

INFOBulletin

Keeping health care providers informed of payment, policy or program changes

To: **All Physicians**
 Hospitals
 Independent Health Facilities

Published by: **OHIP Division, Ministry of Health**

Date Issued: **December 4, 2019**

Bulletin #: **11218**

Re: **Kaplan Board of Arbitration Award – Year 1 (2017-2018)**
 Physician Compensation Increases

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The Ministry of Health (ministry) and the Ontario Medical Association (OMA) have been working together to implement the compensation adjustments on eligible physician payments outlined in Section 21(a) of the Binding Arbitration Framework (BAF) in accordance with the 2019 Kaplan Board of Arbitration Award (Award).

Increases to physician compensation will be implemented, in part, through a Health Insurance Act regulation change effective November 29, 2019.

Relativity Increase

Year 1 (2017-2018) of the Award provides for a 0.75% compensation increase on physician payments. The distribution of the total compensation increase across physician specialties is subject to the relativity adjustments agreed to between the ministry and the OMA in the Interim Relativity Process Agreement dated November 7, 2017.

Physicians have been assigned a specialty based on the billing specialty under which the physician had the highest total fee-for-service billings (paid and shadow billed) for the period April 1, 2017 to March 31, 2018.

Physicians receiving payments under contracts that are paid directly and that are specialty specific have been assigned the specialty identified in the contract. For multi-specialty Alternate Payment Programs/Alternate Funding Plans (APPs/AFP), where one specific specialty rate cannot be applied to payments made under the agreement, the weighted



relativity increase was calculated and applied based on the distribution of the billings (paid and shadow billed) across physicians funded through the agreement.

Family Practice and Practice in General physicians (“00”) who are not in a primary care patient enrolment model (PEM) and are affiliated with an Emergency Department Alternative Funding Agreement (EDAFA) group have been assigned a specialty of “12 – Emergency Medicine”.

Family Practice and Practice in General physicians who are not in a PEM, and who are not affiliated with an EDAFA group, and who bill >50% Fee-for-Service (FFS) for emergency department services (relevant H-prefix codes) have been assigned a specialty of “12 – Emergency Medicine”.

All payments under on-call programs, Community Palliative Care On-Call, Physician On-Call, Complex Continuing Care On-Call (excluding Hospital On-Call), will have the Family Practice and Practice in General (“00”) relativity increase rate applied.

Further details on the relativity rates by specialty and the methods and process used to determine the relativity rates can be found in Appendix B – Method for the Implementation of 2017/18 Compensation Increases in the 2019 Ministry of Health (ministry) and Ontario Medical Association (OMA) Arbitration Award.

Process

The total eligible payments, for the period April 1, 2017 to March 31, 2018, for each physician or group/facility was multiplied by the appropriate relativity increase rate (see Appendix A – Q5) to determine the compensation increase payment.

Where payments for the period April 1, 2017 to March 31, 2018 were readily identifiable at the physician level, compensation increase payments have been calculated at the solo physician level and will be deposited to the physician’s solo bank account. For clarity, payments to solo physicians can include compensation increases on billings and payments received as part of an APP or FFS group where the initial payment for the period April 1, 2017 to March 31, 2018 was made to the group.

Where physician level payment details were not available or readily identifiable, compensation increase payments have been calculated at the group level and will be deposited to the group bank account. Compensation increase payments will also be deposited to the group bank account where the terms of the contract require payment to be made to the group.

Where bank account details are not available a cheque will be issued payable to the solo physician or group where applicable. Cheques will be sent to the same address on file with the ministry that is used for the Remittance Advice (RA) reports.

These compensation increases to physician payments will be one-time payments with no Schedule of Benefits (Schedule) changes. The ministry will process the one-time compensation increase payments in November 2019 for payment on the December 2019 RA under the accounting adjustment “2017-2018 Increase”.

Compensation increases to physicians, physician groups or other facilities not flowed through the Medical Claims Payment System, such as those paid under contracts or under other programs, will be paid using the regular payment process associated with the contract or payment in December 2019. It is expected that payments made to a group or facility will be distributed to the physicians who provided services for the period April 1, 2017 to March 31, 2018.

