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January 20, 2017

Hon. Charles Sousa  
Minister of Finance  
Frost Building South, 7<sup>th</sup> Floor  
7 Queen's Park Crescent  
Toronto ON M7A 1Y7

We are writing to provide you with the Council of Academic Hospitals' Budget Submission for the 2017 Ontario Budget.

The Council of Academic Hospitals of Ontario (CAHO) represents Ontario's 24 Research Hospitals which play a unique and vital role in the province's health care system. Collectively, we provide advanced patient care services, train the next generation of health care professionals, and conduct leading-edge research to discover tomorrow's care today.

Ontario's Research Hospitals are making the province healthier, wealthier, and smarter, and as you'll see in the attached submission, we have laid out important, but achievable recommendations that will improve the health of Ontario patients, support a robust health research enterprise, and support the government's transition to an innovation and knowledge-based economy.

We appreciate the opportunity to provide input on behalf of Ontario's Research Hospitals into the 2017 Budget and welcome the opportunity to brief you at your earliest convenience.

Sincerely,

A handwritten signature in black ink that reads 'K. Michell'.

Karen Michell  
Executive Director

The Council of Academic Hospitals of Ontario (CAHO) is pleased to provide you with recommendations for the 2017 Provincial Budget. Our members – the 24 research hospitals across Ontario – are the *research and development* arm of the health care system and with the right supports, will continue to maximize our hospitals’ ability to play a vital role in the the government’s goal of building an innovation and knowledge-driven economy in Ontario.

The last five years have been challenging for Ontario hospitals, but as a sector, we are proud that we were able to rise to the challenge and find new ways of doing things, while maintaining the quality and availability of services. However, while last year’s increased investment in hospitals was a welcome injection of financial support, it is critically important that there be a renewed commitment to properly funding hospitals, with further increases to the base funding in the upcoming year. This funding, while important to all hospitals in Ontario, is especially important for our research hospitals as it ensures that the unique, four-part mandate of our hospitals – provide advanced patient care services, train the next generation of health professionals, conduct cutting-edge research and build capacity as system connectors – is sustainable.

Notwithstanding the demanding fiscal climate in which the province and its hospitals find themselves, Ontario’s Research Hospitals continue to provide high quality care while also delivering on their broader mandate, and the fulfillment of this mandate is helping to make the province healthier, wealthier and smarter.

**A Healthier Province:** Ontarians want their families and the people that they love the most to live longer and to live better. Health research makes Ontario healthier through the discovery of better care and cures and treatments for the most pressing challenges – discovered here, tested here, and delivered here.

**A Wealthier Province:** Ontarians want more value for their health care dollar. Research conducted in Ontario’s research hospitals finds new methods of delivering more efficient patient care, but also generates economic benefits. Every dollar spent on health research generates nearly three dollars of economic output and supports 41,000 jobs.

**A Smarter Province:** Ontario’s research hospitals attract the best and brightest researchers and scientists from across the globe. Our hospitals are home to approximately 18,000 researchers and research staff and for Ontarians and patients in the health care system, this makes the system and the province work smarter.

