

# Interior Health Overview & Project Update Report

Presentation to North Okanagan Columbia Shuswap Regional Hospital District

Dan Goughnour– Corporate Director, Business Operations South

Richard Harding – Executive Director Clinical Operations, North Okanagan

January 24, 2023

# Agenda

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- IH Overview
- IH Capital process explained
- Current Project Updates
- 2023/24 Capital Funding Request
- Questions



# IH Key Contacts



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# North Okanagan Leaders - Acute



**Heather Wood**

*Director, Clinical Operations, Vernon Jubilee Hospital*



**Alicia Ponich**

*Director, Clinical Operations, Vernon Jubilee Hospital*



**Megan Cox**

*Director, Clinical Operations, Queen Victoria Hospital & Shuswap Lake General Hospital*



# North Okanagan Leaders - Community



**Julie Davenport**

*Director, Clinical Operations, Seniors  
Care North Okanagan*



**Josee Leclerc**

*Director, Clinical Operations, Seniors  
Care North Okanagan*



**Megan Thorne**

*Director, Clinical Operations, North  
Okanagan Mental Health & Substance  
Use and Allied Health*



**Yvonne Taylor**

*Director, Clinical Operations, North  
Okanagan Primary Care*



# 2022 QUICK FACTS

- 60 MUNICIPALITIES
- 54 FIRST NATION COMMUNITIES
- 15 MÉTIS CHARTERED COMMUNITIES
- 7 REGIONAL HOSPITAL DISTRICTS
- 7 DIVISIONS OF FAMILY PRACTICE
- 7 PRIMARY CARE NETWORKS

SERVING OVER  
**834,000**  
INDIVIDUALS ACROSS  
THE SOUTHERN  
INTERIOR OF B.C.

WITH A  
BUDGET OF  
**\$3.1B**

AND  
COVERING OVER  
**215,000**  
SQ KILOMETRES



**27,800+**  
ACTIVE MENTAL HEALTH  
AND SUBSTANCE USE CLIENTS  
served in community settings  
each year

**35,500+**  
HOME HEALTH CLIENTS  
served in community settings  
each year

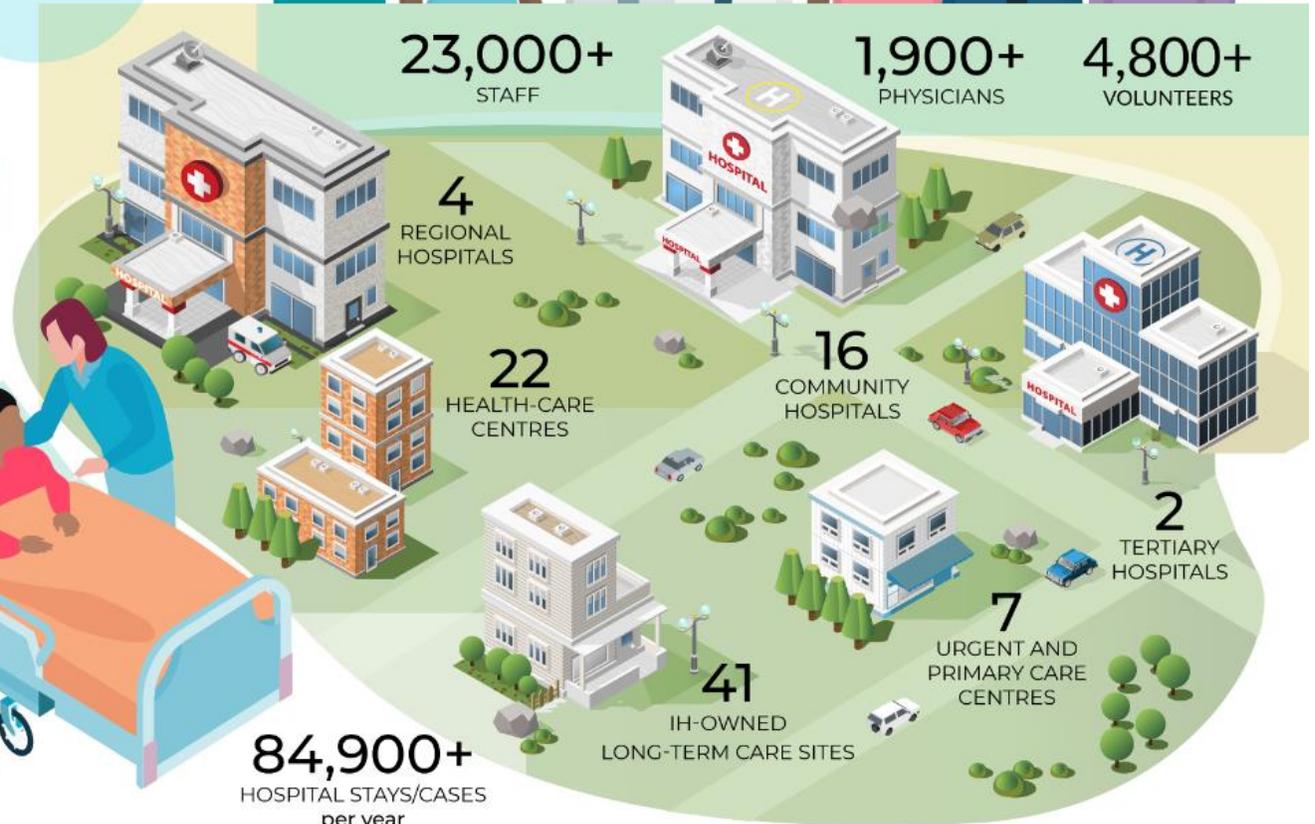
**10,900+**  
LONG-TERM CARE AND  
ASSISTED LIVING RESIDENTS  
in IH-owned and partner sites  
served per year

