and public plans covered 6.3 million, or 30%. By 1972 all 10 provinces and the two territories had met the criteria stipulated under the Medical Care Act as conditions for federal cost-sharing, and virtually the entire eligible population was insured for all required medical services plus a limited range of oral surgery.

Members of the Canadian Armed Forces, the Royal Canadian Mounted Police, and inmates of federal penitentiaries whose medical care requirements are met under alternative provisions are excluded. Services by physicians that are not medically required, such as examinations for life insurance, services covered under other legislation, such as immunization where available through organized public health services, and services to treat work-related conditions already covered by worker compensation legislation are not covered.

Comprehensive coverage must be provided for all medically required services rendered by a physician or surgeon. There can be no dollar limit or exclusion except on the ground that the service was not medically required. The federal program includes not only those services that have been traditionally covered as benefits by the health insurance industry, but also those preventive and curative services that have been traditionally covered through the public sector in each province, such as medical care of patients in mental and tuberculosis hospitals and services of a preventive nature provided to individuals by physicians in public health agencies.

The plan must be universally available to all eligible residents and cover at least 95% of the total eligible provincial population (in fact the plans cover over 99%). A uniform terms and conditions clause is intended to ensure that all residents have access to coverage and to prevent discrimination in premiums because of previous health, age, 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 applications, reasonable access to necessary medical care, particularly for low-income groups. The plan must provide portability of benefit coverage when the insured resident 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. It is permissible for provinces to assign certain administrative functions to private agencies.

These criteria leave each province flexibility to determine its own administrative arrangements for its medical care insurance plan and to choose how it will be financed — through premiums, sales tax, other provincial revenues, or by combination of methods.

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. The Federal-Provincial Fiscal Arrangements and Established Programs Financing Act, 1977, assented to on March 31, 1977, contained consequential amendments to the Medical Care Act and the Hospital Insurance and Diagnostic Services Act. Since 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.