

Health Infrastructure Renewal Fund Program Overview for 2017-18

Presentation to LHINs and Health Service Providers

**Health Capital Investment Branch
Health Capital Division
Ministry of Health and Long Term Care
April 2017**

Presentation Overview

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What's New in 2017-18

- Infrastructure issues for any Hospital owned asset that hosts Fund Type 2 programs are eligible provided they meet the HIRF criteria and appear in the Facility Condition Assessment Program (FCAP) database as FCAP eligible.
- The ministry will not process a HIRF settlement until the hospital has closed completed requirements in the FCAP database.
- The ministry will be implementing an online reporting system to streamline HIRF reporting in 2017-18. Additional information will be shared by the ministry upon completion. Hospitals will continue current reporting processes until system is fully integrated.

1. Purpose and Background

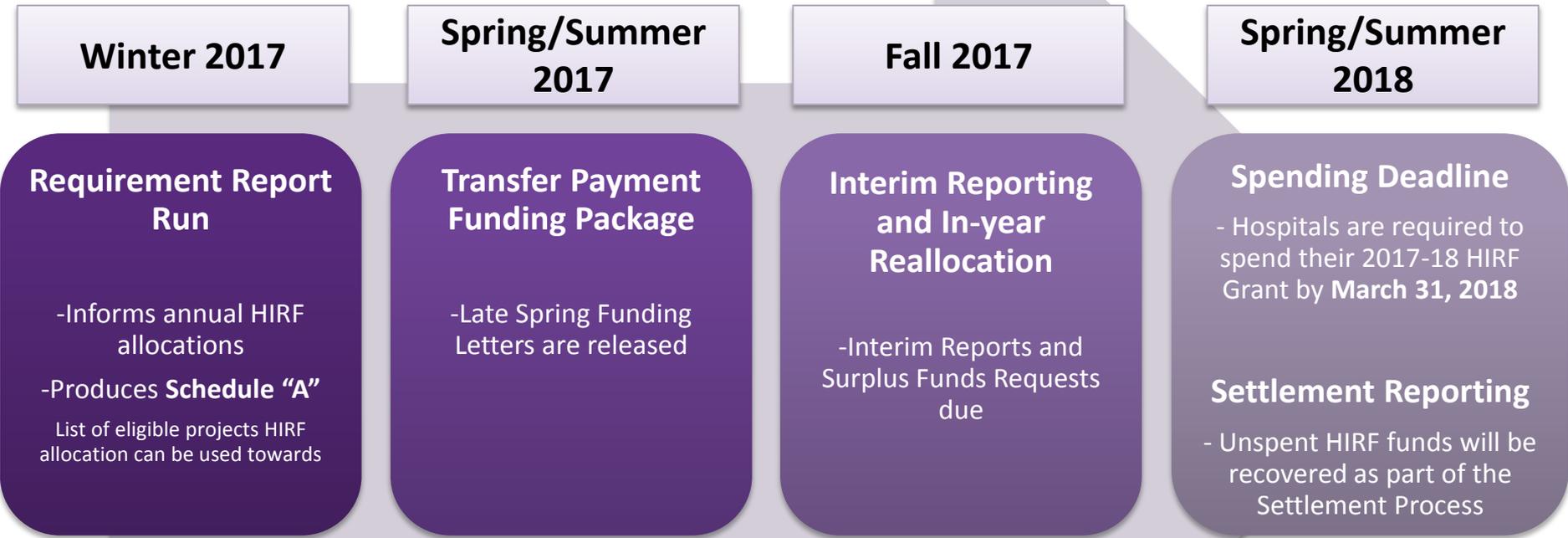
- To provide Local Health Integration Networks (LHINs) and Health Service Providers (HSPs) with an overview of the Health Infrastructure Renewal Fund (HIRF) program, roles and responsibilities and key enhancements included for the 2017-18 funding year
- The HIRF program is intended to supplement a hospital's existing infrastructure renewal program, helping to address priority needs
- HIRF is evaluated on an ongoing basis to ensure that the maximum amount of annual funds are used to address infrastructure deficits as effectively as possible
- The Ministry of Health and Long-Term Care (“the ministry”) continues to make improvements to the HIRF program to better enable HSPs to address facility infrastructure maintenance and renewal needs



