Improving health and access to innovative, high-quality health-care now and for future generations

Key actions for a strong Canada

Recommendations to the House of Commons
Standing Committee on Finance

October 2012
EXECUTIVE SUMMARY
In order to improve the health, wellbeing and prosperity of Canadians, it is essential that the Government of Canada play a leadership role. This requires more than simply meeting minimum obligations in transferring resources to the provinces and territories. Instead, the federal government must leverage its role as a financing partner and use its policy capacity around key issues that affect health, both inside and outside of the health-care sector, in order to ensure that all Canadians benefit from high standards of care, as well as the fundamental living conditions that are required to achieve health in the first place.

Currently, Canada is on a dangerous trajectory, heading toward intersecting crises of poverty, inadequate housing, illness, and avoidable spikes in demand for health-care services. A growing number of Canadians do not have the personal and household resources required to achieve and maintain health. A widening income gap and the lack of access to adequate and affordable housing across Canada are two of the key factors that continue to undermine the health and wellbeing of more and more Canadians and their families.

As a result of these growing financial pressures and our eroding social safety nets at federal and provincial levels, many households are simply unable to afford and access the nutritious food, the recreation and activity programs, the family and child supports, and other resources that improve health and lead to wellbeing. In communities where these gaps affect large portions of residents, their impact is multiplied.

These conditions engender illness. And, this illness and dislocation is costing us dearly: roughly $25 billion dollars each year alone in avoidable demand for health-care, social services and judicial system resources. Add to that billions of dollars more in lost productivity in the workforce, and diminished economic output as a result.

These gaps are experienced in access to health-care as well, particularly with respect to services and benefits that are currently not included within Medicare coverage, such as prescription drugs and dental care.

And, at the very same time, the services that are provided within Medicare have, to a large extent, fallen out of tune with the needs and realities that Canadians face. The lion's share of health-care services across the country continue to be dedicated to treatment of episodic illness, and are typically dislocated from each other, and from the communities and neighbourhoods where people live and work. Instead, what is required are more health-care programs and services that operate “upstream” to prevent illness and address root causes; services that are coordinated, and delivered by collaborative teams of providers; and services that are connected in meaningful ways to the communities where people live and work.

The good news is that we can halt and reverse all of these negative trends. We know how. The essential ingredients are political will and leadership.

The Government of Canada has the unique potential to play its part in reversing current trends by implement policies and investments that will improve health, innovation and access to health-care for
Canadians. This would require the federal government to adopt a multi-sector and multi-pronged approach that would:

- Provide the essential foundation and pre-conditions by which Canadians can achieve and maintain health; factors like access to adequate income and housing that are known as the “social determinants of health” and the “causes of the causes of illness”\textsuperscript{iii, iv};

- Expand the scope of publicly-funded and administered health-care services to include key services and benefits currently left out;

- Reform health-care services within our publicly-funded and publicly-administered health system to focus on innovation, illness prevention, and not only individual care, but family and community wellbeing as well.

The Canadian Association of Community Health Centres (CACHC) is recommending a balanced package of health, health-care and social investments that would enable the federal government to achieve just that.

We recognize that these recommendations do not cover the full spectrum of actions necessary to get us where we need to go in building a healthy, inclusive and prosperous country. They do, however, provide an essential launching pad, acting as key enablers that will pave the way for future policy and investment in other areas of social wellbeing and health-care. We recommend that, in 2013, the Government of Canada:

1. Design and adequately invest in a federal poverty reduction plan, such as the one outlined in Bill C-233, \textit{An Act to Eliminate Poverty in Canada}. This plan must complement provincial and territorial initiatives, and be built in consultation with those living in poverty.

2. Adopt and implement Bill C-400, \textit{An Act to secure adequate accessible and affordable housing for Canadians}, thereby establishing and adequately investing in a federal housing strategy.

3. Negotiate with the provinces and territories a new 10-year Health Accord with stable and adequate funding including, at minimum, a six per cent escalator in funding per year, ensuring that any new transfers in health and not taken away from other important social transfers. Include within this accord federal commitment to enforcing the \textit{Canada Health Act}, including the ban on user fees and extra billing, along with measures to correct gaps in monitoring and reporting under the \textit{Act}.

4. Establish a federal Pharmacare program, and further protect the health and wellbeing of Canadians by exempting health-care, including the new Pharmacare program, from trade agreements, including the Canada-EU Comprehensive Economic and Trade Agreement (CETA).

