

Association of Canadian Academic Healthcare Organizations

Responses

1. Economic Recovery and Growth

Given the current climate of federal and global fiscal restraint, what specific federal measures do you feel are needed for a sustained economic recovery and enhanced economic growth in Canada?

A key contributor to our economic competitiveness has been our publicly-funded health system. In our view, creating the policy environment that will allow our health system to innovate is a precondition for a sustained economic recovery, and robust economic growth in the future. In part, this means that the federal government provides financial support through the Canada Health Transfer (which is no longer at 25% of provincial health spending as set out by the Royal Commission on the Future of Health Care in Canada, and agreed to at the time by all federal political parties). At the same time, there are specific areas where the federal government has a clear leadership role to play given the policies and programs it has developed, such as continued investments in health research, which include the Canadian Institutes of Health Research (and its Strategy on Patient-Oriented Health Research), Genome Canada, the Indirect Costs Program for federally-funded research, and the Canada Foundation for Innovation. It also means there are opportunities for the federal government to work in close partnership and collaboration with the provinces and territories to: (1) facilitate system transformation through the establishment of time-limited, issue-specific, strategically-focused investments. Examples, of this include the creation of a National Health Innovation Fund – designed to promote and accelerate the sharing and adoption of applied health innovations and sustainable change management strategies across the country (for more details, see ACAHO’s submission to the Standing Senate Committee on Social Affairs, Science & Technology, September 29, 2011). Such a Fund would complement the work recently undertaken by the Premiers with the release of their report From Innovation to Action, and perhaps could be leveraged in partnership with the private sector and other NGOs; and (2) develop a series of comparable pan-Canadian health indicators. In addition, we must continue to invest in health research and develop and implement the policies and programs that will attract increased private sector investments in clinical trials (see Question 2). We believe our recommendations focus on strengthening the structure of the health system, the process through which we improve the cost-effectiveness of delivering care, and improving overall health system outcomes by focusing on an innovative and high performing health system through the prism of quality.

2. Job Creation

As Canadian companies face pressures resulting from such factors as uncertainty about the U.S. economic recovery, a sovereign debt crisis in Europe, and competition from a number of developed and developing countries, what specific federal actions do you believe should be taken to promote job creation in Canada, including that which occurs as a result of enhanced internal and international trade?

ACAHO believes there is an important opportunity for Canada to generate and retain job opportunities resulting from increased global investment that supports health innovation, particularly in the area of industry-led clinical trials. Clinical trials exemplify the human, social, and economic benefits achieved through investments in health research & innovation. They provide leading-edge care to patients while generating products, services, jobs, capital formation, and private and public revenue streams. In

2008/09, new clinical trial contracts with ACAHO member organizations were estimated at a potential of \$340 million dollars. Traditionally, our members have excelled in this domain. However, Canada's capacity to continue its tradition of excellence in clinical trials is being challenged with companies investing elsewhere in a highly competitive international environment. The global resource pool for clinical trials is shrinking; our business environment needs to improve its coordination; and other countries are organizing strategically to win new foreign investment. Unless Canada acts decisively and strategically, we may not retain the health and economic benefits we currently have...and may be limited in attracting new ones. What can be done? In September 2011, over 130 representatives from Academic Healthcare Organizations, Universities, Governments and Industry met at a National Clinical Trials Summit hosted by ACAHO, CIHR, and Rx&D to develop an action plan called "To Your Health & Prosperity – An Action Plan to Help Attract more Clinical Trials to Canada". www.acao.org Since the release of the Action Plan, 4 of the 9 recommendations are already being implemented through the collaborative efforts of visionary organizations and experts who care deeply about this issue. Considering what we stand to gain and the incremental investment required, we are asking the federal government to provide strategic leadership and resource support for the Action Plan, of which one of the recommendations is to create a national clinical trials headquarters. Further details on the action plan, proceedings and expert opinion can be accessed www.acao.org

3. Demographic Change

What specific federal measures do you think should be implemented to help the country address the consequences of, and challenges associated with, the aging of the Canadian population and of skills shortages?

