



May 8, 2015

Ms. Kindree Draper, Corporate Relations Director
Public Sector Employers' Council Secretariat
Kindree.Draper@gov.bc.ca

Mr. Pamaljit Gill, Industry Advisor, Management Compensation
HEABC
PamG@heabc.bc.ca

Dear Ms. Draper and Mr. Gill:

**RE: 2014/2015 Compensation Disclosure Report
Statement of Executive Compensation, Provincial Health Services Authority**

I have attached the following:

1. 2014/2015 Statement of Executive Compensation for the Provincial Health Services Authority
2. Completed Excel template
3. Attestation signed by Mr. Wynne Powell, PHSA Board Chair, addressed to the CEO & President of PSEC Secretariat

I can confirm plans and contracts for disclosed executives are entered into the Senior Employee Compensation Database.

Please contact me at 604-675-7410 if you have any questions.

Sincerely,

Lara Barley
Chief Human Resources Officer – Interim
Provincial Health Services Authority

Att.

cc: Shera Clement, Executive Director, Financial Reporting & Controls, Financial Services, PHSA
Janice Kam, Corporate Manager, Financial Policies & Special Projects, Finance
Theresa Kennedy, Interim Chief Communications Officer, PHSA

May 6, 2015

Ms. Christina Zacharuk
Interim President and CEO
Public Sector Employers' Council Secretariat
210 - 880 Douglas Street
Victoria, BC V8W 2B7

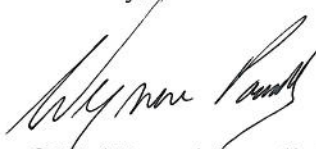
Dear Ms. Zacharuk:

RE: 2014/2015 Statement of Executive Compensation – Provincial Health Services Authority

The 2014/2015 Statement of Executive Compensation of the Provincial Health Services Authority (PHSA) has been reviewed and approved by myself as Board Chair of PHSA. I confirm the following:

- The board is aware of the executive compensation paid in the prior fiscal year.
- The compensation information being disclosed is accurate and includes all compensation paid by PHSA, foundations, subsidiaries or any other organization related to or associated with PHSA. It also includes the value of any pre or post-employment payments made during the 12 month period before or after the term of employment.
- Compensation was within approved compensation plans and complies with government guidelines including the Taxpayer Accountability Principles.

Sincerely,



G.W. (Wynne) Powell, CPA, FCGA, D. Tech (Hon.)
Board Chair
Provincial Health Services Authority

Attach.

**Public Sector Executive Compensation Reporting
Provincial Health Services Authority (PHSA)
Statement of Executive Compensation
2014/2015**

COMPENSATION DISCUSSION AND ANALYSIS

PHSA plans, manages and evaluates specialty and province-wide health care services across BC, working with the five geographic health authorities and the First Nations Health Authority to meet local and provincial needs. The goal is to ensure that everyone in the province has access to the kind of specialized health services they need, when they need them, wherever they live.

PHSA achieves this goal by fulfilling three main roles:

1. It is responsible for managing and governing well-known specialized agencies and services including :
 - o BC Cancer Agency
 - o BC Centre for Disease Control
 - o BC Children's Hospital and Sunny Hill Health Centre for Children
 - o BC Mental Health Substance Use Services (including Forensic Psychiatric Services and the Burnaby Centre for Mental Health and Addiction)
 - o BC Renal Agency
 - o BC Transplant
 - o BC Women's Hospital & Health Centre
 - o Cardiac Services BC
 - o Perinatal Services BC
 - o Trauma Services BC
2. It plans, coordinates, evaluates and, in some cases funds, specialized services delivered by the regional health authorities. PHSA's role supports the accessibility, quality, efficiency and effectiveness of province-wide programs and services. It plays a lead role in several consolidated service delivery lines including Lower Mainland Pathology and Laboratory Medicine and Information Management/Information Technology Solutions (IMITS).
3. It supports major health system collaboratives through its two divisions:
 - o BC Emergency Health Services (including BC Ambulance Service and the Patient Transfer Network)
 - o Health Shared Services BC (HSSBC)

Provincial Health Services Authority (PHSA) is a member employer of the Health Employers Association of BC and is governed by the HEABC Compensation Reference Plan. The Plan has been developed pursuant to the statutory requirements of the Public Sector Employers Act and is applied across the member employers of HEABC for non-union, management and executive roles within healthcare. As with other public employers, we are also subject to policies determined by the Public Sector Employers Council Secretariat (PSEC).

