

# The President's Letter

Dr. Noel W. Grisdale



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Dear Member:

The Alberta Medical Association (AMA) Board of Directors has agreed that the tentative agreement for Negotiations 2008 should be sent to the membership of the AMA for a ratification vote, **with the recommendation to accept**. The board's decision was based on advice from the Representative Forum (RF) at a special meeting today in Edmonton.

If ratified, this agreement – between Alberta Health and Wellness, the AMA and Alberta Health Services – will cover the period April 1, 2008 to March 31, 2011, the third of three fiscal agreements under the eight-year trilateral master agreement.

My November 28 *President's Letter* provided some high-level details about the tentative agreement that I will recap here.

The proposal sets the overall Physician Services Budget at \$2.6 billion for 2008-09; \$2.9 billion in 2009-10; and \$3.1 billion in 2010-11. (To put these numbers in perspective, the 2007-08 budget was \$2.32 billion.)

- Fee increases
  - 5% in 2008-09 (retroactive to April 1)
    - includes interim 2.5% applied across-the-board
  - 5% in 2009-10
  - 4.5% in 2010-11
- Volume increases to cover rising patient or physician numbers
  - 3.2% in 2008-09
  - 4% in 2009-10
  - 3.8% in 2010-11

...2

- Improvements or continuation of all existing benefits, including:
  - Continuing medical education
    - To \$2,500 per eligible physician per year from the current \$1,300
  - Retention benefit
    - Increase 10% in each of 2008-09 and 2010-11
- Improvements or continuation of all existing programs, including:
  - Rural, Remote, Northern Program
  - Business Costs Program
- Increase to Physician On-Call Program payment rates
  - 5% in 2009-10
  - 3% in 2010-11
  - Any savings identified through ongoing program redesign will be applied to payment rates in 2010-11

**Please see the attached *Highlights* document for further information and new details.** Additionally, I would like to comment on a few specific issues.

### **Physician Office System Program and electronic medical records**

There's no question that the hot-button issue in the last six months of Negotiations 2008 was the Physician Office System Program (POSP). Physicians kept my phone ringing and my inbox full, asking how they would be supported in making a transition from a current electronic medical record (EMR) to one of the products that will be announced in 2009 following the request for proposal process to select a reduced number of POSP-eligible EMRs.

The AMA has remained steadfast that EMRs are a critical part of Alberta's e-health system and an integral component of delivering quality care. Making a change from one EMR to another is a significant and complex task. Therefore, if the system requires physicians to change EMRs, then the system must pay for those costs.

Accordingly the tentative agreement provides direct financial support for the transition.

- \$20,000 per physician, for making a change to a completely different, POSP-eligible EMR
- \$5,000 per physician, for upgrading from one EMR to the expanded POSP-eligible product from the same vendor, on an ASP platform

If experience and evidence over time so warrants, these overall amounts may be modified.

The three parties will begin discussions to explore the possibility of moving POSP from the trilateral master agreement. All three parties must agree on terms of the move by April 1, 2009. If this does not occur, then POSP remains within the trilateral budget through 2011.

## **Primary care**

As negotiations have continued, primary care networks (PCNs) have quietly been building momentum. Today there are 30 networks in operation involving 1,769 of Alberta's 2,991 family physicians. An astounding 1.9 million Albertans are receiving care through PCNs, benefiting from the expertise of multi-disciplinary, integrated teams and enjoying enhanced access to primary care.

The tentative agreement provides sufficient funding to continue the remarkable success story of PCNs, moving toward the vision that was first conceived with the 2003 master agreement of a PCN for every Albertan.

New in the tentative agreement is the Family Physician Performance and Diligence Indicator (PDI) Fund. This fund will be available for both PCN and non-PCN family physicians. It would provide \$37.13 million over two years to reward those who meet certain performance and diligence indicators.

The parties will work together to define these indicators and build the program. Recognizing that this is a large and complicated goal, the tentative agreement also provides for the money in this fund to be moved to other areas of primary care if a mutually satisfactory program cannot be designed and implemented to expend the fund.

## **Allocation**

At today's special Representative Forum meeting, delegates received a presentation on options for allocation under the tentative agreement – and then provided guidance to the board about how to proceed.

Members will receive more information in subsequent communication, in time for consideration before you vote.

The allocation of fee increases under any agreement is approved trilaterally at the Physician Services Committee. The AMA takes to that table a proposal made according to board policy and based on input from the Representative Forum and the sections.

## **Ratification process**

In pursuing the AMA's vision of Patients First<sup>®</sup>, the overarching theme of Negotiations 2008 was: *Access, Innovation & Doctors*. The Representative Forum and the Board of Directors believe that what has been proposed in the tentative agreement is consistent with that direction.

