Government Bill

First Session, Forty-third Parliament 3 Charles III, 2025 Legislative Assembly of British Columbia

BILL 9

HEALTH CARE COSTS RECOVERY AMENDMENT ACT, 2025

Honourable Josie Osborne Minister of Health

Explanatory Notes

CLAUSE 1: *[Health Care Costs Recovery Act, section 1]* adds definitions of "insurer" and "uninsured defendant".

CLAUSE 2: [Health Care Costs Recovery Act, section 2]

- is consequential to the amendment by this Bill of section 20 of the Act;
- provides that a waiver of liability does not affect recovery of past and future costs of health care services.

BILL 9 – 2025

HEALTH CARE COSTS RECOVERY AMENDMENT ACT, 2025

HIS MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of British Columbia, enacts as follows:

Section 1 of the Health Care Costs Recovery Act, S.B.C. 2008, c. 27, is amended by adding the following definitions:

"insurer" means the following:

- (a) an insurer as defined in the *Insurance Act*;
- (b) a captive insurance company as defined in the *Insurance (Captive Company) Act*;
- (c) a member of a reciprocal exchange as defined in section 186 of the *Financial Institutions Act* for which a permit under section 187 of that Act has been issued;
- (d) an organization that, with respect to claims for damages arising from or related to personal injury or death,
 - (i) is self-insured,
 - (ii) is insured by a subsidiary, partner or other related organization, or
 - (iii) is a mutual defence organization;
- (e) an organization that is prescribed or is within a prescribed class;
- "uninsured defendant" has the meaning given to it in section 10 (1) [information from insurer or uninsured defendant];.

2 Section 2 is amended

(a) in subsections (1) and (3) by striking out "20 (2) and (3)" and substituting "20 (2), (2.1) and (3)", and

(b) by repealing subsection (2) and substituting the following:

- (2) Subsection (1) applies whether or not
 - (a) the personal injury was caused in whole or in part by the wrongdoer, or
 - (b) the beneficiary or the beneficiary's personal or other legal representative has waived liability in relation to acts or omissions of the wrongdoer that caused or contributed to the beneficiary's personal injury or death.

- CLAUSE 3: *[Health Care Costs Recovery Act, section 3]* removes the limit on the period in which the court must permit amendments of originating documents.
- CLAUSE 4: *[Health Care Costs Recovery Act, section 4.1]* requires government to be notified if a third party claim is made.

- CLAUSE 5: *[Health Care Costs Recovery Act, section 5]* is consequential to the addition by this Bill of section 4.1 to the Act.
- CLAUSE 6: *[Health Care Costs Recovery Act, section 7]* provides that government has a subrogated right to recover health care services costs from defendants who are entitled to contributions, indemnities or relief from a third party.

CLAUSE 7: *[Health Care Costs Recovery Act, section 8]* is consequential to the addition by this Bill of section 4.1 to the Act and the amendment by this Bill of section 7 of the Act.

CLAUSE 8: *[Health Care Costs Recovery Act, section 9]* is consequential to the amendment by this Bill of section 7 of the Act.

3 Section 3 (3) is amended by striking out ", up to 6 months after the date on which the originating documents were filed with the court,".

4 The following section is added:

Requirement to notify government of third party claim

- **4.1** (1) Within 21 days after filing a third party notice in relation to a proceeding referred to in section 4 (1) or (1.1), written notice of the filing must be given to the government by the party who filed the notice.
 - (2) Notice under subsection (1) must be in the prescribed form and include a copy of the third party notice.

