



Fraser-Fort George
**REGIONAL HOSPITAL
DISTRICT**

Attachment 3



Stuart-Nechako
Regional Hospital District

UBCM 2024 – Electoral Area DIRECTORS' FORUM

Regional Hospital District Funding Challenges

Tuesday, September 17th – 9am



Fraser-Fort George
**REGIONAL HOSPITAL
DISTRICT**

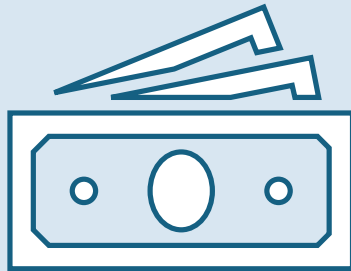


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AGENDA

- **Purpose and background**
- **Current state of affordability**
- **Provincial comparability**
- **FFGRHD and SNRHD stories**
- **Challenges and opportunities**
- **Key takeaways**
- **Questions**

PURPOSE OF PRESENTATION



Funding and affordability concerns



Legislative reform needed

Special Resolution 1

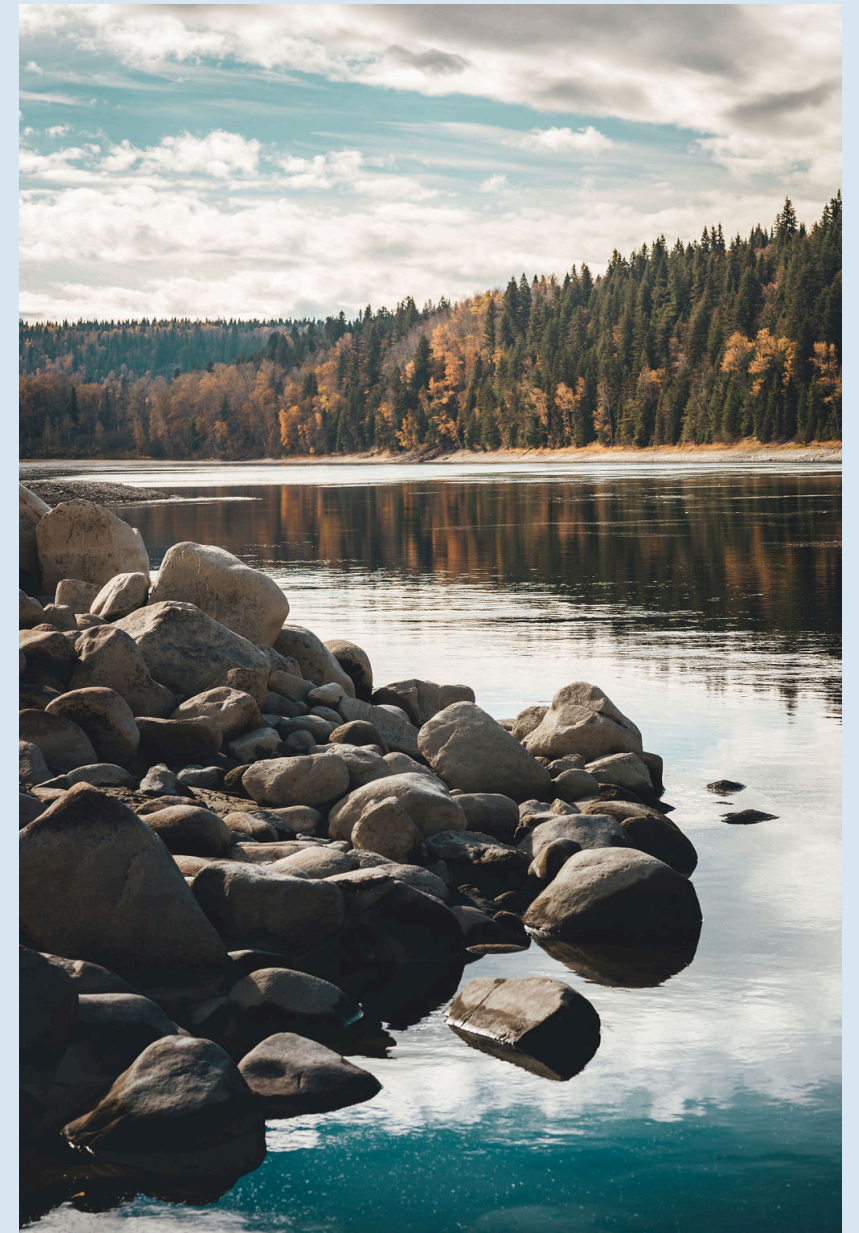
Unsustainable Local Government Contributions to Regional Hospital Districts

