

# 2018 Premium Changes

## Questions and Answers for MSP Group Plan Administrators

October 23, 2017

### What is changing?

- Effective Jan. 1, 2018, current rates for Medical Services Plan (MSP) Premiums will be reduced by 50 per cent for all British Columbians.
- There is no need to apply for this reduction as premium amounts will be automatically adjusted.
- The Regular Premium Assistance program remains in place, providing financial assistance to those with an annual adjusted net income of \$42,000 or less.
- Families with an annual adjusted net income of \$26,000 or less will pay no MSP premiums at all. This is a \$2,000 increase from the current \$24,000.
- There is no change to existing rate codes at this time. Rate codes “H” and “I” will both result in \$0 premiums.
- The January 2018 invoice that groups receive in December 2017 will be produced and distributed in early December to provide additional time to prepare for payroll deductions.

### When will this take effect?

New MSP Premium and Premium Assistance rates will take effect Jan. 1, 2018.

### How does this affect Group Plan Administrators?

MSP Groups' payroll and invoice systems will need to be updated to reflect the 50 per cent rate reduction for all group members, effective Jan. 1, 2018.

In addition, Groups that administer Regular Premium Assistance will need to perform payroll and invoice system updates to accommodate the increase to full premium assistance (\$0 premiums) for families with an adjusted net income of \$26,000 or less.

## What are the new rates for 2018 and how do they compare to the current rates?

Please refer to the table below.

2017 (Current Rates)					January 2018 (New Rates)				
Rate Code	Adjusted Net Income	One Adult	Two Adults in a Family	Family of Three or More	Rate Code	Adjusted Net Income	One Adult	Two Adults in a Family	Family of Three or More
H	\$0 - \$24,000	\$0.00	\$0.00	No premiums for children	H	\$0 - \$24,000	<b>\$0.00</b>	<b>\$0.00</b>	No premiums for children
I	\$24,001 - \$26,000	\$11.00	\$22.00		I	\$24,001 - \$26,000	<b>\$0.00</b>	<b>\$0.00</b>	
J	\$26,001 - \$28,000	\$23.00	\$46.00		J	\$26,001 - \$28,000	<b>\$11.50</b>	<b>\$23.00</b>	
K	\$28,001 - \$30,000	\$35.00	\$70.00		K	\$28,001 - \$30,000	<b>\$17.50</b>	<b>\$35.00</b>	
L	\$30,001 - \$34,000	\$46.00	\$92.00		L	\$30,001 - \$34,000	<b>\$23.00</b>	<b>\$46.00</b>	
M	\$34,001 - \$38,000	\$56.00	\$112.00		M	\$34,001 - \$38,000	<b>\$28.00</b>	<b>\$56.00</b>	
N	\$38,001 - \$42,000	\$65.00	\$130.00		N	\$38,001 - \$42,000	<b>\$32.50</b>	<b>\$65.00</b>	
C	Over \$42,000	\$75.00	\$150.00		C	Over \$42,000	<b>\$37.50</b>	<b>\$75.00</b>	

### How are premium rates calculated?

Basic MSP premium rates are determined by the number of adults on an MSP account. This can be one or two people: the MSP account holder and a spouse, if applicable. If the spouse is under the age of 19, they will not be charged premiums. (There are no MSP premiums for children under the age of 19.)

The Regular Premium Assistance program remains in place, providing financial assistance to those with an annual adjusted net income of \$42,000 or less.

### How is Adjusted Net Income calculated?

Adjusted net income is a person's net income (or a couple's combined net income) as determined by the Canada Revenue Agency minus any of the following deductions allowed by MSP:

- \$3,000 for a spouse;
- \$3,000 if a beneficiary is 65 years of age or older in application year;
- \$3,000 for a beneficiary's spouse if 65 years of age or older in application year;
- \$3,000 for each child minus one half of the child care expenses claimed by a beneficiary and/or spouse on line 217 of their income tax returns;

- \$3,000 for each family member who claims disability, attendant or nursing home expenses;
- The amount received by a beneficiary and/or spouse for Universal Child Care on line 117 of their income tax returns; and/or
- The amount reported for the Registered Disability Savings Plan by a beneficiary and/or spouse on line 125 of their income tax returns.

**How can my members receive the 50 per cent reduction?**

Premium amounts will be automatically adjusted for all British Columbians. No action is required to receive the 50 per cent rate reduction.

**Will my invoices change? Will subsidy (rate) codes on my invoice change?**

There is no change to the invoice, or change to existing rate codes at this time. To reflect the increased threshold for full premium assistance, rate codes “H” and “I” will both result in \$0 premiums. The unchanged rate codes are as follows:

Band	Adjusted Net Income	Premium Rate Code
1	\$0 - \$24,000	H
2	\$24,001 - \$26,000	I
3	\$26,001 - \$28,000	J
4	\$28,001 - \$30,000	K
5	\$30,001 - \$34,000	L
6	\$34,001 - \$38,000	M
7	\$38,001 - \$42,000	N
8	Over \$42,000	C

### **When will the January 2018 invoice be distributed?**

The January 2018 invoice that groups receive in December 2017 will be produced and distributed in early December to provide additional time to prepare for payroll deductions.

This is similar to the process followed in December 2016 to accommodate the January 2017 changes.

### **Some of my members already receive Regular Premium Assistance. Do they need to re-apply?**

Families currently receiving Regular Premium Assistance will have their premium rate automatically adjusted. This includes families with an adjusted net income of \$24,001 to \$26,000, who will now receive full premium assistance. There is no need to re-apply.

### **I previously directed my Group members to complete applications for Regular Premium Assistance – but they may not qualify in 2018. What will happen for these members?**

Members with an adjusted net income of \$42,000 or less are eligible for Regular Premium Assistance and will receive reduced rates.

Members with an adjusted net income of \$42,001 and above will not be eligible for Regular Premium Assistance in 2018. However, they will receive a 50 per cent premium reduction, along with all other British Columbians.

### **How can I get more information about these changes?**

- For general information on MSP group plan administration, refer to the Government of British Columbia website: [gov.bc.ca/groupplanadministrators](http://gov.bc.ca/groupplanadministrators)
- Questions about this project and MSP premium changes for 2018 should be directed to: [MPC.Project@gov.hibc.bc.ca](mailto:MPC.Project@gov.hibc.bc.ca).
- For Operational requests that are not specific to this project or the MSP premium changes for 2018, [contact HIBC](#).
- If you have questions about your invoice, a payment you made or interest you've been charged call Revenue Services of British Columbia at 1-877-405-4909.