Chapter 7

Welfare Issues

THE MENTAL HEALTHCARE SYSTEM: FROM THE 2015 REFORM TO THE EFFECTS OF THE WAR THAT BEGAN ON OCTOBER 7, 2023

- In view of the implementation of the 2015 insurance reform and of the COVID-19 pandemic, the number of individuals seeking mental health treatment increased even before the war. There are growing indications that the war will lead to a further significant increase in the number of patients and treatments.
- Since the outbreak of the war, several measures have been taken to strengthen the mental healthcare system, foremost among them the implementation of the National Mental Health Program (2024), with an annual budget of NIS 1.4 billion.
- The public mental healthcare system is characterized by long waiting times, partly due to a shortage of therapists and a lengthy training path for therapeutic professions, which causes a delay in adapting supply to the increase in 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 significantly improve their relative position.

The **mental health system** was dealing with **heavy workloads** even before the war

The war will likely lead to a further marked increase in the number of **mental health patients**

1.4
NIS billion

Annual budget for the **National Mental Health Program** implemented in 2024

Wages in the treatment professions are lower than in other academic professions

1. INTRODUCTION

In the past decade, the mental healthcare system has undergone several significant changes, particularly due to the impact of the war that began on October 7, 2023.

Against the backdrop of the war that broke out on October 7, 2023, and its mental health consequences for Israel's residents, this chapter provides and extensive discussion of the field of mental health. Over the last decade, the mental healthcare system in Israel has undergone several significant transformations: the insurance reform implemented in 2015; the COVID-19 pandemic, which, according to many, increased the number of individuals seeking mental health treatment; the war, which included traumatic events for many Israelis; and the mental health program approved in 2024. This chapter focuses on understanding the main transformations within the system over the last decade, characterizes its state prior to the war, examines how it was affected by the war, and identifies what is required for the system in the coming years.

a. The essentiality of a high-quality mental healthcare system in economic terms

Government investment in an accessible and preventive mental healthcare system can generate a high economic return.

The provision of an accessible and professional mental healthcare system is of significant importance during routine periods, and even more so during times of emergency. Beyond the substantial benefits associated with improving individual mental well-being and quality of life, a high-quality system of mental health care services can also contribute significantly in economic terms. Several studies and reports have found that the return on government investment (ROI) in the mental health field is high (Chisholm et al., 2016; WHO, 2022). This return is due to a reduction in lost workdays, improved efficiency during working hours (Knapp and Wong, 2020; OECD, 2025), a decrease in healthcare expenditures (Altmann et al., 2016), and the prevention of long-term damages resulting from burnout and comorbidity, among other factors. Furthermore, a robust public mental healthcare system also holds significance in terms of reducing social disparities (Vargas Lopes and Llena-Nozal,

2025). Another insight emerging from the literature is the high return on preventive actions and early intervention in mental healthcare, both in relation to labor productivity and in other contexts (McDaid et al., 2019; OECD, 2025).

b. Structure of the Mental Healthcare System in Israel

The treatment of mental health in Israel encompasses a subsidized public system alongside private services. A reform implemented in 2015 transferred the insurance responsibility for mental health treatment from the state to the health funds, thereby establishing them as the central point of contact for receiving psychological and psychiatric care within the public system, either free of charge or with a copayment. In addition to the health funds, the public system includes government clinics, psychiatric hospitals, and specialized frameworks such as day treatment, balancing homes, and resilience centers. In contrast, the private system offers greater availability and significantly shorter waiting times, alongside the option to choose the therapist and treatment method according to personal preferences. However, treatment in the private system involves high costs.

The training process for mental health professionals, particularly psychiatrists and clinical psychotherapists, who constitute the therapeutic core, is lengthy and involves numerous stages. The training of a specialist physician in psychiatry takes approximately 12 years at least. The training process for specialist psychologists typically lasts approximately 10 years and includes, in addition to bachelor's and master's degrees, an additional four years of specialization (on a part-time basis). Similarly, the training of a clinical social worker, while not requiring a period of specialization, typically takes 6-8 years. This lengthy training process in these professions, which often includes specialization in public institutions and under the supervision of qualified personnel, necessitates long-term workforce planning and imposes a significant supply constraint, thereby limiting the ability to address rapid increases in demand.[1]

The lengthy and complex training process for mental health professionals requires long-term planning.

2. KEY DEVELOPMENTS IN THE MENTAL HEALTHCARE SYSTEM IN THE DECADE PRECEDING THE WAR

The Insurance Reform (2015) – Until 2015, individuals with mental health conditions who were treated within the public system received treatment in psychiatric hospitals and in clinics affiliated with those hospitals, as well as in clinics belonging to Clalit Health Services. These treatments were the responsibility of the state. During those years, the therapeutic supply and the scope of therapeutic personnel in the public

An insurance reform was implemented in 2015, transferring responsibility for the provision of mental health services to the health funds.

[1] The private system, while capable of absorbing a certain level of demand growth, is also subject to a capacity constraint. The number of private practitioners, or those combining employment in the public and private sectors, is limited, constraining their ability to expand working hours and the scope of employment.

sector were limited, and many of those requiring treatment refrained from seeking it due to the stigma associated with mental health patients (Samuel and Hess, 2020).

In 2015, the insurance reform in the field of mental healthcare came into effect. The core of the reform was the transfer of insurance and therapeutic responsibility for mental health from the state to the health funds.

