

Middlesex Hospital Alliance

Executive Compensation Program

Frequently Asked Questions

Q Why is MHA developing a framework for executive compensation?

A All hospitals and other designated Broader Public Sector (BPS) organizations such as colleges, universities and school boards are required to submit an executive compensation program that meets the requirements of the *Broader Public Sector Executive Compensation Act* (BPSECA) and its Executive Compensation Framework Regulations.

Executive compensation has been frozen since 2009 and this framework will supersede the current restrictions on hospital executive compensation. The goal of the new framework is to create transparency, consistency and accountability across the broader public sector executive compensation programs.

Q How were the salary ranges and comparators determined for the MHA framework?

A Salary and performance-related pay is capped at no greater than the 50th percentile of appropriate comparators. This means that MHA executive salaries are being benchmarked against and paid comparably to similar hospitals in Ontario.

MHA used 12 comparator hospitals to benchmark salary and performance-related pay. When selecting the 12 comparator organizations, MHA primarily considered hospitals that are similar in size and scope of services.

Q Why should the community support increasing salary ranges for hospital executives?

A The framework that MHA has created is one that we believe positions the organization to attract and retain high-quality executives into the future, in consideration of what other comparable hospitals pay their executives.

The executive team is accountable for managing the considerable operations, resources, assets, and finances of the hospital, in a complex and rapidly evolving healthcare environment. They are responsible for ensuring that the hospital operates efficiently and effectively, and that it provides the best quality patient care and clinical services possible in order to meet and exceed the needs of the community in the years and decades ahead.

Q How is MHA planning to consult with the public?

A The framework will be posted on MHA's public website for 30 days as required by the Provincial government. The public will have an opportunity to provide feedback on the framework during that time. Feedback will be considered by the hospital's Board of Directors and is required to be submitted to the ministry before any framework can be put into place.

Q What is the Broader Public Sector Executive Legislation and what is the impact of the legislation?

A In 2014, the Province of Ontario introduced the *Broader Public Sector Executive Compensation Act, 2014* (BPSECA). This legislation authorized the government to establish frameworks and set out principles that all designated Broader Public Sector (BPS) employers must follow regarding executive compensation.

The Province introduced *Ontario Regulation 304/16* in support of the BPSECA, effective September 6, 2016, and subsequently introduced *Ontario Regulation 400/17*, effective November 1, 2017. The regulations set out the details and implementation timelines for executive compensation programs for all employers within the BPS.

Q What is an Executive Compensation Program?

A An Executive Compensation Program sets out the rationale and compensation parameters for executive level positions in our Hospital. This approach balances the need to manage compensation costs with our need to attract and retain the executive talent we seek. In addition, our Executive Compensation Program meets the intent and goals of the ministry of Health and Long-term Care and Treasure Board Secretariat (TBS) to ensure responsible executive compensation management in the Broader Public Sector.

Q Which Executives does this impact at MHA?

A The regulation applies to the President and Chief Executive Officer, Chief of Staff and three Vice-Presidents.

Q Why is Middlesex Hospital Alliance consulting the public on executive compensation?

A The Government of Ontario has introduced a new Executive Compensation Framework and Executive Compensation Program Directive for determining executive compensation in colleges, universities hospitals, agencies, and other parts of the broader public sector, where salaries have been frozen since 2009. As part of that process, MHA, and other hospitals across Ontario are required to "engage in public consultations in which members of the public have a reasonable opportunity to provide comments on the matter in which the designated employer determines the compensation it may provide to its designated executives." A designated employer "seeks public comment by posting its proposed executive compensation program on its public-facing website for a minimum of 30 days."

Q What are you hoping to get out of the consultation?

A Everyone's thoughtful and constructive input will help us develop the best and most appropriate program for our Hospital. It is important that an executive compensation program be appropriate, accountable and effective.

Q Where can I find the proposed Executive Compensation Program?

A The proposed Executive Compensation Program is posted on the Hospital's website, a <https://www.mhalliance.on.ca/>

Q How do I provide comments?

A We ask everyone to take the time to review the proposed Executive Compensation Program and provide written comments. Feedback can be emailed to the Board Chair directly at exec.comp@mhaalliance.on.ca **before Monday, May 14, 2018 at 3 p.m.**

Q What are you going to do with the comments?

A Once we received all comments, we will review and consider areas where we might modify and improve the proposed Executive Compensation Program. In addition, as required under the Regulation, a summary of public feedback will be provided to the Ministry of Health and Long-Term Care.

All comments will be kept on record for two years, at the request of the Government of Ontario