

Board Meeting Minutes (Public and Closed)

Date	June 22-23, 2017	Time	8:45-4 p.m. MT (June 22) 9:15-2:30 p.m. MT (June 23)
Dial-in #	1 (866) 752-7690	Conference ID	3988753#
Web meeting info	N/A	Location	Sutton Place Hotel, Edmonton Ballroom (June 22) Tomison Room (June 23)
Chair	Leah Hollins	Recording secretary	Cassandra Tavares
Attendees	<p>Board: Leah Hollins (Chair); Robert Teskey; Wayne Gladstone; Dr. Gary Glavin; Craig Knight; Dunbar Russel; Suromitra Sanatani; Mike Shaw; Dr. Jeff Scott; Dr. Kevin Glasgow; Kelly Butt.</p> <p>Board – via phone: Henry Pankratz, Elaine Sibson.</p> <p>EMT: Dr. Graham Sher (Chief Executive Officer); Dr. Christian Choquet (Vice-President, Quality & Regulatory Affairs); Rick Prinzen (Chief Supply Chain Officer); Andrew Pateman (Vice-President, Talent Management & Corporate Strategy); Pauline Port (Chief Financial Officer, and Vice-President, Corporate Services); Ralph Michaelis (Chief Information Officer); Watson Gale (Vice-President, General Counsel and Corporate Secretary); Mark Donnison (Vice-President, Donor Relations).</p>		
Guests	Kimberly Young (Director, Organ Donation & Transplantation)		
Joining by phone	N/A		
Absent	N/A		

Leah Hollins, Chair, called the meeting to order at 8:50 a.m. MT on June 22, 2017. She welcomed members of the public and Canadian Blood Services' management and staff to the open meeting of the board. Her address included specific remarks about:

- **The acknowledgment of Treaty 6 territory and welcoming of Elder Tom** – Elder Tom shared with members of the board, management and the public a traditional ceremony which included lighting of aromatic herbs, a prayer, song and welcome on behalf of the tribes of the land.
- **The meeting streamed live across Canada on blood.ca**
- **National Blood Donor Week** – This meeting falling on the heels of a week legislated by the Parliament of Canada in 2008 to recognize and celebrate donors from across the country.
- **The opportunity to remind Canadians that more blood donors are needed as Canada's 150th anniversary approaches** – Less than four per cent of the eligible population support 100 per cent of Canada's blood system.
- **World Blood Donor Day** – L. Hollins co-hosted with MP Francis Drouin a blood typing event on Parliament Hill, where over 240 Canadians were blood-typed, including the Honourable Jane Philpott, the federal health minister, and over a dozen MPs.
- **Transparency and engagement of open meetings** – An opportunity to hear from the public, better understand the issues, and keep the organization focused on what really matters: meeting the needs of patients across the country.
- **Her last meeting as Chair of the Board** – After 16 years on the board, first as a member, then as vice-chair, and now as chair, L. Hollins will be stepping down in October.
- **Canadian Blood Services' role with the transplant community** in the creation of a national system for organ and tissue donation and transplantation in Canada
- **The opening of the national public cord blood bank** – In 2013, sites in Vancouver, Brampton, Ottawa and Edmonton were opened. The bank has given hope to more patients whose lives depend on finding a stem cell match. The Marshall Eliuk Centre in Edmonton is one of only two cord blood manufacturing and banking facilities that make up Canadian Blood Services' Cord Blood Bank.
- **A reduction in the deferral period for men who have sex with men from five years to one** – With the support of the Government of Canada, Canadian Blood Services is working on granting funds for research projects to help gather evidence that could further evolve the screening criteria.
- **The recent ground-breaking in Calgary of Canadian Blood Services' new state-of-the art operations centre** – A signature piece of the organization's National Facilities Redevelopment Program to modernize facilities. When it is completed in 2020, this new production, testing and distribution hub will process one quarter of the nation's blood supply, and will be home to over 180 employees.
- **Ensuring a secure supply of plasma for Ig remains a key priority for the board and Canadian Blood Services** – In January, Canadian Blood Services tabled its plan with governments to address this urgent issue and will be engaging formally with health ministers, as Canadian Blood Services' corporate members, at the Annual General Meeting this fall.

- **Recognition of Alberta's support in preserving Canada's voluntary, non-remunerated blood system** – This past spring the Government of Alberta passed legislation that prohibits corporations from paying donors.
- **Public presenter time-slots** – Scheduled in the morning from 11:30-12 pm MT and afternoon from 1:45-2:15 pm MT.
- **Recognition of Graham Sher, CEO** – For his award from the American Association of Blood Banks (AABB) for his outstanding contribution to blood systems.
- Introduction of board members and executive management team.

Bob Teskey, Vice-Chair, acknowledged Leah Hollins' upcoming retirement from the board and noted her incredible leadership, first as a board member and then as the Chair of this board, in addition to her strong guidance over the years in advocating for a national system for organ and tissue donation and transplantation in Canada. Leah's deep contribution to Canadian Blood Services and to Canadians was gratefully acknowledged by the board and the public.

1. The agenda was approved as presented:
*After review, **ON MOTION** duly made and seconded, the agenda was unanimously approved.*
2. On invitation from L. Hollins, no conflicts of interest were declared.
3. The public minutes of April 25, 2017 were approved as presented:
***ON MOTION** duly made and seconded, the public minutes of the April 25, 2017 meeting were unanimously approved.*
4. There was no business arising, and it was noted that all matters would be captured in the agenda items to follow.

5. Report of the Chair (L. Hollins)

L. Hollins updated the board on recent meetings and activities taking place since the last meeting. In addition to those activities mentioned in her opening address, the following was noted:

- Canadian Blood Services is in the process of recruitment for the new board of directors, of which L. Hollins is a part of the advisory selection committee. Formal recognition of new members is scheduled to occur at the Annual General Meeting in the fall.
- L. Hollins attended the CBSI/E board meetings in Vancouver at the end of May.

