August 27, 2015

Dear [Redacted]

Re: Your request for access to information under Part II of the Access to Information and Protection of Privacy Act [Our File #: HCS/052/2015]

On August 7, 2015, the Department of Health and Community Services (the Department) received your request for access to the following records/information:

"1. Payments by Newfoundland and Labrador to or on behalf of the CMPA from 2006 to 2015; and 2. Copies of all correspondence or other documents between Newfoundland and Labrador and the CMPA related to the payments amounts required by the CMPA. For clarity, this would include any requests from Newfoundland and Labrador for justification of the amounts demanded by the CMPA, and any justifications given by the CMPA."

The Department has reviewed your request in the context of the Access to Information and Protection of Privacy Act (the Act) we are pleased to inform you that access to these records has been granted, in part. In accordance with your request for a copy of the records, the appropriate copies have been enclosed. Some information has been refused in accordance with the following exceptions to disclosure, as specified in the Act:

- Section 39(a) – Disclosure harmful to the business interests of a third party; and
- Section 35(1)(d) – Disclosure harmful to the economic interests of a public body

As required by 8(2) of the Act, we have severed information that is unable to be disclosed and have provided you with as much information as possible.

Please be advised that you may appeal this decision and ask the Information and Privacy Commissioner to review the decision to provide partial access to the requested information, as set out in section 42 of the Act: [http://www.assembly.nl.ca/legislation/sr/statutes/a01-2.htm]. A request to the Commissioner must be made in writing within 15 business days of the date of this letter or within a longer period that may be allowed by the Commissioner. Your appeal should identify your concerns with the request and why you are submitting the appeal.
The appeal may be addressed to the Information and Privacy Commissioner is as follows:

Office of the Information and Privacy Commissioner
2 Canada Drive
P. O. Box 13004, Stn. A
St. John's, NL. A1B 3V8

Telephone: (709) 729-6309
Toll-Free: 1-877-729-6309
Facsimile: (709) 729-8500

You may also appeal directly to the Supreme Court Trial Division within 15 business days after you receive the decision of the public body, pursuant to section 52 of the Act (a copy of this section of the Act has been enclosed for your reference).

Please be advised that responsive records will be published following a 72 hour period after the response is sent electronically to you or five business days in the case where records are mailed to you. It is the goal to have the responsive records posted to the Office of Public Engagement's website within one business day following the applicable period of time. Please note that requests for personal information will not be posted online.

If you have any further questions, please contact the undersigned by telephone at 709-729-7007 or by email at angelapower@gov.nl.ca.

Sincerely,

[Signature]

Angela Power
ATIPP Coordinator

/Encl.

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Mr Bruce Cooper  
Acting Deputy Minister  
Ministry of Health and Community Services  
Government of Newfoundland and Labrador  
1st Floor West Block  
PO Box 8700  
St. John’s NL A1B 4J6

Dear Mr Cooper:

I am writing with a two-fold purpose. My first objective is to enclose a copy of the Canadian Medical Protective Association’s (CMPA) 2009 Annual Report and financial statements. As described in the Report, 2009 saw continued success for the Association and the CMPA remains financially solid and well positioned to continue to provide assistance to its 78,500 members. The CMPA’s solid financial position should provide all stakeholders in the health care system, including governments, physicians and patients, with confidence.

The Report also outlines the Association’s ongoing efforts to contribute to safer medicine through education and risk management. In 2009, the CMPA reached over 26,000 physicians and other health care professionals through approximately 500 face-to-face educational sessions and tens of thousands more through print and Web-based educational materials. With a view to making CMPA’s risk management information more accessible, we launched CMPA Perspective, our quarterly publication aimed at improving the practice of our physician members. As part of the Association’s commitment to patient safety, we also made considerable progress, in consultation with Canada’s medical schools in developing medical legal risk management offerings specifically designed for medical trainees.

While the 2009 results are positive, increasing per case medical liability costs remain a source of concern. The CMPA continues to advocate for sensible adjustments to the current system to improve overall system efficiency while ensuring that appropriate compensation is provided to patients proven to have been harmed by negligent medical care. Internally, the Association remains committed to efficient and effective case management processes that, to the greatest extent appropriate, seek the early resolution of medical liability issues.

