

**MINISTRY OF HEALTH SERVICES
INFORMATION BRIEFING NOTE**

Cliff #837244

PREPARED FOR: Honourable Kevin Falcon, Minister of Health Services
- FOR INFORMATION

TITLE: Minister's June 1 Meeting with New Chair of Providence Health Care

PURPOSE: To discuss Providence Health Care and the future of St. Paul's Hospital

BACKGROUND

Providence Health Care (PHC) is a faith-based organization located in Vancouver, which operates two acute care hospitals¹, and six continuing care facilities². In 1998, PHC signed an Affiliation Agreement with, and started receiving funding from the Vancouver/Richmond Health Board, one of the predecessors of the Vancouver Coastal Health Authority (VCHA).

In April 2010, Geoff Plant replaced Kip Woodward as the new Chair for PHC. A partner in the Vancouver office of the national law firm Heenan Blaikie LLP, Geoff Plant is a former-member of the BC Legislative Assembly, where he served as Attorney General.

DISCUSSION

S13

S12

In

S13

S13

S13, S14

S13, S14

¹ St. Paul's Hospital and Mount St. Joseph's Hospital

² Holy Family Hospital, Youville Residence, Marion Hospice and the St. Vincent's sites, including Brock Fahrni, Langara and Honoria Conway at Heather.

³ These buildings form the main body of the hospital, and are the newest buildings at the St. Paul's site (1979 and 1988).

S13 S14

S13

FINANCIAL IMPLICATIONS

S13, S17

CONCLUSION

S13

Program ADM/ Division: Heather Davidson, Health Authorities Division, 250 952-1049
Program Contact: Rebecca Harvey, Executive Director, 250 952-1514
Drafter: D. Mohsenzadeh, Manager, Performance Accountability (VCHA)
Date: May 31, 2010
File Name with Path: Y:\HAD General\Briefing Notes\2010\Health
Authorities\VCHA\837244 Minister Meeting June 1 Re PHC.Doc

All Health Authorities

2009/10 FUNDING ALLOCATION
TOTAL 2009/10 OPERATING ALLOCATION - Update #3

	Van Coastal
\$	2,130,159,212

Not Responsive

Not Responsive

Not Responsive

**MINISTRY OF HEALTH SERVICES
INFORMATION BRIEFING NOTE**

Cliff # 812880

PREPARED FOR: Honourable Kevin Falcon, Minister of Health Services
- FOR INFORMATION

TITLE: Providence Health Care Overview

PURPOSE: Background information for a meeting between Minister Falcon and Mr. Kip Woodward, Chairman of Providence Health Care Scheduled for November 30 2009 at PVO.

BACKGROUND:

Providence Health Care (PHC) is a faith-based organization located in Vancouver, operating two acute care hospitals (St. Paul's Hospital and Mount Saint Joseph Hospital), and six continuing care facilities (Holy Family Hospital, Youville Residence, Marion Hospice and the St. Vincent's sites, Brock Fahrni, Langara and Honoria Conway at Heather (assisted living)).

Since 1998, PHC has been operating under a signed affiliation agreement with, and receiving funding through Vancouver Coastal Health Authority (VCHA). In the past year, PHC has sought a realignment of its relationship with the current health authority structure. PHC wished to have a direct relation with the Ministry, rather than through VCHA.

There has been a high level agreement that PHC will operate a wider range of health services in the geographic area of Vancouver North (essentially Vancouver City Centre and the Downtown Eastside health service delivery areas) under agreement with VCHA. Operational details are being finalised.

Mr. Kip Woodward, the Chair of the Board of PHC met with the Minister September 8th 2009 and, following, has proposed a number of business development and revenue generating opportunities for PHC. It is expected that these suggestions will be the focus of the meeting.

DISCUSSION:

S13

S13, S17

FINANCIAL IMPLICATIONS

S13

CONCLUSION

S13

Program ADM/ Division: Wendy Hill, Health Authorities Division, 250 952-1049
Program Contact: Rebecca Harvey, Executive Director, 250 952-1514
Drafter: Nancy South, Director, Performance and Accountability (VCHA)
Date: November 26, 2009
File Name with Path: Y:\HAD General\Briefing Notes\2009\Drafts\FINAL VERSION -
812880 Minister_Mtg_with_PHCBoardChair_KWoodward - approved
by Wendy Hill Nov. 26 2009.doc

Appendix A



WOODCORP INVESTMENTS LTD.

September 10, 2009

The Honourable Kevin Falcon
Minister of Health Services
PO Box 9050, Stn Prov Gov't
Victoria, BC
V8W 9E2

MINISTER'S OFFICE HEALTH	
# 803098	
DRAFT <input type="checkbox"/>	SEP 15 2009
REPLY <input type="checkbox"/>	REPLY DIRECT <input type="checkbox"/>
FY <input checked="" type="checkbox"/>	FILE <input type="checkbox"/>
REMARKS	
<input type="checkbox"/> AA	<input type="checkbox"/> MA
<input type="checkbox"/> FA	<input type="checkbox"/> CCU
<input type="checkbox"/> DA	<input type="checkbox"/> DM

Dear Minister Falcon:

I just want to extend my appreciation for the time that you and your staff accorded me the other day.

No doubt, there are many challenges facing not only the Ministry but, those that are charged with the delivery of care as well.

I want to reiterate, that all of us at Providence, want to contribute to these challenges and continue to seek new ways to solve old problems.

We are strongly driven by our mission and the historical efforts and deeds of our founding congregations. Our strength, as a contributor, comes from our ability to remain autonomous and retain our identity, while we form partnerships and collaborations across the system and the province.

We want to build upon our successes and be able to play a larger role in the reform that we must have in order to ensure some degree of sustainability.

Although our past role and reporting structures have, in our opinion held us back, we hope that ongoing discussions with the Ministry may lead to enhancing our ability to contribute.

Over the next short while, we will forward to you some ideas for simple and quick reform. Ideas that will give us some revenue opportunities, close loop holes and invigorate our staff.

Page 2...

WOODCORP INVESTMENTS LTD.
SUITE 2001 - 1177 WEST HASTINGS STREET, VANCOUVER, B.C. V6E 2K3
TEL: 604-682-7661 FAX: 604-687-2129
E-MAIL: woodcorp@shawcable.com

I agree with you that too much time and study goes into every effort. We are sensitive to public perceptions and politics. Our organization prides itself on our ability to adapt and change. We want to try out new funding models and new delivery processes.

Please include our voice in contemplated changes. We can often bring a perspective to debate that others can't or won't.

We look forward to working with you and offer an open invitation for you to visit anyone of our sites. Our frontline staff and doctors gain a strong sense of pride in the interest shown by the Minister.

I look forward to seeing you in the future.

Yours sincerely,



C.C. (Kip) Woodward

Appendix B



WOODCORP INVESTMENTS LTD.

October 2, 2009

The Honourable Kevin Falcon
Minister of Health Services
PO Box 9050, Stn Prov Gov't
Victoria, BC
V8W 9E2

MINISTER'S OFFICE HEALTH	
#	805629
DRAFT REPLY <input checked="" type="checkbox"/>	OCT 06 2009
FYI <input type="checkbox"/>	REPLY DIRECT <input type="checkbox"/>
REMARKS	
<input type="checkbox"/> AA	<input type="checkbox"/> MA
<input type="checkbox"/> EA	<input type="checkbox"/> CCU
<input type="checkbox"/> SA	<input type="checkbox"/> DM

Dear Minister Falcon: *Kevin*

I write further to our recent conversation concerning innovation in health care service delivery, and in particular, the need for new approaches which will permit Providence Health Care to provide some services on a basis which generates revenue.

I cannot emphasize strongly enough my conviction that without opportunities for business development and revenue growth, the public health care system is not sustainable.

Allowing for real innovation and expansion of service delivery will address a number of critical deficiencies in the current system. For Providence, in particular, the issues are a lack of control over how and how much we are funded; and a system of funding which lacks transparency and seems increasingly and relentlessly consumed by the drive for expenditure reduction. The assumption that we can maintain a world class system of health care by focusing exclusively on cost containment is self-defeating. Sooner or later, we have to start talking about cost recovery.

There is much we can do without challenging either the letter or the spirit of the Canada Health Act. The current system deprives our managers of the incentive to innovate. Our front line workers are full of ideas, but given no encouragement to pursue them. Here are just some of the issues that need to be addressed:

- It's time to stop subsidizing non-Canadian patients. Our universities charge international students full freight tuition. The revenue helps keep tuition costs lower for residents. The same principle should apply to health care. Currently the Ministry of Health sets price guidelines which have no bearing on actual costs or market rates. Why not let Providence Health Care set rates for non-residents based on actual costs and what the market will bear?

Page 2...

WOODCORP INVESTMENTS LTD.
SUITE 2001 - 1177 WEST HASTINGS STREET, VANCOUVER, B.C. V6E 2K3
TEL.: 604-682-7661 FAX: 604-687-2129
E-MAIL: woodcorp@shawcable.com

- It's also time to stop sending BC residents to the United States for care that could be provided here. The cost of 2-3 days in an ICU in a hospital in Washington would outfit another ICU here. Currently the system doesn't allow us access to the capital we need to invest to keep these patients. As a result, surgeons are forced to send patients out of country, at enormous expense to the public system. Meanwhile, perversely, our operating rooms are closed and our world-class specialists are under-utilized.
- Why not find ways to sell services to foreigners? U.S. citizens spend billions to go overseas, but none come here. We have spent millions training and obtaining some of the world's finest physicians. Let's use them. (For example, Providence could provide specialized services to international clients in its existing fields of special expertise such as cardio, HIV/AIDS, Mental, Health, and eating disorders.) And with the resulting revenues, we can maintain the infrastructure and human resources we need to serve British Columbia patients in our public system.
- Allow Providence Health Care to bid for services from private clinics. The introduction of competition for health care service delivery is the single best tool for cost management, and yet we are prohibited from doing this currently.
- Allow Providence Health Care to use our assets to deliver services to and generate revenue from non-MSP groups such as federal employees, status Indians, RCMP, MP's, private insurers and Worksafe BC.

Other initiatives where we see the potential opportunity for business development and that together with the Ministry of Health should be further explored:

- Developing a Wellness Centre—a boutique service involving naturopathic; nutritionists; chiropractic; spiritual support; healthy living for seniors.
- Developing a system navigation service including plain language medical interpretation.
- Contracting rehabilitation services—Similar to the Calgary based model and its applicability for Holy Family Hospital for large scale rehab services to WorkSafe BC, US HMO's, military, first nations, RCMP etc.
- Providing health management consulting services to national and international clients in concert with other international consulting companies such as Deloitte, Accenture, McKinsey, etc.
- Serving chronic disease care or aging clients with new thinking for a target market of high end boutique services.

Page 3...

- 3 -

- Forming a distinct contract for services with First Nations.
- Developing a high profile addictions treatment centre modeled on the Betty Ford Centre.
- Providing elective for-profit surgery for services deemed to be not medically necessary e.g. varicose veins, breast reductions, dental implants, caesarean section by patient choice and septoplasty.
- Leasing out our excess MRI capacity to private insurers for contracted work.
- Partnering with Medisys for executive physicals using our cardiac expertise as a drawing card
- Extra billing for outpatient work not contained in the current MSP fee guide, e.g., cardiac CT, virtual colonoscopy, cardiac MR.
- Using the expertise from the new Rapid Access Breast Clinic to develop a high-end optional preventative service that could include diagnostic mammography, breast ultra sound and breast MR.

The list can go on and on. The real point is this: isn't it time we start using our brains and expertise more effectively? Other jurisdictions do this with great success. Think of Mayo and Cleveland, for example.

We have capacity, if given the opportunity, to create and manage revenue. The status quo chokes creativity and compromises the sustainability of our public system.

The province can become a national leader in innovation – both in service provided and funding reform.

I look forward to discussing these ideas more fully in the near future.

