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CANADA'S PUBLIC HEALTH LEADER
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**An Investment in Public Health:
An Investment in Canada's Future Prosperity**

Pre-Budget Consultation
Brief to the
House of Commons Standing Committee on Finance

**Prepared by the
Canadian Public Health Association**

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Executive Summary

The Canadian Public Health Association (CPHA), Canada's only non-governmental voice dedicated exclusively to public health, welcomes this opportunity to share with the Standing Committee on Finance its views on why an investment in public health is a much-needed investment in Canada's future prosperity.

Canadians value highly the publicly-funded health system. Public health, one of this system's critical components, consists of six primary functions: population health assessment, health surveillance, health promotion, disease and injury prevention, health protection, and emergency preparedness. Through these, the public health system in Canada has made a major contribution to the creation of national social capital, economic growth and prosperity.

The federal government plays a vital role in public health, sharing this responsibility with the provincial, territorial and local governments and other sectors. Public health in Canada is underfunded and not adequately resourced. Many local public health units are under considerable strain to respond to the "normal" demands for public health services, much less additional demands.

Canada is presently facing two issues that have implications for our health system and the health of our country's citizenry: the international economic situation; and, the potential resurgence of H1N1 influenza. Any additional demands for public health services that result from the present economic situation, an episodic public health emergency, or a pandemic influenza outbreak, could result in the collapse of the health system and have repercussions for Canada's economy and national well-being.

In its August 2008 submission to the Standing Committee on Finance, CPHA recommended an investment in the country's public health infrastructure and support of community-level public/population health interventions. Through this brief to the Standing Committee, and taking into consideration emerging challenges, CPHA repeats its call for the federal government to increase its investment in public health, and puts forth three recommendations to promote and safeguard the public's health:

1. *Increased funding for public health services and programs at the federal level*

CPHA recommends that the federal government provide full funding to the Public Health Agency of Canada (PHAC), as per the recommendation made by the National Advisory Committee on SARS and Public Health in 2002.

2. *Increased funding for public health units at the community level*

CPHA recommends the creation of a National Public Health Infrastructure Fund, valued at \$1.0 billion over three years.

3. *Expansion of the public health workforce and increased investment in population health intervention research*

CPHA recommends an increase in the budget for the Canada Graduate Scholarship Program, including an increase in the scholarship budget allocated to the Canadian Institutes of Health Research (CIHR) to enhance its capacity to support scholarships for public/population health degrees.

CPHA recommends increased funding of the CIHR to enhance its contribution to public and population health research.

Introduction

The Canadian Public Health Association (CPHA) is Canada's only non-governmental voice dedicated exclusively to public health. Its membership, the public health community in Canada, is multidisciplinary and multisectoral. Founded in 1910, CPHA addresses a broad range of health and social issues. CPHA's members believe in universal and equitable access to the basic conditions necessary to achieve health for all Canadians.

CPHA has previously addressed the Standing Committee on Finance, both in its own stead and as a member of the Canadian Coalition for Public Health in the 21st Century (CCPH21).¹ CPHA welcomes this opportunity to share with the Standing Committee members its views on why an investment in public health is needed now to ensure Canada's future prosperity.

Public Health in Canada

The publicly-funded health system in Canada is highly valued by Canadians and is held up as a model in other countries. Much of the attention and most of the investment made by the federal, provincial and territorial governments is directed at the "health care" component of this system, because of the acute and episodic nature of illness and the need for treatment. However, a health promotion and disease prevention approach – the hallmarks of public health – can achieve better health outcomes for Canadians, is cost-effective, and is the foundation for a sustainable health system.

Public health in Canada consists of services, programs, institutions and activities that promote and protect health and prevent disease within society. The public health "system" in Canada, the functions of which are defined as population health assessment, health surveillance, health promotion, disease and injury prevention, health protection, and emergency preparedness, has been described as a grouping of multiple systems with varying roles, strengths and linkages.² Investing in the "up-stream" elements of the health system (i.e., the public health functions) reduces the anticipated burden on the "down-stream" emergency and acute care services. The health promotion and protection aspects of public health are particularly important as up to 80% of the current burden of disease in Canada is due to chronic diseases, the vast majority of which are preventable.³ In the long run, investing in the "up-stream" population-based health promotion and disease prevention components of the health system is more cost-effective than continually increasing support to the "down-stream" components.⁴

The federal government plays a vital role in public health, sharing this responsibility with the provincial, territorial, and local governments and other sectors. The Public Health Agency of Canada (PHAC) is the federal government's lead public health institution.⁵ The federal government also plays a lead role in setting, monitoring, and applying public health policy and regulations, in addition to funding and providing essential public health functions and programs through several ministries and agencies, including Health Canada, Environment Canada, and the Canadian Food Inspection Agency.

