



Submission for Pre-Budget Consultations in
Advance of the 2021 Budget

Heart & Stroke
August 2020

Recommendations

1. That the federal government invest in the recovery of Canada's health charities by:
 - making direct investments of up to \$28 million per month to support patients and protect gains in life-saving research
 - incentivizing charitable giving by considering a fundraising matching program and/or improving the charitable donation tax credit by making it comparable to the political donation tax credit.
2. That the federal government renew its commitment to implement, in conjunction with the provinces/territories, an equitable, national and universal pharmacare program. As a first step, the federal government should consult with the provinces/territories to develop a preliminary common formulary of essential medicines by January 2022 that would be comprehensively expanded by 2027.
3. That the federal government
 - recover the full costs of the Federal Tobacco Control Strategy by implementing a levy or annual licensing fee on tobacco manufacturers
 - introduce a 20% value-added tax to be levied on vaping products, in conjunction with other regulatory measures, to make these products less accessible, affordable and appealing to youth.
4. That the federal government create a dedicated active transportation infrastructure fund over one year to promote walking and cycling.
5. That the federal government renew and increase funding to Heart & Stroke's dynamic and successful Women's Heart & Brain Health Research Initiative to \$5 million per year over five years.

Overview

COVID-19 has underscored just how interconnected our health systems are with the economy. Canada's economic recovery from the pandemic places the federal government in a unique position where jobs and economic growth can be pursued together with better health outcomes. To that end we acknowledge the federal government's initial investment of \$240.5 million to develop, expand and launch virtual care and mental health tools to support Canadians. Heart & Stroke is committed to partnering in Canada's economic recovery and supporting the health of people living in Canada. This requires immediate direct investments to stabilize Heart & Stroke and Canada's health charities sector. Several of Heart & Stroke's recommendations increase government revenues and generate a return on investment.

1. Supporting the health charity sector during the pandemic

The outbreak of the pandemic forced many health charities to cancel critical in-person community fundraising events, resulting in an immediate 50% reduction in revenues on average across the sector. As a result, Heart & Stroke has had to make difficult decisions to navigate these trying times, including laying off almost 50% of our workforce and reducing our investments in lifesaving research.

At the same time, people living with heart disease and stroke are among the most vulnerable to COVID 19 and because of this, they and their caregivers have required more support to help them manage their symptoms and navigate the health care system. Through webinars and other resources, direct outreach, and supporting our online peer-to-peer communities, we have been working hard to help see them through these challenging times. We have also invested in a significant public engagement effort to ensure people in Canada do not ignore the signs of heart attack or stroke during the pandemic, and that those with pre-existing cardiovascular conditions also continue to access the medical care they need.

The Canada Emergency Wage Subsidy has been the one federal measure that has been particularly helpful to our organization. Other measures have been difficult to access for Heart & Stroke, such as the Canada Emergency Commercial Rent Assistance program. Also, the Canada Emergency Community Support Fund doesn't provide the scope of support needed to stabilize our sector.

The survival of many charities and non-profits are at stake. Last year, Health Charities Coalition of Canada (HCCC) member organizations including Heart & Stroke supported over 2.9 million patients in Canada and invested \$155 million in health research. If unaddressed, our collective decline will have dramatic consequences on Canada's health landscape and the economy.

Heart & Stroke recommends:

- **That the federal government invest in the recovery of Canada's health charities by:**
 - **making direct investments of up to \$28 million per month to support patients and protect gains in life-saving research**
 - **incentivizing charitable giving by considering a fundraising matching program and/or improving the charitable donation tax credit by making it comparable to the political donation tax credit.**

2. Implementing universal pharmacare

Prior to COVID-19, 7.5 million people in Canada had no or inadequate prescription drug coverage. Among people in Canada, more than one in five reported they or someone in their household had difficulty paying for prescription medications without insurance, and one in ten individuals had difficulty even with access to a drug plan. A recent study found 16% of people in Canada went without their prescriptions for heart disease, high cholesterol or hypertension due to cost.

This problem has likely worsened as a result of the pandemic. Roughly three million jobs were lost in Canada over March and April, and an additional 2.5 million more positions had their hours reduced. In May, the unemployment rate hit a record-high of 13.7 per cent. While job numbers appear to be improving as Canada safely reopens its economy, millions in Canada are still unable to afford the prescriptions they need. As a result, more vulnerable Canadians may have difficulty managing chronic conditions like heart disease and stroke during and after the pandemic.

Pandemic-related unemployment has disproportionately impacted women, who are often in more precarious work situations including part-time positions that do not offer drug plans. Additionally, many in Canada rely on one or more of the 100 public and 100,000 private drug plans – plans that often cannot be accessed if a job is eliminated or reduced to part-time status.

Adequate access to prescription drugs can shorten hospital stays, improve health outcomes and reduce demand for physician services. Canada remains the only developed country with a universal health care system that does not provide universal drug coverage. If designed and implemented properly, a national, universal pharmacare program would drive down costs, provide better value for money, and reduce the burden on the health system. In 2017, the Parliamentary Budget Officer estimated such a program would save government roughly \$4.2 billion annually.

