

A response to Canada's National Artificial Intelligence Strategy: AI for All

Executive Summary

The data is clear – Canada’s health care system is in dire need of reform. In Santis Health’s recently conducted [Canadian Health Perspective survey](#), a staggering 91% of Canadians agreed that “the health care system must change”.

In the same survey, two-thirds of Canadians indicated that they are open to AI being a part of this change. AI holds a lot of transformative promise, and as a country we need to leverage this to tackle the problems facing our system.

[Canada’s new AI strategy, AI for All](#), has a lot to like – ambitious funding to drive new health innovations, the expansion of key health data platforms, and a commitment to implement regulations to offset associated risks.

But the strategy is missing key elements that will undermine its success. Funding cutting-edge innovations will have little use if the health system still captures health information on paper and fax; building health data platforms will not drive research and economic development if the data is locked away from innovators; and regulations will not address risks until they have actually been developed, communicated, and put in place.

The health care system needs to change, Canadians want and expect this, and it needs to happen fast. Canada’s AI strategy is a strong start, but it needs to go further and faster to meet this moment.

There is a window of opportunity for interest-holders in the coming weeks and months to shape what comes next. Santis will be working with our partners across the system to develop and communicate proposals to improve and accelerate the strategy, and we will be supporting our clients in responding to any opportunities that arise from the strategy.

If you are interested in discussing any such ideas or opportunities with us, please contact our Digital Health Practice Lead, Ben King (ben.king@santishealth.ca), to set up a conversation.

The Current State

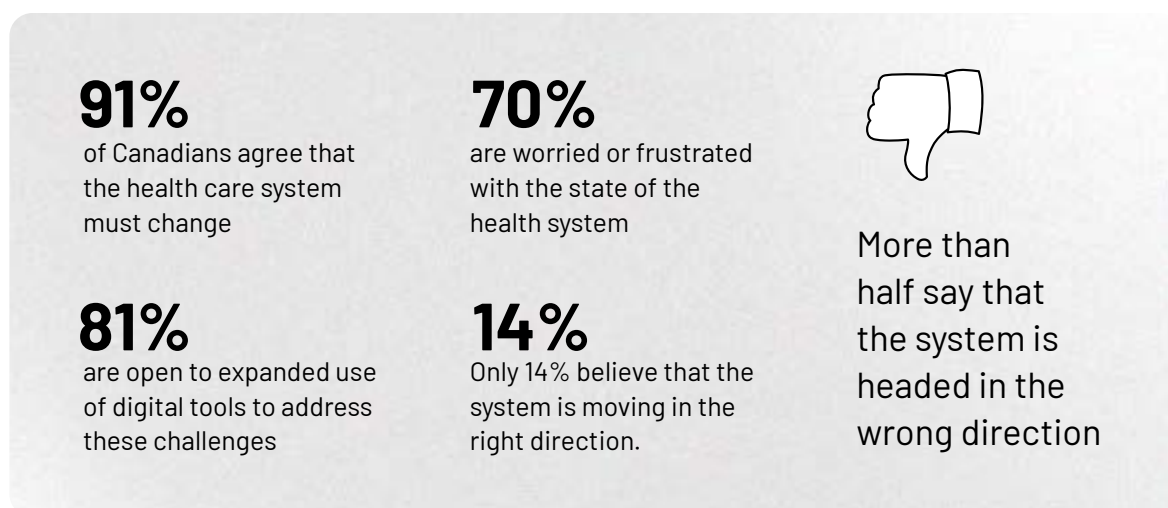
Why Canada Needs a Strategy for AI in the Health System

While there is understandable trepidation in Canada around the use and impacts of AI, in particular in the health system, the need for a national AI-in-health strategy should not be up for debate. Such a strategy is needed for the following reasons:

Canada does not currently have enough health care workers: According to the Canadian Institute for Health Information (CIHI),¹ the country needs to increase the supply of family physicians by 49% to meet current demand. Over the past decade, Canada's health workforce has only barely kept pace with population growth, so issues like unattached patients and long wait times have persisted.

