



Turning the Corner: From Debate to Action

Presentation to the Standing Committee on Finance Pre-Budget Consultations

October 22, 2002

EXECUTIVE SUMMARY

Canadians are deeply concerned about their health care system. They worry about situations such as whether they will have access to diagnostic testing when they need it or whether they can get a family physician if they move to a new community. This is not what was envisioned when Canada embarked upon a universal public health care system in 1966. Over the past two years an unprecedented number of reports and commissions have been examining what can and must be done to ensure the long-term sustainability of the system. But Canadians are growing impatient. The time for studying the issues is quickly passing. They are counting on governments, to listen to the reports and then act upon them quickly – turning the corner from debate to action.

This year's submission from the CMA to the Standing Committee on Finance focuses on the need for action in the short and longer terms by identifying strategic investments that will ensure a strong health care *system* that is securely supported by a dependable and comprehensive public health infrastructure as its foundation. Hand in hand with new financing, the CMA firmly believes that additional financing must be accompanied by updated governance structures, including a Canadian Health Charter and a Canadian Health Commission that can inject real accountability into the system.

The CMA believes that the federal government has responsibility, alongside the provinces and territories, to increase its financial support of Canada's health care system. Only by increasing funding and identifying clearly the amount allocated to health will the federal government be able to regain its position as an equal player with the provinces.

In our submission to the Commission on the Future of Health Care in Canada, the CMA recommended that the federal contribution to the public health care system be locked in for a 5-year period. We indicated that the longer-term goal would be for the federal contribution to rise to 50% of total spending for core services over time as new and improved services and technologies products became available. We also said that it should be tied to a built-in GDP-growth escalator once that target is reached. To be specific, in order to raise funding to the 50% target level the CMA recommends that funding for new services and technologies be introduced on a 50/50 cost-sharing basis. This would encourage provinces and territories to become early adopters of new technology and help to update the basket of core services available to Canadians.

For illustration purposes the CMA recommends an initial investment of \$16 billion over the first five years starting in 2003/04 with the majority of that funding weighted towards the back-end of the five-year period. This investment would take us partway (45 federal/55 provincial cost sharing) towards reaching our goal of 50/50 cost sharing.

To further support funding for health care across the country, a buffer is needed to protect provincial and territorial health care budgets from the ebbs and flows of the economic cycle. This could be done, for example, by renewing the Fiscal Stabilisation Program or removing the cap on the current Equalisation program.

In conjunction with the longer-term financing needs of Canada's health care system, there are some urgent objectives that cannot wait for governments to finalise and implement their plan. The pressing nature of these issues warrants the use of one-time, targeted, special-purpose transfers in the areas of health human resources supply and training; capital infrastructure; and health information technology.

Finally, last year, our submission reflected Canadians' concerns following the September 11, 2001 events in the United States. It highlighted people's anxiety about security in our country, the safety of our airlines and the vulnerability of our public health infrastructure and health care systems to potential threats. We believe that this work has not been completed and there is ongoing need to support public health as a priority for Canada's health care system particularly in the areas of emergency preparedness, childhood immunisation and a national drug strategy.

Reform of Canada's health care system is a formidable task. It involves the participation and agreement of all levels of government as well as providers, other stakeholders and ultimately the acceptance of the end-users, Canadians. The CMA looks forward eagerly to the Romanow Commission's recommendations and those of the Senate Committee. We will be watching carefully over the coming months on behalf of Canadian physicians, and our patients, to ensure that these discussions result in a timely, action-oriented response and that involvement of the community of providers is early, ongoing and meaningful. Canadian physicians are ready to do our part, all we ask is for the opportunity.