6. Report of the CEO (G. Sher)

Dr. Graham Sher, CEO of Canadian Blood Services, presented the 2016-2017 year-end report and summary of performance over the past year pursuant to the seven key focus areas under the Canadian Blood Services strategy. These focus areas revolve around the value proposition of improved patient outcomes, enhanced system performance and optimization of cost efficiencies.

Strategy and progress on key focus areas

1. Key focus area: *Earning the right to serve*

- **Trust, safety and satisfaction** – Trust scores remain consistently high at 87% as of spring 2017, well above the target of 80%. Further, the perceived safety of donating blood as of spring 2017 rests at 83% and receiving blood at 90%, which are also above the 80% target. Overall satisfaction with Canadian Blood Services is at 85% as of spring 2017.
- **Key stakeholder activities** – Canadian Blood Services continues to actively engage with stakeholders on critical files, including consultation on:
 - **Eligibility criteria for men who have sex with men (MSM)** – A variety of internal and external engagement activities have occurred, including LGBTQ sensitivity training provided by Egale Canada Human Rights Trust for a group of cross-divisional Canadian Blood Services staff members, and an international research meeting to support future change to eligibility criteria for MSM.
 - **Eligibility criteria for trans donors** – Two face-to-face consultation sessions were held in Toronto and Vancouver; work is underway to develop a consistent approach from clinic to clinic for trans and gender variant donors and development of a training program to be delivered to all public facing staff.
 - **Plan for increased plasma collection** – Canadian Blood Services has consulted with a diverse group of stakeholders on the development of its strategy for expanded collection of plasma, the plan for which has been delivered to governments. These consultations included an explanation of the risk-based decision-making model being used to assess options for risk mitigation.
- **National Accountability Agreement** – Work is underway to develop an agreement to clarify roles and responsibilities between Canadian Blood Services and its corporate members (provincial/territorial ministers of health). Under the new leadership of Saskatchewan, as lead province for the blood file, the target timeline for the negotiation of the agreement is within 24 months.

2. Key focus area: *Manufacture biological products*

- **Collections** – As at year-end: 808,672 whole blood units (98.6% of target); 33,750 plasma units for transfusion (84.4% of target); 40,394 equivalent apheresis platelet units (99.4% of target).
- **National fill rates** – Fill rates for orders from hospitals remained strong as follows: Red cells – 97%, ONeg – 95%, platelets – 98% and AB Plasma – 95%. These rates ensured at all times that patient need was met.
- **Discards of whole blood** – Discards improved to a rate of 7.1% compared to a target of 7.2%. Units are sometimes discarded during the process of collecting and manufacturing due to out-dates, non-conforming units and recalls. In addition, a small number of units are not used for transfusion as a result of quality control, or are used for R&D for equipment validation, etc.
- **Plasma Protein Products inventory** – High growth in C1 Esterase continued throughout the year, however, inventory was well maintained at target. Growth in Ig utilization also continued, and target inventory was maintained. Product transitioning within the FVIII and FIX categories provided some challenges due to the greater uptake than anticipated for the extended half-life version which, at this time, is a more expensive product. The continued growth in utilization of

these plasma products remains a concerning issue due to the cost impact on the provinces and territories and for the immediate negative impact on working capital for the organization.

- **National Facilities Redevelopment Program** –Phase I, consisting of the relocation of testing operations from Toronto to Brampton, is now complete. Phase IIa has commenced with: 1) the purchase of land for a new Calgary production facility, and the ground breaking for construction of this site; 2) the opening of new Saskatoon clinic; 3) a new Calgary Eau Claire clinic ready for a summer 2017 opening; and 4) the lease extension to 2025 for the Edmonton facility.
 - **Ensuring Canadian security of plasma supply for immune globulin** – A Plasma plan to provide security of the plasma supply in Canada was tabled with governments January 2017 and discussions with government are underway. The plan is complex and comprehensive and requires significant incremental investment over many years.
 - **Cord Blood Bank** – Positively, this initiative shipped four cord blood units as of March 31 (three Canadian recipients, one international), distributed a fifth cord in May and one is scheduled to go out to the National Marrow Donor Program (first U.S. shipment) in early July. This is a strong record. Bankable units have been negatively influenced by delayed cord clamping practices. Although Canadian Blood Services is somewhat behind in meeting targets for bankable cords, the focus has been on building a high-quality bank that meets the needs of both Canadian patients and patients around the world. Currently, this bank is one of the highest quality banks in the world with over 14,000 units collected, 16% of which are banked and over 1,900 listed on the international network of registries.
3. **Key focus area: *Provide transfusion and transplantation services***
- **OneMatch Stem Cell and Marrow Network** – The majority of Canadian patients are receiving stem cell transplants from international donors. The total number of stem cell transplants in Canada from unrelated donors was 317 as of March 31, 2017 – 22 of which are the result of stem cells from cord blood, the remaining from adult stem cells. 19 of the 22 came from international donors. The province of Ontario is examining ways to improve access for hematopoietic stem cell transplants and has struck a consultation group in which Canadian Blood Services is participating. L. Hollins asked the CEO to explain the important role of retired RCMP officers in collaborating with Canadian Blood Services in the transport of stem cell products from abroad.
 - **Organ donation and transplantation** – Canadian Blood Services has played a national leadership role in all provinces and territories since 2008 under four areas of work: 1) Canadian Transplant Registry (CTR); 2) Leading practices and professional education; 3) Public awareness; and 4) System reporting and analytics.
 - Collaboration between the provinces with technology leveraged through the Canadian Transplant Registry is increasing access to kidney transplantation for Canadians. There is a further opportunity to leverage the utility of this program to include non-renal patients.
 - The Kidney Paired Donation (KPD) program has facilitated 499 kidney transplants from living donors from 2009 to 2017. As a result of this program, dialysis costs avoided by the health care system are over \$16 million annually.
 - The Highly Sensitized Patient Kidney program (HSP) launched in 2013 is increasing transplant opportunities for the most disadvantaged (difficult to match) populations.