Heart & Stroke recommends:

- **That the federal government renew its commitment to implement, in conjunction with the provinces/territories, an equitable, national and universal pharmacare program. As a first step, the federal government should consult with the provinces/territories to develop a preliminary common formulary of essential medicines by January 2022 that would be comprehensively expanded by 2027.**

3. Cost recovery fee on tobacco and the taxation of vaping products

Canada has made great strides in tobacco control. Rates of tobacco use are at an all-time low. In 2019, Canadians purchased 24 billion cigarettes, down from over 42 billion in 2001. This represents progress towards the federal government's commitment to reduce tobacco use to less than 5% by 2035. However, research has found that without accelerated tobacco control measures we will not be able to meet these goals by 2050, let alone 2035.

Smoking remains a leading risk for premature death in Canada, killing over 47,000 people each year. In 2017, the total direct and indirect costs associated with tobacco use were estimated at \$12.3 billion.

Heart & Stroke is concerned that the costs of tobacco control and tobacco-related diseases are not sufficiently being offset by the tobacco companies that profit from these toxic products.

These costs should be recovered from tobacco companies based on market share, similar to the cost-recovery measures found in federal cannabis regulations.

Heart & Stroke recommends:

- **That the federal government recover the full costs of the Federal Tobacco Control Strategy by implementing a levy or annual licensing fee on tobacco manufacturers.**

Youth vaping is a crisis resulting in a new generation of young people becoming addicted to nicotine. A recent study showed that vape rates among older teens in Canada increased by 112% between 2017 to 2019, with growth continuing after legalization of nicotine products in 2018. 34% of students in grades 7-12 have tried vaping, and 20% report current use.

Nicotine damages the developing brain, and there are clear links between vape use and lung injury. Those who regularly vape and smoke (dual use) also have an increased risk for stroke and heart attack. Vaping among youth is associated with increased odds of tobacco smoking. This spike in youth vaping could undermine the decades of success we've achieved in reducing the burden of tobacco in Canada. Measures to protect youth from vaping would not stop adult smokers who want to quit from accessing e-cigarettes which may have the potential to help them quit smoking.

Youth in Canada are drawn to vaping products that are heavily marketed, sleek in design, have appealing flavours, high nicotine concentrations and cheap prices. BC is currently taxing vaping products by 20% and Nova Scotia will also do so starting September 15, 2020. Alberta is moving to introduce its own tax on vaping products and Ontario has called for a tax on vaping products at the federal level.

Heart & Stroke recommends:

- **That the federal government introduce a 20% value-added tax to be levied on vaping products, in conjunction with other regulatory measures, to make these products less accessible, affordable and appealing to youth.**

4. Dedicated active transportation infrastructure funding

As the federal government continues to plot Canada's recovery, there is an immediate opportunity to create jobs and stimulate the economy by investing in active transportation infrastructure (ATI). Walking, cycling and multi-use trail projects create between 9.6–11.4 jobs per \$1 million USD invested, compared to just 7.8 jobs for road-only projects. Additionally, investments in cycling and walking projects yield a return on investment of \$11.80 USD for each dollar invested. In comparison, a 2015 Conference Board of Canada report found that each dollar invested in roads generated only \$1.30 CAD in returns.

ATI investments encourage physically active lifestyles. According to Statistics Canada, 84% of adults aged 18–79 and 60% of children aged 5–17 are not meeting recommended targets for physical activity.

Diversifying transportation methods to include walking and cycling can help reduce our carbon footprint, reduce air pollution and help address climate change.

ATI investments have the potential to make communities safer and more inclusive. Polling conducted by the Canadian Automobile Association found 44% of respondents would cycle more if they felt safer riding on or beside roads.

With more Canadians walking and cycling during the pandemic the time is right for an investment in ATI.

A dedicated, separate funding envelope for ATI is the only way to truly incentivize implementation of shovel-ready ATI projects across the country.

Heart & Stroke recommends

- **That the federal government create a dedicated active transportation infrastructure fund over one year to invest in projects to promote walking and cycling.**

5. Investing in research and collaboration on women's heart and brain health

Heart disease and stroke are the leading causes of premature death for women in Canada. 53% of women who experience heart attack symptoms have them go unrecognized. More women die of stroke than men, and women have worse outcomes after experiencing a stroke. And yet, two-thirds of heart disease and stroke research is based on men. This has resulted in significant gaps in women's diagnosis, treatment, care, and recovery.

Budget 2016 included a five-year, \$5 million investment in Heart & Stroke's Women's Heart & Brain Health Research Initiative, which supports research on the prevention, diagnosis and treatment of heart disease and stroke in women. To date, this initiative has funded 26 research projects across Canada, projects that otherwise would not have received funding. We also launched a research network connecting over 200 individuals at Canadian hospitals and universities.

Despite this progress, more is needed to redress decades of inequitable research. We are seeking a renewed and augmented commitment to expand this vital work and to also consider health inequities more broadly.

Heart & Stroke recommends:

- **That the federal government renew and increase funding to Heart & Stroke's dynamic and successful Women's Heart & Brain Health Research Initiative to \$5 million per year for five years.**

Citations available upon request