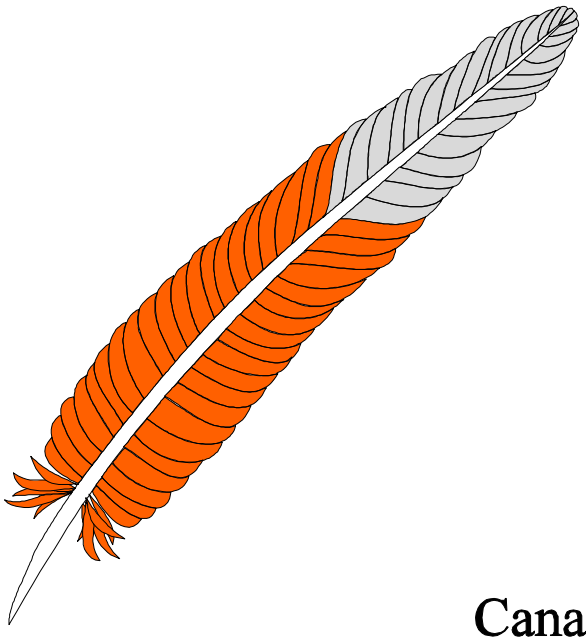
Health Canada
Santé Canada

Transferring Control of Health Programs to First Nations and Inuit Communities

Handbook 3
After the Transfer—The New Environment



March 1999

Canada

Ce document est également disponible en français sous le titre:

Passation du contrôle des programmes de santé aux Premières nations et aux communautés inuit: Guide 3: Après le transfert - le nouvel environnement

Program Policy, Transfer Secretariat and Planning Directorate
Medical Services Branch
Health Canada

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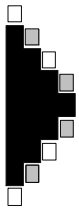
About This Handbook

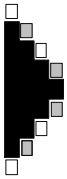
Purpose

This Handbook is the third of three handbooks that provide information about the transfer of control of Indian and Inuit health programs from the federal government to First Nations and Inuit communities. This Handbook provides details about the new environment for the community managing health services under the Health Services Transfer Agreement. This information is intended for Band Councils, Tribal Councils, and other First Nations and Inuit organizations, as well as for managers and transfer officers in the Medical Services Branch of Health Canada.



Handbook 3 describes roles and responsibilities, the framework for accountability and reporting, renewal of Transfer Agreements and other details of importance to the community after the Health Services Transfer is completed. The information in this handbook will be of interest to Band and Tribal Councils and other First Nation organizations which have completed Transfer or are working toward Transfer.

Using This Handbook



This handbook describes the new environment under which First Nations and Inuit communities manage their health services.

This Handbook summarizes Medical Services Branch (MSB) policies concerning control of health programs by First Nations and Inuit communities across Canada. Some regional variations may exist such as regulations governing certain health professionals and environmental protection under provincial jurisdiction.

Additional Information You May Need—Handbooks 1 and 2

Handbook 1 provides an introduction to three approaches to transfer of control of health programs and summarizes MSB policies concerning control of health programs by First Nations and Inuit communities. Handbook 2 provides information about the Health Services Transfer approach including procedures and policies for planning and details of how to prepare the Community Health Plan (CHP). The titles of Handbooks 1 and 2 are:

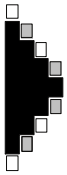
< *Transferring Control of Health Programs to First Nations and Inuit Communities: Handbook*

1 - An Introduction to Three Approaches, and

< *Transferring Control of Health Programs to First Nations and Inuit Communities: Handbook 2 - The Health Services Transfer.*

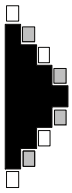
Keeping Up to Date

The three Handbooks together update earlier MSB documents on transferring health programs to First Nations and Inuit control.



If there are any other handbooks or documents providing policy statements that conflict with the contents of these Handbooks, the policies in Handbooks 1 to 3 are the ones to follow.

The relationship between the federal government and Aboriginal people across Canada is evolving. MSB regularly reviews its policies on transfer of control of health programs to make sure they support this renewed relationship.

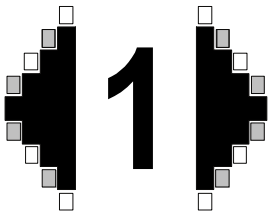


To ensure that you have the most current version of Handbook 1, 2, or 3, contact the Regional Office of MSB or go to the MSB website:

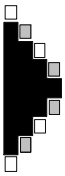
http://www.hc-sc.gc.ca/msb

Handbooks 1, 2 and 3 can be downloaded from the MSB website. Changes which affect the Handbooks will be posted regularly on the website.

The Post-Transfer Environment



Relationship of Mutual Support



After the transfer has been completed, the community and the Medical Services Branch (MSB) maintain an ongoing relationship. Both the community and MSB agree to their respective responsibilities and the nature of the ongoing relationship as specified in their signed Health Services Transfer Agreement.

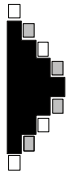
After the Transfer Agreement is signed, the relationship between MSB and the community is one of mutual support and shared responsibility. MSB's role in this relationship is to facilitate capacity-building and information exchange, and to foster participatory roles for the community. For its part in this relationship, the community works with MSB through regular reporting to support the Minister of Health in his or her accountability to Parliament for how effectively the transferred funds are being spent, and how the delivery of health services has improved the health status of community members.

The community and MSB share responsibility for accountability which operates at various levels:

- MSB to the Minister of Health to Parliament
- MSB to First Nations and Inuit
- First Nations and Inuit to MSB, to Minister, to Parliament
- First Nations and Inuit to community members.

Integration and Harmony in Community Health Services

Integration and harmony throughout the complete spectrum of health programs and services are important for First Nations and Inuit communities. After Transfer is completed, the community operates its own community health programs and services within the context of the Canadian health care system which comprises several specialized, interrelated elements. Federal, provincial and municipal governments manage many of these elements. First Nations and Inuit organizations outside of government manage other elements. To provide a comprehensive community-based health care system, the health board or authority may use some services of other jurisdictions. In general, the federal government is responsible for public health and health promotion, the provincial government is responsible for acute and chronic disease and non-government organizations provide other health and social services.



Community health and health-related services should be coordinated in an integrated manner which respects physical, mental, emotional and spiritual outcomes. The range of services offered in the community needs to include access to services of other jurisdictions through appropriate referrals for special needs of community members.

Multi-Department Agreement

The community has the option of entering into a multi-department agreement referred to as the Canada/First Nations Funding Agreement (CFNFA). The CFNFA is a new funding mechanism which may be used by First Nations who wish to reduce their administrative burden by having one agreement which includes several federal departments' programs. The CFNFA reduces the number of agreements to be managed by both First Nations and federal departments. A First Nation which does not wish to have one agreement with multi-departments may continue with an individual agreement with Health Canada.

Standardized agreements like the CFNFA simplify the operating environment for First Nations. The agreement uses consistent authorities and management systems, streamlines administrative practices and improves accountability with respect to the collective impact of federal funding on First Nations. The CFNFA is structured so that any federal department can participate in a CFNFA by including its own specific terms and conditions, e.g., the Health Canada Schedule. There is no transfer of program responsibility between federal departments.

The MSB Regional Transfer Officers can explain the merits of a CFNFA and other options for Transfer and the community decides which option it prefers.

Self-Government

First Nations and Inuit communities which are operating with a Health Services Transfer Agreement may wish to explore the option of Self-Government. The federal government Inherent Right to Self-Government Policy supports First Nations and Inuit control over all aspects of their lives. Under this Policy, First Nations are entitled to make certain laws with respect to health. Furthermore, the range of resources for health programs which can be included in a Self-Government arrangement is greater than those included in a transfer arrangement and may include fixed assets and services under the Non-Insured Health Benefits Program. The flexibility in terms of how resources are allocated is also greater and the reporting requirements are fewer.