2. How HIRF Works

- The asset integrity of eligible public hospitals in Ontario is assessed by a third party vendor through the Facility Condition Assessment Program (FCAP)
- Hospital assets are assessed on a 4 year cycle and given a Facility Condition Index (FCI) Score. The Provincial benchmark FCI Score for all public hospitals is 0.21
- The HIRF Requirement Report captures all Requirements in the FCAP database that:
 - a) are in an FCAP-eligible Asset that has a FCI score greater than or equal to 0.21;
 - b) cost between \$5,000 and \$10,000,000; and,
 - c) are one of the following three FCAP priorities:
 - i. Priority One – Health and Safety;
 - ii. Priority Two – Code Compliance; or
 - iii. Priority Three – Asset Integrity – Imminent Breakdown.
- The ministry calculates each hospital's proportion of the total eligible Requirements across the province to determine hospital's anticipated allocation (refer to Appendix 1 for an example of HIRF calculations and Appendix 2 for our current program model)

3. Overview of HIRF Process



Note: Items that do not appear on the Schedule "A" must be reviewed through the **Exceptional Circumstances Project (ECP)** and **Grant Business Case ("Business Case")** in order to become eligible

4. HIRF Funding Timelines 2017-18

ACTIVITY	DETAILS	DATES	LEAD
ALLOCATION REPORT	Requirement Report run from FCAP Database	Late January 2017	Ministry
LAUNCH OF 2017-18 FUNDING	Release of HIRF Notional Allocation Figures and List of Eligible Projects (Schedule "A")	April 2017	Ministry & LHINs
	All forms are distributed for posting to the LHIN website	April 2017	Ministry
	Release of 2017-18 HIRF Guidelines	April 2017	Ministry
	LHIN endorsed Exceptional Circumstance Project Grant application deadline	April 28, 2017	HSPs & LHINs
	Release of 2017-18 Funding letters to HIRF recipients	Summer 2017	Ministry
INTERIM REPORTING	Interim Report must be submitted	November 15, 2017	HSPs
	LHIN endorsed Surplus Funds Request deadline	November 15, 2017	HSPs & LHINs
REALLOCATION	Reallocation of underspent funds is determined based on Interim Reports and approved Surplus Funds Requests	January 2018	Ministry
	LHIN endorsed Exceptional Circumstance Project application deadline	February 15, 2018	HSPs & LHINs
	Release of grant decrease/increase letters and amending letters, if applicable	Late February 2018	Ministry
END OF 2017-18 FUNDING	All HIRF funding must be spent	March 31, 2018	HSPs
SETTLEMENT	All completed HIRF projects are closed in FCAP database	June 30, 2018	HSPs
	Settlement Report must be submitted	June 30, 2018	HSPs

All submissions must be sent to HealthCapitalInvestmentBranch@Ontario.ca by the due date

5. HIRF Agreement and Guidelines

Evergreen Agreements

- In 2014-15, the ministry introduced Evergreen Agreements for which the hospital only needs to sign the agreement once
 - Hospitals who have signed Evergreen Agreements are re-issued the applicable schedules every year, which are deemed to replace prior schedules.

Updated HIRF Guidelines

- Each year, the ministry releases updated HIRF Guidelines to reflect enhancements made to the program (found on the LHIN websites)
 - The HIRF Guidelines are intended to provide an overview of the program processes and details, including changes to the program from year to year.