**84,900+**  
HOSPITAL STAYS/CASES  
per year

**23,000+**  
STAFF

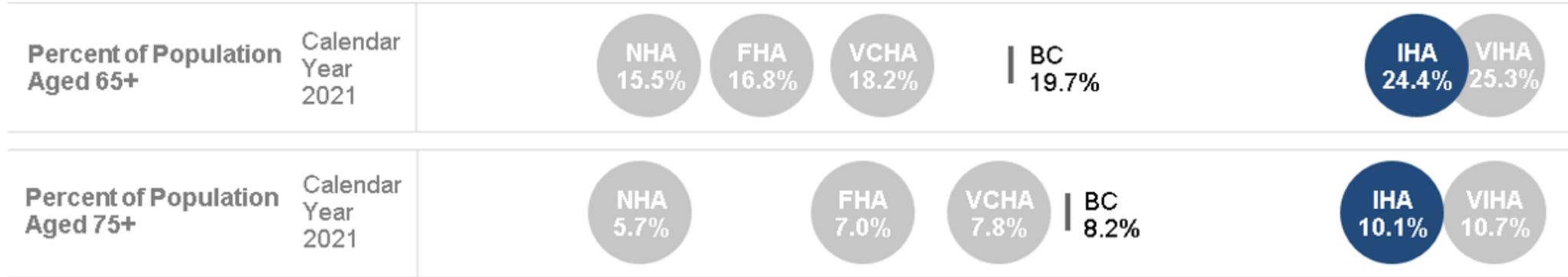
**1,900+**  
PHYSICIANS

**4,800+**  
VOLUNTEERS

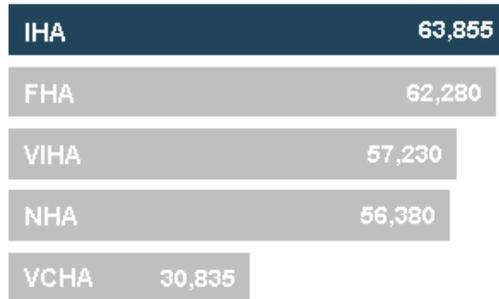


# Population Context

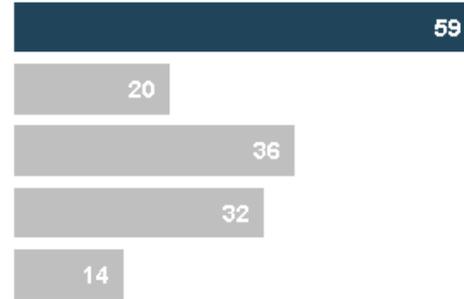
## Older Population



## Largest Aboriginal Population

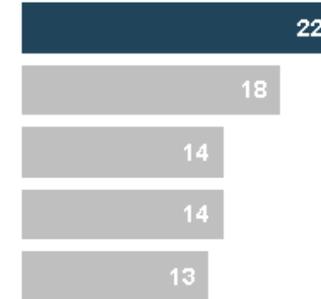


## Most Communities Incorporated

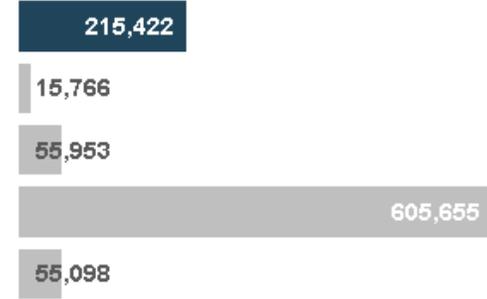


## Most Sites

Number of Hospitals



## Large Geography



Source: PEOPLE 2021, BC Stats



# IH Capital Process Explained



### Non Restricted Capital Grant (RCG) Allocation

> \$5,000 and < \$100,000  
*(annual allocation included in MoH funding letter)*

Annual allocation, internally distributed based on IH-wide priorities and based on population for equipment

Prioritization processes consist of:

- Regional Capital Teams (based on RHD boundaries) – equipment & Capital Improvement projects
- IH-wide prioritization:
  - Corporate equipment
  - Vehicles
  - Plant Maintenance, Equipment & Capital Improvement Projects
  - Leasehold improvements
  - IMIT Tactical plan

### Restricted Capital Grant (RCG) Allocation > \$100,000

Routine Capital Investments (RCI)  
*(amount varies annually)*

IMIT Projects

Building Projects

Equipment Projects

IH wide annual prioritization process by ***IH Capital Planning Steering Committee***

Approval provided by IH Board of Directors based on annual affordability

Approval provided by Ministry of Health

Priority Investments (PI)  
*(individual project approvals related to Ministry of Health strategies) Limited funding available*

Annual prioritization process based on scoring of Applications for Capital Projects over \$5m followed by SET review

