

Medical Care Act

assume some responsibility for these programs. I ask, when is this to happen?

Negotiations on new methods of cost-sharing have been under way for years. In 1971, the Department of National Health and Welfare proposed a new arrangement for sharing medical and hospital expenses. Basically the proposal was that the federal contribution would be based on the amount payable in a base year, and increased according to percentage changes in the gross national product on a per capita basis. A joint study by the provinces showed that most would experience a serious shortfall in revenues under this proposal and subsequent modifications.

In January, 1975, the federal government again tried to obtain agreement on a new formula for cost-sharing. None was reached. Instead, at the urging of the provinces, a committee was established to study the inclusion of other health services under cost sharing. The work of this committee was sabotaged by the June budget and the limits placed on federal contributions in Bill C-68.

The provinces boycotted a proposed meeting of federal and provincial officials in Victoria, in August. I understand that the minister toured the provinces in September, in hopes of getting the provincial ministers back to the negotiating table in January or February. The minister recently told us that there is to be a federal-provincial conference in April, but did not say what would be discussed. I want his assurance that he will discuss a plan to replace the cost-sharing agreement affecting hospitals and as cost-sharing arrangements for programs at present borne entirely by the provinces.

Why is this legislation necessary if medical service costs and doctors' fees are major items of cost? Is the government not confident with its own anti-inflation policies? I understand that the Manitoba Medical Association agreed to keep fee increases within guideline limits, on the assumption other medical costs would be effectively restrained. I understand that the minister said the government would take into account provincial legislation to enforce the wearing of automobile seatbelts, which would minimize the number of injuries, and other, similar cost saving measures. I think Manitoba and Ontario have already enacted seatbelt legislation. How will that change the minister's plans?

Clearly it is desirable to cut costs where possible. But there is a danger of cutting them at the wrong places, at the expense of the old, the ill, and others who need medical and special preventive services access to which should be a matter of right.

I submit that this legislation is backward, regressive, and turns away from sound principles which the federal government and the Liberal party adopted. I hope parliament will review it at a serious conference with the provinces, after which a better scheme could be worked out.

It is not my job at this stage to discuss savings which can be made in federal expenditures. I am firmly convinced that savings which deprive Canadians of the best health services available are false economy, wrong, and often cruel. I therefore urge parliament to reject this measure.

Mr. Ross Milne (Peel-Dufferin-Simcoe): Madam Speaker, may I reply to an argument raised by several hon. members opposite, particularly by the previous speaker,

that this bill represents an arbitrary, unilateral decision by the federal government, a decision reached without consultation with the provinces.

I submit that negotiations regarding the revision of health insurance legislation and federal-provincial cost-sharing have been going on with the provinces more or less continuously for about five years, since 1970.

The provinces have been long aware that the federal government deemed it necessary to place some sort of restriction on the open-endedness of our health program. Indeed a number of provinces indicated that they were in favour of such a course, as they had found it difficult to meet their part of their financial obligations. This became increasingly evident during the last two years when, as mentioned, costs of hospital insurance rose almost 45 per cent over the previous level. The urgent economic situation which led to many stringent measures in the June budget and which, incidentally, had an impact far beyond the health field, forced the federal government to take action at that point in time. It is true that the provinces were not apprised of the specific budget measures prior to their announcement in this House but, as hon. members know full well, it is customary not to divulge specific budget provisions prior to their presentation in the House of Commons.

There were two measures in the budget which had to do with our health insurance programs. The first gave five years notice of the federal government's intention to terminate existing agreements under the Hospital Insurance and Diagnostic Services Act after the conclusion of the five-year notice period, in 1980. The second placed a ceiling on the rate of escalation of the medical care program which would be accepted for sharing purposes during the next several years. I stress that the measure placed a ceiling on the rate of escalation. It constitutes neither a cutting back nor a freezing of the program. It seeks to control the rate of escalation of costs incurred in the medical care program.

I am sure most provincial ministers were not surprised at the serving of notice under the Hospital Insurance and Diagnostic Services Act. It had become apparent from discussions of the last several years that this program could not remain open-ended. Indeed several provinces had suggested possible approaches to capping it. It must be noted, however, that the Hospital Insurance and Diagnostic Services Act and regulations can only be changed by mutual agreement, and any one province could block the incorporation of changes favoured by the remainder.

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Although theoretically the present agreements could be amended without notice being served, it would be unrealistic to expect unanimous consent by the federal and provincial governments. With notice served on the present agreements, an up-to-date act, taking into account all the tremendous changes which have occurred in the health care picture in Canada during the 23 years that will then have intervened between the passage of the act and its replacement, will certainly follow.

There was really very little reaction from the provinces about serving notice under the Hospital Insurance Act. No question. There was a rather stronger reaction to the announcement of the ceilings on the Medical Care Act, but