



April 29, 2013

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To the Standing Committee on Finance:

The Canadian Psychological Association (CPA) and the Ontario Psychological Association (OPA) are concerned that the HST exemption status for some psychological assessments will be revoked. As you know, Budget 2013 (Pg. 375) makes changes to the GST/HST attached to reports and services for non-health care purposes. It is noted that 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 exemption.

This announcement has created some confusion for psychologists, many of whom are small business owners, regarding which services are and are not HST-exempt. There is some urgency to the need for clarity given that changes outlined in the budget are retroactive to March 21<sup>st</sup>, 2013. Many of our members have spoken with their accountants but, unfortunately, this has yielded contradictory information and direction.

Psychologists are trained to assess and diagnose a range of problems in psychological functioning inclusive of learning disabilities, behavioural problems, neuropsychological problems and cognitive disorders and mental illnesses. As the country's largest group of licensed and specialized mental health providers, psychologists spend the bulk of their time assessing and diagnosing psychological problems, developing mental health treatment and delivering psychological care.

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We fear that the proposed HST changes, requiring payment of an additional taxed amount on services, will further prohibit Canadians from accessing the care that they need. The services of psychologists are not funded by provincial health insurance plans, which make them inaccessible to many Canadians with modest incomes or no insurance. Although there are some publically-funded services available in Canada, these are often in short supply, wait lists are long and the criteria to access these services can be restrictive.

A psychologist for example, will perform psychoeducational assessments, often with children, to diagnose learning disabilities, developmental delay and/or attention problems. Considerable time and trained expertise goes into making accurate and differential diagnoses – with the goal of ensuring an effective therapeutic response to a child in difficulty. Psychoeducational assessments take considerable time in administering and interpreting tests, meeting with children, parents and teachers, and communicating findings. Some of these can take up to 30 hours of time at significant cost to the family – attaching up to an additional 13% onto the fee for this comprehensive service is not inconsequential.

In an effort to provide clear information to our membership, we have been in contact with Canada Revenue Agency (CRA) about our concerns. Our questions to CRA can be found in the appendix (below).

**We are asking that the federal government clarify and, if necessary, make amendments to ensure that all psychological assessments are excluded from this budget change because mental health is basic health. Psychological assessments are key to ensuring that Canadians who have cognitive or emotional problems are accurately diagnosed. An accurate diagnosis is in turn critical to ensuring that patients are offered the right care to meet their mental health needs. We would also be interested in expressing our concerns to the Committee when it reviews the budget implementation bill.**

Please feel free to contact, Mrs. Meagan Hatch at [executiveoffice@cpa.ca](mailto:executiveoffice@cpa.ca), should you have any questions.

Sincerely,



Karen Cohen, Ph.D., C. Psych.  
Chief Executive Officer  
Canadian Psychological Association



John Service, Ph.D.  
Executive Director  
Ontario Psychological Association

Appendix

## Appendix:

The following questions were forwarded to the Canada Revenue Agency by the Ontario Psychological Association (OPA) in regards to the proposed changes in the Federal Budget of 2013.

OPA requested clarification regarding HST exemption status for each of the psychological services itemized below.

- Psychological Assessments of individuals with developmental disabilities for the purpose of supporting eligibility applications for supportive/rehabilitation/ community living programs and services.
- Psychological Assessments of individuals to determine eligibility for disability (eg., CPP Disability, ODSP, STD and LTD).
- Psychoeducational Assessments for the purpose of ensuring students receive required remedial help, specialized programming, or appropriate classification to allow access to accommodations (eg., learning aids or services).
- Psychovocational Assessments for the purpose of determining an appropriate career goal, career planning, or an alternative career.
- Psychological and Neuropsychological Assessments for the purposes of diagnosis and/or treatment planning.

With respect to Psychological and Neuropsychological Assessments conducted on behalf of third parties, what is the exemption status of the following:

- Medical-Legal assessments conducted on behalf of a patient under our care.
- Medical-Legal assessments conducted on behalf of an individual to whom we will not be providing treatment.
- Assessments conducted as part of an Insurer's Examination (IE) to determine whether proposed services (eg., assessment, treatment) are reasonable and necessary (which include diagnosis and treatment recommendations).
- Paper-review IEs which do not include an assessment but still determine whether proposed services are reasonable and necessary.
- Assessments to determine whether an individual meets Catastrophic Determination criteria under automobile insurance which speak to diagnosis and prognosis conducted on behalf of the insurer.
- Assessments to determine whether an individual meets Catastrophic Determination criteria under automobile insurance which speak to diagnosis and prognosis conducted on behalf of the patient's legal representative.

Psychologists often complete forms on behalf of patients. Please advise as to whether the following services are HST-exempt:

- Forms as part of patient applications for CPP Disability, ODSP, STD or LTD, or those required by extended health insurers.
- OCF Forms required by automobile insurers:
  1. Treatment and Assessment Plan (OCF-18): When requesting funding for a psychological assessment, or for treatment.

2. Disability Certificate (OCF-3): Provides diagnoses in support of a patient's application for accident benefits (which fund assessment and treatment).
3. Application for Determination of Catastrophic Impairment (OCF-19): On the basis of our assessment findings identify whether patient meets criteria for catastrophic determination.

Some further points requiring clarification for our members:

- It is our understanding that psychologists do not need to register/charge HST until billings are greater than \$30,000 in each fiscal year.
  1. Is this correct?
  2. Does this amount include all billings, or non HST-exempt billings?
  3. In the next fiscal year, if the psychologist bills less than \$30,000, would they still charge HST?
- Some of our members employ psychological support staff, such as file reviewers or psychometrists who administer and score tests as part of a Neuropsychological Assessment.
  1. Are psychological support staff required to charge HST when they invoice psychologists?
  2. Is this determined on the basis of the purpose of the assessment? (For example, should psychological support staff invoice the HST for services provided for an assessment for an Insurer's Examination, but not for an assessment conducted for diagnosis and treatment planning?)