3.5. Remuneration of doctors (general practitioners and specialists)

Remuneration levels are among the factors affecting the attractiveness of different medical professions. They also affect health spending. Gathering comparable data on the remuneration of doctors is difficult, however, because countries collect data based on different sources covering different categories of physicians, and often not including all income sources (see the box on "Definition and deviations" below). Hence, the data should be interpreted with caution.

The data on the remuneration of doctors are presented for general practitioners (GPs) and specialists separately, comparing their remuneration with the average wage of all workers in each country. The remuneration of GPs ranges from 1.4 times the average wage of all workers in Hungary, to 4.2 times in the United Kingdom (Figure 3.5.1; right panel). The relative income of specialists ranges from 1.5 times the average wage of all workers for salaried specialists in Hungary, to 7.6 times for *self-employed* specialists in the Netherlands. The remuneration of *salaried* specialists in the Netherlands is lower, at 3.5 times the average wage (Figure 3.5.1; left panel). In the United States, the relative income of *self-employed* specialists was 5.6 times greater than the average wage in the country in 2001 (latest year available) and 4.1 times greater for *salaried* specialists.

In all countries, the remuneration of GPs is lower than that of specialists. The remuneration gap is particularly large in Australia, Belgium and the Netherlands, where GPs' earnings are less than half that of specialists. The gap is much smaller in Iceland and the United Kingdom.

In many countries, the remuneration of specialists has grown more quickly over the past five to ten years than that of GPs, widening the income gap (Figure 3.5.2). This has been the case in Australia, Finland, France and Hungary. In the United Kingdom, the incomes of both GPs and specialists have increased rapidly over the past ten years, with the growth rate in GP remuneration exceeding that of specialists. This can be attributed to the implementation of a new GP contract in 2004 designed to increase the number of GPs and improve the quality of primary care through better financial rewards. While the introduction of the new contract was expected to lead to additional cost, the actual cost in the first three years following its introduction was 9.4% higher than expected. There has been much debate in the United Kingdom on the gains that have been achieved in return for the extra spending (OECD, 2009d).

Some of the variations in the remuneration levels of GPs and specialists across countries can be explained by the use of different remuneration methods (*e.g.* salaries, fee-for-services, pay-for-performance schemes), by the role of GPs as gatekeepers, by differences in working time, and by the number of doctors per capita, particularly for specialists (Fujisawa and Lafortune, 2008).

Definition and deviations

The remuneration of doctors refers to average *gross* annual income, including social security contributions and income taxes payable by the employee. It should normally include all extra formal payments, such as bonuses and payments for night shifts, on-call and overtime, and exclude practice expenses for self-employed doctors.

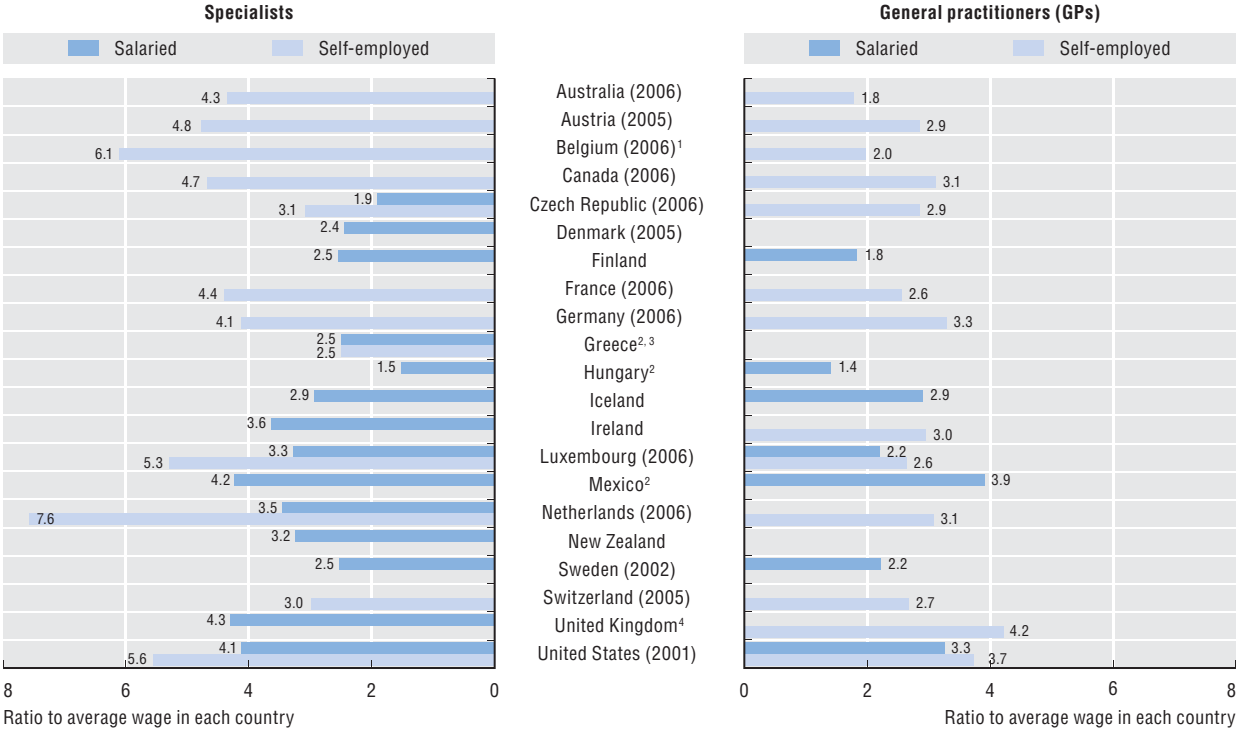
A number of data limitations contribute to an under-estimation of remuneration levels in some countries: 1) payments for overtime work or social security contributions are excluded in some countries (Austria, Ireland for specialists, Mexico, the Netherlands for salaried specialists, New Zealand, Sweden, and Switzerland); 2) incomes from private practices for salaried doctors are not included in some countries; 3) informal payments, which may be common in certain countries (*e.g.* Greece, Hungary and Mexico), are not included; and 4) in Greece, Hungary and Mexico, data relate only to public sector employees who tend to earn less than those working in the private sector.

The data for some countries (Australia, Austria, Belgium, Luxembourg, Mexico, Switzerland, United Kingdom for specialists, and the United States) include part-time workers, while in other countries the data refer only to doctors working full-time.

In Belgium, practice expenses for self-employed doctors are not excluded, resulting in an over-estimation of their remuneration.

The income of doctors is compared to the average wage of full-time employees in all sectors in the country, except in Iceland, Mexico and New Zealand where it is compared to the average wage in selected industrial sectors.

3.5.1 Doctors' remuneration, ratio to average wage, 2007 (or latest year available)



1. Data include practice expenses, resulting in an over-estimation.
2. Data on salaried doctors relate only to public sector employees who tend to receive lower remuneration than those working in the private sector.
3. Remuneration of salaried specialists is for 2005 and the income of self-employed specialists is for 2004.
4. Remuneration of self-employed GP is for 2006 and the income of salaried specialists is for 2007.

3.5.2 Growth in the remuneration of GPs and specialists

1. Data on remuneration for self-employed GPs refer to 1997-2006 and data for salaried specialists refer to 1998-2007.

Source: *OECD Health Data 2009* for the remuneration of doctors; *OECD Employment Outlook 2009* and *OECD Taxing Wages 2009* for average wage of workers in the economy.

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