



Canadian Mental
Health Association
Mental health for all

Association canadienne
pour la santé mentale
La santé mentale pour tous



*years of
community*
*ans de
communauté*

A holding pattern for mental health

2022-2023 Federal Budget commitments & analysis

Prepared by:

Margaret Eaton
National Chief Executive Officer
Canadian Mental Health Association
250 Dundas Street West
Toronto, ON, M5T 2Z5
(416) 646-5557
meaton@cmha.ca

April 7, 2022

INTRODUCTION

On April 7, 2022, the Trudeau government delivered [*Budget 2022: A Plan to Grow Our Economy and Make Life More Affordable*](#). The federal government's fiscal year runs from April 1 to March 31. The government's second COVID-19 pandemic budget, this budget is far more restrained in spending and limited in policy scope than the more ambitious care economy planks of Budget 2021, like the Canada-wide Early Learning and Child Care Plan.

Following on the heels of a four-year [supply and confidence agreement between the Liberal Party of Canada and the New Democratic Party](#), Budget 2022 reflects several pillars within the agreement—such as its commitments to dental care. While it welcomes these investments, the Canadian Mental Health Association (CMHA) is disappointed that the Budget fails both to deliver on existing commitments (such as outlining a process to establish a Canada Mental Health Transfer) and to provide meaningful long-term investment measures for mental health programs and services.

Overhauling how mental health services are funded and delivered across Canada is more important than ever, as we continue to grapple with the devastating effects of the pandemic on Canadians' mental health and well-being. In its [Submission to the House of Commons Standing Committee on Finance's Pre-Budget 2022 Consultation](#), CMHA affirmed that the path forward requires a pan-Canadian plan to invest directly in communities—not only to treat Canadians with mental illnesses in their own communities, but also to prevent mental health crises in the first place. This includes recommendations that the federal government:

- Directly invest \$57 million in core community mental health services and programs to ensure that all Canadians have access to the care they need, no matter where they live;
- Increase investments in supportive housing for people with mental illnesses and substance use problems to ensure that they have safe places to live as they recover; and,
- Increase investments in Indigenous-led mental health to advance reconciliation and help Indigenous communities recover.

The supply and confidence agreement will extend until June 2025, giving the government another three budgets to flesh out bigger ticket items in the agreement, as well as take stock of the evolving post-pandemic economic outlook. CMHA will pay particular attention to the commitment in the agreement to make additional ongoing investments in mental health and will continue to meet with all parties in our call for strong federal leadership to fundamentally transform our mental health system.

OVERVIEW OF BUDGET COMMITMENTS

Expanded mental health supports

CMHA is pleased to see several expanded mental health supports in the Budget but is concerned that the government is taking a piecemeal, band-aid approach to addressing mental health. While important, these investments will not help address the systemic challenges our mental health system faces.

Wellness Together Canada – \$140M over 2 years

In April 2020, the federal government launched the dedicated virtual mental health portal [Wellness Together Canada](#) with the aim of providing resources and connecting Canadians to peer support workers, social workers, psychologists, and other mental health professionals. Budget 2021 proposed an initial investment of \$62 million for the portal, and Budget 2022 commits an additional \$140 million until March 2024.

While CMHA acknowledges that not all Canadians will benefit from virtual mental health services, it supports the increased access to a range of credible, freely available resources for those seeking help with mental health and mental illnesses. At the same time, we continue to advocate to the federal government for deeper, sustained investments in in-person mental health services, namely direct investments in community mental health and public funding of counseling and psychotherapy.

Substance Use and Addictions Program – \$100M over 3 years

CMHA welcomes the proposed investment in Budget 2022 of \$100 million over three years, starting in 2022-23, for the [Substance Use and Addictions Program](#) (SUAP), a proposal-based program with supports delivered to provinces, territories, non-governmental organizations, and key stakeholders for innovative and evidence-informed projects addressing substance use prevention, harm reduction, and treatment initiatives across Canada.

Since 2021, the government has prioritized SUAP proposals that seek to address the harms associated with opioids and other harmful substances. While the government acknowledges that Canadians are suffering an opioid crisis, SUAP is not a stable source of funding to address the issue in a concerted or sustainable manner. SUAP proposals are one-time funding opportunities with an 'innovation' focus that prioritize new or pilot projects in regions where there may be gaps in available services, like rural, remote, and small-to-medium sized cities.

