

NEW in PRACTICE

2015

What medical
residents
NEED TO KNOW
before entering
practice

 @CMA_Members


Dr. Kimberly Williams, Resident, Calgary, Alta.
Dr. Jimmy Bejjani, Resident, Montreal, Que.



ASSOCIATION
MÉDICALE
CANADIENNE



CANADIAN
MEDICAL
ASSOCIATION



Jane Thornton
Resident
CMA member

Not a CMA member?

YOU SHOULD BE.

Making the transition from residency to practice can be difficult. A CMA membership provides you with **support and access** to thousands of useful resources to help you succeed.

- Access point-of-care tools including **CPS** on the **RxTx Mobile App**, **DynaMed** and **Lexicomp**.
- Leverage MD Financial Management's unrivalled understanding of physicians' unique financial needs.
- Gain access to **member discounts** on everything from cellular services, travel activities, and fitness programs to clinical tools like **UptoDate**.

TRANSITIONING INTO PRACTICE THIS YEAR? Get 50% OFF your CMA membership fee in your first year of practice.

Contact our Member Service Centre at 888-855-2555 or visit

 cma.ca/joincma

2015 **NEW** in PRACTICE



CHAPTER 1

- 7 **Evaluating practice opportunities**
- 8 Fee-for-service billing
- 11 Alternative payment and funding plans
- 14 Salaried positions
- 16 Locums
- 19 Evaluating long-term practice opportunities

CHAPTER 2

- 21 **The business side of medicine**
- 23 Types of practice
- 27 Overhead
- 30 The art of negotiation



CHAPTER 3

- 35 **Medical billing**
- 36 Physician remuneration
- 37 Uninsured services
- 38 The billing process
- 40 Organizing your billing
- 42 Receiving what you've earned

CHAPTER 4

- 43 **Financial planning and insurance**
- 44 Eliminating debt and student loans
- 45 Starting a family — parental benefits
- 46 Tax basics
- 47 Tax instalment payments
- 49 Incorporation
- 52 Investing basics
- 54 Protecting your lifestyle
- 57 To rent or buy a home?
- 59 Professional liability protection



CHAPTER 5

- 63 **Medical law**
- 64 The basics of informed consent
- 67 Disclosing adverse events to patients

CHAPTER 6

- 69 **So...you're finishing residency**
- 70 Final steps
- 73 The Royal College of Physicians and Surgeons of Canada
- 77 The College of Family Physicians of Canada
- 83 Your professional advisory team



2015 **NEW** in PRACTICE

CHAPTER 7

- 85 **Provincial and territorial medical associations**
- 87 Doctors of BC
- 88 Alberta Medical Association
- 89 Saskatchewan Medical Association
- 90 Doctors Manitoba
- 91 Ontario Medical Association
- 92 New Brunswick Medical Association
- 93 Doctors Nova Scotia
- 94 Newfoundland and Labrador Medical Association
- 95 Medical Society of Prince Edward Island
- 96 Yukon Medical Association



Manager, Publishing Services:

Debbie Rupert

Art Director: Paul Robert

Graphic Designers:

Sarah O'Neill, Jennifer Perschick

Editorial Coordinator: Erin MacKay

Advertising Director:

Blair Graham, blair.graham@cma.ca

Advertising Sales:

Trish Sullivan, trish.sullivan@cma.ca

Susan Ritchie, susan.ritchie@cma.ca

Laurie McLeod, laurie.mcleod@cma.ca

David Bertrand, david.bertrand@cma.ca

Director and Publisher: Glenda Proctor

New in Practice is published annually by 8872147 Canada Inc., a subsidiary of the Canadian Medical Association. The publisher is not responsible for any errors or omissions.

All rights reserved. Contents may not be reprinted without the expressed written consent of the publisher.

ISSN 2292-7328

©2015 8872147 Canada Inc.

Registered trademarks of the Canadian Medical Association used under license.

Physician editors



Brian Cummings, BBA CPA CA MD FRCPC FCAP FASCP

Dr. Cummings is a chartered accountant and a staff pathologist at hospitals in Kitchener, Ont., with many years' experience presenting, writing and advocating for the financial and tax affairs of physicians and physicians in training. Dr. Cummings is a physician presenter for CMA's Practice Management Curriculum and has spoken to graduating residents for over 10 years.



Tom Faloon, MD CCFP FCFP

Dr. Faloon ran a full-time community-based academic family practice for many years and, since 1996, he has chaired the CMA's National Practice Management Curriculum. Since 2008, Dr. Faloon has worked part-time as a medical officer for the Canadian Forces and offered locum coverage to colleagues. Although still involved with PMC, much of his time is now spent enjoying his family in retirement.



Darren Larsen, BSc MD CCFP MPLc

Dr. Larsen is a lead physician and IT lead for a six-member comprehensive primary care network in Thornhill, Ont. He currently works as the Chief Medical Information Officer at the Ontario Medical Association and OntarioMD. He is involved in many provincial and national health IT, quality, innovation and leadership initiatives and is a physician presenter for CMA's Practice Management Curriculum.

LETTERS



Dear colleague,

Last September, on behalf of the Canadian Medical Association (CMA) I was privileged to help open the International Conference on Physician Health in London, United Kingdom. The theme of the conference was milestones and transitions, with one of those major transitions being the passage from residency to practice.

A key theme in dealing with all the transitions a physician must pass through — from entering medical school to residency to practice and then eventual retirement — was the need to maintain balance.

As you enter practice, the balancing act between building a thriving practice and maintaining a healthy personal life can be a challenging one.

This publication is a tangible example of how the CMA and our subsidiaries are helping provide the tools and resources to help you maintain a healthy outlook. The *2015 New in Practice* provides you with useful advice across a wide spectrum of categories that will impact your life and career.

On behalf of the CMA and its more than 80,000 members I would like to congratulate you on your achievements to date and welcome you to the great profession of medicine. In wishing you the very best for the future, I recommend you make good use of this guide and all the resources the CMA and its subsidiaries have to offer to maintain the ideal relationship between work and personal life, which is so important for a healthy life.

A handwritten signature in black ink, appearing to read 'Chris Simpson'.

Dr. Chris Simpson
President, Canadian Medical Association



Dear resident colleague,

Moving out of training and into practice is a unique and exciting time in our careers. As your national voice, Resident Doctors of Canada (formerly the Canadian Association of Internes and Residents or CAIR) supports seamless transitions throughout training into practice. This includes both the development of non-clinical skills and ready access to the tools and resources that we will need to ensure we have long, successful careers.

Resident Doctors of Canada is pleased to work with the Canadian Medical Association and other national stakeholders to improve the resident experience. This helpful guide is one of the many resources that the CMA already provides Canadian residents in facing the challenge of transitioning from residency into practice.

Thanks to such collaborative initiatives between the CMA and Resident Doctors of Canada, and the support of the members of both organizations, we can ensure a smoother transition to practice experience for the residents of today and of the future.

A handwritten signature in black ink, appearing to read 'Christina Nowik'.

Christina Nowik, MD MPA
President, Resident Doctors of Canada
2014–2015

WHEN THE STANDARDS ARE HIGH, SO ARE THE REWARDS.

When commitment is combined with relentless effort, the results are usually exceptional. The critics who gave us these awards sure seem to think so. Learn more at subaru.ca.



2015 LEGACY

2015 FORESTER

2015 OUTBACK

2015 IIHS TOP SAFETY PICK[‡]
MODELS EQUIPPED WITH EYESIGHT[®]†



▲ COMPACT CAR
SUBARU IMPREZA
MIDSIZE CAR
SUBARU LEGACY
SPORTS CAR
SUBARU BRZ
MIDSIZE UTILITY
(2 ROW)
SUBARU OUTBACK
MAINSTREAM BRAND
SUBARU



OUTBACK



AUTOMOBILE JOURNALISTS
ASSOCIATION OF CANADA
www.ajac.ca

**WINNER - 2015 CANADIAN CAR OF
THE YEAR "BEST NEW" AWARDS**
FAMILY CAR (UNDER \$30K)
SUBARU LEGACY 2.5i
SUV - CUV (UNDER \$35K)
SUBARU OUTBACK 2.5i



SYMMETRICAL AWD

‡ For the 2015 Subaru Impreza, XV Crosstrek, Legacy, Outback and Forester. Ratings are awarded by the Insurance Institute for Highway Safety (IIHS). Please visit www.iihs.org for testing methods. †EyeSight[®] is a driver assist system, which may not operate optimally under all driving conditions. EyeSight[®] is not designed as a substitute for due care and attention to the road. The system may not react in every situation. The driver is always responsible for safe and attentive driving. System effectiveness depends on many factors such as vehicle maintenance, weather and road conditions. Finally, even with the advanced technology activated, a driver with good vision and who is paying attention will always be the best safety system. See Owner's Manual for complete details on system operation and limitations. ▲ ALG 2015 Canadian Residual Value Award for the 2015 Subaru Impreza in the Compact Car category, the 2015 Subaru Legacy in the Midsize Car category, the 2015 Subaru



Congratulations, Residents!

Through our Graduate Reward Program, Subaru Canada, Inc. is proud to offer a \$750* cash rebate to qualified university graduates who purchase a new Subaru vehicle. That's a \$750 cash rebate no matter which Subaru model you choose.



2015 IMPREZA 4-DOOR



2015 XV CROSSTREK



SUBARU

Confidence in Motion

For more details and to find your nearest Subaru dealer visit subaru.ca

BRZ in the Sports Car category, the 2015 Subaru Outback in the midsize utility – 2 row category, as well as for the brand Subaru in the Mainstream Brand category. ALG is the industry benchmark for residual values and depreciation data, www.alg.com.
** Best New Family Car (under \$30,000) for the 2015 Subaru Legacy 2.5i and Best New SUV – CUV (under \$35,000) for the 2015 Subaru Outback 2.5i. * Eligible participants must be within four months of graduation, or have graduated in current year or previous two calendar years from a recognized university undergraduate degree program or two-year college program (48 weeks minimum). Rebate is applicable to new, unregistered vehicles only. Lifetime limit of one graduate rebate per qualified buyer. Vehicle must be registered in the graduate's name. Rebate is over and above most consumer retail offers available from Subaru Canada, Inc. Offer is non-transferable.



**MD Financial
Management**
CMA Companies

“I’M ON THE RIGHT TRACK WITH MY FINANCES.”

– Danielle Curry, Medical Student

MOST CANADIAN PHYSICIANS CHOOSE MD AS THEIR PRIMARY INVESTMENT FIRM.¹

MD is the only financial services firm created to meet the specific needs of physicians. We offer personalized, objective advice on everything from investments and incorporation, to insurance, banking, borrowing and estate and trust.

WHY WILL YOU INVEST WITH MD?

CONTACT AN MD ADVISOR TODAY TO DISCUSS
YOUR INVESTMENT NEEDS.

1 877 877-3706 | md.cma.ca/invest

¹Fifty-three per cent of Canadian Medical Association members chose MD as their primary financial services firm, with the closest competitor at 12%. Source: MD Financial Management Loyalty Survey, June 2014.

MD Financial Management provides financial products and services, the MD Family of Funds and investment counselling services through the MD Group of Companies. For a detailed list of these companies, visit md.cma.ca. Incorporation guidance limited to asset allocation and integrating corporate entities into financial plans and wealth strategies. Professional legal, tax and accounting advice regarding incorporation should be obtained in respect to an individual's specific circumstances. Banking products and services are offered by National Bank of Canada through a relationship with MD Management Limited. Credit and lending products are subject to credit approval by National Bank of Canada.





Evaluating practice opportunities

Chapter 1

- 8 Fee-for-service billing
- 11 Alternative payment and funding plans
- 14 Salaried positions
- 16 Locums
- 19 Evaluating long-term practice opportunities

As medical residents, you are remunerated, or paid, as salaried employees of your hospital or medical faculty. Your salary and payment format resulted from negotiations between your provincial resident association, the ministry of health and your academic institution. The biweekly income you receive is your net take-home pay after deductions for income tax, Employment Insurance, Canada Pension Plan, group benefits and any other dues you are required to pay. When you complete residency, regardless of where you decide to practice medicine, the way you are paid will change.

While self-employed physicians have been paid primarily on a fee-for-service basis, you should know that new ways to reimburse physicians for services continue to emerge. Increasingly, we hear more about alternative payment plans, individually negotiated salaries and other blended remuneration models. Understanding how you may be remunerated for the various services you provide is important as you evaluate your short- and long-term practice options.



Fee-for-service billing

Dr. Tom Faloon, Chair and Physician Presenter, Practice Management Curriculum Program

In a traditional fee-for-service (FFS) system, the physician is a self-employed professional who bills for each individual service provided. The parties responsible for payment for insured services include the provincial Ministries of Health (MoH) and Workers' Compensation Boards and federal government departments such as Veterans Affairs Canada, National Defence, Indian and Northern Affairs Canada and Public Safety Canada. For all other services not insured by the above parties, the responsible party will be the patient or the requesting third party, such as an insurance company.

FAST TRACK

Understanding fee-for-service billing is essential for all physicians, regardless of the payment model in which you intend to participate.

As recently as 12 years ago, the majority of physicians were remunerated solely by billing for services provided. The concept of alternative payment plans (APP) first took hold in academic and institutional settings, as it became obvious that monies generated from the provision of clinical services were no longer enough to remunerate the faculty for the teaching and academic administrative services provided. Academic institutions now negotiate for a “global budget” to pay for the faculties’ provision of all services.

The variety of alternative payment plans now offered to primary care doctors in some provinces has encouraged many to move away from the traditional FFS payment model. Consequently, residents often ask questions such as: Why should I learn about FFS billing if I plan to work in an academic setting with an APP, or if I am a family doctor in an APP? The reality is that understanding FFS billing is essential for all physicians, regardless of their payment model, for several reasons:

- For the majority of family physicians, remuneration will still directly or indirectly depend and be accounted for by FFS billing.
- Most APPs will require shadow FFS billing for all services provided, so that the provincial MoH can track whether there is a change, an improvement or a drop in services offered under the new payment formula. Shadow billing requires the physician to submit an invoice for all services provided as though still paid by FFS, even though there will be minimal or no remuneration for the individual service. This applies in Ontario, for example, where some family doctors work in such settings as family health networks and family health organizations. Shadow billing is also required of many specialists who work under APPs. To encourage compliance, bonuses for effective shadow billing are now being offered in some provinces. Most APPs require academic institutions to capture and submit shadow FFS billing for all services provided by faculty and residents.
- Institutions that have hired a hospitalist or government-sponsored clinical associate on salary or a guaranteed hourly stipend collect data regarding the equivalent services provided under an FFS model. Failure to capture all shadow billings will

result in an under-representation of services provided by both the individual physician and the overall group. This may have a significant negative impact on the group’s next negotiation for an increase in global funding. Failure to track all individual clinical work may also adversely affect physicians’ ability to negotiate their next contract renewal.

THE ANATOMY OF A FEE-FOR-SERVICE BILL

Every clinical encounter can be broken down into essential billing components and all appropriate components must be completed when a claim is submitted for payment. This chapter references Ontario billing code examples, but be aware that each province has its own distinct codes.

Diagnostic code: This code indicates the diagnosis for the medical assessment or procedure. Most provinces use a modified three-digit version of the International Classification of Diseases (ICD) to designate how to numerically code the diagnosis. The list of numerical diagnostic codes is provided to physicians once their independent billing numbers are assigned. Note that the codes are not always specific. When hospital medical record departments submit diagnostic coding information, they use a more specific four-digit version of the ICD.

EXAMPLES OF DIAGNOSTIC CODES

Diabetes – 250
Hypertension – 410
Tendonitis – 427
Congestive heart failure – 428

Service code: This code indicates the type and detail of service provided during the patient encounter. This service fee is for the history, examination, assessment, investigation plan and counseling of the patient, as well as the documentation of the encounter. Service codes are specialty-specific and are usually alpha-numeric combinations.

Examples for specialists would include the service code for a consultation, repeat consultation, specific reassessment or regular office follow-up visit. The coding may be different depending on where the service was provided — in the office versus an out-patient clinic, inpatient treatment or emergency room, for example. All physicians must learn the province-specific coding format.

Common service codes for family doctors include regular office visits, complete assessments, counseling, interviews, prenatal visits, well-baby exams, house-call visits and limited consults. The place of service may require a specific code.

Procedure codes — professional, technical and tray fee: Procedures are billed in addition to the professional service fee. Minor and major procedures covered by the MoH can be billed when performed by the physician or, where permitted, by an assignee. Billing may include a specific professional component, technical component or tray fee. The technical component and tray fee can be billed by physicians if they provide the equipment and staff for the procedure; however, if the procedure is done in a hospital where all technical support and equipment is provided, then physicians can only bill for the professional component. Staff performing procedures on behalf of a physician must take care to include these procedural fees in the daily billing submissions; otherwise, a significant amount of income can be lost. The specific procedures covered vary by province. Procedure codes are usually alphanumeric.

Procedural fees are the bread and butter of specialists such as obstetricians, surgeons and ophthalmologists, and are especially important for anesthesiologists and radiologists, whose billing is mostly procedure-based. However, forgetting to bill for minor procedures such as urinalysis, injections, phone supervision of anticoagulation and chemical treatment of skin lesions is very common among family physicians and results in the loss of thousands of dollars of income each year.

Special premium or modifier code: Additional fees are paid when the physician provides the service at a location other than the regular office or clinic and must travel to provide the service and when the service is provided after regular work hours,

on weekends or holidays. The terms “premium” or “modifier” may be used to describe this additional fee. In some provinces, these special visit premiums are now billed as two components: a travel premium (usually a set fee) and a special visit premium, coded and paid based on where and when the special visit is offered, as well as if there is one or more patients seen during that visit. These codes are province specific and can be complicated. Your provincial medical association will offer additional resources to assist you in learning and capturing these codes.

Bonuses: An increasingly important component for remunerating physicians, bonuses are given for providing designated and targeted services, such as complex care and evidence-based management of chronic diseases (e.g., diabetes, congestive heart failure and chronic obstructive pulmonary disease). Financial incentives are not the same in all provinces, so you will need to verify your specific situation. Bonuses can apply in different formats.

As well, some provinces are now rewarding family doctors for encouraging patients to participate in preventative care programs, such as regular PAP tests, mammograms, stool for occult blood, and flu shots.

PRACTICE BILLING NOW!

Having a comprehensive knowledge of billing before you finish residency is essential to ensure your income stream. Practice now! Most provincial sections of general and family practice will have user-friendly billing guides. To practice billing, try the following exercise.

For one week, log every patient encounter you have, especially after hours. If on call, note the time of day or night, the diagnosis, the service you provide, any procedures you do or delegate, any applicable tray or technical fees and whether you had to make a special trip or travel to provide the service. Then reference your specialty-specific section of the schedule of benefits to find the appropriate codes and fees. Review this with a mentor.

Total the fees generated for that week and multiply by 46 (assuming six weeks holiday). This will give you an idea of what you would have earned solely from FFS work in one year.

BOTTOM LINE

Approach all the services you provide with a checklist of the diagnostic code, service code and possible procedural codes, tray fees and bonuses. By doing, so you will minimize the number of services you provided but failed to bill.

Finally, stay up-to-date with your fee schedule. The services that family physicians and specialists offer are constantly evolving, so new service and procedural fees will be created to pay for these services. Failure to keep up-to-date with your fee schedule will result in a significant loss of income over your career.

For a more comprehensive discussion of this topic please review Module 8: Physician Remuneration Options on cma.ca/pmcmodules

The following examples use codes from the Ontario fee schedule.

EXAMPLE 1

An Ontario family doctor assesses a patient in her office for bronchitis.

DESCRIPTION	CODE	FEE
Diagnostic code	466	
Service code for an intermediate examination	A007A	\$34.70

EXAMPLE 2

A patient sees an Ontario plastic surgeon concerning a complicated finger fracture.

DESCRIPTION	CODE	FEE
Diagnostic code	816	
Service code for a consultation	A085A	\$81.10

EXAMPLE 3

An Ontario family doctor assessing a patient with rectal bleeding does a rigid sigmoidoscopy and makes a provisional diagnosis of ulcerative colitis.

DESCRIPTION	CODE	FEE
Diagnostic code	556	
Service code for an intermediate examination	A007A	\$34.70
Procedure code for sigmoidoscopy	Z535A	\$36.80
Tray fee code for providing the instruments in the office	E746A	\$5.85
Total fee		\$77.35

EXAMPLE 4

A general surgeon sees a patient in consultation for an inguinal hernia and performs elective surgery 12 weeks later.

DESCRIPTION	CODE	FEE
Diagnostic code for inguinal hernia	550	
Surgical consultation code	A035	\$90.30
Surgical procedure code*	S323A	\$331.80
Total fee		\$422.10

*The procedural fee usually includes postoperative care.

EXAMPLE 5

A radiologist reviews and reports on an MRI of a patient's knee. Only the professional component of the procedure is billable (unless the radiologist provides the MRI and staff).

DESCRIPTION	CODE	FEE
Professional procedure code for MRI	X471	\$77.20

EXAMPLE 6

A family doctor on call for his group is called on a Saturday afternoon by the nurse in the emergency room to come in to evaluate a colleague's patient. An ECG and chest x-ray are ordered and turn out negative. The patient is ultimately diagnosed with non-cardiac chest pain.

DESCRIPTION	CODE	FEE
Diagnostic code for chest pain NYD	785	
Service code for complete assessment	A003A	\$77.20
Special visit premium for going to the emergency room on a weekend afternoon	K998	\$75.00
Travel premium to emergency room	K963	\$36.40
Total fee		\$188.60

The professional component for the ECG and x-ray are not billed because the cardiologist and radiologist will review and bill.



Alternative payment and funding plans

Dr. Tom Faloon, Chair and Physician Presenter, Practice Management Curriculum Program

FAST TRACK

Physicians engaged in an alternative payment plan (APP) or alternative funding plan (AFP) usually still need to submit billings as if earning income as fee-for-service (FFS).

The terminology to describe APPs varies in different provinces and territories, but the principles are essentially the same. In this article, we will use the terminology used in Ontario for example purposes. APPs address alternate methods of remunerating physicians for clinical work. AFPs address alternate methods of paying physicians for clinical, academic and administrative work where a significant part of the physician's work and time is not remunerated by FFS payment.

An APP or AFP is created through a mutual agreement between a group of physicians and the province/territory. The agreement is documented in a binding contract signed by the province/territory and the physicians, often as well as the provincial medical association, and for academic positions, the university. The province/territory agrees to provide a set amount of remuneration per physician or full-time equivalent, and the physicians agree to provide set levels of clinical, teaching, research, administrative and other activities. The parties agree on a mechanism to account for these defined deliverables and compare them to

budgeted amounts on a periodic basis. As part of this process, APPs and AFPs generally require physicians to submit billings as though they were earning income as FFS doctors (i.e., shadow billing), even though their remuneration is set and guaranteed by the contract.

Shadow FFS billing: Physicians participating in an APP with capitation payments must also submit FFS invoices for all services provided to rostered patients. If the service is in the 'basket,' there will be no payment. If the service is not in the basket, full FFS payment will be received. Some capitated PEMs, such as those in

APPs and AFPs generally require physicians to submit billings as though they were earning income as FFS doctors ...

Ontario, receive a percentage bonus (e.g., 15% per bill) for all shadow FFS billings they submit. This is an incentive to keep accurate records of all services provided. Shadow billing allows for tracking of services rendered by individual physicians and the Institution as a whole. The Ministry of Health (MoH) requires this information for evaluating patient access and service provision use under the different APP models. If the physician provides a service to a non-rostered patient, the physician can still bill regular FFS to the MoH and be fully paid.

Provincial and territorial MoHs continue to evaluate how best to offer cost-effective primary care. Since 2002, provinces such as Ontario have been promoting APPs to encourage family physicians to form group practices, offering patients easier access to comprehensive, seven-day-a-week out-patient care. In exchange, the physicians agree to provide a predetermined "basket" of common services. There may be additional incentives for after-hours outpatient care, home care, obstetrics, palliative care and hospital care. These models require physicians to enroll (roster) their patients into their practice and are referred to as Patient Enrolled Models (PEM). Services rendered under such APP contracts may be remunerated in several ways, including but not limited to the following:

- An enhanced FFS model. In this model, a percentage bonus is applied to the FFS fee for common comprehensive services provided to rostered patients (e.g., 10%–15% based on age). There are additional incentives for after-hours and weekend care (an additional 30% of the FFS fee). An example of this type of model in Ontario is a Family Health Group (FHG). This model enhances the traditional FFS model where physicians are remunerated for seeing their patient. Services provided to non-rostered patients do not qualify for bonuses, so there is an incentive to roster all patients.
- A capitation format guarantees an annual basic fee paid for each rostered patient (factoring in age and gender) for the deliv-

ery of a predetermined basket of common primary care services. For example, the annual payment for providing out-patient non-emergency primary care services for a 20-year-old male may be about \$50 compared to \$300 for a 75-year-old female. The physician receives this basic fee in 12 equal payments over the year, whether or not he or she has seen the patient. There are incentive bonuses for preventative care targets and for shadow billing for all services and procedures that would have been covered under FFS. Services not in the basket or provided to non-rostered patients are billed under FFS.

In Ontario, for example, there are two models: a Family Health Network (FHN) and a Family Health Organization (FHO)

- The majority of provinces, like British Columbia and Alberta, have chosen to enhance the traditional FFS model with percentage-based bonuses, age-based modifiers and bonuses for preventative care and chronic disease management.
- A "blended" model is common in rural and remote areas where the population base is too small to guarantee the volume of FFS billing that would generate an appropriate income for a physician. In these scenarios, the MoH guarantees the physician an annual gross income for provision of common medical services in the office. The physician must provide shadow billing records for office-based services. FFS still applies for obstetrical and emergency care, as well as medical services provided after hours or in hospital. Retention incentives and bonuses are offered annually to physicians who stay in the underserved area. This model is common to rural areas of Ontario and Newfoundland and Labrador.

Additional primary care prevention and funding programs have been initiated in provinces like Alberta and Ontario to support a collaborative multidisciplinary approach. In this scenario, a group of physicians will apply to the MoH or regional health authority for additional funding

to augment their primary care delivery, as well as to offer preventative care and health promotion programs. This additional funding is dedicated to add nurses, nurse practitioners, pharmacists, social workers, dietitians, physician assistants and physiotherapists to the collaborative care team. Funding is often based on a capitated rate per rostered patient, as well as potential additional funding streams. These monies are directed to funding the allied health care providers as well as the programs offered and are usually independent of the payment model the physicians participate in. Examples include the Primary Care Networks in Alberta and the Family Health Teams in Ontario.

ADDITIONAL APP COMPONENTS

Some provincial APP models may include some or all of the following:

Preventative care bonus: Some provinces now offer annual bonuses when the physicians can document that they have met or exceeded certain percentage targets for preventative health care. For example, physicians who can document that 80% of their patients 65 and older received flu shots in the last year will receive the maximum bonus payment. Other preventative care bonuses proposed in some provinces include Pap tests for women aged 25 to 70 every 3 years, biennial mammograms for women aged 50 to 70, colorectal screening every 30 months for patients aged 50 to 74 and primary childhood immunization as per the latest guidelines for children up to two years old. Many physicians fail to reap these bonuses simply because they do not have solid procedures in place to prompt, track, capture and submit the codes for these preventative care services. Setting up a good process will lead to a win-win situation for both you and your patients. Electronic medical records can make this process much easier.

Comprehensive care management (CCM) fee: This is a payment for the ongoing administrative work, medical record review and upkeep that comprehensive family doctors do in addition to seeing their patients. A monthly capitation rate is paid per rostered patient. Rates vary based on age and gender and may be in the average range of \$2.50 per month, per patient.

Chronic disease management fee: Provinces such as British Columbia, Alberta and Ontario offer physicians an annual fee for providing documented evidence-based care for patients with chronic conditions such as diabetes, congestive heart failure and chronic obstructive pulmonary disease. These annual fees may range from \$60 to \$150 per patient.

New patient incentives: A few provinces offer a fixed bonus to physicians who accept "orphaned" patients (those who do not have a family doctor) as new patients into their practices. There are usually a limited number of new patient enrolment bonus payments per year. For example, there may be a \$100 to \$180 (based on age) bonus for the first 60 new patients accepted per year into an existing practice. As an additional incentive, new entrant physicians may be offered these bonuses for a greater number of new patients in their first year of practice (in Ontario, this amounts to about 300 patients in the first year of practice). Other bonuses may be offered for accepting new patients with complex medical issues.

Administrative fees: These per-patient fees are paid annually to the physician or the group practice to help defray some of the administrative costs of meeting the accountability criteria required by APPs that have a capitation payment format.

Sessional fees: These fees, usually based on an hourly rate, are paid for the delivery of specific services. For example, many emergency departments now offer physicians a guaranteed sessional fee per hour for working as the doctor on duty, regardless of the number of patients seen. The physicians are obliged to shadow bill so the actual services rendered can be monitored. Failure to capture and submit all shadow billing has already led the MoH in Ontario, for example, to reassess (and sometimes reduce) the guaranteed sessional fee in some jurisdictions.

Block funding: Some physicians receive a guaranteed payment to provide medical services for a specific location or region for a defined interval of time. Block funding is

often offered to physicians working in rural and remote areas where they would not receive adequate remuneration if they had to rely solely on FFS billings. Shadow FFS billing is required. In an APP that incorporates block funding, the physicians often also qualify for additional FFS billing and other bonuses. The block funding guarantees a monthly minimum gross income from which physicians can pay themselves and their overhead expenses.

SUMMARY

APPs are constantly evolving and definitely vary from province to province. Up-to-date information can be obtained from your provincial-specific resident association and medical association websites. Many provincial/territorial governments and regional health authorities are now funding recruitment agencies that help residents, new entrant doctors and doctors in practice in not only finding work but also in understanding the varied payment models. 🩺



Choose a practice model that works for you:

Work in partnership with military practitioners providing primary care to Canadian Forces Members.

- Care for active service members while working Monday-Friday, 7:30am-4pm

Bring a critical primary care service to your community at a Calian Managed Urgent Care/Walk-In Clinic.

- High traffic locations resulting in high patient volume

Establish a family practice at a turnkey Calian Managed Clinic.

- Experienced, effective clinic management

Contact us today!

