ESTIMATES

Health Canada

Performance Report

For the period ending
March 31, 1998

Canada

Improved Reporting to Parliament
Pilot Document

The Estimates of the Government of Canada are structured in several parts. Beginning with an overview of total government spending in Part I, the documents become increasingly more specific. Part II outlines spending according to departments, agencies and programs and contains the proposed wording of the conditions governing spending which Parliament will be asked to approve.

The *Report on Plans and Priorities* provides additional detail on each department and its programs primarily in terms of more strategically oriented planning and results information with a focus on outcomes.

The *Departmental Performance Report* provides a focus on results-based accountability by reporting on accomplishments achieved against the performance expectations and results commitments as set out in the spring *Report on Plans and Priorities.*

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Foreword

On April 24, 1997, the House of Commons passed a motion dividing on a pilot basis what was known as the annual *Part III of the Estimates* document for each department or agency into two documents, a *Report on Plans and Priorities* and a *Departmental Performance Report.*

This initiative is intended to fulfil the government's commitments to improve the expenditure management information provided to Parliament. This involves sharpening the focus on results, increasing the transparency of information and modernizing its preparation.

This year, the Fall Performance Package is comprised of 80 Departmental Performance Reports and the government's "*Managing For Results*" report.

This ***Departmental Performance Report,*** covering the period ending March 31, 1998, provides a focus on results-based accountability by reporting on accomplishments achieved against the performance expectations and results commitments as set out in the department's *Part III of the Main Estimates* or pilot *Report on Plans and Priorities* for 1997-98. The key result commitments for all departments and agencies are also included in *Managing for Results.*

Results-based management emphasizes specifying expected program results, developing meaningful indicators to demonstrate performance, perfecting the capacity to generate information and reporting on achievements in a balanced manner. Accounting and managing for results involve sustained work across government

The government continues to refine and develop both managing for and reporting of results. The refinement comes from acquired experience as users make their information needs more precisely known. The performance reports and their use will continue to be monitored to make sure that they respond to Parliament's ongoing and evolving needs.

This report is accessible electronically from the Treasury Board Secretariat Internet site: http://www.tbs-sct.gc.ca/tb/key.html

Comments or questions can be directed to the TBS Internet site or to:

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Health Canada

Departmental Performance Report

For the
period ending
March 31, 1998

Allan Rock
Minister of Health

THIS REPORT

Health Canada is proud to present to Parliament and to all of Canada this report on its performance for the fiscal year ending March 31, 1998.

This document is an overview of how Health Canada has used tax dollars to benefit all Canadians. The Department is large and complex, and to report on every achievement in every program would take much more space than we have here. So we have to look at those accomplishments that we feel would be of interest to Parliament and the public.

During the fiscal year 1997-98, the Department established a more coherent and logical approach to regulating and reporting on its activities,based on six business lines.Although Health Canada was still operating on the basis of the old structure of program activities through the 1997-98 fiscal year, we have used the new, business-line structure for this report.

For further information on the contents of this report, or for queries on subjects not covered here, please contact Health Canada.

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MINISTER'S MESSAGE

Canada is fortunate in that it ranks among the healthiest of nations. Many factors contribute to this status, including a productive economy and social and environmental improvements over the last few decades. Equally important is our collective achievement in creating a high quality health care system that is accessible to any Canadian who needs medical treatment.

Canadians know that our health system must adapt to meet new challenges. Clear gaps exist in medicare that were not evident a decade ago. We know we must manage resources carefully, while planning for a future in which an ageing population will inevitably increase the demands on our health system. Like all countries, we also face new and re-emerging diseases. For all of these challenges, it is clear that solutions will come by looking ahead, not back.

In 1997-1998, our Government and Health Canada accomplished a great deal to help define those solutions. I am pleased to present the Departmental Performance Report for Health Canada that describes those actions. Many of them fulfilled commitments in the 1996 and 1997 Budgets to provide the kind of leadership and innovation that will help all governments build a stronger and more integrated health system.

Many of the initiatives described in this report will help ensure a health system that will be more responsive to Canadians and more responsible in its use of tax dollars, by expanding our understanding of what works best and most cost-effectively. For example, the Health Transition Fund supports national and provincial projects, designed in collaboration with the provinces, to test new approaches to integrated services, primary care reform, home care and pharmacare. The Canadian Health Services Research Foundation is supporting research into the management, effectiveness and organization of health services. These initiatives will add to the evidence base that we and our partners in provincial governments need to ensure that Canadians will have access to the highest possible quality of care, when they need it.

In the period covered by this report, Health Canada initiated a comprehensive three year review of its health protection programs and its scientific capacity. A Science Advisory Board, operating at arm's length from government, is providing independent scientific and technical advice throughout the course of this review. My department will also be consulting broadly with stakeholders as it develops a strong, science-based health protection program that will see us in the 21st century.

This report also describes Health Canada's actions in support of the health of Aboriginal communities and of an integrated national health information infrastructure.

The initiatives described here will help individuals and communities improve their health, while supporting a health system that focuses its resources on meeting the needs of Canadians, now and in future. They represent an important part of this Government's commitment to respond to the legitimate expectations of citizens.

The Honourable Allan Rock, P.C., M.P.
Minister of Health

EXECUTIVE SUMMARY

In 1997-1998, health issues were a major focus of public attention in Canada. They included debates about the strength of Canadian health care after years of restructuring and fiscal restraint. They also included a series of high profile issues relating to the role of the Government of Canada and its partners in protecting and promoting the health of Canadians.

During the year, Health Canada took action in many ways to respond to those issues and to address other health priorities. It was deeply involved in efforts to create a health system that would be more responsive to Canadians and more responsible in its accountability for results and resources.

Health Canada followed through on Government Budget commitments and those in the 1997 Speech from the Throne. In all its work, it built on a record of cooperation with provincial and territorial governments, Aboriginal people, consumers, health care professionals, policy experts and other stakeholders.

Modernizing How We Manage Risks to the Health of Canadians

The findings of the Krever Commission and awareness about new and re-emerging threats to health have underlined Canadians' expectation that governments, and especially the Government of Canada, will take all appropriate steps to minimize risks to health. Health Canada responded to the challenge of doing this in an era of constrained public budgets and increased global movement of people and products. The Department:

- Supported the provincial initiative to create a new Canadian Blood Service and increased resources that will go to new staff, an early warning blood surveillance system and other measures.
- Began a process of renewing its Health Protection Branch that will result in new and better ways to protect the health of Canadians, using consultations and the work of a new Science Advisory Board, headed by Dr. Roberta Bondar.
- Created a Food Safety Audit System that will monitor the effectiveness of the Canadian Food Inspection Agency's work to protect Canadians.

- Improved the ability to anticipate and address health threats through laboratory services, new surveillance systems and programs that investigate outbreaks.
- Collaborated with health officials internationally to ensure better-coordinated responses and harmonized policies and standards.

Promoted a More Healthy Population

Evidence suggests that fundamental keys to good health results can be found in our social, economic and physical environment. These, along with lifestyle, diet and other choices help determine our state of health, long before we look to the health care system for answers.

Health Canada has specifically focussed on these and other 'determinants of health' and on health strategies that reach specific groups in the Canadian population. Through our health promotion and disease prevention work in 1997-98, the Department:

- Worked with provincial and territorial governments, with voluntary organizations and other partners to provide information to Canadians on issues such as tobacco use, HIV/AIDS, breast cancer and nutrition.
- Funded approximately 1,200 projects to address population health issues, such as aging, disease prevention and creating supportive and violence-free physical and social environments.
- Continued work to address the health and development needs of children, especially those at risk of abuse, neglect or developmental delays.

Working with Aboriginal Peoples

The Government made important commitments to Aboriginal People in the 1997 Speech from the Throne and through its response to the Royal Commission on Aboriginal Peoples. As a department responsible for providing health services to many Aboriginal people and one that recognizes the serious health challenges they face, Health Canada has been involved in meeting these commitments. The Department:

- Has signed 170 agreements that enable First Nations and Inuit communities to take control of their health programs.

- Worked with the Department of Indian Affairs and Northern Development on arrangements that will cut administrative burdens and duplication.
- Improved the client responsiveness and cost-effectiveness of the Non-Insured Health Benefits Program covering 650,000 Indians, Inuit and Innu.
- Helped to create the Aboriginal Healing Foundation.

Improving Health Care for Canadians

For many Canadians, health care is the essence of the health system. The availability of high quality health care services has become a basic expectation that many citizens have of their governments, and yet an increasing source of concern for many of those citizens as the delivery of health care changes. At the same time, new health technologies and cost management strategies have increased the demand for home and community care and drugs, both often not covered by provincial health insurance plans.

In 1997, the Government announced that the cash floor for the Canada Health and Social Transfer would be set at $12.5 billion and that a projected reduction for 1998-1999 would not take place. Beyond that contribution, Health Canada took a range of actions to help strengthen health care and address the concerns of Canadians. The Department:

- Began the work of the $150 million, three year Health Transition Fund that will support projects testing new approaches to managing and delivering health services to Canadians, particularly in the areas of home and community care, pharmacare, primary care and integrated service delivery.
- Initiated consultations on home and community care, and pharmacare, by such means as national conferences that brought together governments, experts and stakeholders.
- Worked with the provinces and territories on pharmaceutical issues and on a possible protocol for interpreting the *Canada Health Act.*

Improving the Health Information Structure

Canada's private and public sectors are using new technologies to gather, process, manage and distribute information in ways that lead to better decisions. The health system is beginning to follow that lead. These technologies should help policy makers make better choices to strengthen the health system. They should provide more and better information for health practitioners. They have become a major focus of federal leadership.

In 1997-1998, Health Canada began or continued a series of initiatives. These will contribute to achieving our health goals by capturing knowledge about all aspects of health and making it more accessible, while protecting personal privacy. The Department:

- Developed a national strategy for a Canadian Health Infostructure that will link the health information networks that are emerging across Canada.
- Supported that strategy through work such as a National Health Surveillance System to spot and track health and disease threats, a Canadian Health Network offering consumer health information services, and a First Nations Health Information System.
- Moved towards a national research consensus that would better reflect health priorities such as the health of children, Aboriginal peoples and women.

Conclusion

Canadians are among the healthiest people on Earth — and we're getting healthier. Our life expectancy is among the world's longest, 81 years for women and 75 for men. We can expect to live 90 percent of that time without disabling health problems.

In 1997-1998, as this Performance Report shows, Health Canada contributed to the ongoing effort to build on those successes. Our Department focussed on helping to close the gaps that still exist between the health status of different groups of Canadians and on ensuring better health for all in a rapidly changing environment.

Chart of Key Results Commitments

This updated chart reflects continuing efforts to improve the articulation of Health Canada's results commitments and measurement techniques.

to provide Canadians with:	to be demonstrated by:	achievement reported in:
Management of Risks to Health Health Surveillance that anticipates, prevents and responds to health risks posed by diseases, food, water, drugs, pesticides, medical devices, environmental and occupational hazards,consumer goods and other socio-economic determinants of health	◗ Reduced illness, injury and death from identified health risks	◗ DPR Annex 1, 1.1.1, 1.4.2, 1.4.5, 1.5.2, 1.6.1, 1.8.1
	◗ Greater scientific knowledge about risks and benefits to human health and the environment that evolve with Canadians' health care needs	◗ DPR Annex 1, 1.2.4, 1.3.1, 1.3.2, 1.4.1, 1.4.3
	◗ A public well-informed about specific risks and benefits to their health	◗ DPR Annex 1,1.3.3.
	◗ Modern policies, laws, regulations and standards that are responsive to risks and benefits to human health and the environment, that take into account globalization, the economy and sustainable development, and that are harmonized with foreign counterparts where appropriate	◗ DPR Section III, C, 1.2. Annex 1, 1.2.2, 1.4.4, 1.7.1, 1.8.2
	◗ Increased consultations with the public and various stakeholders	◗ DPR Section III, C, 1.3
	◗ Programs that use biotechnology for public health advantage	◗ DPR Section III, C, 1.4
Promotion of Population Health An approach to health that takes into account and acts on social and behavioural determinants of health	◗ Improved health and health care through public empowerment, consumer participation and better informed Canadians	◗ DPR Section III, C, 2.1
	◗ Targeted initiatives to prevent disease and injury, and to cope with an aging population	◗ DPR Section III, C, 2.2
	◗ Optimal child development	◗ DPR Section III, C, 2.3
	◗ Leadership on population health and accountability to the public	◗ DPR Section III, C, 2.4

to provide Canadians with:	to be demonstrated by:	achievement reported in:
Aboriginal Health Cost-effective health services and programs for Aboriginal people which strive to reduce health inequalities vis-à-vis other Canadians and which are controlled by First Nations and Inuit communities at their own pace	◗ Life expectancy, incidence of tuberculosis and cardio-vascular disease, infant mortality, and injury and suicide rates that are more in line with the general Canadian population	◗ DPR Section III, C, 3.1
	◗ Data which relates to First Nations empowerment and capacity building	◗ DPR Section III, C, 3.2
Health System Support and Renewal A long-term,sustainable health system with significant national character	◗ Access to health services that are consistent with the principles of the *Canada Health Act*: universality, portability, accessibility, public administration and comprehensiveness	◗ DPR Section III, C, 4.3
	◗ Renewed and modernized health system in cooperation with provinces	◗ DPR Section III, C, 4.1
	◗ Improved balance between care, treatment,prevention and promotion, and the cost effectiveness of the health system	◗ DPR Section III, C, 4.2
Health Policy, Planning and Information Reliable and current health information to make evidence-based health decisions	◗ First-rate national health surveillance and health research information accessible to all Canadians	◗ DPR Section III, C, 5.1,5.2

SECTION II: DEPARTMENTAL OVERVIEW

Mandate and Mission

Health Canada's mission is to help the people of Canada maintain and improve their health. The Department provides national leadership in health policy, regulations, disease prevention and health promotion. As well, Health Canada ensure First Nations and Inuit people receive the same quality of health care as other Canadians.

> The ultimate goal of everything we do in health sector is the improvement in health status and quality of life at the level of both population and individuals.
>
> *National Forum on Health, 1997*

The legislative mandate of Health Canada, stated in the *Department of Health Act* and some 19 pieces of other legislation, is to maintain the nation's world-renowned Medicare system, to ensure that it remains publicly funded, universally available, comprehensive in services covered, and portable within Canada. Health Canada does this in partnership with the provinces and territories, who manage health care and hospital services. The Federal Government shares the cost of these services through annual Canada Health and Social Transfer (CHST) allocations.

Operating Environment

Health spending has been limited over the past few years by the constraints of public finance. For 1997, Canada's spending on health is estimated to be nine percent of Gross Domestic Product (GDP), down from 10.3 percent in 1992. This places Canada in the middle of the G7 (Group of Seven) countries in relative expenditure for public health.

This means Health Canada has had to find new ways to support the services it is committed to delivering to Canadians. Health Canada is working closely with other federal departments, stakeholders, and provincial and territorial governments to preserve our national health system.

With provincial governments and health organizations, Ottawa is working to find alterative ways of providing primary care. The Federal Government has begun to transfer appropriate health services to First Nations and Inuit authorities. Increased emphasis on public involvement has meant a wider variety of opinions and ideas in devising new ways to deliver services. Operations have been streamlined and waste eliminated. Always, the object is to maintain and even enhance the system while controlling costs.

Note: For the most part statistics on the health of Canadians have been taken from *The Report on the Health of Canadians* 1997. Attitudinal information has been gleaned from various public opinion surveys over the past year.

Departmental Organization

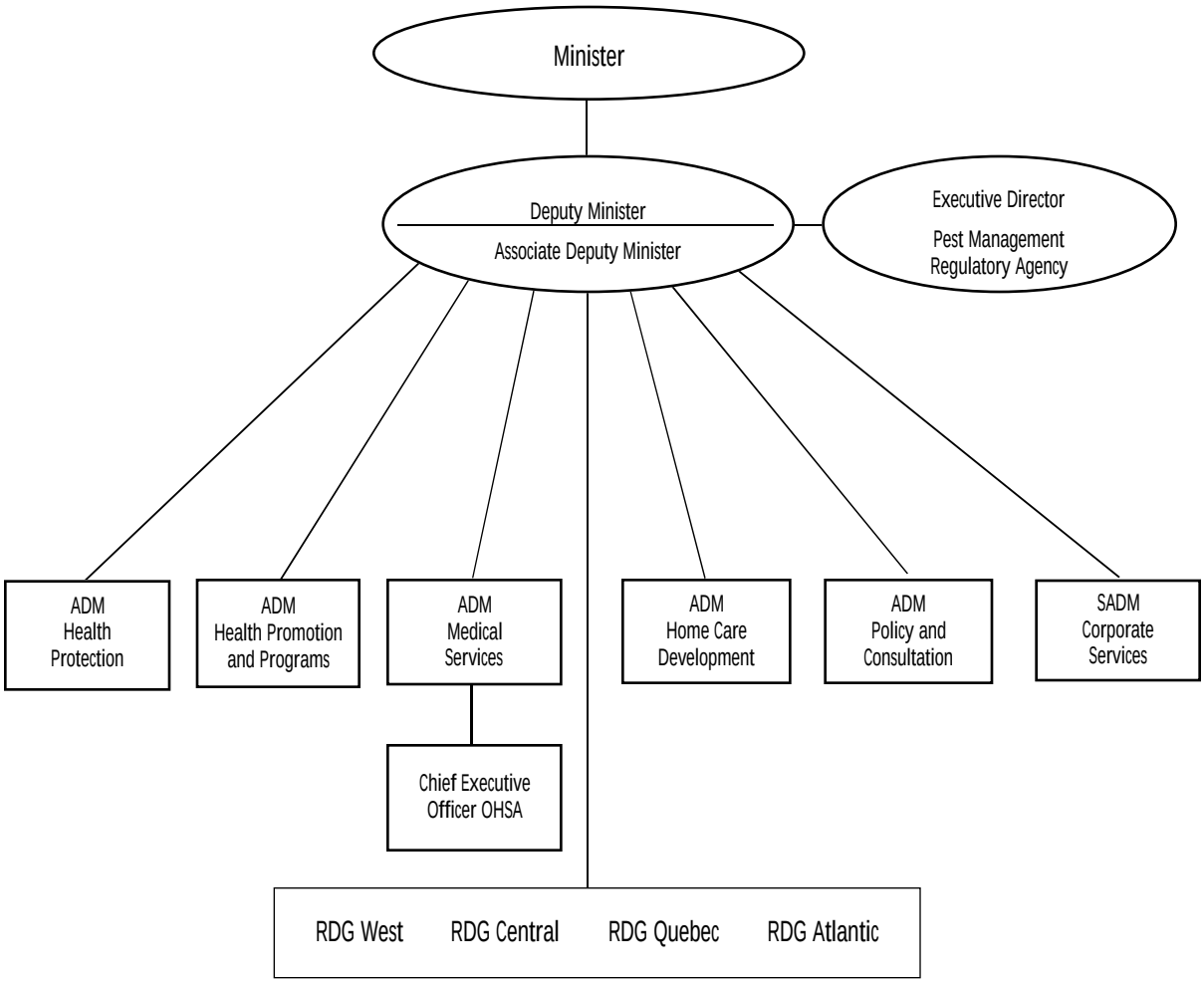
The Minister of Health is responsible to Parliament for the delivery of the Health Canada program. The Minister's portfolio also includes the Medical Research Council of Canada, the Patented Medicine Prices Review Board and the Hazardous Materials Information Review Commission.