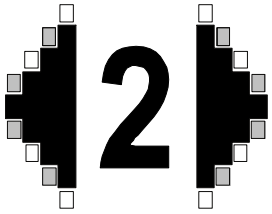
The nature of the role of Health Canada under a Self-Government arrangement would be subject to negotiation. Given the level of control available to communities through a Self-Government arrangement, it is expected that the role of MSB would likely be minimal.

For more information about the main features of Self-Government, see Handbook 2 or contact the following:

Self-Government Secretariat
Program Policy, Transfer Secretariat and Planning Directorate
Medical Services Branch, Health Canada
Postal Locator: 1921C
Ottawa, Ontario
K1A 0L3

Telephone: (613) 954-5019

Roles and Responsibilities



Roles and Responsibilities of the Community

After a Health Services Transfer Agreement is signed, a community is responsible for administering health programs and services. The Health Board or authority or designated health staff persons carry out related tasks to meet the following responsibilities:

< **Administering community health programs and services including mandatory programs**

- manage and deliver community-based programs and services according to the Community Health Plan (CHP)
- manage and deliver mandatory programs (i.e., communicable disease control including immunization; environmental health; and treatment services)
- employ or contract the service providers and manage their work
- maintain records and conduct an annual review of the transfer arrangement together with MSB to determine the success of the community's delivery of health services and programs
- develop a training plan and make provision for the professional development of service providers as specified in the training plan
- manage finances; the community keeps any surplus funds at year end but is also responsible for any deficit.

< **Planning and development**

- plan and develop new programs or redesign existing programs based on community health priorities and subsequent health evaluation results.

< **Updating the CHP**

- update the CHP on a regular basis to ensure that it reflects, at any point in time, existing program priorities and objectives of the community
- ensure copies of the updates are provided to MSB Regions.

< **Ensuring a first response to emergencies**

- prepare an emergency preparedness plan during the first year of transfer
- ensure first response as specified in the emergency preparedness plan.

< **Providing reports** (For details, see the chapter, Accountability Framework.)

- provide timely and regular reports to the provinces as required for each of the mandatory programs (specific reporting requirements are legislated in each province for these public health and safety programs)
- provide an annual report to the community
- provide an annual report to the Minister.

< **Conducting an annual comprehensive audit**

- use the annual comprehensive audit report as a component of the annual report to community members and the annual report to the Minister
- ensure that the Reporting and Auditing Guidelines are made available to the Auditor to make sure that the audit reflects MSB's audit requirements. These Guidelines are available from MSB.

< **Evaluating programs and services**

- develop an evaluation plan during the first year of transfer; refer to *A Guide for First Nations on Evaluating Health Programs* for additional information
- carry out an evaluation of delivery of health services and programs in every five-year period of transfer with funding from MSB to remain accountable to community members and to identify successes and changes needed in programs; the evaluation is conducted in the fourth year of the transfer period to allow time for assessment and discussions for renewal of the Transfer Agreement by the end of the fifth year of the transfer period
- report on the evaluation to the community and the Minister
- update the evaluation plan in each evaluation cycle after the report is submitted.

< **Preparing for renewal of the Transfer Agreement**

- ensure completion of required audits, reports and evaluation, and update the CHP
- work with MSB on renewal of the Transfer Agreement based on the results of the community program evaluation and achievement of the health priorities identified in the current CHP. (Renewal discussions should begin no later than six months prior to expiry of the Transfer Agreement to provide sufficient time if there are any contentious issues that need to be resolved. Renewal discussions should use the most current Transfer Agreement Proforma.)

For details on auditing, evaluation and reporting, see the chapter, Accountability Framework in this Handbook and the relevant sections in Handbook 2.

Roles and Responsibilities of the Regional Transfer Officer

After a Health Services Transfer Agreement is signed, the transfer officer is responsible for ensuring that the following requirements are met by the community:

< **Evaluation Plan** - due in year one of the Agreement

< **Evaluation Report** - due in year five of the transfer period

< **Emergency Preparedness Plan** - due in year one of the Agreement or, alternatively, it may be completed in the Bridging Phase of pre-transfer

< **Training Plan** - due in year one of the Agreement or, alternatively, it may be completed in the Bridging Phase of pre-transfer

< **Annual Report to the Community** - due within 90 days after the end of the band's fiscal year

< **Comprehensive Audit Report** - due within 90 days after the end of the band's fiscal year

< **Report on the provision of Mandatory Programs** - as required by provincial and federal authorities for each mandatory program

< **Annual Report to the Minister** - due within 90 days after the end of the band's fiscal year

< **Updated Community Health Plan** - ongoing

< **Meetings with community** to discuss post-transfer issues and to share information - ongoing or, at a minimum, annually

< **Renewal discussions** - begin no later than six months prior to the expiry of the Agreement; due to the nature of renewal issues, discussions may begin one year in advance of expiry

< **Routing of Agreements and amendments to Agreements** - obtaining MSB Headquarters approval of Agreements and amendments requiring formal review.

Roles and Responsibilities of Medical Services Branch

After the Transfer Agreement is signed, the responsibilities of MSB relate primarily to the following:

< **Protection against health risks**

To be prepared for situations where an immediate response is required for protection of First Nations, Inuit or the general population (e.g., communicable disease, environmental health threat, disaster, epidemic, crisis or other emergency), MSB must:

- maintain its capacity to respond to emergencies
- maintain its expertise to respond to various situations.

For long-term, ongoing prevention of risk (e.g., service delivery problems), MSB must:

- continue monitoring and surveillance of mandatory programs and react as appropriate
- undertake ongoing risk assessment to ensure continued viability of the transfer
- monitor financial management as a potential risk to provision of programs and services.

< **Assessment of program and financial impacts**

To maintain its capacity to assess program and financial impacts on the community (e.g., assessing the effectiveness of programs and services against the Community Health Plan; reviewing and renewing Agreements), MSB must:

- maintain capacity to monitor and assess reports and other required information according to the terms of the Transfer Agreement and react appropriately based on an assessment of risk
- evaluate, based on the current CHP, the effectiveness of programs and services provided under the Transfer Agreement through the evaluation plan and report
- assess audit reports for impacts
- maintain records and carry out monitoring activities
- renew Transfer Agreements.

< **Ongoing functions as a result of Special Relationship**

MSB continues ongoing functions as a result of special relationship. MSB will:

- maintain advisory and consultative capacity to First Nations and Inuit communities at a regional and national level
- facilitate the provision of training and capacity-building
- engage in co-management, both national and regional, supporting partnerships with First Nations and Inuit communities to enhance their input into policy and decision-making
- liaise with other federal government departments and central agencies on issues such as accessing new resources, and self-government
- continue liaison with other levels of government on federal-provincial-territorial issues, linkages to provincial health systems, tripartite processes, etc.
- maintain capacity to develop policies to respond to new pressures and to collect the information needed to develop policies
- continue to develop new programs and to develop policy for implementation of time-limited and ongoing programs
- continue to support the Minister of Health for reporting to Parliament and Cabinet and for consultation.

Amending the Transfer Agreement

Amendments to the Transfer Agreement may be required during the period of the Agreement to deal with any of the following situations:

- addition of resources for new programs
- additional resources for existing programs
- to include MSB approved growth in the global budgets for Transfer Agreements
- a community opting out of a multi-community transfer agreement
- programs being returned to MSB
- new terms and conditions resulting from co-management, third party management or other default measures are required
- other as may be necessary.

