Medical Services Commission

2004 / 2005 Report

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Mandate

The mandate of the Medical Services Commission (MSC) is to facilitate reasonable access, throughout British Columbia, to quality medical care, health care and diagnostic facility services for residents of British Columbia under the Medical Services Plan (MSP).

The Commission

Established in 1968 under the *Medicare Protection Act (*the *Act)*, the Medical Services Commission is responsible for managing the provision and payment of medical services through the Medical Services Plan on behalf of the Government of British Columbia. The MSC is accountable to Government through the Minister of Health Services.

Organizational Structure

In early 1994, the Commission was expanded from one member to a nine-member body. It consists of three representatives nominated by the British Columbia Medical Association (BCMA), three public members appointed on the joint recommendation of the Minister of Health Services and BCMA to represent MSP beneficiaries, and three members from the Government. This tripartite structure represents a unique partnership among doctors, beneficiaries and Government. It ensures that those who have a stake in the provision of medical services in BC are involved.

Responsibilities of the Commission

Overall, the Commission is responsible for managing the Available Amount, a fund which is set annually by Government to pay for medical services for beneficiaries; hearing appeals from beneficiaries, diagnostic facilities and physicians as required by the *Act*; and making policy decisions affecting the administration of the Available Amount.

Advisory Committees and Overview of Accomplishments

The *Act* allows the Commission to delegate some powers and duties. As a result, advisory committees and sub-committees as well as hearing panels have been established to assist in the efficient and judicious management of the Available Amount. Appointment to committees and panels reflects the tripartite representation. Below is the description of the responsibilities and the overview of the accomplishments of some of the advisory committees, the hearing panels and other delegated bodies.

1. Guidelines and Protocols Advisory Committee (GPAC)

The main purpose of GPAC is to maintain or improve the quality of medical care in BC, while making optimal use of medical resources principally through practice guidelines.

A total of 18 guidelines were developed by GPAC and approved by the MSC during 2004/2005. Some examples are as follows:

- The guideline for Chronic Obstructive Pulmonary Disease is one of the new chronic disease management guidelines. It provides recommendations for evidence-based best practice for this disease. The focus is on stopping smoking, which is expected to lead to improved health outcomes due to reduced disease progression and reduced incidence of heart disease and lung cancer associated with this disease.

- The guideline for Bone Density Measurement in Women addresses appropriate bone density testing and is expected to reduce costs related to inappropriate testing for bone density.

- The guideline for Viral Hepatitis Testing is expected to improve the identification of the disease in the community and help reduce the spread of the disease.

All approved guidelines are sent to family physicians, and are available on the MSC website at http://www.health.gov.bc.ca/msp/protoguides/index.html.

2. Advisory Committee on Diagnostic Facilities (ACDF)

The ACDF provides advice, assistance, and recommendations to the MSC in the exercise of the Commission's duties, powers and functions under s.33 of the *Act*. The ACDF reviews applications from existing and proposed diagnostic facilities and makes recommendations to the MSC to approve or deny.

In 2004/2005, the ACDF received 105 applications (23 applications for new facilities and the rest to relocate or amalgamate sites, expand capacity, transfer certificates of approval, expand test menus, etc). Of the total applications, 79 were approved, 21 were denied, and pending additional information, 5 applications were deferred.

3. Joint Standing Committee on Rural Issues (JSC)

The JSC was established to enhance the availability and stability of physician services in rural and remote areas of BC. The JSC addresses some of the unique circumstances experienced by rural physicians and enhances the quality of the practice of rural medicine. The MSC transfers some funds from the Available Amount and the JSC accounts for their use.

The JSC oversees close to $60 million in Rural Incentive programs to sustain patient care and continuity of access in communities falling under the Rural Subsidiary Agreement for Physicians in Rural Practice.

The Locum Program, and the Northern and Isolation Travel Assistance Outreach Program (which supports specialists to travel to remote locations) are two examples that have attracted more GPs and Specialists to remote areas by initiating flexible

consideration of the unique needs of the local area. The Locum Program has been expanded to support the use of weekend locums to support resident physicians to maintain a sustainable workload.

4. Joint Utilization Committee (JUC)

In the context of managing the Available Amount, the JUC advises the MSC and makes recommendations on utilization and quality of medical services. In September 2004, five Best Practice Budget Management Working Committees (Comprehensive Primary Care; Primary/Secondary Care Interface; Primary Care/Laboratory Interface; Specialist Care; and Quality Maternity Care) were established as per a Letter of Agreement between Government and the BCMA.

