Hospital and medical treatment is provided to Canadians through the provincial government system. However, the federal government also has input into this system by legislating the fulfilment of certain requirements, and failure to meet such requirements can lead to the imposition of financial penalties on such jurisdictions.

It should be noted that the provinces have begun to experiment with different methods of delivering medical services across Canada to control the rising costs of public health care. We can expect this to result in adding significant pressure to the private costs of delivering health services.

This section provides a summary of services available to Canadians that are provided for by the provincial programs, as well as contributions to such programs imposed upon employers and individuals. In particular, the following aspects of provincial health care are discussed:

- federal and provincial legislation;
- eligibility;
- coverage;
- contributions;
- Employer Health Tax — Ontario;
- taxation, in general; and
- medical care and hospital care.

In Canada, health care is under provincial,¹ as opposed to federal, jurisdiction. However, in the 1970s, the federal government became concerned about some of the conditions and lack of standards in some of the provinces (such as “extra-billing” by physicians and the payment of user fees for hospital beds). As a result, the Canada Health Act came into effect on April 1, 1984, and it replaced two previous pieces of legislation entitled the Medical Care Act and the Hospital Insurance and Diagnostic Services Act. The intent behind the Canada Health Act is that all Canadian residents have access to medically necessary physician and hospital services on a prepaid basis. The provinces are required to meet certain conditions and criteria set out by the Canada Health Act. Failing to meet such conditions and criteria means that the federal government is entitled to impose financial penalties on those jurisdictions that fail to meet such requirements.

The following conditions must be met in order to obtain full federal assistance:

- **Public Administration:** The program must be administered on a non-profit basis by a public authority appointed by the province and accountable to that province.
- **Comprehensiveness:** The program must cover all medically necessary services provided by hospitals and doctors.
- **Universality:** The program must entitle 100% of insured persons of the province to the insured health services provided for by the program on uniform terms and conditions.

¹ Any references to “provinces” in the following section should presume to include “territories”, unless otherwise stated.
Portability: The coverage must be portable throughout Canada and the waiting period for new residents cannot exceed three months. Insured services must also be available to Canadians temporarily out of their own provinces. In most cases, such payments for services within Canada will be made by the home province at the host province rates. Where the insured services are provided outside of Canada, the payment will usually be made based on the amount that would have been paid by the province for similar services rendered in the province.

Accessibility: Insured services must be provided on uniform terms and conditions, and on a basis that does not impede or preclude reasonable access to those services by insured persons, either directly or indirectly by charges or other mechanisms. Medical practitioners and dentists must be provided reasonable compensation for all insured health services.

§4910 Provincial Legislation

All provinces have legislation that outlines the specifics of their programs, including such things as eligibility, coverage for dependants, out-of-province coverage and insured services.

The following are some of the basic statutes outlining the health care programs in each province:

- Alberta:
  — Hospitals Act, R.S.A. 2000, c. H-12
  — Health Insurance Premiums Act, R.S.A. 2000, c. H-6

- British Columbia:
  — Medicare Protection Act, R.S.B.C. 1996, c. 286
  — Medical and Health Care Services Regulation (B.C. Reg. 426/97)

- Manitoba:
  — Health Services Insurance Act, C.C.S.M. c. H.35

- New Brunswick:
  — Medical Services Payment Act, R.S.N.B. 1973, c. M-7
  — Hospital Services Act, R.S.N.B. 1973, c. H-9

- Nova Scotia:
  — Health Services and Insurance Act, S.N.S. 1973, c. 8; now cited as R.S.N.S. 1989, c. 197

- Ontario:
  — The Health Insurance Act, R.S.O. 1990, c. H.6

- Prince Edward Island:

- Quebec:
  — Health Insurance Act, R.S.Q., c. A-29
  — Hospital Insurance Act, R.S.Q., c. A-28

- Saskatchewan:
  — The Saskatchewan Medical Care Insurance Act, R.S.S. 1978, c. S-29

§4915 Eligibility under Provincial Programs

The legislation in each jurisdiction outlines an individual’s eligibility for coverage under each province’s program. Generally, all residents of a province are eligible for coverage; however, tourists, visitors, and transients are not covered. Generally, a resident is defined as a person legally entitled to live in Canada, who makes that province home and is ordinarily present in that particular province.

Persons excluded under provincial programs include serving members of the Canadian Forces or Royal Canadian Mounted Police, and inmates of federal penitentiaries.

Waiting Period

Normally, when an individual moves from one Canadian province to another, there is a three-month waiting period before he or she can become eligible
for coverage in his or her new province of residence. During this time, the individual will usually be covered by the provincial plan of the province from which he or she has just departed.

The individual should make an application immediately upon his or her arrival in the new province of residence. Any delay in making such an application could result in one’s coverage being postponed, as registration is generally effective the first day of the third month following the receipt of the application.

