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Opening Statement

House of Commons Standing Committee on Finance

Motion 315 (Income Inequality)

Dr. Anna Reid
President
Canadian Medical Association
Ottawa
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1867, prom. Alta Vista Dr., Ottawa ON K1G 3Y6
(613) 731-9331 • 1 800 267-9703
Fax/Télec. : (613) 731-1755 • www.cma.ca

Good morning. I am very pleased to bring the Canadian Medical Association's perspective on income inequality to your committee.

You may wonder why the CMA – representing over 78,000 physician-members – is concerned about income inequality.

Every day, pouring through the doors of our clinics and hospitals, come patients with maladies of every kind. Some health outcome, 25 per cent, are a result of genetics or biological makeup. The health care system accounts for another 25 per cent of outcomes.

Having a much greater impact are factors such as the state of a person's housing, whether they get enough to eat, how educated they are, what kind of experiences they had in their early childhood. These social determinants of health, in fact, account for 50 per cent of health outcomes, and the most influential of these determinants is income.

If you are rich in Canada, you will be healthier than if you are poor. The poor experience higher rates of suicide, disability, mental illness, cancer and heart disease and chronic illness such as diabetes.

The poor are 1.9 times more likely to be hospitalized.

The poor are three times less likely to fill prescriptions, and 60% less able to get needed tests because of cost.

The poor live shorter lives.

Poverty in childhood can be a greater predictor of cardiovascular disease and diabetes in adults than later life circumstances and behavioural choices.

There is a cost to this disparity.

The poor tend to consume more health care services than those of higher socio-economic status. According to one estimate, about 20% of total health care spending in Canada can be attributed to income disparities alone (Health Disparities Task Group, 2005).

A study done by the Saskatoon Poverty Reduction Partnership in 2011 found that over the course of a year low-income residents consumed \$179 million more in health care costs than middle-income earners.

Economics are important, but so too are fairness, dignity and compassion.

Canada's doctors are concerned that as a nation we are not doing enough to address these factors. Among our recommendations, we suggest that as federal departments develop new policies, they put them through the test of a Health Impact Assessment to evaluate the potential effects on the health of Canadians.

Under such a process, greater scrutiny might have been accorded to changes to the qualifying age for Old Age Security and to new rules for Employment Insurance, both of which will have far reaching consequences on incomes for some people.

Every action that has a negative effect on health will lead to more costs to society down the road.

But it's not just about what doctors think. The CMA is conducting a series of public town halls asking Canadians about how the social and economic conditions of their communities affect their health. From Winnipeg, to Hamilton to Charlottetown, as well as online, we are hearing how low incomes are undermining Canadians' health.

This public response is not surprising. According to the Conference Board of Canada, more than one in seven children in Canada live in poverty. Let there be no doubt: This poverty will limit the ability of these children to live lives that are as long and healthy as children who come from wealthier families.

Success in ameliorating seniors' poverty is acknowledged as a great policy achievement in Canada. Building on that success, the federal government should explore and establish programs that eliminate poverty for *all* Canadians.

In conclusion, the CMA commends this committee for studying this important issue.

Income inequality matters to physicians because it translates to health inequality, which runs counter to everything we have been taught to believe. It is worth noting that countries reporting the highest population health status are those with the

greatest income equality, not the greatest wealth. Canada is a wealthy country and there is no reason why it cannot have greater income equality, too.

Greater income equality can reduce the burden of disease in Canada, lessen pressure on our health care system, and help ensure that every Canadian has a chance to be a productive, contributing *and healthy* member of society.

Canada's physicians believe every Canadian deserves a chance to live healthy lives and I believe that how well we are able to achieve health equity for our citizens should be a measure of the humanity and soul of our nation.

Thank you.