Hospitals must read and be familiar with the terms and conditions of the HIRF Agreements and Guidelines in their entirety in order to fully meet all program reporting and spending requirements

5. HIRF Agreement and Guidelines (continued)

- Once the HIRF allocations have been finalized and the ministry's approval process is complete, the ministry will send each Hospital CEO & Board Chair and LHIN CEO & Board Chair a **minister's funding letter, administrative letter**, applicable **Schedules** for the funding year, and the **HIRF Guidelines**
- These documents outline the following:
 - List of HIRF-eligible projects (**Schedule "A"**)
 - The annual allocation (**Schedule "B"**)
 - Initial Funding Period (**Schedule "C"**)
 - Reporting requirements (**Schedule "D"**)
 - Settlement Report Template (**Schedule "E"**)
- Hospitals may also receive a new funding agreement for signature, unless they have an existing Evergreen Agreement

The most up to date forms and guidelines are made available on LHIN websites

6. Multi-Year HIRF Commitment

- The ministry provides eligible HSPs with annual funding as well as an approved pre-commitment for funding the next fiscal year. The pre-commitment:
 - Is based on 50% of the following year's total HIRF funds;
 - Is a planning number, with funds flowed the following year, providing greater certainty about funding levels and time to plan and complete eligible projects, including multi-year projects; and,
 - Is guaranteed not to decrease, and HSPs may be eligible to receive additional funds on top of the pre-commitment.
- Each year, the **remaining 50%** of HIRF budget will be calculated to HSPs through a formula based allocation report that is re-run each January based on the most recent point in time data available in FCAP (refer to Appendix 3 for an example)

7. Exceptional Circumstance Projects (ECPs)

- Hospitals may submit a Business Case to have a project added to their Schedule “A” as an ECP, under the following scenarios:
 - **NEW URGENT REQUIREMENT:** A hospital has an urgent need to complete a priority infrastructure project that does not appear in FCAP but meets all other criteria set out in the HIRF Guidelines for ECPs
 - **EXISTING REQUIREMENT NOT ON SCHEDULE “A”:** A hospital has an existing FCAP requirement in the database that otherwise meets all HIRF eligibility criteria, but does not appear on the Schedule “A” list of eligible projects
- The “Exceptional Circumstance Projects (ECP) and Grant Business Case” form can be found on the LHIN websites

Deadline for ECP Business Cases is **February 15, 2018**

7. ECPs: Roles & Responsibilities

Roles	Complete ECP Business Case form	ECP Business Case form Review
HSP	<ul style="list-style-type: none"> Obtain form from LHIN website 	<ul style="list-style-type: none"> Send completed form to LHIN
LHIN	<ul style="list-style-type: none"> Maintain availability of form's current version 	<ul style="list-style-type: none"> Review and submit endorsed forms to ministry by February 15, 2018. Late forms will not be considered.
Ministry	<ul style="list-style-type: none"> Develop/update and distribute form to LHINs 	<ul style="list-style-type: none"> Review and add approved projects to Schedule "A" Send updated Schedule "A" to Hospital

Please submit ECP Business Case Form in both Microsoft Excel© and signed in PDF© format

8. Exceptional Circumstance Project Grants

- To further address the current deferred maintenance deficit in the province, the ministry introduced an additional \$50M in annual investment in 2016-17
- The incremental \$50M is allocated to hospitals based on a review and assessment of ECP Grant Business Cases, which will be prioritized based on urgent/emergent needs
- Key criteria that will be used to identify projects will include:
 - **Urgent/emergent** needs affecting health and safety, code compliance, and/or imminent breakdown;
 - Significant funding **allocation deficits** preventing a hospital from funding a project from its regular annual allocation; and,
 - **Energy efficient** projects that will ensure long-term sustainability.

Deadline for ECP Grant Business Cases is **April 28th, 2017.**

8. ECP Grants: Roles & Responsibilities

Roles	Complete ECP Grant Business Case form	ECP Grant Business Case form Review	Funding Decision
HSP	<ul style="list-style-type: none"> Obtain form from the LHIN website 	<ul style="list-style-type: none"> Send completed form to LHIN 	N/A
LHIN	<ul style="list-style-type: none"> Maintain availability of form's current version 	<ul style="list-style-type: none"> Review and submit endorsed forms to ministry by April 28, 2017. Late forms will not be considered. 	N/A
Ministry	<ul style="list-style-type: none"> Develop/update and distribute form to LHINs 	<ul style="list-style-type: none"> Review Business Cases for approval 	<ul style="list-style-type: none"> Provision of additional ECP Grant and/or addition to Schedule "A"

