

1981 BILL 67

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Third Session, 19th Legislature, 30 Elizabeth II

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THE LEGISLATIVE ASSEMBLY OF ALBERTA

# **BILL 67**

**ALBERTA HOSPITAL ASSOCIATION ACT, 1981**

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THE MINISTER OF HOSPITALS AND  
MEDICAL CARE

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First Reading .....

Second Reading .....

Committee of the Whole .....

Third Reading .....

Royal Assent .....

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## BILL 67

1981

### ALBERTA HOSPITAL ASSOCIATION ACT, 1981

(Assented to \_\_\_\_\_, 1981)

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

Definitions

**1** In this Act,

- (a) "Association" means the Alberta Hospital Association;
- (b) "hospital" includes a nursing home;
- (c) "other health care services" includes drugs, medications, supplies and appliances related to health care;
- (d) "Plan" means the Alberta Blue Cross Plan.

Continuation of Association as a corporation

**2** The Alberta Hospital Association is continued as a corporation consisting of the persons who are its members from time to time.

Head office

**3** The head office of the Association shall be situated in a place within Alberta determined by the Board of Directors.

Exemption from provisions of the Companies Act

**4** The Association is exempt from sections 73, 79, 118 and 146 of the *Companies Act*.

Use of profits and accretions by Association

**5** The business and affairs of the Association shall be carried on without the purpose of gain for its members and, subject to section 10, any profits or other accretions shall be used for the purposes of

- (a) encouraging and assisting members of the Association to provide hospital services of high quality;
- (b) fostering and promoting the concept of local authority and control over the provision of hospital services;
- (c) studying, considering and discussing all matters relevant to,

and distributing information and advice to, members of the Association concerning

(i) the planning, construction and equipping of hospitals and other facilities that provide hospital and other health care services,

(ii) the organization, management and administration of hospital and other health care facilities,

(iii) the development, maintenance and improvement of standards of hospital and other health care services,

(iv) the education and training of personnel providing hospital and other health care services,

(v) any other matter related to public health, and

(vi) any other act incidental to or in conjunction with the operation of the Plan;

(d) representing members of the Association in discussions and negotiations with governments and government agencies and with organizations that are engaged in providing or are otherwise interested in the provision of hospital and other health care services;

(e) promoting sound labour relations among the members of the Association and their employees or agents of their employees;

(f) co-ordinating the activities of members of the Association in co-operative or collaborative ventures;

(g) initiating and carrying out projects, plans or programs and operating and furnishing services designed to improve the quality or efficacy of services provided by members of the Association that, in the opinion of the Association, will contribute to the improvement of the health and well-being of the residents of Alberta.

Capacity and powers

**6** The Association has the capacity and, subject to this Act, the rights, powers and privileges of a natural person.

Board of Directors' general duty to manage

**7(1)** There shall be a Board of Directors consisting of the persons elected or appointed as its members pursuant to the by-laws of the Association.

(2) The Board of Directors shall manage the business and affairs of the Association.

(3) Subject to section 8, the Board of Directors may exercise its powers by resolution.

By-laws

**8(1)** The Board of Directors may make by-laws respecting

- (a) the admission, suspension and exclusion of members of the Association;
  - (b) the establishment of different classes of membership and the respective rights, privileges and duties of members of those classes;
  - (c) the manner in which membership dues and other fees and assessments shall be fixed;
  - (d) the election or appointment of the members of the Board of Directors and of the officers of that Board and their respective rights, powers, privileges and duties;
  - (e) the appointment of an executive committee of the Board of Directors and the delegation to that committee of any of the powers or duties of that Board other than the power to make by-laws and regulations;
  - (f) the calling of meetings of members of the Association and the conduct of business at those meetings;
  - (g) the division of Alberta into regions and the establishment of regional conferences for each region.
- (2) The Board of Directors shall submit every by-law made under this section to the members of the Association
- (a) at the next annual meeting of the members of the Association, or
  - (b) at a special meeting of the members of the Association called for the purpose of so submitting the by-law and held before the next annual meeting,
- and the members may, by resolution, confirm, reject or amend the submitted by-law.

