Book of Reports for Annual General Meeting
May 29-31, 2003 Holiday Inn - St. John's

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## Executive Committee

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
<th>Region</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dr. John Haggie</td>
<td>President</td>
<td>Gander</td>
</tr>
<tr>
<td>Dr. Susan King</td>
<td>President Elect &amp; Board Chair</td>
<td>St. John s</td>
</tr>
<tr>
<td>Dr. Gregory Mercer</td>
<td>Honorary Secretary</td>
<td>Stephenville</td>
</tr>
<tr>
<td>Dr. Terry O Grady</td>
<td>Honorary Treasurer</td>
<td>St. John s</td>
</tr>
<tr>
<td>Dr. Lydia Hatcher</td>
<td>Immediate Past President</td>
<td>Mount Pearl</td>
</tr>
</tbody>
</table>

## Board Members

<table>
<thead>
<tr>
<th>Name</th>
<th>Region</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dr. Gerard Farrell</td>
<td>St. John s Region</td>
</tr>
<tr>
<td>Dr. Brendan Hollohan</td>
<td>St. John s Region</td>
</tr>
<tr>
<td>Dr. Adrian Major</td>
<td>St. John s Region</td>
</tr>
<tr>
<td>Dr. Andrew Major</td>
<td>St. John s Region</td>
</tr>
<tr>
<td>Dr. Wanda Whitty</td>
<td>Avalon Region</td>
</tr>
<tr>
<td>Dr. Blaine Pearce</td>
<td>Peninsulas Region</td>
</tr>
<tr>
<td>Dr. Robert Russell</td>
<td>Central East Region</td>
</tr>
<tr>
<td>Dr. Mammen Cheriyan</td>
<td>Central West Region</td>
</tr>
<tr>
<td>Dr. Jim Bowen</td>
<td>Western Region</td>
</tr>
<tr>
<td>Dr. Maureen Gibbons</td>
<td>Western Region</td>
</tr>
<tr>
<td>Dr. Changuilanda Joshi</td>
<td>Grenfell Region</td>
</tr>
<tr>
<td>Dr. Tom Costello</td>
<td>Labrador Region</td>
</tr>
<tr>
<td>Dr. Sarah Curtis</td>
<td>PAIRN Representative</td>
</tr>
<tr>
<td>Ms. Kathleen Dooling</td>
<td>MSS Representative</td>
</tr>
</tbody>
</table>

## NLMA Staff

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>Robert Ritter</td>
<td>Executive Director</td>
</tr>
<tr>
<td>Judy Hunt</td>
<td>Director, Administrative Services</td>
</tr>
<tr>
<td>Stephen Jerrett</td>
<td>Director, Health Policy &amp; Economics</td>
</tr>
<tr>
<td>Lynn Barter</td>
<td>Director, Communications &amp; Public Affairs</td>
</tr>
<tr>
<td>David Mitchell</td>
<td>Manager, Operations &amp; Informatics</td>
</tr>
<tr>
<td>Ethel Carr</td>
<td>Membership/Receptionist</td>
</tr>
<tr>
<td>Tamie Walsh</td>
<td>Assistant, Health Policy &amp; Economics</td>
</tr>
<tr>
<td>Dawn Mason</td>
<td>Assistant, Communications &amp; Public Affairs</td>
</tr>
</tbody>
</table>

## REGIONAL COORDINATORS & ST. JOHN S TELEPHONE TREE

St. John's Region — Due to the large number of physicians in the area, a telephone tree has been created that is organized by specialty and payment method. Please contact the NLMA for the name of your representative.

<table>
<thead>
<tr>
<th>Region</th>
<th>Representative</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trinity-Conception</td>
<td>Dr. Aidan Drover</td>
</tr>
<tr>
<td>Clarenville-Bonavista</td>
<td>Dr. Ronan O Shea</td>
</tr>
<tr>
<td>Burin Peninsula</td>
<td>Dr. Ed Mayo</td>
</tr>
<tr>
<td>Central East</td>
<td>Dr. Tony Gabriel</td>
</tr>
<tr>
<td>Central West</td>
<td>Dr. Mammen Cheriyan</td>
</tr>
<tr>
<td>Corner Brook</td>
<td>Dr. Maureen Gibbons</td>
</tr>
<tr>
<td>Stephenville</td>
<td>Dr. Greg Mercer</td>
</tr>
<tr>
<td>Port aux Basques</td>
<td>Dr. Richard Taor</td>
</tr>
<tr>
<td>St. Anthony</td>
<td>Dr. C. Joshi</td>
</tr>
<tr>
<td>Happy Valley-Goose Bay</td>
<td>Dr. Dennis Rashleigh</td>
</tr>
<tr>
<td>Labrador West</td>
<td>Dr. Tom Costello</td>
</tr>
</tbody>
</table>

## NLMA Representative to CMA Councils/Committees

<table>
<thead>
<tr>
<th>Council/Committee</th>
<th>Representative</th>
</tr>
</thead>
<tbody>
<tr>
<td>Council on Health Policy &amp; Economics</td>
<td>Dr. Lydia Hatcher</td>
</tr>
<tr>
<td>Council on Health Care &amp; Promotion</td>
<td>Dr. Alan McComiskey</td>
</tr>
<tr>
<td>Council on Medical Education</td>
<td>Dr. Elizabeth Bannister</td>
</tr>
<tr>
<td>CMA Board</td>
<td>Dr. Karl Misik, Alternate</td>
</tr>
<tr>
<td>CMA Political Action Committee</td>
<td>Dr. Ronan O Shea</td>
</tr>
<tr>
<td></td>
<td>Dr. John Haggie</td>
</tr>
</tbody>
</table>
conduct of

ANNUAL MEETING

Attendance

The members shall be required to wear their identification badges while in attendance at the meeting.

It shall be the responsibility of the speaker to decide upon the relative order of all business to be presented to the meeting.

An agreed time limit will apply, per speaker or per agenda item, as determined prior to the start of the meeting after the attendance in person is known.

Voting shall be by a method to be decided by the Speaker with the meeting’s approval.

Decisions and voting shall be reached on the basis of merit after hearing the discussion.

The Chair will try to recognize speakers in their turn.

The best authority for the Speaker is the judgement of the meeting.

When the meeting adjourns the members shall keep their seats until the Speaker has left the chair.

Reports

The speaker of the meeting requests that all delegates to the annual meeting read the reports carefully before the meeting. This will obviate the need for the chairpersons to read the narrative parts of their report at the meeting and so conserve time. As another measure to conserve time, the chairpersons of committees have been asked to prepare synopses of the narrative parts of their reports, which they may read into the record at the meeting. If each committee report is introduced in this way, the delegates may then proceed with discussion of the report and/or motions from the floor.

Motions

A speaker can speak once to a motion and once to any proposed amendment to a motion.

The mover of a motion may speak a second time and in so doing will close debate. A brief remark or answer to a question put will not be considered a second speech by the mover.

Only a member in attendance can speak to a motion. A proxy does not convey a right to the holder to speak a second or greater number of times.

Parliamentary Procedure at a Glance, page iv, gives members in attendance a quick reference to motion making and how debate proceeds.
**Parliamentary Procedure at a Glance**

Here are some motions you might make, how to make them, and what to expect of the rules.

<table>
<thead>
<tr>
<th>To do this:</th>
<th>You say this:</th>
<th>May you interrupt the Speaker?</th>
<th>Do you need a second?</th>
<th>Is it debatable?</th>
<th>Can it be amended?</th>
<th>What vote is needed?</th>
<th>Can it be reconsidered?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adjourn meeting</td>
<td>&quot;I move that we adjourn.&quot;</td>
<td>NO</td>
<td>YES</td>
<td>NO</td>
<td>NO</td>
<td>Majority</td>
<td>NO</td>
</tr>
<tr>
<td>Call an intermission</td>
<td>&quot;I move that we recess for . . .&quot;</td>
<td>NO</td>
<td>YES</td>
<td>NO</td>
<td>YES</td>
<td>Majority</td>
<td>NO</td>
</tr>
<tr>
<td>Complain about heat, noise, etc.</td>
<td>&quot;I rise to a question of privilege.&quot;</td>
<td>YES</td>
<td>NO</td>
<td>NO</td>
<td>NO</td>
<td>No Vote (usually)</td>
<td>NO</td>
</tr>
<tr>
<td>Suspend further consideration of an issue</td>
<td>&quot;I move to table the motion.&quot;</td>
<td>NO</td>
<td>YES</td>
<td>NO</td>
<td>NO</td>
<td>Majority</td>
<td>NO</td>
</tr>
<tr>
<td>End debate and amendments</td>
<td>&quot;I move the previous question.&quot;</td>
<td>NO</td>
<td>YES</td>
<td>NO</td>
<td>NO</td>
<td>2/3</td>
<td>NO1</td>
</tr>
<tr>
<td>Postpone discussion for a certain time</td>
<td>&quot;I move to postpone the discussion until . . .&quot;</td>
<td>NO</td>
<td>YES</td>
<td>YES</td>
<td>YES</td>
<td>Majority</td>
<td>YES</td>
</tr>
<tr>
<td>Give closer study of something</td>
<td>&quot;I move to refer the matter to committee.&quot;</td>
<td>NO</td>
<td>YES</td>
<td>YES</td>
<td>YES</td>
<td>Majority</td>
<td>YES</td>
</tr>
<tr>
<td>Amend a motion</td>
<td>&quot;I move to amend the motion by . . .&quot;</td>
<td>NO</td>
<td>YES</td>
<td>YES3</td>
<td>YES</td>
<td>Majority</td>
<td>YES</td>
</tr>
<tr>
<td>Introduce business</td>
<td>&quot;I move that . . .&quot;</td>
<td>NO</td>
<td>YES</td>
<td>YES</td>
<td>YES*</td>
<td>Majority</td>
<td>YES</td>
</tr>
</tbody>
</table>
Dr. Dana Hanson, President-Elect of the Canadian Medical Association, officially opened the 77th AGM at 8:40 a.m. on June 7. He also brought greetings on behalf of the CMA.

1. Call to Order

The speaker, Dr. Harry Watts, called the meeting to order at 8:30 a.m. He recited a brief prayer and called the Honorary Secretary to the podium to read the names of members who had passed away since the last AGM. A moment of silence was observed. Dr. Hatcher introduced the platform party and guests in the audience.