The Deputy Minister and Associate Deputy Minister of Health, working with the Departmental Secretariat, support the Minister and manage operations. Six Assistant Deputy Ministers and the Executive Director in Ottawa manage the Department's programs and activities. Four Regional Directors General represent Departmental interests across Canada.

Figure 1 illustrates the Health Canada organizational structure. Figure 2 illustrates the new business lines' relationship to Health Canada's organizational structure. This matrix of business lines and organizational units varies from business line to business line, each of which contributes to common objectives through individual programs and priorities.

Home Care Development group was created in March 1998. This report outlines accomplishments in this area. However, it should be noted that these accomplishments span only three weeks.

FIGURE 1: **Organizational Structure as of 31 March 1998**



ADM Assistant Deputy Minister
SADM Senior Assistant Deputy Minister
RDG Regional Director General
OHSA Occupational Health and Safety Agency

FIGURE 2: **Business Line Relationship to Organizational Structure**

	Business Lines					
	Management of Risks to Health	**Promotion of Population Health**	**Aboriginal Health**	**Health System Support and Renewal**	**Health Policy Planning and Information**	**Corporate Services**
Organization Structure						
Health Protection	✓				✓	
Pest Management Regulatory Agency	✓					
Health Promotion and Programs	✓	✓	✓	✓	✓	
Medical Services	✓		✓		✓	
Home Care Development*				✓		
Occupational Health and Safety Agency	✓					
Policy and Consultation				✓	✓	
Corporate Services						✓

*This organization was created in March, 1998 and consequently is not specifically reflected in the Financial Performance Section.

Business Line Descriptions

During 1997-98, Health Canada revised its approach to planning and reporting on the basis of the following six business lines:

Management of Risks to Health: We live in a time of constantly changing health risks. New diseases, such as AIDS, are emerging, and some old ones, like tuberculosis, are resurfacing. Thousands of new chemicals have been introduced into the environment since the Second World War, and increasingly we have to manage the threat to health and safety from natural disasters and potential acts of terrorism. Even illegal drugs are evolving, becoming more deadly and, in many cases, more addictive. At the same time, health care is moving forward, with new equipment, techniques, medications and nutritional supplements coming into the market almost daily.

This business line monitors health risk developments, and maintains Canada's ability to anticipate, prevent and respond to health threats, and to emergencies resulting from natural and man-made disasters. Health and safety hazards related to the workplace are also increasingly important.

Promotion of Population Health: While the promotion of healthy lifestyles has contributed to the decline in the overall numbers of Canadians who smoke and a decline in alcohol consumption, other health determinants such as poverty and poor education levels are having long-term detrimental effects on certain groups, such as children. This business line promotes good health by means of programs in the areas of nutrition, child development, seniors, and lifestyle management, to achieve better health throughout life.

Aboriginal Health: Canada is working with the First Nations and Inuit people as they take on more responsibility for their own health care services. While the Department is responsible for the provision of essential services, it is transferring control of many of those services to First Nations and Inuit communities. This business line is responsible for reducing health inequalities among Aboriginal people with the goal of attaining a health level among Aboriginal people which is comparable to that of other Canadians. A main thrust of this mandate is to contribute to the drive toward self-determination of First Nations and Inuit people by transferring control of many health care services to those who use them.

Health System Support and Renewal: Canadians want a strong health care system, and they want it to be there when they need it. Health Canada works with the provinces, territories and other stakeholders to support a Medicare system that will be able to meet the health and safety needs of Canada into the next millennium. This business line is dedicated to the preservation and modernization of the Medicare system.

Health Policy, Planning and Information: The information explosion is a blessing and a curse at the same time. The technology is evolving so rapidly that, while there is more data available than ever before, gaining access to it can be a confusing or even confounding process. This business line is responsible for supporting health research and knowledge generation, to expand and organize the information infrastructure of the health sector. As well, it encompasses Departmental policy development and decision making.

Corporate Services: This business line provides the tools for Health Canada's other business lines to do their jobs. It supports the effectiveness of financial and human resources, assets and facilities, and such information resources as computer hardware and software.

FIGURE 3: **Crosswalk from Old Structure / Old Activities compared to New Business Lines**

Business Lines	Management of Risks to Health	Promotion of Population Health	Aboriginal Health	Health System Support and Renewal	Health Policy Planning and Information	Corporate Services
Activities						
Food Safety, Quality and Nutrition	✓					
Drug Safety, Quality and Effectiveness	✓					
Environmental Quality and Hazards	✓					
National Health Surveillance	✓				✓	
Pest Management Regulatory Agency	✓					
Programs and Services	✓	✓	✓	✓	✓	
Indian and Northern Health Services			✓			
Public Service Health	✓					
Health Advisory and Assessment Services	✓					
Policy and Consultation				✓	✓	
Health Insurance				✓		
Program Management					✓	✓

SECTION III: DEPARTMENTAL PERFORMANCE

Canada faces a fundamental challenge in health. We must modernize and strengthen the health system to ensure its survival.

While Medicare is in urgent need of reform and renewal, there also is work to be done in other important areas of health, including several where the Federal Government has significant responsibilities: Aboriginal health; national surveillance; regulatory regimes that ensure the safety of food, water, air, drugs, medical equipment, pest-control products and consumer products; health promotion, and disease prevention.

A critical factor that must be addressed is the external pressure being placed on the system by an increased demand for care. The state of the health of Canadians is a key factor in this area – especially in view of the growing elderly segment of the population. The costs of health care can be better contained if we concentrate on keeping people healthy. This requires continued effort in areas where we already have a track record of success, and some retooling in others.

As well, Health Canada has an important role to play in restoring Canadians' confidence in the blood system, in the wake of the tragic events examined by the Commission of Inquiry on the Blood System in Canada. Justice Krever's recommendation that the Department become more proactive in protecting the blood supply has resulted in a complete reorganization of the blood system.

If all of this can be crystallized into one overriding concept, it is that the system must be strengthened if we are to continue to have affordable, quality health care and maintain the high quality of Canadians' health.

A. PERFORMANCE EXPECTATIONS

Health Canada's six business lines have taken these issues, broken them into their component parts, and established the following operational priorities. These were set down in the 1997-98 Estimates, Part III, under the old structure arrangement.

Management of Risks to Health

- Restore, restructure and revitalize the Canadian blood system.
- Strengthen the department's food safety program inspection process, to make it more responsive, flexible and timely.
- Improve Health Canada's ability to anticipate, prevent and respond to existing and emerging health threats.
- Streamline programs to make them more efficient and effective.

Promotion of Population Health

- Strengthen the evidence base and make more efficient use of research to formulate a new population health strategy.
- Implement overall health promotion and disease prevention programs, based on a life-stages approach.
- Reinforce the Federal Government's ability to coordinate the management of health issues that cross interdepartmental lines.

Aboriginal Health

- Manage cost-effective delivery of health services to First Nations and Inuit people and, acting in concert with First Nations and Inuit leaders, devise new healthcare strategies.
- Transfer health resources to First Nations and Inuit control and complete the transfer of the universal health programs to the Yukon Territorial Government.
- Work to eliminate the health inequalities that exist between Aboriginal people and the general public.

Health System Support and Renewal

- Interpret,enforce and renew the *Canada Health Act.*
- Advance the shift to a better balanced,more cost-effective and efficient health system.
- Control the factors that influence the cost of health care.

Health Policy, Planning and Information

- Refine federal health strategy and implement the federal health strategy communications plan.
- Strengthen and expand the information-gathering apparatus to better support other business lines.

Corporate Services

- Support the ongoing strengthening of Health Canada's work force.
- Enhance the Department's capability to manage its financial and physical assets.
- Use information technologies to deliver Health Canada's services more effectively.

B PERFORMANCE ACCOMPLISHMENTS

The following is a brief summary of the major accomplishments for 1997-98 of the six business lines. More complete information can be found in "Section III, sub-section C: Performance Accomplishments by Business Line" and "Annex 1: Details of Management of Risks to Health by Service Line."

Management of Risks to Health

- The Canadian Blood Secretariat was established and charged with: implementing an early-warning blood surveillance system; consulting with the provinces and territories on proposed legislation; providing policy instructions to the Department of Justice on the drafting of the *Canadian Blood Services Act*; and supporting litigation on blood issues.
- The Food Safety Audit Program was created to monitor the effectiveness of the Canadian Food Inspection Agency (CFIA).
- Health Canada developed or enhanced laboratory services, surveillance and outbreak-investigation programs for the diagnosis and control of a range of diseases, from breast cancer to tuberculosis, and from asthma to HIV. New tools for monitoring diseases, such as the National Risk Factor surveillance system, were implemented, and a variety of initiatives were undertaken to enlarge our disease-fighting database.
- Such emerging problems as antibiotic-resistant strains of bacteria and Creutzfeldt-Jakob Disease came under greater scrutiny, and Health Canada strengthened its worldwide affiliations, to better coordinate the monitoring of global threats.
- Health Canada began a process of transition and self examination in the Health Protection Program, to find new and better ways to deal with risks to health. A key area of this transition process is increased consultations with other governments, organizations and interested parties, to provide the widest range of contributions possible. A good example of this is the newly established Science Advisory Board, headed by former astronaut Dr. Roberta Bondar and composed of scientists, consumers, health professionals and other interested parties.
- The Pest Management Regulatory Agency reduced the backlog of pesticide registration submissions, implemented an 18-month performance standard, made significant progress in international harmonization and encouragement of sustainable pest management, and prepared legislative proposals to enhance health and environmental protection and increase openness and transparency.

Promotion of Population Health

- Working with the provinces and territories, Health Canada issued publications about the misuse of medication and set up the Population Health Fund to encourage grassroots involvement in the promotion of good health practices in the population.
- A number of initiatives were launched, targeting issues related to specific life stages, such as cardiovascular disease, home safety for seniors and early childhood development.

Aboriginal Health

- Health Canada, with the Department of Indian Affairs and Northern Development and other departments, advanced the work of new multi-departmental transfer agreement arrangements which would reduce administration and duplication. Health Canada supported DIAND and contributed significantly to the Healing Strategy for residential school abuse survivors, families and communities.
- The Health Information System was expanded, providing access to health centres in Ontario, Atlantic and Pacific communities.
- The transfer of universal health services to the Yukon government was completed.
- The Department has implemented cost management strategies for the Non-Insured Health Benefits program, including an improved monitoring system to identify inappropriate professional prescribing practices, suspected claims over billing, and possible drug misuse. A pre-determination model for dental services was implemented and provides a more client-specific type of service rather than a limited number of benefits governed by the allowable frequencies.

Health System Support and Renewal

- A working group to study new, more cooperative means of enforcing the *Canada Health Act* was set up.
- Advances were made in the exploration and development of home and community care, pharmacare and Telehealth, a communications service that links Aboriginal communities directly with provincial health-delivery systems.
- Round One of the Health Transition funding is nearing completion, with proposals for 34 provincial/territorial projects and 11 national projects submitted to the Minister of Health. The aim of the projects is to provide information for evaluating how Medicare can be renewed and modernized.

Health Policy, Planning and Information

- A plan was formulated to create a national research consensus, with proposals for new research centres focussed on a variety of fields, from children's well-being to Aboriginal health issues.
- A national strategy for a Canadian Health Infostructure was initiated,an integrated network of networks that will enhance the sharing of knowledge and expertise.

Corporate Services

- The diversity of the work force was increased through recruitment and a number of programs aimed at heightening awareness.
- Health Canada helped over one half of its 6,300 employees develop their personal and professional skills by providing training in such areas as strategic thinking,change management, career planning, bilingualism, and computer technology.
- Financial and materiel management processes and computer systems were upgraded and refined.
- The Department made good progress in upgrading its computer systems and networks to deal with Year 2000 problems (80 percent of corporate systems were Year 2000 compliant by year-end).

C PERFORMANCE ACCOMPLISHMENTS BY BUSINESS LINE

Business Line 1: Management of Risks to Health (MRH)

Objective

To improve health surveillance and the capacity to anticipate, prevent and respond to health risks posed by diseases, food, water, drugs, medical devices, environmental and occupational hazards, consumer goods, and upstream determinants of health (personal behaviour, and family, social and economic circumstances).

Financial Information

(millions of dollars)	1997-98 Planned Spending	1997-98 Total Authorities	1997-98 Actual Spending
Gross expenditures	214.5	241.7	228.9
Revenues	(49.0)	(59.6)	(48.6)
Net expenditures	165.5	182.1	180.3*

*This represents 11.0 percent of the Department's actual spending.

Description

Management of Risks to Health comprises the following Service Lines:

- Food Safety, Quality and Nutrition
- Therapeutic Product Regulation
- Environmental Health
- Disease Prevention and Control
- Occupational Health and Safety Agency
- Emergency Services
- Pest Management
- Canadian Blood Secretariat

For details about these Service Lines and their accomplishments,please see Annex 1 starting on page 70.

Management of Risks to Health (MRH) protects Canadians from health and environment dangers. Through MRH, Health Canada plays a unique national role in ensuring the safety of Canadians through: approval of submissions for new foods, drugs, medical devices and pest control products; surveillance of disease; monitoring and controlling potentially hazardous products; monitoring and managing environmental and workplace risks; inspecting and enforcing regulatory compliance for food, drugs and medical and radiation-emitting devices; development of national radiation safety codes; quarantine services; emergency preparedness and response; and managing health and environmental risks associated with pest control products. It also administers the Canadian Blood Secretariat, which was set up to revamp Canada's blood system.

1.1 Priority Ensure that the Department evolves along with Canadians' health care needs

Accomplishments

In 1997, MRH's Health Protection Branch (HPB) began a process of review, consultation and renewal of its activities, to devise new and better ways to protect Canadians' health. Each of the core areas of health protection — science, surveillance, risk management, legislation,and program development — are carrying out in-depth consultations with individuals, governments and organizations affected by this transition. This process, called *HPB Transition*, will help Health Canada develop programs to protect the health of Canadians into the next millennium. It aims to:

- Strengthen the science behind the decision making.
- Modernize Canada-wide surveillance.
- Improve the management of health risks.
- Update the federal health protection legislation.
- Review the delivery of health protection programs.

1.2 Priority Harmonize Canadian policies, regulations and standards with foreign counterparts where appropriate

Accomplishments

Health Canada is a major player in a number of multilateral initiatives, including the International Conference on Harmonization, the Global Harmonization Task Force, the Pharmaceutical Inspection Convention, the Council of International Organizations of Medical Sciences, Codex, the World Health Organization, and the Organization for Economic Development and Cooperation Pesticides Forum.

As part of the Regulatory Program within the Occupational Health and Safety Agency (OHSA), cruise vessels arriving at Canadian ports have been inspected under a voluntary compliance program for the purposes of food inspection and sanitation under the Potable Water Regulations. Since these vessels typically ply Canadian and U.S. waters, discussions have been taking place with the United States in an effort to harmonize the inspection process and reduce the burden on the shipping industry. Mutual training of staff has begun; the use of a common inspection format is in place and discussions are continuing with the United States Public Health Service on harmonization. Consultation is ongoing and positive with industry associations. Cost recovery has been implemented.

The Pest Management Regulatory Agency (PMRA) is working with counterparts in other countries in North America and abroad to develop a more efficient method of bringing safe and effective pesticides to the consumer, with the added benefit of promoting sound regulatory policies and sustainable pest management worldwide. Accomplishments during 1997-98 included completion of the first joint review with the U.S. Environmental Protection Agency resulting in the registration of a new reduced-risk pesticide in both countries.

Canada is implementing a Mutual Recognition Agreement for therapeutic products with the European Union. Similar agreements are about to be finalized with Norway, Liechtenstein, Iceland and Switzerland, and are being negotiated with Australia, Japan and the U.S.A.

Negotiations are going on with the U.S.A. to coordinate standards for all nutrients in flour, to eliminate trade barriers that might arise from differing enrichment criteria. As well, Canada and the U.S.A. are working to harmonize standards for food additives.

Health Canada has begun discussion with the U.S. Environmental Protection Agency toward common guidelines and standards for drinking water.

1.3 Priority Increase consultation with the public and various stakeholders

Accomplishments

- The revised Drug Product Licensing Framework, which provides an integrated risk management approach for the regulation of all categories of drug products, was developed through extensive consultation.
- The new Federal Nuclear Emergency Plan, which coordinates the federal response to major nuclear accidents affecting Canada, was the result of four years of consultation.
- The revision of the Therapeutic Products Program Strategic Framework (1997-2000) was based on consultations with management, staff and stakeholders.
- Revisions to the regulatory framework for natural health products are being based on consultations with representatives of all interested parties.
- There was a great deal of consultation on the regulatory framework for Clinical Trial Review in Canada.

- A proposed framework to regulate tissues and organs for transplant has been the subject of a public forum and consultation.
- The Drug Analysis Service has conducted extensive consultations across the country.
- All federal departments were consulted on emerging Occupational Health Safety (OHS) issues.
- The Pest Management Regulatory Agency (PMRA) has implemented a policy to consult the public on major registration decisions. In addition, legislative proposals were developed which would significantly increase the openness and transparency of the regulatory system.

1.4 Priority Use biotechnology for public health advantage

Accomplishments

Biotechnology is the application of science and engineering in the use of natural or modified living organisms, or their parts or products. In health care, that includes the development of genetically modified foods, new pharmaceuticals, gene therapy, xeno-transplantation (inter-species transplants,such as the experimentation that has gone on with baboon hearts) and genetically based diagnostics.There are 224 biotech firms in Canada, 59 percent of which focus on health care, and the industry is growing. While biotechnology will lead to economic gains and improved diagnosis and treatment, it also involves such social and ethical issues as genetic testing and screening, privacy of genetic information, and human cloning. New products and services arising from innovation in biotechnology have had an important impact on delivery of Health Canada's mandate for disease prevention and control. For example, Canada has been active in the international Human Genome Program, which may lead to improved diagnosis and treatment of genetic diseases.

Health Canada consulted stakeholder groups representing all sectors involved in biotechnology, to formulate a renewed Canadian Biotechnology Strategy (which received Cabinet approval in June 1998). The new strategy establishes a policy framework, an Advisory body for biotechnology, and a revised management structure for departmental coordination.This opens the way for government to examine biotechnology as a means for achieving public health advantage in an environmentally sustainable fashion. The Department is also examining ways in which economic, social and ethical awareness can be integrated into Health Canada's ongoing regulatory and research functions in the area of biotechnology.

Biotechnology research activities in support of the regulatory system and disease prevention and control include: recombinant vaccines (produced by genetically recombining two or more vaccines); environmental health risks; food safety and quality; and cellular markers for breast cancer.

