

Insured in-patient services must include accommodation, meals, necessary nursing service, diagnostic procedures, most pharmaceuticals, the use of operating rooms, case rooms, anesthesia facilities, and 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 a fairly comprehensive range of out-patient services.

The individual may select the hospital in which he will be treated provided his physician has admitting privileges, and the only limit to the duration of insured services is the extent of medical necessity. Moreover, during a temporary absence, coverage is portable anywhere in the world for in-patient services, and in the case of most provinces for out-patient services also, although such benefits are subject to provincially regulated maxima for rates of payment and length of hospital stay as set out in the summary of provincial programs.

Provinces may include additional benefits in their plans without affecting the federal-provincial agreements. Some provincial hospital plans provide additional services such as nursing home care and these are also mentioned in the provincial program summaries. These additional services are not cost-shared under hospital insurance.

The principles of universal availability of benefits to all eligible residents and portability of benefits are reflected in provisions of each provincial program. For many years, about 99% of all eligible residents have been insured persons. Although provincial plans in general stipulate a waiting period of three months, coverage may continue from the province of previous residence. First-day coverage is generally provided for the newborn, immigrants, and certain other categories of persons without prior coverage in other provinces. A health insurance supplementary fund has been established for residents who have been unable to obtain coverage or who have lost coverage through no fault of their own.

Until March 31, 1977 the federal government contributed approximately half the cost of insured in-patient and out-patient services for Canada as a whole. This included payments to Quebec under the Established Programs (Interim Arrangements) Act effective January 1965. The formula provided proportionately larger contributions in those provinces where per capita costs were below the national average and vice-versa.

Provinces may raise their portion of insurable costs as they wish, provided that access to services is not impaired. All provinces finance their share in whole or part from general revenue.

Established programs financing. Late in 1976, following several years of negotiations, the provinces and the federal government agreed to new financial arrangements for medical care and hospital insurance, among other fiscal matters. This led to the Federal-Provincial Fiscal Arrangements and Established Programs Financing Act, 1977, assented to on March 31, 1977, containing consequential amendments to the Medical Care Act and the Hospital Insurance and Diagnostic Services Act. Commencing April 1, 1977, federal contributions to the established programs of hospital insurance, medical care and post-secondary education are no longer directly related to provincial costs, but take the form of the transfer of a predetermined number of tax points, and related equalization and cash payments. Total federal contributions, in general terms, are now based on the current escalated value of the 1975-76 federal contributions for the programs in question. The tax room vacated by the federal government permitted the provinces to increase their tax rates so as to collect additional revenue without necessarily increasing the total tax burden on Canadians. The yield from the new provincial taxes will normally increase faster than the rate of growth of the Gross National Product (GNP). The cash payments are conditional upon the provincial health insurance plans meeting the criteria of the federal health insurance legislation. At the outset, the cash payments will approximate the value of the tax room transferred, and be in the form of per capita payments calculated in accordance with the Federal-Provincial Fiscal Arrangements and Established Programs Financing Act, 1977. These per capita payments will be escalated yearly in accordance with changes in the GNP, and adjusted gradually over time so that all provinces at the end of five years will be receiving equal per capita cash contributions.