HEALTH INFRASTRUCTURE RENEWAL FUND GUIDELINES FOR 2018-2019

Ministry of Health and Long-Term Care

Ontario

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Key Updates for the 2018-19 Health Infrastructure Renewal Fund

For the 2018-19 Health Infrastructure Renewal Fund (HIRF), the Ministry of Health and Long-Term Care ("the ministry") has implemented the following changes:

Key Changes:

2017-18 HIRF	2018-19 HIRF
• HIRF reporting materials (Interim Report, Surplus Funds Requests, Settlement Report) available on LHIN websites and the online Self Reporting Initiative (SRI). • HIRF materials to be submitted via email and phased in through SRI.	• All HIRF reporting materials and forms are available on the Self Reporting Initiative (SRI). • All HIRF materials to be submitted via SRI.
• Hospitals received formulaic HIRF funding under the Evergreen HIRF Agreements issued in 2014-15 (or subsequent funding years depending on hospital).	• All hospitals receiving formulaic HIRF funding will be issued a new Evergreen Agreement for execution prior to receiving funding.

Key Deadlines:

ITEM	DEADLINE
Business Case - Exceptional Circumstance Project Grants (LHIN endorsed)	April 30, 2018
Interim Report	November 15, 2018
Surplus Funds Requests (LHIN endorsed)	November 15, 2018
Business Case - Exceptional Circumstance Projects (LHIN Endorsed)	February 15, 2019
All HIRF funding must be expensed	March 31, 2019
Settlement Report	June 28, 2019
All completed HIRF projects are closed in Facility Condition Assessment Program (FCAP) database	June 28, 2019

1.1 Introduction

The Health Infrastructure Renewal Fund (HIRF) Guidelines are intended to provide an overview of the program purpose and processes for the 2018-19 funding year. Hospitals must also read and be familiar with the terms and conditions of the HIRF Agreements in their entirety in order to fully meet all program reporting and spending requirements.

1.2 HIRF Overview

Hospitals are responsible for planning infrastructure renewal activities to ensure that their facilities are in a good state of repair. Recognizing the need for the renewal of health care infrastructure, the Ministry of Health and Long-Term Care ("the ministry") created the HIRF program. This program is intended to supplement a hospital's existing renewal program and to help address renewal needs on a priority basis.

The HIRF is aligned with the results of the ministry's Facility Condition Assessment Program (FCAP). As a result, annual HIRF allocations are determined using an evidence-based process. However, Local Health Integration Networks (LHINs) will have the opportunity to endorse urgent/emergent hospital infrastructure needs for an Exceptional Circumstance Project (ECP) Grant, which may result in the ministry providing additional funding to a hospital whether or not the hospital received a HIRF allocation that funding year. The ECP Grant process is described later in this document.

Hospitals must use the HIRF allocation provided in the 2018-19 funding year towards eligible HIRF projects during the 2018-19 fiscal year. Hospitals must expense the full grant and are not permitted to carry unspent funds or deficits forward to subsequent funding years.

In November 2018, hospitals are required to self-report their funding progress, and the ministry will assess provincial underspending and overspending. After confirming underspending with Hospitals, the ministry may reallocate unspent funds to hospitals with overspending based on the Surplus Funds Requests received. The Surplus Funds Request process is described later in this document. Please note that the maximum funding a hospital may receive in any given funding year is $10M. Any unspent funds at Project Settlement will be recovered in accordance with the terms of the HIRF Agreement. Significant or recurring underspending of HIRF funds may result in ministry review of future year funding.

1.3 How HIRF Works

1.3.A. Requirement List Created

1. The ministry's third party vendor conducts a condition assessment of all eligible hospital Assets through the FCAP.

2. Based on the FCAP assessment, a Facility Condition Index ("FCI") score is assigned to the Assets of each hospital. The benchmark FCI score for all public hospitals in the province of Ontario is 0.21. (See Appendix "A": "Facility Condition Assessment Program (FCAP)" and Appendix "B": "Facility Condition Index".)

3. The ministry runs a Requirement Report on the last working day of January of each calendar year to determine the 50% HIRF allocation for all public hospitals in Ontario for the next funding year. The Requirement Report captures all Requirements in the FCAP database at the time of report that:

   (a) are in an Asset that has a FCI score greater than or equal to 0.21;
   (b) cost between $5,000 and $10,000,000; and
   (c) fall under at least one of the following three FCAP priorities:

      - Priority One – Health and Safety;
      - Priority Two – Code Compliance; or
      - Priority Three – Asset Integrity – Imminent Breakdown.

4. All Requirements in the FCAP database that meet the above criteria are deemed eligible HIRF projects by the ministry and are added to the Schedule "A" list of eligible projects released each funding year with the funding letters.

   The Requirement Report forms the basis for the annual formulaic allocations as well as the Schedule "A" list of eligible projects which the hospital may apply their HIRF allocation towards. Hospitals may only use funds towards projects outlined on Schedule "A".

   Requirements existing in the FCAP database that meet HIRF eligibility criteria, but do not appear on the Schedule "A" list of eligible projects must be added to Schedule "A" by submitting a LHIN approved Exceptional Circumstances Project (ECP) and Grant Business Case (the "**Business Case**") in order to become eligible. Please see below for more information on ECPs and ECP Grants.

1.3.B. Funding Calculated

5. Based on the above Requirement Report, the ministry calculates each hospital's proportion of the total eligible Requirements across the province to determine the hospital's anticipated allocation. An example of funding calculations is described in Figure 2 below.

   Example: Total eligible provincial Requirements are worth $100,000.
   Hospital A has $10,000 worth of Requirements.
   Hospital A is eligible for 10% of the funding ($10,000/$100,000).

   If the anticipated allocation for a hospital is less than $5,000, the ministry will provide the hospital with a minimum allocation of $5,000.

   If the anticipated allocation for a hospital exceeds $10,000,000, the ministry will cap the hospital's allocation at $10,000,000 for the fiscal year.

