Submission for Pre-Budget Consultations for the 2021 Budget

February 19, 2021

The LabCANDx coalition with a membership of over 35 professional associations, health authorities and commercial suppliers is focused on working with health system leaders to ensure the right test, for the right patient, at the right time, with appropriate interpretation to inform clinical decisions for better patient outcomes and healthcare sustainability. More information is available at www.labcandx.com
Laboratory Medicine investment needed to safeguard the health and well-being of Canadians and drive our economy.

Summary:

The COVID-19 pandemic continues to be an unprecedented global challenge, pushing the limits of burdened healthcare systems, threatening the economy, and creating anxiety for society. Canada needs pan-Canadian approach to Laboratory Medicine investment and revitalization including ongoing funding of at least $750 million per year for five years to improve capacity and modernize Laboratory Medicine in the specific areas of precision medicine, AMR resistance, Point of Care testing, digital diagnostics, and upgrade core laboratory capacity. The approach and investment align with federal and provincial health mandates and will help:

1. Safeguard the health and well-being of Canadians through the pandemic.
2. Advance clinical decision-making in all areas of medicine (including precision medicine and managing antimicrobial resistance [AMR]).
3. Inform our economic recovery plans and approach to addressing the growing backlog of deferred procedures.

The Challenge

The pandemic has demonstrated the critical importance of Laboratory Medicine to inform clinical decisions and government policy. Laboratory Medicine’s vital role during the pandemic has been acknowledged in terms of quickly establishing a highly specific and sensitive molecular diagnostic test for COVID-19, diagnosing disease, reporting, monitoring comorbidities, informing patient treatment/management plans, as well as driving our economic recovery.

As we progress through the second wave of COVID-19 it is important Laboratory Medicine is sufficiently resourced to support the pandemic resource; both in terms of informing the economic recovery and addressing the growing backlog of deferred procedures.

The national healthcare expenditures for 2019 was about $264 billion\(^1\). While laboratory testing is only 3-5% of healthcare budgets it informs 50-70% of clinical decisions\(^2,3,4,5,6\). Laboratory Medicine is a leader in the transition to value-based healthcare, helping to improve patient outcomes and healthcare sustainability by reducing the time to diagnosis, providing effective interventions and care coordination,

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\(^2\) Naugler C, R. W. What the doctor ordered: improving the use and value of laboratory testing.: CD Howe commentary no. 533; 2019


\(^4\) M H. Dispelling the 70% claim with laboratory’s true value. MedicalLab Management. 2017:8-12.


supporting patient wellness care, screening, and monitoring\(^7\). Canadian laboratory infrastructure has been underinvested in despite the high “value for money”. Current laboratory budgets include (and not limited to) tests for clinical biochemistry, pathology, cytology, genetics, hematology, immunology, and microbiology (including SarsCoV-2).

The Laboratory Medicine/in vitro diagnostic community has made vitally significant accomplishments to help inform and manage the pandemic including:

- Unprecedented collaboration to quickly develop, validate, and accredit COVID-19 tests.
- Repurposed capital and supplies from other Laboratory Medicine diagnostic services.
- Purchased new equipment and supplies.
- Recruited and trained staff to run and interpret results of diagnostic testing.
- Significantly increased volume diagnostic COVID-19 testing from zero (0). From January to February 19, 2021, there were\(^8\):
  - \(\sim 90\) k tests/day performed; and
  - >23 M tests completed.

Managing the pandemic and recovery will be challenging, requiring added resources for Laboratory Medicine. Laboratory Medicine’s evolving technologies lead to faster, more accurate and precise diagnoses, which are patient centric, improve outcomes, safety and efficacy, reduce healthcare system costs, enable optimization of resource allocation, improve sustainability, drive economic growth and recovery and help address the backlog of surgical procedures.

Current infrastructure supplies and labour are not sufficient to support the current or future vital role of Laboratory Medicine. Canada needs an ongoing investment commitment to the Laboratory Medicine/in vitro diagnostics infrastructure to better align with federal and provincial health mandates and help ensure:

1. Patients have access to timely diagnoses, treatments and procedures.
2. Clinicians have properly interpreted diagnostic test results that inform treatment plans.
3. Policy makers have data to inform economic recovery, pending healthcare challenges (e.g. antimicrobial resistance \([AMR]\)), and address the growing backlog of surgeries, and prepare for future.

The solution

The COVID-19 pandemic has demonstrated that the Canadian Laboratory Medicine infrastructure – our people, our technologies, our facilities – are seriously underfunded and increasingly stressed beyond its maximum capacity. COVID-19 has also shown us the fundamental and critical role that Laboratory Medicine/Invitro Diagnostics plays in our health system.

\(^7\) Arshoff, L., G. Hoag, C. Ivany, D, Kinniburgh, Laboratory Medicine: The Exemplar for Value-Based Healthcare, Healthcare Management Forum, \textit{In Press}

We must act now to bolster Laboratory Medicine to help us weather not only the second wave of the COVID-19 pandemic, but also for the future and ensure the other critical elements of our health system (e.g. cancer diagnosis and treatments, deferred surgeries etc.) can function as Canadians expect.

We need a pan-Canadian approach to Laboratory Medicine investment and revitalization including ongoing funding of at least $750 M per year for 5 years to improve capacity and modernize Laboratory Medicine in the specific areas of precision medicine, AMR resistance, Point of Care testing, digital diagnostics, and upgrade core laboratory capacity. The investment is essential to:

1. Safeguard the health and well-being of Canadians through the pandemic,
2. Advance clinical decision-making in all areas of medicine (including precision medicine and managing antimicrobial resistance [AMR]), and
3. Generate data to inform our economic recovery plans and approach to addressing the growing backlog of deferred procedures.

About LabCANDx

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