

NANAIMO REGIONAL HOSPITAL DISTRICT  
SELECT COMMITTEE MEETING

TUESDAY, MAY 28, 2013

5:30 PM

*(RDN Committee Room)*

A G E N D A

PAGES

CALL TO ORDER

DELEGATIONS

MINUTES

2-4 Minutes of the Hospital Select Committee meeting held Tuesday, February 26, 2013.

BUSINESS ARISING FROM THE MINUTES

COMMUNICATIONS/CORRESPONDENCE

VIHA Presentation, re Capital Project Performance Reports.

REPORTS

5-8 Request for Cost Sharing on Capital Equipment.

BUSINESS ARISING FROM DELEGATIONS OR COMMUNICATIONS

NEW BUSINESS

ADJOURNMENT

*(Dinner will be provided)*

*Distribution: J. Kipp (Chair), A. McPherson, J. Stanhope, D. Johnstone, M. Lefebvre, D. Willie,  
P. Thorkelsson, W. Idema, J. Harrison*

*For Information Only: H. Houle, M. Young, G. Holme, F. Fell, B. Veenhof, B. Dempsey, J. Ruttan, D. Brennan,  
B. Bestwick, T. Greves, G. Anderson, L. Burgoyne, M. O'Halloran, J. Hill*

**REGIONAL DISTRICT OF NANAIMO**

**MINUTES OF THE NANAIMO REGIONAL HOSPITAL DISTRICT  
SELECT COMMITTEE MEETING HELD ON  
TUESDAY, FEBRUARY 26, 2013 AT 5:00 PM  
IN THE RDN COMMITTEE ROOM**

In Attendance:

Director J. Kipp	Chairperson
Director A. McPherson	Electoral Area A
Director J. Stanhope	Electoral Area G
Director D. Johnstone	City of Nanaimo
Director M. Lefebvre	City of Parksville
Director D. Willie	Town of Qualicum Beach

Also in Attendance:

P. Thorkelsson	Chief Administrative Officer
W. Idema	Director of Finance
J. Harrison	Director of Corporate Services
N. Hewitt	Recording Secretary
C. Sullivan	Director, Capital Planning VIHA
D. Leadbetter	Projects Officer, VIHA

**CALL TO ORDER**

The Chairperson welcomed the Directors to the Nanaimo Regional Hospital District Select Committee meeting.

**MINUTES**

MOVED Director Stanhope, SECONDED Director Lefebvre, that the minutes of the Nanaimo Regional Hospital District Select Committee meeting held November 27, 2012 be received.

CARRIED

**BUSINESS ARISING FROM THE MINUTES**

**Policies and Procedures re: Maintenance and Capital Planning at VIHA Facilities.**

VIHA provided information to Directors on their process for identifying capital vs: maintenance costs as well as clarification on the 2013/14 capital equipment and project lists.

## REPORTS

### **VIHA Request for Cost Sharing on Cumberland Laundry Capital Equipment and Projects.**

MOVED Director Stanhope, SECONDED Director Johnstone, that capital equipment and project costs for the Cumberland Laundry be approved for funding by the Nanaimo Regional Hospital District based on the percentage share of the volume of laundry processed from Nanaimo Regional Hospital District facilities.

CARRIED

MOVED Director Stanhope, SECONDED Director Johnstone, that the Nanaimo Regional Hospital District request that the percentage share of the volume of laundry processed at the Cumberland Laundry be reviewed every three years for redistribution of the share of costs as required.

CARRIED

### **Request for Approval of 2013/2014 Capital Equipment and Minor Capital Project Lists.**

MOVED Director Lefebvre, SECONDED Director Willie, that the 2013/2014 list of capital equipment purchases with Regional Hospital District cost sharing in the amount of \$1,352,243 be approved.

CARRIED

MOVED Director Lefebvre, SECONDED Director Willie, that the 2013/2014 list of capital improvement projects with Regional Hospital District cost sharing in the amount of \$2,091,814 be approved.

CARRIED

MOVED Director Lefebvre, SECONDED Director Willie, that cost sharing for 2014/15 for capital improvement projects shown on the 2013/2014 list in the amount of \$934,900 be approved.

CARRIED

### **Oceanside Health Centre Request for Additional Funding.**

MOVED Director Stanhope, SECONDED Director Lefebvre, that the request from the Vancouver Island Health Authority for additional funding towards the Oceanside Health Centre in the amount of \$435,432 be approved.

