

**REPORT TO HOSPITALS AND HOUSING COMMITTEE
MEETING OF WEDNESDAY, DECEMBER 04, 2019**

SUBJECT James Bay Urgent and Primary Care Centre Fund Request

ISSUE SUMMARY

Approval of a Capital Regional Hospital District (CRHD) \$1,500,000 Capital Expenditure and Borrowing Bylaw is required for Island Health to proceed with the \$5,000,000 James Bay Urgent and Primary Care Centre (UPCC) capital project and provide a letter of support to designate the center as a health facility under the *Hospital District Act*.

BACKGROUND

As part of Island Health's new primary care networks, the James Bay UPCC will provide urgent and primary care to patients who do not have a family doctor or nurse practitioner. Primary care networks will be the backbone to a team-based approach, allowing patients access to a full range of health-care options from maternity to end of life, streamlining referrals from one provider to another, and providing better support to family physicians, nurse practitioners, and other primary health-care providers. The James Bay UPCC will provide access to care for unexpected, but non-life threatening health concerns requiring same-day treatment and reducing lower-acuity emergency department visits. The James Bay UPCC will require tenant improvements and capital acquisition to accommodate the planned services.

A Bylaw (Appendix A) authorizing the Hospital District's capital contribution is required in order to authorize the CRHD's capital contribution of \$1,500,000 which is 30% of the revised total capital budget of \$5,000,000. A request for a letter of support to have the facility designated under the *Hospital District Act* was also received and a draft letter of support is attached as Appendix B.

ALTERNATIVES

Alternative 1

The Hospitals and Housing Committee recommends to the Capital Regional Hospital District (CRHD) Board:

- a) That CRHD funding in the amount of \$1,500,000 be approved for the James Bay Urgent and Primary Care Centre (UPCC);
- b) That CRHD Bylaw No. 398, "Capital Regional Hospital District Capital Bylaw No. 174, 2019" (for a maximum of \$1,500,000) be introduced and read a first, second, and third time;
- c) That Bylaw No. 398 be adopted; and
- d) That CRHD provide Island Health a letter of support to designate the James Bay UPCC a health facility under Section 49 of the *Hospital District Act*.

Alternative 2

That the James Bay Urgent and Primary Care Centre Fund Request report be referred back to staff for additional information based on Hospitals and Housing Committee direction.

IMPLICATIONS

Financial Implications

On September 19, 2018, the CRHD Board approved the project as part of the 2019-2028 CRHD 10-Year Capital Plan.

Total project funding for the James Bay UPCC, in the amount of \$3,400,000 was included in the 2019-2028 Capital Plan. The funding for the revised capital budget of \$5,000,000 was anticipated in the 2020-2029 Capital Plan, which was approved by the CRHD Board on October 30, 2019.

CRHD's share of \$1,500,000 would be debt financed through the Municipal Finance Authority. The posted indicative rate for long-term (5-year) borrowing, as at September 5, 2019 is 1.85%. As the anticipated financing for the James Bay UPCC is Spring 2020, a conservative rate of 2.50% with an amortization period of five years was modelled, resulting in an annual impact of \$320,032. Table 1 summarizes the estimated average annual cost per household to service the cost of the incremental borrowing.

Table 1: James Bay Urgent and Primary Care Centre Project Budget Implications

| Alternative | Net Cost | CRHD Share (30%) | Annual Tax impact on 2019 average residential assessment (\$779,233) | Annual Tax impact on \$100,000 of 2019 residential assessments |
|-------------|-------------|------------------|--|--|
| 1 | \$5,000,000 | \$1,500,000 | \$1.71 | \$0.22 |

The James Bay UPCC capital budget will be cost shared with the Ministry of Health/Island Health, with CRHD contributing 30% capital for the project.

CONCLUSION

The James Bay UPCC project addresses the need to increase access to primary care and was included in the 2019-2028 CRHD Capital Plan. With approval of a CRHD \$1,500,000 Capital Expenditure and Borrowing Bylaw, Island Health can proceed with tenant improvements and capital acquisition to accommodate the planned services.

RECOMMENDATION

The Hospitals and Housing Committee recommends to the Capital Regional Hospital District (CRHD) Board:

- a) That CRHD funding in the amount of \$1,500,000 be approved for the James Bay Urgent and Primary Care Centre (UPCC);
- b) That CRHD Bylaw No. 398, "Capital Regional Hospital District Capital Bylaw No. 174, 2019" (for a maximum of \$1,500,000) be introduced and read a first, second, and third time;
- c) That Bylaw No. 398 be adopted; and
- d) That CRHD provide Island Health a letter of support to designate the James Bay UPCC a health facility under Section 49 of the *Hospital District Act*.

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| Submitted by: | Michael Barnes, MPP, Senior Manager, Health & Capital Planning Strategies |
| Concurrence: | Kevin Lorette, P. Eng., MBA, General Manager, Planning & Protective Services |
| Concurrence: | Nelson Chan, MBA, CPA, CMA, Chief Financial Officer |
| Concurrence: | Robert Lapham, MCIP, RPP, Chief Administrative Officer |

ATTACHMENTS

Appendix A: CRHD Bylaw No. 398 "Capital Regional Hospital District Capital Bylaw No. 174, 2019"

Appendix B: Draft Letter of Support