

PHYSICIAN MASTER AGREEMENT AMENDMENT NUMBER 4

THIS AGREEMENT made as of the 27 day of MARCH, 2007,

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 following definitions in their entirety:
 - "change of mode of practice" and "change in mode of practice"; and
 - "Procurement Process Dispute".
 - b) the replacement of the definitions of "Dispute", "Evaluation Committee" and "Fairness Monitor" in their entirety with the following:

“Dispute” means a Provincial Dispute, a Local Dispute, a MOCAP Distribution Dispute or a Selection Process Dispute”;

“Evaluation Committee” has the meaning given in section 20.5(d); and

“Fairness Monitor” has the meaning given in section 20.5(d).

c) the addition of the following definitions:

“ASP” has the meaning given in section 20.3(b);

“ASP Available Funding” has the meaning given in section 20.5(b);

“ASP Evaluation Criteria” has the meaning given in section 20.5(g); and

“Selection Process Dispute” has the meaning given in section 20.5(p).

2. Article 20 of the PMA is replaced in its entirety with the following:

“ARTICLE 20 - CHANGE IN FORM OF COMPENSATION FOR PHYSICIAN SERVICES

20.1 General Provisions

- (a) No change in form of compensation for physician services will be required of any physician.
- (b) An Agency has the right to determine the form of compensation for physician services for any new service model it introduces.
- (c) The parties agree that the processes set out in sections 20.4, 20.5 and 20.6 are the only ones that will be used to determine whether or not a change in a physician(s)'s form of compensation from fee for service to a Service Contract or Salary Agreement occurs and the results of those processes are binding upon Agencies and physicians.

20.2 Goals of Changes in Form of Compensation for Physician Services

The parties agree that the goals for a change in form of compensation for physician services are:

- (a) maintaining or improving access to, delivery of, and outcomes from physician services;
- (b) maintaining or enhancing service delivery through a team-based approach that links together the services of physicians and, where applicable, other health professionals employed by physicians or through a Health Authority linked to a program service area;
- (c) improving recruitment and retention of physicians;

- (d) establishing a fiscally sustainable basis for the provision of medical services, recognizing the compensation framework and expenditure envelope established for physician services under this Agreement; and
- (e) effectively utilizing standard approaches to changes in form of compensation for physician services that are fair, transparent and aligned to the strategic priorities of the Government and the operational priorities of the Health Authorities.

20.3 Processes for Implementing a Change in Form of Compensation for Physician Services

The Government and the BCMA agree that the only processes for changing a physician's form of compensation from fee for service to a Service Contract or Salary Agreement are:

- (a) in accordance with section 20.4 ("Method One"); or
- (b) through the Annual Selection Process (the "ASP") set out in section 20.5 ("Method Two"); or
- (c) in accordance with section 20.6 ("Method Three").

20.4 Method One

If a physician(s) and Agency wish to change the physician(s)'s form of compensation for physician services from fee for service to a Service Contract or Salary Agreement in circumstances where there will be no increase in total expenditures for the physician services such change may occur at any time provided that:

- (a) the Agency and the physician(s) agree to make the proposed change and the Agency agrees that the proposed change will maintain or improve services to patients;
- (b) the proposed Service Contract or Salary Agreement better facilitates the provision of a mix of clinical and related teaching, research and clinical administrative services; and
- (c) the physician(s) and the Agency agree on the terms and conditions of the Service Contract or Salary Agreement including, without limitation, the number of hours per year to constitute a full time equivalent under the Service Contract, the number of full time equivalents, the Service Contract Rate or Salary Agreement Rate and all the deliverables required, all in a manner consistent with the Alternative Payments Subsidiary Agreement.

20.5 Method Two

- (a) Where section 20.4 does not apply, a physician(s) and Health Authority wishing to change the physician(s)'s form of compensation for physician services from fee for service to a Service Contract or Salary Agreement may participate in the ASP in accordance with sections 20.5(c) through 20.5(r).

