ABSTRACT

I. INTRODUCTION

After years of examining the structure and nature of intergovernmental relations in a variety of social policy sectors, the attention of the Canadian public and decision-makers has now turned to the mechanism by which governments interact to develop *public health* policy. This focus on governance in public health has largely been precipitated by the emergence of several new infectious threats including West Nile virus, Bovine Spongiform Encephalopathy (BSE) and Severe Acute Respiratory Syndrome (SARS). The nature and effectiveness of the multi-governmental response to the SARS outbreak, in particular, has accelerated discussions on the need for either major legislative or structural reform of the public health system[1] [2]. In considering such reform, policy makers have little literature to draw upon as the majority of governance research in health has focused on our health care system, specifically that part of the system which deals with medical and hospital insurance[3]. The absence of research on federalism in public health is somewhat surprising given that the nature of many public health activities is fundamentally intergovernmental.

In this article we hope to partially remedy the lack of literature on this important emerging area of study. We begin by proposing a framework for understanding the various combinations of intergovernmental relations that could exist in public health. We then apply this framework to describe intergovernmental relations in the blood system after it underwent reform in response to

[1] Health protection legislative renewal. Health Canada (http://renewal.hc-sc.gc.ca).

[2] Wharry S. Will SARS crisis give Canada its own CDC? (news). CMAJ 2003;68:1381.

[3] Romanow RJ. Building on values. The future of

and national borders. Decisions made by one government have a direct impact upon the public health activities of adjacent governments. This creates a situation in which federal, provincial, regional/local and at times supranational governments must coordinate their approaches to public health challenges to ensure they are effectively managed.

The importance of intergovernmental relations in public health clearly emerged during the international response to the SARS outbreak. In commenting on this response Dr. David Heymann, the World Health Organization's chief infectious disease expert, stated; "SARS has shown us that relationships between federal, or central, and provincial or state governments are very important in public health, and very difficult to establish". He added: "We understand that this has been a problem in China. It certainly has been a problem in Canada, where there have been difficulties between Health Canada and the provincial government"[7]. By gaining a better understanding of the various combinations of intergovernmental relations that can exist in public health and their potential impact on the development of policy, decision-makers will be able to construct more effective approaches to manage threats, such as SARS, in the future.

The Descriptive Framework

The first step to understanding the impact of intergovernmental relations on public health is to describe the set of intergovernmental relations that exists in specific public health sectors. To do so we adapt a descriptive model developed by Harvey Lazar and Tom McIntosh, which has been used in a series of analyses of public sector policy areas including health care[8]. The original model focuses on the relationship between the federal government and the provinces/territories. This methodology first determines the level of *interdependence* that exists between the two orders of government. Interdependence refers to the requirement of one order of government for actions by another order of governments to ensure that policy is successfully developed and implemented. If interdependence is present, the nature of the interdependence then is characterized based on whether the relationship between the two orders of government is *hierarchical*. Hierarchy refers to the ability of one order of government to coerce another into taking a specific policy action. Hierarchy can result from legislative authority or financial mechanisms[9]. For example, in health care, the federal government uses its spending power to enforce the standards of the *Canada Health Act*[10]. In blood safety, the federal government can enforce safety standards through legislation[11].

Based on the existence and the nature of the interdependence, three forms of intergovernmental relationships can be described. If no interdependence exists, the relationship is described as *disentangled* (*classical)*. In this form of federalism, one of two conditions prevails. Either one order of government is active in the field while the other is inactive. Alternatively, both orders of government carry out functions in the same policy area independent of each other. The key point here is that the government(s) involved act largely independently of any other government[12]. If interdependence exists and the

[7] Alphonso C and York G. Canadian health officials rapped by WHO. *Globe and Mail (national edition).* June 13, 2003. Pps A1, A6.

[8] Lazar, H and T McIntosh. *Federalism, Democracy and Social Policy: Towards a Sectoral Approach to the Social Union*, Kingston: Institute of Intergovernmental Relations, 1998, p.4.

