Towards a Comprehensive Accountability Framework for the Funding and Delivery of Medical Education in Ontario

Submitted by the Council of Ontario Faculties of Medicine

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Executive Summary

The delivery and funding of Medical Education in Ontario is highly complex, and has become increasingly so over the past decade with the introduction of multiple waves of expansion, and distribution of medical education into community clinical sites. It is the Faculties of Medicine that maintain the overarching accountability for the quality of medical education and maintaining accreditation.

Medical education requires the collaboration of many partners, primarily the Faculties of Medicine, government, physicians, hospitals, and community clinical sites. The government, in order to fulfill its mandate to improve the access to medical care, requested that Faculties of Medicine and its partners significantly expand undergraduate and postgraduate family medicine and specialty positions to meet the demand for physician services. Expansion has led to enhanced funding arrangements directed to the Faculties of Medicine, preceptors and the establishment of the Academic Health Science Centre (AHSC) Alternate Funding Plans (AFPs).

COFM has established ten recommendations for all partners in medical education to work towards an accountability framework for the delivery and medical education in Ontario and strengthen the link between academic deliverables and performance expectations and the funding process.

RECOMMENDATIONS:

1. That, beginning with the 2012 Physician Services Agreement negotiations, the Ministry of Health and Long-Term Care ask COFM to be a party to negotiations with the Ontario Medical Association that pertains directly to the delivery of Medical Education.
2. That the Academic Medicine Steering Committee invite the Council of Ontario Faculties of Medicine to lead a subcommittee to develop deliverables for medical education, with participation of the Ontario Medical Association, the Council of Academic Hospitals of Ontario and the Ontario Hospital Association (in areas where community hospitals are impacted).
3. That the Ministry of Health and Long-Term Care ensure all recipients of funding directed for medical education have clearly articulated medical education deliverables (as established through Recommendation 2) and accountability requirements for those deliverables.
4. That the Ministry of Health and Long-term Care amend the AHSC AFP template agreement to allow the Faculties of Medicine to appoint a physician representative to participate as a voting member of the financial management committee of every AFP practice plan and have AMOs report financial information and accountabilities to the Dean.
5. That the Ministry of Health and Long-Term Care use the same accountability requirements as proposed for the current AHSC AFPs for the phasing in process for non-AHSC AFPs and APPs. (See Recommendation 4.)
6. That the Ministry of Health and Long-Term Care recognize that growth in clinical services or medical education activities should be funded through new funding to reflect the increase in activities.
7. That the Ministry of Health and Long-Term Care continue the Innovation Fund as a stand-alone initiative with ongoing dedicated funding to generate evidence-based solutions for improved health care delivery.
8. That the Academic Medicine Steering Committee invite the Council of Ontario Faculties of Medicine to lead a subcommittee to develop deliverables for medical research supported through the AHSC AFP initiative.
9. That the Ministry of Health and Long-Term Care work with the Council of Ontario Faculties of Medicine to develop an appropriate and sustainable strategy for the funding of physician preceptors and supervisors.
10. That the Ministry of Health and Long-Term Care address the incremental costs for infrastructure and physician recruitment and retention incurred by community hospitals that become affiliated with a medical education program.
**Introduction**

While Faculties of Medicine and the universities, physicians, hospitals and government are all partners in the delivery of medical education, Ontario’s Medical Schools have the ultimate accountability for all aspects of medical education, including the delivery of high quality, accredited programs.

The size and scope of the medical education system in Ontario reflects the complexity of six schools, each with its own unique mission, and clinical and academic networks that span the province and impact all Ontarians. The funding arrangements in place to support these distinct programs have been built over time, and while effective, are highly complex. The recent and ongoing expansion of undergraduate and postgraduate medical education into the community setting has added a new layer of complexity.

At the same time, the Ministry of Health and Long Term Care (MOHLTC) has embarked on a course to transform Ontario’s health care system to one that is evidence-informed, focused on quality and results, and that encourages effective and efficient use of resources. This trend was formally entrenched in the delivery of healthcare through the introduction of the *Excellent Care for All Act* in 2011. As the health system moves steadily in this direction of accountability and quality for publicly funded programs, it is vital to ensure that the funding arrangements that support the delivery of medical education in Ontario have clearly articulated deliverables and robust accountabilities that align with the health system.