Yours sincerely,



C.C. (Kip) Woodward

MINISTRY OF HEALTH SERVICES

FINANCIAL COMMUNIQUÉ

TO: Vancouver Coastal Health Authority

TRANSMITTAL
DATE: APR 07 2010

COMMUNIQUÉ 2010-01
NUMBER:

SUBJECT: 2009/10 Regional Health Sector Funding Allocation
Final

DETAILS: Documents included:

- Cover Letter
- Appendix A - Funding Allocation and Other Payments/Recoveries
- Appendix B - Details of Funding Allocation Adjustments
- Appendix C - 2009/10 Payment Schedule

MINISTRY **Financial Contact**
CONTACTS: Gordon Cross
Executive Director, Regional Grants and Decision Support
250 952-1120



Manjit Sidhu, CA
Assistant Deputy Minister
Financial and Corporate Services



APR 07 2010

828176

Dr. David Ostrow
President and Chief Executive Officer
Vancouver Coastal Health Authority
11th Floor 601 W Broadway
Vancouver BC V5Z 4C2

Dear Dr. Ostrow:

I am pleased to provide you with the Final Funding Letter for the Vancouver Coastal Health Authority's (VCHA) 2009/10 Regional Health Sector Funding Allocation from the Ministry of Health Services. The enclosed appendices provide detail regarding the revised funding allocation and payment schedule for VCHA.

Yours truly,

Manjit Sidhu, CA
Assistant Deputy Minister
Financial and Corporate Services

Enclosures

pc: Mr. Duncan Campbell, Chief Financial Officer and
Vice President, Systems Development and Performance
Mr. Gordon Cross, Executive Director, Regional Grants and Decision Support

Appendix A
Ministry of Health Services
Regional Health Authority Funding
Allocation for 2009/10

Vancouver Coastal Health Authority

2009/10 OPERATING ALLOCATION

2009/10
Actual Allocation

Not Responsive

Station Street Property Taxes

800,000

Not Responsive

Appendix A1
Ministry of Health Services - Regional Health Authority Funding
2009/10 Fiscal Year
Funding Allocation and Other Payments/ Recoveries

Vancouver Coastal Health Authority

2009/10 FUNDING ALLOCATION

2009/10
Actual Allocation

Not Responsive

Station Street Property Taxes

800,000

Not Responsive

Page 15 redacted for the following reason:

Not Responsive

Appendix B
Details of Funding Allocation Adjustments

Overview

Vancouver Coastal Health Authority (VCHA)

Not Responsive

STATION STREET PROPERTY TAXES – ONE-TIME ONLY

One-time funding of \$800,000 was paid to the VCHA on January 29, 2010, to assist in the payment of the annual taxes for property located on Station Street.

Not Responsive

Pages 17 through 19 redacted for the following reasons:

Not Responsive

FEB 12 2010

820083

Ms. Dianne Doyle
President and Chief Executive Officer
Providence Health Care
c/o St. Paul's Hospital
Room 582 - 1081 Burrard St
Vancouver BC V6Z 1Y6

Dear Ms. Doyle:

I am pleased to advise that the Ministry of Health Services (the Ministry) will provide Providence Health Care, via the Vancouver Coastal Health Authority, with a one-time grant of \$800,000 in 2009/10, to assist in the payment of the annual taxes for the property located on Station Street.

This grant does not create a precedent for future funding requests.

It is the Ministry's expectation that Providence Health Care will manage its operations and services within its annual operating and capital budget.

Yours truly,

ORIGINAL SIGNED BY

John Dyle
Deputy Minister

pc: Ms. Wendy Hill, Assistant Deputy Minister, Health Authorities Division
Mr. Manjit Sidhu, Assistant Deputy Minister, Financial and Corporate Services
Mr. Gordon Cross, Executive Director, Regional Grants and Decision Support
Dr. David Ostrow, President and Chief Executive Officer,
Vancouver Coastal Health Authority, 11th Floor, 601 W Broadway,
Vancouver BC V5Z 4C2

Page 21 redacted for the following reason:

Not Responsive

Apr 7/10

Appendix B
Details of Funding Allocation Adjustments

Overview

Vancouver Coastal Health Authority (VCHA)

THE FOLLOWING ISSUES ARE IN ALPHABETICAL ORDER:

FUNDING ADJUSTMENTS

NON-COMPENSATION ISSUES

STATION STREET PROPERTY TAXES – ONE-TIME ONLY

One-time funding of \$800,000 was paid to the VCHA on January 29, 2010, to assist in the payment of the annual taxes for property located on Station Street.

Appendix B4 provides a copy of correspondence dated February 12, 2010, from John Dyble, Deputy Minister.



FEB 12 2010

820083

Ms. Dianne Doyle
President and Chief Executive Officer
Providence Health Care
c/o St. Paul's Hospital
Room 582 - 1081 Burrard St
Vancouver BC V6Z 1Y6

Dear Ms. Doyle:

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It is the Ministry's expectation that Providence Health Care will manage its operations and services within its annual operating and capital budget.

Yours truly,

ORIGINAL SIGNED BY

John Dyble
Deputy Minister

pc: Ms. Wendy Hill, Assistant Deputy Minister, Health Authorities Division
Mr. Manjit Sidhu, Assistant Deputy Minister, Financial and Corporate Services
Mr. Gordon Cross, Executive Director, Regional Grants and Decision Support
Dr. David Ostrow, President and Chief Executive Officer,
Vancouver Coastal Health Authority, 11th Floor, 601 W Broadway,
Vancouver BC V5Z 4C2

From: Office of the CEO [PH] [mailto:officeofthceo@providencehealth.bc.ca]
Sent: Tuesday, February 23, 2010 3:27 PM
To: Dyble, John C HLTH:EX
Cc: Boomer, Joanne HLTH:EX; Carman, Lindsay HLTH:EX; XT:HLTH Doyle, Dianne
Subject: For Videoconference, Feb 24th, 2:00 - 3:00 pm

Dear Deputy Minister Dyble, please see note below for the video conference w/ Dianne Doyle (Wed, Feb 24 @ 2:00)

Thanks!
Colleen :)

Purpose:

Review opportunities to clarify PHC's relationship within the Health Authority structure, in order to enable PHC to enhance care, research and teaching and help meet government's strategic health care priorities.

We are looking for a solution that enables us to work cooperatively with our partners in the system, while maintaining our unique standing as an independent, faith-based service provider.

Situation:

- PHC is committed to aligning with MOHS priorities. We want to maximize our contributions and fully leverage our strengths.
- The current relationship in HA structure is inconsistently interpreted. PHC is an "affiliate" of Vancouver Coastal Health, but in practice the system structures reflect PHC as an entity of VCH.
- PHC status as an affiliate of VCH is limiting and creates conflict:
 - VCH and PHC share geography and have overlapping mandates;
 - VCH funds PHC but doesn't operate it, which creates an inherent conflict of interest for VCH when making service changes or funding allocations;
 - VCH can unilaterally make service, operating or capital funding decisions which impact PHC;
 - The funding formulas are not robust enough to allow for completely objective allocations, and PHC is disadvantaged from an information and power position to be able to negotiate funding.
 - PHC provides provincial services for PHSA in cardiac, renal and mental health, and partners with BC Women's Hospital to provide care to high risk pregnancies as BCWH does not have the necessary scope of medical specialties. The affiliation with VCH does not reflect the importance of this PHSA/PHC relationship.
- PHC is not like other affiliates:
 - We are much larger than other affiliates in scope and complexity of research, services and teaching;
 - We are asked to be at table with HAs for some forums (e.g. Lower Mainland, CNO Council, VP Medicine, VP HR participate at regional or provincial planning tables)...
 - ...but we not at the table with HAs for some other forums (LC, CFOs, HOC, SSO, Patient Quality Council membership, Western CEOs).
 - PHC is not always given the rights of affiliates: HEABC advised PHC that we could not opt out

- The PHC Board's fiduciary responsibilities of quality and fiscal accountability, are increasingly difficult to maintain, given:
 - The pressures of LM consolidation;
 - The difficult financial situation which the affiliation agreement places us in, from both a capital and operating perspective;
 - That PHC is subject to decisions made without our input – especially decisions that result in as staff transfers to other HAs or SSO.
- The collective impact is that these factors impede our ability to effectively "own, operate and manage our operations" as outlined in DMA. The situation limits our ability to maintain the culture that supports our uniqueness and mission.
- The more such abilities are eroded, the less we are able to pursue innovation and new models of care delivery (such as a private, not for profit concept which could test MoHS policy around options such as medical tourism, etc.).

Assessment:

- PHC has demonstrated that when we are engaged early and in meaningful ways we are better able to align with MoHS and HA priorities.
- PHC needs a new status to maximize our engagement in and contribution to the system. This entails clarity regarding our relationship with MoHS and all HAs, especially VCH and PHSA.
- PHC's uniqueness could be leveraged to optimize our contribution:
 - PHC could take on: a geographic catchment area; and/or provincial-focused populations (HIV, heart/lung, renal, mental health, seniors, etc); and/or special projects (chronic disease management, testing new funding methodologies, etc.)
 - PHC's value by MoHS could be made explicit if PHC was assigned a greater role and a new relationship status

Recommendations:

- MoHS to clarify the parameters within which PHC could explore a new relationship in the HA structure. This guidance will inform PHC's Society, Board and Senior Leadership Team discussion at their retreat on April 24, 2010.
- In the meantime, PHC will continue its engagement with VCH to delineate mutual expectations, roles, and service agreements to support the current Affiliation Agreement. As an input to that process, it would be helpful to learn what expectations MoHS has of VCH in its representation of PHC.

Questions for MOHS:

- Does MoHS agree that a new relationship and broader PHC representation on current forums is desirable?
- Does MoHS have any givens regarding a new model? Is the MoHS open to some combination of accountability to MoHS, VCH, PHSA and other HAs?
- What other variables should PHC consider in the development of options (such as funding formulae, etc.)?
- What expectations does MoHS have for PHC?

Colleen Narang

Executive Assistant to Dianne Doyle, President and CEO

Providence Health Care

c/o St. Paul's Hospital | Room 582 - 1081 Burrard Street | Vancouver, BC V6Z 1Y6

Tel: 604-806-8020 | Fax: 604-806-8811

officeoftheceo@providencehealth.bc.ca | ddoyle@providencehealth.bc.ca

<http://www.providencehealthcare.org>

Providence Health Care is proud to be selected as a Best Employer for New Canadians (Mediacorp, 2008 & 2009) and one of B.C.'s Top 50 Employers (Mediacorp, 2009)

This e-mail is privileged and confidential. Any distribution of this e-mail without consent by Providence Health Care is prohibited.

If you receive this e-mail in error, please call me immediately.

**MINISTRY OF HEALTH SERVICES
INFORMATION BRIEFING NOTE**

Cliff # 823771

PREPARED FOR: John Dyble, Deputy Minister, Ministry of Health Services -
FOR INFORMATION

TITLE: The Relationship between Providence Health Care and the Ministry of Health Services

PURPOSE: To provide background for the Deputy Minister's February 24, 2010 meeting with Ms. Dianne Doyle, President and CEO of Providence Health Care.

BACKGROUND:

- Providence Health Care (Providence) is a faith-based organization located in Vancouver, operating two acute hospitals¹ and six continuing care facilities.²
- In 1998, three Catholic organizations which later became Providence, signed an affiliation agreement with a precursor of Vancouver Coastal Health Authority (VCHA) based on the Master Denominational Agreement.
- The Affiliation Agreement was intended to define the flow of funding from VCHA to Providence, and to manage the planning, financial, and operational principles for the entities. Despite the agreement, the relationship between both parties continues to be challenging.
- Over the last few years, Providence has proposed a realignment of its relationship within the health authority structure and a direct relationship with the Ministry of Health Services (the Ministry).
- In September 2009, VCHA and Providence agreed to realign their relationship to clearly delineate financial and service delivery accountabilities. Vancouver Community was split into two entities, Vancouver North and Vancouver South. All services previously managed by VCHA in Vancouver North, including the downtown core, and stretching from the west end of the city through the downtown eastside, were to be administered under contract with Providence. Prior to this realignment, Providence only managed facilities. After a concerted effort by both parties, it was decided that this realignment was not going to be operable; and the effort was stopped in January 2010.³
- In a recent communication to the Ministry, Ms. Dianne Doyle, President and CEO of Providence, proposes a new role, including leading provincial strategies in partnership with health authorities. These strategies would be in areas that Providence has research and clinical strengths, including HIV/AIDS, mental health and addictions, urban health, heart health, lung care, renal care and geriatrics.⁴
- A meeting with the Deputy Minister is scheduled for February 24, 2010 to discuss Providence's role and the Ministry's expectations.

