

# **PEI Fee Code Advisory Committee (FCAC)**

## **Terms of Reference**

### **1.0 PURPOSE AND OBJECTIVES**

The purpose of the Fee Code Advisory Committee (FCAC) is to consider proposed amendments to the Tariff of Fees, including recommendations to add new fee codes, amend existing fee codes, delist existing fee codes or make changes to the Preamble. While FCAC has the authority to amend the Preamble and Tariff of Fees, it is not the role of FCAC to be involved in Preamble/Tariff interpretation or dispute resolution.

The FCAC will use a fair and transparent process to determine which proposed amendments to implement within each fiscal cycle.

Specific objectives of the committee include:

- Develop and maintain a process for the formal review of submissions from stakeholders (MSPEI, Health PEI, Physicians).
- Review of applications to amend the Tariff of Fees as per the guidelines established by the Committee.
- Make decisions as to the introduction of new fee codes, amendments of existing fee codes and Preamble changes as required, within the scope of its approved funding envelope.
- Ensure decisions regarding fee code changes are communicated to all interested stakeholders.

### **2.0 REPORTING**

The FCAC is established under the terms of the Master Agreement governance model and reports to the PEI Minister of Health and Wellness, Health PEI and the Board of Directors of MSPEI.

### **3.0 MEMBERSHIP**

The committee shall be comprised of three (3) representatives of MSPEI, two (2) representatives of Health PEI, and one (1) representative of the Government. The FCAC will be co-chaired by one of the representatives from MSPEI and one of the representatives from Health PEI. The co-chairs will vote with the other members of the FCAC. A resource person from Health PEI and a resource person from MSPEI will attend FCAC meetings as non-voting members.

### ***3.1 Quorum***

To constitute a quorum, there must be at least one representative from MSPEI, one representative from Health PEI and one representative from the Government present. For all matters that go to vote, Health PEI has 2 votes, Government 1 vote and MSPEI 3 votes, regardless of the number of attendees.

### ***3.2 Remuneration***

FCAC members will be reimbursed for expenses incurred to attend FCAC meetings. These expenses will include mileage, accommodation and meal costs. Physician members will be reimbursed based on the honoraria policy within the Master Agreement.

### ***3.3 Reasons for Termination***

A member may be terminated from the committee should the following occur:

- Failure to act according to the committee's Terms of Reference
- Failure to attend a minimum of fifty (50%) percent of meetings, or absent from three (3) consecutive meetings other than for a reason approved by the co-chairs

Decisions regarding committee member termination will be by majority vote of the remaining members. The co-chairs shall advise the member in writing, stating the reason for the termination and the effective date.

### ***3.4 Conflict of interest***

Any member who is in a conflict of interest shall recuse themselves from that portion of the agenda. Recusals due to conflict of interest will not be counted as an absence.

## **4.0 AUTHORITY**

During the term of the Master Agreement, the FCAC shall:

- i) have authority to amend the Tariff of Fees (any amendments made by the FCAC shall form part of the Master Agreement and shall be binding on the parties);
- ii) adhere to the yearly funding allocation as follows:

2017-2018	\$50,000
2018-2019	\$175,000

### ***4.1 Fund Management***

The FCAC will review fee code utilization data semi-annually to monitor the billing activity associated with changes to the Tariff of Fees within each previous 12-month period. This will inform the Committee as to any adjustments it may need to make to its decision-making process.

A positive funding balance [re: Master Agreement Article A14.4(c)(ii)] at the end of any fiscal year shall be carried forward and added to the FCAC funding allotment for the following fiscal year.

FCAC may stipulate that amendments to the Tariff of Fees be implemented with conditions, such as a cap on utilization, staged implementation and/or additional audit measures.

## **5.0 EVALUATION AND DECISION-MAKING METHODOLOGY**

The FCAC will operate using a decision support framework that evidence-informed and transparent. MSPEI members in good standing and Health PEI program leaders (an executive director or director responsible for a program area) can submit fee review applications when new fees are required, when fee codes require revision or deletion and/or when the Preamble requires a change.

### ***5.1 Application Pipeline***

The application pipeline, as depicted in Appendix A, describes the process of **application submission, validation, review** (which includes a step to provide groups which may be impacted by the proposed amendment with an opportunity to make submissions for the Committee's consideration) and **prioritization**.

Health PEI and the MSPEI will receive applications on behalf of the FCAC and will conduct a first read to ensure the application is complete. If an application is found to be incomplete, the parties will work with an applicant to ensure that the applicant meets requirements. Before the application is forwarded to the co-chairs, Health PEI and MSPEI advisors appointed by FCAC will validate the benchmarking analysis and utilization projection data provided in the application.

