

DATE:

August 16, 2023

PRINCIPAL(S):

Lisa Calder, MD, MSc, FRCPC, CEO, CMPA

SUBJECT:

2024 Regional fee requirements

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Lisa Calder: Each year we set membership fees to support the financial sustainability of the CMPA while striving to keep fees as low as possible. Membership fees in each of our four fee regions are set in accordance with the estimated medical legal costs per region and the region's financial position. These medical legal costs are calculated each year and include the estimated costs to compensate patients and support our members for the next four decades. Each region's cost trends combined with the CMPA's overall investment performance influence its financial position. If the cost trends rise above our estimates, then the region's financial position is negatively impacted and vice versa. We are committed to containing growth and medical liability protection costs and aim to support relative long term membership fee stability.

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While the CMPA as a whole closed 2022 in a positive financial position, it was lower than anticipated. This is due in part to lower investment returns and increased medical legal costs which include compensation to patients. To ensure that we have sufficient funds to support our 109,000 plus members and compensate patients on their behalf, most 2024 membership fees will increase from their significantly reduced levels in 2023. The exception is Quebec where membership fees will remain the same. As a reminder we reduced membership fees by 45 to 90% last year depending on the fee region. These reductions were the result of fee credits that we applied due to our very strong financial position in 2021.

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As mentioned, the CMPA has four unique fee regions in response to the regional cost differences across the country allowing for an equitable allocation of costs. The four regions are British Columbia and Alberta, Ontario, Quebec and Saskatchewan, Manitoba, Atlantic provinces and the territories. Each region is independent and there is no subsidization between regions. For example, if one region is in a positive or negative financial position this does not impact the other regions. Depending on the financial position of a fee region we apply fee credits or fee debits which you will see shortly. The total cost per region is the amount to be collected in each region. The average fee per member is an illustrative number that is the total cost per region divided by the number of members in that region. It is only an average and not an actual membership fee. When determining membership fees, we first calculate the total cost for the region and use this as the foundation to determine regional fees based on the type of work.

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I will now share the 2024 regional fee requirements starting with British Columbia and Alberta.

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The forecast medical legal costs for 2024 in BC and Alberta is, on a per member basis, \$5,071. This cost has been relatively stable year over year. After several years of significant fee reductions and recent lower investment returns the financial position of the region is now at an appropriate level.

As a result, you can see that the 2024 average fee per member is now in line with the estimated cost of protection which is \$5,071.

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When we look at the five-year trend you can see that while the average fee per member is more than last year, it remains less than in 2019 and 2020.

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In Ontario, the cost of providing medical liability protection is greater than in any other region and this is reflected in the membership fee.

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The cost of providing medical liability protection in Ontario in 2024 is forecast to be an average of \$6,853 per member. Again, this cost has been relatively stable year over year though it is trending upwards. The Ontario region is much closer to a deficit position compared to last year so membership fees will increase. This means the average fee per member in Ontario is \$7,287.

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Looking at the five-year trend, you can see that the 2024 average fee is close to what it was in 2021 and less than in 2019 and 2020.

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The Quebec fee region currently has the strongest financial position of all fee regions and its medical legal costs have not weakened its financial position.

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Therefore, we are continuing to offer significant fee credits in this region. While the expected cost of protection per member in Quebec is \$3,998, once our fee credit of \$3,774 is factored in the average fee per member is \$224.

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This is a 1.5% decrease from 2023 and by far the lowest of all fee regions, it is also significantly less than previous years. For example, in 2019 the average fee requirement in Quebec was \$2,387.

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I will now turn to Saskatchewan, Manitoba, the Atlantic provinces and the territories.

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This region is in a positive financial position, and we are not expecting a significant rise in medical legal costs. The estimated cost of protection in 2024 is \$3,703 yet we are able to offer a significant fee credit of \$3,008, meaning the average fee per member is only \$695.

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While this is an increase from 2023, you can see that it is significantly lower than it was in previous years.

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As you can see, there are significant regional differences in protection costs with Ontario being the most expensive region. The CMPA is committed to charging members only those fees required to provide effective medical legal protection through a sustainable model that gives our members confidence that assistance will be available to you in the event of a medical legal difficulty. We will continue to modernize and enhance our Member Services to maximize the value we deliver to you, our members.

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Having shared the average fees per member, here is an example of the actual membership fees for family physicians practicing in type of work code 35 which is our largest type of work code.

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The full listing of 2024 membership fees is now available on our website. You will be notified by email in the fall when the annual invoices are available on our website via the secure CMPA member portal. Our financial sustainability should assure members that we will continue to be there for you and compensate patients on your behalf today, tomorrow, and well into the future. Thank you.