

Briefing Note and Cost Benefit Analysis

Kay Blair Hospice

Request for a Land Donation from the City of Brampton for the development of a Twelve (12) Bed Hospice Residence for End-of-Life Care the Community of Brampton Ontario.

Context: Kay Blair Hospice, a local not for profit, and registered charity has been approved for operational funding for twelve (12) hospice beds for the City of Brampton and surrounding areas as part of the Ontario Ministry of Health's plan to build twenty (20) additional Hospice Residences, adding two hundred (200) additional hospice beds for the province. The Auditor General of the province has recommended over five (5) hospice beds per 100,000 people. This leaves Brampton, with a population of 600,000, and no hospice residence beds, at a significant deficit.

Currently, the Ministry of Health is offering a grant of \$200,000 per bed for the development of new hospice residence beds. With anticipated development and construction costs of approximately \$1,000,000 per bed, for the overall development of the Hospice Residence project, Kay Blair Hospice is in the process of engaging additional stakeholders, in order to secure land and resources to complete the project in as quick a timeline as possible.

Kay Blair Hospice needs partners and donors to make this hospice residence a reality. The Board of Directors has approached Brampton City Council to be a key partner, and has asked for a donation of adequate land in order to develop and build a twelve (12) bed state-of-the-art Hospice Residence and Centre of Excellence for the citizens of Brampton. After significant research, and support from the municipality, a 1.7-acre parcel of land located at 11366 Sesquicentennial Park, has been identified that significantly meets the needs of Kay Blair Hospice.

Framework for Cost Benefit Analysis:

The primary question being analyzed is "Do the intrinsic and extrinsic benefits to the Brampton community justify Brampton City Council donating a 1.7-acre parcel of land, and the requisite development costs associated for the construction of an 18 - 20,000 square foot, twelve (12) bed Hospice Residence and Centre of Excellence for the residents of Brampton."

Timeframe for Cost Benefit Analysis – 25 Years

The addition of a twelve (12) bed Hospice Residence and Centre of Excellence will add a facility to Brampton that:

- Offers the citizens of Brampton a peaceful, homelike setting, where individuals, their families and care givers will be cared for with dignity and exemplary hospice palliative care (HPC) during their final weeks and days.
- Delivers high quality, holistic person centered, end of life care that is highly valued by, and responsive to patients, families and communities
- Significantly lowers overall health care costs

Kay Blair Hospice Cost Benefit Analysis: Hospice Residence Development Project			
Costs			
Category	Quantity	Item	Price
Development and Planning		Permits	\$ 2,500.00
		Environmental and Soils Assessment (EIS)	\$ 50,000.00
		Record of Site Condition (RSC)	\$ 2,000.00
		Servicing Costs	\$ 50,000.00
		Surveys	\$ 5,000.00
		Appraisal	\$ 2,500.00
		Legals	\$ 5,000.00
		Other Studies	\$ -
		Subtotal	\$ 117,000.00
Acquisition of Land		11366 Sesquicentennial Park	\$ 4,000,000.00
Loss of Interest on Asset (25-year period) @ 2%			\$ 1,601,514.00
		Total Costs	\$ 5,718,514.00
Direct Financial Benefits			
Direct Healthcare dollars saved (annually) - Hospital Diversions	2,792	Hospital Patient Days (\$635 saved per day)	\$ 1,772,920.00
		Total Annual Savings	\$ 1,772,920.00
		Total Net Savings (10 years)	\$ 12,010,686.00
		Total Net Savings (25 years)	\$ 38,604,486.00
		Payback Period	3.17 Years

Affordable Care

- **Hospice care is delivered at a fraction of the cost of hospital care.** Hospice Residences are for patients who need more care than can be provided at home, but the high level and cost of hospital acute care is not needed.
- Provincially diverting people from hospital to hospice care saves our health care system millions of dollars each year; frees beds for acute care needs; and reduces 'hallway medicine'.
- A hospice residence bed costs one third of hospital care. The average cost of a hospice bed is \$465 per day. This compares to a hospital bed costs over \$1,100 per day **saving \$635 dollars per patient day.** (ref. Auditor General's Report 2014)
- Research has shown that 40% of Hospice Residence admissions come directly from acute care hospitals, and an additional 50% of admission come directly from people's homes, bypassing what would otherwise be a hospital admission, very often through the emergency department. Provincially since 2017 this has saved 20,000 hospital bed days and \$199 million healthcare dollars. (ref. Hospice Palliative Care Ontario HPCO)
- In Brampton and surrounding areas, estimates show that providing hospice care in a residence (the typical expected capacity of one 12-bed hospice residence) **will likely annually serve between 280 to 300 individuals at the end of their life, and an additional 1,400 to 1,500 family, friends and caregivers. This will save between \$1.7 - \$2.0 million in health care dollars annually.**

Analysis and Conclusions

Extrinsic Benefits

- Financial

The building of Kay Blair Hospice will bring significant economic benefits to Brampton:

- Savings of at least **1.7 million dollars annually** in direct healthcare costs
- The addition of approximately **twenty-five (25) Full Time Equivalent (FTE)** new high quality, professional jobs to the city
- The addition of approximately **ten (10) million dollars of construction spending** (jobs, services, and materials) in Brampton.

Gifting of the land to Kay Blair Hospice (our first choice), versus a long-term capital lease (our second choice), will significantly accelerate the development of the Hospice Residence through access to appropriate construction debt instruments (bridge funding opportunities).

Intrinsic Benefits

- Quality of Care:
 - Validated tools have repeatedly shown that hospice residence care outperforms all other residential settings in quality of end-of-life patient care and family experience.
 - Residents of Brampton will have increased access to truly inclusive, and equitable end-of-life care supported by comprehensive planning and training to support the unique and diverse Brampton community.
 - Family, friends, and caregivers will have access to exemplary anticipatory grief and bereavement care; increasing access to appropriate mental health services in Brampton preventing escalation and clinical interventions.
- The hospice residence will significantly reduce 'hallway medicine' in hospitals and in particular emergency departments, by effectively diverting patients in a timely manner to a local, and more appropriate hospice residence setting for end-of-life care.
- Centre of Excellence: Kay Blair Hospice will bring a Hospice Centre of Excellence to Brampton that will become a place for training, knowledge transfer and exchange (KTE), and hospice palliative care research available for the entire integrated health system in Brampton including: Hospitals; Long Term Care; Community Care Service providers; Retirement Homes and other community care organizations.

Specific Requests for City Councilors

- **Support for the gifting (Kay Blair Hospice's first choice), or a capital long term lease at a nominal rate (our second choice) of the 1.7 acre parcel of land to Kay Blair Hospice for the development of a twelve (12) bed Hospice Residence for the citizens of Brampton.**
- **Support for the upcoming Kay Blair Hospice Capital Campaign**

In conclusion, we believe that this provides many significant benefits to the community of Brampton justifying the donation of the 1.7-acre parcel of land located at 11366 Sesquicentennial Park.