

Calgary, June 30, 2004

MLA Task Force on Health Care Funding and Revenue Generation

Background

The task force was established in February 2002 in response to the report from the Premier's Advisory Council on Health (the Mazankowski Report). It was asked to recommend a provincial funding framework and alternate revenue sources for regional health authorities. Gordon Graydon, MLA Grande Prairie-Wapiti, chaired the nine-member group of MLAs, an economist and Deputy Ministers from the departments of Health and Wellness, Finance, and Revenue.

Government accepted the report only as the basis for discussion.

Main Findings

- Wages and salaries, new technology, prescription drugs and a growing and aging population are the main cost drivers in Alberta's health care system.
- Costs are expected to continue to exceed the growth in provincial revenues.

Summary of Recommendations

Recommendation 1: New decisions about health care funding should be guided by the principles of equity, efficiency and ethics.

- Those with a greater ability to pay should contribute more than those with a lesser ability.

Recommendation 2: Health regions should implement selected measures for generating revenue.

- Increase rates for preferred accommodation in hospitals.
- Charge non-entitled persons (e.g. RCMP, Workers' Compensation) for health services.
- Allow health regions to charge permit fees for inspecting non-food establishments.

Recommendation 3: Government should provide stable, predictable and sustainable funding for health care.

- Ensure government health funding grows no more than 4 per cent annually.
- Set health care premiums annually to fund 20 per cent of the cost of insured services.
- Remaining funding to be derived from Recommendation 4.

Recommendation 4: Implement a new made-in-Alberta approach to health care funding through the personal income tax system.

- Combine premiums with an annual deductible based on ability to pay.

Recommendation 5: The new approach to health care funding should provide financial incentives for Albertans to stay healthy.

- Most Albertans should pay an income-based deductible on the services they use.
- Every Albertan over 18 should receive an annual statement of the cost of services they used.
- A health care deductible with an annual statement would give Albertans the incentives to make healthy lifestyle choices and use the health care system responsibly.

For further information, contact:

Howard May, Communications, Alberta Health and Wellness, Ph: (403) 297-8268