

2022-23 Business Plan Update

The 2022-23 AMA business plan, approved in September was developed with a continued focus on essential deliverables, while working towards a new Master Agreement. The ratification of the AMA Agreement in October, creates a more stable environment, introduces many new deliverables associated with the Agreement, and creates new policy opportunities.

Typically, we would highlight these items as part of the March business plan updated. However, given the significant impact these changes will have on the planned priorities and the budget, management felt it was important to highlight key changes in the planned activities. We have also provided an updated budget forecast based on the updated activities.

New Activities

In general, most of the priority activities identified in the business plan remain, except for those related to the negotiations itself (Master Agreement negotiations, lawsuit). What does change in many cases, is how these deliverables will be achieved. For example, the business plan includes several activities to support members in compensation discussions on rates and viability of practice. These activities will still occur, but through Agreement structures, most of which, now include formal dispute resolution mechanism.

Although many of the original business plan priorities remain, there are some new activities not previously identified in the business plan, primarily in these four areas:

- Implementation of the Agreement
- Policy initiatives and opportunities (MAPS, ASI)
- Government relations and advocacy
- Healthy AMA

Implementation of the Agreement

There are a number of specific deliverables included in the Agreement itself, with varying time horizons. These include:

- Working with AHS to improve the relationship with physicians while leveraging AHS managed programs towards improving/stabilizing physician practice in AHS facilities.
 - Stipends - Through the joint working group, develop and implement a process to review the current stipends paid by AHS and make recommendations to the management committee on the disposition of each group, based on the principles outlined in the agreement. This work is likely to extend beyond the current year and must be completed no later than March 2025.
 - Overhead arrangements - Develop and conduct a review process to determine the amount of overhead fees in agreements between AHS and physicians. This work is likely to extend beyond the current year and must be completed no later than April 2024.

- Complete the IEI measure - In preparation for the rate review beginning in 2024/25 we will complete the following this year:
 - Bring together information from all studies (Hours of Work, Overhead, Training, etc.) and calculate the complete IEI measure.
 - Complete the physician panel review & external technical review
 - Prepare the dispute resolution process
 - Deliver the complete measure to RF in September for preliminary endorsement
 - The remaining steps to be completed before the end of 2024 are resolving any disputes and member ratification.
- Market/rate review - Develop and move forward with a strategy to properly prepare for and undertake inter-provincial review of SOMB, ARP and AMHSP rates in preparation for the rate review beginning in 2024/25.
- Other specified Agreement deliverables include:
 - Daily visit caps
 - Temporary removal of caps
 - Complete an evidence-based assessment of future rules for implementation April 1, 2023.
 - Business Cost Program - Implement rate increases November
 - Rural Remote Northern Program review - Identify critical communities and recommend strategies for addressing supply issues by January 2023
 - Secure access to benefits for Medical Examiners
 - Virtual care codes
 - Mental Health implemented January 2023
 - Review of remaining items by March 2023
 - IMIT funding
 - Develop program parameters to support physicians with IMT-related change management by December 2022
 - 1-time COVID payment
 - Issue the 1-time payment to physicians by December 2022
 - Benefit programs
 - Launch the 22/23 Continuing Medical Education program
 - Launch Medical Liability program
 - Launch General Practitioner special skills locum program

Policy initiatives and opportunities

The new Agreement has also created opportunities to advance physician and patient interests in key areas of government policy, including:

- Modernizing Alberta's Primary Health Care System - We will provide coordination and support to physician leaders advancing short and long-term proposals under governments MAPS initiative, encouraging alignment across stakeholder groups and with the AMA Agreement (e.g., use of targeted funding).

- Primary Caren Network Funding Review – We will provide coordination and support to physician leaders participating in the Ministers PCN review working group, encouraging alignment with proposals developed as part of the MAPS project, and mechanisms available under the AMA Agreement (e.g., targeted funding, allocation, etc.).
- Alberta Surgical Initiative – We will provide coordination and support to AMA physician leaders involved in the governance structures of the Alberta Surgical Initiative, encouraging alignment with activities advanced through other initiatives (e.g., MAPS project).