[9] In the original methodology hierarchy referred to the ability of the federal government to exercise its influence in an area of exclusive provincial legislative jurisdiction through conditional funding programmes. In the methodology we present here we restate hierarchy to refer to the ability of one order of government to coerce another order of government into actions either through legislation or attaching

relationship is hierarchical, the form of federalism is referred to as federal-*unilateralism*. The federal-provincial relationship in health care could largely be characterized as unilateral. By attaching conditions (i.e. the Canada Health Act) to its funding of hospital and medical insurance, the federal government is able to coerce provinces into delivering a specific type of service. If interdependence exists and there is no hierarchy, the relationship is described as *collaborative*. Collaborative relationships involve constant interactions between orders of government as they attempt to develop consensus on the policy that needs to be developed. They do not necessarily imply harmonious relationships.

To accurately characterize the nature of federalism in public health, the importance of a third order of government, local governments, and the various kinds of bodies that operate under it must be included in the model. While public health policy development mainly occurs at federal and provincial/territorial levels, actual policy implementation is largely a local responsibility. The inclusion of a third order of government in the federalism model increases the number of potential intergovernmental combinations threefold. While the previously described federal-provincial/territorial relationships may exist, there may also be similar forms of relationships between provincial/territorial and local governments. For example, a *disentangled provincial-local* relationship describes a situation where provincial and local governments act largely independently of one another. A *provincial-local hierarchical* relationship describes a situation where a province coerces the local governments into acting in a specific manner. This is likely to be the most common form of relationship that exists between provincial and local jurisdictions since the provinces have complete legislative control over them. A *provincial-local collaborative* relationship may also exist where the province works in a non-coercive manner with the local governments to develop or to implement policy. The nature of provincial-local relationships has come under increased scrutiny largely as a consequence of the provinces downloading responsibilities to the local level and reducing funding as the federal and provincial governments seek to address their deficit and debt concerns. Provinces have experimented with a variety of forms of relationships with the local governments in an attempt to achieve the most effective working relationship. These relationships have given varying degrees of responsibility, funding and

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federal government and provincial government independently went about introducing measures to control rising health care costs. The federal government's measures, specifically the reduction in funding associated with the Canadian Health and Social Transfer, directly impacted upon provincial policy making. It may be important to consider this form of federalism in analysis of public health policy.

relationships between members within an order of government may also exist. A confederal relationship between provinces, referred to as *inter-provincial collaboration*, has been proposed as an alternative to federal involvement in provincial public policy arenas. In this form of relationship provinces and/or territories would work together, either in regions or nationally, to establish agreements to govern the management of policy areas[15]. Similarly, the possibility exists of a *confederal* relationship existing between local governments that could cross provincial/territorial borders. In this form of relationship local governments work together to establish policy, possibly under the guidance of a national organization. Table 1 summarizes the various types of intergovernmental relations that may occur in public health.

III. APPLICATION OF THE FRAMEWORK TO THE CANADIAN BLOOD SYSTEM

Public health policy making previously leaped into the national spotlight when the health system discovered that both HIV and hepatitis C had been transmitted to patients through blood transfusion. The "tainted blood tragedy", as it came to be called, was the largest public health crisis this country had faced. Thousands of individuals became infected with HIV and tens of thousands were infected with hepatitis C[16]. The blood system was heavily criticized for the decision-making process that led to the transfusion transmission of infections. The criticism led to a large-scale inquiry into the blood system led by Justice Horace Krever as well as criminal charges against some of the

[15] Courchene TJ. ACCESS: A Convention on the Canadian Economic and Social Systems. In *Assessing ACCESS. Towards a new social union. Proceedings of the symposium on the Courchene proposal*. Institute of Intergovernmental Relations (Oct 31-Nov 1, 1996). Queen's University, 1997.

[16]

respect to management of infectious risks as well as the impact of changing financial structure on delivery of blood services[19] [20]. These analyses

of charge from the operators. Funding is divided among provinces/territories depending on the share of blood products they have been using. Both Héma-Québec and Canadian Blood Services use the funds provided by the provinces/territories to carry out all of their services. This includes the purchase of fractionated products from the country's primary manufacturer of fractionated blood products, Bayer Inc. The provinces/territories primary representation at Canadian Blood Services is through regional representatives on the board of directors. Their responsibility is much the same as shareholders.[20]

While there are no supranational bodies that have a direct impact upon blood policy in Canada, blood officials are influenced by decisions made by other countries. Decisions in the US, in particular, are highly influential given that Canada imports a substantial portion of its fractionated products from that country. For this reason, it is important, although not essential, that the Canadian and US blood systems' have consistent policies for accepting and screening donations[22]. Other nations' blood safety practices also indirectly influence Canadian blood policy by setting international standards that Canada may be expected to meet[23].