Reporting

For physicians and groups that receive a monthly RA through the Medical Claims Electronic Data Transfer (MCEDT), the Accounting Adjustment will reflect the 2017-2018 Increase payment value at the solo physician or group level based on how the compensation increase payment was processed.

A new "Compensation Increase Report" will be delivered to the MCEDT service requester. The service requester will be required to provide permission to their appropriate delegates for reviewing and/or downloading this new report.

The solo report will detail the Total Payments, Percent Increase and Compensation Increase for each Clinic Code under which the physician provided services and received a payment in 2017-2018.

The group report will detail the Total Payments, Percent Increase and Compensation Increase for each Payment Element (e.g., Access Bonus Payment) under which the physician provided services and received a payment in 2017-2018.

Physicians, groups and other facilities that do not receive a monthly RA report through MCEDT will receive their paper Compensation Increase Report along with their RA.

Physicians, groups and facilities that do not receive a monthly RA report will receive their usual payment advice with the notation "2017-2018 Increase"

Appendix A – to INFOBulletin 11218

Questions and Answers

1. What is the compensation increase payment?

On February 19, 2019, the Kaplan Board of Arbitration released the Binding Arbitration Award (Award) regarding the dispute over physician compensation between the ministry and the Ontario Medical Association (OMA).

The Award provides a decision on matters relating to physician compensation for the period of April 1, 2017 to March 31, 2021.

Year 1 of the Award provides a 0.75% compensation increase on physician payments for the period April 1, 2017 to March 31, 2018. The 0.75% compensation increase is adjusted for relativity by specialty (see Q5).

This INFOBulletin pertains to details regarding the payment of the Year 1 compensation increase.

2. Which physician payments were included in the calculation of the compensation increase payments?

The compensation increases apply to eligible physician payments as set out in Section 21(a) and Appendix A of the Binding Arbitration Framework.

The following fee-for-service physician payments, specialist contracts and programs will receive the compensation increase on 2017-2018 physician payments:

Medical Claims Payment System

- professional fee-for-service physician payments;
- office based technical fee-for-service physician payments (excluding hospital technical fees);
- facility fees paid to Independent Health Facilities; and
- specialist physician contract payments which are tied to the OHIP claims system through shadow billing.

Program and Specialist Contract-Based Payments

- Academic Health Sciences Centres Alternative Funding Plan Contracts
- Alternative Payment Plan Contracts
- Assertive Community Treatment Teams (ACTT)
- Clinical Decision Unit (CDU)
- Community Palliative Care On-Call Coverage

- Complex Continuing Care On-Call Coverage
- Consent and Capacity Board
- Divested Provincial Psychiatric Hospitals Top-Up Funding
- Hospital Paediatric Stabilization Program
- Laboratory Uniform Minimum Level of Compensation
- Mental Health Sessional Payments
- Assault and Blood Drawing)
- Ministry of Children, Community and Social Services Payments (K Codes)
- Ontario Physician Locum Programs - Emergency Department Locum Program
- Ontario Physician Locum Programs - Northern Specialist Locum Programs
- Ontario Physician Locum Programs - Rural Family Medicine Locum Program
- Ontario Review Board
- Ontario Telemedicine Network Payments
- Ottawa Paediatric Locum
- Physician Benefit Programs (Pregnancy and Parental Leave Benefits)
- Physician On-Call in Long-Term Care Homes
- Psychiatric Stipend Funding
- Public Health Physicians - Sexually Transmitted Infections (STI) Payments
- Public Health Unit Top-Ups
- Rural and Northern Physicians Group Agreement (RNPGA) Vacancy Locum Program
- Rural Medicine Investment Program
- Tuberculosis for Uninsured Persons (TB-UP) Payments
- Underserviced Area Program - Northern Physician Retention Initiative
- Underserviced Area Program - Northern RRRRI
- Underserviced Area Program - NS Physician Outreach
- Underserviced Area Program - Psychiatry Outreach
- Underserviced Area Program - Visiting Specialist Clinic Program

- 3.** Which Primary Care models and programs will receive the compensation increase?
The following Primary Care models and programs will receive the compensation increase

on eligible physician payments:

- Aboriginal Family Health Team (AFHT)
- Aboriginal Health Access Centres (AHAC)
- Blended Salary Model (BSM)
- Blended Salary Model (BSM) – Income Stabilization
- Community Health Centres (CHC)
- Comprehensive Care Model (CCM)
- Family Health Group (FHG)
- Family Health Network (FHN)
- Family Health Network (FHN) – Income Stabilization
- Family Health Organization (FHO)
- Family Health Organization (FHO) – Income Stabilization
- Family Health Team Specialist Sessional Groups (FHTSSG)
- General Practitioner Focus Practice – Care of the Elderly Model 1 (GPFP-COE1)
- General Practitioner Focus Practice – Care of the Elderly Model 2 (GPFP-COE2)
- General Practitioner Focus Practice – HIV (GPFP-HIV)
- General Practitioner Focus Practice – Palliative Care (GPFP-PC)
- Group Health Centre (GHC)
- Group Health Centre (GHC) - Specialists
- Inner City Health Associates (ICHA)
- Institutional Substitution Program (ISP)
- New Graduate Entry Program (NGEP)
- Nurse Practitioner Physician Collaboration Program (Primary Care and NPLC)
- Office Practice Administration (OPA)
- Rural and Northern Physicians Group Agreement (RNPGA)
- Shelter Health Network (SHN)
- Sherbourne Physician Group (SPG)
- Sioux Lookout Regional Physicians Services Inc. (SLRPSI)
- St. Joseph's Health Centre (SJHC)
- Toronto Palliative Care Associates (TPCA)

- Weeneebayko Area Health Authority (WAHA)

4. Which physician payments will not receive a compensation increase?

The following physician specialties, programs and payments are excluded from receiving a compensation increase payment under the Award:

- Top 5 ranked specialties – Ophthalmology, Gastroenterology, Diagnostic Radiology, Cardiology and Radiation Oncology
- OMA Priority Insurance Program
- Hospital Technical Fees
- Hospital On-Call Coverage

5. What are the relativity percentage increases by specialty?

The table outlining the OHIP specialty number, specialty description and approved relativity percentage increase for Year 1 as agreed to between the ministry and the OMA can be found in Appendix B – Method for the Implementation of 2017/18 Compensation Increases in the 2019 Ministry of Health (ministry) and Ontario Medical Association (OMA) Arbitration Award - Table 1 - Relativity Increase Rates, pages 10 to 12.

6. When will the 2017-2018 compensation increase payments be paid?

The ministry will process the one-time compensation increase payments in November 2019 for payment in the month of December 2019.

Physicians and groups who receive a Remittance Advice (RA) report will see the payment deposited on or about December 13, 2019 with reporting on the RA under the accounting transaction “2017-2018 Increase”.

Physicians, groups and other facilities that receive payments under other payment programs will receive their compensation increase payments based on the regularly scheduled monthly payment date or as a one-time payment in December 2019. The compensation increase will be noted on the payment advice as “2017-2018 Increase”.

7. How will the 2017-2018 compensation increase payments be paid to retired or deceased physicians?

The ministry will deposit the compensation increase payments to the solo bank account on file where the bank account has remained open to receive payment.

Where bank account details are not available a cheque will be issued payable to the solo physician or to the “Estate of” in the event the physician is deceased.

Cheques will be sent to the same address on file with the ministry that was used for the Remittance Advice (RA) reports.

8. Will the compensation increase result in a permanent increase to the fee codes in the Schedule of Benefits?

No, the 2017-2018 compensation increases are one-time payments and do not increase

physician compensation amounts in funding agreements or fee code values in the Schedule of Benefits.

9. When will the compensation increases for the remaining years 2018-19, 2019-20 and 2020-21 be paid?

Implementation of additional compensation increases contained in the Award remain a part of ongoing discussions with the OMA and will be communicated as available.

10. How were the relativity percentages by specialty determined?

The relativity percentage increases were determined as per the terms of the Interim Relativity Process Agreement between the ministry and the OMA.

For further details on the how the compensation payments were determined please see Appendix B – Method for the Implementation of 2017/18 Compensation Increases in the 2019 Ministry of Health (ministry) and Ontario Medical Association (OMA) Arbitration Award.