- The National Organ Waitlist (NOW) launched in 2012 is a real-time, online national listing of patients waiting for a heart, lung, liver, pancreas, small bowel and multi-organ transplant and now has 815 active participants.
 - Leading practices and professional education in the area of deceased donation is also underway.
 - Canadian Blood Services continues to do leading practices work towards a centralized tissues program. This includes a Bioburden Guidelines report. In response to a question from the board it was noted that, while patients are not compromised, the supply of tissues is not being optimized.
 - The System Progress Report, published in September 2016, includes ten years of national data on deceased and living donation and transplantation performance, including the most current available data.
- **Incidence and prevalence rates for transmissible disease markers, 2016** – The Epidemiology and Surveillance group at Canadian Blood Services tracks and reports incidence and prevalence of transmissible disease markers and produces a comprehensive annual report. The CEO highlighted a few trends from the most recent report, which showed that overall trends are similar to previous years, with Canadian rates amongst the lowest of all reported by developed blood operators. HIV rates between 1990-2016 show that the shorter MSM deferral period has resulted in no increase in incidence of HIV. For West Nile Virus, there is a prediction for higher positives rates this summer due to the wet weather experienced across most of Canada.
- **Emerging pathogens:**
 - Zika, a mosquito-borne virus, previously sporadic in Africa and Asia, emerged in South America, and spread to Mexico and Caribbean. In February 2016, Canadian Blood Services implemented a 3-week deferral for travel outside Canada, U.S. and Europe. Canadian Blood Services has taken a different approach than its US counterparts who have enacted individual NAT testing for Zika following FDA requirements to do so. Canadian Blood Services remains confident the policy in place provides the appropriate level of risk mitigation.
 - Hepatitis E Virus (HEV) – a national study for determining if a policy change would be appropriate is testing 30,000 Canadian Blood Services donors for HEV; initial results suggest low lifetime exposure to HEV and units testing positive are rare.
- **Deliver value through research, education and guidance** - Canadian Blood Services continues to facilitate research to create new knowledge that informs decision-making and ensures Canada's health-care system is well-positioned to address emerging medical and scientific trends in transfusion and transplantation. In the last year alone, over 100 research and development projects were supported with funding from the Centre for Innovation (C4I). Canadian Blood Services research informed four Health Canada licence amendments related to donor selection criteria for MSM, and the change to the travel deferral period for Zika. In addition, C4I managed over 300 peer reviewed publications which are seen to be of very high quality in the research community. This effort is essential to continue moving the science forward for the benefit of patients and the health system.

4. Key focus area: *Transform how we attract, interact with and retain donors*

- **Connecting with donors** –
 - Canadian Blood Services grew the active whole blood donor base by 18,000 which exceeds the 2016–2017 target by 4,300. Of the 405,700 whole blood donors as of March 31, 2017, there were 84,000 new and 136,000 reinstated donors.
 - Platelet donors decreased by 7.4% due to a reduction in single unit donations and an increase in doubles.
 - The OneMatch Network now has over 400,000 donors willing to donate to any patient in need anywhere in the world.
 - The Digital Transformation project will also change the way Canadian Blood Services interacts with its donors and dramatically accelerate the shift to digital. As of March 31, 2017, the GiveBlood App had over 352,800 downloads. The use of the web questionnaire, live chat engagement tool and text messaging are also on the rise. In the last year, Canadian Blood Services has increased its online bookings by 53%.
- **Changes to hemoglobin requirements** – The donor recruitment challenge includes the paradox of decreasing demand with an increasing need for donors due to departures from the system and the lowering of donor frequency to benefit donor health. New criteria for iron levels have been established to promote health and wellness among blood donors.
 - As of December 2016, female donors must wait 12 weeks between blood donations instead of eight weeks. As of March 2017, male donors need to pass a slightly stricter hemoglobin test (130g/L instead of 125 g/L). Many donors will not be able to donate as often, and this highlights the importance of new blood donors.
- **Stem Cell Registry** – Registrants have increased to 410,000 and efforts continue to make the registry more ethnically diverse, with a focus on young males.
- **Men who have sex with men (MSM)** – Canadian Blood Services continues to examine the policy related to MSM, including:
 - **August 2016:** Blood donation ineligibility period for reduced from five years to one;
 - **January 2017:** International meeting to discuss and disseminate knowledge about national and international evidence-based research, deferral practices and policy strategies;
 - **February 2017:** Launch of a new research grant program to generate evidence-based research for alternative screening approaches for MSM donors. Proposals are currently under review, and successful proposals will be announced this summer.
- **Eligibility criteria for trans donors** – In August 2016, new eligibility criteria for trans donors was implemented, where previously, no criteria existed. Work continues on this matter and the organization has made a commitment to establishing a more respectful policy in collaboration with the community.

5. Key focus area: *Deliver our products and services more efficiently*

- **Efficiencies realized** – A total of \$170 million in efficiencies has been achieved since 2008.
 - Wave 1 – \$70 million was realized between 2008-09 and 2011–2012.
 - Wave 2 – Of the remaining goal of \$100 million, \$38 million has been realized, \$35 million has identified the initiatives which will generate savings, and \$27 million has yet to be identified.

