

# INFOBulletin

Keeping health care providers informed of payment, policy or program changes

**To:** All Physicians  
Hospitals  
Independent Health Facilities

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**Re:** Kaplan Board of Arbitration Award—Year 2 (2018–2019)  
Physician Compensation Increases

Page 1 of 10

The Ministry of Health (ministry) and the Ontario Medical Association (OMA) have been working together to implement the compensation adjustments on eligible physician payments outlined in Section 21(a) of the Binding Arbitration Framework (BAF) in accordance with the 2019 Kaplan Board of Arbitration Award (Award).

Increases to physician compensation will be implemented, in part, through a *Health Insurance Act* regulation change effective April 1, 2020.

## Relativity Increase

Year 2 (2018–2019) of the Award provides for a 1.25% compensation increase on physician payments for the period April 1, 2018 to March 31, 2019. Together with the 0.75% increase awarded in Year 1 (2017–2018), the total cumulative compensation increase that will be applied to physician payments for Year 2 is 2.0094%. The distribution of the total compensation increase across physician specialties is subject to the relativity adjustments agreed to between the ministry and the OMA in the Interim Relativity Process Agreement dated November 7, 2017.

Physicians who received a Year 1 compensation increase payment were assigned a specialty based on the billing specialty under which they had the highest total professional fee-for-service billings (paid and shadow billed) for the period April 1, 2017 to March 31, 2018.

Ontario 

Year 2 compensation increase payments for these physicians will also be based on the specialty rate assigned in Year 1.

Physicians who did not have fee-for-service billings in Year 1 and therefore did not receive a Year 1 compensation increase payment, and who are eligible for a Year 2 payment, will have their speciality assigned based on their professional fee-for-service billings (paid and shadow billed) for the period April 1, 2018, to March 31, 2019.

Physicians receiving payments under contracts that are paid directly and that are specialty specific have been assigned the specialty identified in the contract. For multispecialty Alternate Payment Programs/Alternate Funding Plans (APPs/AFP), where one specific specialty rate cannot be applied to payments made under the agreement, the weighted relativity increase was calculated and applied based on the distribution of the billings (paid and shadow billed) across physicians funded through the agreement. Family Practice and Practice in General physicians (“00”) who are not in a primary care patient enrolment model (PEM) and are affiliated with an Emergency Department Alternative Funding Agreement (EDAFA) group (excluding GP Experts and Second On-call) have been assigned a specialty of “12—Emergency Medicine”.

Family Practice and Practice in General physicians who are not in a PEM, and who are not affiliated with an EDAFA group, and who bill >50% Fee-for-Service (FFS) for emergency department services (relevant H-prefix codes) have been assigned a specialty of “12—Emergency Medicine”.

All payments under on-call programs, Community Palliative Care On-Call, Physician On-Call, Complex Continuing Care On-Call (excluding Hospital On-Call), will have the Family Practice and Practice in General (“00”) relativity increase rate applied.

Physicians receiving payments under the following programs will receive the Global relativity rate:

- Academic Health Sciences Centres base payments
- Northern Ontario School of Medicine base payments
- Rural Medicine Investment Program
- Pregnancy and Parental Benefit Program
- Office based technical fee-for-service fees
- Independent Health Facilities facility fees
- Physician Public Health Services (STD Clinics)
- Public Health Unit Top-Ups
- Tuberculosis Uninsured Persons Program

Further details on the relativity rates by specialty and the methods and process used to determine the relativity rates can be found in [INFOBulletin #4732](#) and [INFOBulletin #11218](#). Appendix B—Method for the Implementation of 2017/18 Compensation Increases in the 2019 Ministry of Health (ministry) and Ontario Medical Association (OMA) Arbitration Award.

## Process

The total eligible payments, for the period April 1, 2018 to March 31, 2019, for each physician or group/facility was multiplied by the appropriate relativity increase rate (see [Appendix A—Questions and Answers—question 5](#)) to determine the compensation increase payment.

Where payments for the period April 1, 2018 to March 31, 2019 were readily identifiable at the physician level, compensation increase payments have been calculated at the solo physician level and will be deposited to the physician's solo bank account. For clarity, payments to solo physicians can include compensation increases on billings and payments received as part of an Alternate Payment Programs (APP) or Fee for Service (FFS) group where the initial payment for the period April 1, 2018 to March 31, 2019 was made to the group.

