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## INTRODUCTION

The Finance Committee's News Release for budget 2018<sup>1</sup> focuses on the theme of economic growth and emphasises that more productive people and more productive and competitive businesses can lead to enhanced growth and prosperity. Further, it asks "*What federal measures would help **Canadians** to be more productive*".

Remaining with the theme of productivity, it is imperative that health, both mental and physical, inseparable and co-dependent, is recognized as a key factor in productivity.

As the **WHO**<sup>2</sup> constitution states "Health is a state of complete physical, mental and social well-being and not merely the absence of disease or infirmity."

The Canada Health Act states:

*"3. It is hereby declared that the primary objective of Canadian health care policy is to protect, promote and restore the physical and mental well-being of residents of Canada and to facilitate reasonable access to health services without financial or other barriers."*

Mental health and addiction issues have received much attention recently from the public and both the federal and provincial governments. Major government initiatives have been undertaken to deal with the issues, but while public campaigns to address the stigma of mental health have had beneficial effect, a lack of *access* to affordable services remains a major hurdle. Mental health continues to have a secondary status in health planning.

Despite federal commitment to the accessibility of mental health services psychotherapy/counselling services are not considered basic health services for all Canadians. As stated by patient, "a broken shoulder has no waiting list, but clients with mental health issues have long waiting lists".

While psychotherapy/counselling services exist, funding inequities persist that compound accessibility issues for those in need of these services. That cost is exacerbated by the arbitrary GST/HST charges imposed under the Excise Tax Act (Part II of Schedule V).

## BACKGROUND

Mental illness is the fastest growing category of disability costs in Canada. In any given year, one in five people in Canada experiences a mental health problem or illness, with a cost to the economy of well in excess of **\$50 billion**.<sup>3</sup>

Only one in three people who experience a mental health problem or illness — and as few as one in four children or youth — report that they have sought and received services and treatment.<sup>4 5</sup>

It is estimated that there are over 6.7 million Canadians currently living with a mental illness, accounting for approximately 19.8% of the total population. By 2041, it has been the forecast that there will be over 8.9 million people living with a mental illness in Canada (1.3 times the current estimate) or approximately 20.5% of the total population.<sup>6</sup>

Mental health problems affect people of all ages and stages, genders, social status, background, etc. For example:

- Rates of mental illness for adults between the ages of 70 and 89, are projected to be higher than for any other age group by 2041<sup>7</sup>
  - Among those with the most severe and complex mental health problems and illnesses, unemployment is estimated at between 70 and 90 per cent<sup>8</sup>
  - Women are more likely than men to experience anxiety and depression, including depression, and men are more likely to develop schizophrenia at a younger age<sup>9 10</sup>
  - In a recent study, only 63 per cent of people who had been hospitalized for depression had a follow-up visit with a physician within 30 days after discharge, compared to 99 per cent of people with heart failure.<sup>11</sup>
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## RATIONALE

Revenue Canada (RCA) requires the addition of GST/HST to the fees of self-employed psychotherapists with an annual income of over \$30,000, unlike other professionals (e.g. nurse, physician, social worker, psychologist etc.) who are providing the same services, thus through the inequitable application of the GST/HST for the same services, creating two classes of professionals.

Practitioners denied exemption fall into the exact same category as exempt practitioners under Annex V of the Excise Tax Act: they provide a “psychological” health service and meet the same criteria set out for “practitioners”

Canadians should not have to carry the burden of these additional tax costs regardless of their social status. Many are currently deprived of competent professionals and access to psychotherapy/counselling therapy (terms used interchangeably) services because they are not covered by insurance and are an out-of-pocket expense for those who do not have extended health care benefits from private insurers and have to carry the additional burden of GST/HST.

The most critical issue, however, is access to mental health services by low income members of society for whom the extra cost of the GST/HST is a disincentive to seeking help. Also, a survey of Ontario mental health associations reveal that approximately 68% to 78% of their members are females and exact figures are available for each professional association. Due to the large number of women who practice psychotherapy/counselling therapy the exclusion of psychotherapists/counsellors from the GST/HST exemption disproportionately affects women and the adverse impact runs counter to the gender equity goals of the Liberal Government.

One of the 5 principles of the Canada Health Act is accessibility. Accessibility is interpreted “All insured persons have reasonable access to health care facilities:”

However, those in need of mental health also require:

- **Access** to a range of services with diverse approaches and methods of treatment that are fully affordable to all segments of the public.
- **Access** to services in a timely fashion: after all, *“a broken shoulder has no waiting list but clients with mental health issues have long waiting lists.”*

Currently access is denied to those who need and want psychotherapy/counselling therapy services because of the imposition of GST/HST charges. In view of the cost to the economy of mental health illness (in excess of \$50billion), the application of this tax appears counter-productive.

Psychotherapy/Counselling Therapy is regulated in four provinces: Québec, Ontario, Nova Scotia and New Brunswick.

Psychotherapists from the four regulated provinces hold a license from the Ordre des psychologues du Québec, the College of Registered Psychotherapists in Ontario, the New Brunswick College of Counselling Therapists and the Nova Scotia College of Counselling Therapists. Thus, people receiving the services of a licensed psychotherapist/counselling therapist benefit from the same guarantees of competence, integrity and accountability offered by all other professionals (nurses, occupational therapists, social workers, physicians and psychologists) providing psychotherapy/counselling therapy services

Psychotherapy associations from Ontario and Québec have been making the case for parity with the aforementioned regulated professionals and to exempt regulated psychotherapists/counselling therapists from charging GST/HST. This is one tangible way for the government to meet urgent mental health care needs and without allocating further funding is to exempt all psychotherapy/counselling therapy thus increasing the number of practitioner in all regions of the country.

## **RECOMMENDATION**

To provide all Canadians with greater access to non-taxable psychotherapy/counselling services, to exempt all health care professionals licensed to practice psychotherapy/counselling from the GST/HST and to comply with the legal frameworks regarding psychotherapy by province a clear and simple solution is:

- i) Amend Articles 1 and 7 of the Excise Tax Act – Schedule V – This amendment would institute parity among all practitioners of psychotherapy/counselling therapy who are duly regulated as health professions and remove the current artificial and arbitrary distinctions
- ii) Guarantee parity between exempted practitioners and professional psychotherapists/ counsellors, so that neither group is required to include GST/PST in charges to clients
- iii) Use the following definitions to the term practitioner: in respect of a supply of optometric, chiropractic, physiotherapy, chiropodic, podiatric, osteopathic, audiological, speech-language pathology, occupational therapy, psychological, midwifery, dietetic, acupuncture or naturopathic services and add *psychotherapy*, to the list of services

## **CONCLUSION**

It is vital that the federal government enhance access to mental health services by exempting the GST/HST for psychotherapy/counselling services. This will ensure greater access to professional psychotherapy/counselling services for all Canadians. This will also result in reduce rate of absenteeism and increase in productivity. In other words this will create the opportunity for more people to consult such services, thereby improving the quality of life for the individual, their family, employer and society at large.

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