Canada's health care workforce is not growing quickly enough: We are already facing shortages, and with the aging population and retiring health workforce, there is every reason to believe these will get worse. For instance, a large federal analysis of Canada's health workforce and education/immigration pipeline found that Canada has almost 30,000 fewer nurses and 25,000 fewer doctors than we need, and both gaps are projected to increase in the next 10 years.² While fears around job displacement are understandable in many contexts, they do not make much sense in a health system where there are simply not enough nurses, doctors, and other care providers.

Canadians are demanding change: According to the [Santis-Nanos Canadian Health Perspective survey](#), conducted in May 2026:



This is as strong a mandate for change as any government is likely to get.

¹ Canadian Institute for Health Information (CIHI), [The state of the health workforce in Canada, 2024](#)

² Government of Canada, [Caring for Canadians: Canada's Future Health Workforce – The Canadian Health Workforce Education, Training and Distribution Study, 2025](#)

Canadians are open to AI in health: In the same survey, two-thirds of Canadians indicated that they are open or somewhat open to the use of AI to assist health care providers in diagnosis, treatment plans, and keeping up with changing information. And this is not just young people talking – support for AI in health care was, in fact, higher amongst middle-aged and older Canadians than it was for young adults.

The horse is out of the barn: Millions of Canadians already consult with AI for health advice on a regular basis, and thousands of health care providers regularly use it in their daily practice. A strong Canadian approach is needed to maximize this value, because without clear direction, AI use will continue to expand and evolve in an ad hoc manner. We cannot simply ignore the reality that this is happening.

The Health Contents of the Federal AI Strategy

AI for All identifies five priority sectors that will be focal points to help concentrate investment and help Canada build a global leadership position. The initial priority sector is health and life sciences, meaning that many of the government's specific investments outlined in this announcement are accordingly focused on the health sector.

Health and life sciences specific initiatives include:

- **\$200 million** to launch a new **AI Missions Program** to advance targeted, high-impact projects that are focused on improving health outcomes for Canadians.
- **\$100 million** to launch the **Health Sector Data Space**, in partnership with CIHI, to link secure, private, and standardized datasets to strengthen clinical trials, health services research and performance measurement.
- **\$100 million** to expand the **VITAL health data platform, based out of St. Michael's Hospital** to five additional provinces, supporting its ability to leverage clinical data from hospitals and enable health data innovation that reduces mortality rates and accelerates critical care for Canadians.

The strategy also includes numerous elements that, while not health-specific, will have significant implications for the health system and will shape the development, adoption, and utilization of AI tools in the health system moving forward. These include:

Regulation: A stated intent to develop robust legislation/regulations in the coming months to counteract potential harms caused by AI, with a particular focus on privacy and child safety.

AI Literacy: Significant funding to bolster AI literacy across the country, in order to improve comfort with and adoption of AI tools.

Catalyzing Investments: A range of initiatives to support Canadian scale-up companies and incentivize investment in Canadian companies to drive more “made-in-Canada” AI systems.

³ Canadian Medical Association, Doctors warn: [Canadians are turning to AI for health information and it is hurting them, 2026](#)

⁴ CIHI, [Commonwealth Fund survey, 2025](#)

Our Perspective on the Federal AI Strategy

Our Background Research

Over the past few months, Santis Health has been engaging with leading digital health organizations to ask them about AI. Specifically, we wanted to know – what can and should government do to catalyze AI innovation in the health system? In parallel, we have also spent extensive time understanding AI developments and researching what other jurisdictions are doing across the world. What is working? Where have there been issues? And what can Canada learn?

We have built a picture of what an effective Canadian AI-for-health strategy should contain, and we have been using this knowledge in our day-to-day work and with our clients. Because of this foundational work, when the federal government released its national AI strategy in early June, we were ready.

What the New Federal Strategy Gets Right in Health Care

There is a lot to like in the new Federal Strategy. First and foremost, the strategy rightly frames health care as the priority. The health system is a point of Canadian pride and improving the system is a top priority for the majority of Canadians, and the strategy thus makes the right choice by making the health system the focal point for efforts in the near-term. Beyond that, the strategy takes a strong approach to defining (at a high-level) the key elements of a Health-in-AI strategy. In Santis' research, we have found that success in AI requires a strategy that:

1. **Catalyzes cutting-edge innovation** – We do not know what AI is capable of, and governments have a role in funding pilots and projects to move the needle, especially in health spaces that are underserved by the market.
2. **Creates the conditions for adoption** – Health systems across the world have struggled to modernize for the past three decades, and governments need to learn from the past to ensure that health systems are ready for the wave of AI innovation that is coming.
3. **Leverages data for iterative improvement** – AI is a learning technology, and its value is far greater if there are mechanisms to integrate and use data for ongoing improvement.
4. **Establishes a regulatory framework to ensure that all of the above are done in a manner that is safe and responsible** – There is legitimate reason to be cautious about the risks posed by AI, and a strategy that simply “steps on the gas” will inevitably fail when issues arise.

