Section VIII:

Executive Summary:
Response to the Public Accounts Committee
Tenth Report on the Auditor General's Report, October 2000
Health Canada

First Nations Health: Follow-Up

Introduction

The Public Accounts Committee (PAC), as a follow-up to the 2000 Auditor General's report, tabled recommendations in December 2001 requiring Health Canada to implement and report on improvements to its accountability and management activities. Health Canada agrees with the Standing Committee and the Auditor General that health programs for First Nations and Inuit must be well managed and accountable. This document highlights some of the progress made by the Department since the release of the PAC/OAG report. Our progress on actions taken towards the Auditor General and Public Accounts Committee recommendations is fully reported in electronic Annex D of the Departmental Performance Report 2002-2003: Government Response to the PAC Report (www.hc-sc.gc.ca/english/care/estimates/index.htm).

Several important milestones were reached in 2002-03: new program accountability frameworks were developed; an Intervention Policy and Handbook were prepared to assist communities in managing exceptional or problem situations; comprehensive standard agreements were implemented and monitored; a single contracts and contributions management system was implemented that enhanced reporting; a capacity strategy and action plan were developed to enhance capacity building in First Nations communities; a multi-year evaluation plan was drawn up to support better coordination of evaluation activities.

Recommendations and follow-up actions

Reporting to Parliament on progress. The major recommendation under this theme is that Health Canada inform Parliament of the progress it is making in implementing the recommendations contained in chapter 13 of the 1997 Report and chapter 15 of the 2000 Report of the Auditor General of Canada and in the Committee's 5th Report (36th Parliament, 1st Session). This information must make specific reference to progress in implementing each recommendation and be provided annually in Health Canada's Performance Reports, beginning with the report for the period ending March 31, 2002.

Key Actions Taken

To respond to this Recommendation as well as Recommendations 5, 9, 11, 16, 19, 23 and 24, Health

Canada is reporting with an electronic link to the 2002-2003 Departmental Performance Report and subsequent reports until 2005. The ongoing need for this special reporting requirement will be reassessed with the Auditor General after the next audit on First Nations and Inuit Health programs.

Community Health Programs (CHP) Accountability. Greater focus is being placed by the Department on providing accountable and sustainable programs and services for First Nations and Inuit. Health Canada implemented measures to better manage internally and externally to deliver the best possible service to First Nations and Inuit communities.

Key Actions Taken

To respond to the accountability recommendations Health Canada implemented several actions. To address the need for risk based monitoring on accountability documents, the Monitoring Contract and Contribution System (MCCS) was developed and implemented.

A draft comprehensive Reporting Handbook with financial and audit reporting guidelines was developed for programs.

- The draft is being reviewed by regional staff and will be produced incorporating their feedback.
- A review of reporting requirements for funding agreements was initiated to rationalize and streamline the reporting demands on FNI communities. Once complete, the program reporting guidelines will be amended.
- A Quality Assurance Review of reporting practices was conducted.

An Intervention Policy was developed to address problem situations under health funding arrangements. A handbook to assist in implementing the policy was approved and distributed.

- Communications and training on the Intervention Policy is expected to be completed by the fall of 2003.
- A review of the Intervention Policy will be conducted by April 2005.

Supporting Capacity Development. Health Canada shares the Public Accounts Committee's belief that capacity development is a priority. It is recognized that a participatory approach better contributes to community capacity development. The Transfer Policy (1988) and the Integrated Community-Based Health Services Approach (1999) provides an avenue for Health Canada to engage First Nations and Inuit in arrangements that permit various levels of control ranging from general and integrated contribution agreements to transfer contribution agreements.

Key Actions Taken

Health Canada developed pilot Health Plan demonstration sites that will improve capacity to manage health programs and services; improve capacity to identify community health needs and resources; improve management coordination, integrated health programs and services; improve financial and human resources allocation processes; and improve/enhance programs and services management information and reporting.

