



Kemptville District Hospital

Ontario Broader Public Sector

Executive Compensation Framework

Public Consultation

March 1, 2018

Table of Contents

A.	Compensation Philosophy.....	1
	Kemptville District Hospital.....	1
	Executive Compensation Regulation.....	1
	KDH Compensation Philosophy.....	2
B.	Designated Executive Positions.....	3
C.	Salary and Performance-Related Pay Caps.....	3
	Comparator Selection.....	3
	Comparative Analysis Details.....	8
	Structure.....	9
D.	Salary and Performance-Related Pay Envelope.....	10
	Rationale for the Proposed Maximum Rate of Increase.....	10
E.	Other Elements of Compensation.....	12
	Elements Also Provided to Non- Executive Managers.....	12
	Element Provided Only to the CEO.....	13
F.	Supplemental Information.....	13
	Conclusion.....	13
	Contact Information.....	13

A. Compensation Philosophy

Kemptville District Hospital

Kemptville District Hospital (KDH) is an integrated health services organization serving the health needs of North Grenville and South Ottawa in partnership with other healthcare and community organizations in our region, and with the Champlain Local Health Integration Network (LHIN). Our mission is to build healthier communities. Our vision is to be ‘your leader and partner for healthy communities’.

Our key strategic direction, as a regional leader and partner, is to enable coordinated and integrated care consistent with our core values:

- Patients and families at the centre of coordinated care;
- An environment of compassion, respect, and accountability;
- Quality, safe, efficient, evidence-driven care; and
- A culture of collaboration, professionalism, and innovation.

KDH provides 24-hour emergency care, acute care, convalescent care and interim long-term care hospital services, general surgery, endoscopy and advanced orthopaedic surgery and care. We offer state of the art diagnostic imaging and a wide variety of medical and surgical specialists’ clinics including Chronic Obstructive Pulmonary Disease (COPD), Diabetes, Physiotherapy/Occupational Therapy, Parkinson’s Support Group and Transfusion Clinic. KDH has 40 beds: 18 acute (inpatient), 10 inpatient surgical (orthopaedic), 8 convalescent care and 4 interim long-term care.

The Board of Directors, the physicians and staff at KDH are committed to building a healthier community. KDH is a model of hospital-led integrated health services within the provincial health system. KDH is accredited with Exemplary Standing, the highest ranking bestowed by Accreditation Canada. KDH consistently ranks among the top hospitals in Ontario for both patient and employee satisfaction.¹ We pride ourselves on being a strong leader and partner within the health system.

Executive Compensation Regulation

KDH is developing a new Executive Compensation Framework in compliance with Ontario Regulations 187/17, 304/16 and 400/17 of the *Broader Public Sector Executive Compensation Act of 2014* (collectively referred to in this document as “the Regulation.”) The Regulation requires hospitals and other public sector organizations in Ontario to develop an Executive Compensation Framework for their designated executives (referred to herein as ‘the Framework’). The Framework will not take effect until completion of the process outlined below.

The Framework must –

- Describe the hospital’s compensation philosophy.
- Identify designated executive positions that meet the criteria set out in the Regulation.
- Set the maximum compensation amount (cap) that the organization will pay to individuals in each of the designated executive positions.
 - The cap must not exceed the 50th percentile (midpoint) of compensation for executives in comparable positions at a minimum of eight appropriate comparator organizations. (These

¹ Sources: Patient surveys – National Research Corporation Canada. Staff surveys – Metrics @ Work Inc.

comparator organizations must be approved by Ontario's Ministry of Health and Long Term Care (MOHLTC).

- Set a maximum percentage (also to be approved by the MOHLTC) by which the total amount of all compensation paid (base pay + performance pay) to the designated executives – the “envelope” – may increase in a given year.
- Be posted on the hospital's website for a minimum of 30 days for public consultation and feedback.
- Be approved by the hospital's Board of Directors.
- Be approved in final form by the MOHLTC.

Third-party experts in compensation practices were engaged to provide expertise and knowledge to develop this Executive Compensation Program.

