



**Submission to the Federal Government's
*Let's Talk Budget 2024***

February 9, 2024

1. Background

The Canadian Psychological Association (CPA) is the national association for the practice, science, and education of psychology in Canada. With more than 7,000 members and affiliates, the CPA is Canada's largest association for psychology and represents psychologists in public and private practice, private industry, academia, and research, as well as students. For more information, please visit www.CPA.ca.

2. Recommendations

Knowing that there can be no health without mental health, the four recommendations can pay many health, social and economic dividends in terms of building a more, dynamic and prosperous society, and a more integrated and responsive mental health system.

- 1. That the federal government table and pass a companion piece of legislation to the *Canada Health Act* called the *Mental Health and Substance Use Health Care for All Parity Act*.**
- 2. That the federal government provide eligible employers with a tax credit up to 25% to defray some of the costs of expanding employer health benefit coverage for psychological care.**
- 3. That the federal government, working collaboratively with the provinces and territories, establish a time-limited Health Human Resource Infrastructure Fund to support the creation of Schools of Psychology within publicly funded universities.**
- 4. That the federal government: (1) increase funding to the base budgets of each of CIHR, SSHRC, NSERC for core grant programming by at least 10% annually for five years; and (2) increase funding for students and postdoctoral fellows to an internationally competitive level.**

Recommendation 1

That the federal government table and pass a companion piece of legislation to the *Canada Health Act* called the *Mental Health and Substance Use Health Care for All Parity Act*.

While the federal government tabled a ten-year funding agreement to the Provinces and Territories (PTs) in 2023, the CPA and national mental health community were deeply disappointed that it did not contain a long-promised *Canada Mental Health Transfer* by the sitting government, valued at \$4.5 billion over 5 years. The purpose of the transfer was to ensure that, at a minimum, there was a dedicated portion of federal funding that would be invested in improving and expanding mental health services in Canada.

While the federal government set aside an additional \$2.5 billion over each of the next 10 years to the PTs to address four priorities including mental health, the small number of bilateral agreements signed to-date, allocate a very modest amount to mental health.

The CPA supports The Royal Society of Canada's recommendation that the federal government, in conjunction with the PTs, 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 data suggest that Canada's public mental health investments account for 5% of its total health budgets.¹ Clearly there is room for all levels of government to do **much** more to improve and expand timely access to mental health care in Canada (including psychotherapy provided by psychologists).

Knowing that federal funding for mental health is not covered by the *Canada Health Act*, the CPA and the Canadian Alliance on Mental Illness and Mental Health (CAMIMH) continue to call on the federal government to introduce a companion piece of legislation called the ***Mental Health and Substance Use Health Care For All Parity Act*** which would do the following:²

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 mutual accountabilities between the federal government and the PTs, as well as meaningful national health system performance indicators.
5. Embed an appropriate and sustainable envelope of federal funding for the PTs to expand access to mental health care services (e.g., diagnostic assessment and psychological treatment).

¹ Institute for Health Economics. *IHE Mental Health In Your Pocket – A Handbook of Mental Health Statistics (2019)*.

² CAMIMH. *From Out of the Shadows and Into the Light*. June 2021.

Recommendation 2

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

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 significantly 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.

The 2023 Benefits Canada Healthcare survey data underscored the need for employers to do more in terms of investing in their employees, consider:³

- The average annual maximum for mental health counselling was \$1,627; down from \$2,006 (23%) in 2022.
- 28% of employers have an annual maximum for mental health counselling from \$0-\$500, 25% from \$501-\$1,000, 23% between \$1,001-\$5,000, and 7% exceeding \$5,000.
- 12% of employers do not provide any coverage for mental health counselling.

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

Furthermore, fewer small to medium-sized companies (19%) increased their coverage for psychological services than large organizations (54%). Just 13% of organizations with less than 50 employees increased their coverage, while 50% with more than 1,000 employees did so.⁵

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 (more) accessible, the CPA calls on the federal government to provide employers with up to a 25% tax credit to expand coverage for psychological care. Given the low uptake of expanded employer health benefit coverage for small to medium-sized companies, it is recommended that a sliding scale tax credit could be applied depending on the size of the organization.