5. Invest in expanding access for Canadians to high-quality, team-based primary health care by establishing a federal strategy and funding for a pan-Canadian network of Community Health Centres.
DETAILED RECOMMENDATIONS

The Canadian Association of Community Health Centres recommends five key measures within the 2013 federal budget, whose combined goal is to:

- Reduce the costly burden of illness across Canada; and
- Improve wellbeing and opportunities for individual, family and community prosperity; and
- Build a stronger and more effective health-care system for current and future generations of Canadians.

➤ Design and adequately invest in a federal poverty reduction plan, such as the one outlined in Bill C-233, An Act to Eliminate Poverty in Canada.

Canada boasts a sad legacy of hollow commitment to reducing poverty, for both children and adults. On November 24th, 1989, Canada's House of Commons passed a unanimous all-party resolution to eliminate child poverty by the year 2000. Twenty-three years later, and after additional unanimous House resolutions and federal reports calling for action to reduce poverty levels, little has been done. The difference between 1989 and 2012 is that we now know, with irrefutable evidence, just how much poverty hurts and costs us.

Nearly 3.2 million Canadians now live in poverty and Canada's rankings among OECD countries on child and adult poverty rates continues to slip, year after year. What's more, Canada ranks especially low in rankings on child poverty rates. UNICEF, the United Nations agency focused on child wellbeing around the world recently stated that “the face of poverty in Canada is a child’s face”. With respect to child poverty rates, Canada now ranks 24th out the 35 most wealthy countries in the world.

Low-income and poverty are among the single greatest predictors of illness for Canadians. They also cost us dearly - to the tune of roughly $25 billion each year alone in preventable health-care, social service and judicial system costs across Canada. In the area of health and health-care, for instance, research has shown that an increase of $1000 in annual income to the poorest 20 percent of Canadians would lead to 10,000 fewer chronic conditions, and 6,600 fewer disability days every two weeks.

These social and health costs are coupled with simultaneous losses in workforce productivity and economic output that stem from poverty. The province of Alberta, alone, has calculated the cost of poverty to the Alberta economy at between $7.1 billion and $9.5 billion per year. In British Columbia, the annual economic cost to that province from poverty is calculated at between $6.3 billion and $7.2 billion. This impact and these tangible costs to Canada’s bottom-line are repeated from province to province and territory, across the country. Everyone is affected by poverty, not just those experiencing it directly.

The Government of Canada must introduce a federal action plan to reduce and eradicate poverty if it wishes to improve the health and wellbeing of Canadians, and to ensure a prosperous future for all. This is not only the right thing to do, it is an economic imperative. Our future economic bottom-line depends upon it.
We are calling on the federal government to establish a federal 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. A framework for this action has already been provided through Bill C-233, An Act to Eliminate Poverty in Canada, and we cite this as an example of how the economic imperative of poverty reduction could be advanced quickly and as an immediate priority. By way of further guidance, we recommend that the following minimum core components be included in the federal action plan:

- A low income refundable tax credit equal to the gap between a person's total income and the value of the Low Income Measure (LIM) for their household; and

- Funding for a public system of high-quality early childhood education and child care services that is affordable and available to all children (0–12 years); and

- Restored and expanded eligibility for Employment Insurance.

➢ **Adopt and implement Bill C-400, An Act to secure adequate accessible and affordable housing for Canadians, thereby achieving a federal housing strategy and bringing Canada out of the basement among G8 countries.**

Canada remains the only G8 country without a “national” housing strategy; our former strategy was eliminated in 1993. At the same time, Canada is in the midst of a housing crisis. This crisis is appropriately described by one group as the “precarious housing iceberg”\(^\text{xii}\), meaning that what many Canadians see as the visible housing crisis – namely, homelessness – is only the tip of the crisis/iceberg. In fact:

- Between 150,000 and 300,000 people are currently homeless across Canada;

- Roughly 900,000 others are part of the “hidden homeless” – those living in overcrowded housing, and with very poor living conditions.

- Another 3.1 million Canadians are in core housing need (paying more than 30% of their income on shelter).\(^\text{xiii}\)

Over 4 million Canadians in total are therefore either homeless or in a state of precarious housing.

To live in inadequate housing is to be unstable, to be more likely to get sick, and to be put in a position where you are constantly deciding between food and rent. It is unacceptable that millions of Canadians are struggling with such housing issues, and it is making us sick – literally.

