

Fee-for-service, R.I.P?

According to the 2007 National Physician Survey, only 49% of physicians now receive at least 90% of their professional income via fee-for-service (FFS) payments. This continues a decade-long trend toward alternate forms of payment such as salary or capitation, or any alternate form paired with fee-for-service (blended payments). Currently, only 24% of MDs cite FFS as their preferred payment method, while half would prefer to use a blended model.

Physicians in solo practice are most likely to be paid via FFS (68%), compared with half of those who work in groups and 27% in interprofessional practices. In that last segment, many receive the bulk of their pay via a blended method (41%) and are twice as likely as those in groups to be salaried (13% vs. 6%). Compared with their urban colleagues, rural physicians are also more likely to receive blended payments (40%), but more than half the members of both groups would prefer this method if given the choice.

Male physicians are more often primarily FFS recipients (51% vs. 43% for women), while women are more likely to be paid a salary (10% vs. 7%). More men (26%) than women (18%) prefer FFS, although about half the members of both groups favour a blended model.

Physicians aged 65 and older are more likely to receive the bulk of their pay through fee-for-service (62%) than those in younger age groups. Least likely are those under age 35 - less than 40% report that FFS is their primary method of payment, while 38% are paid by a blended method (compared with 31% of all respondents). That last proportion is likely to increase across all age groups, given emerging preferences within the medical profession.

Tara S. Chauhan, CMA Canadian Collaborative Centre for Physician Resources. Fee-for-service, R.I.P?. CMA Bulletin. *Canadian Medical Association Journal*. June 3, 2008. 178(12), p. 1621