Where physician level payment details were not available or readily identifiable, compensation increase payments have been calculated at the group level and will be deposited to the group bank account. Compensation increase payments will also be deposited to the group bank account where the terms of the contract require payment to be made to the group.

Where bank account details are not available a cheque will be issued payable to the solo physician or group where applicable. Cheques will be sent to the same address on file with the ministry that is used for the Remittance Advice (RA) reports.

These compensation increases to physician payments will be one-time payments with no Schedule of Benefits (Schedule) changes. The ministry will process the one-time compensation increase payments in March 2020 for payment on the April 2020 Remittance Advice under the accounting adjustment "2018-2019 Increase".

Compensation increases to physicians, physician groups or other facilities not flowed through the Medical Claims Payment System, such as those paid under contracts or under other programs, will be paid using the regular payment process associated with the contract or payment. It is expected that payments made to a group or facility will be distributed to the physicians who provided services for the period April 1, 2018 to March 31, 2019.

## Reporting

For physicians and groups that receive a monthly Remittance Advice (RA) through the Medical Claims Electronic Data Transfer (MCEDT), the Accounting Adjustment will reflect the 2018-2019 Increase payment value at the solo physician or group level based on how the compensation increase payment was processed.

The new "Compensation Increase Report" will be delivered to the MCEDT service requester. The service requester will be required to provide permission to their appropriate delegates for reviewing and/or downloading this new report.

The **solo** report will detail the Total Payments, Percent Increase and Compensation Increase for each Clinic Code under which the physician provided services and received a payment in 2018-2019.

The **group** report will detail the Total Payments, Percent Increase and Compensation Increase for each Payment Element (e.g. Access Bonus Payment) under which the physician provided services and received a payment in 2018-2019.

The group report will also show the Total Payments, Percent Increase and Compensation Increase for each physician affiliated to the group during the 2018-2019 fiscal year.

Physicians, groups and other facilities that do not receive a monthly RA report through MCEDT will receive their paper Compensation Increase Report along with their RA.

Physicians, groups and facilities that do not receive a monthly RA report will receive their usual payment advice with the notation "2018-2019 Increase".

## Appendix A—Questions and Answers

### 1. What is the compensation increase payment?

On February 19, 2019, the Kaplan Board of Arbitration released the Binding Arbitration Award (Award) regarding the dispute over physician compensation between the ministry and the Ontario Medical Association (OMA).

The Award provides a decision on matters relating to physician compensation for the period of April 1, 2017 to March 31, 2021.

Year 1 of the Award provided a 0.75% compensation increase on physician payments for the period April 1, 2017 to March 31, 2018.

Year 2 of the Award provides a 1.25% compensation increase on physician payments for the period April 1, 2018 to March 31, 2019. The total cumulative compensation increase of 2.0094% is adjusted for relativity by specialty (see question 5).

This INFOBulletin pertains to details regarding the payment of the Year 2 compensation increase.

For details related to the payment of the Year 1 compensation increase, please refer to [INFOBulletin #4732](#) or [INFOBulletin #11218](#).

### 2. Which physician payments were included in the calculation of the compensation increase payments?

The compensation increases apply to eligible physician payments as set out in Section 21(a) and Appendix A of the Binding Arbitration Framework (BAF) and consistent with the Award and the subsequent Implementation Agreement between the ministry and the OMA dated June 14, 2019.

The following fee-for-service physician payments, specialist contracts and programs will receive the compensation increase on 2018-2019 physician payments:

#### OHIP Claims System Payments

- professional fee-for-service physician payments
- office based technical fee-for-service physician payments (excluding hospital technical fees)
- facility fees paid to Independent Health Facilities
- specialist physician contract payments which are tied to the OHIP claims system through shadow billing

