

HEALTH AND WELFARE

MEDICARE—AUTHORIZATION OF CONTRIBUTIONS TOWARD COST OF INSURED MEDICAL CARE

The house resumed, from Wednesday, October 19, consideration of the motion of Mr. MacEachen for the second reading of Bill No. C-227, to authorize the payment of contributions by Canada toward the cost of insured medical care services incurred by provinces pursuant to provincial medical care insurance plans, and the amendment thereto of Mr. Rynard.

Mr. Ed. Schreyer (Springfield): Mr. Speaker, the government has suggested as an ostensible reason for delaying medicare that it would add to the fire of inflation. This is really tantamount to saying that the lower income groups shall be called upon to fight inflation by being denied an essential service provided through a transfer payment program so that those in higher income brackets will be taxed less heavily, leaving them more net income, presumably for individual consumption. I would ask spokesmen for the government if this is really a sound or rational economic argument. Is expenditure by individuals with higher incomes on consumption, goods and services any less inflationary? I submit it is more inflationary than an expenditure by government through transfer payments, etc., to finance medical care service would be.

Just before the house rose at six o'clock yesterday I was about to deal with what I consider to be a retreat by the government from two of the four fundamental principles enunciated by the Minister of National Health and Welfare (Mr. MacEachen) and his colleagues in months past. It seems to me that the government has backed out of its marriage to the principle of public agency sponsorship of medicare within the provinces.

I have before me certain speeches made by the minister in which he re-asserts again and again that one of the criteria which the provinces must meet, if they are to be eligible for the federal contribution, is that the administration of medicare within the provinces must be on a public basis. I think it is generally accepted now that the administrative costs are much lower when such a program is administered on a public agency basis.

Data have been placed before us which indicate that in the province of Saskatchewan the administrative cost is in the order of 5 per cent of the total cost of the plan. It is also generally known that where private agencies

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are allowed to become involved in the administration of a health plan, administrative costs can surge up to 15 per cent, 20 per cent or 25 per cent of the total cost.

Therefore it does not make much sense to compromise in this legislation and allow diverse kinds of administration which will mean a reduction in the value received by the taxpayer for his dollar. As I interpret the provisions of this bill with respect to administration, it may well be that private corporation profit-type carriers will be allowed to become part of the administration of the plan in the provinces. I certainly hope I am wrong in my interpretation, and I would like the minister to deal with this point when he speaks later in the debate.

Another basic principle which has been enunciated by the government in past months, and particularly by the Minister of National Health and Welfare, is that in order to qualify for the federal contribution provinces must introduce health plans that respect the principle of universal coverage. Of course it may be argued that of necessity the government had to become more conciliatory and had to compromise in this regard in order to induce some of the provinces to enter the plan after the legislation is passed.

The bill provides that 90 per cent coverage shall be deemed to be universal coverage and that in a couple of years it is to rise to 95 per cent. I am somewhat disappointed with this provision, but in all frankness I must say I do not regard it as being as much of a retreat as the other. I do not regard it as being a great retreat because I shudder to think what the government may have been on the verge of doing, accepting existing provincial health plans as operated in the provinces of British Columbia, Alberta, Manitoba and Ontario under which I understand not much more than 60 per cent to 62 per cent of the population is covered.

It is often said that the plans in these provinces are working out quite well, but when speaking in the debate on this bill a couple of days ago my colleague from Winnipeg North was able to quote research material showing that the criteria for some of these voluntary plans, specifically in Manitoba, are such as to exclude not only many people in what we would regard as the low income group but also many people who are receiving social allowances, old age assistance or benefits from other related programs. Therefore I think that the government, while making a mistake in retreating somewhat