Canadian Mental Health Association
Mental health for all

Association canadienne pour la santé mentale
La santé mentale pour tous

100 years of community
100 ans de communauté

Making mental health part of Canada's universal health care system

Submission for Pre-Budget Consultations in Advance of the 2023 Federal Budget

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About the Canadian Mental Health Association

Founded in 1918, the Canadian Mental Health Association (CMHA) is the most established, most extensive community mental health network in Canada. Through a presence in more than 330 communities across every province and the Yukon, CMHA employs 7,000 staff and engages 11,000 volunteers, to provide advocacy, programs and resources that help to prevent mental health problems and illnesses, support recovery and resilience, and enable all Canadians to flourish and thrive.

Recommendations

Recommendation 1: That the government create a permanent Canada Mental Health and Substance Use Health Transfer equivalent to 12% of provincial/territorial healthcare spending ($5.3B annually) ramped up over 5 years, with 50% earmarked for community services.

Recommendation 2: That the government amend the National Housing Strategy to establish a new ten-year investment for the dedicated acquisition, conversion, and construction of 100,000 supportive housing units and a new multi-year funding stream for community housing providers to cover the operating costs and essential support services for the tenants.

Recommendation 3: That the government implement a system of automatic tax filing and benefits enrolment for Canadians.

INTRODUCTION

When it comes to mental health in Canada, it would simply be untrue to call our health system universal. It is true that there is mental health care. But only some Canadians receive care.

One third of (or 9.1 million) people in Canada will experience a mental illness or substance use disorder during their lifetime.[1] And yet, a third of Canadians can't get the mental health care they need; that rises to 75% for children.[2] That is because the mental health care that people need is not available, or it is not covered by public health insurance.

Most mental health services are covered only if they are delivered by physicians or in hospitals.[3] As per the *Canada Health Act*, only services deemed "medically necessary" are eligible expenditures in federal health transfers, and therefore, only these services are covered by provincial and territorial health insurance plans. However, millions of Canadians do not have a family doctor. And when a person is in crisis and gets treated in a hospital setting, they are often discharged without adequate services in the community to support their recovery.

A patchwork system of public funding, private insurance or employer benefits, and charitable organizations provides other services, like psychotherapy and counseling, substance use treatments, Assertive Community Treatment, and case management. Too often, Canadians must pay out of pocket to receive mental health supports. This means only some will get care. Many others will cycle through hospital, shelters, and the criminal justice system without receiving the care they need.

The rising stress of Emergency Department closures, staff burnout and shortages, long wait times, and delayed access to care,[4] widens the longstanding gaps in mental health care. While community-based mental health supports exist in some places, they are badly underfunded. As mental health concerns grow ever more pervasive, existing services and supports cannot meet the need.

Making meaningful progress on mental health requires robust intergovernmental action and collaboration. The federal government has the responsibility and capacity to transform the mental health system. On their own, the provinces and territories do not have the fiscal maneuverability to make the necessary investments in mental health. CMHA believes federal leadership and dedicated, permanent investment can help collectively build the mental health system Canadians need with a high return on investment.

[1] Statistics Canada. Mental illness in Canada. 2020; and, Statistics Canada. Health at a Glance. 2015.
[2] Centre for Addiction and Mental Health. The Crisis Is Real.
[3] Mary Bartram. Making the most of the federal investment of $5 billion for mental health. Canadian Medical Association Journal. 2017; and Canadian Mental Health Association. Running on Empty: How Community Mental Health Organizations Have Fared on the Frontlines of the Pandemic. 2022
[4] Diana Duong. Why are emergency departments closing? 2022; Statistics Canada. Experiences of health care workers during the COVID-19 pandemic, September to November 2021. 2022; and Canadian Institute for Health Information. COVID-19's impact on hospital services. 2021.

Recommendation 1: That the government create a permanent Canada Mental Health and Substance Use Health Transfer equivalent to 12% of provincial/territorial health care spending ($5.3B annually)[5] ramped up over 5 years, with 50% earmarked for community services.

	Fiscal 23/24	Fiscal 24/25	Fiscal 25/26	Fiscal 26/27	Fiscal 27/28
Existing 2017 Shared Health Priorities funding[6]	$500M	$500M	$500M	$500M	0$
Government's promised Canada Mental Health Transfer[7]	$625M	$1B	$2B	$2B	$2.5B
Sub-total annual expenditure	**$1,125,000**	**$1.5B**	**$2.5B**	**$2.5B**	**$2.5B**
CMHA's recommended increased investment	$750M	$1.5B	$2B	$2.8B	$2.8B
New total annual expenditure on mental health and substance use	**$1,525,000**	**$3B**	**$4.5B**	**$5.3B**	**$5.3B**

The cost of poor mental health in Canada is at least $50 billion per year— or 2.9% of our 2019 GDP— in direct health care, lost productivity, and lost quality of life. This does not include lost employer revenue due to employee absenteeism, costs related to increased demand for social assistance programs, reduced tax revenue due to unemployment or costs incurred by caregivers. New investment in mental health is not new money "out." It is money saved: for every dollar spent in mental health returns $4 to $10 to the economy.

Implementing a Canada Mental Health and Substance Use Health Transfer is sound stewardship of taxpayer dollars because it provides a cost-effective and efficient mechanism for providing care before crisis. It will help ensure accessible and affordable care and treatment for mental health. The Transfer has the potential to reduce barriers such as long wait times, cost,

[5] 12% of current provincial/territorial healthcare spending ($202,091,000) is $24,250,000. The federal share of provincial/territorial health spending on mental health should also be 12% of provincial/territorial healthcare spending on mental health ($24,250,000), or $5.3B. Held at current dollars and based on 2021 CIHI's National Health Expenditure Trends.

