February 28, 2007

Mr. Greg Toma, CAO
Thompson Regional Hospital District
300 - 465 Victoria Street
Kamloops, B.C.
V2C 2A9

RE: CAPITAL FUNDING REQUEST FOR THE 2007/08 FISCAL YEAR

Dear Mr. Toma:

As part of the our annual capital budget process, Interior Health is requesting funding for the projects and equipment planned for facilities within the Thompson Regional Hospital District. We have included descriptions of each of the projects and capital items we intend to purchase during the 2007/08 fiscal year.

1. Construction Projects
   Lytton Health Centre
   The Lytton Health Centre project entails the construction of a new health centre facility centrally located in the Village of Lytton. This facility will replace the existing St. Bartholomew's Hospital originally constructed in 1937. The proposed facility is essentially two buildings, a Health Centre and an Assisted Living facility. An agreement between BC Housing and Interior Health provides for 6 assisted living units on the new site. The co-location of these facilities will permit operational efficiencies as well as an appropriate model of care for a smaller community. The Health Centre comprises space for services including an Emergency Department, Lab and X-ray Services, Respite/palliative care, Prenatal, Mental Health and Addictions, Chronic Disease Management, Health Promotion, Public Health, Home Nursing Care Support, Women's Health, Staff and Support space, Morgue and office space for clinical managers, Red Cross and Auxiliary. This project has undergone several amendments since the original program was developed. Of significance is the inclusion of the “green building” initiative which entails additional investment in mechanical and electrical systems. The green building initiatives will result in decreased operating costs as well as increased building longevity.

   The total budget for this project is $8.095 million of which BC Housing is funding $2.1 million for the Assisted Living component. We are requesting that the RHD fund 30% of the remaining $5.995 million for the Lytton Health Centre.
2. Residential Care Project
   Coquihalla/Gillis House 24 Bed Addition
   This project was included in our Capital Funding request letter last year and was approved by your Board. The budget of the project has increased as a result of development cost charges and additional construction costs for road, sidewalk and other site servicing requirements related to the land acquisition. We would like to ask you to consider funding 40% of these additional costs.

3. Equipment over $100,000
   a. Anaesthetic Unit with monitor for Lillooet District Hospital
      An Anaesthetic Machine is used in the operating room, to deliver anaesthetic gases to a patient under a general anaesthetic. Often, an anaesthetic machine will be purchased with a physiological and cardiac monitoring system and airway gas module. This will replace an anaesthetic machine purchased in 1987.

   b. Hematology Analyzer for Royal Inland Hospital
      A Hematology Analyzer is an automated system that utilizes whole blood samples to measure hemoglobin and provides fast, accurate, reproducible total counts for red blood cells, white blood cells and platelets. The analyzers accurately differentiate the types and number of the various white blood cells present, both normal and abnormal. The system is capable of alerting the technologist of abnormal results and enhances user safety by utilizing a closed blood tube sampling system. This unit will replace a 1998 machine.

   c. Ultrasound for Royal Inland Hospital
      An Ultrasound Machine is used in the Diagnostic Imaging department to generate images of internal soft tissues. By sending and receiving sound waves, the system can generate a quality image of internal organs, fetuses and free fluids such as internal bleeding. This will be an addition to the existing equipment at Royal Inland Hospital.

   d. Laser for Royal Inland Hospital
      Ophthalmologists use argon lasers to coagulate abnormal vascular tissue in the retina of the eye. Proliferation of such tissue is the leading cause of blindness in people 20 to 64 years old. Photocoagulating lasers can also create highly localized perforations in the iris or in the trabecular meshwork (a series of channels located in the corner of the eye) to relieve excessive intraocular pressure (glaucoma) caused by fluid accumulation. In addition, these lasers can create adhesions to repair retinal tears and seal leaking blood vessels to immediately stem fluid release and prevent the resulting edema. This new laser will be used in Ambulatory Care and replaces a 1994 laser.
e. **Dryer for Royal Inland Hospital**
   An industrial laundry dryer is used for drying hospital linens, clothing and surgical linens. This unit is to be used in conjunction with existing laundry equipment.

f. **Pharmacy Cabinets and Dispensing System for Royal Inland Hospital**
   Pharmacy Cabinets will align with the Pharmacy Automation project that began in 2004. These cabinets provide secure stations with drawers that offer single line item access and single dose dispensing.

g. **Installation of Gamma Camera for Royal Inland Hospital**
   In our 2006/07 your Board approved funding for the purchase of a Gamma Camera for Royal Inland Hospital. This year we are asking you to share the cost to do the renovations for the installation of the Gamma Camera at the facility.

4. **Telehealth Projects**
   **Telehealth Connectivity for Blue River Red Cross Outpost**
   Telehealth uses technology to provide better healthcare services to clients in rural areas. It includes initiatives such as tele-thoracic consultation and tele-wound care. It achieves standardization of care by using best practice protocols, increasing accessibility to specialists for clients, and reducing travel costs for patients to larger centers. This project will add video conferencing equipment to Blue River.

5. **Equipment under $100,000**
   At this time we have not finalized our prioritization process for equipment under $100,000. Once this has been completed, we will present you with a listing and will request shared funding.

We have included as Appendix 1 a financial summary of our funding request. Our request amounts of $2,783,284. This amount is based on our preliminary budget and is subject to Interior Health Board and Ministry of Health approval.

We would appreciate it if you could submit our request for funding these items to your Board for approval. Please advise us as to the date of the meeting this will be discussed at and if you would like to have Interior Health representatives at the meeting to answer any questions the Directors may have on these items. Upon approval, please forward copies of the relevant bylaws to Birgit Koster, Manager of Capital Accounting, for our records.

With the ongoing changes to the Provincial capital budget allocation process we are unsure of the implication to our Five Year Capital Plan. At this time we know our funding level for the fiscal year 2007/08. Over the next few months there will be various meetings to review the capital planning and budget process with a focus on sustainability and enhancements. We should then have a better picture of the requirements and funding for capital. We do
know that the Government has asked for a provincial wide prioritized list of construction, IMIT projects and major equipment.

We appreciate your patience and will keep you apprised of any new information as we receive it.

If you require further information, please do not hesitate to contact Dianne Kostachuk or me directly if you have any questions or concerns.

Yours truly,

Chris Mazurkewich
Chief Operating Officer, Strategic & Corporate Services

Encl. Appendix 1 Summary of Regional Health District Funding Request

cc: Sukhbinder Gill, Treasurer, TRHD
    Andrew Neuner, COO, TCS HSA
    Dianne Kostachuk, Director of Business Support, TCS HSA
    Dave Mackintosh, Executive Director, Facilities Management
    Birgit Koster, Manager, Capital Accounting
## Thompson
### Summary of Regional Hospital District Funding Request 2007/08

<table>
<thead>
<tr>
<th>Name of Facility</th>
<th>Location</th>
<th>Equipment/Project Description</th>
<th>Total Budget</th>
<th>RHD Share</th>
<th>Previously Approved</th>
<th>2007-08 Funding Request</th>
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