

Provide the information required for each section. Refer to the [Broader Public Sector Executive Compensation Guide](#) for additional instructions and assistance with completing this form.

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|---|--|
| A. Compensation Philosophy | Provide information on the designated employer's compensation philosophy including details on how the executive compensation program supports the employer's strategic objectives and what the program, including its approach to performance-related pay, is designed to reward. |
| B. Designated Executive Positions | List all designated executives at the designated employer. If applicable, indicate the class or category of each designated executive position as it relates to the salary and performance-related pay structure in the executive compensation program. |
| C. Salary and Performance-related Pay Caps | |
| Comparator Selection | Provide information on the comparators used to benchmark salary and performance-related pay at the designated employer for each designated executive position or class of positions. Provide a rationale for the chosen comparators. |
| Comparative Analysis Details | Provide information on the percentile used to benchmark the salary and performance-related pay cap for each designated executive position or class of positions. Additional information on the methodology used to determine salary and performance-related pay can provide useful context. |
| Structure | Provide information on the salary and performance-related pay cap for each designated executive position or class of positions. Additional information on the salary ranges and performance-related pay structure can provide useful context. |
| D. Salary and Performance-related Pay Envelope | Provide the sum of salary and performance-related pay paid to designated executives for the most recently completed pay year. In addition, provide the maximum rate of increase to the salary and performance-related pay envelope. Additional information on why changes are necessary and how they were determined can provide useful context. |
| E. Other Elements of Compensation | Provide information on any proposed compensation elements, other than salary and performance-related pay, that would be provided to designated executive positions or classes of positions but that are not generally provided in the same manner and relative amount to non-executive managers. Include rationale outlining the critical business reasons that justify the provision of each proposed element of compensation. |
| F. Supplemental Information | Provide any additional information required to support or explain the information included in the executive compensation program. |

Provide the contact information of the person completing this program.

Contact Information

Organization (Full Name)

West Nipissing General Hospital/Hopital General de Nipissing Ouest

Completed By

Last Name

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Middle Initial

AM

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A. Compensation Philosophy

Provide information on the designated employer's compensation philosophy including details on how the executive compensation program supports the employer's strategic objectives and what the program, including its approach to performance-related pay, is designed to reward.

PURPOSE

The Executive Compensation Framework sets out the process for determining the maximum amount of salary and performance pay that will be available to executives.

The Executive Compensation Framework is established for all designated employers and designated executives as per the Broader Public Sector Executive Compensation Act (BPSECA) (2014) and linked to quality improvement under the Excellent Care for All Act (ECFAA) (2010).

POLICY STATEMENT

The West Nipissing General Hospital Board of Directors will utilize this framework to ensure resources are soundly managed in a reasonable manner with a focus on results and value.

PROCEDURE

1. The WNGH Board of Directors will develop of an executive compensation philosophy that outlines how the Executive Compensation Framework is designed to support the achievement of operational goals and strategic objectives and its approach to base salary and performance pay.
2. Under the BPSECA (2014) designated executives are individuals who meet two (2) criteria:
 - (1) The head of the designated employer, regardless of title (CEO, CNO, CFO) and
 - (2) The person is entitled to receive or could potentially receive \$100,000 or more in cash compensation.
3. Total cash compensation includes base salary and performance pay and cannot be greater than the 50th percentile. This calculation must occur for each designated Executive, at the WNGH (CEO, CNO, and CFO).
4. A minimum of at least eight (8) hospital comparators must be selected to determine the Executive Compensation Framework.
5. The Executive Compensation Framework will be Board approved and reviewed every three (3) years
6. The Executive Compensation Framework will be submitted/posted as per legislative requirements.
7. Factors to consider in selecting comparator organizations include:
 - Similar size, budget and bed size
 - Number of employees and number of credential physicians
 - ED Volume, in-patient volume, ambulatory care volume
 - the scope of responsibilities of the organizations executives;
 - the location of the organization
 - type of operations
 - at least one Canadian public sector or broader public sector organization
8. The West Nipissing General Hospital Board of Directors will review and approve comparator organizations.
9. The comparator organizations selected must have at least one executive who holds a position comparable to the position of the executive salary being reviewed. This analysis must occur for each executive at the hospital who meets the criteria noted under the BPSECA (2014).
10. If comparators from the private sector are sought out, a written business case must be completed as per the government template and authorization obtained from the President of the Treasury Board in order for such comparators to be considered.
11. The following elements will not be permitted under the designated executive compensation packages:

- Payments or other benefits provided in lieu of perquisites;
- Signing bonuses;
- Retention bonuses;
- Cash housing allowances;
- Insured benefits that are not generally provided to non- executive managers;
- Elements of compensation other than salary and performance pay that is not generally provided to non-executive managers;
- Annual salary increases that exceed the average percentage rates for non-executive managers; and
- Payments in lieu of administrative leave.