1.5 Priority Restore faith in the Canadian blood system

Accomplishments

In 1997, the Canadian Blood Secretariat was created out of the Blood Inquiry Secretariat and given the mandate to restore Canadians' faith in the blood system, in the wake of the Krever Inquiry. Since its creation, the Secretariat has become the departmental focal point for coordinating the implementation of Justice Krever's recommendations that Health Canada become more proactive in reducing the risk of infectious diseases from the blood supply.

Health Canada has allocated new resources to address the need for more qualified staff and the necessity of implementing an early warning blood surveillance system — some $125 million in new funds over five years (1998-99 through 2002-03).

For full details, please see *Performance Accomplishments for Service Line 8: The Canadian Blood Secretariat*, beginning on Page 91.

Business Line 2: Promotion of Population Health (PPH)

Objective

To promote population health through action on the social and behavioural determinants of health.

Financial Information

(millions of dollars)	1997-98 Planned Spending	1997-98 Total Authorities	1997-98 Actual Spending
Net expenditures	136.8	183.3	175.1*

*This represents 10.6 percent of the Department's actual spending.

Description

Health Canada has adopted a population-health approach to maintaining and improving the health of Canadians. This approach recognizes that many factors in addition to the health care system strongly influence the health of individuals and population groups.

The approach promotes disease prevention and individual and social action, and focuses on the range of factors and the way they interact in determining the health and well-being of Canadians.

Determinants of Health

- Healthy child development
- Health services
- Personal health practices and coping skills
- Social support networks
- Biology and genetic history
- Education
- Employment and working conditions
- Physical and social environments
- Income and social status
- Gender
- Culture

The framework of this approach features three life stages: childhood and youth, early to mid-adulthood, and later life. Within this life-cycle approach, Health Canada can take action on the broad range of determinants of health, as well as on priority health issues Canadians expect their government to address (e.g., substance abuse, HIV/AIDS, cancer and heart disease).

2.1 Priority Improve health and health care through public empowerment, consumer participation and better informed Canadians

The goal of this priority is to ensure that Canadians are informed about health promotion and disease prevention activities. As well, Health Canada works in partnership with national, regional and community-level volunteer organizations to deliver health programs supported through grants and contributions for national population health and community action projects.

Accomplishments

In 1997-98, over 250 national, regional and community-based projects were financed through the Population Health Fund to address the various health issues of vulnerable populations. The Fund works to increase community capacity for action on or across determinants of health, by supporting time-limited projects sponsored by voluntary, non-profit, non-governmental organizations. These organizations improve population health by facilitating joint planning and coordination actions among volunteer organizations, service providers, governments and the private sector.

Heart Health Kit

Health Canada in collaboration with the Heart and Stroke Foundations of Canada, Québec, and Ontario, Régie Regional de Québec, and Merck Frosst Canada Inc., developed the Heart Health Kit to address the major risk factors for cardiovascular disease (smoking, high blood pressure, obesity, physical inactivity and diabetes). The kit has been endorsed by the College of Family Physicians and the Canadian Cardiovascular Society. It is being distributed to family physicians.

Health Canada's promotion and social marketing activities have raised awareness of diverse health issues among a variety of audiences. These issues include: promoting healthy child development; encouraging positive lifestyle choices; smoking cessation; injury prevention; and health and the environment. Partnerships have included other federal government departments, and numerous private sector companies. In 1998, the Department launched a fully interactive smoking-cessation Web site (http://www.quit4life.com). The site offers positive, realistic and supportive advice to youth and does not attempt to minimize the difficulties associated with quitting smoking. In its first two weeks, more than 5,000 people visited the site and it was named one of Yahoo Canada's "Picks of the Week."

In partnership with the provinces and territories, Health Canada published two pamphlets about the risks of misusing medications, one for seniors (Sleeping Pills and Tranquillizers) and another for medical professionals (Medication Matters). Both these pamphlets, as well as other publications, are available by contacting the Department at (613)-957-2991 or by visiting our Web site (http://www.hwc.ca).

2.2 Priority Target initiatives to prevent disease and injury, and cope with an aging population

Health Canada programs address a wide variety of priority health issues by encouraging positive behaviour choices, promoting health-related policies, and working with the voluntary and private sectors. As well, Health Canada works to improve the factors in both the social and physical environments that influence health and well-being.

Accomplishments

Despite the steady decline in mortality, cardiovascular disease is a leading cause of death, disability and health care use in Canada. Health Canada established the Canadian Heart Health Initiative in partnership with: the provinces and territories, the Heart and Stroke Foundation of Canada, and over 1,000 volunteer, professional and community organizations. The aim is to reduce disability and death due to cardiovascular disease by encouraging positive health choices.

- Health Canada published the Guide to Home Safety for Seniors, increasing the Department's efforts in the area of injury prevention for seniors. Health Canada has succeeded in amplifying the effectiveness of the Guide by organizing workshops at the annual conferences of the Canadian Public Health Association and the Canadian Association for Gerontology.
- The Promotion of Population Health business line worked collaboratively with other Health Canada business lines and other partners on the five-year Canadian Breast Cancer Initiative. The National Committee for the Canadian Breast Cancer Screening Initiative developed a national database for breast cancer screening which provides guidelines for screening and information on self-examination. As well, through the expertise of family physicians, oncologists, radiologists, nursing oncologists, visiting nurses, communications experts, and women affected by breast cancer, information packages were developed for educators to raise awareness that communications skills can be taught and learnt. These kits increase the communications skills of practicing physicians in the areas of breast cancer.

Facts

- Cardiovascular disease is the leading cause of death in Canada (approximately 80,000 deaths) and of rising health care costs (8 million days of hospitalization per year).
- Injection drug users accounted for an estimated 49 percent of HIV infections occurring in 1996. Women accounted for an estimated 19 percent. The financial burden that will result from increased infections is matched only by the enormous human costs. By effectively controlling the epidemic and reducing the number of new infections to 1,700 per year by 2001, Canada could save $4 billion dollars.
- It is estimated that seniors account for 38.7 percent of health spending ($28 billion of the $72.5 billion in health care expenditures for 1994).

- In collaboration with experts from many sectors and with breast cancer survivors, Clinical Practice Guidelines for the Care and Treatment of Breast Cancer were developed. The guidelines provide information to both practitioners and women about what to do, for example, if a lump is discovered or if an abnormal mammogram is reported. Since the release of the guidelines, demand for the documents from national and international health agencies and the general public has been great — over 200,000 copies have been distributed. The guidelines are available through the Canadian Medical Association's Web site (http://www.cma.ca).
- In its continuing efforts to prevent, control and treat HIV/AIDS, Health Canada actively supported the promotion of best practices among health and social services providers. It also supported the strong, Canada-wide, community-based infrastructure that responds to the changing face of the HIV/AIDS epidemic. Health Canada developed National Guidelines for Victims of Sexual Assault, which have led to a more responsive approach to addressing the needs of women who have been sexually assaulted and put at risk of contracting HIV.
- In partnership with the provincial and territorial governments, new programs are being developed to better support HIV/AIDS prevention and sexuality education for young people. As well, Safer Sex Guidelines were published for educators and counselors involved in health prevention and promotion activities. These revised guidelines ensure the continued relevance and accuracy of safer sex information given to Canadians.
- Action to reduce tobacco use led to a decline in the number of Canadian adult smokers, but not among young smokers (since 1991, tobacco use among youth has increased from 23 percent to 29 percent). Evaluation of the Tobacco Demand Reduction Strategy concluded that a wide range of factors influence and reinforce smoking by youth and that traditional approaches to tobacco cessation and prevention among youth are not always the most effective. For example, teachers and health professionals as sources of information and influence are largely ignored by youth who smoke. This is because their peers tend to be more influential and young people are more trusting of information coming from them. Further prevention and cessation efforts will take into account the influence of peers in young peoples' decision to smoke or not, and will also include youth in the design and delivery of projects.
- In 1997, the Family Violence Initiative was renewed by the Federal Government, with Health Canada taking the lead. The Department continues to promote public awareness and the distribution of research findings and fact sheets through the National Clearinghouse on Family Violence. The distribution of these materials ensures front-line professionals have access to the most up-to-date information and research in family violence.
- In its fight against substance abuse, Health Canada has increased the information sharing capacity among the needle exchange programs in Canada.
- Through the Workplace Health Initiative, Health Canada provided employers, employees, and other key partners, including government, labour organizations, and non-governmental organizations, with the knowledge and skills to improve and maintain healthy working environments. In 1997, a Workplace Health System Certification program was established at Centennial College, in Scarborough, Ontario.

2.3 Priority Ensure optimal child development

The well-being of children is a priority for the Federal Government and Health Canada. The Department invests heavily in the first part of the life cycle. Evidence shows healthy child development can provide the basis for lifelong well-being. Investments in healthy child development can result in future decreased costs and demands on the health care, social services, and criminal justice systems.

Accomplishments

- Through the Canada Prenatal Nutrition Program (CPNP), Health Canada has increased its efforts to support pregnant women most at risk of poor pregnancy outcomes due to inadequate nutrition and poor health (women living in poverty, adolescents, and women struggling with substance abuse problems). Providing food and vitamin supplements, nutrition counselling and pre- and postnatal information are some of the services offered. Communities contributed to the success of this program with over $400,000 in donations, as well as contributions of space, food and vitamins.
- Health Canada, through the Community Action Program for Children (CAPC), has increased its efforts to support healthy child development, support parents and families, and promote the development of safe and healthy social environments by supporting parenting and play groups, collective kitchens,child development activities, home visiting, and mobile toy-lending libraries. Most of the children involved with CAPC projects live in low-income families, and are at risk of abuse, neglect, developmental delays, or emotional/behavioural problems.
- The Postpartum Parent Support Program (PPSP) (implemented in over 600 hospitals and community health sites across Canada and reaching over 75 percent of births each year) uses hospital and community health providers as educators to provide consistent parenting education to families of newborn children. PPSP has helped parents and family members to identify and use available support systems during the postpartum period, and to set realistic expectations about coping with family relationships. This program has led to the development of four new parenting information sheets: Breast Feeding; Shaken Baby Syndrome; Postpartum Depression; and Sexuality after Birth.

Canada Prenatal Nutrition Program

Health Canada supports and promotes breastfeeding as the optimal form of infant nutrition. In many cases, women at risk are less likely to breastfeed than women with higher levels of education, nonsmoking women, older women. or women with higher incomes. In Gander Bay, Newfoundland, during the first year of CPNP project, the breastfeeding rate jumped from 4 percent to 67 percent. Given the proven health, social, and economic benefits that breastfeeding offers, these preliminary results indicate that the CPNP is effectively giving at-risk children a better start in life. A national evaluation of the CPNP is currently under way. Early results indicate that the program has reached approximately 15,000 at-risk women, of whom, one in seven gave their time and energy back to CPNP projects as volunteers.

2.4 Priority Provide leadership on population health and accountability to the public

The population health approach recognizes that promoting health,preventing illness, and reducing harm, result in a more efficient use of the health care system and have long-term benefits for all Canadians.As well, the approach recognizes that the policies and programs of other Federal Government departments and agencies influence health.The Department is developing ways to broaden Canadians' understanding of the approach and its benefits to health.

Accomplishments

- The Health Promotion and Programs Branch completed an internal restructuring which was undertaken to implement the population health approach. Health promotion and disease prevention programs were reconfigured based on a life-cycle framework. Grants and Contributions were reorganized under one set of terms and conditions to ensure that the Promotion of Population Health business line has the flexibility to respond to current and emerging health issues.
- Health Canada worked with the provinces and territories, and other Federal Government departments and agencies, to take action on factors affecting the health status of Canadians. Frameworks or studies were developed on such issues as sexual and reproductive health, aging and disabilities.

Business Line 3: Aboriginal Health (AH)

Objective

To assist Aboriginal communities and people in addressing health inequities and disease threats, and in attaining a level of health comparable to that of other Canadians; and to ensure the availability of, or access to, health services for Registered First Nations and Inuit.

Financial Information

(millions of dollars)	1997-98 Planned Spending	1997-98 Total Authorities	1997-98 Actual Spending
Gross expenditures	1,061.6	1,039.8	1,033.8
Revenues	(11.4)	(9.2)	(7.0)
Net expenditures	1,050.2	1,030.6	1,026.8*

*This represents 62.5 percent of the Department's actual spending.

Description

Serious health inequalities persist in the Aboriginal population. For example, the rates of diabetes, tuberculosis, suicide and smoking are much higher than for the Canadian population at large. With the First Nations and Inuit birth rate twice that of the Canadian average, population growth is expected to drive up costs. This, coupled with provincial health reform and the rising costs of health care, places growing pressure on resources that are already strained. Self-government and transfer of health care services to First Nations and Inuit communities should pave the way for better health among First Nations and Inuit people. To improve the health status of First Nations and Inuit, we are striving to:

- Increase the life expectancy for First Nations people up to Canadian levels. (see Figure 4)
- Reduce the infant-mortality rate. (see Figure 5)
- Reduce the rates of disease, injury and suicide to the rate of the national averages. (see Figures 6 and 7)
- Continue to build an effective, sustainable and Aboriginally controlled health system.

Figure 4: Life Expectancy at birth

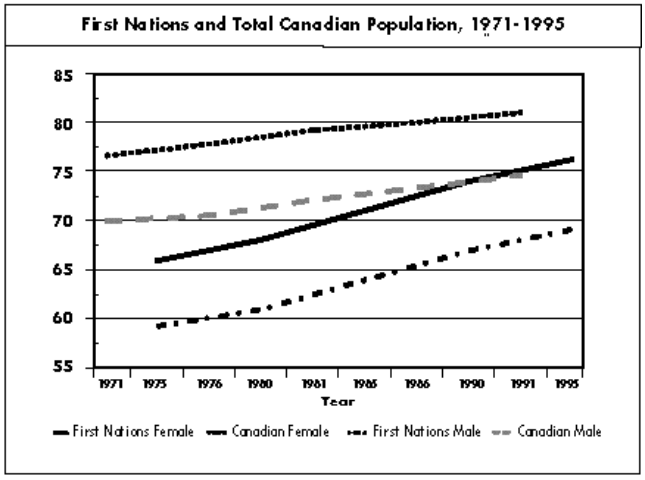


Figure 5: Infant Mortality Rate

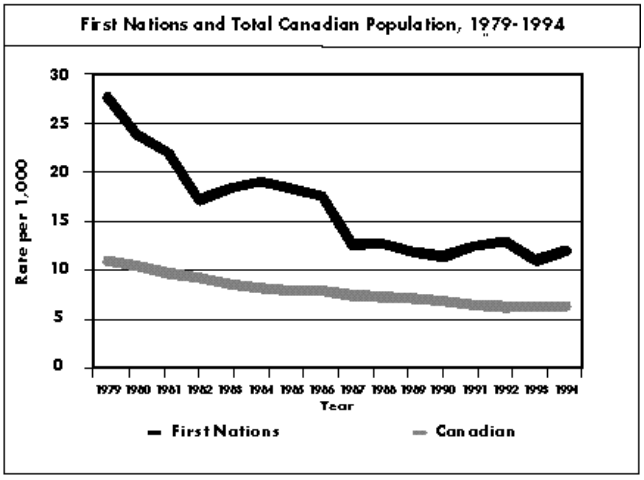


Figure 6: Incidence of Tuberculosis

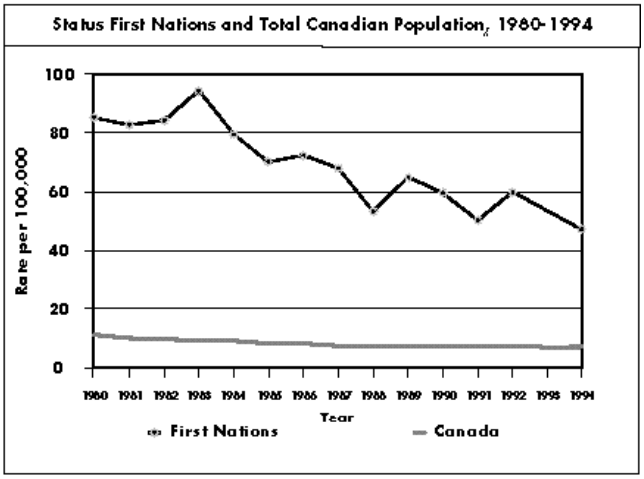
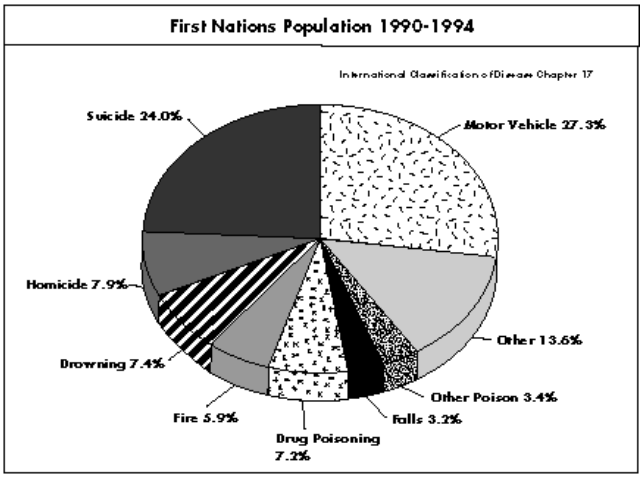


Figure 7: Injury Deaths by Type



Source: Health Programs Analysis – First Nations and Inuit Health Programs.

3.1 Priority Work to eliminate the health inequalities gap between Aboriginal people and the general public

Accomplishments

The Non-Insured Health Benefits (NIHB) Program provides supplementary health benefits to more than 650,000 Indians, Inuit and Innu. NIHB benefits meet medical or dental needs not covered by provincial services or other health plans — prescription and over-the-counter drugs, medical supplies and equipment, dental services, vision care, mental health counselling, and transportation to medical services. Health Canada is constantly working to make the plan more cost-effective and responsive to health needs of clients.

- To that end, Cabinet approved a renewed mandate for NIHB that focussed on transferring the program to First Nations and Inuit control. In consultation with First Nations and Inuit organizations, the Department prepared a submission to Treasury Board to seek the transfer authorities.
- Eight pilot projects for the provision of medical transportation, vision, or all of the non-insured health benefits were approved, providing management opportunities for First Nations and Inuit people.
- Canadian pharmacists were provided access to point-of-service technology to enable NIHB to better control expenditures by monitoring the use of high-cost drugs more effectively. With this system, claims are processed immediately, and pharmacists can quickly determine any problems with a patient's drug therapy.
- As part of a strategy to improve and monitor drug therapy and in conjunction with community prevention and awareness activities, NIHB established a Drug Utilization Review Process to track patterns of abuses. It includes a nationwide computerized monitoring system to identify inappropriate professional prescribing practices, suspected claims over billing, and possible drug misuse.
- In autumn 1997, a new policy to provide appropriate dental care as professionally determined — the predetermination of dental benefits — was implemented across the country. This policy ensures appropriate servicing by dental providers.
- By year's end, the Dental Provider Profiling System, a database created to analyze the provision of dental services, was operating across the country. It will improve the management of dental benefit expenditures.
- To ensure consistent interpretation of directives and faster, more informed response, the NIHB Drug Exceptions Centre opened in October 1997. It will handle all requests for: drugs subject to the Limited Use Drug Policy; medication not covered by the NIHB Drug Benefit List; and brand-name drugs for which "no substitution" has been requested.
- In keeping with the transition to First Nations and Inuit control and in line with the Aboriginal Procurement Policy, the contract for the Health Information and Claims Processing System was awarded in October 1997 to First Canadian Health Management Corporation Inc., a joint venture of Tribal Council Investment Group and Aetna Health Management.

