

August 5, 2007

What Doctors Make, and Why (6 Letters)

To the Editor:

In “Sending Back the Doctor’s Bill” (Week in Review, July 29), you compare the incomes of American physicians with those earned by doctors in other countries and suggest that American doctors seem overpaid. A more relevant benchmark, however, would seem to be the earnings of the American talent pool from which American doctors must be recruited.

Any college graduate bright enough to get into medical school surely would be able to get a high-paying job on Wall Street. The obverse is not necessarily true. Against that benchmark, every American doctor can be said to be sorely underpaid.

Besides, cutting doctors’ take-home pay would not really solve the American cost crisis. The total amount Americans pay their physicians collectively represents only about 20 percent of total national health spending. Of this total, close to half is absorbed by the physicians’ practice expenses, including malpractice premiums, but excluding the amortization of college and medical-school debt.

This makes the physicians’ collective take-home pay only about 10 percent of total national health spending. If we somehow managed to cut that take-home pay by, say, 20 percent, we would reduce total national health spending by only 2 percent, in return for a wholly demoralized medical profession to which we so often look to save our lives. It strikes me as a poor strategy.

Physicians are the central decision makers in health care. A superior strategy might be to pay them very well for helping us reduce unwarranted health spending elsewhere.

Uwe E. Reinhardt
Princeton, N.J., July 30, 2007

The writer is a professor of political economy at Princeton University.

•

To the Editor:

While doctors in the United States make more money than their counterparts in Europe, European doctors are rarely, if ever, personally liable for the cost of their professional education. American doctors make more, in part, to offset the astronomical cost of medical school. Medical students now graduate with an average of \$130,000 in academic debt from undergraduate and professional school.

If we are to restructure the system by which we pay doctors to match Europe, which seems prudent as well as inevitable, we must also finance education as Europeans do, by using state dollars to finance the full or majority cost of higher education, including professional school.

Until we do, we will be hard pressed to find doctors willing to work for less, and will continue to push our newly minted medical professionals out of lower paid primary care and pediatric work and away from our lower-income communities.

Amelia M. Hershberger
Albany, July 30, 2007

•

To the Editor:

“Sending Back the Doctor’s Bill” brought me back to my days as a young medical economist at Kaiser Permanente in Oakland years ago. I learned then that high-quality health care could be provided more cost-effectively when the relatively fixed costs of salaried physician groups, health centers and hospitals were supported by monthly “dues” paid by or on behalf of enrolled members.

Prepaid group practice, as the model was called, stood in stark contrast to the dominant fee-for-service, solo practice system (or nonsystem). The combination of fixed prepayments and multispecialty physician groups encouraged corridor consultation, collaboration and continual peer review; and provided incentives to deliver preventive and curative care in the most appropriate settings — in contrast to the incentives inherent in the prevailing procedure-driven, fee-for-service reimbursement system as you describe.

The results included better coordination of care with dramatically lower rates of hospitalization and elective surgical procedures.

Now often subsumed under the more amorphous H.M.O. umbrella, the concept of prepaid group practice remains sound today. Although attractive to participating physicians and patients alike, this model has not gained wide acceptance beyond the West Coast and certain progressive markets like Minneapolis-St. Paul and Boston. As you suggest, the forces resisting change to the status quo remain formidable.

Roger W. Birnbaum
Morristown, N.J., July 31, 2007

•

To the Editor:

Last week, I had the annual checkup for my 2000 Taurus. I paid \$95 per hour for much needed body work. Next month, when I have my own annual physical, I expect and hope to pay a much higher rate to my primary care internist, who has spent a significant portion of his life training to achieve his position of responsibility.

Although both important, the maintenance of my health far exceeds the relative importance of the health of my automobile. However, evidently, you seem to advocate further reducing the income of doctors to the levels reported in a survey five years ago in Europe of \$60,000 to \$120,000. How many of our brightest sons and daughters will seek those positions?

Ray Groves
New Canaan, Conn., July 29, 2007

•

To the Editor:

You point out that it is the high salaries paid to American doctors that helps make our medical system so costly compared with other nations. The cure is obvious, end the monopoly. While obvious, it is not easy; the American Medical Association is in fact the strongest union in the nation.

Since the American public has accepted relocation of much of our manufacturing to China and India, why not accept opening our medical schools to everyone qualified and accept an unlimited number of doctors from foreign countries? Why can we use the word competition when speaking of sports, manufacturing or just about every industry, but it is regarded as a dirty word when speaking about our medical industry?

William Bazik
Fairview Park, Ohio, July 30, 2007

To the Editor:

Your thoughtful article about the cost of health care is well taken, but your emphasis on the details of payment and insurance systems obscures the larger context of market forces.

Doctors will be able to charge high prices for their services as long as demand for them outstrips supply.

Health care conservatives favor the free-market approach of denying services to those who cannot afford them. If liberals want to remove this constraint on demand, then they will have to bolster supply.

The fact that so few people become doctors despite the job's salary, stability and prestige tells us that somewhere in the pipeline of medical training and accreditation lurks a bottleneck.

Conservatives have put forward one possible solution: tort reform. Liberals should give it careful consideration.

Trevor Burnham
Missoula, Mont., July 31, 2007