



February 24, 2026

Susie Dillon, Chair
The Standing Committee on Health and Social Development
Office of the Clerk
PO Box 2000, Charlottetown, PE
C1A 7N8

Madame Chair,

We write in response to your correspondence of January 12, 2026 and your request for information on the 2024-29 Physician Services Agreement (PSA).

By way of background:

- The [2024-29 Physician Services Agreement](#) was signed on October 9, 2024. This was lauded as a landmark agreement intended to be a turning point for healthcare stability in PEI amid nationwide physician shortages and the establishment of our first medical school.
- A [Memorandum of Agreement](#) (MoA) “*intended to operationalize certain items of the PSA, specifically to provide for an accountability framework for all LFM specialists*” was subsequently signed on December 12, 2025.
- The Medical Society of PEI, the Government of PEI and Health PEI are signatories to the two Agreements.
- On September 14 and 15, 2025, the parties entered into a [mediation process](#) intended to address a [formal grievance](#) filed by MSPEI on June 11, 2025, following the failure to honour the intended governance structures named within the PSA.
- The September 14-15 mediation process did not reach an agreement on the issues that precipitated the grievance. However, it did establish a [process](#) to continue trilateral discussions between the parties to “*resolve all aspects of the Patient Panel Size Policy, including without limitation, patient panel size, modifiers and KPIs*”.
- This process began on October 22, 2025 and concluded on December 12, 2025. It was facilitated by Dr. Danielle Martin (Chair, Department of Family & Community Medicine, Faculty of Medicine, University of Toronto) and involved six members from MSPEI and six members in total from the Department of Health and Wellness and Health PEI.

In response to your four questions:

1. Clarification on the total cost associated with the mediation process and how these costs are allocated among parties involved.

The mediation process of September 14-15 involved significant legal costs for all parties as well as costs to retain the services of the mediator. Each party was responsible for its own legal and supplementary costs. The cost of retaining the mediator was \$18,663 and paid from

a fund jointly held by the three parties from a surplus carried over from the 2019-20 negotiations process.

The more demanding and lengthy process that led to signing of the MoA on December 12, 2025 also involved legal costs and other expenses unique to each party, including the use of their own external consultants. The facilitation services of Dr. Martin amounted to \$70,253.34 and were paid from the joint fund noted above.

2. Impact on physicians. How do the terms of the PSA and the mediation outcomes affect physicians' workload, practice models, and overall ability to provide care?

The 2024-29 Physician Services Agreement that was signed in October 2024 was intended to make PEI a destination of choice for physicians wishing to practice family medicine in a rural health system - as the most direct means of ensuring every Islander has a family physician. It was heralded as a pacesetter agreement across the country and negotiated to be attractive to the dozens of family physicians that PEI requires to significantly reduce the number of Islanders on the Patient Registry.

For instance, PEI:

- Was the first province or territory to formally declare family medicine as a specialty with a very competitive compensation philosophy.
- Offers a salaried model with a fulsome suite of benefits including practice overhead, parental, vacation and sick leave, pension plan
- Is the only province with a single-solution electronic medical record (EMR)
- Is committed to team-based care through the establishment of Patient Medical Homes

Regrettably, the adversarial communication and unilateral action that has been experienced since the PSA was signed has contributed to a narrative in the national physician community that has tainted PEI's reputation as a place to practice family medicine, putting at risk the province's significant investment in the PSA.

Despite MSPEI's support for decisions of the MoA, family physicians have expressed significant concerns that Health PEI's on-the-ground implementation of the Agreement has been plagued with further problems – citing increased admin burden, reduced clinical autonomy, new inefficiencies in how they provide patient care and creating barriers to the care they provide patients in settings outside of their clinic. This is suggesting that Health PEI does not honour LFM as a specialty nor understand the rural context of this work. This first phase of implementation has created significant distress and unrest in the LFM community, such that reductions in practice or departures from longitudinal family medicine can be expected.

These concerns should not be interpreted as a reluctance for physicians to be held accountable for the expenditure of public dollars but rather a concern about their lack of trust in Health PEI's ability to fairly, transparently and consistently implement the MoA. And most importantly, our concern that the public funds invested in the PSA will not produce the expected return – an increase in the recruitment of LFM physicians and a decrease in the patient registry – because of the strained relationship between physicians and their employer.

3. Effect on patient access to care. How does the agreement contribute a reduction of Islanders on the patient registry?

The MoA includes an opportunity for longitudinal family medicine (LFM) physicians to choose a practice model. This selection is due to Health PEI by February 28, 2026 and will help inform an answer to your question about expected changes to the patient registry. It is important to note that the accountability framework in the MoA does not fully come into effect until April 1, 2027 at which time it is reasonable to expect a fulsome impact analysis will be available from Health PEI.

Another important reminder is that even before the PSA was signed, it was recognized that the true gain for patients from this Agreement could only be realized through significant further recruitment of physicians to this province, not through expectations that the current workforce could do much more to reduce the registry.

According to our records, there has been no net gain of LFM physicians in the past year – any recruitment gains merely offset reductions or departures in practice – leaving the Patient Registry essentially unchanged. And importantly, early indications suggest that the family medicine residents currently finishing their training on PEI are unlikely to take on a LFM practice unless they see a genuine commitment to addressing the situation. If this trend continues, it will be the second year in a row without retaining these residents, a sharp departure from our historic 75–80% rate of retention.

4. The benefits of the signed agreement. From MSPEI’s perspective, what are the key benefits of having the PSA finalized for both physicians and patients?

As noted above, the 2024-29 Physician Services Agreement was negotiated to make PEI a destination of choice for physicians wishing to practice longitudinal family medicine – that is comprehensive ‘cradle to grave’ medicine – in a rural health system. We understood this to be the most reliable and expedient pathway to ensuring every Islander has access to a family physician.

Negotiation of the December 12, 2025 MoA was intended to ensure MSPEI, and the physician voice was involved in setting terms and conditions for a LFM physician’s accountability to Health PEI. While this was achieved, it came at the cost of hours and hours of litigious action – for both the taxpayer and MSPEI - that could have been avoided if the tripartite governance and decision-making framework that was negotiated in the PSA¹ was honoured.

You may not be aware that the PSA obliges Government and Health PEI to share with MSPEI in discussions and decisions relevant to a physician’s workload, productivity and compensation. It was the violation of these relevant sections in the PSA that led MSPEI to file the June 2025 grievance – the first in its history.

Honouring this negotiated trilateral framework and working with physicians and their association to rebuild trust is imperative to achieving a stable and accessible quality healthcare system for Islanders – and for making PEI the province of choice for the dozens of new physicians our needed to care for Islanders today, and well into the future.

¹ [Physician Services Agreement 2024-2029 Article A13.2](#)

Thank you for the opportunity to address these important questions and to go on record with facts and insight on behalf of MSPEI and the physician community.

Sincerely,



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