

# SUE PORTER- KPMG REQUEST FOR DETERMINATION OF SINGLE RATE RECOVERY FOR RETURN OF SERVICE

Data generated June 22, 2006

## Costs:IMGs in ROS Contracts

	Cost	Per Resident	Unit	2006/07	Unit	2007/08	Unit	2008/09	Unit	2009/10	Unit	2010/11
Weighted Salary, benefits, stipends	63,083	Resident FTE	21	1,324,743	33	2,081,739	40.5	2,554,862	46.5	2,933,360	52.5	3,311,858
Clinical teaching - didactic	2,600	Resident FTE	21	54,600	33	85,800	40.5	105,300	46.5	120,900	52.5	136,500
Clinical teaching - with patient care IMG Y3-Y	3,400	Resident FTE	0		0		4.5	15,300	10.5	36,700	16.5	56,100
Clinical teaching - with patient care IMG Y1	5,100		15	76,500	18	91,800	18	91,800	18	91,800	18	91,800
Clinical teaching - with patient care IMG Y2	4,250		6	25,500	15	63,750	18	76,500	18	76,500	18	76,500
Resident Activity	1,800	Resident FTE	21	37,800	33	59,400	40.5	72,900	46.5	83,700	52.5	94,500
Program Director stipend & admin support	6,478	Resident FTE	21	136,038	33	213,774	40.5	262,359	46.5	301,227	52.5	340,095
Distributed training- residents (per PGY1)	9,000	Resident FTE	18	162,000	18	162,000	18	162,000	18	162,000	18	162,000
Site Directors - Distributed Training facilities	420,000	site	1	420,000	1	420,000	1	420,000	1	420,000	1	420,000
IMG Assessment	390,500	year	1	390,500	1	390,500	1	390,500	1	390,500	1	390,500
Administration- Postgrad office	142,800	year	1	142,800	1	142,800	1	142,800	1	142,800	1	142,800
Capacity Development	6,601	Resident FTE	21	138,621	33	217,833	40.5	267,341	46.5	306,947	52.5	346,553
<b>TOTAL</b>				<b>2,909,102</b>		<b>3,929,396</b>		<b>4,561,662</b>		<b>5,066,434</b>		<b>5,569,206</b>

Cost per IMG resident FTE	24	121,213	36	109,150	42	108,611	48	105,551	54	103,133
Five year average of cost per IMG resident	109,524									

## DETERMINATION OF THE RECOVERY RATE OF \$108,000 PER IMG PER YEAR

The recovery rate was determined June 2006 based on the above line item calculations.

The actual cost per resident FTE for 2006/2007= \$121,213

Five year average cost per IMG resident is \$109,524

A single rate recovery of \$108,000 per IMG per year is for simplicity.

**Health Canada's Fiscal Contribution: Expansion and Distribution of IMG-BC Program for Underserved Communities in BC**

	(a)	(b)	(a)-(b)
<b>Budget</b>	<b>Value (Commitment)</b>	<b>Actuals</b>	<b>Balance</b>
10/11	18,625	-	18,625
11/12	1,695,304	901,008	794,296
12/13	2,836,787	2,798,690	38,097
13/14	711,554	711,554	-
14/15	718,554	718,554	-
<b>Total</b>	<b>5,980,824</b>	<b>5,129,806</b>	<b>851,018</b>



JAN 10 2012

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Dr. Gavin Stuart  
Dean, Faculty of Medicine  
University of British Columbia  
317 - 2194 Health Sciences Mall  
Vancouver BC V6T 1Z3

Dear Dr. Stuart:

On behalf of the Ministry of Health (MoH), I am writing to provide you with information about funding for the Faculty of Medicine (FoM) for the fiscal year 2011/12. The Ministry has approved funding for 1089 postgraduate resident FTEs in 2011/12, based on the Postgraduate Residency Education Program Funding Formula. Fifty-seven of these FTEs are funded at 75 percent in 2011/12.

The FoM 2011/12 operating grant for Postgraduate Residency Education is \$110,006,991 and a summary of this funding is provided in Appendix 1. This funding includes Health Canada's contribution for this fiscal year of \$1,695,304 to support the *Expansion and Distribution of the IMG-BC Program for Underserved Communities in BC*.

Please note \$108,006,991 is the amount the Ministry is expecting to transfer, as residents' benefits will be reduced by \$2M for this fiscal year.

As in previous years, for planning purposes, this letter provides the FoM operating grant anticipated for the next fiscal year. This funding is subject to the Ministry of Health having sufficient funds available in the 2012/13 fiscal year. If funding is not available, MoH and FoM will determine jointly the implications of the reduced funding level.