2. Approval of Agenda

It was moved by Dr. J. Haggie, seconded by Dr. S. King, THAT the agenda be accepted. Passed

3. Appointment of Resolutions Committee and Scrutineers

It was moved by Dr. M. Cohen, seconded by Dr. J. Haggie, THAT Dr. Donald Hodder be appointed chair of the resolutions committee with Drs. Robert Butler and Steve Darcy as members. Passed

Dr. Watts advised that resolutions must be received by 12:30 p.m. on June 8 and that voting would be by a show of hands or standing vote. Secret ballots would be used if requested. It was moved by Dr. J. Haggie, seconded by Dr. R. O Shea, THAT the resolutions committee also serve as scrutineers. Passed

4. Minutes of Previous Meeting

It was moved by Dr. J. Haggie, seconded by Dr. S. King, THAT the minutes be approved as circulated. Passed

There was no discussion on resolutions arising from the 2001 AGM.

5. President’s Address

Dr. Hatcher referred members to her report in the book of reports and presented a personal perspective of her year as president, accompanied by a humorous presentation. She focused on the staffing changes at the NLMA during her presidency, starting with the resignation of the Executive Director in July and the subsequent search for his replacement.
This was followed in November by the resignation of the Director of Communications. During her tour in the fall of 2001, the membership gave strong support for Atlantic parity and since that time the membership has been consulted extensively in preparation for negotiating an agreement that will replace the MOU on October 1, 2002. She spoke of her many contacts with the media and speeches to various groups and organizations. Dr. Hatcher concluded her address by thanking NLMA staff, her family and the membership for being so supportive throughout her presidency.

6. PRESENTATION OF REPORT (Book of Reports)

It was moved by Dr. R. O’Shea, seconded by Dr. J. Haggie, THAT the GP Section be ratified as a section of the NLMA. Passed

a) President’s Report
It was moved by Dr. J. Haggie, seconded by Dr. T. O Grady, THAT this report be accepted. Passed

b) Executive Director’s Report
Mr. Ritter made some brief personal remarks and reflected on his first seven months as the NLMA’s Executive Director. He focused on issues of importance for the coming months and recognized the extended Canadian medical family — NLMA board of directors, staff, other divisions, CMA, regional boards, and other organizations. He expressed great passion for his cause — to make Newfoundland and Labrador a place where doctors want to work, to stay and to come. In closing, he expressed his thanks to staff and to Dr. Hatcher for her superb leadership.

It was moved by Dr. J. Haggie, seconded by Dr. T. O Grady, THAT this report be accepted. Passed

c) Allocations Committee
It was moved by Dr. J. Haggie, seconded by Dr. S. King, THAT this report be accepted. Passed

d) Atlantic Provinces Medical Peer Review
It was moved by Dr. J. Haggie, seconded by Dr. S. King, THAT this report be accepted. Passed

e) Communications
It was moved by Dr. J. Haggie, seconded by Dr. T. O Grady, THAT this report be accepted. Passed

f) Finance
Dr. King referred to her report in the book of reports. She noted that resolutions would be coming forward to increase the membership fee in 2003, the first increase in eleven years, and to request a one-time levy to finance the ongoing PR campaign.

It was moved by Dr. S. King, seconded by Dr. J. Haggie, THAT this report be accepted. Passed

It was moved by Dr. S. King, seconded by Dr. J. Haggie, THAT the auditors report be accepted. Passed
It was moved by Dr. S. King, seconded by Dr. J. Haggie, THAT the auditing firm of Deloitte & Touche be appointed NLMA auditors for the year 2003. Passed

g) Physicians Assistance
It was moved by Dr. S. King, seconded by Dr. J. Haggie, THAT this report be accepted. Passed

h) Salaried Physicians
It was moved by Dr. R. O Shea, seconded by Dr. R. Butler, THAT this report be accepted. Passed

i) CMA Board of Directors
It was moved by Dr. R. O Shea, seconded by Dr. J. Haggie, THAT this report be accepted. Passed

7. ISSUES SESSIONS

a) Primary Care, Ontario Case Study
This session was presented by Dr. Elliot Halparin, President of the Ontario Medical Association. Handouts for this presentation are available from the NLMA office. The presentation focused on an alternate payment mechanism that was 30 years in development and has been in operation since 1996.

b) Moving Towards a Chartless Office
This session was presented by Dr. Stephen McLaren on behalf of MD Management Ltd. This presentation focused on two groups of family doctors in Markham, Ontario — a total of 17 physicians — who computerized their medical records and developed linkages between labs, hospitals and offices. An overview of this presentation is available from the NLMA office.

c) Round Table with the Salaried Physicians Committee
Dr. O Shea, chair of the Salaried Physicians Committee, moderated this session and answered questions from salaried physicians in attendance.

d) Human Resource Challenges
Dr. E. Hunt, medical consultant with the Department of Health and Community Services; Mr. John Peddle, executive director with the Newfoundland and Labrador Health Boards Association; Mr. Jamie Tibbo, president of the Medical Students Society; and, Mr. Rob Ritter, NLMA executive director, formed the panel for this session. Following the presentations, the panel answered questions from the audience.

e) Newfoundland and Labrador Centre for Health Information
This session was presented by Mr. Steve O Reilly, executive director of NLCHI. He spoke of the challenges in acquiring government funding for networking health information and the issues around privacy and confidentiality.

The meeting adjourned at 4:45 p.m. and reconvened at 9 a.m. on June 8.
ISSUES SESSIONS

a) NLMA Negotiations
In addition to those in attendance at the AGM, eighty-five (85) physicians participated via MUN’s teleconferencing network. Dr. John Haggie chaired this session.

Mr. Ritter briefly reviewed the steps taken to date (making reference to the guiding principles which have been circulated to the membership), and outlined actions contemplated for the coming months. He also spoke of the mandate document which recognizes the distinct and special needs within each group. This document is a work in progress and is being updated as the NLMA continues to receive feedback from its membership. He also spoke of the public awareness campaign.

Following Mr. Ritter’s update, the membership was given an opportunity to ask questions and express opinions. Arising from this discussion were two resolutions to be presented later in the meeting.

b) Political Action Panel
Ms. Gwen Mercer, Mothers Against Drunk Drivers; Mr. Todd Benson, Alliance for the Control of Tobacco; and, Ms. Joyce Churchill, the Autism Society, made presentations on their lobbying experiences.

8. RESOLUTIONS

Resolutions #1 & 2
were dealt with under the Finance Committee Report

Resolution #3
Moved by Dr. S. King,
Seconded by Dr. J. Haggie
THAT the membership fee be increased by $100 in 2003. Passed

Resolution #4
Moved by Dr. S. King
Seconded by Dr. J. Haggie
THAT a special one-time levy of $200 be added to the 2003 membership fee to cover the costs of an operationally necessary PR campaign. Passed

Resolution #5
Moved by Dr. S. King
Seconded by Dr. J. Haggie
THAT the NLMA and its entire membership will only support a government offer that meets the minimum reasonable requirements of each and all the distinct groups within the Association. Passed
Resolution # 6
Moved by Dr. S. King
Seconded by Dr. T. O Grady
THAT any attempt by Government officials or its elected leaders to initiate division amongst NLMA membership will be deemed as an act of bad faith by all members of the NLMA and will be responded to accordingly.  

Passed

Resolution # 7
Moved by Dr. S. Darcy
Seconded by Dr. T Young
THAT the NLMA support a ban on body contact in children's minor hockey up to the age of sixteen.

Passed

Resolution # 8
Moved by Dr. S. Darcy
Seconded by R. Butler
THAT the NLMA support and promote the use of automatic external defibrillators in all communities in Newfoundland and Labrador.

Passed

Resolution # 9
Moved by Dr. T. Young
Seconded by Dr. R. Butler
THAT the family medicine department at MUN's Medical School have its mandate changed to include as a first priority a requirement to train family physicians for service in Newfoundland & Labrador.

Defeated

Resolution # 10
Moved by Dr. T. Young
Seconded by Dr. S. Darcy
THAT the Newfound Medical Board be requested to remove the multiple insurmountable road blocks to competent foreign medical graduates to practice medicine in Newfoundland & Labrador.

Passed

Resolution # 11
Moved by Dr. T. Young
Seconded by Dr. R. Butler
THAT the NLMA request that Memorial Medical School increase by 10 the number of first year seats available to Newfoundland and Labrador students.

Passed

Resolution # 12
Moved by Dr. M Cohen
Seconded by Dr. A McComiskey
THAT the NLMA Negotiating Team/Board of Directors actively pursue binding arbitration as part of its strategy in dealing with the government of Newfoundland and Labrador.

Passed
Resolution # 13
Moved by Dr. A. McComiskey
Seconded by Dr. M. Cohen
THAT the NLMA continue to press the government to pass legislation banning the use of hand-held cell phones by drivers of motor vehicles while in motion. Passed as amended

Amendment: Moved by Dr. J. Haggie, Seconded by Dr. F. Lemire.
That ‘hand-held’ be removed from resolution # 13.

Resolution # 14
Moved by Dr. M. Cheriyan
Seconded by Dr. T. Young
THAT the differential fee rate which exists between emergency room physicians be eliminated.

Moved by Dr. J. Haggie
Seconded by Dr. J. Tumilty
To table resolution # 14 Passed

Resolution # 15
Moved by Dr. G. Mercer
Seconded by Dr. A. McComiskey
THAT evidence-based models be used by our negotiations to stratify communities as rural, remote or urban for the purpose of retention bonus allotments. Passed

Resolution # 16
Moved by Dr. H. Watts
Seconded by Dr. A. McComiskey
THAT the assembly give a sincere vote of thanks to the President for her spirited, vigorous, most appropriate but polite response to the Minister of Health and Community Services. Passed

9. Report of the Nominating Committee
Committee member, Dr. M. Cohen, presented this report.

It was moved by Dr. S. King, seconded by Dr. J. Haggie, THAT
Drs. Gerard Farrell, Mike Hatcher, and Adrian Major be elected to represent the St. John’s region. Passed

It was moved by Dr. J. Tumilty, seconded by Dr. J. Haggie, THAT
Dr. Robert Russell be elected to represent the Central East region. Passed

It was moved by Dr. J. Haggie, seconded by Dr. G. Farrell, THAT
Dr. Mammen Cheriyan be elected to represent the Central West region. Passed

It was moved by Dr. J. Haggie, seconded by Dr. A. McComiskey, THAT
Dr Francine Lemire be elected to represent the Western region. Passed
It was moved by Dr. G. Farrell, seconded by Dr. A. McComiskey, THAT
Dr. Tom Costello be elected to represent the Labrador region  
Passed

It was moved by Dr. G. Farrell, seconded by Dr. J. Haggie, THAT
Dr. Terry O Grady be elected as Honorary Treasurer.  
Passed

It was moved by Dr. J. Haggie, seconded by Dr. G. Farrell, THAT
Dr. Gregory Mercer be elected as Honorary Secretary.  
Passed

It was moved by Dr. G. Farrell, seconded by Dr. J. Haggie, THAT
Dr. Susan King be elected as President-Elect.  
Passed

ADJOURNMENT
It was moved by Dr. J. Tumilty, seconded by Dr. G. Farrell, THAT
the meeting adjourn.  
Passed

The meeting adjourned at 4 p.m. on Saturday, June 8, 2002.
Resolutions # 1 - 4
These resolutions, relating to the report of the Finance Committee, were implemented.

