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Dedicated to Ontario's Family Physicians and Their Patients

October 6, 2008

To: All Ontario Physicians

Re: Proposed New Compensation Contract

After extensive consultation with members of the OMA negotiating team and other leaders, and careful debate at our Board, we have decided to **NOT SUPPORT** the new deal offered by the OMA/MOHLTC. We outline our reasons below.

- **COMPENSATION**

First and foremost, this deal is about compensation for our work. As widely publicized in the media, the government has offered a 12.25% increase to our fees, distributed as follows:

- October, 2008: 3%
- October, 2009: 2%
- October, 2010: 3%
- September, 2011: 4.25%

However, a closer reading of the proposed deal reveals that physicians would be receiving only **one-half** of these increases, with the other half earmarked for correcting intersectional relativity disparities using complex formulas requiring the co-operation of the MOHLTC and the OMA. A few specialties are promised significant additional funds while others will get nothing extra. Some specialties, including Family Practice, are said to expect average amounts. The **actual fee increases** are therefore:

- April, 2008: 0%
- October, 2008: 0% + 3% remittance advice top-up
- October, 2009: 2.5% + ?
- October, 2010: 1.5% + ?
- September, 2011: 2.125% + ?

Since inflation for the coming year is predicted at 3 – 3.5% by most financial institutions in Canada, this puts the actual fee increases **well below inflation** (even if we received the full increases advertised in the deal, these would still be sub-inflationary). In other words, if this deal is accepted, **you will effectively be earning significantly less at the end of its 4-year term than at present.**

Where do our fees stand in relation to other provinces? According to the OMA, Ontario fees rank **seventh** at present, will temporarily increase to fourth with this deal, and will slip back to **sixth or seventh** place by the end of the 4-year term, as other provincial agreements take effect.

The government has argued, and the OMA appears to have accepted, that Ontario is facing dire economic times and that the provincial coffers are depleted, and consequently no more money is available. We acknowledge this present state of affairs, but what is the government really saying? It is saying that it cannot afford public Medicare in its present form, unless physicians subsidize it with **underpaid labour.**

Rather than exploring alternative funding models such as those used by virtually all other countries today, and which are being integrated into the healthcare systems of the other provinces in Canada, the government of Ontario is stubbornly clinging to an exclusive one-tier system, which has proven unworkable everywhere else. It expects physicians, as well as other healthcare workers, to bear the brunt of this political

THE COALITION OF FAMILY PHYSICIANS OF ONTARIO

decision, reality be damned. That is what the proposed contract is all about and that is why we urge you to **reject** it.

- **THE NEGOTIATION PROCESS**

We have been without a contract since April 1, 2008. It was the government who stalled and finally walked out of negotiations with the OMA, only to resume talks in September. The proposed contract does not provide for any retroactive increase or penalty for refusing to negotiate, and we have thus been deprived of any increase for the past 6 months. Contrast this with the situation in Manitoba, where a **retroactive raise** was given **with interest**.

We can only wonder why the OMA, our government-appointed and supported bargaining agent, has accepted this stance and urged us to accept the new deal nonetheless, rationalizing that it is the best deal that we can get. It is time to re-examine the relationship of the OMA to government, its guaranteed funding by compulsory collection of our dues (the Rand formula) bearing no relationship to performance as our bargaining agent, and the absence of a binding arbitration mechanism for dispute resolution.

The results of this negotiation process are that, according to even the OMA, our fees are perennially ranked in the bottom half of Canadian provinces, while our costs of practice are at or near the top. **We need better negotiating and a better deal.**

- **UNEQUAL PAY FOR EQUAL WORK**

The government is determined to push managed-care capitation models of healthcare delivery, despite the dearth of any clear evidence that they indeed work to produce a sustainable and high quality system. For the significant number of Ontario physicians who are paid fee-for-service, this means **lower compensation for the same work** as performed by their capitation colleagues, hardly a just state of affairs.

The COFP sees the proposed contract as simply propagating this injustice, and producing divisiveness rather than solidarity within the profession. While a divide-and conquer approach clearly benefits the government, it makes us easy targets for substandard deals, such as the present one being proposed, which **we urge you to reject**.

In summary, the COFP Board is NOT in favour of this contract offer. We believe that the OMA's best efforts are simply NOT good enough for the majority of Ontario's physicians.

We ask you to carefully consider the issues that affect your professional and personal lives, as well as the issues that affect our profession as a whole, when you vote on the proposed deal. We urge you not to be guided by fear of rejecting this contract – it already gives us nearly nothing, except the assurance that we will be worse off in four years than we are today. Can the government simply choose to actually give us nothing if this deal is rejected? This is not very likely, given the dire physician shortages of today, with other provinces and countries competing for scarce physician resources.

A rejection of the proposed deal will send a strong message to the government that we **demand** to be treated fairly and with respect, and we will no longer subsidize its political agenda with underpaid labour.

In closing, we will leave you with this question. **What do you have to lose by voting no?**

Sincerely,



Douglas Mark MD, President
and the Board of the Coalition of Family Physicians of Ontario