



# Our Hospice: The Cost

As with any major project, there is much to consider and many moving parts. We have two valuable assets: a collaborative **partnership with WHMB and other partners**, AND a **provincial government looking for projects** that demonstrate regionalized, rural, and sustainable leadership.

<p><b>Do we need hospice in Wheatland County?</b></p>	<p>A 2015 needs assessment identified caregiver burnout, transfers to facilities outside our area, repeat ER visits, and physical and emotional needs not being met as areas to improve in our community’s end-of-life care. These are <b>economic and health costs</b> to our community.</p> <p>In 2022, of 100 palliative patients in our area, only 8 received hospice care for their end-of-life-needs.</p>
<p><b>How much will a new hospice cost?</b></p>	<p>Our initial estimate of hospice build costs (in March 2023) was <b>\$6M</b> based on 10% sq footage of the overall build. The Building Committee diligently revises the budget as further design work is completed. Once Class A estimates are completed, we will have a better picture of our overall build cost. Materials, interest rates, contingency planning, and contracting of subtrades (labor) are some of the many variables that are quite fluid. At this point, we can say that the initial budget and our projections are within 2% of each other.</p> <p>It is important to balance the construction costs against hospice’s positive impacts on overall well-being and economic interests of our <b>community</b>. Furthermore, we view hospice care as a shared responsibility to each other, not just the healthcare system, a value that is reflected in the joint efforts of our <b>municipal</b> councils to support WAHS. We are also collaborating with <i>both</i> Health and Housing (Seniors, Community, and Social Service) <b>provincial</b> government ministries.</p> <p>Ultimately, <b>shared work</b> on large projects by community, municipal, and provincial levels, especially for projects that provide wrap-around services like hospice, help <b>diminish overall risk and promote sustainability</b>.</p>
<p><b>How will construction of our hospice be paid for?</b></p>	<p>Currently in Alberta there is <b>no capital (construction) funding</b> for hospices.</p> <p>Fundraising and gifts show our community’s commitment to rural hospice care. In last 8 years WAHS has raised more than <b>\$4.1M dollars</b> and such widespread support is heartwarming when we know there are considerable economic demands on individuals and businesses these days. Our community truly cares and has shown through their donations and volunteering that this is an important cause for them. <b>Thank you.</b></p>



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<p><b>What is the estimated hospice operating costs and how will it be paid for?</b></p>	<p>By taking the decision-making power away from AHS and injecting accountability into the system, AB Health (the Ministry) has created an opportune time for WAHS to now address our operations funding directly with them, rather than with AHS. Our hospice will be a new example of <b>front-line rural decision making in a regionalized system</b> within Alberta.</p> <p>As with Pilgrim’s Hospice in Edmonton, WAHS is requesting its annual operational costs flow directly from AB Health. We are asking for 100% provincial funding of the estimated <b>\$800,000</b> annual operating costs.</p> <p>Any deficit could be covered by municipal requisitions on a per capita (not property assessment) basis. Remember: greater support from AB Health means a smaller municipal requisition to us as ratepayers. Total per capita municipal request could be in the range of <b>\$34</b> annually if no AB Health funding is ever received- but don’t worry; we won’t give up trying.</p>
<p><b>Who has helped with the hospice proposal?</b></p>	<p>Berry &amp; Associates (architecture), Barb Price (design) Weiss Pre-Project Consulting (financial), M3 (project management), Bird (construction management), and CDN Strategies (advisor). We have also enlisted input from local physicians and nurses, clergy, and members of our communities, as well as leaders at Foothills County Hospice and Red Deer Hospice.</p>
<p><b>How much will this project cost in total?</b></p> <p><b>How will the lodge be paid for?</b></p>	<p>Project construction costs (<b>\$52M</b>) were done in 2023. Other project costs (for example the soft costs like furnishings, the permitting, and landscaping, and contingency costs, all with a 2% variation, an acceptable industry standard) and the hospice \$6M are not included in this total.</p> <p>Unfortunately, as with most construction these days, the longer we wait, the higher the costs will be. <b>A good estimate</b> (which may be revised slightly once AHPP is approved) for payment will be approximately:</p> <p><b>11%</b> -by our municipalities as capital (<b>the down payment</b>)  <b>13%</b> -by AHPP (Alberta Housing Partnership Program) (<b>the grant</b>)  <b>75 %</b> -by CMHC (Canada Mortgage and Housing Corp) (<b>the mortgage</b>)  This will be repaid with an interest rate of <b>3.3-4.3% (TBA)</b> for up to <b>50 years term</b> and will result in a <b>new \$700K per year “mortgage”</b> requisition to municipalities by WHMB.</p> <p>Incredibly, there will be <b>no additional operating requisitions</b> for these new 120 rooms, just the previous operating requisitions for those still living in the existing lodge - an expert financial proposition prepared by Mr. Weiss.</p>