Resolution # 5
THAT the NLMA and its entire membership will only support a government offer that meets the minimum reasonable requirements of each and all the distinct groups within the Association.

Negotiations did not result in an acceptable offer. After a 3-week strike, the matter was referred to binding arbitration.

Resolution # 6
THAT any attempt by Government officials or its elected leaders to initiate division amongst NLMA membership will be deemed as an act of bad faith by all members of the NLMA and will be responded to accordingly.

Membership was unified during job action in October 2002.

Resolution # 7
THAT the NLMA support a ban on body contact in children’s minor hockey up to the age of sixteen.

Action on this resolution is pending further study.

Resolution # 8
THAT the NLMA support and promote the use of automatic external defibrillators in all communities in Newfoundland and Labrador.

There is money in the provincial budget to supply all ambulances with automatic external defibrillators. The NLMA was not involved in this initiative.

Resolution # 9 - Defeated

Resolution # 10
THAT the Newfoundland Medical Board be requested to remove the multiple insurmountable road blocks to competent foreign medical graduates to practice medicine in Newfoundland and Labrador.

Dr. R. W. Young, Registrar of the NMB, met with the NLMA Board of Directors and advised that NMB regulations are no more stringent than in other provinces.

Resolution # 11
THAT the NLMA request that Memorial Medical School increase by 10 the number of first year seats available to Newfoundland and Labrador students.

Action on this resolution is prohibitive because of funding, human resources and limited infrastructure.
Resolution # 12
THAT the NLMA negotiating team/Board of Directors actively pursue binding arbitration as part of its strategy in dealing with the government of Newfoundland and Labrador.

Negotiations did go to binding arbitration.

Resolution # 13
THAT the NLMA continue to press the government to pass legislation banning the use of cell phones by drivers of motor vehicles while in motion.

Legislation was passed in the Fall 2002 setting of the House of Assembly making it illegal to use a hand-held cell phone while driving.

Resolution # 14
THAT the differential fee rate which exists between emergency room physicians be eliminated.

Tabled

Resolution # 15
THAT evidence-based models be used by our negotiations to stratify communities as rural, remote or urban for the purpose of retention bonus allotments.

This resolution will require further discussion between government and the NLMA.
introduction

It was clear from the beginning that my year as President of the NLMA would be replete with challenges, but even I couldn’t have predicted the incredible highs and lows of October 2002.

The tone of my term was set in an early media interview, one of hundreds I would give in the coming months, as the NLMA’s public profile grew amid concerns that a negotiated agreement with government was unlikely. On my first day as President, I told a CBC Radio reporter that physicians were prepared to wait for a fair and reasonable agreement with government, but we’re not going to wait forever.

In early September, there was no mistaking the message. When asked by a CBC TV reporter what would happen if physicians didn’t have a deal by the end of September, I said: Our agreement expires and we’re not going to wait forever.

The sparring match with government turned into an all-out war with the announcement of job action on September 23. After months of planning, ongoing consultations with members and a collective deep breath, physicians in this province were prepared to do something we never thought we’d be forced to do — withdraw our services.

president’s tour

The President’s Tour took in the Northern Peninsula, Labrador, the west coast, central Newfoundland and the Avalon. Accompanied by our executive director, Rob Ritter, I met with hundreds of physicians and the message was the same everywhere — you were ready to act.

By late summer, it was evident that no progress was being made with government’s negotiators. We met with you again and established a network of regional leaders to coordinate and facilitate activities in the event of job action. On September 21, after rejecting an insulting offer from government, an emergency meeting was called and job action was endorsed. Our resolve at that meeting and at the meetings held earlier that summer would be tested during 17 long days in October.

job action

The NLMA and physician issues were front and centre in every newspaper and topped radio and TV newscasts province-wide. Our message was clear and simple. Physicians needed competitive compensation, improved working conditions, and time for a personal life. We wanted to be able to provide the highest standard of care for our patients. Government responded with an expensive ad campaign that highlighted physician salaries. We countered with an aggressive media relations campaign that highlighted physician stories and were rewarded with a solid core of public support. Daily conversations with VOCM Open Line host Bill Rowe became the norm, as did daily teleconferences with physician leaders to keep our members up-to-date on developments. Our hopes for a settlement were raised and dashed several times over. As waiting times grew in emergency rooms and public support for physicians was in danger of eroding, it was time to find a way to end the impasse.

arbitration

The end came with government’s offer of binding arbitration. We agreed, and entered into that lengthy process with a commitment of
$50 million and the possibility of more. The principles on which we built our case remained the same. We focused on competitive compensation for fee-for-service and salaried physicians, payment for on-call, a defined work week, and other important issues.

The arbitration ruling was finally handed down on April 15. Overall, the arbitration award can be seen as a positive development for the medical community of the province. We didn’t get everything we asked for, but it does open the door to many other opportunities. Fee-for-service physicians will achieve 95 per cent of Atlantic parity by year three of the agreement, with the majority of new funding coming in the first year. Increases for salaried physicians fell short of the mark we had set, but were still better than government’s offer of zero per cent over three years.

next steps
The arbitration ruling is a good foundation for a new agreement, but much work remains. Consultations with all the FFS physician groups on micro-allocations are under way, and there are other matters that will need further consultation and clarification as a result of arbitration.

Beyond arbitration and this agreement with government, issues like primary care, service coverage, the electronic health record and more will dominate the NLMA’s agenda.

The relationship between government and the NLMA has changed markedly. As we rebuild that relationship, the NLMA is ever conscious of the need to protect the interests and rights of physicians. As Rob said in a recent Nexus article: That means proceeding carefully and proceeding together as a united group. Unity was our greatest strength in October and it will remain our greatest strength as we forge ahead.

advocacy and representation
Even though our attention was firmly on negotiations and arbitration for most of the past year, I’d like to highlight several issues of importance which were also addressed during my time as President.

n The Physician Services Liaison Committee, established to provide a mechanism to address medical issues of mutual concern between government and the Association, has met monthly since its inception in October 2002. Membership includes the three most recent past-presidents of the NLMA and the most senior bureaucrats from the Department of Health and Community Services. The committee provides advice to the minister of health and community services on medical issues from a policy, systemic and strategic perspective. The committee is addressing such issues as improving efficiency; adoption and implementation of clinical practice guidelines; exploring standards for wait times and length of hospital stays, among other issues; physician retention and recruitment; and, primary care reform. Other issues may also be dealt with at the discretion of the committee.

n The Primary Care Office of the Department of Health and Community Services has been traveling the province making presentations to physicians and other health care providers about their proposed primary care framework and seeking input. The Primary Care Office is also asking for letters of intent to develop proposals for primary care pilot projects. These projects may be eligible for limited federal funding. Anyone submitting a letter of intent or developing a proposal for a primary care project is asked to submit their drafts to a special NLMA primary care team for assistance and due diligence. Having letters of intent or proposals vetted
by the NLMA is of particular importance. Government is working hard to get physicians on board with their new primary care initiative. Because government is breaking new ground in this area, we must exercise utmost caution. The NLMA is represented on the government’s Primary Care Advisory Committee and will be watching closely developments related to primary care.

The Canadian Medical Association has retained legal counsel on behalf of the NLMA to challenge a Canada Customs and Revenue Agency ruling that physicians providing locum services to regional health boards are employees under contract of service to the board, a ruling that has tax implications for both physicians and boards.

Our agreement with the Workplace Health, Safety and Compensation Commission (WHSCC) has been extended to March 31, 2004. WHSCC has agreed to honor any increases to the MCP fee schedule in the new agreement with government plus the WHSCC 20 per cent premium.

The NLMA has been working with the Newfoundland and Labrador Centre for Health Information (NLCHI) to encourage physician input on a proposed Pharmacy Network. A Pharmacy Network will have significant implications for patient care, physician work flow and prescribing practices and it is important that physicians have meaningful input in its design and implementation. We distributed a survey to members and 150 of you had responded at the time of writing. This feedback will be shared with NLCHI and will be important in the development of recommendations to government on this project.

In November, Commissioner Roy Romanow delivered his report on health care in Canada. The NLMA joined with CMA in its 100-day challenge to government to preserve Medicare and build on the principles of accountability, accessibility and sustainability. We also joined the national call to shore the core by injecting much needed dollars into core services.

**membership Services**

In the area of membership services, I’d like to update you on two issues.

The Newfoundland and Labrador Medical Scholarship Foundation has been established as a charitable foundation through Canada Customs and Revenue Agency. Three Memorial University medical students received bursaries valued at $1,500 from the Foundation in February 2002, bringing the total number of bursaries awarded to six. A fund-raising program will be launched in the coming year to ensure the Foundation is able to maintain the bursary program.

Since legislation permitting incorporation of medical professionals came into law, 18 physicians have incorporated. However, a number of flaws in the legislation have been identified. Changes to the regulations are required to allow provisionally registered physicians to incorporate. In addition, under the legislation incorporation applies to medical practice and related matters. As related matters are not specified, items such as investments in RRSPs or equities may not be permitted. The Newfoundland Medical Board is preparing guidelines to address this issue and is seeking legal opinions to ensure these guidelines will also meet the requirements of the Canada Customs and Revenue Agency.
acknowledgements

My term as President has been exhilarating, turbulent and, above all, immensely rewarding. I owe much to the professional staff at NLMA House and would like to extend my thanks to them. A special word of appreciation must go to Rob, a fearless executive director who led us through the most challenging year in the Association’s history. I’d also like to say a special thank you to Lynn Barter, our Director of Communications and Public Affairs, for helping me through countless media briefings and interviews and keeping me always on message.

I would be remiss if I didn’t thank the Executive, the Board and members of our Committees, particularly the Negotiations Committee, for all their hard work, dedication and sound advice. Of course, it all comes down to the members and this year would not have been so successful if it hadn’t been for the outstanding commitment, solidarity and courage you all demonstrated. Thank you for your support and encouragement throughout the year.

The physicians of this province made a supremely difficult decision last fall. We did it because of our concern for our patients. We did it to forcefully and finally demonstrate that physicians could no longer silently carry the burden of a health care system in crisis. To all of you who showed such resolve under very stressful circumstances, you have my deepest appreciation and respect.