DISCUSSION:

- Providence asserts the following arguments in support of a new role and direct relationship with the Ministry:

¹ St. Paul's Hospital and Mount Saint Joseph Hospital.

² Holy Family Hospital, Youville Residence, Marion Hospice and the St. Vincent's sites, including Brock Fahrni, Langara and Honoria Conway at Heather.

³ Source: VCHA confidential briefing notes September 24, 2009 and January 20, 2010

⁴ Email from Dianne Doyle, dated February 8, 2010. Please see Appendix A

- As a private, non-profit, publically-funded organization that is trusted by the community, it is in a unique position to assist the Minister of Health Services with its vision for health care sustainment, efficiency and improved outcomes.
- Provincial Health Services Authority (PHSA) does not have clinical operations in the areas where Providence is recognized.⁵
- Providence is in a position to bring together clinical expertise and research in a provincial role, and can do this in a non-competitive way by aiming to facilitate efficiencies across the health authorities.
- Many of the services cited by Providence as areas where it should have both provincial scope and a direct relationship with the Ministry are already provincially organized under PHSA and are performing well. Examples include renal and cardiac programs. Hence, the benefits of a new relationship are not clear.
- Additional implications to consider if Providence realigns its relationship within the current health authority structure and develops a direct relationship with the Ministry; include:
 - possible impacts on VCHA, PHSA and the Ministry's relationships with both;
 - precedents set for eight other denominational affiliates;
 - the possible need to amend the *Health Authorities Act* and other statutes;
 - recognition leading to the submission of a separate Health Authority Service Plan, Budget Working Papers, and a Government Letter of Expectations;
 - adjustments to VCHA and PHSA funding allocations; and,
 - operational issues, including possible overlap of services with VCHA and PHSA.

FINANCIAL IMPLICATIONS:

Not Responsive

ADVICE:

S13

Program ADM/ Division: Wendy Hill, Health Authorities Division, 250 952-1049
Program Contact: Rebecca Harvey, Executive Director, 250 952-1514
Drafter: D. Mohsenzadeh, Manager, Performance and Accountability (VCHA)
Date: February 19, 2010
File Name with Path: Z:\HAD General\Briefing Notes\2010\Drafts\823771 Phcs Relationship In The HA Structure And Mohs Expectations_22Feb10.Docx

⁵ Ibid.

FILE COPY

MAR 03 2009

reference

768035

Ms. Diane Doyle
President and Chief Executive Officer
Providence Health Care
1081 Burrard St
Vancouver BC V6Z 1Y6

Dear Ms. Doyle:

The Ministry of Health Services (the Ministry) has reviewed your request for a one-time grant to assist in the payment of the annual taxes for the property located on Station Street.

I am pleased to advise the Ministry will provide Providence with a one-time grant of \$800,000. This grant does not create a precedent for future funding requests.

It is the Ministry's expectation that Providence will manage its operations and services within its annual operating and capital budget.

Sincerely,



Gordon Macatee
Deputy Minister

pc: Wendy Hill, Assistant Deputy Minister, Health Authorities Division
Manjit Sidhu, Assistant Deputy Minister, Financial and Corporate Services
Gordon Cross, Executive Director, Regional Grants and Decision Support
Ida Goodreau, President and Chief Executive Officer, Vancouver Coastal Health Authority

Copy made for Gordon, Blair,
Harry and Victor
original to file
np

Not Responsive

From: Hitchman, Harry J HLTH:EX
Sent: Monday, January 11, 2010 4:00 PM
To: Cross, Gordon HLTH:EX
Cc: Taylor, Mark C HLTH:EX
Subject: FW: PHC Station Street Property Tax

Hi Gordon

Per these emails and tax notices attached, PHC is once again looking for MoHS to provide funding for property taxes on the Station Street property. Total of the attached invoices is \$376,787....due Feb 2, 1010....which represents 50% of the total annual property taxes. As noted, MoHS has provided \$800,000 funding for Station Street property taxes in each of 2008/09 and 2007/08.

Harry Hitchman
Director, Health Authority Funding - VCHA & FHA
Regional Grants & Decision Support
Ministry of Health Services (250)952-3673

From: Yung, Helen [VA] [mailto:Helen.Yung@vch.ca]
Sent: Monday, January 11, 2010 1:45 PM
To: Hitchman, Harry J HLTH:EX
Subject: FW: PHC Station Street Property Tax

Hi Harry, please see attached detail for the PHC Station Street Property Tax issue.

Thanks, Helen

From: Wong, Amanda [PH]
Sent: Monday, January 11, 2010 12:16 PM
To: Yung, Helen [VA]
Subject: RE: PHC Station Street Property Tax

Hi Helen,
Thanks for following up. Here is the advance tax notice. Please take note that this notice only represents 50% of the total taxes and there may be adjustments in the final bill. As well., MOH has flowed us the full amount in the past 2 years. Though the funding is labeled one time, our understanding is that the MOH will continue to fund this until there is a resolution of the PLP.

Regards.
Amanda

From: Hitchman, Harry J HLTH:EX [mailto:Harry.Hitchman@gov.bc.ca]
Sent: Friday, January 08, 2010 2:52 PM
To: Yung, Helen [VA]
Subject: RE: PHC Station Street Property Tax

Hi Helen

If you can please advise as to how much the property tax is, I will follow-up on this side to see if there is any plan/ability to fund the Station Street property taxes in 2009/10.

I recall that MoHS provided VCHA with \$800,000 in each of the past 2 years (2007/08 & 2008/09) to fund PHC's property taxes on the Station Street site....with funding being communicated only towards the very end of the fiscal. In the March 3, 2009 letter to Diane Doyle the Deputy Minister stated that it was "a one-time grant" and "does not create a precedent for future funding requests".

Harry Hitchman
Director, Health Authority Funding - VCHA & FHA
Regional Grants & Decision Support
Ministry of Health Services (250)952-3673

From: Yung, Helen [VA] [mailto:Helen.Yung@vch.ca]
Sent: Friday, January 8, 2010 1:56 PM
To: Hitchman, Harry J HLTH:EX
Subject: PHC Station Street Property Tax

Hi Harry, PHC asked me to follow up on this funding. They have received the invoice and would like to find out the funding status.

Thanks,

Helen Yung
Regional Financial Planning and Business Support
Vancouver Coastal Health
Tel: 604-875-5842 Fax: 604-875-8244
Email: Helen.Yung@vch.ca

The content of this e-mail, including any files attached, is confidential and may be privileged. Any unauthorized copying or distribution is strictly prohibited. If you receive this e-mail in error, please contact the sender immediately and delete this e-mail.

Cc: Taylor, Mark C HLTH:EX
Subject: FW: PHC Station Street Property Tax

Hi Gordon

Per these emails and tax notices attached, PHC is once again looking for MoHS to provide funding for property taxes on the Station Street property. Total of the attached invoices is \$376,787....due Feb 2, 1010....which represents 50% of the total annual property taxes. As noted, MoHS has provided \$800,000 funding for Station Street property taxes in each of 2008/09 and 2007/08.

Harry Hitchman
Director, Health Authority Funding - VCHA & FHA
Regional Grants & Decision Support
Ministry of Health Services (250)952-3673

From: Yung, Helen [VA] [<mailto:Helen.Yung@vch.ca>]
Sent: Monday, January 11, 2010 1:45 PM
To: Hitchman, Harry J HLTH:EX
Subject: FW: PHC Station Street Property Tax

Hi Harry, please see attached detail for the PHC Station Street Property Tax issue.

Thanks, Helen

From: Wong, Amanda [PH]
Sent: Monday, January 11, 2010 12:16 PM
To: Yung, Helen [VA]
Subject: RE: PHC Station Street Property Tax

Hi Helen,
Thanks for following up. Here is the advance tax notice. Please take note that this notice only represents 50% of the total taxes and there may be adjustments in the final bill. As well., MOH has flowed us the full amount in the past 2 years. Though the funding is labeled one time, our understanding is that the MOH will continue to fund this until there is a resolution of the PLP.

Regards.
Amanda

From: Hitchman, Harry J HLTH:EX [<mailto:Harry.Hitchman@gov.bc.ca>]
Sent: Friday, January 08, 2010 2:52 PM
To: Yung, Helen [VA]
Subject: RE: PHC Station Street Property Tax

Hi Helen

If you can please advise as to how much the property tax is, I will follow-up on this side to see if there is any plan/ability to fund the Station Street property taxes in 2009/10.

I recall that MoHS provided VCHA with \$800,000 in each of the past 2 years (2007/08 & 2008/09) to fund PHC's property taxes on the Station Street site....with funding being communicated only towards the very end of the fiscal. In the March 3, 2009 letter to Diane Doyle the Deputy Minister stated that it was "a one-time grant" and "does not create a precedent for future funding requests".

Harry Hitchman
Director, Health Authority Funding - VCHA & FHA
Regional Grants & Decision Support
Ministry of Health Services (250)952-3673

From: Yung, Helen [VA] [<mailto:Helen.Yung@vch.ca>]

Sent: Friday, January 8, 2010 1:56 PM

To: Hitchman, Harry J HLTH:EX

Subject: PHC Station Street Property Tax

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Thanks,

Helen Yung
Regional Financial Planning and Business Support
Vancouver Coastal Health
Tel: 604-875-5842 Fax: 604-875-8244
Email: Helen.Yung@vch.ca

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Hitchman, Harry J HLTH:EX

From: Hitchman, Harry J HLTH:EX
Sent: Monday, January 11, 2010 4:00 PM
To: Cross, Gordon HLTH:EX
Cc: Taylor, Mark C HLTH:EX
Subject: FW: PHC Station Street Property Tax
Attachments: Esperanza - 2010 Advance Tax Notices.pdf

Hi Gordon

Per these emails and tax notices attached, PHC is once again looking for MoHS to provide funding for property taxes on the Station Street property. Total of the attached invoices is \$376,787....due Feb 2, 1010....which represents 50% of the total annual property taxes. As noted, MoHS has provided \$800,000 funding for Station Street property taxes in each of 2008/09 and 2007/08.

Harry Hitchman
Director, Health Authority Funding - VCHA & FHA
Regional Grants & Decision Support
Ministry of Health Services (250)952-3673

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Sent: Monday, January 11, 2010 1:45 PM
To: Hitchman, Harry J HLTH:EX
Subject: FW: PHC Station Street Property Tax

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From: Wong, Amanda [PH]
Sent: Monday, January 11, 2010 12:16 PM
To: Yung, Helen [VA]
Subject: RE: PHC Station Street Property Tax

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Regards.
Amanda

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Sent: Friday, January 08, 2010 2:52 PM
To: Yung, Helen [VA]
Subject: RE: PHC Station Street Property Tax

Hi Helen

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Harry Hitchman
Director, Health Authority Funding - VCHA & FHA
Regional Grants & Decision Support
Ministry of Health Services (250)952-3673

From: Yung, Helen [VA] [<mailto:Helen.Yung@vch.ca>]
Sent: Friday, January 8, 2010 1:56 PM
To: Hitchman, Harry J HLTH:EX
Subject: PHC Station Street Property Tax

Hi Harry, PHC asked me to follow up on this funding. They have received the invoice and would like to find out the funding status.

