

ALBERTA MEDICAL ASSOCIATION AGREEMENT

(“AMA Agreement”)

Made Effective April 1, 2011

BETWEEN:

Her Majesty the Queen

in Right of Alberta,

as represented by the Minister of Health

(“AH”)

- and -

Alberta Medical Association

(C.M.A. Alberta Division)

(“AMA”)

RECITALS:

- A. AMA’s members comprise the vast majority of the practicing physicians in the Province of Alberta.
- B. AMA and AH have a long history of collaboration and cooperation regarding health care matters in general and medical services in particular.
- C. AMA and AH have completed extensive discussions concerning matters of significance to Alberta’s physicians including sources of revenue for physicians, physician compensation for the provision of Insured Medical Services and plans and programs which exist for the benefit of physicians.
- D. AMA and AH now wish to create, through the provisions of this AMA Agreement, the principles, processes and agreements which will apply to and which will govern a long term financial and working relationship between AH and Alberta’s physicians, as represented by AMA.

THEREFORE each of AMA and AH promise and agree with the other as follows:

1. Definitions

(a) "Agreement" or "AMA Agreement" means this Alberta Medical Association Agreement and all schedules attached, all as might be amended from time to time in accordance with the provisions hereof.

(a.1) "AHS" means Alberta Health Services.

(b) "ARP" means an Alternative Relationship Plan as defined in the *Medical Benefits Regulation* including the clinical Insured Medical Services component of an Academic Alternative Relationship Plan.

(b.1) "Benefits" means benefits as defined in the Alberta Health Care Insurance Act, as may be amended from time to time.

(b.2) "Contingencies" means the amount of AH expenditures in a fiscal year relating to Physicians, including payments for the provision of Insured Medical Services, that are solely attributable to any of the following:

(i) unilateral new programs initiated by either AH or AHS which increase net utilization (e.g., wait list reduction);

(ii) extraordinary public health measures (e.g., SARS);

(iii) actions taken at AH's sole discretion such as the addition of new insured services into the SOMB;

(iv) AHS off-loading of Physician services to the Physician Services Budget; and

(v) any other contingency as agreed to by the Management Committee.

(c) "Effective Date" means 12:01 a.m. April 1, 2011.

(d) "Insured Medical Services" means insured services provided by the Alberta Health Care Insurance Plan and paid for directly by AH.

(e) "Physician" means a physician as defined in the *Alberta Health Care Insurance Act*.

(f) "Physician Assistance Programs" means those non-evergreen programs and benefits identified in Article 3(a)(iv) of this Agreement.

(g) "Physician Compensation Programs" means fee-for-service compensation under the SOMB and alternate funding under ARPs, both with respect to the provision of Insured Medical Services.

(g.1) "Physician Services Budget" means all AH expenditures relating to Physicians including, but not limited to, payments for the provision of Insured Medical Services, payments for Physician Support Programs and payments for Physician Assistance Programs, but does

not include payments provided by AH to AHS for the purpose of AHS funding of Insured Medical Services.

(h) "Physician Support Programs" means those evergreen programs and benefits identified in Article 3(a)(iii) of this Agreement.

(i) "Price" means the amount payable in Canadian dollars to or for a Physician under a Physician Support Program or a Physician Assistance Program.

(j) "Rate" means the amount payable in Canadian dollars established by the Minister for payment under Physician Compensation Programs.

(k) "SOMB" means the Schedule of Medical Benefits as defined in the *Medical Benefits Regulation*.

(l) "2015/16 Actual Expenditures" means the amount of AH's actual expenditures relating to Physicians for the 2015/16 fiscal year, as of June 30th, 2016. For clarity, the 2015/16 Actual Expenditures do not include the 2015/2016 AHS payments for Physician services and expenditures relating to the ARP conditional grant and program support and Physician development programs (the Medical Resident Services Allowances, Rural Physician Action Plan, Alberta International Medical Graduate Program; Postgraduate Medical Education Program and Internationally Education Health Professionals Program).

(m) "2016/17 Actual Expenditures" means the amount of AH's actual expenditures relating to Physicians for the 2016/17 fiscal year, as of June 30th, 2017. For clarity, the 2016/17 Actual Expenditures do not include the 2016/2017 AHS payments for Physician services and expenditures relating to the ARP conditional grant and program support and Physician development programs (the Medical Residents Services Allowances, Rural Physician Action Plan, Alberta International Medical Graduate Program; Postgraduate Medical Education Program and Internationally Educated Health Professionals Program).

(n) "2016/17 Available Amount" means the total of:

2015/16 Actual Expenditures **plus**

(the greater of 0% and 2016/17 COLA) x 2015/16 Actual Expenditures **plus**

2016/17 Physician Growth **plus**

2016/17 Contingencies.

(o) "2017/18 Available Amount" means the total of:

2016/17 Available Amount **plus**

(the greater of 0% and 2017/18 COLA) x 2016/17 Actual Expenditures **plus**

2017/18 Physician Growth **plus**

2017/18 Contingencies.

(p) "2016/17 Holdback" means the 2016/17 Retention Benefit;

(q) "2017/18 Holdback" means the total of:

2017/18 Retention Benefit **plus**

the greater of \$0 and the Agreed Increase for 2017/18 [i.e. COLA, pursuant to subsection 5(b)(iii)] [held in abeyance pursuant to subsection 5(g)(ii)].

(r) "2016/17 Physician Growth" means the total of:

$$[(A - B) + (C - D)] \times \$200,000$$

Where:

A = the number of Physicians who received payment of Benefits for the provision of Insured Medical Services through participation in a clinical ARP or academic ARP in the 2016/17 fiscal year (as at the date of service of March 31, 2017 and paid by June 30, 2017)

B = the number of Physicians who received payment of Benefits for the provision of Insured Medical Services through participation in a clinical ARP or academic ARP in the 2015/16 fiscal year (as at the date of service of March 31, 2016 and paid by June 30, 2016)

C = the number of Physicians (excluding any Physicians counted in A) who submitted claims for fee-for-service Benefits to AH in excess of \$50,000 in the 2016/17 fiscal year (as at the date of service of March 31, 2017 and paid by June 30, 2017)

D = the number of Physicians (excluding any Physicians counted in B) who submitted claims for fee-for-service Benefits to AH in excess of \$50,000 in the 2015/16 fiscal year (as at the date of service of March 31, 2016 and paid by June 30, 2016)

(s) "2017/18 Physician Growth" means the total of:

$$\{[(A - B) + (C - D)] \times \$200,000\} + \{[(E - F) + (G - H)] \times \$164,000\}$$

Where:

A = the number of Physicians who received payment of Benefits for the provision of Insured Medical Services through participation in a clinical ARP or academic ARP in the 2017/18 fiscal year (as at the date of service of March 31, 2018 and paid by June 30, 2018)

B = the number of Physicians who received payment of Benefits for the provision of Insured Medical Services through participation in a clinical ARP or academic ARP in the 2016/17 fiscal year (as at the date of service of March 31, 2017 and paid by June 30, 2017)

C = the number of Physicians (excluding any Physicians counted in A) who submitted claims for fee-for-service Benefits to AH in excess of \$50,000 in the 2017/18 fiscal year (as at the date of service of March 31, 2018 and paid by June 30, 2018)

D = the number of Physicians (excluding any Physicians counted in B) who submitted claims for fee-for-service Benefits to AH in excess of \$50,000 in the 2016/17 fiscal year (as at the date of service of March 31, 2017 and paid by June 30, 2017)]

E = the number of Physicians who received payment of Benefits for the provision of Insured Medical Services through participation in a clinical ARP or academic ARP in the 2016/17 fiscal year (as at the date of service of March 31, 2017 and paid by June 30, 2017)

F = the number of Physicians who received payment of Benefits for the provision of Insured Medical Services through participation in a clinical ARP or academic ARP in the 2015/16 fiscal year (as at the date of service of March 31, 2016 and paid by June 30, 2016)

G = the number of Physicians (excluding any Physicians counted in E) who submitted claims for FFS Benefits to AH in excess of \$50,000 in the 2016/17 fiscal year (as at the date of service of March 31, 2017 and paid by June 30, 2017)

H = the number of Physicians (excluding any Physicians counted in F) who submitted claims for FFS Benefits to AH in excess of \$50,000 in the 2015/16 fiscal year (as at the date of service of March 31, 2016 and paid by June 30, 2016)

(t) "2016/17 Reconciliation Gap" means the total of:

2016/17 Actual Expenditures **minus** 2016/17 Available Amount.

(u) "2017/18 Reconciliation Gap" means the total of:

2017/18 Actual Expenditures **minus** 2017/18 Available Amount.

2. Recognition of AMA

(a) AMA is recognized as the sole and exclusive representative of all physicians who are authorized to practice medicine in the Province of Alberta for the scope, purposes and term of this AMA Agreement; and

(b) upon the written request of AMA, AH will work towards entrenching a general recognition of AMA within an appropriate legislative framework.