There are eight demonstration projects under way. Among them, three communities have completed the

first nine month phase which lays the foundation for the First Nations management structure and assessment of health needs. These communities moved into the second six month phase which focused on the establishment of objectives to meet the identified community health needs and the selection of programs to best support them. Two other communities will soon be ready to move into phase two.

In addition, a capacity strategy and action plan was developed, which describes ongoing activities to ensure capacity building in First Nations and Inuit (FNI) communities. As part of the capacity action plan, existing strengths and capacity needs with respect to management and administration of funding agreements between Health Canada and FNI communities were identified. Also included in the assessment, is an analysis of capacity with respect to reporting, data collection, interpretation and analysis related to agreement management. A draft Capacity Review was completed and is being analyzed.

Measuring performances, outcomes achievement, and managing information. Health Canada is committed to effective management of its programs by making important decisions with relevant data. Collecting good performance information is a priority of the Department.

Key Actions Taken

Health Canada worked with Statistics Canada and the National Aboriginal Health Organization (NAHO) to support the First Nations Regional Longitudinal Survey. Health Canada participated in the development of the data sharing agreement to provide health information about on-reserve populations. By the end of 2002-2003, 50 percent of the health data was collected.

To support evidence-based decision-making, Health Canada completed program evaluations for the Canada Prenatal Nutrition Program and Aboriginal Head Start for First Nations On-Reserve. The final reports are expected by March 2004 . The evaluation function was strengthened by the development of an Evaluation Policy and a Multi-Year Evaluation Plan to improve program planning and decision-making. The Canadian Strategy on HIV/AIDS for First Nations On-Reserve will be completed by August 2003.

Non-Insured Health Benefits Program (NIHB) control and prevention measures. The Public Accounts Committee recommended that Health Canada enhance the quality of the management of services provided to First Nations and Inuit. Steps have been taken to improve in this area.

Key Actions Taken

The PAC recommended that Health Canada immediately upgrade the Point-of-Sale system for pharmacies under the NIHB Program so that the system provides the dates, quantities, and drugs prescribed for a client's last three prescriptions and information on doctors visited. Health Canada, working with partners, enhanced the Point-of-Sale system or Pharmacy Electronic Communication Standard (PECS) and providers have utilized the most current version of the system. The enhanced system standard streamlines claims administration, facilitates efficient coordination of benefits, improves access to patient medication history (including Drug Utilization Review data) and provides interactive communication with other health professionals.

Health Canada will continue to conduct regular analysis of pharmacists' overrides of warnings, conduct audits on providers and continue generating quarterly reports on the number of Drug Utilization Review (DUR) claims submitted, accepted and rejected. From 1999 to the end of 2002-2003, 600 pharmacy/dental/medical supplies and equipment audits were completed. A report will be generated on the pharmacist overrides once the data is finalized.

The PAC/OAG recommended that Health Canada seek consent to share information on client use of pharmaceuticals with health care professionals. In September 2002, the NIHB Program implemented the national rollout of the consent initiative and was engaged in communication and community outreach activities at the national, regional and community levels. An extensive communications strategy and materials were prepared to outline the purpose of consent, the options for giving consent and how the information will be used, collected and disclosed. The consent requirement is anticipated to be in place by the fall of 2003. If recipients do not sign the consent form, they will have to pay for the benefit and may complete a reimbursement form which includes consent for the processing of that specific benefit . DUR activities will resume in September 2003. A report on DUR activities will be provided beginning with the 2003-2004 DPR Annex C.

The Department is committed to implementing greater measures to improve our management of First Nations and Inuit programs and services. We will continue to report on actions taken on the Public Accounts Committee and Auditor General recommendations in the annual Departmental Performance Report. Our detailed follow-up actions in response to PAC can be found in the electronic Annex C of the DPR: http://www.hc-sc.gc.ca/english/care/estimates/index.htm.