HealthCare*CAN* Submission to the AI Strategy Task Force on Advancing AI in the Healthcare Sector

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INTRODUCTION

HealthCare*CAN*, the national voice of health research institutes, hospitals, and healthcare organizations across Canada, welcomes the opportunity to provide advice on how Canada can retain and grow its AI edge, where to lead globally, and how to accelerate responsible adoption in sectors with the greatest payoff for Canadians and the economy.

SUMMARY OF RECOMMENDATIONS

1) **Prioritize a national health AI and digital literacy strategy for healthcare providers, the public, and policy makers to ensure they have the necessary skills and understanding to improve trust and adoption of AI solutions.**
2) **Support investment in digital infrastructure and development of localized data centres and cloud infrastructure to strengthen data stewardship and sovereignty.**
3) **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 strengthen cross-sector collaboration for made-in-Canada health AI solutions.**
4) **Convene a pan-Canadian expert panel to support testing, validation and evaluation of AI technologies to provide coordinated, independent evidence and a centralized model for procurement for wide-spread adoption of AI solutions, prioritizing those made in Canada.**

WHY CANADA NEEDS TO PRIORITIZE AI IN HEALTHCARE

Canada has faced uncertain, fast-moving circumstances before and emerged as nimble and agile under pressure. During the Covid-19 pandemic, innovative regulatory measures, special access programs, greater collaboration, and faster approvals meant rapid access to test kits, personal protective equipment, medications and vaccines, which saved countless lives. Canada could not have met the moment for timely care and better outcomes without pivoting to help people do their work safer and faster.

Canada must once again be bold with AI. By developing and scaling digital innovations like AI in healthcare and health research, Canada can build a modern, resilient economy. Canada already has the building blocks with world-leading AI research institutes, top-tier scientists and one of the highest concentrations of AI companies per capita. Yet, a 2025 Statistics Canada analysis shows Canada has the lowest AI adoption in the OECD, and a KPMG survey ranks Canada 44th in literacy and 42nd in trust out of 47 countries. That gap between invention and use is the core problem to

solve. Health is the best place to close it because gains translate directly into better experiences for patients and better value for taxpayers.

The opportunity is to put proven models to work in services, applications, and workflows that solve real problems for patients and providers not to build ever larger models for their own sake. The return on investment could be multi-fold as demonstrated by UK's National Health Service's AI lab. Created to better integrate AI in health care and to help grow their economy, a recent report showed a successful diagnostic AI tool built at the cost of 1.9 million pounds resulted in 44 million pounds in benefits. Independent analysis suggests wider adoption could lift provincial productivity by billions; a 2024 Public First report cited by Amii estimates a $27 billion boost for Alberta alone. Canadian examples already show impact: AI scribes are reducing documentation time and improving clinician satisfaction; imaging triage tools are cutting wait times and increasing throughput; operational AI is improving bed flow and reducing length of stay.

WHERE WE ARE NOW

HealthCare*CAN* member institutions are implementing hundreds of AI-enabled tools that are easing administrative burdens, enabling remote care, reducing mortality, saving costs, increasing productivity and optimizing resources all without impacting patient quality. Sunnybrook Health Sciences Centre in Toronto and Newfoundland and Labrador Health Services are using AI-assisted image-guided therapy to improve patient outcomes and streamline care. Kingston Health Sciences is using a first-in-Canada AI tool to diagnose coronary artery disease which has reduced unnecessary catheterizations by up to 30%, while a new AI-assisted triage system has cut appointment wait times for mental health and addiction care by more than 50%. At Unity Health Toronto, forecasting tools are saving nearly $1 million per year, and patient monitoring in general internal medicine units are reducing unexpected mortality by more than 20% while CT scanning is detecting brain bleeds and directed care comparable to five board-certified neurosurgeons. At CIUSSS West-Central Montreal, AI scheduling is boosting access to oncology care by 10% and is cutting booking times by 80%, with 95% percent of staff reporting satisfaction. At Island Health in British Columbia, rural communities can now access AI-driven ultrasound. In Nova Scotia, Nova Scotia Health operates an AI-enabled command centre that connects hospitals across the province in real time.

Yet the system remains fragmented. Currently each hospital, health organization, system or province is working in silos and using a unique and differentiated process for procurement, adoption, and scaling solutions. Unclear regulatory expectations are slowing promising deployments, underscoring the need for a fast, fit-for-purpose approval pathway. When foreign companies were trying to set up supply chains during Covid-19, they faced rules, regulations, and procurement policies that differed across 13

provincial and territorial markets rather than one large market of 40 million people. It was not efficient or cost effective then, and it is not now. 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. A centralized procurement process would help align AI tools with healthcare outcome measures, establish ethical and regulatory standards, improve interoperability and a national pre-qualification list to reduce duplication and shorten purchasing cycles.