6. Since 2014-15, the ministry has provided annual HIRF allocations along with a 50% pre-commitment for funds in the subsequent funding year, to allow hospitals the increased ability to plan projects. Each subsequent funding year, the ministry will use the Requirement Report to allocate the remaining 50% of that year's

allocation, and again commit up to 50% of the HIRF allocation for the following year. Different scenarios of HIRF Multi-Year Funding are described below:

Figure 1: **HIRF Multi-Year Funding**

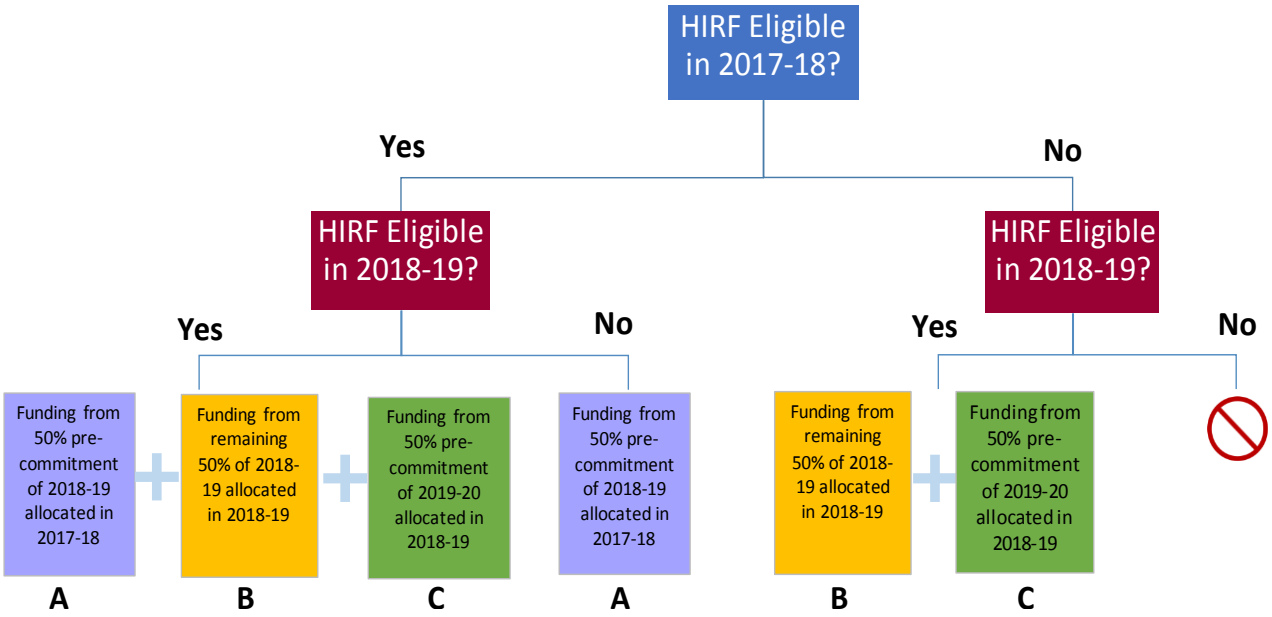


Figure 2: **HIRF Funding Calculation**

FY	Example	Total HIRF Funding Committed for the Fiscal Year ($125,000,000)			
2017-2018	**Example:** Hospital A accounts for $150M or **10%** of $1.5B worth of total provincial Requirements based on Report run January 2017.	50% pre-commitment of 2017-2018 (allocated in FY 2016-2017)	10% of remaining 50% of 2017-2018 $62.5M x 0.10 = $6.25M	50% pre-commitment of 2018-2019 $62.5M x 0.10 = $6.25M A	
2018-2019	**Example:** Hospital A accounts for $100M or **5%** of $2.0B worth of total provincial Requirements based on Report run January 2018.		50% pre-commitment of 2018-2019 $62.5M x 0.10 = $6.25M A	5% of remaining 50% of 2018-2019 $62.5M x 0.05 = $3.12M B	50% pre-commitment of 2019-2020 $62.5M x 0.05 = $3.12M C
2019-2020	**Example:** Hospital A accounts for $160M or **8%** of $2.0B worth of total provincial Requirements based on Report run January 2019.		50% pre-commitment of 2019-2020 $62.5M x 0.05 = $3.12M C	8% of remaining 50% of 2019-2020 $62.5M x 0.08 = $5M	50% pre-commitment of 2020-2021 $62.5M x 0.08 = $5M

7. On January 31, 2019, the ministry will run a new Requirement Report. This report may be used to allocate the remainder of the 2019-20 HIRF funding and commit up to 50% of the 2020-21 HIRF funding.

8. The LHINs will direct hospitals to the LHIN website (http://www.lhins.on.ca) to find the HIRF Guidelines and to the Self Reporting Initiative (SRI) website (https://www.sri.moh.gov.on.ca/SRI/) to find the ECP Business Case, Interim Report, Surplus Funds Request Form and Settlement Form.

   Please refer to Appendix "D" for information on how to register and submit materials through SRI.

1.3.C. Funding Letters and Updated Schedules or Agreements Provided

9. The ministry will advise hospitals of the final amount of their HIRF Grants through the release of funding letters. The grant amount will also be reflected in the corresponding HIRF Agreement.

   Before providing any HIRF allocations, the ministry will require hospitals to sign a new 2018-19 HIRF Agreement with the ministry containing the terms and conditions governing the use of HIRF Funds.

10. Attached to the HIRF Agreement is a Schedule (Schedule "A") that will list all of the eligible projects for the funding year. Because the HIRF Agreement runs over multiple years, the ministry will create a new list of eligible projects for each funding year.

11. The HIRF Agreement requires hospitals use their HIRF funds only for the eligible projects listed in Schedule "A" for the same funding year. Hospitals may not carry unspent funds or deficits from one funding year to another. Failure to comply with the terms and conditions of the HIRF Agreement will constitute an Event of Default and the ministry may determine a remedial course of action.

12. If a hospital receiving HIRF funding would like to undertake a project that is not a Requirement outlined in the Schedule "A" list of eligible projects, the hospital must submit an ECP Business Case to their LHIN for endorsement and subsequently to the ministry for approval.

    In order to be eligible for additional HIRF funding, the project is required to meet the criteria outlined in the Exceptional Circumstance Project Grants section below.

    The hospital will also be required to enter approved ECP into the FCAP database as a Requirement if it is not already in the database.

1.3.D. HIRF Agreement Signing Process

13. Hospitals will send their signed HIRF Agreements to: *HealthCapitalInvestmentBranch@Ontario.ca* with the subject line "[Hospital Name] [Funding Year] HIRF Agreement".

14. Upon receiving the signed HIRF Agreement from the Hospital, the ministry will sign the HIRF Agreement and provide a fully executed copy to the hospital. Subsequently, the ministry will provide funding to the Hospital.

