

PCN Closure Policy – Frequently Asked Questions

What is the purpose of the PCN Closure Policy?

The PCN Closure Policy provides direction on the process that is to be undertaken to protect patient services and PCN assets in the event that a PCN is closing.

What does the PCN Closure Policy address?

The policy provides direction to ensure continuity of service to patients in the event of a PCN closure. It also provides direction on managing closing costs such as lease termination costs for facilities and/or equipment, and service contract termination costs.

How will the PCN Closure Policy impact Closing Cost Reserves (CCR)?

In the event of a PCN closure, Alberta Health would be responsible for PCN closing costs, subject to PCN compliance with the policy and the grant agreement with Alberta Health. PCNs are no longer required to maintain a CCR, and any funds that were previously designated as CCR should be treated as unexpended grant funds.

Can PCNs use their accumulated unexpended grant funds for operational activities or one-time expenditures?

No. In early 2016, PCNs were directed not to use unexpended grant funds to support operational activities or for one-time expenditures such as leasehold improvements and capital expenses. Alberta Health will be developing on a PCN unexpended grant fund policy. Until this policy is finalized and implemented, PCNs are not to use unexpended grant funds to support operational activities or for one-time expenditures such as leasehold improvements and capital expenses.

Are there any exceptions to accessing the unexpended grant funds?

A PCN would require the prior authorization of Alberta Health to utilize unexpended grant funds.

Does the PCN Closure Policy supersede previous policy direction?

This policy supersedes the requirement in the current “PCI Renewed Business Plan Template Version 1.0” Section 4.1, Closing Cost Reserves, which directs PCNs, through their Business Plans, to “establish and maintain a reserve adequate to cover staff severance and lease obligations in the event of PCN shutdown.” Alberta Health will amend the Business Plan Template in the near future to reflect this new policy.

What was the process for developing the PCN Closure Policy?

The policy was developed by Alberta Health and early versions underwent consultation with and received feedback from the PCN Consultation Committee (PCN CC). Final approval of the policy was granted by the Minister of Health, Government of Alberta, on September 22, 2016.

When did the PCN Closure Policy come into effect?

The policy came into effect on October 4, 2016.