

BUDGET

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March 2021

2021  
2022

# TOWARDS INCREASED FEDERAL HEALTH FUNDING

INCREASING

THE CANADA HEALTH TRANSFER



Budget 2021-2022  
Towards Increased Federal Health Funding

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# SUMMARY

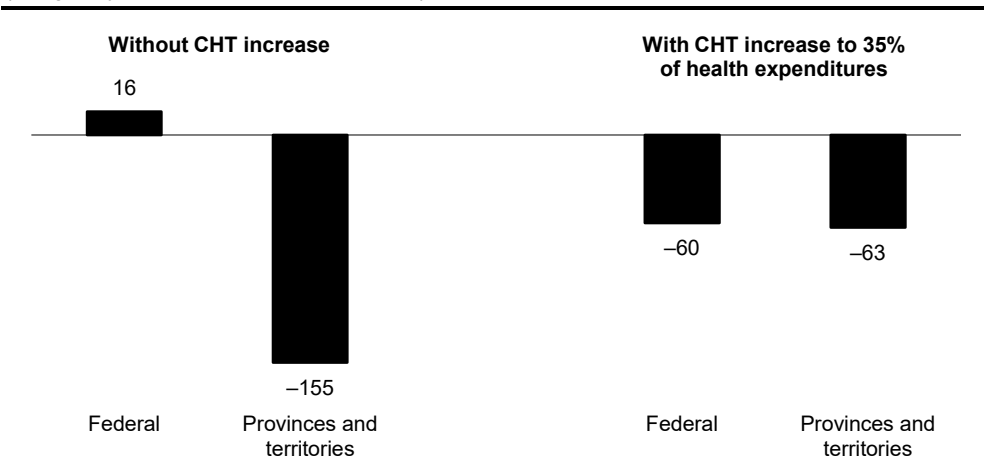
In September 2020 and again recently, the provincial and territorial Premiers called on the federal government to act on their number one priority, health care funding. In this regard, the federal government was asked to increase the Canada Health Transfer (CHT) to 35% of provincial and territorial health expenditures starting in 2021-2022. The federal government has not responded to this request, so Québec is once again asking the federal government to act as a true financial partner for the health sector in a context of growing cost pressures on health care systems.

The current projected increases of the CHT, which is tied to the growth of Canadian nominal GDP, is insufficient. This is due in part to the long-term impact of the COVID-19 pandemic, population aging and the costs of the improvement of services related to the arrival of new drugs and access to new cutting-edge equipment, among other things.

Recent projections by the Conference Board of Canada confirm that the federal government has the leeway to provide additional financial support to the provinces and territories. If no changes are made, the imbalance in public finances between the two orders of government will increase significantly. Only an increase in the CHT to the level requested by the provinces and territories would avoid such an imbalance and make their public finances sustainable in the long term.

Based on current policies, it is indeed projected that, following an increase in the CHT to 35% of provincial and territorial health expenditures starting in 2021-2022, the federal government and the provinces and territories would have a similar fiscal position in 2035-2036.

**Federal government and provinces' and territories' budgetary situation without and with CHT increase – 2035-2036**  
(budgetary balance in billions of dollars)



Note: Based on current public policies.  
Source: Conference Board of Canada.

The requested recurring increase in the CHT will be used, among other things, to support the funding of initiatives already implemented by Québec, including:

- training and hiring patient-care attendants, particularly in residential and long-term care centres (CHSLD);
  - Québec's objective is to hire 10 000 workers.
- hiring nurses;
- enhancing home care;
- improving access to mental health services;
- funding living environments better adapted to the reality of the elderly, such as seniors' homes;
- facilitating access to new therapies and new types of drugs;
- increasing the number of interventions to reduce waiting times;
- catching up with the backlog caused by offloading during the pandemic;
- improving the performance of Québec's health and social services system, particularly through the adoption and use of advanced technologies and new practices.

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# 1. NECESSARY INCREASE IN THE CANADA HEALTH TRANSFER

## 1.1 The federal government is contributing less than before to provincial health expenditures

The federal government has always played an important role in funding health services provided by the provinces and territories, and its financial support has been essential to the development of health care systems. It contributes to provincial and territorial health expenditures primarily through the Canada Health Transfer (CHT).

In 2021-2022, the CHT will total \$43.1 billion across Canada, while provincial and territorial health expenditures, including COVID-19-related costs, will stand at \$198.5 billion.

This means that the federal government will only contribute 21.7% of provincial and territorial health expenditures in 2021-2022.<sup>1</sup>

This is less than in the past, while Québec is facing an unprecedented public health crisis, long-term repercussions of the pandemic and population aging, as well as rising health costs, particularly in relation to the arrival of new drugs and access to new cutting-edge equipment. All of this points to the need for increased federal funding.

### Health: an exclusive provincial jurisdiction

Health is an exclusive provincial jurisdiction. The *Constitution Act, 1867*, which determines the exclusive powers of the provinces, is very clear in this regard. This Act stipulates that the provinces have exclusive jurisdiction over the "Establishment, Maintenance and Management of Hospitals".

The federal government's role is to support the provinces financially given the large tax fields it occupies and its ability to collect revenue throughout Canada.

By being flexible, predictable and recurrent, only an increase in federal funding through the Canada Health Transfer (CHT) would help support the priorities and specific characteristics of the provinces' and territories' health systems while respecting their autonomy in administering them.

