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Subject: SHBA Member Bulletin: Alberta Bill 11: Issue - 01



ALBERTA BILL 11

Date: June 19, 2026

Topic: Strategic Update on Implementation

Issue 01

Following our recent SHBA (Smart Health Benefits Association) [webinar on May 12th](#), we are providing this update on the status of Alberta Bill 11 (Health Statutes Amendment Act, 2025, No. 2) to support you and your ongoing client discussions.

CURRENT STATUS

The government is presently working on enabling legislation and regulations for Bill 11, which received Royal Assent in late 2025. This week the government announced an effective date of **October 1, 2026** for key components of the Bill:

- **"Payor of Last Resort" Model:** Mandates that the provincial public health plan only pays *after* all private coverage is applied, making employer workplace benefits, and individual insurance plans, the primary payer for drug and some supplemental health claims.
- **Elimination of Age Discrimination:** Prohibits private group benefits plans from reducing, terminating, or modifying prescription drug and

supplemental health coverage for active employees simply because they turn 65.

IMPORTANT DETAILS WE NOW KNOW:

- Health Care Spending Accounts do not have to be exhausted before the province picks up expenses (i.e. they are excluded from any determination of private coverage; they can still be used to cover other benefits, deductibles, coinsurance, amounts over any policy maximums, etc).
- There is no requirement as to what a private plan covers (unlike Quebec) just that coverage cannot change for active employees based on age. So, a plan can still have a restricted formulary, drug max, etc.
- The definition of an active employee cannot depend on age. However, a limit based on number of hours worked per week (which must be the same for people of all ages) may restrict who over age 65 is actually covered as many people reduce their hours as they age.
- Retiree coverage can vary by age, so drugs for those who are retired and over age 65 can be excluded or restricted and so passed to the Province. However, if coverage is provided for drugs for retirees over age 65 the private plan will be first payor.
- Groups that have historically relied on the non-group plan offered through Alberta Blue Cross to pick up expensive drugs will now become first payor for those drugs.
- Groups that have an age-limit for Extended Health will have to remove it. Active employees who are over that age limit who meet the normal eligibility definition will have to be added back on to the plan for Extended Health.
- Out of Country coverage is not impacted by the requirement to remove the age-limit for Extended Health for active employees. It can have coverage that varies or terminates by age.

OTHER CONSIDERATIONS FOR EMPLOYERS:

The requirements apply to active employees in Alberta for much of Extended Health coverage but not all. Some EHC plan terms will have to be amended. Questions to be considered beyond the strict requirements, include:

- Cover all EHC beyond that mandated (Drugs, Ambulance, Clinical Psychological Services, Home Nursing Care, Chiropractic) for people currently excluded by an age limit?
- Remove age limit for OOC or create different termination ages for EHC and OOC?
- Remove age limit also for dental or create different termination ages for EHC and Dental?
- Remove age limit for employees outside Alberta or create different termination ages for those in and those outside Alberta?
- How will the employer communicate to their employees?
- Does the plan wording result in coverage for services now offered by Physicians under dual practice?
- Do they want to expand coverage to cover services offered by Physicians under dual practice?

IMPACT ON PREMIUMS

- Claims will increase where a plan sponsor has employees over age 65 or where they have been relying on the non-group plan.
- Claims will start increasing on 1 October.
- Active employees over current termination age will have to be added to the plan and start paying any cost share.
- Rates for most plans do not vary by age within the plan but on the claim experience of the entire plan. This will increase claims which will then lead to an increase in premiums for all members. So, in plans with a cost share, all members will see an increase.
- It is still to be seen whether insurers will increase rates on 1 October (which most policies allow when there is a change in government legislation) or absorb the extra claims and wait until renewal.

- Renewals until about January 2028 will not have a full year of such new claims in the claim experience and so insurers will likely have some additional factor to cover the gap.
- While the overall average increase may only be a few %, it may vary widely for small groups depending on the number of employees over age 65.

NEXT STEPS:

The SHBA Government Relations team is engaged in discussions with Alberta Health to help ensure awareness of advisor and employer feedback, and to position for a reasonable and smooth implementation.

KEY MESSAGES FOR ADVISORS

As carriers finalize their administrative responses, advisors are encouraged to proactively communicate the status of Bill 11 to their Alberta-based clients (and any clients who have employees in Alberta). Use the following Key Messages to establish your role as their strategic guide:

- **Status Update:** *"With a target effective date of October 1st, the Alberta government is finalizing the operational regulations for Bill 11, and our association is actively engaged with Alberta Health to understand the details and ensure a reasonable implementation for employers and their employees."*
- **Financial Impact:** *"Once implemented, the shift to making the province the 'payor of last resort' will transfer primary drug and some health claim costs to private plans like yours. We will work with you over the next three months to explore options to manage the financial impact and best prepare your plan for October 1st."*

SHBA IS AT THE TABLE

SHBA met with Alberta Health on Jun 16th and we have been invited to participate in the working group for Bill 11, which we have accepted.

We have been recognized as a unique voice to have at the table and confirmed our availability to work on other topics impacting plan sponsors as our relationship evolves.

Watch your inbox. We are committed to providing timely education along with future advocacy to ensure the voice of the advisor—and the plan sponsor—is heard.



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