Shannon Hull, s.hull@calian.com, 1-877-225-4264 ext. 237



www.calian.com



Salaried positions

Dr. Tom Faloon, Chair and Physician Presenter, Practice Management Curriculum Program

As a resident, you receive a salary negotiated by your provincial residents' association and paid by the Ministry of Health (MoH). Income tax, employee contributions for the Canada Pension Plan (CPP), Employment Insurance (EI) and other benefits are deducted at the source by the medical institution that employs you. A biweekly cheque represents your take-home income, which is guaranteed by contract. You receive standard employee benefits, such as medical/dental coverage, disability coverage, paid vacation and sick leave. Your contract stipulates your basic work hours, service obligations and expectations, as well as on-call duties and practice restrictions. Regardless of the number of patients you see, the services you provide or the intensity of after-hours on-call work, your income is fixed and non-negotiable. Your professional deductions for tax purposes are very limited during residency. As well, you have minimal control over your work environment, the patients you serve, who you work with, the clinic's policies, your holidays and your call schedule.

FAST TRACK

- An increasing number of physicians are now considering salaried positions.
- The term "salary" can be a misnomer, so clarification is always required.
- Consult a tax expert prior to signing an agreement with any employer.

Always have your tax specialist accountant and your contract lawyer review the salary contract offered to you.

Once in practice, your remuneration situation will change. Most physicians in Canada are still self-employed professionals whose income is primarily generated directly or indirectly by fee-for-service (FFS) billing. However, an increasing number of physicians now derive a portion or all of their income in the form of a negotiated guaranteed income. The term “salary” is most often used, but clarification is always required because the guaranteed salary is most often a guaranteed gross income rather than a true salary format as received as a resident.

Salaried physicians are either the employees or contractors of their hospitals, regional health authorities or organizations. If the physician is an actual employee, then the institution will deduct tax, CPP, EI and potential benefit contributions from the negotiated salary. If a guaranteed gross income (without taxes and other deductions deducted) is received, then a physician is in effect a contracted physician, contracting their services for a negotiated amount of money, and still considered self-employed by Canada Revenue Agency.

In either scenario, a guaranteed income, unaffected by the volume of procedures and services performed, is one of many advantages enjoyed by salaried physicians. But unlike their FFS colleagues or contracted physicians who earn business income, physician employees can claim very few expenditures as tax deductions. A physician whose entire income is paid as salary generally cannot deduct association dues or malpractice insurance premiums. Under such circumstances, physicians should negotiate to have their employer pay these expenses.

Salaried physicians should also consider negotiating for the ability to do additional FFS work to earn business income. For example, the physician could negotiate for regular time — perhaps one day a week — to work as a FFS provider independent of contractual obligations to the employer. In this scenario, expenses such as malpractice insurance premiums, convention costs, automobile deductions and association

dues should be tax deductible if they were incurred to earn business income, were reasonable in amount and were allowed under the Income Tax Act. Seek the advice of an accountant who specializes in taxation before making a commitment to an employer, and have the accountant review the actual agreement. Tax planning opportunities may exist, and there may even be tax implications if your employer pays for certain benefits on your behalf (e.g., partial or complete payment of employee disability insurance premiums by the employer will make any disability benefits that may be collected taxable to the employee).

HOSPITAL-BASED ACADEMIC POSITIONS

While many physicians in academic institutions receive 100% of their income as salary, some academic positions offer a combination of salary, contracted and FFS income. Some jurisdictions have a ceiling limiting the amount of FFS income each academic physician may earn and retain. Income generated by physicians in excess of the limit may be redirected, in whole or in part, to the general operations and benefit of their department. The specific arrangement can be complicated; academic physicians may need to address the issues of association or partnership arrangements, as well as the issues of “blended” income. In addition, academics often have no autonomy regarding practice management decisions, unlike their non-academic counterparts.

SUMMARY

As when evaluating any mode of practice, it is essential to make an informed decision and get advice from your professional advisors. Always have your tax specialist accountant and your contract lawyer review the salary contract offered to you in detail because the taxation implications can be profound.

ADVANTAGES OF SALARIED POSITIONS

- A secure, agreed-upon income, received every pay period.
- No requirement to manage the practice.
- No responsibility for overhead costs.
- Benefits may include guaranteed paid vacation, time for continuing medical education, sick leave, medical and dental benefits, life and disability insurance.

VS

DISADVANTAGES OF SALARIED POSITIONS

- Limited ability to earn more money except by renegotiating a contract, even though workload could increase without a parallel increase in earnings.
- Benefits may be limited and must always be clarified in the contract.
- Limited control over working environment.
- Employer makes decisions about staff, working conditions, patients and overall operation of the clinic.
- No guarantee of employment beyond the term of the contract.
- Limited ability to claim expenses such as Canadian Medical Protective Association fees or association dues as tax deductible.

For a more extensive discussion of this topic, see cma.ca/pmcmodules for Module 8: Physician Remuneration Options. 🏥



Locums

Dr. Tom Faloon, Chair and Physician Presenter, Practice Management Curriculum Program

For family physicians and now many specialists who have recently completed residency, there are many advantages to working as a locum before making a long-term practice commitment. Whether you provide short-term coverage for a vacation or long-term relief for a maternity leave or sabbatical, a locum is an excellent opportunity for you to gain experience in medical practice and test drive a potential long-term opportunity.

When committing to a locum, a physician essentially agrees to assume the responsibilities and practice style of the host doctor. Historically, such arrangements were informal. Today, however, both the clinical and administrative aspects of medical practice are more complicated and physicians often develop their own ways of doing things. Attitudes and approaches may vary when it comes to matters such as scheduling appointments, billing

for uninsured services, providing extended hours, accepting walk-in patients and keeping medical records. Since all physicians strive to develop a style of practising medicine that best suits their personality, it is no surprise that a host physician and a locum might have quite different approaches as to the provision of medical care and the management of a medical practice. This could lead to misunderstandings, making a locum experience

unpleasant for both parties. The best way to ensure a positive experience for you and to ensure that you can meet the host doctor's needs and expectations is to use a locum evaluation checklist to evaluate the locum, then prepare a formal, written contract that takes into account the terms of the locum and the potential contingencies — in other words, the “what ifs” that could occur.

Key areas when evaluating a locum include assessing the scope of the services offered, the demographics of the host doctor's practice and how the appointment schedule is managed. It is also critical to assess the comprehensiveness and ease of use of the physician's medical records. The following three lists are part of a more detailed checklist provided in Module 11.

SCOPE AND STYLE OF PRACTICE

- What are the patient demographics (e.g., pediatrics, women's health, geriatrics, adolescents)?
- Does the practice have a specialty interest or special needs population?
- Does the physician do deliveries, shared-care obstetrics (prenatal care to 28 weeks) or perform minor surgeries? If you are expected to perform the same procedures, are you competent and comfortable in delivering them? If not, has the host made arrangements for other colleagues to cover these tasks during the term of the locum?
- A list of procedures should be clarified in the contract.
- What are the regular office hours? Can you modify the office schedule if necessary?
- What on-call obligations are you expected to assume? Are there additional obligations related to the group's after-hours clinic, hospital, nursing home, house calls or emergency department?
- Do you have the option of not filling any of these obligations?
- Will the physician's trusted colleagues be readily available to assist you in an emergency?
- Does the host physician follow current evidence-based practice guidelines?
- Does the physician follow current guidelines for prescribing antibiotic, narcotic and anxiolytic medications?
- Does the host physician have patients on long-term narcotics for non-malignant pain, and, if so, is there a signed contract?
- What are the office policies for phone call prescription renewals and missed appointments?
- How does the physician handle requests for sick notes?
- Are practice policies (e.g., missed appointments, phone consultations) clearly posted in the office? Has the physician provided each patient with a patient information handout that explains the practice's policies? Do staff members enforce the policies?
- Is the office clean and comfortable, with up-to-date equipment?

You have a vested interest in each other's success, and you both should feel the arrangement serves you well.

APPOINTMENTS

- What is the average number of patients seen per day?
- Does the reception staff triage appointments?
- Is the reason for the patient visit recorded on the appointment schedule?
- Does the host physician use 10-minute or 15-minute time slots for average patient visits?
- Are two or three time slots reserved for periodic health exams, procedures and counselling?
- How many periodic health examinations are scheduled daily? How much time is allocated and when are they scheduled?
- When are procedures done? How much time is allocated for procedures?
- How many dedicated slots are allocated and protected for same-day call-ins?
- Does the physician have clear guidelines for booking double appointments?
- Are there a reasonable number of time slots over the next two weeks for new bookings?
- Can you modify the appointment schedule if necessary?
- Do the records indicate the physician's prescribing habits for controlled drugs, anxiolytics and antibiotics?
- Do the records raise any concerns regarding medical competence?
- If electronic medical records (EMRs) are kept, are all of the above requirements met and, if required, will you be orientated to the EMR system in advance?
- Clarification of all of the above points should be included in the locum contract as well as the following:

FEE-SHARING AGREEMENTS

A key point of negotiation will be the fee-sharing agreement in which the gross fees generated and received during the locum are shared. The locum's objective is to earn a ready income stream while experiencing varied practice formats and styles. The host physician's objective is to find a competent replacement and to cover most of the overhead costs during the locum period.

The vast majority of GPs now benefit from the economies of scale by participating in group practice. The average physician's gross income is generated from several sources, including office work, hospital income, after-hours clinical income and third-party billings. Because overhead is still incurred on those half-days when the physician is out of the office, even non-office billings help pay for overhead expenses. Since the volume of patients seen during a short term locum can be 75%–80% of that seen by the host physician, the share of fees that the host physician receives from the locum will often not cover the proportionate overhead costs incurred during the locum. However, host physicians understand that the discrepancy is a small price to pay for a much-deserved vacation and the reassurance that their patients are well cared for in their absence.

Today, the most common fee-sharing formula used is a 70/30 split for covering

MEDICAL RECORDS

- Are the medical records comprehensive, up to date, well organized and legible (if no EMR)?
- Does the physician dictate or type progress notes? Do the progress notes follow a SOAP format?
- Does the physician keep up-to-date cumulative patient profiles, cumulative medication records, diabetic, INR and lipid flow sheets?
- Are allergy and immunization records clearly marked and up to date?
- Do the records indicate compliance with evidence-based medicine and practice guidelines for preventative care and screening?

the host physician's duties the locum agrees to cover. If the locum has the opportunity to do additional shifts in the emergency department or after-hours clinic that are independent of the obligations to the host physician and do not compromise the obligation to cover for the host physician, then the host physician has no claim to the locum's additional income. The host would also have no claim to special incentives such as bonuses for locums in underserved areas unless the program recommends a fee-sharing split to compliment the incentive.

Regardless of the split, the gross income generated during the locum is what determines the net gain for both parties. The host and their staff have a vested interest to encourage patients to see the locum. The result is a win-win scenario. The locum gets a ready income stream, works with different professionals in different practice settings and test drives a potential long-term practice opportunity. The host physician gets a vacation, no crushing workload looms over the return to work and most overhead costs are covered. Neither party should attempt to take advantage of the other. You have a vested interest in each other's success, and you both should feel the arrangement serves you well.

GUARANTEED MINIMUM INCOME

Guaranteed minimum daily incomes are often included in government-sponsored locums or in certain circumstances (e.g., rural practices) where patient volumes are

low. If the host ensures the locum is busy, there would be no need to negotiate such an arrangement. If in doubt, negotiate a guaranteed daily minimum income. For office coverage, guaranteed locum income of \$850–950 per full day are often seen.

WHO SHOULD DO THE BILLING?

Most provinces require billings to be submitted using the billing number of the physician who provided the service. As such, fees generated and paid by the MoH will be deposited directly into the locum physician's account, not the host physician's.

The real question is who submits the billing? Physicians should capture and enter all their billing codes on to the billing day sheet. At the end of the day, the physicians billing sheet should be reconciled with staff who do delegated services, such as urinalysis and injections, and then the billing is submitted to the MoH by the staff.

There are two options for submission. The host physician's staff can submit on behalf of the locum. This would require that the locum is registered with the host physician's billing software provider. There may be cost and time required to do this. The staff then submits the billings. Note it often takes six to ten weeks for billings to be received and reconciled, so if the coverage is for two to four weeks, the locum will be at another locum site and obliged to communicate with the staff to address billing errors. This option is best if the locum is for an extended period at the same site.

The second option is the best for most locums. The locum submits all their billing day sheets to a dedicated billing agent who charges a commission, usually around 3%, based on total billings collected. This agent has a vested interest in collecting all billings submitted under your number and communicating with the staff at all locum sites to ensure all billings are correct and reconciled and will know the latest changes to the fee schedule. The cost of the service is minimal and tax deductible.

An exception to this is when the host physician participates in a capitated APP. In this case, the host will usually pay the locum a guaranteed half-day or full-day rate directly.

BILLING FOR NON-INSURED SERVICES


Some host physicians are uncomfortable billing their patients for non-insured services, while others routinely bill their patients for such services. Billing for non-insured services can increase gross revenues by 5%–10%. As a locum, you are obliged to follow the host's policy. There will be unnecessary friction with patients and staff will be understandably upset if the locum requires them to bill the patient when that runs contrary to their usual practice.

FAIR PAYMENT SCHEDULE

Regardless of which party receives payment, the locum and the host should agree to remit the proportionate share to each other within one week of receipt of payment. Note that billing periods vary from province to province. Remittance payments are made once a month in Ontario and every two weeks or twice monthly in most other provinces. Accordingly, it can be as much as six weeks before accounts receivable are paid.

BOTTOM LINE

Using a locum evaluation checklist will ensure a win-win scenario for both parties.

For a more comprehensive review of locums read Module 11: Negotiating a Mutually Beneficial Locum Contract at cma.ca/pmcmodules 



Evaluating long-term practice opportunities

Dr. Tom Faloon, Chair and Physician Presenter, Practice Management Curriculum Program

Choosing where and how you want to settle down and establish your long-term practice requires many questions to be answered, by yourself, your family, your peers and the people with whom you are contemplating working. The following checklist has been edited from the online Canadian Medical Association (CMA) Practice Management Curriculum (PMC) Module 10: Evaluating Practice Opportunities: Family Medicine.



For specialists, a dedicated Module 13: Evaluating Practice Opportunities: Specialist is available for your review. The following checklist serves as both a useful tool and a discussion guide for the bigger points of consideration.

FIRST AND FOREMOST: LIFESTYLE

- ☐ Will you and your family be happy living in the community for several years?
- ☐ Is affordable, quality housing available in the community?
- ☐ Are schools and shopping, as well as recreational, cultural and religious facilities, readily available and accessible?
- ☐ Are there employment opportunities for your significant other and family?

PROFESSIONAL CONSIDERATIONS

- ☐ Do you want to practice in an urban, rural or remote area?
- ☐ Do you plan to be a comprehensive family practitioner or will you offer a more focused practice?
- ☐ Will you do obstetrics? Will you provide hospital or nursing home care?
- ☐ Do you want your own patient roster or do you prefer to offer shared care on a clinical team?

- ☐ Will you prefer to primarily offer periodic or sessional care?
- ☐ Do you have special interests, such as sports medicine, emergency medicine, student health, occupational health or consultative work for insurance companies or the Workers' Compensation Board?
- ☐ Do you plan to work full time or part time?
- ☐ Do you prefer solo or group practice?
- ☐ What are your income aspirations?
- ☐ Do you prefer an associated or partnership group arrangement?
- ☐ What remuneration model do you prefer: Fee-for-service (FFS)? Salary? Blended format? An alternate payment plan (APP)?
- ☐ What is your comfort level with billing for uninsured services?
- ☐ To what degree do you want management responsibilities?
- ☐ Do you want to teach?

A SALARIED POSITION

- ☐ Have you addressed what you are to give, what you are to receive and all of the "what ifs" with your lawyer and accountant?

ASSUMING A PRACTICE AND/OR JOINING A GROUP

- ☐ Does the practice offer variety (e.g., pediatrics, geriatrics, adolescents, women's health)?

- ☐ Does the practice have a specialty interest or special needs population?
- ☐ Do the physicians in the practice follow current guidelines and evidence-based medicine?
- ☐ What are the policies regarding antibiotic, narcotic and anxiolytic medications?
- ☐ Are patients charged for non-insured services? If so, for what services?
- ☐ What are the office policies for telephoned prescription renewals and missed appointments?
- ☐ How are requests for sick notes handled?
- ☐ Does the practice offer obstetrics, shared care obstetrics or minor surgical procedures?
- ☐ What are the regular office hours?
- ☐ Is there flexibility for your schedule?
- ☐ What are the on-call obligations for the hospital, nursing home or emergency department?
- ☐ Do the doctors share the on-call obligations equally?
- ☐ What are the arrangements with your group for after hours, weekend and holiday coverage?
- ☐ Does the practice have an extensive list of contacts (e.g., call group members, consultants, labs, diagnostic services and pharmacies)?
- ☐ Are there teaching opportunities or obligations?

- ☐ Is the practice in an area where hospital restructuring has happened or is it pending?
- ☐ If the group consists of male and female physicians, is there a gender-neutral policy educating patients that in the event their personal physician is not available, emergency visits will be with the next available colleague, all of whom are sensitive and experienced with women's and men's health issues?
- ☐ Does the practice have a website?

APPOINTMENT SCHEDULING

- ☐ What is the average number of patients seen per day?
- ☐ How much time is allocated for the average patient visit?
- ☐ Are extra time slots reserved for counselling?
- ☐ How many time slots are allocated for same-day call-ins?
- ☐ How many periodic health examinations are scheduled each day? How much time is allocated for these appointments? When during the day are they scheduled?
- ☐ Does the practice use Advanced Access — same day appointment scheduling?
- ☐ When are procedures done? How much time is allocated for procedures?
- ☐ Is the reason for the patient visit recorded on the appointment schedule and billing day sheet?
- ☐ Can you customize your appointment schedule?

MEDICAL RECORDS

- ☐ Does the practice have, or intend to have, electronic medical records?
- ☐ If traditional paper records are used, are they comprehensive, well-organized and legible?
- ☐ Do the physicians dictate or type progress notes?
- ☐ Are progress notes done in a symptoms, observations, assessment and plan (SOAP) format?
- ☐ Do the physicians keep cumulative patient profiles and records such as cumulative medication sheets, diabetic sheets, and international normalized ratios and lipid flow sheets up to date?

- ☐ Do all physicians use standardized diagnostic codes and medical terms to enable group practice searchability of records?
- ☐ Are allergies and immunization records kept up to date?
- ☐ Do the records indicate compliance with evidence-based practice guidelines for preventative care and screening?
- ☐ Do the records indicate the office's prescribing habits for controlled drugs, anxiolytics and antibiotics?
- ☐ Do the records raise any concerns regarding medical competence?
- ☐ Will the group members welcome standardization of medical records?

THE MEDICAL OFFICE

- ☐ Do the physicians own, lease or sublet office space?
- ☐ What office functions are computerized? Which are still done manually?
- ☐ What communications equipment does the office use?
- ☐ Is the office accessible, modern, comfortable, clean and pleasant for patients, staff and physicians?
- ☐ Is the office/clinic designed to meet all confidentiality and record safety requirements?
- ☐ Are the exam rooms and common areas designed for function and comfort?
- ☐ Is the office and medical equipment up to date?
- ☐ Will your personal needs for equipment and office space be met?
- ☐ What are the present and proposed staffing arrangements?
- ☐ Will you have shared or dedicated staff?
- ☐ What responsibility will you have for hiring and evaluating staff?

FINANCES AND BILLING

- ☐ Does the group have an association or partnership agreement?
- ☐ Are shared and individual expenses clearly outlined in the agreement?
- ☐ Will expenses be shared equally, or will they be proportionate to each physician's use?
- ☐ Have you reviewed the agreement in detail with your lawyer and accountant?
- ☐ Are you happy with the financial terms of the partnership or association?

- ☐ Are health, dental and/or other benefits available through the practice?
- ☐ How are the physicians remunerated: FFS? APP? Blended format? Salary?
- ☐ Who submits and reconciles the billings?
- ☐ Are there clear policies for the billing and collection of fees for non-insured and third-party services?
- ☐ Is there a clear policy regarding patients who have overdue accounts?
- ☐ Does the practice post its office policies and distribute patient information sheets to clearly inform patients that they will be billed directly for non-insured services?

ACCOUNTING


- ☐ Has your accountant reviewed the bookkeeping and accounting practices in detail?
- ☐ Are expense and income records readily available for your review and approval?

INSURANCE AND LEGAL ISSUES

- ☐ Do all group members have adequate professional and personal liability insurance, life insurance, office insurance, disability insurance and practice overhead insurance to cover any losses or obligations for the term of the group practice agreement?
- ☐ Has your lawyer reviewed and approved the office lease?
- ☐ Have your lawyer and accountant reviewed and verified that your best interests are covered in the association or partnership agreement?
- ☐ Are there written contracts for all staff and do they meet the employment standards requirements?

THE BOTTOM LINE

- ☐ Do your future associates have a vested interest in your success?

For a more comprehensive review of the above topics and the rest of the topics presented in New in Practice, visit the online CMA PMC Modules at cma.ca/pmcmodules. 



The business side of medicine

Chapter 2

- 23 Types of practice
- 27 Overhead
- 30 The art of negotiation

You worked your way through med school. You learned all you could throughout residency. Most of you have expanded your clinical and professional experience by doing locums and sessional work. Now you are ready to commit to a medical practice of your own. What are your next steps?

Many graduating residents and new physicians feel concerned they won't be up to the task of running a rewarding, effective practice on their own. But don't let the administrative side of things scare you off. This guide will give you the edge on how to manage a successful practice weeks — even months — before you begin. Learn about various types of practice set-up, the costs of getting started, how to evaluate a practice, the art of negotiation and much more. Now is the time for you to focus on what you want in a practice and learn how to get it.

Dr. Doug Kavanagh
Family physician
Toronto, Ont.

"I finished residency this summer, and I needed some guidance on joining a practice. CMA member resources helped me transition into practice with confidence. I found the locum checklist, billing guidelines, as well as the tax and insurance information very helpful."

— Dr. Doug Kavanagh

Joining a **PRACTICE?**

Our Practice Management Modules will help you:

1. Evaluate practice opportunities with a detailed and systematic approach, regardless of practice format or model
2. Successfully negotiate personal and professional contracts, ranging from a house purchase to a group practice or locum agreement
3. Set up an office that is comfortable, effective and efficient for you, your staff and your patients
4. Gain a sound knowledge of financial planning, including insurance issues, taxation basics and much more

Download today

cma.ca/pmresources

Types of practice

Dr. Darren Larsen, Physician Presenter,
Practice Management Curriculum Program

While some physicians are still choosing to run a solo practice, most today find a group practice setting to be much more efficient and cost-effective. Among other benefits, a group practice allows participants to capitalize on economies of scale and save considerably on overhead costs. If planned and negotiated properly, a well-organized group practice can have all the benefits of a solo practice.



GROUP PRACTICE

A group practice is defined as two or more professionals practising within the same office. The professionals do not have to be of the same discipline (e.g., a general practitioner specializing in sports medicine, an orthopedic specialist and a physiotherapist sharing an office). Group practice is much more practical in Canada because of the changing medical environment and the inherent cost-efficiencies. As well, group practices are best able to tap into new payments and incentives for models of care being offered by the MoH that involve collaboration. One key advantage of a group practice is sharing the costs of office space, medical equipment, supplies and support staff. However, once a group exceeds seven or eight doctors, the economies of scale will often plateau. Bigger may not always be better.

There are two main types of group practice to consider: association and partnership. Whether you are looking at an associated or partnership group practice, make sure to have both your accountant and your lawyer review and update the contract agreement before you sign, to ensure your interests are protected.

Association

An association is an expense-sharing agreement that can range from sharing rent and waiting room costs only to sharing everything, including staff, equipment, medical supplies and office resources. Associates do not share income, nor do they bear professional or legal responsibility for others in the group. The degree to which expenses are shared must be clearly specified in a legally binding association agreement.

How it works

A group of physicians rent office space (which may or may not be in a building with other medical services) and shares clinic overhead costs and expenditures, such as administrative and medical staff

FAST TRACK

- The various types of practice set-up each have unique pros and cons. Consider carefully what you really want and need out of a practice from a personal, professional and financial perspective.
- A detailed, specific association contract or partnership agreement will help you immensely in the future, as it details how many potential issues are to be resolved within the group practice setting.

salaries, computer equipment, rent, supplies, telephones and furniture.

It's easy to understand why association is a popular option. It allows physicians to enjoy most of the advantages of an individual practice, while benefiting from economies of scale, in-house coverage and collegiality. The physicians are, for the most part, independent and autonomous, determine their own schedules (within certain limits set by the group), share overhead with their associates, avoid professional isolation and assist each other with administrative tasks.

An individual physician's overhead annual costs can be subdivided into three areas:

- **Personal**, such as association dues, Canadian Medical Protective Association (CMPA) and practice overhead insurance.
- **Shared ongoing office expenses**, such as rent, staff salaries, office expenses and insurance.
- **Capital expenses**, such as the purchase of an EMR system, major equipment or office renovations

The association agreement will specify the points above and, in turn, clarify each physician's responsibility. Physicians will usually be personally responsible to pay for their association dues as noted above.

An expense-sharing agreement formula will delineate each associate's obligation toward shared ongoing overhead costs.

Most often this is proportional to the number of half days each physician works in the office. As an example, let's consider five physicians sharing an office. Two of the physicians work five half days in the office, two of them work seven half days and the final one works eight half days. This equals a total of 32 half-days worked. An agreement that assigns shared expenses based on proportionate utilization would result in two physicians paying $5/32 = 15.6\%$, two physicians paying $7/32 = 21.9\%$ and one physician paying $8/32 = 25\%$ of the shared overhead.

Capital expenses are usually shared equally, because regardless of the number of days in the office everyone needs the infrastructure and communication systems with which to work.

If you prefer exclusive use of your office, you will have to pay a higher share of overhead, since you will be paying for full-time use of the space. Even if you are away from the office several days a week, the support staff still has to answer the phone, take appointments and manage your schedule. Therefore, it makes sense to share the cost of staff salaries, regardless of how many days you plan to devote to private practice. These arrangements must be worked out among the associates on a case-by-case basis, as there is no set formula. Always be sure to sign an association agreement detailing how all expenses are to be shared. The advice of an accountant and a lawyer who have experience with such agreements is invaluable here.

Partnership

A partnership practice shares not only expenses, but also income, personal and medical liability. The contractual obligations and benefits of this complex arrangement must be evaluated closely. A formula detailing

Assessing a potential group practice opportunity requires a detailed evaluation of the composition, philosophy and structure of the practice.

each partner's share of income and expenditures must be specified within a legally binding partnership agreement, which is usually much more complicated than an association contract. Until recent years, the majority of group practices in Canada were associations rather than partnerships. Today, however, the popularity of alternate funding models encourages physicians to consider partnerships.

Finally, some group practice arrangements may be based on a corporate model. The discussion of this is beyond the scope of this guide, as specialized accounting and legal advice is required.

There are many factors to consider before committing to a group practice.

Advantages

- Economies of scale help reduce your expenses (e.g., office space, medical equipment, supplies and staff).
- Few or no start-up costs, if joining an existing practice.
- Convenient on-site consultations on difficult cases.
- If there are five or more equivalent full-time physicians, it may be more efficient and cost-effective to hire a dedicated office manager to recruit staff and run the practice.
- The cost-sharing advantages of a group practice enable you to afford more varied and sophisticated medical and computer equipment.

Disadvantages

- Potential reduction of autonomy.
- Resources and staff must be shared.
- Daily practice routines and schedules may be influenced by other physicians and staff.
- Complex personnel structure means greater possibility of personality conflicts; open, ongoing communication is essential to maintain a positive work environment.
- Greater possibility for disagreement over capital purchases. What voting structure will the group use to make decisions? Majority agreement? Unanimous agreement?

Key contract points

The association contract or partnership agreement is highly important to anyone planning to join or form a group practice. The document

If planned and negotiated properly, a well-organized group practice can have all the benefits of a solo practice.



must outline both the responsibilities and the benefits for each member of the group. It must also be sufficiently detailed to address all existing issues and potential problems and outline courses of action on the "what ifs." Ultimately, this planning will save group members time, stress and money. Some specific items a contract should address include:

Terms of agreement and notice of termination:

Ultimately, every contract will have to cover off and mitigate the 5Ds of conflict: departure, disability, death, divorce and disagreement. These clauses outline the length of the agreement and the procedures to be followed if a partner or associate wishes to leave the group. Also outlined are the obligations of the outgoing member. Usually, outgoing members are responsible for paying their portion of shared expenses for the rest of the term of the group practice contract and lease, unless they can find a physician to assume these commitments.

Individual obligations: Outlines the responsibilities (clinical, on-call, financial, administrative) of each group member.

Group obligations: Specifies the benefits each member is to receive; for example, clinical coverage, expense-sharing, shared staffing, administrative support.

Office lease: Is this a sublet or new lease? Are there negotiated options to renew? How do you ensure your name is on the lease? Do you want your name on the lease? Review all lease clauses that may trigger unnecessary risks or expenses, such as Restoration or restrictive Hours of Operation clauses or language that may prevent the subletting or assigning of the lease. If negotiating a new lease, your provincial or national medical association may recommend helpful lease clauses such as Termination, Privacy of Medical Records, and Right to Audit. Have your lawyer and commercial lease advisor review the lease document to ensure you have both negotiated the best deal possible and anticipated all obligations.

Billing and expense responsibility: Who does the billing? Who is responsible for administration? How will shared expenses be allocated?

Business decision authority: Outlines how decisions will be made; for example, will you abide by the results of a majority vote, or will it be two-thirds, or unanimous?

Staffing issues: When you join a group, interview all shared staff as though you were hiring them for the first time yourself. You want to negotiate the ability to replace staff and have an equal say in performance evaluations, office policies and staffing plans.

Basis for profit sharing: If in a partnership, the formula for distributing revenues among the members of a partnership must be detailed in the agreement.

Incorporation: Does the agreement impact the incorporation options available to you? If you think you would like to incorporate your practice in the future, consult the incorporation section of Chapter Four: Financial Planning in this guide, and remember the rule of thumb: If in doubt, ask an expert.

Financing the practice: The financial responsibilities of each partner or associate for expenses and capital purchases must be detailed.

Liabilities and debt: The potential debt responsibilities, shared expenses and personal expenses assumed by each member individually, as well as the group as whole, must be defined.

Insurance: In the event of disability or death, how much disability, practice overhead and life insurance will each member of the association or partnership be required to have to cover potential financial obligations? Will members be required to insure each other?