In 2009, the CMPA also completed a strategic review, culminating in the development of a renewed Strategic Plan for the 2011-2015 timeframe. This Plan was released during the Association’s annual meeting, held on 25 August 2010. Accordingly, my second purpose in writing is to enclose a copy of the new Strategic Plan for your information and to briefly highlight the five outcomes that are its foundation:

- Protecting Members’ Professional Integrity. Given the CMPA’s long track record of success, its high levels of member satisfaction and its current sound financial position, the Strategic Plan has a strong thread of continuity. At the centre of this continuity is our ongoing commitment to protect the professional integrity of our members- this remains Job #1 for the Association. However, the Plan also recognizes that the medical liability protection needs of our members are changing and our services and service delivery methods must also evolve to meet those needs.
• **Reducing Members' Medico-Legal Risk.** For many years, the CMPA has been a go-to source of practical risk management information used by physicians to reduce the medico-legal risk in their practices. I earlier noted the increasing reach of this information through both face-to-face presentations and through a growing set of delivery channels. The revised Strategic Plan retains this effort and sets the conditions for the development of information more tailored to the needs of specific member groups, such as medical trainees and international medical graduates.

• **Contributing to Safer Medical Practice.** The CMPA recognizes that advancements in safer medical practice most often require changes at the system level. With its extensive information holdings, the Association realizes that it can, in collaboration with others, make an important contribution to safer medical care. The renewed Strategic Plan commits the CMPA to greater information exchange and collaboration with stakeholders who share our goals for safer care.

• **Supporting an Effective and Sustainable Medical Liability System.** A sustainable medical liability system that provides physicians with confidence that they can practice medicine without fear of inappropriate financial or reputational harm is an important element of ensuring care is available for Canadians. The CMPA will continue to advocate for a policy environment that reasonably protects the interests of physicians and their patients in a manner that is sustainable over time.

• **Effective Governance and Management.** The CMPA's elected Council and its management team fully understand the responsibilities associated with stewardship of the resources that members have entrusted to the Association. The Association is committed to sound management practices and transparent performance reporting.

While I do not underestimate the various challenges facing the CMPA and our members as we move forward, I am confident the CMPA is well positioned to meet these challenges. The 2011-2015 Strategic Plan outlines the actions we will take to ensure we meet our commitments to members and stakeholders in a cost effective and efficient manner.

I am hopeful that you will find these enclosed documents informative; they can also be found (in both English and French) on the CMPA's Web site (http://www.cmpa-acpm.ca). If the CMPA can provide you or your staff with additional information on these issues, please do not hesitate to contact me.

Yours sincerely,

John E. Gray, MD, CCFP, FCFP  
Executive Director/Chief Executive Officer

Enclosures: 3
August 31, 2011

Mr Bruce Cooper
Deputy Minister
Ministry of Health and Community Services
Government of Newfoundland and Labrador
1st Floor West Block, PO Box 8700
St. John’s NL A1B 4J6

Dear Mr Cooper:

I am writing with a two-fold purpose. My first objective is to enclose a copy of the Canadian Medical Protective Association’s (CMPA) 2010 Annual Report and the Consolidated Financial Statements. As described in the Report, 2010 saw continued success for the Association and the CMPA remains financially solid and well positioned to continue to provide assistance to its 80,500 members. The CMPA’s solid financial position should provide all stakeholders in the health care system, including governments, physicians and patients, with confidence.

The Report also outlines the Association’s ongoing efforts to contribute to safer medicine through education and risk management. In 2010, the CMPA reached over 25,000 physicians and other healthcare professionals through approximately 500 face-to-face educational sessions and tens of thousands more through print and Web-based educational materials. CMPA Perspective, our quarterly publication aimed at improving the practice of our physician members, has received very positive reviews and we continue to enhance its contents. I am also pleased to report we have made considerable progress, in consultation with Canada’s medical schools, in developing medico-legal risk management offerings specifically designed for medical trainees.

While the 2010 results are positive, increasing per case medical liability costs remain a source of concern, particularly given indications that the frequency of medical liability claims involving physicians has, after a lengthy period of decline, began to increase. The CMPA continues to advocate for sensible adjustments to the current system to improve overall system efficiency while ensuring that appropriate compensation is provided to patients proven to have been harmed by negligent medical care. Internally, we are committed to efficient and effective case management processes that, to the greatest extent appropriate, seek the early resolution of medical liability issues.

