

1967 Bill 88

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Fifth Session, 15th Legislature, 15 Elizabeth II

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THE LEGISLATIVE ASSEMBLY ~~OF ALBERTA~~

## **BILL 88**

**An Act respecting the Alberta Health Plan**

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THE MINISTER OF HEALTH

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First Reading .....

Second Reading .....

Third Reading .....

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# BILL 88

1967

An Act respecting the Alberta Health Plan

(Assented to , 1967)

**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 Health Plan*.

2. In this Act,

- (a) "agent of the Minister" means an approved carrier appointed as the agent of the Minister pursuant to subsection (2) of section 7;
- (b) "approved carrier" means a carrier designated as an approved carrier under this Act;
- (c) "basic health services" means
  - (i) medical services provided by a physician,
  - (ii) oral surgery provided by a dental surgeon,
  - (iii) services provided by an optometrist in respect of the refraction of the eyes for the fitting of glasses,
  - (iv) services provided by a podiatrist, and
  - (v) services provided by an osteopathic practitioner,subject to the limitations and exclusions prescribed in the regulations;
- (d) "carrier" means a corporation, fraternal society or unincorporated group of persons that carries on a business of selling or providing any
  - (i) prepaid insured services, or
  - (ii) insurance in respect of any insured services, by way of group contracts or individual contracts or both;
- (e) "Co-ordinating Directorate" means the Co-ordinating Directorate established under this Act;
- (f) "dental surgeon" means,
  - (i) with reference to services provided in Alberta, a person registered as a member of The Alberta Dental Association, and
  - (ii) with reference to services provided in a jurisdiction outside Alberta, a person entitled under

## **Explanatory Notes**

1. This Bill will establish the Alberta Health Plan which will replace the present health program under The Treatment Services Act consisting of the Alberta Medical Plan and the Alberta Extended Health Benefits Plan. Among the more significant features of the new Plan are the following:

1. Under the present program, medical services and extended health services are provided under separate contracts. Under the new Plan medical services and certain dental, optometric, podiatric and osteopathic services will be "basic health services". Other services will be "optional health services" and these will generally consist of what are included in extended health benefits under the present program (except optometric, podiatric and osteopathic services) plus certain hospital services.

2. The Minister of Health, or an appointed carrier acting as his agent, will issue individual "standard contracts" for basic health services and optional health services. Only these standard contracts will be eligible for subsidies in respect of subscriptions: see section 5.

3. With some minor exceptions, all group and individual contracts issued by private carriers and all self-insurance plans that provide coverage for *any* basic health services will be required to provide coverage for at least *all* basic health services: see sections 13 and 15.

4. A group contract for any optional health services may be issued only for a group that also has coverage for basic health services: see section 14. Similarly a self-insurance plan can provide coverage for optional health services only if it provides coverage for basic health services: see section 15.

The Bill will also replace The Alberta Medical Carriers Act.

### **2. Definitions.**

the law of that jurisdiction to practise dental surgery;

- (g) “dependants” means dependants of the categories prescribed in the regulations;
- (h) “Fund” means the Alberta Health Plan Fund established under this Act;
- (i) “group contract” means a single contract made between a carrier and an employer or other person under which coverage is provided severally for a number of persons for any insured services;
- (j) “hospital” means,
  - (i) with reference to a hospital in Alberta, an approved hospital under *The Alberta Hospitals Act*, and
  - (ii) with reference to a hospital outside Alberta, a hospital to which payments may be made by the Minister under the regulations under *The Alberta Hospitals Act* for insured services as defined in that Act;
- (k) “individual contract” means a contract between a carrier and an individual person providing coverage for any insured services for that person only or that person and members of his family or others;
- (l) “insured services” means basic health services and optional health services;
- (m) “Minister” means the Minister of Health;
- (n) “optional health services” means,
  - (i) with reference to a standard contract, those health services, hospital services, drugs, medications, supplies and appliances prescribed by the regulations as being optional health services for the purpose of standard contracts, and
  - (ii) with reference to a group contract, individual contract or self-insurance plan, any health services, hospital services, drugs, medications, supplies or appliances that are included in the optional health services under standard contracts,but does not include any basic health services;
- (o) “optometrist” means,
  - (i) with reference to services provided in Alberta, a person registered as a member of The Alberta Optometric Association, and
  - (ii) with reference to services provided in a jurisdiction outside Alberta, a person entitled under the law of that jurisdiction to practise optometry;
- (p) “osteopathic practitioner” means,
  - (i) with reference to services provided in Alberta,



