

The President's Letter

Dr. G.N. (Gerry) Kiefer



January 9, 2007

Dear Member:

The benchmark for an acceptable two-year fiscal agreement (April 1, 2006–March 31, 2008) has changed drastically since Negotiations 2006 began in late 2005. Inflation and overhead costs have far outstripped the last fee increase more than 15 months ago – an average of 3.5% on October 1, 2005.

This was foremost in the minds of the members of the Board of Directors when they met in December to review the direction for negotiations.

The opportunity to expedite an agreement now rests with the new government of Premier Ed Stelmach and Health and Wellness Minister Dave Hancock. In a November 29, 2006 letter, Premier Stelmach stated:

“I give you my commitment that, as Premier, one of my early priorities will be to move these negotiations forward as quickly as possible.”

In previous letters, my predecessor, Dr. Tzu-Kuang (T.K.) Lee, and I have outlined the financial pressures facing physicians as a result of Alberta’s economic tsunami driven by the oil-and-gas sector – massive increases in office overheads (e.g., lease and rental costs, the loss of staff lured by higher salaries) threatening the viability of physician practices!

As well, thousands of Albertans cannot find a family physician; and thousands wait weeks or months, and sometimes even longer than a year, to have care provided by a specialist after a referral from their family physician.

In the face of national and international competition for physicians, Alberta’s shortage of more than 1,000 physicians is predicted to become even worse in the next few years.

The Alberta Medical Association’s desire is to resolve these issues of access and physician scarcity through the trilateral process: Alberta Medical Association (AMA), Alberta Health and Wellness (AHW) and the regional health authorities (RHAs). Please be assured that efforts are ongoing in various venues!

Our proposals reflect the considerable research, discussion and debate by the Representative Forum (RF), the Board of Directors and the Negotiating Committee, and the concerns, input and feedback from many AMA members.

So, what might it take to fashion an acceptable two-year agreement (which, itself, will expire just over a year from now)?

- **Compensation** – Fees need to increase so that physicians can compete for office staff, cover overhead costs and have an income that reflects our education, our training and our responsibilities. Under Medicare, governments are responsible for physician fees. If the marketplace was involved, Alberta physicians would have raised their fees months ago.
- **Physician Services Budget (PSB)** – Increases to this budget need to reflect increases in fees and in alternate relationship plans, as well as increases in Alberta's population and utilization of physician services.
- **Recruitment and retention** – Alberta, Nova Scotia and Prince Edward Island are the only three provinces that do not have initiatives to recruit and retain physicians. The AMA has proposed a flexible account that would recognize years of service in Alberta, in addition to current programs, e.g., reimbursement for medical liability (CMPA) and for continuing medical education.
- **Under-serviced areas** – Some locations have greater difficulty attracting and keeping physicians. The AMA sees great value in a provincial framework to identify and reward physicians practising in under-serviced areas. For communities in crisis, however, an expeditious short-term approach may be required. (The AMA's Board of Directors is finalizing a position statement on under-serviced areas.)
- **Commitment to innovation** – Innovation should be much more than a pilot project or a short-term initiative. For example, primary care networks (PCNs), the partnership between family physicians and RHAs, are a unique, made-in-Alberta approach to primary care – especially the teams with nurses, pharmacists and other providers. Success requires a long-term financial commitment to the PCN model.
- **Office computerization** – Alberta is in danger of losing its No. 1 ranking as the North American leader in computerizing physician offices. The Physician Office System Program (POSP) provides funding for 48 months; since negotiations began, about 50% of physicians have been dropped off. Office computerization is an ongoing overhead cost. POSP is simply a means to recognize this while encouraging physicians to computerize. Stable, long-term funding for physicians is required.

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An important result of the POSP success story has been the development of electronic medical records, replacing the traditional paper file with a patient's information in the physician's office. (The AMA's Board of Directors is finalizing a position statement on the electronic medical record.) As the e-health agenda evolves, vital decisions will have to be made around patient privacy and data stewardship.

President's Tour

In late January I will begin holding meetings on the state of Negotiations 2006. (My New Year's wish was that I would have a tentative agreement to report.) I look forward to meeting you and listening to your comments. I also appreciate the cooperation of the presidents of the regional medical organizations in organizing the schedule. It is:

January 29 - Grande Prairie
February 7 - Calgary
February 12 - Red Deer
February 15 - Edmonton
February 20 - Medicine Hat
February 21 - Lethbridge
February 22 - Fort McMurray

This week the AMA distributed *Maintaining the Alberta Advantage: Alberta's Boom and the Threat to Physician Supply* to all MLAs and RF delegates. It is also available on the AMA website at <http://www.albertadoctors.org/TrilateralAgreement/Negotiations>.

I also wish to thank those physicians who have written their MLA, the premier and the minister of health and wellness (with a copy to the AMA). Your efforts help the government to appreciate the problems facing physicians and Alberta's health care system.

With your ongoing support and assistance, we have the opportunity to achieve an agreement that will enable all of us to focus on building a health care system that puts Patients First®.

Yours truly,

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

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