It is the position of Ontario’s Faculties of Medicine that an overarching accountability framework is necessary for the funding used to support medical education that articulates specific responsibilities, accounts for each funding stream supporting medical education and demonstrates measurable return on investment. Accordingly, the Faculties of Medicine propose working with their partners in medical education - the Government of Ontario, the Council of Academic Hospitals of Ontario (CAHO), the Ontario Medical Association (OMA), and the Ontario Hospital Association (OHA) - to further define the academic expectations for the multiple lines of funding targeted for medical education. The Faculties propose that an accountability framework be developed, building on the principles that were developed for the Academic Health Science Centre (AHSC) Alternate Funding Plan (AFP) Accountability Framework.

This paper presents a brief description of the scope and scale of the ongoing expansion of medical education in Ontario, and changes in how medical education is delivered and funded. This paper also highlights the current opportunities and challenges within this environment in improving accountability, as well as recommendations from the Council of Ontario Faculties of Medicine (COFM) to ensure the continued excellence of Ontario’s medical education system.

**Delivery of Medical Education in Ontario**

The Medical Education Partnership

Faculties of Medicine are responsible for the education and training of medical students and residents through medical education programs that meet accreditation standards. Their responsibility includes leading educational and practice innovation, teaching students and residents to be highly competent practitioners that embrace continuous quality improvement in their practice, developing curriculum, selecting and approving teaching environments, evaluating students, and providing input into the matriculation and licensing process. They work collaboratively with MOHLTC and the Ministry of Training, Colleges and Universities (MTCU) on physician supply, enrollment targets and other objectives related to provincial health human resource planning.
Faculties of Medicine deliver medical education programs in close collaboration with:

- Ontario’s physicians who act as preceptors and provide learner supervision,
- Ontario’s hospitals and community settings which provide a clinical learning environment for medical learners,
- MOHLTC which provides overall policy direction and clinical funding, and
- MTCU which provides operational funding.

The interrelationships of the medical education partners are shown graphically in figure 1. The delivery of medical education requires the full participation and active collaboration of all partners. High quality and sustainable programs are only achievable if all partners - Faculties of Medicine, physicians and hospitals and community settings - have clearly articulated deliverables and are funded appropriately to achieve those deliverables.

Figure 1: Inter-dependencies in the Delivery of Medical Education

### Rapid and Continued Expansion in Medical Education

Timely access to medical care is a foundational principle of the Canadian healthcare system. In the late 1990s, Ontario experienced a severe and prolonged shortage of physicians, which led to delays in access
to medical care and increased wait times. In response to this crisis, the MOHLTC asked the Faculties of Medicine to expand their undergraduate and postgraduate medical programs. As a result, from 1999-2000 to 2014-15, Ontario’s six Medical Schools will have expanded undergraduate medical spaces by 1,577 positions. (78% increase) This expansion is equivalent to building two new medical schools the size of the University of Toronto’s Medical School. In addition to unprecedented growth at Ontario's five existing medical schools, this expansion included:

- A new medical school - the Northern Ontario School of Medicine (NOSM), which opened in 2005;
- New medical education campuses in Windsor, Niagara, Kitchener-Waterloo and Mississauga.

These expansions supported - and continue to support - the following increases in postgraduate medical education activity across the province:

- Family Medicine enrolment will grow from 491 to 1,252 residents, or 155% growth from 1999-2000 to 2014-15;
- Specialty and subspeciality expansion beginning in 2011-12 will create 375 new positions by 2020-21;
- Total postgraduate enrolment of Canadian Medical Graduates (Family Medicine and Specialty) will grow from 2,168 to 5,144 residents, or 137% growth from 1999-2000 to 2020-21; and
- The number of positions offered each year to International Medical Graduates had increased by 2009-10 from 24 to over 200, or 733% growth.

The total growth (historical and projected) in funded undergraduate and postgraduate positions is shown in figure 2. As shown in the figure, total learner volumes are expected to continue to grow until 2020-21 as more new first year positions come on stream and as each new cohort moves through Ontario's medical education system.

The expansion of medical education capacity is a success story. From 2004 to 2009, the expansion helped to improve the ratio of physicians per 100,000 population by 4.3% in family medicine and 7.8% in other specialties, reversing a sharply decreasing trend observed prior to 2001.

Figure 2: Projected Growth in Funded Undergraduate and Postgraduate Positions in Medical Education, 2002-2021
Increased Role of the Community in Medical Education

The sustained growth in medical education over the past decade has strained the capacity of Ontario’s AHSCs. Even with the introduction of a new medical school in the North, NOSM, a new model for medical education was needed to accommodate an increasing volume of learners. As well, national and international trends in medical education point to the importance of training in both the community and AHSC settings in order to produce physicians and other health care practitioners able to meet the changing needs of patients.

