



HEAL

Submission to the House of Commons Standing Committee on Finance  
2017 Pre-Budget Consultation

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## Executive Summary

*“The link between health outcomes and the wealth and well-being of citizens are well established: By increasing life expectancy and by treating and preventing illnesses, the health care sector contributes to a more productive workforce, reduces absenteeism, and increases the number of Canadians able to work.”*

Health Care in Canada: An Economic Growth Engine  
—The Economic Footprint of Health Care Delivery in Canada  
Conference Board of Canada, January 31, 2013<sup>1</sup>

Our citizens’ health impact on the economy is real. A society is less productive when its citizens are not healthy. As demonstrated by the Public Health Agency of Canada, there are economic burdens associated with illness. In their report published in 2014:

*“The estimates of the total Canadian economic burden of illness and injury increased 21% from 2005 to 2008. Going from \$155,635 billion in direct and indirect costs to \$188,855 billion”.  
(currents dollars)*

*“The economic burden of illness and injury in regards of indirect costs<sup>2</sup>, is evaluated at \$16,850 billion value of lost production due to Morbidity and Mortality<sup>3</sup>”*

As we can see, this is a big cost for the economy. The indirect costs of \$16,850 billion refer to the dollar value of lost production due to illness, injury or premature death. Because of the link between the economy and health care, we believe that the Committee cannot ignore health in its upcoming recommendations for the 2017 budget.

A lot has been done by different governments on health care. But there is still a long way to go to make the system more efficient and effective. By encouraging medical research and innovation, we are working to foster Canada’s economic growth. By investing in infrastructure not only we are creating jobs, but we are helping communities to provide more services to their citizens, especially on mental health and addictions. By investing in health, we are helping Canadians to live a better life, which positively affects the economy.

It is important to note that a society that invests in medical research and innovation will recover the money by making the system more efficient and effective. We believe that a more effective health care system contributes to increased productivity and economic growth.

### **HEAL proposes the following three recommendations to the House of Commons Standing Committee on Finance:**

#### Innovation:

1. A new time-limited National Health Innovation Fund – that is strategically focused in three priority areas, each with specific goals in mind:
  - a. Primary health care;
  - b. Mental health and addictions; and
  - c. Health human resources

Aging population:

2. Home Care: a new Social Insurance Program or Long-Term Saving plan.
3. A new National Community-Based Health Infrastructure Fund.

**We are the Health Action Lobby**

Heal is a coalition of 41 national health organizations dedicated to improving the health of Canadians and the quality of care they receive. Our members are organizations of health care providers, institutions and facilities, along with several health charities, that provides a range of health care services across the country. We are representing more than 650 000 providers and consumers of health care.

Our health-care system and the health of Canadians needs urgent attention and should be a priority concern for our country's leaders. Timely access to care, our aging and diverse population, the need for more community-based care to keep Canadians well and out of hospital, the rising number of Canadians living longer with chronic disease, and the financial constraints being experienced by all governments demand innovative and sustainable solutions.

In particular, these challenges require a steadfast commitment to a national collaborative effort involving all levels of government. Our recommendations are intended to encourage collaboration between governments and providers, while proposing new accountability and performance measures, and other targeted and strategic investments that would improve overall system effectiveness and contribute to positioning Canada as a top-performing countries.

## Brief

Our citizen's health is having an impact on the economy. Several studies confirm that there is a tax burden attached to health issues, as demonstrated by the Public Health Agency of Canada. There have been many studies that have concluded that to have a healthy economy, we need a healthy workforce.

The reality is that health care costs are rising continuously: our population is getting older, and our citizens are living longer. Certain groups of people are more vulnerable than others. We believe we can make the system more efficient and less costly by investing in research and innovation.

Former Chairman of the American federal Reserve, Ben S. Bernanke (2006-2014) said at the Senate Finance Committee Health Reform Summit in Washington DC in June 2008:

*"The quality of medical research, training, and technology in the United States is generally very high. However, the quality of health care is determined not only by, say, technological advances in preventing and treating disease but also by our ability to deliver the benefits of those advances to patients. Notably, new technologies, despite greatly adding to cost in many cases, have also yielded significant benefits in the form of better health.*

*People put great value on their health, and it is not surprising that, as our society becomes wealthier, we would choose to spend more on health-care services. Indeed, although quantifying the economic value of improved health and greater expected longevity is difficult, most researchers who have undertaken an exercise of this type find that, on average, the health benefits of new technologies and other advances have significantly exceeded the economic costs."<sup>11</sup>*

Not addressing health care issues will be a missed opportunity. The government should act in the next budget and play a transformational role when it comes to the speed of the diffusion of innovation based on evidence that it delivers better health, better care, and better value for all.

