

# ***Community Focus Bulletin:*** ***Creating Community Conversations***



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## **Unleashing Innovation: Excellent Healthcare for Canada**

In 2014, the Government of Canada's health minister, the Honourable Rona Ambrose, launched the Advisory Panel on Healthcare Innovation. The Panel was charged with identifying the five most promising areas of innovation in Canada and internationally that have the potential to sustainably reduce growth in health spending while leading to improvements in the quality and accessibility of care. The Panel was also asked to recommend ways the federal government could support innovation in those five areas.

Consultation for the process identified:

1. Canadians are concerned about the state of their healthcare systems. The Panel heard from many stakeholders who see the need for fundamental changes in how healthcare is organized, financed, and delivered. It was reported that while Canada's healthcare systems remain a source of national pride and provide important services to millions of Canadians every week, the scope of public coverage is **narrow**, and their overall performance by international standards is **middling**, while spending is high relative to many OECD countries. Canada also appears to be losing ground in performance measures relative to peers.
2. Pockets of extraordinary creativity and innovation make up the Canadian healthcare landscape. Local, regional and even provincial programs that could be replicated, have not been scaled-up across the nation.

Barriers to an improved system included:

- the lack of any dedicated funding or mechanism to drive systemic innovation.
- the fragmented nature of the system (with separate budgets and accountabilities for different provider groups and sectors) emerged as the most important structural barrier to both new reform initiatives and effective scaling-up of well-tested ideas and

programs. (This shortcoming appeared to be operating in a vicious cycle with slow deployment and incomplete utilization of modern information technology.)

- Canada's healthcare systems appeared to be ill-prepared to respond to various shifts in their context:
  - Patients are demanding more participation in their own care and engagement with the design of healthcare programs.
  - As the population ages, there will be a greater premium on seamless delivery of multi-disciplinary care across diverse settings, not least the patient's place of residence.
  - The digital revolution continues to disrupt many enterprises, and sooner or later will transform healthcare.
  - Accelerating advances in biotechnology are now ushering in an exciting but challenging new era of precision medicine. Canada has pockets of research leadership in this field, but only one small province has taken steps towards implementation of the required learning systems to make precision medicine a clinical reality.
  - Polling data show that the majority of Canadians no longer believe that an increase in operating funds is the primary solution to the perceived shortcomings of their healthcare systems.

## Critical Areas for Healthcare Innovation

Weighing all these inputs, and consistent with its mandate, the Panel identified five broad areas where federal action was important to promote innovation and enhance both the quality and sustainability of Canadian healthcare. These were:

- patient engagement and empowerment
- health systems integration with workforce modernization
- technological transformation via digital health and precision medicine
- better value from procurement, reimbursement and regulation
- industry as an economic driver and innovation catalyst.

## Collaboration for Healthcare Innovation: New Model, New Agency, New Money

The Panel understands that sustaining six percent compounded growth in the federal transfer is difficult in the present fiscal circumstances.

It has:

- not recommended any changes to the current plans for transfers,
- rejected a return to earlier approaches that depended on unanimously agreed priorities and formulaic allocations of funds,
- recommended two key enabling actions:
  - a consolidation of the mandates of three existing agencies and expansion of capacity to create a new vehicle for accelerated change. As a placeholder, this agency has been termed the Healthcare Innovation Agency of Canada (HIAC). The choice of existing agencies for inclusion in HIAC is a reflection “not on their performance but on the centrality of their missions to the task of transforming Canadian healthcare, and the synergistic impacts to be achieved from drawing them together and scaling up their activities as needed. HIAC would accordingly draw on staff from the Canadian Foundation for Healthcare Improvement, the Canadian Patient Safety Institute, and, after a transition period for completion of its existing projects, Canada Health Infoway.”
  - The second enabling action is “the provision of fuel both for that vehicle and to support provinces and territories as they strengthen their healthcare systems with fundamental reforms and work with stakeholders to scale-up well-tested innovations. These funds would flow to 'coalitions of the willing' - jurisdictions, institutions, providers, patients, industry, and committed innovators of all backgrounds. Again as a placeholder, this has been termed the Healthcare Innovation Fund (hereafter, the Fund, for short).”

**About the new Agency:** The Panel states that as exemplified by seven pan-Canadian health organizations and the Canadian Institutes of Health Research (CIHR), this approach to supporting national collaboration in specific areas has been used for more than two decades. CIHR is the largest of these entities with an annual outlay of approximately \$1 billion per annum. However, its primary mandate has been - and should remain - the funding of academic research. Each of the other entities has a specific focus on elements of innovation, and each can

claim unique strengths. However, none has had a broad innovation mandate, and none has anything like the scale to take on such a role. In contrast, HIAC as a new Agency would be dedicated to catalyzing change in real-time, evaluating the impacts of those changes, and accordingly rejecting, revising and re-evaluating, or scaling-up the resulting innovations.

HIAC should be an arm's length organization, supported through the Healthcare Innovation Fund, governed by a group of eminent Canadians appointed on merit alone, and linked to one or more advisory committees composed of representatives of a range of stakeholders, not least provincial and territorial governments. Its corporate structure should enable it to provide robust, independent oversight and direction for a range of projects, including those fielded across Canada with support from the Innovation Fund.

**About the new Fund:** The Healthcare Innovation Fund's broad objectives would be to effect sustainable and systemic changes in the delivery of health services to Canadians.

Its general goals would be to:

- support high-impact initiatives proposed by governments and stakeholders;
- break down structural barriers to change; and
- accelerate the spread and scale-up of promising innovations.

It would not be allocated on the basis of any existing transfer formulae, nor would its resources be used to fund provision of healthcare services that are currently insured under federal, provincial and territorial plans. Allocations would instead be made on the basis of rigorous adjudication against transparent specifications, having particular regard for measurable impacts on health outcomes, creation of economic and social value, sustainability, scalability, and a commitment by partners to sustain those innovations that are demonstrably successful.

The Panel recommends that these two initiatives should begin as early as possible in the mandate of the Government that will take office after the election of October 2015.

The outlay from the Fund should rise as needed, with the expectation that a steady-state target of \$1 billion per annum might in ideal circumstances be reached as early as 2020.

The Agency and the Fund would be important enablers for many of the specific recommendations made by the Panel in each of the five identified areas that are priorities for innovation.

Resources:

<http://www.healthycanadians.gc.ca/publications/health-system-systeme-sante/summary-innovation-sommaire/index-eng.php>

<http://www.hc-sc.gc.ca/hcs-sss/innovation/index-eng.php>

[http://www.cmaj.ca/site/earlyreleases/17july15\\_panel-recommends-health-care-innovation-fund-to-be-administered-by-new-agency-cmaj.109-5117.xhtml](http://www.cmaj.ca/site/earlyreleases/17july15_panel-recommends-health-care-innovation-fund-to-be-administered-by-new-agency-cmaj.109-5117.xhtml)

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