



CANADIAN
NURSES
ASSOCIATION

A Healthy Population – Key Solutions for Economic Prosperity

Brief to the House of Commons
Standing Committee on Finance

August 14, 2009

The Canadian Nurses Association (CNA) is a federation of 11 provincial and territorial registered nurses' associations and colleges representing more than 136,200 Canadian registered nurses and nurse practitioners. CNA is the national professional voice of registered nurses, supporting them in their practice and advocating for healthy public policy and a quality, publicly funded, not-for-profit health system.

EXECUTIVE SUMMARY

A healthy population, through a strong workforce and resilient communities, is the backbone of the economy. In this brief, the Canadian Nurses Association (CNA) presents solutions for ensuring the sustainability of the health system, for addressing health inequities and for ensuring a productive economy.

In an ideal world, CNA would address all of the most pressing priorities for a healthy economy. However, due to space constraints, CNA is unable to speak to the need for a federal poverty reduction strategy. Similarly, if more space were available in this brief, CNA would address the need for a comprehensive national home care strategy to address unequal access to home care involving, for example, changes to the Canada Pension Plan to recognize more equitably the financial contributions of informal caregivers and other measures.

CNA recommends the following measures be taken by the federal government:

- Fulfill the commitment to implement the National Pharmaceuticals Strategy, part of the 10-Year Plan to Strengthen Health Care, addressing the nine elements but with a particular focus on catastrophic drug coverage.
- Invest \$55 million over 10 years in nursing research focused on improving Aboriginal health; enhancing workforce productivity; improving access, safety and quality of the health system; and maximizing efficiency and effectiveness of the health sector.
- Invest \$10 million in an institute/observatory to promote and facilitate pan-Canadian HHR planning. Such a mechanism would build on existing networks and databases; provide analytical support to all levels of government; and link HHR planners, educational institutions, employers and health professionals.

INTRODUCTION

Registered nurses constitute the largest regulated health profession in the Canadian health system, with 250,000 registered nurses working in Canada in 2007. They are often the first point of contact with the health system, providing 24/7 coverage – and they are highly trusted by Canadians. As such, registered nurses are well positioned to contribute to the productivity and economic prosperity of our nation through the provision of quality health-care services and other services that address the health needs of Canadians.

CNA welcomes this opportunity to present to the House of Commons Standing Committee on Finance during its pre-budget consultations for 2009. This brief presents solutions for ensuring the sustainability of the health system, for addressing health inequities and for ensuring a productive economy.

*A healthy
economy is a
wealthy economy*

This brief is framed in response to the two questions from the standing committee on which Canadians are requested to share their views.

1. What federal tax and program spending measures are needed to ensure prosperity and a sustainable future for Canadians from an economic, social and/or environmental perspective?
2. What federal stimulus measures have been effective and how might relatively ineffective measures be changed to ensure that they have the intended results?

FEDERAL TAX AND PROGRAM SPENDING MEASURES

CNA proposes federal spending in the following priority areas:

- national pharmacare strategy
- advancing health through nursing science
- pan-Canadian health human resources institute/observatory

1. National Pharmacare Strategy

Since October 2008, the number of jobs lost in Canada is 363,000 and growing. This means many Canadians no longer have access to employer benefit programs covering pharmaceutical costs.

Building on discussions in 2000 and 2003, Canada's First Ministers agreed in 2004 to take measures to ensure that all Canadians, wherever they live, have reasonable access to catastrophic drug coverage. They also agreed to promote optimal drug use, best practices in drug prescribing, and better management of the costs of all prescription drugs, including generic drugs, to ensure that drugs are safe, effective and accessible in a timely and cost-effective fashion.¹

According to a status report on the national pharmaceuticals strategy by the Health Council of Canada, progress in all of these areas has been unacceptable.² Twenty per cent of Canadians currently have no insurance, or are underinsured, for prescription drugs.³

A Practical Solution

Nurses are strongly committed to providing safe, equitable and effective health care. Affordable, safe prescription medications are an important part of that care. Every Canadian should have timely access to safe and effective prescription drugs – and no Canadian should be deprived of needed prescription drugs because they are unable to pay.

