



NEWS RELEASE

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Alternative Payments to Physicians: A Program in Need of Change

VICTORIA — BC Auditor General Wayne Strelieff reported today on his review of the ministry of health services' alternative payments program. The Alternative Payments Program is used to compensate physicians through service-based contracts, sessional payments or salary agreements. These are alternative approaches to the Medical Service Plan's fee-for-service system. The program distributes \$300 million dollars to 2,250 physicians to fund an extensive range of health services including emergency medicine, oncology and community health.

Strelieff concludes the Alternative Payments Program is poorly managed and needs to become much more accountable. He acknowledges that the program operates in a complex environment due to the systemic and long standing issues that exist in determining appropriate physician compensation arrangements. As such, some of the recommendations may be difficult to implement, but he believes the changes needed are long overdue.

Health care is one of the highest priorities for the citizens of British Columbia and physician services form a major part of that system. With this program being sizeable and likely growing, it is essential that the administration and accountability of the program be greatly improved. Strelieff believes that "the people of our province need to know that the services and funding decisions within our health system are focused on how best to improve patient health outcomes."

In his report, Strelieff assesses how the program is aligned with ministry and overall government direction, the extent to which sound management practices are in place and the extent to which the money spent and the services provided are linked to the achievement of results. His recommendations focus on the importance of:

- Developing program objectives that align with the ministry's and government's overall direction,
- Establishing a comprehensive and publicly accessible policy and procedures manual,
- Conducting a thorough business analysis based on the future direction of the program before deciding what is required in terms of a staff complement,
- Developing performance measures that focus APP towards results, and
- Evaluate how APP adds value to the provincial health care system.

The report contains twenty-four recommendations that focus on key improvements for the program to be strategically aligned, operationally efficient and demonstrate results-focused performance. Strelieff

asked legislators to encourage ministry officials, as well as representatives of health authorities and the physician community to work together to turn this program into an effective and efficient means of delivering health services.

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2003/2004 Report #4: Alternative Payments to Physicians: A Program in Need of Change.

[Download complete report in .PDF format](#) (size 518 KB)

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