

No. 104

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2nd Session, 14th Legislature, Alberta  
9 Elizabeth II

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## **BILL 104**

A Bill to Consolidate and Revise the Law relating to  
Hospitals and Hospitalization Benefits

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HON. DR. ROSS

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## **Explanatory Note**

General. This new Act will combine in one Act various matters relating to hospitals presently dealt with in The Municipal Hospitals Act, The Auxiliary Hospitals Act, The Hospitals Act and The Hospitalization Benefits Act, 1959. The new Act is divided into three Parts. Part I deals with establishment and organization of municipal and auxiliary hospitals; Part II deals with the standards to be maintained and management of approved hospitals; Part III deals with hospitalization benefits and payments to hospitals.

### **2. Definitions of terms used in the Act.**

# BILL

No. 104 of 1961

An Act to Consolidate and Revise the Law relating to  
Hospitals and Hospitalization Benefits

(Assented to \_\_\_\_\_, 1961)

**H**ER MAJESTY, by and with the advice and consent of  
the Legislative Assembly of the Province of Alberta,  
enacts as follows:

1. This Act may be cited as "*The Alberta Hospitals Act*".

2. In this Act,

- (a) "approved hospital" means a hospital designated by the Minister as an approved hospital pursuant to Part II;
- (b) "auxiliary hospital" means a hospital for the treatment of long term or chronic illnesses, diseases or infirmities;
- (c) "auxiliary hospital district" means an auxiliary hospital district established under section 3;
- (d) "board of management" means a hospital board of management established pursuant to an agreement under section 11;
- (e) "council" means
  - (i) in the case of a city, town, village, county or municipal district, the council thereof,
  - (ii) in the case of a new town, the board of administrators thereof, and
  - (iii) in the case of an improvement district or special area, the Minister of Municipal Affairs;
- (f) "district board" means the board of a hospital district incorporated under section 7 or under any former Act relating to municipal or auxiliary hospitals;
- (g) "general hospital" means a hospital providing diagnostic services and medical or surgical treatment in the acute phase for adults and children and obstetrical care, or any of them;
- (h) "general hospital district" means a general hospital district established under section 3;
- (i) "hospital" means an institution operated for the care of diseased, injured and sick people;
- (j) "hospital district" means a general hospital district or an auxiliary hospital district;

**3. Establishment of districts.**

- (k) "included municipality" means a municipality the whole or a part of which is included in a hospital district;
- (l) "Minister" means the Minister of Health;
- (m) "municipality" means any city, town, new town, village, county, improvement district and special area;
- (n) "non-district hospital" means a hospital other than a hospital owned by a district board;
- (o) "resident of the Province" means a person entitled by law to reside in Canada who makes his home and is ordinarily present in the Province, but does not include a tourist, transient or visitor to the Province.

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## PART I

### GENERAL AND AUXILIARY HOSPITALS

3. (1) Having regard to the area, population and other relevant factors, the Minister may divide the Province

- (a) into areas which are now or may hereafter be served by one or more general hospitals, for the purpose of establishing general hospital districts, and
- (b) into areas which are now or may hereafter be served by one or more auxiliary hospitals, for the purpose of establishing auxiliary hospital districts.

(2) The Minister, after consultation with such bodies or persons as he deems competent to advise him thereon, may by order establish any area referred to in subsection (1) as a hospital district and the order shall set out all pertinent particulars in respect thereof, including:

- (a) the name of the district;
- (b) whether the district is a general hospital district or an auxiliary hospital district;
- (c) in the case of a general hospital district the municipalities or parts of municipalities to be included;
- (d) in the case of an auxiliary hospital district, the whole municipalities to be included;
- (e) the division of the district into wards;
- (f) the location and site of the hospital;
- (g) the appointment or election of ratepayers as ward representatives.

(3) The Minister may by order amend or rescind an order referred to in subsection (2) in respect of any or all matters set out in the original order as he may deem necessary from time to time provided that adequate provision is made for payment of all liabilities and for protection of debenture holders.

**4. Application of Act to existing districts.**

**5. Minister to prepare a hospital program.**

**6. Hospital program to be submitted to included municipalities for approval.**

(4) Without restricting the generality of subsection (3) and subject to the other provisions of this Part, the order may provide for:

- (a) the disestablishment of a district and all matters pertaining to the winding up of its affairs;
- (b) the amalgamation of two or more districts;
- (c) the addition to or subtraction from a district;
- (d) the alteration of the boundaries of a ward.

(5) A municipality, other than a city, which is wholly surrounded by another municipality or other municipalities included or to be included in a hospital district shall be included in such hospital district, whether the municipality existed before or after the establishment of the district.

4. (1) Subject to subsection (2) a hospital district established prior to the commencement of this Act as a municipal hospital district or an auxiliary hospital district shall continue in existence as a hospital district within the meaning of this Act.

(2) An order of the Minister dealing with any of the matters referred to in section 3 is effective in respect of a hospital district established prior to the commencement of this Act as though the district had been established pursuant to this Act.

5. After the establishment of a hospital district pursuant to section 3, the Minister may cause a hospital program to be prepared which shall contain

- (a) a plan for the acquisition by purchase, gift, or otherwise, of a site and the location of the site, or the manner of selecting and approving a site, and for the erection of a hospital thereon,
- (b) an estimate of the capital costs of the proposed hospital and its equipment and furnishings, and the method of acquiring the necessary funds,
- (c) a schedule of rates likely to be charged for hospital services in the proposed hospital, and
- (d) such other matters related to the construction, equipment, furnishings, utilization of services or facilities of an adjacent hospital, operation or finances of the proposed hospital development as the Minister may direct.

6. (1) In respect of a hospital program providing for the erection of a hospital, the Minister shall, before implementing the program, submit the program to the councils of each of the included municipalities for approval.

(2) The approval of a hospital program by a council may be given by resolution or in the case of an improvement district or special area by an order of the Minister of Municipal Affairs.

**7.** Included municipalities will nominate members of the proposed district board.

**8.** Establishment of district boards as corporations composed of persons nominated by the included municipalities.

**9.** Application of The Alberta Municipal Financing Corporation Act.



(3) Where the councils representing a majority of the population within the hospital district approve the hospital program submitted to them by the Minister, the program shall be taken as approved.

(4) For the purposes of this section, the population figure given by the Minister of Municipal Affairs shall be used as the population of a municipality.

#### **District Boards**

**7.** (1) The councils of the included municipalities within each ward of the hospital district shall nominate, at the request of the Minister, a person or persons as required, for membership on the first district board.

(2) When after a request under subsection (1) any council fails to nominate a person within thirty days after the request has been made, the Minister may by order make nominations on its behalf.

(3) The first and any district board shall consist of not less than five or more than eleven members.

**8.** (1) After approval by the included municipalities, a hospital program may be referred to the Lieutenant Governor in Council, together with the names of the persons nominated to be members of the first board of the hospital district to which the program relates, for an order incorporating the hospital district.

(2) Subject to the other provisions of this Act, the order incorporating a hospital district shall establish, under the name given the district pursuant to section 3, the persons nominated pursuant to section 7 and such others as may be appointed or elected from time to time pursuant to the regulations as a body corporate with power to

- (a) acquire, hold and alienate real property,
- (b) borrow money by such means and subject to such terms and conditions as may be set out in the order or as prescribed in the regulations,
- (c) levy upon the included municipalities for the required portion of its capital and operating costs, and
- (d) construct, operate, maintain, manage and control one or more hospitals in the district and to enter into agreements under section 11 with the owners of one or more non-district hospitals for the purposes and upon the terms and conditions prescribed in the regulations,

and shall vest the body corporate with such other powers as may be deemed necessary for its purposes.

**9.** For the purposes of *The Alberta Municipal Financing Corporation Act*, a hospital district shall be deemed to be a municipality within the meaning of that Act.

**10.** Power is given to expropriate land for a hospital site.

**11.** Agreements may be entered into with non-district hospitals for the provision of hospital services on behalf of the hospital district; under such an agreement the non-district hospital would be managed by a board appointed partly by the district board and would be entitled to the same rights as the district board in financial matters.

**12.** Authority to make regulations regarding the operation of district boards and boards of management.

**10.** (1) Where a district board requires land as a site for hospital buildings it may expropriate the land required.

(2) For the purpose of expropriating land, a district board has the same powers as the municipality in which the land is situated has under its governing municipal Act and compensation shall be paid in accordance with that Act.

**11.** (1) Where a hospital district is served by a non-district hospital,

(a) if the board of the non-district hospital is willing to provide hospital services on behalf of the district board, and

(b) if the councils of the included municipalities representing a majority of the population in the hospital district are agreeable thereto,

the district board and the board of the non-district hospital may, with the approval of the Minister, enter into an agreement to that effect on the terms and conditions prescribed by the regulations.

(2) It shall be a condition of every agreement entered into under this section

(a) that the non-district hospital shall be managed by a board of not less than three persons and not more than eleven, and

(b) that the district board has the right to appoint a majority of the members of such board of management.

**12.** The Lieutenant Governor in Council may make regulations to carry out the intent of this Part and without restricting the generality of the foregoing may make regulations to

(a) govern the manner of nomination, selection, appointment or election of members of district boards and boards of management,

(b) prescribe qualifications for membership and conditions of disqualification from membership, terms of office, procedure for filling vacancies, and other matters pertaining to members of district boards and boards of management;

(c) govern the election of officers, fixing quorums, times of meetings, books and records to be kept, reports and returns to be made, travelling and expense allowances to be paid and other matters pertaining to the organization of district boards and boards of management and the management of its affairs;

(d) prescribe the manner in which district boards and boards of management may borrow money and fix the rate of interest thereon, fix the terms of borrowing and the periods of borrowing;

**13.** Authority is given to municipalities to provide money for the construction, operation and maintenance of hospitals by borrowing and by levying taxes.

**14.** Municipality to provide certificate of equalized assessment before April 1st, each year.

- (e) prescribe the terms and conditions which shall be contained in agreements made under section 11 between district boards and the owners of non-district hospitals.

**13.** The council of a municipality which is wholly or partly included in a hospital district is hereby authorized and empowered, notwithstanding any other Act of the Legislature, to make payments to the district board or board of management to assist in the construction, operation and maintenance of any hospital located or to be located in the hospital district and to do all things necessary to carry out the intent of this Act including, without restricting the generality of the foregoing:

- (a) borrowing money by temporary borrowings or debentures, without recourse to the proprietary electors or obtaining approval therefrom, for the purpose of meeting its share of the costs of constructing, maintaining or operating a hospital;
- (b) accepting requisitions upon it for moneys required by the district board or by the board of management of a non-district hospital serving the district in which the municipality is wholly or partly included and to assess and levy taxes within the municipality for the purpose of meeting any such requisitions.