My second purpose in writing is to enclose a copy of a recent publication entitled Changing physician-hospital relationships: Managing the medico-legal implications of change. In this document, which was released during an information session held in conjunction with the CMPA’s 2011 annual meeting in St John’s, Newfoundland & Labrador, the CMPA recognizes that the relationship between physicians and the hospitals and health authorities in which they

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Telephone: 613 725-2000, 1 800 267-6522
Facsimile: 1 877 763-1300 Website: www.cmpa-acpm.ca

Adresse postale : C.P. 8225, Succursale T, Ottawa ON K1G 3H7
Adresse civique : 875, av. Carling, Ottawa ON K1S 5P1
Téléphone : 613 725-2000, 1 800 267-6522
Télécopieur : 1 877 763-1300 Site Web : www.cmpa-acpm.ca
practise is undergoing significant change. Much of this change reflects the broader evolution in healthcare. However, there are medico-legal implications to some of these changes, such as the move away from traditional privileges models to those based on contractual or employment arrangements, that should be considered.

The Changing Relationships paper identifies areas of potential concern and then provides constructive recommendations to resolve the potential medical liability concerns. In developing and disseminating this material, the CMPA hopes to engage in a constructive dialogue aimed at ensuring that the ongoing change is implemented in a manner that best serves the interests of patients, physicians, other healthcare professionals and society. We also recognize there are likely to be many perspectives to this complex issue and we welcome those views, regardless of whether they align or diverge from ours. Accordingly, I would be very interested in your organization's views on the position espoused in the paper and, more importantly how we might move forward to address the concerns it identifies.

In concluding, I should note the CMPA believes the environment in which it operates and that in which our members practise is becoming more complex and more threatening. While I do not underestimate the various challenges facing the CMPA and our members as we move forward, I am however confident the CMPA is well positioned to meet these challenges. The CMPA's 2011-2015 Strategic Plan outlines the actions we will take to ensure we meet our commitments to members and stakeholders in a cost effective and efficient manner.

I am hopeful that you will find these enclosed documents informative; they can also be found (in both English and French) on the CMPA's Web site (http://www.cmpa-acpm.ca/). If the CMPA can provide you or your staff with additional information on these issues, please do not hesitate to contact me.

Yours sincerely,

John E. Gray, MD, CCFP, FCFP
Executive Director/Chief Executive Officer

Enclosures: 3
Potential copyright material

If you wish to obtain a copy please contact the ATIPP Office at (709) 729-7072 or atippoffice@gov.nl.ca.
Mr Bruce Cooper  
Acting Deputy Minister  
Department of Health and Community Services - Newfoundland  
PO Box 8700  
St John’s NF A1B 4J6

Dear Mr Cooper:

Re: CMPA 2010 Summary Financial Statements and 2011 Fee Schedule

In 2001, the Canadian Medical Protective Association (CMPA) adopted a fee schedule built on differentiation based on the geographic location of a physician member’s practice, as well as the previously used type of work. This regionalization reflected the different cost structures experienced in different regions of the country and, for fee setting purposes, three regions were identified: Ontario, Quebec and the Rest of Canada.

Subsequent to this decision, each year the CMPA has provided a copy of its applicable financial statements to all Ministries of Health and Provincial/Territorial Medical Associations. Accordingly, I am writing to provide you with a copy of the 2010 summary financial statement as it applies to the Rest of Canada region.

Following discussions with provincial and territorial medical associations in the Rest of Canada fee region, the Association applied $54.6 million of this positive experience as fee credits to reduce the membership fees collected in 2010. These fee credits directly benefit both members and, through the various reimbursement programs, the ministries of health.

The aggregate fee requirement for the Rest of Canada region has risen from $127.5 million in 2010 to $141.4 million in 2011 but, in keeping with the CMPA’s commitment to fee stability, we have applied approximately $57.7 million in fee credits. The result is that we forecast collecting $83.7 million from our members to address medico-legal consequences of medical care provided in 2011. While this total is 15% higher than was the case for 2009, as demonstrated in the attached documents, it remains well below the fees collected five years ago.

These forecast costs include provision for a 3.6% increase in CMPA membership in 2010. As a result, when calculated on a per member basis, the overall 2011 costs are forecast to increase by 11% from 2010 levels. However, to place this requirement in context, it is important to note the average 2011 member fee of $2,670 is well below the $3,028 collected in 2006. The specific fee per member is also be affected by the actuarial analysis of cost factors by type of work and I have enclosed a copy of the 2011 fee schedule which provides this additional detail.
While the 2009 actuarial valuation provided a brief respite from the increase in liabilities, the CMPA continues to witness rising per case costs, particularly but not exclusively as they relate to the damage component. To a certain extent, these increases can be attributed to health care costs that are rising much faster than the general inflation rate. The CMPA remains committed to working collaboratively with key stakeholders to address the cost pressures impacting the medical liability system. Implementation of system improvements such as the mandatory use of structured settlements for future care costs in medical liability cases would not only ensure injured patients have a life time access to the funds they require but they should also contribute to lower system costs.

