

HealthCareCAN submission to the  
Standing Committee on Finance Pre-Budget  
Consultations in advance of the

# 2023 Federal Budget



October 2022

**HealthCareCAN**  
*Leading. Innovation. Together.*



**SoinsSantéCAN**  
*Leadership. Innovation. Collaboration.*

# Recommendations:

- 1 > Double the current funding to the Tri-Agency and commit to an annual increase that keeps pace with inflation and global benchmarks to ensure sustainable research funding.
- 2 > Create a pan-Canadian health research data repository and clinical trials platform to centralize health research data and facilitate health research and innovation across institutions and jurisdictions.
- 3 > Increase federal health transfers to provinces and territories to ensure consistent, sustainable funding for healthcare that keeps pace with emerging needs, increasing costs and higher demand.
- 4 > Increase capital investments in healthcare to a minimum of 0.6 percent of gross domestic product (GDP) (approximately \$12.8B) to better align with Canada's Organisation for Economic Co-operation and Development (OECD) counterparts.
- 5 > Implement a pan-Canadian health workforce planning strategy to gather workforce data and develop solutions to tackle the health workforce shortage and address the factors hindering recruitment and retention.
- 6 > Create a program or platform to connect internationally educated healthcare workers with healthcare organizations seeking to fill roles.
- 7 > Develop a pan-Canadian approach to support better aging and improve health and social services for older adults, backed by substantial investments to meet the current and future needs of Canada's aging population.
- 8 > Introduce mental health parity legislation that guarantees timely access to quality, inclusive mental health and substance use care for everyone in Canada, and establishes appropriate, sustainable, long-term funding for mental health and substance use services across Canada.

# Introduction

[HealthCareCAN](#) is the national voice of hospitals, health research institutes, and healthcare organizations across Canada. HealthCareCAN advocates for health research and innovation and high-quality health services for people across Canada. We welcome the opportunity to make this submission to the Standing Committee on Finance's Pre-Budget Consultations in Advance of the 2023 Federal Budget.

Canada's current healthcare crisis is nothing less than a national emergency, requiring urgent and immediate action by all levels of government. Budget 2023 is a critical opportunity for the federal government to demonstrate its commitment to shoring up healthcare and health research in Canada, issues that people across Canada continue to identify as key priorities. Without strategic initiatives and investment from the federal government to support the modernization of the healthcare system it will collapse.

Canada's healthcare system was conceived for a different time and it must evolve to meet changing needs. Hospital and physician services are still vital forms of care, but they are not the only types of care needed to live a healthy life. The health system must be more people-centred, integrated, and support the different ways people want to access care, including at home and virtually. Healthcare must be delivered in a way that is culturally safe, free of racism and discrimination, and inclusive of all.

Immediate action from the federal government and a strong commitment in Budget 2023 are vital to helping ensure people across Canada can get the healthcare they need, when they need it.



# Detailed recommendations to transform the health system

## 1. Double the current funding to the Tri-Agency and commit to an annual increase that keeps pace with inflation and global benchmarks to ensure sustainable research funding.

Research and innovation drive [health outcomes](#) and health system transformation while playing a crucial role in helping Canada respond to medical and health system challenges created or exacerbated by the pandemic, including [health workforce shortages](#) and other issues highlighted in this submission. Health research and innovation are also vital to addressing some of our most pressing social issues, such as climate change.

Despite this level of importance, Canada’s investment in its research sector continues to lag other OECD countries, leading to a widening gap with peer countries.

