

Centre for Research Excellence in Medical Workforce Dynamics

Medicine in Australia: Balancing Employment and Life (MABEL)

Funding and incentives. Evidence from MABEL

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Aims

- Summarise MABEL evidence on trends and differences in earnings
 - GPs and specialists
 - Males and females
 - Rural and metro
- Summarise research on the effect of incentives on hours worked

Measuring earnings

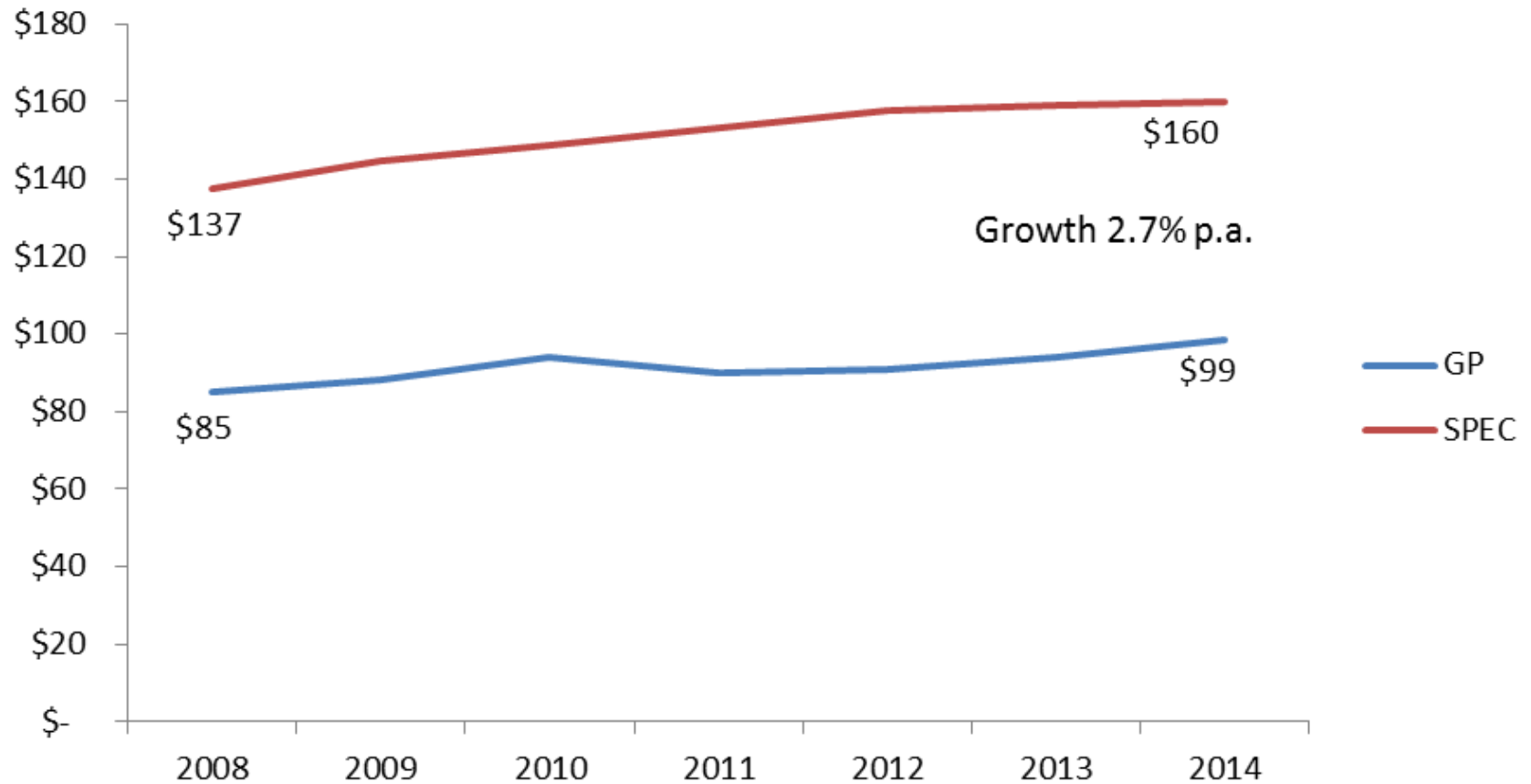
What are your (approximate) TOTAL PERSONAL earnings from ALL of the work you do as a doctor?
(If possible, base this on your last personal income tax return or payslip.) This should be your personal earnings rather than total practice earnings. Please write in ONE COLUMN where you have the most accurate information and can best remember.