CARRIED

MOVED Director Stanhope, SECONDED Director Lefebvre, that the additional funding in the amount of \$435,432 for the Oceanside Health Centre be incorporated into the 2013 budget for the Nanaimo Regional Hospital District using surplus funds available.

CARRIED

**Nanaimo Regional Hospital District 2013 Annual Budget Bylaw No. 155.**

MOVED Director Stanhope, SECONDED Director Johnstone, that the 2013 Regional Hospital District annual budget be approved with the following components:

Property tax requisition	\$ 6,712,985
Capital grant allowance	\$ 3,444,055
Major capital project funding (Oceanside Health Centre) additional from surplus	\$ 435,435

CARRIED

MOVED Director Stanhope, SECONDED Director Johnstone, that "Nanaimo Regional Hospital District 2013 Annual Budget Bylaw No. 155, 2013" be introduced and read three times.

CARRIED

MOVED Director Stanhope, SECONDED Director Johnstone, that "Nanaimo Regional Hospital District 2013 Annual Budget Bylaw No. 155, 2013" be adopted.

CARRIED

**ADJOURNMENT**

MOVED Director Stanhope, SECONDED Director Lefebvre, that this meeting be terminated.

CARRIED

TIME: 6:17 p.m.

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CHAIRPERSON

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CORPORATE OFFICER

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**TO:** Paul Thorkelsson  
Chief Administrative Officer

**DATE:** May 24, 2013

**FROM:** Wendy Idema  
Director of Finance

**File:**

**SUBJECT:** Request for Cost Sharing on Capital Equipment

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**PURPOSE:**

To approve a request from the Vancouver Island Health Authority for cost sharing on Magnetic Resonance Imaging (MRI) and Cardiac Telemetry System replacements.

**BACKGROUND:**

The Vancouver Island Health Authority (VIHA) is requesting cost sharing on two projects as per the attached letter. The first item is for cost sharing on a replacement of the existing 11 year old MRI at the Nanaimo Regional General Hospital (NRGH) with a total cost of \$2.8 million and a 40% cost sharing request to the Hospital District (NRHD) of \$1,120,000.

The second project is for replacement of the 12 year old Cardiac Telemetry System at NRGH with a cost of \$460,000 and a cost sharing request to the NRHD of \$176,550 related to a possible reallocation of annual capital grant funds from prior years. Staff have been corresponding with VIHA staff regarding unused funding of \$176,560 from the annual capital grants related to 2007/08 and 2008/09 and can confirm those funds are available for transfer to this project if approved. These funds are available because the original capital equipment purchases planned for those years were re-prioritized and transferred out to later years.

VIHA staff have also noted in their letter that planning is underway for a project to complete the NRGH Shelled-In Operating Rooms which they will be providing a formal request for cost sharing on later this year.

**ALTERNATIVES:**

1. Approve the requests for cost sharing and reallocation of funds from 2007/08 and 2008/09 for replacement MRI and Cardiac Telemetry Systems at NRGH.
2. Provide alternative direction to staff.

**FINANCIAL IMPLICATIONS:**

Alternative 1

With regard to the MRI replacement, VIHA has noted in their letter that the NRGH Emergency/PIC/PES project and the Renal project, which the NRHD has provided 40% cost sharing for, are showing a possible \$1.5 million in cost savings that could be transferred to the MRI project. Funding for these two projects has been through borrowing and staff confirm we have reduced borrowing requirements as a result of the cost savings for these projects. Additionally, staff included the MRI project in the 2013-2017 financial plan as VIHA had advised it is a priority item for this year and had incorporated the possible borrowing for the MRI in the plan. As a result of this, there is no impact to the current financial plan for future years related to approval of the replacement MRI.


With regard to the reallocation of prior year annual capital grant funding toward the Cardiac Telemetry System replacement, staff confirm the funds were raised and set aside in previous years which again results in no financial implications to approving the use of the funds at this time. Following our standard practice, capital grant funds are only released upon submission from VIHA of evidence that costs have been incurred for the approved capital items.