Depending on the nature of the amendment, it may require legal review and routing to MSB Headquarters for approval (e.g., new clauses in the Agreement).

Renewing the Transfer Agreement

The Transfer Agreement lasts three to five years. The Agreement is renewed at the end of this period subject to mutual agreement by MSB and the community. The renewal process starts no later than six months before the Agreement ends. Regional representatives from the MSB Regional Office and representatives named by the First Nation or Inuit community carry out this process.

Reviewing the Agreement does not entail revisiting the detailed building blocks of the original Transfer Agreement, except to clarify issues or to provide background for MSB and First Nation and Inuit representatives who are not familiar with the issues of the Transfer Agreement. In reviewing the Agreement, efforts should be devoted to dealing with issues that require attention for the next Transfer Agreement period.

Renewal discussions do not include re-negotiation of the existing global transfer budget or line items within that global budget. Renewal discussions centre around future growth in resources resulting from the introduction of new programs or from MSB approved increases in global budgets for transfer agreements.

Figure 1 provides a checklist of tasks to be completed before the renewal of the Transfer Agreement can be finalized.

Figure 1: Check List for Renewal of the Transfer Agreement

" **Update the CHP**	The CHP must reflect any changes made in the priorities and objectives of health programs and services. Regular updates of the CHP will make this task easier.
" **Complete the community evaluation**	The Transfer Agreement requires communities to evaluate the effectiveness of their community health programs and services (according to the current CHP) and determine any changes in the health status of the members of the community. The evaluation report must be provided to the community and the Minister prior to the end of every five-year period of transfer. For details on evaluation reporting requirements, see the chapter, Accountability Framework.
" **Complete and submit all required audits and reports**	Submissions of all required reports and audits must be up-to-date, including reports to the provinces and MSB on mandatory programs, the annual report to the community, and the annual report to the Minister. For details on reporting requirements, see the chapter, Accountability Framework.
" **Identify issues requiring resolution**	All issues relating to the Transfer Agreement emanating from program delivery, operational issues, audits, community evaluation and roles and responsibilities should be discussed.
" **Obtain and review the most current Transfer Agreement Proforma**	The Transfer Proforma may have changed since the community's Transfer Agreement was implemented. The renewed agreement must reflect the most current MSB policies for Transfer—a renewed agreement is not simply a matter of amending an old agreement. It is necessary to become familiar with the most current Transfer conditions to be used for renewal.

Managing the Global Transfer Budget

Under Transfer, a community receives global funding to cover the cost of providing the transferred health programs and it is expected to manage its changing health priorities within the global budget provided. This may mean shifting resources from one program area to another.

The community receives a global amount to cover the cost of delivering the entire package of programs each year. The transferred amount includes:

- program funds calculated according to the approved MSB program budget for the community at the community, zone, and regional levels (where applicable)
- funds for costs associated with general administration, accounting, liability insurance, personnel office space, employee training, equipment replacement and the annual audit
- funds to cover the health management structure at the community level.

It is important to note that, in developing the global budget, MSB conducted a costing for some budget items and, in some cases, an established formula has been developed to arrive at the budget amount. An example is the Management Funding amount included in the global budget which is determined by using a formula and the approved community population at the time of transfer. In spite of how the global budget is determined, the principle is that the community has the flexibility to reallocate resources within the global budget.

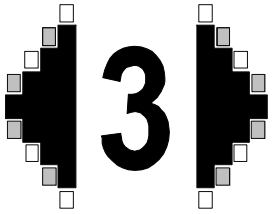
Any future increases to the global budget will be as a result of the following:

- introduction of new health programs
- MSB policy or resource decisions to provide increases for core health programs, and
- approved global budget increases for all transferred communities.

At renewal of the Transfer Agreement, discussions normally take place on a number of issues such as evaluation results and cost pressures. The original global budget is not renegotiated nor are line items within the global budget revisited. Although there may be pressures such as population increases, price increases, and other program implementation pressures, a recalculation of individual budget line items is not the mechanism to deal with such major issues. MSB will deal with most sustainability issues on a national basis, and any increases, if approved, will normally be allocated through one of the three mechanisms identified above. Across the board growth in the global budget, i.e., for all Transfer Agreements, is the normal mechanism to provide funds to communities to deal with cost pressures.

Communities are expected to consider the impact on their global transfer budgets when they make changes to the health programs they deliver.

Accountability Framework



Why Do We Need an Accountability Framework?

As responsibility for management and delivery of health programs and services shifts to the First Nation and Inuit community level, it is important for all stakeholders to clearly understand each other's role in the MSB-First Nations and Inuit health system. This is especially important in light of Treaty Rights and Fiduciary Relations as understood by First Nations. An accountability framework helps to develop and ensure a common understanding among stakeholders in the broader MSB-First Nations and Inuit health system (e.g., health care providers, health authorities, clients, the provincial government, the federal Minister of Health), of their roles, responsibilities and reporting requirements which ensure the availability of the information they need to carry out their responsibilities. Knowing who the key stakeholders are helps get the right information to the right person on a timely basis.

Implementing the accountability framework in the Health Programs Transfer Agreement ensures the ability of both the community and MSB to:

- demonstrate value for dollars spent on programs and services and identify shortfalls
- manage the risks to health status and to programs
- improve the ability to determine the community's capacity to deliver services
- improve overall financial management practices.

Increasingly, First Nations and Inuit community members are demanding more concerted efforts on the part of their leadership to improve health and social conditions. They are calling for openness in the decision-making processes of their local governments and an increased role for community members in making decisions on matters of significant community importance. The accountability framework can improve the quality of service delivery because it requires that all service providers and stakeholders answer for their decisions, their activities and the results which are measured against pre-determined community standards.

When a community implements a clear accountability framework, they make sure that community members have the information they need to support the work of their leadership and to contribute in a meaningful way to tough decisions on community matters. On the other hand, accountability and management processes that do not measure up to the standards demanded by community members can result in community dissatisfaction and, in extreme cases, have resulted in the loss of the leadership's ability to effectively manage community affairs and deliver essential services.

At the level of the federal government, the ability of the Minister to advance the agenda items of First Nations and Inuit communities (e.g., issues of funding, programs and self-government) is closely linked to accountability. For progress to be made on any of these items, the Minister must be able to demonstrate to Cabinet and Parliament that First Nations and Inuit communities have effective accountability frameworks in place that meet basic standards common to other governing structures.

A Definition of Accountability

Accountability is the obligation to take and demonstrate responsibility for performance based on agreed expectations and within the limits of budgets and existing authorities. A clear description of accountability is necessary to minimize and manage any risk to health and to ensure access to adequate levels of health care and services for First Nations and Inuit community members. An accountability framework clearly states who is responsible for what, the standards that are expected, and the processes that will be used to ensure accountability at every level of the MSB-First Nations and Inuit health system.

Essentially, accountability is about ensuring a formal commitment to responsibilities between MSB and each of its co-delivery partners and First Nations-Inuit leadership. The formal commitment is in the form of a contract or agreement between the Minister and the First Nations or Inuit community. The contract or agreement includes a commitment to objectives, expected results and outcomes, obligations, relationships, roles and responsibilities, and reporting requirements for program activities and delivery of services.