Government Relations

With an Agreement in place, we have an opportunity to work collaboratively with government to improve the system, while continuing to hold them accountable. We will create opportunities for members to engage in government relations and advocacy in several areas including:

- **Agreement and Implementation:** Members who engage to advance physician financial viability (their own and that of their colleagues) and support patient care.
- **Governance and Leadership:** Members who engage to be part of building up the profession and their roles in society.
- **Advocacy:** Members who engage and are motivated by active advocacy for patient care.
- **Government Relations:** Members who engage because they want to affect their local environments and communities.

With the upcoming provincial election, we will take steps to ensure the health agenda remains a priority including:

- Build our internal MD-MLA network capability and capacity (identify prime constituencies, collect intelligence; recruit, train, support MD ambassadors).
- During the election period, maintain the health agenda as a priority.
- Post-election, connect physicians on the ground in constituencies to provide advice and a health perspective.

Healthy AMA

In addition to the activities already listed in the healthy AMA portion of the business plan, we will be looking at opportunities to strengthen section governance, improve the diversity of our physician leadership and enhance transparency across all levels of the organization.

We will also be strengthening our connection with members by enhancing some of our existing touchpoints and creating new opportunities for members. Some examples include:

- Reviewing how we use social media to keep members and the public informed and advocate for physicians and patients.
- Reviewing the content and format for the Annual General Meeting and other events throughout the year, to provide opportunities for members to ask questions of leadership and celebrate milestones.
- Investigating mechanisms for improving transparency with members from all levels of leadership.
- Reinvesting in our member tracker surveys to monitor member sentiment and connection to the AMA.

- Being timelier with information disseminated to members through President's Letters and direct email.
- Supporting members directly on the broad range of activities outlined above.

Budget Forecast

The Agreement provides greater financial stability to the Association and the additional activities noted above will require adjustments to how some activities are resourced.

The Board established two key financial parameters to guide budget planning, both of which continue to be satisfied under the revised budget forecast:

1. The AMA maintains a foundation for a balanced operating budget by the end of 2023/24
2. The contingency reserve maintains a balance of at least \$10 million

The key budget differences forecast based on the new planned activities, are as follows:

Revenue

- Greater and more stable membership revenue.
- Greater and more stable revenues from physician insurance programs (ADIUM).
- The CMA provided significant financial support towards our efforts to negotiate a new Agreement. With an agreement now in place, the unused funding has been returned.

Ongoing Expenditures

- Higher Section and Zone grants based on higher overall membership
- Shift of some labor capacity from one-time to on-going – Over the previous two years, additional labor needs were satisfied on a contract basis to minimize future obligations. With a more stable environment and greater clarity on future deliverables, we will shift a portion of the contracted workforce to permanent.
- Committee Costs – There are additional ongoing costs associated with new ongoing Agreement committees (e.g., Master Committee, Rates Committee).

One-time/Priority Expenditures

- Shift some labor capacity from one-time to on-going – as noted above.
- Costs related to master agreement negotiations and the lawsuit will not be incurred.
- Additional one-time resources will be needed to support physician leaders on MAPS, ASI and the PCN review.
- Spending will be adjusted to deliver the government relations activities noted above.