CNA recommends that the federal government fulfill their commitment to implement the *National Pharmaceutical Strategy*, addressing the nine elements outlined in the 2004 agreement among First Ministers, with a particular focus on catastrophic drug coverage.

The Facts

Prescription drugs constitute the second-largest category of health spending in Canada, after hospital expenditures. Spending on drugs is also the fastest growing expenditure of the health care system and is expected to grow faster (8.3 per cent) than spending on hospitals (5.8 per cent) or physicians (6.2 per cent).⁴

Spending on prescription drugs is estimated to have accounted for 17.4 per cent of total health expenditures in 2008.⁵ In 2005, \$20.6 billion was spent on outpatient prescription drugs, including over-the-counter and personal health products purchased as a result of a prescription or paid by a third-party insurer. Of this sum, \$4 billion represents direct out-of-pocket expenditures by patients.⁶

Access to affordable prescriptions is vital to the health of Canadians for preventing serious disease, reducing hospital stays, replacing surgical treatment and improving Canadians' capacity to function productively in the community, while at the same time often offsetting other potential health-care costs.⁷

Investment in electronic health records is a valuable part of a national pharmaceutical strategy – important for promoting patient safety by reducing medication errors that cost the system millions of dollars – when the funds are used to continue development of the infrastructure needed to implement e-prescribing.

2. Advancing Health through Nursing Science

The federal government's support for knowledge development and research through its science and technology strategy, initiated in 2007, is a strong asset for weathering the current economic crisis. CNA knows that today's research is tomorrow's technology or cure. The nurses of Canada are eager to support and participate in the federal government's plan of action to put Canada in a position of *advantage*.

Canada is challenged with several key health policy issues, including growing health-care costs, health workforce shortages, growing health disparities between Aboriginal and non-Aboriginal Canadians, increasing prevalence of chronic disease and mental illness, lack of timely access to health care, slow primary health-care reform, and an increasing need for home and community-based care with an aging population. Now, more than ever, it is imperative that we find effective, fiscally responsible ways of improving the health of Canadians and supporting them to fully participate in Canada's workforce and contribute to achieving a healthy economy.

A Practical Solution

The solutions to these and other issues lie in such areas as enhancing the productivity of the workforce, creating more effective and efficient models of care delivery and successfully integrating technology. These solutions are grounded in research.

Nurses have a primary role in the provision of health services; by leading research and applying research evidence, nurses are making an unprecedented contribution toward improved health service delivery, better quality care and reduced health-care costs.⁸ Continued investment in nursing science is good for the health of Canadians and the strength of our economy.

With the expiration of the Nursing Research Fund in March 2009, a renewed source of funding is needed urgently to ensure nurses can continue to contribute to innovations in health and life sciences. Canada's 250,000 working registered nurses are the largest health provider group in the system. Spending more time with patients than other providers enables nurses to have the greatest impact. Canada's highly regarded nursing research, often conducted in collaboration with other health-care colleagues, attains recognition at the international, national and provincial/territorial levels, and is widely used to inform policy development and health system planning, improve patient care and reduce health-care costs. A federal funding program will ensure Canadian nurses are at the leading edge and continue to bring forth innovative solutions for better health care and health outcomes.

CNA recommends that the federal government invest \$55 million over 10 years in nursing research focused on improving Aboriginal health; enhancing workforce productivity; improving access, safety and quality of the health system; and maximizing efficiency and effectiveness of the health sector.

The Facts

Nursing science makes health care safer, better and more cost-effective. Consider these examples:

- Dr. Alba DiCenso's in-depth research on the introduction and evaluation of nurse practitioner roles has reduced wait times and improved access to care through effective legislation, regulation and integration of nurse practitioners across the country.
- Dr. Elizabeth Saewyc's research on sexual health behaviours helped to determine the appropriate age for administering the human papillomavirus (HPV) vaccine. Similarly, her study about trends in youth binge drinking was used by the British Columbia solicitor general to change laws related to liquor licensing and fake identifications.