Figure 8: Non-Insured Health Benefits(NIHB) Expenditures

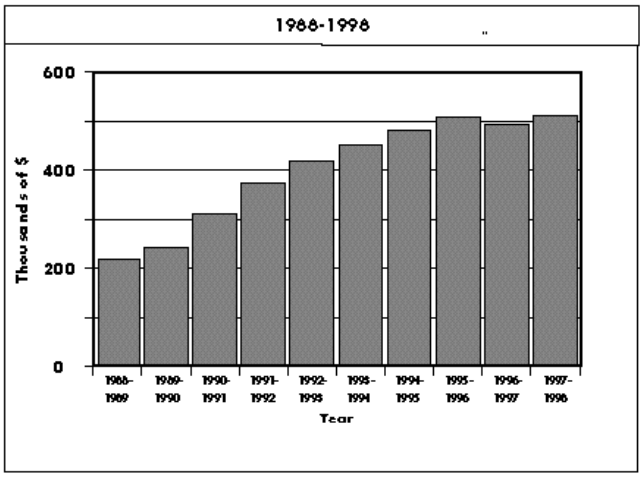
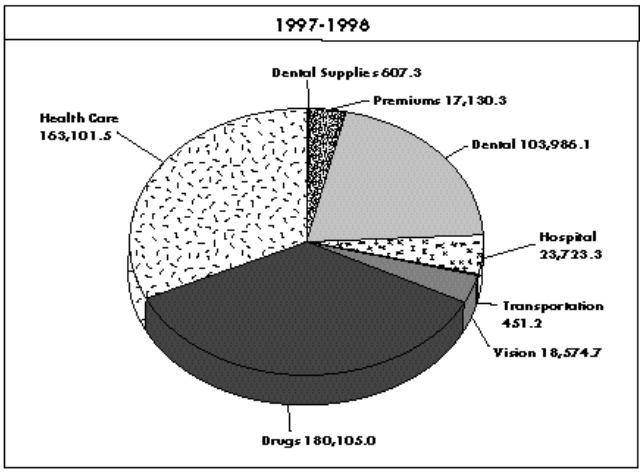


Figure 9: Benefits Expenditures



Health Canada worked in close collaboration with the Department of Indian and Northern Affairs to create the Aboriginal Healing Foundation. This non-profit organization, to be managed by Aboriginal people, was incorporated in March 1998. During the year, Health Canada helped negotiate funding for the $350 million Healing Fund for residential schools abuse survivors and their families and communities, to be administered by the Foundation.

The health and well-being of children, including Aboriginal children, has been designated by federal, provincial and territorial governments as a priority. Aboriginal Head Start (AHS),the Community Action Program for Children (CAPC), and the Canada Prenatal Nutrition Program (CPNP) are early-intervention programs run at the community level which contribute to the health and well-being of Aboriginal children.

- Through the Aboriginal Head Start Program (AHS),as many as 4,000 First Nation, Inuit and Métis children between 0 and 6 years of age participate in pre-school activities in 98 urban and northern sites across Canada.The program is being expanded to First Nations on-reserve and Inuit.
- The Canada Prenatal Nutrition Program (CPNP) is a comprehensive program designed to provide food supplements, nutrition counselling, support, education, referral and counselling on lifestyle issues to First Nations and Inuit women with high risk pregnancies due to poor health or nutrition.The First Nations and Inuit component provides a comprehensive community-based program in about 400 communities.It improves the health of high-risk pregnant women in birth outcome, and the

health of infants during their first year of life, by supporting women in such areas as smoking, substance abuse, isolation and family violence, as well as providing nutrition education and counselling and distributing food supplements. Some 250 communities have implemented prenatal nutrition activities and more than 400 projects are underway. As well, some 277 projects provided services to urban/northern women and early results indicate that projects are successfully reaching their intended target groups.

- The Community Action Program for Children (CAPC) is a community development program that mobilizes the energy of the community to tackle specific community-defined needs and creates innovative solutions. Each week, 4,830 children and their parents from Aboriginal families attend a CAPC project.

Working with First Nations and Inuit people, Health Canada fights substance abuse through the National Native Alcohol and Drug Abuse Program, which funds community-based prevention and treatment, and research and development. More than 8,000 First Nations and Inuit clients now have access to 53 treatment programs with 695 beds across Canada.

3.2 Priority Continue to build an effective, sustainable and Aboriginally controlled health system

Health Canada is responsible for the provision of direct health services and resources to First Nations and Inuit communities south of the 60th parallel and in Yukon. Through the Health Transfer Initiative, First Nations and Inuit communities have been taking control of their health programs, at their own pace.

Accomplishments

- Health Canada has signed 170 transfer and integrated agreements with First Nations and Inuit communities, covering 282 of the 631 First Nations and Inuit communities. (See Figure 9)
- With the Department of Indian Affairs and Northern Development, Health Canada advanced the work on new multi-departmental transfer agreement arrangements, which will reduce the administrative burden and duplication for First Nations and the Federal Government.
- A policy was established to enable First Nation organizations to deliver second (zone) and third level (regional) services on behalf of communities. This policy includes funding to enable First Nation organizations to manage service delivery.
- The Universal Health Programs were transferred to the Yukon government in April 1997. However, Health Canada continues to provide non-insured health benefits and funding for community-based health programs managed by First Nations.

FIGURE 9: **Number of Transfer / Integrated Agreements by Regions (1997-98)**

Region	Agreements to date	Number of First Nations and Inuit Communities Transferred	Total number of First Nations and Inuit Communities	% of First Nation and Inuit population under Transfer
Atlantic	18	24	40	60%
Québec	22	23	51	66%
Ontario	41	57	124	26%
Manitoba	19	19	62	38%
Saskatchewan	25	59	80	73%
Alberta	12	10	58	13%
Pacific	20	76	202	33%
Yukon	13	14	14	87%
Total	**170**	**282**	**631**	

Canada continues to work towards the transfer of five of the six remaining departmental hospitals to First Nations and Inuit control and the closure of the sixth one:

- In Sioux Lookout, Ont., an agreement was reached to replace the federal and provincial hospitals with a new institution under the control of a local board.
- At the Moose Factory, Ont. hospital, health services planning has begun, involving the local board, the province, Health Canada and the James Bay General Hospital. In the meantime, the hospital operates through an administrative arrangement with the Weeneebayko Health Ahtuskaywin.
- The transfer of the Fort Qu'Appelle, Sask. facility was completed.
- A study on the future of the Norway House, Man. hospital was commissioned.
- Discussions have begun with First Nations about alternative use of the Manitoba's Percy E. Moore facility.
- Alberta's Aboriginally run Blood Indian Hospital is expected to close in March 1999.

The Indian and Inuit Health Careers Program awarded 63 bursaries and 50 scholarships — compared to four bursaries in 1984-85. In 1997-98, the program encouraged Aboriginal people to pursue careers in the health professions and provided a learning environment designed to overcome cultural barriers that have inhibited Aboriginal students in the past.

The Health Information System (HIS) provides Health Canada and First Nations with such essential data as immunization records, client morbidity and mortality and abuse profile, that will substantiate evidence-based program and service delivery decisions. The first implementation phase provided access to the HIS to 25 health centres in Ontario, eight in Atlantic and two in Pacific communities.

Business Line 4: Health System Support and Renewal (HSSR)

Objective

To ensure the long-term sustainability of a health system having significant national character.

Financial Information

(millions of dollars)	1997-98 Planned Spending	1997-98 Total Authorities	1997-98 Actual Spending
Net expenditures	4.3	14.4	14.6*

*This represents 0.9 percent of the Department's actual spending.

Description

The preservation and modernization of the Canadian Medicare System in a constantly changing fiscal landscape is the main concern of Health System Support and Renewal (HSSR). Since health care is the shared responsibility of the federal and regional governments, HSSR is charged with ensuring that Medicare services across Canada follow the principles and provisions of the *Canada Health Act*, and creating a national consensus on how to: ease financial pressure on the public and the private sectors; maintain universal access to appropriate health care; and achieve a better balance among health care, disease prevention and health protection and promotion.

4.1 Priority Help the provinces renew and modernize the health system

Accomplishments

HSSR administers the Health Transition Fund (HTF), announced in the 1997 Federal Budget, which provides $150 million, over three years, to help the provinces and territories test ways to improve the health system. Of that, $30 million is targeted towards funding national initiatives and $120 million is reserved for provincial/territorial projects. Of the two phases of funding, Round One is nearly complete, with 34 provincial/territorial and 11 national project proposals submitted to the federal Minister of Health. HTF projects will provide important evidence for evaluating how Canada's health care system might be renewed and provide guidance in how to proceed with modernizing Medicare. Round Two of funding is well underway, with a budget of approximately $60 million for provincial/territorial projects and $10 million for national ones. This round will keep the same four priorities as the first one — home care, pharmacare, primary care and integrated service delivery.

More than 80 percent of Canadians express strong support for measures to expand publicly funded home care, which is one of four priority areas for pilot studies and evaluations under the Health Transition Fund.

A National Home and Community Care Conference was held in Halifax March 8-10,1998, organized and hosted by Health Canada and the Nova Scotia Department of Health.It was attended by 325 participants, representing government, providers of care, researchers, business, labour, First Nations, Inuit and Métis, and the general public. Health Canada has formed a home care development team with individuals recruited from the Victorian Order of Nurses, the Baycrest Geriatric Centre, the Centres Locaux de Services Communautaires (CLSC) and the Centres Hospitaliers de Services de Longue Durée (CHSLD) as well as experienced public servants.The aim is to explore options for development of home and community care through research and work with various groups, and with provinces and territories leading to a more integrated health-care system.

4.2 Priority Improve the balance between care and treatment and prevention and promotion, and the cost effectiveness of the health system

Accomplishments

In September 1997, Canada's Health Ministers created the Pharmaceutical Issues Working Group (PIWG), which will address pharmacare issues common to all jurisdictions.This approach will help pave the way to a national initiative on the high cost of drugs.

A plan has been formulated to equip five First Nations community health facilities in as many regions with Telehealth applications,hardware and telecommunications linked electronically to provincial health-delivery systems. To be implemented over the next two years, this will test whether the technology can improve health services and measure the cost-benefits and human impacts of the technology.

4.3 Priority Interpret, enforce and renew the *Canada Health Act* to ensure that the comprehensiveness and accessibility principles are being respected

Accomplishments

Over the last few years, provincial and territorial governments have argued that federal actions regarding *CHA* enforcement and interpretation have been unilateral and arbitrary. In response, the Working Group on *CHA* Interpretation Issues (Protocol) was set up in September 1997.Although work was suspended in December 1997, pending further guidance from the Ministerial Council on Social Policy Renewal,the Federal Government has maintained its willingness to negotiate a *CHA* protocol with the provinces and territories that would formalize the steps involved in the administration of the Act.

Business Line 5: Health Policy, Planning and Information (HPPI)

Objective

To foster strategic and evidence-based decision making in Health Canada and to promote evidence-based decision making in the Canadian health system and by Canadians.

Financial Information

(millions of dollars)	1997-98 Planned Spending	1997-98 Total Authorities	1997-98 Actual Spending
Net expenditures	88.3	126.6	114.3*

*This represents 7.0 percent of the Department's actual spending.

Description

Health Policy, Planning and Information (HPPI) advises and supports the Minister, Departmental Executive and program branches in policy analysis and development, strategic planning, advice, and consultation and information concerning issues that affect Canada's health system and the well-being of Canadians. HPPI provides a policy focus for women's health issues within the Department, coordinates and supports federal-provincial-territorial activities and provides advice on the international activities of the Department. It focuses on health outcomes, measurement of health status, and potential gains and benefits from the range of interventions available to the Department. HPPI coordinates the networks, infrastructures and partnerships needed to acquire and produce relevant health information for decision making, to improve the capacity and effectiveness of the department. As such, HPPI plays two roles: it improves policies and strategic plans, and promotes the development and application of innovative information communications technologies in the health sector.

5.1 Priority Strengthen Health Canada's capacity to make and communicate evidence-based decisions

Accomplishments

Health Canada is working to create a national strategy for a Canadian Health Infostructure (CHI), which will integrate network of networks that enhance the sharing of health knowledge, information and expertise. CHI encompasses all aspects of an infostructure: hardware, applications/software, information content, standards, legislation/regulations and training.

Health Canada is advancing information technology by providing project leadership for Health Canada's infostructure projects. For example:

- The National Health Surveillance System established a proof of concept for an Internet-based framework for national and international surveillance of diseases or heath threats, to respond appropriately.
- The Canadian Health Network is a consumer health information service and provides accessible health information. The Network is responsive to health promotion and disease prevention that addresses issues across the life stages.
- The First Nations Health Information System is a community-based system that was developed in partnership with First Nations and is being deployed to all First Nations facilities who elect to use it.
- The Health Infostructure Support Program ($10 million) funds pilot projects to prove, evaluate or raise the level of awareness of advanced network-based services in all areas including pharmacare, home care and Telehealth.
- An information clearinghouse was established through the Women's Health Network. Wide dissemination of information on women's health issues has enabled more knowledgeable public participation in policy making processes at all levels.

5.2 Priority Help create a national health research agenda

Accomplishments

Recent increases in investing in research are injecting new optimism into the Canadian research community, after years of funding cutbacks. It has identified as a primary focus the creation of a national research for the new millennium. In keeping with that vision, Health Canada has proposed four new research programs in areas of utmost importance:

- Centres of Excellence for Children's Well-Being (CECWB), an infrastructure for sharing knowledge about the health needs of children and critical factors for healthy child development.
- The Aboriginal Health Institute, focussed on evidence-based Aboriginal health research, the sharing of information and the dissemination of best practices.
- The Canadian Institute of Health Research, a network of subject-specific health research institutes for Canada inspired by the National Institute of Health in the U.S.
- Canadian Population Health Initiative.

The Women's Health Bureau has begun to establish processes toward a department-wide application of gender-based analysis, and has focussed on such areas as home care, ethics in research, the National Children's Agenda and occupational health. The Centres of Excellence for Women's Health Program, funded by the Bureau, completed year two of its six-year mandate; the five Centres of Excellence conducted research on issues such as health determinants, health care access and utilization, caregiver needs, the evaluation of gender-specific health services and research methods.

The Canadian Breast Cancer Initiative has forged a research partnership among funding agencies and leveraged additional funds from the corporate sector as well as given women a voice. $21 million was awarded to 91 breast cancer research projects over three years. Areas targeted were: health services, normal breast development and natural etiology.

5.3 Priority Improve policy making and strategic planning

Accomplishments

- Progress has been made in the development of a framework for strategic and program planning. This will aid Departmental executives in decision making and improve the process of reporting to Parliament and central agencies. This has led to the creation of the Departmental Planning Process, which will strengthen Health Canada's policy capacity, business planning and control of resources, and improve reporting and accountability.
- Health Canada has participated in a number of international conferences which resulted in exchange of health information relevant to Canadians for making informed decisions about their health.
- Health Canada assisted the World Health Organization in drafting the Convention on Tobacco which will further Health Canada's efforts in helping Canadians reduce their consumption of tobacco and tobacco products.
- The Department participated in the Policy Research Group on Global Challenges and Opportunities exercise, chairing the working group on future health scenarios and contributing to the working group on harmonization.

Business Line 6: Corporate Services (CS)

Objective

To support the delivery of Health Canada programs and objectives through the provision of administrative services and through the provision of advice and direction to senior management regarding the effective and efficient use of resources.

Financial Information

(millions of dollars)	1997-98 Planned Spending	1997-98 Total Authorities	1997-98 Actual Spending
Gross expenditures	90.3	143.2	133.0
Revenues	(1.3)	(1.3)	(1.3)
Net expenditures	89.0	141.9	131.7*

*This represents 8.0 percent of the Department's actual spending.

Description

Health Canada's Corporate Services provides administrative, advisory and management expertise in human resources, finance, facilities and accommodations, assets,and information services.This includes everything from staff training to internal audits, to paying the bills, to developing the computer networks.

Corporate Services is committed to the promotion of fairness and diversity, recognition of competence and encouragement for growth and development in its workforce; improved management of finances and assets for increased efficiency and economy;improved communications,delivery of services and records management through the use of emerging information technologies.

6.1 Priority Support the ongoing strengthening of Health Canada's workforce

Accomplishments

- Developed new learning programs in human resource development to help over one half of the Department's 6,300 employees develop their personal and professional skills through training in such areas as strategic thinking, change management, career planning,bilingualism, financial management, and computer technology.
- Made special efforts to resolve, through new jobs or early retirement,the situation of employees who had been affected by workforce reductions and relocation — close to 500 had been affected by Program Review and other changes.

- Launched a range of employment equity initiatives to increase the diversity of Health Canada's workforce to better reflect the Canadian population as a whole in terms of ethnicity, gender, and ability, including the initiation of all 25 corrective measures ordered by the Canadian Human Rights Tribunal in March of 1997 regarding the employment of visible minorities.

6.2 Priority Enhance the Department's capabilities to manage its financial resources and physical assets effectively

Accomplishments

- Introduced a new Planning, Reporting, and Accountability Structure (PRAS) to provide the basis for managing resources and measuring performance more effectively over the coming years.
- Developed the Department's framework for program planning and initiated work on improved performance measures to strengthen resource management and accountability.
- Upgraded and refined processes and computer systems for purchasing goods and services, maintaining inventories, and managing contributions to First Nations and other communities — of particular note was the initiation of the Department's migration to an integrated financial and materiel management system by April 1999.
- Completed further optimization of the use of office and laboratory space by the Department, including the completion of 85 percent of the planned renovations to the Jeanne Mance Building in Ottawa and the effective completion of the new federal laboratories in Winnipeg.

6.3 Priority Take advantage of information technologies to deliver services more effectively

Accomplishments

- Developed and implemented a sound plan of investments in information technologies based on the thorough assessment of proposals and the development of a management consensus on investment priorities.
- Made good progress in upgrading Health Canada's computer systems and networks to deal with Year 2000 problems (80 percent of corporate systems were Year 2000, compliant by year-end), with increasing volumes of information flows, and with an expanding set of shared databases, including those associated with the development of a Canadian Health Infostructure.
- Successfully upgraded all employees' workstations to support the efficient use of electronic mail and sharing of information.
- Completed additional elements of the substantial work required to develop a comprehensive approach to records management and to implement secure, automated information management processes.

