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**NEWS RELEASE**

## ***Fiscal Dispute among Governments in Canada Is Damaging to the Cause of Health Care Reform***

***There is a lack of coherence between Ottawa's vocabulary of partnership with respect to health care and the way it uses the tools of fiscal federalism and dispute resolution to implement its policies.***

**Montreal and Kingston** – The Institute for Research on Public Policy (IRPP.org) and the Institute of Intergovernmental Relations at Queen's University (IIGR) today released *Money, Politics and Health Care: Reconstructing the Federal-Provincial Partnership*, edited by Harvey Lazar and France St-Hilaire.

The contributors to the volume maintain that continual federal-provincial squabbling over health care funding has hampered the process of reform needed to ensure the quality and sustainability of health care for future generations. Moreover, this inability to address the real problems in the system has in itself become detrimental to the proper functioning of the federation.

The volume lays out a set of proposals and principles to rebuild the strong intergovernmental partnership that once existed on matters of health care. It has been sent to all federal, provincial and territorial first ministers in preparation for their meeting expected to take place before the end of the month.

According to the editors, "there is a kind of 'vicious cycle' from which it is necessary to escape." The ideas set out here "offer an exit ramp toward a more constructive intergovernmental relationship and a better-performing health care system."

The volume carefully analyzes what might constitute a fair federal fiscal contribution for provincially operated health care programs. "As things stand now, a disproportionate share of the financial and political risk associated with the uncertainties of the health care enterprise is borne by the provinces," say the editors.

In order to redress this imbalance, the authors recommend a federal cash transfer contribution in the order of 20-25 percent of total provincial health costs.

They also propose that this contribution "increase annually according to a transparent and predictable formula (escalator) that reflects the growth of Canada-wide health care costs." This would require significant increases in federal health transfers.

These measures are both fair and appropriate, argue the authors, if Ottawa wishes to preserve the Canada-wide dimensions of provincial health care systems and exercise significant influence on their future direction.

*Money, Politics and Health Care: Reconstructing the Federal-Provincial Partnership* is now available for purchase on the IRPP ([www.irpp.org](http://www.irpp.org)) Web site.

For more information or to request an interview, please contact the IRPP or IIGR.

The IIGR web site includes information on its recent and upcoming events and publications. To receive IRPP media advisories and news releases via E-mail, please subscribe to the Institute's E-distribution service by visiting our Web site.

Founded in 1972, the IRPP is an independent, national, nonprofit organization based in Montreal. The IIGR, based at Queen's University, has been Canada's premier centre for the study of federalism and intergovernmental relations since 1965.

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**Contact:**

Jasmine Sharma ([jsharma@irpp.org](mailto:jsharma@irpp.org))  
Director of Communications and Public Relations  
IRPP.org  
(514) 985-2461

Harvey Schachter ([his@kos.net](mailto:his@kos.net))  
Media Advisor  
IIGR  
(613) 353-6398