

**NOVA SCOTIA DEPARTMENT OF HEALTH  
CONTINUING CARE BRANCH**

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**Subject:                    ADDITIONAL SPACE APPROVAL POLICY**

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Original Approval Date: September 16, 2008                    Revised Date: not applicable

Approved by:            ***Original signed by Keith Menzies***

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Keith Menzies, Executive Director, Continuing Care Branch

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**1.0    INTRODUCTION**

1.1    Service Providers operating under a Development Agreement who would like to incorporate Additional Space into their building designs for new Long Term Care Facilities, outside the maximums outlined in the applicable Long Term Care Facility Requirements – Space & Design, must seek Department of Health pre-approval in accordance with this Policy.

**2.0    POLICY STATEMENT**

2.1    This Policy describes the Department of Health’s approach to approving designs where Additional Space has been requested and to recovering capital costs associated with Additional Space.

**3.0    DEFINITIONS**

**Additional Space** is the building space that is outside the requirements outlined in the applicable Long Term Care Facility Requirements – Space & Design for the Service Provider.

**Approved Budget** is the combined total budget for the Protected and Unprotected Envelopes.

**Capital Costs** are the costs that are normally capitalized, and are associated with planning, designing, acquiring land, constructing, furnishing & equipping, and debt servicing.

**Capital Renewal Reserve** is a reserve managed and invested in by the Service Provider with respect to a Facility to support the replacement of Facility Components.

**Development Agreement** is a legal agreement between the Minister of Health and the Service Provider governing the acquisition of land, development of Facility, purchase of equipment and furnishings, inspection, licensing, and occupancy.

**Facility** is the building, its furnishings, and equipment used to provide long term care to Residents pursuant to the *Homes for Special Care Act*.

**Facility Component** is a component that is normally capitalized as part of the original construction or generally used to provide service for more than one year. Examples include boilers, roofing, windows, flooring, resident beds, resident tubs, and dining room furniture.

**Service Provider** refers to the owner and operator of the Facility.

#### **4.0 APPLICATION**

4.1 This Policy applies to each Facility or part of a Facility entering into or operating under a Development Agreement with the Minister of Health.

4.1.1 After the Development Agreement has expired, Service Providers must notify the Department of Health prior to any renovations or alterations to the Facility in accordance with the *Homes for Special Care Act*.

4.2 Department of Health staff is responsible for the administration and implementation of this Policy.

#### **5.0 PRE-APPROVAL FOR ADDITIONAL SPACE**

5.1 The Service Provider must be proposing to add the Additional Space directly to a Facility or part of the Facility which will be constructed under the terms of a Development Agreement with the Minister of Health.

5.2 In conjunction with Step 3, *Schematic Design Submission, Continuing Care Facility Development Approval Process (July 25, 2007)*, the Service Provider must submit any building designs and concepts with regard to Additional Space separately, for pre-approval by the Department of Health.

5.2.1 As part of this submission, the Service Provider must provide an explanation of what this Additional Space will be used for, the potential benefits (direct and indirect), and disadvantages associated with incorporating this Additional Space. Also a summary outlining the size, location, services required (power, telephone, etc.), special equipment, and any special designs associated with the Additional Space.

5.3 The Service Provider must submit an estimate for Capital Costs associated with the Additional Space to the Department of Health for pre-approval.

5.3.1 This estimate must be submitted using the *Capital Project – Facility Budget Submission (S2)* template located in the *Continuing Care Facility Development Approval Process* document (July 25, 2007).

5.3.2 This estimate will be a separate submission from the estimate submitted for the Facility without the Additional Space incorporated.

5.4 In addition, the Service Provider must notify the Department of Health whether they are seeking approval to have the Additional Space financed as part of the financing for the entire Facility.

## **6.0 FUNDING OF ADDITIONAL SPACE (where applicable)**

6.1 Subject to pre-approval by the Department of Health, principal and interest related to the Capital Costs for the Additional Space may be financed as part of the financing for the entire Facility.

6.1.1 A recovery line will be incorporated into the Service Providers Approved Budget to recover principal and interest for that portion of the financing associated with Additional Space.

6.2 The Department of Health will not fund any costs associated with capital renewal for Additional Space. The Capital Renewal Reserve is not intended to fund the replacement of Facility Components solely associated with the Additional Space.

6.3 Department of Health will not fund operational costs or costs associated with staffing the Additional Space.

## **7.0 ACCOUNTABILITY**

The Executive Director, Continuing Care Branch is responsible for ensuring compliance with this Policy.

## **8.0 MONITORING**

The implementation, performance, and effectiveness of this Policy will be monitored by the Executive Director, Continuing Care Branch.

## **9.0 REFERENCES**

*Long Term Care Facility Requirements – Space & Design, Nova Scotia Department of Health*  
*Continuing Care Facility Development Approval Process (July 25, 2007)*

## **10.0 ENQUIRIES**

Director, Finance - Programs  
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## **11.0 APPENDICES**

Not applicable.