An application is deemed to be complete and ready for review by FCAC when:

- it includes a completed Cover Form
- it includes all of the data required in a Review Details Form (either Form A, B, C or D)
- copies of or references to relevant literature, research, reports as specified in the Review Details Forms are available
- required signatures have been obtained
- all information which would violate privacy laws is redacted prior to submission.
- the benchmarking data and utilization projection data provided in the application has been validated by the resources appointed by FCAC to provide this advice
- the impact of the fee change on other physicians has been given due consideration

Factors considered in rejecting an application may include the following:

- it is deemed to fall within the scope of a previous application
- it has been dealt with in a previous application and no new information/evidence is provided.
- the applicant has decided to withdraw their application at any time in the process

Applications moved forward for review will be placed in the queue for inclusion on the agenda of a FCAC quarterly meeting. If the number of applications exceeds the time available at the quarterly meeting, FCAC will either add an additional meeting to its schedule, or those un-reviewed applications will be forwarded to the next quarterly meeting agenda.

Those applications with no new funding implications may be approved for implementation throughout the year. FCAC decisions on applications that have new funding implications will be made annually. Should, during the year, additional funding become available to the FCAC due to changes to fee codes, FCAC may decide to apply those funds to another reviewed application.

Changes to the Tariff of Fees that are expected to require an allocation from the approved FCAC funding envelope will be considered during its annual review for prioritization, which may include the use of a Domain Value Tool (see Appendix C), among other factors.

Priority ranked applications that can be funded within the FCAC's approved budget will be brought forward for implementation. The FCAC will also determine if any conditions are required for implementation (see 4.1). The effective date will be set in consultation with the Medicare office.

Change to the Tariff of Fees applications that exceed the FCAC funding envelope may be reconsidered in the next annual ranking cycle. Those applicants will be invited to provide any new information to ensure that their Fee Code Review Application contains the most current information to support FCAC decision making.

### ***5.2 Fee Code Value Setting***

In order for the FCAC to determine a recommended fee code value, several factors will be considered including a benchmarking process to determine the value of the service that has been assigned by other Canadian provinces and territories. Other relevant factors may be considered by the committee in making its decision, supported by appropriate documentation.

### ***5.3 Weighted Prioritization***

Each year, the FCAC will conduct a prioritization exercise at its Annual Review Meeting (see 6.2) to rank all current applications with an expected cost impact on its approved funding envelope. This will include an opportunity for parties who may be impacted by the tariff change to make a submission about an application to become part of the FCAC's review.

Those applications that are scored by the committee within the highest ranking, and that can be accommodated within the funding envelope, will be considered for implementation. The committee will consider the ranked order, funding availability and other relevant information to determine annual changes to the Tariff of Fees.

#### ***5.4 Decision Making Process***

- 5.4.1 Decisions of the FCAC shall be by majority.
- 5.4.2 In the event that a majority decision cannot be reached, then a seventh member will, at the request of either Party, be appointed by the Parties for resolution of the issue. The seventh member will chair those portions of the FCAC meeting(s) which involve consideration of the unresolved issue(s). This is not intended to be a formal arbitration. There shall be no legal counsel and no calling of evidence. The rules of natural justice do not necessarily apply, except in the discretion of the seventh member.
- 5.4.3 All information used to support committee decision-making will be documented and become part of the committee's record.
- 5.4.4 The decision of the FCAC reached through this process shall be final and binding on all Parties.

### **6.0 MEETINGS, SCHEDULE AND NOTICES**

The FCAC will meet as often as necessary to efficiently carry out its roles and responsibilities, but no less than four (4) times per fiscal year. Meetings will be scheduled at the discretion of the members and dates will be determined at the beginning of the fiscal year.

Notice of meetings will be distributed to committee members one to two weeks in advance. Meetings may be held by teleconferencing but the same criteria apply.

#### ***6.1 Quarterly Review Meetings***

The FCAC will hold quarterly review meetings to evaluate applications that have been deemed complete and validated as per the FCAC decision making pipeline (Appendix A). Review-ready applications will be placed in the queue for inclusion on the agenda of the next available FCAC quarterly meeting. If the number of applications exceeds the time available at a quarterly meeting, the FCAC will either add an additional meeting to its schedule, or those un-reviewed applications will be forwarded to the next quarterly meeting agenda.

