

**Ministry of Health
and Long-Term Care**

Office of the Minister

10th Floor, Hepburn Block
80 Grosvenor Street
Toronto ON M7A 2C4
Tel 416-327-4300
Fax 416-326-1571
www.health.gov.on.ca

**Ministère de la Santé
et des Soins de longue durée**

Bureau du ministre

10^e étage, édifice Hepburn
80, rue Grosvenor
Toronto ON M7A 2C4
Tél 416-327-4300
Téléc 416-326-1571
www.health.gov.on.ca



August 25, 2016

Virginia M. Walley, MD
Ontario Medical Association
150 Bloor St. West, Suite 900
Toronto, Ontario M5S 3C1

Dear Dr. Walley,

I am writing in reply to your recent open letter with respect to physicians' compensation.

Allow me to begin by reiterating my sincere disappointment in the outcome of the vote on the draft agreement that we both endorsed. With the benefit of much hard work on the part of your team and the government's, we had reached an agreement that would have increased the budget for physician compensation for Ontario's doctors by more than 10% over four years, while addressing some of the inequities in our system for family doctors and improving patient access to care.

I note that you made special mention of the issue of binding arbitration in your recent open letter. As you know well, I have always been clear that we are prepared to place binding arbitration on the table as one of a host of issues for negotiation. Indeed, the agreement just reached effectively included binding arbitration for fee-code reforms. It is hardly reasonable, however, that it be established as a pre-condition to discussions. You recognized that this was an unreasonable request once before and chose to resume negotiations under the cloak of a non-disclosure agreement, and I am hopeful that you will reconsider this position again.

Let me assure you, if the OMA's insistence that it be awarded the right of binding arbitration that we have provided to other public sector unions is so great that it is willing to be re-constituted formally as a union and accept all the obligations that other public sector unions have adopted – including withdrawing objections to salary disclosure that all other government unions are subject to and relinquishing the rights of members to incorporate individually – the government would be open to that discussion.

As you know, our physicians are already among the best paid in the country, with average gross billings of \$364,000 a year – and in the case of specialists it is frequently several times that amount. Indeed, in 2014/15 more than 500 Ontario specialists billed in excess of \$1 million a year. In that context, we believed that a 2.5% annual increase per year was fair compensation for these services. I understand that parties will push hard during a negotiation, but it is frustrating to hear spokespeople associated with the OMA assert that this increase would not even provide for the rate of growth in our health care system caused by population growth and an aging population. This question was examined objectively by objective third parties including ICES and CIHI who all pegged growth at below 2%.

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I would also note that the Concerned Ontario Doctors group, which appears to speak largely for high-earning specialists and who believe there should be no constraints on their income, are increasingly vocal in suggesting that they now represent Ontario's doctors. In that respect, I would be interested to know if their recent proposal to de-list services, expand the use of walk-in clinics and reform payments to disadvantage family doctors and other underpaid physicians in favour of high-billing specialists represents official OMA policy?

Looking forward, the government remains prepared to give the OMA some time to sort out its internal matters. However, the public interest cannot be paused indefinitely and, as you know, it has now been more than two years since Ontario's physicians have had an agreement on compensation.

In approaching future discussions, I also want to be clear in articulating the principles that will guide the government's approach.

- Balance – we cannot accept an agreement that demands no limits whatsoever on what physicians can bill for their services. Simply stated, our next additional health care dollar must not only increase physician compensation, it must also help boost investments in home and community care, in our hospitals, our nurses and Personal Support Workers.
- Fairness – the government is determined to keep Ontario's doctors among the best paid in Canada and we will dedicate increasing resources toward that goal, as we proved with our commitment of a more than 10% increase over four years. In doing so however, we must address the inherent inequities within the compensation structure that unfairly rewards certain specialists at several times the rate of the average family doctor. This is an area where we achieved consensus and it is imperative that we take action with specific reforms and concrete change.
- Growth – we recognize that Ontario's population is growing and that our society is aging. Both factors increase demand on the health-care system. We also believe, as we demonstrated in the draft agreement, that we must make room for hundreds of new doctors each year in Ontario.

I will end by reinforcing our bottom line as clearly as I can – the government is committed to keeping Ontario's physicians among the best paid in Canada, but we will not relinquish our responsibility to ensure that all of Ontario's physicians are paid fairly and not just a select few; nor can we in good conscience surrender our ability to also invest in other areas of our health-care system such as home care and community care, investments that matter not only to patients, but to the majority of physicians as well.

Sincerely,



Dr. Eric Hoskins
Minister

c: Mr. Tom Magyarody, OMA CEO
Dr. Bob Bell, Deputy Minister, Ministry of Health and Long-Term Care