

**Health Charities Coalition of Canada:
2018 pre-budget submission to the House of
Commons Standing Committee on Finance**

August 4, 2017



Executive Summary

The Health Charities Coalition of Canada (HCCC) is pleased to submit this brief to the House of Commons Standing Committee on Finance regarding the 2018 pre-budget consultations. HCCC's recommendations respond directly to the committee's consultation questions by proposing measures to help Canadian businesses and citizens become more productive and competitive.

Embracing the following recommendations would help strengthen health research investments and advance federal health policy in ways that would benefit patients, families, and the Canadians that our member health charities represent. Specifically, Budget 2018 should:

1. Make health research a priority. Increasing the financial research portfolio will have a direct impact on Canadians. Patients rely on advances in fundamental research to further explore disease states and treatments improving optimal care. An increased investment in research would enhance health outcomes of Canadians and stimulate the economy through employment opportunities, conjointly creating innovative solutions and increasing the commercialization of new technologies both domestically and internationally.
2. Take a leadership role in achieving access to, and the affordability of, medicines for all Canadians. Addressing this issue facing all Canadian patients will optimize and improve Canadians' health outcomes and will maximize individuals' ability to contribute to Canada's workforce.
3. Ensure that patient representatives are included formally in all federal decision-making processes affecting patients. A meaningful patient partnership with the federal government should be undertaken in a fully transparent manner. The proposed partnership would enhance the Standing Committee on Finance's understanding of what federal measures, both financial and policy, would benefit the Canadians the government seeks to serve.

Introduction

The Health Charities Coalition of Canada (HCCC) is a member-based organization comprised of 27 national health charities that represent the voices of patients at all levels of the health continuum. Collectively our members strengthen the voices of Canadians, patients and caregivers, and work with others to enhance health policy and increase investment in health research. Members of HCCC invest more than \$155 million dollars annually in health research. A list of members is available on our [website](#).

The following recommendations would help strengthen health research investments and advance federal health policy in ways that would benefit patients, families, and the Canadians that our member health charities represent:

1. Make health research a priority
2. Take a leadership role in achieving access to, and the affordability of, medicines for all Canadians
3. Ensure that patient representatives are included formally in all federal decision-making processes affecting patients.

1. Make health research a priority

Additional federal investment in the Canadian research ecosystem is urgently needed. HCCC calls on the Government of Canada to make health research a priority by providing sustained funding for health research as outlined in the recommendations that emerged from Canada's Fundamental Science Review, 2017.¹

HCCC supports the recommendations outlined in the report, *Investing in Canada's Future: Strengthening the Foundations of Canadian Research*. The report provides a blueprint for elevating Canada's capacity to be a world leader in research and innovation.

In this context, we would like to highlight the importance of sustained funding for research from the perspective of the clients that we serve - individuals living with disease.

For Canadians living with a disease or condition, research provides hope for a better tomorrow. Fundamental research is imperative to improving the lives of patients in that it creates new avenues of discovery and improves the shared knowledge-base of science. Canadians rely on advances in fundamental research to help explore questions about how a disease develops, whether a new treatment may be effective, and how new treatments can contribute to achieving optimal care. Investments made in research serve a dual purpose. Not only do they influence health outcomes and promote innovation, but they also stimulate the economy through employment opportunities, which lead to the creation of innovative treatment solutions and the commercialization of new technologies.

As a percentage of the total budget, federal investments in health research have flat-lined since 2008 and funding for the Canadian Institutes for Health Research (CIHR) has decreased since 2010-11. Currently, the CIHR budget represents just 2.5% of total federal spending, down from almost 4% in 2008. While the number of research funding applications has increased from

¹ Advisory Panel for the Review of Federal Support for Fundamental Science. (April 2017). Government of Canada, *"Investing in Canada's Future: Strengthening the Foundations of Canadian Research."* ISBN: 978-0-995-9243-0-7

3,625 to 5,389 between 2007-08 and 2013-14, the percentage that have been funded has declined from 22.5% to 14.8%, resulting in increased competition for fewer funds.

Within the health research ecosystem, HCCC makes the following recommendations that the federal government should address under this priority:

- a) **HCCC recommends an increase to the funding allotment for investigator-led research operating grants**, a total recommendation of an additional \$485 million on the current base of research funding (\$1.66 billion) increased over four years. This increase will provide a pathway for researchers to pursue funding for investigator-led research through federal granting councils that promotes the exploration of new concepts, processes and technologies that may lead to cures or improvements in treatment or care for patients. Investment in research must be a priority for the federal government to reclaim Canada's leadership amongst international standards.
- b) **HCCC calls for the Government of Canada to increase the *Research Support Fund* to adequate levels of reimbursement and amend its policy pertaining to indirect costs of health research that equitably recognizes research funding from the national health charities.** Research institutions require funding to cover the full costs of conducting research within their facilities. This includes adequate funding to assist with the indirect costs of research (for example, heating, lighting, ethics reviews, management of intellectual property, etc.).
- c) **HCCC recommends that young researchers receive adequate support.** Support for young researchers is crucial to attracting and retaining research talent in Canada. Grants to young researchers have decreased by 38%, from 1,302 grants in 2008-09 to only 831 in 2014-15. Consequently, researchers in their early career receive only 15% of CIHR grants during the seminal years of their careers.² Canada's early career investigators require enhanced support to secure the future generation of Canadian researchers.

2. The Government of Canada should take a leadership role in achieving access to, and the affordability of medicines for all Canadians.

