

Hospitals Building Healthier Communities: Investing Today, to Meet the Needs of Tomorrow

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"INFRAconsults" for Communities

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Executive Summary

As citizens, we find ourselves in hospitals at our most vulnerable moments: when we or our loved ones are acutely ill, recovering from illness or injury, beginning our lives, or in our final moments. Fortunately, Canada is home to some of the world's most outstanding healthcare facilities. Research hospitals, have a national role because of their research, training and innovation mandates. Unfortunately, some are operating in a severe state of disrepair. HealthCareCAN is concerned about the state of hospital infrastructure in our country, particularly the estimated \$28 billion in hospital maintenance costs¹ that have been deferred as cost pressures take their toll. The Federal Government can assist.

HealthCareCAN commends the federal government for investing \$120 billion over the next 10 years into an infrastructure plan that aims to address the significant gaps in infrastructure across Canada.² We welcome the opportunity to share our ideas on how the federal government should invest these funds through the Infrastructure Consultations. In this submission, we will focus on the vital role of hospitals in their communities. We will propose that Canada's research hospitals improve the health and strength of their communities by providing essential healthcare services, offering long term employment and economic stability, educating the next generation of healthcare professionals, and performing innovative research.

As one of the largest employment sectors in Canada, hospitals have a major economic impact. HealthCareCAN member research hospitals alone employ over 600,000 Canadians³. In many communities, a hospital may be the largest employer and can become an integrated part of the community's framework. With an economy in a state of flux and rising unemployment rates, hospitals provide much needed economic support and stability to communities across Canada.

Hospitals are the hubs of healthy communities. Reaching far beyond the confines of a facility's walls and expanding into communities and homes where chronically ill patients increasingly receive care, hospitals are dedicated to improving the health and wellbeing of residents across Canada. Hospitals and their foundations encourage residents to live healthy active lifestyles and support those most vulnerable in times of need, while at the same time fostering a sense of community. However, the state of infrastructure in our country is preventing our research hospitals from performing these essential roles.

In February 2016, a survey of Canada's hospitals and healthcare facilities revealed 444 distinct infrastructure projects valued at \$5.9 billion required to repair and maintain existing structures.⁴ Typically, physical plant infrastructure in healthcare is financed primarily by provincial governments and community fundraising; however, the increasing costs of construction and recent economic climate, combined with the significant backlog of projects, means that unprecedented funding is required to replace and repair these rapidly deteriorating facilities to a point where the federal government must step in. As such, our recommendations are as follows:

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| <ol style="list-style-type: none">1. Allow research hospitals to apply and compete for all federal infrastructure funds.2. Ensure that research hospitals are represented in all federal infrastructure planning. |
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Hospitals Building Healthier Communities: Investing Today, to Meet the Needs of Tomorrow

Introduction

HealthCareCAN is the national voice of healthcare organizations and hospitals across Canada, formed from the merger of the Canadian Healthcare Association and the Association of Canadian Academic Healthcare Organizations in January 2014. We foster informed and continuous, results oriented discovery and innovation across the continuum of healthcare. We act with others to enhance the health of the people of Canada; to build the capability for high quality care; and to help ensure value for money in publicly financed, healthcare programs. Our members represent the majority of the country's research hospitals and patient care organizations, employing over 600,000 Canadians and treating more than 20 million patients per year.⁵

Canada's research hospitals are a vital part of our national infrastructure, providing essential health services to communities and promoting economic growth. Research hospitals must be able to meet the needs of communities in their most vulnerable moments—from caring for patients in the case of illness or injury, to meeting the needs of entire communities in the case of natural disaster or epidemic. Investments in healthcare infrastructure are important to maintain a healthy and safe physical environment for patients, staff and families, to allow clinicians and patients to access to new and effective technologies, and to meet the needs of entire communities.

HealthCareCAN commends the federal government for investing \$120 billion over the next 10 years into an infrastructure plan that aims to address the significant gaps in infrastructure across Canada.⁶ We welcome the opportunity to share our ideas on how the federal government should invest these funds through the Infrastructure Consultations. We also appreciate the opportunity to submit through other consultations such as the Pre-Budget Consultations in Advance of the 2017 Budget, Let's Talk Climate Change, Let's Talk Sustainability, and the Green Infrastructure Consultation.

