

# A Healthy Nation is a Wealthy Nation

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## HEALTH – PRODUCTIVITY – WEALTH: MAKING THE LINK

Thank you for the opportunity to outline the Canadian Nurses Association's (CNA) vision for a stronger, healthier and wealthier Canada. CNA has always been committed to working in partnership with governments to protect and improve the health of Canadians, and that commitment remains solid.

The Conference Board of Canada noted in 2006 that Canada's ability to introduce and sustain public programs depends on having the resources that result from growing national wealth. But in 2005 the Conference Board asserted that productivity is Canada's most significant economic weakness. If productivity is indeed "our destiny," as Andrew Sharpe, Executive Director of the Centre for the Study of Living Standards, argued in 2005, then that economic weakness is a major problem for Canada and its future.

Organizations such as the International Monetary Fund (IMF), the Organisation for Economic Co-operation and Development (OECD), and the Conference Board of Canada have all pressured Canada to increase its productivity growth (which has been negligible to nil the past couple of years). The IMF has made specific recommendations about the health system, urging Canadian governments to continue reforms that will control health-care costs while also pushing productivity.

In testimony to the Senate Standing Committee on Banking, Trade and Commerce hearings on productivity (May 11, 2005), Sharpe explained what he meant by "our destiny" this way:

At 1 per cent productivity growth, living standards double in 70 years. If we can raise productivity growth to 3 per cent, we can double living standards in 24 years. If we can attain 2 per cent productivity growth over the next 30 years, financial problems related to aging in terms of the cost of health care and pensions will largely evaporate. Thus if we do well in terms of our productivity, we will solve many potentially divisive societal problems.

How can CNA contribute intelligently to a policy conversation about productivity in the economy? We see the health of the nation as its most fundamental resource, and as such, a pillar of the Canadian economy, along with literacy, education, natural resources, the environment, and of course a robust technological and business infrastructure.

It is our belief at CNA that with the best economic performance in the G7 over several years – and with strong predictions for continued top-five performance – Canada is positioned to improve public programs like medicare to support the health, and in turn the productivity and prosperity, of all Canadians.

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The simple (and at the same time very complicated) fact is that a healthy nation is a wealthy nation. And the converse – the economic and human burden of poor health, which depletes the nation's resources – is just as true. *Not* paying attention to the health of communities and individuals can quickly lead to staggering, sometimes lifelong costs for all of us.

For example, in the study *Toward 2020: Visions for Nursing*, CNA notes that “for the seven leading chronic diagnostic categories, total direct medical costs are estimated to be \$38.9 billion” annually. But what is perhaps more daunting is evidence that for those same chronic illnesses, the indirect costs, which include estimates of time lost due to disability, and the value of lost future productivity, were in the range of \$54.4 billion *per year*.

The World Health Organization is so concerned by the looming invisible global epidemic of chronic disease that the organization has called for governments globally to work to reduce death rates due to chronic illness by 2 per cent each year until 2015.

And we know from Health Canada that some 20 per cent of Canadians will suffer mental illness at some time in their lives. The economic burden of mental illness alone in Canada was estimated in 1993 – more than 13 years ago – to exceed \$7 billion.

These kinds of costs reflect a seemingly ever-growing demand for acute and chronic illness care. We all know this is not sustainable – if we keep on our current course we could spend the equivalent of our entire GDP on health and still not be spending “enough.”

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Yes, the government and its provincial/territorial counterparts must see quality in acute and tertiary care as important – and must continue to invest in that sector of health care, for example, by reducing surgical wait times. But given the resources of a robust economy, and external pressures for Canada to increase productivity, the present federal government is well-situated to leverage the trend toward primary health care. It is now time to focus attention, action and leadership to the broader sphere of primary health care services, including preventive care and true “health” care.

We have been moving slowly on this for 25 years. Federal leadership in initiatives such as the Primary Health Care Transition Fund have indeed advanced the primary health care agenda in many areas. However, we have at the same time continued to expand the acute care sector and its costs. We have the resources and talent to move the talk of health promotion to more concrete action. The potential payoffs for individual Canadians and the nation are huge.

