

# PHYSICIAN SERVICES AGREEMENT

“We are asking doctors to take a modest decrease in the compensation they receive”

“The government must take steps to ensure other key priorities are well funded and expanded. If every dollar of budgetary increase goes to higher [doctor] salaries, we cannot tackle other patient priorities.”

“I want to assure Ontarians the services our physicians provide will continue.”

- Eric Hoskins, Minister of Health and Long Term Care

Health care is the Ontario government’s largest spending program. Ontario’s health care budget in 2010–11 was \$44.77 billion, or 40.3 per cent of everything the provincial government spends on programs. This is projected to grow to over 44 per cent by 2017-2018. An expanding population, inflation, new drugs, treatments, and higher utilization are projected to further increase spending. If left unchecked, this growth in healthcare spending will crowd out other government spending such as maintaining welfare support and high-quality education.

- Drummond Report

“In 2012, Ontario’s doctors... contributed more than \$850 million in fee concessions and health system savings. To impose a further \$580 million in cuts to medical services and payments is unwarranted and destabilizing.”

“The government’s position will lock in system underfunding for future years and subject physicians to open-ended liability for growth... that is beyond our control. It will limit training... in primary care, mental health, and specialties.”

“I urge all members to stay focused on our patients and avoid divisive actions or any actions that will compromise patient care. We need to monitor the impact of the government’s measures on the system and our ability to practice.”

- Dr. Ved Tandan, OMA President’s Update January 2015



**OMA AND MOHLTC NEGOTIATIONS TIMELINE****JANUARY 2014 - NEGOTIATIONS BEGIN**

IN JANUARY 2014 THE OMA AND MOHLTC BEGAN NEGOTIATIONS. AS PER THE AGREED UPON PROCESS BETWEEN BOTH PARTIES, THERE WERE A MINIMUM OF 120 DAYS OF NEGOTIATIONS WITHOUT THIRD PARTY ASSISTANCE

**SEPTEMBER 2014 - FACILITATION BEGINS**

IN AUGUST 2014 BOTH PARTIES AGREED THAT FACILITATIONS WOULD BE NEEDED. DR. DAVID NAYLOR, A PHYSICIAN, AND FORMER PRESIDENT OF THE UNIVERSITY OF TORONTO WAS CHOSEN AS FACILITATOR. FACILITATIONS TOOK PLACE IN SEPTEMBER.

**NOVEMBER 2014- CONCILIATION BEGINS**

AS NO AGREEMENT WAS REACHED DURING FACILITATION, THE AGREED UPON THIRD PROCESS OF NEGOTIATIONS IS CONCILIATION. JUSTICE WARREN WINKLER, FORMER CHIEF OF JUSTICE OF ONTARIO WAS CHOSEN AS CONCILIATOR.

**JANUARY 15, 2015- OMA BOARD REJECTS OFFER**

THE OMA BOARD VOTED TO REJECT THE GOVERNMENT OFFER AFTER CONSULTATION WITH ITS MEMBERS. THE OMA PROVIDED A COUNTEROFFER TO THE GOVERNMENT OF A FREEZE TO PHYSICIAN FEES FOR TWO YEARS WHICH WAS REJECTED.

## IMPACT ON NEW GRADUATE FAMILY PHYSICIANS

1. New family medicine graduates in a high needs area can register in a FHO/FHN and this has not changed. 20 new FHNs/FHO contracts are created per year in these areas. Graduates who wish to work in an area that is not high-needs have three options: 1) Join a FHO/FHN if a physician leaves a currently existing practice or 2) register as an NGEF or 3) work in a fee for service model.
2. New graduates have a financial loss ranging from \$30K to \$100K resulting from these changes: \$30K in enrolment premiums plus, if locating in a non-priority area, either \$70K based on joining a Comprehensive Care Model or \$30K for joining a FHG instead of joining a FHO.
3. If provincial spending exceeds the budgeted amount, it is possible that the funds will be recovered from physicians (commonly referred to as "clawbacks" or "reconciliation").

*For more in depth information, including specialty specific cuts please refer to the Appendix. Please note that the current budget for physician services is dynamic and constantly changing which limits the accuracy of these numbers. For a list of areas considered "high-needs" by the Government of Ontario, visit: <http://www.health.gov.on.ca/en/pro/programs/highneed/>*

### UPDATE SINCE NEGOTIATIONS

On Oct. 1, 2015, the MOHLTC implemented an additional 1.3% fee reduction, along with greater targeted reductions, to services. The NGEF was created in response to concerns over restrictions for new graduates to practice in FHN/FHO models.

