



BANK OF ISRAEL
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**Excerpt from the forthcoming Bank of Israel Annual Report:
The Mental Health System—From the 2015 Reform to the Impact of the War
that Began on October 7, 2023**

In view of the war that began on October 7, 2023 and its implications for the mental health of Israeli residents, a chapter in the forthcoming Bank of Israel Annual Report deals extensively with the field of mental healthcare. In the past decade, the mental healthcare system in Israel underwent several important changes. These included the insurance reform that was implemented in 2015; the COVID-19 pandemic that, according to many, increased the number of people seeking mental health therapy; the war, which included events that were traumatic for many Israelis; and the mental health program that was approved in 2024.

The chapter deals with understanding the main changes in the mental healthcare system over the past decade, describes the situation in the system prior to the war, and examines how the system has been affected by the war and what it requires in the coming years.

- In view of the implementation of the 2015 insurance reform and the COVID-19 pandemic, the number of people seeking mental health treatment increased even before the war. There are growing indications that the war will lead to a further marked increase in the number of patients and treatments.
- Since the start of the war, a number of measures have been taken to strengthen the mental healthcare system—chiefly the implementation of a national mental health program (2024) with a budget of NIS 1.4 billion per year.
- The public mental health system is characterized by long wait times—partly due to a shortage of therapists and a long training path in the therapeutic professions—which leads to a delay in adapting supply to the increased demand.
- Wages in the therapeutic professions are lower than in other academic occupations, and psychiatrists' wages are lower than those of specialist physicians in other fields. The wage agreement signed with public sector psychologists in 2025 will markedly improve their relative position.