SECOND

MASTER AGREEMENT

THIS AGREEMENT made day of February, 2001

BETWEEN:

GOVERNMENT OF THE PROVINCE OF BRITISH COLUMBIA
(the "Government")

AND:

MEDICAL SERVICES COMMISSION
(the "Commission")

AND:

BRITISH COLUMBIA MEDICAL ASSOCIATION
(the "BCMA")

WHEREAS:

A. THE parties entered into a Master Agreement on December 21, 1993 for a term, which was extended to March 31, 2001.

B. THE parties wish to enter into a Second Master Agreement for the purpose of continuing an ongoing relationship as provided for in this Agreement.

C. THE parties wish to work as partners in the health care system to achieve certain objectives including the following:

1. To maintain and enhance the principles of Medicare;

2. To ensure a stable long term relationship between the Government and the BCMA;

3. To ensure and enhance the delivery of medically required services to residents of the Province in an efficient, high quality and effective manner;

4. To ensure that physicians are appropriately compensated for providing services covered by the Medical Services Plan, or under other alternative payment arrangements;

5. To ensure that the medical care system will continue to function well;

6. To contribute to the achievement of a mix and distribution of physicians based upon British Columbia's needs.

NOW THEREFORE the parties agree as follows:

1. DEFINITIONS

In this Agreement:

(a) **"Act"** means the ***Medicare Protection Act****;*

(b) **"Advisory Committees"** means committees established under the *Act* which shall include advisory committees established by the Commission as required by this Agreement or other committees established by the parties during the term of this agreement;

(c) **"Alternative Payments Branch"** means the branch of the Ministry of Health and Ministry Responsible for Seniors responsible for promoting and funding non-fee-for-service payment arrangements with physicians and institutions;

(d) **"Available Amount"** means the amount of funding allocated to the MSC for the payment of fee-for-service physician services provided in a specified fiscal year established under Section 25 of the *Act* and includes any adjustments which may be specified within a Working Agreement;

(e) **"Commission"** or **"MSC"** means the Medical Services Commission established under the *Act*;

(f) **"Consult"** means providing a meaningful opportunity for advice to be provided and for an exchange of views or concerns prior to the making of a decision or the finalization of a policy initiative as the context may require, and "Consultation" has a similar meaning;

(g) **"Differential Billing"** means the difference that can be billed in accordance with Section 30(c) of the Medical and Health Care Services Regulations, BC Reg. 426/97*;*

(h) **"Fiscal Year"** means the period commencing April 1st and concluding March 31st;

(i) **"Framework Agreement"** means the agreement entered into by the Government and the BCMA on February 15, 2000;

(j) **"Government"** means Her Majesty the Queen in right of the Province of British Columbia;

(k) **"Guide to Fees"** means the BCMA Guide to Fees or the Relative Value Fee Guide;

(l) **"Health Authority"** means a board or council as defined in Section 1 of the *Health Authorities Act* and includes a Community Health Services Society;

(m) **"Insured Medical Services"** means medical services, which are benefits under the *Act;*

(n) **"Medical Services"** means medical services performed by a medical practitioner;

(o) **"Medical Services Plan"** or **"MSP"** means the division of the Ministry of Health responsible for the administration and operation of the Medical Services Plan continued under the *Medicare Protection Act*;

(p) **"Minister"** means the Minister of Health and Minister Responsible for Seniors and includes the Deputy Minister or a person designated to act on the Minister's behalf;

(q) **"Ministry of Health"** means the Ministry of Health of the Government of British Columbia, including the Minister of Health where the context may require;

(r) **"MSC Total Claims Cost"** or **"Total Claims Cost"** means the actual paid value of all fee-for-service insured medical services provided by medical practitioners within BC during a specified fiscal year, inclusive of any NIA payment but exclusive of any interest payments related to the late payment of claims or as otherwise made under the terms of this Master Agreement or the Working Agreement;

(s) **"Payment Schedule"** means a payment schedule established under Section 26 of the *Act;*

(t) **"Physician Benefit Plans"** means programs established by the Commission pursuant to Section 26 (6) of the *Act*;

(u) **"Physician Resource Template"** means the document which is prepared and maintained by the Physician Resource Planning Committee and which identifies the general and specific needs of residents of the province and each region of the province for physician services, including an identification of current and prospective need for specialty services;

(v) **"Proration"** means a temporary reduction to payment under the Payment Schedule pursuant to Section 24 (1) and (2) of the *Act*;

(w) **"Regulations"** means regulations made under the *Act;*

(x) **"Reserve Account"** means a fund established in Article 13 of this Agreement;