1.3.E. Hospital Reporting Obligations

15. Hospitals have various reporting responsibilities throughout the year and must ensure they review their HIRF Agreement appropriately to ensure they fully understand their reporting obligations. Failure to provide reports properly and on time will be an Event of Default under the HIRF Agreement. All reporting materials are to be submitted electronically through SRI.

16. For each funding year, hospitals receiving HIRF funds must:

    (a) begin any HIRF eligible project, once the ministry advises the hospital of the amount of their HIRF allocation;
    (b) submit to the ministry an Interim Report by November 15th;
    (c) submit to the ministry a Settlement Report by June 28; and,
    (d) close Requirements pertaining to completed HIRF projects in the FCAP database by June 28.

    Note: the ministry will not complete the annual settlement process for a hospital unless the completed requirements have been closed in the FCAP database.

17. In the event that underspending is identified through the Interim Reporting process, upon confirmation, the ministry may reallocate the under spending amount to other Hospitals based on Surplus Funds Requests received.

1.4 Eligible Projects for the HIRF Program

A project is eligible if the project:

1. Is a Requirement in the FCAP database that:

    - is for an Asset* that has an FCI score equal to or greater than 0.21
    - meets at least one of the following FCAP priorities:
        - Priority One – Health and Safety;
        - Priority Two – Code Compliance; or
        - Priority Three – Asset Integrity – Imminent Breakdown.

    * Includes hospital owned assets captured in the FCAP database used for Fund Type 2 programs.

2. Is a minor infrastructure renewal project;

3. Can be completed within a maximum of 3 fiscal years;

4. Is not part of an existing approved infrastructure project that is funded by the ministry;

5. Is not in an asset that is less than 5 years old;

6. Is a tangible asset that will have a useful life extending beyond one year and is intended to be used on a continual basis;

7. Extends the useful life of the hospital facility or improves the hospital facility's quality or functionality;

8. Involves the replacement of entire systems as opposed to components of a system;

9. Is capitalizable;

10. Costs between $5,000 and $10 million, inclusive;

11. Will result in the closure of a Requirement in the FCAP database;

12. Has not been approved for a HIRF allocation previously (unless approval was for a distinct phase);

13. Addresses an infrastructure need only and not programs and services;

14. Does not require an increase to a hospital's operating budget;

15. Does not require preparation of a functional program;

16. Is listed on the Schedule "A" for that funding year.

See Appendix "C" for a list of examples of both Eligible and Ineligible Projects.

1.5 Ineligible Costs

A cost will be ineligible if it relates to:

1. Infrastructure to accommodate additional beds or new/expanded programs or services;
2. Infrastructure projects for non-hospital purposes;
3. Infrastructure projects in assets not owned by the hospital;
4. Infrastructure for revenue generating areas (e.g., parking lots/garages, gift shops, etc.); or,
5. Is not listed on the Schedule "A" for that funding year.

See Appendix "C" for a list of work related examples of Eligible and Ineligible Projects.

1.6 Exceptional Circumstance Projects (ECP)

In order for a hospital to have a Requirement considered for addition to their Schedule "A" list of eligible projects, hospitals are required to submit an Exceptional Circumstance Project (ECP) and Grant Business Case Form (available on the Self Reporting Initiative (SRI) website (https://www.sri.moh.gov.on.ca/SRI/)). This form is also used for the ECP Grant process (explained below). Business Cases can be submitted for the following scenarios:

1. **NEW URGENT REQUIREMENT:** If a hospital has an urgent need arise to complete a priority infrastructure project that is not a FCAP Requirement and the project meets all other criteria set out in the HIRF Guidelines for Exceptional Circumstance Projects, the hospital should provide a Business Case to the LHIN for endorsement.

   The LHIN will provide the endorsed Business Case to the ministry for approval.

The hospital can only apply HIRF funds towards the project if the ministry has approved the ECP and sent the hospital an updated Schedule "A" that includes the ECP.

The hospital will also be required to enter the Requirement in the FCAP database. A Requirement number is required in order to complete HIRF project Settlement documentation.

2. **EXISTING REQUIREMENT NOT ON SCHEDULE "A":** If 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 hospital should provide a Business Case to the LHIN for endorsement and the ministry for approval in order to have this added to Schedule "A".

Please refer to the *Roles and Responsibilities* section for further information on hospital, LHIN and ministry roles and responsibilities for ECPs. These types of Business Cases must be submitted through SRI by **February 15** of the given funding year. Late submissions will not be considered.

1.6.A. Criteria for Exceptional Circumstance Projects

A project may be accepted as an ECP if it:

1. Meets all the criteria outlined for eligible projects listed above under the heading "Eligible Projects", with the **exception** that the project does **not** need to be:
   - in an Asset with a FCI greater than or equal to 0.21; and/or
   - a Requirement in the FCAP database.

2. Falls under at least one of the following three FCAP priorities:
   - Priority One – Health and Safety;
   - Priority Two – Code Compliance; or
   - Priority Three – Asset Integrity – Imminent Breakdown.

3. The hospital can utilize the funds by March 31st, of the funding year; and,

4. The LHIN can demonstrate why the project is a priority for the LHIN at this time.

1.7 Exceptional Circumstance Project (ECP) Grants

Hospitals may also apply for an ECP Grant to receive HIRF funding in addition to their annual allocation. The ministry will direct grants toward high priority needs beyond the hospitals initial allocation. To be eligible for an ECP Grant, hospitals must complete the Exceptional Circumstance Project (ECP) and Grant Business Case Form (available on the SRI website). Hospitals can also apply for ECP Grants for projects already on their Schedule "A" if the project cost for the year exceeds the Hospital's HIRF allocation for that funding year.

ECP Grants will be available to all public Hospitals in Ontario, including those that did not receive HIRF funds in the current funding year. The funds will still be subject to the Hospital's signed HIRF Agreement and will appear on their Schedule "B". Hospitals that do not have a signed HIRF Agreement will be required to sign an agreement in order to receive the funds. ECP Grants will not be included when calculating the 50% pre-commitment of HIRF Allocation for the subsequent funding year.

In order to determine the allocation of grants, these types of Business Cases must be submitted through SRI by **April 30** of the given funding year. Late submissions will not be considered.