Whereas local governments are facing significant financial pressures due to the expansion of services which are being downloaded by the provincial and federal governments on many issues including housing, community safety and climate change;

And whereas local governments must share the capital infrastructure project costs for healthcare facilities with the provincial government through their Regional Hospital Districts with 60 percent contributed by the Province and 40 percent contributed by Regional Hospital Districts;

And whereas local governments must provide the 40 percent 'voluntary' contribution towards the provincial government's health care capital costs, including any cost overruns, or risk losing those projects to other areas of the province:

Therefore be it resolved that the provincial government work with Regional Hospital Districts and UBCM to review the cost-sharing model for funding health capital projects in BC, and acknowledge that the reliance on property taxes to fund areas of provincial health care responsibility is inconsistent and unsustainable for BC local governments.



REGIONAL HOSPITAL DISTRICT PURPOSE

Hospital District Act

The primary purpose of regional hospital districts (RHDs) is to raise revenue from the local property tax base to assist with the funding of capital investment in health care facilities.

This can include:

- acquisition of property
- renovations
- new construction
- medical equipment

Typically, the contribution from RHDs is set at 40% of the total capital expenditure when a project benefits residents within the RHD's service area or boundary.



CURRENT STATE OF AFFORDABILITY



Healthcare capital costs have escalated significantly and continue to do so



Province is in a spending wave on healthcare

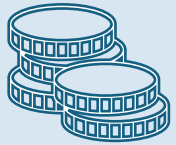


Affordability for RHD taxpayers is a significant challenge



Fairness across the Province is in question

PROVINCIAL COMPARABILITY



Total requisition

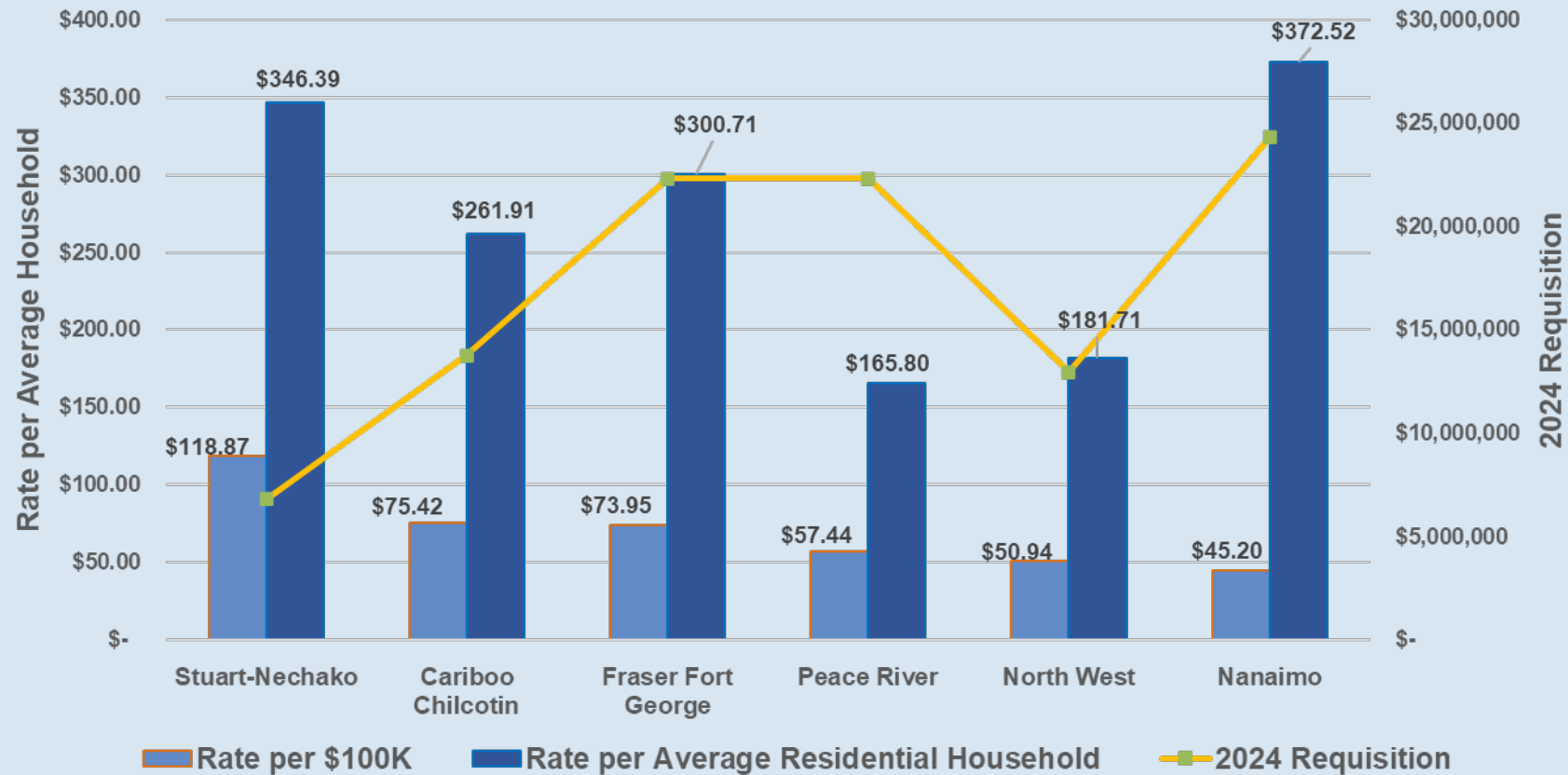