The Association recognizes its own responsibility to carefully manage costs and we continue to look for means through which to optimize our delivery of service to members. For example, in 2010 we have initiated a major effort to adopt electronic management of legal files, thereby reducing our administrative costs. In this regard, it is noteworthy that, notwithstanding expanded services to members, particularly in the areas of risk management and education, the Association’s per member operating costs have remained relatively flat over the past five years. This is reflective of the CMPA’s commitment, as enunciated in our 2011-2015 Strategic Plan to responsible governance and management.

While an effective medical liability system is vital to the success of the Canadian health care system, the best result would be to reduce the number of adverse medical outcomes that occur. In this regard, the CMPA continues to work with medical organizations, health care authorities, patient safety bodies and others to identify ways to reduce the occurrence of adverse medical events. In addition to annually conducting approximately 500 presentations to over 25,000 physicians, through our flagship publication, CMPA Perspective, the Association quarterly delivers risk management information to both its membership and the wider health care community. With a view to improving the safety of care, we are also increasingly sharing our risk management research with organizations such as Accreditation Canada, the Canadian Patient Safety Institute and medical specialty societies.

While the financial markets have undergone unprecedented turmoil in the past few years, the Association has remained in a positive financial position and is fully funded to meet its financial obligations to members and their patients. I am also encouraged that our 2010 investment performance looks as if it will slightly exceed the actuarial forecast and this will bode well for the 2012 fee setting process.

While CMPA membership fees are a very small element of health care spending, the Association recognizes the financial pressures facing governments, health care providers and medical organizations. We continue to take a long term approach to fee setting, seeking year-over-year stability in what members and, through reimbursement programs, governments contribute. I am aware of the sensitivity of any fee increases and accordingly, should you or your staff wish a more detailed presentation of the actuarial balance for your region, I would be pleased to provide this additional information.

Yours sincerely,

John E. Gray, MD, CCFP, FCCP
Executive Director/Chief Executive Officer

Enclosures: 2
C: Dr Michael Lawrence, CMPA President

*CMPA Councillor – NF:
Dr Michael Cohen*
Potential copyright material

If you wish to obtain a copy please contact the ATIPP Office at (709) 729-7072 or atippoffice@gov.nl.ca.
October 28, 2011

Mr. Bruce Cooper
Deputy Minister
Ministry of Health and Community Services
Government of Newfoundland and Labrador
1st Floor West Block
PO Box 8700
St. John’s NL A1B 4J6

Dear Mr. Cooper:

Re: CMPA 2011 Regional Balance Sheet and 2012 Fee Schedule

The Canadian Medical Protective Association (CMPA) is a not-for-profit mutual defence organization operated by physicians for physicians. It is the principal provider of medical-legal assistance to physicians across Canada, including approximately 1,543 in Newfoundland and Labrador. In addition to offering advisory services and legal representation to its members, the CMPA also provides compensation to patients shown to have been injured as a result of negligent medical care. In 2010, over $153 million was paid to patients across Canada.

In 2001, the CMPA adopted a fee schedule based on the medico-legal risk associated with the geographic location of a physician member’s practice and type of work. This reflected the different cost structures experienced in different regions of the country and, for fee setting purposes, three regions were identified: Ontario, Quebec and the Rest of Canada. Subsequent to this decision, each year the CMPA has provided a copy of its applicable financial statements to all Ministries of Health and Provincial/Territorial Medical Associations. Accordingly, I am writing to provide you with a copy of the 2011 actuarial balance sheet as it applies to the Rest of Canada region.

In recognition of this positive experience, the Association applied $57.7 million of this positive experience as fee credits to reduce the membership fees collected in 2011. These fee credits directly benefit both members and, through the reimbursement program, the ministry.

The total fee requirement for the Rest of Canada region has declined from $141.4 million in 2011 to $127.8 million in 2012. In keeping with the CMPA’s commitment to fee stability, we have applied approximately $37.4 million in fee credits to further reduce the amount of funds collected. The result is that we forecast collecting $90.4 million from our members to address medico-legal consequences of medical care provided in 2012. As demonstrated in the attached documents, it is only modestly higher than the fees collected seven years ago.
The forecast costs include provision for a 3.6% increase in CMPA membership in 2012. Therefore, while the total costs is 8% higher than was the case for 2011, when calculated on a per member basis to reflect the growth in the number of new members, it represents only a 4.3% increase. To place this requirement in context, it is important to note the average 2012 member fee of $2,784 is well below the $3,365 collected in 2005. The specific fee per member is also be affected by the actuarial analysis of cost factors by type of work and I have enclosed a copy of the 2012 fee schedule which provides this additional detail.

