

INDEPTH: BUDGET 2004

Issues: Health

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Citing last year's SARS outbreak and the recent spread of avian flu, federal Finance Minister Ralph Goodale earmarked the largest portion of new health care spending in Tuesday's budget for programs designed to strengthen the country's ability to respond to public health crises.

"We now live in a more vulnerable world, where disease can be spread from one end of the globe to the other in just a matter of hours," said Goodale in his budget speech Tuesday. "As a result, we face new challenges to our public health systems."

Last year, reports from the national advisory committee on SARS and public health, and from a senate committee on social affairs both concluded that the country's public health system needed to fix some long-standing weaknesses.

These included a lack of clearly defined authority and responsibilities among the different jurisdictions, a lack of coordinated response to health emergencies, differing capacities in different jurisdictions and a shortage of resources to handle any public health emergencies.

Goodale's budget included public health initiatives designed to help fix these shortcomings, including:

- Transferring almost \$400 million from Health Canada's current budget to set up a new Canada Public Health Agency. The new agency will be responsible for spotting outbreaks earlier and mobilizing the resources necessary to control infectious and chronic diseases.
- An additional \$165 million in new funding over the next two years to help set up the new public health agency, replenish the national stockpile of medical supplies, beef up research and coordinate the new agency's efforts with such international bodies as the World Health Organization and the Centers for Disease Control in the U.S.
- The appointment of Canada's first chief public health officer, who will head up the new public health agency and report directly to the health minister. The new national health officer will be responsible for coordinating the national public health response during emergencies.
- A \$100 million investment in Canada's Health Infoway, to develop and implement a real-time public surveillance system that will help identify outbreaks like SARS more quickly.
- Over the next three years, \$300 million will be set aside for the provinces and territories to support a national immunization strategy to support new and recommended childhood and adolescent vaccines.
- \$100 million over the next three years will be available to provinces and territories to help them address gaps in health protections and disease prevention programs.

Tuesday's budget also confirmed \$2 billion in additional transfer payments to the provinces for health care, a figure that was announced last year when the federal government signed the 2003 health accord with the provinces. This brings the total funding provided by the federal government to \$36.8 billion between 2003 and 2008.

The 2004 budget also recognizes that many Canadians provide support to elderly parents or adult children with disabilities. It provides additional tax relief for caregivers, allowing them to claim more of the medical and disability-related expenses they face in looking after their dependent relatives, up to a maximum of \$5,000.

This tax relief will cost the government an estimated \$20 million in 2004-05 and \$25 million in 2006-06.