

4. QUEENSWAY-CARLETON HOSPITAL
GRANT REQUEST

COMMITTEE RECOMMENDATION AS AMENDED

That Council approve a grant to the Queensway-Carleton Hospital Expansion Campaign in the amount of \$87,000 payable from the Health Care Facilities Reserve Fund.

DOCUMENTATION:

1. Finance Commissioner's report dated 15 Apr 99 is immediately attached.
2. "Executive Summary of the Queensway-Carleton Hospital's Request for Support" immediately follows the report.
3. Submission Package from the Queensway-Carleton Hospital is on file with the Committee Co-ordinator.
4. Extract of Draft Corporate Services and Economic Development Committee Minute, 20 Apr 99, immediately follows the Executive Summary and includes a record of the vote.

REGION OF OTTAWA-CARLETON
RÉGION D'OTTAWA-CARLETON

REPORT
RAPPORT

Our File/N/Réf. 15 98 0628

Your File/V/Réf.

DATE 15 April 1999

TO/DEST. Co-ordinator
 Corporate Services and Economic Development Committee

FROM/EXP. Finance Commissioner

SUBJECT/OBJET **QUEENSWAY-CARLETON HOSPITAL**
 GRANT REQUEST

DEPARTMENTAL RECOMMENDATION

That the Corporate Services and Economic Development Committee and Council consider a request from the Queensway-Carleton Hospital for funding assistance to reduce the burden of Regional Development Charges related to their expansion and renovation project.

BACKGROUND

As part of the provincial program to restructure health services in Ontario, the Health Services Restructuring Commission has authorized the Queensway-Carleton Hospital (QCH) to proceed with the first phase of a \$33.4 million expansion and renovation program. The total project is being funded 70% by the Ministry of Health with the balance being raised by the Hospital through fundraising. Approximately \$22.6 million of the project represents construction costs.

The first phase, which is estimated at \$6.2 million, will result in the creation of 8,300 square feet of additional space as well as 15,300 square feet of renovation for a new child birth unit. Also included in phase one is a power plant upgrade and renovations to create temporary space for a new CT Scanner.

DISCUSSION

In order to fundraise its share of this project, the QCH is seeking financial assistance from various government bodies. To date, both the City of Nepean and the Ottawa-Carleton District School Board have been approached with respect to obtaining relief from development charges.

In response, the City of Nepean has granted the Hospital an interest free loan for the development fees. Queensway-Carleton Hospital is also seeking a grant equivalent to the amount of development charges payable on the project presently estimated at \$350,000.

The School Board's response is to allow the Hospital to pay the development fees "in trust" until such time as the parties concerned have an opportunity to meet in April to see if a mutually satisfactory resolution can be achieved.

The Hospital has submitted a request to the Region of Ottawa-Carleton to consider providing a grant equivalent to the amount of regional development charges payable on the project. Based on current commercial rates, the estimated development charges payable on this project is \$87,000.

PUBLIC CONSULTATION

No public consultation is required.

FINANCIAL IMPLICATIONS

Should Council wish to provide assistance to the Queensway-Carleton Hospital, funds are available in the Health Care Facilities Reserve Fund. Although annual contributions to this Reserve Fund have been discontinued since 1990, the remaining cash balance has been earning modest amounts of interest. As of December 31, 1998, the uncommitted balance is \$ 403,280.

*Approved by
Kent Kirkpatrick on behalf of
J.C. LeBelle
Finance Commissioner*

EXECUTIVE SUMMARY OF THE QUEENSWAY-CARLETON HOSPITALS REQUEST FOR SUPPORT

The Request

Queensway-Carleton Hospital is asking the Regional Municipality of Ottawa-Carleton to make a grant of to reduce the burden of Regional Development charges related to the hospital's expansion project. The Queensway-Carleton Hospital also hopes that RMOC will be open to receiving a proposal to support the Hand in Hand Campaign, as it plans to look for Municipal support.

Rationale

- The Queensway-Carleton is the hospital for the western part of the region, serving approximately 45% of the regions population.
- For \$0.12 per resident the Region can make a significant difference in the quality of healthcare available to its citizens.
- The Queensway-Carleton Hospital is one of the largest employers in the western part of the region with over 1000 staff and 300 doctors.
- The Queensway-Carleton Hospital through its highly skilled and highly paid workforce makes a significant contribution to the local economy.
- This contribution will continue to support and maintain the region's extensive infrastructure, which will assist in attracting new business to the area. Thus creating new employment opportunities for the citizens of the region.
- The Region's leadership will provide the impetus to convince the other municipalities and the region to support the Queensway-Carleton Hospital and the Hand in Hand Campaign.