1.7.A. Criteria for Exceptional Circumstance Project (ECP) Grants

A project may be eligible for an ECP Grant if:

1. The project meets all the criteria outlined for eligible projects listed above under the heading "Eligible Projects", with the **exception** that the project does **not** need to be:
    - in an Asset with a FCI greater than or equal to 0.21;
    - a Requirement in the FCAP database;
    - in an asset that is at least 5 years old; and/or,
    - listed on the Schedule "A" for that funding year.

2. The project falls under an urgent or emergent need.

3. It falls under at least one of the following three FCAP priorities:
    - Priority One – Health and Safety;
    - Priority Two – Code Compliance; or
    - Priority Three – Asset Integrity – Imminent Breakdown.

4. The hospital can utilize the funds by March 31st, of the funding year; and,

5. The LHIN identifies the project as a priority for the LHIN at this time.

1.8 In-Year Processes

1.8.A. Interim Report

In accordance with the HIRF Agreement, the hospital is required to submit an Interim Report to the ministry by November 15 annually. In the Interim Report, the hospital will identify the projects undertaken from Schedule "A", the costs incurred to date and estimated spending by the end of the fiscal year.

Based on the Interim Reports submitted by the hospitals, and upon confirmation, the ministry may adjust payments to the hospitals as required.

The ministry may also reallocate unspent funds to other hospitals based on the Surplus Funds Requests Forms received. Any unexpended funds at project Settlement will be recovered in accordance with the terms of the HIRF Agreement.

The Interim Report for HIRF is due to the ministry as set out in Schedule "D" of the HIRF Agreement and is to be submitted through SRI.

1.8.B. Surplus Funds Requests

Hospitals may also submit a Surplus Funds Request Form (due November 15) to request additional funding, if available, for the following within the funding year:

(a) ongoing projects that exceed the HIRF allocation, or
(b) additional Schedule "A" eligible projects

Projects receiving additional HIRF Grants pursuant to a Surplus Fund Request must be completed by March 31 of the same funding year. The Surplus Funds Request Form is available on theSRI website and must be submitted by the November 15 deadline in order to be considered by the ministry.

1.8.C. Reallocation Process

A goal of the annual HIRF allocation is to enable hospitals to achieve 100% utilization of their funding on priority infrastructure projects. Utilizing information collected through the Interim Report, the ministry may advise the LHINs of potential under spending across the province. Should underspending in the province be identified, hospitals may be eligible to receive additional funding through a reallocation by the ministry, whereby hospitals communicating an underspend will have funds re-distributed to other hospitals in need of additional funds. The basis of the reallocation will be as per the submitted Interim Reports and Surplus Funds Requests as outlined above.

An objective of the reallocation process is to enable maximal investment of HIRF funding into priority healthcare infrastructure projects. The LHINs are required to endorse projects in their service area for this potential funding. All LHIN approved projects will require LHIN sign-off on the Surplus Funds Requests.

Ministry approved Surplus Funds Requests will be given a proportional allocation of the overall provincial underspend.

The hospital must enter the Requirement in the FCAP database, if it is not already in the database.

1.8.D. Settlement

In accordance with the HIRF Agreement for each funding year, the hospital is required to submit a Settlement Report to the ministry by June 28 of each subsequent funding year. The ministry will use the Settlement Report to reconcile the funding. The ministry will refer to the Schedule "A" list of eligible projects to determine eligible expenses. The Settlement Report is to be submitted through SRI.

If a hospital is not able to spend the HIRF allocation by March 31st, of each funding year, or uses the HIRF allocation towards ineligible projects not outlined on Schedule "A", the balance will be recovered by the ministry as part of the settlement process in accordance with the HIRF Agreement.

As per the terms of the HIRF Agreement, hospitals must close all completed HIRF project-specific Requirements in the FCAP database by June 28 of each subsequent funding year along with the settlement documentation. The ministry will not complete the annual settlement process for a hospital unless the completed requirements have been closed in the FCAP database.

Please note, failure to meet the terms and conditions of the HIRF Agreement will constitute an Event of Default and the ministry may determine a remedial course of action, including recovery of ministry funds.

1.8.E. Contact Information

To ask program-related questions, hospitals should contact their LHIN HIRF contact, identified in Appendix "E".

1.8.F. HIRF Information

HIRF information is made available on LHIN websites.

The general LHIN site, to which each LHIN website is linked, can be accessed at: http://www.lhins.on.ca/

1.9 Roles and Responsibilities for Exceptional Circumstance Projects and Grants, Surplus Funds Requests and the Reallocation Process

In each fiscal year, hospitals may be eligible to receive additional HIRF Grants for projects approved by the ministry as either an ECP Grant, or through a Surplus Funds Request.

1. The LHINs will:

(a) direct the Chief Executive Officer or Chief Financial Officer of hospitals in their service areas to:

(i) identify and complete a Business Case for any projects that fall within the Exceptional Circumstance Project category;

(ii) identify and complete a Surplus Funds Request Form to be submitted with the Interim Report (if applicable);

(iii) submit the Business Case and/or Surplus Funds Request Form in both Microsoft Excel© **and** signed in PDF© format through SRI for LHIN endorsement in accordance with the criteria set out in the HIRF Exceptional Circumstance Project section;

(b) review the hospital's completed Business Case and/or Surplus Funds Request Form to ensure that the project meets the eligibility criteria for ECPs and recommend the funding necessary to complete the project.

2. Based on the LHIN's review of the Business Cases and Surplus Funds Requests in their service area, the LHIN will:

(a) submit to the ministry all endorsed Business Cases and Surplus Funds Requests in both Microsoft Excel© **and** signed PDF© format and its statements demonstrating why the projects are a priority for the LHIN at this time; and

(b) provide all LHIN-endorsed documents to the ministry through SRI.

3. The ministry:

(a) will review all Business Cases and Surplus Funds Requests and the LHIN's statement demonstrating why they are a priority for the LHIN at this time;

(b) may approve or reject the Business Cases and Surplus Funds Requests;

(c) may re-allocate funding based upon its assessment of Interim Reports and Surplus Funds Requests.

The in-year reallocation will provide additional resources needed for hospitals to complete priority infrastructure projects in the current fiscal year.

4. The Hospital will:

(a) prepare and submit completed Business Case and/or Surplus Funds Request Forms in both Microsoft Excel© and signed PDF© format through SRI for LHIN endorsement;

(b) enter Requirements for any ministry approved ECPs in the FCAP database if not already in the FCAP database;

(c) ensure that any additional funds received as a result of a Surplus Funds Request or Business Case are utilized by March 31 of the same funding year; and,

(d) Close any completed requirements in the FCAP database by the settlement report deadline of June 28.

