

# Feds propose \$196B health funding deal with few strings attached

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After meeting with Canada's 13 premiers, Prime Minister Justin Trudeau promised to increase health care funding to the provinces by \$196.1 billion over 10 years, including \$46.2 billion in new funding. But the provinces have not yet agreed to the deal because it is "significantly less" than they were expecting.

"[These are] significant amounts of money on the table," Trudeau told reporters after presenting his proposal to the premiers. "We know the premiers have said they need this money to be able to ensure a strong health care system going forward. I very much look forward to rolling up my sleeves and negotiating with them right away on delivering this money as quickly as possible to help health care systems across the country."

The federal government's proposal includes an "immediate, unconditional" \$2 billion Canada Health Transfer top-up to address "real, urgent pressures in our emergency rooms, operating rooms, and pediatric hospitals," said Deputy Prime Minister Chrystia Freeland. This builds on previous pandemic top-ups of \$6.5 billion.

Ottawa also guaranteed a 5% increase to the Canada Health Transfer for the next five years via additional payments, with the last payment becoming a permanent funding increase.

The federal government promised another \$25 billion via tailored bilateral deals addressing four shared priorities: "family health services, health workers and backlogs, mental health and substance use, and a modernized health system." This additional funding will be contingent on continued health care investments by the provinces, and builds on previous targeted funding for mental health, home care, and long-term care.

Trudeau also promised \$1.7 billion over five years to support wage increases for personal support workers, \$150 million over five years to cover medical travel and other costs of delivering care in the territories, and \$2 billion over 10 years to address the unique challenges Indigenous people face accessing care.

"It is our clear expectation that the funding we are announcing today will not be used in place of planned provincial or territorial health care spending," said Freeland. "This funding from the federal government is additional incremental money to improve the health care Canadians receive."

## Premiers holding out for more money

Manitoba Premier Heather Stefanson, head of the Council of the Federation, said the premiers were "disappointed" by Trudeau's proposal. The provinces have been asking the federal government to increase the federal health transfer by \$28 billion annually. Still, Stefanson said the premiers would assess the proposal and reconvene within "days."

Other premiers said the proposal was a step forward in negotiations that have stalled for months.

"It was very good to have that discussion," said British Columbia Premier David Eby. "This proposal is fiscally limited, but I think that it provides a foundation and some reassurance to British Columbians that we're having those conversations and we're moving forward."

Ontario Premier Doug Ford said the proposal was a "starting point" and "down-payment on further discussions."

According to Newfoundland and Labrador Premier Andrew Furey, "while we're always here to represent our constituents and to

argue for more, of course, I still think that this is a step towards the right direction."

However, New Brunswick Premier Blaine Higgs told *CBC News* he wasn't optimistic about pushing Ottawa to increase its offer further. "It wasn't a negotiation in that meeting at all," Higgs said. "We have what we have. We've got to find a way to work with that."

During the last round of health funding negotiations in 2016, New Brunswick broke ranks with the other provinces to sign its own deal with the federal government, and other provinces followed suit.

## Funding conditions still unclear

In January, Intergovernmental Affairs Minister Dominic LeBlanc said the federal government is expecting to have all of the long-term funding agreements completed before this spring's 2023 federal budget.

A key issue will be the conditions set on the bilateral funding agreements. According to the federal government, "as part of these agreements, provincial and territorial governments are asked to develop action plans that will outline how funds will be spent and how progress will be measured."

"Each province and territory will have flexibility in designing their action plans, including the addition of targeted results with indicators that are tailored to their realities."

Quebec Premier François Legault said the flexibility of Trudeau's proposal is "good news" for provincial governments who have been loathe to link additional funding to achieving certain outcomes. "Even if we are asked to share data, there are no conditions linked to attaining certain results. So, our only obligation is towards our citizenship."

Imposing conditions around investment priorities and data collection appears to be less about enforcement from the top, and more about accountability to citizens, said Patrick Fafard of the University of Ottawa's School of Epidemiology and Public Health.

Importantly, the onus will be on the provinces to show improvement, rather than on "big, bad Ottawa" to enforce it, Fafard said.

The federal government has been pushing for improvements in data collection on access to primary care and mental health services, numbers of new physicians and nurses, and the size of surgical backlogs, among other indicators.

"That type of information will be valuable to providers as well," said Sara Allin of the University of Toronto's Institute of Health Policy, Management, and Evaluation. "That's not something that's collected routinely and provided back to providers. That type of collection of data

could be embedded in one of these agreements."

### No checks on private provision of public care

When asked if the Canada Health Transfer will be used exclusively for public delivery of health care versus private delivery of publicly funded services, Ontario Premier Doug Ford said the issue hadn't come up.

However, Trudeau previously indicated that he wants a commitment from premiers that none of the Canada Health Transfer will go to non-health care spending, and that the provinces and territories will not reduce their contributions to Medicare.

"If you have no terms and conditions, what's to stop them from taking insured services and starting to put user fees in place," said Raisa Deber of the University of Toronto's Institute of Health Policy, Management, and Evaluation. "That's the big point that one hopes the feds will be enforcing."

Trudeau told reporters that "defending the *Canada Health Act*, upholding the *Canada Health Act* and the principles within, is an absolute non-negotiable priority of this government."

"We're taking action today so Canadians can continue to have trust in our public system," Trudeau said. "We know that cuts and austerity won't make us stronger and won't help Canadians thrive."

**Diana Duong**, *CMAJ*

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