



# CITY OF RICHMOND

## REPORT TO COUNCIL

**TO:** Richmond City Council  
**FROM:** Greg Halsey-Brandt  
Mayor  
**RE: Funding Equity  
Vancouver/Richmond Health Region**

**DATE:** October 5, 2000

**FILE:**

### RECOMMENDATION

That the Mayor write a letter to the Chair of the Vancouver/Richmond Health Board, requesting a response to the following:

1. Why Richmond Hospital received only \$325,000 from the recently announced Ministry of Health funding of \$18.5 million for specific capital equipment for the Vancouver/Richmond Health Board.
2. Why were items MO1 and MO4 (as per the attached list) selected as the appropriate equipment for Richmond, when they are No. 3 and No. 4 on the "Urgent" list, and not even included on the "Mission Critical" list.
3. That the percentage split of the operational budget between Richmond Health Services and Vancouver be allocated on an equitable basis.
4. That a copy of the letter be sent to the Minister of Health and the three Richmond MLAs.

Greg Halsey-Brandt  
Mayor

att.

## REPORT

### ORIGIN

Council will recall that when the Vancouver/Richmond Health Region was established, and Richmond lost its autonomy, we were very concerned that the funding distribution of provincial Ministry of Health allocations to Richmond would not be swallowed up by the health needs of the larger population of Vancouver. To this end, the provincial government committed to the creation of a Richmond Health Services organization within the Vancouver/Richmond Health Board, in order to track the financial allocations, and ensure that the citizens of Richmond continued to receive health funding and care that they were entitled to before they were amalgamated with Vancouver.

As a result of the recent Federal/Provincial First Ministers' conference, a significant amount of new federal transfer payments have been instituted for the delivery of health services. These transfer payments have in turn allowed the Ministry of Health to provide increased capital and operating monies to each of the health regions in British Columbia.

### ANALYSIS

The Vancouver/Richmond Health Board has now received \$18.5 million dollars in capital equipment funding. Of this, Richmond Health Services received only \$325,000 or 1.76% of the allocation. It is clear from the letter from Dr. Jakubowski, (attached) if we look at the percentage split based on population, even after such things as the tertiary role of some Vancouver hospitals is deducted, Richmond is still far short. Dr. Jakubowski also offers good comparisons based on the funding for the North Shore and South Fraser Health Regions.

Also attached is a prioritized list of capital equipment over \$100,000 requested by Richmond Health Services. The equipment approved by the Ministry of Health is MO1, an Anesthetic machine, and MO4, a Sleep Disorders System. These two items are priorities No. 3 and No. 4 on the "Urgent" list, and do not even make the higher priority "Mission Critical" list. Therefore, we need clarification and justification as to why the Ministry of Health made the decision, and not the Regional Health Board, and why these 2 particular pieces of equipment were chosen, and not the high priority pieces.

I understand that the operational budget for the Vancouver/Richmond Health Region has now been received by the Board, but that the internal allocations of these funds has not yet been communicated to Richmond Health Services. We wish to ensure that the allocations of these operation monies is done on an equitable basis, and we should express that position to the Regional Health Board.

### CONCLUSION

Council has followed the regionalization of Health Services in British Columbia very closely. This watchfulness came about not only from the fact that our City used to provide direct health services to our population, but also because the amalgamation of health services with Vancouver led to the fear that services in Richmond would ultimately suffer, as the needs of Vancouver took priority. It is my sincere hope that this is not a reality, but our concern about this example of inequitable funding should not go unchallenged. The Chair of the Board should

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therefore provide a rational explanation of the issues that have been raised involving the capital dollars, specific equipment requested, and equity in operational funding.

Greg Halsey-Brandt  
Mayor

September 28, 2000

Dear Colleagues,

I would like to bring to your attention some very disturbing facts about the capital equipment funding just received for Richmond Health Services (RHS).

Recently the Vancouver Richmond Health Board (VRHB) received \$18.5 million in new funds for specific capital equipment.

