

# Welcome to the AMA Business Viability in Times of Crisis Webinar

**We will be starting the  
session promptly at 12:00 PM**

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**Please type in your questions & watch for live responses**

# AMA Business Viability in Times of Crisis Webinar

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**April 9, 2020**

\*Note: The information contained  
in this presentation is current  
as of April 8, 2020.

## Presenters:

**MaryAnne Loney**

Partner

Corporate Commercial  
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Partner

Labour and Employment  
McLennan Ross LLP

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Family Physician, Section of  
Family Medicine Executive

**Dr. Scott Wilson**

Neurologist, Section of  
Neurology President

# Webinar Support for Q and A

MaryAnne Loney	Legal, McLennan Ross LLP
Maurice Dransfeld	Legal, McLennan Ross LLP
Dr. Joseph Ojedokun	Family Practice
Glenn McAthey	Insurance, AMA
Deb McMillan	Human Resources, AMA
Lowell Thiessen	Financial Planning, MD Management
Margot Ross Graham	Human Resources, Sandbar
Ali Taliani	Finance, AMA
Norma Shipley	Billing, AMA

# Live Recording

- *Privacy Statement: Please note that the webinar you are participating in is being recorded. By participating, you understand and consent to the webinar being made publicly available via a link on the AMA website for an undetermined length of time.*
- *By participating in the Question & Answer function, your name entered into the Zoom sign-in may be visible to other participants during the webinar and/or in the recording.*

# Land Acknowledgment

We would like to recognize that we are webcasting from, and to, many different parts of Alberta today. The province of Alberta is located on Treaty 6, Treaty 7 and Treaty 8 territory and is a traditional meeting ground and home for many Indigenous Peoples.



# Disclosure of Financial Support

**This program has not received any financial  
or in-kind support.**

# Mitigating Potential Bias

- The planning committee has contributed to the consideration of learning needs, the determination of learning objectives, the development of program content, and the choice of speakers or presenters.
- No sponsorship funds have been received.
- The planning committee has reviewed the content of the presentations and ensured that content presented is evidence-based and free of undue influence.

# Presenter Disclosure

- **Relationships with financial sponsors:**
  - Grants/research support: none
  - Speakers Bureau/Honoraria: none
  - Consulting Fees: none
  - Other: Mark Watt (AMA ACTT employee)
- **Drs. Wilson and LaBuick – None**
- **MaryAnne Loney – None**
- **Maurice Dransfeld – None**



# Learning Objectives

At the end of this webinar, learners will be able to:

- Describe business support programs and subsidies available during the COVID-19 crisis
- Recognize responsibilities related to human resource practices during the COVID-19 crisis and as a result of changes to physician payment structures
- Identify practical tips to maintain business viability and implement human resource practices



# Session Overview



## Business Relief Measures and Federal Programs

- What is the Canada Emergency Wage Subsidy (“CEWS”)?
- What is yet to be announced?
- What is the Temporary Wage Subsidy?
- Summary of deferrals in CRA filing and payment deadlines
- Summary of loans available to clinics



## Human Resources Considerations

- What can I do with my clinic employees?
- How do I do it?
- What supports are available to my employees if they are laid off or suffer a reduced income?



## Physician Experience Maintaining Viability



## Resources



## Questions and Wrap-Up



# General Comments

- Critically important to maintain records, as these will form supporting documentation needed to claim benefits, subsidies, and tax losses.
- Many of the reliefs are new and developing. This presentation is to give you a “snapshot” of the information available now.
- If you have questions in the future changes (as these programs develop), our contact information is on the guide.

# What is the Canada Emergency Wage Subsidy? (CEWS)

- 75% of employee's remuneration for 12 weeks (starting Mar. 15)
- Maximum: \$847 per week
- Eligible employers:
  - Individuals
  - Taxable corporations (new language)
  - Partnerships comprised of eligible employers
  - Not-for-profits
  - Registered charities
- 15% decrease to revenue in March, 30% decrease for April and May
  - Compare month with comparable past month
  - Accrual or cash accounting method
  - Normalized revenue
  - Charities can exclude government revenue in calculation

# CEWS: What is yet to be announced?

- Legislation expected soon
- Taxable income
- Many unknowns
  - It's unclear what “pre-crisis” remuneration means
  - Revenue test for not-for-profits
  - Special rule for non-arms length employees
  - Application process
  - How the funds will be paid to employers
  - How the subsidy impacts payroll withholding taxes and remittances

# What is the Temporary Wage Subsidy?

- 10% subsidy on employee remuneration for 12 weeks (start Mar. 18)
- Maximum: \$1,375 per employee; \$25,000 per employer
- Eligible employers:
  - Individuals
  - Canadian-controlled private corporations with less than \$15M taxable capital employed in Canada
  - Partnerships comprised of eligible employers
  - Not-for-profits
  - Registered charities
- Received by reducing payroll income tax remittances