Health Canada's Year 2000 Readiness Update

The scope of Year 2000 issues has been assessed primarily through extensive inventories which have been conducted across the branches and regions, and through extensive evaluations of the Department's regulatory responsibilities in delivering its business services. Corrective measures are being implemented in the following Government-Wide Mission Critical Systems (GWMCS) and Departmental Mission Critical Systems (DMCS) areas in an effort to mitigate potential Year 2000 problems:

- the Laboratory Center for Disease Control
- the Therapeutics Product Program
- the Food Program
- the Environmental Health Program
- Medical Services Branch

Progress in these areas is closely monitored by the Departmental Executive Committee on Year 2000 which meets biweekly. The committee has been instrumental in identifying major issues which affect various areas and invokes measures to ensure Year 2000 projects are in line with forecasted deliverable dates.

The Department's Information Technology infrastructure is scheduled to be compliant by the end of 1998. For example, desktop/server hardware testing was completed in August and remedial measures are currently underway for all non-compliant Personal Computers. All GWMC application systems, as well as Corporate Information Systems are far along in their remedial exercises, and are scheduled to be certified as Year 2000 ready by December 1998.

Inventories of embedded systems within Health Canada (HC) laboratories, facilities, and office buildings have been completed and risk assessments are now underway. According to the July 1998 Treasury Board Year 2000 survey report card for HC, corrective measures for information systems and technology have been rated at 68 percent, and embedded systems at 33 percent. Health Canada's overall Year 2000 readiness rating is at 57 percent which is above the overall government average of 56 percent.

In HC's regulatory sphere, the Department is currently addressing approaches that need to be taken to accelerate the response rate to various letter writing campaigns. For example, letters sent out in March 1998 to manufacturers and vendors of medical devices regarding Year 2000 compliance status have only had a 20 percent response rate to date.

The Department remains confident that Year 2000 plans are on track and that excellent progress is being made in its Year 2000 readiness efforts. Preliminary risk-management assessments are in the process of being conducted across the branches, and contingency and risk-management plans are scheduled to be in place during the fall of 1998.

Key areas of concern for the Department include external dependencies, such as public utilities readiness, and the poor response from manufacturers and vendors of medical devices regarding Year 2000 compliance.

D: Performance Review Results

In 1997-98 Health Canada completed five key reviews of its programs and services. Key findings of evaluations, audits and reviews completed are listed by business line.

Management of Risks to Health — Business Line

Environmental Health Program (EHP): A program evaluation of the EHP was completed in 1997-98. EHP identifies, assesses, and helps to manage the risks to health and safety associated with the natural and technological environment, particularly of marketed radiation-emitting devices and chemical substances.

The Environmental Health Directorate's Bureau of Chemical Hazards (BCH) has important responsibilities under the Canadian Environmental Protection Act (CEPA) for assessing risks to human health from substances on the Priority Substances List (PSL). The scientific consultants to the evaluation reported that these assessments are scientifically defensible, of outstanding quality, and provide informed scientific judgments of the degree of risk from major health hazards.

The administration of the *Radiation Emitting Devices Act* and Regulations are the responsibility of the Radiation Protection Bureau (RPB). The evaluation found that clients and stakeholders of RPB, both within and beyond Health Canada, are satisfied with the services provided by RPB. Information provided by RPB is generally considered to be high quality, useful and timely. There is evidence that radiation exposure has been reduced in RPB-inspected remote locations, and that RPB's advice and expertise have indirectly contributed to the reduction of unnecessary radiation from diagnostic devices used by physicians and dentists under provincial jurisdiction. One of the consulting firms hired during the evaluation concluded from its interviews that the Program's direct advice and information to federal departments, agencies, governments and other immediate clients is a valuable and essential national service for which there is no realistic alternative.

Through its inspections and advice to Transport Canada, the Radiation Protection Bureau has contributed to reducing the dosage in airport baggage x-ray machines in Canada without compromising the function of that equipment. The radiation dosage from that equipment is now so low that the operators are not considered to be x-ray workers and do not need dosimetry (radiation) badges.

Given the diversity of environmental health hazards covered by the Program, it is difficult to make a global summary of Program contributions to protecting the health and safety of Canadians. Instead, the evaluation reviewed a few specific cases of contributions the Program has made. On the basis of these cases, the evaluation concludes the Environmental Hazards Program has done a commendable job of protecting the public from environmental health risks.

Promotion of Population Health — Business Line

Canada's Drug Strategy (CDS): This was a five-year interdepartmental initiative approved by Cabinet in March 1992 to reduce the social damage done by alcohol and other drugs. An inter-departmental evaluation of CDS was completed in 1997-98. The report summarizes the departmental evaluation reports on Strategy activities, conducted by the seven participating departments (Health Canada as lead; Solicitor General Canada, including the Ministry Secretariat, RCMP, and Correctional Services of Canada; Revenue Canada; Customs and Excise; Human Resources Development Canada; Department of Foreign Affairs and International Trade; Department of Justice; and Department of Canadian Heritage). The evaluation findings are summarized below.

Though no formal harm-reduction policy was in place during the Strategy, resource use was consistent with a harm-reduction approach. The Strategy was successful in broadening the information base related to substance abuse and in making this information more accessible. Departmental resources were increased through the Strategy at the outset, but there were significant subsequent cuts to some departmental budgets that may have limited the Strategies potential achievements. There was general agreement that the planned targeting of Strategy efforts was implemented and resulted in a more efficient and effective use of resources, though there was little concrete documentation of these efficiencies. However, the Solicitor General of Canada evaluation found that Integrated Anti-Drug Profiteering Units achieved a substantial increase in forfeitures to $25 million in the first four years of the Strategy, representing a five-fold increase and worth nearly 10 percent of the total cost of the Strategy.

The evaluation found little evidence of ongoing, inter-departmental strategic planning occurring throughout the life of the Strategy. Overall, departments and agencies developed and implemented their specific CDS plans independently, with the notable exception of task-specific ventures such as the Integrated Anti-Drug Profiteering Units. Departments were successful in coordinating their own programs. There was some confusion over roles and responsibilities in the international arena, though this confusion diminished near the end of the Strategy. The Strategy did not appear to have public visibility as a national strategy. The report identifies a number of lessons to be learned from Canada's Drug Strategy in how better to plan and coordinate future horizontal initiatives.

An evaluation of Health Canada's contributions to CDS found that, despite coordination difficulties at the strategic level,implementation, coordination and cooperation on specific issues and projects were generally successful at the working level within Health Canada (including with external partners) and with other federal departments. Health Canada forged new partnerships and developed innovative program-development methods and strategies designed to meet the needs of high-risk and hard-to-reach populations. Information developed through Health Canada's CDS activities and funding has expanded knowledge of substance-abuse trends and behaviours, particularly with respect to high-risk populations. The targeting strategy resulted in positive impacts, including innovation, new networks and synergy, and improved relevance of programs.An area of weakness in the overall Departmental initiative was the lack of clarity in the lines of accountability, a finding attributable to massive reorganization within the Department at the time, as well as a series of budget cuts. Inter-departmentally, the CDS Secretariat was not given the role or authority to enforce accountability.

One of the overarching findings is that, because of the nature of substance abuse, a longer-term federal commitment is needed and should be supported by both federal officials and external partners. Despite the non-renewal of funding, Health Canada is continuing to provide Departmental and inter-departmental leadership to ensure that substance abuse issues continue to be addressed by the Federal Government in a horizontally coordinated fashion and that the essential elements of and benefits from CDS continue.

Seniors' Strategy / Division of Aging and Seniors: Despite advancements made in some areas (e.g., the public pension system), seniors in Canada still find themselves in situations of potential risk. For example, many seniors live below the poverty line, and most require increasing assistance with daily living as they age. Some seniors are more at risk than others, especially those living with limited income (mostly women), those living in isolated or rural areas, and Aboriginal seniors.

The Division of Aging and Seniors/Seniors Strategy (DAS/S) has primary responsibility for the implementation of Health Canada's population health programs targeting seniors. In April 1995, three Health Canada contributions programs (New Horizons, Seniors Independence Program, and Ventures in Independence) were merged to form the New Horizons: Partners in Aging (NH:PA) program.An evaluation of the DAS/S was completed in 1997-98.

From 1972 to 1996, the New Horizons program alone has funded 38,935 projects at a total value of $256.6 million.The average level of funding of projects since the inception of the program is $6,598. During this time, the estimated number of individuals who participated in New Horizons projects is 5.6 million.The average duration of projects was 17.5 months.

One of the objectives of the creation of NH:PA was to improve targeting of funding to seniors "at risk." The evaluation found this objective was met; under the former New Horizons program,49 percent of projects targeted seniors at risk, whereas under NH:PA 98 percent of projects did so.

Participants in a survey of individuals who had requested information from the Division, as well as funding recipients and non-funded applicants, were asked to comment on DAS/S's program delivery. Overall, both survey participants and funding applicants viewed the delivery of DAS/S activities positively, with general-public clients being the most satisfied. More specifically, of the individuals asking for information:

- 90 percent indicated they had obtained the information for which they were looking.
- 80 percent indicated the contact with the program had met their expectations.
- More than 80 percent expressed satisfaction with the clarity, relevance and usefulness of the information, publication or advice received.
- Between 70 and 77 percent were satisfied with the program's promptness, understanding of their request and ability to deliver on their request.
- About 60 percent were satisfied with the willingness of staff to go the extra mile.

Overall, community funding programs seem to have improved the health, well-being and independence of seniors. About three quarters of surveyed intended beneficiaries said that they had felt a positive impact. These impacts were mainly at the level of improved mental well-being.

National AIDS Strategy: Phase II of the National AIDS Strategy (NAS-II) received $212 million in funding from 1993 to 1998, spread between Health Canada, the Medical Research Council of Canada, and Correctional Services Canada. In 1997-98 Health Canada completed its evaluation of NAS-II.

Overall, the evaluation concluded that NAS-II was moderately successful in achieving its objectives. NAS-II has not succeeded in stopping the spread of HIV, although gains have been made in education and awareness. Greatest success was in reaching men who have sex with men; NAS-II has been less successful in reaching injection drug users and Aboriginal people. Recent declines in overall deaths from AIDS (20 to 30 percent decrease in mortality rates during the life of the Strategy) were attributed largely to improved treatments, made available in part through NAS-II. Forty percent of respondents to a survey of people living with HIV/AIDS said they are receiving a lot or very much help in living with HIV/AIDS; 34 percent indicated they are receiving some help, 17 percent said "little" help and 7 percent said they are receiving almost no help at all.

The evaluation found that Phase II of the National AIDS Strategy was perceived by federal, provincial and community-based groups as being cost effective in that it has prevented new cases of HIV/AIDS, has stimulated new programming with provincial and municipal governments, and has avoided duplication of effort among levels of government and stakeholder groups. Nevertheless, the total number of new cases of HIV is still increasing. Moreover, as people with HIV/AIDS are living longer, the number of persons who need care, treatment and support is growing.

The evaluation concluded that there is need for a continuing federal involvement to provide national coordination, especially with regard to developing effective programs and approaches for hard-to-reach at-risk populations. However, there is a need to review the future federal role, particularly in areas where provinces have primary responsibility. The evaluation identified a need for consultation with other partners in all sectors, including other federal departments, to guide policy development and long-term planning.

Health System Support and Renewal — Business Line

Health Insurance Monitoring: In 1997-98 Health Canada completed an evaluation of the effectiveness with which the Health Insurance Directorate carried out its role in monitoring and assessing the compliance of provincial health-care plans within the criteria and conditions specified in the *Canada Health Act (CHA)*. The study found the Health Insurance Directorate has a procedure to monitor and assess compliance of the provincial plans. Given the context in which it operates, the Directorate has been fulfilling its mandate effectively.

The evaluation concludes that the Directorate often has to rely on information provided by the provinces or on the "lack of evidence" on a given issue that may indicate a contravention to the Act. There are issues — for example waiting lists or bed closures — which may not technically contravene provisions of the *CHA* but nonetheless may threaten the underlying principles of the *CHA*. The evaluation concluded that the Directorate could be in a better position to reassure the members of Parliament and the Canadian public that criteria are being met, if it could use a greater variety of sources of information.

The evaluation found that in the context of health-care reform, it will become more and more critical to define the "boundaries" of the criteria or the extent of provincial flexibility under the Act. The current method of monitoring may have to change to reflect the evolution of the health- care system.

The evaluation concluded there is a need to monitor the status of the health-care system as a whole, including the implications of emerging issues for the underlying principles of the *Canada Health Act.* The Directorate has recognized this need and, in the last few years, has been expanding the breadth of its monitoring.

All the issues raised by the evaluation have been or are being addressed by the Health Insurance Directorate as part of its discussions with the provinces.

SECTION IV: FINANCIAL PERFORMANCE

FINANCIAL PERFORMANCE OVERVIEW

The following financial summary tables are presented to provide an overview of Health Canada's 1997-98 resource utilization along with prior years' comparative information.Again this year, Health Canada has strived to utilize resources in the most effective and efficient way possible, in an effort to ensure Canadians receive value for resources expended. Overall in 1997-98, Health Canada did not have any sufficient lapses in regard to expenditures on Grants and Contributions or Capital. However, a surplus in Operating resources did occur, which is attributable to delays encountered during the year in the start-up of newly funded initiatives such as:The Community Action Program for Children (CAPC);The Health Transition Fund (HTF);The Alcohol and Drug Treatment Rehabilitation Program (ADTR);and the Family Violence Initiative. As operating resources are available for carry forward from year to year, these lapsing resources will be available to the Department in 1998-99.

FINANCIAL TABLE 1

Summary of Voted Appropriations

Authorities for 1997-98

Financial Requirements by Authority (millions of dollars)

Vote		1997-98 Planned Spending	1997-98 Total Authorities	1997-98 Actual
	Health Canada			
1	Operating expenditures	912.5	936.0	**900.6**
5	Capital expenditures	11.4	9.3	**9.3**
10	Grants and contributions	562.0	674.7	**674.0**
(S)	Minister of Health – Salary and motor car allowance	0.1	0.1	**0.1**
(S)	Contributions to employee benefit plans	48.1	48.1	**48.1**
(S)	Payments for insured health services and extended health care services	–	10.4	**10.4**
(S)	Spending of proceeds from the disposal of surplus Crown assets	–	0.3	**0.3**
	Total Department	**1,534.1**	**1,678.9**	**1,642.8**

Total Authorities are main estimates plus supplementary estimates plus other authorities.

FINANCIAL TABLE 2

Comparison of Total Planned Spending to Actual Spending

Departmental Planned versus Actual Spending by Business Line (millions of dollars)

Business Lines	FTEs*	Operating	Capital	Voted Grants and contributions	Subtotal: Gross Voted Expenditures	Statutory Grants and contributions	Total Gross Expenditures	Less: Revenue Credited to the Vote	Total Net Expenditures
Management of Risks to Health	2,647	208.0	6.4	0.1	214.5	–	214.5	49.0	165.5
(total authorities)	*2,651*	*233.2*		*8.5*	*241.7*		*241.7*	*59.6*	*182.1*
(Actuals)	**2,651**	**220.4**		**8.5**	**228.9**		**228.9**	**48.6**	**180.3**
Promotion of Population Health	332	46.0	–	90.8	136.8	–	136.8	–	136.8
(total authorities)	*437*	*62.5*		*120.8*	*183.3*		*183.3*		*183.3*
(Actuals)	**437**	**54.3**		**120.8**	**175.1**		**175.1**		**175.1**
Aboriginal Health	1,414	647.1	0.5	414.0	1,061.6	–	1,061.6	11.4	1,050.2
(total authorities)	*1,398*	*576.8*		*463.0*	*1,039.8*		*1,039.8*	*9.2*	*1,030.6*
(Actuals)	**1,398**	**571.5**		**462.3**	**1,033.8**		**1,033.8**	**7.0**	**1,026.8**
Health System Support and Renewal	63	4.3	–	–	4.3		4.3	–	4.3
(total authorities)	*63*	*4.0*			*4.0*	*10.4*	*14.4*		*14.4*
(Actuals)	**63**	**4.2**			**4.2**	**10.4**	**14.6**		**14.6**
Health Policy, Planning and Information	607	50.8	0.4	37.1	88.3	–	88.3	–	88.3
(total authorities)	*665*	*77.5*		*49.1*	*126.6*		*126.6*		*126.6*
(Actuals)	**665**	**65.2**		**49.1**	**114.3**		**114.3**		**114.3**
Corporate Services	605	66.2	4.1	20.0	90.3	–	90.3	1.3	89.0
(total authorities)	*648*	*100.6*	*9.3*	*33.3*	*143.2*		*143.2*	*1.3*	*141.9*
(Actuals)	**648**	**90.4**	**9.3**	**33.3**	**133.0**		**133.0**	**1.3**	**131.7**[1]
Total	5,668	1,022.4	11.4	562.0	1,595.8		1,595.8	61.7	1,534.1
(total authorities)	*5,862*	*1,054.6*	*9.3*	*674.7*	*1,738.6*	*10.4*	*1,749.0*	*70.1*	*1,678.9*
(Actuals)	**5,862**	**1,006.0**	**9.3**	**674.0**	**1,689.3**	**10.4**	**1,699.7**	**56.9**	**1,642.8**

Note: Numbers in italics denote Total Authorities for 1997-98 (main and supplementary estimates and other authorities).
Bolded numbers denote actual expenditures/revenues in 1997-98.

Due to rounding figures may not add to totals shown.

* Full Time Equivalents (FTEs)

1) Includes $11.7 millions of dollars relating to Management of Risks to Health (Health Protection) overhead.

Other Revenues and Expenditures

Revenue credited to the Consolidated Revenue Fund	(0.0)
(total authorities)	*(0.0)*
(Actuals)	**(6.3)**
Cost of services provided by other departments	(51.2)
(total authorities)	*(51.2)*
(Actuals)	**(51.2)**
Net Cost of the Program	1,482.9
(total authorities)	*1,627.7*
(Actuals)	**1,585.3**

FINANCIAL TABLE 3

Historical Comparison of Total Planned Spending to Actual Spending

Departmental Planned versus Actual Spending by Business Line (millions of dollars)

Business Lines	Actual 1995-96	Actual 1996-97	Planned Spending 1997-98	Total Authorities 1997-98	Actual 1997-98
Management of Risks to Health (MRH)	237.1	198.7	165.5	182.1	**180.3**
Promotion of Population Health (PPH)	190.7	167.2	136.8	183.3	**175.1**
Aboriginal Health (AH)	1,023.7	1,003.4	1,050.2	1,030.6	**1,026.8**
Health System Support and Renewal (HSSR)	7,244.1	(92.0)*	4.3	14.4	**14.6**
Health Policy, Planning and Information (HPPI)	76.9	103.8	88.3	126.6	**114.3**
Corporate Services (CS)	109.7	130.7	89.0	141.9	**131.7**[1]
Total	**8,882.2**	**1,511.8**	**1,534.1**	**1,678.9**	**1,642.8**

Total Authorities are main estimates plus supplementary estimates plus other authorities.

* Beginning in 1996-97, the Established Programs Financing payments are reported under a new statutory authority under the Ministry of Finance. The amount reported in 1996-97 represents recoveries of federal tax point abatements under the contracting-out arrangements.

1) Includes $11.7 millions of dollars relating to Management of Risks to Health (Health Protection) overhead.