## **Program and Specialist Contract-Based Payments**

- Academic Health Sciences Centres Alternative Funding Plan Contracts
- Alternative Payment Plan Contracts
- Assertive Community Treatment Teams (ACTT)
- Clinical Decision Unit (CDU)
- Community Palliative Care On-Call Coverage
- Complex Continuing Care On-Call Coverage
- Consent and Capacity Board
- Divested Provincial Psychiatric Hospitals Top-Up Funding
- Hospital Paediatric Stabilization Program
- Laboratory Uniform Minimum Level of Compensation
- Mental Health Sessional Payments
- Ministry of Attorney General Payments (Sexual Assault and Blood Drawing)
- Ministry of Children, Community and Social Services Payments (K Codes)
- Ontario Physician Locum Programs—Emergency Department Locum Program
- Ontario Physician Locum Programs—Northern Specialist Locum Programs
- Ontario Physician Locum Programs—Rural Family Medicine Locum Program
- Ontario Review Board
- Ontario Telemedicine Network Payments
- Ottawa Paediatric Locum
- Physician On-Call in Long-Term Care Homes
- Pregnancy and Parental Leave Benefit Program
- Psychiatric Stipend Funding
- Public Health Physicians—Sexually Transmitted Infections (STI) Payments
- Public Health Unit Top-Ups
- Rural and Northern Physicians Group Agreement (RNPGA) Vacancy Locum Program
- Rural Medicine Investment Program
- Tuberculosis for Uninsured Persons (TB-UP) Payments
- Underserviced Area Program—Northern Physician Retention Initiative
- Underserviced Area Program—Northern RRRRI
- Underserviced Area Program—NS Physician Outreach
- Underserviced Area Program—Psychiatry Outreach
- Underserviced Area Program—Visiting Specialist Clinic Program

### **3. Which Primary Care models and programs will receive the compensation increase?**

The following Primary Care models and programs will receive the compensation increase on eligible physician payments:

- Aboriginal Family Health Team (AFHT)
- Aboriginal Health Access Centres (AHAC)

- Blended Salary Model (BSM)
- Blended Salary Model (BSM)—Income Stabilization
- Community Health Centres (CHC)
- Comprehensive Care Model (CCM)
- Family Health Group (FHG)
- Family Health Network (FHN)
- Family Health Network (FHN)—Income Stabilization
- Family Health Organization (FHO)
- Family Health Organization (FHO)—Income Stabilization
- Family Health Team Specialist Sessional Groups (FHTSSG)
- General Practitioner Focus Practice—Care of the Elderly Model 1 (GPFP–COE1)
- General Practitioner Focus Practice—Care of the Elderly Model 2 (GPFP–COE2)
- General Practitioner Focus Practice—HIV (GPFP–HIV)
- General Practitioner Focus Practice—Palliative Care (GPFP–PC)
- Group Health Centre (GHC)
- Group Health Centre (GHC)—Specialists
- Inner City Health Associates (ICHA)
- Indigenous Interprofessional Primary Care Teams (IIPCT)
- Institutional Substitution Program (ISP)
- New Graduate Entry Program (NGEP)
- Nurse Practitioner Physician Collaboration Program (Primary Care and NPLC)
- Office Practice Administration (OPA)
- Rural and Northern Physicians Group Agreement (RNPGA)
- Shelter Health Network (SHN)
- Sherbourne Physician Group (SPG)
- Sioux Lookout Regional Physicians Services Inc. (SLRPSI)
- St. Joseph's Health Centre (SJHC)
- Toronto Palliative Care Associates (TPCA)
- Weeneebayko Area Health Authority (WAHA)

#### **4. Which physician payments will not receive a compensation increase?**

The following physician specialities, programs and payments are excluded from receiving a compensation increase payment for Year 2:

- Top 5 ranked specialties—Ophthalmology, Gastroenterology, Diagnostic Radiology, Cardiology and Radiation Oncology
- OMA Priority Insurance Program
- Hospital Technical Fees
- Hospital On-Call Coverage

## 5. What are the relativity percentage increases by specialty?

Table 1 below outlines the OHIP specialty code, specialty description and approved relativity percentage increase for Year 2 as agreed to between the ministry and the OMA.

