Diabetes Canada 2018 Pre-Budget Submission:
90-90-90 - Measurable change and improved productivity by 2021

To the House of Commons Standing Committee on Finance

August 4, 2017

Executive Summary

Today, nearly one third of Canadians are living with diabetes or prediabetes. The increasing prevalence of diabetes and its complications pose a serious and growing burden on individual Canadians, Canada's publicly funded health care system, and our economy.

In order to help Canadians be more productive and to support Canada's global competitiveness, as well as to alleviate the burden of diabetes on Canadians and reduce cost pressures on our health care system, Diabetes Canada recommends that the federal government:

1. Adopt a Canadian Strategy for Diabetes Prevention and Management and 90-90-90 target for diabetes by 2021.
2. Implement the government's Healthy Eating Strategy and strengthen it with the introduction of a levy on sugar-sweetened beverages.
3. Ensure fairness in access to the Disability Tax Credit and Registered Disability Savings Plan for Canadians living with type 1 diabetes.

Introduction

Eleven million Canadians – one in three of us - have diabetes or prediabetes. Every three minutes, another Canadian is diagnosed with diabetes. Within the next 10 years, both prevalence and direct healthcare costs of diabetes are projected to grow by over 40%. By 2026, an estimated 14 million Canadians will be living with diabetes at a cost of $5 billion to the public health care system.[i]

It is urgent that we act now to turn the tide of this growing epidemic.

Both the prevalence of diabetes and its complications are disproportionately higher among lower-income earners and Indigenous communities. Diabetes rates are 3–5 times higher in First Nations than in the general population. Other populations that are at higher risk of type 2

1400 – 522 University Avenue, Toronto, ON, M5G 2R5
Call us: 1-800-BANTING (226-8464)
Diabetes.ca

DIABETES CANADA

diabetes include those of Asian, South Asian, African, and Hispanic descent, and those who are overweight or older. Canadians are aging; for the first time in history, the number of adults aged 65 years and older exceeds the number of children. And given that as of 2011 more than 20% of Canada's population was foreign-born, these at-risk groups represent a growing portion of our population.

Diabetes places a serious financial burden on those living with the disease. Out of pocket costs to manage diabetes can be as much as $4,900 per year. These costs prevent a quarter of Canadians from adhering to their prescribed treatment, at significant short- and long-term cost to our economy.

Diabetes causes severe complications. Specifically, in Canada people with diabetes account for:

- 30% of strokes
- 40% of heart attacks
- 50% of dialysis cases due to kidney failure
- 70% of non-traumatic amputations

In addition, diabetes is a leading cause of blindness and is associated with depression – 30% of people with diabetes have depressive symptoms, and individuals with depression have a 60% increased risk of developing type 2 diabetes.[ii]

Diabetes complications are associated with premature death. Diabetes reduces lifespan by 5–15 years. It is estimated that one in ten deaths of Canadian adults was attributable to diabetes in 2008–2009.[iii]

Consequences for Canada's Productivity and Competitiveness

Within the next decade in Canada, the cost of diabetes associated with lost productivity will be nearly $14 *billion* per annum.[iv] Diabetes Canada's *Driving Change* report estimates that, by 2025, the cost of diabetes will be $5 billion in Canada, with $228 million of that made up of indirect costs.[1] These numbers, however, significantly underestimate the indirect costs of premature

[1] These costs represent the loss of economic output arising from either illness (morbidity costs) or premature death (mortality costs) attributable to diabetes.

1400 – 522 University Avenue, Toronto, ON, M5G 2R5
Call us: 1-800-BANTING (226-8464)
Diabetes.ca

death and unemployment due to diabetes because of a change in Health Canada methodologies for quantifying the cost of diabetes in Canada.[v]

The costs to Canadian employers are equally troubling. Employees with type 2 diabetes cost employers an estimated $1,500 annually per employee due to reduced productivity and missed work. [vi] Drug plan spending for employees treating type 2 diabetes is four times the amount for all other claimants,[vii] and for employees who must take disability leave because of their diabetes, the leaves are on average 15% longer in duration, and many of these employees remain on disability for the maximum benefit period or until death. [viii]

An additional consequence of diabetes on the labour pool in Canada primarily affects small and medium sized businesses (SMEs), which are a main engine of economic growth for Canada's economy. Many SMEs are not able to offer the same level of group health benefits as Canada's larger employers, and as a result, their ability to access the full spectrum of talent in the workforce is restricted. Employees with diabetes rely so heavily on group health benefits to manage their disease that they necessarily limit their employment prospects, and contributions, to those that can offer these benefits, thereby indirectly disadvantaging Canada's SMEs.