Each committee has been asked to submit quarterly recommendations to the MSC (via the JUC) based on practical measures that would enhance best practice, meet the needs of patients, and reduce unnecessary utilization of medical services by examining specific services in terms of patient outcomes.

5. Audit and Inspection Committee (AIC)

The AIC is a four-member committee comprised of three physicians (one representative of the BCMA, one representative of the College of Physicians and Surgeons of BC, one representative of the Government) and one lay person, who represents the public. It performs the powers and duties of the Commission to audit and inspect medical practitioners. Audits are done to make sure that services billed to the MSP have been delivered and billed accurately. The AIC decides whether an on-site audit is appropriate, and it outlines the nature and the extent of the audit. The audit results are presented to the AIC and the AIC makes recommendations to the Chair of the Commission regarding whether the matter should be referred for recovery.

- ***Health Care Practitioners' Special Committees***

The Commission has also delegated its authority to audit health care practitioners to the Health Care Practitioners' Special Committees. Special Committees have been established for the following: chiropractic; dentistry; massage therapy; naturopathy; optometry; physical therapy; and podiatry. Traditionally, the same Chair was appointed to each of the seven Special Committees. Each Special Committee has the powers and duties necessary to carry out audits under s. 36 of the *Act*, and the inspector must make a report to the Chair of the Special Committee.

- ***Billing Integrity Program (BIP)***

The BIP is responsible for audit of fee-for-service billings, to ensure that physicians are accountable for the billings they submit. It carries out the audit and inspection function on behalf of the Audit and Inspection Committee and assists the Commission in the recovery of any funds billed unjustifiably. To help instill confidence and ensure

transparency, the Commission involves the BCMA, the College of Physicians and Surgeons of BC and individual physicians in the medical audit program.

Over the past ten fiscal years, the BIP recovered over $8.3 million. This year the BIP completed 15 on-site audits. It negotiated settlements for 16 cases, for a total dollar value of $754,282 to be paid over a period of time. An additional five cases were closed this year and no recovery was pursued. Cash received by BIP this year totaled $746,720 (including recoveries negotiated in the previous years).

6. Patterns of Practice Committee (POPC)

The POPC is a sub-committee of the MSC, comprised of the BCMA's POPC, a Government representative and additional members, as required. The POPC prepares and distributes the annual statistical personal profile summary (mini-profile) to fee-for-service physicians; provides educational information to physicians on their patterns of practice and the audit process; listens to physicians who wish to raise their concerns about the audit process; is informed of, and provides feedback on, the audit practices employed by the Billing Integrity Program; and jointly, with the College of Physicians and Surgeons of BC, nominates medical inspectors and audit hearing panel members.

7. General Practice Services Committee (GPSC)

The GPSC is not a direct advisory body to the Commission but it does provide recommendations to the MSC on matters affecting general practice in British Columbia. The GPSC is a vehicle for representatives of the Government, the BCMA and the Society of General Practitioners to work together on such issues as ways of providing incentives for General Practitioners to provide full service family practice.

Based on a proposal developed by the GPSC for the *Full Service Family Practice Incentive Program (FSFPIP),* a one-time payment of $20 million was allocated to three specific initiatives. One focuses on encouraging low volume delivery practice GPs to continue providing obstetric care in their communities. As of February 2005, 897 GPs had participated in the low volume maternity care incentive.

The second initiative aims at enhancing GP participation in structured collaborative learning sessions for improved patient chronic care through the provision of sessional payments. The third specific initiative aims at addressing the prevailing gaps in the care of patients with diabetes and congestive heart failure through annual incentive payments to GPs. As of February 2005, approximately 40% of GPs in BC were participating in the chronic care incentive payment; 104,769 payments had been made for patients with diabetes and 12,181 payments had been made for congestive heart failure patients.