Buy-outs: Can an individual member be bought out? How will the value and security of a share or partnership interest be calculated?

The contract points outlined above are just a few of the issues to address in the association contract or partnership agreement. It is essential to retain a lawyer experienced in contract law who has worked with physician groups in the past. You will need to work closely to anticipate all of the “what ifs” that can — and often do — occur in a group practice setting.

SOLO PRACTICE

If you’re considering a solo practice, take a look at some pros and cons.

Advantages

- Experience complete autonomy — set your own rules and do things your way.
- Take control of all aspects of your work environment.
- Enjoy dedicated staff and resources.
- Work in a possibly quieter office with fewer distractions.


Disadvantages

- Shoulder full responsibility for practice set-up, overhead, staffing and management — all of which can be overwhelming without help.
- Face greater start-up costs and ongoing overhead on your own than with a group practice.
- Costs of electronic medical records (EMRs) set-up and ongoing maintenance are significant when not shared.

- Coverage for time out of the office when you are ill, on vacation or away at a conference is very difficult to secure.
- Access is minimized to the financial benefits that many provincial Ministries of Health (MoH) offer to group practices that can provide 24-hour out-patient care.
- No peer support available on site.

Bottom line

In general, the disadvantages of solo practice significantly outweigh the advantages primarily due to fewer economies of scale in daily operational costs. As well, most residents these days are trained in a group environment, so group practice feels like more of a natural fit for them.

Assessing a potential group practice opportunity requires a detailed evaluation of the composition, philosophy and structure of the practice. Across Canada, there are many different practice structures. Learning about the different models will help you evaluate the obligations, costs and benefits associated with each. 



Dounia Rouabhia
Medical student
Quebec, Que.



Overhead

Dr. Darren Larsen, Physician Presenter, Practice Management Curriculum Program

Whether you work part- or full-time, individually or in a group, you will incur operating costs in managing your practice. These costs, or overhead, include such expenses as support staff salaries, medical supplies, rent, utilities and, in some cases, furniture. There are various options for renting an office or working in private practice, some more costly than others.

FAST TRACK

Looking at the costs of setting up a practice can help you decide if you are ready to shoulder the costs and responsibility yourself or if you would benefit by joining or forming an association agreement with other doctors.

Currently, most physicians, especially in primary care, are looking to join or form group practices. However, understanding the potential costs of setting up and managing a solo practice will allow you to critically appraise the potential benefits of cost sharing in a group practice. Furthermore, the capital and ongoing expenses that don't have to be duplicated in a group become more obvious when compared to the costs

of a solo set-up. You can use the following case example of a solo practice set-up as a checklist and inventory of what exists and what is needed when looking at potential group practice opportunities.

In the example below, the landlord provides a solo physician with leasehold improvements, including painted rooms, basic electrical outlets and lighting, plumbing, a finished office washroom and tile or carpet flooring.

The physician tenant is responsible for all cabinetry and millwork to outfit all rooms except the bathroom.

This example does not address two important issues: electronic medical record set-up and ongoing costs, and a multi-functional office communication system. Prices for these systems vary widely but must be considered as they are now standard in most practices. Please contact a vendor for quotes.

SETTING UP YOUR OFFICE: CONTENTS, EQUIPMENT AND SUPPLIES

Supplies for one year	Cost per unit	Total cost	Supplies for one year	Cost per unit	Total cost
OFFICE FURNITURE			Ophthalmoscopes (2)	\$225	\$450
Consult room			Reflex hammers (2)	\$5	\$10
Desk	\$600	\$1,200	Tape scissors (2)	\$15	\$30
Swivel chair	\$155	\$310	Wall sphyngomanometers (2)	\$185	\$370
Patient chairs (2)	\$266	\$532	Extra cuffs (<i>pediatric & large</i>) for both rooms (4)	\$60	\$240
Bookshelves	\$300	\$600	Tuning forks (2)	\$19	\$38
File cabinet (<i>optional, lateral 5-drawer</i>)	\$700	\$1,400	Cupboards [<i>sink/base/desk, if not supplied</i>] (2)	\$3,125	\$6,250
Dictation system and software	\$1,400	\$1,400	Office equipment total		\$14,198
Computer workstations (2)	\$1,500	\$3,000	Individual equipment		
Consult room total		\$8,442	Hyfrecator (1)	\$1,085	\$1,085
Nursing/Reception station			Steam sterilizer	\$4,725	\$4,725
Desk	\$600	\$600	Adult scale, digital (1)	\$400	\$400
Chair	\$350	\$350	Baby scale, digital	\$279	\$279
Wall open lateral filing cabinet	\$1,000	\$1,000	Sigmoidoscope (1)	\$700	\$700
Answering machine	\$200	\$200	Fetal Doppler (1)	\$595	\$595
Refrigerator	\$600	\$600	Glucometer (1)	Free	Free
Base, sink and wall cabinets	\$3,125	\$3,125	Individual equipment total		\$7,784
Requisition cabinet	\$300	\$300	Subtotal B		\$21,982
Patient chair (for injections)	\$100	\$100			
Fax/copy/printer	\$600	\$600	INSTRUMENTS		
Computer and software for 3 terminals (<i>not EMR</i>)	\$1,500	\$4,500	Vaginal specula (16)	\$26	\$416
Telephone system (5 units) Entry level	\$3,000	\$3,000	Ear syringe (1)	\$30	\$30
Blood pressure machine	\$400	\$400	K-basin (2)	\$4	\$8
Nursing station total		\$14,775	Scalpel handles (3)	\$6	\$18
Waiting room			Adson forceps (2)	\$12	\$24
Chairs (10)	\$100	\$1,000	Tissue forceps (2)	\$14	\$28
Tables (2)	\$150	\$300	Sponge forceps (2)	\$30	\$60
Magazine racks	\$100	\$100	Dressing forceps (2)	\$8	\$16
Pictures and mirrors	\$600	\$600	Mosquito forceps (2)	\$15	\$30
Coat rack	\$300	\$300	Ear curettes (4 sizes)	\$14	\$56
Bulletin board	\$30	\$30	2-mm punch biopsy (50)	\$97	\$97
Waiting room total		\$2,330	5-mm dermal curette, disposable (50)	\$147	\$147
Subtotal A		\$25,547	2-mm dermal curette, disposable (50)	\$147	\$147
EQUIPMENT			Needle driver (2)	\$30	\$60
Office equipment			Nasal speculum (1)	\$30	\$30
Exam tables (2)	\$1,480	\$2,960	Nasal forceps (1)	\$45	\$45
Swivel stools, hydraulic (2)	\$155	\$310	Metzenbaum scissors (1)	\$24	\$24
Footstools (2)	\$30	\$60	Straight iris scissors (2)	\$36	\$72
Utility table (1)	\$150	\$150	Curved iris scissors (2)	\$38	\$76
Patient chairs, 2 per room (4)	\$266	\$1,064	Uterine tenaculum (1)	\$33	\$33
Magazine racks (2)	\$10	\$20	Uterine sound instrument (1)	\$15	\$15
Bulletin boards (2)	\$20	\$40	2-ounce glasses (2)	\$6	\$12
Requisition racks (2)	\$30	\$60	Thermometers, digital (2)	\$15	\$30
Flexible gooseneck exam lights (2)	\$435	\$870	Sundry glass jars, set of 5 (1)	\$30	\$30
Tape measures (2)	\$5	\$10	Instrument total		\$1,504
Wall transformers (2)	\$408	\$816	Subtotal C		\$1,504
Otosopes (2)	\$225	\$450	Total set-up costs [Subtotals A, B and C]		\$49,033

SETTING UP YOUR OFFICE: CONTENTS, EQUIPMENT AND SUPPLIES (CONT'D)

Supplies for one year	Cost per unit	Total cost	Supplies for one year	Cost per unit	Total cost
MEDICAL SUPPLIES			Appointment books, if not computerized	—	\$30
Syringe 60cc (<i>used infrequently</i>)	\$62 per 40	\$15	Personal phone book	—	\$20
Syringe 10cc (<i>used infrequently</i>)	\$34 per 100	\$10	Chart stickers, etc.	—	\$40
Syringe 3cc, 25Gx 5/8" (used a lot)	\$15.95 per 100	\$225	Total paper & stationery for one year		\$1,550
Syringe 3cc, no needle	\$26.50 per 200	\$5			
Syringe TB, 26G (<i>allergy</i>)	\$4.65 per 25	\$186	OTHER EXPENSES		
Scalpel blades #15	\$17.95 per 100	\$15	Rent, 700 sq. ft., prime location	\$25 per sq. ft.	\$18,725
Needles #23	\$6.75 per 100	\$4	Nurse-receptionist	\$23 per hour	\$48,500
Needles #20	\$6.75 per 100	\$4	Accounting services	—	\$1,000
Exam table paper, 12 rolls per box	\$40 per box	\$240	Telephone, 3 lines	—	\$2,200
Sutures, nylon 3.0, 4.0, 5.0, and chromic 3.0	\$38 per doz.	\$100	Parking	—	\$800
Gauze, 4x4	\$5 per 100	\$20	Subtotal other expenses		\$71,225
Gauze, 2x2	\$3 per 100	\$12			
Sigmoidoscope tubes, 25 per box	\$110 per box	\$70	Total office operating expenses for one year		\$74,529
Anoscopes, 25 per box	\$27 per box	\$27			
Sharps containers	\$7	\$56	PROFESSIONAL DUES		
Tape, bandages	\$2.50 per box	\$17	Academy of Medicine (local)	—	\$120
Reagent strips, urine GP	\$30 per 100	\$300	Provincial medical association dues, incl. CMA	—	\$2,000
Reagent strips, urine 4MD	\$15 per 50	\$34	Provincial College of Physicians and Surgeons	—	\$1,000
Reagent strips, blood glucose	\$34.99 per 100	\$35	College of Family Physicians of Canada	—	\$800
Reagent strips, urine pregnancy	\$29 per 25	\$29	Canadian Medical Protective Association ¹	—	\$7,000
Lancets	\$12 per 200	\$6	Royal College of Physicians and Surgeons of Canada	—	\$890
AgNO ₃ [<i>rarely used if hyfercator available</i>]	\$18 per 100	\$9	College of Family Physicians of Canada	—	\$641
EtOH swabs	\$2.50 per 200	\$38	National specialty societies	—	\$400
Eye patches	\$8.29 per 50	\$4	Total dues		\$12,851
Gloves, vinyl (<i>assumes use of app. 20 per day</i>)	\$10.50 per 50	\$5			
Tongue depressors	\$8 per 500	\$16	INSURANCE		
Cotton swabs	\$1.25 per 100	\$2	Office insurance	—	\$500
Personal lubricant gel	\$2.30	\$40	Practice overhead insurance	—	\$700
Lidocaine 1% and 2%	\$4.10–6.25 ea	\$20	Disability insurance	—	\$2,000
Steroid for joint/tendon injection	\$42 per vial	\$210	Total insurance		\$3,200
Cervical cytobrushes, culture medium, Pap and biopsy	Free	Free			
Total medical supplies for one year		\$1,754	SUMMARY OF OFFICE SET-UP COSTS IN YEAR ONE²		
			Initial office set-up	—	\$49,033
PAPER AND STATIONERY			Operating expenses for one year	—	\$74,529
Paper, photocopy/fax/progress notes	\$35 per box	\$70	Professional dues	—	\$12,851
Appointment cards	\$30 per 1,000	\$240	Insurance	—	\$3,200
Letterhead and envelopes	\$100 per 1,000	\$100	Total expenses for year one		\$139,613
Pens, pencils, staples, sundry office supplies	—	\$100			
Window envelopes	\$60 per 1,000	\$60	IN YEAR TWO OF PRACTICE		
Prescription pads	\$200 per 5,000	\$200	Overhead drops by around \$45,000		\$94,613
Database sheets	\$40 per 1,000	\$40	If a receptionist is hired at \$18 per hour		\$85,188
Files, heavy bond (2000 in year one — 200/yr thereafter)	\$325 per 1,000	\$650	If rent is \$15 per square foot		\$78,538

1. Canadian Medical Protective Association dues vary greatly depending on your region and specialty.

2. Prices used in these examples may vary greatly, depending on practice set-up, rental costs, location and staffing costs. This case example was originally prepared by Dr. Tom Faloon for the Canadian Medical Association's Practice Management Curriculum Modules for Medical Residents, and updated in 2014. All figures used in this example are intended for illustrative use only, and should not be relied on for formal budgeting purposes. Cost of medical supplies provided by The Stevens Company.



The art of negotiation

Creating a win–win situation

Dr. Brian Cummings, Physician Presenter, Practice Management Curriculum Program

The idea of negotiation can be intimidating, but keep in mind that you have honed your negotiation skills throughout medical school and residency and even in your personal life. Whether negotiating with a program director for a desired elective or rotation, reasoning with fellow residents over call schedules or compromising with your significant other over who should take out the garbage, you are no stranger to negotiation skills and methods. Strong negotiation skills are helpful when entering into any binding contract, whether a partnership agreement, a hospital position or a lease.

FAST TRACK

- No matter how tempted you may be to dive in and start your practice, you will benefit tremendously from taking a methodical, informed approach to your negotiations.
- The importance of seeking legal counsel prior to signing any contract cannot be stressed enough. It can save you from awkward, potentially costly situations in the future.

THE CHANGING ENVIRONMENT

In recent years, physicians finishing residency and fellowship programs have seen a considerable change in the number and quality of practice opportunities in Canada. Previous concerns of a shortage of physicians in Canada had prompted an increase in medical school enrollment from 1,577 in 1997–1998 to 2,800 in 2011–2012.¹ In addition, expanding scopes of practice, issues surrounding resource planning and certain other factors have resulted in unemployment and underemployment of physicians in an expanding number of specialties, including cardiac surgery, nephrology, neurosurgery, plastic surgery, diagnostic imaging, public health and preventative medicine (community medicine), otolaryngology, radiation oncology and orthopedic surgery.²

In late 2013, the Royal College of Physicians and Surgeons of Canada (RCPSC) released the results of a comprehensive national workforce study that focused on the growing number of newly certified specialist physicians who are having difficulty finding work in their respective disciplines. This two-year national study consisted of in-depth interviews with national specialty societies, physicians, hospital leaders, residents and health system experts, among others, and an online survey of every newly certified specialist physicians in 2011 and 2012. To read the full report and the employment survey of new certificants, go to www.royalcollege.ca

When progressing through the steps of negotiation, prudent residents or fellows should consider the changing environment of practice as it applies to their situation and their respective specialty.

NEGOTIATION 101

There are three important stages to negotiation: preparation, bargaining and settlement.

PREPARATION

Do your homework: Review your goals, desires and objectives, both personal and professional. Research the market for your respective specialty and/or subspecialty, identifying potential opportunities, determining the gross billings or average rates of remuneration in your field and investigating the monetary and non-monetary benefits potentially available. Learn about your negotiating partners and the opportunities you are considering, such as the number of applicants, the specific needs of the group or institution and the positive and negative attributes of the practice in question.

Identify practice opportunities: There are a variety of avenues to consider when identifying and evaluating practice opportunities. You may find yourself in a position where there is no practice to join or you are simply not ready to start your career in a practice setting. Look to your colleagues (former senior residents now in practice), department heads and program directors. Don't underestimate the power of meetings and networking with your colleagues and potential employers. In addition, provincial websites, such as HealthForce Ontario at www.healthforceontario.ca and similar websites for Alberta, Saskatchewan and other provinces can be of great assistance in identifying opportunities. Provincial house professional associations (e.g., Professional Association of Residents of British Columbia), Ministry of Health websites, specialty and sub-specialty societies, community health officers and recruitment agencies can also help form part of your plan.

Identify, evaluate and organize your negotiation points: Before you leap into negotiations, you should document the qualities of a potential practice opportunity that will be important to you (e.g., remuneration, operating room or procedure time, call schedule,

vacation time, continuing medical education (CME) time and money, protected research time, parental leave and other benefits. Keep in mind that these "negotiation points" may not be monetary — some may define vacation time as a deal breaker and anything less than a certain number of weeks will not be accepted.

Other negotiation points that may be considered include:

- Office space
- Examination rooms
- Support staff (e.g., nurses, administrators, secretaries and para-professionals)
- Research, including amount of protected time and obligations)
- Parental leave
- Sabbatical
- Moving costs, parking and many other issues

For those who may consider joining an association or partnership, negotiation points may also include:

- Billing and expense responsibility — Who does the billing? Are they qualified?
- Business decision authority — How is a decision carried within the group? Will it be two-thirds or unanimous?
- Staffing issues — When you join the group, are you able to interview all shared staff as if you were hiring them for the first time? Ideally, you would want to negotiate the ability to replace staff and have an equal say in performance evaluations, office policies and staffing plans.
- Basis for profit sharing — Is this just a dividing of costs, such as in an association, or is profit determined by the group? Is such division fair and equitable?
- Incorporation — Does the agreement impact the incorporation options available to you?
- Insurance — In the event of disability or death, how much disability, practice overhead and life insurance will each member of the association or partnership be required to have to cover potential financial obligations? Will members be required to insure each other?
- Buy-outs — Can an individual member be bought out? How will the value and security of a share or partnership interest be calculated?
- Office hours and many other issues.

Other negotiation points may include potential benefits, such as the opportunity to participate in a pension plan or enjoy medical, dental, disability and life insurance. In addition, partial or complete payment of federal, provincial and other regulatory fees may potentially be available to the physician. Ancillary items such as parking costs and potential start-up loans may be also be available.

For each negotiation point, determine your "target" and "reservation" prices. That is, for each negotiation point, what value would be both desirable and optimal (i.e., "target") and what value would represent the minimal acceptable amount (i.e., "reservation"). For example, a new ophthalmologist may consider two days of operating time ideal (i.e., target), but would not accept less than 1/2 day per week (reservation). By organizing a range of target and reservation prices for each negotiation point, the physician can quickly classify potential opportunities as desirable or not and can quickly see which negotiation points may require more negotiation.

Best alternative to a negotiated agreement (BATNA): Your objective in any negotiation is to obtain the best possible deal to improve your position. Knowing and assessing your alternatives protects you from making unwanted commitments. Although the most attractive alternative may be the culmination of an existing opportunity, your best alternative to a negotiated agreement (your BATNA) provides you with a Plan B and an ability to say no to existing negotiations if the possibility of reaching an agreement becomes unreasonable, doubtful or detrimental to your overall position.

Importance of documentation: Although verbal promises may be made during negotiations, the respective parties may not recall (deliberately or inadvertently) such commitments once the contract is completed. Documenting what is agreed upon during the talks will protect both parties.

Major terms and conditions should be documented within a binding contract. Verbal agreement on less critical issues should also be documented for possible future reference. Make sure to confirm verbal talks via email and have the negotiating party confirm your interpretation of the verbal conversation. Save



these emails in a confidential file for future reference. The best advice is to make sure that what has been negotiated (in writing or verbally) is reflected in the final agreement.

BARGAINING

The majority of bargaining should occur before a face-to-face meeting. Questions and answers can be posed via email, allowing both parties time to consider answers or alternatives. The impact of any physical reactions, such as flinching, can also be avoided in this manner. Bargaining is not restricted to the actual interaction between the parties, but also involves terminology, timing and tone of discussion, among other factors. During negotiations, be aware of these dynamics to avoid pitfalls and capitalize on opportunities.

Be professional: Even in successful negotiations, the establishment of trust, fairness and professionalism will generally be beneficial as the successful applicant works with their counterparts throughout their medical career. Even if your negotiations fail, medicine is a small community and you may encounter members of the other party at various times in the future, perhaps at meetings or while working on common projects. Establishing professionalism and fairness throughout the process will generally be respected by your counterparts in later years.

Beware of irrational tendencies whether in yourself or your negotiating counterparts. Feelings of overconfidence or under confi-

dence, as well as frustrations about delays can negatively impact an agreement. Remember the objective of your negotiation is to obtain the optimal practice opportunity. In addition, one should always strive to ensure that both parties complete the process feeling that they have "won" (i.e., that you have obtained an optimal practice opportunity and they have contracted a qualified, enthusiastic and upstanding professional who will add considerable value and prestige to their group, department, hospital and community).

Remain calm and focused on your objective:

Although the duration of negotiations and the respective issues will vary considerably, the successful physician should focus on optimizing their agreement to obtain close to "target" levels for many or all of their negotiation points. Although negotiations can be frustrating, successful negotiators have often said that their approach is similar to many things in medicine, and that it is best to "keep their eye

FOUR TIPS FOR EFFECTIVE BARGAINING:

- Build rapport.
- Be fair and trustworthy.
- Control your emotions and reactions, both verbally and physically.
- Focus on your objective of obtaining the optimal practice opportunity.

on the prize.” In medicine, it is the focus on the health and well-being of your patient and in negotiation, it is attaining the optimal opportunity for both you and your family.

While negotiations sometimes inch to a conclusion, at other times a solution quickly emerges. Always negotiate to the end. Since wording can be ambiguous, both parties should have a shared understanding of the meaning of every provision in an agreement before anything is signed. A word of advice: approach any post-settlement adjustments with caution.

SETTLEMENT

All negotiations come down to whose signature counts. A physician joining an academic department or institution will often have to negotiate with several groups before securing a position. In fact, several contracts may apply. It is wise to sign all contracts at the same time to eliminate loose ends. In all situations, always determine who has the authority to approve the terms and conditions of your agreement. Remember, just as you wouldn't purchase a home without having a lawyer review all

Strong negotiation skills are helpful when entering into any binding contract, whether a partnership agreement, a hospital position or a lease.

documents, you should not accept a practice opportunity without reviewing the contract with a lawyer.

In addition, all other relevant contracts should be reviewed concurrently by legal counsel before an opportunity is accepted. For example, if offered a position in an association and also required to jointly sign an office lease agreement, you should review both the association and lease agreements with your legal counsel before accepting the offer. If the association agreement is for a three-year term, renewable at the option of the other associates, and the lease is for a fixed five-year term, you may find yourself in an undesirable position in years four and five if the association agreement is not renewed but you are still liable for lease payments.

Similar to many things in medicine, in negotiations “if it is not in writing, it may not have happened.” Adequate preparation, with analysis of relevant negotiation points (as well as those of your counterpart's), combined with bargaining in a professional manner while focused on your objective of attaining an optimal agreement, followed by legal review of all resulting contracts, can lead to a successful negotiation with positive and beneficial results for all parties.

REFERENCES

1. Sullivan P, Wharry S. How many MDs are there, and what do they do? *CMAJ*, 2011;183(15):1801.
2. Sullivan P, Wharry S. Bleak job outlook in some specialties sparking concern. *CMAJ*, 2011;183(14):1673.

From Practice to Play
NOW THIS IS LIVING!

Love your work, love your life in northern BC!

We warmly welcome new graduates to Family Medicine and a variety of specialty areas.

Northern British Columbia is a region graced with a diverse natural beauty found nowhere else on earth. At Northern Health, we are proud to be a state-of-the-art, integrated health care provider, caring for a population of over 300,000 across Northern British Columbia.

Come talk to us!
We invite you to consider a personal and professional adventure and to discover the benefits of a front-line healthcare practice in an extraordinary setting. We offer a progressive and consultative work culture as well as leading relocation assistance.

Call Sheilagh Wilson, 1-877-905-1155, ext 1 for detailed information, or visit our website to find out all that our region and organization has to offer.
physicians.northernhealth.ca

northern health
the northern way of caring

#healthynorth

MARTHA

DIDN'T HAVE TO GO TO
THE HOSPITAL TODAY.



With Ontario Telemedicine Network's Telehomecare and other virtual healthcare programs, you can deliver better patient care and improve your practice efficiency. OTN is a non-profit organization supported by the Ontario Ministry of Health and Long-Term Care and Canada Health Infoway.



otnhub.ca/newinpractice



Medical billing

Chapter 3

- 36 Physician remuneration
- 37 Uninsured services
- 38 The billing process
- 40 Organizing your billing
- 42 Receiving what you've earned

Throughout your residency, you are taught to consider your patients as your number one priority. Your working conditions as a resident have been negotiated for you and your salary is stable and consistent, allowing you to focus on perfecting your skills and knowledge without worrying about billing. But once you finish residency and start your own practice, you will be faced with a new situation — you will still be perfecting your skills, but you will also have the responsibility for billing the Ministry of Health, and your staff will need to submit and reconcile those billings for you to be paid. Every patient, service, procedure and visit has a dollar value attached to it that will need to be billed. Each time you meet with a patient and each time you provide a medical service, you will have to think about how to do that effectively and efficiently, while remaining focused on your patients' needs. Staying up to date with your provincial billing schedule will be integral to your success with billing.

Physician remuneration

Erin MacKay

Wondering how much you will earn when in practice? Here are the latest national average gross fee-for-service (FFS) salary statistics provided by the Canadian Institute for Health Information. Remember, this is average gross income — overhead and professional expenses must be paid to realize net before-tax income. Nationally, we know FFS billings represent 80% of total clinical payments. These statistics include only physicians who received at least \$60,000 in payments. Please note that such a low baseline reduces what would be a more realistic mean or average gross billing for a full-time equivalent physician.

AVERAGE GROSS FEE-FOR-SERVICE PAYMENT PER PHYSICIAN WHO RECEIVED AT LEAST \$60,000 IN PAYMENTS, BY PHYSICIAN SPECIALTY AND PROVINCE, 2012–2013 ¹											
SPECIALTY	NL	PEI	NS	NB	QC	ON	MB	SK	AB	BC	Provincial average
Family Medicine	257,755	241,279	211,218	246,156	213,973	236,688	272,702	301,923	324,656	238,576	247,490
Medical Specialties	367,028	254,656	277,534	328,006	260,996	353,145	287,367	363,352	409,140	295,539	323,755
Internal Medicine	494,156	356,761	275,300	433,810	299,321	420,609	317,997	435,875	512,006	389,255	384,082
Neurology	241,630	*	378,793	409,017	251,087	316,430	219,233	332,988	389,742	282,074	294,258
Psychiatry	277,767	284,226	169,676	187,287	186,830	244,842	209,625	283,428	327,902	210,833	232,966
Pediatrics	199,038	104,369	288,092	244,716	227,141	295,694	253,273	258,879	319,670	252,178	269,157
Dermatology	754,857	n/a	357,833	499,679	295,519	404,835	589,915	*	773,101	331,600	410,451
Physical Medicine	n/a	n/a	*	*	247,457	262,325	287,620	*	346,057	236,647	270,625
Anesthesia	255,548	138,402	331,519	245,492	273,360	380,919	302,106	322,112	393,031	284,197	335,371
Surgical Specialties	424,585	376,451	378,182	420,164	373,883	459,026	418,756	564,726	595,042	438,108	446,138
General Surgery	371,885	326,007	327,302	401,345	322,539	420,938	381,056	433,175	516,880	385,538	394,806
Thoracic/ Cardiovascular Surgery	123,185	n/a	305,535	444,905	459,361	504,829	471,360	860,705	680,264	403,173	480,136
Urology	417,960	*	482,899	423,959	382,504	445,561	377,248	516,197	638,852	441,820	441,528
Orthopedic Surgery	408,720	489,852	317,764	368,992	312,588	415,562	386,520	576,524	487,399	325,878	388,308
Plastic Surgery	539,183	*	328,430	390,688	281,901	342,006	489,902	436,684	508,205	341,339	357,024
Neurosurgery	*	n/a	*	n/a	277,846	500,281	*	572,936	101,140	458,076	401,491
Ophthalmology	630,024	638,710	600,577	765,388	538,342	668,955	674,245	1,093,261	1,047,914	767,276	701,143
Otolaryngology	605,827	*	337,023	444,781	333,654	413,795	320,837	544,236	599,946	409,358	410,591
Obstetrics/ Gynecology	314,792	204,719	300,096	277,407	397,591	443,200	376,712	430,418	490,085	346,057	412,798
Total Specialties	391,429	306,327	336,691	371,681	296,713	386,284	329,336	441,081	472,018	343,389	364,173
Total Physicians	312,610	267,141	263,901	305,196	256,926	321,223	303,105	363,833	381,279	283,992	305,869

Notes

* Data was suppressed—please see the Methodological Notes, Data Suppression section, for details.

n/a: not applicable—there were no physicians for this specialty for this province.

Based on gross payments.

Alternative forms of reimbursement, such as salary and capitation, are not included.

1. Table A.5.1: Average Gross Fee-for-Service Payment per Physician Who Received at Least \$60,000 in Payments by Physician Specialty and Province, 2012–2013. National Physician Database 2012–2013—Data Release, Canadian Institute for Health Information.

Uninsured services

Dr. Darren Larsen, Physician Presenter, Practice Management Curriculum Program

Many physicians feel uncomfortable billing for uninsured or delisted services. After all, what's one doctor's note here or one phone prescription renewal there? They may not seem significant on a one-off basis, but the reality is that these "small" uninsured services can represent a significant amount of the daily activity in your practice. In many cases, physicians are not otherwise remunerated for this work. Meanwhile, the costs of maintaining a practice continue to rise.

FAST TRACK

Uninsured services may add up to a significant amount of the services you provide. Not charging for them could have a negative impact on your bottom line.

Bear in mind that your signature represents a professional opinion or endorsement; because you are accountable and liable for anything you sign, your signature is of value, even if it takes very little time to produce it.

POINT-OF-SERVICE BILLING

Point-of-service or "as needed" billing means your patients will pay for services when they use them. The upside of this approach is that you will receive payment at the time of service, without any accounts receivable. Offering patients the option of paying by debit or credit card makes point-of-service billing very efficient and effective.

BLOCK-FEE BILLING

Block-fee billing is the term used for bundling a number of uninsured services

together and offering one set price for the use of any of those services within a one-year period. This reduces the daily workload on your staff, cuts down on having to ask patients for money with each service (you will only need to ask them once per year, rather than with every service performed) and reduces the need for cash on your premises. There are companies that can manage uninsured service billings on your behalf, taking on the financial and administrative burden and retaining a percentage of the total. However, you must ensure you are dealing with a reputable company that values privacy and operates with integrity.

Is it worth it? Studies show that usually only about 30% of patients agree to enroll in a block-fee program. Block fees can never be mandatory or seen as coercive, and every provincial College agrees

that patients must have the option to opt in or out of this type of service. But consider the work that other health-related professionals perform. Dentists, chiropractors and massage therapists have charged patients directly for their services for years.

