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# **A 10-YEAR PLAN TO STRENGTHEN HEALTH CARE**

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In recent years, through an ongoing dialogue between governments, patients, health care providers and Canadians more generally, a deep and broad consensus has emerged on a shared agenda for renewal of health care in Canada. This agenda is focused on ensuring that Canadians have access to the care they need, when they need it.

Foremost on this agenda is the need to make timely access to quality care a reality for all Canadians. First Ministers remain committed to the dual objectives of better management of wait times and the measurable reduction of wait times where they are longer than medically acceptable.

First Ministers also recognize that improving access to care and reducing wait times will require cooperation among governments; the participation of health care providers and patients; and strategic investments in areas such as: increasing the supply of health professionals (e.g. doctors, nurses and pharmacists); effective community based services, including home care; a pharmaceuticals strategy; effective health promotion and disease prevention, and adequate financial resources.

Building on the renewal agenda set out by the First Ministers' meeting held in February 2003 and the related investments, significant progress has been made and numerous efforts are underway throughout Canada and across jurisdictions to make health care more responsive and sustainable. First Ministers remain committed to achieving results, recognizing that making health care sustainable and able to adapt to the ever-changing needs of Canadians, will take time, sustained commitment and adequate resources.

First Ministers agree that access to timely care across Canada is our biggest concern and a national priority. First Ministers have come together and agreed on an action plan based on the following principles:

- universality, accessibility, portability, comprehensiveness, and public administration;
- access to medically necessary health services based on need, not ability to pay;
- reforms focused on the needs of patients to ensure that all Canadians have access to the health care services they need, when they need them;
- collaboration between all governments, working together in common purpose to meet the evolving health care needs of Canadians;
- advancement through the sharing of best practices;
- continued accountability and provision of information to make progress transparent to citizens; and
- jurisdictional flexibility.

Recognizing that an asymmetrical federalism allows for the existence of specific agreements for any province, First Ministers also agreed that a separate communiqué be released to reflect the arrangements between the Government of Canada and the Government of Québec regarding the interpretation and the implementation of the present communiqué. The funding provided by the federal government will be used by the government of Québec to implement its own plan aiming, notably, at ensuring access to quality care in a timely manner and at reducing waiting times.

In addition, all governments have agreed to work together on the important matter of Aboriginal health, as set out in a separate communiqué.

### *Reducing Wait Times and Improving Access*

All jurisdictions have taken concrete steps to address wait times. Building on this, First Ministers commit to achieve meaningful reductions in wait times in priority areas such as

cancer, heart, diagnostic imaging, joint replacements, and sight restoration by March 31, 2007, recognizing the different starting points, priorities, and strategies across jurisdictions.

The Wait Times Reduction Fund will augment existing provincial and territorial investments and assist jurisdictions in their diverse initiatives to reduce wait times. This Fund will primarily be used for jurisdictional priorities such as training and hiring more health professionals, clearing backlogs, building capacity for regional centres of excellence, expanding appropriate ambulatory and community care programs and/or tools to manage wait times.

First Ministers agree to collect and provide meaningful information to Canadians on progress made in reducing wait times, as follows:

- Each jurisdiction agrees to establish comparable indicators of access to health care professionals, diagnostic and treatment procedures with a report to their citizens to be developed by all jurisdictions by December 31, 2005.
- Evidence-based benchmarks for medically acceptable wait times starting with cancer, heart, diagnostic imaging procedures, joint replacements, and sight restoration will be established by December 31, 2005 through a process to be developed by Federal, Provincial and Territorial Ministers of Health.
- Multi-year targets to achieve priority benchmarks will be established by each jurisdiction by December 31, 2007.
- Provinces and territories will report annually to their citizens on their progress in meeting their multi-year wait time targets.

The Canadian Institute for Health Information will report on progress on wait times across jurisdictions.

## Strategic Health Human Resource (HHR) Action Plans

There is a need to increase supply of health care professionals in Canada, including doctors, nurses, pharmacists and technologists. These shortages are particularly acute in some parts of the country.