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Helen Yung
Regional Financial Planning and Business Support
Vancouver Coastal Health
Tel: 604-875-5842 Fax: 604-875-8244
Email: Helen.Yung@vch.ca

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Property Tax Office
PO Box 7747 Stn Terminal
Vancouver BC V6B 8R1

2010 ADVANCE TAX NOTICE

DUE DATE: Tuesday, February 2, 2010



63487

Statement Date: Nov 17, 2009

5% PENALTY IF NOT PAID BY FEBRUARY 2, 2010

RECEIVED
DEC 16 2009

VANCOUVER ESPERANZA SOCI
3000-1055 GEORGIA ST W
VANCOUVER BC V6E 3R3

LEGAL DESCRIPTION			
LOT A PLAN LMP14138 DISTRICT LOT 196 NWD & DL 2037.			
FOLIO NUMBER	191-601-26-0000	ACCESS	816123
PID	018-550-185		
PROPERTY ADDRESS	1002 STATION ST		

DESCRIPTION	AMOUNT
Advance Amount	342,944.00
Payments/Adjustments	0.00
TOTAL OUTSTANDING TAXES	342,944.00

This Advance Tax Notice levy represents 50% of the net previous year's taxes. The above balances reflect the status of your account as of the Statement Date.

A current year Home Owner Grant may be claimed until December 31, 2009. Visit vancouver.ca/ehog to claim your grant online.

Customer Copy

AMOUNT DUE FEBRUARY 2, 2010

AMOUNT DUE

\$342,944.00

KEEP THIS PORTION

2010 CITY OF VANCOUVER ADVANCE TAX FOLIO 191-601-26-0000
PO BOX 7747 VANCOUVER BC V6B 8R1 PID 018-550-185
Due Date February 2, 2010 CIVIC 1002 STATION ST

TEAR OFF AND SEND WITH PAYMENT

AMOUNT DUE	\$342,944.00
AMOUNT PAID	



ADVANCE

VANCOUVER ESPERANZA SOCIETY INC
3000-1055 GEORGIA ST W
VANCOUVER BC V6E 3R3

191-601-26-00002 00342944005

05131000

96

page 36
HSE-2010-00080



Property Tax Office
PO Box 7747 Stn Terminal
Vancouver BC V6B 8R1

2010 ADVANCE TAX NOTICE

DUE DATE: Tuesday, February 2, 2010



98570

Statement Date: Nov 17, 2009

5% PENALTY IF NOT PAID BY FEBRUARY 2, 2010

VANCOUVER ESPERANZA SOCI
3000-1055 GEORGIA ST W
VANCOUVER BC V6E 3R3

RECEIVED
DEC 16 2009

LEGAL DESCRIPTION			
LOT C BLOCK 15 PLAN 12884 DISTRICT LOT 196 NEW WESTMINSTER BLKS 15 TO 18, & DL 2037, LOT D, BLOCK 15, PLAN 12884, DISTRICT LOT 196, NEW WESTMINSTER LAND DISTRICT,			
FOLIO NUMBER	601-191-74-0000	ACCESS	215942
PID	008-776-300		
PROPERTY ADDRESS	250 PRIOR ST		

DESCRIPTION	AMOUNT
Advance Amount	19,495.00
Payments/Adjustments	0.00
TOTAL OUTSTANDING TAXES	19,495.00

This Advance Tax Notice levy represents 50% of the net previous year's taxes. The above balances reflect the status of your account as of the Statement Date.

A current year Home Owner Grant may be claimed until December 31, 2009. Visit vancouver.ca/ehog to claim your grant online.

Customer Copy

AMOUNT DUE FEBRUARY 2, 2010

AMOUNT DUE

\$19,495.00

KEEP THIS PORTION

2010 CITY OF VANCOUVER ADVANCE TAX FOLIO 601-191-74-0000
PO BOX 7747 VANCOUVER BC V6B 8R1 PID 008-776-300
Due Date February 2, 2010 CIVIC 250 PRIOR ST

TEAR OFF AND SEND WITH PAYMENT	
AMOUNT DUE	\$19,495.00
AMOUNT PAID	



ADVANCE

VANCOUVER ESPERANZA SOCIETY INC
3000-1055 GEORGIA ST W
VANCOUVER BC V6E 3R3

601-191-74-00003 00019495002

05131000

96
page 37
HSE-2010-00080



Property Tax Office
PO Box 7747 Stn Terminal
Vancouver BC V6B 8R1

2010 ADVANCE TAX NOTICE

DUE DATE: Tuesday, February 2, 2010



97076

Statement Date: Nov 17, 2009

5% PENALTY IF NOT PAID BY FEBRUARY 2, 2010

VANCOUVER ESPERANZA SOCI
3000-1055 GEORGIA ST W
VANCOUVER BC V6E 3R3

RECEIVED
DEC 16 2009

LEGAL DESCRIPTION			
LOT E PLAN 13449 DISTRICT LOT 196 NWD & DL 2037.			
FOLIO NUMBER	600-192-26-0000	ACCESS	569939
PID	008-126-780		
PROPERTY ADDRESS	310 PRIOR ST		

DESCRIPTION	AMOUNT
Advance Amount	4,252.00
Payments/Adjustments	0.00
TOTAL OUTSTANDING TAXES	4,252.00

This Advance Tax Notice levy represents 50% of the net previous year's taxes. The above balances reflect the status of your account as of the Statement Date.

A current year Home Owner Grant may be claimed until December 31, 2009. Visit vancouver.ca/ehog to claim your grant online.

Customer Copy

AMOUNT DUE FEBRUARY 2, 2010

AMOUNT DUE

\$4,252.00

KEEP THIS PORTION

2010 CITY OF VANCOUVER ADVANCE TAX FOLIO 600-192-26-0000
PO BOX 7747 VANCOUVER BC V6B 8R1 PID 008-126-780
Due Date February 2, 2010 CIVIC 310 PRIOR ST

TEAR OFF AND SEND WITH PAYMENT

AMOUNT DUE	\$4,252.00
AMOUNT PAID	



ADVANCE

VANCOUVER ESPERANZA SOCIETY INC
3000-1055 GEORGIA ST W
VANCOUVER BC V6E 3R3

600-192-26-00002 00004252007

0513119001



Property Tax Office
PO Box 7747 Stn Terminal
Vancouver BC V6B 8R1

2010 ADVANCE TAX NOTICE

DUE DATE: Tuesday, February 2, 2010



97080

Statement Date: Nov 17, 2009

5% PENALTY IF NOT PAID BY FEBRUARY 2, 2010

VANCOUVER ESPERANZA SOCI
3000-1055 GEORGIA ST W
VANCOUVER BC V6E 3R3

RECEIVED
DEC 16 2009

LEGAL DESCRIPTION			
LOT F PLAN 13449 DISTRICT LOT 196 NWD & DL 2037.			
FOLIO NUMBER	600-192-56-0000	ACCESS	510757
PID	008-126-798		
PROPERTY ADDRESS	310 PRIOR ST		

DESCRIPTION	AMOUNT
Advance Amount	10,096.00
Payments/Adjustments	0.00
TOTAL OUTSTANDING TAXES	10,096.00

This Advance Tax Notice levy represents 50% of the net previous year's taxes. The above balances reflect the status of your account as of the Statement Date.

A current year Home Owner Grant may be claimed until December 31, 2009. Visit vancouver.ca/ehog to claim your grant online.

Customer Copy

AMOUNT DUE FEBRUARY 2, 2010

AMOUNT DUE

\$10,096.00

KEEP THIS PORTION

2010 CITY OF VANCOUVER ADVANCE TAX FOLIO 600-192-56-0000
PO BOX 7747 VANCOUVER BC V6B 8R1 PID 008-126-798
Due Date February 2, 2010 CIVIC 310 PRIOR ST

TEAR OFF AND SEND WITH PAYMENT

AMOUNT DUE	\$10,096.00
AMOUNT PAID	



ADVANCE

VANCOUVER ESPERANZA SOCIETY INC
3000-1055 GEORGIA ST W
VANCOUVER BC V6E 3R3

600-192-56-00005 00010096004

0513119001

Not Responsive

From: Moen, Shelley HLTH:EX
Sent: Wednesday, October 14, 2009 3:32 PM
To: Brewster, Kevin HLTH:EX
Cc: South, Nancy HLTH:EX; Hitchman, Harry J HLTH:EX
Subject: RE: Media request -Xtra West

In 2004, the Ministry of Health, Vancouver Coastal Health Authority (VCHA), Providence Health Care and Partnerships BC signed an MOU for the development of a business case for the VCHA Legacy Project (renewal of St. Paul's Hospital in Vancouver). The Ministry provided VCHA with \$1 million toward the cost of the business case and to assist VCHA with clinical system redesign work.

No decisions on the renewal of St. Paul's Hospital has been finalized. The final decision will consider provincial needs and priorities for health service delivery as identified by the Ministry and provincial planning bodies led by the health authorities (Lower Mainland Integrated Planning Committee and Cardiac Services British Columbia). This work will allow informed decisions about the delivery of future acute care services in the Lower Mainland.

Regarding the property tax issue, in 2004, the Vancouver Esperanza Society, on behalf of Providence, purchased an 18.5 acre site in the False Creek Flats area of Vancouver (Station Street) for \$25 million, with the intent that it would serve as the future site for the rebuild of St. Paul's. In 2007/08 and again in 2008/09, the Ministry of Health Services provided targeted one-time funding of \$800,000/annum via VCHA to cover Providence's property taxes on the Station Street site. I am unable to confirm if this information regarding property tax payment is in the public domain.

Regards

Shelley Moen

Director, Capital Services
Ministry of Health Services

6-1 1515 Blanshard Street
Victoria, BC V8W 3C8
(250) 952-1518

Not Responsive

From: Murphy, Bernadette PAB:EX
Sent: Wednesday, October 14, 2009 2:01 PM
To: Sidhu, Manjit HLTH:EX; Perri, Maria HLTH:EX; Barwin, Victor HLTH:EX; Brewster, Kevin HLTH:EX
Cc: Stewart, Michelle PAB:EX
Subject: FW: Media request -Xtra West
Importance: High

Hi – can you pls assist with answers to reporter's questions?

Reporter..

"there was a citizen's forum last week re revitalization of St. Paul's. Providence and VCH were there. Back in 2004 \$1 million MOU signed re Station Street Site – nothing's happened with this. Why? Why still no capital plans? There's been a feasibility study but nothing's been decided. Why? Heard that Province is paying \$800K per year in land taxes for the site that's held by non-profit org. Is that true?"

Deadline for info is 4:00 today.

I'll be asking VCH/Providence as well.

Thanks in advance,
B

Not Responsive

**MINISTRY OF HEALTH SERVICES
INFORMATION BRIEFING NOTE**

Cliff # 796430

PREPARED FOR: Honourable Kevin Falcon, Minister of Health Services
- FOR INFORMATION

TITLE: Providence Health Care Overview

PURPOSE: Background information for a meeting between Minister Falcon and Mr. Kip Woodward, Chairman of Providence Health Care Scheduled for September 8, 2009 in Victoria.

BACKGROUND:

Providence Health Care (Providence) is a faith-based organization located in Vancouver, operating two acute care hospitals (St. Paul's Hospital and Mount Saint Joseph Hospital), and six continuing care facilities (Holy Family Hospital, Youville Residence, Marion Hospice and the St. Vincent's sites, including Brock Fahrni, Langara and Honoria Conway at Heather).

Providence is a legal corporate entity governed by the Providence Health Care Society (the Society), registered under the British Columbia Society Act. The Society is composed of ten members: two representing the Sisters of Providence, one representing the Archdiocese of Vancouver, and seven representatives from the Vancouver community. The Society appoints the Providence Board of Directors, which in turn appoints the senior leadership team.

Since 1998, Providence has been operating under a signed affiliation agreement with, and receiving funding through Vancouver Coastal Health Authority (VCHA). The affiliation agreement is a result of the provincial 1995 Master Agreement, between the Ministry of Health Services (the Ministry) and the Denominational Health Care Facilities Association, requiring health authorities to enter into an affiliation agreement with denominational health care providers. The affiliation agreement was intended to define tools and manage the planning, financial, and operational challenges for the two entities. Both VCHA and Providence acknowledge the need to revise the affiliation agreement, to more clearly delineate financial and health service delivery accountabilities.