#### **2011/12 Postgraduate Residency Education Operating Grant**

Funding of \$108,006,991 for 2011/12 covers 1089 resident FTEs for:

- 266 entry-level positions for Canadian medical graduates.
- 26 entry-level positions for international medical graduates.
  - In response to a 2010 BC Government Throne Speech commitment, there is an expansion and distribution of *IMG-BC Program*. Forty new entry-level positions will be in family medicine - 8 entry-level positions each year over a five-year period. At full implementation in 2016/17, 58 entry-level positions, or 134 IMGs are expected to be in training at any one time.
- 32 FTEs for clinician investigator, family practice enhanced skills, family practice emergency medicine, and podiatry programs.
- 11 postgraduate residency positions for dentistry, of which 5 are community-based.

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Ministry of Health

Assistant Deputy Minister  
Medical Services and Health Human Resources Division

3-1, 1515 Blanshard Street  
Victoria BC V8W 3C8  
Telephone: 250 952-3465  
Facsimile: 250 952-3131

## Accountability

The Memorandum of Understanding (MoU) between the MoH and the University of British Columbia describes the responsibilities between the parties.

In addition to the responsibilities under the MoU, the Postgraduate Residency Education Program (PGME) will:

- Provide an inventory of all residents, taken in September 2011.
- Provide specific numbers of entry-level positions each year for both family medicine and Royal College specialty streams, and for Canadian medical graduate and international medical graduate entry-level positions. PGME is limited to specific annual numbers of clinical investigator and enhanced family practice positions.
- Be responsible for allocating positions to specific training programs to ensure PGME costs remain within the PGME funding formula revenue.
  - The Medical Human Resources Planning Task Force (MHRPTF) advises MoH and FoM on the allocation of positions to programs. MoH has the option of making more detailed allocation decisions after consulting with FoM and MHRPTF, and increasing the total number of entry-level positions, provided the positions are fully funded.
  - In the absence of written direction from MoH, allocation of positions is at FoM's discretion within the constraint of the PGME operating grant provided by the funding formula.
- Add additional longitudinal or rotational sites to any program with the prior written agreement of MoH including agreement about the financial implications and the agreement to provide funding, after consultation with MHRPTF.
- Only increase clinical faculty recognition with the prior written agreement of MoH, after providing a business case for the proposed increase.
  - A business case will detail the financial and operational implications for two options: implementing the proposed increase; keeping the recognition rates at the current level.
  - MoH may ask for an independent review of the business case.
  - If the request to increase recognition rates is not approved, FoM is able to proportionally reduce entry-level positions to address operational implications of not increasing recognition rates in accordance with the business case and any independent review.
- Inform the implementation of any changes to technology or approach that can be done within the funding formula and the agreed number and allocation of resident positions.
  - Changes requiring capital or operating funding may only be made with prior approval by MoH, including approval of the required funding.
- Be responsible for allocating administration positions to ensure PGME costs remain within the PGME funding formula revenue.
  - An increase factor has been built into the funding formula.
- Submit semi-annual financial reports (September and March) to the FoM/MoH Funding Management Committee.

- Support the Ministry's reporting obligations to Health Canada for the *Expansion and Distribution of the IMG-BC Program for Underserved Communities in BC*, an initiative which receives funding through Canada's Health Care Policy Contribution Program.
- Participate with the Ministry, the Evaluation Studies Unit, and the Centre for Health Education Scholarship to:
  - Continue with program evaluation to demonstrate distributed medical education improves the distribution, recruitment, and retention of physicians. The Ministry and FoM will review work to date and agree on a work plan for 2012/13, prior to funds being released for this activity next fiscal year.
  - Provide an annual progress report which reviews the strategic directions the FoM has underway to advance distributed medical education and enhance its impact on the distribution, recruitment and retention of physicians.
    - The report is due at the end of each fiscal year.
    - MoH will withhold 30% of this funding component and release the holdback when it receives the report.
  - Begin new work which leads to a different assessment of international medical graduates. BC wants to attract the right residents to train in family medicine in a health region which has underserved/rural communities.

The collaborative will develop a roles and responsibilities document and assign leadership.

MoH is responsible for fully funding all increases in compensation of residents.

- If MoH does not adjust the funding formula to deal with an increase to the cost of resident compensation, FoM is able to proportionally decrease entry-level positions to ensure costs and funding formula revenues remain in balance.

Clarification of roles and responsibilities in this section is drawn from the *Postgraduate Medical Education Funding Review Final Report, July 2010*.

During the fiscal year, Libby Posgate, Executive Director, Health Human Resources Planning (telephone 250-952-1107), and Ted Boomer, Director, Financial Corporate Services (telephone 250-952-2053), are available to answer questions regarding funding and accountability.

I appreciate your continued commitment to excellence in postgraduate medical education.