- **National Productivity Index** – In 2016-2017, Canadian Blood Services met or exceeded targets on the indicators of recruitment, production and testing. Although Canadian Blood Services fell below the target for the collections indicator, the organization increased collection productivity performance from the prior year.
 - **Cost and labour hours per unit** – Decrease in cost per unit (CPU) from \$350 in 2015-2016 to \$348 in 2016-2017 (target = \$346). Labour hour per unit decreased from 6.78 to 6.42 (the target) in 2016-2017.
 - **Plasma protein product realized savings** – Contract negotiations in 2013–2014 allowed Canadian Blood Services to realize more than \$600 million in cost reductions and cost avoidance over the five-year contract terms. A new Request for Proposal (RFP) process is underway for all PPP products, which could potentially generate additional savings. The RFP process is expected to be completed in the fall of 2017. An increase in utilization and negative foreign exchange has unfortunately absorbed the majority of the price gains.
 - **Supply chain optimization and automation** – The Automated Supply Chain initiative was a significant achievement to transform the clinic environment from a paper-based system to a digital operation and was the largest initiative in Canadian Blood Services' history. It was a success and continues to drive safety and quality enhancements for the organization.
 - **LEAN** – Efforts continue to pursue supply chain optimization across the system.
6. **Key focus area: *Advance and mature our quality management system***
- **Quality management system (QMS) and quality indicators** – Seven out of eight quality indicators met target in 2016-2017, missing only one due to two supplier recalls. Taken together, these results show an overall improvement in the effectiveness of the QMS.
 - **LINK: Strengthening Our Quality Management System and Culture program** – This multi-year program continues to advance, with a current focus on the corrective and preventive action (CAPA) process, one of the critical underpinnings of a QMS. There is also a new quality policy and quality training for all employees.
7. **Key focus area: *A high-commitment, high-performance culture***
- **Canadian Blood Services' awards:**
 - Received Canada's Safest Employer silver award in the health-care category
 - With its creative agency, Sandbox Advertising, won a bronze Cassie award for the GiveLife campaign
 - Received International Coach Federation's Prism Award for internal coaching program
 - **Engagement, retention and recognition** – A recent survey shows employee engagement up from 72.9% in 2015-2016 to 75% in 2016-2017. This exceeds the target of 70%. Management remains committed to looking at areas for improvement to drive change.
 - **Diversity and Inclusion** – Over the past year, Canadian Blood Services has taken several steps towards building a more inclusive workplace. Significant additional work is being pursued in this area.

Financial Performance

G. Sher highlighted the following points reflective of Canadian Blood Services financial performance over the past fiscal year:

- **Cash position** – Canadian Blood Services’ cash position continues to be strained. After removing reserved cash balances, unreserved operating cash was negative \$3.1 million at year-end or negative one day cash on hand, compared to negative \$10.9 million in the prior year or negative four days cash on hand. To alleviate continued cash pressures, Canadian Blood Services increased its line of credit from \$50 million to \$100 million in June 2017. Increased costs of PPP due to higher demand, and the weakness of the Canadian dollar relative to the U.S. dollar, have increased costs and the provinces and territories’ receivables, consequently also reducing Canadian Blood Services’ cash position.
- **Accounts receivable** – The provinces and territories’ receivable balance at March 31, 2017 was \$62.6 million, which represents a \$9.9 million decrease when compared to the March 31, 2016 balance. Of this amount, \$54 Million was owed by the Province of Ontario (of which \$22 Million was paid post year-end). Discussions are in progress with Ontario officials to address the outstanding balance.
- **CBSI Investments** – Investments increased by \$27.8 million due to a return of 6.8% on investments. The value of the investments has grown to over \$440 Million with premium net assets or surplus (balance remaining after the deduction of certain liabilities and reserves) as at March 31, 2017 growing to approx. \$80 million.
- **Inventory** – Inventory values continue to increase year-over-year, reaching \$158 million at March 31, 2017. This is primarily due to carrying higher levels of the more expensive products of Immune Globulin (IG) and higher levels of factor VIII (FVIII) products to take advantage of significant volume discounts.
- **Cost of goods** – The costs of plasma protein products increased by approximately \$55 million due to increased utilization of IG, C1 esterase, recombinant factor VIIa (rFVIIa) and an unexpected uptake in the extended half-life coagulation factor products.
- **Program expense overview** – Overall expenses have increased by \$87.6 million, with the majority of the growth experienced in plasma protein products (PPP). The change in the fair value of forward currency contracts, which were entered into to hedge foreign currency risk for PPP purchases in U.S. dollars, changed from a loss of \$25 million in 2015–2016 to a gain of \$23.4 million in 2016-2017. The \$23.4 million represents a non-cash amount.
 - Under fresh blood, the apparent increase in staff costs for 2016-2017 is the result of a non-cash accounting entry in the prior year; in reality, actual staff costs reduced by \$4.5 million reflecting productivity efficiencies achieved in 2016-2017.
 - Demand for PPP continues to grow as more patients are being diagnosed with autoimmune and neurological conditions, as well as expanding indications for IG use. This is driving the growing cost of PPP. Since 2009-2010 IG usage has increased 65% and FVIII increased by 45%. The recent increase of \$85 million consists of utilization (\$65 million), foreign exchange (\$35 million) offset by price reductions (\$14 million).
 - Stem cell financial results are consistent year over year.

- Revenue under the Captive insurance has decreased by \$2.2 million from the previous year primarily as a result of lower income earned on the investments held by CBSI.

The board participated in a discussion about the year-end results, which focused on Canadian Blood Services precarious cash position. The board expressed significant concern with the accounts receivable from Ontario and the national blood operator relying on a line of credit to meet its operational obligations. It was noted that the provinces and territories are well apprised of this issue. While Ontario is responsible for the biggest receivable owed, this receivable has reduced moderately as of March 31, 2017. Work is underway towards the establishment of a National Accountability Agreement (NAA). It is anticipated that the NAA would address the current financial situation arising from the restrictive Transfer Payment Accountability Directive (TPAD) in Ontario which does not appear to have an appropriate mechanism to address increases in utilization over and above the amount budgeted.

The board also discussed the anticipated continued growth of the PPP program due to utilization and the importance of the members collaborating to control such utilization.

Approval of the 2016-2017 audited consolidated financial statements

As part of the CEO's update, Wayne Gladstone, Chair of the Finance and Audit Committee, brought the approval of the 2016-2017 audited consolidated financial statements to the attention of the board. The Finance and Audit Committee diligently reviewed these statements and passed a resolution to recommend approval to the board. W. Gladstone noted the external auditor conducted a review of the internal controls and procedures in place and concluded that Canadian Blood Services' statements reflect fairly the financial results of the organization at year end. An unqualified audit report has been provided by the external auditor. A resolution was carried to this effect:

*After review and discussion, **ON MOTION**, duly made, seconded and unanimously carried, **IT WAS RESOLVED THAT** the Board of Canadian Blood Services approves the Canadian Blood Services Consolidated Statements for the year ended March 31, 2017.*

7. Men who have sex with men (MSM) research update (D. Devine)

As reported to the board in March, a two-day meeting with stakeholders and researchers was held in January 2017 to identify research priorities for closing knowledge gaps related to donor eligibility for men who have sex with men (MSM). Health Canada has provided \$3 million in dedicated funding towards the MSM research program and a competition to apply for these funds, administered by Canadian Blood Services, was launched in February 2017. Requests for funding underwent a two-step process: 1) a letter of intent, which if accepted led to invitation to submit; and 2) a full research grant proposal. Of the fifteen invited to submit full proposals, fourteen are currently undergoing a formal peer review, and Canadian Blood Services anticipates funding to be available as early as July.

