

New Federal Investments on Health
Commitments on 10-Year Action Plan on Health

The Prime Minister today announced \$41 billion over the next 10 years of new federal funding in support of the action plan on health.

The new funding will be used to strengthen ongoing federal health support provided through the Canada Health Transfer (CHT), meeting the financial recommendations from the Royal Commission on the Future of Health Care in Canada, as well as to address wait times to ensure Canadians have timely access to essential health care services.

To accelerate and broaden health renewal and reform, the Government of Canada will take several steps to strengthen the Canada Health Transfer:

- A total of \$3 billion will be invested over this year and next, providing \$1 billion in 2004-05 and \$2 billion in 2005-06 through a supplement to the CHT for provinces and territories, closing the short-term “Romanow gap”.
- The new CHT level will also reflect an additional \$500 million in 2005-06, which will help deepen progress on home care services and catastrophic drug coverage.
- A new CHT base at \$19 billion will be established in 2005-06 exceeding that recommended in the Romanow Report.
- An escalator of six per cent will be applied to the new CHT effective 2006-07 to provide predictable growth in federal support.

This will bring the total cash transfers for health to the provinces and territories from \$16.5 billion in 2005-06, to about \$24 billion in 2009-10. In that year, CHT cash will be 45 per cent above the current level.

Combined with the value of the CHT tax points, the federal transfer to provinces and territories for health will be approximately \$30.6 billion in 2005-06.

To reduce wait times, the Government will invest \$4.5 billion over the next six years, beginning in 2004-05, in the Wait Times Reduction Fund. In 2010-11, \$250 million ongoing will be added to the CHT base primarily for health human resources.

The Government will also invest a further \$500 million in Medical Equipment. The Government is also providing \$700 million over five years to improve the health of Aboriginal people through a series of new federal commitments.