Compensation Principles

PHSA's compensation principles are consistent with the compensation principles contained in the Compensation Reference Plan Guidelines. The principles are:

- Jobs not covered by collective agreements will be compensated in a fair and equitable manner.
- Levels of compensation will be valid and defensible to full disclosure, thus ensuring accountability to the public and alignment to the 2014 Taxpayers Accountability Principles of: Cost Consciousness (Efficiency), Accountability, Appropriate Compensation, Service, Respect and Integrity.
- In particular, in respect of the principle of Appropriate Compensation, this means that PHSA complies with a rigorous, standardized approach to performance management and employee compensation which reflects appropriate compensation for work across the public sector that is consistent with government's taxpayer accountability principles and respectful of the taxpayer.
- To ensure equity, appropriate systems will measure and recognize the composite value of the skill, effort, level of responsibility and working conditions involved in performing the duties of jobs across the health care sector.

Compensation Policy Objectives

PHSA's Compensation Policy Objectives are consistent with the compensation policy objectives contained in the Compensation Reference Plan Guidelines. Like other Health Authorities, PHSA has been subject to a management wage freeze since September 2012. The objectives as outlined are as follows:

- Health care's non-contract compensation plan would address the expectations of trustees, employers, employees and the Government.
- A defensible compensation system responds to broad equity issues. The compensation system recognizes the responsibility of the health care sector to establish compensation levels that acknowledge fairness and the public's ability to pay.
- Compensation levels must be at a level so that health care employers can attract, motivate, and retain qualified individuals. Fundamental to this statement is the fact that health care compensation practices cannot lead the market. This ensures that taxpayers receive the maximum benefits from qualified individuals occupying jobs within the health care sector.
- Compensation levels must be competitive to control unnecessary levels of turnover.
- Compensation levels will be based on an analysis of internal and external compensation levels. The comparison would consider the type and range of organizations from which health care sector employers must recruit and retain highly qualified individuals.
- Internal equity requires that compensation be relative to the worth of jobs as measured by the composite value of skill, effort, responsibility and working conditions. External equity requires that compensation be relative to an acceptable composite market.

- Compensation should reinforce and reward performance. Employers shall establish measurable performance standards.
- Compensation policies should comply with the intent and requirements of legal obligations by being non-discriminatory in nature.
- Compensation policies and programs must be designed to be efficiently administered. The salary ranges will group jobs of similar value, and common impact and magnitude.

Compensation Survey

HEABC is responsible for conducting an annual cash compensation survey to ensure appropriate internal and external equity are maintained.

Job market matches shall be appropriate to the type of position: local for administrative support positions; and provincial or national for managerial positions and provincial, national and international for executive positions. The comparison of compensation shall be to relevant external labour markets.

Compensation Reference Ranges

HEABC is responsible for providing healthcare employers with reference salary ranges. The reference salary ranges will be based on the 50th percentile of the blended health care and external market pay policy lines. The salary reference ranges will include provisions for an adequate range and spread of salary rates to reflect developmental, job standard, and above standard rates.

PHSA establishes salary ranges that conform to the reference salary ranges.

The comparison ratio calculation is the total of the organization's actual salaries divided by the total of the appropriate market reference rates. Employers are responsible to administer salaries within the reference salary ranges.

Circumstances may require employers to establish job rates that exceed the recommended market reference rates. These circumstances typically are the result of supply and demand factors, or unusual or emergent conditions within the organization. Employers, in consultation with HEABC, may establish job rates that exceed the recommended reference rates. The organization's overall comparison ratio should not exceed the recommended target.

Circumstances may require employers to extend geographic cost of living considerations in determining the final salaries of executive and non-contract employees. Employers may include a geographic cost of living component provided the organization's overall comparison ratio does not exceed the recommended range.

Circumstances may require employers to address compression or inversion issues between non-contract staff and directly supervised bargaining unit employees. A premium differential of up to 15% may be established where there is a functional supervisory role, with responsibility and accountability for outcomes. This premium differential does not form part of the comparison ratio calculation.

Organization Information Plan

The Organization Information Plan provides a means of grouping organizations with similar characteristics for the purpose of comparing pay practice of these groupings to a relevant external market.

HEABC is responsible for providing healthcare employers with a copy of the Organizational Information Questionnaire (OIQ), instructions on how it should be used, and consulting assistance in order to complete and accurately collect the required information.

Role Assessment Plan

The Role Assessment Plan provides a means of establishing an equitable hierarchy of jobs/roles within an organization, as well as a comparison of jobs/roles across the healthcare sector. The hierarchy of jobs/roles is determined by assessing the skill, effort, responsibility, and working conditions inherent in all jobs/roles in healthcare.

HEABC is responsible for providing the Role Assessment Plan, the Questionnaire, and consulting advice and education on the application of the system. HEABC works with health care employers to ensure the consistent application of the plan through periodic reviews and helps to resolve differences on the application of the plan.

Application of the Compensation Reference Plan

Newly hired employees are placed on the appropriate salary range based on the new hire's work experience, skills, and competencies for placement within the salary range established for the job, in most circumstances, not to exceed the Competitive Market Rate for the job. PHSA has established job rates (Competitive Market Rates) for individual jobs or job classifications consistent with the mandated 50th percentile.

