



Mr. Brian Reardon, Chief Administrative Officer
Central Okanagan Regional Hospital District
1450 KLO Road
Kelowna, BC V1W 3Z4

December 12, 2019

Dear Mr. Reardon:

RE: CAPITAL FUNDING REQUEST FOR THE 2020/21 FISCAL YEAR

Please find enclosed our annual funding request for Interior Health's (IH) next fiscal year for your approval. It is based on IH's capital budget, which has been approved by our Board. The budget is developed by prioritizing identified capital needs throughout our organization with available funding sources while considering IH's and government strategies.

Sometimes there is a shift in these strategies, the timing of which does not align well with IH's capital budget cycle. For example, we are presently engaged in planning towards capital investments for Primary & Community Care, as well as Senior's Care. Specifically, we are anticipating the establishment of more Urgent and Primary Care Centres and renovations of existing long-term care facilities. However, the specifics of these investments have not been determined yet. We always strive to provide the majority of our planned expenditures in our annual funding request letter. But please be advised that we possibly may approach you for additional requests once the scope of these projects has been determined.

For planning purposes we wish to inform you that the medical imaging department at Kelowna General Hospital is at a point where the magnetic resonance imaging (MRI) system is due for replacement and they are also looking at purchasing an additional MRI machine for this tertiary site in the near future. The approximate total cost for both machines and associated renovations are in the range of \$15-20 million and are currently subject to confirmed funding sources.

Please note that all capital initiatives over \$100,000 are subject to government approval. To aid you with your planning efforts, we will be providing you with information regarding notional government funding, a high level estimate of the three year funding requirement and a listing of IH's major prioritized items under separate cover.

For the 2020/21 fiscal year we are requesting funding for the following projects and equipment:

1. Construction Project over \$100,000

Septic Drain – Planning & Phase 1 Implementation at Cottonwoods Care Centre, Kelowna

The entire under slab septic network is at end of life in the 1975 wing of this facility and maintenance issues are increasing. Assessment is required to determine actual conditions and to start the process for replacement of this infrastructure. Project cost of \$500,000 includes planning of the complete work and execution of Phase 1 of the construction work without delay to ensure immediate risks are addressed. We will be requesting Regional Hospital District (RHD) funding for Phase 2 once the assessment is completed.

2. IH-Wide Information Technology (IMIT)

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. IH's IMIT strategy focuses on expanding technology that supports information exchange between providers and improves access and service delivery through efficiency. 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 \$9.5 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 2019, BC Statistics. The Central Okanagan RHD's percentage ratio is approximately 27%. Claims on this project will be calculated using this percentage for the actual cost distribution.

3. IMIT over \$100,000

a. Unified Communications – Telephony at Kelowna General Hospital, Kelowna

This project will improve the reliability and the functionality of telephone services at this site by replacing all three legacy telephone systems with a single new Unified Communications System including voicemail and all new phone sets. The legacy systems are now at the end of vendor support. Completing this upgrade will also bring this facility into the IH-wide Unified Communications platform allowing for seamless integration with all other IH sites which have also moved to this new solution.

b. Emergency Department Module (EDM) Implementation – Planning at Kelowna General Hospital, Kelowna

A key benefit of the EDM is the creation of an emergency department electronic medical summary of the visit which is immediately sent to the primary care provider. This supports continuing of care and appropriate follow up if required. This planning project is the first step in implementing an EDM of the Electronic Health Record at this site. It will involve consultation with physicians and other emergency department staff. The scope will include the development of a project charter, work breakdown structure, resource planning and facilitate some engagement at facilities that are already using this solution. By fully automating the patient record and all of its related parts in the emergency room environment, this project will optimize efficiency with patient safety and eliminate as much paper from the workflows as possible. Based on the outcome of this planning exercise we hope to incorporate the roll-out of this initiative into IH's future years' capital plans.

4. 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.

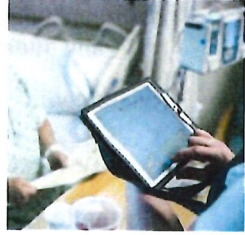
a. Cath Lab for Kelowna General Hospital, Kelowna

A catheterization laboratory (or cath lab) is an examination room with medical imaging equipment used to visualize the arteries and the chambers of the heart and treat any stenosis or abnormality found. This purchase is replacing equipment within the cardiology department. The Kelowna General Hospital Foundation is contributing \$686,250 towards this purchase and associated renovations.



b. Meal Delivery System for Kelowna General Hospital, Kelowna

IH is implementing the Patient Choice Meal Service model at this facility. This new service model better reflects client centered care by giving patients a choice while meeting their clinical nutritional needs. Proper nutrition is an important part of recovery and overall health. Our hospitals are prepared to provide our inpatients with nutritionally-balanced meals to encourage a successful recovery with a choice in menu items providing greater satisfaction. This project will replace rethermalization equipment from 2003 and includes renovations and associated IMIT hardware and software.



c. Integrated Chemistry/Immunochemistry Analyzer for Kelowna General Hospital, Kelowna

This new integrated system will provide rapid, high quality test results for routine chemistry and immunochemistry testing. Better staff efficiency, streamlining processes and upgrading aging equipment will allow us to reduce overall costs while increasing patient safety.



d. Digital Video Cameras for Kelowna General Hospital, Kelowna

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. This will include the verification of each sterile compounded medication by a technician or pharmacist other than the individual who prepared the compound. This equipment will deliver verification by remote observation using a digital camera connected to a monitor in this site's pharmacy department. In addition, the software will retain information and gain workflow efficiencies.



e. Blood Culture System for Kelowna General Hospital, Kelowna

Automated blood culture analyzers continuously monitor blood specimens for quicker detection of pathogens. Physicians rely on the results derived from blood culture analyzers to treat their patients with potential life-threatening blood infections. This system provides technology improvements and has increased capacity. It is replacing a 2010 model in the clinical laboratory.



f. Remote Patient Observation System for Kelowna General Hospital, Kelowna

This remote patient observation system enables audio and visual monitoring of patients at risk and is an advanced platform that dramatically improves patient safety by allowing continuous monitoring. This additional system at this site consists of a high-resolution camera capable of night vision, a microphone and a speaker, and a Wi-Fi module on a mobile cart. The monitor cart is placed in the patient's room, and a continuous wireless video link is sent back to the monitoring station where trained observers can watch patients and respond to them as needed.



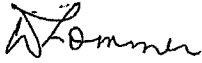
5. Equipment under \$100,000 (Global Grant)

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 approval. 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. 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 2020/21

cc: Gail Given, Chair, Central Okanagan RHD
 Marilyn Rilkoﬀ, Director of Financial Services, Central Okanagan RHD
 John Cabral, Executive Director, Clinical Operations, Kelowna General Hospital
 Dan Goughnour, Director, Business Support
 Lorne Sisley, Corporate Director, Facilities Management and Operations
 Birgit Koster, Director Business Support, Capital Planning