

Board Meeting Minutes (Closed)

Date	March 8 & 9, 2018		
Dial-in #	N/A	Conference ID	N/A
Web meeting info	N/A	Location	Canadian Blood Services Head Office Alberta Boardroom
Chair	Mel Cappe	Recording secretary	Sheila Ward
Board members	Present: Mel Cappe (Chair); Kelly Butt, Wayne Gladstone; Dr. Kevin Glasgow; Craig Knight; David Lehberg; Elizabeth Martin; Anne McFarlane; Dunbar Russel; Suromitra Sanatani; Dr. Jeff Scott; Mike Shaw; Glenda Yates. Regrets: N/A		
In attendance	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); Dr. Isra Levy (Vice President, Medical Affairs & Innovation); Ron Vezina (Acting Vice President, Public Affairs); Judie Leach Bennett (Vice-President, General Counsel & Corporate Secretary).		
Joining by phone	N/A		

The Chair, Mel Cappe, called the meeting to order at 1:00 p.m. ET on March 8, 2018 and welcomed board and EMT members to the meeting.

1. Approval of Agenda

After review, **ON MOTION** duly made and seconded, the agenda was unanimously approved.

2. Conflict of Interest Declarations

On invitation from the Chair, no conflicts of interest were declared.

3. Approval of Minutes

ON MOTION duly made and seconded, the minutes of the December 7, 2017 public meeting were unanimously approved.

ON MOTION duly made and seconded, the minutes of the December 7-8, 2017 closed meeting were unanimously approved.

4. Business Arising

There was no business arising, aside from those items already included in the agenda.

5. Report of the Chair (M. Cappe)

M. Cappe noted that, as the new board chair, he was taking every opportunity to become familiar with the work of Canadian Blood Services and he was struck by the complexity of the organization, as well as the scope and significance of work done. He shared that he was impressed by the quality of the management team and by the high-performing board.

6. Report of the CEO (G. Sher)

G. Sher provided the board with an update on key activities and emerging issues. He noted that, beginning in June, a short video describing a patient story will be presented at each board meeting.

Q3 2017-2018 Performance and Risk Summary

A presentation on Q3 risks and performance was presented and discussion ensued. Key highlights of the discussion included:

- Successful negotiation of the 2018-19 budget letter and endorsement by deputy ministers.
- The Cord Blood Bank continues to list cord blood units of high quality as all quality index measures were exceeded for the third straight quarter.
- There were periods of low O-negative inventory leading to order reductions nationally and a Green Phase Advisory (asking hospitals to reduce O-negative inventory by 10%). Actions are being taken to rebuild the inventory.
- Changes to the platelet program have been effective in reducing platelet discards.
- Waitlists for some organs are improving, according to new data released by Canadian Blood Services and Canadian Organ Replacement Register-Canadian Institute for Health Information (CORR-CIHI) for the 10-year period to the end of 2016.
- Although challenges with donor appointment performance was seen across all channels in Q3, it was noted that the volume of digital self-scheduling appointment bookings had increased. Board members requested additional information about the relationship between appointment bookings, donor attendance, and successful whole blood collections required to meet inventory targets.

ACTION: It was agreed that a presentation clarifying the interaction of factors impacting inventory targets would be made at the June board meeting.

- Productivity metrics are being impacted by lower than expected attendance-collection performance; however, progress against in-year efficiency savings is above target. It was noted that the decline in demand for red cells is a significant contributor to the performance on the productivity metric. This metric is an international benchmark measure which is used to compare performance across blood operators. After a discussion about efficiency and productivity targets, it was suggested that thought should be given to developing an additional measure that would supplement the productivity measure, one that takes into consideration the benefits that the reduction in demand has on reducing costs in the health care system due to fewer transfusions.

ACTION: Management will determine if there is sufficient information to develop a measure that takes into consideration the benefits to the health care system of decreased demand.

ACTION: A report on the timing and achievement of the efficiency target will be prepared for the June board meeting.

- The rate of moderate and high-risk quality events decreased due to streamlining and/or automation of certain key processes and the continued emphasis on quality by management.

Summary of Q3 2017-2018 Emerging Issues

Plasma Protein Products (PPP) Request for Proposal (RFP): Call with Deputy Ministers

Following the release of the PPP RFP results, there was significant feedback from patient and physician stakeholders and one vendor in particular. Deputy Ministers were updated on this feedback in January. Discussion included an overview of the RFP process, contractual enhancements, transition process, and our response to stakeholders. The new PPP contracts begin on April 1, 2018.

