

**Written Submission for the Pre-Budget Consultations
in Advance of the 2020 Budget**

August 2019

By: Canadian Counselling and Psychotherapy Association

Recommendations

Recommendation 1: CCPA recommends that counselling and psychotherapy services be exempted from HST/GST, thus providing Canadians with better access to one of the most cost-effective and appropriate mental health services available.

Recommendation 2: CCPA recommends that the Federal Government include counsellors/psychotherapists/counselling therapists as an eligible expense in the Public Service Health Care Plan.

Body of Submission

About CCPA:

The Canadian Counselling and Psychotherapy Association (CCPA) is a national bilingual association representing the collective voice of over 7,100 professional counsellors and psychotherapists. CCPA promotes the profession and its contribution to the mental health and well-being of Canadians. CCPA acknowledges that federal investments have been made in areas related to mental illness and mental health, but that there are further concrete actions that can be taken to better the lives and productivity of Canadians.

By age 40, about 50% of the population will have or have had a mental illness.ⁱ Counselling is the most prevalent but least met need of the four mental health care needs identified in the 2012 Canadian Community Health Survey.ⁱⁱ Counsellors and psychotherapists are in a position to assist in reversing this negative trend.

CCPA believes resolving certain barriers, particularly around mental health, will assist the federal government in its desire to keep Canada competitive. CCPA supports the federal government in its efforts to ensure Canada's competitiveness in the global economy. CCPA believes that the key to any successful business is its workers and by ensuring that employees are happy and healthy, businesses can maximize their productivity and competitiveness.

As a result, CCPA recommends that the following items be added to the 2020 federal budget:

Recommendation 1: Provide Canadians better access to one of the most cost-effective mental health services available

Not all mental health services are exempt from the HST/GST. The variation depends on the provider of the service as to whether the service is exempt, not the nature of the service itself. GST/HST across the provinces and territories varies from 5% to 15%, which is a significant additional cost that hurts accessibility for those Canadians seeking care by qualified providers such as mental health counsellors and psychotherapists.

At present, physicians, psychiatrists, registered nurses, registered psychiatric nurses, psychologists, occupational therapists and social workers are either covered under public funds or third-party health care plans, both of which are exempt from HST. The clients of counsellors and psychotherapists are disadvantaged by the addition of HST/GST to the service delivery costs.

In the interest of universal accessibility and fairness, the services of counsellors and psychotherapists should also be tax exempt.

By reducing the out-of-pocket costs paid by Canadians for counselling, we reduce one of the many barriers to accessing mental health services. The tax that is being applied to these mental health services when they are delivered by counsellors and psychotherapists may cause Canadians to reduce the frequency with which they seek these services. The effect will be that those needing mental health services, who cannot afford increased costs due to the additional burden of the HST/GST, will either languish without treatment, remain on lengthy waiting lists as their mental health potentially

deteriorates, seek help from within the publicly funded healthcare system which is under tremendous cost pressure, or will not seek the help at all.

Department of Finance officials told our staff that five provinces must regulate a profession before it may qualify for exemption. Alberta was the fifth province to regulate the psychotherapy profession in Canada in 2018. The government should now move forward and provide the HST/GST exemption to psychotherapy services by adding it within the list of HST/GST-exempt health care services under Part II section 7 of the Excise Tax Act. Alternatively, we propose amending the regulations pursuant to this Act within Prescribed Health Care Services section 10 of Part II of Schedule V to include psychotherapy services.

This recommendation would seamlessly complement the government commitment in Budget 2019 to expand the list of GST/HST-exempt health care services to specifically include a multidisciplinary health care service and individuals experiencing infertility.

Recommendation 2: CCPA recommends that the Federal Government include counsellors/psychotherapists/counselling therapists as an eligible service provider expense in the Public Service Health Care Plan.

Over 50% of all approved claims under the Public Service Health Care Plan (PSHCP) fall under the category of mental health.ⁱ This means that on any given week, over 500,000 Canadians are missing work due to mental health problems, which contributes to \$6 billion in lost productivity due to absenteeism and presenteeism.

The PSHCP covers up to \$2,000 for a psychologist or social workers in exceptional circumstances. Government workers are reimbursed for 80% of the claims.ⁱⁱ The cost for a one-hour session with a counsellor or psychotherapist typically ranges from \$80 - \$120. This makes it one of the most cost-effective mental health services available.

It is critical to utilize the most appropriately trained mental health professionals, either as individual practitioners or as members of multi-disciplinary teams. The role of counsellors and psychotherapists is complementary to the work of other service providers. Including this resource in the continuum of care helps address the shortage, growing demand, and increasing cost of mental health services.

Furthermore, as a result of the added pressures that many public servants have experienced over the longevity of payment issues, increasing the accessibility and affordability of appropriate mental health services across Canada is vital to the success of our country.

Allowing members of the public service to bill costs related to counselling or psychotherapy would increase the range of options, treatment, and allow for more access to healthcare that all Canadians deserve.

This recommendation could be implemented through the Treasury Board Secretariat and the Unions under the PSHCP Medical Practitioners Benefit.

References:

i National Joint Council (2016). *Disability Insurance Plan Board of Management - Annual Report – 2016, National Joint Council. January 1 to December 31, 2016* “Distribution of Causes of Disability for Approval Year 2016”

ii Public Service Health Care Plan (2015) *Medical Practitioners Benefit*
<http://www.pshcp.ca/coverage/maximum-eligible-expenses.aspx>