FINANCIAL TABLE 4

Crosswalk between Old Structure and New Structure

Planned Spending (millions of dollars)

	New Structure						Old Structure		
Old Structure	**Management of Risks to Health**	**Promotion of Population Health**	**Aboriginal Health**	**Health System Support and Renewal**	**Health Policy, Planning and Information**	**Corporate Services**	**Total ($$$)**	**FTEs***	**% of Total**
Health Protection	123.1	–	6.4	–	13.2	–	136.3	2,028.0	8.9
Pest Management Regulatory Agency	12.1	–	–	–	–	–	12.1	202.0	0.9
Health Promotion and Programs	4.4	136.8	22.0	2.6	26.5	–	192.3	430.0	12.5
Medical Services	2.5	–	1,028.2	–	–	–	1,030.7	1422.0	67.2
Occupational Health and Safety Agency	23.4	–	–	–	–	–	23.4	462.0	1.5
Policy and Consultation	–	–	–	1.7	32.0	–	33.7	214.0	2.2
Corporate Services					16.6	89.0	105.6	910.0	6.8
New Structure Total ($$$)	165.5	136.8	1,050.2	4.3	88.3	89.0	1,534.1	–	100.0
FTEs*	2,647.0	332.0	1,414.0	63.0	607.0	605.0	–	5,668.0	–
% of Total	10.8%	8.9%	68.5%	0.3%	5.7%	5.8%	100%	–	–

Note: Due to rounding figures may not add to totals shown.

* Full Time Equivalents (FTEs)

FINANCIAL TABLE 5

Resource Requirements by Organization and Business Line

Comparison of 1997-98 Planned Spending, and Total Authorities to Actual Expenditures by Organization and Business Line (millions of dollars)

Organization	Management of Risks to Health	Promotion of Population Health	Aboriginal Health	Health System Support and Renewal	Health Policy, Planning and Information	Corporate Services	Totals
Health Protection	123.1				13.2		**136.3**
(total authorities)	*134.4*				*14.1*		***148.5***
Actuals	**132.4**				**13.6**		**146.0**
Pest Management Regulatory Agency	12.1						**12.1**
(total authorities)	*16.7*						***16.7***
Actuals	**15.6**						**15.6**
Health Promotion and Programs	4.4	136.8	22.0	4.3	26.5		**192.3**
(total authorities)	*4.4*	*183.3*	*22.0*	*14.4*	*27.4*		***239.7***
Actuals	**5.5**	**175.1**	**21.4**	**14.6**	**24.0**		**228.8**
Medical Services	2.5		1,028.2				**1,030.7**
(total authorities)	*2.5*		*1,008.6*				***1,011.1***
Actuals	**2.4**		**1,005.4**				**1,007.8**
Occupational Health and Safety Agency	23.4						**23.4**
(total authorities)	*24.1*						***24.1***
Actuals	**24.4**						**24.4**
Policy and Consultation				1.7	32.0		**33.7**
(total authorities)				*11.8*	*66.2*		***78.0***
Actuals				**11.8**	**57.8**		**69.6**
Corporate Services					16.6	89.0	**105.6**
(total authorities)					*18.9*	*141.9*	***160.8***
Actuals					**18.9**	**131.7**[1]	**150.6**
Total	165.5	136.8	1,050.2	4.3	88.3	89.0	**1,534.1**
(total authorities)	*182.1*	*183.3*	*1,030.6*	*14.4*	*126.6*	*141.9*	***1,678.9***
Actuals	**180.3**	**175.1**	**1,026.8**	**14.6**	**114.3**	**131.7**	**1,642.8**
% of Total	**11.0%**	**10.6%**	**62.5%**	**0.9%**	**7.0%**	**8.0%**	**100%**

Note: Numbers in italics denote Total Authorities for 1997-98 (main and supplementary estimates and other authorities).

Bolded numbers denote actual expenditures/revenues in 1997-98.

Due to rounding figures may not add to totals shown.

1) Includes $11.7 millions of dollars relating to Management of Risks to Health (Health Protection) overhead.

FINANCIAL TABLE 6

Revenues to the Vote

Revenues Credited to the Vote by Business Line (millions of dollars)

Business Lines / Service Lines	Actual 1995-96	Actual 1996-97	Planned Revenues 1997-98	Total Authorities 1997-98	Actual 1997-98
Management of Risks to Health					
Food Safety, Quality and Nutrition	0.2	0.9	2.3	2.3	**0.7**
Therapeutic Product Regulation	10.6	24.8	35.9	35.9	**35.5**
Environmental Health	2.7	3.7	4.3	4.3	**2.2**
Occupational Health and Safety Agency	0.1	1.1	6.2	6.2	**2.7**
Pest Management	–	0.3	0.2	10.8	**7.4**
Emergency Services	–	0.1	0.1	0.1	**0.1**
Aboriginal Health					
Indian and Inuit Health	15.0	9.6	11.4	9.2	**7.0**
Corporate Services	0.6	1.0	1.3	1.3	**1.3**
Total Revenues Credited to the Vote	**29.2**	**41.5**	**61.7**	**70.1**	**56.9**

Total authorities are main estimates plus supplementary estimates plus other authorities.

FINANCIAL TABLE 7

Revenues to the CRF

Revenues Credited to the Consolidated Revenue Fund (CRF)(millions of dollars)

Business Lines / Service Lines	Actual 1995-96	Actual 1996-97	Planned Revenues 1997-98	Total Authorities 1997-98	Actual 1997-98
Management of Risks to Health					
Food Safety, Quality and Nutrition	–	–	–	–	**0.1**
Therapeutic Product Regulation	3.6	–	–	–	**3.0**
Environmental Health	–	–	–	–	**0.2**
Aboriginal Health					
Indian and Inuit Health	6.2	7.1	–	–	**2.9**
Corporate Services	–	–	–	–	**0.1**
Total Revenues Credited to the Vote	**9.8**	**7.1**	**–**	**–**	**6.3**

Total authorities are main estimates plus supplementary estimates plus other authorities.

FINANCIAL TABLE 8

Statutory Payments

Statutory Payments by Business Line (millions of dollars)

Business Lines	Actual 1995-96	Actual 1996-97	Planned Spending 1997-98	Total Authorities 1997-98	Actual 1997-98
Health System Support and Renewal	7,240.5	(96.0)*	–	10.4	**10.4**
Total Statutory Payments	**7,240.5**	**(96.0)***	**–**	**10.4**	**6.3**

Total authorities are main estimates plus supplementary estimates plus other authorities.

* Beginning in 1996-97, the Established Programs Financing payments are reported under a new statutory authority under the Ministry of Finance. The amount reported in 1996-97 represents recoveries of federal tax point abatements under the contracting-out arrangements.

FINANCIAL TABLE 9

Transfer Payments

Transfer Payments by Business Line (millions of dollars)

Business Lines	Actual 1995-96	Actual 1996-97	Planned Spending 1997-98	Total Authorities 1997-98	Actual 1997-98
Grants					
Management of Risks to Health	0.1	0.1	0.1	0.1	**0.1**
Promotion of Population Health	13.0	10.4	12.0	10.4	**10.4**
Aboriginal Health	2.1	1.5	0.9	0.6	**0.6**
Health Policy, Planning and Information	1.9	12.9	11.1	23.0	**23.0**
Total Grants	**17.1**	**24.9**	**24.1**	**34.1**	**34.1**
Contributions					
Management of Risks to Health	2.1	1.3	–	8.5	**8.5**
Promotion of Population Health	110.3	108.7	78.9	110.4	**110.4**
Aboriginal Health	402.3	432.7	413.1	462.5	**461.8**
Health Policy, Planning and Information	33.2	35.8	25.9	26.0	**26.0**
Corporate Services	–	36.6	20.0	33.2	**33.2**
Total Contributions	**547.9**	**615.1**	**537.9**	**640.6**	**639.9**
Total Transfer Payments	**565.0**	**640.0**	**562.0**	**674.7**	**674.0**

Table does not include statutory payments.

Total authorities are main estimates plus supplementary estimates plus other authorities.

FINANCIAL TABLE 10

Capital Spending by Business Line

Capital Spending by Business Line (millions of dollars)

Business Lines	Actual 1995-96	Actual 1996-97	Planned Spending 1997-98	Total Authorities 1997-98	Actual 1997-98
Management of Risks to Health	10.2	4.5	6.4	–	**–**
Promotion of Population Health	1.3	0.1	–	–	**–**
Aboriginal Health	12.3	9.4	0.6	–	**–**
Health Policy, Planning and Information	0.6	1.1	0.4	–	**–**
Corporate Services	26.5	16.0	4.0	9.3	**9.3**
Total Capital Spending	**50.9**	**31.1**	**11.4**	**9.3**	**9.3**

Total authorities are main estimates plus supplementary estimates plus other authorities.

FINANCIAL TABLE 11

Capital Projects by Business Line

Capital Projects by Business Line and Project (millions of dollars)

Business Lines	Current Estimated Total Cost	Actual 1995-96	Actual 1996-97	Planned Spending 1997-98	Total Authorities 1997-98	Actual 1997-98
Corporate Services						
Microbiology Laboratory Winnipeg (EPA)	65.8	14.4	6.0	0.0	**4.3**	**4.3**
Pelican Narrows (EPA)	3.5	1.4	1.8	0.0	0.1	**0.1**

Total authorities are main estimates plus supplementary estimates plus other authorities.

Effective Project Approval (EPA)

FINANCIAL TABLE 12

Status of Major Crown Projects

(This table is not applicable to our department)

FINANCIAL TABLE 13

Loans, Investments and Advances

(This table is not applicable to our department)

FINANCIAL TABLE 14

Revolving Fund Financial Summaries

(This table is not applicable to our department)

FINANCIAL TABLE 15

Contingent Liabilities

(millions of dollars)

List of Contingent Liabilities	Amount of Contingent Liability		
	March 31 1996	March 31 1997	Current as of March 31, 1998
Claims and Pending and Threatened Litigation			
Litigations	–	84.6	208.5
Total	**–**	**84.6**	**208.5**

Total authorities are main estimates plus supplementary estimates plus other authorities.

Litigations pertain to the following categories:

- Employee job related Litigation.
- Physical and mental injury (including Blood Cases)
- Loss of income.
- Break of contract.
- Discrimination.

SECTION V: CONSOLIDATED REPORTING

Sustainable Development Strategy

Since tabling it in the House of Commons in December 1997, Health Canada made progress in all four themes of its strategy. This sub-section summarizes the Department's achievements. Further information is contained in the departmental report Sustainable Development Strategy, Report on Progress for 1997-98.

Theme 1, Promoting and supporting population health: Highlights of departmental progress include:

- Identification of sustainable development as a priority under the Population Health Fund.
- Introduction of national strategies and programs to promote active modes of transportation, such as walking and bicycling.
- Start of research on the relationship between sustainable development and the factors that influence health.
- Start of a Diagnostic of Children and Childhood in Canada.
- Agreement to contribute funds for the independent monitoring of the UN Convention on the Rights of the Child in Canada and the renewal of such programs as the Community Action Program for Children, the Canada Prenatal Nutrition Program, and the Aboriginal Head Start Program.
- Seventy percent retailer compliance under the national tobacco enforcement program, in place to reduce tobacco consumption and its effects on health.
- Completion of extensive consultations with stakeholders in preparation for the drafting of the Lead Strategy.

Theme 2, Identifying and reducing health risks from the environment: Highlights of progress include:

- Use of the Canadian Cancer Surveillance System by the Medical Services Branch and the Health Protection Branch to identify the disease among First Nations and Inuit people; and collaborative work on the Canadian Perinatal Surveillance System and the Canadian Pediatric Surveillance System.
- Completion of a cervical cancer economic analysis and progress on the First Nations and Inuit pregnancy-associated morbidity and mortality and fetal infant morbidity studies by the Medical Services Branch.
- Work by the Pest Management Regulatory Agency with the Organization for Economic Cooperation and Development on risk reduction strategies; work with members of the North American Free Trade Agreement and the Organization for Economic Cooperation and Development on harmonizing risk assessments, information requirements and pesticide guidelines; preparation of a strategy to apply the federal Toxic Substances Management Policy under the *Pest Control Products Act*; and work with grower organizations, manufacturers, federal government departments, provinces and non-government organizations to develop voluntary national integrated pest management strategies for eight commodities/sectors.
- Review by the Health Protection Branch of a large number of new chemicals and biotechnology products and implementation of risk reduction strategies for a number of new substances under the *Canadian Environmental Protection Act*.

- Completion and renewal with provincial participation of the Health Component of the St. Lawrence Vision 2000 Action Plan.
- Continuation and enhancement of reproductive health surveillance and risk assessment through initiatives such as improvements to the Canadian Perinatal Surveillance System.
- Work by the Health Protection Branch, in collaboration with stakeholders, toward establishing a comprehensive cardiovascular disease surveillance system.

Theme 3, Strengthening partnerships on health, environment and sustainable development: The Department strengthened its partnerships through the:

- Continued transfer by the Medical Services Branch of First Nations and Inuit health programs to the control of First Nations and Inuit (at present there are approximately 100 agreements in place involving over 200 communities).
- Negotiation of memoranda of agreement by the Pest Management Regulatory Agency to exchange information and advice with Agriculture and Agri-Food Canada, Fisheries and Oceans and the Canadian Food Inspection Agency.
- Work by the Health Protection Branch with international groups toward globally harmonized chemical classification and compatible labeling for toxic substances.
- Establishment of a task force for the renewal of the Canadian Biotechnology Strategy and work toward drafting regulations for the environmental assessment of biotechnology products.
- Completion of a mutual recognition agreement with the European Union for licensing of manufacturers of therapeutic products.

Theme 4, Integrating sustainable development into decision making and operations: The Department:

- Developed a proposal to establish an Office of Sustainable Development.
- Formulated roles and responsibilities and action plans to address facilities-related environmental issues in a systematic manner.
- Reviewed vehicle fleet operations and procurement activities.
- Conducted a workshop on environmental assessments for facility managers.
- Planned energy use reduction projects for three facilities.
- Compiled an inventory of storage tanks at laboratory facilities.
- Developed plans for assessing fuel storage tanks and sites at Medical Services Branch facilities.
- Audited waste at two facilities.
- Developed draft emergency reporting procedures.
- Tested sanitary and storm sewer discharges at eight laboratories.
- Planned the collection of information on ozone-depleting substances.

Regulatory Initiatives

Health Canada continues to update and revise its regulatory system to more efficiently safeguard health, safety and the environment. The Department's initiatives protect the well-being of Canadians by managing risks associated with food, tobacco, the natural and work environments, and therapeutic, pest control, consumer and industrial products.

This section on Regulatory Initiatives covers the period January 1997 to March 1998. This is due to a change of reporting from a calendar year to the fiscal year. It integrates the legislative and regulatory initiatives identified in the 1997 Federal Regulatory Plan and other departmental publications.

Regulatory initiatives are only one of several strategies used by Health Canada to manage health risks. Other risk management strategies and their results are detailed in the Management of Risks to Health Business Line. As risk management is an important federal responsibility, enhancing our accountability in this area and in the health system generally requires that the impact of our regulatory tools be assessed and evaluated. To this end we need improved performance measures and surveillance systems to understand the effectiveness of the risk management strategies.

Setting up evaluation frameworks is problematic because of the difficulty in isolating the effect of one regulation from that of education, publicity or other regulations. Measuring, assessing and reporting on the health effects of a case require a considerable investment in time and resources. For example, in the case of the Analytical X-Ray Regulations, the health effects should begin to accrue in one to three years and the evaluation framework should be able to report on these health benefits in three to five years. In the case of hockey helmets, a post-market survey has been completed to ensure compliance at the retail level and, accordingly, there will be more users of approved helmets with each passing year. As new helmets replace the older ones, the incidence of head injuries should diminish.

Some regulatory changes authorize new or extended uses for food additives or agricultural chemicals. The expected result of such regulations is an increase in the products available to industry, health professionals and Canadians. The performance-measurement criterion is the number of products approved. For example, between July 1997 and March 1998, eight new products were approved under the Interim Marketing Authorization Regulations. More are expected this year.

The following schedules provide details on significant or major regulatory initiatives published in Canada Gazette Part II as well as a status report on other regulatory initiatives being developed.

Legislative and Title Initiatives Published in the Canada Gazette, Part II

Purpose of Legislative or Regulatory Initiative	Expected result	Performance measurement criteria	Outcome
Analytical X-Ray Equipment December 10, 1997	Regulation will provide for the use of new sources of radiation and lower the limits,thus reducing the potential risk of radiation exposure	Reduction in injuries and incidents Increased compliance rates	Benefits will begin to accrue in one to three years following implementation.
Hazardous Products (Glazed Ceramics and Glassware) Regulations April 1, 1998	A reduction in the risks associated with ingestion of lead and cadmium, especially to children and pregnant women	Incident reports Market surveillance	Benefits will begin to accrue after one year following implementation.
Hazardous Products (Ice Hockey Helmets) Regulations December 10, 1997	Improved safety afforded by the new helmet which conforms with the most recent national standard	Reduction in head and neck injuries; number of accident and incident reports; increase in market compliance rates	A market survey has been completed and the outcome analysis is in progress. Benefits will begin to accrue in one year following implementation.
Establishment Licensing Fee Regulations January 7, 1998	An estimated collection of $6 million/per year to assist in ensuring that Canadians have timely access to safe-effective and high quality drugs	To be developed	Regulations were in force for 3 months in 1997-98. A plan is in place to review outcome of initiative and make adjustments to fees
Industrial Hemp Regulations March 12, 1998	These Regulations permit the domestic cultivation of hemp without compromising the health and safety of Canadians No diversion of hemp to illicit market	Increase in number of hemp licences issued and amount of production by Canadian growers Number of compliance or enforcement action	Number of licences and amount of hemp grown in Canada with no evidence of diversion of hemp to illicit market — to be reported on in 2000-2001

Legislative and Title Initiatives Published in the Canada Gazette, Part II

Purpose of Legislative or Regulatory Initiative	Expected result	Performance measurement criteria	Outcome
Pest Control Product Fee Regulations April 8, 1997	Implementation of stake-holder recommendations as agreed by Cabinet in 1995;44 percent of program costs to be generated through cost recovery	Actual revenue generated	Shortfall led to reprofiling of resources and delay in staffing,which delayed implementation of some recommendations, e.g., re-evaluation,elimination of backlog.Options to address this issue are being examined as part of an independent assessment
Medical Devices Framework Sch 1101 May 27, 1998 **effective July 1, 1998**	Modern regulations which ensure that med-ical devices distributed in Canada are both safe and effective	Level of scrutiny of a device will be dependent upon the risk that device presents	Devices that are in compliance with old regulations must meet all new requirements by February 1,1999. Establishment licensing requirements effective January 1,1999. Quality systems requirements effective July 1,2001

