

L'Association canadienne des  
centres de santé communautaire



Canadian Association  
of Community Health Centres

# **IMPROVING HEALTH AND ACCESS TO INNOVATIVE, HIGH-QUALITY HEALTH CARE**

**Building a stronger Canada together**

**Submission to the House of Commons  
Standing Committee on Finance  
Pre-Budget 2015 Consultations**

**August 6, 2014**

## **EXECUTIVE SUMMARY**

The Canadian Association of Community Health Centres (CACHC) is the federal voice for Community Health Centres and community-oriented, people-centred primary health care across Canada.

Our 2015 federal budget recommendations to the Standing Committee on Finance are presented under the theme “Supporting families and helping vulnerable Canadians by focusing on health, education and training.”

In order to improve the health and prosperity of Canadians, it is imperative that the Government of Canada play a leadership role in health and health care. By leveraging its capacity as a financing and policy partner, the federal government has the potential to provide essential pre-conditions for health and prosperity across Canada, and to ensure that all Canadians benefit from an accessible, equitable and accountable healthcare system.

To accelerate progress, CACHC recommends five key actions for the Government of Canada:

1. Design and adequately invest in a federal poverty-reduction plan. This plan should complement existing provincial and territorial initiatives.
2. Develop and implement a pan-Canadian strategy focused on reducing homelessness and securing adequate, accessible and affordable housing for Canadians.
3. Negotiate with the provinces and territories a new Health Accord, with stable and adequate funding attached to a common set of national priorities and health system performance indicators that cover the full continuum of care. Included within this accord, there must also be federal commitment to strengthening the monitoring and enforcing the Canada Health Act.
4. Establish a federal Pharmacare program to improve access for Canadians to prescription drugs and to achieve significant cost savings.
5. Establish a federal strategy and funding for Community Health Centres across Canada a pillar of new investments in healthcare innovation.

## **Design and adequately invest in a federal poverty reduction plan. This plan should complement existing provincial and territorial initiatives.**

Over 3.2 million Canadians now live in poverty and Canada's ranking among OECD countries on child and adult poverty rates continues to slip. UNICEF states that "the face of poverty in Canada is a child's face"<sup>i</sup>.

Low-income and poverty are among the single greatest predictors of illness for Canadians<sup>ii</sup>. They also cost us dearly – roughly \$25 billion each year alone in preventable healthcare, social service and judicial system costs across Canada. Research has shown that an increase of \$1000 in annual income to the poorest 20% of Canadians would lead to 10,000 fewer chronic conditions, and 6,600 fewer disability days every two weeks<sup>iii</sup>.

These social and health costs are coupled with losses in workforce productivity and economic output<sup>iv</sup>. The province of Alberta calculates the cost of poverty to the Alberta economy at between \$7.1 and \$9.5 billion per year<sup>v</sup>. In British Columbia, the annual economic cost from poverty is between \$6.3 and \$7.2 billion<sup>vi</sup>. These tangible costs to Canada's bottom-line are repeated across the country.

We strongly urge the federal government to establish a federal poverty-reduction action plan, in consultation with provincial and territorial governments, Aboriginal governments and organizations, non-governmental organizations and people living in poverty, and to adequately fund its implementation. We recommend the following core components:

- A mechanism to ensure a liveable income for all Canadians (eg, a low-income refundable tax credit equal to the gap between a person's income and the Low Income Measure (LIM)); and
- Funding for a public system of affordable, high-quality early childhood education and childcare services; and
- Restored and expanded eligibility for Employment Insurance.

## **Develop and implement a pan-Canadian strategy focused on reducing homelessness and securing adequate, accessible and affordable housing for Canadians.**

Adequate housing is a fundamental requirement for good health<sup>vii</sup>. Despite the importance of housing, Canada remains the only G8 country without a national housing strategy. Our country is in the midst of a housing crisis:

- At least 200,000 Canadians experience homelessness annually, and as many as 1.3 million have experienced homelessness over the past 5 years<sup>viii</sup>;
- More than 1.5 million Canadian households are now in “core housing need” – the federal government’s definition of those that are precariously housed<sup>ix</sup>;
- The Canadian Federation of Municipalities states that the high cost of housing is the most urgent financial issue facing Canadians, with 25% paying more than they can afford<sup>x</sup>.