KDH Compensation Philosophy

The Regulation requires all designated employers to have a written Executive Compensation Philosophy: a set of guiding principles that drive compensation decision-making in our hospital organization. It describes –

- How the executive compensation program is designed to support the achievement of our operating goals and strategic objectives.
- What the executive compensation program, including its approach to performance-related pay, is designed to reward.

Objective:

To provide competitive compensation based on market practices and organizational performance, which drives desired behaviours and promotes desired results within KDH and the community, while recognizing individual performance against defined goals.

Strategy:

KDH takes seriously its responsibility to employ skilled and experienced leadership. Our Executive Compensation Program is designed to attract, motivate and retain highly qualified and accountable members of the Senior Leadership Team and align their efforts to support the achievement of the hospital's strategic plan and its objectives, along with operational goals. Our executive recruitment and compensation strategy is centered on finding the most competent person for the job, with salaries targeted in the mid-range for similar positions in this sector.

Guiding Principles:

Cash compensation and practices at KDH will –

1. Be aligned with and reinforce the short- and long-term strategies and objectives of the hospital.
2. Serve to align executive performance with the strategic and business goals of KDH, and to motivate executives to meet and exceed strategic and operational objectives.
3. Enable KDH to attract, motivate and retain high calibre leadership.
4. Be developed in accordance with all applicable legislative requirements.
5. Remain competitive with our peer hospitals.
6. Be simple in design and efficient to administer.
7. Be communicated clearly and applied consistently.

B. Designated Executive Positions

The four positions at KDH that meet the 'designated executive' criteria in the Regulation are –

- Chief Executive Officer (CEO)
- Chief Financial Officer (CFO) / Vice-President of Operations
- Chief Nursing Officer (CNO) / Vice-President of Nursing/Clinical Services
- Vice-President of Corporate Services

C. Salary and Performance-Related Pay Caps

Comparator Selection

The Regulation requires KDH to identify at least eight comparator organizations for each of our four designated executive positions (see above).

The comparator organizations must be comparable to the designated employer (in our case, to KDH) with respect to three or more of the following factors –

1. The type of operations the organization engages in.
2. The industries within which the organization competes for executives.
3. The scope of responsibilities of the organization's executives.
4. The location of the organization.
5. The size of the organization.

KDH has selected comparators that meet all five of these criteria for three of the designated executive positions (Chief Executive Officer, Chief Financial Officer and Chief Nursing Officer). For one position, Vice-President of Corporate Services, appropriate position matches required expanding our comparator selection beyond the location and size criteria met for the others.

1. Type of Operations

Our comparator search was restricted to **Ontario Hospitals**. All our selected comparator organizations are Ontario hospitals.

2. Industry Within Which KDH Competes for Executives

KDH competes for Executives within the **Healthcare** industry. All our comparator organizations, being hospitals, fall within the healthcare sector.

3. Scope of Responsibilities of KDH executives

Our search for comparators relied on data provided by the Ontario Hospital Association (OHA), consisting of information submitted by 132 Ontario hospitals on the OHA's most recent CEO Survey, and 136 hospitals on the Designated Executive Survey (DES), both conducted in late 2016.

The following table provides a summary of how KDH's designated executive positions are comparable to the OHA Benchmark Jobs.

