

Canada Health Infoway Pre-Budget Submission to the House of Commons Standing Committee on Finance

Canada Health Infoway (Infoway) appreciates the opportunity to participate in the 2017 pre-budget consultation process. Infoway is proposing transformational investments to enable Canadians to better manage their health and contribute to the country's economic growth. Specifically, Infoway proposes continued federal investment in the digital transformation of healthcare to improve the patient experience, increase quality of care, reduce costs and drive innovation. **Infoway seeks a further investment of \$110 million over five years to complete the launch of a multi-jurisdiction e-prescribing solution, and \$110 million over three years to continue to scale and spread virtual care digital solutions.** These two initiatives will pave the way for a broader digital health "ecosystem" for ongoing innovation at a national level that will help close the healthcare performance gap between Canada and other industrialized nations.

Innovation: the Key to Affordable, Accessible Healthcare and Unlocked Economic Potential

We live in a world where digital technology is empowering consumers to engage in new patterns of behaviour. While connected to mobile networks, consumers can now access more information, more quickly, than ever before. To remain competitive in this environment, companies must deliver faster services, better products and the greater range of choices that consumers are demanding.

Given the role of digital technology in driving innovation, the healthcare sector should be a place where the government invests heavily in digital transformation. Almost every area of the economy has already been transformed by technology that puts consumers in the driver's seat – banking, retail, travel, media, to name just a few. However, this consumer-centric transformation has barely begun in Canada's healthcare system, even though over 90% of people surveyed by Infoway want these same types of innovations for their healthcare. Canadian health expenditures in 2015 topped \$219 billion, larger than the total output of either the manufacturing sector or the mining, quarrying and oil and gas sector. At 10.9% of gross domestic product (GDP), the healthcare sector is, by far, Canada's largest employer, providing jobs at every level of income across the country. Because of the magnitude of the healthcare sector, the benefits from digital health innovation will have a very significant impact on the Canadian economy. The evidence for this is found in multiple studies in Canada, the US, and the UK.

A Conference Board of Canada study estimated that approximately 18.8 million hours of work would be saved per year, and \$400 million would be added to GDP annually, just from allowing Canadians to view lab results or request prescription renewals online instead of taking time off work to visit their doctors. Furthermore, investment in digital innovation could assist Canada in

controlling an expected rise in healthcare expenditures over the next two decades. Goldman Sachs estimated that broad adoption of digital health technologies could yield over \$300 billion in US healthcare system savings, and create more than a \$30 billion commercial market over the next decade. Similarly, McKinsey & Company estimated that investment in electronic health records, digital services and data could save the British National Health Service up to £13.7 billion by 2020–21, or approximately 10.8% of total healthcare spending.

There are other compelling reasons to invest in digital health innovation. Canada's healthcare system is facing a number of pressures. One of the most immediate and concerning is the public health crisis of prescription drug abuse (particularly opioids) that has harmed many Canadians. According to the International Narcotics Control Board, Canada is the second largest consumer of prescription opioids after the US. Minister of Health Dr. Jane Philpott has called for the creation of an e-prescribing system to help reduce opioid misuse.

Canada's aging population and the related increased incidence of chronic disease is placing a prolonged pressure on the healthcare system. Chronic disease management already consumes 67% of all direct healthcare costs and has an annual economic impact of \$190 billion, including lost productivity.

A further compelling reason to invest in digital health innovation is to address the gap in access to healthcare for residents of northern, remote and rural areas, particularly those living in Aboriginal communities. Increased access to healthcare through digital health innovation will positively impact the quality of life in these communities.

Last year, Infoway developed a strategy to drive the digital transformations needed to address these pressures. This strategy had three main elements:

- **a multi-jurisdiction e-prescribing solution** to reduce prescription drug misuse and abuse and improve medication management (particularly for seniors, most of whom have multiple prescriptions)
- **scaling virtual care digital solutions** to bend the healthcare cost curve and increase access to care, especially for Canadians outside urban centres
- **a national innovation ecosystem** to scale and spread health innovation on an ongoing basis and enable the use of data analytics to improve the performance of Canada's healthcare system

The federal government took an important step towards supporting the first two elements in Budget 2016, pledging \$50 million over two years. Continued progress in advancing these initiatives will require further federal investments of \$110 million for the multi-jurisdiction e-prescribing solution and \$110 million to scale proven virtual care digital health solutions. This funding will help the government to: (i) deliver on its commitments regarding prescription drugs, innovation, homecare, palliative care and mental health services; and (ii) respond to calls by the

provinces and territories for Infoway's continued national leadership of digital healthcare innovation.

Safeguarding the Health of Canadians through Innovative Medication Management

Medication is now the second largest area of healthcare spending in Canada, almost doubling from 8.8% to 15.8% of health expenditures over the last 40 years. Clearly, medication management needs innovation. Canada is among the few developed countries without a comprehensive electronic prescribing system. The federal government recognized this by allocating Infoway \$40 million in Budget 2016 to launch a comprehensive, multi-jurisdiction e-prescribing system. E-prescribing allows prescribers to transmit a prescription electronically to a patient's pharmacy of choice, eliminating paper prescriptions. E-prescribing facilitates better, safer, and more appropriate prescription drug use, improves health outcomes and has the potential to reduce drug costs. In 2013 Canada spent an estimated \$149 million on potentially inappropriate medications outside hospital settings.

