

H/TB-06('06)



GOVERNMENT OF
NEWFOUNDLAND AND LABRADOR

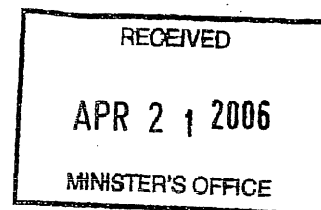
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DEPARTMENT OF FINANCE
Secretary of Treasury Board

April 20, 2006

CONFIDENTIAL

TBM2006-106



Mr. J. Abbott
Deputy Minister of Health and Community Services

Your proposal dated March 14, 2006²⁰⁰⁶ relating to approval in principle for an external review of the workload and compensation of salaried Pathologists, was considered at the One Thousand Four Hundredth and Eighty-Sixth Meeting of the Treasury Board.

The Board agreed that a review of the recruitment and retention of Pathologists in the Province is warranted. The Classification, Organization and Management Division of the Public Service Secretariat is directed to work with the external consultant to be hired by the Department to conduct a review of compensation and workload issues. Recommendations regarding the timing and amount of any salary adjustments are to be referred to Treasury Board for approval.

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SECRETARY
Treasury Board

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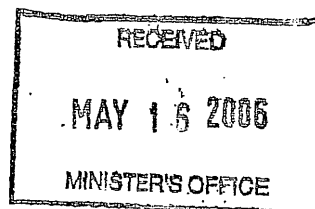
NEWFOUNDLAND AND LABRADOR
MEDICAL ASSOCIATION

May 16, 2006

Honorable Mr. Tom Osborne, MHA
Minister of Health and Community Services
Government of Newfoundland & Labrador
P.O. Box 8700
St. John's, NL
A1C 5T7

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Honorable Mr. Loyola Sullivan, MHA
Minister of Finance and President of Treasury Board
Government of Newfoundland & Labrador
P.O. Box 8700
St. John's, NL
A1C 5T7



Dear Honorable Ministers:

Re: Provision of Pathology Services in Newfoundland and Labrador

We are writing in follow up on our recent request that the government implement a new annual bonus, commensurate with the existing oncology bonus, for all pathologists practicing in Newfoundland and Labrador. While many medical specialties rely on the laboratory procedures carried out by pathologists, few are as dependent for their diagnosis and course of treatment as those caring for cancer patients. Indeed, the bulk of work carried by pathologists is on behalf of oncologists and those they treat. On this basis alone, there is a legitimate entitlement for pathologists to receive a bonus similar to the one provided to our oncologists. Moreover, we feel strongly that this measure is needed to address the significant compensation gap that exists between our province and other jurisdictions in Canada in this vital specialty. Without competitive compensation, our province will face significant *long-term* recruitment and retention challenges that will be near impossible to overcome.

We have been informally advised that the government will only consider our request after an external party conducts a workload and compensation review of pathology services in this province. This direction is extremely worrisome to the *entire* physician community because it places the *entire* medical care delivery system in a vulnerable position. It is our strongly held view that the government must reconsider its current course of action and to this end we are urging both of you to meet with us at the earliest possible opportunity.

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May 16, 2006

Ministers Osborne & Sullivan

We have been working in close collaboration with senior government officials and health authority representatives for well over a year on this issue. The matter was brought to the Physician Services Liaison Committee (PSLC) in early 2005 and then referred to the Medical Services Coverage Committee (MSCC). A working group chaired by Dr. Robert Williams, Vice-President, Quality, Diagnostic and Medical Services was established to review the current concerns and develop a suitable course of action. A report, fully endorsed by every RIHA medical director was tabled in September 2005. At no time during the review was workload raised as a significant issue.

Our request for an oncology bonus for pathologists was in line with the recommendations of the aforementioned report. Senior officials from the Department of Health and Community Services indicated that they fully supported our position. The concerns leading up to our request can be attributed to two key factors. The first is a deteriorating recruitment and retention situation in our province where we may be facing a net loss of five to seven pathologists over a twelve month period. The second involves the dramatic affirmative measures recently taken by most other jurisdictions in the country that will significantly hinder our ability to recruit over the coming period.

The preceding scenario can perhaps be best illustrated by Ontario's recent announcement on December 12, 2005. The Ontario government made a decision to guarantee a minimum level of compensation for laboratory physicians, set at \$300,000 for fiscal 2004-05. As well, a commitment was made for additional increases to this minimum for each of the 2005-06 and 2006-07 fiscal years. It should be noted that this minimum income guarantee was the result of many years of collaborative work in Ontario which saw the development of a Laboratory Medicine Funding Framework Agreement. An Ontario fact sheet notes the following:

"The Framework Agreement includes development of workload standards, something lab physicians in Ontario and the rest of Canada (CAP) have been demanding, and something needed to protect our professional interests in a time of increasing human resource shortages."

