

# City of Belleville

Report No: MPRR-2024-22

Meeting Date: October 28, 2024



**To:** Mayor and Members of Council

**Department:** CAO's Office

**Staff Contact:** Karen Poste, Manager of Physician Recruitment and Retention

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**Subject: Physician Retention Initiatives**

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## Recommendation:

THAT report No. MPRR 2024-22 from the Manager of Physician Recruitment and Retention be received and approved, and  
Further that the recommendations in the report be brought back to Council for consideration during 2025 budget deliberations.

## Strategic Plan Alignment:

Community Health, Safety and Security: Support and advocate for the establishment of responsive public health services and accessible medical care.

## Background:

Earlier this year, a group of local family doctors appeared before Council to discuss the state of health care from the perspective of a family physician in Ontario. The information they provided painted the picture of a health care system in crisis, especially locally where thousands of residents are without primary health care and where physicians are facing a dangerous level of demand for their services with a compensation model for family doctors that is unsustainable. It is clear from their presentation that the Ontario government is NOT providing the support, services and compensation needed by the family physicians to attract and retain these vital health care providers in the province. Many family doctors are closing their practices, moving elsewhere or choosing to work in hospitals, clinics, locum positions or other jobs where the practice of medicine is less cumbersome and the pay better reflects the hours required to do the job.

The physicians were straightforward in their assessment of the situation and were desperate to find solutions that could provide support to local patients and practitioners. Of particular concern was the above-average need for their service locally, the provincial government

changes that are unproductive, and the lack of competitive compensation for family physicians across the province. Statistics show there is a reduced number of medical students choosing family medicine, fewer physicians choosing a clinical practice, more competition for these doctors from jurisdictions with better compensation models and a wave of physician retirements - all culminating in significantly fewer primary health care providers. These factors and a host of others are having a devastating impact on the local region resulting in an even greater crisis in health care locally.

**Understanding all of this, it is important to remember that municipalities have no control over how physicians are treated in Ontario. Health care and the models of practice, compensation programs, licensing, incentives, regulations and other issues are solely the responsibility of the province and local municipalities have almost no input on the policies or processes that are approved.**

The deputation also provided information on how other provinces are dealing with the same issues and are changing the way they treat family physicians which is helping other provinces attract and retain family doctors, which is further draining the pool of physicians in Ontario.

Most family physicians operating a clinical practice in the province are actually operating small businesses. They bill the Ministry of Health for the patients they have rostered and see in their practice, and from those billings they are responsible for paying rent, taxes, staff, supplies, insurance, etc. In some cases, more than half of the fees they take in are used to pay their overhead, leaving a fraction of the funding to compensate the physician. Physicians across the province claim the compensation model is unsustainable especially when consideration is given to the 10+ years they have spent in post-secondary education and the time they spend reviewing test results, charts, research, etc that is not paid time at all. It is estimated that almost 20 hours per week that a physician works is un-compensated. They essentially work for free in order to provide the best care they can for their patients.

Most physicians operate under a Family Health Organization (FHO) model which provides them with a monthly stipend based on the number of patients they have rostered and then they receive \$37.95 each time they see a patient in their office. These fees are set by the province and the statistics show they do not reflect the true cost of providing care and these fees have not kept pace with inflation. Physicians are losing financial ground every year because of stagnant compensation and increasing costs. Often their staff get raises while they take home less pay. A review of the financial model for family physicians makes it clear the model is unsustainable.

The Ontario Medical Association (OMA) is currently negotiating a new contract with the province. It was recently announced that a 9.95% increase for 2024 has been approved but negotiations on compensation adjustments for subsequent years of the contract are still ongoing. Although 9.95% may seem like a big increase, it is minimal when you consider the compensation reductions physicians have been facing for many years. All indications are that the changes will not be competitive with what some of the more progressive provinces are offering. In addition, there has been no information detailing how the province will deal with the other issues brought forward (unpaid work, increasing overhead, etc).

