



REFERENCE PAPERS

INFORMATION DIVISION
DEPARTMENT OF EXTERNAL AFFAIRS
OTTAWA - CANADA

No. 94

(Revised January 1964)

HEALTH AND WELFARE IN CANADA

PART I - HEALTH SERVICES

Medical and hospital care are provided largely through the private physician and community-owned or voluntary hospital; supporting public-health services are a provincial responsibility, sometimes delegated to the municipality. All provinces and territories operate hospital insurance and diagnostic services under a federal-provincial programme, and preventive and other supporting services are well established in most areas of the provinces. Health services for immigrants who are in need during their first year in Canada are provided by the Federal Government, or by the provinces under a federal-provincial cost-sharing agreement.

Organization of Services

The Federal Government administers certain programmes and provides assistance and advisory consultative services to provincial health departments. The Department of National Health and Welfare is mainly responsible for federal participation in health matters. It controls food and drugs, including narcotics, administers quarantine and immigration medical services, carries out international health obligations, and provides health services to Indians, Eskimos, sick mariners and other groups. It serves the provinces in an advisory and co-ordinating capacity and makes grants to certain national voluntary agencies. In addition, it provides financial assistance for the development of provincial health and hospital services through the National Health Grant Programme, and for provincial hospital-insurance programmes through the Hospital Insurance and Diagnostic Services Act, under which the Federal Government shares approximately half the cost of hospital care, excluding care in tuberculosis and mental and custodial-care institutions, which is the responsibility of the province. Treatment services for persons coming under their jurisdiction are administered by the Departments of Veterans Affairs and of National Defence. The Dominion Bureau of Statistics compiles health statistics, the National Research Council, the Defence Research Board and the Department of National Health and Welfare make grants in support of medical research and professional training, and the Department of Agriculture has certain health responsibilities connected with food production.

Hospital Insurance

Services Provided: Under the federal-provincial Hospital Insurance and Diagnostic Services Programme, all provinces and territories make available, on a pre-payment or tax-financed basis, to all persons within their boundaries, standard ward accommodation and the services ordinarily supplied by a hospital, including meals, nursing, laboratories, radiological and other diagnostic procedures, and drugs. Care in mental and tuberculosis institutions is not included in the provincial programme, except in Ontario and Prince Edward Island, but is provided under separate legislation.

There is considerable variation among provinces, however, in the out-patient services covered by the Programme. Saskatchewan covers all emergency services as a result of injury plus all follow-up services (the hospitals are paid \$5 for each such visit); all tissue services (also at \$5 a submission); all radiological and laboratory procedures and physiotherapy services where facilities and personnel are available; and all surgical and anaesthetic procedures (the non-medical component is covered under separate medical-care legislation). The four Atlantic Provinces provide comprehensive out-patient benefits involving laboratory and radiological diagnostic procedures and interpretations (all types in Newfoundland, and specified types in Nova Scotia, New Brunswick, and Prince Edward Island); use of radiotherapy and physiotherapy facilities (except for exclusion of radiotherapy facilities in New Brunswick); and emergency out-patient care including staff services, use of facilities and drugs (except in Newfoundland). Elsewhere, diagnostic services other than those required for emergency out-patient care are excluded, with the exception of diagnosis for minor surgical procedures in Manitoba. Emergency out-patient care following an accident is a benefit in British Columbia (on payment of a \$2 co-insurance charge), Manitoba, Quebec, Ontario, the Yukon, and the Northwest Territories. Manitoba and Quebec also include out-patient services for minor surgical procedures, and electro-shock therapy. In Quebec out-patient services include also psychiatric day care and night care in specified hospitals, as well as insulin therapy. Alberta is the only province without any out-patient benefits generally available, though for the specific group of provincial public-assistance recipients Alberta provides one of the most comprehensive ranges of out-patient benefits in Canada.

Coverage: Each province makes insured services available to all its residents on uniform terms and conditions, and without exclusion on grounds of age, income or pre-existing conditions. Residents of the province are defined in the federal regulations as persons legally entitled to remain in Canada who make their home and are ordinarily present in the province; tourists, transients or visitors to the province are specifically excluded.