In addition, contrary to targeted funding for carrying out specific initiatives, funding through the CHT enables the provinces and territories to react quickly to reallocate funds to sectors with emerging problems. Such flexibility is more important today than ever before, now that the provinces and territories have to adapt rapidly to the impacts of the pandemic.

<sup>1</sup> Including targeted funding for home care and mental health (\$1.5 billion across Canada in 2021-2022), the federal contribution to provincial and territorial health expenditures stands at 22.5% in 2021-2022.

**❑ The federal contribution will continue to decrease if no changes are made**

Since 2017-2018, the CHT has been growing at the rate of Canada's nominal gross domestic product (GDP)<sup>2</sup>, whereas it was previously increased by 6% per year.

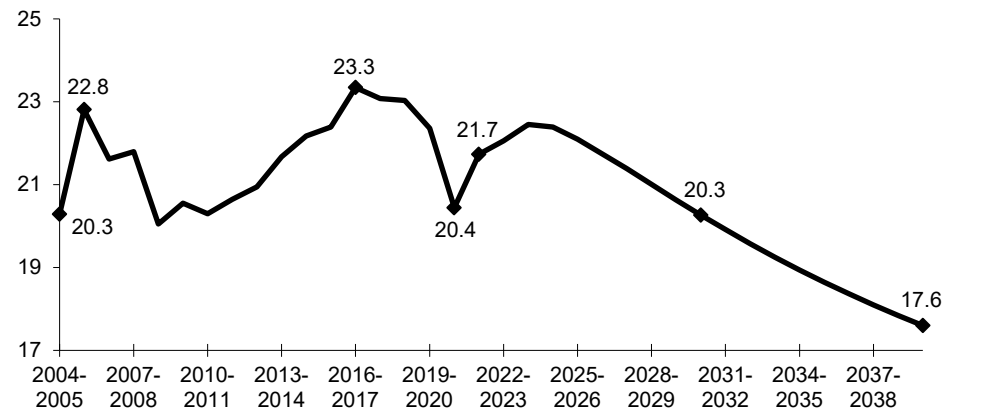
- From 2017-2018 to 2020-2021, the average annual increase was 3.8%, well below the previous 6% rate and the average annual growth in provincial and territorial health expenditures of 7.3% over this period.
- The federal government decided unilaterally to reduce the annual increase in the CHT.

On account of this lower indexation, the federal contribution to provincial and territorial health expenditures is declining and if no changes are made this trend will continue.

- Without an increase in the CHT, the federal share of provincial and territorial health expenditures could be as low as 20.3% in 2030-2031 and less than 18% by 2039-2040.

CHART 1

**Share of federal funding of provincial and territorial expenditures without CHT increase – 2004-2005 to 2039-2040**  
(per cent)



Sources: Canadian Institute for Health Information, Conference Board of Canada and Department of Finance Canada.

<sup>2</sup> Indexation is subject to a minimum of 3% per year.

## The 2004 Health Accord

A federal-provincial-territorial agreement on health, entitled *A 10-Year Plan to Strengthen Health Care*, was reached in September 2004.

Through this \$41-billion, 10-year, pan-Canadian agreement, the federal government recognized the importance of reinvesting in health following the substantial decrease in transfers to the provinces that had occurred in the mid-1990s.

This agreement provided for, among other, an increase in the Canada Health Transfer (CHT) base, as well as an annual increase of 6% as of 2006-2007. This has allowed the federal contribution to provincial and territorial health expenditures to catch up somewhat (the share of federal health funding increased from 21.6% in 2006-2007 to 23.3% in 2016-2017).

However, this share is shrinking again, following the decision by the federal government to limit, since 2017-2018, the annual growth of the CHT to the growth rate of the Canadian economy.

As a result, the federal government is contributing less to the health expenditures of provinces and territories than it did in the past. At the same time, Québec is facing an unprecedented public health crisis, long-term repercussions of the pandemic, a population that is aging faster than in the rest of Canada, and rising health care costs, particularly in relation to the costs of the arrival of new drugs and new cutting-edge equipment.

As in 2004, the federal government must agree with the provinces and territories on a long-term plan for funding health services to meet the needs of the population.

It should also be noted that the 2004 agreement recognized the existence of asymmetrical federalism in Canada, which enables specific agreements to be reached between the federal government and any of the provinces.

Québec had entered into such an agreement with the federal government in which the latter recognized the Québec government's desire to exercise its own responsibilities with respect to planning, organizing and managing health services within its territory.

## 1.2 Increasing the Canada Health Transfer to 35% of provincial and territorial health expenditures

Québec, along with all other provinces and territories, is calling for an immediate increase in the CHT to 35% of provincial and territorial health expenditures from 2021-2022.

- Compared to the CHT level currently projected by the federal government in 2021-2022 (\$43.1 billion), this would represent an increase of \$26.3 billion.<sup>3</sup>
- Each province would receive the same amount per capita. For Québec, this increase would represent about \$6 billion per year.
- This 35% share would subsequently be maintained. The CHT would thus increase at the same pace as provincial and territorial health expenditures.

A contribution of 35% of provincial and territorial health expenditures would not be a historical first.

