

**SECTOR PROFILE:**

**Financing Healthcare &  
Social Services**

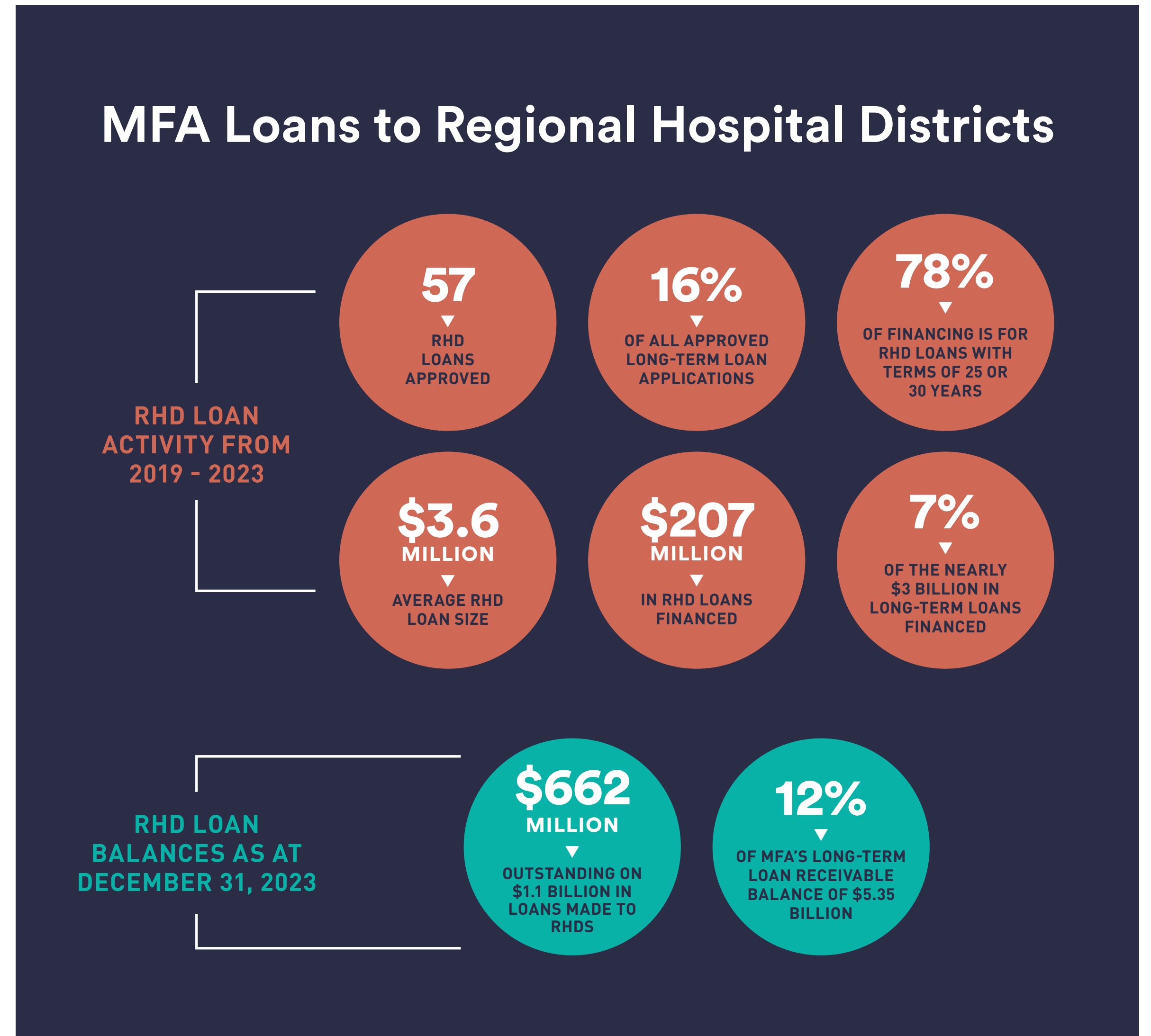
## Financing BC’s Regional Hospital Districts - A Spotlight on Health & Social Services

MFA finances critical infrastructure in BC’s health sector for hospitals and health care facilities. These loans to Regional Hospital Districts (RHDs) enable the sustainable and affordable delivery of essential health and social services throughout the Province.

