Standing Committee on Finance (FINA)

Pre-budget consultations 2012

Canadian Foundation for Healthcare Improvement

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?

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?

The Canadian Foundation for Healthcare Improvement (healthcareimprovement.ca, formerly CHSRF) notes that Canada currently spends about \$200 billion per year on healthcare. Healthcare constitutes a significant share of Canada's gross domestic product. However, healthcare is not only an expense. Healthcare is a key ingredient of economic growth and development. Currently, Canada's healthcare systems favour acute care over other models of care. The proportion of health spending devoted to the acute care sector far exceeds that devoted to community-based care. The current balance of publiclyfunded healthcare in Canada reflects an era in which acute episodes of care were prioritized and a system that was created with those priorities in mind. As Canada's population ages and is burdened by an ever larger proportion of chronic illness, population care needs are shifting toward effective chronic disease management and caring for people in non-acute settings. Investments in healthcare ought to reflect these changing needs. Rebalancing care by investing in community-based solutions will not only redistribute the workload more equitably and efficiently across the spectrum of care, but will allow Canada to reap the health and financial benefits of health promotion, prevention, and personcentredness. Federal action in job re-training could help facilitate this shift in care by furthering the development of a better skilled, community-based care workforce. In addition, Canada's immigration policies could place greater emphasis on encouraging immigration of healthcare professionals with the ability and desire to practice in community-based settings. More specifically, the Federal government could consider working with provinces and territories to promote job creation and training within the healthcare sector in resource-based economies as a means to facilitate long-term economic development. A thriving healthcare sector with a stable healthcare workforce provides families in resource-based regions with the security necessary to contribute to their communities over the longer term and to drive their economies forward.

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?

The Canadian Foundation for Healthcare Improvement (HCI, formerly CHSRF) believes that the challenges associated with population aging must be addressed through innovations in the way we care for the elderly (e.g., by shifting care models from very expensive acute-based settings to communitybased alternatives). While we know the proportion of Canadians aged 65 and older is increasing as the baby-boomer generation reaches retirement, evidence tells us that only 1% of the annual percentage increase in healthcare spending in Canada is attributable to aging. Furthermore, this demographic change is occurring at a slow pace, and does not on its own necessitate cuts to healthcare services and/or tax increases. Hence, the impact on the healthcare sector of population aging will be modest in comparison to that of other cost drivers, such as inflation and technological innovation. Studies have shown that per capita use of medical, surgical and diagnostic specialists is increasing more for seniors than for younger people, and services provided to seniors are altogether more costly. The sustainability challenge has more to do with rapid growth in age-specific healthcare utilization for seniors, in part due to Canada's reliance on acute-based models of care. Arguably, there are too many seniors in acute-care settings because community supports (whether residential care, assisted living or home care) are not available. A move toward integrated continuing care delivery can produce sizeable cost savings, create efficiencies, and improve the quality of care and caregiver satisfaction. The Federal government can support the education, recruitment and retention of caregivers to help with home support as an essential element of a broader labour strategy to meet seniors' care needs. The federal government can further its goals of driving economic activity and innovation by supporting provinces and territories in their efforts to shift non-urgent eldercare away from hospitals and into home and residential settings by providing support for organizations such as the Canadian Foundation for Healthcare Improvement. The Foundation has a mission to accelerate healthcare improvement for Canadians, in part, by working with health leaders to identify, analyze and encourage the spread of innovations in healthcare delivery, including for the aging population.

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?

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?