

1969 Bill 113

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Second Session, 16th Legislature, 18 Elizabeth II

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THE LEGISLATIVE ASSEMBLY OF ALBERTA

## **BILL 113**

**An Act to amend The Alberta Hospitals Act**

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THE MINISTER OF HEALTH

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First Reading .....

Second Reading .....

Third Reading .....

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

# BILL 113

1969

An Act to amend The Alberta Hospitals Act

(Assented to \_\_\_\_\_, 1969)

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

1. *The Alberta Hospitals Act* is hereby amended.
2. Section 2, clause (d) is amended by striking out the words "pursuant to an agreement".
3. Section 11 is struck out and the following heading and sections are substituted:

### **Integration of Non-district Hospitals**

**11.** Where an area not included in a hospital district is served by one or more non-district hospitals and the owner of a non-district hospital serving the area, or the councils of the municipalities representing a majority of the population in that area so request, the Minister may, under section 3, establish that area as a hospital district to provide hospital facilities and services through the utilization of non-district hospitals pursuant to section 11a and in that case, section 3, subsection (2), clause (f) and the hospital program provisions of sections 5, 6 and 8 do not apply and the hospital district may be incorporated under section 8 as soon as all the members of the first district board are nominated pursuant to section 7.

**11a.** (1) Upon the request of the owner of a non-district hospital serving a hospital district or the district board of such a district the Minister may cause a plan to be prepared in consultation with the owners of all or any non-district hospitals serving that district and the district board for the utilization of the non-district hospitals in providing hospital facilities and services for the district board and for the integration of the interests and activities of the owners and the district board in respect of the operation, management and financing of the hospitals serving the district.

## Explanatory Notes

1. This Bill amends chapter 36 of the Statutes of Alberta, 1961.
2. Definition amended.
3. A plan to integrate non-district hospitals with hospital districts. Section 11 presently reads:
  11. (1) Where a hospital district is served by a non-district hospital, the owners of the hospital may enter into an agreement
    - (a) with the district board, or
    - (b) with any one or all of the councils of the included municipalities, covering unapproved or excess costs or working capital requirements which shall be limited in the case of each municipality to the basis provided under section 14 for district hospitals, and if such an agreement is entered into the owners of the non-district hospital shall establish a board of management for the hospital upon which there shall be representatives nominated by the district board or the municipalities that enter into the agreement, as the case may be, but the number of such representatives shall be less than one-half of the total membership of the board of management.
  - (2) Where a hospital district is served by a non-district hospital, the owners of the hospital and the district board may, at the request of either of them, enter into an agreement to establish a board of management for the hospital in the interest of good public relation and to provide assistance in problems of operation, but,
    - (a) if at the time the board is established no excess cost is involved in the operation of the hospital, and
    - (b) if excess cost develops in the operation of the hospital after the board is established,the district board is liable to the hospital for the full amount of such excess cost.
  - (3) Where a municipality is served by a non-district hospital, the council, upon the favourable vote of a majority of the members thereof, may by resolution undertake to pay a share of any unapproved or excess costs or working capital requirements of the hospital,
    - (a) on the basis of the percentage in-patient use made of the hospital by residents of the municipality, and
    - (b) without any requirement of representation on a board of management for the hospital unless desired by the council.
  - (4) A board of management established pursuant to this section shall manage and be responsible for the operation and affairs of the hospital, and their decisions shall be binding on the owners of the hospital.
  - (5) An agreement made under this section may be terminated at the end of a calendar year by either party, upon notice in writing being given to the other party at least three months prior to the end of the calendar year.

(2) Upon being satisfied that a plan prepared pursuant to subsection (1) meets the needs of the district board and the owners of the non-district hospital and serves the interests of the residents of the hospital district, the Minister, by order, may declare the plan to be in force in the hospital district.

**11b.** (1) A plan under section 11a may require the establishment of a board of management for a non-district hospital consisting of members appointed by the district board and a greater number of members appointed by the owner of the non-district hospital.

(2) Upon the coming into force of a plan under section 11a that requires a board of management for a non-district hospital, the board of management

- (a) is thereupon constituted as a corporation with the name and membership given in the plan and with the powers, objects and duties necessary for it to operate and administer the affairs of the hospital, except the power to dispose of the real and personal property of the non-district hospital, and
- (b) becomes the governing board of the hospital and has full control of the hospital and has absolute and final authority and responsibility in respect of all matters appertaining to the operation of the hospital,

subject to any limitations on its authority imposed by statute or the regulations or the plan.