### The Financial & Impact Materiality of MFA’s Loans to Regional Hospital Districts

In order for MFA to identify, assess, manage, and report on both the material climate risks that could impact our financial position, performance, and cashflows, as well as the impact of our loans on the wellbeing of people and the planet, we must understand the context and the current and projected state of:

- MFA’s borrowers, their funding environment, and financial health
- The essential services enabled by different critical public infrastructure
- The exposure of their assets to hazard
- The community served and their socioeconomic vulnerability





### How Hospitals are Funded in BC & the Role of Regional Hospital Districts

Hospitals and health care services are governed and managed through one of the Province's five regional health authorities, the Provincial Health Services Authority, or the First Nations Health Authority. The BC Provincial government created regional hospital districts (RHDs) through the Hospital District Act in 1967 with their sole purpose to provide annual capital funding to health authorities for the development, renovation, or maintenance of hospitals and hospital facilities, such as laundries and cafeterias.

Each year, health authorities review priority projects and determine the cost of implementing those projects. RHDs do not have authority regarding the operations of hospitals and other health care facilities and services in British Columbia; however, health authorities' partner with their corresponding RHDs when planning how to finance capital projects. Annual funding requests from health authorities are submitted to corresponding RHDs for their boards to determine if they will contribute funding for the projects requested.

#### RHD Funding Methods & Sources

RHD funding for any capital project is voluntary and not mandatory. RHD boards consider these funding requests in the context of the willingness and ability of taxpayers to pay for capital projects, health care needs of their

**WHILE RHD FUNDING MAY VARY FROM PROJECT TO PROJECT, TYPICALLY THE MODEL FOR FUNDING THE CAPITAL BUDGETS OF HEALTH AUTHORITIES IS THAT THE RHD PROVIDES 40% AND THE PROVINCE PROVIDES 60% OF THE CAPITAL FUNDING FOR PRIORITY PROJECTS.**

region including changing population and demographics, and the adequacy of current infrastructure to deliver on the needs of today and those projected into the future. RHDs are not required to hold public consultations on their budgets.

RHDs raise capital funds for their budget through requisition on property taxes. Once the budget of an RHD is approved by its Board, the RHD submits a requisition to the various municipalities and electoral areas located within their boundary. These organizations are responsible for collecting funds on behalf of the RHD.

RHDs may:

- 1. Raise funds through property taxes over a number of years**, in anticipation of, and preparation for, the health authority receiving Provincial funding for the priority projects in their region, or



2. **Borrow funds from MFA once the health authority has received Provincial funding** (the borrowed funds would be repaid through future taxes), or
3. **Meet their funding contribution needs through a combination of funding** held in reserve and borrowing from the MFA.

The RHD's approach to funding affects whether past, current, or future taxpayers pay for health care infrastructure; however, in all cases, the source of RHD funding and/or debt repayment is via property tax assessment.

