



August 28, 2017

The Hon. Bill Morneau, P.C., M.P.
Minister of Finance
90 Elgin Street, 17th Floor
Ottawa, ON
K1A 0G5

Dear Minister Morneau,

In July last year, the College of Family Physicians of Canada (CFPC) sent you a letter supporting our Canadian Medical Association colleagues on the matter of small business taxes that will affect group medical structures.

We thank you for taking the time to respond to our correspondence. However, we must again raise this issue with you, as we believe there are two important unintended consequences that the federal government should consider.

The first is that this disproportionately affects physicians who are small business owners or managers remunerated under a variety of compensation models determined by their provincial or territorial governments. The result is that the federal government, though not intending to do so, is creating incentives and disincentives for particular compensation models. The ramifications are unknown but we strongly urge you to study all potential consequences of this action.

The second is that it is possible that some medical practices will close. There is also the potential that some practices will simply not open. We appreciate that this latter point is impossible to measure, but we are drawing your attention to the possibilities of disincentives to open and operate a practice. The consequence of this would be felt most acutely in resource-constrained communities, and could negatively affect access to care.

While the aim of the small business tax may be fair when broadly applied and we understand that it is aligned with this government's political objectives, we urge you to remove physicians from consideration. As outlined above, the CFPC warns that the unintended consequences could be significant and may affect patient access and create a level of confusion and disorder with respect to compensation models.

We would be pleased to discuss this with you further at your convenience.

Sincerely,

David White, MD, CCFP, FCFP
President

Francine Lemire, MD, CM, CCFP, FCFP, CAE
Executive Director and Chief Executive Officer

cc: Mr. Eric Mang, Executive Director, Member and External Relations, CFPC
Mr. Artem Safarov, Director, Health Policy & Government Relations, CFPC