Performance reviews are conducted annually (April each year) using a comprehensive employee performance and development plan tool. The amount of adjustments varies based on the employee's performance evaluation score and the competitive market rate established for the job. Under new PSEC rules for health sector CEOs, a 10% holdback of annual salary was applied to the CEO's compensation and is to be paid based upon achievement of Board approved performance outcomes.

Executive Compensation

The CEO and each named executive officer (NEO) is reported in the Summary Compensation Table of this disclosure pursuant to the Public Sector Executive Compensation Reporting Guidelines. We are unique from the other health authorities, in that PHSA has a specialized and province-wide mandate. As such we provide highly specialized services in areas such as oncology, paediatrics, psychiatry and perinatal care. As a result, we employ a higher number of specialists than other health authorities. In addition, due to our structure, we are responsible for and report out on the Agencies and Services that comprise PHSA, the senior leaders of which are employees of those Agencies/Services or may be paid in whole or in part by a partner organization (eg. an academic centre).

Benefits

PHSA executive benefit package (Standard Executive Benefit Plan – refreshed in January 2015) is comparable to other health sector employers in British Columbia and includes the following key elements:

Medical Services Plan

The PHSA covers the premium costs for participation of the employee and their eligible dependent(s) in the British Columbia Medical Services Plan.

Extended Health Benefits Plan

The Plan provides employees and their dependent(s) with prescription drug reimbursement and other approved paramedical services subject to yearly maximum levels and a deductible of \$100/year effective January 2015. Premium costs are paid by the PHSA.

Dental Plan

PHSA pays the cost of a Dental Plan that provides to the employee and their dependent(s) 100% reimbursement for Basic Services, Prostheses, Crowns, Bridges, and Orthodontics.

Group Life Insurance

This plan provides a non-evidenced benefit of five (5) times annual salary to a maximum of \$1,000,000 to the beneficiary or estate of a deceased employee. PHSA pays the cost of premiums.

Dependent Group Life Insurance

This plan provides for \$10,000 spousal insurance and \$5,000 insurance for each dependent child. PHSA pays the cost of premiums.

Accidental Death and Dismemberment

This plan provides up to five (5) times annual salary to a maximum non-evidenced coverage of \$1,000,000 in the event of accidental death or dismemberment. PHSA pays the premium costs.

Long Term Disability Insurance

This plan provides continuing income in the event of total disability after a qualifying period. The taxable benefit is 77% of pre-disability gross salary to a maximum non-evidenced monthly benefit of \$10,000. PHSA pays the premium costs.

Sick Bank

While incapacitated for non-occupational illness or injury, sick leave credits shall be accumulated on the basis of one and one-half (1½) work days per month, cumulative up to one hundred and fifty-six (156) work days; prorated for part-time employees.

Pension Plan

Eligible executives participate in the Municipal Pension Plan or the Public Service Pension Plan.

Perquisites

The CEO and COO are provided a vehicle allowance. Parking is paid for by PHSA for the CEO and executive staff located at PHSA's corporate office.

Annual Leave

Subject to portability rules, executives are eligible for annual vacation entitlements as follows:

- Up to a maximum of twenty (20) days after one (1) year of service and up to four (4) years of service.
- After four (4) years of continuous service, one (1) additional day for each additional year of employment, up to a maximum of thirty-five (35) days.

**Public Sector Executive Compensation Reporting
Provincial Health Services Authority (PHSA)
Statement of Executive Compensation**

Summary Compensation Table at FISCAL, 2015

Name and Position (a)	Salary (b)	Bonus and / or Incentive Plan Compensation (c)	Benefits (d)	Pension (e)	All Other Compensation (expanded below)	2014/15 Total	Previous Two Years Totals	
							2013/14	2012/13
Carl Roy, President and Chief Executive Officer	\$ 311,501	\$ 34,700	\$ 12,727	\$ 29,763	\$ 21,126	\$ 409,818	\$ 348,229	\$ 316,905
Arden Krystal, Executive Vice President and Chief Operating Officer	\$ 273,000	\$ -	\$ 15,657	\$ 25,982	\$ 9,240	\$ 323,878	\$ 320,385	\$ 306,928
Leslie Arnold, Vice President, Provincial Child Health and Provincial Mental Health & Substance Use	\$ 268,320	\$ -	\$ 8,821	\$ 24,499	\$ 6,195	\$ 307,835	\$ 313,693	\$ 312,163
Linda Lupini, Executive Vice President, PHSA & BCEHS	\$ 271,237	\$ -	\$ 13,023	\$ 25,815	\$ 3,925	\$ 314,000	\$ 286,029	\$ 20,479
Max Coppes, President, BC Cancer Agency	\$ 400,000	\$ -	\$ 21,618	\$ 39,058	\$ 46,934	\$ 507,610	\$ 561,356	\$ 331,182
Nick Foster, Interim Vice President, Provincial Cancer Care and Head of BC Cancer Agency	\$ 220,051	\$ -	\$ 12,430	\$ 20,739	\$ 13,877	\$ 267,096	\$ 248,585	\$ 237,076