	Annual	OR	Fortnightly
Before tax (gross earnings) \$	<input type="text"/>		<input type="text"/>
After tax (net earnings) \$	<input type="text"/>		<input type="text"/>

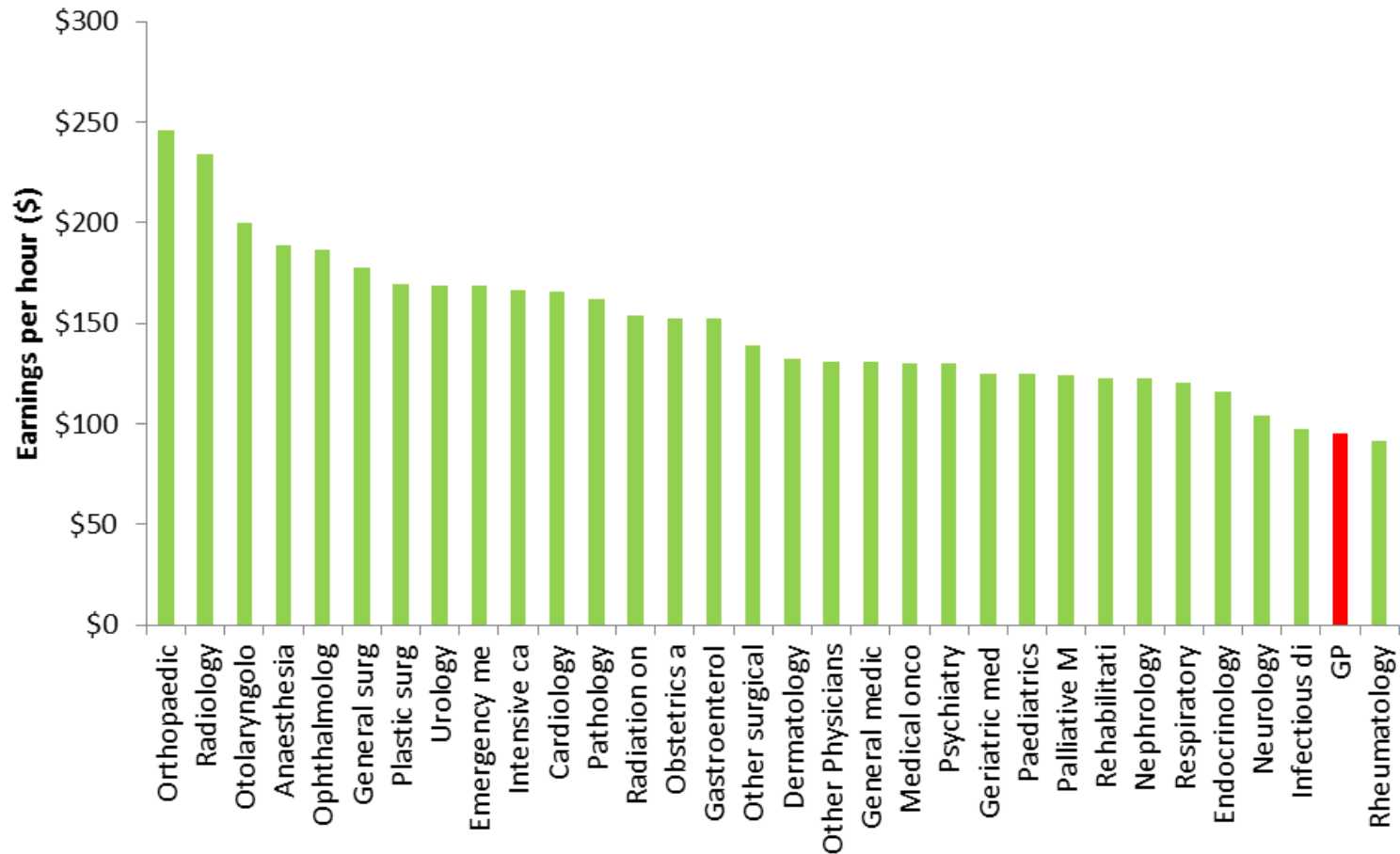
■ Methods

- Analysis calculates gross (before tax) earnings per hour
- In 2015 prices (adjusted for inflation)
- Most data based on samples of 5,000 to 6,000 doctors per year
- Data weighted to ensure representative of population