The year 2002 was dominated by one overwhelming theme for the NLMA. This was, of course, the effort to achieve a satisfactory working arrangement for the physicians of this province with the Government of Newfoundland and
Robert Ritter

Labrador. We encountered and overcame a number of challenges relating to negotiations with government, a province-wide service withdrawal and finally an arbitration process.

While we didn’t get everything we asked for in the arbitration process, the NLMA made some significant gains. The arbitration ruling provides direction for our new agreement with government and gives us the building blocks for future discussions.

As we evaluate the outcome of the arbitration process — and our analysis of the ruling continues at this writing — our collective experience to date warrants careful consideration.

The very weight of the issues we faced in our dealings with government and how we responded to unfolding events add up to an irrefutable observation — last year was an historic milestone that has put in motion the transformation of our province’s medical community. What we learn from our recent actions and how we put these lessons to use will determine, to a great extent, our pathways and results in the future.

Government underestimated the resolve and determination of physicians to stand behind their words and it took an unprecedented 17-day service withdrawal before they got the message.

Our campaign was successful because our cause was just, we communicated effectively, were organized, disciplined and united. This did not happen spontaneously — it took strenuous effort and deliberate action by everyone associated with the NLMA.

When the NLMA embarked on its negotiations with government we developed a blueprint with four key elements. These were: competitive and fair compensation to ensure the necessary supply of physicians; adequate working conditions to maintain proper patient care; reasonable quality of life; and, a meaningful voice for the profession regarding public policy and decisions with respect to medical care. In the coming weeks, and certainly by the time this report is circulated at the AGM, we will develop a more precise picture about the arbitration board’s ruling and its impact on physicians and the health care system. While there is no doubt that we have made significant strides in achieving our objectives, there is equal certainty that much is yet to be accomplished.

In the coming period, we will be devoting special attention to several important areas. First, we will continue efforts to strengthen internal communication and to expand opportunities for member input on important issues. At the same time we will continue to reach out to government and regional boards in an effort to enhance cooperation in identifying and solving problems. In the end, our success will be governed by the extent to which you, our members, become activists and build on the momentum of the past year.
Dr. Nick Kum

The Allocations Committee provides direction to the Board of Directors on issues pertaining to fee-for-service practice. Of the 934 practicing physicians in the province (as of March 31, 2003), 574 are compensated on a fee-for-service basis.

Since the last AGM, the committee has finalized recommendations for Steps 2 and 3 in the micro-allocation process under the MOU.

Perhaps the most challenging and time-consuming task was our participation in the disparity measurement exercise with Mr. John Tarrel. Members worked diligently with staff on your behalf to try to get an accurate measurement of how we fare in comparison with our FFS colleagues in the Maritimes. This work was a valuable tool for the negotiating team.

The committee also developed a specific recommendation for each of the 40 items negotiated as part of the payment schedule review. These changes will be reflected in the next publication, expected this fall.

Under the direction of the Allocations Committee, the working group on new technology developed criteria for new technology funding approval and reviewed individual requests throughout the year.

The Noninsured Services Committee, a subcommittee of the Allocations Committee, has developed recommendations on the guide to noninsured services and the NLMA Schedule of Fees which have been approved by the Executive Committee and at the time of writing were pending approval by the Board of Directors.

I'd like to thank the members of the committee and Tamie Walsh for their work over the past year and look forward to working with our new director of health policy and economics, Mr. Stephen Jerrett, in the coming year.
Dr. Mohamed Ravalia

The past year has been one in which the Atlantic Provinces Medical Peer Review program (APMPR) continued its efforts to find ways in which to improve and expand the assessment process, while continuing to manage resources effectively and efficiently.

The off-site assessment pilot project was a success and the APMPR board approved its incorporation into its regular program. Off-site assessment will allow APMPR to at least double the number of family medicine assessments currently done in a year. It is a very cost-effective review method, currently averaging about $100 per assessment.

Forty-two (42) physicians were randomly selected for off-site review. Of these, all but four were successful; those that were not will be scheduled for an on-site visit in 2003. Beginning in 2003, APMPR expects to assess at least 100 physicians annually using the off-site assessment process, in addition to the 100 physicians randomly selected for on-site assessments. In 2003, plans are to try off-site assessments with pediatrics to determine if it is a suitable tool for the assessment of specialists.

APMPR's Executive Director attended a College of Physicians and Surgeons of Ontario conference for CPSO peer assessors and program management. As a result of information acquired at this conference, APMPR has established more straightforward rating categories for on-site assessments; as follows:

- Category 1: practice satisfactory, no further action
- Category 2: practice deficiencies identified, reassessment required
- Category 3: practice deficiencies identified, interview required

Bursary established

Dr. Patrick Dobbin, who joined APMPR on behalf of the Newfoundland Medical Board in 1992, resigned in June due to illness, and sadly died several weeks later. In his memory, APMPR is establishing a Dr. Patrick J. Dobbin Memorial Bursary. This will be an annual award of $500, presented to a third-year medical student at Memorial University who has demonstrated financial need and has done well in a clinical skills evaluation.
Year-end statistics

On the financial side, APMPR ended 2002 with a modest surplus of $222. After 10 years of assessments, the cumulative figures by province are:

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The Bylaws Committee recommends amendments to the bylaws to allow the postgraduate trainee member and the student member to have alternates on the NLMA Board of Directors. Proposed amendments are in bold print and underlined.

14.3 Post-Graduate Trainee Member
14.3.1 Election
14.3.1.1 The postgraduate trainee member and alternate of the Board shall be a member enrolled in a postgraduate medical training program by a vote of NLMA members enrolled in a postgraduate medical training program. Such vote shall be held at the direction of the Board within a period twelve (12) months before or three (3) months after the Annual General Meeting at which such postgraduate trainee member is to assume office.

14.3.2 Term of Office
14.3.2.1 The postgraduate trainee member and alternate of the Board shall be eligible to serve as Director for a one-year term, and shall be eligible for reelection for a maximum of one additional one-year term.

14.3.2.2 Vacancy
14.3.2.2.1 If a vacancy occurs on the Board on account of the death or resignation of the postgraduate trainee member or alternate or for any other reason, an election of another postgraduate trainee member to complete the unexpired term of the Director whose position has become vacant shall be held at the direction of the Board and by a vote of NLMA members enrolled in a postgraduate training program.

14.4 Medical Student Member
14.4.1 Election
14.4.1.1 The medical student member and alternate of the Board shall be elected by a vote of student members. Such vote shall be held at the direction of the Board within a period twelve (12) months before or three (3) months after the Annual General Meeting at which such student member is to assume office.

14.4.2 Term of Office
14.4.2.1 The medical student member and alternate of the Board shall be eligible to serve as a Director for a one-year term, and shall be eligible for reelection for a maximum of one additional one-year term.

14.4.2.2 Vacancy
14.4.2.2.1 If a vacancy occurs on the Board on account of the death or resignation of the medical student member or alternate or for any other reason, an election of another medical student member to complete the unexpired term of the Director whose position has become vacant shall be held at the direction of the Board and by a vote of student members.
Dr. Karen Horwood

What a year! Never before in the history of the NLMA has communications been more important. We began our year with the launch of a mass media advertising campaign designed to raise public awareness about the serious issues facing physicians and the delivery of medical services in the province. It s About You! It s About Us! It s About Time! resonated with both physicians and the general public and sent a clear message to government that the NLMA was intent on achieving its goals.

The ad campaign was supported by a strong media relations effort that saw NLMA issues highlighted in a wide variety of news reports. Thanks to the effort of the NLMA s communications team, led by Lynn Barter, our Director of Communications and Public Affairs, the NLMA s media and public profile grew through the spring and summer of 2002.

We capitalized on physician stories, putting a human face on concerns about working conditions, remunerations and lifestyle issues. We also seized opportunities like the AGM, General Council and the ongoing work of the Romanow Commission to advance our position on issues like standards of care, accessibility, the shortage of health human professionals and more.

Our President, Dr. John Haggie, quickly became a familiar face in the provincial media and would soon be a household name.

Communicating with our members

As the media relations program unfolded and the first phase of our advertising campaign appeared in the media, our internal communications program hit full stride.

In addition to activating our physician phone tree, physicians were kept up-to-date on all negotiation developments through regular Negotiations Bulletins and Presidents Letters. A network of regional physician leaders was established to communicate directly with their colleagues and coordinate activities in the event negotiations failed.

Early in the negotiations process, it became apparent that the NLMA would have to prepare itself to communicate outside its traditional methods of postal mail and fax. In a split second, e-mail would become the only medium of disseminating high-volume, time-sensitive information to members detached from their clinics; and the Internet would become the main source of detailed information for members, media and patients.

David Mitchell, our Manager of Operations and Informatics, began revamping the NLMA s web site in the spring and summer of 2002. A secure site dedicated to negotiations issues was launched in late summer, and a broader membership database was designed that permitted the storage of comprehensive member contact information in an easily filtered and exportable format.

David s hard work paid off in the fall. With the start of job action on October 1, the main web site logged 1,278 unique visits! In the following days, hits averaged between 400 on weekends to over 800 hits on weekdays. Two additional spikes were also recorded: one when the media reported that negotiations had broken off following a weekend marathon bargaining session; and, again when it was
announced binding arbitration had been accepted by both sides. The negotiations site recorded similar traffic patterns, with October 1 logging 432 unique hits and daily totals ranging between 242 and 346.

Other provincial medical associations and societies, along with the CMA, visited our site daily to monitor events as they unfolded and to receive information not filtered through media outlets. Media regularly visited the media section, allowing NLMA communications staff to deal directly with the media only on more important issues. Members visited the secure site to get an update on negotiations and answers to their questions on job action execution.

A major portion of traffic to the public site was driven by national media attention. Online news services including cbc.ca, ctvnews.ca, globeandmail.com, Yahoo! News, and vocm.com all provided direct links to nlma.nf.ca as they ran articles almost daily on our job action and its effects on the provincial health care system.

Communicating directly with our membership through postal mail and fax went out the window. Many physicians were no longer in their offices. E-mail immediately became the distribution method of choice. Following a drive to secure addresses, our database grew from a mere 150 addresses to almost 600 and, currently, we communicate with more than 700 members through e-mail! The new membership database allowed us to easily mass e-mail the majority of our practicing members.

While not an all-inclusive method, when used in conjunction with our web sites, it allowed a small contingent of NLMA staff to maintain timely communications during a critical and unique time in the association’s history. The NLMA continues to use e-mail as an effective and efficient method of communications. If you’re not yet receiving e-mail from us, forward your address to nlma@nlma.nf.ca!

