

Federal Pre-Budget Submission

February 10, 2023

Submitted by the Ontario Society of Registered Psychotherapists (OSRP)

Recommendation 1: The OSRP recommends that mental health services, provided by regulated Psychotherapists and Counselling Therapists, be exempted from GST/HST.

Recommendation 2: The OSRP recommends that the Federal Government permanently include Counselling Therapists/Psychotherapists as eligible providers in the Public Service Health Care Plan.

Preamble:

The [Ontario Society of Registered Psychotherapists - Home \(osrp.ca\)](https://osrp.ca) is a professional association representing **over 1,200 Registered Psychotherapists (RPs) in Ontario**. The OSRP represents the diverse clinical, economic, social and political interests of RPs.

The OSRP recognizes the investments made at provincial and federal levels of government to support the mental health needs of Canadians. However, there is room for improvement, and **our recommendations are urgent**.

The increased rates of mental illness, suicide, self-harm and overdoses have been staggering for our profession to witness. The treatment needs we see have increased significantly since March 2020.

This has not abated. In January 2022, a CAMH survey found 1 out of every 4 Canadians currently suffering from moderate-to-severe mental health issues, while 1 out of those 4 couldn't get the help they needed: [Anxiety, feelings of depression and loneliness among Canadians spikes to highest levels since spring 2020 | CAMH](#)

In a country as prosperous as Canada, this shouldn't be happening.

The frequency and severity of mental health and addiction issues facing Canadians are well-established. Increased access to trauma-focused, specialized, and in some cases, longer-term services by counselling therapists/psychotherapists will ***ease the demand on Canada's hospitals, mental health facilities and other intensive, high-cost interventions.***

11,000 Registered Psychotherapists are ready to help in Ontario alone.

We are requesting that you take action on our recommendations in order to help Canadians receive desperately-needed, safe and effective mental health care.

Recommendation 1: The OSRP recommends that mental health services, provided by regulated Psychotherapists and Counselling Therapists, be exempted from GST/HST.

Prior to the pandemic, counselling therapy/psychotherapy was already the most requested but least met mental health care need of Canadians.

An estimated 5.3 million Canadians reported they needed help for their mental health in 2017, but of these, 2.3 million reported that their mental health needs were only partially met or fully unmet.

In terms of care needed, the need for counselling therapy/psychotherapy was the most likely to be unmet.¹

Access to mental health services has continued to be limited since March 2020; only 11% of people with mental health symptoms have accessed in-person services and only 19% of them have accessed virtual services.²

Canadians should not have to pay taxes on mental health care. Counselling/psychotherapy services should be GST/HST exempt.

Among mental health care providers in Canada, counsellors/psychotherapists are the **only** mental health professionals who are required to collect the GST/HST. **All other counselling/ psychotherapy providers are exempt from the GST/HST**, including psychologists, social workers and occupational therapists.

In order for a profession to receive a tax exemption, the Department of Finance requires that the profession be regulated in five or more provinces and territories. **The counselling/psychotherapy profession meets this requirement.**

Still, the department has rejected the application for tax exemption, referring to a requirement (of which we have yet to find documentation) that the provinces regulate under the same title:

- Nova Scotia (2011, Registered Counselling Therapist),
- Quebec (2012, Psychotherapy Permit),
- Ontario (2015, Registered Psychotherapist),
- New Brunswick (2017, Licensed Counselling Therapist) and
- Prince Edward Island (2021, Counselling Therapist).

- Despite receiving royal assent in 2018 to regulate the profession, Alberta is still awaiting proclamation as the final step in the regulatory process.

The titles above are a matter of regional preference and should be respected. **The scope of practice is the same.**

Assessing the scope not the title is consistent with the Canadian Free Trade Agreement.³

This is a bureaucratic game of semantics that is causing barriers to access during a time of extreme need for pandemic mental health recovery.

In order to exempt the services of Counselling Therapists/Psychotherapists from GST/HST, the Federal Government must legislatively amend the Excise Tax Act as follows:

- add practitioners of counselling therapy/psychotherapy to the list of eligible practitioners (in section 1 of part II of Schedule V), and
- add counselling services/psychotherapy services to the list of tax exempt services (in Section 7 of Part II of Schedule V).

“Research suggests that we are losing the pandemic battle on the mental-health front. This has put a spotlight on the lacking response to **what should be the third major pillar of pandemic government action – mental health.**”

– Nik Nanos, “Data Dive with Nik Nanos: Canadians are Losing the Mental Health Battle.”⁴

“The tax [on counselling therapy/psychotherapy] **is an anomaly and should be corrected.**”

–Patrick McGrath OC, PhD, FRSC, FCAHS, Emeritus Professor of Psychiatry, Dalhousie University, Scientist IWK Health Centre, Psychologist, CMAP Health⁵

“This bill works to ensure that psychotherapists are treated the same as their fellow practitioners in other health care fields are, who do the same kind of work and who are exempt from the excise tax. I urge the government to get behind this very simple but very necessary bill to rectify this **blatant tax inequality**. The government says that Canadians' mental health is a priority, and this is an opportunity to do something good for Canadians' mental health and for tax fairness in Canada as well.