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Ministers Osborne and Sullivan

The Framework Agreement established three committees including a Workload Expert Group tasked to develop a workload management system. It is our understanding that this group has outlined a three-year process which began in January 2005. At least two other jurisdictions, British Columbia and Alberta, have initiated similar exercises. In addition, all three jurisdictions have already conducted reviews of the significant issues facing laboratory medicine. A 2002 discussion paper on laboratory physician human resource issues in Ontario stated:

"If these recommendations are not followed, the consequences for the cancer system and forensic system are significant. British Columbia and Nova Scotia have already experienced discontinuities in service because of failed laboratory physician/hospital negotiations. In Ontario, the experience in recruiting and retaining radiation oncologists should serve as an example of the outcome of non-competitive remuneration systems. In order to ensure consistent access of the population to laboratory physician services during the next five to ten years, a new provincial mechanism for laboratory physician remuneration must be implemented immediately."

This report also stated that by 2005 Ontario would require approximately 120 new pathologists and that for the near future Canada would not graduate enough laboratory physicians to even replace retirees. To meet Canada's needs in this vital area, all provinces will need to rely on attracting and retaining international medical graduates, with competitive compensation being a key element of any recruitment strategy. Let there be no misconception, the recruiters from Ontario, Alberta and British Columbia have set their sights on our province. Without the appropriate interventions an exodus of pathologists from Newfoundland and Labrador is inevitable. It will not take much more hemorrhaging to destabilize the entire hospital system in the province.

We are not opposed to a workload review. In fact, we believe that such a review is in the best interest of our pathologists, provided that it examines all facets of the delivery of laboratory medicine in the province. We feel strongly that such a review is a complex undertaking which will require significant resources and time. A superficial review that simply counts our pathologists and compares case sign-outs will not produce meaningful findings and will be counterproductive not only to the pathologists, but also to the public good. It is for this reason and the absence of national workload guidelines, that other provinces have, after prolonged attempts to wrestle with this, ultimately recognized the need for a thorough prospective study with a long term view in mind.

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May 16, 2006

Ministers Osborne and Sullivan

Based on current Royal College recommendations, and supported by preliminary Canadian academic research, our province requires approximately 27 full-time laboratory physicians to meet service needs along with a further five or six laboratory physicians for administrative requirements. We are currently well below these levels.

The measures that have already been implemented by Ontario and other jurisdictions warrant commensurate action by our province. We must establish a competitive remuneration mechanism immediately and then examine how services are provided, including workload expectations. We recognize the need for such a prospective review with the goal to develop a durable approach for the delivery of adequate and stable laboratory medicine services in the province. The review would examine issues such as: (1) working conditions, which would include support staff requirements and equipment needs; (2) workload guidelines, which would include consultative/clinical, teaching, and administrative demands; and (3) quality issues, which would include personal development needs, quality assurance procedures, and support for timely reporting.

The pathologists in Newfoundland and Labrador feel undervalued, unappreciated and demoralized. Pathologists diagnose disease and work with other physicians to develop the best treatment regimes for their patients. Without an adequate number of pathologists our medical system will not be able to meet the needs of patients in many critical areas because of time delays and increased risk of error. In particular, cancer care in the province could be significantly compromised. The malaise among our pathologists has reached a critical point and needs to be addressed without further delay. If we are not treated with the respect and fairness we are entitled to, these services will no longer be sustainable in our province.

We have reached the limit of our patience and have extended every effort to work cooperatively with the government officials in seeking a fair and viable solution to our common problem. We have exhausted every reasonable means to impress upon your government the vulnerability of laboratory medicine in our province. Our recommendations are practical, modest and worthy of serious consideration.

It is our responsibility to now forewarn you that the path your government has recently decided to embark upon will have serious consequences and risks. It is our opinion that the stability and breakdown of medical care in the province rests in the balance.

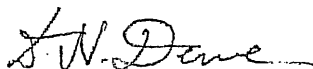
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May 16, 2006

Ministers Osborne and Sullivan

While we would have preferred a collaborative solution and believe such a solution is possible, the proposed course of action from your government will lead to delayed decisions and unfortunate consequences that could have been avoided.

In the best interest of all concerned, we respectfully ask to meet with you at your earliest convenience so that this crucial matter may be addressed without further delay.



Dr. Nebojsa Denic
President, Newfoundland Association of Pathologists



Mr. Robert Ritter
Executive Director, Newfoundland and Labrador Medical Association

H/TB-10(107)



Government of Newfoundland and Labrador
Executive Council
Treasury Board
Office of the Secretary



May 16, 2007

CONFIDENTIAL

TBM2007-175

Mr. J. Abbott
 Deputy Minister of Health and Community Services

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Your proposal dated February 26, 2007, requesting that Treasury Board approve an adjustment to the current Salaried Physician Policy – the Oncology Stipend Policy by removing one of the qualifying conditions to allow the financial recognition of the specialty of Pathology, was considered at the One Thousand Five Hundredth and Twenty-Sixth Meeting of the Treasury Board.

