



Ministry of Health and  
Ministry Responsible for Seniors

## **Medical Services Commission**

### **Notes to Financial Statement for the Year Ended March 31, 2001**

#### Unaudited

#### **1. The Commission**

The Medical Services Commission was established, effective July 1, 1968, by the Government of the Province of British Columbia under the *Medical Service Act* and Regulations to administer and operate the Medical Services Plan.

The legal authority for the Medical Services Commission to administer and operate the Medical Services Plan is the *Medicare Protection Act*.

Under Section 5(4) of the *Medicare Protection Act*, the Commission is a division of the Ministry of Health and Ministry Responsible for Seniors. Medical Services Plan premiums and expenditures are included within the Province's Consolidated Revenue Fund Statement of Revenue and Expenditure, which is audited annually by the Auditor General of British Columbia.

#### **2. Significant Accounting Policies**

The Statement of Operations is prepared for the purpose of presenting the expenditures of the Plan and contributions by subscribers and the Province.

The expenditures and contributions are recorded on an accrual basis.

The cost of furniture and equipment is charged to administration expense in the year of acquisition.

The Province of British Columbia pays certain administration, accommodation, data processing and systems salary costs associated with the operation of the Commission.

Service costs include payments for eligible services provided by medical practitioners and other health care practitioners on a fee for service basis according to fee schedules approved by the Commission, and payments on a contract, salaried or sessional basis. The expenditures include estimates of claims, for services performed in the year, that were unrepresented or unprocessed at March 31, 2001.

#### **3. Contributions**

Premium revenue consists of the Medical Services Plan premiums paid by subscribers.

Premium assistance represents the value of subsidy provided by the Province on behalf of eligible persons.

General contributions represent the net amount paid by the Province to fully meet the expenditure of the Commission.