



**MULTIPLE SCLEROSIS SOCIETY
OF CANADA**

**BRIEF TO THE STANDING COMMITTEE
ON FINANCE**

SEPTEMBER 2005

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EXECUTIVE SUMMARY AND RECOMMENDATIONS

The Standing Committee on Finance has asked for input on how best to enhance productivity growth in Canada, and the Multiple Sclerosis Society of Canada is pleased to respond. We are also aware that the government's revenues for the foreseeable future will continue to be significantly higher than previously projected. We urge the Standing Committee on Finance to recommend that a portion of this revenue be dedicated to helping Canadians with disabilities caused by MS and other conditions to enhance their ability to remain part of a productive Canadian economy. In our brief, we have focused on three broad themes that impact people affected by MS as related to enhancing productivity growth in Canada: Health Research and Health Care, Income Security and Supports, Charitable Sector Issues.

MS Society of Canada Key Recommendations

Health Research

- The federal government further enhance government investment in the Canadian Institutes of Health Research through increased multi-year funding commitments to provide opportunities for stability and planned growth.
- As recommended by the Council for Health Research in Canada (now known as Research Canada), the federal government lead a National Integration Strategy for Health Research to foster collaboration and coordination among and between federal, provincial and other funding agencies including health charities.

Health Care

- Speed up the timetable for waiting list bench marks.
- Expand the home care program agreements to address the needs of people who are chronically ill and/or disabled.
- Provide access to catastrophic drug coverage before June 30, 2006.
- Immediately implement improvements to Health Canada's drug review process to make it more timely and transparent to stakeholders.

Income Security

- The federal government take the lead in working with other levels of government and private industry to develop appropriate approaches and programs to enable people with disabilities to gain their rightful place within the workforce and to develop appropriate income security and supports, if Canadians with disabilities are not able to work.
- The terms "severe and prolonged" in section 42 of the Canada Pension Plan should be amended to take into account episodic and remittent mental and physical conditions.
- Develop a more flexible approach to the current contribution rule for CPP-Disability of four out of the last six calendar years.
- Make more flexible the rules regarding part-time or occasional work so CPP-Disability recipients can do more work without risking their eligibility for benefits.

Multiple Sclerosis Society of Canada 2006 Federal Budget Recommendations

- Social Development Canada and the CPP Review Tribunal should continue their outreach to Canadians regarding CPP-D. Recommendations in *Listening to Canadians* concerning administrative improvements should be followed.

Support of Caregivers

- CPP should provide dropout provisions for caregivers that are the same as the child-care dropout provisions.
- Actively pursue measures to support the financial needs of caregivers of people who are severely disabled, including extension of EI benefits.

Charitable Sector Issues

- Provide a subsidy to Canada Post Corporation for registered charities to assist in the mailing of donation receipts or remove the requirement that tax receipts be sent by first-class mail (which would provide a 40 percent savings in mailing costs.)
- Exempt registered charities from the requirement of issuing receipts for income tax purposes for donations of less than \$250.

The Multiple Sclerosis Society of Canada is again pleased to provide input to the Standing Committee on Finance on issues that are of concern to Canadians who are affected by multiple sclerosis (MS). A wide range of people are impacted by this often disabling disease of the central nervous system: the estimated 50,000 people who have MS; their families and caregivers; health care professionals; MS researchers and MS Society of Canada supporters.

We recognize the Standing Committee on Finance has asked for input on how best to enhance productivity growth in Canada, and we are pleased to respond. A strong economy and sound fiscal management have provided resources for the government to address its agenda for improving the quality of life and delivery new measures for greater inclusion of Canadians with disabilities. We urge the Standing Committee on Finance to recommend that a portion of this revenue be dedicated to helping Canadians with disabilities caused by MS and other conditions to enhance their ability to remain part of a productive Canadian economy.

The Multiple Sclerosis Society of Canada will focus on three broad themes that impact people affected by MS as related to enhancing productivity growth in Canada:

- Health Research and Health Care
- Income Security and Supports
- Charitable Sector Issues

HEALTH RESEARCH AND HEALTH CARE

Health Research

The Multiple Sclerosis Society of Canada believes that investments in health research and innovation are investments as well in the economic health of Canada. They are a vital part of a strategy to reduce health care costs and to produce a healthier population because they foster the discovery of therapies and treatments that can keep people active in the workforce and in their homes raising their families. Health research outcomes include preventing the development of chronic illness and disability and the need for expensive institutional care. The newly created Public Health Agency will have an important role in actively addressing the issue of promoting public health and disease prevention. Health research will be a key partner in keeping the Agency's public health agenda moving forward. In addition, investment in health research is a key component in keeping Canada in the forefront of a world-wide, knowledge-based economy. Simply put, investment in health research is a good investment overall.