The adoption of Distributed Medical Education (DME), or rural/community based education and training, has been recognized as an important trend by the Future of Medical Education in Canada (FMEC) Project because DME provides clinical experience that is reflective of expected future practice and better prepares new physicians to practice outside of tertiary centres. Research shows that physicians tend to practice where they train, and this leads to a wider distribution of physicians across Ontario and improved access to medical care outside of tertiary centres.

As a result, Ontario's Faculties of Medicine introduced medical education programs in regional medical education campuses and in community hospitals, which previously had little or no involvement in medical training. As this distributed model of medical education emerges in communities across Ontario (shown in Figure 3), many more of Ontario’s physicians find themselves taking on academic roles as educators and preceptors, and community hospitals are grappling with the need to create infrastructure to support medical education at their sites and integrated into their clinical programs.

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1. The Future of Medical Education in Canada (FMEC) is a comprehensive suite of projects focused on ensuring that Canada’s medical education system continues to meet the changing needs of Canadians, both now and into the future. To date, one project has been completed and a second is now underway. The first project focused on MD medical education, while the second project focuses on postgraduate medical education. [http://www.afmc.ca/future-of-medical-education-in-canada/](http://www.afmc.ca/future-of-medical-education-in-canada/)
Funding of Medical Education in Ontario

This section provides a brief description of the current funding arrangements and recent enhancements to current funding.

Historical Funding of Medical Education

The funding of medical education is complex, with funds flowing directly and indirectly:
- For all aspects of medical education (e.g., programming, education, supervision, and infrastructure),
- To the Faculties of Medicine, physicians and hospitals and health services, and
- From the MOHLTC and the MTCU.

Medical education funding historically included:
- Basic Income Unit (BIU) funding;
- Geographic Full-time (GFT) teacher and secretary funding;
- Distributed Medical Education (DME) funding;
- Primary Care (PC) Grant;
- A teaching factor adjustment to global budgets of Academic Health Sciences Centres (AHSCs); and
- A few Alternate Payment Plans (APPs) and Alternate Funding Plans (AFPs) to pay physicians.

Recent Enhancements to the Funding of Medical Education in AHSCs

Ten years ago, Ontario had five medical schools and education of physicians was concentrated in the cities of Ottawa, Kingston, Toronto, Hamilton and London. At the time, hospital budgets and physician income (typically pooled in physician group practice plans) subsidized some of the cost of medical education. This funding strategy was sustainable while medical school enrolment remained stable. However, this subsidy could not support the large enrolment expansion that began in 2000.
Queen’s University, in the mid 1990s, moved to comprehensive envelope funding program for an academic medical center.

Academic physicians watched a growing gap in their remuneration in comparison to their specialty colleagues working in community settings. In some AHSCs, and particular to some specialties more than others, the predominant method of paying physicians by paying a fee for each clinical service provided (fee for service) did not adequately recognize or support the complexity of the clinical work provided in the AHSC setting, indirect clinical work or associated academic responsibilities. As a result, the MOHLTC and OMA entered into Alternate Funding Plan (AFP) arrangements with a number of groups of physicians to stabilize remuneration. Then, approximately a decade ago, the MOHLTC and OMA negotiated funding to support a comprehensive and widespread AHSC Alternate Funding Plan (AHSC AFP) initiative to support all AHSC academic physicians.

AHSC AFP funding, now over $250 million annually, and a consistent methodology for allocating it across all schools has resulted in a remarkable stability in the retention of physicians choosing to practice in the AHSC environment. It has also helped to increase the number of physicians working in AHSCs.

The AHSC AFP provides funding to improve the competitiveness in clinical earnings of academic physicians. The AHSC AFP also provides funds to support the academic responsibilities of participating physicians ($60 million annually), a key contributor to the recruitment and retention of physicians to AHSCs.

In 2008, the AHSC AFP recruitment funds were established ($10 million annually) and this has significantly assisted in supporting the retention of graduates from Ontario residency programs and has also enabled the recruitment of physicians from outside Ontario into the AHSCs, contributing to the success of the expansion and the stabilization of academic medicine within the AHSCs.

Recent Enhancements to the Funding of Medical Education in the Community

The expansion of teaching activity into the community hospital setting has necessitated new funding arrangements for all the partners in medical education to ensure that:

- Physicians outside of AHSCs can be recruited and retained to supervise medical students and residents, and
- Community hospitals are able to support these trainees in compliance with accreditation standards and the Professional Association of Interns and Residents of Ontario (PAIRO) agreement (for example, required number of call rooms).

With this distributed model of education, community physicians are taking on more teaching responsibilities and must be paid for their work as preceptors for clerks and residents. The Faculties of Medicine fully support the recent announcement of new funding for community preceptors outside of AHSCs and DME networks. This new preceptor funding has gone a long way to support the future of academic medicine in which teaching and scholarship become a core activity of community-based medical practice.