11. I don't agree with the amount of my payment. What is the appeal process?

The relativity percentage increases were determined as per the terms of the Interim Relativity Process Agreement between the ministry and the OMA and the compensation increase payments were calculated based on the methodology agreed to between the ministry and the OMA in accordance with the Binding Arbitration Award.

As such, the agreed-to methodology between the ministry and the OMA does not provide for an appeal process for physicians who received a compensation increase payment and are disputing the amount of the payment that they received.

Physicians who received a compensation increase payment and have questions about the method of calculating the amount of the payment that they received should contact the OMA. Inquiries related to the payment process or amount can be addressed towards the ministry.

12. Who can I contact if I have further questions?

For further information regarding the determination of the relativity increase rates by physician specialty not covered in Appendix B – *Method for the Implementation of 2017/18 Compensation Increases in the 2019 Ministry of Health (ministry) and Ontario Medical Association (OMA) Arbitration Award* please contact your OMA representative at negotiations@oma.org .

For inquiries related to payments or payment processing timelines please contact the Service Support Contact Centre at:

1-800-262-6524 or

SSContactCentre.MOH@ontario.ca

Appendix B to INFOBulletin 11218 - Excerpt from *Health Insurance Act* Regulation Change

METHOD FOR THE IMPLEMENTATION OF 2017/18 COMPENSATION INCREASES

IN THE 2019 MINISTRY OF HEALTH (MINISTRY) AND ONTARIO MEDICAL ASSOCIATION (OMA) ARBITRATION AWARD

The retroactive compensation increases to physician payments for FY 2017/18 as set out in the Binding Interest Arbitration Award between the Ministry and the OMA, dated February 19, 2019, **and** the subsequent Implementation Agreement between the Ministry and OMA dated June 14, 2019 (with respect to the implementation and allocation of compensation adjustments) were arrived at by:

- 1) Identifying payments/programs that are eligible to receive the 0.75 percent compensation increase for FY 2017/18 in terms of the Award;
- 2) Determining the derived specialty of each physician;
- 3) Determining the relativity increase rate for each payment category; and
- 4) Calculating the payment.

1. Calculating eligible payments

- a) The list of physician payments eligible for 2017/18 retroactive increases are set out in Appendix A.
- b) Payees will include individual physicians, contracts, groups, institutions.
- c) Increases will be applied to amounts paid for services provided in FY2017/18 based on service date. When the date of service is not identifiable payments will be made based on payment date in 2017/18.

2. Assigning a derived specialty for each physician

- a) Physicians will be assigned a derived specialty. Derived specialty is the billing specialty associated with the claims for insured services submitted by the physician that had the highest total billings (paid and shadow billed) during 2017/18 unless the exception listed below applies.
- b) The Emergency Medicine specialty is applied to physicians who have:
 - (1) a derived specialty of '12' (Emergency Medicine),
 - (2) a derived specialty of '00' (Family & General Practice), are not in a patient enrolment model (PEM) and are affiliated with an Emergency Department Alternative Funding Agreement (EDAFA) group,

- (3) a derived specialty of '00' (Family & General Practice), are not in a PEM, are not affiliated with an EDFAA group, and bill >50% FFS for emergency department services (relevant H-prefix codes)

3. Determining relativity increase rate for each payment category

- a) The relativity increase rates are set out in Table 1 below, and will be applied to the different types of physician payments as set out below
- b) Fee-for-service payments (excepting hospital-based technical and Community Palliative On-call fees) will receive increases based on the individual physician's derived specialty.
- c) Contracts that are being paid directly that are specialty specific are assigned their identified specialty as set out in Appendix A.
- d) Multi-specialty APPs/AFPs, where one specific specialty cannot be identified, have a weighted relativity adjustment applied based on the distribution of the billings (paid and shadow billed) across physician specialty. See Appendix A.
- e) Categories receiving the global increase rate of 0.75% include:
 - (1) Office-based technical and facility fees
 - (2) Academic Health Sciences Centre (AHSC) and Northern Ontario School of Medicine (NOSM)
 - The AHSC and NOSM base payments will receive the global increase.
 - The fee for service billings of AHSC and NOSM physicians will receive the relativity increase based on derived specialty.
- f) Hospital On-call Coverage (HOCC) – including the rurality and GP anaesthesia premiums paid to HOCC groups will receive no retroactive payments, however 0.75% of their total 2017-2018 payments will be distributed among the other payment categories.

