

Bill 8
Ms Graham

BILL 8

2004

BLUE CROSS STATUTES AMENDMENT ACT, 2004

(Assented to , 2004)

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

ABC Benefits Corporation Act

Amends RSA 2000 cA-1

1(1) The *ABC Benefits Corporation Act* is amended by this section.

(2) Section 1 is amended by renumbering clause (a) as clause (a.1) and by adding the following before clause (a.1):

- (a) “Alberta Blue Cross Plan” means the Alberta Blue Cross Plan operated by the Corporation in accordance with this Act and the regulations;

(3) Section 3(c) is amended by adding “and the regulations” after “Act”.

(4) Section 4(1) is amended by adding “, which shall manage or supervise the management of the business and affairs of the Corporation” after “directors”.

(5) The following is added after section 4:

Duty of care

4.1(1) Every member of the board and every officer of the Corporation, in exercising any of the powers of a member or an officer and discharging any of the duties of a member or an officer, must

- (a) act honestly and in good faith with a view to the best interests of the Corporation, and
- (b) exercise the care, diligence and skill that a reasonable and prudent person would exercise in comparable circumstances.

(2) Every member of the board and every officer and employee of the Corporation must comply with this Act, the regulations and the bylaws of the Corporation.

(3) No provision in any contract, in any resolution or in the bylaws of the Corporation relieves any member of the board or officer or employee of the Corporation from the duty to act in accordance with this Act and the regulations or relieves a member, officer or employee from liability for a breach of that duty.

Duties of board

4.2 The board shall

- (a) establish an audit committee and a conduct review committee;
- (b) appoint an actuary for the Corporation;
- (c) establish and maintain policies and procedures to ensure that the Corporation applies prudent investment standards;
- (d) establish and maintain policies and procedures addressing the identification, disclosure and resolution of matters involving conflict of interest of members of the board and senior officers and employees of the Corporation.

(6) The following is added after section 9:

Preparation of financial statements

9.1(1) The Corporation shall ensure that audited financial statements for the Corporation are prepared annually.

(2) The audited financial statements must be prepared in accordance with the regulations, and must show the operations of the Corporation that relate to the administration of programs

that are funded by the Government of Alberta separately from the other operations of the Corporation.

(3) The Corporation shall establish and maintain a policy that ensures the fair and reasonable allocation of expenses and income among the operations referred to in subsection (2).

(4) The Corporation's policy liabilities with respect to the operation of the Alberta Blue Cross Plan, as shown in the audited financial statements, must be certified by the actuary.

(5) The Corporation shall make the audited financial statements available for inspection to any person on request and shall provide a copy of the audited financial statements to any person on request.

(6) The Corporation may charge a reasonable fee on a cost recovery basis for a copy of the audited financial statements provided under subsection (5).

(7) Section 12 is amended by renumbering it as section 12(1) and by adding the following after subsection (1):

(2) The Corporation shall not undertake insurance except as part of its operation of the Alberta Blue Cross Plan.

(8) The following is added after section 12:

Payment instead of taxes

12.1(1) If the Corporation is exempt from the payment of income tax under the *Income Tax Act* (Canada) or the *Alberta Corporate Tax Act* with respect to a taxation year, it must, in accordance with the regulations, pay to the Crown in right of Alberta an amount in lieu of tax with respect to that year.

(2) Subsection (1) applies with respect to 2005 and subsequent taxation years.

(9) Section 13 is amended

(a) by renumbering clause (a) as clause (a.1) and by adding the following before clause (a.1):

(a) specifying the programs and services that constitute the Alberta Blue Cross Plan and governing the nature and extent of those programs and services;

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

(c.1) governing

- (i) the manner in which audited financial statements are to be prepared, including the manner in which information is to be presented in them, and
- (ii) the manner in which the audit function is to be carried out

for the purposes of section 9.1;

- (c.2) excluding programs that are funded by the Government from the reporting requirement in section 9.1(2);
- (c.3) governing the manner in which the audit committee and the conduct review committee are constituted and governing their powers, duties and functions;
- (c.4) governing the qualifications of a person to be appointed as actuary, and governing the powers and duties of the actuary and the manner in which they are to be carried out;
- (c.5) governing the manner in which the amount payable under section 12.1 is to be determined;
- (c.6) governing the interval for payment of the amount to be paid under section 12.1;
- (c.7) for the purposes of section 12.1, making any provisions of the *Income Tax Act* (Canada) and the *Alberta*

Corporate Tax Act and regulations under either or both enactments applicable to the Corporation, with or without modifications;

Alberta Corporate Tax Act

Amends RSA 2000 cA-15

2(1) The *Alberta Corporate Tax Act* is amended by this section.

(2) Section 86 is amended by adding the following after subsection (2):

(3) For the purposes of this Part, ABC Benefits Corporation is considered to be an insurance company.

Alberta Health Care Insurance Act

Amends RSA 2000 cA-20

3(1) The *Alberta Health Care Insurance Act* is amended by this section.

