

non-membership in a group, or other considerations. If a premium system of financing is selected, subsidization in whole or in part for low-income groups is permitted. It has been left to the individual province to determine whether its residents should be insured on a voluntary or compulsory basis. Utilization charges at the time of service are not precluded by the federal legislation if they do not impede, either by their amount or by the manner of their application, reasonable access to necessary medical care, particularly for low-income groups. The plan must provide portability of benefit coverage when the insured resident who has paid his premiums, if any, is temporarily absent from the province and when moving residence to another participating province. The provincial medical care insurance plan must be administered on a non-profit basis by a public authority that is accountable to the provincial government for its financial transactions. Provinces may assign certain administrative functions to private agencies.

These criteria leave substantial flexibility with each province to determine its own administrative arrangements for the operation of its medical care insurance plan and to choose the way in which it will be financed, i.e., through premiums, sales tax, other provincial revenues, or by a combination of methods. Federal contributions to the provinces under this program totalled \$589 million in the fiscal year 1971-72.

Provincial programs providing health care services (apart from those already insured under the Medical Care Act) for welfare recipients establishing eligibility on the basis of financial need are supported financially by the federal program known as the Canada Assistance Plan. This program provides for federal payment of one half of the cost of personal health care services, as well as welfare services. The provinces are free to make available a wide range of health care benefits.

6.1.1.2 Hospital insurance

Provincial hospital insurance programs, operating in all provinces and territories since 1961, cover 99% of the population of Canada. Under the Hospital Insurance and Diagnostic Services Act of 1957, the federal government shares with the provinces the cost of providing specified hospital services to patients insured by these programs. Specifically excluded are tuberculosis hospitals and sanatoria, hospitals or institutions for the mentally ill, and institutions providing custodial care, such as nursing homes and homes for the aged. The methods of administering and financing the program in each province and the provision of services above the stipulated minimum required by the Act are left to the province.

Insured in-patient services must include accommodation, meals, necessary nursing service, diagnostic procedures, pharmaceuticals, the use of operating rooms, case rooms, anaesthesia facilities, and the use of radiotherapy and physiotherapy if available. Similar out-patient services may be included in provincial plans and authorized for contribution under the Act. All provinces include some out-patient services, and most cover a fairly comprehensive range. The Government of Canada contributes to each province out of the Consolidated Revenue Fund, the sum of 25% of the per capita cost of in-patient services in Canada and 25% of the per capita cost of in-patient services in the province, multiplied by the average number of insured persons in that province. Thus, the total contribution is about 50% of the sharable cost for all Canada, but the proportion of federal support is higher in provinces where the per capita cost is below the national average and lower in the other provinces. Contributions for insured out-patient services in each province are paid in the same proportion as the contributions to the cost for in-patients.

Under the Established Programs (Interim Arrangements) Act, a province may contract out of various federal-provincial programs, including hospital insurance, and on January 1, 1965, Quebec did so. Accordingly the federal contribution to the Quebec hospital insurance program is made through tax abatement and not under the Hospital Insurance Act. Federal payments to the provinces (including Quebec) under this program for the fiscal year 1971-72 amounted to \$1,187 million.

6.1.1.3 Health manpower and resources

The Health Manpower Program of the Department of National Health and Welfare is designed to promote the development of health facilities and to support health resources studies into all aspects of the supply of health manpower. The federal Health Resources Fund Act of 1966 provided for the establishment of a fund of \$500 million to be applied to the costs between 1966 and 1980 of providing facilities for research and for training health professionals. Payments from the fund may cover up to 50% of the costs of functional planning,