

November 15, 2012

Mr. James Rajotte, M.P.  
1280 La Promenade Building  
Ottawa, Ontario K1A 0A6  
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Dear Mr. James Rajotte:

As representatives of Canada's medical profession at the national level, we are writing to advise you that there is significant concern among the country's provincial and territorial medical associations (PTMAs) about Bill C-377, *An Act to Amend the Income Tax Act (requirements for labour organizations)*.

The Canadian Medical Association (CMA) is a voluntary membership organization that includes representation from all 12 of the country's PTMAs. The Presidents Forum, meanwhile, brings together the presidents of all 12 PTMAs and the CMA at meetings held three times annually. Together, we provide a sounding board for the PTMAs, which represent more than 80,000 physicians and trainees.

In recent weeks that sounding board has been busy because of growing apprehension about the impact Bill C-377 will have if it is implemented. Although the legislation would not affect the CMA directly, we are concerned that, as proposed, Bill C-377 may inadvertently apply to PTMAs.

As will be elaborated below, we propose an amendment to Bill C-377 to ensure that PTMAs are not covered by this proposed legislation. The reasons:

- PTMAs already meet the legislation's objectives, as described by the bill's sponsor;
- If applied to PTMAs, Bill C-377 as proposed will divert resources away from health care to cover compliance costs;
- If this legislation is applied to PTMAs as proposed, Bill C-377 will introduce significant privacy implications.

#### **ALREADY MEETING LEGISLATIVE OBJECTIVES**

It is our understanding that the bill's sponsor, Mr. Russ Hiebert, has stated that the purpose of Bill C-377 is to establish public reporting requirements for labour organizations and, via this transparency, close the loop on political financing.

Following enactment of the *Federal Accountability Act*, the *Canada Elections Act* now prohibits political contributions by organizations, including trade unions. In addition, the *Lobbying Act* specifically includes trade unions or labour organizations in the definition and requirements for organizations. In both cases, the Government of Canada has the authority to ensure compliance with these requirements. It does not require additional measures to do so. In addition, Bill C-377 proposes to introduce amendments to the *Income Tax Act* that risk duplicating existing legislative instruments.

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As membership organizations incorporated in their appropriate jurisdiction, PTMAs already communicate their activities and disclose expenditures to their members annually. In addition, PTMAs are in compliance with legislative and regulatory requirements within their appropriate jurisdiction, including lobbying disclosure and political contribution rules set by relevant federal, provincial and/or territorial governments.

### **BILL C-377 WOULD DIVERT RESOURCES FROM HEALTH CARE**

While all PTMAs<sup>1</sup> are responsible for fee negotiations within their respective jurisdictions, their mandate stretches far beyond this role. Consider, for instance, Nova Scotia's Medical Society Act. It spells out the objectives of Doctors Nova Scotia, the professional society representing more than 3,000 Nova Scotia physicians. These objectives include:

- the promotion of health and the prevention of disease;
- the improvement of medical service, however rendered;
- the promotion of harmony and unity of purpose between the medical profession and the various bodies assuming responsibility for the care of sick or injured persons.

Across the country, the PTMAs' health promotion efforts alone range from the Ontario Medical Association's obesity prevention drive to a smoking prevention initiative by Doctors Nova Scotia and the Alberta Medical Association's campaign to protect children from secondhand smoke. In other words, the PTMAs may negotiate on behalf of their members, but that is but part of what they do. It should also be recognized that negotiations take place irregularly and cannot be compared with the PTMAs' ongoing, day-to-day work to improve patient care, the health of Canadians and the overall health care system.

We are concerned that the onerous new reporting requirements proposed under Bill C-377 will affect PTMAs' health promotion and related efforts by diverting resources away from this specialized role toward burdensome compliance requirements.

### **BILL C-377 RAISES SIGNIFICANT PRIVACY CONCERNS**

PTMAs share the apprehension expressed by Canadian Privacy Commissioner Jennifer Stoddart, who has warned that Bill C-377 raises "serious privacy concerns."

As proposed, Bill C-377 would require the disclosure of personal information that is highly sensitive and would breach well-established confidentiality and privacy rights. Physicians, as stewards of their patients' sensitive personal health information, are compelled to highlight these worrisome aspects of Bill C-377.

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<sup>1</sup> Except the Quebec Medical Association

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- The requirements for reporting are vague and broad. PTMAs are concerned that the bill would require them to collect very personal information about their employees, information to which they would not otherwise be entitled and for which they have no interest or use.
- The requirement to disclose expenditures over \$5,000 triggers many significant concerns with regard to personal and privileged information. For instance, professional services are of particular concern because the wording of Section 149(01)(3)(b) is broad enough to require the disclosure of the amount paid for external legal services as well as the purpose and nature of the transaction. The effect will be to undermine our fundamental right to protect information subject to solicitor client privilege.
- With respect to trusts and funds, Bill C-377 proposes to require the disclosure of the name and address of the person to whom these payments are made, as well as the purpose and description of the payment. This will result in the disclosure of highly sensitive medical and financial information of our employees and, in the event of death benefits, of their spouses or family members.

#### PROPOSED AMENDMENT

Prior to tabling its report to the House of Commons on Nov. 27, 2012, the CMA and PTMAs strongly urge the Finance Committee to reconsider the framework, scope and privacy considerations of Bill C-377 in its entirety. At a minimum, Bill C-377 should be amended to ensure that PTMAs are not included in the scope of this legislation.

Sincerely,



Anna Reid, MD, CCFP-EM  
President, Canadian Medical Association



Dr. Suzanne Strasberg  
Chair, Presidents Forum

cc: Ms. Peggy Nash, MP  
Hon. Scott Brison, PC, MP  
Mr. Mark Adler, MP  
Mr. Guy Caron, MP  
Mrs. Shelly Glover, MP  
Mr. Randy Hoback, MP  
Mr. Brian Jean, MP  
Mr. Hoang Mai, MP  
Mr. Wayne Marston, MP  
Mrs. Cathy McLeod, MP  
Mr. Dave Van Kesteren, MP

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