(2) Section 41 is repealed and the following is substituted:

Blue Cross agreement

41(1) Subject to the approval of the Lieutenant Governor in Council, the Minister and the ABC Benefits Corporation may enter into an agreement, referred to as the Blue Cross agreement, providing for the following:

- (a) programs to provide goods and services to residents and their dependants by the ABC Benefits Corporation on payment of the premiums prescribed in respect of the programs under the regulations made pursuant to the *Health Insurance Premiums Act*;
- (b) the payments to be made by the Minister to the ABC Benefits Corporation with respect to goods and services provided to residents and their dependants under the Blue Cross agreement;

- (c) the goods and services that are to be provided under the Blue Cross agreement with respect to residents and their dependants;
 - (d) generally, any matter in connection with or incidental to the matters referred to in clauses (a), (b) and (c).
- (2) Only goods and services that are not basic health services or extended health services may be provided under the Blue Cross agreement.
- (3) If a resident is in arrears of premiums under the *Health Insurance Premiums Act*, the resident and the resident's dependants are not entitled to receive goods and services under the Blue Cross agreement.
- (4) Subsection (3) does not apply if
- (a) the resident or the resident's spouse or adult interdependent partner is 65 years of age or over, or
 - (b) the resident is receiving a widow's pension.
- (5) The Lieutenant Governor in Council may make regulations not inconsistent with the Blue Cross agreement governing any matter in connection with or incidental to matters provided for in the agreement.

Health Insurance Premiums Act

Amends RSA 2000 cH-6

4(1) The *Health Insurance Premiums Act* is amended by this section.

(2) Section 2(1)(o) is repealed and the following is substituted:

- (o) prescribing the premiums payable to the Minister for the purposes of the receipt of goods and services under the Blue Cross agreement;

(3) Section 25(6)(c) is repealed and the following is substituted:

- (c) neither the registrant nor any of the registrant's dependants are entitled to receive goods and services under the Blue Cross agreement, and

Coming into Force

5(1) Section 1 comes into force on Proclamation.

(2) Section 2 comes into force on July 1, 2004.

Explanatory Notes

ABC Benefits Corporation Act

1(1) Amends chapter A-1 of the Revised Statutes of Alberta 2000.

(2) Definitions. Alberta Blue Cross Plan defined.

(3) Section 3(c) presently reads:

3 The purposes of the Corporation are

(c) subject to this Act, to continue the operation of the Alberta Blue Cross Plan.

(4) Section 4(1) presently reads:

4(1) The Corporation shall be governed by a board of directors.

(5) Duty of care for directors and officers. Duties of board.

(6) Audited financial statements.

(7) Section 12 presently reads:

12 The Insurance Act does not apply in respect of the Corporation's operation of the Alberta Blue Cross Plan.

(8) Corporation liable for payments instead of taxes.

(9) Lieutenant Governor in Council may make regulations.

Alberta Corporate Tax Act

2(1) Amends chapter A-15 of the Revised Statutes of Alberta 2000.

(2) ABC Benefits Corporation subject to insurance corporations premiums tax.

Alberta Health Care Insurance Act

3(1) Amends chapter A-20 of the Revised Statutes of Alberta 2000.

(2) Section 41 presently reads:

41(1) Subject to the approval of the Lieutenant Governor in Council, the Minister and the ABC Benefits Corporation may enter into an agreement providing for the following:

- (a) the enrolment by the Minister of individual residents and their dependants as non-group members of The Blue Cross Plan operated by the ABC Benefits Corporation on payment of the premiums*

prescribed for it under the regulations made pursuant to the Health Insurance Premiums Act;

- (b) the payments by the Minister to the ABC Benefits Corporation with respect to goods and services provided to residents and dependants so enrolled;*
- (c) the goods and services that are to be provided under the agreement and The Blue Cross Plan with respect to residents and their dependants so enrolled;*
- (d) generally, any matter in connection with or incidental to the matters referred to in clauses (a), (b) and (c).*

(2) The goods and services that may be provided under the Blue Cross agreement are goods and services that are not basic health services or extended health services.

(3) If a resident is in arrears of premiums under the Health Insurance Premiums Act, the resident and the resident's dependants are not entitled to be enrolled as members of The Blue Cross Plan pursuant to the Blue Cross agreement.

(4) Subsection (3) does not apply if

- (a) the resident or the resident's spouse or adult interdependent partner is 65 years of age or over, or*
- (b) the resident is receiving a widow's pension*

at the time of enrolment.

(5) The Lieutenant Governor in Council may make regulations governing any matter in connection with or incidental to matters provided for in the Blue Cross agreement and not inconsistent with the agreement.

Health Insurance Premiums Act

4(1) Amends chapter H-6 of the Revised Statutes of Alberta 2000.

(2) Section 2(1)(o) presently reads:

2(1) The Lieutenant Governor in Council may make regulations

(o) prescribing the premiums payable to the Minister for the enrolment by the Minister of residents as members of The Blue Cross Plan pursuant to the Blue Cross agreement;

(3) Section 25(6)(c) presently reads:

(6) If a registrant files a valid declaration under subsection (1), then, notwithstanding anything in this Act, the Alberta Health Care Insurance Act or the Hospitals Act,

(c) neither the registrant nor any of the registrant's dependants are entitled to be enrolled by the Minister as members of The Blue Cross Plan pursuant to the Blue Cross agreement, and

Coming into Force

5 Coming into force.