138th Annual Meeting of Council

Negotiations Committee Update

April 28, 2018

OMA
ONTARIO MEDICAL ASSOCIATION

OMA Negotiations Committee

- Mr. Howard Goldblatt, Lead Negotiator
- Mr. Steven Barrett, Co-counsel

- Dr. Darren Cargill (Palliative Care, Windsor)
- Dr. Laurence Colman (Obstetrics/Gynecology/Surgical Assisting, Etobicoke/Brampton)
- Dr. David Kelton (Vascular Interventional Radiology, Brampton)
- Dr. Nikolina Mizdrak (Family Practice, Toronto)
- Dr. Paul Tenenbein (Anesthesiology, Toronto)

MOH Negotiations Committee

- Dr. Barry McLellan, former CEO, Sunnybrook Health Sciences (chair)
- Dr. Bob Bell, Deputy Minister, MOHLTC
- Dr. Joshua Tepper, Family Doctor, St. Michael's Hospital & NYGH; President & CEO of HQO
- Ms. Lynn Guerriero, ADM, MOHLTC
- Mr. Reg Pearson, ADM, Treasury Board Secretariat
- Mr. Bob Bass, Negotiations Advisor

Arbitration Board

- Chair of Arbitration Board (mediator)
  - Mr. William Kaplan
- OMA Nominee to Arbitration Board
  - Mr. Ron Pink, QC
- MOH Nominee to Arbitration Board
  - Dr. Kevin Smith (Hamilton)

Communications

- During Negotiations and Mediation
  - Communications Protocol
  - Updates to Board and Council
  - Board Negotiations Sounding Board
  - Monthly calls with Section Chairs
  - Section or Issue specific consultations

- During Arbitration
  - Continuing updates to Board and Council
  - Issues, briefs and hearings public
  - Section or Issue specific consultations as needed

Negotiations Process and Timeline

☑ **Negotiation**:

- Sept 5,15
- Oct 4,5,11,13,30

☑ **Mediation**:

- Nov 5,7,26
- Dec 7,8,9,10,20
- Jan 9,10,11,26,27,28
- Feb 10, 24
- Mar 1, 22, 23

☐ **Arbitration**:

-May 24, 25

- July 3, 4, 19
- Sept 17, 20, 21
- Oct 22, 23, 24, 25, 26

Election

If there is a change in government, will that affect the scheduled dates for arbitration?

- Any party may request an adjournment of hearing dates
- Any such request must have a strong argument supporting the adjournment, since an adjournment can only be granted by the arbitration board
- The mere fact of a change in government would not be a strong argument for obtaining an adjournment.
- Moreover, even if a new government said it had a changed mandate, it would have to show prejudice if an adjournment was not granted, which would be difficult to establish.
- However, should a new government wish to make us an offer during arbitration, we would give that offer due consideration.

Glossary of Terms

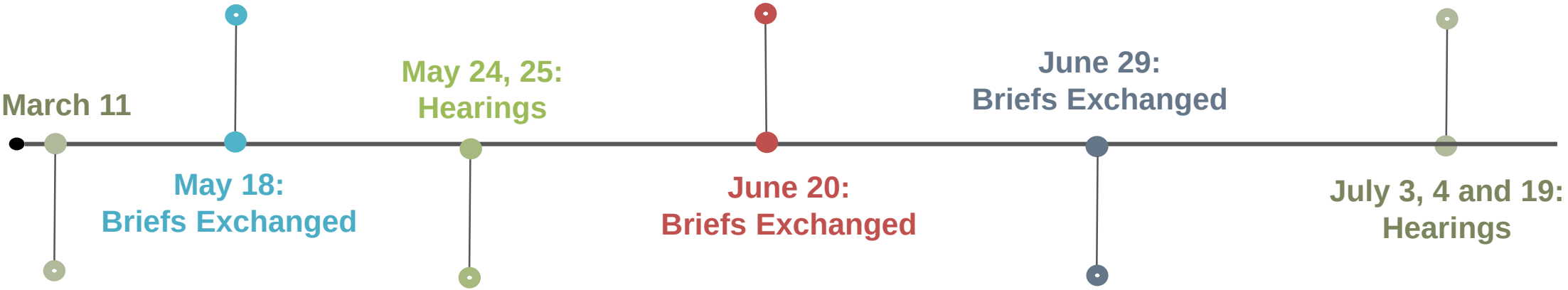
- **Briefs**
  - Written presentation to the Board of Arbitration filed and exchanged prior to the start of hearings