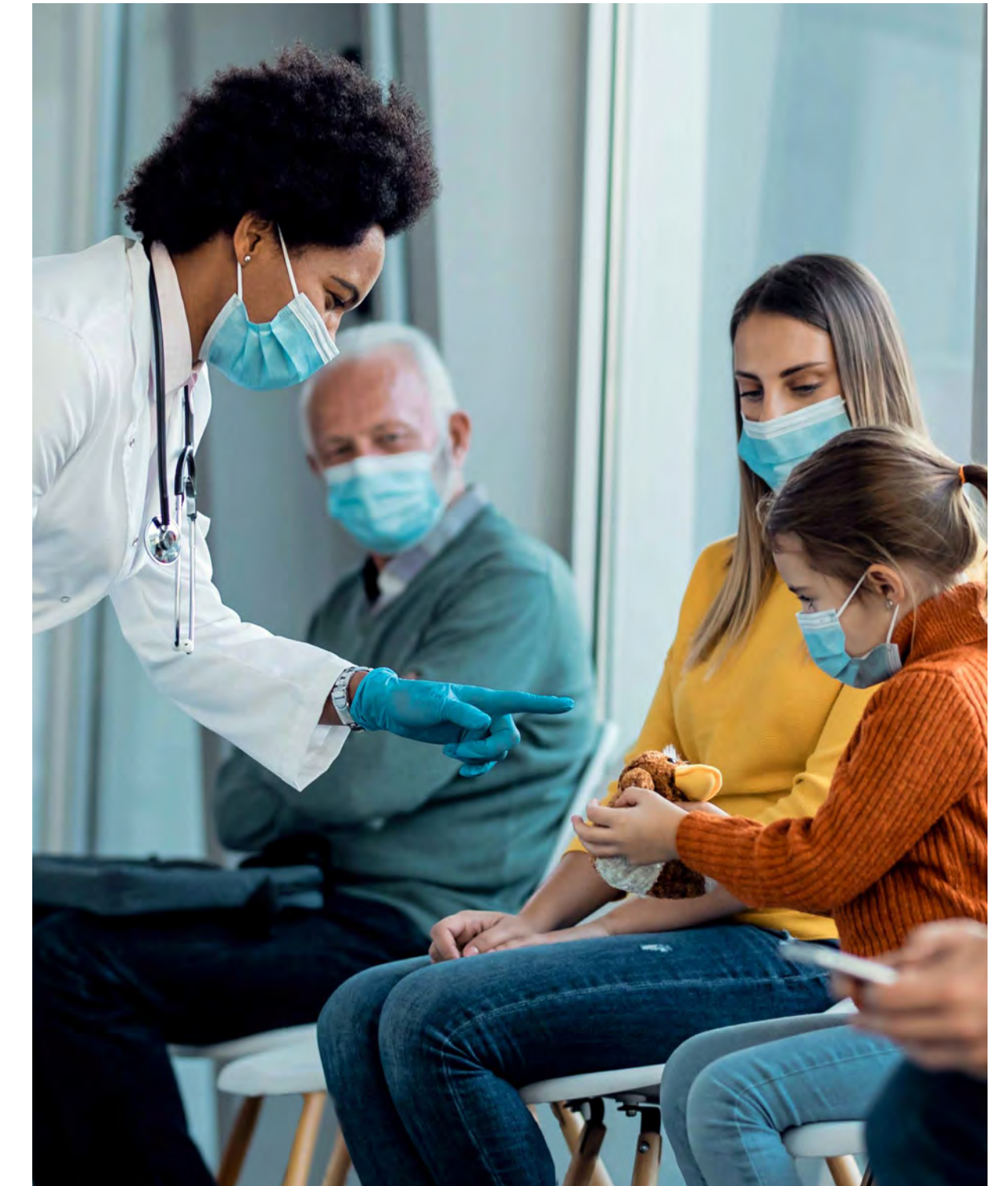
### Climate-related Impacts to Human Health & Hospitals

2023 was the hottest year on record globally, and predictions of an El Niña summer in 2024, suggest it will be even hotter and drier. The climate in BC is traditionally temperate, and most homes do not have air conditioning, especially in BC's most densely populated southern coastal area. The impacts of climate change on human health disproportionately affect already vulnerable or marginalized populations – those who are elderly, living alone/socially isolated, unhoused or in poor housing, of low income, racialized or newcomer, and/or experiencing chronic physical or mental illness.

Across the world, communities rely on key resources that will be stressed and threatened by the acute and chronic physical risks of climate change. These risks directly affect shared resources such as communications, transportation, food, and health systems.

Health experts and hospitals need to prepare for:

- **Direct impacts of climate change on human health.** Health risks affected by climate change include the direct threat of rising temperatures and increased problems with air quality, worsening and emerging disease risks, and challenges to our mental, emotional, and community health.
- **Indirect impacts of climate change on human health** caused by the inability of our health infrastructure and systems to adapt and control the illnesses (e.g. from water contamination after intense rainfall or smog from wildfires), and infectious diseases (food-borne and vector-borne) exacerbated by climate change.
- **Cascading impacts on critical infrastructure** including health facilities, electricity and water services, roads which can disrupt the delivery of health services and patient care. Critical system failures from, for example, power outages, can lead to service disruptions, temporary evacuations, and even closures.



