

# SEAMO NEWSLETTER

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2005 November 22

## Oral Agreement on “Shadow Billing”

SEAMO and the Ministry of Health have reached an understanding on “shadow billing”. Although described as “shadow billing”, significant sums of money will be tied to this system of reporting. SEAMO will receive 5% of all bills submitted (rising to 10% on 2006 April 01), plus the difference between the fees paid in 2003/04 and the fees at the time the service is provided, plus the fees associated with increased volumes under the Ministry’s *Waiting List Strategy*.

A letter outlining the registration and claim submission processes has been prepared through discussions between the Ministry and SEAMO. These processes will allow the Ministry to correctly direct in-scope payments to SEAMO and out-of-scope payments to the individual physician. It will also provide to both the individuals billing and to SEAMO monthly reports of services.

**Note: The letter providing details of billing processes will be provided to you as soon as it arrives.**

## SEAMO Policy on “Shadow Billing”

At the November 21 meeting of the SEAMO Governing Committee, Governors again stressed the critical importance of full and accurate claims submission.

- i. It is possible that the calculation of notional FTEs in this Centre and corresponding funding will depend, in part, on the evidence of clinical activity gathered through shadow billing;
- ii. There are significant sums of money tied to fee code penetration;
- iii. Service encounter reporting through shadow billing is a contractual obligation under the funding agreement;
- iv. SEAMO will require these data to assist in allocation of resources to departments. In order to allocate to departments and for departments to allocate to individuals, data on activity in all domains is required.

SEAMO Governors will require accurate and complete claims submission from all SEAMO physicians in all departments. The Governing Committee has determined that the cost of shadow billing, as expenses of practice, will be carried by departments or by individuals in accordance with departmental practice plans.

The Strategic Information Development Unit, which has been responsible for SEAMO reporting in the past, is developing a system of claims submission that will be offered to departments on a cost-recovery basis.