Yours truly,



Sheila Taylor  
Assistant Deputy Minister

Attachment

pc: Manjit Sidhu, Assistant Deputy Minister, Financial & Corporate Services, Ministry of Health  
Ted Boomer, Financial & Corporate Services, Ministry of Health  
Betty-Anne Brazier, Financial & Corporate Services, Ministry of Health  
Aureleo Reyes, Regional Grants and Decision Support, Ministry of Health  
Shelley Moen, Director, Capital Services, Ministry of Health  
Libby Posgate, Health Human Resources Planning, Ministry of Health  
Dr. Jill Kernahan, Postgraduate Medical Education, Faculty of Medicine  
Mark Vernon, Resources & Operations, Faculty of Medicine

# Appendix 1: All Residents

			Residents FTE Open	1032		1089
			Resident FTE Additions	57		54
			Residents FTE Close	1089		1143
					11/12	12/13
	<u>Cost</u>	<u>Per</u>	<u>Unit</u>	<u>Total</u>	<u>Unit</u>	<u>Total</u>
Academic Component						
Clinical Teaching (Didactic)	1,833	Resident	1,089	1,996,137	1143	2,095,119
Clinical Teaching (With Patient Care)	5,002	Resident	1,089	5,447,178	1143	5,717,286
Clinical Teaching (With Patient Care) IMG PGY1	2,501	Resident	26	65,026	34	85,034
Clinical Teaching (With Patient Care) IMG PGY2	1,251	Resident	19	23,769	26	32,526
Program Director Stipend & Administration Support	6,478	Resident	1,089	7,054,542	1143	7,404,354
Distributed Training	2,500	Resident	1,089	2,722,500	1143	2,857,500
Site Directors - Distributed Training-	370,000	Site (SP)	4	1,480,000	4	1,480,000
Site Directors - FP Distributed Training	5,500	FP Resident	241.8	1,329,900	264.8	1,456,400
IMG Assessment	390,500	Year	1	390,500	1	468,600
Administration - PGME Office	1,700,000	Year	1	1,700,000	1	1,725,500
Support for Faculty of Medicine	4,071,000	Year	1	4,071,000	1	4,071,000
Returning Residents @.1%	767,547	Year	1	767,547	1	806,610
IMG-BC Evaluation	306,000	Year	1	306,000	1	306,000
Clinical Placement Liaison Office	216,000	Year	1	216,000	1	216,000
AVIT Maintain/Refresh	3,722,000	Year	1	3,722,000	1	3,722,000
Employment Component						
Weighted Average Salary, Benefits, Stipends	71,413	Resident FTE	1,074.8	76,754,692	1,129.5	80,660,984
Resident Activity	1,800	Resident	1,089	1,960,200	1143	2,057,400
Total Funding				110,006,991	115,162,313	

Ted Boomer  
Director, Financial Corporate Services, Ministry of Health  
2-1, 1515 Blanshard Street  
Victoria, BC, V8W 3C8

Betty-Anne Brazier  
Director, Financial Corporate Services, Ministry of Health  
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Aureleo Reyes  
Director, Regional Grants and Decision Support, Ministry of Health  
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Shelley Moen  
Director, Capital Services, Ministry of Health  
6-1, 1515 Blanshard Street  
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Libby Posgate  
Executive Director, Health Human Resources Planning (Physicians), Ministry of Health  
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Dr. Jill Kernahan  
Associate Dean, Postgraduate Medical Education  
Faculty of Medicine, University of British Columbia  
Gordon & Leslie Diamond Health Care Centre  
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Mr. Mark Vernon  
Chief Operating Officer  
Faculty of Medicine, University of British Columbia  
Room 317, Instructional Resource Centre  
2194 Health Sciences Mall  
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NOV 27 2012

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Dr. Gavin Stuart  
Dean, Faculty of Medicine  
University of British Columbia  
317 - 2194 Health Sciences Mall  
Vancouver BC V6T 1Z3

Dear Dr. Stuart:

*Gavin*

On behalf of the Ministry of Health (MoH), I am writing to provide you with information about funding for the Faculty of Medicine (FoM) for the fiscal year 2012/13. The Ministry has approved funding for 1143 postgraduate resident FTEs in 2012/13, based on the Postgraduate Residency Education Program Funding Formula.

The FoM 2012/13 operating grant for Postgraduate Residency Education is \$115,162,313, and a summary of this funding is provided in Appendix 1. This funding includes Health Canada's contribution for this fiscal year of \$2,836,787 to support the *Expansion and Distribution of the IMG-BC Program for Underserved Communities in BC*. The Faculty will be required to repay the Ministry the amount of any overpayment, disallowed expenditures or unclaimed Health Canada funding. The Ministry will deduct the amount from any future payments under this agreement.

Please note \$113,162,313 is the amount the Ministry is expecting to transfer (see Appendix 2), as residents' benefits will be reduced by \$2M for this fiscal year.

As in previous years, for planning purposes, this letter provides the FoM operating grant anticipated for the next fiscal year. This funding is subject to the Ministry of Health having sufficient funds available in the 2013/14 fiscal year. If funding is not available, MoH and FoM will determine jointly the implications of the reduced funding level.