In operationalizing this definition, MSB and communities with a Transfer Agreement should manage their daily activities around the following main accountability principles:

< **Transparency**

Decision-making structures and processes that are open to observation and participation

< **Outcome Reporting and Disclosure**

Timely reporting of program and financial performance, moving away from reporting inputs and activities, and towards reporting the key results or outcomes of those inputs and activities

< **Review and Adjustment**

Monitoring and providing feedback and taking corrective action where required

< **Shared Responsibility**

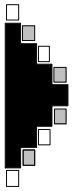
Recognition that accountability operates at various levels:
- MSB to Minister to Parliament
- MSB to First Nations and Inuit
- First Nations and Inuit to MSB, to Minister, to Parliament
- First Nations and Inuit to community members

Continuity

Recognition that accountability does not change with Transfer or Self-Government but that responsibility for accountability does change.

Accountability from Different Perspectives

Under a Transfer arrangement, the accountability relationship between Chiefs and Councils and the Minister of Health reflects an approach based on the community having greater financial and program flexibility within a framework requiring more visibility and accountability to community members and to Parliament.



In its accountability to Parliament, the federal government reports on all activities that it has funded in every Department and on the results achieved.

Similarly, in its accountability to its community members, a First Nation's Council and administration are to report on where funds have been spent and what community members are getting in return.

The accountability framework which forms part of the Transfer Agreement is designed to ensure that needed information is available for the use of both the Minister and the First Nation Council in fulfilling their respective accountability requirements. For additional information on accountability see the following Reports of the Auditor General of Canada to the House of Commons:

< September 1996, Chapter 13, *Study of Accountability Practices from the Perspective of First Nations*

< April 1999, Chapter 5, *Collaborative Arrangements: Issues for the Federal Government* and Chapter 10, *Indian and Northern Affairs Canada - Funding Arrangements for First Nations: Follow-up.*

These reports are available from the Auditor General's Office or on their website:

http://www.oag-bvg.gc.ca

Accountability of Chief and Council to Community Members

All community activities are sustained with the ongoing consent of the members of the community. The work of the First Nation health board or authority is no exception. Although the Chief and Council create the health board through by-laws or other formal processes, the board must follow the community's guidance in matters of health. This obligation is carried out through a process approved by Chief and Council that reinforces their authority to speak for all community members while being accountable to them.

Transfer Agreements require that First Nations and Inuit communities provide their members with annual reports including audited financial statements within 90 days of the end of the Band's fiscal year. In cases where the community authority defaults in its obligations to provide its members with a copy of the audited financial statements prepared pursuant to the Agreement, the Minister may make the audited financial statements of the community available to the community members.

Accountability of Chief and Council to the Minister of Health

The Chief and Council are accountable to the Minister for meeting the terms and conditions of the Transfer Agreement by delivering health services in accordance with priorities identified in the Community Health Plan and by designing and adapting health services to meet changing priorities and needs. Transfer Agreements require that First Nation and Inuit communities submit for the Minister the following reports within 90 days of the end of the Band's fiscal year:

- a copy of the Annual Report to the members of the First Nation or Inuit community
- an annual comprehensive audit report
- a summary report on the provision of mandatory programs
- an evaluation report every five years.

Details of these reports are provided in this chapter in the section, Reporting Requirements and the section, Evaluation Report.

Accountability of the Minister to Parliament

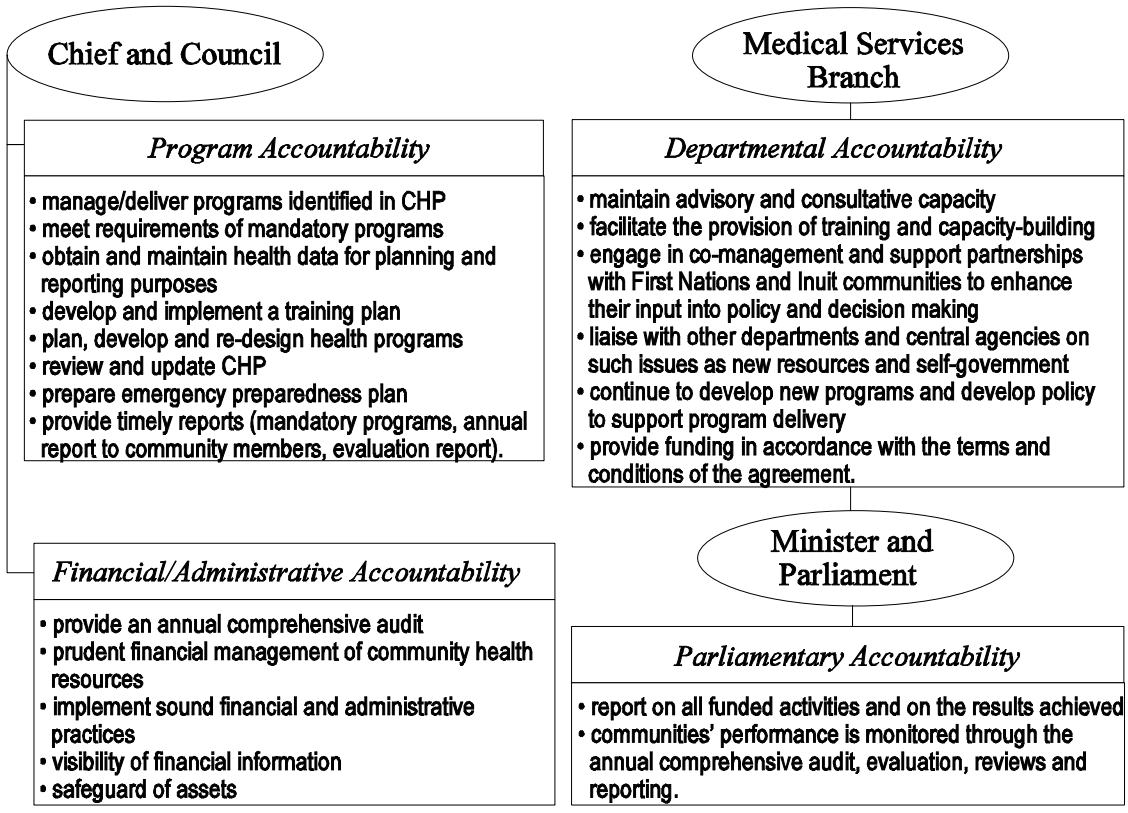
The Minister continues to be accountable to Parliament for prudent financial management of community health resources and for overall program results to protect the health and safety of First Nations and Inuit people. Ministerial accountability is maintained by ensuring from the outset that communities entering into Transfer Agreements have the necessary management structures and processes for community accountability. In addition, the community's performance with respect to mandatory program requirements and terms and conditions of the Transfer Agreement are monitored through the annual comprehensive audit. The 1997 Auditor General's Report recommendations on program accountability for First Nations and Inuit Health Programs are summarized in Appendix A.

Accountability of the Minister to First Nations and Inuit Communities

Under a Transfer Agreement, the Minister is accountable to the First Nation or Inuit community by ensuring MSB capacity and expertise to respond to various situations. MSB will maintain its capacity to respond in emergency situations where immediate action is required for protection against health risks to First Nations, Inuit or the general population, e.g., communicable disease, environmental health threat, disaster, epidemic, crisis or other emergency. MSB will maintain advisory and consultative capacity and facilitate provision of training and capacity-building for First Nations and Inuit communities at a regional and national level. The Branch will continue to engage in: co-management, both national and regional, supporting partnerships with First Nations and Inuit communities to enhance their input into policy and decision-making; liaison with other federal government departments and central agencies on issues such as accessing new resources, and self-government; and liaison with other levels of government on federal-provincial-territorial issues, linkages to provincial health systems, tripartite processes, etc.

Figure 2 summarizes the various levels of accountability outlined above.

Figure 2: Accountability for Transferred Health Programs



Reporting Requirements

As part of the accountability framework, the Health Services Transfer Agreement includes the following reporting mechanisms:

- an annual report to the members of the First Nation or Inuit community
- reports on the provision of mandatory programs
- a comprehensive audit report
- an evaluation report every five years.

