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Media Release

Health Care Providers Urge Federal Government to Not Tax Health Benefit Plans

OTTAWA, December 21, 2016 – A coalition of health care service providers , including the Canadian Dental Hygienists Association, warned of the potential negative implications of taxing the premiums paid on employer-provided health and dental benefits.

These benefits provide preventative care in services such as mental health, vision care, hearing and speech-language services, occupational therapy, prescription drug, dental care and musculoskeletal care (physiotherapy, chiropractic therapy and massage therapy). The \$2.9 Billion that government currently does not collect by not taxing health and dental plans helps to incent more than \$32.2 Billion in health care being delivered to Canadians.

“Taxation of these benefits will have huge impacts on access to care,” said Ondina Love, CEO of the Canadian Dental Hygienists Association, and co-chair of HEAL, an organization representing 650,000 healthcare providers. “When benefits were subject to provincial income tax in Quebec in 1993, almost 20% of employers dropped their coverage, including up to 50% of small employers. This loss of coverage can significantly impact the lowest paid employees who will have trouble paying for drugs, dental and needed health care out of pocket.”

“We know from experiences in Quebec, that when health and dental premiums are taxed, the number of employers offering insurance decreases,” said Dr. Karen Cohen, CEO of the Canadian Psychological Association. “Younger and healthier employees given the choice may opt out of participating. With older and sicker employees opting in, premiums will rise. Employers who continue to offer these plans may reduce coverage to control costs – this will be keenly felt because coverage limits for psychological services are often already too low to cover an evidence based amount of service.”

According to a recent IPSOS poll:

- 70% of Canadians are opposed to this plan.
- 48% said they would prefer to take cash over health benefits if they were taxed at the same rate, and;
- 84% would end up delaying or forgoing treatment or medication if they didn’t have coverage.

“The current public policy approach is working as intended,” continued Love. “75% of Canadians and a total of 24 million Canadians have access to care through these benefits. The health professions standing here today are concerned about access to care for Canadians. Taking care away from millions of Canadians is certainly not the way to address fairness and equity.”

The groups represented included:

Canadian Association of Occupational Therapists
 Canadian Association of Optometrists
 Canadian Chiropractic Association
 Canadian Dental Association
 Canadian Dentist Hygienists Association

Canadian Physiotherapy Association
 Canadian Psychological Association
 Dietitians of Canada
 Speech-Language & Audiology Canada

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