continue,
 - (A) until the re-appointment is granted; or
 - (B) where he or she is served with notice that the board refuses to grant the re-appointment, until the time for giving notice requiring a hearing by the Health Professions Appeal and Review Board has expired and, where a hearing is required, until the decision of the Health Professions Appeal and Review Board has become final.

14. CHANGE OF PRIVILEGES

- (a) Application for Changes to Privileges
 - (i) Where a member of the Professional Staff wishes to change his or her privileges, he or she shall make a written application, in the prescribed form, listing the change of privileges which is requested and shall submit evidence of appropriate training and competence in respect of the privileges being requested.
 - (ii) An application for a change in privileges made by a member of the Professional Staff shall be processed in the same manner as set out in section 10.

15. MID-TERM ACTION

- (a) Mid-Term Action Regarding Revocation/Suspension/Restriction of Privileges
 - (i) Suspension/Revocation of Privileges - In circumstances where there are concerns about the conduct, performance or competence of a member of the Professional Staff, the Board may, at any time, in a manner consistent with the *Public Hospitals Act* and in accordance with the regulations thereunder, these By-Laws, the Rules and Regulations of the Professional Staff, and policies of the Hospital, revoke or suspend any appointment of a member of the Professional Staff or revoke, suspend or restrict or otherwise deal with the Privileges of the member.
 - (ii) Immediate Action In Emergency Situations - In circumstances where, in the opinion of the Chief of Staff or the Chief of the relevant clinical Department, the conduct, performance or competence of a member of the Professional Staff exposes or is reasonably likely to expose Patient(s) or Staff to harm or injury and immediate action must be taken to protect the Patient(s) or Staff, and no less restrictive measure can be taken, the Chief of the Department or Chief of Staff will take action. This may require immediate and temporary suspension or restriction of the Privileges of the member of the Professional Staff with immediate notice to the President & Chief Executive Officer and the President of the Professional Staff, pending the consideration of the suspension or restriction by the MAC and the Board in

keeping with the procedures outlined in Schedule A of these By-Laws, respecting Mid-Term Action in an Emergency Situation.

- (iii) Non-Immediate Mid-Term Action - In circumstances where, in the opinion of the Chief of the relevant clinical Department, the conduct, performance or competence of a member of the Professional Staff:
 - (A) fails to comply with the criteria for annual reappointment;
 - (B) exposes or is reasonably likely to expose Patient(s) of Staff to harm or injury;
 - (C) is, or is reasonably likely to be, detrimental to Patient or Staff safety or to the delivery of quality Patient care within the Hospital;
 - (D) results in the imposition of sanctions by the professional college;
 - (E) constitutes abuse; or
 - (F) is, or is reasonably likely to be, detrimental to the operations of the Hospital,

and if immediate action is not required to be taken, action may be initiated in keeping with the procedures in Schedule A of these By-laws, respecting Non-Immediate Mid-Term Action.

16. CATEGORIES OF THE PROFESSIONAL STAFF

- (a) (i) The responsibilities of the Hospital for patient care make it necessary and appropriate to divide the Professional Staff into several different categories and to determine certain limitations on eligibility for appointments and privileges.

The categories established are:

- (A) Active;
- (B) Associate;
- (C) Courtesy;
- (D) Locum tenens;
- (E) Temporary;
- (F) Term;
- (G) Honourary;
- (H) and other such categories as may be determined by the Board from time to time having given consideration to the recommendation of the Medical Advisory Committee.

- (ii) Appointments to these categories will be consistent with the established Resource Plan and will be subject to completion of an Impact Analysis when appropriate.

- (b) Active Staff

- (i) Members of the Active Staff shall:

- (A) consist of physician applicants who have been appointed as active Professional Staff by the Board and who are responsible for ensuring that an acceptable standard of professional care is provided to patients under their care;
- (B) have completed a prerequisite of at least one year on the Associate Staff unless, in respect of any particular member, a waiver of such requirement is consented to by the Board;
- (C) undertake such clinical, and administrative duties and responsibilities as outlined in these by-laws and as determined by the Chief of Staff or Chief of Department;
- (D) participate on such "on-call" schedules and provide coverage for patients of the hospital as reasonably required;
- (E) be granted admitting and specific procedural privileges as approved by the Board having given consideration to the recommendation of the Medical Advisory Committee;
- (F) be eligible for annual reappointment as provided in these By-laws;
- (G) attend and vote at meetings of the Professional Staff and be an officer of the Professional Staff;
- (H) be bound by the expectations for attendance, as established by the Medical Advisory Committee, at Professional Staff and department meetings, where eligible; and
- (I) perform such other duties as may be prescribed by the Medical Advisory Committee from time to time.

- (c) Associate Staff

- (i) Applicants, who are applying for appointment to the Active Staff, subject otherwise to the determination of the Board, will be assigned to the Associate Staff for a period of at least six (6) months which may be renewed for up to a further twelve (12) months.
- (ii) An Associate Staff member shall:
 - (A) be granted admitting and specific procedural privileges as approved by the Board having given consideration to the recommendation of the Medical Advisory Committee;

- (B) undertake such clinical, and administrative duties and responsibilities as outlined in these by-laws and as determined by the Chief of Staff and Chief of Department;
 - (C) work with the counsel and under the supervision of the Chief of Staff or delegated staff member;
 - (D) be eligible and expected to attend meetings of the Medical Staff as established by the Medical Advisory Committee;
 - (E) not vote at Medical Staff meetings nor be elected a Professional Staff Officer, but may be appointed to a committee of the Professional Staff;
 - (F) participate in a 6-month performance review by the Chief of Staff or Chief of Department (Supervisor) from the active Professional Staff; and
 - (G) perform such other duties as may be prescribed by the Medical Advisory Committee from time to time.
- (iii) In preparation for the renewal of appointment, the Chief of Staff or Chief of Department will make a written report to the Medical Advisory Committee, including comments on:
- (A) the nature and quality of the Professional Staff member's clinical performance;
 - (B) the use of Hospital resources; and
 - (C) the ability to function in conjunction with the other members of the Hospital's staff.
- (iv) After one year, the appointment of a physician to the Associate Staff will be reviewed by the Medical Advisory Committee. The Medical Advisory Committee will recommend to the Board either a change in category, continuation in the Associate Staff category for a further period of time not to exceed an additional 6 months of practice, or denial of reappointment.
- (d) Courtesy Professional Staff
- (i) The Board may grant a physician, dental surgeon, midwife or RN-EC an appointment to the Courtesy Professional Staff in one or more of the following circumstances:
 - (A) the applicant has an active professional staff commitment at another hospital;
 - (B) the applicant lives at such a remote distance from the Hospital that it limits full participation in active staff duties, but he or she wishes to maintain an affiliation with the Hospital;
 - (C) the applicant has a primary commitment to, or contractual relationship with, another community or organization;

- (D) the applicant requests access to limited Hospital resources or out-patient programs or facilities,
 - (E) the applicant shall act as a regular replacement for medical staff providing a specified service, or
 - (F) where the Board deems it otherwise advisable.
- (ii) The Board may grant an applicant an appointment to the courtesy Professional Staff so as to provide patients and their families with information; to review and receive the patient record and progress notes as well as out-patient records of their patients; and may utilize Ambulatory and Diagnostic Services if available upon the recommendations from the Credentials Committee.
 - (iii) The circumstances leading to an appointment shall be specified by the applicant on each application for re-appointment.
 - (iv) Members of the courtesy staff may attend Professional staff and department meetings but, unless the Board requires, shall not be subject to the attendance requirements and penalties as provided by this By-law and the medical staff rules.
 - (v) Unless required to attend by the Chief of Staff or Chief of Department, members of the courtesy staff shall not have the right to vote at Professional staff and department meetings.
 - (vi) Members of the courtesy staff shall not hold office and shall not be eligible for appointment to a committee of the Professional Staff.
- (e) Locum Tenens
 - (i) The Medical Advisory Committee upon request of a member of the Active Professional Staff may recommend the appointment of a Locum Tenens as a planned replacement for such member for a specified period of time, to be confirmed in a written agreement.
 - (ii) The credentials of each Locum Tenens shall be reviewed by the Medical Advisory Committee
 - (iii) A Locum Tenens, subject to Board approval, shall:
 - (A) have admitting privileges unless otherwise specified;
 - (B) work under the counsel and supervision of the member of the Active Staff who has been assigned this responsibility by the Chief of Staff or his or her delegate;
 - (C) attend patients assigned to his or her care by the active medical staff member by whom he or she is supervised, and shall treat such patients within the professional privileges granted by the Board on the recommendation of the Medical Advisory Committee; and

- (D) undertake such duties in respect of those patients classed as emergency cases as may be specified by the Chief of Staff or by the medical supervisor to whom he or she has been assigned.
- (f) Temporary Professional Staff
 - (i) The Board may make a temporary appointment to the Professional Staff only for one of the following reasons:
 - (A) to meet a specific singular requirement by providing a consultation and/or operative procedure; or
 - (B) to meet an urgent unexpected need for a Professional service.
 - (ii) Notwithstanding any other provision in this By-law, the Chief Executive Officer, after consultation with the Chief of Staff or his or her delegate, may:
 - (A) grant temporary privileges to a Physician, Maxillofacial Surgeon, Dentist, Midwife or Extended Class Nurse who is not a member of the Professional Staff provided such privileges shall not extend beyond the date of the next meeting of the Medical Advisory Committee at which time the action taken shall be reported;
 - (B) continue the temporary privileges on the recommendation of the Medical Advisory Committee until the next meeting of the Board; and
 - (C) remove temporary privileges at any time prior to any action by the Board.
 - (iii) A temporary appointment may include the right to admit to the care of a physician with privileges.
- (g) Term Staff
 - (i) Term staff will consist of applicants who have been granted admitting and/or specific procedural privileges as approved by the Board having given consideration to the recommendation of the Medical Advisory Committee in order to meet a specific clinical need for a defined period of time.
 - (ii) The specific, clinical need(s) shall be identified by the Medical Advisory Committee and approved by the Chief Executive Officer of the Hospital.
 - (iii) Appointments shall be for a period not to exceed one (1) year and such appointment does not imply or provide for any continuing or renewed Professional Staff appointment.
 - (iv) Term staff:
 - (A) may be required to work under the supervision of an Active staff member;
 - (B) may be required to undergo a probationary period as appropriate;