- a person registered as an osteopathic practitioner under *The Medical Profession Act*, and
  - (ii) with reference to services provided in a jurisdiction outside Alberta, a person entitled under the law of that jurisdiction to practise osteopathy;
- (q) “physician” means,
  - (i) with reference to medical services rendered in Alberta, a person registered as a medical practitioner under *The Medical Profession Act*, and
  - (ii) with reference to medical services rendered in a jurisdiction outside Alberta, a person entitled under the law of that jurisdiction to practise medicine;
- (r) “podiatrist” means,
  - (i) with reference to services provided in Alberta, a person registered as a member of the Alberta Podiatry Association, and
  - (ii) with reference to services provided in a jurisdiction outside Alberta, a person entitled under the law of that jurisdiction to practise podiatry or chiropody;
- (s) “resident” or “resident of Alberta” means a person lawfully entitled to be or to remain in Canada, who makes his home and is ordinarily present in Alberta, but does not include a tourist, transient or visitor to Alberta;
- (t) “self-insurance plan” means a contract, plan or arrangement referred to in subsection (1) of section 15;
- (u) “standard contract” means a contract providing coverage for basic health services or basic health services and optional health services and issued by the Minister or an agent of the Minister;
- (v) “subscriber” means, with reference to a standard contract, the person to whom the standard contract is issued;
- (w) “subscription” means, with reference to a standard contract, the amount payable for coverage under the standard contract;
- (x) “subsidy” means the amount determined in accordance with the regulations by which the subscription under a standard contract is reduced.

**3.** The purposes of this Act are to afford to all residents of Alberta, regardless of income level, the opportunity to obtain for themselves and their dependants basic health services and optional health services under a voluntary plan to provide prepaid or insurance coverage for those services and to provide financial assistance to residents in low in-

**3. Purposes of Act.**

come groups, where required and requested, by way of subsidies paid by public moneys of the Province.

4. The Minister is the public authority responsible for the administration and operation of this Act and the regulations.

#### **Standard Contracts**

5. (1) Every resident of Alberta is entitled to apply to the Minister or an agent of the Minister for a standard contract providing coverage for

- (a) basic health services, or
- (b) basic health services and any or all optional health services,

for himself and his dependants, subject to and in accordance with this Act and the regulations.

(2) Where an application is made for a standard contract, and payment is made of the initial subscription therefor, the Minister or the agent of the Minister shall, in accordance with the regulations, issue a standard contract to the applicant as the subscriber thereunder providing coverage for the subscriber and his dependants, if any, for

- (a) basic health services, and
- (b) those optional health services for which the subscriber applied.

(3) Coverage under a standard contract issued under this section shall not be effective on any date prior to July 1, 1967.

6. (1) A resident who applies for a standard contract may also apply for a subsidy in respect of that contract, if he is eligible to do so under the regulations.

(2) Where the applicant for a standard contract also applies for a subsidy in respect of that contract, the subscription under the contract issued to him shall be reduced by the subsidy, if any, to which the applicant is entitled.

7. (1) Subject to subsection (4), the Minister may allocate standard contracts to an approved carrier, with its consent, for the purpose of administration under this section in respect of

- (a) all insured services under the contract, or
- (b) basic health services only, or
- (c) the optional health services under the contract.

(2) The Minister may, with the consent of the approved carrier, appoint an approved carrier as his agent for the purpose of soliciting and issuing standard contracts and, subject to subsection (4), that carrier may administer the standard contracts so issued by it as though they had been allocated to it by the Minister.



**4. Minister's responsibility for administration and operation of the Plan.**

**5. Residents' entitlement to apply for a standard contract. Application must be made to the Minister or carrier appointed as the Minister's agent.**

**6. Subsidies.** The amount of the subscription or premium under the standard contract will be subsidized by the Government for persons in lower income levels. As at present, the regulations will set out a scale of subsidies, graduated according to the level of the resident's taxable income. Only standard contracts issued by the Minister or his agent will be subsidized.

**7. Allocation of standard contracts to approved carriers for administration.** Under subsection (2), an approved carrier may be appointed to sell, issue and administer standard contracts on behalf of the Minister.

(3) The allocation of standard contracts to approved carriers shall be made in accordance with any plan or method provided in the regulations.