Health research in Canada has been based on a solid publicly funded system, around which are organized a multitude of provincial, private and health charity funding entities. The creation in 2000 of the Canadian Institutes of Health Research was an excellent step forward in expanding the federal government presence in health research. It signalled that the Government of Canada recognized the importance of research to the overall

future health of Canadians. CIHR is the bedrock around which all other organizations strategize for the future, harmonize where possible and fill gaps in areas not undertaken by the publicly funded system.

The Multiple Sclerosis Society of Canada itself is part of the overall Canadian health research effort. We support our own large research program which is targeted at finding the cause of MS, ways to prevent it, discover better treatments and ultimately discover the cure. Key to the success of MS Society funded health research is an overall publicly supported research strategy that is well-funded and operates with stable and predictable funding levels. CIHR is the logical home for this strategy.

Going forward, we urge that the government recognize the importance of stable and predictable funding levels, and that it also put a priority on developing a long-term, integrated strategy with input from other funding partners for the support of health research in Canada.

Multiple Sclerosis Society of Canada Key Recommendations for Health Research:

- The federal government further enhance government investment in the Canadian Institutes of Health Research through increased multi-year funding commitments to provide opportunities for stability and planned growth.
- As recommended by the Council for Health Research in Canada (now known as Research Canada), the federal government lead a National Integration Strategy for Health Research to foster collaboration and coordination among and between federal, provincial and other funding agencies including health charities.

Health Care

In September 2004, Canada's First Ministers agreed on a 10-year plan to strengthen our health care system. Providing timely access to quality care is a priority for persons with MS and their families. The inclusion of evidence-based performance benchmarks is welcome, as is the establishment of target dates for reaching those benchmarks.

Following are some comments on parts of the agreement that are of particular significance to people with MS:

1. Wait time reductions

Access to diagnostic technology, especially MRI scanners, is paramount for the early diagnosis and treatment of people with MS. The MS Society was pleased that the agreement includes significant investments to reduce wait times in this area and that the federal government is providing funding that the provinces are actively putting to use to implement needed changes. The inclusion of strategic investments to reduce human resource shortages is also positive.

We believe, however, that the target date of December 2007, for setting benchmarks to measure wait time reductions is too distant. We urge that this timetable be advanced.

2. Home care

Access to quality home care is essential for people with MS. MS is chronic, and it is most often progressive. At some point, a significant number of people with MS will become sufficiently disabled to require home care on a long term basis. The MS Society is pleased that the first ministers agreed to provide first dollar coverage for short-term acute home care, including acute community, mental health, and end-of-life care. We believe that Canada's first ministers increasingly recognize home care is often more appropriate than hospital care, and that it can serve as a cost effective alternative to hospitalization. However, these measures do not address the needs of people who have chronic health problems or who are disabled.

We urge the federal and provincial governments to expand home care coverage to include chronic illness support as early as possible. We also recommend that Health Canada, working with its provincial partners, spearhead a pan-Canadian review of existing programs and services that could complement and strengthen an expanded home care strategy.

3. National pharmaceutical strategy

Drugs to treat MS are expensive – up to \$25,000 a year to prevent new MS attacks. Currently provincial and territorial drug programs provide uneven access and compensation. Right now, people with MS in Newfoundland have no provincial government help in covering the cost of needed drug therapy, while individuals living in Nova Scotia pay just a small portion of the total cost. In the 2003 Health Accord, first ministers agreed to provide reasonable access to catastrophic drug coverage by the end of fiscal 2005/06. We welcomed this commitment. And we welcomed the new nine point strategy to improve access to affordable drugs and to quicken the pace of new drug approvals. The appointment of a Ministerial Task Force to develop and implement this national strategy is positive.

However, we urge that the new strategy not detract from the 2003 Health Accord original commitment to provide access to catastrophic drug coverage by 2006. The first reporting date for the Ministerial Task Force is June 30, 2006. Access to catastrophic drug coverage should be made in advance of this date. When the Task Force does report, it should report on progress, not plans.

