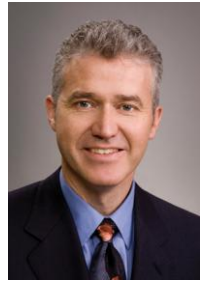


The President's Letter

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June 2, 2010

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Dear Member:

The Alberta Medical Association (AMA) has long been on record as supporting a well-funded public health care system that provides timely access and quality care.

In March 2000, the AMA's Representative Forum approved a position statement on regional health authorities (RHAs) contracting with private surgical facilities. Excerpts from the position statement follow and it strikes me that they are still pertinent and timely 10 years later.

"Contracting is, and will continue to be, an integral component of the publicly-funded health care system. More can be done, however, to ensure that these contracts serve the public interest. Albertans deserve assurances that the following roles will be protected or enhanced:

- **Physicians are the agents and advocates of patients in the provision of medical services.**
 - *Physicians operating within the public system must maintain a significant level of clinical and professional independence. This independence is fundamental if physicians are to remain the agents and advocates of patients....*
- **RHAs are the agents of the public in contractual discussions.**
 - *RHAs are the agents of the public in the negotiation and management of all contracts. As such, the public has the right to know what decisions are being made and to hold decision-makers responsible for their actions.... Transparency is paramount.*
- **The Provincial Government is responsible for ensuring a sustainable public health care system that ensures reasonable access to all Albertans with no direct, out-of-pocket costs for insured services."**

Ten years later, the RHAs have been replaced with one health authority – Alberta Health Services – and contracting with private facilities to deliver medical care is still relevant.

In all contracting with private facilities, the bottom line must be access and quality care for patients. The AMA will continue to advocate keeping Patients First®.

Contracting for cataract surgeries

At the end of March this year, Alberta Health Services (AHS) signed a new agreement with ophthalmology service providers to provide an additional 1,500 cataract surgeries in Calgary and an additional 640 cataract surgeries in Edmonton. All of these cataract surgeries were contracted to two private surgical facilities in each city. All ophthalmologists who wished to do the additional cataract surgeries were to provide them in one of these selected facilities. Alberta Health Services said this would save money and reduce wait times for these procedures.

This example of contracting for cataract surgeries in private facilities was prominently covered in the Calgary media. Some of the general concerns about contracting with private facilities were reflected by the ophthalmologists affected by the decision, including:

- Short notice about changes in where procedures could be performed, which has inconvenienced patients and delayed procedures.
- Consequences of the bidding process for relationships with colleagues, and with AHS.
- The required transition of surgeons to new facilities.
- The implications for those physicians whose facilities were not selected: staffing (layoffs), facility costs (leased space, equipment, etc.).

To address these concerns, Minister of Health and Wellness, Gene Zwozdesky, called and chaired a meeting April 24 in Red Deer attended by AHS representatives, many Alberta ophthalmologists and the AMA. The physicians' concerns were raised and Mr. Zwozdesky acknowledged that some of the concerns needed review.

On May 20, the government and AHS announced that to address waiting lists, more public funding is being provided (over and above the additional cataract procedures funded in March as mentioned above), for an additional 1,400 cataract surgeries in Alberta: 1,000 in Calgary and 300 in Edmonton in non-hospital surgical facilities; and an additional 100 at the Royal Alexandra Hospital in Edmonton.

According to an AHS news release on May 20, an Expression of Interest document has been circulated to all private cataract surgery providers in the two cities for response within two weeks. Contracts will be awarded to all approved, accredited facilities interested in providing these 1,400 additional services within the guidelines stipulated and with the understanding that the surgeries will be completed by September 30.

(AHS also clarifies that the one-year RFP agreements signed with the four private ophthalmological surgical centres in March 2010, and publicly funded by the Government of Alberta, remain in place and are not affected by this Expression of Interest posting.)

Food for thought

As contracting continues, it raises some food for thought:

1. **First and foremost, what is best for patients?** How will access and care be affected when all surgeries of a particular type are moved to a few facilities? Would activity-based funding where funding follows the patient be an appropriate way to address contracts in a number of facilities rather than limiting them to a selected few?
2. **What is the impact on physician autonomy?** Physicians are their patients' agents in the provision of medical services. Physicians must be assured that they can continue to make decisions that are right for the individual.
3. **What is the impact on the profession for physicians within the same section?** As the recent cataract surgery contract demonstrates, contracts can – in some instances – create winners and losers among colleagues in the same section. This can fragment relationships among physicians who are working together on common goals for patient care.

Contracting with Calgary's Health Resource Centre

The other current media story related to contracting is Calgary's Health Resource Centre, a private surgery clinic owned by Network Health Inc. Providing about 900-1,000 hip, knee and ankle surgeries a year, this private clinic has become integral to the provision of publicly paid surgeries in Calgary.

The *Calgary Herald* reported on May 9 that court documents filed by Network Health say that "Alberta Health Services abruptly pulled back from an agreement promising it nearly triple the number of surgeries usually provided."

With bankruptcy looming, AHS intervened in the courts by paying \$1.3 million so that surgeries can continue until January 15, 2011. Chris Mazurkewich, Chief Financial Officer for AHS, was quoted in the *Calgary Herald* May 12, saying "HRC as it currently exists is insolvent and so in order to protect patient rights to make sure they get treated we had to make sure nobody else went after HRC and wanted to put them into bankruptcy. From our perspective we're prepared to pay the price to make sure people get uninterrupted services and that's what we've succeeded with at the courts today."

Contracting physician services

The other common form of contracting for medical services in Alberta's health system is contracting with specific groups of physicians such as laboratory physicians, radiologists, medical and radiation oncologists, community health physicians and others. AMA is available to assist physician groups in their negotiations with AHS for contracted services.

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As I mentioned in my May 6 *President's Letter*, lab physicians have not yet received increases from AHS for either 2009 (and at this time AHS is not inclined to provide it) or 2010.

The AMA will continue to assist physicians in addressing issues related to the provision of medical services within or outside of contracts in the health system. As always, I remain very interested in hearing comments about your experience in the field and encourage you to email me your thoughts at president@albertadoctors.org.

Yours truly,

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President