



HEALTH CARE: A FIX FOR A GENERATION *COSTING THE PLAN*

BACKGROUND

The attached tables profile existing federal cash transfers related to health from 2002-03 through 2005-06, and add the \$3 billion Liberal commitment to close the short term “Romanow gap” by 2005-06.

A Liberal government will also create a \$4 billion Waiting Times Reduction Fund and a \$2 billion Home Care Fund to be allocated over five years from 2005-06. The precise spending profile will be determined in consultation with provinces and territories.

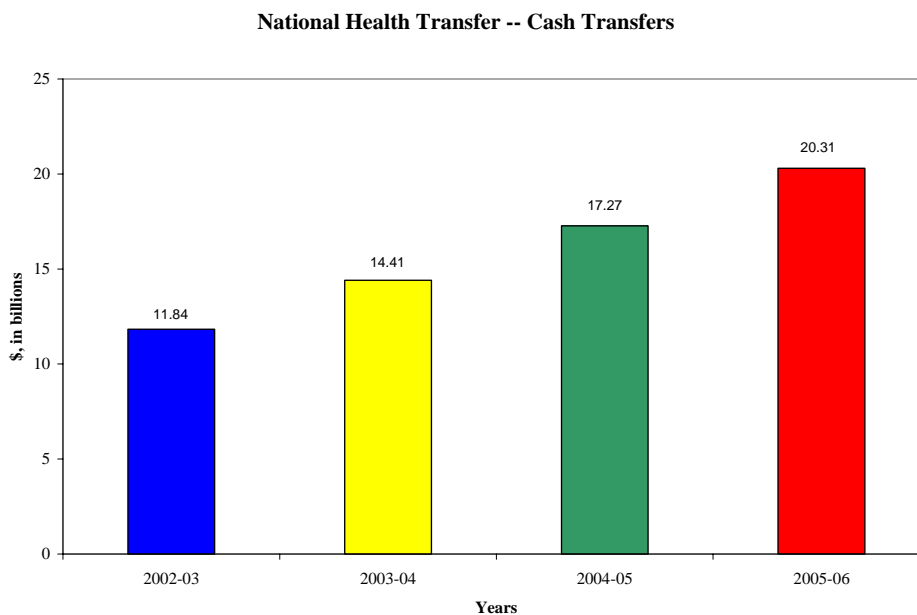
A Liberal government will also work with its provincial and territorial partners to develop and help to fund a national pharmaceuticals program. Appropriate funding amounts are to be determined.

Finally, a Liberal government will discuss with provinces and territories the design and starting date of an appropriate escalator formula so that future federal health transfers grow predictably.

A second table attached sets out the approximate allocation of health transfers to provinces and territories.

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TREND OF HEALTH TRANSFERS TO PROVINCES AND TERRITORIES (\$ Billion)



	2002-03	2003-04	2004-05	2005-06
Existing Cash Transfers¹	\$11.8	\$14.4	\$16.3	\$18.3
Platform Commitments				
• Eliminate Short Term Romanow Gap	--	--	\$1.0	\$2.0
• Waiting Times Reduction²	--	--	--	... \$4.0 over 5 years ...
• Home Care²	--	--	--	... \$2.0 over 5 years ...
• Pharmaceuticals Coverage	--	--	--	... To be determined ...
• Escalator³	--	--	--	... To be determined ...
	\$11.8	\$14.4	\$17.3	\$20.3+

¹ These transfers are derived from the Budget Plan 2004 (page 92) with the addition of the Diagnostic Equipment Fund, profiled notionally as \$500M a year from 2003-04 through 2005-06.

² The annual profile of expenditure over the 5-year period 2005-06 to 2009-10 will depend on discussions with provinces and territories.

³ The definition of the escalator formula and the year in which it begins to govern on-going federal transfers will be determined in the context of discussions on a 10-year plan with provinces and territories.

HEALTH CARE: A FIX FOR A GENERATION
PROVINCIAL/TERRITORIAL ALLOCATION OF HEALTH TRANSFERS
(\$ Million)

	2002-03	2003-04	2004-05	2005-06
Nfld & Labrador	205	249	295	344
PEI	55	66	79	92
Nova Scotia	374	452	534	621
New Brunswick	301	363	428	497
Quebec	2,983	3,611	4,281	4,996
Ontario	4,277	5,314	6,441	7,634
Manitoba	463	561	665	776
Saskatchewan	392	488	566	657
Alberta	985	1,258	1,544	1,845
British Columbia	1,768	2,003	2,378	2,779
Yukon	13	16	20	24
NWT	12	15	20	25
Nunavut	13	16	19	23
TOTAL	\$11,840	\$14,410	\$17,270	\$20,310
Growth		21.7%	19.8%	17.6%

The transfers tabulated above include:

- Canada Health and Social Transfer (CHST) in 2002-03 and 03-04 with notional allocation to health; Canada Health Transfer in 2004-05 and 05-06. (Derived from Budget 2004 (p 92) and allocated on a per capita basis.)
- Health Reform Transfer (from 2003-04 on).
- Diagnostic Equipment Fund, profiled as \$500M per year in 2003-04, 04-05, and 05-06.
- Proposed “Romanow Gap” transfers of \$1.0B in 2004-05 and \$2.0B in 2005-06 (allocated on per capita basis).
- Not included are still-to-be-determined amounts that will be transferred in 2005-06 from the proposed \$4B Waiting Times Reduction Fund and \$2B Home Care Fund.