

## Alberta Bill 11: What Employers Need to Know

The Government of Alberta has passed Bill 11 – Health Statutes Amendment Act (2025). Several components of this legislation will impact employer-sponsored group benefit plans starting October 1, 2026. While the legislation is broad, two key changes will directly affect how private and government-sponsored plans coordinate coverage and will alter employee benefit plan requirements.

### 1) CHANGE TO COORDINATION OF BENEFITS (PAYOR OF LAST RESORT)

Under Bill 11, employer group benefits plans must now pay first if an employee or dependent is also covered by a Government of Alberta program. This change applies to:

- Coverage for Seniors (65+)
- Non-Group Coverage (individual public plan)

Under this change, government-sponsored programs will become the payor of last resort, meaning public coverage

will only apply after all eligible private coverage has been applied. This change will shift more costs towards employer sponsored group benefit and individual benefit plans.

While this change impacts prescription drugs most heavily, it also alters the coordination of the following supplemental extended health benefits:

- Clinical psychological services
- Ambulance services
- Chiropractic services
- Home nursing care
- Hospital accommodation
- Prosthetics and orthotics

### 2) MANDATORY CONTINUED COVERAGE FOR ACTIVE EMPLOYEES 65+

Bill 11 also introduces new requirements to protect employees 65+ from losing their workplace coverage due to age.

Employers will be required to maintain drug and defined supplemental extended health benefits for employees aged 65 and older who remain actively at work. Specifically, employers cannot:

- Terminate coverage based on age
- Reduce or modify drug or extended health benefits due to age

This requirement ensures continued access to core health coverage regardless of age. This mandate does not apply to Life Insurance, Disability, Dental, Health/Lifestyle Spending Accounts, and Out-of-Country Travel coverage. Therefore, termination ages for these benefits may still vary.

### WHAT EMPLOYERS SHOULD BE CONSIDERING NOW

- Financial Impact: Plan for increased claim volumes through the employer plan. The financial impact will vary by employer and will be driven largely by the demographic makeup of your workforce.

- **Drug Plan Design Impact:** Review your current plan features against your corporate benefits philosophy. Employees may hit their drug and extended health maximums earlier in the calendar year.
  - **Note:** Bill 11 does not dictate minimum coverage levels therefore employer sponsored benefit plans can still retain cost saving features such as drug formularies and annual drug maximums.
- **Eligibility Impact:** Review insurance contract wording to verify if health benefits currently have a termination age. Active employees who were previously removed due to age will need to be re-added effective October 1, 2026. Furthermore, determine if you want to remove termination ages on dental and travel benefits for internal consistency, or adhere strictly to the government-mandated health changes.
  - **Multi-Province Note:** Employers with workers in multiple provinces must decide whether to implement these changes solely for Alberta residents or standardize them across the entire Canadian employee base
- **Employee Impact:** Expect the most significant impact on employees aged 65+ who currently access government programs or were removed from the company plan. Targeted, clear communication is crucial to support this employee base.

## WHAT WE DON'T KNOW YET

The Government of Alberta has not yet released the final supporting regulations. We are still awaiting clarity on:

- Final administrative and implementation requirements for plan sponsors.
- How electronic coordination of benefits between private insurers and provincial systems will function operationally.
- How the province's upcoming physician "dual practice" model may influence private coverage.

## NEXT STEPS

We recognize that changes like this can create uncertainty. Our team is actively monitoring developments and will continue to provide clear guidance as more information becomes available. Should you wish to debrief on the potential impacts to your specific plan, please contact your benefit team and we are happy to support.

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**If you have questions specific to your business, or would like additional information, please reach out to your Navacord Insurance Services Alberta Inc. Advisor.**

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