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Santis Webinar

Federal Budget 2023: A Health Care Debrief

| April 11, 2023

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Meet Your Panelists



Peter Cleary

-

Principal



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Senior Consultant



James Mitchell

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Senior Consultant,
Western Canada



Marcel Saulnier

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Associate

Agenda

1. The Political and Economic Environment
2. Budget 2023-24
3. Federal Agreement with the Provinces and Territories (PTs)
4. Federal Health Policy Environment
5. Key Takeaways



Questions

Submit a question
using the Q&A
function at any time



Slides

The slides and a
webinar recording
will be sent via
email



Survey

Please take a few
minutes to
complete the
survey at the end of
the webinar

Political and Economic Environment

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Current Political Climate



Liberal Party of Canada (LPC)

- ✓ Selling the budget to Canadians
- ✓ Appeasing the NDP
- ✓ Maintaining caucus support
- ✓ Motivating the grassroots
- ✓ Keeping the party organized to strengthen the government's position in Parliament



Conservative Party of Canada (CPC)

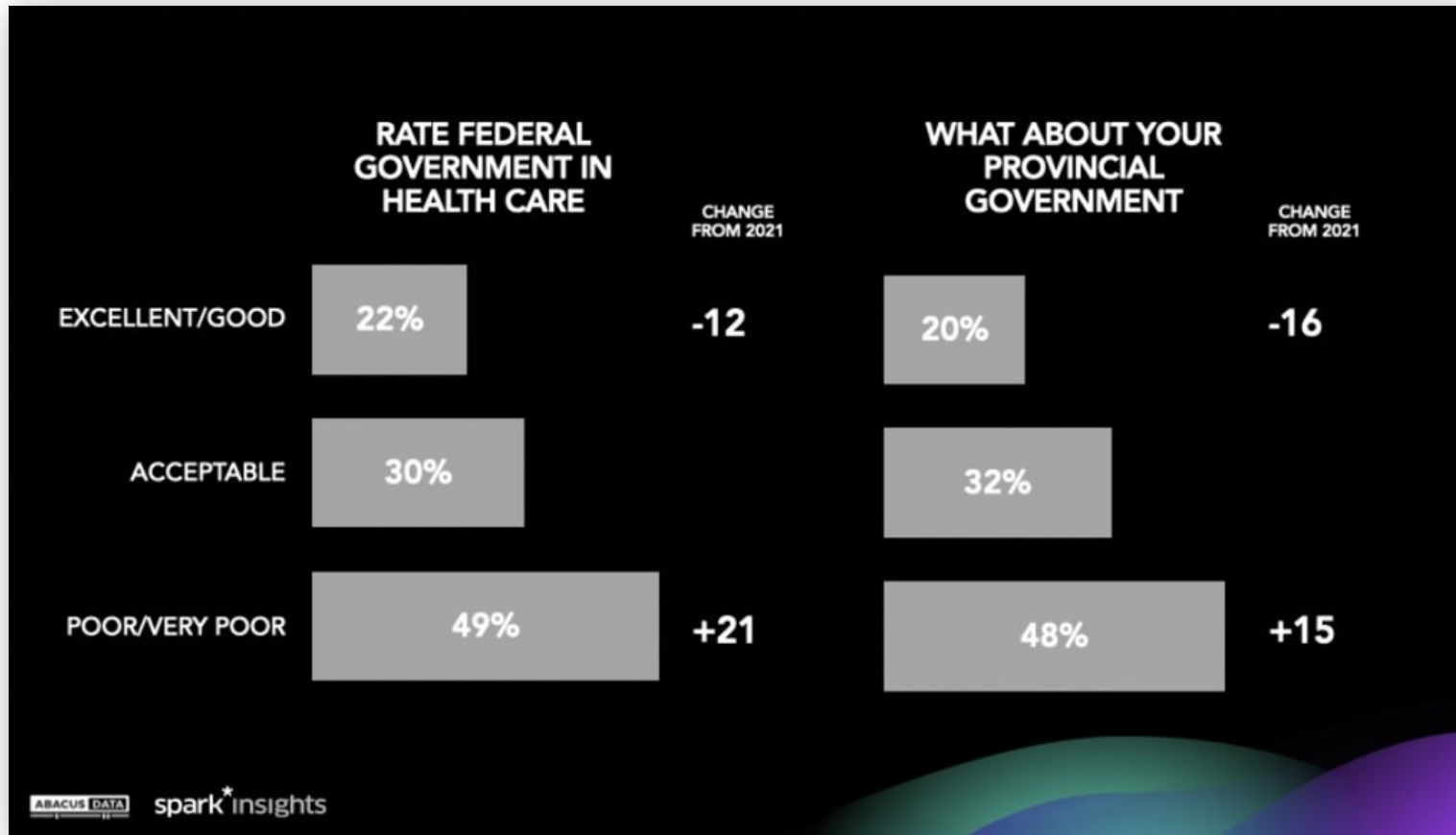
- ✓ CPC believes Canadians need a leader who will show fiscal restraint
- ✓ They have agreed to keep the health agreements in place
- ✓ Continue to out-fundraise more than all other parties



