

FYI[®]

For Your Information[®]

Elimination of BC MSP Premiums – Important Details for Group Plans

This *FYI* provides information on how the January 1, 2020 elimination of Medical Services Plan premiums will impact MSP Group Plans, and how interested administrators can cancel their group plans if desired.

Impact of MSP premium elimination on group plans

Late in 2018, British Columbia announced a change in the funding method for provincial health coverage from individual Medical Services Plan (MSP) premiums to a payroll tax. This has been phased in over two years, with the payroll tax and the premium both being paid during 2019. Effective January 1, 2020, the premium will be completely eliminated. For more details, refer to Buck's November 8, 2018 *FYI*, [BC Releases Employer Health Tax Details: New Measures Effective January 1, 2019](#).

Many employers, unions and pension plans administered MSP benefits on behalf of their members and their dependents prior to these changes. Under these MSP Group Plan arrangements administrator managed enrollment and paid a portion, or all of the related premiums. Where employers paid premiums, payments resulted in a taxable benefit to employees.

While MSP premiums are eliminated effective January 1, 2020, The BC Ministry of Health has indicated that the MSP Group Plans will remain active. The employer portal will continue to be the tool to manage members' accounts – unless the administrator chooses to cancel the plan.

How to terminate an MSP Group Plan

If an employer or other group plan administrator wishes to cancel their plan, they must:

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- Complete an MSP Group Plan Termination Form (HLTH 295) and submit it to Health Insurance BC. This form must be submitted within 30 days after it is signed, and specify a termination date that falls on the last day of a month at least 90 days in the future.
- Notify any third party service providers (insurers etc.) and other providers (e.g. MSP Direct) as appropriate, ensuring adequate notice is provided.
- Provide all group members with an End of Group Coverage Notice (HLTH 1904) at least 30 days prior to cancellation.

Group plan administrators must also ensure that residential/mailling addresses and family structure information (i.e. spouse and dependent details) are up-to-date in MSP records for all members. Members can update their own address information online at Address Change BC or, before the group plan terminates, administrators can submit any required changes through a Group Change Request (HLTH 170) or MSP Direct (if applicable).

When the termination of the plan is completed, MSP will move all members to self-administered accounts and employees will be responsible for maintaining their own information.

What's next?

The last monthly MSP premium invoice was distributed to MSP group plans in late November 2019, and covered December 2019 premiums. The province will continue to bill for any premiums that remain unpaid, so group plans should ensure all outstanding amounts are paid prior to termination if not before.

As a reminder, any personal information used in the administration of the group medical plan must be retained in accordance with your organization's retention policies and procedures. Under BC's *Freedom of Information and Protection of Privacy Act*, administrators must retain documents such as Employer Record Cards (ERCs) and completed MSP forms for at least one year. At the expiry of the retention period, the records may be destroyed, subject to safe disposal requirements.

For more information on the MSP changes, how they may impact your plan, and how you can manage those impacts, talk to your Buck consultant or contact the Knowledge Resource Centre at talktous@buck.com or +1 866 355 6647.

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