



## **Submission to the College of Physicians and Surgeons of Ontario regarding the review of the Block Fees and Uninsured Services Policy**

Canadian Doctors for Medicare is a physician-led advocacy group dedicated to protecting and enhancing Canada's single-payer public health care system. The organization is led by a board of practicing and retired physicians, as well as medical students and residents, from across the country, and provides an outlet for physicians to advocate for progressive policy reform.

After reviewing the draft updated CPSO policy on block fees and uninsured services, CDM would like to offer its position on block fee charges and their potential to impact the physician-patient relationship, as well as access to medically necessary care. Above all else, CDM's focus is on maintaining a health care system accessible to all based on the principle of need, not ability to pay, and the following points reflect the importance of that principle.

As we did during your consultation process in 2015, CDM would like to emphasize that charges for uninsured services, especially in the form of so-called "block fees," can have an adverse impact on equitable access, and risk compromising the transparent nature of the physician-patient relationship, which is ideally based on providing barrier-free and appropriate treatment.

Below we have outlined some of the problems associated with block fees. CDM hopes that the following points can be of some service as you continue to refine your policy.

### 1) Barriers to accessing necessary care: either real or perceived

Even in the best possible circumstances and with the highest degree of transparency, some patients may believe that the purchase of a block (annual or otherwise) of uninsured services is required and that receiving care is conditional on paying the fee. Some may also believe that refusal to pay a block fee may result in worse or slower treatment. Removing these transactions from the physician-patient environment is the only way to guarantee a clear and mutual understanding that patients are treated based on their medical needs, not on the "tier" of service they purchase.

Furthermore, the CPSO's draft document indicates that physicians should use "plain language"<sup>1</sup> in their written explanation of the fees for uninsured services. This broad suggestion does not address the issue of how to effectively communicate the fees with patients who may have limited literacy or for whom English is not their first language. A language barrier could significantly impact the ability of a patient to understand that the fees are not required and why

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<sup>1</sup> Line 176

they might be asked to pay them. In a province as diverse as Ontario, this must be taken into consideration.

## 2) Ability to pay and the question of “reasonable” fees

The CPSO draft indicates that a fee must be “reasonable”, but the college lacks a mechanism not only to monitor the fees that are being charged (which may in fact be unreasonable and prohibitive) but also the variation of fees charged among practitioners. A recent study on the variation in outpatient physician fees in Australia found that where variation in billing is not only permitted but left unchecked, regional billing variations were significant.<sup>2</sup> Furthermore, the reference to the Ontario Medical Association’s Physician’s Guide to Uninsured Services does not address this question sufficiently. This document only provides recommended fees for certain procedures and services and does not have a recommendation for the amount to charge as a block fee.

While the CPSO document indicates that it is an act of professional misconduct to charge a fee that is excessive in relation to the services provided, there is no clear outline of what the fees should be, leaving it open to interpretation and thus hard to enforce.

The document also indicates that physicians must consider the patient’s ability to pay, and take that into consideration when setting the fees. This not only puts the physician and patient in an uncomfortable position, but doctors are not trained in assessing people’s monetary situation. This also will increase inequities in the system, creating incentives for physicians to work in well-off areas as opposed to low income neighbourhoods.

## 3) Assessing the ‘value for money’ of a block fee

Block fees are charged up front (i.e. the patient pays for a “plan” before receiving the services). This can lead to patients paying for services that, over the course of the block period, would have been cheaper through “a la carte” payment. Placing the burden of such a decision on the patient, especially when they are already dealing with complex and demanding issues, undermines the patient experience, which should be focused on determining best treatments, not cost-effectiveness.

Of course, CDM recognizes that patients with complex needs may in fact benefit financially from a block fee, but there are other ways to address such needs, such as a cumulative cap on fees for uninsured services.

There is also no mention of a system for reviewing or assessing if the block fee or current ‘plan’ is working for patients. For instance, should a physician review the patients use of uninsured services over the last billing period when it comes time to ‘renew’ their block fee? And, if it is found that the patient has not in fact made use of the entire fee, should there not be a roll-over of their balance to the next billing period?

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<sup>2</sup> Gary L Freed and Amy R Allen, “Variation in outpatient consultant physician fees In Australia by specialty and state and territory”. The Medical Journal of Australia, August 2017; 206 (4): 176-180.

#### 4) A barrier to patients' ability to change physicians

Block fees offer a financial disincentive to changing doctors and therefore impede one option for seeking the most appropriate care. There are various circumstances requiring that a patient legitimately move from one physician to another. Block fees create a financial link to one particular physician, creating a penalty that restricts the patient's ability to seek the best and most appropriate care.

The CPSO document indicates that a physician should consider whether it would be reasonable to provide a partial refund when a patient leaves their practice.<sup>3</sup> CDM believes that the CPSO guidelines should require repayment when a patient switches doctors. Also, the process for getting a refund if you need to leave should be part of the communications when a patient agrees to pay a block fee and in the written documentation about the fee schedule.

#### Conclusion

At this time, there is insufficient research to determine without question that block fees do not undermine equity of access to insured services. Research on the subject is underway, but until it is released it is impossible to develop appropriate guidelines.

CDM is aware that primary care providers have concerns outside of the patient experience, and that the administrative needs of running a facility factor into this. Above all else, though, the integrity of the physician-patient relationship is essential, and creating effective guidelines that prevent the potential for misuse of fees is a focus we should all share. If there is concern within the medical community that current funding and compensation models are not covering the administrative and overhead costs of medical practice, they should be addressed in a serious and thorough manner, not simply downloaded to the patient in the form of user fees.

CDM would like, finally, to thank the CPSO for openly soliciting submissions on this subject and for facilitating an open dialogue. Please feel free to contact our organization if you feel it would be helpful as you continue to draft this policy.

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<sup>3</sup> Lines 195-198