(4) Where an approved carrier is empowered to administer standard contracts pursuant to subsection (1) or (2), the Minister shall designate the approved carrier as his agent for the purpose of carrying out any or all of the following responsibilities in connection with those contracts, whichever the Minister specifies in making the designation:

- (a) receiving subscriptions and remitting them to the Minister;
- (b) receiving claims for benefits payable under the contracts;
- (c) checking and approving claims for benefits payable under the contracts;
- (d) paying claims approved by it for benefits under the contracts;

but it is a condition of any designation so made that claims made for benefits under the contracts are subject to assessment and approval by the Minister.

(5) In the case of a standard contract administered by an approved carrier in respect of basic health benefits only or optional health benefits only, subsection (4) shall be read as referring to benefits payable under the contract for basic health services or the optional health services, as the case may be.

(6) An approved carrier is entitled to be paid for its services in administering a standard contract the administration fee agreed upon between the Minister and the approved carrier when the standard contract was allocated to it for administration or when the carrier was appointed as the agent of the Minister under subsection (2), as the case may be.

8. (1) There shall be a fund called the "Alberta Health Plan Fund", which shall be held and administered by the Provincial Treasurer.

(2) The Provincial Treasurer may from time to time advance to the Fund any moneys appropriated by the Legislature for that purpose.

(3) Subscriptions received under standard contracts shall be paid over to the Provincial Treasurer for deposit in the Fund at such times and in such manner as the Provincial Treasurer may direct, and all claims for benefits payable under standard contracts and all administration and agency fees payable by the Minister shall be paid out of the Fund.

(4) Moneys in the Fund may, at the direction of the Provincial Treasurer, be invested in notes, bonds, debentures and other evidences of indebtedness

- (a) issued by the Government of Canada, or

**8. Alberta Health Plan Fund.**

- (b) guaranteed as to payment of principal and interest by the Government of Canada or the Government of Alberta.

#### **Approved Carriers**

**9.** (1) The Minister may designate any carrier as an approved carrier if the carrier files with the Minister its consent to being so designated.

(2) The Minister may, at the request of a carrier but subject to the regulations, revoke that carrier's designation as an approved carrier.

(3) The Lieutenant Governor in Council, upon the recommendation of the Minister, may revoke the designation of a carrier as an approved carrier.

**10.** The Minister may, with the consent of the approved carrier, designate an approved carrier as his agent for any purpose in connection with the administration and operation of this Act or the regulations.

**11.** (1) Subject to subsection (2), on and after July 1, 1967, no carrier shall offer for sale, enter into, issue, maintain in force or renew any contract that provides coverage in respect of any basic health service or any optional health service unless that carrier is an approved carrier.

(2) The Minister may exempt any carrier from the operation of subsection (1)

- (a) where he is satisfied that the carrier provides coverage in Alberta in respect of any or all basic health services or any or all optional health services by way only of limited and incidental coverage provided in conjunction with a contract of accident, motor vehicle liability, employer's liability, public liability or workmen's compensation insurance, or
- (b) in any other special circumstances provided for in the regulations.

**12.** (1) Every approved carrier shall at all times keep its sales staff and representatives informed as to the coverage provided by all other carriers by way of individual contracts for optional health services.

(2) Where a resident requests an approved carrier to issue to him an individual contract providing coverage for any optional health services and that carrier does not sell individual contracts for the coverage requested, the approved carrier shall give all reasonable assistance to that resident in order to inform him of the particulars of the coverage provided by the other approved carriers by way of individual contracts for optional health services and how he may obtain the coverage requested by him.

**9.** Designation of approved carriers and revocation of designation.

**10.** Designation of approved carriers as agents of the Minister.

**11.** Only approved carriers may sell any form of health insurance, unless exempted by the Minister.

**12.** Where a request is made to an approved carrier for an individual contract for any optional health services that it does not itself cover, the carrier is required to give the person requesting it information and assistance in obtaining the coverage.

**Basic Health Services under Group Contracts, Individual  
Contracts and Self-insurance Plans**

**13.** (1) Subject to subsection (2),

- (a) no approved carrier shall offer for sale, enter into, issue, maintain in force or renew any group contract or individual contract providing coverage in respect of any basic health service, and
- (b) no employer or other person shall enter into, maintain in force or renew any group contract providing coverage in respect of any basic health service,

unless the contract provides coverage for at least all basic health services.

(2) This section comes into operation

- (a) with respect to a group contract or individual contract
  - (i) entered into before July 1, 1967 for a fixed term expiring after that date, and
  - (ii) under which neither party can unilaterally amend its terms so as to provide coverage for basic health services,upon the expiration of that fixed term or on January 1, 1968, whichever is the later, and
- (b) with respect to any other group contract or individual contract, on July 1, 1967.

