

VENUE: DOCTORS OF BC OFFICE, VANCOUVER, BC

DATE: JULY 6, 2018

REGION: LOWER MAINLAND



OVERVIEW

Medical Staff Association (MSA)/Physician Society Executives in the Lower Mainland were invited to the Facility Engagement Governance Workshop Meeting and Networking Session on July 6, 2018. The purpose of the workshop was to:

- Discuss the roles and responsibilities of MSA/Physician Society Board members
- Differentiate between “governance” and “operations”
- Provide an opportunity to answer governance-related questions
- Provide information on the new BC Societies Act
- Offer networking opportunities between facilities across the Lower Mainland

The workshop included presentations by Dr Lyne Filiatrault, co-chair, Vancouver Physician Staff Association Facility Engagement Initiative, and Mr David Kandestin, lawyer and consultant at Practice Wrks. The full presentations are available at [MSA Executive/Board Development Fundamentals](#) and [Ask a Lawyer: BC Societies Act](#), respectively.

PARTICIPANTS

Thirty-seven participants attended the workshop, including 19 physicians, 9 Doctors of BC and Specialist Services Committee (SSC) staff, 7 Physician Society support staff, and 2 presenters.

MSA/Physician Societies in attendance included:

- Abbotsford Regional Hospital and Cancer Centre Physician Engagement Society
- BC Cancer Agency Medical Staff Engagement Society
- Children’s and Women’s Hospital Medical and Allied Staff Engagement Society
- Burnaby Hospital Medical Staff Physician Society
- Forensic Physician Engagement Society
- Langley Memorial Hospital Physician Association
- Lions Gate Hospital Physician Society
- Ridge Meadows Hospital Physician Engagement Society
- Royal Columbian and Eagle Ridge Hospital Medical Staff Society
- Providence Health Care Physicians and Surgeons Association
- Vancouver Physician Staff Association

MSA EXECUTIVE/BOARD DEVELOPMENT FUNDAMENTALS

Dr Filiatrault presented on MSA/Physician Society Board development fundamentals, which included:

- Three modes of governance: fiduciary, strategic, and generative
- The difference between operations (management) and governance (leadership)
- MSA/Physician Society executive roles and responsibilities
- Attributes of a successful MSA/Physician Society
- Leadership resources: annual Board calendar and recurring yearly agenda items as important conversation starters, risk evaluation, Board evaluation, and succession planning



MSA/Physician Society executive responsibilities that were discussed included:

- Setting direction: vision and mission
- Creating policy
- Making strategic decisions
- Overseeing and monitoring MSA/Physician Society performance
- Ensuring accountability of the MSA/Physician Society to the medical staff

The full presentation is available at [MSA Executive/Board Development Fundamentals](#). Additional resources discussed included [Leadership Functions: Model of Effective Nonprofit Leadership](#) and those found on the [Resource List](#).

Questions and Answers

Q: Can you describe the role of the Working Group in relation to Board work?

A: *The Working Group is made up of physicians and perhaps allied health providers from various specialties and across sites. The main purpose of the Working Group is to implement the strategy that the Board has set.*

For our Vancouver Physician Staff Association initiative, after our first year, we moved to using the Working Group as our steering committee to ensure that our Board's direction sits well with our members' interests. We have set up smaller subcommittees to carry out the actual work: these include community building and wellness, communications, finance, leadership and talent development, and collaboration and advocacy. Other smaller sites may use the Working Group to carry out the work, including reviewing engagement projects.

Q: What is the difference between a MSA and a Physician Society?

A: At the Facility Engagement Initiative negotiating table in 2014, it was clear that no one wanted to design an initiative that had more structures and committees, and thus the MSA structure was used. MSAs previously didn't have much influence, so they were the key focus for revitalization. Unfortunately, it was later discovered that MSAs had no legal basis and couldn't be used as a structure to transfer funds or enter into contract with consultants. The only means around this was for executives to take on the risk and responsibility themselves. To mitigate this situation, a Physician Society structure was created to flow funds and hold contracts. The intention of the society structure was to mirror the MSA structure. The purpose of this workshop is to enhance both MSA and Physician Society structures.

Q: How do we ensure that our funds are used for Facility Engagement purposes?

A: It's important to have the health authority come to the decision-making body and have a discussion. Sites should refer to the funding guidelines provided by the SSC for any grey zones. The intention of the funding guidelines document is to empower MSA/Physician Societies to make effective funding decisions and share these with both MSA/Physicians Societies and health authorities.

