



September 15, 2016

The Right Honourable Justin Trudeau, P.C., M.P.
Prime Minister of Canada
Office of the Prime Minister
Langevin Block, 80 Wellington Street
Ottawa, ON K1A 0A2

Dear Prime Minister:

During our meeting in Whitehorse in July, Premiers had the opportunity to discuss the various challenges facing their respective health care systems, including financing these systems within the context of steadily increasing costs.

All Premiers raised concerns about the decision of the previous federal government to amend the annual growth rate of the Canada Health Transfer (CHT) next year, and the significant impact that these changes will have on provinces' and territories' (PT) finances.

As you know, starting in 2017-2018, the rate of funding is expected to change from 6 per cent to grow in line with a three-year moving average of nominal Gross Domestic Product (GDP), subject to a floor of 3 per cent. Beginning in the next fiscal year, the budgetary impact for all PTs could represent a revenue decline of \$1 billion in 2017-2018 alone.

Canada's Premiers have directed PT Finance Ministers to develop options for increased federal funding through the CHT. Finance Ministers will be coordinating work with PT Ministers of Health to focus our efforts. Provinces and territories believe that a long-term agreement is achievable, and we are committed to working with your government to make this happen.

With the 2017-2018 federal budgetary cycle beginning in the coming weeks, it is important that First Ministers act before these changes begin impacting Canadians. It is for this reason that on July 22, we asked you to meet with us in the fall to discuss this issue.

Premiers would like to hold a meeting with you solely dedicated to long-term health care financing before mid-December.

In the spirit of collaboration and to reflect the importance of this issue, we believe that this meeting should be confirmed prior to the First Ministers' Meeting on climate change and clean growth.

If a meeting on long-term health care financing is not possible within the proposed time frame, we ask that you formally commit to postponing the entry into force of the proposed CHT changes for at least one year. This will give us the opportunity to reach an agreement that reflects intergovernmental collaboration and is respectful of PT jurisdiction, which we believe will be to the benefit of all Canadians and the Canadian federation.

Sincerely,

A handwritten signature in blue ink, appearing to read "Darrell Pasloski". The signature is fluid and cursive, with a large initial "D" and "P".

Darrell Pasloski
Chair, Council of the Federation
Premier of Yukon

cc: Premiers