12. Termination payment or severance payment must not be more than twenty-four (24) months' salary of the designated executive.

13. The finalized Executive Compensation Framework will be posted on the WNGH public website with the date on which it was posted, as directed by legislation for a period of 30 days.

14. The WNGH is also encouraged to post executive employment contracts Online.

15. Once the new Executive Compensation Framework is posted, it will apply immediately to newly hired executives and to those who change positions within the organization.

16. For all other designated executives, there is a transition period under the BPSECA (2014) for which executives' compensation that is in excess of what is permitted may continue for a transition period of three (3) years. After the 3 year window expires, all designated executives will be subject to the requirements of the executive Compensation Framework.

17. Executive compensation must be recalculated in the event of a significant organizational restructuring or any other time where circumstances warrant.

18. A compliance directive will be issued and may include attestation and compliance reports. Deviation from the legislation may result in an audit and penalty.

19. The West Nipissing General Hospital must meet these legislative requirements no later than September 5th, 2017.

REFERENCES

- Guide to Good Governance (3rd Edition) OHA
- OHA (2017) Executive Compensation Resource and Guidance
- OHA Compensation Website.
- OHA Backgrounder-Executive Compensation Framework Regulation.
- OHA FAQ: Executive Compensation Regulation.
- OHA Webcast. (March 2017)
- OHA Diagram: How to calculate Maximum Cash Compensation.
- OHA Executive Compensation Framework (2010).
- Report of the Independent Expert Panel on Executive Compensation in the Hospital Sector (2011).
- Treasury Board Secretariat: Ontario Government executive Compensation Guide (2016)

B. Designated Executive Positions

List all designated executives at the designated employer. If applicable, indicate the class or category of each designated executive position as it relates to the salary and performance-related pay structure in the executive compensation program.

| Full Job Title | Class of Position |
|------------------------------|-------------------------|
| E.g. Chief Operating Officer | E.g. VP-1 |
| President & CEO | Chief Executive Officer |
| Chief Nursing Officer | Chief Nursing Executive |
| Chief Financial Officer | VP Finance |

C. Salary and Performance-related Pay – Comparator Selection

Provide information on the comparators used to benchmark salary and performance-related pay at the designated employer for each designated executive position or class of positions. Provide a rationale for the chosen comparators.

Comparators 1

Executive Positions or Classes of Positions Benchmarked

President & CEO; CEO;

Canadian Public Sector or Broader Public Sector Comparators

Organizations (e.g. Organization 1, Organization 2, Organization 3, etc.)

1. Temiskaming Hospital
 2. Espanola Health Centre
 3. Manitoulin Health Centre
 4. Sensenbrenner Hospital (Kapuskasing)
 5. Kirkland Lake & District Hospital
 6. Georgian Bay Hospital
 7. North Shore Health Network
 8. West Parry Sound Health Centre
-

Positions or Classes of Positions (e.g. Chief Financial Executives)

President & CEO

Rationale for Selected Comparators

The selection criteria of comparable organizations were based on the following:

*Roles and responsibilities are very similar and in accordance with bylaws, policies and direction set out by the board/organization and administration.

*All comparator administrators follow the PHA, and are responsible for effective management and control of the hospitals and provide leadership as per the strategic plan.

*All Comparators are accredited facilities.

*Operating Budgets of the 8 comparator hospitals ranged from \$16MM (Espanola Hospital) to one hospital at \$46MM (West Parry Sound Health Centre). The majority of the comparator hospitals operated with a budget of less than \$25MM.

*FTE all comparator organizations operated with less than 250 full time equivalent staff. The FTE ranged from 115 (Espanola Hospital) to 190 (Temiskaming Hospital) thus all comparators had less than 250 FTE.

*Bed size for the comparator organizations ranged from <30 beds (Manitoulin Health Centre) to 116 beds (Georgian Bay Hospital). Our organizations has 99 beds.

*All comparator organizations were Ontario Acute Care Hospitals, which is consistent with our organization.