Approval provided by IH Board of Directors for submission to Ministry of Health

Approval provided by Ministry of Health on a project by project basis

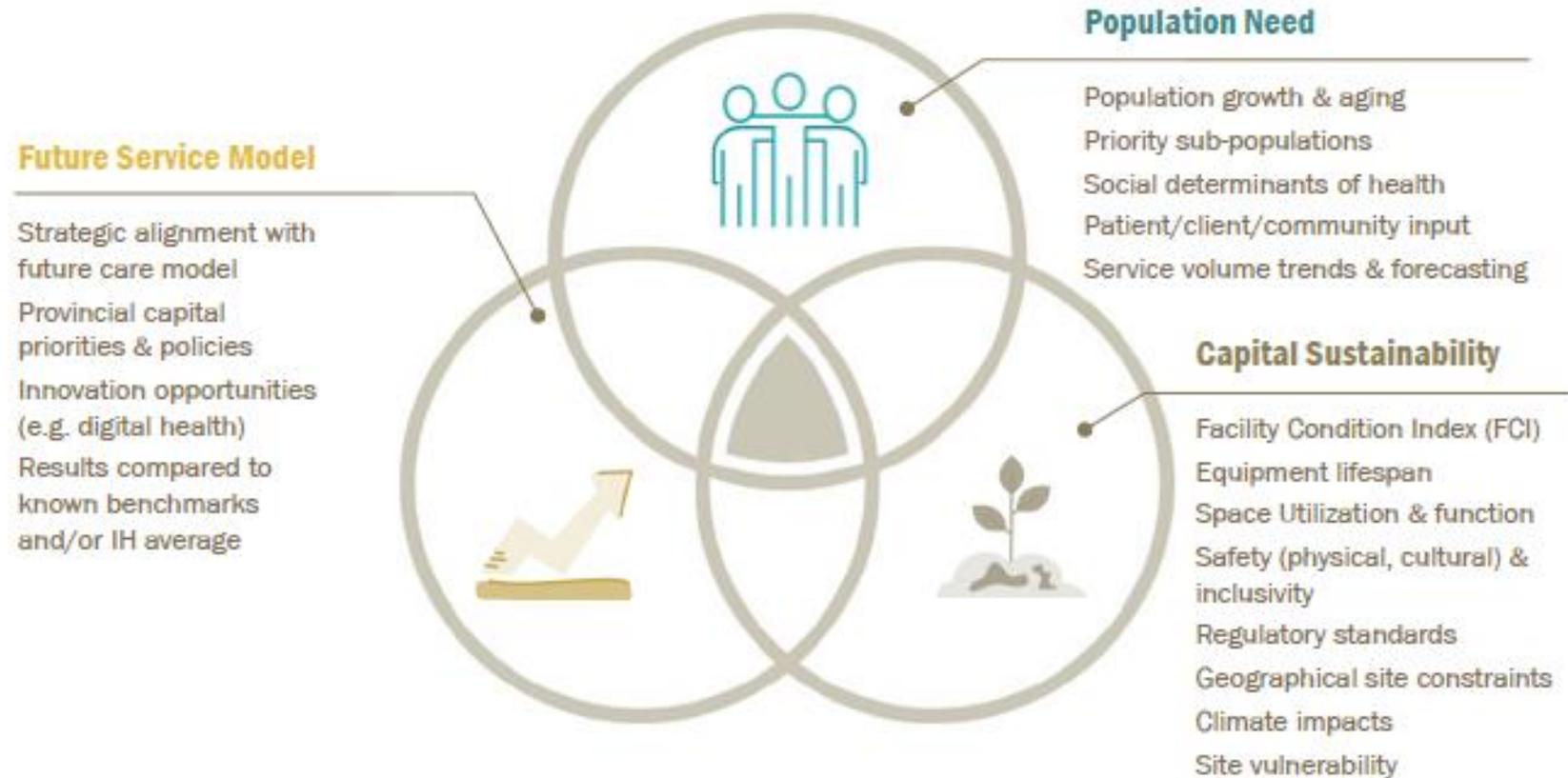


# Other Funding Sources

- Regional Hospital Districts
  - IH will request up to 40% of total cost for majority of items included in our capital budget
- Hospital Foundations/Auxiliaries
  - Partially or fully fund specific items based on ability to fundraise



# Key Drivers for Capital Investment



# Capital Prioritization Challenges

- Demands on Capital Dollars
  - Aging infrastructure and equipment
  - Strategic priorities and service level growth
  - Climate change
  - Rising costs
- Limit on how far down the list we can go
- No proportional allocation by region, program or capital “grouping”
- Allocation based on priorities as presented