Spouses, common-law partners, and dependent children are considered residents of the new province as well.

The following are examples of the definition of “dependant” in different provinces:

In Alberta, a “dependant” includes
- the spouse or adult interdependent partner of the person;
- each unmarried child under 21 years old who is wholly dependent on that person for support;
- each unmarried child under 21 years old who is in full-time attendance at an accredited educational institution;
- each unmarried child under 21 years old who is wholly dependent on that person by reason of mental or physical infirmity; and
- adopted children, foster children, and wards for whom that person is entitled to claim income tax deductions.

In British Columbia, a “dependant” includes
- the married or common-law spouse (may be of the same gender as the applicant); or
- an unmarried child or legal ward, who is neither married nor living and cohabiting in a marriage-like relationship and is mainly supported by the subscriber, and is under 19, or under 25 and in full-time attendance at a school or university.

In Manitoba, a “dependant” includes
- a spouse; or
- a child who is a resident, dependent for support and

- under 18;
- 18 or older and mentally or physically incapacitated, or
- 18 years of age or older, but not more than two years older than 19 and is attending a university, secondary school, or other educational institution, or is training at a school of nursing.

In New Brunswick, a “dependant” includes
- a spouse or child under the age of 19, who is financially dependent upon the beneficiary for financial support. A child includes
  - an adopted child,
  - a child to whom a person stands in loco parentis if that person’s spouse is a parent of the child, and
  - a child whose parents are not married to one another.

**Coverage**

**Medical Services**

All provincial programs include medically required services rendered by medical practitioners. Most plans include coverage for general medical and surgical procedures, anesthesia, maternity care, diagnostic services including X-rays and laboratory services, and dental and oral surgeries performed in a hospital. Certain jurisdictions also provide limited coverage for other health care practitioners such as podiatrists, optometrists, chiropractors, and osteopaths.

A doctor is not permitted to charge a patient anything above what is provided for under the provincial program for an insured service. In some provinces, a doctor may be permitted to opt out of the program. In other words, he or she might elect to collect his or her fees directly from the patient. If this occurs, the patient must then bill the provincial plan him or herself and most provinces limit any reimbursement to their applicable provincial fee schedule.

**Hospital Services**

Basically, the following services are offered by all provinces and available to all insured residents:
Provincial Health Care

- standard ward accommodation and meals;
- necessary nursing services;
- laboratory, X-ray, and other diagnostic procedures;
- drugs administered in the hospital;
- use of operating room, case room, and anaesthetic facilities, including necessary equipment and supplies;
- routine surgical supplies;
- use of radiotherapy and physiotherapy facilities, where available; and
- services of persons who are paid by the hospital.

Before the Canada Health Act came into being, many provinces permitted user fees to be charged by hospitals for out-patient services and standard ward accommodations. In order not to be financially penalized, the provinces cannot charge such fees. However, according to the Act, user fees can be charged for accommodation or meals provided to an in-patient who, in the opinion of the attending physician, requires chronic care and is more or less permanently resident in a hospital or other institution.

Prescription Drug Programs

Drug coverage varies from jurisdiction to jurisdiction. In order to contain ever-growing drug costs, provincial plans are increasingly using co-payments, fees, and deductibles. Such options enable the provinces to continue offering the same level of service while controlling their costs. See the Prescription Drug Programs Chart below for more detailed provincial information.

The majority of provinces also offer prescription drug coverage for seniors and those eligible for some form of social assistance.

Prescription Drug Coverage Chart

<table>
<thead>
<tr>
<th>Non-Group Drug Coverage for those Under 65</th>
<th>Drug Coverage for Seniors</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Individual must be registered with Alberta Health Care Insurance Plan and under 65</td>
<td>- Individual must be (i) 65 and over or the spouse/AIP of a person 65 or over; (ii) an Albertan resident; and (iii) registered with the Alberta Health Care Insurance Plan</td>
</tr>
<tr>
<td>- Program covers 70% of cost of prescription drugs. Individual pays 30% up to a maximum of $25</td>
<td>- No premiums required</td>
</tr>
<tr>
<td>- Regular premiums for 2006 are:</td>
<td>- Program covers 70% of cost of prescription drugs and the senior pays 30% of cost up to a maximum of $25 for each drug prescribed</td>
</tr>
<tr>
<td>— Single person — $61.50/quarter</td>
<td></td>
</tr>
<tr>
<td>— Family — $123.00/quarter</td>
<td></td>
</tr>
<tr>
<td>- Subsidized premiums for 2006:</td>
<td></td>
</tr>
<tr>
<td>— Single person — $43.05/quarter</td>
<td></td>
</tr>
<tr>
<td>— Family — $86.10/quarter</td>
<td></td>
</tr>
</tbody>
</table>
### British Columbia