- (C) shall, if replacing another member of the Professional Staff, attend that Professional Staff member's patient;
 - (D) shall undertake such duties in respect of those patients classed as emergency cases and of out-patient clinics as may be specified;
 - (E) shall, unless otherwise specified in the grant of privileges by the Board, have admitting privileges.
- (v) Term staff, subject to determination by the Board in each individual case, shall not:
- (A) be eligible for re-appointment;
 - (B) attend or vote at meetings of the Professional Staff or be an officer of the Professional Staff; and
 - (C) be bound by the expectations for attendance at Professional Staff and department meetings.
- (h) Honorary Staff
- (i) An individual may be honored by the Board by an appointment to the Honorary Staff because of:
- (A) former membership on the Active, Courtesy, Term, or Senior Staff; or,
 - (B) identification by the Board as an individual determined to be qualified for such appointment.
- (ii) An Honorary Staff member may:
- (A) be eligible for annual reappointment as provided in these By-laws; and
 - (B) be eligible to attend Professional Staff meetings.
- (iii) An Honorary Staff member shall not:
- (A) be granted admitting or procedural privileges, or provide direct patient care;
 - (B) have regularly assigned clinical, and administrative duties and responsibilities;
 - (C) vote at meetings of the Professional Staff or be an officer of the Professional Staff; and
 - (D) be bound by the expectations for attendance at Professional Staff and department meetings.

17. PROFESSIONAL STAFF DUTIES

- (a) General Duties

- (i) Each member of the Professional Staff is accountable to and shall recognize the authority of the Board through and with their Chief of Department, the Chief of Staff, and the Chief Executive Officer.
 - (ii) Each member of the Professional Staff shall:
 - (A) attend and treat patients within the limits of the privileges granted by the Board, unless the privileges are otherwise restricted;
 - (B) notify the Chief Executive Officer or Chief of Staff of any change in his/her license to professional practice made by the member's relevant college or any limitation of the practice privileges imposed by the Board of another hospital;
 - (C) give such instruction as is required for the education of other members of the Professional and Hospital Staff;
 - (D) abide by the Hospital policies, Rules and Policies of the Professional Staff, the Hospital By-laws, the *Public Hospitals Act* and the Regulations thereunder and all other legislative requirements;
 - (E) cooperate with patients and/or their families or other appropriate persons about their options with respect to tissue and organ transportation; and
 - (F) perform such other duties as may be prescribed from time to time by, or under the authority of the Board and the Medical Advisory Committee.
 - (G) provide consultations on patients as are required
 - (iii) Each member of the Active and Associate Staff, and the Courtesy Staff where required, shall participate in regular Professional Staff meetings.
- (b) Individual and Collective Duties and Responsibilities
- (i) Individually and collectively members of the Professional Staff, practicing within the jurisdiction of the Hospital, have responsibility to the Board for:
 - (A) ensuring that a high professional standard of care, consistent with the resources available and obligation practices, is provided to patients under their care;
 - (B) practicing at the highest professional and ethical practice standards within the limits of the privileges provided;
 - (C) maintaining involvement, as a recipient or provider, in continuing medical and interdisciplinary professional education;
 - (D) providing, maintaining and participating in professional education, clinical health services and outcomes research;
 - (E) promoting evidence-based decision making;

- (F) assisting to fulfill the mission of the Hospital through contributing to strategic planning;
 - (G) recognizing the authority of the Chief of Department/Department Chief, the Chief of Staff, the Medical Advisory Committee and the Board in all significant issues, clinical or otherwise, arising in the department to which he or she has been assigned;
 - (H) bringing significant issues within the department to the attention of the Chief of Department and or Chief of Staff within a reasonable timeframe;
 - (I) contributing to the development of and ensuring compliance with the By-laws and Rules and Regulations of the Professional Staff, and policies of the Hospital; and
 - (J) participating in quality and risk management programs.
- (c) Each member of the Professional staff shall notify the Board immediately in writing through the Chief of Department and Chief of Staff of any changes, during the credentialing year, to information provided in their application for appointment or reappointment to Professional Staff, including but not limited to:
- (i) Proceedings before the Discipline Committee or Fitness to Practice Committee including any resolutions short of a hearing;
 - (ii) Investigations by the Inquiries, Complaints and Reports Committee;
 - (iii) Dispositions of a complaint or report by the Inquiries, Complaints, and Reports Committee other than no further action or dismissal.; and
 - (iv) Any criminal charges or convictions.

18. CHIEF OF STAFF

- (a) Appointment
 - (i) The Board shall appoint a member of the active medical staff to be the Chief of Staff after giving consideration to the recommendations of the Medical Advisory Committee.
- (b) Term of Office
 - (i) Subject to annual confirmation by the Board, the Chief of Staff will be eligible to serve two consecutive three (3) year terms, but may remain as Chief of Staff at the discretion of the Board until a successor is appointed. The Board shall conduct an annual performance appraisal of the Chief of Staff and in reappointing the Chief of Staff will give consideration to the outcome of the annual performance appraisal.
 - (ii) The Board may at any time revoke or suspend the appointment of the Chief of Staff.

(c) Role of the Chief of Staff

(i) The Chief of Staff shall:

- (A) provide leadership in the establishment of an interdisciplinary approach to patient and family centred service;
- (B) collaborate with representatives of other disciplines to create an environment that promotes commitment to continuous improvement of patient care outcomes;
- (C) enhance education and research throughout the organization; and,
- (D) champion and participate in organization and development at a strategic and project level.

(d) Duties of the Chief of Staff

The Chief of Staff shall have the following duties to the Board and Medical Advisory Committee as well as administrative duties:

(i) Duties to the Board and MAC - The Chief of Staff shall be responsible to the Board through the Chair for the Professional Staff of the Hospital. The Chief of Staff shall:

- (A) be responsible for establishing and monitoring the credentialing and disciplining processes for the Professional Staff;
- (B) ensure that the process regarding credentialing of Professional Staff is fair and executed in a timely manner;
- (C) be responsible for the disciplinary action or mediation of the Professional Staff in conjunction with the Department Chiefs;
- (D) be responsible for ensuring compliance with the *Public Hospitals Act* (Ontario), regulations and By-Laws of the Hospital with respect to Professional Staff;
- (E) be responsible to the Board for the supervision and quality of all the Professional Staff diagnosis, care and treatment given to patients and the general conduct of the Professional Staff within the Hospital according to the policies established by the Board so as to ensure a safe clinical and workplace environment;
- (F) assist in ensuring appropriate cost-effective use of the Hospital's resources;
- (G) through, and with the Department Chiefs, advise the MAC, the Board and the Chief Executive Officer with respect to the quality of medical diagnosis, care and treatment provided to the patients of the Hospital;
- (H) be the Chair of the Medical Advisory Committee, and in such capacity, ensure that the Medical Advisory Committee fulfills its

responsibility as defined in the *Public Hospitals Act*, and these By-Laws;

- (I) be ex officio a member of all committees that report to the Medical Advisory Committee;
 - (J) be a member of the Executive Committee of the Board;
 - (K) work with the Department Chiefs to ensure that the annual evaluation and appointment process of the Professional Staff is completed;
 - (L) work, as needed, with the Department Chiefs in any Professional Staff discipline problems;
 - (M) assign, or delegate the assignment of, a member of the Professional Staff to supervise the practice of medicine, dentistry, midwifery, extended class nursing or other professional activities of any other member of the Professional Staff for any period of time;
 - (N) supervise and evaluate Chiefs of Department with respect to expected role. Under extraordinary conditions, the Chief of Staff may suspend the Chief of Department from the role of Chief of Department and, pending review, appoint an acting Chief of Department; and
 - (O) investigate, report and disclose critical incidents pursuant to the Hospital Management Regulation under the *Public Hospitals Act*.
- (ii) Administrative Duties - When necessary, the Chief of Staff shall:
- (A) assume, or assign to any other member of the Professional Staff, responsibility for the direct care and treatment of any Patient in the Hospital under the authority of the *Public Hospitals Act* and notify the attending Professional Staff member, the Chief Executive Officer and the Patient, Patient's guardian or power of attorney;
 - (B) report to the Board, the Professional Staff, and Chief Executive Officer any matters of which they should have knowledge;
 - (C) recommend to the Chief Executive Officer on the appointment, by the Chief Executive Officer, of a member of the Professional Staff to act for him or her during his or her absence or inability to act;
 - (D) participate in strategic planning within the Hospital to ensure that the needs of the community are appropriately met;
 - (E) act as an advocate for patients and for patient care;
 - (F) promote the development of innovation, a commitment to evidence based practices and collaboration with other disciplines;
 - (G) promote accountability among Professional Staff members for their practice;

- (H) provide formal and informal education and research to the Professional Staff members within the Hospital;
 - (I) maintain an active practice in his/her clinical field;
 - (J) fulfill all obligations in a manner consistent with the *Public Hospitals Act*, the mission statement and values of the Hospital, and the By-laws of the Hospital;
 - (K) as a member of the senior management team of the Corporation, where the Chief of Staff assumes managerial responsibilities, the Chief of Staff shall be accountable for the performance of those managerial responsibilities to the Chief Executive Officer; and
 - (L) undertake any other responsibilities as determined by the Board and the Chief Executive Officer.
- (e) Appointment of the Deputy Chief of Staff

The Board, in consultation with the Chief of Staff, may appoint a physician with Active Staff privileges to be the deputy chief of staff upon the recommendation of the Chief of Staff and after giving consideration to seek the advice of the Medical Advisory Committee.