# Projected Escalation 2022 - 2024

## Projected escalation over the next three years

- 2022 – 2023: 14 to 16 %
- 2023 – 2024: 12 to 14 %
- 2024 – 2025: 10 to 12 %

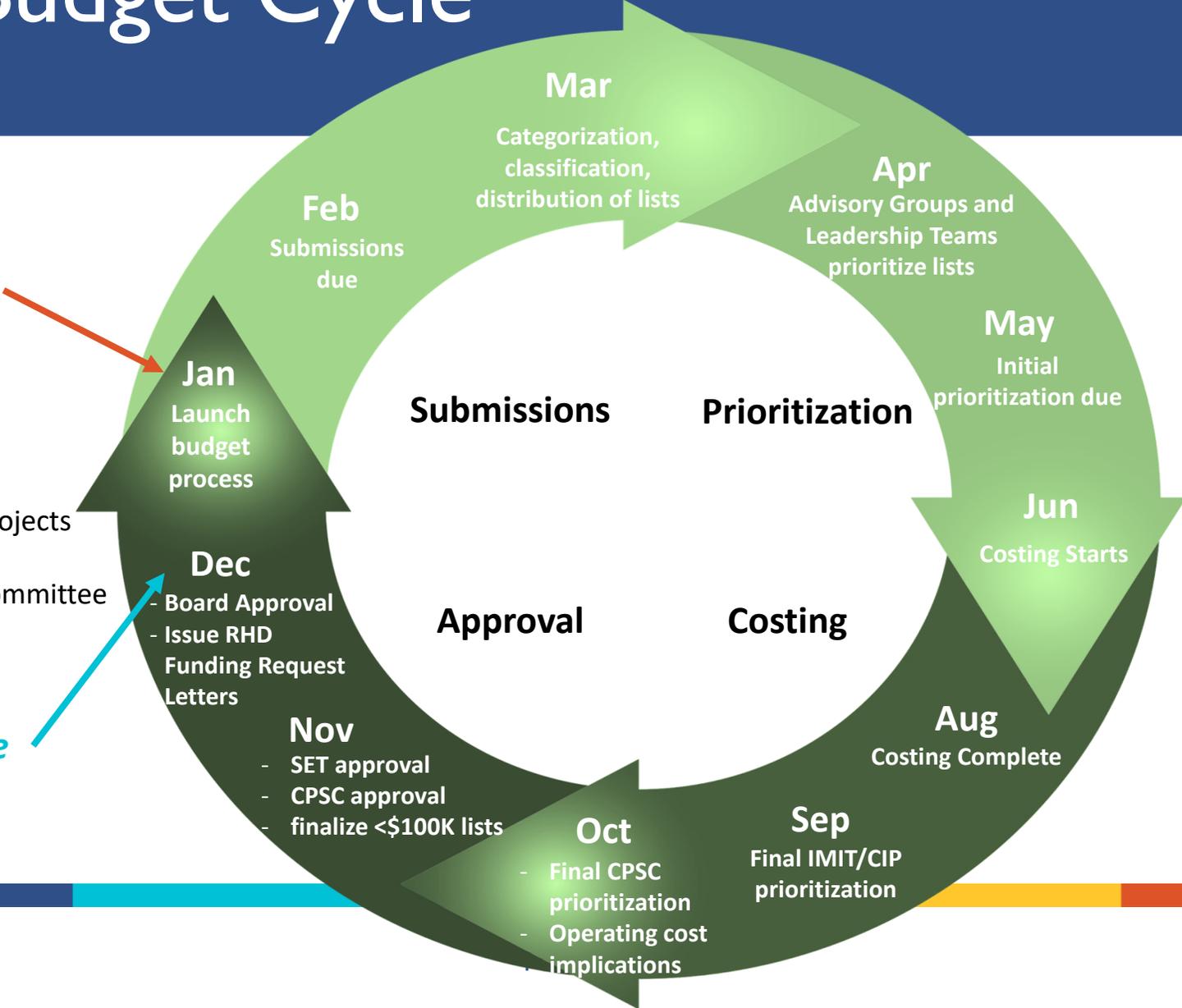
## Mitigation strategies:

- Match the delivery model to project complexity, schedule and risks;
- Assess market conditions and supply chain factors frequently and make informed decisions;
- Increased due diligence in procurement to consider contractor commitments, liquidity, and other factors.