**Fair PharmaCare for Residents under 65**

- To be eligible, you must be a resident of B.C., have effective Medical Services Plan of B.C. coverage, have filed an income tax return for the relevant taxation year, and must not be a recipient of benefits under another PharmaCare program (except for the Residents with Cystic Fibrosis Program and the Members of the No-Charge Psychiatric Medication Program)

<table>
<thead>
<tr>
<th>Net Annual Family Income</th>
<th>Family Deductible</th>
<th>Member Co-Payment</th>
<th>Annual Family Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than $15,000</td>
<td>None</td>
<td>30% of prescription drug costs</td>
<td>2% of net annual family income</td>
</tr>
<tr>
<td>Between $15,000 and $30,000</td>
<td>2% of net annual family income</td>
<td>30% of prescription drug costs</td>
<td>3% of net annual family income</td>
</tr>
<tr>
<td>Over $30,000</td>
<td>3% of net annual family income</td>
<td>30% of prescription drug costs</td>
<td>4% of net annual family income</td>
</tr>
</tbody>
</table>

**Seniors’ Fair PharmaCare**

- Available to all resident seniors who have Medical Services Plan of B.C. coverage

<table>
<thead>
<tr>
<th>Net Annual Family Income</th>
<th>Family Deductible</th>
<th>Member Co-Payment</th>
<th>Annual Family Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than $33,000</td>
<td>None</td>
<td>25% of prescription drug costs</td>
<td>1.25% of net annual family income</td>
</tr>
<tr>
<td>Between $33,000 and $50,000</td>
<td>1% of net annual family income</td>
<td>25% of prescription drug costs</td>
<td>2% of net annual family income</td>
</tr>
<tr>
<td>Over $50,000</td>
<td>2% of net annual family income</td>
<td>25% of prescription drug costs</td>
<td>3% of net annual family income</td>
</tr>
</tbody>
</table>

### Manitoba

- Program is available to all residents who do not have private drug coverage, regardless of their age
- Manitoba residents pay 100% of costs until their deductible is met and then Pharmacare pays 100% of the costs thereafter
- The deductible is calculated based on the annual adjusted family income ($3,000 is subtracted from the total family income for the spouse and each dependent child under 18):
  - $15,000 or less — 2.56% deductible
  - Greater than $15,000 and less than or equal to $40,000 — 3.83% deductible
  - Greater than $40,000 and less than or equal to $75,000 — 4.41% deductible
  - Greater than $75,000 — 5.51% deductible
New Brunswick

- Certain residents of New Brunswick are eligible for the Prescription Drug Program, and they include:
  - Seniors
  - Individuals suffering from Cystic Fibrosis
  - Individuals residing in a licensed residential facility who hold a valid health card issued by the Department of Family and Community Services
  - Individuals who hold a valid health card issued by the Department of Family and Community Services
  - Children in the care of the Minister of Family and Community Services
  - Individuals suffering from Multiple Sclerosis
  - Organ transplant recipients
  - Individuals with Human Growth Hormone Deficiency
  - Individuals diagnosed as HIV-positive
  - Nursing home residents

Seniors’ Program

The prescription drug plan is available to persons aged 65 or over who receive the GIS or whose income falls below the following levels:

- a single senior with an income of $17,198 or less
- a senior couple whose combined income (spouse over 65) is $26,955 or less
- a senior couple whose combined income (spouse under 65) is $32,390 or less

The amount of co-payment depends upon how the senior qualifies for the program. If the senior is a GIS recipient, he or she is required to pay a co-payment amount of $9.05 for each prescription, up to a maximum of $250. Those seniors whose qualification is based on their annual income are required to pay a co-payment of $15 per prescription with no yearly co-payment maximum.

Newfoundland and Labrador

<table>
<thead>
<tr>
<th>Income Support Program</th>
<th>Seniors' Drug Subsidy Program</th>
<th>Special Needs Program</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provides for prescription drug coverage for residents who qualify due to the high cost of their medications</td>
<td>Provides prescription drug coverage for residents who are 65 years of age or over, who are in receipt of the GIS</td>
<td>Provides universal coverage for patients with Cystic Fibrosis and Growth Hormone Deficiency</td>
</tr>
<tr>
<td>Provides 100% coverage of the ingredient cost, up to a 10% markup where ingredient cost exceeds $30.00, and a maximum dispensing fee of $6.50</td>
<td>Provides coverage of defined ingredient cost only for identified benefits. The remaining cost of a prescription is paid by the senior as a co-payment</td>
<td>Universal coverage also provided for Food Bank clients; however, clients must apply for coverage under the Department of Human Resources and Employment once they reach 18 years of age, at which time access to the program is based on financial need</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Provides 100% coverage for identified benefits</td>
</tr>
</tbody>
</table>
### Nova Scotia

#### Community Service Program

The Department of Community Services offers a Pharmacare Program that is available to individuals ("income assistance recipients") who qualify under the Employment Support and Income Assistance Act and the Social Assistance Act and associated regulations. Unless eligible for a co-pay exemption, all income assistance recipients and dependants are required to co-pay a flat fee of $5 per prescription.

