



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.

“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