ASK A LAWYER: BC SOCIETIES ACT

Mr Kandestin presented on the new BC Societies Act that comes into effect on November 28, 2018. The full presentation is available at [Ask a Lawyer: BC Societies Act](#)

The following answers were provided by Mr Kandestin in his context as a governance professional and by non-lawyer staff members working for Doctors of BC. The answers do not constitute legal advice and should not be relied on as such.

Questions and Answers

Q: Can you explain "director remuneration" under the new BC Societies Act?

A: The key point about director remuneration is made in Section 41 of the Act: "A majority of the directors of a society must not receive or be entitled to receive remuneration from the society under contracts of employment or contracts for services, other than remuneration for being a director." It is therefore important as a first step to determine whether the work you are engaging in falls under operations or governance. Governance work is your work done as a director—think strategic-level thinking. Operations work—think implementation-level work—is more akin to work done in your capacity as an employee or contractor.

Q: If I go to a meeting wearing my governance hat, but a few questions arise related to operations, which I respond to, can I still claim my time as governance?

A: Yes. The key is to think about what your intention is as you walk into the meeting room, and the level at which you are supposed to be participating in the meeting. It's certainly not black-and-white. Say, for example, you planned to go in wearing your governance hat, and you address operations-related questions with a governance lens (e.g., when discussing a communications campaign, you ask strategic questions about the campaign's goals or target audience, rather than your preference on the color of the campaign posters). In that case, the time can be reasonably claimed as governance.

Q: What if meetings cover many governance and operations topics encompassing both roles for the director?

A: Refer to the terms of reference (see [Governance: Board Committee Terms of Reference](#)) regarding who attends the meetings, the frequency of meetings, etc. That will give you have a clear link for the meeting purpose. If it is a committee of the society Board, and as long as governance work is done at the meeting and it is not typically purely operational, then that time can reasonably be claimed as governance work.

Q: What is meant by the “less-than-half rule”? Is this about the number of Board members or the time spent doing operations and governance work?

A: It’s a matter of who is doing it. If there are three people on the Board, for example, then only one of them (i.e., less than half) can receive compensation for both operations and governance work. You may annually rotate the directors who are eligible for operations payments so that each is able to claim both operations and governance work at some point in their term.

Q: How does this apply to small sites when there are not many physicians to rotate?

A: Small sites are typically unincorporated, so the BC Societies Act does not apply to them.

Q: In the end, who is going to monitor whether the claimant and Board had the right intention when claiming governance time?

A: Amounts paid to directors for governance and operational work must be disclosed and reported on financial statements, so if more than half of the Board members are claiming operations and governance, it would show you weren’t in compliance. It is the responsibility of the society to ensure financial statements are prepared in accordance with the Societies Act, recognizing that any member of public has the right to see your financial statements.

Therefore, it is important to ensure you document everything appropriately. Please seek the assistance of an accountant when preparing your financials.



Q: If we have a Board member who is also on an engagement Working Group, does that person get paid under governance?

A: The Working Group should be structured as a committee of the Board. If operational work usually happens outside of the Working Group meetings, then the person can be paid for governance work when attending those meetings.

Q: Can a director who is remunerated for both operations and governance delegate operational responsibility to another director already appointed, and still be compensated?

A: No. If the delegate is not the director who is eligible for compensation for operations and governance, under the less-than-half rule, that delegate cannot be paid for operational work.

Q: Can non-directors submit for governance work at the same meetings?

A: No. Non-directors bill sessional time, while directors bill as governance. Directors should be asking different questions and have a different perspective at these same meetings.

Q: What happens when Board directors are paid for governance work?

A: When Board directors are paid for governance the society must deduct CPP and report to the CRA. Directors are paid as employees of the society and, as such, are considered personally taxable by CRA for their work, and they are issued a T4 at end of the year.

Q: What is the difference between “special resolution” and “ordinary resolution”?

A: An “ordinary resolution” is a matter that is voted on and passed by a majority of members voting during a general meeting. A “special resolution” is typically used for bigger issues (e.g., changing the bylaws), and requires at least 66% of votes to be passed (previously it was 75% under the old Society Act). For directors’ meetings, a majority vote is required to pass resolutions.

Q: How do societies differ from corporations?

A: Both are “people” under the eyes of the law. They are regulated under legislation, can sign contracts, and can be sued or sue. The big difference is that societies can’t make profit under the CRA rules.

Q: What if our society is carrying an excess of funds?

A: This is more of a tax question and should be discussed with a tax accountant. In the Facility Engagement Management System (FEMS), money doesn’t appear in the income statement until it has been spent, and there is never an excess of income.

Q: What are the rules for running an AGM?

A: Each year, an annual general meeting (AGM) is held to report to members, present financial statements, and elect or appoint directors. Other topics can be discussed such as reviewing the achievements of the past year with membership.