In addition, the Society of General Practitioners and the BCMA are looking to reduce their current fees to realize $30 million, which will be matched by Government, for reallocation as an incentive for full service family practice. Government has contributed $10 million towards this initiative, and with matching funding there will be $70 million for incentive initiatives. Through GPSC, physicians and Government have been working

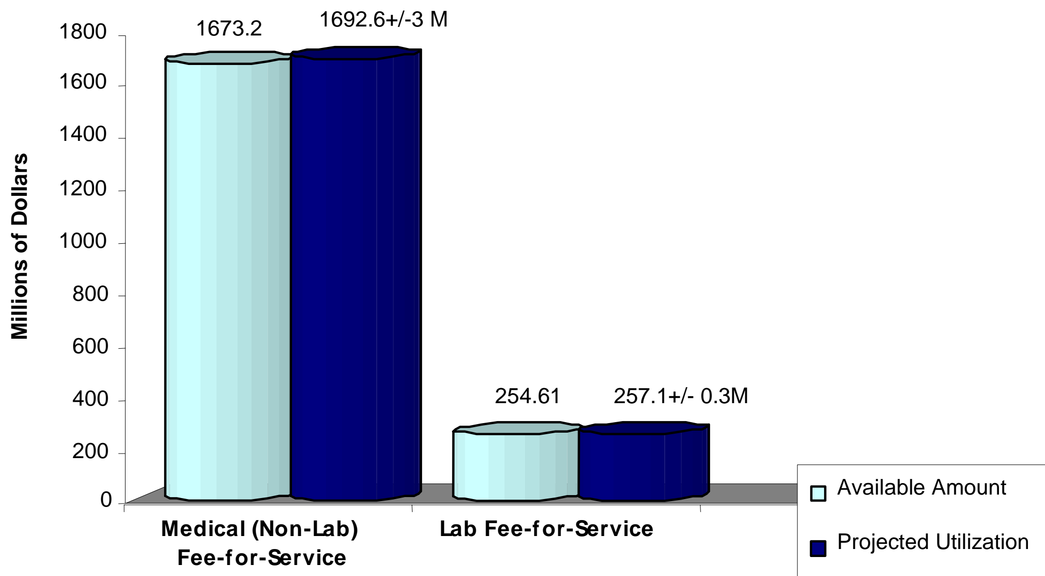
collaboratively to reallocate this funding to enhance the quality of care by General Practitioners.

Other Delegated Bodies

- ***Medical Services Plan (MSP)***

The Commission delegates the day-to-day functions such as processing and payment of claims to MSP. The Medical Services Plan pays over 12,000 medical and healthcare practitioners close to $2 billion dollars relating to approximately 65 million services, rendered on a fee-for-service basis. Doctors can also receive their payments through other alternative payment methods including salaries, sessions and service contracts.

2004/2005 Available Amount and Projected Utilization*



* Actual expenditures will be reported when MSP finalizes payments for 2004/2005.

The Government has been assisting over 1.2 million people with payment of their MSP premiums**.** In February 2005, the Government announced a revision to the Regular Premium Assistance Program to allow more British Columbians to qualify and to allow those already receiving partial assistance eligibility for a higher level of subsidy. Effective July 1, 2005, the income thresholds to qualify for each of the five available subsidy levels will increase by $4,000. As an example, the maximum adjusted net income to qualify for 100 percent subsidy will increase from $16,000 to $20,000. These changes will eliminate or reduce monthly premiums for an estimated additional 215,000 British Columbians. (More information on premium assistance is available at http://www.health.gov.bc.ca/msp/infoben/premium.html#regular).

- ***Available Amount Sub-Committee***

This MSC sub-committee comprised of three Commission members, has been established to examine tools to manage the Available Amount. The sub-committee together with BCMA and Ministry of Health Services staff, has been working on inputs to be considered in setting the Available Amount (e.g., base budget, population/demographics, utilization, new fees, changes in fees, etc.), and on methodology to manage the Available Amount.

- ***Coverage Wait Period Review Committee***

The *Act* requires individuals to live for at least three months in the province to be eligible for MSP coverage. However, there are exceptional cases where the MSC waives this requirement and enrols new residents. The MSC has delegated the power to investigate and decide cases to the Coverage Wait Period Review Committee.

As examples in 2004/2005, the Committee approved an application to waive the three month wait period for a 15-year-old returning resident from out-of-country suffering from Spinal Muscular Atrophy on the ground that there was a potential health and safety risk if early coverage was not in place. However, the Committee denied an application by a dual citizen expecting a baby in the wait period on the ground that she was covered by a health care system of another country, and was not yet back in BC.

