

CMA's Submission to Finance Canada's 2012 Pre-budget Consultations

January 13, 2012

The Canadian Medical Association (CMA) is the national voice of Canadian physicians. Founded in 1867, CMA's mission is to serve and unite the physicians of Canada and be the national advocate, in partnership with the people of Canada, for the highest standards of health and health care.

On behalf of its more than 76,000 members and the Canadian public, CMA performs a wide variety of functions. Key functions include advocating for health promotion and disease/injury prevention policies and strategies, advocating for access to quality health care, facilitating change within the medical profession, and providing leadership and guidance to physicians to help them influence, manage and adapt to changes in health care delivery.

The CMA is a voluntary professional organization representing the majority of Canada's physicians and comprising 12 provincial and territorial divisions and 51 national medical organizations.



Executive Summary

The Canadian Medical Association (CMA) appreciates the opportunity to provide additional comments and recommendations as part of Finance Canada's 2012 pre-budget consultations.

The health sector provides essential services and high value jobs supporting communities across Canada. Statistics Canada reports that employment in the health sector accounts for 10% of the Canadian labour force.¹ In considering possible additional economic stimulus measures that build on the success of Canada's Economic Action Plan, the CMA encourages the federal government to consider investments that target efficiency improvements in the health sector. Efficiency improvements in the health sector yield benefits to all orders of government and Canadians.

The following recommendations are advanced for Finance Canada's consideration:

- In order to improve the delivery of better care, better health, and better value, the CMA recommends that the federal government work with the provinces, territories and health sector stakeholders to develop a model for accountability and patient-centred care. The CMA encourages the federal government to adopt the *Principles to Guide Health Care Transformation*, developed by the CMA together with the Canadian Nurses Association and since endorsed by over 60 organizations, as the basis of a pan-Canadian model for accountability and patient-centred care.
- Recognizing the significance of nationally comparable metrics on health outcomes and the health care system together with the effectiveness of national public reporting in demonstrating accountability, the CMA recommends that the federal government undertake efforts towards identifying pan-Canadian metrics and measurement that will link health care expenditures to comparable health outcomes.
- As the federal government prepares to engage with the provinces and territories to further map out improvements to Canada's health system, the CMA strongly encourages consideration be given to the federal role in coordinating the development of pan-Canadian clinical practice guidelines (CPGs).
- While, as previously indicated, the CMA supports the federal government's proposal to expand access to pensions, specifically by developing pooled registered retirement plans (PRPPs), the limitations to PRPPs should be addressed to ensure that they provide value to self-employed Canadians, including physicians. Specifically, addressing the limitations would include: (1) expanding the PRPP framework to include defined benefit and targeted benefit pension plans; (2) increasing the retirement savings capacity of self-employed individuals by either raising the RRSP limit or providing a distinct limit for PRPPs; and, (3) ensuring the PRPP framework expands the eligibility of administrators beyond financial institutions.

Introduction

The Canadian Medical Association (CMA) appreciates the opportunity to provide additional recommendations to the Government of Canada as part of its 2012 Pre-Budget consultation. Building upon the CMA's recommendations to the House of Commons' Finance Committee, this submission focuses on three issues: (1) improving accountability and patient-centred care in the delivery of new federal health care funding; (2) coordinating the development of pan-Canadian clinical practice guidelines; and (3) addressing limitations in the federal framework for pension reform.

1. Accountability and patient-centred care

“Raising sufficient money for health is imperative, but just having the money will not ensure universal coverage. Nor will removing financial barriers to access through prepayment and pooling. The final requirement is to ensure resources are used efficiently.” World Health Organization (2010)

As the federal government finalizes the Strategic and Operating Review and considers other measures to eliminate the deficit, including scaling down the Economic Action Plan, it must be recognized that improved health systems and the resultant improved productivity pay economic dividends for the country; and, further, that “health” by today’s standards is not just the assessment and treatment of illness, but also the prevention of illness, and the creation and support of social factors that contribute to health should also be considered.

With the recent announcement by Minister Flaherty with respect to the Canada Health Transfer (CHT) and Canada Social Transfer (CST), the financial parameters for future health care funding have been established.

Consistent with previous public opinion research, recent polling by Ekos Research Associates shows that 76% of Canadians identify improving health care as the leading priority for the federal government, ahead of reducing the national debt and deficit.ⁱⁱ However, as we have learned with the 2004 Health Accord, funding alone is not sufficient to ensure Canadian taxpayers benefit from improvements in health care, health outcomes, and value for money.

Despite laying out laudable objectives, progress to improve our health care system has been slow following the 2003 and 2004 agreements. There is a general agreement that Canada’s health care system is no longer a strong performer when compared to similar nations. The OECD’s Health Data, 2011 ranks Canada eighth highest of 34 member states in per capita health care spending, the second highest in hospital spending per discharge, and the seventh lowest in the number of physicians per capita. While Canada outperforms the U.S. on most measures, we fall below the median performance of the OECD on common health quality and system measures. With the new health care funding commitment to 2024, it is now time to plan how to transform the health care system.

