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Press Release - For Immediate Release

Canadian Psychological Association cautions the Federal Government about unintended consequences of Budget: Government to tax mental health assessments

(Ottawa, Ontario) May 21, 2013. Dr. Karen Cohen, Chief Executive officer of the Canadian Psychological Association is presenting to the Finance Committee today about concerns that the current language in the budget could lead to unintended consequences for Canadians seeking mental health treatment. If passed without clarification or amendment, Canadians will now have to pay taxes on certain psychological services that were once exempt.

Budget 2013 makes changes to the GST/HST so that reports and services provided solely for non-health care purposes, even if supplied by health care professionals, are not considered basic health care and will not be eligible for exemption. This include reports, examinations and other services performed solely for the purpose of determining liability in a court proceeding or under an insurance policy.

“When it comes to the treatment of mental illness in Canada, privately insured services are the norm not the exception. Psychological services are not covered by our provincial and territorial health insurance plans and are paid out of pocket by taxpayers or through private insurance” said Dr. Karen Cohen.

“Psychological assessments, even those that determine liability in a court proceeding or 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 any treatment required. These assessments are necessary to demonstrate that the person is eligible to access the service and to receive the funds to pay for it. Determining liability in a court proceeding, or under an insurance policy, therefore is essential for many Canadians to gain access to the mental health treatment that they need.”

“This is not a pocket book issue for psychologists. It is not the psychologists who will have to pay this tax. Instead, it will be hard working Canadians who have a health need that is not met by Canada’s publicly funded health care system.”

The Canadian Psychological Association has brought forward the following recommendations for the consideration of the committee:

- That the budget be amended to note that psychological assessments and treatments are a necessary health service.

- And, that psychological assessments used to determine liability in a court proceeding or under an insurance policy are basic health services and therefore remain HST/GST exempt.

About:

The Canadian Psychological Association (CPA) is the national association for the science, practice and education of psychology in Canada. With almost 7,000 members and affiliates, CPA is Canada's largest association for psychology. There are approximately 18,000 psychologists in Canada, making us the country's largest group of regulated, specialized mental health care providers in the country.

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