



Submission to the Standing Committee on Finance's
Pre-Budget Consultations in Advance of the

2025 Federal Budget

August 2024

HealthCare**CAN**
Leading. Innovation. Together.



SoinsSanté**CAN**
Leadership. Innovation. Collaboration.

Recommendations:

- 1 > Implement an ambitious vision for health research and innovation in Canada, supported by increased funding, that fosters a strong research ecosystem, leading to improved health outcomes and innovation for people across Canada.
- 2 > Implement a pan-Canadian health workforce plan, in collaboration with stakeholders, to ensure that Canada has the health workforce it needs now and into the future.
- 3 > Establish a Modernizing Healthcare Infrastructure Fund of \$5B, over three years, directly available to healthcare organizations to enable them to carry out overdue maintenance, upgrades, and new builds to ensure a modern, equitable, climate resilient health system for people across Canada.
- 4 > Formalize a “health in all policies approach” to improve health outcomes and services for people across Canada.

Introduction

[HealthCareCAN](#) is the national voice of health research institutes, hospitals, health authorities, 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 2025 Federal Budget.

As the voice of healthcare organizations across Canada, HealthCareCAN is very aware of the ongoing challenges that people across Canada and people working in the health system are facing in accessing and delivering care. Targeted action and investment in Budget 2025 are needed to enhance the accessibility and delivery of quality care for all, and to support Canada's health workforce.



Detailed recommendations

Implement an ambitious vision for health research and innovation in Canada

In the 2024 federal budget, in response [to recommendations from the Advisory Panel on the Federal Research Support System](#), the government made several commitments to strengthen research and innovation in Canada. This includes creating a new capstone research funding organization and an advisory Council on Science and Innovation.

These are welcome initiatives that must be implemented quickly. However, core to the success of this reorganization of the federal research system is outlining a long-term strategic vision for health research and innovation, and research and innovation more broadly, in Canada.

Canada has the components to be a global leader in health research and innovation. Achieving this reality will require that every aspect of the Canadian health research ecosystem is working in lockstep toward the same objectives. Canada's international peers have realized this and have outlined their aspirations, charted a course to achieve them, and committed billions of dollars to do so. It is far past time Canada do the same.

HealthCareCAN calls on the federal government to develop an ambitious vision for health research and innovation in Canada, supported by increased funding, in collaboration with provincial and territorial governments, Indigenous peoples, healthcare and health research organizations, patients, caregivers, academia, and private industry, among other partners.

Such a vision must encompass strategic investments, interdisciplinary collaboration, and robust partnerships to revolutionize health outcomes, enhance healthcare delivery and support healthcare workers in doing so, empower a diverse and sustainable research workforce, and accelerate the translation of research into impactful treatments and solutions. Through a cohesive, shared vision, Canada can shape a research landscape that not only addresses immediate challenges to provide the best, innovative healthcare for people across Canada, but also propels innovation on the global stage for the economic and social benefit of the country.

In a recent poll, [87% of respondents](#) believe Canada should be a global leader in health and medical research, [89%](#) stated that health and medical research makes an important contribution to the healthcare system, and [80%](#) said that the contributions of health and medical research are important for the economy.

Press forward on planning Canada's health workforce needs

A well-staffed health system that prioritizes healthcare workers' mental and physical health is crucial to ensure a functioning health system and the delivery of high-quality care.

In the 2023 federal budget, the government committed to creating a Centre of Excellence to gather health worker data. That organization, Health Workforce Canada, is now operational and working toward collecting data on Canada's health workforce. Despite this organization's excellent efforts to date, more must be done, and more quickly, to accelerate the development of a pan-Canadian health workforce plan to ensure that Canada has the health workforce it needs now and into the future.

Canada's ongoing challenge in conducting health workforce planning undermines the ability to ensure Canada has the right mix and distribution of healthcare workers. It also leads to the underutilization of the skills of internationally educated healthcare professionals (IEHPs) who are living in Canada. [A 2023 Statistics Canada report](#) found nearly 260,000 working age IEHPs are in Canada, with only 58% working in healthcare and most not in the fields in which they trained.

Canada's lack of health workforce planning leads to poor working conditions, negatively impacts patient care, perpetuates current inequities in the health system, and has economic ramifications, including provinces and territories competing for talent. The knock-on effects of a lack of coordinated health human resources planning are especially stark in child and youth health care, mental health and substance use care, and older adult care.

