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Mr. Daniel Fontaine  
Chief Executive Officer  
B.C. Care Providers Association  
738 4710 Kingsway  
Burnaby BC V5H 4M2

Ms. Susan House  
Denominational Health Association  
9387 Holmes St  
Burnaby BC V3N 4C3

Dear Mr. Fontaine and Ms. House:

You will recall that in 2014 the Ministry of Health (the Ministry) consulted with you regarding changes being made to the *Society Act* and the consequential amendments being proposed to the *Hospital Act* as a result of these changes to the *Society Act*. During the 2015 fall session, the Legislative Assembly approved the new *Societies Act* and the consequential amendments to the *Hospital Act*, which are both to be brought into force on November 28, 2016.

As you can appreciate, there is considerable work that the Ministry needs to complete prior to November 28, 2016, to ensure a smooth transition from the *Society Act* to the *Societies Act* and to ensure that all of the societies currently under the jurisdiction of the Ministry are aware of the changes being introduced and how these changes will affect them.

I am writing to seek your assistance in communicating these changes to your members, and am attaching Appendices A to D containing additional information. I would appreciate you sharing this letter and accompanying information with your members at the earliest opportunity so that they are aware of the changes.

Thanks again for your help. If you have any questions, please give me a call at 250 952-2066.

Yours truly,

Manjit Sidhu, CPA, CA  
Assistant Deputy Minister  
Finance and Corporate Services

Attachments

pc: Mr. Gordon Cross, Executive Director, Regional Grants and Decision Support

Ministry of Health

Office of the Assistant Deputy Minister  
Finance and Corporate Services

PO Box 9647 STN PROV GOVT  
Victoria BC V8W 9P4

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## APPENDIX A

### Overview:

As a result of the amendments being made to the *Hospital Act*, it is the Ministry's intention to, on or shortly after November 28, 2016, proceed to have those societies under its jurisdiction designated as "Hospitals" for the purposes of the new amendments.

As discussed during the consultation, the amendments mean these societies will continue to do the following:

- seek the Minister's approval before amending their constitution or bylaws;
- seek the Minister's approval before entering into any borrowings, including mortgages; and
- seek the Minister's approval before selling, leasing or otherwise disposing of all or substantially all of their assets, including land and buildings.

These changes are described in:

- Appendix B, which outlines the changes being made to the *Hospital Act*;
- Appendix C, which provides an excerpt of the consequential amendments being made as a result of the new *Societies Act*. This excerpt is specific to the consequential amendments being made to the *Hospital Act*;

To continue to report on these matters, these societies will be required to annually provide the Minister of Health a form attached as Appendix D, to be signed by two directors that states whether the society has complied with the requirements set out in the *Hospital Act*.

## APPENDIX B

### **New definitions**

- **Hospital Society** – means a society that owns manages or operates a hospital. Note: private hospitals under Part 2 are not captured by this. Society will include those entities created under the Societies Act, as well as societies created outside of BC but registered to act as societies in BC.

### **Authorities for the minister to require changes from societies**

- The minister will be able to require changes to the constitution of a society. Authority to request changes to medical staff bylaws, and to request changes to bylaws will be maintained.

### **Requirements to obtain the minister's consent**

- Minister's written consent will be required for
  - incorporation, amalgamation or continuation of a society that has among its purposes owning, managing or operating a hospital (new *Hospital Act* (HA), previously *Society Act* (SA) & Ministry of Health (MOH) policy)
  - a society incorporated outside BC to own, manage or operate a hospital (new to HA, previously MOH policy).
- Minister's written consent will be required for a hospital society to
  - alter their constitution and bylaws
  - enter into an agreement with one or more other corporations (new to HA)
  - sell, lease or dispose of all or substantially all of their undertaking
  - voluntarily dissolve or liquidate and dissolve (new to HA, previously SA & MOH policy)
  - be restored (where the society has been dissolved) (new to HA)
  - be reinstated (where registration has been cancelled) (new to HA)
  - borrow money.

### **Annual reporting requirements**

- Annual Reporting requirements – hospital societies will need to provide a report every year confirming that they have complied with the requirements for written consent and have not borrowed any money. (new to HA).

### **Designation of residential care facilities licensed under Community Care and Assisted Living Act (CCALA)**

Enhanced provisions in the HA permit the minister to designate residential care facilities licensed under the CCALA as hospitals for purposes of selling, leasing or disposing of assets, where those facilities receive financial assistance from government. Going forward provisions regarding conditions for receiving financial assistance that apply to hospitals can be selectively applied to CCALA facilities. The provisions regarding constitution and bylaw changes can also be selectively applied to CCALA facilities.

## APPENDIX C

### *Hospital Act*

*315 Section 1 of the Hospital Act, R.S.B.C.1996, c. 200, is amended by adding the following definition:*

"licensed community care facility" means a community care facility, as defined in the *Community Care and Assisted Living Act*, that is licensed under that Act; •

*316 Section 2 (3) is amended by striking out "the Society Act" in both places and substituting "the Societies Act".*

*317 The following sections are added:*

Definitions for sections 42.1 to 42.4

**42 . 1** In this section and sections 42.2 to 42.4:

"alter" has the same meaning as in the *Societies Act*;

"bylaws" has the same meaning as in the *Societies Act*;

"constitution" has the same meaning as in the *Societies Act*; "director" has the same meaning as in the *Societies Act*;

"hospital purpose society". means a society, other than a hospital society, that has among its purposes the purpose of owning, managing or operating a premises that is to be operated primarily for the reception and treatment of persons described in paragraph (a), (b) or (c) of the definition of "hospital" in section 1;

**"hospital society"** means a society that owns, manages or operates a hospital as defined in section 1;

**"society"** has the same meaning as in the *Societies Act*.

### **Approval required in relation to societies**

**42.2** (1) A person must not, without the prior written approval of the minister, form, under the *Societies Act*, by incorporation, amalgamation, continuation or conversion, a hospital purpose society.