GPs and specialists – median earnings per hour



Earnings by specialty (median, 2014)



GPs and specialists

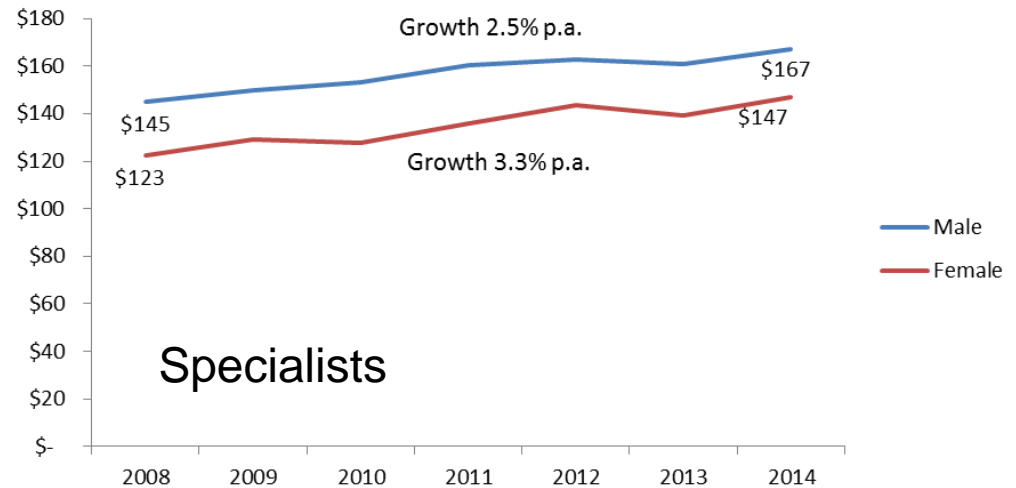
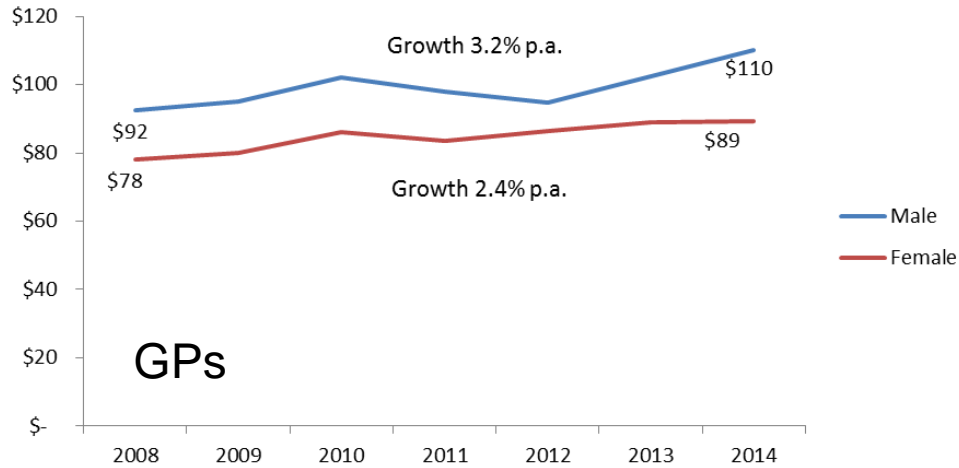
- Why are specialist's earnings higher?
 - Sex, medical school, quals, visa, experience, self-employed, on-call, complex patients, state, rurality
 - 50% of the gap can't be explained by differences in characteristics

Cheng TC, Scott A, Jeon S, Kalb G, Humphreys J & Joyce C. 2011. What factors influence the earnings of general practitioners and medical specialists? Evidence from the Medicine in Australia: Balancing Employment and Life survey. *Health Economics*, 21(11): 1300-1317.

