



Steve Major, MD

NLMA Secures Settlement on Fee Code 127

Dear Colleagues,

I am very pleased to share significant news regarding the legal dispute over Family Medicine fee code 127 (Chronic Disease Management of patients under 75). The NLMA has received a settlement offer from the Province, which our Board has carefully reviewed with legal counsel and voted to accept.

Fee code 127 can be claimed when a family physician sees a patient under 75 for at least 15 minutes in an office setting to manage one or more documented chronic conditions. In 2022, the NLMA raised concerns that MCP was routinely rejecting or reducing claims for this code, causing frustration among family physicians. Unable to resolve the issue, we filed an originating application in the Supreme Court in 2023 seeking the court's interpretation of Section 7.6 of the MCP Payment Schedule. The court date, originally set for November 7, 2024, was postponed to October 2025.

In November, we met with both Premier Andrew Furey and Health Minister John Hogan and requested settlement discussions in light of the court's postponement. Earlier this month, the Province offered the NLMA an out of court settlement as a measure of good faith and to strengthen the collaborative relationship with physicians. Yesterday, the NLMA provided written notice to accept the settlement and withdraw our Supreme Court application.

Key Terms of the Settlement:

- Section 7.6 of the MCP Payment Schedule will be revised to remove references to "complex care" and "management." This change will take effect on a date agreed upon by the parties and will be outlined in a forthcoming MCP newsletter.
- The Province will repay **all** past adjustments for disputed fee code 127 claims made through the Claims Monitoring System (CMS).
- The Province will also cease all ongoing recovery efforts from audits based on the former language of fee code 127.

These terms go beyond what could have been achieved through a Supreme Court hearing, which sought a declaration from the court on the interpretation of fee code 127. This resolution not only secures financial restitution for affected family physicians but also strengthens protections against unilateral fee changes by MCP with respect to the 127 fee code, ensuring that allocated MOA funds are protected.

I want to personally thank Premier Furey and Minister Hogan for their continued commitment to a collaborative and respectful relationship with the NLMA. Addressing this long-standing concern through meaningful dialogue is a significant step toward fairness and clarity in physician compensation. Furthermore, this settlement marks an important moment in strengthening the relationship between the provincial government and physicians. The NLMA looks forward to continuing collaboration with the Department of Health and Community Services, which is essential to improving physician recruitment and retention in the province.

We will update you once the revisions to section 7.6 of the MCP Payment Schedule take effect and the MCP newsletter is published. Additionally, the NLMA remains committed to resolving the ongoing GFT legal dispute, and we are hopeful that a settlement can be reached in that case as well.

Sincerely,

A handwritten signature in black ink, appearing to read 'Steve Major'.

Steve Major
President

A stylized handwritten signature in black ink, appearing to read 'Steve Major'.

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
nlma@nlma.nl.ca