

2014 BENEFITS ADMINISTRATION AGREEMENT

THIS AGREEMENT made as of the _____ day of _____, 2014

BETWEEN:

**HER MAJESTY THE QUEEN IN RIGHT OF THE
PROVINCE OF BRITISH COLUMBIA**, as represented by the Minister of Health

(the “**Government**”)

AND:

BRITISH COLUMBIA MEDICAL ASSOCIATION

(the “**Doctors of BC**”)

WITNESSES THAT WHEREAS:

- A. The Doctors of BC, the Medical Services Commission (the “**MSC**”) and the Government have agreed to renew and replace the 2012 Physician Master Agreement and the 2012 Benefits Subsidiary Agreement with the 2014 Physician Master Agreement and the 2014 Benefits Subsidiary Agreement;
- B. The 2014 Benefits Subsidiary Agreement is to take effect as of April 1, 2014;
- C. The 2014 Benefits Subsidiary Agreement provides, among other things, that the Government and the Doctors of BC will renew and amend the contract between them for administration of the Benefit Plans, except the PHP (the “**2014 Benefits Administration Agreement**”); and
- D. The Doctors of BC and the Government have agreed that this Agreement will constitute the 2014 Benefits Administration Agreement.

NOW THEREFORE in consideration of the premises and the agreements of the parties as set out herein, the parties agree as follows:

ARTICLE 1 - DEFINITIONS, INTERPRETATION AND TERMINATION OF PRIOR AGREEMENT

1.1 Words used in this Agreement that are defined in the 2014 Physician Master Agreement or in the 2014 Benefits Subsidiary Agreement have the same meaning as in the 2014 Physician Master Agreement or 2014 Benefits Subsidiary Agreement unless otherwise defined in this Agreement.

1.2 “**Administrative Costs**” means costs incurred directly by the Doctors of BC to perform the services required of the Doctors of BC under this Agreement, including the following categories of costs: staff salaries and benefits, rent, equipment amortization, office supplies, audit costs and bank charges.

1.3 “**Administrative Fees**” means the fees paid to the Doctors of BC under this Agreement for Administrative Costs

1.4 “**Beneficiaries**” means physicians who are eligible to receive benefits from a Benefit Plan.

1.5 “Benefit Plans” means:

- (a) the CMPA Rebate Program;
- (b) the CME;
- (c) the CPRSP;
- (d) the Parental Leave Program; and
- (e) the PDI.

1.6 In this Agreement:

- (a) words in the singular include the plural and vice versa, and words in one gender include all genders;
- (b) the headings of Articles and sections are for convenience of reference only and do not form part of this Agreement and shall not affect the construction or interpretation of this Agreement;
- (c) the words “**Article**” and “**section**” mean and refer to the specified Article or section of this Agreement unless reference is made to another agreement;
- (d) the words “**include**”, “**includes**” or “**including**” mean “include without limitation”, “includes without limitation” and “including without limitation” respectively, and the words following “include”, “includes” or “including” shall not be considered to set forth an exhaustive list;

- (e) all references to money or currency refer to lawful money of Canada and all amounts to be calculated or paid pursuant to this Agreement are to be calculated and paid in lawful money of Canada;
- (f) the words “**this Agreement**”, “**herein**”, “**hereof**”, and “**hereunder**” and other words of similar input refer to this Agreement as a whole and not to any particular article or section.

1.7 Upon execution of this Agreement, the 2012 Benefits Administration Agreement made as of the 1st day of April 2012 between the Government and the Doctors of BC shall terminate and be of no further force or effect.

ARTICLE 2 - DOCTORS OF BC SERVICES

2.1 The Doctors of BC will administer the Benefit Plans for all eligible physicians who have not made an election under Section 14 of the *Medicare Protection Act* and who are not subject to an order made under Section 15(2)(a) or (b) of the *Medicare Protection Act*, and will provide the same standard of administration to both members and non-members of the Doctors of BC.

2.2 The Doctors of BC will provide all services required to administer the Benefit Plans, including the following:

- (a) determining physician eligibility for the Benefit Plans in accordance with the 2014 Physician Master Agreement and the Physician Master Subsidiary Agreements, including the 2014 Benefits Subsidiary Agreement and any specific terms, conditions, rules and eligibility criteria approved and published by the Benefits Committee for the Benefit Plans from time to time;
- (b) paying benefits to or on behalf of eligible physicians consistent with the requirements of each of the Benefit Plans and in accordance with the 2014 Physician Master Agreement and the Physician Master Subsidiary Agreements, including the 2014 Benefits Subsidiary Agreement and any specific terms, conditions, rules and eligibility criteria approved and published by the Benefits Committee for the Benefit Plans from time to time;
- (c) maintaining financial and other records relating to all aspects of the Benefit Plans including records related to the receipt of funds from the Government, the payment of benefits to Beneficiaries and Administrative Costs;
- (d) developing and implementing procedures and developing and maintaining documentation for physicians to apply for benefits under the Benefit Plans;
- (e) producing communication materials required to provide physicians with an understanding of the Benefit Plans, including the requirements for eligibility, and the procedures for applying for benefits and subsequent communications with physicians;

- (f) ensuring that the expenditures for benefits paid from each of the Benefit Plans do not exceed the funding provided by the Government for each Benefit Plan;
- (g) ensuring that benefits paid to physicians pursuant to the Benefit Plans do not exceed entitlements under the Benefit Plans;
- (h) collecting administrative fees from eligible physicians who are not members of the Doctors of BC in accordance with section 7.1(c) of the 2014 Benefits Subsidiary Agreement;
- (i) providing information to the Benefits Committee as required by the Benefits Committee, including information to enable the Benefits Committee to determine whether there is a surplus in funding for any of the Benefit Plans;
- (j) ensuring that interest accrued from reserves held by the Doctors of BC is used to fund the Benefit Plans or, if not needed for such purpose, is added to the surplus in funding for the Benefit Plans as determined by the Benefits Committee;
- (k) verifying to the Government annually that all funds provided for the Benefit Plans have been properly used for the purposes intended and cooperating with any audit and inspection procedures as may be required by the Government;
- (l) maintaining a detailed written record of all Administrative Costs, including appropriate supporting documents, and providing same to the Government on request; and
- (m) subject to the 2014 Benefits Subsidiary Agreement, providing other reports concerning the administration of the Benefit Plans when requested by the Government.