The mental healthcare sector, which is already overwhelmed and under-resourced, has noted that the SUAP proposal writing process is onerous such that it dissuades applicants from submitting proposals. CMHA calls for a streamlined SUAP funding process.

Stable, long-term, sustainable and core funding for community mental health and addictions organizations, coupled with legislative change in the areas of drug possession, safe supply and safe consumption is required to meaningfully address substance use and addictions.

Indigenous Mental Health and Wellness – \$227.6M over 2 years

Budget 2021 provided investments of \$597.6 million over three years for the co-development with First Nations, Inuit, and Métis peoples of a distinctions-based Mental Health and Wellness Strategy. Budget 2022 proposes to provide \$227.6 million over two years, starting in 2022-23, to maintain Indigenous-led services to improve Indigenous mental wellness. Details are lacking in the Budget document as to whether this money is in addition to the funding announced in Budget 2021 or is a redistribution of that initial announcement. The federal government [launched an engagement process for the development of the Strategy](#) in January 2021, with options for potential federal legislation.

CMHA remains committed to supporting reconciliation with Indigenous peoples by calling for permanent funding to programs that ensure all Indigenous people in Canada have access to mental health services that are rooted in Indigenous healing practices, land-based healing, and the principle of self-determination.

INVESTMENTS IN SOCIAL DETERMINANTS OF HEALTH

Healthcare Supports

Progress towards a **universal national pharmacare program** was identified as a key priority in the Liberal-NDP agreement. While there are few details, Budget 2022 upholds that joint policy priority and commits to passing legislation by the end of 2023, and then tasking the Canadian Drug Agency to develop a national formulary of essential medicines and bulk purchasing plan.

Launching a **new dental care program for low-income Canadians** by 2025 was another key priority plank in the Liberal-NDP agreement, with Budget 2022 proposing \$5.3 billion over five years, starting in 2022—and \$1.7 billion ongoing—to provide dental

care for under 12 year olds in 2022, and expanding in 2023 to under 18 year olds, seniors, and persons living with a disability. The program would be restricted to families with an income of less than \$90,000 annually, with no co-pays for those with an annual income under \$70,000.

A truly universal health care system is one that includes comprehensive and fully funded pharmacare, dental care, and mental health and addictions policies and programs. The government has signaled its intent to work collaboratively with other political parties to deliver on pharmacare and dental care—which are positive steps. CMHA is looking for similar federal leadership on mental health care as we continue to advocate with the federal decision makers for universal mental health care.

Homelessness and Community Housing

Budget 2022 focuses heavily on housing and includes several proposals to address homelessness and expand investments in non-market, community housing. Overall, however, CMHA is concerned that these proposed investments lack specificity, and, more gravely, that funding for transitional and supportive housing for people with mental illnesses and substance use problems was largely overlooked.

\$62.2 million over three years is set aside to launch a **new Veteran Homelessness Program** to provide, in partnership with community organizations, services and rent supplements to veterans experiencing homelessness. In addition, there is \$562.2 million over two years—doubling annual funding—for the community-based **Reaching Home program**, which aims to prevent and reduce homelessness through direct support and funding to communities for services like transitional and supportive housing, mental health and counselling, and addictions support services.

These investments are intended to provide long-term funding to address homelessness and are aligned with CMHA's position on Housing First principles. However, given the immediate and urgent needs of those at risk of and experiencing homelessness, we remain concerned that funding for these programs is bookmarked to 2024-25. CMHA will engage the federal government to expedite clearly detailed roll-out plans.

CMHA also has some concerns with the government's proposed \$475 million to provide a **one-time \$500 payment to those facing housing affordability challenges** that builds on the Canada Housing Benefit. The government did not provide further details, though it notes that the funding will be delivered by April 2023. A one-time cash payment fails to address structural housing issues, particularly for those facing multiple and intersecting forms of inequality and discrimination. CMHA is also concerned that this payment may have an adverse effect on other benefits and programs (like

provincial and territorial disability support programs) for people with mental health problems or mental illnesses, including the potential to put existing benefits at risk through clawbacks or future payment reductions.

