

Mr. Bill Newell, Chief Administrative Officer
Okanagan Similkameen Regional Hospital District
101 Martin Street
Penticton, BC V2A 5J9

December 15, 2022

Dear Mr. Newell:

RE: CAPITAL FUNDING REQUEST FOR THE 2023/24 FISCAL YEAR

Please find enclosed our annual funding request for Interior Health's (IH) next fiscal year for your review. It is based on IH's 2023/24 capital budget, which has been approved by our Board. The budget is developed by prioritizing identified capital needs throughout our organization with our physicians and staff within the context of the Capital Investment Strategic Framework and we look forward to sharing the details with you and answering any questions you may have.

We are continuing to invest in primary care throughout the region as the planned expansion of Primary Care Networks (PCN) and Urgent and Primary Care Centres continues. We have also incorporated improvements and expansions to make spaces safer for staff and patients. In this regard, this year we have focused significant investments in patient comfort and patient and staff safety with elevator replacements, heating and cooling systems, and kitchen equipment. As we replace systems and equipment we are committed to energy and carbon-efficient systems as IH supports wider government efforts to combat climate change.

The bulk of the capital budget remains focused on investments that aim at maintaining services through replacement of clinical and non-clinical equipment and systems. Our investments in technology extend to Digital Health infrastructure to ensure reliability and security of our systems while continuing with the ongoing project to roll out automated dispensing cabinets for Pharmacy Services to manage medications effectively and safely.

Please note that all capital initiatives over \$100,000 are also subject to government approval.

For the 2023/24 fiscal year we are requesting funding for the following projects and equipment:

1. Construction Projects over \$100,000

a. South Okanagan Primary Care Network

Primary care investment is consistent with the strategic direction of both IH and the Ministry of Health and supports a team-based primary care model. Targeted primary care investment provides a model of care that works for care providers, patients and the broader system of care. These services will help streamline access to primary care for patients and families.

Keremeos PCN

This project will outfit current space within the South Similkameen Health Centre to house an additional six staff to support physicians and increase their ability to provide care to larger population within the community of Keremeos. This funding will support renovations and equipment.

Interior Health would like to recognize and acknowledge the traditional, ancestral, and unceded territories of the Dākelh Dené, Ktunaxa, Nlaka'pamux, Secwépemc, St'át'imc, Syilx, and Tšilhqot'in Nations where we live, learn, collaborate and work together.

Princeton PCN

This project will outfit current space within the Princeton Health Centre to house additional staff to support physicians and increase their ability to provide care to larger population within the community of Princeton. This funding will support renovations and equipment.

b. Emergency Generator Upgrade at Sunnybank Retirement Centre, Oliver

This site's existing 30-year-old generator does not carry the full electrical load of the site. The planned new generator will have increased capacity, a new transfer switch with maintenance bypass, and connection to the building maintenance system for monitoring generator data.

c. Domestic Water Line Replacement at Osoyoos Health Centre, Osoyoos

A domestic water line burst causing significant flooding and damage which is currently being repaired under an insurance claim. Additional testing of the remaining lines revealed cracks in fittings and small breaks in water lines. This project replaces the remaining lines to prevent future flooding once programs displaced from initial flood move back into the space.

d. Boiler and Heat Pump Replacement at Summerland Health Centre, Summerland

This project will implement efficiency upgrades to the boiler room at this facility. The original scope included replacement of the two existing main boilers with condensing boilers, interconnecting the main site to the adjacent long-term care facility and making upgrades to the hydronic system to improve reliability and efficiency. Your Regional Hospital District (RHD) issued bylaw #168 for \$400,000 on March 4, 2021 for this project.

During project planning it was identified that it would be optimum timing to also install absorption heat pumps to provide hot water heating in the extended care unit for a cost of \$467,000. Inflationary conditions in the construction market have also resulted in cost increases on the originally planned project. We are requesting an additional \$490,000 equivalent to 40% of the \$1.225 million required in order for this project to be completed.

e. Replacement of Roof Top Units at Summerland Health Centre, Summerland

The existing roof top units were originally installed during the commissioning of the building in 1984. This equipment is beyond its expected life cycle for both heating and cooling purposes and will be replaced with more reliable equipment for the safety and comfort of the clients at this facility.