Additional funding was also authorized in 2010 for some community hospitals to support academic costs, based on the number of medical trainee days.
Towards an Accountability Framework for Medical Education

Within the context set out above, the Council of Ontario Faculties of Medicine (COFM) has developed 10 recommendations for all partners in medical education to work towards an accountability framework for the delivery and funding of medical education in Ontario.

Improving Overall Accountability in Medical Education

Although a number of parties are directly and indirectly involved in the delivery of medical education, the Faculties of Medicine have the ultimate responsibility to deliver accredited programs that produce a sufficient number of high quality physicians each year.

The Faculties of Medicine are not involved in the negotiations of some funding arrangements directly impacting the delivery of medical education. Most importantly, the negotiation of multi-year Physician Services Agreements between the MOHLTC and OMA encompass funding and policy initiatives that have a direct implication on the ability of Faculties of Medicine to uphold their own accountabilities – for example the AHSC AFP initiative, Specialty Review Funding, specific academic AFPs with specialty and regional groups, and so forth. While the Faculties of Medicine act as signatories to some of these arrangements, they currently have no avenue to provide direct and meaningful input to the negotiation of the overarching Physician Services Agreement.

Recommendation 1: That, beginning with the 2012 Physician Services Agreement negotiations, the Ministry of Health and Long-Term Care ask the Council of Ontario Faculties of Medicine to be a party to negotiations with the Ontario Medical Association that pertains directly to the delivery of medical education.

In general, funding for medical education is provided to physicians and hospitals with no specific deliverables. For example, in the current AHSC AFP template agreement, the deliverables for medical education are not clearly articulated. When the AHSC AFP Accountability Framework was developed, it was recognized by all parties that the teaching and research deliverables needed to be refined and expanded upon. Further, with the move to increased teaching arrangements outside of AHSCs, explicit teaching deliverables are also needed for community preceptors and funding agreements that support community preceptors.

Recommendation 2: That the Academic Medicine Steering Committee invite the Council of Ontario Faculties of Medicine to lead a subcommittee to develop deliverables for medical education, with participation of the Ontario Medical Association, the Council of Academic Hospitals of Ontario and the Ontario Hospital Association (in areas where community hospitals are impacted).

Faculties of Medicine are responsible for meeting the strict accreditation standards for their programs. Neither physicians nor hospitals or health services are directly accountable to the Faculties for achieving the medical education deliverables for which they are funded.
Recommendation 3: That the Ministry of Health and Long-Term Care ensure all recipients of funding directed for medical education have clearly articulated medical education deliverables (as established through Recommendation 2) and accountability requirements for those deliverables.

Improving Accountability in Medical Education in Academic Health Science Centres

Despite the trend towards DME, most medical education still takes place within AHSCs. Therefore, it is important that accountabilities for medical education are clear and that the needed funding for these deliverables is available and tied to those deliverables.

1. Governance of AHSC AFPs

The current AHSC AFP governance structure provides limited opportunities for the Faculties of Medicine to influence the distribution of funding for academic responsibilities within AFPs. The Faculties of Medicine have minority representation on the governance structures of each site-based AFP, and the university department chairs may participate in the financial management of department practice plans as voting members only if they are elected to the practice plan’s finance management committee. Further, several specialty-specific province-wide AFPs are silent regarding physician academic responsibilities.

To enhance the accountability for medical education in the AHSC environment, the Faculties of Medicine require meaningful input into the allocation methodologies for physician remuneration for academic responsibilities.

Recommendation 4: That the Ministry of Health and Long-term Care amend the AHSC AFP template agreement to allow the Faculties of Medicine to appoint a physician representative to participate as a voting member of the financial management committee of every AFP practice plan and have AMOs report financial information and accountabilities to the Dean.

2. Phasing in of non AHSC AFPs and APPs

The MOHLTC is currently looking into administratively “phasing in” existing non-AHSC AFPs and alternate payment plans (APPs) into the AHSC governance structure. COFM supports bringing these other arrangements in to the AHSC AFP governance structure. However, many existing AFPs have not been renegotiated for many years; some may no longer be relevant, and others may need redefinition and many are perceived to be inadequately resourced. Changes to these funding agreements could change the funding for medical education activities, with associated pressures on the funded parties to achieve the deliverables.

Recommendation 5: That the Ministry of Health and Long-Term Care use the same accountability requirements as proposed for the current AHSC AFPs for the phasing in process for non-AHSC AFPs and APPs. (See Recommendation 4.)

