

JOINT CLINICAL COMMITTEE 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
doing business as Doctors of BC

(the "**Doctors of BC**")

WITNESSES THAT WHEREAS:

- A. The Doctors of BC, the Medical Services Commission (the "MSC") and the Government have agreed to a renewed Physician Master Agreement and Physician Master Subsidiary Agreements, including the Specialist Subsidiary Agreement and the General Practice Subsidiary Agreement to take effect as of April 1, 2014;
- B. The Doctors of BC, the MSC and the Government previously created certain joint clinical committees which will continue under the 2014 Physician Master Agreement, the 2014 Specialist Subsidiary Agreement and the 2014 General Practice Subsidiary Agreement;
- C. The Doctors of BC and the Government wish to establish how the work of these joint clinical committees will be administered by the Doctors of BC;

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

DEFINITIONS AND INTERPRETATION

- 1. Words used in this Agreement that are defined in the 2014 Physician Master Agreement, the 2014 Specialist Subsidiary Agreement or the 2014 General Practice Subsidiary Agreement have the same meaning as in the 2014 Physician Master Agreement, the 2014 Specialist Subsidiary

Agreement and the 2014 General Practice Subsidiary Agreement, unless otherwise defined in this Agreement.

- 1.1 **"Administrative Costs"** means costs incurred directly by the Doctors of BC to perform the Administrative 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, Allocated Costs and bank charges. For clarity, Administrative Costs do not include such costs incurred by Health Authorities as a result of their participation in initiatives of the Joint Clinical Committees.
- 1.2 **"Administrative Fees"** means the funds to be paid to the Doctors of BC under this Agreement for Administrative Costs.
- 1.3 **"Administrative Services"** means those activities that are required to implement and manage those programs of the Joint Clinical Committees as determined by an Approved Work Plan and budget (as amended by the parties from time to time based on the decisions of the Joint Clinical Committees or the Physician Services Committee).
- 1.4 **"Allocated Costs"** means the amount of Administrative Fees paid to the Doctors of BC for Accounting, Payroll and IT Services required to manage those programs of the Joint Clinical Committees and is based on the amount of funding and the level of activity of the program.
- 1.5 **"Approved Work Plan"** means a work plan prepared by a Joint Clinical Committee in accordance with sections 6.3(a)(i) and (ii) of the 2014 Physician Master Agreement and approved by the Physician Services Committee in accordance with sections 6.3(a)(iii), (iv) and (v) of the 2014 Physician Master Agreement.
- 1.6 **"Joint Clinical Committee"** means those committees listed in section 8.1 of the 2014 Physician Master Agreement.
- 1.7 In this Agreement:
 - 1.7.1 words in the singular include the plural and vice versa, and words in one gender include all genders;
 - 1.7.2 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;
 - 1.7.3 the words "Article" and "section" mean and refer to the specified Article or section of this Agreement unless reference is made of another agreement;
 - 1.7.4 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;

- 1.7.5 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;
- 1.7.6 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.

DOCTORS OF BC SERVICES

- 2. The Doctors of BC will:
 - 2.1 faithfully implement the directions, resolutions, programmes and decisions of the Joint Clinical Committees as determined by their respective Approved Work Plans and budgets;
 - 2.2 independently provide all Administrative Services to the Joint Clinical Committees;
 - 2.3 maintain financial and other records relating to all aspects of the administration of the Joint Clinical Committees, including records related to the receipt of funds from the Government; Administrative Costs; and disbursement of funds relating to the Joint Clinical Committees programs and initiatives, but not including accounting for funds expended by the Joint Clinical Committees through fees administered by or on behalf of the MSC;
 - 2.4 produce communication materials as approved by the co-chairs of the Joint Clinical Committee in question required to provide physicians and the public with an understanding of work of the Joint Clinical Committees;
 - 2.5 subject to applicable privacy legislation, provide all information related to the Administrative Services and the programs and initiatives of the Joint Clinical Committees as set out in the Approved Work Plan as reasonably requested by the Joint Clinical Committees, including information to advise the Joint Clinical Committees on the financial status of the Approved Work Plan;
 - 2.6 hire staff, and where necessary consultants, to undertake the Administrative Services, as set out in the Approved Work Plan and in accordance with the requirements set out in Article 3 of this Agreement.
 - 2.7 ensure that interest accrued from program funds held by the Doctors of BC is used to fund the work of each Joint Clinical Committee or, if not needed for such purpose, is added to the surplus in funding for the Joint Clinical Committee as determined by the appropriate Joint Clinical Committee.

- 2.8 provide all reporting required by this Article and Articles 6 to 8 of this Agreement and participate in any audit that the Government may require;
 - 2.9 maintain a detailed written record of all Administrative Costs (excluding the expenses covered by the Allocated Costs) and the costs of all Joint Clinical Committee programs and initiatives, including appropriate supporting documents, and provide the same to auditors as required; and
 - 2.10 subject to applicable privacy legislation provide other reports concerning the Administrative Costs (excluding the expenses covered by the Allocated Costs) and the programs and initiatives of the Joint Clinical Committees to the Government as reasonably requested by the Government;
3. The Doctors of BC will:
- 3.1 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 administrator performing the same services.
 - 3.2 ensure that staff providing Administrative Services:
 - 3.2.1 implement decisions of the Joint Clinical Committees;
 - 3.2.2 remain neutral as between the Government and the Doctors of BC in any disagreements between Doctors of BC and the Government and in respect of any work of the Joint Clinical Committees;
 - 3.2.3 will not provide additional services unrelated to the business of the Joint Clinical Committees to Doctors of BC, Government, Health Authorities or other parties if employed full-time providing Administrative Services under this Agreement;
 - 3.3 seek input from the co-chairs of the responsible Joint Clinical Committee, together or separately when preparing the performance reviews for Executive Leads and Initiative Leads;
 - 3.4 ensure that information related to the Administrative Services provided under the terms of this Agreement flows fairly and evenly to the Joint Clinical Committees and to stakeholders;
 - 3.5 follow fair business practice and engage in an open and transparent engagement process when engaging consultants to provide Administrative Services; and
 - 3.6 designate a senior employee who is responsible for answering any question or addressing concerns of the Government with respect to the application and administration of this Agreement.

