



Mr. Charles Hamilton, Chief Administrative Officer
North Okanagan / Columbia Shuswap
Regional Hospital District
Box 978, 555 Harbourfront Drive NE
Salmon Arm, BC V1E 4P1

December 10, 2018

Dear Mr. Hamilton:

RE: CAPITAL FUNDING REQUEST FOR THE 2019/20 FISCAL YEAR

We are providing your Regional Hospital District (RHD) with our annual funding request letter for your consideration. As in prior years it is based on Interior Health's (IH) capital budget for the 2019/20 fiscal year and incorporates identified priorities for construction projects, equipment and information technology (IMIT). Intensive engagement occurs during the capital budget development, including involvement of staff and physicians at the site, regional and program level throughout IH. Alignment with IH's and government strategic priorities and the need to replace aging infrastructure were taken into consideration during this process.

For the 2019/20 fiscal year we are requesting funding for the following projects and equipment:

1. Construction Projects over \$100,000

a. Emergency Generator at Queen Victoria Hospital, Revelstoke

This acute care site is currently serviced by only one emergency generator and this is a remote site which experiences numerous power failures throughout the year. The existing single diesel generator is under sized and is to be replaced with two new redundant emergency generators. The generators will be sized to back up all the essential loads of the hospital. This new electrical system will incorporate a "bumpless" or closed transition automatic transfer switch which will allow the hospital to test the emergency power system on a weekly basis without power interruption to the hospital's normal operations. The work will include a new high voltage electrical service to serve a new 600 volt primary distribution and upgrades to portions of the 208 volt distribution to provide improved reliability of the system.

For budgeting purposes we are including the proposed cashflow for this project with spending of approximately \$700,000 in 2019, \$3.8M in 2020 and \$450,000 in 2021.

b. Medical Device Reprocessing (MDR) Redesign and Expansion at Vernon Jubilee Hospital, Vernon

IH is expanding surgical services across the region in order to increase surgical capacity, reduce surgical waitlists and improve efficiency and quality. This particular project's total cost is \$2.01M and is part of this IH-wide Surgical Strategy. The scope of work is:

1. Develop space for two offices, three workstations and one large loaner room;
2. Renovate an area adjacent to the MDR to create space for additional clean storage and a new five piece carousel;
3. Install additional electrical, mechanical, HVAC and instrument air to support the renovation scope;
4. Install two new additional sterilizers;
5. Install one new additional washer.

c. Pharmacy Renovation at Shuswap Lake General Hospital, Salmon Arm

The sterile compounding area in the pharmacy department at this site requires upgrading, including new equipment, air filtration, and air flow handling. Effective May 2021, the College of Pharmacists of British Columbia bylaws will require all pharmacies in B.C. to adopt the National Association of Pharmacy Regulatory Authorities model standards for sterile compounding. Compounding allows individual ingredients to be mixed together in personalized strengths and dosages based on a patient's needs. High-quality standards ensure preparation quality and safety when compounding drugs for patients. If a pharmacy is unable to meet these standards they are not to prepare sterile compounded medications, which include chemotherapy and intravenous medications.

d. Chiller Replacement at Queen Victoria Hospital, Revelstoke

This 40 year old chiller is past its useful life and runs with very high utility costs. Loss of the cooling system will have a negative impact on the patients, staff and temperature sensitive equipment. The scope of this project will be to replace the chiller and auxiliary equipment with a reliable heat recovery chiller system to provide heating water and pre-heat domestic hot water, thereby aligning with carbon reduction and sustainability goals. This project's 60% portion will be funded through the Ministry of Health's Carbon Neutral Capital Program.

e. Leasehold Improvements – Renovation/Expansion/Relocation for Shuswap Community Care Services, Salmon Arm