#### **2012/13 Postgraduate Residency Education Operating Grant**

Funding of \$113,162,313 for 2012/13 covers 1143 resident FTEs for:

- 276 entry-level positions for Canadian medical graduates.
- 34 entry-level positions for international medical graduates.
  - In response to a 2010 BC Government Throne Speech commitment, there is an expansion and distribution of *IMG-BC Program*. Forty new entry-level positions will be in family medicine - 8 entry-level positions each year over a five-year period. At full implementation in 2016/17, 58 entry-level positions, or 134 IMGs are expected to be in training at any one time.
- 32 FTEs for clinician investigator, family practice enhanced skills, family practice emergency medicine, and podiatry programs.
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- Be responsible for allocating positions to specific training programs to ensure PGME costs remain within the PGME funding formula revenue.
  - The Medical Human Resources Planning Task Force (MHRPTF) advises MoH and FoM on the allocation of positions to programs. MoH has the option of making more detailed allocation decisions after consulting with FoM and MHRPTF, and increasing the total number of entry-level positions, provided the positions are fully funded.
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  - A business case will detail the financial and operational implications for two options: implementing the proposed increase, and keeping the recognition rates at the current level.
  - MoH may ask for an independent review of the business case.
  - If the request to increase recognition rates is not approved, FoM is able to proportionally reduce entry-level positions to address operational implications of not increasing recognition rates in accordance with the business case and any independent review.
- Inform the implementation of any changes to technology or approach that can be done within the funding formula and the agreed number and allocation of resident positions.
  - Changes requiring capital or operating funding may only be made with prior approval by MoH, including approval of the required funding.
- Be responsible for allocating administration positions to ensure PGME costs remain within the PGME funding formula revenue.
  - An increase factor has been built into the funding formula.
- Submit semi-annual financial reports (September and March) to the FoM/MoH Funding Management Committee.

- Support the Ministry's reporting obligations to Health Canada for the *Expansion and Distribution of the IMG-BC Program for Underserved Communities in BC*, an initiative which receives funding through Canada's Health Care Policy Contribution Program.
- Participate with the Ministry, the Evaluation Studies Unit, and the Centre for Health Education Scholarship to:
  - Continue with program evaluation to demonstrate distributed medical education improves the distribution, recruitment, and retention of physicians. The Ministry and FoM will review work to date and agree on a work plan for 2013/14, prior to funds being released for this activity next fiscal year.
  - Provide an annual progress report which reviews the strategic directions the FoM has underway to advance distributed medical education and enhance its impact on the distribution, recruitment and retention of physicians.
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Clarification of roles and responsibilities in this section is drawn from the *Postgraduate Medical Education Funding Review Final Report, July 2010*.

During the fiscal year, Kevin Brown, A/Executive Director, Health Human Resources Planning (telephone 250-952-1107), and Ted Boomer, Director, Financial Corporate Services (telephone 250-952-2053), are available to answer questions regarding funding and accountability.

I appreciate your continued commitment to excellence in postgraduate medical education.

Yours truly,



Nichola Manning  
Assistant Deputy Minister

Attachment (2)

pc: Manjit Sidhu, Assistant Deputy Minister, Financial & Corporate Services, Ministry of Health  
Ted Boomer, Financial & Corporate Services, Ministry of Health  
Betty-Anne Brazier, Financial & Corporate Services, Ministry of Health  
Kevin Brown, Health Human Resources Planning (Physicians), Ministry of Health  
Shelley Moen, Director, Capital Services, Ministry of Health  
Aureleo Reyes, Regional Grants and Decision Support, Ministry of Health  
David Snadden, Executive Associate Dean Education, Faculty of Medicine  
Roger Wong, Postgraduate Medical Education, Faculty of Medicine  
Mark Vernon, Resources & Operations, Faculty of Medicine

# Appendix 1: All Residents

		Residents FTE Open	1089		1143	
		Resident FTE Additions	54		57	
		Residents FTE Close	1143		1200	
				12/13		13/14
	Cost	Per	Unit	Total	Unit	Total
<b>Academic Component</b>						
Clinical Teaching (Didactic)	1,833	Resident	1143	2,095,119	1,200	2,199,600
Clinical Teaching (With Patient Care)	5,602	Resident	1143	5,717,286	1,200	6,002,400
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Distributed Training	2,500	Resident	1143	2,857,500	1,200	3,000,000
Site Directors - Distributed Training-	370,000	Site (SP)	4	1,480,000	4	1,480,000
Site Directors - FP Distributed Training	5,500	FP Resident	264.8	1,456,400	289.6	1,592,800
IMG Assessment	390,500	Year	1	468,600	1	546,700
Administration - PGME Office	1,700,000	Year	1	1,725,500	1	1,751,383
Support for Faculty of Medicine	4,071,000	Year	1	4,071,000	1	4,071,000
Returning Residents @ 1%	767,547	Year	1	806,610	1	846,815
IMG-BC Evaluation	306,000	Year	1	306,000	1	306,000
Clinical Placement Liaison Office	216,000	Year	1	216,000	1	216,000
AVIT Maintain/Refresh	3,722,000	Year	1	3,722,000	1	3,722,000
Weighted Average Salary, Benefits, Stipends	71,413	Resident FTE	1,129.5	80,660,984	1,185.8	84,681,535
Resident Activity	1,800	Resident	1143	2,057,400	1,200	2,160,000
<b>Total Funding</b>				<b>115,162,313</b>		<b>120,497,392</b>