19. PROFESSIONAL STAFF DEPARTMENTS

- (a) Departments
 - (i) When warranted by the professional resources of the medical staff, the Board, on the advice of the Medical Advisory Committee, may organize the Professional Staff into the following Departments:
 - (A) Inpatient Medical Care;
 - (B) Emergency Medicine;
 - (C) Obstetrics;
 - (D) Surgery;
 - (E) Anesthetics;
 - (F) Internal Medicine;
 - (G) Radiology;
 - (H) Laboratory Medicine; and
 - (I) Psychiatry.
 - (ii) Each Professional Staff member will be appointed to a minimum of one of the Departments
 - (iii) Any Professional Staff department shall function in accordance with the Professional Staff rules.

- (iv) Whenever a separate department is established, physicians and where appropriate, dentists, midwives and registered nurses in the extended class and patients related to a department shall come under the jurisdiction of that department.
- (v) The Board, having given consideration to the recommendation of the Chief of Staff and following consultation with the Medical Advisory Committee, may at anytime create, dissolve or reorganize departments as may be required.

20. CHIEFS OF DEPARTMENT

(a) Appointment of Chief of Department

- (i) The Board, having given consideration to the recommendation of the Chief of Staff and following consultation with the Medical Advisory Committee, will appoint a physician who is a member of the Active Staff as Chief of each Department, provided that on recommendation of the Medical Advisory Committee, the Board may appoint a physician other than a physician who is a member of the Active Staff as a Chief of Department.
- (ii) The office of the Chief of Department may be revoked at any time by the Board.
- (iii) Subject to annual confirmation of the Board, the appointment of a Chief of Department shall be for a term of three (3) years, but the Chief of Department shall hold office until a successor is appointed.
- (iv) At the end of term or in the event of a vacancy of a Chief of Department, the Medical Advisory Committee will undertake a search for the express purpose of recommending a candidate for the position of Chief of Department of the Hospital.

(b) Duties of Chief of Department

- (i) The Chief of Department shall,
 - (A) through and with the Chief of Staff, be responsible to the Board for the quality of care provided to all patients by members of the Department;
 - (B) be a member of the Medical Advisory Committee, and as such, be responsible to ensure that the responsibilities and policies of the Hospital, the Professional Staff, the Medical Advisory Committee and the Department are carried out by all members of the Department;
 - (C) be responsible for forming, revising and interpreting Department policy to all members with a special emphasis on the need for orientation and policy interpretation to new members of the Department;

- (D) in addition to duties included elsewhere in these By-laws and with Department members' assistance, duties of the Chief of Department include:
 - (I) responsibility for the organization and implementation of clinical utilization management review within the Department;
 - (II) development, with the Chief of Staff and the advice of the Administration of the Hospital, of a recruitment plan, including appropriate Impact Analysis, in keeping with the approved Human Resource Plan of the Department;
 - (III) support of a process to both promote and document quality management improvements in the Department; and
 - (IV) support of a continuous learning process for other members of the health team;
- (E) establish the scope of services and schedule members of the Departments for each on-call roster relevant to the Department;
- (F) the duties of the Chief of Department may also include the responsibility for discipline of Department members in regard to matters of patient care, co-operation with Hospital employees, and documentation of care;
- (G) The Chief of Department from time to time shall undertake a performance review with respect to a Department member and in so doing has the authority to require any member of the Department to provide evidence of his or her competency with respect to a particular clinical act, procedure, treatment or operation being performed by the member of the Department in the Hospital;
- (H) Other duties assigned by the Board or Medical Advisory Committee from time to time.

(c) Performance Evaluation of Chiefs of Department

- (i) Chiefs of Department will be subject to annual reappointment by the Board on the advice of the Professional Staff. As part of the annual performance evaluation, the Chief of Staff will review the performance of the Chief of Department in relation to the expectations set out in this section.

21. MEETINGS OF THE MEDICAL STAFF

(a) Annual Meeting of the Medical Staff

- (i) An annual meeting will be held once in every calendar year, generally in December.
- (ii) Written notification and agenda of the annual meeting will be distributed at least five (5) days in advance of the date of the meeting.

- (iii) The order of business at the annual meeting of the Medical Staff will be:
 - (A) call to order;
 - (B) minutes of the previous meeting;
 - (C) business arising from the minutes;
 - (D) report of the Medical Advisory Committee and other Professional Staff committees as appropriate;
 - (E) reports of the elected officers of the Medical Staff as appropriate;
 - (F) election of officers for the following year;
 - (G) determination of a time and place for the next annual meeting, and the meetings of the Medical Staff before the next annual meeting; and
 - (H) adjournment.
- (b) Regular Meetings of the Medical Staff
 - (i) Four (4) meetings of the Medical Staff will be held per year, one of which will be the annual meeting.
 - (ii) A written notice and agenda package shall be posted and circulated by the Secretary of the Medical Staff at least five (5) days prior to each regular meeting as required by these By-laws.
- (c) Special Meetings of the Medical Staff
 - (i) In cases of emergency where determined by the Chief Executive Officer, the President of the Professional Staff may call a special meeting of the Medical Staff.
 - (ii) Special meetings will be called by the President of the Professional Staff on the written request of any four (4) members of the Active, Associate or Senior Staff.
 - (iii) Notice of any special meeting will be as required for a regular meeting, except in cases of emergency, and will state the nature of the business for which the special meeting is called.
 - (iv) The usual period of time required for giving notice of any special meeting will be waived in cases of emergency, subject to ratification of this action by the majority of those members present voting at the special meeting as the first item of business of the meeting.
- (d) Service Meetings
 - (i) The Chief of each Department at the Hospital shall hold such business meetings as may be necessary to facilitate the functioning of that Department.

- (ii) The Chief Executive Officer or delegate shall receive minutes of meetings for information, and recommendations from these meetings will be forwarded to the Medical Staff and the Medical Advisory Committee for consideration.
- (e) Quorum
 - (i) Five members of the Active Staff entitled to vote will constitute a quorum at any annual, regular or special meeting of the Medical Staff.
- (f) Attendance
 - (i) The Secretary-Treasurer of the Medical Staff shall be responsible for the making of a record of the attendance at each meeting of Annual, Regular and Special meetings of the Medical Staff and make such records available to the Medical Advisory Committee.
 - (ii) Each member of the Active and Associate Staff shall participate in Professional Staff meetings and business meetings of the Department of which he or she is a member.
 - (iii) When the case of a patient who has been examined by, operated on by, or has received treatment from a member of the Professional Staff, is to be presented at a Department meeting or at a meeting of the Medical Advisory Committee, the Professional Staff member who examined, operated on or treated the patient shall be given at least forty-eight (48) hours' notice by a Professional Staff officer and shall attend such meeting prepared to present and discuss the case.
 - (iv) Meetings of the Medical Staff may be held by telephonic or electronic means. Where a meeting is held by telephonic or electronic means, a vote may be taken by show of hands, voice vote, or other electronic means of voting.

22. MEDICAL STAFF ELECTED OFFICERS

- (a) Officers of the Medical Staff
 - (i) The officers of the Medical Staff will be:
 - (A) the President;
 - (B) the Vice-President; and
 - (C) the Secretary-Treasurer.
 - (ii) These officers will take up their positions after the Annual Meeting of the Medical Staff. The President, Vice-President and Secretary-Treasurer will be elected for a three year term by a majority vote of the Active Staff eligible to vote at the Annual Meeting.
- (b) Eligibility for Office

- (i) Only members of the Active Staff who are physicians may be elected to any position or office of the Medical Staff as established by these By-laws.
- (ii) Any officer of the Medical Staff who was elected to that office by the Medical Staff, shall cease to hold that position upon resolution by the Medical Staff.
- (c) Duties of the President of the Medical Staff
 - (i) The President of the Medical Staff shall:
 - (A) be a member of the Medical Advisory Committee;
 - (B) preside at all meetings of the Medical Staff;
 - (C) call special meetings of the Medical Staff;
 - (D) be an ex officio member of Committees of the Board as designated by the By-laws of the Hospital, and all committees of the Medical Staff;
 - (E) act as a liaison between the Medical Staff, the Chief Executive Officer, and the Board with respect to all matters concerning the Professional Staff; and
 - (F) act in the place of the Chief of Staff in his or her absence as provided for by section 34 of the *Public Hospitals Act*.
 - (d) Duties of the Vice-President of the Medical Staff
 - (i) The Vice-President of the Medical Staff shall:
 - (A) be a member of the Medical Advisory Committee;
 - (B) act in the place of the President of the Medical Staff and perform the duties and possess the powers of the President, in the absence or disability of the President; and
 - (C) perform such duties as the President of the Medical Staff may delegate.
 - (e) Duties of the Secretary-Treasurer of the Medical Staff
 - (i) The Secretary-Treasurer of the Medical Staff shall:
 - (A) be a member of the Medical Advisory Committee;
 - (B) attend to the correspondence of the Medical Staff;
 - (C) give notice of Medical Staff meetings by posting a written notice thereof and receive the record of attendance for each meeting of the Medical Staff;
 - (D) maintain the financial records of the Medical Staff and provide a financial report at the annual meeting of the Medical Staff;

- (E) ensure that minutes are kept of Medical Staff meetings; and
 - (F) if there is a Vice-President in office, act in the absence of the Vice-President of the Medical Staff, performing the duties and possessing the powers of the Vice-President in the absence or disability of the Vice-President of the Medical Staff.
- (f) Vacancies
- (i) When vacancies occur during the term of office, they will be filled for the balance of the term through election at the next regular meeting of the Medical Staff by the vote of the majority of the Active staff members present.

