

# MYTHBUSTING

## the Government of Alberta's POSITION ON DOCTORS' PAY

**The Government of Alberta recently published a website titled *Myths and Facts about doctors' pay*. Ironically, while purportedly seeking to correct misinformation, the Government only continued to perpetuate myths and even managed to create some new ones.**

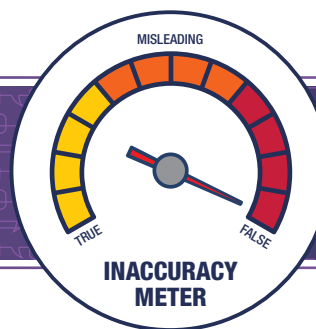
The following response from the Alberta Medical Association (AMA) reflects the physicians' perspective and the impact on their practices.



**GOVERNMENT CLAIM**

**The Government of Alberta says it values and respects the work of Alberta physicians, and compensates them fairly and generously.**

**WRONG**



**AMA RESPONSE**

**Alberta physicians feel disrespected by this current government for reasons outlined below.**

While we are not asking for more money in our negotiations and have submitted multiple proposals offering to meet government's budget targets, government decisions and the imposed Physician Funding Framework mean that physicians' practices are under severe financial stress (even without the stress of COVID-19 that all small businesses are experiencing).

A recent AMA survey found 87% of the respondents are making changes to how they practice because they can't afford to continue to practice in the same way. 42% say that government's imposed Physician Funding Framework will have a major or catastrophic effect on revenue to their practices. 42% are at least contemplating leaving the province. Relations between physicians and the Alberta government are at a historic low.

Some Government actions that have contributed include:

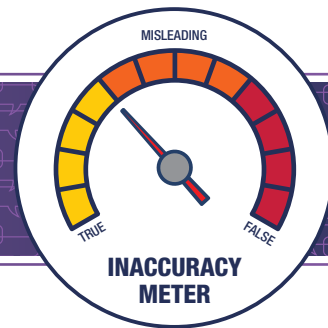
- ▶ Tearing up the AMA Agreement before negotiations had concluded, ending 50+ years of partnership between the AMA and the Government of Alberta
- ▶ Refusing physicians the right to arbitration to resolve disputes in negotiations (the only essential workers who are penalized in this way)
- ▶ Relying on the MacKinnon report which cherry-picked data to present physicians payments in the worst possible light

- ▶ Reducing payment (without consultation with physicians) for physicians who have to be on call for patient care
- ▶ Bill 21, which lets Cabinet terminate any physician agreement at any time without recourse or legislative debate; and also establishes billing number restrictions to control if physicians can practice and where
- ▶ Tabling Bill 30 and extensive changes allowing new kinds of private contracting without prior consultation with medical stakeholders
- ▶ Imposing a Physician Funding Framework, despite months of warnings from physicians about the potential detrimental impact to patient care
- ▶ Rolling back many of the framework's provisions and characterizing this as an investment or gift
- ▶ Seeking changes through the College of Physicians & Surgeons of Alberta to prevent physicians from leaving practice or leaving the province without finding their own replacements
- ▶ Announcing drastic reductions to a program to support required medical liability coverage (later partially rescinded), which would have threatened the viability of high-risk medical practices
- ▶ Accusing the AMA of misleading physicians

**GOVERNMENT CLAIM**

The Government of Alberta says it continues to interact regularly with the AMA, resulting in primary care improvements, Alternative Relationship Plan (ARP) improvements and new fee codes to provide virtual care during the pandemic.

**MISLEADING**



**AMA RESPONSE**

Though the Government has met with AMA staff and physicians on a limited number of files, including pandemic planning, virtual codes, the primary care Blended Capitation model and other ARPs, there is a big difference between agreeing to meet to hear feedback and being a true partner in health care delivery.

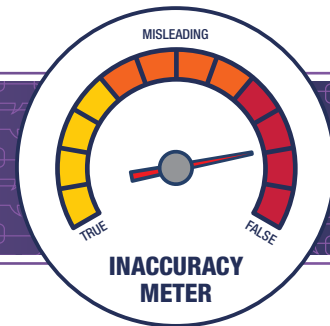
The AMA did not say that government never meets with us. We said they refuse to negotiate. Ad hoc meetings are no substitute for the discussions that should be occurring at the negotiating table or with an independent third-party arbitrator.