Job Action

The communications strategy heading into negotiations with the provincial government was a simple one — raise public awareness, unite physicians and send a strong, clear message to the political leadership. Thanks to the tireless efforts of the staff and physician leaders, we overcame many challenges and climbed unexpected hurdles to achieve our goals. On September 23, 2002, when the NLMA gave notice of withdrawal of services effective midnight, September 30, our energy and efforts came to fruition.

For those 17 difficult days in October, physicians stood united. Buffeted by an unexpected but welcome outpouring of public support, our commitment to our patients and to our profession was firm.

A strong media relations program during the job action was crucial. Phase two of our advertising campaign concluded immediately prior to job action commencing. We implemented a third phase of our campaign, consisting only of print and radio advertising. Phase three included public service announcements and reinforced the NLMA’s commitment to providing emergency care and other essential services during the job action. Emphasizing that emergency services would not be compromised was critical in achieving and maintaining public support.

As President, John was available to the province’s media every day. In addition to regular media briefings, John was a regular guest on CBC TV’s Newsworld and national radio broadcasts. He became a familiar voice on VOCM’s Open Line and helped sway opinion leaders like Open Line Host Bill Rowe in our favor.
In addition to John’s ongoing role as NLMA spokesperson, we continued our strategy of showcasing individual physician stories. Physician profiles were featured on a regular basis in the province’s media and individual physicians were heard daily on radio talk shows like VOCM’s *Open Line* and *Nite Line*.

Through it all, daily teleconferences with physician leaders kept members informed and, at pivotal points through the 17 days, special general meetings brought hundreds of physicians together to boost morale and signal continued support and unity for the NLMA’s efforts.

In the end, unity won out. On October 17, physicians returned to work with the promise of a $50 million floor and potentially more to come through binding arbitration.

**Arbitration**

We continued to use *President’s Letters*, the website and the physician phone tree to keep members informed about the arbitration process. Our communications plan went into action on April 15 when the arbitration board released its decision. A *President’s Letter* went out the same day and in the days following bulletins and additional information clarifying the award were distributed. Our goal was to ensure timely reporting to members of the outcome of arbitration. A special general meeting was also scheduled to allow members to ask questions and comment on the ruling. While we didn’t get everything we asked for, the NLMA made some significant gains and we have the foundation for a new agreement with government.

**Measuring Our Success**

A program of media monitoring, member consultation and quarterly opinion research is used to monitor and measure the success of our communication program. A recent membership survey showed an overall high level of satisfaction with our internal communications program and we are continuing to promote our e-communications strategy to members.

Our media profile remains high. The NLMA is a source of ongoing information and opinion for the province’s media agencies, and physician stories and issues continue to be of interest to the public.

Our opinion polling indicates that most people have a very high opinion of physicians, and most indicated their opinion of physicians improved or stayed the same after the job action. We will continue to track public opinion and use the results to build a physician reputation index. These measurements will be evaluated over time and used to guide us as our communications strategy evolves and changes to meet future requirements.

The Communications Committee provides advice and support to the Board of Directors and is responsible for the development and implementation of the NLMA’s communications strategies.
Finance Committee Report

Dr. Terry O Grady

Last year the NLMA was faced with a number of unique and unprecedented circumstances, which combined, had a significant impact on the financial situation of the organization. In addition to the cumulative deficit carryover from previous years of $245,179, we spent $277,191 more than we received in revenues in 2002. As in the preceding year, it was decided to cover these shortfalls by transferring funds from our reserve and reducing bank indebtedness. The net effect has been a significant reduction in the reserve, from $898,334 at the end of 2001 to $471,970 at the end of 2002.

The most noteworthy situation during the fiscal year stemmed from the negotiations, service withdrawal and arbitration process. While we mounted a very successful public relations campaign, the costs associated with it exceeded $200,000. The negotiating process, which was protracted, also cost significantly more than what was budgeted. In addition, the cost of the arbitration process to the NLMA is projected to be in excess of $200,000. All of the expenditures described above represent extraordinary costs that will likely not recur. It is precisely for this kind of contingency that a reserve fund is maintained and we were fortunate that there were sufficient funds for us to use. Consequently, it will be vitally important for us to replenish this envelope to reasonable levels within the next year or two.

The NLMA now finds itself at an important crossroads as we contemplate our fiscal circumstances. It would be imprudent and irresponsible to continue the deficit spending pattern of the last two years. If we are to continue strengthening our position as advocates for health care and the medical profession, as we have done very effectively in the last year, there is a great deal more to do. Two of the most significant areas that we will need to devote our attention to involve the acquisition of more legal expertise and more technical capacity in information technology (IT). More and better use of legal services before we enter into arrangements with government will prevent many of the kinds of problems we have encountered in the past and save resources. Similarly, we need to devote a lot more effort to strengthening the capacity of every physician in the province to exploit and apply the rapidly changing IT opportunities that are available. These and other important initiatives require additional technical, specialized expertise and will consume additional resources.

We are now at an important transition point in the life of the NLMA. It is now time to approach the future with a bold vision to achieve greater strength and innovation. We need to do this in a fiscally responsible way and that will mean a greater investment, shared by all our members.
**Dr. Steve Darcy**

The Health ICT Policy committee was formed in early 2003 to represent the interests of the NLMA in health information and communications technology policy areas, particularly the context of the provincial electronic health record (EHR).

To produce constructive results, committee members were chosen from a cross-section of the NLMA membership - GPs and specialists, IT savvy and IT novices, rural and urban.

The committee has held its inaugural meeting, addressing administrative issues such as terms of reference, committee structure and reporting requirements. However, monthly meetings have been scheduled to address urgent issues in health IT.

Development of an NLMA privacy policy has been identified as the most pressing issue for this committee in the coming months.

**physicians Assistance Committee**

**Dr. Susan King**

This committee comprises NLMA’s membership on the Professionals Assistance Committee, which oversees the development of the Professionals Assistance Program and provides direction to the clinical co-ordinator, Rosemary Lahey, M.S.W., R.S.W.

The Professionals Assistance Program, jointly sponsored by the Newfoundland and Labrador Medical Association, Newfoundland Pharmaceutical Association, Newfoundland Dental Association and the Law Society of Newfoundland, is a confidential support program for physicians, pharmacists, dentists and lawyers. The program continues to be broad-brushed in its mandate and is available to physicians, residents, clinical clerks, medical students and family members experiencing personal problems. A goal of the program is wellness and well-being in the medical profession and workshops are offered in this area. Since 1994, 234 physicians have accessed the program. Results of the client satisfaction survey yield positive feedback and clients view the support program as a commitment of NLMA to their health and wellness, both personally and professionally.
Dr. Ronan O Shea

The Salaried Physicians Committee represents the interests of the 360 practicing salaried physicians in clinical practice in the province. This number represents approximately one-third of NLMA membership. The committee is comprised of salaried physicians who represent various specialist groups, as well as representatives of the different subgroups of family/general practice. The committee advises the board of directors of the NLMA on salaried issues, carries out functions as designated by the board of directors, and offers advice and support to individual salaried physicians who may be having difficulties regarding their employment.

The committee has met three times over the past year and focused its energy almost exclusively on negotiations, job action and arbitration. During negotiations, the committee advised the board and the negotiating team on key issues for salaried physicians. The committee reviewed the proposed job action from the perspective of salaried physicians and advised the board of its recommendations.

In preparation for arbitration, the committee provided NLMA staff with rationale for the various salaried physician proposals. The aim was to strengthen the case made by the NLMA and its legal team in the written briefs and verbal submissions to the arbitration board on the salaried component of the NLMA package.

The presentations highlighted key areas of importance to salaried physicians such as base compensation, bonuses, additional workload due to vacancy, defined work week, ability to bill fee-for-service, critical escort, locums, leave benefits, on-call, lifestyle issues, competitiveness and recruitment and retention.

As chair of the committee, I represented the interests of salaried physicians at negotiations and during the arbitration hearings. At the time of writing, the report of the arbitration board has not been released. A lot depends on the content of that report. If it does not meet most of the expectations of salaried physicians, individual salaried physicians will have to make some critical decisions regarding their future in the province. Many complaints we hear from salaried physicians concern unpaid on-call, unfairness and inequities regarding the additional workload payment policy, the inability to bill fee for service or sessionals except when on approved leave, and the expectation of employers that salaried physicians can be told to fill in for gaps in service delivery caused by inadequate physician numbers. Most of these problems are directly linked to the lack of a defined work week, and the lack of written job descriptions and contracts. The last MOU did not adequately address these major issues and, as a result, the Salaried Physicians Committee had very little success in fixing the difficult problems many of our members were experiencing. Our main goal in negotiations and during the arbitration process was to correct these underlying problems, which were making life so difficult for salaried physicians. It will be a major disappointment for salaried physicians if this is not resolved through arbitration.
Salaried physicians in Prince Edward Island and New Brunswick have a defined work week. It is of interest that there are almost no salaried physicians in Nova Scotia — remuneration is either fee-for-service or an alternative payment plan. Looking to the future, it may be of value to do some research into the desirability of converting the current salaried system into an alternative payment plan. If so directed by the NLMA board, the Salaried Physicians Committee could participate in this process in the coming year.

I wish to thank the committee members, as well as Stephen Jerrett and Tamie Walsh at the NLMA office, for their support in promoting the interests of salaried physicians throughout the year. I look forward to seeing many salaried physicians at the AGM in St John's.
Dr. Karl Misik

The CMA Board addressed the following issues during the past year.

1. Federal Commission on the Future of Health Care (Romanow)
   Report in November of 2002 was greeted with approval by the board. CMA issued a 100-day challenge to the federal and provincial governments to come up with a renewal plan for health care in this country. The federal, provincial and territorial first ministers met in late February 2003 to come up with an agreement. Notable exceptions to the signing of the agreement were the territorial first ministers. It remains to be seen how the agreement will play out over the next few years. The Canada Health Council came out of the agreement. The CMA has proposed five prominent potential physicians to be appointed to this council.

2. Primary Care Renewal
   The CMA developed a compendium of policy principles for primary care renewal. The CMA will develop a communications strategy to convey its position to members and to the public.

3. Quebec Medical Association
   A tripartite agreement was signed between the CMA, the Quebec Medical Association and CMA Holdings to add further finances to the QMA in order to enhance its ability to recruit members and also add to the CMA membership.

4. Emerging Issues
   - Pressures on the profession of medicine — future of medical professionalism.
   - Physicians and the pharmaceutical industry — issue of funding physicians to simply attend CME events. Agreement reached with industry. Other issues are pending.
   - CMA role in the ethics of research on humans — CMA is proposing a more active role in research ethics.

