Policy Brief

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Optimizing Canadian Health Care Through Physician Assistant Integration:

Issue:

Canada's provincial healthcare systems are increasingly strained by worsening provider shortages, rising patient complexity, and persistent barriers to timely access—challenges further compounded by funding inefficiencies (1,2,3). To maintain high-quality, accessible care, Canada requires a scalable workforce solution that aligns with modern healthcare values and financial sustainability. To meet these goals, we recommend the following policy actions.

Policy Recommendations

1. Implement a **hybrid funding model** for Physician Assistants (PAs) involving both public and employer remuneration.
2. **Integrate PAs** into existing **capitation-based funding structures**.
3. Introduce **PA-specific billing codes** to support accurate compensation and tracking.
4. Ensure **equitable compensation** for PAs, aligned with comparable healthcare roles.
5. Support **ongoing outcome-based data collection** to inform and refine future policy decisions.

What is a PA?

Physician Assistants (PAs) are advanced medical professionals trained in the medical model, typically holding a Bachelor's or Master's degree in physician assistant studies. Their scope of practice mirrors that of their supervising physician, enabling them to:

- Perform comprehensive patient assessments and physical exams
- Order and interpret diagnostics
- Initiate treatments and perform medical procedures
- Conduct follow-up and discharge planning
- Enhance continuity of care across healthcare settings
- Improve clinical throughput and service volume

Why Canada Needs PAs Now

- Physician shortages and burnout are reducing clinical capacity
- Wait times and readmissions are increasing
- Patient complexity is rising, requiring team-based, efficient care delivery

PA's offer a scalable, team-based solution that enhances system performance without requiring additional residency trained physicians.

PA Impact:

A 2023 report by the Conference Board of Canada evaluated the integration of PA;s using two key funding models across three sectors ie Emergency Medicine, Primary Care, and Orthopedic Surgery and found significant benefit to hiring a PA.

CBOC Key Findings: Both the public funding model as well as the employer-remunerated funding models (4) showed significant benefits to the healthcare system. Hiring a PA could contribute to:

- **$585 Million in Systems Savings:** Employer-remunerated models achieved up to 585 million in savings in all sectors (4). Public models often yielded net savings or near cost-neutrality (4).
- **15 million more Patient Services** Adding PAs increased service volumes by **7.6 to** 16.7 million annually, reducing wait times and improving care continuity (4).
- **Free Up Physician Time**: By delegating appropriate clinical and administrative tasks to PAs physicians gained a significant amount of time that can support higher productivity and burnout reduction (4).
- **Scalable. Sustainable. Proven** Discounted fee-for-service models showed strong financial feasibility, without compromising care quality—making PA integration a smart long-term strategy (4).

Key Challenge: No Dedicated Funding Stream

Physician Assistant (PA) compensation in Alberta currently depends on operational budgets or physician/practice overhead, rather than a dedicated funding mechanism. Without the ability to bill fee-for-service, employers and PAs face significant financial uncertainty. This structural gap hinders sustainable workforce planning, limits scalability, and discourages broader PA integration into high-need areas.

Under Alberta's Schedule of Medical Benefits (SOMB), PAs cannot bill independently. All claims must be submitted by the supervising physician (7). As such, PAs enhance throughput, enabling physicians to increase billable services, manage more patients, and reduce delays in care.

Alberta Specific PA Funding: An Overview:

- **How are Alberta PA's Paid?** In Alberta, Physician Assistants (Pas) are compensated through one of three pathways:
  - Directly by Alberta Health Services (AHS)
  - Indirectly by Primary Care Networks (PCNs) through Alternative Relationship Plans (ARPs).
  - Directly by their physician/surgeon or practices.
- **Blended Capitation Model (BCM**): A key ARP is the Blended Capitation Model (BCM) a funding structure that pays physicians an annual rate per rostered patient, with additional fee-for-service incentives (5).
- **Patient Care Based Funding Model (PCBFM):** Introduced in Spring 2025, is targeted towards family physicians and rural generalist. PCBFM is modeled on outcome driven care that combines:
  - Encounter based billing
  - Time Based Billing
  - Complexity Adjusted Panel Payments (6)
- **Parallel to National Models**
  - Alberta employers use lump-sum provincial payments (like ARP or capitation funds) to remunerate PAs, both BCM and PCBFM closely align with the Conference Board of Canada's "Model D" (employer-remunerated scenario) (4).

Alberta Physician Assistant Remuneration Inequity

Physician Assistants (PAs) employed by Alberta Health Services are classified as non-union employees, earning between $47.12 and $66.85 per hour (8). Despite comparable scopes of practice in some clinical settings, Nurse Practitioners (NPs) are frequently compensated at significantly higher rates. In fact, a paramedic transitioning into a PA role may face a 6.82% decrease in hourly pay, despite assuming greater clinical responsibility and broader scope.

Several PAs have reported earning less than in their previous allied health professions—such as paramedicine or medical imaging—despite the PA role requiring increased autonomy and clinical complexity (9). This pay disparity presents a barrier to attracting experienced healthcare professionals into the PA profession and contributes to ongoing recruitment and retention difficulties. The 2022 CAPA Compensation Report noted one instance where a PA left the profession altogether, citing better compensation, benefits, and work-life balance as an ultrasound technician (9).

According to the United Nurses of Alberta (UNA) collective agreement, Clinical Nurse Specialists (CNSs) with a Bachelor of Nursing earn between $55.03 and $74.84 per hour, resulting in a 39.6% higher total compensation compared to the top-step PA wage—further emphasizing the pay inequity.

Recommendations

1. **Adopt a Hybrid National Funding Model**
   Implement a blended model that includes public funding (through ARPs or health authority employment), employer remuneration, and PA-specific fee for service billing codes. This ensures flexibility and scalability across different provinces and clinical settings.
2. **Introduce Physician Assistant Billing Codes**
   Establish direct or shadow billing codes for PAs under the schedule of medical benefits (SOMB) to better capture productivity for data collection and incentivize PA utilization.
3. **Include PAs in Capitation-Based Funding Models**
   Formally recognize and fund PAs as core providers within capitation-based models, such as Albertas BCM or PCBFM. This would ensure stable remuneration, enable sustainable workforce planning in primary care.
4. **Ensure Equitable Compensation Across Roles**
   Align PA salaries with comparable roles such as Nurse Practitioner, and address instances where PAs earn less than previous healthcare roles (e.g. paramedics) despite greater clinical responsibility. Competitive compensation is essential for recruitment and retention.
5. **Support Date Collection and Outcome Tracking**
   Invest in ongoing evaluation and data collection on PA contribution in patient outcomes, access to care, cost savings, and provider satisfaction to inform future policy and funding.

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