New Democratic Party

- ✓ Had success in the budget through dental care
- ✓ NDP Leader Singh believes there is more to be gained working with the government, then voting them down
- ✓ They do not have a lot of cash, so an election is unlikely

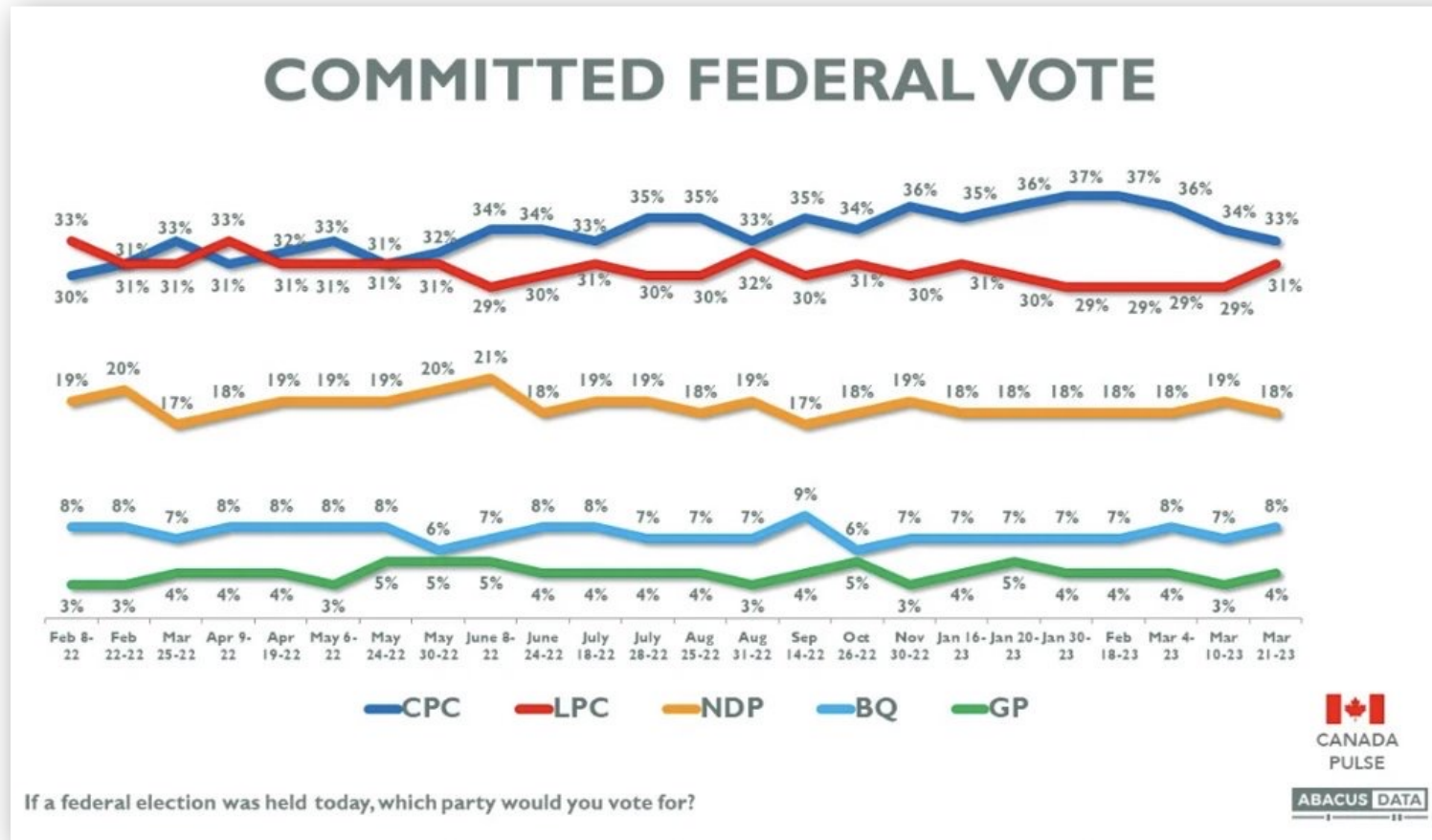
Health Care Continues to Be a Priority



Canadians are increasingly dissatisfied with health care delivery from both federal and provincial governments

Source: Abacus Data Polling, February 20-25, 2023

Polling Fairly Consistent Since 2019



Since 2019, polling for the Liberals and Conservatives have remained tied for the popular vote

Source: Abacus Data Polling, March 17-21, 2023

Budget 2023-24

—

The 2023-24 Budget announced **\$70 billion in new spending** between now and 2027-28.

