



Divisions of Family Practice

A GPSC initiative

June 13, 2016

To: Divisions of Family Practice Physician Leads and Executive Staff

Re: BC Societies Act

A. Overview

When the new BC Societies Act was announced by BC Registry Services, the provincial Divisions office (PDO) engaged a law firm – Bull Housser & Tupper (BHT) – to help us determine the impact this might have on divisions and to assist us through the transition process. Lawyer Michael Blatchford from BHT specializes in the Societies Act and is familiar with the divisions' model.

The PDO worked with BHT, Vantage Point (an organization that supports learning in non-profit organizations), and three divisions – Powell River, Nanaimo, and South Okanagan Similkameen – to review the new Act, and determine what changes needed to be made in bylaws, what governance options are permitted, and what the transition process might look like. They identified opportunities in the new Act, as well as ways to mitigate challenges.

Based on input from the PDO and the three divisions, BHT developed a template for divisions to update and revise their bylaws to begin transitioning to the new Act by November 28th, 2016. The template includes changes required by the Act and key areas for customization. Several supporting documents have also been developed.

PDO has also been consulting with Doctors of BC General Counsel, Cathy Cordell, as well as Raewyn Brewer, a governance lawyer with WATSON, on the major issues and opportunities related to the Act.

Following the June provincial Divisions spring event, the PDO will make staff available—as capacity allows—for further discussions with division board members to support transition to compliance with the new Act.

BHT, WATSON, and Vantage Point will remain available for individual consultations at a division's expense.

B. Summary of small group learning sessions

Together BHT and Vantage Point held small group learning sessions to bring divisions up to date and to obtain their feedback. Five small group learning sessions have taken place – two in person and three virtual – with 67 individuals (board members, executive directors, and other staff members) attending representing 33 divisions.

The sessions were very well received. Feedback indicated that participants appreciated the level of expertise provided and as a result were able to identify necessary and helpful changes to their bylaws, and articulate their key priorities to work towards transitioning to the new Act. They also appreciated access to the recorded sessions to share with their other board members.

C. The big questions

- **Exemption:** We have spoken extensively with Doctors of BC General Counsel, BHT, and WATSON. Based on their guidance and significant expertise in this area we will not be seeking an exemption from the Societies Act. The probability of success is considered low.
- **Province of British Columbia:** As the Societies Act extends across all ministries and is legislation that governs over 27,000 non-profit organizations in BC, Doctors of BC does not see intervention from the Ministry of Health as feasible.
- **Federal registration:** We do not recommend this course of action: The time and cost involved in dissolving provincial societies and seeking registration under the Federal Not-for-Profit Corporations Act is not considered justifiable compared to compliance with the Act via different board composition or governance structures.
- **Co-operative Association:** This has not been ruled out. Post Spring Event, it's possible a few divisions may express an interest in exploring this option. If so, the PDO will consider supporting this with funds and other resources.
- **Funds flow:** We have had extensive discussions regarding the many ways funds flow through a division to physicians who are division board members. Given how many fund flow scenarios already exist, and knowing more will arise, we have been advised that diverting fund flows to enable compliance with the Act is not a practical option and would not guarantee compliance with the Act.

D. Provincial Spring Event / Alternate Governance Structures

- Raewyn Brewer (http://www.watsoninc.ca/team_member/raewyn/) will lead a governance discussion on Friday June 17th.
- Raewyn will present viable alternatives for governance structures that will enable divisions to be successful in achieving the purposes for which they were created and ensure compliance with the provisions and intent of the new Act.
- Following the discussion, divisions will have the opportunity to trial one or two governance models, supported by the PDO. We would not see this as a commitment on behalf of those participating to agree in advance to a model; it would be an exploration with go-no-go milestones.
- Some things to contemplate related to governance include:
 - The all-physician board is unique; if one considered, for example, a symphony, social service, or education-focused organization, the board would not be solely comprised of musicians, social workers, educators.
 - The governance structure most commonly used by divisions puts physicians in the position of needing expertise in accounting, legal issues, privacy, human resources, risk



- management, etc. While many physicians do have a high level of expertise in these areas, there could be benefit to including one or two individuals with outside expertise.
- There could be benefit to the division and its members to having an “ex officio” member of a board.
 - As divisions deepen their involvement in Patient Medical Home / Primary Care Home initiatives, their connection with allied professionals may increase; that voice might be a welcome addition to the board.
 - Many divisions welcome retired physicians to the board; they, along with medical students, could bring unique perspectives.
 - Physician burnout and succession planning are enormous issues for most divisions. Reducing the number of governance meetings physicians need to attend may be one small step in addressing this.

E. Recommendation

- Doctors of BC’s recommendation is that divisions work toward compliance with the new Societies Act by adapting their board composition or governance models.
- Some divisions are well down this path. We encourage divisions to keep the PDO informed such that we can share successes and challenges.

Resources have been uploaded to the Divisions of Family Practice website

<https://divisionsbc.ca/provincial/bcsocietiesact>. If you have questions, feel free to contact your Physician Engagement Lead, or Julie Holder (jholder@doctorsofbc.ca).

Regards,

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