If Canada can reduce the incidence and the effects of the disease, we can increase the amount of productive working time of those living with diabetes or prediabetes, mitigate the direct health costs of the disease and contribute to the competitiveness of Canada's economy. Diabetes Canada's focus for this submission is on working toward those goals.

Recommendations for the 2018 federal budget

Recommendation #1: Adopt a Canadian Strategy for Diabetes Prevention and Management and 90-90-90 target for diabetes by 2021.

Diabetes Canada calls upon the federal government to immediately adopt a Canadian Strategy for Diabetes aimed at achieving measurable improvements in the prevention and treatment of diabetes and reducing the burden of it on Canadians. Such strategies are recommended by the World Health Organization, and are in place in Canada for other conditions including cancer and mental health. This strategy would improve Canadians' access to preventive environments and programs, as well as medications, devices and other supports to better manage their disease. The federal government should take a leadership role in convening all levels of government in Canada to support this Strategy so that Canadians can benefit from truly coordinated activity.

1400 – 522 University Avenue, Toronto, ON, M5G 2R5
Call us: 1-800-BANTING (226-8464)
Diabetes.ca

As part of this Strategy, the government should embrace the goal that, by 2021, to mark the 100th anniversary of the discovery of insulin by Canadians, Canada will be a world leader in diabetes prevention, treatment and research. Specifically, Canada should adopt a "90-90-90" target for diabetes such that, by 2021 90% of those at risk of or living with diabetes will be aware of their status, 90% of those will be receiving treatment and 90% of those will have improving health. Such a target has been used with great success to address the HIV/AIDS epidemic, and consequently is being considered for other communicable diseases.

For 2018, Diabetes Canada requests that the necessary funds be dedicated to developing this Strategy, such that a more precise approach to implementation and evaluation can be made. The costs of developing and implementing this Strategy could be offset by the introduction of the proposed levy on sugar-sweetened beverages.

Recommendation #2: Implement the government's proposed Healthy Eating Strategy and strengthen it with the implementation of a levy on sugar-sweetened beverages.

Diabetes Canada commends the government on the framework of its Healthy Eating Strategy, specifically revision to the Canada Food Guide, legislation to restrict marketing to children, front of package labeling and an educational campaign to reduce consumption of sugar-sweetened beverages (SSBs). Many studies have linked excessive consumption of SSBs to an increased risk of overweight, obesity and type 2 diabetes.

Diabetes Canada recommends that the government strengthen the impact of its Healthy Eating Strategy with the implementation of a levy on SSBs. This levy, which should be applied to SSB manufacturers, can go a long way towards preventing type 2 diabetes by helping Canadians limit consumption. We know from other jurisdictions that such levies are both effective revenue sources and health interventions, as they cause a significant reduction in consumption of SSBs. For example, since Mexico introduced its SSB levy in 2014, consumption of these drinks dropped 12% within one year.

At current rates of consumption, the estimated economic burden of sugary drink consumption in Canada will be over $50 billion in direct health care costs over the next 25 years. However, a 20% levy on sugary drinks could prevent an estimated 700,000 cases of overweight and obesity, 200,000 cases of type 2 diabetes, postpone 13,000 deaths and avert almost 500,000 Disability

DIABETES CANADA

Adjusted Life Years. Collectively, there would be almost $7.3 billion in health care savings over these 25 years.

A sugary drink levy enables individuals to experience more quality productive years in the workforce and could generate over $43.6 billion over 25 years ($1.7 billion/annum) in federal revenue.

Thus, the combined health care savings and revenue from a 20% SSB levy is estimated at $55 billion over 25 years[ix] - a valuable source of funding for Canada's health system which could be devoted to health promotion programs, in particular programs dedicated to prevention and management of diabetes.