5 Section 5 (3) is amended by adding the following paragraph:

- (a.2) the written notice required under section 4.1 (1) [requirement to notify government of third party claim]; .
- 6 Section 7 is amended

(a) by adding the following subsection:

- (1.1) If a defendant in a legal proceeding commenced under section 3 (1) *[obligation to claim]* or subsection (2) of this section pursues a third party claim and is found to be entitled to a contribution, indemnity or relief from a third party, the government is subrogated to any entitlement of the defendant to recover from the third party the past and future costs of health care services. *, and*
- (b) in subsection (2) by striking out "subsection (1)" and substituting "subsections (1) and (1.1)".
- 7 Section 8 is amended
 - (a) in subsection (1) by striking out "subrogated right" and substituting "subrogated rights",
 - (b) in subsection (5) by striking out "the following 2 dates" and substituting "the following 3 dates", and
 - (c) in subsection (5) by adding the following paragraph:
 - (c) the date that is 6 months after the date on which the government first receives notice under section 4.1 [requirement to notify government of third party claim].
- 8 Section 9 (1) is amended by striking out "the beneficiary or the beneficiary's family members or personal or other legal representative" and substituting "any person".

CLAUSE 9: [Health Care Costs Recovery Act, section 10]

- expands the records, information or evidence that must be provided to the minister;
- adds a duty to cooperate with persons assisting the government to recover past and future costs of health care services;
- imposes on uninsured defendants the same duties with respect to providing records, information or evidence, and cooperation, as are imposed on insurers.

9 Section 10 is amended

(a) by repealing subsection (1) and substituting the following:

- (1) In this section, "uninsured defendant" means the following:
 - (a) a person who
 - (i) has been served with a notice of claim or notice of civil claim alleging that the person caused or contributed to the personal injury or death of a beneficiary, and
 - (ii) is not insured by an insurer with respect to that alleged personal injury or death;
 - (b) the personal or other legal representative of a person described in paragraph (a).
- (1.1) This section applies to the following:
 - (a) an insurer of a person, if an act or omission of the insured person has or may have caused or contributed to the personal injury or death of a beneficiary;
 - (b) an uninsured defendant.,
- (b) in subsection (2) by striking out "subsection (1)" and substituting "subsection (1.1) (a)",

(c) by adding the following subsection:

- (2.1) An uninsured defendant must, within 60 days after being served with a notice described in subsection (1) (a), notify the minister of those circumstances in the prescribed form.
- (d) in subsection (3) by striking out "request the insurer" and substituting "request the insurer or uninsured defendant",

(e) in subsection (3) by adding the following paragraph:

- (d) a record, information or evidence that
 - (i) is described in section 11 (2) (a) (i) (A) to (E) or (ii) or is prescribed for the purposes of section 11 (2) (a) (iii), and
 - (ii) is in the possession or under the control of the insurer or uninsured defendant.

(f) by adding the following subsections:

(3.1) The minister may request the insurer or uninsured defendant to provide the persons assisting the government in its efforts to recover past and future costs of health care services under this Act in respect of a beneficiary with any cooperation reasonably required by those persons.

CLAUSE 9: [Health Care Costs Recovery Act, section 10 – continued]

- CLAUSE 10: *[Health Care Costs Recovery Act, section 11]* requires beneficiaries and their representatives to provide to the minister prescribed records, information or evidence.
- CLAUSE 11: *[Health Care Costs Recovery Act, section 14]* is consequential to the amendment by this Bill of section 10 of the Act.
- CLAUSE 12: *[Health Care Costs Recovery Act, section 18]* is consequential to the amendment by this Bill of section 7 of the Act.
- CLAUSE 13: *[Health Care Costs Recovery Act, section 20]* clarifies that interest is payable to the government in respect of a settlement of a health care services claim.

(3.2) A request under subsection (3) (d) or (3.1) may be made as often as the minister considers necessary.,

(g) by repealing subsection (4) and substituting the following:

- (4) The insurer or uninsured defendant must comply with a request of the minister made under this section in the manner and before the date specified in the request. , *and*
- (h) in subsection (5) by adding "or uninsured defendant" after "insured".

10 Section 11 (2) (a) is amended by adding the following subparagraph:

- (iii) provide the minister with prescribed additional records or information that are in the possession or under the control of the beneficiary or the personal or other legal representative, or prescribed additional evidence, that is relevant to
 - (A) the beneficiary's injury or receipt of health care services, or
 - (B) the health care services claim, .
- 11 Section 14 (1) and (2) is amended by adding ", uninsured defendant" after "beneficiary, insurer" wherever it appears.
- 12 Section 18 (1) is amended by striking out "right of recovery under section 7 (1) [government has subrogated right] or 8 (1) [government has independent right to recover]" and substituting "subrogated rights under section 7 [government has subrogated right] or right of recovery under section 8 [government has independent right to recover]".

