

July 17, 2020

Honourable Tyler Shandro  
Minister of Health  
Office of the Minister  
Health  
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10800 - 97 Avenue  
Edmonton, AB T5K 2B6

via: [health.minister@gov.ab.ca](mailto:health.minister@gov.ab.ca)

Dear Minister Shandro:

From recent commentary, it appears to the Board and membership of the AMA that we need to be even more deliberate in our dealings with you and communicate officially in writing. Please accept this letter in that spirit.

Several of the topics in this letter (specifically Bill 30 and Sunshine List), deserve a more comprehensive response which will be provided in future correspondence under separate cover. However, I did want to touch on these issues, at a high level, to provide you with a sense of the mindset of the medical community right now. Simply put, the relationship between Alberta's physicians and the Minister of Health has never been this poor.

Upon reading the initial draft of Bill 30, the response from many physicians was that this is a bit like uranium. In the right hands, the legislation could be used very constructively and accomplish some very good things. However, in the wrong hands, the legislation could cause tremendous harm to Alberta's public health care system. The release of your letter to the College of Physicians & Surgeons of Alberta has left many physicians questioning whether your actions are truly motivated by the public good or rather by an agenda to consolidate your own control over how medicine is practiced in this province.

Putting aside the obvious legal implications of your letter to the College (and their impact on the mobility rights of physicians), the notion that a doctor would somehow be responsible for finding their own replacement if they find themselves in a position where they are unable to continue practicing - for whatever reason - is both repugnant and counter-productive. This direction, in writing, by a Minister of the Crown, will impact the goal of physician attraction and retention in Alberta. Physicians are people just like everyone else. They may need to change locations and practices for many reasons including personal health issues, spousal or family requirements or skill-set changes, just to name a few. It is unrealistic to suggest, for instance, that before I take a leave of absence to have breast cancer treated, that I must find a replacement. Another impossible scenario would be that I cannot leave the province in good standing if my spouse is transferred unless I find a replacement. Some of us with highly specialized knowledge, where there may only be a few possible replacement physicians with similar skill-sets in the country, could not possibly find replacements.

Who would be willing to practice in an environment where you have significant consequences to your freedom of mobility?

With respect to your intention of introducing a Sunshine List, again, we support transparency for Albertans. However, if the approach does not include an accurate accounting that these are business revenues prior to overhead expenses, many physicians would still question the intent. As well, identifying individual physicians creates personal risk, particularly for small or remote communities. We would not support the naming of individual physicians.

Alberta's doctors have few issues with the prospect of a Sunshine List, provided that it is in fact an honest Sunshine List. The concern among many in the medical community is that your list is intended to be used like data in the MacKinnon Report to present a distorted view of the facts with respect to physician compensation.

As you are no doubt aware, gross billings by physicians bear little resemblance to the actual compensation physicians receive. In family medical practices, overhead costs - not including paying the doctors themselves for their work - represent 35% - 50% of gross billings. These are things like staff (our biggest expense), rent, equipment, business licensing and axes and insurance, to name a few. The overhead costs for some higher billing specialties such as radiology and ophthalmology are even more onerous, representing 70% - 75% of gross billings.

It is also important to note that the data available represents a pre-COVID-19 era. Currently and for the foreseeable future, physician community businesses will experience significant decrease in revenue and increase in expenses due to the pandemic. The relevance of a Sunshine List with old data is uncertain for our current situation.

If the Government's motives in moving forward with a Sunshine List are truly in the interests of transparency, we would expect significant effort would be made to explain this important distinction to Albertans.

Finally, and as long as we're talking about misrepresentations of fact, there is the issue of our most recent contract proposal. As you are aware, the proposal published Wednesday was presented privately to Government July 1, 2020 for consideration. After more than a week without a formal response or signed counteroffer and having endured repeated public statements by you that "the AMA has NEVER tabled an offer with me," the Board made the decision to publicly disclose it.

We did so for two reasons: First, to correct the public record, we have in fact (as you are well aware) provided four proposals to Government since January. Second, the offer was released publicly to demonstrate how seriously physicians take this issue and that we are willing to work with Government to achieve your desired goals.

Your reaction in the media, with all respect, does not resonate with the weight of the situation. I'm paraphrasing your comments thus: "It doesn't count because it wasn't signed; it's not a real offer." Can you be serious with this response?

Let me assure you Minister, our offer is real and for the sake of the public record, please accept my signature on this letter as evidence that it is "official."

