



Dr. G.N. (Gerry) Kiefer

# The President's Letter

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June 8, 2007

Dear Member:

My May 24 *President's Letter* addressed implementation of the allocation under the new trilateral financial agreement for 2006-08. Today, I am providing you with information about other components of the agreement. For each program/initiative, I have provided a reminder of the relevant highlights of the agreement and an update on timelines.

The Alberta Medical Association (AMA) is committed to having the agreement implemented quickly, fairly and on time. The physician representatives and staff who are working on the initiatives below are well prepared for the trilateral meetings with representatives of Alberta Health and Wellness and the regional health authorities.

## CLINICAL STABILIZATION INITIATIVE (CSI)

### The agreement

- Provides \$56.5 million for 2006-08
  - Under-serviced areas
  - Communities in crisis
  - Business cost program (\$17 million)

### What's happening

The trilateral CSI Working Group is due to report by June 30 with program proposals. At this group, the AMA is ably represented by:

- Dr. Leslie R. Cunning, a Black Diamond family physician and primary care network leader
- Dr. Connie L. Ellis, a family physician from Calgary who chairs the AMA's Committee on Uninsured Services
- Dr. Michel D. Sauvé, who practises internal medicine and critical care in Fort McMurray and is a Representative Forum delegate

The AMA has also established an internal CSI Advisory Group of physicians to assist the board with consideration of CSI issues.

In trilateral CSI discussions, the AMA is guided by three important position statements.

- Under-serviced areas: developed with input from a working group of physicians from around the province. It recommends:
  - Incentives for physicians in rural, remote and northern locations
  - Addressing the mal-distribution of physicians across the province. (The AMA recognizes that there are many parts of Alberta that are under-serviced, but not all will qualify.)
- Business cost program: based on discussions at the board and the AMA CSI Advisory Group. It suggests an approach based on market areas where business costs are affecting practice stability and attractiveness. The program is being reviewed trilaterally.
- Communities in crisis: also based on board and AMA CSI Advisory Group discussions. Ultimately, this program could be affected by the design of the other two programs.

The AMA is developing and analyzing conceptual options for the under-serviced areas and business cost programs (impact, costs, etc.).

As you can see, for its part the AMA is well equipped to make decisions at the trilateral table. Significant work remains, with all parties striving to meet the June 30 reporting deadline. The pace of implementation will be dependent on the ability of the three groups to reach consensus.

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

### **The agreement**

- Provides \$70.2 million for 2006-08
- Extends POSP funding for all Level Two (i.e., full electronic medical record) participants to March 31, 2008
  - Retroactive for those who had maxed out their initial 48 months of funding
- Requires physicians to meet various requirements
- May extend funding for all participants to March 31, 2011, contingent upon the release of a request for proposal (RFP) to select vendors
  - A smaller pool of vendors is expected to result from the RFP

### **What's happening**

There are many discussions underway in order to deal with the above provisions. The AMA continues to represent physicians regarding the RFP, the best way to make the transition from one vendor to another, etc.

In the meantime, the AMA expects retroactive payments to be available in August for Level Two physicians who meet the requirements. These payments, however, are still under discussion for entry-level participants (i.e., Levels 1 and 1.5 with no EMR), as well as for community-based radiologists. We understand that the POSP office will be contacting physicians affected by the retroactive funding.

POSP will be accepting new enrollees in July. Please note, though, that due to uncertainty about the outcome of discussions, we recommend that physicians who are considering applying should first discuss the opportunity with POSP staff – unless you are (i) moving to an existing POSP practice or (ii) joining an existing group of POSP participants in your current practice.

Contact POSP at 780.452.1616, toll free 1.866.817.3875 or email [posp@albertadoctors.org](mailto:posp@albertadoctors.org).

## **RETENTION BENEFIT**

### **The agreement**

- Provides \$47 million for 2007-08
- Creates an incentive for recruitment and retention by rewarding physicians who practise and stay in Alberta
- Pays out in February 2008
  - Based on eligible income for 2006 calendar year
  - You must be in practice on December 31 of benefit year
- Pays annually, no retroactivity
- Rewards years in practice in four categories: one-to-five years; six-to-15 years; 16-25 years; 26+ years
- Provides full payments for eligible income above \$80,000 per year, prorated in four categories between \$10,000 and \$79,999 per year

### **What's happening**

A trilateral Retention Benefit Working Group is developing the program. Particularly, the group is dealing with questions that physicians have raised, including:

- What it means to be “in practice” on December 31 of the benefit year
- Which income sources are included as eligible income

Details are still being worked out, but program development is on schedule for February 2008.

## **PRIMARY CARE INITIATIVE (PCI)**

### **The agreement**

- Provides \$175.5 million for 2006-08
- Establishes funding for all those wanting to set up a primary care network (PCN)

## **What's happening**

PCN development and implementation continue. There are 19 operational PCNs across the province. Two applications for expansion have been approved, eight additional groups are actively engaged in business planning and four more have submitted letters of intent.

A call for new letters of intent was issued this week, with an August 31 deadline. The trilateral Primary Care Initiative Committee is also working on various issues including enrollment, with a review of funding mechanisms and alternatives to formal enrollment and proration.

## **ALTERNATE RELATIONSHIP PLANS (ARPs)**

### **The agreement**

- Provides a total insured services budget of \$2 billion for 2007-08
  - Creates two separate elements within the Physician Services Budget:
    - Fee for service (FFS) – \$1.8 billion
    - Alternate relationship plans – \$185 million

### **What's happening**

At the recommendation of the trilateral ARP Subcommittee, payments to ARP physicians will mirror the increases applied to their respective section allocations under fee for service.

The Physician Services Committee is working with the Secretariat and Master Committee regarding a proposal to:

- Clarify the intended use of the ARP element funds
- Prioritize ARP proposals
- Confirm decision-making processes

A special committee was established to recruit a consultant (by mid-June) to develop a design and processes for an ARP project management office, funded by the agreement.

## **PHYSICIAN ON-CALL PROGRAMS (POCP)**

### **The agreement**

- Provides \$158 million for 2006-08

### **What's happening**

Following last year's review and audit, the trilateral Physician On-Call Programs Committee has approved a consensus report on the program. Processes will now be finalized to implement the new program design.

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Early work for implementation will include review of new on-call programs and appeals from 2006-07. The new program criteria will be distributed in the next few weeks to physicians involved. Further details will follow.

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In my last letter, I concluded by saying that swift implementation of the agreement is the AMA's priority. With the work of physician representatives and staff, the AMA is prepared and positioned to move forward on the decisions that need to be made at the trilateral table.

As we do so, I hope this letter clarifies what you can expect and when, as well as the complexity of the work and the scope of the resources the AMA is applying to agreement implementation on your behalf.

We will keep you informed as work progresses and if any change occurs to the timelines I've presented today.

Yours truly,

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

**P.S.** If you require more background detail on the agreement than is provided here, please see the summary document provided with the March 13 *President's Letter*:  
<http://www.albertadoctors.org/PresLetter/Index>