

• PHYSICIANS VOTE TO HELP BRING STABILITY TO PROVINCE'S HEALTHCARE •

Jennifer Davis, Associate, and Nathaniel Brenneis, Student-at-Law, McLennan Ross LLP
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Jennifer Davis



Nathaniel Brenneis

As of October 14, 2016, members of the Alberta Medical Association (“AMA”) voted to have the AMA Board approve the amendment of the 2011-2018 AMA Agreement with Alberta Health, together with a number of other collateral agreements with Alberta Health and AHS. This approval and ratification marks a fundamental change in Alberta’s stewardship of healthcare resources and hopes to foster stronger relationships between the AMA, AHS and Alberta Health.

Building on the existing agreement, the amendments will bring many new additions, chief amongst them being the establishment of a “shared responsibility” model for the Physician Services Budget. Prior to the amendments, Alberta Health assumed responsibility for health care expenditures and carried associated risks. Both Alberta Health and the AMA recognized the old scheme was unsustainable in Alberta’s current economy. The newly implemented changes are designed to get doctors working with government to help control healthcare expenditures while ensuring patients have access to quality services.

The “shared responsibility” model operates using three components: Available Amount, Actual Expenditures and Reconciliation.

The Available Amount includes payments for province-wide medical services and programs, plus general inflators for cost of living adjustments, the impact of numbers of physicians, and other contingencies. The Available Amount is not capped, but calculated every year according to a formula set out in the Amending Agreement. The Actual Expenditures are the amounts Alberta Health actually spend on medical services, benefits and programs. Reconciliation involves comparing the Available Amount with the Actual Expenditures and determining how to resolve any discrepancies.

The new model will have Alberta Health paying out certain benefits and fee increases if the Actual Expenditures are less than the Available Amount. If the Actual Expenditure is more than the Available Amount, Alberta Health will withhold some or all of those payments. The benefit to this approach is to encourage physicians to take on an active role in controlling costs while ensuring the AMA is not responsible for making up the entire difference if spending continues to eclipse savings.

Along with shared budget responsibility, the amending agreement and the collateral agreements also introduce several initiatives to reduce costs while maintaining value. These include new strategies for enhanced data sharing and integrated care, as well as improvements to the Schedule of Medical Benefits (“SOMB”). Specifically, the parties have agreed to develop and ratify a provincial framework covering all of Alberta’s Primary Care Networks. An Integrated Care Consultation Agreement has also been developed to address the importance of integrated care throughout the healthcare system. The AMA and Alberta Health have committed to streamlining SOMB updates and expediting efforts to price medical services according to their comparative value in terms of patient care.

Essentially these contracts will craft a new healthcare landscape in Alberta that focuses on collaboration, efficiency, and sustaining quality and access to healthcare for Alberta residents.

[Jennifer Davis is an associate in the McLennan Ross Edmonton office. Jennifer's practice focuses on litigation, insurance and risk management,

construction, privacy, and health law. Motivated by her desire to understand her clients and provide them with comprehensive and proactive solutions, Jennifer enjoys finding cost-effective and creative solutions to address her clients' legal needs.

Nathaniel Brenneis is a student-at-law in the McLennan Ross Edmonton office.]