Several objectives were defined for this reform. First, improving accessibility and availability of mental healthcare services, which were perceived as insufficient prior to the reform. Second, reducing the stigma associated with individuals seeking mental health treatment. It was contended that a significant portion of those requiring mental healthcare services do not seek them due to this stigma, and those who do seek such services are primarily individuals suffering from severe symptoms that compel them to seek treatment despite the negative label. The transfer of mental health treatments to health maintenance organizations (HMOs) normalized these treatments, as following the reform, mental healthcare was provided within regular community clinics rather than in isolated government centers. This change conveys a message that mental health is an integral part of general health, thereby encouraging individuals who do not suffer from severe symptoms to seek assistance. Third, integrating the entity responsible for physical healthcare with that responsible for mental healthcare. Centralizing treatment under a single 'umbrella' enables a holistic view of the patient and improves the capacity for early diagnosis. As part of achieving this objective, training in mental healthcare was provided to primary care physicians, specifically family doctors and pediatricians (Samuel and Hess, 2020). Given that family doctors and pediatricians typically serve as the initial point of contact within the healthcare system, their specialized training in this field enables the identification of mental distress, even when manifested as physical complaints.

Since the implementation of the reform, there has been an increase in the number of individuals seeking treatment.

To meet the reform's objectives, health funds were required to establish infrastructure for mental health services and to expand awareness and accessibility to treatments in order to increase the number of individuals seeking care among those in need of treatment. Quantitatively, the reform's objectives were defined as increasing the number of treatment recipients annually to 4 percent of all adults and 2 percent of all children. (There are no available data on the rate of treatment recipients prior to the reform.) Indeed, since the implementation of the reform in July 2015, and in accordance with its objectives, there has been an upward trend in the number of individuals seeking treatment (Samuel and Alroy, 2019), and the rates of referrals and numbers of treatments for citizens in the mental health field have increased and approached the reform's objectives (State Comptroller, 2020).

Since 2019, following the implementation of the reform, the budget of psychiatric hospitals has been based on payments for hospitalization days and ambulatory services directly from the health funds, rather than from the state budget. This measure completed the transfer of responsibility for mental health treatments to the health funds, encompassing both hospitalizations and community care. The initiative also increased the budgetary and managerial independence of psychiatric hospitals.

The impact of the COVID-19 pandemic (2020-2021) – Following the COVID-19 pandemic in 2020, the number of individuals seeking mental health assistance and treatment increased. The pandemic created a widespread mental health crisis due to social isolation, economic uncertainty, and health anxiety. All these factors led to a significant increase in reports of symptoms of depression, anxiety, and emotional distress. This increase was documented in a study that focused on the adolescent population in Israel and found that during the COVID-19 period, the proportion of adolescents suffering from depression, anxiety, stress, and eating disorders increased by dozens of percentage points (Bilu et al., 2023).

The COVID-19 pandemic led to an increase in the rate of people suffering from emotional difficulties.

A review conducted by the State Comptroller in 2020 (based on 2018 data) revealed that waiting times in the public sector were already extensive at that time, prior to the COVID-19 pandemic. The waiting period for psychotherapeutic treatment, following an insured individual's diagnosis by a health fund as requiring such treatment, averaged approximately 150 days (State Comptroller, 2020). Considering the increase in referrals for treatment during the COVID-19 pandemic and the rigidity of the number of therapists in the short term due to the lengthy training period, it is reasonable to assume that Israel's mental healthcare system was contending with significant burdens even before the outbreak of the war. Several documents addressing this issue also indicated a substantial shortage relative to the needs in this field prior to the war (Davidovitch, 2023; Blank, 2023).

Israel's mental healthcare system was contending with significant burdens and manpower shortages even before the outbreak of the war.

3. THE WAR'S IMPACT ON MENTAL HEALTH

The war that began in October 2023 posed a challenge to the mental healthcare system. The manner in which it broke out, with an unprecedented terrorist attack, and its extended duration, led to a significant increase in the prevalence of mental distress among the public. Since the number of therapists is rigid in the short and medium term, there was a limited supply of therapists to meet the increased demand for mental healthcare treatments during this period, particularly in public healthcare. Therefore, there are indications that a significant portion of those who needed treatment either did without it or turned to the private system (State Comptroller, 2025).

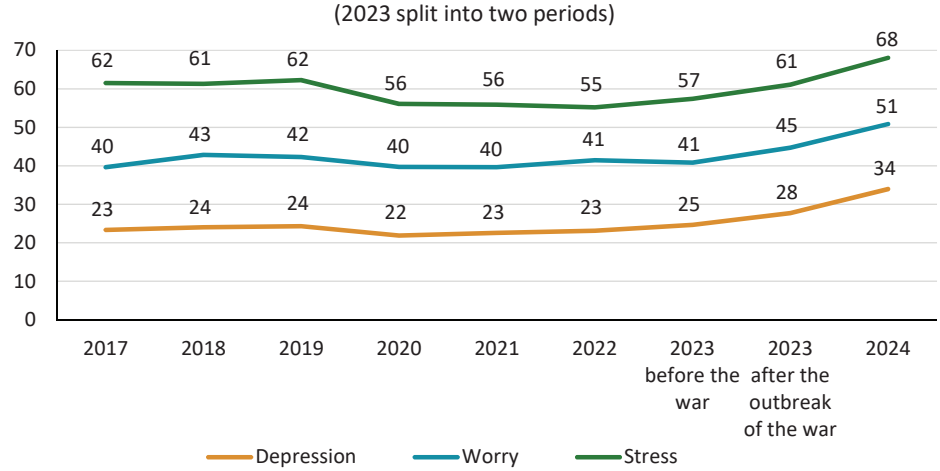
The war created an increase in demand for mental healthcare treatments, which came against a rigid supply of therapists.