Building on the work of the Canadian Medical Association, Canadian Nurses Association and over one hundred and thirty signatories, we recommend a performance framework that is consistent with the Triple Aim approach that has been developed by the *Institute for Healthcare Improvement* (IHI).

The Triple Aim has been adopted around the world by countries looking to introduce quality improvement measures that enhance system performance and sustainability, while promoting patient-focused care and population health goals.

The Triple Aim articulates a systemic approach to performance management in three dimensions:

- A. Better Health for All with a focus on health promotion and illness prevention, equity, shared decision-making and inclusivity.
- B. Better Care for All with the patient at the centre of the health system with a focus on access, quality and appropriateness.
- C. Better Value for All while focusing on system sustainability, efficiency, accountability and performance.

## Recommendations

We are making our recommendations based on our experiences in the health field. Too often, investments are made and it is difficult to assess if it's working and if it has reached the targeted objectives. We believe that it is important to identify a performance framework that will guide the transformation of our health system and inspire a common approach.

### **Recommendation 1: A new time-limited National Health Innovation Fund – that is strategically focused in three priority areas, each with specific goals in mind.**

To assist with the spread of proven innovations that would improve health outcomes and overall system performance, we recommend:

That the federal government introduce a time-limited fund – a National Health Innovation Fund – that is strategically focused in three priority areas, each with specific goals in mind:

- a. Primary Health Care – to accelerate the implementation of evidence-based, community-based primary health care, with inter-professional delivery models at the local level.
- b. Mental Health and Addictions – to target resources to specific outcome-based provincial and territorial programs to improve access to evidence-based, inter-professional mental health services and community supports.
- c. Health Human Resources – to create Health Human Resources organization that promotes inter-provincial and territorial discussion on leading practice and the sharing of policies, perspectives and information to improve the way the health and education system manages the supply, mix and distribution of health providers, including leadership development and continuing education.

### **Recommendation 2: Support for our Seniors - a new Social Insurance Program or Long-Term Saving plan.**

Canada's demographic profile is changing dramatically. Across the country, governments are grappling with the realities of an aging population and a growing number of seniors.

Never has it been more important for governments to ensure that the health system adopts the right mix of health policies, programs and investments to promote overall quality of life and access to care. The federal government can play an important role in two ways.

1. Explore the introduction of appropriate tax-based policies and programs so Canadians will not be placed in financial jeopardy if they require home care and/or long-term institutional care.
2. Options to support seniors and cover the cost of home care and long-term care could involve a social insurance program approach, along the lines of the Canada Pension Plan, or the creation of a tax-sheltered vehicle such as Long-Term Care Savings Account that would allow Canadians to save specifically for their long-term needs.

### **Recommendation 3: Community-Based Health Infrastructure Fund**

The federal government should assist the provinces and territories in building the necessary long-term-care infrastructure required to ensure that Canadians are cared for in appropriate settings as they age. We recommend that the federal government introduce and fund a strategically targeted, time-limited National Community-Based Health Infrastructure Fund. The Fund would help the provinces and territories accelerate the building of much-needed facilities for those whose needs and quality of life would be better served in communities rather than in hospital.

Endnotes:

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<sup>1</sup> *Health Care in Canada: An Economic Growth Engine (Briefing 1)—The Economic Footprint of Health Care Delivery in Canada*, The Conference Board of Canada, 14 pages, January 31, 2013. Briefing by Fares Bounajm.

<sup>2</sup> Indirect Costs — Indirect costs refer to the dollar value of lost production due to illness, injury or premature death. In this report, only the value of lost production due to an individual's 'own' illness, injury or premature death associated with labour market activities was considered (costs associated with non-labour market activities and informal caregiving costs were not included). The indirect cost components in this report are the value of lost production due to morbidity and the value of lost production due to premature mortality. In the current edition of EBIC, the friction cost method was adopted to value lost production due to illness, injury and premature death

<sup>3</sup> Value of Lost Production due to Morbidity — Morbidity costs are incurred when some form of illness and/or injury results in time lost from productive activities, whether paid or unpaid. In this report, morbidity costs associated with labour market missed work days (absenteeism) were estimated using the friction cost method and a prevalence-based approach. The value of lost production due to morbidity was not estimated for presentism or non-labour market production losses. Furthermore, the morbidity cost estimates in this report included only lost production costs associated with an individual's 'own' illness and injury; production losses due to informal caregiving for the sick and injured were not included.

Values of Lost Production due to Premature Mortality — Mortality costs are incurred as a result of premature death due to illness and/or injury. In this report, the value of lost production due to premature mortality associated with labour market activities was estimated using the friction cost method and a prevalence-based approach for individuals whose age at death was between 15 and 64 years.