

Centre for Addiction and Mental Health Business Case Report for Capital Redevelopment

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Executive Summary

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The creation of the Centre for Addiction and Mental Health in 1998 consolidated all programs and services for the provision of care for mental health and addictions under one governance and management structure. After a comprehensive visioning and planning process, the CAMH has developed an innovative and cost-effective service delivery model, which emphasizes: centralized access to CAMH programs; service co-ordinators to ensure client-focused care; integrated treatment of concurrent disorders; and satellite operations in the community.

The facility plan created to support it, termed the “Hub-Satellite Model”, is a revolutionary concept; the redevelopment of the Queen Street site would create an urban village, integrating patient care, teaching, and research on the Queen Street site in a client-friendly environment. Since CAMH operations can be consolidated in about half of the 27 acres available at the Queen Street site, the unique setting would also act as a “magnet” to attract other research, educational institutions and commercial operations to this site.

The purpose of this business case was to provide a high-level analysis of two alternative facilities models using quantitative and qualitative evaluative criteria. This would serve as a starting point for discussion with the MOHLTC regarding the capital redevelopment proposal to support the new service delivery model. Outcomes from this discussion would include the continued development of the master plan and functional program. These in turn will allow further refinement and detailed analysis to be performed on the business case, the results of which would be submitted and reviewed with the MOHLTC for approval.

In the business case, the proposed “Hub-Satellite Model” is compared to the most reasonable Multi-Site alternative possible to fulfil the directions of the Health Services Restructuring Commission (the “Multi-Site Model”). Under this latter option, the Queen Street Mental Health Centre, Addiction Research Foundation (ARF), and the Clarke Institute of Psychiatry (CIP) sites will be maintained and renovated as required to bring the buildings as close to the appropriate standard as possible. The Donwood site would be sold, and all of CAMH’s specialized services would be distributed among the remaining three sites. The status quo, that is the implementation of the new functional plan and directions of the Health Services Restructuring Commission within the current configuration of CAMH facilities, was not deemed to be a viable alternative.

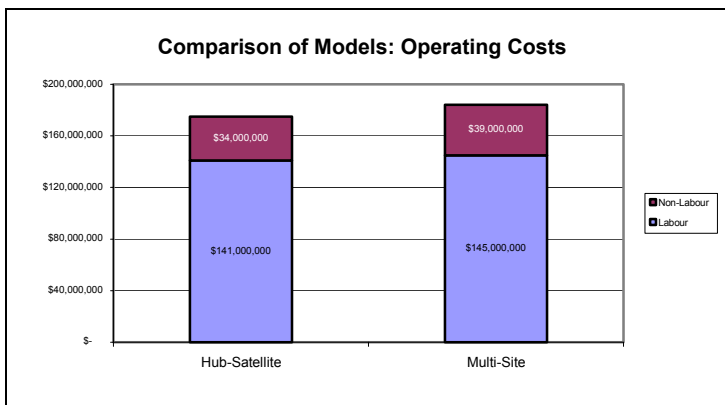
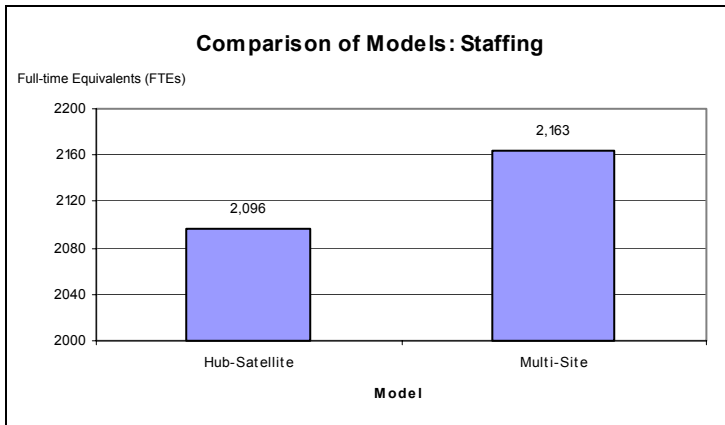
Qualitative Assessment

Comparing the two facility options from a customer, stakeholder, and organizational perspective, the Hub-Satellite emerges as the clearly preferred option. Although the new service delivery model concept would be applied in either option, features such as one-stop access for clients, synergy of integrated care/education/research/prevention are only possible under the Hub-Satellite model. Additional benefits of this option include effective health promotion and information dissemination, an environment promoting health and well-being, and a new physical plant designed to be flexible enough to accommodate best practices and future evolution of treatment for clients with mental health and addictions problems.