Over the past several years, the CMPA’s liabilities have been impacted by two counter-balancing trends, both nationally and in the Rest of Canada region:

- One trend has seen a decline in the claims frequency although it appears this positive development may be coming to an end. Similar patterns have been witnessed in the United Kingdom, Australia and certain American states.

- The other trend, with negative consequences, has been the steady increase in claims severity – the average funds paid by the CMPA for each claim made against a member physician. To a certain extent, these increases can be attributed to health care costs that are rising much faster than the general inflation rate.

These two offsetting trends have kept the overall costs generally stable but I am concerned that any increases in frequency will have a compounding impact on damage costs, thereby driving up the CMPA’s costs. The Association remains committed to working collaboratively with key stakeholders to address the cost pressures impacting the medical liability system.

The Association recognizes its own responsibility to carefully manage costs and we continue to look for means through which to optimize our delivery of service to members. For example, in 2010 we initiated a multi-year effort to adopt electronic management of legal files, thereby reducing our administrative costs. In this regard, it is noteworthy that, notwithstanding expanded services to members, particularly in the areas of risk management and education, the Association’s per member operating costs have remained relatively flat over the past five years. This is reflective of the CMPA’s commitment, as enunciated in our 2011-2015 Strategic Plan to responsible governance and management.

While an effective medical liability system is vital to the success of the Canadian health care system, the best result would be to reduce the number of adverse medical outcomes that occur. In this regard, the CMPA continues to work with medical organizations, health care authorities, patient safety bodies and others to identify ways to reduce the occurrence of adverse medical events. In addition to annually conducting approximately 500 presentations to over 25,000 physicians, the Association quarterly delivers risk management information to both its membership and the wider health care community through our flagship publication, CMPA Perspective. With a view to improving the safety of care, we have expanded the extent to which we share our risk management research with organizations such as Accreditation Canada, the Canadian Patient Safety Institute and medical specialty societies. In 2012, we will be examining how we further this expansion.
While the financial markets have undergone unprecedented turmoil in the past few years, the Association has remained in a positive financial position and is fully funded to meet its financial obligations to members and their patients. In view of the difficult financial environment in 2011, the CMPA's prudent approach to fee setting should position us to effectively respond to the challenges associated with investment return volatility.

While CMPA membership fees are a very small element of health care spending, the Association recognizes the financial pressures facing governments, health care providers and medical organizations. We continue to take a long term approach to fee setting, seeking year-over-year stability in what members and, through reimbursement programs, governments contribute. I am aware of the sensitivity of any fee increases and accordingly, should you or your staff wish a more detailed presentation of the actuarial balance for the Rest of Canada region, I would be pleased to provide this additional information.

Yours sincerely,

[Signature]

John E. Gray, MD, CCFP, FCCP
Executive Director/Chief Executive Officer

Enclosures: 2

C: Dr. Michael Lawrence, CMPA President
Potential copyright material

If you wish to obtain a copy please contact the ATIPP Office at (709) 729-7072 or atippoffice@gov.nl.ca.
29 May 2015

CONFIDENTIAL

Via Mail & Email: brucecooper@gov.nl.ca

Mr Bruce Cooper
Deputy Minister
Health and Community Services
Government of Newfoundland and Labrador
P.O. Box 8700, 1st Floor West Block
Confederation Building, 100 Prince Philip Drive
St. John's, NL A1B 4J6

Dear Mr Cooper:

Re: CMPA 2016 Membership Fees

In keeping with the CMPA’s commitment to transparency, I am writing with a three-fold purpose:

- The first is to outline changes we will be making to our regional fee structure for 2016 membership fees; and
- The second purpose is to provide the 2016 fee requirement by region and to provide an estimate of the specific impact in Newfoundland & Labrador; and
- My third objective is to re-affirm the CMPA’s commitment to containing the costs of medical liability, including working collaboratively with governments and medical associations to address the underlying cost drivers.