Residential requisition rates



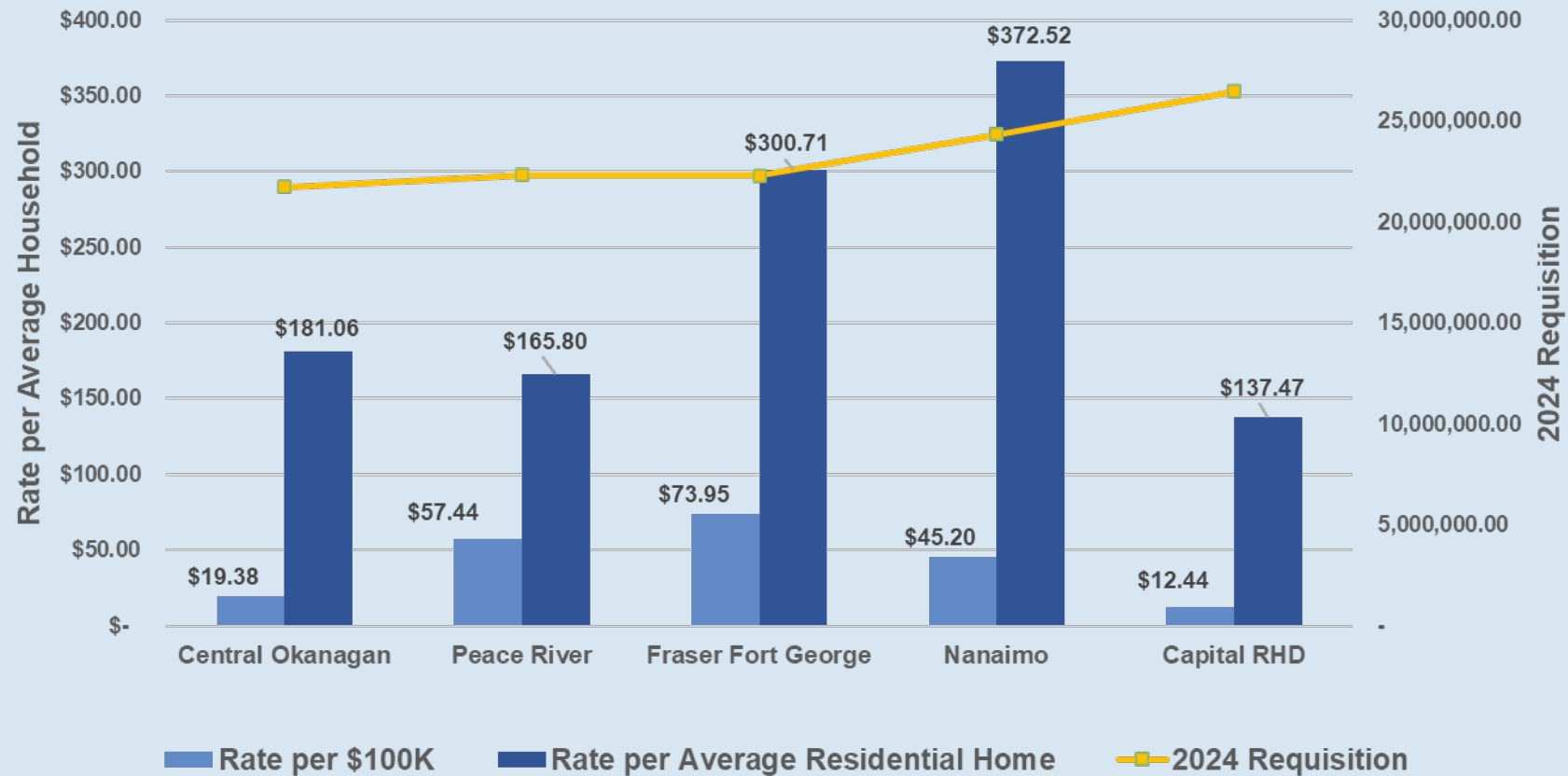
Requisition per average household

PROVINCIAL COMPARABILITY



Comparison of the Top 6 highest rate per \$100K with rates per household and 2024 Requisition Totals

PROVINCIAL COMPARABILITY



Comparison of the Top 5 highest 2024 Requisition Amounts with rates per \$100K and per household

FRASER-FORT GEORGE REGIONAL HOSPITAL DISTRICT PATH

- UHNBC Acute Care Tower Project
- Long term financial planning
- Affordability work
- Funding Negotiations



FFGRHD

UHNBC Acute Care
Tower

FINANCIAL PLANNING HISTORY

2015

FFGRHD Board was informed of the planned redevelopment of the UHNBC campus.

2016

FFGRHD Board approved a ten-cent \$0.10 increase to the residential tax requisition mill rate.

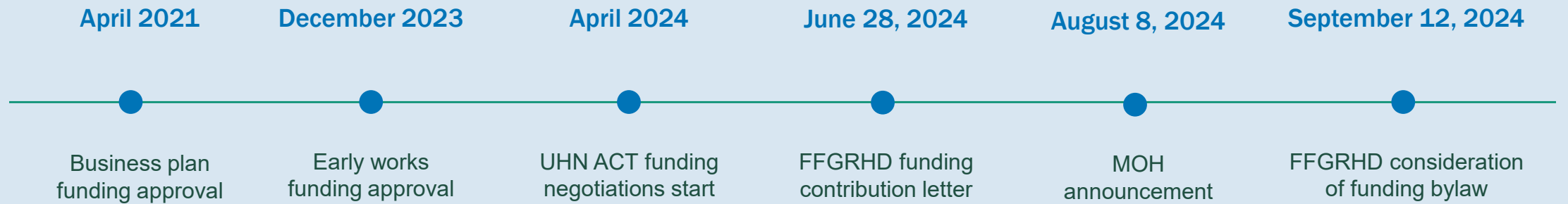
2017, 2019, 2021 and 2023

15 Year Financial Plans were prepared and approved in 2017, 2019 and 2021.
FFGRHD approved \$0.05 increases to the residential tax requisition mill rates for 2017 through 2023.