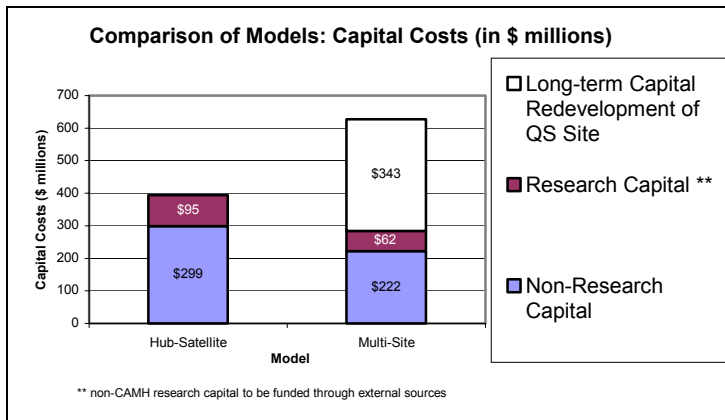
Furthermore, the economies gained from the consolidation of services on one site will enable the enrichment of clinical programming within the current operating budget. Specifically, CAMH will be able to significantly increase the volume of patients treated in day programs.

Finally, the opportunity to integrate other non-CAMH institutions and commercial ventures with CAMH services under the Hub-Satellite model will go a long way to alleviate the stigma currently associated with the location and the facility at Queen Street. Stakeholders including staff at the City of Toronto and the Mental Health Implementation Task Force have been kept informed as this model was developed and have generally responded positively.

Quantitative Assessment



The total estimated capital cost of the Hub-Satellite option is about \$394 million, of which approximately \$95 million is for research facilities. In contrast, capital costs relating to the Multi-Site option require \$284 million over the term of the Hub-Satellite option simply to restore and modify existing aging ARF/Clarke buildings to meet functional plan requirements, and to meet program growth needs relating to an aging and growing population. This will still leave the bulk of the Queen Street properties deficient with respect to meeting building code and ministry standards for mental health, likely requiring their replacement prior to 2020 at significant additional capital costs estimated to be \$343 in current dollars.



Labour requirements for the Hub-Satellite option are considerably lower than those for the Multi-Site option driven both by efficiencies in administration and patient care operations. As well, non-labour costs for the Hub-Satellite model are also lower due to the need to maintain fewer sites, lower gross area resulting in lower utility costs, and the cessation of lease payments for the ARF/CIP sites. Together,

these economies result in operating costs under the Hub-Satellite model being approximately \$9.2 million lower than the Multi-Site option. Additionally, by vacating ARF/CIP sites, CAMH will provide the Province with an opportunity to realize significant revenue by putting these properties to their highest economic use, consequently mitigating the financial support CAMH will require. It is estimated that this would equate to an additional advantage in the \$2 million to \$3 million range annually, attributed to the Hub-Satellite model.

CAMH plans to finance its research facilities through various research and development infrastructure opportunities such as the Canadian Foundation for Innovation and from other non-government sources. The remaining operations will be financed through a combination of fund raising, sale of surplus real estate, development of surplus lands at Queen Street, and public-private partnership. The development potential of the non-CAMH half of the 27 acres at the Queens Street site will create revenues to further reduce the need for public financing.

Conclusions

Overall, both the quantitative and qualitative evaluation strongly support the re-development of the Queen Street site — the “Hub-Satellite Model”. The \$9.2 million advantage in annual operating costs, the significant capital investments to renovate existing properties in the “Multi-Site Model” while still leaving the buildings below standards, combined with the potential for the Province to earn significant new revenue for the ARF/CIP site make the Hub-Satellite Model a superior financial option. This venture presents a window of opportunity to realize an exciting, world class, unique model of care for the communities served by CAMH, enriched by the convergence of research, treatment, training, and community on one site.

To further develop the detail within the business case, next steps include the continuation of facility master planning and completion of functional programming, and more extensive review of public-private partnership opportunities. The results of these activities will serve as inputs to be used for the development of detailed payment streams, which will be submitted for discussion and consideration to the MOHLTC.