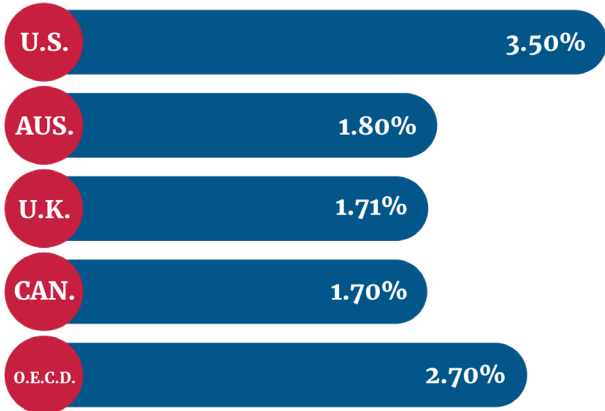
Especially concerning for health researchers is that Budget 2022 was only the second federal budget that did not provide an annual increase to CIHR’s budget since its creation in 2000. While Budget 2018 did include welcome federal investment in science, that five-year research funding ends in 2023, and given the current high rate of inflation, Canada’s research

ecosystem is in jeopardy. Research is constricting at research hospitals and universities putting Canada further behind our global peers. Canada is at serious risk of losing our top research talent, early-career investigators and senior researchers alike, who will take their ideas and discoveries to other countries. We cannot commercialize what we do not create.

Canada’s current lagging level of investment leaves too many researchers battling for too few dollars. During the Spring 2022 CIHR Project Grant competition only 19% of grant applicants were successful. The UK’s National Institute of Health Research had a [35%](#) application success rate in 2021–22. If such a trend continues, it will intensify the brain drain, leading to negative health and economic impacts for Canada.

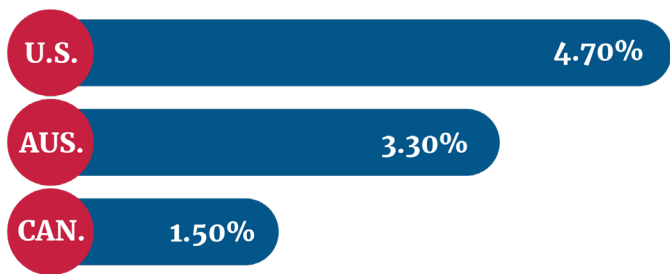
Canada must radically increase its investment in research through the Tri-Agency to remain competitive globally, attract and retain top talent across all career levels, and realize the full innovative and economic benefits of health research. Importantly, hospitals and research institutes must have direct and equal access to such funding.

**Investments in research : How Canada compares internationally (% of GDP, 2020)**



Source: [CAUT](#)

**% of total health spending allocated to research: How Canada compares internationally (2020)**



Sources: [CIHI](#), [AIHW](#) (Fig. 11), [AMA](#).

**2. Create a pan-Canadian health research data repository and clinical trials platform to centralize health research data and facilitate health research and innovation across institutions and jurisdictions.**

Networks between Canada's health researchers are well-established, but still cannot harness the full innovative and economic potential of health research. Researchers currently lack the tools to effectively communicate and share data across institutions and jurisdictions. The [Standing Committee on Science and Research](#), the [Health and Biosciences Economic Strategy Table](#) and [PHAC's pan-Canadian Health Data Strategy Expert Advisory Group](#) have all highlighted this as an issue requiring action.

Creating a pan-Canadian data repository and clinical trials platform to enable interoperability between institutions and jurisdictions will enrich the quality and availability of data, strengthen Canada's research enterprise, and foster the partnerships and collaboration needed to drive innovation.

**3. Increase federal health transfers to provinces and territories to ensure consistent, sustainable funding for healthcare that keeps pace with emerging needs, increasing costs and higher demand.**

While funding alone will not address the many issues straining our health system, there is no doubt that more funding is needed to keep pace with increasing costs and demands on the system. Budget 2023 must include increased, consistent, sustainable health funding to the provinces and territories so they can strengthen and expand access to healthcare services and deal with the impacts of the pandemic. Along with increased funding, transparent targets for improved health outcomes to create accountability to the people of Canada are crucial.

**4. Increase capital investments in healthcare to a minimum of 0.6 percent of GDP (approximately \$12.8B) to better align with Canada's OECD counterparts.**

Over the past 20 years, capital investment in health infrastructure has fluctuated, with a noted decline in recent years. Counter to the trend among OECD countries of increasing capital investment since 2010, Canada's investment dropped 14% in real terms in 2019 compared to 2010.