As expected, the budget included **significant funding for health**, including dental care commitments, and the preceding federal offer of \$49 billion over 10 years for health care spending to Provinces & Territories.

The government has **doubled its initial investment for dental care** and it will now cost **\$13 billion over five years** once the permanent dental plan is in place. Dental care was an important part of the Liberal-NDP Supply and Confidence Agreement.



What's Missing?

Commitments to the Canada Mental Health Transfer, Canada Drug Agency, palliative care, long-term care and health research. However, they could be addressed in bilateral deals.

Health-Related Commitments

In new **health funding**, the Liberals have committed to:



Investments to Health Canada to implement the **Canadian Dental Care Plan**



Investments to implement the **988 National Suicide Prevention line**



Advancing **Indigenous health priorities**, including the establishment of an Indigenous Health Equity Fund



Additional investments to the **Territorial Health Investment Fund**



Expanding access to **family health services**, including in rural and remote areas



Funding through the Pan-Canadian Health Organizations and Statistics Canada on **health data**



Investments to the renewal of Canada's **drug strategy**



Funding to address **HHR shortages** across the country



Increase to the **Canada Health Transfer**



Improving access to quality **mental health and substance use services**

Political Reaction to the Budget



**Will there be an
election as a result
of the budget?**



The Conservatives will vote against it



The Bloc and the Greens will vote against it



The NDP will support it



The Liberals only need the support of the
NDP for the budget to pass

Federal Agreement with the PTs

Breakdown of the Agreement (1/2)



On February 7, the Federal Government announced an offer of \$49 billion over 10 years in new funding in health — \$46.2 of which would be delivered through bilateral agreements with the provinces and territories.

Premiers formally accepted the offer on February 13, and all individually (except Quebec) have publicly signaled agreement in principle to proceed developing bilateral agreements.



Funding through bilateral agreements will be based on the advancement of four shared priorities:

1. Family health services
2. Health workers and backlogs
3. Mental health and substance use
4. Modern health system

Breakdown of the Agreement (2/2)



Funding outside the bilateral agreements include:

- An immediate **\$2 billion Canada Health Transfer (CHT) top up** and a guaranteed 5% CHT escalator for five years, conditional on data sharing
- Funding to the Canadian Institute for Health Information (CIHI), Canada Health Infoway and other federal health data partners for the **collection of health data and tracking indicators**
- \$1.7 billion over 5 years to **support wage increases** for personal support workers and related professions
- Additional investments to the **Territorial Health Investment Fund** and \$3 billion for **long term care**
- \$2 billion in new **indigenous health spending**



This offer would also renew the existing health accord deals, signed in 2016-17

Developing the Bilateral Agreements



To access their share of federal funding and the guaranteed 5% growth to the CHT for the next five years, PT governments will be **asked to commit** to two main elements:

1. Sharing health information including adopting common data standards and policies
2. A bilateral agreement structure that includes:
 - Shared priorities, results and headline indicators
 - Action plans to describe how funds will be spent, incrementally to existing spending, and how progress will be measured and reported to their residents
 - Accelerated credential recognition and labour mobility



Jurisdictions will have flexibility in designing their action plans and indicators beyond the headline indicators

Budget Receiving Royal Assent

The Federal Budget needs to be tabled and pass before any further decisions can be made

Negotiation

The Federal Government and PTs will work to negotiate formal – and tailored - bilateral agreements following the “agreement in principle” at political level

Action Plan Development

PT officials will develop action plans that describe how funds will be spent, incremental to existing spending, and how progress will be measured

Subsequent Action Plans

The initial action plan period would cover the first three years 2023-24 to 2025-26. Two additional action plans will be required.

Other Federal Health Priorities

Federal Health Policy Environment



- National standards for long-term care
- National Strategy for Drugs for Rare Diseases
- Pharmacare and the Canada Drug Agency are stagnant
- Coalition for Action for Health Workers
- Health data and the potential development of National Data Systems
- PMPRB
- Studies at HESA and health-related legislation

What Can We Take Away From This?

Key Takeaways

1.

This is a health financing budget, but not a health policy budget

There are notable investments in pan-Canadian Health Organizations and health data, while political will and fiscal room to move forward with national pharmacare has significantly diminished

2.

Progress on key health policy initiatives are tied to tailored bilateral agreements

For example, the dedicated Mental Health Transfer was replaced with mental health as one of four priorities for bilateral agreements, with no certainty on funding allocation

3.

The Liberal/NDP confidence deal remains *the* focus

The deficit reduction pledge was swapped for heavy investments to advance Liberal and NDP health priorities

How can Santis Help?



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Questions?

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