2.3 The Doctors of BC will perform the services required under this Agreement in the same manner and with the same degree of care, skill and efficiency as would be employed by a prudent and reasonable professional benefits administrator performing the same services.

ARTICLE 3 - ADMINISTRATIVE COSTS AND FEES

3.1 The Administrative Costs for any Fiscal Year shall be reasonable and reasonably comparable to the costs that would be incurred by a prudent and reasonable professional benefits administrator performing the same services

3.2 On or before March 1 of each year, the Doctors of BC will prepare a budget for Administrative Costs for each of the Benefit Plans for the subsequent Fiscal Year, for review with and approval by the Benefits Committee. If the Benefits Committee is unable to reach agreement on the budget for Administrative Costs the matter will be resolved by the Adjudicator or Adjudication Committee in the same manner as set out in Article 22.1 of the 2014 Physician Master Agreement for resolution of Provincial Disputes.

3.3 Upon approval of the budget for Administrative Costs for a particular Fiscal Year by the Benefits Committee or a decision of the Adjudicator or Adjudication Committee in that regard in either case as contemplated by section 3.2 above, the budgeted Administrative Costs associated with each of the Benefit Plans will be paid to the Doctors of BC as Administrative Fees from the funding made available by the Government for each of the Benefit Plans.

ARTICLE 4 - ANNUAL REPORT

4.1 On or before September 30 of each year, the Doctors of BC will provide to the Government through the Benefits Committee a written report for the preceding Fiscal Year including:

4.1.1 For each of the CME, the CMPA Rebate Program, the CPRSP, and the Parental Leave Program:

- (a) the total amount expended for benefits and the number of physicians for whom an entitlement was calculated;
- (b) the total amount of funding received from physicians who are not members of the Doctors of BC for administrative fees
- (c) the number of claims applications received, the number accepted and the number refused;
- (d) the amount of any surplus, including any surplus carried forward from a previous year;
- (e) the total amount of Administrative Costs charged by the Doctors of BC against the Benefits Plans, with details as to the amounts charged against each such plan
- (f) the audited financial statements for each Benefit Plan; and

4.1.2 For the PDI:

- (a) the financial statements provided by Sun Life (or successor insurance company) to the Doctors of BC.

ARTICLE 5 - INDEMNITY

5.1 The Doctors of BC shall indemnify and hold harmless the Government from and against any and all claims arising from or in connection with the administration of the Benefit Plans.

ARTICLE 6 - AMENDMENTS

6.1 This Agreement may be amended at any time but only by written agreement of the parties. Any waiver of any provision of this Agreement shall only be effective if in writing signed by the waiving party, and no waiver shall be implied by indulgence, delay or other act,

failure to act, omission or conduct. Any waiver shall only apply to the specific matter waived and only in the specific instance and for the specific purpose for which it is given.

ARTICLE 7 - TERM AND TERMINATION

7.1 Subject to earlier termination in accordance with section 7.2 below, this Agreement shall have the same term as, and shall terminate concurrent with any termination of, the 2014 Benefits Subsidiary Agreement.

7.2 Notwithstanding section 7.1 above, either party may give written notice to the other, on or after April 1, 2018, of termination of this Agreement without cause, in which case this Agreement will terminate on the date that is six months after the date such written notice was given.

7.3 Upon termination of this Agreement, the Doctors of BC will:

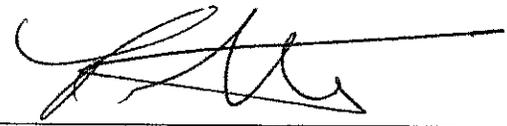
- (a) continue to process benefit claims for which it has received complete information prior to termination and which were due and payable prior to termination, except where requested not to do so by the Government;
- (b) subject to all applicable legislation, forward all records and files, including all electronic records, to any successor benefits administrator, as advised by the Government; and
- (c) forward the balance of any funds held in or for any of the Benefit Plans to any successor benefits administrator, as advised by the Government.

ARTICLE 8 - RESOLUTION OF DISPUTES

8.1 Where there is a dispute between the Government and the Doctors of BC regarding the interpretation, application operation or alleged breach of this Agreement, it shall be resolved in the same manner as set out in Article 22.1 of the 2014 Physician Master Agreement for resolution of Provincial Disputes.

IN WITNESS WHEREOF the parties have executed this Agreement by or in the presence of their respective duly authorized signatories as of the 1st day of April, 2014.

SIGNED, SEALED & DELIVERED on)
behalf of HER MAJESTY THE QUEEN)
IN RIGHT OF THE PROVINCE OF)
BRITISH COLUMBIA, by the Minister)
of Health or his/her duly authorized)
representative, in the presence of:)



Heather Murray)
Signature of Witness)
Heather Murray)
Name)
3-1, 1515 Blomhard St.)
Address)
Victoria, BC)

THE CORPORATE SEAL of the)
BRITISH COLUMBIA MEDICAL)
ASSOCIATION was hereunto affixed in)
the presence of:)

Dr. William J.R. Cavers)
Signature of Authorized Signatory)

DR WILLIAM J.R. CAVERS)
Name)

PRESIDENT)
Position)