(y) **"Subsidiary Agreement"** means agreements negotiated pursuant to Article 11.1 which address issues of unique application to identifiable groups of physicians and which are part of the Working Agreement;

(z) **"Tariff Committee"** means the BCMA Economics Committee as described in the Constitution and By-Laws of the Association in effect on the date of execution of this Agreement;

(aa) **"Working Agreement"** means the Agreement(s) established from time to time between the parties for the purpose of determining compensation, reserve accounts, on-call issues, Physician Benefit Plans and any other issues which the parties agree to negotiate at the Working Agreement(s) negotiations, and includes subsidiary agreements; and,

(ab) Words used in this Agreement that are defined in the *Act* or *Regulations* have the same meaning as in the *Act* or *Regulations* unless otherwise defined in this Agreement or any Working Agreement.

2. APPLICATION AND REPRESENTATION

2.1 This Agreement applies to those physicians resident within the Province whose services are compensated by funds provided by the Government either directly or through other public agencies.

2.2 The Government hereby grants to the BCMA the sole and exclusive right to represent those physicians where the funding for their services is, in whole or in part, provided by the Government either directly or through other public agencies.

2.3 The Government undertakes to include within funding contracts for physician services with institutions and Health Authorities a clause requiring the institution or Health Authority to advise physicians of their right to be represented by the BCMA, and to negotiate in good faith when establishing contracts with physicians.

2.4 The Government further undertakes that institutions and Health Authorities using an alternative payment mode for physicians will recognize the BCMA's right to represent physicians who request the assistance of the BCMA in negotiating contracts with those organizations.

3. COOPERATION AND CONSULTATION

3.1 While the primary responsibility of the Commission is, as described in Section 3(3) of the *Act*, to facilitate reasonable access throughout British Columbia to quality medical care, health care and diagnostic facility services for residents of British Columbia under the Medical Services Plan, it is understood and agreed that physicians fulfill a key leadership role in the delivery of healthcare and that their primary and paramount responsibility is to advise and treat their patients and to otherwise discharge their responsibilities.

3.2 The Government and the BCMA agree that they will work together to ensure the provision of high quality medical services to the residents of British Columbia.

3.3 It is acknowledged and agreed that the partnership envisaged by this Agreement requires ongoing dialogue and consultation on matters of significance to the provision of medical care, including policy, whether such care is funded directly or indirectly by the Government.

3.4 In particular, the BCMA shall be consulted prior to the adoption of policy initiatives by the Minister or the Commission which would affect the provision of medical care by physicians.

3.5 The primary vehicle for the consultation(s) described in Articles 3.3 and 3.4 will be the Liaison Committee which will be comprised of three representatives of the Government, and three representatives of the BCMA and the Chair of the Commission as determined under Article 13.6.

3.6 The Government will consult with the BCMA and the Commission, prior to the tabling of the Ministry of Health's Spending Estimates, on the amount of annual funding for the provision of physician services to the residents of British Columbia in each year.

3.7 It is acknowledged and agreed that the Commission will be a party to the Working Agreement described in Article 11 and that, prior to ratification of the Working Agreement, the BCMA and Government will consult with the Commission on the Working Agreement.

4. SHARING OF INFORMATION

4.1 Each party acknowledges and agrees that the sharing of relevant information and data in a timely way is critically important to the achievement of the objectives established in this Agreement, and to the administration of the *Act.*

4.2 Each party agrees to share relevant information that is requested by the other party. Relevant historical and predictive data prepared by any party will be fully shared. In cases where the information is not readily accessible or is not provided on request, the matter may be referred to the Commission. Where the Commission provides prior approval, the parties will expeditiously fill any such requests for data**.**

4.3 In order to foster and encourage mutual cooperation, the parties shall consult on ways and means to improve the timely collection and analysis of information and data and the method by which the data can be effectively and meaningfully communicated to each other. This process of consultation shall continue on an ongoing and regular basis.

4.4 On behalf of the Commission, the MSP shall provide to the BCMA aggregate information on Total Claims Cost on a monthly basis, and detailed information on fee-for-service claims semi-monthly. Sessional, service contract and salary data will be transmitted on an annual basis or more frequently if it is available.

5. CONFIDENTIALITY

5.1 It is understood and agreed that the open sharing of information, statistics, advice and points of view exchanged in consultation requires a degree of confidentiality.

5.2 It is understood and agreed that certain information exchanged between the BCMA and the Government will be confidential information under the *Act* and the *Freedom of Information and Protection of Privacy Act.* The BCMA will comply with the required statutory confidentiality.

5.3 Certain information that contains the identification of physicians or beneficiaries may be provided to the Advisory Committees of the Commission and to the BCMA for the purposes of the administration of the *Act.*

6. ADMINISTRATION

6.1 In addition to consultation on policy issues, it is acknowledged that administrative systems and processes which help to ensure that quality health care is maintained are desirable and appropriate, and should be developed in a cooperative way.

