# Standing Committee on Finance (FINA)

**Pre-budget consultations 2012** 

# The Association of Faculties of Medicine of Canada

### 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?

The Association of Faculties of Medicine of Canada (AFMC), which represents Canada's 17 faculties of medicine, are keenly aware of the current need for federal and global fiscal restraint. We are committed to working with the federal government to ensure that Canada maintains a vibrant and healthy economy, and that those living within our borders enjoy the best possible quality of life. understand the need to make difficult choices that the federal government will be presented with countless recommendations for Budget 2013 which, despite their individual merit, will not all be able to be acted upon. We have therefore limited our recommendations to those which we believe are the most urgent, and the most likely to have a tangible and timely positive effect on the lives of Canadians. We believe governments must adopt a three-pronged approach to budget management: (a) limit or reduce spending where waste and duplication can be demonstrated, (b) strengthen federal investments that are demonstrating social and/or economic impact, and (c) initiate new expenditures or innovative programs in areas where to do so will significantly improve Canada's economic position and/or the wellbeing of Canadians. Within this context, we recommend that the federal government: (a) improve the environment in Canada for human subjects research that have direct impact on improving health and health systems, (b) create and formalize a federal coordinating role in pan-Canadian, inter-professional health human resource planning, and (c) increase investments to improve access to health systems that will improve the health, well-being and productivity of First Nations, Inuit and Métis communities in Canada. We believe that each of these recommendations represents a relatively modest investment when compared to the current increasing cost to Canadians to sustain our public healthcare system. The first recommendation will enhance Canada's competitiveness for pharmaceutical investment. The second recommendation recognizes the mobility of Canadian healthcare workforce and will forge an important facilitative role for the federal government to enable provinces to more effectively deliver healthcare services; a role we believe is well within the federal mandate in health. The third recommendation addresses the vital needs of Canada's Aboriginal peoples.

#### 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 health and biomedical research environment in Canada has been reasonably healthy; Canada is home to a high caliber of health and biomedical researchers and a robust research infrastructure. In the long term, increased research funding will be required to retain the best and the brightest and enable us to conduct critical basic and applied research that benefits Canadians and the global community each and every day. As an immediate priority, we believe that the strategic planning and implementation of human subjects' research in Canada is in need of significant improvement. Clinical trials are a key component of a science and technology strategy that achieves human, social, and economic benefits.

The outcomes of well-designed and executed clinical trials lead to better and less expensive care to patients and families, attract leading clinicians to this country, generate products, services, jobs and revenues and, most importantly, improve patient outcomes. At the 2011 Canadian Clinical Trial Summit, a wide range of stakeholders gathered to discuss the state of clinical trials in Canada. While Canada still remains an international player in terms of clinical trials, we are quickly losing our competitive edge in terms of the number of trials being conducted in Canada as well as the number of clinical sites and patients involved in trials. While over \$100 billion dollars is invested globally by the pharmaceutical sector every year, Canada currently attract only roughly one percent of this figure. The summit and subsequent activities have generated a report, "To Your Health & Prosperity" (http://www.acaho.org/?document&id=345). The report contains 9 recommendations which have received widespread support from stakeholders from across the country. We recommend that the federal government address the first recommendation by establishing, with newly committed funding, a national headquarters within CIHR to coordinate the implementation of the proposed action plan. Canada needs a dedicated entity to coordinate improvements to the clinical trials environment. If properly addressed, it will complement Canada's critical basic research enterprise and put Canada back in a global leadership position in targeted areas, generate tangible economic benefits, and most importantly, improve the healthcare that Canadians receive in their communities.

#### 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?

One of the most significant consequences of the aging of the Canadian population is the impact it is having, and will continue to have, on the healthcare system. While the healthcare needs of Canadians are changing significantly, healthcare providers themselves are aging, and their mobility has increased as a result of the Agreement on Internal Trade. Taken together, these pressures have made it difficult for provinces to engage in heath human resource (HHR) planning that aligns the number and distribution among specialties of graduating healthcare professionals to the needs of Canadians. AFMC is calling for the establishment of a national health human resources data and analysis centre to provide a formal structure for (a) the collection and analysis of Canada's disparate provincial HHR data sets, (b) coordinate the collection of new data where needed, and (c) to serve as a resource to governments, federal and provincial, in matters of policy planning for health human resources. The centre will bring together caregivers, patients, federal, provincial and territorial governments, managers, researchers and other stakeholders to collect, aggregate, and analyze data, and facilitate the ability of provinces to make evidence-based HHR plans and forward-looking strategies. Building on the work we have been doing over the last several years, AFMC is proposing that it form a secretariat for the initiative and hold a series of national, regional and provincial consultations with abroad range of stakeholders and professional groups which would culminate in an actionable business plan, including budget, for the centre. The anticipated cost for this work is \$600,000 and would be complete within 2 years. AFMC believes that more co-ordinated, national, interprofessional HHR planning must be done in order to ensure that Canada trains not only the right number of healthcare providers, but also the right types. Establishing national targets is critical, and requires more than simply adjusting admission numbers; Canada needs a more robust and co-ordinated national health human resource planning process, one which factors in physicians as well as other health professionals, their evolving scopes of practice, and the changing healthcare needs of Canadians.

#### 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?

Canada's greatest resources is its population, but ours, like others, is aging. By 2030, the number of Canadians over the age of 65 will have doubled while the working-age population will have only grown 8%. This reality will have a significant impact, including the combined effects of increased demands in key service areas such as healthcare, labour force shrinkage, and a reduced national tax base. There is, however, a segment of our population that is growing; the number of Aboriginal youth is growing at three times the national average. This represents an important opportunity if strategic investments are made to enable Aboriginal youth to realize their full potential. Aboriginal youth have the lowest high school completion rate in Canadian. Moreover, those that complete high school are 23% less likely to pursue post-secondary education than their non-Aboriginal counterparts. A report from TD Economics asserts that to truly address the disparity in living standards between Aboriginals and non-Aboriginals in Canada "the gap in education attainment needs to be closed". The most significant national program that provides support to Aboriginal students in their pursuit of post-secondary degrees is the Post-Secondary Student Support Program (PSSP). The federal government currently spends approximately \$314 Million per year on this program, and program increases have been capped at 2%/year since 1996. This has meant that in real terms, the program assists fewer and fewer students with each passing year. The AFMC recommends that Canada (a) lift the 2% funding cap on the Post-Secondary Student Support Program (PSSP), (b) allocate funding to clear the growing backlog of eligible Aboriginal students wishing to pursue post-secondary education, and (c) invest in local pipeline projects designed to encourage Aboriginal youth to pursue post-secondary education, particularly in the health and life sciences. The costs involved in addressing this issue will pale in comparison to the economic benefits of doing so; it is projected that were Canada to equalize educational and labour market outcomes for Aboriginal peoples with non-Aboriginal Canadians, by 2026, tax revenues would increase by \$3.5 Billion per year and government expenditures would decrease by \$14.2 Billion per year.

## 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?