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**[Climate change is] the biggest public health challenge of this century. We often talk about the indicators of health. Things like housing, air quality, water quality, income, and education have a much greater impact on human health than does access to health care. Climate change impacts all of those things.**

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KIM PERROTTA, CANADIAN ASSOCIATION OF PHYSICIANS FOR THE ENVIRONMENT

“ The most immediate and personal impact of climate change is the health impact. The evidence suggests that people are going to lose years from their lives because of the health impacts from climate change-affected hazards. ”

JEFF EYAMIE, AIR QUALITY HEALTH SCIENTIST, HEALTH CANADA

## Climate-related Impacts to Human Health & Hospitals



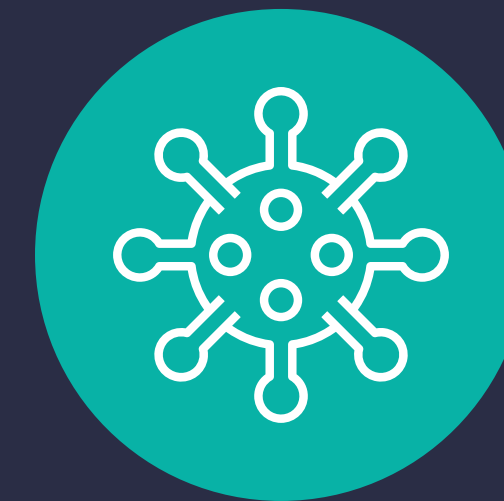
### RISING TEMPERATURES & EXTREME HEAT

According to a 2023 [Canadian Climate Institute study](#) commissioned by the BC Government, extreme heat could kill 1,370 people and send 6,000 to hospital each year by 2030, and could cost the province around \$100 million annually in incremental health care costs.



### DETERIORATING AIR QUALITY

As climate change intensifies, Canadians may experience decreasing air quality as evidenced during recent wildfires across Canada. Poor air quality aggravates asthma and heart conditions and can lead to premature death. See [Climate Change, Air Quality, and Public Health](#) for more on connections between climate change and air quality.



### ACCELERATION AND PROLIFERATION OF INFECTIOUS DISEASES & OTHER ILLNESSES

Climate change impacts such as temperature increase, heavy precipitation, floods, and droughts are changing the range and spread of these diseases.



### MENTAL HEALTH IMPACTS

Whole communities are facing mental health effects from exposure to health risks, loss of livelihood and property, and displacement after sudden evacuations.



## KEY TAKEAWAYS

## The Effects of Climate Change on Hospitals

- 1 Climate change will subject hospitals to climate conditions and loads they were not designed for. Future climate conditions must be taken into account when assessing maintenance requirements, and potential renewals, retrofits, and additions.
- 2 Existing and future health infrastructures need to build resilience to climate change.
- 3 Building codes governing hospital construction and maintenance must account for current and future climate risk.
- 4 Hospital ventilation and cooling systems and potable water reservoirs will be particularly at risk in the coming decades.

UNPRECEDENTED HIGH TEMPERATURES, FOREST FIRES, AND THE FLOODS... HAVE CREATED A “NEW CLIMATE REALITY” FOR ESSENTIAL INFRASTRUCTURE, INCLUDING HOSPITALS.<sup>5</sup>



### References

- ▶ [Climate Atlas](#)
- ▶ [NRGH Climate Risk Assessment Case Study](#)

### Online Resources

- ▶ [Sustainable and Climate-Resilient Health Care Facilities Toolkit](#)
- ▶ [Vancouver Coastal Health: Protecting Population Health in a Climate Emergency](#)
- ▶ [Health Care Facilities Resilient to Climate Change Impacts](#)
- ▶ [Government of Canada: Climate Change and Public Health](#)
- ▶ [Climate Atlas of Canada publication \*Extreme Heat and Health\*](#)
- ▶ [Climate Atlas of Canada publication \*Heat Waves and Health\*](#)

*Click the links to open in your web browser.*



<sup>5</sup>ClimateData.ca - [The effects of climate change on BC hospitals](#)



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