The new strategy proposes improvements to the drug approvals process for breakthrough drugs. We support this effort, but urge that appropriate resources be committed to improving the review process for all drugs. Health Canada's Therapeutic Product Directorate must be provided with the resources necessary for timely reviews to ensure that beneficial therapies are available to people who need them in a reasonable timeframe.

Multiple Sclerosis Society of Canada Key Recommendations for Health Care:

- Speed up the timetable for waiting list bench marks.
- Expand the home care program agreements to address the needs of people who are chronically ill and/or disabled.
- Provide access to catastrophic drug coverage before June 30, 2006.
- Immediately implement improvements to Health Canada's drug review process to make it more timely and transparent to stakeholders

INCOME SECURITY AND SUPPORTS

Multiple sclerosis has a profound impact on the ability to work. Most people with MS are diagnosed between ages 15 and 40 with the average age of diagnosis of 30, just when they are finishing school, starting careers and beginning families. The disease is often episodic in nature, especially in the first 10 to 15 years. In these instances, it is characterized by unpredictable attacks (also called relapses) followed by periods of recovery and remission. This pattern of relapse and remission can last many years although over time there are fewer periods of remission and disability worsens.

The MS Society is working closely with other organizations within a new Episodic Disabilities Network to tackle this issue since episodic disabilities raise particular challenges for both people affected by them and for policy makers.

For example, people with MS often ask whether employability and the inability to participate in society is solely because of MS or because of societal barriers? The MS Society suggests that societal barriers play a significant role. Moving forward, social programs should be developed that provide income security and supports for people who can no longer be part of the workforce, but at the same time, other initiatives should be put in place to support the desire of people with MS – and with other episodic disabilities – to remain employed and to contribute to enhanced Canadian productivity growth. The federal government has a unique opportunity to take leadership on making the necessary changes to bring this about.

The report Disability Tax Fairness succinctly states: *Measures for persons with disabilities consist of a patchwork of programs and tax measures that are not fully integrated. These measures make available some appreciable level of support for some but less than adequate assistance for others. They comprise a bewildering maze that persons with disabilities face when seeking support.*

To address this, the final recommendation in Disability Tax Fairness is: *Priority should be given to expenditure programs rather than tax measures to target new funding where the need is greatest. The Committee recognizes that the development of such programs would involve consultation with provincial and territorial governments and the disability community.*

The Multiple Sclerosis Society of Canada and many other organizations and individuals within the disability community urge the federal government to take the lead in

developing the appropriate programs that would enable people with disabilities to gain their rightful place within the workforce and to also have appropriate income security and supports, if they are not able to work.

Following is a by no means exhaustive list of what could be considered:

- Single entry point (one stop shopping) for federal, provincial and private disability programs
- Potential for integrating part-time work and part-time disability benefits
- The viability of a single disability income and related supports program (replacing current CPP-D, DTC, provincial programs and related supports)

We believe this is the right time to start dealing with this important issue following the release of the two crucial reports *Disability Tax Fairness* by the Technical Committee on Tax Measures for Persons with Disabilities and *Listening to Canadians: a First View of the Future of the Canada Pension Plan Disability Program* by the House of Commons Standing Committee on Human Resources and the Status of Persons with Disabilities. The MS Society looks forward to being part of this important process.

Multiple Sclerosis Society of Canada Key Recommendations for Income Security:

- The federal government take the lead in working with other levels of government and private industry to develop appropriate approaches and programs to enable people with disabilities to gain their rightful place within the workforce in the interest of increasing the productivity of all Canadians. As well, the federal government is the appropriate leader to develop appropriate income security and supports, if Canadians with disabilities are not able to work.

Current Income Security Issues

Currently, there are a number of ways the federal government provides some income assistance to people who are disabled because of MS and their caregivers: the Disability Tax Credit (DTC), the Canada Pension Plan – Disability (CPP-D), the Medical Expense Tax Credit and the Medical Tax Supplement.

Disability Tax Credit

The Disability Tax Credit (DTC) provides important income security through tax relief for people with disabilities, including people with multiple sclerosis. The MS Society was very pleased that the government in responding to *Disability Tax Fairness*, the report by the Technical Advisory Committee on Tax Measures for Persons with Disabilities (TAC), accepted the vast majority of its recommendations and included them in the budget for implementation in the 2005 taxation year. We applaud the government for taking this significant step forward and believe that more people with MS will be able to qualify for the DTC because of this positive action.