8. Public Presentations (Public)

The following presentations were presented at the open board meeting in Edmonton on June 22, 2017. Graham Sher, CEO, noted that all presenters would be responded to formally in writing.

- 1. Sandra Azocar, Executive director, Friends of Medicare** – S. Azocar addressed the board about her concern for the protection and expansion of healthcare in Alberta, specifically as it relates to private plasma company entry into the market. S. Azocar commented on the sale of for-profit plasma on the international market and her concern for its possible return to Canada. She commended Canadian Blood Services' efforts for expanding non-profit, voluntary plasma collection. L. Hollins and G. Sher thanked S. Azocar for her presentation and efforts to protect Canadian medicare.
- 2. Silvia Marchesin, Director, Network of Rare Blood Disorder Organizations on behalf of Canadian Association for Porphyria (CAP)** – S. Marchesin's presentation introduced the board to porphyria, a rare disease, and to the Canadian Association for Porphyria (CAP). S. Marchesin spoke to the current situation in Canada with respect to heme, the only treatment option for porphyria, and what has been done to advocate for better access to this treatment. As heme is a blood product, CAP is requesting to work with Canadian Blood Services to ensure that this product is made available for porphyria patients. G. Sher commented on the approval of members that is required to include a product like heme under Canadian Blood Services' portfolio. While the PTBLC has initially denied this request, G. Sher noted that Canadian Blood Services will discuss this matter further. In addition, in response to a request by the board for greater knowledge of the facts of porphyria, a fact sheet will be prepared.
- 3. Susie Proulx-Daigle, President, New Brunswick Union** – S. Proulx-Daigle's presentation focussed on the efforts in New Brunswick to halt the opening of the paid plasma clinic in Moncton by Canadian Plasma Resources, what groups in the province will continue to do, and how Canadian Blood Services can help. L. Hollins and G. Sher highlighted the recent plasma plan under review with governments, and reiterated Canadian Blood Services' position as the only national operator able to collect large volumes of plasma through a voluntary, non-remunerated model designed to protect the best interests of Canadian patients.
- 4. Pauline Worsfold Secretary Treasurer, Canadian Federation of Nurses Unions (CFNU)** – P. Worsfold spoke to the need to protect Canada's plasma supply from private, for-profit blood companies. The CFNU believes that Canada's blood collection system should operate entirely and exclusively in the public interest. Further, blood and plasma donors should be voluntary and not paid. The CFNU supports the mandate and work of Canadian Blood Services and commends the recent efforts to expand voluntary plasma collection. L. Hollins and G. Sher thanked P. Worsfold for her presentation and support towards a voluntary, non-remunerated model in ensuring the security and supply of plasma products in Canada.
- 5. Kim Storebo, President, Local 1846 Canadian Union of Public Employees (CUPE)** – K. Storebo expressed support for a public, non-remunerated blood system, and concern that paid clinics will weaken the voluntary base. She supports Canadian Blood Services expansion of plasma collections, however, noted the conflicting message the organization is sending with the closure of clinics and appeals to the public occurring in parallel. She also commented on the value of a sustained workforce in maintaining operational knowledge. L. Hollins and G. Sher assured K. Storebo and members of the public that decisions to consolidate operations are

made based on extensive evaluation of the cost effectiveness of certain sites and operations in light of ongoing fiscal realities.

6. **Andrew Cumming, Co-Founder, BloodWatch.org** – A. Cummings expressed his support for Canadian Blood Services' new plasma collection strategy. Like many of the other presenters, he expressed concern with for-profit plasma operators and their impact on the voluntary donor base. He further expressed concern with finished product from Canadian Plasma Resources (CPR) being sold on the international market to be re-purchased by Canadian Blood Services. He enquired about Canadian Blood Services' role in approaching Health Canada to cease granting CPR licenses to operate in Canada. L. Hollins and G. Sher assured A. Cummings that Canadian Blood Services does not purchase any product from CPR and is working hard with the member governments to bring the plasma plan to life as quickly as possible.

The board took a break for lunch at 12:15 p.m. MT and reconvened at 1:05 p.m. MT.

9. **Donation & Transplantation: The Canadian Transplant Registry programs and services (K. Young)**

In 2008, Canadian Blood Services was given the mandate to collaborate with governments and the organ and tissue donation and transplantation (OTDT) community in Canada to bring about systemic improvements at the national level. Kimberly Young, Director of Donation and Transplantation, provided an overview of the programs and services Canadian Blood Services has contributed to the national OTDT system since 2008. Over the last 10 years, provincial programs, together with Canadian Blood Services' efforts, have improved performance in the donation and transplantation system in Canada.