- (b) By January 15 of each year, the Government and the BCMA will jointly identify the funding that is available under this Agreement and/or the Physician Master Subsidiary Agreements (the "ASP Available Funding") for the next ASP cycle. The ASP cycle as set out in sections 20.5(c) through 20.5(r) will only proceed if ASP Available Funding is identified.
- (c) By February 1 of each year, the Government will, after consultation with the BCMA at the Physician Services Committee, advise the BCMA of the Ministry's strategic priorities and of the Health Authorities' operational priorities as they both may effect changes in the form of compensation for physician services from fee for service to Service Contracts and/or Salary Agreements, and will publish such strategic priorities and operational priorities on the Ministry's website.
- (d) By February 15 of each year, the Government will strike an evaluation committee (the "Evaluation Committee"). The Evaluation Committee will include three representatives of the BCMA and three representatives of the Ministry, and will be co-chaired by one of the BCMA representatives and one of the Ministry representatives. The work of the Evaluation Committee will be assisted by a member of the Roster who will act as a fairness monitor (the "Fairness Monitor"). The Evaluation Committee may be assisted by other persons as it determines, including medical, technical, financial, legal and other advisors or employees of the Health Authorities, the Ministry or the BCMA.
- (e) By March 1 of each year, a physician(s) or Health Authority wishing to change the physician(s)'s form of compensation for physician services from fee for service to a Service Contract or Salary Agreement will so notify the affected physician(s) or Health Authority, as appropriate.
- (f) If the physician(s) and the Health Authority agree to support the proposed change they will, by April 1 jointly submit an application to the Evaluation Committee in a format approved from time to time by the Government and the BCMA. The Evaluation Committee will provide the BCMA and the Government with a copy of all such applications
- (g) The criteria for the evaluation of applications (the "ASP Evaluation Criteria") are attached as Appendix I.
- (h) The Evaluation Committee will identify the minimum number of points required for an application to be approved.
- (i) By June 1 of each year, each member of the Evaluation Committee will apply the ASP Evaluation Criteria to assign points to each complete application received by the Evaluation Committee, and the cumulative points of the six members of the Evaluation Committee will provide an overall point total for each application.
- (j) In evaluating each completed application, the Evaluation Committee must determine the net new cost of each application. In determining the net new cost of each application, the Evaluation Committee will be guided by the principle that all public costs should be reflected including, but not limited to, all payments in cash or in kind made to the physician(s) by the Government, the Medical Services

Plan ("MSP"), or a Health Authority under both the current form of compensation and the proposed form of compensation. The Evaluation Committee will apply this principle when determining the net new cost of each application by calculating the difference between the proposed costs and the current costs where:

- i) the proposed costs include the product of the number of full time equivalents as proposed in the application and the placement on the appropriate Service Contract Range or Salary Agreement Range as proposed in the application, and all additional public costs; and
- ii) the current costs include the total amount paid by the MSP during the Fiscal Year immediately preceding the date of the application (or such greater period that most accurately reflects the costs of the services) to the physician(s) who submitted the application for the services that are the subject of the application and all additional public costs associated with the current form of compensation.

In determining the net new cost of each application the Evaluation Committee may seek the assistance of other persons as it determines, including employees of the BCMA and the Government.

- (k) To assist in evaluating the applications, the Evaluation Committee may:
 - (i) conduct reference checks;
 - (ii) seek clarification from the applicants who submitted the application;
 - and
 - (iii) request interviews/presentations with the applicants to clarify any of the information included in their application.
- (l) Subject to section 20.5(m), applications that have been assigned points that equal or exceed the minimum number of points identified under section 20.5(h) will be ranked by the Evaluation Committee and tentatively approved beginning with the application that has been assigned the greatest total number of points and working down the rankings until the ASP Available Funding for the year has been tentatively assigned. However, and notwithstanding anything else in this section 20.5:
 - i) if there is more than one application covering all or some of the same services, only one such application will be tentatively approved, and
 - ii) no application will be approved where there is insufficient funding remaining in the ASP Available Funding to support it.
- (m) Where two or more applications have been assigned similar point totals, the Evaluation Committee will take account of the objective of achieving an equitable distribution of approved applications among Health Authorities in determining its rankings, and may rank applications(s) with lower point totals above those with higher point totals to achieve this objective. The exercise of this discretion by the

Evaluation Committee is outside the scope of review of the Fairness Monitor under section 23.4.