- Do differences in earnings influence specialty choice?
 - increasing GP relative earnings by 10% would increase the number of GPs by 9.5%.
 - further research on specialty choice is underway

Sivey P, Scott A, Witt J, Joyce C & Humphreys J. 2012. Junior doctors' preferences for specialty choice. *Journal of Health Economics*, 31(6): 813–823.

Male and female earnings

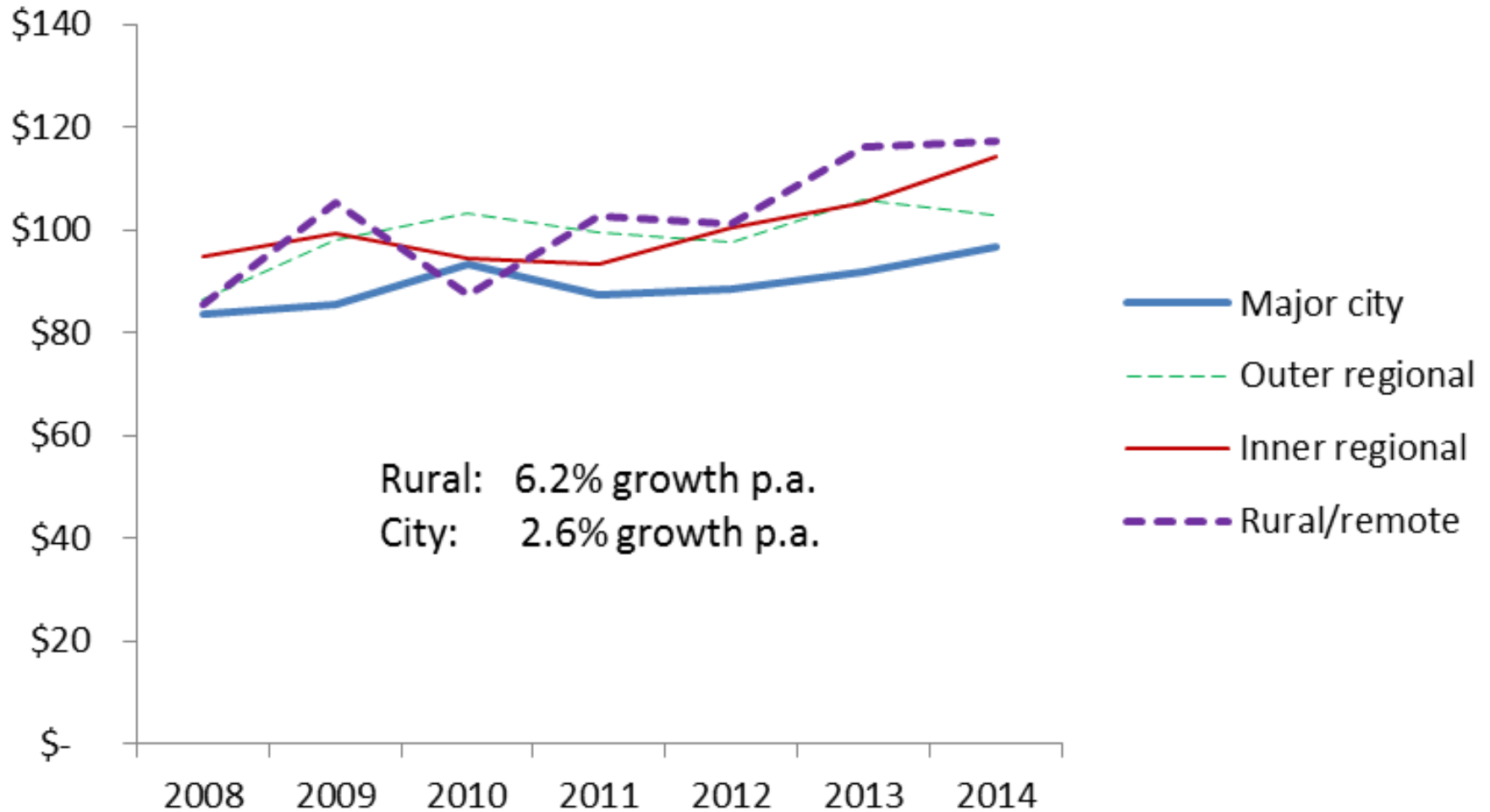


Males and females

- Why do males earn more than females?
 - Gap is larger with children
 - ‘Carer effect’: female GPs with children earn over \$30,000 less than female GPs without children
 - ‘Breadwinner effect’: male GPs with children earn over \$45,000 more than male GPs without children.
 - Females with children work fewer hours, spend more time out of the workforce, less qualified, less likely to be self-employed.