Of this RHS received only \$325,000 or 1.76% of the allocation!

Richmond's population of 150,000 is 21% of the VRHB's overall 700,000 people. Therefore based on population served we should have received 21% of \$18.5 million or \$3.8 million. If we allow that 50% of Vancouver capacity reflects the provincial, tertiary and teaching role, this would still give Richmond 50% of \$3.8 million or **\$1.9 million**.

Let's look at other regions. The North Shore Health Region for an operating budget of \$158 million received \$4 million in new capital spending (see enclosure).

Therefore, proportionately for \$100 million of Richmond operating budget we should have received **\$2.5 million**.

The South Fraser Health Region for its operating budget of \$411 million received \$8.2 million for new equipment ( see enclosure).

Using this example Richmond should have received **\$1.9 million**

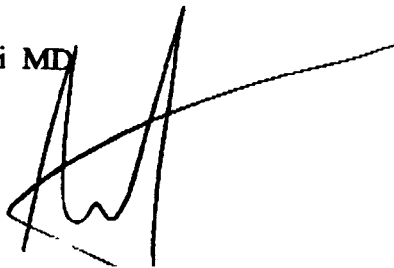
**No matter how we look at it Richmond should have received between \$1.9 million and \$2.5 million in new capital funding. How much have we received? ... \$325,000 or 17% what otherwise might be expected based on calculations from other regions.**

I think it is time to start asking some hard questions:

1. How was this allocation of monies determined?
2. Who are our representatives on the Vancouver Richmond Health Board and what are they doing to rectify this injustice?
3. How are we, the physicians, expected to deliver the best possible medical care to the citizens of Richmond if we are denied even the most basic medical tools?
4. Why are the people of Richmond discriminated against being denied good medical care?

We should make the Richmond public aware of this situation or we may be facing a very different hospital in the future. If we continue to be shortchanged in funding allocations, Richmond Hospital could be reduced to the status of a glorified walk-in clinic.

A. Jakubowski MD







# Who controls the purse strings?

Health Ministry and board blame each other for lack of funds to purchase new medical equipment

BY KIRSTEN MURPHY  
Special to the News

What's wrong with this picture?

Richmond Health Services receives \$325,000 from a recently announced \$18.5 million equipment budget it shares with Vancouver hospitals.

The remaining \$18.2 million goes to Vancouver hospitals for the purchase of MRI machines and other top-priority hardware.

The move angers physicians like cardiologist Dr. Andrew Jakubowski, who said the \$1.5 million needed to upgrade Richmond Hospital's CT scanner, ultrasound machine and sterilization equipment is critical. He said unless the hospital receives the money in the next two years, Richmond Hospital will become a glorified walk-in clinic.

"I think this is grossly unfair. If you cannot upgrade equipment, you are limiting the hospital's function. The public needs to be aware they may face a very different hospital in the future if (restricted funding) continues."

The controversial allotment amounts to a 1.8 per cent slice of the \$18.5-million pie. When contacted by the *News*, the VRHB deflected questions about the funding discrepancy. Health board media manager Avrill Peters suggested the Health Ministry made the decision.

Not so, said Health Ministry spokesperson Jeff Gaulin.

"The health board has the power to decide where the money goes" he said. "They decide what the (equipment) priorities are, not us."

Health board chairman David Levi could not be reached for comment. However, in a Sept. 19 news release, Levi said the board would work with hospital groups to determine where funding should be allocated within the region.

Liberal MLA Linda Reid said the health board has created a shocking scenario.

"This is a health board decision ... it's incredibly unfair. The (\$325,000) allotment does not match the population distribution.

"Richmond is suffering under the amalgamation of the Vancouver-Richmond Health Board. They are not providing a decent distribution of funds."

RHS administrator Elaine Baxter says the region should have received at least \$2 million for equipment upgrading based on what other regions received. She was also unsure as to how and why Richmond received such a minuscule budget.

The allotted \$325,000 will purchase an anesthetic machine and a diagnostic sleep disorder system. The equipment was placed at the bottom of the RHS' "wish list."

