

THIRD SESSION
THIRTY-FIRST LEGISLATURE

ASSEMBLÉE NATIONALE DU QUÉBEC

Bill 19

**An Act to amend the Québec Health
Insurance Board Act**

First reading

Second reading

Third reading

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L'ÉDITEUR OFFICIEL DU QUÉBEC

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EXPLANATORY NOTES

This bill amends the Québec Health Insurance Board Act so as to introduce new provisions relating to the financing of the health insurance plan.

Thus, a health insurance fund is established at the Ministère des finances. This fund will be made up of the contributions of employers and of the amounts paid into it out of the consolidated revenue fund by the Ministre des finances according to the needs of the Québec Health Insurance Board.

This bill replaces the Act to provide for the financing of health programmes.

Sec. 1. The object of the proposed amendment is to group under Chapter I sections 1 to 21 of the Québec Health Insurance Board Act, which deal with the establishment and organization of the Board.

Sec. 2. The object of the proposed amendment is to group under Chapter II sections 22 to 24 of the Québec Health Insurance Board Act, which deal with the loans made by the Board and the reimbursement of these loans.

*Sec. 3. The proposed amendment withdraws from section 23 of the act the power of the Government to authorize the *Ministre des finances* to make advanced payments to the Board. This power is again regulated in section 35 of the Act enacted by section 10 of this bill, which provides for the maintenance of a working fund in favour of the Board.*

Bill 19

An Act to amend the Québec Health Insurance Board Act

HER MAJESTY, with the advice and consent of the Assemblée nationale du Québec, enacts as follows:

1969, c. 53,
heading,
added.

1. The Québec Health Insurance Board Act (1969, chapter 53) is amended by inserting, before section 1, the following heading:

“CHAPTER I

“ESTABLISHMENT AND ORGANIZATION OF THE BOARD”.

Id.,
heading,
added.

2. The said act is amended by inserting, before section 22, the following heading:

“CHAPTER II

“LOANS”.

Id., s. 23,
replaced.

3. Section 23 of the said act, amended by section 85 of chapter 37 of the statutes of 1970, is replaced by the following section:

Payment of
loans guar-
anteed.

“23. The Lieutenant-Governor, on such conditions as he determines, may guarantee the payment in principal and interest of any loan of the Board and the performance of any of its obligations.

Payment
out of con-
solidated
fund.

The sums which the Government may be called upon to pay under such guarantees are taken out of the consolidated revenue fund.”

Sec. 4. *Section 23a of the act presently reads as follows:*

“23a. The Board shall reimburse the government one-half the amount it recovers from the Department of Social Affairs under the fifth paragraph of section 2.”

This amendment is a concordance provision.

Sec. 5. *The object of the proposed amendment is to rephrase section 24 of the existing act to ensure concordance with the other provisions of this bill. The amendment removes the obligation of the Board to carry forward any balance of credit from one fiscal year to the next fiscal year.*

Sec. 6. *The object of the proposed amendment is to remove the obligation of the Board to deposit with the Québec Deposit and Investment Fund the sums that it considers not needed on a short term basis.*

Sec. 7. *The intent of this amendment is to place section 25 of the Québec Health Insurance Board Act, which deals with the personnel of the Board, under Chapter III.*

Sec. 8. *The intent of this amendment is to place section 26 of the Québec Health Insurance Board Act, which deals with the directives of the Ministre des affaires sociales, under Chapter IV.*

Sec. 9. *The object of the proposed amendment is to strike out the first paragraph of section 26 of the act, which entrusts the Ministre des affaires sociales with the application of the act. This responsibility is to be shared henceforth by the Ministre des affaires sociales, the Ministre du revenu and the Ministre des finances, in accordance with section 37 of the act as enacted by section 10 of the bill.*

Sec. 10. *This section adds Chapter V to the act, so as to provide for a new mode of financing of the health insurance plan.*

1969, c. 53,
s. 23a,
repealed.

4. Section 23a of the said act, enacted by section 17 of chapter 30 of the statutes of 1973 and amended by section 21 of chapter 40 of the statutes of 1974, is repealed.

Id., s. 24,
replaced.

5. Section 24 of the said act, replaced by section 86 of chapter 37 of the statutes of 1970, is replaced by the following:

Exclusive
use of
sums.

“24. The sums put at the disposal of the Board and the sums obtained by it under section 22 must be used exclusively for the payment of its obligations and the administration of this act and the Health Insurance Act.”

1969, c. 53,
s. 24a,
repealed.

6. Section 24a of the said act, enacted by section 86 of chapter 37 of the statutes of 1970, is repealed.

Id.,
heading
added.

7. The said act is amended by inserting, before section 25, the following heading:

“CHAPTER III

“PERSONNEL”.

1969, c. 53,
heading,
added.

8. The said act is amended by inserting, before section 26, the following heading:

“CHAPTER IV

“DIRECTIVES”.

Id., s. 26,
am.

