

1970 Bill 88

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Third Session, 16th Legislature, 19 Elizabeth II

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THE LEGISLATIVE ASSEMBLY OF ALBERTA

**BILL 88**

**An Act to amend The Health Insurance Premiums 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 33

1970

An Act to amend The Health Insurance Premiums Act

(Assented to \_\_\_\_\_, 1970)

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

1. *The Health Insurance Premiums Act* is hereby amended.

2. Section 2 is amended by adding the following clauses:

- (c1) "dependant" means a dependant as defined in the regulations;
- (c2) "employee" means an employee as defined in the regulations;
- (c3) "insured hospital services" means insured services within the meaning of Part 3 of *The Alberta Hospitals Act*;

3. Section 3, subsection (1) is amended by striking out clause (h) and by substituting the following clauses:

- (h) defining "dependant" and "employee" for the purposes of this Act or of any provisions of this Act;
- (h1) providing for any matter pertaining to declarations under section 16a not otherwise provided for in that section;

4. The following sections are added after section 5:

5a. Where

- (a) a claim is made under *The Alberta Health Care Insurance Act* for benefits for basic health services provided to a resident or any of his dependants or insured hospital services are provided to a resident or any of his dependants, and

## **Explanatory Notes**

**1.** This Bill amends chapter 45 of the Statutes of Alberta, 1969.

**2.** Definitions added. See clause 3 of this Bill.

**3.** Section 3, subsection (1), clause (h) presently reads:

3. (1) The Lieutenant Governor in Council may make regulations

.....

(h) defining "dependant" for the purposes of the Act;

"Employee" will be defined primarily for purposes related to the new provisions regarding groups in clause 5 of this Bill.

**4.** The new section 5a provides for a 10 per cent penalty on premium arrears where an unregistered person claims benefits or receives hospital services at a time when the premiums are in arrears. The new section 5b specifies that premium arrears are to be calculated from July 1, 1969 except where the person concerned became a resident of Alberta after that date.

(b) the resident or dependant is not registered under Part 3 of *The Alberta Health Care Insurance Act* at the time the claim is first submitted to the Commission or when the insured hospital services are provided, as the case may be,  
the resident is liable to pay to the Commission, in addition to any arrears of premiums for which he is then liable, a penalty in an amount equal to 10 per cent of the arrears of such premiums.

5b. For the purposes of this Act, arrears of premiums shall be calculated from July 1, 1969, or in the case of a person who was not a resident on that date but became a resident thereafter, from any later date accepted by the Commission as the date upon which the person became a resident of Alberta.

**5. The following sections are added after section 6:**

**6a. (1)** The employees of an employer are a group for the purposes of this Act if the number of employees and those persons counted as employees pursuant to the regulations for the purposes of this subsection, is equal to or exceeds the prescribed number.

(2) A group under this section shall be called an "employer's group".

(3) The Lieutenant Governor in Council may make regulations for the purposes of this section

(a) specifying a number as the "prescribed number";

(b) specifying the persons or classes of persons to be counted as employees for the purposes of determining whether a group qualifies as an employer's group;

(c) prescribing the circumstances under which an employer is not to be considered as liable for the payment of a premium in relation to an employee in the employer's group.

(4) The following persons are included in an employer's group, namely,

(a) the employer himself, if he is a resident, or

(b) where the employer is a partnership, each member of the partnership who is a resident.

(5) An employer of an employer's group

(a) is primarily liable for the payment of the premiums that his employees would otherwise be liable to pay to the Commission under section 4, subsection (1), and

**5.** New provisions for employee and other groups for the collection of premiums.

**6a.** Employer's groups. The regulations will contain a formula for determining whether a particular group of employees is an "employer's group" for which the employer is responsible for the payment of premiums. If it qualifies, then, in general, those employees who would otherwise pay their premiums on their own, become the group. Thereafter the employer pays the premium, although he is not precluded from either deducting premiums from wages or from contributing to all or part of the cost of premiums.

- (b) shall remit the premiums for the group to the Commission at the times fixed in the regulations, together with a statement in such form and containing such information as may be prescribed by the Commission,

whether or not the employer contributes to the payment of all or part of those premiums or deducts all or part of the premiums from the remuneration payable to his employees.

(6) The employer is an agent of the Commission with respect to an employer's group.

(7) A group does not cease to be an employer's group by reason of the fact that it subsequently ceases to qualify as such under subsection (1), until the Commission otherwise orders or until it becomes a designated group under section 6b.

6b. (1) Where the employees of an employer do not qualify as an employer's group under section 6a, the Commission may, at the request of the employer, designate the employees as a group for the purposes of this Act.

(2) A group under this section shall be called a "designated group".

(3) Section 6a, subsection (3), clause (c) and subsections (4) to (6) apply to a designated group to the same extent as though it were an employer's group.

(4) Notwithstanding section 6a, subsection (1), a group does not cease to be a designated group by reason of the fact that it subsequently is qualified to be an employer's group, until the Commission revokes its designation under this section.