*“Ontario should lead whenever possible and reap the benefits of discoveries.”*

– John Howse, patient at Sinai Health System

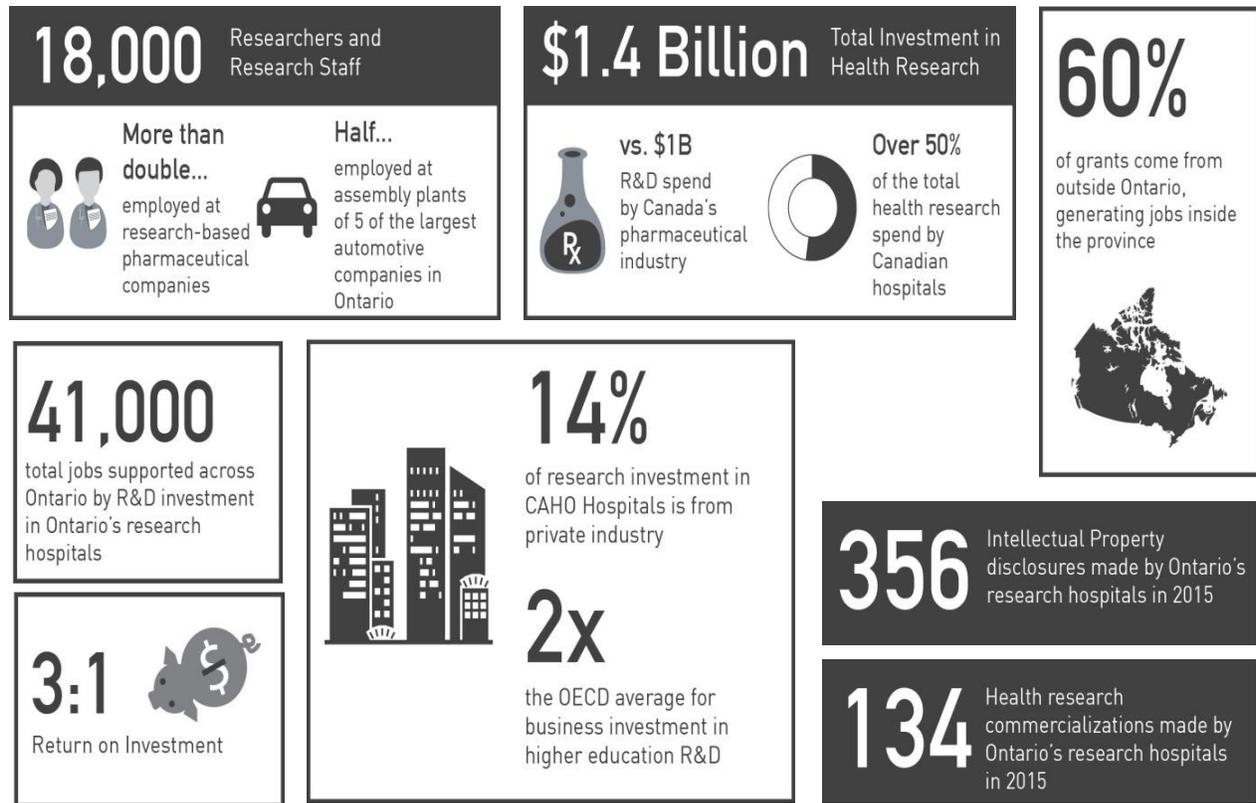
*“Health research allows us to do things that no one thought possible.”*

– Heather Harris, patient at The Ottawa Hospital

The Ontario government has, rightfully, made a commitment to the transition to an innovation and knowledge-based economy. The 2016 budget highlighted this as a key priority for the government. CAHO stands in full support of the government’s commitment – it is strategic, timely, and builds on the best of what Ontario has to offer its citizens and the world. And it is precisely this type of thinking that

should be brought to bear as the government considers its investments in the research hospitals. The economic impact of the CAHO health research enterprise in Ontario is clear:

### Contribution of Ontario's Research Hospitals to the Health Research Enterprise



At this point in time, the government has the opportunity to make the following commitments, each playing a part in supporting the government's broader goals of both a balanced provincial budget, and a healthier, wealthier and smarter province supporting a robust, innovative, knowledge-based economy.

### The Ontario Research Fund

The Ontario Research Fund (ORF) is Ontario's flagship R&D investment program for research infrastructure and research excellence and a key source of stability for the research enterprise. In the uncertain and challenging health research funding environment, ORF is the bright light for health researchers. It is a foundational program that reflects the Ontario government's support for a healthy research environment, providing investment for the most meritorious science, which allows researchers to attract even more funding from donors, other jurisdictions and industry. Furthermore, the structure of the fund, as a peer reviewed, untargeted fund, elicits the best research, and is the very reason it is seen as so valuable for the research enterprise in Ontario. For every dollar invested by the ORF in research projects, three dollars' worth is further invested in Ontario. Funding of ORF creates a solid platform of support and investment for research in Ontario, creating the possibility to grow from there, through other sources.

We are aware that the government is undertaking a review of the Ontario Research Fund. We will contribute to that review and are optimistic that the government will see that the ORF is already a well-structured Fund making a positive impact on Ontario’s research landscape.

**ORF supports significant septic shock discovery at The Ottawa Hospital**

*The ORF helped Dr. Duncan Stewart discover that **stem cells may be able to help treat septic shock**, a condition that currently results in death in approximately 30% of cases. Dr. Stewart has recently launched the **world’s first clinical trial** using stem cells as a treatment for septic shock.*

**ORF supports spillover effect in Ontario’s HIFU research community**

*High-intensity focused ultrasound (HIFU) can obliterate tumours without cutting the skin. \$3.5M of ORF funding helped Sunnybrook scientists discover that if it is used to treat uterine fibroids in women, Ontario could **save \$35M annually**. Building on that research with support from ORF, SickKids is using HIFU to study other treatments. Researchers have already found that by using the scalpel-free tech to treat bone tumours, Ontario could save additional money for the system. Last year, this technology put Ontario on the map when Sunnybrook scientists made a **world-first breakthrough**, delivering chemotherapy directly into a patient’s brain tumour by temporarily breaching the blood-brain-barrier.*

