



## 2016 Pre-Budget Consultations

The Canadian Psychological Association (CPA) is pleased to provide the following recommendations to the House of Commons Standing Committee on Finance as part of its pre-budget consultation.

### **About**

The CPA is the national association for the science, practice, and education of psychology in Canada. With over 7,000 members and affiliates, the CPA is Canada's largest association of psychologists. The CPA hosts an annual convention and publishes three peer-reviewed journals, a quarterly magazine, a monthly electronic newsletter, and online documents, all of which are key products for disseminating information about psychological science. The CPA also accredits doctoral programs and internships across the country, and advocates on behalf of the discipline and profession.

### **Invest in Psychological Research**

Psychological research has broad and significant application to the well-being of Canadians and their communities, creating an understanding of people, human problems, and the many environments in which we live. Psychological science is paramount to our nation's success, having relevance to societal well-being, health, technology, innovation, productivity and the economy. How well people manage chronic disease, how employers optimize workplace satisfaction and productivity, how we understand the developmental issues and problems of childhood and aging, and how we effectively treat mental disorders like depression and anxiety are informed and advanced by psychological science.

Psychology is a discipline whose research cross-cuts and meets the mandate of each of the three granting councils (SSHRC, NSERC, and CIHR). Continued, increased, and balanced funding for psychological research via the granting councils, as well as stabilized funding for operating and infrastructure support, are critical to enhancing the health and wellbeing of Canadians, ensuring the success of the organizations and communities in which they live and work, and cultivating a strong science culture upon which the development of good policy and programming is based.

### ***Recommendations:***

1. Continued, increased, and balanced funding for psychological research via base funding for the granting councils, as well as stabilized funding for operating and infrastructure support.
2. The creation of a Chief Science Officer.
3. Continued investments in students through graduate scholarships, internships, and fellowships.
4. Co-operative placements in all fields of science – health, natural and social science – and within various sectors.



### **Reinstate Statistics Canada Surveys**

A strong science culture relies on the availability of national statistics with common data points that allow researchers, government, industry, business, not-for-profits, and municipalities to make informed decisions and policies to improve productivity, economy, and health. The cancellation of two particular surveys, the *University and College Academic Staff System (UCASS)* and the *Survey of Earned Doctorates (SED)*, has left significant gaps in our ability to track the number and demographic distribution of academics in Canada, psychologists among them. The cancellation of other surveys (e.g. *National Longitudinal Survey of Children and Youth*) has also left significant gaps in our ability to track child/youth development and labour market trends.

In an attempt to close this gap, the CPA launched its own survey to collect some of this uncaptured data. Despite our best effort, the response rate to our survey was quite low (~4,800 out of at least 18,000 psychologists). As a result, we don't know how many people graduate each year in Canada with a master's or doctoral degree in psychology; how many psychologists are working in Canada; where Canada's psychologists work; or if we have enough psychologists to meet the current teaching, research, and health service needs of Canadians. In the absence of Statistics Canada surveys, many other disciplines and professions are similarly compromised in their capacity for human resource planning.

#### ***Recommendation:***

1. Funding for Statistics Canada to re-instate the discontinued surveys that gave us the human resource data necessary for developing and maintaining good public programming and policy.

### **Work to Improve Access to Psychological Services**

One in five Canadians will experience a mental health problem in a given year; the most common are depression and anxiety. The cost of mental illness in Canada is estimated at 51 billion dollars annually. Psychological services are not covered by our provincial and territorial health plans and are paid out of pocket or through private insurance. Those who cannot afford to pay for psychological care end up on long wait lists, get less than optimally effective help, or simply do not get help at all.

Research has demonstrated that psychological treatments:

- are effective with a wide range of mental health disorders such as depression, anxiety, eating disorders, and substance abuse;
- are less expensive than, and at least as effective as, medication for a number of common mental health conditions; and
- lead to less relapse of depression when compared to treatment with medication alone.

The federal government has an important role to play in Canada's mental health. This role includes delivery of care in jurisdictions of its authority, increasing or targeting health transfers to provinces and territories,

collaborating with provinces and territories to improve access to needed mental health care, and providing extended health care coverage that includes psychological services to its employees and their families.

***Recommendations:***

1. Make access to psychological services a priority of the new health accord.
2. Target funding to assist the provinces and territories in developing a sustainable mental health infrastructure across Canada to improve access to psychological services. The funds could be used by the provinces/territories to adapt the United Kingdom's Improved Access to Psychological Therapies program and expand the role of primary health care.
3. Provide incentives to employers who offer their employees a clinically meaningful amount of coverage for psychological services. This amount should afford them access to the 15 to 20 sessions of psychological treatment.
4. Expand the Can Learn program so that psychologists who work in rural or remote communities can earn up to \$40,000 in Canada Student Loan forgiveness over a maximum of five years (\$8,000 per year). It is estimated that in rural areas, the number of psychologists to population ratio is approximately 1: 28,500 whereas, on average, it is 1: 3,848 in urban areas.
5. Help meet the mental health human resource needs at the Federal level, by recruiting, training and retaining psychologists to work in Federal departments.
  - a) Ensure that remuneration is competitive with the private sector.
  - b) Develop a federal residency program to enable doctoral students in psychology to complete practical training in federal departments where there is need such as in Correctional Service Canada, the Department of National Defence, and Veterans Affairs Canada
  - c) Establish a Chief Psychologist position at the Department of National Defence within the Mental Health Directorate.