Residence: Although no specified period of residence is required, there are waiting periods for benefits not exceeding three months in some provinces. Insured persons resident in one province who move to another have continuing coverage on change of residence by remaining residents of the province from which they have moved during any waiting period required in the one to which they move.

Financing: Methods by which provincial authorities obtain revenue for financing differ among the provinces. The premium method is used in Saskatchewan, Manitoba and Ontario. The annual premium in Saskatchewan, or hospitalization tax as it is called, is, for 1964, \$20 for single persons and \$40 for families. The hospitalization tax is augmented by general revenue. The Manitoba premium is \$24 a year for single persons and \$48 for families, and these funds are augmented from general revenue. The Ontario monthly premium is \$2.10 for single persons and \$4.20 for families; there is a compulsory payroll-deduction clause applying to establishments of 15 or more employees, while for others coverage is voluntary.

Newfoundland, Quebec, Prince Edward Island, New Brunswick, Alberta, and British Columbia finance their share of costs out of general revenue. In Nova Scotia, there is a five percent hospital tax (on sales).

Only two provinces levy charges directly on patients for insured services. These deterrent or co-insurance charges are related to in-patient services in British Columbia, where a charge of \$1.00 a day for hospital care is imposed, and in Alberta, where the charge varies between \$1.50 and \$2.00 a day (\$1.00 a day for a newborn child), depending on the category of the hospital.

Other Provincial Health Programmes

In addition to the hospital insurance and diagnostic services programme, other services provided include:

Newfoundland: All children in Newfoundland under 16 years of age receive free physicians' services in hospital at provincial expense under the Children's Health Service. Medical care, nursing, and preventive health services are also available on a prepaid basis in outlying areas through the provincially-operated Cottage Hospital Medical Plan. Medical care at provincial expense can be obtained by an indigent person from any doctor in Newfoundland outside St. John's. In St. John's, medical care is provided through the city welfare department.

Prince Edward Island: The costs of necessary medical care to indigent patients in provincial institutions are met by the province. Medically indigent persons outside these institutions may receive care at local discretion. Under the dental public-health programme, free dental treatment is supplied for specified groups of children. The province pays the cost of hospital care for indigent patients in the Falconwood Mental Hospital, the Provincial Infirmary and the Provincial Sanatorium.

Nova Scotia: Persons suffering from pulmonary tuberculosis may obtain treatment free of charge in provincial sanatoria and tuberculosis units of general hospitals. Free treatment for the mentally ill is provided at the Nova Scotia Mental Hospital. Mobile dental clinics provide free treatment to rural school children under 13 years of age. Medical and surgical care, including minor surgical procedures in home, office, and, with certain limitations, in hospital, and defined optical care are provided at provincial expense for mothers' allowance recipients and their dependants (including disabled husbands) and blindness allowance recipients, through a programme administered by Maritime Medical Care (a physician-sponsored voluntary and non-profit medical-care insurance agency).

New Brunswick: Necessary medical, dental, and other health-care services are available at local discretion for any indigent resident through private arrangement between the doctor or other person giving service and the municipality where the patient resides.

Quebec: Many health activities are delegated to voluntary religious and lay organizations. Medical and other health services are available to indigent persons through a wide variety of dispensaries and clinics. A nominal charge may be made, but in general, costs of care are borne by the agency providing the service, although this agency may be in turn supported by public funds. In all areas without such facilities, service may be given by the local doctor or dentist or other person providing service through private arrangement with the patient or with his municipality.

Ontario: Medical and surgical services in home or office, certain diagnostic services, minor surgical procedures, refractions, and emergency drug and dental services, are provided under the provincially-operated Medical Welfare Plan for all public-assistance recipients, including dependants of recipients of mothers' allowances and unemployment relief. Physicians and surgeons are expected to provide their services for indigent hospital patients without charge, or must make private financial arrangements with the municipal authority in the patient's place of residence.

Under an agreement between the Department of Public Welfare and the Royal College of Dental Surgeons of Ontario, basic dental care has been provided to all dependent children, under 16 years of age, of mothers' allowance recipients. Basic dental care covers fillings, extractions, necessary X-rays and prophylaxes.

