



COUNCIL OF THE FEDERATION

COMMUNIQUE

RELEASED FOLLOWING COUNCIL OF THE FEDERATION MEETING ON FEBRUARY 23 AND 24, 2004

Council of the Federation Sets Course for First Ministers' Health Summit

VANCOUVER, February 24, 2004 -- The Council of the Federation welcomes the opportunity to engage the federal government in discussions leading to the sustainability and reform of health care in Canada. A special First Ministers' meeting focusing on long-term reform and sustainability of health care will be held in the summer of 2004. Premiers stated it is imperative that Canadians understand that without real reform and renewal and an affordable foundation, health care as we know it will not survive the decade.

Premiers noted that one-time federal funds and funds tied to specific reforms are not acceptable as substitutes for a formal and permanent escalator for federal health and social funding. Premiers call on the Prime Minister to include in the March 23rd federal budget, the \$2 billion health supplement in the base in 2004/05. They reiterated their January 2003 plan to create a solid financial footing for health care and called on the federal government to provide sufficient funds to increase the federal share of provincial/territorial health and social program spending to 25 percent by 2009/10.

Premiers noted as well that payments to the provinces under the Equalization program are estimated to decline by more than \$3 billion for the current year from the previous forecast and that the federal Finance Minister has not acted on recommendations by his provincial and territorial colleagues to offset these reductions and improve the formula. The federal Finance Minister has also not fully addressed Canada's commitment to the three territorial premiers to deal with the inadequacies in the per capita funding formula. Premiers strongly recommended that meaningful action be taken.

Premiers reiterated their commitment to publicly funded health care and to implementing reform initiatives in order to ensure that provincial and territorial systems are more efficient and can provide quality care in a timely manner.

On behalf of the Council of the Federation, Premiers Campbell and McGuinty will direct provincial/territorial Health and Finance Ministers to identify opportunities and challenges relating to health care reform and sustainability, including:

- the medium- and long-term impact of key cost drivers in health care;
- a sustainable track for health care funding;
- the examination of a broad range of health care reform priorities;
- unique challenges faced by rural and remote communities.

Equalization is an important component in assuring the ability of provinces to provide comparable levels of services at comparable levels of taxation. As part of the provincial/territorial Health and Finance Ministers' process, Finance Ministers will propose improvements to the Equalization program.

Premiers Campbell and McGuinty will report to the Council of Federation at its July meeting.

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