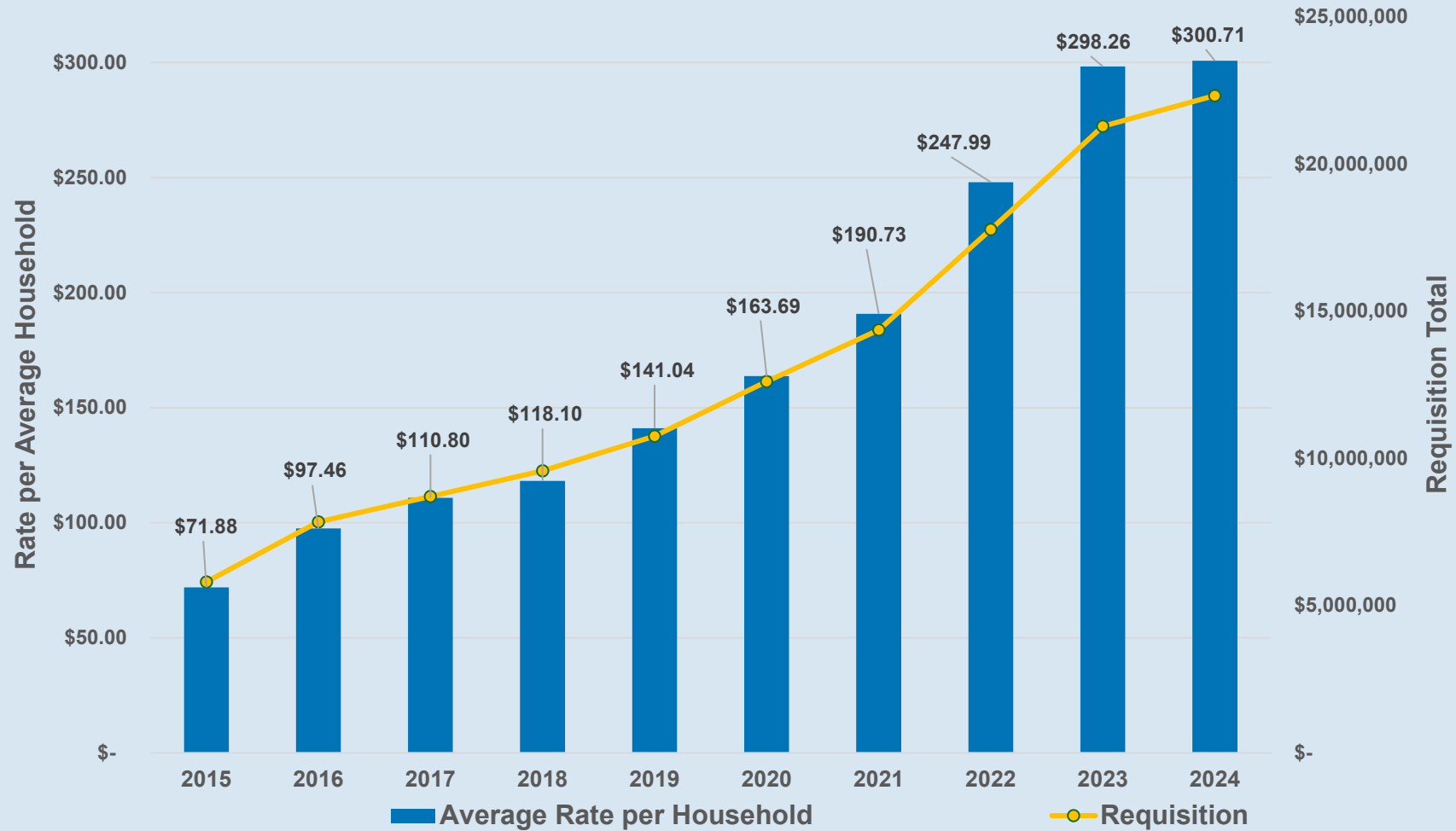
2024

2024 Financial Plan was approved by FFGRHD Board.
FFGRHD approved a 4.90% increase to total requisition for 2024 and 2025.