The federal government, through the Canada Health Transfer (CHT), contributes to the costs of health care services. The CHT does not cover the costs of many public health services, nor can it direct that such services be funded. Although PHAC provides some funding for local public health services and programs, a larger investment is needed at the community level to develop adequate public health capacity and to respond to local health needs. Population-based disease prevention and health promotion interventions at the local level are critical to the long-term sustainability of the health system.

The Canadian Institutes of Health Research (CIHR) is another important component of the federally-funded pan-Canadian public health system. Best practices in public health are required to support the system's health protection, health promotion, and disease and injury prevention functions. At a time when this need is critical, public health research in Canada is lagging. A dedicated federal investment in this area would remedy this situation and contribute to strengthening the country's public health system and response capacity.

Is Canada Prepared?

Canada is presently facing two issues that have implications for our health system and our country's future prosperity. The first is the international economic situation; the second is the potential resurgence of H1N1 influenza. Their combined impact on a health system already under considerable stress could result in system failure.⁶

The financial crisis has resulted in an increase in both unemployment and in the number of Canadians whose livelihood and financial security are at risk. Unemployment is at an 11-year high, with the highest unemployment rates among young people and men aged 25-54 years of age. Some cities, including former major manufacturing centres, are registering official unemployment rates of almost 18% while the number of unemployed people who are no longer looking for jobs has increased considerably.⁷ The prevailing consensus among financial experts and economists, including the Bank of Canada, is that although Canada may not be as critically affected by the global economic crisis as other countries, it will likely contend with economic contraction and instability for some time.

While it is not yet clear what the full impact of this situation will be for the health and well-being of Canadians, some segments of the population will suffer more than others, particularly the poor, the marginalized, the elderly, and those living in economically-depressed places. As several recent studies and reports have pointed out, there is a strong relationship between socio-economic status and health.^{8,9} These include a strong link between:

- income and rates of suicide (in particular among Aboriginal youth);
- income, education, housing conditions, unemployment and health outcomes; and
- income and early childhood development.¹⁰

The anticipated resurgence of H1N1 influenza also poses a serious threat to Canada's future prosperity. Lessons were learned as a result of SARS and many gaps and weaknesses within our health system came to light. Pandemic preparedness planning has been a priority of federal, provincial and territorial governments for several years, with considerable investments to ensure that the country can cope with a pandemic influenza outbreak. While the federal government has announced its intention to purchase over 50 million doses of influenza vaccine,¹¹ questions remain about the capacity within the health system to reduce the risk of contagion and to deliver the vaccine on a timely basis.

Have sufficient and targeted investments been made to ensure a sustainable response by the publicly-funded health system in the event of several simultaneous demands? Does the system have the "surge capacity" needed to respond in a full and effective manner? CPHA believes that the health system in Canada does not yet have that capacity.

Public health takes the lead in responding to episodic events that put the population's health at risk. We have seen this response to a number of issues: SARS, poor drinking water quality, toxic waste spills, seasonal influenza, bovine spongiform encephalopathy (mad cow disease), and listeriosis, to name a few. Many local public health units are under considerable strain to respond to the "normal" demands for public health services. Any additional demands for such services that result from the present economic situation, an episodic public health emergency, or a pandemic influenza outbreak, could result in the collapse of the health system.

It is imperative that Canada be prepared to respond in a timely and effective manner to existing and potential threats to the well-being, health and prosperity of its citizens. An effective health system includes a robust public health component. Neglecting the needs of the public health component will make our responses to health threats merely reactive. As a provincial premier noted recently, not being prepared for public health threats is like witnessing a multi-vehicle health care pileup in the making.¹²

Being Prepared: Investing in our Country's Public Health System

In August 2008, CPHA recommended to the Standing Committee on Finance a comprehensive and inter-sectoral approach designed to address all determinants of health and increase equity of health for all that would contribute to attaining the *Health Goals for Canada*, a set of national goals agreed upon by the Federal and Provincial/Territorial First Ministers in 2004.¹³ CPHA believes that investments in the public health component of our health system and in the population health approach will bring us closer to meeting these goals.