**GOVERNMENT CLAIM**

**The Government of Alberta says that since announcing its Physician Funding Framework it has continued consulting with both the AMA and physicians, carefully monitoring any impacts on physician compensation and health service delivery, being responsive and making adjustments as necessary.**

**VERY MISLEADING**



**AMA RESPONSE**

**After tearing up the AMA Agreement, the Government imposed a Physician Funding Framework although physicians had been warning of potential consequences for months.**

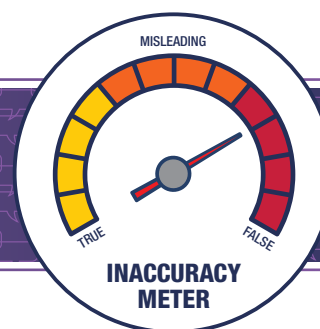
It's disingenuous to paint the resulting walk-back on elements of the physician funding framework as the Government listening to physicians and the AMA. Alberta Health made very few significant amendments to the elements of the framework until family, urban and rural physicians and the communities they served rose up against the unilateral cuts. The Minister then falsely and publicly blamed the AMA for misrepresenting the changes to the physician community and then proceeded in reversing the most damaging of his cuts while suggesting that this reversal was somehow an additional investment in rural health.



**GOVERNMENT CLAIM**

**The Government of Alberta says it's a myth that doctors are leaving the province because of the new Physician Funding Framework, and that Alberta ranks amongst the highest in Canada in terms of physicians per capita. The number of physicians in Alberta increased from 9,708 to 10,948 from 2015 to 2019, an increase of about 12.8%.**

**VERY MISLEADING**



**AMA RESPONSE**

**The number of physicians that entered the province from 2015 to 2019 has absolutely nothing to do with the compensation framework announced in February 2020 and imposed March 31, 2020.**

The Government's numbers are also misleading as they represent the total number of physicians in the province, including those engaged in research, teaching, administration and other non-clinical (non-patient care) activities. Recent CIHI data shows that Alberta is at the national average in terms of the number of physicians who provide health services for patients.

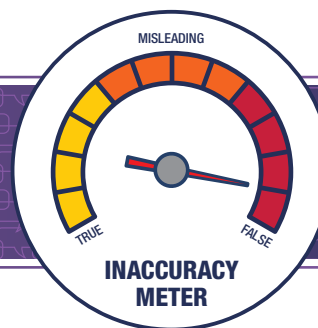
The AMA has heard anecdotally that individual physicians are either leaving, retiring, or revising their plans to establish practice in Alberta. We have stated that it's too early to say whether large numbers of physicians will do so. However, it is a worrying sign that in a recent AMA survey, so many respondents (42% of a representative sample) indicated they were considering leaving. Government legislation will give it complete control of the number of physicians entering the province. The AMA wants to work with government to develop a needs-based physician resource plan.



**GOVERNMENT CLAIM**

**The Government of Alberta says that just as with other health care providers such as optometrists, podiatrists or dentists, there is no need for a formal agreement to allow government to compensate physicians for insured services, provide supports such as Medical Liability Reimbursements, and assistance through programs like Rural Remote Northern Program.**

**WRONG**



**AMA RESPONSE**

**Government is ignoring a proud history of accomplishment from AMA agreements.**

Just a few prime examples are: Primary Care Networks; Alberta's national leadership on the use of electronic medical records; needs-based physician resource planning; and initiatives that reduced planned physician spending levels by hundreds of millions of dollars. An AMA Agreement is far more than a contract. It gets things done in the system while delivering value for patients and fiscal prudence. We see value in partnering with government.

The reality is that Government's model almost certainly guarantees that Alberta's system will underperform. The AMA's lawsuit against the Government of Alberta is centred on physicians' Charter rights to have reasonable negotiations and (in the absence of ability to strike) to seek third-party dispute resolution. This is also supported by provisions in the Canada Health Act.

