



October 17, 2016

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Dr. Dermot Kelleher MD, FRCP, FRCPI, FMedSci
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Dear Dr. Kelleher:

On behalf of the Ministry of Health (the Ministry), I am writing to provide you with information about funding for the University of British Columbia (UBC) Faculty of Medicine (FoM) for the fiscal year 2016/17.

The Ministry has approved funding up to \$129,110,238 for 1,304 postgraduate resident FTEs in 2016/17, based on the postgraduate medical education (PGME) funding formula, and including a \$2 million reduction in residents' benefits. This funding will cover: 288 entry-level positions for Canadian medical graduates; 58 entry-level positions for International Medical Graduates; with the balance of remaining FTEs allocated to positions in alignment with the health human resource needs of British Columbia.

Non-CaRMS positions (clinician investigator, family medicine enhanced skills program, and postgraduate residency positions for dentistry) will be determined on an annual basis by the Ministry in consultation with the FoM and/or Faculty of Dentistry respectively.

Appendix 1 provides a summary of this funding. For planning purposes only, Appendix 1 also includes the operating funding anticipated for the next two fiscal years. 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 any reduced funding level.

Note that use of any deferred revenue from prior years' Ministry PGME funding, including interest income earned from the deferred revenue, must be approved in writing by the Ministry. Use of any deferred funding in 2016/17 may result in offsetting reductions to the 2017/18 operating funding.

Upon receipt and review of the information requested quarterly from the FoM, the Ministry may adjust the cash-flow payments to the FoM. Any unallocated funds are to be returned to the Ministry or may be used as per written direction and authorization by the Ministry.

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Accountability

The Memorandum of Understanding (MoU) between the Ministry and UBC describes the responsibilities between the parties. In addition to the responsibilities under the MoU, the FoM will:

- Ensure that FTEs are allocated in alignment with the health human resource needs of BC. In consultation with the FoM and the Resident Allocation Sub-committee, the Ministry has the option of making detailed allocation decisions, including increasing or decreasing the total number of entry-level and sub-specialty positions.
- Ensure that positions allocated to specific training programs remain within the PGME funding formula.
- Submit quarterly and year-end financial reports to the Ministry. Upon receipt and review of the financial reporting, the Ministry may adjust the cash-flow payments to the FoM.
- In September, submit to the Ministry a three-year forecast of financial requirements for PGME.
- Implement the following changes only after receiving prior approval from the Ministry:
 - Expand additional longitudinal or rotational sites to any program.
 - Increase to clinical faculty recognition.
 - Change programs that require additional capital or operating funding.
- In September, provide to the Ministry a full inventory of entry-level and ongoing FTEs for family medicine, each Royal College specialty stream (including sub-specialty positions), and specific annual numbers for clinician investigator, family medicine enhanced skills positions, and dentistry.
- The FoM will meet quarterly with the Ministry to provide program evaluation updates. Upon receipt and review of these qualitative and quantitative data, the Ministry will work with UBC to continuously improve data collection, evaluation and PGME program alignment with government and health human resource needs of BC.
- In consultation with the Ministries of Health and Advanced Education, FoM will make adjustments and provide an annual update for the *Strategic Plan for Medical Education in British Columbia* and the *Long-Term Outcomes Evaluation* reports by October 15, 2016.

The Ministry is responsible for fully funding medical compensation in accordance with the collective agreement between the Health Employers Association of BC and the Professional Association of Residents of BC. Please note that if the Ministry does not adjust the funding formula to address the compensation increases, in consultation with the Ministry FoM may offset the cost over-runs with savings from other funding formula items. The Ministry and FoM will jointly determine the implications of any reduced funding levels.

The Ministry, in coordination with the FoM, is undertaking a financial review in 2016/17 of the funding formula. Upon completion of the review, a final report will be provided jointly to the Ministry and FoM. Following the report, the Ministry will provide a supplemental letter of the recommendations to be implemented collaboratively through a phased approach.

