



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

December 17, 2020

Dear Mr. Reardon:

RE: CAPITAL FUNDING REQUEST FOR THE 2021/22 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. Provincially, there is still a strong focus on Primary & Community Care Transformation, which has been reflected in the budget with the inclusion of several Urgent and Primary Care Centres, Primary Care Networks and Community Health Centre.

In addition, there are continued efforts to improve senior's care, the urgency of which the pandemic has only highlighted. IH is planning to build several new long-term care facilities over the next few years across our region. The pandemic also has had an impact on surgical services, which is reflected in the budget with the acquisition of pertinent instrumentation for our operating rooms.

The bulk of the capital budget, however, is focused on infrastructure investments that aim at maintaining the basic services at our sites, whether it be on the facility side, equipment replacement or information technology maintenance and expansion.

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 2021/22 fiscal year we are requesting funding for the following projects and equipment:

1. Construction Projects over \$100,000

a. Primary Care Network in Kelowna and Rutland

The Kelowna and Rutland Primary Care Networks (PCN) are consistent with the strategic direction of both IH and the Ministry of Health (MoH) and supports a team-based primary care model. The PCNs are a partnership effort between IH, Aboriginal, and Divisions of Family Practice partners. The focus of the PCNs is to improve access and attachment to primary care physicians and nurse practitioners for all people living in Kelowna, Rutland, and Lake Country.

b. Outreach Urban Health (OUH)

This project seeks to relocate OUH to a nearby location that provides a larger space more suited to serving patients and clients safely and indoors. The leased site requires renovations and site improvements to be operational. Mental Health & Substance Use services available include injectable Opioid Agonist

Treatment, Assertive Community Treatment Team, and the Crisis Response Team. Budget of this project includes tenant improvements, information technology drops, furniture and fixtures.

c. Sprinkler Pipe Replacement at Kelowna General Hospital, Kelowna

The fire sprinkler piping in the Royal Building has been subject to electrolysis, resulting in pin holes if not replaced. There is potential for a major rupture which could cause extreme damage to hospital equipment and infrastructure. This project will address ongoing operational impacts in dealing with leaks and will complete the fire sprinkler piping replacement on the main floor in this building.

d. Parking Initiative at Kelowna General Hospital, Kelowna

On February 19, 2020 IH sent your Regional Hospital District (RHD) a funding request letter for construction of an additional parkade at Kelowna General Hospital for the 2021/22 budget year. Thank you for passing bylaw #249 for 23% of \$20M in the amount of \$4.6M. IH is not requesting any additional funding for this project but wishes to inform you of a change in scope. Planning has now taken place and has lead us to a different approach to address parking challenges. Rather than building a single parkade we have determined that the preferred solution is to acquire land with close adjacency to the Kelowna General Hospital campus and to develop surface parking lots on those properties.

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. This year’s IMIT strategy builds on prior year investments with ongoing improvements in the communication and exchange of critical patient clinical documentation to both patients and their health care providers. In addition this year’s request includes improved functionality for diagnostic tests vital for quality patient care.

This IMIT project is an IH-wide initiative costing approximately \$12.5 million. The project’s benefits are distributed equally across IH regions; therefore the cost allocation to each of the RHDs is based upon population data using the PEOPLE 2020, BC Statistics. The Central Okanagan RHD’s percentage ratio is approximately 26%. Claims on this project will be calculated using this percentage for the actual cost distribution.

3. 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. Operating Rooms #15 & 16 Equipment for Kelowna General Hospital, Kelowna

IH is planning on opening two operating rooms in order to meet the mandated surgical renewal targets from the MoH. These rooms are currently shelled in spaces only and require the necessary equipment to be fully operationalized. This initiative includes the procurement of a number of items such as equipment integration booms, surgical tables and lights, anaesthesia machines and carts, patient monitors as well as a wide range of surgical equipment to prepare these operating rooms for the additional surgeries.



b. Endovascular Treatment Equipment for Kelowna General Hospital, Kelowna

A modern, robotic hybrid angiography suite provides patient care by improving the ability to visualize and treat vascular disease with minimally invasive endovascular techniques. This purchase includes an angiography system and additional equipment necessary to fully equip a new angiography suite and will include required renovations. This purchase is replacing a 2009 system. The Kelowna General Hospital Foundation is contributing \$4,653,000 towards this purchase and associated renovations.



c. Multi-dose Packaging Equipment in Kelowna

Pharmaceutical packaging (or drug packaging) is the packaging of oral tablets and capsules into individual pouches that are labelled with the drug name and strength, bar-coded and may also contain patient-specific identification. This multi-dose packaging machine is specific for the long-term care settings and creates individual patient pouches that contain all of a patient’s medication for a single dosing time. This saves nursing time compared to other forms of packaging such as blister cards. This is a new piece of equipment, and pharmacy services in the Central Okanagan will develop plans over the next few months to determine which location will be best suited for it.



d. Ultrasound (x3) and Ultrasound, Cardiac for Kelowna General Hospital, Kelowna

These machines are used in the medical imaging department to generate images of internal soft tissue. By sending and receiving sound waves, the system can generate a quality image of internal organs, fetuses and free fluids such as internal bleeding. This acquisition is replacing machines originally purchased in 2010, 2012 and 2013.