The pandemic starkly demonstrated that Canada's outdated health infrastructure, both in terms of the physical facilities and the technological capabilities within the system, puts people's health at risk. Modern infrastructure is crucial in enhancing access to services and improving patient outcomes.

**5. Implement a pan-Canadian health workforce planning strategy to gather workforce data, develop solutions to tackle the health workforce shortage, and address the factors hindering recruitment and retention.**

[Canada lags its OECD peers](#) in health workforce data collection, infrastructure, and analytics. Many countries undertake health workforce planning at the national level and have established dedicated bodies to collect and analyze data on the health workforce, conduct research, forecast health system needs, and contribute to policy development to strengthen the health workforce and health system.

Canada's failure to conduct health workforce planning undermines our ability to ensure we have the right mix and distribution of healthcare workers. This impacts patient care, leads to poor working conditions, perpetuates current inequities in the health system, and has economic ramifications for Canada, including provinces and territories competing for talent.

Implementing a pan-Canadian health workforce planning strategy, along with a body to oversee this work, will ensure Canada has a better understanding of the current workforce, helping inform the development and implementation of solutions to tackle health workforce issues. It will provide better insight into future needs and strategies to ensure Canada has the health workforce to meet future demand. A well-staffed health system, with healthcare workers who feel mentally and physically well, is crucial to ensure a functioning health system and the delivery of high-quality care.

#### **6. Create a program or platform to connect internationally educated healthcare workers with healthcare organizations seeking to fill roles.**

Many healthcare organizations are eager to recruit internationally educated healthcare workers to address immediate health workforce needs but struggle to overcome process and systemic barriers. The Labour Market Impact Assessment (LMIA), the credentialing process to recognize foreign education, and associated time and costs are all significant challenges impeding international recruitment.

To tackle health workforce shortages in the short-term, the immigration process should be streamlined and solutions leveraging the skills of qualified workers scaled up. For example, a mechanism connecting newcomers with healthcare employers looking to fill vacancies would be very useful. Many healthcare organizations have resources to help individuals navigate the settling and credentialing process, but they must first be made aware that these individuals are in the country and available to fill roles.

#### **7. Develop a pan-Canadian approach to support better aging and improve health and social services for older adults, backed by substantial investments to meet the current and future needs of Canada's aging population.**

Older adults increasingly seek services that let them live more independent, active, and dignified

lives, which includes living at home and in their community with supports for as long as they wish and are able. There is a growing need for a pan-Canadian approach to support best practices to improve health and social services for older adults.

Canada is failing to keep up with the demand for long-term care, home care, and the social services needed to support aging in place. Decades of under-resourcing, and limited government oversight and accountability to patients, residents, families, caregivers, and the care workforce must be rectified. With a growing and aging population, Canada urgently needs a pan-Canadian approach that supports better aging and older adult care across the country. Such an approach must incorporate principles to support better aging into all aspects of society, from expanding care services available at home and in the community, to building communities that better enable people to age in place, to ensuring social supports meet the needs of older adults and caregivers.

#### **8. Introduce mental health parity legislation that guarantees timely access to quality, inclusive mental health and substance use care for everyone in Canada, and establishes appropriate, sustainable, long-term funding for mental health and substance use services across Canada.**

The pandemic contributed to declining mental health in people of all ages, further highlighting the need for improved services and a formal recognition of mental health as equal to physical health. It is time that Canada enshrines in law the provision of timely access to quality, inclusive mental health and substance use care across the country. Such legislation would ensure a wide range of publicly funded mental health and substance use services are available equitably to all, moving beyond the limited current publicly subsidized availability of such services in hospitals and physician settings. The [\\$4.5 billion promised by the Liberals in their 2021 election platform](#) should be used to achieve this objective and outlined in Budget 2023.