The OMA launched a Charter challenge asking the Ontario Superior Court of Justice to rule that future bargaining difficulties be resolved through a binding dispute resolution mechanism. The OMA states that eight provinces and one territory have binding arbitration in place for their doctor's negotiations, and that this is required to restore a fair balance of power in negotiations due to physicians' inability to strike.

### OMSA AND THE PHYSICIAN SERVICES AGREEMENT

Physicians in Ontario have been without a Physician Services Agreement (PSA) for a year,

resulting in continued stress on the relationship between representative organizations like the Ontario Medical Association and the Ministry of Health and Long Term Care. From feedback we receive at the Ontario Medical Students Association, it is evident that medical students display a diverse set of opinions surrounding healthcare funding. This makes it difficult to take a stance as an organization. Despite this, it is becoming quite clear that students have a thirst for knowledge about the changes occurring in our province in order to better understand what healthcare and our profession will look like in the future.

It is possible that these reductions could decrease your income and the financial support you receive as you begin your practice. This is occurring in conjunction with increasing medical student tuition and student debt. The OMA's current data on the impact of the reductions show a reduction in the accessibility of primary care for patients with chronic disease.

Proponents of these reductions state they play a role in removing obsolescent and/or abused fee codes, allow redirection of funds towards other critical areas of healthcare such as homecare, and help ensure the financial sustainability of our system. If left unchecked it is possible that healthcare spending could crowd out other important avenues of government spending such as education. In the end, the PSA is extremely complex and collaboration is required to provide a sustainable, high value healthcare system for patients, while ensuring acknowledgement and fair compensation to physicians for their work.

We welcome your thoughts on this topic, as well as suggestions on how to better share information and represent you. If you would like to share your opinions, we always welcome OMSA blog submissions. To contact OMSA about this topic, or to express concerns, please contact the Director of Representation at [representation@omsa.ca](mailto:representation@omsa.ca).

## APPENDIX

### SUMMARY OF GOVERNMENT'S UNILATERAL ACTION (SOURCE: ONTARIO MEDICAL ASSOCIATION)

- Additional 2.65% across-the-board payment discount (\$320M) to all physician payment plans
  - The ministry established a fixed amount of spending on the whole of physician services. If spending were higher than planned, the money would be recovered from physicians at the end of the second and third year.
  - Savings from 9 specific initiatives as per government's offer (\$259M)
- Elimination of Enrolment Premiums for Family Physicians in Patient Enrolment Models
  - Managed Entry – limit entry to FHN/FHO model to 20/month in priority areas only
  - Income Stabilization – limit to underserved areas
  - Acuity Modifier – the payment to recognize the complexity of patients negotiated in 2012 will not be paid
  - A888 - The A888 fee is being reduced to the value of an A007. The A888, emergency department equivalent partial assessment, is an assessment rendered on a Saturday, Sunday or Holiday for the purpose of dealing with an urgent medical problem
  - Elimination of all Canadian Medical Education (CME) programs
  - Hospital On-Call Coverage (HOCC) Per Diem One Time Payment for HOCC groups with less than five physicians providing additional coverage above their minimum on call coverage requirements will not be paid.
  - HOCC Freeze - HOCC funding will be frozen at current levels. This means that new groups (including those waiting approval) will not be approved nor will additions to existing HOCC groups be permitted
  - Chronic Disease Assessment Premiums E078 - Internal Medicine, Cardiology, Gastroenterology and Nephrology would no longer be eligible for Chronic Disease Assessment Premiums

#### AFFECTED GP SPECIALIZED MODELS

Agreements impacted include, but are not limited to:

- Rural and Northern Physician Group Agreement
- Weeneebayko Health Authority
- GP Focus - Palliative APP
- GP Focus - HIV APP
- GP Focus - Care for the Elderly
- Toronto Palliative Care
- Algonquin FHT
- St. Joseph's Health Centre
- Community Health Centres
- Aboriginal Health Access Centres
- Blended Salary Model
- Sherbourne; Shelter Health Network
- Inner City Health
- Sioux Lookout
- Group Health Centre

#### IMPACT ON NON-FEE-FOR SERVICE PHYSICIANS

The Ministry of Health and Long-Term Care unilateral action plan includes a 2.65% across-the-board discount to all physician agreements including but not limited to:

- AHSC AFPs
- EDAFAs
- Northern Specialist APPs
- Provincial Oncology APPs
- Laboratory Medicine – LMFFA
- Other Comprehensive Academic APPs, and
- Other community APPs.

