

President's Letter

April 10, 2018



Lynn Dwyer, MD
President

Government violates MOA with rollback to GFT compensation

Dear Colleagues,

The provincial government's Budget 2018, announced on March 27, contained a \$6.8 million cut from the Salaried Physician Services Budget. This reduction was not based on consultation with the NLMA. Cutbacks included rollback in the payment that geographic full-time (GFT) physicians receive in lieu of benefits, which amounts to \$1,732,400. Another \$1,850,000 will be cut from external locum eligibility/procurement policies, and \$3,240,000 will be cut by eliminating 12 positions through attrition or changes to service models.

In a future letter I will address the changes to locum policy and the attrition of 12 salaried physicians. In today's letter I wish to elaborate on the compensation reduction targeted at GFT physicians.

GFT physicians provide academic services to Memorial University's School of Medicine and clinical services to Eastern Health. Compensation for their clinical services provided to Eastern Health is derived from and paid in accordance with the salaried provisions of the MOA. The salary and benefits GFT physicians receive through their positions at Memorial University are not negotiated by the NLMA and are completely separate and unrelated to the salary scales in the MOA.

Eastern Health has calculated the value of group insurance benefits, RRSP contributions and other benefits for salaried physicians to be 14% of their salary. Payment of these benefits is provided for in the MOA and, as such, GFT physicians have received payment in lieu of these benefits for the past 20 years. The provincial government now maintains this payment in lieu of benefits is an overpayment because GFTs have access to certain benefits through their positions at Memorial University.

Unilateral decisions by government to rollback benefits that are founded in the MOA is a violation of our contract and cannot occur without the consent of the parties or further negotiations with the NLMA. While these cuts only impact GFT physicians, every member of the NLMA should take note. The benefits of the MOA must be provided to all physicians. Any breach of the MOA is an infringement on the contract to which all physicians practicing in this province are party. The NLMA will rigorously defend the MOA and members' interests. We have asked our lawyer to prepare a legal opinion on this matter to assist us in making decisions on what course of action to take.

We believe the Department's action is also a major break with the government's approach of not rolling back compensation to those who work in the public sector, as seen through agreements with other public sector groups.

These actions serve to poison the atmosphere of our current round of negotiations. The most immediate consequence of this action is the sense of rejection and the lack of support experienced by doctors from what amounts to an ongoing campaign of disrespect.

The NLMA's commitment to health sector sustainability remains strong, and we remain committed to transformation initiatives that will restructure the health system and make better use of resources. But all of this must be accomplished within an atmosphere of mutual respect, regard for existing contracts and settling of issues at the negotiating table.

At a meeting held with GFT physicians at the NLMA on April 3, 2018, we asked those in attendance to sign a consent form that would permit NLMA to access GFT contracts and related documents in the files of Eastern Health and Memorial University. I am attaching a blank consent form to this letter for any GFT physician who could not attend the meeting. Please print, sign, scan and send us this form by return email to president@nlma.nl.ca.

Sincerely,



Lynn Dwyer, MD
President



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Notice to:

The Eastern Regional Health Authority,
Memorial University of Newfoundland (Faculty of Medicine),
Government of Newfoundland and Labrador,
Medical Practice Associates

I hereby provide my consent for you to provide to the Newfoundland and Labrador Medical Association, upon request, copies of my contracts, letters of offer, letters of appointment, position descriptions or any other documents that describe the terms of my compensation and benefits with the Eastern Regional Health Authority (and its predecessors) for clinical services, and with Memorial University (Faculty of Medicine) for academic work.

Signature

Name (printed)

Date