**14.** (1) On or before the first day of April in each year the council of each included municipality shall provide the district board or board of management with a certificate showing

- (a) the amount of the equalized assessment in the included area based on the equalized assessment of the municipality as determined and ordered by the Alberta Assessment Equalization Board for that year pursuant to *The Municipalities Assessment and Equalization Act*, and
- (b) if the included area is in
  - (i) a municipal district or in an improvement district that is not a special area, the total estimated nominal value of all lands that are
    - (A) in the included area of the municipal district or the improvement district, as the case may be, and
    - (B) held under a lease that is provided for by *The Public Lands Act* and under which a share of crop has become payable to the provincial government,
  - (ii) a special area, the total estimated nominal value of all lands that are in the special area and that are held under lease from the Special Areas Board.

(2) The total estimated nominal value mentioned in clause (b) of subsection (1) shall be determined,

**15.** The district board or board of management is required to make its requisition on the municipality before April 30th. If an included municipality is not satisfied with the manner in which the amount required is apportioned among all the included municipalities it may appeal to the Minister.

**16.** Manner of raising and paying amount requisitioned.

- (a) in the case of a municipal district or an improvement district that is not a special area, by multiplying the sum of four hundred dollars by the total number of quarter sections so held as at the thirty-first day of December of the preceding year, or
- (b) in the case of a special area, by multiplying an amount set by the Minister of Municipal Affairs by the total number of quarter sections held as at the thirty-first day of December of the preceding year.

**15.** (1) Before the thirtieth day of April in each year, a district board or board of management shall send to the council of each municipality which is wholly or partly included in the hospital district a requisition approved by the Minister for that part of the budget attributed to such included municipality.

(2) The district board or board of management shall calculate that portion of the budget which is attributed to each included municipality on the basis of the proportionate amount of the total values set out in the certificate referred to in section 14.

(3) Within twenty-one days after receipt of a notice mentioned in subsection (1), the council of an included municipality may apply to the Minister to vary the division of the budget described in the notice.

(4) The Minister shall, after considering the application and the grounds for the application, either make a redivision or dismiss the application and his decision thereon is final and conclusive.

**16.** (1) Where a requisition referred to in section 15 is received, an included municipality to which the provisions of clause (b) of subsection (1) of section 14 do not apply shall levy a hospital tax at a rate sufficient to pay the sum requisitioned, or if the amount of the requisition may be so paid, shall make provision for the payment thereof from the general revenue fund of the included municipality.

(2) When the requisition referred to in section 15 is received by an included municipality to which the provisions of clause (b) of subsection (1) of section 14 apply, the council of that municipality

- (a) shall levy a hospital tax at a rate sufficient to pay the proportionate part only of the requisition that is attributable to property liable to assessment and taxation, or
- (b) shall make provision for the payment of the requisition, or for any part of the requisition not raised by a tax levy from the general revenue fund of the included municipality.

(3) The sum requisitioned pursuant to section 15 shall

**17.** Minister's decision under section 15 is final.

**18.** Special provisions relating to improvement districts and special areas.

**19.** If requisition is not paid money may be paid out of any provincial grants to the municipality.

**20.** Disestablishment of a hospital district.



be paid to the district board or board of management by each included municipality before the first day of July of the year in which the requisition was received.

(4) When a district board finds it impossible to comply with section 15 because the hospital district is formed too late in the year, or for any other sufficient reason, the board may, upon the direction of the Minister, send a requisition before a date named in the direction, and an included municipality

(a) shall make a special levy of a sum of money sufficient to meet the requisition, and

(b) shall forward such sum of money at such time as may be set out in the direction.

(5) An included municipality that pays an amount due to a district board or board of management after the date upon which it is due shall pay to the board interest upon that payment at the rate of seven per cent per annum for the period between that due date and the date of payment.

**17.** A decision made by the Minister under section 15 is final for all purposes and shall not be questioned in any court of law.

**18.** When the funds available to an improvement district or special area included within a hospital district are insufficient to meet any requisition of the district board or board of management upon it, the Minister of Municipal Affairs may pay the sums requisitioned from the moneys appropriated for that purpose by the Legislature or in the absence of an appropriation therefor from the General Revenue Fund of the Province.

**19.** Where an included municipality in a hospital district fails to make any payments requisitioned by the district board or board of management, the Minister may require the Provincial Treasurer to pay any grants payable to the municipality for that year to the board until the amount requisitioned by the board and unpaid by the municipality has been received by the board, or to pay so much of any such grant to the board as is equivalent to the amount so requisitioned and unpaid.

**20.** (1) Where the Minister desires to disestablish or render inactive a hospital district that has an outstanding debenture indebtedness, he shall not make an order to that effect unless provision has been made for the protection of the holders of debentures of the district and the Lieutenant Governor in Council has given all necessary directions to ensure the effective carrying out of the provisions of this section.

(2) When the assets of a disestablished or inactive hospital district are insufficient to meet its liabilities, the

**21.** Power of Minister.

**22.** Dismissal of members of district board or board of management.

**23.** Order to bring undertaking with respect to chronic hospital under this Act.

deficiency shall be borne and paid by each municipality included therein in the same proportion as that municipality would have been liable in respect of the requisitions of the district board if the hospital district had not been disestablished or rendered inactive.

(3) When the assets of a disestablished or inactive hospital district exceed the amount required to meet its liabilities, the surplus shall be distributed to the included municipalities in the same proportion as those municipalities would have been liable in respect of requisitions of the district board, if the district had not been disestablished or rendered inactive.

(4) All the powers conferred upon the district board are, to the extent necessary for that purpose, transferred to and vested in the person or persons appointed to wind up the affairs of the district.

(5) The Minister may from time to time give such directions as he deems proper concerning the winding up of the affairs of a disestablished district.

**21.** Where under this Act an act or thing is directed to be done forthwith or within a specified time by an included municipality or by a council thereof or by a district board or board of management, or by an officer of such bodies and the act or thing is not done, the Minister may do such act or thing with the same effect as if it had been done by such bodies.