- (n) By June 15 of each year, the Evaluation Committee will provide all physicians and Health Authorities who submitted a complete application in accordance with section 20.5(f) with written notification of the cumulative number of points that were assigned to their application under each of the ASP Evaluation Criteria, the minimum number of points required for an application to be tentatively approved and the total number of points assigned to the tentatively approved application with the least total number of points. The notice will specify directions with respect to the process to be used by a physician(s) to request a debriefing, and will specify that the tentative approvals are subject to the outcome(s) of all Selection Process Dispute(s) and may have to be changed to reflect those outcome(s).
- (o) Upon a request received by the Evaluation Committee by no later than July 1 and in the manner specified in the notice provided pursuant to section 20.5(n) from a physician(s) who submitted an application, the Co-chairs of the Evaluation Committee will conduct a debriefing with such physician(s) during which the strengths and weaknesses of the application will be reviewed. The debriefings will be completed by August 15.
- (p) Following a debriefing as contemplated in section 20.5(o), a physician(s) may initiate a challenge (a "Selection Process Dispute") in accordance with section 23.4 on the grounds that the process set out in sections 20.5(c) through 20.5(o) was not properly followed or that the Evaluation Criteria were applied to the physician(s)'s application improperly.
- (q) Upon resolution of all Selection Process Disputes for the current ASP cycle, the Evaluation Committee will re-rank the applications if necessary to give effect to the outcome of any Selection Process Dispute(s) and will do so in the manner contemplated in sections 20.5(l) and 20.5(m). The re-ranked applications will then be finally approved in the manner contemplated in sections 20.5(l) and 20.5(m).
- (r) The Evaluation Committee will notify all physicians and Health Authorities whose applications have been finally approved in accordance with section 20.5(q). Such physicians and Health Authorities will translate their application into a Service Contract or Salary Agreement in a manner consistent with the Alternative Payments Subsidiary Agreement. If they are unable to do so either the Health Authority or the doctors may terminate negotiations and the associated funding will be made available to the application with the highest total number of points that has not yet been finally approved, so long as that application has received at least the minimum total number of points for approval identified under section 20.5(h).

20.6 Method Three

Physicians may change their form of compensation from fee for service to a Service Contract or Salary Agreement in the event that the Government proposes such a change and all intended parties to the Service Contract or Salary Agreement agree to make the change and agree on all the required terms and conditions, all in a manner consistent with the Alternative Payments Subsidiary Agreement.”

3. Section 21.5(a)(ii) of the PMA is amended by the replacement of “Procurement” with “Selection”.

4. Section 21.6 of the PMA (as amended by section 4 of the Physician Master Agreement Amendment Number 2) is further amended by the addition of “any Fairness Monitor,” immediately following “will share the costs of”.

5. Section 22.2(a) of the PMA (as amended by section 5 of the Physician Master Agreement Amendment Number 2) is further amended by the deletion of “Procurement Process Disputes” from the first sentence.

6. Section 23.4 of the PMA is replaced in its entirety with the following:

“23.4-Selection Process Disputes

- (a) To initiate a Selection Process Dispute a physician(s) must provide notice to the Joint Agreement Administration Group within 15 days of the debriefing conducted pursuant to section 20.5(o), with a copy to the Health Authority. The notice must be in writing and must include the facts upon which the physician(s) relies, an outline of argument supporting the physician(s)’s position and the remedy sought.
- (b) Upon receipt of a notice pursuant to section 23.4(a) the Joint Agreement Administration Group will attempt to resolve the Selection Process Dispute and may direct the Fairness Monitor to assist in such attempt. If the Selection Process Dispute is not resolved within 45 days of receipt of the notice by the Joint Agreement Administration Group, or any longer period agreed to by the Joint Agreement Administration Group, the BCMA or the Government may, within a further 15 days, refer the Selection Process Dispute to the Fairness Monitor.
- (c) Where a Selection Process Dispute is not referred to the Fairness Monitor within the time limits in section 23.4(b) it will be deemed to be abandoned and the total points assigned to the application pursuant to section 20.5(i) will stand.
- (d) Where a Selection Process Dispute is referred to the Fairness Monitor pursuant to section 23.4(b), the Fairness Monitor will render a final and binding award following any further process stipulated by the Fairness Monitor, with such award being restricted to either a confirmation or adjustment of the number of points assigned by the Evaluation Committee to the application in question.”

7. Section 4.6(d) of Appendix D to the PMA is amended by the replacement of "mode of practice" with "the form of compensation for physician services".
8. Appendix I to the PMA is replaced in its entirety with the document attached as Schedule 1 to this amending agreement.
9. Except as expressly amended herein, the terms and conditions of the PMA continue in full force and effect.

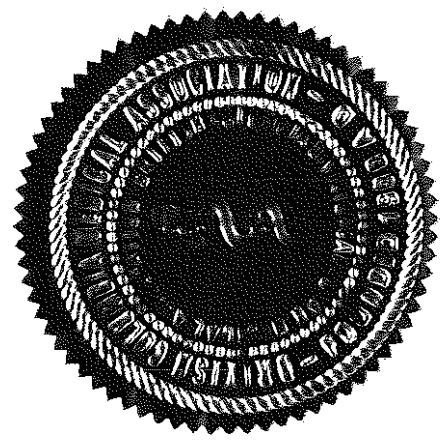
IN WITNESS WHEREOF the parties have executed this agreement by or in the presence of their respective duly authorized signatories as of the 27 day of MARCH, 2009.

