

President's Letter

September 5, 2017



Lynn Dwyer, MD
President

Update on Memorandum of Agreement with Government

Dear Colleagues:

I wish to update you on the current status of the 2013-2017 Memorandum of Agreement (MOA), including the latest developments, and the anticipated next steps.

Negotiations for the MOA were completed in the fall of 2015 and the deal was approved through a membership vote shortly thereafter. The MOA included monetary increases in the third and fourth years, and an expiry date of September 30, 2017. As with our current MOA, the new one would remain in effect until a successor agreement was concluded.

The first delay in finalizing the MOA occurred during the drafting of the formal legal text. However, this was substantially finished by mid-2016. By then it had become clear that a key provision of the new binding arbitration process was unworkable. The government had originally proposed, and the NLMA had agreed, that the right to arbitration should be accompanied by a mechanism to prevent physicians from withdrawing services where the explicit intent of the withdrawal is to extract benefits in excess of the MOA. A bylaw amendment was needed from the College of Physicians and Surgeons that would designate such a service withdrawal as conduct deserving of sanction. However, after dialogue with the College, it advised this process was outside its mandate.

When this situation became known in mid-2016, the NLMA told the government that a new solution must be found to the very important arbitration provisions before the MOA was signed. The NLMA advanced a number of proposals over the next year, but the government rejected each one on the basis that they did not sufficiently prevent the possibility of a future service withdrawal.

At its June 2017 meeting, the NLMA Board reviewed the lack of progress and discussed how a breakthrough could be made. The Board's assessment was that while the government remained formally committed to finding an arbitration solution and had signed off on most of the relevant legal text, it was not interested in solving the service withdrawal issue in a timely way. Therefore, the NLMA Board changed its strategy and communicated to the government that it would be willing to sign the MOA without resolution of the service withdrawal issue, and to continue this aspect of the negotiations afterwards, with final resolution to be incorporated in the MOA at a later date. This approach would protect benefits already negotiated and ensure the flow of retroactive funds.

When this position was communicated to government, we were surprised that government responded by asking the NLMA to consider additional changes to the legal text before signing the MOA. This unexpected move was immediately rejected by the NLMA given that all key elements of our deal had been finalized in 2015, with the legal text substantially completed in 2016.

In recent weeks, during our efforts to sort out these latest developments, a new Finance Minister, the Hon. Tom Osborne, was appointed. The Minister of Finance is jointly responsible with the Minister of Health and Community Services for the MOA. We met with Minister Osborne on August 17, and made the case to move on quickly to sign the MOA. We are now awaiting his response.

The NLMA will hold a Special General Meeting in October to brief members following Minister Osborne's response and to determine what, if any, actions are required as a result. We are hopeful we will have a positive message to deliver. We will send you the date and attendance details for this meeting in the near future.

Regards,



Lynn Dwyer, MD



**Newfoundland &
Labrador Medical
Association**
164 MacDonald Dr.
St. John's, NL
A1A 4B3
(709) 726-7424
Or 1-800-563-2003
Fax: (709) 726-7525
www.nlma.nl.ca
president@nlma.nl.ca