Consequently, data on the number of patients and therapeutic contacts within the public system are likely not a reliable reflection of the actual increase in the scope of needs, but rather of the system's capacity constraint. Against this background, the data presented in this section focus on self-reporting of symptoms, which serve as an indication of the increase in needs resulting from the war, although these data are also subject to various problems. Furthermore, unlike physical medicine, where in the vast majority of cases medical treatment is sought by the affected individual in close proximity to the event, a significant percentage of referrals for mental health treatment arrive long after the traumatic event itself, and occasionally even many years later. Therefore, at this stage, it is not yet possible to assess the full impact of

the war. Nevertheless, the data presented later in this section, updated to the time of writing, indicate that the war has had a profound impact.

The Central Bureau of Statistics (CBS) Social Survey includes several questions describing the mental well-being of respondents. Among other things, respondents are asked whether they felt stressed, depressed, or if worries interfered with their sleep during the past year. An analysis of the survey findings for the years 2017–2024 indicates a significant increase in the number of those reporting these feelings during the war period. For example, the percentage of those reporting depression, which stood at 23 to 25 percent in the years preceding the war, rose to 34 percent in 2024, reflecting a significant increase of over 40 percent in the number of those reporting (Figure 7.1).[2] The Social Survey data contain no evidence of the COVID-19 pandemic's impact on the mental well-being of the Israeli population.

Figure 7.1 | Rate of Those Answering "Always" or "Sometimes" to the Question: "Have You Felt Stress, Depression, or that Worries Have Interrupted Your Sleep in the Past 12 Months?", 2017–2024
(2023 split into two periods)



SOURCE: Based on Central Bureau of Statistics Social Survey.

The European Social Survey (ESS)[3], in which Israel participates, also included questions in 2014 and 2024 regarding the frequency of feelings of loneliness, depression, sadness, or worries that interfered with sleep during the week preceding

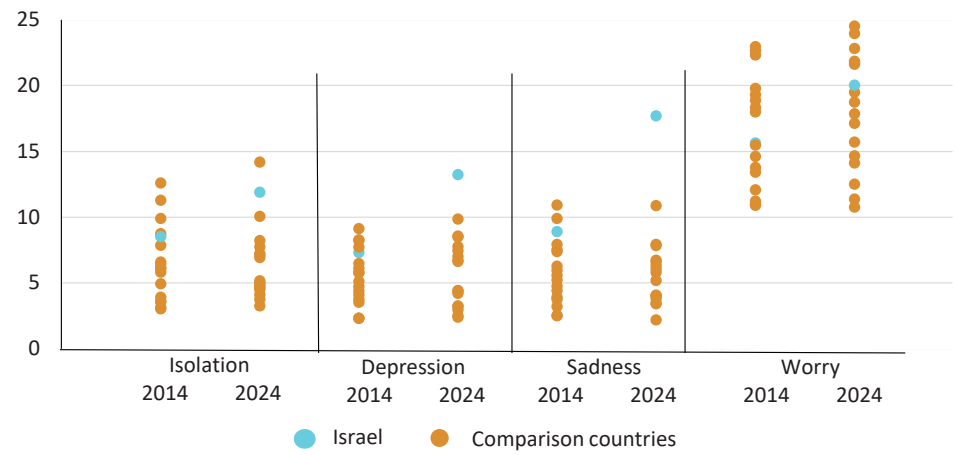
[2] Social Survey data indicate a moderate increase in the rates of individuals reporting stress, depression, and concerns in the final months of 2023, with a sharper increase observed during 2024. The relatively moderate increase in the final months of 2023, which reflected the shock of the outbreak of the war, may be the result of the small number of observations or of the respondents' processing of events, as they may not yet have been able to express their feelings at that stage.

[3] See: European Social Survey, European Research Infrastructure (ESS ERIC), (2024). ESS11 and ESS07 Data Documentation. Sikt - Norwegian Agency for Shared Services in Education and Research. https://doi.org/10.21338/ess11-2023

During the war, the rates of depression and sadness increased sharply relative to other countries.

the survey. The data pertaining to Israel published in the 2024 survey were collected from December 2023, approximately two months after the outbreak of the war, until October 2024. The findings indicate that while Israel was positioned around the median for most indicators relative to the other countries in 2014, all of Israel's indicators rose significantly in 2024, and the rates of those reporting feelings of depression or sadness reached considerably high levels compared to all other countries that participated in the survey (Figure 7.2).

Figure 7.2 | Rate of Those Answering "Always" or "Most of the Times" to the Question: "Have You Felt Isolation, Depression, Sadness, or that Worries Have Interrupted Your Sleep in the Past Week?", Comparison of Countries, 2014 and 2024



Advanced countries from the European Social Survey.

SOURCE: Based on European Social Survey (ESS).

During the war, there was a sharp increase in symptoms of post-trauma and other emotional distress.