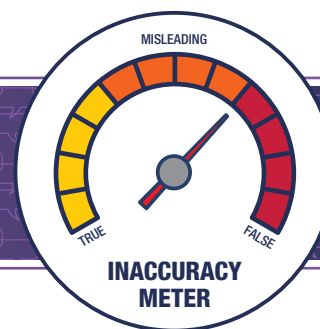
No high-performing health care system in the world operates without strong physician leadership and partnership. In the past several months, the Government has continued to introduce changes that attempt to prevent physicians from responding or having a voice to protect patients and our high quality health care system. The Government's position of not needing/wanting an AMA Agreement will most certainly guarantee that the medical system is managed on a crisis-by-crisis basis, as the only recourse for physicians to these heavy-handed policies is to withdraw services.

Neither Government nor physicians can successfully manage the health care system on their own. A high-performing system needs both parties to work together through a respectful relationship, the terms of which are well described within an agreement, for the benefit of Albertans.

## GOVERNMENT CLAIM

The Government of Alberta says that while the 2016 Amending Agreement included cost savings measures such as Schedule of Medical Benefits (SOMB) rule changes estimated at \$100 million, expenditure rates increased in each of those years. From 2014-15 to 2018-19, overall physician expenditure growth was 24.2% and the average annual growth was about 5.6% for the same period. Growth at this rate has not resulted in \$500 million in savings.

# VERY MISLEADING



## AMA RESPONSE

**The changes in the most recent Amending Agreement successfully reduced the rate of growth of physician expenditure, as expected.**

The chart "Amending Agreement on Estimated Total Physician Compensation" helps illustrate expenditures were reduced by \$500M over two years — reducing overall growth from about 9.9% to about 4% in two years.

The nature of these savings (flattening the curve on growth) was clearly communicated in the joint Alberta Health/AMA press release announcing the signing of the AMA Amending Agreement in November 2016:

**Doctors' deal to improve patient care, slow spending growth:**

*An amending agreement signed today by the Government, the Alberta Medical Association (AMA) and Alberta Health Services (AHS) will potentially save up to \$500 million in tax dollars over the next two years while improving access to quality care.*

Failing to acknowledge these accomplishments is misleading and counterproductive. Physicians are not asking for more money in these negotiations and have agreed to meet government's budget targets for the next three years.

As for the reason for growth in expenditures overall, the most significant driver has been new physicians entering Alberta, a factor the AMA cannot control. Alberta Health Services is the province's largest recruiter of physicians. Government just introduced, through Bill 21, legislation to restrict physicians entering Alberta. It is unreasonable to blame physicians for increased costs arising from more physicians providing more care to more patients in the past.

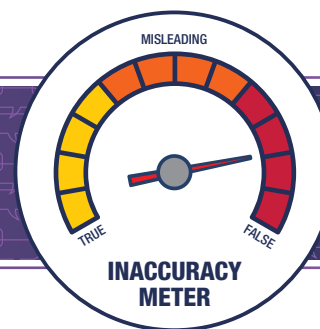
Going forward, our latest formal proposal suggests that government should pay for care provided by the physicians it chooses to allow into the province. We will help government develop a needs-based physician resource plan. Physicians will take responsibility for staying within the budget for all other factors.

 **CHART:**  
Amending Agreement Impact on Estimated Total Physician Compensation

**GOVERNMENT CLAIM**

The Government of Alberta says it is capping the number of daily visit services to enable physicians to practice within reasonable patient loads, thereby reducing burnout, and improving patient care.

**VERY MISLEADING**



**AMA RESPONSE**

The concept of capping patient visits was first raised years ago by the AMA's Section of Family Medicine as a means to rebalance payments away from high-volume episodic care practices and reinvest in the Patients' Medical Home.

It's important to note that a single patient may be associated with multiple services at one visit. The 65 cap is, therefore, not 65 patients a day. It is the number of V-codes (visits) billed in a day which may be far fewer than 65 patients. For example, on a single patient, the physician may call a specialist for advice so the patient doesn't have to go to another appointment, may talk to home care about patient instructions, or respond to hospital staff regarding patient care, etc.

Some of the unintended consequences that family physicians feared with a service cap include more patients ending up in the emergency department because their physician had reached the cap on a certain day and the patient could not be seen. This change appears to be more about saving money than maintaining quality, comprehensive care.