However, we still have some concerns. As mentioned, multiple sclerosis is characterized by relapses (periods of worsening) and then recovery. The episodic nature of the disease makes it difficult for people work, but equally hard for them to qualify for income tax credits such as the DTC or for disability pensions. The Multiple Sclerosis Society of Canada shares this concern with a number of organizations who work with people who have episodic disabilities or diseases and have formed a coalition called the Episodic Disabilities Network to identify common issues and advance possible solutions.

Specifically related to the DTC, the MS Society recognizes the TAC examined the issue of episodic (intermittent) disabilities in relation to conditions such as multiple sclerosis, AIDS and mental illnesses and concluded that individuals with a severe and prolonged impairment with intermittent symptoms can be eligible for the DTC if the present legislation is interpreted correctly. The TAC suggested this objective could be reached by Canada Revenue Agency (CRA) explain this clearly in explanatory materials and on the DTC application form. The MS Society will be monitoring this closely to ascertain if the desired outcome is reached.

Canada Pension Plan - Disability

The comments provided earlier about the challenges of living with an episodic disability apply equally to the Canada Pension Plan – Disability (CPP-D) and suggest that some of the progress that has been made with the Disability Tax Credit be transferred to CPP-D.

In 2003, the House of Commons Standing Committee on Human Resources and the Status of Persons with Disabilities tabled its comprehensive study of the Canada Pension Plan Disability Program entitled *Listening to Canadians*. The report included a series of recommendations to modernize and improve the program. The government response to *Listening to Canadians* did acknowledge some administrative deficiencies but made no commitment to genuine CPP-D reform.

The Multiple Sclerosis Society of Canada has identified several areas within CPP-D that could be improved that would not impose a major financial burden on the federal treasury. All of these observations and recommendations were endorsed in *Listening to Canadians*. These include the following:

Supporting people with episodic disabilities

The current qualification criteria for CPP-D benefits require that the illness be severe (rendering the applicant incapable of regularly pursuing any substantial gainful occupation) and prolonged — i.e., long-continued and of indefinite duration. MS is permanent and often severe. As with the Disability Tax Credit, the often-fluctuating nature of MS, which is characterized by periods of remission followed by unpredictable periods of worsening, frequently precludes many individuals with MS not only from participating regularly in the workforce but also from qualifying for disability benefits because their condition is recurrent rather than prolonged.

Contribution Requirements

CPP-D benefits are calculated based on the amount of earnings and contributions credited to an individual's CPP account as well as how long the individual contributed. The contributory period is significant.

The more recent "four out of six" contribution years rule that replaced the "five out of 10" rule has made it difficult for many people who are disabled because of MS to qualify for the program. Often people with MS will try to work part time, with a resulting drop in their contributory earnings. When they have to drop out of the workforce, they may not immediately apply for CPP-D because they hope to go back to work – once the last "MS flare up" is over. Unfortunately, that flare up is permanent. What this means is that the four out of six rule introduces a type of systemic discrimination because it does not recognize the nature of episodic illnesses where there are ups and downs – typical of MS.

Part-time Work

Multiple sclerosis causes a wide variety of disabling symptoms, including severe fatigue. Many people with MS are unable to work full time. But they can manage part-time or occasional employment above the current \$4,100 reporting cap for part-time work. This low reporting cap is a disincentive to work and an impediment to a healthy lifestyle. Part-time work not only enables a person with a disability to increase his/her (normally low) income, it contributes to a sense of self worth by enabling them to participate in and experience community life.

Administrative Issues

The MS Society of Canada continues to have concerns that some private insurance and provincial social assistance programs require people to apply first to CPP-D even though it is clear that most will not qualify under CPP-D criteria. Significant administrative costs are being transferred to CPP-D for disability assessments. The MS Society has also found that the majority of people with MS who appeal with our assistance are eventually granted benefits. This suggests that there is a flaw in the system from the beginning, making the process inefficient and wasteful of taxpayers' money. More significantly, the lengthy appeals process unfairly leaves disabled people without a way to make ends meet.

Automatic Reinstatement

We do want to acknowledge and applaud the introduction by Social Development Canada of automatic reinstatement of CPP-D benefits for people who are not successful in their attempt to return to work. This supportive program certainly will encourage people to attempt a return to the workforce. The MS Society urges the government of Canada to build upon this excellent example to introduce other innovative ways to encourage persons with disabilities to enter the workforce.