The cardiac ultrasound machine also generates images of the heart and major blood vessels. By sending and receiving sound waves, the system produces quality still images of the heart to examine structure and video clips that show cardiac function. This type of ultrasound study is known as echocardiography. This ultrasound machine will include Cardiac Picture Archiving and Communication System functionality. This purchase is replacing a 2009 machine.

e. Inventory Carousel Upgrade for the Regional Warehouse, Kelowna

A carousel is an automated storage and retrieval device that uses a series shelving units to rotate along a track to bring warehouse items to an operator. Automated carousel systems provide minimal wait times and high accuracy, allowing orders to be processed in the shortest possible times. This purchase is replacing a 1995 system in logistics.



f. C-Arm with Vascular for Kelowna General Hospital, Kelowna

A C-Arm is a portable x-ray system that can shoot still and continuous (fluoroscopy) images. A C-Arm is shaped like a “C” so that it can be used through an operating room table or stretcher. The system is commonly used in the operating room to ensure that bones are set correctly during surgery. A vascular package improves the performance of the equipment for use during vascular surgery. This purchase is replacing a 2005 machine in the surgical department.



g. Automated Chemistry/Immunochemistry Analyzer System for Kelowna General Hospital, Kelowna

This new automated 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.



We previously requested funding from your RHD for chemistry analyzers and an integrated system, but since that time we have undertaken an extensive IH-wide assessment and request for proposal from vendors and have decided to purchase this new automated equipment for this facility. Your RHD previously approved 40% funding with bylaws #232 and 244 totalling \$360,000 for the original laboratory equipment, and we wish to apply those funds to this automated system which will better align with the laboratory functions at this site.

h. Holmium Laser for Kelowna General Hospital, Kelowna

This equipment is used for urology surgery and combines cutting, ablation and coagulation properties for precise, virtually bloodless procedures. It is also extremely effective in fragmenting urinary stones in the bladder, ureter and/or kidney of all compositions, making it an ideal multipurpose surgical tool. Because its laser light is transmitted through flexible fibers, it is especially suited for minimally invasive endoscopic and laparoscopic procedures. This purchase is replacing a 2004 model in the surgical department.




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 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,



Sylvia Weir, Chief Financial Officer

Interior Health Authority

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Encl. Appendix 1 ~ Summary of Regional Health District Funding Request for 2021/22

cc: Gail Given, Chair, Central Okanagan RHD
Marilyn Rilkoﬀ, Director of Financial Services, Central Okanagan RHD
Jaymi Chernoff, Executive Director, Clinical Operations, KGH/COK
Dan Goughnour, Corporate Director, Business Operations
Scott McGeachy, Chief Project Officer
Birgit Koster, Director Business Support, Capital Planning

Interior Health
Central Okanagan
Summary of Regional Hospital District Funding Request
for 2021/22

Facility	Location	Equipment/Project Description	Total Budget	RHD Share	Previous RHD Approval		2021/22 Funding Request
					Amount	B/L #	
		<u>Construction Projects over \$100,000</u>					
TBD	Kelowna/Rutland	Primary Care Network	\$ 2,000,000	\$ 800,000			\$ 800,000
TBD	TBD	Outreach Urban Health	1,995,000	798,000			798,000
Kelowna General Hospital	Kelowna	Sprinkler Pipe Replacement	500,000	200,000			200,000
		<u>IH-Wide IMIT</u>					
Regional		Various	3,292,250	1,316,900			1,316,900
		<u>Equipment over \$100,000</u>					
Kelowna General Hospital	Kelowna	Operating Rooms #15 & 16 Equipment	6,900,000	2,760,000			2,760,000
Kelowna General Hospital	Kelowna	Endovascular Treatment Equipment	6,500,000	1,847,000			1,847,000
TBD	Kelowna	Multi-dose Packaging Equipment	815,000	326,000			326,000
Kelowna General Hospital	Kelowna	Ultrasound (x3) and Ultrasound, Cardiac	767,000	306,800			306,800
Regional Warehouse	Kelowna	Inventory Carousel Upgrade	568,000	227,200			227,200
Kelowna General Hospital	Kelowna	C-Arm with Vascular	298,000	119,200			119,200
Kelowna General Hospital	Kelowna	Automated Chemistry/Immunochemistry Analyzer System	1,122,000	448,800	\$ 180,000	232	88,800
					180,000	244	
Kelowna General Hospital	Kelowna	Holmium Laser	210,000	84,000			84,000
		<u>Equipment under \$100,000 (Global Grant)</u>					
All Facilities		Equipment between \$5,000 and \$100,000	2,530,350	1,012,140			1,012,140
TOTAL			\$ 27,497,600	\$ 10,246,040	\$ 360,000		\$ 9,886,040