Provinces can finance services in any manner they wish, but the Act contains a proviso the intent of which is that no insured person shall be impeded in obtaining, or precluded from, reasonable access to insured services as a consequence of direct charges associated with the services received. The significance of this requirement is that extra charges, if imposed, must be not more than nominal. A province may adopt any method it wishes of paying the providers of services, subject only to the proviso that the tariffs of authorized payments are on a basis that assures reasonable compensation for the services rendered.

The formula for calculating federal contributions to the cost of provincial plans is such that provinces with relatively low *per capita* costs are assisted by something more than half their provincial costs. In general terms, the federal contribution to a participating province is an amount equal to (a) 50 per cent of the *per capita* cost for the year of all insured services in all participating provinces, (b) multiplied by the number of insured persons in each province respectively. The Federal Government makes no contribution to administration costs incurred by the provinces.

Provincial medical-care plans

Before the establishment of government-administered medical insurance in most provinces over the last few years, prepayment arrangements to cover the cost of physicians' services, mainly voluntary as regards enrolment, had developed rapidly in both the public and private sectors.

By the end of 1968, basic medical or surgical coverage, or both, were being provided to about 17.2 million Canadians, representing 82 per cent of the total population. Of these, the voluntary plans operating purely in the private sector provided coverage for about 10.9 million persons, or 52 per cent, and public plans of various kinds covered 6.3 million persons, or 30 per cent.

By early 1972, with public medical-care programs implemented in all ten provinces and the two sparsely-settled northern territories, insurance for physicians' services covered virtually the entire eligible population, or slightly over 21.7 million persons.

The four criteria for acceptability set out in the federal legislation leave each province with substantial flexibility in determining the administrative arrangements for the operation of its medical-care insurance plan and in choosing the way in which its plan is financed -- e.g., through premiums, sales tax, other provincial revenues or by a combination of methods.

In addition to the comprehensive physicians' services that must be provided as insured benefits by participating provinces, most plans also make provision for other health-care benefits that are part of the basic contract but towards the cost of which the Federal Government does not contribute. Refraction services by optometrists are included in the majority of provincial plans. A restricted volume of services provided by such