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COMMUNIQUÉ

for the Health Industry



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2005 FEDERAL BUDGET CONFIRMS \$41.3 BILLION HEALTH PLAN AND COMMITS TO \$805M IN ADDITIONAL SPENDING ON HEALTH

The 2005 Federal Budget recently announced by the Liberal government:

- Proposes an additional \$805 million of additional spending on health care over five years.
- Confirms the \$41.3 billion promise Paul Martin made to the provinces and territories in the "10-Year Plan to Strengthen Health Care", entered into on September 16, 2004.
- Confirms the \$700 million federal commitment made in 2004 as part of a multilateral initiative to improve the health status of Aboriginal peoples.

The \$805 million of New Spending on Health Care Announced in the 2005 Budget

The 2005 budget provides \$805 million over five years to invest in the following areas of health care:

- Health human resources;
 - \$75 million over the next five years to help foreign-trained doctors obtain the accreditation they need to work in Canada.
 - \$15 million over five years to help reduce the long wait times for treatment.
 - \$110 million over five years given to the Canadian Institute for Health Information to collect and evaluate the data that the provinces promised to supply on health-system performance.
- Healthy living and chronic disease prevention;
 - \$300 million over five years to the newly created Public Health Agency of Canada to promote healthy living as well as the control of chronic illnesses like diabetes, heart disease and cancer.
- Pandemic influenza preparedness;
 - \$24 million to purchase 9.6 million doses of anti-viral treatment to combat an anticipated influenza pandemic (this initiative was announced last month).

Note:

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\$34 million to develop a pandemic vaccine.

- Drug safety; and

\$170 million over five years to improve enhance the safety and effectiveness of drugs and other therapeutic products.

The 10-Year Plan to Strengthen Health Care

The 2004 10-Year Plan to Strengthen Health Care announced \$41.3 billion in new federal funding over the next 10 years (\$18.1 billion of that amount would be allocated over the next five years). The object of the new funding is to:

- Increase the federal health support provided through the Canada Health Transfer;
- Meet the outstanding financial recommendations in the report of the Commission on the Future of Health Care in Canada (the Romanow Report);
- Address wait times to ensure Canadians have timely access to essential health care services;
- Provide funds for medical and diagnostic equipment; and
- Address the unique challenges facing the delivery of health care services in the North.

Details concerning the allocation of the \$41.3 billion in new spending in respect to the above items are set out in the Budget Plan document, posted on the Department of Finance's website at <http://www.fin.gc.ca/budget05/bp/bpc3e.htm>.

Aboriginal Health

The \$700 million in spending on Aboriginal health initiatives announced in 2004 will be allocated over five years as follows:

- \$200 million for an Aboriginal Health Transition Fund to enable federal, provincial and territorial governments, First Nations governments who deliver health care services, and Aboriginal communities to devise new ways to integrate and adapt existing health services to better meet the needs of all Aboriginal people.
- \$100 million for an Aboriginal Health Human Resources Initiative to increase the number of Aboriginal people choosing health care professions and improve the retention of health workers serving all Aboriginal peoples, including First Nations, Inuit and Métis.
- \$190 million to make permanent and enhance the Aboriginal Diabetes Initiative.
- \$65 million for an Aboriginal Youth Suicide Prevention Strategy.
- \$145 million for maternal and child health, including enhancements in early childhood development.

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