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# Hospice Capital Program Policy

Version 1.0

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# Change Control

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# 1.0 Introduction & Background

## 1.1 Introduction

The Hospice Capital Program (HCP) policy contains the Ministry of Health and Long-Term Care's ("the ministry") description of policy(s) specific to the provision of capital funding to support infrastructure (i.e. bricks and mortar) for eligible hospice care provider organizations in Ontario, which deliver end-of-life programs and services.

The HCP policy is designed to be used with additional resources as outlined below including, but not limited to the:

- HCP Cost Share Guide
- HCP Design Standards
- HCP Toolkit
- HCP Final Estimation of Cost

These documents are available through the Home and Community Care Branch of the ministry.

The HCP policy and related processes and procedures are described in the following policy document.

## 1.2 Background

In Ontario, end-of life care is provided in several types of care settings including Community Hospices, Long-Term Care Homes and Hospitals.

Hospices deliver services that are aimed at the relief of suffering and improving the quality of life for persons who are living with life-limiting health conditions.

The physical design of hospice facilities are intended to provide a more home-like environment than a typical acute care environment and to provide associated spaces that enable a resident/patients' family to be on-site to support them during the end of life experience.

In 2005, the Government of Ontario announced its *Palliative and End of Life Strategy*. Program investments associated with this strategy included the provision of public funding to Hospice Care provider organizations. Approved provider organizations were provided with ministry funding for up to 60% of their annual operating costs. The remainder of operational costs to provide programs and services as well as capital costs to fund the establishment of space were to be managed through fund-raising/community contributions.

Building on this commitment in 2015, *Patients First: A Roadmap to Strengthen Home and Community Care* was released with a commitment to implement a comprehensive program to improve access to and equity in hospice and end-of-life care at home and in the community.

In 2017, the Government of Ontario announced the *Hospice Capital Program (HCP)* to provide

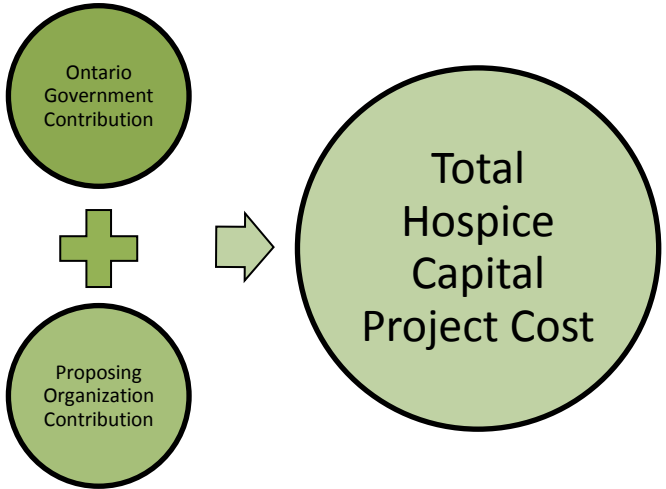
financial assistance in the development of new physical hospice space in Ontario, associated with new beds funded by the Government of Ontario's *Palliative and End of Life Strategy*.

## 2.0 HCP Policy

### 2.1 Program Description

The HCP policy is aligned with the principles of the Government of Ontario's *Palliative and End of Life Strategy*, *Patients First: A Roadmap to Strengthen Home and Community Care*, and represents a partnership between the government and community in the provision of capital funding for hospice care.

The HCP does not fund the full cost of the total hospice capital project, but provides a funding contribution based on the number of beds approved for each project, up to a maximum dollar contribution per bed cost.



At the time of this publication, the maximum amount of funding contribution that the ministry will provide through the HCP for approved hospice capital projects is \$200,000 per hospice care bed.

The capital costs above the ministry contribution is the responsibility of the Proposing Organization (see Appendix 1) through own funds but please note organizations must follow applicable law.

The Local Health Integration Networks (LHINs) play a significant role in the Application Stage of the HCP through the endorsement of new hospice beds and potential capital projects for ministry funding consideration. This will be described more fully in **Section 2.3**.

