

# **Physician Signing Bonus Program Policy Manual**



**Department of Health and Community Services**

## **Program Description**

The Department of Health and Community Services (hereinafter referred to as the “Department”) has launched the Physician Signing Bonus Program to attract and retain new, qualified physicians to practice medicine with the NL Health Services. The terms and conditions of the Physician Signing Bonus Program are subject to change, or cancellation, in the Department’s sole and exclusive discretion and without notice.

## **Definitions**

Default: Failure to complete the Service Agreement, in part or in whole, or failure to comply with any term or condition of the Service Agreement.

Funding: Financial assistance provided under the Physician Signing Bonus Program to a Recipient in return for the Recipient’s commitment to fulfill a service obligation.

Medical Services Division: The Medical Services Division is a division of the Department of Health and Community Services, and is responsible for administration of the Physician Signing Bonus Program.

Recipient: A physician, who is eligible for Funding under this program, has been selected for receipt of the Funding and who enters into a Service Agreement to receive the Funding.

Newfoundland and Labrador Health Services (NL Health Services): the operating name of the Provincial Health Authority, a corporation established under the **Provincial Health Authority Act** R.S.N.L. 2022 c. P-30.1 responsible for providing the delivery and administration of health and community services in Newfoundland and Labrador.

Service Agreement: An agreement entered into by a Recipient and the NL Health Services, setting out the terms and conditions of the Funding and of the service obligation.

## **Eligibility Criteria**

The Physician Signing Bonus Program is available to General Practitioner and Specialist physicians who have agreed to provide services to the NL Health Services in the practice of medicine, meet the other eligibility criteria stated herein, and apply for and are accepted into the program as outlined below. All pay modalities (fee-for-service, salary, alternate payment plan) are eligible provided the Recipient is hired by and will be providing services to the NL Health Services. Recipients will receive funding in exchange for a Service Agreement.

The eligibility criteria for funding under the Physician Signing Bonus Program are as follows:

- The physician has been offered a position by the NL Health Services.

- The physician has either:
  - Not previously been employed by the NL Health Services or a Regional Health Authority in the province (i.e., they are in the final three years of a residency program at a Canadian University, or have previously only worked in private practice); or,
  - Lived and worked (in the practice of medicine) outside of the province for a minimum of twenty-four (24) consecutive months immediately preceding their application.
- The physician has full or provisional licensure by the College of Physicians and Surgeons of Newfoundland and Labrador under the **Medical Act, 2011**.
  - Note: provisional licensure requires NL Health Services sponsorship, and applicants are responsible for arranging and maintaining sponsorship for the duration of their provisional licensure.

Physicians currently completing a Service Agreement under the Medical Resident Bursary Program are eligible to apply to roll into the Physician Signing Bonus Program and to complete their Service Agreements concurrently.

Physicians changing positions/practice locations within the NL Health Services are not eligible for this program or bonus.

## **Application Process**

Applicants are required to coordinate with the NL Health Services physician recruiter for the relevant health region to submit the Physician Signing Bonus Program Application Form to the Medical Services Division. Applications can be obtained by contacting an NL Health Services physician recruiter or the Medical Services Division, or by visiting the Department's website. Forms should be sent by mail or email to:

Medical Services Division  
Department of Health and Community Services  
1st Floor, West Block, Confederation Building  
P.O. Box 8700  
St. John's, NL A1B 4J6  
[MedServicesPrograms@gov.nl.ca](mailto:MedServicesPrograms@gov.nl.ca)

The Medical Services Division will notify all applicants and the NL Health Services of decisions. After receiving approval from the Medical Services Division, the NL Health Services will send a Service Agreement to the successful applicants. The NL Health Services will provide a signed copy of the Service Agreement to the Medical Services Division, who will then arrange for the release of funding to recipients.

## Amount and Disbursement

Signing bonuses are available with a location-specific Service Agreement. Three funding levels are assigned to the NL Health Services health zones based on remoteness:

Health Zones	Funding
<b>Eastern-Urban</b> Conception Bay South, Witless Bay and Bay Bulls. For Greater St. John's area, all municipalities east of Conception Bay South and Witless Bay up to and including Pouch Cove, except for Bell Island.	\$100,000
<b>Eastern-Rural</b> Communities including Holyrood, Southern Avalon and Bell Island, as well as all municipalities west of Holyrood and Witless Bay up to and including Port Blandford. <b>Central</b> Communities extending from Charlottetown in the east, Fogo Island in the north, Harbour Breton in the south, to Baie Verte in the west. <b>Western</b> Communities from Port aux Basques, southeast to Francois, northwest to Bartlett's Harbour, and on the eastern boundary north to Jackson's Arm. <b>Labrador-Grenfell</b> All communities in Labrador, and those north of Bartlett's Harbour on the Northern Peninsula.	\$150,000

The above funding amounts are based on the Recipient's commitment to work in full time medical practice for five (5) years and reflect the maximum amount available to a Recipient under this program. The Department may also accept applicants who commit to working in part-time medical practice and/or who are seeking to provide at least two (2) years of service, with the bonus amounts adjusted in proportion to the service commitment.

*For example, a Recipient who commits to practice in the Eastern-Urban Health Zone on a part-time basis (0.5 of full-time position) for five years would be eligible to receive funding in the amount of \$50,000.*

Once a Recipient has signed their Service Agreement, signing bonus funding will be released to the Recipient as a lump sum payment.

