

Understanding the Canada Health Act

Passed into law in 1984, the Canada Health Act is the overarching legislation covering Canada's national medicare program. The act sets the criteria and conditions for insured health care services, and the national standards that provinces and territories must meet in order to get federal funding from the Canada Health and Social Transfer (CHST).

The Canada Health Act brought together the elements of two previous pieces of legislation – the Hospital Insurance and Diagnostic Services Act (1957) and the Medical Care Act (1968). Extra provisions were added to eliminate direct charges to patients in the forms of extra-billing and user fees. The act was designed to punish provincial and territorial governments that allowed direct charges to patients by reducing federal transfer payments on a dollar-for-dollar basis. In other words, the Canada Health Act relies on federal spending powers to establish a Canada-wide, publicly funded health care system that bases patients' access to health care services on need, not on the ability to pay.



While the federal government establishes the national standards for health care services, the provinces and territories deliver those services. Provincial governments decide where hospitals will be located, how many physicians are needed and how much money to spend on health care services. In order to qualify for full federal funding through the CHST, provinces must meet nine requirements under the Canada Health Act, including five criteria, two specific provisions and two conditions.

The five criteria that provincial health insurance

plans must meet are:

1. **Public administration:** The public health insurance plan must be managed in a public, not-for-profit fashion.
2. **Comprehensiveness:** All residents must be covered for “medically necessary” health services.
3. **Universality:** All residents must be covered by the public insurance plan on uniform terms and conditions.
4. **Portability:** All residents must be covered by their public plan, wherever they are treated in Canada.
5. **Accessibility:** All residents must have access to insured health care services on uniform terms and conditions without direct or indirect financial charges, or discrimination based on age, health status or financial circumstances.

The two specific provisions define extra-billing and user fees, while the two conditions require provincial and territorial governments to provide information annually to the Minister of Health in order to monitor compliance with the Canada Health Act.

Threats to the Canada Health Act

While the Canada Health Act clearly states that health care must be provided on uniform terms and conditions, this principle is increasingly under threat from for-profit clinics that are charging extra for publicly insured services.

For example, the Copeman Clinic in Vancouver requires that patients pay a fee to access physicians and specialists. Patients register and pay a \$1,200 enrollment fee, as well as an annual service charge of \$2,300. This type of clinic contravenes the Canada Health Act because it requires people to pay money before they can access publicly insured health care services.



Similarly, fully private clinics like Vancouver's Cambie Surgery Centre, under the direction of Dr. Brian Day, contravene the Canada Health Act by enticing doctors to either leave the public system entirely, or to provide services in both the public and private sectors.



Private MRI clinics are also examples of Canada Health Act contraventions. These clinics, which have shown up across the country, allow people to pay out of pocket for an MRI. Individuals who can afford to pay a private fee may be able to get their test results faster and return to the public system for treatment ahead of those who can't afford to pay.

In Winnipeg, the Maples Surgical Centre offers MRIs for \$695. According to news reports, technologists who left the public Health Sciences Centre are doing the scans. The result has been a backlog at the public centre caused by a staffing shortage. People are able to pay for faster diagnostic services at the expense of those waiting in the public queue, and in contravention of the Canada Health Act.

Provinces are also making moves toward private, parallel health care systems in violation of the Canada Health Act. Governments in British Columbia, Quebec, Nova Scotia and Alberta have all said they are looking at the use of private, for-profit facilities to deliver publicly funded health care services.

In Quebec, the government – under the pretext of reducing wait times – is funding for-profit clinics with public money even though it will cost more than it would to expand and improve the non-profit, public sector. There is already a shortage of doctors in Quebec and this plan will further drain resources from the public system.

Quebec is also allowing the purchase of private health insurance for higher quality medical treatments, which goes against the core principle of the Canada Health Act – equal access to care for rich and poor alike.

The federal government has a duty to uphold the letter and the spirit of the Canada Health Act. Canadians support a strengthened public health care system.

Join the Council of Canadians

The strength of the Council is in its membership. The Council does not accept funding from corporations or from governments, so membership donations are vital to our activities. We work with community groups, seniors, students, unions and other organizations across the country to promote progressive policies on public health care, fair trade, clean water and other issues of social and economic concern to Canadians. Visit www.canadians.org to become a member today.

For more information about the Council of Canadians' campaign in support of public health care, visit our website at www.canadians.org, or call us toll free at 1-800-387-7177.