As part of efforts to reduce wait times, First Ministers agree to continue and accelerate their work on Health Human Resources action plans and/or initiatives to ensure an adequate supply and appropriate mix of health care professionals. These plans and initiatives will build on current work in the area of health labour relations, interdisciplinary training, investments in post-secondary education, and credentialing of health professionals. Recognizing the important contribution of health care providers in facilitating reforms, First Ministers commit to involving them in their work in this area. To facilitate better planning and management of HHR, First Ministers acknowledge the need to foster closer collaboration among health, post-secondary education and labour market sectors.

Federal, Provincial and Territorial governments agree to increase the supply of health professionals, based on their assessment of the gaps and to make their action plans public, including targets for the training, recruitment and retention of professionals by December 31, 2005. Federal, Provincial and Territorial governments will make these commitments public and regularly report on progress.

The federal government commits to:

- accelerate and expand the assessment and integration of internationally trained health care graduates for participating governments;
- targeted efforts in support of Aboriginal communities and Official Languages Minority Communities to increase the supply of health care professionals for these communities;
- measures to reduce the financial burden on students in specific health education programs; and

- participate in health human resource planning with interested jurisdictions.

### Home Care

Home care is an essential part of modern, integrated and patient-centered health care. Improving access to home and community care services will improve the quality of life for many Canadians by allowing them to be cared for or recover at home. Services provided in the home can be more appropriate and less expensive than acute hospital care. Greater use of home and community care services can reduce wait times for acute hospital beds by making beds available for those who are more acutely ill, can provide choices for end-of-life care, and be an effective option for some patients with chronic mental health concerns.

All governments have recognized the value of home care as a cost-effective means of delivering services and are developing home care services to prevent or follow hospitalization.

First Ministers agree to provide first dollar coverage by 2006 for certain home care services, based on assessed need, specifically to include:

- short-term acute home care for two-week provision of case management, intravenous medications related to the discharge diagnosis, nursing and personal care;
- short-term acute community mental health home care for two-week provision of case management and crisis response services; and
- end-of-life care for case management, nursing, palliative-specific pharmaceuticals and personal care at the end of life.

Each jurisdiction will develop a plan for the staged implementation of these services, and report annually to its citizens on progress in implementing home care services. First

Ministers task their Health Ministers to explore next steps to fulfill the home care commitment and report to First Ministers by December 31, 2006.

### Primary Care Reform

Timely access to family and community care through primary health care reform is a high priority for all jurisdictions. Significant progress is underway in all jurisdictions to meet the objective of 50% of Canadians having 24/7 access to multidisciplinary teams by 2011. Building on this progress, First Ministers agree to establish a best practices network to share information and find solutions to barriers to progress in primary health care reform such as scope of practice. First Ministers agree to regularly report on progress.

Electronic health records and telehealth are key to health system renewal, particularly for Canadians who live in rural and remote areas. Recognizing the significant investment that has been made and achievements to date, First Ministers agree to accelerate the development and implementation of the electronic health record, including e-prescribing. To this end, First Ministers commit to work with *Canada Health Infoway* to realize the vision of the electronic health record through an ambitious plan and associated investment. First Ministers have also asked for acceleration of efforts on telehealth to improve access for remote and rural communities.

### Access to Care in the North

Access to family and community-based health care services is a particular challenge in Northern communities, where the system's capacity to provide timely, health care services to a remote population can be limited. The federal government has agreed to help to address the unique challenges facing the development and delivery of health care services in the North on a priority basis, including the costs of medical transportation as follows:

- The federal government proposes to increase funding to the Territories totaling \$150 million over 5 years through a Territorial Health Access Fund, targeted at facilitating long-term health reforms, and establish a federal/territorial working group to support the management of the fund, and additional direct funding for medical transportation costs.
- Recognizing the enormous potential of the North, the Government of Canada and the Territories will jointly develop a vision for the North.

### National Pharmaceuticals Strategy

The founders of Medicare a half-century ago established the principle of equity of access to hospitals and doctors' services for all Canadians. First Ministers agree that no Canadians should suffer undue financial hardship in accessing needed drug therapies. Affordable access to drugs is fundamental to equitable health outcomes for all our citizens.