KDH Position Title	KDH Position Summary	OHA Benchmark Job Match
Chief Executive Officer	Reporting to the Board of Directors, responsible for the overall leadership, strategic direction and operations of the Hospital by ensuring the viability and development of all hospital services to the community. With Board Chair, enables Board to fulfill its governance function.	Job # 1 – Top Executive Officer. Most senior administrative position. Accountable for the results and overall direction of the hospital. Directs the efforts of senior executives.
CFO / VP of Operations	Top Finance Executive and member of the Senior Leadership Team reporting to the CEO. Responsible for the overall management and direction of Financial Services and investment and reporting activities by ensuring that policies, programs, processes and procedures are strategically and operationally aligned, clearly defined, up-to-date and communicated to relevant stakeholders in compliance with CEO and Board of Directors’ directives. Also responsible for the overall management and direction of support services including plant operations and maintenance, environmental services, material management and Information Services/Information Technology. Participates in the strategic and resource planning.	Job # 5 – Top Finance Executive. Accountable for the current and continuing financial effectiveness of the hospital.
VP of Nursing / Clinical Services / CNO	Top Nursing and Clinical Executive (Non-MD) and member of the Senior Leadership Team reporting to the CEO. Responsible for the overall management and direction of patient- and family-centred care and nursing/clinical programs, services and activities in a fiscally responsible manner. Responsible for the organization’s professional practice and provides direction and guidance to all activities in accordance with policies, goals and objectives established by the CEO and Board of Directors. Networks with/develops relationships with peers within region and fosters links within KDH and outside agencies/institutions to promote a continuum of healthcare. Participates in the strategic and resource planning. Also oversees and directs the services of Laboratory, Pharmacy and Health Information.	Job # 13 – Top Clinical Executive (Non-MD). Accountable for the overall management and direction of patient care programs and activities. Job # 14 – Top Nursing Executive. Accountable for the overall management and direction of nursing programs and activities.
VP of Corporate Services	Top Corporate Services Executive and member of the Senior Leadership Team reporting to the CEO, responsible for the lead support to the Board of Directors and CEO by adhering to good governance across committees and the legal entity structure. Also responsible for portfolio overall management and initiatives such as Accreditation, risk management, medical affairs, decision support and human resource services including Occupational Health. Provides direction and guidance to all activities in accordance with policies, goals and objectives established by the CEO and Board of Directors. Participates in the strategic and resource planning.	Job # 4 – General Executive Officer. Accountable for the results and overall direction of administrative services. Job # 3 – Top Executive Next to CEO. Accountable for administrative services such as human resources, legal and finance.

4. Location of the Organization

KDH is located in Eastern Ontario, in the Champlain Local Health Integration Network (LHIN). The OHA divides its member hospitals into regions. KDH is located in OHA Region 2 (which covers similar but not identical geography to the Champlain LHIN).

Most of the comparator hospitals we selected are in the Champlain LHIN and/or in OHA Region 2. For one of our designated executive positions, we could not find eight job matches among this group of hospitals, so we widened the search to other Ontario hospitals.

5. Size of the Organization

KDH is classified by the MOHLTC as a “small hospital” based on the volume of patients and other criteria. The next larger size of hospital is a “community hospital”. Winchester District Memorial Hospital is an example of a community hospital.

In selecting comparators, we focused on these two sizes of hospital as being the most likely sources of staff recruitment at KDH. Though executives may also come from, or leave for, positions in larger hospitals, we did not consider it appropriate to benchmark KDH compensation against that of larger hospitals, such as those in Ottawa.

A description of the KDH comparators is provided below. This provides information on the comparator organizations used to benchmark salary and performance-related pay for each of KDH’s four designated executive positions, and the rationale for selecting each comparator.

Kemptville District Hospital - Executive Compensation Framework Comparator Organizations and Rationale

KDH Position Title: Chief Executive Officer

Comparators	Job Match	Rationale for selected comparators
Arnprior Regional Health	President & CEO	<ul style="list-style-type: none"> All positions are in Small or Community Hospitals in Ontario with the same variety of services including emergency care services, acute care services, general surgery, diagnostic imaging, Physiotherapy/Occupational Therapy and a wide variety of medical and surgical specialties All positions are responsible for the overall direction of the hospital and direct the efforts of senior executives. All have Staff Headcount between <200 to 999 All have Full time equivalent staff between <250 to 1500 All have Bed counts between <50 to 199 All have Budget range \$5M-<\$25M or \$25M-<\$150M Organizations whom we compete with for talent (locally and/or provincially) All hospitals are located within a 250 km radius or 2.5 hour drive of Kemptville
Campbellford Memorial Hospital	President & CEO	
Carleton Place & District Memorial Hospital	President & CEO	
Deep River & District Hospital	CEO	
Glengarry Memorial Hospital	CEO	
Perth & Smiths Falls District Hospital	President & CEO	
Renfrew Victoria Hospital	President & CEO	
Winchester District Memorial Hospital	CEO	
Total of 8 comparators		