Since the Budget 2016 announcement in March, Infoway has made significant progress towards the launch of PrescriberIT, a multi-jurisdiction e-prescribing service, including initiating the procurement process for PrescriberIT's technological infrastructure and entering into memoranda of understanding with Alberta and Ontario to test and fine-tune the service. Consultations have been ongoing with clinical and regulatory organizations, retail pharmacy and other private sector stakeholders.

PrescriberIT will provide convenience for consumers and productivity improvements for clinicians. It will also deliver benefits and innovations in medication management. Of particular policy importance to the federal government and the jurisdictions, PrescriberIT will result in more secure prescribing of narcotics and other controlled substances, improved data for narcotics monitoring programs, and enhanced medication compliance for Canadians. At least 20% of new prescriptions are never filled, leaving both the prescriber and the pharmacy unaware that the patient is not taking their medication. Improved medication compliance (especially for patients with chronic conditions such as congestive heart failure, hypertension, diabetes or mental illness) reduces emergency department visits and re-hospitalizations.

PrescriberIT will enable the federal government to play a role in improving prescription drug management. Infoway has made significant progress on PrescriberIT in a short period of time, but **an additional federal investment of \$110 million over five years is needed** to make the service available to all jurisdictions in Canada on a self-sustaining basis.

Virtual Care: Driving Improved Access, Quality and Sustainability of Care for Canadians

Virtual care is a care delivery model that uses digital health technologies to enhance collaboration between healthcare providers by seamlessly connecting the patient and the care team, regardless of distance, location, or time. Its potential for broad application can be a transformative force to effectively realize the full potential of patient-centric care. Examples of virtual care include: telehomecare; consumer portals that allow Canadians to receive, view and manage their personal health information electronically (such as diagnostic imaging reports and lab test results); e-booking of appointments; e-renewals of prescriptions; e-referrals; e-triage; and e-visits between patients and clinicians.

Virtual care increases access to care, improves the effectiveness of care, and is cost-effective. It breaks down outmoded care delivery silos, resulting in better integration of care, increased system capacity, and more effective use of health human resources. Virtual care contributes significantly to bending the healthcare cost curve by shifting expensive hospital and institution-based care to new settings such as the patient's home.

Engaging patients through virtual care empowers them to better understand their health status, better manage their health, and reduce their demands on the healthcare system. The Infoway-sponsored "MyHealthNS" consumer portal is a recent example of virtual care in action, allowing Nova Scotians to receive, view and manage their personal health information electronically.

"This is not only a step forward in modernizing the healthcare system, but it also empowers Canadians by allowing them to access their own patient information as they navigate it."

Minister of Health Dr. Jane Philpott, July 28, 2016

Previous virtual care investments are already delivering significant benefits. For example, telehomecare for Canadians with chronic diseases has shown 50-60% reductions in hospital re-admissions and emergency department visits, while greatly relieving caregiver burden and improving patient satisfaction. McKinsey has estimated that broad implementation of virtual care solutions could deliver total gross annual benefits of between \$2.6 - \$3.4 billion.

Through the \$10 million allocated in Budget 2016 for telehomecare, Infoway is investing in a number of initiatives, including the expansion of a Newfoundland & Labrador telehomecare program across all of the Atlantic provinces, and continued expansion of telehomecare in Ontario. Further exploration into new clinical application areas such as wound care, diabetes prevention and care, and expansion of e-mental health solutions for youth and Aboriginal youth is also planned.

To maximize the potential benefits of virtual care, Canada must greatly increase both the scope of virtual services offered and the proportion of patients who can access them. With **a further federal investment of \$110 million over the next three years**, Infoway will continue to play its strategic role in delivering a pan-Canadian approach to health innovation by expanding virtual care solutions across the country. Future virtual care investments will focus on the government's stated commitment to provide greater access to improved home care (including palliative care) and increased availability of high-quality mental health services.

Provincial and territorial governments are highly interested in partnering with Infoway to deliver virtual care models to their own populations. As the national leader in this area, Infoway will work with these partners to not only accelerate the scale and spread of virtual care services but also to address key enablers (e.g., policy, legislative, cultural, financial) that are vital to achieving the full potential of virtual care.

Embracing an Ongoing Federal Role through Infoway

Infoway is the trusted, publicly-funded pan-Canadian organization with proven abilities to successfully deploy digital health solutions across the country. We have scaled digital health solutions, forged coalitions with jurisdictions and healthcare providers, and acted on key policy, legislative, cultural, and financial enablers of change. Infoway is uniquely positioned to be the national "go to" organization that drives digital health innovation and the development of an ecosystem to unlock the economic potential of Canada's healthcare system and reach international benchmarks of system access, quality, and sustainability.

National deployment of digital health solutions will empower individual Canadians to take much greater accountability for their own health and well-being, resulting in better patient outcomes, less pressure on the healthcare system and increased economic growth due to lower absenteeism and improved productivity. At a system-wide level, digital health solutions support health system management, population health, research, and better enable the right policy decisions to drive innovation, to achieve cost sustainability, and to support systemic change.

The result: a higher-performing universal, publicly-funded healthcare system that Canadians can be even more proud of, and a stronger economy.