First Ministers direct Health Ministers to establish a Ministerial Task Force to develop and implement the national pharmaceuticals strategy and report on progress by June 30, 2006. The strategy will include the following actions:

- develop, assess and cost options for catastrophic pharmaceutical coverage;
- establish a common National Drug Formulary for participating jurisdictions based on safety and cost effectiveness;
- accelerate access to breakthrough drugs for unmet health needs through improvements to the drug approval process;
- strengthen evaluation of real-world drug safety and effectiveness;
- pursue purchasing strategies to obtain best prices for Canadians for drugs and vaccines;

- enhance action to influence the prescribing behaviour of health care professionals so that drugs are used only when needed and the right drug is used for the right problem;
- broaden the practice of e-prescribing through accelerated development and deployment of the Electronic Health Record;
- accelerate access to non-patented drugs and achieve international parity on prices of non-patented drugs; and
- enhance analysis of cost drivers and cost-effectiveness, including best practices in drug plan policies.

[It is understood that Quebec will maintain its own pharmacare program.]

### *Prevention, Promotion and Public Health*

All governments recognize that public health efforts on health promotion, disease and injury prevention are critical to achieving better health outcomes for Canadians and contributing to the long-term sustainability of medicare by reducing pressure on the health care system. In particular, managing chronic disease more effectively maintains health status for individuals and counters a growing trend of increasing disease burden. For example, recent federal investments in diabetes, hepatitis C and HIV-AIDS have provided important resources to patients and professionals for preventing and managing these life-threatening diseases.

In recognition of the importance of the healthy development of children, there has been extensive collaboration by governments, in recent years, through the Early Childhood Development initiative.

First Ministers recognize the progress that has been made by all jurisdictions to strengthen Canada's public health system, including the creation of the new Public Health Agency of Canada. All governments commit to further collaboration and

cooperation in developing coordinated responses to infectious disease outbreaks and other public health emergencies through the new Public Health Network.

The federal government also commits to building on recent investments in immunization through ongoing investments for needed vaccines, which are recognized as the single most cost-effective investment in public health, through the National Immunization Strategy. This Strategy will provide new immunization coverage for Canadian children.

In addition, governments commit to accelerate work on a pan-Canadian Public Health Strategy. For the first time, governments will set goals and targets for improving the health status of Canadians through a collaborative process with experts. The Strategy will include efforts to address common risk factors, such as physical inactivity, and integrated disease strategies. First Ministers commit to working across sectors through initiatives such as Healthy Schools.

### *Health Innovation*

A strong, modern health care system is a cornerstone of a healthy economy. Investments in health system innovation through science, technology and research help to strengthen health care as well as our competitiveness and productivity. Investments in science, technology and research are necessary to develop new, more cost-effective approaches and to facilitate and accelerate the adoption and evaluation of new models of health protection and chronic disease management.

Recognizing the progress that has been made, the federal government commits to continued investments to sustain activities in support of health innovation.

### *Accountability and Reporting to Citizens*

All governments agree to report to their residents on health system performance including the elements set out in this communiqué. Governments agree to seek advice

from experts and health providers on the most appropriate indicators to measures of health system performance.

All funding arrangements require that jurisdictions comply with the reporting provisions of this communiqué.

First Ministers of jurisdictions participating in the Health Council agree that the Council prepare an annual report to all Canadians, on the health status of Canadians and health outcomes. The Council will report on progress of elements set out in this communiqué.

*Dispute Avoidance and Resolution*

By inclusion in this communiqué, governments formalize the agreement reached on dispute avoidance and resolution with regard to the *Canada Health Act* in an exchange of letters in April 2002.

**New Federal Investments on Health**  
**Commitments on 10-Year Action Plan on Health**

The Prime Minister today announced \$41 billion over the next 10 years of new federal funding in support of the action plan on health.

The new funding will be used to strengthen ongoing federal health support provided through the Canada Health Transfer (CHT), meeting the financial recommendations from the Royal Commission on the Future of Health Care in Canada, as well as to address wait times to ensure Canadians have timely access to essential health care services.

To accelerate and broaden health renewal and reform, the Government of Canada will take several steps to strengthen the Canada Health Transfer:

- A total of \$3 billion will be invested over this year and next, providing \$1 billion in 2004-05 and \$2 billion in 2005-06 through a supplement to the CHT for provinces and territories, closing the short-term “Romanow gap”.
- The new CHT level will also reflect an additional \$500 million in 2005-06, which will help deepen progress on home care services and catastrophic drug coverage.
- A new CHT base at \$19 billion will be established in 2005-06 exceeding that recommended in the Romanow Report.
- An escalator of six per cent will be applied to the new CHT effective 2006-07 to provide predictable growth in federal support.