**PLEASE POST  
MEMORANDUM**

**DATE:** September 21, 2000

**TO:** All Staff, Physicians & Volunteers

**FROM:** Mrs. Pat Zanon  
Chief Executive Officer

**RE:** Ministry of Health 2000/01 Funding Allocation

We have been advised of our year 2000/01 funding allocation by the Ministry. I am pleased to announce that the funding allocation is \$411,531,802 for the current fiscal year. This represents an increase of 15.36 per cent over our 1999/2000 base budget.

Included in the increase is \$8.2 Million for new equipment. Some of the highlights include a Magnetic Resonance Imager (MRI) for the South Fraser, to be located at Surrey, a replacement Computerised Tomography (CT) Scanner for Surrey, a Cardiac Monitoring System for Delta, Ultrasound equipment for Langley and more than 300 new replacement beds to be used as needed in our four hospitals.

In addition, we have received funding for the opening and equipping of the New Tower at Surrey Memorial.

For the first time, money has been allocated to our Region on the basis of our fast growing population. This is the first time that a form of population based funding has been used. In our view, this is a positive step forward that recognizes the historic under-funding of the South Fraser Health Region.

Overall, we are pleased with our funding allocation. However, it does nothing to resolve the shortage of residential beds in our Region, which remains our Achilles heel. Our Region is short some 650 residential beds, and will need an additional 100 annually for the foreseeable future. As many as 20 per cent of our acute care beds are occupied by patients who require an alternative level of care. Patients who would be better served in a community facility. The result is increased wait lists for surgery, congestion in emergency, and frustration for patients, staff and physicians.

Clearly, this situation needs to be resolved. I am guardedly optimistic that the Ministry is aware of this problem and will move to resolve it in the near future.

Sincerely,

Mrs. Pat Zanon  
Chief Executive Officer

PZ/jg



■ NORTH SHORE ■

# Hospital to get needed cash, equipment

By Kevin Gillies

Hallelujah!

The cash-starved North Shore Health Region received word this week that it will get a badly needed infusion of new funds and equipment.

Tuesday, the provincial government announced that the local health region will be receiving a \$17.6 million boost in annual funding.

The new cash brings the region's annual operation budget up to \$175.4 million.

Of that, \$4 million is earmarked for new equipment including the MRI.

"I think we've been waiting 10 years to get this machine" Dr. Phil Cohen, director of nuclear medicine, said this week.

Cohen was working in London, Ontario — Canada's medical centre — at St. Joseph's Hospital when one of the first MRIs was brought to Canada. "We can't really be a good trauma centre without this," he said Wednesday. "I think it's a great thing for the people of the North Shore."

Lions Gate Hospital is the crown jewel of the NSHR which serves more than 200,000 people from Pemberton to Deep Cove.

Cohen said he felt the MRI would "do a lot to make the system run more efficiently."

Currently the hospital has been using X-rays and CT scans to make up for the lack of an MRI. That burdened a lot of other patients.

"We think it will take some pressure off the CT Scanner. It's particularly useful for backs," the doctor said.

The MRI is also very useful in diagnosing spinal, brain and other organ maladies.

The addition of the machine also means the hospital, and the region, will be able to hold doctors and specialists who had to be looking at other geographic areas to ply their trades. "There were discussions we might have lost our two neurosurgeons if we hadn't got this," Cohen said.

Around 60 per cent of the neurosurgery cases coming to Lions Gate come from outside the region, costing NSHR



**CTRID GET A REST** — Dr. Phil Cohen, Lions Gate Hospital's director of nuclear medicine, stands in front of the hospital's CT scan machine, which has picked up the back pain of a patient. Cohen says the hospital was the only of five B.C. neurosurgery pro-

\$900,000 annually. But Cohen warns that renovations will be necessary to house the machine which must be shielded because of magnetic fields. "We'll probably have to go to the community," he said paying for the renovation also costs more to operate machine than it does to buy. It takes two or three special to run it and one to interpret not to mention the cost