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CHAIR:

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3rd SESSION, 67th GENERAL ASSEMBLY
Province of Prince Edward Island
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(Bill No. 54)

Health Facilities Licensing Act

Hon. Cory Deagle
Minister of Health and Wellness

GOVERNMENT BILL

Andrea MacRae
Acting King's Printer
Charlottetown, Prince Edward Island

For House Use Only

Prince Edward Island
Legislative Assembly

AMENDMENTS

ASSEMBLY / SESSION / YEAR
67th General Assembly / 3rd / 2026

BILL NUMBER: **54**

TITLE: **Health Facilities Licensing Act**

#	SECTION	AMENDMENT	DATE

NOTED:

_____
COMMITTEE CLERK

CERTIFIED CORRECT:

_____
CHAIR, IN COMMITTEE

HEALTH FACILITIES LICENSING ACT

BILL NO. 54 **2026**

BE IT ENACTED by the Lieutenant Governor and the Legislative Assembly of the Province of Prince Edward Island as follows:

Interpretation and Administration

1. Definitions

In this Act,

(a) "**agreement**" means an agreement referred to in section 8 respecting providing insured diagnostic and therapeutic services in a health facility;

(b) "**diagnostic and therapeutic services**" means the following diagnostic and therapeutic services that are commonly provided in a hospital, including the necessary ancillary services, equipment and supplies:

(i) laboratory, radiological and other diagnostic procedures, and the necessary interpretations,

(ii) surgical procedures,

(iii) other prescribed services;

(c) "**health facility**" means a facility or part of a facility where diagnostic and therapeutic services are provided but does not include

(i) a hospital or other facility operated by the Minister or Health PEI, or

(ii) any prescribed facility;

(d) "**inspector**" means an inspector appointed under subsection 3(1);

(e) "**insured diagnostic and therapeutic services**" means diagnostic and therapeutic services that are insured services under the *Medical and Hospital Services Insurance Act* R.S.P.E.I. 1988, Cap. M-5.01;

(f) "**insured person**" means an insured person under the *Medical and Hospital Services Insurance Act*;

(g) "**licence**" means a valid licence to operate a health facility issued or renewed under section 5;

(h) "**Minister**" means the Minister of Health and Wellness;

(i) "**operator**" means a person who holds a valid licence;

(j) "**surgical procedure**" means a surgical procedure carried out with the concurrent use of a sedative or local, regional or general anesthesia to a degree that requires the monitoring of the patient's vital signs.

2. Minister responsible for Act

(1) The Minister is responsible for the administration of this Act.

Delegation

(2) The Minister may, in writing, delegate any of the Minister's powers and duties under this Act.

3. Inspectors

(1) The Minister may appoint inspectors to perform functions set out in this Act and the regulations, and any other functions assigned by the Minister.

Entry and inspection

(2) On the direction of the Minister, or generally for the purpose of ensuring compliance with this Act and the regulations, an inspector may enter a health facility during business hours with or without notice to carry out an inspection.

Powers of inspector

(3) For the purposes of an inspection, an inspector may

(a) examine, extract information from and make copies of all records, documents and other relevant information required to carry out the inspection;

(b) inspect the premises, equipment and supplies used or intended to be used in the operation of the health facility;

(c) examine and conduct tests that the inspector considers necessary on equipment and supplies;

(d) remove equipment and supplies for examination or testing;

(e) interview or request information from any employee or other person involved in operating the health facility; and

(f) contact patients or representatives of patients to verify receipt of diagnostic and therapeutic services at the health facility.

Licence

4. Licence required to operate health facility

No person shall operate a health facility without a licence or while the licence is suspended.

5. Application for licence

(1) A person may apply to the Minister, in the form required by the Minister, to obtain or renew a licence to operate a health facility, which shall be accompanied by

(a) a proposal respecting the diagnostic and therapeutic services to be provided at the health facility;

(b) any documents or information required by the Minister confirming the applicant and the health facility meet the requirements in subsection (3); and

(c) the prescribed fees.

Deadline for application to renew licence

(2) An application to renew a licence shall be submitted at least 90 days before the licence expires.

Requirements for licence

(3) On receipt of an application in accordance with subsections (1) and (2), where applicable, the Minister may issue a licence to the applicant or renew the applicant's licence, as the case may be, if the Minister is satisfied that

(a) the health facility is registered in an applicable accreditation program with Accreditation Canada or another accreditation organization approved by the Minister;

(b) the health facility, equipment and supplies meet any prescribed requirements or standards;

(c) the operator holds the prescribed insurance in relation to the health facility; and

(d) any other prescribed requirements have been met.

Inspection

(4) For the purpose of clause (3)(b), the Minister may direct an inspector to inspect the health facility and report in writing to the Minister respecting whether the health facility meets the prescribed requirements or standards.