6c. (1) The Commission and a trade union or employee association may enter into an agreement or arrangement whereby, among other things,

- (a) some or all of the persons who are from time to time members of the trade union or employee association are constituted as a group for the purposes of this Act, and

- (b) the trade union or employee association undertakes to pay to the Commission the premiums otherwise payable by those members pursuant to section 4, subsection (1).

(2) A group constituted by an agreement under subsection (1) shall be called an "employee group".

(3) The trade union or employee association concerned

- (a) is primarily liable for the payment of the premiums that the employees in the employee group would otherwise be liable to pay to the Commission under section 4, subsection (1), and

**6b. Designated Groups.** These are small groups of employees that do not qualify under section 6a as an employer's group.

**6c. "Employee groups"** established by agreement between the Commission and a trade union or employee association.

(b) shall remit the premiums to the Commission at the times fixed in the regulations, together with a statement in such form and containing such information as may be prescribed by the Commission, whether or not the employer or trade union or employee association contributes to the payment of all or part of those premiums and whether or not the employer deducts all or part of the premiums for the remuneration payable to his employees.

(4) The trade union or employee association concerned is an agent of the Commission.

6d. (1) Nothing in this Act shall be construed to affect any agreement or arrangement for contribution by an employer of all or any of the premiums payable under this Act in respect of his employees and any obligation of the employer thereunder to pay all or any part of the premium continues in respect of the payment of the premium under this Act.

(2) Where the amount required to be paid by an employer under subsection (1) is greater than the amount the employer is by virtue of subsection (1) required to pay in respect of the premiums under this Act, the employer shall, until the agreement is terminated, pay the amount of the excess to or for the benefit of the employees.

6e. (1) The Commission may make arrangements with any organization having five or more members who are residents of Alberta whereby a member of the organization is appointed to collect the premiums payable by its members and remit them to the Commission at the times fixed in the regulations, together with a statement in such form and containing such information as may be prescribed by the Commission.

(2) The members of an organization under subsection (1) shall be called a "collector's group" and the member of the organization who collects or remits the premiums is an agent of the Commission for that purpose.

(3) Membership in a collector's group does not affect the liability of the members of the group to pay premiums.

(4) Persons who are members of an employer's group, a designated group or an employee group are not eligible to be members of a collector's group.

6f. (1) The Commission may by a notice in writing demand from an employer payment of any arrears of premiums owing by his employee to the Commission, and shall mail a copy of the notice to the employee.

(2) Where the employee, within 30 days after the date on which a copy of the notice under subsection (1) is mailed to him, files with the Commission and his employer



**6d.** Employer's previous contractual liability not affected.

**6e.** Voluntary "collector's groups" not normally involving employees.

**6f.** Employer's obligations to deduct premiums from an employee's salary on demand.

a notice of objection denying his liability for the arrears of premiums referred to in the notice or stating that the amount of the arrears owing by him is less than the amount demanded, the Commission's demand under subsection (1) shall be deemed to be withdrawn and the employer shall take no further action in respect of it.

(3) When the 30-day period mentioned in subsection (2) expires without a notice of objection having been filed or when the employee acknowledges his liability for the arrears of premiums before the expiry of that period, the employer

- (a) shall deduct the amount demanded from the salary, wages or other remuneration then owing or that shall first thereafter become owing by him to the employee, and
- (b) shall pay the amount to the Commission as soon as the amount of the premiums for which the employee is liable is earned by the employee.

(4) The Commission, after making a demand under subsection (1) may enter into an arrangement with the employer whereby the amount owing by the employee to the Commission is deducted from his salary, wages or other remuneration in instalments and paid to the Commission.

(5) Where the Commission and the employer enter into an arrangement under subsection (4), the employer's obligations to the Commission under this section are governed by the arrangement and not by subsection (3).

(6) An employer who

- (a) contravenes subsection (3) after receiving a demand under this section, or
  - (b) defaults in complying with his obligations under an arrangement made pursuant to subsection (4),
- is guilty of an offence.

6. Section 9 is struck out and the following section substituted:

9. (1) An amount payable under this Act by a resident or agent to the Commission that has not been paid or such part of an amount payable under this Act by a person as has not been paid may be certified by a member of the Commission upon the expiration of 30 days after the mailing of a premium notice to the person who is in arrears of premiums at his last known address.

(2) A premium notice given under subsection (1) shall be endorsed with or accompanied by a statement indicating the possible consequences upon default of payment and the rights of the addressee to file a notice of objection under subsection (5).

**6. Section 9 presently reads:**

9. (1) Where a person is convicted for failure to pay the premium or any part thereof as required by this Act and the regulations, the convicting justice shall, in addition to the fine imposed, order that the premium or part thereof be paid to him forthwith or within a stated period by the person so convicted, and the justice shall pay the premium or part thereof to the Commission forthwith upon receipt thereof.

(2) The order of the convicting justice to pay the premium or part thereof under subsection (1) shall be included in and be part of an order made by him under section 8 for payment of a fine.

