



Dr. G.N. (Gerry) Kiefer

# The President's Letter

December 21, 2006

Dear Member:

Negotiations 2006

At its meeting last Friday (December 15), your Board of Directors provided further guidance as to what is required in a new two-year fiscal agreement (April 1, 2006 – March 31, 2008) between the Alberta Medical Association (AMA), Alberta Health and Wellness (AHW) and the regional health authorities (RHAs).

Although negotiations have been protracted, the board foresees an opportunity to reach an agreement with the new Stelmach government and the minister of health and wellness, Dave Hancock.

The challenge is to make Alberta a desired place to practise medicine, especially at a time when the oil and gas tsunami and its inflationary wave are distorting the normal marketplace and threatening the viability of medical offices.

In January the AMA will publish *Maintaining the Alberta Advantage: Alberta's Boom and the Threat to Physician Supply*. It reviews the economic juggernaut, health care spending and physician supply, and contains 12 pages of data and graphs. It will be distributed to MLAs and posted on the AMA's website.

Nearly four dozen AMA members have emailed or written in response to the November 27 joint statement from the presidents of the Section of General Practice, Section of Rural Medicine and Alberta College of Family Physicians. A summary of their comments was provided to the AMA Board of Directors.

These family physicians outlined problems with escalating office overhead and the difficulties in trying to deliver care in today's environment. A number made specific reference to the importance of supporting the Physician Office System Program and the primary care networks.

Here are some excerpts:

- “We have seen a big increase in our overheads in the past year, mainly due to salaries for staff. It is impossible for us to compete with oil companies and we therefore have a big turnover in staff. It has a negative impact on our practice and morale. Reading your letter I realize that our situation is not isolated and I agree that this situation needs to be addressed urgently.”
- “There is NO Alberta advantage in health care. We get paid the same amount (or less) than other parts of Canada and our overheads are substantially higher. In the same way that as physicians we took a roll back of 5% years ago to pay off the debt, the province should now compensate us for the load we are taking during these ‘boom times’ when our costs of running a practice are staggering and our payments/fees have not risen accordingly. It is very stressful to work in Alberta today.”
- “I would respectfully ask you to strongly represent the Section of General Practice at the negotiations table. A 3-4% increase spread evenly across the schedule of medical benefits is inadequate, does not fairly reflect the pressures faced in the primary care community, and is unacceptable.”
- “I have been in rural practice for 26 and a half years now. I have never worked so hard to maintain my status quo (which, I hasten to add, has never been anything to write home about). I feel constantly on the edge of burn-out! I often feel that financially I am getting ‘behinder and behinder.’”

The AMA’s tracker survey for the last quarter (October, November, December) reinforces these sentiments.

- Only 7.1% of respondents agreed that “funding of the health care system is keeping pace with the province’s economic growth”; 81.5% disagreed and 11.2% were neutral.
- Only 11.5% agreed that “changes in the health care system during the past 12 months have improved my ability to meet the needs of my patients”; 49.6% disagreed and 36% were neutral.

As AMA members appreciate, the association commits considerable resources in order to be well-prepared for negotiations. This includes involvement of the Representative Forum, the Negotiating Committee, two-way communications with the membership and advocacy.

Being well prepared also requires attention to strategies and activities that may, or may not, be undertaken. Therefore, the board decided to establish a job action group that will be in place not only for Negotiations 2006 but also for Negotiations 2008. It is expected to hold its first meeting in January.

### **Allocation**

The Board of Directors also spent considerable time on the principles and process for the macro and micro allocations once an agreement is reached. The four objectives are:

- Patient access to quality medical care
- Fee equity, with fees reflecting time, intensity and complexity as well as expenses
- Fee schedule is kept current
- Compliance with the letter and spirit of the eight-year trilateral agreement

More information about allocation and fee equity will be provided in future issues of the President's Letter and in the Alberta Doctors' Digest.

### **New minister of health and wellness**

The appointment of Dave Hancock as Alberta's new minister of health and wellness sends a very strong signal about the Stelmach government's commitment to publicly funded health care. In his "21st century plan for health and health care," Mr. Hancock's first principle was: "No Albertan will be denied access to medically necessary health services because of inability to pay."

During the PC leadership race, Mr. Hancock met twice with AMA representatives and he responded to the 10 questions that the AMA had asked all candidates. Previously he had met with the AMA's Government Affairs Committee. I look forward to working with Mr. Hancock in building a health care system that puts Patients First®.

Premier Stelmach has given Mr. Hancock four specific priorities:

- "Implement health care productivity reforms and long term sustainability initiatives in consultation with health care professionals and regional health authorities.
- "Implement a comprehensive workforce strategy to secure and retain the health professionals needed over the next 10 years.
- "Implement a new pharmaceutical strategy to improve the management of government drug expenditures to ensure that Albertans have access to sustainable government drug coverage.

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- “Strengthen public health services that promote wellness and injury and disease prevention and provide preparedness for public health emergencies.”

I also extend best wishes to his predecessor, Iris Evans, who now is the minister of employment, immigration and industry; to the only physician in the government caucus, Dr. Lyle Oberg, who is the new minister of finance; and to Paddy Meade, who is continuing on as the deputy minister for Alberta Health and Wellness.

On behalf of the Board of Directors and the Representative Forum, I congratulate you for your ongoing commitment to your patients and I thank you for your support for the AMA's initiatives. During the holiday season, I hope that you will find time for relaxation and reflection. Best wishes for 2007.

Yours truly,

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

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