

**Brief to the Standing
Committee on Finance**

**PRE-BUDGET
CONSULTATIONS**

28 October 2003



**CANADIAN NURSES ASSOCIATION
ASSOCIATION DES INFIRMIÈRES ET INFIRMIERS DU CANADA**

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Preface

The Canadian Nurses Association (CNA) is a federation of 11 provincial and territorial professional nurses associations representing more than 117,000 registered nurses. CNA's mandate is to contribute to the health of Canadians by supporting quality nursing care in the interest of the public.

Canadians' standard of living is closely tied to the country's economic well being. CNA believes our productivity as a country and as individuals benefits from all elements of society, particularly a strong health system.

The health system fosters innovation and technological development, creates jobs and reduces absenteeism and injury in the general population. It is the basis for building and maintaining a viable workforce, the human capital of the Canadian economy.

Executive Summary

Canada's standard of living is closely tied to the country's economic well-being. CNA believes our productivity as a country and as individuals benefits from all elements of society, particularly a strong health system.

The health system fosters innovation and technological development, reduces absenteeism and injury and creates jobs. This brief speaks to the links between the health system and economic development.

The health system must be invigorated to maintain Canadian leadership in the global economy. Investments are most needed in building and maintaining a viable workplace, including the recruitment of new health professionals, the promotion of innovation, the strengthening of research and the improvement of the health system's capacity to participate in, and contribute to, the country's prosperity and productivity. These investments will make Canada competitive internationally.

The federal government must commit to

- **A National Recruitment and Retention Strategy that increases enrolment in nursing schools, provides opportunities for clinical training experience, funds post-graduate degrees and improves the linkage between health, education and immigration policies.**

In particular, a commitment is needed to

- **Enhance the capacity of nursing to participate in clinical research by providing 2,500 new seats for master's students, 300 new PhD seats, as well as graduate fellowships.**
- **Improve working conditions by implementing the Advisory Committee on Health Human Resources 51 recommendations to repair the damage done to nursing through a decade of health care reform and restructuring.**
- **Create the infrastructure to facilitate the integration into the Canadian workforce of nurses and other professionals educated in other countries. As a first step, CNA is asking the federal government to commit \$1.1 million dollars to fund the development and implementation of an assessment instrument to help individual nurses from other countries make informed decision about their readiness to become registered nurses in Canada.**
- **Invest in health outcomes research related to productivity; organization of human resources, including health care delivery models, skills mix and team structure; and measuring the effectiveness of interventions.**
- **Amend the *Income Tax Act* to broaden qualifying criteria for the Education Tax Credit.**
- **Encourage the implementation of work site health management plans in all workplaces.**

The federal government must strengthen the public health infrastructure through additional investments in health human resources and increase its commitment to reach \$700 million per annum by 2007 at the earliest.

The federal government must ensure substantive and ongoing commitment to:

- **A national home care strategy;**
- **A national pharmacare strategy; and**
- **A national palliative care strategy.**

Getting the Best Return on Human Capital in the Canadian Economy

For nurses, as for most Canadians, investments in the health system are the priority.¹ Canadian nurses know that the health system plays a critical role in ensuring the best foundation for Canada to develop as a global leader. The health system must continue to be invigorated to maintain a strong economy. Investments are most needed in building and maintaining a viable workforce, the promotion and the strengthening of health research and building the capacity to protect public health. These investments will make Canada competitive with its international partners.

Human capital is widely recognized as the key ingredient of productivity and innovation in a knowledge-based economy (Lowe, 2003). There is a growing awareness that trends from the past decade such as work intensification, organization restructuring, work-family life imbalance are negatively impacting on Canada's economy (Lowe, 2003). Add to this, the growing costs of prescription drugs and disability claims, hospitalization and related medical services, absenteeism and low morale resulting from stressful working conditions and government must be concerned with the negative impact on business and the economy as a whole (Lowe, 2003).

Today's reality sees an interdependence of government, economic and social sectors with an increasing reliance on the capabilities of the human capital.

