Physician Compensation Costs in Canada: More for Less?

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The context

- Internationally, when Canada is compared to other rich countries it is characterized by high health expenditures and low level of resources: high average costs.
- Nationally, CIHI flagged physician spending among the fastest growing sectors
- Provincially, RAMQ data suggested that increasing physician spending decreased the quantity of service provided
The question

- Over recent years all provinces have significantly increased the amount invested in physician compensation. What are the effects of those investments on costs and services?
  - Is it possible to convincingly answer such a (trivial) question using publicly available CIHI data?
  - Are there policy lessons to be learned from inter-provincial comparisons?
Source of the data

• The data used here comes from CIHI National Physician Database
  – Validation of the data was done by running the same analyses directly from RAMQ data for Quebec (hum... perplexing*)
  – Some* data is either missing or too weird to be trusted for some* provinces

* Pessimists and sceptics might in fact convincingly argue that this whole database is too weird to be trusted at all
Method

• Data about the volume of medical services is available for FFS services only.
  – But FFS only accounts for a portion of total family medicine services (i.e. about 50% in Ontario)

• A rough estimate of total services was computed from expenditure data.
  – This estimate rests on the postulate that the productivity of physicians paid on a non-FFS basis is identical to that of physicians paid through FFS. This postulate allows computing the volume of non-FFS services from APP expenditure data.
  – This method is likely to overestimate the volume of services

• Different measures of costs and services were computed and their evolution measured using 2006-2007 as the index
Evolution of family medicine practice in Québec (CIHI data)
Evolution of family medicine practice in Québec (RAMQ data)

- Total number of family medicine services
- Number of family doctors
- Family doctors total compensation
- Population
- Average number of services per doctor
- Average number of services per capita
- Average price of service
- Total compensation per doctor

Index 100 in 2006/2007

Evolution of medical specialties practice in Quebec (RAMQ data)
Evolution of family medicine practice in Ontario

Index 100 in 2006/2007

- Total number of family medicine services
- Number of family doctors
- Family doctors total compensation
- Population
- Average number of services per doctor
- Average number of services per capita
- Average price of service
- Total compensation per doctor

Years:
- 2006/2007
- 2007/2008
- 2008/2009
- 2009/2010
Evolution of family medicine practice in British Columbia

- Total number of family medicine services
- Number of family doctors
- Family doctors total compensation
- Population
- Average number of services per doctor
- Average number of services per capita
- Average price of service
- Total compensation per doctor
Evolution of medical specialties practice in British Columbia

- Total number of specialized services
- Number of specialists
- Total specialties compensation
- Population
- Average number of services per doctor
- Average number of services per capita
- Average price of service
- Total compensation per doctor
Family doctors total compensation

Index 100 in 2006/2007

- Newfoundland
- Quebec (CIHI data)
- Quebec (RAMQ data)
- Ontario
- Manitoba
- Saskatchewan
- British Columbia

Years:
- 2006/2007
- 2007/2008
- 2008/2009
- 2009/2010
Average price of family medicine services

Index 100 in 2006/2007


Newfoundland
Quebec (CIHI data)
Quebec (RAMQ data)
Ontario
Manitoba
Saskatchewan
British Columbia
Average number of family medicine services per capita

Index 100 in 2006/2007


Newfoundland
Quebec (CIHI data)
Quebec (RAMQ data)
Ontario
Manitoba
Saskatchewan
British Columbia
Average number of specialized services per capita

Index 100 in 2006/2007


Newfoundland
Quebec
Ontario
Manitoba
Saskatchewan
British Columbia
Results

• Similar patterns of rising doctor compensation total expenditures hide the fact that in practice some provinces (i.e. Ontario and Newfoundland) invest more to have more services while other provinces (i.e. Manitoba and Saskatchewan) invest more for quite modest gains in service levels or even a decrease in services (Québec)
Discussion

• Increasing the price of service in FFS payment schemes is likely to lower the volume of service, especially for rapid price increases

• Ad-hoc incentive schemes increase total costs while having at best a modest effects on volume, especially for large incentives

• Overall, we don't see to be reaping the rewards for the growing pile of money our health care systems are currently transferring to doctors

• Carrots are overstated
All the graphs that did not make it into the main feature

SOME MORE SLIDES
Evolution of family medicine practice in New Brunswick

Index 100 in 2006/2007

- Total number of family medicine services
- Number of family doctors
- Family doctors total compensation
- Population
- Average number of services per doctor
- Average number of services per capita
- Average price of service
- Total compensation per doctor

Evolution of medical specialties practice in New Brunswick

- Total number of specialized services
- Number of specialists
- Total specialties compensation
- Population
- Average number of services per doctor
- Average number of services per capita
- Average price of service
- Total compensation per doctor
Evolution of family medicine practice in Manitoba

- Total number of family medicine services
- Number of family doctors
- Family doctors total compensation
- Population
- Average number of services per doctor
- Average number of services per capita
- Average price of service
- Total compensation per doctor
Evolution of medical specialties practice in Manitoba
Evolution of family medicine practice in Saskatchewan

- Total number of family medicine services
- Number of family doctors
- Family doctors total compensation
- Population
- Average number of services per doctor
- Average number of services per capita
- Average price of service
- Total compensation per doctor