

# Bill C-218 Key Messages, Additional Talking Points, Call to Action, Defining the Profession, Bill C-218

## Key Messages:

- 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.<sup>1</sup>
- 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.<sup>2</sup>
- Among providers of mental health services in Canada, Counselling Therapists/Psychotherapists are the only mental health professionals required to charge GST/HST. **All other providers of counselling therapist/psychotherapy are GST/HST exempt**, including psychologists, social workers, and occupational therapists-.
- Canadians should not have to pay tax on their mental health services, and counselling therapy/psychotherapy should be GST/HST exempt.
- In order to obtain a tax exemption, the Department of Finance requires a profession to be regulated in at least five provinces/territories. **The profession of counselling therapy/psychotherapy 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:
  1. Nova Scotia (2011, Registered Counselling Therapist),
  2. Quebec (2012, Psychotherapy Permit),
  3. Ontario (2015, Registered Psychotherapist),
  4. New Brunswick (2017, Licensed Counselling Therapist) and
  5. Prince Edward Island (2021, Counselling Therapist).
  6. Despite receiving royal assent in 2018 to regulate the profession, Alberta is still awaiting proclamation as the final step in the regulatory process.

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<sup>1</sup> <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>

<sup>2</sup> [https://mentalhealthcommission.ca/wp-content/uploads/2021/09/leger\\_poll\\_spotlight\\_on\\_income\\_employment\\_access.pdf](https://mentalhealthcommission.ca/wp-content/uploads/2021/09/leger_poll_spotlight_on_income_employment_access.pdf)

- 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.<sup>3</sup>
- 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:
  - (1) add practitioners of counselling therapy/psychotherapy to the list of eligible practitioners (in section 1 of part II of Schedule V), and
  - (2) 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.”<sup>4</sup>

“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 Health<sup>5</sup>

“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 Mathysen, MP, London Fanshawe<sup>6</sup>

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<sup>3</sup> 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/>

<sup>4</sup> <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.

<sup>5</sup> Nov 15, 2020 email

<sup>6</sup> Dec 16 2021, MP Mathysen, first reading of Bill C-218 in the House of Commons

## Additional Talking Points:

- This tax creates an unfair disadvantage for practitioners relative to other licensed mental health care professionals.
- Counselling Therapists/Psychotherapists are specifically trained to deliver therapy. Yet they are ***the only regulated mental health professionals still required to charge GST/HST.***
- Counselling Therapists/Psychotherapists may be the only mental health professionals available (e.g.: in a smaller community) with specific training and/or background to meet the needs of vulnerable groups. Adding a tax creates a barrier to entry. Removing it would allow increased choice for those seeking help.
- In Ontario alone, there are over 10,000 Psychotherapists registered to practice. Removing the barrier of GST/HST nationally would make this mental health service more accessible. With rising inflation and the economic impact of the pandemic, Canadians need these services more than ever and have less financial resources to access these services.
- Mental illness is the leading cause of disability in Canada<sup>7</sup> creating an economic burden of \$51 billion annually in direct costs and lost productivity.<sup>8,9</sup> The removal of GST/HST on counselling therapy/psychotherapy would increase access to services, thereby reducing the burden on our healthcare system.
- Given an average GST/HST revenue of \$15 million annually from counselling /psychotherapy services, the country has far more to gain than lose.<sup>10</sup>
- One simple way for the government to demonstrate its commitment to pandemic recovery and mental health is to stop taxing counselling therapy/psychotherapy.

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<sup>7</sup> 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>

<sup>8</sup> 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/>

<sup>9</sup> 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

<sup>10</sup> 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