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CANADA'S PUBLIC HEALTH LEADER  
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**An Investment in Public Health:  
An Investment in the Public's Health**  
Brief to the Standing Committee on Finance

15 August 2008

## Executive Summary

Why are some people healthy and others not? This is the question that public health seeks to address through the formulation of sound public policy and the design and delivery of health-effective preventative, protective and promotive programs. Within the context of universal access to appropriate and high quality essential health services, public health is an important element in protecting and promoting the health of Canadians

One of the major challenges facing Canada is the need to take action to improve equitable access to the conditions that affect the health of all people living in Canada.

The Canadian Public Health Association (CPHA) is pleased to present to the Standing Committee on Finance, as it holds the pre-budget consultations for 2009.

Canada can be proud of its achievements in terms of health status. As cited in the Chief Public Health Officer's report for 2008, life expectancy for men and women has increased substantially over the past 10 years.<sup>1</sup> Infant and maternal mortality are among the lowest in the world.

The challenge before all of us is to attain the *Health Goals for Canada*, as agreed upon by the Federal and Provincial/Territorial First Ministers in 2004, through a comprehensive and inter-sectoral approach that addresses all determinants of health and seeks to increase equity of health for all. We suggest that an investment in Public Health and the public health approach will bring us closer to this goal.

***Recommendation: Create a new funding mechanism dedicated to a "determinants of health" approach and increase the budget of the Public Health Agency of Canada.***

CPHA recommends that the Government of Canada invest during 2009 in the country's public health infrastructure, as well as in community-derived solutions that address the determinants of health. CPHA proposes a two-pronged approach:

- i. The creation of a new Determinants of Health Fund, valued at \$60,000,000.
- ii. An increase in the operational and programmatic budget of the Public Health Agency of Canada.

Public health is a public good. Investing in public health is critical, whether through core support to the Public Health Agency of Canada, through transfer payments to the provinces and territories which include funding earmarked in support of public health functions and/or programs, or through mechanisms that increase the amount of money available to Canadians to provide for their basic needs and which protects and enhances their health and well-being. The goal is to decrease the social gradient in health, such that all Canadians, wherever they live and whatever their life condition have equal access to the basic conditions that affect their health.

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<sup>1</sup> Chief Public Health Officer. Report on the State of Public Health in Canada 2008.

## Introduction

Why are some people healthy and others not? This is the question that public health seeks to address through the formulation of sound public policy and the design and delivery of health-effective preventative, protective and promotive programs. Within the context of universal access to appropriate and high quality essential health services, public health is an important element in protecting and promoting the health of Canadians.

The Canadian Public Health Association (CPHA) is pleased to present to the Standing Committee on Finance, as it holds the pre-budget consultations for 2009. CPHA has previously addressed this Committee, in its own stead and as a founding member of the Canadian Coalition for Public Health in the 21<sup>st</sup> Century (CCPH21C). The purpose of this submission is to recommend that the national budget recognize that *an Investment in Public Health is an Investment in the Public's Health*.

CPHA is Canada's leading non-governmental voice dedicated exclusively to public health. The public health community in Canada is multidisciplinary and multisectoral in nature and includes many different professions. Founded in 1910, CPHA addresses a broad range of health and social issues in Canada. CPHA's members believe in universal and equitable access to the basic conditions which are necessary to achieve health for all Canadians.

## The Nature of a Public Health Approach

The emphasis in past federal budgets has been on funding health care services, through mechanisms such as the Canada Health Transfer, and by putting into place efficient mechanisms such as the Waiting Times Reduction Transfer to make the health care system more efficient. An independent study published in the Journal of Epidemiology and Community Health confirms that the introduction of public Medicare in Canada has made a major impact on reducing inequities in health care.<sup>2</sup> The bulk of investments in the health sector go to the provision of curative health (largely clinic and hospital-based) services. While important, health care services are only one element for maintaining and improving the health of people living in Canada.

