

1968 Bill 99

First Session, 16th Legislature, 17 ~~Elizabeth II~~

THE LEGISLATIVE ASSEMBLY OF ALBERTA

BILL 99

An Act to amend The Alberta Health Plan Act

THE MINISTER OF HEALTH

First Reading

Second Reading

Third Reading

Printed by L. S. Wall, Queen's Printer, Edmonton

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1968

An Act to amend The Alberta Health Plan Act

(Assented to _____, 1968)

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

1. *The Alberta Health Plan Act* is hereby amended.
2. Section 2, subsection (1) is amended
 - (a) by striking out clause (e),
 - (b) by adding the following clause after clause (l):
 - (1) "major medical or other health coverage" means
 - (i) coverage providing benefits for any services or appliances that would be basic health services in the absence of any limitations or exclusions prescribed in the regulations, or
 - (ii) coverage providing benefits for basic health services over and above, but not in addition to, the benefits prescribed in the regulations for or in respect of basic health services made pursuant to clause (h) of section 17;
 - (c) as to clause (n), subclause (i)
 - (i) by adding after the words "standard contract" the words "or standard group contract",
 - (ii) by adding after the words "standard contracts" the words "and standard group contracts",
 - (d) by striking out clause (t) and by substituting the following:
 - (t) "self-insurance plan" means a contract, plan or arrangement entered into, established, maintained in force or renewed under which coverage is provided
 - (i) by an employer for all or some of his employees who are residents of Alberta,
or

Explanatory Notes

1. This bill amends chapter 28 of the Statutes of Alberta, 1967.
2. (a) The deletion of clause (e) removes the definition of "Co-ordinating Directorate": See clause 10 of this Bill.
(b) "Major medical or other health coverage" is defined for purposes of the proposed section 14*a* and 15 (2*a*) of the Act: see clauses 7 and 8 of this Bill.
(c) Clause (n) defines "optional health services" and is amended to add reference to standard group contracts.
(d) Section 2, clause (t) presently reads:
(t) "self-insurance plan" means a contract, plan or arrangement referred to in subsection (1) of section 15;
The definition is rewritten to remove a possible interpretation that it refers only to self-insurance plans for basic health services, as section 15 (1) deals only with basic health services: See clause 8 of this Bill.
(e) The new clause (v) adds a definition of "standard group contract" as a result of the amendment to section 17 which will permit the Minister to enter into group contracts for the first time: See clause 9 of this Bill.
Clauses (w), (x) and (y) are the same as the present clauses (v), (w) and (x) except for the inclusion of reference to standard group contracts.

- (ii) by a corporation for all or some of its members who are residents of Alberta, or
- (iii) by an unincorporated group of persons for all or some of its members who are residents of Alberta;
- (e) by striking out clauses (v), (w) and (x) and by substituting the following:
 - (v) "standard group contract" means a contract entered into by the Minister pursuant to the regulations made under clause (b1) of section 17;
 - (w) "subscriber" means
 - (i) with reference to a standard contract, the person to whom the standard contract is issued, and
 - (ii) with reference to a standard group contract, a person who is a certificate holder under the standard group contract;
 - (x) "subscription" means, with reference to a standard contract or standard group contract, the amount payable for coverage thereunder;
 - (y) "subsidy" means the amount determined in accordance with the regulations by which the subscription under a standard contract or standard group contract is reduced.

3. Section 6 is struck out and the following is substituted:

6. (1) A resident who applies for a standard contract or coverage under a standard group contract may also apply for a subsidy in respect of the subscription payable thereunder by him, if he is eligible to do so under the regulations.

(2) Where the applicant for a standard contract or coverage under a standard group contract or a subscriber under a standard contract or standard group contract applies for a subsidy in respect of the subscription payable thereunder by him, the subscription shall be reduced by the subsidy, if any, to which he is entitled.

4. Section 7 is amended by adding the following subsection:

(7) In this section "standard contract" or "contract" includes a standard group contract.