KDH Position Title: Chief Financial Officer / Vice-President of Operations

Comparators	Job Match	Rationale for selected comparators
Arnprior Regional Health	VP Finance & Support Services/CFO	<ul style="list-style-type: none"> All positions are in Small or Community Hospitals in Ontario with the same variety of services including emergency care services, acute care services, general surgery, diagnostic imaging, Physiotherapy/Occupational Therapy and a wide variety of medical and surgical specialties All positions are accountable for the current and continuing financial effectiveness of the hospital. All have Staff Headcount between <200 to 999 All have Full time equivalent staff between <250 to 1500 All have Bed counts between <50 to 199 All have Budget range \$5M-<\$25M or \$25M-<\$150M Organizations whom we compete with for talent (locally and/or provincially) All hospitals are located within a 175 km radius or 1.5 hour drive of Kemptville
Carleton Place & District Memorial Hospital	VP Finance & CFO	
Glengarry Memorial Hospital	VP Support Services & CFO	
Hawkesbury & District General Hospital	VP Finance & Corporate Services	
Lennox & Addington County General Hospital	CFO	
Perth & Smiths Falls District Hospital	VP Finance & Support Services	
Renfrew Victoria Hospital	VP Financial Services	
Winchester District Memorial Hospital	Senior VP Corp Services & CFO	
Total of 8 comparators		

KDH Position Title: Vice-President of Nursing/Clinical Services / Chief Nursing Officer

Comparators	Job Match	Rationale for selected comparators
Arnprior Regional Health	VP Patient/Resident Services & CNE	<ul style="list-style-type: none"> • All positions are in Small or Community Hospitals in Ontario with the same variety of services including emergency care services, acute care services, general surgery, diagnostic imaging, Physiotherapy/Occupational Therapy and a wide variety of medical and surgical specialties • All positions are the top nursing or clinical (non MD) executives in the hospital accountable for the overall management and direction of patient care or nursing care programs and activities. • All have Staff Headcount between <200 to 999 • All have Full time equivalent staff between <250 to 1500 • All have Bed counts between <50 to 199 • All have Budget range \$5M-<\$25M or \$25M-<\$150M • Organizations whom we compete with for talent (locally and/or provincially) • All hospitals are located within a 250 km radius or 2.5 hour drive of Kemptville
Campbellford Memorial Hospital	CNO	
Carleton Place & District Memorial Hospital	VP Patient Services & CNE	
Deep River & District Hospital	CNO	
Glengarry Memorial Hospital	VP Clinical Services & CNO	
Hawkesbury & District General Hospital	VP Patient Care/CNE	
Perth & Smiths Falls District Hospital	VP Clinical Services	
Winchester District Memorial Hospital	Senior VP Clinical Services/CNE	
Total of 8 comparators		

KDH Position Title: Vice-President of Corporate Services

Comparators	Job Match	Rationale for selected comparators
Dryden Regional Health	COO	<ul style="list-style-type: none"> All positions are in Small or Community Hospitals in Ontario with the same variety of services including emergency care services, acute care services, general surgery, diagnostic imaging, Physiotherapy/Occupational Therapy and a wide variety of medical and surgical specialties All positions are accountable for the results and overall direction of administrative services including human resources and legal. All have Staff Headcount between <200 to 999 All have Full time equivalent staff between <250 to 1500 All have Bed counts between <50 to 199 All have Budget range \$5M-<\$25M or \$25M-<\$150M Organizations whom we compete with for talent (locally and/or provincially) All hospitals are located in the Champlain, North West or South East of Ontario Local Health Integrated Network (LHINs)
Renfrew Victoria Hospital	VP Corporate Services	
Winchester District Memorial Hospital	Senior VP Corporate Services/CFO	
HeadWaters Health Care Centre	VP	
Leamington District Memorial Hospital	Senior Director Corporate Services	
Manitoulin Health Centre	VP	
Northumberland Hills Hospital	VP HR/Quality	
Wellington Health Care Alliance	VP Corporate Services & Planning	
Total of 8 comparators		

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

The following table provides information on the percentile used to benchmark the salary and performance-related pay cap for each designated executive position.