Affordable housing is one of the most fundamental requirements for good health. Canada's chief public health officer, Dr. David Butler-Jones, drew the connections between housing and health in his
annual report to Canadians in 2009: “Shelter is a basic need for optimal health. Inadequate housing can result in numerous negative health outcomes, ranging from respiratory disease and asthma due to moulds and poor ventilation, to mental health impacts associated with overcrowding".\textsuperscript{xiv}

A housing strategy is deeply connected to CACHC’s first recommendation – the development of a poverty elimination plan. The need for both of these is deeply intertwined across Canada. In concert a poverty reduction plan and a federal housing strategy are essential steps that the government should take to ensure all Canadians are able to live with dignity. We, therefore, call on the federal government to adopt and implement Bill C-400, \textit{An Act to secure adequate accessible and affordable housing for Canadians}, and its recommendations that have been developed in concert with housing, homelessness and economic development expert organizations from across Canada.

- Negotiate with the provinces and territories a new 10-year Health Accord with stable and adequate funding including, at minimum, a six per cent escalator in funding per year, ensuring that any new transfers in health and not taken away from other important social transfers. Include within this accord federal commitment to enforcing the \textit{Canada Health Act}, including the ban on user fees and extra billing, along with measures to correct gaps in monitoring and reporting under the Act.

Provinces and territories require stable and adequate funding from the federal government to meet their responsibilities in health-care administration, and to improve health for Canadians. Time and time again, Canadians have expressed their desire for the federal government to play a leadership role in health-care, and to help achieve pan-Canadian standards and equitable access in health-care for Canadians, regardless of a person’s income or region.

In order to respect the expressed desire of Canadians, the federal government must sit down with the provinces and territories and negotiate a new 10-year Health Accord, with at least six percent annual increases in the Canada Health Transfer. Further, these increases must not be subtracted from other social transfers to the provinces/territories by the federal government, something that would even further undermine the ability of Canadians to secure the fundamental conditions for health.

Currently, the federal government covers only 20 percent of provincial health spending, where it used to cover 50 percent. The 2004-2014 Health Accord provided stable funding after deep cuts in the 1990s, bringing back up the federal government’s cash share of provincial health spending to 20 percent\textsuperscript{xv} from a low of 10 percent in 1998\textsuperscript{xvi} and part way to its original 50 percent share of funding.

A renewed 10-year Health Accord, with at minimum six per cent annual increases in the Canada Health Transfer, will bring the federal government closer to its original 50 cents on the dollar commitment over the life of the accord. It will also demonstrate federal leadership in supporting pan-Canadian standards, with a joint agreement able to provide priority areas for action, along with targets and timelines. Canadians deserve this sort of coordination and standards in health-care, and
wise management of our precious health-care dollars. The alternative is no accord, thirteen separate health systems, no guidance around standards, and decreased standards in care.

Sadly, this is where the federal government has, thus far, indicated it wants to go on health-care; a small, cash-only handout to the provinces, beginning in 2014, and one that will strips provincial and territorial health systems of $36 billion in funding\textsuperscript{vii}. The message this sends to the provinces/territories and to Canadians is: You’re on your own. No federal vision for health-care. No pan-Canadian standards in care for Canadians. No timelines, no targets.

Refusing to play a role in working with the provinces and territories to set standards, priorities, targets and timelines for health-care, coupled with cuts in funding of $36 billion, means also that the federal government will have a harder time upholding the \textit{Canada Health Act}.

The consequence of this is that provinces and territories will be more likely to further cut services, as they did when federal health transfers shrunk in the 1990s. In place of public coverage of these services, predatory for-profit corporations will take hold of those services, creating a more profit-driven, two-tier health system that more closely mirrors that of the United States.

Ironically, this is a state of affairs that Americans are working hard to salvage themselves from, via their recent \textit{Affordable Care Act}. Meanwhile, Canada is beginning to plunge headfirst into this disastrous model of management and financing, looking to duplicate the United States’ errors of the past.

The result will be higher costs for families and more unpaid work, particularly for women; longer wait times for care and increased two-tier care; more hospital and long-term care home overcrowding, and avoidable deaths from medical errors and infections; and, diminished quality and higher costs for services handed over to the private sector.