2. Construction Projects under \$100,000

a. Dry System Corrosion Remediation (Phase 2) at South Similkameen Health Centre, Keremeos

In the 2022/23 funding request letter, we asked your RHD to fund Phase 1 of this project for Building #1 (Emergency to Front Entrance). For fiscal 2023/24 we would like to start Phase 2 of the dry sprinkler line to maintain fire coverage for Building #2. This project will replace all corroded dry piping to prevent leaks and line failure.

b. Dedicated Medication Room at Penticton Regional Hospital, Penticton

This unit (SP3) requires a dedicated medication preparation area to fulfill accreditation, medication safety standards and Workplace Health & Safety initiatives. The existing room requires modification to add a self-closing door with card reader access, a sink for hand hygiene, and a telephone to call for help if needed as the area would double as a safe room.

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3. IH-Wide Digital Health

The ongoing advancement of the IH digital platform is a key enabler of IH's ability to support health service operations, enable key strategies, improve quality and patient safety, and incorporate innovation to improve effectiveness and efficiency. This year's Digital Health Investment Plan includes technology systems that upgrade Home Health and Long term care assessment tools, enable primary and community care transformation, provide patients access to their information and digital appointment bookings, and present real-time actionable information for clinicians and management. We will also update infrastructure to expand capacity and ensure patient, employee and financial information is protected from cyber-attacks.

This project is an IH-wide initiative costing approximately \$13.7 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 2021, BC Statistics. The Okanagan Similkameen RHD's percentage ratio is approximately 11%. Claims on this project will be calculated using this percentage for the actual cost distribution.

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

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

A financial summary of our funding requests is provided in Appendix 1. We would appreciate it, if you could submit the requests to your Board for consideration. Please advise us of the meeting date when they will be discussed to enable us to have IH representatives attend and to answer questions that may arise. If the requests should receive approval, please send Cindy Rephin, Corporate Director, Capital Finance & Controller 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, Corporate Director, Business Operations or me directly.

Sincerely,



Sylvia Weir
VP & Chief Financial Officer

/at

Encl. Appendix 1 ~ Summary of Regional Health District Funding Request for 2023/24

cc: Martin Johansen, Chair, Okanagan Similkameen RHD
 Jim Zaffino, Finance Manager, Okanagan Similkameen RHD

Interior Health would like to recognize and acknowledge the traditional, ancestral, and unceded territories of the Dākelh Dené, Ktunaxa, Nlaka'pamux, Secwépemc, St'át'imc, Syilx, and Tsilhqot'in Nations where we live, learn, collaborate and work together.

Interior Health
Okanagan Similkameen
Summary of Regional Hospital District Funding Request
for 2023/24

Appendix 1

| Facility | Location | Project Description | Total Budget | RHD Share | Previous RHD Approval | | 2023/24 Funding Request |
|---------------------------------|------------|---|---------------------|---------------------|-----------------------|-------|-------------------------|
| | | | | | Amount | B/L # | |
| | | <u>Construction Projects over \$100,000</u> | | | | | |
| South Similkameen Health Centre | Keremeos | Primary Care Network | \$ 1,300,000 | \$ 520,000 | | | \$ 520,000 |
| Sunnybank Retirement Centre | Oliver | Emergency Generator Upgrade | 1,256,000 | 502,400 | | | 502,400 |
| Osoyoos Health Centre | Osoyoos | Domestic Water Line Replacement | 263,000 | 105,200 | | | 105,200 |
| Princeton Health Centre | Princeton | Primary Care Network | 2,000,000 | 800,000 | | | 800,000 |
| Summerland Health Centre | Summerland | Boiler and Heat Pump Replacement | 2,225,000 | 890,000 | \$ 400,000 | 168 | 490,000 |
| Summerland Health Centre | Summerland | Replacement of Roof Top Units | 200,000 | 80,000 | | | 80,000 |
| | | <u>Construction Projects under \$100,000</u> | | | | | |
| South Similkameen Health Centre | Oliver | Dry System Corrosion Remediation (Phase 2) | 90,000 | 36,000 | | | 36,000 |
| Penticton Regional Hospital | Penticton | Dedicated Medication Room | 80,000 | 32,000 | | | 32,000 |
| | | <u>IH-Wide Digital Health</u> | | | | | |
| Regional | | Various | 1,514,250 | 605,700 | | | 605,700 |
| | | <u>Equipment under \$100,000 (Global Grant)</u> | | | | | |
| All Facilities | | Equipment between \$5,000 and \$100,000 | 996,000 | 398,400 | | | 398,400 |
| TOTAL | | | \$ 9,924,250 | \$ 3,969,700 | \$ 400,000 | | \$ 3,569,700 |