6.2 Similarly, systems and processes for predicting required funding and for planning medical care resources and expenditures are desirable and appropriate and will be developed by the Commission as an integral part of consultation.

6.3 It is acknowledged and agreed that there exists a common interest in ensuring that medical accounts are processed and paid promptly. To facilitate adjudication of a particular medical account or an audit of a particular physician's services, the Commission may require copies of specific clinical records. The Commission may determine the routine data and format and transmission protocols required for processing a routine medical account.

6.4 Should a need to review the routine data requirements, formats and/or transmission protocols arise, part of the review must consider the efficacy of the modification and the cost to the physicians of implementing such a change. Attempts will be made to conclude an agreement as a subsidiary agreement under the Working Agreement on costs, if any, and for the compensation of same.

6.5 When the Commission makes unilateral modifications to the routine data requirements, submission formats or transmission protocols, the net average cost of implementing these modifications shall be jointly determined and appropriate compensation including retroactivity, if any, provided to the affected physicians.

6.6 If no satisfactory agreement concerning Articles 6.4 and 6.5 can be achieved after one year the dispute will become a matter for arbitration pursuant to the *Commercial Arbitration Act.*

6.7 The provisions of Articles 6.5 and 6.6 can be renegotiated under the Working Agreement. Should the provisions be altered in the Working Agreement, then those provisions shall govern.

6.8 On behalf of beneficiaries, the Commission will promptly pay in accordance with the Payment Schedule established by the Commission medical accounts submitted by physicians for the provision of services covered by the Plan, subject to Sections 27(4), 24(2) and 26(3) of the *Act* and further subject to the provisions of this Agreement, and any Working Agreement.

6.9 If any beneficiary shall incur a private liability with respect to a Differential Billing, the MSP shall pay to the physician only the amount set by the Commission.

6.10 Normally the Commission makes general remittances for fee-for-service claims on a regular cycle which is at least semi-monthly. If the Commission is unable to make a general remittance within five working days of the end of a payment cycle, an advance against accounts payable will be paid by the Commission. This will be limited to the physician's average regular cycle payment, measured over the previous 12 months or over

the length of time the physician has participated in the Plan, whichever is the lesser period of time.

6.11 Consideration may also be given on an individual basis, at the discretion of the Commission, to physicians requesting an advance because they are encountering temporary difficulty submitting their medical accounts or having those accounts processed by the Commission.

6.12 Such advances will be applied against subsequent remittances to the physicians until the advance is fully repaid. Interest at the same rate and under the same conditions specified in Working Agreements shall apply.

6.13 Interest, as described in Working Agreements, shall apply and be paid by the Commission on overdue medical accounts as permitted by law.

6.14 When the Commission accepts the recommendation of the Reference Committee as defined under Article 14.1 of this Agreement to pay a medical account as submitted by a physician, the MSP shall pay interest pursuant to Article 6.12 on the account.

7. MEDICAL SERVICES COMMISSION

7.1 The Medical Services Commission, established under the *Act*, will be continued, unless amended under the *Medicare Protection Act*, by the Government.

7.2 The following process will be used to appoint the members to the Commission:

(a) The Minister will advise the BCMA of the three individuals who will be recommended to the Lieutenant Governor in Council for appointment under the *Act* as representatives of the Government.

(b) The BCMA will advise the Minister of the three individuals it wishes to have appointed as representatives of the BCMA. The Minister will recommend to the Lieutenant Governor in Council the appointment of those three individuals under the *Act.*

(c) The Minister and the BCMA will consult as to the names of three individuals who will be appointed under the *Act* as representatives of beneficiaries. The Minister and the BCMA must agree on a joint recommendation of the three individuals who will be recommended to the Lieutenant Government in Council for appointment. If the parties are unable to agree, either the Minister or the BCMA may request the Chief Justice of the BC Supreme Court to name the representatives of the beneficiaries.

(d) A Commissioner will be appointed for a term of three years and may be re-appointed.

(e) Upon the expiry of the term of any member of the Commission or, in the event of death, disability, incapacity or resignation during the term of appointment, the above-described process will be utilized to the extent necessary to replace such member or members.

7.3 It is acknowledged that Section 3(4) of the *Act* requires that the Lieutenant Governor in Council must designate a member of the Commission appointed by the Government as the Chair of the Commission. The Minister will consult with the BCMA prior to the appointment or reappointment of the Chair of the Commission.

7.4 The parties agree that it is in the best interests of all parties and in the public interest for the Commission to exercise its full legal authority in an independent manner under the management of the members of the Commission.