- Research by Dr. Judith Ritchie and Ms. Patricia O'Connor and others determined that by implementing a best practice guideline for pressure ulcer nursing, the proportion of patients developing a pressure ulcer decreased from 21.3 per cent in 2003 to 10.6 per cent in 2008, and the potential for cost savings was \$2.9 million for every 1,000 patients. This guideline has been implemented by health organizations throughout Canada.⁹
- In a 2002 study of six million home care visits, Dr. Susan VanDeVelde-Coke found that approximately 10 per cent of clients could have been treated in nursing clinics as opposed to traditional home visits.¹⁰ Making such a system change would free up 146 full-time equivalent registered nurses to be allocated to other places in the system experiencing shortages **and** produce a savings worth \$10 million in lower-cost visits while maintaining the same or better quality of care.

3. Pan-Canadian Health Human Resources Institute/Observatory

The 2000, 2003 and 2004 health accords affirmed HHR as a priority for federal, provincial and territorial governments through funding for HHR renewal and planning. In 2004, governments recognized the need to increase the supply of doctors, nurses, pharmacists and other health-care professionals in Canada and committed to accelerate work on HHR action plans and initiatives to ensure an adequate supply and appropriate mix of health-care professionals. Research by CNA projects that Canada will be short almost 60,000 full-time equivalent RNs by 2022.¹¹

A Practical Solution

Although progress has been made on various aspects of HHR, there remain significant gaps and challenges. Despite economic challenges, having a healthy, stable and sufficient supply of health professionals is necessary to keep Canadians healthy and productive. Our ability to respond to health crises, such as pandemic influenza, is critical to supporting economic development. Successful human resource planning in the Canadian health sector requires a collective and integrated effort among governments (federal, provincial and territorial), employers, health professionals, unions, regulatory bodies and others. Effective planning must include all components of the health system, from public health through prevention, diagnosis and treatment to palliation. Moreover, CNA believes the many policy levers that affect the planning process – educational, employment, labour, industry, immigration, social, economic and fiscal policies – need to be coordinated.

CNA recommends that the federal government invest \$10 million in an institute/observatory to promote and facilitate pan-Canadian health human resources planning. Such a mechanism would build on existing networks and databases; provide analytical support to all levels of government; and link health human resources planners, educational institutions, employers and health professionals.

The goal of such an institute/observatory would be to analyze trends, opportunities, best practices and challenges faced by HHR planners. Specifically, it would:

- provide evidence-based advice to national, provincial and territorial policy-makers through working in partnership with researchers, governments (departments of health, labour, education and immigration), employers, health professionals, unions and international organizations to monitor and analyze health systems;
- collaborate with academics, policy-makers and practitioners to analyze trends in health policies;
- transfer knowledge to provinces and territories through a range of dissemination strategies; and
- coordinate HHR research.

The Facts

Although provinces and territories are primarily responsible for health-care delivery, the federal government plays an important policy role in improving workforce productivity. Specifically, the federal government provides essential leadership by collecting and disseminating information and developing strategies to improve the health system at a pan-Canadian level within the context of very real global pressures and trends. In addition, the federal government is the fifth largest employer of nurses in this country.

Canada's Agreement on Internal Trade enhances mobility of health professionals across the country, further necessitating the need for pan-Canadian HHR planning.

In recent years, the federal government invested \$12 million for six national HHR studies of the nursing, physician and pharmacy sectors, among others. The studies brought major stakeholders together and identified strategies and actions to address workforce shortages. Congruency among these studies was high; unfortunately, very little action has been taken on their results.

There is strong support for an HHR institute/observatory, and several of the sector studies recommend that one be established. Moreover, such an observatory was examined in a paper on a pan-Canadian mechanism for HHR planning, commissioned by HEAL and completed by the Canadian Policy Research Network in 2007. Finally, HR observatories have been implemented successfully in Europe, Africa, Latin America and the Caribbean and their work has been effective in coordinating HHR knowledge management and capacity building through shared resources.¹²

Looming shortages of health professionals in many disciplines are now global in nature. The U.S. alone projects a shortage of some one million nurses by 2012, posing a serious threat to the Canadian health-care system by virtue of U.S. economic power and consequent ability to draw nurses south.