Physicians need to examine the benefits of billing for uninsured services. For example, if you could generate an extra \$18,000 per year by billing for uninsured services, you would be in a position to reinvest that money into your practice. Perhaps it could help you to pay for an electronic medical record system, pay your staff more or upgrade some equipment. Keep in mind that the salary statistics presented in Physician Remuneration on page 36 do not reflect money physicians earned with uninsured services. 💰



The billing process

Dr. Darren Larsen, Physician Presenter, Practice Management Curriculum Program

The following offers some helpful explanations of billing mechanics.

1. Billing documentation

This is the process by which the physician and staff capture and document all possible billable services for submission to the Ministry of Health (MoH). Forgetting to bill for one patient visit each regular office day in a general practitioner's office in a fee-for-service environment could result in a loss of about \$6,600 per year or more. This results in a loss of more than 8% of gross income and 12% of net before-tax income.

To avoid errors and omissions:

- Use a hard copy or computer desktop billing day sheet listing patients seen, allowing you to easily see that an encounter has been billed. This is an invaluable tool for physicians even if an electronic medical record (EMR) is used. Have this prepared daily by your staff for your completion or understand how it is presented in your EMR product. It is essential at the end of each day for the physician, nurse and reception/billing clerk to capture, review and reconcile all services (especially those delegated services provided by your nurse or technician) and cross-reference them with the appoint-

ment schedule and names of any patients granted last-minute appointments.

- Combine billing with medical record documentation. With EMR systems, you and your staff can document bills at the same time that your patient's medical records are completed. At the end of the day, cross-reference the medical records with your billing day sheet.
- Consider an app for your smartphone or tablet that captures all services you deliver when you are out of the office, such as when you are on call or at the hospital. Out-of-office work is a frequent source of lost billings.

Consider an app for your smartphone or tablet that captures all services you deliver

2. Medical records and billing

Your medical records must stand alone, without your interpretation, to justify the bills you submit to the health plan insurer. At any time, the MoH can request copies of the clinical records that correspond to the bills you submit. Be honest and accountable. A good practice may be to document billing codes in your progress notes.

3. Billing submission

Most physicians should submit billings daily, or at least three times per week. Some specialists, such as surgeons, tend to submit billings less often due to lower volume. Once you and your staff have accounted for all of the appropriate billing codes for every patient, submit the bills to the MoH. In most provinces and territories, this is done by electronic data transfer (EDT), either web-based or over a modem. Electronic submission allows the MoH to review all submissions and quickly verify which, if any, are not accepted. Thus, the next time your staff go online, they can check which bills from the last submission were rejected, pull the charts, correct the errors that the MoH has identified with explanatory codes and then resubmit the corrected bill so you are paid within the same billing period. This reconciliation, or comparison, is important to ensure you receive remuneration for all services provided.

4. Remittance

This is the process by which the MoH or other responsible payer remits payment to you. MoH payments are generally made by automatic deposit into your designated bank account. However, you will receive an electronic remittance advice document that you must reconcile.

5. Remittance review and reconciliation

Your computerized billing program will automatically reconcile or compare your billing submissions with the corresponding remittance records from the MoH. Pay

careful attention to what isn't paid, and why. Failure to correct unpaid remittances before their stale date may result in lost income for work you have performed and procedures for which you are legally responsible.

6. Billing period


Depending on the province, the MoH pays physicians either once or twice monthly. Billings you submit for services rendered up until the cut-off date of any billing period will generally be paid within one or two billing cycles. This means that your accounts receivable (monies owed to you) can sometimes take four to six weeks to be settled.

7. Submission time limits

In most provinces, physicians have to submit a bill for services rendered within three to six months of performing the service. Those who fail to do so will not be paid. This omission commonly happens when a physician fails to record and hand over to the billing staff the record of services performed outside the office (e.g., when on call). Many physicians scribble patient information from the hospital visit on a card and then forget to empty their purses or wallets until it is too late to submit the bill.

8. Reciprocal billing

What if the patient is from another province? In such cases, it is essential to have the patient present a valid provincial health card and verify the party responsible for payment. All provinces and territories except Quebec have a reciprocal billing arrangement, so you can use your billing program to submit the bill to your provincial MoH using the patient's provincial health card number. You will be paid according to the fees of your province, not those of the patient's home province.

Quebec physicians seeing out-of-province patients face the same scenario and will most likely exercise the first option. 

IF YOU WORK OUTSIDE QUEBEC AND TREAT A RESIDENT OF QUEBEC, YOU HAVE THE FOLLOWING OPTIONS

■ **Bill these patients directly.** Give them a receipt and record of services provided, and they can submit for reimbursement from the Régie de l'assurance maladie du Québec (RAMQ). You can give these patients a specific form that you can download from the RAMQ; the Application for Reimbursement — Health Care Services Insured Outside Quebec is available in English and French. Patients can complete this form without the assistance of your office staff. This is the billing option most physicians use. You have the option to charge using the RAMQ, MoH or provincial medical association fee schedule amounts. Remember though, if you are charging above RAMQ rates, patients will only be reimbursed the amount paid for the equivalent service in Quebec.

■ **Submit an Out of Province Claim Form** to the RAMQ for reimbursement. This form will need to be signed by the patient and sent to the RAMQ by your office. You will need to record the patient's health card number and give details of the services provided. The RAMQ will pay you directly by cheque. This is not an ideal situation, as it creates extra paperwork for your staff and can result in significant payment delays.

■ **Register with the RAMQ** and obtain a billing number so you can submit accounts directly to the Quebec MoH, which will remit payment to you. This option is most often exercised by physicians who work near the provincial border and see a significant number of patients from Quebec.



Organizing your billing

Dr. Darren Larsen, Physician Presenter,
Practice Management Curriculum Program

FAST TRACK

- Even if you appoint your staff or an outside company to manage your billing, ultimately you are responsible for it. After all, it's your own financial future at stake.
- Taking the time to study the billing guides for your province or territory, learning the most common codes and the rules for their use will pay off for you at the end of the day.

Before getting your professional licence, you will need to decide who will manage your billing. In terms of billing itself, there are three ways the work can be accomplished:

1. Do it yourself using your own billing software or the functionality built into your EMR;
2. Subcontract some or all of the work to a specialized billing agency, or
3. Assign the task to support staff members who can do submissions for you.

With the multitude of different types of practice sites, it is becoming increasingly common to see physicians use more than one billing option. For example, private practice services can be billed by a medical secretary, while work done in a hospital can be billed by an agency. Which is the best option, or combination of options, for you? Deciding how to organize billing will require you to make decisions that may have a huge impact on your revenue and the amount of time you spend on administration. Of course, you can always make changes at any time if you decide to have someone else do your billing or, conversely, if you decide to take on the responsibility yourself.

CHOOSING BILLING SOFTWARE

If you opt to tackle your own billing, you will need good billing software and plenty of time to read your collective agreements and fee schedules. There are dozens of billing programs available in each province and territory, each claiming to be the right one for you and your

associates. Of course, rating software is somewhat subjective; however, reputable companies that offer the best products are easy to spot. Not only do they constantly update their software, but they also have support staff available to provide assistance and respond to your questions. Good billing software should be highly effective in validating data, picking up billing errors on the fly as you enter bills. Such errors include incorrect health card numbers, nonexistent fee codes, codes for non-billable medical procedures, incorrect hospital codes or scheduling slots inconsistent with your method of remuneration, to name a few.

Billing software will cost you and your associates anywhere from a few hundred to a few thousand dollars per year. Since a higher price doesn't always mean a better product when it comes to software, don't base your purchase decision on price alone. By the same token, don't hesitate to pay a bit more for first-rate software; the price will be worth it in both the short- and long-run. Your provincial or territorial medical association should be able to advise you as to what major billing software providers

are in your area. Also, billing software is completely integrated in every provincially certified electronic medical record clinical management system, so does not have to be purchased separately.

WHO DOES THE BILLING?

The responsibility of capturing all of the billing rests on the shoulders of you and your trusted staff, and it is good practice to bill each patient as soon as you finish the chart. This accomplishes two things — smaller billed items are less likely to be forgotten when the service is fresh in your mind, and patients who may have been added to your day list during your clinical time will not be missed. Your staff and support team help you close the billing loop by double-checking each day that you have captured and noted the bills for all the services and procedures you performed or delegated to your nurse or technician. Your staff then submits claims and reconciles them when they come back from the Ministry of Health (MoH), Workers' Compensation Board or private payer. Your staff should then review with you all aged accounts receivable so resubmissions for overdue accounts can be made as soon as possible. There may be a date beyond which the bill cannot be resubmitted (six months in many jurisdictions). You must stay up to date with your fee schedule and read all fee update bulletins because fees do change, new services are often added and some previously insured services are being delisted. This can be done quickly and the financial benefits are profound.

Delegating the task of staying up to date with the fee schedule to staff or a billing agent is, in fact, abdicating your personal responsibility. You should do your billing; your staff or agent is there to help you close the loop. Remember, as per our Receiving What You've Earned example on page 42, forgetting to bill \$24,000 per year translates into \$480,000 over 20 years, an amount similar to what you need for your registered retirement savings plan (RRSP) contributions over the same time. Ask yourself, "Can I afford that?"

ADMINISTRATIVE STAFF

Your administrative staff can be critical to your success with the billing process, but

only if you adopt a team approach. As with the do-it-yourself billing method, you will require a detailed knowledge of the fee schedule and its rules. You will still be responsible for billing, but you will have the administrative support of your staff members, who can submit billings on your behalf and reconcile them later in the process. They will require sufficient and ongoing training and support to help you to maximize your billing potential. Keep in mind that your own personal income is on the line, so ensure that your staff members have the tools and training they need to help make it a success. Be aware that some hospitals or clinics will try to include a billing clause in your lease or employment contract, stating that your billing must be done by their staff. Don't limit your options by agreeing to a clause like this — it's your own financial security at stake.

BILLING AGENCIES

Billing agencies are to your billing what tax accountants are to your tax return — experts you hire to do a job to the best of their ability and knowledge. This agent has a vested interest in collecting all billings submitted under your number and will know the latest changes to the fee schedule. The cost of the service is reasonable and tax deductible. Every medical association should have a list of billing agents used by their members. Some agencies offer a basic service, while others will look after all of your billing, from data entry to rebilling and reconciliation, ensuring the accuracy of your coding and offering advice on how to maximize your revenue. Despite what some salespeople may have you believe, it is impossible to acquire overnight all the expertise needed to effectively provide billing services for several physicians at the same time. Again, your financial future is at stake, so your interests must come first. As such, don't feel guilty about refusing to hand your billing over to your colleague's spouse or the nurse in your department. After all, a good billing agency is a full-time endeavour. Make sure your agency has the staff required to take on your billing if the manager falls ill or goes on vacation. In the end, regardless of who enters your billing codes, you must take accountability and

ownership of how your billing is managed. Stay up to date on billing fees, read bulletins, attend seminars and take advantage of the learning opportunities presented to you. As well, the billing agent can only work on the information you have provided, so accurate documentation and billing sheet use is necessary.

HOW THEY WORK

Billing agencies generally charge between 1.5% and 4% of your gross fees for their work. Some agencies charge a set amount per medical procedure and others have fixed hourly rates or a fixed rate per bill. All are acceptable options. Billing agencies cannot deduct their fees directly from your revenues; rather, your agency will send you a monthly or quarterly invoice that you must pay as per the agreed-upon terms and conditions, and their services are subject to GST/HST.

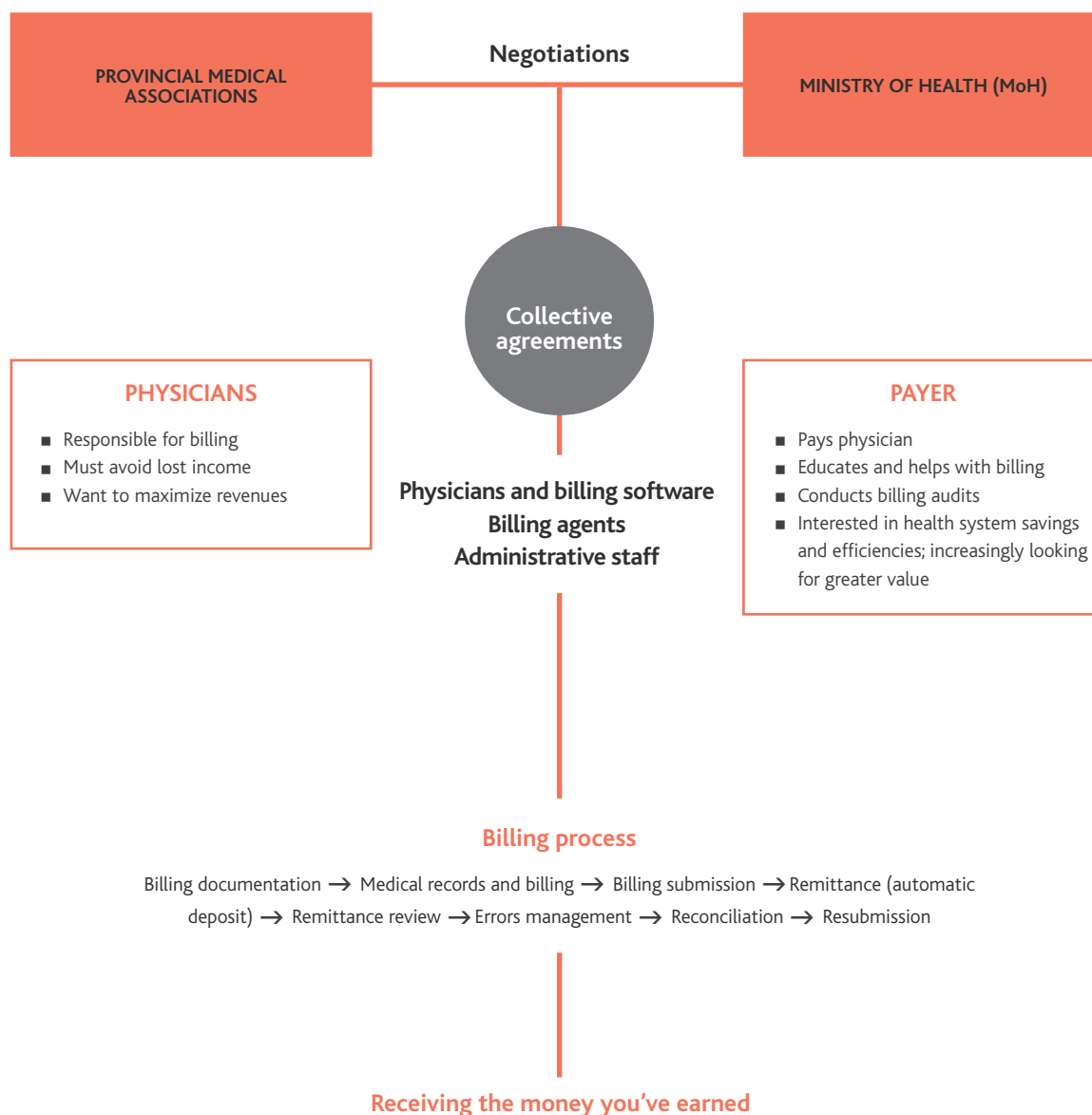
Your billing staff or agents will close the billing loop with the following process:

1. They will require demographic information about the patient, their provincial health card number, the service or procedural codes, the diagnosis and the referring physician.
2. In some cases, you may be required to also provide details of the institution, admission date or time a particular service was performed. Your billing agent will tell you the requirements for your field of practice.
3. The information is faxed to the agency (or picked up) on the basis of a predetermined schedule.
4. These completed requests are then forwarded for payment to the MoH, which will pay you in the weeks to follow.
5. The agency receives a remittance statement in your name and must reconcile the amounts billed with the amounts received. In the case of an error, certain procedures must be rebilled. The reconciliation and rebilling stages are those most often botched by physicians, administrative staff and agencies, though it is easy enough to recover the amounts in question.

The lesson here? Make sure your agency doesn't just "talk the talk," but "walks the walk" too. 🚶

Receiving what you've earned

Dr. Darren Larsen, Physician Presenter, Practice Management Curriculum Program



Research by the Canadian Medical Association indicates that physicians, on average, fail to bill for at least 5% of the insured services they provide. Thus, it is evident that all physicians have a vested interest in ensuring their billing practices are effective and efficient. Take these three points to heart: learn your specialty-specific fee schedule, stay up to date and take the time to carefully read the MoH bulletins, because fees and codes can, and do, change. This is your professional — and personal — livelihood at stake. Only delegate this task to someone you can trust, someone who has a vested interest in your success and someone who will promptly advise you of changes.



Financial planning and insurance

Chapter 4

44	Eliminating debt and student loans	49	Incorporation
45	Starting a family — parental benefits	52	Investing basics
46	Tax basics	54	Protecting your lifestyle
47	Tax instalment payments	57	To rent or buy a home?
		59	Professional liability protection

Financial planning is a comprehensive process that requires a plan that takes six major aspects into account — financial management, asset management, risk management, tax planning, retirement planning and estate planning.

This chapter will give you the strategies, tools and guidance you need to get on the road to financial success.

With a basic knowledge and understanding of financial planning, as well as the right experts on your team, you can make the right choices. Most importantly, by taking an interest in and keeping tabs on your financial plan, you'll be in charge of your own financial future.

You may already be considering partners to help you manage your financial plan. Your partners may include financial planners, accountants, banking representatives, investment advisors and insurance brokers. When choosing experts to manage your financial plan, it's important to select carefully. Look for credible companies with a solid history. Ask questions about the products they offer, any fees, how they are compensated and how they track the progress of your portfolios. Also ask your friends, family and colleagues to tell you about their experiences, opinions and referrals.

The information provided in this chapter is current as of January 31, 2015. It does not replace the tax/legal advice given by a professional advisor. You are strongly encouraged to seek your own professional guidance when implementing any tax or estate planning strategy.

Eliminating debt and student loans

Michael Tyler, CFP, Senior Financial Consultant

Repaying your student loan is a topic that raises a lot of questions and concerns — and for good reason. The number of young physicians with significant student loan debt has grown considerably in recent years and so has the size of the average student's debt upon graduation. This is no surprise, considering how easy it is to get sizable credit from financial institutions to pay for a medical education, as well as the limited financial planning education that medical students receive in university. Once you've graduated, planning for the repayment of your debt requires particular care and discipline to achieve your financial goals.

DURING RESIDENCY

Residency is the best time to develop a debt repayment plan as part of your cash flow planning. Once you start earning a salary, you'll no longer be eligible for government loan and grant programs. Depending on the repayment term of your original loan, you may have a grace period during which you don't have to make interest or principal payments; however, your debt may start to accumulate interest as soon as you are officially no longer a student.

Debt consolidation may be another strategy to consider. The arguments for and against debt consolidation vary greatly by province

and territory and in each individual situation. Working with a financial advisor will help you make the best choice.

It's important to make regular payments to pay down your debt and take control of your financial situation. If you fail to make regular minimum payments, additional interest charges will be added to what you owe and the size of your debt will grow quickly and negatively impact your credit history.

Once you create a debt repayment plan as part of your overall financial plan, you will be able to estimate when you will be debt free. By revisiting your financial plan regularly, you can check in on your progress.

As you grow in your career and your cash flow increases, prioritize your financial goals and determine where these funds should be allocated with the help of your financial advisor.

IN PRACTICE

Just as residency is the best time to start paying off your debt, it is also a good time to develop or update an overall financial plan to reflect your changing goals, priorities and lifestyle.

By periodically updating your financial plan, you can ensure you're on track to pay off your debt and achieve other financial goals. Ask yourself:

- How much of your paycheque or billings should you allocate to your outstanding debt?
- Should you set aside money for tax installment payments? If so, how much?
- How much should you ensure is available for living expenses?
- How much should you be saving and what type of account is best suited?

Work with your financial advisor to determine the best course of action for you. 💡

FAST TRACK

- Know your options and create a plan to meet your specific goals — repaying debt doesn't have to be your sole financial focus.
- Talk to a financial advisor to find the right balance between your current and future financial goals.



THINKSTOCK

Starting a family — parental benefits

Casey Warring, Early Career Specialist

There are major differences in the benefits available to residents, general practitioners and specialists who wish to become parents. The birth or adoption of a child requires careful financial planning because the disruption of work before and after the birth or adoption can result in a significant decrease in income and major lifestyle changes.

If you are thinking about starting a family, it is important to realize that self-employed physicians who become parents typically do not have the same benefits as salaried workers who may have insurance plans that allow them to take an extended period of time away from work while retaining a monthly cash flow. However, changes to the federal employment insurance (EI) rules in Canada now permit self-employed Canadians to participate in the EI program with proper planning. The benefits of this option should be considered for self-employed physicians who are not incorporated.

Most provincial medical associations have negotiated parental leave insurance with their respective ministries of health to support physicians financially if they become parents and adjust their practices.

FINANCIAL PLANNING TIPS

Physicians thinking about starting a family should review their financial plans to ensure they have a solid foundation of financial security in place. Here are a few questions to consider:

- Do you have sufficient emergency funds set aside?
 - Have you reviewed your income and asset protection in the event of your death, disability or illness?
 - Have you reviewed your will and estate planning strategies to ensure that provisions are in place for your children?
- Once you are a parent, there are many new things to consider, including planning for your child's post-secondary education. If you are in a position to start saving a little extra, talk to your financial advisor about savings strategies that may include opening a registered education savings plan (RESP). The benefits of an RESP include a contribution from the federal government through a Canada Education Savings Grant. Saving early can help this money grow over the long term until your child is ready to pursue a post-secondary education. A financial advisor can help you plan how to allocate your savings to achieve your financial goals. 📌
- If your income changes when you become a parent, will you be able to manage your debt, cash flow and savings, or do you need to make adjustments?



Tax basics

Kristine Greenfield, Financial Consultant

FAST TRACK

- Hiring a tax specialist, rather than doing your taxes on your own, can be worth the additional cost. Over the long term, it can save you significant time and money.
- In Canada, federal and provincial income tax is calculated on the worldwide income you earn each year. The provincial jurisdiction is based on where you lived on December 31 of the year.
- If you are self-employed, your income is taxed in the province where you earn it, regardless of where you live. Therefore, in some cases you may have to pay tax in more than one province.

TAX STATUS: EMPLOYED OR SELF-EMPLOYED?

In Canada, the tax system is based on self-assessment, which means taxpayers themselves calculate the taxes they owe, and those amounts are verified by the Canada Revenue Agency (CRA) through a review and audit process. With the exception of Quebec, CRA assesses the provincial and territorial returns as well.

For salaried employees, calculations by the taxpayer on the annual tax return are usually minimal, as your employer deducts taxes and other benefits, such as Canada Pension Plan contributions, directly from your earnings every pay period. The employer provides to the employee a T4 slip reporting this information on a calendar year basis. This is the case for salaried physicians who are employed by the government, including residents and general practitioners who are paid flat rates.

In contrast, self-employed people can generally deduct, from their gross income, all business-related expenses incurred to earn that income. This includes most physicians who opt for fee-for-service arrangements, alternative payment plans and by-the-hour payment. The list of potential tax deductions is extensive, but deductions should generally be assessed by a tax specialist on a case-by-case basis, as there are limitations and special rules for specific cases.

If you are self-employed, you will be held professional income to the tax authorities. To

help you with this, your provincial Ministry of Health (MoH) will send you an annual statement of your professional earnings. This information will also be shared with the federal and provincial or territorial governments in your jurisdiction to minimize tax fraud and potential oversights.

The MoH does not deduct the taxes you may owe from your income; instead, you will receive all professional earnings in full, barring a few very specific deductions, such as union dues. You are therefore responsible for paying all taxes owing each year. You may need to make quarterly instalment payments to CRA that are approximately equal, in total, to the amount of tax you are estimated to owe at the end of the year, if that amount is greater than the statutory thresholds.

OTHER TAX CALCULATIONS

In addition to your professional income, all other earnings and revenues are generally taxable. (Other earnings might include government benefits, such as employment insurance payments and investment income.)

Certain types of income are treated differently for tax purposes. For example, only half of your capital gains are included in your income in the year of disposition, while the other half is not subject to any tax. Capital gains or losses are calculated by determining the increase or decrease in the value of capital property, such as investments or real estate, excluding your principal residence, from the date it was acquired to the date it was disposed of or sold.

As you progress in your professional practice, be aware of the various tax deductions and tax credits you may be eligible for. These include tax deductions for eligible RRSP contributions and tax credits for eligible charitable donations and for tuition and education amounts, for example.

Your situation may grow in complexity from year to year. A tax specialist can prepare your tax return and provide valuable tax planning and specialized knowledge of the Canadian tax system that can have a significant impact on the calculation of your taxable income — especially for self-employed physicians. 🩺





Tax instalment payments: a year-by-year overview

Roxanne Forster, Financial Consultant

To ensure you avoid a potentially serious financial pitfall, it can be helpful to understand how tax instalment payments work before you start your practice. Here is a review of the basics.

TAX INSTALMENTS: THE BASICS

Many physicians need to make personal quarterly instalment payments to the government to cover their estimated tax liability each year.

Once you are in practice as a self-employed individual (or even if you have other forms of income, such as income from

another business or rental property), you will be responsible for declaring your income and paying the taxes owed each year.

This is different from your residency or if you are a salaried physician without other self-employment income. In these cases, your employer withholds the tax amounts you are estimated to owe and

remits them on your behalf to the appropriate tax authorities.

In addition, if you decide to incorporate your professional practice, your corporation may also be required to submit corporate tax instalments for your corporation.

How do you know how much to remit each quarter as a self-employed individual?

When you file your personal tax return each year, your tax advisor will help you calculate

the amount of total tax you should have paid during the year and the quarterly instalments you will owe for the coming year. (This article includes a detailed walk-through of your first four years in practice.)

If the quarterly instalments you pay are more than what you owe for the year and your calculations are verified by the tax authorities, the government will refund the overpayment to you. Conversely, if you have not paid enough, you will have to pay the difference no later than April 30 of the following year.

When do you pay?

Self-employed people, including physicians, are allowed to file their tax return for the previous year on June 15 of the following year (instead of the usual April 30 deadline). However, any taxes owing must still be paid by April 30; otherwise, interest charges begin accruing immediately on the balance you owe.

If you understand how the system of tax instalments works before you begin your practice, you can plan how much money to put aside. Failing to make payments on time can have serious consequences, including penalties and high interest charges, compounded daily.

In summary, it is important to establish an accepted system for estimating and paying your tax liabilities when you start your practice. Even if you are not required to make regular instalment payments in the first year of practice, you will owe unpaid taxes when you file your return for that first year and it will be much easier to get through this adjustment period and avoid accumulating debt if you have planned ahead.

MAKING TAX INSTALMENTS: HOW IT WORKS

Year 1: For self-employed physicians, the instalments you owe each year is calculated based on the information on your income tax return from the previous two years. However, in your first year of self-employment, you have no self-employment income on which to base the tax instalments for the current year.

Therefore, in their first year of practice, physicians are generally not required to

Once you are in practice as a self-employed individual, you will be responsible for declaring your income and paying the taxes owed each year, as well as paying tax instalments for the next year.

make instalment payments. This means, however, that you may have a large amount of income tax payable when you file your tax return for your first year of practice. Consider setting aside enough of your earnings in a savings account to cover your taxes. Otherwise, you may need to borrow the funds (with non-deductible interest paid) to cover the difference.

Year 2: Instalment payments are due March 15, June 15, September 15 and December 15 of each year. As noted above, at the end of your first year of self-employment, your tax advisor should help you determine the amount of tax you need to pay in quarterly instalments based on the taxable income reported on the income tax return you filed for your first year of self-employment. The federal government may also send you instalment reminders that include a suggested payment amount.

Typically, the amount of suggested instalment payments is based on the taxes you paid on self-employment income over the last two years. The practice of using two years of self-employment income to calculate instalment payments can mean your minimum required payments will be lower than your total tax bill for the year. It may also mean that in Year 2, you are required to make only the final two instalments rather than all four instalments for the year, and you will need to pay the difference when you file your annual tax return. So, in your second year of practice, it can make sense to set a portion of your gross earnings aside in a savings account (perhaps a tax-free savings account) to be able to make this potentially large payment of tax by April 30 of the next year.

Note, as well, that tax instalments are based on an estimate of your tax owing from self-employment income and the tax you

paid on that income in previous years. If your self-employment situation changes (e.g., if you earn less or more than in a previous year) the instalments will not have been adjusted to take this fluctuation into account.

Taxpayers have the option of estimating their instalment payments based on their prior-year net tax owing, or based on their estimate of tax owing for the current year. If you have had a change in circumstances such that you expect to earn less taxable income in any given year, speak to a professional tax advisor to decide whether it would be appropriate to reduce your instalment payments. If you choose to make instalment payments that differ from the amounts suggested on the instalment reminders, and you underestimate the amount of required instalments, you may find yourself owing interest and penalties on deficient instalments.

Year 3: In your third year of practice, the government will once again mail you instalment reminder notices indicating the suggested amounts you owe. Now that you've been in practice for two years, the suggested payments will capture two years of self-employment income. If your practice income has changed significantly since Year 1, consult your tax advisor to determine whether these suggested payments are sufficient and whether you should be putting additional funds aside for an April 30 tax liability.

Year 4: In the fourth year of your practice, your instalment payments will probably stabilize. As in previous years, the government will mail you instalment reminders indicating the suggested instalment amounts you owe. These sums are determined based on the income you declared in your two most recent tax returns. 📌

Incorporation

Thinking about incorporating?
Consider it carefully.

Melissa Plunkett, Rick Boulay

You may have heard that incorporating your medical practice can lead to big tax savings over time. While the opportunity to save money is certainly attractive, it's always prudent to analyze your personal financial situation and consider the risks and rewards before committing to a course of action.

Work with a financial advisor — who can keep abreast of the shifting tax and legal conditions — to ensure that you remain compliant with relevant tax laws and can take advantage of any new opportunities that may arise. In this article, you'll find the main advantages and possible disadvantages of incorporating and summary information on the tax implications of incorporating.

FAST TRACK

Incorporating your medical practice can offer two tax opportunities that can accelerate your progress toward achieving your financial goals:

- An increased capacity to save money through tax deferral and lower tax rates on corporate active business income.
- Enhanced tax-deferral strategies through effective investment and withdrawal planning.

WHAT IS INCORPORATION?

When you incorporate, you create a new legal entity: the corporation. The corporation becomes the owner of your medical practice, while the shares of the corporation are owned by you (the physician) and under certain circumstances, your family members. Additional shareholders and/or

structures (e.g., a trust or holding company) may also be relevant depending on your province and circumstances. You typically also become an employee, director and officer of the corporation.