Given current and emerging challenges, CPHA recommends that the federal government increase its investment in three critical areas as a means of promoting and safeguarding the public's health:

1. Increased funding for public health services and programs at the federal level

The report of the National Advisory Committee on SARS and Public Health (2003) highlighted the low level of public investment in public health at the beginning of the 21st century (estimated to be at that time equivalent to 3.5% of total health expenditures).¹⁴ Information published recently by the Canadian Institute for Health Information (CIHI) also highlights the relatively small proportion of total funds (public and private) invested in public health, equivalent to about 6% of the estimated \$160 billion spent in Canada on health care in 2007 (by comparison, 28% was spent on hospital-based services, 17% on pharmaceutical products and drugs, and 13% on physician services).¹⁵ In 2008, the Canadian Coalition for Public Health in the 21st Century (CCPH21), of which CPHA is a founding and lead member, called for an investment in public health not less than 8% of total *public* funds invested in health spending at the federal and provincial/territorial levels.¹⁶

The National Advisory Committee on SARS and Public Health called for a federal commitment to national public health functions, including core funding to the Public Health Agency of Canada (PHAC), of \$1.1 billion per year. It called for a baseline budget of \$500 million (in 2002 dollars) for PHAC's core functions (with an inflation-adjusted annual increase to cover the expansion of the core functions) *plus* an additional \$200 million for public health protection and promotion. In constant dollars, this would have meant a current annual budget of approximately \$805 million.

The Committee's recommendation has not been fully realized. Over the past three fiscal years, the allocation to PHAC increased from roughly \$506.5 million for fiscal year 2007-2008, to \$648 million in fiscal year 2009-2010.¹⁷ This translates into a net annual increase of approximately 7%, assuming an average annual inflation rate of 1.7% between April 2006 and April 2009. Notwithstanding this increase, the budget allocated to PHAC in fact decreased by 10.3% between 2007-2008 and 2008-2009, from approximately \$658.3 million to \$590.5 million.¹⁸ The net reduction was due to a decrease in the Agency's operating budget, partially offset by funding received for the renewal and expansion of some of its programs. The government's recent strategic review indicates an additional \$167.8 million to be taken from the Health Canada and PHAC budgets over three fiscal years (2009-2012).¹⁹

As the federal government's lead public health body, PHAC requires full funding to ensure that it has at its disposal the human and technical resources required to fulfill its Five-Year Strategic Plan (2007-2012). With the current national economic situation and the impending threat of new diseases, strong, well-funded public health services and programs are increasingly critical to ensure the well-being, prosperity, and security of Canadians. Therefore, **CPHA recommends that the federal government provide full funding to PHAC, as per the recommendation made by the National Advisory Committee on SARS and Public Health in 2002.**

2. Increased funding for public health units at the community level

The National Advisory Committee on SARS and Public Health also called for a special public health fund of not less than \$300 million per year, earmarked for a new "Public Health Partnerships Program"

to strengthen the provincial/territorial public health infrastructure. This recommendation has not been realized. In previous submissions, CPHA has called for a new funding mechanism for public health, given that it is not included in the *Canada Health Act*, which governs the services covered through the Canada Health Transfer (CHT). Although the federal government has made a commitment in its 2009 Budget to meet the 6% annual increase in its contribution to the CHT through to March 2014, the CHT does not cover the costs of most public health services and programs.

Given the lack of funds earmarked for public health through the CHT, **CPHA recommends the creation of a National Public Health Infrastructure Fund, valued at \$1.0 billion over three years.** The intent of this Fund would be to assist public health units across the country to purchase equipment and supplies and to implement the programs required to meet their client populations' present needs and their potential needs should the influenza pandemic becoming a reality. This Fund would also support national, provincial/territorial, and local-level disease-prevention and health-promotion initiatives, including those related to the social determinants of health.²⁰

The significant benefits of the fund would include:

- public health units meeting their client populations' health promotion, disease and injury prevention, and health protection needs including the personal and community consequences of the economic downturn;
- sustainable preparedness for the potential influenza pandemic that itself could have economic consequences if not prepared for adequately;
- new demand for equipment, supplies, and services from Canadian sources; and
- a population protected through its public health services.

