

**Pre-Budget Consultation
2021**

Prepared for Finance Canada

**By: Foundation for Resilient Health and
Canadian Network for Human Health and the Environment**

February 19, 2021



Summary of Recommendations

Recommendation 1:

Build a national pharmacare system to support health and resilience by:

- implementing the new Canadian Drug Agency without delay
- implementing a preliminary national common formulary of essential medicines by January 2022
- implementing the national strategy for high-cost drugs for rare diseases following consultation with Canadians

Recommendation 2:

Prevent illness and protect the environment with stronger laws on toxins and pollution by:

- modernizing the Canadian Environmental Protection Act (CEPA)

Recommendation 3:

Restart the economy by fighting climate change including:

- Developing a roadmap to phase out ineffective fossil fuel subsidies and a plan for fossil fuel works to train for new opportunities.
- Investing in energy efficient retrofits through grants and low-cost financing
- Electrifying transportation in both public transit, and in personal electric vehicle purchasing by providing incentives to create price parity with internal combustion engines.

Recommendation 4:

Improve income support programs:

- implementing a plan to reduce economic inequities that underlie poor health by extending income support programs and considering the implementation of a universal basic income.

Preamble

The *Foundation for Resilient Health* and the *Canadian Network for Human Health and the Environment* are science-based environmental health organizations. We provide the following recommendations to restart the Canadian economy as it recovers from the COVID-19 pandemic, while also resolving inequities to improve the health of Canadians. Human health, the economy, and our environment are inextricably linked. A healthier, more resilient Canadian population will enable all Canadians to live better lives, contribute to our country, and be adaptable to future challenges.

The following recommendations supplement the recommendations we submitted to the Finance Committee in August 2020. We were pleased to see a number of our recommendations included in the Fall Economic Statement 2020 and the recently released Finance Committee report.

Recommendation 1: Support health and resilience through Pharmacare

The government should fulfill the mandates of the Ministers of Health and Intergovernmental Affairs and build a national pharmacare system. The new Canadian Drug Agency should be implemented without delay, and, as recommended by the Finance Committeeⁱ, a preliminary national common formulary of essential medicines should be implemented by January 2022. A national strategy for high-cost drugs for rare diseases should follow consultation with Canadiansⁱⁱ following the launch of the essential medicines formulary.

Implementing pharmacare will allow Canada grow our world-class health system. **Chronic diseases cost Canada about \$190 billion per year in treatment and lost productivityⁱⁱⁱ**. Currently, one in ten Canadians have difficulty paying for prescription medications (even with health benefits coverage)^{iv}. Pharmacare will ensure Canadians can afford the medications they need, reduce the financial burden on individual Canadians and employers, and result in increased spending power to support our economy. Individuals will be better able to contribute to our country as their burden of disease is decreased.

Recommendation 2: Prevent illness with stronger laws on toxins and pollution

The government should fulfill its commitments as promised to Canadians in the September 2020 speech from the throne, and as mandated by the Prime Minister to the Ministers of Health and Environment and Climate Change to modernize the Canadian Environmental Protection Act (CEPA). CEPA is a critical legislation to protect the environment and human health.

Canadians are exposed to hundreds of chemicals daily in our food, our air and water, in consumer products, and occupational exposures. Chemicals exposure is increasingly linked to the rise of chronic illness in Canada. Vulnerable Canadians are even more at risk.

Biodiversity in Canada is threatened. A healthy biodiverse environment is foundational to the resilient health of Canadians. Pollinators and soil microbiota are essential to our food supply. Wetlands cleanse water. Plants release oxygen. Protection of wild habitats today will increase the resiliency of generations of Canadians to come.

Investment in pollution prevention will reduce the country's burden of disease and foster resilience in the face of public health crises such as pandemics.

Recommendation 3: Restart the economy by fighting climate change

While COVID-19 has been a significant public health crisis worldwide, climate change is the biggest threat to public health of the 21st Century^v. In Canada, climate change impacts are putting our health and safety at risk: we are experiencing flooding, sea level rise, more frequent and intense storms, longer heatwaves, forest fires, and more disease carrying insects^{vi}. Investing in the green economy and reducing greenhouse gas emissions will save healthcare costs and increase Canadians' contribution to our economy. **Investing in exceeding our climate targets will increase clean energy jobs sevenfold by 2050^{vii} and save the Canadian economy billions of dollars per year^{viii} in healthcare costs, missed days of work, and reduced worker productivity related to air pollution.**

Canadians are worried about climate change, and 8 in 10 support a shift toward clean and renewable energy^{ix}. We suggest three strategies to create jobs, help make low-carbon options more affordable to Canadians, while fighting climate change.