**22.** (1) The Minister by order may for cause dismiss the members of a district board or board of management and appoint an official administrator in their place.

(2) Notwithstanding subsection (1), a board of management shall be given notice of dismissal six months in advance of the time required to terminate an agreement under section 11 as provided in the regulations.

(3) An official administrator appointed under subsection (1)

(a) has all the powers and authorities conferred by this Act upon a district board or board of management,

(b) shall perform all the duties of a district board or board of management, and

(c) shall be paid such salary as the Minister may determine, together with proper expenses, as an operating expense of the hospital district.

(4) The Minister may by order terminate at any time the appointment of an official administrator and restore the affairs of the hospital district to an authority selected pursuant to the regulations.

**23.** Where the Minister by written or oral agreement has entered into an undertaking with respect to a hospital

**24.** Definitions of terms used only in this Part.

**25.** Every approved hospital required to have a governing board.

**26.** By-laws of hospital board.

for the treatment of chronic illness or infirmities in any municipality, the Minister may, by order, authorize the doing of any act, matter or thing that will enable any such project to be brought within the provisions and intent of this Act at whatever stage the project may most conveniently and economically be brought under this Act, and every such undertaking and project is hereby ratified, validated and confirmed.

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## PART II

### APPROVED HOSPITALS

**24.** In this Part,

- (a) "administrator" means the person appointed by the board of a hospital as its chief executive officer, who is the most senior official in the administrative organization of that hospital, and who is responsible to the board for the day to day operation and management of the affairs of that hospital;
- (b) "Associations" means the Associated Hospitals of Alberta, the College of Physicians and Surgeons of Alberta or the Canadian Medical Association — Alberta Division, the Alberta Association of Registered Nurses and the Alberta Pharmaceutical Association, or any of them;
- (c) "board" means a district board or a board of management and the board of trustees, governing board, council of sisters, or other corporate body or persons owning or managing the affairs of a non-district hospital;
- (d) "medical staff" means the physician or physicians appointed by the board of a hospital to serve as the medical staff of such hospital in accordance with by-laws made pursuant to this Act;
- (e) "patient" means a person who, by direction of a hospital board or a representative of the board, and upon the recommendation of medical staff of a hospital, is admitted to such a hospital as an in-patient or as an out-patient for diagnosis or treatment services, or both;
- (f) "physician" means a duly qualified medical practitioner licensed under *The Medical Profession Act*.

**25.** Each approved hospital shall have a governing board and, subject to any limitations of its authority imposed by Acts of the Legislature and regulations thereunder, the board has full control of that hospital and has absolute and final authority in respect of all matters pertaining to the operation of the hospital.

**26.** (1) The board of each approved hospital shall enact general by-laws governing the organization, management

**27.** By-laws of the medical staff of a hospital.

**28.** Minister may prescribe model by-laws and require approved hospitals to adopt them.

and operation of the hospital which it controls and may amend, vary or repeal such by-laws from time to time as it deems necessary.

(2) The board or the administrator shall send or shall cause to be sent to the Minister a true copy of all general by-laws enacted and of all amendments, variations or repeals thereof.

(3) General by-laws enacted by a board shall provide for the adoption of rules which may govern the duties and responsibilities of the administrator and other hospital personnel, the detailed organization and administration of hospital departments and such other matters as the board deems to be necessary or desirable.

**27.** (1) The board of each approved hospital shall require the preparation and adoption of by-laws by the medical staff governing the appointment, termination or suspension of appointment, organization and conduct of the physicians practising in the hospital, may from time to time require the amendment, variation or repeal of the by-laws of the medical staff and may approve or disapprove of such by-laws or amendments.

(2) Upon approval by a board of the by-laws of the medical staff or any amendments thereof as provided in subsection (1), the board shall send or cause to be sent a true copy of the by-laws or amendments signed by the appropriate officer of the medical staff and of the board, to the Minister for approval, and the by-laws or amendments thereof are effective only upon the written approval of the Minister.

(3) The by-laws of the medical staff shall make provision for the adoption of rules governing the day to day management of medical affairs in the hospital, for the amendment of such rules from time to time as the need may arise, and shall provide that such rules become effective only upon their approval by the hospital board.

**28.** (1) After consultation with the Associations, the Minister may prescribe

- (a) model general by-laws governing the organization, management and operation of hospitals for the guidance of hospital boards, and
- (b) model by-laws of the medical staff governing the appointment, organization and conduct of physicians for the guidance of physicians practising in an approved hospital and for the guidance of the board of such a hospital.

(2) In respect of model by-laws prescribed under subsection (1) the Minister may designate that such by-laws are applicable to all approved hospitals or to such type, grade or size-group of approved hospitals as he may specify.

(3) Where model by-laws are prescribed pursuant to this section, the Minister may, by order, direct

**29.** Approved hospitals required to appoint an administrator and other staff.

**30.** Approved hospitals required to appoint an auditor.

**31.** Provision is made for the keeping of records of the treatment given to every patient and the conditions under which such records are to or may be made available to other persons. A penalty is provided for wrongful disclosure of information.



- (a) that by-laws of the same or like effect shall be enacted by the board or shall be prepared and adopted by the medical staff and approved by the board, as the case may be, in respect of all approved hospitals or in respect of the type, grade, or size-group of approved hospitals to which the model by-laws have been designated as applicable, and
  - (b) that true copies of the by-laws and amendments shall be sent to the Minister within six months of the date of publication of his order.
- (4) The approval of a by-law by the Minister may be withdrawn at any time by notice in writing to the board of the hospital whereupon the by-law for which approval has been withdrawn ceases to have effect.

