



Submission from
CARP – the Canadian Association of Retired Persons
to
The House of Commons Standing Committee on Finance (FINA)
regarding recommendations for
The 2025 Federal Budget

August 2024

Submitted by:

The Canadian Association of Retired Persons (CARP)
Bill VanGorder, Chief Advocacy and Education Officer
70 Jefferson Ave., Toronto, ON
M6K 1Y4
Email: vangorder@carp.ca

The Canadian Association of Retired Persons (CARP) makes the following recommendations for Budget 2025:

1) National Pharmacare

Ensure that the implementation of a national pharmacare program improves coverage for the uninsured, underinsured and those facing affordability challenges and does not impact the ability of Canadians to continue to benefit from private drug coverage.

The *National Pharmacare Act (Bill C-64)*, which is currently under review by the Senate, describes the government's intention to work with provinces/territories to sign agreements to provide "universal, single-payer, first-dollar coverage" for certain contraception and diabetes medicines as the first step towards a more comprehensive pharmacare program.

CARP applauds the federal government's plan to allocate additional funding to the provinces/territories to improve coverage of medicines and for selecting diabetes as one of the first two therapeutic areas for coverage, given it affects so many Canadian seniors.

However, we are greatly concerned about the federal government's proposed single-public-payer approach to delivering pharmacare, as this could crowd out private payers, which currently cover the majority of Canadians, including one in three seniors. This would not be in the interest of older Canadians for the following reasons:

- A single public payer plan would make it harder to access many newer and more effective treatments. Public drug plans are notoriously slow at covering new drugs and much more limited in terms of what they offer than private plans.¹ As well, the list of diabetes medicines the federal government is planning to cover is very limited and does not include many of the latest treatments used by seniors with diabetes.
- Creating a single public plan for all Canadians could lead to serious access disruptions. This was seen a few years ago when Ontario moved all youth under 25 to the OHIP+ government administered plan. During the transition, many Ontario young people lost coverage for medicines that were previously available to them under their private plans. The national pharmacare plan could lead to similar challenges, with potentially devastating consequences for many older Canadians who rely on their medicines and can't afford any disruptions to access.
- Most Canadians already have coverage for the targeted diabetes and contraceptive medications through private plans. The government's plan to invest \$1.5 billion over 5 years to provide coverage to these Canadians would therefore be a misuse of public funds.

¹ Conference Board of Canada report, 2024: <https://www.conferenceboard.ca/product/access-and-time-to-patient-jan2024/>.

There are many other areas where additional federal funding could be put to better use, including addressing challenges in the current system, such as high out-of-pocket co-payments on existing public drug plans as well as inadequate and slow coverage of new medicines by those plans. Simpler fixes are also available to ensure everyone has drug coverage, public or private.

CARP believes we can build on the successful mix of public and private programs to achieve universal coverage through a targeted approach that focuses on those most in need: the uninsured, underinsured, and those facing affordability challenges.

Canadian seniors want to see timely results that make a real positive difference in their ability to access the medicines they need to enjoy longer and better lives.

2) Adult vaccination programs

These immunization efforts are important to better protect the health and well-being of older Canadians, and the population at large, as well as to deliver important cost and human resource savings for our over-stretched health systems.

Invest additional resources into the National Immunization Strategy so that the provinces/territories can make the latest approved and recommended vaccines accessible to older Canadians and undertake more public awareness efforts to achieve national vaccine goals.

Many serious illnesses, which take an immense toll every year on older adults and the health system, can now be prevented using vaccines. Every case of illness prevented saves thousands of dollars for the health system and weeks of discomfort and distress for patients and their families, and even death in some cases. Older Canadians more than anyone in the country experienced this during the COVID-19 pandemic.

Serious adult illnesses that can now be prevented or mitigated with vaccines include pneumococcal disease (such as pneumonia), respiratory syncytial virus (RSV), shingles (herpes zoster), influenza, COVID and others.

However, public coverage of approved and recommended vaccines and immunization rates are not where they should be to ensure Canadians and their health systems get maximum benefit:

- The goals set in the National Immunization Strategy are not being met. For example, the strategy sets the goal of 80% vaccine coverage for pneumococcal disease by Canadians aged 65 and older but the current rate is just 55%.²

² Health Canada, Vaccination Coverage Goals and Vaccine Preventable Disease Reduction Targets by 2025, August 2022, <https://www.canada.ca/en/public-health/services/immunization-vaccine-priorities/national-immunization-strategy/vaccination-coverage-goals-vaccine-preventable-diseases-reduction-targets-2025.html#1.1.2>

- A number of provinces/territories have not kept up with funding new adult vaccines approved by Health Canada and recommended by the National Advisory Committee on Immunization (NACI).³

This is why we urge the federal government in its 2025 budget to invest additional resources into the National Immunization Strategy to help the provinces and territories ensure the latest approved and recommended vaccines are accessible to older Canadians and to implement public awareness campaigns to increase vaccination rates. Recent CARP surveys indicate that older Canadians support increased government investments in vaccination.⁴

One of the key barriers to increasing vaccination uptake is a lack of awareness among the public regarding the severity of these illnesses and the preventive measures available. There is a need for greater education efforts which the federal government should fund to help meet its national vaccination targets.