Principles-based approach is required

The CMA is advocating built-in accountability mechanisms to ensure Canada's health care system is focused on delivering improved patient outcomes. Developing a system that is accountable and patient-centred depends on continuously striving to achieve the Institute for Healthcare Improvement's (IHI) Triple Aim objectives of better care, better health and better value. Launched in 2007, the IHI Triple Aim initiative was designed to direct the improvement of the patients' experience of care (including quality, access, and reliability) while lowering the per capita cost of care.

It was with the Triple Aim objectives in mind that the CMA jointly developed *Principles to Guide Health Care Transformation in Canada* with the Canadian Nurses Association (CNA). It is our strong belief that discussions about the future of health care in Canada must be guided by these principles.

The CMA-CNA principles are summarized as follows:

- **Patient-centred:** Patients must be at the centre of health care, with seamless access to the continuum of care based on their needs.
- **Quality:** Canadians deserve quality services that are appropriate for patient needs, respect individual choice and are delivered in a manner that is timely, safe, effective and according to the most currently available scientific knowledge.
- **Health promotion and illness prevention:** The health system must support Canadians in the prevention of illness and the enhancement of their well-being, with attention paid to broader social determinants of health.
- **Equitable:** The health care system has a duty to Canadians to provide and advocate for equitable access to quality care and commonly adopted policies to address the social determinants of health.
- **Sustainable:** Sustainable health care requires universal access to quality health services that are adequately resourced and delivered across the board in a timely and cost-effective manner.
- **Accountable:** The public, patients, families, providers and funders all have a responsibility for ensuring the system is effective and accountable.

In order to ensure that future federal funding delivers on the Triple Aim objectives of better care, better health and better value, a model for accountability and patient-centred care is required. Such a model would expand upon the CMA-CNA *Principles* through the development of a set of measurable indicators related to each principle that can be used for setting national standards, monitoring progress and demonstrating accountability to Canadians.

The CMA therefore urges the federal government to facilitate discussions with the provinces and territories to identify how resources will be used to improve patient care and health outcomes across the country. To this end, the CMA has urged the Minister of Health to move quickly to engage the provincial and territorial health ministers on transforming the health care system.

The CMA recommends that the federal government work with provinces and territories, in consultation with national health sector stakeholders, to develop a model for accountability and patient-centred care. The CMA encourages the federal government to adopt the CMA-CNA *Principles to Guide Health Care Transformation* as the basis of a pan-Canadian model for accountability and patient-centred care.

Improving public reporting: The cornerstone of accountability

The federal government has a significant stake in national public reporting on the health of Canadians and on the performance of the health care system. As required by the *Canada Health Act*, the Minister of Health must publicly report administration, operation and adherence to the *Act* each year. Further, as the largest contributor to the single-payer system, the federal government has a unique role in demonstrating value for money and reporting on strategies to improve the quality, effectiveness and sustainability of the health care system. To facilitate public reporting, in addition to Statistics Canada, the federal government is supported by the Health Council of Canada and the Canadian Institute for Health Information, both established as government-funded non-profits, however, with distinct mandates.

Despite pan-Canadian efforts such as provincial health quality councils and federal and non-governmental reporting, there remains significant room for improvement in the area of monitoring and reporting, both on health outcomes and system performance. As noted in the Commonwealth Fund's report on international health care systems, "reporting on health system performance [in Canada] varies widely across the provinces and territories...there is so far little connection between financial rewards and public reporting of performance." Not surprising, this issue was also identified by the Health Council of Canada in its Progress Report 2011. It highlights the challenges in reporting progress and explains the difficulties inherent to the current patchwork, "[w]here provinces and territories had set and publicized targets, it was easier for us to track progress. Where we could not find targets, assessing progress was more difficult."

The CMA has long supported improved pan-Canadian public reporting on health and health care. Most recently, the CMA hosted a symposium with health reporting stakeholders to discuss the current status of national reporting and the need for the development of a pan-Canadian reporting framework. As recognized by the symposium's participants, there is a great deal of excellent data collection work occurring across the country. However, these efforts are largely uncoordinated and do not tell the full story of the health of Canadians or adequately assess the performance of the health care system. Indeed, despite an abundance of metrics and measurement, in many cases, data is not necessarily usable by the public or decision-makers and, unfortunately, is not necessarily comparable between jurisdictions.

The CMA recommends that the federal government recognize the significance of nationally comparable metrics on health and the health care system and national public reporting in demonstrating accountability (i.e. better health, better care, and better value). In achieving these objectives, the CMA recommends that the federal government mandate an appropriate national organization, such as the Health Council of Canada, to undertake a consultative process with the aim of identifying pan-Canadian metrics and measurement that will link health expenditures and comparable health outcomes.