K. Young highlighted the following key points:

- **Donation and transplantation rates:** The work of the OTDT community has facilitated a marked increase in donation rates (up 29% since 2006) and transplantation rates (up 23% since 2006).
- **Four areas of work Canadian Blood Services is responsible for:** 1) Canadian Transplant Registry programs & services; 2) Leading practices, professional & public education; 3) Strategic plan development & implementation; and 4) System performance improvement.
- **The Canadian Transplant Registry (CTR):** The CTR is a key example of an innovative technology that facilitates improved patient care and generates value in terms of quality, safety and efficiency through comprehensive data capture.
 - Currently, the CTR supports the highly sensitized patient (HSP) program for kidney sharing, living donation with the kidney paired donation (KPD) program and the real time national organ waitlist (NOW).
 - More than 800 kidney transplants facilitated through the CTR occurred as a result of successful collaboration between programs across the nation.
 - The NOW currently lists all non-renal patients waiting for organs.
- **The next generation of the CTR technology (referred to as CTR 2.0):** Expected to launch in July 2017, it will introduce further advancements based on user feedback from the last eight years of operation including:

- improved access to transplants for all candidates on the waitlist including highly sensitized and high status patients;
- timely, accurate, comprehensive and transparent allocation for all patients, national and locally;
- timely reporting of all donor offers; and
- improved comprehensive timely outcome data.
- **Transplantation is the best treatment for end stage organ failure**
- **Cost avoidance of a kidney transplant versus dialysis:** New transplants added to the system by Kidney Paired Donation generate significant cost avoidance. While in year one, transplant costs are more than dialysis, by year two and onward, transplant costs are significantly less than dialysis, driving further savings to the health-care system at large.
- **The System Progress Report:** A significant output of the ODT community; published in September 2016, it includes ten years of national data on deceased and living donation and transplantation performance, including most current available data.
- **Building on the success of the national programs and services:** There is an opportunity to advance interprovincial sharing beyond kidney to include other organs including the heart, liver, lung, and pancreas; advance provincial and local allocation in all provinces; create a comprehensive transparent data system; and provide better treatment with improved outcomes. This is the application of national policies for high status and non-utilized sharing using the same technology that already exists in CTR. The overall investment in national programs and services has not increased since 2008, and cost avoidance has exceeded the investments made. The full scope of CTR is anticipated to cost \$10.9 million by 2020 – 2021.

The board commented on the excellent progress accomplished within the span of ten years with limited resources. They thanked K. Young and her team for their hard work on the delivery of this program at Canadian Blood Services. G. Sher commented on this program being an example of leveraging big data and analytics across the country for both improved patient outcomes and system value.

10. Diversity and Inclusion Strategy (G. Sher/ A. Pateman)

In 2016, Canadian Blood Services launched a process to develop an organization-wide diversity and inclusion strategy. A. Pateman presented an overview of the strategy Canadian Blood Services has developed, including highlights of several milestones achieved in the past year:

- Established a CEO advisory committee and working group to provide oversight and direction for the diversity and inclusion initiative;
- Engaged the Canadian Centre for Diversity and Inclusion to conduct an inclusivity assessment, consisting of a policy review, focus groups and interviews with executives;
- Published a series of articles in internal newsletters focused on raising awareness of different dimensions of diversity;
- Implemented reflection and prayer rooms in five pilot locations; and
- Implemented an online multi-cultural calendar available to all employees.

Canadian Blood Services is currently reviewing the results and recommendations from the assessment and will be using these as a key input into strategy development over the coming months.

The board expressed support and congratulated management for its commitment to diversity and inclusion. The potential outcome for influencing hiring and recruiting practices from the composition of board members to front-line staff was noted. The board will be kept apprised of the recommendations from the assessment, and the process for implementation thereafter.

11. Additional public presentations (Public)

1. **Dr. Karen Hunter, Director of Operations, Canadian National Transplant Research Program (CNTRP)** – K. Hunter spoke to the sustainability of the CNTRP and the future of transplant/donation research in Canada, especially as it relates to linking with the stem cell transplant research community. The CNTRP highlighted its desire to work with Canadian Blood Services to develop the next generation research strategy in Canada. D. Devine commented on Canadian Blood Service' collaboration activity thus far, and G. Sher committed to get back to the CNTRP about continued collaboration once the internal assessment is complete.
2. **Kate Robinson - Labour Relations Officer, Health Sciences Association of Alberta** – K. Robinson presented on her view of the low-morale among workers in the Calgary facility, owing in large part to the way recent layoffs decisions were handled and communicated. G. Sher acknowledged receipt of this concern, and Canadian Blood Services will conduct further investigation in Calgary and circle back with K. Robinson.

L. Hollins thanked the board, management and members of the public and staff for their attendance and contribution.

12. National Facilities Redevelopment Program (R. Prinzen)

R. Prinzen presented an update to the board on the status of the National Facilities Redevelopment Program. Both NFRP I and NFRP IIa are tracking on time and within or below the planned budget.

- **NFRP Phase I:**
 - **Brampton testing addition** – Construction of the testing laboratory is complete and commissioning and validation of the building systems was successfully completed in January 2017. The move of test equipment to the new laboratory is underway. Go live of operations in Brampton occurred on May 29, 2017 with half of the testing lab from 67 College; the remainder of the lab will be operational July 4, 2017.
- **NFRP Phase IIa:**
 - **Saskatoon** – The first purpose built automated supply chain clinic has been open in Saskatoon since July of 2016. The existing building continues to be listed for sale. A recent interest buyer did not materialize into a sale because financing could not be secured, and thus the building is back on the market.
 - **Regina** – A plan for the consolidation of production services from Regina to Calgary has been approved. A decision has been made by the Saskatchewan ministry of health officials to have prenatal testing services performed by the province. In the interim, pre-natal testing will be performed by Canadian Blood Services in an out of province model in the Vancouver location.

- **Edmonton** - In light of the approved lease extension to 2025, Canadian Blood Services is considering refurbishment priorities for the Edmonton site. The priorities are based on opportunities where value is evident through 2025.
- **Calgary** – Construction at the Calgary Eau Claire clinic is complete; validation activities are also nearing completion and the new clinic is expected to open July 10, 2017. The contract for a general contractor for the new operations facility in Calgary was awarded to Bird Construction and a ground breaking ceremony was held May 19, 2017. It is expected the new facility will be operational in approximately three years.

Leah thanked the public for their attendance and stressed the importance of coming out to the Canadian Blood Services' open meetings as an avenue for openness and transparency.

The public meeting ended at 2:10 p.m. MT.

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The board resumed for a closed session at 2:30 p.m. MT.

13. Report of the CEO - closed (G. Sher)

During the closed meeting, the CEO provided the board with updates on emerging issues and CEO activities since the last meeting.