(3) In case of default in payment of any sum as required by the order, the justice shall, upon request, furnish the complainant with a certified copy of the order and, upon the filing by the complainant of the certified copy of the order in the office of the clerk of the district court at the judicial centre nearest to the place where the defendant resides, the copy of the order shall be entered as a judgment of the district court and may be enforced as such, and the provisions of any law in force in Alberta respecting imprisonment in default of payment of a fine or compliance with an order for the payment of money do not apply.

(4) Any sum recovered through the enforcement of a copy of an order as a judgment under subsection (3) shall be applied first toward payment of the unpaid premium or part thereof and the balance, if any, shall be applied toward payment of the fine.

(3) Subject to subsection (5), on production of a certificate under subsection (1) to the clerk of the district court of the judicial district in which the resident or agent resides or has an office, according to the records of the Commission, it shall be registered in the district court as a judgment of that court and when registered has the same force and effect, and all proceedings may be taken thereon, as if the certificate were a judgment obtained in that court for a debt of the amount specified in the certificate.

(4) No costs or charges shall be charged by a clerk of the court on the registration of a certificate and no costs or charges shall be charged by a Registrar of Titles under *The Land Titles Act* on the filing of a certified copy of a writ of execution issued on the registered certificate.

(5) Where a person to whom a premium notice is given files with the Commission within the 30-day period referred to in subsection (1) a notice of objection denying his liability for the premium or disputing the amount of premium owing, the Commission may thereafter proceed against that person only by action for the amount owing and not under this section.

7. Section 10 is struck out.

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

11. Every prosecution for an offence under this Act or the regulations shall be commenced within two years from the date of the commission of the offence.

9. Section 16 is amended by striking out subsection (3).

10. The following section is added after section 16:

16a. (1) A resident who is not a dependant may, subject to this section, for himself and his dependants, file with the Commission a declaration stating that he elects to remain outside the Alberta Health Care Insurance Plan and the Hospitalization Benefits Plan under Part 3 of *The Alberta Hospitals Act*.

(2) A declaration under subsection (1) shall be in the form provided by the Commission and shall indicate the consequences of filing the declaration mentioned in subsection (6).

(3) A declaration under subsection (1) is invalid unless at the time it is filed with the Commission the resident making it

**7. Section 10 presently reads:**

10. In a prosecution for failure to pay the premium or a part thereof a certificate of a member of the Commission stating that he has knowledge of the records of the Commission with respect to premium payments made under this Act by residents and that after careful examination and search of those records he has been unable to find that the accused person has paid the premium or the part thereof to which the prosecution relates, shall be admitted in evidence as prima facie proof that the accused person has not paid the premium or the part thereof to which the prosecution relates, without the necessity of proving the appointment or signature of the person making the certificate.

**8. Section 11 presently reads:**

11. Every prosecution for failure to pay the premium shall be commenced within one year from the date of the violation and every prosecution for any other violation of this Act or the regulations shall be commenced within one year from the date of the violation.

**9. Section 16, subsection (3) presently reads:**

(3) The Provincial Treasurer shall from time to time in accordance with the regulations pay to the Commission from the General Revenue Fund amounts equal to the subsidies granted by the Commission under the regulations.

This subsection is removed as redundant to the proposed addition of subsection (3) to section 14 of The Alberta Health Care Insurance Act: See Bill 87.

10. The new section 16a will allow a resident to opt out of both the Medicare and Hospitalization Plans for a period of one year commencing July 1. While a person opting out is not liable to pay premiums for that year, he is liable to pay the full cost of basic health services and hospitalization provided to himself and his dependants in the same period. While he cannot obtain insurance coverage for medical services, because of the requirements of the federal Medical Care Act, he will not be prohibited from obtaining private hospitalization insurance: See bill 89 to amend The Alberta Hospitals Act and the amendment to section 55.

- (a) has registered himself and his dependants under *The Alberta Health Care Insurance Act*, and
  - (b) is not liable to the Commission for any premiums or any penalties under section 5a.
- (4) A declaration under subsection (1) is effective only during the 12-month period commencing on the first day of July following the date on which it is filed with the Commission.
- (5) In this section "plan year" means a 12-month period referred to in subsection (4).
- (6) If a resident files a valid declaration under subsection (1), then, notwithstanding anything in this Act, *The Alberta Health Care Insurance Act* or *The Alberta Hospitals Act*,
- (a) neither he nor his dependants are entitled to benefits under *The Alberta Health Care Insurance Act* in respect of basic health services provided to them during the following plan year,
  - (b) he is personally and solely liable for the payment to a hospital of the entire cost of insured hospital services provided to himself and his dependants during the next plan year,
  - (c) neither he nor any of his dependants is entitled to apply for or obtain an optional contract issued under the regulations under Part 3A of *The Alberta Health Care Insurance Act*, or to obtain any benefits under such a contract, during the next plan year, and
  - (d) he is not liable for payment of premiums under this Act that become due during the next plan year.

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