UHNBC ACUTE CARE TOWER PROJECT TIMELINE

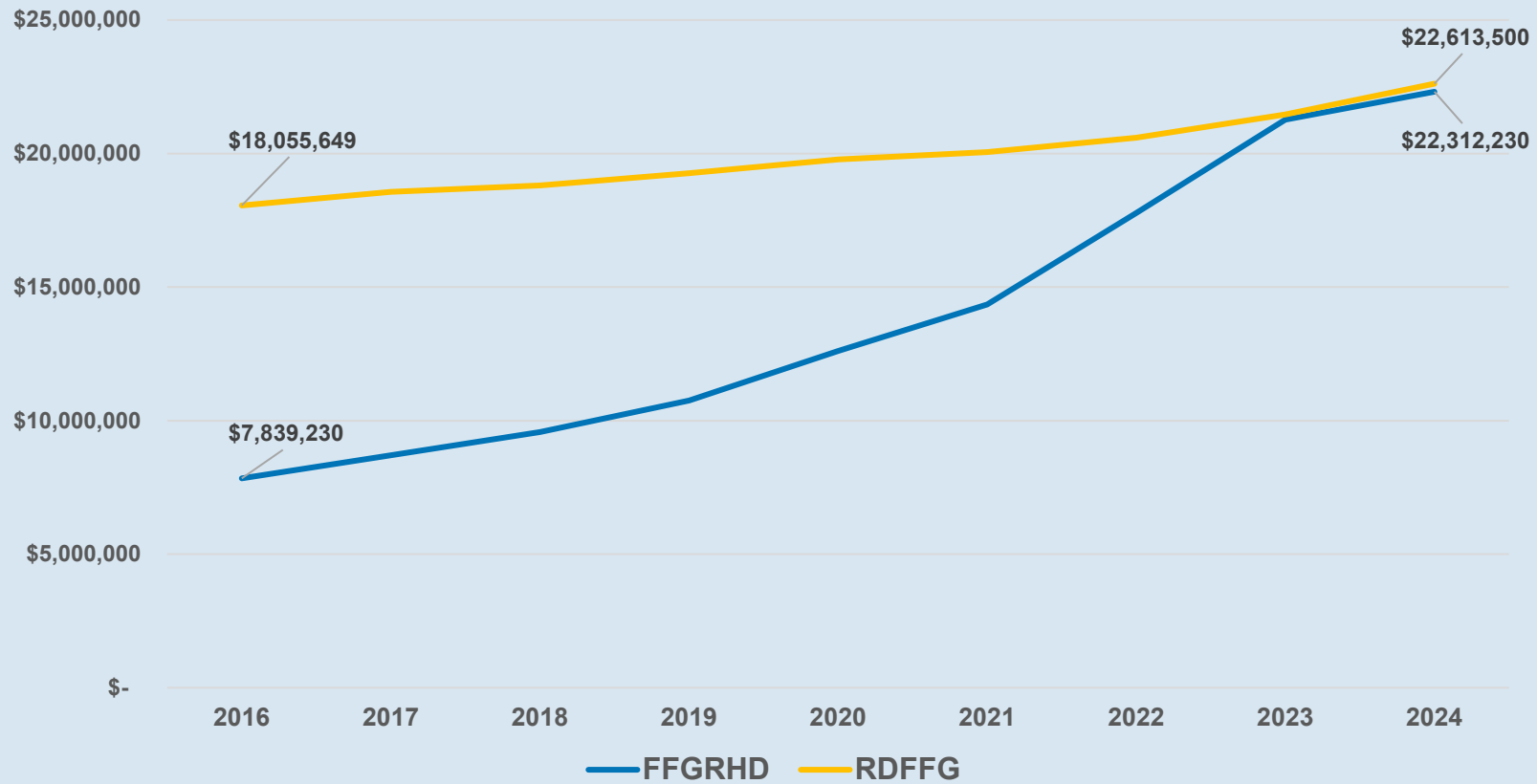


HISTORICAL REQUISITION INCREASES



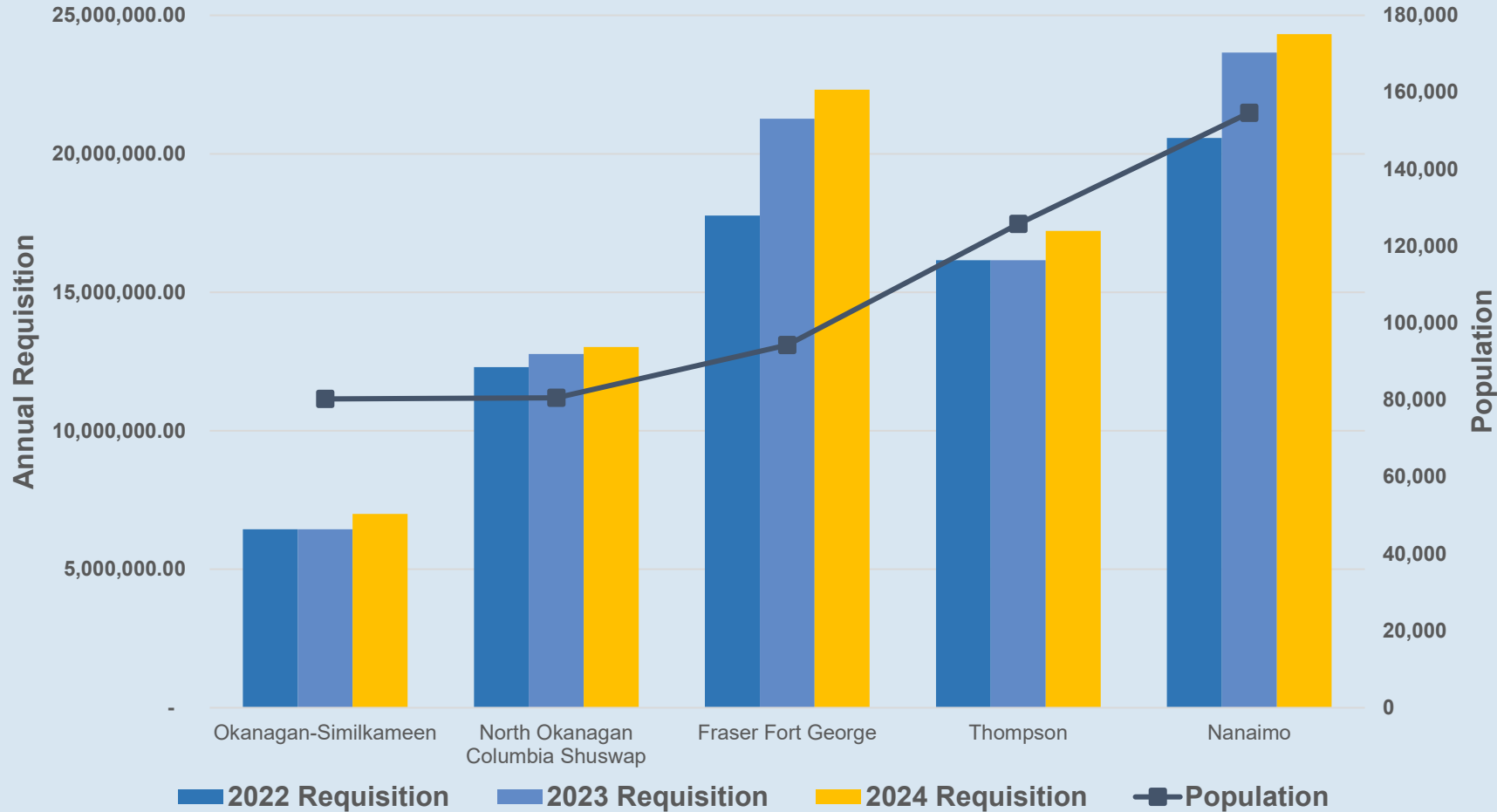
Requisition amounts with rates per average household

COMPARING ANNUAL REQUISITION TOTALS



2016 to 2024 comparison of Regional District and Regional Hospital District requisition totals

COMPARING WITHIN BC



Requisition values for Regional Districts with comparable populations

COMPARING WITHIN BC

Summary

Based on 2024 requisition amounts, FFGRHD has:

- 3rd highest rate per average residential home
- 2nd highest requisition per capita
- 3rd highest residential requisition rate
- 4th highest annual requisition

An aerial photograph of a town at sunset. The sky is a mix of orange, yellow, and blue. The town is densely packed with houses and buildings. A river flows through the town, and a bridge crosses it. The foreground shows a road and some trees.

FFGRHD

near the top of most
key metrics

COMPARING WITHIN BC

Project	Total Project Cost	RHD Contribution (\$ / %)	
Mills Memorial Hospital replacement	\$633 Million	\$120 Million	19%
Dawson Creek and District Hospital replacement	\$590 Million	\$177 Million	30%
Cowichan District Hospital replacement	\$1,446 Million	\$283 Million	20%
Nanaimo Regional General Hospital ICU and High Acuity Unit Redevelopment	\$60 Million	\$20 Million	33%

Other significant hospital construction projects within the province

UHNBC PATIENT CARE TOWER NEGOTIATIONS

Objectives

- ✓ See project announcement occur prior to 2024 election
- ✓ Negotiate an affordable contribution for FFGRHD taxpayers
- ✓ Cap the funding contribution to protect from future inflation and cost escalation
- ✓ Timing of FFGRHD funding draws to the end of the project timeline
- ✓ Ensure negotiated contribution is in line with provincial comparables