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2 For certain specialties related to the diagnosis and treatment of cancer (e.g., radiation oncology, medical oncology, gynecological oncology, laboratory medicine), AFPs have been developed to cover delivery of care for all physicians within that specialty in the province, whether they practice in the community or in an AHSC.
3. Funding of New or Expanded Programs

The required number of academic physicians in each AHSC is a function of clinical and academic workload. Growth in demand for clinical services requires new funding, not a re-allocation of existing funds.

As individual educational programs grow, there is a risk that the current funding envelope will be reassigned to the high growth programs, resulting in a reduction in funding for programs that have not expanded, or have expanded less than others. Such a reallocation could jeopardize the financial viability of these programs.

**Recommendation 6:** That the Ministry of Health and Long-Term Care recognize that growth in clinical services or medical education activities should be funded through new funding to reflect the increase in activities.

4. Innovation Fund

The AHSC AFP Innovation Fund is an exciting funding initiative that provides seed funding for health outcome research and innovative models of health care delivery. This program supports the MOHLTC’s *Excellent Care for All* initiative and could be enhanced if the evaluation criteria in future competitions better emphasized access, quality and cost-effectiveness.

This fund has the potential to become an independent initiative outside of the Physician Services Agreement.

**Recommendation 7:** That the Ministry of Health and Long-Term Care continue the Innovation Fund as a stand-alone initiative with ongoing dedicated funding to generate evidence-based solutions for improved health care delivery.

5. Research Deliverables

Academic physicians participate in translational, clinical trials and health outcomes research. Both basic and applied research involves the creation and dissemination of new knowledge and should be equally valued by AHSC AFPs.

In Phase 3 of AHSC AFPs, research funding is allocated based on the number of grants from the Canadian Institute for Health Research (CIHR), since this is an easily validated measure of research productivity. The predecessor AHSC AFP Task Force recommended that this research metric be broadened in the subsequent years of the AFP to recognize the full spectrum of research being performed by physicians in AHSCs.

**Recommendation 8:** That the Academic Medicine Steering Committee invite the Council of Ontario Faculties of Medicine to lead a subcommittee to develop deliverables for medical research supported through the AHSC AFP initiative.
Improving Accountability in Medical Education in the Community

1. Preceptor Funding in the Community

As community-based hospitals and health services take on more responsibilities for medical education, existing arrangements with physicians are no longer adequate. Physicians in community teaching sites should be appropriately remunerated for their work as preceptors for clerks and residents, and the funding should recognize and support the working environment of community-based physicians.

The Faculties of Medicine appreciate the new funding announced for community preceptors; however, there continue to be concerns about the sustainability of this funding, the exact amount available, and whether this level of funding is perceived as adequate among community preceptors relative to the incremental work load.

Recommendation 9: That the Ministry of Health and Long-Term Care work with the Council of Ontario Faculties of Medicine to develop an appropriate and sustainable strategy for the funding of physician preceptors and supervisors.

2. Funding for Community Hospitals

Hospitals that accept medical students and residents are expected to provide appropriate clinical and educational infrastructure (e.g., physician offices, teaching outpatient clinics, resident call rooms, resident workstations, library access). Similarly, when teaching is part of the physician’s responsibilities, successful physician recruitment and retention by the hospital requires sufficient capital and operating funds for this purpose. Hospitals do not have capacity in their global budgets to cover these new expenses.

Recommendation 10: That the Ministry of Health and Long-Term Care address the incremental costs for infrastructure and physician recruitment and retention incurred by community hospitals that become affiliated with a medical education program.

Summary and Conclusion

Government has made a significant investment to support medical education in Ontario and its recent and ongoing expansion. Ontario has a first rate medical education system, and our programs continue to be highly attractive to students.

Given the extremely complex funding structure, overlaid with rapid and continuing growth in medical education that has stretched the capacity at AHSCs and brought community hospitals and community-based physicians into the medical education system, and the Provincial Government's policy direction of increased accountability for the use of public funds, the time is right for the development of an accountability framework for the funding and delivery of medical education in Ontario.

COFM’s recommendations, once implemented, will lead to the adoption of an accountability framework in which all stakeholders will:

- Commit to an ongoing process for the development and evaluation of the accountability framework;
- Reach mutual agreement on deliverables and performance expectations; and

There were 18:1 applications to undergraduate medical positions in Ontario in 2011.
• Agree to link performance to achievement of deliverables, which in turn will be linked to the funding process.

The Faculties of Medicine are ultimately accountable for delivering accredited programs and are, therefore, highly interested in taking a lead in the implementation of many of the recommendations in this paper to support its partners in AHSCs and community settings.