23. MEDICAL ADVISORY COMMITTEE

- (a) Organization of the Medical Advisory Committee
 - (i) The voting members of the Medical Advisory Committee shall consist of:
 - (A) the Chief of Staff, who shall be Chair;
 - (B) all Chiefs of Department;
 - (C) the President, Vice-President and the Secretary-Treasurer of the Medical Staff;
 - (D) all other physicians appointed to the Active Professional Staff category;
 - (ii) The Chief Executive Officer, and other persons as agreed to by the Board of Trustees and the Chief of Staff may attend meetings of the Medical Advisory Committee as resource persons without the power to vote;
 - (iii) A quorum at any meeting of the Medical Advisory Committee shall be four (4) voting members of the Medical Advisory Committee;
 - (iv) The Medical Advisory Committee shall meet at the call of the Chair and have at least ten (10) meetings each year;
 - (v) A secretary to the Medical Advisory Committee shall be selected to record the minutes of the meetings; and
 - (vi) In the proceedings of this Committee, the Chair has a regular vote. If there is an equality of votes including the vote of the Chair the motion is lost.
 - (vii) A Medical Advisory Committee meeting may be held by telephonic or electronic means. Where a meeting is held by telephonic or electronic means, a vote may be taken by show of hands, voice vote, or other electronic means of voting.
- (b) Duties of the Medical Advisory Committee
 - (i) The Medical Advisory Committee shall:

- (A) report and make recommendations to the Board in writing on matters concerning the quality of professional care and the practice of Professional Staff or other professions licensed under the *Regulated Health Professions Act, 1991* (Ontario) in the Hospital, in relation to the professionally recognized standards of care, including quality assurance, peer review, resource utilization and unusual incidents;
- (B) report and make recommendations to the Board concerning such matters as prescribed by the *Public Hospitals Act* and by the Hospital Management Regulations thereunder, including matters involving competence, conduct or physical or mental ability or capacity of a member of the Professional Staff;
- (C) through the Chief of Department provide supervision over the practice of medicine, dentistry, midwifery, and extended class nursing in the Hospital;
- (D) participate in the development of the Hospital's overall objectives and planning, and make recommendations considering allocation and utilization of the Hospital's resources;
- (E) appoint such committees as are required for the supervision, review and analysis of all the clinical work in the Hospital;
- (F) name the Chair of each of the Committees it appoints and ensure that each meets and functions as required, and is keeping Minutes of its meetings;
- (G) receive, consider and act upon the Report from each of its appointed Committees;
- (H) inform the Professional Staff at each regular meeting of the Professional Staff of any business transacted by the MAC and refer to the Professional Staff such items as, in the opinion of the MAC, require discussion and approval of the Professional Staff as a whole;
- (I) advise and co-operate with the Board and the Chief Executive Officer in all matters relating to the professional, clinical and technical services;
- (J) recommend to the Board clinical and general rules respecting the Professional Staff as may be necessary under the circumstances; and
- (K) advise the Board on any matters referred to it by the Board.

24. PROFESSIONAL STAFF COMMITTEES ESTABLISHED BY THE BOARD

- (a) (i) The Board will put in place processes to assess and monitor credentials, health records, patient care, infection control, utilization of hospital facilities and all other aspects of medical care and treatment,

pharmacy and therapeutics through a committee structure pursuant to the *Public Hospitals Act*.

- (ii) The duties of these committees are outlined in the *Professional Staff Rules and Regulations*.

- (b) Appointment to Professional Staff Committees

- (i) Pursuant to the Hospital Management Regulation, the Medical Advisory Committee shall appoint the medical members of all Professional Staff Committees provided for in this By-law of the Hospital. Other members of Professional Staff Committees shall be appointed by the Board or in accordance with this By-law.

- (c) Committees Established by the Medical Advisory Committee

- (i) The Medical Advisory Committee may establish other committees as required to fulfill its duties. The duties of these committees are outlined in the *Professional Staff Rules and Regulations*.
 - (ii) A Medical Advisory Committee subcommittee meeting may be held by telephonic or electronic means. Where a meeting is held by telephonic or electronic means, a vote may be taken by show of hands, voice vote, or other electronic means of voting.

25. AMENDING THE PROFESSIONAL STAFF BY-LAWS

- (a) Prior to submitting the Professional Staff By-Law to the approval process applicable to the Corporation's By-Law, the following procedures shall be followed:
 - (i) notice specifying the proposed Professional Staff part of the By-Law or amendment thereto shall be posted at least five (5) days prior to the medical staff meeting at which it will be considered;
 - (ii) prior to the Medical Advisory Committee making recommendations to the Board concerning any By-law amendments, the Professional Staff shall be afforded an opportunity at the Professional Staff meeting to comment on the proposed Professional Staff part of the Bylaw or amendment thereto; and;
 - (iii) the Medical Advisory Committee shall make recommendations to the Board concerning the proposed Professional Staff part of the Bylaw or amendment thereto.

APPROVED by the Directors as a By-Law of ***South Huron Hospital Association*** this ____ day of _____, 2023

Chair

Secretary

SCHEDULE A

PROCEDURE REGARDING REAPPOINTMENTS, REQUESTS FOR CHANGES IN PRIVILEGES AND MID-TERM ACTION

1. PREAMBLE

This schedule outlines the procedures to be followed in three different circumstances. Section 2 deals with Appointment, Reappointment and Requests for Changes in Privileges. Section 3 outlines the procedure when there is an immediate need to suspend or restrict privileges mid-term in an emergency situation. Section 4 is the procedure when mid-term action is required but not in an emergency situation.

2. APPOINTMENT, REAPPOINTMENT AND REQUESTS FOR CHANGES IN PRIVILEGES

Recommendation for Appointment, Reappointment and Changes in Privileges

- (a) The Credentials Committee shall forward to the Medical Advisory Committee a report in respect of an appointment, a reappointment or request for change in privileges consistent with the Committee's terms of reference and such report shall be in writing and supported by references to the specific credentials, activities or conduct which may constitute the basis for the report.
- (b) The Medical Advisory Committee may; initiate further investigation, establish an ad hoc committee to conduct further investigation, refer the matter back to the Credentials Committee with direction or to an external consultant, or act upon the report and make recommendation to the Board.
- (c) Where the Medical Advisory Committee makes recommendation to the Board, it should provide notice to the member in accordance with the *Public Hospitals Act* and these By-Laws.
- (d) Upon completion of its own investigation or upon receipt of the report of the body or consultant that conducted the investigation as the case may be, the Medical Advisory Committee shall make a recommendation to the Board in respect of the reappointment or privileges requested and provide notice to the member as set out at subsection 2(c) above.
- (e) Service of a notice to the applicant or member may be made personally or by Registered Mail addressed to the person to be served at their last known address and, where notices served by Registered Mail, it shall be deemed that the notice was served on the third day after the day of mailing unless the person to be served establishes that they did not, acting in good faith, through absence, accident, illness or other causes beyond their control, receive it until a later date.
- (f) If additional time is needed for review or the investigative process, the Medical Advisory Committee may defer its recommendation providing it indicates in writing to the Board and the applicant or member that the recommendation cannot yet be made and gives reasons therefore, further to Section 37(5) of the *Public Hospitals Act*.
- (g) The Medical Advisory Committee may, in its sole discretion, in the course of its review or investigation or in determining its recommendation, decide that there

shall be a Special Meeting of the Medical Advisory Committee where the member shall be entitled to attend such Special Meeting.

- (h) Where the Medical Advisory Committee considers a matter at a Special Meeting, the procedures set out below at Section 5 for "Special Meetings of the Medical Advisory Committee" are to be followed.
- (i) The Medical Advisory Committee, when providing notice to the applicant or member as provided for in subsection 2(c) and subsection 2(d), shall advise the applicant or member that he/she is entitled to receive written reasons for the recommendation wherein a request therefore is received by the secretary of the Medical Advisory Committee within seven days from receipt by the applicant or member of the Medical Advisory Committee's recommendation and further that the applicant or member is entitled to a Hearing before the Hospital's Board if a written request is received by the Board and the Medical Advisory Committee within seven days from the receipt by the applicant or member of the Medical Advisory Committee's written reasons where requested.
- (j) Where the applicant or member does not request written reasons for the Medical Advisory Committee's recommendation or where the applicant or member does not require a Hearing by the Board, the Board may implement the recommendation of the Medical Advisory Committee.
- (k) Where the applicant or member requires a Hearing by the Board, the Board will appoint a time and place for the Hearing and the procedures set out below at Section 6 for "the Board Hearing" are to be followed.

3. IMMEDIATE MID-TERM ACTION IN AN EMERGENCY SITUATION

- (a) The definition of mid-term action in an emergency situation is outlined in Article 15(a)(ii) of this By-Law.
- (b) If at any time it becomes apparent that a member's conduct, performance or competence is such that it exposes, or is reasonably likely to expose patient(s), staff or others to harm or injury or is, or is reasonably likely to be detrimental to the safety of patient(s), staff or others or to the delivery of quality care, an immediate action must be taken to protect the patient(s), staff or others or to ensure the delivery of quality of care and the procedures set out herein relating to restriction/suspension/revocation of privileges shall be followed.
- (c) In addition to the steps outlined in Section 15(a), the Chief of Department or the Chief of Staff will immediately notify the member, the Medical Advisory Committee, the President and Chief Executive Officer, the President of the Professional Staff and the Board of their decision to suspend or restrict the member's privileges.
- (d) Arrangements will be made by the Chief of the Department or Chief of Staff for the assignment of a substitute to care for the patients of the suspended or restricted member.
- (e) Within 24 hours of suspension or restriction, the individual who suspended or restricted the member will provide the Medical Advisory Committee, the President and Chief Executive Officer and the President of the Professional Staff with written

reasons for the suspension or restriction and copies of any relevant documents or records.