3. Scope and Purpose(s)

(a) This AMA Agreement will apply to:

(i) physician compensation for the provision of Insured Medical Services wherever those services are provided,

(ii) the Rates described in the SOMB and in ARPs,

(iii) Prices associated with any or all of the following Physician Support Programs:

- Continuing Medical Education,
- Medical Liability Insurance,
- Parental Leave,
- Physician and Family Support,
- Compassionate Expense,
- Physician Locums (Regular and Specialist),
- Practice Management,

(iv) Prices associated with any or all of the following Physician Assistance Programs:

- Physician On-Call,
- Physician Learning,
- Program Management Offices,
- Towards Optimized Practice,
- Business Cost,
- Retention Benefit,
- Rural Remote Northern;

(b) without limitation, this AMA Agreement does not apply to:

- (i) the setting of health care policy which policy is within the sole discretion of the Government of Alberta to decide,
 - (ii) the setting of the annual budgets for expenditures relating to physicians including payments for the provision of Insured Medical Services (the Annual Budgets),
 - (iii) the management, from time to time, of the Annual Budgets,
 - (iv) the Electronic Medical Record completion program and any new approach or plan arising therefrom or thereafter,
 - (v) subject to paragraph 3(a)(i) hereof, Primary Care Networks, Primary Care Networks 2.0 and Family Care Clinics, and
 - (vi) any and all consultation agreements which arise out of Section 4 hereof (i.e. each of the consultation agreements will stand on its own, are not linked to and do not form part of this AMA Agreement and are not subject to Schedule 5 - Dispute Resolution); and
- (c) the scope and purposes of this AMA Agreement may be added to or deleted from by subsequent written document agreed to and signed by both AMA and AH.

4. Consultation with AMA

- (a) For health matters that touch and concern Physicians but which are not within the stated scope and purposes of this AMA Agreement, such as those matters referred to in sections 3(b)(iv) and 3(b)(v) hereof, AH will consult with and seek the advice of AMA, from time to time. In this regard:
- (i) AMA and AH will initially negotiate and sign agreements describing the parameters of the consultation process for each of Electronic Medical Records, Primary Medical Care/Primary Care Networks and System-Wide Efficiencies and Savings;
 - (ii) AMA and AH will undertake the activities contemplated within Schedule 7 of this Agreement; and
 - (iii) AH will consult with the AMA on various other items, including but not limited to: Physician resource planning; primary care evolution; health information technology and management; and system-wide appropriateness and evidence-based improvements.
- (b) For clarity, section 6 of the Agreement does not apply to any commitments undertaken pursuant to section 4, including those contemplated within subsection 4(i)-(iii) hereof.

5. Financial

(a) Funding for the following plans and programs (the “Grant Programs”) will be provided by AH to AMA according to grant agreements, which grant agreements will include an administrative fee payable to AMA in consideration for services regarding the management of each Grant Program and which grant agreements will align, from time to time, with the provisions described in the attached Schedule 6 – Details of Grant Programs:

- Compassionate Expense,
- Parental Leave,
- Physician and Family Support,
- Continuing Medical Education,
- Medical Liability Insurance,
- Physician Locums (Regular and Specialist)
- Physician Learning,
- Practice Management,
- Towards Optimized Practice,
- Retention Benefit,
- Program Management Offices;

(b)

- (i) Rates described in the SOMB and in ARPs;
- (ii) Prices associated with all Physician Support Programs (whether a Grant Program or not); and
- (iii) Prices associated with all Physician Assistance Programs (whether a Grant Program or not) will be subject to the following increases (the “Agreed Increases”):
 - effective April 1, 2011 to March 31, 2012 - 0%
 - effective April 1, 2012 to March 31, 2013 - 0%
 - effective April 1, 2013 to March 31, 2014 - 0%
 - effective April 1, 2014 to March 31, 2015 - 2.5%

- effective April 1, 2015 to March 31, 2016 - 2.5%
- effective April 1, 2016 to March 31, 2017 - COLA
- effective April 1, 2017 to March 31, 2018 - COLA

(c) for the purposes of this AMA Agreement, “COLA” means a cost of living adjustment equal to the average annual percentage change in the Alberta All Items Consumer Price Index as determined by Statistics Canada and as published in the December 2015 Consumer Price Index Report for the 2016/2017 financial year and in the December 2016 Consumer Price Index Report for the 2017/2018 financial year;

(d) within 90 days (or such longer period of time as the parties agree to) following the final approval and/or ratification and signing of this AMA Agreement by AH and AMA, AH will make a payment of \$68 million to AMA (or directly to Alberta’s physicians at AMA’s discretion) upon the following understandings:

- (i) this payment is a one-time only payment and will not create any future or ongoing financial liability on the part of AH, and
- (ii) after consulting with AH, AMA will determine how the funds are to be allocated and when the funds are to be paid to Alberta’s physicians; and

(e)

- (i) AH acknowledges that it has the responsibility for the funding impact of increases in expenditures for all Insured Medical Services and plans and programs beyond the Agreed Increases, including utilization increases; and
- (ii) AMA acknowledges that AH is not responsible for funding increases arising from errors made by the PCC in calculation for the pricing and introduction of new services or changes in description, rules and pricing.

(f)

(i) Notwithstanding anything in this AMA Agreement, including the Schedules, the parties agree to recommend to the Minister of Health changes to rules regarding the application of fee-for-service billing codes in the SOMB, pursuant to the timelines and process outlined in Schedule 8, the implementation of which the parties reasonably expect to result in an annualized \$100 million reduction in AH expenditures against these fee-for-service billing codes.

(ii) For clarity, the parties agree that the timelines and process outlined in Schedule 8, including recommendation to the Minister of Health for implementation, are not

subject to Schedule 4 of the AMA Agreement, including sub-paragraph 3(c)(iii) thereof, and do not require PCC involvement.

(iii) For clarity, the savings arising from the individual fee review process undertaken by PCC in 2015/2016 (the Fee Review Savings) constitute part of the \$100 million reduction contemplated in subsection 5(f)(ii) above and in Schedule 8. The parties agree that the Fee Review Savings are not subject to sub-paragraph 3(c)(iii) of Schedule 4 of the AMA Agreement.

(g) Each party agrees to work towards the 2016/17 Reconciliation Gap and 2017/18 Reconciliation Gap having values less than \$0. However, in the event these amounts are greater than \$0:

(i) the AMA acknowledges it is responsible for the financial impact of the 2016/17 Reconciliation Gap and 2017/18 Reconciliation Gap being greater than \$0 in the manner set out in subsection 5(j) of the AMA Agreement; and

(ii) notwithstanding anything in this AMA Agreement, AH will withhold payment of the amounts of the 2016/17 Holdback and the 2017/18 Holdback pending completion of the reconciliation process in each fiscal year set out in subsection 5(j) of the AMA Agreement.

(h) Notwithstanding subsection 5(b)(iii) of this AMA Agreement, the parties agree that, for the purposes of the 2017/2018 Holdback, the Agreed Increase of COLA for the 2017/2018 fiscal year will be held in abeyance for the purposes of subsection 5(j) and will not be applied on April 1, 2017, but may be implemented retroactively to April 1, 2017 pursuant to the reconciliation process.

(i) The Reconciliation Committee shall meet at least once every two months to monitor Actual Expenditures against Available Amounts (pro-rated for that two-month period).

(j) As soon as possible after the end of each of the 2016/17 and 2017/18 fiscal years but no later than June 30, the Reconciliation Committee shall meet to calculate the 2016/17 Reconciliation Gap and 2017/18 Reconciliation Gap respectively and shall reconcile funds as follows:

For 2016/17:

If the 2016/17 Reconciliation Gap is greater than the 2016/17 Holdback, AH shall retain the 2016/17 Holdback

If the 2016/17 Reconciliation Gap is greater than \$0 and less than or equal to the 2016/17 Holdback, AH shall retain the 2016/17 Reconciliation Gap from the 2016/17 Holdback and release the remainder of the 2016/17 Holdback to the benefit of Physicians and authorize the AMA to pay a full or pro-rated Retention Benefit to Physicians for the 2016/2017 fiscal year (depending on amount available) in

accordance with the relevant grant agreement, or in some other manner that the parties agree to.

For 2017/18:

If the 2017/18 Reconciliation Gap is greater than the 2017/18 Holdback, AH shall retain the 2017/18 Holdback.

If the 2017/18 Reconciliation Gap is greater than \$0 and less than or equal to the 2017/18 Holdback, AH shall retain the 2017/18 Reconciliation Gap from the 2017/18 Holdback and release the remainder of the 2017/18 Holdback to the benefit of Physicians in the following manner and order (depending on the amounts available):

- a full or pro-rated Agreed Increase of COLA for the 2017/2018 fiscal year will be accounted for and a retroactive adjustment made to the SOMB effective April 1, 2017; and
- a full or pro-rated Retention Benefit for the 2017/2018 fiscal year (depending on amount available) will be paid by the AMA to eligible Physicians in accordance with the relevant grant agreement.

6. Term

(a)

(i) the initial term respecting the financial matters discussed in subsections 5(b) and 5(c) hereof is from April 1, 2011 until March 31, 2018 (the "Initial Financial Term"), and

(ii) the financial matters discussed in subsections 5(b)(i),(ii) and 5(c) hereof are subject to renegotiation according to the provisions of the attached Schedule 1 - Financial Reopeners and Article I of Schedule 5 - Dispute Resolution;

(b) the term respecting the matters discussed in paragraph 3(a)(iv) hereof (whether a Grant Program or not) is from April 1,2011 until March 31, 2018 unless extended according to the provisions of the attached Schedule 2 - Extensions/Amendments and Article II of Schedule 5 - Dispute Resolution; and

(c)

(i) for all other matters within the scope and purposes of this AMA Agreement, the term is ongoing and will continue from April 1, 2011 until this AMA Agreement is ended by mutual written agreement of the parties or by operation of law (the "Evergreen Term"), and

- (ii) for certainty, the Evergreen Term applies to the financial matters discussed in subsection 3(a)(i),(ii),(iii) notwithstanding the expiry of the Initial Financial Term (or any subsequent financial term).
- (d) Notwithstanding subsection 6(a)(ii) and Schedule 1, the parties agree to commence negotiations as of the Effective Date of the Amending Agreement. The parties will exchange written details of the matters within the scope of the Agreement desired to be negotiated, which are not restricted to the Financial Matters. For the purposes of these negotiations, the parties acknowledge the AMA's continued representation of Physicians. The choice of the parties, or either of them, to negotiate matters beyond the Financial Matters shall not otherwise expand or in any way alter Schedules 1 or 5 of this Agreement.