# Capital Budget Cycle

*Starts Here*

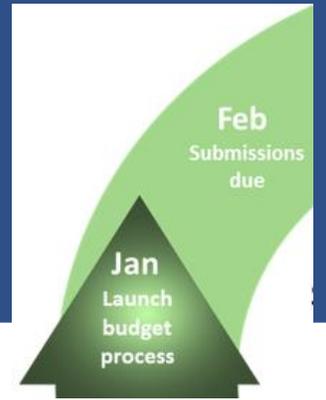


*Finishes Here*

- LEGEND**
- IMIT:** Information Management/ Information Technology
  - CIP:** Construction Improvement Projects
  - SET:** Senior Executive Team
  - CPSC:** Capital Planning Steering Committee
  - RHD:** Regional Hospital Districts



# IH Capital Prioritization Process



- Annual review and prioritization cycle – 1 year in advance of funding availability
- Split into categories so more manageable and experts can inform prioritization decisions
  - Equipment – Under \$100K; Over \$100K
  - Capital/Maintenance Improvement Projects – Under \$100K; Over \$100K
  - Digital Health Projects (Information Technology)



# IH Capital Prioritization Process



- Each category has a running list:
  - All historical equipment/projects for funding consideration
  - New capital requests made during the active submission window
- Committees that specialize in each program area and/or geographical region review lists and recommend priorities
- No target budget – “Top 10” priorities



# IH Capital Prioritization Process



- Subject matter experts help inform prioritization by identifying urgency, risk, strategic alignment, population and service needs
  - Clinical Leaders (IH Clinical Managers and Physicians)
  - Biomedical Engineering
  - Plant Services
  - Capital Planning and Projects
  - Analytics
  - Finance
  - Regional Hospital Districts
  - Hospital Foundations/Auxiliaries
- Application of the IH Capital Strategic Framework and longer-term planning



# IH Capital Prioritization Process



- Short-listed items are priced by:
  - PHSA Procurement (equipment)
  - IH Capital Planning and Projects (capital/maintenance improvement)
  - IH Digital Health (Information Technology)



# IH Capital Prioritization Process



- With pricing complete, an *IH Capital Planning Steering Committee* does final review of priorities
- Match items against available budget
- Committee uses same principles and strategic framework in completing review



# IH Capital Prioritization Process



- Final recommendations reviewed by IH Senior Executive Team and IH Board of Directors for sign-off and submission to Ministry of Health
- Funding request letters sent to Regional Hospital Districts



# Major Priority Investment Projects > \$5M

- Priority Investment (PI) projects follow similar prioritization path as Routine Capital Investments (RCI)
  - Use same expertise
  - Use same strategic framework
  - Tracked on the same “master” capital lists
- PI projects also go thru more structured set of criteria to assess a formal “score”
- IH PI priorities sent to MoH separately for consideration



# Major Priority Investment Projects > \$5M

- MoH directs IH on which PI Project(s) it supports, and
- Whether to proceed with Concept Planning and Business Planning
- Requires advanced discussion and planning with funding partners
  - High dollar value
  - Timing can occur between annual funding request cycles



# Updates on Current Projects



# Major Project Updates – Salmon Arm

Project	Fiscal Year	Total Budget	RHDOS Contribution	Status Update
Salmon Arm Community Lab Leasehold Improvements	2019/20	\$600,000	\$240,000	<ul style="list-style-type: none"> <li>• <u>Project has been delayed due to cost pressures. We have an additional funding request in 2023/24</u></li> <li>• Relocation of existing outpatient lab to an adjoining space within the same building to create larger and more efficient lab to serve the community</li> <li>• Schedule to be reviewed once budget increase is finalized</li> </ul>
SLGH Pharmacy Renovation	2019/20	\$2,823,000	\$1,012,000	<ul style="list-style-type: none"> <li>• Overall project has experienced significant delays both due to cost escalation and supply chain challenges.</li> <li>• Into final phase of the project now with anticipated completion in April 2023, nearly three later than original estimated</li> </ul>
Bastion Place Generator Replacement	2020/21	\$1,200,000	\$480,000	<ul style="list-style-type: none"> <li>• New generator is commissioned and is active. However, it is still tied to the old Automatic Transfer Switch (ATS)</li> <li>• Tie-in to the new ATS and testing for the entire system has been delayed due to vendor availability, but expect to see this last step completed within the next month</li> </ul>
SLGH Mammography System	2021/22	\$2,253,000	\$484,500	<ul style="list-style-type: none"> <li>• Joint funded by NOCSRHD and SLGH Foundation</li> <li>• Project was experiencing cost pressures. Arrangement was made with SLGH Foundation to use surplus funds from the CT Scanner Replacement Project (below) to address Mammography deficit. NOCSRHD contribution to both projects remained unchanged.</li> <li>• Construction will begin once key materials arrive (Jan/Feb 2023)</li> <li>• Overall completion expected September 2023</li> </ul>
SLGH CT Scanner Replacement	2021/22	\$2,194,000	\$627,250	<ul style="list-style-type: none"> <li>• Joint funded by NOCSRHD and SLGH Foundation</li> <li>• Project is now complete</li> <li>• Ended with an overall surplus, which was used to support budget pressure with the Mammography project above</li> </ul>