**SUMMARY/CONCLUSIONS:**

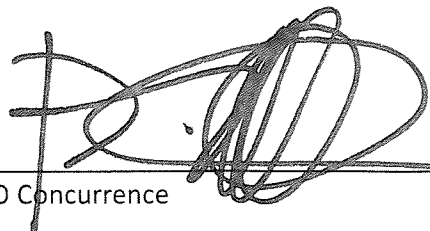
The Vancouver Island Health Authority has submitted a request for cost sharing on replacement projects for a Magnetic Resonance Imaging (NRHD share = \$1,120,000) and Cardiac Telemetry System (NRHD share = \$176,550). Additionally, they have requested that unused capital grant funding from 2007/08 and 2008/09 be reallocated to the Cardiac Telemetry System. Staff confirm those funds have been set aside and could be reallocated to this project. As well, funding for the MRI replacement has been incorporated in the existing 2013 to 2017 financial plan and there are no impacts to the current financial plan for future years as a result of approving these projects.

**RECOMMENDATIONS:**

1. That the request for funding from the Vancouver Island Health Authority for \$1,120,000 representing the Nanaimo Regional Hospital District's 40% cost share towards the purchase of a replacement MRI at Nanaimo Regional General Hospital be approved.
2. That the request from the Vancouver Island Health Authority for reallocation of unused annual capital grant funding from the 2007/08 and 2008/09 funding years in the amount of \$176,550 toward the cost of a replacement Cardiac Telemetry system at Nanaimo Regional General Hospital be approved.



Report Writer



CAO Concurrency



Our Vision: Healthy People, Healthy Island Communities, Seamless Service

May 17, 2013

Ref: 14560

Nanaimo Regional Hospital District (NRHD)  
Attn: Wendy Idema, Director of Finance  
6300 Hammond Bay Road  
Nanaimo, BC V9T 6N2

Dear Ms. Idema:

**Re: Request for Cost-Sharing on Capital Equipment**

The Vancouver Island Health Authority (VIHA) is requesting cost-sharing on the following Nanaimo Regional General Hospital (NRGH) capital equipment items:

- Magnetic Resonance Imaging (MRI) Replacement; and
- Cardiac Telemetry System Replacement

**Magnetic Resonance Imaging (MRI) Replacement**

The planning and costing of the new NRGH MRI is now complete, and the cost of replacement has been estimated at \$2,800,000.

The NRHD 40% cost-share request amount is \$1,120,000.

The current MRI is over eleven years old and no longer meets the needs of NRGH.

The new MRI better meets the needs with the following improvements:

- Faster, which allows higher patient put-through
- Computer assisted, which improves diagnostic capabilities
- Better images, which improves diagnostic capabilities
- More and different exams produced (e.g. cardiac, breast)
- Less claustrophobic (i.e. opening is wider and the table is shorter) resulting in less rejections and down time

The final accounting of the NRGH Renal project and NRGH Emergency/PIC/PES project has not yet been completed, however the preliminary numbers indicate NRHD savings in the range of \$1,500,000.

VIHA would like to propose that these savings be considered for reallocation to the MRI replacement.

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**Executive Office**

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### **Cardiac Telemetry System Replacement**

The NRGH telemetry system is twelve years old and no longer meets the needs of NRGH.

The cost of replacement has been estimated at \$460,000.

The current telemetry system, which is used to monitor cardiac patients, can monitor up to sixteen patients at a time.

The new system will have the same sixteen patient capacity and also has the following improved features:

- Improved cardiac algorithm which diagnoses cardiac abnormalities better
- Improved monitoring which allows physicians to see immediate results of administering medications to the patient
- Will be compatible with current telemetry systems in the ICU and Emergency departments.

The following unused NRHD funding of \$176,560 from prior years has been confirmed:

2007/08	\$170,784
2008/09	\$5,776
Total	\$176,560

VIHA would like to request that this unused funding be allocated towards the cost of the telemetry system.

### **Completion of the NRGH Shelled-In Operating Rooms**

The planning and costing of this project is still underway which, as noted at the last RHD Select Committee meeting, has an order of magnitude cost estimate of \$3,000,000. Once the planning and costing is completed, VIHA will be requesting cost-sharing consideration of this project from the NRHD.

I would like to thank the NRHD for its significant contribution for capital projects and equipment. We are grateful for the support the NRHD has provided and appreciate that we are able to work in partnership with you to meet the health infrastructure needs our region is facing.

Please call me at (250) 370-8912 if you have any questions.

Yours truly,



Chris Sullivan  
Director, Capital Planning

cc: Carol Botrakoff, Manager, Capital Finance and Treasury