**29.** The board of each approved hospital shall appoint an administrator and shall appoint or shall cause to be appointed, as the by-laws or regulations may require, any other officers and employees required for the efficient operation of the hospital and shall prescribe their duties, remuneration and other terms of employment.

**30.** (1) Subject to subsection (2), the board of each approved hospital shall appoint annually an auditor who shall be a person registered pursuant to *The Alberta Chartered Accountants Act*, or other qualified person approved by the Minister.

(2) An auditor appointed by a board shall not be a member or employee of the board and shall not be a party to or have any interest in any contract made by the board in any capacity except that of auditor.

**31.** (1) The board of each approved hospital shall cause to be kept by the attending physician a record of the diagnostic and treatment services provided in respect of each patient in order to assist in providing a high standard of medical care.

(2) For the purposes of assessing the standards of care furnished to patients, improving hospital or medical procedures, compiling medical statistics, conducting medical research, or for any other purpose deemed by the Minister to be in the public interest, the Minister or any person authorized by the Minister

- (a) shall be given access to medical and other records of any patient,
- (b) may obtain extracts from and copies of any such records, and
- (c) may require a board, administrator, physician or other person having access to such records, to divulge diagnoses, charts or any information available in respect of a patient.

**32.** Establishment of Hospitals Division in the Department of Public Health and the appointment of a Director and other staff.

**33.** Duty of approved hospitals to provide information to the Director.

**34.** Power is given to inquire into the management and affairs of hospitals.

(3) Information obtained from hospital records or from persons having access thereto shall be treated as private and confidential information in respect of any individual patient and shall be used solely for the purposes described in subsection (2) and such information shall not be published, released or disclosed in any manner that would be detrimental to the personal interests, reputation or privacy of a patient, or the patient's attending physician.

(4) Any person who knowingly and wilfully releases or discloses such information to any person not authorized to receive the same is guilty of an offence and liable upon summary conviction to a fine of not more than one hundred dollars and in default of payment to a term of imprisonment not exceeding fifteen days.

(5) Notwithstanding subsection (3) or any other law, a board or employee of a board, the Minister or a person authorized by the Minister, or a physician may

- (a) with the written consent of a patient divulge any diagnoses, record or information relating to the patient to any person, and
- (b) without written consent of a patient, divulge any diagnoses, record or information relating to the patient to
  - (i) a Workmen's Compensation Board,
  - (ii) the Alberta Blue Cross Plan,
  - (iii) Medical Services (Alberta) Incorporated,
  - (iv) any other provincial hospital insurance authority, or
  - (v) any other hospital to which a patient may be transferred or admitted or to other attending physicians,

if the information is required in order to establish responsibility for payment by the organization or insurer.

**32.** Subject to *The Public Service Act*, the Lieutenant Governor in Council may establish within the Department of Public Health a division to be known as the Hospitals Division, for which a Director and other officers, inspectors and employees may be appointed.

**33.** The board of each approved hospital shall forward or cause to be forwarded to the Director of the Hospitals Division such records, reports and returns as may be required at such times and in such form as the Minister may from time to time prescribe.

**34.** The Minister, the Director of the Hospitals Division, and inspector or other persons appointed for the purpose, may make all necessary inquiries into the management and affairs of hospitals, may visit and inspect hospitals and may examine hospital records for the purpose of verifying the accuracy of reports and ensuring that this Act and the regulations are being adhered to.

**35.** Power to make regulations to carry out the intent of this Part.

**36.** Power to appoint a committee of inquiry to investigate questions relating to the conduct and management of approved hospitals.

**37.** Liability of persons for hospital charges for services rendered to others.

**35.** (1) The Lieutenant Governor in Council may make regulations:

- (a) regarding the approval of the location, design and construction of hospitals and the conditions under which such approval will be granted;
  - (b) prescribing the standards of service to be provided by approved hospitals;
  - (c) prescribing the admission policies of approved hospitals and types of patients that may be admitted thereto;
  - (d) concerning the establishment and operation of schools, centres or other facilities for the education or training of nurses or other hospital staff;
  - (e) concerning expense payments to board members;
  - (f) concerning the disposal of human tissues, whether removed during an operation, autopsy or otherwise;
  - (g) concerning any other matters that in his opinion are necessary in order to carry out the purposes of this Act.
- (2) The Minister, by order, may
- (a) determine which hospitals offer a standard of service which qualifies them as approved hospitals and declare them to be approved hospitals, and
  - (b) direct, regulate and control such other matters as may be required by this Act or the regulations.

**36.** (1) The Lieutenant Governor in Council may appoint a committee of inquiry to which, or to any member or members of which, a question respecting the conduct or management of an approved hospital may be referred for the purpose of making an inquiry into the affairs of such hospital and reporting thereon to the Minister.

(2) The committee, or any member or members, to whom a question is referred has all the powers of a commissioner appointed under *The Public Inquiries Act*.

(3) The member or members of the committee shall receive such remuneration as may be fixed by the Lieutenant Governor in Council.