Please submit ECP Grant Business Case Form in both Microsoft Excel© and signed in PDF© format

8. ECP and Grant Business Case Form

Found on LHIN Websites



Ontario 2017-18 Health Infrastructure Renewal Fund (HIRF) Exceptional Circumstance Project (ECP) and Grant Business Case Form

Health Service Providers (HSPs) may complete this form in order to request a critical requirement be added to the Schedule A list of HIRF eligible projects and/or be considered for an ECP grant for a HIRF-eligible project cost. The project is subject to review for eligibility consistent with the HIRF Guidelines and endorsement from the Local Health Integration Network (LHIN) and approval by the Ministry. All approved ECPs and ECP Grant Business Cases will be subject to the HIRF Guidelines and must be settled through the HIRF settlement process. **In order to request a critical requirement be added to the Schedule "A" list of HIRF eligible projects, Sections 1 & 3 must be completed along with Hospital and LHIN signatures. In order to apply for an ECP Grant, the entire form must be completed.**

Please send completed, signed and LHIN endorsed forms, along with completed excel copies to HealthCapitalInvestmentBranch@Ontario.ca. The submission deadline is **April 28, 2017 in order to be considered for an ECP Grant. The submission deadline is **February 15, 2018** in order to be considered for an ECP addition to your Schedule "A" list of HIRF eligible projects. Submissions received after the deadline will not be considered by the ministry.**

Date Submitted (MM/DD/YYYY)

Section 1: Project Information (Health Service Provider to Complete)

Name of Corporation:	
Facility Number:	
LHIN:	
Name of Site or Building:	
Site (or Building) Age:	
Name of Asset:	
Asset FCI (if available):	
Requirement (project) Name:	
Requirement Cost (must be between \$5000 and \$10M):	

9. Interim Reports

In the **Interim Report**:

- the hospital will identify the projects being undertaken from the list of eligible projects (Schedule “A”) for the funding year; and
 - the costs incurred to date and estimated spending by the end of the fiscal year
- Based on the **Interim Report** the hospital submits, the ministry will adjust payments to the hospital as required after obtaining written confirmation of the surplus funds from the hospital
 - The ministry may also reallocate unspent funds to other hospitals based on the **Surplus Funds Requests** received.

In accordance with **Schedule “D”** of the HIRF Agreement, the hospital is required to submit an Interim Report to the ministry **by November 15th of each funding year.**

9. Interim Reports: Roles & Responsibilities (continued)

Roles	Complete the Interim Report	Interim Report Review
HSP	<ul style="list-style-type: none"> Obtain form from the LHIN website 	<ul style="list-style-type: none"> Send completed form to ministry with a copy to the LHIN HIRF Lead
LHIN	<ul style="list-style-type: none"> Maintain availability of form's current version 	N/A
Ministry	<ul style="list-style-type: none"> Develop/update and distribute form to LHINs 	<ul style="list-style-type: none"> Track reported/planned spending and identify potential opportunities for reallocation

Note: The LHINs are also responsible for tracking submitted reports and following up with hospitals who are outstanding.

Please submit Interim Report in both Microsoft Excel© **and** signed in PDF© format

9. Interim Report Template



HEALTH INFRASTRUCTURE RENEWAL FUND (HIRF)
2017-18 HIRF Interim Report

Hospitals: Submit this report to the Ministry of Health and Long-Term Care (MOHLTC)

Date Submitted (YYYY-MM-DD)

Hospital Legal Corporation Name	Facility No.	Hospital HIRF Contact Name	Phone	Email
Approved HIRF Funding (FY2017-18)	Local Health Integrated Network (LHIN)	LHIN Contact Name	Phone	Email

#	Is this project listed on the	Requirement (Project) Name	Description	Req. ID (format e.g. REQ-1234)	Asset Name	Asset Facility Condition Index (AFCI)	Project Priority or Approved Exceptional Circumstance (PECC)	Will project finish by 31-Mar-2018?	Cost Incurred To-Date FY2017-18	Forecasted Cost for the Rest of FY2017-18	Estimated Total Spending in FY2017-18
1											\$0
2											\$0
3											\$0
4											\$0
5											\$0
6											\$0
7											\$0