Appendix A: Facility Condition Assessment Program (FCAP)

In 2007-08 the ministry began implementing the FCAP to obtain detailed and consistent information in order to:

- inform the ministry and government about the stock and condition of the infrastructure of publicly-funded hospitals;
- develop long-term projections of capital investment requirements; and
- assist with the evaluation of capital funding requests.

The following services are provided through a third party vendor:

- condition assessments of hospital facilities by qualified engineers and architects;
- building inventory data about each hospital;
- software that houses this information; and
- tools for reporting, analytical work and planning.

The FCAP assessment schedule is 4 years in duration with 25% of all eligible hospitals being assessed annually.

The main elements of FCAP include a physical assessment of hospital facilities and sites, and Asset Management Software that stores and reports on the information derived from assessments. The program measures and records the conditions of hospitals' physical Assets. This data is available to the hospitals, LHINs and the ministry.

Hospitals are required to update their data in the FCAP database to ensure accurate information is available to identify funding needs and inform decisions. All public hospitals in the province are required to fully participate in the FCAP.

Hospital's participation in the FCAP includes (but is not limited to):

- allowing the vendor to complete a condition assessment during the FCAP assessment cycle (each hospital to work with the third party vendor to schedule the hospital's assessment;
- participating in the software training;
- reviewing and confirming the condition assessment draft report within 25 business days of receipt; and
- maintaining the hospital's data for the FCAP in the FCAP database (i.e. adding Requirements, closing Requirements, etc.)

FCAP provides hospitals with Asset information that includes a Facility Condition Index (FCI) score, which measures the condition as a ratio of the sum of the near term needs for an Asset divided by its replacement value.

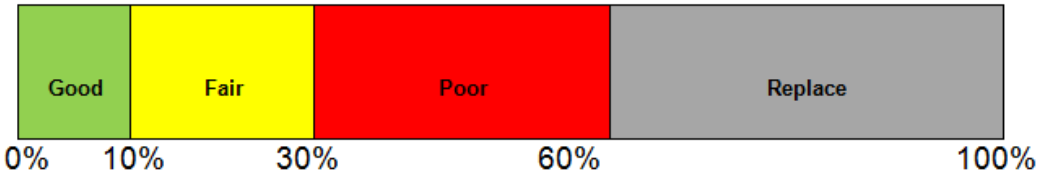
It is increasingly important to the HIRF program, and to provincial infrastructure planning, that hospitals maintain the data being collected in the FCAP database. Through participation in training sessions, hospitals should become familiar with managing their FCAP data to ensure infrastructure information is current. Failure to update and maintain the FCAP data may result in hospitals being deemed ineligible for HIRF. The FCAP will also be used to support recommendations on health capital investment policies. Accurate information obtained through the FCAP will assist hospitals, LHINs and the ministry in setting capital renewal priorities.

Appendix B: Facility Condition Index (FCI)

Facility Condition Index (FCI) scores measure condition as a ratio of the sum of the near term needs for an Asset divided by its replacement value.

$$\text{FCI} = \frac{\text{Deferred Maintenance} + 2 \text{ Years of Capital Expenditure}}{\text{Current Replacement Cost}}$$

International Facility Management Association (IFMA) Standard Condition Ratings Based on FCI



Example: FCI score of 0.10 = 10% or "Good"

The current benchmark FCI Score for all eligible hospitals in Ontario is 0.21.

Deferred Maintenance: refers to the accumulated value of the normally required maintenance (only includes FCAP priority Requirements 1–5) investments that have been deferred from prior years and are due.

2 years of Capital Expenditure: refers to all repairs (only includes FCAP priority Requirements 1–5) that have been identified and are planned for implementation in the following two years.

Current Replacement Cost: is an estimate of the cost of replacing an existing Asset with a similar new Asset with the same functional utility.

Appendix C: Examples of Eligible and Ineligible HIRF Projects

a.) Examples of Eligible HIRF Projects

The following list of projects is not intended to be exhaustive. Its purpose is to assist hospitals to identify eligible HIRF projects.

• Mold remediation • Isolation room monitoring • Inserting view panels in existing doors • Addressing barrier-free Requirements (i.e., at hospital entrance/exit points, washrooms) • Installing ceiling lifts/tracks • Sidewalk replacement • Installing sprinklers in sections of building • Addressing penetration to fire separations • Removing contaminated soil • Replacing roof/roof sections • Replacing pumps • Replacing windows • Replacing flooring • Replacing AHU (Air Handling Unit) • Replacing cooling tower • Replacing transfer switch gear for emergency power • Restoring exterior cladding (i.e., tuck/stone-pointing)	• Replacing nurse call system • Installing protective glass partitions • Addressing hazardous materials • Installing, for security purposes, closed circuit television systems • Installing an infant protection system • Installing infection control barriers • Removing asbestos • Replacing/removing underground tank(s) • Addressing egress from buildings • Upgrading fire alarm system • Replacing/upgrading chiller • Replacing boiler(s) • Replacing HVAC (rooftop) unit • Upgrading elevator(s) • Replacing emergency generator(s) • Upgrading electrical distribution and/or supply • Replacing bulk oxygen system

Appendix C: Examples of Eligible and Ineligible HIRF Projects (continued)

b.) Examples of Ineligible HIRF Projects

The following are examples of projects which are not eligible under the HIRF program. HIRF allocations cannot be used for the following:

• Salaries, wages and benefits for hospital staff
• Patching roof/flooring systems
• Replacing hardware
• Duct cleaning
• Painting walls, ceilings, etc.
• Repairing leaks to windows/skylights
• Replacing light bulbs
• Treating/Testing water quality/medical gases
• Installing valves
• Furnishings
• Gardens, works of art, and decorations
• Any regular maintenance work
• Conducting planning and/or feasibility studies of any kind
• Consulting fees for:
  ○ equipment
  ○ interior design and/or colours
  ○ landscape architecture
  ○ traffic
  ○ kitchen/dietary issues
	• Financing charges and/or campaign costs associated with fundraising
	• Infrastructure issues in assets leased by the hospital
	• Infrastructure issues for revenue generating areas (e.g., parking lots/garages, gift shops, etc.)
	• Infrastructure issues for hospital-owned assets where >10% of the space is leased out to other parties
	• Purchasing/Installing:
	  ○ Medical equipment
	  ○ Information technology
	  ○ Communications technology
	• Paging/telephone replacements/upgrades except when integrated with nurse call and/or fire alarm system
	• Infrastructure issues for long-term care facilities (exception of Elderly Capital Assistance Program programs)