(3) A by-law is effective from the date of the resolution of the Board of Directors under subsection (1) until it is confirmed, confirmed as amended or rejected by the members of the Association under subsection (2) or until it ceases to be effective under subsection (4) and, if the by-law is confirmed or confirmed as amended, it continues in effect in the form in which it was confirmed.

(4) If a by-law is rejected by the members of the Association, or if the Board of Directors does not submit a by-law as required under subsection (2), the by-law ceases to be effective and no subsequent resolution of the Board of Directors to make a by-law having substantially the same purpose or effect is effective until it is confirmed or confirmed as amended by the members of the Association.

**9(1)** The Association shall continue the operation of the voluntary plan known as the "Alberta Blue Cross Plan" for the prepayment

by subscribers to it of the cost of hospital and other health care services.

(2) There shall be a Board of Trustees of the Plan consisting of not less than 9 and not more than 12 individuals appointed as trustees in accordance with this section.

(3) One of the trustees shall be appointed by the Lieutenant Governor in Council and the remainder shall be appointed by the Board of Directors.

(4) Not more than 2 of the trustees shall be appointed from among individuals in each of the following classes:

- (a) members of the Association;
- (b) persons who are appointed or elected to the board of directors or other governing body of a member of the Association;
- (c) partners of partnerships that are members of the Association;
- (d) employees of a member of the Association.

(5) When the Board of Directors first appoints trustees after the coming into force of this Act,

- (a) 1/3 shall be appointed for terms of 1 year,
- (b) 1/3 shall be appointed for terms of 2 years, and
- (c) the remainder shall be appointed for terms of 3 years.

(6) Subject to subsections (5) and (7), trustees shall be appointed for terms of 3 years.

(7) If a vacancy occurs in the office of an official trustee during his term of office, the Board of Directors may appoint a successor for the remainder of his term.

(8) A trustee shall not be appointed for more than 3 consecutive terms.

Operation of the  
Alberta Blue Cross  
Plan

**10(1)** The Board of Directors may, by resolution, make regulations

- (a) governing the operation of the Plan, and
- (b) prescribing the powers and duties of the Board of Trustees in relation to the operation of the Plan.

(2) Subject to the regulations, the Board of Trustees on behalf of the Association may, in connection with the operation of the Plan,

- (a) enter into contracts under the name "Alberta Blue Cross Plan", "Blue Cross Plan" or "Alberta Blue Cross";

(b) enter into contracts with persons operating hospitals or with other persons furnishing hospital or other health care services;

(c) enter into reciprocal agreements with a person or body in a jurisdiction outside Alberta operating a plan in that jurisdiction similar to the Plan, for the purpose of enabling hospital or other health care services to be provided to subscribers to both plans;

(d) do any other act incidental to or in connection with the operation of the Plan.

(3) The Association shall

(a) establish separate banking accounts for the operation of the Plan;

(b) pay into those accounts all money received in the course of operating the Plan, including subscriptions;

(c) pay from those accounts only the sums required for the organization and operation of the Plan, the sums required to be paid for hospital and other health care services provided to subscribers and the sums required or permitted by the regulations to be paid into the reserve fund for the Plan;

(d) establish a reserve fund for the Plan.

(4) The Association may invest money in the reserve fund for the Plan in any manner in which a trustee is authorized by law to invest trust funds.

(5) The Association has the exclusive right to use within Alberta the symbol of the Blue Cross and the term "Blue Cross" in description of a plan for prepaid hospital services or other health care services that are prepaid or both.

(6) The funds held in the accounts or reserve fund for the Plan are not subject to attachment in any manner except under a judgment obtained on a claim arising out of the operation of the Plan.

(7) Notwithstanding anything in the *Alberta Insurance Act*, the Association is not deemed to be carrying on the business of insurance by reason of the operation of the Plan.

(8) The Lieutenant Governor in Council may at any time require an audit and inspection of the banking accounts, reserve fund and records of the Association maintained in the operation of the Plan.

Repeal of chapter  
22 of the Statutes  
of Alberta, 1948  
Coming into force

**11** *The Alberta Hospital Association Act is repealed.*

**12** This Act comes into force on January 1, 1982.