When your medical practice earns income through a corporation, how that income is taxed depends on both the specific type of

corporation and the kind of income generated within it. Most incorporated medical practices will be established as Canadian-controlled private corporations (CCPCs), earning active business income, which means they are generally eligible for reduced tax rates on that income. Typically, income from your work as a physician is considered active business income.

For 2015, this small business tax rate reduction results in a tax rate of approximately 15% on the first \$500,000 of income. Investment income, in contrast, is not active business income and therefore is not eligible for the small business tax rate.

Note that there are provincial small business deduction limits as well, which may vary from the \$500,000 federal limit. The small business tax rate varies by province and territory.

POTENTIAL ADVANTAGES OF INCORPORATING

Tax deferral

Perhaps the most significant potential benefit of incorporation is the ability to defer tax on income earned within the corporation. Tax deferral allows you to invest (and grow) money that would otherwise be paid in taxes.

As noted above, incorporating generally allows you to pay the lower small business corporate tax rate on up to the first \$500,000 of active business income earned within the corporation (with the exceptions of Manitoba and Nova Scotia, where the upper limit is \$425,000 and \$350,000 respectively). The tax rate on this first portion of income varies from province to province, but the combined federal and provincial rate is generally about 15%. This means that once the medical practice has deducted all of its eligible expenses, any income remaining in the corporation is taxed at a lower rate

When your medical practice earns income through a corporation, how that income is taxed depends on both the specific type of corporation and the kind of income generated within it.

than it would be if it were instead earned and taxed in the hands of an individual.

It is worth noting that it is the corporation, and not the individual physician, that benefits from the reduced rate. For you to receive income personally, the corporation must pay you via a salary, bonuses or dividends. Also, note that the tax treatment of dividend, salary and bonuses income will vary. A concept called “integration” keeps the total tax paid (corporate and personal) similar regardless of compensation type. Your tax advisor and financial planner can help you determine when each type is most appropriate for you.

As an officer of the corporation, the physician ultimately makes the decision about how and when remuneration is paid from the corporation.

Income splitting

Income splitting is the practice of sharing or “splitting” taxable income between taxpayers, so that a lower overall rate of tax is paid than would be the case if the income were not shared or split.

In the case of an incorporated medical practice, income earned by the practice may be paid out in the form of dividends to the corporation’s shareholders. If your family members are shareholders of your professional corporation, tax savings can be achieved when the income is split between you and your family members and it flows to those members who are taxed at a lower marginal rate than you. This is expected to remain true, albeit with a reduced benefit, when the new federal income splitting credit is implemented.

There are a couple of caveats, however, regarding the use of income splitting as a tax-minimizing strategy. If you have minor children as shareholders, income splitting is limited as a result of the attribution or “kiddie tax” rules of the Income Tax Act. Under these rules, certain types of income received by minor children (including dividends paid from private corporations) are taxed at the highest marginal rates, without the basic personal exemption that would ordinarily be available. The tax implications of the attribution rules should be discussed with a tax advisor.

In addition to potentially paying dividend income to family members, incorporated physicians retain the ability to pay “reasonable” salaries to family members for services they perform — which means the amount must be comparable to what you would pay to an arm’s-length person for similar services.

Tax savings

In the most general terms, tax savings are accomplished through a professional corporation when funds are retained within the corporation and taxed at lower corporate tax rates, rather than being withdrawn and taxed at a high personal tax rate. Instead, the retained funds are withdrawn when a lower personal tax rate applies.

In a typical scenario, funds are retained in the corporation during your working



years (when they would otherwise be subject to high marginal tax rates, if you earned them directly), and withdrawn after you retire from active practice, when total taxable income, and thus marginal tax rates, are lower. Examples of other tax savings that may enhance the above include: health expenses, estate planning (e.g., managing double tax and/or corporate-owned life insurance), charitable activities (donating securities in kind), and business cash flow (asset purchases and/or debt repayment).

POTENTIAL DISADVANTAGES OF INCORPORATING

Increased costs and complexities

Incorporating can be both complex and costly. The costs associated with incorporation include initial set-up costs, ongoing legal and accounting fees, and may also include payroll taxes. When you are thinking about incorporation, assess whether these increased costs might eliminate the financial advantages of incorporating.

There can also be additional planning costs and expenses associated with incorporation, such as setting up family trusts, drafting shareholder's agreements or revising wills to reflect the new corporate structure.

Finally, every corporation must ensure that records and books are kept up to date and that taxes are paid. These ongoing tasks may include making regular corporate tax instalments and making periodic payroll remittances, as well as the annual requirement to file corporate tax returns and financial statements, establishing and maintaining separate bank accounts and recording directors' resolutions.

Retirement income for the incorporated physician

While retired physicians primarily draw dividends from their corporation, how they get there is frequently a combination of salary and dividends.

If, while in practice, you receive compensation in the form of dividends only, this income is not considered pensionable income for the purposes of making Canada Pension Plan (CPP) or Quebec Pension Plan (QPP) contributions, meaning no CPP/QPP contributions are payable on this income.

While this situation could be viewed as providing an advantage during your working years, it also means that you are not eligible to receive CPP/QPP income in retirement.

In addition, when you receive dividend income only, this income does not create registered retirement savings plan (RRSP) contribution room for you. This can aggravate tax management challenges on corporate investment income, which does not qualify for the lower small business tax rate.

If you receive compensation solely as salary, there can be missed tax opportunities, such as refundable tax credits and tax-free capital dividends. It is prudent to involve both your tax advisor and financial planner in your compensation plans.

In general terms, it is important to understand that the tax-deferral benefits of incorporation are only possible when earnings from the medical practice are retained within the corporation. Thus, if all funds are simply flowed through the corporation to you and none are retained in the corporation, the tax you pay will be comparable to

simply earning the income directly as a self-employed practitioner, without involving the complexities of a corporation.

CONCLUSION

Based on this review of potential advantages and disadvantages, it should be clear that incorporating can often make the most sense for those who are able to retain significant funds within the corporation. In addition, it can also make sense in situations where income splitting with family members is a possibility.

It can be difficult to predict the value of the benefits associated with incorporation over the long term, however. Your circumstances can change, as can tax laws, which might eliminate or diminish the tax advantages of incorporation that are available today, or, conversely, could make incorporation even more beneficial. In considering and timing your decision, assess multiple scenarios with the assistance of knowledgeable advisors.

The information in this article is current as of Dec. 5, 2014, and is for information purposes only. It is not intended to be used as direct investment, legal or tax advice, nor is it intended to replace the advice of an independent

QUICK PROS AND CONS OF INCORPORATION

PROS	CONS
Small business income tax rate up to \$500,000 (depending on your province or territory) of annual taxable practice income in the corporation.	Investment income earned by your corporation doesn't benefit from reduced tax rates.
Deferred payment of personal tax by leaving money in the professional corporation.	The corporation must file its own tax returns and make instalment payments.
May offer opportunities for income splitting.	The attribution rules in the Income Tax Act are complex and could mitigate income-splitting opportunities. Professional advice may be necessary to ensure the tax planning is sound.
Payment of a regular salary from your corporation can make personal budgeting easier.	Incorporation adds another layer of complexity to your day-to-day affairs.
Incorporated physicians can draw a mix of dividend income and salary to maximize tax-planning opportunities.	Dividend income does not qualify as earned income for the purposes of generating RRSP contribution room and does not provide an opportunity to contribute to the CPP/QPP.



Investing basics

Greg Alexander, CFP, Senior Financial Consultant

Depending on your financial goals, time horizon, risk tolerance and capacity for risk, a variety of investment products may be suitable for you. The range of available products includes individual stocks and bonds, as well as equity-based, fixed-income and balanced mutual funds.

Generally speaking, the investment returns for each of these products are proportional to the underlying risks they represent: a lower-risk investment will provide relatively lower returns with less volatility (or fluctuations in value over time); while a higher-risk investment may provide relatively higher returns, typically with greater accompanying volatility.

Investment products can be categorized into broad asset classes, or groups of securities that exhibit similar characteristics, behave similarly in financial markets and are subject to the same laws and regulations. The three main asset classes are cash and cash equivalents, fixed-income securities (bonds) and equities (stocks).

FAST TRACK

- A total wealth management plan, including a well-diversified portfolio, is key in helping you achieve your financial goals in all market conditions.
- Work with a financial advisor to identify your financial goals, risk tolerance and risk capacity. Your advisor will develop a comprehensive plan for your financial future and review it with you regularly.

CASH AND CASH EQUIVALENTS

This category includes short-term, generally safe investments that provide liquidity, or quick access to your money. Cash can be held in a bank account, while "cash equivalents" include Canada Savings Bonds, treasury bills and money market mutual funds. Cash and cash equivalents produce gains in the form of interest.

The expected returns for cash and cash equivalents are low compared with other alternatives. In addition, some of these options have non-redeemable terms to maturity, which means that you cannot access your money during the defined non-redeemable period.

FIXED-INCOME SECURITIES

"Fixed income" is used to refer to investments for which the borrower, or issuer, is obliged to make payments of a fixed amount on a fixed schedule. Typically, fixed-income securities are composed of institutional debt and provide gains in the form of interest.

A fixed-income investment tends to offer higher returns than cash and cash equivalents, but its value may fluctuate between the date of purchase and maturity. In addition, as with cash equivalents, some of these investments also have non-redeemable terms to maturity, which means that you cannot access your money during the defined non-redeemable period.

EQUITIES

In contrast to fixed-income securities, which represent debt, equities (or stocks) represent an ownership interest in a company. Equity investments can generate returns for investors in two ways: first, if the value of the equity (whether an individual share or a unit in an equity mutual fund) increases, called a "capital gain," and second, if the mutual fund or company pays a dividend. Neither outcome is guaranteed. Depending on various factors, the value of equities can go up or down.

Compared with fixed-income investments, equities historically have provided higher returns over time. However, investors are also exposed to a higher risk of losing a portion, or all, of their invested funds. As an owner (or equity investor), you are closely tied to the company's performance; as a lender (or fixed-income investor), you are taking less risk. The expected returns on these two types of investment reflect this difference.

INVESTMENT FUNDS

How can you invest in these broad asset classes? One common way is by using investment funds that may contain assets from different asset classes. When investors purchase investment fund units, they are pooling their money with other investors — gaining exposure to a wide selection of investments, managed by a professional investment manager.

Examples of investment funds include mutual funds, pooled funds, segregated funds and exchange-traded funds. These funds may invest in specific assets, such as varying kinds of bonds or stocks from specific industries or

Diversification consists of choosing securities with different risk and return characteristics, so that they will respond differently to the same market conditions.

geographical areas, or blending stock and bond investments into a "balanced" fund.

When you invest in an investment fund, you may receive returns when the fund units distribute gains and when the units appreciate in value. However, neither form of gain is guaranteed, and investors are exposed to the risk of losses in value.

DIVERSIFICATION

Ensuring that your investment portfolio includes a diversified mix of assets can help you achieve your goals. Diversification consists of choosing securities with different risk and return characteristics so that they will respond differently to the same market conditions. This process reduces the overall level of risk that your portfolio is exposed to and increases the probability of achieving your financial goals within the time horizon you have established.

Diversification is put into practice through asset allocation, the process of allocating your available funds across asset classes. An effective asset allocation for achieving a retirement goal in 30 years may be very different from the asset allocation required to help save money to buy a new house in eight years. This is why teaming

with the right financial advisor is such an important component of a successful wealth management plan.

INVESTING COSTS

When you are considering an investment decision, be aware of the investing costs you may face. For example, when you purchase investment funds, you will be exposed to several costs, including costs to pay the fund manager, costs to buy and sell holdings in the fund, and costs to assume the administration of the funds. These costs, which are generally expressed as a "management expense ratio" charged on each unit of the fund you own, will be deducted from any gains you receive on the fund units you hold.

In addition, if you are working with a financial advisor to purchase investment fund units, there may be upfront costs to purchase units of a mutual fund or fees that must be paid if you sell the fund units before a defined period of time has passed (typically five years or more). Alternatively, there are also costs to purchase and sell individual stocks and bonds, typically in the form of commissions on their purchase and sale.

When you are making your investment plans, it is important to understand and plan for the costs you may face. Make sure you have your questions answered before you proceed.

WORKING WITH A FINANCIAL ADVISOR

How can a financial advisor help? Advisors typically have tools that can help to identify your risk tolerance and risk capacity and can suggest an asset allocation that will help you to meet your objectives. Your advisor will construct a portfolio for you, taking into account the tax treatment of the various types of investment gains (including interest, dividends and capital gains) you may receive. 🧐





Protecting your lifestyle

Marc Ranger, CFP, CIM, Senior Financial Consultant

Have you ever thought about what would happen to your family's finances if an accident, illness, disability or death interrupted your career? While it's not pleasant to think about, the risk is real. However, many of these risks can be managed with an effective strategy, using life and health insurance as a risk management tool.

FAST TRACK

- Three main types of insurance can help secure quality of life for you and your loved ones — disability insurance, life insurance and critical illness insurance.
- Permanent life insurance can also play an important role in your financial planning by helping you secure quality of life for you and your loved ones, providing the flexibility to build estate wealth and diversifying your assets tax efficiently.

There are three main types of insurance to consider adding to your personal risk management strategy when you start your practice. These distinct types of coverage can:

- Provide an income if a disability prevents you from working, whether over the short or long term.
- Replace your future income and leave a tax-free inheritance for your family in the event of your death.
- Provide a significant tax-free lump sum if you are diagnosed with a serious illness.

DISABILITY INSURANCE

Given that your financial well-being can depend significantly on your ability to earn an income, disability insurance is likely the most important coverage all physicians should get, starting when they are new in practice. In fact, it is statistically more likely that you will become disabled during your working years than it is that you will die prematurely.

Disability insurance provides you with replacement income if you are unable to practise medicine as a result of an accident or illness (even a temporary illness, such as a depressive episode or recovery from surgery). This form of insurance allows you to maintain your lifestyle by helping to cover your living expenses and allowing you to keep making payments on student or other loans — or even contribute to a registered retirement savings plan (RRSP) or tax-free savings account (TFSA).

The amount of income you need to replace, in the event of a disability, should be based on your net income after professional expenses, but before taxes. Disability benefits are not taxable as long as the premiums are paid personally.

If you are purchasing disability insurance at the outset of your career, it is recommended that you choose an option that is indexed for inflation. It is also important to choose a coverage option that pays an

income benefit if you are no longer able to practise medicine. Called “own occupation” insurance, it protects you in the event you are unable to work at your chosen profession, even if you are able to perform other jobs. Other types of disability insurance coverage only pay an income benefit if you are unable to perform any job. Physician-surgeons, in particular, need coverage that recognizes them as disabled if they lose the use of a hand or a finger.

Other key provisions of a disability insurance policy include a guaranteed insurability benefit and coverage for partial, residual and total disability, as well as the elimination period.

Guaranteed insurability benefit

The guaranteed insurability benefit allows you to increase the amount of your insurance without having to provide medical proof of insurability. If you select this option, you will be able to increase your disability insurance coverage over time, so that it keeps pace with your rising income level.

In contrast to individual disability insurance plans, group disability plans typically do not allow for an increase in coverage without a medical examination. However, disability plans from provincial and territorial medical associations all include a guaranteed insurability benefit as part of their insurance offering to students and residents in most cases; thus, your disability benefits under your provincial or territorial medical association coverage will grow along with your career.

Partial, residual and total disability

Another important element is the definition of “disability.” Coverage can include partial, residual and total disability. Partial disability occurs when an individual becomes partially disabled but can continue in the same func-

tions in a reduced capacity; for example, for two or three days per week. Residual disability occurs when a disabled individual can still work but will earn less because of reduced productivity. Finally, total disability means the individual is unable to work at all.

Elimination period

The elimination period is the time between the onset of a disability and the point at which you are eligible for benefits. Think of it as a deductible period for your disability insurance policy.

Residents who have just started to practise medicine should give some careful consideration to choosing the right elimination period to meet their personal needs. If you have a heavy student debt load and possibly a mortgage and family in the picture, ask yourself whether you will have enough savings to cover all of your expenses for 30, 60 or 120 days, all of which are common elimination periods. Discussing your specific situation with your insurance and financial advisors is essential when making this decision.

Business overhead insurance

This form of insurance operates hand in hand with your personal disability insurance. Whereas disability insurance is structured to help pay for personal expenses, business overhead insurance covers your business expenses if you are unable to work.

What kind of expenses does it cover? For example, if you practise out of an office with a receptionist and use electronic medical records, you will have ongoing fixed business expenses (salary, electronic records billing) whether you are earning income or not.

If you become disabled and cannot work for a period of time, business overhead insurance can provide you with payments that can be used to cover your monthly business expenses. These payments can provide a financial bridge until you are able to return to work or until you are able to unwind any business contracts and financial obligations.

LIFE INSURANCE

Life insurance provides your beneficiaries with a tax-free payment, called a death benefit, that they can use to pay both immediate

expenses such as funeral costs, legal fees, estate liquidation and taxes, as well as debts such as your mortgage, business loans and the balance of your student loans.

The proceeds from the life insurance policy can also maintain or supplement your family's lifestyle by generating income that can cover any long-term expenses you may have in place or replace your future income.

When you are selecting life insurance coverage, it is important to accurately assess your insurance needs and your financial goals and choose coverage that meets them.

There are two types of life insurance — permanent and temporary (also called term) life insurance. Over your lifetime, you may have either or both types of life insurance. That's because some planning needs may be short-term or temporary in nature, while others will involve meeting long-term planning needs.

Permanent insurance can take two forms — whole life and universal life. Just as you may have both permanent and term insurance over your lifetime, you may also have one or several different permanent insurance policies depending on your situation.

How do you know how much insurance to purchase? One way is to add up your total debts (line of credit, student loans, mortgage, personal loans and any others) and any expenses that would arise from your death (funeral expenses, legal and accounting fees, costs of estate administration). Next, consider your long-term needs and any future financial goals. For example, think about your loved ones and how much income they would need to maintain their current and future lifestyle; that is, how much income they would need and for how long, including expenses such as post-secondary education for children. Then purchase coverage to clear your debts and provide sufficient resources to help meet your dependents' lifestyle goals.

The coverage needed to pay off debts may be temporary, but the costs of future income replacement are more permanent and also tend to increase over time because of inflation and the rising value of your income and financial net worth.

Similarly, as your net worth increases, you may need permanent life coverage to ensure that your estate will have enough liquidity to pay future capital gains tax and other costs that may arise upon death, such as restructuring or winding up a professional corporation. In addition, new needs may surface as you age (e.g., grandchildren, purchase of recreational properties, significant charitable gifts as part of your estate plan).

One advantage of permanent life insurance is that it can combine a flexible permanent life insurance contract with a tax-advantaged investment component.

Each kind of permanent life policy can contain these two components, but treats them differently. Whole life policies integrate the insurance and investment components, while universal life policies "unbundle" them. That means the owner of a universal life policy can manage the investments held within the policy's investment account directly. This option can be valuable if you want a hands-on approach to your investments and are willing to live with a bit more investment risk.

In contrast, if you prefer a more hands-off approach to investing and want to trade in a bit of return potential in exchange for added safety of your investments, whole life insurance may be best.

With both types of permanent life insurance, while you are living, you can often also access the values inside your policy in a tax-efficient manner if you have a need for cash. At death, permanent life insurance policies will pay to named beneficiaries a tax-free death benefit that can include the death benefit as well as the investment account. Finally, a mix of temporary and permanent coverage, meeting different needs, may be consolidated to reduce your insurance costs. To get the mix that's right for you, consult with a certified financial advisor who can help you choose from the many insurance options.

CRITICAL ILLNESS INSURANCE

If you are diagnosed with a critical illness, there may be significant financial implications. Aside from the costs of care and

treatment, recovery costs can include losses to personal wages and savings plans, and you may need additional child care.

The role of critical illness insurance is to protect you and your family from the stress of managing your household finances during this difficult time by providing a financial safety net.

Critical illness insurance works by providing a lump-sum payment if you are diagnosed with one of the conditions covered by your policy. These policies generally cover cancer, heart attacks, strokes and up to 25 other "catastrophic" illnesses as long as you survive for a minimum period — usually 30 days, though for some illnesses the survival period is 90 days.

The tax-free lump-sum benefit you receive will help finance your recovery, so you don't have to change your lifestyle. You can use the money as you please to pay your mortgage, pay down debt, pay for child care, adapt your home to suit your condition, make home-care arrangements, seek alternative medical care or even take a vacation to recover from the stress of your illness.

INSURANCE TAILORED TO YOUR NEEDS

Many provincial and territorial medical associations offer insurance solutions developed exclusively for physicians. These products have been designed specifically to add financial value and benefit the unique needs of physicians like you from the start of medical school and to grow with your career. Some independent insurance brokers also offer individual disability insurance products on a volume basis, which allows for some customization to medical students and residents.

Whatever you choose, consider working with a certified insurance advisor, as well as a financial advisor, to ensure you understand the benefits and costs of the options available to you. In particular, provincial and territorial medical association plan ownership structures benefit physicians by providing cost-effective protection that grows with your career. Individual insurance, when added to this base, can top up your foundational insurance protection and provide further tailoring to your needs. 🏥



To rent or buy a home?

Annette Howland, CFP, FMA, FCSI, Senior Financial Consultant

A great debate among young professionals is the rationale for home ownership. Is it better to jump into the real estate market early or are you further ahead financially if you rent for longer?

It can be confusing to work through both options and make the decision that you feel will set you on the path to financial success in the future. Part of the reason for this confusion is that home ownership and renting are not an “apples to apples” comparison. Here are some factors to consider.

FAST TRACK

- If you’re comparing home ownership and renting, be careful not to go on numbers alone. There are pros and cons to both options.
- If you decide to buy a home, make sure you consider protecting yourself and your family from some of the financial risks of home ownership. You can buy term insurance to help cover your mortgage payments in the event of disability or critical illness or to pay the mortgage off in full in the event of your death.

ARE YOU STAYING PUT FOR THE LONG HAUL?

One of the most important things residents should consider when thinking about buying a home is whether they plan to stay in the same city for a number of years. While housing prices generally rise over time,

which makes housing a reasonable financial bet, prices can be volatile in the short term. If you combine the short-term volatility with the high transaction costs of buying and selling a home (e.g., land transfer taxes, real estate agent fees, penalties for changing the terms of your mortgage), then

home ownership in the short term could end up losing you money. Instead, a home should be viewed as a longer-term investment, with a minimum of five years as a good guideline.

ARE YOU PREPARED FOR THE UNEXPECTED?

When committing to a mortgage payment, you must consider your ability to make the payments in even the worst-case scenario. Consider whether you could manage financially if, for instance, you or your partner became ill or disabled, or if you are thinking about taking parental leave. The maximum debt load you are comfortable repaying may be quite different if you suddenly have to live on one income, when you're accustomed to two. You can mitigate some of the risk presented by unforeseen circumstances by purchasing term insurance to cover the mortgage payment if you become disabled or critically ill or to cover the entire amount in the event of your death. Note that buying your own term insurance policy will be much cheaper than buying insurance through your lender.

In making your decision, avoid relying too heavily on the prospect of your home appreciating quickly in value. While it's possible that a property will rise in value over a few years, this is by no means guaranteed. In fact, home prices sometimes drop in the short term, and in some instances, could take many years to return to previous levels. Be wary of any plan to quickly "flip" a home in a brief period of a year or so and make a substantial profit.

COST COMPARISON

While you are new in practice and renting, you might think of your monthly rental payments as giving away your money to someone else: your landlord. But mortgage interest, house insurance, land transfer taxes, property taxes, condo fees, and legal and other selling fees can also reflect "lost" money from home ownership in the same way that rent is "lost" money.

Though buying can mean building financial equity in a property you own, you may decide that buying now (while you are new in practice) isn't the right choice for you. If that's the case, one benefit of waiting is that you can

carefully plan the purchase of a house and build it into your financial plan for the next few years.

For instance, by investing the difference you might have spent on a condo in a registered retirement savings plan (RRSP), together with other contributions, after five years you would be able to withdraw up to \$25,000 from your RRSP through the federal Home Buyers' Plan (provided certain criteria are met). This amount, combined with whatever you have invested in a tax-free savings account, can provide you with a nice down payment that you've been able to save in a tax-efficient way.

If you follow this path, you may find yourself with the home you want in the area where you will be practising over the longer term, without making purchasing decisions under the pressures of an uncertain future.

THE HIDDEN COSTS OF HOUSING

Keep in mind that there are many extra costs involved in buying a house. Some of these are one-time costs, such as moving

costs and buying appliances; others, such as maintenance costs, property taxes and property insurance, will be ongoing expenses. Mortgage loan insurance through the Canada Mortgage and Housing Corporation will also apply if your initial down payment is less than 20% of the total purchase price. This fee will range up to 3.15% of the amount of your mortgage and may be added to your mortgage amount.

MARKET CONSIDERATIONS

Finally, consider the economic climate when making a decision to purchase a home. In some regions, housing markets are expected to cool slightly, and price growth is expected to hold steady or even decline marginally. At the same time, although interest rates are expected to rise, they should remain low in historical terms over the near future. All in all, it's important to plan for uncertainties and to keep in mind that both the Canadian real estate market and the interest rate environment are unpredictable. Get professional advice before making a decision. 



THINKSTOCK

Professional liability protection

**Nick Farinaccio, Director, PTMA Relations and
John Feeley, Vice-President, Member Relevance**

Professional liability protection provides residents with assistance in the event of medico-legal difficulty. Most health care institutions require physicians and other regulated health care professionals to provide evidence of professional liability protection. The Canadian Medical Protective Association (CMPA) offers residents and licensed physicians medico-legal advice and assistance and, where required, pays compensation to those patients proven to have been harmed by negligent medical care. CMPA also provides education aimed at helping physicians manage medico-legal risk in their practice and enhancing patient safety. See CMPA's website at www.cmpa-acpm.ca for articles and eLearning activities.

CMPA offers unique, occurrence-based protection, which means members are eligible for assistance regardless of when a legal claim is made, if they were members at the time the care in question was provided. CMPA also protects retired members and the estates of deceased members. Because CMPA is not an insurance company, it does not charge premiums for its service.

Physicians pay a membership fee based on the type of medicine and the region in which they practise. Members can contact CMPA's medical officers for advice on a broad spectrum of medico-legal difficulties arising from their professional work in Canada, including:

- Civil legal action arising from a member's professional work
- Regulatory authority (College) complaints and investigations
- Coroners' inquests or other fatality inquiries
- Billing audits or inquiries
- Hospital privilege matters

- Criminal proceedings arising from a member's professional work
- Some general contract and research contract matters
- Privacy legislation breaches and privacy complaints
- Human rights complaints

MEDICAL MALPRACTICE SUPPLEMENT

If you expect to treat non-resident patients either regularly or occasionally, you may also need to supplement your medical malpractice protection with special non-resident coverage. Take, for instance, the case of a renowned Canadian plastic surgeon whose foreign patients regularly travel to Canada. If a patient later feels aggrieved, the surgeon runs the risk of having a lawsuit brought against him or her from the patient's home country. Regular medical malpractice protection may not apply in this case. The same

risk exists for family physicians and other specialists who treat non-resident patients. No successful physician has the kind of time it takes to find and consult lawyers in foreign countries or to travel extensively to participate in depositions and court-related activities, let alone any desire to place personal assets at the disposal of lawyers and legal systems. Speak to an insurance expert to protect yourself.

TAX TREATMENT OF CMPA MEMBERSHIP DUES

The annual membership fee paid to CMPA (less any rebate from a provincial reimbursement or other program) is deductible as an expense against the business income you earn as a self-employed medical practitioner. But the rules for a salaried physician (such as a resident or salaried Fellow) are more complex. Consult your tax advisor to decide on the best approach for you.