This investment would be much less than the \$7.5 billion announced by the federal government in its January 2009 Economic Action Plan in extraordinary support to the ailing manufacturing and resource-based industries. As noted by Informetrica Limited, a \$1 billion investment in health-related services could boost GDP by a factor of 1.8 and create almost 18,000 jobs.²¹

3. Expansion of the public health workforce and increased investment in population health intervention research

On several occasions, CPHA, CCPH21, and the Health Action Lobby (HEAL) have called for investment by the federal government to support an expanded health human resource infrastructure. The country's health care workforce, including its public health workforce, is stretched to the limit.²² If the health system is expected to meet the needs of Canada's population, particularly during this period of economic uncertainty and given the additional anticipated threats to the public's health, the number of people working in health, including those working in public health, has to be expanded, and quickly.

In the present fiscal year budget, the federal government invested significantly in Canada's knowledge infrastructure through improved physical infrastructure at universities and colleges and a temporary expansion of the budget for the Canada Graduate Scholarship program, delivered in part through the Canadian Institutes of Health Research (CIHR). CPHA would endorse a large-scale federal investment to expand the country's health human resource infrastructure. At a minimum **CPHA recommends an increase in the budget for the Canada Graduate Scholarship Program, including an increase in the scholarship budget allocated to the Canadian Institutes of Health Research (CIHR) to enhance its capacity to support scholarships for public/population health degrees.**

In its Budget 2009, the federal government reduced the allocations to our country's three Granting Councils, including the CIHR. This has resulted in fewer funds available to health researchers. Several health research programs have been affected. One of these was the unique and highly-valued pan-Canadian public health applied research program, the Canadian Tobacco Control Research Initiative, which ceased operation in June 2009. Applied/intervention research on the impact of public/population health interventions, especially at the local/community level, is critical in determining "what works". The

research into cost-effective public health strategies and interventions is even more important during this time of decreasing investment and increasing demand for local public health services and programs. **CPHA recommends increased funding of the CIHR to enhance its contribution to public and population health research.**

Concluding Remarks

The future responsiveness of the health system is highly dependent on the capacity of the country's public health system to function effectively and efficiently. We learned many lessons from the SARS outbreak; an inquiry was called and recommendations were made. Some action was taken to strengthen the country's health system, yet several SARS-based and related recommendations remain unrealized.

We already have a burdened health system. The country's public health system is no exception. We have known for several years that the public health infrastructure is under-resourced and inadequately funded. The current economic situation, the anticipated influenza pandemic, and the scarcity of public health resources add additional burden to the system and are harbingers of a public health emergency in the making. Canada must move from a "just-in-time" approach to one which is well-prepared and sustainable. Consistent and long-term investment in health promotion, disease prevention, health protection, and emergency preparedness are needed now to avoid system collapse and to ensure the sustainability of our health system for future generations.

Endnotes

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The Public Health Leadership Institute and the North Carolina Institute for Public Health held an on-line webcast session at which public health leaders discussed issues related to the capacity of public health systems to function effectively in an economic recession. One of the concerns expressed was the capacity of public health services to respond adequately given that the number of people adversely impacted by the economic decline will be expected to rise significantly, thereby increasing the demand on public health at all levels. North Carolina Institute for Public Health, *Public Health Survival: Leadership in a Falling Market,* December 15, 2008. Cited at http://www.sph.unc.edu/nciph/public_health_survival_leadership_in_a_falling_market_8968_9396.html (downloaded December 19, 2008)
- ¹⁰ Chief Public Health Officer. Ibid.
- ¹¹ Public Health Agency of Canada. *Government of Canada announces intention to order 50.4 million doses of H1N1 vaccine,* August 6, 2009. Cited at http://www.phac-aspc.gc.ca/media/nr-rp/2009/2009_0806-eng.php (downloaded August 8, 2009)

Canada to buy 50 million doses of flu vaccine. *The Globe and Mail,* August 7, 2009, page A4

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- ¹⁸ Information cited does not include Supplementary Estimates.
- ¹⁹ Department of Finance Canada. *Canada's Economic Action Plan: Budget 2009, tabled in the House of Commons by the Honourable James M. Flaherty, P.C., M.P. Minister of Finance*, January 27, 2009, p. 269
- ²⁰ CPHA recommended the creation of a "Determinants of Health Fund" in its pre-budget consultation submission to the Standing Committee on Finance in August 2008.
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