



Canada's Premiers Outline Priorities

OTTAWA, September 18, 2020 – Canada's Premiers are calling on the federal government to address their top priority, health care, as well as the Fiscal Stabilization Program and infrastructure needs.

Rebalancing Health Care Funding

Now more than ever, health care is the top priority of Canadians. To ensure Canadians can continue to receive the health care they need, both during the COVID-19 crisis and for the next generation, Canada's Premiers are calling for the federal government to become a full funding partner.

There is a fundamental imbalance in the way health services are funded in Canada. While provinces and territories will spend more than \$188 billion on health care this year, the federal contribution through the Canada Health Transfer (CHT) will be \$42 billion – approximately 22%. The federal share of health funding continues to deteriorate while demands on health systems are increasing. Because of factors such as an aging population, new drugs and technology, the cost of health care is growing at an annual average of approximately 6% yet the CHT grows by approximately half that rate.

It is time to rebalance the health care funding arrangement with the federal government and reestablish a full funding partnership aimed at preserving and improving our health care systems. Premiers are calling for an immediate injection to the CHT to bring the federal share to 35%, which represents an increase of \$28 billion, from \$42 billion to \$70 billion. This 35% share will need to be maintained over time with an appropriate increase to the annual escalator. Provinces and territories are on the frontlines of health care and are best placed to determine the needs of their residents. Federal investments must be unconditional to provide maximum flexibility for provinces and territories to invest in their unique priorities.

Meeting of First Ministers on Health Care

Premiers urge the federal government to work with provinces and territories to confirm a date for a First Ministers Meeting this fall focused exclusively on the CHT, with the goal of reaching a long-term agreement in time for the next fiscal year.

Fiscal Stabilization Program

The Fiscal Stabilization Program is intended to support jurisdictions experiencing significant fiscal challenges, and it should be more responsive to economic circumstances and downturns in resource sectors. Premiers again call on the federal government to address this issue by eliminating the per capita limit, reducing the revenue reduction threshold for non-resource revenues from 5% to 3%, and reducing the threshold for resource revenues from 50% to 40%. These changes should be implemented retroactively to include both the 2015 downturn and the current economic crisis and not compromise other transfer programs.

Infrastructure

All provinces and territories have significant and urgent needs for infrastructure. In addition, Northern territories are faced with unique challenges that call for robust investments in

infrastructure to improve the lives of northerners. Premiers call on the federal government to increase its total support by \$10 billion per year for 10 years and streamline its approach to infrastructure. The federal government must also provide more flexibility to provinces and territories in order to respect their priorities.

The Council of the Federation comprises all 13 provincial and territorial Premiers. It enables Premiers to work collaboratively, form closer ties, foster constructive relationships among governments, and show leadership on important issues that matter to Canadians.

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