Figure 3 lists the required reports, their frequency and who should receive them as specified by the accountability framework included in the Transfer Agreement. Details are provided in the text following Figure 3. For further details, refer to the MSB publication, *Reporting and Auditing Guidelines for Health Services Transfer Agreements,* which is available from MSB Regional Offices. The terms and conditions of the Transfer Agreement relating to reporting are available in the National Transfer Agreement Proforma which also can be obtained from the Regional Offices of MSB.

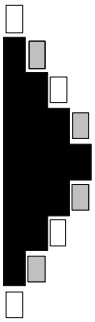
Figure 3: Summary of Reporting Requirements

Report	Information Required	Method/Frequency of Reporting
Annual Report to Community Members	• summary of programs and services • data on services, operations and results • challenges and changes in members health status • explanations for deviations from the CHP • comprehensive audit report	• report from Health Authority available each year to the entire community and MSB within 90 days after the end of the Band's fiscal year • copy as part of the Annual Report to the Minister
Reports on the Provision of Mandatory Programs	• separate requirements for communicable disease control, environmental health and treatment services; details provided in CHP-3, Handbook 2.	• periodic reports to the provinces with copies to MSB as required by provincial and federal authorities for each mandatory program • annual summary as part of the Annual Report to the Minister
Comprehensive Audit Report	• auditor's opinion of Band's financial statements • compliance with terms and conditions of Agreement • report on health expenditures • report on Moveable Assets Reserve	• report to MSB Regional Office within 90 days after the end of the Band's fiscal year • copy as part of the Annual Report to the Minister and of the Annual Report to community members.
Evaluation Report	• evaluation to be conducted in accordance with the Evaluation Plan during 4th year of transfer period to allow report to be completed in 5th year of transfer period • assessment of the effectiveness of community health programs and objectives • determination of any changes in health status of community members	• report to community members and MSB for every 5-year period of transfer.
Annual Report to the Minister	• includes copy of Annual Report to community members, a summary of reports on mandatory programs, and a copy of the comprehensive audit report	• annually to MSB within 90 days after the end of the Band's fiscal year

This section describes the requirements for the report to community members, the report on provision of mandatory programs, and the comprehensive audit report.

< Annual Report to Community Members

Under a Health Services Transfer Agreement, community members will hold their Chief and Council accountable for the success of health programs, for ensuring that everyone in the community has fair and equal access to health services, and for the funds transferred to them. To satisfy the reporting requirements to community members, the Chief and Council, or their designated representatives, must produce an Annual Report based on the goals and objectives of the CHP.



The Annual Report to community members must include the following information:

- ***a summary of health programs and services***
- ***data on services, operations and results***
- ***challenges and changes in members health status***
- ***explanations for any deviations from or changes to the Community Health Plan***
- ***a copy of the comprehensive audit report.***

The report is to be available to the entire community and to MSB within 90 days following the end of the Band's fiscal year.

< Reports on Mandatory Programs

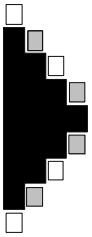
Under a Health Services Transfer Agreement, the community must prepare reports on the provision of the following mandatory programs:

- Communicable Disease Control
- Environmental Health
- Treatment Services (if applicable).

Copies of these reports are to be provided to the Regional Office and to the provincial authorities as required. For details of the type of information required and the frequency of reporting, see the section CHP-3, in Handbook 2 and also the MSB document, *Reporting and Auditing Guidelines.*

< Comprehensive Audit Report

Funds received under a Health Services Transfer Agreement must be audited by an independent, accredited auditor hired by the community. A comprehensive audit of the health programs and services reports on the adequacy of financial controls and certifies that sound accounting principles have been followed and that the terms and conditions of the Transfer Agreement have been met.



The comprehensive audit includes:

- ***the auditor's opinion on the fairness of the Band's financial statements***
- ***the Band's compliance with the "Terms and Conditions" of the Agreement***
- ***a Report on Health Expenditures***
- ***a Report on Moveable Assets Reserve.***

The MSB document, *Reporting and Auditing Guidelines,* provides the requirements for the following:

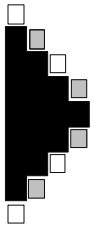
- the auditor's contract
- qualifications of the auditor
- roles and responsibilities of the auditor, the Band, and Health Canada.

The auditor's report must be provided to the Regional Office within 90 days following the end of the Band's fiscal year. In cases where the community defaults in its obligation to provide the Minister with an audited financial statement, the Minister may:

- require that an independent auditor, recognized in the province in which the Agreement was executed, be appointed immediately by the community at the community's cost and that the audited financial statements be delivered within a reasonable time as the Minister may determine; or
- appoint an independent auditor recognized in the province in which the agreement was executed and in which case:
  - the community will provide the auditor appointed by the Minister with full access to its financial records and provide such other information as the auditor may require to perform the audit; and
  - the Community will reimburse Health Canada for all costs incurred in having the audit conducted.

Evaluation Report

Evaluating health programs and services provides valuable information for the community in planning new programs or modifying existing programs. This information includes any changes in the health status of the members of the community.



Evaluation is an essential element of good program management. The community health board or authority uses evaluation to learn how well their programs and services are meeting their objectives and whether or not the health needs of community members are being met.

The Transfer Agreement requires that the community complete an evaluation of its health programs and services for every five-year period of the transfer. The evaluation is conducted during the fourth year of the Transfer period. To assist the community in the completion of the evaluation, resources are provided to develop and submit an Evaluation Plan to MSB during the first year of the Transfer Agreement. The Evaluation Plan outlines the community's proposed strategy for conducting the evaluation including a time frame and cost estimate. For more information on evaluation, see Handbook 2 and *A Guide for First Nations on Evaluating Health Programs*, available from MSB.

The evaluation is designed to assess the effectiveness of community health programs and objectives and to determine any changes in the health status of community members. The evaluation must be based on the current CHP. The CHP must be updated regularly to reflect changes made to program priorities and objectives.

Figure 4 shows how evaluation completes the wheel of program management. The results of the evaluation enable the community to again update their CHP and to prepare for the renewal of their Transfer Agreement.

