



October 6, 2025

Honourable Josie Osborne

Minister of Health

Victoria, BC V8V 1X4

Via Email: [HLTH.Minister@gov.bc.ca](mailto:HLTH.Minister@gov.bc.ca)

Dear Minister Osborne:

Thank you for having Rob Byers, Assistant Deputy Minister, Corporate Service Division respond to our letter of May 1, 2025.

We were also pleased to see the announcement of June 10, 2025, the “Government is expanding its health authority review to include regional health authorities as it focuses on minimizing unnecessary administrative spending and ensuring resources support front-line patient care.” We hope the review identifies efficiencies within the entire healthcare system.

We again request that the Minister include the Regional Hospital Districts (RHDs) and the enabling legislation, Hospital District Act [RSBC 1996] Chapter 202, in the review announced on March 31, 2025, being led by Dr. Penny Ballem, interim president and CEO, PHSA and the June 10, 2025 announcement that Health Authorities will be included in the review and will be led by Cynthia Johansen, Deputy Minister of Health. It is our belief that examining and considering the four main areas as listed in the June 10, 2025, announcement is directly applicable to RHDs. As a reminder the announcement included these four main areas:

- consolidating administrative and corporate functions through a shared service model.
- optimizing existing shared services, such as procurement and IT services.
- reducing duplicative processes identified through the review; and
- improving and streamlining governance structures.

We are aware of the partnerships that occur between Health Authority's and RHDs and how RHDs receive their funding. We also recognize that the RHDs have filled an important role vacated by the Provincial Government 60 years ago resulting in RHDs (via property owner taxation) directly funding important medical equipment and infrastructure because the Provincial Government is unwilling or unable to provide adequate funding.

Unfortunately, little information is received by the public on how the Hospital portion of their property taxes go to fund the RHDs except when the government fails to fulfill an election promise. (i.e., "In fall 2024, Premier Eby promised to build a new patient tower and cardiac catheterization lab at Nanaimo Regional General Hospital (NRGH)." Or, when provincial funding fails to materialize.

We examined RHDs 2024 Financial Statements to support our request to include RHDs and the funding formula in the review. The review identified over \$2.5 million dollars spent on administration alone by the RHDs. We are unsure about the accuracy of financial statements as there is little detail on the specifics of revenue and expenses. It is our understanding that the RHDs must follow the Public Sector Accounting Standards (PSAS), but we were unable to find a policy statement referencing this requirement.

Mr. Byers stated in his letter *"With respect to the health authority review, the province is looking at ways to ensure that the health system is functioning as efficiently and effectively as possible in order to optimize how services are supported and delivered to those who reside in British Columbia."*

I would suggest that the current funding model to support an unwritten policy decision where the province provides 60% (revenue from Federal & Provincial income tax) and the local property owners provide the remaining 40% does not come close to optimizing healthcare services and in fact conflicts with the concept of universality as required by the Canada Health Act.

Requiring RHDs to collect the 40% of infrastructure costs results in:

- Unequal access due to unequal regional wealth,
- The province offloading responsibility onto unelected hospital districts,
- Property owners bearing a disproportional cost of healthcare funding, (property owners are taxed three times: at the local level, provincial and federally)
- Delays in crucial health investments.



Ultimately, increases in the Hospital Tax will continue to make homeownership unattainable to the young and will force lower income and retirees to sell their homes, defer taxes, or choose other alternatives.

It is our understanding that the Union of BC Urban Municipalities has been involved in review of the health system and/or requested changes to the funding formula since 2003. More recently "The chairs of six northern regional hospital districts, including the chair from Fraser-Fort George, sent a letter to BC's infrastructure minister back in May asking to discuss legislative reform that would ease the tax burden on their residents." Prince George Citizen July 25, 2025.

The present government must review the enabling legislation passed by the then Social Credit government some 60 years ago during the time universal healthcare was being implemented across Canada. The Hospital District Act was to remove the financial burden on the province by taxing property owners and this is no longer sustainable. The Federal Government and the Government of British Columbia and the preceding governments had 60 years to address the issues of an aging population, increased life spans and increased immigration, and you have failed. Without including the RHDs in the review of the health system and a review and consideration for legislative change, you will continue to fail the citizens of British Columbia.

Taxing citizens of British Columbia three times (Federal, Provincial & Local) to maintain a healthcare system and collecting property taxes to place in reserve accounts in the off chance of having a new capital project approved is an exercise in futility at best. Over-collecting taxes to build accumulated surpluses is taxation without a guaranteed project delivery. We are aware that all the RHDs conduct their financial planning in a similar manner. Actuals vary widely from budgets and Annual Surpluses continue to increase. Again, a review of the Financial Statements demonstrated an annual accumulated surplus ending December 31, 2024, of approximately \$422,000,000. Money that would be best suited to improve delivery of healthcare services to British Columbians.

The current model of accumulating large reserves while projects are delayed or unapproved result in public frustration over seeing taxes collected but no visible improvements in local healthcare delivery. It also demonstrates that the RHDs and Regional Districts and the local electorate have a total lack of control over when or if projects proceed because the Ministry of Health and Health Authorities have final say, whether politically or financially.

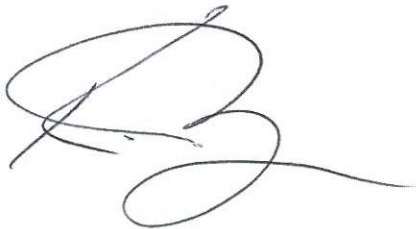
I would like to conclude that taxing property owners to build large reserves may not be illegal but is surely unethical considering no other province in Canada applies a Hospital Tax on property owners. The Hospital District Act fails to fulfill the universal health care system under the Canada Health Act, by creating a lack of accountability for universality, accessibility, and equity. As stated earlier, the inability to collect funding in

lower income areas leads to regional disparities and violates the concept that all Canadians have equal access to health care, regardless of where they live. In short:

- Local funding undermines universal access and adds administration costs,
- Regional disparities produce uneven infrastructure and quality of care,
- Property tax funding burdens lower income communities and places additional burden on taxpayers,
- Delay in building infrastructure reduces patient accessibility and patient outcomes.

In closing, we the members of the Regional District of Nanaimo Tax Payers Alliance request the Government to expanding the health system review to include Regional Hospital Districts

Sincerely,

A handwritten signature in black ink, appearing to be 'Kevin Pilger', with a stylized, cursive script.

Kevin Pilger

Director, Corcan Meadowood Residents Association

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A Member of the Regional District of Nanaimo (RDN) Taxpayers Alliance

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Regional Hospital Districts