

would be required to provide. In order for a province to receive from the federal Government a contribution for medical care, the provincial government would be required to provide to all residents insurance for the costs of physicians' services, both general practitioners and specialists. As I have indicated, the Government recognized these services did not in themselves comprise a complete health insurance program, and it was intimated at that time by the Prime Minister that additional services would be included subsequently when there was a consensus as to extensions.

In its present form, therefore, the Medical Care bill encompasses all physicians' services as a prerequisite for federal contributions and, in addition, the statute empowers the Governor in Council, on the recommendation of the Minister of National Health and Welfare, to add additional health services. This new flexibility will have the effect of giving a statutory basis to what may become, in the course of time, a broad program under which all personal health services will be insured.

Honourable senators, I would now like to discuss briefly the different provisions of the bill, copies of which I understand have already been distributed in this house. I purposely make it rather brief because, outside of referring to one or two sections as we go along, I am enunciating the basic principles.

The essential feature of Bill C-227 is its simplicity. The purpose of the bill is to permit Canada to make contributions to provinces which mount a medical care scheme adhering to four basic principles. Apart from stating these principles, the bill does not attempt to dictate to provinces any detail with respect to a provincial plan.

As I said before, in July 1965 the Prime Minister announced the willingness of the federal Government to make contributions of this kind. Further details were elaborated at a meeting of provincial Ministers of Health in September 1965, and again in January 1966. Generally speaking, no province objected to the principles, although I must admit some provinces had some objections to some of them, or parts of some of them.

The federal Government is stating that in order to qualify for federal contributions a provincial plan must, first, be universal. That is, it must cover all the population of a province. In recognition of the practical difficulties of covering all of the population of a province which chooses to raise its share of cost by a voluntary premium system, the

federal Government has agreed that for its purposes coverage of 90 per cent of the population at the outset of the plan will be considered satisfactory. Second, a provincial plan must be comprehensive in that it provides, as a minimum, for the payment of services by physicians and surgeons. Third, a provincial plan must be publicly administered. Fourth, a provincial plan must be transferable from province to province.

The extent of the contribution offered by the federal Government is one-half of the average national per capita cost of services provided by physicians and surgeons.

There is nothing in the bill to prevent any province from offering more extensive benefits to its citizens under the provincial plan. Indeed, the federal Government would be very pleased if such were the case. However, the federal Government has said that as a minimum a provincial plan must provide for physicians' services, and the federal contribution at the moment is limited to one-half the cost of these services. At a later date, and if there is consensus among the provinces as to the desirability of extending benefits, the federal Government will be quite prepared to give consideration to increasing its contribution appropriately.

Clause 2 of the bill contains the interpretation of the terms used elsewhere in the bill.

Clause 3 is the authority for the federal Government to make contributions.

Clause 4(1) sets out the four principles I have already mentioned, but some detailed explanation may be useful. With respect to public administration, there is no doubt that administratively the most simple procedure in a province would be to have a plan operated by a department of the provincial government. Such action, however, fails to take into consideration the existence of many non-profit or co-operative plans which are now in operation and which some provinces may wish to retain. The bill before us, therefore, allows provinces to appoint agents to carry out part of the administrative duties in respect to a provincial plan, provided these agents are non-profit in nature, are subject to public audit, and are responsible to the provincial government. The province is required, however, under its law to set up a provincial authority which will have the responsibility of assessing accounts rendered for payment, and for determining the amounts to be paid. It is the desire