The LHINs role is essential to ensure that proposed hospice capital projects and related programs and services align with each LHINs Health Integration Health Service Plan (IHSP).

## 2.2 Eligibility

The following criteria establish eligibility for capital funding consideration:

1. •The organization provides Hospice services as defined by the HCP policy (See **Appendix 1- Terms and Definitions**)
2. •The organization is seeking to establish new hospice beds
3. •The organization receives a portion of its operational funding under the ministry's *Palliative and End of Life Strategy* and/or provides or is approved to provide hospice services
4. •The organization meets the ministry's risk assessment requirements, as outlined in the HCP policy
5. •The organization agrees to comply with the design standards defined in the *Hospice Design Standards*
6. •The organization has received LHIN endorsement for their application to the ministry

**Please note:** On a case by case basis organizations who feel that the design standards cannot be met can work with the ministry to modify the design standards to support their capital build.

## Risk Assessment Requirements

The following pre-conditions must be met for the ministry to be able to provide a HCP capital funding grant:

<p><b>Build a new purpose built structure</b> the organization must provide evidence of:</p>	<ul style="list-style-type: none"> <li>• Title to land already purchased/leased for this purpose by the organization</li> <li>• Financial capacity (funding held by the organization) sufficient to purchase the property</li> </ul>
<p><b>Demolish to build a new purpose structure</b> the organization must provide evidence of:</p>	<ul style="list-style-type: none"> <li>• Title to structure and land already purchased/leased for this purpose by the organization</li> <li>• Financial capacity (funding held by the organization) sufficient to purchase the property and fund the demolition and site development</li> </ul>
<p><b>Renovate structure</b> with or without addition to the structure the organization must provide evidence of:</p>	<ul style="list-style-type: none"> <li>• Title to structure and land already purchased/leased for this purpose by the organization</li> </ul>
<p><b>All organizations must</b> provide evidence that they hold an equal amount to that of the anticipated ministry contribution to the capital project.</p>	<ul style="list-style-type: none"> <li>• This amount may be in the form of: <ul style="list-style-type: none"> <li>• Bank loan</li> <li>• Line of Credit</li> <li>• Cash in a separate bank account specific to the purpose of the capital project</li> </ul> </li> </ul>

**Exceptional Circumstances Grant:** Should an organization run into exceptional circumstances during the construction phase of their hospice, the organization can apply for additional ministry funding beyond the per bed maximum contribution.

## 2.3 Process Overview

There are 4 Stages in the HCP process:

Stage	Summary of Process Components
Stage 1: Application	<ul style="list-style-type: none"> <li>• Eligible Proposing Organization submits Application to LHIN for review and endorsement</li> <li>• Applications endorsed by the LHIN are sent with a formal letter of Endorsement (approved by the LHIN Board of Directors or a delegated LHIN officer) via email to the Home and Community Care Branch of the ministry</li> <li>• Ministry reviews and assesses Application</li> <li>• If Application is approved a Planning Grant is provided to continue to Stage 2</li> </ul>
Stage 2: Business Case	<ul style="list-style-type: none"> <li>• A Business Case is developed, where the full scope and cost of project is understood and a site is identified</li> </ul>

Stage	Summary of Process Components
	<ul style="list-style-type: none"> <li>• If the project is Ministry approved, the project is eligible to advance to Stage 3</li> </ul>
Stage 3: Design, Tender and Award of Contract	<ul style="list-style-type: none"> <li>• Proposing Organization will submit plans (working drawings) for ministry review</li> <li>• Tender and award of contract</li> </ul>
Stage 4: Construction and Settlement	<ul style="list-style-type: none"> <li>• Implementation and Construction Completion</li> <li>• Proposing Organization will notify the ministry when Occupancy has occurred and provide a Certificate of Occupancy signed by the Prime Consultant for the project</li> <li>• Financial settlement</li> <li>• Post-project evaluation</li> </ul>

## Stage 1: Application

The first step project is to complete the HCP Application Form (available through the Home and Community Care Branch of the ministry).