We all know the impact COVID-19 has had on people's mental health. It was a crisis before the pandemic, and we are certainly seeing the consequences on people now. **This is a small but good first step to help people.** I am grateful to the people who are working on this issue and who have been calling for tax fairness for psychotherapists for a very long time.”

Lindsay Mathyssen, MP, London Fanshawe⁶

Given an average GST/HST revenue of \$15 million annually from counselling /psychotherapy services, the country has far more to gain than lose.¹⁰

One simple way for the government to demonstrate its commitment to mental health for ALL Canadians is to stop taxing counselling therapy/psychotherapy. We urge you to consider our recommendations, and reflect them in the 2023-23 Budget.

Recommendation 2: The OSRP recommends that the Federal Government permanently include Counselling Therapists/Psychotherapists as eligible providers in the Public Service Health Care Plan.

We appreciate that Registered Psychotherapists/Counselling Therapists were added as an eligible expense in the Public Service Health Care Plan (PSHCP) in April 2020 in order to support access to essential mental health and addiction services during this unprecedented mental health crisis. **We recommend extending this temporary inclusion to make it permanent, and to consider increasing available amounts to support workers who want to put their own time and effort into improving their mental health.**

Previous to the addition of Counselling Therapists/Psychotherapists and Social Workers to the PSHCP, Psychologists were the only option for psychotherapy services. Psychologists charge higher hourly rates than Counselling Therapists/ Psychotherapists. With access to counselling therapy/psychotherapy services, **especially once GST/HST has been removed**, members of the PSHCP will have increased access to services and longer-term treatment if necessary.

Given the information presented in Recommendation 1 re: the drastically increased mental health and addiction needs of Canadians, we request that Psychotherapists/Counselling Therapists be permanently included. This will reduce government healthcare costs due to increased access to services outside hospitals and government-funded programs/services. Also, it will help Canadians struggling with mental health and addiction issues to rehabilitate, recover and resume productivity in the workforce.

Thank you for your consideration of our recommendations. If there is additional information that we can provide to facilitate your response and action, please let us know.

We look forward to hearing from you and can be reached at: advocacy@psychotherapyontario.org

Sources:

1 <https://www150.statcan.gc.ca/n1/pub/82-625-x/2019001/article/00011-eng.htm>; for elaboration, including wait times, see also: <https://journals.sagepub.com/doi/full/10.1177/0840470420933911>

2 https://mentalhealthcommission.ca/wp-content/uploads/2021/09/leger_poll_spotlight_on_income_employment_access.pdf

- 3 The Canadian Counselling and Psychotherapy Association (CCPA)'s Counselling and Psychotherapy Month. Presentation given by the Labour Mobility Group, which can be accessed here: <https://www.ccpa-accp.ca/counselling-and-psychotherapy-month-webinars/>
- 4 <https://www.theglobeandmail.com/opinion/article-data-dive-with-nik-nanos-canadians-are-losing-the-mental-health-battle/>. Nanos is the chief data scientist at Nanos Research, a global fellow at the Woodrow Wilson International Center for Scholars in Washington, a research professor at the State University of New York in Buffalo and the official pollster for The Globe and Mail and CTV News.
- 5 Nov 15, 2020 email
- 6 Dec 16 2021, MP Mathysen, first reading of Bill C-218 in the House of Commons
- 7 *CMAJ* 2018 November 5;190:E1296-304. doi: 10.1503/cmaj.180698; see table on pE1298
<https://www.cmaj.ca/content/cmaj/190/44/E1296.full.pdf>
- 8 Mental Health Commission of Canada (2018 & 2014). *Making the Case for Investing in Mental Health in Canada and Strengthening the Case for Investing* <https://mentalhealthcommission.ca/resource/strengthening-the-case-for-investing-background/>
- 9 Lim et al. (2008). A new population-based measure of the burden of mental illness in Canada. *Chronic Diseases in Canada*, 28(3): 92-8
- 10 Forsyth, Jamie. May 20, 2022. Legislative Costing Note. <https://www.pbo-dpb.ca/en/publications/LEG-2223-005-S--this-enactment-amends-excise-tax-act-in-exempting-psychotherapy-services-from-goods-services-tax--ce-projet-loi-modifie-loi-taxe-accise-afin-exempter-services-psychotherapie-taxe-produits-services> -- 76 Million over 5 years = 15.2 Million per year