7.5 The Chair of the Commission must act in a manner that is consistent with the purpose of the *Act* and in the spirit of this Agreement and shall not execute or initiate matters or changes not previously authorized or agreed to by the Commission in the period between meetings of the Commission.

7.6 The Ministry and the BCMA each retain the right to remove any member of the Commission appointed as its representative and the Government will pass any necessary Order-In-Council.

7.7 It is understood that an alternate Commissioner may be appointed to serve in the absence of a Commissioner as permitted by Section 23 of the *Interpretation Act*.

8. THE AVAILABLE AMOUNT

8.1 There will be one Available Amount centrally administered by the Medical Services Commission. This does not preclude segmenting components of the Available Amount for analysis of expenditures of the Available Amount for purposes of planning, evaluation and management.

8.2 The Government will advise the full Commission of the budget for the Available Amount within 15 days of the approval of the Health Estimates by the Legislature. Adjustments as a result of the negotiation of agreements will be disclosed following the resolution of those agreements.

9. TRANSFERS TO AND FROM THE AVAILABLE AMOUNT

9.1 Adjustments to the value of the Available Amount will occur as a result of the transfer of physicians' payments and services to, or from, the Alternative Payments Branch. Upon notice to the BCMA, the funds will be transferred to the Alternative Payments Branch subject to the ability of the BCMA to submit any disputes with respect to the transfer to expedited arbitration under the *Commercial Arbitration Act*.

9.2 The amount of the adjustment will equal the value of the payment to the affected physician(s) for the provision of the identified services in the 12 months immediately preceding the effective date of the transfer of the physician and the services.

9.3 Where the physicians providing the services have retired, moved to another location or voluntarily withdrawn from providing the services, the condition that the physician(s) transfer to the other mode of payment is waived.

9.4 Expedited Adjudication

(a) Any disputes respecting a funding transfer will be resolved through arbitration under the *Commercial Arbitration Act*.

(b) The parties will select a mutually agreed upon adjudicator.

(c) Should the parties be unable to agree on the selection of an adjudicator within seven days after notice is served by any party seeking the appointment of an adjudicator, the Chief Justice of the Supreme Court of British Columbia will be asked to appoint the adjudicator.

(d) The adjudicator will issue a final and binding decision on the matter(s) in dispute within ninety days of the notice of the dispute.

(e) Each party will be responsible for its own costs in participating in this adjudication and will share equally all other costs of the adjudication.

10. WAIT TIME REDUCTION FUND

10.1 The parties agree that the Government, at its discretion, may provide funding and implement wait time reduction procedures, or other additional procedures, over those that would have been provided without the additional funding and that will not become part of the Available Amount, nor will the claims cost be charged against the Available Amount.

11. WORKING AGREEMENT

11.1 There will be one Working Agreement which addresses all matters of common interest to physicians and subsidiary agreements, each addressing those matters of unique interest and applicability to specialists, general practitioners, salaried physicians, physicians providing services on service contracts, physicians providing services on a sessional basis and physicians practicing in rural areas, as appropriate. The Government and the BCMA will periodically review the number and structure of subsidiary agreements with a view to ensuring that they appropriately address the needs of the parties. Changes, as agreed, will be implemented in the renegotiations of Working Agreements.

11.2 No later than October 1 of the year immediately preceding the expiry of a Working Agreement or subsidiary working agreement, the Government's negotiator(s) and the BCMA will meet to negotiate a new Working Agreement or subsidiary working agreement, as appropriate.

11.3 If the Government and the BCMA are unable to agree upon the terms of a new Working or subsidiary agreement(s) by the date of expiry of the previous agreement or earlier if agreed by the parties, either the Government or the BCMA may refer the matters in dispute to binding arbitration pursuant to the Framework Memorandum by a single arbitration board. The Board will schedule separate hearings in respect of each agreement and will issue separate decisions as part of their overall award.

11.4 Any Working Agreement, including subsidiary agreements, shall be subject to the provisions of the Master Agreement and shall not contradict, nullify or alter any term contained in the Master Agreement

12 PRORATIONING AND CONTINUITY OF CARE

12.1 It is agreed that the Commission will not use its power to prorate except as provided in Article 12.2.

12.2 If the Government decides that it wishes the Commission to exercise its authority to prorate, it will 12 months' notice to the Commission and the BCMA. Upon the expiry of the notice period, the Commission will determine whether prorationing measures are required.

12.3 As long as there is no prorationing in effect, it is agreed:

12.3.1 The BCMA will not sponsor, support or condone withdrawals of service by physicians and shall take necessary steps that are available to prevent such initiatives.