# CRA Tax Filing and Payment Deferrals

- Payment deferrals:
  - Personal income tax – August 31, 2020
  - Corporate income tax – August 31, 2020
  - GST/HST – June 30, 2020
  - **NO deferral on payroll remittance (except with subsidy)**
- Filing deferrals:
  - Personal and corporate income tax – June 1, 2020
  - Trusts and Partnership Information Returns - May 1, 2020
  - Charity Information returns – December 31, 2020
- Audits suspended
- Objection filing deadlines – June 30, 2020

# Loans and Deferrals Available to Clinics

- Decreased overnight interest rate (to 0.25%)
- Loan deferrals on mortgages and LOCs
- Canada Emergency Business Account (\$40,000, interest-free, 25% waive on repayment)
- Working capital loans available through BDC
- Guarantees for credit lines by EDC
- Loan guarantees and co-lending term loans for SMEs
- Contact your financial institution directly



# Example: Sole Practitioner

## Sole practitioner

- operating 1 small clinic through a professional corporation
- 1 receptionist and 1 nurse



Annual payroll: \$125,000

## Example: Partnership or Corporation (medium)

### Partnership or corporation

- consisting of 3 partner physicians running 1 clinic
- 2 admin staff, 3 nurses, 2 nursing assistants, and 1 associate physician



Annual payroll: \$750,000 (incl. service agreement payments of associate physician)

# Example: Partnership or Corporation (large)

## Partnership or corporation

- consisting of 12 partner physicians running 5 clinics
- 10 admin staff, 15 nurses, 10 nursing assistants, and 5 associate physician



Annual payroll: \$3,500,000 (incl. service agreement payments of associate physicians)

# What can I do with my clinic employees?

## Workplace Solutions

- Temporary layoffs vs termination
- Reducing hours
- Reducing wages or other compensation
- Federal Work Sharing Program
- Furloughs
- Require use of vacation or banked time

# What can I do with my clinic employees?

## Government Aides

- Federal Work Sharing program
- Wage subsidy
- Supplemental Unemployment Benefit
- EI-backed part time work

# How to Implement?

- Formal Requirements
  - Layoff Notice
  - Record of Employment
- What happens at the end of the time period?
- Remedying an improper layoff or wage reduction
- Self-isolation and employee accommodation
- Work Refusals

# Available Supports for Employees

- Canada Emergency Relief Benefit  
(launched April 6, apply through CRA My Account)
- Job-protected leave for self-isolation
  - Emergency Isolation Support (Alberta)
- Employment Insurance
- Other individual benefits

# Dr. Scott Wilson

Neurologist

Scott F. Wilson Neurology & EMG

## My team

- One assistant FT, EMG Tech PT, Nurse/EMG Tech PT

## My clinic set up and business arrangement

- Solo Business arrangement/Share space with Pediatric Cardiology

## Financial impacts I have experienced

- EMG lab shut down, significant decrease in referral volume

## Steps I am considering to maintain business viability

- Primarily using virtual care where possible
- Have flexibility in staffing options – long term vs short term
- What is best for my staff?

## Words of Wisdom ...

- Begin by learning to think like a business man, after that you can do whatever you prefer, even practice good medicine.

## Advice sought

- HR legal advice, Gov't subsidies



# Dr. Darryl LaBuick

Family Physician

Grandin Medical Clinic

## My team

- 13 physicians, 1 main clinic (St. Albert), satellite (Morinville)

## My clinic set up and business arrangement

- 7 partners 6 associates

## Financial impacts I have experienced

- NYD - awaiting reports - COVID-19 and AH cuts are significant - estimate over 50% loss

## Steps I am doing to maintain business viability

- Staff reduction - 50% - some voluntary
- Virtual care visits - over 95% , maximizing fee schedule rules
- Closed Morinville clinic
- Reduced hours - no evening clinic
- Retaining funds, reviewing associate split

## Words of wisdom ...

- Safety of staff and self first
- Takes whole team with hard work to make happen
- Not our fault but cannot play victim

## Advice sought

- HR legal advice, Gov't subsidies

# Resources

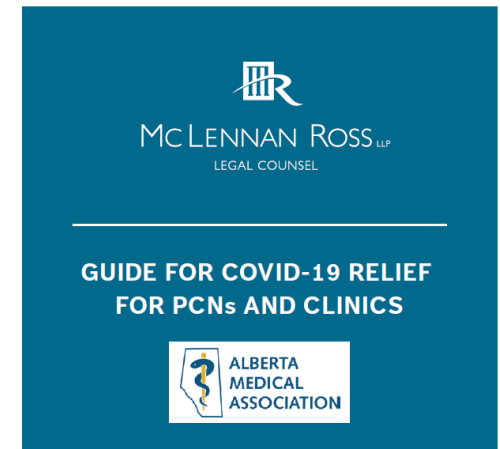
- **AMA COVID 19 Website**
  - <https://www.albertadoctors.org/about/COVID-19>
- **Physician & Family Support Program**
  - <https://www.albertadoctors.org/services/pfsp>

## AMA's Physician and Family Support Program

CALL: 1-877-SOS-4MDS (767-4637)

403-930-0529 (you may call collect)

CONFIDENTIAL 24 hours a day/7 days a week/365 days a year



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# Questions & Wrap-up

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Sole  
Practitioner



Medium



Large



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# Thank you!