We believe that there is still adequate time for the federal government to avoid this disaster. Canadians continue to reject privatized health-care in favour of publicly-funded and publicly-administered solutions\textsuperscript{viii}. They want health-care that requires a health card, not a credit card. We are calling on the federal government to heed this demand.

As part of its commitment to a 2014-2024 Health Accord, we call on the Government of Canada to commit to upholding the \textit{Canada Health Act} and pan-Canadian standards, exercising its financial clout as a mechanism to ensure that all provinces and territories align with the Act and agreed upon standards for Canadians. This begins with the stable and predictable funding that would be provided within the 2014 Health Accord, coupled with priority areas, standards, targets and timelines for improving care, all to be agreed upon by the provinces, territories and federal government.
Establish a federal Pharmacare program, and further protect the health and wellbeing of Canadians by exempting health-care, including the new Pharmacare program, from trade agreements, beginning with CETA.

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 no longer afford not to have a pan-Canadian Pharmacare program. Why?

- Nearly eight million Canadians do not have coverage for prescription drugs, and one in 10 Canadians reports that they have “failed to fill a prescription, or have skipped a dose, because of cost.” This engenders further illness and avoidable use of other health-care resources.

- Over-prescription of pharmaceuticals and inappropriate use continues to be a leading cause of morbidity and death across Canada.

- In Canada, prescription drugs are 30 percent more expensive than the international average.

- Prescription drugs are the second highest cost-driver in health care, and drug costs continue to rise quickly, growing faster than all other areas of expense.

- Direct-to-consumer advertising and off-label promotion of pharmaceutical drugs – unregulated and left at the discretion of pharmaceutical companies – continues to fuel inappropriate prescription drug use and prescription.

Canada urgently requires a pan-Canadian 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.

The good news is that this would cost Canada no new money. In fact, widely-endorsed, recent research shows that a universal public drug plan would save Canada roughly $10.7 billion a year.

France, the UK, Sweden, Australia and New Zealand provide examples of what can be done and what is to be gained. Each of these countries has a universal drug plan and, as a result, they pay far less for drugs than Canada. They also have improved rates of accessibility for prescription drugs and lower rates of inappropriate use.

It is critical that the federal government develop and implement Pharmacare for Canadians as a top priority, and ensure that it is safeguarded from trade agreements, such as the imminent CETA with the European Union which, if left to proceed without safeguards around health-care, is projected to increase prescription drug costs in Canada by $2.8 billion a year.

This would result from the EU's demand for increased patent protection for brand-name drugs, something that will further line the pockets of the pharmaceutical industry while increasing financial
barriers to medically necessary medicines for millions of Canadians. The Government of Canada must reject this potentially devastating impact on Canadians and, similarly, ensure that Canada’s precious, public health-care dollars are protected from profiteering in other trade agreements.

- **Support the expansion of access for Canadians to high-quality, team-based primary health care by establishing a federal strategy and funding for a pan-Canadian network of Community Health Centres (CHCs).**

Across Canada, frontline primary care is in need of major improvement. Millions of Canadians currently are without a family doctor, a nurse practitioner or other regular primary care provider. Worse still, far too few primary care services are integrated and delivered via health-care teams.

In 2009, only 32 per cent of Canadians reported having access to more than one primary care provider, and of those, the majority of providers work in silos, not in an integrated and coordinated health-care team. The Founding President of the Canadian Academy of Health Sciences, Dr. Paul Armstrong, has stated: "We talk about five million Canadians not having access to a family doctor, but they should have access to an integrated health care team where the first point of care would not necessarily be a physician."

But bringing these frontline health-care providers into the team setting, while very important, is still not enough. Unless these teams are connected in meaningful and very practical ways with social services, health promotion programs and community development efforts, they are not addressing the lion’s share of factors that actually affect people’s health – the "social determinants of health".

There is an alternative, one that brings together providers into teams and also coordinates primary care with social support and community care: Community Health Centres (CHCs).

Across Canada and in many countries around the world, CHCs bridge these divides and silos. Community Health Centres are comprehensive, frontline primary health care centres. They bring health care providers like family physicians, nurses, dietitians, therapists and others together out of their individual isolation to work as a collaborative inter-professional team. People receive comprehensive care from the right providers, and at the right time. These diverse health-care providers are supported to work to the full scope of their training, making the best use of our precious health-care resources.