Schurer S, Kuehnle D, Scott A & Cheng TC. A man's blessing or a woman's curse? The family-earnings gap of doctors. *Journal of Industrial Relations* (forthcoming).

Rural and metro GPs



Rural and metro GPs

- Size of incentives to persuade metro to go rural is much higher than what is currently offered

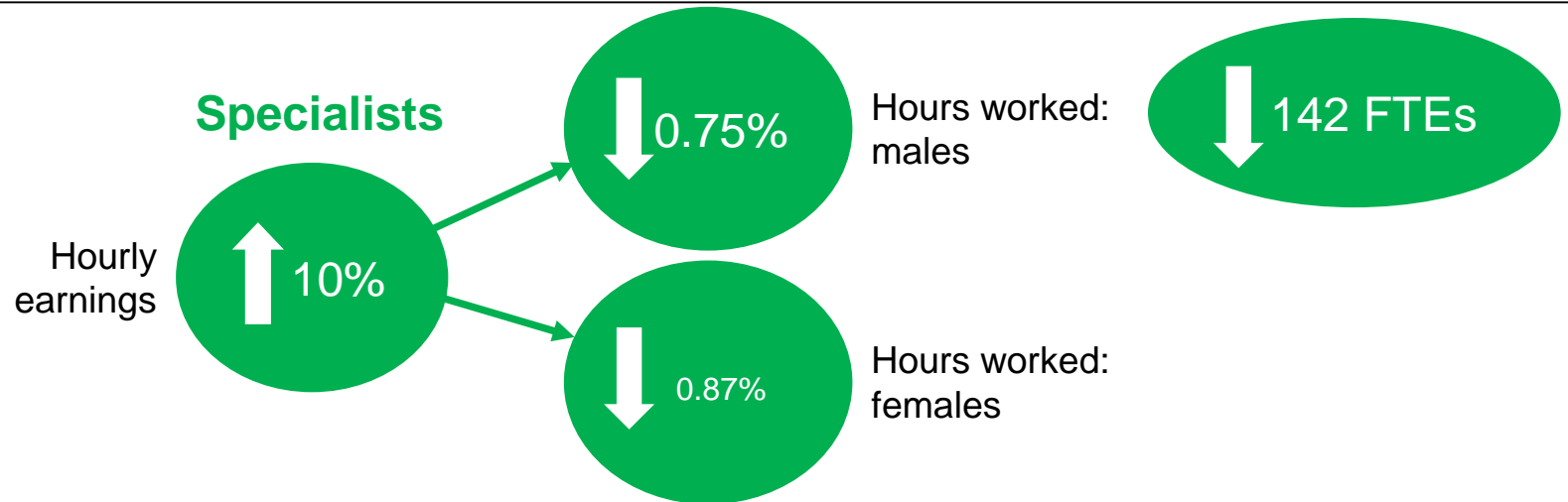
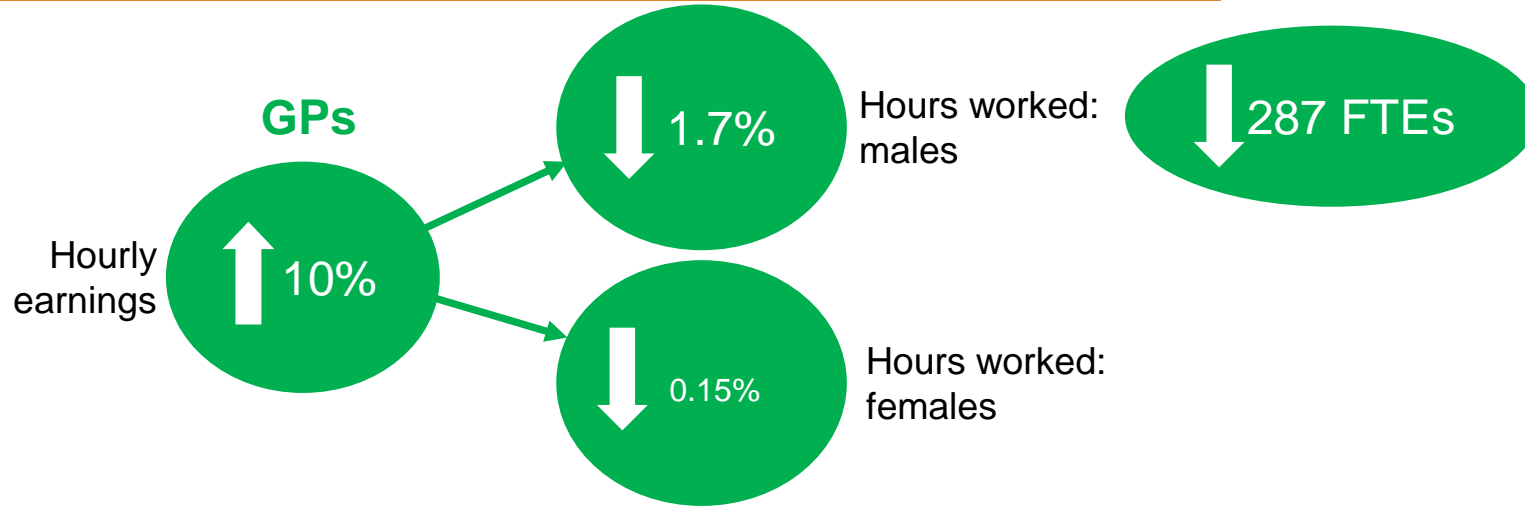
Scott A, Witt J, Humphreys J, Joyce C, Kalb G, Jeon SH & McGrail M. 2013. Getting doctors into the bush: General Practitioners preferences for rural location. *Social Science and Medicine*, 96: 33–44.