CMPA FEE SCHEDULE FOR 2015

DESCRIPTION (TYPE OF WORK CODE)	ANNUAL FEES ONT	ANNUAL FEES REST OF CANADA EXCLUDING QUE.
Administrative medicine — no clinical contact (20)	\$1,956	\$1,716
Allergy (40)	\$3,120	\$2,148
Anesthesiology (90)	\$12,852	\$8,688
Biochemistry — Medical (24)	\$1,368	\$1,380
Cardiology (70)	\$4,620	\$3,492
Clinical Associates — on a medical service (31)	\$4,668	\$3,156
Clinical Associates — on a surgical service (32)	\$2,316	\$2,232
Clinical fellow and physicians — no moonlighting (13)	\$2,316	\$2,232
Critical/Intensive care medicine (53)	\$7,944	\$5,364
Dermatology (44)	\$4,620	\$3,492
Diagnostic radiology (45)	\$7,944	\$5,364
Emergency medicine (82)	\$12,852	\$8,688
Endocrinology and metabolism (46)	\$2,316	\$2,232
Family medicine or General practice (35) (excluding anesthesia, obstetrics [labour and delivery], shifts in the emergency department and surgery)	\$4,668	\$3,156
Family medicine or General practice (73) (primary professional work in family medicine including shifts in the emergency department. If working primarily in the emergency department, choose code 82)	\$4,620	\$3,492
Family medicine or General practice (78) (including obstetrics [labour and delivery]. Also includes anesthesia, surgery and shifts in the emergency department)	\$12,852	\$8,688

(cont'd)

CMPA FEE SCHEDULE FOR 2015 (CONT'D)		
DESCRIPTION (TYPE OF WORK CODE)	ANNUAL FEES ONT	ANNUAL FEES REST OF CANADA EXCLUDING QUE.
Family medicine or General practice (79) (including anesthesia and surgery. Also includes shifts in the emergency department)	\$12,852	\$8,688
Gastroenterology (47)	\$7,944	\$5,364
Genetics — Medical (48)	\$1,956	\$1,716
Geriatric medicine (27)	\$2,316	\$2,232
Hematology (50)	\$7,944	\$5,364
Humanitarian work abroad excluding the USA (8)	\$612	\$612
Immunology — Clinical (42)	\$3,120	\$2,148
Infectious diseases (52)	\$3,120	\$2,148
Internal medicine and its subspecialties (54)	\$7,944	\$5,364
Microbiology — Medical (25)	\$1,956	\$1,716
Neonatal-perinatal medicine (66)	\$7,944	\$5,364
Nephrology (55)	\$4,620	\$3,492
Neurology (56)	\$12,852	\$8,688
Nuclear medicine (58)	\$1,956	\$1,716
Obstetrics with or without gynecology (93)	\$74,928	\$51,252
Obstetrics/Gynecology without labour, delivery or surgery (39)	\$7,944	\$5,364
Occupational medicine (51)	\$1,956	\$1,716
Oncology — Medical (59)	\$3,120	\$2,148
Oncology — Radiation (65)	\$3,120	\$2,148
Ophthalmology (60)	\$12,852	\$8,688
Otolaryngology (77)	\$12,852	\$8,688
Pain medicine without general or spinal anesthesia (38)	\$7,944	\$5,364
Palliative medicine (27)	\$2,316	\$2,232
Pathology — Anatomical (21)	\$7,944	\$5,364
Pathology — General (22)	\$7,944	\$5,364
Pathology — Hematological (23)	\$1,368	\$1,380
Pathology — Neuropathology (26)	\$1,368	\$1,380
Pediatrics (61)	\$12,852	\$8,688
Physical medicine and rehabilitation (27)	\$2,316	\$2,232
Psychiatry and addiction medicine (36)	\$4,620	\$3,492
Public Health and Preventative medicine (28)	\$1,956	\$1,716
Respirology (62)	\$4,620	\$3,492
Rheumatology (63)	\$4,668	\$3,156
Sport medicine (64)	\$3,120	\$2,148
Surgery — Assistance (no other professional work) (33)	\$1,368	\$1,380
Surgery — Cardiac (91)	\$18,360	\$16,476
Surgery — General (83)	\$18,360	\$16,476
Surgery — Gynecologic without labour and delivery (84)	\$12,852	\$8,688
Surgery — Head and neck (otolaryngology) (77)	\$12,852	\$8,688
Surgery — Neurosurgery (92)	\$46,260	\$32,388

(cont'd)

CMPA FEE SCHEDULE FOR 2015 (CONT'D)

DESCRIPTION (TYPE OF WORK CODE)	ANNUAL FEES ONT	ANNUAL FEES REST OF CANADA EXCLUDING QUE.
Surgery — Orthopedic (94)	\$18,360	\$16,476
Surgery — Pediatric (85)	\$18,360	\$16,476
Surgery — Plastic (86)	\$18,360	\$16,476
Surgery — Thoracic (87)	\$18,360	\$16,476
Surgery — Vascular (89)	\$18,360	\$16,476
Surgical consultations/Office surgical practice (37)	\$4,620	\$3,492
Teaching/Research work abroad excluding the USA (9)	\$612	\$612
Trainees — no moonlighting (12)	\$2,316	\$2,232
Trainees — with moonlighting (14)	\$1,956	\$1,716
Urology (88)	\$12,852	\$8,688



RECRUITING PEDIATRICIANS, GENERAL PRACTITIONERS AND SPECIALISTS



Telephone: 450 687 6888 ext. 109
Address: 3230 Curé-Labelle Blvd.
suite 305, Laval (Quebec) H7P 0H9

Due to an overwhelming demand for our services by our patients we are now actively recruiting general practitioners, pediatricians (generalist and specialists) to work under RAMQ and join us at AGOO MD, a comprehensive pediatric wellness center.

We provide **state-of-the-art infrastructure** including electronic medical records in a modern spacious facility with full coverage for secretarial and nursing support. Your patients will have access to all required medical and other health care services including dermatologist, endocrinologist, urologist, allergist, psychologists, nutritionists, social workers, speech therapists as well as parenting education and counselling.

Expedited access to laboratory testing and radiology will allow you to provide your patients with **easy and expedited care**.

Through our affiliations with medical schools and research organizations we also offer opportunities and will support you to pursue your own research ideas or to participate in **research projects** with other clinicians and researchers.

This is a great opportunity for young physicians beginning their career, for those in the middle of their career looking to enhance their experiences and scope and for those seasoned physicians looking to stay in practice at a reduced schedule.

We welcome full time, part time and even occasional positions.

Please contact us for more details. We are certain that our clinic and staff will impress you and the financial options will be appealing.

Please contact: Dr. Tina Sampalis, 450 687 6888 or email tss@agoomd.com

agoomd.com



Medical law

Chapter 5

- 64 The basics of informed consent
- 67 Disclosing adverse events to patients

Two key medico-legal issues new physicians should keep top of mind are those of informed consent and disclosure of adverse events.

Taking the time to obtain informed consent from a patient before treatment has shown to be good medicine indeed. Patients need to know the nature of the proposed investigation or treatment and its anticipated outcome, as well as the significant risks involved and any reasonable alternatives to the treatment. In the event the treatment does not go as anticipated and the patient experiences an adverse clinical outcome, it is important for the physician to discuss the unanticipated outcome with the patient or, with the patient's permission, the family.

Note: a related publication is available on the CMPA website at: https://oplfrpd5.cmpa-acpm.ca/documents/10179/24891/com_medico_legal_handbook-e.pdf/a603321b-0721-4574-b216-4fe5b5701c8e

In addition, the CMPA *Good Practices Guide* found at www.cmpa-acpm.ca/gpg is an extensive collection of patient safety resources and related cases.

The basics of informed consent

Dr. Lorraine LeGrand Westfall, FRCSC, CSPQ

The process of informed consent plays a major role in the physician–patient relationship. For consent to serve as a defence to allegations of either negligence or assault and battery, it must meet certain requirements. The consent must have been voluntary, the patient must have had the capacity to consent and the patient must have been properly informed.

Physicians may wish to consider the following points when obtaining informed consent from patients:

- Address any language, cultural or cognitive barriers to effective communication. Assess if the patient appears to understand the information being provided.
- Discuss the diagnosis with the patient. When there is reasonable uncertainty about the diagnosis, share this uncertainty, the reason for it and what possibilities are being considered.
- Discuss the proposed investigation or treatment, including the risks, in clear and understandable language.
- Inform the patient of other reasonable options for treatment and related risks. There is no obligation to discuss what might be clearly regarded as unconventional therapy; however, the patient should be made aware of other accepted alternatives and why the recommended therapy is being offered.
- Be alert to a patient's concerns about the proposed treatment and address them appropriately. A particular patient's special circumstances might require disclosure of potential (although uncommon) hazards of the treatment when these might not ordinarily be seen as material. The duty of disclosure extends to what the physician knows (or should know) the particular patient would deem relevant to a decision about whether or not to undergo treatment.
- Do not guarantee results. Encouragement about optimistic prospects for the results of treatment should not allow for misinterpretation by the patient that results are guaranteed.
- Inform the patient about the consequences of leaving the medical condition untreated. Although there should be no coercion by frightening patients who refuse treatment, a physician has an obligation to inform the patient about the potential consequences of refusal.
- Do not fall into the "don't ask, don't tell" trap. Although a patient may wave aside all explanations, ask no questions and be prepared to submit to the treatment whatever the risks may be without any explanatory discussion, a physician must continue to provide sufficient information for informed consent.
- It is prudent to discuss the limitations of an investigation or procedure (e.g., failure

For the physician to declare any clinical situation an emergency for which consent is not required, there must be demonstrable severe suffering or an imminent threat to the life or health of the patient.

- rate of a test to detect serious conditions such as cancer).
- Pay special attention in obtaining consent for cosmetic procedures. When obtaining consent for cosmetic surgical procedures or for any type of medical or surgical work that may be less than entirely necessary for the physical health of the patient, take care to fully explain the risks and anticipated results. As in experimental research situations, courts may impose a higher standard of disclosure in such circumstances.
- Be aware of Telehealth encounters. Telehealth can present a unique set of circumstances that may be novel to both the patient and the health care provider. In such circumstances, an explicit consent process may be prudent. Areas a physician might consider addressing in the consent process include the limitations of this assessment modality, alternative assessment options, roles and accountabilities of the participants, ongoing care responsibilities, and the capabilities and limitations of the technology (including backup plans) in the event of a technology failure.
- Inform the patient about who may be involved in providing care; for example, if part or all of a treatment is to be delegated to a trainee. The patient should also be reassured about the quality of that care and the measure of supervision that will be exercised.
- Ask the patient if there are any concerns. Give the opportunity to ask questions. Answer the questions and assess if the patient appears to understand.
- If a patient refuses investigation or treatment, explain the actual or potential consequences of this decision.
- Remember that print material, videos and other handouts can all support the consent discussion, but do not replace it.

- Write it down! A written note documenting the consent discussion can later serve as important confirmation that a patient was appropriately informed, particularly if the note refers to any special points that may have been raised in the discussion. Document the consent discussion in the medical record in a timely manner. The note might contain the following:
 - Major risks discussed
 - Minor but important risks mentioned
 - Questions asked by the patient and the answers given
 - The patient's apparent understanding, especially if it is a young person, or one whose mental capacity or competency might be questioned
 - Any handout materials provided to the patient

In Québec, 14-year-olds must consent to proposed treatments. Consent is required from a parent or tutor, or from the court, for treatments offered to minors under the age of 14 or for any patient considered incapable of giving consent. In other parts of the country, minors' capacity to consent must be established by determining the extent their physical, mental and emotional development will allow them to comprehend the nature and consequences of the proposed treatment and, specifically, of the refusal of such treatment. Generally, when minor patients are incapable of giving consent, parents or guardians are authorized to consent on their behalf and must be guided by the minors' best interest.

The Canadian Medical Protective Association (CMPA) posts a number of risk management resources on its website. CMPA's current online medico-legal resources include articles on documentation and consent. For more information, visit www.cmpa-acpm.ca

Alternatively, member physicians can also contact CMPA at 800-267-6522. If members do so, they will be placed in contact with a

medical officer who can provide them with confidential medico-legal advice.

EMERGENCY TREATMENT

The general rule that consent must be obtained before treatment is administered comes with an important exception — in cases of medical emergency when the patient (or substitute decision maker) is unable to consent, a physician has the duty to do what is immediately necessary in the interests of the patient, without consent. For the physician to declare any clinical situation an emergency for which consent is not required, there must be demonstrable severe suffering or an imminent threat to the life or health of the patient. It cannot be a question of preference or convenience for the health care provider; there must be a clear and certain need to proceed at the time. Further, in medical emergency situations, treatments should be limited to those necessary to prevent prolonged suffering or to deal with imminent threats to life, limb or health.

Even when the patient is unable to communicate in medical emergency situations, the patient's known wishes must be respected. Before proceeding, the physician will want to be satisfied there has been no past indication, by way of an advance directive or otherwise, that the patient does not want the proposed treatment. Further, as soon as the patient is able to make decisions and regains the ability to give consent, a proper and informed consent



must then be obtained for additional treatment. In some provinces, legislation permits the designation of a substitute decision maker to provide or refuse consent on behalf of the incapacitated patient. If the substitute decision maker is immediately available, emergency treatment should proceed only with the consent of that individual.

In urgent situations, it may be necessary or appropriate to initiate emergency treatment while steps are taken to obtain the informed consent of the patient or the substitute decision maker or to determine the availability of

advance directives. However, the instructions as to whether to proceed or not must be obtained as quickly as practically possible.

When an emergency dictates the need to proceed without valid consent from the patient or the substitute decision maker, a contemporaneous (at the time) record should be made explaining the circumstances that forced the physician's hand. If the circumstances are such that the degree of urgency might be questioned at a later date, arranging a second medical opinion would be prudent if possible.

THE BOTTOM LINE

When the patient or substitute decision maker is unable to consent and there is demonstrable severe suffering or an imminent threat to the life or health of the patient, a physician has the duty to do what appears immediately necessary without consent. Emergency treatments should be limited to those necessary to prevent prolonged suffering or to deal with imminent threats to life, limb or health. Even when the patient is unable to communicate, any known wishes must be respected. 🧐

THE CANADIAN MEDICAL PROTECTIVE ASSOCIATION

CMPA is a not-for-profit, physician-owned medical liability protection organization that provides education, advice and legal assistance to physicians in Canada. CMPA also assists physicians in identifying and managing risk in promoting safer medical care. Any physician licensed to practice in Canada (including medical residents) is eligible for CMPA membership.

Note: a publication on consent is available on the CMPA website at: <https://oplrpd5.cmpa-acpm.ca/en/web/guest/-/consent-a-guide-for-canadian-physicians>





Disclosing adverse events to patients

Dr. Lorraine LeGrand Westfall, FRCSC, CSPQ

ADVERSE EVENTS AND LITIGATION

Patients and families litigate for a variety of reasons. While financial need is certainly a factor, disappointment and anger over poor clinical outcomes or unfulfilled expectations also play significant roles. Surprise at unanticipated outcomes or the incidental discovery of important undisclosed details in and around an adverse event are also strong motivators. Patients and families sometimes state that litigation is an attempt to find out what happened after other attempts at communication and inquiry have not successfully answered their questions. Litigation

may also be an attempt to change the system so that similar events do not recur.

Physicians react to unexpected complications and poor clinical outcomes for their patients in a variety of ways. Most want to understand what went wrong. Moreover, most physicians experience a great sense of personal responsibility and are self-critical when an adverse event affects a patient. There is sometimes a tendency to attribute the cause of the harm to others before all of the contributing circumstances and facts are even known. All physicians are motivated to prevent, to the extent possible, the adverse event from happening again.

WHAT IS AN ADVERSE EVENT?

Patients deserve to know the reasons for unexpected clinical outcomes. The term "adverse event" refers to unintended harm from health care delivery, rather than the patient's underlying medical condition. The World Health Organization uses a different terminology focused on "patient safety incidents" that is being introduced to Canada. Whatever the terminology used, many of those charged with improving patient safety dislike the term "medical error" because it carries a sense of blame or fault that may be

inappropriate, especially when it is used before all the circumstances and facts about a case are known.

Although an undesired outcome may represent the progression of disease, sometimes care is at fault. Harm from health care delivery may unfortunately occur, despite the best of care. Such harm results most frequently from a recognized complication — an inherent risk of an investigation or treatment. For example, a patient with no previously known allergy to penicillin may suffer anaphylaxis from the drug. Harm may also result from failures in the structure and process of care, including issues in individual provider performance. The patient with a known allergy to penicillin reacting to the drug given by mistake would be an example.

Adverse clinical outcomes are not usually caused by negligence or fault.

In the courts, the medical standard of care to determine a physician's negligence or fault is not one of perfection, but rather the standard of care that might reasonably have been applied by a colleague in similar circumstances. The courts rely heavily upon the testimony of other physicians working in a similar specialty in the same kind of practice to help establish the applicable standard of care.

DISCLOSURE OF ADVERSE EVENTS TO PATIENTS

It is an ethical, professional and legal obligation to disclose to patients the occurrence and nature of adverse outcomes as soon as is reasonable to do so. Ideally, the communication of adverse events should be done in a gentle, non-rushed manner in a private setting. It is important to formulate a plan of communication before approaching the patient and family. But remember — before communicating directly with patients who have commenced legal action against them, members should consult the Canadian Medical Protective Association (CMPA) or legal counsel.

Note: a related publication is available on the CMPA website at: <https://opllfrpd5.cmpa-acpm.ca/en/web/guest/-/communicating-the-disclosure-of-harm-with-patients-after-an-adverse-event>

TIPS FOR DEALING WITH ADVERSE EVENTS

1. Deal with any emergencies and immediate health concerns.
2. Residents involved in an adverse event should report it to their supervising physicians and are encouraged to be present to observe the disclosure discussion as a learning experience. If time allows, CMPA members may wish to seek telephone advice from CMPA before communicating with the patient, family or hospital involved.
3. Give the patient factual clinical information about what has happened and the clinical nature of his/her condition as it now exists. Avoid speculation about what may have happened if a different course of action had been followed. Avoid attribution of blame, particularly concerning the care provided by others.
4. Provide recommendations to deal with the medical condition as it now exists, including alternate treatments and the risks and benefits of any other investigations and treatments. This is an informed consent discussion on how to move forward. Answer the patient's questions about the proposed treatments.
5. Maintain close communication with the patient and the family (with the patient's consent) about the ongoing clinical condition and any further plans for treatment.
6. Facilitate any necessary treatments and consultations.
7. Transfer care to another physician if the patient requests or prefers it or if the condition requires care that you cannot provide.
8. Express feelings of empathy, sorrow and concern as appropriate. Sharing sincere regret about what has happened, or wishes that the event had not occurred, is an entirely acceptable and desirable response. Sometimes, if the outcome is indisputably due to your improper care, you may acknowledge your responsibility.
9. Inform the patient about any process through which the event may be investigated, but be aware that there may be limitations on what information may be made available from further analysis.
10. Document the care and the discussions that occurred in a factual way after the adverse event. Never alter the record or change what had been written previously in any way.
11. Call CMPA if you are concerned about potential medico-legal problems as a result of what has happened.



So ... you're finishing residency

Chapter 6

- 70 Final steps
- 73 The Royal College of Physicians and Surgeons of Canada
- 77 The College of Family Physicians of Canada
- 83 Your professional advisory team

The finish line is in sight and you're excited to start your own practice, but this next stage can leave you more confused than you were on your first day in medical school. Which applications do you have to complete and when? Are you sure you have all the certifications you need? How much is all of this going to cost? Will someone please just tell you what to do?! This final chapter will help you with the administrative side of transitioning from residency or fellowship to practice.



Final steps

Dr. Brian Cummings, Physician Presenter, Practice Management Curriculum Program

Between exam preparation, increased clinical duties, research requirements and other academic and clinical responsibilities, senior residents have very limited time and resources. The key to avoiding costly delays in beginning your practice involves careful planning to ensure you satisfy all administrative and legal requirements. Although the demands of each situation are unique, the following points should be addressed before you begin your medical practice.

HOSPITAL PRIVILEGES

Most graduating residents will require hospital privileges. Filling out an application for hospital privileges can be time-consuming and usually requires significant documentation, including photocopies of medical licence(s), malpractice insurance certificates, records of immunizations, curriculum vitae, certificates of good standing. A fee (about \$100 to \$150) may be charged and the receipt should be retained for tax purposes. The accreditations committee of many hospitals only meets on a periodic basis. Try to have your completed application sub-

mitted and approved before the planned meeting to avoid unnecessary delays in granting your hospital privileges.

Today, many hospitals require verification that there are no criminal convictions against the applicant on the national police databank, so a certificate of adult criminal convictions is often requested. This will require completion of an application at your local police department and will take several days to one week of processing time. The cost is nominal (\$25 to \$50, plus applicable taxes). Keep your receipt for tax purposes.

FELLOWSHIP IN THE ROYAL COLLEGE OF PHYSICIANS AND SURGEONS OF CANADA

Residents enrolled in one of approximately 70 recognized specialty and subspecialty disciplines are invited to become resident members of the Royal College of Physicians and Surgeons of Canada (Royal College) (email membership@royalcollege.ca or cpd@royalcollege.ca). A physician may become a resident affiliate at any time during residency and resident affiliate status is free. Residents sit their respective certification examination in their final year of training and must apply one year in advance to confirm their eligibility to write the certification examination. Residents are encouraged to visit the Royal College website at www.royalcollege.ca or email info@royalcollege.ca to obtain up-to-date information on the application process, credentials and examination dates.

Successful completion of the examination, which may include both written and oral components, means that you are certified to practise in your particular specialty or subspecialty. You are then invited to become a fellow of the Royal College, which allows you to use the prestigious designation of FRCSC (surgical specialties) or FRCPC (non-surgical specialties), the symbol of your high-quality training and commitment to life-long learning. Receipts for examination fees, including assessment fees, as well as membership dues should be kept for tax purposes.

MAINTENANCE OF CERTIFICATION (MOC) — ROYAL COLLEGE

Fellows of the Royal College are required to participate in the Maintenance of Certification (MOC) program, which demonstrates ongoing commitment to continuing professional development and provides patients, employers, medical regulatory authorities and peers with evidence of continued competency. The Royal College works with medical regulatory authorities to keep the MOC program aligned with physician revalidation requirements. Visit www.royalcollege.ca for more information.

The MOC program reflects the Royal College's commitment to life-long learning as a professional obligation throughout a fellow's career. Participation in the program enables fellows to identify gaps between actual and optimal performance, participate in educational activities and document the impact of learning on practice.

The MOC program is based on a five-year cycle, with the first cycle beginning on January 1 of the year following admission to fellowship. Fellows complete a minimum of 40 credits in each year of a cycle by participating in continuing professional development activities and reporting the outcomes of those activities, and 400 credits during the span of a cycle. Fellows are asked to self-report their completed learning activities using MAINPORT at www.mainport.org on or before January 31 of each year.

As of July 1, 2013, resident affiliates who document learning activities in MAINPORT during their residency program can transfer up to 75 credits (25 in each of the MAINPORT categories of Group Learning,

Self-Learning and Assessment) into their first five-year MOC cycle following certification. However, to take advantage of this, residents must register as a resident affiliate, track their CPD activities in MAINPORT and subsequently join the Royal College as a fellow following certification.

CERTIFICATION IN THE COLLEGE OF FAMILY PHYSICIANS OF CANADA (CFPC)

When entering a family medicine residency program in Canada, trainees are automatically registered as resident members of the CFPC. In their final year of training, residents sit the certification examination in family medicine. Following successful completion of the exam, the program director notifies the CFPC of the physician's success at the end of residency and the candidate is moved from resident to certified status. At that point, the physician is entitled to use the designation "certificant" of the CFPC. Following certification, the CFPC will automatically notify your provincial chapter of CFPC, as well as the College of Physicians and Surgeons of the province or territory of practice.

MAINPRO (MAINTENANCE OF PROFICIENCY) — CME REQUIREMENTS FOR CFPC MEMBERS

All CFPC members who are in full- or part-time practice are required to participate in the College's continuing medical education (CME) program, referred to as Mainpro. Both certified and non-certified members are required to submit a minimum of 250 credits during each five Mainpro cycle. The exact distribution of credits (i.e., Mainpro C, Mainpro-M1 or Mainpro-M2) is dependent on the membership type and designations held by the member. The five-year cycle begins on January 1 following attainment of certification or membership. Residents, however, may carry forward a maximum of 30 Mainpro-M1 and five Mainpro-C credits into their first MOC five-year cycle. For further details, visit the CFPC website at www.cfpc.ca, contact staff at mainprocredits@cfpc.ca or call 1-800-387-6197 x243 or x204.

LICENSURE IN YOUR PROVINCE OR TERRITORY

Upon successful completion of either the FRCPC/FRCSC or CCFP exams, the respective national authority will communicate your success to the provincial or territorial authority where you will ultimately practise. Nevertheless, a complete application for membership to that respective provincial or territorial college must be made before beginning practice, with the understanding that your subsequent exam success will be transmitted at a later date. The application can be time-consuming and is not free. Hospital privileges are generally dependent upon successful admission to membership in the College of Physicians and Surgeons of your province or territory of practice. Applications for registration in the provincial or territorial college are generally assessed in the order received, with the peak period running from March to July. As such, it is advisable to contact your college in a timely fashion. For example, contact the college in April if you intend to begin practice in June or July to ensure that all required documentation will have been provided and that approval may be granted before the intended date of practice. Of course, keep your receipts for tax purposes.

PROVINCIAL OR TERRITORIAL MEDICAL ASSOCIATION MEMBERSHIP

Membership in your respective provincial or territorial medical association is generally a requirement to practise medicine in that jurisdiction. Although this application may sometimes be made subsequent to initiation of practice, it is wise to plan and budget for this requirement. While fees vary among jurisdictions, annual dues are often pro-rated for those practising for only a portion of the year, and discounts are sometimes available for physicians in their first and even their second year of practice. Graduating residents should contact their medical association to obtain the necessary application documents and enquire as to availability of discounts. Remember to keep your receipts for tax purposes.

The key to avoiding costly delays in beginning your practice involves careful planning to ensure you satisfy all administrative and legal requirements.

MALPRACTICE INSURANCE

It is imperative that your malpractice insurance is in force on the date you begin your medical practice. Fortunately, many residents have a portion or all of their Canadian Medical Protective Association (CMPA) dues paid by their employers. Upon graduation, however, you must arrange your own malpractice coverage. Before graduation, contact the CMPA (800-267-6522 or 613-725-2000 in the Ottawa area) to ensure that a successful transition will be arranged and coverage will be in force upon beginning practice. The Ministries of Health (MoHs) of many provinces and territories offer partial reimbursement of CMPA dues, depending on the jurisdiction and specialty of the practitioner. In addition, funding arrangements may be in place to allow minimal disruption of cash flow for physicians — a significant benefit for those in their first year of practice. Residents should contact their provincial medical association or MoH regarding the availability of such benefits.

For those physicians who, during their practice, find themselves treating non-residents in non-emergent conditions, obtaining malpractice insurance for non-residents in addition to CMPA coverage should be considered.

OBTAINING A BILLING NUMBER

Unlike the guarantee of employment income during residency, the majority of new family physicians and specialists will earn business income (i.e., fee-for-service [FFS]). To be able to bill for services provided, new practitioners must obtain a billing number from their province or territory's MoH in a timely fashion. However, eligibility for a FFS billing number is generally contingent on successful registration with the College of Physicians and Surgeons

of that province or territory, as indicated above. Without an approved billing number, you may not be able to bill for services provided or the revenue from such billing may be delayed, reducing your needed cash flow. Applying for a billing number early will minimize the usual administrative delay before the first payment arrives.

COMMUNICATION WITH YOUR MEDICAL SCHOOL AND PROVINCIAL COLLEGE

Generally, applications for hospital privileges or membership to your provincial or territorial College of Family Physicians or College of Physicians and Surgeons require a record of good standing from your medical school and/or the appropriate regulatory body of any province or territory where you practised medicine during your training. Although some provinces and territories may issue a certificate of standing without charge, most will require a small fee (\$25 to \$100, plus other applicable fees). Once again, keep these receipts for tax time.

CHANGE OF ADDRESS

As you begin professional life as a qualified specialist or family practitioner, don't forget to send your forwarding address and contact number to all pertinent individuals and organizations to ensure that no important documentation is lost or misdirected. Your program director, departmental secretary, provincial residency association and financial institutions, as well as the payroll department of your hospital, student accounts of your university and the Canada Revenue Agency, should receive your forwarding address and contact numbers. Consider having Canada Post forward your mail to your new address. This inexpensive and convenient service can be accessed online at canadapost.com

MOVING COSTS

Those residents relocating more than 40 km to a new site of employment or practice may be able to deduct certain moving costs not reimbursed by a potential employer against income from the new location. This may include travel costs, transportation costs for belongings and meals during travel, as well as lodging for a reasonable period while you are waiting for your new residence (usually up to 15 days). The costs of selling a former residence, including advertising, notary or legal fees, real estate commissions and mortgage penalties (i.e., if the mortgage was paid off before maturity) are also eligible. Individuals have the choice of calculating certain travel costs for the purpose of moving expense deduction on the basis of either a detailed or a simplified method (e.g., gas receipts for travel versus a set cost per km rate). For more information, consult your financial advisor or go to www.cra-arc.gc.ca and search for "moving expenses."

TAKE ADVANTAGE OF THE BENEFITS OF BEING A STUDENT

One of the last things residents may do before completing residency is to avail themselves of student rates when booking travel and accommodations to the designated site of their certifying exams. Residents are eligible for an International Student Identity Card (ISIC) and can book travel through TravelCuts, a travel agency with offices on most campuses. ISIC membership provides the convenience of a travel agency and generates considerable benefits and savings on both travel arrangements and accommodation. In addition, membership provides increased flexibility with regard to advanced purchase requirements and allows increased leniency in making changes to existing airline reservations. Membership is inexpensive and can be obtained at a TravelCuts office or travelcuts.com. Furthermore, students attending a Canadian Federation of Students member school, such as the University of Toronto, may be entitled to free membership. In addition, prudent residents may wish to renew subscriptions to select journals to get preferential student rates. 📖



The Royal College of Physicians and Surgeons of Canada

You will connect with the Royal College of Physicians and Surgeons of Canada (Royal College) when you start the application process to take your specialty certification exam. Many residents think the Royal College is a licensing or disciplinary body; however, that is not the case. The Royal College is the national, not-for-profit organization that exists to maintain the highest standards in specialty medical education and professional practice. The Royal College advances the highest standards and quality of health care and advocates for the improved health of Canadians on behalf of more than 44,000 members and resident affiliates. The Royal College supports its members by encouraging lifelong learning and assessment from residency to retirement; influencing health policy development, contributing to health system renewal, and providing funds for awards, grants, fellowships, visiting professorships, clinical traineeships, continuing medical education and medical research.

While your relationship with the Royal College will encompass much more than just the exams over the course of your professional life, the exams are likely your primary concern at this point in your career. The Royal College develops and administers certification exams to over 3,200 candidates annually. Exams for primary specialties take place in the spring, sub-specialty examinations in the fall. The organization's ability to deliver certification exams is largely dependent upon the contribution and dedication of more than 1,800 Fellows. These volunteer medical specialists and other professionals offer their time, energy and wide-ranging skills, providing invaluable expertise, experience and perspectives to ensure high standards are reflected in the certification exams.

When you complete the postgraduate residency education requirements and pass the exams, you are granted Royal College certification — evidence that you have met a single national standard for competency in specialty medicine. You will then be invited to join the Royal College and become a Fellow, earning the right to use the professional designation of FRCPC for physicians and FRCSC for surgeons. This professional designation signifies to patients, peers and regulatory authorities that you have met the high standards for specialty training and are committed to lifelong learning.

Did you know that you can be a Royal College Resident Affiliate for free?

Receive timely information on the credentials and exams processes, stay up-to-date with specialty medicine through our e-newsletter and enroll in the Maintenance of Certification (MOC) program, which now offers the ability to carry over some MOC credits into professional practice. Visit www.royalcollege.ca to become a Resident Affiliate today.

MAJOR FUNCTIONS OF THE ROYAL COLLEGE

Set standards in postgraduate medical education

The Royal College sets the requirements for specialty postgraduate medical education in more than 68 specialty and subspecialty areas of medical, surgical and laboratory medicine. As a leader in specialty medicine, the Royal College responds to and helps shape the medical education environment so that future medical specialists are competent and equipped to better meet the health needs of society.

You are no doubt familiar with the Royal College's CanMEDS Physician Competency Framework, which is organized around seven roles: medical expert, communicator, collaborator, health advocate, manager, scholar and professional. CanMEDS makes explicit the abilities that have been long recognized in highly skilled physicians. The CanMEDS competencies have been integrated into the Royal College's accreditation standards, objectives of training, final in-training evaluations and exam blueprints, as well as the MOC program. The CanMEDS Framework is currently being updated as part of the Royal College's Competence-by-Design (CBD) initiative.