The Federal AI Strategy does all of the above. The \$200M Challenges funding for AI-in-Health will catalyze innovation, work around AI literacy and re-training will help create the conditions for adoption, substantial funding for CIHI and VITAL for national health data platforms will help Canada leverage data for iterative improvement, and there are numerous commitments throughout to establish a regulatory framework for the safe governance of AI.

In other words – the strategy covers all of the dimensions that we would want to see in an AI-in-Health strategy and deserves significant credit for this.

Where the New Federal Strategy Falls Short

While it is directionally promising, the strategy does not go far enough or fast enough. The need for a robust approach to AI to improve the health care system is urgent, and while the strategy represents a good starting point, it does not sufficiently seize the moment.

The key gaps are as follows:

- **The health system lacks the technical foundations to capitalize on AI:** A health system that still relies on paper and fax and that cannot easily share information will not be able to adopt many AI innovations. For instance, picture an AI tool that uses primary care, home care, and hospital data to predict individual risk of hospital admissions. Such a tool would have tremendous value, but the data that this tool would need is recorded inconsistently in each of these settings, information is not shared between the settings, and there is thus no data source that the AI could use to make these predictions. As simple as it seems, we still need to get basic digital health systems in place, because without them we will not be able to actually use many emerging technologies.
- **Canada has largely failed to capitalize on the data assets that it has, and nothing in the strategy changes that:** The strategy makes real, meaningful investments in building out national data platforms that could accelerate clinical research, real-world evidence, and other key drivers of health innovation and economic development. However, Canada has had several such systems for decades, and we have only ever achieved a fraction of the potential value of these platforms.

The Canadian health care system has long been suspicious of any sort of private sector access to Canadian health data, and while it is important to respect these concerns, it is also important to understand that our ability to innovate in AI, develop new medicines in Canada, and create the next generation of medical devices is highly dependent on our ability to open up these data assets to innovators. There is a balance that needs to be struck between respecting individual privacy and driving innovation, but there needs to be a clear commitment to striking this balance and enabling industry access to data, because otherwise our investments in CIHI and VITAL will not be worthwhile. The strategy is unfortunately largely silent on this question.

- **The promise of regulation is not a substitute for actual regulation:** The strategy is correct in highlighting the importance of regulation in this space. Long-term adoption of AI in health care depends on there being clear rules for providers and for industry – health care providers may test some tools but, outside of the most basic use cases, adoption can only be sustained if providers understand what they can and cannot do. While the strategy commits to regulation, it does not actually define what these regulations are, when they will be in place or who they will apply to.

If organizations are going to invest time and energy into implementing AI tools, and if industry is going to create or deepen their footprint in Canada to build their new technologies here, they need to know that their efforts will not go to waste. The spectre of future regulations is, in many ways, worse than no regulation at all – a hospital's new implementation, a vendor's new technology, and a provider's new workflow could all be inconsistent with these future laws, and they have no way of knowing how likely this is. Even if the finalization of legislation and regulation will (understandably) take time, there needs to be far greater certainty and soon about what this legal approach will entail.

Recommendations:

1. Strengthen the technical foundation for AI in the health care system
2. Ensure that we leverage the value of our new data systems
3. Create regulatory clarity for the innovation sector

Recommendations in Detail

1. Strengthen the technical foundation for AI in the health care system by doing the following:

- a. Expand the AI-in-Health Challenges fund to include a complementary AI-in-Health Foundations fund that would, working with the provinces, ensure that systems are in place across the country to capture and share data across the health system. This work is already happening across the country, but it needs to be urgently accelerated if we want to reap the benefits of AI.
- b. Engage with major vendors across the country and explore the potential for this Foundations fund to directly compensate them to enhance their systems to simplify interoperability in a manner that would simultaneously benefit multiple provinces at once.
- c. Once passed, use the regulation-making authority in Bill S-5, the Connected Care for Canadians Act, to establish anti-data blocking rules that will improve the flow of data across the health system. In parallel, work with provinces to rationalize privacy laws to implement the health data stewardship model that is championed in the Pan-Canadian Health Data Charter.