Figure 4: Wheel of Program Management, the CHP, and Evaluation

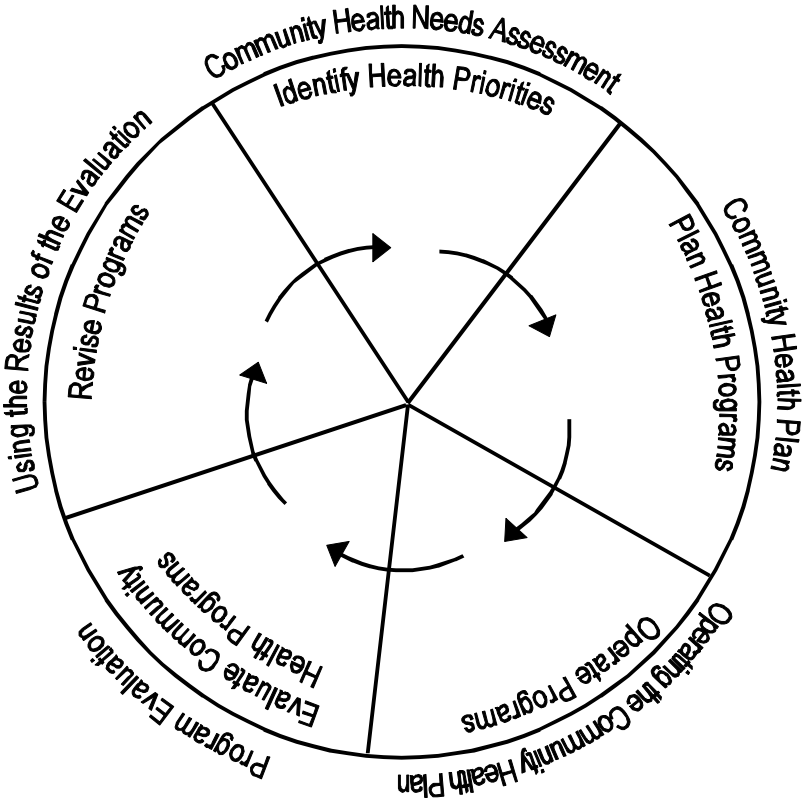
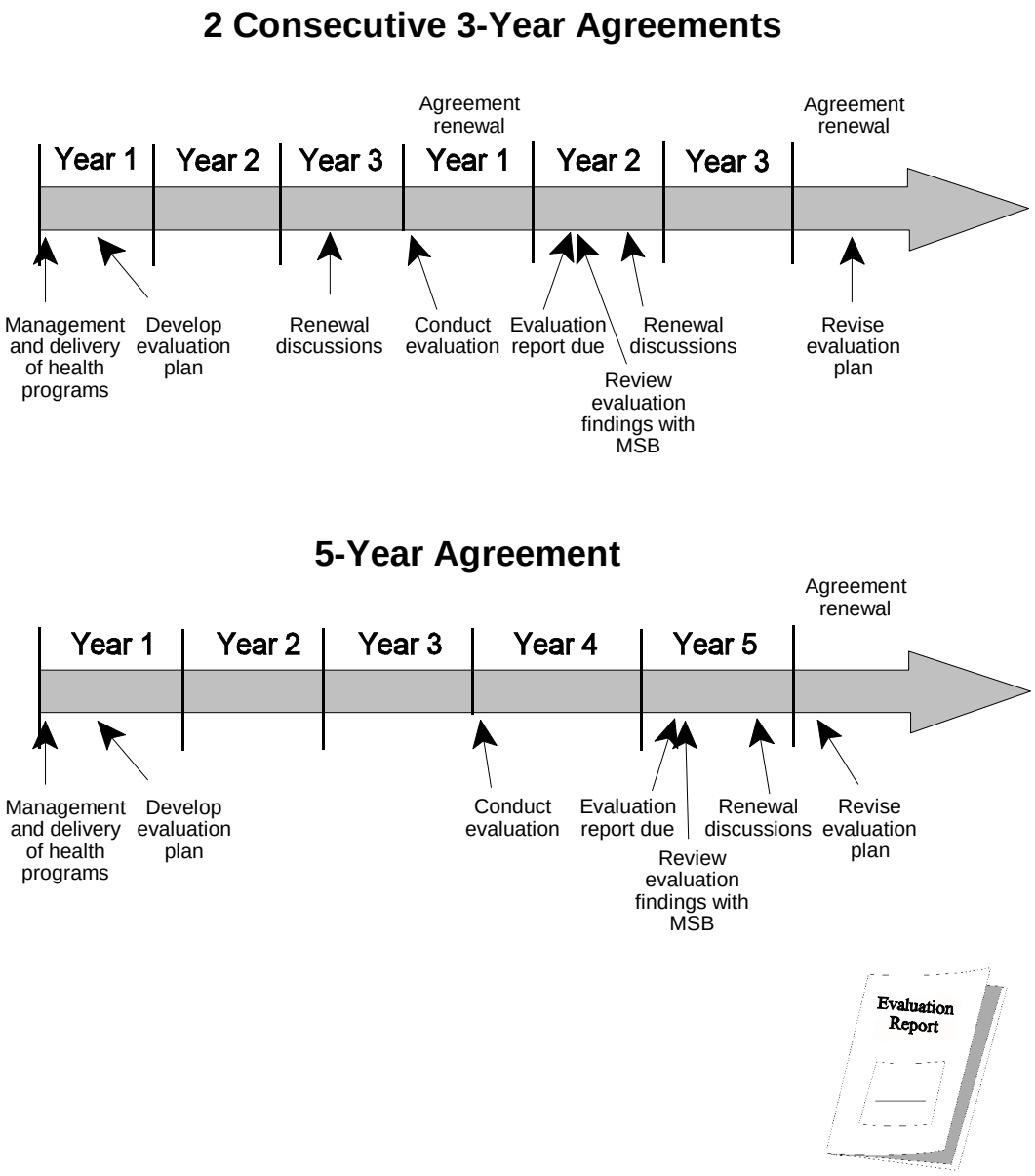


Figure 5 shows where the cycle of planning, conducting and reporting on evaluation fits into the transfer period for 3-year and 5-year Agreements. For 5-year Agreements, the evaluation report is required before discussions can begin for renewal of the Transfer Agreement. For 3-year Agreements, the evaluation period is also required for a 5-year period which means it will overlap with the next 3-year Agreement, i.e., the evaluation period does not necessarily coincide with the agreement period.

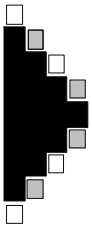
A copy of the evaluation report must be provided to the Regional Office before the end of the five-year transfer period.

Figure 5: Transfer Program Evaluation Cycle



Circumstances for Intervention

As a matter of policy, under a Transfer Agreement MSB will make every effort to intervene in a community's management and delivery of health programs and services only to the extent necessary.



The Transfer Agreement specifies the circumstances under which intervention by the Minister of Health or appointed representative can occur. Intervention may occur when a community's health is at risk because of:

- ***a health emergency, or***
- ***mandatory programs not being delivered, or***
- ***difficulties which have occurred in management or financial aspects of community health programs which could lead to their breakdown.***

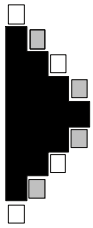
The nature of the circumstances and interventions is described below:

< **A health emergency has occurred and the responsible Health Authority is unable to act, refuses to act or takes ineffective action.**

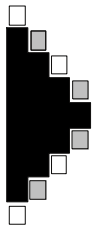
Intervention can occur if the Minister or his appointed representative is notified of this situation by the Chief and Council, the community members or any other source. Within 24 hours of notification, the Minister or an appointed representative will arrange for appropriate emergency relief and any other actions deemed necessary to resolve the immediate problem. The Chief and Council and the health authority will be kept informed of action taken. Once the emergency situation is over, the Chief and Council and/or the health authority will be assisted to develop appropriate means for responding to future emergencies.

< **Mandatory program requirements specified in the Transfer Agreement are not being delivered; or management or financial difficulties have occurred which have caused, or could lead to, a breakdown in the community health programs.**

Intervention can occur if the Minister or his appointed representative is notified of this by the Chief and Council, the First Nation Health Authority, the community members, the auditors (through audit reports) or any other source. The Regional Director, MSB, will contact the responsible First Nation Health Authority within 15 days in order to arrange a meeting. This meeting will focus on clarification of concerns and discussion of courses of action. The meeting will result in a written plan outlining the procedure for resolving the difficulties within a specified time frame. The Minister or an appointed representative will maintain contact at agreed upon intervals to ensure action is underway and to give assistance as requested.



A community emergency is an abnormal situation requiring prompt action beyond normal procedures to prevent injury to persons and damage to property and the environment. By their nature and magnitude, these abnormal situations require co-ordinated responses by a number of agencies (including health services), under the direction of the appropriate officials, as distinct from routine operation and day-to-day procedures, such as police activities, fire-fighting, and normal hospital routines.



