



Association of Canadian Academic Healthcare Organizations
Association Canadienne des Institutions de Santé Universitaires

FOR IMMEDIATE RELEASE

**GST Discriminates Against Health Sector...
Federal Government Takes Close to \$300 Million Annually out of System**

OTTAWA, November 14, 2007 - The Association of Canadian Academic Healthcare Organizations (ACAHO), the national voice of Canada's Teaching Hospitals, Academic Regional Health Authorities and their Research Institutes (known as Research Hospitals) – calls on the federal government to reverse the discriminatory impact of the Goods and Services Tax (GST) on the health system.

As it stands, not all hospitals and other publicly-funded not-for-profit institutions, facilities and agencies are treated the same in terms of the impact of the GST. In eight provinces, hospitals are eligible for an 83% GST rebate, and the other publicly-funded not-for-profit institutions, facilities and agencies receive a 50% GST rebate. To complicate matters, two provinces effectively receive a 100% GST rebate when it comes to the health system – which is fundamentally unfair (see Backgrounder). In contrast, the federal government has extended a 100% GST rebate to all municipalities across the country.

In a recent public opinion poll conducted by SES Research, 84% of Canadians want the federal government to create a level playing field for all provinces by increasing the GST rebate to 100% for all hospitals and publicly-funded not-for-profit health institutions, facilities and agencies. Mr. Nik Nanos, President of SES Research observed, "Canadians were not aware that hospitals and other publicly-funded health institutions, facilities and agencies paid GST, and felt that the solution was fair." This solution is strongly supported by ACAHO's sister organization, the Canadian Healthcare Association. To review the results of the poll, go to the Association's web-site www.Acaho.org.

"This solution is fair, reasonable and above all avoids the situation where the federal government gives with one financial hand and takes with the other", said, Dr. Denis-Richard Roy, President of ACAHO and Executive Director of le Centre hospitalier de L'Université de Montréal.

"Building on the GST rate reduction from 7% to 5%, the tax policy solution proposed by ACAHO is a "win-win" for the federal government; by not only improving its alignment with the structure of the health system, but keeping federal dollars where they belong – in the country's hospitals, health institutions, facilities and agencies to provide Canadians with timely access to a range of quality health services", said Mr. Glenn Brimacombe, CEO of ACAHO.

Members of ACAHO are leaders of innovative and transformational organizations that serve a unique and essential role in the system: they educate the next generation of health care professionals, advance leading edge innovative practices through health research, and provide much of the specialized health care services to Canadians.

- 30 -

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