What an AMA Equity Strategy Could Look Like

Introduction

Based on requests from the AMA Board of Directors and Representative Forum (RF), the AMA Compensation Committee (AMACC) has been considering strategies for improving inter- and intrasectional equity. A major part of this work, for example, was the "Proposed Adjusted Net Daily Income (ANDI) Model" that has also been provided to RF.

The next step in developing an AMA Equity Strategy will depend on two things. First, what direction does the RF provide during the session at this Spring 2017 RF meeting. Second will be the additional analysis carried out by the AMACC as they finalize their recommendations.

The intent is that the board will bring back a final strategy to the Fall 2017 RF. Provided below is an outline of what the AMA Equity Strategy could look like. This provides the RF with some insight as to how the board sees the various pieces of a strategy. It also provides RF with an opportunity to provide input on the strategy.

ANDI-based Allocations Towards Intersectional Relativity

A. Finalize Data Elements ***(next six months)***

The AMACC will finalize all data elements to be included in the ANDI calculations. This will include considerations of the addition of after-hours work and alternative relationship plans.

B. Data Collection ***(next 12 months)***

This would include the following:

1. Overhead: Complete a new Physician Business Costs Model.
2. Working Hours: Basic hours of work data to be gathered in conjunction with the overhead study.

C. Amount and Source of Funds to be Allocated

Depending on the direction from RF and the board, there are two possible sources of funds:

- New monies achieved through negotiation with Alberta Health.
- Reallocation of existing funds, i.e., movement of funds between sections.

D. Baseline, Targets and Timelines

These will be explicitly established within the strategy.

Example:

> Five year targets will be initiated in 2018 that will reallocate funding between sections according to the ANDI construct. The goal would be to have clear targets for the acceptable spread between highest and lowest earning sections (e.g., move from a ratio of 3:1 of high to low earning sections, to a ratio of 2.5:1 within 5 years). The ANDI allocation will be reviewed each year and potentially adjusted to account for section utilization, to ensure that the 5 year target is reached.

E. Alignment with Other Allocation Priorities

ANDI is a comprehensive model in that it does adjust for a number of factors, including workload, increased utilization within a section and so on. Even the net impact of the Schedule of Medical Benefits (SOMB) Rules Review is taken into account insofar as the ANDI calculation will be affected by the varying contributions made by sections.

Having said that, it is important to track the various initiatives and adjust ANDI as appropriate:

1. SOMB Contributions: The RF has indicated that, in the context of seeking long term intersectional equity, the sharing of the $100M cost reduction should be equitably apportioned throughout all sections. Is the ANDI timeframe adequate to meet the spirit of this resolution, or should special adjustments be made in the first year to recognize differences in contributions? Also, actual savings from SOMB contributions might be different from upfront estimates and won't be known until July 2018.
2. Priority Allocations: In the past, the AMA has used off-the-top allocations due to priorities within the system. These could be implemented along with ANDI-based allocations.

Intrasectional Relativity

Several other initiatives will also impact on equity and will be included in an overall strategy.

A. Standardized INRVs (*24 month timeframe)*

The Physician Compensation Committee will be asking sections to transition their INRVs to a new standardized process that breaks down relative values into overhead and professional components, sets the professional component according to time, intensity and complexity, and separates out pre and post-operative care components.

B. **Peer Review** (***initiated over next three months and ongoing***)

A Peer Review Committee will review claims data and partner with sections to identify potential inappropriate billing practices.

C. **Individual Billing Profiles (*distributed over next two months*)**

As part of the peer review initiative identified in the Amending Agreement, individual physicians will be provided with their individual billing profiles comparing their billing activity with their peers.

D. **SOMB Reform (*ongoing*)**

The Physician Compensation Committee, Allocation Working Group and individual sections to review areas of the SOMB and recommend revenue-neutral amendments.

E. **Fee Review 2.0 (*initiate in 2018?)***

It is currently unknown what form this would take (could be structured similar to first round, or possibly augment other intrasectional relativity initiatives by flagging high paid codes for section attention).

Support

The AMA Equity Strategy will outline the resources available for implementation, including resources to assist sections in meeting their roles and responsibilities. This could include information on the distribution of payments within the section, utilization data and business cost components.

The current 2016-17 AMA Business Plan and Budget has put placeholders in to ensure that resources are available.

Any allocation or reallocation of physician fees would require approval at the Physician Compensation Committee.