A health emergency is any condition, actual or perceived, which has an adverse impact on health. The condition may result from exposure to a substance, a process or a product which requires prompt action beyond normal procedures. Examples of health emergencies include an epidemic, an environmental disaster (e.g., fire, chemical spill, hurricane or tornado), certain infections (e.g., bubonic plague or ebola virus), flu pandemic (i.e., a worldwide outbreak of a new strain of the flu virus).

Default

The community is in default of the Transfer Agreement in the event that:

< the community defaults in any or all of its obligations set out in the Agreement;

< the auditor of the community gives a denial of opinion or an adverse opinion of the financial statements of the community in the course of conducting an audit with respect to the expenditure of funds by the community under the terms and conditions of the Agreement;

< the Minister has a reasonable belief that the community is insolvent or is at risk of becoming insolvent; or

< the Minister has a reasonable belief that the health and safety and security of the members of the community are being compromised by the acts or omission of the Band Council or any entity to which the community has delegated any of its obligations under the Agreement.

Remedies on Default

The community may be subject to default remedies exercised by the Minister. In the event that the community defaults under the Agreement, the Minister or his delegate may require a meeting with the community to review the situation. One or more of the following actions may be taken to remedy the default, having regard to the nature and extent of the default:

< require the community to develop and implement a plan for corrective action

< require the community to enter into a co-management agreement, which is an agreement between the community, Health Canada and a third party acceptable to both the Minister and the community, that ensures that the community carries out the terms and conditions of the Agreement;

< appoint, upon providing notice to the community, a third party manager who will be appointed to administer funding and the community's obligations under the Agreement;

< withhold any funds otherwise payable under the Agreement;

< require the community to take any other reasonable action necessary to remedy the default;

< take any other reasonable action as the Minister deems necessary to remedy the default; or

< immediately terminate the Agreement.

Dispute Resolution

The Transfer Agreement includes two options for dealing with any disputes between the community and MSB arising from the management and administration of the Agreement. Other processes for resolution of disputes may be adopted by mutual agreement as part of the Transfer Agreement. By signing the Transfer Agreement, the community recognizes that matters of public policy are not intended to be dealt with by dispute resolution.

Resolving disputes requires the following general steps:

< The person who identifies a matter as a dispute must inform the other party in writing.

< Within 15 days, the Regional Director of the MSB Regional Office meets with the community's representative(s) who must be identified in writing.

< If the Regional Director and community representative(s) are unable to resolve the dispute within 20 days after this first meeting, the matter is referred to the Assistant Deputy Minister, Medical Services Branch and the community's representative(s) who must be identified in writing.

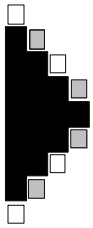
< If the Assistant Deputy Minister and the community's representative(s) are unable to resolve the dispute within 20 days after written notification to the Assistant Deputy Minister of the dispute, one of the following two options for resolving the dispute may be activated.

  - activating the standard dispute resolution process in Appendix B.
  - activating the mutually agreed upon dispute resolution process adopted by both parties and incorporated in the agreement.

Multi-Community Transfer Opting-out Provision

4

The Community Health Plan (CHP) for multi-community transfers specifies the services that will be provided in the communities, which of those services will be provided by the individual communities and which by the multi-community group, and how frequently the services will be provided.



In cases where the Transfer Agreement is signed with a multi-community group, the responsibility for the management of the Agreement lies with the group, whether or not the group provides all services directly. The responsibility for resolving differences within the group lies with all communities who are party to the Agreement.

A process for resolving differences within the multi-community group must be developed by the group within six months after the Transfer Agreement is signed.

For multi-community groups only, the Transfer Agreement specifies a process for situations in which one of the member communities wishes to withdraw entirely from the Agreement and receive its health services from MSB or from a separate authority:

< The First Nation wishing to withdraw must give one-year advance written notification to the group and to the Minister of its intention to withdraw and of its proposed arrangement for delivery of health services to its community members. Before moving to terminate the Agreement arrangements, the First Nation intending to withdraw must first exhaust the dispute resolution process which the group has established. The group and the First Nation intending to withdraw must provide a schedule to guide the withdrawal process outlining delivery issues related to management, programs and finances. The group and the First Nation intending to withdraw must identify, assess and tabulate all available resources in the signed Transfer Agreement that can be allocated to the opting out Community, such as resources for salaries, capital, and operating and maintenance, based on the community by community amounts used to establish the Transfer Agreement. MSB, the group and the First Nation intending to withdraw agree to develop procedures to support and maintain the continued delivery of quality health services during the transition period.

Support to Nurses in Communities - Critical Incident Stress Management Services

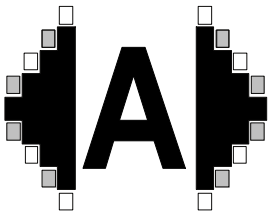
5

CISMS

The Critical Incident Stress Management Services (CISMS) are an MSB service available to transferred or Band-employed nurses, as well as to all MSB staff working in nursing stations, health centres, and zone and regional offices anywhere in Canada. The goal of the services is to safeguard the well-being of employees who have experienced a critical incident so that they can continue to function in their profession. Staying on the job, minimizing absenteeism and continuing to function effectively in the workplace are all benefits.

These services have been administered nationally since 1991 through the Occupational and Environmental Health Services Agency, Western Region, Winnipeg, Manitoba.

For details of the services provided by CISMS, see Appendix C.



Auditor General - Accountability for First Nations and Inuit Health Programs

Appendix A

Auditor General - Accountability for First Nations and Inuit Health Programs

Auditor General: Main Elements of Program Accountability

The Office of the Auditor General (OAG) describes the following as key elements in sound accountability:

< **Clear Roles and Responsibilities**

According to the OAG, the roles and responsibilities of the parties in the accountability relationship should be well understood and agreed to (includes the legislative framework and authorities).

< **Clear Performance Expectations**

The objectives being pursued, the accomplishments expected, and the rules to be followed should be explicit, understood and agreed to.

< **Balanced Expectations and Capacities**

The performance expectations should be balanced by the commensurate capabilities (authorities, competencies and resources) of each party.

< **Credible Reporting**

Credible and timely information should be reported to demonstrate the performance achieved and what has been learned (e.g., performance measures, reporting).

< **Reasonable Review and Adjustment**

Enlightened and informed review and feedback on performance should be carried out by the accountable parties, including recognition of achievements and difficulties and implementation of necessary corrections (e.g., external auditing and review, and redress).

Auditor General Report, 1997 - First Nations and Accountability

First Nations Tabled Key Points in the Auditor General Report:

< **Audit**

- First Nations recognize the importance of audit in that it should serve both parties.
- Audit reports that are strictly financial are of limited value.

< **Reporting**

- First Nations understand that each party requires information to meet respective obligations.
- Government reporting is onerous; present reporting meets needs of government but not communities. Present reporting is imposed upon communities and does not provide information needed to enhance accountability at the community level.

< **Need Clear Objectives**

- Both parties need to understand each other's objectives.
- Communities need to set objectives and priorities.
- Don't want the whole process to be seen as "dump and run".

< **Clarity and Transparency**

- Seen as very important. Needs to work both ways.
- How government works is a mystery to First Nations. It is hard to explain to community members when it is unclear how the government arrives at decisions.

< **Aligning Responsibility and Capacity**

- Must have the capacity to do what is necessary for accountability.
- Devolution has left fewer resources to carry out increased responsibilities.
- Need more training.

< **Need to Focus on Results**

- First Nations feel they have dual accountability, to the government and to their membership.
- Government holds First Nation accountable for process and the membership accountable for results.
- Need less cumbersome systems, more emphasis on results.

