

Fee Code Allocation Process

Introduction

The fee code allocation process is a collaborative initiative designed to decide how newly negotiated fee-for-service (FFS) funding is distributed to fee codes in the MCP Payment Schedule following negotiations of a new Memorandum of Agreement (MOA). This process is jointly managed by the NLMA and the Department of Health and Community Services (HCS), ensuring that the distribution of funds reflects both government priorities and the needs of practicing physicians. [Ref. Article 16 and Schedule 'L' of the [MOA](#)].

Preparing for Allocations

NLMA issues an *Expression of Interest (EOI)* to all practicing FFS physicians inviting them to take part as allocation representatives for their respective discipline. For most disciplines, one urban and one rural representative is selected reflecting a commitment to geographic balance. For Family Medicine, a larger and more diverse group is selected given the size of the discipline. These representatives work closely with the NLMA Health Policy team to develop recommendations that target the distribution of funds negotiated by discipline.

Representative Responsibilities

Specialty representatives are tasked with collecting and consolidating feedback from their discipline and submitting written proposals to identify fee codes for increases. They can recommend editorial updates and removal of outdated codes to ensure the MCP Payment Schedule reflects current standards. The goal is to distribute funds fairly among priority areas and distribute them equitably across fee codes within their specialty. In future rounds of allocations, gender equity will also be considered when allocating funds.

Proposal Development

With support from the NLMA Health Policy Team, these proposals are refined and costed in collaboration with HCS (using the units billed for that specialty in the agreed upon base year used for both MOA negotiations and fee code allocations). This process involves ongoing negotiations between NLMA, HCS, and the specialty representatives, continuing, until all parties are confident that the most favorable agreement has been achieved. On occasion, consensus may not be reached between NLMA and HCS on every fee code discussed. In such cases, the funds in dispute (by specialty) are allocated 50/50 by NLMA and HCS, per Schedule 'L' of the MOA.

Approval and Implementation

Once all recommendations and amendments to the MCP Payment Schedule are agreed by HCS and NLMA, the recommendations are presented to the Minister of Health and Community Services for approval, and a new MCP Payment Schedule is published. This latter step takes several months for HCS to complete and consists of updating the payment schedule text, programming new rates into the MCP billing system, and giving vendors 60 days' notice of upcoming changes. Until the new MCP Payment Schedule is in effect, negotiated increases are paid to physicians "across-the-board" as a financial adjustment on a bi-weekly basis.

Summary Table: MCP Fee Code Allocation Process

Step	Description	Responsible Parties	Key Actions
1. Initiation	Initiate the allocation process after MOA negotiations.	NLMA & HCS	Review MOA outcomes; begin allocation planning.
2. Expression of Interest (EOI)	NLMA invites all practicing FFS physicians to participate as allocation representatives for their discipline.	NLMA	Issue EOI; collect responses from interested physicians.
3. Selection of Representatives	Representatives are chosen to ensure diverse perspectives.	NLMA	Select representatives; confirm participation.
4. Gathering Physician Input	Representatives collect feedback from colleagues on priority fee codes and needed changes.	Physician Representatives	Conduct consultations; gather and consolidate feedback.
5. Proposal Development	NLMA/Representatives submit proposals, propose edits, and recommend removing outdated codes.	Physician Representatives & NLMA Health Policy Team	Draft proposals; identify priority codes; suggest updates and removals.
6. Refinement & Costing	Proposals are refined and costed in collaboration with HCS.	NLMA Health Policy Team & HCS	Refine recommendations; perform cost analysis.
7. Ministerial Approval	Final recommendations and amendments are presented for ministerial approval.	NLMA & HCS	Submit proposals for approval; address any feedback from the ministry.
8. Implementation	Develop the new MCP Payment Schedule. Until the new schedule is in effect, negotiated increases are paid as across the board financial adjustments bi-weekly.	HCS	Apply interim financial adjustments; implement new schedule once approved.