Emerging issues

- **Alberta Labour Relations Code** – Canadian Blood Services has been named as an essential service in amendments recently passed in Alberta's Labour Relations Code, in addition to already being identified as an essential service in British Columbia, Saskatchewan, and Manitoba.
- **National Contact Centre (NCC) technical upgrade** – The telephony system automated dialer was announced to the staff at the NCC and was positively received. Project costs will be favourable to budget and benefits are on track. Implementation is scheduled for mid-August, with a possible delay if hardware from a supplier is not received on time.
- **Calgary Production, Walk in Units** – Labworks is the company that designed and installed the walk-in freezer units in both Brampton and Dartmouth. Based on issues with those units, the company has not been included in the design for the new Calgary site. Labworks is not pleased with this announcement and has made outreach to a board member and a former health minister and also indicated they may reach out to the media. The board was instructed to direct any further outreach, if any, to Pauline Port.
- **Ransomware cyber-attack update** – As reported to the board via email, Canadian Blood Services was not affected by the global ransomware cyber-attack in mid-May. Five workstations were identified with the virus, but as the workstations were securely configured, no damage was done. There has been no business impact or loss of data due to this attack.
- **Quarterly cybersecurity report** – IT has begun to generate quarterly cybersecurity reports to EMT. The report is organized around the four domains of the cybersecurity program (secure state, vigilance, resilience and governance), and was included in the board package for this meeting.

- The board was asked if they would like to receive copies of this report moving forward and what level of detail was appropriate. Given the evolving nature of cyberattacks occurring world-wide, the board would like to see this report on a quarterly basis and noted that the level of detail provided this time was adequate. Furthermore, it was noted that a classification system for the types of cyber risks present in the environment would be helpful.
- **ACTION (R. Michaelis):** Provide some form of the cybersecurity report to the board on a quarterly basis, and consideration of a classification system.
- **Health Sector Critical Infrastructure & Cybersecurity update** – Under Minister Ralph Goodale, Minister of Public Safety, the federal government is creating a national forum on critical infrastructure and cybersecurity, across 10 different sectors (e.g., finance, energy, agriculture, food, health, etc.). The purpose is for all sectors of the Canadian economy and society to understand, address and plan for threats to critical infrastructure and cybersecurity. Canadian Blood Services is a member of the Health Sector working group, and remains active in this space.
- **Canadian Transplant Registry (CTR)** – As per K. Young’s update, it was noted that CTR 2.0 scheduled to be launched on June 19, 2017 will most likely be delayed, largely the result of unsuccessful automated failover testing. There has been an escalation to the vendors to identify a root cause, and the likely launch date will be July or September, pending vacation schedules.
- **Introduction of a Chat Bot** – Canadian Blood Services is introducing a Facebook chat bot (conversational user interface tool); it is expected this tool will attract new and lifelong donors into the summer. This chat bot is a first among national blood operators and is another step towards Canadian Blood Services’ digital transformation.

14. 2017 Lifetime Achievement Award Nomination (D. Devine)

The Board received an update on management’s proposed nominee for the Canadian Blood Services 2017 Lifetime Achievement Award, Professor Nancy Heddle from McMaster University, Hamilton. The following resolution was passed.

***WHEREAS** Recipients of the Canadian Blood Services Lifetime Achievement Award are selected based on contributions to Canada’s blood system and recognition in the field of transfusion medicine or transplantation;*

*After review and discussion, **ON MOTION** duly made, seconded and unanimously carried, **IT IS RESOLVED THAT:** Prof. Nancy Heddle be awarded the 2017 Canadian Blood Services Lifetime Achievement Award.*

L. Hollins thanked the board and management for their participation, and the meeting adjourned for the day at 4:40 p.m. MT.

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15. The board re-convened at 7:35 a.m. for an in-camera session with and without the CEO.

At 8:55 a.m. the closed portion of the meeting resumed.

16. Enterprise Risk Management report (A. Pateman)

Andrew Pateman, Vice President, Talent Management and Corporate Strategy, sought the board's input and guidance on any risks requiring further clarity from the Q2 Enterprise Risk Management (ERM) report, and confirmation from the board that they were satisfied with the appropriate controls and mitigations in place. Two risks for which the board has direct oversight, and for which the risks are also rated as high, were reviewed:

- **Risk A – operational independence:** Risk remains high due to the current fiscal climate and the challenge of obtaining funding for the plasma strategy. Under the leadership of the new lead province (Saskatchewan), the establishment of a National Accountability Agreement is expected to advance forward. Such an agreement would help to clarify roles and responsibilities between Canadian Blood Services and corporate members (provincial/territorial ministers of health). It was noted this risk is trending downwards.
- **Risk H – digital transformation:** Current risk rating remains high given changes underway with the Deeper Connections digital transformation and the internal changes required to support the organization's enterprise wide digital transformation still to be defined.

The board confirmed they were satisfied with the controls management has in place and there was no further discussion.

17. Committee Reports

Finance & Audit (W. Gladstone)

Wayne Gladstone, Committee Chair, presented the report of the Finance & Audit Committee, which met on June 21, 2017. The committee undertook the following substantive work in accordance with the committee's Terms of Reference (including matters reviewed and presentations received):

- **Employer Contributions for the Defined Contribution Pension Plan:** The committee approved a 0.4% increase effective January 1, 2016.
- **Internal Audit Charter:** The committee approved the Internal Audit Charter.
- **Pension plans:** The briefing on pension plans included the financial statements & audit findings on the Defined Contribution (DC), Defined Benefit (DB), and Executive Plans. The committee also reviewed the valuations for the DB and Executive Plans. An update on plan interpretations was provided along with a description of an enhanced procedures process.
- **Review of the financial results for the year ended March 31, 2017:** Highlights included a \$3.2 million operating surplus which was applied to reduce the provincial/territorial cost for PPP. Canadian Blood Services has drawn on a line of credit to the extent of \$24 million in order to address cash needs. The issues relating to the cash situation for the company were discussed at the open meeting. Receivables from the provinces were \$62.6 million at year end. These have subsequently been reduced to \$32.4 million in May. There was a foreign exchange loss of \$20.9 million resulting from the approved hedging strategy. Approval of the annual consolidated audited financial statements occurred during the public portion of the meeting.

