A recent study of the economic burden of illness in Canada, from the Health Protection Branch of Health and Welfare Canada, found that the money spent on research efforts in all disease categories, accounted for 1% of the direct costs of all diseases and 0.5% of the total economic burden of disease.[151]

Differing views are expressed with regard to what the priorities should be in health research. The majority of the Medical Research Council (MRC) budget goes to basic research, while virtually all of the National Health Research and Development Program (NHRDP) budget of Health and Welfare Canada goes to applied research. Nearly nine times as many dollars ($241.5 million in 1990-91) go to MRC, however, as go to NHRDP ($28.1 million in 1990-91). Witnesses generally urged that more funding go to health research but some witnesses expressed concern about recent reductions in the NHRDP budget (applied research). The Canadian Federation of Biological Societies, for example, offered the view that these reductions could affect research in health care delivery and also the training of highly qualified personnel in this area.[152]

The current NHRDP budget of $28.1 million is a reduction of $1 million from the 1989-90 main estimates level. It is made up of several parts, including the AIDS, Child Sexual Abuse, Family Violence components, which have not been reduced. It is anticipated that NHRDP expenditures related to Seniors and the Drug Strategy will exceed those of 1989-1990, although there has been a "slight reduction" in the overall budgets. The balance of the cutback will be applied to the untargeted part of the NHRDP budget. This is the part of the NHRDP budget that funds projects previously identified as important to improving the quality and cost-effectiveness of health care services. Projects under the following headings have been funded in this area:

- Health Care Management,
- Health Care Delivery and Organization
- Health Care Quality and Standards/Quality Assurance and Control.[153]

Projects funded in the special areas identified above yield information on new and improved ways to deliver care.

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151 Wigle, Donald T., et al, *Economic Burden of Illness in Canada, 1986*, Bureau of Chronic Disease Epidemiology, Laboratory Centre for Disease Control, May 1990, pp. 6-7. This study includes both direct and indirect costs in the total economic cost of illness and analyses these costs by disease category. Direct costs consist of expenditure on drugs, medical care and other professional services provided by physicians, hospital care, research, pensions and benefits, non-institutional care and related services, appliances and various administrative health costs. Indirect costs include loss of future income due to premature death and the value of productivity lost in 1986 due to chronic and short-term disability. The study was able to determine direct and indirect costs by disease category for approximately 81% of the $97.2 billion estimated as the total cost of disease.

152 Brief, p. 2.

153 Health and Welfare Canada, *Information For The Parliamentary Relations Office*, November 22, 1990.