#### Drug Assistance for Cancer Patients

If an individual is a resident of Nova Scotia, is not eligible for drug coverage under other programs, and has a gross family income of $15,720 or less per year, then he or she will be eligible for the drug assistance program for cancer patients.

#### Multiple Sclerosis Drug Funding Assistance

Multiple Sclerosis drug funding assistance is provided through the Dalhousie MS Research Unit. Nova Scotia residents who meet established disease criteria and do not have other drug coverage are eligible for certain high cost MS medications.

#### Seniors’ Pharmacare

- The Seniors’ Pharmacare Program is a provincial drug insurance plan that assists seniors with the cost of their prescription drugs. Participation in the program is optional and not every senior is eligible for coverage.
- Participating seniors are required to make a co-payment per prescription equal to 33% of the total prescription cost to a maximum of $30 for each prescription with an annual maximum of $360, with a minimum co-payment amount of $3 per prescription.
- Each year, an eligible senior must pay a premium to renew their subscription in the program ($400). Some individuals may have their premium reduced or waived because of their income. If the senior receives the GIS, then he or she does not have to pay any premium.

### Prince Edward Island

#### Drug Assistance Program

The following programs are available:
- Children-in-Care Program
- Diabetes Control Program
- Family Health Benefit Program
- Financial Assistance Program
- Multiple Sclerosis Program

#### Seniors’ Program

- The Seniors’ Program pays the full cost for eligible prescriptions, minus an $11 co-payment, and the senior must also pay the dispensing fee.
### Ontario

<table>
<thead>
<tr>
<th>Ontario Drug Benefit Program (&quot;ODB&quot;)</th>
<th>Trillium Drug Program</th>
</tr>
</thead>
<tbody>
<tr>
<td>All persons who receive social assistance through the Ontario Works program or the Ontario Disability Support Program, residents of long-term care facilities or homes for special care, and persons who are over the age of 65 are eligible.</td>
<td>The program provides benefits for each fiscal year in which prescription drug costs exceed a certain proportion of income for those not receiving prescription drugs through the ODB program or whose private insurance does not cover all of their health costs.</td>
</tr>
<tr>
<td>The program provides reimbursement for the cost of pharmaceutical products listed on the program's drug formulary.</td>
<td>After the required deductible is paid, the resident may be obligated to pay up to $2 per prescription.</td>
</tr>
<tr>
<td>Individual eligible under the program will be required to pay a $2 co-payment for each prescription filled.</td>
<td></td>
</tr>
<tr>
<td>Single senior citizens with a net income of more than $16,018, and senior couples earning more than $24,175, will be required to pay their first $100 in prescription costs.</td>
<td></td>
</tr>
<tr>
<td>After that, they will be required to pay the maximum ODB dispensing fee of $6.11 per prescription.</td>
<td></td>
</tr>
</tbody>
</table>

### Quebec

- All residents must either be covered by a private plan or a public drug plan.
- The annual premium ranges from $0 to $538, depending upon family income.
- All residents covered by the public plan must pay a monthly deductible of $12.10 per adult plus 29% of drug costs to a monthly out-of-pocket maximum of $73.42.

### Saskatchewan

<table>
<thead>
<tr>
<th>Special Support Program</th>
<th>Other Programs</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Special Support Program is designed to help those whose drug costs are high in relation to their income.</td>
<td>There are also programs for those under palliative care, and those receiving Emergency Prescription Drug Assistance and Income Supplements.</td>
</tr>
<tr>
<td>Eligibility is based on the family’s annual adjusted income. Income adjustments are made by deducting $3,500 for each dependant under 18 years of age.</td>
<td></td>
</tr>
<tr>
<td>The family’s co-payment is determined by the amount that the family’s drug costs exceed 3.4% of their adjusted combined family income.</td>
<td></td>
</tr>
</tbody>
</table>

### Yukon

- Yukon Pharmacare pays the cost of prescription drugs and some non-prescription drugs and products to residents 65 years of age and older or residents 60–64 who are married to a resident who is at least 65 and whose benefits are not covered by private insurance.
- The Pharmacare program will pay the total costs of the lowest priced generics of all prescription drugs listed in the Yukon Pharmacare Formulary, including the dispensing fee.
- Some non-prescription drugs and goods are also covered by the program, including compounds used in the control of heart disease; anti-inflammatory drugs used for the symptomatic relief of arthritic conditions; and insulin syringes.
Northwest Territories

- Under the Seniors’ Benefit Program, prescription drugs are administered by Alberta Blue Cross on behalf of the Government of the NWT
- This program provides up to 100% coverage for eligible prescription drug products to M’etis and non-Native residents who are 60 years of age and older

Dental Care

The programs in all of the provinces cover medically necessary oral surgery carried out in a hospital. Additionally, in Newfoundland and Labrador, Prince Edward Island, Quebec, and the Yukon, certain limited basic dental services are available for children. Nova Scotia only covers basic dental services for children under the age of 10, if such children are not already covered by private plans.