A research group led by Professor Yossi Levi-Belz from the University of Haifa conducted several waves of surveys using clinically validated questionnaires[4], and published several academic articles on the impact of the war on the mental state of Israeli residents. The research findings indicate a sharp increase in the rates of PTSD, anxiety, and depression cases in the initial months of the war, followed by a significant moderation (Levi-Belz et al., 2025). A study by the Brookdale Institute, based on an ongoing survey conducted at three time points during the war (also utilizing a clinically validated questionnaire), similarly identified a sharp increase in symptoms in the initial months of the war, followed by a significant moderation. In addition, this study observed that concurrently with the decline in the rate of

[4] The studies were based on a recognized questionnaire in the field of psychology for the identification of a specific threshold level of mental states, such as anxiety, depression, and post-traumatic stress disorder. This threshold serves as an indication of a certain level of mental state, but it does not necessarily mean that individuals surpassing it will require psychological treatment. The first wave of the study was conducted in August 2023, and therefore provides an indication of the mental state of Israel's residents prior to the war.

symptoms, there was an increase in the proportion of individuals reporting receipt of treatment, rising from 14 percent of the total sample in January 2024 to 18 percent in October 2024 (Samuel et al., 2025). The increase in the number of individuals receiving mental health treatment was also prominently reflected in data from the Rehabilitation Department of the Ministry of Defense, which indicated that the number of soldiers receiving mental health treatment in the department, which stood at approximately 18,200 prior to the war, increased by approximately 12,800 additional soldiers (reflecting an increase of approximately 70 percent relative to the prewar level).[5]

A high percentage of individuals requiring treatment during the war did not seek that treatment.

Further findings from the Brookdale Institute's study indicate that 44 percent of those who felt a need for treatment in October 2024 but did not seek it (13 percent of respondents) cited the primary reason for not seeking treatment as being related to access barriers such as waiting times, distance, or cost (Samuel et al., 2025). The State Comptroller's Report from 2025, which was based on a survey from April 2024, also found that a high percentage of individuals requiring treatment did not seek it due to reasons related to public service access barriers. These included long waits at health funds (38 percent), and a lack of awareness regarding the possibility of receiving treatment at health funds (23 percent). Another reason individuals did not seek treatment was their lack of confidence in the professionals at the health funds (19 percent).[6] Of those who sought treatment, 42 percent consulted a private practitioner, and only 38 percent were treated by health funds[7] (State Comptroller, 2025).

The public mental healthcare system suffers from long waiting times, which encourages people to forego treatment or seek it in the private system.

The findings indicate that a significant portion of the increase in mental health needs resulting from the war was addressed by private sector practitioners. In addition, the Comptroller's report points to long waiting times in the public system—6.5 months for mental health treatment during the war period, comprising 1.5 months until diagnosis and an additional 5 months from diagnosis until the commencement of treatment (measured in March-April 2024). These long waiting times likely prompted some applicants to seek treatment in the private sector, and it is therefore highly likely that without these shifts to the private sector, waiting times in the public sector would have been even longer.

The war's impacts on specific population groups: The psychological impact resulting from the war was not uniform across all population groups. A study by the Taub Center, based on a survey of parents of young children and conducted in several waves throughout the war, found that parents who were evacuated from their homes, parents from families in which one spouse was mobilized for reserve duty, and parents from the Arab community tended to suffer more from depression, anxiety, and stress during the war period than other parents. It was also found that

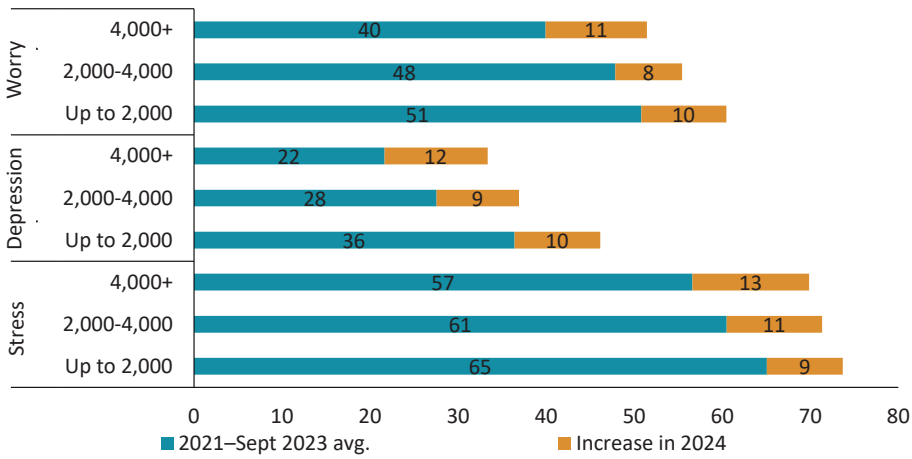
[5] The data were published on December 7, 2025, on the website of the Ministry of Defense, Rehabilitation Department.

[6] The respondents cited them as the primary reasons for not seeking treatment.

[7] The remainder were treated through the call centers, resilience centers, and the 'Three Calls' service.

parents residing in close proximity to missile firing zones (based on the time to reach a protected space) were more affected than parents residing in more distant areas (Taub Center, 2025). Figure 7.3, based on Social Survey data, describes the change in the proportion of individuals reporting stress, depression, and worries interfering with sleep in 2024 compared to the prewar period (2021 to September 2023), divided by per capita household income levels. The figure indicates that the war affected the mental well-being of households across all income levels, but the increase was somewhat greater among households with high income.[8]

Figure 7.3 | Rate of Those Answering "Always" or "Sometimes" to the Question: "Have You Felt Stress, Depression, or that Worries Have Interrupted Your Sleep in the Past 12 Months?", 2024 Relative to 2021–Sept. 2024
(percent, by level of per capita income, non-*Haredi* Jewish)



SOURCE: Based on Central Bureau of Statistics Social Survey.

The National Mental Health Program (2024) – In January 2024, a new national mental healthcare program was established. Although the program was approved in the initial months of the war, it does not exclusively address the needs that emerged during that period. Rather, it provides a response to broader issues and needs in the field of mental health that had accumulated even before the war, following the reform implemented in 2015 and the COVID-19 pandemic.

