Medical Services Coverage Committee
"Pathology Services Report"

September 15th, 2005

Report to the Physician Services Liaison Committee Regarding Pathology Services within Newfoundland and Labrador

Origin of Issue(s)

The Newfoundland Association of Pathologists (NAP) originally contacted the Newfoundland and Labrador Medical Association (NLMA) in the fall of 2004 to discuss the issues and problems associated with pathology services throughout the province. The NLMA referred the issue to the Physician Services Liaison Committee (PSLC) and the NAP then gave a presentation before the PSLC on those issues.

Following this presentation, the PSLC asked for input from all Medical Directors and it was subsequently agreed that these issues needed to be further investigated. The issue was then forwarded to the Service Coverage Committee (SCC) which then set up a working group to explore all issues related to pathology services province wide. Pathology working group recommendations would then be forwarded back to the SCC for further review and final recommendation.

In brief, as a fundamental support service to many clinical disciplines, any decline in the provinces pathology service will directly affect the delivery of services in many other disciplines. The Pathology Working Group now believes that serious disruptions in this service are likely to occur in the near future for several reasons. A discussion of the main reasons/issues now follows below.

Discussion of Issues

Low Number of Residents Entering Pathology Specialties Nationally

A general problem with pathology services nationally is the persistently low number of physicians who decide to specialize in this discipline. In 2003, for example, only 29 physicians graduated from all the laboratory medicine programs throughout Canada. Provincially, the Memorial University pathology residency training program is now totally dependant on foreign medical graduates. In fact, there hasn't been a Memorial University graduate in the pathology program here since 1998.

While foreign trained physicians are strong candidates they also usually have family connections in other regions of the country. These physicians are also entering their forties and have a shortened time frame in terms of productive work years in which to provide for family, build up their pensions for retirement, etc. Thus, better opportunities nationally will undoubtedly mean that other jurisdictions will acquire the majority of these new graduates.

High Level of Retirements Occurring in the Near Future

This is a common problem for many other disciplines as well. However, for pathology services, where the supply of new graduates is so limited, an increased level of retirements in this discipline is quite problematic as the recruitment retention gap will naturally worsen more rapidly even given all other variables being held stable. The fact is that there are simply not enough new graduates available nationally to replace all of the pathologist retiring in this country. Unfortunately, NL is also not the top choice for these new graduates.

Aging of the Population/Higher Incidence of Disease in the Local Population

As well, with the general aging of the population comes an increased level of disease. This extra workload will increasingly be carried by physicians who are also aging generally. Nationally, the average age for a Pathologist is 55 years of age. These physicians are now nearing the age where they want to start thinking about reducing their already high workloads- not increasing them. Any increase in workload will naturally pressure those in the system to consider other options.

Increased Level of Testing and Reporting Necessary in Today's Work Environment

The increased level of testing and reporting necessary in today's work environment is also a contributing factor in terms of workload and in determining adequate supply. For example, fifteen years ago a breast biopsy report may have simply stated that the patient had breast cancer. Today cases are much more complex than in the past and usually require additional sub-typing and analysis. The one-line report from the past is now often three pages or more and includes many test results. One case can consist of as many as 50 slides.

Thus, drawing parallels between physician to population statistics from the past, and any associated remuneration/benefits that were tied to those numbers, are erroneous assumptions at best. This is to say nothing of the increased workload related stresses arising because of the previously mentioned aging population, recruitment and retention problems, low numbers of pathologist entering residency programs, etc.

Current Inability to Fully Recruit the Complement Necessary/Easing of Restriction on J1 Visa Applicants by Other Provinces

In terms of recruitment and retention specifically, this province has a very poor record with respect to the recruitment and retention of Pathologists. In a recent recruitment effort the HCCSJ offered positions to 8 of 12 applicants- all of the eight applicants declined the offer. In Grand Falls-Windsor they have been trying to recruit a second pathologist there for three years and have been successful in recruiting only one candidate who stayed for just a few months. At the Gander site there hasn't been a Memorial University trained pathologist, nor a Canadian trained candidate, employed there for well over forty years.

