

# Are Canada's Health Systems Capable of Innovation? Plus ça Change, Plus C'est la Même Chose



## INTRODUCTION

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### Abstract

*Canada lags its peers in health systems innovation. Ten years after the federal Advisory Panel on Healthcare Innovation released its report, progress remains limited. In this issue, Manns et al. (2025) revisit the recommendations of the report, assess progress and propose a path forward, including establishing a well-funded innovation agency, advancing interoperable data systems, shifting to value-based funding and fostering patient engagement. The lead essay (Manns et al. 2025), along with the rich and insightful commentaries, highlight both systemic barriers and opportunities for change. Despite past inertia, these strategies offer hope for building an innovation-ready health system capable of meeting future challenges.*

## Introduction

Innovation is not merely about change or novelty. It goes beyond new technologies and transformative medications and vaccines. Innovation is also about continuous improvement in response to emerging evidence and population needs. Positive change, continuous improvement and striving for excellence are, however, not the traits one commonly associates with Canada's health systems.

Many countries have introduced innovative technologies and system transformations over the past decades that still seem to be in our distant future. Digital advances and electronic medical records that follow the patient offer a stark illustration of Canada's inability to change, in contrast to most other countries. Some stand-out international examples are Taiwan's cloud-based health record system developed in 2015 (National Health Insurance Administration, Ministry of Health and Welfare 2025) and Denmark's eHealth portal initially developed in 2003 (Sundhed.dk 2025) providing healthcare providers and patients with near real-time access to health records. In the case of healthcare financing and delivery, notably, the Netherlands revised primary care physician payment models in 2015 to prioritize three concurrent objectives: (1) maintaining strong patient attachment (through capitation), (2) strengthening integrated care for prevalent non-communicable diseases (with bundled payments) and (3) innovative care projects through a dedicated fund (Tikkanen et al. 2020). Achieving progress on any one of these objectives, let alone all three, would represent a huge success in Canada.

These are only a handful of innovations that we can see around the world. Such innovations, necessarily, are introduced in the context of a health system that is ready for change, not one that is "innovation averse" (Picard 2025).

## So Where Do We Go From Here?

In a post-pandemic era, with global and local political and economic pressures at what seems to be a new peak, it seems an opportune time to revisit the findings of the final report of the federal government's Advisory Panel on Healthcare Innovation (2015), chaired by C. David Naylor. Quietly released 10 years ago, this report's mandate was twofold:

Identify the five most promising areas of innovation in Canada and internationally that have the potential to sustainably reduce growth in health spending while leading to improvements in the quality and accessibility of care, and recommend the five ways the federal government could support innovation in the areas identified above.

The lead essay in this issue, authored by a stellar team of clinician leaders and academics, Manns et al. (2025), reflects on the progress (or lack thereof) in addressing the priority challenges and advancing in the promising areas of innovation articulated in the report.

Importantly, they propose a bold path forward toward a health system capable of large-scale innovation. They call for a well-funded innovation agency that can overcome the known impediments to the scale and spread of local innovations. They also spell out the necessary steps toward an innovation-ready system, including progress on interoperable electronic health records, and changes from our siloed, volume-based payment models toward bundled and value-based funding, strong leadership and meaningful progress toward patient and public engagement in healthcare.

These ingredients for success provide some reason for optimism, despite the lack of progress in the past 10 years relative to our own performance and, more strikingly, relative

to the performance of peer countries. Their assessment and recommendations also provide an excellent springboard for the compelling commentaries from diverse perspectives locally and internationally. The rich discussion that follows will both enlighten readers about the past, including why change has been so

difficult in Canada's decentralized federation, and the future, with examples of progress and innovation in the health data ecosystem and patient engagement, to name a few. We hope that in another 10 years, we will reflect more positively on the state of Canada's health systems and our readiness for positive change.

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