



COMOX STRATHCONA
REGIONAL HOSPITAL DISTRICT



NEWS RELEASE

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October 14, 2010

NORTH ISLAND HOSPITALS PROJECT MOVES TO BUSINESS CASE STAGE

VICTORIA – The BC Government Project Board overseeing the North Island Hospitals Project has approved moving the hospitals proposal from a concept paper to a formal business case stage.

“I am very pleased that the North Island Hospitals Project will begin this critical business case stage,” said Kevin Falcon, Minister of Health Services. “This proposal will now be subject to a very thorough and comprehensive business case before being further considered by the Project Board in 2011.”

Earlier this year, the Vancouver Island Health Authority (VIHA) submitted a concept paper to the provincial government in which two new hospitals were proposed for Campbell River and the Comox Valley to replace the aging Campbell River and District General Hospital and St. Joseph’s General Hospital in Comox.

“Moving the project into a formal business case brings these facilities one step closer to being built,” said Comox MLA, Don McRae. “This is the number one priority for residents of the North Island and I am very happy to see significant progress being made.”

A Project Board, consisting of representatives of the provincial government, the Comox-Strathcona Regional Hospital District, VIHA and Partnerships BC has been working to move the project from a concept paper to a formal business case that will serve as the foundation for a request for capital funding from the province.

The Comox-Strathcona Regional Hospital District has agreed to contribute \$3 million of their portion of the capital cost of the project to finance the development of the business case.

“Two new hospitals on the North Island is critical to improving the health and wellbeing of residents of the North Island and mainland who receive care at either St. Joseph’s or Campbell River Hospital,” said Comox-Strathcona Regional Hospital District Chair, Charlie Cornfield. “We are hopeful that the business case will be thorough, but timely, in order to provide new and improved facilities for our residents as quickly as possible.”

In the coming days, a series of Requests for Proposals will be issued in order to assemble a working group of expert consultants to prepare the comprehensive business case. Project Board

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review and support of the business case is required before it would be considered by the provincial government.

As well, over the coming several months, representatives of the provincial government and VIHA will select a site for the Comox Valley Hospital to complement the current Campbell River Hospital site which has previously been identified as the location of the new hospital in Campbell River.

“While much work has been done to get the North Island Hospitals Project this far, there remains significant work ahead to ensure the voices of physicians, staff and the community are heard as we move through this business case,” said North Island Hospitals Project Interim Project Director, Grant Hollett. “I am looking forward to continued dialogue and consultation with the hospital communities and the communities at large as we move to complete this thorough business case.”

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North Island Hospitals Project Q&A

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What is the North Island Hospitals Project?

The North Island Hospitals Project (NIHP) consists of the construction of two new hospitals on northern Vancouver Island. A new 150-160 bed Comox Valley Regional Hospital and a new 90-95 bed Campbell River Hospital are envisioned in this project.

What is the North Island Hospitals Project Board?

The Project Board is a provincial government body consisting of membership from the Ministry of Health Services, Ministry of Transportation and Infrastructure, Vancouver Island Health Authority, Comox-Strathcona Regional Hospital District and Partnerships BC that will oversee the development of the business case and, if approved, construction, of the North Island Hospitals Project.

What about the 40-50 residential care spaces and other companion projects that were promised by VIHA earlier this year?

The 40-50 new residential care spaces and community dialysis chairs that VIHA has committed to placing in Campbell River are companion projects and integral to the success of the NIHP, but are separate and distinct projects. The NIHP is the replacement of the acute care facilities.

What does the business case include?

The business case primarily involves the development of a functional program and an indicative design for both hospitals that includes enough detail to more accurately assess the required capital investment. It will also recommend whether this project should be procured as a private-public partnership or whether it should be financed using traditional means. Also, assuming provincial government capital funding approval, the business case would serve as the foundation for the procurement and construction tender processes.

Will the business case recommend a public-private partnership?

It would be premature to judge the outcome of the recommendation of the business case, but it is the requirement of the provincial government that any project in excess of \$50 million be considered as a public-private partnership (P3).

When will the business case be completed?

It is anticipated that the business case will be completed by the Fall of 2011 for consideration by the Project Board.

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What is the budget for the NIHP?

The preliminary estimates for the Project were in the range of \$500-600 million. The comprehensive business case will take into account the location of the Comox Valley Hospital, projected labour market conditions and estimated material costs, and provide a more refined project estimate for consideration by the Project Board.

When will construction start?

The Project Board has given approval for the development of a full business case for further consideration. Construction will not begin until the provincial government has approved the business case and committed financial resources to the project. The earliest construction could start would be late 2012 following approval from the province and an open tendering process.

When will the hospitals be open?

The Project Board has given approval for the development of a full business case for further consideration. If the business case is accepted by the Project Board and financial commitment granted by the provincial government, construction would not likely begin until late 2012 and operations beginning approximately Spring 2015.

Why did the CSRHD provide \$3 million to finance the business case? Shouldn't those funds have come from the provincial government?

The Directors of the CSRHD have agreed to provide \$3 million as part of their total contribution to the NIHP to kick-start the business case process. As the CSRHD has already accumulated in excess of \$30 million they have made a portion of those funds available to VIHA as an up-front investment in the project.

In the event the business case does not receive approval from the province and the project does not move forward, VIHA has agreed to return these funds in the form of capital investment into health care services within facilities in the CSRHD.

Why is Partnerships BC involved in the process?

Partnerships BC has experience in assembling the team necessary to complete a complex business case for a project such as the NIHP. Their participation does not prejudice the outcome of the business case process nor imply that a public-private partnership has been selected as the preferred financing and construction model.

What services will be provided at each hospital?

A comprehensive consultation will begin with interested user groups, including staff, physicians, patients and the general community. During this consultation, detailed service plans will be developed for each hospital in order to properly estimate construction and operational costs. As previously stated by VIHA, the services currently available at Campbell River and St. Joseph's will remain available at those locations recognizing that there may be some changes arising from technological advances or service enhancements.

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