Table 1 – Relativity Increase Rates

OHIP	Specialty	Year 1 2017-2018 % Increase
00	Family Medicine and Practice in General	1.1065%
01	Anaesthesiology	0.1360%
02	Dermatology	0.4038%

03	General Surgery	0.5033%
04	Neurosurgery	0.6525%
05	Community Medicine	0.7500%
06	Orthopaedic Surgery	0.5093%
07	Geriatrics	1.1150%
08	Plastic Surgery	0.6994%
09	Cardiac Surgery	0.3754%
13	Internal and Occupational Medicine	0.8044%
15	Endocrinology	0.6064%
16	Nephrology	0.2255%
17	Vascular Surgery	0.2917%
18	Neurology	0.9330%
19	Psychiatry	1.5028%
20	Obstetrics & Gynaecology	1.0037%
22	Genetics	0.7610%
23	Ophthalmology	0.0000%
24	Otolaryngology	0.3700%
26	Paediatrics	0.8199%
31	Physical Medicine & Rehabilitation	1.1062%
33	Diagnostic Radiology	0.0000%
34	Radiation Oncology	0.0000%
35	Urology	0.3973%
41	Gastroenterology	0.0000%
44	Medical Oncology	0.5599%
46	Infectious Disease	1.8773%

47	Respiratory Disease	0.9993%
48	Rheumatology	0.7676%
60	Cardiology	0.0000%
61	Haematology	1.0610%
62	Clinical Immunology	0.2549%
63	Nuclear Medicine	0.3344%
64	General Thoracic Surgery	0.8388%
EM	Emergency Medicine Group	0.7991%
LM	Laboratory Medicine group	0.5051%
GB	Global Budget	0.7500%

4. Calculate payments

- a) Payments made to each physician, group, or contract for 2017/18 will be multiplied by the appropriate relativity increase rate [set out at 3] to determine their retroactive payment for 2017/18.
- b) Payments will be made to individual physicians except when:
- (1) terms of the contract require payment be made to a group,
 - (2) physician level payments were not identifiable, payments will be made to the relevant group or contract.

Programs/Payments	Specialty
Professional fee-for-service fees	*
Office-based technical fee-for-service fees	Global
IHF Facility fees	Global
Clinical Decision Unit	12
Psychiatric Stipend	19
Paediatric Stabilization	26
Rural Medicine Investment Program	Global

Complex Continuing Care	00
Physicians On-Call - LTC Homes	00
Community Palliative On-Call Coverage	00
Physician Public Health Services (STD Clinics)	Global
Primary Care contracts	00
Institutional Substitution Program	19
Specialist APPs	Mix
Academic Health Sciences Centres	Global
Pregnancy and Parental Leave Benefit Program	Global
Divested Provincial Psychiatric Hospitals top-up	19
Laboratory Physicians	28
Family Health Teams (includes FHT Sessionals)	Mix
OHIP NP Led Clinic – Physician Collaboration	00
Primary Care NP Program – Physician Collaboration	00
NP Demonstration – Physician Collaboration	00
Northern Physician Retention Initiative	Mix
Nursing Station - Physician Outreach	00
Ontario Psychiatric Outreach Program	19
Northern and Rural Recruitment and Retention Initiative	Mix
Visiting Specialist Clinics	Mix
Rural Family Medicine Locum Program	00
Emergency Department Locum Program	12
Northern Specialist Locum Programs	Mix
Public Health Unit Top-Ups	Global
Community Health Centres	00

Mental Health Sessional Funding	19
Assertive Community Treatment Teams	19
Consent and Capacity Board	*
Ontario Review Board	*
Telemedicine	*
MAG Sexual Assault	*
MAG Blood drawing	*
MCSS K Codes	*
TB Uninsured Persons Program	Global

* indicates individual physician's derived specialty rate applies

Note: These are not all payments under the Plan. Those that aren't, are listed for convenience.