These are not isolated cases; they are representative of the situation at large. As well, for communities beyond the St. John's region, the vast majority of pathologists have been recruited by way of J1 visas. This pool is also now drying up as other provinces are loosening restriction on their recruitment of these physicians. Thus, recruitment in our less urban areas will undoubtedly worsen more rapidly than it will in St. John's.

Aggressive Recruitment of Our Pathologist by the Other Provinces

In addition to the problems associated with the reduction in the J1 visa applicant pool mentioned above, other provinces are also actively increasing their recruitment of this provinces pathologist directly. This is a common problem for all specialties but it is a greater problem in pathology because of the restricted supply previously mentioned.

As a case in point, the committee has learned that as many as six of Newfoundland and Labrador's current pathologists may have recently been licensed in Alberta. While not assured, those pathologists could soon leave for Alberta further reducing the overall numbers here. No one knows exactly how many more are currently being licensed in the other provinces- all of whom are now aggressively recruiting.

Thus, while the pathology supply situation is currently not optimal it may quickly become much worse. Any thought that we are able to effectively increase recruitment efforts to keep up with the future level of departures should be quickly negated by the previous statements given above.

Relatively Low Wage Levels Compared to Other Provinces/ Better Locum Payments Available in Other Jurisdictions

With regard to base remuneration, all of the other provinces are willing to pay handsomely for pathology services. As stated, this is a restricted market with a generally increasing clinical requirement. As was the case with Oncology, current circumstances require the provision of remuneration at a rate greater than that provided to other specialties.

According to a survey detailed in the Canadian Association of Pathologist Newsletter (Spring 2004) the average Canadian income for a pathologist is $261,000 per annum. This compares with the average income for a pathologist in NL of $184,000. That compares with $298,000 per annum in British Columbia, $286,000 in Alberta and $273,000 in Ontario. The Maritime average is $217,000 with Nova Scotia being the highest at $248,000 per annum. In fact, without exception the average income in Newfoundland and Labrador is well below that of all the other provinces in Canada.

As well, starting salaries are an equally important consideration. In terms of recruitment it is certainly one of the more important factors. Currently, pathologists in Newfoundland and Labrador have a starting rate of $141,600. This compares with a starting salary in New Brunswick, for example, of $186,654 per annum- a $45,054 difference in starting salaries. (A more detailed comparison of provincial starting salaries is included in Appendix A)

Lastly, locum arrangements (which are a necessity in this province to help insure we maintain the complement of pathologist we currently have) are not competitively remunerated when compared to rates available in other jurisdictions. Mediocre locum payment arrangements are not enough when one considers the difficulty with which this province has in attracting physicians to come and do locums. This problem is compounded exponentially when we are trying to recruit a specialist to do a locum in one of our more rural locations.

Thus, as can be seen by the statement of facts given above, the future of pathology services in this province is problematic to say the least. With this said we will now move on to a discussion of some potential solutions to the above stated problems.

Pathology Services- What We Can Do

Promotion of Laboratory Medicine

Laboratory Medicine needs to be promoted better within the Medical School. An active campaign is needed at the school to better promote the various career paths available in pathology. The discipline of pathology is a vital component of the health care system and should be promoted as such.

As well, all students should be given exposure to this discipline during their undergraduate training. Compulsory exposure to laboratory medicine in the training of clinical specialists is also needed as is the flexibility of individuals to transfer to laboratory medicine during their residency programs.

To further enhance the attractiveness of this specialty a financial assistance package should be offered to all individuals who enter the pathology residency program. This assistance should begin in their first year of study and should require a return in service contract upon completion of the program.

We Need a Competitive & Flexible Compensation Arrangement:

The facts are simple. Pathologists in Newfoundland and Labrador are paid less here than anywhere else in the country. They are paid $77,000 less on average than their counterparts in the other provinces in Canada.

Also, over 1/3 of practicing pathologists are over 55 years of age and according to the National Physician Survey (2004) over 10% of the workforce faces imminent retirement in next 2 years. This is well above the national average of 3% for all specialties.