Summary Other Compensation Table at FISCAL, 2015

Name and Position (a)	All Other Compensation	Severance (f)	Vacation payout (g)	Leave payout (h)	Vehicle / Transportation Allowance (i)	Perquisites / other Allowances (j)	Other (k)
Carl Roy, President and Chief Executive Officer	\$ 21,126	\$ -	\$ 11,346	\$ -	\$ 7,800	\$ -	\$ 1,980
Arden Krystal, Executive Vice President and Chief Operating Officer	\$ 9,240	\$ -	\$ -	\$ -	\$ 7,800	\$ -	\$ 1,440
Leslie Arnold, Vice President, Provincial Child Health and Provincial Mental Health & Substance Use	\$ 6,195	\$ -	\$ 6,195	\$ -	\$ -	\$ -	\$ -
Linda Lupini, Executive Vice President, PHSA & BCEHS	\$ 3,925	\$ -	\$ 2,485	\$ -	\$ -	\$ -	\$ 1,440
Max Coppes, President, BC Cancer Agency	\$ 46,934	\$ -	\$ 46,274	\$ -	\$ -	\$ -	\$ 660
Nick Foster, Interim Vice President, Provincial Cancer Care and Head of BC Cancer Agency	\$ 13,877	\$ -	\$ 4,231	\$ -	\$ -	\$ -	\$ 9,646

**Public Sector Executive Compensation Reporting
Provincial Health Services Authority (PHSA)
Statement of Executive Compensation**

Notes:

Certain employees with ten or twenty years of service and having reached a certain age are entitled to receive special payments upon retirement or as specified by collective agreements. These payments are based upon accumulated sick leave credits and entitlements for each year of service. Credits are paid out at the time of leaving the workforce if the person leaves on or after age 55 upon retirement, termination, death or disability. No payout is made in the event that the employee is dismissed with just cause.

Carl Roy, President and Chief Executive Officer

1. Effective January 20, 2014, Carl Roy was appointed as the President and CEO of PHSA. His annualized base salary is \$347,000 and the new pay structure took effect April 1, 2014.
2. In his former role as the Interim President and CEO, Carl Roy's annualized base salary was \$295,000
3. Deferred vacation payout (column g) for FY2013-14 vacation time earned but not taken.
4. Other Compensation (column k) includes employer paid parking.
5. Under new PSEC rules for health sector CEOs, a 10% holdback of annual salary was applied and is to be paid based upon achievement of Board approved performance outcomes. The final payment amount will be confirmed by the Board in June 2015.
6. The increase in total FY2014-15 compensation is due to his new position within the organization and the 10% salary holdback.

Arden Krystal, Executive Vice President and Chief Operating Officer

1. Other Compensation (column k) includes employer paid parking.

Leslie Arnold, Vice President, Provincial Child Health and Provincial Mental Health & Substance Use

1. Deferred vacation payout (column g) for FY2013-14 vacation time earned but not taken.

Linda Lupini, Executive Vice President, PHSA & BCEHS

1. Effective April 10, 2014, Linda Lupini was appointed Executive VP, PHSA & BCEHS with an annualized base salary of \$272,485.
2. In her former role as the Chief Human Resources Officer, Linda Lupini's annualized base salary was \$255,400.
3. Deferred vacation payout (column g) for FY2013-14 vacation time earned but not taken.
4. Other Compensation (column k) includes employer paid parking.
5. The increase in total FY2014-15 compensation is due to her new position within the organization.

Max Coppes, President, BC Cancer Agency

1. Following the July 2014 disclosure, direction was given to PHSA to provide notice to Max Coppes of a 10% reduction in his base salary. PHSA provided 12 months' notice. Mr. Coppes resigned in December 2014.
2. Vacation payout (column g) consists of \$11,282 for FY2013-14 vacation earned but not taken and \$34,992 for FY14-15 vacation earned but not taken.
3. Other Compensation (column k) includes employer paid parking.
4. Between April and December 2014, the BC Cancer Foundation paid Max Coppes an additional \$60,288 for services performed.

Nick Foster, Interim Vice President, Provincial Cancer Care and Head of BC Cancer Agency

1. In his former role as the Chief Operating Officer of BC Cancer Agency, Nick Foster's annualized base salary was \$220,000.
2. Effective Nov 3, 2014 Nick Foster was appointed interimly to Max Coppes' former portfolio. 10% additional pay was effective Nov 3, 2014 and the payment (column k) was processed on May 1, 2015.