During 1963 public hearings began on a bill, similar to legislation passed in Alberta (see below), which would provide for government regulation to ensure that all residents may be able to enrol voluntarily in private insurance plans. These plans were to be non-cancellable by the insuring agency and premium rates could not exceed approved maxima. Provision was to be made for government subsidization for self-supporting families who could demonstrate on a means test that they could not afford the full premium levy, and there was to be provision for full payment of the premium for indigent persons and families.

Manitoba: Persons suffering from pulmonary and non-pulmonary tuberculosis receive free treatment services. Patients in mental hospitals who can afford to pay may be charged a portion of the costs of care. The Cancer Relief and Research Institute provides a free cancer biopsy service and diagnostic services to indigent rural residents and radium and X-ray treatment services are available without charge to all rural residents. A nominal charge is made for these latter services to the residents of Greater Winnipeg. Extensive rehabilitation facilities are also available for physically-handicapped children and adults.

In 1960, Manitoba broadened its programme of provincial social assistance to include a comprehensive programme of health care for cases of need among the aged and infirm, including those in nursing homes or institutions, the blind, the physically or mentally disabled, mothers with custody of dependent children and neglected children. Services provided include physicians' services in home and office, optical and dental care, essential drugs, remedial care and treatment including physiotherapy, emergency transportation, and chiropractic treatment. Medical and surgical care at hospital is expected to be provided without charge, i.e. by staff physicians, and by private arrangement with the municipal authority in the patient's place of residence.

In 12 "municipal-doctor plan" areas of Manitoba, with a total population of about 30,000, indigents receive medical care under the same pre-payment arrangements that apply to other residents of these areas, except that the indigents are relieved of the personal levies made in the form of premiums and property tax, which are assumed by the municipality. In other areas, treatment services for indigent persons not covered in the 1960 provincial programs may be provided at local discretion under a fee-for-service arrangement between the doctor and the municipality concerned.

Saskatchewan: Free services provided include diagnosis and treatment for mental illness and care for mentally-defective persons and for persons suffering from tuberculosis. Diagnostic and treatment services are available for cancer and polio patients, and rehabilitation services for physically-disabled children and adults.

Since July 1, 1962, the province has operated a medical care insurance programme. All residents not already included in other federal or provincial programmes are covered on payment of premiums. These were \$12 an adult a year and \$24 a family for 1963, and were reduced to \$6 and \$12 for 1964. The balance of the cost of paying for physicians' services (in home, office and hospital without limit if medically required) is met from general provincial revenues. Patients have free choice of physician, and physicians free choice of patient, and medical services are provided and paid for on a fee-per-item-of-service basis representing 85 per cent of the minimum tariffs of the provincial medical association. Patients may be billed the remaining 15 per cent unless the billing is through an approved voluntary agency or the government administering agency. In these instances, the physicians accept the 85 per cent as payment in full.

Complete medical, dental, nursing, chiropody and optical services, and most drugs in general use, are provided at provincial expense to persons on continuing public assistance, including heads of households and their dependants entitled to receive provincial allowances supplementary to old-age security and blindness allowance, and recipients of aid to dependent families (formerly identified as mothers' allowance). Other persons receiving provincial assistance on a casual basis are eligible for the same range of services. These persons include wards, all inmates, residents in unorganized areas, and immigrants. The range of services for all indigents under these provincial programmes is broader than under the medical-care legislation. Persons who are wards of the province, though not formally identified long-term beneficiaries, are frequently provided with care on a continuing basis. Other indigent persons receive necessary medical care at municipal discretion, usually because they are eligible by virtue of the municipality paying the medical-care premium on their behalf.

Alberta: Medical and surgical services in home, office and hospital, and certain optical, dental and other services, are provided under the "health-service" plan sponsored by the province for recipients of the following public assistance benefits, and their dependants: old-age security (supplemental) allowance, old-age assistance, mothers' allowance, disabled persons' allowance, blindness allowance, and widows' allowance. Early in 1958, responsibility for health service for child wards of such persons was also assumed by the province. Physicians' services to recipients of local relief are provided at local discretion.

Persons suffering from pulmonary and non-pulmonary tuberculosis receive free care; patients in mental hospitals who can afford to pay are charged a portion of the costs of care. Free treatment is available to cancer and poliomyelitis patients.