Additionally, Alberta provides coverage for certain low-income children, and the Special Needs Assistance for Seniors is a program that pays out a lump-sum cash payment to assist low-income seniors who have financial difficulty in paying extraordinary one-time personal expenses. British Columbia has established a Healthy Kids program that extends basic dental services to children age 18 and under in low- and moderate-income families who are not already covered by federal or private plans.

In Ontario, a program exists that provides children who have urgent treatment needs with care where the cost of such treatment would cause undue family hardship. This program is restricted to those in grade eight or under the age of 13.

Vision Care

Most jurisdictions offer some form of vision care for seniors and children (usually an annual eye exam). In Alberta and Manitoba, the coverage is restricted to children under 19 and seniors. In British Columbia, routine eye exams are covered for both children under 18 years old and seniors. The Nova Scotia program covers one eye exam every two years for seniors and for children under 10, and in Ontario, children under the age of 20 and seniors are entitled to an annual eye exam. Quebec residents who are seniors or who are under the age of 18 are entitled to annual eye exam coverage. Finally, in Saskatchewan, only children under the age of 18 are entitled to annual eye exam coverage. However, those seniors who are eligible for the Saskatchewan Income Supplement also have annual eye exam coverage.

Out-of-Provence Medical Coverage

All jurisdictions, with the exception of Quebec, have a reciprocal fee arrangement for out-of-province medical services. This means that each jurisdiction agrees to pay for the medical services provided in the other jurisdiction. In Quebec, however, the non-resident must generally pay the medical service provider directly, and then submit a bill to their own medical plan.

Out-of-Country Medical Coverage

Most plans cover emergency services outside of Canada; however, they normally only cover an amount up to a pre-set limit or the amount that would have been paid had the service been performed in the province. Some non-emergency services that are not available in the province of residence might also be covered, subject to prior approval of the province. It is normally necessary to demonstrate that the service could not be adequately provided for in the patient’s province of residence in order to obtain such coverage. Out of Canada, hospital and medical services, if not covered by provincial plans, are insurable under private plans. See the Out-of-Country Medical Coverage Chart below for more information.
### Out-of-Canada Medical Coverage Chart

#### Alberta
- Out-of-country practitioner services are payable at the rate an Alberta practitioner would receive on a fee-for-service basis or the amount billed, whichever is less.
- The maximum paid for hospital in-patient care provided outside Canada is $100 per day, not including the day of discharge.
- The maximum paid for routine hospital outpatient services is $50 per visit with a limit of one visit per day.
- The application for reimbursement must be received within 365 days of the date of service.

#### British Columbia
- In-patient hospital care at approved acute care facilities is reimbursed at $75 per day.
- Payment for physician services will be issued in Canadian funds only and will be paid at the same rate that would have been paid if the services were received in British Columbia.
- Out-of-country claims must be submitted within 90 days of the date of service. In-patient hospital claims (and any associated medical claims) must be submitted within six months of discharge.

#### Manitoba
- Manitoba will pay for emergency doctor’s services outside of Canada at a rate equal to what a Manitoba doctor would receive for a comparable service.
- Emergency hospital care is paid on an average daily rate established by Manitoba Health. The patient may be charged more than the amount paid by Manitoba Health. The difference above the covered amount may be substantial and is the patient’s responsibility.
- Claims must be submitted within six months of receiving care and receipts are required showing the amounts paid. If receipts are not included, Manitoba Health will pay the hospital or doctor directly.

#### New Brunswick
- Medicare will pay $50 for outpatient emergency services.
- $100 per day where a New Brunswick resident is admitted for in-patient services as a result of any emergency.
- Out-of-country emergency fees are paid in Canadian funds at the same rate as would be paid to a New Brunswick physician.
- To submit a claim for services, an original signed invoice or receipt must be submitted to Medicare within one year of the date of service.

