Review Article

Alternate funding plans have made their mark on academic departments of paediatrics in Canada

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Abstract

An Alternate Funding Plan (AFP) was introduced at the Hospital for Sick Children in 1990 as the fee-for-service model was incapable of meeting the academic mandate of the Department of Pediatrics. The plan was challenged by some members of the Ontario Medical Association and community paediatricians as inefficient, too costly, and possibly a challenge to the fee-for-service system. At present, 28 years later, there are nine productive Department of Pediatrics AFPs across Canada. The current state of the AFPs and possible future direction of the program are discussed.

Keywords: *Academic viability; Alternate funding; Questionnaire.*

On April 1, 1990, the Department of Pediatrics at the Hospital for Sick Children and the University of Toronto signed an agreement of an Alternate Funding Plan (AFP) with the Ontario Ministry of Health. The agreement stipulated that the Ontario Government would provide a global budget that would replace fee-for-service billings to the Ontario Health Insurance Plan (OHIP). The Department of Pediatrics moved to an AFP as it found it impossible to meet its mandate of teaching, clinical services, research, and administrative responsibilities from fee-for-service billing which provided only 70% of its budget. The remaining 30% was derived from decreasing funds from the University of Toronto, the Hospital for Sick Children Research Institute and external grants (1).

Not surprisingly, there followed some skepticism about Canada's first departmental academic AFP. Several calls from Ontario Medical Association members challenged the viability of the plan and predicted that patient encounters by the AFP's faculty would significantly decrease while others were very concerned that this new form of physician reimbursement would breed complacency and place the fee-for-service system in jeopardy. Some community paediatricians questioned the productivity of the AFP and posed whether it would be cost effective (2).

In response to the above queries, we published a paper in 1996 titled 'Alternate Funding Plan, Department of Pediatrics, University of Toronto: Is the AFP Still Alive' (3). Some interesting information was derived from the report.

- (a) *Education:* Since the inception of the AFP the Department of Pediatrics had become more involved in undergraduate education. Supported by the AFP, a faculty member was recruited to oversee the paediatric educational experiences of undergraduate medical students at the University of Toronto (U of T). Several new learning opportunities followed including participation in community health care facilities and regular small group discussions. A popular new experience for clinical clerks was the introduction of rotations in community paediatricians' offices. Prior to the inception of the AFP only a few U of T students applied for a paediatric residency position. In 1991 there were 32 U of T students who applied (13% of the class) and in 1994 the number had increased to 52 students (20%) of the graduating class. The gold medal student of the 1992 graduating class was among those who were successful in obtaining a resident position. Further evidence of the impact of the AFP was its influence on the Medical Council of Canada Qualifying Examination (MCCQE) part 1 (Figure 1). Beginning in 1984 U of T graduate students fared poorly on the paediatric component of the MCCQE. This trend reversed sharply in 1991 with the introduction of the AFP.
- (b) *Patient Activity:* Contrary to the critics of the AFP, patient activity remained robust following the introduction of the plan. Figure 2 shows that there was a 20% increase in subspecialty clinic visits beginning in 1990. These data indicate that the Department of Pediatrics

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Figure 1. Medical Council of Canada qualifying examinations (MCCQE) part 1-paediatric results: 1980–1994 University of Toronto and all Canadian mean scores.

Figure 2. Subspecialty clinic visits: 1988/1989–1994/1995. A 20% increase in visits since inception of the Alternate Funding Plan.

maintained its commitment to the care of patients with increasing acuity in keeping with the strategic plan of the hospital.

- (c) *Academic Productivity*: There has been a significant increase in research funding by the Department of Pediatrics, which has escalated since the introduction of the AFP (Figure 3). The research impact of the Department's publications was determined for the year 1992. There were 109 cited papers during that year, 739 citations with an impact factor of 6.78. These data fare comparably with the top Canadian and US research oriented universities, Departments of Pediatrics.