HealthCareCAN recommends the federal government make targeted investments to develop a pan-Canadian health workforce plan, enabling Health Workforce Canada to speed up current efforts and work with provinces, territories, and other partners to deliver a pan-Canadian health workforce plan as soon as possible.

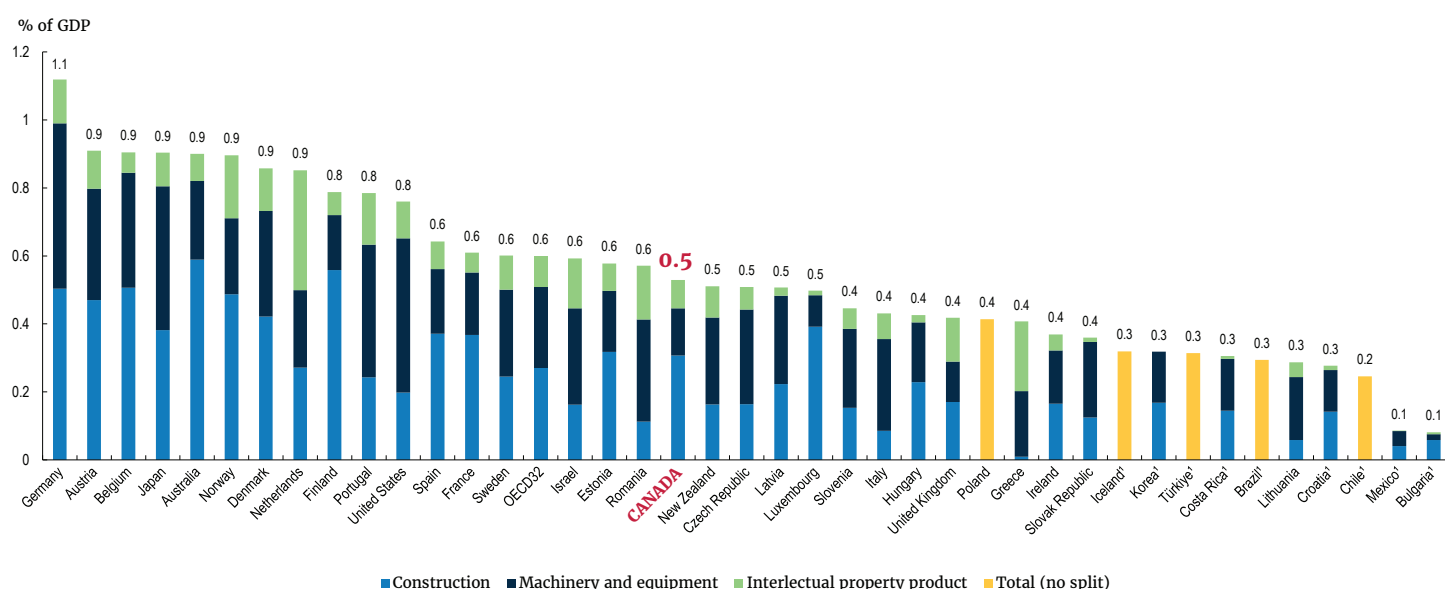
Implementing a pan-Canadian health workforce plan that includes elements such as team-based models of care and the use of technology and AI will ensure Canada has a better understanding of workforce requirements and the solutions needed to tackle health workforce challenges.

Modernizing Canada's health system

Canada's healthcare facilities are among the oldest public infrastructure in use today, with approximately 48% across Canada and 70% in cities having been built more than 50 years ago. Over the

last 20 years, Canadian capital investment in health infrastructure has fluctuated, with [a noted decline in recent years](#), despite overall healthcare spending increasing steadily over this same time.

Annual capital expenditure in health and social work as a share of gross domestic product, average 2017–21 (or nearest year) by type of asset



Source: [Health at a Glance 2023, OECD Indicators \(p. 173, fig. 7.21\)](#).

Consequently, healthcare organizations across the country face a substantial backlog of deferred maintenance and infrastructure projects. A 2015 study identified a staggering [\\$15.4B to \\$28B of deferred maintenance in the healthcare sector](#) – which has no doubt increased since then – underscoring the urgent need to address this shortfall immediately.