2. Ensure that we leverage the value of our new data systems by doing the following:

- a. Create a clear statement of intent that the health data platforms being funded through AI for All will be made accessible to industry collaborators who are looking to develop innovations and conduct research in Canada.
- b. Work urgently with interest-holders across the system, including industry, to define the “rules of the road” that will govern access to these platforms.

3. Create regulatory clarity for the innovation sector by doing the following:

- a. Release draft legislation and regulations, or at least a white paper describing what legislation and regulations are likely to entail, to provide early clarity to the sector on what Canada’s regulatory approach will be.
- b. Move quickly to introduce such legislation.

What You Can Do Now

If you are an organization with an interest in the future of AI policy, you should be engaging with government now to shape what comes next – The strategy, as released, is full of large question marks: what will be funded, what AI regulation will entail, who will have access to data and what data sovereignty rules will apply. The government has clearly stated its intent to act and invest, but what those actions and investments look like will depend entirely on decisions made in the coming months. If your organization has a strong perspective on how AI should be governed, what innovations should be funded, or how the health system should adopt AI, now is the time to bring it forward.

If you are an innovator that is building cutting-edge AI systems, you should be positioning your organization to access future funding opportunities – The strategy includes significant new investments, and the government's hope is that this funding will be paired with remarkable ideas that can transform the health system. Organizations developing AI technologies for health care should be defining those ideas now: which ideas are most promising, how new investment would accelerate it, and how your potential innovation addresses the specific challenges facing Canada's health care system. The organizations that arrive with a clear, compelling value proposition will be the ones that benefit.

If you are a health care provider organization with an interest in leading the charge to test and scale AI innovations, you should be assessing your AI readiness now – The Challenges funding will flow to projects, and projects need implementation sites. Hospitals, primary care organizations, and home and community care providers that have done the foundational work will be the partners of choice for funded innovations. Organizations with a solid data foundation, mature governance structures, and the capacity to evaluate and adopt new tools will be major drivers of AI innovation in the coming years, while those that don't have the basics in place will likely fall further behind.

If you are an organization that holds, contributes to, or wants access to health data, you should be engaging now to define the "rules of the road". The new national data platforms will only be as valuable as the rules that govern them. The access frameworks, privacy approaches, and data sovereignty rules that get established in the next year will likely shape Canada's health data landscape for the long-term. Research institutions, industry, and data custodians all have a stake in getting this right, and maintaining an active seat at the table for these conversations will be hugely important for all of these groups.

How Santis Can Help

If you want to be a part of this strategy as it unfolds, we can help. At Santis, we have extensive experience supporting clients in shaping government policy and participating in national funding programs. Specifically, we support organizations to:

- **Shape the policy environment** – We help clients develop and communicate their perspective to the government, from formal consultation submissions to direct engagement with the decision-makers who will define what AI for All becomes. We know who is making these decisions, what they are weighing, and how to make your case land.
- **Access funding and procurement opportunities** – We support clients through the full lifecycle of public funding – identifying the right opportunities, shaping competitive proposals, and navigating the realities of public sector procurement. As the Challenges funding and related programs roll out, we will be tracking every opportunity as it emerges.
- **Understand the landscape** – Our team provides the market and policy intelligence that organizations need to make smart decisions: what is happening across provinces, what competitors and peers are doing, and where the system is heading. In a complex and messy space, separating the signal from the noise can be a huge competitive advantage.
- **Build readiness and strategy** – For organizations preparing to adopt, deploy, or scale AI, we help develop the strategies, governance approaches, and partnerships needed to be a leader in AI innovation and evaluation.

The window to shape Canada's approach to AI in health care is open now. If you want to discuss how your organization can participate, please reach out to us for a chat.

You can start by contacting our Digital Health Practice Lead, Ben King, at ben.king@santishealth.ca.

