



RESEARCH HIGHLIGHTS

Extended Mental Health Benefits in Canadian Workplaces: *Employee and Employer Perspectives*

About the issue

From anxiety and depression to pandemic-related stress, COVID-19 has intensified the mental health needs of people across Canada. While research and policy typically focus on promoting timely and equitable access to mental health resources in the public health system, the private sector also has an important role to play in addressing unmet mental health needs – for example, through extended health benefits (EHBs) offered to people at work.

An estimated two-thirds of adult workers in Canada have access to EHBs that include varying degrees of mental health care coverage, such as access to psychologists, psychotherapists and other service providers. Yet little is known about how these benefits are actually used by employees or how employers make decisions about EHB funding and coverage. We conducted an online survey of 239 employees and 175 employers to better understand EHBs from both perspectives.

Findings

Employees and employers have different views about adequacy of coverage.

Despite being middle- to high-income earners, 80% of employees surveyed felt the coverage provided by their EHBs was inadequate. Yet only 29% of employers increased mental health coverage during the pandemic – meaning workers likely have to pay out of pocket for the services they want.

EHBs are an underutilized resource for meeting mental health needs.

While all respondents had access to EHBs, only 39% used them to receive mental health services. This points to an opportunity to better promote existing EHBs and expand workplace programs to include more virtual and online mental health programs.

Investing in mental health has a clear return on investment.

Studies have shown that psychotherapy can reduce health-care costs and improve productivity. While most employers (60%) were confident that their mental health coverage provided a good return on investment (ROI), under half (42%) said senior decisionmakers were familiar with the evidence of that ROI.

Few employers have full flexibility in negotiating their EHB plans.

Just over one-third (36%) of employers said they had “full” flexibility when negotiating their EHB coverage. This raises the question of how employers can respond effectively to emerging employee mental health needs, especially during a crisis such as the COVID-19 pandemic.

Small companies struggle to meet their employees’ mental health needs.

There are significant discrepancies between what small/medium-sized companies and larger organizations can offer in their EHBs. Large companies are also more likely to have in-house mental health support programs, with smaller employers often depending on community programs and services.



Key facts

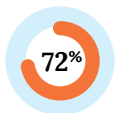
Employees:



had **used their EHBs** to access psychological services



feel their EHB coverage is **inadequate**



had **timely access** to a psychologist (within one month)

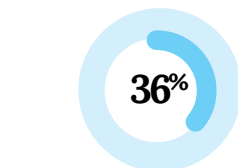
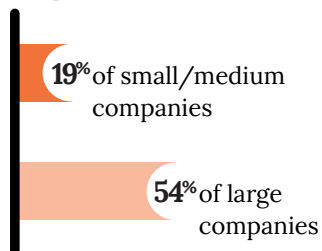


said their mental health issue **improved** after getting psychological services

Employers:



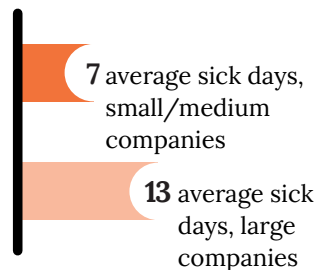
increased their EHB coverage during the pandemic



have “full” or “some” **flexibility** in negotiating EHB packages prior to renewal

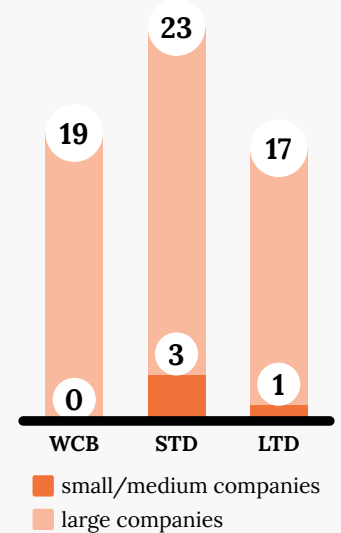


sick days **taken**, on average



are **confident** that covering psychological services provides good ROI

Mental health EHB claims:



The percentage of mental health-related sick days as well as mental health-related claims for workers' compensation benefits (WCB), short-term-disability (STD), and long-term-disability (LTD) differed by sector and organization size.

Recommendations and calls to action

As unmet mental health needs have increased in Canada due to the COVID-19 pandemic, it is critical to use all possible resources, including EHBs, to improve access to mental health services. But to realize the full potential of extended mental health benefits, the following issues will need to be addressed through policy and research:

- ✓ **Barriers to access:** Affordability and stigma must be addressed to ensure more people can access mental health care, whether public or private. The unique barriers men and racialized people face in accessing EHBs also need to be better understood.
- ✓ **ROI:** Senior decisionmakers need a better understanding of the return on investment for psychological services.
- ✓ **Control over coverage:** Employers require more flexibility to make needed changes to their coverage or to increase funding for coverage.
- ✓ **Inequities by company size:** Smaller companies need more support so they can offer EHBs similar to those provided by large organizations.
- ✓ **Funding:** The workplace should be leveraged as a resource for health, which means improving both the funding for and use of currently underutilized EHBs.
- ✓ **Communication:** The private and public sectors must work together to ensure resources increase and are not replaced or substituted by private/public changes to mental health services.

[Download the full report to learn more about extended mental health benefits](#)

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Mental Health Commission of Canada
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