



Bulletin

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HEALTH COSTS AND HOSPITAL INSURANCE

During the recent Conference of Canadian Ministers of Health held in Ottawa, attention was given to the rise in health costs, in particular the increased expense of hospital insurance. After discussion, the Conference, under the chairmanship of Mr. John Munro, federal Minister of National Health and Welfare, recommended that a committee be set up consisting of representatives of the federal and each of the provincial governments, and that its task be "by discussion and pooling of information, to advise the Conference of Canadian Ministers of Health on ways and means by which the cost of operating health services could be maintained at a reasonable level". "The recommendations of this committee," it was agreed, "would not be binding on any government. The committee's recommendations whether adopted by the provinces or not, would not in any way affect the formula of financial participation by the Federal Government."

MEDICARE

Several provinces indicated their concern that, although the Federal Government was urging them to participate in the Medical Care Programme, it was, apparently, simultaneously doing its best to withdraw from this and other joint programmes, and thus leaving them in the lurch. Some provinces also objected to the federal policy (also followed in the Hospital Insurance Programme) of not counting utilization fees paid by residents of a province in computing the national average *per capita* cost and thus penalizing other provinces which do not impose these fees. This is a requirement of the Act, and is not a matter of interpretation.

The Federal Government restated its intention of proceeding with the Medical Care Programme. No

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change in the Act or in the interpretation of it was envisaged.

On the question of broadening the base of the benefit coverage, as permitted under Section 4 (3) of the Act, it was confirmed that the Federal Government would not consider further extension of benefits until the intentions of all the provinces regarding participation in the Medical Care Programme had been made clear.

HEALTH GRANTS

The Federal Government announced its intention to phase-out certain parts of the General Health Grants Programme over a three-year period. The grants were begun in 1948, with the purpose of initiating and extending various health programmes in the provinces. The federal intention of phasing-out is based on the fact that the objects of the programme have largely been attained. It was stated that the Government intended to continue the Public Health Grants to provide direct financial support for projects of national interest carried out by a number of agencies, including provincial health departments, national and provincial health agencies and voluntary health organizations.

The provinces expressed their strong displeasure at this phased withdrawal, stating that they firmly believed the purpose of the grants was to aid continuing programmes of health protection in the provinces.

It was agreed that there would be consultation with the provinces before any funds were allocated to other than provincial health departments under the proposed new National Grants Programme.