PHYSICIAN MASTER AGREEMENT AMENDMENT NUMBER 2

THIS AGREEMENT made as of the 12th day of February, 2008,

BETWEEN:

HER MAJESTY THE QUEEN IN RIGHT OF THE
PROVINCE OF BRITISH COLUMBIA, as represented by the
Minister of Health

(the “Government”)

AND:

BRITISH COLUMBIA MEDICAL ASSOCIATION

(the “BCMA”)

AND:

MEDICAL SERVICES COMMISSION

(the “MSC”)

WITNESSES THAT WHEREAS:

A. The parties hereto entered into an agreement titled “Physician Master Agreement”, made
as of the 1st day of November, 2007 and subsequently amended (the “PMA”);

B. Section 1.7 of the PMA provides that the PMA may be amended by written agreement of
the parties; and

C. The parties have agreed to amend the PMA in the manner set out herein.

NOW THEREFORE in consideration of the premises and the agreements of the parties
as set out herein, and other good and valuable consideration the receipt and sufficiency of which
is hereby acknowledged, the parties agree as follows:

1. Section 1.1 of the PMA is amended by:

a) the deletion of the definition of “MOCAP Review Team” in its entirety;

b) the replacement of the definitions of MCRC and MOCAP Distribution Dispute in their
entirety with the following:

“MCRC” has the meaning given in section 18.3(c).

“MOCAP Distribution Dispute” has the meaning given in section 18.3(j).
c) the addition of the following definitions:

"MOCAP Adjudicator" has the meaning given in section 23.3(a).

"MOCAP Objectives" has the meaning given in section 18.3(a).

"PHSA" has the meaning given in section 18.3(c).

2. Section 9.1 of the PMA is amended by:

a) the addition of "and" immediately following "Committee;" in subsection (g);

b) the deletion of "; and", and the insertion of a period, immediately following "Committee" in subsection (h); and

c) the deletion of subsection (i).

3. Article 18 of the PMA is replaced in its entirety with the following:

"ARTICLE 18 - THE MEDICAL ON-CALL/AVAILABILITY PROGRAM"

18.1 Budget for MOCAP

For each of the Fiscal Years from April 1, 2006 to March 31, 2008, the budget for the MOCAP was $126.4 million annually. Funding for Doctor of the Day is allocated from the annual MOCAP budget.

18.2 MOCAP Terms and Conditions

(a) The MOCAP shall be operated in accordance with the terms attached hereto as Appendix G.

(b) Physicians who provide MOCAP coverage will do so in accordance with the provisions of the MOCAP Contract attached hereto as Schedule 1 to Appendix G.

18.3 Distribution of MOCAP Funds by Health Authorities

(a) The Health Authorities will distribute MOCAP funds that have been allocated to them by the Government in a manner that supports the following objectives (the "MOCAP Objectives"), in the following order of priority:

(i) first, to provide life and limb support in acute care hospitals, diagnostic and treatment centres, and specified emergency rooms;

(ii) second, where required for the operational efficiency of hospitals; and

(iii) third, to support General Practitioner care of complex patients in the community.
(b) The MOCAP Advisory Committee has Consulted with the BCMA through the Physician Services Committee and has developed evaluation criteria that support the MOCAP Objectives and their prioritization as required by section 18.3(a).

(c) By July 1 of each year, each Health Authority will form a MOCAP Contract Review Committee (the "MCRC"). The MCRC of each Health Authority except the Provincial Health Services Authority ("PHSA") will include Health Authority representatives, one representative of the Health Authority's medical advisory committee and at least three representatives of emergency medicine physicians within the Health Authority. The MCRC of PHSA will be composed of two emergency physicians representative of emergency medicine at BC Children’s Hospital, one physician who is peer selected from each of the PHSA agencies and one member appointed by the PHSA.

(d) Each MCRC will review and Consult on the Health Authority's requirements for MOCAP coverage within its MOCAP funding allocation for the next Fiscal Year. This review will include Consultations with non-physician service providers who have expertise and experience that would assist the MCRC in recommending annual MOCAP coverage needs to the Health Authority, on the most urgent priority needs for on-call availability. Each MCRC will apply the evaluation criteria referred to in section 18.3(b), as amended and published by the MOCAP Advisory Committee from time to time, in making recommendations to its Health Authority with respect to the distribution of the Health Authority's MOCAP funding allocation.