**CAHO Request: We encourage the government to maintain funding for the Ontario Research Fund at current levels, with an eye to increasing the investment in research as a portion of Gross Domestic Product, once the provincial budget is balanced. In addition, please engage CAHO and its members in the review of the ORF with the goal of keeping what is best about the Fund going forward.**

**The Health System Research Fund**

While CAHO recognizes that over the last many years, the government has had to make tough spending decisions, we were surprised and disappointed to see the “pause” of the Health System Research Fund (HSRF) last year. This fund, at a relatively small annual investment of \$12 million, was supporting critical research in the health sector which was aligned with the government’s key policy areas for health and health care. This funding has excellent potential, both as a tool to develop new and innovative ways of delivering health care in the province, but also as a tool to evaluate our existing practices to assess their efficacy. For example, previous HSRF-funded research at St. Michael’s Hospital on the use of diabetes test strips, led to annual system savings of \$24 million dollars – savings that can be reinvested in strategic health care priorities and patient care. This is precisely the reason to continue to invest in health research – the return on investment is invaluable both for the health of Ontarians and the sustainability of the health system.

### HSRF-supported research saves system over \$24M annually

*After researchers at St. Michael's Hospital found that frequent monitoring of blood glucose levels has little to no impact on diabetes management for certain populations, the Ontario government implemented an **evidence-based policy change that has saved the system \$24M annually** – savings that can be reinvested in strategic health care priorities and patient care.*

**“The best health care policy is based on sound evidence.”**

*– Dr. Paul Kurdyak, Medical Director, Performance Improvement at CAMH*

We are aware that there is significant restraint on government spending and on health care spending, specifically; however, health research is not a luxury and it must be considered for its value to make new discoveries today that lead to savings and better care, tomorrow.

**CAHO Request: We implore the government to re-instate the Health System Research Fund at \$12 million, annually, to support health system research which aligns with the government's policy priorities for the health system.**

### Adopting Research to Improve Care

The *Adopting Research to Improve Care* (ARTIC) program, delivered jointly through CAHO and Health Quality Ontario has a track record of success in spreading the use of evidence-based health care interventions. This program has already helped to accelerate the implementation and spread of evidence-based health care interventions. More Ontarians get access to better care, and the ARTIC model achieves this faster than ever before possible.

Traditionally, it takes up to 17 years for a new treatment or care intervention to become the standard across the health care system. The ARTIC model has reduced that timeframe to two years, meaning that the most modern ways of delivering health care – which is frequently more cost effective – is made available to patients faster than ever before. This is not only good for patients, but it is good for the system.

### ARTIC is helping to address opioid addiction across Ontario

*Mentoring, Education, and Clinical Tools for Addiction: Primary Care-Hospital Integration (METAPHI) was developed at Women's College Hospital by Dr. Meldon Kahan. META:PHI **integrates opioid and alcohol addiction care** by creating a pathway that allows patients to seamlessly transition from emergency department care to a rapid-access addiction clinic and primary care provider. With support from the ARTIC Program, META:PHI is **currently being spread to 7 sites across Ontario**.*

### ARTIC is helping to reduce unnecessary care in hospitals and family health teams in the GTA

*ARTIC is fast-tracking the spread and implementation of selected Choosing Wisely recommendations. As an early adopter of Choosing Wisely recommendations, North York General Hospital (NYGH) has reduced unnecessary tests and procedures while seeing an increase in patient satisfaction scores and **no decrease in patient outcomes**. Now through the ARTIC Program, NYGH is accelerating the adoption of selected Choosing Wisely recommendations across **5 hospitals and 6 family health teams** in the Greater Toronto Area*

Ontario's Patients First Action Plan is driving the transformation of the health system, which will require change management and knowledge transfer across the health care system, in order to get improved care to patients faster. The ARTIC model is perfectly positioned to facilitate the change – and this can be done in the Ministry's key priority areas, whether in home and community care, primary care, or otherwise.

While CAHO is grateful for the ARTIC investments to date, the funding is currently delivered year to year, with limited predictability for future funding. This means that the proven model to drive evidence-based change is not achieving its full potential for the system and for patients. It limits the ability of CAHO and HQO to issue calls for new projects and plan effectively for future programming. Without knowing what funding is available in future years, the opportunity to scale the program and expand is constrained.

The ARTIC program is a proven model that is getting the best care to patients faster, yet there is even greater potential for what it could do to spread evidence-based care across the province. Predictable, multi-year funding would make that possible.

