



Supporting Mental Health in Crises: The Role of Health Benefits

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THE MENTAL HEALTH CRISIS

Since the onset of the COVID-19 pandemic, Canadian workers have experienced multifaceted hardships and increased stressors, leading to a significant decline in their mental health and overall wellbeing.

Although the full impact and long-term effects of this pandemic are still not well understood, recent studies indicate that pre-existing mental health symptoms intensified substantially, with the prevalence of anxiety quadrupling and depression nearly tripling.¹

This worrisome trend is directly impacting Canadian businesses, as mental health-related disability claims are now the fastest-growing type of claim, accounting for a staggering 70% of workplace disability costs.² With 500,000 workers unable to work due to mental health every week, intervention is critically needed.³

Failing to address this crisis will not only harm workers, it will also increase the substantial burden on businesses and the economy, which could rapidly spiral out of control if left unchecked.

THE RESEARCH

This comprehensive study examined factors impacting the mental health of Canadian workers and the role of private health benefits in promoting positive mental health outcomes for workers and workplaces. Key insights were developed through the analysis of data from a range of sources, including a survey of over 500 Canadians, interviews with 35 stakeholders from diverse sectors, and an extensive review of over 100 pieces of literature.

The cost of poor mental health:

\$2,000

Per employee per month—the cost of mental health to businesses.⁴

\$50B

The annual cost to the Canadian economy of absenteeism and disability.⁵

\$2.5T

The cost of poor mental health to the Canadian economy by 2041.⁶

KEY INSIGHTS

Despite access to benefits, mental health continues to deteriorate

The survey revealed that 80% of Canadians have access to health benefits, mostly through their employer. Many health benefit plans provide some mental health coverage, usually for prescribed medications and for sessions with a registered mental health specialist.⁷

40%

Percentage of respondents who have taken time off work in last 5 years due to mental health concerns.

Despite such high rates of access, mental health in the workplace continues to deteriorate. Nearly 40% of survey respondents indicated that they have taken time off work in the

last 5 years due to mental health, with nearly half off for one month or more.

Family and finances were identified as key factors impacting mental health

Pre-existing pressures experienced by most Canadians have been exacerbated by pandemic-related stressors, including stay-at-home orders and lockdown measures, the inability to maintain work-life balance, and adjusting to new ways of working.⁸

63%

report that family-related pressures have affected their mental health.

62%

report that finances have affected their mental health.

Consequently, most Canadians reported that their mental health has been affected by family-related pressures (63%) and financial concerns (62%).

Regarding financial concerns, nearly half (48%) of survey respondents indicated that their earnings were inadequate to keep up with inflation and the increased cost of living. Nearly a third (30%) were concerned their retirement savings were insufficient.

HR professionals emphasize that these financial pressures directly impact the mental health of workers and their job performance.⁹ Despite this growing financial stress, workplace resources and benefits to support financial health are severely limited.

Workplaces were directly contributing to mental-health related absences

Out of the survey respondents who took time off work due to mental health reasons, a remarkable 80% pointed out that their job demands and work environment were the primary culprits. This finding suggests that the workplace's structures, processes, and policies may be directly responsible for the deterioration of mental health or the aggravation of pre-existing conditions.

Despite this compelling evidence, only a meager number of employers have taken steps to evaluate and tackle the workplace's impact on employees' mental health.

Existing mental health benefits are insufficient for effective treatment

A crucial factor contributing to the decline in mental well-being in the workplace is the inadequacy of mental health coverage provided by most benefit plans. This insufficiency limits the possibility of obtaining effective, sustained treatment that could produce favorable health outcomes.

2–5 sessions with a mental health professional are typically covered by benefit plans but...

12 sessions are the minimum to achieve improvement or resolution.⁴

Benefit plans typically cover 2–5 sessions with a mental health specialist. For common conditions like depression or anxiety, it can take 1–2 appointments just to diagnose and a minimum of 12 sessions to achieve improvement or resolution.¹⁰ For more severe conditions,

like post-traumatic stress disorder (PTSD), it takes 15–20 sessions for improvement, but this length of treatment is only effective for 50% of patients.¹¹

Furthermore, many Canadians do not respond to the mental health care modalities offered under existing benefit plans. Approximately 60% of the population with depression or anxiety are resistant to conventional treatments such as medications and therapy.¹² Workers with treatment-resistant conditions spend double the amount on medications annually and are twice as likely to go on long-term disability, resulting in increased costs for employers.¹⁵

Canadians are relying on natural and holistic modalities to manage their mental health

Less than a quarter of survey respondents utilized mental health treatment options that are typically covered by benefit plans, such as therapy (21%) and prescribed medications (25%) to manage their mental health.

Instead, Canadians relied on more natural and holistic approaches and practices to manage their mental health. This includes socializing with friends (47%), mindfulness activities (46%), and cannabis (16%).

80%

Percentage reporting that job demands and work environment were the primary causes of their mental-health related absenteeism.

Furthermore, over half (55%) of survey respondents indicated that they use holistic modalities and alternative therapies, including yoga, meditation, acupuncture, reiki, and nutritionists—many of which are integral to preventative mental health care.¹⁴ The majority of these care and wellness modalities, however, are not covered by traditional benefit plans.

55%

Percentage of survey respondents who say they use yoga, meditation, and other holistic wellness modalities to manage mental health.

Canadians are open to new mental health modalities including psychedelic-assisted therapy

Survey findings revealed a growing interest in emerging care modalities as part of self-directed mental health care. 4% of survey respondents indicated that they already use psychedelics to manage their mental health. 30% of respondents would participate in psychedelic-assisted therapy

30%

Percentage of respondents who said they would participate in psychedelic-assisted therapy if it were legalized; and...