TABLE 1

### Share of federal funding of provincial and territorial (PT) health expenditures

(millions of dollars, unless otherwise indicated)

	CHT (status quo) (column A)	Health expenditures of PTs <sup>(1)</sup> (column B)	Federal contribution to health expenditures of PTs (column A / column B)	Amounts needed relative to the status quo for the CHT to correspond to 35% of PTs health expenditures starting in 2021-2022
2020-2021	41 870	204 810	20.4%	—
2021-2022	43 126	198 461	21.7%	26 335
2022-2023	44 393	201 239	22.1%	26 041
2023-2024	47 114	209 832	22.5%	26 327
2024-2025	49 259	220 010	22.4%	27 744
2025-2026	51 015	230 840	22.1%	29 779
2026-2027	52 770	242 697	21.7%	32 174
2027-2028	54 692	255 753	21.4%	34 821
2028-2029	56 609	269 457	21.0%	37 701
2029-2030	58 539	283 772	20.6%	40 781
2030-2031	60 531	298 712	20.3%	44 018

(1) These expenditures include the costs associated with COVID-19.

Sources: Conference Board of Canada and Department of Finance Canada.

<sup>3</sup> From 2020-2021 to 2021-2022, the CHT would increase by \$27.6 billion, from \$41.9 billion in 2020-2021 to \$69.5 billion in 2021-2022.

## ❑ Increasing the CHT must be prioritized

In September 2020 and again recently, the provincial and territorial Premiers called on the federal government to act on their number one priority, health care funding. In this regard, the federal government was asked to increase the Canada Health Transfer (CHT) to 35% of provincial and territorial health expenditures from 2021-2022.

Québec is asking the federal government to act as a true financial partner for the health sector in a context of growing cost pressures on health systems.

This partnership must be based on increased and recurring funding, as well as full respect for the jurisdiction of the provinces.

The provinces and territories play a leading role in terms of health care and are therefore in the best position to determine the needs of their population. However, they will not be able to address these needs without a renewed and sustainable partnership with the federal government. Improving their health care systems will otherwise come at the expense of their other missions.

In terms of health care, Québec is demanding that the federal government give priority to increasing the CHT rather than implementing new health initiatives.

This CHT increase will be used to support the funding of initiatives already implemented in Québec, such as training and hiring patient-care attendants working in CHSLDs. It will also be used to hire nurses, improve home care, improve access to mental health services, fund living environments better adapted to the needs of the elderly (such as seniors' homes), promote access to new therapies and new classes of drugs, increase the number of interventions to reduce delays, and catch up on the backlog caused by offloading during the pandemic.

This funding will also allow the government to innovate to improve the performance of Québec's health and social services system, in particular through the use of advanced technologies.

Furthermore, if the federal government decides to introduce a nationwide public prescription drug insurance plan, Québec would ask for the right to withdraw with full financial compensation given that a plan of this type has already been in place in Québec since 1997.





## 2. THE CHALLENGE OF HEALTH FUNDING

Ongoing increase in health expenditures is a general trend that will continue over the next few years. It represents a significant challenge for the provinces and territories.

- Health is an increasingly important part of provincial and territorial economies and budgets. This reduces the resources available for their other missions.
- Over the next few years, according to the Conference Board of Canada,<sup>4</sup> health costs will increase at a rate far beyond the projected growth in provincial and territorial economies and revenues.

### 2.1 The growing weight of health in the economy and provincial budgets

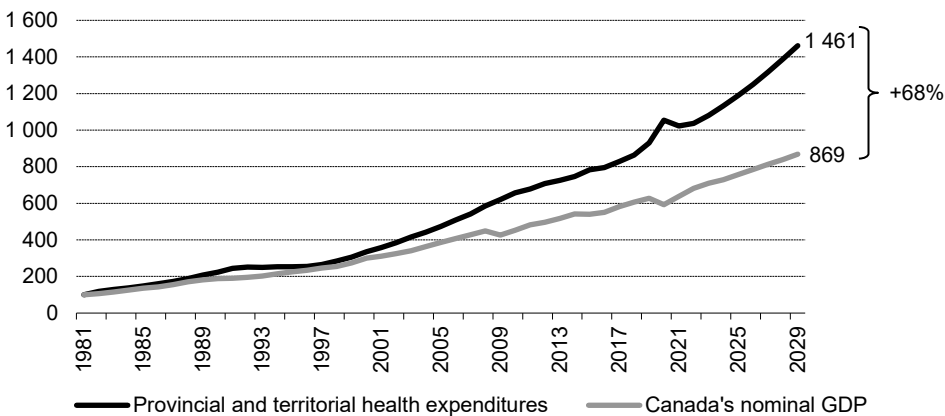
#### ☐ Health expenditures are growing faster than the economy

Over the past 40 years, the average annual growth in provincial and territorial health expenditures was 6.0% compared to 5.0% for Canada's nominal GDP.

This trend will continue. It is predicted that by the end of this decade, in comparison with the early 1980s, the increase in health expenditures will be almost 70% higher than the increase in GDP.

CHART 2

**Change in provincial and territorial health expenditures and in Canada's nominal GDP over five decades**  
(1981 = 100)



Sources: Canadian Institute for Health Information, Conference Board of Canada and Statistics Canada.

<sup>4</sup> The Conference Board of Canada is an independent applied research organization.

As a result, to meet the health needs of their citizens, provinces and territories must spend an increasing share of their revenues on health.