Appendix C: Examples of Eligible and Ineligible HIRF Projects (continued)

In addition, HIRF Grants cannot be used for:

- coverage of hospital staff costs for projects completed by hospital staff. HIRF Grants cannot be used to backfill hospital staff costs;
- infrastructure to accommodate additional beds or new/expanded programs or services;
- infrastructure for programs being provided from former provincial psychiatric hospital sites/facilities, as these are managed through a separate capital program for these sites, in conjunction with Infrastructure Ontario;
- hospitals that have been constructed through a build/finance/maintain (BFM) or design/build/finance/maintain (DBFM) alternative financing and procurement (AFP) arrangement; or
- projects that include life cycle costs/funding, as part of the procurement arrangement, to address infrastructure issues.

Appendix D: Self-Reporting Initiative (SRI) HIRF User Guide

1. REGISTERING FOR SRI

If you do not already have an account for SRI, you will need to register online at https://www.sri.moh.gov.on.ca/SRI/.

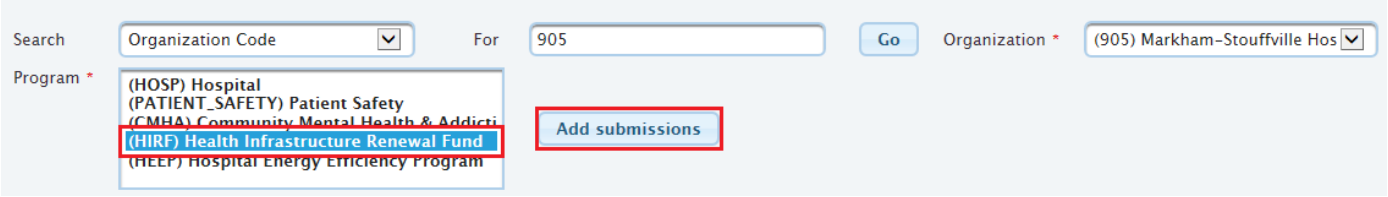
Click **Register for a new account** to begin user registration. Follow the on-screen prompts to complete Steps 1 & 2, then refer to section 2 below for assistance in adding permissions for the HIRF program.

2. ADDING HIRF PERMISSIONS

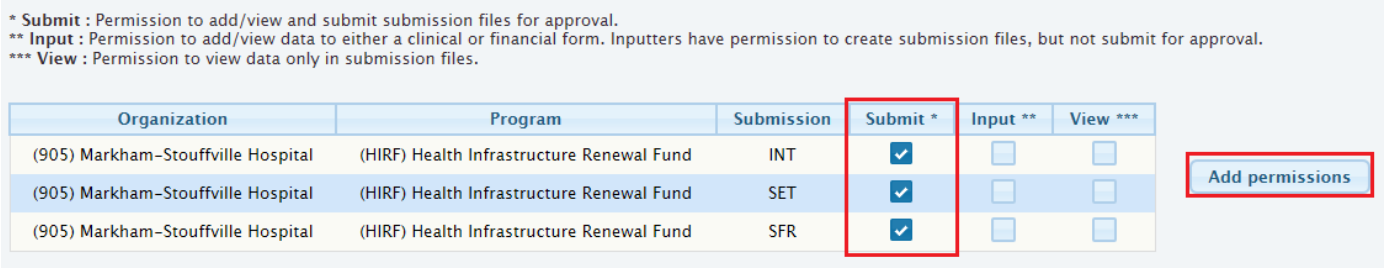
To submit HIRF forms to the ministry through SRI, you will need to add permissions for HIRF to your SRI user account.

When creating a new SRI user account, HIRF permissions can be added through Step 3 of the user registration process. If you have an existing SRI user account, you can add permissions once logged onto your account through the dashboard by clicking on **User Profile > Add/Modify Submission Permissions**, located at the top left of the page.

Enter the name of your organization, and be sure to select **HIRF (Health Infrastructure Renewal Fund)**. Click **Add submissions** to complete the next section of the page.



Next, select the checkbox for the submissions (Interim Report, Settlement Report, Surplus Funds Request) and permissions (Submit, Input, View) you wish to receive, then click **Add permissions**. The example below shows the selection for a user wishing to request Submit permissions for all three submissions.

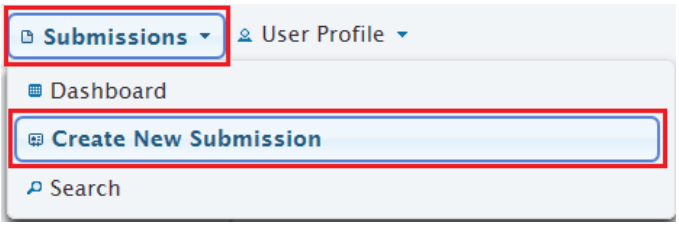


Next, you will see the name and contact information for your organization's Authoritative Person, who will authorize your request. Confirm that this information is correct, and click **COMPLETE REGISTRATION** (if creating a new account) or **Update** (if adding permissions to an existing account) to complete the process.

Note: Once submitted, your Authoritative Person will receive an email. The Authoritative Person will need to approve your request before you can view the HIRF forms.

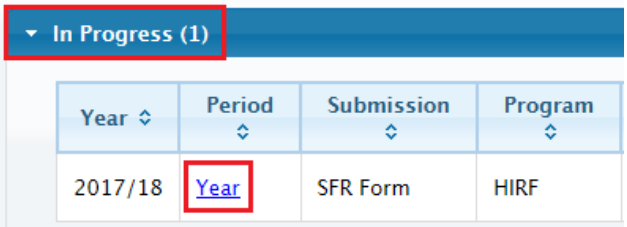
3. ACCESSING AND SUBMITTING HIRF FORMS

Once you have been granted HIRF permissions, you can create new forms by clicking **Submissions > Create New Submission**, located at the top left of the page.