Terms and conditions

(5) The following terms and conditions apply to a licence:

(a) the health facility shall continue to be registered in an applicable accreditation program and maintain accreditation with Accreditation Canada or another accreditation organization approved by the Minister;

(b) the health facility shall be operated in accordance with the standards applied by Accreditation Canada or another accreditation organization approved by the Minister;

(c) the health facility, equipment and supplies shall continue to meet any prescribed requirements or standards;

(d) the operator shall maintain the prescribed insurance in relation to the health facility;

(e) the operator is responsible for the actions, activities and undertakings of every person who provides or assists in providing diagnostic or therapeutic services at the health facility;

(f) the operator shall provide to the Minister, at the time required by the Minister, an annual return and financial statements containing the information required by the Minister;

(g) the operator shall, on the request of the Minister, provide any information the Minister reasonably requires for the purposes of this Act and the regulations;

(h) any other prescribed terms and conditions.

Terms and conditions imposed by Minister

(6) The Minister may impose other terms and conditions on the licence that the Minister considers appropriate.

Compliance

(7) An operator shall comply with the terms and conditions applicable to or imposed on the operator's licence and shall ensure the operator's employees and any other persons involved in the operation of the health facility comply with those terms and conditions.

6. Contents of licence

(1) A licence shall include the following information:

(a) the name of the operator;

(b) the name and location of the health facility to be operated under the licence;

(c) the diagnostic and therapeutic services the operator is authorized to provide at the health facility, subject to an agreement where applicable;

(d) the expiry date of the licence;

(e) any terms and conditions imposed on the licence by the Minister;

(f) any other information required by the regulations.

Licence applies to only one health facility

(2) A licence applies in respect of a single health facility named in the licence at the location specified on the licence.

Expiry

(3) A licence expires on the date specified on the licence.

Not transferable

(4) A licence is not transferable.

7. Notice of decision and opportunity to object

(1) Where the Minister refuses to issue or renew a licence, or imposes terms and conditions on a licence, the Minister shall serve the applicant with written notice of

(a) the refusal or imposition, with reasons; and

(b) the applicant's right to object in writing within seven days after receiving the notice.

Notice of decision and right to appeal

(2) After considering any objection made by the applicant, the Minister shall serve the applicant with written notice of

(a) the Minister's decision to confirm, vary or nullify the refusal to issue or renew the licence, or the imposition of terms and conditions on the licence, with reasons; and

(b) the applicant's right to appeal the refusal or imposition in accordance with subsection (3).

Appeal

(3) A person who is aggrieved by a decision of the Minister under subsection (2) may appeal the decision to the Supreme Court within 30 days after being served with notice of the decision.

Powers of court

(4) On hearing an appeal, the court may

(a) confirm, vary or nullify the decision of the Minister;

(b) refer the matter, or any issue, back to the Minister for further consideration; or

(c) provide any direction that it considers appropriate.

Costs of appeal

(5) The court may make any order as to the costs of an appeal that it considers appropriate.

Agreement

8. Agreement required to provide insured services

(1) No person shall provide insured diagnostic and therapeutic services at a health facility except in accordance with an agreement between the operator and the Minister or Health PEI, with the approval of the Minister, made pursuant to section 4 or 14 of the *Health Services Act* R.S.P.E.I. 1988, Cap. H-1.6.

Considerations

(2) In determining whether to enter into an agreement with an operator or approve an agreement between the operator and Health PEI, the Minister shall consider whether

(a) there is a current need and likely will be an ongoing need for the health facility and the insured diagnostic and therapeutic services to be provided at the facility;

(b) the quality of care at the health facility would meet the standard expected in the publicly funded and administered health system;

(c) the agreement will result in effective and efficient use of public resources;

(d) there is an expected public benefit from the agreement in terms of access to the insured diagnostic and therapeutic services, efficiency, flexibility, and economic considerations;

(e) the agreement would have an adverse impact on the publicly funded and administered health system; and

(f) the agreement would impair the government's ability to comply with the *Canada Health Act*.

Contents of agreement

(3) An agreement shall include provisions respecting

(a) the insured diagnostic and therapeutic services to be provided at the health facility;

(b) the payments to the operator for providing insured diagnostic and therapeutic services;

(c) performance expectations and performance measures respecting providing insured diagnostic and therapeutic services;

(d) the termination of the agreement on the expiration, suspension or revocation of the operator's licence; and

(e) the referral of insured persons to the health facility through the Minister or Health PEI.

Payment For Services

9. No charges for insured services

(1) No operator shall charge or permit another person to charge an insured person any amount for providing insured diagnostic and therapeutic services at a health facility.