5. Section 8, subsection (3) is amended by adding after the words "standard contracts" wherever they occur the words "or standard group contracts".

6. Section 13 is amended by adding the following subsection:

3. Section 6 presently reads:

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.

The section is rewritten for the purpose of including reference to standard group contracts.

4. Section 7 deals with the administration of standard contracts by approved carriers and subsection (7) is added so that the section will also apply to the administration of standard group contracts.

5. Section 8 deals with the Alberta Health Plan Fund and is amended to add reference to standard group contracts.

6. Section 13 (1) requires that an approved carrier must provide coverage for at least all basic health services under its contracts. The new subsection (3) will permit a carrier to sell any basic health coverage as an additional or incidental type of coverage to some other type of policy. The common example is an accident policy which provides limited coverage for physician's services required as a result of an accident.

(3) The Minister may exempt any approved carrier from the operation of this section in respect of any class or classes of individual contracts or group contracts issued by that carrier that provide coverage for any basic 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.

7. Section 14 is struck out and the following sections are substituted:

14. An approved carrier may not enter into or renew a group contract providing coverage for any or all optional health services, unless the other party to the contract

(a) is also a party to a group contract or a standard group contract providing coverage for at least all basic health services, or

(b) administers a self-insurance plan providing coverage for at least all basic health services,

for some or all of the same persons covered or intended to be covered by the group contract proposed to be entered into or renewed.

14a. (1) An approved carrier may not enter into or renew a group contract providing major medical or other health coverage unless the other party to the contract

(a) is also a party to a group contract or a standard group contract providing coverage for at least all basic health services, or

(b) administers a self-insurance plan providing coverage for at least all basic health services,

for some or all of the persons covered or intended to be covered by the group contract proposed to be entered into or renewed.

(2) An approved carrier may not enter into or renew an individual contract providing for major medical or other health coverage unless at the effective date of coverage under the contract or renewal thereof the person to whom it is issued has coverage for basic health services under an individual contract, group contract or self-insurance plan or is a subscriber under a standard contract or standard group contract.

(3) Subject to this section and subsection (2a) of section 15, nothing in this Act prohibits or shall be deemed to have prohibited

(a) the entering into, renewal or maintaining in force of any group contract or individual contract providing major medical or other health coverage, or

(b) the administering of any self-insurance plan providing major medical or other health coverage.

7. Section 14 presently reads:

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.

Section 14 is re-enacted primarily to include clause (b). The present section 14 permits a group contract for optional health services to be entered into only where the employer already has entered into a group contract for basic health services. The new section 14 will also permit this to be done where the employer operates a self-insurance plan providing coverage for basic health services. An equivalent change is made with respect to self-insurance plans for optional health services: see subsection (2) of section 15 in clause 8 of this Bill.

Section 14a stipulates conditions on which "major medical or other health coverage" may be provided by carriers or self-insurance plans. (For the definition of that term, see clause 2 (b) of this Bill.) Subsection (1) sets out the conditions for group contracts in terms identical to those in section 14 for optional health services. Subsection (2) sets out the conditions for individual contracts.

Subsection (3) is intended to clarify the position of carriers and self-insurance plans providing major medical or other health coverage, as at present, this type of coverage is technically prohibited on a literal interpretation of the Act and regulations unless it is provided in addition to basic health services coverage.

8. Section 15 is amended by striking out subsections (1) and (2) and by substituting the following:

15. (1) Subject to subsections (3) and (4), no self-insurance plan shall be administered under which coverage is provided for any basic health service unless the self-insurance plan 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

(a) that self-insurance plan provides coverage for at least all basic health services, or

(b) the employer, corporation or unincorporated group of persons is a party to a group contract or a standard group contract providing coverage for at least all basic health services,

for all or some of the persons who are eligible for coverage under the self-insurance plan for optional health services.