## Appendix 2: Reconciliation

Fiscal Year	2011/12	2012/13
Previous Year Reconciliation	N/A	n/a
PGME Operating Grant	\$110,006,991	\$115,162,313
Less Resident Benefits	\$2,000,000	\$2,000,000
PGME Funding Letter	\$108,006,991	\$113,162,313
Less Health Canada Funding	\$1,695,304	n/a
Amount Flowed from MoH to UBC	<b>\$106,311,687</b>	<b>\$113,162,313</b>
Add Health Canada Funding flowed to UBC	\$901,008	
Amount Due	<b>\$107,212,695</b>	\$113,162,313

- 2012/13 Health Canada Funding of \$2,836,787 is included in Amount Flowed from MoH to UBC.



999405

Dr. Gavin Stuart  
Dean, Faculty of Medicine  
University of British Columbia  
317 – 2194 Health Sciences Mall  
Vancouver BC V6T 1Z3

Dear Dr. Stuart:

On behalf of the Ministry of Health (the Ministry), I am writing to provide you with information about funding for the Faculty of Medicine (FoM) for the fiscal year 2013/14. The Ministry has approved funding for 1200 postgraduate resident FTEs in 2013/14, based on the Postgraduate Residency Education Program Funding Formula.

The FoM 2013/14 operating grant for Postgraduate Residency Education is \$120,497,392 and a summary of this funding is provided in Appendix 1. This funding includes Health Canada's contribution for this fiscal year of \$711,554 to support the *Expansion and Distribution of the IMG-BC Program for Underserved Communities in BC*. The FoM will be required to repay the Ministry the amount of any overpayment, disallowed expenditures or unclaimed Health Canada funding. The Ministry will deduct the amount from any future payments under this agreement.

Please note \$118,497,392 is the amount the Ministry is expecting to transfer (see Appendix 2), as residents' benefits will be reduced by \$2 million for this fiscal year. The restriction and deferral of any unspent Ministry funding, for use in fiscal year 2014/15, must be approved in writing by the Ministry. Use of the funding may result in offsetting reductions to the 2014/15 operating grant.

As in previous years, for planning purposes, this letter provides the FoM operating grant anticipated for the next fiscal year. This funding is subject to the Ministry having sufficient funds available in the 2014/15 fiscal year. If funding is not available, the Ministry and FoM will determine jointly the implications of the reduced funding level.

Upon receipt and review of the information requested of the FoM on September 9, 2013, adjustments may be made to the transferable amount of funding to the FoM.

#### **2013/14 Postgraduate Residency Education Operating Grant**

Funding of \$118,497,392 for 2013/14 covers 1200 resident FTEs for:

- 288 entry-level positions for Canadian medical graduates.
- 42 entry-level positions for international medical graduates.
  - Continuing the BC Government's commitment to continue to expand and distribute *IMG-BC Assessment Program* and residency positions beyond the 18 IMG entry-level

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positions in place in 2010. The 40 new entry-level positions will be in family medicine - 8 entry-level positions each year over a five-year period. At full implementation in 2016/17, 58 entry-level positions, or 134 IMGs are expected to be in training at any one time.

- 32 FTEs for clinician investigator, family practice enhanced skills, family practice emergency medicine, and podiatry programs.
- 11 postgraduate residency positions for dentistry, of which 5 are community-based.

### Accountability

The Memorandum of Understanding (MoU) between the Ministry and the University of British Columbia describes the responsibilities between the parties.

In addition to the responsibilities under the MoU, the Postgraduate Residency Education Program (PGME) will:

- Provide an inventory of all residents, taken in September 2013.
- Provide specific numbers of entry-level positions each year for both family medicine and Royal College specialty streams, and for Canadian medical graduate and international medical graduate entry-level positions. PGME is limited to specific annual numbers of clinical investigator and enhanced family practice positions.
- Be responsible for allocating positions to specific training programs to ensure PGME costs remain within the PGME funding formula revenue.
  - The Medical Human Resources Planning Task Force (MHRPTF) advises the Ministry and the FoM on the allocation of positions to programs. The Ministry has the option of making more detailed allocation decisions after consulting with FoM and MHRPTF, and increasing the total number of entry-level positions, provided the positions are fully funded.
  - In the absence of written direction from the Ministry, allocation of positions is at FoM's discretion within the constraint of the PGME operating grant provided by the funding formula.
- Add additional longitudinal or rotational sites to any program with the prior written agreement of the Ministry, including agreement about the financial implications and the agreement to provide funding, after consultation with MHRPTF.
- Only increase clinical faculty recognition with the prior written agreement of the Ministry, after providing a business case for the proposed increase.
  - A business case will detail the financial and operational implications for two options: implementing the proposed increase, and keeping the recognition rates at the current level.
  - The Ministry may ask for an independent review of the business case.
  - If the request to increase recognition rates is not approved, FoM is able to proportionally reduce entry-level positions to address operational implications of not increasing recognition rates in accordance with the business case and any independent review.
- PGME program changes requiring capital or operating funding may only be made with prior approval by the Ministry.