7. Governance/Management Committee

The parties are of the opinion that it is essential to provide for a broad and general oversight responsibility and authority regarding the efficient and effective implementation and operation of the matters within the scope and purposes of this AMA Agreement. Accordingly:

- (a) there will be an AMA Agreement Management Committee (the "Management Committee") comprised of the then Deputy Minister of AH, the then Chief Executive Officer of AMA, and the then President and Chief Executive Officer of AHS. However, each of AH, AMA and AHS may, at its sole discretion, designate another representative to fill its respective position;
- (b) subject to the provisions of Article III of Schedule 5 - Dispute Resolution, the Management Committee will, amongst other things:
 - (i) have overall authority to manage those matters within the scope and purposes of this AMA Agreement including, without limitation, the roles, responsibilities and duties described in the attached Schedule 3 - Management Committee, and
 - (ii) operate and make decisions and recommendations by consensus.

8. Physician Compensation Committee

While the Management Committee has a broad and general oversight responsibility and authority over all the matters within the scope and purposes of this AMA Agreement, the parties agree to provide for a specific and focused authority regarding the physician compensation, plans and programs other than the Grant Programs which are within the scope and purposes of this AMA Agreement. Accordingly:

- (a) there will be a Physician Compensation Committee (the “PCC”) which is comprised of the members and which has the authority, roles, responsibility and duties all as described in the attached Schedule 4 - Physician Compensation Committee;
- (b) the PCC will take general direction from and will report to the Management Committee. However, within its agreed scope of authority described in Schedule 4 - Physician Compensation Committee, the PCC has independent decision making/recommendation power and its decisions/recommendations are not subject to an appeal to the Management Committee;
- (c)
 - (i) decisions/recommendations of the PCC will be made by majority vote. Notwithstanding the number of members that the PCC may have from time to time, for each decision/recommendation of the PCC there will be only three (3) votes cast (i.e. 1 for AMA, 1 combined vote for AH and AHS, and 1 for the Chair of the PCC); and
 - (ii) a quorum for the proper conduct of business by the PCC will be not less than one (1) AMA member, one (1) AH member, one (1) AHS member and the Chair; and
- (d) like the Management Committee, the PCC’s authority and decision/recommendation making power is subject to the provisions of Article III of Schedule 5 - Dispute Resolution.

8.1 Advisory Committee

- (a) There will be an Advisory Committee (the “AC”), for which the parties recommend to the MC that the formal terms of reference for the AC incorporate the principles as described in the attached Schedule 9 – Advisory Committee.
- (b) The AC will take general direction from and will report to the Management Committee.

8.2 Reconciliation Committee

- (a) There will be a Reconciliation Committee (the “RC”), for which the parties recommend to the MC that the formal terms of reference for the RC incorporate the principles as described in the attached Schedule 10 – Reconciliation Committee.

8.3 Appropriateness and Evidence-Based Improvements Committee

- (a) There will be an Appropriateness and Evidence-Based Improvements Committee (the “AEBIC”), for which the parties recommend to the MC that the formal terms of reference for the AEBIC incorporate the principles as described in the attached Schedule 11– Appropriateness and Evidence-Based Improvements Committee.
- (b) The AEBIC will take general direction from and will report to the Management Committee.

9. Entire Agreement

- (a) The Recital clauses and all attached schedules are incorporated into and will form an integral part of this AMA Agreement; and
- (b) it is acknowledged and confirmed that this AMA Agreement contains all of the promises and agreements of the parties regarding the scope and purposes of this AMA Agreement and that there are no other promises/agreements, oral or written between the parties regarding the provisions of this AMA Agreement.

10. Laws of Alberta

This AMA Agreement will be construed and will be interpreted according to the laws of the Province of Alberta, and, subject to the dispute resolution provisions of this AMA Agreement and specifically the provisions of Schedule 5 - Dispute Resolution, the Courts of the Province of Alberta will have exclusive jurisdiction regarding the interpretation and enforcement of this AMA Agreement.

11. Invalidity

The invalidity of any particular provision of this AMA Agreement will not affect any other provision and this AMA Agreement will be construed and enforced as if such invalid provision is deleted herefrom unless the invalid provision is a fundamental or material provision of this AMA Agreement.

12. No Waiver/Remedies

- (a) The failure of a party at any time to require strict performance by the other party of any obligation described herein will in no way affect the right to enforce such obligation thereafter; and
- (b) unless otherwise expressly stated in this AMA Agreement, a failure by a party to comply with or to perform its obligations described herein will entitle the other party, subject to the provisions of Article III of Schedule 5 - Dispute Resolution, to pursue all available remedies at law or in equity. Each party is able to pursue its available remedies either individually or in any combination.

13. Assignment

This AMA Agreement is not assignable in whole or in part by either party without the prior written consent of the other party, which consent may be arbitrarily and unreasonably withheld.

14. Enurement

This AMA Agreement will enure to the benefit of and be binding upon the parties and their respective successors and permitted assigns.

15. Amendment

This AMA Agreement may only be amended or altered in any of its provisions by written document signed and delivered by each party.

16. Words

- (a) Wherever and whenever the singular, plural, masculine, feminine or neuter is used in this AMA Agreement, the same will be construed as meaning the plural, singular, feminine, masculine, neuter, body politic or body corporate as the case may be;
- (b) a reference to an individual by his or her name of office means the individual appointed as the person holding that office from time to time or the successor of that office;
- (c) a reference to a statute or regulation or a provision thereof means the statute or regulation or provision as amended or superseded from time to time, except where otherwise expressly stated herein;
- (d) a reference to a person includes a body corporate and a reference to a Department includes the government of the Province of Alberta;
- (e) a reference to dollars or amounts of money means lawful money of Canada;
- (f) "herein" or "hereof" or "hereunder" and similar expressions when used in a Section will be construed as referring to the whole of this AMA Agreement and not to that Section only, unless otherwise expressly stated;
- (g) provisions expressed disjunctively will be construed as including any combination of two or more of them as well as each of them separately; and
- (h) any reference in this AMA Agreement, including Schedule 5 - Dispute Resolution, to dispute resolution, facilitation, mediation or any non-binding process shall not be construed as arbitration pursuant to Section 40 of the *Alberta Health Care Insurance Act*.

17. Minister of Health

In this AMA Agreement, except as otherwise expressly stated herein or as required by law, the Minister may, from time to time, perform, exercise, enforce or waive on behalf of the Department any of the rights, powers and privileges conferred on or enjoyed by the Department at law, in equity or by statute.

18. Interpretation

The headings of the Sections of this AMA Agreement are for reference purposes only and will not bear on the interpretation of the provisions herein.

19. No Contra Proferentem

The *contra proferentem* rule will not apply to the interpretation of this AMA Agreement.

20. Notices

Any notice required to be given pursuant to or under this Agreement shall be in writing and shall be deemed to have been well and sufficiently given if:

- (a) personally delivered to the party to whom it is intended or if such a party is a corporation to an officer of that corporation;
- (b) mailed by prepaid registered mail, to the address of the party to whom it is intended as hereinafter set forth; or
- (c) sent by facsimile, to the facsimile number of the party to whom it is intended to such address or facsimile number as a party may from time to time direct in writing.

21. No Fettering

Nothing in this AMA Agreement shall in any manner whatsoever fetter the legislative and regulatory power and authority of the Government of the Province of Alberta and/or the Minister of Health.

22. Signing/Delivery

- (a) This Agreement is subject to approval by AH and ratification by the members of the AMA by May 30, 2013.
- (b) This Agreement may be signed using one or more counterparts which together will constitute one original document. Once signed, including the use of counterparts, this Agreement may be delivered by facsimile transmission addressed to the other party. Such delivery will be as effective as if an originally signed document had been delivered.

23. Effective Date

Notwithstanding the date this AMA Agreement is signed, it will be effective from the Effective Date.

THIS AGREEMENT IS ENTERED INTO BY EACH OF THE UNDERSIGNED BY THEIR AUTHORIZED REPRESENTATIVE:

**Her Majesty the Queen in right of
Alberta as represented by the Minister
of Health**

Date

President, Alberta Medical Association

Date

SCHEDULE 1
FINANCIAL REOPENER(S)
(For Matters within the Evergreen Term)

The provisions of this Schedule apply to the financial matters discussed in subsection 5(b) and 5(c) of this AMA Agreement excepting those financial matters concerning the plans and programs described in paragraph 3(a)(iv) of this AMA Agreement (the “Financial Matters”):

1. The Initial Financial Term will expire as of the end of business on March 31, 2018 (the “Expiry Date”).
2. (a) Not earlier than one year prior to the Expiry Date and not later than six months prior to the Expiry Date, either party may serve notice upon the other party of its desire to commence negotiations (the “Notice”); and

(b) The Notice must provide details of the Financial Matters to be negotiated.
3. The parties will conduct good faith discussions/negotiations for a period of not less than three months from the date the Notice is received. The period of three months may be extended by written agreement of the parties (the “Time for Negotiations”).
4. If the parties have not reached agreement on a new financial deal during the Time for Negotiations, then either party may activate the applicable provisions of Schedule 5 - Dispute Resolution.
5. The provisions of this Schedule will apply, from time to time, to all subsequent financial negotiations arising from the expiry of successive financial deals during the Evergreen Term of this AMA Agreement.
6. After all successful negotiations (if any) of a replacement financial deal as contemplated by this Schedule 1 or after the binding arbitration process described in Schedule 5 has been utilized and has been completed with the issuance of an award by the arbitral tribunal, AH will prepare and the parties will sign and deliver a written amending agreement which:
 - (a) records the Annual Increase(s), the Financial Term and the fiscal/budget year(s) for the purposes of subsection 5(b) of this AMA Agreement;
 - (b) records any changes to subsection 5(c) of this AMA Agreement; and
 - (c) records the new “Expiry Date” for the purpose of paragraph of this Schedule 1.