Multiple Sclerosis Society of Canada Key Recommendations for CPP-D:

- The terms "severe and prolonged" in section 42 of the Canada Pension Plan should be amended to take into account episodic and remittent mental and physical conditions.

- Develop a more flexible approach to the current contribution rule for CPP-Disability of four out of the last six calendar years.
- Make more flexible the rules regarding part-time or occasional work so CPP-Disability recipients can do more work without risking their eligibility for benefits.
- Social Development Canada and the CPP Review Tribunal should continue their outreach to Canadians regarding CPP-D. All of the recommendations in *Listening to Canadians* concerning administrative improvements should be followed.

Caregiver Issues

Caregivers play an important role in enabling many people with MS to remain in their homes and communities. Caregivers essentially provide unpaid labour to the health system. By enabling disabled or chronically ill family members to stay at home, caregivers save the government thousands of dollars in annual costs for hospitalization or long-term institutional care. The Multiple Sclerosis Society is pleased that Minister of State Tony Ianno has been given the task to examine the many issues that impact someone who has become a caregiver. We have provided input to this work and look forward to positive outcomes.

Some of the issues facing caregivers relate to income issues. Currently, many caregivers are penalized for their decision to stop work to care for an ill or disabled loved one. Because they are no longer making contributions to the Canada Pension Plan, the net result for caregivers can be a reduction in their pension at retirement, in addition to the loss of income resulting from their decision to leave work. This is unfair.

To address this inequity, we recommend that Social Development Canada provide the same drop out provisions for the caregiving of family members as are given for the child-care dropout. This would exempt the low or no income period in which a caregiver is at home caring for a disabled person from being included in the calculation of their CPP retirement benefits.

Some progress was made in the 2003 Health Accord which initiated improvements to Employment Insurance provisions allowing caregivers to receive EI payments and provided job protection for individuals who leave their jobs to care for a gravely ill or dying child, parent or spouse. We suggest the government look at expanding these provisions to apply to caregivers of people who are severely disabled.

Multiple Sclerosis Society of Canada Key Recommendations for Caregivers:

- The CPP should provide dropout provisions for caregivers that are the same as the child-care dropout provisions.
- Actively pursue measures to support the financial needs of caregivers of people who are severely disabled, including extension of EI benefits.

CHARITABLE SECTOR ISSUES

Canada's charitable and voluntary sector is a major contributor to enhancing productivity growth in Canada. According to the Health Charities Coalition of Canada, there are over 160,000 non-profit organizations, of which approximately 80,000 are registered as charities with Revenue Canada. Over 5,300 of these registered charities place a strong emphasis on health. The voluntary sector is large; it has an estimated \$112 billion in annual revenues, with \$109 billion in assets. The sector accounts for one-eighth of Canada's Gross Domestic Product. The voluntary health sector is a major stakeholder in the field of health research, raising approximately \$300 million each year to support health research.

The MS Society is a significant health charity within the sector. It receives almost no funding from the federal government and very limited support from provincial governments (for special, designated services). Nonetheless, in 2004 the Society was proud to provide more than \$8 million in service programs and more than \$7 million for MS research. More than 80 percent of MS Society revenues are from donations by Canadians. The vast majority of our donations are between \$25 and \$50.

A key component of MS Society fund raising is its direct mail campaign. Currently, we mail over eight million pieces of direct mail and receive more than 400,000 donations back through the mail annually. A major expense of this program is postage rates. All customers of Canada Post, including registered charities, pay commercial postage rates.

These postage fees represent as much as 43 percent of campaign expenses for registered charities. In addition, by law, all tax receipts must be mailed first class rates. Funds raised by registered charities through direct mail support much needed services and research for vital health issues. Direct mail revenues represent over \$16 million annually in gross revenue for the Multiple Sclerosis Society of Canada. Any postage savings would directly translate to more money going to medical research and services.

The MS Society suggests the government consider assistance to the charitable sector in the form of postal subsidies. Certainly, there is precedent for assistance to identified sectors. To enhance communications from constituents, letters to Members of Parliament and Senators does not require a postage stamp. As well, the government recently extended the subsidy for mailing books among libraries.