The Alberta Medical Plan, introduced on October 1, 1963, provides for government regulation to ensure that all residents may enrol voluntarily in private insurance plans. These plans must offer policies that are non-cancellable by the agency for all subscribers regardless of age or pre-existing conditions. Premium rates cannot exceed specified maxima. Families earning less than \$500 taxable income a year (e.g., a husband, wife and two children with total income from all sources of about \$2,800) are eligible to have up to 50 per cent of their premiums paid for by the government.

British Columbia: Medical and surgical services in home, office and hospital, dental and optical services, most drugs (on formulary), and surgical appliances are provided by the province through an agency of the B.C. Division of the Canadian Medical Association, the Social Assistance Medical Services. The following public-assistance recipients and their dependants are eligible: recipients of old-age security (supplemental) allowances, blindness and mothers' allowances, old-age assistance, and local and provincial recipients of relief. In addition, child wards of the provincial government and recipients of disabled persons' allowances (exclusive of their dependants) are covered for these services.

The province pays most of the cost of treating mental or tuberculosis patients, though patients able to pay are expected to make some contribution. Extensive cancer services, rehabilitation services for various other diseases and other special programmes are available without charge to indigents.

Municipal Health Services

The larger municipalities provide a range of basic health services, including sanitation, communicable-disease control, child, maternal and school health services, public-health nursing, health education and vital statistics. Services are often administered through local health units or districts, and may be jointly administered and financed in association with provincial health departments.

Voluntary Health Agencies

Voluntary agencies engage in educational work and fund collecting and in the provision of preventive, treatment and rehabilitation services. Those operating on a national basis are generally organized into provincial divisions with headquarters in the capital city of the province. National agencies include the Canadian Public Health Association, the Canadian National Institute for the Blind, the Canadian Tuberculosis Association, the Canadian Arthritis and Rheumatism Society, the National Cancer Institute, the Canadian Mental Health Association, the Canadian Paraplegic Association, the Multiple Sclerosis Society of Canada, the National Heart Foundation, the Canadian Council for Crippled Children and the Canadian Hearing Society. The Canadian Red Cross Society is actively concerned in a number of aspects of health work and operates a blood-plasma bank. The Victorian Order of Nurses and the St. John Ambulance Association provide nursing and emergency services.

Rehabilitation Services

Numerous public and voluntary agencies provide rehabilitation services to assist disabled or chronically-ill persons to greater independence. Provincial health or welfare departments administer vocational rehabilitation programmes for disabled adults who can be restored to gainful employment. Independent programmes are operated for war veterans, injured workmen, handicapped children and for persons handicapped by blindness, tuberculosis, mental illness, paraplegia and other conditions. In addition, special services established in the main cities include medical-rehabilitation departments in general hospitals, separate rehabilitation centres, sheltered workshops and vocational centres and special classes and schools for children with physical or mental defects. Several provinces maintain registries of disabled persons or handicapped children to facilitate case-finding, referral and co-ordination of services.

Under the terms of the Vocational Rehabilitation of Disabled Persons Act, 1961, the federal Department of Labour shares equally with nine provinces the costs of co-ordination, assessment and provision of any needed services to disabled persons, and of staff training and research. The provincial co-ordinator or director of rehabilitation is responsible for identifying disabled persons with a vocational potential and to refer them to the appropriate agency for restorative, vocational assessment and training or job-placement services as required. The local offices of the National Employment Service employ special-service officers to place handicapped persons in suitable work.

Other official and voluntary agencies have developed sizeable rehabilitation programmes. Under the National Health Grants Programme, \$2.8 million is allocated to the provinces to extend medical-rehabilitation services, and other grants are used for rehabilitation of the tubercular, mentally ill and deficient, and to improve services for the chronically ill. The Department of Veterans Affairs provides comprehensive medical-social services for disabled or aging veterans, and several federal agencies co-operate to assist disabled Indians and Eskimos. Provincial health departments, aided by community agencies, provide rehabilitation services to mental and tuberculosis patients. The principal national voluntary agency in this field, the Canadian Rehabilitation Council for the Disabled, represents the two main provincial groups that provide treatment and ancillary services to handicapped children and adults.

