

APR 15 1988

**PRINCIPLES AND PROVISIONS RESPECTING
HEALTH TRANSFER SUPPORT SERVICES**



WHEREAS the Government of the Northwest Territories and N.W.T. Health Boards are mutually committed to:

- the provision of quality health care,
- cost-effective delivery of health care,
- ensuring that all services in support of health care programs maintain reasonable standards respecting quality and level of service,
- the greatest degree of Health Board autonomy possible under applicable GNWT legislation and policy,
- appropriate Ministerial and Health Board accountability for the delivery of health care programs and services in support of these programs, and
- full consultation, and a process of amicable negotiations to reach formal agreements,

the GNWT undertakes to transfer responsibility for management of the health care system to Health Boards in accordance with the following principles and provisions.

A. PRINCIPLES

- (1) Health Boards will control health program delivery.
- (2) Health Boards will have effective control over the provision of support services through negotiated contracts between these Boards and respective GNWT service departments.
- (3) For existing Boards, no change to the existing support service arrangements will be made without full consultation with the respective Board and entry into negotiated contracts where it is determined services will be provided by GNWT service departments.

Boards should be provided the funding for all support services, as systems to manage this are developed and implemented.

- (4) Procedures for expedient resolution of disputes regarding quality and level of support service functions provided to Boards will be incorporated into the service contracts.

- (5) Support services will be provided in a manner which ensures "economies of scale" and provides for the lowest overall cost to the GNWT and its health system.
- (6) Savings resulting from support service provision by GNWT service departments will accrue to the health system.
- (7) Health transfer funds will be closely and effectively tracked to ensure Board-related funds/PY's assigned to GNWT service departments will remain identified with Boards.
- (8) Boards will have the opportunity to request Executive Council approval to obtain support services from other than GNWT service departments in special circumstances, or, where overall "economies of scale" or savings will not be reduced.

B. PROVISIONS

- (1) Subject to the applicable legislation and Health Minister directives issued pursuant to the Financial Administration Act, the Territorial and Regional Boards will operate as autonomous managers of health program delivery as prescribed in a master agreement between the GNWT and each of these Boards. Funds for health programs will be transferred to Boards in recognition of this autonomy.
- (2) Boards will negotiate separate support service contracts with GNWT service departments for the provision of direct and indirect services. These contracts will specify the level and quality of service to be provided. Consistent with the principle of autonomous control, the intent is to provide all funding for support services to Boards. However, as an interim measure, funds for direct services will be provided to Boards while indirect services will be provided, without billing, from "earmarked" funds assigned to GNWT service departments on behalf of the health system. Both direct and indirect support services will be covered by contracts specifying performance standards for GNWT service departments.
- (3) Contracts between Boards and GNWT service departments will specify an expedient mechanism to resolve disputes. The first stage will require the Minister accountable for providing the services to seek a resolution on a timely basis. Should the Board remain dissatisfied, it can approach the Minister of Health to put the matter before Executive Council for consideration. Executive Council has the prerogative to exempt

the Board's requirement to contract provision of that service function with the GNWT service departments or to provide directions to the service department Ministers respecting performance standards.

- (4) Where a Board can demonstrate that alternative service provision arrangements suggested by the Board will reduce overall net costs, it can approach the Minister of Health directly to seek an exemption from Executive Council.
- (5) Savings generated by the use of GNWT service departments will accrue to the Health system and the Minister of Health will have discretion respecting the allocation of these savings to Boards for health program needs. Mechanisms to "track" these savings will ensure such savings remain identified with the respective Board.
- (6) As portions of Health transfer funds are "assigned" to GNWT service departments, mechanisms to identify these funds with respective Regional Boards will ensure that funds expended by GNWT service departments on behalf of Boards are not "absorbed" into these service departments' budgets. In addition, service departments will be required to advise, quarterly, the Boards on indirect service expenditures made on their behalf.