- Companies as diverse as the Canada Life Assurance Company, Westinghouse, and GE Aviation all found that paying attention to employee health and wellness significantly reduced medical and insurance costs compared to competitors.
- At Canada Life, the employees involved in health and wellness programs had a turnover rate fully *10 times lower* than those who did not participate.
- And importantly, still other large organizations (e.g. NASA and Union Pacific Railroad in the U.S.) measured higher productivity among staff participating in such programs.

All these findings underscore the health and wealth link. But what is the cost? Toronto-based *Preventdisease.com*, which brokers information about health and wellness, notes that, “since 1980 there have been over 50 studies of comprehensive worksite health promotion and disease

prevention programs. Every study has indicated positive health outcomes. And of the more than 30 which were analyzed for cost outcomes, 29 proved to be cost effective.”

Returns on every dollar invested in health were reported by numerous large American organizations, including DuPont (\$2.05 saved for every dollar invested), PepsiCo (\$3.00), General Mills (\$3.90), and the Bank of America and Coors (both saving over \$6.00 on each dollar invested).

There are lessons in the experiences of all these successful companies for Canadians, their governments and health-care leaders. Let us imagine moving these small programs to the macro level across society. Let us take the examples of seatbelts, helmets and smoking, and move that kind of thinking into health system action that helps us all reduce illness and injury, manage chronic disease and improve coordination of services rather than investing forever into the bottomless pit of acute, illness care. Therein lies the key to our productivity and wealth as a society.

No one is better positioned than the federal government, with its strong network of partners, to oversee both the health and wealth of the nation at a broad level – and to put in place the kinds of structures that link the two and strengthen both.

## FEDERAL INVESTMENTS IN CANADIANS AND THEIR FUTURE

To support the health and wealth of Canadians, the federal government can boost productivity by investing its leadership and resources in three key areas:

1. Information management and communications technology
2. Human capital in the health human resources sector
3. Reducing disparities and enhancing the employability of Canadians

Taken together, all of these areas for action can improve timely access to quality care for all Canadians now – and importantly, re-direct the Canadian health system toward a different, stronger future. Every national review of the Canadian health system has supported the need for investment in all these areas, and many gaps remain.

The health system of 2020 will not – indeed must not – look like the system in 2006. In the interest of Canadians, the present federal government can and must exert the leadership needed to change that course now.

### **Investing in tools: *Boosting productivity through technology***

Sharpe asserts that a key policy lever available to governments wanting to increase productivity is that of promoting “the diffusion of new technologies.” Extending his thinking, CNA agrees that the federal government can and should exert leadership in several ways:

- Ensuring that the health system is aware of promising technological practices and technologies
- Facilitating the adoption of those promising technologies and practices by providing information
- Supporting the development and implementation of the infrastructure by which individual Canadians can participate in a “shared care” model of health-care service delivery in the future

To improve access to the health system, the federal government should focus its attention on information and communications technology in health care, which some say is as much as 10 years behind other industries such as banking.

The need to develop and implement electronic health records is particularly urgent. But this project will not be cheap. In a report prepared for Canada Health Infoway in 2005, Booz Allen Hamilton estimated the cost of a 10-year acquisition of an electronic health record (EHR) to be in the range of \$10 billion. Clearly a project of this magnitude, affecting every Canadian, demands the fiscal, human and coordinating resources of the federal government over a considerable time period.

Such a commitment represents a transformational investment in Canadians that will re-shape the future of health care. And critically, just as a starting point, Booz Allen Hamilton points to potential savings in the range of \$48 billion by reducing adverse drug events, and \$14 billion saved from reducing unnecessary radiological and laboratory tests. It predicts the potential for an 8:1 return on investment over 20 years.