**37.** (1) Where hospital, medical or other services are provided in a hospital to a person:

- (a) if the person is an infant and unmarried, that person and his parents or guardians and their respective executors and administrators are liable to the board of the hospital for the payment of all proper charges for any services so provided;
- (b) if the person is of the full age of twenty-one years, that person and the spouse, if any, of that person and their respective executors and administrators are liable to the board of the hospital for the payment of all proper charges for any services so provided;

**38.** Discharge or transfer of patients.

- (c) if that person is an infant and married, that person and the spouse of such person and their respective executors and administrators are liable to the board of the hospital for the payment of all proper charges for any services so provided;
  - (d) if the person or any other person signs an agreement, admission form or other document assuming responsibility for the payment of charges as a result of which act the admission of the patient to the hospital is gained or hospital services are obtained, the person or persons who sign such document and their respective executors and administrators, notwithstanding *The Guarantees Acknowledgment Act*, are liable to the board of the hospital for the payment of all proper charges for any services so provided.
- (2) Notwithstanding subsection (1), a spouse is not liable to pay for hospital charges incurred by the husband or wife
- (a) where the said husband or wife has deserted the spouse and has not contributed to his or her support for at least six months immediately preceding the hospitalization,
  - (b) where the husband or wife is legally separated from the spouse, or
  - (c) where the husband and wife are living separate and apart and the husband or wife has not contributed to the spouse's support for at least six months immediately preceding the hospitalization.
- (3) In this section "proper charges" means the charges for services not provided as hospital benefits or charges for the payment of which patients are liable pursuant to Part III or the regulations.
- (4) The board of a hospital may recover from any person liable for the payment thereof, in a court of competent civil jurisdiction as a debt, the amount of any charges for the payment of which a person is made liable by this section.

**38.** (1) The board or the administrator of an approved hospital, after consultation with the patient's physician or a committee of the medical staff established to consider such matters, or the Director of the Hospitals Division on the basis of reports of the attending physician and the hospital records, may:

- (a) declare that a patient is no longer in need of the services provided by that hospital or of the services provided in a particular ward, section, or unit of that hospital, and to be eligible for transfer or discharge;
- (b) move such patient or cause such patient to be moved

**39.** Responsibility for removal of patients who are discharged.



- (i) to another type of accommodation or to another ward, section or unit of that hospital,
- (ii) to another approved hospital, or
- (iii) to a nursing home or other accommodation.

(2) Any patient who has been declared eligible for transfer or discharge as provided in this section and who refuses or fails to move or to leave when requested to do so, shall be deemed to be a trespasser.

(3) Any other person who remains on hospital premises without the consent of the board or of a representative of the board and who fails or refuses to leave the premises when ordered to do so is a trespasser.

**39.** (1) When a patient has been declared eligible for discharge under subsection (1) of section 38, the board or a representative of the board may require that the removal of that patient be effected by

- (a) any person made liable for the payment of hospital services in respect of such patient pursuant to section 37,
- (b) the council of the municipality within the boundaries of which the patient resided at the time of his admission to hospital, if the patient is a resident of the Province.

(2) The Minister of Public Welfare has the responsibility of a council under this section in respect of a patient who is a tourist, transient or visitor to the Province or who has no fixed abode at the time of his admission to the hospital.

(3) The administrator may by registered mail notify the person or council responsible for the removal of the patient to remove such patient from the hospital within ten days from the date of receipt of notification.

(4) The administrator shall send a copy of any notice given pursuant to subsection (3) to the local welfare officer, the Department of Public Welfare and the Hospitals Division.

(5) A person who fails to comply with a notice given pursuant to subsection (3) is guilty of an offence and liable upon summary conviction to a fine of not more than fifty dollars and in default of payment to imprisonment for a term not exceeding ten days.

(6) Notwithstanding the provision of any other Act, a council that fails to comply with a notice given pursuant to subsection (3) is liable to pay to the board of the hospital or to the Minister, the cost of caring for such patient from the date of the mailing of the notice, such cost to be calculated by multiplying the number of days during which the patient remained in the hospital subsequent to such date by the daily rate for non-eligible patients that is currently in effect under Part III or the regulations.

**40.** Limitation of actions against approved hospitals.

**41.** Duty with respect to the registration of births.

**42.** Notice to be given to Director of appointment of board members and other officers and officials.

**43.** Authority to withhold grants for failure to comply with the Act or the regulations.

**44.** Definitions of terms used only in this Part.

(7) In the event of a dispute arising between a council and a board in respect of this section, the matter may be referred to the Minister by the council or the board whereupon the Minister shall determine all questions involved in the dispute and his decision thereon is final.

**40.** Notwithstanding *The Limitation of Actions Act*, an action for damages against the board of any approved hospital, whether arising out of tort or contract, in respect of misfeasance or non-feasance in providing a service in that hospital, may be commenced within one year after the cause of the action is discovered, and not afterwards.

**41.** The board of an approved hospital shall in respect of each birth in the hospital ensure that the statement of birth required under *The Vital Statistics Act, 1959*, is completed and forwarded to the Director of Vital Statistics.

**42.** The board of each approved hospital shall forward or cause to be forwarded to the Director of the Hospitals Division, immediately upon the election or appointment of such persons, the names and postal addresses of:

- (a) members of the board and the officers thereof;
- (b) the administrator of the hospital;
- (c) the person appointed as the board's auditor;
- (d) any other officers or employees of the board as the Director of the Hospitals Division may from time to time require.

**43.** If the board of an approved hospital fails to comply with this Act or the regulations, the Minister may suspend or adjust any grants or payments to which the hospital may be entitled under this Act until such time as the board complies with this Act or the regulations.