This project will align with IH's strategic agenda to provide comprehensive, person-centred, culturally safe, quality primary care services and coordinate patients' access to specialized community services programs. To improve access for those with complex medical conditions and/or frailty IH is moving community services within Salmon Arm over the next three years in order to address an upcoming lease termination and take advantage of an opportunity to consolidate programs within the community, addressing current needs and future growth. The move of services also provides the opportunity for a fresh look at space organization and utilization, which is expected to find efficiencies. Health professionals will have the opportunity to provide coordinated, integrated community services to the residents of Salmon Arm in newly refreshed and well planned space.

f. Modernize Elevator at Queen Victoria Hospital, Revelstoke

This project entails the complete modernization of this elevator which is past its life expectancy and the only elevator at the site. Scope of work will include a new controller, fixtures, power unit, door operator and other miscellaneous safety upgrades.

2. Construction Projects under \$100,000

a. Staff Duress System at Pleasant Valley Health Centre and Armstrong Community Services, Armstrong

Each staff member will be provided with a personnel badge that features wireless call functionality. In the event they are faced with a threatening situation, staff simply presses their badge's call-button to summon help via annunciation stations tied into the system. The staff duress system enables faster response times during emergencies by identifying the location of the specific employee at risk. This solution provides workers with the peace of mind knowing that they are protected in an emergency situation.

b. Retaining Wall and Security Fence Replacement at Parkview Place, Enderby

This site has pressure treated wood retaining walls on the patio from 1993 which are rotting and leaning posing a danger to persons in care, visitors and staff. The loading dock gate needs to be enlarged for easy egress and the security fence needs replacing as it has deteriorated. Scope of work will include concrete retaining walls, security fence and a redesign of the area by the loading dock for better access.

c. Repave Parking Lot at Pleasant Valley Manor, Armstrong

Freeze and thaw cycles over the seasons have caused heaving in the ground which has severely impacted the asphalt paving and has caused potholes and erosion in the parking lot at this site. This deterioration of the parking lot is a safety issue for persons in care, visitors and staff. The scope of work will include excavation and installation as a new base to accept asphalt.

3. IH-Wide IMIT

As part of the ongoing advancement of the IH digital platform to support health service operations, enable key strategies, improve quality and patient safety, and incorporate innovation to improve effectiveness and efficiency, IH IMIT strategy focuses on expanding technology that supports information exchange between providers. This includes improved communication systems between providers and patients and improved processing of clinical documentation.

This IMIT project is an IH-wide initiative costing approximately \$9 million. The project's benefits are distributed equally across IH regions; therefore the cost allocation to each of the seven RHDs is based upon population data using the PEOPLE 2018, BC Statistics. The North Okanagan/Columbia Shuswap RHD's percentage ratio is approximately 17%. Claims on this project will be calculated using this percentage for the actual cost distribution.

4. IMIT over \$100,000

Ortho Templating Software for Surgical Efficiency at Vernon Jubilee Hospital, Vernon

Ortho Templating is orthopedic pre-operative planning software which enables surgeons to accurately template patient images, take measurements, and simulate digitally the expected result prior to surgery. This should greatly reduce the time required to plan and improve the accuracy of implants by reducing corrections at time of surgery resulting in saved time, costs and improved patient outcomes. This project's total cost is \$444,000 and is part of the IH-wide surgical strategy. This software will be implemented at the six regional hospitals. Vernon Jubilee Hospital's portion of the total budget will be \$74,000 of which we are asking your RHD to fund 40% in the amount of \$29,600.

5. Equipment over \$100,000

Please note that pictures shown below are for illustrative purposes only and may not depict the actual equipment to be purchased by IH, which will be established during the procurement process.

a. Medstations, IH-Wide Pyxis Replacement, Phase 4 for Vernon Jubilee Hospital, Vernon

Automated dispensing cabinets (ADC) for medications were first introduced in IH in 2006. This technology has brought improvements in patient safety and workflow that have been well-supported by both nursing and pharmacy staff. In August 2014 IH was informed that the current platform (Pyxis 3500) was approaching end of life and will no longer be supported by the vendor. After extensive consultation with stakeholders IH decided to replace the Pyxis 3500 with Omnicell XT. This newest platform has a number of improvements over the older technology and will further increase patient safety and workflow.