Beyond dollar savings, we know that patient care quality improves when appropriate information technology is in place. For example, in a report published by the Health Council of Canada and Canada Health Infoway, research is cited to show that “introducing the EHR into the ICU [intensive care unit] reduces ICU mortality by 46% to 68%; complications by 44% to 50%; and overall hospital mortality by 30% to 33%.” In Denmark, “the use of e-prescribing has reduced the medication problem rate from 33% to 14%, and laboratory systems have reduced tube labeling errors from 18% to 2%.” Among many other examples of compelling evidence, the report goes on to say that “evaluations of telehealth home care and chronic disease management programs have shown among users of the services, 34% to 40% fewer emergency room visits, over 32% fewer hospitalizations and up to 60% fewer hospital days, and a 47% reduction in long-term care admissions.”

**CNA therefore recommends that the federal government:**

- Accelerate the implementation of information management and communication technology to support coordinated and coherent delivery of health services.
- Ensure that every Canadian has access the most suitable technology (e.g., broadband) that will allow them to link to the Internet, from our largest urban centres to the most isolated northern communities.
- Ensure that every Canadian has a personal electronic health record within the next five years.

**Investing in health professionals: Boosting productivity through human capital**

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 clout and consequent ability to draw nurses south. According to Industry Canada, during the 1990s Canada witnessed a gross outflow of 27,000 RNs through permanent emigration to the U.S. Just as worrying is concern that Canada and the U.S. both face what might amount to the worst nurse shortages of all OECD nations within a decade.

The advancing age of baby boomers keeps pushing us closer to a real crisis in our ability to deliver even basic health-care services. We are simply not replacing ourselves in the health-care system, while the country and its demands for more services grow steadily.

What’s more, nurses and other health professionals are unevenly distributed, deployed and employed across the country. That pattern is mirrored in similarly uneven access by Canadians to the right kind of health care in the right place at the right time. And it is reflected in outcomes like long wait times to see a family doctor, in some cases limited or no access to basic primary health-care services, and excessive wait times for some surgical and other treatments.

CNA recognizes the incredible complexity of health human resources planning when inter-related with the country’s geography, its federated governance, and the skewed distribution of the Canadian population across our vast territory. However, the present model, which perpetuates longstanding problems of uneven access for Canadians, is not working

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well for Canada now – and it certainly will not help create the base for a modern and responsive system in the future.

There is an old saying that, “If you always do what you always did, you’ll always get what you always got.” We can do better, and we must do better. Canadians need the leadership and support of the federal government to help the CNA and our many partners across the health professions to shift the course toward a different future for the benefit of Canadians.

We are keenly aware of the jurisdictional authority in the delivery of health-care services. But as the OECD, the Centre for the Study of Living Standards and others have noted, the federal government can still play an important policy role in improving workforce productivity. Such measures could even include structures that make workers aware of employment opportunities in different regions of the country that better match our supply with the demand.

Lest you be tempted to dismiss all this as an area of provincial responsibility, please consider the following three points:

- According to workforce trends reported by the Canadian Institute for Health Information, Saskatchewan, Prince Edward Island, and Newfoundland and Labrador regularly lose as much as 30 per cent of their nursing graduates to other provinces. Other provinces import as much as half of their RN workforce.
- The federal government is the fifth largest employer of nurses in this country.
- Federal power includes immigration.

Currently, employers across Canada are competing for the same, relatively small pool of nurses and doctors. And education policies are not well linked with employment and immigration policies. In the area of human resources, the federal government can and must play a critical role by representing all Canadians and the health system on the global stage. The federal government provides helpful leadership by filtering 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. No other entity in the country is poised or able to carry out that function.

Again, sustaining old models won’t result in a new health system. The 2006 speech from the throne committed the government to “ensuring Canadians get the health care they have paid for.” CNA recognizes that getting “what you need” may be different from getting what you “have paid for.” This distinction is clear in the original vision of medicare – that Canadians should have access to necessary health services.

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“Getting things done” in the health system means a fundamental shift in the ways we think about health and about how good health happens. Creating a modern, responsive, effective, affordable and compassionate Canadian health system depends on identifying and implementing new approaches to care delivery. And that means taking a hard look at who is best suited to deliver what services in what circumstances.

