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# Submission to the Standing Committee on Science and Research

## Study on The Distribution of Federal Government Funding Among Canada's Post-Secondary Institutions

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# INTRODUCTION

HealthCare*CAN* is the national voice of action for health research institutes, hospitals, and healthcare organizations across Canada. We advocate in support of health research and innovation and enhanced access to high-quality health services for people across Canada, and we empower health professionals through our best-in-class learning programs. We welcome the opportunity to make this submission to the Standing Committee on Science and Research as part of its study on The Distribution of Federal Government Funding Among Canada's Post-Secondary Institutions. We welcome the opportunity to appear before the committee to elaborate on the points below.

The vast majority of health research in Canada is conducted in health research institutes and healthcare organizations big and small across the country and not solely in post-secondary institutions. The research and innovation conducted by researchers in health research institutes and healthcare organizations drive improved health outcomes, enhanced care, and health system transformation. Health research and innovation significantly contributes to Canada's economy and productivity by improving people's health enabling them to better contribute to society and the economy. It also leads to spin-off companies that bring innovations to market and become important global leaders and contributors to Canada's economy.

Despite the critical role that health research institutes and healthcare organizations play in the Canadian health research ecosystem and economy, they cannot directly access most federal research and related infrastructure funding.

Most federal research funding does not cover the full cost of research, such as overhead costs. This results in less money going to science since research grants must cover facilities, utilities, and employee salaries, including those of research trainees.

This hinders health research institutes' and health organizations' ability to conduct ground-breaking research that leads to enhanced patient care, transformational healthcare delivery, training the next generation of researchers and healthcare providers, and the creation of the next Canadian healthcare innovation or globally successful life sciences company.

This submission outlines considerations and recommendations as they relate to the distribution of federal government funding for healthcare among Canada's post-secondary institutions and the changes needed to ensure that all institutions involved in research across Canada are treated fairly.

# RECOMMENDATIONS

## Provide healthcare organizations with direct access to federal funding

Organizations that are conducting ground-breaking research and developing transformative innovations, like health research institutes and healthcare organizations, should be able to directly access all federal funding that supports the pursuit of research and innovation. Being able to compete on an even playing field with post-secondary institutions, industry, and others for federal research dollars will ensure that the best research ideas are being funded.

In recent years, new federal research, innovation, and infrastructure programs have established criteria that often preclude health research institutes and healthcare organizations from applying for funding. As an example, while health research institutes and hospitals can apply directly for funding from the Canadian Institutes of Health Research (CIHR), they must go through their affiliated universities when applying to most other federal research and innovation agencies and programs, including the Canada Foundation for Innovation (CFI), the Research Support Fund, the Canada Research Chairs, Mitacs, and others. More recently, the federal government's Innovation Superclusters Initiative and the Strategic Innovation Fund (SIF), except for Stream 4, are all industry-led initiatives.

While many health research institutes have good relationships with their affiliated universities, this process places health research institutes and healthcare organizations at a disadvantage since universities, which have their own research priorities, ultimately decide which projects to put forward for funding consideration. This approach also shuts out emerging health research institutes – healthcare organizations without a university affiliation – from applying to such funding programs. This model reflects a misunderstanding of our sector and the Canadian health research ecosystem. Health research institutes' and healthcare organizations' applications to federal research and innovation programs should not be gated by the priorities of universities.

It also places health research institutes and healthcare organizations at a disadvantage compared to industry which has direct access to these funding opportunities. Consequently, promising research does not move forward, and there are fewer opportunities for research conducted at health research institutes – where the majority of health research is conducted in Canada – to be translated into practice or commercialized. This disadvantages patients in these institutions and people across Canada who could benefit from these medical advances.

**Recommendation 1: Ensure funding reaches the health sector by providing healthcare organizations, such as research institutes, hospitals, health authorities and long-term care facilities, with direct and equal access to all federal research and innovation funding programs.**

## Cover the full costs of research

While government investment is generally the primary funding source for health research, especially investigator-led science, this funding does not cover the full cost of conducting research. Costs for facilities and administration – sometimes referred to as indirect costs – that are required to support the research enterprise are only partially covered by available federal funding. This especially disadvantages smaller institutions that do not have the resources to fill the gaps.

