

Canada's physicians: the rising cost of doing business

The Canadian Institute for Health Information (CIHI) has just released a series of average payments per fee-for-service physician. These data, derived from its National Physician Data Base and based on gross billings, are often misinter-

preted by both media and the public. Although no data on what it costs these physicians to operate their practices are available from CIHI, the CMA regularly collects information about overhead costs through its Physician Resource Questionnaire. For the 1997 survey, data at the national level are accurate within +/- 1.7%, 19 times out of 20.

The survey shows that overhead expenses for all physicians average 34%, ranging from an estimated 37% for family physicians to 30% for specialists. Estimated net incomes (before taxes) were \$111 630 for family physicians and \$167 525 for specialists.

In the CMA's 2000 Physician Resource Questionnaire, 53% of respondents reported that their overhead expenses had increased during the last year. More than half (55%) reported an increased workload, and of those less than one-quarter (24%) said there was a corresponding increase in net income. In fact, 31% said their workload had increased but their net income had decreased. — *Lynda Buske*, buskel@cma.ca

Income and estimated overhead expenses for Canadian physicians, 1997-98

Specialty	1997-98 average payment per fee-for-service, \$*	Estimated overhead, %†	Estimated net income, \$
Family physician	177 191	37	111 630
Medical specialists	216 536	27	158 071
Surgical specialists	280 731	36	179 668
All specialists	239 322	30	167 525
All physicians	205 505	34	135 633

*Physicians who received in excess of \$50 000 fee-for-service billings, Canadian Institute for Health Information.

†Based on 1997 Physician Resource Questionnaire, Canadian Medical Association.