The national mental healthcare program approved in 2024 is intended to provide a response to broader issues and needs in the field.

The primary objectives of the program are: expanding the workforce and increasing the number of patients and therapeutic contacts within the public system (health funds); optimal utilization of care providers with varying levels of training to match therapeutic resources to the severity of distress ("stratification" of the care system); establishing alternatives to hospitalization, such as home hospitalization and balancing

[8] To avoid potential biases associated with the correlation between belonging to the Arab and Haredi sectors and income level, Figure 3 focuses on non-Haredi Jews.

homes; measures to strengthen continuity of care and improve service; and funding local mental health frameworks such as resilience centers, community centers, the education system, welfare services, early detection, and more. The program also includes updates to payment arrangements between health funds and psychiatric hospitals, designed to streamline the psychiatric hospitalization mechanism while creating incentives for the reduction and shortening of hospitalizations where feasible, as well as improving the quality of care in departments (Kaplinsky and Davidovich, 2025).

4. DEVELOPMENT OF THE STATE BUDGET FOR MENTAL HEALTH, 2015–2025

The governmental budgeting mechanism in the healthcare field is primarily based on the allocation of the large majority of the budget designated for medical care ("the Health Basket") among the health funds according to the capitation formula. In addition, supplementary budgets are allocated in more limited amounts through dedicated support mechanisms for specific issues, and in many cases these budgets are absorbed after several years into the general Health Basket budget after several years. This budgeting method, combined with the managerial flexibility granted to the health funds, creates an inherent difficulty in identifying resources actually directed to specific areas, such as the mental health field. Furthermore, there is also a lack of comprehensive and reliable data that enable quantitative and qualitative assessment of effective output indicators, such as waiting times, quality of care, and its outcomes (State Comptroller, 2020; Blank, 2023).

As part of the reform implemented in 2015, and as part of the transfer of responsibility for mental health to the health funds, approximately NIS 2 billion were added to the health funds' annual budget in two installments in 2015 and 2016.[9] The budgetary supplement was comprised of approximately NIS 1.6 billion transferred from the Ministry of Health's budget, which had been responsible for service provision prior to the reform, with the remainder coming from a budgetary supplement provided as part of the reform. The NIS 2 billion budgeted in 2016 constituted approximately 4.5 percent of the health basket for that year. From then until 2024, no dedicated additions were provided for the field of mental health, with the exception of a one-time budget of approximately NIS 100 million transferred during the COVID-19 pandemic.

The national mental healthcare program of 2024 included a budgetary increment of NIS 1.4 billion.

As part of the implementation of the National Mental Health Program, which came into effect in 2024, the annual budget allocated for mental health was increased by NIS 1.4 billion in two installments: NIS 900 million in 2024, and an additional roughly NIS 500 million in 2025. This addition was financed through an increase in the health tax in 2025, which was estimated at approximately NIS 1 billion per year,

[9] Concluding reports on the operations of health funds for 2015 and 2016.

alongside supplements from the state budget. A portion of this budgetary addition—NIS 347 million in 2024 and NIS 591 million in 2025 (in the original budget)—was transferred to the health funds under support criteria that conditioned the budget transfer on improving services and their accessibility, as well as on the development and operation of additional systems and services. The remainder of the budget was transferred to the Ministry of Health and other ministries (Welfare, Education, and Interior).

5. THE RAPEUTIC PERSONNEL IN THE MENTAL HEALTH FIELD

The mental healthcare array is based on a multidisciplinary team that provides an integrated response to the biological, emotional, and social aspects of the patient. Psychiatrists are responsible for medical diagnosis and pharmacological treatment; psychologists and social workers holding master's degrees, who have been trained to provide clinical services, focus on psychotherapeutic interventions and in-depth diagnosis; and other therapeutic professionals focus on non-psychotherapeutic interventions and on improving patient well-being and their integration into community support systems. The synergistic work of these professionals is essential for ensuring an effective continuum of care, from the stage of identification and prevention through to rehabilitation or recovery.

Wages and Employment Trends of Psychologists and Social Workers – Despite the extensive training and numerous qualifications required to provide high-quality mental health treatments, the income of therapists in this field is low compared to those employed in other academic fields. For example, the monthly income of psychologists and social workers with master's degrees—the two main providers of psychotherapy services, which constitute one of the cornerstones of mental health treatments—is at the bottom of the wage distribution for those with master's degrees (Figure 7.4).[10] This finding was also observed in a study by Krill et al. (2016), which included an econometric analysis of the wage premium on higher education as a function of the field of study.

The income of psychologists and social workers is at the bottom of the wage distribution for those with Master's degrees.