#### Newfoundland and Labrador
For in-patient services, the plan will pay:
- a maximum of $350 per day in a community or regional hospital
- a maximum of $465 per day in a tertiary or specialized hospital

For outpatient service, the plan will pay:
- a maximum of $62 per day or
- for hemodialysis — a maximum of $220 per day

Claims must be submitted within one year of treatment or service.
<table>
<thead>
<tr>
<th>Province</th>
<th>Details</th>
</tr>
</thead>
</table>
| Nova Scotia  | ● Insured services obtained outside Canada are covered under MSI at the rate established for services rendered within Nova Scotia  
● Hospital in-patient claims paid to maximum of $525 per day in addition to 50% of ancillary charges  
● All claims must be received within six months of the date of discharge from the hospital to be eligible for payment |
| Ontario      | ● For emergency care from a physician or other eligible health care provider, OHIP will pay only as much as that service would have cost in Ontario  
● Emergency in-patient hospital services eligible for OHIP coverage will be paid up to a maximum of $400 (Cdn) per day or the amount billed — whichever is less  
● Up to $400 for complex hospital care, such as surgery or coronary, neonatal, paediatric, or intensive care  
● Up to $200 for less intensive medical care  
● Emergency outpatient services, with the exception of dialysis, will be paid to a maximum of $50 (Cdn) for all outpatient services provided on any one day. Out-of-country dialysis treatment will be paid at the present interprovincial rate of $210 (Cdn). The interprovincial rate is established between the provinces for services provided to people who are insured in one province but who are receiving services in another one  
● For reimbursement of the costs of emergency care outside Canada, an itemized bill should be remitted within 12 months of receiving treatment |
| Prince Edward Island | ● Outpatient claims are paid up to a maximum of $887 per day  
● In-patient claims are paid up to a maximum of $153 per day  
● Claims must be remitted within 6 months of treatment |
| Quebec       | ● Outpatient claims are paid up to a maximum of $100 per day  
● In-patient claims are paid up to a maximum of $50 and hemodialysis is paid up to a maximum of $220 per treatment  
● The patient must remit their claim within one year |
| Saskatchewan | Emergency care provided outside of Canada, where such services would be covered in Saskatchewan, are covered as follows:  
● up to $100 per day (Cdn.) for in-patient services  
● up to $50 (Cdn.) for an outpatient hospital visit, with a limit of two visits per day  
● Out-of-Canada physician, optometric, chiropractic, and dental emergency services are covered at Saskatchewan rates. Elective treatment is not covered without prior approval  
Prescriptions filled outside Canada are not covered |
Contributions

Each province has established a method of financing the balance of the cost not covered by federal funding, either through premiums, payroll tax, and/or general revenues. Three provinces charge premiums in order to assist in their financing requirements (effective July 1, 2004, Ontario implemented a “premium” referred to as the Ontario Health Premium. However, the Ontario Health Premium is actually calculated through the provincial tax system). Some provinces, such as Prince Edward Island, Saskatchewan, New Brunswick, Nova Scotia, and the Yukon, do not charge any direct premiums for coverage under their plans.

Health Premiums

Alberta

In Alberta, the premium rates for 2006 are

- Single person — $44/mth
- Family — $88/month

<table>
<thead>
<tr>
<th>Province</th>
<th>Individual Premium for 2004 Tax Year</th>
<th>Individual Premium for 2005 Tax Year</th>
<th>Monthly Amount of Premium</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alberta</td>
<td>Up to $20,000 $ 0.00</td>
<td>$ 0.00</td>
<td>$ 0.00</td>
</tr>
<tr>
<td></td>
<td>$21,000 $ 30.00</td>
<td>$ 60.00</td>
<td>$ 5.00</td>
</tr>
<tr>
<td></td>
<td>$22,000 $ 60.00</td>
<td>$120.00</td>
<td>$ 10.00</td>
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<td></td>
<td>$23,000 $ 90.00</td>
<td>$180.00</td>
<td>$ 15.00</td>
</tr>
<tr>
<td></td>
<td>$24,000 $120.00</td>
<td>$240.00</td>
<td>$ 20.00</td>
</tr>
<tr>
<td></td>
<td>From $25,000 to $36,000 $150.00</td>
<td>$300.00</td>
<td>$ 25.00</td>
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<tr>
<td></td>
<td>$36,500 $165.00</td>
<td>$330.00</td>
<td>$ 27.50</td>
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<td></td>
<td>$37,000 $180.00</td>
<td>$360.00</td>
<td>$ 30.00</td>
</tr>
<tr>
<td></td>
<td>$37,500 $195.00</td>
<td>$390.00</td>
<td>$ 32.50</td>
</tr>
<tr>
<td></td>
<td>$38,000 $210.00</td>
<td>$420.00</td>
<td>$ 35.00</td>
</tr>
<tr>
<td></td>
<td>From $38,500 to $48,000 $225.00</td>
<td>$450.00</td>
<td>$ 37.50</td>
</tr>
</tbody>
</table>

British Columbia

In British Columbia, all subscribers to the plan are required to pay the following premiums:

- Single person — $54/mth
- Family of two — $96/mth
- Family of three or more — $108/mth