While provinces and territories spent an average of 40% of their revenues on health over the last decade, this share is expected to rise to 48% by 2029-2030.

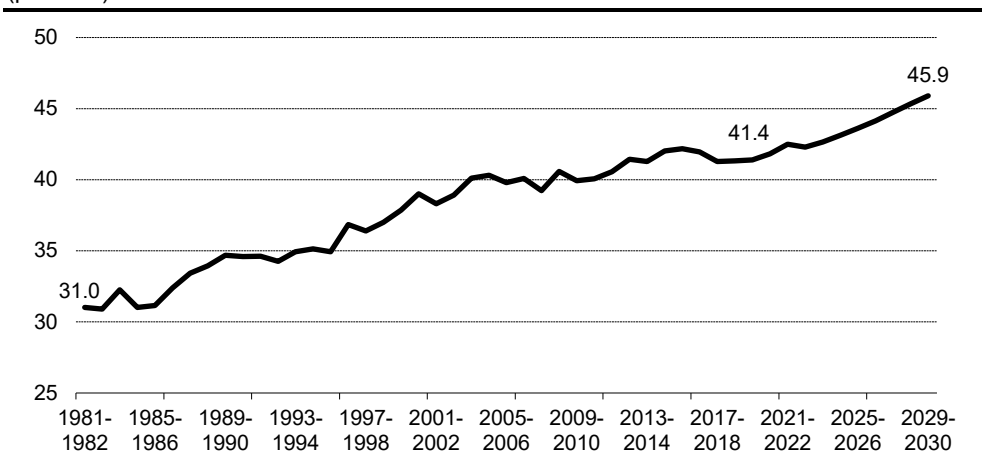
**❑ A growing share of provincial budgets**

In 1981-1982, the health expenditures of provinces and territories accounted for 31.0% of their total portfolio expenditures. In 2019-2020, they accounted for 41.4%. Given the significant cost pressures on health systems, this share is expected to continue to increase. It is expected to reach 45.9% in 2029-2030. This increase is having a direct negative impact on the budgetary availability of the provinces and territories to finance their other government missions.

This situation has been exacerbated by the disengagement of the federal government from the health sector since the late 1970s, when the provinces and territories had no choice but to compensate for reduced federal contributions to ensure the continued provision of health services to their population.

CHART 3

**Share of health expenditures in provincial and territorial portfolio expenditures**  
(per cent)



Source: Conference Board of Canada

## 2.2 Significant future growth in health costs

On October 30, 2020, the Council of the Federation released the Conference Board of Canada's analysis report entitled *Health Care Cost Drivers in Canada*.

According to the Conference Board of Canada, the growth of health care costs in Canada will be influenced by four factors:

- health inflation, which will account for almost half (46%) of the future annual increase in provincial and territorial health expenditures;
- population aging (19% of the future cost increase);
- population growth (18% of future cost increase);
- better access to health care and improvements in health systems (17% of future cost increases).<sup>5</sup>

The Conference Board of Canada estimates that provincial and territorial health expenditures will increase by an average of 5.0% per year over the long term, from 2023-2024 to 2039-2040.

- It is projected that growth in provincial and territorial health expenditures of 4.15% per year on average will be required to maintain health services (system costs).
- Based on past experience, improving services will increase provincial and territorial health expenditures by 0.85% per year, for a total of 5.0% per year on average.

TABLE 2

**Factors responsible for the future increase in health costs of the provinces and territories (2023-2024 to 2039-2040)**  
(percentage points, unless otherwise indicated)

	Contribution to growth	Share of future increase
Inflation in health expenditures	2.30	46%
Population aging	0.95	19%
Population growth	0.90	18%
<b>Subtotal (system costs)</b>	<b>4.15</b>	<b>83%</b>
Better access to care and improvements in health systems (historical trend)	0.85	17%
<b>TOTAL</b>	<b>5.00</b>	<b>100%</b>

Sources: Conference Board of Canada and Ministère des Finances du Québec.

<sup>5</sup> The 17% estimate is based on an observed historical trend.

## ❑ **Provincial and territorial health expenditures could increase by over 5% per year**

The Conference Board of Canada's projected 5% annual increase in health expenditures is based on service improvements consistent with the historical trend.

However, given the uncertainty regarding the long-term impact of COVID-19, population aging and the pace of innovation with the introduction of new drugs and cutting-edge equipment, the past may not be an accurate picture of the future.

On this basis, the annual increase in provincial and territorial health expenditures could exceed the one projected by the Conference Board of Canada.

## ■ **Long-term impact of COVID-19**

According to the Conference Board of Canada, provinces and territories will face long-term indirect costs associated with COVID-19. Studies report pulmonary, cardiac, renal and neurological complications.

In addition to the many direct and indirect implications of the pandemic on provincial and territorial health expenditures, the Conference Board of Canada notes that the coronavirus will influence the organization and delivery of care for years to come.

The Conference Board of Canada's report identifies two consequences: the development of telehealth and changes in long-term care.

- In order to maximize the benefits of telehealth, additional investments in infrastructures will be required.
- In addition, the pandemic has drawn attention to the systemic challenges associated with long-term care, including outdated infrastructures, overcrowded rooms, staff shortages and suboptimal working conditions.