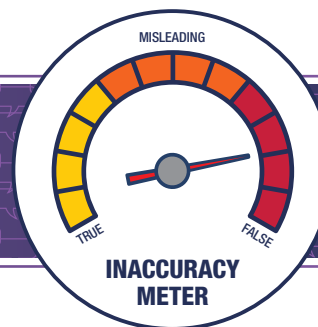




**GOVERNMENT CLAIM**

**The Government of Alberta says Physicians in Alberta have the highest average gross clinical payment per full-time equivalent (FTE) among comparator provinces.**

**VERY MISLEADING**



**AMA RESPONSE**

**To counter the Government's misinformation the AMA engaged an independent firm, that had previously worked on behalf of the Government, to conduct an apples-to-apples comparison of physician compensation across Canada.**

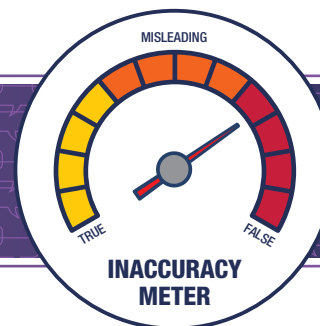
The truth of the matter is that government's information comes from the MacKinnon report, which was flawed because of the comparator jurisdictions selected, the data sources and comparability, and the benchmarking methodology applied. The AMA's own analysis has shown that physician compensation in Alberta is competitive with other jurisdictions in Canada. In addition, an independent analysis commissioned by the AMA (from a firm that government has used numerous times in the past) provided confirmation that Alberta's rates are in line with those of our counterparts when proper comparators are used.

This independent firm adjusted the data to account for deficiencies in the Government's approach, in order to describe Alberta's position with respect to other provinces. Once these adjustments were made, Alberta's average physician compensation was projected to be **3.1%** higher than our comparator provinces by 2021-22. Alberta's clinical payments per capita were projected to be 2.7% lower than the national average by 2021-22. This projection does not factor in the substantial Government cuts implemented this year or announced for 2021-22.

**GOVERNMENT CLAIM**

**The Government of Alberta says access to rural health care is a priority and that it has taken proactive action. For example, the Rural Remote and Northern Program is improved by removing the cap on the amount eligible physicians can claim. On-call rates for rural family medicine physicians with special skills has increased from \$11 to \$20 per hour and for rural on-call from \$20 to \$23 per hour.**

**VERY MISLEADING**



**AMA RESPONSE**

**This is misleading at best. The Government only took action after rural physicians and their communities rose up against the cuts imposed in the Physician Funding Framework, and most of what the Government did was reactive and not proactive.**

While the AMA does not receive the physician-level information required to assess the overall impact of recent changes - specifically the lifting the \$60K cap on payments to the Rural and Remote Northern Program - individual physicians have told us lifting the cap does not compensate them for the elimination of the fixed fee in

most rural communities. It was the fixed fee that helped incent them to reside and establish permanent practices in rural communities.

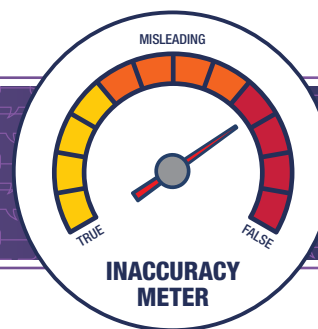
As for increasing the On-Call Program rates from \$20 to \$23, this only partially restores the unilateral AHS cuts made last October that dropped the rate from \$25 to \$20 per hour for being on call at any hour!

Likewise, increasing the fee for rural GPs with specialized skills from \$11 to \$20 is an improvement, but the fee was previously at \$18.10 until AHS unilaterally reduced it to \$11 last October.

**GOVERNMENT CLAIM**

**The Government of Alberta denies that inflation and population have been responsible for increases in the Physician Services Budget. It says that from 2009-10 to 2018-19 actual physician expenditures have gone up by 73% compared to an increase of 33% for the Consumer Price Index and population over the same period.**

**VERY MISLEADING**



**AMA RESPONSE**

The AMA has consistently maintained that the key drivers of the physician budget are population growth (more Albertans, more services), aging of the population and rising costs from inflation.

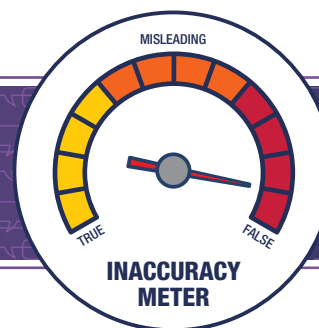
Government has failed to take into account the major factors that affect growth in physician expenditure in Alberta and neglects to acknowledge or account for our successful efforts over the past four years to bring physician expenditure growth in line (or under) population growth, aging and inflation.



