



The attached briefing notes provide an overview of three areas of potential “innovative financial arrangements” with Island Health for:

- Community Health and Service Hub Lease Consolidation
- Campbell River Long term Care
- Rural Health Clinics

These briefing notes are offered in response to requests from the CSRHD Board during the February interviews where numerous requests were made for more specific information regarding examples of potential “innovative financial arrangements” with the CSRHD.

The briefing notes outline general project details, estimated order of magnitude costs, and possible financial arrangements.

Scott McCarten from Island Health will be available at the February 25, 2021 CSRHD Board meeting to elaborate on the details included here.



Community Health and Service Hub Lease Consolidation

There are a number of community health services (including mental health) that are in sub-par leased space and would benefit in terms of economies of scale and scope through co-location on one site.

Additionally, there is an opportunity through consolidation of services to develop a community health and service hub. These integrated community, health and even housing supports have proven globally to have positive effects on populations served through an integrated and holistic approach.

Supporting youths to seniors in all areas of the social determinants of health under an integrated hub model will improve the quality of living for citizens and residents in both major centres.

There may also be opportunities to partner with the municipality directly to support the integration of recreational and social support services that are traditionally offered by municipalities.

What capital requirements are needed for a community health hub?

Depending on the consolidated sites, the need is for 15,000 to 30,000 square feet. Tenant Improvements are estimated at \$350/sf for leased space, and that cost would likely be doubled for a new build. Order of magnitude costs for a variety of consolidation options as follows (excluding land value):

- 15,000 SF of leased space: \$5.25M
- 30,000 SF of leased space: \$10.5M
- 15,000 SF of built space: \$10.5M
- 30,000 SF of built space: \$21M

What is the potential financing partnership?

Island Health would be willing to entertain an operating lease with the CSRHD if they were willing build the space.

Potential scenario:

- CSRHD could fund \$10.5M to build a community health hub building; the building would be owned by the CSRHD.
- Island Health would pay 60% of the cost (\$6.3M) through a 25 year lease agreement (The other 40% represents what the CSRHD would traditionally contribute by way of cost sharing.)
- This would result in approximately \$320K annual operating cost to Island Health assuming a 2% interest rate (equating to ~\$1.7M in interest payments over 25 years).



Campbell River Long Term Care

Island Health is currently completing a business plan for the development of a 150 bed LTC facility on the Campbell River Hospital Campus.

This project will address a lack of LTC capacity in the North Island and will substantially increase hospital capacity:

- The North Island has 10% fewer LTC beds per 1,000 population than the Island average (56.0 vs 63.5)
- Campbell River in particular has LTC demand per 1,000 population that is 35% higher than the Island average, and is the highest of any community on the Island
- Last year, the percent of patients in the North Island Hospitals that could have been cared for in LTC ranged from 17% to 33%. (This means that on the low end, there were ~51 hospital beds (17% of existing hospital capacity) that could have been freed up through investment in the LTC and on the high end ~77 beds (33% of hospital capacity) could have been freed up.

To date, Island Health has completed:

- A functional program indicating the types and size of spaces required on site
- An engineering and geotechnical assessment of the site
- A concept plan indicating facility footprint and high level design (See Figure below)



What capital requirements are needed for long term care?

Order of magnitude estimates indicate a cost of approximately \$60M for the development, but this is subject to significant variance depending on the indicative design.

What is the potential financing partnership?

Island Health would welcome 40% cost sharing on this project as it will address a lack of LTC capacity in the North Island, will better meet LTC demand, and will substantially increase hospital capacity.

Should the CSRHD not be interested in expanding its mandate to include LTC facilities, there may be an option wherein a portion of the LTC facility is designed and built in such a way that it can accommodate Transitional Care and/or Restorative Health patients that are currently cared for in hospital. This would also free up hospital capacity and may be viewed as more aligned with the existing CSRHD mandate given that these spaces are currently within the hospital and will eventually require CSRHD cost sharing to be maintained.



Rural Health Clinics

The CSRHD provides grant funding of \$5,000 to each of six rural health centres across the CS region as follows:

- Cortes Health Centre
- Gold River Health Clinic
- Kyuquot Health Centre
- Sayward Health Centre
- Tahsis Health Centre
- Zeballos Health Centre

The funds are unconditional and are generally used for operations. Separately, capital improvement requests are submitted through the CSRHD's \$1.85 million allocation to Island Health.

Recent examples of capital requests:

- 2019 Kyuquot for dock repairs
- 2018 Zeballos Health Centre for a backup generator
- 2016 Gold River Health Centre for an x-ray machine with PACs capability and again in 2017 for a wheelchair accessible main entrance door

There may be potential to partner with Island Health to provide additional funding to support these rural health clinics by increasing the annual grants that have not increased since 2016.