Homelessness and the lack of adequate, affordable housing are not only barriers to health and burdens on our healthcare system; they also pose serious threats to our economic prosperity. The Bank of Canada strongly cautions that housing costs and household debt are undermining Canadians’ financial security and putting the Canadian economy at risk<sup>xi</sup>.

More than 180 Canadian municipalities, representing over 60% of the Canadian population, have now passed council resolutions calling for a long-term federal housing strategy<sup>xii</sup>. CACHC adds its voice to this call.

**Negotiate with the provinces and territories a new Health Accord, with stable and adequate funding attached to a common set of national priorities and health system performance indicators that cover the full continuum of care. Included within this accord, there must also be federal commitment to strengthening the monitoring and enforcing the Canada Health Act.**

Canadians consistently express their desire for the federal government to play a leadership role in health care.

Negotiation of a new Health Accord with the provinces and territories would enable the federal government to achieve this via stable and adequate funding attached to a common set of national priorities and health system performance indicators covering the full continuum of care. Canadians could thereby be assured that health services across the country are being guided by measures focused on accountability, accessibility, equity and responsiveness.

In addition, the federal government currently covers only 20% of provincial health spending, as opposed to its original 50% commitment. Building on the progress of the 2004-2014 Health Accord, a renewed accord could bring the federal government closer to its 50% commitment.

As another sign of federal leadership, we urge the Government of Canada to expressly commit to upholding the Canada Health Act, exercising its monitoring and enforcement role and its financial clout to ensure that all provinces and territories, and services within, respect the requirements of the Act.

## **Establish a federal Pharmacare program to improve access to prescription drugs and to achieve significant cost savings for Canadians.**

Federal leadership is essential to ensure: universal access to prescription drugs; safe and appropriate prescribing practices; and value for money in drug purchasing. Canada can't afford not to have a Pharmacare program.

- Nearly 8 million Canadians have no coverage for prescription drugs, and 10% report that they have "failed to fill a prescription, or have skipped a dose, because of cost." This engenders long-term illness and preventable use of health services.<sup>xiii</sup>
- Over-prescription of pharmaceuticals and inappropriate use continues to be a leading cause of morbidity and death across Canada.<sup>xiv,xv</sup>
- In Canada, prescription drugs are 30% more expensive than the international average.<sup>xvi</sup>
- Prescription drugs are the second highest cost-driver in health care, and continue to grow faster than all other areas of expense.<sup>xvii,xviii</sup>

Canada urgently needs a Pharmacare program that provides: bulk purchasing and reduced costs per unit; first-dollar coverage for essential drugs on a Canada-wide drug formulary; evidence-based prescribing guidelines; more rigorous safety standards; and stricter controls on drug company marketing to curtail inappropriate use and prescription<sup>xix</sup>.

The good news is that this would cost Canada no new money. Research shows that a Pharmacare program would save Canada roughly \$10.7 billion per year<sup>xx</sup>. This success would mirror universal drug plans in France, the UK, Sweden, Australia and New Zealand where drug costs are now far below those of Canada, and rates of accessibility and inappropriate use have improved<sup>xxi</sup>.

## Establish a federal strategy and funding for Community Health Centres across Canada as a pillar of new investments in healthcare innovation.

Community Health Centres (CHCs) bring health care providers like family physicians, nurses, dietitians, therapists and others out of isolation to work in collaborative, inter-professional teams. People receive comprehensive care from the right provider, at the right time. This makes best use of healthcare resources and helps to overcome gaps in access to healthcare providers.

CHCs couple care teams with health promotion programs, social services, and community programs that emphasize illness prevention and wellbeing. As a result of this “upstream” approach numerous Canadian research studies find that CHCs provide effective and cost-effective care, achieving better overall outcomes than other traditional medical models.<sup>xxii,xxiii,xxiv</sup>

Evidence from the United States, where there are over 1200 CHCs funded by the federal government, demonstrates that: CHCs save the U.S. health system more annually compared to fee-for-service medicine<sup>xxv</sup>; prevent 25% more emergency department visits<sup>xxvi</sup>; and generate roughly \$20 billion in new economic activity annually<sup>xxvii</sup>.

In recent years, the Wellesley Institute has recommended federal earmarking of \$360 million to kick start 140 new CHCs across Canada<sup>xxviii</sup>, and the Canadian Index of Wellbeing has strongly recommended “development of a national strategy for expanding access to CHCs across the country”<sup>xxix</sup>.

