

NATIONAL PHYSICIAN SURVEY 2004: REMUNERATION MODES AND REMUNERATION PREFERENCES

Respondents to the 2004 National Physician Survey (NPS) were asked a number of questions about their professional income. Included in these was one question asking physicians to indicate the proportion of income received from different remuneration modes (fee-for-service, salary, capitation, hourly payments and service contract), and another asking about preferred mode of income. For reporting and analysis purposes, the responses to the remuneration question were grouped according to whether or not physicians received 90% or more of their income from one type of remuneration mode. Blended payment, a derived category, captures those cases where physicians' remuneration was obtained from two or more modes, with no single mode comprising 90+% of remuneration.

Just over half of respondents (51.5%) indicated the majority of their income (90% or more) was paid primarily through fee-for-service, followed by blended payment (28.2%) and salary (7.4%). Differences in method of remuneration are most apparent when comparing age groups. While 64.2% of physicians 65 and older reported receiving 90% or more of their professional income through fee-for-service, 44.8% of those younger than 35 indicated this same method of payment. This youngest cohort was most likely to receive most of their income through blended payment (37.0%), while those 65 and older were least likely to receive their income in this manner (18.8%).

Little difference existed between genders other than males being slightly more likely than females to receive 90+% of their income through fee-for-service (54.3% versus 49.1%). Compared to males, females were more likely to receive their income by means of a salary (9.9% versus 6.3%). Both sexes were equally likely to receive 90% or more of their income via blended payment (29.3% and 28.6%). Differences became discernible however, when looking at GP/FPs versus specialists. While there remains much similarity between male and female GP/FPs, differences were noticeable between male and female specialists. While 54.0% of male GP/FPs and 52.4% of female GP/FPs received the bulk of their income via fee-for-service, 54.7% of male specialists compared with 43.8% of female specialists cited the same method of remuneration as constituting 90% or more of their income (Difference between male and female specialists is observed across age ranges).

Physicians in Alberta and Ontario were equally likely to report receiving the majority of their income via fee-for-service (57.8% and 56.8% respectively) with a blended form of payment being the second most common form of remuneration (24.4% and 26.1%). Receiving 90% or more of their income by means of a salary was cited third most often in both provinces with 6.8% of Ontario physicians and 5.9% of Alberta physicians indicating such a method of remuneration.

Fee-for-service was most frequently reported as constituting 90% or more of remuneration for urban physicians (55.5%), while rural physicians were more likely to see the majority of their professional income coming from blended payment (39.7%).

Physicians whose main patient care setting is office-based were more likely than those whose main patient care setting is hospital-based to indicate the bulk of their income as being fee-for-service (63.9% versus 39.6%).

After responding to the question on how professional income was received, physicians were then asked to choose how they would prefer to receive their income, with options including salary only, fee-for-service only as well as blended payment. Nearly one half of physicians indicated a preference for a blended payment (47.9%). Physicians under 35 favoured blended payment (58.6%) while only 32.5% of those 65 and older indicated the same preference. Both sexes favoured blended payment over fee-for-service with females indicating a slightly greater preference for blended payment (52.0%) as compared to males (48.0%). Males demonstrated a greater preference for fee-for-service (32.2%) as compared to females (21.8%).

Specialists were more likely than GP/FPs to cite their preferred method of payment as fee-for-service (30.8% versus 25.1%), however overall, both specialists and GP/FPs ranked blended payment as their first choice (44.9% and 50.8% respectively). Fifty-six percent of rural physicians indicated a blended payment would be preferable while 48.6% of urban physicians indicated the same preference. Physicians with a main patient care setting being office-based were equally likely to prefer blended payment as those whose main patient care setting is hospital based (48.8% and 49.9% respectively).

The proportion of physicians receiving 90% or more of their income through fee-for-service has continually dropped since 1998. While 64.1% of physicians reported 90% or more of their income coming through fee-for-service in 1998, only 51.1% of physicians reported the same in 2004. Concurrently, the proportion of physicians with blended payment modes has risen since 1998 from 22.9% to 28.2%. Whereas 66.1% of physicians 34 and under received the bulk of their income through fee-for-service in 1998, 44.8% reported receiving most of their incomes in this same manner in 2004. Males have continually remained more likely than females to receive 90% or more of their income via fee-for-service, while females have continually been more likely than males to receive 90% or more of their incomes through salary.