*All 8 comparator organizations are geographically located within Northern Ontario. 7 of the 8 hospitals are within the North East LHIN with one hospital located in North Simcoe (Georgian Bay Hospital).

*All hospitals are defined as Public Hospitals under the Public Sector. No private or International comparators were used.

* All comparator hospitals credentialed physicians with the number of credentialed physicians ranging from 11 (Manitoulin Health Centre)- 77 (West Parry Sound Health Centre) and WNGH credentials 69 MD's.

*All comparator hospitals have at least one (1) Accountability agreement (hospital), WNGH has three (3) accountability agreements (Hospital, LTC, Mental health and Substance Abuse).

The designated employer received approval from the President of the Treasury Board to use private sector and/or international comparators for these executive positions or classes of positions.

Comparators 2

Executive Positions or Classes of Positions Benchmarked

Chief Nursing Officer; VP Clinical Services; Chief Nursing Executive

Canadian Public Sector or Broader Public Sector Comparators

Organizations (e.g. Organization 1, Organization 2, Organization 3, etc.)

Temiskaming Hospital
Espanola Health Centre
Manitoulin Health Centre
Sensenbrenner Hospital (Kapusking)
Kirkland Lake & District Hospital
Georgian Bay Hospital
North Shore Health Network
West Parry Sound Health Centre

Positions or Classes of Positions (e.g. Chief Financial Executives)

Chief Nursing Officer; Chief Nursing Executive

Rationale for Selected Comparators

The selection criteria of comparable organizations were based on the following:

*Roles and responsibilities are very similar and in accordance with bylaws, policies and direction set out by the board/organization and administration.

*All hospitals used for comparison are similar in their CNO role with respect to planning, operations, risk management and accreditation.

*Operating Budgets of the 8 comparator hospitals ranged from \$16MM (Espanola Hospital) to one hospital at \$46MM (West Parry Sound Health Centre). The majority of the comparator hospitals operated with a budget of less than \$25MM.

*FTE all comparator organizations operated with less than 250 full time equivalent staff. The FTE ranged from 115 (Espanola Hospital)-190 (Temiskaming Hospital) thus all comparators had less than 250 FTE.

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*All hospitals are defined as Public Hospitals under the Public Sector. No private or International comparators were used.

* All comparator hospitals credentialed physicians with the number of credentialed physicians ranging from 11 (Manitoulin Health Centre)- 77 (West Parry Sound Health Centre) and WNGH credentials 69 MD's.

*All comparator hospitals have at least one (1) Accountability agreement (hospital), WNGH has three (3) accountability agreements (hospital, LTC, Mental health and Substance Abuse)

The designated employer received approval from the President of the Treasury Board to use private sector and/or international comparators for these executive positions or classes of positions.

Comparators 3

Executive Positions or Classes of Positions Benchmarked

Chief Financial Officer; VP Finance

Canadian Public Sector or Broader Public Sector Comparators

Organizations (e.g. Organization 1, Organization 2, Organization 3, etc.)

Temiskaming Hospital
Espanola Health Centre
Manitoulin Health Centre
Sensenbrenner Hospital (Kapusking)
Kirkland Lake & District Hospital
Georgian Bay Hospital
North Shore Health Network
West Parry Sound Health Centre

Positions or Classes of Positions (e.g. Chief Financial Executives)

CFO; VP Finance

Rationale for Selected Comparators

The selection criteria of comparable organizations were based on the following:

*Roles and responsibilities are very similar and in accordance with bylaws, policies and direction set out by the board/organization and administration.

*All hospitals used for comparison are similar in their CFO role with respect to overall planning, operations, risk management and accreditation.

*The CFO's of comparator hospitals are all responsible for the overall budget planning and finance departments of the respective organizations.

*Operating Budgets of the 8 comparator hospitals ranged from \$16MM (Espanola Hospital) to one hospital at \$46MM (West Parry Sound Health Centre). The majority of the comparator hospitals operated with a budget of less than \$25MM.

*FTE all comparator organizations operated with less than 250 full time equivalent staff. The FTE ranged from 115 (Espanola Hospital)-190 (Temiskaming Hospital) thus all comparators had less than 250 FTE.

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*All comparator hospitals have at least one (1) Accountability agreement (hospital), WNGH has three (3) accountability agreements (hospital, LTC, Mental health and Substance Abuse)

The designated employer received approval from the President of the Treasury Board to use private sector and/or international comparators for these executive positions or classes of positions.

