

Why do I have to use RMA?

Why may it be important for you to use RMA? RMA's external review illustrated that the role RMA plays in Hamilton's Academic Health Science Centre (AHSC) is unique across Canada and in and of itself provides value. Full-time clinical faculty ceasing to use RMA would result in the "de-evolution" of Hamilton's AHSC. The external review highlighted that the role RMA performs in Hamilton is done by many other agencies, entities, and groups in other centres. In short, there are benefits for academic physicians and our academic centre related to the way RMA is positioned in Hamilton. Some benefits include but are not limited to:

- iii) Payroll in other centres is managed independently of billing, and, at times, Universities are used as payroll agents adding complexity around corporations and tax reporting
- iii) In other centres, there are typically no centralized borrowing or investment mechanisms to support draw-based compensation models and interest revenue offsets to physician costs
- iii) Separate instances of billing software that is customized and configured to meet the needs of academic physicians is sometimes used. At times, this software needs to be maintained and supported separately.

This is not dismissing that the solutions offered by RMA and our ability to deliver streamlined services to physicians needs to improve.

Why are my RMA costs so high?

RMA is a not-for-profit corporation that services its' Member Physicians. Member Physicians are defined as full-time, clinical faculty that have an employment relationship with McMaster University. RMA owns a for-profit subsidiary that services non-Member Physicians. RMA, as a not-for-profit, traditionally has very low fees. In 2024-25, median costs were 0.36% compared to 1.95% offered by many other competitors providing full-service agency function. Although fees for 2024-25 were exceptionally low and may increase, it is anticipated that they will remain lower than those of competitors. This again, does not mean RMA should not provide industry-leading software solutions to its' physicians.

Why does it take three (3) months for my year-end to be finalized?

Throughout the year, RMA incurs expenses on behalf of both RMA and RMA Inc. A portion of these expenses are assigned to RMA Inc. at year end prior to offsetting some of the remaining expenses using non-physician revenue earned by RMA. Any remaining expenses need to be assigned to Member Physicians to arrive at a Net Profit of \$0. This is done using activity-based cost drivers. RMA then takes any interest earned by the Corporation through the year and uses it to credit fees of each physician. The process take time as RMA is required to complete its' Draft Financial Statements prior to Costing each Physician.

Why do my fees fluctuate year-over-year?

RMA Fees currently fluctuate based largely on Interest Rates. Higher Interest Rates typically mean that RMA has more capital at year end to help offset our Member Physician fees. Re-Investment in the Company may also result in year-over-year fluctuations. Until recently, there has not been significant re-investment in the company.

Why does RMA not action my rejections immediately?

Under our current Revenue Recognition Model, RMA credits revenue to a Physician when a claim is submitted to the Ministry of Health (MOH). It is then RMA's responsibility to ensure that it collects the full value of the Claim from MOH. Any amount not collected by RMA that is the result of delays or errors of RMA are written off as Bad Debt of the Organization. In 2024-25, RMA's Bad Debt as a percentage of Revenue was 0.005%. Because RMA has a finite number of staff, the Organization must then prioritize its' work, ensuring that Physician Claims do not stale-date and Claims not fully paid on Remittance Advices (RAs) or those returned on Error Reports are actioned to ensure full payment.

In many cases, physician inquiries regarding the status of a claim are the result of limitations of our current systems. Our current systems do not provide transparency for physicians, allowing them to know if/when we have actioned a rejected claim. A key requirement of a new RMA Billing System will be to deliver this transparency to physicians.