The updated CanMEDS Framework is planned for release in late 2015. Learn more about CBD and stay in touch with the latest CBD updates and opportunities for consultation via the Royal College website at www.royalcollege.ca

Assess and accredit residency programs

The Royal College accredits the specialty residency program, which involves regular reviews of the training programs and resources of more than 750 specialty residency programs in 17 faculties of medicine to ensure they continue to meet the standards set by the Royal College.

Assess training and credentials of residents

The Royal College assesses the training and credentials of approximately 3,600 residents annually to determine their eligibility to write the Royal College certification exams.

Promote scholarship and innovation

Each year, the Royal College distributes more than \$1 million through its awards, grants, fellowships and visiting professorships.

Support professional development and lifelong learning

The Royal College maintains high standards in continuing professional development through its MOC program, which is mandatory for Fellows and also leveraged by other health care professionals. The MOC program offers a framework that promotes the enhancement of practice-based learning and specialty-specific knowledge, skills, attitudes, performance and, ultimately, health outcomes. The Royal College's innovative online tool and features within MAINPORT

The Royal College advances the highest standards and quality of health care and advocates for the improved health of Canadians...

(www.royalcollege.ca) help Fellows plan learning activities, track total learning hours, and document learning outcomes and specific learning activities in a simple and convenient way.

Influence health policy

The Royal College contributes to shaping key issues in specialty medicine and health care by engaging governments, partners and stakeholders in dialogues on patient safety, timely access to quality care, physician health and well-being, and health human resources. Work

in this area includes conducting health policy analyses and research and advocating with external stakeholders including federal, provincial and territorial governments and other medical organizations for sound health policy to meet societal health needs.

Communicate with members

To recruit, retain and serve its members, the Royal College implements activities to better understand the needs and interests of its current and prospective members, conditions and trends in the environments in which they

work, and whether its products and services address those needs and conditions. To this end, the Royal College regularly conducts surveys of current and prospective members.

International outreach

The Royal College promotes global standards and partners with organizations to build capacity internationally in specialty medical education and professional learning and development. We contribute to sustainable health systems and create opportunities for Fellows to participate in humanitarian projects.

REGISTERING FOR A ROYAL COLLEGE CERTIFICATION EXAM

As a resident in one of the Royal College's accredited specialty residency programs, you are progressing toward the Royal College examinations and certification in your specialty.

Please note, above all, that neither the Royal College nor your university can initiate the assessment process for a resident. It is your responsibility, as a resident, to establish and maintain your professional relationship with the Royal College.

Residents who wish to take the specialty certification examination of the Royal College must first have their residency training assessed by the Royal College to ensure that the specialty-specific training requirements have been met in a program that is recognized and approved by the Royal College. Applicants must contact the Credentials Unit one year before they wish to write the examination and apply for a preliminary assessment of training. You are encouraged

to apply well in advance of the application deadlines to avoid late penalty fees.

THERE ARE TWO EXAMINATION PERIODS

Spring for primary specialties

The assessment deadline is April 30, one year before you wish to take the examination (e.g., April 30, 2015 for the examinations in 2016); examination registration deadline is February 1 of the year you write the examination.

Fall for sub-specialties

The assessment deadline is August 31, one year before you wish to take the examination (e.g., August 31, 2015 for examinations in Fall 2016); examination registration deadline is May 15 of the year you write the examination.

Please make sure that you note the deadline to register for the examination as there is no opportunity to register after the deadline (February 1 for specialties and May 15 for sub-specialties).

Preliminary assessment of training

The application for preliminary assessment of training is not intended for applicants who have completed their postgraduate training outside of Canada or the United States. Please visit the Royal College website at www.royalcollege.ca for alternate routes to certification for international medical graduates for additional information.



THINKSTOCK

Complete and submit the application for preliminary assessment of training before April 30, one year before you wish to take the certification exams. Attach the appropriate application fee to your application, payable by credit card. Credit card authorization forms are included with the application package. As of January 1, 2014, the following fees apply:

- Preliminary assessment of training: \$645
- Evaluation of an additional specialty: \$330
- Surcharge for assessment of US training: \$355

Submit the application form, supporting documents and application fee by fax or mail by the deadline of April 30, 2015, in consideration for the examinations in the spring of 2016.

Royal College of Physicians and Surgeons of Canada
Credentials Unit, 774 Echo Drive
Ottawa ON K1S 5N8
Fax: 613 730-3707

The application process for a preliminary assessment of training may take up to six to eight months to be completed. Applicants will receive a ruling letter outlining the decision for their examination eligibility by December. Following the receipt of the ruling letter, the deadline to register for spring examinations will be February 1.

Please visit the Credentials and Examinations web page at www.royalcollege.ca for further information on how to apply. Questions about applying for assessment can be addressed to the Credentials Unit of the Royal College by email at credentials@royalcollege.ca or by telephone at 800-668-3740.

Surgical foundations examination

All applicants in the following surgical specialties must successfully complete the surgical foundations examination to obtain eligibility for the final examinations in their surgical specialty: cardiac surgery, general surgery, neurosurgery, orthopedic surgery, otolaryngology, plastic surgery and urology.

Applicants to the surgical foundations examination must also complete and submit an application for preliminary assessment of training as well as the fee of \$645 by the deadline of April 30, 2015 for examinations in the spring of 2016.

If you have already been assessed for the Royal College's surgical foundations examinations (surgical specialties only), you are not required to complete another application for preliminary assessment of training, but you must contact the Credentials Unit in writing at credentials@royalcollege.ca by April 30 of the year before you intend to take your final surgical specialty examination in order to continue the assessment of your final years of training. When contacting the Credentials Unit, please provide the following information: your full name, your

surgical specialty, the year you intend to take the final surgical examination, dates and rotations of your final years of residency training, proposed end of training date, and name and contact details for your program director.

Examination registration

Following the receipt of the assessment ruling letter from the Royal College Credentials Unit, you will be sent (via email) a notice of registration by the Exam Administration Unit to complete and submit the exam registration forms and payment to the Royal College, before February 1 (specialty exams) or May 15 (sub-specialty exams) of the examination year.

Registration is not considered complete unless the examination fee is submitted with the registration forms. Payment by credit card is preferred and you must submit a completed credit card authorization form. You may also submit a cheque or money order for the appropriate exam fee (Canadian dollars) with your registration forms.

Note that there is no opportunity for late registration. If you miss the exam registration deadline, you will be required to **wait until the following year** to take the examination.

- Principles of surgery: \$760
- Comprehensive: \$4,035
- Objective examination (all specialties) written only: \$2,005 (some Fall sub-specialties) 📄





The College of Family Physicians of Canada

CFPC values its members!

Congratulations on starting your career in family medicine! The College of Family Physicians of Canada (CFPC) looks forward to welcoming you as a valued member.

The following information provides you with a brief overview of CFPC programs and services that are in place to support you throughout your career as a family physician.

ABOUT THE CFPC

The CFPC represents more than 32,000 members across the country. It is the professional organization responsible for establishing standards for the training, certification, and lifelong education of family physicians, and for advocating on behalf of family physicians and the specialty of family medicine. The CFPC also accredits postgraduate family medicine training in Canada's 17 medical schools.

The CFPC is currently implementing an organizational capacity review and marketing strategy in an effort to enhance service levels for our members. Progress updates on these and other major initiatives will be provided throughout the year ahead.

In 2014, the CFPC celebrated its 60th anniversary as well as the 20th anniversary of its Research and Education Foundation. The College commemorated the occasion with a book, *Family Medicine: The Canadian Heritage / La Médecine familiale au Canada: Notre patrimoine*; an interactive website; and a video:

Book: Copies may be ordered from the **CFPC online store:** <https://store.cfpc.ca/products/gifts>

Boutique en ligne du CMFC: [<https://store.cfpc.ca/products/gifts?lang=fr-CA>]

Anniversary video (bilingual): <http://youtu.be/bvsyzO6ibu0>

Website: <http://familymedicineheritage.ca/>
<http://familymedicineheritage.ca/fr/>

Visit www.cfpc.ca and follow us:
College of Family Physicians of Canada:
@FamPhysCan

CFPC MEMBERSHIP

Upon successful completion of the Certification Examination in Family Medicine, residents become Active Members of the CFPC and the provincial Chapter in their home province. Some of the key benefits of CFPC membership include:

- Potential to earn and use special designations: MCFP (Member of the College of Family Physicians of Canada), CCFP (Certification from the College of Family Physicians of Canada), and FCFP (Fellowship in the College of Family Physicians of Canada)
- Access to MAINPRO+® (Maintenance of Proficiency) programs such as Self Learning® which support continuing professional development (CPD)
- Preferential rates for provincial annual scientific assemblies and for Family Medicine Forum (FMF)
- A complimentary subscription to *Canadian Family Physician (CFP)*, an internationally recognized, peer-reviewed medical journal
- Access to the Section of Teachers, the Section of Researchers, and the Section of Communities of Practice in Family Medicine, and numerous committees
- Advocacy and policy development initiatives; the College is at the table to represent you with governments, health care organizations, and key decision-makers
- Access to the Canadian Library of Family Medicine

INFORMATION FOR MEDICAL STUDENTS



Medical students enrolled in Canadian faculty of medicine programs can enjoy CFPC membership at no charge. All medical student members of the College automatically become members of the CFPC's Section of Medical Students (SOMS) and are represented by the SOMS Council.

Student members are welcome to join a Family Medicine Interest Group (FMIG) at their home medical school. FMIGs help raise awareness of family medicine, provide information about postgraduate training and practice, and create great net-

working opportunities. www.cfpc.ca/FMIGs.aspx.

The SOMS Council links the College with medical students in each university across Canada. Representatives on the SOMS Council come from FMIGs at each medical school. The Section sends two representatives to the Board of Directors of the College, where they represent the views and interests of students in the development of College policies and positions. www.cfpc.ca/SOMS

Student members receive free online access to CPD programs, access to the Canadian Library of Family Medicine, and a number of other benefits.

 [sectionofmedicalstudents](https://www.facebook.com/sectionofmedicalstudents)
 [@soms_cfpc](https://twitter.com/soms_cfpc)

INFORMATION FOR RESIDENTS

All first-year family medicine residents automatically become members of the College and the CFPC's Section of Residents (SoR). The Council of the SoR (its governing body) is composed of R1 and R2 representatives elected by their peers from each family medicine program. Resident members may enroll in Self Learning Interactive, our online CPD program, for the duration of their studies, **free of charge**.

The Council's mandate is to serve as a strong voice for family medicine residents. They offer a resident perspective on issues facing the CFPC and family medicine, provide input related to family medicine training in Canada, and participate in the development of CFPC initiatives and policies.

<http://www.cfpc.ca/SectionofResidents/>

CERTIFICATION EXAMINATION IN FAMILY MEDICINE

Through to December 2015, the CFPC will continue to implement a harmonized exam with the Medical Council of Canada (MCC). When meeting all other requirements of both organizations, candidates who are successful



Family Medicine Forum (FMF) 2015 — Please join us!

- Metro Toronto Convention Centre - November 12th to 14th
- Pre-conference day: November 11th for those with an interest in family medicine teaching and/or research

Watch for early-bird registration and related communications: fmf.cfpc.ca

on this exam will be granted Certification in Family Medicine from the CFPC (CCFP) and the Licentiate of the Medical Council of Canada (LMCC).

Effective January 1, 2016, the harmonized format of the examination will no longer be offered.

Candidates taking the Certification examination in 2016 or later will need to register separately for the MCCQE Part II in order to obtain their LMCC.

Further communication will be provided to all exam candidates and will be provided on the College website at www.cfpc.ca/fmexam/

EXCITING CHANGES TO MAINPRO® IN 2015!

Mainpro is an education program designed to support the continuing professional development of CFPC members. Participation in Mainpro is required for Active Members for maintenance of their

College membership and Certification.

Currently, there are three categories of Mainpro credits: Mainpro-M1, Mainpro-M2, and Mainpro-C. All members are assigned to a five-year Mainpro cycle, during which participants must earn and report a total of 250 credits to maintain their membership (MCFP) and certification (CCFP) designations. At least half of these credits (125) must be Mainpro-M1 and/or Mainpro-C credits. Additionally, members are required to earn and report a minimum of 25 credits annually, in any credit category.

Mainpro-C credits are linked to activities that promote performance/quality improvement and include a self-reflective component (e.g., practice audits and practice-based small-group learning). For each Mainpro-C credit earned, the CFPC provides a bonus Mainpro-M1 credit.

Mainpro-M1 credits are linked to structured learning programs, events, or activities that focus on enhancing knowledge and

skills integral to family medicine (e.g., accredited conferences, courses, and workshops; accredited hospital/clinical rounds and journal clubs; interactive, Internet-based continuing medical education (CME); Self Learning; and more).

Mainpro-M2 credits are linked to self-directed, unstructured CPD/CME activities (e.g., journal reading, teaching, podcasts), as well as non-CFPC-accredited live events such as American Medical Association accredited programs.

All Mainpro participants must report their CPD activities online at www.cfpc.ca/ReportCredits/.

MAINPRO+

As part of the CFPC's ongoing commitment to providing quality CPD, the Mainpro program is being enhanced to meet your changing interests and learning requirements. Beginning in 2015, some exciting

changes will take place. We call it Mainpro+!

Mainpro+ will be easier and more intuitive to use. New reporting categories will provide opportunities to earn credit for more practice activities, and there will be a new credit-reporting platform designed for an enhanced member experience.

EN: <http://youtu.be/HOLQnOoQp7s>

FR: http://youtu.be/6AyqlzNmt_o

You may also read about upcoming changes to Mainpro in a downloadable brochure at http://www.cfpc.ca/uploadedFiles/CPD/MainproPlus_BRO_2014_EN.PDF.

More information about Mainpro+ will be shared over the months ahead, and as always, the CFPC's CPD department staff are dedicated to supporting you throughout the transition. www.cfpc.ca/Mainprochanges/

Participation in Mainpro is optional for Resident Members. We encourage participation to become familiar with the Mainpro reporting system and structure and to ease the transition from Resident to Active Membership. As an incentive, up to 30 Mainpro-M1, and up to five Mainpro-C credits earned and reported during residency will be automatically carried forward to your Mainpro cycle as an Active CFPC member.

For more information, visit www.cfpc.ca/Mainpro_Residents.

SELF LEARNING®

Self Learning is a CPD program, created by family physicians for family physicians. Our content, selected by your peers, includes multiple choice and Short Answer Management Problem questions pulled from the current medical literature.

Self Learning provides your entire annual requirement for Mainpro-certified credits.

Available online and in print, it is CPD you can complete anytime, anywhere. slinfo@cfpc.ca.

TRIPLE C

The Triple C Competency-based curriculum was introduced by the CFPC in 2010, and residency programs are currently in different stages of implementation. The three Cs reflect the need for family medicine residents to receive training that is Comprehensive,

focused on Continuity of education and patient care, and Centred in learning specific to the needs of family physicians.

As you begin your family medicine career, the CFPC encourages you to consider becoming a clinical teacher. If this is of interest, stay tuned to learn more about the **Fundamental Teaching Activities Framework (FTAF) that will be coming in early 2015!**

- Check out the Triple C Toolkit at <http://www.cfpc.ca/TripleCToolkit/>
- Contact your university's Department of Family Medicine
- Contact the CFPC's Academic Family Medicine Department to learn more about teaching and learning in family medicine: triplec@cfpc.ca or 1-800-387-6197 ext 360

View Triple C Report Part 2 – Advancing Implementation: http://www.cfpc.ca/TripleC_pt2/.

TRIPLE C EVALUATION

The CFPC is evaluating the Triple C competency-based curriculum. Three resident surveys will be administered to assess Triple C outcomes: Time 1 (T1): entry to residency, Time 2 (T2): exit of residency, and Time 3 (T3): follow-up (three years after graduation). Each is intended to capture resident perceptions of family medicine; the training they received; and their intention of where, what, and how they will be practising family medicine, as part of a longitudinal study to determine the impact of Triple C. We hope you will participate!

Triple C Program Evaluation questions? Please contact Deirdre Snelgrove at 905-629-0900 (select 1 + 264) or dsnelgrove@cfpc.ca.

PATIENT MEDICAL HOMES

Patient Medical Homes (PMHs) are patient-centred family practices focused on meeting the health and wellness needs of each patient and the communities they serve. Through care delivered by a team of health professionals working together — physically or virtually — with the patient's family physician, the PMH benefits Canadians by providing them with timely access to comprehensive, continuing, coordinated care centred on their needs. The CFPC's vision is

that every person in Canada will have the opportunity to be part of a family practice that serves as a Patient's Medical Home.

www.patientsmedicalhome.ca/

Learn more about PMH "Best Advice" papers and self-assessment tool: <http://patientsmedicalhome.ca/self-assess/>

SECTION OF COMMUNITIES OF PRACTICE IN FAMILY MEDICINE (CPFM)

There are currently 19 communities of practice with active committees that include resident representation:

http://www.cfpc.ca/SIFP_Whats_New/

College members interested in one or more special interest area will benefit from networking opportunities, College advocacy and policy initiatives, and programs related to lifelong learning CPD needs. Members interested in being linked to one or more CPFM program should send an email to sifp@cfpc.ca indicating their interest.

FAMILY MEDICINE RESEARCH

The CFPC welcomes you to join its Section of Researchers (SOR): http://www.cfpc.ca/About_SOR/

Learn about the Section of Researchers' goals and objectives by reading our Blueprint for Family Medicine Research Success 2012-2017 at http://www.cfpc.ca/uploadedFiles/Directories/_PDFs/CFPC_Blueprint-Report.pdf.

AWARDS AND DEVELOPMENT

Through the CFPC's Research and Education Foundation (REF), the Awards and Development Program offers grants, scholarships, and awards to recognize and support family physicians, family medicine residents, and medical students committed to education, research, and excellence in family medicine practice. www.cfpc.ca/awards

The CFPC mobile app is available for smartphones and iPads to help you organize your schedule and submit your Mainpro credits.



THE FIRST FIVE YEARS IN FAMILY PRACTICE

In 2009, the College of Family Physicians of Canada (CFPC) recognized the unique needs of family physicians in early practice. The aim of the First Five Years in Family Practice (FFYFP) committee is to address concerns from trainees who, at the end of their training program, experience an “off the cliff” feeling when suddenly they are out on their own as independent practitioners in the vast and ever-changing world of family practice — sound familiar?

THINKSTOCK

THE FIRST FIVE CONCEPT IS BASED ON FOUR MAIN PILLARS

1. Connecting with CFPC: promoting a sense of belonging
2. Facilitating networks: encouraging peer support and mentoring
3. Career mentorship: getting timely advice
4. Continuing professional development: consolidating knowledge and skills early

LET CFPC KNOW WHAT YOU NEED TO HELP SUPPORT YOUR CAREER AS A NEW FAMILY PHYSICIAN

Last year, the CFPC asked its members what they need and where they want the College to dedicate efforts. Members said they want more practice management and leadership training in residency and more support in these areas in early practice. With that information, the CFPC is developing new programs, including FFYFP at provincial Chapters and programs at annual scientific assemblies. The CFPC is also expanding its presence at Family Medicine Forum (FMF). We currently hold sessions that focus on early career physicians as well as an FFYFP luncheon.

HOW CAN YOU GET INVOLVED?

The most valuable resource CFPC has to support members is the membership itself. CFPC's Facebook group has more than 1,500 members with active discussion on a number of topics. Some examples:

- "Does anybody do emergent/urgent home visits? What supplies do you carry? What about stuff for suturing?"
- "I'm planning to start my own practice. What are the things I have to look out for? And how much should I put aside for start-up expenses? Any ideas/suggestions are welcome."
- "Do those of you who do locums have your own contract to provide the clinics you work with, or do you just sign theirs/agree on things through email/phone?"
- "Quick poll — I'm wondering what the average starting panel size is for family docs around the country — particularly for salaried practice +/- inpatient coverage."

The Facebook page is a great way to get quick answers to your questions from someone who has been through it before. Search "First 5 Years in Family Practice — Canada" and join the discussion today!

GREAT PRACTICE MANAGEMENT RESOURCES

CFPC's Web page includes some great resources for starting up your practice, as well as links to clinical practice tools and guidelines. Think about making First Five Years your clinic browser home page for easy access to these tools!

Province-specific resources are also available to provide easy access to information on a variety of topics:

- Getting a billing number
- CFPC Chapters
- College of Physicians and Surgeons contact information
- Insurance coverage, locum information
- Canadian Medical Protective Association information
- Rural practice information
- Contact information for many other services

FIRST FIVE YEARS FACEBOOK JOURNAL CLUB

<https://www.facebook.com/groups/FFYFPJournalclub/>

Every couple of weeks, relevant and current articles in family medicine are posted. Members can then discuss the article for merit or application to practice.

Self-directed study and participation in this group counts for MainPro-M2 credits under the current system: 1 credit per hour of reading/participation.

FOR MORE INFORMATION:

firstfiveyearsCanada@cfpc.ca

www.cfpc.ca/FirstFiveYears

 "First 5 Years in Family Practice—Canada"

Provincial Chapters on Facebook include Ontario, Newfoundland and Labrador, Quebec, Nova Scotia, New Brunswick, Manitoba, and Prince Edward Island.

 @FirstFiveCanada

CFPC PROVINCIAL CHAPTERS

Do you have questions about getting started in practice in your province? Contact CFPC or your provincial chapter.

British Columbia
www.bccfp.bc.ca

Alberta
www.acfp.ca

Saskatchewan
<http://sk.cfp.ca>

Manitoba
www.mcfp.mb.ca

Ontario
www.ocfp.on.ca

Quebec
www.cqmf.qc.ca

New Brunswick
www.nbcfp.ca

Prince Edward Island
<http://pei.cfp.ca>

Nova Scotia
www.nsfamdocs.com

Newfoundland and Labrador
<http://nl.cfp.ca>

Nunavut*
www.nunavut-physicians.gov.nu.ca

Northwest Territories*
www.practicenorth.ca

Yukon *
www.yukonmedicalcouncil.ca

*Nunavut, Northwest Territories and Yukon members choose their own chapter to join. These links are to provincial licensing bodies.

Your professional advisory team

Dr. Brian Cummings, Physician Presenter, Practice Management Curriculum Program



Throughout this guide you have seen repeated reminders of the importance of consulting an expert on many of the legal, insurance, financial and taxation-related topics covered. But if you have not yet built a strong, reliable advisory team around you, where should you begin?

Your professional advisory team should be an integral part of your practice and will include a financial advisor, an accountant, an insurance advisor, a lawyer and a banking partner. A well-functioning professional advisory team can optimize the efficiency and effectiveness of your practice, as well as provide you with more time to devote to your respective patients and procedures and may increase any available free time you may enjoy.

FINANCIAL ADVISOR

In many ways, the financial advisor is the

"quarterback" of your advisory team. This professional should be much more than just an investment advisor to consult when you have disposable income to invest. In fact, a qualified financial advisor is even more valuable to you when you are in debt. He or she will work with you to address several essential financial matters:

- **Cash flow and budget** — Understanding your cash flow is the cornerstone to your present and future financial health. A cash flow statement is needed to develop a reasonable budget. Your financial advisor can show you how to assess

your cash flow and prepare an effective and efficient budget.

- **Net worth statement** — Most residents carry significant debt and therefore feel a net worth statement is of no value, since it is depressingly negative and in the "red." Not so! Your net worth statement becomes a benchmark for future comparison and is essential for effective financial planning.
- **Debt status** — In 2006, a study by the Canadian Association of Internes and Residents (CAIR) reported that the average debt per resident in Canada exceeded \$150,000. The interest obligation on this debt can be significant. For physicians considering the purchase of a home soon after completing residency, the subsequent debt load can easily exceed \$500,000 or more. By analyzing your debt status, a financial advisor can recommend measures

to efficiently reduce your debt load obligations. This will include weighing the pros and cons of consolidating student loans and other debts, such as credit cards carrying high interest rates, and attempting to minimize all your existing interest rates.

- **Personal line of credit and interest rates** — Your financial advisor will also help you negotiate with your banker for the best interest rates on your personal line of credit during medical school or residency. A concise and well-organized cash flow statement, net worth statement and business plan will be of great assistance when you are negotiating with any financial institution. On completing residency, you will have to renegotiate your personal line of credit.
- **Insurance planning** — Insurance will be a cornerstone of your financial plan, now and in the future. It's an important discussion early in your career, especially if you have debt, family or financial obligations, particularly when interest rates are generally favorable. Your financial advisor can conduct an unbiased review of your present and potential future liabilities to help you plan and act on your insurance needs, as well as identify potential providers (e.g., disability insurance through your resident association and/or your provincial or territorial medical association).
- **Incorporation planning** — The decision on whether or not to incorporate your medical practice is an important one involving a number of factors. A qualified financial advisor can help explain the pros and cons of incorporation, as well as refer you to tax and legal experts as needed. In addition, a qualified financial planner can help with developing a comprehensive wealth management strategy should you decide to incorporate.
- **Financial plan and investment strategy** — Once your financial advisor has gathered and analyzed all the above information, he or she can help you develop a financial plan and investment strategy that addresses your short-, intermediate- and long-term goals.

ACCOUNTANT

It is never too early to talk to an accountant. Accountants can provide advice on the tax deductions and credits that you can claim

A well-functioning professional advisory team can optimize the efficiency and effectiveness of your practice ...

now, as well as the expenditures made during medical school and residency that may be carried forward and deducted once you enter practice. Setting up personal and professional financial books and bank accounts before you start practice will save you a lot of time and money in the long run.

Residents and practising physicians who will be working on a fee-for-service basis, earning more than \$100,000 per year and/or considering incorporation, would greatly benefit from the services of a qualified accountant. A qualified accountant may not necessarily assist you in billing more but will allow you to keep more income after income taxes and other expenses.

INSURANCE ADVISOR

It's a common mistake for medical trainees to initially under-insure themselves, wrongly assuming they can defer buying insurance until they are earning more money in practice. All residents should have a detailed, objective review of their insurance needs to ensure they obtain the appropriate coverage. This will include an evaluation of different insurance packages, including:

- **Disability insurance** for income replacement — This should be re-evaluated annually during your residency.
- **Life insurance** — In addition to protecting your family income, life insurance is also about covering debt so your survivors are not left with this potentially large expense. You may not be as insurable tomorrow as you are today. Your health, good lifestyle and youth allow you to buy insurance at preferential rates.
- **Overhead insurance**
- **Critical illness insurance**
- **Property insurance for your home and personal goods**

- **Automobile insurance**
- **Professional liability insurance**
- **Extended health and dental insurance**

LAWYER

Physicians' exposure to lawyers during medical training is often restricted to malpractice issues. However, legal issues touch every aspect of a physician's personal and professional life. It is extremely important to seek professional legal advice before signing any contract. Remember, it's much cheaper to consult with a lawyer up front than it is to pay for a lawsuit later. In addition to contracts, legal advice should be sought for:

- Wills
- Powers of attorney for personal care and property, granting authority for another person to act on your behalf
- Personal and professional contracts
- Home purchase agreements
- Creditor protection
- Incorporation

BANKING PARTNER

The terms of banking packages and services are extremely important to all medical students and residents as the costs can be quite significant over the long term. Before approaching a banking partner for services, review the cost of banking fees and credit options (e.g., consolidating your student loans) with your financial advisor. Your objective will be to obtain low monthly fees and competitive rates for your personal and professional lines of credit. Even a reduction of 0.25% in your interest rate on your line of credit could make a big difference over five years. Your financial advisor will be of great assistance to you as you prepare for your negotiation with a financial institution. 📞



Provincial and territorial medical associations

Chapter 7

87	Doctors of BC
88	Alberta Medical Association
89	Saskatchewan Medical Association
90	Doctors Manitoba
91	Ontario Medical Association
92	New Brunswick Medical Society
93	Doctors Nova Scotia
94	Newfoundland and Labrador Medical Association
95	Medical Society of Prince Edward Island
96	Yukon Medical Association

If you're new to practice, you have many choices to make. One of the most important ones concerns the place you will begin practising, and in a country as large as Canada there are many options to consider. This chapter provides a road map that will help you investigate these choices. We began by asking our colleagues in the provincial and territorial medical associations about the things that make each of them unique. What is the job situation like? Is there a specific demand within certain specialties? Are there economic incentives available for new physicians? How is your province or territory different? Where can I look if I have additional questions? We know that new doctors have many questions about the opportunities available in different provinces and territories. This chapter is designed help you find the answers.



Dr. Sarah Bates
Family physician
Calgary, Alta.

New **ONLINE** PMI physician leadership courses

Effective communication skills for physician leaders

April 27, 2015 to June 7, 2015

September 14, 2015 to October 25, 2015

November 2, 2015 to December 13, 2015

Physicians will gain knowledge of concepts and key themes in effective communication to enrich their practice and will develop a greater understanding of their communication style and its impact on others.

Leadership begins with self-awareness

October 19, 2015 to November 29, 2015

The course promotes greater self-awareness by teaching the skills associated with examining one's own values and principles, thinking patterns, assumptions and emotional skills, and addressing strengths and limitations.



Register today

cma.ca/onlineleadership

 **@cma_learns**

Doctors of BC

WHY SHOULD I WORK IN THIS PROVINCE?

British Columbia has a number of collaborative programs, the result of a unique and innovative partnership between Doctors of BC and the provincial government. The programs target health care funding to address gaps in care. They also support doctors to provide quality patient care and enhance professional satisfaction.

British Columbia also offers a unique lifestyle. There is no other province in Canada that can offer the diversity provided by British Columbia — from remote mountain areas and large urban centres to island communities — there is something for everyone.

PROVINCIAL INITIATIVES

Through collaboration with Doctors of BC, the BC government, and health authorities, British Columbia offers initiatives such as:

- General Practice Services Committee: supports doctors by developing and implementing programs that improve both job satisfaction for family physicians and primary health care for patients
- Divisions of Family Practice: community-based groups of family physicians working together to achieve common health care goals
- A GP for Me: recognizes that doctor–patient relationships are vital to patient health and that family physicians are central to primary care delivery. Its goal is to improve primary care in BC by helping patients who want a family doctor to get one
- Specialist Services Committee: provides support for both the delivery of specialist services and the improvement of the specialist care system in BC
- Shared Care: provides funding and project support to family physicians and specialist physicians to improve the flow of patient care from primary to specialist services
- Practice Support Program: provides training and support for physicians and their medical office assistants (MOAs) designed to improve clinical and practice management and to support enhanced delivery of patient care
- RCCbc: established and funded by the Joint Standing Committee on Rural Issues, RCCbc develops and supports strategies that improve the health of individuals and rural communities while advocating for rural physicians in BC

TOP IN-DEMAND SPECIALTIES

All specialty areas in British Columbia offer opportunities. However, specialties that deal with complex care and/or chronic care conditions as well as conditions relating to aging offer the most opportunities.