#### ***6.2 Annual Review Meeting***

All proposed amendments to the Tariff of Fees requiring an allocation from the approved FCAC funding envelope will be put on the agenda of an Annual Review Meeting. This meeting may coincide with a scheduled quarterly meeting or occur as a separate event. The date of the Annual Review Meeting should be made available to members of Health PEI and senior management of Health PEI at least 30 days prior to the meeting. The announcement should include:

- a list of the applications under consideration
- instructions on how potentially impacted parties can make a submission regarding one or more of the applications being reviewed, including the form where they can provide their information and the deadline for their submission

### ***6.3 Record of Decisions***

A record of decisions will be documented for each meeting and approved by the FCAC prior to filing. Each annual review will result in an application being accepted and approved for implementation, deferred or denied, which will be filed in summary report that will be made available to MSPEI, Health PEI and the physician community.

### ***6.4 Notice of Decisions***

The FCAC is responsible for notifying MSPEI and Health PEI of its decisions and providing MSPEI and Health PEI with appropriate amendment documents that reflect any preamble changes or tariff of fee listing changes that must be signed by the parties. The committee shall also provide notice to the Medicare office of the amendments that will need to be implemented in the IT system to enable billing and payment changes.

The Committee is responsible to notify each applicant of whether their application was accepted and approved for implementation, deferred or denied.

