



**Submission to the House of Commons  
Standing Committee on Finance  
2023 Pre-Budget Consultation Process  
From the  
Canadian Psychological Association**

**October 7, 2022**

## **1. Background**

The Canadian Psychological Association (CPA) is the national association for the practice, science and education of psychology in Canada. The CPA envisions a society where understanding of diverse human needs, behaviours and aspirations drive policies, programs and legislation for individuals, organizations and communities. For more information, please visit [www.CPA.ca](http://www.CPA.ca).

## Recommendation 1

**That the federal government establish a sustainable Canada Mental Health Transfer that will provide the provinces and territories with an appropriate level of funding to expand timely access to accessible and inclusive psychological therapies.**

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For years, the mental health community has called on the federal government to provide ongoing and dedicated funding to the P/Ts to improve and expand timely access to mental health services. During the last federal election, history was made when **all** national political parties committed to significant investments in expanding access to publicly funded mental health care.

The sitting government promised to create a **Canada Mental Health Transfer** in 2022 with an initial down payment of \$4.5 billion over the next five years. The funding has largely been framed in terms of expanding access to publicly funded mental health care beyond physicians/hospitals. In our view, the scope of the transfer recognizes the expertise of psychologists, whose evidence-based services are **not** covered by Medicare and can make a significant contribution to transforming mental health delivery across Canada.

Regrettably, the federal government did not include the Canada Mental Health Transfer in Budget 2022.

As we emerge from the pandemic, we need more mental health and substance use health care. Now is the time for the federal government, working closely with the P/Ts, CPA, and others, to fund evidence-based mental health and substance use health services that respond to unmet needs for care, including the psychosocial impacts of COVID-19.<sup>1</sup>

The CPA supports The Royal Society of Canada's recommendation that the federal government, in conjunction with the P/Ts, increase funding for mental health and substance use to at least **12%** of their health budgets. This figure is less than what other G-7 countries invest in mental health (i.e., France [15%], UK [13%]) as a percentage of their health budgets). Recent publicly available figures suggest that Canada's public mental health investments are about 5% of its total health budget.<sup>2</sup>

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<sup>1</sup> CPA. *New Federal Investments in Mental Health: Accelerating the Integration of Psychological Services in Primary Care*. 2022.

<sup>2</sup> Institute for Health Economics. *IHE Mental Health In Your Pocket – A Handbook of Mental Health Statistics (2019)*.

## Recommendation 2

### **That the federal government table and pass the *Mental Health and Substance Use Health Care for All Parity Act*.**

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There is significant public conversation about the need for the federal government to provide the P/Ts with additional funding for their health systems. While the federal government has signalled its willingness to do so, a key policy issue is whether such funding should be tied to specific areas of focus/outcomes (aka “accountabilities” and/or “strings”).

If the federal government is to follow through on its promise to create a ***Canada Mental Health Transfer***, funding should be embedded within a new piece of legislation that sets out specific accountabilities (e.g., guiding principles, national standards) for which the P/Ts need to agree to qualify for federal funding.

To provide a more transparent and mutually accountable relationship between the federal and P/T governments, the Canadian Alliance of Mental Illness and Mental Health (CAMIMH) called on the federal government to pass new legislation called the ***Mental Health and Substance Use Health Care for All Parity Act***.<sup>3</sup> It calls on the federal government to:

1. Enshrine in federal legislation the provision of, and timely access to, inclusive and accessible mental health and substance use programs, services and supports that are equally valued to those provided for physical health problems and conditions.
2. Ensure that a full array of publicly funded and evidence-based mental health and substance use health programs, services and supports are available to Canadians on an equitable basis, when and where they need it, and extend beyond traditional hospital/physician settings (as set out in the *Canada Health Act*).
3. Recognize the fundamental importance of investing in health promotion, prevention, education, and the social determinants of health.
4. Include clear accountabilities and meaningful national health system performance indicators.
5. Be linked to appropriate and sustainable federal funding to the P/Ts for expanded access to mental health care services.

Meeting these objectives will require an appropriate level of **sustained** investment from the federal government, along with additional financial support from the P/Ts to ensure Canadians have timely access to the mental health and substance use health care they need, when they need it.

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<sup>3</sup> *From Out of the Shadows and Into the Light...Achieving Parity in Access to Care Among Mental Health, Substance Use and Physical Health*. CAMIMH, 2021.

### Recommendation 3

#### **That the federal government provide employers with a 25% tax credit to offset some of the costs of expanding employer health benefit coverage for psychological care.**

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In Canada, access to mental health care services, such as psychological services, are provided through a combination of programs, services, and supports covered by the public, and more largely through the private sector.

Those who require mental health care either have some coverage through their employers' extended health benefit plan and/or pay out-of-pocket. Those who cannot afford to pay for private psychological care face long wait lists, may get less than optimal help, or do not get help.

Based on the most recent 2021 data, the current median annual maximum employer coverage for mental health counselling is \$750, **down** 25% (from \$1,001 in 2020); 18% of employers said they plan to increase the maximum coverage for mental health counselling, **down** from 25% in 2020. 72% of employers have a maximum coverage between \$0-\$1,000; 21% between \$1,001 - \$5,000, and 7% greater than \$5,000.<sup>4</sup>

A large portion of employer coverage falls short of the CPA's recommendation that employers provide their employees with stand alone coverage for psychological services between \$3,500 - \$4,000 per year<sup>5</sup>; an amount necessary for the average person to successfully complete a course of psychotherapy.