We also appreciate the federal government's formal recognition of research and teaching hospitals as national assets and as welcome applicants to the Strategic Investment Fund (SIF). For the past 10 years, research hospitals have been explicitly excluded from federal infrastructure funds, such as the Knowledge Infrastructure Program, the Canada First Research Excellence Fund, and the Building Canada Fund. Federal Budget 2016's explicit reference to teaching and research hospitals as welcome applicants to the Strategic Investment Fund (SIF) was the first in a decade to allow research hospitals to apply and is an important and historical improvement. We applaud the federal government for its innovative and more inclusive policy approach.

Did you know?

Over 250 infrastructure projects from Canada's research hospitals aim to reduce energy consumption in an effort to promote environmentally-conscious, sustainable research, training and care in Canada.

Did you know?

Infrastructure projects from Canada's research hospitals aim to provide urgently needed additional space to alleviate space crises, while accommodating rapid growth in research and commercialization activities.

As with any new approach however, particularly one developed to meet the speed of stimulus intentions, there are some lessons learned for better engaging the research hospitals. For example, SIF's requirement for universities to sign off on research hospital applications created an additional layer of confusion because research hospitals are separate legal entities from universities. Many research hospitals have separate and autonomous governance structures. As such, their applications may have been seen as competitive, and many worthy applications were never submitted because of the lack of university approval.

It is also worth noting that many of the projects that might have been submitted to the Strategic Investment Fund may not have required provincial dollars, since many communities have already undertaken fundraising campaigns and were capable of matching federal dollars on their own. For this reason, the country's research hospitals would greatly appreciate the opportunity to apply directly to other federal infrastructure programs.

On the positive, we are pleased that 35 research hospital submissions were successfully made to the Strategic Investment Fund. We are hopeful that these submissions will be seen as meritorious of funding from the SIF opportunity and look forward to hearing the results of the competition as they become available. Once again, we do appreciate the intention of this program and commend the Government and staff for the inclusive intent.

While research hospital infrastructure is innovative, it is not just about innovation. It's about keeping our communities green and clean; it's about ensuring that some of the largest employers in our communities are wonderful places to work, attracting the best and brightest minds; it's about ensuring that physical space lends itself to new models of care; and most importantly, it's about giving people hope when they are most vulnerable.

The purpose of this submission is therefore to respond to the federal government's request for information about the infrastructure priorities in communities across Canada. In this submission, we will focus on the research hospital's role in improving the health of our communities, from rural and northern communities to small and large urban centres. A hospital's role in their community is one of vital importance economically and as critical infrastructure in terms of public health and safety. We propose that Canada's research hospitals improve the health and strength of their communities by providing essential healthcare services, offering long term employment and economic stability, educating the next generation of healthcare professionals, and performing innovative research. However, the state of infrastructure in our country is preventing our research hospitals from performing these essential roles.

Did you know?

That newer hospitals promote a "healing" environment with a patient-centered approach to delivering care, resulting in higher patient and staff satisfaction with no significant increase in cost.

Did you know?

Canada's research hospitals enjoy the support of more than 45,000 community volunteers.

Hospitals Building Healthier Communities

As one of the largest employment sectors in Canada, hospitals have a major economic impact. HealthCareCAN member research hospitals alone employ over 600,000 Canadians.⁸ In many communities, a hospital may be the largest employer and can become an integrated part of the community's framework. With an economy in a state of flux and rising unemployment rates, hospitals provide much needed economic support and employment stability to communities across Canada.

Hospitals are the hub of healthy communities. Reaching far beyond the confines of a facility's walls and expanding into communities and homes where chronically ill patients increasingly receive care, hospitals are dedicated to improving the health and wellbeing of residents across Canada. By organizing fundraising activities, holding community meetings and prevention classes, and partnering with existing ventures in the community, hospitals and their foundations encourage residents to live healthy active lifestyles and support those most vulnerable in times of need, while at the same time fostering a sense of community.

As citizens, we find ourselves in hospitals at our most vulnerable moments: when we or our loved ones are acutely ill, recovering from illness or injury, beginning our lives, or in our final moments. Fortunately, Canada is home to some of the world's most outstanding healthcare facilities. Unfortunately, others are operating in a severe state of disrepair. While some communities are home to brand new, state-of-the-art healthcare facilities built for the future, others have facilities that are old, inefficient, and unhygienic, directly impacting the quality of care patients receive in hospitals across Canada.

Research hospitals treat complex patients with the most advanced technologies available. Not only do hospitals need to provide patient-centered care in a facility that honors the environment and community, they have the opportunity and responsibility to become community centres for health and wellbeing. Hospital environments should be the healthiest and safest space for all who enter, including patients, visitors, and staff—unfortunately this is not always the case.