During the fiscal year, Mr. John Kelly, Director, Finance & Decision Support, Mr. Paul Clarke, Manager, Postgraduate Medical Education, and I, are available to answer questions regarding funding and accountability.

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

Yours truly,

original eSigned by

Kevin Brown
Executive Director
Workforce Planning and Management
Ministry of Health

Attachment

cc:

Mr. Michael Shakespeare, Executive Director, Finance & Operations, Faculty of Medicine
Dr. Ravi Sidhu, Assistant Dean, Postgraduate Medical Education, Faculty of Medicine
Dr. Roger Wong, Executive Associate Dean Education, Faculty of Medicine
Mr. Ted Patterson, ADM, Health Sector Workforce Division, Ministry of Health
Mr. Manjit Sidhu, ADM, Finance & Corporate Services, Ministry of Health
Mr. John Kelly, Director, Finance & Decision Support, Ministry of Health
Mr. Paul Clarke, Manager, PGME, Workforce Planning & Management Branch

bcc:

Documents & Records, WPMB (HLTH.HHRP-NaAHP@gov.bc.ca)
Rebecca Swan, WPMB (Rebecca.swan@gov.bc.ca)

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(DE)\Correspondence (HHRP genrtd)\2016\1065613 UBC Kelleher 2016-2017
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Purpose - appendix 1 for 2016/17 funding letter to UBC - Faculty of Medicine

Appendix 1: Ministry of Health Funding

	2016/17				2017/18 - PLAN		2018/19 - PLAN	
			Residents FTE Open	1,283.0	s.13,s.17		s.13,s.17	
			Resident FTE Additions	21.0				
			Residents FTE Close	1,304.0				
Academic Component	Unit Cost (\$)	Per	Unit	Total (\$)	Unit	Total (\$)	Unit	Total (\$)
Clinical Teaching (didactic)	1,833	Resident	1,304.0	2,390,232	s.13,s.17		s.13,s.17	
Clinical Teaching (with patient care)	5,002	Resident	1,304.0	6,522,608				
Clinical Teaching (with patient care) - IMG PGY1	2,501	Resident	58.0	145,058				
Clinical Teaching (with patient care) - IMG PGY2	1,251	Resident	58.0	72,529				
Program Director Stipend & Admin. Support	6,478	Resident	1,304.0	8,447,312				
Distributed Training	2,500	Resident	1,304.0	3,260,000				
Site Directors - Distributed Training	370,000	Site (SP)	4.0	1,480,000				
Site Directors - FP Distributed Training	5,500	FP Resident	334.4	1,839,200				
IMG Assessment	781,000	Year	1.0	781,000				
Administration - PGME Office	1,831,383	Year	1.0	1,831,383				
Support for Faculty of Medicine	4,071,000	Year	1.0	4,071,000				
Returning Residents @ 1%	927,512	Year	1.0	927,512				
IMG - BC Evaluation	306,000	Year	1.0	306,000				
Clinical Placement Liaison Office	216,000	Year	1.0	216,000				
AVIT - Maintain/Refresh	3,722,000	Year	1.0	3,722,000				
Weighted Average Salary, Benefits, Stipends	71,413	Resident FTE	1,298.8	92,751,204				
Resident Activity	1,800	Resident	1,304.0	2,347,200				
Subtotal - Funding				131,110,238				
Less: Resident Benefits				(2,000,000)				
Total Ministry of Health Funding				129,110,238				

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	2015/16	2016/17	s.13,s.17
390,500	468,600	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	s.13,s.17
1,700,000	1,725,500	1,751,383	1,777,653	1,804,318	1,831,383	

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Re: "Records that provide particulars of the \$2 million reduction in residents' benefits which is referenced in the 2015/16 funding letter to UBC."

The Ministry of Health works closely with the University of British Columbia Faculty of Medicine to ensure funding allocated for postgraduate medical education is aligned with actual costs of the program. Through the financial forecasting process, it was anticipated that 'Weighted Average Salary, Benefits, Stipends' would not be fully utilized in 2015/16. Therefore, this line-item was adjusted by \$2 million to align with projected spending.