Providence is proposing a realignment of its relationship with the current health authority structure. Specifically, they are proposing a direct relationship with the Ministry, with accountabilities in the following areas: (1) principle lead for the implementation of provincial plans (cardiac, renal, HIV, mental health and addictions, seniors' services, urban health and emergency services); (2) accountability for the provision of all services in an assigned geographic area; and (3) service agreements with VCHA and Fraser Health Authority (FHA) to provide health care services.¹ At the April 2009 progress meeting², VCHA agreed to continue to work with Providence to review the affiliation agreement, and to provide an update at the next progress meeting in the fall of 2009.

¹ One of Providence's proposed projects is the Legacy project, focusing on the renewal of St. Paul's Hospital. Please see Appendix A for further information.

² Government Letter of Expectations (GLE) quarterly meeting.

DISCUSSION.

S13

S13, S17

S13

FINANCIAL IMPLICATIONS

S13, S17

Program ADM/ Division: Wendy Hill, Health Authorities Division, 250 952-1049
Program Contact: Rebecca Harvey, Executive Director, 250 952-1514
Drafter: Umar Sheikh, Manager, Performance and Accountability (VCHA)
Date: August 31, 2009
File Name with Path: J:\HAD General\Briefing Notes\2009\Health
Authorities\VCHA\796430 Providence Overview 1.doc

Appendix A

MINISTRY OF HEALTH SERVICES INFORMATION BRIEFING DOCUMENT

Cliff # 787543

PREPARED FOR: Honourable Kevin Falcon, Minister - **FOR INFORMATION**

TITLE: Update on the St. Paul's Hospital Renewal Project

PURPOSE: To provide an update on the status of the St. Paul's Hospital Renewal Project

BACKGROUND:

St. Paul's Hospital (St. Paul's) is an academic, research and acute care hospital located in downtown Vancouver, and is one of a network of health care sites operated by Providence Health Care (Providence) within the Vancouver Coastal Health Authority (VCHA) geographic area. Parts of the current facility are 115 years old and require capital redevelopment to support the continued contribution of St. Paul's to the province and the downtown community.

St. Paul's provides provincial services through its specialized tertiary programs (cardiac, renal and HIV/AIDS), in addition to primary and secondary acute care services to the downtown Vancouver community. Research at St. Paul's is largely funded through the Providence Health Care Research Institute Trust (the Research Institute), which receives approximately \$14 - 20 million in externally funded research grant revenue annually.

In 2004, the Vancouver Esperanza Society, on behalf of Providence, purchased an 18.5 acre site in the False Creek Flats area of Vancouver (Station Street) for \$25 million, with the intent that it would serve as the future site for the rebuild of St. Paul's. In 2007/08 and again in 2008/09 the Ministry of Health Services (the Ministry) provided targeted funding of \$800,000 via VCHA to cover Providence's property taxes on the Station Street site. Providence's preferred option for renewal is to develop the Station Street site as an acute care facility, and renovate the existing facility at the Burrard site to provide primary and urgent care specialty clinics, senior services and supported living.

The future of St. Paul's is one component of Providence's strategic planning process. On a broader scale, Providence is proposing a realignment of their relationship with the current health authority structure. Specifically, they propose a direct relationship with the Ministry, with accountabilities in the following areas: (1) Principle lead for the implementation of provincial plans (cardiac, renal, HIV, Mental Health and Addictions, Seniors, Urban Health and emergency departments); (2) Accountability for the provision of all services in an assigned geographic area; and (3) Service agreements with Vancouver Coastal Health Authority and Fraser Health Authority (FHA) to provide health care services. The renewal of St. Paul's capital infrastructure is viewed by Providence as a key enabler for this vision.

Providence staff met with the previous Minister of Health Services, George Abbott, in October 2008 and again in November 2008 to discuss the St. Paul's renewal project. It was noted at those meetings that future planning for St. Paul's will occur within the broader context of the Lower Mainland Integrated Planning Initiative, the Cardiac Services British Columbia (BC) planning body, and the Ministry's provincial capital prioritization process.

DISCUSSION

S13

S12

S13

CONCLUSION

S13

Program ADM/ Division:	Wendy Hill, Health Authorities Division, 250 952-1049
Program Contact:	Rebecca Harvey, Executive Director, 250 952-1514
Drafter:	Keva Glynn, Director, VCHA
Date:	June 29, 2009
File Name with Path:	Y:\HAD General\Briefing Notes\2009\Health Authorities\VCHA\787543 Future of SPH BN - approved by Wendy Hill June 29(09).doc

Appendix A
Ministry of Health Services
Regional Health Authority Funding
Allocation for 2008/09

Vancouver Coastal Health Authority

2008/09
Actual Allocation

2008/09 OPERATING ALLOCATION

Not Responsive

Station Street Property Taxes

800,000

Not Responsive



MINISTRY OF HEALTH SERVICES

FINANCIAL COMMUNIQUÉ

TO: Vancouver Coastal Health Authority

TRANSMITTAL
DATE: APR 17 2009

COMMUNIQUÉ
NUMBER: FIN2009-43

SUBJECT: 2008/09 Regional Health Sector Funding Allocation
Post Final


DETAILS: Documents to be submitted:

- Cover Letter
- Table of Contents
- Appendix A - Funding Allocation and Other Payments/Recoveries
- Appendix B - Details of Funding Allocation Adjustments
- Appendix C - Details of Other Payments and Recoveries

MINISTRY **Financial Contact**
CONTACTS: Gordon Cross
Executive Director, Regional Grants and Decision Support
250 952-1120

Program Contact
Rebecca Harvey
Executive Director, Health Authorities Division
250 952-1514

Funding Letter Contact (Reconciliation and Payments)
Mark Taylor
Manager, Regional Grants and Decision Support
250 952-1177


Manjit Sidhu, CA
Assistant Deputy Minister
Financial and Corporate Services



APR 17 2009

778601

Dr. David Ostrow
Interim President and Chief Executive Officer
Vancouver Coastal Health Authority
11th Floor 601 West Broadway
Vancouver BC V5Z 4C2

Dear Dr. Ostrow:

I am pleased to provide you with your health authority's Post Final 2008/09 Regional Health Sector Funding Allocation from the Ministry of Health Services. The enclosed appendices provide detail regarding final funding adjustments that were made prior to March 31, 2009.

Yours truly,

Manjit Sidhu, CA
Assistant Deputy Minister
Financial and Corporate Services

Enclosures

pc: Duncan Campbell, Chief Financial Officer and Vice President,
Systems Development and Performance, Vancouver Coastal Health Authority
Rebecca Harvey, Executive Director, Health Authorities Division
Gordon Cross, Executive Director, Regional Grants and Decision Support
Mark Taylor, Manager, Regional Grants and Decision Support

**Regional Health Sector
Ministry of Health Services
2008/09 Fiscal Year**

Table of Contents

- A** Funding Allocation and Other Payments/Recoveries
- B** Details of Funding Allocation Adjustments
- C** Details of Other Payments and Recoveries

Appendix A
Ministry of Health Services
Regional Health Authority Funding
Allocation for 2008/09

Vancouver Coastal Health Authority

2008/09
Actual Allocation

2008/09 OPERATING ALLOCATION

Not Responsive

Station Street Property Taxes

800,000

Not Responsive

MINISTRY OF HEALTH SERVICES

FINANCIAL COMMUNIQUÉ

TO: Vancouver Coastal Health Authority

TRANSMITTAL
DATE: MAR 19 2009

COMMUNIQUÉ
NUMBER: FIN2009-36

SUBJECT: 2008/09 Regional Health Sector Funding Allocation
Final

DETAILS: Documents to be submitted:

- Cover Letter
- Table of Contents
- Appendix A - Funding Allocation and Other Payments/Recoveries
- Appendix B - Details of Funding Allocation Adjustments
- Appendix C - Details of Other Payments and Recoveries
- Appendix D - 2008/09 Payment Schedule

MINISTRY **Financial Contact**
CONTACTS: Gordon Cross
Executive Director, Regional Grants and Decision Support
250 952-1120

Program Contact
Rebecca Harvey
Executive Director, Health Authorities Division
250 952-1514

Funding Letter Contact (Reconciliation and Payments)
Victor Barwin
Manager, Regional Grants and Decision Support
250 952-1177



Manjit Sidhu, CA
Assistant Deputy Minister
Financial and Corporate Services

Appendix A
Ministry of Health Services
Regional Health Authority Funding
Allocation for 2008/09

Vancouver Coastal Health Authority

2008/09
Actual Allocation

2008/09 OPERATING ALLOCATION

Not Responsive

Station Street Property Taxes

800,000

Not Responsive

Appendix A1
Ministry of Health Services - Regional Health Authority Funding
2008/09 Fiscal Year
Funding Allocation and Other Payments/ Recoveries

Vancouver Coastal Health Authority

2008/09 FUNDING ALLOCATION

TOTAL 2008/09 OPERATING ALLOCATION - Preliminary

2008/09 Funding Adjustments:

Not Responsive

2008/09

Not Responsive

Station Street Property Taxes

800,000

Not Responsive

Appendix B
Details of Funding Allocation Adjustments

Overview

Vancouver Coastal Health Authority

Not Responsive

STATION STREET PROPERTY TAXES – ONE-TIME ONLY

One-time funding of \$800,000 is provided to assist in the payment of the annual taxes for property located on Station Street.

Appendix B6 provides a copy of correspondence from Gordon Macatee, Deputy Minister.

Appendix B6



MAR 03 2009

768035

Ms. Diane Doyle
President and Chief Executive Officer
Providence Health Care
1081 Burrard St
Vancouver BC V6Z 1Y6

Dear Ms. Doyle:

The Ministry of Health Services (the Ministry) has reviewed your request for a one time-grant to assist in the payment of the annual taxes for the property located on Station Street.

I am pleased to advise the Ministry will provide Providence with a one-time grant of \$800,000. This grant does not create a precedent for future funding requests.

It is the Ministry's expectation that Providence will manage its operations and services within its annual operating and capital budget.

Sincerely,

Gordon Macatee
Deputy Minister

pc: Wendy Hill, Assistant Deputy Minister, Health Authorities Division
Manjit Sidhu, Assistant Deputy Minister, Financial and Corporate Services
Gordon Cross, Executive Director, Regional Grants and Decision Support
Ida Goodreau, President and Chief Executive Officer, Vancouver Coastal Health Authority

Mar 19/09

Appendix B
Details of Funding Allocation Adjustments

Overview

Vancouver Coastal Health Authority

THE FOLLOWING ISSUES ARE IN ALPHABETICAL ORDER:

COMPENSATION ISSUES

NON-COMPENSATION ISSUES

STATION STREET PROPERTY TAXES – ONE-TIME ONLY

One-time funding of \$800,000 is provided to assist in the payment of the annual taxes for property located on Station Street.

Appendix B6 provides a copy of correspondence from Gordon Macatee, Deputy Minister.

**MINISTRY OF HEALTH
DECISION BRIEFING DOCUMENT**

Cliff #

PREPARED FOR: Gordon Macatee, Deputy Minister - **FOR DECISION**

TITLE: Payment of property taxes for the Station Street site in Vancouver - currently held for the Providence Legacy Project

PURPOSE: Providence Health Care is requesting assistance to identify a permanent solution to defray the cost of annual property tax for the Station Street site in Vancouver.

BACKGROUND:

In March 2008, the Ministry of Health provided Providence Health Care (PHC) with a one-time grant of \$800,000 for the payment of the Station Street property tax to the City of Vancouver. PHC was advised that this grant does not create a precedent for further funding requests.