12.3.2 Services shall include serving on hospital committees, participating on the active staff of hospitals and other administrative, educational, management and related non-clinical services.

12.3.3 It is agreed that the Government and the BCMA will work together to prevent disruptions in the provision of services to patients as a result of disputes between doctors and the Government or its agents

12.4 Should the Government serve notice under Article 12.2, the Government and the BCMA will meet and attempt to agree on various utilization limitation measures, including any agreed upon reductions in service, to attempt to make it unnecessary to implement prorationing. Such reductions in services will not be affected by Article 12.3.

12.5 The BCMA agrees that, once an agreement is entered into, physicians who are covered by it should not limit medical services for the purpose of pressuring the Government or its agents to change the terms and conditions of the agreement. The BCMA will take all appropriate measures to encourage physicians to comply with applicable agreements once they are ratified and concluded.

12.6 Following the conclusion of the report of the Commission of Inquiry headed by Judi Korbin with respect to withdrawal of services, the Government and the BCMA will meet to discuss its recommendations. Nothing in this Article will prevent the Government from proceeding unilaterally with the implementation of any of those recommendations.

12.7 The parties will attempt to agree in Working Agreements, including subsidiary agreements, upon various utilization limitation measures to attempt to make it unnecessary to implement prorationing.

12.8 It is acknowledged that certain difficulties have arisen due to the concern of physicians that they have not been provided with suitable support, working conditions or access to public facilities. When such concerns arise the Government and the BCMA will form task forces to work together to attempt to relieve such concerns. Such task forces will be jointly chaired by a representative of the government and a representative of the BCMA and will issue a report to the parties within thirty days of their appointment.

13. MONITORING AND MANAGING THE AVAILABLE AMOUNT

13.1 On behalf of the Commission, the MSP will track Total Claims Cost against the Available Amount at the conclusion of each month and the Commission will make a forecast concerning the adequacy of the Available Amount. The results will be immediately

forwarded to the BCMA. The Commission will give the BCMA written notice when the Commission's projections indicate that the Available Amount will be exceeded immediately after such a projection is accepted by the Commission. The notice will include the specific date on which the Available Amount is projected to be exceeded.

13.2 If the Commission concludes on the basis of a reasonable forecast that the total cost of claims for a fiscal year is likely to exceed the Available Amount, the Chair of the Commission shall immediately call a meeting of the Commission and, prior to that meeting, the Commission will forthwith consult with the BCMA and the Ministry on the matter. Immediately following the Commission meeting, the Commission will report to the Minister and the BCMA:

(a) the fact of the forecast that the Available Amount may be exceeded;

(b) the apparent reasons for the forecast overrun of the Available Amount; and

(c) in consultation with the BCMA, the Commission's suggestions for preventing the overrun of the Available Amount.

13.3 Reconciliation of the MSC Total Claims Cost with the Available Amount shall take place and be concluded by October 31 of the following fiscal year. In the event the reconciliation identifies that the Available Amount was still exceeded after the implementation of all measures contemplated by this Article 13, the amount of the excess will be recovered by, and in order of priority, the use of the Reserve Account, and, where the Reserve Account is insufficient to recover the amount of the excess, the Commission will determine the mechanisms for recovering the remaining difference.

13.4 It is agreed and understood that the Commission has a responsibility to manage Total Claims Cost to stay within the Available Amount.

13.5 (a) The parties further agree that the Commission must exercise this responsibility through the use of all reasonable methods within its jurisdiction, subject to the specific provisions of any Working Agreement, and this Agreement. An integral part of that management process will be the development of protocols and billing guidelines. The BCMA will participate in the development of those protocols and guidelines and the medical profession will make every effort to adhere to such protocols and guidelines once implemented.

(b) It is agreed and understood that insured benefits are medically required services which fall within defined, approved protocols and practice guidelines and those medically required services where no protocols or practice guidelines exist.

13.6 In recognition of the need for all parties to this Agreement to be satisfied that the Commission continues to be effective in managing the Available Amount, the Chair of the Commission will meet with the Liaison Committee at regular intervals as required to assess the management process. The parties will report the results of these meetings to the Minister, the Commission and the Board of Directors of the BCMA on a timely basis.

14. ADVISORY COMMITTEES

14.1 Reference Committee

(a) The Reference Committee of the BCMA shall be considered to be an advisory committee to the Commission under Section 5(l)(o) of the *Act.*

(b) The MSP shall inform physicians of their opportunity to refer to the Reference Committee matters relating to medical accounts submitted by the physician where:

i) there is a continuing disagreement between the physician and the MSP which exceeds 60 days from the date the physician first raises a written enquiry to the MSP with respect to an account or accounts; or

ii) there is a continuing dispute with the physician over payment for services or procedures which exceeds 60 days from the date the physician first raises a written enquiry to the MSP for which no fee has been established and approved by the Commission.

