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## 2012 Physician Services Agreement Overview

December 10, 2012

The 2012 Physician Services Agreement is designed to improve patient care, achieve better value for our health dollars, and allow Ontario to make new health care investments where they are needed most – in home care for 90,000 more seniors.

Under the agreement, patients will benefit from 1,100 new doctors, more house calls, expanded services for Ontario's aging and growing population, increased access to primary care for high-need patients, and e-consults between patients, doctors and specialists.

Working together, the OMA and the McGuinty government have identified an additional net savings of almost \$400 million over two years, all reinvested to offset forecasted growth in physician services from an aging population and new doctors entering the system:

- \$295 million over two years in net physician services savings that strengthens high-value patient care, including a 0.5 per cent payment discount for all physicians; and
- \$100 million in physician-influenced health system reform savings over two years, such as reducing unnecessary lab testing and streamlining hospital equipment purchases.

These net savings figures are in addition to the savings resulting from the physician fee adjustments made by regulation in May 2012, and include the cost of the six adjustments made to those regulations (\$44 million this year and \$70 million next year) as a result of this new Agreement.

### **New priority investments under the agreement include:**

- \$10 million in expanded physician house calls for seniors and patients with complex needs.
- \$40 million in new support for primary care providers to increase the number of seniors and others with complex conditions attached to a family doctor.
- \$5 million for a demonstration project on post-discharge care and the ongoing management of those patients, to reduce hospital readmission rates.
- \$1.5 million to establish secure patient e-consultations with physicians and to facilitate virtual follow-ups between specialists and family doctors.

### **New physician fee adjustments, including:**

- \$53.5 million in savings from reducing physician payments by 0.5 per cent that can be replaced with further evidence-based changes.
- \$43.7 million annually from reducing unnecessary pre-op cardiac testing for low-risk, non-cardiac patients.
- \$29 million annually from modernizing the annual health exam, personalizing it to the individual needs of healthy adults.
- \$30.8 million annually from aligning the frequency of colonoscopies and cervical cancer screening to meet Cancer Care Ontario guidelines.

**New physician-Influenced health system reforms include:**

- Reductions to a series of overused lab tests achieved by meeting appropriateness guidelines.
- Streamlining the purchase of hospital supplies and equipment.
- Reductions in unnecessary tests resulting from changes to the personalized health exam.
- Diagnostic savings from aligning cervical and colorectal cancer screening to Cancer Care Ontario guidelines.

**New partnership initiatives aimed at modernizing the delivery of health care, including:**

- Introducing Quality Improvement Plans and performance metrics to Family Health Teams, Community Health Centres and other family doctors who wish to participate.
- Expand the after-hours service commitment in primary health care contracts for physician groups with 10 or more physicians.
- Establish virtual channels for primary care to specialist referrals as alternatives to face-to-face patient consultations.

The 2012 Physician Services Agreement is in place until March 2014.

[Minister's Statement](#)

**For public inquiries call ServiceOntario, INFOline at 1-866-532-3161 (Toll-free in Ontario only)**

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