Ensuring a Viable Workforce

Much of Canada's public policy framework is based on the principle that productivity improvements are a means to increase the quality of living standards and life. There is a connection between healthy work environments and Canada's success in a global, knowledge-based economy. Evidence points to causal links between working conditions, interventions designed to create healthier workplaces, employee health and firm-level productivity (Lowe, 2003). Job-related deaths from injury, disease and illnesses amount to \$65 billion US in direct costs and \$106 billion US in indirect costs in 1992. The biggest direct costs are medical while the biggest indirect costs are lost earnings (Lowe, 2003). Initiatives such as comprehensive workplace wellness programs deliver impressive cost savings and positively impact productivity. Thus, it is a matter of economic importance for employers to assure occupational health and safety and workplace wellness.

Recently, both the *Globe and Mail* and the *National Post* reported more Canadian employers are offering health and wellness programs as well as flexible work hours as part of their efforts to increase productivity and to retain employees. Mercer Human Resources Consulting Firm's *2003 Policies and Practices Survey* of 206 Canadian organizations found that 40.3 per cent of companies surveyed offer employee wellness programs, up from 34 per cent in 2001.

¹ See for example the public opinion survey results contained in the annual *Health Care in Canada* reports published by the Pollara Polling Company. See as well Communication Canada's spring 2002 *Listening to Canadians Communications Survey*, which surveyed more than five thousand Canadians between April 25 and May 13, 2002. This survey found that 93 per cent of those surveyed gave health care "high priority." This is the highest interest rating of any issue – ahead of national security in the wake of the September 11 terrorist attacks in the United States, unemployment, the state of the economy, taxation, public debt or any other public policy issue. To read the survey results visit http://www.communication.gc.ca/surveys/comm_survey_spring2002.pdf.

- **The Canadian Nurses Association believes that all employers should be encouraged to implement work site disease management.** This innovative approach to delivering health services, is based on the underlying principles of easier access to health care, more frequent monitoring of lifestyle modifications and increased awareness of health risks. Benefits include better management of chronic conditions, as well as the reduction of related long-term complications, increased productivity and job satisfaction, reduced medical and disability costs, reduced absenteeism, better employee recruitment and retention and overall a better corporate image.

The Role of Nurses in Increasing Canada's Productivity

Nurses provide front-line health assessments and personal or family health counseling. Registered nurses (RN) work in a wide range of settings such as crisis care, palliative care and community care. In addition, nurses do research in universities. Although the majority of RNs work in hospitals, the number employed in community health is gradually increasing. The public health nurse's primary role is to ensure health promotion, illness prevention and health protection. Occupational health nurses provide integrated occupational health and safety to employers and employees. They work with large employers, pharmaceutical manufacturers, health insurers and retail chains to help individuals, customers and employees stay healthier and minimize the detrimental effects of injuries and illness. They can assist in managing job suitability with potential task modifications and address accommodating the worker with a modified work program if necessary.

A nurse practitioner can order and assess the results of laboratory tests, X-rays and ultrasounds. If and when appropriate, they can prescribe a range of medications according to established and approved protocols. Nurse practitioners work both autonomously and in collaboration with other health professionals. Research confirms that nurse practitioners improve the public's access to high-quality care at a cost savings to the system. Nurse practitioners are particularly cost-effective in preventive care with their expertise in counseling, patient education and care management. Employing a nurse practitioner in a managed care environment could save 20 per cent of the cost of primary care (Mundinger, 1994).

Occupational nursing interventions lead to reductions of Workplace Safety Insurance and Long Term Disability Assessments Insurance premiums.

“Although the impact of nursing on health consumer outcomes is a relatively new field of study in Canada, research is emerging that establishes a relationship between an appropriate level of nursing resources and better health outcomes. Indeed, nursing shortages have been linked to increases in patient complications, which can lead to longer lengths of stay in hospitals. In addition, health care consumers and providers of health care services point to a shortage of nursing resources and the detrimental effects this have on the health and well-being of patients and their families”. (Nursing Task Force, 1999)

Today's pressure for hospitals to control costs make it all the more important to recognize the value nursing care brings in the form of shortening hospital stays and ensuring an effective return to work for Canadians. Research shows that, all else being equal, substantial decreases in mortality rates of patients resulted from increasing the numbers of RN staff (Aiken, Clarke, Sloane, Sochalski, & Silber, 2002).

