Roth IAMS
Integrated Asset Management Strategies

HEALTHCARE FACILITIES

Beyond the Assessment: Why Canada's Hospitals Need a Plan, Not Just a Report Card

By Roth IAMS | August 2026

Summary. An FCA gives you evidence: what's failing, how far gone it is, and roughly what it will cost. What it doesn't tell you is what to fund first, how to phase work around clinical operations, or how to build the multi-year case a health authority will actually approve. That gap is where a lot of thorough assessment work stalls. This is for the people who have the report in hand and now have to turn it into a funded plan.

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Canada's hospitals are getting older, and the bill for keeping them running is growing faster than most budgets can absorb. For the people responsible for keeping these buildings safe, compliant, and functional (facility directors, capital planners, and VPs of infrastructure), the challenge isn't a mystery. It's a math problem that gets harder every year.

The Scale of the Problem

More than half of Canada's hospitals and health facilities were built over fifty years ago, long before anyone anticipated the technology-intensive, infection-control-driven, digitally connected environments that define modern care. Experts generally put a hospital's functional shelf life at around 40 years, meaning a large share of the country's inventory is already operating past its intended design life.

The dollar figures reflect that reality. A 2015 national estimate put deferred maintenance across Canadian hospitals somewhere between $15 billion and $28 billion, and the minimum annual investment required just to stop that backlog from growing further was pegged at $2.8 to $3.2 billion a year, a number few provinces have consistently met.

The federal government's $5 billion health infrastructure commitment in Budget 2025 was a meaningful signal, but as HealthCareCAN and others have pointed out, one-time capital injections don't undo decades of deferred investment. They buy time. They don't buy a strategy.

Why This Isn't Just a Maintenance Issue

Facility leaders already know that a leaking roof or an aging chiller isn't just a maintenance ticket. It's a risk to patient safety, infection control, surgical capacity, and regulatory compliance. Deferred maintenance compounds. A building envelope issue ignored for five years becomes a mechanical failure. A mechanical failure ignored becomes a service disruption. A service disruption becomes a patient safety incident.

The financial pattern is just as predictable. Facilities that rely on reactive, band-aid repairs consistently spend more than budgeted, and the overage grows year over year as the underlying systems continue to degrade. Once a hospital falls behind on capital renewal, the gap tends to widen rather than close, and repair budgets increasingly go toward emergency fixes instead of planned lifecycle replacement, which only accelerates the next round of failures.

This is the trap many facilities are in: too underfunded to get ahead of the problem, and too reactive to make the case for the funding they need.

Where the Facility Condition Assessment Fits, and Where It Stops

A Facility Condition Assessment (FCA) is the starting point for breaking that cycle. It gives facility teams an evidence-based picture of building and system conditions, quantifies deferred maintenance, and establishes a defensible Facility Condition Index that can be used to benchmark buildings against peers and against their own history.

That's essential information. But an FCA, on its own, is a snapshot, not a plan. It tells you what's wrong and roughly what it will cost to fix. It doesn't tell you which projects to fund first, how to sequence renewal work around clinical operations, how to build a multi-year capital plan that a board or a Ministry of Health will actually approve, or how to translate condition data into the kind of long-term reinvestment strategy that prevents the same crisis from recurring in five years.

That gap between "here's what's broken" and "here's what we're going to do about it, in what order, with what budget," is where a lot of good assessment work stalls. Facilities end up with a thorough report and a growing deferred maintenance number, but no clear mechanism for turning it into funded, sequenced action.

From Data to a Defensible Capital Plan

This is the natural next step after an FCA: capital renewal and reinvestment planning. Rather than treating the assessment as an end point, it becomes the foundation for a multi-year plan that:

- Prioritizes projects by risk and consequence, not just age or cost, so life-safety and clinical-continuity issues are addressed before cosmetic or lower-impact items
- Builds a realistic, phased funding model that aligns capital requests with what a health authority or ministry can actually approve in a given budget cycle
- Sequences work around operations, so renewal projects don't collide with surgical schedules, infection control requirements, or other clinical constraints
- Creates the reporting and benchmarking structure needed to demonstrate progress to boards, funders, and oversight bodies year over year
- Turns a static condition score into a living plan that gets updated as conditions change, funding shifts, or new priorities emerge

For facility and capital planning managers, this shift matters because it changes the conversation with leadership. An FCA report says, "here's our problem." A capital renewal plan tells the story of, "here's our problem, here's our solution, and here's what it costs to execute over the next five to ten years." The second conversation is the one that gets funded.

Closing the Loop

Canada's hospital infrastructure challenge isn't going to be solved by a single budget announcement or a single assessment cycle. It's a long-term asset management problem that requires long-term asset management thinking. Facilities that pair a rigorous FCA with a structured capital renewal strategy are in a fundamentally stronger position than those that stop at the assessment, not just because they know what's broken, but because they have a credible, funded path to fixing it.

SOURCES

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