The median is the midpoint (or 50th percentile) of the range of salaries paid by the comparator organizations. The Regulation requires KDH to establish maximum compensation for each position that is no greater than this amount.

Kemptville District Hospital - Comparative Analysis Details				
Position	CEO	VP Corporate Services	CFO	CNO
Median (Midpoint / 50th Percentile) paid by comparator organizations	\$200,000	\$136,847	\$136,730	\$135,616

KDH's compensation philosophy, presented at the beginning of this Framework, states that the organization aims to find the most competent person for each job, with salaries targeted in the mid-range for similar positions in this sector.

KDH's compensation principles include the following –

- Enable KDH to attract, motivate and retain high calibre leadership.
- Remain competitive with our peer hospitals.

Based on these principles, KDH has selected the 50th percentile (median) of the range of comparator compensation as the appropriate benchmark for KDH executive positions.

Another principle in KDH’s compensation philosophy is that compensation should be simple in design and efficient to administer. In accordance with this principle, KDH is instituting a single salary scale for its three vice-president positions. We are thus setting a maximum compensation level (cap) of \$135,000 for these positions.

Kemptville District Hospital - Executive Compensation Framework Recommendations				
Position	CEO	VP Corporate Services	CFO	CNO
Median (Midpoint / 50th Percentile) paid by comparator organizations	\$200,000	\$136,847	\$136,730	\$135,616
Total Pay Range Maximum set by KDH for the Position	\$200,000	\$135,000	\$135,000	\$135,000

C. Salary and Performance-Related Pay – Structure

Based on the Regulation and *The Excellent Care for All Act*, compensation for KDH’s executives must consist of two components:

- Base salary
- Performance pay

Performance pay is a set percentage of the base salary. Its purpose is to recognize individual performance and accountability against defined goals, which include achievement of KDH’s annual Quality Improvement Plan (QIP) targets as well as implementation of KDH’s strategic plan and corporate and financial objectives. It is designed to encourage excellence beyond simple job performance; to promote desired results within KDH and in the community.

The following table provides information on the salary and performance-related pay cap at the maximum pay level for each of KDH’s designated executive positions. Please note that at lower pay levels, where KDH executives are currently positioned, the percentage allocated to performance pay is the same, but the totals are lower.

Kemptville District Hospital - Salary and Performance-Related Pay Structure						
Executive Position	Salary Range Minimum	Job Rate	Salary Range Maximum	Target Annual Performance-related Pay (% of Salary)	Maximum Annual Performance-related Pay (% of Salary)	Salary & Performance-related Pay Cap
CEO	\$180,953	\$180,953	\$190,477	5.0%	5.0%	\$200,000
VP Corporate Services	\$101,021	\$108,533	\$131,068	3.0%	3.0%	\$135,000
CFO	\$101,021	\$123,556	\$131,068	3.0%	3.0%	\$135,000
CNO	\$101,021	\$123,556	\$131,068	3.0%	3.0%	\$135,000

D. Salary and Performance-Related Pay Envelope

The Regulation defines the “Salary and Performance-Related Pay Envelope” as the sum of all compensation (salary plus performance pay) paid to all executives in the most recently completed pay year.

The Regulation also requires us to propose the maximum rate of increase by which this envelope may potentially increase in a year. This maximum rate applies to each year that the compensation program is in effect.

KDH’s Executive Salary and Performance-Related Pay Envelope for the most recently completed pay year was **\$514,164**. We propose a maximum annual rate of increase to this Envelope of 5.0%.

Rationale for the Proposed Maximum Rate of Increase

KDH’s philosophy is to pay executive salaries in the mid-range for similar positions in our comparator hospitals. The Board of Directors believes that this approach is prudent, both for recruitment and for retention of individuals with the skills and experience necessary for KDH to meet its strategic goals and its responsibilities as a participant in the healthcare system within the Champlain LHIN and the Province of Ontario.