- Be responsible for allocating administration positions to ensure PGME costs remain within the PGME funding formula revenue.
- Submit quarterly financial reports accompanied by year end projections/forecasts.
  - 7-year forecast
  - Financial Statements
- Support the Ministry's reporting obligations to Health Canada for the *Expansion and Distribution of the IMG-BC Program for Underserved Communities in BC*, an initiative which receives funding through Canada's Health Care Policy Contribution Program.
- Participate with the Ministry, the Evaluation Studies Unit, and the Centre for Health Education Scholarship to:
  - Continue with program evaluation to demonstrate distributed medical education improves the distribution, recruitment, and retention of physicians. The Ministry and FoM will review work to date and agree on a work plan for 2014/15, prior to funds being expensed for this activity next fiscal year.
  - Provide an annual progress report which reviews the *Strategic Plan for Medical Education in British Columbia* with the FoM and the Ministry of Advanced Education, to advance distributed medical education and enhance its impact on the distribution, recruitment and retention of physicians.
    - The report is due at the end of October each year.
  - Continue quality improvement activities for IMG assessments.

The Ministry is responsible for fully funding all increases in resident compensation.

- If the Ministry does not adjust the funding formula to deal with an increase to the cost of resident compensation, FoM is able to proportionally decrease entry-level positions to ensure costs and funding formula revenues remain in balance.

During the fiscal year, Ted Boomer, Director, Finance & Corporate Services (250-952-2053), Bonnie Wong, Director, Decision Support (250-952-2443) and I are available to answer questions regarding funding and accountability.

I appreciate your continued commitment to excellence in postgraduate medical education.

Yours truly,

Kevin Brown

A/Executive Director  
Workforce Planning and Management  
Ministry of Health

Attachments (2)



pc: Manjit Sidhu, ADM, Finance & Corporate Services, Ministry of Health  
Ted Boomer, Director, Finance & Corporate Services, Ministry of Health  
Bonnie Wong, Decision Support, Ministry of Health  
Kevin Brown, Workforce Planning and Management, Ministry of Health  
Shelley Moen, Capital Services, Ministry of Health  
Aurelio Reyes, Regional Grants and Decision Support, Ministry of Health  
David Snadden, Executive Associate Dean Education, Faculty of Medicine  
Roger Wong, Postgraduate Medical Education, Faculty of Medicine  
Jane Eibner, Executive Director Education and Strategic Projects, Faculty of Medicine

# Appendix I: All Residents

		Residents FTE Open	1143		1200
		Resident FTE Additions	57		47
		Residents FTE Close	1200		1247
				13/14	14/15
	Cost	Per	Unit	Total	Unit Total
<b>Academic Component</b>					
Clinical Teaching (Didactic)	1,833	Resident	1,200	2,199,600	1,247 2,285,751
Clinical Teaching (With Patient Care)	5,002	Resident	1,200	6,002,400	1,247 6,237,494
Clinical Teaching (With Patient Care) IMG PGY1	2,501	Resident	42	105,042	50 125,050
Clinical Teaching (With Patient Care) IMG PGY2	1,251	Resident	34	42,517	42 52,542
Program Director Stipend & Administration Support	6,478	Resident	1,200	7,773,600	1,247 8,078,066
Distributed Training	2,500	Resident	1,200	3,000,000	1,247 3,117,500
Site Directors - Distributed Training-	370,000	Site (SP)	4	1,480,000	4 1,480,000
Site Directors - FP Distributed Training	5,500	FP Resident	289.6	1,592,800	310.4 1,707,200
IMG Assessment	390,500	Year	1	546,700	1 624,800
Administration - PGME Office	1,700,000	Year	1	1,751,383	1 1,777,654
Support for Faculty of Medicine	4,071,000	Year	1	4,071,000	1 4,071,000
Returning Residents @ 1%	767,547	Year	1	846,815	1 882,165
IMG-BC Evaluation	306,000	Year	1	306,000	1 306,000
Clinical Placement Liaison Office	216,000	Year	1	216,000	1 216,000
AVIT Maintain/Refresh	3,722,000	Year	1	3,722,000	1 3,722,000
Weighted Average Salary, Benefits, Stipends	71,413	Resident FTE	1,185.8	84,681,535	1,199.3 88,216,479
Resident Activity	1,800	Resident	1,200	2,160,000	1,247 2,244,600
				120,497,392	125,144,280
Funding				2,000,000	Unknown
Less Resident Benefits				118,497,392	125,144,280
Total Funding					

## Appendix 2: Reconciliation

Fiscal Year	2012/13	2013/14
Previous Year Reconciliation	N/A	n/a
PGME Operating Grant	\$115,162,313	\$120,497,392
Less Resident Benefits	\$2,000,000	\$2,000,000
PGME Funding Letter	\$113,162,313	\$118,497,392
Less Health Canada Funding	n/a	n/a
Amount Flowed from the Ministry to UBC	\$113,162,313	\$118,497,392
Add Health Canada Funding flowed to UBC*		
Amount Due	\$113,162,313	\$118,497,392