Purchase of Station Street by the Esperanza Society

In February 2004, PHC approached the Ministry for borrowing approval of \$25 million to purchase an 18.5 acre site in the False Creek Flats area of Vancouver (Station Street). As due diligence was not completed on the Legacy Project, and funding was not available in the Ministry's capital plan, the request was not approved. As a result, the Vancouver Esperanza Society (Esperanza), a non-profit organization, was formed to purchase the Station Street site.ⁱ

On March 10, 2004 PHC signed a Put Agreement with the City of Vancouver.ⁱⁱ To enable Esperanza to purchase the property, PHC assigned its Offer to Purchase and its Put Agreement to Esperanza through two subsequent agreements: An Assignment and Assumption Agreement and a Modification Agreement to the Put Agreement (see Attachment 1 for a summary of real estate agreements).ⁱⁱⁱ The Put Agreement, which expires March 9, 2008, was primarily a mitigation strategy to protect PHC against a potential reduction in land value. In addition, it provided financial security to the bank; Esperanza required 100 percent financing to purchase the property. PHC also advised that it provided a Promissory Note to Esperanza to cover the carrying costs of the land (interest payments and property taxes). Prior to 2008, PHC has funded the costs through the \$8.5 million proceeds from the sale of the Arbutus site.^{iv}

The site under current ownership cannot be designated as a hospital site, or as a site for future hospital use. As a result, Esperanza (and subsequently Providence), has an annual expenditure of \$800,000 for taxes. Providence advises it would not be liable for these taxes if it owned the land, as the land could be designated as exempt from taxation under the Vancouver Charter if the property is being used for purposes of the Health Authorities Act (Section 15 [1]). Providence is requesting assistance from the Ministry to identify a permanent solution to defray the annual cost of property taxes for the Station Street site.

DISCUSSION:

Section 396, c, iii of the *Vancouver Charter* states that to be eligible for a property tax exemption, the hospital either must be the "registered owner of the site ...or the owner under an agreement."

S13

FINANCIAL IMPLICATIONS:

The provision of funds in the amount of approximately \$800,000 for the payment of property tax for the Station Street site is an annual cost, subject to annual assessment.

S13, S17

S13, S17

Options:

S13

Recommendation: Option #

Program ADM/ Division: Manjit Sidhu

Telephone:

Program Contact:

Drafter:

Date: May 29, 2008

File Name with Path:

Appendix B

Details of Funding Allocation Adjustments

Overview

Vancouver Coastal Health Authority

THE FOLLOWING ISSUES ARE IN ALPHABETICAL ORDER:

NON-COMPENSATION ISSUES

STATION STREET PROPERTY TAXES – ONE TIME ONLY

One-time funding of \$800,000 is deducted from your Health Authority. Funding provided in Funding Letter Update #1 to assist in payment of annual taxes for property located on Station Street will be paid to your Health Authority when the property taxes are due.



10700-4
FILE COPY

✓ SLC

MAR 03 2009

768035

Ms. Diane Doyle
President and Chief Executive Officer
Providence Health Care
1081 Burrard St
Vancouver BC V6Z 1Y6

Dear Ms. Doyle:

The Ministry of Health Services (the Ministry) has reviewed your request for a one time-grant to assist in the payment of the annual taxes for the property located on Station Street.

I am pleased to advise the Ministry will provide Providence with a one-time grant of \$800,000. This grant does not create a precedent for future funding requests.

It is the Ministry's expectation that Providence will manage its operations and services within its annual operating and capital budget.

Sincerely,

Gordon Macatee
Deputy Minister

pc: Wendy Hill, Assistant Deputy Minister, Health Authorities Division
Manjit Sidhu, Assistant Deputy Minister, Financial and Corporate Services
Gordon Cross, Executive Director, Regional Grants and Decision Support
Ida Goodreau, President and Chief Executive Officer, Vancouver Coastal Health Authority

Copy made for Gordon, Blair,
Harry and Victor
original to file
np



MINISTRY OF HEALTH SERVICES

FINANCIAL COMMUNIQUE

COMMUNIQUE

TO: Vancouver Coastal Health Authority

TRANSMITTAL DATE: DEC 02 2008

COMMUNIQUE
NUMBER: FIN2009-30

SUBJECT: 2008/09 Regional Health Sector Funding Allocation
Update # 3

DETAILS: Documents to be submitted:

- Cover Letter
- Table of Contents
- Appendix A - Funding Allocation and Other Payments/Recoveries
- Appendix B - Details of Funding Allocation Adjustments
- Appendix C - Details of Other Payments and Recoveries
- Appendix D - 2008/09 Payment Schedule

MINISTRY Financial Contact:
CONTACTS: Gordon Cross
Executive Director, Regional Grants and Decision Support
(250) 952-1120

Program Contact:
Rebecca Harvey
Executive Director, Health Authorities Division
(250) 952-1514

Funding Letter Contact (Reconciliation and Payments)
Victor Barwin
Manager, Regional Grants and Decision Support
(250) 952-1177


Manjit Sidhu, CA
Assistant Deputy Minister
Financial and Corporate Services



757407

DEC 02 2008

Ms. Ida Goodreau
President and Chief Executive Officer
Vancouver Coastal Health Authority
11th Floor 601 West Broadway
Vancouver BC V5Z 4C2

Dear Ms. Goodreau:

I am pleased to provide you with Update #3 of your Health Authority's 2008/09 Regional Health Sector Funding Allocation from the Ministry of Health Services. The enclosed appendices provide detail regarding the revised funding allocation and payment schedule for your region.

Yours truly,

Manjit Sidhu, CA
Assistant Deputy Minister
Financial and Corporate Services

Enclosures

pc: Duncan Campbell, Chief Financial Officer and Vice President, Systems Development and Performance, Vancouver Coastal Health Authority
Rebecca Harvey, Executive Director, Health Authorities Division
Gordon Cross, Executive Director, Regional Grants and Decision Support
Victor Barwin, Manager, Regional Grants and Decision Support

**Regional Health Sector
Ministry of Health Services
2008/09 Fiscal Year**

Table of Contents

- A** Funding Allocation and Other Payments/Recoveries
- B** Details of Funding Allocation Adjustments
- C** Details of Other Payments and Recoveries
- D** 2008/09 Payment Schedule

Appendix A
Ministry of Health Services
Regional Health Authority Funding
Allocation and Assumptions for 2008/09 to 2010/11

Vancouver Coastal Health Authority

2008/09 OPERATING ALLOCATION

2008/09	2009/10	2010/11
Actual Allocation	Notional Allocation for Planning Purposes	

Not Responsive

Station Street Property Taxes

Not Responsive

-	-	-
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Appendix A1
Ministry of Health Services - Regional Health Authority Funding
2008/09 Fiscal Year
Funding Allocation and Other Payments/ Recoveries

Vancouver Coastal Health Authority

2008/09 FUNDING ALLOCATION

Not Responsive

Station Street Property Taxes

2008/09

2009/10

2010/11

800,000

-

-

Not Responsive

Station Street Property Taxes

(800,000)

-

-

Not Responsive



MINISTRY OF HEALTH SERVICES

FINANCIAL COMMUNIQUE

COMMUNIQUE

TO: Vancouver Coastal Health Authority

TRANSMITTAL DATE: OCT. 24 2008

COMMUNIQUE
NUMBER: FIN2009-24

SUBJECT: 2008/09 Regional Health Sector Funding Allocation
Interim Update # 2


DETAILS: Documents to be submitted:

- Cover Letter
- Table of Contents
- Appendix A - Funding Allocation and Other Payments/Recoveries
- Appendix B - Details of Funding Allocation Adjustments
- Appendix C - Details of Other Payments and Recoveries
- Appendix D - 2008/09 Payment Schedule

MINISTRY **Financial Contact:**
CONTACTS: Gordon Cross
Executive Director, Regional Grants and Decision Support
(250) 952-1120

Program Contact:
Rebecca Harvey
Executive Director, Health Authorities Division
(250) 952-1514

Funding Letter Contact (Reconciliation and Payments)
Victor Barwin
Manager, Regional Grants and Decision Support
(250) 952-1177


Manjit Sidhu, CA
Assistant Deputy Minister
Financial and Corporate Services



747898

OCT 23 2008

Ms. Ida Goodreau
President and Chief Executive Officer
Vancouver Coastal Health Authority
11th Floor 601 West Broadway
Vancouver BC V5Z 4C2

Dear Ms. Goodreau:

I am pleased to provide you with Interim Update #2 of your health authority's 2008/09 Regional Health Sector Funding Allocation from the Ministry of Health Services. The enclosed appendices provide detail regarding the revised funding allocation and payment schedule for your region.

Please note that your quarter three activity based funding allocation will be paid to your health authority on October 24, 2008. The Appendix D document enclosed reflects this payment.

Yours truly,

Manjit Sidhu, CA
Assistant Deputy Minister
Financial and Corporate Services

Enclosures

pc: Duncan Campbell, Chief Financial Officer and Vice President,
Systems Development and Performance, Vancouver Coastal Health Authority
Rebecca Harvey, Executive Director, Health Authorities Division
Gordon Cross, Executive Director, Regional Grants and Decision Support
Victor Barwin, Manager, Regional Grants and Decision Support

**Regional Health Sector
Ministry of Health Services
2008/09 Fiscal Year**

Table of Contents

- A** Funding Allocation and Other Payments/Recoveries
- B** Details of Funding Allocation Adjustments
- C** Details of Other Payments and Recoveries
- D** 2008/09 Payment Schedule

Appendix A
Ministry of Health Services
Regional Health Authority Funding
Allocation and Assumptions for 2008/09 to 2010/11

Vancouver Coastal Health Authority

2008/09	2009/10	2010/11
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Not Responsive

Station Street Property Taxes

Not Responsive

Appendix A1
Ministry of Health Services - Regional Health Authority Funding
2008/09 Fiscal Year
Funding Allocation and Other Payments/ Recoveries

Vancouver Coastal Health Authority

2008/09 FUNDING ALLOCATION

TOTAL 2008/09 OPERATING ALLOCATION - Preliminary

2008/09 Funding Adjustments:

One-Time:

	2008/09	2009/10	2010/11
TOTAL 2008/09 OPERATING ALLOCATION - Preliminary	\$ 2,068,444,366	\$ 2,125,766,161	\$ 2,197,734,161
2008/09 Funding Adjustments:			
One-Time:			
Station Street Property Taxes	800,000	-	-

Not Responsive

Not Responsive

Station Street Property Taxes

Not Responsive



MINISTRY OF HEALTH SERVICES

FINANCIAL COMMUNIQUÉ

TO: Vancouver Coastal Health Authority

TRANSMITTAL DATE: SEP 23 2008

COMMUNIQUÉ
NUMBER: FIN2009-17

SUBJECT: 2008/09 Regional Health Sector Funding Allocation
Update # 2


DETAILS: Documents to be submitted:

- Cover Letter
- Table of Contents
- Appendix A - Funding Allocation and Other Payments/Recoveries
- Appendix B - Details of Funding Allocation Adjustments
- Appendix C - Details of Other Payments and Recoveries
- Appendix D - 2008/09 Payment Schedule

MINISTRY **Financial Contact:**
CONTACTS: Gordon Cross
Executive Director, Regional Grants and Decision Support
(250) 952-1120

Program Contact:
Rebecca Harvey
Executive Director, Health Authorities Division
(250) 952-1514

Funding Letter Contact (Reconciliation and Payments)
Victor Barwin
Manager, Regional Grants and Decision Support
(250) 952-1177


Manjit Sidhu, CA
Assistant Deputy Minister
Financial and Corporate Services



742686

SEP 23 2008

Ms. Ida Goodreau
President and Chief Executive Officer
Vancouver Coastal Health Authority
11th Floor 601 West Broadway
Vancouver BC V5Z 4C2

Dear Ms. Goodreau:

I am pleased to provide you with Update #2 of your Health Authority's 2008/09 Regional Health Sector Funding Allocation from the Ministry of Health Services. The enclosed appendices provide detail regarding the revised funding allocation and payment schedule for your region.

Please note that the maximum base funding allocation for Activity Based Funding has been increased as previously communicated to you. The Appendix A document enclosed reflects this adjustment. Your quarter two Activity Based Funding allocation was paid to your Health Authority on August 1, 2008. The Appendix D document enclosed reflects this payment.