(c) The Reference Committee shall promptly review all matters referred to it and shall forward its report or recommendations to the Commission and the BCMA within one month of its meeting or to the Tariff Committee or MSP as appropriate.

(d) The Reference Committee shall meet to review matters referred to it at least three times per calendar year and the period between successive meetings is not to exceed six months. A report or recommendation by the Reference Committee is not binding on the Commission. However, the Commission will endeavor to follow the recommendations of the Reference Committee.

(e) The approved costs of the Reference Committee will be shared equally by the BCMA and the MSP.

14.2 Patterns of Practice Committee

(a) The current Patterns of Practice Committee of the BCMA shall continue as an advisory committee to the Commission under Section 5(l)(o) of the *Act.*

(b) The approved costs of the Patterns of Practice Committee will be shared equally by the MSP and the BCMA.

(c) It is agreed that the Patterns of Practice Committee shall continue its function and work during any period when no Working Agreement exists.

14.3 Joint Utilization Committee

(a) The Joint Utilization Committee shall continue as an advisory committee to the Commission under Section 5(l)(o) of the *Act*.

(b) The Joint Utilization Committee shall consist of equal numbers of representatives of the BCMA and the Ministry, and will be jointly chaired. The membership may be expanded to include lay representation on agreement of the parties.

(c) The objective of the Joint Utilization Committee will be to measure and evaluate the utilization of medical services, and, where appropriate for complete understanding, drug and hospital services. The committee will also assist in coordinating the development, measurement and monitoring of utilization management initiatives and regularly reporting to the parties on those initiatives. Such initiatives may address healthcare expenditures other than those directly attributable to the provision of physician services.

(d) The Commission shall refer to the Joint Utilization Committee issues which may affect utilization, the cost of services and means to affect utilization of medical services. Examples include physical resources, alternative payment mechanisms, physician supply, protocols and guidelines, determination of services, public education, agency billing and the use of technology.

(e) The Joint Utilization Committee shall promptly review all matters referred to it and shall forward its report and recommendations to the Commission and the BCMA within one month of its meeting.

(f) The Joint Utilization Committee shall meet to review matters referred to it at least six times per calendar year and the period between successive meetings is not to exceed three months. A report or recommendation to the Commission is not binding on the Commission.

(g) The approved costs of the Joint Utilization Committee meetings shall be shared equally by the BCMA and the MSP.

15. AUDIT AND INSPECTION COMMITTEE

15.1 The Commission has the right and responsibility to audit claims for payment by practitioners and the patterns of practice or billing of physicians as part of a random review or in response to service verification irregularities. The BCMA will support and participate in the Commission's audit program. This audit program will be funded by the MSP.

15.2 An Audit and Inspection Committee shall be created and delegated the powers of the Commission under Section 36(1) to (12) of the *Act* to audit and inspect medical practitioners and shall consist of representatives of the BCMA, College of Physicians and Surgeons, the public and the Government.

15.3 The Committee's responsibilities may include random audits and inspections referred to the Committee by the Commission, MSP or any physician peer review committee, including the Patterns of Practice Committee

15.4 Inspectors are to be appointed from a list maintained by the Committee and proposed jointly by the BCMA and the College of Physicians and Surgeons.

15.5 Notice of review and inspection must be provided to the medical practitioner(s) in question. Except in extraordinary circumstances, which in no case would include a random audit, notice of inspection must be provided at least 14 days prior to the inspection.

15.6 Inspection guidelines are to be clearly laid out and communicated to the medical practitioner(s) prior to inspection.

15.7 The confidential nature of medical records will be protected. The identity of patients shall be protected except to the extent necessary for verification or as evidence for a hearing.

15.8 Prior to any decision being made by the Commission resulting from a referral of the Committee, it is understood that the physician shall be entitled to be heard by the Commission, is entitled to have legal counsel present and may have one or more colleagues present to comment on the practice of the physician.

15.9 Prior to a hearing before the Commission, the Committee will communicate in writing to the physician its concerns and provide copies of all relevant documents to the physician at least 21 days prior to the hearing.

15.10 The approved costs of the Audit and Inspection Committee shall be funded by the MSP.

16. REVISION AND MAINTENANCE OF THE GUIDE TO FEES

16.1 Subject to Article 17, upon conclusion of an agreement, the amount of funds to be made available for revisions to the Payment Schedule will be allocated by the BCMA to fee items in the Guide to Fees in accordance with the Agreement(s).