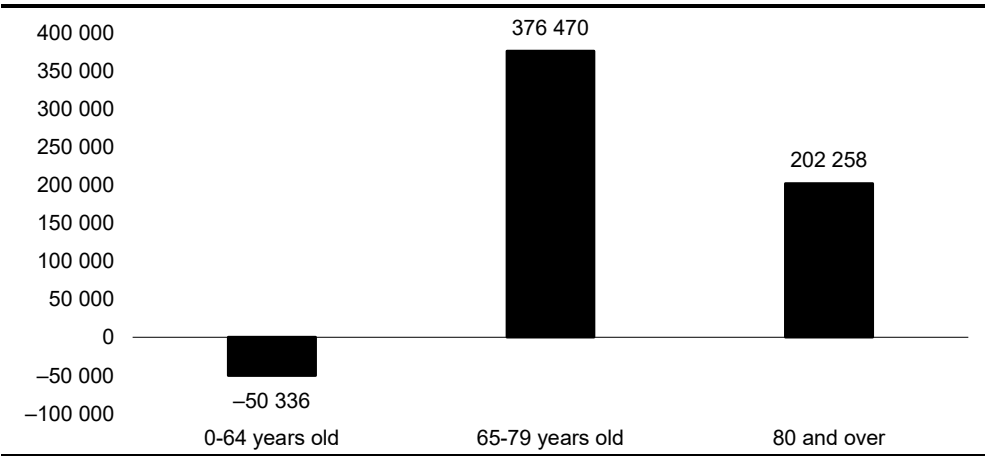
## ■ **Population aging**

Québec is experiencing population aging that will accelerate in the coming years. This aging is already reflected in a sustained growth in the demographic weight of people aged 65 and over.

By 2028, the Institut de la statistique du Québec predicts that the population aged 65 to 79 will increase by 376 470 people, while the population aged 80 and over will increase by 202 258. The population aged 64 and under will decrease by 50 336.

CHART 4

**Change in Québec's population between 2018 and 2028**  
(persons)



Source: Institut de la statistique du Québec.

Population aging will accelerate the prevalence of chronic illnesses and home care. It will also lead to an intensification of public investment in residential centres.

■ **Other factors will increase pressure**

It is expected that various factors will put greater pressure on health costs in the future than in the past.

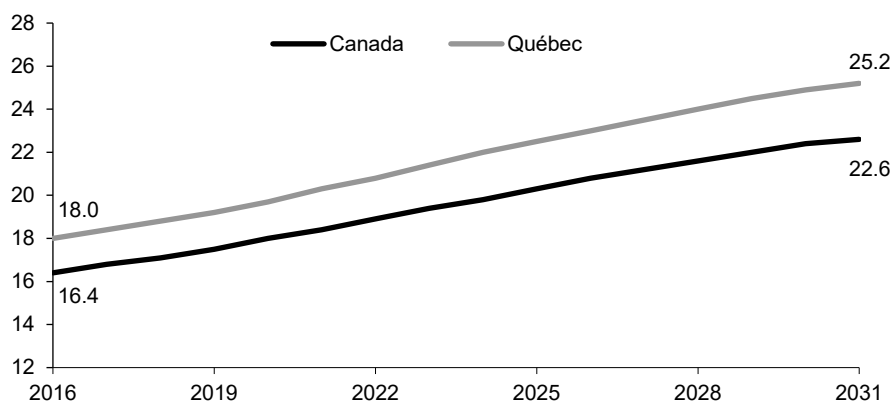
- Some health problems in the population will continue to increase, such as mental health problems.
- The cost of acquiring medical technologies and drugs will increase further, especially with the introduction of innovative cancer treatments and biopharmaceutical drugs.
- Inadequate use of digital technologies in several provinces, coupled with the growing popularity of practices such as telemedicine, will also put significant pressure on technological costs.

## Provincial and territorial health systems will face pressures from population aging

Population aging, which will continue in the coming years, will lead to a significant increase in the number of people aged 65 and over. In Québec, it is estimated that the proportion of seniors in the total population will increase to 25.2% in 2031, up from 18.0% in 2016.

Population aging will accelerate the prevalence of chronic illnesses and the use of home care. It will also lead to an intensification of public investment in residential centres.

### Share of persons aged 65 and over as a proportion of the total population (per cent)

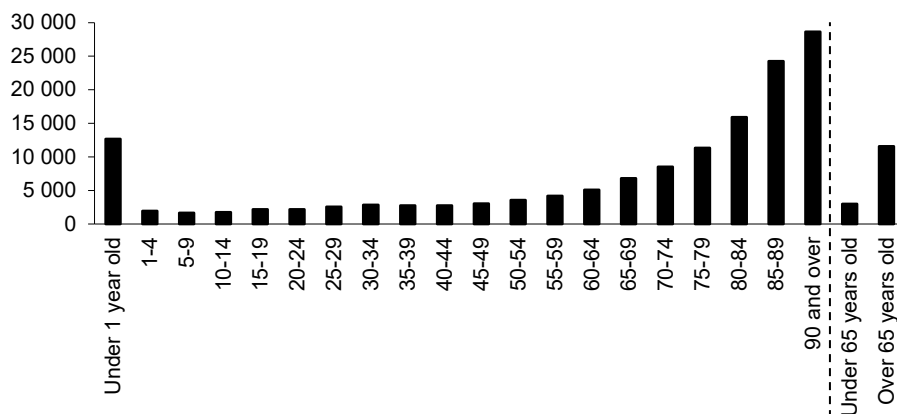


Sources: Institut de la statistique du Québec, Statistics Canada and Ministère des Finances du Québec.