As of 2018, there are nine Canadian Departments of Pediatrics with well-established AFPs. The centre and the year of introduction include: B.C. Children's Hospital (2009), Alberta Children's Hospital (2002), Stollery Children's Hospital

(2002), Jim Pattison Children's Hospital (2004), Children's Hospital of Eastern Ontario (2002), Children's Hospital at London Health Sciences Centre (2002), McMaster Children's Hospital (2003), Hospital for Sick Children (1990), and the Izaak Walton Killam Health Centre (1994).

GLOBAL UNIVERSITY PLANS

In 1994, Dr. Duncan Sinclair, Dean of Medicine, Queen's University announced an agreement with the Ontario Ministry of Health to fund the clinical faculty of the three teaching hospitals in Kingston by an AFP (4). The plan was designed to cover all academic and clinical responsibilities of the faculty. The AFP was to be administrated by a governance body, the Southeastern Ontario Academic Medical Organization (SEAMO), consisting of the Clinical Teachers Association of Queen's University,

Figure 3. Significant increase in research funding since introduction of the Alternate Funding Plan.

Queen's University and its three teaching hospitals. The SEAMO allocates funds to the departments which individually are responsible for the job descriptions, performance appraisal, compensation, individual productivity as well as dispute resolution of its members. During the initial decade of its AFP, Queen's Faculty of Medicine had noted an increase in continuing education activities and a modest increase in research (5).

The initial University of Saskatchewan AFP supported general paediatrics, paediatric neurology, and paediatric cardiology. Subsequently, the individual AFPs were replaced by Academic Clinical Funding Plans. These are individual physician contracts between the specialist, College of Medicine, and the Ministry of Health/SaskHealth Authority. Contracts are 3 years in duration, with individual service agreements attached to them that can be slightly modified on an annual basis. Rates are determined at the provincial level with the Saskatchewan Medical Association (SMA) providing input in rate increases when SMA contracts are up for renewal (www.skacfp.ca).

The Northern Ontario School of Medicine entered into an AFP agreement with the Physician Clinical Teachers Association, the Ontario Medical Association and the Ministry of Health and Long Term Care (MOHLTC) in 2012. The management, distribution, and administration of funds are executed on behalf of the MOHLTC by the Northern Ontario Academic Medical Association (NOAMA). It includes the distribution of funds to participating physicians for academic activities as well as financial support for innovation projects and support of an Opportunities Fund for Clinical Innovation (www.noama.ca).

The four Departments of Pediatrics in Quebec (Laval, University of Montreal, McGill and Sherbrooke) do not rely on AFPs. Rather, the Quebec Ministries of Health and Social Services exclusively fund clinical activities and in addition support clinician-investigators who receive the most generous national package of salary support awards (50% of the median salary of their specialty plus what is earned clinically). In addition, the university provides a tenure track. Furthermore, a

supplement is provided for time (i.e., each half day spent on educational or administrative activities). This, on an annualized basis, provides approximately 150K of base funding) with an additional supplement for supervision of a medical student or resident in the clinic. The net result is that Quebec academic paediatricians' salary structure is very competitive with other Canadian academic paediatricians (Dr. Michael Shevell, personal communication).

In order to evaluate the current status of Paediatric AFPs, a questionnaire was sent to each Department Chair with excellent cooperation (Table 1). It is evident that there are significant differences in the organization and function of Paediatric AFPs across Canada and even within provinces. This in part may be related to the timing of the original agreement and the goals of the Ministries of Health during the initial negotiation with each Department of Paediatrics. For example, one Department has approximately 80% of the clinical responsibilities covered by an AFP but fee-for-service billing of 20% is required to balance the budget. Others have found the recruitment of new positions difficult while some have been extremely successful in the recruitment process. Another Department began negotiations with the Ministry of Health by arranging an AFP for 1–2 subspecialties and then over time expanded the agreement to cover the Department as a whole. A few AFPs have undergone a 3% province wide cutback which has adversely affected future faculty recruitment. Additionally, some Departments have experienced barriers from the hospital in that a nurse clinician or pharmacy personnel are not made available to support a particular recruit. Further, on occasion a Department's 'high biller' may be upset as the AFP did not meet what the individual would have received from fee-for-service billing.