CMPA-PROVIDED MEDICAL LIABILITY PROTECTION

An effective medical liability system is an essential component of a well-functioning healthcare system and it:

- Enables physicians to deliver care with the confidence their interests and those of their patients are protected;
- Contributes to safe medical care and the prevention of harm;
- Provides appropriate compensation to patients harmed by negligent medical care; and
- Holds physicians and other healthcare professionals accountable for their actions through a fair process

The CMPA has a long track record of providing Canadian physicians with the medical liability protection they and their patients require. This protection enables physicians to focus on delivering safe care and meeting the clinical needs of their patients and, in so doing, helps to avoid the costs associated with unnecessary tests and other forms of “defensive medicine”. Physicians recognize that, as evidenced by the almost $240 million paid as compensation to patients in 2014, this protection is also vital for patients.
CONFIDENTIAL

Mr Bruce Cooper 29 May 2015

The CMPA is committed to employing our knowledge and expertise to contribute to safe medical care and the reduction in patient harm. We actively collaborate with other organizations to identify risks and their causes and to develop and disseminate risk reduction strategies to our membership. This effort benefits physicians, patients and the Canadian healthcare system. In 2014, 26,000 physicians and other healthcare providers attended a CMPA-provided educational session and tens of thousands more accessed the wealth of risk management information available through our publications and web site. This included regional conference provided by the CMPA in Gander that was well attended by Newfoundland & Labrador physicians. These healthcare professionals rely on the CMPA to provide evidence-based recommendations to reduce patient harm.

We also recognize that physicians practice within a system and that, to be truly effective, improvements in safe care must address system-level issues. The Association has long been engaged in championing safe care initiatives, including most recently as a key partner in the Canadian Patient Safety Institute’s National Patient Safety Consortium. In 2015, working in partnership with the Society of Obstetricians and Gynecologists and others, we have launched a multi-year initiative to reduce maternal and fetal harm during child birth. We are confident this will reduce the incidence of harm and, by extension, the significant costs associated with providing care for neurologically compromised infants.

However, as I will address shortly, the costs of providing medical liability protection to Canadian physicians are rising and these increases place pressure on the CMPA’s financial position and on the fees that we collect to pay for those costs.

FEE REGIONS

Prior to 2001, the CMPA established our member fees on a national basis. However, in 2000, it became evident that diverging cost trends in various parts of the country threatened the overall equity of such an approach and the Association adopted a regional approach to membership fees commencing with the 2001 fees. Based on the underlying cost structures, three fee regions were established: Ontario, Quebec and the “Rest of Canada”. While our services were offered across the country, the CMPA is committed to assigning medical liability protection costs to the region in which they were incurred. The Association has remained true to this objective of having each region pay its own costs and to avoid any subsidization between regions.

The regional approach to the allocation of fees has worked reasonably well, with the members in a given region paying for the medical liability protection costs in that region in a generally equitable way. However, within the Rest of Canada region, the forecast cost trends are diverging and these trends threaten the CMPA’s commitment to an equitable allocation of the costs of medical liability protection.

Accordingly and with a view to ensuring a fair and sustainable fee model across the country, the Association has recently completed a comprehensive analysis of these emerging trends and the existing regional structure. In so doing, we have confirmed the appropriateness of retaining Ontario and Quebec as separate fee regions and have determined no changes are necessary in the regional structure as it
relates to those two provinces. In the Rest of Canada, the forecast cost of protection in British Columbia and Alberta is expected to significantly outpace that in the other provinces and territories in this region, necessitating changes to the Rest of Canada region.

In considering the analysis, the CMPA’s elected Council has taken into account, amongst other factors, the following considerations:

- The current Rest of Canada region has worked well and the allocation of fees has generally been fair between physicians in the various provinces that comprise this region. A breakdown of net asset positions shows that, when viewed over the 14 years since regionalization, the costs of protection have been appropriately allocated. This provides a sound foundation upon which to make any adjustments.

- Within the broad concept of mutuality, the CMPA believes members should generally pay their fair share of the costs of medical liability protection. With the cost trends in British Columbia and Alberta beginning to diverge significantly from those in other provinces, adjustments are required to ensure continued fairness.

- The CMPA must retain fee regions that are sustainable while, at the same time, seeking an equitable allocation of medical liability protection costs. This requires sufficient members in a region to support credible actuarial estimates and sufficient resources to withstand the inherent volatility associated with medical liability protection.

After very careful consideration, the CMPA Council has decided to divide, with effect for the 2016 membership fees, the current Rest of Canada region into two separate, stand-alone fee regions:

- Saskatchewan, Manitoba, the Atlantic provinces and the territories; and
- British Columbia and Alberta;

This proactive response to emerging trends will support the continuation of an equitable allocation of medical liability protection costs amongst our 91,000 members. In setting the net asset position for these two new regions, the Association has taken into account every revenue and expense since 2001, thereby ensuring the continued application of our policy of not having one region pay for costs in another. These updated net asset positions and the estimated protection costs for the new regions will be used in our 2016 fees.

