



JOHNSTONE'S JOURNAL is published monthly, and designed to provide topical information of interest not only to plan administrators, but to all employees who enjoy coverage under the benefit plan. Feel free to make copies, and use as a payroll stuffer.

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PROVINCIAL MEDICAL PLANS – BC TO INCREASE PREMIUMS

MSP of BC Premium Increase

Effective January 1st, 2010, the BC provincial government will increase premiums to the Medical Service Plan (MSP of BC) by approximately 6%. The new monthly premiums will be:

	<u>Current</u>	<u>January 1st, 2010</u>
Single	\$54	\$57
Couple	\$96	\$102
Family	\$108	\$114

This is the first increase since 2002; however, it doesn't appear that it will be the last. The provincial government is anticipating similar increases in each of the next two years. If Johnstone's administers your MSP (or calculates the taxable benefit based on your cost sharing), we will make the appropriate adjustments.

Understanding MSP of BC

The Medical Services Plan (MSP) insures medically required services provided by physicians and supplementary health care practitioners, laboratory services, and diagnostic procedures. All BC residents are required by law to enrol in MSP.

Employers may choose to administer a group plan and contribute all or part of the MSP premium on their employees' behalf. Employer contributions are taxable income to employees. If you currently contribute to MSP premiums, you should review how you share the cost with employees and adjust them accordingly.

Low-income earners can qualify for premium assistance. Applicants who earn less than \$30,000 a year (raised from \$28,000) may qualify for this assistance.

For more information regarding MSP, visit www.health.gov.bc.ca/msp.

Understanding Canada's Medical System

Canada's national health insurance program is designed to ensure that all residents have reasonable access to medically necessary hospital and physician services, on a prepaid basis. Instead of having a single national plan, we have a national program that is composed of 13 interlocking provincial and territorial health insurance plans. They all share certain common features and basic standards of coverage. Roles and responsibilities for Canada's health care system are shared between the federal and provincial-territorial governments.

Is Medical Coverage Free in the Rest of Canada?

Absolutely not, although most Canadians may feel that way as we don't see the cost when we go to the doctors.

Both the federal and provincial governments share funding for medical coverage. However, each province is ultimately responsible for delivering these basic medical services and funding any shortfalls. Most provinces pay for these programs using general tax revenues. This represents a large portion of the provincial tax pie and therefore each province is looking for ways to pay for these ever escalating costs. BC is currently the only province that charges its residents a monthly premium, as Alberta removed theirs January 2009. The Ontario Health Insurance Plan (OHIP) implemented an income-based system and therefore is included as part of individuals' income tax.

As the health care debate continues south of the border, there has been renewed interest in the health care debate in Canada. Clearly, no system is perfect, but it is also clear that we can anticipate more changes both in funding and coverage over the coming years.