Other Physicians receiving PSA Funding

The 2.65% payment discount will also impact salaried physicians and other payment models receiving PSA Funding:

- Divested Provincial Psychiatric Hospitals
- Assertive Community Treatment Program
- Anesthesia Care Teams
- Public Health
- Enhanced Care for the Frail Elderly
- Infectious Diseases
- Genetics

#### Programs and Payment Items

On May 1, 2015, the Ministry will implement the 2.65% across-the-board payment discount to the following programs and payment items:

- On-Call Funding
- HOCC Program
- Physician On Call
- Complex Continuing Care
- Mental Health
  - Ontario Psychiatric Outreach Program
  - Mental Health Sessional Payments
  - Mental Health Sessional Fee Supplements
  - Psychiatric Stipend
- Other Programs and Payments
  - Visiting Specialist Clinic Program
  - Northern Specialist Locum Programs
  - Rural Family Medicine Locum Program (GP Locum Program)
  - Hospital Pediatric Stabilization
  - Rural Medicine Incentive Program

#### MOHLTC Unilateral Action - 12 Jan, 2015

				MOHLTC UA			
OHIP	Specialty	MDs	CANDI 2013	Savings <sup>A</sup>	ATB <sup>B</sup>	Interim Discount (%) <sup>C</sup>	TOTAL
00	Family Practice&Practice in General <sup>1</sup>	12,873	0.78	-3.4%	-0.5%	-2.15%	-6.1%
01	Anaesthesia	1,279	1.15	-0.4%	-0.5%	-2.15%	-3.0%
02	Dermatology	210	0.96	-0.1%	-0.5%	-2.15%	-2.7%
03	General Surgery	807	0.99	-0.5%	-0.5%	-2.15%	-3.1%
04	Neurosurgery	93	0.92	-0.3%	-0.5%	-2.15%	-3.0%
06	Orthopaedic Surgery	600	0.91	-0.4%	-0.5%	-2.15%	-3.0%
07	Geriatrics	103	0.78	-0.2%	-0.5%	-2.15%	-2.9%
08	Plastic Surgery	222	0.78	-0.7%	-0.5%	-2.15%	-3.3%
09	Cardiac Surgery	97	1.03	-0.3%	-0.5%	-2.15%	-3.0%
12	Emergency Medicine	181	0.82	-0.4%	-0.5%	-2.15%	-3.1%
13	Internal Medicine	1,849	0.87	-2.5%	-0.5%	-2.15%	-5.1%
15	Endocrinology and Metabolism	156	0.87	-0.1%	-0.5%	-2.15%	-2.8%
16	Nephrology	162	0.87	-4.4%	-0.5%	-2.15%	-7.1%
17	Vascular Surgery	50	0.99	-0.1%	-0.5%	-2.15%	-2.7%
18	Neurology	352	0.89	-0.3%	-0.5%	-2.15%	-2.9%
19	Psychiatry <sup>2</sup>	2,092	0.82	-0.3%	-0.5%	-2.15%	-2.9%
20	Obstetrics and Gynaecology	836	0.80	-0.4%	-0.5%	-2.15%	-3.1%
22	Genetics	25	1.00	-0.3%	-0.5%	-2.15%	-2.9%
23	Ophthalmology	471	1.42	-0.2%	-0.5%	-2.15%	-2.8%
24	Otolaryngology	273	1.00	-0.4%	-0.5%	-2.15%	-3.1%
26	Paediatrics <sup>3</sup>	1,094	0.91	-0.3%	-0.5%	-2.15%	-2.9%
28	Laboratory Medicine	374	1.00	-0.4%	-0.5%	-2.15%	-3.0%
31	Physical Medicine	189	0.76	-0.1%	-0.5%	-2.15%	-2.8%
33	Diagnostic Radiology	1,070	1.58	-0.1%	-0.5%	-2.15%	-2.7%
34	Radiation Oncology	202	1.09	-0.1%	-0.5%	-2.15%	-2.7%
35	Urology	282	0.96	-0.6%	-0.5%	-2.15%	-3.2%
41	Gastroenterology	247	1.41	-1.9%	-0.5%	-2.15%	-4.5%
44	Medical Oncology	48	0.87	-0.2%	-0.5%	-2.15%	-2.8%
46	Infectious Disease	119	0.87	-0.1%	-0.5%	-2.15%	-2.7%
47	Respiratory Disease	192	0.77	-0.2%	-0.5%	-2.15%	-2.8%
48	Rheumatology	140	0.86	-0.1%	-0.5%	-2.15%	-2.8%
60	Cardiology	522	1.34	-1.5%	-0.5%	-2.15%	-4.2%
61	Haematology	115	0.81	-0.2%	-0.5%	-2.15%	-2.8%
62	Clinical Immunology	14	0.82	-0.9%	-0.5%	-2.15%	-3.5%
63	Nuclear Medicine	61	1.26	-0.1%	-0.5%	-2.15%	-2.8%
64	General Thoracic Surgery	38	0.69	-1.0%	-0.5%	-2.15%	-3.6%
<b>TOTAL</b>		<b>27,444</b>		<b>-1.8%</b>	<b>-0.5%</b>	<b>-2.15%</b>	<b>-4.5%</b>
<b>SPECIALISTS</b>		<b>14,571</b>		<b>-0.7%</b>	<b>-0.5%</b>	<b>-2.15%</b>	<b>-3.4%</b>