10. Surplus Funds Requests (SFRs)

- Hospitals may submit, with the Interim Report, a **Surplus Funds Request** in order to be given additional funding consideration to assist with potential deficit costs exceeding the HIRF allocation, or to undertake additional Schedule “A” eligible projects within the funding year
- The LHINs are required to endorse projects in their service area for this potential funding. All LHIN selected projects will require LHIN sign off on **Surplus Funds Requests**
- The ministry will redistribute funds to based on availability and demand

The deadline to submit a Surplus Funds Request to the ministry is **November 15th, 2017**. Any additional work must be completed by **March 31st, 2018**.

10. Surplus Fund Requests: Roles & Responsibilities

Roles	Complete Surplus Funds Request Form	Surplus Funds Request Form Review	Funding Decision
HSP	<ul style="list-style-type: none"> Obtain form from the LHIN website 	<ul style="list-style-type: none"> Send completed form to LHIN 	N/A
LHIN	<ul style="list-style-type: none"> Maintain availability of form's current version 	<ul style="list-style-type: none"> Review and submit endorsed forms to ministry by November 15, 2017. Late forms will not be considered. 	N/A
Ministry	<ul style="list-style-type: none"> Develop/update and distribute form to LHINs 	<ul style="list-style-type: none"> Review Surplus Fund Requests for approval 	<ul style="list-style-type: none"> Determine funding reallocation and update funding letters as required

Please submit Surplus Fund Request Form in both Microsoft Excel© and signed in PDF© format

10. Surplus Funding Request Form



Health Infrastructure Renewal Fund (HIRF) 2017-18 Surplus Funding Request (SFR) Form

Hospitals may complete this form to request any 2017-18 surplus HIRF funding (if available) to be re-allocated in order to complete an existing project listed on the Schedule A list of eligible HIRF-funded projects.

Please send completed, signed and LHIN endorsed forms, along with completed excel copies to

HealthCapitalInvestmentBranch@Ontario.ca The submission deadline is **November 15, 2017**. Late submissions will not be considered.

Date Submitted (YYYY-MM-DD)

Section 1: Project Information (Hospitals to Complete)

Hospital Legal Corporation Name:	
Facility Number:	
LHIN:	
Did the hospital receive HIRF funding in 2017-18?	
Did the hospital receive an ECP Grant in 2017-18?	
Will the hospital use its entire HIRF allocation by March 31, 2018?	
Additional funding requested (\$):	
Will the requested additional funding be fully utilized by March 31, 2018?	
Do the intended projects to be undertaken appear on the 2017-18 Schedule A list of HIRF eligible requirements?	

Schedule A Eligible HIRF Project(s) to be undertaken using additional funding:

(Hospitals can use the Schedule A to insert this information)

Asset Name	FCI	Requirement Name	Estimated Cost	Priority	Requirement - ID
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11. Reallocation Process

- The ministry will use the interim report to calculate provincial underspending and ask the LHINs to identify eligible priority projects in their service areas through their endorsement of Surplus Funds Requests
- LHINs must only endorse projects that:
 1. Can see reallocated funds utilized **by March 31, 2018**; and,
 2. Appear on a hospital's Schedule "A"; or,
 3. Do not appear on a hospital's Schedule "A", but are accompanied by the submission of a LHIN-endorsed ECP Business Case.

12. Settlement

- In accordance with the HIRF Agreement, the hospital is required to submit a **Settlement Report** to the ministry by **June 30th, 2018**.
 - The ministry will use the Settlement Report to reconcile the funding. The ministry will refer to the list of eligible projects (Schedule “A”) to determine eligible expenses.
- The ministry will recover funds at **Project Settlement**, in accordance with the terms of the HIRF Agreement, if a hospital:
 1. is not able to spend the HIRF allocation by **March 31st, 2018**; or
 2. uses the HIRF allocation towards ineligible projects not outlined on Schedule “A”.
- Hospitals must close all completed HIRF project-specific Requirements in the FCAP database by **June 30th, 2018** in order for the ministry to finalize the settlement process.

