



Canadian Mental
Health Association
Mental health for all

Association canadienne
pour la santé mentale
La santé mentale pour tous

Overpromised, Underdelivered

Analysis of Mental Health Care Investments in the
2023 *Working Together* Health Bilateral Agreements

SUMMARY REPORT

SM Leduc

August 2024

EXECUTIVE SUMMARY

Instead of permanently funding a Canada Mental Health Transfer committed through the mental health and addictions ministerial mandate letter, the federal government under Prime Minister Justin Trudeau negotiated bilateral deals with each province and territory towards meeting the mental health care needs of Canadians.

The ten-year, \$25 billion Working Together to Improve Health Care in Canada bilateral agreements were signed with the provinces and territories in 2023, with common measurement indicators and other accountability conditions. While mental health care was one of four target areas for funding through the bilateral agreements, there was no obligation for jurisdictions to dedicate new funding to mental health, addictions, or substance use services.

The Trudeau government has increasingly used bilateral agreements as a policy tool to bring forward ambitious policy agendas. Even so, the choice to pivot to new health bilateral agreements was puzzling: similar ten-year bilateral agreements covering mental health and substance use services were already in place from 2017, which also contained accountability measures via nationally comparable metrics around access, wait times, and other mental health care system outcomes aimed at informing—and improving—how mental health care is delivered.

In this report, the Canadian Mental Health Association sought to identify how much new federal money through the Working Together agreements is going toward mental health services, and whether there is a funding shortfall between the commitment to the mental health transfer and actual investments through the agreements. Our analysis also considers the efficacy of bilateral agreements as a mechanism to fund and address critical challenges in the mental health, addictions and substance use health care system.

MAIN FINDINGS

1

On average, only 15% of the 2023 *Working Together* investment is going to mental health care, with Yukon, spending 65.84% on mental health services, a significant outlier raising the average. This is quite different from federal claims that on average over 30% of these investments are for mental health. In fact, the median percentage of new federal money is just 5.7%. Manitoba and PEI are not using any bilateral dollars for mental health services, while BC is spending 0.01%.

2

There is a \$1.6 billion dollar shortfall between the promised Canada Mental Health Transfer and actual mental health care expenditures through the 2017 and 2023 bilateral agreements. The shortfall rises to \$2.2 billion in 2027-2028, when the remaining 2017 bilateral funding expires.

3

Despite commitments to targeted reforms in healthcare service delivery, it is questionable if bilateral agreements are an effective policy tool for meeting the mental healthcare needs of Canadians. The time limited nature of bilateral agreements means they are not an appropriate mechanism for addressing the structural exclusion of mental health, addiction, and substance use services from the *Canada Health Act*.

4

Addiction health services and health human resourcing were the main areas of investment identified by provinces and territories in their *Working Together* action plans. This includes increasing the supply of first responders, crisis responders, psychologists, psychiatrists, peer supporters, social workers, and other mental health professionals.

5

The lack of detail within the *Working Together* action plans makes it difficult to determine whether funding was intended for public, private, or not-for-profit delivery of programs and services, including community services that are instrumental in reducing strains on hospitals, shelters, and the criminal justice system.

6

Data on mental health and addictions are inconsistent across the country. Federally imposed indicators may not reflect how provinces and territories collect data or consider regional differences or priorities. Additionally, governments may not be fully addressing challenges to the healthcare system because data on community-delivered services are either overlooked or not measured.

Based on these findings, the Canadian Mental Health Association offers the following recommendations for federal action, which are fully articulated in the report.

RECOMMENDATION 1

Address the legislative exclusion of mental health services by either amending the *Canada Health Act* to explicitly include mental health and substance use health care services, or create parallel mental health and substance use healthcare legislation that include robust accountability measures and, at a minimum, adheres to the principles of public administration, comprehensiveness, universality, portability, and accessibility.

RECOMMENDATION 2

Permanently and responsibly fund mental health, addiction, and substance use services equivalent to 12% of provincial/territorial health care spending. Compared to our international peers that spend 12–14% of their health care dollars on mental health, addiction, and substance use health services are chronically underfunded in Canada because most are not covered by Medicare.

RECOMMENDATION 3

Ensure community-delivered mental health and addiction services receive funding by earmarking 50% of federal funding for mental health care delivered by community-based agencies.

RECOMMENDATION 4

Include care that is delivered by community agencies in the collection of health data by providing funding for the Canadian Mental Health Association to pilot a performance measurement framework for a common set of community mental health, addictions, and substance use health indicators that can be scaled up across the country.

RECOMMENDATION 5

Work collaboratively with provinces and territories, to strengthen the collection of nationally comparable, consistent data to measure health outcomes.

ABOUT THE CANADIAN MENTAL HEALTH ASSOCIATION

Founded in 1918, the Canadian Mental Health Association (CMHA) is the most established, most extensive community mental health network of not-for-profit organizations in Canada. Through a presence in more than 330 communities across every province and the Yukon, CMHA employs 7,000 staff and engages 11,000 volunteers, to provide 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. Learn more: www.cmha.ca.

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