On average, people aged 65 and over have a greater impact on the costs of health systems. The average provincial health expenditures for people under 65 years of age were \$3 001 per capita in 2018.

— These expenditures reached \$11 593 for those aged 65 and over.

### Average provincial health expenditures by age group – 2018 (dollars per capita)



Sources: Canadian Institute for Health Information, Statistics Canada and Ministère des Finances du Québec.

### 3. INCREASING THE CHT WILL HELP MAKE THE PROVINCES' FINANCIAL SITUATION MORE SUSTAINABLE OVER THE LONG TERM

☐ The federal government's fiscal situation will improve over the next few years, unlike that of the provinces

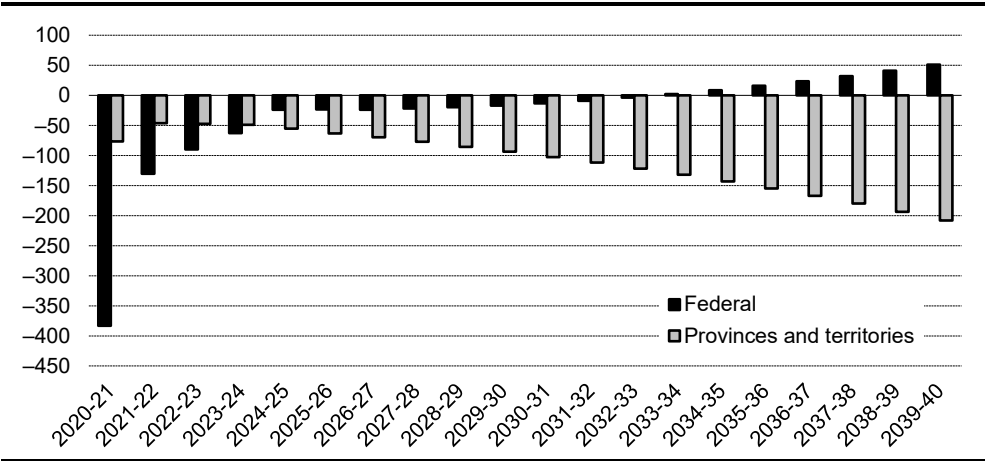
The federal government is currently experiencing a deterioration of its financial situation due to the pandemic. In 2020-2021, according to the Conference Board of Canada, the federal government deficit is projected to reach \$383 billion, compared to \$77 billion for the combined deficit of the provinces and territories.

This larger deficit for the federal government is due to significant one-time programs put in place to support individuals and businesses during the pandemic (e.g. the Canada Emergency Wage Subsidy is scheduled to end in June 2021).

However, starting in 2024-2025, according to projections produced by the Conference Board of Canada,<sup>6</sup> the financial situation between the federal government and the provinces and territories will be reversed.

CHART 5

**Budgetary balance of the federal government and provincial and territorial governments**  
(billions of dollars)



Source: Conference Board of Canada.

<sup>6</sup> Based on requested custom scenarios. The Conference Board of Canada has produced projections using the fall 2020 federal update. These projections are from the report released on March 4 by the provincial and territorial Premiers, titled *Increasing The Canada Health Transfer will Help Make Provinces and Territories More Financially Sustainable Over The Long Term*.

From 2021-2022 to 2030-2031, the federal deficit is projected to decrease from \$131 billion to \$14 billion.

Conversely, the financial situation of the provinces and territories is expected to deteriorate significantly. It is projected that their combined deficit will more than double within 10 years, from \$46 billion in 2021-2022 to \$103 billion in 2030-2031 (see Annex).

The federal government is projected to be in a surplus situation as of 2033-2034 and to post a surplus of more than \$50 billion in 2039-2040, while the combined deficit of the provinces and territories could reach \$208 billion.

The projections of the Conference Board of Canada that the federal government is in a better position than the provinces and territories are consistent with studies by the Parliamentary Budget Officer and Trevor Tombe of the University of Calgary.

The aging of Canada's population will lead to long-term slower economic growth and lowered revenues to fund expensive government programs, like health care. In this context, provinces and territories will find it very difficult to balance their budgets.

The federal government's role is to provide financial support to the provinces and territories given the large tax fields it occupies and its ability to collect revenue throughout Canada.

As such, it must use its financial leeway to respond positively to the request of the provinces and territories to increase the CHT to 35% of their health expenditures starting in 2021-2022.