Unlike other mainstays in our health care system, such as access to hospital and physician care, prescription medications are not covered under the *Canada Health Act* unless they are administered in a hospital. As a consequence, access to prescription medications is inequitable across provinces and territories, delivery settings, diseases states and conditions. One in five Canadians report having difficulty paying for prescription medications because they have no coverage and one in ten Canadians have difficulty paying for prescription medications even when they have health benefits coverage.³

HCCC calls on the Government of Canada to take a leadership role in addressing the affordability of medicines for all Canadians in a manner that considers access to necessary prescription medications based on the best possible health outcomes rather than ability to pay. Access and affordability cannot be achieved in isolation of one another.

² Alain Beaudet, (February 25, 2016). *Presentation to Academic Health Sciences Network Symposium*.

³ Law Commission of Ontario. (2012). "Vulnerable workers and Precarious Work." Retrieved from: www.lco-cdo.org/en/vulnerable-workers-final-report

Prescription medications are essential contributors to managing conditions, curing disease(s), improving quality of life, shortening or preventing time spent in hospitals and reducing the demand for health care services, contributing to positive population health outcomes and decreased costs to the healthcare system. Effective and sustainable regulation of pharmaceuticals is key to being able to provide timely access to medicines for Canadians.

Canadians should have equitable access to a comprehensive range of evidence-based medication options to meet their respective health care needs. Unfortunately, Canada is not on par with other developed nations when it comes to providing timely, equitable and publicly-funded access to new treatments. In Canada, the average wait in 2015 between national marketing approval and public drug plan reimbursement was 449 days across provinces comprising 80% of the eligible national public drug plan population. In addition, patient access to medicines, from time to launch to reimbursement varies greatly between Organisation for Economic Cooperation and Development (OECD) countries. At 90 days, Canada is the second quickest country in terms of the launch new medicines. However, this progress is diminished by the time it takes to obtain public reimbursement, which is amongst the slowest with the OECD, ranking 15th out of 20. Canada's time to listing standard of 449 days was 96 days longer than the OECD average of 353 days.⁴ Clearly then, Canada is not currently an international leader regarding reasonable reimbursement timelines and patients are waiting longer than necessary to access the medications they need.

The impact of lack of access to needed prescription medications is significant, with low-income Canadians disproportionately affected. While some Canadians cannot afford their prescriptions because they have no medication coverage, even patients with insurance can experience financial barriers when they must pay deductibles and co-payments.⁵ Ability to pay for prescription medicines has been shown to be a barrier to adherence given that 10% of Canadians skip doses due to cost, including 23% of those who live with a chronic disease.⁶ Failure to take prescriptions has been associated with significant increases in mortality, hospitalizations, and costs.⁷

Prescription medications are a core component of Canada's healthcare system. They are required to help improve health, prevent disease, and save lives. Any analysis of the value of a medication for pricing purposes should reflect the full value of the treatment to individual patients and the healthcare system. It should be noted that increasing access to medicines for Canadians would help support the standing committee's objectives regarding increasing productivity for Canadians as individuals and Canadian businesses. If Canadians' health can be enhanced by improving access to medicines, they are more likely to be in the workplace as individuals and business will thrive with healthier employees.

⁴ Innovative Medicines Canada. (2016). "Access to New Medicines in Public Drug Plans: Canada and Comparable Countries, Annual Report." Retrieved from: http://innovativemedicines.ca/wp-content/uploads/2016/05/20160524_Access_to_Medicines_Report_EN_Web.pdf

⁵ Rx&D. (2015). "Access to New Medicines in Public Drug Plans: Canada and Comparable Countries, Annual Report." Retrieved from: http://stream1.newswire.ca/media/2015/05/21/20150521_C8665_PDF_EN_16843.pdf

⁶ *Ibid.*

⁷ Baroletti, S. and Dell'Orfano, H. (2010). "Medication Adherence in Cardiovascular Disease," *Circulation*. 121:1455-1458.

3. Establish a formal mechanism to meaningfully and continuously engage patient representatives in federal decision making

A major shift in the healthcare environment internationally has been the increasing effort to integrate patient partnerships as a key component of healthcare reforms. In the *Unleashing Innovation: Excellent Healthcare for Canada*⁸ report, special emphasis is given to patient partnerships and public empowerment. Patients bring a lived experience to the table and are uniquely positioned to provide input and solutions from the perspective of the end-user. Increasingly, patient partnerships are being developed and applied at the individual, organizational, and system levels. The following statements highlight ways that the Government of Canada could strengthen patient partnerships:

- Coordinating its research priorities with those of patients and the health charities that support them through leveraging direct citizen engagement.
- Establishing formal mechanisms to meaningfully and continuously engage patient representatives in its decision making and regulatory processes to ensure that patient voice, choice, and representation are present throughout those processes.

Moving forward, any health policy consultations by the federal government should be undertaken in a fully transparent manner that includes patients, discloses the nature of the proposed changes and relevant information and provides sufficient time for stakeholder input. Patient representation in federal health policy decision making would help the Standing Committee on Finance enhance its understanding of what federal measures would benefit Canadians as individuals.

Conclusion

Sustained budget pressure has resulted in very promising research remaining unfunded, the closure of research labs, and loss of talent in Canada. This lack of funding has been further compounded by inflationary erosion. Responsive and committed federal funding of health research in Canada will provide the stimulus needed to bolster our economy, support innovation, and attract talent to and retain it in this country. Improving access to medicines and creating a formal mechanism for patient engagement in federal health policymaking would help build a more prosperous, competitive, and equitable Canada.

We look to the Government of Canada to facilitate equitable access to all forms of health services, including access to medicines for Canadians without financial or other barriers and to meaningfully engage patient representatives at federal decision-making tables.

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⁸ Advisory Panel on Healthcare Innovation. (July 2015). Government of Canada, "*Unleashing Innovation: Excellent Healthcare for Canada.*" ISBN: 978-0-660-02680-0