Notice of the meeting must be given to all members at least 14 days prior. The notice is typically sent by email, and it may also be posted on a bulletin board in the physician lounge or other relevant message boards, but this may not satisfy any specific requirements under your bylaws or more formal requirements under the Societies Act. The meeting notice should specify the location and time of the meeting, the matters to be presented, and the text of any special resolutions to be considered. Copies of the financial statements do not have to be sent out in advance but should be made available in paper copies at the AGM for members to review.

Financial statements have to be annual statements and cannot be stale dated. This means that the AGM has to be held within 6 months of year-end. If the AGM is not held within 6 months of year-end, then an extra set of financials must be presented (for the next quarter so that financial statements are less than 6 months old). Financial statements should be signed off by directors prior to being presented at the AGM (which means a director meeting should be held a week before the AGM for this purpose).

A director (usually the Board chair) will chair the AGM. The chair should call the meeting to order, ensure there is quorum, and then conduct the business of the meeting. Financial statements are presented, directors are elected or appointed (or, for the Facility Engagement Initiative, generally ratified as the appointees to the MSA), and other matters are discussed (e.g., successes or failures of the year’s programs).

The MSA annual meeting can occur just prior to the AGM for the sake of efficiency.

Within 30 days following the AGM, a report in a prescribed form must be filed with the Register of Societies.

Q: Can you define quorum?

A: “Quorum” means the minimum number of members of the society that must be present at the meeting to ensure the proceedings are valid. The specific quorum for the society should be defined in its bylaws. It is usually a number of people (e.g., at least five voting members) or a percentage of the total number of members. Using a specific number is recommended. Quorum for director meetings is at least a half of the directors.

Q: Do you have any recommendations for voting electronically?

A: Explore tools such as DocuSign for written director resolutions.

Q: The bylaws require that to be a member of the MSA, you have to pay dues and attend 50% of the MSA meetings. This is a high bar and we’ve got only about a quarter who have paid at our site. We don’t pay sessional time if they don’t pay dues. Do you have any advice?

A: There isn’t an automatic requirement to collect member dues by the medical staff bylaws and rules. It is generally decided by the individual MSA membership whether to do so or not. For example, many small MSAs do not collect dues from their members and it doesn’t preclude their members from participating in FE. It is up to the individual MSA if they wish to require members to have paid their dues before billing FE funds; however, it is important to be mindful to not create additional barriers for engagement.

Additional questions submitted prior to the workshop

Q: What is a society’s reporting obligations for financial statements prepared after November 28, 2016?

A:

1. Under Section 36 of the Societies Act, financial statements must include a note that shows any and all remuneration paid to the directors.
2. Under Section 9 of the Societies Regulation, financial statements must include a note that shows remuneration to employees/contractors who earned at least \$75 000 in the previous year. The note must include the employee’s/contractor’s position or title and the nature of services provided (if a contractor).
3. In both of the above cases, you may include the names of the director/employee/contractor, but you don’t have to (i.e., can list as “Director #1: \$ XX XXX; Director #2: \$YY YYY”)

RECOMMENDATIONS

The key recommendations from the workshop were as follows:

Focus on modes of governance that will help you succeed

- Understand the difference between the three modes of governance: fiduciary (“what’s wrong?”), strategic (“what’s the plan?”), and generative (“what’s the key question?”). Board leadership occurs in the overlap of all three.
- Note that effective boards need to move from operations to governance.
- Ask key questions: Where are we rowing to? What is our direction?

Find ways to imbed the MSA voice into Health Authority Medical Advisory Committees

- Involve more than one MSA to ensure physician involvement, collaboration and influence.
- Find a communication line to connect with the Ministry of Health and the health authority.
- Attend the annual health authority open Board meeting and get involved on a more political basis to gain visibility and skills to advocate, strategize, and become open to the bigger picture strategy.

Be mindful to avoid “diworsification”

- If you do not have clarity on your vision and mission, the Board may be pulled away from important priorities. What is your litmus-paper test for decision making?
- Ensure you understand the Board’s roles and responsibilities.

Ensure Board members are rotated and re-elected at different times

- Knowledge and lessons learned should be shared and spread at different times when possible for successful succession planning.
- Ensure new executives are provided with as much history and background information as possible.
- Refer to the Facility Engagement orientations and succession planning guidelines for assistance.

Ensure a great working relationship between MSA/Physician Society executive and the support staff lead

Remember that the executive/board Chair’s role is not just about leading meetings

- The chair’s role it is about facilitating, reaching out to silent executives/Board members, and encouraging conversations that result in the best possible executive/Board strategy and policy.

