

**STAFF REPORT TO THE PLANNING & TRANSPORTATION COMMITTEE
MEETING OF MARCH 25, 2009**

SUBJECT: **2008 REGIONAL HOSPITAL DISTRICT COST SHARING REVIEW
REVIEW OF THE IMPLEMENTATION OF THE 2003 RECOMMENDATIONS**

PURPOSE:

Present the findings of the “Strengthening the Capital Planning and Cost Sharing Process – Emerging Directions for Change” report and analyze these findings in relation to the CRHD funding framework.

BACKGROUND:

In 2003 the Ministry of Health Services (MOHS), in cooperation with Regional Hospital Districts (RHDs) and Health Authorities (HAs), sponsored a review of cost sharing issues between RHDs and HAs.

The review considered the role for RHDs in capital planning/contribution decisions and identified processes to address capital concerns of stakeholders. Issues not considered included the elimination of RHDs, elected board representation for HAs and an increase to RHDs’ overall historic funding ratios. The result was 15 recommendations for clarifying roles and responsibilities, and communication and capital planning processes.

In August 2007, the Union of BC Municipalities (UBCM) convened a meeting of Regional Hospital Districts to agree on priority issues¹ common among the RHDs, and to further streamline capital funding and planning processes between RHDs and HAs.

Taking into consideration the concerns expressed by RHDs and recognizing the challenges facing the health care system and its capital funding process, the Minister agreed to pursue a joint review of the 2003 RHD Cost Sharing Review between the MOHS, RHDs and HAs. The planned review was intended to determine the progress made on implementing recommendations resulting from the 2003 Review and further improve relationships between RHDs and HAs.

Corpus Sanchez International Consultancy Inc was selected as an external consultant to conduct this review and a steering committee consisting of representatives from MOHS, UBCM, three HAs, and three RHDs (including CRHD) was established.

The key mandate² for the review included:

- Review and comment on barriers affecting implementation of prior recommendations;
- Provide advice on moving forward and achieving implementation of the underlying intent of prior recommendations; and
- Commenting on new issues that may have been brought forth during the process.

The review included a five-phase process to achieve the desired outcome. Consultation/stakeholder engagement with representatives from local RHDs, HAs, and MOHS staff was one of the most important phases of this project. As a component of, and supplementary to interviews that were undertaken with key stakeholders, a survey was also used to develop an issues summary.

The survey completed by CRHD staff and approved by the 2008 CRHD Board Chair was used as a basis for the face-to-face interview with the consultant. Together with CRHD staff, the 2008 CRD/CRHD Board Chairs and Director Causton (2003 RHD Review steering committee member) participated in the stakeholder engagement process (note: as this is a large document, directors wishing to review the summary should contact CRHD staff).

¹ Long Term Planning/Funding, Funding Formula, Budget Cycle and Cash Management

² Final Report, Executive Summary - Page 2

In September 2008, a meeting was organized in Penticton for stakeholders already attending the UBCM convention, to discuss overarching themes and findings arising from the consultation phase of the review. The meeting provided an opportunity for stakeholders to provide comment and feedback and offer directions and recommendations in the development of the final report.

DISCUSSION:

Overall, the report overall acknowledges continued progress on key several issues involved in the process. The report identifies improved working relationships between all stakeholders as one of the key outcomes since 2003.

A summary of the Report's 13 recommendations is attached as Appendix A (the full report is available by contacting CRHD staff). The recommendations are reasonable and practical. The Steering Committee members support the recommendations and are satisfied with the general findings of the report.

Following approval by the Minister of Health Services, the final report along with an implementation plan will be presented to RHDs at the 2009 UBCM convention. Additional details and specifics on the engagement process and the implementation plan will be provided by the Minister.

CRHD CONTEXT:

The CRHD's health capital funding framework is modeled on the 2003 Regional Hospital District Cost Sharing Review recommendations. The 2008 Funding Options Review realigned some of the funding policies in conjunction with the Provincial capital funding guidelines and introduced further discipline into the system. The 2008 Review recommendations align with the funding principles already employed by the CRHD (Appendix A highlights the CRHD/VIHA relationship in conjunction with these recommendations).

CONCLUSION:

Overall, the report effectively depicts the changed health capital funding scenario across the Province. Relationships between RHDs and HAs have improved significantly since this process started in 2003 and although there some outstanding issues, there appears to be a common tone amongst stakeholders to work together. The 2008 recommendations provide a new framework to embark and build upon creating an efficient capital planning structure which will be sustainable, mutual and long term in nature.

The 2008 UBCM recommendations provide an effective foundation to the continued implementation of the CRHD's 2008 Funding Options Review. Staff recommends supporting the 2008 recommendations.

RECOMMENDATION:

That the Committee recommends to the Capital Regional Hospital District Board:

1. To support the recommendations of the "Strengthening the Capital Planning and Cost Sharing Process – Emerging Directions for Change" report.

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COMMENTS: