



December 21, 2007

Minister of Finance  
Hon. James M. Flaherty  
Department of Finance Canada  
140 O'Connor Street  
Ottawa, Ontario K1A 0G5

Dear Minister Flaherty:

My purpose in writing is to express the Catholic Health Association of Canada's support for the GST-rebate health care recommendation most recently brought to your attention on November 14, 2007 by the Canadian Health Care Association (CHA) and the Association of Canadian Academic Healthcare Organizations (ACAHO).

As you know not all hospitals and other publicly funded, not-for-profit institutions facilities and agencies across Canada are treated the same in terms of the GST's impact on their finances. Hospitals and homes in Alberta and New Brunswick effectively receive 100% rebate on the GST they pay for all of the inputs they purchase to provide health services in their communities. Hospitals in eight provinces receive only an 83% rebate, while long-term care, home care and community institutions receive only a 50% rebate.

### **Equity**

The principles of medicare which Canadians believe in and we endorse are intended to establish an equitable approach on the part of the federal government to each jurisdiction in support of our publicly funded system. The current practice in relation to the GST rebate violates the principle of equity.

### **Sustainability**

Mr. Minister, while there are innumerable organizations that provide enormous social good; none that is so dear to Canadians is facing the volume and cost pressures that the health care system does daily. Closing the GST equity-gap of 17% for hospitals and 50% for homes in eight provinces would represent a fair and significant contribution to the sustainability of those health care organizations.

### **Goodwill**

As the sustainability of our system also relies on the personal generosity of the average Canadian, the federal government cannot afford to alienate volunteers and donors. By ensuring that the maximum amount of their effort and contribution goes to advance

health care, the government builds goodwill with this significant segment of Canadian society.

Permit me to make my point from the local community perspective in those eight provinces that do not receive the 100% rebate: Ontario, Québec, British Columbia, Nova Scotia, Prince Edward Island, Newfoundland and Labrador, Saskatchewan, and Manitoba.

Place yourself in the shoes of those Canadians who voluntarily support the foundations affiliated with their local publicly funded, not-for-profit hospitals or long-term care institutions. Hundreds of these volunteers put in long hours on foundation boards. Thousands more volunteer their time to organize and staff telethons and other fundraising events - all this effort for the purpose of bolstering local healthcare services.

Now, contrast that generosity and dedication with a federal government policy that withholds 17% to 50% of needed health care resources by refusing a full 100% GST rebate. Frankly, I find the contrast unpalatable.

Please give reassurance to the many health care fundraising foundations, their volunteers, and donors that their efforts are not being undermined.

### **Common Good**

The Canadian health care system is a unique democratic institution because it is founded on the principle of the common good. According to this principle, we all participate in the cost of what it takes to look after our brothers and sisters in times of illness and suffering. The federal government is able to model this principle for Canadians by its approach to the GST-rebate issue.

Mr. Minister, as an organization that predates medicare and that wholly supports the principles of medicare we urge you to view the introduction of the 100% GST rebate as a positive step in affirming your government's commitment to the principles and values of our public health care system.

Respectfully yours,

ORIGINAL SIGNED BY:

Gerard W. Lewis  
President and CEO  
Catholic Health Association of Canada

Cc. Hon. Tony Clement, Minister of Health, Conservative Party of Canada  
Bonnie Brown, Health Critic, Liberal Party of Canada  
Penny Priddy, Health Critic, New Democratic Party  
Christiane Gagnon, Health Critic, Bloc Québécois  
Elizabeth May, Leader, Green Party  
Sharon Sholzberg-Gray, Canadian Healthcare Association  
Glenn Brimacombe, Association of Canadian Academic Healthcare Organizations  
Pamela Fralick, Health Action Lobby / Canadian Healthcare Association