Post Agreement 2022/23 Budget Forecast

	2021/22 Forecast	2022/23 Approved Budget	2022/23 Budget Forecast
REVENUE			
Membership revenue	17,707,114	16,173,176	19,434,770
Insurance commissions	2,148,291	2,023,503	2,142,248
Health Benefits Trust commissions	465,856	440,259	477,334
Investment income	220,478	125,000	125,000
Advertising	63,442	60,000	60,000
CMA Contributions	902,857	1,050,000	350,000
Other revenue	1,182,958	1,093,650	1,093,650
	22,690,996	20,965,588	23,683,002
EXPENDITURES			
Executive Office			
Labor costs	939,498	965,721	965,721
Other branch costs	110,197	103,500	103,500
Section support	353,398	334,076	376,239
Zone medical staff association support	724,904	689,573	770,830
Executive provision	50,698	50,000	50,000
Board	696,226	758,800	758,800
Representative Forum	1,297,302	1,004,931	1,004,931
Other committees	84,075	86,250	86,250
	4,256,298	3,992,852	4,116,271
Southern Alberta Office			
Operations	813,957	788,688	852,648
	813,957	788,688	852,648
Operations			
Labor costs	1,134,697	1,228,296	1,228,296
Other branch costs	(1,087)	41,000	41,000
Finance and membership services	1,096,461	1,263,204	1,308,866
Facility Costs	1,877,790	2,194,135	2,194,135
Human resources	628,952	932,467	932,467
ADIUM Insurance	1,152,636	1,382,522	1,382,522
Health Benefit Trust Fund administration	178,218	206,229	206,229
Information system	2,337,761	2,665,130	2,665,130
Student/Resident scholarships & grants	135,000	130,000	130,000
Committees	19,733	28,000	28,000
	8,560,161	10,070,983	10,116,645
Public Affairs			
Labor costs	1,190,030	1,406,583	1,406,583
Other branch costs	24,065	33,100	33,100
Section services	158,113	222,679	222,679
Member communications	180,253	340,000	340,000
Shine a light/Youth Run Club	95,260	95,000	95,000
Albertapartners	203,102	200,000	200,000
Committees	19,449	7,750	7,750
	1,870,272	2,305,112	2,305,112
Health Economics			
Labor costs	2,097,164	2,224,037	2,609,037
Other branch costs	29,778	68,100	68,100
AMA Compensation Committee	60,692	100,000	100,000
Agreement Committees			178,000
Other committees	264	32,500	76,780
	2,187,898	2,424,637	3,031,917
Professional Affairs			
Labor costs	1,237,979	1,578,658	1,578,658
Other branch costs	21,492	43,500	43,500
CMA Projects	190,845	350,000	350,000
Health Issues Council	28,850	33,250	33,250
Indigenous Health	4,237	33,250	33,250
Committees	14,577	45,750	45,750
	1,497,980	2,084,408	2,084,408
Health System Transformation			
Labor costs	515,032	656,218	656,218
Other branch costs	67,312	99,200	99,200
System transformation leadership	204,643	366,632	366,632
	786,987.00	1,122,049.56	1,122,049.56
Total Ongoing Expenditures	19,973,553.00	22,788,729.73	23,629,051.63
Surplus (Deficit) before one-time provisions	2,717,443	(1,823,141)	53,951
Priority Activities			
Representation	949,628	1,625,765	758,717
Master Agreement Negotiations	670,780	600,000	25,000
Income Equity Initiative	244,965	586,016	480,251
Policy Opportunities (MAPS/ASI)			426,936
Legal Case	67,250	420,000	25,000
Public Campaign	644,816	907,200	328,040
Transition to Hybrid Work Environment	49,488	-	-
	2,626,927	4,138,981	2,043,943
Total Expenditures	22,600,480	26,927,710	25,672,995
Total Surplus (Deficit)	90,516	(5,962,122)	(1,989,992)
Reserves and Contingencies			
	2021/22 Forecast	Annual Budget 2022/23	Forecast Budget 2022/23
Board Reserves			
Emergency reserve	10,212,978	10,212,978	10,212,978
Capital reserve	3,508,000	3,508,000	3,508,000
Strategic initiatives reserve	1,000,000	1,000,000	1,000,000
	14,720,978	14,720,978	14,720,978
AMA Contingency			
Opening Balance	17,541,819	16,339,012	16,664,986
Net investment income after funding board requirements	(967,349)	490,170	499,950
Operating surplus (deficit)	90,516	(5,962,122)	(1,989,992)
	16,664,986	10,867,060	15,174,943