[6] In 2017, Federal, Provincial, and Territorial governments endorsed A Common Statement of Principles on Shared Health Priorities, accompanied by an $11B federal investment until 2027 in the areas of long-term care, home and community care, and mental health and substance use care.

[7] Liberal Party of Canada. Forward for Everyone. Fiscal and Costing Plan. 2021.

geography, culturally inappropriate care, and shortages in the mental healthcare workforce, all of which are well-documented. The Transfer will also contribute to Canada's economic prosperity and help sustain our healthcare system by recruiting and retaining the mental health care workforce while alleviating demands on our overburdened hospitals, as well as decreasing shelter and criminal justice system costs.

CMHA recommends that the federal government immediately create the committed[8] Transfer by allocating permanent, ongoing federal funding for mental health services starting in Budget 2023, ramping up the annual investment to $5.3B per year by 2026. The Transfer must avoid reproducing the limitations in the *Canada Health Act* by earmarking 50% of the funding for community-based services. These services include intervening early when children and youth first show signs of mental health problems and helping people to live independently, and to (re)join the workforce.

Recommendation 2: That the government amend the National Housing Strategy to establish a new ten-year investment for the dedicated acquisition, conversion, and construction of 100,000 supportive housing units and a new multi-year funding stream for community housing providers to cover operating costs and the essential support services for the tenants.

Housing, mental health and substance use health are linked. Having affordable housing creates safe and stable environments which lead to greater well-being and improved health outcomes.[9] Canada has a chronic shortage of stable, affordable homes and millions of Canadians are in core housing need.[10]

People with mental illnesses experience homelessness more often and for longer periods of time than others because they are often discharged from hospitals and released from prison without proper community supports. In general, 30-35% of those experiencing homelessness have mental illnesses. That rises to 75% for women. Twenty-25% of people experiencing homelessness have a concurrent disorder (both serious a mental illness and a substance use disorder).[11]

Many people living with a mental illness or substance use health concern live independently. However, for those with more serious health concerns, staying housed and getting well often requires supportive services like counselling, case management, and employment assistance.[12]

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[8] Minister of Mental Health and Addictions and Associate Minister of Health Mandate Letter. 2021.
[9] Meggie Mwoka et al. Housing as a Social Determinant of Health: Evidence from Singapore, the UK, and Kenya: the 3-D Commission. 2021.
[10] Statistics Canada. Housing Experiences in Canada, 2018. 2021.
[11] The Homeless Hub. Mental Health.
[12] Government of Canada. What We Heard: National Housing Strategy Programs – Engagement Summary. 2021; and, Mental Health Commission of Canada. Turning the Key: Assessing Housing and Related Supports for Persons Living with Mental Health Problems and Illness. 2018.

Supportive housing provides homes for people with high needs while also providing rental or housing assistance with individualized and flexible community services related to physical or mental health, developmental disabilities or substance use disorders.[13]

The supports provided through this housing model reduce hospitalizations and emergency department visits, which in turn reduce healthcare system costs.[14] Supportive housing also saves shelter and justice systems costs and reduces interactions with police and court officials.[15]

While the federal National Housing Strategy identifies supportive housing as a model for alleviating homelessness, it fails to earmark specific investments for acquiring and operating these cost-effective housing models that produce positive outcomes. The federal government declared housing a human right and committed to the elimination of chronic homelessness by 2027-2028.[16] The federal government cannot meet this objective without specific investments in supportive housing.

CMHA therefore recommends that the government amend the National Housing Strategy to allocate existing investments toward supportive housing to address the unique, complex needs of Canadians with serious mental illnesses and substance use disorders.

Recommendation 3: That the government implement a system of automatic tax filing and benefits enrolment for Canadians.

If we are to address mental health, we must also address poverty. Many Canadians with mental illnesses and substance use health concerns live in poverty, or risk slipping into poverty. Many social programs and benefits in Canada are means tested to determine if a person or household is eligible. Each year, however, $1.7 billion in social benefits go unclaimed, sitting in programs such as the GST tax rebate, the Canada Workers Benefit and the Canada Child Benefit.[17]

Tax filing for many Canadians is onerous and costly. These are barriers that prevent many low-income and vulnerable people from filing, including many people who have mental illnesses. When low-income and vulnerable Canadians do not file taxes, they may lose on benefits they are entitled to. By removing an administrative barrier, automatic tax filing ensures that public money gets to the people who need it most and access to key income support programs are not interrupted.[18]

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[13] The Homeless Hub. Permanent Supportive/Supported Housing.
[14] Nick Kerman et al. The effects of housing stability on service use among homeless adults with mental illness in a randomized controlled trial of housing first. 2018.
[15] Mental Health Commission of Canada. National Final Report: Cross-Site At Home/Chez Soi Project. 2014.
[16] Government of Canada. Reaching Home Strategy. 2019
[17] Jennifer Robson and Saul Schwartz. Who Doesn't File a Tax Return? A Portrait of Non-Filers. Canadian Public Policy, 46:3, 323–339. 2020.
[18] Jennifer Robson. People with lower incomes need a say on tax reform. Canadian Center for Policy Alternatives. 2019.

CMHA recommends that the federal government take immediate steps to accelerate the promised[19] automatic tax filing by enabling existing programs, like the Canada Revenue Agency (CRA)'s "Auto-fill my return" feature, to automatically complete returns with information that is already in the CRA system. Individuals who want to file further information could then do so manually to report corrections or additions. Canadians who are eligible for income support programs would automatically be informed and enrolled and given the opportunity to opt out.

[19] Speech from the Throne of the Forty-Third Parliament of Canada. 2020.