\*2012/13 Health Canada Funding of \$2,836,787 is included in Amount Flowed from the Ministry to UBC

\*2013/14 Health Canada Funding of \$711,554 is included in Amount Flowed from the Ministry to UBC



December 5, 2014

1024561

Dr. Gavin Stuart  
Dean, Faculty of Medicine  
University of British Columbia  
317 – 2194 Health Sciences Mall  
Vancouver BC V6T 1Z3

Dear Dr. Stuart:

On behalf of the Ministry of Health (the Ministry), I am writing to provide you with information about funding for the Faculty of Medicine (FoM) for the fiscal year 2014/15. The Ministry has approved funding for 1,247 postgraduate resident FTEs in 2014/15, based on the Postgraduate Residency Education Program Funding Formula.

The FoM 2014/15 operating grant for Postgraduate Residency Education is \$123,144,279 and a summary of this funding is provided in Appendix 1. Please note this amount includes a \$2 million reduction in residents' benefits. In addition, this funding includes Health Canada's contribution for \$718,554 to support the *Expansion and Distribution of the IMG-BC Program for Underserved Communities in BC*. The FoM will be required to repay the Ministry the amount of any overpayment, disallowed expenditures or unclaimed Health Canada funding. The Ministry will deduct the amount from any future payments under this agreement.

The use of any deferred revenue from prior years Ministry funding and interest income earned from the deferred revenue must be approved in writing by the Ministry. Use of the funding may result in offsetting reductions to the 2015/16 operating grant.

For planning purposes, this letter provides the FoM operating grant anticipated for the next two fiscal years. This funding is subject to the Ministry having sufficient funds available in those fiscal years. If funding is not available, the Ministry and FoM will determine jointly the implications of the reduced funding level.

Upon receipt and review of the information requested annually of the FoM, adjustments may be made to the transferable amount of funding to the FoM.

#### **2014/15 Postgraduate Residency Education Operating Grant**

Funding of \$123,144,279 for 2014/15 covers 1,247 resident FTEs for:

- 288 entry-level positions for Canadian medical graduates.
- 50 entry-level positions for international medical graduates.
  - Continuing the BC Government's commitment to continue to expand and distribute *IMG-BC Assessment Program* and residency positions beyond the 18 IMG entry-level

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Ministry of Health

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positions in place in 2010. The 40 new entry-level positions will be in family medicine - 8 entry-level positions each year over a five-year period. At full implementation in 2016/17, 58 entry-level positions, or 134 IMGs are expected to be in training at any one time.

- 32 FTEs for clinician investigator, family practice enhanced skills, family practice emergency medicine, and podiatry programs.
- 11 postgraduate residency positions for dentistry, of which 5 are community-based.

### Accountability

The Memorandum of Understanding (MoU) between the Ministry and the University of British Columbia describes the responsibilities between the parties.

In addition to the responsibilities under the MoU, the Postgraduate Residency Education Program (PGME) will:

- Provide an inventory of all residents that are taken in September 2014.
- Provide specific numbers of entry-level positions each year for both family medicine and Royal College specialty streams, and for Canadian medical graduate and international medical graduate entry-level positions. PGME is limited to specific annual numbers of clinical investigator and enhanced family practice positions.
- Be responsible for allocating positions to specific training programs to ensure PGME costs remain within the PGME funding formula revenue.
  - The Medical Human Resources Planning Task Force (MHRPTF) advises the Ministry and the FoM on the allocation of positions to programs. The Ministry has the option of making more detailed allocation decisions after consulting with FoM and MHRPTF, and increasing the total number of entry-level positions, provided the positions are fully funded.
  - In the absence of written direction from the Ministry, allocation of positions is at FoM's discretion within the constraint of the PGME operating grant provided by the funding formula.
- Add additional longitudinal or rotational sites to any program with the prior written agreement of the Ministry, including agreement about the financial implications and the agreement to provide funding, after consultation with MHRPTF.
- Only increase clinical faculty recognition with the prior written agreement of the Ministry, after providing a business case for the proposed increase.
  - A business case will detail the financial and operational implications for two options: implementing the proposed increase, and keeping the recognition rates at the current level.
  - The Ministry may ask for an independent review of the business case.
  - If the request to increase recognition rates is not approved, FoM is able to proportionally reduce entry-level positions to address operational implications of not increasing recognition rates in accordance with the business case and any independent review.
- PGME program changes requiring capital or operating funding may only be made with prior approval by the Ministry.