5. CMA Holdings
   CMA Holdings continues to provide excellent financial services to members despite a dismal year in the equity markets. CMA Holdings will be pursuing further forays into the insurance business for its membership. This issue is being discussed with the divisions. CMA Holdings is contemplating further acquisitions.

6. CMA Annual Meeting/General Council
   The annual meeting of CMA and General Council will take place in Winnipeg, Manitoba, from August 17-20.

   Since this is my final year as your representative on the CMA Board of Directors, I thank you for the privilege of serving you and wish my successor an interesting and challenging three-year term.
The Nominating Committee considered all nominations put forward for election to the NLMA Board of Directors and would like to thank all members who allowed their names to stand. The committee is pleased to put forward the following slate of officers and board members for 2003-2004.

**Executive:**
- **President** Dr. Susan King, FFS\(^1\) GP St. John's
- **President Elect** Dr. Andrew Major, FFS Spec St. John's
- **Honorary Secretary** Dr. Gregory Mercer, Sal\(^2\) GP Stephenville
- **Honorary Treasurer** Dr. Terry O Grady, FFS Spec St. John's
- **Immediate Past President** Dr. John Haggie, FFS Spec Gander

**Board Members:**

**Remaining:**
- Dr. Gerard Farrell, Sal GP St. John's Region
- Dr. Adrian Major, FFS Spec St. John's Region
- Dr. Robert Russell, FFS Spec Central East Region
- Dr. Mammen Cherian, FFS Spec Central West Region
- Dr. Maureen Gibbons, FFS GP Western Region
- Dr. Tom Costello, FFS GP Labrador Region

**Proposed:**
- Dr. Julia Trahey, Sal Spec St. John's Region
- Dr. Elizabeth Callahan (FFS GP) St. John's Region
- Dr. Regina Becker (FFS GP) Avalon Region
- Dr. Sunmolu Beckley, FFS GP Peninsulas Region
- Dr. Jan Van Wijk (Sal Spec) Western Region
- Dr. Murugesan Kulandaivelu, Sal Spec Grenfell Region

*In accordance with the By-Laws, the Board of Directors will appoint a member to complete Dr. Mike Hatcher’s term of office at the April 26 Board meeting.

The membership will be asked to vote on the following positions at the AGM: President-Elect, Honorary Secretary, Honorary Treasurer and proposed board members.

Other members may be nominated from the floor with a seconder and the permission of the nominee, who must be a registered member of the Newfoundland and Labrador Medical Association. Any nominations from the floor will be added to the above list and voted on by secret ballot.

\(^1\) Fee for Service  
\(^2\) Salaried
### appendix 1

#### BUDGET VARIANCES

<table>
<thead>
<tr>
<th>Category</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue Advertising</strong></td>
<td>Nexus printings were down as were the corresponding costs.</td>
</tr>
<tr>
<td><strong>Membership</strong></td>
<td>Under-estimated by approximately $25,000.</td>
</tr>
<tr>
<td><strong>CMA Funding</strong></td>
<td>Contribution towards a new membership database system.</td>
</tr>
<tr>
<td><strong>Investment</strong></td>
<td>Investment income reflects low market conditions and the liquidation of approximately 50% of the reserve fund.</td>
</tr>
<tr>
<td><strong>Rental</strong></td>
<td>Actual for year was $15,400, however auditors have shown portion paid in 2001 as pre-paid rent.</td>
</tr>
<tr>
<td><strong>Expenses Board of Directors</strong></td>
<td>Late claims resulted in $6,300 being paid out in 2003. Other savings were as a result of poor attendance (due to weather) at one board meeting and a reduction in board teleconferencing.</td>
</tr>
<tr>
<td><strong>Communications</strong></td>
<td>Over-budget because of PR campaign associated with negotiations and extra-ordinary telephone conferencing costs prior to and during the job action period.</td>
</tr>
<tr>
<td><strong>Convention</strong></td>
<td>Budgeted loss of $7,000, however, net loss was $11,400. The additional loss of $4,400 is attributable to travel costs for guest speakers.</td>
</tr>
<tr>
<td><strong>Economics/Negotiations/Allocations</strong></td>
<td>Additional travel expenses incurred because of job action and preparation for arbitration.</td>
</tr>
<tr>
<td><strong>Honoraria</strong></td>
<td>Additional cost due to job action and arbitration.</td>
</tr>
<tr>
<td><strong>Light, heat, telephone</strong></td>
<td>This budget was under-estimated. Telephone charges were above budget. Budget for electricity did not adequately reflect increased costs associated with the expansion to the building.</td>
</tr>
<tr>
<td><strong>Furniture/Equipment</strong></td>
<td>A large portion of actual expenses of $42,200 have been capitalized. New computer and membership software was purchased in 2002, as well as furniture for two offices.</td>
</tr>
<tr>
<td><strong>Rental of Equipment</strong></td>
<td>Budget took into account the possibility of leasing new equipment, however, no new equipment was leased in 2002.</td>
</tr>
<tr>
<td><strong>Maintenance contracts</strong></td>
<td>Computer system attacked by a virus which resulted in high maintenance costs. Costs also incurred with the installation of new computers and a new server.</td>
</tr>
<tr>
<td><strong>Salaries/Fringe Benefits</strong></td>
<td>Additional costs incurred during job action. Additional staff member hired in 2002.</td>
</tr>
<tr>
<td><strong>Scholarships</strong></td>
<td>$4,500 paid out in bursaries. Subsequent bursaries will be paid from the Newfoundland and Labrador Medical Scholarship Foundation.</td>
</tr>
<tr>
<td><strong>Travel</strong></td>
<td>Additional travel required by the President and CEO in preparation for negotiations.</td>
</tr>
</tbody>
</table>
## Investments - Scotia Mcleod

<table>
<thead>
<tr>
<th>Description</th>
<th>Maturity Value</th>
<th>Purchase Date</th>
<th>Cost</th>
<th>Market Value</th>
<th>Yield</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash Balance</td>
<td>$64,333</td>
<td></td>
<td>$64,333</td>
<td>$64,333</td>
<td>1.50%</td>
</tr>
<tr>
<td>Coupon Prov of Ontario due 06/02/09</td>
<td>$30,000</td>
<td>Feb 13, 2002</td>
<td>$20,280</td>
<td>$22,201</td>
<td>5.52%</td>
</tr>
<tr>
<td>Pinnacle Program</td>
<td></td>
<td></td>
<td>$64,152</td>
<td>$48,874</td>
<td>N/A</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td></td>
<td><strong>$148,765</strong></td>
<td><strong>$135,408</strong></td>
<td></td>
</tr>
</tbody>
</table>

## RESERVE FUND

**MD Management Ltd.**

<table>
<thead>
<tr>
<th>Description</th>
<th>Purchase Date</th>
<th>Number of Units</th>
<th>ACB(^1)</th>
<th>EV(^2) Dec 31/02</th>
<th>Maturity Value</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CASH</strong></td>
<td></td>
<td></td>
<td></td>
<td>$60,149.38</td>
<td></td>
</tr>
<tr>
<td><strong>Short Term Fixed Income</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>INT-Canada 10C04</td>
<td>06 Feb 95</td>
<td>N/A</td>
<td>$21,950</td>
<td>$48,227.13</td>
<td>51,000</td>
</tr>
<tr>
<td>INT-Canada 1AP05</td>
<td>02 April 02</td>
<td>N/A</td>
<td>$7,552</td>
<td>$8,043.76</td>
<td>8,700</td>
</tr>
<tr>
<td>INT-Ontario HYD 6FB04</td>
<td>21 Mar 97</td>
<td>N/A</td>
<td>$21,634</td>
<td>$31,924.00</td>
<td>33,000</td>
</tr>
<tr>
<td>INT-Ontario PROV 2JUN05</td>
<td>02 April 02</td>
<td>N/A</td>
<td>$36,158</td>
<td>$38,560.20</td>
<td>42,000</td>
</tr>
<tr>
<td>INT-B.C. PROV 5MARCH05</td>
<td>02 April 02</td>
<td>N/A</td>
<td>$40,224</td>
<td>$42,752.11</td>
<td>46,251</td>
</tr>
<tr>
<td><strong>Canadian Equity Securities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MD Equity Fund</td>
<td>N/A</td>
<td>2,326.3990</td>
<td>$37,859</td>
<td>$33,849.11</td>
<td>N/A</td>
</tr>
<tr>
<td>MD Select Fund</td>
<td>N/A</td>
<td>2,027.1940</td>
<td>$32,551</td>
<td>$25,137.21</td>
<td>N/A</td>
</tr>
<tr>
<td><strong>Foreign Equity Securities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fidelity International Portfolio</td>
<td>N/A</td>
<td>683.5550</td>
<td>$25,000</td>
<td>$16,521.52</td>
<td>N/A</td>
</tr>
<tr>
<td>MF Growth Fund</td>
<td>N/A</td>
<td>2,413.9720</td>
<td>$28,202</td>
<td>$20,784.30</td>
<td>N/A</td>
</tr>
<tr>
<td>MD US Large Cap Growth Fund</td>
<td>N/A</td>
<td>2,376.7670</td>
<td>$16,917</td>
<td>$10,600.38</td>
<td>N/A</td>
</tr>
<tr>
<td><strong>Total Holding</strong></td>
<td></td>
<td></td>
<td><strong>$267,777</strong></td>
<td><strong>$336,549.30</strong></td>
<td></td>
</tr>
</tbody>
</table>

\(^1\) Adjusted Cost Base (Book Value)  
\(^2\) Estimated Value at Dec 31, 2002
## REVENUE:
- Membership: 1,265,000
- Interest Income: 15,000
- Advertising: 14,000
- Convention: 35,000
- Rental Income: 15,400

**Total Revenue:** 1,344,400

## EXPENSES:
- Archives: 0
- Atlantic Provinces Peer Review: 37,000
- Audit: 9,000
- Bank Charges & Interest on debt: 1,500
- Board of Directors: 40,000
- By-Laws: 0
- Cleaning & Snowclearing: 10,000
- Communications: 120,000
- Convention: 40,000
- Economics & Negotiations: 43,000
- Flowers/Donations: 500
- Grounds: 1,600
- Heat & Light: 19,000
- Honoraria: 110,000
- Insurance: 9,000
- Legal: 12,000
- Municipal Taxes: 17,000
- Payroll Tax: 0
- Postage, Stationery, Office Supplies: 18,000
- Professionals Assistance Committee: 23,500
- Rental of Equipment: 800
- Repairs, Renovations, Maintenance Contracts: 7,500
- Salaries & Fringe Benefits: 568,000
- Scholarships: 2,000
- Telephone & Internet Access: 15,000
- Travel: 43,000
- 2003 Revenue spent in 2002: 197,000

**Total Expenses:** 1,344,400

## BALANCE:
0
Auditors' Report

To the Members of
Newfoundland and Labrador Medical Association.