In terms of positive policy proposals, CMHA was very pleased that long-time advocacy for **the creation of an Urban, Rural, and Northern Indigenous Housing Strategy** was included in Budget 2022. However, with an investment of \$300 million over five years, starting in 2022-23, this funding level will fall significantly short in addressing the affordability gap of \$636 million per year between what those urban, rural, and Northern Indigenous households in housing need can afford to pay, and what they would have to pay for suitable and adequate housing.¹ As no other details were provided and funding for the Strategy was lumped together with other proposed investments in Indigenous housing, CMHA is unable to determine funding levels per fiscal year and notes that most funding in this block is bookmarked for 2025-2028, at which point there may be a government with different policy priorities.

CMHA is pleased that an additional \$1.5 billion over two years, starting in 2022, will go to extend the Rapid Housing Initiative. This program aims to support **the creation of new permanent affordable housing units** by covering the construction of new rental housing units, the acquisition of land, and the conversion of existing buildings to affordable housing. The new funding looks to create at least 6,000 new units, with at least 25 per cent of that funding intended for women. Since its launch in the 2020 Budget, the Rapid Housing Initiative has created over 10,000 new units, exceeding expectations, and is generally well-received by housing stakeholders. CMHA would like to see the Initiative made permanent and include funding for operational and service supports to ensure vulnerable populations can remain housed, as well as the establishment of an earmark for urban, rural and northern Indigenous housing.

Disability Supports

Persons with disabilities experience disproportionately high levels of poverty compared to the general population. Budget 2022 notes that employment rates for persons with disabilities in Canada are 21% less than those without disabilities. The budget proposes \$272.6 million over five years, starting in 2022-23, to support the implementation of **an employment strategy for persons with disabilities through the [Opportunities Fund](#)**. This program supports services like job search supports, pre-employability services, wage subsidies, work placements, and employer awareness initiatives to encourage employers to hire persons with disabilities. Within this investment, \$20

¹ Parliamentary Budget Officer. [Urban, Rural, and Northern Indigenous Housing](#). 2021.

million will be allocated to the Ready, Willing and Able program to help persons with Autism Spectrum Disorder or intellectual disabilities find employment.

CMHA is encouraged to see the government addressing barriers and challenges to full labour participation for persons with disabilities, including people living with a mental illness, and the desire to create a more inclusive and accessible labour workforce. CMHA was disappointed, however, that the Budget did not include a renewed commitment to reducing poverty and supporting the financial security of persons with disabilities through a Canada disability benefit for low-income Canadians with disabilities. Legislation on the disability benefit was introduced in Parliament in 2021 but died on the order paper when the election was called. CMHA looks forward to the re-tableting of this legislation.

Legal Aid Access

CMHA is pleased that Budget 2022 acknowledges the inequities in access to legal aid supports for certain marginalized groups, including those with mental health issues who go before criminal courts. A proposed \$60 million in 2023-24 will increase the federal contribution to criminal legal aid services. As details are not provided in the Budget, CMHA will continue to monitor whether the unique service needs of people with mental health issues will be recognized and the capacity of legal aid workers to better serve clients strengthened.

NEXT STEPS

Budget 2022 included some positive commitments towards the social determinants of health, including extended funding for substance use and addictions and affordable housing programs, as well as the acknowledgement of an urban, rural, and northern Indigenous housing strategy. However, CMHA is disappointed that this budget does not include critically needed investments in community mental health, dedicated funding for supportive and transitional housing for people living with a mental illness, support for the mental health and substance use workforce serving Indigenous communities and a clear path towards the creation of a Canada Mental Health Transfer.

CMHA has appeared before the House of Commons Standing Committee on Health to discuss the strain the pandemic has put on Canadians' mental health and the role community organizations like CMHAs play in delivering frontline mental healthcare services and supports.

A strong, sustainably funded, and robust community sector is required to safeguard and promote the mental health of all Canadians. CMHA will continue to monitor and engage with federal officials and decision-makers to ensure the establishment of the promised Canada Mental Health Transfer—including setting parameters, accountability measures, and timelines—and will undertake other crucial advocacy for the development of national mental health and substance use service standards, and towards universal mental health care.

About the Canadian Mental Health Association

Founded in 1918, the Canadian Mental Health Association (CMHA) is the most established, most extensive community mental health organization in Canada. Through a presence in more than 330 communities across every province and one territory, CMHA provides advocacy, programs and resources that help to prevent mental health problems and illnesses, support recovery and resilience, and enable all Canadians to flourish and thrive. For more information, please visit www.cmha.ca.