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### PART III

#### HOSPITALIZATION BENEFITS

**44.** In this Part,

- (a) "Agreement" means the Agreement, as amended from time to time, made on the twenty-seventh day of June, 1958, between the Minister of Health (Alberta), and the Minister of National Health and Welfare (Canada) pursuant to the Canada Act;
- (b) "approved operating costs" means the portion of costs of operating hospitals met by the hospitalization plan;
- (c) "authorized charges" means charges that are made to a patient pursuant to the regulations;
- (d) "beneficiary" means a person who receives insured services under this Part;

**45. Insured services.**

**46. Entitlement to insured services.**

- (e) "Canada Act" means *The Hospital Insurance and Diagnostic Services Act* (Canada);
- (f) "capital costs" includes annual amount of principal and interest on debentures or loans as approved;
- (g) "group contract" means a contract of insurance whereby two or more persons other than members of the same family are insured severally under a single contract of insurance;
- (h) "insurer" means an insurer licensed under *The Alberta Insurance Act*;
- (i) "insured services" means the hospital services the operating costs of which will be provided for under this Part;
- (j) "standard ward hospitalization" means the following services to in-patients, namely:
  - (i) accommodation and meals at the standard or public ward level;
  - (ii) necessary nursing services;
  - (iii) laboratory and radiological services together with their interpretation, and other diagnostic procedures for the purpose of maintaining health, preventing disease and assisting in the diagnosis, treatment of any injury, illness or disability;
  - (iv) drugs, biologicals and related preparations when administered in a hospital, as specified in the Agreement;
  - (v) use of operating room, case room and anaesthetic facilities, including necessary equipment and supplies;
  - (vi) routine surgical supplies;
  - (vii) use of radiotherapy facilities, where available;
  - (viii) use of physiotherapy facilities, where available;
  - (ix) services rendered by persons who receive remuneration therefor from the hospital.

**45.** (1) The insured services to be provided under this Part shall be those furnished

- (a) by an approved hospital of the patient's choice, and
- (b) by such other institutions or persons as may be prescribed in the regulations.

(2) The insured services to be provided under this Part shall include

- (a) standard ward hospitalization in an approved hospital, and
- (b) such other services as may be prescribed in the regulations.

**46.** (1) Subject to the following exclusions, a resident

**47.** Payment for insured services.

**48.** Recovery of cost of insured services.

of the Province is entitled to receive insured services under this Part except when, in respect of such services,

- (a) he is or could be entitled to hospital services from another province that has entered into a hospitalization plan with the Government Canada under the Canada Act,
- (b) he is entitled to receive hospital services pursuant to any workmen's compensation statute of any province,
- (c) he is entitled to receive hospital services under any statute of Canada or of any province of Canada, as specified in the Agreement, or
- (d) he is declared, pursuant to Part II, to be not in need of hospital services.

(2) Where a person becomes a resident of the Province following residence elsewhere in Canada where he was eligible for insured services, if that particular jurisdiction prescribes any period of time before its residents become entitled to insured services within the meaning of the Canada Act, that person is not entitled to receive insured services under this Part until the expiry of whichever is the shorter period of

- (a) three months from the date upon which he became a resident of the Province, or
- (b) that period of time prescribed by the other jurisdiction of which he was a former resident before its residents become entitled to insured services within the meaning of the Canada Act.

**47.** Nothing in this Part shall be construed to prevent a person who does not desire to receive insured services as provided pursuant to this Part from assuming the entire responsibility for the payment of the costs of his hospital services.

**48.** (1) Where as a result of the wrongful act or omission of another, a person suffers personal injuries and becomes a beneficiary,

- (a) the beneficiary has the same right to recover the cost of insured services against the person guilty of the wrongful act or omission as he would have had if he had been required to pay for the whole cost of the hospital services which he received, and
- (b) the Minister is subrogated to the right of recovery of the beneficiary in respect of the cost of insured services furnished.

(2) Where a beneficiary brings an action to recover any sum in respect of injuries caused by a person, he shall include in his claim a claim on behalf of the Minister for the cost of insured services provided under this Part and shall immediately pay such amount or any part thereof which he recovers to the Minister.

**49.** Operating costs.

**50.** Municipalities' share of operating costs.



(3) No action in which a claim for the cost of insured services provided under this Part has been included on behalf of the Minister shall be settled without provision for payment to the Minister in full of such costs or without the Director of the Hospitals Division having first given his consent to such settlement in writing and any settlement which is made without such provision or such consent is a nullity.

(4) Where a person who causes injury to a beneficiary is insured against liability for such injury the insurer shall not discharge his obligation to the insured person otherwise than by payment to the Minister of the sum payable to the Minister on account of the hospital benefits provided.

(5) The Minister may incur and pay legal fees as provided in a schedule approved by him in respect of any litigation in which the recovery of the cost of insured services has been sought.

(6) In this section "cost of insured services" means an amount calculated by multiplying the number of days of hospitalization by the daily rate chargeable to non-eligible patients that is currently in effect as prescribed in the regulations.

**49.** Approved hospital operating costs shall be shared between the patients, the municipality and the Province on a basis which shall be set out in the regulations.

**50.** (1) As its share of the operating costs of hospitals each municipality shall pay each year from its general revenue into the General Revenue Fund of the Province such amount as may be determined by the Lieutenant Governor in Council but not to exceed the amount that could be obtained from a four mill tax upon the assessment and valuation of rateable lands, within the meaning of *The Municipalities Assessment and Equalization Act*, in the municipality and as equalized by the Alberta Assessment Equalization Board under *The Municipalities Assessment and Equalization Act* as directed by regulations.

(2) Payments under this section shall be made in three payments, namely, on the first days of July, September and December respectively.

(3) The amount referred to in subsection (1) shall be requisitioned from municipalities by the Department of Municipal Affairs on or before the first day of May of each year and in the event that any municipality fails to make payments as provided in subsections (1) and (2) the Department of Municipal Affairs may require the Provincial Treasurer to pay any grants payable to the municipality for that year into the General Revenue Fund of the Province until the amount requisitioned and unpaid by the municipality has been received.