**14.** An approved carrier may not enter into a group contract providing coverage for any or all optional health services only unless the other party to the contract has entered into a group contract with it or another approved carrier providing coverage for at least all basic health services.

**15.** (1) Subject to subsections (3) and (4), no contract, plan or arrangement shall be entered into, established, maintained in force, continued or renewed under which coverage is provided for any basic health service

- (a) by an employer for all or some of his employees who are residents of Alberta, or
- (b) by a corporation for all or some of its members who are residents of Alberta, or
- (c) by an unincorporated group of persons for all or some of its members who are residents of Alberta,

unless the contract, plan or arrangement provides coverage for at least all basic health services.

(2) Subject to subsections (3) and (4), no employer, corporation or unincorporated group of persons shall administer a self-insurance plan providing coverage in respect of any optional health service unless that self-insurance plan provides coverage for at least all basic health services.

**13.** All contracts issued by approved carriers providing coverage for any basic health services must now provide coverage for all basic health services.

**14.** Coverage under group contracts. A group must have basic health services coverage as a condition to having coverage for optional health services.

**15.** Unless exempted, self-insurance schemes must provide basic health services coverage.

- (3) Subsections (1) and (2) come into operation
  - (a) with respect to a self-insurance plan administered by an employer pursuant to a contract with a trade union or other person
    - (i) entered into before July 1, 1967 for a fixed term expiring after that date, and
    - (ii) under which neither party can unilaterally amend its terms so as to provide coverage for basic health services,  
upon the expiration of that fixed term or on January 1, 1968, whichever is the later, and
  - (b) with respect to any other self-insurance plan, on July 1, 1967.
- (4) The Minister may exempt a self-insurance plan from the operation of this section where he is satisfied that compliance with this section is resulting or is likely to result in hardship for the employer, corporation or unincorporated group of persons that administers the self-insurance plan or the employees or members covered under it.

**16.** Every approved carrier and every employer, corporation or unincorporated group of persons administering a self-insurance plan shall, on request, furnish to the Minister information as to the number of residents and their dependants for whom coverage for basic health services is provided under the group contracts, individual contracts or self-insurance plans issued, entered into or administered by them.

#### **Regulations**

**17.** The Lieutenant Governor in Council may make regulations

- (a) limiting the provision of, or prescribing exclusions in respect of, any basic health services, and for the purpose only of resolving doubt, declaring any services to be basic health services;
- (b) prescribing the health services, hospital services, drugs, medications, supplies and appliances that are optional health services for the purposes of standard contracts;
- (c) governing applications for standard contracts and the requirements to be met by applicants therefor;
- (d) prescribing the classes of dependants of a subscriber
  - (i) that are required to be included by him as covered persons under a standard contract or a group contract, individual contract or self-insurance plan that provides coverage in respect of basic health services, and
  - (ii) that are permitted to be included by him as covered persons under a subsidized standard contract;



**16.** Requirement for approved carriers and self-insurers to furnish information as to persons provided with basic health services coverage.

**17.** Regulations.

- (e) prescribing any terms or conditions of standard contracts;
- (f) fixing subscription rates under standard contracts;
- (g) prescribing the amounts and basis for calculating of subsidies and the conditions as to the eligibility of applicants and subscribers for subsidies;
- (h) prescribing the benefits payable
  - (i) for or in respect of basic health services under standard contracts, group contracts, individual contracts and self-insurance plans, and
  - (ii) for or in respect of optional health services under standard contracts, and the manner in which the benefits are to be paid under standard contracts;
- (i) prescribing the rights, powers and duties of approved carriers acting as the agent of the Minister under section 7 or 10;
- (j) prescribing a plan or method for the allocation to approved carriers of standard contracts for the purposes of administration under section 7;
- (k) prescribing any conditions to be met by a carrier before the Minister may revoke its designation as an approved carrier on request under subsection (2) of section 9;
- (l) providing for any circumstances under which the Minister may grant an exemption under clause (b) of subsection (2) of section 11;
- (m) conferring additional powers and functions on the the Co-ordinating Directorate;
- (n) providing for the establishment of committees, prescribing their powers and duties, and the remuneration to members of those committees, other than employees of the Government, for travelling and living expenses;
- (o) providing as to any provision of the regulations, that its contravention is an offence;
- (p) generally, providing for any other matter considered necessary for the purpose of the administration of this Act and to ensure that all residents of Alberta are afforded the opportunity to obtain coverage for basic health services and optional health services.