- (f) Upon receipt of the written reasons for suspension or restriction as described above, the Medical Advisory Committee will set a date for a Special Meeting of the Medical Advisory Committee to be held within five days from the date of suspension or restriction to review the suspension or restriction and to make recommendation to the Board.
- (g) The Special Meeting of the Medical Advisory Committee shall be conducted further to the procedures set out below at Section 5 for "the Special Meeting of the Medical Advisory Committee.
- (h) The member may request and the Medical Advisory Committee may grant the postponement of the Special Medical Advisory Committee to a fixed date.
- (i) The Medical Advisory Committee, when providing notice to the applicant or member as provided for in subsection 2(c) and subsection 2(d), shall advise the applicant or member that he/she is entitled to receive written reasons for the recommendation wherein a request therefore is received by the secretary of the Medical Advisory Committee within seven days from receipt by the applicant or member of the Medical Advisory Committee's recommendation and further that the applicant or member is entitled to a Hearing before the Hospital's Board if a written request is received by the Board and the Medical Advisory Committee within seven days from the receipt by the applicant or member of the Medical Advisory Committee's written reasons where requested.
- (j) Where the applicant or member does not request written reasons for the Medical Advisory Committee's recommendation or where the applicant or member does not require a Hearing by the Board, the Board may implement the recommendation of the Medical Advisory Committee.
- (k) Where the applicant or member requires a Hearing by the Board, the Board will appoint a time and place for the Hearing and the procedures set out below at Section 6 for "the Board Hearing" are to be followed.

4. NON-IMMEDIATE MID-TERM ACTION

The definition of a non-immediate mid-term action is outlined in Article 15(a)(iii) of this By-Law. Procedure for a non-immediate mid-term action shall include:

- (a) Information provided to the President and Chief Executive Officer or Chief of Staff by the Chief of Department which raises concerns about any of the matters in these By-Laws relating to non-immediate mid-term action, shall be in writing and will be directed to the President and Chief Executive Officer and/or Chief of Staff.
- (b) Where either of the President and Chief Executive Officer, Chief of Staff, or Chief of Department receives information about the conduct, performance or competence of a member, that person will provide a copy of the documentation to the other two.
- (c) Upon receipt of information above, an interview will be arranged by the Chief of Staff or Chief of Department with the member, at which time the member will be advised of the information about their conduct, performance or competence and

will be given a reasonable opportunity to present relevant information on their behalf.

- (d) A written record will be maintained reflecting the substance of the aforementioned interview and copies will be sent to the member, the President and Chief Executive Officer and the Chief of Staff and Chief of Department.
- (e) Where the member fails or declines to participate in an interview as set out above, after being given a reasonable opportunity to so participate, appropriate action may be undertaken further to the procedure as outlined in this section.
- (f) Following an interview as set out above, or where the member fails or declines to participate in an interview, the Chief of Staff, Chief of Department or President and Chief Executive Officer will determine whether further investigation of the matter is necessary.
- (g) If further investigation is to be undertaken, the investigation may be assigned to an individual(s) within the Hospital, the Medical Advisory Committee, a body within the Hospital other than the Medical Advisory Committee or an external consultant.
- (h) Upon the completion of the investigation contemplated by subsection 4(g) above, the individual or body who conducted the investigation will forward a written report to the President and Chief Executive Officer, Chief of Staff and Chief of Department. The member will be provided with a copy of the written report.
- (i) The Chief of Staff, Chief of Department and President and Chief Executive Officer, upon further review of the matter and any report received, will determine whether further action may be required.
- (j) Where it is determined that further action in respect of the matter may be required, the matter shall be referred to the Medical Advisory Committee along with a proposed recommendation with respect to mid-term action in writing and supported by references to specific activities or conduct along with any reports which constitute grounds for the proposed recommendation.
- (k) The Medical Advisory Committee, in advance of considering the proposed recommendation, may initiate further investigation itself, in respect of such matters and in such a manner as it in its sole discretion deems appropriate.
- (l) Upon completion of its own investigation or upon receipt of the proposed recommendation as set out above, the Medical Advisory Committee may determine that no further action need be taken in respect of the matter for lack of merit or determine to have a Special Meeting of the Medical Advisory Committee where the member is entitled to attend such Special Meeting.
- (m) Where the Medical Advisory Committee considers the matter at a Special Meeting, then the procedures set out below at Section 5 for the Special Meeting of the Medical Advisory Committee are to be followed.
- (n) The Medical Advisory Committee, following a Special Meeting of the Medical Advisory Committee, will provide the member with written notice of the Medical Advisory Committee's recommendation and the written reasons for the recommendation and the member's entitlement to a Hearing before the Hospital's Board where a written request is received by the Board and the Medical Advisory

Committee from the member within seven days of the receipt by the member of the Medical Advisory Committee's recommendation and written reasons.

- (o) Service of the notice of recommendation and written reasons to the member may be made personally or by Registered Mail addressed to the member at their last known address and, where notice is served by Registered Mail, it will be deemed that the notice was served on the third day after the day of mailing unless the member to be served establishes that they did not, acting in good faith, through absence, accident, illness or other causes beyond their control, receive it until a later date.
- (p) Where the applicant or member does not require a Hearing by the Board, the Board may implement the recommendation of the Medical Advisory Committee.
- (q) Where the member requires a Hearing by the Board, the Board will appoint a time and place for the Hearing, such Board Hearing to be undertaken pursuant to the procedures set out below at Section 6 for "the Board Hearing".

5. SPECIAL MEETINGS OF THE MEDICAL ADVISORY COMMITTEE

In the event that a Special Meeting of the Medical Advisory Committee is required further to this schedule, such Special Meeting of the Medical Advisory Committee will be conducted pursuant to procedures as follows:

- (a) The Medical Advisory Committee will give the applicant or member written notice of the Special Meeting, such notice to include:
 - (i) the time and place of the meeting;
 - (ii) the purpose of the meeting;
 - (iii) a statement that the applicant or member will be provided with a statement of the matter to be considered by the Medical Advisory Committee together with all relevant documentation;
 - (iv) a statement that the applicant or member is entitled to attend the Medical Advisory Committee meeting and to participate fully in all matters under consideration by the Medical Advisory Committee;
 - (v) a statement that the parties are entitled to bring legal counsel to the meeting and consult with legal counsel but that legal counsel shall not be entitled to participate in the meeting save and except in respect of making representation on behalf of the party;
 - (vi) a statement that, in the absence of the applicant or member, the meeting may proceed.
- (b) The Medical Advisory Committee will provide the applicant or member with a statement of the particulars of the matter to be considered by the Medical Advisory Committee, including any proposed recommendation, together with all documentation and records collected by the Medical Advisory Committee or Credentials Committee pursuant to the performance of their duties.
- (c) "The Medical Advisory Committee may:

- (i) (i) set aside the restriction or suspension of privileges, if any; and/or
 - (ii) (ii) recommend to the Board a revocation of the appointment, or a restriction or suspension of privileges, on such terms as it deems appropriate.
- (d) At the Special Meeting, a record of the proceedings will be kept in the Minutes of the Medical Advisory Committee.
- (e) The applicant or member involved will be given a full opportunity to answer each issue as well as to present documents and witnesses if so desired.
- (f) Before deliberating on the matter or the recommendation to be made to the Board, the Chief of Staff will require the member involved and any other members present who are not Medical Advisory Committee members to retire for the duration of the discussion, except for counsel for the MAC who is permitted to stay during deliberation. The Medical Advisory Committee will not consider any matter, fact or documentation to which it did not give the member an opportunity to respond.
- (g) No member of the Medical Advisory Committee will participate in a decision of the Medical Advisory Committee at a Special Meeting of the Medical Advisory Committee unless such member was present throughout the Special Meeting. Where the Medical Advisory Committee determines that the matter is without merit and as such no decision of the Medical Advisory Committee is necessary, such determination will be noted in the Minutes of the Special Medical Advisory Committee meeting.

6. BOARD HEARINGS

In the event that a Board Hearing is required pursuant to this schedule, such Board Hearing will be conducted further to the following procedures.

- (a) The Board will name a place and time for the Hearing.
- (b) The Board Hearing will be held within thirty days of the Board receiving the written recommendation and reasons for such recommendation from the Medical Advisory Committee unless such other time for the Hearing is agreed to as by the parties.
- (c) The Board will give written notice of the Hearing to the applicant or member and to the Chief of Staff at least seven days before the Hearing date.
- (d) The notice of the Board Hearing will include:
 - (i) the place and time of the Hearing;
 - (ii) the purpose of the Hearing;
 - (iii) a statement that the applicant or member and Medical Advisory Committee will be afforded an opportunity to examine prior to the Hearing all written or other documentary evidence to be ruled upon at the Hearing and all reports which have been collected as part of the Credentials Committee and Medical Advisory Committee processes;

- (iv) a statement that the applicant or member may be represented by counsel or agent, call witnesses, cross-examine witnesses and tender documents in evidence and present arguments and submissions in support of their case;
 - (v) a statement that the time for the Hearing may be extended by the Board; and
 - (vi) a statement that if the applicant or member does not attend the Hearing, the Board may proceed in the absence of the applicant or member and the applicant or member will not be entitled to any further notice in respect of the Hearing.
- (e) The parties to the Board Hearing are the applicant or member, the Medical Advisory Committee and such other persons as the Board may specify.
- (f) As soon as possible, and at least five business days prior to the Hearing, the parties will provide one another with copies of all written documentary material, along with the names, addresses and qualifications of all witnesses who will testify at the Hearing and a detailed summary of the evidence they will give, along with reports that have been collected by the Credentials Committee or Medical Advisory Committee as part of the investigation process whether or not these materials will be used in evidence. The intent is that there should be full disclosure as between the parties to the Board Hearing.
- (g) The findings of fact of the Board pursuant to a Hearing will be based exclusively on evidence admissible or matters that may be noted under the *Statutory Powers Procedure Act*. A party at a Hearing may:
 - (i) be represented by counsel or agent;
 - (ii) call and examine witnesses and present arguments and submissions; and
 - (iii) conduct cross-examination of witnesses reasonably required for a full and fair disclosure of the facts in relation to which they have given evidence.
- (h) The Board will consider the reasons for the Medical Advisory Committee that have been given to the applicant or member in support of its recommendations. Where through error or inadvertence, certain reasons have been omitted in the statement delivered to the applicant or member, the Board may consider those reasons only if those reasons are given by the Medical Advisory Committee in writing to both the applicant or member and the Board, and the applicant or member is given a reasonable time to review the reasons and to prepare a case to meet those additional reasons.
- (i) No member of the Board will participate in a decision of the Board pursuant to a Hearing unless they are present throughout the Hearing and heard the evidence and argument of the parties and, except with the consent of the parties, no decision of the Board will be given unless all members so present participate in the decision.
- (j) The Board will make a decision to either follow or not follow the recommendation of the Medical Advisory Committee.