## **Difficult-To-Fill Positions**

Positions that meet the criteria of “difficult-to-fill” are eligible to receive an additional \$25,000 under this program. Top-ups may only be requested by the NL Health Services at the point the Recipient’s application is submitted, and should be accompanied by supporting documentation that demonstrates the criteria below.

Difficult-to-fill positions must meet at least one of the following criteria:

- Positions that have been vacant for at least six (6) months and active recruitment, including advertising, has occurred for six (6) months; or
- Positions that have been vacated by more than three (3) full-time physicians in the previous thirty six (36) months; or
- Positions that have utilized at least three (3) full months of locum coverage in the previous twelve (12) months; or
- Positions that have been filled by more than one (1) provisionally licensed physician in the past thirty-six (36) months; or
- Positions that are part of a general practitioner or specialist cohort in a defined area/community that has experienced any of the above issues in any of the positions in that cohort within the previous two years.

## **Medical Resident Bursary Program Rollover**

Medical residents who are currently receiving funding under the Medical Resident Bursary Program in exchange for a Service Agreement with the NL Health Services may apply to the Physician Signing Bonus Program, in accordance with this Policy Manual and subject to the eligibility criteria.

Service years completed under the Medical Resident Bursary Program will be counted towards the Recipient’s Physician Signing Bonus Program Service Agreement, and will total no more than five (5) service years between these two programs. Funding for Medical Resident Bursary Program rollover recipients under the Physician Signing Bonus Program will vary depending on their resident bursary service agreement and the location of their full-time practice. Resident bursary funding recipients can only apply for rollover funding, and are not eligible for full funding under the Physician Signing Bonus Program.

## **Service Period and Deliverables**

Recipients of funding under the Physician Signing Bonus Program will start providing services to the NL Health Services as per the Service Agreement no later than six (6) months after signing of the Service Agreement and obtaining a licence to practice medicine in the province. If the Recipient has not commenced medical practice after the six (6) month period, they are required to contact the NL Health Services to discuss default and repayment. Extensions to this timeframe will only be considered under

circumstances described in section 5a on page 7.

Timely communication is important to ensure that the service obligation period is accurately calculated. The NL Health Services will monitor the fulfillment of service obligations as outlined in the Service Agreement and will be responsible for notifying the Recipient of default or completion of the service obligation.

Funding Recipients are expected to fulfill the service deliverables as outlined in the Service Agreement, including:

- Commit to providing services to the NL Health Services in the province as a physician at least part-time for a period of at least two (2) years up to five (5) years (the “Service Obligation”).
- Provide the full range of health care services appropriate to their specialty and position.
- Maintain provisional or full licensure under the ***Medical Act, 2011***, and certification from The College of Physicians and Surgeons of Newfoundland and Labrador for the duration of the service agreement.
- Maintain sponsorship from the NL Health Services (*provisionally licensed recipients only*).
- Provide on-call or other services as required by the NL Health Services.
- Comply with all policies under the *Physician Signing Bonus Program*.

## **Taxation**

Funding paid to Recipients under the *Physician Signing Bonus Program* may be subject to income taxation. Recipients are responsible for taxes assessed by the Canada Revenue Agency in relation to payments made under these programs. Recipients have the responsibility and opportunity to seek, obtain, and consider advice from independent financial advisors and income tax professionals on the income tax treatment, income tax impact, and other financial implications associated with the receipt of Funding under these programs.

## **Service Agreement Provisions, Default, and Repayment**

Service agreements are legally binding contracts. Key conditions in such agreements will include, but are not limited to, the following enumerated items.

1. Failure to comply with the Service Agreement constitutes a default of the Service Agreement and said default includes the following:
  - a) Having made a materially misleading or inaccurate statement in the funding application;
  - b) Purporting to confirm statements in the application and/or in the Service Agreement as being true when they are not in fact true;

- c) Failure to comply with any term or condition of the Service Agreement;
  - d) Failure to maintain provisional or full licensure;
  - e) Failure to maintain provisional licensure sponsorship with the NL Health Services;
  - f) Failure to complete the service obligation; or
  - g) Termination of the Service Agreement by the Recipient.
2. Recipients must notify in writing the NL Health Services of the decision to terminate the Service Agreement at least three (3) months prior to the termination date and arrange for termination of payments and/or re-payment of funding in accordance with the terms of the Service Agreement.
3. If the Recipient defaults on their Service Agreement, they will be required to repay the prorated amount of the funding based on the number of months of unfulfilled service obligation and interest. In all instances where the Recipient will be charged interest under the Service Agreement, interest on the amount to be repaid by the Recipient will be calculated on the unfulfilled portion of the service obligation.
- a) Interest on the amount to be repaid by the Recipient will be calculated retroactively from the date the money was advanced to or on behalf of the Recipient, and will compound on the outstanding balance as of the end of each month.
  - b) The interest rate will be the prime rate posted by the Bank of Canada for major lenders plus two percentage points.
4. In the case of default, the Medical Services Division will provide repayment details in writing to the Recipient describing the prorated amount owing, interest and the repayment procedure.
5. Recipients are asked to advise the NL Health Services when less than the amount of service as per the Service Agreement will be provided, so that the Service Agreement can be appropriately extended.
- a) Requests for extension must provide the reason for postponement. Eligible reasons may include serious personal illness, maternity/parental leave, serious family illness, death of a family member, or request for additional training.