Nursing staff levels are a determinant of the quality of nursing care and patient outcomes. Adequate nursing presence provides a more positive contribution to ensuring a viable workforce and minimizing the length of absence from work. For example, the increase of one hour worked by RNs per patient day is associated with an 8.9 per cent decrease in the odds of pneumonia. Patients, who get pneumonia, have a greater probability of death during hospitalization (Cho, Ketefian, Barkauskas, & Smith, 2003).

“A readily accessible, well-funded health system enables Canadians to be treated and return to work quickly following illness or accident as productive members of society. This also minimizes the direct costs in terms of drawing disability insurance and other publicly funded programs. As well, quick return to work reduces the burden placed on family and others who provide convalescent and informal care. Currently, the cost of the care provided by family, informal care workers, and volunteers is large and unaccounted for. For example, the care provided by parents of disabled children, has a significant impact on their ability to be productive members of the workforce.” (Health Action Lobby, 1999, p. 8)

The Challenges

Human resources are the engine of the health system. In fact, the sustainability of the health system depends on investments in recruitment and retention of professionals and other workers. In the last decade, the health workforce has been cut back and largely forgotten. This is particularly the case in public health.

The lack of permanent staffing has led to increasing numbers of nurses working for multiple employers, often in different settings such as home care, long-term care and acute care. The SARS issue highlighted this phenomenon and its implications. During the SARS outbreak, working in more than one site in the Toronto area was disallowed. This constrained the numbers of nurses available at individual sites. The challenge of staffing both public health and acute care facilities was further complicated by the quarantining of nurses and other health professionals.

The retention and recruitment of nurses is a major challenge from one end of the country to the other. Almost half of the current nurse workforce will be retiring in the next decade. **A National Recruitment and Retention Strategy that includes increasing enrolment in nursing schools, providing opportunities for clinical training and improving the linkage between health, education and immigration policies is critically needed. The strategy must also include investments to enhance the capacity of nursing to participate in clinical research. This will require scholarships and fellowships for post-graduate education and research work. In particular, CNA recommends 2,500 new seats for master's students, 300 new PhD seats, as well as graduate fellowships. The costs associated with this strategy are \$170 million over the first two years and \$100 million per year thereafter.**

Quality workplaces are recognized as essential not only to promote the well-being of workers but also to provide effective retention strategies in a time of shortages. There is also increasing evidence to suggest that, in the area of nursing, workplace factors can, and do, affect patient outcomes. Improving working conditions for nurses is critical to retaining and attracting the right number of resources to meet the need. **The Canadian Nursing Advisory Committee prepared a report in 2002 outlining 51 recommendations to repair the damage done to nursing through a decade of health care reform and restructuring. We recommend the implementation of these recommendations.**

Immigration

Immigration is a recognized strategy to ensure sufficient levels of knowledge workers in the health sciences. In 2002, more than 4,400 international nursing graduates applied for licensure in Canada. To obtain a license, nurses must meet certain requirements. They must have graduated with specific competencies, from an approved school of nursing. They must also meet language requirements and be in good standing with their licensing country. Having met these requirements, internationally educated nurses must pass the Canadian national nursing licensing examination.

There are many benefits to attracting a diverse workforce. **It is recommended that the federal government create the necessary infrastructure to facilitate the integration into the Canadian workforce of nurses and other professionals educated in other countries. As a first step, CNA is asking the federal government to commit \$1.1 million dollars to fund the**

development and implementation of an assessment instrument to help individual nurses from other countries make informed decisions about their readiness to become RNs in Canada. Potential immigrants should be able to access information on the regulatory framework for nursing in Canada, as well as educational upgrades, online courses and self-assessment tests.

