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Investing in health innovation helps Canada's economy, a no brainer

By PAUL-ÉMILE CLOUTIER FEB. 26, 2018

The economy will benefit as innovation leads to more growth. Researchers will benefit because they will be able to bring their research forward for everyone's benefit. It should be a no-brainer.



Finance Minister Bill Morneau will deliver the federal budget in the House at 4 p.m. on Tuesday, Feb. 27.
The Hill Times photograph by Andrew Meade

The federal government says it wants to “make Canada a world-leading centre for innovation.” That’s a critically important goal for our country and one that we share. Innovation, and the productivity growth it delivers, matters to all of us. Not only will success raise living standards through higher incomes; it will generate the wealth we need to sustain quality education, healthcare and the other things we value.

Often, when we speak of innovation, we use health examples, from insulin and the pacemaker to stem cells and wound diagnostics. It’s why Canada’s 1,251 hospitals, and especially our 40 plus research hospitals, are important partners in this national innovation agenda. Despite the

major importance of healthcare in our economy and the capacity of our health sector for innovation, that potential is not getting the attention it deserves. Canada is missing glaring opportunities—it's why the health and life sciences sector must become a higher priority in the innovation agenda. It's time to recognize that investing in the health sector can be an important driver of economic growth and a major source of innovation.

Our research hospitals, are already a source of start-up companies that flow out of hospitals' own research facilities. It's where medical practitioners and scientists have the practical hands-on experience of dealing with an array of patients with a wide range of diseases and injuries. For instance, the University Health Network 's research centres in Toronto (Toronto General Research Institute, Princess Margaret Cancer Centre, the Toronto Rehabilitation Institute, the Krembil Research Institute and the Techna Institute) are just one example.

Its research has led to recent spin-off companies, including Bresotec, which has technology for the accurate diagnosis of sleep apnea; AvroBio, which is developing gene therapy to treat rare diseases; and Northern Biologics, with therapeutic antibodies to treat cancer and fibrosis. There's also BlueRock Therapeutics, which is developing cell technology so that the body's own cells can replace dead, damaged or dysfunctional cells, focussing initially on Parkinson's disease and heart disease.

But this is not unique to the University Health Network in Toronto. At research hospitals across Canada, researchers are pursuing fundamental and applied research to improve the lives of patients and in many cases, to start companies that create good jobs and exports.

With an emerging global market for improved healthcare products, innovation from our research hospitals and their research institutes have great potential to improve global health. But this can also lead to successful businesses that can deliver an economic return as well, by creating and scaling up of new businesses based on the world-class research already being conducted in our research hospitals.

If we are to realize our full potential then changes are needed in public policy. One major stumbling block for research hospitals is that they have been excluded from directly accessing infrastructure funds to help update and expand their research centres. The current government did make our research hospitals eligible for access to the Strategic Investment Fund, but because of administrative requirements, our research hospitals have not been able to significantly tap into the infrastructure funding so far.

The House of Commons Finance Committee, in its recent report on its pre-budget consultations recognized this conflict and recommended that Finance Minister Bill Morneau in his next budget “support research hospitals by providing direct eligibility for infrastructure and innovation support and by increasing funding, over a four-year period, for investigator-led fundamental research.”

Access to infrastructure funding is one issue. The other is the need for increased funding for research. As Dr. David Naylor pointed out in his recent report on science funding in Canada, inflation and neglect in funding research has seriously eroded the impact of research over the past decade and we now face a critical situation where young researchers are unable to obtain the research funding they need—with the serious risk of brain drain if researchers are forced to leave Canada to continue their research.

At a time when Canada faces an urgent need for innovation success, the potential of our health sector needs greater recognition. We already have a strong base to build on. According to RESEARCH Infosource, Canada’s top 40 research hospitals invested \$2.5-billion in research in 2016. Our researchers are much sought after, which is why research by major medical multinational is expanding in Canada. And we have shown we can create and grow Canadian health science companies.

For Canada to succeed in its aspiration to become a world-leading centre for innovation, all the potential players must be involved. Our health organizations are dynamic centres of innovation that have much to offer as major players, as their past and current achievements so clearly show. This is why it’s urgent to bring our health organizations, with all their potential, front and centre into the critically important innovation agenda. Patients will benefit as new ideas are

commercialized. The economy will benefit as innovation leads to more growth. Researchers will benefit because they will be able to bring their research forward for everyone's benefit. It should be a no-brainer.

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