



The President's Letter

Dr. Noel W. Grisdale



Patients First® Patients First® is a registered trademark of the Alberta Medical Association.

November 28, 2008

Dear Member:

Announcing a *Letter of Understanding*

Negotiations 2008 are very close to conclusion!

All budget items have been resolved. On November 17, negotiators for Alberta Health and Wellness (AHW), the Alberta Medical Association (AMA) and Alberta Health Services (AHS) co-signed a *Letter of Understanding*.

Now officials from the three parties will finalize the complete language for a proposed agreement. Covering April 1, 2008 to March 31, 2011, it would be the third of three fiscal agreements under the eight-year master agreement (April 1, 2003 – March 31, 2011).

The Board of Directors will decide whether or not to send the tentative agreement (when available) for a ratification vote by all members of the AMA.

There will be a special meeting of the Representative Forum (RF) on Saturday, December 13 (in Edmonton) to review the *Letter of Understanding*. The RF will provide input and guidance for the board about what is being proposed.

Once the complete tentative agreement is available – and assuming the board decides to send it for a ratification vote – there will be a Negotiations Tour around the province, with additional videoconferences available for those in rural, remote centres. This will not occur until 2009.

At 10 a.m. today, there will be a trilateral news conference (at Calgary's McDougall Centre) to announce reaching the *Letter of Understanding*. I will be speaking, along with Minister of Health and Wellness Ron Liepert and Alberta Health Services Board Chair Ken Hughes.

...2

The proposal

As usual, we will await the review of the RF and decision of the board before making all details of the tentative agreement available. I know, though, that you are anxious for information after so many months. I can tell you that, under the *Letter of Understanding*, the proposed budget for physician services would be: \$2.6 billion for 2008-09; \$2.9 billion in 2009-10; and \$3.1 billion in 2010-11. In terms of how these budgets break down, the proposal includes:

- Fee increases (fee-for-service and alternate relationship plans)
 - 5% in 2008-09
 - 5% in 2009-10
 - 4.5% in 2010-11
- Volume increases
 - For growth in patient population or the number of physicians
- Improvement and/or continuation of all existing benefit and other programs, including
 - Continuing Medical Education
 - Retention Benefit
 - Rural, Remote, Northern Program
 - Business Costs Program
- Primary Care Initiative
 - Expansion of primary care networks (PCNs)
 - Creation of a new fund to reward family physicians (also in non-PCN practices) who meet specific performance and/or diligence indicators (to be established)
- Physician On-Call Program
 - Increase to on-call payment rates
- Physician Office System Program (POSP)
 - Financial support for physicians required to change electronic medical records because of the reduced number of vendors that will be eligible for POSP
 - The parties will discuss ways to integrate POSP with the provincial health information system and possible movement of the program from the trilateral agreement

The theme for the AMA's goals in these negotiations was *Access, Innovation & Doctors*. If ratified, the proposed agreement would lay the groundwork for further work to be done through Negotiations 2011 when we will be working for a new master agreement. It would also pave the way for all parties to collaborate on improving Alberta's health care system.

The President's Letter
November 28, 2008
Page 3

As we reach this stage, I want to acknowledge the tremendous efforts of many people including the board members, Representative Forum delegates, Negotiating Committee, Physician Advocacy Group, MD-MLA contacts and AMA staff.

And, thank you to the many physicians who showed their interest in the negotiations and their commitment to the association by commenting on previous issues of the *President's Letter* and *Focus on Negotiations*, especially those who declared themselves willing to provide "active support" if necessary.

I will write again soon with news about the December 13 RF, the tentative agreement and other important, related activities like planning for allocation of the proposed fee increases and identifying opportunities for putting Patients First®.

Yours truly,

Noel W. Grisdale, MD, CCFP
President

P.S. We have produced a short video in which I comment on some of the components of the *Letter of Understanding*. To view it, go to <http://www.youtube.com/AlbertaDoctors>.