

**Canadian Psychological Association  
Presentation to Finance Committee: Bill C-462  
April 1, 2014**

**Presented by:  
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Thank you, for the invitation to join you today to talk about Bill C-462

The Canadian Psychological Association is the national association for psychology in Canada. There are about 18,000 regulated practitioners of psychology in Canada, making us the country's largest group of regulated, specialized mental health care providers. Psychologists are designated qualified practitioners who can complete the Disability Tax Credit Certificate on behalf of patients with disabilities related to mental functions.

The intent of the bill is to help ensure that consultants don't make promises of eligibility that they cannot guarantee, don't charge people to apply for it when they are clearly not eligible, and don't charge people inordinately even if they are deemed eligible. These are honourable goals of which CPA is entirely supportive.

Today I would like to provide the committee with some background on how the tax credit was most recently revised and highlight some of the issues that were raised about the complexity of the application process at that time – particularly as concerns disability related to mental functions.

In 2003, I was appointed to the national advisory group on disability called the Technical Advisory Committee who advised the Ministers of Finance and National Revenue on disability-related tax measures that led to the current system we have today. I was tasked with leading the Mental Functions Subcommittee that took on reviewing the eligibility criteria for the tax credit related to mental functions; disorders which had been particularly challenging to assess for eligibility.

Our subcommittee work resulted in important legislative and administrative changes to how eligibility for the DTC is assessed. Despite these changes, and the best efforts of consumers, health care providers, and the CRA, the assessment of persons with impairments in mental functions for the purposes of establishing eligibility for the DTC continues to be complex compared to the assessment of more straightforward impairments in physical function. It was for this reason that in 2007 I authored a short article that attempted to review and clarify some of the eligibility issues for health professionals who fill in the forms on behalf of their patients with mental health conditions. I also drafted a new wording to the form itself that I felt would result in fairer assessments but, unfortunately, this wording was not entirely applied.

With a lack of clarity come definitions and criteria that may not be readily understood or appreciated by busy practitioners who fill out the certificates for their patients. Further, the lack

of clarity among patients and practitioners may inadvertently create the market for promoters. If you make the process simpler and clearer, the market for promoters may be reduced, as well as the ability of consultants to take advantage – economic and otherwise – of people applying for the DTC in good faith.

The Canadian Psychological Association supports this Bill because excessive fees charged by promoters should be restricted – especially when they too may involve any misunderstanding of eligibility. However, it is important to address what might be the underlying cause driving the use of promoters. If it is indeed the lack of clarity for taxpayers and health practitioners, then the criteria and certificate themselves should be revised to enhance the fairness of assessments.

There is one more issue I would like briefly to cover. Last year's budget made changes to the HST/GST attached to reports and services for non-health care purposes. As per Budget 2013, services provided solely for non-health care purposes, even if supplied by health care professionals, are not considered to be basic health care and are not intended to be eligible for the sales tax exemption. It goes on to state that taxable supplies would include reports, examinations, and other services performed solely for the purpose of determining liability in a court proceeding or under an insurance policy.

The difficulty with this budget change is how a non-health care purpose will be defined. Psychological services in Canada are not funded by public health insurance plans which means that most assessment and treatment involves private insurance and establishing eligibility for benefits under this coverage.

CPA is concerned that this change will lead to unintended consequences for Canadians seeking mental health treatment and that Canadians will now have to pay taxes on some psychological services that were once exempt – services which are already woefully inaccessible to Canadians who need them.

Further, more than a year after the tabling the budget, our profession is still awaiting clarification from the government on this key issue for my members. There has been more than 12 months of uncertainty with regards to how these transaction should be treated for tax purposes, which is harming psychologists and their patients across Canada.

Thank you for your time. I am happy to respond to questions.