- **Arguments**
  - Oral presentation based on the Brief

- **Reply brief**
  - Brief to address the Brief provided and the oral presentation from the opposite side on specific issues

- **Reply argument**
  - Oral presentation in response to Briefs and presentations on specific issues

Phase I Sequencing



- Issues in dispute exchanged

- OMA Brief on Overview, Fee Increase and Redress
- Ministry Brief on Overview, Fees, Redress and Tech Change Cuts (Cardiology, Diagnostic Radiology and Ophthalmology)

- OMA Argument on Overview, Fee Increase and Redress
- Ministry Argument on Overview, Fees, Redress and Tech Change Cuts

- OMA Reply Brief on Fees, Redress and Tech Change Cuts
- Ministry Reply Brief on fees, redress
- OMA Brief on PSB Baseline, PSB Growth and No Cap, Appropriateness
- Ministry Brief on PSB Baseline, PSB Growth and Cap, Appropriateness

- Ministry Reply Brief on tech change cuts

- OMA argument on Tech Change Cuts, Reply on Fees and Redress
- Ministry Reply arguments on Tech Change Cuts, Fees, Redress
- OMA Argument on PSB Baseline, PSB Growth and No Cap, Appropriateness
- Ministry Argument on PSB Baseline, PSB Growth and Cap, Appropriateness

Phase I Sequencing

September 7: Briefs Exchanged

- OMA and Ministry Reply Briefs on PSB baseline, PSB growth, (no) cap and appropriateness
- OMA and Ministry Briefs on primary care

September 17: Briefs Exchanged

- OMA and Ministry Reply Briefs on primary care

September 17: Hearing Date

- Ministry Reply Arguments on PSB Baseline, PSB Growth and Cap, Appropriateness
- OMA Reply Arguments on PSB Baseline, Growth and No Cap, Appropriateness

September 20 and 21: Hearing Dates

- Ministry Argument and Reply on Primary Care.
- OMA Argument and Reply on Primary Care

October 1: Briefs Exchanged

- Ministry Brief on AHSC/NOSM, Technical Fees, Incorporation
- OMA Brief on AHSC/NOSM, Technical Fees, Incorporation

October 15: Briefs Exchanged

- Ministry Reply Brief on AHSC/NOSM, Technical Fees, Incorporation
- OMA Reply Brief on AHSC/NOSM, Technical Fees, Incorporation

October 22-26: Hearing Dates

- Carry over issues from Primary Care
- OMA and Ministry argument on AHSC/NOSM
- OMA and Ministry Reply on AHSC/NOSM
- OMA and Ministry argument on Technical Fees
- OMA and Ministry Reply on Technical Fees
- OMA and Ministry argument on Incorporation
- OMA and Ministry Reply on Incorporation
- Summation

Relativity

- Phase II will resolve matters relating to how compensation changes resulting from Phase I are to be allocated and distributed. This is where relativity adjustments will be addressed and determined.

- Mediated interim relativity agreement providing a mechanism for determining the relativity methodology and allocations for the first and second years of the agreement, as well as a process to determine the relativity model on a “go forward” basis thereafter.

- Two-stage process with the aim of having a jointly agreed or arbitrated relativity model in place by April 1, 2019.

Relativity

Stage 1

For the period April 1, 2017 to March 31, 2019, the parties will agree or have determined by arbitration:

- the composition and ranking of Physician Groups using a hybrid relativity tool consisting of the OMA's CANDI methodology and the government's RAANI methodology;
- the number of bands or groups to be identified within the physician group ranking;
- the proportion, if any, of the amount of the normative fee increase to be allocated on a relativity basis ("the relativity amount"); and
- the distribution of the proportion of the relativity amount to each band set out in (ii) above.

Relativity

Stage 2

The parties will proceed with respect to determining the relativity methodology for the period commencing April 1, 2019 as follows:

- A joint negotiating team sub-committee will identify best practices and recommend an evidence- based approach for determining relativity, with the goal of there being a final report by January 1, 2019. Any outstanding issues will be referred to the board of arbitration for determination and implementation effective April 1, 2019.
- Any process issues which may arise during the course of Stage 2 will be referred to arbitrator William Kaplan who will have the authority to finally resolve these issues in accordance with a process he determines appropriate.

