House of Commons
Chambre des communes
Canada

House of Commons Standing Committee on Finance – Pre-budget Consultations 2013

This brief is submitted by:

(●) **an organization** **Organization name:** Canadian Healthcare Association (CHA)

or

( ) **an individual** **Name:** _____

Topic: Health

*Recommendation 1: Please provide a short summary of your recommendation.

Canada has the second highest per capita drugs costs in the world and there is wide variability in access to pharmaceuticals among Canadians.

CHA calls on the federal government to work with provinces/territories/all stakeholders to develop a pan-Canadian pharmaceutical plan that reduces disparities in coverage across the continuum of care and reduces jurisdictional disparities.

Collaboration is necessary to ensure:(1) that all Canadians have equitable access to medically necessary prescription drugs, regardless of income and location; and, (2) that the system is financially sustainable.

Expected cost or savings: From the pull-down menus, please indicate the expected cost or savings of your recommendation to the federal government and the period of time to which the expected cost or savings is related.

$1 billion or more

5 or more years

Federal funding: Please provide a precise indication of how the federal government could fund your recommendation. For example, indicate what federal spending should be reallocated, what federal tax measure(s) should be introduced, eliminated or changed, etc.

The federal government is a key collaborator in reducing overall pharmaceutical costs for Canadians. Working together with provinces, territories, and all stakeholders, the federal government could explore options to reduce the cost of pharmaceuticals, including: increase bargaining power through bulk purchasing arrangements on behalf of large populations in negotiations with manufacturers; modernize the mandate of the Patented Medicine Prices Review Board to lower drug costs; explore measures to ensure appropriate and cost-effective medicine use; find ways to reduce administrative costs;etc.

Intended beneficiaries: Please indicate the groups of individuals, the sector(s) and/or the regions that would benefit by implementation of your recommendation.

Measures to reduce administrative costs, increase bargaining power in negotiations with drug manufacturers, and address funding silos, would result in significant savings for Canadians.

Most Canadians pay out-of-pocket health expenses. Costs vary from province to province - some Canadians face significant burdens. Reforms could reduce inequities.

Reforms resulting in reduced/eliminated out-of-pocket costs would contribute to better health outcomes for Canadians. Financial barriers to needed medications can prevent patients from filling prescriptions and can detrimentally affect their health.

General impacts: Depending on the nature of your recommendation, please indicate how the standard of living of Canadians would be improved, jobs would be created, people would be trained, etc.

Ensuring equitable access to medically necessary drugs would ease pressures on the health care system. Many medicines can reduce the risk of future illnesses. When patients don't fill prescriptions because of financial barriers, this can result in the use of more expensive forms of healthcare down the road, such as hospitalization.

Reforms would benefit businesses. Rising drug costs are an increasing challenge to the ability of employers to provide drug coverage benefits to employees. Reforms could result in significantly lower costs for employers/workers of extended health benefits.

Topic: Health

Recommendation 2: Please provide a short summary of your recommendation.

Seniors are the fastest growing population in Canada. By 2036, 25% of the population will be over age 65. After age 65, per capita health spending doubles every decade, reaching $8,425 at age 75 and $16,821 at age 85. A comprehensive strategy that recognizes seniors' value to society, maintains their dignity and provides quality care options is required. CHA calls on the federal government to fund a National Commission on Seniors and Health, with the goal of developing a strategy to address the many issues related to Canada's aging population.

Expected cost or savings: From the pull-down menus, please indicate the expected cost or savings of your recommendation to the federal government and the period of time to which the expected cost or savings is related.

$100 million -$499.9 million

5 or more years

Federal funding: Please provide a precise indication of how the federal government could fund your recommendation. For example, indicate what federal spending should be reallocated, what federal tax measure(s) should be introduced, eliminated or changed, etc.

A contribution grant of $150 million over ten years through HRSDC's National Seniors Council or New Horizons for Seniors program.

Intended beneficiaries: Please indicate the groups of individuals, the sector(s) and/or the regions that would benefit by implementation of your recommendation.

Commission recommendations would benefit seniors/their families from all regions of Canada including: populations that typically experience decreased access to health services and health status, such as Aboriginal/low-income Canadians; providers of health care and social supports to seniors from across the continuum of care, including regulated and unregulated health care providers, family and other informal caregivers, community support workers and volunteers from across Canada;and local, governmental, private, not-for-profit and charitable organizations that fund/deliver services to seniors.

General impacts: Depending on the nature of your recommendation, please indicate how the standard of living of Canadians would be improved, jobs would be created, people would be trained, etc.