Some issues remain constant across programs. The renegotiation process is a common concern. It may take up to 7–10 years before a Department is able to meet with the Ministry of Health to update the program and seek additional funding as necessary because of population changes, or new modalities of patient

Table 1. AFP questionnaire

Dear Dr. XX,

I am writing to you for information regarding your Department's Alternate Funding Plan (AFP). Several years ago when I was Chair of Pediatrics at the Hospital for Sick Children, I helped establish an AFP at that institution which was initiated in 1998 (Haslam RHA, Walker N. E., Alternate Funding Plans: is There a Place in Academic Medicine? *Can. Med. Assoc. J.* 1993; 148(7);1141–1146. My reason for pursuing an AFP at that time was that my Department at Sick Kids was going broke. I have been asked to give a follow-up talk on AFPs at an upcoming meeting and would very much like to include current information for AFPs in all 16 Departments of Pediatrics in Canada.

1. At what year was your AFP implemented?
2. How often do you have to renegotiate your plan with government? Is this a difficult task? Has the negotiation allowed expansion or addition of new programs? Has renegotiation resulted in cutbacks by government?
3. How has your AFP affected your department? Has it had a positive impact on recruiting, research activities or implementation of new programs or projects? Have you experienced additional positive results?
4. Have you experienced negative results such as shadow billing, faculty displeasure or excessive government demands?
5. Are you aware of any peer-reviewed manuscripts on paediatric AFPs in the literature?

care. In the meantime, yearly extensions are made, usually with no discussion between parties. Shadow billing (similar to fee-for-service billing) is required by the Ministries for each AFP. Although not a significant problem, it is evident that the more complete and concise billing practices result in greater financial returns. Because shadow billing is cumbersome, some AFPs are developing systems to make data gathering less onerous on faculty and the organization.

However, there is unanimous agreement that the AFPs have been critical for each Department in providing stable funding and a life-line for many departments that were on the brink of bankruptcy! In addition, some have received extra funding to support protected time for faculty or new positions to meet educational mandates and partial support for clinical research projects. Here are a few quotes from Department Chairs; "The AFP has been essential for our Department and in my view we would not been able to survive without it. It has enabled us to create new programs and recruit academics that in a fee-for-service model would not have been recruited, sustained or provided protected time". "The AFP is a win-win situation for the Ministry of Health, the Department of Pediatrics and most importantly the children of the province".

AFPs also enabled some Departments, including the IWK Health Centre and the Hospital for Sick Children, to develop performance based models linking the AFPs stakeholders' expectations and increased funding levels. For example, the Hospital for Sick Children's Career Development and Compensation Program utilized different job descriptions for faculty who were primarily focused on clinical care, education or research and a peer-review process to evaluate performance and provide guidance for career development (6,7). This led to significant growth in their teaching and research output along with faculty stability.

A recent interesting development in Alberta, which may ultimately affect existing plans, is the creation of a province

wide AFP termed the Academic Medicine Health Services Plan (AMHSP). Previously, the governance of plans was department-specific but now they have become city-specific for both Calgary and Edmonton. This change in governance has enhanced the role of the universities along with the health system (Alberta Health Services) and the government Department of Health (Alberta Health) in strategic direction and budget control. Since the inception of the AMHSP there have been threats of work-force reallocation to new plans. In addition there has been implementation of more explicit contracts including detailed accountability frameworks for all services including clinical, educational, research, and leadership. These changes have substantially decreased the autonomy of individual departments and could eventually have an adverse effect on the viability of paediatric AFPs.

This survey shows unanimous support of AFPs among the Department of Pediatrics chairs in spite of some of its shortcomings. In order to sustain and in some departments enhance funding, especially at the time of renegotiation with the Ministries of Health, consideration might be given to the introduction of mutually agreeable programs. These might include a cost saving commitment (e.g., an antimicrobial stewardship program), a specific outreach need (e.g., an adolescent addiction service), or an electronic data gathering system that might focus on reliable billing information. Finally, in order to maintain accountability, consideration should be given to present an annual report to the Ministries of Health, highlighting the year's accomplishments as well as ongoing problems.

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