

with the exception of federal assistance under the Tuberculosis Control Grant and Mental Health Grant. All nine provincial insurance programs, however, cover psychiatric and tuberculosis care provided in general hospitals, and these costs are shared by the Federal Government under the insurance program.

Inclusion of chronic and convalescent hospital care in the insurance program is permitted under federal legislation. Prior to 1958, chronic care hospitals were not covered by the schemes in Newfoundland, Saskatchewan, Alberta and British Columbia, although many chronic patients obtained prepaid care in acute treatment hospitals. On July 1, 1958, Saskatchewan, Manitoba and Newfoundland approved certain chronic facilities for participation in the program. Ontario, Nova Scotia, New Brunswick and Prince Edward Island also included chronic and convalescent facilities when their schemes began in 1959, Alberta added chronic hospitals to its system on Apr. 1, 1959, and British Columbia has indicated plans to extend its program in this area in 1960.

Selected private hospitals providing active treatment care have been approved for payment on a contract basis in some provinces. Ontario has entered the field of nursing home care by approving selected nursing homes for the provision of benefits on an annually renewable basis. Alberta has also made provision for payment of nursing home care in the provincial program.

Federal hospitals for Indians, Eskimos, sick mariners and war veterans have been included by all nine participating provinces, mainly for general care.

Payments to Hospitals.—Although the bulk of payments to hospitals is now made by provincial hospital insurance schemes on behalf of insured beneficiaries, insured patients may be charged for non-insured services at the time of receiving hospital care, and in two provinces must pay deterrent co-insurance charges for insured services. In addition, of course, patients lacking insurance coverage and third parties such as workmen's compensation boards pay all-inclusive rates for insured services provided by the hospital, but not covered by the hospital insurance scheme.

Differential charges for private and semi-private accommodation are controlled by the provincial hospital insurance authorities. In Saskatchewan, Ontario, Nova Scotia and Newfoundland, hospitals are allowed to retain 50 p.c. of the differential and in British Columbia 40 p.c. for their own purposes. In Alberta, Manitoba, New Brunswick and Prince Edward Island, all revenues from such differential charges are deducted from hospital expenses prior to calculation of provincial payments on behalf of insured persons. Charges for non-benefit out-patient services are not controlled by hospital insurance authorities, except in Alberta. Out-patient revenues, however, are deducted from hospital budgets before provincial payments are calculated.

Co-insurance charges, payable by the patient at the time of service and deductible from provincial payments to hospitals, are authorized only in British Columbia and Alberta. In British Columbia, except for public assistance recipients and newborn infants, there is a charge of \$1 per day for in-patient service and \$2 for emergency out-patient care. In Alberta, daily authorized co-insurance charges for in-patient care, payable by the patient, vary between \$1.50 and \$2 per day depending on the size and type of the hospital; for newborn infants the charge is \$1 per day. The Alberta government pays co-insurance charges on behalf of provincial public assistance recipients, juvenile arthritis patients, cancer patients hospitalized for diagnosis up to seven days, poliomyelitis patients and maternity patients and newborn infants up to twelve days.

Provincial payments to hospitals for insured services involve a budget review system in eight of the nine participating provinces. Individual hospitals submit budgets at the beginning of the year, and the insurance authority may disapprove items. Rates of payment based on approved budgets are calculated and paid to the hospitals in a variety of ways in the different provinces. Rates of payment may be adjusted or renegotiated at any time during the course of the year. At the end of the year, rates are reviewed in conjunction with the audited financial statements of hospitals and, if necessary, retroactive adjustments are made.