# Major Project Updates – Salmon Arm

Project	Fiscal Year	Total Budget	RHDOS Contribution	Status Update
Salmon Arm Community Care Services Leasehold Improvements	2021/22	\$1,800,000	\$720,000	<ul style="list-style-type: none"> <li>•<u>Project has been delayed due to cost pressures. We have an additional funding request in 2023/24</u></li> <li>•Consolidation MHSU and Community services to fewer locations in Salmon Arm</li> <li>•Project is coordinated with the Outpatient Lab relocation (above)</li> <li>•Design for the space continues with completion expected Jan/Feb 2023 after which construction will be mobilized</li> <li>•Revised timelines to be confirmed</li> </ul>
SLGH Inpatient, Perioperative, Ambulatory Care Planning	2022/23	\$1,000,000	\$400,000	<ul style="list-style-type: none"> <li>•Clinical service plan is in development</li> <li>•Scope of Work has been approved</li> <li>•Completion of planning project anticipated for October 2023</li> </ul>
Bastion Place Chiller Replacement	2022/23	\$770,000	\$308,000	<ul style="list-style-type: none"> <li>•IH was able to take advantage of FortisBC Capital Incentive Funding by following their recommendation for replacement</li> <li>•New chiller delivered in December 2022</li> <li>•Install contract awarded and substantial completion anticipated in March 2023</li> </ul>



# Major Project Updates – Vernon

Project	Fiscal Year	Total Budget	RHDOS Contribution	Status Update
VJH CT Scanner Replacement	2020/21	\$2,859,000	\$1,143,600	•Project now complete with minimal issues
VJH Inpatient Psychiatry Redesign - Concept Plan	2021/22	\$700,000	\$280,000	•Concept plan submitted to Ministry in November •IH now awaiting MoH response with further comments or direction on next steps
VJH Meal Delivery System	2021/22	\$1,430,000	\$572,000	•Equipment is install and operational •Outstanding piece is replacement of flooring before final completion of project
VJH Electrical Infrastructure Upgrade - Phase 1	2021/22	\$3,500,000	\$1,400,000	•Includes design development for full project and detailed design and construction for generator and energy centre •Schematic Design report was issued, outlining different options. •Awaiting Quantity Surveyor cost estimate and comments from stakeholders to determine final option chosen. •Current estimated completion is June 2025
Vernon Long-term Care Facility - Business Plan	2021/22	\$400,000	\$160,000	•Clinical Service Plan is currently under development •Functional programming work to take place over the next few months



# Major Project Updates – Armstrong

Project	Fiscal Year	Total Budget	RHDOS Contribution	Status Update
Pleasant Valley Manor Generator and Switchgear Replacement	2021/22	\$950,000	\$380,000	<ul style="list-style-type: none"><li>•Shop drawing for the equipment are being finalized</li><li>•Site work will not begin until the spring to avoid starting in the snow</li><li>•Given equipment lead times, expect preparation work can still occur in the spring prior to equipment arrival</li><li>•Estimated completion is October 2023</li></ul>



# 2023/24 Capital Funding Request



# 23/24 – Year of Infrastructure, Maintenance & Equipment

- Across IH, plant maintenance and infrastructure investments made-up the majority of construction projects in the 23/24 budget vs. program expansion
- Replacement of existing clinical and non-clinical equipment to maintain services another major theme