- A) **Phase out ineffective fossil fuel subsidies** by 2025, and divert these funds to the clean energy sector. The 2021 budget should include a roadmap to eliminate these subsidies^x and a plan for fossil fuel workers to train for new opportunities and prepare for the jobs of tomorrow.
- B) **Make energy efficient retrofits more affordable.** The government of Canada cannot achieve Net Zero on their own. Infrastructure investment by supporting home energy retrofits can help, and is included in the recent Finance Committee report^{xi}. Government should follow through on their commitments to provide \$2.6 billion over 7 years, starting in 2020-2021 to Natural Resources Canada^{xii} to help homeowners their energy A low cost loan program should also be made available for deeper home energy retrofits. We recommend bringing back the popular and successful ecoENERGY Retrofit program, which “successfully created jobs across Canada and helped homeowners save an average of 20 percent on their home energy use” (Government of Canada, 2014)^{xiii}.
- C) **Invest in low carbon transportation.** In addition to the recently announced public transit funding, increase access to personal electric vehicles (EVs). An Abacus poll conducted by the Canadian Lung Association identified that 84% of Canadians were supportive of incentives to purchase electric vehicles and investment in their infrastructure. The price of EVs continues to fall, and it is anticipated that price parity with internal combustion engines will be achieved in under 5 years. The government can help Canadians adopt EVs as their next vehicle purchase by providing price incentives^{xiv} to bridge the current price gap. This investment will accelerate Canada's green transformation and will support the Prime Minister's mandates to the Ministers of Environment and Climate Change, Innovation, Science and Industry, Transport, and Natural Resources to advance zero-emission vehicle targets.

Recommendation 4: Improve Income Support Programs

The COVID-19 crisis demonstrated that many Canadians struggle with underemployment, job loss and other situations that make it difficult to meet their basic needs, participate in society, and live with dignity. The CERB effectively acted as a safety net for Canadians who needed it during COVID-19, but the need for income support will not end as we recover from COVID-19.

The federal government already provides income support to families with children under 18, to seniors over 65, and persons living with a disability. The COVID-19 crisis has demonstrated that the need exists in beyond these selected populations. Numerous studies and pilot scale testing have been conducted regarding the feasibility of income support, such as universal basic income as an important step toward poverty reduction^{xv}, ^{xvi}. We support FINA's recommendation^{xvii} that government extend income support programs and consider the implementation of a universal basic income. Reducing economic inequities that underlie poor health will result in **savings in downstream health and social costs.**

Respectfully submitted,



Melanie Langille, M.Env.Sc.
Vice President
Foundation for Resilient Health
mlangille@resilient-health.ca
455-8961 ext 110

Works Cited:

ⁱ Government of Canada. House of Commons. Investing in Tomorrow: Canadian Priorities for Economic Growth and Recovery. Report of the Standing Committee on Finance. February 2021. **Recommendation 11.**

ⁱⁱ Government of Canada. 2021. Building a National Strategy for High-Cost Drugs for Rare Diseases.

ⁱⁱⁱ Parliament of Canada, House of Commons Standing Committee on Health. Evidence. April 23, 2013.

^{iv} Government of Canada. 2019. A Prescription for Canada: Achieving Pharmacare for All.

-
- ^v Watts, Nick, Amann, Markus, Arnell, Nigel, Ayeb-Karlsson, Sonya, Belesova, Kristine, Berry, Helen, et. al. 2018. The 2018 report of the Lancet Countdown on health and climate change: shaping the health of nations for centuries to come.
- ^{vi} Government of Canada. 2019. Canada's Changing Climate Report (<https://changingclimate.ca/CCCR2019/>)
- ^{vii} Edger, R., Howard, C., Lem, M., Zigby, J., Pétrin-Desrosiers, C., Doyle H.M., Kitching, G.T., Luo, O.D., Cohen, A., Wu, K., Kirsh Carson, J.J., Létourneau S.G., & Kuhl, J. (2020). Healthy Recovery Plan: For a Safe and Sustainable Future. Canadian Association of Physicians for the Environment.
- ^{viii} Government of Canada. 2013. Air pollution: human health costs.
- ^{ix} Abacus Data. 2019. Is climate change “an emergency” and do Canadians support a made-in-Canada Green New Deal?.
- ^x Government of Canada. House of Commons. Investing in Tomorrow: Canadian Priorities for Economic Growth and Recovery. Report of the Standing Committee on Finance. February 2021. **Recommendation 124**
- ^{xi} Government of Canada. House of Commons. Investing in Tomorrow: Canadian Priorities for Economic Growth and Recovery. Report of the Standing Committee on Finance. February 2021. **Recommendation 50**
- ^{xii} Government of Canada 2020. Supporting Canadians and Fighting COVID-19. Fall Economic Statement 2020 (section 3.3.2.1)
- ^{xiii} Government of Canada 2014. ARCHIVED - Frequently-Asked Questions (FAQ) about ecoENERGY Retrofit – Homes
- ^{xiv} Government of Canada. House of Commons. Investing in Tomorrow: Canadian Priorities for Economic Growth and Recovery. Report of the Standing Committee on Finance. February 2021. **Recommendations 142 & 145**
- ^{xv} House of Commons. 2017. Breaking the Cycle: A Study on Poverty Reduction. Report of the Standing Committee on Human Resources, Skills and Social Development and the Status of Persons with Disabilities.
- ^{xvi} Office of the Parliamentary Budget Officer. 2020. Costing a Guaranteed Basic Income During the COVID Pandemic.
- ^{xvii} Government of Canada. House of Commons. Investing in Tomorrow: Canadian Priorities for Economic Growth and Recovery. Report of the Standing Committee on Finance. February 2021. **Recommendation 42.**