Federal investment in a pan-Canadian network of CHCs could strengthen the social and economic fabric of Canada from the ground up, putting frontline health care back into the community; connecting it and healthcare teams to the needs of local communities; and giving community members a voice.

---

<sup>i</sup> UNICEF Canada (May 2012). “Canada can do more to protect its children from poverty, new UNICEF report.”

<sup>ii</sup> Mikkonen, J., & Raphael, D. (2010). *Social Determinants of Health: The Canadian Facts*. Toronto: York University School of Health Policy and Management.

<sup>iii</sup> Wellesley Institute (December 2008). *Poverty is Making us Sick: A comprehensive survey of income and health in Canada*.

<sup>iv</sup> Ibid

<sup>v</sup> Briggs, A. & Lee, C.R. (2012). *Poverty Costs: An Economic Case for a Preventative Poverty Reduction Strategy in Alberta*. Calgary: Vibrant Communities Calgary and Action to End Poverty in Alberta.

<sup>vi</sup> Canadian Centre for Policy Alternatives, BC (July 2011). *The Cost of Poverty in BC*.

<sup>vii</sup> Public Health Agency of Canada (2009). *Chief Public Health Officer's Report on the State of Public Health in Canada 2009*.

<sup>viii</sup> Gaetz, S., Donaldson J., Richter T., & Gulliver T. (2013): *The State of Homelessness in Canada 2013*. Toronto: Canadian Homelessness Research Network Press.

<sup>ix</sup> Wellesley Institute (2013). *Federal Budget Analysis, 2013*.

<sup>x</sup> Federation of Canadian Municipalities (2013). *Fixing Canada's Housing Crunch*.

<sup>xi</sup> Wall Street Journal (Dec 10, 2013). “For Bank of Canada, Household Debt Remains Biggest Domestic Risk”.

<sup>xii</sup> Federation of Canadian Municipalities (2013). Op cite.

<sup>xiii</sup> Health Council of Canada (2011). *Health Care Renewal In Canada: Progress Report 2011*. p.13.

<sup>xiv</sup> Canadian Health Coalition (2011). *Secure the Future of Medicare: A Call to Care. Brief to the Senate Standing Committee on Social Affairs, Science and Technology on its Review of the Progress in Implementing the 2004 Health Accord*.

<sup>xv</sup> World Health Organization (2008). *Medicines: safety of medicines – adverse drug reactions*.

<sup>xvi</sup> Gagnon MA (2010). *The Economic Case for Pharmacare*. Ottawa: Canadian Centre for Policy Alternatives.

<sup>xvii</sup> Health Council of Canada. *Health Care Renewal in Canada: Progress Report 2011*. p. 12. Op cite

<sup>xviii</sup> Gagnon MA (2010). *The Economic Case for Pharmacare*. Op cite

<sup>xix</sup> Canadian Health Coalition (2007). *More for Less: Pharmacare – A National Drug Plan*.

---

<sup>xx</sup> Gagnon MA (2010). *The Economic Case for Pharmacare*. Op cite

<sup>xxi</sup> Ibid

<sup>xxii</sup> Russell G et al G (2010). "Getting it all done. Organizational factors linked with comprehensive primary care". *Family Practice*. 27(5): 535-541.

<sup>xxiii</sup> Russell G et al (2010). "Managing Chronic Disease in Ontario Primary Care: The Impact of Organizational Factors". *Annals of Family Medicine*. 7(4):309-318.

<sup>xxiv</sup> Glazier RH, Zagorski BM, Rayner J. (2012) *Comparison of Primary Care Models in Ontario by Demographics, Case Mix and Emergency Dept Use, 2008/09 to 2009/10*. Toronto: Institute for Clinical Evaluative Sciences

<sup>xxv</sup> National Association of Community Health Centres (2011). *CHCs: The Local Prescription for Better Quality and Lower Costs*. Washington, DC.

<sup>xxvi</sup> Ibid

<sup>xxvii</sup> US Dept of Health & Human Services (June 20, 2012). "Health care law expands community health centers, serves more patients".

<sup>xxviii</sup> Wellesley Institute (2009). *The 7% solution: Federal budget recommendations*.

<sup>xxix</sup> Canadian Index of Wellbeing. (2012). *How are Canadians Really Doing? The 2012 CIW Report*. Waterloo, ON: CIW and University of Waterloo.