Health Care Cybersecurity

G. Sher reported on a health care cybersecurity summit, noting health care in Canada is behind other industries on this front. A review of activities in other countries revealed that the U.S. is driving awareness and compliance through legislation, the U.K. is driving cybersecurity down to hospital level, and France used their experience with terrorist activity to make cybersecurity for hospitals a priority. Increasingly, cybersecurity is being carried out by organized crime and terrorist nation states, debunking the stereotype of the lone hacker. Canadian Blood Services appears to be further ahead in cyber protection, implementing a cybersecurity policy and plan, including regular discussions with the executive management team and the board.

Health Canada Evaluation Report

Every five years Health Canada undertakes an evaluation of the value for money provided to the Centre for Innovation and the Organ Donation and Transplantation (ODT) programs. This year the Centre for Innovation received a very positive report and it was acknowledged that for a low level of investment there is a high level of return of value for the country. The report on the OTDT program contained positive comments but the evaluators noted a need for Health Canada to consider methods to improve inter-jurisdictional collaboration and decrease the potential for duplication.

G. Sher also provided brief updates on the source-to-pay transformation project; the studies currently being conducted with grants awarded through Canadian Blood Services' "Men who have sex with men" (MSM) research program supported by Health Canada funding; and the efforts to sell the Saskatoon facility.

7. Enterprise Risk Management (A. Pateman)

A. Pateman reported on the status of two risks for which the board has oversight that had been rated high in the Q2 report: Risk A, operational independence, and Risk E, business continuity.

For Risk A, operational independence, a number of positive factors that had developed over Q3 contributed to the reduction of this risk from high to medium. These factors included: collaborative, consistent leadership of the PTBLC by Saskatchewan; continued effectiveness of the corporate budget process; and approval of a new board chair. Some board members expressed concern that several other factors such as negotiations on the National Accountability Agreement, the issue of paid plasma, and the proposed provincial/territorial mandate letter introduced additional risk that could affect operational independence. In response to questions about the intent and timing of the mandate letter, G. Sher advised that it is expected the lead Minister will provide the letter to the Chair at the Special Members Meeting but Canadian Blood Services will not be provided with an advance copy for review or response. It was agreed that the board requires regular updates about this important strategic issue.

Risk E, business continuity, continues to be rated high, principally because of the potential for an OPSEU strike in Ontario and the impact that would have on the nation's blood supply.

8. Diversity and Inclusion Strategy (A. Pateman)

J. McCormick, Director, Employee Relations and K. O'Brien, Talent Management Programs, joined the meeting for this item and assisted A. Pateman in presenting the new diversity and inclusion strategy. In developing the strategy, Canadian Blood Services worked with the Canadian Centre for Diversity and Inclusion (CCDI) which conducted an assessment of the current state of diversity and inclusion in the organization. The resulting strategy sets a vision for the future where diversity and inclusion will be integral to our commitment to service excellence.

In response to a question about how far Canadian Blood Services is from the desired state, the board was advised that prayer and reflection rooms have been introduced, trans training for frontline staff is in development, along with a series of other initiatives. The goal for this year is to develop metrics to measure progress against the goals set, and work is underway in that regard. It was suggested that metrics from experts be obtained to help identify what can be accomplished in the next few years.

It was noted that diversity refers to diversity of thought and opinion, as well as ethnicity or religious diversity. The inclusion focus also includes people in various roles and levels within the organizational structure. Board members suggested the diversity and inclusion strategy should be extended to donors and volunteers and to the board itself as well as board committees such as the National Liaison Committee.

ACTION: It was agreed that a diversity and inclusion training session would be provided to the board at the September meeting.

ACTION: Management was requested to provide the board with regular updates on the diversity and inclusion program's progress.

9. Plasma Program Update (G. Sher)

E. Stucker, Director of the Plasma Project, joined the meeting and presented on the increasing global demand for Intravenous Immunoglobulin (Ig) and the current and forecasted requirements for Ig in Canada. She then provided an overview of Canadian Blood Services' plan for ensuring an adequate supply of Canadian plasma for manufacture into Ig. The business plan, which was submitted to governments for consideration, outlines the potential impacts of the supply risk and how the risk could be significantly mitigated by increasing plasma collections via non-remunerated donors. E. Stucker explained that a 50% sufficiency target had been established (i.e. enough plasma would be collected to produce 50% of Canadian Ig requirements) as it was determined this target would provide an adequate level of risk mitigation, with 50% of Ig obtained from Canadian plasma and 50% from commercial sources.