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:)

Tracey Lowe)
 Signature of Witness)
Tracey Lowe)
 Name)
5-3 1515 Blanshard St.)
 Address)
Victoria BC V8W 3C8)

THE CORPORATE SEAL of the BRITISH)
 COLUMBIA MEDICAL ASSOCIATION)
 was hereunto affixed in the presence of:)

J W Mackie)
 Signature of Authorized Signatory)
J W MACKIE)
 Name)
PRESIDENT)
 Position)



MEDICAL SERVICES COMMISSION
 Per: Bob de Faye
 Authorized Signatory
Bob de Faye
 Name
CHAIR
 Position

SCHEDULE 1

Appendix I

Evaluation Criteria for Annual Selection Process

The parties may, by mutual agreement, modify or add to the evaluation criteria and/or amend the points system for ranking Applications. Following the first year of the ASP, the Evaluation Committee may make recommendations to the Government and the BCMA for changes in the Application Form or the Evaluation Criteria.

| Criteria | Descriptor | Maximum Rating Available | Evaluation Committee Member Rating | Scoring Guide - Degree to which the Application clearly demonstrates, in a measurable fashion, that it meets the evaluation criteria | | |
|--|---|--------------------------|------------------------------------|--|--|---|
| A. Solution - Patients | | | | Up to 33% of maximum points available | 34% - 66% of maximum points available | 67% - 100% of maximum points available. |
| Maintains or improves access to medical services by patients (1.(b)) | The availability of medical services to the patient population served | 15 | | Maintains or minimally improves access to medical services | Moderately improves access to medical services | Significantly improves access to medical services |
| Maintains or improves quality of medical services to patients (1.(b)) | Positive patient experience and evidence based improved health outcomes to patients | 15 | | Maintains or minimally improves patient care/quality of services | Provides moderate improvements in health outcomes for patients | Provides significant improvements that address complex or specialized patient care (e.g. chronic) |
| Maintains or increases quantity of medical services to patients (1. (b)) | Maintains or adds value by increasing patient services | 10 | | Maintains or minimally increases service volume | Moderately increases volume | Significantly increases service volume |

| | | | | | | |
|--|--|---|-----|--|--|---|
| B. Solution - Service Delivery | Maintains or enhances service delivery through team-based approaches (1. (d)) | Other health professionals are utilized working collaboratively to effectively/efficiently deliver the services | 10 | Demonstrated linkages that integrate services effectively/efficiently across different settings | Utilization of other professionals that improve that delivery of services | Multiple health care professionals working collaboratively to obtain significant improvements in service delivery |
| C. Solution - System Management | Aligns with MoH/Health Authority priorities (1.(a)) | The proposal achieves MOH strategic and/or HIA operational priorities | 7.5 | Application minimally aligns with Government and/or Health Authority priorities | Application moderately aligns with one or more Government and/or Health Authority priorities | Application significantly aligns with one or more Government and/or Health Authority priorities |
| | Contributes to improvements in the management of physician services (1. (e)) | The proposal contributes to the effective management of the proposed services and the health system | 7.5 | Application addresses Health Authority management issues/objectives | Application enables Health Authority to obtain improvements in the management of services | Application demonstrates a significant improvement in the management of services |
| D. Proponent Capacity | Current capacity to fulfill service requirements (1. (f)) | Applicant's have expertise/experience/manpower to provide the required services | 10 | Demonstrates minimum credentials, training, experience and manpower required to perform the services | Moderately exceeds required credentials, training, experience and manpower to perform the services | Significantly exceeds credentials, training, experience and manpower to perform the services |
| | Capacity to attract and retain necessary human resources (1. (g)) | Applicant's ability to provide physicians and other professional services | 10 | Current workforce not in place | Application has a reasonable plan in place for recruitment/retention | Application has a plan in place with demonstrated achievable recruitment/retention |
| E. Cost | Cost to government and health authority for providing physician services 1. (h)) | The net cost of the proposed services to Ministry/HAs (absolute dollar amount and percentage increase) | 15 | Significant increase in cost | Moderate increase in costs | Marginal increase in costs |