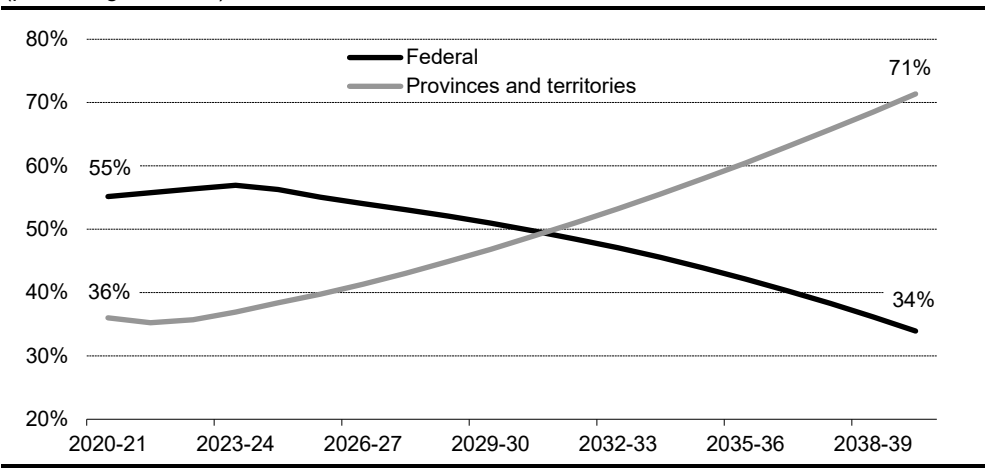
**❑ A significant imbalance in public finances to be expected between the two orders of government**

If the federal government does not respond positively to the provinces' and territories' request to increase the CHT to a level equal to 35% of their health expenditures starting in 2021-2022, the imbalance in public finances between the two orders of government will increase.

The Conference Board of Canada's projections show that, without a CHT increase, the federal government's net debt as a proportion of GDP will decline by 21 percentage points (from 55% in 2020-2021 to 34% in 2039-2040), while the provinces' and territories' net debt as a proportion of GDP is projected to increase by 35 percentage points (from 36% in 2020-2021 to 71% in 2039-2040).

CHART 6

**Projected net debt of the federal government and provincial and territorial governments**  
(percentage of GDP)



Source: Conference Board of Canada.

**❑ An increase in the CHT would ensure better balance between the two orders of government**

An increase in the CHT to an amount corresponding to 35% of provincial and territorial health expenditures would help ensure that provinces and territories have the financial means to continue providing the level of health care sought by their citizens, without taking resources away from other key areas of provincial jurisdiction.

An increase in the CHT would also ensure better balance between the two orders of government in the federation.

Based on current public policies, it is projected that following an increase in the CHT to 35% of provincial and territorial health expenditures from 2021-2022, the federal government and the provinces and territories would have a similar fiscal position in 2035-2036.

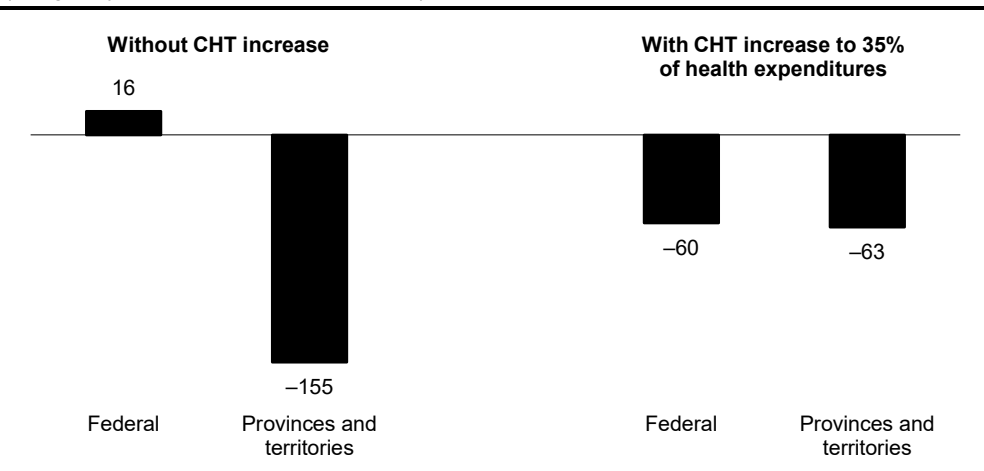
Overall, this would result in lower government deficits across Canada as the federal government benefits from lower borrowing costs than the provinces and territories. This would be a net benefit to Canadians.

To avoid continuing public debt, the federal government has a duty to transfer to the provinces and territories the resources needed to fund health services, while the provinces and territories will need to make their health systems as efficient as possible in the years to come.

Both orders of government should also seek to increase Canada's economic potential in order to create the necessary wealth to fund public services.

CHART 7

**Federal government and provinces' and territories' budgetary situation without and with CHT increase – 2035-2036**  
(budgetary balance in billions of dollars)



Note: Based on current public policies.  
Source: Conference Board of Canada.

## Recent studies on the financial sustainability of governments in Canada

The Conference Board of Canada's projections showing that the federal government is in a better position than the provinces and territories concur with several other studies.

### **The Parliamentary Budget Officer<sup>1</sup>**

The Parliamentary Budget Officer (PBO) publishes an annual report on the financial sustainability of governments in Canada. The February 2020 report was updated last November to reflect the pandemic's impact.

Despite the significant deficit that the federal government forecasts in 2020-2021, the PBO still believes that the federal government's public finances are sustainable over the long term, unlike those of the provinces and territories.

The PBO anticipates that the federal government could permanently increase its expenditures or reduce taxes by 0.8% of GDP (\$19 billion, subsequently rising at the same pace as GDP), while stabilizing the net debt ratio over GDP at its pre-pandemic level.

The reverse is true for the provinces and territories. According to the PBO, to stabilize their debt ratio, they should permanently increase taxes or reduce their expenditures by 0.5% of GDP (\$12 billion, subsequently rising at the same pace as GDP).