ACTION: Board members requested additional detail around the 50% sufficiency level calculation, as well as information on countries with for-profit and not-for-profit plasma collectors and the plasma price differential between the two types of collectors.

It was noted that countries, and likewise Canadian provinces, which have introduced utilization control programs have not seen significant reduction in utilization rates. Expenditure caps by governments seem to be one possible effective means of controlling Ig use, although the extent to which this will impact the demand curve is not clear.

E. Stucker noted that Health Canada had established an 'expert panel' to analyze the issues brought forward by Canadian Blood Services. While the federal, provincial/territorial ministers of health agreed that Canada needed to increase the plasma supply, they had also indicated their decision-making would be informed by the final report of the expert panel which is expected at the end of March 2018.

While the business plan has been under review during the last year, plasma sufficiency levels have declined another 2 per cent, sitting at 15 per cent in January 2018. Given the known risks and the impacts that Ig supply constraints would have on patients, it is important to act expeditiously.

10. Corporate Plan Development and Budget Drivers 2019-2022 (P. Port)

P. Port provided an overview of the corporate plan development and drew the board's attention to matters that management is addressing to ensure successful negotiation of the 2019-2020 budget. She explained that provincial/territorial performance reviews of Canadian Blood Services' operations are expected periodically and that one is due in 2020. She noted that there is significant cost that must be borne by the organization, in the range of \$1 million, and this amount would need to be included in the corporate plan. After discussion, it was agreed that the Chair would raise the issue with the lead province at an appropriate time and that a placeholder should be included in the corporate plan.

The board meeting adjourned for the day at 4:30 p.m.

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The board reconvened on March 9, 2018 at 8:30 a.m.

11. In camera session with/without the CEO

The board conducted confidential business in an in camera session. The regular board meeting reconvened at 10:30 a.m. ET.

12. Organ Donation and Transplantation Program (I. Levy)

I. Levy provided an overview of activity in the Organ Donation and Transplantation (ODT) program and advised that Canadian Blood Services had received Health Canada's verbal commitment for \$3.8 million for the ODT program for the next three years.

I. Levy highlighted that 400 kidney transplants had been effected through the Highly Sensitized Patient program which enabled these patients to receive a life-changing kidney transplant, which previously was unlikely given, necessitating years on wait lists and dependence in many cases on expensive dialysis therapy, with poor quality of life. Responding to a question about net savings to the health care system from organ transplantation, board members were advised that in the context of kidney transplantation the average is \$80,000 savings per year in avoidance of dialysis for the life of the patient. As of last year, it is conservatively estimated that health system have avoided in excess of \$16M in dialysis costs alone, as a result of the numbers of transplants effected through the Canadian Transplant Registry.

13. Introduction to CBSI/E and Reallocation of Policy Limits (J. Leach Bennett)

J. Leach Bennett provided the board with a detailed overview of the captive insurance program and described Canadian Blood Services' current efforts to address Recommendation 23 in the accountability framework governing the captive insurance program. She advised that she would be seeking board approval to proceed, with appropriate due diligence, to increase the primary policy limit in CBSI and reduce the P/T's indemnification obligation in the excess captive CBSE.

W. Gladstone confirmed that the board of CBSI supports the proposal and is satisfied that the proposed initiative is financially prudent.

After further discussion, the board endorsed the proposal, acknowledging that the captive support agreement would likely be re-opened in order to reduce the P/T indemnification obligation supporting CBSE.

ON MOTION, duly made and seconded, it was unanimously **RESOLVED THAT** the Canadian Blood Services Board of Directors authorizes and directs management and the CBSI and CBSE boards

(a) to undertake, with all necessary due diligence, a work plan to increase the aggregate limit of the CBSI Comprehensive Blood Risks Liability Insurance policy from \$250 million to \$300 million and decrease the limit of the CBSE policy to \$700 million;

(b) to determine a process for managing limits reallocation in the future;

to work with affected stakeholders (e.g. P/Ts, regulatory authorities) in carrying out the work plan, contingent on retaining reasonable terms in the captive support agreement.

