



November 28, 2008

Tentative physician services agreement reached ***Three-year contract completes final term of eight-year agreement***

Calgary...A tentative agreement for physician services has been reached between Alberta Health and Wellness, the Alberta Medical Association and Alberta Health Services for the 2008-2011 financial term.

The 2008-2011 tentative agreement provides for annual increases that will keep compensation for Alberta physicians among the most competitive in Canada.

The proposed rate increases to the Schedule of Medical Benefits (fee schedule) and for alternate relationship plans are 5% for 2008/09, 5% in 2009/10 and 4.5% in 2010/11.

Budgets for physician services for the next three years would be \$2.6 billion, \$2.9 billion and \$3.1 billion. The agreement term covers the period from April 1, 2008 to March 31, 2011.

The agreement also includes increased funding for:

- expanding primary care networks.
- continued support for the recruitment and retention of physicians to Alberta.
- computerization of physician offices and provincewide implementation of the electronic health record.
- improved support for continuing medical education.

The 2008-2011 agreement is the final term in the eight-year physician services agreement established in 2003. The 2003 Tri-Lateral Master Agreement was unique in a number of respects: it marked the first time health regions were included as partners in an agreement between the Alberta government and the Alberta Medical Association to compensate physicians, expand primary care services and support information technology for physician offices.

“The agreement maintains the commitment to the advancement of patient care and to fair physician compensation consistent with the 2003 Tri-Lateral Agreement,” said Ron Liepert, Minister of Health and Wellness. “The agreement will further the government’s goal of aligning medical services with the health needs of Albertans.”

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“The proposed agreement and the creation of a single provincewide health authority will allow both the Alberta Medical Association and Alberta Health Services to move on to working more closely with the Alberta government on many important issues facing the system,” said Dr. Noel Grisdale, President of the Alberta Medical Association. “Because there is much to do.”

“The agreement reinforces the positive partnership between physicians, government and the health services board in delivering quality patient care to Albertans,” said Ken Hughes, Chair of the Alberta Health Services Board. “This agreement provides the stability we need to continue delivering efficient and effective health care services in all Alberta communities.”

All budget items have been resolved, and the three parties have signed a "letter of understanding." Officials now are drafting the complete language of the legal agreement.

Ratification of the tentative agreement by Alberta Health and Wellness, the Alberta Medical Association and Alberta Health Services is expected to be completed by January 2009. Negotiations between the three parties on the 2008-2011 financial term began in December 2007.

Backgrounder: Highlights of physician services agreement.

Media inquiries may be directed to:

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Highlights

Fees and benefits

The proposed rate increases to the Schedule of Medical Benefits (fee schedule) and for alternate relationship plans are 5% for 2008/09, 5% in 2009/10 and 4.5% in 2010/11.

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Alternate Relationship Plans

The agreement funds alternate relationship plans, which compensate physicians who practise outside the traditional fee-for-service compensation model. These plans include academic physicians who provide insured medical services, physicians who work in centres that provide care to a specific population such as an inner city health centre, or clinics that provide care to patients with specific health issues, which might include such conditions as chronic pain, diabetes, asthma and allergies.

Rural/Remote/Northern Program and Retention Benefit Program

The agreement includes funding for the Rural/Remote/Northern Program and Retention Benefit Program. Both programs were established in the 2006-07 agreement. The Retention Benefit encourages recruitment and retention of physicians by recognizing years of service. The Rural Remote Northern Program offers incentives to physicians practising in rural, remote and northern towns and cities.

Primary Care Initiative

Funding has been provided to support and expand primary care networks. Primary care networks are established in an agreement between government, health regions and physicians to provide health services to a community of patients.

There are now 29 primary care networks that provide basic health services to more than 1.9 million people in communities across Alberta. Primary care networks involve more than 1,600 physicians, or about 55 per cent of all family physicians. A feature of the networks is the development of health care teams. Funding has been provided to expand primary care network coverage to close to 80 per cent of Albertans by 2011.

Funding has been provided to establish the Family Physician Performance Indicator Fund which will promote increased quality of care.

Physician Office System Program

The agreement provides continued funding to support the goal of providing computer technology and connecting physician offices to Alberta Netcare and the electronic health record system.

Business Costs Program

The Business Costs Program, introduced in 2006-07, recognizes the impact of the Alberta economy on increases in the overhead and office costs of family physicians and community-based specialists.

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