We have audited the combined funds balance sheet of the Newfoundland and Labrador Medical Association as at December 31, 2002 and the general fund statement of operations, the general fund statement of changes in fund balances, the internally restricted fund statement of operations and changes in fund balances and the combined funds statement of cash flows for the year then ended. These financial statements are the responsibility of the Association's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Association as at December 31, 2002 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Deloitte & Touche
Chartered Accountants
February 12, 2003
# NEWFOUNDLAND AND LABRADOR MEDICAL ASSOCIATION
## GENERAL FUND
### Statement of Operations
**Year ended December 31, 2002**

<table>
<thead>
<tr>
<th>REVENUE</th>
<th>2002 Budget</th>
<th>2002 Actual</th>
<th>2001 Budget</th>
<th>2001 Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Membership fees</td>
<td>-</td>
<td>1,217,916</td>
<td>1,174,765</td>
<td></td>
</tr>
<tr>
<td>Less paid to the C.M.A.</td>
<td>-</td>
<td>216,906</td>
<td>197,312</td>
<td></td>
</tr>
<tr>
<td>Advertising</td>
<td>22,000</td>
<td>11,650</td>
<td>20,520</td>
<td></td>
</tr>
<tr>
<td>CMA funding</td>
<td>-</td>
<td>10,550</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Convention</td>
<td>28,000</td>
<td>29,677</td>
<td>32,429</td>
<td></td>
</tr>
<tr>
<td>Investment</td>
<td>15,000</td>
<td>1,439</td>
<td>37,062</td>
<td></td>
</tr>
<tr>
<td>Rental</td>
<td>15,400</td>
<td>68,283</td>
<td>14,217</td>
<td></td>
</tr>
<tr>
<td><strong>Total Revenue</strong></td>
<td><strong>975,000</strong></td>
<td><strong>1,001,010</strong></td>
<td><strong>977,453</strong></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>EXPENSES</th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Atlantic Peer Review</td>
<td>36,000</td>
<td>37,283</td>
<td>36,076</td>
<td></td>
</tr>
<tr>
<td>Audit and accounting</td>
<td>9,000</td>
<td>8,855</td>
<td>9,995</td>
<td></td>
</tr>
<tr>
<td>Bank charges</td>
<td>3,000</td>
<td>1,005</td>
<td>1,200</td>
<td></td>
</tr>
<tr>
<td>Board of directors</td>
<td>54,000</td>
<td>36,397</td>
<td>58,432</td>
<td></td>
</tr>
<tr>
<td>CEO Search</td>
<td>-</td>
<td>-</td>
<td>129,407</td>
<td></td>
</tr>
<tr>
<td>Cleaning and snowclearing</td>
<td>10,000</td>
<td>9,912</td>
<td>7,425</td>
<td></td>
</tr>
<tr>
<td>Communications</td>
<td>120,000</td>
<td>328,919</td>
<td>186,145</td>
<td></td>
</tr>
<tr>
<td>Convention</td>
<td>35,000</td>
<td>48,078</td>
<td>38,985</td>
<td></td>
</tr>
<tr>
<td>Economics, negotiations and allocation</td>
<td>50,000</td>
<td>74,264</td>
<td>91,982</td>
<td></td>
</tr>
<tr>
<td>Flowers and donations</td>
<td>1,000</td>
<td>787</td>
<td>1,151</td>
<td></td>
</tr>
<tr>
<td>Grounds</td>
<td>1,400</td>
<td>1,533</td>
<td>1,407</td>
<td></td>
</tr>
<tr>
<td>Honoraria</td>
<td>110,000</td>
<td>129,064</td>
<td>113,809</td>
<td></td>
</tr>
<tr>
<td>Insurance</td>
<td>7,500</td>
<td>7,165</td>
<td>9,191</td>
<td></td>
</tr>
<tr>
<td>Interest on capital lease</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>91</td>
</tr>
<tr>
<td>Legal</td>
<td>15,000</td>
<td>12,410</td>
<td>13,687</td>
<td></td>
</tr>
<tr>
<td>Light, heat and telephone</td>
<td>28,000</td>
<td>39,163</td>
<td>26,187</td>
<td></td>
</tr>
<tr>
<td>Loss on disposal of capital assets</td>
<td>-</td>
<td>(11,282)</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Municipal taxes</td>
<td>20,000</td>
<td>16,702</td>
<td>15,229</td>
<td></td>
</tr>
<tr>
<td>New equipment and furniture</td>
<td>33,091</td>
<td>5,547</td>
<td>735</td>
<td></td>
</tr>
<tr>
<td>Physicians' assistance</td>
<td>23,000</td>
<td>21,620</td>
<td>22,630</td>
<td></td>
</tr>
<tr>
<td>Postage, stationery and office supplies</td>
<td>18,000</td>
<td>18,280</td>
<td>19,033</td>
<td></td>
</tr>
<tr>
<td>Rental of equipment</td>
<td>6,000</td>
<td>856</td>
<td>1,379</td>
<td></td>
</tr>
<tr>
<td>Repairs and maintenance contracts</td>
<td>7,500</td>
<td>27,441</td>
<td>9,088</td>
<td></td>
</tr>
<tr>
<td>Salaries and employee benefits</td>
<td>463,000</td>
<td>509,055</td>
<td>405,487</td>
<td></td>
</tr>
<tr>
<td>Scholarships</td>
<td>2,000</td>
<td>6,500</td>
<td>2,000</td>
<td></td>
</tr>
<tr>
<td>Travel</td>
<td>36,000</td>
<td>47,762</td>
<td>38,323</td>
<td></td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td><strong>1,055,400</strong></td>
<td><strong>1,122,609</strong></td>
<td><strong>1,081,681</strong></td>
<td></td>
</tr>
</tbody>
</table>

**EXCESS OF EXPENSES OVER REVENUE**

**BEFORE AMORTIZATION**
- (277,191) (157,313)

**AMORTIZATION**
- (54,183) (28,012)

**EXCESS OF EXPENSES OVER REVENUE**
- (331,374) (185,325)
# NEWFOUNDLAND AND LABRADOR MEDICAL ASSOCIATION

## COMBINED FUNDS

### Balance Sheet

**December 31, 2002**

<table>
<thead>
<tr>
<th></th>
<th>2002</th>
<th>2001</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CURRENT</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>16,113</td>
<td>63,000</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td></td>
<td>4,316</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>16,113</td>
<td>67,316</td>
</tr>
<tr>
<td>LOAN RECEIVABLE, NON-INTEREST BEARING, NO FIXED DATE OF REPAYMENT</td>
<td>10,000</td>
<td></td>
</tr>
<tr>
<td><strong>INVESTMENTS</strong></td>
<td>471,970</td>
<td>898,344</td>
</tr>
<tr>
<td><strong>CAPITAL ASSETS (Note 3)</strong></td>
<td>1,061,348</td>
<td>940,097</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>1,559,431</td>
<td>1,905,757</td>
</tr>
<tr>
<td><strong>LIABILITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CURRENT</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bank indebtedness</td>
<td>56,500</td>
<td>232,006</td>
</tr>
<tr>
<td>Accounts payable and accrued liabilities</td>
<td>57,992</td>
<td>50,938</td>
</tr>
<tr>
<td>Current portion of deferred revenue (Note 5)</td>
<td>284,536</td>
<td>50,600</td>
</tr>
<tr>
<td>Payable to the Newfoundland &amp; Labrador Medical Scholarship Foundation</td>
<td>25,901</td>
<td>29,551</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td>424,929</td>
<td>363,095</td>
</tr>
<tr>
<td><strong>DEFERRED REVENUE (Note 5)</strong></td>
<td>122,283</td>
<td>172,883</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>547,212</td>
<td>535,978</td>
</tr>
<tr>
<td><strong>NET ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unrestricted</td>
<td>(348,216)</td>
<td>(245,179)</td>
</tr>
<tr>
<td>Invested in capital assets</td>
<td>888,465</td>
<td>716,614</td>
</tr>
<tr>
<td>Internally restricted funds</td>
<td>471,970</td>
<td>898,344</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,012,219</td>
<td>1,369,779</td>
</tr>
<tr>
<td><strong>Net Assets</strong></td>
<td>1,559,431</td>
<td>1,905,757</td>
</tr>
</tbody>
</table>
NEWFOUNDLAND AND LABRADOR MEDICAL ASSOCIATION
GENERAL FUND
Statement of Changes in Fund Balances
Year ended December 31, 2002

<table>
<thead>
<tr>
<th></th>
<th>General Fund</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Invested</td>
<td>Unrestricted</td>
<td></td>
</tr>
<tr>
<td></td>
<td>in Capital</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td></td>
<td>Assets</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>BALANCE, BEGINNING OF YEAR</td>
<td>(245,179)</td>
<td>716,614</td>
<td>471,435</td>
</tr>
<tr>
<td>EXCESS OF EXPENSES OVER REVENUE</td>
<td>(277,191)</td>
<td>(54,183)</td>
<td>(331,374)</td>
</tr>
<tr>
<td>TRANSFER FROM INTERNALLY</td>
<td>400,188</td>
<td>-</td>
<td>400,188</td>
</tr>
<tr>
<td>RESTRICTED FUND</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>INVESTMENT IN CAPITAL ASSETS</td>
<td>(226,034)</td>
<td>226,034</td>
<td>-</td>
</tr>
<tr>
<td>(NET OF FINANCING)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>BALANCE, END OF YEAR</td>
<td>(348,216)</td>
<td>888,465</td>
<td>540,249</td>
</tr>
</tbody>
</table>

INTERNALLY RESTRICTED FUNDS
Statement of Operations and Changes in Fund Balances
Year ended December 31, 2002

<table>
<thead>
<tr>
<th></th>
<th>2002</th>
<th>2001</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
<td>Total</td>
</tr>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>INVESTMENT INCOME (LOSS)</td>
<td>(26,186)</td>
<td>33,124</td>
</tr>
<tr>
<td>EXCESS OF REVENUE OVER EXPENSES</td>
<td>(26,186)</td>
<td>33,124</td>
</tr>
<tr>
<td>(EXPENSES OVER REVENUE)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>TRANSFER TO GENERAL FUND - UNRESTRICTED</td>
<td>(400,188)</td>
<td>-</td>
</tr>
<tr>
<td>BALANCE, BEGINNING OF YEAR</td>
<td>898,344</td>
<td>865,220</td>
</tr>
<tr>
<td>BALANCE, END OF YEAR</td>
<td>471,970</td>
<td>898,344</td>
</tr>
</tbody>
</table>
### NEWFOUNDLAND AND LABRADOR MEDICAL ASSOCIATION