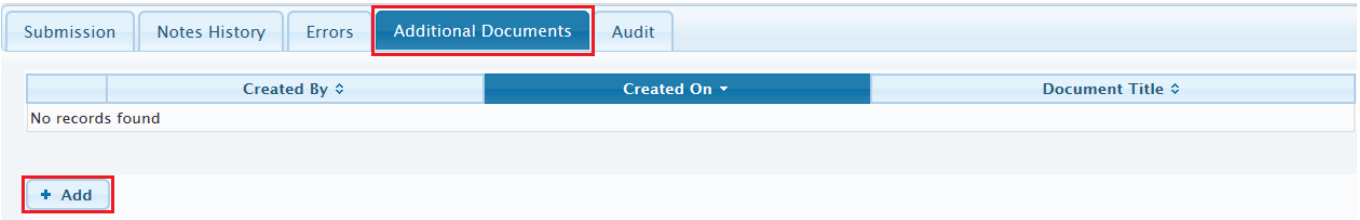


This will bring you to a new page where you can select which forms you wish to create. Clicking **Create** will generate the selected forms for your organization. You will need to return to the Dashboard to access the forms, where they will show as "In Progress".

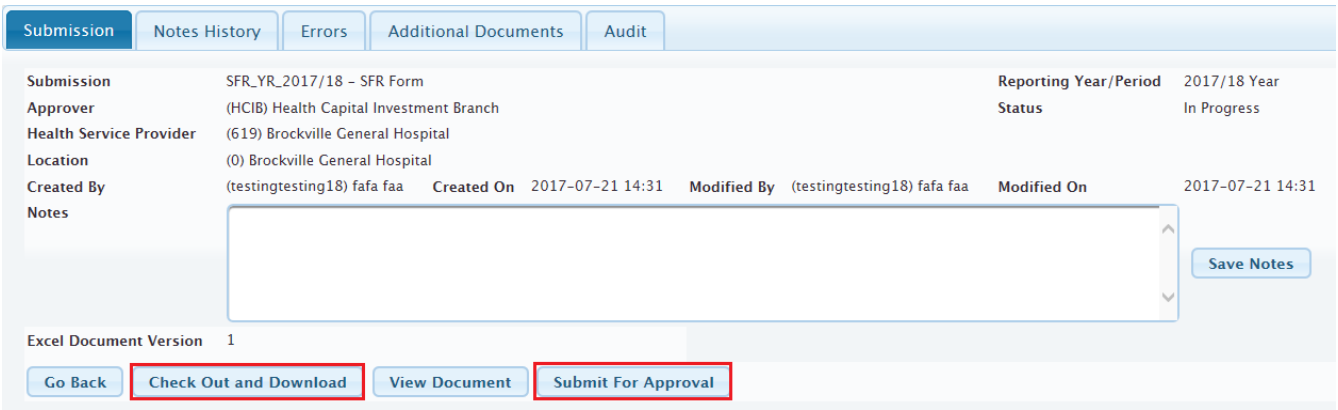
Navigate to the **Dashboard** (Submissions > Dashboard), then click **In Progress** to view which forms have been created. Click the **Year** to access the form.



This will bring you to the Submission Edit page, where you can **Check Out and Download** the form to make edits and **Check In** the form once edits have been made. This is also where you will add signed PDF copies of the forms and any additional documents. Click the **Additional Documents** tab followed by the **+ Add** button to attach additional documents to your submission.



Once you have checked in your completed forms and added any additional documents, click **Submit For Approval**.



For any additional questions related to using SRI, or should any technical issues arise, please contact the assigned SRI support center by email at sri@ontario.ca.

Appendix E: LHIN Contact Information

LHIN	Main Contact Name	Email	Phone	Title
Central	Carl Bonura Lynn Singh	Carl.Bonura@lhins.on.ca Lynn.singh@lhins.on.ca	905- 948-1872 Extension: 228 Extension: 213	Health System Planning & Sub-region Lead Director, Strategic Initiatives
Central East (CE)	Gurjeet Dosanjh Tunde Igli Sue Wojdylo	Gurjeet.dosanjh@lhins.on.ca Tunde.Igli@lhins.on.ca Sue.Wojdylo@lhins.on,ca	905- 427-5497 Extension: 224 Extension: 231 Extension: 232	Director of Finance & Risk Consultant, Finance & Risk Senior Consultant, Performance and Accountability
Central West (CW)	Michael Buchert	Michael.Buchert@lhins.on.ca	905-452-6994	Director, Funding and Allocation
Champlain	Chahinez Bendou	Chahinez.Bendou@lhins.on.ca	613-747-3237	Senior Accountability Specialist
Erie St. Clair (ESC)	Anthony Sirizzotti	Anthony.Sirizzotti@lhins.on.ca	519-351-5677 Extension: 3218	Manager, Funding and Allocation
Hamilton Niagara Haldimand Brant (HNHB)	Derek Bodden Linda Hunter Shannon Lawrence	Derek.Bodden@lhins.on.ca Linda.Hunter@lhins.on.ca Shannon.Lawrence@lhins.on.ca	905-945-4930 Extension: 4228 Extension: 4218 Extension: 4234	Director, Finance Director, Health Links and Strategic Priorities Analyst, Funding
Mississauga Halton (MH)	Dale McGregor	Dale.McGregor@lhins.on.ca	905-337-711 Extension: 216	Senior Director, Finance & CFO
North Simcoe Muskoka (NSM)	Diane Hodgins	Diane.Hodgins@lhins.on.ca	705-326-7750 Extension: 3223	Director System Accountability
North East (NE)	Marc Demers	Marc.Demers@lhins.on.ca	705-840-2414	Controller / Corporate Services Manager
North West (NW)	Kevin Holder	Kevin.Holder@lhins.on.ca	807- 548-5590	Senior Consultant, Funding, Performance & Contract Management
South East (SE)	Joe Sherman Gary Braida	Joe.Sherman@lhins.on.ca Gary.Braida@lhins.on.ca	613- 967-0196 Extension: 2218 Extension: 4244	Senior Financial Analyst
South West (SW)	Scott Chambers	Scott.Chambers@lhins.on.ca	519-640-2578	Team Lead, Finance
Toronto Central (TC)	Chris Sulway Krista Cauz	Chris.Sulway@tc.lhins.on.ca Krista.Cauz@tc.hlins.on.ca	416-969-3230 416-217-3820 ext. 3250	Director, Performance Management Senior Project Analyst
Waterloo Wellington (WW)	Mladen Samac	Mladen.Samac@lhins.on.ca	519-650-4472 Extension: 218	Senior Planner, Health System Integration

Appendix F: Glossary

Asset
An Asset is a free-standing structure, a portion of a structure, or any part of facility infrastructure that is distinguishable from its surroundings by date of construction, construction type, and/or the Systems that comprise it.