Two other countries have tackled this issue in creative ways. The United States Postal Service has a two-tiered postal system with approved not-for-profit organizations receiving government subsidies. Australia provides assistance to registered charities using a different approach. Australia Post offers a reduced rate for registered charities on certain mailings. Australia Post believes that "sponsorship of charity mailings is regarded as part of our socially responsive Corporate citizenship, as one of Australia's largest and profitable businesses." The MS Society applauds Australia Post's initiative and suggests this approach is worthy of consideration within Canada as well.

Multiple Sclerosis Society of Canada 2006 Federal Budget Recommendations

In addition, in the United States, charitable organizations are not required to issue receipts for income tax purposes for donations under \$250. Clearly, the Internal Revenue Service has determined that fraud relating to claimed donations of less than the threshold amount is well below the cost of tracking these smaller donations. At the same time, this saves an enormous burden to time and expense for registered charities.

Multiple Sclerosis Society of Canada Key Recommendations for Charitable Donations:

- Provide a subsidy to Canada Post Corporation for registered charities to assist in the mailing of donation receipts or remove the requirement that tax receipts be sent by first-class mail (which would provide a 40 percent savings in mailing costs.)
- Exempt registered charities from the requirement of issuing receipts for income tax purposes for donations of less than \$250.

CONCLUSION

The Multiple Sclerosis Society of Canada is pleased that the federal government has demonstrated leadership on a long-term agreement to improve the health system for all Canadians in a variety of ways. These efforts include many provisions that will be of specific benefit to persons with MS. As well, we are pleased with the progress made in specific areas of the disability tax credit and are delighted to have been part of this process. We hope our suggestions for further improvements in all three major areas that we have identified will be helpful to the Standing Committee on Finance.

We thank the Committee for its time and consideration.

APPENDIX

BACKGROUND ABOUT MULTIPLE SCLEROSIS AND THE MULTIPLE SCLEROSIS SOCIETY OF CANADA

Multiple sclerosis is a disease that touches people across a wide spectrum in this country since studies indicate that Canada has one of the highest rates of MS in the world. Usually diagnosed between the ages of 15 and 40, MS is the most common disease of the central nervous system affecting young adults in Canada. Periods of spontaneous recovery are interrupted by unpredictable attacks that over time result in most people with MS becoming disabled. The result: young Canadians face a progressive and unpredictable disease that cannot be prevented, and that they must live with for 40 or more years.

The MS Society of Canada is the only national voluntary organization in Canada that supports both multiple sclerosis (MS) research and services for people with MS and their families. In addition to the national organization, there are seven regional divisions and more than 120 chapters across Canada. The Society's engine is its volunteers. More than 1,500 individuals serve on the national, division and chapter boards and 13,500 individuals organize and deliver service programs, fund raising events, public awareness campaigns and social action activities. More than 100,000 Canadians participate in one of the Society's fund raising events. Eighty percent of the Society's net revenue goes directly to fund MS research and services for people with MS and their families while administration and fund raising costs account for just twenty percent.

The Multiple Sclerosis Society of Canada is a major funder of MS research in Canada. The MS Society was founded in 1948 and less than a year later was able to provide its first research grant of \$10,000 to the Montreal Neurological Institute. Today, the MS Society supports a research program of \$6 to \$7 million annually. In addition, its related MS Scientific Research Foundation funds large cooperative multi-disciplinary research projects. Together they are the largest funders of MS research in Canada.

While MS is unpredictable, most people with MS are eventually unable to work full-time and many experience total disability. In 1991, 44 percent of adults with disabilities (aged 15-44) were not part of the labour force. With MS, however, this is significantly higher. Nearly 80 percent of people with multiple sclerosis are eventually unable to work full time because of the severity and unpredictability of their MS symptoms. The change in work force attachment comes fairly soon after diagnosis: 25 percent have a change in their employment status within five years of diagnosis; 50 percent within 10 years and 80 percent within 20 years.

The total cost of illness in Canada was estimated at \$156.4 billion in 1998. Direct costs (such as hospital care, physician services and health research) amounted to \$81.8 billion, while indirect costs (such as lost productivity) accounted for \$74.6 billion. The diagnostic categories with the highest total costs were cardiovascular and musculoskeletal diseases, cancer, injuries, respiratory diseases, diseases of the nervous system, and mental disorders.¹

¹ Report of the Standing Senate Committee on Social Affairs, Science and Technology. Volume Two: Current Trends and Future Challenges. January 2002, p. 49