

## SEAMO POLICY

**Subject: Departmental Practice Plans**

**Number: 05-10**

Approved by: SEAMO Governing Committee

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### **Preamble**

The Practice Plan provides the foundation for departmental management of physician resource. SEAMO has an established practice, spurred at least in part by past amendments to SEAMO's funding agreement with the Ministry of Health and Long-Term Care, of requiring departments to have Practice Plans that are developed through collegial processes and address the following: assignment and management of the roles, responsibilities and workloads of physicians; physician compensation, including how compensation is linked to physician activity and responsibility; and, dispute resolution. With the implementation of the SEAMO Accountability Framework, the Practice Plan became an essential tool for intradepartmental accountability management. Accordingly, a policy has been established to support departments in their development and implementation of robust Practice Plans.

### **Purpose**

The purpose of this policy is to ensure that departmental Practice Plans contain the key elements necessary to enable the equitable, transparent and effective management of physicians and their compensation.

### **Principles**

The development of this policy was guided by the following principles:

- A Practice Plan must be fair and equitable to its members.
- A department has the responsibility to establish a Practice Plan that conforms to overarching policies established by the Governing Committee.
- A department must use a collegial intradepartmental decision-making process to establish its Practice Plan.
- Physician compensation must be linked to activity and be demonstrably at risk.
- Practice Plans must respect the SEAMO Signatories' policies, as articulated in the hospital by-laws and the University Senate policy on GFT physician appointments, which govern physician roles and responsibilities in these institutions.

## Policy

### 1. Establishment of a Practice Plan

A Department shall establish a Practice Plan that includes the mandatory components described within this Policy.

In establishing its Practice Plan, a Department shall use a collegial process that involves the physicians who hold an appointment and have a pecuniary interest in the department.

It is the responsibility of the Deliverables Committee to monitor compliance with this Policy.

### 2. Interpretation

This policy is to be read in a manner that is consistent with allowing members of Practice Plans to provide professional services through medical professional corporations. There are a number of different ways in which to structure a practice plan (for example, an association, partnership or corporation). This Policy is to read in a manner that is consistent with the specific structure being used by any practice plan.

### 3. Mandatory Components of a Practice Plan

The following are mandatory components of a Practice Plan. A Department has the discretion to add other components.

#### I. Definition of Members and Citizenship Responsibilities

The Practice Plan defines:

1. The criteria used to establish membership in the Practice Plan.
2. Any subgroups of members that are established for the purpose of their differential management (e.g. based on specific clinical roles and/or different rates of compensation).
3. The departmental citizenship responsibilities of members.

#### II. Role Descriptions

The Practice Plan requires:

1. That each member has a role description that defines his or her responsibilities, deliverables and expectations related to assigned clinical, academic and administrative roles.
2. That the Department Head (or delegate) reviews role descriptions with individual members on an annual basis.

### III. Definition of Full-Time Equivalent

The Practice Plan includes the following definition of a full time equivalent (FTE) physician, as defined by SEAMO policy:

“A SEAMO physician full-time equivalent is normally a minimum of 45 hours per week.

The primary professional responsibility of a full-time SEAMO physician is to the clinical and academic missions of SEAMO. In meeting his or her obligations to SEAMO, the full-time physician normally devotes a minimum of 45 hours per week to fulfilling the roles and responsibilities defined in his or her role description, including the delivery of clinical care, education, research and scholarship, and related administrative activities. Individual role descriptions are established through negotiation with the Department Head and the physician of what is required to meet the deliverables associated with his or her clinical and academic roles. The physician’s accountability for these deliverables is managed within the departmental practice plan.”

In the event that a Department, by virtue of its pattern of clinical practice, requires an amended FTE definition, the amended definition must be included in the Practice Plan. SEAMO approval of the amended definition is required.

### IV. Compensation

For the purpose of this Policy “compensation” includes any amounts payable to a member of the group or to a professional corporation that provides the medical services of the member.

The Practice Plan defines:

1. A member’s base and at-risk compensation.
2. The relationship of a member’s compensation to his or her activity.
3. Any adjustments to a member’s compensation that are applied in the event of a reduction in his or her responsibilities, such as, but not necessarily limited to:
  - a. Withdrawal from or reduced participation in on-call service
  - b. A secondment to a position outside the Department
4. Any adjustments to a member’s compensation that are applied in the event that he or she participates in a graduated retirement plan that reduces clinical and/or academic responsibilities
5. Policies and procedures that govern a member’s outside professional activity and his or her income derived from that activity. Such policies and procedures must comply with the SEAMO Supplementary Professional Activity Policy.

6. Policies and procedures that allow the Department Head to obtain and verify FFS billing data for all members and to provide these data in an aggregate and anonymized form to SEAMO on an annual basis. Such policies and procedures must make it clear that the cooperation of members is mandatory, that SEAMO may withhold funding to the department in the event of non-compliance, and that this would result in a downward adjustment to the compensation of members in default.

V. Physician Leaves

The Practice Plan defines any leaves for which a member is eligible and the compensation that a member is eligible to receive during those leaves.

VI. Shared Departmental Costs

The Practice Plan defines any departmental costs, levies and/or taxes that are applied to a member and defines how their payment is administered.

VII. Physician Dispute Resolution Process

The Practice Plan defines a physician dispute resolution process that is congruent with extant SEAMO policies.

VIII. Administration

The Practice Plan defines its governance structure and procedures that are pertinent to the administration of the Plan.

The Practice Plan requires that financial reporting to members on the status of the Practice Plan occur regularly and not less than annually.

The Practice Plan is reviewed and revised on a regular basis, occurring at least every three (3) years.