
Subject: Hospice Niagara Request for Funding

Report to: Corporate Services Committee

Report date: Wednesday, April 14, 2021

Recommendations

1. That the Hospice Niagara Funding request of \$4 million **BE RECEIVED** for information.

Key Facts

- On November 9, 2020 Hospice Niagara requested that Niagara Region consider a capital funding contribution of \$4 million to assist with the capital cost associated with increasing the number of hospice beds in Niagara
- The Region does not have a grant funding program, policy or funding source for such a request.
- Hospice Niagara's project is included in the Region's site plan co-located on the campus of the approved long-term care redevelopment initiative in Fort Erie.
- The original agreement between the Region and Hospice Niagara is that Hospice would receive the required land on Regional property while Hospice would fund the entire cost of construction. This would be similar to the arrangement on the Linhaven property in St. Catharines.

Financial Considerations

The request from Hospice Niagara is \$4 million towards the total capital build of 20 new hospice beds in Niagara estimated at \$14 million. Currently, there is no legislated or policy expectation or obligation for municipalities or Region to provide capital funding for hospice residential facility builds. Hospice providers are able to apply/request capital funding from the province and also raise funds through fundraising/community contributions.

The Hospice Niagara request represents 1% of the Region's 2021 general levy. Additionally, Hospice Niagara requested and has been approved for the following \$670,756 from the local area municipalities confirmed up to the date of authoring this report:

- Fort Erie \$150,000
- Pelham \$ 85,000
- Port Colborne \$ 90,000
- Thorold \$ 90,756
- Welland \$255,000

Analysis

Hospice Niagara's proposal is to provide 20 new hospice residence beds in Niagara at a cost of \$14 million. Hospice is planning to create 10 spaces in a build co-located on the same campus as the Gilmore Long Term Care home redevelopment in Fort Erie and a similar 10 bed build in Welland along side another LTC home redevelopment project led by Foyer Richelieu. Hospice Niagara has one existing hospice location in Niagara and it is co-located on the Linhaven campus site.

Background

In Ontario, palliative care can be delivered in multiple different care settings:

- Individual homes
- Hospices
- LTC homes
- Hospitals

In Ontario, there is no cost to patients for medically necessary palliative care services in their homes, hospices, or hospitals. While residents of LTC homes may pay a co-payment, these funds represent the individual's contribution to food and accommodations as part of living at a LTC home and not for accessing palliative care services.

Through the Government of Ontario's Hospice Capital Program (HCP), financial assistance is provided for the development of new physical hospice spaces, associated with new beds funded by the province's Palliative and End of Life Strategy. The HCP does not fund the full cost of a hospice capital project, but provides a funding contribution based on the number of beds approved for each project, up to a maximum dollar contribution per bed cost. Capital costs that are above the province's proposed capital contribution is the responsibility of the requesting organization through their own funds. Typically, residential Hospices raise the additional necessary capital funding through fundraising/community contributions. The province does provide an Exceptional Circumstances Grant that is available for a requesting organization in the case that they

develop exceptional circumstances during the construction phase of their hospice, such that the organization can apply for additional ministry funding beyond the per bed maximum contribution.

The province, through Ontario Health/LHIN, provides operating funding for Hospice Residence beds as well. This funding is partial and requires Residential Hospice's to fundraise and secure community contributions to ensure that they are fully able to operate and cover additional operating expenses that are incurred. Currently, there is no legislated expectation or obligation for municipalities to provide funds for Residential Hospices to cover any operating or capital costs.

Currently, the Region has two LTC homes being redeveloped with a total capital budget of \$175 million:

- Linhaven Redevelopment: \$102 million cost and is funded with debt (\$86.5 million) and development charges (\$15.5 million).
- Gilmore Lodge Redevelopment: \$73 million cost (inclusive of the Hospice facility) and is funded with debt (\$58.022 million), development charges (\$9.078 million), grant (\$0.3 million) and an external contribution from Hospice Niagara (\$5.6 million) for construction costs of 10-bed residential program.
- MLTC will offset a part of this capital investment through a construction funding subsidy that is paid on a per bed per diem for twenty-five years.

The Hospice project will co-locate on Regional property and will benefit from not having to make an investment in the land. Based on an estimated apportionment of the area of the facility and required parking, the Region's cost of land attributed to the Hospice facility is approximately \$390,000. Hospice have also benefited from being part of the Region's master planning process, avoiding the cost of due diligence investigations (environmental site assessments, geotechnical, survey's etc), planning application fees and rezoning of the property.

Based on the original planning for this project no direct contributions to Hospice Niagara have been considered or budgeted by the Region at this time. The Region has no mandate within its core service to provide hospice care. Should council wish to consider this request it is important to note that there is also the potential to set precedent with this funding, which will create additional pressure to the Region's budgets in an environment where budgets are already constrained in the support core service delivery. Therefore, staff is not recommending supporting the additional request for funding.

Other public capital projects are anticipated over the same time period as the Regional LTC home redevelopment projects, not excluding hospital builds in the region. Most notably, there are 14 LTC homes also scheduled for redevelopment in Niagara (replacing existing beds as well as adding new beds), with significant estimated capital needs in the hundreds of millions of dollars.

Alternatives Reviewed

If Council wishes to consider this request in 2021, it will require a budget amendment to incorporate the expense and funding source. As there is no funding available the amendment could only look to utilize reserve funding. The only reserve with a purpose broad enough for this expenditure is the Taxpayer Relief Reserve which, as per the year end report CSD 17-2021 report, is forecast with a balance of \$20.9 million and at 3.6% of gross budget expenses versus the 10% minimum as per the Reserve and Reserve Fund Policy.

If Council wishes to consider this request in the 2022 budget, it can be accommodated with a 1% increase in the levy. Alternatively, Hospice may consider a commitment over a number of years, which could reduce this levy impact. Many of the local area municipalities have considered requests over a period of 3 or 5 years.

Relationship to Council Strategic Priorities

The Hospice investment may support Healthy and Vibrant Community strategic priority.

Other Pertinent Reports

n/a

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Appendices

Appendix 1 Hospice Niagara Presentation