The Form of Federalism in the Blood System

The federal, provincial/territorial governments and operators must work together to provide a coordinated, comprehensive approach to blood safety. The relationship between the three orders of government is, as a consequence,

[22] In developing donor deferral criteria for individuals who had traveled to the United Kingdom to protect the I4.5(o)-1.5(r)5.2(de)8.2(6(e2(6o .00h2(4 0 2(6o .00h000re.2(4.5(tzfeld2(4.5(t-JakoplTc[2(delTc[iI)5dts alec0.001 Tw[B(who)-.6( )3

Policy Effectiveness

The current governance regime in the blood system has produced a system that has improved the protection of the health of Canadians by enhancing the safety of the blood supply. This was the primary objective of structural reform. The coordination of activities of regional blood systems by a central operator and the clear allocation of regulatory authority to the federal

management assessments that can be difficult for the general public to understand. This produces a situation in which blood system decision-making is susceptible to developing into discussions between experts and policy officials that exclude the public. However, both the operators and the regulators have made substantial efforts to protect against this by involving stakeholders throughout the decision-making process[27].

Respect for Principles of Federalism

While the current set of intergovernmental arrangement has improved policy effectiveness and respect for democratic principles, it has had a negative impact upon principles of federalism. This is again due to the purposeful separation of funding and regulatory responsibility. This set of arrangements has allowed for the emergence of unfunded mandates, the ability of one order of government to pass legislation that will incur costs for a second order of government and not provide supportive funding. Specifically, the federal government has introduced a series of directives to protect the blood supply and has not contributed to the potential costs of the initiatives, which have been borne by the provinces/territories. In addition, Canadian Blood Services has also independently introduced safety measures to increase the safety of the blood supply, which also produces costs for the provinces/territories. These safety measures have been partly responsible for the 50% increase in blood system costs since the creation of the new blood system[28] [29]. Again, as per design, there are few opportunities for the provinces/territories to provide input on the necessity and the appropriateness of the cost-benefit profile of these safety interventions. There are also few dispute resolution mechanisms available to the provinces/territories to address their concerns over the appropriateness of the introduction of certain blood safety measures. There is also limited direct communication between the provinces/territories and Canadian Blood Services. This has led to an environment in which the provinces/territories believe they are not provided with adequate information to make budget decisions and Canadian Blood Services, at times, perceives it is not provided with guidance on the development of policies[27].

Summary

To summarize, the Canadian blood system introduced substantial organizational reform in an attempt to improve the safety of the blood system. In the current blood system there is interdependence between all orders of government. Hierarchy exists between the federal government and the provinces/territories and regions. The regions, represented by the operators, and the provinces/territories work together collaboratively to achieve policy goals. This system of governance promotes the safety of the blood supply. It removes cost and political considerations from influencing blood policy. However, it encourages the implementation of safety measures with comparatively poor cost-effectiveness ratios. The current system of governance has improved accountability, although it is susceptible to problems with transparency. It also creates the potential for long-term conflict to exist between the provinces/territories and the federal government due to the fact that the provinces/territories have to pay the increasing costs of transfusion services that result from federal regulations. Tables 3 and 4 summarize the allocations of roles and responsibilities across orders of government in the Canadian blood system and the effectiveness

[27] Performance review of Canadian Blood Services. Final Report. IBM. October 15, 2002.

[28] Wilson K, Hébert P. The Challenge of an increasingly expensive blood system. (Commentary) *Canadian Medical Association Journal* 2003;168:1149-1150.

[29] Between 1988/99 and 2001/02 blood system costs have increased from an annualized total of $422 to $638.8 million. These increases are due to both the cost of safety measures and the increased use of blood products such as intravenous immunoglobulin. Further increases in costs are expected due to the introduction of additional safety measures such as NAT testing for West Nile virus.

