



To: The Honourable Peter Bethlenfalvy, Minister of Finance
From: Vaughan Dowie, CEO Pine River Institute
Re: Pre-Budget Submission, 2025-26
Date: January 17, 2024

WHO WE ARE

Pine River Institute is a not-for-profit organization providing a specialized live-in treatment program and outdoor leadership experience for youth aged 13-19 who are struggling with addiction and other mental health challenges. This part of our work receives funding support from the Ontario Ministry of Health via Ontario Health.

We, also, offer community-based education and support through our Centre for Family Initiatives (CFI), which includes the BRANCH program—an outpatient service for youth and families, post-hospitalization. This work relies on philanthropic donations to sustain its critical services.

KEY TAKEAWAYS FROM OUR SUBMISSION

The provision of mental health and addiction services is becoming an increasingly important part of our healthcare system. Community-based not-for-profit mental health and addiction agencies are a backbone of our service delivery system, providing essential, high-quality care that is accessible and effective for those in need of services right across the province. These services are particularly critical to youth as they often offer a family-centered approach to treatment, which reduces trauma and supports people in environments that are less institutional and aligned with their everyday lives. Importantly, community-based mental health and addictions care is both treatment effective and cost-effective. These agencies provide a range of services adapted to the needs of the communities that they serve. This critical part of the continuum of care can reduce the need for more expensive interventions in the healthcare and other community services (e.g. police/correctional, child welfare, etc.). However, in most years, Ontario government funding to community-based agencies remains

flat, failing to recognize the increased cost of essential services including compensation, food, utilities etc. This is not consistent with the funding support for other parts of the healthcare delivery system. Years of 0% increases have created a significant wage gap between staff in community-based agencies and those in other publicly supported organizations. This naturally leads to many staff leaving these key positions for opportunities in better funded organizations and a difficulty filling vacancies when they arise. For the staff that remain in our sector, they continue to fall further behind their colleagues in better funded sectors. These are the same people that we heralded as heroes during the pandemic. We are not treating them like heroes anymore.

In youth mental health and addiction services, the rising demand is clear. Studies show increasing needs among young people facing these challenges. To address this increase requires ongoing investment by the Government of Ontario to expand services, including additional live-in treatment beds for youth.

This is why we recommend the following actions:

Close the Wage Gap: Invest \$300 million annually over three years to address the wage disparity in the community mental health and addiction sector. This will ensure fair compensation and improve retention, ultimately enhancing the quality of care for Ontario's most vulnerable populations.

Increase Funding for Mental Health and Addiction Services: Provide immediate and sustained funding increases to support the growing demand for mental health and addiction services. This includes a 7%¹ funding increase this year to address current shortfalls, with the recognition that continued year-over-year funding increases are necessary to cover ongoing inflationary pressures and ensure the sustainability of care delivery.

Expand Live-In Treatment for Youth: Provide an additional \$1,300,000 in annual funding for the expansion of live-in treatment programs for youth across Ontario, reducing wait times and improving access to care for youth with addiction and mental health issues.

¹ **Rationale for Funding Request:** The request for a 7% funding increase this year is essential to address the cumulative effects of flat funding over the past year (F'2023-24), where the annual CPI was 3.988%. and projected 2024-25 inflation of 2.65%, based on the annual rate of CPI through November 2024.

INTRODUCTION

Pine River Institute appreciates the opportunity to contribute to the 2025-26 pre-budget consultation. We understand the difficult role of government in raising and distributing a finite amount of resources. But as a provider of specialized care, we are alarmed by the ongoing underfunding of community-based mental health and addiction services, and the failure to acknowledge the inflationary pressures that organizations like ours are forced to shoulder. While we recognize and appreciate the investments the government has made in our sector, much more work remains to be done.

While our perspective, and thus our references, are rooted in the youth community mental health and addiction sector, many of the issues we raise here apply broadly to our colleagues working with individuals across all age groups within the community mental health and addiction landscape. The financial challenges, wage disparities and demand for expanded services affect the entire sector, not just the youth population.

