



# NEWS RELEASE

## Canada Health Act a barrier to reform and better universal health care

May 1, 2018  
For Immediate Release

**VANCOUVER**—The Canada Health Act (CHA) prevents provinces from implementing proven health-care reforms that would improve the system and shorten wait times, finds a new study released today by the Fraser Institute, an independent, non-partisan Canadian public policy think-tank.

The CHA is a federal law that sets the rules around cash transfers from Ottawa to the provinces for health care. It also allows the federal government to withhold funds from any province deemed in violation of the Canada Health Act.

“Because the CHA is both vague and interpreted unilaterally by the federal government, the provinces can’t ever be certain about what health policies may or may not be allowed by the current or future federal governments,” said Nadeem Esmail, Fraser Institute senior fellow and co-author of *Is the Canada Health Act a Barrier to Reform?*

The study shows the CHA does not explicitly prohibit certain practices, including private for-profit hospitals and private (parallel) health service delivery—common elements of other successful universal health-care countries. But despite any explicit prohibition, previous federal governments have interpreted the CHA to disallow such activity, discouraging provinces from pursuing reforms along those lines that could improve health services.

For example, private for-profit hospitals comprise only one per cent of hospitals in Canada compared to 39 per cent in Australia and 43 per cent in Germany, and no province allows private parallel health services, even though the CHA doesn’t specifically prohibit it.

In addition to preventing reforms by being vague, the CHA also expressly prohibits other health reforms that are commonly used in other countries with universal health care. For instance, the CHA clearly prohibits provinces from allowing cost sharing, such as deductibles, co-payments, and co-insurance payments. Not surprisingly, no Canadian province uses cost sharing, but cost sharing is integral to successful universal health systems in Australia, France, Germany, the Netherlands, Sweden and Switzerland.

“Since provinces are ultimately responsible for delivering health services, they should be allowed to determine health policy without federal interference, all the while keeping the system universal and portable,” Esmail said.

“What might work in Ontario to shorten wait times and improve health services might not work in Alberta or New Brunswick—freeing the provinces to experiment with successful health policies that work elsewhere would ultimately produce a better universal health-care system.”

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