You will now have the opportunity to make a decision for yourself as you cast your vote. Watch for your ratification package, including a copy of the complete nine-page tentative agreement and your ballot for the vote. Our goal is to have the packages to you by January 2, with a voting deadline of **Monday, January 26, at 4:30 p.m.**

*The President's Letter*  
December 13, 2008  
Page 4

In January while members are reviewing the tentative agreement, there will be a seven-city Negotiations Tour plus videoconferences for those in rural, remote centres.

I look forward to meeting you at those meetings and hearing from you in the new year. It's the hope of the board and the RF that we will also hear from you with your Yes vote on the tentative agreement for Negotiations 2008.

Thank you for your continuing support. Please stay in touch.

Yours truly,

Noel W. Grisdale, MD, CCFP  
President

## HIGHLIGHTS

### Tentative Amending Financial Agreement April 1, 2008 to March 31, 2011 *Alberta Health and Wellness/Alberta Medical Association/Alberta Health Services Board*

#### MASTER PHYSICIAN BUDGET (MPB)\*

- 2008-09: \$2.59 billion
  - 2009-10: \$2.86 billion
  - 2010-11: \$3.07 billion
- \* MPB for 2007-08 was \$2.32 billion

#### INSURED SERVICES

##### Fee-for-Service/Alternate Relationship Plan (ARP) rate increases

- 2008-09: 5% effective April 1, 2008
- 2009-10: 5% effective April 1, 2009
- 2010-11: 4.5% effective April 1, 2010
  - 5% effective April 1, 2008 includes an interim 2.5% across-the-board increase to the Schedule of Medical Benefits and ARPs.
  - Amounts will be distributed among sections subject to allocation policies, priorities and process.

##### Other components

- **Volume:** The above budget amounts include allowances for anticipated increases in patient population, services or physician numbers (3.2%, 4%, 3.8% in respective years).
- **Infection prevention and control (IPC) standards:** The parties agree to study the costs of physician compliance with provincial IPC standards. Reasonable costs of compliance are to be determined and funding considered if the parties agree there is a net cost to physicians.
- **Urgent Care Centres (UCCs) and Advanced Ambulatory Care Centres (AACCs):** The parties agree to study the impact of payment rules within UCCs/ AACCs on community practice, and consider making adjustments for cost impacts identified and agreed on by the parties.

#### BENEFITS

##### Existing Benefits

- All existing benefit programs continue.
- Continuing Medical Education (CME) benefit increased from \$1,300 to \$2,500 per eligible physician per year, effective the 2008-09 benefit year.
- Retention Benefit rates to increase by 10% in 2008-09 and a further 10% in 2010-11.
  - Currently \$4,000 to \$10,000 based on years of service
    - 2008-09: \$4,400 to \$11,000
    - 2010-11: \$4,840 to \$12,100

##### Continuous Professional Learning

- Funding provided in 2009-10 and 2010-11 for a Learning Prescription Program to support CME activities. To be developed by the faculties of medicine at the University of Alberta and University of Calgary.

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## **BUSINESS COSTS PROGRAM (BCP)**

- BCP continued for the term of the agreement.
- A business costs study is underway that will provide information necessary to manage the program. The parties agree to review BCP in light of study results.

## **RURAL, REMOTE, NORTHERN PROGRAM (RRNP)**

- RRNP continued for the term of the agreement.

## **PRIMARY CARE INITIATIVE**

### **Primary Care Networks (PCNs)**

- Available funding to continue and expand PCNs.
- Family Physician Performance and Diligence Indicator (PDI) Fund
  - \$14.65 million in 2009-10 and \$22.48 million in 2010-11 for payments to family physicians (PCN and non-PCN) who meet specific performance and/or diligence indicators.
    - Recommendations on indicators, incentive levels, implementation, etc., will be developed through the Primary Care Initiative Committee with involvement of the Comprehensive Family Practice Strategy Steering Committee. The trilateral Master Committee will approve the program.
    - If the initiative cannot be designed and implemented in time to be expended within either 2009-10 or 2010-11, then the funding in the given year will be redirected to other areas of primary care.

## **PHYSICIAN ON-CALL**

- Funding to maintain Rural On-Call and Specialist On-Call programs
- On-call rate increases
  - 2009-10: 5%
  - 2010-11: 3%
- Any savings from program revisions to be applied to on-call rates in 2010-11

## **PHYSICIAN OFFICE SYSTEM PROGRAM (POSP)**

- POSP budget includes the first three years of an anticipated five-year transition process to POSP-eligible electronic medical record (EMR) products chosen by request for proposal (RFP).
- Direct, financial support for related costs of transition.
  - \$20,000 per physician, one EMR to an RFP-selected EMR
  - \$5,000 per physician, one EMR to same vendor, RFP-selected ASP platform
  - Allowances may be modified in the future based on global experience/evidence of transition impacts on physician practices
- The parties agree to work together to create an acceptable terms of reference document to facilitate moving POSP from the trilateral master agreement (TMA) by April 2009. POSP remains under TMA through 2011 if parties cannot reach agreement on the above by April 1, 2009.