C. Salary and Performance-related Pay – Comparative Analysis Details

Provide information on the percentile used to benchmark the salary and performance-related pay cap for each designated executive position or class of positions. Additional information on the methodology used to determine salary and performance-related pay can provide useful context.

The 50% was utilized to benchmark salary and performance related pay is aligned with the Quality Improvement Plan (QIP) at 5 %. Pay for Performance is reviewed and evaluated as per the executives goals and objectives and in accordance with annual performance appraisals. Goals and objective are in keeping with the annual QIP. The 5% pay for performance is in keeping with other acute care organizations of similar size.

The methodology utilized to determine salary is related to OHA surveys, comparing bed size, budget, staff, number of physicians credentialed, NELHIN.

C. Salary and Performance-related Pay Structure

Provide information on the salary and performance-related pay cap for each designated executive position or class of positions. Additional information on salary ranges and performance-related pay structure can provide useful context.

| Executive Position or Class of Positions | Salary Range Minimum (\$) | Job Rate (\$) | Salary Range Maximum (\$) | Target Annual Performance-related pay (% of Salary) | Maximum Annual Performance-related Pay (% of Salary) | Salary and Performance-related Pay Cap (\$) |
|--|---------------------------|---------------|---------------------------|---|--|---|
| E.g. President | E.g. 200,000 | E.g. 220,000 | E.g. 240,000 | E.g. 7.5 | E.g. 10 | E.g. 264,000 |
| President & CEO | \$165,237 | \$175,589 | \$185,940 | 5.0 | 5.0 | \$195,237 |
| Chief Nursing Officer | \$98,696 | \$108,696 | \$118,696 | 5.0 | 5.0 | \$124,631 |
| Chief Financial Officer | \$99,032 | \$109,032 | \$119,032 | 5.0 | 5.0 | \$124,984 |

D. Salary and Performance-related Pay Envelope

Provide the sum of salary and performance-related pay paid to designated executives for the most recently completed pay year. In addition, provide the maximum rate of increase to the salary and performance-related pay envelope. Additional information on why changes are necessary and how they were determined can provide useful context.

| Sum of Salary and Performance-related Pay for the Most Recently Completed Pay Year (\$) | Maximum Rate of Increase to Envelope (%) |
|---|--|
| \$411,757 | 5.0 |

Rationale for the Proposed Maximum Rate of Increase:

The West Nipissing General Hospital is proposing a "maximum rate of increase to the salary and performance-related pay envelope equivalent to 5%". In determining this maximum rate the following factors were considered:

1. The financial priorities and the compensation priorities of the Government of Ontario, as indicated in the speech from the Throne, the budget, the economic Outlook and Fiscal Review, and the public documents of the Crown in right of Ontario, the Cabinet, the Treasury Board and the Management Board of Cabinet;
2. Recent executive compensation trends in the part of the Canadian Public Sector and Broader Public Sector that is in the industry within which the employer competes for executive (health care);
3. A comparison between the percentage of the designated employer's operating budget that is used for executive salary and performance-related pay and the percentage of the operating budget of the designated employer's comparator organizations used for executive salary and performance-related pay;
4. The effect on attracting talent to the designated employer's executive positions, and retaining talent in the designated executive positions, of the difference between the salary and performance-related pay range for those positions and the salary and performance-related pay ranges for the employees or office holders who directly report to the holders of those positions.
5. Any significant expansion in the operations of the designated employer that is not the result of a significant organizational restructuring.

Contributing elements include:

- Finance Minister Charles Sousa April 27, 2017
- Ontario's commitment to invest in health care
- Investing in executive compensation packages for hospitals is strategic and in keeping with investing in health care
- Recruitment and retention of talented individuals to lead health care
- Serious concerns for upcoming retirements, succession planning and wage compression issues
- Executives in similar size hospitals and even smaller hospitals compensation packages exceeds that of our current compensation package for executives
- WNGH continues to grow and expand responsibilities, originally built in 1977 as a 89 bed hospital, we are currently a 99 bed hospital with LTC beds, Mental Health & Substance Abuse programs, hospice suite, oncology program and expanded diagnostic services to mention a few. WNGH is the local Health Links lead agency and the President & CEO is the chair of the local health links.

The salary review with comparator hospital demonstrates a 3.2% increase for the President & CEO. The CNO salary requires an increase of 8.2 % while the Chief Financial Officer position requires an increase of 9.4%. In an effort to be reasonable, affordable and flexible while ensuring we fairly compensate our executives a max increase per year of 5% will be applied with a 3 year implementation period as required.