Charges for services not insured

(2) An operator may charge a person for providing diagnostic and therapeutic services that are not insured at a health facility if, before the services are provided,

(a) the nature of the services and the charges for the services are fully explained to the person;

(b) the person providing the services sets out the following in a written, signed statement:

(i) the nature of the services,

(ii) the rationale for proposing to provide the services,

(iii) the services are not insured diagnostic and therapeutic services,

(iv) the cost to the person receiving the services; and

(c) the person agrees in writing to accept and pay the charges.

No conditions for insured services

(3) No operator or other person shall make providing insured diagnostic and therapeutic services conditional on a person obtaining or paying for diagnostic and therapeutic services that are not insured or any other services.

10. Prohibition, preferential access

No operator shall do or permit another person to do any of the following for the purpose of giving an insured person preferential access to insured diagnostic and therapeutic services:

(a) give or accept money or other valuable consideration;

(b) pay or accept payment for other services;

(c) provide diagnostic and therapeutic services that are not insured.

Enforcement

11. Complaint about health facility

(1) Any person may make a complaint in writing to the Minister alleging a contravention of this Act or the regulations in relation to a health facility.

Minister may direct inspection

(2) Where the Minister receives a complaint under subsection (1) or has reason to believe that there has or may have been a contravention of this Act or the regulations in relation to a health facility, the Minister may direct an inspector to inspect the health facility.

Cooperation and information

(3) The operator and any employee or other person providing services in a health facility shall permit entry of the inspector and provide all records, documents or information requested by the inspector in relation to the inspection.

Failure to comply

(4) Where a person fails to comply with subsection (3), without reasonable cause, the inspector

(a) may apply to the Supreme Court, without notice, for a warrant authorizing the inspector to enter the premises and carry out an inspection in accordance with this section; and

(b) shall report the failure to comply to the Minister.

Report

(5) On completion of an inspection, an inspector shall report in writing to the Minister and the operator the inspector's findings and recommendations, if any, for remedying any contravention of this Act or the regulations.

Submission

(6) The operator of a health facility may, within 15 days after receipt of a report of an inspector, make a written submission to the Minister regarding the findings and any recommendations of the inspector.

12. Order

(1) Where, after considering the findings and any recommendations of the inspector and any submission of the operator, the Minister finds that there has been or is an ongoing contravention of this Act or the regulations in relation to the health facility, the Minister may, by order,

(a) require the operator to take any necessary measures within a specified time to comply with this Act or the regulations;

(b) impose terms and conditions on the operator's licence;

(c) suspend the operator's licence for a specified period of time or until the occurrence of a specified future event; or

(d) revoke the operator's licence.

Notice

(2) Where the Minister makes an order under subsection (1), the Minister shall serve on the operator

(a) a copy of the order, with reasons; and

(b) notice of the operator's right to appeal the order under section 15.

Order in effect when served

(3) An order of the Minister made under subsection (1)

(a) is effective when the order has been served on the operator; and

(b) remains effective pending an appeal unless the Supreme Court, on application, stays the order pending the appeal.

13. Interim order

(1) Notwithstanding any other provision of this Act, where the Minister has reasonable grounds to believe that the operation of a health facility poses a demonstrable and serious risk of harm to the public, the Minister may, by order, impose terms and conditions on or suspend the licence to operate the health facility.

Service of order and referral

(2) Where the Minister makes an order under subsection (1), the Minister shall

(a) serve on the operator

(i) a copy of the order, with reasons, and

(ii) notice of the operator's right to appeal the order under section 15; and

(b) direct an inspector to inspect the health facility if an inspection has not been carried out in relation to the matter.

Order in effect when served

(3) An order of the Minister made under subsection (1)

(a) is effective when it is served on the operator; and

(b) remains effective for the period, not exceeding 90 days, that is specified in the order.

Consecutive orders

(4) The Minister may make consecutive orders pursuant to this section in relation to the same matter pending its resolution.

14. Compliance with order

An operator shall comply with an order of the Minister made under subsection 12(1) or 13(1) and shall ensure the operator's employees and any other persons involved in the operation of the health facility comply with the order.

15. Appeal

(1) A person who is aggrieved by an order of the Minister made under subsection 12(1) or 13(1) may appeal the order to the Supreme Court within 30 days after being served with notice of the order.

Powers of court

(2) On hearing an appeal, the court may

(a) confirm, revoke or vary the order appealed from;

(b) refer the matter, or any issue, back to the Minister for further consideration; or

(c) provide any direction that it considers appropriate.

Costs of appeal

(3) The court may make any order as to the costs of an appeal that it considers appropriate.