In compiling the information on pay at comparator hospitals for this Framework, the Board has learned that KDH’s current executive compensation levels are well below the midpoint (median or 50th percentile) paid by comparator hospitals. Notably, as a percentile of the range of compensation at the comparator hospitals for each position identified in section C, KDH’s executives are currently placed as follows:

- Chief Executive Officer: 38th percentile
- Chief Financial Officer: 38th percentile
- Chief Nursing Officer: 30th percentile
- Vice President Corporate Services: 0 percentile - KDH’s compensation for this position is below that paid by all the comparator hospitals identified.

In particular, our CEO pay level (which we have not been able to adjust for eight years due to Ontario legislation) is significantly below that of peer CEOs in our region, for a similar size of hospital.

We consider this gap a risk factor for the hospital: a risk that current executives may be drawn to higher-paying positions elsewhere, and a barrier to future recruitment of individuals with the experience and skillset needed to perform the leadership functions required at KDH.

We recognize that this gap cannot be bridged in one year, but we want to bridge it as soon as practicable in order to mitigate the risks outlined above. Therefore, we propose a 5.0% maximum rate of increase to our executive pay envelope on an annual basis.

Note that because compensation for each individual position cannot exceed the established pay cap for that position, in practice the Envelope could not grow beyond \$605,000 (the sum of the pay caps outlined in Section C), subject to any future cap increases permitted by regulation.

In considering our proposal for this percentage increase, in addition to the above considerations, KDH considered the following factors:

1. Financial and Compensation Priorities of the Ontario Government

The Ontario economy that suffered during the financial crisis of 2008, affected Ontario government revenues and resulted in a number of years of budget deficits. In 2010, the Ontario government froze compensation levels for designated executives at all public sector organizations in the province, so that scarce resources could be prioritized for front-line services rather than executive pay. This compensation freeze was to be in place until the province attained a balanced budget. In 2017, the government announced that it had succeeded in attaining a balanced budget.

However, the government has made it clear that executive pay levels should still be tightly controlled. In healthcare in particular, which accounts for a large part of the provincial budget and experiences significant ongoing upward cost pressures, the province continues to struggle to allocate scarce resources to serve the needs of patients as effectively as possible.

Accordingly, KDH is mindful of the need to control our spending on Executive pay while maintaining a leadership team with the skills levels required to fulfill our strategic goals.

2. Recent Executive Compensation Trends

Since compensation for designated executives at Ontario hospitals has been frozen since 2010, any underlying trends that might have affected executive pay have not been manifested.

3. Comparison of the % of the KDH Operating Budget that is used in Executive Compensation to the % at Comparator Organizations

KDH's executive compensation total, after the increases, will be about 2.41% of the organization's total budget.

This statistic was not requested in the OHA Executive Compensation surveys; however, KDH approached several local comparator hospitals with respect to their current numbers, asking for this information. We received the following responses (we do not yet know what their numbers will be once these hospitals complete their own Executive Compensation processes):

- Arnprior Regional Health: 2.6%
- Glengarry Memorial Hospital: 2.1%
- Renfrew Victoria Hospital: 1.68%

Accordingly, we conclude that KDH's Executive Compensation Envelope will fall within the budget range of comparator hospitals in our region.

4. Effect on Executive Recruitment of Pay Ranges for Employees Reporting to the Executive

There has been significant compression between the pay levels of non-executive managers at KDH (currently at a maximum of \$101,049 in 2017) and that of our designated executives: the lowest Vice-President starting salary is only \$3,003 above the non-executive manager salary range maximum step. Accordingly, this becomes a recruitment and retention issue, as the difference in compensation for taking on more responsibility has shrunk.

5. Significant Expansion in Operations

KDH has, in the last two years, significantly increased its role within our LHIN and sub-region. A collaborative organization, KDH continues to strengthen its partnerships with other providers such as The Ottawa Hospital, the Children's Hospital of Eastern Ontario, and the University of Ottawa Heart Institute, while seeking opportunities for new partnerships to enhance programs and services.

