

*Medicare*

It will be recalled that in my statement introducing the resolution I outlined briefly the manner in which changing times and conditions were reflected in the varying methods by which federal assistance has been made over the years to provincial programs in the health field. I showed the changing patterns reflected in such programs as the health grants, hospital insurance and that set out in the present bill.

Members will also recall that I discussed the four principles which had been put to the provinces last year by the Prime Minister (Mr. Pearson) when he described the federal proposal in relation to medical care programs. These four principles, it will be noted, have been incorporated in the present bill. I would particularly draw the attention of members to the added flexibility which has been incorporated in the principles concerning universal coverage and public administration. This has been done without eroding the purpose for which these principles were set out.

The question of universal coverage is one which may raise some problem only in provinces choosing to finance the provincial share of costs through a premium system, as I pointed out in my introductory remarks during the debate on the resolution. During discussions with my colleagues, the provincial ministers of health, certain questions were raised about possible difficulties which provinces using premiums might have achieving optimum coverage in the initial period. For this reason, a more flexible approach has been built into the legislation. It provides that in the initial stages of the program a plan will be considered to be universal if the number of residents covered by a provincial plan are not less than 90 per cent of all insurable residents of the province. This percentage would apply for the first two years, after which the percentage would be expected to reach 95 per cent.

Other questions raised by provincial governments related to the principle of public administration of the program. Here, too, it will be noted that flexibility has been built into the bill. The bill requires that a provincial plan must be:

• (3:50 p.m.)

—administered and operated on a non-profit basis by a public authority appointed or designated by the government of the province . . . that is responsible in respect of the administration and operation of the plan to the government of a province for such purpose, and that is subject, in respect of its accounts and financial transactions, to audit by such person as is charged by law with the audit of the accounts of the province.

The bill also makes provision for circumstances in which the province may authorize an agency, such as an insurance carrier, to carry out certain responsibilities on behalf of the provincial government, provided, of course, that the principles relating to public administration, including the non-profit principle, are adhered to. Where such carriers are appointed as agents by the provincial authority, then the carrier may be empowered to receive premiums from subscribers, but such premiums must be remitted by the carrier to the provincial authority.

Similarly, the carrier may be empowered to receive accounts with respect to insured services from doctors or from patients, but in these circumstances these accounts must also be passed on to the provincial authority. The assessment and the approval for payments of such accounts remain the responsibility of the provincial authority.

As in the case of hospital insurance, it is probable that different provinces will administer their public medical care programs in different ways, depending upon their own philosophy and particular circumstances. The federal law has been drawn up in such a way as to make such differences possible while at the same time ensuring the ready availability to all residents of all provinces of medical care services administered without charge by a body directly answerable to the provincial legislature. Thus, the responsibilities of the provincial authority in relation to administration are set out in the bill.

Members will have noted that the bill describes insured services as meaning "all services rendered by medical practitioners that are medically required". This provision carries out another basic principle enunciated by the Prime Minister when he originally announced the government's medical care proposals. I would like to restate the position taken at that time by the Prime Minister with regard to the scope of benefits.

He said that the federal government's contribution initially would be based on the costs of physicians' services. He said that there would be nothing to prevent provinces providing additional benefits, either at first or later, and he agreed, and I quote his words as follows:

—if there is a consensus on the timing of further stages, the federal government will consider enlarging appropriately, and in due course, the scope of the services to which it contributes.

It was with the cost of physicians' services in mind that the section in the bill dealing