# Armstrong

- Pleasant Valley Manor
  - Chiller and Cooling Tower Replacement
  - \$1.1M total budget; \$438K RHD Share



# Enderby

- Parkview Place
  - Chiller Replacement
  - \$500K total budget; \$200K RHD Share



# Revelstoke

- Queen Victoria Hospital
  - Chiller Replacement
    - \$1.1M total budget; \$430K RHD Share
  - Operating Room Lights
    - \$859K total budget; \$344K RHD Share



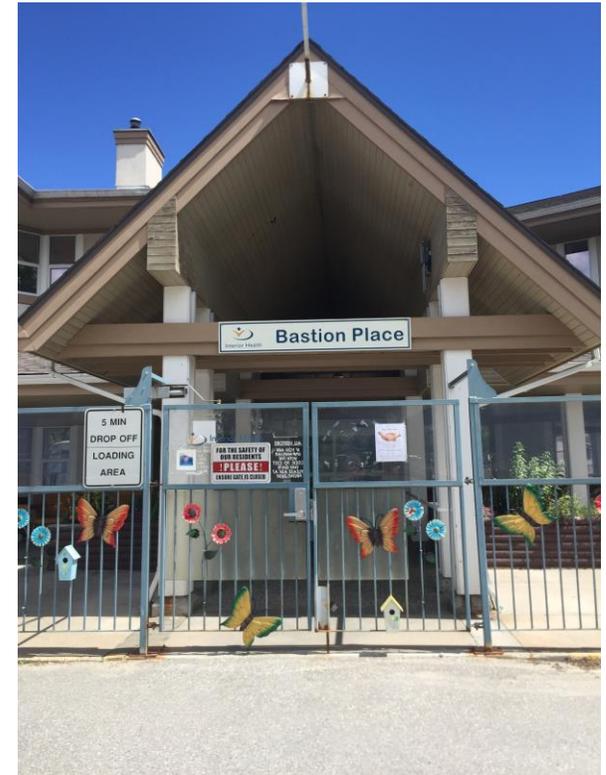
# Salmon Arm – Community Sites

- Shuswap Community Care Services
  - **Tenant Improvements to leased site**
    - Existing project – budget increase required
    - Additional \$520K requested - \$1.2M total contribution
- Shuswap Community Lab
  - **Tenant Improvements to leased site**
    - Existing project – budget increase required
    - Additional \$396K requested - \$636K total contribution



# Salmon Arm - Acute & Long-term Care

- Bastion Place
  - Chiller Replacement
    - Existing project – budget increase required
    - Additional \$116K requested - \$424K total contribution
- Shuswap Lake General Hospital
  - Hot Water Loop Upgrade
    - \$460K total budget; \$184K RHD Share



# Vernon – Long-term Care

- Gateby Care Centre
  - **Boiler Upgrade**
    - \$767K total budget; \$307K RHD Share
- Noric House
  - **Elevator Upgrade**
    - \$339K total budget; \$135K RHD Share



# Vernon – Vernon Jubilee Hospital

- Cooler and Freezer Upgrades
  - \$1.5M total budget; \$592K RHD Share
- Secure Room Safety Upgrade
  - \$518K total budget; \$207K RHD Share
- Operating Room Equipment Management System
  - \$1.9M total budget; \$777K RHD Share
- Mental Health & Substance Use Business Case
  - \$800K total budget; \$320K RHD Share



# IH-Wide Digital Health

- Investments in:
  - Upgrade to Home Health and Long-term Care assessment tool
  - Continuation of expansion of primary and community care transformation systems
  - Continuation of expansion and improvements to MyHealthPortal
  - Systems to support advanced analytics to provide real-time actionable information for clinicians and management
  - Updates to infrastructure to expand system capacity and bolster cyber-security



A scenic view of a wooden pier extending over a beach and ocean under a cloudy sky. The pier is made of light-colored wood and has a railing. The beach is sandy and the ocean is calm. In the background, there are mountains under a blue sky with white clouds.

**Thank You for Your Support**



# Questions