While extended health benefits plans usually cover medications and dental care, only some include psychological care. Further, there are **significant** caps on coverage for psychological care despite evidence-based psychological interventions being less expensive than, and at least as effective as medication, in treating common mental health problems (e.g., depression, anxiety).

To assist in: (1) offsetting some of the costs associated with expanded employer health benefit coverage for psychological care; (2) act as an incentive for employers to increase coverage for their employees and attract/retain employees; and (3) expediting employees' return to work by making needed care accessible, the CPA calls on the federal government to provide employers with a 25% tax credit to expand coverage for psychological care<sup>6</sup>.

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<sup>4</sup> 2021 Benefits Canada Healthcare Survey. *Where We Go From Here – Frontline views to help understand COVID-19s impact on health benefits, wellness supports and the work environment.*

<sup>5</sup> *Shaping group benefits: Employer insights that are helping guide the plans of the future.* Sun Life, 2020.

<sup>6</sup> The CPA recognizes that the tax credit's value may need to be adjusted depending on employer size so as not to disproportionately benefit smaller employers.

#### Recommendation 4

**That the federal government, working collaboratively with the provinces and territories, establish a time-limited infrastructure fund to create Schools of Psychology within publicly funded universities.**

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The COVID-19 global pandemic continues to have significant physical, social, psychological, and economic impact. Consider:

- 54% of Canadians say their mental health has worsened over the past two years, particularly for women 18 to 54 years<sup>7</sup>
- More Canadians continue to report high levels of anxiety (23%) and depression (16%) now than when the pandemic began (5% and 4%)<sup>8</sup>
- 42% believe the pandemic will have a lasting impact on their mental health<sup>9</sup>

We need more mental health and substance use health care. Many Canadians have complex needs that are most optimally met by the services of psychologists who have the expertise to conduct comprehensive assessments to develop and communicate a mental health diagnosis, and provide evidence-based treatment for mental disorders.

The existing and anticipated mental health needs of the public require that Canada increase its population of registered<sup>10</sup> psychologists. University programs, which train up to 10 doctoral students in a practice specialty at once, will not demonstrably increase the number of psychologist practitioners available to the public.

It is time to re-imagine the structure in which we train and produce registered psychologists. Moving away from university programs to professional Schools of Psychology – like Schools of Medicine, Nursing and Dentistry - with larger class sizes, can be of substantial assistance in growing the supply of psychologists to meet the public's increasing demand for mental health care.

It is equally important that this training be accessible, especially to diverse populations, whose access to graduate psychology training may be limited by systemic factors.

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<sup>7</sup> Angus Reid Institute. *Two Years of COVID-19: Half of Canadians say their mental health has worsened; women under 55 hit hardest*. 2022.

<sup>8</sup> Mental Health Research Canada national polling.

<sup>9</sup> KPMG Survey of Canadians, 2021.

<sup>10</sup> A registered psychologist is one who has regulatory authority to practice psychology.

## Recommendation 5

**That the federal government increase its investments in research and development with:**

- **a 1% increase in Canada’s gross domestic expenditure in R&D which at 1.56% is at its lowest since 2001 (OECD average is 2.4%); and**
  - **increased funding to the base budgets of each of CIHR, SSHRC, NSERC for fundamental and applied research, by at least 10% yearly, until commensurate with other G7 countries.**
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Research plays a key role in assessing the short- and long-term consequences of COVID-19. Dr. Mona Nemer, Canada’s Chief Science Advisor stated “It’s clear that the reason we’re able to fight the virus ... is because of other research that was totally unrelated that we had done in the past. If we want to be prepared for future emergencies, we need to have a strong basis of research in all disciplines.”

Prior to the pandemic, Canada was on a downward trend in innovation indices, competitiveness, productivity, business investments in R&D, and government investments in external and internal R&D research. Since the pandemic, those trends have continued. There remains a 60% gap in funding investments between the 2017 Fundamental Science Report’s (*Investing in Canada’s Future: Strengthening the Foundations of Canadian Research*) recommendations and the government’s investment to date.

COVID-19 negatively impacted Canada’s research ecosystem – closing research labs and academic institutions; halting research studies, careers, fellowships, international collaborations; and reducing donations to research arms of not-for-profits. CPA would observe that mental health represents approximately 15% of health-care related costs in Canada and yet only 9% of grants awarded by CIHR have a mental health focus.

For Canada to be competitive in recruiting and retaining top caliber researchers, we must create new knowledge, drive innovation, and support a strong science culture. Doing this requires sufficient investments in fundamental research undertaken in academia, government labs, and industry across all research disciplines; applied research directed towards specific objectives; increased support for diversity in research as relates to gender equity, visible minorities, researchers with disabilities, and Indigenous researchers; and experimental developments to produce new, or improve existing, products and processes.

This recommendation is also offered by the *Canadian Consortium for Research* of which the CPA is a founding member.