MSC Hearing Panels

Commission members, or delegates of the Commission, may conduct hearings related to the exercise of the MSC's statutory decision-making powers.

Some hearings are required by the *Act*, and some have been implemented by the Commission where it has determined, from a fairness perspective, to afford individuals affected by its decision the opportunity to be heard in person. Hearings are governed by the duty to act fairly. All decisions of MSC hearings are subject to judicial review in the Supreme Court of British Columbia.

1. Beneficiary Hearings

Currently, there are two types of beneficiary hearings: residency and claims for elective (non-emergency) out-of-country medical care.

a) Residency Hearings

A person must meet the definition of resident in the *Act* (s.5) in order to be eligible for benefits. The MSC may cancel the MSP enrolment of an individual whom it determines is not resident as defined by s.7 of the *Act*. Section 10 of the *Act* requires that notice be given to the beneficiary of the intention to cancel enrolment. Individuals whose MSP coverage is cancelled have the right to appeal to the Commission's Residency Hearing Panel.

One of the MSC's public representatives conducts the residency hearings. In the reporting period, there have been no residency hearings.

b) Out-of-Country Hearings

The Medical Services Plan will reimburse medically necessary services performed outside of Canada when the required services are not available in Canada. Appropriate BC specialists recommending these services must obtain prior approval on behalf of their patients, in order for subsequent medical claims to be considered for payment. The decision to approve MSP payment for out-of-country medical services is based on published criteria available in the *MSC Out-of-Country Medical Care Guidelines for Funding Approval.* (For more information on out-of-country services visit the MSP website: http://www.health.gov.bc.ca/msp/infoben/leavingbc.html).

An MSC appeal process is in place for beneficiaries who are denied funding for elective (non-emergency) out-of-country medical care. The *Act* does not impose a duty on the Commission to hear and decide requests to review MSP's decisions regarding claims for out-of-country medical care, but rather, it is the Commission's choice to offer beneficiaries the option of a review hearing. MSP receives approximately 350 to 370 annual requests for out-of-country elective treatment. On average, 300 requests are approved, 60 cases are refused or deferred for additional information, and approximately 10 cases result in appeal hearings.

As an example in 2004/2005, one case involved a request to review MSP's decision to deny a claim for reimbursement of out-of-country costs for a hip operation. The beneficiary was seen by an appropriate specialist and was on a wait list in BC for the accepted and recognized surgery. However, without obtaining prior approval, the beneficiary chose to go to another country for a metal-to-metal hip resurfacing operation that was, at the time, considered developmental in BC. The panel denied the beneficiary's request, determining that the Medical Services Plan correctly applied the *MSC Out-of-Country Medical Care Guidelines for Funding Approval*. The panel also found that there was no violation of s.7 of the Canadian Charter of Human Rights, as the beneficiary was not denied access to medical care but rather chose to access a different service than was offered in British Columbia.

2. Diagnostic Facility Hearings

Under the *Act* (s.33), the MSC may add new conditions or amend existing ones to an approval of a diagnostic facility. This may be done either on application by the facility owner, or on the Commission's own initiative. Before taking action, the Commission is required to provide the owner of the facility an opportunity to be heard [s.33 (2 &4)]. Usually, a hearing is requested for one of the two reasons:

- The ACDF has recommended to the Commission that an application to amend or add conditions to an existing approval be denied; or

- The ACDF has recommended to the Commission that an approval be suspended, amended or cancelled because the facility owner is alleged to have contravened the *Act*, the regulations, or a condition on the approval.

Three ACDF appeals are currently in the process of being heard.

3. Hearings Related to Practitioners

There are two types of statutory hearings related to practitioners: audit hearings and de-enrolment of practitioners for "cause."

a) Audit Hearings

Under s.37 of the *Act*, the Commission may make orders requiring medical practitioners or owners of diagnostic facilities to make payments to the MSC in circumstances where it determines, after a hearing, an amount due to (a) an unjustified departure from the patterns of practice or billing of physicians in this category; (b) a claim for payment for a benefit that was not rendered; or (c) a misrepresentation about the nature or extent of benefits rendered. These hearings are the most formal of all the administrative hearings currently done by the MSC. Practitioners are almost always represented by counsel and hearings usually last one to two weeks.