2. Coordinate the development of pan-Canadian Clinical Practice Guidelines

As the federal government prepares to engage with the provinces and territories to further map out improvements to Canada's health system, the CMA strongly encourages consideration be given to the federal role in coordinating the development of pan-Canadian clinical practice guidelines (CPGs). Such a role would build upon the commitment made by the provinces and territories under the auspices of the Council of the Federation to collaborate on the development of three to five CPGs over the coming year.

CPGs are systematically developed, evidence- or consensus-based statements to assist health care providers in making decisions about the most appropriate health care to be provided in specific clinical circumstances. There is compelling evidence in the literature, supported by the experience of other countries, that well-designed and disseminated CPGs can enhance the clinical behaviour of providers and provide a positive impact on patient outcomes.

The principle argument in support of CPGs is their ability to enhance quality of care and patient outcomes. In addition, CPGs have been found to:

- Provide publicly accessible descriptions of appropriate care by which to gauge health care performance;
- Help to reduce inappropriate variations in care across diverse geographical and clinical settings;
- Offer the potential of empowering patients as to appropriate care expectations; and,
- Contribute to public policy goals, such as cost containment, through encouraging more appropriate provider use of resources.

However, in the absence of a pan-Canadian approach, CPGs across Canada are of uneven quality and even excellent guidelines may not be effectively disseminated or implemented. In contrast to Canada, peer-nations such as the United Kingdom, the United States and Australia have committed at a national level to support the development and dissemination of CPGs.

In November 2011, the CMA, together with leading national medical and health sector stakeholders, convened a Canadian Clinical Practice Guidelines Summit, attended by representatives of the federal and most provincial and territorial governments, to explore key components of a pan-Canadian strategy on CPGs. Emerging from this summit was a clear consensus that it was the federal role to provide the infrastructure support necessary to facilitate the development and dissemination of high-quality CPGs, customizable to the needs of all jurisdictions in Canada.

Guideline development and implementation is a complex, lengthy and resource-intensive process. In the absence of federal coordination in Canada, guidelines are produced by disparate, disease-specific groups, often funded by the pharmaceutical industry. This creates an obvious potential for conflict of interest where the guideline development process is far from transparent. Many guidelines are published without disclosure on conflict of interest or methodology applied. Concern over the quality of guidelines presents one of the most persistent barriers to adoption by physicians of the recommended practice. The resulting underutilization of CPGs in Canada is widely documented. Clearly, the development and dissemination of pan-Canadian CGPs present a unique and significant opportunity for improvement in Canada's health care system.

The CMA recommends that as part of further discussions with the provinces and territories, the federal government commit to working with the provinces, territories and health sector stakeholders towards the development of a pan-Canadian clinical practice guideline initiative. In particular, the CMA recommends that the federal government commit support for the infrastructure necessary for the development, maintenance, and active dissemination of relevant, high-quality clinical practice guidelines.

3. Address the limitations proposed under the pension reform framework

As previously indicated in the August 2011 submission to Finance Canada by the Retirement Income Improvement Coalition (RIIC), the CMA supports the federal government's proposal to expand access to pensions, specifically by developing pooled registered retirement plans (PRPPs).

While we are currently assessing the package of proposed *Income Tax Act* amendments and will provide more detailed comments as part of the legislative process, the CMA is concerned that the framework, as proposed, limits the potential for PRPPs to expand physician access to, and investment in, pensions.

Based on preliminary analysis, it is our understanding that the core benefit of the PRPP framework is in providing small businesses access to low-cost pension plans, thereby providing a vehicle to encourage employers to establish, and contribute to, pensions for their employees. Given that a significant proportion of physicians are self-employed, they would not benefit from employer contributions to a PRPP. Further, as proposed, the contribution limit to PRPPs would be calculated as an element of the current RRSP and pension contribution limit. Finally, further clarification is required on the type of organization that may qualify as a PRPP administrator. Well-governed organizations that represent a particular membership should be able to sponsor and administer RPPs and PRPPs for their own members, including self-employed members.

While the CMA supports the proposed PRPP framework in principle, the limitations to PRPPs should be addressed to ensure that they provide value to self-employed Canadians, including physicians.

The CMA recommends that Finance Canada consider amendments to the proposed *Income Tax Act* amendments to address limitations to PRPPs, specifically: (1) expanding the PRPP framework to include defined benefit and targeted benefit pension plans; (2) increasing the retirement savings capacity of self-employed individuals by either raising the RRSP limit or providing a distinct limit for PRPPs; and, (3) ensuring the PRPP framework expands the eligibility of administrators beyond financial institutions.

Conclusion

The comments and recommendations provided herein represent the CMA's priority recommendations for targeted federal funding towards the achievement of efficiency improvements in Canada's health sector.

It is the CMA's position that these measures will contribute to a healthy, more productive and innovative economy by contributing to better care, better health and better value in the health care system.

Once again, the CMA appreciates the opportunity to provide these additional comments and recommendations.

ⁱ 2006 Census data

ⁱⁱ http://www.cma.ca/multimedia/CMA/Content/Images/Inside_cma/Media_Release/2011/Dec-Poll_en.pdf