



The President's Letter

Dr. Darryl D. LaBuick



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June 9, 2008

Dear Member:

In recognition of the delay in finalizing negotiations, the parties to the trilateral Master Agreement – Alberta Medical Association (AMA), Alberta Health and Wellness (AHW) and regional health authorities (RHAs) – have agreed to expand the continuance of the agreement.

Continuance refers to conditions in place as an agreement is being negotiated and is not a replacement for a negotiated settlement. The new continuance provisions will result in:

- A 2.5% across-the-board increase to the Schedule of Medical Benefits and all alternate relationship plans (ARPs) effective April 1, 2008, and with payments retroactive to this date.
- An additional \$20 million for the Primary Care Initiative (from which primary care networks are funded) for a total of \$112 million.
- An additional \$30 million for ARPs for a total of \$267 million.

It is important to note that these provisions were not reached at the negotiating table and are not final numbers for Negotiations 2008, but they will be taken into account, credited to and form part of the final package.

Negotiations, therefore, will continue and these continuance provisions are without prejudice to the negotiating positions of each of the three parties. In the view of the AMA, for example, more than 2.5% is required effective April 1, 2008. All parties also retain the right to arbitration.

The 2.5%, however, provides some financial support for you and all other physicians as we continue to negotiate a new, three-year fiscal agreement (April 1, 2008 – March 31, 2011).

As you know, the AMA presented its proposal for Negotiations 2008 last December. The government's attention to pre-election, election and post-election events have delayed a response from Alberta Health and Wellness.

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At its meeting last week, the Alberta Medical Association Board of Directors endorsed these decisions. Members of the Master Committee are Michael A. Gormley, AMA's executive director; Paddy Meade, AHW's deputy minister; and Sheila Weatherill, Capital Health's CEO, representing the health authority.

The AMA's goal is to reach a negotiated agreement in a timely manner. Any of the three parties, however, has the right to arbitrate and the AMA will prepare for arbitration to ensure a timely completion of Negotiations 2008.

Again, I must emphasize that the 2.5% is an interim increase and is subject to further negotiations.

The AMA will continue to keep you informed about Negotiations 2008 with my *President's Letter* and the new electronic *MD Scope*. Later this week you will receive the first issue of *Focus on Negotiations*, which will feature snapshots of issues and facts related to negotiations.

Yours truly,

Darryl D. LaBuick, MD, CCFP
President