



September 20, 2013

Dear: OHP Physician

Re: Out-of-Hospital Premises Inspection Program Fees

Earlier this year OHP physicians were notified that the College sought the expertise of a consulting firm to help review and establish a pricing strategy for the OHP Program.

In 2012, the OHPIP annual fee was a member-based fee of \$825. This means that every physician affiliated with an OHP was invoiced and required to pay the annual fee (Note that in 2010, the inaugural fee was based on the number of premises and was allocated to the premise no matter the volume of services provided. This fee was \$3,585 per premise in 2011). The annual fee – whether based on physicians or premises – is designed to recover indirect program costs for the College such as staff, management, committees and working groups, and information systems.

A component of the review considered similar programs that levy fees for services such as; Quality Management Program Laboratory Services (QMPLS), Accreditation Canada, Medical Council of Canada and the Colleges of Physicians and Surgeons of Alberta and British Columbia; engaged in significant work with College staff; and received feedback from internal committees.

At its May 2013 meeting, Council approved the proposed fee model with the following principles:

- Full cost recovery - Meaning 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.

The OHP annual fees for 2013 will be allocated based on the Level of the OHP and will be effective as of November 1, 2013. The fees will be invoiced to the OHP Medical Director as follows:

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

Note: Additional charges will be billed to the OHP for subsequent assessments outside of the scheduled cycle of assessment.

Attached you will find a FAQ document which will provide additional clarity to the approved fees. For any questions about the fees or program information, please contact College OHP program staff at the information provided on the attached document.

Regards,



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