Recommendation #3: Ensure fairness in access to the Disability Tax Credit and Registered Disability Savings Plan for Canadians living with type 1 diabetes.

Depending on individual circumstances, the estimated out-of-pocket financial burden for someone with type 1 diabetes is up to $15,000 per year. An important tool for many in managing these costs is the Disability Tax Credit (DTC). Some persons with diabetes have been approved for the DTC and found relief from these unavoidable expenses via the DTC, but feedback from stakeholders suggests that the current process for approvals is subjective and inconsistently applied. Diabetes Canada is currently undertaking research to quantify the number of Canadians impacted by this inconsistency.

For this reason and in keeping with the Government of Canada's decision to simplify and ensure fairness in the tax code, Diabetes Canada advocates that all people with type 1 diabetes, who require insulin as a life-sustaining therapy, be deemed eligible for the DTC. At a minimum, Diabetes Canada asks that if persons with type 1 diabetes (all of whom currently cannot ever be cured of this disease) are deemed ineligible for the DTC after their 18th birthday, they be allowed to retain contributions made to a Registered Disability Savings Plan (RDSP), including any contributions made by the government during their eligible period.

Conclusion

These recommendations represent Diabetes Canada's priorities for federal investments in 2018 to slow the pace of this epidemic and meaningfully improve the lives of the 11 million Canadians at risk of or living with diabetes. These same investments will improve the productivity of

Canadians by maximizing the ability of those with diabetes to work and contribute to Canada's economy, thereby improving Canada's global competitiveness.

About Diabetes Canada

Diabetes Canada is a registered charity that helps the 11 million Canadians living with diabetes or prediabetes. We lead the fight against diabetes by helping those affected by diabetes to live healthy lives, preventing the onset and consequences of diabetes, and investing in research toward discovering a cure.

Our Diabetes Charter for Canada sets out a vision that all Canadians with diabetes have the supports needed to achieve their full health potential.[x]

References

[i] Diabetes Canada, 2015 Report on Diabetes: Driving Change. Toronto, ON: Diabetes Canada; 2015. Available from http://www.diabetes.ca/publications-newsletters/advocacy-reports/2015-report-on-diabetes-driving-change

[ii] Diabetes Canada Clinical Practice Guidelines Expert Committee. (2013). Diabetes Canada 2013 Clinical Practice Guidelines for the Prevention and Management of Diabetes in Canada. *Can J Diabetes*, 37 (suppl 1).

[iii] Public Health Agency of Canada. (2011). Diabetes in Canada: Facts and figures from a public health perspective. Ottawa, Ont.: Public Health Agency of Canada. Retrieved from http://www.phac-aspc.gc.ca/cd-mc/publications/diabetes-diabete/facts-figures-faits-chiffres-2011/index-eng.php

[iv] Diabetes Canada. An Economic Tsunami; the Cost of Diabetes in Canada. Toronto, ON: Diabetes Canada, 2010.

[v] Public Health Agency of Canada. Economic Burden of Illness in Canada, 2005-2008. Ottawa, ON: PHAC; 2014.

[vi] Managing Diabetes in the Workplace: Understanding the Motivated Patient. Survey conducted by Connex Health. Commissioned by Janssen Inc. 2012-2013. (Note: Data based upon an average annual salary of $50,000, working 48 weeks per year).

[vii] http://www.benefitscanada.com/wp-content/uploads/2014/10/roi-one-life-diabetes-en-final-low.pdf

[viii] *ibid*

[ix] Jones AC, Veerman JL. Hammond D. The Health and Economic Impact of a Levy on Sugary Drinks in Canada (Summary). JANUARY 2017.

[x] Diabetes Canada. (2014). The Diabetes Charter of Canada. Toronto, ON:. Available from http://www.diabetes.ca/diabetes-and-you/know-your-rights/support-the-diabetes-charter-for-canada/diabetes-charter-for-canada.

1400 – 522 University Avenue, Toronto, ON, M5G 2R5
Call us: 1-800-BANTING (226-8464)
Diabetes.ca