³ 2023 Benefits Canada Healthcare Survey.

⁴ *Shaping group benefits: Employer insights that are helping guide the plans of the future.* Sun Life, 2020.

⁵ MHCC/CPA. *Extended Mental Health Benefits in Canadian Workplaces: Employee and Employer Perspectives.* Pages 7-9. June 2022.

Recommendation 3

That the federal government, working collaboratively with the provinces and territories, establish a time-limited Health Human Resource Infrastructure Fund to support the creation of Schools of Psychology within publicly funded universities.

The CPA applauds the federal government for investing \$45.3 million in grant funding to build primary care teams. These inter-disciplinary, team-based models are an efficient and effective structure that improves access to care and the health of the people of Canada. Psychologists are an essential member of primary care teams to help address the mental health needs of the public.⁶

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 determine a mental health diagnosis; provide evidence-based treatment for mental disorders; develop and evaluate programs; and provide consultation or supervision services to other mental health providers on the team.

Canada's health workforce is currently facing growing challenges in the supply of health workers, including psychologists. The existing and anticipated mental health needs of the public and the desired increase in primary care teams require that Canada increase its population of registered⁷ psychologists.

Currently, university programs, which train up to 10 doctoral students in a practice specialty at once, will not have the desired effect of accelerating the number of licensed psychologists available to the public.

In the CPA's view, it is time to re-imagine the structure in which we train and produce registered psychologists. Building professional Schools of Psychology – like Schools of Medicine, Nursing and Dentistry – with larger class sizes and shorter time to graduation (5 vs. 7 years), can be of substantial assistance in growing the supply of psychologists to meet the public's increasing demand for mental health care. As the federal government invested in creating additional health training facilities, like faculties of medicine, via its *Health Resources Fund Act* of 1966, there is once again an opportunity for the government to play a leadership role in accelerating the transformation of the system.

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.

⁶ CPA. *New Federal Investments in Mental Health: Accelerating the Integration of Psychological Services in Primary Care*. February 2022.

⁷ A registered psychologist is one who has regulatory authority to practice psychology.

Recommendation 4

That the federal government: (1) increase funding to the base budgets of each of CIHR, SSHRC, NSERC for core grant programming by at least 10% annually for five years; and (2) increase funding for students and postdoctoral fellows to an internationally competitive level.

For Canada to be competitive in recruiting and retaining top caliber researchers, we must support a strong science culture that funds academic research to investigate fundamental questions; drives innovation, transformative knowledge, and ground-breaking discoveries; and supports the training of highly qualified people (HQP) deployed across all sectors of society and the economy.

At present, Canada does not have the appropriate structures in place to leverage the investments it has made to attract and retain world-class researchers, nor can it compare with the science, research and innovation investments made by its international counterparts. As such, Canada is not well positioned to address the critical and complex research, economic, and societal challenges of today and tomorrow, nor improve its collective well-being, competitiveness, and prosperity.

The *Report of the Advisory Panel on the Federal Research Support System* stated, “we must continue to examine ways to enhance the system of supports to ensure that Canada’s research and talent remain among the best in the world so that we can tackle challenges and seize opportunities facing us today and in the future.” In keeping with this, the CPA supports the following recommendations made in the report:

- Initial increase of at least 10% annually for five years to the granting councils’ total base budgets for their core grant programming to address a) the pressures resulting from the growth in the system (e.g., increasing number of graduate students and postdoctoral fellows many of whom are funded via research assistantships through professors’ grants); b) the effects of inflation; and c) the importance of nurturing a globally competitive research and talent base.
- Significantly increase funding for students and postdoctoral fellows to an internationally competitive level to keep pace with increases to costs of living and with research trainee compensation trends around the world.
- Simply and harmonize programs addressing the talent continuum to eliminate the inequities in research support and reduce the burden on students so that they can focus on their research and enhance programming to support early to mid-career professors to accelerate their pathway to becoming leaders of tomorrow.

In fulfilling these recommendations, it is critical that we also foster a truly inclusive research environment that welcomes a broad range of perspectives and experiences as relates to gender equity, visible minorities, researchers with disabilities, indigenous researchers, and francophone researchers.

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