

Election Proposal Costing

Increasing the Canada Health Transfer

April 22, 2025

Increasing the Canada Health Transfer (CHT) to grow in line with a three-year moving average of growth in nominal gross domestic product (GDP) plus 2%, with total CHT guaranteed to increase by at least 6% per year, effective April 1, 2025.

Cost of Proposed Measure

Fiscal year	2025-2026	2026-2027	2027-2028	2028-2029	2029-2030	Total
Total cost \$ millions	521	1,099	1,739	3,339	4,925	11,623

Notes

- Estimates are presented on an accrual basis as would appear in the budget and public accounts.
- A positive number implies a deterioration in the budgetary balance (lower revenues or higher spending). A negative number implies an improvement in the budgetary balance (higher revenues or lower spending).
- Totals may not add due to rounding.

Estimation and Projection Method

Projected CHT expenses under current policy were taken from PBO's Election Proposal Costing (EPC) baseline. The proposed increase in the CHT was calculated by increasing the 2024-25 CHT amount in line with the three-year moving average of growth in nominal GDP plus 2%, with a minimum 6% growth rate per year.

The total cost of the proposed measure was calculated as the difference between projected CHT spending under the proposed increase and the EPC baseline CHT projection.

Sources of Uncertainty

The main source of uncertainty relates to projected nominal GDP growth.

Data Sources

Sources of Uncertainty

PBO EPC baseline