12. Settlement: Roles & Responsibilities

Roles	Complete Settlement Report	Settlement Report Review	Settlement Decision
HSP	<ul style="list-style-type: none"> Obtain form from the LHIN website Close all completed requirements in FCAP database 	<ul style="list-style-type: none"> Send completed form (and any other documentation) to ministry 	<ul style="list-style-type: none"> Return any unspent funds
LHIN	<ul style="list-style-type: none"> Maintain availability of form's current version 	N/A	N/A
Ministry	<ul style="list-style-type: none"> Develop/update and distribute form to LHINs 	<ul style="list-style-type: none"> Review and reconcile funding 	<ul style="list-style-type: none"> Issue settlement letter

Please submit Settlement Report in both Microsoft Excel© and signed in PDF© format

12. HIRF Settlement Report Template



HEALTH INFRASTRUCTURE RENEWAL FUND (HIRF) 2017-18 HIRF Settlement Report

Date Submitted (YYYY-MM-DD)

Hospitals: Complete all highlighted fields and submit this report to the Ministry of Health and Long-Term Care (MOHLTC)

Hospital Legal Corporation Name	Facility No.	Project No.

Hospital HIRF Contact Name	Phone	Email

#	Name of Eligible Requirement (Project)	Requirement ID (e.g. REQ-1234)	Initial funding year HIRF funding used on Project (e.g. 2017-18)	Project Completed as of 31-Mar-2018?	Requirement Closed in FCAP database?	Total Eligible Cost Incurred for the Project FY2017-18
1						
2						
3						

If hospitals require additional rows, please contact the MOHLTC.

Sum of Total Eligible Project Cost in FY2017-18:	-
Approved HIRF Funding from MOHLTC for FY2017-18:	
Interest Earned on MOHLTC Funds for FY2017-18:	
Funding Surplus(+) / Deficit(-):	\$0.00

Q&A

**Please enter any questions into
the chat box**

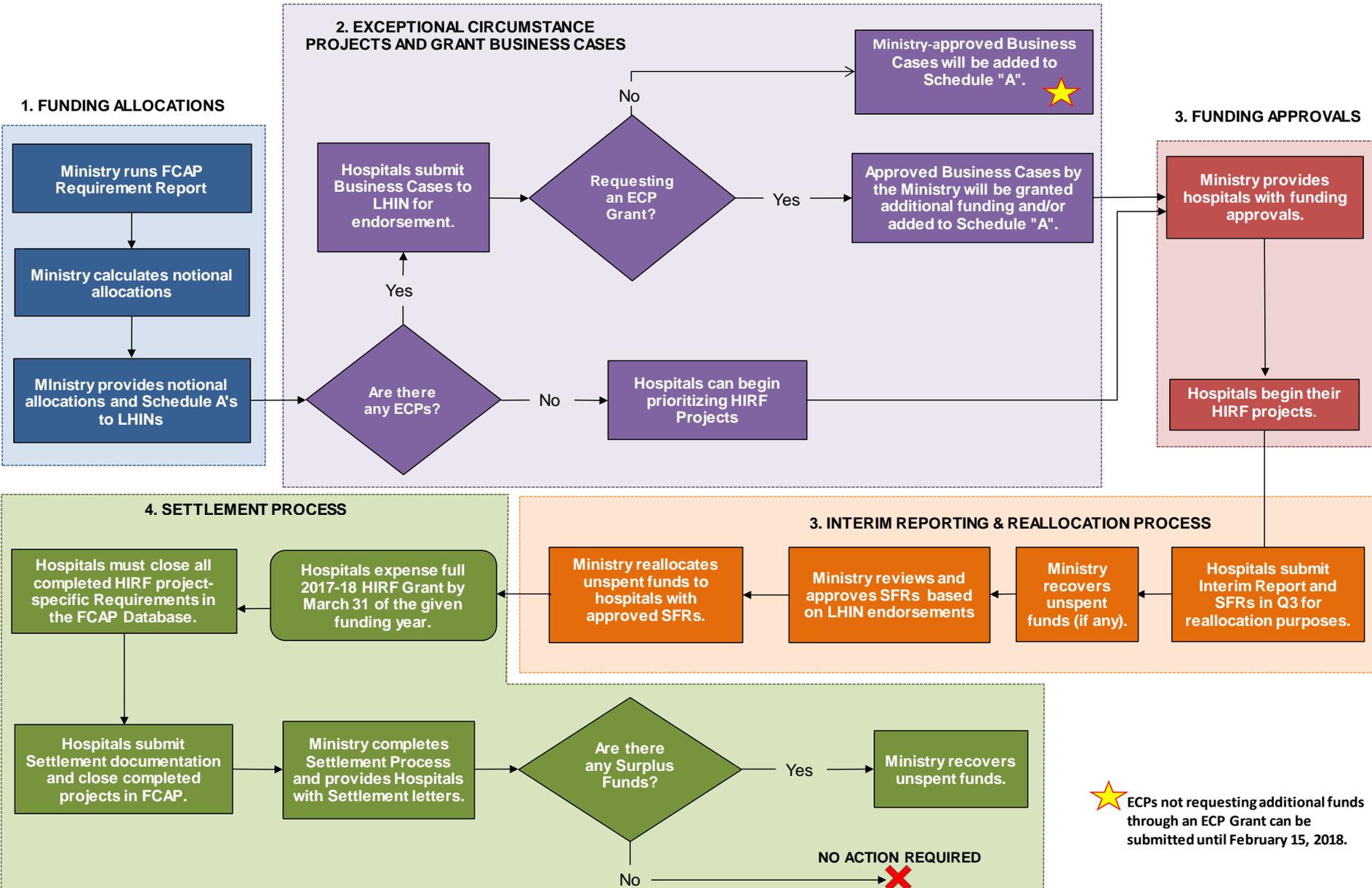
Should you have any further questions regarding the HIRF program please contact:

HealthCapitalInvestmentBranch@Ontario.ca

13. Appendix 1: HIRF Funding Calculation - Example

FY	Example	Total HIRF Funding Committed for the Fiscal Year (\$125,000,000)			
2016-2017	<p>Example: Hospital A accounts for \$150M or 10% of \$1.5B worth of total provincial Requirements based on Report run January 2016.</p>	<p>50% <u>pre-commitment of 2016-2017</u> (allocated in FY 2015-2016)</p>	<p>10% of <u>remaining 50% of 2016-2017</u> $\\$62.5M \times 0.10 = \\$6.25M$</p>	<p>50% <u>pre-commitment of 2017-2018</u> $\\$62.5M \times 0.10 = \\$6.25M$ A</p>	
2017-2018	<p>Example: Hospital A accounts for \$100M or 5% of \$2.0B worth of total provincial Requirements based on Report run January 2017.</p>		<p>50% <u>pre-commitment of 2017-2018</u> $\\$62.5M \times 0.10 = \\$6.25M$ A</p>	<p>5% of <u>remaining 50% of 2017-2018</u> $\\$62.5M \times 0.05 = \\$3.12M$ B</p>	<p>50% <u>pre-commitment of 2018-2019</u> $\\$62.5M \times 0.05 = \\$3.12M$ C</p>
2018-2019	<p>Example: Hospital A accounts for \$160M or 8% of \$2.0B worth of total provincial Requirements based on Report run January 2018.</p>		<p>50% <u>pre-commitment of 2018-2019</u> $\\$62.5M \times 0.05 = \\$3.12M$ C</p>	<p>8% of <u>remaining 50% of 2018-2019</u> $\\$62.5M \times 0.08 = \\$5M$</p>	<p>50% <u>pre-commitment of 2019-2020</u> $\\$62.5M \times 0.08 = \\$5M$</p>

14. Appendix 2: Current Program Model



★ ECPs not requesting additional funds through an ECP Grant can be submitted until February 15, 2018.

15. Appendix 3: Multi-Year HIRF Commitment - Example