Business Case
A business case for an Exceptional Circumstance Project or Exceptional Circumstance Project Grant must be prepared in accordance with the *Exceptional Circumstance Project and Grant Business Case Form* set out in the HIRF materials section on SRI at https://www.sri.moh.gov.on.ca/SRI/

Capital Assets
Capital Assets are non-financial Assets that have physical substance that are purchased, constructed, developed or otherwise acquired. Capital Assets have useful lives extending beyond one year.

Category
A Category is the type of issue assigned to each Requirement so that the issue affecting a facility can be catalogued. The category may affect how a Requirement's cost is measured. Examples of categories in FCAP include: accessibility, building code, life safety and operations.

Eligible Projects
The list of eligible projects set out in Schedule "A" for each Funding Year.

Exceptional Circumstances Project (ECP) and Grant Business Case ("Business Case")
In order for a hospital to have a Requirement considered for addition to their Schedule "A" list of eligible projects, and/or receive additional funding through an ECP Grant, hospitals are required to submit a Business Case to their LHIN for endorsement using the "**Exceptional Circumstance Project (ECP) and Grant Business Case Form**" (found on SRI).

Exceptional Circumstance Projects (ECPs)
Projects which have been identified for addition to the Schedule "A" list of eligible projects. In order for a hospital to have a Requirement considered for addition to their Schedule "A", hospitals are required to submit a Business Case. Business Cases can be submitted for new urgent requirements or existing requirements that are not listed on Schedule "A" as per the descriptions/criteria provided in the HIRF Guidelines.

Exceptional Circumstance Project (ECP) Grants
An additional allocation of HIRF funding approved for an Exceptional Circumstance Project (ECP). In order to be considered for an ECP Grant, LHIN endorsed Business Case must be submitted to the ministry by the specified deadline.

FCAP
Facility Condition Assessment Program.

Funding Year
The period commencing on April 1 following the end of the previous Funding Year and ending on the following March 31. This is the timeframe within which hospitals must expense the HIRF allocation.

HIRF
Health Infrastructure Renewal Fund.

HIRF Allocation
A HIRF allocation is a hospital's share of appropriated funds by the government. The Ministry of Health and Long-Term Care approves HIRF Allocation for use by public hospitals, in accordance with the HIRF Guidelines and Agreement each funding year. Hospitals may only use the HIRF allocation towards eligible projects outlined on Schedule "A".

HIRF Grant
A HIRF Grant is funding the ministry agrees to provide to a hospital to assist with the costs of renewing infrastructure.

HIRF Guidelines
The HIRF Guidelines are the guidelines established by the Ministry of Health and Long-Term Care for HIRF allocations and are located on all individual LHIN websites. The general LHIN site, to which each LHIN website is linked, can be accessed at: http://www.lhins.on.ca.

Interim Report
An Interim Report is submitted by the hospital to the ministry to identify HIRF projects and progress for a HIRF allocation. The Interim Report is available on SRI. Hospitals are required under the HIRF agreement to submit a report in November in order for the ministry to assess spending progress.

Maintenance
Maintenance is work that results in the retention of the pre-determined service potential of a capital Asset for a given useful life. Costs incurred that do not prolong an Asset's economic life nor improve its efficiency are not considered capital expenditures. Maintenance expenditures are operating expenditures and should not be included as part of capital expenditures.

Priority
A Priority is the severity of each Requirement and includes the timeframe during which it should be scheduled for correction.

Priority One – Health and Safety
Requirements at this priority level are intended to address life safety hazards that may cause accidents and that may physically injure building occupants.

Priority Two – Code Compliance
Requirements at this priority level are initiated to ensure that the building systems and components are in compliance with current codes and legislation and to prevent

compliance orders from the Ministry of Labour and the Ministry of Environment and Climate Change.

Priority Three – Asset Integrity – Imminent Breakdown
If left unattended, work in this at this priority level threatens program delivery due to imminent breakdown of critical building systems and components.

Projects
"Projects" for the purpose of this document refers to the projects the Hospital selects for the Funding Year – in accordance with the HIRF Agreement - from the list of eligible projects listed in Schedule "A" to be completed within three years of initiation. These include either eligible FCAP Requirements appearing on Schedule "A" or Exceptional Circumstance Projects.

Schedule "A"
Schedule "A" is the list of eligible projects set out for each Funding Year which a hospital may spend its HIRF allocation on.

Schedule "B"
Schedule "B" is the schedule of the HIRF agreement that outlines the HIRF funds allocated to the Hospital during the period of the Agreement, stratified by funding year, as well as the amount pre-committed for the following funding year.

Schedule "C"
Schedule "C" details the payment schedule of the funding year.

Schedule "D"
Schedule "D" outlines the reporting periods and due dates for interim reporting and annual settlement.

Renewal
Renewal refers to work done to extend an Asset's useful life or improve its functionality. Renewal of an Asset can appreciably prolong its period of usefulness or enhance its service potential. Service potential may be enhanced when there is an increase in the previously assessed physical output or service capacity such that associated operating costs are lowered, the useful life of the Asset is extended, and the quality of the output is improved. It includes upgrades that increase the service potential of an Asset (and may or may not increase the remaining useful life of the Asset). This type of expenditure should be reported as a capital expenditure. **Requirement**
A Requirement is a facility need or a deficient condition that should be addressed, including deferred maintenance, code issues, functional Requirements, and capital improvements. A Requirement can affect an assembly, piece of equipment, or any other System. It is assigned a Category, Priority, and System in order for its costs and time frame for action to be catalogued appropriately.

Self-Reporting Initiative (SRI)
The Self Reporting Initiative is used for submitting all HIRF materials including the Interim Reports, SFRs, ECP Grant Business Cases, ECP Business Cases and Settlement Reports. The website is can be accessed at https://www.sri.moh.gov.on.ca/SRI/.

Surplus Funds Requests
Surplus Funds Requests are requests submitted to the ministry for portion of any surplus funds that are reported during the interim-reporting period in order to complete a project listed on a Hospital's Schedule "A" list of eligible projects.

System
A System is an assembly, finish, fixture, piece of equipment, or other component that makes up an Asset.

Useful life
Useful life is defined as the estimated finite period over which a capital Asset is expected to be used. The actual life of a capital Asset may extend beyond its useful life due to good maintenance or under-utilization.