This will bring the total cash transfers for health to the provinces and territories from \$16.5 billion in 2005-06, to about \$24 billion in 2009-10. In that year, CHT cash will be 45 per cent above the current level.

Combined with the value of the CHT tax points, the federal transfer to provinces and territories for health will be approximately \$30.6 billion in 2005-06.

To reduce wait times, the Government will invest \$4.5 billion over the next six years, beginning in 2004-05, in the Wait Times Reduction Fund. In 2010-11, \$250 million ongoing will be added to the CHT base primarily for health human resources.

The Government will also invest a further \$500 million in Medical Equipment. The Government is also providing \$700 million over five years to improve the health of Aboriginal people through a series of new federal commitments.

## FMM 2004 Investments for Health and New Funding Levels (10-Year)

### Current Track

(\$ million)	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	6-Year Total	2010-11	2011-12	2012-13	2013-14	10-Year Total
Canada Health Transfer (CHT)	12,650	13,000	13,400	13,750								
Health Reform Transfer (HRT)	1,500	3,500	4,500	5,500								
<b>Transfer Levels</b>	<b>14,150</b>	<b>16,500</b>	<b>17,900</b>	<b>19,250</b>	<b>20,200</b>	<b>21,200</b>		<b>22,250</b>	<b>22,250</b>	<b>22,250</b>	<b>22,250</b>	

### FMM 2004 Investments

(\$ million)	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10		2010-11	2011-12	2012-13	2013-14	
Romanow Short-term gap (includes home care and catastrophic drug coverage)	1,000	2,000					<b>3,000</b>					<b>3,000</b>
Addition to CHT base in 2005-06 for home care and catastrophic drug coverage <sup>1</sup>		500					<b>500</b>					<b>500</b>
New CHT base in 2005-06 <sup>2</sup>		19,000										
Amount to achieve 6% escalator of the \$19B after 2005-06 <sup>3</sup>			2,240	2,098	2,429	2,787	<b>9,555</b>	3,176	4,702	6,319	8,033	<b>31,785</b>
<b>New CHT Levels</b>		<b>19,000</b>	<b>20,140</b>	<b>21,348</b>	<b>22,629</b>	<b>23,987</b>		<b>25,426</b>	<b>26,952</b>	<b>28,569</b>	<b>30,283</b>	
Wait Times Reduction <sup>4</sup>	625	625	1,200	1,200	600	250	<b>4,500</b>	250	250	250	250	<b>5,500</b>
Medical Equipment	500						<b>500</b>					<b>500</b>
<b>Total New Funding</b>	<b>2,125</b>	<b>3,125</b>	<b>3,440</b>	<b>3,298</b>	<b>3,029</b>	<b>3,037</b>	<b>18,055</b>	<b>3,426</b>	<b>4,952</b>	<b>6,569</b>	<b>8,283</b>	<b>41,285</b>
<b>Total New Funding Levels</b>	<b>16,275</b>	<b>19,625</b>	<b>21,340</b>	<b>22,548</b>	<b>23,229</b>	<b>24,237</b>		<b>25,676</b>	<b>27,202</b>	<b>28,819</b>	<b>30,533</b>	

<sup>1</sup> Additional funding of \$500 million in the CHT base in 2005-06 for home care and catastrophic drug coverage and escalated at 6% as of 2006-07.

<sup>2</sup> The new 2005-06 CHT base of \$19.0 billion includes existing CHT and HRT legislated levels for 2005-06, plus the proposed \$2 billion increase to close the short-term Romanow gap and an additional \$500 million for home care and catastrophic drug coverage. The new CHT base in 2005-06 corresponds to 25% of estimated provincial-territorial costs for services currently covered under the Canada Health Act, as well as amounts in respect of home care and catastrophic drug coverage, consistent with the Romanow Report. An escalator of 6% will also be applied to the \$19 billion base starting in 2006-07.

<sup>3</sup> Impact shows new funding required beyond current funding track to achieve 6% escalator.

<sup>4</sup> Extension of wait times funding starting in 2010-11 primarily for health human resources.