EFFECTIVENESS OF CURRENT STIMULUS MEASURES

The Canada Health Transfer has been critical in enhancing the quality and safety of health care and stimulating productivity in the system. The federal government should maintain existing transfers to provinces, including the 6 per cent annual escalator.

Tax cuts are not a sound policy option given the size and duration of predicted federal deficits. If the federal government chooses to introduce tax cuts as a stimulus measure, it should focus tax reductions on low-income earners to obtain a more powerful economic stimulus and to produce a healthier population. The federal government should consider cautiously the use of targeted tax expenditures because tax credit programs, such as for home renovations, do not necessarily benefit those who could use the benefit most as they may not have enough discretionary funds to access the targeted program in the first place.

In 2009, the federal government announced several infrastructure funds (Knowledge, ecoEnergy Retrofit, etc.) to stimulate the economy. The federal government should modify the eligibility criteria of these funds to include health facilities, many of which are in need of renovation or replacement. In addition, to create efficiencies, new facilities with different approaches to the provision of health services, including prevention and promotion, need to be built, equipped and resourced.

The federal government should reduce the entrance requirements to Canada's employment insurance system to 360 hours across the country to be more effective. The 55 per cent benefit rate is too low for many people, especially the most economically vulnerable workers with low wages and dependents who are also those most at risk for poor health outcomes.¹³

Notes:

¹ Health Canada. (2004). *First minister's meeting on the future of health care 2004*. Available at www.hc-sc.gc.ca/hcs-sss/delivery-prestation/fptcollab/2004-fmm-rpm/index-eng.php

² Health Council of Canada. (2009). *A status report on the national pharmaceuticals strategy: A prescription unfilled*. Ottawa: Author.

³ Canadian Institute for Health Information. (2008). *Drug expenditure in Canada 1985 to 2007*. Ottawa: Author; Applied Management, Fraser Group, and Tristat Resources. (2000). *Canadians' access to insurance for prescription medicines, Volume 2: The un-insured and under-insured*. Ottawa: Health Canada.

⁴ Canadian Institute for Health Information. (2008). *Spending on health care to reach \$5,170 per Canadian in 2008* [News release]. Ottawa: Author.

⁵ Canadian Institute for Health Information. (2009). *Drug expenditure in Canada, 1985 to 2008*. Ottawa: Author.

⁶ Demers, V., Melo, M., Jackevicius, C., Cox, J., Kalavrouziotis, D., Rinfret, S., et al. (2008). Comparison of provincial prescription drug plans and the impact on patients' annual drug expenditures. *Canadian Medical Association Journal*, 178(4), 405-409.

⁷ Coalition for a Canadian Pharmaceutical Strategy. (2006). *Framework for a Canadian pharmaceutical strategy*. Ottawa: Author. Available at http://www.cna-aiic.ca/CNA/documents/pdf/publications/Framework_Pharm_Strategy_e.pdf

⁸ The Canadian Consortium for Nursing Research and Innovation. (2008). *Advancing health through nursing science* [Unpublished document.] Ottawa: Authors.

⁹ O'Connor, P., Creager, J., Mooney, S., Laizner, A., & Ritchie, J. (2006). Taking aim at fall injury adverse events: Best practices and organizational change. *Healthcare Quarterly*, 9(Sp), 43-49.

¹⁰ VanDeVelde-Coke, S. (2004). *The effectiveness and efficiency of providing homecare visits in nursing clinics versus the traditional home setting*. Ottawa: Canadian Health Services Research Foundation.

¹¹ Canadian Nurses Association. (2009). *Tested solutions for eliminating Canada's registered nurse shortage*. Ottawa: Author.

¹² McIntosh, T., Torgerson, R., & Wortsman, A. (2007). *Taking the next step: Options and support for a pan-Canadian, multi-professional HHR planning mechanism*. Ottawa: Canadian Policy Research Networks.

¹³ Yalnizyan, A. (2009). *Exposed: Revealing truths about Canada's recession*. Ottawa: Canadian Centre for Policy Alternatives.