Many years ago, the City of Belleville recognized the crisis that was happening in health care. The shortage of family physicians was acute and a Family Physician Recruitment program was implemented. It was clear that health care was NOT the responsibility of the municipality, but it was also clear that something had to be done to find care for local residents. The shortage was affecting local residents, the hospital, businesses and was affecting Belleville's competitiveness as a place for new investment. Since the program was implemented 53 physicians (including 4 specialists) have been attracted to Belleville. Of those 53, **87% are still practicing** or are about to start practicing, in the community. The program continues to be of great value but it has never been more challenging to find family doctors. There simply aren't enough of them out there to attract and the competition between communities for these individuals is intense. Physician retention is critical.

The City of Belleville currently has approximately 66 family doctors with approximately 45 of them with a family medicine clinical practice. The other family physicians are working in the local hospital or other non-clinic based practice. Although these physicians are located in Belleville, it is recognized that their patients come from the region and are not servicing just Belleville residents. Although there are no firm statistics on how many orphaned patients are in Belleville, using various sources, management estimates there will be more than 15,000 patients without a family doctor by the end of 2024. This number represents almost one quarter of our population - a completely unacceptable number of orphaned patients for any community.

Management believes that the physicians that presented before Council are well aware that health care is a provincial responsibility but they came to City Council out of desperation – with the hope that the City could do something to provide some relief and support for family physicians locally.

### **Financial/Analysis:**

**The fact that health care is a provincial responsibility cannot be over stated.**

The municipal property tax system is not designed for, or conducive to, funding a huge portfolio such as health care on an ongoing basis. Health care is a service that needs to be delivered on a provincial basis and needs to be funded through the significant resources generated by the province and not through the minimal tax dollars brought in by municipalities. There is no scenario imaginable where it makes sense to have municipalities funding health care.

The physician recruitment program was implemented to support our efforts to attract Belleville's share of family physicians and it has since been expanded to incent certain specialists, Nurse Practitioners and BScN nursing students. The province has become an extremely competitive place for health care practitioners and the incentives are needed to compete. The program was intended to be short term but it has now been in place for more than 10 years.

The issues raised by our local doctors go far beyond their level of compensation, although that is an easy one to quantify. They raised concerns around pension plans, benefit packages, insurance costs, Electronic Medical Record (EMR) costs, etc. These issues are big and have an impact on providers province wide. They are difficult and incredibly expensive to deal with

on a city or regional basis, but if Belleville can provide some support, it will provide us with a competitive advantage when it comes to attracting and retaining family physicians.

**Quite simply, municipalities should not be in the health care business!**

Having said that, it is difficult for the City to ignore or pass along the pleas of our health care providers when they tell us of the challenges they are facing. Our municipal taxation base precludes the City from having a significant impact on the compensation model for doctors and we have no control over the way in which doctors are required to practice, bill, report and provide their service. Our finances simply do not provide the kind of funding necessary to have an impact on these issues.

However, management is recommending two ways that the City can provide support to our local physicians.

Firstly, working with our health care partners, the City could take on the detailed work of formulating recommendations for health care reform in Ontario. The City can use their own, and various other platforms (AMO) to lobby for these changes – the City could also encourage a regional or provincial stance for all municipalities as well. Although the OMA is charged with negotiating on behalf of doctors, their scope is very broad and their focus is limited. A local initiative could ensure the voice of local, rural Ontario doctors is heard. Specific solutions could be developed and provided to the provincial change makers and Council and management could effectively lobby for these changes. Local physicians are extremely busy caring for their patients, if the City could help them formulate a specific position on issues and get that clear message across to the province, it is possible that substantial change could happen over time that could improve health care for everyone.

Secondly, the City could develop a fund that could be used to support local family physicians - **The Family Physician Appreciation Fund (FPAF)**. Although it could never substantially subsidize local physician operations, we may be able to help fund some of the new investments they are required to make. Providing some financial support for things like, **taking on new patients**, buying new equipment or EMR software, supporting training costs for new staff, benefits, etc could help alleviate some of the current financial strain – at least until provincial funding levels are increased. The fund could be established with an annual budget amount that could be adjusted each year based on the need in the community and the funding available.