If Canada is to achieve the goal of a high level of health and equity of health for all, then other health-affecting factors that impact the health of a population, known as the social determinants of health, must also be taken into account. These factors include income security, social inclusion, employment, early childhood development, education, housing and food and nutrition security, just to name a few. The contribution of the health care delivery system on improving the health of Canadians is highly dependent on these factors.

As pointed out in a recent article published in The Lancet by Sir Michael Marmot (Chair of the WHO Commission on Social Determinants of Health), inequalities in health arise from broader inequalities within societies.<sup>3</sup> It is in large part the effects of social and economic conditions that determine the risk of illness and the necessary actions to prevent and treat illness when it occurs. The WHO Commission, in which Canada has played a leadership role, will release its report soon. One of the major challenges facing Canada is the need to take action to improve equitable access to the conditions that affect the health of all people living in Canada.

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<sup>2</sup> National Union of Public and General Employees. Independent study validates Canada's Medicare program. Ottawa, 2008.

<sup>3</sup> Marmot M. Achieving health equity: from root causes to fair outcomes, *Lancet* 2007; 370: 1153-1163.

## The Canadian Context

Canada can be proud of its achievements in terms of health status. As cited in the Chief Public Health Officer's report for 2008, life expectancy for men and women has increased substantially over the past 10 years. Infant and maternal mortality are among the lowest in the world.<sup>4</sup>

But not all health trends are improving for all Canadians. Like many developed countries, Canada has a significant socio-economic gradient that links directly to health outcomes. Here are some examples cited in a number of reports including the 2008 Chief Public Health Officer's report:

- There is a strong link between rates of suicide and income. In Canada, we have seen much higher rates of suicide among lower income and including First Nations people, and in particular among Aboriginal youth.
- There is a strong link between income, rate of unemployment and health outcomes. When compared to Canadians who complete high school, those who drop out are more likely to receive social assistance and unemployment payments, more likely to have poor knowledge about health-affecting behaviours and more prone to illness and injury.
- There is a strong link between income and early childhood development. Children from families with lower incomes (and lower levels of education) have poorer overall health and demonstrate higher rates of cognitive difficulties, behavioural issues, hyperactivity and obesity throughout childhood. This is not to say that all disadvantaged children will do poorly or will experience poor health, but the evidence does suggest that children living in low socio-economic situations are likely not to recover from a setback.

The challenge before all of us is to attain the *Health Goals for Canada*, as agreed upon by the Federal and Provincial/Territorial First Ministers in 2004, through a comprehensive and inter-sectoral approach that addresses all determinants of health and seeks to increase equity of health for all. We suggest that an investment in Public Health and the public health approach will bring us closer to this goal.

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<sup>4</sup> Chief Public Health Officer. Report on the State of Public Health in Canada 2008.

***Recommendation: Create a new funding mechanism dedicated to a “determinants of health” approach and increase the budget of the Public Health Agency of Canada (PHAC).***

Under the terms of the legislation governing the Canada Health Transfer (CHT), the Government of Canada committed to increase the cash contribution at an annual rate of not less than 6% beginning in April 2006 and ending on March 31, 2014. In 2008-2009, the Canada Health Transfer totalled \$22.629 billion, a 6% increase over the previous year. For 2009, based on an annual increase of 6%, the amount transferred to the provincial and territorial governments will total \$23.987 billion. None of the CHT is earmarked for public health services that prevent illness and promote health. Funding must be allocated to the “up stream” activities that result in cost-savings to the health care delivery system.

CPHA recommends that the Government of Canada invest during 2009 in the country’s public health infrastructure, as well as in community-derived solutions that address the social determinants of health. CPHA proposes a two-pronged approach:

**The creation of a new Determinants of Health Fund, valued at \$60,000,000**

In previous submissions, CPHA has called for examination of a new funding mechanism for public health, as public health is not included in the Canada Health Act, which governs the services covered through the CHT. The Naylor Report called for a federal commitment to national public health functions, including core funding to PHAC, of \$1.1 billion per year. It also called for a special fund dedicated to public health of not less than \$300 million per annum, earmarked for a new Public Health Partnerships Program to strengthen general P/T public health infrastructure.