#### **General**

**18.** (1) There shall be a committee called the Co-ordinating Directorate consisting of the following members appointed by the Minister:

- (a) an employee of the Department of Health, who shall be the chairman,

**18.** Co-ordinating Directorate. This will replace the present Co-ordinating Directorate established under the present regulations.

- (b) three persons nominated by the approved carriers,
- (c) one person nominated by the College of Physicians and Surgeons of the Province of Alberta, and
- (d) one person representative of all associations of persons providing insured services, other than physician's services.

(2) The Lieutenant Governor in Council may authorize the payment of and determine the remuneration to be paid to the members of the Co-ordinating Directorate, other than the chairman, for travelling and living expenses.

(3) The Co-ordinating Directorate may, with the approval of the Minister, make rules governing the calling of meetings, the quorum required to hold a meeting and any matters relating to conduct of and procedure at its meetings.

(4) The Co-ordinating Directorate may

- (a) make recommendations to the Minister in respect of the designation of a carrier as an approved carrier,
- (b) make recommendations to the Minister regarding the operation of this Act and the regulations,
- (c) consider and report on matters referred to it by the Minister or by any committee established under the regulations, and
- (d) exercise or perform any other powers or functions conferred on it by the regulations.

**19.** With the approval of the Lieutenant Governor in Council, the Minister may establish an advisory committee to consider, at least once a year, the operation of this Act and the regulations.

**20.** The Lieutenant Governor in Council may authorize the Minister, on behalf of the Government, to enter into any agreement that the Lieutenant Governor in Council considers necessary for the purpose of the implementation and administration of this Act or the regulations.

**21.** (1) The Lieutenant Governor in Council may establish a program to provide financial assistance in cases where because of sickness or disability a resident is faced with expenses that could not reasonably be foreseen and guarded against and that place an undue burden on the financial resources of the resident.

(2) The program may specify the types of expenses in respect of which assistance may be given and the portion of the expense that is to be borne by the resident.

**22.** (1) Every person who contravenes any of the provisions of section 11, clause (b) of subsection (1) of section 13, or section 15 or 16 is guilty of an offence and liable on

**19.** Advisory committee. The present section 11b of The Treatment Services Act.

**20.** Authority to Minister to enter into agreements.

**21.** Program for financial assistance. The present section 11a of The Treatment Services Act.

**22.** Offences and penalties.

summary conviction to a fine of not less than \$500 and not more than \$1,000.

(2) Every approved carrier is liable to a penalty of

(a) \$500 in respect of each group contract or individual contract entered into, issued, maintained in force or renewed in contravention of clause (a) of subsection (1) of section 13, and

(b) \$500 in respect of each group contract entered into or renewed in contravention of section 14.

(3) Every person who is guilty of an offence under the regulations is liable on summary conviction to a fine of not more than \$500 or, in default of payment, to imprisonment for a term of not more than 30 days.

**23.** Where a person, through fraud or misrepresentation, obtains any assistance under this Act that he is not entitled to, the amount of assistance so obtained may be recovered from that person as a debt due the Crown.

**24.** Nothing in this Act shall be construed to authorize any interference with

(a) the right of any person to his own choice of physician, dental surgeon, optometrist, podiatrist, osteopathic practitioner or person who provides any optional health services, or

(b) the right of any person to contract with a physician, dental surgeon, optometrist, podiatrist, osteopathic practitioner or person who provides any optional health services with respect to the remuneration to be paid to him, or

(c) the right of any person to receive any insured services or benefits in respect thereof by reason of his choice of physician, dental surgeon, optometrist, podiatrist, osteopathic practitioner or person who provides optional health services.

**25.** (1) *The Alberta Medical Carriers Act*, being chapter 52 of the Statutes of Alberta, 1964, is hereby repealed.

(2) The repeal of *The Medical Carriers Act* does not affect the liability of any member of Alberta Medical Carriers Incorporated for the amount of an assessment made upon it by that corporation before or after the commencement of this section.

**26.** (1) This Act, except section 25, comes into force on the day upon which it is assented to.

(2) Section 25 comes into force on July 1, 1967.

**23.** Recovery of assistance.

**24.** Act not to interfere with a patient's choice of physician, etc.  
or to his right to contract for remuneration of services.