

## **Schedule T**

### **AFP Management Framework**

#### **I. Background:**

In response to the evolving nature of medical practice and the needs of Department of Health and physicians to ensure access to health care for New Brunswick patients, the New Brunswick Medical Society (NBMS) has facilitated and carried out negotiations with the Department of Health to establish Alternate Models of Remuneration, where appropriate. These Alternate Models of Remuneration are negotiated on behalf of physicians or groups of physicians who perform necessary services that often do not fit the traditional models of compensation, such as Fee-For-Service (FFS) and Salary compensation.

#### **II. Definitions:**

**Alternative Funding Plan (AFP)** – AFPs are contractual arrangements between the Department of Health, the NBMS and the RHA. AFPs provide flexibility in practice, encouraging coordination and integration of medical services, providing stabilized compensation for highly specialized groups, specialists and sub-specialists. Each AFP includes at a minimum, all of the physicians working in the department or division, but may be expanded to include Specialty or sub-specialty within the Regional Health Authority (RHA) or Province. AFPs create a fixed pool of funding for clinical departments of physicians, wherein physicians have autonomy and control over allocated funds and establishing the means of meeting agreed-upon deliverables for patient care and coverage. Funds from the AFP are distributed to physicians through a practice plan that is developed and agreed to by the department/division physicians.

**Academic Funding Plan** – A less common model of alternate funding is an Academic Funding Plan. Academic Funding Plans are contractual arrangements between physicians, the Department of Health, the Regional Health Authority and may include other organizations such as hospitals, universities and private funders. Academic Funding Plans apply to individual academic departments or divisions and carry different deliverables and funding from various sources. Academic Funding Plans recognize and compensate physicians for their direct clinical services in addition to their academic, research and administrative deliverables.

#### **III. Goals of Alternative Remuneration Models may include:**

1. Improving patient care throughout New Brunswick
2. Ensuring equitable and predictable physician remuneration throughout New Brunswick
3. Ensuring effective recruitment and retention of physicians to New Brunswick
4. Ensuring practical and achievable deliverables are met
5. Ensuring access to health care and physician support in rural and remote communities, and to highly trained specialists throughout the Province

The NBMS and the Department of Health recognize that the use of Alternate Models of Remuneration is an evolving model of health care funding, and will be subject to review and revision, by mutual agreement, as necessary.

#### IV. Process:

##### a. Negotiation of NEW AFPs

###### ***Step 1: Physician Practice-Assessment***

Physicians interested in being considered for funding under an Alternate Model of Remuneration must first prepare their own Practice-Assessment to identify specific relevant information, and to ensure they are in a position to engage in discussions with the RHA, Department of Health and the NBMS. The Practice-Assessment should include the following information:

- i. A description of the existing group of physicians, and the scope of their practice (clinical and geographic)
- ii. A description of current activities for which the group of physicians currently engages (clinical, research, teaching)
- iii. An accounting of the total resource base currently dedicated to the group of physicians (total Remuneration)
- iv. For salaried physicians, an accounting of benchmarks and shadow-billing data available
- v. A preliminary assessment of interest within the group of physicians (alternative funding in a particular community would only be pursued if all members of that particular discipline/specialty have agreed to participate)

Upon completion of the Practice-Assessment, the group of physicians will meet with representatives of the NBMS to confirm all relevant information is included and establish timeframes for engaging with government.

###### ***Step 2: Identifying Common Data and Deliverables***

In consultation with the NBMS, the group of physicians should define a common data set that will serve as a basis for articulating deliverables. Physicians interested in pursuing alternative funding will require consideration of the data concerning the relevant parties (Physicians, Government, RHA, University, other), and the deliverables associated with the funding (Clinical, Administrative, Teaching/Education, Research).

A fundamental component of this part of the process will be identifying the method of measuring performance and objectives of the Alternate Models of Remuneration.

Upon identification of the common data, deliverables and performance measurement by the physicians, the NBMS will engage with the Department of Health, and any other parties to the proposed agreement to identify prospective issues or matters for further consideration.

###### ***Step 3: Negotiation, Drafting and Revision of Agreement***

Engaging with Department of Health, and others, the NBMS will facilitate the negotiation, drafting and revision of the terms of the alternative funding agreement. The NBMS will work with a designated

representative(s) of the group of physicians, ensuring there is consensus and approval among all affected physicians regarding the drafting of the proposed agreement. Any forms and templates created, amended or deleted pursuant to this AFP framework are subject to agreement by the AFP Advisory Committee.

All AFP contracts are expected to include the following key terms:

- Provision of additional resources will be established through a contract re-opener clause.
- Full participation of all physicians within that particular discipline/specialty, subject to the agreement of the NBMS, RHA and DH.
- Any third-party income, with the exception of medical legal work, and external academic funding arrangements shall be returned to the payor unless otherwise specified in the AFP contract.
- Any right of physicians to bill for Mandated on-call compensation, FFS earnings, CME, CMPA, Parental Leave and the FFS Retention Fund Program must be addressed within each contract.
- Each AFP shall include a Practice Plan which must address:
  - Agreed expectations and deliverables regarding service volumes and hours/days worked by physicians; and
  - Obligations of the parties related to shadow-billing, monitoring and compliance, budget oversight, and administration.

This framework will apply to the determination of initial arrangements as well as renegotiating terms and conditions as contracts expire.

#### ***Step 4: Finalizing the Agreement***

Upon completion of the negotiation of the relevant agreement, the NBMS will submit the following to the Department of Health and the Regional Health Authority:

- AFP Proposal Agreement Template;
- AFP Funding and Costing Template;
- Practice Plan; and
- Any other applicable templates and forms.

Upon review and approval by the Department of Health and the Regional Health Authority, a long-form contract shall be drafted giving effect to the purpose and intention of the AFP Proposal.

An AFP is conditional on NBMS and any physicians completing and submitting to the Department of Health all required forms, templates and practice plan.

#### ***b. AFP Maintenance and Revisions***

An AFP Advisory Committee shall be established to consult and advise on issues of AFP negotiation and re-negotiation, as necessary. The AFP Advisory Committee shall be established pursuant to the Terms of Reference attached as **Appendix 1**.

**c. *AFP Accountability***

Monitoring of AFP activities and evaluation of deliverables will be conducted on an annual basis (at a minimum). Failure to meet deliverables will lead to financial and/or administrative actions, up to and including termination of the AFP.