Ontario

The Ontario Health Premium came into effect as of July 1, 2004. The premium amount increases as income rises. Individuals with incomes below $20,000 do not have to pay a premium; whereas individuals with higher incomes will pay a maximum of $900 per year. The premium structure is as follows:
### Proposed Ontario Health Premium

<table>
<thead>
<tr>
<th>Taxable Income</th>
<th>Premium for 2004 Tax Year</th>
<th>Premium for 2005 Tax Year</th>
<th>Monthly Amount of Premium</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Examples between $48,000 and $48,600 (phased in at 25%)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$48,100</td>
<td>$237.50</td>
<td>$475.00</td>
<td>$ 39.58</td>
</tr>
<tr>
<td>$48,200</td>
<td>$250.00</td>
<td>$500.00</td>
<td>$ 41.67</td>
</tr>
<tr>
<td>$48,300</td>
<td>$262.50</td>
<td>$525.00</td>
<td>$ 43.75</td>
</tr>
<tr>
<td>$48,400</td>
<td>$275.00</td>
<td>$550.00</td>
<td>$ 45.83</td>
</tr>
<tr>
<td>$48,500</td>
<td>$287.50</td>
<td>$575.00</td>
<td>$ 47.92</td>
</tr>
<tr>
<td>From $48,600 to $72,000</td>
<td>$300.00</td>
<td>$600.00</td>
<td>$ 50.00</td>
</tr>
<tr>
<td><strong>Examples between $72,000 and $72,600 (phased in at 25%)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$72,100</td>
<td>$312.50</td>
<td>$625.00</td>
<td>$ 52.08</td>
</tr>
<tr>
<td>$72,200</td>
<td>$325.00</td>
<td>$650.00</td>
<td>$ 54.17</td>
</tr>
<tr>
<td>$72,300</td>
<td>$337.50</td>
<td>$675.00</td>
<td>$ 56.25</td>
</tr>
<tr>
<td>$72,400</td>
<td>$350.00</td>
<td>$700.00</td>
<td>$ 58.33</td>
</tr>
<tr>
<td>$72,500</td>
<td>$362.50</td>
<td>$725.00</td>
<td>$ 60.42</td>
</tr>
<tr>
<td>From $72,600 to $200,000</td>
<td>$375.00</td>
<td>$750.00</td>
<td>$ 62.50</td>
</tr>
<tr>
<td><strong>Examples between $200,000 and $200,600 (phased in at 25%)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$200,100</td>
<td>$387.50</td>
<td>$775.00</td>
<td>$ 64.58</td>
</tr>
<tr>
<td>$200,200</td>
<td>$400.00</td>
<td>$800.00</td>
<td>$ 66.67</td>
</tr>
<tr>
<td>$200,300</td>
<td>$412.50</td>
<td>$825.00</td>
<td>$ 68.75</td>
</tr>
<tr>
<td>$200,400</td>
<td>$425.00</td>
<td>$850.00</td>
<td>$ 70.83</td>
</tr>
<tr>
<td>$200,500</td>
<td>$437.50</td>
<td>$875.00</td>
<td>$ 72.92</td>
</tr>
<tr>
<td>$200,600 and over</td>
<td>$450.00</td>
<td>$900.00</td>
<td>$ 75.00</td>
</tr>
</tbody>
</table>


### Payroll Tax

Some provinces levy a payroll tax on employers. The following are the payroll taxes for Manitoba, Newfoundland and Labrador, Ontario, Quebec, and the Northwest Territories.

#### Manitoba

In Manitoba, effective January 1, 1999, employers with total remuneration under $1,000,000 in the calendar year are exempt from the Health and Post Secondary Education Tax. Where total remuneration paid is more than $1,000,000 and not more than $2,000,000, the rate of tax is 4.3% of the remuneration in excess of $1,000,000. Where total remuneration is $2,000,001 and over, the tax rate is 2.15% of entire payroll in Manitoba.

#### Newfoundland and Labrador

If an employer's annual remuneration exceeds an exemption threshold, the employer is required to pay a tax of 2%. The following are the exemption thresholds:

- employers with annual payrolls up to $600,000 are exempt from tax;
- if the employer’s annual payroll is between $600,000 and $700,000, there is an exemption threshold which is calculated as follows: $600,000 - (total payroll - $600,000);
- employers with payrolls in excess of $700,000 have an exemption threshold of $500,000.
Ontario
An employer's tax payable for a year is an amount equal to the product of the total Ontario remuneration paid by the employer during the year multiplied by a specified rate, depending on the value of the total Ontario remuneration. It includes total salaries and wages, gratuities paid through an employer, any bonuses, commissions and other similar types of payments, as well as vacation pay, taxable allowances and benefits, directors' fees, payments for casual labour, amounts paid to “top up” benefits, and advances of salaries and wages. The table below sets out the rates for each total Ontario remuneration value.