Legislative and Initiatives Published in the Canada Gazette, Part II

Purpose of Legislative or Regulatory Initiative	Expected result	Performance measurement criteria	Outcome
Interim Marketing Authorization (IMA) Part B, Food and Drug Regulations **July 23, 1997**	To allow the sale, under specific conditions, of products that do not comply with the current regulations but do not pose health, safety or nutritional risks to the public. The IMA bridges the time between completion of the scientific assessment and promulgation of regulatory amendments to permit the sale of food products. The IMA benefits both consumers and industry by permitting the availability of a greater diversity of foods with improved ingredients and processing techniques	Number of requests received and authorizations issued	Eight IMAs issued in the 8 months the regulation was in force in 1997-98. Number expected to increase in the future as industry takes advantage
Composition and Standards for Cocoa Products – Division 4, Part B, Food and Drug Regulations **June 11, 1997**	New standards for cocoa and chocolate products to ensure consistency with current Canadian and international practices	Under development	Enabling regulation – ensures consistency with current international practices

Status Report on Legislative and Regulatory Initiatives

Gazetted Part 1 / Published in Canada Gazette	Date Gazetted
Diagnostic X-Ray Equipment	November 8, 1997
Hazardous Products (Liquid Coating Materials) Regulations	June 14, 1997
Medical Devices Fees	June 13, 1998
Food and Drug Regulations, Revocation of Division 10, Part C	May 16, 1998
Pest Control Products Regulations, Exemption of Disinfectants	December 6, 1997
Fortification of Flour and Pasta with Folic Acid	November 29, 1997
Regulations of Novel Foods and Novel Food Processes	August 1995

Before Parliament	Status
Drinking Water Materials Safety Act	Bill C-14 at second reading
Tobacco Regulations ◗ Access ◗ Seizure and Restoration ◗ Reporting ◗ Labeling	Approved by Special Committee of Council for tabling in Parliament

Policies in Development	Status
Amendments to the Pest Control Products Act	Bill prepared
Consumer Chemical and Containers Regulations	
Cosmetic Regulations	
Bottled Water Regulations – amendment	
Good Manufacturing Practices (GMP) Regulations for Foods	
Revision of Division 16, Part B, Food and Drug Regulations	
Nutrition Labeling and Nutrient Content Claims	

SECTION VI: OTHER INFORMATION

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Statutes and Regulations Currently in Force

1. *Canada Health Act,* R.S.C. 1985, c. C-6
2. *Canadian Centre on Substance Abuse Act,* R.S.C. 1985, c. 49 (4th Supp.)
3. *Canadian Environmental Protection Act,* R.S.C. 1985, c. 16 (4th Supp.)
4. *Controlled Drugs and Substances Act,* S.C. 1996, c. C-19
5. *Regulation under the Department of National Health and Welfare Act* repealed and replaced by *Department of Health Act*, R.S.C. 1985, c. C-6
    - Potable Water on Common Carriers, C.R.C. 1978, c. 1105
6. *Regulation under the Department of National Health and Welfare Act* repealed and replaced by *Department of Health Act*, R.S.C. 1985, c. C-6
    - Human Pathogens Importation Regulations, SOR/94-558
7. *Financial Administration Act*, R.S.C. 1985, c. F-11
    - Minister of National Health and Welfare Authority to Prescribe Fees Order, SI/88-98
    - Dosimetry Services Fees Regulations, SOR/90-109, SOR/94-279
    - Authority to Sell Drugs Fees Regulations, SOR/95-31
    - Drug Evaluation Fees Regulations, SOR/95-424
    - Medical Devices Fees Regulations,SOR/95-585
    - Veterinary Drug Evaluation Fees Regulations, SOR/96-143
    - Regulations Prescribing Fees to be Paid for a Pest Control Product, SOR/97-173
    - Establishment Licensing Fees Regulations, SOR/98-4
    - Licensed dealers for Controlled Drugs and Narcotics Fees Regulations, SOR/98-5

8. *Fitness and Amateur Sport Act*, R.S.C. 1985, c. F-25
9. *Food and Drugs Act*, R.S.C. 1985, c. F-27
10. *Hazardous Materials Information Review Act*, R.S.C. 1985, c. H-2.7
11. *Hazardous Products Act,* R.S.C. 1985, c. H-3 as amended
12. *Medical Research Council Act,* R.S.C. 1985, c. M-4
13. *Patent Act,* R.S.C. 1985, c. P-4
14. *Pest Control Products Act*, R.S.C. 1985, c. P-9
15. *Pesticide Residue Compensation Act*, R.S.C. 1985, c. P-10
16. *Quarantine Act,* R.S.C. 1985, c. Q-1
17. *Queen Elizabeth II Canadian Research Fund Act,* R.S.C. 1970, c. Q-1
18. *Radiation Emitting Devices Act*, R.S.C. 1985, c. R-1
19. *Tobacco Act*, R.S.C. 1985, c. T-11.5

ANNEX 1 DETAILS OF MANAGEMENT OF RISKS TO HEALTH BY SERVICE LINE

1.1: FOOD SAFETY, QUALITY AND NUTRITION (FSQN)

Objective

To protect and improve the health and well-being of the Canadian public by defining, advising on, and managing risks and benefits associated with the food supply.

Financial Information

(millions of dollars)	1997-98 Planned Spending	1997-98 Total Authorities	1997-98 Actual Spending
Gross expenditures	45.9	34.7	33.5
Revenues	(2.3)	(2.3)	(0.7)
Net expenditures	43.6	32.4	32.8*

*This represents 2.0 percent of the Department's actual spending.

Description

Health Canada

- Identifies significant health threats and benefits from foods.
- Establishes food safety and nutrition policies that respond to the needs of Canadians.
- Participates in international and domestic standard-setting organizations.
- Regulates new foods and food additives.
- Provides advice and leadership to the Canadian food safety system.

Areas of work include food additives, chemical and microbiological contaminants, nutritional quality, novel foods (e.g., bio-engineered foods), food components and processes, and veterinary drugs.

1.1.1 Priority Continue to identify and manage health risks associated with the food supply

Accomplishments

Foodborne illness,often called food poisoning, occurs when a person becomes sick from eating food that has been contaminated with chemicals or microbes. With respect to microbes, many cases of foodborne illness result from improper handling and preparation. To develop and implement a comprehensive food-safety education campaign, the Canadian Partnership for Consumer Food Safety Education was formed in December 1997, at a meeting of industry, consumer and government organizations, including the Food Program.

The Food Program also developed new analytical methods to help identify hazards. For example, methods for the detection of allergens in food, such as peanut or egg proteins, were used to investigate consumer complaints.The technology was transferred to the Canadian Food Inspection Agency, which in turn identified other "contaminated" foods and pulled them from store shelves. In addition, a new method which detects *Cyclospora*, a parasite, in only two minutes, will greatly increase the number of samples that can be analyzed during an investigation.

1.1.2 Priority Continue pre-market review of food and veterinary drug submissions

Accomplishments

Health Canada controls food quality and safety by setting standards, and seeing that those standards are maintained. To that end, the Department made 176 pre-market evaluations of food additives.As well, there were:

- 2,742 voluntary submissions involving food packaging and additives.
- 12,000 actions in all areas involving chemicals in foods.
- 300 pre-market submissions for infant formulas.
- 425 new veterinary drug evaluations.
- 130 reviews of already approved drugs.
- 134 Drug Number Identification applications for not-new veterinary drugs.
- 76 mandatory reviews of applications for Experimental Studies Certificates.
- 1277 Emergency Drug Release requests.

1.1.3 Priority Develop a Strategic Framework for the Food Program

Accomplishments

The Food Program finalized its Strategic Framework during the 1997-98 fiscal year and distributed it to all staff. The Framework clearly articulates that the core business of the Food Program is to protect and improve the health of the Canadian public by managing the risks and promoting the benefits associated with the food supply. This is accomplished through public health policy related to the safety and nutritional quality of foods and their consumption. Several core activities are carried out in this connection: policy development, standards setting, risk and benefit assessment, research, surveillance, pre-market review, and assessment of the food safety activities of the Canadian Food Inspection Agency.

1.1.4 Priority Develop a policy framework for the Food Program

Accomplishments

A Stakeholder Working Group with representatives from industry, consumer groups, non-governmental associations, and other federal and provincial government departments was created to draft the framework. The term "policy framework" is meant to convey the entire process the Food Program would go through for a major new policy or regulatory change, from issue identification, through analysis, consultation, etc., to decision making, implementation of the policy and its subsequent evaluation. Five key principles have been proposed for policy development: a) Food Program activities contribute to the protection and or improvement of health; b) decision making is based on scientific evidence; c) social, economic, trade and environmental impacts will be considered after health and safety impacts are established; d) the Department will maintain a well-defined and transparent policy development process; and e) consultation is essential throughout the process.

1.1.5 Priority Audit the Canadian Food Inspection Agency

Accomplishments

The Food Safety Audit Program (FSAP) was created to inform and advise the Health Minister on the effectiveness of the Canadian Food Inspection Agency (CFIA) programs and activities aimed at ensuring the safety of the food supply. In 1997-98, its first official year of operation, the FSAP began an audit of the CFIA's Emergency Response System. As well, a five-year plan is being developed to continually audit food safety control activities.

1.2: THERAPEUTIC PRODUCT REGULATION (TPR)

Objective

To address the safety, effectiveness, and quality of drugs, medical devices, and other therapeutic products available to Canadians. Health Canada also provides legislative policy and support to law enforcement activities in the control of illicit drugs.

Financial Information

(millions of dollars)	1997-98 Planned Spending	1997-98 Total Authorities	1997-98 Actual Spending
Gross expenditures	49.0	53.2	52.0
Revenues	(35.9)	(35.9)	(35.5)
Net expenditures	13.1	17.3	16.5*

*This represents 1.0 percent of the Department's actual spending.

Description

Health Canada licenses drugs, medical devices and other therapeutic products for clinical trials and general use, and regulates establishments that make, import, distribute, package or test these products.As well as monitoring use, investigating reported problems and taking corrective measures, it provides legislative policy support for its activities and analytical services to help law enforcement agencies control illicit drugs. Finally, it sets the Canadian regulatory frameworks for therapeutic products and works toward the harmonization of Canadian standards and activities with international counterparts.

1.2.1 Priority Strengthen policy and program development

Accomplishments

The Policy Development Framework was created to ensure all regulatory activities undertaken by the Therapeutic Products Program (TPP) are based on a sound foundation of policy and consultation with stakeholders.This is just one instance where a committee comprising outside experts has been established to provide advice to the TPP. Others include:

- Six Expert Advisory committees: Blood Regulation;HIV Therapies; New Active Substances. Non-prescription Drug Regulation; Pharmacovigilance; Natural Health Products.
- Two Expert Working Groups: Blood Standards;Safety of Organs and Tissues for Transplantation.
- Two Advisory Panels: Functional Foods and Nutraceuticals; Natural Health Products.

A new regime to license manufacturing, distribution, wholesale and testing establishments for therapeutic products was implemented, integrating Good Manufacturing Practices, site inspection and analytical activities. Establishment Licensing Regulations were passed and implemented in January 1998, including the collection of fees to finance this activity.

The revised Drug Product Licensing Framework, which provides an integrated risk management approach for the regulation of all categories of drug products, was developed following extensive stakeholder consultation.

After extensive public consultation, a framework has been established for the Special Access Program, to streamline the administration of legal access to drugs not approved for use or currently unavailable in Canada.

Revision of the regulatory framework for Natural Health Products was initiated.The Canadian regulatory approach to nutraceuticals and functional foods was reviewed and new policy is under development.

Extensive consultation with stakeholders on the regulatory framework for Clinical Trial Review has led to policy and administrative changes pending regulatory amendment.

A regulatory framework for tissues and organs for transplant is being developed following public consultation,and a regulatory framework for hospital blood banks is in development.

1.2.2 Priority Improve standards of service

Accomplishments

The Therapeutic Products Program is committed to quality management, in the belief that this will translate into quality service. The extended TPP management team (some 80 managers) assessed the organization against a quality management framework, and identified priority areas to be addressed. A full-time coordinator was assigned and a draft implementation strategy developed.The result is that more than 500 employees have been trained in ways to improve client-centred service delivery. This Quality Initiative has been integrated with the Office of Strategic Planning and communications to ensure that ongoing commitment is part of all our strategic and tactical planning.

The Medical Device Bureau has eliminated its backlog of submissions and is meeting performance targets.

A new measurement system has been instituted for the Drug Submission Review Process. Overall there has been a decrease in the length of time for submission review.

Examples are:

- A greater than 50 percent reduction in review time for New Active Substances.
- Increased number of first-time approvals.
- Shorter overall time frames for all product reviews.
- Backlogs in all drug review areas eliminated or significantly reduced.
- Staff have been trained to improve overall service standards.

1.2.3 Priority Implement mutual recognition agreements

Accomplishments

Canada is committed to the implementation of a Mutual Establishment Licensing Recognition Agreement covering six regulated sectors with the European Community. The agreement was signed at the Canada-EC Summit in London in May 1998 and the TPP has responsibility for the negotiation and implementation of Drug Good Manufacturing Practices and Medical Devices Certification. The finalization of similar agreements with Norway, Liechtenstein, Iceland and Switzerland is underway, and negotiations are going on with Australia, Japan and the U.S.A.

1.2.4 Priority Implement strategies for improved post-market surveillance

Accomplishments

The Therapeutic Products Program is putting in place a revised framework for post-market surveillance activities to monitor the risks and benefits of marketed drugs. The implementation plan includes re-assessment and relicensing for all drug products.

1.3: Environmental Health (EH)

Objective

To contribute to sustainable development, improve safety and safe use of products, and reduce health risks by identifying, assessing and managing the risks and benefits of natural and human-made environments.

Financial Information

(millions of dollars)	1997-98 Planned Spending	1997-98 Total Authorities	1997-98 Actual Spending
Gross expenditures	39.9	46.3	44.8
Revenues	(4.3)	(4.3)	(2.2)
Net expenditures	35.6	42.0	42.6*

*This represents 2.6 percent of the Department's actual spending.

Description

Health Canada maintains an environmental health protection infrastructure that includes development and administration of regulatory frameworks and agreements related to natural environments, and safe living and working environments. It monitors compliance with the frameworks and undertakes surveillance activities to identify, assess and manage health risks associated with natural, and technological environments and the use of consumer products. It provides advice on environmental factors that influence health and safety to enable Canadians to interact safely in their work and living environments. It also develops procedures to respond to potential hazardous situations related to the environment.

1.3.1 Priority Help ensure Canadian water is safe for drinking and recreational use

Accomplishments

In October 1997, Health Canada introduced the *Drinking Water Materials Safety Act* (Bill C-14) into the House of Commons. The Bill (currently at Second Reading in the House) will give Health Canada the power to establish certification requirements for all materials that come in contact with drinking water, from its collection until it reaches the consumer. The materials will be certified to prescribed health-based performance standards by accredited third-party organizations.

Health Canada participates in the development of National Sanitation Foundation (NSF) international standards relating to drinking water materials. These health-based consensus standards will be used in the implementation of the *Drinking Water Materials Safety Act*.

Health Canada, through the Federal-Provincial Subcommittee on Drinking Water (DWS), provided information and sought public comment on four contaminants in drinking water: aluminum, bromate, microcystin-LR and protozoa. Information from this consultation will be used by DWS to set drinking water guidelines for these contaminants. The DWS and its parent committee, the Committee on Environmental and Occupational Health (CEOH), confirmed guidelines for fluoride, antimony and formaldehyde. Additionally, work has been advanced on guidelines for uranium, alternative disinfectants and chlorination disinfection by-products (trihalomethanes, haloacetic acids, and chlorate, chlorite and chlorine dioxide).

Health Canada researchers:

- Monitored drinking water for harmful micro-organisms and resulting infections.
- Advanced the development of a rapid method for monitoring the safety of beaches.
- Participated in international working groups to develop protocols for testing drinking water treatment devices and to prepare recreational water-quality guidelines.

The Health Canada Web site has been updated to include a summary of the current drinking water guidelines and their supporting documentation, activities of the Federal-Provincial Subcommittee on Drinking Water, a list of drinking water publications, and links to other water related sites.

1.3.2 Priority Assess and manage environmental health risks

Accomplishments

The new Federal Nuclear Emergency Plan, which coordinates the response to major nuclear accidents affecting Canada, was completed and distributed to all 15 federal partners, five participating provinces and U.S. nuclear emergency response agencies. The Plan is scheduled to undergo a major test in April 1999.

Health Canada plays a major role in Canada's participation in the Comprehensive Nuclear Test Ban Treaty, outlawing all forms of nuclear-weapons testing. The Department will operate four national sites in the global network to detect testing.

The Radiation Protection Bureau, in collaboration with the provinces and territories, carried out a statistical survey of 60 percent of all mammography facilities in Canada. Representatives from provincial governments, professional associations, advocacy groups and industry developed recommendations to improve the quality of mammography in Canada.

The Strategy for Reducing Lead in Children's Products and Other Consumer Products has been initiated to address incidents of Canadians' exposure to lead in consumer products and the high level of public concern.

1.3.3 Priority Evaluate the enforcement of the Tobacco-Demand Reduction Strategy

Accomplishments

- The *TobaccoAct* came into effect in April 1997, further restricting young people's access to tobacco, and severely limiting tobacco companies' freedom to advertise and ability to promote their products through sponsorships.
- Tobacco Regulations (Access, Labeling and Reporting, and Seizure and Restoration) were introduced in March 1997. Several research studies were performed in support of the legislation, covering topics ranging from retailer compliance with tobacco regulations to the effectiveness of warnings for pipe tobacco and cigars.
- Two reports were completed in October 1997: *Evaluation of the Enforcement Program for the Tobacco Legislation and Audit of the Contribution Agreements Under the Enforcement Program for Federal Tobacco Legislation*.

The following research initiatives were also conducted and completed during 1997-98:

- Compilation of Test Methods for incorporation into Regulations.
- Toxicity/Carcinogenicity Assessment Report on Yields of Selected Constituents by Popular Brand or Innovative Cigarettes.
- Evaluation of Industry Sponsorship Promotion on Consumer Attitudes, Wave 3.

1.4: Disease Prevention and Control (DPC)

Objective

To enable the Department to evaluate the efficacy and effectiveness of various prevention, screening/diagnosis, treatment and palliation methodologies for a wide range of human diseases.

Financial Information

(millions of dollars)	1997-98 Planned Spending	1997-98 Total Authorities	1997-98 Actual Spending
Net expenditures	35.2	37.4	37.2*

*This represents 2.3 percent of the Department's actual spending.

Description

Disease Prevention and Control (DPC) tracks patterns in health and disease, operates major microbiology laboratory services, and charts the incidence and mortality attributable to major non-communicable diseases (such as cardiovascular diseases, cancer, and diabetes) and spread of communicable diseases as AIDS and tuberculosis. The provinces provide the essential information, but only DPC can analyze data to provide evidence of national disease-control strategies. Its aims are to identify outbreaks, monitor trends, detect emerging or re-emerging diseases, and to provide the evidence for planning and evaluating programs.

1.4.1 Priority Improve national diagnostic and outbreak investigation

Accomplishments

Health Canada developed or enhanced laboratory services, and surveillance and outbreak-investigation programs, for the diagnosis and control of such high-risk containment bacteria and viruses as tuberculosis, hanta virus and blood-borne pathogens. As well, such emerging diseases as intestinal infections and zoonotic diseases (communicated from animals to humans) and Creutzfeldt-Jakob (Mad Cow) Disease, came under increased scrutiny. DPC has been quick to respond to the emergence of new, antibiotic-resistant strains of bacteria.