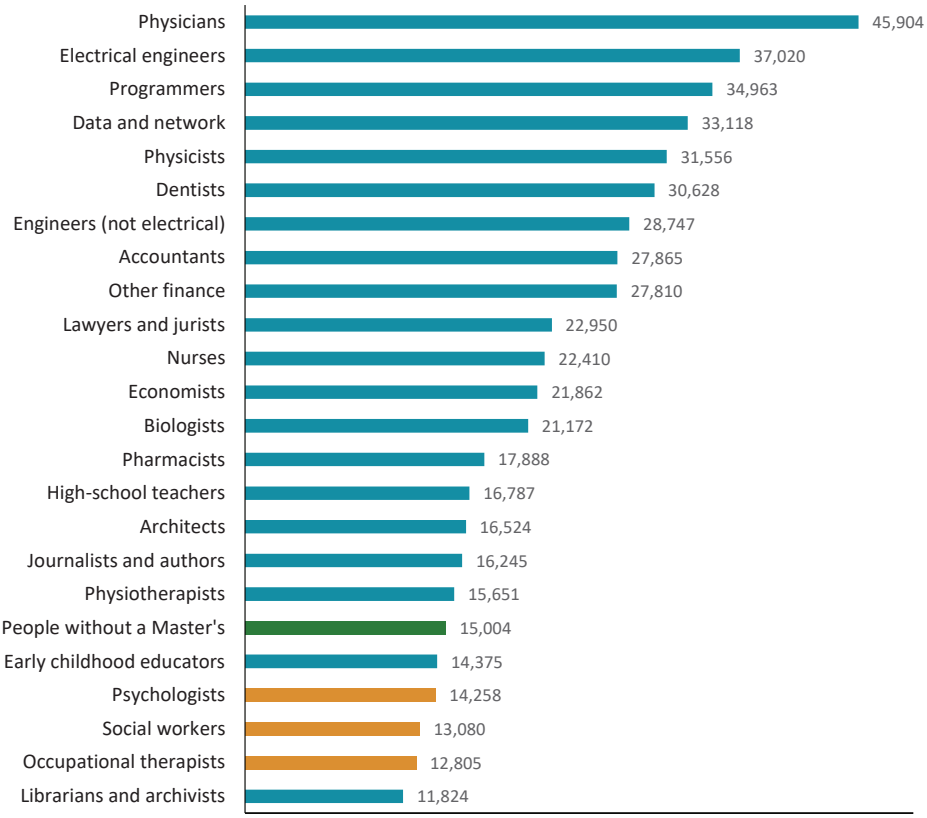
In recent years, there has been a significant increase in the number of students studying psychology and a more moderate increase in the number of students studying social work (Figure 7.5). The number of psychology internship graduates has also increased in recent years, from 231 in 2006 to 342 in 2013 and 615 in 2023. This increase reflects a growth of 166 percent between 2006 and 2023 – significantly higher than the population growth during these years (approximately 38 percent). The largest increase was among interns specializing in educational psychology specializing in child therapy.[11]

In recent years, there has been a significant increase in the number of students studying psychology.

[10] To avoid the impact of outlier observations, the wage data in Figure 7.4 are presented based on median analysis.

[11] Source: "Manpower in Health Professions 2023", Information Department, Ministry of Health. https://www.gov.il/BlobFolder/reports/health-professions-manpower/he/files_publications_units_info_manpower2023.pdf

Figure 7.4 | Median Total Monthly Income (Wages and Self-Employment) of Master's Degree and Above Graduates, by Occupation, 2022
(NIS, full-time positions only, ages 35–50)



The occupations presented include at least 100 observations of monthly gross wages. Due to data constraints, the figure includes all those employed in the occupation, regardless of public or private sector.

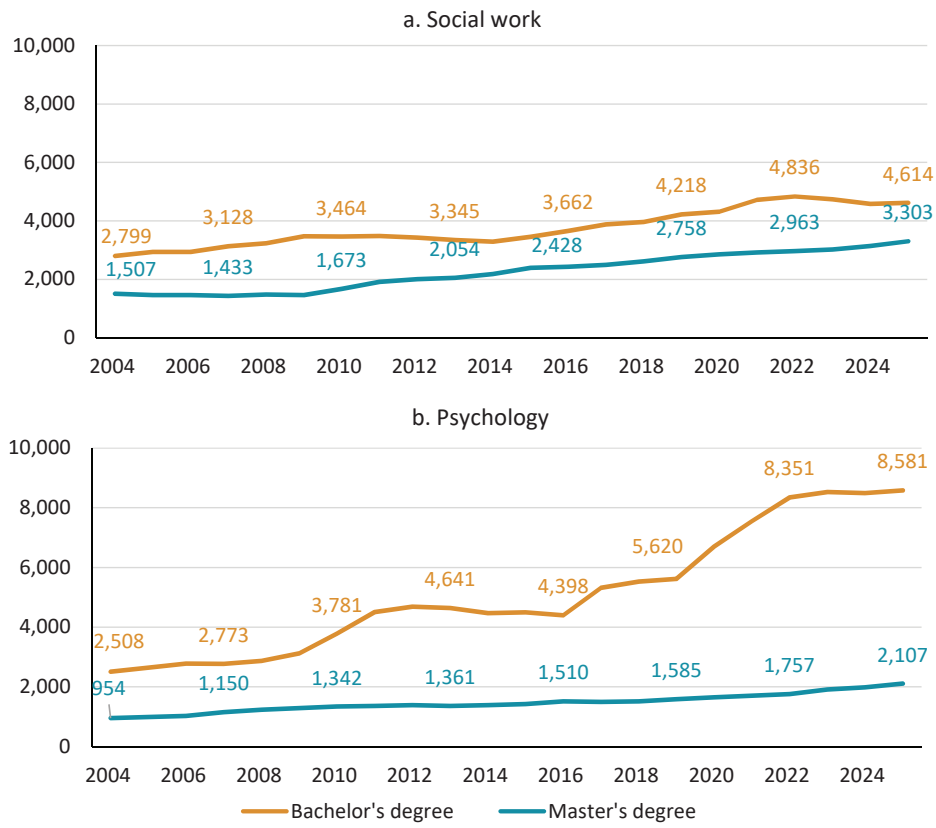
SOURCE: Based on Central Bureau of Statistics Population Census.

In April 2025, a collective wage agreement was signed, providing significant increases in pay for psychologists in the public sector in Israel.