Understanding that the aging of our population will bring significant challenges to the current structure of our health system, there is a strategic partnership role for the federal government to assist in its transformation. As noted in question 1, there are opportunities for the federal government to work collaboratively with the province and territories to facilitate the transformation of their health systems. While there are clear leadership opportunities for the federal government to invest in the areas of public health, illness prevention, health promotion and disease-specific national strategies, ACAHO believes there is also a role for the federal government to assist in the transformation of provincial and territorial health systems to adapt to an aging society that is facing the pressures associated with chronic disease and its management. While there are opportunities to review how tax policies can assist Canadians in need and offset the costs of aging, the federal government can also create time-limited, issue-specific envelopes of funding to assist the provinces and territories transform their health systems. Two are proposed; first a Team-Based Primary Health Care Fund – which would accelerate the creation of team-based, inter-disciplinary models of primary health care so that aging Canadians are treated in community-based settings that are cost-effective and improve health outcomes; and second, a Community-Based Health Infrastructure Fund to develop increased physical capacity so that aging Canadians (are discharged from hospitals and) are cared for in appropriate settings with appropriate supports (for more details, see ACAHO's submission to the Standing Senate Committee on Social Affairs, Science & Technology, September 29, 2011). Finally, this is also where investments in health research through the Canadian Institutes of Health Research (such as through its Strategy on Patient-Oriented Research) can play a crucial role in identifying new evidence that can improve the way in which we care for aging Canadians in a variety of settings; improving their health, the care they receive, and overall system cost-effectiveness and performance.

4. Productivity

With labour market challenges arising in part as a result of the aging of Canada's population and an ongoing focus on the actions needed for competitiveness, what specific federal initiatives are needed in order to increase productivity in Canada?

Sustained investments in research and development drive the cycle of innovation and increased productivity. Simply put, if innovation is our future...our future is now. In the area of health and health care, innovation is not only about identifying and implementing more cost-effective ways to deliver care and improve health outcomes (i.e., generating "savings" or a health system dividend), but it is also about harnessing the factors of production (i.e., entrepreneurship, capital, labour, land) so that Canadians can discover a range of innovative products and services that create new markets and bring with it highly-skilled jobs, private sector investment & capital formation, long-term economic growth and public revenue stream expansion. When it comes to health research, the federal government has a clear leadership role. That said, this is where we require a combination of policies, programs and public, private and charitable investments that are maximally aligned and provide Canadians with opportunities for improved health and economic growth. This means we need to ensure that we create a world-leading environment for health innovation, which includes reviewing our approach to the regulatory approval process, intellectual property and effective tax incentives; investing in knowledge creation and its application (through the Canadian Institutes of Health Research, Genome Canada, the indirect costs program for federally-funded research, the Canada Foundation for Innovation, sustainable funding models for health researchers, and programs that support the commercialization of new knowledge into innovative products and services), and ensure that there is an ongoing process for dialogue across governments, the health system, the private sector and health charities. Finally, as discussed in Question 2, the federal government can support the clinical trials community in the acceleration of a nation-wide effort to address issues related to the cost, quality, and speed with which clinical trials can be initiated in Canada. The current environment presents a challenge for industry to invest in Canada and precludes patients from reaping early-stage benefits of experimental research. We can address these issues as described in "To Your Health and Prosperity: An Action Plan for Attracting more Clinical Trials to Canada". Strategic leadership and resource support of the federal government in targeted areas of the Action Plan could amplify its returns.

5. Other Challenges

With some Canadian individuals, businesses and communities facing particular challenges at this time, in your view, who is facing the most challenges, what are the challenges that are being faced and what specific federal actions are needed to address these challenges?

In an increasingly interdependent global economic environment, Canadians, businesses, communities and governments all have a number of challenges before them. The challenge that we would like to focus on is the strategic opportunity to leverage our investments that support innovation and improve our health and future economic opportunities...how do we do it? 1. We need to build a culture of innovation in Canada. A country of immigrants is a country of entrepreneurs and this spirit of innovation and entrepreneurship needs to be cultivated in our universities, our health organizations, and among young people. 2. We need to make better use of the natural experiment that exists across Canada in terms of health care innovation. We believe that the federal government has the opportunity to not only support the jurisdictional efforts of the Premiers in health innovation, but to facilitate the economic rewards of innovation in health care. In 2011, Canada's academic healthcare organization made national headlines with over 200 innovations that were having real time impact – can we not establish a pathway for leveraging these products and services more broadly?; and 3. Finally, and as discussed earlier, our clinical trial landscape requires leadership and coordination. The cost is

incremental, however, the benefits are measurable in terms of human, social and economic returns, and the time is now.