9. Section 26 of the said act, replaced by section 22 of chapter 40 of the statutes of 1974, is amended by replacing the first two paragraphs by the following paragraph:

Directives
on goals.

“26. The Ministre des affaires sociales may, within the scope of the responsibilities and powers entrusted to him in respect of the use of public moneys, public health, the rights of beneficiaries to insured services and observance of agreements to which the Minister is a party, issue directives bearing on the goals and orientations of the Board in the performance of the functions entrusted to it by law.”

1969, c. 53,
ss. 27-37,
added.

10. The said act is amended by inserting after section 26 the following:

Division 1 of Chapter V of the act deals only with those provisions of the Act to provide for the financing of health programmes which regard the contribution of employers. The contribution of individuals is abolished.

Section 27 provides the definition of the terms utilized in Division 1 of Chapter V.

Section 28 maintains the contribution that employers were required to make under the Act to provide for the financing of health programmes, and exactly reproduces section 5 of that act.

Section 29 maintains, in connection with the contribution of the employer, the regulatory powers provided under the Act to provide for the financing of health programmes.

"CHAPTER V

"FINANCING

"DIVISION I

"CONTRIBUTION

Interpretation:

"27. In this division, unless the context indicates a different meaning,

"year"; "year" means a calendar year;

"employee"; "employee" means an employee within the meaning of section 1 of the Taxation Act (1972, chapter 23), including any present or future amendment;

"employer"; "employer" means a person, including a government, who pays wages;

"establishment"; "establishment" means an establishment within the meaning of Chapter IIA of Title II of Book I of Part I of the Taxation Act, including any present or future amendment;

"prescribed"; "prescribed" means, in the case of a form or information to be furnished in a form, prescribed by order of the Ministre du revenu and, in any other case, prescribed by regulation;

"regulation"; "regulation" means any regulation made by the Lieutenant-Governor in Council under this division;

"wages". "wages" means the income computed in accordance with Chapters I and II of Title II of Book III of Part I of the Taxation Act, including any present or future amendment.

Employer's contribution.

"28. Every employer, on the date and in the manner prescribed, shall pay to the Ministre du revenu a contribution equal to 1.5% of the wages that he pays to his employee who reports for work in his establishment in the province of Québec or to whom such wages, if the employee is not required to report for work at an establishment of his employer, is paid from such an establishment in the province of Québec.

Regulations of the Lt-Gov. in C.

"29. The Lieutenant-Governor in Council may make regulations to:

(a) determine, for the purposes of section 28, the cases where an employee is deemed to report for work in an establishment of his employer in the province of Québec;

(b) generally prescribe the measures for the carrying out of this division.

Section 30 provides that a regulation made under Division 1 of Chapter V could take effect from a date other than the date of its coming into force, but imposes a limit date to any retroactive effect.

As similarly provided in the case of the Act to provide for the financing of health programmes, section 31 provides that Division 1 of Chapter V is a fiscal law, so as to furnish the Ministre du revenu with the means to collect the contributions of employers and to coordinate such means with those at his disposal under the other fiscal laws.

Section 32 establishes a health insurance fund at the Ministère des finances in order to provide for the financing of the health insurance plan.

The fourth and fifth paragraphs of section 2 of the Québec Health Insurance Board Act referred to in section 32 presently read as follows:

“The Board shall recover from the Department of Social Affairs the cost of the services and medications it has assumed under the third paragraph of section 3 of the Health Insurance Act on behalf of any person entitled to social aid under the Social Aid Act (1969, chapter 63) and the corresponding administrative costs, after deducting the amounts recovered under section 14 of the said act.

“The Board shall also recover from the Department of Social Affairs the cost of the services, prostheses and orthopedic or other devices it has assumed under subparagraph c of the first paragraph of section 3 of the Health Insurance Act (1970, chapter 37) and the second and fourth paragraphs of that section for each person entitled to social aid under the Social Aid Act (1969, chapter 63), holding a valid claim booklet issued under section 56a, and the corresponding administrative costs, after deducting the amounts recovered under section 14 of the said act.”

Section 33 stipulates that this health insurance fund is to be maintained with the contributions of employers paid into it by the Ministre du revenu, and with the sums paid into it by the Ministre des finances out of the consolidated revenue fund according to the needs of the Board.

Section 34 authorizes the Ministre des finances to dispose of the health insurance fund and determine the manner of accounting for the sums paid into the fund or withdrawn from it.

Publication and coming into force of regulations. **“30.** Every regulation made under this division shall come into force on the day of its publication in the *Gazette officielle du Québec* and, if it so provides, it may take effect from a date prior or subsequent to the date of its publication; in this latter case, however, the date shall not be prior to the effective date of the legislative provision under which the regulation was made.

Div. I deemed a fiscal law. **“31.** This division constitutes a fiscal law within the meaning of the Revenue Department Act (1972, chapter 22).

