

CANADIAN  
PSYCHOLOGICAL  
ASSOCIATION



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Dr. Eric Hoskins  
Chair, Advisory Council on the Implementation of National Pharmacare  
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Dear Dr. Hoskins:

I am writing on behalf of the Canadian Psychological Association (CPA) in response to the Advisory Council's invitation to Canadians to share their views and ideas about a national pharmacare plan for Canada. The CPA represents Canada's psychologists who, as regulated health providers, make up a significant portion of Canada's mental health human resource. There are approximately 18,000 psychologists in Canada, outnumbering psychiatrists 4:1. Psychologists chiefly deliver the non-pharmacological treatment for mental illness that Canadians receive, namely psychological treatments or psychotherapies.

**The CPA is entirely supportive of a government initiative that gives Canadians equitable access to prescription medications.** Evidence-based treatments for mental disorders, some of which are conditions that need to be managed life-long, include medications as well as psychological therapies. To recover from mental illness, or to live well while managing a mental health condition, Canadians need access to both types of treatments. As noted by the Canadian Mental Health Association (CMHA),<sup>i</sup> the costs of prescribed medications lead Canadians with mental disorders to skip doses of medication, delay refilling prescriptions, not fill them at all or skip other basic life necessities so that they can fill their prescriptions. A pharmacare program for Canada is critical to redressing this problem.

While the CPA strongly supports better and equitable access to prescription medications for Canadians, we also strongly support better and equitable access to evidence-based treatments for their health problems and conditions, especially mental disorders. As you know, research on the effectiveness of psychological therapies is clear.<sup>ii</sup> They are effective with a wide range of mental disorders, particularly ones most often experienced by Canadians; namely anxiety and depression. They are as effective as, and less expensive than medications for some conditions and, when combined with medication, can better reduce relapse than treatment with medication alone. In addition, treatment with psychological therapies can lead to savings of 20-30% in other health care costs.

CPA is concerned that there may be unintended consequences of publicly-funded coverage for prescription medications; consequences that could have a negative impact on the private, supplemental insurance coverage that many Canadians currently access for health interventions, like psychological assessment and treatments, that are not insured by our public plans. Let me explain.

As you know, twenty-five million Canadians are covered by private health and dental insurance plans, 90 per cent of which are group plans provided by employers, unions, or professional associations.<sup>iii</sup> Data the CPA was able to gather from a single “large private insurer, which provides supplementary health insurance for approximately nine million persons across Canada, showed that payments for licensed psychologists’ services in 2011 were \$28.5 million”<sup>iv</sup> for this one insurer alone. Together these data underscore that considerable sums are spent on mental health care via private insurance and the clear majority of Canadians depend on this insurance.

When it comes to mental health, the coverage provided by supplemental health insurance helps fill gaps in coverage that exist within our public health systems. This is because our public health systems mainly cover care delivered in publicly-funded institutions and care delivered by physicians. Were Canada to develop a program that had the effect of moving the coverage of prescription drugs entirely from the private sector to the public sector, there is the real possibility it will impact the private sector’s ability to continue to fill these gaps. These gaps do not just include the services of psychologists who work outside of publicly-funded institutions, but also care delivered by physiotherapists, dentists, occupational therapists and optometrists to name only a few.

The impact that publicly funded pharmacare might have on private sector coverage of health services could come about in a couple of ways. As recently as June 2018, the Parliamentary Budget Officer reported that were employer-provided health benefits taxed, it would bring about an additional 2.8 billion dollars in revenue for government in personal income tax receipts alone.<sup>v</sup> As was implied in the Council’s discussion paper,<sup>vi</sup> these are revenues that government could direct to fund programs like a national pharmacare plan. In 1993, Quebec began taxing employee health and dental premiums paid by employers. Consequently, almost 20 per cent of employers stopped offering this benefit to employees; among small employers, 50 per cent stopped offering coverage.<sup>vii</sup> One possibility then, is that taxation of supplemental health care insurance premiums will result in a decrease of such plans offered to Canadians.

