

# 2026 Update to the new interpretation of the Canada Health Act

April 02, 2026

In January 2025, former Federal Minister of Health, the Honourable Mark Holland, released a [Letter to provinces and territories on the importance of upholding the Canada Health Act - 2025](#). We [wrote about it here](#). In short, Minister Holland released an interpretation of the Canada Health Act (CHA) that charging patients for services provided by any health professional that are typically covered by the province when delivered by a physician, is a violation of the CHA's prohibitions on extra-billing and user charges. Provinces and territories that do not prevent patients from being charged for medically necessary services by non-physician health professionals, including nurse practitioners, risk reductions in future Canada Health Transfer payments.

Health Canada released its [2026-2027 departmental plan](#) on March 13, 2026, which included its intention to implement the vision outlined in the “new [Canada Health Act Services Policy](#)” (the CHA Policy) based on Minister Holland’s 2025 letter. As part of this plan, Health Canada indicated its intention to “[h]elp [provinces and territories] implement the Canada Health Act Services Policy, effective April 1, 2026, which confirms that medically necessary services provided by regulated health care providers (e.g., nurse practitioners) are insured under the Canada Health Act.”

Although details of the implementation plan are currently sparse, the implications for both the public and the private sectors are significant. Practically, and in the long term, the magnitude of the impact will depend on how the provinces or territories with implement the policy. In the short term, both hospitals and the private sector should be preparing for potential impacts.

## What does this mean for the private sector?

The CHA broadly establishes a framework mandating provinces and territories to establish insurance plans to cover “medically necessary” services in order to qualify for transfer payments from the federal government. Although the term “medically necessary” is not defined in the legislation and each province has discretion to define the scope of their plans, traditionally these have been primarily hospital and physician services. Healthcare professionals or businesses are allowed to charge patients for services that are not covered under provincial insurance plans under this framework.

As non-physician providers' roles expand, the private sector has increasingly provided services through these practitioners and charged patients directly, based on the interpretation that non-insured services fall outside the CHA's extra-billing and user-charge prohibitions. Provinces implement and enforce these prohibitions through their own legislation, including Ontario's Commitment to the Future of Medicare Act.

However, businesses that are relying on the past interpretation of what are considered "insured services" in provinces where they operate, will need to monitor provincial signals and actions closely moving forward. The federal government has made its position clear on this issue. It considers charging patients for services provided by other health professionals to be a violation of the CHA's prohibition on extra billing and user charges where those services would be covered if provided by physicians. The federal government expects that provinces and territories will report such prohibited charges starting in December 2028.

Assuming provinces implement this directive by essentially insuring the same basket of services, whether provided by physicians or nurse practitioners, companies would risk being found in violation of a province's prohibitions on extra billing and user charges if they charged a fee directly to patients for these services.

## Virtual care carve out?

Virtual services continue to be an area of technological, entrepreneurial, and policy evolution. Minister Holland signalled in his letter that the federal government's position is to promote the use of virtual services, and Minister Holland encouraged all jurisdictions to continue down the path of insuring those services.

Provinces continue to take different positions on insuring virtual services, creating space for the private sector to charge patients directly for these services. Many of the major virtual care providers in Canada charge patients or their employers for medically necessary services provided by nurse practitioners. This may be problematic under the new interpretation of the CHA Policy unless a carve out is created for virtual care. In Quebec, provincial laws allow for employer paid virtual care. It remains to be seen whether other provinces will take a similar approach.

## What does this mean for hospitals and other publicly funded organizations?

Currently, hospitals and other healthcare organizations such as primary care teams, have integrated nurse practitioners primarily through an employment relationship and a salaried compensation model.

To the extent that the vision in Minister Holland's letter is implemented provincially by allowing nurse practitioners to bill a provincial insurance plan directly, hospitals and other publicly funded health care organizations may be able to enter into alternative arrangements with nurse practitioners moving forward. From a financial perspective, this might involve a shift from a primarily salaried based model to either a fee for service model or a mixed compensation model.

Such a change would invite a review of the relationship between nurse practitioners and hospitals. Consideration could be given to moving away from an employment model and towards a privileges model or a mixed model. The evolution of the model will depend on a number of organizational specific factors, including whether nurse practitioners are members of a union.

On April 1, 2026 Ontario Minister of Health Sylvia Jones announced that there were currently no plans to change OHIP billing codes to allow nurse practitioners to bill OHIP on a fee-for-service basis.

## Conclusion

Minister Holland's 2025 letter articulated the federal government's position that charging patients for services that would be covered by provincial insurance plans if they had been provided by physicians is a violation of the CHA, a position that has just been endorsed in Health Canada's 2025-2026 Departmental Plan. The exact implications for the private and public sectors and the timelines for those impacts will depend on how the provinces respond to this position.

BLG is ready to assist both the public and the private sectors in this evolving landscape and to strategically advise on their options.

\*Thank you to articling student Dr. [Rami Shoucri](#) for his assistance with this bulletin.

By

[Christine Laviolette](#), [Manon Gauthier](#), [Daniel Girlando](#), [Jillian Steele](#)

Expertise

[Health Law](#), [Disputes](#)

---

## BLG | Canada's Law Firm

As the largest, truly full-service Canadian law firm, Borden Ladner Gervais LLP (BLG) delivers practical legal advice for domestic and international clients across more practices and industries than any Canadian firm. With over 800 lawyers, intellectual property agents and other professionals, BLG serves the legal needs of businesses and institutions across Canada and beyond – from M&A and capital markets, to disputes, financing, and trademark & patent registration.

[blg.com](http://blg.com)

### BLG Offices

#### Calgary

Centennial Place, East Tower  
520 3rd Avenue S.W.  
Calgary, AB, Canada  
T2P 0R3

T 403.232.9500  
F 403.266.1395

#### Ottawa

World Exchange Plaza  
100 Queen Street  
Ottawa, ON, Canada  
K1P 1J9

T 613.237.5160  
F 613.230.8842

#### Vancouver

1200 Waterfront Centre  
200 Burrard Street  
Vancouver, BC, Canada  
V7X 1T2

T 604.687.5744  
F 604.687.1415

#### Montréal

1000 De La Gauchetière Street West  
Suite 900  
Montréal, QC, Canada  
H3B 5H4

T 514.954.2555  
F 514.879.9015

#### Toronto

Bay Adelaide Centre, East Tower  
22 Adelaide Street West  
Toronto, ON, Canada  
M5H 4E3

T 416.367.6000  
F 416.367.6749

The information contained herein is of a general nature and is not intended to constitute legal advice, a complete statement of the law, or an opinion on any subject. No one should act upon it or refrain from acting without a thorough examination of the law after the facts of a specific situation are considered. You are urged to consult your legal adviser in cases of specific questions or concerns. BLG does not warrant or guarantee the accuracy, currency or completeness of this publication. No part of this publication may be reproduced without prior written permission of Borden Ladner Gervais LLP. If this publication was sent to you by BLG and you do not wish to receive further publications from BLG, you may ask to remove your contact information from our mailing lists by emailing [unsubscribe@blg.com](mailto:unsubscribe@blg.com) or manage your subscription preferences at [blg.com/MyPreferences](http://blg.com/MyPreferences). If you feel you have received this message in error please contact [communications@blg.com](mailto:communications@blg.com). BLG's privacy policy for publications may be found at [blg.com/en/privacy](http://blg.com/en/privacy).

© 2026 Borden Ladner Gervais LLP. Borden Ladner Gervais LLP is an Ontario Limited Liability Partnership.