To meet all these ends, the federal government must focus its leadership on developing an integrated pan-Canadian health human resources strategy. Leaders in all the leading health professions in every region of the country have called for this strategy for years and provided

ample evidence of its need. The present federal government could make a critical investment in the productivity of the vast Canadian health-care workforce by moving now to repair this important missing link in the complicated process of matching the supply of health-care providers to the needs of Canadians and their communities.

**CNA therefore recommends that the federal government:**

- Lead the development of a standard framework for calculating needs in the health sector with an initial investment of \$5 million.
- Invest \$10 million in a mechanism 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.
- Re-invest in its commitment to nursing research. A critical component of the federal science and knowledge agenda includes health and health-services research conducted by and about nurses. The initial \$25 million, 10-year investment in the Nurse Fund will expire in 2008, leaving a significant gap in funding opportunities for nursing research. The federal government should put structures in place now to establish a reliable, long-term research agenda involving nurses, which will provide the evidence base to move forward on transformational changes in health services delivery that lie ahead for all health professionals.

**Investing in Canadians: Boosting productivity by reducing disparities**

Looking beyond the health system, the federal government must focus on the issue of the employability of Canadians. To improve productivity through employment and employability, external groups looking at Canada, such as at the OECD, have suggested that Canada needs to foster innovation, and particularly to focus on improving literacy and strengthening knowledge skills.

Four in 10 Canadians have literacy skills below the desired threshold for coping with the rapidly changing skill demands of a knowledge-based economy. Frontier College's John O'Leary says:

Literacy is Canada's hidden crisis. While we strive to increase productivity and enhance our learning, four in ten Canadians can't understand everyday written materials. Literacy is not just about reading and writing; it impacts health, prosperity, employment, productivity and public safety. Any discussion about learning is ultimately a discussion about literacy, and any solution for improving learning in Canada needs to incorporate improving literacy levels.

We note that while addressing literacy and the acquisition of knowledge and skills are basic to employability, they are also keys to the health of communities and the ability of individual citizens to protect their own health and lead their health care. Canadians cannot be expected to participate as informed consumers in an evolving "shared-care" model of health services delivery, if they cannot understand the information they need to make decisions.

In workplaces, the benefits of improved literacy are plain. For example in just one study, conducted by ABC CANADA Literacy Foundation, researchers talked with leaders from 53

workplaces that had a basic skills program in place for at least one year. Among many encouraging results, they found that nearly 100 per cent of these workplaces reported increased confidence among workers, 79 per cent reported increased productivity, 82 per cent reported increased health and safety in the workplace, 84 per cent observed increased work quality, 73 per cent reported increased work effort, and 87 per cent stated that the program had a positive impact on the participants' ability to use workplace-based technology.

This sort of evidence lends support to the broad impact that can be leveraged by boosting the skills and knowledge of individual Canadians can have in the workforce.

Beyond literacy, outcomes for Canada's Aboriginal Peoples and visible minorities on many measures often stand out in stark and negative contrast to those of Canada's historic majority population. In some cases the same holds true for Canada's women and children. The Public Health Agency of Canada groups disparities in four main areas: income, Aboriginal status, geographic location and gender.

CNA notes that these disparities can play out in particularly harsh ways as in the measures and determinants of health – including continuing poverty, housing, career advancement and the criminal justice system. For example, as noted in CNA's recent *Toward 2020* study of future options for nursing and health care:

...one in six Canadian children is raised in poverty – twice as many as in 1989. And the rate is double or more for Aboriginal children and the children of new immigrants. In 2006, health and other social outcomes for Aboriginals are among the worst in Canada. On or off reserve, almost one in two lives in poverty and in cities, the living conditions of many Aboriginal families are deteriorating. Aboriginal people are four times more likely to report having experienced hunger than the non-Aboriginal population. Studies of basic infrastructure in First Nations communities conclude that 20-25 per cent of community water and sanitation services pose a danger to health and safety, or are in need of repairs to meet basic government standards...