ADMINISTRATIVE COSTS AND FEES

4. 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 administrator performing the same services
5. On or before February 1 of each year, the Doctors of BC will prepare a budget for Administrative Costs for each of the Joint Clinical Committees for the subsequent Fiscal Year, for review with and approval by the relevant Joint Clinical Committee. If such Joint Clinical Committee is unable to reach agreement on the budget for Administrative Costs the matter will be considered by the Physicians Services Committee and if it cannot be resolved by the Physician Services Committee then it shall be resolved by the Adjudicator or Adjudication Committee in the same manner as set out in Article 22 of the 2014 Physician Master Agreement for resolution of Provincial Disputes. If the budget for Administrative Costs has not been approved by April 1 of each year, the parties will utilize the approved budget from the previous Fiscal Year until the new budget is approved.

REPORTING REQUIREMENTS

6. On or before April 1 of each year, the Doctors of BC will provide to Government through each Joint Clinical Committee, a separate funding schedule which includes the estimated monthly disbursements of government funding, for both Administrative Costs (approved as per Article 5 above) and for the approved programs and initiatives of the Joint Clinical Committees to be implemented by Doctors of BC in accordance with the Approved Work Plans of the Joint Clinical Committees (as amended by the parties from time to time based on the decisions of the Joint Clinical Committees or the Physician Services Committee).
7. On or before the 28th day of each month, the Doctors of BC will provide to Government through each Joint Clinical Committee the status of expenditures under the Approved Work Plan for the preceding month. This will include the approved budget, YTD expenditures, updated projections to the end of the Fiscal Year and variance analysis explanation for the various programs and initiatives of the Joint Clinical Committee. The Doctors of BC will provide financial reporting in the form initially required by Government or in a form subsequently agreed to by the parties.
8. On or before September 30 of each year, the Doctors of BC will provide to the Government through each Joint Clinical Committee a written report for that Joint Clinical Committee for the preceding Fiscal Year including:
 - 8.1 the total amount of Administrative Costs, itemized for the various types of expenses by program and initiative, including staff salaries and benefits, consultant costs, rent, equipment amortization, office supplies Allocated Costs, and bank charges, provided by Doctors of BC against the funding made available by the Government for the Joint Clinical Committee;
 - 8.2 the total amount expended for the various programs and initiatives of the Joint Clinical Committee;

- 8.3 the amount of any Joint Clinical Committee funding surplus, including any surplus carried forward from a previous Fiscal Year; and
- 8.4 the audited financial statements for the Joint Clinical Committee.

TRANSFER OF FUNDING

9. Funding for Administrative Fees, as well as the funding for the programs and initiatives approved by the Joint Clinical Committees for implementation by Doctors of BC, will be transferred by Government to Doctors of BC on the first day of each quarter in accordance with the funding schedule referenced in Article 6 above. If actual expenditures are less than the estimated expenditures in the funding schedule such that a surplus of four months' worth of expenditures accrues, the Government may adjust the transfer of funds to hold further transfers until the accrual is reduced to a surplus of less than 2 months. The Joint Clinical Committees will review the activities of each program and initiative at the end of the Fiscal Year and funding will be adjusted based on the actual expenditures.

INDEMNITY

10. 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 Joint Clinical Committees.

AMENDMENTS

11. This Agreement may be amended at any time 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.

TERM AND TERMINATION

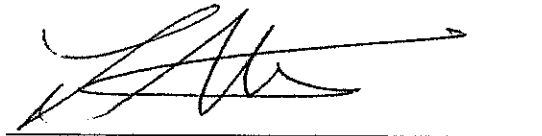
- 12.1 Subject to earlier termination in accordance with section 12.2 below, this Agreement shall have the same term as, and shall terminate concurrent with any termination of the 2014 Physician Master Agreement.
- 12.2 Notwithstanding section 12.1 above, either party may give written notice to the other, on or after April 1, 2015, of termination of this Agreement without cause, in which case the parties will forthwith enter into discussions to reach agreement on a revised Agreement or an alternative means of providing the Administrative Services. If no agreement on a revised Agreement or alternate means of providing the Administrative Services is reached within 12 months of the date the written notice of termination was provided, this Agreement will terminate.

RESOLUTION OF DISPUTES

13. 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 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 15th 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:)



[Handwritten Signature])

Signature of Witness)

Heather Murray)

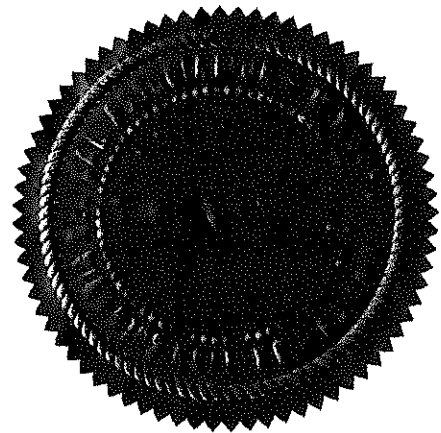
Name)

3-1, 1515 Blanshard St.)

Address)

Victoria, BC)

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



[Handwritten Signature])

Signature of Authorized Signatory)

DR WILLIAM J.R. CAWES)

Name)

PRESIDENT)

Position)