- The Canadian Nosocomial Infection Surveillance Program's project on *staphylococcus aureus* (MRSA) has been expanded and federal and hospital laboratories are studying the characteristics.
- Cluster reporting was enhanced to improve understanding of the quantity and quality of outbreaks in Canadian hospitals of *enterococcus* resistant to the antibiotic vancomycin.

The Laboratory Centre for Disease Control and its partners managed the investigation of one of the largest *salmonella* outbreaks in Canadian history. The Food Program provided advice during the investigation to help identify the source of the contaminants and the potential for other products to be involved. The outbreak was linked to a pre-packaged children's lunch product.

A Canada-wide study of reported child abuse and neglect has begun. It will, for the first time, collect national information on the incidence of this major child health problem. The survey is being undertaken by Health Canada in collaboration with provincial and territorial governments, native child welfare agencies and non-government organizations.

A National Asthma Control Task Force, to set national objectives for controlling the disease, has been established. Health Canada has begun to implement its strategic plan to reduce morbidity and mortality from asthma in Canada.

As part of the continuing examination of the relationship between cancer and diet, fitness and lifestyle, behavioural risk assessment studies have been completed on vitamin A, alcohol consumption, prostate cancer and breast cancer.

Investigations of HIV outbreaks among injection drug users were concluded in Sydney, N.S. and in the Springhill, N.S. federal penitentiary, and an investigation was begun in Prince Albert, Sask.

1.4.2 Priority Enlarge the public-health intelligence base

Accomplishments

- The service line and its partners collaborated with external researchers to determine the frequency of infection with hepatitis C virus among injection drug users in Montreal. As well it supported the Working Group of external consultants that produced the report Transfusion-Related Hepatitis C in Canada: 1990 to mid-1996.
- It is in the process of establishing a National Risk Factor Surveillance System in collaboration with the provinces. The System will provide ongoing valuable health-risk-factor information for the prevention and control of major diseases in all jurisdictions across Canada.
- Public health intelligence continues to be strengthened for cancer risk factors, trends in incidence and mortality, the predicted impact of cancer, and the economic burden of illness.
- Information on cancer topics, surveillance activities and statistics are being disseminated worldwide through the Cancer Bureau Web site (www.hc-sc.gc.ca/hpb/lcdc), which receives an average of 225,000 "hits" per month. A Web mapping application of cancer data is being developed to allow Web users access to incidence data in an interactive manner that permits viewing specified data as charts, tables, figures or maps.

- Clinical Practice Guidelines for the Care and Treatment of Breast Cancer have been produced as a Canadian consensus document by the Canadian Breast Cancer Initiative, and published as a Supplement of the Canadian Medical Association Journal in 1998.
- It has provided financial and technical support to targeted epidemiologic studies of HIV in Canada, particularly among injection drug users. The results of these studies helped to shift policy and prevention efforts toward this vulnerable population.
- A National Consensus Conference on Tuberculosis was held December 3 to 5, 1997. The final proceedings of the conference were published and included recommendations for a national strategy to eliminate Tuberculosis in Canada (June 98).
- The 1997 National Report on Immunization was published and the Immunization Web site was expanded.
- Draft Infection Control Guidelines on Disinfection and Sterilization in Health Care were distributed to consumers and health-care professionals prior to final revision.
- For the Safety of Canadian Children and Youth, the first comprehensive document on trends, patterns and preventive measures for child injury in Canada was published.

The Infectious Diseases News Brief, published weekly, allows the timely dissemination of outbreak data to the public health infrastructure across the country.

1.4.3 Priority Improve national surveillance systems

Accomplishments

A number of new tools for monitoring disease were implemented across the nation, and many more were improved and/or updated.

- Health Canada, in collaboration with the provinces, is establishing a National Risk Factor Surveillance System, to provide valuable information for the prevention and control of major diseases.
- The National Enhanced Cancer Surveillance System was created to gather information on the role of environmental factors in the incidence of cancer.
- A Canadian Breast Cancer Screening Database of information from organized provincial/territorial screening programs has been re-engineered for greater efficiency.
- Major efforts have been conducted in expanding national surveillance systems for cardiovascular disease and diabetes.
- An agreement was reached with the provinces and territories to set up a national surveillance system to monitor drug-resistant strains of tuberculosis.

- The Spatial Public Health Information Exchange, as part of the National Health Surveillance System (NHSS), is a project designed to enhance surveillance capacity nationally through accessing existing digitized databases to facilitate and enhance local, provincial and national public health surveillance. The project is currently under development as a pilot in the province of Alberta.

1.4.4 Priority Strengthen Canada's ability to address disease control on a global scale

Accomplishments

Health Canada has been involved in the following international efforts:

- The World Health Organization (WHO); the Reference Centre on Arboviruses and Haemorrhagic Fever Viruses; the Reference Centre on Tuberculosis; the Laboratory Working Group on Measles Elimination; the Laboratory Working Group on Antimicrobial Resistance; the WHO-sponsored multi-national program for identifying the source of the Ebola virus in the Tai Forest, South Africa.
- On behalf of the Pan-American Health Organization (PAHO),Health Canada developed and carried out a major training program in South America to raise the level of expertise in the identification of enteric pathogens.
- LCDC successfully piloted the Laboratory Data Management System software for enteric diseases. This is the prototype of a broader application suite (CIPHS) to integrate laboratory and public health unit case surveillance and which is under development by the NHSS.

1.4.5 Priority Defend against emerging risks associated with blood and blood products

Accomplishments

With the National Lab for HIV Genetics,Health Canada started the Canadian HIV Strain Surveillance Program.This will provide information on the strains of HIV circulating in Canada, so patterns of HIV transmission can be identified and the blood supply better protected.

Publication of the Recommendations for the Consensus Conference on Infected Health Care Workers: Risk of Transmission of Blood borne Pathogens resulted in major health professional organizations establishing comprehensive prevention policies for their members.

1.5: Occupational Health and Safety Agency (OHSA)

Objective

To provide a broad range of direct occupational and public health and safety services and advice to all levels of government,federally regulated organizations and non-government organizations. To continue to work with other parts of Health Canada to protect the health of the Canadian population from the ingress of quarantinable diseases. To protect the health of visiting VIPs in Canada.

Financial Information

(millions of dollars)	1997-98 Planned Spending	1997-98 Total Authorities	1997-98 Actual Spending
Gross expenditures	29.6	30.3	27.1
Revenues	(6.2)	(6.2)	(2.7)
Net expenditures	23.4	24.1	24.4*

*This represents 1.5 percent of the Department's actual spending.

The Civil Aviation Medicine (CAM) program was transferred to Transport Canada on April 1,1998. CAM's budget will be transferred through supplementary estimates (A) in 1998-99. Included in the 1997-98 Expenditure figures reported above is $1.4 million for CAM.

Description

With the goal of assisting all customers to better manage their occupational safety and health and public health regimes, Health Canada's Occupational Health and Safety Agency has targeted fiscally responsible operations and proactively sought better methods to deliver service. The selected option for the provision of efficient, economical service delivery is Special Operating Agency status. Increasingly, partnerships with other public and private sector service providers will be used to improve services while controlling costs.

1.5.1 Priority Increase cost effectiveness and streamline operations

Accomplishments

- A flatter organizational structure has been accomplished through the reduction of one layer of management.
- The staff level has been reduced to 292 from 322 following a critical review of service offerings.
- The analytical laboratory rationalization is complete (more efficient use is being made of Health Canada laboratory space).
- Two new systems that greatly enhance efficiency have been implemented: the Activity Management System, which tracks operations and automates billing; and Medgate, which facilitates the creation of a comprehensive occupational health and safety database.
- The de-ratting inspection program, responsible for ensuring that rats are eliminated from cargo ships in Canadian ports,has fully recovered its costs for the past two years while improving responsiveness through seven-day-a-week service.
- The Civil Aviation Medicine Program was transferred to Transport Canada in 1998.

1.5.2 Priority Provide quality service

Accomplishments

OHSA is working hard to make customers our partners, and the development of service standards and performance indicators is one of the instances where customers were involved throughout the process. In the case of performance indicators, customer departments were asked to select managers who were critical of OHSA services.A workshop with these managers developed the indicators, resulting in a new understanding of the difficulties of providing and receiving service. The Chief Executive Officer has met with more than 50 groups of senior managers across the country to talk about their emerging OSH issues including "due diligence" and to discuss their ongoing service needs.As well, medical officers and senior Regional staff hosted managers from customer departments to discuss how the program can best be delivered to meet managers' needs.A Senior Advisory Council of 17 ADMs from different Departments has been established to create a new cost-recovery service-delivery system.

Under the terms of the Geneva Convention, OHSA provided the medical and health care for some 50 foreign dignitaries in Vancouver for the Asia Pacific Economic Community (APEC) Summit in the fall of 1997.

The revenue for de-ratting is increasing each year as a result of the high level of satisfaction with, and demand for, the service.

1.5.3 Priority Finalize Special Operating Agency status

Accomplishments

In approving the creation of the provisional SOA Treasury Board identified several essential elements that had to be completed prior to OHSA becoming a full SOA. While many of these were of an infrastructure nature, agreement by federal departments as to the ongoing funding and service delivery mechanisms were seen as the most important. The infrastructure requirements including new software for time tracking, billing and collecting health program statistics are in place.

A Senior Advisory Committee of client departments composed primarily of Assistant Deputy Ministers has been set up to determine a revised service-delivery model and methodology for attributing Health Canada's appropriation back to Departments. Recommendations are expected by November 1998.

Extension of the provisional status until April 2000 is being sought to accommodate the implementation of the revised service-delivery model.

1.6: EMERGENCY SERVICES (ES)

Objective

To support health care and social service systems when peacetime disasters occur.

Financial Information

(millions of dollars)	1997-98 Planned Spending	1997-98 Total Authorities	1997-98 Actual Spending
Gross expenditures	2.6	2.6	2.5
Revenues	(0.1)	(0.1)	(0.1)
Net expenditures	2.5	2.5	2.4*

*This represents 0.1 percent of the Department's actual spending.

Description

With equipment and supplies strategically placed throughout Canada, ready to provide a rapid response to any crisis, Emergency Services plays a vital role in domestic disaster relief. This program also works to help ensure preparedness by training provincial emergency responders.

1.6.1 Priority Respond to emergencies

Accomplishments

When the ice storm struck Eastern Ontario, Québec and New Brunswick in January 1998, paralyzing much of the region, Emergency Services responded to more than 200 requests from the Provinces for assistance, providing 24,000 beds,75,000 blankets, 85,000 stretchers, 342 emergency electrical generators, and supplies which were desperately needed by residents fighting the bitter cold, and farmers struggling to save livestock. Health Canada also supplied information to the provinces on stress counselling and nutrition during emergency situations.

Health Canada initiated a review of the stockpile program to coordinate its configuration and contents with an up-to-date assessment of potential threats.A final report is due in the autumn of 1998.

1.6.2 Priority Review organizational structure

Accomplishments

A recent review of Emergency Services recommended that the division would more appropriately report through another part of Health Canada rather than OHSA. Recommendations have led to discussions within Health Canada on the move of this service. As well, Emergency Services is currently reviewing all its procedures, with intent of streamlining operations.

1.7: PEST MANAGEMENT (PM)

Objective

To protect human health and the environment by minimizing the risks associated with pest control products, while enabling access to pest management tools; namely, these products and sustainable pest management strategies.

Financial Information

(millions of dollars)	1997-98 Planned Spending	1997-98 Total Authorities	1997-98 Actual Spending
Gross expenditures	12.3	27.4	23.1
Revenues	(0.2)	(10.8)	(7.4)
Net expenditures	12.1	16.6	15.7*

*This represents 1.0 percent of the Department's actual spending.

Description

Dedicated to the principles of sustainability, the Pest Management Regulatory Agency (PMRA) consolidates the resources and responsibilities for pest management regulation. The goal is to protect human health and the environment, while supporting agriculture, forestry, other resource sectors and manufacturing. The Agency's functions include: new product evaluation; registered products evaluation; and compliance with rules and regulations. It collaborates with the provinces to develop national strategies for sustainable pest management and to ensure compliance with federal and provincial legislation. The PMRA is charged with implementing reforms to the pesticide regulatory system recommended by the 1990 multi-stakeholder Pesticide Registration Review.

1.7.1 Priority Sound, progressive science, including innovative approaches to sustainable pest management; open, transparent, participatory regulatory process; timely access to new and safer pest-control products

Accomplishments

The PMRA put in place a streamlined process for screening and managing submissions, including an 18-month performance standard for review of complex submissions. International collaboration and other efficiencies helped to reduce the total work on hand to 1,800 submissions compared to more than 3,000 in April 1995 – a real achievement, given that the Agency handles 2,000 new submissions a year. At the same time, the backlog of complex submissions has fallen to 200 from almost 1,000. The Agency also established an Economic Management Advisory Committee which allows pesticide manufacturers and users to provide strategic advice on streamlining operations and reducing costs.

The Agency has forged strong working relationships to develop common approaches to regulatory requirements and practices as the basis for international harmonization. Initiatives were pursued regionally, through the North American Free Trade Agreement Technical Working Group on Pesticides (NAFTA TWG, 28 projects) and globally through the Organization for Economic Cooperation and Development (OECD) Pesticides Forum (17 projects). Highlights of progress to date include:

- Establishing a Canada-U.S. Joint Review program for biopesticides and reduced-risk chemicals, which resulted in the registration of a new fungicide, cyprodinil, in time for use in both countries in 1998.
- Creating a database of country data reviews to facilitate work sharing.
- Adopting common OECD formats for data submission and country data reviews.
- Harmonizing data requirements for major agricultural and forestry uses of chemical pesticides and bio-pesticides.
- Establishing a process for the identification and resolution of NAFTA trade irritants related to differences in maximum residue levels in foods.

PMRA signed formal Memoranda of Understanding with Natural Resources Canada, Agriculture and Agri-Food Canada (AAFC) Research Branch, and Environment Canada. Similar agreements are being negotiated with the Department of Fisheries and Oceans, the Canadian Food Inspection Agency and the AAFC Policy Branch. This has clarified areas of responsibility and created a mechanism for developing policies in areas of common interest.

The Agency has established a new, strengthened Federal-Provincial-Territorial Committee on Pest Management and Pesticides to promote sustainable pest control practices and bring about harmonization of federal and regional practices and regulations.

PMRA established partnerships with stakeholders for the development of Integrated Pest Management strategies. Problems addressed include late blight on potatoes, Colorado potato beetle, eastern spruce budworm, and sea lice in salmon aquaculture. As well, the PMRA has led the way in the search for alternatives to the pest control agent methyl bromide in the food processing sector.

The PMRA has developed proposals for amendments to the *Pest Control Products Act* to enhance health and environmental protection and significantly increase openness and transparency, and has implemented a policy to consult the public on major registration decisions.

Other initiatives include:

- Preparations are complete for introduction of new enforcement powers under the *Agriculture and Agri-food Administrative Monetary Penalties Act*. Discussions are underway to transfer authority for the *Pest Control Products Act* in that legislation from the Minister of Agriculture and Agri-Food to the Minister of Health.
- A Compliance and Enforcement Policy Guideline has been developed.
- Working agreements to strengthen coordination and cooperation on investigations and inspection activities with the provinces are being created.

1.7.2 Priority Recover costs through fee regulation

Accomplishments

PMRA implemented a cost recovery program in April, 1997. A revenue target of $12 million represents 44 percent of the PMRA budget. The revenues comprise one-time fees charged for review of applications for registration and annual maintenance fees for the right and privilege to sell registered products in Canada. During 1997-98, PMRA experienced a revenue shortfall of $4 million in maintenance fees. This resulted in delaying the re-evaluation of registered products and the elimination of the backlog.

1.8: Canadian Blood Secretariat

Objective

To provide Health Canada with a blood system policy, planning, and coordination capacity to ensure the Department's regulatory, surveillance, and blood governance program functions are coordinated in the best interest of all key players in the blood system.

Financial Information

(millions of dollars)	1997-98 Planned Spending	1997-98 Total Authorities	1997-98 Actual Spending
Net expenditures	–	9.8	8.7*

*This represents 0.5 percent of the Department's actual spending.

Description

The Canadian Blood Secretariat was created out of the Blood Inquiry Secretariat in 1997, and given the mandate to coordinate the strengthening of Health Canada's blood surveillance and regulatory programs in accordance with the findings of the Commission of Inquiry on the Blood System in Canada (Krever Inquiry).This includes planning and coordinating Health Canada's implementation of Justice Krever's recommendations, and developing and coordinating the strategic planning of the federal, provincial and territorial initiative on blood system governance.

The Secretariat provides administrative, financial and logistical support to the National Blood Surveillance Committee, which was established to advise the Minister on matters of blood safety, particularly issues relating to blood regulation and national disease surveillance. It includes members from blood consumer groups and the scientific and medical communities.

1.8.1 Priority Restore faith in the Blood System, in the wake of the Krever Inquiry

Accomplishments

The Canadian Blood Secretariat has become the Departmental focal point for coordinating the implementation of Justice Krever's recommendation that Health Canada become more proactive in reducing the risk of infectious diseases contaminating the blood supply.

Health Canada has allocated new resources to address the shortcomings highlighted by Justice Krever – the need for more qualified staff and the necessity of implementing an early warning blood surveillance system. Approximately $125 million in new funds will be provided over five years (1998-99 through 2002-03).

1.8.2 Priority Support the federal role in the Blood System Governance Initiative

Accomplishments

In September 1997, the Minister promised that the Federal Government would take an aggressive leadership role in making Canada's blood system second to none. This included a commitment of $81 million to the transition costs of establishing the new Canadian Blood Services. This addressed one of Justice Krever's key recommendations that "the new blood authority be publicly administered by a national blood service, a corporation to be created by an Act of Parliament."

The Minister of Health made a commitment to the provinces and territories in 1997 to introduce federal legislation to enshrine the mandate and key features of the Canadian Blood Services. The proposed Act will enhance the credibility of the Canadian Blood Services and provide legislative equilibrium between the Canadian Blood Service and its Québec counterpart, Héma-Québec, both of which should be operational by September 1998. The Secretariat was responsible for consulting with the provinces and territories on the proposed legislation and providing policy instructions to the Department of Justice on the drafting of the proposed *Canadian Blood Services Act.*

1.8.3 Priority Support Litigation on Blood Issues

Accomplishments

The Canadian Blood Secretariat provides essential services for litigation and negotiations relating to Hepatitis C, HIV and Creutzfeldt-Jakob Disease (known in the media as the human equivalent of Mad Cow Disease). It also represented the Federal Government on the federal-provincial-territorial Working Group that prepared a report on responses to Justice Krever's non-Hepatitis C assistance recommendations. The Secretariat is responsible for providing instructions to the Department of Justice on the selection of expert witnesses for litigation and negotiations related to the Hepatitis C financial assistance package.

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