

Adjournment Debate

Minister of National Health and Welfare (Miss Bégin), asking her to intercede with the minister of health of Ontario.

We are faced today with increased costs for health care. Both as a general practitioner from a working man's area in Toronto and as the federal member of parliament for Parkdale, I have been concerned about health services and health costs and I, along with my colleagues in this House in previous parliaments, have promoted health insurance. In 1957 we passed the Hospital Insurance and Diagnostic Services Act and in 1966 the Medical Care Act. In both of those measures the federal government entered a contract with the provinces to pay 50 per cent of the costs of hospitalization and medical insurance.

● (2202)

The people of Ontario were stunned a couple of weeks ago by the budget announcement that, effective May 1, 1978, OHIP premiums will be increased by 37.5 per cent. This excessive increase of health care premiums raises not only the cost of living above the AIB guideline of 6 per cent but is also a tax which is inequitable. Moreover, this increased premium comes at a time when hospitals are being forced to reduce their services because of cuts in the financial assistance provided by the provincial government.

An extra \$271 million is expected to be raised to meet health costs in Ontario, but there is neither a guarantee nor a promise of improved service. Rather, there is the prospect of decreased service. The resultant huge premium will make health costs for Ontarians the highest contribution in Canada.

The fairest manner to obtain the money for health costs, I believe, would be taxes based on the ability of people to pay; or better, by cutting the fat and frills from various government programs. Six other provinces in Canada have eliminated health premiums completely and finance health costs with general revenues, claiming that there are fairer ways to get the money for such a need. In the remaining provinces, excluding Ontario, where premiums or their equivalent are in force, a much lower proportion of the total cost of health care is financed by them. In Ontario, however, we learn that it will be 34 per cent, whereas in Quebec the figure is 13 per cent and in Alberta only 10 per cent. It appears that Ontario has adopted an unfair and regressive policy. Why not divert some Ontario lottery funds to help meet the health costs of the people of Ontario?

This is not the time to raise taxes or premiums. It is, rather, the time for tax cuts and economic stimulation to ease unemployment, a duty of all provincial governments. We can endure a tax increase on alcohol, cigarettes or both because we can do without them, but we cannot do without health care or hospitalization when such are needed.

Since federal and provincial governments share responsibility for dealing with health matters in Canada, a formal structure has been established for federal-provincial collaboration and co-operation. The Government of Canada, as I mentioned, contributes approximately 50 per cent of the shareable cost of health and hospital services for the people of Canada. I

[Mr. Haidasz.]

therefore believe that the Minister of National Health and Welfare has a role to play in seeing that we not only have a good standard of health care from coast to coast, but also that the cost of that health care is kept within reasonable bounds. That is why I appeal this evening to the minister, through her parliamentary secretary, to do whatever she can to intercede before the minister of health of Ontario and the Ontario treasurer on behalf of the people of Ontario, who are faced with this 37.5 per cent increase in OHIP premiums.

Mr. W. Kenneth Robinson (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, I am pleased indeed to have this opportunity to respond to my friend, the hon. member for Parkdale (Mr. Haidasz), and to comment on the 37.5 per cent increase in OHIP premiums which was announced in the recent Ontario budget.

I believe it is important to put the Ontario budget decision to increase OHIP premiums into the proper perspective. The decision is far more closely related to revenue policy and budget policy than it is to health policy. It is, quite simply, a choice of the Ontario government that raising OHIP premiums is preferable to increasing taxes or allowing an increase in the Ontario deficit level.

● (2207)

The OHIP premium system is, in fact, a form of taxation. It has very little to do with the actual utilization of the health care system. A premium system, like a sales tax, is regressive in nature since for most of the population it does not consider the ability to pay for the family or individual subscriber. Indeed, with a premium of the size introduced in the Ontario budget, the percentage of a family's income devoted to paying OHIP premiums can be substantial. For example, for a family head with gross income of \$10,000, who pays the full premium himself, over 5 per cent of his income will be devoted to the OHIP premium tax. This percentage decreases with increasing family income since the premium is the same for everyone. The only exceptions to this are the elderly, who are exempted irrespective of their ability to pay the premium, and the low-income, who receive premium assistance or waiver of premium.

As well, it would be interesting to know how much money is being spent by the Ontario government on the collection of premiums, since it must have a separate administrative mechanism for this task, independent of its participation in the personal income tax system administered by the federal government on its behalf.

However, Mr. Speaker, I wish to point out that if Ontario increases its OHIP premiums, it is not because of a decrease in federal contributions to the province. In fact, the federal contributions to Ontario for fiscal year 1978-79 will increase by \$250 million, covering 90 per cent of the expected increase of \$276 million in total health expenditures in Ontario. This illustrates that the federal government tries to avoid as much as possible the need to increase substantially the direct cost of health to people.