Information gathered from HealthCare*CAN*'s members suggests that in Canada, the current level of coverage for these costs is around 20%. This is much lower than the 40% to 60% reimbursement range received by Canadian researchers from US funding programs. UK funding programs cover 80% of the full costs of conducting research, leaving institutions to cover 20%. In Canada, it is estimated that health research institutes, healthcare organizations, their foundations, philanthropy, and fundraising are covering an increasingly greater proportion of these costs – up to 40%, if not higher, at some institutions.

If researchers cannot access funding to cover the full costs of research, including to pay competitive salaries to laboratory staff and trainees that make research possible, or to

purchase and maintain equipment, it hampers health research endeavours in Canada and leads talented people to leave Canada or choose not to pursue a career in research altogether. Ultimately, it is the people of Canada and their health that suffer because promising research cannot be conducted in Canada.

**Recommendation 2: Increase funding through federal programs, including through the Tri-Council and the Research Support Fund, to support a greater proportion of the full costs of health research, including salaries for researchers and the costs of operating research infrastructure.**

## Champion emerging health research institutes

While health research is often carried out in larger health research institutes, there remains tremendous opportunity and need for health research conducted at emerging health research institutes, hospitals, and health authorities.

When these institutions are supported and enabled to flourish, significant benefits accrue to the community, patients, staff, and the institution itself. This includes the ability of these institutions to address knowledge gaps, focus on the specific needs of their community, and provide specialized health services for the populations they serve, such as those in rural and northern communities, who may not otherwise be in reach of larger health and academic centres. Similarly, it assists these organizations in serving population groups that may experience poorer health outcomes due to sociodemographic factors, such as individuals from linguistic minorities, Indigenous peoples, and seniors.

Canada's research support system must better assist emerging health research institutes to promote rural, remote, and Indigenous participation in health research. This will support greater diversity among researchers and research questions, and lead to better care for these populations. Achieving this primarily requires enhanced infrastructure outside of major centres and the recruitment of researchers and clinician-scientists in community health organizations, such as community hospitals. To be able to do this, there must be a concerted effort through federal supports for research to champion emerging health research institutes and work towards meeting their needs.

Ultimately, federal investments must balance the importance of supporting emerging health research institutes with the international competitiveness, impact, and return on investment for Canada and its people that accrue from concentrating funding and expertise in bigger centres. It cannot be either-or; Canada must do both.

**Recommendation 3: Reserve a portion of federal research funding for emerging research institutes to support a) the growth of research institutes in rural, remote, northern, and Indigenous communities and b) the research endeavours of researchers working in rural, remote, and northern settings as well as First Nations, Inuit, and Métis researchers.**

**Recommendation 4: Develop funding programs specifically for emerging research institutes, research being conducted in rural and remote communities, and research being conducted by First Nations, Inuit, and Métis researchers.**

## Support the crucial work of clinician-scientists

Clinician-scientists are clinical practitioners, generally physicians, that undertake both clinical and research training and, in addition to treating patients, dedicate a substantial part of their careers to research. Because of their dual role, they are critical in pushing the boundaries of the existing body of clinical evidence and helping to translate the results of research into practice in the health system.

Clinician-scientists play a key role in translating health research into practice and leveraging research discoveries to solve urgent societal issues – something that Canada must do a better job at.

While these individuals play a significant role in the health and research ecosystems, there are many challenges to becoming and remaining a clinician-scientist in Canada. This includes securing funding for training and conducting research, and protecting time to conduct research as demand for clinical services increase amid a health workforce shortage. All of this contributes to making the clinician-scientist career path less and less feasible.

The ability to conduct research alongside clinical work is an attractive opportunity to physicians and is being used by healthcare organizations in their physician recruitment efforts. Healthcare organizations are taking on this additional financial cost to ensure that healthcare services are available to the communities they serve. Given the demand for the opportunity to conduct research alongside clinical work, additional federal supports for clinician-scientist roles are needed to both bridge the gap between health research and clinical practice and help address health workforce shortages.

**Recommendation 5: Enhance federal funding supports for clinician-scientists and value their unique positioning and ability to connect research and discovery to patients and the health system.**

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