Several reasons for this have been previously stated in this report. They include the dwindling market for J1 visa applicants, fewer graduates of pathology programs on a nationally basis, the aging of the physician population/increased retirement rates, etc.

While in the near term we cannot expect to fully recruit and retain all of the pathologist we would hope to there are several immediate steps that should be taken to insure the best possible service available for the people of this province. Such steps include:

1. The Introduction of a Stipend Similar to that Introduced for Oncology.

   This is a minimum requirement, which in conjunction with an increase to the base salary in the next agreement, would move NL's pathologists much closer to the national average, although, not quite all the way. This is in keeping with all the facts previously presented in this report. Additionally, we must take note of two other facts that are central to this discussion.

   First, we must recognize that increases in the provinces oncology complement (given the high incidence of disease in this province and the enhanced compensation now available) has resulted in a much greater demand on pathology services over the last ten years. Cancer related work now takes up most of a pathologist's time.

   Secondly, given that this is very labor intensive work, and given that the quality and thoroughness of these results form the basis for oncology services, it is not unreasonable to suggest that such a stipend be at least equal to that previously introduced for oncology.

2. Consideration of a Block Funding Arrangement for Pathology.

   With the stipend in place, it is suggested that the department, and pathologists, seriously consider some form of block funding arrangement. A block funding arrangement could be the best way to deal with several other issues related to pathology services. Some of these other issues include:

   - Issues surrounding extra workload- specifically having to lose eight of the current sixteen pathologists in the city for the extra workload payments to kick in.
   - The inability to recruit locums because of the comparatively low levels paid here for locums as compared to that paid on a national basis.
   - Lesser issues surrounding sufficient CME, on-call payments, etc.

With regard to the first point, extra workload payments would not be an issue under a block funding arrangement because monies available would simply be redistributed. If, for example, there was funding for 16 pathologists in the city, but there were only 12 currently practicing, then the other four salaries could simply be redistributed between the 12 practicing members of the group.

Secondly, within a block funding arrangement some of the monies that are made available as a result of being "understaffed" could be redirected into increasing the effective rate available for the pathologists who do locums in the region.

In fact, the group could decide to redirect additional monies into any area that they deem necessary. This could include topping up CME payments to insure the complement is keeping their skills up to date. Such monies could also be used for any other justifiable purposes and/or problem areas.

Concluding Remarks

In the long term, the committee believes that we must focus our attention on both the training and recruitment of our local graduates and on the retention of all pathologists who decide to call Newfoundland and Labrador home. Several of the issues discussed also touch on the importance of having a comprehensive, responsive and applicable Physician Human Resources Plan. The Working Group understands that such a plan is currently being developed.

As well, with regard to the possible establishment of a FFS schedule for pathology, during the research phase it became clear that on a national basis there was only about a 5% gap between FFS pathology incomes (there are several FFS pathology schedules in use nationally) and salaried pathology incomes. It was determined that this gap could easily be accounted for by the underreporting of the actual value of the usual benefits available to salaried physicians. Therefore, while some consideration was given to the idea of establishing a FFS schedule for the pathologists within this province it was determined that this would require more effort than was required to achieve the same basic goals.

This said, however, it was also noted that pathologist should be reminded, and encouraged, to bill for all "non-insured" work, such as that provided/rendered on behalf of a patient whose permanent residence is in another province. Such allowable billing is probably much less common by pathologists in this province given their lack of a relationship with any sort of FFS system.

Also, in regard to new technology and any analogy to other disciplines, such as the PACS system currently employed in Radiology, there would seem to be little near term hope here in relieving the overall provincial pathology workload (through employing similar technologies so as to centralize the service) because there are significant and fundamental differences between diagnostic imaging reporting and anatomic pathology reporting. To date, such differences make any proposal impractical. Currently, any such proposed technology solutions for first line diagnosis has only been actively pursued by a few select major US centers. Several other trials have been attempted and have been proven to be in-effective as the technology currently exists.