Commercialization support is still concentrated on research steps while go-to-market help is thin, which pushes Canadian IP to scale elsewhere. Eighty percent of the funding from federal programs are targeted towards research and development and less than 10% is earmarked solely for commercialization. This often leads to Canadian-developed products or IP being brought to commercialization and marketed in the U.S. due to limited domestic support. Further compounding the issue is Canada's smaller population and market relative to other G7 countries further discourages Canadian firms from committing to longer-term projects. A targeted adoption fund and procurement pathway addresses this gap by supporting deployment, evaluation and scale-up at home.

WHERE CAN CANADA GO NEXT

Canada can lead the world in safe, people-centred AI for health if we pair our research strength with disciplined deployment.

First, build trust and skills at scale. Prioritize a national literacy strategy to educate patients, providers and people on risks, biases, privacy considerations, and opportunities of AI. The program must equip frontline workers and managers with the fundamentals to understand and utilize AI solutions with confidence. The goal is not one-off courses. The goal is integrated AI content into existing curricula in addition to accredited programs and on-the-job support that help frontline teams implement and monitor AI in real settings. Priority should be given to high-impact roles such as primary care, imaging and hospital operations where time savings and access gains are largest.

International countries have already implemented similar campaigns. For example, the U.K. aims to provide essential AI skills to 7.5 million, Singapore's national AI strategy that is focused on offering broad AI literacy and skills to their population, and Taiwan's "AI literacy for all" program targeting thousands of teachers and students over the next three years.

Second, securing data sovereignty is crucial. Large data sets are vital for AI development and Canadian health data is arguably among the most valuable in the world due to our diverse and multicultural population. Currently, the major electronic

health record providers and cloud infrastructure are U.S.-based and due to recent changes in legislation, are at risk of unauthorized use. Enabling hospitals and health authorities to store encrypted health data in localized data centres is not only critical to establishing Canadian data sovereignty but can also enable faster processing of AI-driven diagnostics, personalized treatment plans, and predictive analytics.

Third, establish regional AI and digital health innovation hubs to move from pilots to platforms. Regional hubs with access to real-world data from hospitals and health care systems could fuel the next generation of AI start-ups primed for made-in-Canada health AI solutions through cross-sector collaboration between clinicians, private sector partners, patients, academics, and governments. Through targeted regulatory guidance and data governance frameworks, the tools developed by the hubs can share data, test regional specific solutions and provide actionable insights and return on investment for continuous improvements for Canada's unique health system. With explicit evaluation plans and links to fast regulatory and procurement pathways, successful tools can quickly graduate to routine use.

Fourth, create a pan-Canadian evaluation and procurement pathway. Health systems need an independent route to judge safety, effectiveness, equity, and cost. A federal approach to pre-qualifying vendors, aligning outcome measures, and supporting post-market monitoring, would greatly reduce duplication, speed scaling of validated tools, and favor made-in-Canada solutions where they are best in class. Model language should enable value-based procurement, shared risk and staged payments tied to real-world performance. Provinces and health authorities could draw on a common catalogue of pre-qualified solutions and shared contracts to shorten cycles from years to months. A central procurement agency would also give us better metrics on which AI solutions are being adopted and help guide further development.

CONCLUSION

Canada can keep its research edge while leading the world where it matters most by turning proven AI into everyday practice that patients and providers can trust. This is how we close the gap between invention and use, deliver measurable gains for people, and grow a globally competitive health innovation economy at home. If we put health at the centre of Canada's AI strategy, we can strengthen our healthcare system while lowering costs, improving patient care, boosting productivity, accelerating life-changing health discoveries, and growing a globally competitive industry that pays dividends for decades. It is not just good health policy, but rather good economic policy, and why investments in AI for health must be at the top of the federal government's priority list.

ABOUT HEALTHCARE*CAN*

HealthCare*CAN* is the national voice of health research institutes, hospitals, and healthcare organizations across Canada. Our members are part of the more than 1,200 healthcare facilities that support over two million direct and indirect jobs, account for nearly 12% of Canada's GDP, and stimulate local economies through research and development, commercialization of discoveries, and infrastructure projects. HealthCare*CAN* membership is diverse and made up of a variety of organizations, including research institutes, hospitals, long-term care and home care providers, health authorities, and health sector associations. These organizations are crucial in conducting research, driving innovation, delivering high-quality care, and contributing to addressing the most pressing issues facing Canada.