EMR

Almost 95% of BC doctors are using computerized records, or EMRs, meaning that BC has one of the highest levels of EMR usage in the world — something we accomplished in just the last six years.

KEY URLS

Doctors of BC and joint programs:

doctorsofbc.ca

General Practice Services Committee:

gpscbc.ca

Specialist Services Committee:

sscbc.ca

Divisions of Family Practice:

divisionsbc.ca/provincial/home

Shared Care: sharedcarebc.ca

Physician Health Program of British Columbia: physicianhealth.com

OTHER USEFUL WEBSITES FOR PHYSICIANS

Rural Coordination Centre of BC (RCCbc):
rccbc.ca

Health Match BC:
healthmatchbc.org

College of Physicians and Surgeons of British Columbia: cpsbc.ca

British Columbia Ministry of Health:
gov.bc.ca/health

CONTACT INFORMATION

Doctors of BC

115 1665 W. Broadway
Vancouver BC V6J 5A4

800-665-2262 or 604-736-5551

doctorsofbc.ca [@DoctorsOfBC](https://twitter.com/DoctorsOfBC)

**doctors
of bc**
Better. Together.

Alberta Medical Association

LIVING AND WORKING IN ALBERTA

Alberta is a beautiful province, ranging from boreal forests to wide open prairies to the majestic Rocky Mountains. With a flourishing economy and a growing population of nearly four million, Alberta represents an excellent opportunity for a newly practising physician. There are plenty of choices, whether you would like to work in an urban centre or a rural community.

- Choosing Alberta: albertacanada.com

PROVINCIAL INITIATIVES

On May 30, 2013, the AMA membership ratified a new seven-year agreement with Alberta Health. The AMA agreement will offer new opportunities for physicians as a profession to have a voice in how the system is designed and delivered. It's an environment in which government is required to consult with the AMA on matters that "touch and concern" physicians. Read about the AMA agreement:

albertadoctors.org/services/physicians/our-agreements

- Reconfirmation of the AMA's role
- Sub-agreements covering electronic medical records, primary care, and system-wide efficiencies and savings
- Dispute resolution mechanisms
- Evergreen components for stability between agreements

SUPPORT AND ASSISTANCE PROGRAMS

A number of programs for physicians have been secured as part of the new agreement, including:

- | | |
|---|-----------------------------------|
| ■ Continuing medical education | ■ Practice management |
| ■ Medical liability reimbursement | ■ Business costs |
| ■ Parental leave | ■ Retention Benefit Program |
| ■ Physician and Family Support Program | ■ Rural, Remote, Northern Program |
| ■ Physician Locum Services (regular and specialist) | ■ Toward Optimized Practice |
| | ■ Physician Learning Program |

Learn more about these programs and other AMA benefits and services at: albertadoctors.org/services/membership-guide

KEY URLS

Alberta Medical Association (AMA) for resident physicians:

albertadoctors.org/services/residents

Manage your AMA membership:

albertadoctors.org/about/membership

LICENSURE

To practise in Alberta, you must be registered with the College of Physicians & Surgeons of Alberta (CPSA): cpsa.ab.ca

EMPLOYMENT OPPORTUNITIES

Alberta offers a wide range of general practice and specialty practice options. According to the Alberta Physician Link employment opportunities website, the specialties in the province with the opportunity for work include:

- General practice/family medicine
- General practice with a sub-specialty in palliative care
- Anesthetics
- General surgery or obstetrics
- Obstetrics, pediatrics and psychiatry

SEARCH AVAILABLE POSITIONS

- Alberta Physician Link: albertaphysicianlink.ab.ca
- Alberta Health Services: doctorjobsalberta.com
- AMA Physician Locum Services: albertadoctors.org/services/physicians/pls

CONTACT INFORMATION

Alberta Medical Association

12230 106 Ave NW

Edmonton AB T5N 3Z1

800-272-9680 or 780-482-2626

Fax 780-482-5445

amamail@albertadoctors.org



**ALBERTA
MEDICAL
ASSOCIATION**

Saskatchewan Medical Association

WHY SHOULD I WORK IN THIS PROVINCE?

Saskatchewan has several opportunities for physicians, both fee-for-service and alternate payment, in both urban and rural settings. Our compensation is competitive with, and in most cases exceeds, those in our neighbouring provinces.

Saskatchewan has a high quality of life. Once here, you will enjoy the many recreational opportunities and cultural amenities on par with much larger provinces.

Saskatchewan also has many other benefits such as affordable housing, no health care premiums, a provincial sales tax of 5% and short commutes.

PROVINCIAL INITIATIVES

Along with the Government of Saskatchewan, the Saskatchewan Medical Association (SMA) has established a physicians' Retention Fund that provides financial rewards for physicians who practise in the province for extended periods. Physicians who practise in Saskatchewan for a defined period of time will earn annual entitlements that will be paid to them at designated intervals.

The SMA also negotiated the Family Physician Comprehensive Care Program, intended to compensate family physicians who provide a full range of primary care services to their patients and to provide an incentive for more physicians to expand their practices and provide this full range of services for patients.

The Rural Physician Incentive Program will provide \$120,000 in funding over five years to recent medical graduates who establish practice in rural communities of 10,000 or fewer. The program is open to both Canadian and International Medical Graduates.

The SMA provides several programs for our members, such as annual funding for continuing medical education, funding for specialists, including the Specialist Physician Enhancement Training Program, the Parental Leave Program, the Rural and Regional Physician Enhancement Training Program and several other benefits for physicians across the province.

KEY URLs

Saskatchewan Medical Association:
sma.sk.ca

College of Physicians and Surgeons
of Saskatchewan: cps.sk.ca

Physician Recruitment Agency of
Saskatchewan: saskdocs.ca

Government of Saskatchewan
Ministry of Health: health.gov.sk.ca

University of Saskatchewan College
of Medicine: medicine.usask.ca

Professional Association of Internes
and Residents of Saskatchewan:
saskresidents.ca

Royal College of Physicians and
Surgeons of Canada: royalcollege.ca

College of Family Physicians
of Canada: cfpc.ca

TOP IN-DEMAND SPECIALTIES

1. General practitioner
2. Emergency medicine
3. Internist
4. Psychiatrist
5. Pediatrician

EMR

The Saskatchewan EMR Program was created to assist physicians with the implementation of EMR systems in their clinics. Physicians can realize many benefits from EMR software. For more information on converting to an EMR system or for assistance in optimizing the use of your system, please go to sma.sk.ca/emr

CONTACT INFORMATION

Saskatchewan Medical Association
201–2174 Airport Dr.
Saskatoon SK S7L 6M6
sma@sma.sk.ca



Doctors Manitoba

WHY SHOULD I WORK IN THE PROVINCE?

If you are looking for a location that delivers more than just outstanding career opportunities, a move to Manitoba will let you achieve just the right balance of work and play.

Manitoba offers a wide range of cultural and entertainment attractions for you and your family to enjoy. Choose from classical music and opera, high quality theatre, world-class art galleries, or a few fascinating hours in one of the province's many museums.

In rural Manitoba, festivals are held in many of our smaller communities — from Canada's National Ukrainian Festival in Dauphin and the Morris Stampede rodeo to the Icelandic Festival in Gimli and the Trappers' Festival in The Pas. Winnipeg, Manitoba's capital city, is a major economic and cultural centre for the prairie region of Canada, with more arts, festivals, cultural and entertainment choices than many larger cosmopolitan cities.

PROVINCIAL INITIATIVES

As a centre for health care research, Manitoba plays a strong national role in advancing health care practices. Practice opportunities range from small rural and northern communities to busy tertiary and trauma centres in Brandon and Winnipeg.

Supported by two teaching hospitals, the province boasts a variety of research facilities including the only Level 4 laboratory in Canada, as well as the National Research Council's Institute for Biodiagnostics.

Manitoba provides a number of incentives to physicians moving to the province including:

- a program to support the recruitment of specialist, provides up to \$15,000 to relocate to Manitoba in return for one year of service;
- a program to support resettlement provides up to \$20,000 to doctors who move to rural and remote locations in Manitoba.

As well, Doctors Manitoba operates a number of benefit programs to provide financial support or aid to physicians working in Manitoba, including:

- Continuing Medical Education Rebate Program
- CMPA Rebate Program
- Maternity/Parental Benefits Program
- Retention Benefit Program
- Insurance Program

TOP IN-DEMAND SPECIALTIES

The top specialties with the most opportunities for work in Manitoba are:

1. Family Physicians
2. Pediatricians
3. Psychiatrists
4. Internists

KEY URLs

Doctors Manitoba:

www.docsmb.org

Manitoba College of Physicians and Surgeons: www.cpsm.mb.ca

Manitoba College of Family Physicians: www.mcfp.mb.ca

Manitoba Physician Resource Coordination Office: www.healthemployment.ca

CONTACT INFORMATION

Doctors Manitoba

20 Desjardins Dr.
Winnipeg MB R3X 0E8
204-985-5888
general@docsmb.org



Ontario Medical Association

The Ontario Medical Association (OMA) represents the political, clinical and economic interests of the province's medical profession. By choosing to practise in Ontario, you will have access to the unique program and service offerings of the OMA.

SUPPORTING MEMBERS' PERSONAL AND PROFESSIONAL LIVES

Advantages Affinity Program: Enjoy preferred rates through great arrangements, uniquely tailored for members, in the following categories: travel and leisure; wireless communications; office telecommunications; courier services; moving and relocation services; fitness and health; and car purchase, lease and sharing.

OMA Insurance: Offers a complete portfolio of insurance solutions designed to meet the unique needs of medical students, residents, physicians and their families. Strictly not for profit, the non-commissioned team can focus exclusively on objective advice and service, using the group buying power of well over half of Ontario and Atlantic physicians to provide medical professionals with the right insurance coverage at every stage of their career.

Physician Health Program: Provides a range of confidential direct services to support the health, well-being and resilience of physicians, residents and medical students.

Technology and EMR: OntarioMD is a wholly owned subsidiary of the OMA that manages the EMR Adoption Program, funded by eHealth Ontario, and offers services to enhance EMR use.

Award-Winning Publications: *Ontario Medical Review* is a leading source of vital professional, economic, legislative and policy information affecting the medical profession in Ontario. *Scrub-In* is the only province-wide publication for medical students, providing relevant and informative student-driven content.

ADVOCATING FOR DOCTORS AND PROMOTING BETTER PATIENT CARE

Physician Leadership Development (PLDP): PLDP master's certificate (with support from the CMA), enables physicians in Ontario to expand and develop their leadership potential.

Health System Programs: Encompass a broad range of services that are designed to support and equip Ontario's physicians to be part of, or respond to initiatives or changes in Ontario's health care system. Included in HSP is Health Links, a provincial initiative that will leverage and support existing patient care networks and local partnerships across the continuum of care to improve care of complex patients.

Health Promotions Initiatives: Improve the health of Ontarians on behalf of Ontario's physicians, through a focus on advocacy for health protective policies and the development of educational material for patients on a variety of population health issues.

Empowering Health Care Advocates: The OMA's network of Health Care Advocates is a grassroots lobbying initiative for Ontario's doctors. As physicians, you are trusted and respected leaders in health care who know what's best for your patients and your community. As Health Care Advocates, part of your role will be to develop a relationship with your MPP as it is critical to influencing government policy. Health Care Advocates are provided skills training in the areas of advocacy, government, media and social media relations.

Physician and Stakeholder Engagement: Delivers enhanced engagement strategies to support the work of the OMA. It identifies areas for enhanced participation by members, including medical special interest groups, students, residents, women physicians and system stakeholders; and in response implements appropriate targeted engagement strategies. Within this portfolio are Regional Managers, Constituency Services and the PLDP. The work of PSE is informed by emerging issues, health programs implementation, health promotion and policy/issues consultation as appropriate.

Provincial Initiatives: Several benefit programs that can be accessed through the MOHLTC include: Medical Liability Protection, Pregnancy & Parental Leave Program, Continuing Medical Education, Northern Physician Retention Initiative, and Resident Loan Interest Relief Program.

TOOLS FOR MANAGING AN EFFECTIVE AND EFFICIENT PRACTICE

Practice Management & Advisory Services: Services and resources that help physicians maintain a successful medical practice throughout their medical career, including skills development, usable tools, and medical billings support.

Legal Services: Assists members with practice and regulatory issues, governance agreements between physicians, contracts offered by organizations such as hospitals and clinics, as well incorporation of physician practices via OMA Incorporation Service.

KEY URLS

Ontario's Doctors (OMA):
www.ontariosdoctors.com

OntarioMD: www.ontariomd.ca

Section on General & Family Practice (SGFP): www.sgfpnet.ca

College of Physicians and Surgeons of Ontario (CPSO): www.cpsso.on.ca

Ministry of Health and Long Term Care (MOHLTC):
www.gov.on.ca/health

HealthForceOntario (HFO):
www.healthforceontario.ca

Ontario College of Family Physicians (OCFP): www.ocfp.on.ca

CONTACT INFORMATION

Ontario Medical Association (OMA)

900-150 Bloor St. West
Toronto ON M5S 3C1

www.oma.org

info@oma.org or 800-268-7215



New Brunswick Medical Society

WHY SHOULD I WORK IN NEW BRUNSWICK?

Residents of the three largest cities of Fredericton, Moncton, and Saint John enjoy urban amenities with a friendly, small-town feel. Rural residents are never far from a major centre, due to the province's compact size.

Members of the New Brunswick Medical Society (NBMS) have access to benefits designed to support the work, health, and lives of physicians. Eligible physicians receive negotiated benefits delivered through the NBMS for continuing professional development, practice insurance, parental leave, and leadership development. We also ensure members have the latest information with members-only bilingual communications about the behind-the-scenes work of the NBMS.

PROVINCIAL INITIATIVES

The Physician Business Grant provides a \$15,000 grant to family physicians establishing a full-time, fee-for-service, community-based practice to assist with initial starting costs. The Location Grant for Physician and Grant for Specialists in Designated Fields Program provides \$20,000 to eligible family physicians starting practice in a rural area, as well as specialists in certain hard-to-recruit fields.

ELECTRONIC MEDICAL RECORDS

Velante delivers New Brunswick's EMR program on behalf of the New Brunswick Medical Society. When doctors enrol with Velante, they receive training and support to implement the provincial EMR in their office. Velante can also facilitate procurement of other related technology services, such as hardware and networking equipment and data migration.

USEFUL URLs

New Brunswick Medical Society: www.nbms.nb.ca

College of Physicians and Surgeons of New Brunswick: www.cpsnb.org

Vitalite Health Network: www.santevitalitehealth.ca/en

Horizon Health Network: en.horizonnb.ca/

New Brunswick careers in health care:

www2.gnb.ca/content/gnb/en/corporate/promo/careers_in_healthcare/PermanentPositionVacancies.html

TOP IN-DEMAND SPECIALTIES

1. Family Medicine
2. Ophthalmology
3. Psychiatry
4. Radiology
5. Internal Medicine
6. Pathology

WE'RE SOCIAL

Follow us on Facebook, Twitter and YouTube

CONTACT INFORMATION

New Brunswick Medical Society

21 Alison Blvd
Fredericton NB E3C 2N5
506-458-8860
Fax: 506-458-9853
nbms@nb.aibn.com



Doctors Nova Scotia

WHY SHOULD I WORK IN NOVA SCOTIA?

Nova Scotia offers physicians and their families a balanced life where work/life balance really can be achieved. In this part of the country, you'll find combinations such as cities and towns, beaches and seacoasts, history and culture, great food and wine and outdoor adventure. Whether you're looking for rural or urban living, you can build the life you want in Nova Scotia.

Doctors Nova Scotia is committed to working with all partners in health care delivery to ensure the province is positioned to recruit and retain talented and skilled doctors, introduce new and innovative ways to deliver health care and to continuously look for ways to improve patient care and access.

NEGOTIATES PHYSICIAN REMUNERATION

Doctors Nova Scotia is the sole bargaining agent for Nova Scotia physicians. It negotiates all funding contracts with the province on physicians' behalf.

OFFERS A COMPREHENSIVE PACKAGE OF BENEFITS

Doctors Nova Scotia offers members a comprehensive health and dental plan, life and disability insurance, parental leave, a Medical Student Bursary Program, and Physician Liability Premium (PLP) rebates.

INFLUENCES HEALTH CARE POLICIES

Legislation affects every aspect of the health care system including how physicians are compensated, how services are provided, and how unhealthy behaviours are restricted. That's why lobbying and legislation is a top strategic priority for Doctors Nova Scotia.

PROMOTES HEALTHY LIVING TO NOVA SCOTIANS

Doctors Nova Scotia is working to improve the health of Nova Scotians through supporting health promotion initiatives across the province. Most notably it created an award-winning Kids' Run Club that sees more than 18,000 kids get active every year.

SUPPORTS PHYSICIANS THROUGHOUT THEIR CAREER

Exclusive to Doctors Nova Scotia:

- Physician Navigator Program: offers guidance and moral support on what to expect throughout an investigation by the College of Physicians and Surgeons of Nova Scotia
- EMR Advisors: to support EMR adoption and utilization
- Professional Support Program: offers confidential help to physicians and their families who are experiencing problems — whether they are personal or professional, financial or psychological, psychiatric or addictive
- Business of Medicine: designed to assist physicians with the business side of running a practice

IMPORTANT RESOURCES

Doctors Nova Scotia: doctorsNS.com

Nova Scotia Department of Health and Wellness recruitment incentives:
physicians.novascotia.ca/incentives.html

Provincial Locum Program: physicians.novascotia.ca/locumservices.html

College of Physicians and Surgeons of Nova Scotia: cpsns.ns.ca

TOP IN-DEMAND SPECIALTIES

1. Family physicians
2. Internal medicine
3. General surgery
4. Anaesthesia
5. Obstetrics & Gynaecology
6. Ophthalmology
7. Psychiatry

PROVINCIAL INITIATIVES

Doctors Nova Scotia and the province are committed to investing in innovative practice solutions and health services to improve the system both for patients and physicians. Nova Scotia offers a variety of payment mechanisms to suit a variety of practice environments. Doctors are paid through fee-for-service, alternative payment plans, and academic payment plans. These payment mechanisms provide doctors an opportunity to work in rural areas, collaborative practices, or academic settings.

RECRUITMENT

Nova Scotia has developed a physician resource plan to identify need in the province for the next 10 years. The plan indicates the need to recruit 1,123 full-time equivalents (FTEs) over the next 10 years.

CONNECT WITH DOCTORS NOVA SCOTIA

Twitter: [@Doctors_NS](https://twitter.com/Doctors_NS)

Facebook: www.facebook.com/DoctorsNovaScotia

www.YourDoctors.ca

LinkedIn: www.linkedin.com/company/Doctors-Nova-Scotia/

Doctors-Nova-Scotia





Newfoundland and Labrador Medical Assoc.

WHY WORK IN NEWFOUNDLAND AND LABRADOR?

Working in Newfoundland and Labrador can mean everything from being at the heart of a vibrant, fast-paced tertiary care centre to providing essential services in a rural setting. The province is located at the most eastern edge of North America and is comprised of pristine forests, towering mountains and scenic coastlines. The natural beauty of this place is largely untouched and unspoiled with many areas to explore and experiences to savour.

In Newfoundland and Labrador, you will find a rich quality of life, supported by an economy that is leading our nation in economic growth. The province is a great place to raise a family with modern medical facilities, unlimited career opportunities, quality educational institutions, affordable housing and safe streets. With a population of roughly 527,000, you will find all the best amenities, while enjoying a lifestyle that still holds traditional community values.

You will also find Newfoundland and Labrador to be a very friendly and welcoming province. In fact, a large portion of our practising physician population is comprised of international medical graduates who now call Newfoundland and Labrador home. If a career path with a great sense of adventure appeals to you, please visit www.newfoundlandlabrador.com to learn more about our province.

PROVINCIAL INCENTIVES

The government of Newfoundland and Labrador offers a number of recruitment incentives, including bursary programs for medical residents and rewarding signing bonuses for practising physicians. Physicians may also qualify for retention bonuses based on practice location and salaried physicians may avail of paid education leave.

Newfoundland and Labrador is also home to a world-class medical school at Memorial University, which includes postgraduate residency training programs. Memorial is home to cutting-edge research centres and facilities that offer accredited continuing medical education programs to enhance your advanced skills. Memorial recently expanded its medical school, which has led to increased opportunities for clinical research and teaching.

The NLMA looks forward to assisting you in any way possible to make your transition to your new practice location a satisfying one.

ABOUT THE NLMA

The Newfoundland and Labrador Medical Association (NLMA) is committed to supporting you at every stage of your career. As the representative for physicians in negotiations, the NLMA is dedicated to negotiating compensation and benefits packages with the provincial government. Our top priority is ensuring that all physicians achieve equitable remuneration and have the appropriate resources they need to achieve a healthy balance between professional obligations and personal life. In recent years, the NLMA has negotiated lucrative contracts that have significantly improved our ability to retain and attract new physicians to the province.

While negotiations and physician representation may top our agenda, there are many other important benefits of NLMA membership. As a member of the NLMA and CMA you will have access to products and services designed to meet your personal, professional and financial needs. Members also have access to a robust physician health program, leadership development opportunities and group insurance plans, as well as a group RRSP for salaried physicians. Please visit our website at www.nlma.nl.ca to learn more about other benefits of membership with the NLMA and the work we are doing on behalf of all physicians in Newfoundland and Labrador.

KEY URLS

The College of Physicians and Surgeons of Newfoundland and Labrador
www.cpsnl.ca

Practice Newfoundland and Labrador
www.practicenl.ca

Memorial University Faculty of Medicine
www.med.mun.ca

Newfoundland and Labrador Tourism
www.newfoundlandlabrador.com

Newfoundland and Labrador Medical Association: www.nlma.nl.ca

CONTACT INFORMATION

The Newfoundland and Labrador Medical Association

164 MacDonald Dr.

St. John's, NL A1A 4B3

709-726-7424 or 800-563-2003

Fax: 709-726-7525

nlma@nlma.nl.ca

Website: nlma.nl.ca



**NEWFOUNDLAND AND LABRADOR
MEDICAL ASSOCIATION**

Medical Society of Prince Edward Island

WHY WORK IN PEI?

Achievable work–life balance; a safe place to live; low housing costs; health care innovation; recruitment incentives; compensation among the highest in Atlantic Canada.

"I always loved the Island and it is like no other place in the world. I wanted to come here. It was like a second childhood to live in the country and enjoy all the Island has to offer; the beautiful scenery, the pace of life, the culture, the people and even an incredible professional opportunity to practise surgery in the Canadian system."
— Dr. David Bannon, MSPEI

MSPEI member benefits: CMPA reimbursement, contract negotiations, OMA insurance, Parental Leave Program, supplementary funding for continuing professional development, and inConfidence physician support program.

PROVINCIAL INITIATIVES

- Initiatives to enhance quality, access and efficiency are underway to address Health PEI's 2013–2016 vision: 'one island health system supporting improved health for Islanders'.
- Improving access to primary care is a priority for government and the medical community. Working collaboratively, the PEI College of Family Physicians of Canada and the Medical Society of PEI have initiated work in this area. Their vision is:
We, the family physicians of PEI, are committed to ensuring every Islander has a family physician and appropriate timely access to care through optimized primary health care teams.
- Advanced Clinical Access (ACA) projects developed to increase and/or improve access within a physician's office are ongoing. The initiative targets family physicians; projects will be explored with other specialties.
- Teaching opportunities exist for physicians. The province is designated a training site for the Dalhousie Family Medicine residency program and a host/preceptor for medical students and residents in a variety of disciplines.
- Financial incentives for new physicians include return-in-service grants, locum support and moving expenses for physicians. Go to Healthjobspei.ca

EMR

MSPEI is working with the provincial government and health authority to bring a "One Patient-One Record" to PEI in 2015. This includes securing a single EMR product in physicians' offices and integration with all electronic health systems.

A team of EMR physician leaders has been integral to achieving a more comprehensive and expedient way than has been achieved in other provinces.

TOP IN-DEMAND SPECIALTIES

1. Neurology
2. Addictions
3. Anesthesia
4. Psychiatry
5. Medical Oncology
6. Obstetrics/Gynecology

CONTACT INFORMATION AND KEY URLS

Medical Society of PEI

2 Myrtle St.,
Stratford PEI C1B 2W2
902-368-7303 or 888-368-7303
Fax: 902-566-3934
mspei.org
[Twitter.com/MSPEI_Docs](https://twitter.com/MSPEI_Docs)
Facebook.com/Medical-Society-of-PEI

College of Physicians and
Surgeons PEI: cpspei.ca

PEI College of Family Physicians
of Canada: pei.cfpc.ca

Health PEI: healthjobspei.ca

PEI Association for Newcomers:
peianc.com



Live Island Style
healthjobspei.ca



Yukon Medical Association

WHY SHOULD I WORK IN THE YUKON?

Robert Service described the Yukon as "A land where the valleys are nameless and the rivers run God knows where...". This only partly describes the awe that one feels when enjoying this most amazing place.

Discover the uniqueness the Yukon has to offer — a combination of challenging and fulfilling work opportunities and a lifestyle that is unmatched. The territory attracts bright, educated and independent people who seek a balance of professional, personal and family opportunities and interests.

In the Yukon, you have the opportunity to practise diverse, full-spectrum medicine and be part of a small, collegial medical community. The territory has world-class outdoor destinations and sports activities. Along with a rich arts and culture community, excellent educational facilities and French-language schools, the territory offers enriching small-community environments in which to raise a family.

If you would like to invest in that sense of adventure, either personally or vocationally, give the Yukon a try. Come, do a locum, see how the practice feels and experience all the Yukon has to offer.

MEDICAL SERVICES

Family physician services are provided in the capital city of Whitehorse and also in the communities of Watson Lake, Dawson City and Mayo. Resident specialist services in Whitehorse are general surgery, anesthesia, obstetrics/gynecology and psychiatry. In addition, there are 13 specialist services provided on a rotational basis through the Visiting Specialist Clinic at Whitehorse General Hospital.

Both Dawson City and Watson Lake have new community hospitals. Whitehorse General Hospital (WGH) is a 49 in-patient bed facility serving the region. Services at WGH include a fully equipped emergency department, ICU, OR suites, labour and delivery suites, First Nations health programs and full laboratory services. Diagnostic services include digital radiography, mammography, ultrasound and CT scanning. In addition, WGH just opened the first MRI suite north of 60.

Whitehorse and Dawson City are teaching centres for the family medicine departments at the University of Calgary and the University of Alberta — Rural Alberta North Program. A preceptor support fund assists local physicians who sign on for teaching duties.

Almost all medical clinics in the territory have electronic medical records and use Plexia Medical Systems. The hospitals use Meditech for medical records.

YMA BENEFIT PROGRAMS

For their members, the YMA administers 14 benefit programs. For physicians interested in relocating to the Yukon there are financial incentives, including the Recruitment Program, New Grads of CCFP/RCPSC Program, Relocation Program and Office Startup Program. Additional programs include the Retention Program, CME Program, CMPA reimbursement, locum support fund, maternity-parental benefits, Education Support Program, GP oncology training fund, and UpToDate group subscriptions.

GENERAL INFORMATION

Whitehorse
city.whitehorse.yk.ca

Dawson City
cityofdawson.ca

Watson Lake
watsonlake.ca

Yukon Tourism
travelyukon.com

Yukon Adventure Tourism
yukonwild.com

Yukon First Nations Tourism
yfnta.org

Yukon Arts Centre
yukonartscentre.com

Klondike Institute of Art and Culture
kiac.ca

CONTACTS AND RESOURCES

Yukon Medical Association
yukondoctors.ca
onemember.ca/yt
office@yukondoctors.ca

Government Recruitment Office
yukonmd.ca
yukonmd@gov.yk.ca

Yukon Hospital Corporation
yukonhospitals.ca



Yukon Medical Association

“ The RxTx Mobile App makes it easier and faster to make the right choices throughout a busy day in clinic. ”

Dr. Javed Alloo ▶
Family physician
Toronto, Ont.

CMA MEMBERSHIP JUST GOT EVEN BETTER

CPS app now available for CMA members

As you move through your residency and transition into practice you face mounting pressures. We are pleased to offer you a new indispensable and time-saving resource. The Canadian Medical Association now provides members with access to the RxTx Mobile App, which includes the CPS (Rx) and Drug Choices (Tx).

- Search across 2,000 product monographs and listings approved by Health Canada and updated regularly
- Includes evidence-based recommended pharmacological treatments for more than 200 conditions including relative cost
- Available in English and French on iOS and Android devices
- An exclusive CMA member benefit with a combined value of more than \$500 annually



Download today
cma.ca/cpsapp

ASSOCIATION
MÉDICALE
CANADIENNE



CANADIAN
MEDICAL
ASSOCIATION

**MD**

**MD Financial
Management**
CMA Companies

**“I INVEST WITH
MD BECAUSE
I TRUST THEM.”**

– Dr. Robert Tremblay, Family Physician

**MOST CANADIAN PHYSICIANS CHOOSE
MD AS THEIR PRIMARY INVESTMENT FIRM.¹**

MD is the only financial services firm created to meet the specific needs of physicians. We offer personalized, objective advice on everything from investments and incorporation, to insurance, banking, borrowing and estate and trust.

WHY WILL YOU INVEST WITH MD?

CONTACT AN MD ADVISOR TODAY TO DISCUSS
YOUR INVESTMENT NEEDS.

1 877 877-3706 | md.cma.ca/invest

¹Fifty-three per cent of Canadian Medical Association members chose MD as their primary financial services firm, with the closest competitor at 12%. Source: MD Financial Management Loyalty Survey, June 2014.

MD Financial Management provides financial products and services, the MD Family of Funds and investment counselling services through the MD Group of Companies. For a detailed list of these companies, visit md.cma.ca. Incorporation guidance limited to asset allocation and integrating corporate entities into financial plans and wealth strategies. Professional legal, tax and accounting advice regarding incorporation should be obtained in respect to an individual's specific circumstances. Banking products and services are offered by National Bank of Canada through a relationship with MD Management Limited. Credit and lending products are subject to credit approval by National Bank of Canada.