The Need for Health Human Resources (HHR) Research

In every province, in the last few years, there have been changes to the structure and functioning of the health system. The changes include regionalization of decision-making, elimination of management positions, re-organization of work units into multi-disciplinary teams, the introduction of information technology and cuts to staff. Little is known about the impacts on the health of patients due to any of these changes.

What is known is that RNs work about one quarter of a million hours of overtime every week. That is the equivalent of 7,000 full-time jobs per year. The long hours and the intensity of the work are taking its toll, in terms of absenteeism and recruitment of new nurses.

Information is needed to support decision and staffing patterns and to determine appropriate workloads. **CNA recommends that the federal government invest in research on health outcomes related to productivity, organization of human resources, including health care delivery models, skills mix and team structure, as well as research to measure the effectiveness of interventions. These investments would be done within the context of the government's Innovation Strategy.**

Continuing Education and Lifelong Learning

The federal government is committed to position Canada as a world leader in fields such as health sciences. To do this requires that every worker in the health system be supported in maintaining and upgrading their knowledge. Measures need to be implemented to assure continuing education support for nurses.

This can be accomplished in part by amending the *Income Tax Act* to broaden qualifying criteria for the Education Tax Credit. The primary reason for the Education Tax credit is to assist students in their pursuit of lifelong learning. The current legislation denies tax deductions to those who pursue professional development education during a period in which they are employed in that profession. This means that individuals wishing to improve their knowledge and skills in their chosen field of work do not qualify for the credit. (This restriction does not apply if the student is self-employed.) This is inconsistent with the government's goal of encouraging life-long learning. It is recommended that an Education Tax Credit applicable to continuing education in the field of endeavour be implemented for all professions.

Assuring a Responsive Health System

The health system is built on the value that financial barriers should not prevent people from accessing the necessary health services. Commitments have been made in previous budgets that have yet to see the light of day. **Renewed commitments are needed to sustain services such as home care, palliative care and pharmacare.**

Strengthening the Public Health Infrastructure

A strong public health system is increasingly important for Canada. It is the public health system that identifies and tracks SARS and the West Nile Virus. It is also the public health system that was put on high alert following the September 11th attacks. The public health system monitors and manages many community based illness-prevention programs including water and sewage treatment services, immunization initiatives, school health, programs for seniors as well as new mothers.

Canada's population health statistics speak to the crumbling of the public health system. Increasing levels of obesity in both adults and children, faltering infant mortality rates relative to other developed and developing countries, growing incidence of unintentional injuries and high rates of diabetes among Aboriginal Peoples are examples of situations reflective of the absence of effective public health policies.

As is evident from the water contamination in Newfoundland, Walkerton (Ontario), North Battleford (Saskatchewan) and elsewhere, Canada's public health system must be able to deal with these important, and often tragic, events. **CNA recommends that the federal government strengthen the public health infrastructure, as was recently recommended in the report from the Advisory Committee on SARS and Public Health (led by David Naylor). In particular, CNA recommends increased investments in surveillance, research, emergency preparedness and human resources in public health. CNA believes a good starting point is an immediate investment in a national immunization program.**

Conclusion

The 2003/4 federal budget provides an opportunity to make and continue to support changes to the health system.

As a priority, investments are needed in the health workforce. These investments will address shortages, lifelong learning, capacity building and working conditions. The federal government's roles related to a national health human resource strategy are linked to its interest in research, as well as its responsibility for the economic viability of the country and the prosperity of its people.

The second area of investment is in the structure of the health system; the public health services need to be strengthened to better address the challenges of the 21st century.

The recommendations proposed are the right thing to do. They reflect yet another demand on the public purse; however, the cost of not implementing them will damage the Canadian economy.

Summary of Recommendations

The federal government must commit to:

- **A National Recruitment and Retention Strategy that increases enrolment in nursing schools, provides opportunities for clinical training experience, funds post-graduate degrees and improves the linkage between health, education and immigration policies.**

In particular, a commitment is needed to

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