- Most effective type of incentive to retain GPs would be locum relief.

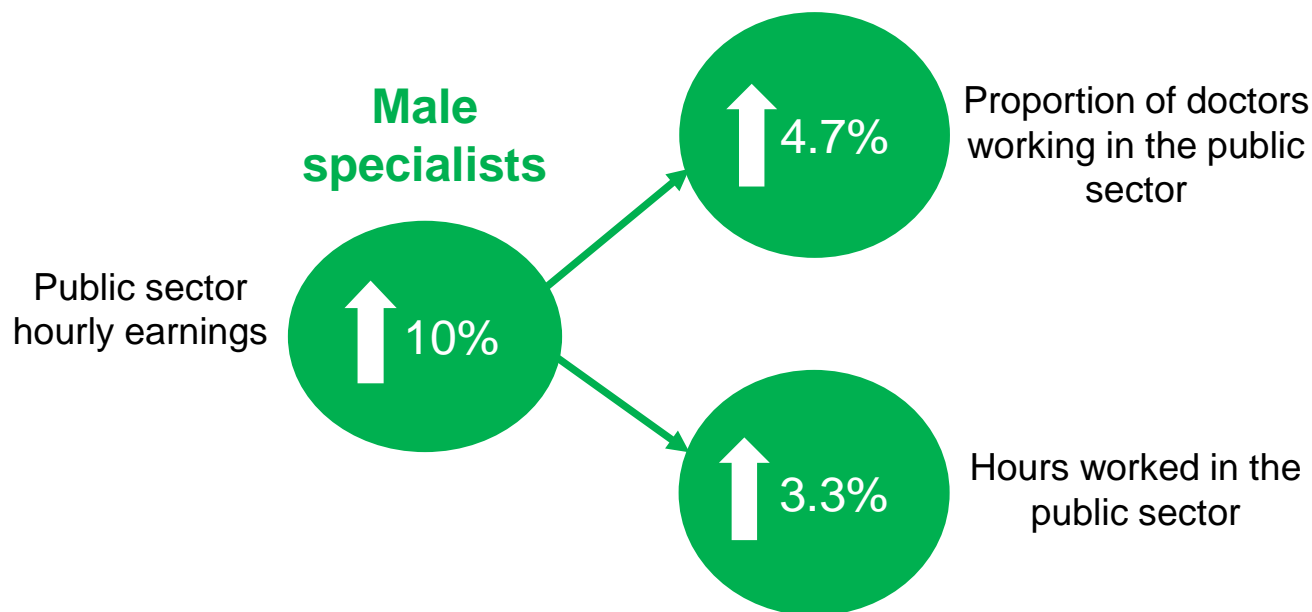
Li J, Scott A, McGrail M, Humphreys J & Witt J. 2014. Retaining rural doctors: doctors' preferences for rural medical workforce incentives. *Social Science & Medicine*, 121:56-64.