(2) A society that is not a hospital purpose society must not, without the prior written approval of the minister, become a hospital purpose society by altering, under the *Societies Act*, the constitution of the society.

(3) A society that is a hospital society or a hospital purpose society must not, without the prior written approval of the minister,

(a) alter, under the *Societies Act*, the society's constitution or bylaws,

(b) enter into an agreement to amalgamate, under the *Societies Act*, with one or more other corporations,

(c) sell, lease or otherwise dispose of all or substantially all of the society's undertaking, as described in section 92 of the *Societies Act*,

(d) propose an arrangement under section 99 of the *Societies Act*, or

(e) voluntarily dissolve, or liquidate and dissolve, under the *Societies Act*.

(4) A person must not, without the prior written approval of the minister, apply to restore, under Division 11 of Part 10 of the *Societies Act*, a dissolved society that was, on dissolution, a hospital society or a hospital purpose society.

(5) The minister may attach conditions to an approval given under this section.

(6) A person to whom a condition referred to in subsection (5) applies must comply with the condition on or before the date, if any, the minister specifies.

### **Annual requirement for hospital societies**

**42.3** (1) A hospital society must annually, on or before the date the minister, by order, specifies, provide to the minister, in the form and manner the minister requires, an affidavit that

(a) is sworn by one or more directors of the hospital society, and

(b) states whether the hospital society has, during the period since the immediately preceding affidavit required under this section was sworn, complied with section 42.2

(3).

(2) The minister may, for different classes of hospital societies, specify different requirements as to the form of affidavits required under subsection (1) or the manner in which affidavits under that subsection are to be provided to the minister.

### **Further application of sections 42.2 and 42.3**

**42.4** (1) The minister may, by order, designate as a hospital society, for the purposes of a provision of section 42.2 (3), a society that

(a) owns, manages or operates a licensed community care facility, and

(b) receives or has received from the government financial assistance in relation to that facility, including, without limitation, operational funding.

(2) If the minister designates, under subsection (1), a society as a hospital society for the purposes of a provision of section 42.2 (3),

(a) that provision applies to the society as if that society were a hospital society, and

(b) sections 42.2 (5) and (6) and 42.3 apply in respect of that provision of section 42.2 (3) as that provision relates to the society.

**318 Section 50 is repealed and the following substituted:**

**Further application of section 48**

**50** (1) The minister may, by order, designate as a hospital, for the purposes of a provision of section 48, a licensed community care facility that

(a) is owned or operated by

(i) a society as defined in section 1 of the *Societies Act*, or

(ii) a registered extraprovincial non-share corporation as defined in section 167 of the *Societies Act*, and

(b) receives from the government financial assistance, including financial assistance for the retirement of debt arising out of the planning, constructing, reconstructing, equipping or acquiring of land or buildings for the purposes of the facility.

(2) If the minister designates, under subsection (1), a licensed community care facility as a hospital for the purposes of a provision of section 48,

(a) that provision applies to the facility as if that facility were a hospital, and

(b) if either or both of paragraphs (c) and (d) of section 48 (1) are made applicable to that facility under paragraph (a) of this subsection, a notice that is required to be or may be filed in a land title office, indicating that the hospital land of a hospital, as defined in section 1 or 5, is subject to section 48 (1) (c) and (d), may be filed in respect of

(i) licensed community care facility land, and

(ii) either or both of paragraphs (c) and (d)  
of section 48 (1),

even if the regulation providing for filing

(iii) does not refer to licensed community care  
facilities or licensed community care facility  
land, and

(iv) refers to both paragraphs (c) and (d) of  
section

48  
(1).

*319 Section 52. (4) is amended by striking out "the Society Act"  
and substituting "the Societies Act".*



APPENDIX D

Annual Hospital Act Compliance Statement

[I/We], the undersigned, make oath and say that:

1. [I am a director/We are directors] of  [hospital society]  and have personal knowledge of the matters and facts herein deposed.
2. During the period from  [start date]  to  [end date]  the society has complied with section 42.2(3) of the *Hospital Act*.

SWORN (OR AFFIRMED) BEFORE ME )

on \_\_\_\_\_ )

)

)

\_\_\_\_\_ )

A commissioner for taking affidavits )  
for British Columbia )

[Signature of Director 1]

SWORN (OR AFFIRMED) BEFORE ME )

on \_\_\_\_\_ )

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)

\_\_\_\_\_ )

A commissioner for taking affidavits )  
for British Columbia )

[Signature of Director 2]

Written communication from the Recipients to the Province can be mailed, personally delivered, faxed, or electronically transmitted to the following address:

Ministry of Health  
6-1, 1515 Blanshard Street  
Victoria BC V8W 3C8

Email: [hlth.health@gov.bc.ca](mailto:hlth.health@gov.bc.ca)  
Fax: 250-952-1014