We are all expected to do more with less, providing high-quality care with limited resources, yet the financial realities of this work cannot be ignored. No other key part of the health care service delivery system is expected to operate effectively without on-going recognition of the realities of inflation. As a result, we are regularly expected to either not provide fair compensation to our staff or reduce staffing levels.

Despite positive intentions in the 2024 Fall Economic Statement, such as healthcare funding increases and targeted investments, significant gaps in mental health and addiction care remain unaddressed. Ontario's community mental health and addiction services are already stretched thin, with many workers facing unsustainable workloads and agencies confronting increasing staff shortages. Much of the work in supporting individuals with mental health and addictions challenges is performed by community-based, not-for-profit organizations. These organizations, including ours, rely on skilled professionals, but year after year key staff leave for better-paying opportunities in other sectors doing similar work. Why does this matter? Because the rupture in the therapeutic relationship that this turnover engenders has negative impact on our client's treatment. Without adequate wage support and resources, these issues will continue to worsen, compromising care for Ontario's most vulnerable populations.

We all know, either empirically or instinctively, the escalating challenges on our communities. For instance, trends in youth substance use, as highlighted by the most recent (2023) Ontario Student Drug Use and Health Survey report, underscore the urgent need for greater investment in mental health and addiction services. The rising rates of opioid use and cannabis-induced psychosis are alarming, and so is the lack of access to timely care for youth aged 16-24. Over 75% of youth in this age group with mental health and addictions concerns do not receive the specialized care they need².

The report also reveals troubling shifts in substance use patterns across genders:

- Non-medical use of prescription opioids (e.g., Percocet, OxyNeo, Dilaudid) surged to 21.8% in 2023, up from 12.7% in 2021, and has doubled since 2019.
- Females (26%) are now significantly more likely than males (18%) to report non-medical opioid use.
- For the first time, female students have surpassed male peers in the use of cannabis, alcohol, and vaping.

These trends are reflected in what we've been experiencing at Pine River Institute:

- We are seeing a notable increase in youth seeking help for opioid dependency. Their needs are complex, requiring careful planning to address risks while they wait for a spot and ensuring they have access to tailored transitions and medical treatments for Opioid Use Disorder.
- We've had a spike in the number of females seeking admission which is increasing the waitlist time for those youth.
- More teens in our programs are grappling with the psychological effects of cannabis use, including cannabis-induced psychosis.

Our experience highlights the urgent need to address the youth mental health and addiction crisis in our province. **It is crucial for policymakers to prioritize mental health and addiction funding and resources** to ensure necessary services are accessible for all Ontario youth in need.

² Centre Addiction and Mental Health, *Ontario Student Drug Use and Health Survey: Mental Health and Well-Being Report 2023*, accessed https://www.camh.ca/-/media/research-files/osduhs-mental-health-and-wellbeing-report_2023.pdf.

2025-26 BUDGET CONSIDERATIONS

Wage Inequity and Staffing Crisis

Wages for community-based mental health and addictions workers **are, on average, 30-50% lower than in other public and para-public sectors, such as healthcare and education**³. This wage gap directly contributes to high turnover and burnout, further straining our already overburdened organizations. Without fair compensation, skilled staff are leaving for better-paying jobs, disrupting the continuity of care for vulnerable youth and creating a hiring carousel for organizations like ours.

The wage gap between community mental health and addictions workers and their counterparts in hospitals and schools is not just a financial discrepancy; it is a failing that compromises the care of Ontario's youth and jeopardizes the stability of the organizations that serve them. Without fair compensation, community mental health and addictions workers-- who provide life-saving support to youth and families—will be unable to continue shouldering the weight of this crisis. This is a critical issue that must be addressed in this and future budgets.

Pine River Institute endorses Addictions and Mental Health Ontario's (AMHO) recommendation for the Ontario government to invest \$300 million over the next three years to begin addressing wage parity in the mental health and addictions workforce. This funding will help ensure that our organizations can retain experienced staff, improve job satisfaction, and deliver consistent, high-quality care.