<table>
<thead>
<tr>
<th>Total Ontario Remuneration Rate</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Up to $200,000</td>
<td>.98%</td>
</tr>
<tr>
<td>$200,001 to and including $230,000</td>
<td>1.01%</td>
</tr>
<tr>
<td>$230,001 to and including $260,000</td>
<td>1.23%</td>
</tr>
<tr>
<td>$260,001 to and including $290,000</td>
<td>1.34%</td>
</tr>
<tr>
<td>$290,001 to and including $320,000</td>
<td>1.46%</td>
</tr>
<tr>
<td>$320,001 to and including $350,000</td>
<td>1.58%</td>
</tr>
<tr>
<td>$350,001 to and including $380,000</td>
<td>1.70%</td>
</tr>
<tr>
<td>$380,001 to and including $400,000</td>
<td>1.83%</td>
</tr>
<tr>
<td>More than $400,000</td>
<td>1.95%</td>
</tr>
</tbody>
</table>

The Employer Health Tax (EHT) is payable by employers who

- have employees who report for work at a permanent establishment of the employer in Ontario;
- have employees who do not report for work at a permanent establishment of the employer, but are paid from or through an Ontario permanent establishment of the employer, and
- have total Ontario remuneration for the year that exceeds the exemption amount allowed, if any.

Effective January 1, 1999, for eligible employers, the first $400,000 of an employer's Ontario remuneration will be exempt from the EHT.

Effective January 1, 2000, employers with annual total Ontario remuneration of $600,000 or less are no longer required to pay monthly instalments. Instead, these employers must make one payment only, along with their annual returns, which is due on March 15 of the following year. This ensures that an employer's total combined payments (Retail Sales Tax, Corporations Tax, and Employer Health Tax) agree with the tax due, before the end of the year.

Employers with annual total Ontario remuneration in excess of $600,000 are required to remit monthly instalments.

EHT instalments can be made
- at any financial institution in Ontario (except Caisses Populaires or Credit Unions);
- electronically, using your financial institution’s Internet banking system (please note: this option is available for instalments only and not for EHT returns);
- by mail delivery; or,
- by delivery to any Ministry of Finance tax office, or ServiceOntario Centre.

Quebec
Employer contributions to the health services fund is equal to 4.26% of the total wages each employer provides its workers. Effective January 1, 2001, the payroll tax has been reduced for payrolls of $5,000,000 or less. The new rates are:

- $1,000,000 or less — 2.70%
- $1,000,001 to $5,000,000 — Variable Rate
- More than $5,000,000 — 4.26%

The variable contribution rate that applies to total payrolls between $1,000,001 and $5,000,000 is determined using the following formula:

\[ W (\%) = 2.31\% + [0.39 \times S] \]

Where
- \( W \) is the employer's contribution rate
- 2.31\% is the base rate
- \( S \) is the result of dividing the employer's total payroll by 1,000,000.

Therefore, each employer's contribution rate is the base rate of 2.31% increased by \( 0.39 \times S \).

Northwest Territories/Nunavut
All employers in the Northwest Territories/Nunavut with one or more employees must collect a 2% payroll tax on employee remuneration. This tax also applies to non-resident Northwest Territories/Nunavut employers who pay employees for services performed in the Northwest Territories/Nunavut.
CHECKLISTS

**Taxation Checklist**

- Individual taxpayers are not permitted to deduct premium payments to a provincial plan.
- There is a 20% tax credit on an individual’s contributions to the Quebec Health Services Fund.
- If an employer pays the provincial premium on behalf of an employee, such payment will be considered taxable income to the employee.
- Employers can deduct contributions.
- Quebec residents may include in their medical expenses the amount that they paid to the public prescription drug plan when claiming a medical tax credit.

**Medical Care and Hospital Care Checklist**

**Medical Care**

- All provincial programs cover medically required services rendered by a medical doctor.
- Some provinces also provide limited coverage for other health care practitioners.

**Hospital Services**

- Hospital plan coverage varies among the provinces; however, all programs cover such things as standard ward accommodation, nursing services, and in-hospital drugs.
- There is no time limit imposed on hospitalization stays so long as the stay is medically necessary for treatment.

**Supplementary Benefits**

- Drug benefits coverage varies from jurisdiction to jurisdiction.
- Every jurisdiction has a list of drugs (drug formulary) that are covered under its program.
- Provincial plans sometimes include co-payments and deductibles paid by residents in order to contain increasing drug costs.
- Some form of prescription drug coverage for seniors and those receiving some form of social assistance is included in most provincial programs.
- All provincial programs cover medically necessary oral surgery carried out in a hospital.
- Limited dental services are available to children in Newfoundland and Labrador, Nova Scotia, Prince Edward Island, Quebec, and the Yukon.
- Most jurisdictions offer some form of vision care for seniors and children, which basically amounts to an eye examination.

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