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## New Blended Capitation Agreement finalized

Dear Colleagues:

The NLMA and the provincial government have now finalized the agreement on Blended Capitation, which will be offered as a voluntary payment model for independent community-based family physicians.

The NLMA has been advocating for a Blended Capitation model for years, and we view this new agreement as a breakthrough for family medicine. This payment model provides a professionally satisfying way to work and we believe it will help retain family doctors in our province. Last year, we surveyed our family medicine members and 84 per cent of respondents said they were interested in considering Blended Capitation for their practice. This is also the preferred model of practice for new family physicians, and we believe it will result in increased recruitment of Memorial graduates.

When the MOA was signed on May 3, 2022, it included a commitment from the NLMA and the provincial government to establish Blended Capitation as a new payment schedule of the MOA. The final agreement was arrived at with the assistance of a mediator. While the mediator's recommendations involved compromises for both sides, we believe the agreement is a major success for the NLMA with the mediator adopting most of our recommendations. On Saturday, April 1, 2023, the Board of Directors voted to move forward with the new model to ensure members can access Blended Capitation within the scheduled timeline.

A number of family physicians have already expressed interest to the NLMA about enrolling in the new model. The Family Practice Renewal Program (FPRP) will begin accepting applications/expressions of interest from physicians interested in enrolling in the blended capitation payment model today (April 3, 2023). Please look for an email from the FPRP in your inbox later today.

The new model includes a bi-weekly capitation payment (\$180.97 per rostered patient adjusted by a complexity modifier) for providing a "Basket of Services". This is blended with a partial fee-for-service payment for direct patient encounters based on 25% of the MCP Fee Schedule rate. All codes that are "Out of Basket Services" are billed at 100% of the MCP rate. There is no negation if a rostered patient receives care elsewhere. If a physician sees a non-rostered patient, they will receive 100% for "[In Basket Services](#)" up to \$56,000 per year, and 100% for all "Out of Basket Services".

The new model represents a 21.8% increase in clinical compensation based on average family physician MCP billing rates, on top of the 13.3% increase last year. Those who choose to enroll in the new payment model will also receive income guarantees to facilitate the transition. This includes a guaranteed income floor in the first two years based on an individual's previous two-representative years billing average, plus a 10.9% premium payment applied in the first year. In addition, physicians will receive a one-time Transition Grant of \$11,250 and a one-time Start-up Grant of \$10,000 in recognition of start-up costs. Physicians who choose to enroll in the Blended Capitation Model can also qualify for an annual \$7,500 Quality of Care Bonus and an annual Procedures Bonus of \$2,500 for physicians who bill more than \$1,200 in procedures annually. The Capitation Rate has also been boosted in value to help pay for two-weeks of locum coverage. If a

physician does not use locums in a year, the locum funding stays with the physician. Monthly EMR subscription costs will be paid by the provincial government. Physicians who agree to join the Blended Capitation Model will group together (minimum of three) to provide after-hours care and act as a team in the provision of care.

Last week, the NLMA held three member consultation sessions. The two most common questions related to the after-hours requirement and how solo physicians can find a group. It is important to note that the after-hours requirement does not require more hours of work per week, rather, it only requires the group to schedule a portion of its work outside the 9-5, Monday-Friday window. Physicians will coordinate with other members of their group to provide care during reasonable, regular hours each week of the year. After-hours care for patients within the group can be provided virtually and in-person. Furthermore, doctors who live in different communities can become members of the same group. The NLMA and the FPRP can assist physicians looking to connect with other doctors for the purpose of establishing a group. More information about these and other frequently asked questions are available on the NLMA's website here: <https://nlma.nl.ca/blended-capitation>.

Starting Sept 1, 2023, doctors will be accepted into the program, which means they will have access to the one-time bonuses and the income guarantee. The billing system for capitation claims and partial fee-for-service claims will be ready for a test group of physicians no later than April 1, 2024. Once the reliability and accuracy of the billing system are confirmed, on or before July 1, 2024, the billing system will be open to all other applicants who have been accepted into the program.

Going forward, the NLMA will be launching an advisory service where you can explore the implications for your own practice. This will include meetings with physicians who have advised the NLMA throughout this process, who can provide peer-to-peer feedback. We will communicate with you soon about how to book an appointment.

In the coming months and years, the NLMA will monitor the program to determine if changes need to be negotiated in the MOA. We must ensure the Newfoundland and Labrador model is competitive with other jurisdictions.

The agreement is appended as Schedule R of the Memorandum of Agreement (MOA) and is available in its entirety [here](#).

Thank you to everyone who contributed their time and expertise over the past few years to make Blended Capitation a reality in this province. Your collective efforts have paid off and we look forward to finally rolling out this new model to members.

Sincerely,



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President



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