

1972 Bill 70

First Session, 17th Legislature, 21 Elizabeth II

THE LEGISLATIVE ASSEMBLY OF ALBERTA

BILL 70

The Health Insurance Premiums Amendment Act, 1972

HONOURABLE MISS HUNLEY

First Reading

Second Reading

Third Reading

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THE HEALTH INSURANCE PREMIUMS AMENDMENT ACT, 1972

(Assented to _____, 1972)

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

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

2. *Section 3, subsection (1) is amended as to clause (f) by adding after the words "who are agents shall" the words "deduct and".*

3. *The following section is added after section 4:*

4.1 (1) No resident who is 65 years of age or over is liable for the payment of premiums on behalf of himself or any of his dependants.

(2) Where a resident is under 65 years of age but has a spouse who is 65 years of age or over, subsection (1) applies as though the resident were 65 years of age or over.

(3) The exemption from liability for the payment of premiums under subsection (1) ceases upon the death of the resident 65 years of age or over.

(4) This section is effective with respect to a resident

(a) as of January 1, 1972, where the resident or spouse of the resident was 65 years of age or over on that date, or

(b) on the first day of the first month following the 65th birthday of the resident or spouse, where that birthday occurs after January 1, 1972, or

(c) on the first day of a month where, after January 1, 1972, the 65th birthday of the resident or spouse is the first day of that month.

(5) The exemption from the payment of premiums under subsection (1) ceases upon the death of the resident who is 65 years of age or over.

Explanatory Notes

1. This Bill will amend chapter 167 of the Revised Statutes of Alberta 1970.

2. Section 3, subsection (1), clause (f) presently reads:

3. (1) The Lieutenant Governor in Council may make regulations
.....
(f) prescribing the times when and the manner in which employers who are agents shall remit to the Commission the amounts of the premiums payable by them;

The amendment will permit the establishment of a payroll deduction procedure.

3. In December, 1971, the Government amended the Health Insurance Premiums Regulations to provide for an exemption from the payment of premiums for residents 65 years of age or over (see Alberta Regulation 382/71 and the new section 14a added to the regulations). The new section 4.1 of the Act will incorporate in the Act itself the content of section 14a of the regulations.

See also the Bill to amend The Alberta Health Care Insurance Act and the provisions regarding exemptions for persons 65 years or over of payment of premiums for optional health services under Blue Cross contracts.

4. Section 9 is amended by striking out subsections (5), (6) and (7) and by substituting the following:

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

(6) An employer whose employees are an employer group shall

(a) subject to any agreement made with an employee or with a certified bargaining agent on his behalf under which the employer undertakes to pay all or part of the premiums, deduct from the wages or salary payable to each of his employees in the group the premium payable by that employee, and

(b) whether or not he makes a deduction pursuant to clause (a), remit to the Commission the premium payable by or on behalf of that employee in accordance with the regulations.

(7) On remitting the premiums payable by his employee as provided in subsection (6), each employer shall, at the same time, send to the Commission a statement with respect thereto in such form, and containing such information, as may be prescribed by the Commission.

(8) Where an employer has

(a) pursuant to an agreement under subsection (6) agreed to pay premiums on behalf of an employee, or

(b) deducted premiums from the wages or salary of an employee,

the premiums payable on behalf of the employee shall, in relation to the employee concerned, be deemed to have been paid by the employee to the Commission but nothing in this subsection relieves the employer from his liability to remit those premiums to the Commission.

(9) Where an employer fails to comply with subsection (6), he shall, upon being notified by the Commission to do so, in addition to the premiums he is liable to remit, pay to the Commission a penalty

(a) of \$10 the first time he fails to remit the premiums when due, and

(b) of \$50 the second and each subsequent time he fails to remit the premiums when due.

5. Section 14 is struck out and the following section is substituted:

~~14.~~ (1) When a person, who has failed to pay arrears of premium is or becomes a member of any employer's group or a member of an employee group, the employer or group

4. Section 9, subsections (3), (5), (6) and (7) presently read:

(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.

(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

(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 10.

The amendment continues the liability of employers of employer's groups to remit premiums on behalf of employees in the group and establishes an automatic premium payroll deduction system in cases where the employer has not himself assumed the payment of premiums for the employees.

5. Section 14 presently reads:

14.(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 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.

The present method of demanding from an employer who employs a person in arrears of premiums is replaced by a system of automatic premium arrears payroll deductions when a premium debtor becomes or is employed or becomes or is a member of an employee group.

shall, when notified by the Commission to do so, and in the manner prescribed in the regulations, cause to be deducted from the person's wages or salary, the premium arrears owing and shall remit such premiums to the Commission.

(2) Any employee, employer or employee group who contravenes subsection (1) is guilty of an offence.

6. The following section is added after section 14:

14.1 (1) A resident who is liable to pay premiums but is unable to do so due to financial hardship, may apply to the Commission for waiver of premiums during the period in which he is unable to pay his premiums.

(2) The Commission shall refer an application to the Department of Health and Social Development for evaluation by that Department in such manner as the Department determines to be proper.

(3) The Commission may waive the payment of the whole or any part of the premiums of an applicant during the period of financial hardship, but not exceeding six months, or such shorter periods as the Commission may prescribe, having regard to any advice or recommendation from the Department of Health and Social Development.

(4) Where the Commission has waived the payment of premiums by a resident under subsection (3), the resident may, before the expiration of the period during which the waiver is effective, apply to the Commission for extension of the waiver.

(5) The Commission may grant an extension of waiver for such further period or periods as the Commission may prescribe.

(6) An extension of waiver under subsection (5) may be subject to such terms and conditions as the Commission may prescribe.

7. The following section is added after section 16:

16.1 (1) When directed by the Commission for the purposes of the administration of this Act, any member of the Commission or any person authorized by the Commission, at any reasonable time

- (a) is entitled to inspect any books, documents and records kept by or on behalf of an agent for the purpose of, or in connection with or pertaining to this Act, or the regulations, and
- (b) is entitled to enter into any building, premises or place used by or on behalf of an agent for or in connection with the keeping of any books, documents and records referred to in clause (a).

6. New. The Commission is empowered to waive payment of premiums where the Department of Health and Social Development determines that such payment constitutes financial hardship for the resident concerned.

7. New. The Commission is empowered to inspect agents' records and for that purpose to enter into agent's premises in order to be able to audit premiums that agents are required to remit.

(2) Any person who is in charge of any place or record mentioned in subsection (1) shall permit and assist any member of the Commission or any person appointed or authorized by the Commission in the inspection or entry.

(3) A person who prevents, hinders, obstructs or who fails to permit or assist any member of the Commission or any person appointed or authorized by the Commission in the exercise of the powers conferred by subsection (1) is guilty of an offence.

8. The following section is added after section 17:

17.1 In addition to any other remedies provided in this Act, where any money is payable by the Commission directly to a person while that person is indebted to the Commission, the Commission may withhold from the money payable, the amount by which the person is indebted or any part thereof and apply the amount withheld in reduction or extinguishment of the indebtedness.

9. (1) This Act, except section 6, comes into force on the day upon which it is assented to.

(2) Section 6 comes into force on a date to be fixed by Proclamation.

8. The amendment will permit the Commission to offset premium arrears against benefits directly payable to the person indebted. Payment of benefits to practitioners will not be affected.