**GOVERNMENT CLAIM**

**The Government of Alberta says there were no cuts to physician pay made by the previous government, only 0% rate increases. It says even then expenditures increased by 5.57% on average between 2014-15 and 2018-19, due to increased billings, which essentially was more money going to physicians.**

**WRONG**



**AMA RESPONSE**

**This is simply untrue. In the 2016 and 2018 Amending Agreements, Alberta physicians agreed to give up Retention Benefits, worth approximately \$72M per year.**

Loss of benefits to every practicing physician ranged from \$5,181 to \$12,852 per year. The AMA also offered up a combination of fee reductions (\$16M from the Individual Fee Review), Business Cost Program reductions and capping, as well as assorted rule changes in the Schedule of Medical Benefits estimated to reduce planned physician expenditures by \$100M.

Inherent in the Government's claim is an underlying view that Alberta physicians have been intentionally increasing utilization year-over-year and that physician spending is out of control. An AMA study found that during the referenced years, physicians actually earned less than in previous years, likely as result of various savings initiatives. When inflation is factored in, physician payments actually fell.

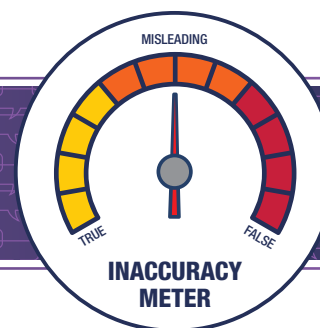
 **CHART:**  
Change in Annual FFS Claim per Physician

 **CHART:**  
Inflation Adjusted FFS Payments to Alberta Physicians

**GOVERNMENT CLAIM**

**The Government of Alberta says Alberta Health has developed population or patient-based funding models, called capitation models, which it intends to make more broadly available once payment and health information systems have been updated.**

**MISLEADING**



**AMA RESPONSE**

**This is somewhat accurate in that the Government has moved forward with its development and rollout of certain ARPs, the blended capitation model in particular, and has involved the AMA in some of these discussions.**

The ARPs for COVID-19 teams and Telus Babylon were recently developed without AMA consultation. At the same time, the process for signing up new clinical ARPs has been frustratingly slow due to government approval processes which include Ministerial Orders and a “take it or leave it” philosophy. Furthermore, a new expedited primary care ARP has yet to be announced. Work on all new Academic Medicine Health Service Plans (AMHSPs) has also stalled.

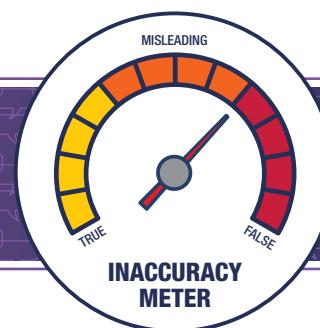




**GOVERNMENT CLAIM**

**The Government of Alberta says current ARP Program Parameters (Section 9) lay out requirements for the Minister of Health, which it says are very similar to a typical contract arrangement (consultation with all parties and written notice).**

**MISLEADING**



**AMA RESPONSE**

**The AMA has requested significant changes to ensure these arrangements are fair to physicians.**

The angst around Ministerial Orders is based on the real experiences/concerns of ARP physicians to what they see as unilateral “take it or leave it” changes to their conditions of payment. These concerns are only heightened by the lack of trust created by Bill 21, by which government has granted itself the ability to tear up any future contracts with physicians. With Bill 21 in place, these ARP contracts are only valid on a day-to-day basis. This instability, along with the deep distrust of this government, will make it extremely difficult for physicians to transition to ARPs. The AMA has been informed that government intends to end the ARP Physician Services Support Services program that has been a trusted and reliable support for physicians that considering or working within Alternative Relationship Plans.



**Alberta doctors still believe there is a way forward, through a negotiated agreement or access to independent arbitration.**

To learn more or to help us ask government to get back to the table, please visit **PatientsFirst.ca**



**ALBERTA  
MEDICAL  
ASSOCIATION**