inconsistencies in the standards for data collection

restrict further federal legislation that would produce additional financial burdens for states and local government, eventually resulting in the Unfunded Mandates Reform Act of 1995. While the Act permits conditional funding programmes, it forces cost-benefit analysis of regulations and explanations of intergovernmental mandates that would exceed $50 million. Amongst other components of the Act is a stipulation that federal agencies must consult with state and local

this goal, a framework for describing intergovernmental relationships in public health. We demonstrated the application of this framework to describe governance in the blood system and evaluated the impact of the set of intergovernmental relationships on the domains of policy effectiveness, democracy and federalism. We also demonstrated the value of drawing comparisons with other public health sectors, in this instance, health surveillance. The material presented here, however, is only a first step. More work needs to be done refining these analytic techniques and additional study of governance regimes in other public health sectors also needs to be conducted. There are many opportunities for such analyses as several national initiatives have been proposed or are in the process of development, including the National Immunization Strategy and the Centre for Emergency Preparedness and Response[38] [39]. By comprehensively and systematically examining the governance challenges of the past and the present, public health officials should be better prepared to address public health governance challenges in the future.

[38] Naus M, Scheifele DW. Canada needs a national immunization program: an open letter to the Honourable Anne McLellan, federal minister of health. *CMAJ* 2003;168:567-568.

[39] Health Canada. *Centre for Emergency Preparedness and Response.* 2002. http://www.hc-sc.gc.ca/pphb-dgspsp/cepr-cmiu/cepr.html

TABLE 1
Descriptive Analysis Framework: Characterization of Intergovernmental Relationship

Federal-Provincial/territorial Relationships

	Interdependence	**Hierarchical**	**Form of Relationship**
Federal-Provincial	Yes	Yes	Federal-Provincial Unilateral
Federal-Provincial	Yes	No	Federal-Provincial Collaborative
Federal-Provincial	No	No	Federal-Provincial Disentangled

Federal-Local Relationships

	Interdependence	**Hierarchical**	**Form of Relationship**
Federal-Local	Yes	Yes	Federal-Local Unilateral
Federal-Local	Yes	No	Federal-Local Collaborative
Federal-Local	No	No	Federal-Local Disentangled

Provincial-Local Relationships

	Interdependence	**Hierarchical**	**Form of Relationship**
Provincial-Local	Yes	Yes	Provincial-Local Unilateral
Provincial-Local	Yes	No	Provincial-Local Collaborative
Provincial-Local	No	No	Provincial-Local Disentangled

Confederal Relationships

	Interdependence	**Hierarchical**	**Form of Relationship**
Provincial-Provincial	No	No	Interprovincial Collaborative
Local-Local	No	No	Interregional Collaborative

This chart shows that the relationship between the two orders of government could be characterized as collaborative if it is interdependent and non-hierarchical. It would be considered unilateral if the relationship were interdependent and hierarchical. It would be considered an independent, non-hierarchical relationship (i.e. disentangled) if each government acted solely in its own jurisdiction.

TABLE 2
Allocation of Roles and Responsibilities in Blood Safety

	Federal	Provincial/ territorial	Operator
Agenda setting	X		X
Legislative authorities	X		
Funding responsibilities		X	
Delivery of Service			X

TABLE 3

Nature of the Intergovernmental Relationship in the Blood System

	Interdependent	Hierarchical	Form of Relationship
Federal-provincial	Yes	Yes	Federal-unilateral
Provincial-operator	Yes	No	Collaborative
Federal-operator	Yes	Yes	Federal-unilateral

TABLE 4

Effectiveness of Intergovernmental Arrangements in Blood Safety

Policy Effectiveness	
Health	• Improved coordination of activities • Clear roles and responsibilities • Cost considerations have limited impact upon introduction of safety measures
Economic	• Economies of scale advantages • Separation of funding and regulatory functions increase the likelihood of introducing cost-ineffective safety measures
Democracy	• Improved accountability • Minorities better represented than majorities • Improved but not optimal transparency
Federalism	• Potential for conflict due to unfunded mandates • Lack of intergovernmental interfaces • No clear dispute resolution mechanism

TABLE 5
Suggestions for Public Health Governance Reform

1. Initially utilize a collaborative multi-governmental approach to establish plan for reform
2. Establish federal-hierarchical approach to policy implementation either legislatively or through conditional-funding programmes
3. If legislative approach taken ensure mechanism introduced to protect against unfunded mandates
4. Introduce independent dispute resolution mechanism and effective intergovernmental interfaces. Ensure such systems are transparent.
5. Consider establishing a national body, or several regional bodies, at arm's length from government. This body would coordinate local public health activities and would be independent from federal/provincial/territorial governments, except for having to meet regulatory requirements.
6. Develop rules by which interactions will occur with supranational bodies.