Increased Funding for Mental Health and Addiction Services

Ontario's youth mental health and addiction system has shown tremendous resilience, yet ongoing underfunding continues to hinder our ability to meet the rising demand. Despite some funding increases in the 2024 economic statement, these investments largely overlooked community-based services, where the pressure is most acute. At Pine River Institute, we have seen firsthand the consequences of insufficient funding. Without additional resources, youth with complex issues are waiting longer for care or receiving inadequate support. More funding is needed to expand access to

³ [Sector Compensation – Addictions & Mental Health Ontario \(amho.ca\)](https://www.amho.ca/sector-compensation)

specialized programs, reduce wait times, and ensure that youth and families can access the care they urgently need.

Most urgently, **the government must commit to annual base funding increases that reflect the rising costs of talent, facilities, technology and increased administrative requirements from our funder.** This includes a 7% funding increase this year to stabilize services and offset the effects of flat funding in fiscal 2023-24 when the annual Consumer Price Index (CPI) increase was 3.988%, and for 2024-25 where CPI is projected at 2.65%. In addition, just as is done for other essential public services, minimum annual funding increases are necessary to maintain the continuity and stability of services. Without consistent financial support, operations will remain unsustainable, jeopardizing the effectiveness of care. It is important to remember that as a live-in treatment centre we cover the cost of food, some clothing, utilities, facility maintenance, etc. for over 60 adolescents. The cost of these items increases every year.

Expansion of Live-In Treatment for Youth

The demand for live-in treatment programs for youth continues to outpace supply. As a result, many teens in need of care are forced to wait long periods for treatment, sometimes up to two and a half years⁴. The long-term effects of the COVID-19 pandemic, among other factors, has exacerbated this crisis, leading to an even greater strain on mental health and addiction services.

Live-in treatment programs are an essential part of a balanced continuum of care and a key part of the solution. These programs offer intensive care for youth who require constant support. They provide the structure, therapy, and resources that some youth need to address their addiction and mental health issues.

Pine River Institute has a proven model of care, but our current capacity does not allow us to serve all the youth who need our services. At present, our waitlist exceeds 170 youth, with wait times for admission approaching over 8 months. The consequences of this waitlist and long wait times are severe- waiting up to a year for treatment can exacerbate mental health issues, increase the risk of substance use, and lead to a further deterioration of relationships, school performance and overall

⁴ Kourgiantakis, T., Markoulakis, R., Lee, E. *et al.* Access to mental health and addiction services for youth and their families in Ontario: perspectives of parents, youth, and service providers. *Int J Ment Health Syst* **17**, 4 (2023). <https://doi.org/10.1186/s13033-023-00572-z>

well being. Many youths experience worsening symptoms while they wait, often leading to more complex and harder to treat issues by the time they finally enter treatment. An annual investment of \$1,300,000, covering both operational and property acquisition costs, would allow us to expand our capacity by adding 8 more beds, providing critical step-down care for youth transitioning from intensive treatment to more independent living. **Expanding live-in treatment programs across Ontario is essential for reducing wait times, improving access to care, and ultimately addressing the youth mental health and addiction crisis.** These programs are not just a treatment option; they are a lifeline for youth and families struggling with complex issues.

CONCLUSION

Pine River Institute is committed to supporting the Ontario government's efforts to strengthen healthcare and improve the lives of Ontarians. However, community-based mental health and addictions agencies like ours cannot continue to shoulder the burden of the mental health and addiction crisis without fair and sustained support from the government. The need for equitable, family-centered care is clear. **We cannot afford to wait any longer. The ongoing underfunding and of the need for meaningful investment in community mental health and addiction services for youth is a pressing priority.** Without the necessary funding, we risk further exacerbating the crisis that is already devastating the lives of so many youths and families across the province.

We recognize the on-going investments that the Government has made in the sector, but there is much more to do. We call on the Ontario government to prioritize mental health and addiction services in the 2025-26 budget to ensure our sector is provided with the resources needed to operate effectively and continue to deliver life-saving care. **Community Mental Health and Addictions services are the cornerstone of addressing key health concerns, and we should be treated in a fair and equitable way.**

The future of our province depends on providing our youth with the support and care they need today. We urge the Ontario Government to take decisive steps in the 2025-26 budget to ensure that these services are accessible, effective and adequately funded.