(e) After having received recommendations pursuant to section 18.3(d) and prior to finalizing a plan for the distribution of its annual MOCAP funding allocation, each Health Authority except the PHSA will review its proposed plan with its medical advisory committee and may make changes in response to any concerns identified by the Health Authority's medical advisory committee.

(f) After having received recommendations pursuant to section 18.3(d) and prior to finalizing a plan for the distribution of its annual MOCAP funding allocation, the PHSA will review its proposed plan with a committee composed of the members of its Physician Leaders Council and one peer selected physician chosen from each of the Children's & Women's Health Centre of British Columbia, the BC Cancer Agency and Riverview Hospital-Forensic Psychiatric Services and may make changes in response to any concerns identified by that committee.

(g) Following the Consultations referred to in section 18.3(d) and either section 18.3(e) or section 18.3(f) as applicable, each Health Authority will finalize a plan for the distribution of its annual MOCAP funding allocation for the next Fiscal Year through renewal, modification or new MOCAP Contracts.

(h) By November 1 of each year, each Health Authority will publish to all affected physicians the plan for the distribution of its annual MOCAP funding allocation for the next Fiscal Year.

(i) Upon request received by November 15 of any year from any physician or physician group affected by a Health Authority's plan for the distribution of its
annual MOCAP funding allocation for the next Fiscal Year, the Health Authority will conduct a debriefing with the affected physician or physician group. Any member of that Health Authority’s MCRC may attend such debriefing.

(j) Following a debriefing as contemplated in section 18.3(i), any physician or physician group may challenge a Health Authority’s plan for the distribution of its annual MOCAP funding allocation for the next Fiscal Year (a “MOCAP Distribution Dispute”) in accordance with section 23.3 on the following grounds:

(i) the process set out in sections 18.3(c) through 18.3(h) was not followed:

(ii) the proposed distribution is inconsistent with the MOCAP Objectives and their prioritization as required by section 18.3(a); or

(iii) in finalizing its distribution plan the Health Authority relied upon considerations other than those that are relevant to the MOCAP Objectives and their prioritization as required by section 18.3(a).

(k) Where no MOCAP Distribution Dispute arises within the deadline in section 23.3(b), the Health Authority’s MOCAP distribution plan for the subsequent Fiscal Year will be final.

(l) Notwithstanding any MOCAP Distribution Dispute regarding the distribution of a Health Authority's annual MOCAP funding allocation for a particular Fiscal Year, the Health Authority may implement its plan for the distribution of its annual MOCAP funding allocation for that Fiscal Year, subject to section 18.3(m).

(m) If, as a result of any MOCAP Distribution Dispute in respect of a Fiscal Year, a modification to a Health Authority's plan for the distribution of its annual MOCAP funding allocation is required by an award of the MOCAP Adjudicator made pursuant to section 23.3(e), the Health Authority may terminate or amend MOCAP Contracts entered into for that Fiscal Year as may reasonably be required to carry out or comply with such award.”

4. Section 21.6 of the PMA is amended by the addition of “any MOCAP Adjudicator and” immediately following “will share the costs of”.

5. Section 22.2 of the PMA is amended by the replacement of “Disputes” in the first sentence thereof with “Provincial Disputes, Local Disputes, Procurement Process Disputes”.

6. Section 23.3 of the PMA is replaced in its entirety with the following:

“23.3 MOCAP Distribution Disputes

(a) The Joint Agreement Administration Group will appoint one member of the Roster to act as an adjudicator (the “MOCAP Adjudicator”) for the term of this Agreement. The MOCAP Adjudicator may be changed at any time by a decision of the Joint Agreement Administration Group.
(b) To initiate a MOCAP Distribution Dispute, a physician or physician group must provide notice to the applicable Health Authority and to the Joint Agreement Administration Group within 15 days of the debriefing conducted pursuant to section 18.3(i). The notice must be in writing and must include the facts upon which the physician or physician group relies, an outline of argument supporting the physician position and the remedy sought.