- Be responsible for allocating administration positions to ensure PGME costs remain within the PGME funding formula revenue.
- Submit quarterly financial reports accompanied by year end projections/forecasts.
  - 7-year forecast
  - Financial Statements
- Support the Ministry's reporting obligations to Health Canada for the *Expansion and Distribution of the IMG-BC Program for Underserved Communities in BC*, an initiative which receives funding through Canada's Health Care Policy Contribution Program.
- Participate with the Ministry, the Evaluation Studies Unit, and the Centre for Health Education Scholarship to:
  - Continue with program evaluation to demonstrate distributed medical education improves the distribution, recruitment, and retention of physicians. The Ministry and FoM will review work to date and agree on a work plan for 2015/16, prior to funds being expensed for this activity next fiscal year.
  - Provide an annual progress report which reviews the *Strategic Plan for Medical Education in British Columbia* with the FoM and the Ministry of Advanced Education, to advance distributed medical education and enhance its impact on the distribution, recruitment and retention of physicians.
    - The report is due at the end of October each year.
  - Continue quality improvement activities for IMG assessments.

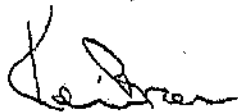
The Ministry is responsible for fully funding all increases in resident compensation.

- If the Ministry does not adjust the funding formula to deal with an increase to the cost of resident compensation, FoM is able to proportionally decrease entry-level positions to ensure costs and funding formula revenues remain in balance.

During the fiscal year, Bonnie Wong, Director, Finance & Decision Support (250-952-2443), Ted Boomer, Director, Finance & Corporate Services (250-952-2053) and I are available to answer questions regarding funding and accountability.

I appreciate your continued commitment to excellence in postgraduate medical education.

Yours truly,



Kevin Brown

Executive Director  
Workforce Planning and Management  
Ministry of Health

Attachment

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# Appendix 1: Ministry of Health Funding

	2014/15				2015/16 - PLAN		2016/17 - PLAN		Notes
	Unit Cost (\$)	Per	Unit	Total (\$)	Unit	Total (\$)	Unit	Total (\$)	
Residents FTE Open			1,200		1,247		1,283		
Resident FTE Additions			47		36		21		
Residents FTE Close			1,247		1,283		1,304		
Academic Component									
Clinical Teaching (didactic)	1,833	Resident	1,247	2,285,751	1,283	2,351,739	1,304	2,390,232	
Clinical Teaching (with patient care)	5,002	Resident	1,247	6,237,494	1,283	6,417,566	1,304	6,522,608	
Clinical Teaching (with patient care) - IMG PGY1	2,501	Resident	50	125,050	58	145,058	58	145,058	
Clinical Teaching (with patient care) - IMG PGY2	1,251	Resident	42	52,521	50	62,525	58	72,529	
Program Director Stipend & Admin. Support	6,478	Resident	1,247	8,078,066	1,283	8,311,274	1,304	8,447,312	
Distributed Training	2,500	Resident	1,247	3,117,500	1,283	3,207,500	1,304	3,260,000	
Site Directors - Distributed Training	370,000	Site (SP)	4	1,480,000	4	1,480,000	4	1,480,000	
Site Directors - FP Distributed Training	5,500	FP Resident	310	1,707,200	326	1,795,200	334	1,839,200	
IMG Assessment	624,800	Year	1	624,800	1	702,900	1	781,000	1
Administration - PGME Office	1,777,653	Year	1	1,777,653	1	1,804,318	1	1,831,383	2
Support for Faculty of Medicine	4,071,000	Year	1	4,071,000	1	4,071,000	1	4,071,000	
Returning Residents @ 1%	882,165	Year	1	882,165	1	909,802	1	927,512	3
IMG - BC Evaluation	306,000	Year	1	306,000	1	306,000	1	306,000	
Clinical Placement Liaison Office	216,000	Year	1	216,000	1	216,000	1	216,000	
AVIT - Maintain/Refresh	3,722,000	Year	1	3,722,000	1	3,722,000	1	3,722,000	
Weighted Average Salary, Benefits, Stipends	71,413	Resident FTE	1,235	88,216,479	1,274	90,980,162	1,299	92,751,204	
Resident Activity	1,800	Resident	1,247	2,244,600	1,283	2,309,400	1,304	2,347,200	
Subtotal - Funding				125,144,279		128,792,444		131,110,238	
Less: Resident Benefits				(2,000,000)		TBD		TBD	
Total Ministry of Health Funding				123,144,279		128,792,444		131,110,238	4

## Notes:

1. IMG Assessment - assume 20% growth effective 2012/13 over the next 5 years. The growth is simple and not compounding.

Unit Cost	2012/13	2013/14	2014/15	2015/16	2016/17
390,500	468,600	546,700	624,800	702,900	781,000

2. Administration - PGME Office - assume 1.5% growth effective 2012/13 and growth is compounding.

Unit Cost	2012/13	2013/14	2014/15	2015/16	2016/17
1,700,000	1,725,500	1,751,383	1,777,653	1,804,318	1,831,383

3. Returning Residents - assume returning residents is 1% of the weighted average salary, benefits, stipends cost.

4. 2014/15 funding includes the contribution from Health Canada. For 2015/16 & 2016/17, funding does not include the contribution from Health Canada.



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