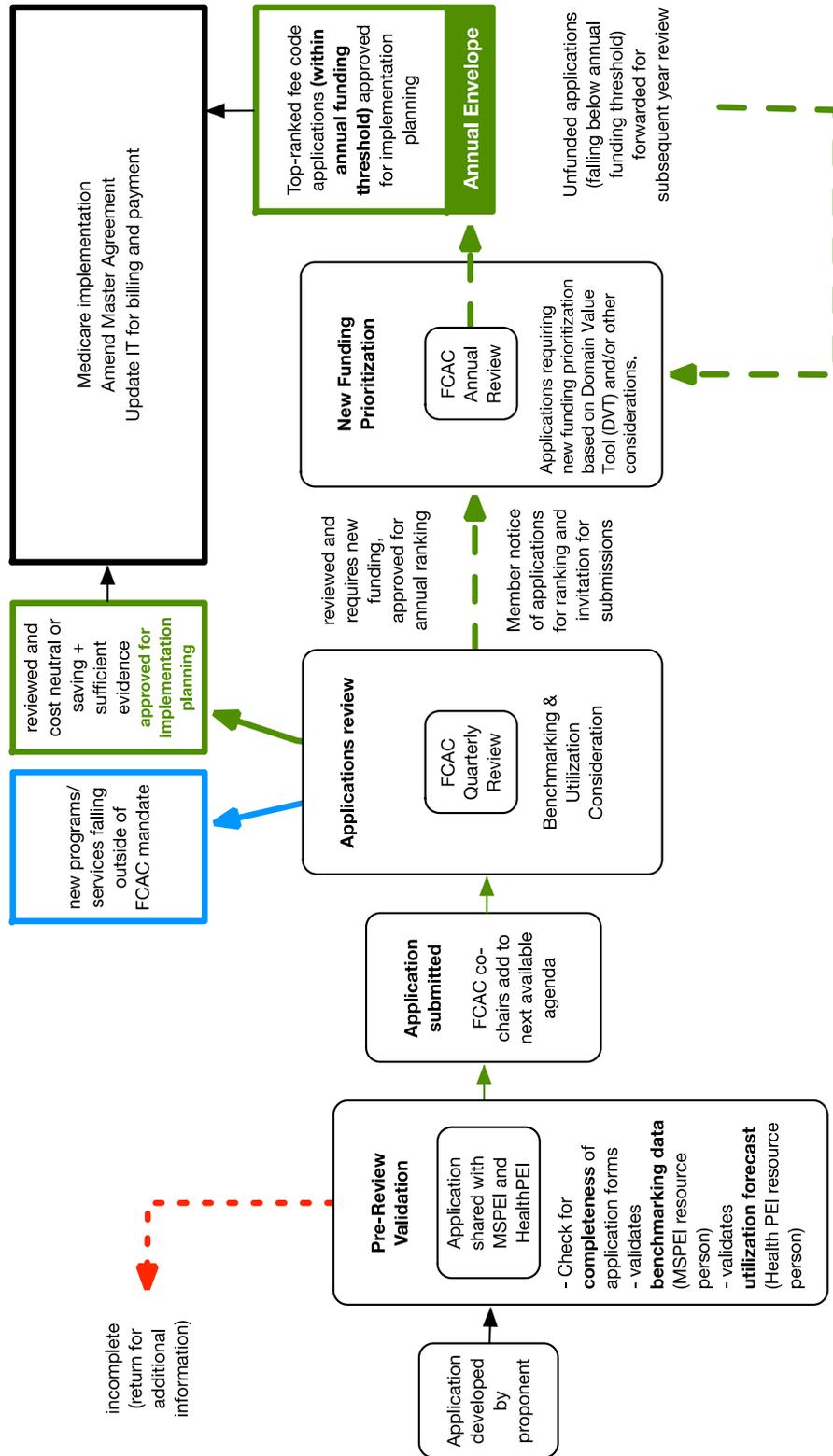
## **7.0 SUPPORT RESOURCES**

In order for the FCAC to fulfill its mandate, several activities will be resourced through direct or in-kind resources provided by MSPEI, Health PEI or the Government of PEI. An annual resourcing plan will be agreed to by the committee at the beginning of each fiscal year for that period. Resourced activities may include:

- administrative support / meeting logistics
- minutes and records keeping
- preliminary review of applications including provision and validation of benchmarking data and utilization forecasts
- web-based posting of FCAC forms, notices and decisions
- data extraction for semi-annual utilization monitoring of all FCAC amendments within previous 12-month billing period
- committee member expenses

# APPENDIX A

## PEI FCAC Fee Code Application Pipeline



## **APPENDIX B**

### Benchmarking Method

Benchmarking data is required in the application to determine the value of equivalent fee codes in other provinces where it is possible to do so. There will be two ways a benchmark value is determined.

a) to determine a Canadian average fee value, a trimmed mean shall be calculated by eliminating the highest and lowest fee values in the dataset (in the case of a fee code adjustment, the current PEI fee value will be excluded). The average of the remaining fee values shall be calculated and provided as the Canadian average fee.

b) a bell curve will be created by using the fee value assigned for the comparable service at the 25<sup>th</sup> 50<sup>th</sup> and 75<sup>th</sup> quartiles in the dataset.

This data shall be validated by a resource designated by the FCAC and included in the committee's review process. If benchmarking is not possible, the reasons must be documented and other potential sources for remuneration comparison that may be relevant to the application will be provided.

# APPENDIX C

## DOMAIN VALUE TOOL

APPLICATION REFERENCE:		
The FCAC will collectively agree on the potential value to be assigned to each domain area, with a total potential score of all domains equaling 100. Each application will be discussed by the committee for scoring and ranking.		
Potential Value	Domain Area and Considerations	Score
30	<p><b>QUALITY AND SAFETY</b> The extent to which this application will:</p> <ul style="list-style-type: none"> <li>improve quality of care.</li> <li>improve the standard of care.</li> <li>advance some aspect of the Patient Safety Action Plan.</li> <li>be of benefit to the PEI patient population.</li> </ul>	
25	<p><b>ACCESS AND COORDINATION</b> The extent to which this application will:</p> <ul style="list-style-type: none"> <li>Improve access to primary care services.</li> <li>Improve access to mental health and addictions services.</li> <li>improve access to community-based specialized care for chronic and complex clients.</li> <li>improve access to specialists.</li> <li>address Women's Wellness, reproductive and sexual health priorities.</li> <li>ensure compliance with national screening guidelines.</li> <li>increase access and coordination for vulnerable populations.</li> <li>increase access to home based care.</li> </ul>	
25	<p><b>INNOVATION AND EFFICIENCY</b> The extent to which this application will:</p> <ul style="list-style-type: none"> <li>improve patient flow.</li> <li>reduce wait times.</li> <li>make appropriate use of ambulatory care resources.</li> <li>improve management of acute care hospital beds.</li> <li>support the Choosing Wisely program for appropriate utilization of resources.</li> <li>improve the patient experience in their care journey.</li> <li>improve efficiency in service delivery.</li> <li>align with the PEI health system's readiness for this change.</li> </ul>	
20	<p><b>PHYSICIAN WORKFORCE SUSTAINABILITY</b> The extent to which this application will:</p> <ul style="list-style-type: none"> <li>improve physician work life and satisfaction.</li> <li>support the recruitment of new physicians.</li> <li>support the retention of PEI physicians.</li> <li>give PEI a competitive advantage in physician workforce management.</li> </ul>	
<b>TOTAL DOMAIN VALUE CALCULATION (out of 100)</b>		<b>0</b>

PEI Fee Code Advisory Committee  
updated December 27, 2017

\* Potential Value Assignments and Domain Area Considerations are reviewed annually by FCAC to reflect current state priorities.