**Table 1—Relativity Increase Rates**

Specialty Code	Specialty Description	Relativity Increase
00	Family Medicine and Practice in General	2.9679%
01	Anaesthesiology	0.3648%
02	Dermatology	1.0832%
03	General Surgery	1.3500%
04	Neurosurgery	1.7502%
05	Community Medicine	2.0094%
06	Orthopaedic Surgery	1.3661%
07	Geriatrics	2.9908%
08	Plastic Surgery	1.8760%
09	Cardiac Surgery	1.0068%
13	Internal and Occupational Medicine	2.1577%
15	Endocrinology	1.6264%
16	Nephrology	0.6050%
17	Vascular Surgery	0.7825%
18	Neurology	2.5027%
19	Psychiatry	4.0310%
20	Obstetrics & Gynaecology	2.6923%
22	Genetics	2.0412%
23	Ophthalmology	0.0000%
24	Otolaryngology	0.9924%
26	Paediatrics	2.1994%
31	Physical Medicine & Rehabilitation	2.9672%
33	Diagnostic Radiology	0.0000%
34	Radiation Oncology	0.0000%
35	Urology	1.0656%
41	Gastroenterology	0.0000%
44	Medical Oncology	1.5018%
46	Infectious Disease	5.0355%
47	Respiratory Disease	2.6804%

Specialty Code	Specialty Description	Relativity Increase
48	Rheumatology	2.0589%
60	Cardiology	0.0000%
61	Haematology	2.8460%
62	Clinical Immunology	0.6838%
63	Nuclear Medicine	0.8970%
64	General Thoracic Surgery	2.2498%
EM	Emergency Medicine group	2.1435%
LM	Laboratory Medicine group	1.3548%
GB	Global Rate	2.0094%

#### **6. When will the 2018–2019 compensation increase payments be paid?**

The ministry will process most one-time compensation increase payments in March 2020 for payment in the month of April 2020.

Physicians and groups who receive a Remittance Advice (RA) report will see the payment deposited on or about April 15, 2020 with reporting on the RA under the accounting transaction “2018-2019 Increase”.

Physicians, groups and other facilities that receive payments under other payment programs will receive their compensation increase payments based on the regularly scheduled monthly payment date or as a one-time payment in April 2020. The compensation increase will be noted on the payment advice as “2018–2019 Increase”.

#### **7. How will the 2018–2019 compensation increase payments be paid to retired or deceased physicians?**

The ministry will deposit the compensation increase payments to the solo bank account on file where the bank account has remained open to receive payment.

Where bank account details are not available a cheque will be issued payable to the solo physician or to the “Estate of” in the event the physician is deceased.

Cheques will be sent to the same address on file with the ministry that was used for the Remittance Advice (RA) reports.

#### **8. Will the compensation increase result in a permanent increase to the fee codes in the Schedule of Benefits?**

No, the 2018–2019 compensation increases are one-time payments and do not increase physician compensation amounts in funding agreements or fee code values in the Schedule of Benefits.

**9. When will the compensation increases for the remaining years 2019–2020 and 2020–2021 be paid?**

Further details regarding the implementation of additional compensation increases will be communicated closer to the payment date.

**10. How were the relativity percentages by specialty determined?**

The relativity percentage increases were determined as per the terms of the Interim Relativity Process Agreement between the ministry and the OMA.

For further details on the how the compensation payments were determined please see [INFOBulletin #4732](#) or [INFOBulletin #11218](#), Appendix B—Method for the Implementation of 2017/18 Compensation Increases in the 2019 Ministry of Health (ministry) and Ontario Medical Association (OMA) Arbitration Award.

**11. I don't agree with the amount of my payment. What is the appeal process?**

The relativity percentage increases were determined as per the terms of the Interim Relativity Process Agreement between the ministry and the OMA and the compensation increase payments were calculated based on the methodology agreed to between the ministry and the OMA in accordance with the Binding Arbitration Award.

As such, the agreed-to methodology between the ministry and the OMA does not provide for an appeal process for physicians who received a compensation increase payment and are disputing the amount of the payment they received.

Physicians who received a compensation increase payment and have questions about the method of calculating the amount of the payment they received should contact the OMA. Inquiries related to the payment process or amount can be addressed towards the ministry.

**12. Who can I contact if I have further questions?**

For further information regarding the determination of the relativity increase rates by physician specialty not covered in [INFOBulletin #4732](#) or [INFOBulletin #11218](#), Appendix B—Method for the Implementation of 2017/18 Compensation Increases in the 2019 Ministry of Health (ministry) and Ontario Medical Association (OMA) Arbitration Award, please contact your OMA representative at [negotiations@oma.org](mailto:negotiations@oma.org).

For inquiries related to payments or payment processing timelines, please contact the Service Support Contact Centre at: 1-800-262-6524 or [SSContactCentre.MOH@ontario.ca](mailto:SSContactCentre.MOH@ontario.ca)