The State of Hospital Infrastructure in Canada

In February 2016, a survey of Canada's hospitals and healthcare facilities revealed 444 distinct infrastructure projects valued at \$5.9 billion required to repair and maintain existing structures. Of these projects, 91% qualify as repairs and/or retrofits to currently existing facilities, and 9% of the projects are new buildings and expansions.⁹ The primary purposes of the projects are illustrated in Figure 1.

Did you know?

Infrastructure projects submitted to the Strategic Investment Fund competition aim to modernize our health research facilities, replacing 30+ year old labs with state-of-the-art facilities.

Did you know?

A recent survey of Canada's hospitals and healthcare facilities revealed 444 distinct infrastructure projects valued at \$5.9 billion required to repair and maintain existing structures.

HealthCareCAN members also made 35 submissions to the Strategic Investment Fund (SIF), worth over \$250 million. These projects aim to improve or replace healthcare facilities that are rapidly aging, detrimental to the environment, and in a severe state of disrepair. Many of these projects respond to the unique needs of our communities' most vulnerable members: seniors suffering from complex, chronic conditions, newborns and children, those in rural and northern communities, Indigenous people, and those requiring mental health and addictions supports.

Figure 1: Infrastructure Projects by Purpose¹⁰

Projects by Purpose	# (%) of all Projects	\$ of Projects
Repairs and Energy Retrofits	363 (82%)	\$2,090,292,599
New Buildings	42 (9%)	\$2,388,100,000
Expansions	39 (9%)	\$1,502,577,549
Total	444 (100%)	\$5,980,950,148

Illustrative Projects	# (%) of all Projects	\$ of Projects
Environmental/Energy Efficiency	264 (59%)	\$999,768,315
Acute Care	114 (26%)	\$3,624,381,833
Primary Care	25 (6%)	\$55,150,000
Long Term Care/Post-Acute	17 (4%)	\$750,700,000
Care/Palliative Care	8 (2%)	\$76,450,000
Mental/Community Health	6 (1%)	\$43,300,000
Research and/or Teaching	4 (1%)	\$250,000,000
Patient Safety and/or Infection Control	4 (.5%)	\$78,200,000
Paediatrics/Women's Health	2 (.5%)	\$103,000,000
Outpatient/Ambulatory Care		
Total	444 (100%)	\$5,980,950,148

Typically, physical plant infrastructure in healthcare is financed primarily by provincial governments and community fundraising. In fact, local communities raise a significant share of hospital construction costs. It is time for the federal government to support their efforts. The increasing costs of construction and recent economic climate, combined with the significant backlog of projects, means that unprecedented funding is required to replace and repair these rapidly deteriorating facilities to a point where the federal government must step in. Federal funding will allow our healthcare facilities to become ones to be proud of—utilizing advanced technology and innovative research that allow patients to heal and return home faster, and incorporating cleaner, greener and more modernized systems that reduce our environmental footprint.

Did you know?

Infrastructure projects from Canada's research hospitals aim to establish state-of-the-art training grounds for the next generation of health researchers in areas such as transplant, genetics and cancer research.

Did you know?

Deferred maintenance costs are estimated to be at least as high as \$11.4 billion in Ontario, \$600 million in Nova Scotia, \$600 million in Saskatchewan, and at least \$637 million in Alberta.^{xi}

The last time the federal government invested in hospital infrastructure was in 1966, and, prior to that, 1948, as part of the Hospital Construction Grants Program. Since hospitals are built to last 30-40 years¹², a federal injection into health infrastructure is long overdue. As a consequence, it is estimated that as much as \$28 billion in hospital maintenance costs have been deferred as Canada neglects to address the \$160 billion replacement cost of its hospitals. According to a study commissioned by HealthCareCAN entitled *Deferred Hospital Maintenance in Canada: There is more to 'a building' than building it*, a minimum annual investment of \$2.8 to \$3.2 billion is required to keep the accumulated deferred maintenance of Canada's hospitals from growing any further.¹³

Did you know?

Infrastructure projects from Canada's leading research hospitals aim to renovate spaces to create innovative education, simulation and collaboration spaces.