Municipal Support for Hospital Redevelopment

Many municipalities across Ontario are supporting hospital redevelopment. Their local share is a significant portion of the overall project costs:

Community	Local Government	Project Cost	%
Barrie	\$37.8 million	\$126 million	30%
Collingwood	\$5.9 million	\$18.1 million	32%
Windsor	\$25 million	\$120 million	21%
Thunder Bay	\$25 million	\$126 million	20%
Muskoka	\$2.2 million	\$25 million	9%
Orillia	\$600,000	\$3.6 million	21%
Oshawa	\$7 million	\$100 million	7%
Sault St. Marie	\$10 million	\$75 million	14%
Guelph	\$23 million	\$68.9 million	33%
Welland	\$600,000	\$23 million	2.6%

We would like to take this opportunity to thank the Region for its consideration of our request.



QUEENSWAY-CARLETON HOSPITAL
GRANT REQUEST

- Finance Commissioner's report dated 15 Apr 99
- Executive Summary and Submission Package issued by the QCH at the meeting

A delegation of the following individuals addressed the Committee: Mr. Paul Kruyne, President, Queensway-Carleton Hospital (QCH) Foundation, Mr. Tom Schonberg, President and Chief Administrative Officer, QCH, and Ms. Kim Curran, Executive Director, QCH Foundation.

Mr. Schonberg stated the QCH was in a very unique position in the Region, a fact that played a major ingredient during the hospital restructuring debate. He noted the large cluster of facilities in the east and central parts of the Region. Mr. Schonberg stated the QCH served 45% of the Regional population. He emphasized the hospital was an integral part of the Region's infrastructure.

With respect to the expansion project, Mr. Schonberg reported it transformed the hospital from a community hospital to a truly comprehensive community hospital, noting the recent designation as the referral hospital for the West Ottawa Valley. The speaker stated the QCH experienced a 10% growth in patient volume over the previous year, which will continue to grow.

Mr. Schonberg reviewed the expansion program, providing statistics and outlining the particular areas in the hospital that would be effected. He referenced the current problems associated with the growth and the benefits and improved service the expansion would provide.

Ms. Curran outlined the financial information associated with the expansion. She reported it would cost \$34.5 million, however, the community must raise 30% of the funds. Ms. Curran stated the Province would fund only 70% of the project, adding written confirmation must be supplied confirming the commitment of the 30% prior to the hospital receiving any Provincial money. Ms. Curran spoke on the necessity of the expansion, noting it was ten years over due. She reported the character of health care in the Region was changing with the QCH's role dramatically increased.

Ms. Curran reviewed the fundraising campaigns, speaking on the strong community leadership they had achieved. In addition, she reviewed the Hand in Hand Campaign and the support of the local municipalities and the Region.

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Ms. Curran stated the Campaign would be publicly launched on June 1st. She reported to date \$8.4 million had been raised, however, continued and regional support was required.

Mr. Schonberg reviewed the Provincial funding of a 70/30 split, a formula used as a result of the restructuring exercise. He stated this provided an opportunity for municipal and regional governments to be involved in the success of an important piece of infrastructure. Mr. Schonberg closed by requesting a grant in the amount of \$87,000, the amount payable for regional development charges, and requested consideration for further support.

Councillor Munter noted the regional development charge was \$87,000 and the total development charges payable were \$350,000. The Councillor inquired if the request was for \$87,000 or \$350,000, and if the charges would be paid and rebated back to the organization. Mr. Schonberg believed, in discussions with the City of Nepean, the easiest method was to pay the charges and have them granted back. He confirmed they had requested the School Board and the City of Nepean to grant back their portions of the charges. The request before the Region was for \$87,000.

Councillor Munter reviewed provincial legislation that prohibited the Region from collecting development charges for the purpose of giving money to public hospitals. The Councillor noted, however, funding for this request could be accommodated through the Health Care Facilities Reserve Fund, which still held a small balance.

Councillor Cantin inquired about the proposal to expand the emergency room facility, rather than considering an urgent care clinic, a successful alternative used in the east end. Mr. Schonberg stated part of the expansion would include a walk-in, non-urgent service. However, he noted that through the review of statistics, it was determined the vast majority of the QCH emergencies were true emergencies. With regard to rates for the same service at the two different facilities, Mr. Schonberg confirmed the Ontario Health Insurance Program set the rates. He did not believe the cost would be significantly inflated because the service was delivered through the hospital. The speaker acknowledged there may be overhead costs, however, ensured efficiency would be achieved. Mr. Schonberg agreed it was necessary to stream line the non-urgent from the urgent cases.

In response to questions from Councillor van den Ham regarding campaign funds raised to date, Ms. Curran confirmed the total raised was \$8.4 million. She stated there was a need for a minimum of \$12 million in order to meet their share of the funding.

Councillor van den Ham referenced the Finance Department Comment and the suggestion funds were available in the Health Care Facilities Reserve Fund. J. LeBelle, Finance

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Commissioner, reviewed the historic events surrounding the fund. He confirmed it was originally established to assist in capital projects such as the QCH expansion.

Moved by G. Hunter

That the Corporate Services and Economic Development Committee recommend Council approve a grant to the Queensway-Carleton Hospital Expansion Campaign in the amount of \$87,000 payable from the Health Care Facilities Reserve Fund.

CARRIED