

Alberta Doctors' Digest

AMA makes further progress toward income equity

Over the past 20 or more years, physician fees and changing practice patterns have affected net daily income earning capacity, and as a result, income inequities have become exacerbated over time. Achieving income equity is a major challenge facing the profession today, but it is a challenge the AMA is facing head on through the Income Equity Initiative (IEI).

The AMA defines income equity as a fair and justifiable distribution of daily income earning capacity among sections, and the Board of Directors remains committed to the completion of the Income Equity Initiative.

What's new

In fall 2021, the Representative Forum (RF) directed the Board to develop an interim approach to make progress toward income equity using best available evidence while remaining committed to the completion and implementation of the full IEI. In close consultation with sections, the AMA Compensation Committee (AMACC) developed an interim measure, which was approved at the spring RF meeting in Calgary (May 13-14).

The interim measure will allow the AMA to quantify our progress toward achieving income equity and will help guide the allocation of any new monies obtained in an agreement with government. If any such allocation is given, the AMA has requested that five sections receive particular attention given their low ranking in the interim income equity calculations: Family Medicine, Neurology, Obstetrics and Gynecology, Pediatrics, and Psychiatry. The calculations for the interim measure use the best information available today, and this will change over time as data evolves, for example once the AMA [Hours of Work Study](#) (login required) results are available.

With respect to income equity, within a new agreement the AMA will seek to ensure the following:

- There will be no reallocation under the interim measure.
- Reallocations among sections will be assessed and potentially implemented only once the full IEI project is completed and ratified.
- The AMA's IEI principles and the goal of improving income equity over the life of any agreement will be included.
- The interim income equity measure, as developed by the AMACC, will be used to measure progress in the attainment of income equity goals and significantly inform the allocation of any new monies under any agreement.
- The completion of the full IEI, as defined in the IEI Implementation Plan and as directed by the RF, will be supported.

Differential allocation of new monies among sections is not new. Over the years, the AMA has used several formulas for developing an allocation recommendation to maximize value for patients and fairness to physicians. On that note, as per RF direction, there will be no movement of monies from one section to another (no reallocation), reflecting that this is an interim measure only and the full study – with member ratification – has not yet occurred. Reallocation will be considered as part of the overall IEI study.

What happens next

The AMACC is finalizing a technical report that will show each section's relative ranking on the interim income equity measure as well as an overview of how the measure is calculated. This information will be provided to each section's executive.

The Negotiations Committee has raised the income equity issue with government at a high level, and the government has agreed to include consideration of income equity in the current negotiations – that is positive because this is not a goal that the AMA can pursue on its own. The AMA cannot unilaterally make changes to the Schedule of Medical Benefits or the Physician Services Budget.

Physicians are key stewards of the limited public health care dollars that are available in Alberta. Inequitable payments can skew the delivery of services, whereby some services are more likely to be provided while others are neglected. Addressing income equity is one tool we can use to improve patient care and access because equity can help ensure that services are appropriately remunerated and available across the continuum of care. Income equity by itself isn't going to fix the health care system, but it is a key policy lever that can be used to increase value for patients and fairness to physicians. A comprehensive physician compensation framework remains a key priority for the AMA.

For further information, you can visit the [IEI page](#) (login required) of the AMA website or email equity@albertadoctors.org.