In 2016/17 an IH-wide common structure was required before the ADC replacements could begin. This infrastructure was part of Phase 1 and included servers, software and staffing resources for configuration. The replacement of the individual ADC's started in 2016/17 (Phase 1) and continued in 2017/18 (Phase 2) and 2018/19 (Phase 3). The entire ADC replacement project will be completed by the end of 2019/20 as Phase 4. This project is for the actual purchase of the Omnicell ADC's, renovations and project staffing specifically at this site and is classified as Phase 4 as part of the entire IH rollout.

b. Monitoring System, Physiological for Vernon Jubilee Hospital, Vernon and Shuswap Lake General Hospital, Salmon Arm

Physiological monitoring systems consist of a bedside monitor connected to a central system and the patient. This system continuously monitors the patient's ECG, blood pressure, temperature, and blood oxygen levels among other vital signs. This information is also sent to a central system, which displays all of this information for each patient in real time at the nursing station. Alarms sound to alert clinicians if certain parameters fall outside of acceptable ranges, and trends are recorded to help clinicians assess a patient's progress. This new system is replacing a 2010 model at Shuswap Lake General Hospital and a 2011 model at Vernon Jubilee Hospital, both located in the Intensive Care Unit.



c. Holmium Laser for Vernon Jubilee Hospital, Vernon

This equipment is used for urology surgery and combines cutting, ablation and coagulation properties for precise, virtually bloodless procedures. It is also extremely effective in fragmenting urinary stones in the bladder, ureter and/or kidney of all compositions, making it an ideal multipurpose surgical tool. Because its laser light is transmitted through flexible fibers, it is especially suited for minimally invasive endoscopic and laparoscopic procedures. This purchase is replacing a 2002 model in the surgical department that is at end of its technological life. Investment in this technology will support providing elective and emergency care within the community.



d. Laboratory Middleware for Various Facilities

Middleware is software that connects laboratory analyzers and the Laboratory Information System. This software enables communication and data management between those two complex environments. Middleware is a general term for software that "glues together" or bridges the gap between separate, complex programs or systems.

Middleware will allow IH laboratories to enhance and streamline operations. This software streamlines quality control processes that ensure the integrity of laboratory results. The middleware provides the opportunity to integrate and automate repetitive tasks. It is very customizable and adaptable, and will allow IH laboratories to easily incorporate new technology and equipment.

The total cost for the purchase and implementation of this new Laboratory Middleware at all IH laboratory sites is \$1.2M and the North Okanagan/Columbia Shuswap RHD's portion of the total budget will be \$205,750 of which we are asking your RHD to fund 40% in the amount of \$82,300.

6. Equipment under \$100,000 (Global Grant)

We are requesting global funding for equipment that costs between \$5,000 and \$100,000.

Although the 2019/20 budget has been approved by the IH board, all capital spending over \$100,000 regardless of funding source must also be approved annually by government. We will be providing you with information regarding notional government funding and a high level estimate for your planning purposes of the three year funding requirement, as well as a listing of IH's major prioritized items under separate cover.

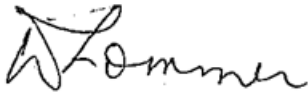
Please be advised we may approach your RHD to contribute towards additional items at a later date should circumstances dictate the need to commence new capital initiatives. We recognize that these late requests present challenges to your capital budget process and thank you for your understanding should such requests be presented for your consideration.