- (k) A written copy of the decision of the Board and the written reasons for the decision will be provided to the applicant or member and to the Medical Advisory Committee within fifteen days of the conclusion of the Hearing.
- (l) Notice to an applicant or member as provided for in this Schedule shall be made personally

South Huron Hospital Association
Minutes of the Annual Meeting
Thursday, June 16, 2022, 4:00 p.m.
SHHA Boardroom B110/WebEx

Present:	Bruce Shaw, Chair Dan Best Nancy Peter Tara Oke	Brian Heagle, Vice Chair Heather Hern Pat O'Rourke	Aileen Knip Laura Stire Rob Morley
	Jimmy Trieu Dr. Mark Nelham	Michelle Wick	Matt Trovato
Guests:	Darlene Borland Glen McNeil Scott Nixon Chris Harris	Heather Klopp George Finch Peter Kronenberg Steve Ireland	Paul Seebach Jane Sager Krista McCann
Regrets:	Christie MacGregor	Dr. Mark Nelham	
Recorder:	Stevie Cowdrey		

1. Welcome, Call to Order, and Land Acknowledgement – *Bruce Shaw*
 - Bruce Shaw (Chair) called the meeting to order at 1602 hours.
 - Welcomed the guests including George Finch, Mayor, Municipality of South Huron, Glen McNeil, Jane Sager, and Steve Ireland of the AMGH Board of Directors, and Nancy Peter, SHHA Board Director who was previously on a leave of absence.
2. Notice of Meeting – *Bruce Shaw*
 - The notice of meeting was published on our website and social media pages beginning on May 27, 2022.
3. Minutes of the 2020-2021 Annual General Meeting – *Bruce Shaw*

Motion: *To approve the minutes of the June 10, 2021 SHHA Annual General Meeting as presented.*

Moved by: *Brian Heagle*

Seconded by: *Dan Best*

Carried.
4. Reports to the General Membership
 - SHHA Board Chair Report – *Bruce Shaw*

- Bruce Shaw shared his thanks to the SHHA Board for their hard work and dedication throughout this year.
- Glen McNeil echoed the same and acknowledged the collaborative efforts of both SHHA and AMGH to ultimately improve patient care. Both organizations are eager, excited, and looking forward to what can be accomplished together.
- George Finch shared his support for the work that lies ahead.
- President & CEO Report – *Jimmy Trieu*
 - Jimmy Trieu thanked the staff, physicians, and the Board for the guidance and commitment to the organization during this challenging year.
- SHHA Auxiliary Report – *Laura Stire*
 - For the first time in many years the SHHA auxiliary has each executive position filled.
 - The community has continued to support the auxiliary this year, providing both a safe meeting place while the hospital is restricted from external use, as well as a suitable location to enable participation in the town wide yard sales (as a substitute for the revenue generating rummage sale).
- Foundation Report – *Pat O'Rourke*
 - Pat O'Rourke shared his thanks to all who were able to attend the recent SHHF gala.
 - This year's event was record setting in that it was the highest grossing gala in SHHF history.

Motion: *To approve the reports as presented for the 2021-2022 SHHA Annual Meeting.*

Moved by: *Aileen Knip*

Seconded by: *Tara Oke*
Carried.

5. Presentation of the Audited Financial Statements & Auditor's Report – *Paul Seebach*

- SHHA reported a surplus of ~\$709K, up from \$648K in the previous year. previous. This has been the result of several one-time funding announcements by Ontario Health.
- SHHA continues to invest in the hospital as \$1.3M was spent on capital items. This was largely funded by Ministry grants, the South Huron Hospital Foundation, and the South Huron Hospital Association Auxiliary.

Motion: *To move acceptance of the auditor's report as presented for the 2021-2022 SHHA Annual Meeting*

Motioned by: *Heather Hern*

Seconded by: *Nancy Peter*
Carried.

Motion: *To reaffirm that Seebach & Company will continue as auditors for the South Huron Hospital Association for the 2022-2023 fiscal year.*
Motioned by: *Dan Best*
Seconded by: *Nancy Peter*
Carried.

6. Governance Nominations Report

- As outlined in the report, the following directors are nominated to the South Huron Hospital Association Board of Directors for a two-year term:
 - Heather Hern
 - Pat O'Rourke
 - Tara Oke
- Additionally, the following directors are nominated to the South Huron Hospital Association Board of Directors for a further two-year term:
 - Brian Heagle
 - Bruce Shaw
 - Christie MacGregor
 - Laura Stire

Motion: *To accept the Governance Nominations Report as presented.*
Moved: *Dan Best*
Seconded: *Rob Morley*
Carried.

7. New Business – *Bruce Shaw*

- None noted.

8. Other Business – *Bruce Shaw*

- None noted.

9. Recognition of Outgoing Directors – *Bruce Shaw*

- Brad Sheeler
 - Brad Sheeler was thanked for his particular skill in appreciating the financial and ethical side of governance. Best wishes for his future endeavors were extended.
- Rob Morley
 - While Rob Morley served the SHHA Board for only 1 year, his willingness to assist during a difficult time did not go unnoticed.

10. Recognition of Staff & Physician Long Service Awards – *Peter Kronenberg*

- Several staff and physicians are being celebrated for their long service to SHHA. Most notable are Charlotte Elliott (Housekeeping) and Dr. Ming Lam, who are both celebrating 40 years at SHHA. Peter Kronenberg noted that statistics show SHHA employees do tend to stay longer than the provincial average.

11. Closing Remarks – *Bruce Shaw*

- On behalf of the SHHA Board of Directors and the SHHA Leadership Team, Bruce Shaw thanked everyone for attending.

12. Adjournment – *Bruce Shaw*

Motion: ***To adjourn the SHHA 2021-2022 Annual Meeting at 16:49 hours.***
Moved by: ***Brian Heagle***
Seconded by: ***Rob Morley***
 Carried.

Bruce Shaw
Board Chair

Jimmy Trieu
President & Chief Executive Officer

**SOUTH HURON HOSPITAL ASSOCIATION
FINANCIAL STATEMENTS
MARCH 31, 2023**

DRAFT

SEEBACH & COMPANY
Chartered Professional Accountants

INDEPENDENT AUDITOR'S REPORT

To the Board of Governors and Members of the South Huron Hospital Association

Opinion

We have audited the accompanying financial statements of the South Huron Hospital Association ("the Hospital"), which are comprised of the balance sheet as at March 31, 2023 and the operating fund statement of revenue and expenses, statement of remeasurement gains and losses and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Hospital as at March 31, 2023, and its financial performance and its cash flows for the year then ended in accordance with Canadian public sector accounting standards (PSAB).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Hospital in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PSAB, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Hospital's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Hospital or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Hospital's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

INDEPENDENT AUDITOR'S REPORT (continued)

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Hospital's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Hospital's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Hospital to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Seebach & Company

Chartered Professional Accountants
Licensed Public Accountants

Clinton, Ontario
June 1, 2023

SOUTH HURON HOSPITAL ASSOCIATION

BALANCE SHEET

See Accompanying Notes to Financial Statements

As at March 31	2023	2022
ASSETS		
Current assets		
Cash	3,713,280	2,386,420
Short term investments (note 3)	14,470	43,125
Accounts receivable (note 2)	734,641	927,690
Inventories	100,071	110,908
Prepaid expenses	145,049	159,302
Due from South Huron Hospital Foundation (note 13)	31,241	66,178
	<u>4,738,752</u>	<u>3,693,623</u>
Long term investments (note 3)	<u>3,418,634</u>	<u>3,528,830</u>
Capital assets		
Capital assets, net book value (note 4)	6,316,265	6,946,812
	<u>\$ 14,473,651</u>	<u>\$ 14,169,265</u>
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued liabilities (note 5)	1,687,570	2,327,458
Employee future benefits (note 7)	45,000	53,200
Deferred revenue (note 6)	890,057	849,055
	<u>2,622,627</u>	<u>3,229,713</u>
Long term liabilities		
Employee future benefits (note 7)	891,100	875,100
Deferred revenue (note 6)	7,944,766	5,870,525
Asset retirement obligation (note 10)	47,344	-
	<u>11,505,837</u>	<u>9,975,338</u>
Net assets		
Invested in capital assets	(2,518,558)	227,232
Unrestricted	5,794,248	4,053,776
	<u>3,275,690</u>	<u>4,281,008</u>
Accumulated remeasurement gains (losses)	(307,876)	(87,081)
	<u>2,967,814</u>	<u>4,193,927</u>
	<u>\$ 14,473,651</u>	<u>\$ 14,169,265</u>

On behalf of the board of governors:

.....
Chair, Board of Directors

.....
Chair, Audit Committee

SOUTH HURON HOSPITAL ASSOCIATION
OPERATING FUND STATEMENT OF REVENUE AND EXPENSES

See Accompanying Notes to Financial Statements

For the Year Ended March 31	2023	2022
Revenue		
Ministry of Health / Ontario Health		
- Base Funding	8,473,479	8,238,531
- One Time Funding	879,856	1,406,233
- HOCC Funding	113,839	110,513
- Paymaster Funding	231,678	241,659
- Other Votes	3,300	3,300
Recoveries and miscellaneous	440,480	328,949
Investment income	151,766	103,095
Amortization of deferred grants and donations - equipment	646,257	460,558
OHIP and patient revenue	2,704,985	2,523,679
Differential and copayment revenue	80,609	147,446
	<u>13,726,249</u>	<u>13,563,963</u>
Expenses		
Salaries, wages and purchased services	6,716,848	5,940,389
Medical staff services remuneration	2,794,228	2,219,780
Employee benefits	1,774,447	1,828,888
Supplies and other expenses	2,338,354	1,977,567
Medical and surgical supplies	251,104	254,476
Drugs and medical gases	242,784	191,522
Bad debts	19,472	8,380
Other votes - property taxes	3,300	3,300
Depreciation - equipment	475,297	430,613
	<u>14,615,834</u>	<u>12,854,915</u>
Excess (deficiency) of Revenue over Expenses from Hospital Operations	(\$ 889,585)	\$ 709,048
Amortization of deferred grants and donations - building	428,734	356,409
Depreciation - building and building service equipment	<u>(498,679)</u>	<u>(421,211)</u>
Excess (deficiency) of Revenue over Expenses for the year	<u>(\$ 959,530)</u>	<u>\$ 644,246</u>

SOUTH HURON HOSPITAL ASSOCIATION
STATEMENT OF REMEASUREMENT GAINS AND LOSSES

See Accompanying Notes to Financial Statements

For the Year Ended March 31	2023	2022
Accumulated remeasurement gains (losses), beginning of year	(87,081)	(62,185)
Unrealized holding gains (losses) attributable to investments	<u>(220,795)</u>	<u>(24,896)</u>
Accumulated remeasurement gains (losses), end of year	<u>(\$ 307,876)</u>	<u>(\$ 87,081)</u>

SOUTH HURON HOSPITAL ASSOCIATION
OPERATING FUND STATEMENT OF CASH FLOWS

See Accompanying Notes to Financial Statements

For the Year Ended March 31	2023	2022
Operating activities		
Excess (deficiency) of revenue over expenses for the year	(959,530)	644,246
Items not requiring (not providing) cash		
Depreciation expense	973,976	851,824
Accretion of asset retirement obligation	1,556	-
Working capital provided from operations	16,002	1,496,070
Cash provided from (used for) changes in operational balances		
Accounts receivable	193,049	(169,484)
Inventory	10,837	18,723
Prepaid expenses	14,253	(32,406)
Accounts payable and accrued liabilities	(639,888)	929,845
Employee future benefits	7,800	13,000
Deferred revenue	2,115,243	535,673
Due to/from South Huron Hospital Foundation	34,937	(3,380)
Cash provided from (used for) operating activities	1,752,233	2,788,041
Capital activities		
Net disposals (purchases) of capital assets	(343,429)	(1,350,255)
	(343,429)	(1,350,255)
Financing and investing activities		
Net investment sales (purchases)	(110,599)	(34,536)
	(110,599)	(34,536)
Increase (decrease) in cash	1,298,205	1,403,250
Cash and short term investments, beginning of year	2,429,545	1,026,295
Cash and short term investments, end of year	\$ 3,727,750	\$ 2,429,545

SOUTH HURON HOSPITAL ASSOCIATION
STATEMENT OF CHANGES IN NET ASSETS

See Accompanying Notes to Financial Statements

For the Year Ended March 31			2023	2022
	Invested in Capital Assets	Unrestricted	Total	Total
Balance, beginning of year	227,232	4,053,776	4,281,008	3,636,762
Excess (deficiency) of revenues over expenses	101,015	(1,060,545)	(959,530)	644,246
Restatement of asset retirement obligation (note 10)		(45,788)	(45,788)	-
Net change in investment in capital assets	(2,846,805)	2,846,805	-	-
Balance, end of year	<u>(2,518,558)</u>	<u>5,794,248</u>	<u>\$ 3,275,690</u>	<u>\$ 4,281,008</u>

SOUTH HURON HOSPITAL ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

For the Year Ended March 31, 2023

1. Significant accounting policies

Nature of organization

The South Huron Hospital Association ("Hospital") is principally involved in providing health care services to the residents of the South Huron and surrounding municipalities. The Hospital is incorporated without share capital under the Corporations Act (Ontario) and is a charitable organization within the meaning of the Income Tax Act (Canada).

Basis of presentation

The financial statements of the Hospital have been prepared in accordance with Canadian public sector accounting standards for government not-for-profit organizations, including the 4200 series of standards, as issued by the Public Sector Accounting Board ("PSAB for Government NPOs").

Revenue recognition

The Hospital follows the deferral method of accounting for contributions which include donations and government grants.

Under the Health Insurance Act and Regulations thereto, the Hospital is funded primarily by the Province of Ontario in accordance with budget arrangements established by the Ministry of Health. Operating grants are recorded as revenue in the period to which they relate. Grants approved but not received at the end of an accounting period are accrued. Where a portion of a grant relates to a future period, it is deferred and recognized in that subsequent period.

Unrestricted contributions are recognized as revenue when received or receivable if the amount can be reasonably estimated and collection is reasonably assured.

Externally restricted contributions are recognized as revenue in the year in which the related expenses are recognized. Contributions restricted for the purchase of capital assets are deferred and amortized into revenue on a straight-line basis, at a rate corresponding with the amortization rate for the related capital assets.

Contributed services

The Hospital is dependent on the voluntary services of many individuals. Since these services are not normally purchased by the hospital and because of the difficulty in estimating their fair market value, these services are not recorded in these financial statements.

Inventories

Inventories are valued at the lower of cost and net realizable value.

Capital assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution. Betterments which extend the estimated life of an asset are capitalized. When a capital asset no longer contributes to the hospital's ability to provide services, its carrying amount is written down to its residual value. Amortization is provided on assets placed into use on the straight-line basis over their estimated useful lives as follows:

Land improvements	10 - 20 years
Buildings	50 years
Building service equipment	20 - 25 years
Equipment	3 - 25 years

Vacation pay

Vacation pay is accrued for all employees as entitlements to these payments is earned.

Deferred building and equipment grants

Provincial and municipal building and equipment grants and donations received by the hospital are deferred and amortized on a straight-line basis at a rate corresponding with the depreciation rate for the related building or equipment.

Measurement uncertainty

The preparation of financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reported period. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the period in which they become known.

SOUTH HURON HOSPITAL ASSOCIATION
NOTES TO FINANCIAL STATEMENTS (continued)

For the Year Ended March 31, 2023

1. Significant accounting policies (continued)

Investments

The Hospital has classified all stocks, bonds and other investment securities as available-for-sale which are carried at fair value. Bank guaranteed investment certificates are classified as held-to-maturity and are carried at cost. A write down of the carrying amount of held-to-maturity investments is charged against income when evidence indicates a permanent decline in the underlying value and earning power of an investment. Gains and losses on disposal of held-to-maturity investments are determined on a completed transaction basis.

2. Accounts receivable

	2023	2022
Ministry of Health	578,635	710,945
Insurers and patients	29,852	27,254
Other	126,154	189,491
	<u>\$ 734,641</u>	<u>\$ 927,690</u>

3. Investments

The Hospital's investments are recorded at market value, as per the investment statements provided by the holding institution for the period March 31, 2023.

	2023	2022
Short-term		
Cash in investment account	14,470	43,125
Long-term		
Mutual funds	3,418,634	3,528,830
	<u>\$ 3,433,104</u>	<u>\$ 3,571,955</u>

The cost of the investments as of March 31, 2023 was \$3,740,980 (cost March 31, 2022: \$3,659,036).

4. Capital assets

	Cost	Accumulated Amortization	Net Book Value 2023	Net Book Value 2022
Land	249,131	-	249,131	249,131
Land improvements	274,711	237,671	37,040	41,987
Buildings	10,432,456	5,638,952	4,793,504	5,158,888
Major equipment	5,996,194	4,759,604	1,236,590	1,496,806
	<u>\$ 16,952,492</u>	<u>\$ 10,636,227</u>	<u>\$ 6,316,227</u>	<u>\$ 6,946,812</u>

5. Accounts payable and accrued liabilities

Accounts payable and accrued liabilities consist of:

	2023	2022
Trade payables	925,597	1,338,325
Salaries and deductions payable	411,807	359,501
Accrued vacation and statutory holiday payable	116,114	101,545
Other liabilities	234,052	528,087
	<u>\$ 1,687,570</u>	<u>\$ 2,327,458</u>

SOUTH HURON HOSPITAL ASSOCIATION
NOTES TO FINANCIAL STATEMENTS (continued)

For the Year Ended March 31, 2023

6. Deferred capital contributions related to capital assets

Deferred capital contributions related to capital assets represent the unamortized amount received for the purchase of capital assets and consists of the following:

	2023	2022
Balance, beginning of year	6,719,580	6,183,907
Additional contributions	3,197,202	1,405,640
Less: Amounts amortized to revenue	(1,074,991)	(816,967)
Less: Net value of disposals	(6,968)	(53,000)
Balance, end of year	<u>\$ 8,834,823</u>	<u>\$ 6,719,580</u>
Short-term	890,057	849,055
Long-term	<u>7,944,766</u>	<u>5,870,525</u>
	<u>\$ 8,834,823</u>	<u>\$ 6,719,580</u>

7. Employee future benefits

The South Huron Hospital Association provides extended health care, dental and semi-private benefits to eligible retired employees. An independent actuarial study of the post-retirement benefits has been undertaken. The most recent valuation of the employee future benefits was prepared as at March 31, 2023.