Canada's failure to sustain adequate capital investment in its healthcare facilities severely undermines the health system's ability to deliver high-quality, safe, innovative patient care. Modernizing Canada's health infrastructure

would help tackle many of the challenges the health system, workers, and patients are facing in delivering and seeking care. Incorporating better design and updated technology would make care delivery and information sharing safer, more effective and streamlined, and help address labour shortages by freeing up health workers to provide more high-quality direct care. It would also provide more seamless care to those seeking care and allow them to access care more easily in the settings of their choice, including at home, in the community and virtually, leading to improved care experiences that better integrate into their lives.

Making public investments in innovative technologies is important to people in Canada. 85% believe ensuring Canada does not fall behind other countries when it comes to adopting healthcare technology is important. 83% say ensuring the healthcare system uses leading edge digital technology and does not fall behind other sectors is important.

Outdated health infrastructure also impacts the environment. Healthcare facilities are some of the most energy-intensive facilities in Canada, consuming approximately [11% of total public energy](#), and [accounting for roughly 5% of Canada's greenhouse gas footprint as well as more than 200,000 tons of other pollutants](#). Canada's health system is among the [least green in the world, ranking third highest in greenhouse gas emissions per capita](#) – and its emissions continue to increase. Investing in health infrastructure will help create a more sustainable health system which is more important than ever as the impacts of climate change are increasingly being felt by people across Canada.

Healthcare organizations' inability to directly access federal infrastructure funding is a major barrier to modern health and health research infrastructure. It makes them reliant on federal funding provided to the provinces and territories, and possibly further to municipalities, being allocated to health infrastructure improvements. This has proven to be an unreliable approach as many of these governments rely on healthcare budgets to cover these projects, which is unfeasible given current funding levels and demand on the system. As it is doing with other areas of infrastructure, the federal government should provide access to funding directly to healthcare organizations.

HealthCareCAN calls on the federal government to establish a Modernizing Healthcare Infrastructure Fund of \$5B, over three years, directly available to healthcare organizations to enable them to carry out overdue maintenance, upgrades, and new builds to ensure a modern, equitable, climate resilient health system for people across Canada. The federal government increasing investment by approximately \$1.6B per year for the next three years, combined with additional increases in funding from the provinces and territories, would help bring Canada in line with the OECD average of capital expenditures on health.

Investing in infrastructure, both physical and digital, will create a more resilient, sustainable, and equitable health system, improving patient care and safety while also stimulating Canada's economy, creating jobs, and helping Canada reach its net-zero emissions target.

Improve health outcomes and services across Canada

Transforming healthcare and health outcomes calls for a shift in focus to “the right care, at the right time, by the right team, in the right place” across a person’s lifespan. It also requires governments consider the implications of policies outside the health sector and how they impact the health system and the population’s health.

While bolstering the health system is necessary to meet the growing health needs of people across Canada, so too is tackling the root causes of increasing demand by addressing the [social determinants of health](#) to prevent people’s need for advanced and acute care.

Due to the way Canada’s healthcare system was established nearly 60 years ago, healthcare in Canada is focused on the acute care system. To help take pressure off overwhelmed hospitals and healthcare workers, governments should direct resources to health and social services in the community and creating a society that better supports healthy living.

Many current challenges facing the health system are a result of governments not prioritizing the social, environmental, and economic factors that influence health and inadequately resourcing policies and community-based services that address these concerns. For example, establishing distinctions-based, Indigenous-lead, trauma-informed, and culturally sensitive health and social services for First Nations, Inuit, and Métis peoples is needed to help address health challenges.

Older adults would benefit from better public transportation, access to healthy meals, and more age-friendly infrastructure to age with dignity at home and in the community. Children and youth would benefit from improved access to safe and affordable housing, better food security, and sustainable funding for community-based youth services to prevent long-term socioeconomic and health outcomes due to child poverty.

Addressing these social and economic needs would lessen the demand on the health system and enable people across the country to lead healthier, more productive lives.

HealthCareCAN is calling on the federal government to formalize a “health in all policies approach” with targets in areas of its jurisdiction to improve health outcomes and services for everyone in Canada. A health in all policies approach is “[an approach that systemically considers the health and social implications of policies contemplated by all sectors of government – aiming for synergistic benefits and to minimize social and health-related harms.](#)” This approach has been formally adopted by several jurisdictions across the country and the world, including [Newfoundland and Labrador](#), [Quebec](#), [New Zealand](#), and [South Australia](#).