

Department of Finance consultation on draft tax proposals
Submission to consultation-legislation@fin.gc.ca
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Diabetes Canada is pleased to have the opportunity to provide comments on the draft tax proposals pertaining to the Disability Tax Credit (DTC) for Canadians living with type 1 diabetes under the category 'Life-Sustaining Therapy'. Feedback relates most specifically to the proposed replacements **22 (1)(2)(3)**.

Diabetes Canada is the registered national charitable organization that is making the invisible epidemic of diabetes visible and urgent. Diabetes Canada partners with Canadians to End Diabetes through educational programs and support services; resources for health-care professionals on best practices to care for people with diabetes; advocacy to governments, schools, and workplaces; and funding world-leading Canadian research to improve treatments and find a cure.

Type 1 diabetes is a complex condition that imposes a multitude of daily demands on a person related to preparing and administering the required doses of life-sustaining insulin. Type 1 diabetes is an incurable chronic auto-immune condition affecting nearly 400,000 Canadians. Usually beginning in childhood or young adulthood, the person's immune system unexpectedly destroys the cells that produce insulin – a hormone we all rely on to live – giving that person type 1 diabetes. Administering insulin by multiple daily injections or insulin pump becomes *life-sustaining therapy* for the rest of their lives.

To determine a dose of insulin, people with type 1 diabetes must problem-solve, make numerous decisions and undertake many activities, including consult regularly with their diabetes specialist(s); check blood sugar six or more times a day; maintain a record of the blood sugar levels and with that identify trends requiring alterations to treatment; make complex calculations accounting for such things as what time of day it is, the amount and type of food they are eating, the activity or exercise they plan to do in the coming hours, how much stress they are under and whether they are fighting a cold or flu. All of these factors can affect blood sugar levels. They do this multiple times a day. Many of these activities are not easily quantified and/or not permitted to be counted towards the 14 hours/week eligibility criteria.

Studies have found it can take people living with type 1 diabetes up to 600 tasks¹ *each day* to inform the dose and to administer insulin. They do this to reduce the risk of life-threatening short and long-term complications.

People with type 1 diabetes work to maintain their blood sugar levels within a target range and are at constant risk of dangerously high blood sugar, which can over time lead to serious, life-threatening complications, such as heart attack, stroke, kidney failure, blindness and amputation. Also, low blood sugar can lead to coma or death if not treated promptly with fast-acting sugar and time to recuperate before resuming regular activity.

The cost of managing type 1 diabetes is significant and increasing. Those using insulin pumps and continuous glucose monitoring systems may face out-of-pocket costs of more than \$15,000 per year. Even for Canadians who are eligible for public coverage or have employer-sponsored health insurance have significant out-of-pocket costs for the medication, devices and supplies required to manage this life-long condition. Studies show that these costs adversely affect the ability of some people to follow their prescribed treatment, resulting in increased risk of developing one or more of the serious complications and thereby exacerbating the impact of the condition on the individual, their family, community, employer, and Canada's health-care system.

The DTC helps offset costs and enables Canadians with type 1 diabetes to manage their condition. However, there are many challenges related to accessing the DTC for Canadians living with type 1 diabetes, including public awareness of its availability, confusion around the limited activities that can be included in the required 14 hours/week, how these activities are to be demonstrated (or proved) to the Canada Revenue Agency (CRA), the demands on medical practitioners to submit follow-up questionnaires, and so on. Notably, diabetes is a condition that is primarily managed by the individual and not within the health-care system. As a result, many eligible Canadians with type 1 diabetes are denied access to the DTC.

While the proposed amendments appear to enhance the opportunity for Canadians with type 1 diabetes to qualify for the DTC, Diabetes Canada anticipates many Canadians with type 1 diabetes will continue to face the many existing challenges to be approved for the DTC. We are also very concerned that the CRA will come to implement a narrow interpretation of these proposed legislative changes which would be contrary to the spirit of the proposed changes.

To ensure appropriate and fair access to the DTC for Canadians requiring life-sustaining therapy, **Diabetes Canada recommends the CRA approve all**

¹ <https://www.ncbi.nlm.nih.gov/pubmed/19820281>

applications from Canadians with type 1 diabetes upon receipt of a completed T2201 *Disability Tax Form* certified by a medical practitioner.

Diabetes Canada looks forward to the opportunity to work with the Department of Finance and the CRA in the weeks ahead to implement the expanded eligibility criteria in a manner that is fair and makes the DTC more accessible to Canadians who need it most.

Attachment: A Day in the Life of a Person with Type 1 Diabetes

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