



**Submission to the Standing Committee on Finance's
Pre-Budget Consultations in Advance of the**

2025 Federal Budget

August 2025

Recommendations

Strengthen Canada's Leadership in Health Research

- 1> Renew and extend funding for national clinical trial platforms such as the ACT Consortium as part of a long-term strategy to expand decentralized trials, support large academic centres, and build capacity at multi-site, mid-sized, rural, and community hospitals.
- 2> Accelerate by one year the research funding plan outlined in Budget 2024, which committed \$1.8 billion over five years to the Tri-Council agencies to ensure more immediate and sustained support for Canada's research ecosystem.
- 3> Finalize and fund a national research talent recruitment strategy to attract international expertise, with targeted investments to support bilingual institutions, enhance diversity, and strengthen under-resourced research environments.

Health Infrastructure Fund

- 4> Establish a Modernizing Healthcare Infrastructure Fund of \$4 billion, over three years, with \$2 billion directly available to healthcare organizations and hospitals to carry out capital infrastructure projects, and \$2 billion for transformative digital health technologies.

Health Innovation and AI

- 5> Invest \$100 million in a national AI and digital literacy strategy for healthcare providers, patients and policy makers to ensure they have the necessary skills and understanding of AI to improve trust and adoption of AI solutions.
- 6> Invest \$500 million, over five years, to create regional AI and digital health innovation hubs that form strategic partnerships with patients, clinical champions, industry partners, healthcare organizations and academic partners, to develop and implement evidence-informed AI solutions to transform the healthcare system.
- 7> Establish an Artificial Intelligence (AI) and Digital Innovation in Healthcare Fund of \$500 million, over five years, to support the creation of a Pan-Canadian organization dedicated to AI in healthcare, to support and convene experts to test, validate and evaluate AI technologies, and provide a centralized model for procurement for wide-spread adoption of AI solutions, prioritizing those made in Canada.

Introduction

[HealthCareCAN](#) is the national voice of health research institutes, hospitals, health authorities, and healthcare organizations across Canada. HealthCareCAN advocates for health research and innovation and high-quality health services for people across Canada. We welcome the opportunity to make this submission to the Standing Committee on Finance's Pre-Budget Consultations in Advance of the 2025 Federal Budget.

HealthCareCAN is very aware of the ongoing challenges that people across Canada and people working in the health system are facing in accessing and delivering care. Targeted action and investment in Budget 2025 are needed to enhance the accessibility and delivery of quality care for all.



Detailed recommendations

Strengthen Canada's Leadership in Health Research

Clinical Trials

The [Clinical Trials Fund](#), launched by the Canadian Institutes of Health Research (CIHR) in 2021, supports investigator-led studies and national coordination. A key initiative funded through this program is the [Accelerating Clinical Trials \(ACT\) Consortium](#), a \$39 million investment to streamline ethics review, contracting, and trial start-up across the country. Canada, however, remains constrained by structural barriers that limit the ability to conduct efficient and equitable clinical trials. Trial start-up times remain slow, often [exceeding 35 weeks](#), because of fragmented ethics reviews and duplicative contracting across jurisdictions. Canada lags international peers with unified approval systems.

Further, Indigenous, rural, and marginalized populations remain underrepresented in trials, reducing the generalizability of research findings and perpetuating disparities. The federal government acknowledged this in its [2025–26 Departmental Plan](#), which identifies equitable access to trials, particularly for pediatric and rare disease populations, as a key priority. Public support remains strong with a [2022 national poll conducted by Research Canada](#) showing [87% of Canadians](#) believe the country should be a global leader in health and medical research, [89% say it contributes meaningfully to the healthcare system](#), and 80% consider it vital to the national economy.

To address these challenges and sustain recent momentum, **HealthCareCAN recommends the federal government renew and extend funding for national clinical trial platforms such as the ACT Consortium, as part of a long-term strategy to**

expand decentralized trials, support large academic centres, and bolster multi-site, mid-sized, rural, and community hospital trial capacity. Further, Health Canada should work with the health research community to modernize regulatory processes to enable more flexible, adaptive trial designs.

Tri-Council Funding

Despite recent federal commitments, Canada's investment in health research continues to fall short of what is needed to remain globally competitive. [CIHR's open operating grant success rates remain below 18%](#), meaning that most high-quality, peer-reviewed proposals, often led by early-career and equity-deserving researchers, go unfunded. Yet this challenge extends beyond success rates. [HealthCareCAN's 2024 Submission to the House of Commons Standing Committee on Science and Research](#) emphasized the need to strengthen support for health research institutions and improve access to core research funding, particularly for hospitals. Without increased and sustained investment, the research ecosystem will continue to face structural vulnerabilities, limiting capacity and long-term planning.

In contrast the [UK's National Institute for Health Research had a 35% application success rate in 2021–22](#), illustrating Canada's relative disadvantage. The [House of Commons Standing Committee on Science and Research](#) recommended enhanced base funding to strengthen Canada's competitiveness. Accelerating planned Tri-Council increases and indexing them to inflation is essential to prevent the continued erosion of research capacity and to stem the loss of top talent.

HealthCareCAN recommends the federal government accelerate by one year its planned five-year funding increases to the Tri-Council agencies, particularly CIHR to ensure sustained support for Canada's health research ecosystem.

International Recruitment

Canada is falling behind peer countries, such as the United States, United Kingdom, and Australia, that have implemented dedicated programs to attract top international researchers. Although Budget 2023 signaled federal interest in developing a national

research talent recruitment strategy, no dedicated funding was allocated. As a result, a coordinated and well-funded recruitment initiative is urgently needed to reverse the loss of Canadian talent and restore long-term global competitiveness.