**COMBINED FUNDS**

**Statement of Cash Flows**

*Year ended December 31, 2002*

<table>
<thead>
<tr>
<th></th>
<th>2002</th>
<th>2001</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td><strong>OPERATING ACTIVITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Excess of expenses over revenue - general fund</td>
<td>(331,374)</td>
<td>(185,325)</td>
</tr>
<tr>
<td>Amortization</td>
<td>54,183</td>
<td>28,012</td>
</tr>
<tr>
<td>Loss on disposal of capital assets</td>
<td>11,282</td>
<td>-</td>
</tr>
<tr>
<td>Change in non-cash working capital</td>
<td>54,607</td>
<td>15,621</td>
</tr>
<tr>
<td></td>
<td><strong>(211,302)</strong></td>
<td><strong>(141,692)</strong></td>
</tr>
<tr>
<td><strong>INVESTING ACTIVITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchase of capital assets</td>
<td>(186,716)</td>
<td>(455,830)</td>
</tr>
<tr>
<td>Increase in loan receivable</td>
<td>(10,000)</td>
<td>-</td>
</tr>
<tr>
<td>(Increase) decrease in investments</td>
<td>426,374</td>
<td>(33,124)</td>
</tr>
<tr>
<td></td>
<td><strong>229,658</strong></td>
<td><strong>(488,954)</strong></td>
</tr>
<tr>
<td><strong>FINANCING ACTIVITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Increase in deferred revenue</td>
<td>183,336</td>
<td>223,483</td>
</tr>
<tr>
<td>Repayments of long term debt</td>
<td>-</td>
<td>(4,019)</td>
</tr>
<tr>
<td></td>
<td><strong>183,336</strong></td>
<td><strong>219,464</strong></td>
</tr>
<tr>
<td><strong>CHANGE IN UNRESTRICTED FUND BALANCE</strong></td>
<td>400,188</td>
<td>-</td>
</tr>
<tr>
<td><strong>CHANGE IN INTERNALLY RESTRICTED FUND BALANCES</strong></td>
<td>(426,374)</td>
<td>33,124</td>
</tr>
<tr>
<td></td>
<td><strong>(26,186)</strong></td>
<td><strong>33,124</strong></td>
</tr>
<tr>
<td><strong>INCREASE (DECREASE) IN CASH RESOURCES</strong></td>
<td>175,506</td>
<td>(378,058)</td>
</tr>
<tr>
<td><strong>CASH AND SHORT TERM INVESTMENTS, (BANK INDEBTEDNESS) BEGINNING OF YEAR</strong></td>
<td>(232,006)</td>
<td>146,052</td>
</tr>
<tr>
<td><strong>BANK INDEBTEDNESS, END OF YEAR</strong></td>
<td>(56,500)</td>
<td>(232,006)</td>
</tr>
</tbody>
</table>
NEWFOUNDLAND AND LABRADOR MEDICAL ASSOCIATION
Notes to the Financial Statements
December 31, 2002

1. DESCRIPTION OF OPERATIONS

The Newfoundland and Labrador Medical Association is a non-profit professional incorporated association as defined under the Newfoundland Medical Act. The Association represents and supports physicians in Newfoundland and Labrador and provides leadership in the promotion of good health and the provision of quality health care.

2. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles and reflect the following significant accounting policies:

(a) Capital assets

Capital assets are recorded at cost and are amortized on a declining balance basis at the following rates:

<table>
<thead>
<tr>
<th>Asset Type</th>
<th>Amortization Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Building</td>
<td>5%</td>
</tr>
<tr>
<td>Furniture, fixtures and equipment</td>
<td>10%</td>
</tr>
<tr>
<td>Computer equipment</td>
<td>20%</td>
</tr>
</tbody>
</table>

(b) Investments

Investments consist primarily of long term government and corporate bonds and are recorded at cost.

(c) Fund accounting

The Association follows the fund basis of accounting. Funds are segregated for the purpose of carrying on specific activities as determined by the members.

(d) Revenue recognition

The Association follows the deferral method of accounting for contributions whereby restricted contributions are deferred and recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

(e) Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.
NEWFOUNDLAND AND LABRADOR MEDICAL ASSOCIATION
Notes to the Financial Statements
December 31, 2002

3. FINANCIAL INSTRUMENTS

The carrying values of the Association’s short term financial instruments approximate fair value due to
the short term maturity and normal credit terms of those instruments. The long term investments
approximate fair value based on current interest rates appropriate for the terms of the investments.

4. CAPITAL ASSETS

<table>
<thead>
<tr>
<th></th>
<th>2002</th>
<th>2001</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Cost</td>
<td>Accumulated Amortization</td>
</tr>
<tr>
<td>N.L.M.A. House</td>
<td>$1,345,482</td>
<td>$390,358</td>
</tr>
<tr>
<td>Furniture, fixtures and equipment</td>
<td>$290,497</td>
<td>$223,533</td>
</tr>
<tr>
<td>Computer equipment</td>
<td>$29,369</td>
<td>$3,502</td>
</tr>
<tr>
<td>Computer software</td>
<td>$10,813</td>
<td>$1,081</td>
</tr>
<tr>
<td>Chain of office</td>
<td>$3,661</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>$1,679,822</td>
<td>$618,474</td>
</tr>
</tbody>
</table>

Certain capital assets (e.g. pictures and paintings) have been donated to the Association. As these items
were acquired at no cost, they are not recorded in these financial statements.

5. DEFERRED REVENUE

<table>
<thead>
<tr>
<th></th>
<th>2002</th>
<th>2001</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rent received in advance</td>
<td>$172,883</td>
<td>$223,483</td>
</tr>
<tr>
<td>Fees received in advance</td>
<td>$233,936</td>
<td>-</td>
</tr>
<tr>
<td>Less: Current portion</td>
<td>$284,536</td>
<td>$50,600</td>
</tr>
<tr>
<td></td>
<td>$122,283</td>
<td>$172,883</td>
</tr>
</tbody>
</table>

6. COMPARATIVE FIGURES

Certain figures, presented for comparative purposes, have been restated to conform to the current
year’s presentation.
Listed below is the membership of NLMA standing and special committees. Ad hoc committees have not been listed, as they are temporary committees and members are co-opted to serve according to the expertise required for the items under discussion.

**Communications & Public Affairs**

**Communications**
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Dr. Steve Darcy  
Dr. John Haggie  
Dr. Sheilagh McGrath  
Dr. Terry O Grady

**Government Relations**
Mr. Robert Ritter, Chair  
Dr. John Haggie  
Dr. Lydia Hatcher  
Dr. Karen Horwood

**Health Care and Promotion**
Dr. Alan McComiskey, Chair  
Dr. Khalid Aziz  
Dr. Chris Cox  
Dr. Vicki Crosbie  
Dr. Pradip Ganguly  
Dr. Gregory Russell

**Executive**

**Archives**
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Dr. Charles Henderson  
Dr. George Horner  
Dr. Maurice McVicker  
Dr. John Crellin, PhD (MUN)

**By-Laws**
Dr. Eric Stone, Chair  
Dr. Donald Hodder  
Dr. Harry Watts

**Ethics**
Chair — Dr. Ted Callanan  
Members - ad hoc

**Finance**
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Dr. Karl Misik  
Dr. Vinod Patel  
Dr. Tom Rossiter  
Dr. Jim Seviour

**Human Resources**
Dr. Terry O Grady, Chair  
Dr. Jim Seviour  
Dr. John Haggie  
Mr. Robert Ritter

**Nominating**
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Dr. Mike Cohen  
Dr. Alan McComiskey  
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**Health Policy and Economics**

**Allocations**
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Dr. Andrew Major, Vice Chair (Anaes)  
Dr. Amin Addetia (Cardiac Sur)  
Dr. Aidan Drover (GP)  
Dr. Douglas Drover (Urology)  
Dr. Alan Goodridge (Neurology)  
Dr. Martin W. Hogan (Psych)  
Dr. Fred Jardine (GP)  
Dr. Simon Kirby (ENT)  
Dr. Ian Landells (Derm)  
Dr. Ian Marshall (GP)  
Dr. Gerald Murray (Neuro Surg)  
Dr. Michael Paul (Internal Med)  
Dr. Arthur Rideout (Plastic Surg)  
Dr. Eric Sala (Rad)  
Dr. Suryakant Shah (Paed)  
Dr. Craig Stone (Ortho Surg)  
Dr. M. Thavanathan (Gen Surg)  
Dr. Carl Wesołowski (Nuclear Med)  
Dr. Jim Whelan (Ophth)  
Dr. Paul Woolfrey (Phys Med)  
Vacant (GP)  
Vacant (Emer Med)

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Dr. Robert Deane  
Dr. Blaine Pearce  
Dr. Eileen St. Croix

**Audit Review**
Dr. Karl Misik  
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Dr. Robert Deane  
Dr. Geoff Higgins  
Dr. Jeff Hiscock
**Negotiating**  
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Dr. John Haggie  
Dr. Lydia Hatcher  
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Dr. Fred Jardine  
Dr. Wayne Gulliver

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Dr. Ghanshyam Desai  
Dr. Ford Elms  
Dr. Jonathan Greenland  
Dr. Kevin Hogan  
Dr. Sandra Luscombe  
Dr. John MacCallum  
Dr. Judy Ophel  
Dr. Eileen St. Croix  
Dr. Talha Siddiqui  
Dr. Jody Woolfrey

**Physician Services Liaison Committee**  
Dr. Lydia Hatcher, Chair  
Dr. John Haggie  
Dr. Ronan O Shea  
Mr. Robert Ritter

**Professionals Assistance**  
Dr. Susan King, Chair  
Dr. Sylvia Clarke  
Dr. Susan Rideout-Vivian

**Corresponding Members**  
Dr. David Coleman  
Dr. King Jim  
Dr. Vince McMahon

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Dr. Nazir Ladha, Chair  
Dr. Barbara Barrowman  
Dr. Frank Noftall  
Dr. Randy Smith

**NLMA/WHSCC**  
Dr. Peter Cleary  
Dr. Johnstone MacCallum

**OPERATIONS AND INFORMATICS**

**Health ICT Policy Committee**  
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Dr. Gerard Farrell  
Dr. Ken Jenkins  
Dr. Frank King