SCHEDULE 2
EXTENSIONS/AMENDMENTS
(For Matters not within the Evergreen Term)

1. The provisions of this Schedule apply to:
 - (a) the Physician Assistance Programs described in paragraph 3(a)(iv) of this AMA Agreement;
 - (b) the Prices associated with any or all of the Physician Assistance Programs; and
 - (c) the extension or extensions of the initial term described in subsection 6(b) of this AMA Agreement which initial term is to expire as of the end of business on March 31, 2018 (the "Expiry Date").
2. The Expiry Date and subsequent expiry dates may be extended by written agreement of the parties.
3. The payments, benefits and/or subsidies associated with any or all of the Physician Assistance Programs may be added to/deleted from or otherwise amended by written agreement of the parties.
4.
 - (a) Not earlier than one year prior to the Expiry Date and not later than six months prior to the Expiry Date, either party may serve notice upon the other party of its desire to commence negotiations (the "Notice"); and
 - (b) the Notice must provide details of the matters described in paragraph 1 of this Schedule which are to be negotiated.
5. The parties will conduct good faith discussions/negotiations for a period of not less than three months from the date the Notice is received. The period of three months may be extended by written agreement of the parties (the "Time for Negotiations").
6. If the parties have not reached agreement regarding some or all of the matters to be negotiated during the Time for Negotiations, then either party may activate the applicable provisions of Schedule 5 - Dispute Resolution.
7. The provisions of this Schedule will apply, from time to time, to all subsequent discussions/negotiations arising from the expiry of any subsequent extended terms.
8. For certainty, if the dispute resolution process of Schedule 5 applicable to this Schedule 2 is activated and utilized, and if at the completion of the dispute resolution process there is no agreement by the parties to continue a Physician Assistance Program upon agreed terms, then that Physician Assistance Program will be at an end.

9. After all successful negotiations (if any) as contemplated by this Schedule 2 and whether mediated/facilitated according to the provisions of Schedule 5, AH will prepare and the parties will sign and deliver a written amending agreement which:
- (a) records the Physician Assistance Programs which are included in the financial deal;
 - (b) records the details of the financial deal including the agreed Prices associated with the affected Physician Assistance Programs;
 - (c) records the new "Expiry Date" for the purpose of subparagraph 1(c) of this Schedule 2; and
 - (d) records any other material matters forming part of the new financial deal.

**SCHEDULE 3
MANAGEMENT COMMITTEE
(Terms of Reference)**

Responsibilities and Deliverables

The Management Committee ("MC") will:

1. Ensure that the scope and purposes of this AMA Agreement are followed and implemented as intended.
2. Determine Contingencies for the purpose of calculating the 2016/2017 Available Amount and the 2017/2018 Available Amount.
3. Where possible, AH and AHS will advise the AMA when implementing any programs, measures, activities or policy changes, which may constitute Contingencies. The parties agree that any failure by AH to advise the AMA of such activity does not constitute a breach of any obligations under this AMA Agreement.
4. The MC shall direct the RC to develop a comprehensive process to quantify the costs associated with Contingencies.
5. Create sub-committees as the MC requires and set formal terms of reference for such subcommittees, including the AC, RC, and AEBIC.
6. Provide broad general direction to the PCC, AC, RC, and AEBIC including, without limitation, providing guidance regarding the priorities of and the tasks and work to be undertaken by the PCC, AC, RC, and AEBIC.
7. Ensure that the PCC, AC, RC, and AEBIC have sufficient resources to undertake and complete their tasks and work.
8. Subject to the provisions of Section III of Schedule 5 – Dispute Resolution, provide direction and advice regarding the interpretation of the provisions of this AMA Agreement as requested or required by PCC, AC, RC, and AEBIC and/or AH and/or AMA, including issues touching and concerning the mandate, roles, responsibilities, duties or authority of the PCC, AC, RC, and AEBIC.
9. Provide timely reports to the Minister of Health, AMA's President, and AHS' President and CEO regarding the operation of PCC, AC, RC, and AEBIC, the operation of this AMA Agreement and any other matter deemed relevant by the MC. For certainty, the MC will keep the Minister of Health, AMA's President, and AHS' President and CEO apprised of any concerns, disputes and/or issues which may develop into and/or have developed into matters that will activate the provisions of Section III of Schedule 5 – Dispute Resolution.
10. Not have the authority to overrule/set aside a properly made decision/recommendation of the PCC.
11. Recommend to the Minister of Health, AMA's President, and AHS' President and CEO for potential appointment as the Chair of the PCC not less than three (3) and not more than five (5) persons.
12. Establish the terms and conditions of the contract for the Chair of the PCC.

13. Consult with AH, AMA, and AHS regarding the establishment of provincial strategic requirements for Physician compensation, plans and programs.
14. Ensure the appropriate alignment and cross-referencing of agenda items and findings between the various committees that report to MC.

Member Responsibilities and Goals

Each member represents the views of the member's respective organization with a goal to improve the health care delivery system. Declarations of conflict of interest shall be made by meeting participants as necessary, and participants who have a conflict of interest will recuse themselves.

Agenda Setting

AH will form the MC's agenda with input from all parties.

The agenda for MC meetings will always include an update on PCC, AC, RC, PRPC, and AEBIC, with emphasis on reports from the PCC.

Meetings

The MC will meet every three weeks, or as otherwise agreed by AH, AMA, and AHS. Every other meeting of the MC will include the AC.

All MC members (or named designates) must be present to hold a meeting.

Secretariat

AH will provide secretarial and administrative support to the MC.

Committee Costs

Each of AH, AMA, and AHS is responsible for the costs of their respective member(s)' participation on MC.

**SCHEDULE 4
PHYSICIAN COMPENSATION
COMMITTEE
(Roles, Responsibilities and Duties)**

The Physician Compensation Committee (“PCC”) will:

1. Be comprised of not more than **nine (9)** and not less than **four (4)** persons. AH and AMA will each appoint up to three (3) representatives **and AHS will appoint up to two (2) representatives.**
2. The Chair of the PCC will be appointed by consensus of the Minister of Health and AMA’s President each acting reasonably and prudently. The Chair may be selected from a list of names provided to the Minister of Health and to AMA’s President by the Management Committee; however, the Minister of Health and AMA’s President may choose to appoint a person who is not on the list.

If the Minister of Health and AMA’s President are unable to agree on the appointment of the Chair, then either may by written notice given to the other activate the applicable provisions of Section IV of Schedule 5 - Dispute Resolution.

3. The PCC may deal with all elements of physician compensation, plans and programs (excepting the Grant Programs), subject to the provisions of this AMA Agreement. Therefore:
 - (a) this AMA Agreement establishes increases during its term for prices, fees, rates and subsidies;
 - (b) AH has responsibility and authority to set annual physician budgets from time to time;
 - (c) subject always to the provisions of Section 5 of this AMA Agreement, the PCC will operate and deal with matters of physician compensation, plans and programs (excepting the Grant Programs) within the annual budgets set by AH. Accordingly:
 - (i) the PCC has no ability to increase the average prices, rates, fees and subsidies for Insured Medical Services, plans and programs beyond the Agreed Increases,
 - (ii) decisions that are determined to have a risk of going beyond the Agreed Increases must go to the Minister of Health for approval,
 - (iii) any adjustments in prices, rates, fees and subsidies beyond those identified in paragraph 3(c)(ii) of this Schedule (i.e., arising through a reallocation) are to be expenditure neutral and therefore all savings and/or reductions arising from or through such reallocation cannot be transferred or used outside of the annual budget and when used, may be used anywhere within the annual budget, and

- (iv) the PCC will correct any errors made by it, including, in the calculation of pricing and the introduction of new services or changes in description, rules and pricing;
- (d)
 - (i) AH will establish the policy and legislative framework for Insured Medical Services and other physician services, plans and programs including, without limitation, establishing from time to time what is/is not an Insured Medical Service. AH will also, in consultation with AMA and the Management Committee, establish the provincial strategic requirements for physician compensation, plans and programs,
 - (ii) the PCC will develop a plan to implement the provincial strategic requirements established by AH in consultation with AMA and the Management Committee, including without limitation:
 - align physician compensation with goals of delivery based initiatives such as primary care, strategic clinical networks and ARPs; and
 - restructure physician compensation to provide the optimal support to those delivery models which are selected to deliver health care in Alberta, and
 - (iii) PCC may make recommendations to the Minister of Health concerning the provincial strategic requirements for physician compensation, plans and programs; and
 - (e) The PCC will undertake tasks related to how Alberta’s physicians are currently compensated, including without limitation:
 - (i) managing the allocation process for changes in Rates under the SOMB as it applies to the provision of Insured Medical Services in fee-for-service and ARPs including the clinical medical services component of AARPs,
 - (ii) reviewing and managing the distribution of funding among Insured Medical Services, plans and programs (excepting Grant Programs),
 - (iii) viewing and potentially adjusting selected Rates for Insured Medical Services and ARP rates, including those for the clinical medical services component of AARPs, and
 - (iv) reviewing and determining Prices in the following programs:
 - Rural Remote Northern
 - Physician On-Call
 - Business Costs, and
 - (v) reviewing, commenting upon and listing potential improvements to the programs described in paragraph 3(e)(iv) of this Schedule. The potential improvements may be recommended to the Management Committee.