13 Section 20 is amended

(a) by repealing subsection (2) and substituting the following:

- (2) The amount designated for the health care services claim by the court under subsection (1) is a debt due to the government by the person obliged to pay the judgment amount.
- (2.1) The following amounts are a debt due to the government by the person obliged to pay a settlement amount:
 - (a) the amount designated for the health care services claim in the settlement consented to by the minister
 - (i) under section 13 (1) (b) [settlement of claims], or
 - (ii) in settlement of a legal proceeding that may be commenced under section 8 [government has independent right to recover];

CLAUSE 13: [Health Care Costs Recovery Act, section 20 – continued]

CLAUSE 14: *[Health Care Costs Recovery Act, section 21]* is consequential to the amendment by this Bill of section 10 of the Act.

CLAUSE 15: *[Health Care Costs Recovery Act, section 22]* is consequential to the addition by this Bill of section 4.1 to the Act.

CLAUSE 16: *[Health Care Costs Recovery Act, section 24]*

- provides that certain amendments made by this Bill to the Act do not apply to proceedings commenced before the amendments were made;
- provides that the Act applies to legal proceedings commenced in relation to circumstances to which the *Workers Compensation Act* applies.

- (b) an amount of interest determined in accordance with the settlement or, if no amount is provided for, the amount calculated
 - (i) on the amount described in paragraph (a),
 - (ii) from the date on which the cause of action that is the subject of the settlement arose to the date that the amount described in paragraph (a) is paid, and
 - (iii) at the rate described in section 7 (1), (3) and (4) of the Court Order Interest Act., and
- (b) in subsection (3) by striking out "subsection (2)" and substituting "subsection (2) or (2.1)".

14 Section 21 is amended

- (a) by renumbering the section as section 21 (1), and
- (b) by adding the following subsection:
 - (2) Subject to the regulations, if any, under section 25 (2) (h), the government must indemnify an insurer or uninsured defendant for expenses reasonably and necessarily incurred by that person in complying with section 10 (3) (d) and (3.1) *[information from insurer or uninsured defendant]*.
- 15 Section 22 is amended by adding ", 4.1 (1) [requirement to notify government of third party claim]" after "section 4 (1) or (1.1) [requirement to notify government of claim]".
- 16 Section 24 is amended

(a) by adding the following subsection:

- (2.3) The following sections do not apply in relation to legal proceedings commenced before this subsection comes into force:
 - (a) section 2 (2) (b) [beneficiary's right to recover];
 - (b) section 4.1 [requirement to notify government of third party claim];
 - (c) section 7 (1.1) [government has subrogated right];
 - (d) section 10 (1), (1.1) (b), (2.1), (3) (d), (3.1) and (3.2) [information from insurer or uninsured defendant];
 - (e) another provision of this Act, to the extent that the provision relates to a notice under section 4.1, the government's subrogated rights under section 7 (1.1) or an uninsured defendant;
 - (f) subsection (5) of this section.,
- (b) in subsection (3) (d) by adding "subject to subsection (5)," before "in relation to", and

CLAUSE 16: [Health Care Costs Recovery Act, section 24 – continued]

CLAUSE 17: *[Health Care Costs Recovery Act, section 25]* is consequential to the addition by this Bill of the definition of "insurer" to section 1 and the amendments to section 11 of the Act.

(c) by adding the following subsection:

(5) If a legal proceeding is commenced in relation to circumstances to which subsection (3) (d) would apply, this Act applies to that proceeding.

17 Section 25 (2) is amended by adding the following paragraphs:

- (b.1) prescribing organizations or classes of organizations for the purposes of paragraph (e) of the definition of "insurer";
- (c.1) respecting additional records, information or evidence that must be provided to the minister under section 11 (2) (a) (iii) [beneficiary's duty to cooperate];.

Commencement

18 This Act comes into force by regulation of the Lieutenant Governor in Council.

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