The HCP Application Form is part of the HCP Toolkit. The Application Form is a worksheet that captures basic information about the organization and the rationale for the capital project. The form also captures information necessary to assess the eligibility criteria of the organization and the project for HCP funding eligibility.

The LHIN decision to endorse the organization or not will be based on whether the proposed programs and services align with the LHIN’s IHSP and whether the Proposing Organization would have the financial capacity to manage any known or reasonably anticipated increased operational costs associated with the capital project.

LHIN-endorsed applications with a formal letter of Endorsement (approved by the LHIN Board of Directors or a delegated LHIN officer) are then emailed to the ministry for review.

The ministry will review the application against the eligibility criteria. Those applications that are found to be eligible for funding under the HCP policy become eligible for funding consideration.

The ministry may receive more applications for funding than there is funding available in any specific fiscal year. Therefore, there is no assurance that all proposed project applications that are found eligible will receive funding in any specific timeframe.

**NOTE:** There is nothing in the HCP policy that precludes organizations that can fully fund the



capital costs of developing infrastructure from community contributions from proceeding without ministry approval or capital funding subject to applicable law.

However, the ministry cannot retroactively provide capital funding to organizations that award construction contracts prior to receiving ministry project approval and a ministry capital funding grant for a capital project.

## Stage 2: Business Case

If Stage 1: Application results in approval for funding, the ministry will advance a portion of the total ministry grant to the organization to fund a portion of the early planning of the capital project. The amount initially advanced and the proportion and timing of any subsequent funding is defined in **Section 2.4** and is based on the project type (the ministry may change this at its discretion). The ministry funding will be supplemented by contributions from the Proposing Organization.

Organizations receiving capital funding through the HCP will use the HCP Toolkit Business Case worksheets in the HCP Toolkit Workbook.

The following Table describes all the potential worksheets for completion in the HCP Toolkit Workbook.

HCP Toolkit Worksheets					
Name of Worksheet	Description	Requirements			
		LHIN		Ministry	
		Review	Endorsement	Review	Approval
Application Form	Captures basic information to understand proposed project rationale and organization eligibility for funding consideration	✓	✓	✓	✓
Business Case: BC_1: List of Programs and Services	Provides understanding of range of programs and services (including number of beds) in the end stage physical space/structure			✓	✓
Business Case: BC_2:	Lists all space types and numbers of spaces to define the total amount of			✓	✓

Space Table	space required to deliver programs and services. Space types and numbers must conform to Hospice Design Manual.				
Business Case: BC_3: Site Search/ Selection	Provides guidelines for searching for sites as applicable, areas searched, and final selection of site			✓	
Business Case: BC_4: Final Estimate of Costs	Provides a structured worksheet to calculate total project cost based on the completed Business Case that allows the ministry to determine its funding contribution level			✓	✓

## Stage 3: Design, Tender and Award of Contract

### 3.1 Design

During Stage 3: Design, Tender and Award of Contract, all ministry funded capital projects will be required to submit plans (working drawings) for ministry review as specified below.

- All projects will require review at 100% design development.

The ministry will review and define plan submission requirements at the Project Planning meeting at the beginning of Stage 3: Design, Tender and Award of Contract.

### 3.2 Tender and Award of Contract

It is required that Proposing Organizations ensure a fair, open and transparent tender, bid and selection process and follow all laws that pertain to their organization such as the *Broader Public Sector Accountability Act, 2010. S.o. 2010.*

### 3.3 Awarding the Contract

All projects receiving ministry capital funding grants will require a formal letter of ministry approval to award the contract.

## Stage 4: Construction and Settlement

### 4.1 Construction

The funded organization is responsible for management of the construction stage of the project.

Once substantial completion has been achieved the organization will provide the ministry with a Certificate of Substantial Completion signed by the Prime Consultant for the project.

The organization will notify the ministry when Occupancy has occurred and provide a Certificate

of Occupancy signed by the Prime Consultant for the project.

#### 4.2 Settlement

The ministry will provide the organization with settlement documents to complete in accordance with ministry settlement process requirements.

This may include, but are not limited to:

- Statement of disbursements prepared by a 3<sup>rd</sup> party Audit resource.