The Board approved the Department's request effective 26 February 2007, the date the submission was received. The Board also directed the Department to identify short, medium and long range plans to deal with the Pathologist recruitment and retention issues and to report back to the Board by September 30, 2007.

for **SECRETARY**
 Treasury Board

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Briefing Note

**Treasury Board Decision Affecting Pathologists
and NLMA Request for Meeting**

- Recently, Treasury Board consider a request to provide a bonus for the Province's pathologists in the range of \$50K-\$60K (similar to one provide oncologists); as part of the submission, the issue of workloads was identified with a suggestion that a study be done as part of any decision to award a bonus to the pathologists.
- The Treasury Board decision was to complete a workload study along with compensation issues prior to any consideration being given to awarding a bonus as requested by the pathologists.
- On May 16th, 2006, the NLMA and the head of pathologists group (Dr. N. Denic) wrote Ministers Sullivan and Osborne requesting a meeting to discuss government's decision. They raise a concern about the potential impact that the decision to do a workload study before payment of bonuses may have on retention of pathologists and its related impact on the delivery of health care services e.g. cancer care in the province. Pathology services are essential to the diagnosis of disease and potential course(s) of treatment.
- Knowing of the pathologist's negative reaction to government's decision, one option raised in discussion with the NLMA was to initiate the workload study and request that Treasury Board make the appropriate bonus payments retroactive to an earlier date (e.g. April 1, 2006).
- The Department of Health and Community Services, in conjunction with Eastern Health, has identified an external consultant (Dr. Maung) to provide advice on workload matters pertaining to pathology. There has been no response from the NLMA on whether or not this person is acceptable.
- Today, the Department learned that the NLMA is not keen on doing the study as suggested; instead; it would prefer to reach agreement on payment of a bonus and initiate a longer term study, if both parties want it, to address not only workload issues but quality of care and other matters pertaining to pathology in the province. The NLMA proposal would be expected to take longer to complete than a shorter-term study on workload and compensation issues.
- At this juncture, resolution may only be achieved by a meeting of the representatives of the pathologists with Ministers.



H/TB-22('06)

H/TB-06('06) Refers
Additional Information

GOVERNMENT OF
NEWFOUNDLAND AND LABRADOR

Department of
Health and Community Services
Office of the Deputy Minister

JUL 12 2006

Mr. Dave Norman
Public Service Secretariat

**Subject: Pathology Services in Newfoundland and Labrador
(additional information)**

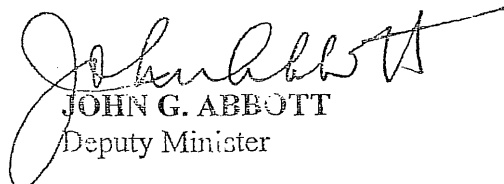
I am writing to request that Treasury Board re-consider its decision pursuant to TBM 2006-106.

Since the Treasury Board decision, I have had several discussions with the NLMA pertaining to compensation and workload issues involving the pathologists. The NLMA and pathologists are adamant that the compensation and workload issues are not directly related and that the compensation issue has to be resolved first because of current retention and recruitment challenges facing the RHAs. The NLMA can support a review of workload issues on a go-forward basis in order to determine the appropriate number of pathologists needed in the province. Current recruitment efforts to fill vacancies along with our research bears out the NLMA arguments. Their arguments were reinforced, I believe, in their presentation to Ministers Sullivan and Osborne in a meeting on July 6th, 2006.

The Ministers agreed to re-submit the NLMA proposal (as supported by the Department) to Treasury Board at their next meeting. In support of this request, I am attaching the original proposal letter (our H/TB-06('06) refers) along with some budget information on pathologist salaries and related compensation for your consideration. I believe the additional information supports our view that the pathologists are lower paid than their Maritime counterparts as well as their provincial peers (i.e. oncologists). As for the workload study, we can undertake this with the NLMA as part of our HR planning efforts for specialists and physicians in the province.

Please advise me if any additional information is required.

Thank you for your assistance in this matter of critical urgency to the Department and the delivery of health care in the province.


JOHN G. ABBOTT
Deputy Minister



GOVERNMENT OF
NEWFOUNDLAND AND LABRADOR

DEPARTMENT OF FINANCE
Secretary of Treasury Board

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July 21, 2006

CONFIDENTIAL

TBM2006-219

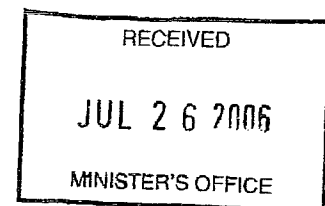
Mr. John Abbott
Deputy Minister
Department of Health and Community Services

Your proposal dated July 12, 2006, requesting that Treasury Board reconsider its decision pursuant to TBM2006-106 regarding the compensation of salaried Pathologists, was considered at the One Thousand Four Hundredth and Ninety-Sixth Meeting of the Treasury Board.

The Board confirmed that a review of the recruitment and retention of Pathologists in the Province is warranted. The Classification, Organization and Management Division of the Public Service Secretariat is directed to work with the external consultant to be hired by the Department to conduct a review of compensation and work load issues. Recommendations regarding the timing and amount of any salary adjustments are to be referred to Treasury Board for approval.

The Board also requested an analysis by the Public Service Secretariat of the broader recruitment and retention issue.

for *Joan Mearns*
SECRETARY
TREASURY BOARD



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