Opportunities and Recommendations

Canada's research hospitals improve the health and strength of their communities. By providing essential healthcare services, these organizations care for society's most vulnerable members. They strengthen the economy of local communities by offering long-term, stable employment for over 600,000 Canadians, and they educate the next generation of healthcare professionals, ensuring that the ill and injured will be cared for now and into the future. Through innovative research, hospitals create new approaches to healing that lead to earlier diagnoses, more effective treatments and better outcomes for patients in communities across Canada. However, for hospitals to continue to fulfill these roles safely, efficiently and effectively, significant investments in physical plant infrastructure are needed. As such, our recommendations are as follows:

1. Allow research hospitals to apply and compete for federal infrastructure funds.
2. Ensure that research hospitals are represented in all federal infrastructure planning.

Conclusion

Hospitals are the economic and social hubs of healthy communities. Canada's research hospitals improve the health and strength of their communities by providing vital healthcare services, offering long term employment and economic stability to over 600,000 Canadians, educating the next generation of healthcare professionals, and performing innovative research that leads to better outcomes for patients in communities across Canada.

As HealthCareCAN's survey illustrates, Canada's research hospitals are ready and willing to implement the types of changes required to ensure that our healthcare infrastructure is able to meet the needs of Canadians. In order to do so, hospitals must provide a safe, clean and sustainable environment for patients, facilities and staff members—one that is able to accommodate advanced technologies and leading practices in care. It will be important, over the coming years, for the federal government to commit leadership and

Did you know?

Infrastructure projects aim to create fully modernized and integrated research institutes to attract and retain the world's best health research minds to Canada.

prioritize investments in healthcare infrastructure to ensure that communities across Canada are able to meet the needs of their most vulnerable members, now and into the future.

¹ Roberts, G. and Samuelson, C. “Deferred Hospital Maintenance in Canada: There is more to ‘a building’ than building it”. http://www.healthcarecan.ca/wp-content/uploads/2015/09/Deferred-Maintenance_FullDoc1.pdf

² Department of Finance Canada, 2016. “Budget 2016: Growing the Middle Class”. <http://www.budget.gc.ca/2016/docs/plan/ch2-en.html?wbdisable=true>

³ HealthCareCAN. “What is a Research Hospital?” <http://www.healthcarecan.ca/wp-content/uploads/2016/04/3-What-is-a-Research-Hospital.pdf>

⁴ HealthCareCAN. “Why do we need federal investment in hospital infrastructure?” <http://www.healthcarecan.ca/wp-content/uploads/2016/04/6-7-Why-do-we-need-federal-investment-in-hospital-infrastructure.pdf>

⁵ HealthCareCAN. “What is a Research Hospital?” <http://www.healthcarecan.ca/wp-content/uploads/2016/04/3-What-is-a-Research-Hospital.pdf>

⁶ Department of Finance Canada, 2016. “Budget 2016: Growing the Middle Class”. <http://www.budget.gc.ca/2016/docs/plan/ch2-en.html?wbdisable=true>

⁷ Huelat Davis. “What is Planetree?” <http://www.healingdesign.com/patient-centered-design/planetree-patient-centered-design/>

⁸ Department of Finance Canada, 2016. “Budget 2016: Growing the Middle Class”. <http://www.budget.gc.ca/2016/docs/plan/ch2-en.html?wbdisable=true>

⁹ HealthCareCAN. “Why do we need federal investment in hospital infrastructure?” <http://www.healthcarecan.ca/wp-content/uploads/2016/04/6-7-Why-do-we-need-federal-investment-in-hospital-infrastructure.pdf>

¹⁰ HealthCareCAN. “Why do we need federal investment in hospital infrastructure?” <http://www.healthcarecan.ca/wp-content/uploads/2016/04/6-7-Why-do-we-need-federal-investment-in-hospital-infrastructure.pdf>

¹¹ HealthCareCAN. “Crumbling Hospital Infrastructure Threatens the Care of Canadians”. <http://www.healthcarecan.ca/crumbling-hospital-infrastructure-threatens-the-care-of-canadians/>

¹² HealthCareCAN. “Green is Green: Improving the Health, Economic and Environmental Impact, Resilience and Sustainability of Canada’s Hospitals through Green Infrastructure” http://www.healthcarecan.ca/wp-content/uploads/2016/08/IssueBrief_GreenisGreen_full_EN.pdf

¹³ Roberts, G. and Samuelson, C. “Deferred Hospital Maintenance in Canada: There is more to ‘a building’ than building it”. http://www.healthcarecan.ca/wp-content/uploads/2015/09/Deferred-Maintenance_FullDoc1.pdf