-Opportunities for seniors/emerging seniors and their families to identify what is needed to live the senior years successfully;

-Opportunities for all stakeholders/sectors to dialogue,collaborate and implement Commission recommendations;

-Longer term, a society/health system that understands/prioritizes/proactively plans for the needs of seniors; seniors/their families have services/supports needed to age successfully; job creation in rehabilitation services, home support services, community programming, specialists in aging/gerontology; improved employment stability/status for caregivers.

Topic: Health

Recommendation 3: Please provide a short summary of your recommendation.

The Canadian Healthcare Association (CHA) wishes to ensure that all hospital functions, including research, be eligible for a 100% GST rebate (HST in some jurisdictions). CHA recommends that the federal government amend the Excise Tax Act to increase the GST/HST rebate to 100% on all eligible purchases including research inputs, made by publicly-funded, not-for-profit institutions such as hospitals, long-term care facilities, and home and community care services.

Expected cost or savings: From the pull-down menus, please indicate the expected cost or savings of your recommendation to the federal government and the period of time to which the expected cost or savings is related.

$100 million -$499.9 million

Immediately

Federal funding: Please provide a precise indication of how the federal government could fund your recommendation. For example, indicate what federal spending should be reallocated, what federal tax measure(s) should be introduced, eliminated or changed, etc.

Section 259 of the Excise Tax Act specifies how the GST/HST rebate is applied. Health research, which is essential to the well-being of Canadians, is only eligible for a 50% rebate, not the 83% rebate extended to the health sector under the MUSH formula. The Canadian Healthcare Association believes the federal government should amend the Excise Tax Act to ensure all eligible purchases including research inputs, made by all publicly-funded, not-for-profit, institutions such as hospitals, long-term care facilities, and home and community care services, are eligible for a 100% GST rebate.

Intended beneficiaries: Please indicate the groups of individuals, the sector(s) and/or the regions that would benefit by implementation of your recommendation.

Inequities in the GST/HST rebate system result in a transfer of funds from much-needed health services back to the federal government. The health system, health care institutions that have a role in health research and innovation, long-term care facilities, and home and community-care services will benefit from a amended Excise Tax Act as, assuming a 5% GST, approximately $300 million would remain in the health system.

General impacts: Depending on the nature of your recommendation, please indicate how the standard of living of Canadians would be improved, jobs would be created, people would be trained, etc.

An amended Excise Tax Act would allow academic healthcare organizations to play a significant role in discovering innovations that can have commercial application and economic impact in terms of creating jobs, capital formation, and generating wealth for the country. Health research is dedicated to improving the health of Canadians, and Canadians will benefit from research and innovations to solve health challenges of the future.

Please use this page if you wish to provide more explanation about your recommendation(s).

Founded in 1931, the Canadian Healthcare Association (CHA) is a federation. Its members are the provincial and territorial health organizations that serve the people of Canada across the continuum of care. CHA leads informed and continuous health system improvement and works for an innovative, accountable and sustainable health system for the people of Canada. Through its members, CHA represents the broad continuum of the health system, from health promotion through acute care to continuing care. Learn more about our solutions to health system challenges at www.cha.ca.

Health, as an industry and a state of being, is a vital contributor to the Canadian economy.
As a public service, health has an overwhelmingly positive impact on Canada's economic competitiveness. Our publicly-funded health system is respected internationally for ensuring a healthy workforce, and affording businesses based in Canada a definite competitive advantage. Investments in the health sector equate to investments in our economy.

Every developed country with a universal health care system provides universal coverage of prescription drugs - except Canada. There is wide variability in access to pharmaceuticals among Canadians, with many Canadians "falling through the cracks." Ten percent of Canadian seniors, for instance, reportedly admit to skipping prescription drugs due to the financial burden.

CHA believes that "no Canadian should suffer undue financial hardship in accessing needed drug therapies." and recognizes the federal government's role and responsibility as a partner in a funding model for coverage with the provinces and territories.

The very sustainability of Canada's prescription drug system is at issue: Canada has the second highest per capita drug costs in the world (after the United States) and the fastest rising drug costs among OECD countries.

Society as a whole needs to prepare for the pending impact of Canada's senior population. A National Commission on Seniors and Health, with the goal of developing a strategy to address the many issues related to Canada's aging population, would offer a comprehensive understanding of the priorities and needs of a senior and aging population and give voice to seniors and their families as to how they want and what they need to live their senior years. The Commission could address issues including:caregivers, housing options, home and community care, transportation, health promotion and wellness, prescription drugs, infrastructure, health human resources and pensions.

All hospital functions should be eligible for a 100% GST rebate. Close to $300 million annually could remain in the health system through an amendment to the Excise Tax Act to increase the GST rebate under the MUSH (Municipalities, Universities, Schools, and Hospitals) formula to 100%. This should include Health Research, which is dedicated to the well-being of Canadians and aligns to the federal government's focus on innovation and job creation.

*Please note that at least one recommendation must be provided