16.2 Subject to Article 11 of this Agreement and except where otherwise specifically and mutually agreed, revisions to the Guide to Fees allocating amounts of money made available under the agreements will be effective April 1 of the appropriate year during the term of the Agreement.

16.3 When the Tariff Committee of the BCMA has prepared recommendations for a revision of the Guide to Fees for consideration by the Board of Directors of the BCMA, prior to transmission of its recommendations to the Board of Directors the Tariff Committee will:

(a) inform the Commission and the MSP of the recommendation; and

(b) consult with the Commission and the MSP to identify any comments or concerns they may have respecting such recommendations in order that the Tariff Committee may have the Commission's and MSP's comments or concerns before them at the time of finally recommending a revision of the Guide to Fees to the Board of Directors.

16.4 The parties agree to follow the consultation process with respect to particular payment matters that any party feels need to be jointly addressed.

16.5 The Government may make representation to the BCMA where a new fee item or modification of existing fee items is felt appropriate. Where a mutually agreeable solution cannot be found within 12 months after written notification by the Government to the BCMA, the Government may refer the matter to a joint review panel as provided for in Article 16.6 of this Agreement.

16.6 The composition of the joint review panel shall be two physicians appointed by the BCMA and two physicians appointed by the Government and a lay chair acceptable to both parties. The Chair shall be chosen by the Commission from a roster of three mutually acceptable names established at the beginning of each fiscal year. The physicians appointed shall be chosen so as to avoid direct conflict of interest.

16.7 The joint review panel must render a majority recommendation to the parties within three months of receiving a request.

16.8 Recommendations of the joint review panel will be given equal priority with other revisions to the Guide to Fees in each year during the term of a Working Agreement.

16.9 The Commission agrees that, should it introduce any redefinition of insured medical services, it will provide at least 30 days' notice to all physicians enrolled in the Medical Services Plan.

17. APPROVAL OF PAYMENT SCHEDULE

17.1 The Commission shall adopt as part of its Payment Schedule additions to, deletions from or other modifications of the BCMA Guide to Fees, provided that:

(a) the Commission agrees such modifications are consistent with the requirements of the *Act* or *Regulations;*

(b) the Commission agrees that the services covered by a given fee item are medically necessary;

(c) the Commission agrees to the estimated projected net cost effect on the MSC Total Claims Cost which would result from adding, deleting or modifying fee items in the Payment Schedule; and,

(d) the Commission agrees that implementation of recommendations of the joint review panel or through consultation have been given appropriate consideration along with other revisions to the payment schedule.

17.2 Subject to Article 11, addition, deletion or modification of an individual item or items in the Guide to Fees shall not be given effect in the Payment Schedule until it has been agreed to by the parties.

17.3 For the purpose of calculation of the estimated effect in MSC Total Claims Cost of changes in a fee item or items of the Payment Schedule, the most current usage data as provided to the Commission will be used and adjusted as appropriate for trends in usage when trends can be established or predicted.

17.4 It is understood and agreed that no addition to, deletion from or modification of the Payment Schedule or of any item or items therein under or resulting from any provision of this Agreement shall have effect without prior agreement and approval in writing of the Commission.

18. PHYSICIAN BENEFIT PLANS

18.1 It is understood and agreed that where an agreement permits or requires the BCMA to administer a benefit program, the responsibilities of the BCMA includes the verification that public funds have been properly used for the purposes intended, including such audit and inspection procedures as may be necessary and required.

18.2 The BCMA acknowledges and accepts its responsibility to administer the Physician Benefit Plans available to all physicians who have not made an election under Section 14 of the *Act* or who are not subject to an order made under Section 15(2)(b) of the *Act*, and acknowledges and accepts its responsibility to provide the same standard of administration to both members and non-members of the BCMA.

18.3 It is understood and agreed that the BCMA may charge physicians who are not members of the BCMA an administrative fee when non-members apply for a negotiated benefit to which they are entitled. It is further understood and agreed that non-members will not be charged administrative fees that exceed the equivalent of dues and levies charged to BCMA members in the calendar year in which the non-member applies for a benefit or benefits.

18.4 The detailed description of, and funding levels for, the Physician Benefit Plans will be contained in Working Agreements. The parties agree that such plans will include a Continuing Medical Education Program, a Physician Disability Plan, a CMPA Cost Reimbursement Plan and a Physician RRSP Plan.

19. GEOGRAPHIC RETENTION PROGRAMS

(a) The Commission is committed to developing and maintaining incentives for practice in northern and isolated communities and/or other communities with a demonstrated retention problem. In this regard, the Northern/Isolation Allowance and Northern/Isolation Travel Assistance Programs, including the Northern and Isolation Committee, will be continued until amended or replaced pursuant to Article 19(b).