2016 MEMBERSHIP FEES

The CMPA provides occurrence-based protection which means members’ protection extends from the date care was provided, irrespective of when the claim is made. In determining our fees, the CMPA seeks to collect from members in a given year, the costs of medical liability protection resulting from that care delivered in that year. Recognizing the full costs of such protection will not be known for 35 years or more, the CMPA bases its membership fees on an actuarial estimate of the protection costs and aims to collect those costs from members (discounted to reflect investment returns).
As a not-for-profit mutual defence organization, the CMPA aims to hold at least one dollar of assets for each discounted dollar of liabilities. When the assets in any one region are significantly greater than the estimated liabilities and with an objective of not accruing more assets than it expects to require, the CMPA will generally reduce the membership fees that might otherwise be collected in that region. Conversely, when the estimated liabilities exceed the assets in a region, the Association will adjust the membership fee to address such a negative funding position. These adjustments are added to or subtracted from the estimated occurrence year protection cost to form the fees to be collected from members. In this regard, the CMPA’s membership fees can be depicted in the following formula:

\[
\text{Aggregate Regional Fee} = \text{Protection cost} +/\text{- Fee adjustment}
\]

The CMPA estimates the discounted protection cost for care delivered in 2016 in Saskatchewan, Manitoba, the Atlantic provinces and the territories will be $46.5 million. As a result of favourable claims experience, this estimate is lower than the forecast protection costs for this region in 2015 ($61.1 million).

The CMPA is committed to maintaining a sustainable financial model that provides physicians and their patients with confidence the CMPA is able to provide them protection and, in the case of patients shown to have injured by negligent care, appropriate compensation. Accordingly and in view of the potential volatility of expenditure patterns, the Association will take a measured approach to the 2016 fees and the aggregate fee will equal the expected protection cost, namely $46.5 million. On a per member basis, this aggregate fee results in a CMPA membership fee of $3,560 per physician, considerably less than the $5,948 applied in 2015. This reduction reflects the benefits of dividing the previous Rest of Canada region and creating a Saskatchewan, Manitoba, Atlantic provinces and territories fee region that is not influenced by the expectations of higher costs in British Columbia and Alberta.

The Association is forecasting our 2016 membership in Newfoundland & Labrador to be just over 1,700 physicians (including residents), which would indicate that our members in the province will pay approximately $6 million in medical liability protection costs. The actual amount may vary slightly from this estimate as a result of variances in the composition and growth in membership. I recognize that the impact of these fees on the provincial reimbursement program will be influenced by several other factors as agreed to by the Newfoundland & Labrador Medical Association and the Ministry of Health.
COST CONTAINMENT

The CMPA recognizes that, while effective medical liability protection is an essential element of the healthcare system, the costs associated with providing such protection draw on resources that are needed elsewhere in that system. We are fully committed to reducing those cost components that are under our control and we have already made tangible progress in this regard. For example, by incorporating the secure electronic transfer of legal documents and by working with legal firms to advance legal project management, the Association has reduced our 2014 expenditures on legal services by approximately $12 million from the preceding year. Rigorous cost containment and the innovative use of technologies has enabled the Association to reduce our operating cost, while providing services to an increasing number of members.

However, with compensation to patients being the largest single component of medical liability protection costs and the one that is rising most rapidly, the Association believes a collaborative approach between governments, medical associations, the CMPA and other interested parties is required to contain this growth, while at the same time appropriately meeting the needs of injured patients.

![Image]

I look forward to exploring potential next steps in ensuring physicians can continue to practice with confidence, knowing their medical liability interests are protected, in an effective and efficient manner, by the CMPA.

Yours respectfully,

Hartley S. Stern, MD, FRCSC, FACS
Executive Director / Chief Executive Officer

Copy:
Mr Robert Thompson, Executive Director
Newfoundland and Labrador Medical Association

RECEIVED
July 9, 2015
Deputy Minister's Office
Good morning Mike,

Below is the email I sent to Tony Martin on February 12, 2014.

