In Alberta, provincial payments to the hospitals are based on costs actually incurred in the previous year, rather than on approved budgets for the current year. The annual residual operating costs for the prior year are determined by deducting all revenues from co-insurance charges, non-insured services and uninsured patients from the total operating costs of the hospital. Current payments on account are not affected by current occupancy or costs but are subject to a maximum ceiling amount fixed by Ministerial Order. Following a year-end review of the audited cost of the current year's operations, retroactive adjustments may be made to cover approved increases in current residual costs over the previous year.

The Federal Government shares hospital expenses approved as the basis for provincial payments to hospitals for insured services detailed in the federal hospital insurance regulations. These shareable costs include replacement of equipment, but exclude depreciation of buildings and interest charges. Nevertheless, several provinces have accepted varying degrees of responsibility for capital debt in both new and existing facilities as part of their hospital insurance payment provisions. As indicated earlier, all provinces participate in the matching federal-provincial Hospital Construction Grant which assists new construction.

Administration.—The administrative framework of the federal-provincial hospital insurance program is outlined in federal and provincial legislation and regulations, and is detailed in the "scheme for administration" attached to the federal-provincial agreements.

At the federal level, the hospital insurance agreements are administered by the Principal Medical Officer, Health Insurance, under the general direction of the Director of Health Services in the Health Branch of the Department of National Health and Welfare. Financial aspects are handled in co-operation with the Department of Finance and its auditors, and with the Research and Statistics Division of the Department of National Health and Welfare which is responsible for cost estimates and the calculation of final shareable costs. Service and policy aspects are administered in collaboration with the technical and consultant services available in the Health Branch, as well as consultant services from the Research and Statistics Division and the Legal Division.

The pattern of administration at the provincial level varies from province to province. In Saskatchewan and Newfoundland the hospital insurance administration is part of the Department of Health, with the Deputy Ministers of Health as the responsible officers. In Alberta and British Columbia, too, the director of hospital insurance operates within the Department of Health, but reports directly to the Minister. The other five provinces, however, with newer programs, have been influenced strongly by the Blue Cross tradition; in each case a hospital services commission has been set up separately from the health department and reports directly to the Minister of Health.

Section 2.—Health Statistics

The Dominion Bureau of Statistics, as the central statistical agency for Canada, collects, analyses and publishes statistics on health matters, and serves as a source of information for special inquiries on such subjects.

Statistical information on the health of Canadians is at present limited to the well established and highly standardized mortality, communicable disease and institutional statistics series, all of which have been available for a long period. As compared with these records, other national health statistics are still in an early stage of development. So far, the only source of information on general illness, health services and personal expenditure for health care is the Canadian Sickness Survey of 1950-51. Other projects deal with specific health problems or selected groups of the population, such as Civil Service illness and the activities of the Victorian Order of Nurses. Much statistical information is also available from provincial and other health sources.