At March 31, 2023 the Hospital's accrued benefit obligation related to post-retirement benefit plans was \$452,801 (2022: \$437,125), as detailed in the table below.

	2023	2022
Balance, beginning of year	928,300	915,300
Benefit cost	61,000	63,300
Contributions by the Hospital	<u>(53,200)</u>	<u>(50,300)</u>
Balance, end of year	936,100	928,300
Less: current portion	<u>45,000</u>	<u>53,200</u>
Long-term accrued benefit liability	<u>\$ 891,900</u>	<u>\$ 875,100</u>

SOUTH HURON HOSPITAL ASSOCIATION
NOTES TO FINANCIAL STATEMENTS (continued)

For the Year Ended March 31, 2023

8. Invested in capital assets

a) Net assets invested in capital assets are calculated as follows:

	2023	2022
Capital assets, net book value	6,316,265	6,946,812
Amounts financed by:		
Deferred capital contributions	<u>(8,834,823)</u>	<u>(6,719,580)</u>
	<u>\$ (2,518,558)</u>	<u>\$ 227,232</u>

b) Change in net assets invested in capital assets is calculated as follows:

	2023	2022
Excess of expenses over revenues:		
Amortization of deferred capital contributions related to capital assets	1,074,991	816,967
Depreciation of capital assets	<u>(973,976)</u>	<u>(851,824)</u>
	<u>\$ 101,015</u>	<u>\$ (34,857)</u>
Net change in investments in capital assets:		
Purchase of capital assets	343,429	1,350,255
Capital assets funded by deferred capital contributions	<u>(3,190,234)</u>	<u>(1,352,640)</u>
	<u>\$ (2,846,805)</u>	<u>\$ (2,385)</u>

9. Other votes

The South Huron Hospital Association operates programming which is funded separately from general hospital operations. Ontario Health funds the municipal tax program.

	2023	2022
Revenues		
Municipal taxes	<u>\$ 3,300</u>	<u>\$ 3,300</u>
Expenses		
Municipal taxes	<u>\$ 3,300</u>	<u>\$ 3,300</u>

SOUTH HURON HOSPITAL ASSOCIATION
NOTES TO FINANCIAL STATEMENTS (continued)

For the Year Ended March 31, 2023

10. Asset retirement obligation (ARO)

Effective April 1, 2022, South Huron Hospital Association adopted the new accounting standard PS 3280, Asset Retirement Obligations, issued by the Canadian Public Sector Accounting Board. This standard provides guidance over the reporting of legal obligations associated with the retirement of capital assets that are either currently in productive use or no longer in productive use and controlled by the entity, primarily certain assets containing asbestos and the corresponding abatement costs to retire the assets.

The Hospital has adopted the standard using the modified retroactive method, which uses assumptions and discount rates as of April 1, 2022. Using a costing model provided by the Ministry of Health, the hospital calculated the value of obligation at that date to be \$45,788. The opening balance of unrestricted net assets as at April 1, 2022 was reduced, and associated ARO liability recorded at the assessed value at that time. In subsequent periods, the liability will be adjusted for accretion expenses to reflect the anticipated future costs at retirement. The accretion expense reported in the current year was \$1,556 bringing the balance of the ARO at March 31, 2023 to \$47,344.

11. Pension plan

Full-time and part-time employees of the hospital may be eligible to be members of the Hospitals of Ontario Pension Plan which is a multi-employer final average pay contributory pension plan. Employer contributions made to the plan during the year by the hospital amounted to \$452,801 (2022: \$437,125). These amounts are included in expenses in the operating fund statement of revenue and expenses and fund balance.

12. Financial instruments

The Hospital's financial instruments consist of cash and short-term investments, accounts receivable and accounts payable. It is management's opinion that the Hospital is not exposed to significant interest and credit risks arising from these financial instruments. The fair value of the financial instruments approximates their carrying amount.

13. Disclosure of economic interest

The South Huron Hospital Foundation (the "Foundation") is incorporated without share capital under the laws of the Province of Ontario and is a registered foundation under the Income Tax Act (Canada). The Foundation was established to receive and maintain a fund or funds and to apply from time to time all or part thereof for charitable purposes carried on by, in connection with, in relation to, for the benefit of or to enhance or improve the health care services in the area serviced by the South Huron Hospital and to do all such things as are incidental or conducive to the attainment of these objectives. The Foundation is managed and controlled independent of the Hospital.

During the year ended March 31, 2023, the Foundation provided donations totalling \$566,490 (2022: \$450,597) to the Hospital.

SOUTH HURON HOSPITAL ASSOCIATION
NOTES TO FINANCIAL STATEMENTS (continued)

For the Year Ended March 31, 2023

14. Financial risks and concentration of credit risks

Credit risk

Credit risk refers to the risk that a counterpart may default on its contractual obligations resulting in a financial loss. The Hospital is exposed to credit risk with respect to the accounts receivable.

The Hospital assesses, on a continuous basis, accounts receivable and provides for any amounts that are not collectible in the allowance for doubtful accounts. The maximum exposure to credit risk of the Hospital at March 31, 2023 is the carrying value of these assets.

The carrying amount of accounts receivable is valued with consideration for an allowance for doubtful accounts. The amount of any related impairment loss is recognized in the operating fund statement of revenue and expenses. Subsequent recoveries of impairment losses related to accounts receivable are credited to the operating fund statement of revenue and expenses. The balance of the allowance for doubtful accounts at March 31, 2023 is \$7,335 (2022: \$6,176).

There have been no significant changes to the credit risk exposure from 2022.

Liquidity risk

Liquidity risk is the risk that the Hospital will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Hospital manages its liquidity risk by monitoring its operating requirements. The Hospital prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations.

There have been no significant changes to the liquidity risk exposure from 2022.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates or interest rates will affect the Hospital's income or the value of its holdings of financial instruments. The objective of market risk management is to control market risk exposures within acceptable parameters while optimizing return on investments.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows or a financial instrument will fluctuate because of changes in the market interest rates.

There has been no change to the interest rate risk exposure from 2022.

May 29, 2023

Private and Confidential

Mr. Steve Ireland, Treasurer
Board of Directors
South Huron Hospital Association
24 Huron Street West
Exeter, ON N0M 1S2

Dear Mr. Ireland:

The objective of our audit was to express an opinion on the financial statements. Included in our audit was the consideration of internal control relevant to the preparation and fair presentation of the financial statements. This consideration of internal control was for the purpose of designing audit procedures that were appropriate in the circumstances. It was not for the purpose of expressing an opinion on the effectiveness of internal control or for identifying all significant control deficiencies that might exist.

During the course of our audit, we identified some deficiencies that met the definition of a significant deficiency. A significant deficiency in internal control is defined as a deficiency or combination of deficiencies in internal control that, in the auditor's professional judgment, is of sufficient importance to merit the attention of those charged with governance. Communicating significant deficiencies assists those charged with governance in fulfilling their oversight responsibilities.

The significant deficiencies identified are outlined below. Please note that this list includes the significant deficiencies we have identified including those previously reported to you that you have chosen not to remedy for cost or other considerations.

Payroll

Managers and leaders review and initial the employee time sheets prior to the payroll being processed. This control ensures that the payroll is completed as submitted and no differences have occurred during the process. Some managers and leaders are not present in the Hospital to perform this control. Consequently, the review is conducted after the payroll has been processed. Any errors found are corrected in subsequent pay runs. Management is aware of this concern and are working on other methods of approving the payroll reports including electronic approvals or approval via email.

We have previously reported the following item:

Accounts Receivable

We had noted in prior years that non-billable procedures are flagged for reversal by the accounts receivable clerk when subsequently identified as non-billable (after initially being recorded as billable). There is concern that staff could receive and keep a payment, and flag the charge for reversal. A report can be generated highlighting changes made to billable services during the billing and accounts receivable process. We recommend that this report be randomly reviewed and approved by the Chief Financial Officer to ensure compliance with internal policies.

We are pleased to report that the Hospital continues to review and evaluate the internal controls. Segregation of duties have been introduced where possible to most aspects of the accounting department.

Significant Difficulties Encountered

During our audit, there were no significant difficulties encountered that should be brought to the attention of the Board.

Significant Accounting Principles

Management is responsible for the appropriate selection and application of accounting policies. Our role is to review the appropriateness and application of the policies. The accounting policies used by the Hospital are described in Note 1 in the financial statements.

The Hospital was required to adopt the new accounting standard PS3280 Asset Retirement Obligations (ARO). The implementation of the standard required the Hospital to recognize obligations which were previously out of scope of accounting standards, such as obligations to retire buildings with asbestos.

Significant Unusual Transactions

We are not aware of any significant unusual transactions entered into during the year that you should be informed of other than the accounting for Bill 124 wage accruals. Eligible Hospital employees should get retroactive pay for three years during which they were subject to a wage restraint law (Bill 124) that has since been ruled unconstitutional. An accrued liability has been recorded for the additional 0.75% wage increase for the year starting April 1, 2020, an additional 1% for the following year and an additional 2% for the final year.

This communication is prepared solely for the use of those charged with governance and is not intended for any other purpose. We accept no responsibility to a third party who may use this communication.

We would like to thank management and staff for the assistance they provided to us during the audit.

We hope the information in this letter will be useful. We would be pleased to discuss any items with you and respond to any questions you may have.

Yours very truly,
Seebach & Company
per:

A handwritten signature in black ink, appearing to read "Paul Seebach", is written over a light gray rectangular background.

Paul W. Seebach, CPA, CA