Summary of Recommendations of Public Accounts and Auditor General

Public Accounts - Accountability Recommendations

1. That Health Canada monitor the transfer of the delivery of Community Health Programs to First Nations communities and work with the communities to ensure that the conditions set forth in the accountability framework are met. In particular, the Department must ensure that the audit and evaluation requirements of all Transfer Agreements are satisfied.

2. That Health Canada provide information on the status of Community Health Programs in its annual Performance Reports. Information on the status of the transfer process, the Department's monitoring activities, audits and reports completed, and health outcomes achieved under the programs should be included.

3. That Health Canada monitor those aspects of the Community Health Program that are not affected by transfer agreements. This monitoring function must be done in accordance with departmental policies, be supported by thorough evaluation of risk, and targeted accordingly.

Auditor General Report - Accountability Recommendations

1. The Department should review its program structure and ensure that it reflects the manner in which the programs are actually delivered.

2. The Department should ensure that the Contribution Agreements are clear about specific objectives and activities that the First Nation will undertake. It should encourage First Nations to define measures of success.

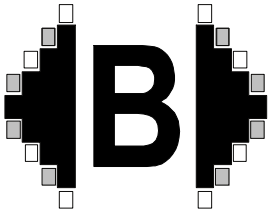
3. The Department should ensure that it receives the activity reports required under Contribution Agreements. It should work with First Nations to improve these activity reports so that they provide information on results achieved.

4. The Department should ensure that updated Community Health Plans that meet the basic requirements are prepared, and that they form the basis of both initial and renewed Transfer Agreements.

5. The Department should work with First Nations to improve measurement of the services provided and of expected changes to health. These measures should be included in the annual reports. In addition, the Department should ensure that First Nations conduct the required evaluations of the achievement of program objectives.

6. The Department should clarify the nature and scope of the audit requirements under Transfer Agreements and ensure that the required audit opinions are provided.

7. The Department should ensure that future evaluations will determine the extent to which the transfer initiative contributes to improving the health of First Nations.



Dispute Resolution Process

Appendix B

Dispute Resolution Process

PURPOSE

1. The objective of the Dispute Resolution Process (DRP) is to assist the parties to resolve disputes in good faith.

LIST OF MEDIATORS AND ARBITRATORS

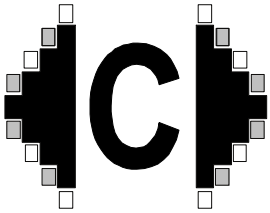
2. The parties may develop and maintain a list of mediators and arbitrators which may be used as the basis upon which a mediator or arbitrator will be selected for dealing with a dispute.
3. Although it is the intention of the parties that a mediator or arbitrator be selected from the list which may be developed under section 2, the parties recognize that it may be in their best interests to select another mediator or arbitrator, if the matter in dispute is of such a technical nature as to warrant a mediator or arbitrator with expertise in the subject matter in dispute.

PROCESS

4. Within fifteen (15) days of either party identifying a dispute as one for which the DRP should be used, the parties shall select a mediator.
5. Where the parties are unable to agree upon the selection of a mediator, after having considered the selection for a period of fifteen (15) days, the parties shall refer the matter of selection to the Arbitration and Mediation Institute of Canada for a decision.
6. In mediating the dispute, the mediator shall meet with the parties within fifteen (15) days of being selected and meetings may be with both parties together or alternatively; the mediator may meet with each party separately, depending upon the mediator's assessment of the situation.
7. Where the parties are unable to resolve the dispute within sixty (60) days of the selection of a mediator, the dispute shall be referred to arbitration.
8. Prior to selecting an arbitrator and referring the dispute to arbitration, the parties shall decide whether the decision of the arbitrator will be binding or non-binding.
9. Where the parties are unable to agree upon the selection of an arbitrator, after having considered the selection for a period of fifteen (15) days, the parties shall refer the matter of selection to the Arbitration and Mediation Institute of Canada for a decision.
10. The parties may determine the procedure to be followed by the arbitrator in conducting the proceedings, or may request the arbitrator to do so. The arbitrator shall issue a written decision within thirty (30) days of completion of the arbitration hearing.

COSTS

11. The costs to the parties for preparation and participation in the Dispute Resolution Process, including those associated with obtaining the services of a mediator and arbitrator, shall be shared equally by the parties, unless otherwise agreed.



Critical Incident Stress Management Services

Appendix C

Critical Incident Stress Management Services

What Is a Critical Incident?

You may be involved in events while at work or related to work which can trigger unusually strong reactions. These types of events have been shown to cause reactions which may vary in severity and type.

Examples of situations that can be a critical incident for staff who experience them include:

- the death or serious injury of a co-worker
- the death of a client, especially a child
- being physically assaulted
- being verbally abused or threatened
- being involved in an event with weapons and/or a hostage-taking
- dealing with patients who attempt or complete suicide
- mass casualties
- prolonged resuscitation
- knowing or being related to the victim.

Sometimes a series of difficult events can have a cumulative effect on a person who experiences them.

Critical Incident Stress

After a critical incident, you may experience strong reactions immediately or, in some cases, weeks or months later. The later reactions are often more difficult to recognize as critical incident stress (CIS) reactions. CIS is a normal response by normal people to abnormal situations.

Seeking Assistance

Research has shown that many people recover more fully from the aftereffects of very painful or powerful events when they get assistance. Others find that getting such assistance speeds up the healing process. But the earlier someone reacting to a critical incident receives help, the more effective the assistance can be. It is important to report unusual occurrences within 24 to 48 hours, whether or not you are requesting assistance. Reporting such an event may be done by fax or telephone, to an MSB CISMS Coordinator.

Why We Provide These Services

The goal of these services is to safeguard the well-being of employees who have experienced a critical incident so that they can continue to function in their profession. Staying on the job, minimizing absenteeism and continuing to function effectively in the workplace are all benefits.

Signs and Symptoms

People experiencing CIS reactions may undergo physical, cognitive, emotional and behavioural changes that make it difficult for them to recognize what is wrong. If, following a critical incident or a potential critical incident, you or your co-workers are exhibiting some of the signs and symptoms below, be sure to call for assistance.

Physical	Cognitive	Emotional	Behavioural
• sleep disturbances • fatigue • dizziness and weakness • increased heart rate and blood pressure • chills • nausea and vomiting • muscle tremors and/or twitches	• intrusive thoughts and images • flashbacks • poor concentration and memory • impaired decision-making • disrupted thinking • blaming	• numbness • feeling overwhelmed or helpless • guilt • grief or depression • loss of emotional control • anger • panic or fear	• increase or loss of appetite • crying spells • increased alcohol consumption • withdrawal • change in activity

The Final Word

Does the service work? In September 1996, an independent external evaluation of MSB CISMS was completed. An astounding 100 percent of the nurses who had used the service said that they would recommend it to a co-worker.

Their comments included:

"... having worked before this service was created, and enduring an accumulation of many critical incidents ... this service helps you deal with each situation as it arises...."

"[The Coordinators] understand the nurse's role in the community ... they have been outpost nurses themselves."

"...quick response time; confidential; tailored to meet individual situations and needs ... the support is immediate."

For Further Information

Contact the MSB CISMS Coordinators directly by:

Telephone:	(204) 983-3235 or (204) 984-6481 (during normal business hours); or call 1-800-268-7708 for referral to the Coordinators (after hours and on weekends).
Fax:	(204) 983-8534
Mail:	MSB CISMS Coordinators 350-391 York Avenue Winnipeg, Manitoba R3C 0P4