**51.** Unapproved operating costs.

**52.** Payment of debentures.

**53.** Payment of debentures.

**54.** Authority to make regulations.

**51.** Payment for the insured services provided under this Part shall not be made to any hospital in respect of any operating costs of the hospital resulting from or attributable in any manner to any construction or increased capacity that has not been approved by the Minister.

**52.** (1) Where pursuant to any regulations provision is made for the payment of sums for capital costs to the owners of approved hospitals, the Minister may on behalf of the Province and in accordance with the regulations undertake to provide the sums required by making any payments or part thereof of principal and interest on specified debentures or of any rentals or part thereof or otherwise as may be required in the circumstances, either to the approved hospital or to its assignee or agent as agreed upon by the hospital and the Minister.

(2) An undertaking by the Minister under this section may be endorsed upon any debentures of the approved hospital to which the undertaking applies or upon any instrument of lease or conveyance of the property of the approved hospital and the signature of the Minister and the endorsement may be engraved, lithographed or otherwise mechanically reproduced thereon.

**53.** Notwithstanding section 50, a municipality or a hospital district shall provide out of its general revenue and pay to the board of a hospital any portion of the operating or capital costs of that hospital in excess of the amount of such costs which has been approved and paid by the Minister,

- (a) if that hospital is owned or operated by that municipality or by that hospital district, or
- (b) to the extent provided by the terms of any contract made pursuant to this Act between that municipality or hospital district and the board of management of that hospital.

**54.** The Lieutenant Governor in Council may make regulations:

- (a) prescribing the basis upon which the Minister may make contracts with nursing homes, private hospitals, or other institutions, facilities or persons, other than approved hospitals, for the provision of standard ward hospitalization or other services to be furnished to patients as insured services under this Part;
- (b) prescribing which services furnished by approved hospitals in addition to standard ward hospitalization shall be classed as insured services under this Part;
- (c) prescribing the basis on which approved operating costs and capital costs of hospitals are determined;
- (d) prescribing the rates and manner of payment by

**55. Accident and sickness insurance.**

the Province of its share of the operating and capital costs of hospitals and the manner of accounting by hospitals for such payments;

- (e) the provision of payment of sums for capital costs to the owners of approved hospitals in the Province including the payment of sums required under approved lease-back arrangements, but excluding the cost of land;
- (f) prescribing the basis of sharing the operating costs of hospitals between patients, municipalities and the Province, the amounts to be paid by patients for standard ward hospitalization and other services and the minimum procedures to be followed by hospitals in collecting such charges;
- (g) the payment by the Province of all or any part of the authorized charges on behalf of patients suffering from specific diseases or conditions;
- (h) the payment by the Province of a maternity grant to any woman who provides for her own maternity services in a private residence;
- (i) the imposition of penalties in the way of suspension or cancellation of payments which may be imposed upon an approved hospital that gives incorrect information to the Hospitals Division, or that withholds from the Hospitals Division information that the approved hospital is required by this Act or the regulations to supply;
- (j) concerning such other matters as are deemed necessary to carry out the purposes and objects of this Part.

**55.** (1) Subject to subsection (3), an insurer shall not after the first day of August, 1961, make a new contract of insurance under which a resident of the Province is to be provided with or is to be reimbursed or indemnified for the cost of any hospital service that is standard ward hospitalization or that is any other hospital service provided as an insured service under this Part other than authorized charges.

(2) A contract entered into contrary to subsection (1) is void.

(3) Notwithstanding subsection (1), an insurer may renew existing contracts and make new contracts of insurance under which a resident of the Province is to be provided with or reimbursed or indemnified for

- (a) the cost of any hospital service other than standard ward hospitalization or other service provided as an insured service under this Part,
- (b) the cost of authorized charges as prescribed in the regulations,
- (c) the cost of charges for professional or other services whether or not the services are rendered in hospital, or

**56.** Agreements.

**57.** Expenses.

**58.** Penalty.

**59.** Repealing section.

**60.** Commencement of Act.

- (d) loss of time because of disability, if the date of the commencement of the benefit is not determined by reference to the date of admission to hospital and if the rate of payment is not increased by the hospitalization of the resident.

**56.** The Minister has the authority on behalf of the Government of Alberta, and it shall be deemed that he has always had the authority, to enter into an agreement with the Minister of National Health and Welfare under the Canada Act and to amend such Agreement from time to time as the circumstances may require.

**57.** The payments of insured services under this Part as authorized pursuant to this Part and the regulations and the expense of administering this Part shall be paid out of the moneys appropriated by the Legislature for that purpose.

**58.** A person who contravenes any provision of this Part or the regulations is guilty of an offence and liable on summary conviction to a fine of not more than one hundred dollars and in default of payment to a term of imprisonment not exceeding fifteen days.

**59.** This Act repeals and replaces

- (a) *The Hospitals Act*, being chapter 147 of the Revised Statutes,
- (b) *The Municipal Hospitals Act*, being chapter 216 of the Revised Statutes,
- (c) *The Hospitalization Benefits Act, 1959*, being chapter 31 of the Statutes of Alberta, 1959, and
- (d) *The Auxiliary Hospitals Act*, being chapter 7 of the Statutes of Alberta, 1960.

**60.** This Act comes into force on the first day of April, 1961.

No. 104

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SECOND SESSION

FOURTEENTH LEGISLATURE

9 ELIZABETH II

1961

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## **BILL**

An Act to Consolidate and Revise the  
Law relating to Hospitals and  
Hospitalization Benefits

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Received and read the

First time.....

Second time.....

Third time.....

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HON. DR. ROSS

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