39%

indicated they would consider doing so if they had more information.

if it were legalized, and 39% would consider doing so if they had more information. These findings reinforce that Canadians are seeking mental health therapies in more diverse modalities than the conventional treatments typically covered by benefits.

Despite increasing evidence of the effectiveness of psychedelic-assisted therapy

for certain mental health conditions, these treatments remain illegal except when accessed through Health Canada approved pathways.

Psychedelic-assisted therapy involves the use of psychedelic substances in conjunction with psychotherapy to treat mental health conditions. The use of psychedelic substances in therapy is not a new concept, but it has gained increased attention in recent years due to promising clinical research findings and a growing demand for alternative mental health treatments.

RECOMMENDATIONS

Mental health must be immediately prioritized and supported with flexible benefits

Employers and benefit providers must urgently revisit the allocation of mental health coverage in benefit plans. Limits for mental health care should be increased. More experts and diverse types of practitioners should also be covered, such as counsellors, social workers, and advisors to support financial health. Comprehensive and flexible benefits should include holistic and alternative modalities such as yoga, mindfulness, and nutrition, which play a key role in preventative care and are already used by over half of surveyed Canadians.

One cost effective strategy for employers to support flexible benefit options is to create a health or wellness spending account. These accounts provide employees with a fixed amount of money that can be allocated to the care modalities of their choice, giving them optimal flexibility and support for preventative care, from regular therapy sessions to mindfulness activities. Spending accounts are affordable for businesses of all sizes, and they can be added to existing benefits or offered as a standalone strategy for supporting mental health and wellbeing.

There should be an increased focus on preventative mental health care

Preventative care is crucial to supporting mental health, mitigating absences, reducing recovery times, and improving return to work outcomes.¹⁵ 60% of individuals with depression can achieve full remission with early intervention.¹⁶ 80% of those with anxiety disorders will not develop other mental health conditions with early treatment.¹⁷

Preventative mental health care refers to practices and treatments to prevent the onset or exacerbation of mental health issues. It involves promoting mental health, reducing risk factors that can lead to mental illness, and increasing protective factors that can enhance resilience and coping skills.

The return on investment (ROI) of preventative care for benefit providers and employers is significant. A recent study found that, for every CA\$1 businesses invest in preventative mental health programming, the ROI after three years is CA\$2.18.¹⁸ These returns come in the form of increased productivity, innovation, creativity, and organizational growth, as well as decreased turnover, absenteeism, and disability.¹⁹

Preventative care should be urgently prioritized as a key design principle for any workplace wellbeing program. Activities that support preventative care as a daily practice should also be encouraged in the workplace and subsidized by benefits.

Employers must take an active role in creating workplaces that are conducive to positive mental health outcomes

Employers have a crucial role to play in fostering positive mental health outcomes for their employees. The first step is to acknowledge the workplace has a significant impact on the mental well-being of those connected to it. The second is to assess how existing structures, processes, and policies may be contributing to the deterioration of mental health.

With this information in hand, employers can take swift and focused action and create wellbeing programs that prioritize mental health and focus on prevention. Companies like Deloitte and Unilever that have adopted preventative programming have seen a significant return on their investment. These wellbeing programs should be regularly monitored and adjusted to respond to the needs of the workforce, and outside expertise should be consulted in program development.

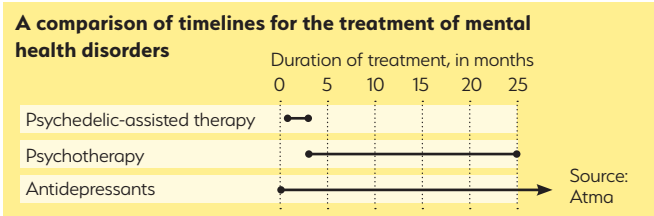
Deloitte’s “Your Tomorrow” program aims to create a culture of wellbeing and prevent mental health issues before they arise. The program includes mental health training for managers, flexible work arrangements, resources for mental health support, and regular check-ins with employees. Deloitte also conducts regular surveys to assess the effectiveness of mental health initiatives and make improvements. Deloitte has reported positive outcomes from their wellbeing program, including a 44% reduction in absenteeism and a 21% increase in employee retention.²⁰

Unilever’s “Mental Wellbeing Matters” program aims to create a supportive and healthy work environment for employees. The program includes mental health resources and support, training for managers, flexible work arrangements, confidential counseling services, and financial and legal resources. Unilever also conducts regular surveys to assess the effectiveness of the program. Unilever has reported positive outcomes from their wellbeing program, including a 17% reduction in health care costs and a 50% increase in employee engagement.²¹

New mental health care modalities should be considered, especially for treatment-resistant conditions

For more than half of the population with depression or anxiety, conventional treatments covered by benefits are ineffective, putting them at greater risk of long-term disability. Studies are currently examining the potential effectiveness of psychedelic-assisted therapies for treatment-resistant mental health conditions.

There is the potential for both cost-effective and time-efficient care if these therapies are incorporated into health benefits. In as little as 1–3 sessions, significant improvements in mental health can be achieved, surpassing the longer intervention timelines required for traditional methods like psychotherapy and prescribed medications. This not only benefits individuals seeking treatment but also presents an opportunity for Canadian businesses and the public healthcare system to realize substantial cost savings.



Psychedelic-assisted therapy may hold particular relevance within the Canadian context given the public’s openness to explore these innovative modalities, as exemplified by the findings of this study. However, before these therapies can be integrated into mental health benefits and used to address the ongoing mental health crisis, a shift in the legal environment must occur. A comprehensive risk assessment must also be conducted to ensure their safe and effective use.

ENDNOTES

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