Therefore, after careful deliberation of all the issues related to pathology, the Pathology Services Working Group recommends that serious consideration be given to the arguments, analysis and recommendations as presented. These recommendations have been thoroughly reviewed and are thought to be both reasonable and necessary. Thanks are expressed to the PSLC/SCC for allowing us the opportunity to thoroughly review all issues related to this specialty.

APPENDIX A

Starting Salaries for Pathologists (2004)

Starting Salaries for Pathologists (2004)

(Information supplied by the provincial medical associations-
Provincial figures do not include any amounts for bonuses, incentives, etc.)

NF $141,600*

PEI $164,663** - (Oncology $202,143 starting)

NB $186,654 - (All paid at highest rate on scale)

ON $185,000 - (Usual entry point on scale)

MB $179,850

SK Not available

AB $258, 912

BC $209,600 to $262,000 - (Anywhere within this range)

* Oncology Stipend $50,000 to $60,000

** Suspected higher pathology starting salaries given the starting oncology rate and word of mouth.

Note

NS $248,000 *average* annual income (This figure is for comparison only as all Pathologists in Nova Scotia are FFS or on an alternate payment plan. This average rate was taken from the Canadian Association of Pathologists Survey- 2004)

APPENDIX B

Letter to Dr. Robert Williams from Drs. Ganguly and Laing regarding Anatomic Pathologists in Newfoundland and Labrador

Newfoundland
Cancer Treatment and
Research Foundation

July 19, 2005

building hope together

Dr. Robert Williams
Vice President Medical Services
Health Sciences Centre
300 Prince Philip Drive
St. John's, NL
A1B 3V6

RE: Anatomic Pathologists in Newfoundland and Labrador

To Whom It May Concern:

This letter is in support of the pathologists of this province.

The quality of oncology treatment is entirely dependant on the quality of the pathology report.

As technology progresses in both the diagnosis and treatment of many malignancies, it is becoming more and more challenging to deliver an expert high quality pathologic diagnosis.

This has resulted in the development of tumor specific multidisplinary teams to manage various malignancies. This has already occurred in many areas of the country and is now occurring in Newfoundland and Labrador as well. Specialized pathologists sit on these tumor boards and routinely review cases specific to that tumor site.

We believe it is imperative that remuneration offered to pathologists in this province be competitive with the rest of the country. We need to maintain and

Continued . . . . . /2

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build on our current mix of experienced pathologists to keep pace with the rest of Canada in terms of the overall quality of oncology care.

Yours sincerely,

P.K. Ganguly, M.D.,
M.B.B.S., D.M.R.T., F.F.R.
Director of Radiation Oncology
Associate Professor, Discipline of Medicine, MUN

Kara Laing, M.D., F.R.C.P. (C)
Medical Oncologist
Director of Medical Oncology

PKG/gs

cc Mr. Stephen Jerrett

APPENDIX C

List of Committees/People Involved in the Development of the Pathology Services Report

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Role	Name
Medical Services Coverage Committee	Western Regional Integrated Health Authority: Dr. Ken Jenkins (Chair)
	Eastern Regional Integrated Health Authority: Dr. Bob Williams
	Central Regional Integrated Health Authority: Dr. Larry Alteen
	Labrador-Grenfell Regional Integrated Health Authority: Dr. Michael Jong
	Department of Health and Community Services: Dr. Blair Fleming
	Newfoundland and Labrador Medical Association: Dr. Sue King
	Newfoundland and Labrador Medical Association: Dr. John Haggie
	Newfoundland and Labrador Medical Association: Dr. Ronan O'Shea
	Newfoundland and Labrador Medical Association: Mr. Steve Jerrett
Pathology Services Working Group	Eastern Regional Integrated Health Authority: Dr. Bob Williams (Chair)
	Newfoundland Association of Pathologists: Dr. Nebojsa Denic (President)
	Newfoundland Association of Pathologists: Dr. Maurice Dalton
	Newfoundland Association of Pathologists: Dr. Paul Neil
Committee Support	Newfoundland and Labrador Medical Association: Mr. Scott Brown