4. (a) Generally the PCC will cooperate with and will communicate with the Management Committee and it will receive and consider advice and direction from the Management Committee concerning the operation of, the interpretation of and the implementation of the scope and purposes of this AMA Agreement; and
- (b) the PCC will determine its own procedures for its meetings and for accomplishing the tasks assigned to it. These procedures may include, without limitation:
 - (i) establishing secretariat support, which may include AH and/or AMA staff and third party resources,
 - (ii) establishing rules for the conducting of its meetings including who is eligible to attend (for example, support staff, invited guests and/or Alberta Health Services representatives),
 - (iii) establishing sub-committees and/or working groups, and
 - (iv) retaining a trusted third-party organization to gather and analyze information, from time to time, which information is relevant to the PCC's work;
- (c) the PCC will submit annually a written business plan and supporting budget to the Deputy Minister of Health (the "DM"). Upon receipt, the DM will consult with AMA's Executive Director regarding the requested support budget. After such consultation, the DM will establish the support budget;
- (d) AH and AMA will be jointly responsible for the costs associated with and expenses incurred by the Chair of the PCC; and
- (e) each of AH and AMA will be responsible for the costs associated with and expenses incurred by their respective members of the PCC.

**SCHEDULE 5
DISPUTE RESOLUTION**

I. BINDING ARBITRATION ARISING FROM SCHEDULE 1 OF THIS AMA AGREEMENT

- 1.1 This dispute resolution process of binding arbitration is available only when the parties have complied with the provisions of Schedule 1, have not reached agreement on a new financial deal within the Time for Negotiations and one (or both) of the parties has/have given written notice to the other that it wishes to activate and utilize this dispute resolution process of binding arbitration according to the following provisions.
- 1.2 This dispute resolution process of binding arbitration applies to only:
- (a) annual percentage increases (the “Annual Increases”) for:
 - (i) Rates for Physician Compensation Programs, and
 - (ii) Prices associated with any or all of the Physician Support Programs (whether a Grant Program or not);
 - (b) the definition/determination of COLA, if and when applicable, as used in subsection 5(c) of this AMA Agreement; and
 - (c) the term (total length of time) of each replacement financial deal between AH and AMA (“Financial Term”) subject to the following:
 - (i) the Financial Term may be agreed to/set by the parties,
 - (ii) if the parties do not agree on the Financial Term, then it cannot be less than one (1) year and it cannot be more than three (3) years unless the parties otherwise agree, and
 - (iii) each Financial Term will be described as a fiscal/budget year or years commencing April 1 and ending March 31 of the following year. For example, a replacement financial deal having a two (2) year Financial Term will commence April 1, 2018 and will end March 31, 2020 and will encompass two (2) fiscal/budget years being April 1, 2018 to March 31, 2019 and April 1, 2019 to March 31, 2020.
- 1.3 For certainty, this dispute resolution process of binding arbitration does not and will not apply to the matters contemplated by and described within Schedule 2 attached to this AMA Agreement including:
- (a) Prices associated with any or all of the Physician Assistance Programs (whether a Grant Program or not); and
 - (b) to subsection 6(b) of this AMA Agreement.

- 1.4 Additionally and for certainty, the right to arbitrate does not extend to, and is expressly excluded for, any other matter or dispute whatsoever other than the matters referred to in Article 1.2, and without limitation does not include, in any manner whatsoever, past, present or future Rates or Prices, any of the terms, conditions or parameters for any of the Physician Assistance Programs, the Physician Compensation Programs and the Physician Support Programs or any modifications made thereto, and any issue regarding the type of or description of Insured Medical Services.
- 1.5 For certainty, AH and the AMA expressly agree that:
- (a) unless otherwise agreed by the parties, an arbitral tribunal shall only determine the Annual Increases for the one Financial Term in question and an arbitral tribunal's award with respect to any Annual Increase is only binding on the parties for the applicable Financial Term. No determination or award shall be made for or have any application to any previous or future Financial Term;
 - (b) in an arbitration proceeding the arbitral tribunal when determining an Annual Increase may consider prevailing and anticipated economic conditions in Alberta and generally may consider what is fair and reasonable compensation for physicians practicing in Alberta;
 - (c) the arbitral tribunal when determining an Annual Increase shall not review or otherwise analyze/comment upon Rates for Physician Compensation Programs, Prices associated with Physician Support Programs (whether a Grant Program or not) and the provisions/parameters of any Physician Compensation Program or any Physician Support Program (whether a Grant Program or not); and
 - (d) the reference to Annual Increases shall not preclude or restrict the arbitral tribunal from an award or decision that is, in fact, a negative adjustment which as a consequence results in a decrease or reduction of Rates and/or Prices.
- 1.6 The arbitration process is activated according to the provisions of Schedule 1. Accordingly if the parties have not reached agreement on a new financial deal during the Time for Negotiations, then either party may give the other party a request for arbitration (the "Request"), which request will, where applicable, describe:
- (a) the Financial Term to be arbitrated;
 - (b) the Annual Increases(s) to be arbitrated; and
 - (c) the definition of COLA to be arbitrated.
- 1.7 Subject to Article 1.8, the arbitral tribunal shall be composed of a single arbitrator selected and agreed to by both AH and AMA.

- 1.8 If the parties cannot agree on a single arbitrator within fifteen (15) days of the date of the receipt of the Request, then the arbitral tribunal shall be composed of three (3) arbitrators, appointed and selected according to the following:
- (a) AH and the AMA shall each appoint an arbitrator within thirty (30) days of the date of the receipt of the Request and the two (2) arbitrators so appointed shall then select a third arbitrator who shall act as the presiding arbitrator;
 - (b) if either AH or the AMA fails to appoint an arbitrator within the stated thirty (30) days, then such arbitrator shall, at the request of the other party, be appointed by the Court of Queen's Bench of Alberta ("the Court") pursuant to the provisions of the *Arbitration Act of Alberta* ("the Act"); and
 - (c) if the two appointed arbitrators are unable to agree on the presiding arbitrator within fifteen (15) days of the appointment of the second arbitrator, then the presiding arbitrator shall, at the request of either party, be appointed by the Court pursuant to the provisions of the Act.
- 1.9 The procedure to be followed during the arbitration shall be agreed to by the parties or, failing such agreement, will be determined by the arbitral tribunal subject to the following:
- (a) the arbitral tribunal shall conduct the arbitration, hold hearings and determine the issues in private;
 - (b) the arbitral tribunal shall render an award in writing within thirty (30) days of the end of the hearings or such extended date agreed to by the parties, or failing agreement as determined by the Court, even if the thirty (30) days has expired;
 - (c) any award shall state the reasons on which it is based;
 - (d) AH and the AMA shall each bear their own legal expenses and each shall pay 50% of the fees and expenses of the single arbitrator. If there is a three (3) person arbitral tribunal, then each party will pay the fees and expenses of its appointed arbitrator and 50% of the fees and expenses of the presiding arbitrator;
 - (e) the place of the arbitration shall be Edmonton, Alberta; and
 - (f) if there is a three (3) person arbitral tribunal, then all decisions and/or awards will be determined by majority vote.
- 1.10 Nothing in this Article shall preclude the parties from reaching an agreement at any time.
- 1.11 Unless otherwise provided for in this Article, the Act does not apply to this AMA Agreement and specifically this Schedule 5, Article I.

II. NON-BINDING FACILITATION/MEDIATION ARISING FROM SCHEDULE 2 OF THIS AMA AGREEMENT

- 2.1 The dispute resolution process of non-binding facilitation/mediation is available only when the parties have complied with the provisions of Schedule 2, have not reached agreement regarding some or all of the matters described in the Notice within the Time for Negotiations and one (or both) of the parties has/have given written notice to the other that it wishes to activate and utilize this dispute resolution process of non-binding facilitation/mediation according to the following terms and conditions.
- 2.2 This dispute resolution process of non-binding facilitation/mediation applies to only:
- (a) Prices associated with any or all of the Physician Assistance Programs (whether a Grant Program or not) as those Physician Assistance Programs are described in subsection 3(a)(iv) of the AMA Agreement;
 - (b) any other payments, benefits or subsidies associated with any or all of the Physician Assistance Programs; and
 - (c) the extension of the Initial Term (and any other extensions from time to time) as described in subsection 6(b) of this AMA Agreement. For certainty, the Initial Term will expire on March 31, 2018 unless the parties agree to an extension.
- 2.3 The facilitation/mediation process is activated according to the provisions of Schedule 2. Accordingly, if the parties have not reached agreement regarding some or all of the matters to be negotiated as described in the Notice during the Time for Negotiations, then either party may give the other a request for facilitation/mediation (the "Request"), which Request, subject to Article 2.2, will describe the matters to be discussed during the facilitation/mediation process.
- 2.4 Such facilitation or mediation shall take the following form:
- (a) the parties shall agree on a facilitator. In the event no agreement is reached, either may apply to the Court of Queen's Bench of Alberta (the "Court") requesting the Court to make such appointment. If possible, preference in making the appointment should be given to a person having knowledge of the delivery of physician services in the Province of Alberta.
 - (b) the appointed facilitator shall hear representations as soon as possible after appointment and shall issue a report within fourteen (14) days, or such longer period as the parties agree, after completion of representations by the parties;
 - (c) the parties shall have fourteen (14) days to accept or reject the report in writing. If accepted by both parties, the report shall be formalized in an agreement by the parties;
 - (d) in the event the report is not mutually accepted, either party shall have fourteen (14) days to submit the matter to a mediator chosen in the same manner as the facilitator (see 2.4(a) hereof);

- (e) the mediator shall hear representations by both parties as soon as possible and shall be given access to the report of the facilitator. The mediator shall issue a report within fourteen (14) days, or such longer period as the parties agree, after completion of representations by the parties;
- (f) the parties shall have fourteen (14) days to accept or reject the mediator's report in writing. If accepted by both parties, the report shall be formalized in an agreement by the parties; and
- (g) if the mediator's report is not accepted by both parties or is otherwise rejected, then this dispute resolution process is ended and the provisions of paragraph 8 of Schedule 2 are applicable.