(2a) Subject to subsection (4), after June 30, 1968 no employer, corporation or unincorporated group of persons shall administer a self-insurance plan providing major medical or other health coverage unless

(a) that self-insurance plan provides coverage for at least all basic health services, or

(b) the employer, corporation or unincorporated group of persons is a party to a group contract or a standard group contract providing coverage for at least all basic health services,

for all or some of the persons who are eligible for major medical or other health coverage under the self-insurance plan.

9. Section 17 is amended

(a) as to clause (b) by adding at the end thereof the words "and standard group contracts",

(b) by adding the following clause after clause (b):

(b1) authorizing the Minister to enter into contracts with an employer or other person under which coverage is provided severally for a number of persons for

(i) basic health services, or

(ii) basic health services and any or all optional health services,

and prescribing the conditions on which such contracts may be entered into;

(c) as to clause (c) by adding after the words "standard contracts" the words "or for coverage under standard group contracts",

(d) as to clause (d) by adding after the words "stan-

8. Section 15 (1) and (2) presently read:

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.

Subsection (1) is rewritten as a result of the new definition of "self-insurance plan" in clause 2 (d) of this Bill.

Subsection (2) is rewritten for the same reasons as section 14 is rewritten: See the note to clause 7 of this Bill.

Subsection (2a) deals with self-insurance plans providing "major medical or other health coverage" (defined in clause 2 (b) of this Bill). It sets out the conditions on which these plans may be operated, in terms identical to subsection (2) relating to plans for optional health services.

9. Section 17, clauses (b) to (f), (h), (j) and (m) presently read:

17. The Lieutenant Governor in Council may make regulations

- (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 or resident 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;
- (e) prescribing any terms or conditions of standard contracts;
- (f) fixing subscription rates under standard contracts;
- (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;
- (j) prescribing a plan or method for the allocation to approved carriers of standard contracts for the purposes of administration under section 7;
- (m) conferring additional powers and functions on the Co-ordinating Directorate;

The new clause (b1) will permit regulations to authorize the Minister to enter into standard group contracts. At present the Minister issues separate contracts (standard contracts) to individual subscribers. The amendments to clauses (b), (c), (d), (e), (f), (h) and (j) are made to include reference to standard group contracts.

As to the replacement of clause (m): See clauses 11 and 12 of this Bill.

- dard contract" the words "or standard group contract",
- (e) as to clause (e) by adding at the end thereof the words "or standard group contracts",
- (f) as to clause (f) by adding at the end thereof the words "and standard group contracts",
- (g) as to clause (h)
 - (i) in subclause (i) by adding after the words "standard contracts," the words "group standard contracts,"
 - (ii) by adding at the end of subclause (ii) the words "or standard group contracts",
 - (iii) by adding at the end of the clause the words "and standard group contracts",
- (h) as to clause (j) by adding after the words "standard contracts" the words "or standard group contracts",
- (i) by striking out clause (m) and by substituting the following:
 - (m) conferring additional powers and functions on the advisory committee appointed under section 19;
- (j) by adding the following clause after clause (n):
 - (n1) providing for the remuneration to be paid to members of the advisory committee appointed under section 19;

10. Section 18 is repealed.

11. Section 19 is struck out and the following section is substituted:

19. (1) The Minister may, with the approval of the Lieutenant Governor in Council, appoint an advisory committee which shall meet at the call of the Minister at least once a year.

- (2) The advisory committee
 - (a) shall consider all aspects of prepaid health services plans and health services insurance plans in Alberta and report its recommendations in that regard to the Minister,
 - (b) may consider and report on matters referred to it by the Minister in regard to the Alberta Health Plan, and
 - (c) may exercise or perform any other powers or functions conferred on it by the regulations.

12. This Act comes into force on the day upon which it is assented to.

10. The repeal of section 18 will result in the dissolution of the Co-ordinating Directorate. Most of its present functions will be assumed by the advisory committee established under section 19.

11. Section 19 presently reads:

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.