**CAHO Request: Invest \$3 million, annually, in predictable, multi-year funding for the ARTIC program.**

### Hospital Funding

CAHO represents 24 of Ontario's more than 150 hospitals, each providing health care to its local community, and in the case of CAHO hospitals, often to patients from across the province. CAHO hospitals play a unique role in Ontario's health care system, including the ability to create system capacity to deliver more and better services. We are engines of invention and discovery, making a profound difference to patients and the economy. All Ontario hospitals have been supportive of the government's commitment to delivering the right care in the right place, at the right time, and worked in partnership with the government as it redirected limited resources from hospitals to investments in home and community care – this was the right thing to do, and the hospitals are proud of our ability to work in collaboration with the government to maintain care for our patients and continue to improve outcomes.

While the funding increases over the last year were welcomed by CAHO hospitals, hospitals are challenged to meet their mandates during a time of system restructuring and fiscal constraint. The time has come for new, substantial investments in hospitals across the province. CAHO stands with the Ontario Hospital Association in requesting that the government consider a significant increase in the investments made in our hospitals, in order to allow care to continue

to be provided when and where necessary in our health system. We encourage the government to determine a path forward to increase the investments in strategic focus areas today, while also supporting the foundations that will keep our health system sustainable for tomorrow and generations to come. Not only is this necessary for the system, it is the best way to ensure that the financial stability

“For many years, our hospitals have been the vanguard of innovative thinking when it comes to improving patient care. And you continue to lead the charge in spite of the challenges you've faced.”

– Hon. Eric Hoskins,  
Minister of Health and Long-Term Care

of our research hospitals is maintained, allowing them to continue the invaluable, groundbreaking work that is improving care for patients and having a positive economic impact on the province.

**CAHO Request: Commit to a further increase in hospital investment of 4.9% this year and 4.0% next year in line with the request from the Ontario Hospital Association.**

### Innovation Economy

As described above, Ontario’s Research Hospitals are on the forefront of health research, not only improving care patients and finding efficiency for the health system, but also having a positive impact on the economy in Ontario. CAHO supports the government in its laudable commitment to the transformation to a knowledge-based and innovation-driven economy in Ontario. The approach being taken with the Business Growth Initiative is an important next step for the province.

It is critical that the government recognize and include Research Hospitals as it plans for and supports the diversification of the province’s economic engine. Too often, Ontario’s hospitals are seen solely as a cost-driver on the provincial budget – but it is time that the research hospitals, specifically, be recognized for the value creation – 3:1 return on investment, 18,000 research-based jobs in our hospitals, the 134 health sector commercializations and 356 intellectual property disclosures in 2015 – that they provide for the province. Our 24 members are discovering the treatments and interventions that are helping Ontario patients to live longer and healthier lives. CAHO hospitals are using research to evaluate the efficacy of current treatments, to ensure that we are getting the most value for the money invested, and these findings are being used by the government to make appropriate choices about what to invest in, and what to cease funding, in order to redirect limited resources to front-line care. And finally, research hospitals are drawing and attracting the kind of talent that will allow Ontario to continue to be on the forefront of scientific and health research in Canada and beyond. It is essential that as the province moves forward with making strategic investment decisions to drive the innovation-based economy, that research hospitals be included in this diversification – there is too much opportunity at risk to do otherwise.

*“In ten years, we can only imagine the ripple effect that Hamilton’s research enterprise will have on the diversity of our economy.”*

*– Fred Eisenberger, Mayor of the City of Hamilton*

*“We’re training the next generation of innovative thinkers who are going to help drive the innovation economy broadly.”*

*– Dr. Janet Rossant, Scientist at SickKids, Companion to the Order of Canada*

**CAHO Request: Include the province’s 24 Research Hospitals as a key sector and Innovation Cluster, able to deliver on the government’s commitment to the transformation to a knowledge-based innovation economy, now and into the future.**

## Conclusion

CAHO is grateful for the government's clear and continued commitment to improving the health system, while making it sustainable for generations to come. The expansion of availability of primary care providers, the focus on enhancing and supporting the home and community care sector, and the encouragement of hospitals to be efficient and financially sustainable is both needed and welcome. But, it is also important that the government recognize the value of continued and new investments in the health research enterprise and a renewed commitment to investing appropriately in the important care provided by Ontario's hospitals.

Ontario's Research Hospitals are working to make the province healthier, wealthier, and smarter. Health research is not a luxury. It is the foundational work that allows health system decision-makers to make informed decisions about the system, and make discoveries that will improve care for the patients of both today and tomorrow. Our recommendations will collectively allow Ontario to continue to play its leadership role both in the creation of the best, most patient-centred and sustainable health system, and in the cultivation, use, and delivery of the best health research in the world. There is too much at stake to do otherwise.