III. INTERPRETATION AND SCOPE AND PURPOSES OF THIS AMA AGREEMENT AS REFERENCED IN SECTION 10 AND SUBSECTION 12(b) OF THIS AMA AGREEMENT AND IN PARAGRAPHS 4 AND 5 OF SCHEDULE 3 OF THIS AMA AGREEMENT

- 3.1 Disputes regarding the interpretation and/or the scope and purposes of this AMA Agreement will be resolved as follows:
- (a) by reference firstly, to the Management Committee ("MC") for its consensus decision;
 - (b) if the MC is unable to reach consensus, then by reference to the Minister of Health and to AMA's President for their consensus decision; and
 - (c) if the Minister and the President are unable to reach consensus, then each party is at liberty to pursue its available remedies as generally described in Section 10 and subsection 12(b) of this AMA Agreement.

IV. SELECTION OF THE PHYSICIAN COMPENSATION COMMITTEE CHAIR ARISING FROM SCHEDULE 4 (PARAGRAPH 2) OF THIS AMA AGREEMENT

- 4.1
- (a) If the Minister of Health and AMA's President are unable to agree on the appointment of the Chair of the Physician Compensation Committee (the "Chair"), then either, by written notice given to the other, may apply to the Court of Queen's Bench of Alberta (the "Court") requesting that the Court appoint the Chair; and
 - (b) when making an application to the Court, the applicant will provide to the Court for its consideration the list of names which was previously provided to the Minister of Health and to AMA's President by the Management Committee as referenced in paragraph 2 of Schedule 4.

**SCHEDULE 6
DETAILS OF GRANT PROGRAMS**

Generally, funding will be provided to pay for estimated spending within program parameters. For greater clarity, the basis for the annual budget for each Physician Support and Physician Assistance Program will be as follows:

Physician Support Programs – (Evergreen)	Description	Basis for the Budget
<ul style="list-style-type: none"> • Compassionate Assistance • Regular Locum Program • Specialist Locum Program • Physician and Family Support Program 	<p>To assist, on compassionate grounds, eligible physicians in need of temporary support, who have been referred by either the College of Physicians and Surgeons of Alberta or a consulting Physician of the Physician and Family Support Program.</p> <p>To ensure that Residents living in communities with four or fewer Physicians (or other critical circumstances approved by the Minister) will have access to continuous medical coverage if a Physician is unable to provide Physician services due to short-term absences.</p> <p>To ensure that regional centers outside of Calgary and Edmonton (or other critical circumstances approved by the Minister) will have access to specialist coverage due to short-term absences of specialists in regional centers. Local specialists in consultation with the Authority agree on locum needs.</p> <p>To provide eligible physicians and their qualified dependants with assistance in dealing with life management issues.</p>	<ul style="list-style-type: none"> • Base funding of: <ul style="list-style-type: none"> ○ \$400,000 for Compassionate Assistance ○ \$2,478,000 for Regular and Specialist Locum Programs ○ \$2,175,000 for Physician and Family Support Program <p>will increase by 2.5% in 2014/2015 and 2015/16, and COLA in 2016/17 and 2017/18, subject to section 5 of the AMA Agreement.</p> <ul style="list-style-type: none"> • Base funding will be readjusted each year if in accordance with a grant, funds are transferred from other programs as a result of a change, in the ordinary course, of physician uptake of that particular program.

Physician Support Programs – (Evergreen)	Description	Basis for the Budget
<ul style="list-style-type: none"> Parental Leave Program 	<p>To provide financial support to eligible physicians who are not practicing medicine as a result of the birth or adoption of a child.</p>	<ul style="list-style-type: none"> Estimated utilization (number of weeks * rate) The base rate of \$1,000 will increase by 2.5% in 2014/2015 and 2015/16, and COLA in 2016/17 and 2017/18, subject to section 5 of the AMA Agreement.
<ul style="list-style-type: none"> Continuing Medical Education 	<p>To reimburse eligible physicians for costs incurred with regard to the maintenance and enhancement of knowledge, skills, and competency. The annual allotment of shall be carried forward and accumulated for up to three years.</p>	<ul style="list-style-type: none"> Estimated number of participants * rate The base rate of \$2,500 will increase by 2.5% in 2014/2015 and 2015/16, and COLA in 2016/17 and 2017/18, subject to section 5 of the AMA Agreement.
<ul style="list-style-type: none"> Medical Liability Reimbursement 	<p>To reimburse eligible physicians for costs incurred in respect of medical liability insurance premiums as set by the Canadian Medical Protective Association. The annual deductible will be \$1000 per Eligible Physician.</p>	<ul style="list-style-type: none"> Estimated number of participants * rates charged by the Canadian Medical Protective Association less deductible of \$1,000/physician
<ul style="list-style-type: none"> Practice Management Program 	<p>To assist Physicians with developing and implementing Primary Care Networks by providing support in respect of issues such as group formation, practice governance, relationship issues, taxation, financial projections, liability issues, and any other issues the Association deems necessary.</p>	<ul style="list-style-type: none"> Base funding of \$2,174,000 will increase by 2.5% in 2014/2015 and 2015/16, and COLA in 2016/17 and 2017/18, subject to section 5 of the AMA Agreement. Program parameters may be expanded to include support for other models beyond PCN's upon consensus decision of the AMA Agreement Management Committee.

Physician Assistance Programs – (Non-Evergreen)	Description	Basis for the Budget																								
<ul style="list-style-type: none"> Physician Learning Program 	<p>The Physician Learning Program supports and promotes continuous professional learning by Physicians in Alberta. The criteria, program details and operational parameters will be established and reviewed from time to time by the Association in consultation with University of Alberta and University of Calgary.</p>	<ul style="list-style-type: none"> Base funding of \$3,475,000 will increase by 2.5% in 2014/2015 and 2015/16, and COLA in 2016/17 and 2017/18, subject to section 5 of the AMA Agreement. 																								
<ul style="list-style-type: none"> Towards Optimized Practice Program 	<p>To support the development, implementation and evaluation of products and services that will facilitate evidence-based best practice and support quality initiatives in medical care in Alberta.</p>	<ul style="list-style-type: none"> Base funding of \$1,066,000 will increase by 2.5% in 2014/2015 and 2015/16, and COLA in 2016/17 and 2017/18, subject to section 5 of the AMA Agreement. 																								
<ul style="list-style-type: none"> Retention Benefit 	<p>Subject to section 5 of the Agreement, Physicians will receive retention benefit amounts on an annual basis in recognition of past years of service contribution in Alberta. The level of retention benefit for Eligible Physicians in a specific year will be determined based on the number of years of practice in Alberta and the amount of payments for the provision of eligible services in a given year. Physicians with annual billings for eligible services of \$80,000 or more in a given year will receive the full benefit. Those billing less than \$80,000 for eligible services in a given year will have their payment prorated.</p> <p>Base rates for the retention benefits for Fiscal Year 2013/2014 are as follows:</p> <table border="1" data-bbox="511 1459 1057 1871"> <thead> <tr> <th>Years of Service</th> <th>Benefit Amount</th> <th>Physician Billing</th> <th>Benefit Amount</th> </tr> </thead> <tbody> <tr> <td>1-5</td> <td>\$4,840</td> <td>≥ \$80,000</td> <td>100%</td> </tr> <tr> <td>6-15</td> <td>\$7,260</td> <td>\$60,000 - \$79,999</td> <td>75%</td> </tr> <tr> <td>16-25</td> <td>\$9,680</td> <td>\$40,000 - \$59,999</td> <td>50%</td> </tr> <tr> <td>26+</td> <td>\$12,100</td> <td>\$10,000 - \$39,999</td> <td>25%</td> </tr> <tr> <td></td> <td></td> <td><\$10,000</td> <td>0%</td> </tr> </tbody> </table>	Years of Service	Benefit Amount	Physician Billing	Benefit Amount	1-5	\$4,840	≥ \$80,000	100%	6-15	\$7,260	\$60,000 - \$79,999	75%	16-25	\$9,680	\$40,000 - \$59,999	50%	26+	\$12,100	\$10,000 - \$39,999	25%			<\$10,000	0%	<ul style="list-style-type: none"> Estimated number of participants * rate The base rates will increase by 2.5% in 2014/2015 and 2015/16, and COLA in 2016/17 and 2017/18, subject to section 5 of the AMA Agreement. The retention benefit income threshold of \$80,000 will increase by 2.5% in 2014/2015 and 2015/16, and COLA in 2016/17 and 2017/18, subject to section 5 of the AMA Agreement.
Years of Service	Benefit Amount	Physician Billing	Benefit Amount																							
1-5	\$4,840	≥ \$80,000	100%																							
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		<\$10,000	0%																							

Physician Assistance Programs – (Non-Evergreen)	Description	Basis for the Budget
<ul style="list-style-type: none"> Alternate Relationship Plan Program Management Offices 	<ul style="list-style-type: none"> Support the various aspects of the ARP program, including but not limited to, assisting with the development, implementation and accountability processes of individual ARP's 	<ul style="list-style-type: none"> Base funding of \$1,800,000 will increase by 2.5% in 2014/2015 and 2015/16, and COLA in 2016/17 and 2017/18, subject to section 5 of the AMA Agreement. PMO activities aligned with the Physician Compensation Committee implementation plan.
<ul style="list-style-type: none"> Primary Care Network Program Management Offices 	<ul style="list-style-type: none"> Support the various aspects of the PCN program including but not limited to, assisting with the development, implementation, and accountability processes of individual PCN's. 	<ul style="list-style-type: none"> Base funding of \$2,900,000 will increase by 2.5% in 2014/2015 and 2015/16, and COLA in 2016/17 and 2017/18, subject to section 5 of the AMA Agreement.