**Strengthen Federal Health Plans**

The federal government, as a large employer, offers psychological services to hundreds of thousands of Canadians.

- *The Federal Public Service Plan:* Provides benefits to over 600,000 members and their dependents including public servants, employees of the federal public administration, parliamentarians, federal judges, and pensioners. Coverage is \$2,000 per calendar year for psychological services. A physician referral is required to access the benefit.
- *The Interim Federal Health Program* for refugees: Provides psychotherapy counselling or psychology counselling for a maximum of 10 sessions. A physician referral is required to access the benefit.

Requiring a physician referral limits access to necessary treatment and poses additional costs on our already burdened public health care system. As a regulated profession, psychologists' scope of practice does not require medical referral or oversight.

The amount of coverage currently offered by the Federal Government is too low. Research suggests that the number of sessions necessary for successful treatment outcomes ranges from 15 to 20. We recommend increasing the coverage under the *Federal Public Service Plan* to \$3500 and offering 15 to 20 sessions under the *Interim Federal Health Program* for refugees. And finally, the current program fees are far below the recommended hourly rates.

***Recommendations:***

1. Remove the physician referral requirement under all federal health plans.
2. Increase the amount of coverage that is currently offered under the *Federal Public Service Plan* to \$3500 and offering 15 to 20 sessions under the *Interim Federal Health Program* for refugees.
3. Those Federal government departments that enter into contracts for service from registered psychologists pay at least the recommended rate set by provincial and territorial associations of psychology across Canada.

**Remove the new tax on psychological services**

In budget 2013, the federal government put forward amendments to clarify that GST/HST applies to supplies of reports, examinations and other property or services that are not made for the purpose of the protection, maintenance or restoration of the health of a person, or for palliative care. The amendments apply to supplies made after March 21, 2013. Although the new tax applies to psychological assessments and evaluation it also affects other practitioners such as optometrists and chiropractors, nursing services, dietetic services, social work services, pharmacist services, dental hygienist services, and laboratory services.

It has been CPA's position that psychological assessments, including those that determine liability in a court proceeding or eligibility under an insurance policy, must be considered a basic health service. Medical legal assessments and insurance assessments are used to determine the nature of a health problem and to recommend the type and length of the treatment required. These assessments are necessary to demonstrate that the person has met the eligibility criteria to access the service and to receive the funds to pay for it and are, therefore, essential for many Canadians to gain access to the mental health treatment they need. Finally, in October 2014, Canada Revenue Agency (CRA) posted a draft clarification document about what is and what is not considered a Qualifying Health Care Supply. Some examples of the types of services that CRA will now be taxing include:

- Medical examination and completion of a disability certificate required by an insurance company.
- Medical assessment and report to determine whether an individual meets the “catastrophic impairment” criteria conducted on the request of an insurer.
- Assessments and reports about fitness to stand trial.
- Mental health capacity assessment and report to determine an individual’s capacity to consent to treatment or for the power of attorney/legal guardian.
- Mediation services rendered by a psychologist as part of a divorce proceeding.



Our concerns with regards to the practice of psychology can be summarized in two points. First, CPA opposes the proposed meaning of the term “qualifying health care supply” in the application of section 1.2 of Part II of Schedule V to the Excise Tax Act to the Supply of Medical Examinations. All psychological assessments do have an important role in maintaining health; preventing disease; and treating, relieving or remediating an injury, illness, disorder or disability for Canadians.

Because of the way health care services are funded in Canada, when it comes to psychological services, the gateway to funded care is often the private insurance industry. Psychological services are not covered by provincial and territorial health insurance plans, and are paid out-of-pocket by taxpayers or through private insurance. This means that Canadians already face significant economic barriers accessing needed health service. Imposing a tax on this needed health service will make these barriers even greater since in many cases it is the patient, not the insurer, who will have to pay the tax. All psychological assessments must be considered a qualifying health care supply and remain exempt from sales tax.

Second, since 2013, the CRA announcement has created great confusion among psychologists and other health professionals. Advice provided to our members from CRA has been inconsistent and contradictory despite repeated requests for clarification over the last three years. *For example, we are fairly certain that an assessment to determine the impact of child sexual abuse in adult survivors for purposes of civil litigation is now subject to tax.*

In the summer of 2015 we were told by Canada Revenue Agency that additional clarification was coming, but nothing has materialized.

***Recommendations:***

1. All psychological assessments have a health purpose. All psychological assessments must be considered a qualifying health care supply under the Excise Tax Act and thus remain exempt from sales tax.
2. Because of the prolonged gap between Budget Day 2013, and the draft policy guidance in October 2014, that the tax not be retroactively applied.