UHNBC PATIENT CARE TOWER NEGOTIATION

Final Outcome

FFGRHD Board approved \$365 Million global contribution to project with total estimated cost of \$1.687 Billion

Represents 21.63% global contribution to Project



STUART NECHAKO REGIONAL HOSPITAL DISTRICT – OUR STORY

- *Hospital District Act*
- SNRHD
- Challenges
- Rates and Taxes
- SNRHD Project Examples



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SNRHD – HOSPITAL DISTRICT ACT

1967

Established

1998

Regional Hospital Districts
re-jigged

2003

Ministry of Health Services –
RHD Cost Sharing Review

2008

Strengthening the capital planning
and cost sharing process –
emerging directions for change

SNRHD – HOSPITAL DISTRICT ACT – CONT'D



“RHD’s are expected to contribute 40% When there is an opportunity to amend”

STUART NECHAKO REGIONAL HOSPITAL DISTRICT – HISTORY

- 1967 – Bulkley-Nechako RHD = RD of Bulkley-Nechako
- 1998 – Stuart-Nechako RHD & Northwest RHD
 - Granisle, Burns Lake, Fraser Lake, Fort St. James, Vanderhoof, and Areas B, C, D, E, F = SNRHD
 - Smithers, Telkwa, Houston, and Areas A & G = NWRHD
- Also in 1998 – Metro Vancouver & TransLink



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SNRHD CHALLENGES

- Definition of Capital
- Funding the Bricks and Mortar and Other, while...
 - Operational (Staffing) Issues
 - Emergency Room Closures
 - Travel for Health Services
- Tax Rate Sustainability & Funding Competition



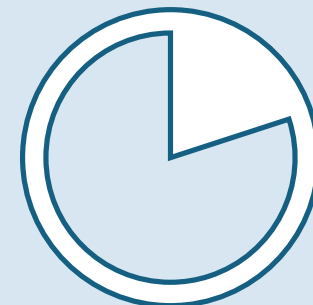
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SNRHD CHALLENGES



40%
OFF

VS



20%
OFF

RATES AND TAXES (2023)

Municipality	Avg. House Value	RD Tax	Hospital Tax
Burns Lake	\$242,635	\$378	\$300
Fort St. James	\$209,615	\$236	\$258
Fraser Lake	\$197,366	\$165	\$243
Granisle	\$76,019	\$57	\$94
Vanderhoof	\$323,958	\$247	\$399
Smithers	\$482,760	\$600	\$244
Provincial Average	\$804,549	\$349	\$130

- Highest Mill Rate in the province (\$1.24/\$1,000)
- Taxation revenue \$6 million per year

RATES AND TAXES – CONT'D

- *Hospital District Act Regulation*
 - Bulkley-Nechako RHD Maximum = \$0.34/\$1,000
 - 2024 – SNRHD = \$1.19/\$1,000
 - 2024 – SNRHD = \$6.8 Million
 - Tax at Max = \$1.9 Million



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SNRHD PROJECT EXAMPLES

Project	Total Project Cost	40%	SNRDH Contribution	SNRHD %
Stuart Lake Hospital	\$150 million	\$60 million	\$20 million	13.3%
Vanderhoof Primary Care	\$14.5 million	\$5.8 million	\$5.8 million	40.0%
St. John Hospital	\$750 million	\$300 million	\$150 million	20.0%
Max Tax ???		158 years	79 years	
Current Tax		44 years	22 years	

CHALLENGES

Funding 40% is
unaffordable

Healthcare spending
is rising significantly

Hospital District Act
legislation is outdated

Directors feel they
cannot say no to
funding requests

OPPORTUNITIES

Work together to
advocate for change

- Affordability
- Legislative reform

Help shape
healthcare in your
area

Negotiate fixed
contribution levels for
major projects

KEY TAKEAWAYS

- Major projects require significant long-term financial planning to ensure affordability
- Provincial comparability is an important consideration
- Build your case for negotiations
- Work collaboratively with your Health Authority and Ministry of Health

EA Directors and RHDs can work together to tackle major issues of affordability and legislative reform



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THANK YOU

Questions?