HealthCareCAN recommends the federal government finalize and fund a national research talent recruitment strategy to attract international expertise, with emphasis on health research as a priority area with targeted investments to support bilingual institutions, enhance diversity, and strengthen under-resourced research environments.

Modernizing Canada's Health Infrastructure

Canada's health infrastructure is essential to provide healthcare, conduct health research, and contribute to nation-building and economic growth. But much of Canada's healthcare facilities are among the oldest public infrastructure in use today, with approximately 48% across Canada and 70% in cities having been built more than 50 years ago.

Over the last 20 years, capital investment in health infrastructure has fluctuated, with a noted decline in recent years, despite overall healthcare spending increasing steadily over this time. Canada's failure to sustain adequate capital investment in its healthcare facilities severely undermines the health system's ability to deliver high-quality, safe, innovative patient care.

Moreover, technology has changed how healthcare is delivered in the 21st century and while digital healthcare is expanding in Canada, fundamental infrastructure issues which prevent scale and spread persist.

Upgrading Canada's health infrastructure would help tackle many challenges facing the health system. For example, incorporating cutting-edge technology, such as

workload optimization platforms, will provide real-time information to support clinical and operational decision-making, and make care delivery and information sharing safer, more effective and streamlined, and help address labour shortages by freeing up health workers to provide more high-quality care.

In addition, because of interoperability problems with electronic health records, [providers are often working within siloed systems](#), which can prevent the exchange of patient data with care providers outside their practice and makes it difficult to coordinate care across settings and may impact a patient's quality of care.

Advancing digital infrastructure would also provide more seamless access for those seeking care in the settings of their choice, including at home, in the community and virtually, and deliver cost savings to the health system.

Investing in health infrastructure, an important nation-building project, will stimulate Canada's economy, create jobs, and improve Canadians access to the high-quality healthcare coast to coast to coast.

Making public investments in innovative technologies is also important to Canadians: 85% believe ensuring Canada does not fall behind other countries when it comes to adopting healthcare technology is important; and 83% say ensuring the healthcare system uses leading edge digital technology and does not fall behind other sectors is important.

HealthCareCAN recommends the federal government establish a Modernizing Healthcare Infrastructure Fund of \$4 billion, over three years, with \$2 billion directly available to healthcare organizations and hospitals to enable them to carry out capital infrastructure projects, and \$2 billion for transformative digital health technologies.

Unleash the potential of the Canadian healthcare system through innovation and integration of AI

The government's sovereign AI compute strategy and the recent investments of [\\$3.5 million to the Vector Institute](#) and [\\$2 million for postoperative care to FluidAI](#) for AI training, adoption, and commercialization are significant steps in the right direction. One report suggests that by implementing AI applications in healthcare, Canada could [lower its net healthcare spending by 4.5% to 8% per year](#).

However, Canada's success with AI adoption could be severely limited given Canada's poor international standing in AI literacy and trust according to a [KPMG 2025 global study](#). This is further evidenced by a [Statistics Canada analysis report for 2025](#), showing Canada to be among the lowest in AI adoption in the OECD. A comprehensive strategy to educate people on risks, biases, privacy considerations, and opportunities of AI is essential to improving trust, which will increase adoption.

HealthCareCAN recommends the federal government invest \$100 million in a national AI and digital literacy strategy for healthcare providers, patients and policy makers to ensure they have the necessary skills and understanding to improve trust and adoption of AI solutions.

Canada can lead in health AI innovation by creating environments where Canadian healthcare organizations can collaborate with commercial, private sector partners, patients, academics, and governments

to fuel the next generation of AI start-ups primed for made-in-Canada health AI solutions. The Nova Scotia Health Innovation Hub is leading the [Nova Scotia Health's Care Coordination Centre \(C3\)](#) project, which uses a GE Healthcare command centre that connects multiple sites in the province and provides real-time data on patient needs, emergency department capacities, patient intake and more. Nova Scotia Health has integrated home-grown AI-based solutions to further optimize the C3 to predict surges and operating room efficiencies.

By establishing and supporting regional AI and digital health innovation hubs like the one in Nova Scotia across the country, Canada and working in a federated model, Canada could drive innovation in healthcare delivery through widespread data sharing, better quality of care, testing of regional specific solutions, and providing actionable insights for continuous improvements in healthcare.

HealthCareCAN recommends investing \$500 million, over five years, for the creation of regional AI and digital health innovation hubs that form strategic partnerships with patients, clinical champions, industry partners, healthcare organizations and academic partners, to develop and implement evidence-informed AI solutions to transform the healthcare system.

As the number of commercially available health AI solutions increase exponentially, a formal evaluation and procurement pathway is needed to ensure the Canadian healthcare system uses validated, high impact AI solutions in a cost-effective manner. To support wide-spread adoption, Canada needs a Pan-Canadian organization that can support the regional AI and digital health innovation hubs by convening experts to provide health system leaders with independent evaluation and recommendations of health AI technologies. Such an organization can coordinate and align the use of AI technologies through data on effectiveness, safety, quality and cost to help reduce fragmentation and duplication. Innovative approaches to procurement in the healthcare sector

can also afford opportunities to strengthen Canadian sovereignty and security through identifying Canadian solutions for our unique healthcare system.

HealthCareCAN is recommending the federal government establish an Artificial Intelligence (AI) and Digital Innovation in Healthcare Fund of \$500 million, over five years, to support the creation of a Pan-Canadian organization dedicated to AI in healthcare. This pan-Canadian organization will support and convene experts to test, validate and evaluate AI technologies, provide coordinated, independent evidence and a centralized model for procurement for wide-spread adoption of AI solutions, prioritizing those made in Canada.

For further information:

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