14. IT Landscape at Canadian Blood Services (R. Michaelis)

R. Michaelis, CIO, gave an educational presentation to the board on the IT landscape at Canadian Blood Services, the criticality and growing importance of IT systems and applications, and addressed a number of questions from the board. He confirmed that Canadian Blood Services complies with all legal and regulatory requirements including privacy. The IT department works with the Legal department to understand obligations regarding privacy protection and reporting. Regular IT updates will be provided to the board.

15. Committee Reports

Talent Management Committee

C. Knight presented the report of the Talent Management Committee, noting that the committee had reviewed the CEO direction letter and had reviewed and approved the CEO performance plan for 2018-19. The committee had received reports on a variety of matters including occupational health and safety, labour relations, talent management and had no significant concerns requiring additional follow-up.

Finance and Audit Committee

W. Gladstone provided an overview of the substantive work the Finance and Audit Committee had undertaken including reviewing the financial results for nine months ending December 31, 2017, a report on contracts with outside parties, and foreign currency implications. The committee had requested a review outlining the pros and cons of using multi-year hedging to cover multi-year contracts. W. Gladstone also reported that the Finance and Audit Committee had approved the following items in accordance with delegation of authority from the board: the internal audit plan for 2018-19; the external auditors audit plan; and the issuance of an RFP for external audit services. The Committee presented a resolution for consideration by the board relating to management of surplus funds.

After review and discussion, **ON MOTION** duly made, seconded and unanimously carried, **IT WAS RESOLVED THAT** any surpluses in the fresh blood products and stem cells programs be returned to Members in the form of a credit applied against amounts owing from the Members for plasma protein product utilization above budget for the year ended March 31, 2018.

Safety, Research and Ethics Committee

K. Glasgow reported on two matters discussed by the Safety, Research and Ethics Committee that were considered of importance to the board. He noted that Risk G, Donor and Registrant Base, had been reduced to a medium level risk with the concurrence of the committee; however, it was the view of the committee that the future risk rating should be maintained at the same level. He also pointed out that Risk G will need to capture risks associated with execution of the plasma strategy which are not explicitly addressed by the current risk profile. The board discussed the points raised by the committee about Risk G, noting the need for assurance that the Deeper Connections program is delivering on its goals.

ACTION: Management was requested to further consider the risk rating as it is currently presented and to specifically delineate the donor base risks captured within Risk G, such as the risk for achieving sufficient plasma donations and the risk associated with attracting new donors, beyond maintaining current donors.

The board was advised that feedback from National Liaison Committee members on the plasma protein products transition was highlighted for Safety, Research and Ethics Committee members. Management will take this feedback into account in the planned transition process. K. Glasgow also advised that the committee had received a worthwhile educational session on the “corrective action, preventive action” (CAPA) program, and he recommended that the session be made available to the full board.

National Liaison Committee

K. Glasgow indicated that the initial National Liaison Committee (NLC) report was updated after the NLC meeting on March 2, 2018. He reported that the NLC is developing a skills matrix in preparation for membership renewal, noting that the committee is looking to increase participation from youth, visibly diverse, and gender inclusive Canadians.

ACTION: Board members who may have suggestions for prospective NLC members were encouraged to contact either of the NLC co-chairs. Board members were also encouraged to provide suggestions for specific issues they would like discussed by the NLC.

K. Glasgow and D. Lehberg shared feedback received from NLC members on the plasma protein products portfolio transition which included concerns about Health Canada’s adverse event reporting system and management of reactions to new products, perceived undue emphasis on cost savings, and the importance of monitoring patients during the transition to new products.

Some NLC members expressed confusion about the role of CADTH and that of Canadian Blood Services in the addition of new drugs and therapies to the plasma protein product portfolio. G. Sher noted that the process for adding new drugs to the formulary, which includes a review by CADTH, is required by the Provincial Territorial Blood Liaison Committee. He advised that the joint NLC/Board meeting in September is designed to solicit NLC input into strategic decisions and suggested that this item may be worthy of discussion at that meeting.

16. Chair’s Discussion on Board Operations

The Chair asked for feedback from board members on all aspects of board operations including agendas, meeting material, and the board portal, and received detailed feedback that management will address.

17. Expression of Appreciation

The Chair thanked board members for their active participation and expressed special appreciation to Elizabeth Martin for her contribution to the board.

18. End of Meeting

The meeting ended at 2:00 p.m. on March 9, 2018.