(c) The Joint Agreement Administration Group will meet within 15 days of the expiration of the latest deadline specified in section 23.3(b) for the receipt of all notices of MOCAP Distribution Disputes for all Health Authorities, and at that meeting the Joint Agreement Administration Group will compile a consolidated list of all MOCAP Distribution Disputes that have been initiated in accordance with section 23.3(b). The Joint Agreement Administration Group will submit the consolidated list for independent review by the Government and the BCMA.

(d) Any MOCAP Distribution Disputes from the consolidated list may be referred to the MOCAP Adjudicator by either the Government or the BCMA within 30 days of the meeting of the Joint Agreement Administration Group referred to in section 23.3(c).

(e) The MOCAP Adjudicator will consider, as a group, all MOCAP Distribution Disputes referred to him or her for a particular Health Authority. The MOCAP Adjudicator will attempt to achieve a voluntary settlement of each such group of MOCAP Distribution Disputes. If such a voluntary settlement is achieved with respect to any such group, the MOCAP Adjudicator will reflect the settlement in a final and binding award. Any group of MOCAP Distribution Disputes that is not voluntarily resolved within 45 days of the first meeting between the MOCAP Adjudicator, the affected Health Authority and the physicians (or any longer period agreed to by the Joint Agreement Administration Group), will be the subject of a final and binding award by the MOCAP Adjudicator following any further process stipulated by the MOCAP Adjudicator.

(f) In resolving MOCAP Distribution Disputes pursuant to section 23.3(e), the MOCAP Adjudicator:

(i) must provide all interested parties with the opportunity to be heard;

(ii) must ensure that the resolution will not result in expenditures for MOCAP that exceed the amount allocated to the Health Authority in issue for MOCAP in the applicable Fiscal Year; and

(iii) has no jurisdiction to decide on the extent of the allocation of MOCAP funding to the Health Authority and the MOCAP Adjudicator's jurisdiction is restricted to confirming the Health Authority's plan for the distribution of its annual MOCAP funding allocation as published in accordance with section 18.3(h) or modifying that plan but only in a manner that ensures that the Health Authority's annual MOCAP funding allocation is not exceeded and in a manner that is consistent with the application of the MOCAP Objectives and their prioritization as required by section 18.3(a).
7. Section 7.4 of Appendix A to the PMA is amended by:
   a) the deletion of "of $126.4 million over the term of this Agreement" and
   b) the addition of a period following "budget".

8. The Template MOCAP Contract attached as Schedule 1 to Appendix G to the
   PMA is amended by:
   a) the addition of "as amended from time to time" after "(BCMA)" in the definition of
      Physician Master Agreement; and
   b) the replacement of "order of the Adjudication Committee (as defined in the
      Physician Master Agreement) or other binding resolution of a MOCAP Distribution
      Dispute (as defined in the Physician Master Agreement) pursuant to section 23.3" with
      "award of the MOCAP Adjudicator (as defined in the Physician Master Agreement) made
      pursuant to section 23.3(e)\), in section 2.3.

9. Except as expressly amended herein, the terms and conditions of the PMA
   continue in full force and effect.

IN WITNESS WHEREOF the parties have executed this agreement by or in the presence of
their respective duly authorized signatories as of the 12 day of June, 2008.

SIGNED, SEALED & DELIVERED on behalf of HER MAJESTY THE QUEEN
IN RIGHT OF THE PROVINCE OF BRITISH COLUMBIA, by the Minister
of Health or his/her duly authorized representative, in the presence of:

Signature of Witness
Heather Tr. be

Name
1515 Blanshard St.
Address
Victoria, BC V8W 3C8
THE CORPORATE SEAL of the
BRITISH COLUMBIA MEDICAL
ASSOCIATION was hereunto affixed in
the presence of:

Signature of Authorized Signatory

J W MACKIE
Name
PRESIDENT
Position

MEDICAL SERVICES COMMISSION

Per.Authorized Signatory

TOM VINCENT
Name
CHAIR
Position