- Ongoing research on effects of incentives on rural choices

Effect of incentives on hours worked

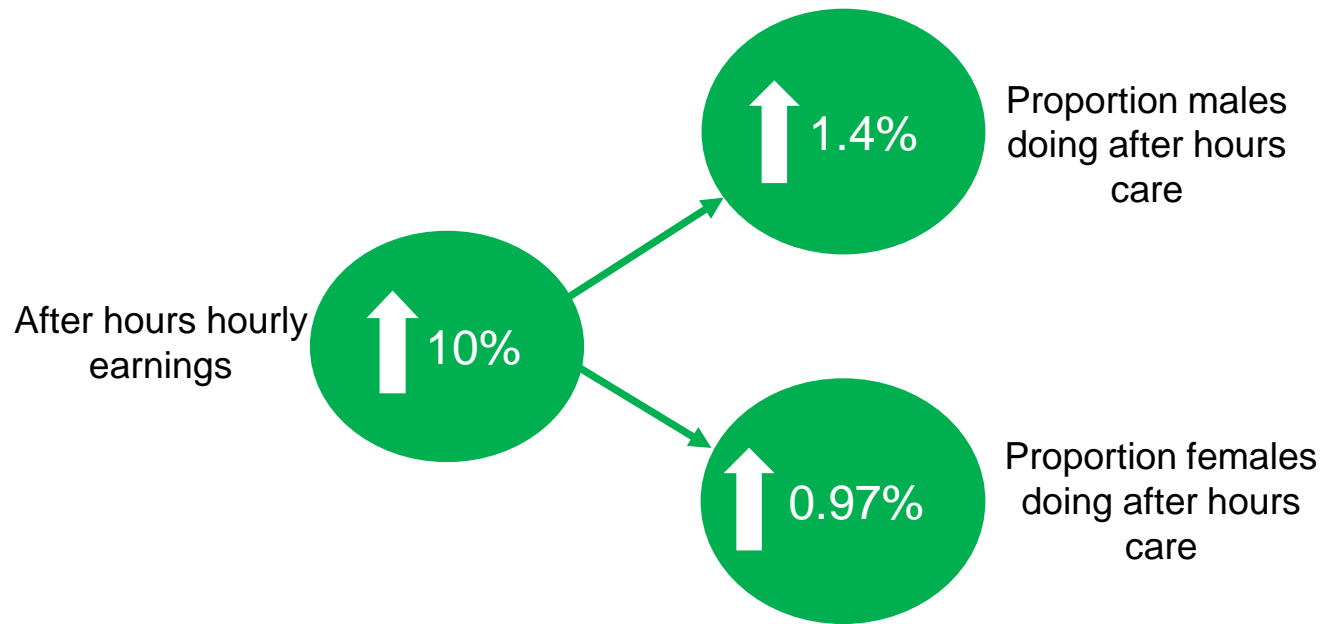


Effects of incentives on time spent in public and private sector for specialists



TC Cheng, G Kalb and A Scott. Public, Private or Both? Analysing Factors Influencing the Labour Supply of Medical Specialists. Melbourne Institute Working Paper Series 40/2013

Effects of incentives on the provision of GP after hours care



Broadway B, Kalb G, Li, J, Scott A. Do Financial Incentives Influence GPs' Decisions to Do After-Hours Work? A Discrete Choice Labour Supply Model. Melbourne Institute Working Paper No. 12/16, Melbourne Institute of Applied Economic and Social Research, The University of Melbourne, 2016.

Summary

- Above inflation growth in GP's and specialist's earnings (up to 2014)
- Continuing earnings gaps between males and females, GPs and specialists, and rural and metro
- Incentives can affect hours worked, the distribution of specialists between sectors, and after hours work by GPs
- Implications for fee freeze, MBS Review, Health Care Home?