

# Frequently asked questions

Contract issues between Doctors Nova Scotia and the provincial government

CONTENT EMBARGOED UNTIL TUESDAY, OCTOBER 3 AT 9 A.M.



## BENEFITS

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### Why would the government choose not to make benefits payments if they are required by contract to do so?

That's a good question, and one that only the Minister of Health and Wellness can answer. The government has forced Doctors Nova Scotia (DNS) to draw down its contingency fund by not paying a single invoice in the past 12 months. The government has told DNS that it shouldn't hold a contingency fund, and we believe the payments have been deliberately withheld in order to force the issue. The government tried to make the contingency fund an issue during negotiations and was not successful. The government signed a contract that requires them to make benefits payments in response to monthly invoices from DNS. We have sent invoices covering the last 12 months, but those invoices have not been paid.

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### Why does Doctors Nova Scotia need a contingency fund for the benefits program?

Doctors Nova Scotia takes the responsibility of administering the benefits plan seriously. Physicians in Nova Scotia rely on the health, dental and parental leave benefits available under this program. The Professional Support Program is also critically important, given the level of physician burnout across Nova Scotia. In order to administer these benefits responsibly, the association's Board of Directors has, as a matter of good governance and sound fiscal prudence, set aside a contingency fund that would cover the cost of benefits for close to a year. This is designed to protect physicians and give them sufficient notice if the government were ever to withdraw its funding or support for the plan. KPMG, our external auditing firm, has done an independent review that confirms the necessity (and amount) of this contingency fund. Although the government is obligated to continue to pay physicians' benefits under the current contract, there is no guarantee that it will agree to a physician benefits program under the next contract. That's when the contingency fund would be necessary – in order to give physicians a year's notice of termination.

Twice in the last year, DNS has had to use the contingency fund in order to maintain physician benefits in the face of unilateral decisions by the government to cease funding – notwithstanding contractual commitments to the contrary.

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### Who owns the contingency fund?

The \$4-million contingency fund is physicians' money, carefully set aside by the Board of Directors over the years as part of good governance and sound fiscal prudence in administering a benefits plan. KPMG, our external auditing firm, has done an independent review that confirms the necessity (and amount) of this contingency fund.

The government has made payments to DNS each year based strictly on the amounts that were required by contract.

This funding was first negotiated in the 1990s to help recruit and retain physicians without putting all funding toward fee increases.

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## APP CONTRACTS

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### What changes did the government make to the contracts?

In some cases, the government has removed all references to the Master Agreement and almost all references to DNS as a party to the contract whose role it is to protect physicians' interests, and has removed and/or amended the dispute resolution clause. In other cases, the government has asked physicians to sign a deliverables document, without an accompanying contract. This puts physicians at risk. Physicians signing these unsanctioned contracts (or, not signing any contract at all) could see some of their negotiated benefits refused – such as programs supporting professional liability insurance or continuing medical education, or the 1.5 percent annual rate increase for 2018–19.

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### Why would Doctors Nova Scotia caution physicians against signing contracts with the government? Isn't this another barrier in the way of service delivery and patient access?

Good patient care is our foremost priority. Doctors Nova Scotia has approached this contract matter very carefully precisely because we do not want to create any barriers to patient access and service delivery. We have exhausted all other avenues to resolve this issue. The government, the former district health authorities and DNS spent many months negotiating APP contract templates to ensure fairness and consistency across the province. The government can simply revert to those approved templates and this issue is resolved.

As legislated sole bargaining agent for physicians, DNS is obligated to ensure physician interests are protected in contract matters. Since the government is refusing to use approved contract templates, we have no choice but to caution physicians against signing contracts without consulting DNS. While doing so, though, we are prepared to work closely with the Nova Scotia Health Authority (NSHA) and with the government to ensure that this contract matter does not impact patient care and does not prevent physicians from starting practice in Nova Scotia.

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### Does Doctors Nova Scotia refuse any contract changes?

No, DNS is very open to making changes and adjustments to contracts as needs evolve. This is why we have an agreed-upon process for contract changes. This process involves the Master Agreement Management Group, which is made up of representatives from the Department of Health and Wellness, the NSHA and IWK, DNS and physicians. In this case, changes were made unilaterally by the government and they put physicians at risk.

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### Are the changes the government has made to the contracts a big deal?

Yes. The changes the government has made expose physicians to unnecessary risk. Physicians signing these unsanctioned contracts, for example, could see some of their negotiated benefits – such as programs supporting professional liability insurance or continuing medical education – refused.

The government made changes to these contracts without any notice to or discussion with DNS. The government has also indicated that it believes it has authority to enter into APPs with physicians without any involvement from DNS. As the legislated sole bargaining agent for physicians, DNS is obligated to ensure physician interests are protected in contract matters.

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## **Doesn't Doctors Nova Scotia only negotiate the APP rate of pay, leaving the contract terms between the government, the NSHA and the physician?**

Doctors Nova Scotia is the legislated sole bargaining agent for physicians in the province. It is important that DNS is able to protect physicians' interests in contract matters so that physicians can focus on their patients and quality clinical care.

While DNS negotiates the rate of pay for APP contracts through the Master Agreement, the rate is rendered meaningless unless it is tied to appropriate deliverables. For example, DNS might negotiate an annual rate of \$100,000 for a family physician. If the government and/or the NSHA insist on contract terms that require 40 hours per week of that physician, the negotiated rate has a different meaning than for a physician who is required by contract to work 80 hours per week for the same \$100,000.

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## **Is Doctors Nova Scotia saying the APP contracts can only be revised through a formal negotiation every four years?**

Doctors Nova Scotia is open to making changes to contracts. This is why we have an agreed-upon process for contract changes, using the Master Agreement Management Group and the APP Working Group. Doctors Nova Scotia is open to discussing any and all changes that the government wishes to make, but those changes need to be discussed and agreed upon. In this case, the government proceeded unilaterally, without consultation. In doing so, the government has undermined the association's ability to protect physicians' interests and is putting physicians at unnecessary risk.

## GENERAL ISSUES

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### **What does this mean for recruitment and retention of physicians in Nova Scotia?**

As outlined in greater detail in our recent report, Healing Nova Scotia – Recommendations for a Thriving Physician Workforce, DNS is very concerned about the environment in which physicians must be recruited to this province. We believe it is essential that physicians considering practising in Nova Scotia know that their rights and interests will be protected. That is DNS's role and its obligation as the legislated sole bargaining agent for physicians. We hope this action demonstrates to physicians already practising in Nova Scotia – and to those who might consider coming here – that we will protect physicians' interests.

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### **Are physicians' benefits (health and dental, parental leave, etc.) at risk of being terminated?**

We've been told by the government officials that monthly payments will soon commence, although we do not anticipate that the government will pay the more than \$4 million owed to date. This should address any immediate risk to the benefits programs. Doctors Nova Scotia has done, and will continue to do, everything possible to ensure physicians' benefits continue without interruption, including the health and dental plan, parental leave and professional support program.

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### **Why did Doctors Nova Scotia wait a full year before taking legal action?**

We have been working earnestly and in good faith to implement the contract as negotiated. We have been surprised by the government's decision to make unilateral changes to the APP contracts and to withhold benefits funding. We have escalated this to the level of the Deputy Minister and Minister of Health and Wellness. After numerous discussions at those levels, the Board feels it has exhausted all other avenues and is left with no choice but to have the matter resolved by the courts.