Council may be aware that several local communities (including Quinte West and Prince Edward County) are offering retention incentives of varying kinds that include annual payments for retaining patients, funds to expand their patient roster, free rent, free staffing, etc. but they typically only have a few physicians to deal with. With at least 45 family physicians in Belleville, there is no way the City could provide office space and staffing and/or other benefits for all of these doctors. Regardless, the City is not facing a shortage of private clinic space and many landlords are offering significant discounts to physicians that are interested in locating in their space. Competing with the private sector in this manner is difficult to justify even if the substantial funding it would require were available.

The City does not want to get into a situation where we are funding the daily operations of a physicians office. We simply don't have the funds to do this and it represents a very slippery slope when it comes to taking on provincial health care costs. However, a fund designed to help with new investments that doctors need to make, could be helpful and will certainly be a sign of how important these health care providers are to the community. It will represent a tangible benefit to locating in the City and could be assessed and adjusted on an annual basis to determine it's impact and benefit to Belleville. It could also result in local physicians taking on more new patients.

Family physicians that offer care in their clinic provide the same basic care, but there are differences that make each provider unique. The proposed Family Physician Appreciation Fund (FPAF) could be structured to recognize those differences and provide a level of support that could be general enough to ensure most family physicians are eligible for at least some funding.

Although family physicians often operate like a business, they are not a business. Their entire existence is dependent upon being approved by the province and their compensation is dependent on what the province decides to pay them. Their method of practice is restricted or dictated and much of how they practice is prescribed. They are not subject to market/economic forces and their oath and training prohibit them from operating in a purely business driven manner.

Municipalities are prevented from "bonusing" businesses, but our legal advisors have confirmed the activities around providing incentives and funding to physicians has gone unchallenged in Ontario.

The terms of a formal funding program including a budget request could be drafted for Council's consideration and management recommends that it be implemented in 2025. The terms of the FPAF and the amount of funding available could be determined by Council during their budget deliberation process which is expected to be finalized in early 2025.

## **Conclusion:**

Health care is not a municipal responsibility. The OMA estimates that 2.5 million Ontarions don't have a family doctor – this number is estimated to be 4.4 million in less than 2 years. The situation is dire and as a community we need to do everything we can to attract and retain family physicians.

The development of a provincial lobbying program, with participation from local physicians and the City will help to identify key areas that the provincial government could focus on to address the concerns of family physicians. It could help alleviate the burden of lobbying from individual physicians and allow them to focus on identifying the changes that are needed but not require that they spend the time it may take to convince the Province to make changes to the existing system. These changes can take a lot of time and it requires consistent messaging and pressure to ensure it receives the governments attention. A formal process/program to amplify the recommendations of our local health care providers could be very effective.

Although municipalities do not have the authority or capacity to deal with or solve the financial crisis facing family doctors, we could provide some peripheral support to help ease the burden of the profession in the short term. A funding program as proposed could provide some relief but it is recognized that it cannot provide significant financial resources as that is simply not possible given the City's financial responsibilities. To date the City has committed more than \$7.5 million to the recruitment program and that doesn't include marketing and travel costs or staff wages. With millions of dollars also donated to Belleville and Kingston hospitals, the City has spent \$30 million or more on local health care.

It is a provincial responsibility and municipalities simply cannot afford to take on financial responsibility for any ongoing health care costs. However, a funding program as proposed could help address some of the issues raised by local doctors as budget allows and/or until significant improvements have been made in the physician compensation program in Ontario. Management recommends that Council direct staff to formalize a lobbying initiative in support of our local family doctors and develop an application process for a new FPAF that will provide some support to local physicians taking on new patients or investing in their own practices.

**Approved by:**

Brandon Ferguson, Director of Finance, Treasurer

Katy Macpherson, Deputy City Clerk

Matt MacDonald, Chief Administrative Officer

**Status:**

Approved - 24 Oct 2024

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