



CANADIAN DENTAL ASSOCIATION
ASSOCIATION DENTAIRE CANADIENNE

**Written Submission to the House of Commons
Standing Committee on Finance
2021 Pre-Budget Consultations**

Submitted by the Canadian Dental Association

- **Recommendation 1:** A long-term approach to fund public oral health programs provided at the provincial and territorial level through a dedicated funding envelope of \$3 Billion in the Canada Health Transfer.
- **Recommendation 2:** An expansion of the Canada Emergency Business Account to \$80,000, with up to half of that amount being forgivable.
- **Recommendation 3:** In light of COVID-19, provide accelerated capital cost allowances to help defray the capital costs involved in enhancing the safety of workspaces and patient care areas in frontline health care offices, including dental offices, and grants to help encourage these offices to continue to enhance these areas as new evidence evolves.
- **Recommendation 4:** Continued, active and dynamic support for access to personal protective equipment (PPE) that recognizes that specific challenges of dental offices.
- **Recommendation 5:** Support to help more Canadian businesses provide Extended Health Care benefits. This would help Canadians access needed dental, psychological, vision, chiropractic and physiotherapy services.

Executive Summary

The Canadian Dental Association (CDA) is the national voice for dentistry, dedicated to the promotion of optimal oral health and to the advancement and leadership of a unified profession. CDA is a federation of Canada's provincial and territorial dental associations, representing over 21,000 practicing dentists from coast to coast to coast.

The COVID-19 crisis has been, and will continue to be, one of the most transformative and impactful forces on Canada's health and economic security.

From the dental perspective, most clinics remained closed for more than two months through the shutdown, before staging a gradual return to practice, in accordance with the guidance set out by their provincial dental regulators, public health authorities and workplace safety regulators.

New guidance and regulation stemming from COVID-19 have made performing outpatient procedures more difficult, physically draining, costly, and time-consuming. Added to challenges in defraying the added costs, dental offices will face significant challenges in seeing as many patients per day as they did previously, which creates an issue in the access to much needed dental care in our communities.

More broadly, there is profound concern over the medium- and long-term impact of the virus on the economy. A global economic crisis still looms, with the potential for millions more Canadians to lose their jobs or financial security due to a recession or depression induced by the virus. This loss of employment would be followed by the loss of extended health care supports through health and dental benefits. The access to these benefits by the majority of Canadians has served as a foundational support which takes pressure off the publicly-funded health system.

Within this context, and as part of Budget 2021, CDA is pleased to present the following recommendations for action to the House of Commons Standing Committee on Finance.

Recommendation 1: A long-term approach to fund public oral health programs provided at the provincial and territorial level through a dedicated funding envelope of \$3 Billion in the Canada Health Transfer

Healthy citizens lead to productive businesses, growing economies, and thriving communities. Canada has one of the best oral health care delivery systems in the world, with care primarily delivered through dental clinics. Unfortunately, not all Canadians enjoy this excellent access to dental services.

Solutions to the access to oral health care issue are complex, however, and no single organization, government agency, or community can be expected to solely address oral health challenges of certain groups of Canadians. Within this context, it is important to recognize that there is a growing need to fund targeted provincial oral health programs, and it is vital that the federal government collaborate with provincial and territorial governments to ensure that those programs are appropriately prioritized and funded. At present, public programs in Canada represent only 6 per cent of total spending on oral health.

Over the past decade, a steady erosion of funds to existing oral health care programs across the country has created an environment where the needs of vulnerable groups are no longer adequately met. These groups include children, seniors in long-term care, low-income Canadians and persons who face physical, developmental, and cognitive barriers.

Further, the current investment in existing programs is at times profoundly misaligned with the cost of providing care, especially for complex cases. In Ontario, social assistance programs cover less than 42 per cent of the cost for providing general dentistry, and closer to 30% for dental specialists. Funding for these programs is not growing at even the rate of inflation, and as a result, spending envelopes for public programs that remain stagnant are actually shrinking as the cost of delivering this care continues to increase. With current oral health programs not keeping pace with the growing costs associated with providing care, provincial governments are increasingly placing the cost-burden of caring for these patients on the provider.

In the context of COVID-19, these pressures are already being raised significantly, especially as the costs of providing care in an environment that is safe for the community continue to rise, and as more Canadians may need to make use of public plans to address the oral health needs of their families.

As part of any new health-related funding to the provinces through the Canada Health Transfer, the Federal government must deploy a targeted investment of \$3 Billion annually to adequately fund existing or lapsed oral health programs administered by provinces and territories. This would help to alleviate pressure on programs which have seen a degradation in funding levels, and would also help to renew oral health programs previously cancelled under budget constraints.

Recommendation 2: An expansion of the Canada Emergency Business Account to \$80,000, with up to half of that amount being forgivable.

From a financial perspective, dentistry is almost entirely a fixed cost business. The debt to finance dental practices is significant. The financial impact of the COVID-19 crisis was felt particularly acutely by dental practices in the short-term through extended shutdowns. This downtime, where many of those fixed costs remained while there was no revenue, effectively pushed all dental practices into their own liquidity crisis.

