



## Out-of-Hospital Premises Inspection Program (OHPIP)

### FAQs for New 2013-2014 Fees Model

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#### **In 2012, the OHPIP annual fee was invoiced to all members affiliated with an OHP? Why is there another fee structure?**

OHPs are classified by the level of anesthesia provided (e.g. local, regional or general anesthesia) and the difference in assessment costs can be considerable depending on the scope of practice at the OHP and the amount of assessors required to assess the premises. The same differences occur with assessments under the College's Independent Health Facilities Program.

In 2012, Council directed that these programs be managed on a cost-recovery basis. The fees model that was adopted by Council ensured the following principles were met:

- Full cost recovery: fees and prices will be set to sufficiently cover all costs for the programs to ensure economic sustainability with short term surpluses or deficits being balanced accordingly over time to provide long term cost recovery.
- Economic independence of programs: Revenues from program areas will not be used to fund or subsidize costs of other programs and indirect costs will be allocated to programs using cost as a driver.
- Universality: Providing fee standardization to average the costs across assessments and the fees charged will not vary based on factors that are outside the control of the assessed entity (such as geographic location).
- Long run cost averaging: The College will average costs over an appropriate time-frame to reduce the impact of extraordinary expenses for both its own budgeting purposes and for the assessed entities.
- Efficiency - The College will deliver the assessment programs at the lowest cost possible while still providing a valuable service to clients.
- Transparency - The College will seek a pricing strategy that will aim for simplicity and clarity. The College will provide for visibility into the formulas, processes and rates used to determine prices.

#### **What is the new fees model?**

The new model accounts for the following:

##### **Averaging:**

The costs of assessments will be averaged on an ongoing basis and assessments will have one fee based on the modality or level of facility/premise to prevent dramatic fluctuations in cost. This approach relies on a review of historical cost data averaging over the life of each assessment program and will be re-assessed annually for adjustments.

### **Annual fee only:**

There will be one annual fee only that will include the average cost of the assessment component described above and the program infrastructure costs, instead of having a separate fee for the assessment and an annual fee. For example if your assessment fee is calculated as \$5,000 and is paid once every five years, it would now be paid at \$1,000 per year avoiding a one-time bill of the total amount. In addition, the calculated annual fee (based on annual program costs) will be considered, generating one overall total annual fee with an inflation factor. This will enhance the predictability of costs for all premises/facilities.

### **Staff based allocation:**

Indirect costs are not attributable to any one premise/facility; hence accounting principles suggest that the indirect costs are allocated to groups based on the relative number of staff who work in each program area. For example, if the College's program costs were \$1,000,000 and there were 10 staff in the OHPIP, the annual fee would be \$10,000 divided across the number of OHPs.

### **Flat fee by modality or level of facility/premises:**

Each facility will be charged one annual fee based on which of the broad categories into which it falls. This fee varies according to the time and resources needed to do the assessments.

### **Additional Charges:**

Additional charges will be billed to an OHP for subsequent assessments outside of the scheduled cycle of assessment. Therefore, for premises that require a follow up assessment, they will be invoiced the actual cost of the assessors who completed the additional assessment. Additional charges will also include fees for application and affiliation for events such as a new facility, assessment of a new procedure added to the OHP, late cancellation etc.

### **When does this new fee structure come into effect?**

The change is effective for the 2013-2014 Program year and will be invoiced to the Medical Director of the OHP in November 2013.

### **What are the new fees for my OHP?**

Based on the new fee model, effective as of November 1, 2013, the following are the categories of OHPs and the associated annual fee:

1. Level 1 : \$ 3,895
2. Level 2 : \$ 4,175
3. Level 3 : \$ 4,490

### **What does this new fee cover?**

The annual fee pays for the ongoing costs of administering and overseeing the OHP program and the cost of the assessment completed, at a minimum, once every 5 years.

Core program infrastructure is required to support the administration and oversight of the

inspection process, which includes the staff and technology support. The annual fee also supports the Premises Inspection Committee which oversees the Out-of-Hospital Premises Inspection Program. Resources are also required to support program review such as updating the program Standards and developing Adverse Event reporting protocols.

The direct costs of re-assessments or unannounced assessments that occur in addition to the regular 5-year assessment will be billed to the OHP Medical Director.

### **What is the penalty if the fees are not paid on time?**

Payment is due within 30 days of receiving a College invoice. Any outstanding annual fee will be added to the Medical Director's College annual renewal payment. If the Medical Director does not pay their annual renewal fee in full, they can be subject to suspension of their certificate due to non-payment of College fees.

### **I am no longer affiliated with an OHP as a Medical Director. What is my obligation?**

Members need to notify the College when they become affiliated and when there are no longer affiliated with an OHP. Members who are no longer affiliated with an OHP as a Medical Director will not be responsible for the annual fee.

### **How do the OHP Program fees compare to those for the IHF Program?**

The fee structure for both the IHF and OHP programs are based on the principles outlined above. As explained in the fees model, the administrative costs are calculated based on the total number of facilities or premises, and assessment costs are averaged across like facilities/premises. For the IHF program, the groupings of facilities are: diagnostic, sleep medicine, ambulatory and FPT/ophthalmic ultrasound. For OHPs, the groupings of premises are: Level 1, Level 2, and Level 3. Since the assessment costs differ between types of facilities/levels of premises, there is a difference in the annual fee. The primary difference in administration costs between IHFs and OHPs is due to the volume of facilities. There are over 900 IHFs and approximately 260 OHPs; the greater number of IHFs means the administrative costs are spread amongst a larger group and are therefore lower than the administrative costs for OHPs.

### **If I have questions, who should I call about this?**

If you have questions about fees, please contact College OHP program staff:  
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