Poor social and economic circumstances affect health. Given the importance of income, employment and job security, housing, education, food security, early childhood development, and the absence of stress and addiction, CPHA urges the Government of Canada, through Budget 2009, to create a special fund dedicated to supporting initiatives that take action on the social determinants of health. CPHA suggests an initial investment of \$60,000,000, equivalent to approximately 10% of PHAC’s annual budget. This fund, to be administered through the Agency, would be dispersed in support of national, provincial/territorial and local level initiatives.

**An increase in the operational and programmatic budget of the Public Health Agency of Canada**

Over the past two fiscal years, the allocation to the Public Health Agency of Canada (PHAC) increased from \$506,589,000 to \$590,530,000, equivalent to an annual compounded rate of increase of 8%.<sup>5,6</sup> This translates into a net annual increase of approximately 5.75%, assuming an annual inflation rate of 2.2% between April 2006 and April 2008. Notwithstanding this increase over a three-year period, the budget allocated to PHAC decreased by 10.3% between 2007-2008 and 2008-2009, from \$658,342,000 to \$590,530,000.<sup>7</sup> The net reduction was due to a decrease in the Agency’s operating

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<sup>5</sup> Government of Canada. 2007-2008 Parts I and II – Main Estimates. Treasury Board of Canada Secretariat, [http://www.tbs-sct.gc.ca/est-pre/20072008/me-bd/pub/me-245\\_en.asp](http://www.tbs-sct.gc.ca/est-pre/20072008/me-bd/pub/me-245_en.asp), downloaded August 11, 2008

<sup>6</sup> Government of Canada. Tabling of the 2008-2009 Main Estimates. Treasury Board of Canada Secretariat, [http://www.tbs-sct.gc.ca/media/nr-cp/2008/0228\\_e.asp](http://www.tbs-sct.gc.ca/media/nr-cp/2008/0228_e.asp), downloaded August 11, 2008

<sup>7</sup> Information cited does not include Supplementary Estimates.

<sup>13</sup> Learning from SARS - Renewal of Public Health in Canada - A report of the National Advisory Committee on SARS and Public Health October 2003, Chapter 4F.2

budget, partially offset by funding received for the renewal and expansion of some of its programs.

The PHAC is still a young agency. It requires full funding to ensure that it has at its disposal the human and technical resources required to fulfill its 5-year Strategic Plan (2007-2012). Besides the risks presented by epidemics and pandemics, disease prevention and health promotion are critical for maintaining and improving the health of Canadians. Interventions in primary prevention and health promotion are cost-effective and cost-saving. The evidence suggests that countries with strong primary care and public health infrastructures and services have better cost/benefit returns on their investment. With Canada's changing demographics, strong, well-funded prevention and promotion strategies will be increasingly critical to ensure Canada's well-being and security.

The Naylor Report suggested a baseline budget for PHAC of \$500 million (in 2002 dollars) for core functions (with an inflation-adjusted annual increase to cover the expansion of the core functions) PLUS an additional \$200 million to ensure that Canada has an effective federal agency for public health protection and promotion.<sup>8</sup> With the annual inflation rate now estimated to be 3.1% over the period June 2007 to June 2008, and a high degree of uncertainty about future trends in the cost of living in Canada, anything less than a 10% increase in PHAC's budget for 2009-2010 would be insufficient to increase the scale and scope of its activities above and beyond maintaining the increase in the cost of its core functions in line with the rate of inflation.

## **Conclusion**

Public health is a public good. The federal government has an obligation and responsibility for national leadership that results in a high level of health equity for all Canadians. Investing in public health is critical, whether through core support to the Public Health Agency of Canada, through transfer payments to the provinces and territories which include funding earmarked in support of public health functions and/or programs, or through mechanisms that increase the amount of money available to Canadians to provide for their basic needs and which protects and enhances their health and well-being. The goal is to decrease the social gradient in health, such that all Canadians, wherever they live and whatever their life condition have equal access to the basic conditions that affect their health.

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