## 2.4 Funding Formula

The ministry will advance the following proportion(s) of the approved up to capital funding grant based on project type and the amount of the total up to grant at the following project milestones.

#### Type A

For projects with ministry grant under \$400K	
100%	Approval of application for planning, design and construction

#### Type B

For projects with ministry grant of over \$400K - renovation of leased space	
15%	Approval of application for planning
85%	Award of contract

#### Type C

For projects with ministry grant of over \$400K - building of new space	
15%	Approval of application for planning
40%	Award of contract
45%	After 50% of construction completion (justified by progress certificate)

## 2.5 Lease Requirements

For projects that are leasehold renovations, the ministry requires the following minimal lease periods based on the ministry funding contribution to the project:

Ministry Funding Contribution	Minimal Lease Period
0-\$1M	5 years
>\$1M	10 years

## 2.6 Post Occupancy Evaluation

The ministry will engage in an on-site post occupancy evaluation to determine:

1. Whether the physical space has been developed in accordance with HCP Design requirements and the plans reviewed and approved by the ministry for that project
2. Whether the design has achieved the goals of the project in meeting:
  - a. Resident needs
  - b. Staffing needs

**Note: Where an organization does not produce an end state physical project that conforms with the plans approved by the ministry, that organization will be in breach of contract and the ministry will proceed to take actions to recover from that organization all funding provided for the project.**

# Appendix 1: Terms and Definitions

**Addition:** Construction of a new purpose built structure attached to an existing structure on owned or leased property for the purpose of delivering hospice services

**Best Practices:** Suggestions for optional design features that further promote quality of design and quality care outcomes

**Community Hospice Space:** A community based not-for-profit organization providing hospice services from a distinct location in the community. May be from an owned or leased space

**Design Standards:** The requirements set out in the *MOHLTC Hospice Design Manual* that must be incorporated into the design of each hospice care capital project that receives ministry capital funding

**Endorsing Organization:** That branch of the government or agency of the government responsible for oversight of operational funding and endorsement of proposed projects at key milestones in the HCP capital planning and implementation process

**Hospice Care space in patient care unit of a Hospital:** A hospital providing hospice services from one or more rooms within a unit providing other care services

**Leasehold Renovation:** Modification (fit-out) of a leased property for the purpose of delivering hospice care programs/services

**Local Health Integration Network (LHIN):** Agency of the government that administrates operational funding provided by the Government of Ontario's *Palliative and End of Life Strategy* for hospice beds associated with that program. Acts as Endorsing Organization for any HCP capital projects associated with new *Palliative and End of Life Strategy* funded hospice beds

**Long-Term Care Homes:** Long-term care homes under the *Long-Term Care Homes Act, 2007*

**Ministry:** Ontario Ministry of Health and Long-Term Care

**New Build:** Construction of a new purpose built structure on owned or leased property for the purpose of delivering hospice services

**Owned Structure Renovation:** Modification (fit-out) of a structure owned by the organization on owned or leased land for the purpose of delivering hospice care programs/services

**Prime Consultant:** The consultant leading the capital project who is most often an Architect or Engineer

**Proposing Organization:** For the purposes of this document, the “proposing organization” is any organization that is applying for and/or has been awarded with funding from the HCP. This includes but is not limited to hospice organizations, hospitals, and long-term care homes.

**Hospitals:** Public Hospitals in Ontario under the *Public Hospitals Act, R.S.O. 1990, c. P.40*

**Hospice:** A home-like environment where adults and children with life-threatening illnesses receive end-of-life care services

**Hospice Space associated with Long-Term Care Home:** Hospice services provided by a LTCH organization (i.e. Owner/Operator) distinct from a LTCH licensed resident home. Hospice space could be located within, attached to, or adjacent to the building housing the licensed Long-Term Care Home structure, but when it is within the same structure, it must be separate from the licensed LTCH resident home as required under the LTCHA, including s. 5 and Reg. 79/10, Part II). This would not include the provision of hospice services within the licensed LTCH itself.

**HCP-** The Hospice Capital Program