But more than simply making frontline care more integrated and comprehensive, CHCs couple these team-based primary care services with health promotion programs, social service supports and community programs that emphasize illness prevention and wellbeing, rather than simply treatment. It also means that when a health-care provider encounters issues facing the health of an individual or a family that are outside of her capacity to provide “treatment” – for example, poor diet linked to poverty – they can refer the patient or family to in-house resources that are designed to address
these issues, and which can support the individual or family on the next steps of the journey toward health.

As a result of this integrated approach, various research studies have found that Community Health Centres provide effective and cost-effective care, achieving better overall outcomes than treatment-focused medical models. These studies have linked superior performance by Community Health Centres to a number of factors, including:

- the impact of their inter-professional, collaborative care teams;
- their development of tailored programs to meet the local needs of the communities they serve;
- more appropriate and person-centred consultations;
- superior quality of chronic disease prevention and management, including for diabetes, coronary artery disease, congestive heart failure and hypertension.

In one of the largest ever Canadian studies of primary care models, conducted across Ontario from 2008 to 2010, researchers found remarkable evidence pointing to the impact of this integrated, local Community Health Centre model of care. On nearly every index measured, people currently under the care and support of Community Health Centres in Ontario face greater barriers to health, including lower income levels, language and settlement barriers, and a higher number of co-morbid health conditions including chronic diseases, physical disabilities and mental health issues. Yet, despite the sheer scale of these “patient complexities” – all of which would typically predict higher rates of health system utilization, such as hospital emergency room admissions – people cared for by CHCs had the lowest adjusted rates of emergency room admissions among all models of primary care in the province.

Furthermore, in the United States, where there is a growing network of over 1200 Community Health Centres funded by the federal government, research underscores the broader health system savings achieved through CHCs. U.S. Community Health Centres generate major cost savings to the overall health system by providing high-quality, preventive care to the “medically uninsured”, individuals who in addition to facing an insurance/access barrier also typically face other significant social barriers to health.

CHCs save the U.S. health system $1,263 per person annually compared to other primary care providers, such as fee-for-service medicine. And, local communities with a Community Health Centre have 25 percent fewer emergency department visits for ambulatory care sensitive conditions than those without a Community Health Centre.

By reducing avoidable burdens on scarce hospital and other services within the health system, those health services become more readily available when they are needed. This means shorter wait-times and a stronger health system for the whole population.

Furthermore, CHCs act as local economic sparkplugs. Investment in expanding CHCs across the U.S. since 2009 has created more than 25,300 new full-time jobs across their country. And, in 2009, CHCs generated $20 billion in economic activity across the communities in which they are located by providing employment opportunities and purchasing goods from other local businesses and
organizations. This still does not account for the cascade effect they achieve through unique local partnerships, activating opportunities for small-scale social enterprise and other economic spinoffs.

The critical health and economic impacts of Community Health Centres are among the many reasons why key federal and provincial reports in Canada have consistently recommended expanding CHCs as a solution to some of our most pressing health and health system challenges. These include, but are not limited to the 1967 Castonguay-Nepveu Report in Quebec, the 1972 Hastings Report at a federal level, and the 2002 Report of the Royal Commission on the Future of Health Care in Canada. More recently:

- The Honourable Roy Romanow has issued a “call to care, call to action” urging increased federal funding for Community Health Centresxxxvi;
- The Wellesley Institute, a leading Canadian health and social development research institution, has recommended that the federal government earmark $360 million to kick start 140 new CHCs across Canada, that would serve over a million Canadiansxxxvii;
- The Health Council of Canada has recommended that Community Health Centres “be pursued aggressively”xxxviii.

Through the federal $800 million Primary Health Care Transition Fund (2000-2006), a program of primary health care reform and renewal was kick-started across the country. However, with the end of that funding, and little federal leadership and guidance around frontline, primary health care since, Canadians continue to await the comprehensive, community-based services they want and need.

Federal commitment and funding to advance the pan-Canadian network of Community Health Centres could, in 2013, renew that important work. Putting frontline health-care back in the community; connecting it to the needs of local communities; giving community members a voice in that process; and bringing together health-care providers and other health professionals to work collaboratively makes sense both operationally and economically.

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1 Each month, 900,000 Canadians rely on food banks to meet their basic food needs. This does not include the millions of other Canadians with an inadequate diet resulting from poverty. Source: Food Banks Canada, “About hunger in Canada”. http://foodbankscanada.ca/Learn-About-Hunger/About-Hunger-in-Canada.aspx
9 Ibid
13 Ibid