

*Building the Future for Canadians*

# Budget 1997

## **Sustaining and Improving Health Care**

February 1997



Canada



*“Investing in economic opportunity is important, but a healthy economy is not an end in itself. What is important is a healthy society. That means a decent quality of life for all our citizens. And a commitment to help those who need it most.”*

*Prime Minister Jean Chrétien  
February 13, 1997*

## **National Forum on Health**

In October 1994, Prime Minister Chrétien established the National Forum on Health to develop a vision of the health system that will meet the health needs of Canadians into the 21st century. In February 1997, the Forum issued its report.

It found that the health care system can be preserved through careful and intelligent reform and that the health of Canadians can be improved. The Forum concluded that Canada devotes sufficient financial resources to health care, but that there is ample evidence to suggest resources could be used more effectively and efficiently.

The Forum also found that improving the health and well-being of our children is one of the best investments we can make in health care. It favours strengthening community programs directed to improving the health of children.



The report provides a comprehensive and common sense view of how governments must work together to address Canada's health care challenge. The Forum's recommendations chart a course for the future and call for some actions now.

In particular, the report calls for funds to be made available to aid in the transition to new and better ways of meeting Canadians' health needs, including ways of ensuring that doctors and other caregivers have the best possible information readily available to them when they make decisions on how to treat patients.

## **Sustaining and Improving Our Health Care System**

In response to the Forum's report, the 1997 budget provides \$300 million over the next three years for additional health care initiatives. Every dollar of this new money will be devoted to improving the delivery of health services to Canadians.

■ The Forum makes it clear that one of the greatest challenges we face is devising more innovative ways to deliver health care. The federal government will therefore provide **\$150 million** over the next three years to help the provinces put projects in place – for example, new approaches to home care, drug coverage and other innovations – that will enable them to test ways in which our health systems can be improved. Resources for this **Health Transition Fund** will be allocated on an equal-per-capita basis and decisions regarding spending will be made jointly by Canada's ministers of health.



■ **\$50 million** over the next three years will be invested in the development of the **Canada Health Information System**, a co-ordinated national system of health information. This will ensure that health care providers, planners and individual Canadians across the country have the right information at the right time, including the most up-to-date knowledge on the best treatments available.

■ **\$100 million** over the next three years will be provided to increase funding for two existing children's programs:

- **The Community Action Program for Children** supports hundreds of community groups that address the developmental needs of children at risk through parenting education, child development centres and family resource programs.
- **The Canada Prenatal Nutrition Program** helps ensure the birth of healthy babies.

## **Canada Foundation for Innovation**

Health research not only produces new products and services that improve the quality of life of Canadians, it also forms the basis of pharmaceutical, biotechnological and other industries of vast potential.

Therefore, the government is proposing the creation of the Canada Foundation for Innovation with an up-front \$800 million investment to support research facilities in our universities, colleges and hospitals.

The focus of the Foundation will be to support research infrastructure in the areas of health, the environment, science and engineering.



## Previous Measures

The health care initiatives outlined by the government in the 1997 budget build on important steps that have already been taken to facilitate changes that will strengthen medicare.

For example, the **1996 budget** allocated \$65 million to launch a new Health Services Research Fund which funds practical research on the delivery and quality of care provided to Canadians.

In addition, the federal government supports health, education and welfare through financial transfers to the provinces.

■ The Canada Health and Social Transfer (CHST) provides more than **\$25 billion annually in cash and tax points**. Legislation guarantees that the cash transfers will never fall below \$11 billion per year. This is a floor, not a ceiling. Indeed, cash transfers to the provinces are projected to begin growing around the year 2000. The CHST ensures that the principles of medicare will be protected.

■ The federal government also provides over \$8 billion in Equalization payments to the provinces which can be used to support health care.

The government has also fulfilled a number of commitments in health, including the Centres of Excellence for Women's Health and the Aboriginal Head Start Program.



*“Our government is convinced that, through careful reform, Canada’s quality health care system can be preserved for generations to come ... Universal medicare has helped give Canadians the best quality of life in the world.”*

*Prime Minister Jean Chrétien  
February 4, 1997*

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