



# Canadian Healthcare Association Association canadienne des soins de santé

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*Advancing  
healthcare for  
Canadians*

*The Canadian  
Healthcare  
Association (CHA)  
is the federation of  
provincial and  
territorial hospital  
and health  
organizations  
committed to  
preserving and  
strengthening  
Canada's health  
system.*

*Through its  
members, CHA  
represents a broad  
continuum of  
services provided  
through regional  
health authorities,  
hospitals, facilities  
and agencies that  
are governed by  
trustees who act in  
the public interest.*

*CHA is a leader in  
developing, and  
advocating for,  
health policy  
solutions that meet  
the needs of  
Canadians and is  
committed to a  
publicly funded  
health system that  
provides access to  
a continuum of  
comparable health  
services throughout  
Canada.*

**Press Release**

**For immediate release**

## **Health sector GST unfair, only solution is 100% rebate, says CHA**

**Ottawa, November 14, 2007** — The Canadian Healthcare Association (CHA) is asking that all publicly-funded not-for-profit health services receive the 100% GST rebate that is now provided to municipalities.

CHA is concerned that inequities in the GST rebate system for the health sector are resulting in a transfer of funds from much needed health services back to the federal government. Currently, hospitals receive an 83% GST rebate on their purchases of taxable supplies, while many health facilities and agencies, including long term care and home and community care receive only a 50% rebate.

Additionally, two provinces do not pay the GST for their health systems. As well, the government questions whether research activities which are an integral part of academic health care organizations are eligible for the 83% rebate.

After ten years of advocacy efforts by CHA on the differential GST rebate rates for various parts of the health sector, the government introduced legislative changes in 2005. These extended the 83% hospital GST rebate to not-for-profit health services provided outside hospitals. Unfortunately, the government's interpretation of this legislation has been very restricted and it is now unclear which additional services will be able to receive the 83% rebate.

“The only solution is a 100% rebate for all publicly funded, not-for profit health facilities and services,” said CHA President and CEO Sharon Sholzberg-Gray. “It is inconceivable that the federal government contributes billions of dollars to health services per year, and then takes back hundreds of millions of dollars from the health system through an inequitable and unfair GST rebate system.”

CHA's sister organization, the Association of Canadian Academic Healthcare Organizations (ACAHO) is asking for the same changes. According to an August 2007 poll commissioned by ACAHO, 84% of Canadians surveyed support hospitals and other health care facilities receiving a 100% rebate of the GST on goods and services they purchase. The full poll is available on ACAHO's website at [www.achao.org](http://www.achao.org).

“The government now has the opportunity to demonstrate its commitment to continued investment in our health system,” says CHA Board Chair Lynda Cranston. “Allowing publicly-funded, not-for-profit health organizations a 100% GST rebate on good and services purchased reinvests GST funds back into our health system, benefitting the health of all Canadians.”

CHA supports a health system which provides Canadians with access to comparable high quality health services throughout the country. GST policy needs to support this goal, and not operate in opposition to it.

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**A backgrounder on this issue is attached.**

**For further information and to arrange an interview with a CHA representative, contact: Teresa Neuman, Communications Specialist, telephone: (613) 241-8005, ext. 205; e-mail: [tneuman@cha.ca](mailto:tneuman@cha.ca)**