



Communiqué to First Nations Communities
August 15, 2006

To: All First Nations Chiefs, Health Directors and Health Technicians

Prevent a health funding crisis in your community

First Nations are facing an unprecedented health funding crisis that will see risks to patient safety and potentially drastic changes to service delivery. Some First Nations communities are closing health centres due to nursing shortages and being forced to reconsider renewal of their health transfer agreements because of the lack of annual growth (price/volume increases) in their budgets.

The Assembly of First Nations has estimated a health funding shortfall of close to \$2 billion over the next five years. This shortfall is a result of the following factors:

- As of April 1, 2007, a 3% cap on the majority of federally-funded health programs of Health Canada's First Nations and Inuit Health Branch (FNIHB);
- Budget 2005 cutbacks totalling \$112.3 million from 2006 to 2008;
- Budget 2006 \$1B program review for 2006/07 and 2007/08;ⁱ
- Estimated need in annual budget growth of 11.3%.

COMMUNITIES WILL FACE FUNDING LOSSES:

Over the next two years, individual communities will experience an average gap of 9% in 2006/07 and 14% in 2007/08 between what they will receive in health funding and what is actually needed.

To understand the real impacts in your community, below is a profile of what you can expect in terms of funding shortfalls based on your community population and geographic location.ⁱⁱ

Average Community Population*	Community Location	Funding Gap in 2006/07	Funding Gap in 2007/08	Total Funding Gap over the next 2 years
1-500	<i>Non-isolated</i>	\$60,947	\$82,110	\$143,057
	<i>Semi-isolated</i>	\$64,983	\$87,772	\$152,755
	<i>Isolated</i>	\$68,689	\$92,766	\$161,455
	<i>Remote</i>	\$72,806	\$98,346	\$171,152
501-1000	<i>Non-isolated</i>	\$91,411	\$132,458	\$223,869
	<i>Semi-isolated</i>	\$96,920	\$140,764	\$237,684
	<i>Isolated</i>	\$103,214	\$149,931	\$253,145
	<i>Remote</i>	\$108,725	\$158,238	\$266,963
1001-3000	<i>Non-isolated</i>	\$176,704	\$285,493	\$462,197
	<i>Semi-isolated</i>	\$187,141	\$303,179	\$490,320
	<i>Isolated</i>	\$200,250	\$324,370	\$524,620
	<i>Remote</i>	\$211,685	\$342,789	\$554,474
over 3000	<i>Non-isolated</i>	\$333,936	\$543,864	\$877,800
	<i>Semi-isolated</i>	\$355,637	\$580,899	\$936,536
	<i>Isolated</i>	\$375,565	\$613,387	\$988,952

* The funding gaps estimated are based on community populations of 350 (1-500); 700 (501-1,000); 1,900 (1,001 – 3,000) and 4,000 (over 3,000).



WHAT CAN BE DONE:

First Nations leaders and community health directors can become involved in raising awareness about the critical state of our health funding amongst federal, provincial/territorial politicians, the media and the Canadian public. Risks to patient safety and quality care must be made known.

The AFN is providing you with the attached letter which can be used as a guide in raising awareness about this critical issue with your local Member of Parliament, federal Cabinet members (such as Minister of Health Tony Clement and Minister of Finance James Flaherty), regional caucus or other key opinion leaders/decision makers. We encourage you to focus on specific examples and details from your community. In addition to sending out the letter, here are a series of next steps you may wish to take:

- Meet with your local Member of Parliament;
- Meet with members of the federal Cabinet and your Regional Caucus, either alone or with the AFN Regional Chief;
- Meet with the Provincial/Territorial Leader and key Ministers, since federal funding cutbacks will off-load costs to provincial/territorial health systems;

Urgent action must be taken. As First Nations, we know all too well the detrimental impacts of, and the difficulty in removing, the 2% cap of Indian and Northern Affairs programming over the past ten years.

For the complete detailed analysis of the four community profiles, please visit the *Breaking News* section of the AFN website at www.afn.ca

ⁱ While the impact on federal health programs for First Nations is not yet known, AFN has estimated that FNIHB will be responsible for a similar proportion of 2.5% that was identified in Budget 2005 cutbacks.

ⁱⁱ It should be noted that these estimates do not take into account new funds which some communities may access from the Aboriginal Health Transition Fund.