16. Contravention by member or registrant

The contravention of this Act or the regulations by a member of a regulated health profession under the *Regulated Health Professions Act* R.S.P.E.I. 1988, Cap. R-10.1, or a registrant under the *Registered Health Professions Act* R.S.P.E.I. 1988, Cap. R-8.01, may be considered professional misconduct or incompetence under the applicable Act.

General

17. Service of documents

(1) Any notice or other document required to be served on a person under this Act or the regulations is considered to be sufficiently served

(a) upon a copy being personally served on the person to whom it is directed;

(b) upon a copy being sent by facsimile or other electronic means to the person to whom it is directed and an acknowledgement of receipt being received; or

(c) five days after a copy is sent by registered mail addressed to the person to whom it is directed at the last known address for that person.

Service on corporation

(2) Where the person to be served is a corporation, service on a director, officer or recognized agent of the corporation in accordance with subsection (1) is considered to be service on the corporation.

18. Limitation of liability

No action or proceeding lies or shall be instituted against the Minister, Health PEI, an inspector or any other person involved in the administration of this Act or the regulations for anything done or omitted to be done in good faith in the performance or exercise, or intended performance or exercise, of any function under this Act or the regulations.

19. Obstruction of inspector

(1) No person shall hinder, obstruct or interfere with, or attempt to hinder, obstruct or interfere with, an inspector in the exercise or performance of the inspector's functions under this Act or the regulations.

False information

(2) No person shall provide false information to an inspector.

20. Offences and penalties

(1) Every person who contravenes or fails to comply with this Act or the regulations is guilty of an offence and liable on summary conviction

(a) in the case of an individual,

(i) for a first offence, to a fine of $10,000,

(ii) for a second offence, to a fine of $25,000, and

(iii) for a third and each subsequent offence, to a fine of $50,000 or to imprisonment for a term not exceeding 12 months, or both; and

(b) in the case of a corporation,

(i) for a first offence, to a fine of $25,000,

(ii) for a second offence, to a fine of $50,000, and

(iii) for a third and each subsequent offence, to a fine of $100,000.

Officer, director or agent of a corporation

(2) Every officer, director or agent of a corporation who directs, authorizes, assents to, acquiesces in, or participates in, the commission of an offence under this Act or the regulations by that corporation is also guilty of the offence and liable on summary conviction

(a) for a first offence, to a fine of $25,000;

(b) for a second offence, to a fine of $50,000; and

(c) for a third and each subsequent offence, to a fine of $100,000 or to imprisonment for a term not exceeding 12 months, or both.

Continuing offence

(3) A contravention of or failure to comply with this Act or the regulations that is of a continuing nature constitutes a separate offence in respect of each day or part of a day that it continues.

Repayment

(4) Where an operator or other person is found guilty of an offence under section 9 or 10, the court may, in addition to any fine,

(a) order the operator or other person to pay into court an amount equal to any monetary amount received or the value of any other consideration received in contravention of section 9 or 10; and

(b) direct that the amount paid into court be repaid to the person from whom it was received or another person the court considers appropriate.

21. Injunction

The Supreme Court may, on the application of the Minister and on being satisfied that there is reason to believe that there is or will be a contravention of or failure to comply with this Act, grant an injunction restraining a person from committing or continuing the contravention.

22. Regulations

The Lieutenant Governor in Council may make regulations

(a) prescribing services as diagnostic and therapeutic services;

(b) prescribing a facility that is not included as a health facility;

(c) prescribing or adopting requirements and standards for health facilities, equipment and supplies;

(d) prescribing insurance that an operator is required to hold in relation to a health facility;

(e) prescribing requirements and fees for a licence;

(f) prescribing terms and conditions that apply to a licence;

(g) prescribing information to be included on a licence;

(h) requiring an operator to keep prescribed records and provide prescribed reports to the Minister in the time, form and manner required by the Minister;

(i) prescribing the retention period for records and reports;

(j) defining any word or expression used in this Act or the regulations that is not defined in this Act;

(k) prescribing anything described in this Act as being prescribed.

23. Transitional

A person who is operating a health facility on the coming into force of this Act is deemed to hold a licence under this Act for a period of 90 days after the Act comes into force, during which time the person may apply to renew the licence under section 5.

24. Commencement

This Act comes into force on a date that may be fixed by proclamation of the Lieutenant Governor in Council.

(Bill No. 54)

Health Facilities Licensing Act

STAGE:	***DATE:***
1st Reading:	November 17, 2026
2nd Reading:	
To Committee:	
Reported:	
3rd Reading and Pass:	
Assent:	

SIGNATURES:

Honourable Dr. Wassim Salamoun, Lieutenant Governor

Honourable Brad Trivers, Speaker

Joseph Jeffrey, Clerk

Hon. Cory Deagle
Minister of Health and Wellness

GOVERNMENT BILL

2026
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