



Dr. G.N. (Gerry) Kiefer

The President's Letter

April 13, 2007

Dear Member:

I have appreciated meeting with Alberta Medical Association (AMA) members at our President's Tour meetings and through our videoconferences. In talking to you face-to-face and responding to your emails, we have endeavored to answer your questions and have heard your comments about the tentative agreement.

The dominant question was, "How will the 9.2% (4.5% and 4.5% compounded) increase to the Schedule of Medical Benefits (SOMB) be allocated?"

As a point of information, it is usual for physicians across Canada to vote on a negotiated agreement without knowing the specific allocation in advance.

Allocation

Each financial agreement provides an amount negotiated for the global SOMB budget; allocation follows as a separate process. In Alberta, allocation is a trilateral process involving the three parties to the agreement (Alberta Health and Wellness, AMA and the regional health authorities).

Allocation is one of the key factors in moving the profession toward intra- and inter-sectional fee equity. Fee equity and allocation processes and principles were featured in an article in the March/April issue of the *Alberta Doctors' Digest*.

Allocation is, of course, contingent on the tentative agreement being ratified in the April 17 ballot count. The processes described below are under way to avoid delays in implementing fee increases and new programs if the tentative agreement is ratified.

Macro-allocation (Funds allocated to sections and to specific items)

The AMA's Fees Advisory Committee and the AMA's Schedule of Medical Benefits Subcommittee have completed the groundwork for the macro-allocation, which determines each section's total percentage increase.

The committees base their recommendations on previously established AMA allocation priorities, which specify funds for:

- Targeted increases to specific fee-schedule items (where the committees believe that the items should not be wholly funded from section-based allocations)
- Sections:
 - Funds to support section-based overhead costs
 - Funds allocated to each section per full-time-equivalent (FTE) physician

Distribution of macro-allocation funds results in a differential allocation across sections because:

- The impact of funds for targeted items varies by specialty
- Overhead costs vary by specialty
- As funds are allocated on the same dollar-per-FTE basis, lower-income sections will typically benefit more in percentage terms than higher-income sections.

At its April 20 meeting, the AMA Board of Directors will consider the committees' recommendations for distributing funds. The board will then provide direction to AMA representatives on the trilateral Physician Services Committee (PSC), which makes allocation decisions.

Micro-allocation (Funds allocated by sections)

Since fall 2006, AMA staff have worked with sections on their internal priorities for allocation (micro-allocation), ensuring that these priorities are consistent with the relative value of fees within the section (intra-sectional relativity). By the February 28 deadline, AMA had received direction and requests from all sections for their micro-allocations.

Each section will allocate the funds it receives to the rates, rule changes and new fee items it has identified. The trilateral PSC provides final approval of sectional micro-allocations.

Family physician office visit fee

Family physicians have enquired about the value of the office visit fee (03.03A) if the tentative agreement is ratified. As described above, there are several steps and approvals (AMA board, PSC) required to finally establish the value of each fee item. So, at this point, the value of the 03.03A has not been determined.

For more information on Section of General Practice funding priorities, family physicians should contact their section president by emailing gppres@albertadoctors.org.

Timelines

The target date for implementing fee increases is July 1, if the tentative agreement is ratified. The trilateral committees are also currently reviewing how to distribute retroactive payments.

I trust that this information will assist your understanding of the process for allocation. AMA will keep you informed as allocation decisions are made.

New programs

The tentative agreement also includes two new programs: the Retention Benefit and Clinical Stabilization Initiative.

The **Retention Benefit** was negotiated:

- To help retain physicians in Alberta
- As a way to acknowledge a physician's years of service in Alberta, and
- To provide a per-physician allocation

This benefit is personal. It is based on the years you have provided medical care and services to Albertans. It comes straight to you based on your years of service and your payments received for eligible services. The first retention benefit payment will be made in February 2008. It will be based on your 2006 eligible income, and requires that you were practising in Alberta on December 31, 2007.

The **Clinical Stabilization Initiative** will fund three areas:

- Under-serviced areas – a provincial framework is to be finalized by June 2007. The value will depend on the number of physicians involved.
 - The AMA has been working on under-serviced areas since last fall. The AMA Under-serviced Areas Working Group will meet again this Saturday in Edmonton.
- Communities in crisis – Master Committee will make decisions on this funding to ensure timely decisions when required.
- Business costs – \$17 million will support practices where business costs are having an impact on stability and attractiveness, e.g., overhead costs.
 - The AMA will establish a working group to develop proposals for distributing the \$17 million.

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Following the ballot count on April 17, the AMA will update members by email on the outcome of the tentative agreement ratification vote.

Provincial smoking ban

Several weeks ago, Alberta Health and Wellness Minister Dave Hancock told Albertans he was considering a province-wide ban on smoking in public places.

The AMA strongly encourages the Alberta Government to bring forward legislation for a province-wide smoking ban during the spring sitting of the Alberta legislature. Now is the time to settle the smoking issue, once and for all.

The AMA has long lobbied for smoke-free airplanes, smoke-free workplaces and smoke-free schools. Despite our past efforts, however, Alberta is quickly falling behind the rest of Canada in protecting us from the dangers of second-hand smoke.

Delegates at the Spring 2007 Representative Forum passed a resolution calling on the Government of Alberta to proceed as soon as possible with comprehensive, province-wide tobacco control legislation that:

- Establishes smoke-free public places and workplaces
- Increases tobacco taxes
- Restricts display and promotion of tobacco products at the retail level
- Provides additional targeted funding for tobacco control programs, including smoking cessation treatment programs.

Alberta physicians are putting Patients First[®] by encouraging and supporting a province-wide smoking ban in public places.

Yours truly,

G.N. (Gerry) Kiefer, MD, FRCSC
President

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