1. AMA is responsible for managing the programs in accordance with AMA's policies, practices and procedures, including financial, human resources, information technology and related legal matters established by AMA from time to time.
2. The Association may allocate and apply for its own use in each year, \$400,000 in recognition of the AMA's role as representative of physicians, which allocation shall survive this agreement in accordance with the evergreen provision.
3. The Association may allocate and apply for its own use in each year up to 4% of the total grant for costs associated with the administration of the grant programs, which allocation shall survive this agreement in accordance with the evergreen provision. For greater clarity, the 4% administration fee will only be calculated on those plans which continue beyond the initial financial term.
4. The Minister acknowledges that the Association charges non-members an administration fee as a condition of participation in the Physician Assistance and Physician Support Programs. The Association covenants that such administration fee shall not exceed the annual cost of membership charged by the Association to its members for full membership in the Association.
5. For the purpose of the Physician Support and Physician Assistance Programs, it is understood that the base funding amounts referenced in the table above constitute a Price.
6. If a program is discontinued, AH agrees to make funds available for all reasonable and direct costs and expenses actually incurred by AMA to terminate and wind down the program and fulfill AMA's obligations pursuant to this AMA Agreement.
7. AH is generally responsible for any increased costs in each program arising as a result of an increase in the number of physicians who utilize that program.

8. For the purpose of accessing Grant Programs a physician is, with reference to a medical service provided in Alberta to a Resident, a person who is a regulated member of the College of Physicians and Surgeons of Alberta under the Health Professions Act, who holds a practice permit issued under the Act (excluding physicians on the postgraduate provisional register), or a professional corporation registered with the College of Physicians and Surgeons of Alberta.
9. A physician is eligible for the Grant Programs if he/she is a resident of Alberta and is:
 - (i) Providing publicly funded Insured Medical Services as defined under the Alberta Health Care Insurance Act, whether paid by Alberta Health, Alberta Health Services or any other party.
 - (ii) Providing public health services funded by Alberta Health Services
 - (iii) Otherwise approved by the Minister from time to time.
10. Notwithstanding the eligibility criteria above, the parties acknowledge that medical students and resident physicians are eligible for the services provided through the Physician and Family Support Program.
11. The AMA will retain any accumulated Continuing Medical Education allotments that expire in fiscal years 2015/16, 2016/2017 and 2017/2018 for the purpose of funding the Towards Optimized Practice Program (or for supporting other Physician Support Programs and Physician Assistance Programs, subject to the approval of the Minister). The parties acknowledge that any such transfers of funding will require review of the related grant agreements and such grant agreements may require amendment to facilitate such funding.

SCHEDULE 7

Commitments

1. Physician Resource Planning

- a) The parties commit to the creation of a Physician Resource Planning Committee (PRPC). AH, AMA and AHS recognize the need for planned Physician growth based on population health needs through a multi-stakeholder committee, the PRPC, which would create and regularly update an evidence-based Physician resource plan (PRP), which would establish the number of Physicians needed in Alberta by type of Physician practice and location and at a minimum, reflect a need for:
 - i. primary care Physicians in underserved areas;
 - ii. hard to recruit specialists;
 - iii. university appointments; and
 - iv. replacements for attrition.
- b) The parties agree that any other committee(s) implemented to create or manage the PRP shall consult with the Management Committee.
- c) The draft terms of reference for the PRPC are attached hereto as Exhibit A to this Schedule 7.

2. Audit/Physician Peer Review Processes

- a) AMA and AH recognize the need to develop mechanisms for reviewing the clinical appropriateness of Physician claims for Benefits and best billing practices (Peer Review) with the goal of achieving potential cost savings in the amount of \$20 million in 2016/17 and \$35 million in 2017/18.
- b) The parties agree that the Peer Review process may involve other activities, including developing further improvements to the AMA billing application; education efforts with AMA sections; and other collateral activities.
- c) AMA and AH confirm that any Peer Review process developed must augment, and not replace, AH's current audit and compliance activity.
- d) In order to assist with Physicians' compliance with best billing practices and to allow Physicians to identify where their practices align with those of their peers, AH will reinstate the publication and distribution of non-identifying Physician billing profiles beginning April 1, 2017.

3. Centralized Patient Attachment Registry and Provider Registry

- a) AH, AHS and AMA recognize the benefits to all parties that would come from the development of a Centralized Patient Attachment Registry ("CPAR") and

enhancement of the provider registry as priority items. The CPAR will be connected to Alberta Health's Benefits payment system and will be used to pay Physicians in a Blended Capitation Model and may be used for any rule changes to the SOMB.

- b) AH commits to implement the CPAR and provider registry system enhancement(s) on or before December 31, 2017.
- c) The development and implementation of the CPAR and provider registry system enhancements will be overseen by the Health Information Executive Committee.

4. Alternative Relationship Plans

- a) AH recognizes the benefits of AMA involvement in the development and maintenance of Academic and Clinical ARPs, including consultation on related Physician resources, remuneration, equity and overall planning.
- b) AH agrees that at a minimum, AMA shall have representation on the following committees as voting members:
 - i. Provincial Academic ARP Strategy Committee, as represented by the Executive Director of the AMA; and
 - ii. the Provincial Academic ARP Operations Committee.

5. Improvements to the Schedule of Medical Benefits

- a) AH commits to undertaking a review of the administrative process for implementing Schedule of Medical Benefits (SOMB) updates in order to make the process more streamlined and efficient. In this context, AH will consider shortening the implementation period for updates to no longer than three (3) months, and implementing semi-annual SOMB updates.
- b) AH and AMA agree to expedite the Physician Compensation Committee's efforts to price insured medical services according to their relative values. These efforts will include working towards the implementation of new Physician business cost model following an independent third party study, funded equally by AH and AMA, which will be obtained through a transparent process that complies with applicable procurement rules.

6. Data Sharing

- a) AMA has requested access to data from AH for the following purposes:
 - i. for facilitating Physician Peer Review;
 - ii. for Physician resource planning; and
 - iii. for determining Physician compensation relativity.

- b) Subject to applicable laws, AH will enter into a data sharing agreement with AMA for the purposes contemplated in clause 6(a) above by thirty (30) days from the Effective Date of the Amending Agreement.

7. Integrated Care

- a) The parties have undertaken several initiatives aimed at providing sustainable high quality care. These initiatives include Primary Care Networks, payment reforms, and improvements to information management and technology.
- b) The parties acknowledge that increased attention must be made to integrated care throughout the health care system, which requires the integration of delivery models. Towards that end, the parties agree to create an Integrated Care Consultation Agreement pursuant to section 4 of the AMA Agreement.

Exhibit A to Schedule 7
DRAFT Terms of Reference for PRPC

Alberta Health - Physician Resource Planning Committee
(Advisory Committee to the Minister on managing physician resources)
DRAFT Terms of Reference

PURPOSE

The purpose of the (PRPC) is to advise the Minister on the appropriate supply and distribution of physicians in Alberta by developing and regularly updating an evidence-based physician resource plan (The Plan). The Plan will recommend the number of physicians required by specialty, geographic location, and conditions of practice and identify any gaps in physician supply.

The PRPC will also develop physician forecasts to identify Alberta's short and long-term needs in the context of a changing health care system.

COMMITTEE RESPONSIBILITIES

1. Develop and regularly update the Plan that specifies the short, medium and long-term provincial requirements for physician resources by specialty, geographic location, and conditions of practice.
2. Develop and recommend strategies to the appropriate stakeholders to integrate physician resource planning with the planning of other health human resources provincially and with AHS;
3. Identify and inform AHS and other stakeholders on opportunities to better coordinate and/or integrate medical services to create an integrated approach to health planning.
4. Consult with stakeholders (e.g., AMA Sections), as required, regarding their views on the future supply needs.
5. Provide advice to the Government of Alberta on:
 - Provincial physician workforce planning processes, giving consideration to key national, provincial and local drivers;
 - Forecasting models that are aligned with both AHS workforce planning processes and provincial health service and capital/infrastructure/business planning; and
 - Strategies that address provincial physician distribution and supply issues, including but not limited to enrollment in medical schools and system demand for specific physician general and specialist physicians.

REPORTING STRUCTURE

The PRPC will report to the Deputy Minister of Health.

The PRPC will consult with Management Committee.

MEMBERSHIP

- Alberta Health (Chair)
- Alberta Health Services (AHS)
- Alberta Medical Association
- College of Physicians and Surgeons of Alberta
- Faculties of Medicine
- Professional Association of Residents of Alberta
- Medical Students' Association (University of Alberta and University of Calgary combined)
- Alberta Rural Physician Action Plan (RPAP)
- Alberta International Medical Graduate Program (AIMG)
- An AHS or HQCA patient advisory group representative

MEETINGS

- Chair will determine meeting processes and the PRPC will meet at the direction of the Chair.
- The PRPC has the ability to establish working groups.
- Agendas will be developed and sent to all members in advance of meetings.
- Minutes will be prepared and circulated with the agenda.
- The PRPC will have the authority to engage experts and other resources it deems necessary to meet its mandate.
- Member organizations are to name alternate PRPC members, who will attend when the primary member is unavailable and make decisions for the organization they represent.

