



August 17, 2006

Honourable Tony Clement
Minister of Health
Brooke Claxton Bldg, Tunney's Pasture, P.L. 0906C
Ottawa ON K1A 0K9

Dear Minister Clement:

Thank you for responding to my letter dated April 25, 2006, regarding the First Nations Framework in the Blueprint and the Patient Wait Times Guarantee development. I certainly welcome the opportunity you have suggested to create an open dialogue between us and our officials. Notwithstanding, I must stress the importance of meeting with you urgently to address impending health funding shortfalls that will risk patient safety in First Nations communities.

Further to my previous letters to you of February and April 2006, the Assembly of First Nations (AFN) has estimated a health funding shortfall of close to \$2 billion over the next five years. This is based on our position that the Indian Health Envelope requires an escalator of 11.3%, a figure identified through a comprehensive analysis of key cost drivers. 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. At the AFN's Annual General Assembly last month, a resolution tabled on what is considered by First Nations leaders to be a health funding crisis.

Several First Nations communities and regions have brought to my attention the concrete impacts of current and impending funding shortfalls. Many have written to you as well. These impacts include: nursing shortages forcing closure of community health facilities, lack of capacity to effectively deal with early detection of a tuberculosis outbreak, cutbacks to medical transportation preventing early detection and prompt follow-up of patients with chronic disease, and turn-back of transferred health services to federal management.

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In your response dated July 7, you indicated that you are currently exploring strategies/options to address sustainability of health care services for First Nations. Within this context, you recognized key cost drivers, as well as structural issues that cause socio-economic gaps contributing to the higher burden of illness experienced among First Nations. I wish to propose that we pursue joint work on development of a longer-term strategy towards securing sustainability of the First Nations health system.

However, I must urge you to take immediate action towards preventing drastic cost containment measures that will result from the 3% cap of the Indian Health Envelope, as well as implementation of Budget 2005 and 2006 cutbacks starting April 1, 2007. A key intervention on your part would be to seek an exemption of the First Nations and Inuit Health Branch (FNIHB) from the \$1 billion dollar program review. We understand that Indian and Northern Affairs Canada received such an exemption. The AFN is also seeking your support to be involved in FNIHB financial planning to ensure that any impacts on community-level service delivery are minimized, and to identify sources and criteria for emergency relief funding.

For instance, I understand that Health Canada spent \$40 million in restructuring national-regional FNIHB reporting structures through its new Accountability Accord. The decision to embark upon this internal initiative was made unilaterally by the Department without any meaningful First Nations consultation. I also recently became aware of a \$9 million expenditure, on the part of FNIHB, for a nursing portal available to all Canadian nurses, regardless of whether they are working in First Nations communities. These types of initiatives are superfluous expenditures in light of the current fiscal environment.

As part of the longer term strategy, I would also favour practical approaches that involve solid federal, provincial, territorial collaboration with First Nations governments to resolve longstanding jurisdictional and access issues in the First Nations health system. As you are aware, in the context of the First Nations Health Blueprint development, FPT and First Nations governments initiated trilateral tables to discuss and resolve these issues. Due to the uncertainty surrounding federal commitment to the Blueprint, much of the regional negotiations have been halted. I would strongly encourage you to signal to your regional offices, as well as to provinces/territories, that you are in support of regional tripartite agreements that clarify roles and responsibilities and identify innovative approaches. These agreements are essential for system transformation and sustainability of First Nations health care.

Without addressing immediate funding pressures and ensuring progress in regional agreements, it is our view that a Patient Wait Times Guarantee will not be of benefit to First Nations. Since you are leading the Wait Times initiative nationally, I am also prepared to work with you to demonstrate to provinces and territories that the federal government is considering the unique needs and service delivery context of the population for which it is directly responsible and who suffers from the poorest health status. I understand that our officials have begun joint work in this regard.

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Once again, I look forward to our meeting later this month. I am hopeful we can reach an agreement on how to address short-term funding concerns and work towards a Roadmap to a Patient Wait Times Guarantee for First Nations. This Roadmap would align joint work on sustainability, benchmarking and system transformation. Meanwhile, I must continue to inform First Nations leaders of the potential impacts of the funding situation they will face next April if no federal action is taken.

Sincerely,



Phil Fontaine
National Chief