**11c.** Where the residents of any part of a municipality which is not included in a hospital district are served by a hospital, the municipality may undertake to pay funds for operating or capital purposes to the hospital by agreement with its governing board.

**4.** Section 13 is amended

- (a) by striking out the words "or board of management",
- (b) in clause (b) by striking out the words "or by the board of management of a non-district hospital serving the district in which the municipality is wholly or partly included".

**5.** Sections 14, 15, 16, 18 and 19 are amended by striking out the words "or board of management" wherever they occur.

**6.** Section 22 is amended by striking out subsection (2).

**4. Consequential amendment.**

**5. Consequential amendments.**

**6. Consequential amendment.**

7. Section 31 is amended by striking out subsection (2) and by substituting the following:

(2) For the purposes of assessing the standards of care furnished to patients, improving hospital or medical procedures, compiling 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 may require that all or any of the following be sent to him

- (a) medical and other records of any patient,
- (b) extracts from and copies of any such records, and
- (c) diagnoses, charts or any information available in respect of a patient.

8. Section 48 is struck out and the following is substituted:

48. (1) Where as a result of a 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 and the Minister may maintain an action either in his own name or in the name of the beneficiary to recover the cost of the insured services to which he is hereby subrogated.

(2) A beneficiary, or his agent, shall promptly inform the Deputy Minister of Hospital Services when he has consulted a solicitor in respect of the damages sustained by him by reason of personal injuries and therewith shall inform the Deputy Minister of Hospital Services of the name and address of that solicitor.

(3) The Deputy Minister of Hospital Services may at any time on behalf of the Minister engage a solicitor to prosecute recovery of the cost of the insured services to a beneficiary to which the Minister is subrogated and for that purpose may engage the solicitor of the beneficiary.

(4) The solicitor of a beneficiary who has been engaged by the Minister for the purposes of this section shall, in addition to proper disbursements, if any, be paid in accordance with a schedule of fees established by the Lieutenant Governor in Council, and a solicitor separately engaged for these purposes shall be paid his proper and reasonable fees and disbursements determined pursuant to the Alberta Rules of Court.

**7. Requirement that records be sent to the Minister.**

**8. Section 48 presently reads:**

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.

(2a) Notwithstanding subsection (2), the Director of the Hospitals Division may advise the beneficiary or his agent in writing that the claim on behalf of the Minister is not to be included in the beneficiary's claim.

(3) Where a beneficiary may have a right of recovery against a person for the cost of insured services and whether or not a statement of claim is issued or a judgment is obtained, the beneficiary shall not conclude a settlement

(a) without provision for payment to the Minister in full of the cost of insured services provided under this Part, or

(b) without the prior release or consent in writing of the Director of the Hospitals Division in respect of such settlement, and any settlement which is made without such provision, release or consent is a nullity.

(4) Where a person guilty of a wrongful act or omission is insured against liability for the personal injuries suffered by a beneficiary, the insurer shall not discharge his obligation to the insured person

(a) without making payment in full to the Minister of the cost of insured services provided to the beneficiary, or

(b) without obtaining a release or consent in writing from the Director of the Hospitals Division in respect of any settlement where partial payment is involved,

and any settlement that is made without such provision or such consent is a nullity.

(5) In this section "cost of insured services" means the difference between the amount that the person, as a beneficiary, is personally liable to the hospital and the amount for which he would have been liable to the hospital if he were not a beneficiary.

(5) A beneficiary may at any time settle his claim for damages sustained by reason of personal injuries, other than the cost of insured services to which the Minister is subrogated, but the claim of the Minister shall not be settled without the prior written consent of the Deputy Minister of Hospital Services and any settlement thereof made without his prior written consent is void.

(6) The obligation of an insurer to an insured person against whom a claim by a beneficiary for personal injuries and the cost of insured services could be made, shall not be discharged until the subrogated claim of the Minister is paid or settlement thereof as aforesaid is made and the amount of the settlement is paid.

(7) In this section "cost of insured services" means the difference between the amount that the person, as a beneficiary, is liable to pay to the hospital and the amount for which he would have been liable to the hospital if he were not a beneficiary.

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