In the mitigation phase, the CEBA loan was essential to help bridge the liquidity gap for many businesses that were forced to shutter for months through the COVID-19 crisis. It helped to allow these offices to stay afloat, and worked in conjunction with the Canada Emergency Wage Subsidy to help offices keep their valued team members employed. It also helped to bridge the difficulties in working through the initial administrative issues with the Canada Emergency Commercial Rent Assistance program.

Given the magnitude of the problem, and the longer-term effects on the financial well-being of Canadians, our concern is that there are a significant percentage of dental practices that will see a short-term liquidity issue devolve into a longer term solvency issue over the coming year.

As such, a second round of access to the CEBA loan, up to a maximum of \$80,000, would assist some of these practices as they attempt to maintain their operations and build their long-term resiliency to the changes in the economy. To help sustain these businesses through what is likely to be a profoundly difficult economic context, a larger portion of this expanded CEBA loan – up to half of the borrowed amount – should be forgivable to help businesses adapt and remain resilient to the current financial and public health challenges without adding to a growing debt load.

Recommendation 3: Provide for accelerated capital cost allowances to help defray the capital costs involved in enhancing the safety of workspaces and patient care areas in frontline health care office in light of COVID-19, and grants to help encourage these offices to continue to enhance these areas as new evidence evolves

Dental offices were required to adapt to new or interim regulatory regimes as they reopened across the country. For many offices, this required making physical changes to their offices to ensure that they could provide enhanced levels of protection to their patients and their staff, including creating separation between patients, retrofitting dental operatories, or addressing airflow within in the office, among other issues.

This initial outlay of capital to make these changes came at a time when dental offices were closed, and as noted above, may have faced short-term liquidity issues. These investments provided some short-term stimulus for certain businesses. However, a long-term financial strategy is warranted for small businesses to succeed in a post-COVID-19 period.

An ability to recapture some of these costs through a accelerated capital cost allowance would help to address and alleviate some of the short-term challenges that front-line health care professionals faced in ensuring Canadians' health and well-being. These should be retroactive to the start of 2020, or at least March 1st.

Moreover, as the response to the current crisis continues to evolve, and as new information on mitigating the virus emerges, a grant for new enhancements to healthcare providers' offices would help them to adapt to new knowledge and address their physical spaces. These grants could also act as continued economic stimulus to the broader economy.

Recommendation 4: Continued, active and dynamic support for access to personal protective equipment (PPE) that recognizes that specific challenges of dental offices.

Dental offices are essentially mini-outpatient hospitals, and like any hospital offering outpatient care, they have strict infection control procedures and practices. Personal protective equipment (PPE) is mandatory for the provision of oral health care. Functioning dental practice depends on the ability to buy reliable and cost-effective medical grade items including N95 respirators, level three surgical masks, gloves and gowns.

CDA recognizes the multidimensional challenges that have led to the problems with the availability of

PPE, with the current and unprecedented demand for these materials being exacerbated by the problems in supply chains, especially in China for masks and Malaysia for gloves.

While dentistry had initially hoped that access to PPE through our traditional sources would improve as supply chains re-opened, or new supply chains emerged, that has not happened to the degree necessary to ensure an uninterrupted ability for dental offices to remain active.

Dental offices are also attempting to acquire the same kinds of PPE as large government entities. These governmental organizations, including the Government of Canada, can leverage their might to acquire mass quantities or impose guidelines on suppliers that have them to prioritize supply delivery to those entities actively on the front lines of the COVID-19 fight, including dentists.

The result is a supply of PPE which remains scarce, difficult to access, and at a rising prices due to the demand.

CDA recommends that the government, through the Public Health Agency of Canada, work with the provincial chief medical officers and their respective dental directors to actively ensure that dentists have continued access through provincial stockpiles to a more stable supply of PPE, especially medical-grade masks, N95 respirators and gloves. This assistance should remain dynamic, to adjust to the actual state of PPE availability as it evolves in the coming years.

Recommendation 5: Support to help more Canadian businesses provide Extended Health Care benefits.

The COVID-19 lockdown has taken its toll on the health of Canadians, including our oral health as well as on our physical and mental well-being. The need for extended health care services has likely never been greater.

At a time of economic uncertainty, the stability of the extended health care benefits, often provided by employers, is essential to ensuring the ongoing well-being of Canadians. The government should work with stakeholders to look for ways to incent employers or plan sponsors to maintain or enhance their extended healthcare benefits, and to offer similar incentive to Canadians who may choose to sponsor their own benefits. This would help Canadians access needed dental, psychological, vision, chiropractic and physiotherapy services after a time of severe stress.

CDA thanks the committee members for their consideration.

Respectfully submitted by:

Dr. James Armstrong, BSc, MBA, DMD
President
Canadian Dental Association

For further information, please contact:

Mr. Kevin Desjardins

Director, Public Affairs

kdesjardins@cda-adc.ca

613-520-5035