- **Results of the Annual Financial Statements for Canadian Blood Services and its subsidiaries CBSI and CBSE:** The External Auditor had no significant issues and provided a clean audit report without qualifications.
- **Risk I – Financial health and sustainability:** Current risk rating remains medium, and continues to trend to high. A realized \$20.9 million loss has occurred as a result of foreign exchange; while Canadian Blood Services has entered into hedging contracts, the organization will be locking in the rate in order to secure an amount that is predictable in negotiations with the provinces/territories. Discussions are ongoing regarding the use of CBSI surplus capital.
- **Annual function review:** Confirmed the committee had fulfilled the functions as described under the Finance & Audit Committee's Terms of Reference.

Safety, Research, and Ethics (G. Glavin)

Gary Glavin, Committee Chair, presented the report of the Safety, Research and Ethics Committee, which met on June 21, 2017. The committee undertook the following substantive work in accordance with the committee's Terms of Reference (including matters reviewed and presentations received):

- **Safety issues:** The Zika outbreak has tapered off although the US will continue to do NAT testing on all donations for another year. West Nile Virus season is approaching and reports of large mosquito infestations have been received which may exacerbate the issue this season. The issue of Hepatitis E virus is being examined further. It is estimated to occur in 1/4000-5000 donations tested and Canadian Blood Services and Héma-Quebec will do a formal Risk Based Decision Making analysis as to what hepatitis E risk mitigation might look like.
- **Quality and Compliance:** All quality targets were met again this quarter. There is a trend toward greater consistency in quality measures which reflects the increasing traction of the overall quality management program. All Health Canada audits were clean and no critical observations were noted for the 7th consecutive year. The CAPA program continues to improve.
- **Donor relations:** Female haemoglobin deferrals have decreased to 8% from 12% a year ago. The active donor base increased by over 18,000 in Q4. The shift to digital continues to gain traction toward the target of 60% of appointments made digitally.
- **Supply chain:** The group is engaging with SAP to conduct a workshop for better end-to-end supply chain integration. The goal is improved supply chain performance in terms of, among other things, better responsiveness and service to hospitals as well as the goal of reduced discards and outdates. An Integrated Business Planning pilot will commence this quarter.
- **Risk G – Donor and registrant base:** The emergence of for-profit plasma organizations and the risk of losing a generation of younger donors was flagged as an area of critical importance to monitor. Canadian Blood Services will continue to monitor the for-profit plasma space and the effect on the younger donor.
- **Annual function review:** Confirmed the committee had fulfilled the functions as described under the Safety, Research & Ethics Committee's Terms of Reference.

Talent Management (C. Knight)

Craig Knight, Committee Chair, presented the report of the Talent Management Committee, which met on June 21, 2017. The Committee undertook the following substantive work in accordance with the Committee's Terms of Reference (including matters reviewed and presentations received):

- **A name change to the Talent Management Division at Canadian Blood Services:** As of June 30 the new name is: People, Culture and Performance.
- **Annual function review:** Confirmed the committee had fulfilled the functions as described under the Talent Management Committee's Terms of Reference

Governance (D. Russel / Acting Chair for Henry Pankratz)

Dunbar Russel, Acting Committee Chair, presented the report of the Governance Committee, which met on June 21, 2017. The Committee undertook the following substantive work in accordance with the Committee's Terms of Reference (including matters reviewed and presentations received):

- **Board member compensation:** In response to the EY Performance Review, the committee discussed the issue and will present its recommendations to the board at the September 2017 meeting.
- **New director orientation:** The committee discussed approaches to orientation and will receive a proposed program at the September 2017 meeting. A board mentor-system was suggested.
- **A review of board agendas and materials:** Suggestions for placing substantive items at times on the agenda where members of the board are fresh and the more effective use of the consent agenda were communicated to the Board Chair. These will be considered in the development of future agendas.
- **Annual function review:** Confirmed the committee had fulfilled the functions as described under the Governance Committee's Terms of Reference.

National Liaison Committee (K. Glasgow / B. Teskey)

Kevin Glasgow and Bob Teskey, Co-Chairs, provided an update of the last meeting which occurred on March 6, 2017. The Committee undertook the following substantive work in accordance with the Committee's Terms of Reference (including matters reviewed and presentations received):

- **Committee vacancies:** The Co-chairs will be undergoing a strategic review of current committee vacancies and staff have been directed to prepare a list of prospective candidates for review.
- **Draft agenda for the September 2017 NLC meeting:** A draft agenda is expected to be in place by mid-July. Board members are invited to forward any topics or issues they wish to propose for committee consultation to the National Liaison Committee Co-chairs.

CBS Insurance Company Ltd (CBSI) and Canadian Blood Services Captive Insurance Company Ltd (CBSE) (W. Gladstone)

W. Gladstone provided an update through the tabling of the annual reports of major activities for the two captive insurance subsidiaries. Operations of both subsidies continue to progress well.

- The External Auditors had no significant issues and provided clean audit reports without qualification.
- An internal review of CBSI's policies and procedures was undertaken by the internal auditor. This review concluded the policies and controls currently in place are adequate although some additional documentation would be appropriate and advised.
- A first party cyber insurance policy was implemented and is currently active.

18. Board report – Fulfillment of functions (R. Teskey)

The second day concluded with a confirmation by the board that the functions as set out in the Terms of Reference had been fulfilled.

Under the consent matters and information updates, the following was discussed:

- **Proposed meeting dates:** A request to include orientation dates once they have been determined, and appoint mentors for new board members as soon as the new board members are announced.
- **Breakfast reception comments:** It was noted that the breakfast reception held the morning of June 22, 2017 went very well, even with a relatively small turnout.

L. Hollins expressed her gratitude to the full board, management team, and all Canadian Blood Services staff for the hard work in the preparation and delivery of June's open board meeting.

The next meeting will be held in Ottawa on Sept. 12 -14, 2017.

The meeting adjourned at 1:07 p.m. MT.

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