For vaccines against COVID-19, it is also important for the federal government to continue to fund both mRNA and protein-based vaccines to ensure the broadest possible uptake. Providing vaccine options for Canadians will ultimately help increase coverage rates to better protect everyone, including older Canadians who are more at risk of passing away or experiencing more severe health complications due to COVID.

3) Home Care

When it comes to keeping vulnerable seniors safe, there's no place like home.

96% of CARP members tell us they want to age in place, and nearly a quarter have admitted to supplementing publicly funded home care with private alternatives.

The Canadian Association of Retired Persons (CARP) is urging the Federal government to recognize that home care and community-based care solutions are critical to resolving the long-term care crisis.

CARP Recommends:

- The Federal Government launch comprehensive public awareness campaigns to ensure Canadians are fully informed about the available services and support options to remain at

³ Adult Vaccine Alliance, press release, 2023: <https://www.newswire.ca/news-releases/canada-s-adult-vaccine-alliance-officially-launches-to-champion-improved-access-to-vaccines-837238375.html>

⁴ 2023 CARP Surveys: <https://www.carp.ca/2023/12/14/survey-says-carp-members-share-perspective-on-vaccinations/>; and <https://www.carp.ca/pneumonia/>

home as they age. These campaigns should focus on educating the public about how to plan for, access, and benefit from these resources effectively.

- Government allocates funding to support the integration of health and social care services as a proven strategy to support healthy aging.
- The Government acknowledge the valuable contribution of families in providing care by offering tax incentives to support the delivery of services that enable seniors to remain in their homes.
- The Government reconsider the ongoing restrictions on weekly work hours for international students during the academic year to allow greater flexibility, which could help alleviate staffing shortages in home care and related sectors.
- That the government allow a drop-out provision of the Canada Pension Plan (CPP) for full-time caregivers who have left the workforce due to their caregiving responsibilities.

4) Financial Security

Time and again, CARP members identify financial security as their foremost concern, prioritizing it over health issues—and with good reason.

The COVID-19 pandemic brought a wave of unexpected out-of-pocket expenses for Canada's seniors, including higher premiums on groceries and significantly increased dispensing fees for prescription medications. Additionally, the stock market downturn during the pandemic led to substantial declines in retirement savings for many seniors.

With most older Canadians living on fixed incomes, they are grappling with rising costs, growing inflation, and an unpredictable economy that further erodes their retirement savings. The estimated cost of living used to determine governmental supports is outdated and does not reflect the current financial challenges faced by seniors. To address these issues, key reforms are needed to provide Canadians with a secure and robust means of saving for retirement and ensuring their financial stability.

CARP Recommends:

That the government amend the Bankruptcy and Insolvency Act and the Companies' Creditors Arrangement Act to give pensioners 'super-priority' status and the government create a pension insurance program that insures 100% of pension liabilities.

- That the government ensure OAS is permanently boosted by 10% for individuals ages 65 to 74.

- That the Survivor Benefit be increased for people 65 and older—from 60% to 75% alongside a permanent removal of the benefit ceiling that negatively impacts a surviving spouse.
- That the government eliminates the current mandatory RRIF withdrawal rules.
- That the government establish a single non-profit External Complaints Body with a binding decision mandate for banking complaints.
- That the government reopen the real return bonds (RRB) program to ensure the financial security of all Canadians.
- That government revisit the Canada Disability Benefit and ensure coverage continues for persons with disabilities beyond the age of 65, particularly in light of the rising and continued cost of living, and the additional costs faced by all persons with disabilities, particularly seniors.

5) Dental Coverage

To ensure that a Canada Dental Plan adequately addresses inequities and access issues for seniors, we strongly recommend that the federal government review critical areas where immediate attention and resources are needed to correct course and enhance the effectiveness of the plan:

1. **Who should be covered.** CARP recommends that the Canada Dental Plan focus on providing comprehensive dental care specifically for the 30% of Canadians who currently lack insurance coverage. This approach will help ensure that the program meets its intended goals and effectively serves all seniors in Canada.

