



**GOVERNMENT RESPONSE  
TO THE REPORT OF THE  
STANDING COMMITTEE ON  
AGENCIES, BOARDS AND COMMISSIONS  
ADOPTED BY THE LEGISLATIVE ASSEMBLY  
OCTOBER 25, 1990**

**RECOMMENDATIONS OF THE  
STANDING COMMITTEE ON AGENCIES, BOARDS AND COMMISSIONS  
OCTOBER 24, 1990**

**RECOMMENDATION SUBJECT: TERRITORIAL HOSPITAL INSURANCE SERVICES  
(T.H.I.S.) ACT.**

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**RECOMMENDATION OF THE STANDING COMMITTEE ON AGENCIES, BOARDS AND  
COMMISSIONS**

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That the T.H.I.S. Act be repealed and a new act be enacted which:

- A. Establishes and clearly defines the authorities of the Department of Health, the T.H.I.S. Board, Regional Health Boards and Community Health Committees; and
  - B. Better reflects the Government's philosophy of supporting regional autonomy.
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**EXECUTIVE COUNCIL RESPONSE**

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The Minister of Health and her colleagues on the Executive Council have noted the Standing Committee on Agencies, Boards and Commissions' observations and concerns about the "dual responsibility" of senior departmental officials in fulfilling the Department of Health policy and program responsibilities as well as advising the T.H.I.S. Board as consultants, and fulfilling the Chairperson function. It is acknowledged that the dual function carried out by the department, under the current organizational structure, has created a certain amount of uncertainty about the respective roles and responsibilities of the department, and the T.H.I.S. Board vis-a-vis Regional Health Boards.

A key question raised by the Standing Committee on Agencies, Boards and Commissions and previously by the Public Accounts Committee is whether the T.H.I.S. Board needs to "exist at all". A number of T.H.I.S. Board members, and some members of the Regional Health Boards have also questioned the need for the Board.

The T.H.I.S. Board was originally set up in 1959 under the Territorial Hospital Insurance Services Act by the federal government as a way of introducing a national hospital insurance

plan for residents of the NWT, and to provide for citizen participation in its administration. The most recent T.H.I.S. Act, enacted in 1974, continued the provision for the Territorial Board. Additional legislative provisions for citizen participation in the management of hospital facilities were introduced in 1976. Again in 1986, amendments to the T.H.I.S. Act were introduced to provide for expanded health board responsibilities occurring as a result of the commencement of the federal transfer of the full range of health care services to the Government of the Northwest Territories.

The Executive Council has concluded that the T.H.I.S. Board is no longer required. Currently most of the functions assigned to the T.H.I.S. Board under the Act are being carried out by senior managers within the Department of Health. Hospital or Regional Health Boards have become the prime vehicles through which citizens, upon the recommendation of their communities and appointed by the Executive Council, can "manage, control and operate the health facility or facilities" for which a particular Board is responsible. Accordingly, as announced in the Throne Speech, a bill to dissolve the Territorial Hospital Insurance Services Board will be placed before the Legislative Assembly for consideration during the current session.

Under this approach the Minister of Health would retain control of the powers currently assigned to the T.H.I.S. Board. Continued citizen participation in management of health service delivery would occur at the Hospital or Regional Health Board level. By removing an additional decision-making structure, this proposal, if implemented, will improve cost efficiency and integration of services between the individual regions and the Territories as a whole. Finally, removal of the Board is the most direct means of defining functional relationships between the department and the Regional Boards. The Minister and the department can concentrate upon developing the Regional Health Boards without having to deal with two different mechanisms at one time.

RECOMMENDATION SUBJECT: USE OF MEMORANDA OF AGREEMENT (M.O.A.)

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RECOMMENDATION OF THE STANDING COMMITTEE ON AGENCIES, BOARDS AND COMMISSIONS

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That the Minister, where requested by Regional Health Boards, take all necessary steps to immediately discontinue the practice of requiring Regional Health Boards to use the service of government departments.

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**EXECUTIVE COUNCIL RESPONSE**

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The requirement for new health boards to utilize the support services of government departments is but one element of the TRANSFER POLICY introduced by this government in February 1988 as the basis for transferring Government of the Northwest Territories' programs through the devolution of legislative authority, or through delegation of delivery responsibility to the community level.

In those cases where a larger scale of operations made sense, the policy allowed for the transfer of program delivery management by delegation to regional bodies.

Under the support service arrangements, new health boards and their administrations were able to concentrate on addressing program delivery matters, and to receive support services through specialist departments able to efficiently and effectively pool local resources or deploy them from regional centres.

The transfer policy does allow for exemptions for various functions which might otherwise be provided through service departments, if such exemptions can be justified on the basis of no increase in total administrative costs for the region as a whole.

A key objective in introducing the required use of support services by boards was to avoid duplications and redundancies in administrative areas and support services. The Department of Health, Health Boards and related service departments are monitoring the results of the approaches implemented to provide support services through the M.O.A. on an ongoing basis. For the most part the arrangements have been satisfactory, but it is acknowledged that there have been, and there continue to be some operational issues. These and other issues pertaining to boards, identified by various Standing Committees, the Auditor General's Report and in a recent study commissioned by the government to review the Government of the Northwest Territories' financial arrangements with Public Agencies, are currently under review. The issues with respect to how support services are provided to Boards will receive consideration during this review process.

**RECOMMENDATION SUBJECT: GOODS AND SERVICES TAX**

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**RECOMMENDATION OF THE STANDING COMMITTEE ON AGENCIES, BOARDS AND COMMISSIONS**

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That the government undertake a review to examine the impact of the G.S.T. on the cost of operating all government agencies, boards and commissions and report the findings to the Legislative Assembly; and

That the review should include proposals for ways in which all government funded agencies, boards and commissions could receive the same G.S.T. exemption as the Government of the N.W.T.

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**EXECUTIVE COUNCIL RESPONSE**

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The treatment of Government of the Northwest Territories (G.N.W.T.) agencies, boards and commissions for Goods and Services Tax (G.S.T.) purposes is still under discussion with the federal government and has been for almost a year. It is hoped that an agreement will be reached in the near future between the federal government and the G.N.W.T. identifying which agencies, boards and commissions will be exempt from the G.S.T.

The committee will be advised of the final GST status of agencies, boards and commissions when an agreement is signed between the G.N.W.T. and the federal government.

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**RECOMMENDATION SUBJECT: TIMING OF RESPONSE BY THE EXECUTIVE COUNCIL**

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**RECOMMENDATION OF THE STANDING COMMITTEE ON AGENCIES, BOARDS, AND COMMISSIONS**

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That in accordance with the Rule 94(4), the Executive Council table a comprehensive response to all recommendations contained in this report to the Assembly within 120 days of the presentation of this report to the House.

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**EXECUTIVE COUNCIL RESPONSE**

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The requirement of Rule 94(4) to table a response to the recommendations of the Standing Committee on Agencies, Boards and Commissions within 120 days has been met through the tabling of the government's response on this date.