In a Canadian Centre for Policy Alternatives report, Armine Yalnizyan argues that across Canadian society, we have traded off "human security for debt reduction," and these patterns and outcomes are inconsistent with a vibrant and growing economy. There is room to take care of both, if there is the political will to do so. Just as healthy Canadians can produce a wealthy Canada, which is good for all, we must bear in mind that income is a key (some say *the key*) determinant of health. The federal government must ensure that Canada and Canadians continue to *invest in each other* and not lose sight of the benefits we all will share by reducing poverty levels in this country.

It should be encouraging to governments to know that there *are* concrete actions they can lead to reduce disparities. Nurses can play a role that is effective for patients at costs the system can bear. Let me share just one example, which is not a new study but illustrates well our position:

The best researched home-visiting program is the Elmira (NY) Nurse Home Visitation Program, operated by Olds and colleagues from 1978 to 1982 (Olds, 1997). A total of 116 first-time mothers received an average of nine prenatal home visits and

23 visits for the first two years of their child's life. Home visits were carried out by well-trained public health nurses, and each visit lasted approximately 90 minutes. Thus total home visits averaged approximately 48 hours over the 2-plus years.

The children and mothers have been followed up for 15 years. [As reported in 1998 by the original research team], nurse home visited mothers have shown lower rates of child abuse than a control group of mothers, over the follow-up period. All other outcome effects have been restricted to a group of 38 single, low socio-economic status (SES) mothers. No consistent effects on the children's cognitive, health and social-emotional behaviour were found until the children were 15 years of age. *At that point, arrests, convictions, cigarette smoking, alcohol consumption and behavioural problems related to use of drugs were reduced for the children of the 38 single, low-SES mothers.*

[The adolescents also reported fewer sex partners, and their mothers reported less behavioural problems overall with their children than the non-visited control group.]

*From Developing Capacity and Competence in the Better Beginnings, Better Futures Communities: Short-Term Findings Report*

This kind of evidence helps to make links among the health and socioeconomic status of these mothers and the health and high-risk behaviours of their children. A relatively inexpensive and straightforward intervention, carried out in this case by registered nurses in the community, had a positive impact over generations on a number of health determinants, and in turn, the potential for productivity. Solutions *are* possible.

CNA supports the federal government's efforts to eliminate fiscal disparities across the country. We urge you now to make the same strong commitment to reducing the health and social disparities that continue to drive those fiscal imbalances. The federal government is ideally positioned to set benchmarks related to literacy and to knowledge acquisition and transfer – and to lend its expertise and funding to the considerable but urgent challenge of eliminating disparities and inequities.

**CNA therefore recommends that the federal government:**

- Continue to invest in its Adult Learning, Literacy and Essential Skills Program
- Accelerate the development and implementation of a national pharmaceuticals strategy
- Invest an initial sum of \$10 million to establish an action-oriented, pan-Canadian program to eliminate ethnic, gender and racial disparities in Canada by 2020. The government's focus must include broad human rights and equity, including timely access to health care and good health outcomes, housing, safe water, employment and equitable treatment in the criminal justice system.

We understand that this last point is a generation-long, transformational initiative. We also recognize that resolving these historic imbalances will determine the quality of life for all Canadians. Taking on this troubling problem would position the federal government as a global leader, and as the seat of transformation for the future of Canada.

The federal government could send strong positive signals by initiating a stepped approach that would begin with a commitment to First Nations, Métis and Inuit peoples, including access to secure housing, food and water wherever they live.

## CONCLUSION

The federal government has important responsibilities in areas of health such as emergency preparedness, food and drug safety, supporting national disease strategies (e.g., diabetes, cancer, HIV/AIDS) and helping to build a strong pan-Canadian workforce of health-care providers. Some of these responsibilities are defined in legislation, including the *Canada Health Act*.

The strong presence of the federal government in all of these areas is what will assure the future health status of Canadians. Certainly nothing is more important to Canadians, and they continue to look to the federal government for leadership.

CNA maintains its commitment to working in partnership with the federal government to put the structures in place to ensure that this confidence is well founded and leads to decisive action.