For those who will be covered, CARP recommends:

2. **Clarification and Communication of Coverage:** CARP is deeply concerned about the lack of clear agreement on what dental services will be covered under the plan. As it stands, there is no firm agreement with dentists regarding the scope of coverage, eligibility, or implementation timelines. We urge the government to establish and communicate clear guidelines on what will be included in the plan, and to inform individuals who have signed up and received a "card" about when they can expect the plan to be in effect for them.
3. **Ensuring Dentist Participation Nationwide:** With only 30% of dentists currently planning to participate in the Federal Dental Plan, there is no guarantee that seniors in smaller communities, which often have only one or a few dentists, will have access to the necessary services. Additionally, the decision by provinces like Alberta and

Quebec to opt out, along with threats of other provinces doing the same, raises concerns about consistent access to care. The federal government should incentivize broader participation and ensure that coverage is available nationwide.

4. **Expansion of Mobile Health Services:** CARP continues to advocate for mobile health services, including allowing dental hygienists to bill the government directly for their services. This would significantly benefit residents in long-term care facilities who currently face barriers to accessing dental care. Despite previous promises, detailed plans for implementing this service are still lacking. We recommend investing in and expediting the rollout of mobile health services to address these needs effectively.
5. **Coordination with Private Insurance:** There is significant uncertainty regarding how seniors with existing private dental insurance plans will transition to the national program. The current approach could force seniors to forgo their private coverage—potentially leaving them without any dental care if the national plan is not yet fully operational. Furthermore, those with access to private dental coverage through work or professional organizations are ineligible for the national plan even if they face financial difficulties or choose to opt out of private insurance. The federal plan must address these gaps by allowing seniors to seamlessly transition from private plans to the national program without losing coverage.
6. **Inclusion of Non-Filers:** Current requirements for program admittance include having filed taxes, which could exclude seniors who do not file tax returns. We urge the government to develop a specific strategy to identify and include these non-filers, ensuring that all eligible seniors have access to the dental care they need.

In conclusion, the Federal Dental Plan has the potential to significantly improve dental care access for seniors. However, targeted investment and strategic enhancements are necessary to address existing inequities and access issues.

6) COVID Protection

While the general impact of COVID-19 on the population may be lessening, seniors remain at significant risk if they contract the virus. Additionally, a resurgence of COVID-19 could once again pose a major threat to all Canadians.

- CARP recommends the creation of a "COVID Future Pandemic Fund" to safeguard future generations, with a focus on older Canadians and seniors. This fund should provide rapid access to protective equipment, top-tier pharmaceutical solutions, and other essential resources needed during future pandemics or outbreaks.

- Additionally, CARP asks that the Federal Government to continue to fund COVID-19 vaccines to ensure that all Canadians, regardless of where they live, receive the vaccines recommended by the National Advisory Committee on Immunization (NACI) and other experts.

7) Affordable, Accessible Housing

Ensuring affordable and appropriate housing for seniors is a top priority for CARP. Our 2023 survey revealed that 74% of members are "concerned or very concerned" about the availability of affordable housing.

Given the ongoing housing crisis, it is crucial for the federal government to collaborate closely with provincial partners to develop proactive and innovative housing solutions. We need immediate action to address the shortage of accessible, safe, and affordable housing such as co-housing and other affordable housing solutions in both rural and urban areas, rather than waiting decades for new developments.

CARP Recommendations:

- CARP asks for proactive and creative solutions: The government should actively explore and implement co-housing and other affordable housing options for seniors that do not involve long waiting periods. Immediate solutions are necessary as Canada's older adults cannot afford to wait.
- The government should ensure that housing is accessible to seniors and individuals with disabilities. This includes making *universal design* a requirement for all new multi-unit residential buildings, so that housing is fully accessible for everyone, regardless of age or ability.

8) Seniors' Health and Fitness

Studies show that fitness activities can reduce health care costs by thousands of dollars per person. Proactively funding senior fitness is an innovative way to encourage better health and relieve excess costs from the beleaguered system.

"Fitness" can mean very different things to different people. But no matter what an individual's abilities or activity level, finding ways to move that are appropriate is a step towards better health. From wheelchair yoga to Nordic Walking with a neighbour to Pickleball, getting active benefits our health and saves both individuals and the government money. .

The government must do more to support fitness for seniors.

Proactively funding of senior fitness is an innovative way to encourage better health and relieve excess costs from the beleaguered system.

All governments should do more to support fitness for seniors – in all parts of Canada, rural and remote.

All levels of government need to enhance support for senior fitness programs across Canada, including in rural and remote areas.

CARP Recommendations:

- The Federal Government should introduce a \$1,200 refundable tax credit to encourage more seniors to participate in fitness programs. This credit would also incentivize more providers to develop and offer fitness opportunities tailored to seniors.
- Programs like New Horizons should be leveraged to support local communities in promoting senior health and fitness. By investing in senior fitness, these programs can also achieve cost savings in other areas by improving the overall health and well-being of the aging population.

Respectfully submitted,

Bill VanGorder,

Bill VanGorder
Chief Advocacy and Policy Officer
The Canadian Association of Retired Persons (CARP)
Email: vangorder@carp.ca