Finally, there was a recommendation from a workshop participant to provide additional clarity to the workshop content:

- Create a Venn diagram to assist with further understanding of the overlap between MSAs, facility engagement, and Medical Advisory Committees.

NETWORKING SESSION

At the end of the workshop, attendees were invited to network with one another and discuss engagement victories, lessons learned, challenges, and opportunities to date within their local MSA/Physician Societies, as well as upcoming activities.

Successes and lessons learned:

- The formation of subcommittees that mentor and support new members
- The increase in attendance rates for MSA meetings due to the improved transparency and accountability of the health authority
- Events that engage leadership and create two-way conversations with the health authority
- The establishment of more robust support teams
- The creation of protocols for project proposal

Challenges and opportunities:

- Getting senior leadership to attend meetings
- Developing an engagement charter
- Finding additional staffing resources, such as an additional project manager (consider posting on BC Patient Safety and Quality Council)
- Continuing to build a relationship with the health authority

SESSION CLOSE

While ensuring board effectiveness and maintaining compliance with the new BC Societies Act are important, it is paramount that MSAs/Physician Societies do not lose track of the main purposes of the Facility Engagement Initiative: to strengthen relationships, communication, and collaboration between health authorities and facility-based physicians, and to improve their work environment and the delivery of patient care.

OUTCOMES

Following the session, 15 participants out of 26 surveyed completed a feedback survey, and the results are summarized below. Percentages were calculated from the total number of submissions.

Prior to the workshop, participants rated their knowledge of board governance at 4.8 on average (0 low, 10 high). Following the workshop, participants rated their knowledge of board governance at 7.6 on average. Seventy-three percent of participants said they were highly likely to recommend this workshop to others. Furthermore, 73% of participants indicated that they would attend another Board education workshop.

	Strongly disagree	Somewhat disagree	Neither agree nor disagree	Somewhat agree	Strongly agree
1. After this workshop I understood the difference between “operations” and “governance”	–	–	–	5 (33%)	10 (67%)
2. This workshop clarified the roles and responsibilities of Board members	–	1 (7%)	–	7 (47%)	7 (47%)
3. I left the workshop with a better understanding of the impact of BC's new Societies Act on our Board's processes	–	–	–	7 (47%)	8 (53%)
4. During the workshop, my legal questions were answered effectively by Mr David Kandestin	–	–	1 (7%)	6 (40%)	8 (53%)
5. The presenter Mr David Kandestin delivered the material in a clear and structured manner	–	–	2 (13%)	5 (33%)	8 (54%)
6. The presenter Mr David Kandestin was knowledgeable about their topic and related issues	–	–	1 (7%)	3 (20%)	11 (73%)

	Strongly disagree	Somewhat disagree	Neither agree nor disagree	Somewhat agree	Strongly agree
7. The presenter Dr Lyne Filiatrault delivered the material in a clear and structured manner	–	1 (7%)	–	7 (50%)	6 (42%)
8. The presenter Dr Lyne Filiatrault was knowledgeable about their topic and related issues	–	–	1 (7%)	3 (20%)	11 (73%)

Additional topics requested for future workshops included:

- *Budget and keeping an eye on CRA requirements*
- *Finance conflict resolution*
- *How to cultivate medical staff members to become Board members*
- *Documentation requirements: voting, minutes (who gets access, how long to keep them, where?)*
- *Physician engagement and succession planning*
- *Effective subcommittee structure; how MSA/societies/MAC/HAMACs intersect with each other and senior leadership*

Additional feedback about the workshop included:

- *Perhaps it would be useful to gather information about the functioning of the boards of the various societies, with respect to both the legal responsibilities and engagement activities, alongside the “demographics” of the site.*
- *More small group discussion and feedback would have been appreciated-*
- *Demo on how to use the table mics to start with would have helped.*
- *Agenda appeared to have been changed or circulated at the last minute.*
- *Both [presenters] did well.*
- *I wonder whether it might not have helped to have a brief summary of the roles/responsibilities on paper.*
- *It is fair to say that this workshop clarified the roles and responsibilities of Board members, and the difference between “operations” and “governance” in my view. It also clarified how to be remunerated for that work.*
- *The two perspectives—“difference between” and “how to be remunerated”—are quite different and I felt that this was frequently underemphasized, if one takes the perspective that all volunteers in this work should be remunerated.*
- *Unfortunately, this [workshop] comes somewhat “after the fact,” as most Boards got up and running without the benefit of this information.*
- *Thanks for organizing this very informative meeting.*
- *Great presentation at the workshop. There is still lots we can improve on.*
- *Thank you SO much Lyne for chairing the workshop. It was incredibly helpful.*