PART II - INCOME MAINTENANCE

Family Allowances: Children under 16 years of age who were born in Canada or have resided here for at least one year are eligible for Family Allowances. The Allowances, which were established in 1945, are paid from general revenue by the Department of National Health and Welfare, involve no means test and are not considered as income for tax purposes. The income-tax exemption allowed for dependent children eligible for Family Allowances is, however, less than that for those not so eligible. Allowances are paid at the monthly rate of \$6 for children under 10 years and \$8 for children 10 to 15 years of age. The Department pays family assistance, at the rates applicable for Family Allowances, for each child under 16 years of age supported by an immigrant who has landed for permanent residence in Canada or by a Canadian returning to Canada to reside permanently. This assistance is paid for a period of one year, until the child is eligible for Family Allowances.

Old Age Security: A pension of \$75 a month is paid by the Federal Government to all persons aged 70 or over who have been resident in Canada at least ten years. It is financed through a 3 percent sales tax, a 3 percent tax on net corporation income and, subject to a maximum limit of \$120 a year, a 4 percent tax on individual net taxable incomes. Pensioners who leave Canada continue to receive their pensions outside the country provided they have had 25 years of residence in Canada since attaining the age of 21.

Supplementary payments are available under provincial social-assistance legislation for those recipients of old-age security who are in need. The amount is determined largely through an individual assessment of need that takes into consideration the recipient's requirements and resources.

Old-Age Assistance: Assistance of up to \$75 a month is paid to needy persons aged 65 to 69 years who have been resident in Canada for at least ten years. The cost of the payments is shared equally by the federal and provincial governments and the programme is administered by the latter. Total annual income, including the assistance, may not exceed \$1,260 for a single person, \$2,220 for a married couple, and \$2,580 for a married couple of whom one is blind.

Supplementary payments are available under provincial social-assistance legislation for those recipients of old-age assistance who are in need. The amount is determined largely through an individual assessment of need that takes into consideration the recipient's requirements and resources.

Blindness Allowances: Allowances of up to \$75 a month are paid to needy persons who are blind, aged 18 or over, and have been resident in Canada for at least ten years. The cost of the payments is shared by the federal and provincial governments on a 75-25 basis and the programme is administered by the latter. Total annual income, including the allowance, may not exceed \$1,500 for a single blind person, \$1,980 for an unmarried blind person caring for a dependant child, \$2,580 for a married couple one of whom is blind, and \$2,700 for a married couple when both are blind.

Supplementary payments are available under provincial social-assistance legislation to those recipients of blindness allowances who are in need. The amount is determined largely through an individual assessment of need that takes into consideration the recipient's requirements and resources.

Disabled-Persons Allowances: Allowances of up to \$75 a month are paid to needy persons who are totally and permanently disabled, aged 18 or over, and resident in Canada for at least ten years. The cost of the payment is shared equally by the federal and provincial governments and the programme is administered by the latter. Total annual income including the allowance, may not exceed \$1,260 a year for a single person, \$2,220 for a married couple or \$2,580 where the spouse is blind.

Supplementary payments are available under provincial social-assistance legislation for those recipients of disability allowances who are in need. The amount is determined largely through an individual assessment of need that takes into consideration the recipient's requirements and resources.

Unemployment Insurance: The Unemployment Insurance Act provides for a co-ordinated programme of unemployment insurance and for a National Employment Service, through its offices across the country. In general, all employed persons, with certain excluded occupations such as agriculture (with minor exceptions), domestic services and school teaching, are insured irrespective of length of residence if their annual earnings do not exceed \$5,460.

Insured workers make contributions on a scale graded according to wages and ranging from 10 cents to 94 cents a week. Employers contribute a sum equal to that paid by the employee and the Federal Government an amount equal to a fifth of the combined employer and employee contributions. Rates of benefits are related to the insured person's earnings and range from \$6 to \$27 a week for a person without dependants, or, for a person with one or more dependants, from \$8 to \$36 a week. To qualify for benefit, a person must have made at least 30 weekly contributions in insurable employment during the 104 weeks immediately preceding the claim; eight of the 30 weekly contributions must have been made in the immediately preceding 52 weeks. The duration of benefit varies from a minimum of 15 weeks to maximum of 52 weeks. Claimants must be unemployed, capable of working and available for work. An unemployed person who has

exhausted his regular benefit or who is unable to satisfy the qualifications for regular benefits but has at least 15 weekly contributions since the previous March may qualify for seasonal work benefits, payable only between December 1 and May 15.

