

## FAQ

### 1) Why is the government doing this?

Our provincial government is intent on balancing our provincial budget, which is commendable, and which many, if not most, physicians are in support of. We offered a pay reduction which would not sacrifice patient care, and which would move them towards a balanced budget, however we were rejected with no intent to negotiate.

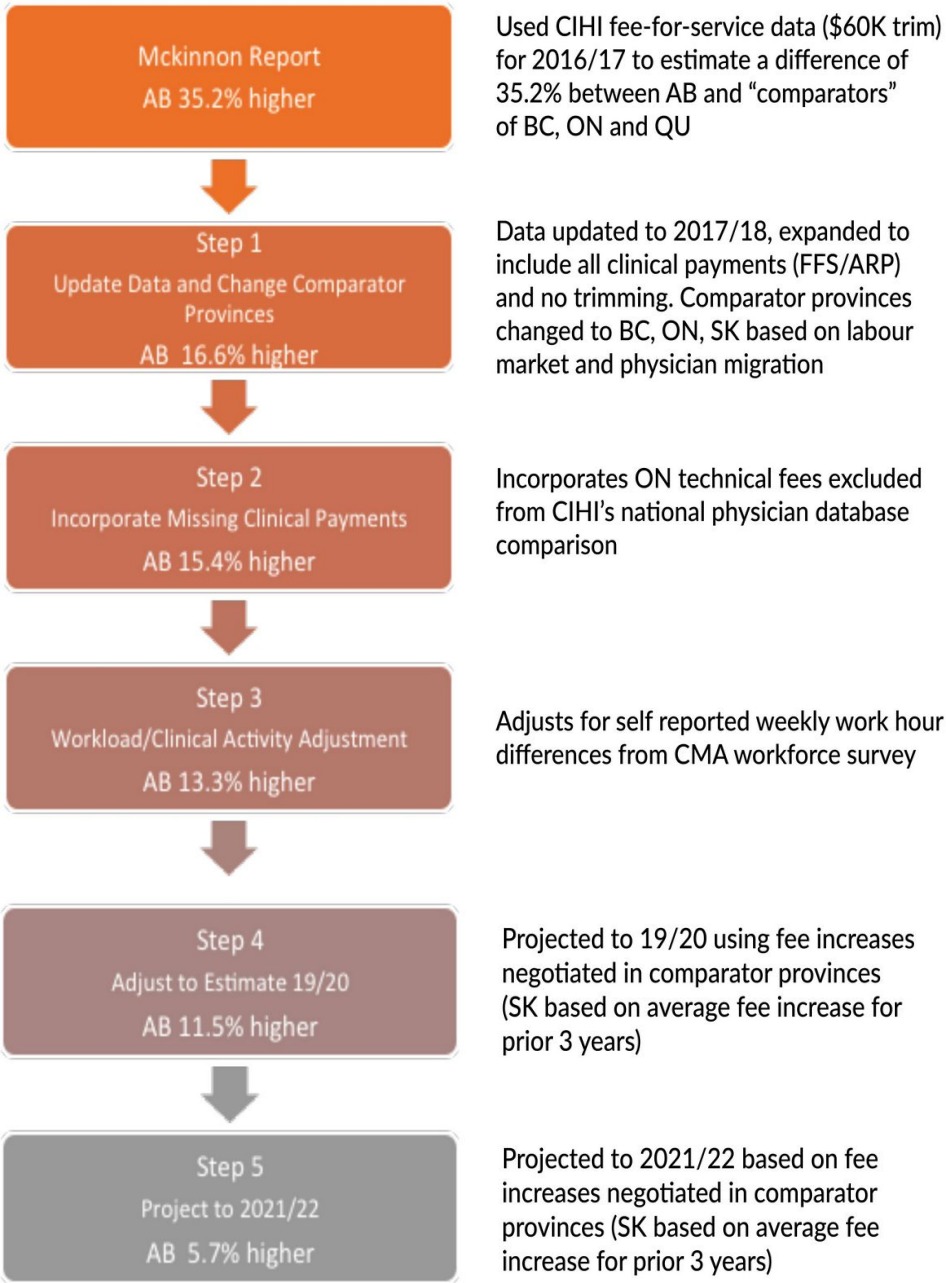
They feel they can no longer support what they see as unreasonably high physician compensation. In reality, physician compensation in Alberta is in line with all other compensation in Alberta, relative to adjacent provinces. See question 2.