COMMITTEE CODE OF CONDUCT

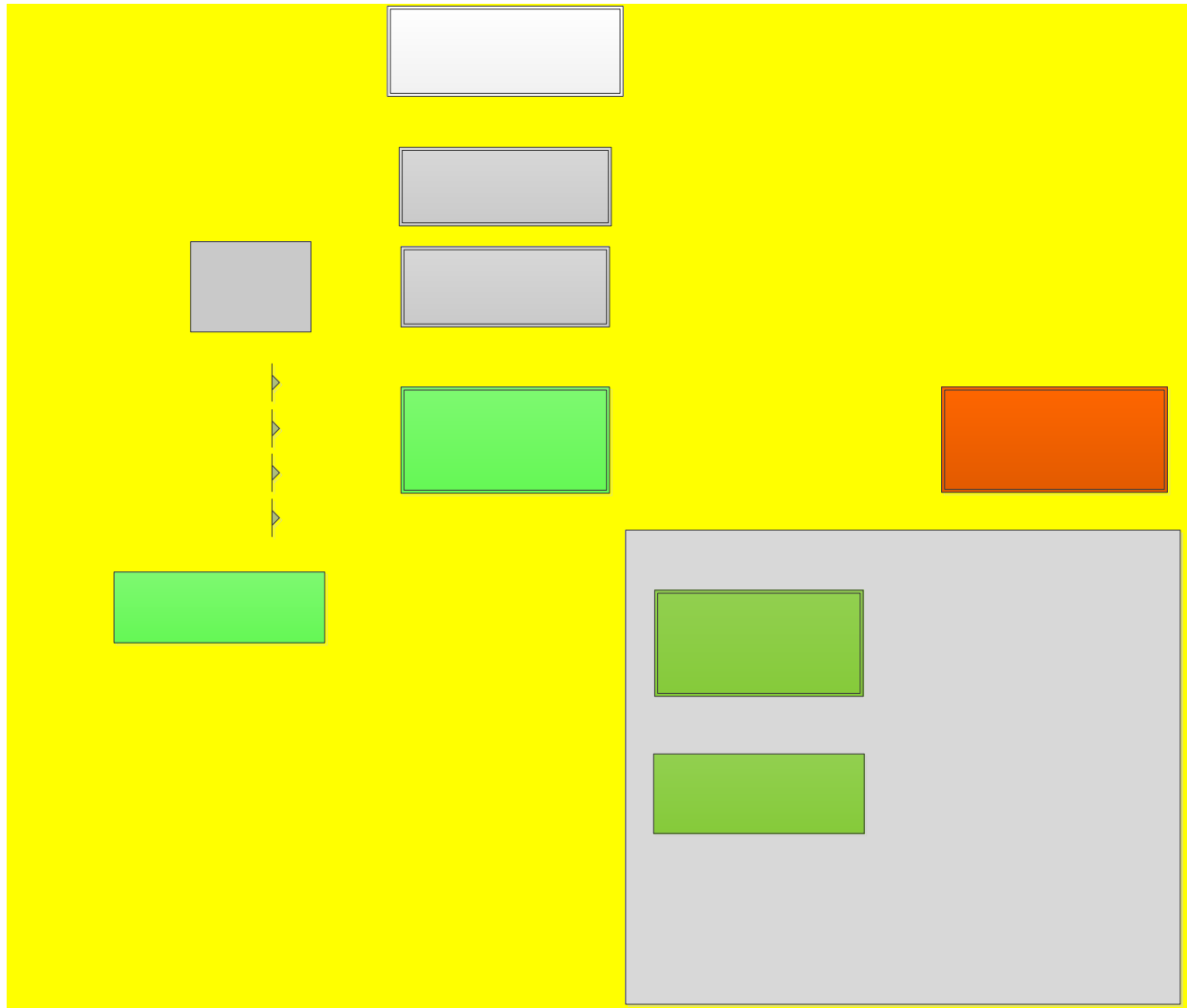
Committee members will respect and acknowledge that matters discussed at the Committee can be of a sensitive nature and are to be kept confidential.

ADMINISTRATIVE SUPPORT

The PRPC shall be supported administratively by staff from Alberta Health.

Alberta Health - Physician Resource Planning Committee
(Advisory Committee to the Minister on managing physician resources)

GOVERNANCE STRUCTURE



SCHEDULE 8
Savings from the SOMB

1. The parties agree to create of a joint working group (SOMB Working Group), as of the Effective Date of the Amending Agreement, whose members are as follows:
 - (a) three (3) representatives from AH (including representation from AHS); and
 - (b) three (3) representatives from AMA.
2. The SOMB Working Group will be co-chaired, with each of AMA and AH selecting one of their respective members to act in this position (the Co-Chairs).
3. The purpose of the SOMB Working Group is to create a list of SOMB savings initiatives (the List), amounting to \$100 million in annualized savings, for recommendation for implementation by the Management Committee to the Minister of Health as follows:
 - (a) by November 15, 2016 for implementation on January 1, 2017 and/or April 1, 2017; and
 - (b) by February 3, 2017 for implementation on April 1, 2017.
4. In creating the List, the SOMB Working Group must consider at least the following information:
 - (a) existing savings initiative lists (for example, the initial list proposed by AH on July 8th, 2016, the Choosing Wisely Canada List, AH/AMA/AHS System Wide Efficiencies and Savings List); and
 - (b) additional evidence-based initiatives identified by AMA, AHS or AH.
5. The creation of the List will be guided by principles selected by the SOMB Working Group and, as determined by the SOMB Working Group, the List should:
 - (a) where applicable, be informed by one or more of the Choosing Wisely Canada recommendations;
 - (b) be driven by best available evidence and national guidelines for high quality patient care
 - (c) consider the need to reduce inappropriate variation in Physician practices;
 - (d) be objective, transparent, and driven by peer reviewed literature, other reliable data or necessary consultations with field experts;
 - (e) improve alignment of incentives driving high quality patient care practices across different modes of payment; and
 - (f) simplify existing complexity and modernize the SOMB.

6. The SOMB Working Group will decide on the contents of the List, for recommendation to the Management Committee, through a majority vote, with each member having a single vote.
7. If the SOMB Working Group achieves a majority vote in support of the contents of the List, the SOMB Working Group will provide the List to the Management Committee for recommendation to the Minister of Health for implementation.
8. If the SOMB Working Group fails to achieve a majority vote on the contents of the List, the Co-Chairs will notify the Management Committee, at least two (2) weeks in advance of each of the dates identified in Clause 3 above, of the failure to achieve a majority vote. When providing such notice, the Co-Chairs will also provide the Management Committee with the proposed list which identifies the items of dispute (the Draft List).
9. Within five (5) days of receiving notice and the Draft List as per Clause 8 above, the Management Committee will submit the Draft List to Mr. Vince Ready and Dr. David Naylor, or any other independent third party(ies) agreed upon by the parties. Such third party(ies) will engage in a final offer selection of the Draft List, based on the principles outlined in Clause 5 above and with the goal of creating a List that results in the savings as contemplated in subsection 5(f) of the AMA Agreement.
10. Within one (1) week of receiving the Draft List, the third party(ies) will recommend the List to the Minister of Health for implementation. For clarity:
 - (a) the List recommended by the third party(ies) is not subject to vote of the SOMB Working Group;
 - (b) the contents of the List recommended by the third party(ies) is limited to the contents in the Draft List; and
11. The parties agree that, once engaged, Mr. Vince Ready and Dr. David Naylor, or any other the third party(ies) agreed upon, will remain seized of the process outlined in this Schedule 8 throughout its duration.

SCHEDULE 9
ADVISORY COMMITTEE

The parties recommend to the MC that the formal terms of reference for the Advisory Committee (“AC”) which, at a minimum, will reflect the following:

1. The AC will be comprised of representatives from the following organizations:
 - (a) Health Quality Council of Alberta;
 - (b) Institute of Health Economics;
 - (c) Alberta Innovates Health Solutions;
 - (d) Deans of Medicine (University of Alberta and University of Calgary); and
 - (e) College of Physicians and Surgeons of Alberta.
2. The AC will report to the MC every six weeks, or as otherwise agreed by MC.
3. The AC may establish ad hoc working groups as the AC deems appropriate.

SCHEDULE 10
RECONCILIATION COMMITTEE

The parties recommend to the MC that the formal terms of reference for the Reconciliation Committee (“RC”) which, at a minimum, will reflect the following:

1. The RC will provide analytics, report trend information, identify priorities and provide evidence and data on issues that need to be considered as appropriate to support decision making for reconciliation at MC and other committees formed pursuant to the AMA Agreement.
2. The RC will respond to requests for analytics and trend information from and report to the MC as related to the AMA Agreement.
3. The RC will be comprised of members as determined by the MC.
4. The RC may establish other ad hoc working groups as the RC deems appropriate.
5. The RC may, upon approval of the MC, engage the services of an independent third party to validate calculations and make recommendations to the MC for the purpose of calculating the 2016/2017 Reconciliation Gap and the 2017/2018 Reconciliation Gap. For greater clarity, this includes the quantification of the costs of Contingencies.

SCHEDULE 11
APPROPRIATENESS AND EVIDENCE-BASED IMPROVEMENTS COMMITTEE

The parties recommend to the MC that the formal terms of reference for the Appropriateness and Evidence-Based Improvements Committee (“AEBIC”) which, at a minimum, will reflect the following:

1. The AEBIC will act in an advisory capacity to MC on issues and opportunities related to the improvement of healthcare system delivery.
2. The AEBIC will advise MC on issues and opportunities for implementing improvements to the appropriateness and quality of care Albertans receive. For the purposes of this AMA Agreement, quality of care will be defined by the six elements in the HQCA Quality of Care matrix: acceptability, accessibility, appropriateness, effectiveness, efficiency and safety.
3. The AEBIC will provide advice on opportunities and activities to bridge the gap between current evidence and improving health outcomes oriented around appropriateness and quality of care.
4. The AEBIC will take general direction from and will report to the MC.
5. The AEBIC will be comprised of members as determined by the MC.
6. The AEBIC may establish ad hoc working groups as the AEBIC deems appropriate.