Yours truly,

Manjit Sidhu, CA
Assistant Deputy Minister
Financial and Corporate Services

Enclosures

pc: Duncan Campbell, Chief Financial Officer and Vice President, Systems Development and Performance, Vancouver Coastal Health Authority
Rebecca Harvey, Executive Director, Health Authorities Division
Gordon Cross, Executive Director, Regional Grants and Decision Support
Victor Barwin, Manager, Regional Grants and Decision Support

**Regional Health Sector
Ministry of Health Services
2008/09 Fiscal Year**

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- A** Funding Allocation and Other Payments/Recoveries
- A2** Adjustments to align new Ministry of Healthy Living and Sport
- B** Details of Funding Allocation Adjustments
- C** Details of Other Payments and Recoveries
- D** 2008/09 Payment Schedule

Appendix A
Ministry of Health Services
Regional Health Authority Funding
Allocation and Assumptions for 2008/09 to 2010/11

Vancouver Coastal Health Authority

2008/09 OPERATING ALLOCATION

2008/09	2009/10	2010/11
Actual Allocation	Notional Allocation for Planning Purposes	

Not Responsive

One-Time Funding Adjustments

Not Responsive

Station Street Property Taxes

Not Responsive

Appendix A1
Ministry of Health Services - Regional Health Authority Funding
2008/09 Fiscal Year
Funding Allocation and Other Payments/ Recoveries

Vancouver Coastal Health Authority

2008/09 FUNDING ALLOCATION

TOTAL 2008/09 OPERATING ALLOCATION - Preliminary

2008/09 Funding Adjustments:

One-Time:

Not Responsive

2008/09	2009/10	2010/11
\$ 2,068,444,366	\$ 2,125,766,161	\$ 2,197,734,161

Station Street Property Taxes

Not Responsive

800,000		
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Appendix B

Details of Funding Allocation Adjustments

Overview

Vancouver Coastal Health Authority

Not Responsive

STATION STREET PROPERTY TAXES – ONE TIME ONLY

One-time funding of \$800,000 is deducted from your Health Authority. Funding provided in Funding Letter Update #1 to assist in payment of annual taxes for property located on Station Street will be paid to your Health Authority when the property taxes are due.

MINISTRY OF HEALTH SERVICES

FINANCIAL COMMUNIQUÉ

COMMUNIQUÉ

TO: Vancouver Coastal Health Authority

TRANSMITTAL DATE: JUN 26 2008

COMMUNIQUÉ
NUMBER: FIN2009-10

SUBJECT: 2008/09 Regional Health Sector Funding Allocation
Update # 1


DETAILS: Documents to be submitted:

- Cover Letter
- Table of Contents
- Appendix A - Funding Allocation and Other Payments/Recoveries
- Appendix B - Details of Funding Allocation Adjustments
- Appendix C - Details of Other Payments and Recoveries
- Appendix D - 2008/09 Payment Schedule

MINISTRY Financial Contact:
CONTACTS: Gordon Cross
Executive Director, Regional Grants and Decision Support
(250) 952-1120

Program Contact:
Rebecca Harvey
Executive Director, Health Authorities Division
(250) 952-1514

Funding Letter Contact (Reconciliation and Payments)
Victor Barwin
Manager, Regional Grants and Decision Support
(250) 952-1177


Manjit Sidhu, CA
Assistant Deputy Minister
Financial and Corporate Services



733973

JUN 26 2008

Ms. Ida Goodreau
President and Chief Executive Officer
Vancouver Coastal Health Authority
11th Floor 601 West Broadway
Vancouver BC V5Z 4C2

Dear Ms. Goodreau:

I am pleased to provide you with Update #1 of your Health Authority's 2008/09 Regional Health Sector Funding Allocation from the Ministry of Health Services. The enclosed appendices provide detail regarding the revised funding allocation and payment schedule for your region.

Yours truly,

Manjit Sidhu, CA
Assistant Deputy Minister
Financial and Corporate Services

Enclosures

pc: Duncan Campbell, Vice President, Systems Development and Performance, and
Chief Financial Officer, Vancouver Coastal Health Authority
Rebecca Harvey, Executive Director, Health Authorities Division
Gordon Cross, Executive Director, Regional Grants and Decision Support
Victor Barwin, Manager, Regional Grants and Decision Support

**Regional Health Sector
Ministry of Health Services
2008/09 Fiscal Year**

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- D** 2008/09 Payment Schedule

Appendix A
Ministry of Health Services
Regional Health Authority Funding
Allocation and Assumptions for 2008/09 to 2010/11

Vancouver Coastal Health Authority

2008/09	2009/10	2010/11
Actual Allocation	Notional Allocation for Planning Purposes	

2008/09 OPERATING ALLOCATION

Not Responsive

Station Street Property Taxes

800,000

Not Responsive

Appendix A1
 Ministry of Health Services - Regional Health Authority Funding
 2008/09 Fiscal Year
 Funding Allocation and Other Payments/ Recoveries

Vancouver Coastal Health Authority

2008/09 FUNDING ALLOCATION

TOTAL 2008/09 OPERATING ALLOCATION - Preliminary

2008/09 Funding Adjustments:

One-Time:

Station Street Property Taxes

Not Responsive

Not Responsive

2008/09	2009/10	2010/11
	Not Responsive	
800,000		

Appendix B Details of Funding Allocation Adjustments

Overview

Vancouver Coastal Health Authority

Not Responsive

STATION STREET PROPERTY TAXES – ONE TIME ONLY

One-time funding of \$800,000 is provided to assist in the payment of the annual taxes for property located on Station Street.

Not Responsive

June 26/08

Appendix B
Details of Funding Allocation Adjustments

Overview

Vancouver Coastal Health Authority

THE FOLLOWING ISSUES ARE IN ALPHABETICAL ORDER:

COMPENSATION ISSUES

NON-COMPENSATION ISSUES

STATION STREET PROPERTY TAXES – ONE TIME ONLY

One-time funding of \$800,000 is provided to assist in the payment of the annual taxes for property located on Station Street.

FOR
Final 08/09
Funding Letter.

RETRACT!

Bobone - Year end.

MAR 13 2008

716422

Ms. Diane Doyle
President and Chief Executive Officer
Providence Health Care
1081 Burrard St
Vancouver BC V6Z 1Y6

Dear Ms. Doyle:

The Ministry of Health received and reviewed a request from Providence Health Care (Providence) to provide funding to assist in the payment of the annual taxes for property located on Station Street.

It is the understanding of the Ministry that the Station Street property was purchased through the Vancouver Esperanza Society on behalf of Providence with the intention of developing the land according to the spirit of the *Health Authorities Act*.

Based upon that understanding, it is the decision of the Ministry to provide Providence with a one-time grant of \$800,000 for the payment of the Station Street property tax to the City of Vancouver. This grant does not create a precedent for further funding requests.

It is the Ministry's expectation that Providence will manage its operations and services within its annual operating and capital budget.

Sincerely,

ORIGINAL SIGNED BY

Gordon Macatee
Deputy Minister

pc: Ms. Wendy Hill, Assistant Deputy Minister, Health Authorities Division
Ministry of Health
Mr. Manjit Sidhu, Assistant Deputy Minister, Finance and Corporate Services Division,
Ministry of Health
Ms. Ida Goodreau, President and Chief Executive Officer,
Vancouver Coastal Health Authority

MINISTRY OF HEALTH

FINANCIAL COMMUNIQUÉ

COMMUNIQUÉ

TO: Vancouver Coastal Health Authority

TRANSMITTAL DATE: MAR 27 2008

COMMUNIQUÉ
NUMBER: FIN2008-10

SUBJECT: 2007/08 Regional Health Sector Funding Allocation
Final

DETAILS: Documents to be submitted:

- Cover Letter
- Table of Contents
- Appendix A - Funding Allocation & Other Payments/Recoveries
- Appendix B - Details of Funding Allocation Adjustments
- Appendix C - Details of Other Payments & Recoveries
- Appendix D - 2007/08 Payment Schedule

MINISTRY CONTACTS: **Financial Contact:**

Gordon Cross
Executive Director, Regional Grants - Decision Support
(250) 952-1120

Program Contact:

Rebecca Harvey
Executive Director, Health Authorities Division
(250) 952-1514

Funding Letter Contact (Reconciliation & Payments)

Victor Barwin
Manager, Regional Grants – Decision Support
(250) 952-1177



Manjit Sidhu, CA
Assistant Deputy Minister
Financial and Corporate Services



719580

MAR 27 2008

Ms. Ida Goodreau
President and Chief Executive Officer
Vancouver Coastal Health Authority
11th Floor 601 West Broadway
Vancouver BC V5Z 4C2

Dear Ms. Goodreau:

I am pleased to provide you with your Health Authority's Final 2007/08 Regional Health Sector Funding Allocation from the Ministry of Health. The enclosed appendices provide detail regarding the revised funding allocation and payment schedule for your region.

Yours truly,

Manjit Sidhu, CA
Assistant Deputy Minister
Financial and Corporate Services

Enclosures

pc: Duncan Campbell, Chief Financial Officer, Vancouver Coastal Health Authority
Rebecca Harvey, Executive Director, Health Authorities Division
Gordon Cross, Executive Director, Regional Grants and Decision Support
Victor Barwin, Manager, Regional Grants and Decision Support

**Regional Health Sector
Ministry of Health
2007/08 Fiscal Year**

Table of Contents

- A** Funding Allocation & Other Payments/Recoveries
- B** Details of Funding Allocation Adjustments
- C** Details of Other Payments & Recoveries
- D** 2007/08 Payment Schedule

Appendix A
Ministry of Health - Regional Health Authority Funding
2007/08 Fiscal Year
Funding Allocation and Other Payments/ Recoveries

Vancouver Coastal Health Authority

2007/08
Actual Allocation

2007/08 OPERATING ALLOCATION

Not Responsive		
Not Responsive		
Station Street Property Taxes -One Time Only		800,000
Not Responsive		

Appendix A
Ministry of Health - Regional Health Authority Funding
2007/08 Fiscal Year
Funding Allocation and Other Payments/ Recoveries

Vancouver Coastal Health Authority

2006/07 FUNDING ALLOCATION

Not Responsive

Station Street Property Taxes -One Time Only

800,000

Not Responsive

Appendix B Details of Funding Allocation Adjustments

Overview

Vancouver Coastal Health Authority

Not Responsive

NON-COMPENSATION ISSUES

STATION STREET PROPERTY TAXES – ONE TIME ONLY

One-time funding of \$800,000 is provided to assist in the payment of the annual taxes for property located on Station Street.

Appendix B2 provides a copy of recent correspondence from Gordon Macatee, Deputy Minister, Ministry of Health.

Not Responsive

MAR 13 2008

716422

Ms. Diane Doyle
President and Chief Executive Officer
Providence Health Care
1081 Burrard St
Vancouver BC V6Z 1Y6

Dear Ms. Doyle:

The Ministry of Health received and reviewed a request from Providence Health Care (Providence) to provide funding to assist in the payment of the annual taxes for property located on Station Street.

It is the understanding of the Ministry that the Station Street property was purchased through the Vancouver Esperanza Society on behalf of Providence with the intention of developing the land according to the spirit of the *Health Authorities Act*.

Based upon that understanding, it is the decision of the Ministry to provide Providence with a one-time grant of \$800,000 for the payment of the Station Street property tax to the City of Vancouver. This grant does not create a precedent for further funding requests.

It is the Ministry's expectation that Providence will manage its operations and services within its annual operating and capital budget.

Sincerely,

ORIGINAL SIGNED BY

Gordon Macatee
Deputy Minister

pc: Ms. Wendy Hill, Assistant Deputy Minister, Health Authorities Division
Ministry of Health
Mr. Manjt Sidhu, Assistant Deputy Minister, Finance and Corporate Services Division,
Ministry of Health
Ms. Ida Goodreau, President and Chief Executive Officer,
Vancouver Coastal Health Authority

Appendix B Details of Funding Allocation Adjustments

Overview

Vancouver Coastal Health Authority

THE FOLLOWING ISSUES ARE IN ALPHABETICAL ORDER:

NON-COMPENSATION ISSUES

STATION STREET PROPERTY TAXES – ONE TIME ONLY

One-time funding of \$800,000 is provided to assist in the payment of the annual taxes for property located on Station Street.