Another possibility is that with or without taxation of supplemental health care insurance premiums, if medications become covered in the public sector, there may be less incentive for employers to offer supplemental health insurance and/or supplemental health insurance will not be financially viable without the prescription drug component.

Either way, the result is a negative impact on the supplemental coverage upon which many Canadians rely to access mental health treatment. Less supplemental coverage may mean that more people will bring their mental health problems to the publicly-funded doors, physicians’ offices and our costly hospital emergency rooms; doors that already have long queues for service. Finally, less coverage may mean that people will seek help later in the course of their illness when problems and their

consequences (e.g., absenteeism and presenteeism at work, short or long-term disability) are worse and more difficult to treat.

If the kinds of supplemental health insurance plans offered to Canadians are eroded to save costs, or if fewer employers offer coverage, then Canadians who want or need coverage – and these may be the older and sicker among us – must seek individual coverage for which they may not qualify because of pre-existing conditions or that will be cost prohibitive because they are not purchased by a large group where risk is pooled.

**It is CPA's view that:**

- **Canadians deserve better and equitable access to prescription medications so that no one must do without medications they need to live well in health and with illness.** A national pharmacare plan can provide this access.
- **While providing better and more equitable access to prescription medications for Canadians is a needed and welcome initiative, care must be taken when considering *how* better and more equitable access will be achieved.** Providing better access to prescription drugs for Canadians should not come at the cost of private sector coverage for the health services not currently provided in the public sector; services like evidence-based psychological interventions for the millions of Canadians who need them each year.
- **Taxing health premiums will lead to a loss of access to needed health care.** Employers will be under pressure to offer less and/or shallower coverage, which will in turn have a negative impact on the health and wellbeing of Canadians. Changes in legislation that impact how private, supplemental health insurance is provided must be carefully considered.
- **It is in the best interests of Canada that employers be given incentives to enact policies and programs that support their employees' mental health.** Mental illness costs the Canadian economy over 50 billion dollars annually.<sup>viii</sup> A healthy workforce benefits individuals, families, the workplace, schools, and the economy.
- **Canada should deliver treatments for physical disorders in parity with treatments for mental disorders.** Government should create and support programs and policies to give Canadians better and more equitable access to evidence-based treatments for mental disorders; these include prescription medications as well as psychological treatments. Doing so is consistent with the federal government's express mandate to make quality mental health care more available to Canadians.

The CPA wishes you well in your important work. We would be glad to meet with you and your Council to further discuss this issue at any time.

Yours sincerely,

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

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<sup>i</sup> <https://cmha.ca/news/cmha-responds-to-government-of-canada-announcement-on-advisory-council-on-the-implementation-of-national-pharmacare>

<sup>ii</sup> <https://cpa.ca/docs/File/Government%20Relations/Targeting%20funds%20for%20better%20access%20to%20quality%20mental%20health%20care%20for%20Canadians%20February%202017final.pdf>

<sup>iii</sup> <http://clhia.uberflip.com/i/878840-canadian-life-and-health-insurance-facts-2017/9>

<sup>iv</sup> [http://www.cpa.ca/docs/File/Position/An Imperative for Change.pdf](http://www.cpa.ca/docs/File/Position/An%20Imperative%20for%20Change.pdf)

<sup>v</sup> [https://www.pbo-dpb.gc.ca/en/blog/news/Employer\\_paid\\_health\\_benefits](https://www.pbo-dpb.gc.ca/en/blog/news/Employer_paid_health_benefits)

<sup>vi</sup> <https://www.canada.ca/en/health-canada/corporate/about-health-canada/public-engagement/external-advisory-bodies/implementation-national-pharmacare/discussion-paper.html>

<sup>vii</sup> Amy Finkelstein, "The effect of tax subsidies to employer-provided supplementary health insurance: evidence from Canada" *Journal of Public Economics* 84 (2002) 305-339

<sup>viii</sup> Lim, K., Jacobs, P., Ohinmaa, A., Schopflocher, D., & Dewa, C.S. (2008). A new population based measure of the economic burden of mental illness in Canada. *Chronic Diseases in Canada*, 28 (3), 92–98.