1. Redress

OMA

- Payment Discount
  - *Removal of the 0.5% payment discount*
  - *Removal of the 3.95% FFS payment discount*
  - *Removal of the 2.65% APP/Primary Care/Program payment discount*
- Value of primary care and targeted cuts to be returned to each specialty (excluding the cuts to programs identified in below)
- Restoration of Program Cuts
  - *Managed Entry*
  - *Income Stabilization*
  - *Acuity Modifier*
  - *HOCC*
  - *HOCC Per Diem*

MOH

- Status Quo – unilateral across-the-board payment discounts and targeted fee cuts remain in place

2. Compensation Changes

OMA

- 4.26% fee increase effective April 1, 2017 representing the compounded value of the lost normative increases of 1.4% for each of the years 2014-15, 2015-16 and 2016-17
- 2.6% fee increase effective in each of 2017-2018; 2018-2019; 2019-2020; 2020-2021
- Distribution of funds to be allocated to each specialty by agreement of the parties giving consideration to such factors as relativity, value and comparability; failing agreement as determined by mediation-arbitration in Phase II.

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- 1% Increase for years 2, 3, and 4 for all payments to
  - Primary Care providers not enrolled in FHO Models
  - Specialists outside the specialties of Cardiology, Radiology and Ophthalmology
  - specialist APP contracts
- Reduce specified fees for the following:
  - Diagnostic x-rays (except mammography x-ray services), Diagnostic CT/MRIs, Cardiac Diagnostics (including echocardiograms), Cataract and Laser Eye Procedures
  - Effective April 1, 2018 - a reduction of 10%
  - Effective April 1, 2019 - a further reduction of 5%
- Ophthalmological Surgical and Diagnostic services (excludes consultations and assessments, strabismus surgery and corneal transplants)
  - Effective April 1, 2018 - a reduction of 8%
  - Effective April 1, 2019 - a further reduction of 8%
  - Effective April 1, 2020 - a further reduction of 8%
- Progressive Discounts on Professional Payments > $1M
  - 10% on payments between $1M and $2M and 20% on billings $2M and over.

3. PSB Baseline, Growth & (no) Cap

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- PSB baseline 2016-17 actual expenditures
- PSB to be increased by
  - *the value of increases to physician compensation **plus***
  - *3.6% for the increase in patient demand for medical services **plus***
  - *the value of government commitments made to APPs and programs **plus***
  - *any new government programs*
- No cap on the Physicians Services Budget

MOH

- Year 1 - Actuals for 17/18, No Cap
- Year 2 - Actuals for 18/19, No Cap
- Year 3 - Yr 2 Actuals + 1.9% hard cap for growth + fee increase
- Year 4 - Yr 3 Actuals + 1.9% hard cap for growth + fee increase

- Cap: Monitor expenditures; if likely to (or does) exceed the cap - negotiate changes to payments which would offset the overage, which could be applied in-year and/or the next fiscal year.

- If expenditures are below the cap in a given year, the parties will share the surplus 50/50 as a one-time savings and a one-time expenditure.

3. Appropriateness

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- Joint working group and/or the use of expert panels
- Evidence and best practices with the aim of ensuring that the provision of physician services, and growth in expenditures for physician services, is appropriate to meet clinical needs/patient expectations
- Guiding principle of the parties is not a cost-reduction or savings, but rather the provision of appropriate medical services and the reduction of inappropriate (and therefore potentially unnecessary or harmful) medical services.
- Inappropriateness includes underuse, overuse and misuse.
- Guided by the best available evidence, including peer reviewed literature, other reliable data, consultations with both physicians and experts in the field, any national or international guidelines for high quality patient care, generally accepted clinical standards and principles of professional practice, and the need to avoid compromising timely patient access to medically necessary physician services.

MOH

- Bilateral Committee to discuss and establish evidence informed amendments to payments by eliminating or restricting inappropriate or overused physician services, or physician payments to generate $200M in savings for the period of July 1, 2019 to March 31, 2020 and an additional $200M in savings for the period April 1, 2020 to March 31, 2021.

Questions