Since the introduction of the Alternate Dispute Resolution process in 2000, very few billing matters proceed to formal hearings.

b) De-enrolment of Practitioners for "Cause"

In the reporting period, there have been no de-enrolment hearings.

Other Issues

- ***Wait Times***

Wait times is one of the major public concerns regarding health care in BC. The MSC asked one of its public members to serve on the Steering Committee headed by the Provincial Health Services Authority to coordinate the province-wide Surgical Services Project. This Project aims to establish some fair criteria for a common surgical waitlist.

- ***Laboratory Fee Review Panel***

Laboratory fees have been growing faster and posing a continuing challenge to managing the Available Amount. A Laboratory Fee Review Panel, comprised of three independent professionals, has been appointed to come up with recommendations on managing lab fees without compromising access and quality.

- ***Strategic Planning***

The MSC met in October 2004 to identify the Commission's objectives for 2004/2005 and to set out a work plan which included a specific reporting schedule for its advisory groups, a review of appeal procedures and recommendations for improvements, and the filing of an annual report for 2004/2005.

- ***Payment Schedule***

As per the Master Agreement between the Government, BCMA and the MSC, the Commission decides upon additions, deletions, fee changes or other modifications to the MSC Payment Schedule upon advice from the BCMA's Tariff Committee.

- ***MSC-Related Legal Cases***

Part of the Commission's oversight of the Medical Services Plan (MSP) involves monitoring legal issues that arise as a result of MSP or Ministry of Heath Services related decisions. One example in 2004/2005 concerned the Commission's approval of a new way of delivering the administrative services that support MSP. The Ministry of Health Services has contracted with a new organization called Health Insurance BC (HIBC).
The contract was selected through a competitive process based on a requirement to modernize and improve customer services for beneficiaries and for health care providers. The Commission also required a very high standard to safeguard personal privacy and compliance with BC's *Freedom of Information and Protection of Privacy Act*. The Commission's authority to approve the Ministry's contract was challenged in court. In March, 2005, the Supreme Court of British Columbia dismissed the court challenge. The Commission has been advised that this decision will be appealed.

Annexes

Annex 1: Members of the Commission

Public Representatives:

- George Edgson
- Gordon Denford
- Robert Cronin

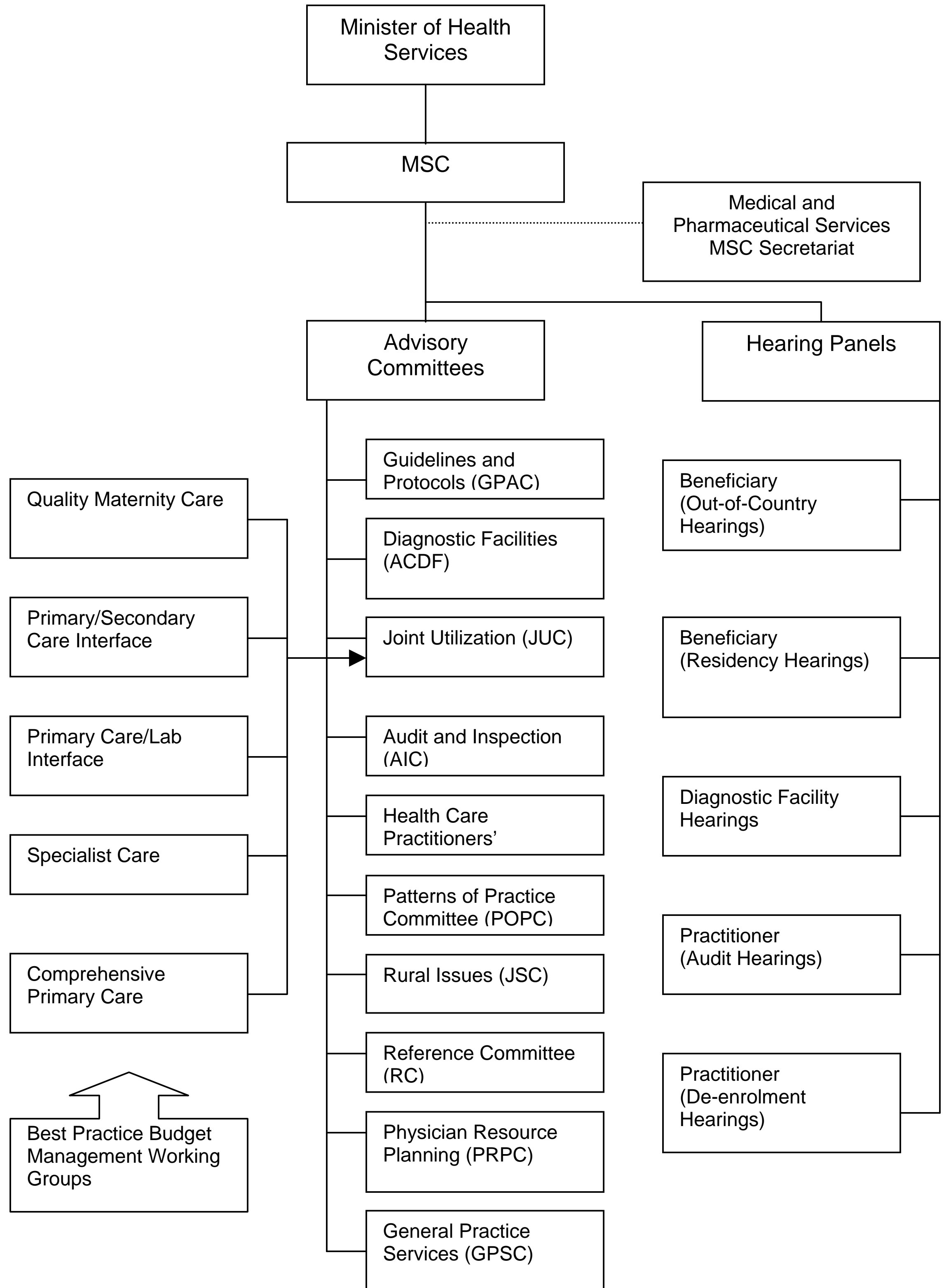
BCMA Representatives:

- Dr. Derryck Smith
- Dr. Marshall Dahl
- Dr. Douglas McTaggart

Government Representatives:

- Joy Illington (Chair)
- Craig Knight (Deputy Chair)
- Dr. Robert Halpenny

Annex 2: MSC Organizational Chart



Annex 3: Guidelines and Protocols Developed by GPAC and Approved by the MSC (2004/2005) available at
http://www.health.gov.bc.ca/msp/protoguides/index.html

	Title	**Type (New/Revised)**	**Date of MSC Approval**
1	Diagnosis and Management of Major Depressive Disorder	New	May 5/04
2	Microscopic Hematuria (Persistent)	New	May 5/04
3	Ambulatory ECG Monitoring (Holter Monitor and Patient-Activated Event Recorder)	Revised	May 5/04
4	Clinical Approach to Adult Patients with Gastroesophageal Reflux Disease	Revised	May 5/04
5	Clinical Approach to Adult Patients with Dyspepsia	Revised	May 5/04
6	Follow-Up of Patients After Curative Resection of Colorectal Cancer	Revised	May 5/04
7	Evaluation and Interpretation of Abnormal Liver Chemistry in Adults	New	May 5/04
8	Clinical Management of Chronic Hepatitis B	Revised	June 23/04
9	Clinical Management of Chronic Hepatitis C	Revised	June 23/04
10	Thyroid Function Tests in the Diagnosis and Monitoring of Adults with Thyroid Disease	Revised	June 23/04
11	Acute Otitis Media	Revised	June 23/04
12	Otitis Media with Effusion	Revised	June 23/04
13	Investigation and Management of Iron Deficiency	Revised	June 23/04
14	Primary Care Management of Sleep Complaints in Adults	Revised	Sept.15/04
15	Chronic Obstructive Pulmonary Diseases	New	Oct. 27/04
16	Viral Hepatitis Testing	New	Mar. 16/05
17	Bone Density Measurement in Women	Revised	Mar.16/05
18	Protocol for Macroscopic and Microscopic Urinalysis and Investigation of Urinary Tract Infections	New	Mar.16/05

Annex 4: List of Useful Websites

- Medical Services Commission (Legislation and Governance; Advisory Committees; Negotiated Agreements with the BCMA): http://www.health.gov.bc.ca/msp/legislation/msc.html
- Guidelines and Protocols: http://www.health.gov.bc.ca/msp/protoguides/index.html
- Medical Services Plan: http://www.health.gov.bc.ca/msp/publications.html
- British Columbia Medical Association: www.bcma.org