#### MOHLTC Unilateral Action - 12 Jan, 2015

				MOHLTC UA			
Assembly	MDs	CANDI 2013	Savings <sup>A</sup>	ATB <sup>B</sup>	Interim Discount (%) <sup>C</sup>	TOTAL	
GP Assembly	13,054	0.78	-3.3%	-0.5%	-2.15%	-6.0%	
Medical Assembly	7,835	0.91	-1.2%	-0.5%	-2.15%	-3.8%	
Surgical Assembly	5,048	1.02	-0.4%	-0.5%	-2.15%	-3.1%	
Diagnostic Assembly	1,507	1.42	-0.1%	-0.5%	-2.15%	-2.8%	
<b>TOTAL</b>	<b>27,444</b>		<b>-1.8%</b>	<b>-0.5%</b>	<b>-2.15%</b>	<b>-4.5%</b>	
<b>SPECIALISTS</b>	<b>14,571</b>		<b>-0.7%</b>	<b>-0.5%</b>	<b>-2.15%</b>	<b>-3.4%</b>	

				MOHLTC UA			
Other Items				ATB <sup>B</sup>	Interim Discount (%) <sup>C</sup>	TOTAL	
TECHNICAL FEES				-0.5%	-2.15%	-2.65%	
Rural Medicine Investment Program				-0.5%	-2.15%	-2.65%	
Divested Provincial Psychiatric Hospitals				-0.5%	-2.15%	-2.65%	
Laboratory Physicians (LMFFA)				-0.5%	-2.15%	-2.65%	
CME (RIO-based, NPRI) - cancelled							
<b>TOTAL</b>					<b>-2.15%</b>	<b>-2.65%</b>	

# PHYSICIAN SERVICES AGREEMENT

## Notes

The total savings, ATB, and reverse CANDI over 2014/15 and 2015/16 is \$580M.

- a. Savings: Managed Entry; Income Stabilization; Enrollment Fees; CME; HOCC (one time, freeze); A888; and E078. Equal to 2014/15 and \$183M in 2015/16. Savings items also include \$6.7M (HCC administration) not attributed to any specialty
- b. ATB: ADDITIONAL 0.5% payment discount, effective Feb 1, 2015 for FFS elements and May 1, 2015 for NFFS elements. Applies to all items for which the payment discount of 0.5% from 2012 PSA applies.
- c. Interim Discount: 2.15% (net of discount applied to other items not included in the base), effective Feb 1, 2015 for FFS elements and May 1, 2015 for NFFS elements. Possibly to be replaced by a relativity allocation.

**The Ontario Medical Association has a variety of ways to get involved. If you would like to aid in OMA's efforts, join the Health Care Advocate Network to learn ways of engaging with MPPs, media and the public regarding the reductions.**

**Visit [www.OntariosDoctors.com](http://www.OntariosDoctors.com)**

**Or get Involved by Emailing [public.affairs@oma.org](mailto:public.affairs@oma.org)**