### **Trevor Tombe, University of Calgary<sup>2</sup>**

Trevor Tombe of the University of Calgary also believes that the provinces' public finances are not sustainable, while the federal government's finances are. He has made available to the public an interactive tool in this respect.

For the combined net debt of the provinces to be equivalent to the current level at the end of the 50-year projection period, the provinces would have to increase their revenues or reduce their expenditures by 2.8% of GDP annually (\$66 billion in 2021-2022).

Conversely, the federal government has at its disposal leeway equivalent to 1.0% of GDP (equivalent to \$23 billion in 2021-2022).

1 Parliamentary Budget Officer, *Fiscal Sustainability Report 2020: Update*, November 6, 2020.

2 Trevor Tombe's interactive tool: <https://financesofthenation.ca/fiscal-gap-simulator/>



## CONCLUSION

The continuing increase in health expenditures represents a significant challenge for the provinces and territories. In the long term, these expenditures are expected to increase by at least 5% per year due to population aging, improved services and the long-term impacts of the public health crisis.

However, the federal government is contributing less than before to provincial and territorial health expenditures.

Like the other provinces and territories, Québec is asking the federal government to be a true partner in matters of health care and to increase the Canada Health Transfer (CHT) to 35% of provincial and territorial health expenditures starting in 2021-2022.

An annual escalator of at least 5% thereafter would maintain the CHT level at 35% of provincial and territorial health expenditures. A higher annual escalator would be necessary to reach an amount equivalent to 35% of aggregate provincial and territorial health expenditures if the CHT was not immediately increased to that level in 2021-2022, in order to ensure a catch-up.

The federal government has the necessary leeway to increase the CHT to this level. Without this increase, significant imbalance in public finances between the two orders of government can be expected.

An increase in the CHT to 35% of provincial and territorial health expenditures represents a key element to help meet health service needs and make the financial situation of provinces and territories more sustainable over the long term.



# ANNEX: FEDERAL AND PROVINCIAL FISCAL PROJECTIONS BASED ON CURRENT POLICIES

TABLE 3

## Federal government fiscal projections (billions of dollars, unless otherwise indicated)

	Revenue	Expenditure	Budgetary balance	Net debt	Net debt to GDP
2020-2021	276.4	-659.8	-383.4	1 202	55.1%
2021-2022	346.0	-476.6	-130.5	1 338	55.8%
2022-2023	373.0	-462.7	-89.7	1 432	56.4%
2023-2024	393.9	-456.6	-62.7	1 498	56.9%
2024-2025	408.9	-432.8	-23.9	1 525	56.3%
2025-2026	423.8	-447.0	-23.2	1 551	55.1%
2026-2027	440.9	-464.6	-23.7	1 577	54.0%
2027-2028	459.5	-481.4	-21.9	1 602	53.1%
2028-2029	478.3	-498.1	-19.8	1 624	52.1%
2029-2030	497.7	-514.8	-17.1	1 644	51.0%
2030-2031	517.5	-531.0	-13.5	1 660	49.8%
2031-2032	538.1	-547.1	-9.0	1 672	48.5%
2032-2033	559.5	-563.3	-3.8	1 679	47.1%
2033-2034	581.7	-579.6	2.0	1 680	45.5%
2034-2035	604.8	-596.2	8.6	1 674	43.9%
2035-2036	628.8	-613.1	15.7	1 661	42.1%
2036-2037	653.5	-630.2	23.3	1 641	40.3%
2037-2038	679.0	-647.2	31.8	1 613	38.3%
2038-2039	705.5	-664.4	41.1	1 575	36.2%
2039-2040	732.7	-681.8	50.9	1 527	33.9%

Source: Conference Board of Canada.

TABLE 4

**Provincial and territorial fiscal projections**

(billions of dollars, unless otherwise indicated)

	Revenue	Expenditure	Budgetary balance	Net debt	Net debt to GDP
2020-2021	440.6	-509.6	-76.5	785	36.0%
2021-2022	452.4	-498.8	-46.5	845	35.2%
2022-2023	462.7	-510.2	-47.5	907	35.7%
2023-2024	479.9	-529.0	-49.1	971	36.9%
2024-2025	495.2	-550.4	-55.2	1 041	38.4%
2025-2026	511.6	-574.7	-63.1	1 120	39.8%
2026-2027	529.9	-599.8	-69.9	1 205	41.3%
2027-2028	548.7	-626.0	-77.4	1 299	43.1%
2028-2029	567.9	-653.4	-85.4	1 401	44.9%
2029-2030	587.9	-681.7	-93.8	1 511	46.8%
2030-2031	608.6	-711.1	-102.5	1 631	48.9%
2031-2032	630.2	-741.8	-111.6	1 760	51.0%
2032-2033	652.4	-774.0	-121.7	1 899	53.2%
2033-2034	675.3	-807.5	-132.2	2 050	55.6%
2034-2035	699.2	-842.3	-143.1	2 211	58.0%
2035-2036	723.9	-878.5	-154.6	2 385	60.5%
2036-2037	749.1	-916.0	-166.9	2 571	63.1%
2037-2038	775.3	-955.1	-179.8	2 770	65.8%
2038-2039	802.4	-995.9	-193.5	2 984	68.5%
2039-2040	830.4	-1 038.3	-207.9	3 212	71.4%

Source: Conference Board of Canada.