(b) Any modifications to existing program(s) in Article 19(a) will be negotiated as part of the Subsidiary Agreement for Physicians in Rural Practice.

20. VOLUNTARY AND COMPULSORY NON-PARTICIPANTS

20.1 Any physician may elect to be paid for benefits directly from a beneficiary pursuant to Section 14 of the *Act*, and by so doing gives up any Physician Benefits covered under this Agreement. BC residents who are eligible beneficiaries under the Plan may remain or become patients of such a voluntary non-participating physician without loss of their right to reimbursement in accordance with the *Act* or *Regulations.*

20.2 The Commission will be responsible for the direct payment of a non-participating physicians accounts only where that physician has rendered emergency services in circumstances where the medical condition or state of mental incompetence of the beneficiary prevents the physician from properly informing the patient of the physician's non-participation, and from obtaining the beneficiary's informed consent.

20.3 Where the Commission has, for cause, made an order under Section 15 of the *Act* canceling enrollment of a physician in the Medical Services Plan, that physician is no longer entitled to Physician Benefits under this Agreement.

21. PHYSICIAN RESOURCE PLANNING

21.1 The Physician Resource Planning Committee as established by the Commission will review and update the physician resource template and examine the issue of the physician resource needs which are currently facing the Province and which will develop in the next five years. Issues to be examined will include the effect of retirements and other departures, whether areas of the province have distributional issues and the effect of in-migration and out-migration of physicians. Establishment of the Committee will not preclude the Government and/or the Commission from taking any actions with respect to physician resource issues that they deem appropriate.

22. MISCELLANEOUS

22.1 The parties agree that individual physicians will not be compelled to modify their practice form or compensation method.

22.2 This Agreement is subject to the approval of the Lieutenant Governor in Council and ratification by the membership and Board of Directors of the BCMA and the Commission. In the absence of such approval and ratification this Agreement is of no force or effect.

22.3 This Agreement will be governed by, and construed in accordance with, the laws of the Province of British Columbia.

22.4 This Agreement will be construed in accordance with the *Act.* In the event that the *Act* is amended, rendering any part of the Master Agreement or a Working Agreement to be invalid or unenforceable, the balance of those Agreements will be deemed to be severed and to remain in full force and effect.

22.5 In the event that an amendment to the *Act* causes a part of the Master Agreement or a Working Agreement to be invalid or unenforceable, the parties will negotiate new provisions which, to the extent legally possible, will carry out the original intent of those provisions which are invalid or unenforceable. Should the parties be unable to agree, then the difference shall be referred to arbitration pursuant to the *Commercial Arbitration Act.*

23. AMENDMENTS

23.1 This Agreement or any of the terms of this Agreement may be amended at any time with the mutual written consent of the parties.

23.2 No amendment or modification to this Agreement will become effective unless the same will have been reduced to writing and duly executed by the parties hereto.

24. DISPUTE RESOLUTION

24.1 Disputes with respect to the interpretation, application or alleged breach of this Master Agreement will be resolved pursuant to the *Commercial Arbitration Act.* Should the parties be unable to agree on the selection of an arbitrator within seven days after notice is served by any party seeking the appointment of an arbitrator, the Chief Justice of the Supreme Court of British Columbia will be asked to appoint the arbitrator.

25. EFFECTIVE DATES AND TERMINATION OF AGREEMENT

25.1 This agreement comes into force on April 1, 2001 and will expire at midnight on March 31, 2006.

25.2 The parties acknowledge the mutual benefit of a continuing agreement. In this regard the parties agree to meet at least six months prior to the expiry of this Agreement to commence discussions and make every reasonable effort to conclude a renewal of this Agreement prior to its expiry. The process for the resolution of disagreements in future Master Agreement negotiations will be as described in the Framework Memorandum for the negotiation of the April 1, 2001 Master Agreement

25.3 If, by the expiry date cited in Article 25.1, the parties have not agreed upon the terms of its renewal, it will remain in full force and effect until such terms are agreed upon or until 12 months have expired following the receipt of notice by the Government or the BCMA of its wish to terminate the Agreement.

DATED AT Vancouver, British Columbia, this ____ day of February, 2001.

SIGNED ON BEHALF OF THE)
GOVERNMENT OF THE PROVINCE)
OF BRITISH COLUMBIA)
)
)
_____)
)
_____)

THE COMMON SEAL OF THE BRITISH)
COLUMBIA MEDICAL ASSOCIATION)
Was hereunto affixed in the presence of)
)
) C/S
_____)
)
_____)

SIGNED ON BEHALF OF THE)
MEDICAL SERVICES COMMISSION)
)
)
_____)
Chair