We have included as Appendix 1 a financial summary of our funding request, which totals \$6,813,300. We acknowledge that this amount is higher than amounts previously estimated in our three year notional funding projections (\$4 million per February 2018 letter, and \$2.8 million per February 2017 letter). For 2019/20, there are a number of major infrastructure investments required at facilities within the North Okanagan/Columbia Shuswap region. These are critical projects that are necessary to ensure the sustainability of services in those communities. Unfortunately, they have arisen at the same time. The deferment of the Queen Victoria Hospital emergency generator replacement project from last year has added further pressure, as costs have escalated in a very competitive construction market. Due to an increased risk of failure of this unit, we are unable to defer the project any longer.

It would be appreciated if you could submit it to your Board for approval. Please advise us of the meeting date when funding will be discussed and whether you would like to have IH representatives attend to answer questions that the Directors may have. Upon approval, please send Birgit Koster copies of the relevant bylaws for our records.

We thank you for your on-going support of our capital initiatives. If you require further information, or if you have any questions or concerns, please contact Dan Goughnour or me directly.

Sincerely,



Donna Lommer, CPA, CGA, EMBA
VP Support Services & CFO

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Encl. Appendix 1 ~ Summary of Regional Health District Funding Request for 2019/20

cc: Rhona Martin, Chair, NOCSRHD
 Jodi Pierce, Manager Financial Services, NOCSRHD
 Richard Harding, Acute Health Service Administrator, North Okanagan
 Peter Du Toit, Acute Health Service Administrator, Thompson Cariboo Shuswap
 Dan Goughnour, Director, Business Support
 Lorne Sisley, Corporate Director, Facilities Management and Operations
 Birgit Koster, Director Business Support, Capital Planning

Interior Health
North Okanagan Columbia Shuswap
Summary of Regional Hospital District
Funding Request
for 2019/20

Appendix 1

Facility	Location	Project/Equipment Description	Total Budget	RHD Share	2019/20 Funding Request
		<u>Construction Projects over \$100,000</u>			
Queen Victoria Hospital	Revelstoke	Emergency Generator	\$ 4,950,000	\$ 1,980,000	\$ 1,980,000
Vernon Jubilee Hospital	Vernon	Medical Device Reprocessing Redesign and Expansion	2,010,000	804,000	804,000
Shuswap Lake General Hospital	Salmon Arm	Pharmacy Renovation	1,080,000	432,000	432,000
Queen Victoria Hospital	Revelstoke	Chiller Replacement	823,000	329,200	329,200
Shuswap Community Care Services	Salmon Arm	Leasehold Improvements - Renovation/Expansion/Relocation	600,000	240,000	240,000
Queen Victoria Hospital	Revelstoke	Modernize Elevator	280,000	112,000	112,000
		<u>Construction Projects under \$100,000</u>			
Pleasant Valley Health Centre/Armstrong Community Services	Armstrong	Staff Duress System	90,000	36,000	36,000
Parkview Place	Enderby	Retaining Wall and Security Fence Replacement	85,000	34,000	34,000
Pleasant Valley Manor	Armstrong	Repave Parking Lot	60,000	24,000	24,000
		<u>IH-Wide IMIT</u>			
Regional		Various	1,608,000	643,200	643,200
		<u>IMIT over \$100,000</u>			
Vernon Jubilee Hospital	Vernon	Ortho Templating Software for Surgical Efficiency	74,000	29,600	29,600
		<u>Equipment over \$100,000</u>			
Vernon Jubilee Hospital	Vernon	Medstations, IH-Wide Pyxis Replacement, Phase 4	2,939,000	1,175,600	1,175,600
Vernon Jubilee Hospital/Shuswap Lake General Hospital	Vernon/Salmon Arm	Monitoring System, Physiological	465,000	160,200	160,200
Vernon Jubilee Hospital	Vernon	Laser, Holmium	270,000	108,000	108,000
Various	Various	Laboratory Middleware	205,750	82,300	82,300
		<u>Equipment under \$100,000 (Global Grant)</u>			
All Facilities		Equipment between \$5,000 and \$100,000	1,558,000	623,200	623,200
TOTAL			\$ 17,097,750	\$ 6,813,300	\$ 6,813,300