### 2) How does physician compensation in Alberta really compare to other provinces?

The MacKinnon report claims that average clinical payments to physicians in Alberta are 35.2 percent higher than comparator provinces of BC, Ontario and Quebec. This claim is based solely on Canadian Institute for Health Information (CIHI) fee-for-service comparisons for 2016/17, and does not account for differences in ARP earnings, nor important concessions made by Alberta physicians in recent master agreements. The comparator provinces chosen also do not reflect current labour market dynamics, such as interprovincial physician migrations.

When appropriate adjustments are made – including adjustments to recognize recent increases negotiated in other provinces – Alberta's physician compensation is actually in line with comparator provinces. The graphic below illustrates the elements that the MacKinnon report failed to take into account when drawing conclusions:

As per the Alberta Medical Associations rebuttal to the MacKinnon report, based on an independent assessment by Invictus Analytics & Strategy. These figures present our CURRENT funding model, not after the proposed cuts.



Once proper adjustments are made, Alberta's average physician compensation is projected to be 5.7 percent higher than our comparator

provinces by 2021/22. But again, context matters, which is why it's important to point out that this projection is based on current status and does not factor in any government cuts (i.e., if consultation proposals are implemented). It is also important to note that wages in Alberta, across the board, are higher than neighboring provinces by a margin greater than 5.7%.

The AMA's Economic Realities of Physician Compensation paper demonstrates that wage differences elsewhere in the economy (i.e., among other workers and their interprovincial counterparts) are much higher. In 2017/18, Alberta's industrial aggregate wage level was 15.4 percent higher than the averages in BC, Ontario and Saskatchewan. As employers themselves, physicians are directly impacted by these higher wages through increased staff/overhead costs.

The independent consultant also demonstrated that the gap in adjusted average clinical payments per capita between Alberta and our comparator provinces will close by 2021/22 due to recently negotiated fee increases in comparator provinces, and expected physician and population growth over the next two years. In fact, by 2021/22 Alberta will fall slightly below the average (-2.5%).

### 3) What do the new changes mean for doctors?

Physicians will be paid markedly less for their work. And with fixed overhead expenses, will be required to see more patients to cover their overhead.

Physicians will continue to be compensated for their time spent with patients BUT at an implementation interval that makes the compensation effectively useless, as very few appointments take the newly determined length of time.

Government supports for physician overhead costs, medical liability insurance, locums, rural incentives, and many other benefit programs will continue, however be drastically reduced to the point of nearly being eliminated.

#### 4) Is this really about improving patient care?

This is about putting in a new funding framework that's been needed for a long time. Unfortunately, one that drives the wrong dynamics, promoting high volume practices which have been shown, time and again, to get worse health results for Albertans.

Under this framework, once all changes are fully implemented, Alberta physicians will be among the lowest paid in Canada, and certainly out of line with the incomes experienced by all other industries in Alberta, relative to adjacent provinces.

#### 5) Will doctor's leave Alberta to go work in other provinces?

Despite having:

- a long established primary care network that provides supports to family practitioners and their patients
- a single health authority
- an advanced IT infrastructure that allows physicians to share information
- an active partnership with the Rural Health Professions Action Plan to recruit and retain physicians in rural areas
- a generous benefits package that includes compassionate leave, parental leave, and medical liability

- two faculties of medicine

It is very likely that physicians will leave Alberta, Canada, or medicine altogether. Despite the ample benefits to practicing medicine in Alberta, we are small business owners, and will be unable to provide care with such severe financial restrictions. When presented with higher remuneration opportunities in provinces both East and West, it will be very hard for physicians to remain in our province. New graduates are already looking to both British Columbia and Saskatchewan, to pursue their medical careers.

#### 6) Can I still go see the doctor?

Yes, you can still go to the doctor, and your doctor will still be paid for your visit. However, your visit will be shorter than you are used to, and fewer issues than you are used to will be addressed.

The new physician funding framework will have a profound impact on physicians getting paid for their services. The *Alberta Health Care Insurance Act* requires the government to pay doctors for their services.

Albertans will still be able to visit their physicians, but for a much shorter appointment, and physicians will continue to bill taxpayers, but far less per patient.