One of KDH's key strategic directions is to ensure seamless, integrated care for people receiving services from more than one healthcare provider; to accomplish this, we are building and facilitating partnerships between different health service organizations to ensure they collaborate and communicate with each other. Other integration efforts within the LHIN and sub-region include working with the South and West Ottawa/North Grenville (SONG) Health Link to provide a Health Link Care Coordinator onsite, and initiating an inter-agency collaborative to improve access, outcomes and experience for children and youth with mental health and addictions challenges.

In addition, in December 2016, KDH earned Accreditation Canada's highest rating, Exemplary Standing, with a rare perfect score, meeting 100% of the criteria used to measure the quality of care and services that the hospital provides.

KDH's executive team has led this outreach/leadership/partnering effort, which we believe is contributing to the effectiveness of patient care in the Champlain LHIN. However, in order to retain executives with these skills – and to recruit replacements in the future – we feel it is necessary to bring executive compensation levels closer to the midpoint of salaries at our comparator hospitals. Accordingly, as noted in Section D above, we propose a 5.0% annual maximum increase to the Executive Compensation Pay Envelope, which could bring our compensation levels to the identified benchmarks within three years.

E. Other Elements of Compensation

Elements of compensation other than salary and performance-related pay are also subject to limits and prohibitions set out in the Regulation. Other elements provided to the CEO and/or designated executives cannot exceed those provided to non-executive managers. However, if the Hospital determines that additional elements are necessary, it must have a reasonable explanation why the element is required for the performance of the executive's job or the critical business need.

Elements Also Provided to Non- Executive Managers

The employee benefits for executives at KDH include the following. These provisions are proportionally the same as those for non-executive managers. They include –

- Life Insurance
- Accidental Death & Dismemberment Insurance
- Long Term Disability Coverage
- Extended Health Care
- Dental Care
- Vacation
- Hospitals of Ontario Pension Plan
- Professional Dues and Membership Fees

Element Provided Only to the CEO

Car Allowance:

Business Rationale: Kemptville District Hospital is located in a rural area with no public transportation. Our CEO is required to drive extensively in performing the duties of the position, to attend meetings throughout the LHIN/Eastern Ontario as well as in Toronto.

The following are some examples of meetings and engagements that he must attend on a regular basis:

- As President of the CASH (Champlain Alliance of Small Hospitals) group in Ottawa - six meetings per year.
- Champlain Inpatient Mental Health and Addictions Capacity Planning Steering Committee meetings (monthly).
- LHIN meetings (monthly).
- MOHLTC meetings in Toronto (quarterly).
- MOHLTC conferences/summits in Toronto (regularly).
- OHA meetings and conferences such as Rural & Northern Healthcare Leadership in Toronto.
- Rotary Club speaker (semi-annually),
- Business Builders' Association meetings (monthly).
- Leeds & Grenville Municipality meetings (regularly).
- Catholic and Public School Boards of Eastern Ontario meetings (semi-annually).
- PROBUS Professional Retired Business Association meetings.
- Meets with donors from the community (regularly).
- Meets with politicians and MPPs (regularly and as required).

Recruitment and Retention Rationale: In addition, KDH surveyed seven hospitals within our region and LHIN. Five of the seven provided a car allowance to their CEOs.

F. Supplemental Information

Conclusion

The Board of Directors of KDH is proposing this Framework in compliance with the Regulation. The Board believes that this approach provides fair compensation to our executives, sets compensation amounts that are appropriate for recruitment and retention in these positions, and rewards executives for managing the organization in the most efficient and effective way, while achieving the hospital's mission, vision and strategic goals.

Contact Information

Completed By:

Ms. Michelle Graham
Manager, Human Resources / Labour Relations
Kemptville District Hospital
P.O. Box 2007, 2675 Concession Road
Kemptville, Ontario K0G 1J0
Phone: 613-258-6133 X178
Fax: 613-258-7853
Email: mgraham@kdh.on.ca