Thank you and have a nice day!
Diana

---

From: Farah, Diana [CMPA] <DFarah@CMPA.ORG>
Sent: Friday, February 21, 2014 10:14 AM
To: Tizzard, Mike
Subject: FW: Department of Health and Community Services of Newfoundland & Labrador-Provincial Reimbursement update for 2014
Attachments: Document1.docx

---

From: Farah, Diana [CMPA]  
Sent: Wednesday, February 12, 2014 2:23 PM  
To: Martin, Tony (TonyMartin@gov.nl.ca)  
Subject: Department of Health and Community Services of Newfoundland & Labrador-Provincial Reimbursement update for 2014  

Hi Tony,

Each year we review and update the 'Provincial Reimbursement Programs Summary of Information' document.

Can you please verify the information for Newfoundland 2014 reimbursement program and provide us with updates and/or changes as applicable. Can you also verify the formula used by your organization to determine the reimbursement entitlement as an example in the document.

A copy of the document is attached, please review the full document. Please note the updated (in red) 2014 dates, fees & formula. Please indicate any changes in blue and return it to us. We would appreciate receiving your feedback by March 3, 2014.

At this time we would like to update our records on the provinces’ contract information pertaining to reimbursement. Can you please advise us when the contract is due for renegotiation and the duration of the contract.
Please do not hesitate to contact me should you require further information or clarification.

Thank you!
Diana

Diana Farah  
CMPA | ACPM  
Program/Project Coordinator  
Coordinatrice de programme/projet  
Membership Services | Service des adhésions  
1(613) 725-9965 ou 1 (877) 725-9965 ext. | poste 866
Hi Diana,

The document is ok. Other responses are below in red.

Thanks,

Mike

---

From: Farah, Diana [CMPA] [mailto:DFarah@CMPA.ORG]
Sent: Friday, February 21, 2014 10:14 AM
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---

Diana Farah
CMPA|ACPM
Program/Project Coordinator
Coordinatrice de programme/projet
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cmpa-acpm.ca

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At this time we would like to update our records on the provinces' contract information pertaining to reimbursement. Can you please advise us when the contract is due for renegotiation and the duration of the contract. The last contract with physicians in the NL expired on September 30, 2013. The contract is now due for renegotiation. There are no details to date on the status of negotiations or what the duration of the contract will be.

Please do not hesitate to contact me should you require further information or clarification.

Thank you!
Diana

Diana Farah
CMPA|ACPM
Program/Project Coordinator
Coordinatrice de programme/projet
Membership Services | Service des adhésions
1(613) 725-9965 ou 1(877) 725-9965 ext. | poste 866

CMPA|ACPM

cmpa-acpm.ca
Good afternoon Mike,

Can you please call me at your convenience, so we can discuss your request.

Thank you!
Diana

---

Hi,

I’m working through the calculations for the annual NL CMPA reimbursement. I’m wondering if you capture the NL Provider # as part of your data? It would be much easier if that information was a part of the file we download so we could match the providers to our files. If this is not something you capture would it be possible to capture it on a go forward basis?

Mike

---

Mike Tizzard, CGA
Departmental Controller
Corporate Services
Department of Health and Community Services
P.O. Box 8700
St. John’s, NL
A1B 4J6
“This email and any attached files are intended for the sole use of the primary and copied addressee(s) and may contain privileged and/or confidential information. Any distribution, use or copying by any means of this information is strictly prohibited. If you received this email in error, please delete it immediately and notify the sender.”
# REGULAR REIMBURSEMENT of 2014 CMPA Fee

<table>
<thead>
<tr>
<th>CMPA Electronic Transfers</th>
<th>Reimbursement Payments</th>
<th>CMPA Eligible Type of Work Codes</th>
<th>Eligibility Criteria</th>
<th>Billing Threshold</th>
<th>Deductible</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Annual Transfer</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- December 2014</td>
<td>One annual payment in March 2015</td>
<td>Codes 35 through 94 where the annual fee is greater than the fee for code 35</td>
<td>Fee-for-Service physicians only. Salaried physicians who practice as fee-for-service physicians for part of the year. Physicians are reimbursed only for the number of months they practice in Newfoundland and Labrador and must be in active practice at the end of December, 2013 or have retired from clinical services during the year. (Certain exceptions may apply).</td>
<td>None</td>
<td>Code 35 annual fee + 60%</td>
</tr>
</tbody>
</table>

Formula: 2014 CMPA annual fee – (0.6 x 2013 Code 35 fee) = 2014 Entitlement

Example: Obstetrician (code 93). 2014 CMPA fee for code 93 is $20,304.00 and $1,884.00 for code 35.

$20,304 – (0.6 x $1,884)  
$20,304 - $1,130.60 = $19,173.60 (2014 Entitlement)