“DIVISION II

“HEALTH INSURANCE FUND

“Health insurance fund”. **“32.** A special fund designated under the name of “health insurance fund” is established at the Ministère des finances in order to provide for the payment of the sums required by the Board for the application of the Health Insurance Act and this act with the exception, in the latter case, of the sums recoverable under the fourth and fifth paragraphs of section 2.

Contributions remitted to fund. [[**“33.** The Ministre du revenu shall remit to the health insurance fund, at least once a month, the contribution contemplated in section 28.

Periodic payments. The Ministre des finances shall periodically add thereto, out of the consolidated revenue fund and according to the development of the needs of the Board as established within the scope of section 23 of the Financial Administration Act (1970, chapter 17), sums for a total amount, for one financial year of the Board, that must be equal to the difference between the amount of such needs and the amount of the sums deposited under the preceding paragraph during the same financial year in the health insurance fund.]]

Allocation of the funds. **“34.** The Ministre des finances shall dispose of the health insurance fund in accordance with the needs of the Board.

Section 35 authorizes the Ministre des finances to advance to the Board, on the conditions prescribed therein, the sums required to establish a working fund.

Section 36 enacts that the ministers of social affairs, revenue and finance are responsible for the application of various parts of the act, respectively.

Sec. 11. The proposed amendment is one of concordance; its purpose is to renumber section 27 as number 37, of the Québec Health Insurance Board Act.

Sec. 12. The intent of this section is to replace the entire Act to provide for the financing of health programmes with the new Division 1 of Chapter V as from 1 January 1978, except sections 11 and 12 of that act, which amended the Revenue Department Act.

Paragraph a of this section nevertheless maintains the obligations of employers and individuals under the Act to provide for the financing of health programmes until 30 June 1978, so as not to create a vacuum between 1 January and 30 June 1978, and in order to validate any operation actually carried out during that period.

Paragraph b of this section provides that accounts on the contribution to the financing of health programmes actually paid by an individual in 1978 under paragraph a are to be applied as an account on the tax payable by him for the year.

Paragraph c of this section transforms the contribution to the financing of health programmes actually paid by an employer in 1978 under paragraph a into an employer's contribution under Division 1 of Chapter V.

Paragraph d provides that 1/15 of the contributions of individuals and employers to the financing of health programmes actually paid until 31 July 1978 under paragraph a will continue to be remitted to the Board, for its own financing, so as not to create a vacuum.

exception;
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Accounting of with-drawals from fund.

The Ministre des finances may prescribe the manner in which the sums paid into the health insurance fund and those withdrawn therefrom are to be accounted for.

“DIVISION III

“WORKING FUND

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Sums advanced by Minister.

[[“35. The Ministre des finances may, with the authorization of the Lieutenant-Governor in Council and on the conditions determined by the latter, advance to the Board out of the consolidated revenue fund any amount considered necessary for the maintenance of a working fund for the application of this act and the Health Insurance Act (1970, chapter 37).]]

“DIVISION IV

“FINAL PROVISIONS

Presump-tion. to p 37), pro fin: to k 33 c

Application of the act.

“36. The Ministre des affaires sociales is entrusted with the application of this act, except Division I of Chapter V, the application of which is entrusted to the Ministre du revenu and Divisions II and III of the said chapter, the application of which is entrusted to the Ministre des finances.”

Agree-ments deemed made under 1972, c. 22, s. 9. 1972, c. 22, s. 22, am. ter 197 aga par

1969, c. 53, s. 27, renum-bered. Effect of Div. I of Chap. V; 1976, c. 27, ss. 1-10, 13-16, replaced;

11. Section 27 of the said act is renumbered 38.

12. Division I of Chapter V of the said act, enacted by section 10 of this act, takes effect as from 1 January 1978 and, as from the same date, replaces sections 1 to 10 and 13 to 16 of the Act to provide for the financing of health programmes (1976, chapter 27), subject to the following derogations:

exception;

(a) the regulation made under the Act to provide for the financing of health programmes and the provisions of the said act relating to the amounts that the individual must pay as an account on his contribution and those relating to the contribution of the employer continue to be in force until 30 June 1978;

presump-tion;

(b) any amount paid as an account on the contribution of an individual for the year 1978 under paragraph a is deemed to have been paid as an account on the taxes payable by such individual for the same year under the Taxation Act;

idem;

(c) any amount paid as the contribution of an employer for the year 1978 under paragraph a is deemed to have been paid as a contribution of an employer for the same year under the Québec Health Insurance Board Act;

Penalty for failure to deduct, withhold or remit required amounts. ded cha ren Pla: Bo: cen ten of t the

Sec. 16. *The object of this section is to give effect retroactively to 1 April 1978 to certain provisions enacted by the bill.*

Effective
late.

16. Divisions II and III of Chapter V of the Québec Health Insurance Board Act (1969, chapter 53), enacted by section 10 of this act, take effect as from 1 April 1978.

dem.

Sections 3 to 5 of this act have effect as from 1 April 1978.

Coming
into force.

17. This act comes into force on the day of its sanction.