

Large differences in lifetime physician earnings

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(Medical Xpress)—A national study has found that earnings over the course of the careers of primary-care physicians averaged as much as \$2.8 million less than the earnings of their specialist colleagues, potentially making primary care a less attractive choice for medical school graduates and exacerbating the already significant shortage of medical generalists.

The results, published online in the journal *Medical Care*, lead the study's authors to recommend reducing disparities in physician pay to ensure adequate access to primary care, which has been shown to improve health and reduce health-care costs.

"The need for primary-care providers is greater than ever before and expected to grow as millions more Americans become insured under the Affordable Care Act," said J. Paul Leigh, lead author of the study, professor of public health sciences and researcher with the UC Davis Center for [Healthcare Policy](#) and Research. "Without a better payment structure, there will be extraordinary demands on an already scarce resource."

According to projections by the Association of American Medical Colleges, the nation is likely to face a shortage of more than 65,000 primary-care physicians by 2025.

For the nationwide study, a follow-up to 2010 research by Leigh and his colleagues on differences in annual wages by specialty, the investigators compared lifetime [earnings](#) to demonstrate how annual wage differences accumulate over physicians' careers. The earnings data came from the 2004-05 Community Tracking Study, a periodic evaluation of physician demographic, geographic and market trends.

To ensure valid comparisons, the data were adjusted to account for factors that affect earnings,

including age, sex, race, board certification, graduation from a foreign medical school, rural residence, employment by an academic medical school and residency program length.

Incomes were then evaluated for more than 6,000 doctors practicing in 41 specialties. When merged into four broad career categories, lifetime earnings in surgery, internal medicine and pediatric subspecialties, and all other medical specialties averaged from \$761,402 to \$1,587,722 higher than in primary care:

- Surgery: \$4,588,249
- Internal medicine subspecialties and pediatric subspecialties: \$4,100,183
- All other medical specialties: \$3,761,930
- Primary care (geriatrics, family practice, general practice, general internal medicine and general pediatrics): \$3,000,527

The earnings differences were more dramatic when compared as 41 separate specialties. Medical oncologists, for instance, earn up to \$7,127,543 during a 35-year career, while family medicine practitioners earn as low as \$2,838,637.

Leigh surmised that one reason for the earnings differences is the tendency for Medicare administrators to utilize recommendations from an American Medical Association committee on physician pay that price specialist procedures far higher than primary-care office visits. Private insurance companies, in turn, tend to adopt Medicare pay rates.

The authors noted that efforts are under way to resolve physician pay differences. For example, the [Affordable Care](#) Act requires states to pay primary-care physicians no less than 100 percent of Medicare payment rates for primary-care services provided to Medicaid patients. The study's senior author, Richard Kravitz, a UC Davis professor of

internal medicine, also serves on an independent commission to assess physician pay.

Kravitz and Leigh suggest that legislators, health-insurance administrators, medical-group directors, health-care plan managers and executives, and health policymakers take action to redesign the payment structure for medical care.

"These huge lifetime pay disparities have to be discouraging for medical students considering primary care as a career," said Kravitz. "If we truly value [primary care](#), we need payment schemes that don't send the opposite message."

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The study, titled "[Lifetime Earnings](#) for Physicians across Specialties," will appear in the December print issue of *Medical Care*.

Provided by UC Davis

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