Workmen's Compensation: Workmen's compensation acts in each province protect workers affected by work-connected disabilities and diseases in industries covered by the legislation. While there is some variation by province, the legislation applies to nearly all industrial undertakings, so that most workers are covered, except for farm labourers, domestic servants and casual workers. Compensation benefits include cash awards, all necessary medical aid, hospital care and physical-restoration services, and vocational services to re-establish the injured worker in gainful employment. Cash awards may take the form of time-loss compensation for temporary disability, disability pensions for permanent disability, or survivors' benefits to widows or dependants in case of fatal accidents or disease. Benefits to the worker are calculated on 75 per cent of earnings subject to conditions of maximum annual earnings of from \$4,000 to \$6,000 as fixed in the individual acts. Costs are met from employer contributions to accident funds at rates fixed by the workmen's compensation boards according to the hazard involved in each class of industry.

Mothers' Allowances: Allowances to certain needy mothers with dependent children are provided by all provinces under mothers' allowances or equivalent programmes. Assistance is granted to widows, mothers whose husbands are in mental hospitals, mothers who are deserted, and mothers whose husbands are disabled. Some provinces provide also for mothers with husbands in penal institutions and for divorced, separated and unmarried mothers. To be eligible, an applicant must be caring for one or more children of eligible age, and must meet specified conditions of need, residence and, in one province, citizenship. The maximum monthly allowance payable varies considerably by province.

General Assistance: Aid is provided in all provinces to persons in need who cannot qualify under programmes designed for specific groups. Assistance is given on the basis of a means test and, usually, a residence requirement too. In general, the municipalities administer the programme, with provincial governments assuming responsibility in unorganized territories. In Newfoundland, however, the provincial government administers all forms of assistance through district offices. In Quebec, assistance may be given by the municipality or by religious and voluntary agencies, with the province assuming the full cost up to an approved maximum. Under the terms of the Unemployment Assistance Act, the Federal Government shares with the provinces 50 per cent of the cost of assistance to needy persons. All provinces provide for reimbursement to municipalities for relief expenditures, in amounts that vary from 40 to 100 per cent according to the province.

Immigrants in their first year in Canada may receive aid through the local authority under an agreement made with the province whereby costs are shared by the provincial and federal governments, or they may be referred directly to the local office of the Department of Citizenship and Immigration.

PART III - WELFARE SERVICES

General assistance or relief and the various welfare services associated with this form of aid, as well as the care of the aged and the protection and care of neglected and dependent children, are governed by provincial welfare legislation. Administrative and financial responsibility is shared by the province and its municipalities. Provincial administration of welfare, as of other provincial assistance, is carried out through the department of public welfare or of health and welfare in each province. Several provincial welfare departments have established regional offices for administrative purposes and to provide consultative services to the municipalities.

Significant changes have taken place in provincial programmes in the past few years. New or revised legislation or new procedures in a number of provinces have laid the foundation for improved standards of service and administration, and reappraisal of services is continuing.

All provinces are giving consideration to the need for integrated planning on behalf of older citizens. In recent years, a number have increased their capital or maintenance grants to municipalities and to voluntary groups for homes for the aged and are also assisting in the construction of low-rental housing projects.

The main efforts in child welfare have been directed toward improvement of standards and greater flexibility of services, with particular emphasis on preventive case-work services for children in their own homes, development of specialized children's institutions and the finding of adoption homes for all children in need of them.

A number of voluntary agencies also contribute to community welfare, including the welfare of families and children and of groups with special needs, such as the aged, recent immigrants, youth groups, and released prisoners. Family-welfare agencies or combined family and child-welfare agencies in urban centres, for example, offer case-work services to families in need of counselling on such problems as marital relations, parent-child relations and family budgeting. Counselling and recreational services for older or retired people are being developed by many agencies, and child and youth organizations with recreational and character-building programmes offer group participation in physical education, camping, the development of special skills, and other opportunities for healthful activity. Welfare councils and community-planning councils contribute to the planning and co-ordinating of local welfare services.

Fitness and recreation are encouraged and promoted under the federal Fitness and Amateur Sport Act of 1961, under which grants are made to national organizations to assist national and international aspects of the programme and to the provinces to develop and extend community effort.

RP/A