Appendix B2 provides a copy of recent correspondence from Gordon Macatee, Deputy Minister, Ministry of Health.

**REGIONAL HEALTH SECTOR FUNDING LETTER
2007/08 FUNDING ISSUE DOCUMENT**

*Station Street
Property Taxes*

FUNDING ISSUE TITLE: Payment of Station Street Property Taxes to VCHA for flowthrough to PHC.

BRIEF DESCRIPTION:

Funding is provided to VCHA for the flow through of funds to Providence Health Centre for the payment of property taxes on the Station Street property.

EFFECTIVE DATE:

FUNDING:	Current Year - 2007/08				2008/09 Amount	2009/10 Amount
	Retro	One Time	Base	Total Current		
Fraser				-		
Interior				-		
Nisga'a				-		
Northern				-		
Van. Coastal		800,000		800,000		
Vanc. Island				-		
PHSA				-		
TOTAL	\$ -	\$ 800,000	\$ -	\$ 800,000	\$ -	\$ -

* If the current year base is not the full annual amount, please indicate the annual amount in 2007/08 & 2008/09.

SOURCES OF FUNDING/ SPENDING PLAN REFERENCE: (Attach approved spending plan &/ budget transfer identifying source of funds.)

Funding is to come out of the ADM, F&CS contingency. 026,45440,66067

SUPPORTING DOCUMENTATION (Please Attach):

YES ☒ X

N/A

See e-mails attached.

FUNDING LETTER NARRATIVE:

Funding is provide to VCHA for flow through to Providence Health Centre to cover the property taxes on the Station Street property.

CONTACT NAME, POSITION, BRANCH, PHONE # & EMAIL:

Manjit Sidhu - Assistant Deputy Minister, Finance and Corporate Services 952-2066.
Manjit.Sidhu@gov.bc.ca

SUBMITTED BY: Victor Barwin

APPROVAL TO FUND:

DM & ADM

DATE APPROVED:

FOR USE BY REGIONAL GRANTS ONLY

Bi-weekly Date:

☒ Acute

☐ Home & Community Care (Community)

☐ Home & Community Care (Residential)

☐ Mental Health & Addictions

☐ Population Health & Wellness

Imp Sum Date:

☒ Global

☒ Targeted

☐ Restricted

MAR 13 2008

716422

Ms. Diane Doyle
President and Chief Executive Officer
Providence Health Care
1081 Burrard St
Vancouver BC V6Z 1Y6

Dear Ms. Doyle:

The Ministry of Health received and reviewed a request from Providence Health Care (Providence) to provide funding to assist in the payment of the annual taxes for property located on Station Street.

It is the understanding of the Ministry that the Station Street property was purchased through the Vancouver Esperanza Society on behalf of Providence with the intention of developing the land according to the spirit of the *Health Authorities Act*.

Based upon that understanding, it is the decision of the Ministry to provide Providence with a one-time grant of \$800,000 for the payment of the Station Street property tax to the City of Vancouver. This grant does not create a precedent for further funding requests. 2

It is the Ministry's expectation that Providence will manage its operations and services within its annual operating and capital budget.

Sincerely,

ORIGINAL SIGNED BY

Gordon Macatee
Deputy Minister

pc: Ms. Wendy Hill, Assistant Deputy Minister, Health Authorities Division
Ministry of Health
Mr. Manjit Sidhu, Assistant Deputy Minister, Finance and Corporate Services Division,
Ministry of Health
Ms. Ida Goodreau, President and Chief Executive Officer,
Vancouver Coastal Health Authority

() MINISTRY OF HEALTH ()
INFORMATION BRIEFING DOCUMENT

Cliff # 694992

PREPARED FOR: Gordon Macatee, Deputy Minister of Health -
FOR INFORMATION

TITLE: Providence Health Care Governance Issues

PURPOSE: To provide information on the denominational aspects and governance of Providence Health Care and the implications of its request to establish a direct relationship with the Ministry of Health.

BACKGROUND:

Providence Health Care (Providence) is a faith-based organization, operating two acute care and five continuing care facilities in Vancouver. These facilities were founded by the Five Catholic Founding Congregations of Sisters (see Appendix A). In 1997, the governing bodies for these facilities amalgamated and formed Providence. In April 2000, Providence became a legal corporate entity governed by the Providence Health Care Society (the Society), registered under the British Columbia *Society Act*. The Society is composed of ten members: two representing the Sisters of Providence, which is headquartered in Edmonton, one representing the Archdiocese of Vancouver, and seven representatives from the Vancouver community. The Society appoints the Providence Board of Directors, which in turn appoints the Chief Executive Officer, who appoints the Senior Leadership Team. Providence works in alignment with the Health Ethics Guide, as approved by the Catholic Bishops of Canada.¹

In 1995, to address a perceived resistance from privately-owned, faith-based health care facilities to amalgamate under the health regions, the Ministry of Health (the Ministry) and the Denominational Health Care Facilities Association (an organization that represents Providence and other denominational health care providers) signed a framework document, known as the Master Agreement. It was intended to be an interim measure to maintain stability in the relationship between health authorities and denominational facilities for a minimum of three years, or until contracts were signed between the parties to clarify their relationship. In 1998, the Ministry confirmed that no new denominational organizations would be added to the Master Agreement. The same year, Providence signed an Affiliation Agreement with the Vancouver Coastal Health Authority (VCHA), from which it began receiving funding. In January 2007, the Denominational Health Care Facilities Association requested that the Master Agreement be expanded to include assisted living facilities.

In a January 31, 2007 letter to the Deputy Minister of Health, Ms. Dianne Doyle, President and Chief Operating Officer of Providence, requested the development of a direct relationship with the Ministry and consideration as a possible test site for a "payment by results" model.

DISCUSSION:

S13

FINANCIAL IMPLICATIONS:

S13, S17

CONCLUSION:

S13

Program ADM/ Division:	Wendy Hill, Health Authorities Division, 250 952-1049
Program Contact:	Rebecca Harvey, Executive Director, 250 952-1514
Drafter:	Jesse Skulmoski, Manager & Dean Murdock, Manager
Date:	January 24, 2008
File Name with Path:	P:\HAD General\HAD Briefing Notes\2007\Health Authorities\VCHA\694992 IN Providence Governance Issues Jan 24, 2008.doc

Dec 12/07

**MINISTRY OF HEALTH
DECISION BRIEFING DOCUMENT**

Cliff # 706830/xref 704419

PREPARED FOR: Honourable George Abbott, Minister of Health - **FOR DECISION**

TITLE: Recommendation on the payment of property taxes for the Station Street site, currently held for the Providence Legacy Project

PURPOSE: To provide a summary and recommendations following the November 19, 2007 meeting between the Minister of Health, Ministry of Health representatives, and representatives of Providence Health Care

BACKGROUND:

On November 19, 2007, representatives of Providence Health Care (Providence) met with Minister George Abbott, Minister of Health to discuss the future of St. Paul's Hospital and the Providence Legacy Project (the Legacy Project). Additional Ministry attendees included: Mr. MacDougall, Chief Operating Officer of Strategic Innovation and Ms. Hill, Assistant Deputy Minister. Mr. Kip Woodward, Chair of the Board of Directors for Providence Health Care, and Mr. Douglas Brown, Co-Vice Chair, represented Providence.

In February 2004, Providence approached the Ministry for borrowing approval of \$25 million to purchase an 18.5 acre site in the False Creek Flats area of Vancouver (Station Street). As due diligence was not completed on the Legacy Project, and funding was not available in the Ministry's capital plan, the request was not approved. As a result, the Vancouver Esperanza Society (Esperanza), a non-profit organization consisting of four community representatives, was formed to purchase the Station Street site.ⁱ Providence has an Option to Purchase and Right of First Refusal under an agreement with Esperanza, which expires on March 9, 2008.ⁱⁱ In order to secure Esperanza's credit, there is an additional agreement (a Put Agreement) between Esperanza and the City of Vancouver, which expires in March 2008.

During the November 19th meeting, Providence proposed a shared services model on the Station Street site that would include St. Paul's Hospital, the Children's and Women's Health Centre of British Columbia, and Burnaby Hospital. Financing emerged as the key issue from the discussion; more specifically, the annual property tax for the Station Street site, of approximately \$800,000. To date, Esperanza has paid the annual taxes with funds provided by Providence. Half of the property tax must be paid to the City of Vancouver by February 4, 2008, and the remaining payment in July 2008. Providence has requested that the Ministry provide funding for this cost.

DISCUSSION:

The *Vancouver Charter* (Section 396, c, iii) allows for the Minister of Health to designate a hospital site, or a site for future hospital use. This designation would exempt the property from taxation. Section 396, c, iii of the Charter states that, to be eligible, the hospital either must be the "registered owner of the site ...or the owner under an agreement." S13

S13

FINANCIAL IMPLICATIONS:

S13

Recommendation: Option #1.

Program ADM/ Division:	Wendy Hill, Health Authorities Division
Telephone:	250 952-1049
Program Contact:	Rebecca Harvey, Executive Director, 250 952-1514
Drafter:	Keva Glynn, Director; Dean Murdock, Manager
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Appendix

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- ⁱ Esperanza Society members are not on the Providence Health Care Board.
 - ⁱⁱ Facts relating to the Station Street Site. Providence Health Care. December 12, 2007.
 - ⁱⁱⁱ Vice President Human Resources/General Counsel. Providence Health Care. December 11, 2007.

PROVIDENCE HEALTH CARE REPORT¹

FACTS RELATING TO THE STATION STREET SITE

1. The property was purchased at 24.5 million by Esperanza
2. PHC has the Option to Purchase and the Right of First Refusal with respect to this property for a fixed price of 24.5 plus whatever liabilities that Esperanza has incurred until the date of purchase. (Currently approximately 5.7 million)
3. The property in its current state and zoning is valued between \$40 to \$56 million.
4. Because Esperanza is not exempt from paying property taxes, as PHC is, it paid *annual* property taxes of approximately \$800,000.
5. Because Esperanza is not a credit worthy entity by itself, there is a requirement from the bank to have a back-up agreement in case Esperanza is unable to meet the financial obligations. Currently, there is a Put Agreement with the City of Vancouver that will expire in March 2008. While we do not anticipate difficulties in renewing this agreement, if PHC was able to purchase this property, there would not be a requirement for this Put Agreement, and will eliminate the complexity of managing the needs and interests of the City of Vancouver. The requirement to have this Put Agreement may decrease PHC's leverage as it deals with the City in the rezoning process.
6. PHC cannot expect Esperanza directors, who are not insured nor indemnified for taking any risks with respect to the property, to aggressively pursue revenue-generating opportunities. Therefore, it has not been possible to use this property to generate revenue from this property. Should this property be under the control of PHC, it would be easier to entertain opportunities, particularly with the dire need for space in the lead up to the Olympics, to have this asset available to respond to critical space challenges.
7. The requirement to purchase this property through the creation of a new society (Esperanza) continues to create a level of discomfort among many stakeholders and constituents because the transaction was not straightforward and transparent. The fact that PHC has secured its interest in this property through the use of Esperanza continues to be exploited by those interest groups opposed to P3 as demonstration of a lack of transparency and clarity and gives these interest groups an opportunity to reinforce a cynical view of the process. The outstanding FOI application, which asks for details around the creation of Esperanza, will continue to provide fodder to such groups until the property transfer to PHC is concluded and Esperanza is dissolved.
8. If PHC is able to purchase this property, it will be much easier to navigate the transactions with other entities – public and private - for the use of the excess land available on the site and to forge partnerships which will enhance the quality of health care as well as the quality of housing, and other services to the residents of the downtown east side.

¹ Provided to Ministry of Health staff from Providence Health Care. December 12, 2007.