The Psychologists' Wage Agreement (2025) – To address the shortage of psychologists, particularly in the public sector, a collective wage agreement was signed in April 2025. This agreement stipulated significant increases in the remuneration of psychologists in the public sector in Israel. The agreement includes a transition to a dedicated wage scale, which separates psychologists from the general academic wage scale and increases their wages by rates that can reach approximately 40 percent for some psychologists (including a substantial increase in base salary, expansion of seniority increments, and other provisions). The wage increase stipulated in the agreement is to be implemented in three phases, commencing on January 1, 2025, and concluding on April 1, 2027. The agreement emphasizes the retention of human capital through the expansion of seniority increments, the creation of promotion tracks to management and professional responsibility roles, and the provision of financial incentives aimed

at strengthening public healthcare against the private market.[12] The annual cost of the agreement once fully phased in is NIS 350 million, with NIS 100 million of this sum being funded from the new mental health program (out of the NIS 1.4 billion approved for the program).

Figure 7.5 | Number of Bachelor's and Master's Students in Social Work and Psychology, 2004–2025



Total students in the degree, regardless of year of study. The number of psychology students does not include organizational psychology, behavioral science, or cognition.

SOURCE: Based on Council for Higher Education.

The wage agreement with social workers – The wages of social workers were updated in recent years under two agreements: the first in May 2022 and the second in June 2025. These agreements include staggered wage increases over several years, which collectively amount to average increases exceeding 30 percent. Furthermore, the agreements included a simplification of the wage structure, an improvement

[12] Collective Wage Agreement of Psychologists in the Public Sector in Israel, April 1, 2025. https://www.gov.il/BlobFolder/policy/psychologists-collectiveagreement-01042025/he/psychologists-collectiveagree ment-01042025.pdf

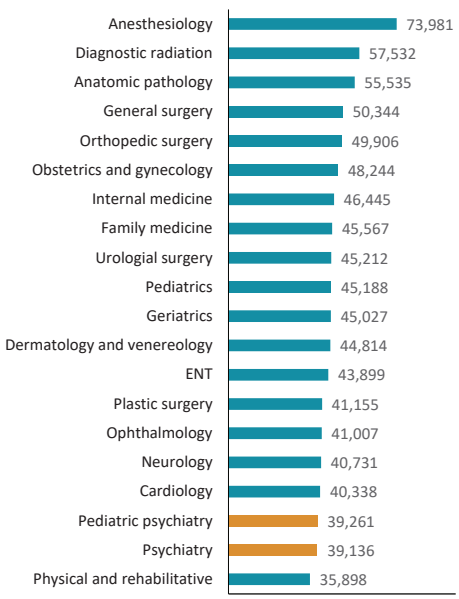
in the mechanism for wage increases for nonmanagerial employees, and other provisions. The agreements impacted the wages of social workers in the public sector as well as those employed by nonprofit organizations and in privatized services.

The incentives in the field of psychiatry in the 2011 wage agreement had little impact in attracting physicians to specialize in the field.

Wages and trends among psychiatrists and the wage agreements signed in 2011 and 2024 – The wages of specialists in psychiatry are relatively low compared to those of specialists in other fields (Figure 7.6) – a phenomenon not unique to Israel. The low wages in this field contributed to the designation of these areas as "distressed fields" in the physicians' wage agreements of 2011 and 2024 – meaning fields experiencing a shortage of doctors. The 2011 agreement included generous incentives for physicians to specialize in these fields. However, several studies that examined their effectiveness found that they had little impact in attracting physicians to specialize in these fields (Ashkenazi et al., 2017; Markovitz et al., 2021; Zontag, 2025). This low effectiveness may be attributed in part to the fact that even after wage increases, wages in these specializations remained significantly lower than other specializations, as shown in Figure 7.6, which presents wage data for 2022. Furthermore, the general shortage of physicians may further complicate the incentivization of doctors to specialize in these less attractive fields.

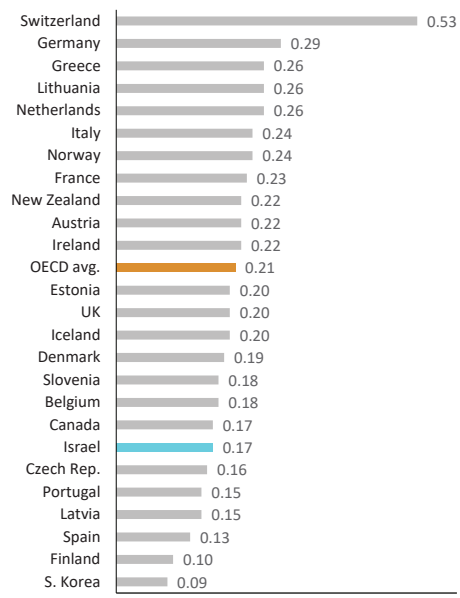
The wage agreement signed with physicians in 2024 included additional wage incentives for psychiatrists, as the field of psychiatry was defined as one of the essential areas for treating war casualties. The shortage of psychiatrists and the low popularity of this field among physicians are not unique to Israel, and are typical of many countries. The ratio of psychiatrists to population size in Israel, while lower than the average among other developed OECD countries, is not exceptionally low (Figure 7.7).

Figure 7.6 | Median Total Monthly Income (Wages and Self-Employment) of Specialist Physicians, 2022
(by specialization)



SOURCE: Based on Central Bureau of Statistics Employer Employee File.

Figure 7.7 | Psychiatrists per 1,000 Residents, 2023
(advanced OECD countries)



SOURCE: Based on OECD.