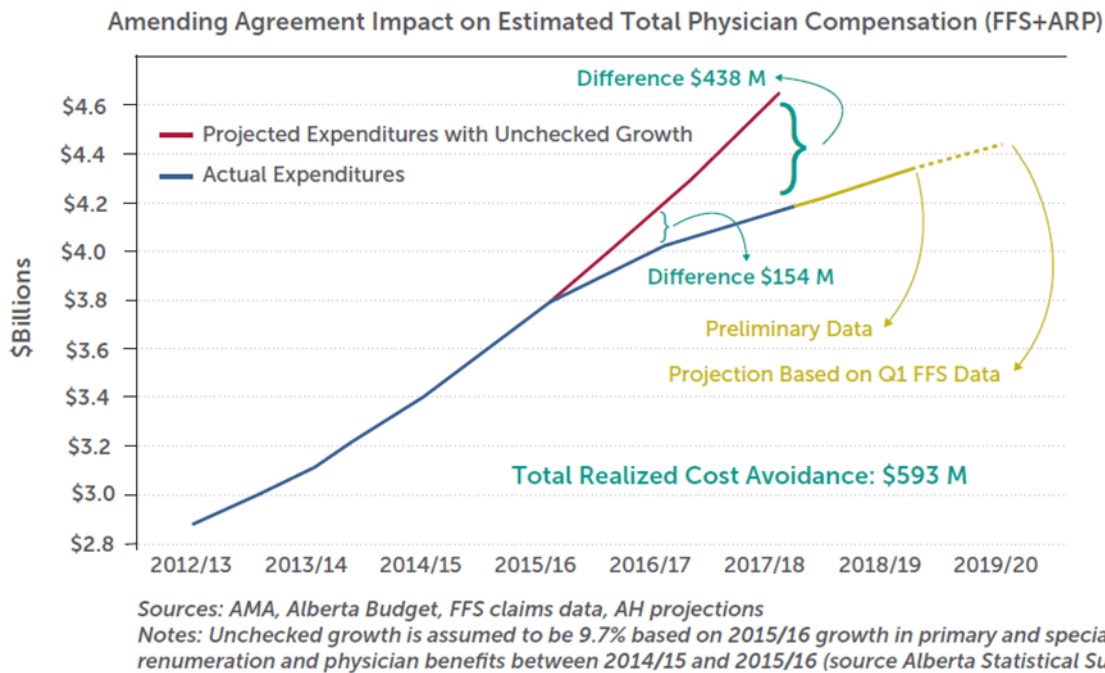
Furthermore, the offer is entirely fair and reasonable. We have agreed to your budget cap on physician compensation with the current physician base cohort and recognize that service levels would also need to be held constant to some measure.

In addition to holding the line on their compensation, under our proposal, Alberta’s physicians would also take on the risk of managing inflation and population growth with the current number of physicians province-wide within the existing budget envelope. Additional costs over and above the current level of funding would be entirely within your discretion as, under Bill 21, AH now has sole responsibility for the decision to add new physician Practice IDs. The principle behind our proposal is simply that budgetary responsibility and accountability should flow with control. If you decided to add 500 new physicians to Alberta next year, it would not be fair or reasonable to require physicians currently practicing in Alberta to pay for net new physician services through reductions in their payment for services delivered.

Minister, I would urge you on behalf of Alberta’s 14,000 physicians, resident physicians and medical students and their 4.3 million patients, to please take a step back, take another look at our offer and engage with us in a constructive way to come to an agreement.

I am very troubled by where things sit today, but comments you made recently have provided some insight on what the underlying issue may be. You said on the radio, and again I’m paraphrasing, that “this problem started when the Redford Government gave away all the Minister of Health’s power to the AMA, and the NDP continued it...the AMA says they’ve saved \$500 million but in fact spending has gone up.”

First, the AMA has never said “it saved the government \$500 million.” We have truthfully said that we helped the previous government find over \$500 million in reductions to planned spending increases. This distinction may be lost on some but to put it in terms you may better relate to, if your base compensation budget is \$5.4 billion today, then, but for the efforts of the AMA working with the previous government, it would be more like \$5.9 billion. Although the reductions were not purely from physician compensation, the example is offered to illustrate the point.



Secondly, the previous master agreement didn't concede "power" from the Minister to the AMA, though it is instructive that this is your perspective. It gave physicians more responsibility for management and stewardship of the health care system and recognized that operating such a massive enterprise requires collaboration between government and its key health care stakeholders.

The AMA is not a union; we are a professional association. Pointing out this distinction is by no means intended to diminish our public sector unions, rather it is to highlight a difference which is often overlooked. Historically, our relationship with governments has tended to be less adversarial and more collaborative.

For over a century, the AMA has been the voice of doctors and patients in Alberta. We are an advocate, a training and deliberative body and since the introduction of Medicare, we are the sole representative of physicians in negotiations with government. Our interest has always been to help steward the public health care system in a manner that delivers excellent care in an efficient way. We have no interest in wresting "power" from you or any other Minister of Health. Ultimately, you have absolute control should you choose to wield it, but with that authority flows responsibility and accountability for the consequences.

Minister, I look forward to your "official" response to this "official" contract offer and any other comments you may have on the topics covered here. As mentioned, a more comprehensive and formal response through the appropriate channels is forthcoming on Bill 30 and your Sunshine List proposal.

Sincerely,



Christine P. Molnar, MD, FRCPC  
President, Alberta Medical Association

cc: AMA Members  
Honourable Jason Kenney, Premier of Alberta  
Members, Legislative Assembly of Alberta