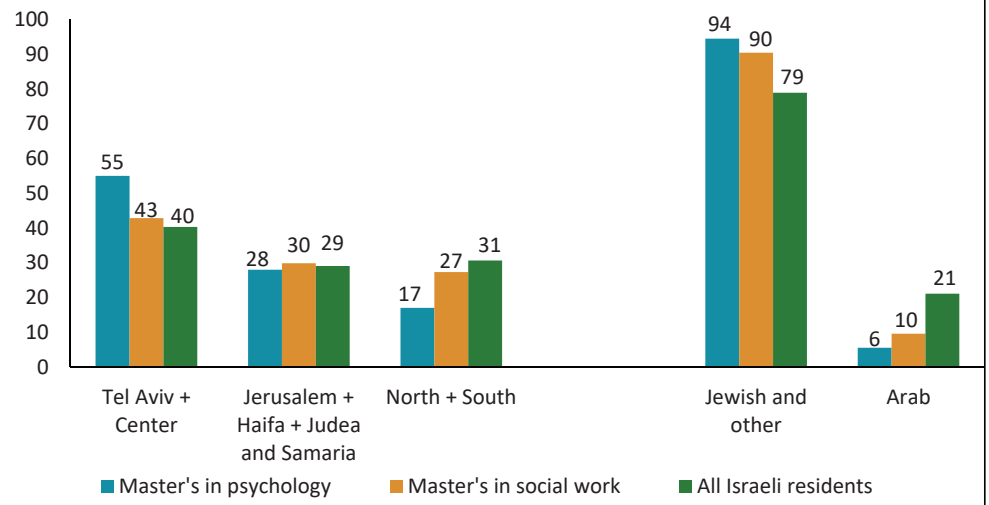
The mental health program, which came into effect in 2024, included several measures aimed at increasing the number of psychiatry residents and encouraging the training of residents also within the health funds. (Currently, all residents are trained in hospitals.) The program's objective is an immediate increase in the number of psychiatry residents by approximately 50 per year, reaching 110 within three years. These measures, to the extent that they prove effective, will only be reflected in several years, after the new residents complete their specialization.[13]

There are significant disparities in the distribution of mental healthcare professionals, to the detriment of the geographic periphery and the Arab community.

Disparities in the distribution of mental health professionals across geographical regions and sectors – Beyond the aggregate number of therapists, and in order to provide quality mental health services to all residents in Israel in proximity to their places of residence and in a manner consistent with their language and culture, the geographic distribution of therapists and their allocation among different sectors are also very important. Figure 7.8 presents the distribution of psychologists and social workers holding master's degrees engaged in therapeutic professions relative to the population distribution by districts and nationality. Significant disparities are evident from the figure, with a very low proportion of therapists in peripheral areas and within the Arab community relative to the population size. These disparities are more pronounced with respect to psychologists, but are also notable concerning social workers. The significance of the disparities between central and peripheral areas is underscored by the fact that most of the areas where the impact of the war was most pronounced, in terms of resident evacuation and proximity to combat zones and missile fire, are peripheral areas in the Northern and Southern Districts. The expanded use of technology for remote services may make it possible to reduce the impact of these geographical disparities.

[13] Space for the Mind – Accessible and Tailored Public Mental Health (The National Mental Health Program), Ministry of Health. https://www.gov.il/BlobFolder/reports/national-mental-health-program-publication-2082024/he/units_mental-health_mental_health_prog_22082024.pdf

Figure 7.8| Distribution of Residential District and Nationality of Psychologists and Social Workers Relative to All Israeli Residents, 2022



Total district distribution and total nationality distribution each total 100.

SOURCE: Based on Central Bureau of Statistics Population Census.

6. CONCLUSION

In recent years, demand for mental health treatment has increased following the insurance reform (2015), the COVID-19 pandemic, and the war that broke out on October 7, 2023. This growth was reflected in long waiting times and recourse to private clinics. It appears that the shortage of practitioners, particularly in the public sector, is partly due to the fact that their salaries were low relative to other academic professions, and the salaries of psychiatrists in Israel are low relative to physicians in other specialties. The impact of these relatively low salaries is brought into sharper relief in view of the high skill level and the long and demanding training path required in these fields.

Against this backdrop, several important measures have been implemented since the outbreak of the war, which are expected to support the expansion and improvement of services. In 2024, a new program was launched in the mental health field, aimed at increasing the number of therapists, patients, and therapeutic contacts within the public system, while also addressing additional aspects of the mental healthcare system. This program was budgeted at NIS 1.4 billion per year. Furthermore, the wage agreement signed with psychologists in 2025 is expected to significantly improve the employment conditions of psychologists in the public sector. The field of psychiatry, which was defined in the physicians' wage agreements as a specialty in distress, also received unique wage supplements in the physicians' wage agreement signed in 2024. Concurrently, steps were taken to increase the number of residents in both psychiatry and psychology. However, these measures are expected to increase the number of therapists only in several years' time.

In the coming years, it will be important to continuously monitor whether the expansion of services is keeping pace with the increased needs in this field, for example, by measuring the length of waiting times for treatment and indicators of treatment quality. It will also be important to track the development of the availability and relative compensation of care professionals in the field. To enable such monitoring, it is essential to develop standardized output indicators and to publish them consistently. In addition, it is important to address the disparities in service availability between central and peripheral areas and between the Jewish and Arab sectors. The importance of these steps is underscored by the fact that combat zones and missile attacks were in close proximity to peripheral areas, thereby intensifying the war's impact on the psychological well-being of residents in those areas, particularly in the northern border region and the Gaza Envelope localities.

In the coming years, it will be important to examine whether the expansion of mental healthcare services is keeping pace with increased needs.

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