

would relate to the extent to which the older practitioner could still maintain a patient load. To put it another way, how would the older practitioner be paid when there is a decrease in his patient load. It would be expected in the larger groups that a paid retirement system would be in effect which would cushion the loss of income of the older practitioner. As the converse factor, one would consider the quantity of new patients seen by a practitioner. This would be especially applicable in terms of assigned work loads to the general practitioner. Given a group of general practitioners, the assignment of numbers of new patients would be a determining factor. Often, the doctor may perform work for the group as an adjunct to another position he may have outside of the group and, therefore, purposely limits his work load.

The type of specialty is also a determining factor in income distribution. The cardiologist in a large group would be paid a higher sum than would the general practitioner or, indeed, the internist or pediatrician. The neurologist is paid on a higher level than is the dermatologist. But the specific formula is determined by each group. The book value of the work done by the practitioner would, also, determine the income distribution in terms of volume and comparable cost in private practice.

In the preceding paragraphs, the matter of ownership was discussed. It would be expected that the owner or co-owner would share more heavily in the net profits than would part or junior owners. The extent of ownership would, therefore, be a factor to be considered. Similarly, in a large group practice, the number of patients brought into the group by a doctor, as the result of his participation, would have some bearing upon the income distribution. Another factor, although somewhat remote, would involve the ability of a doctor to stimulate collections. This factor would have some relevancy for the smaller group where there is a more active participation by the practitioners in the business affairs of the group.

Other factors bearing upon income distribution would involve the internal organization of the group in terms of a department or section. When two or more doctors make up a section dealing with a particular specialty, then such matters as the number of new patients referred to or away from that department, value of the work done by the department in terms of comparable costs in solo practice for the same specialty, and collections as a result of work by members of that department are pertinent to

income distribution. An additional factor, which has some bearing in this discussion, is one in which the existing group extends an invitation to an established practitioner to join the group. Of importance here might be the practitioner's prior income before joining the group. The reasons for this are obvious and need no elaboration.

Of comparable studies by the Bureau of Medical Economics of the American Medical Association in 1950³¹ and by Medical Economics Magazine in 1949,³² a group of seventy-three physicians in group practices had their income distribution compared with that of practitioners in solo practice according to the number of years in practice. The mean net income of the group doctor, as compared to the solo practitioner for the first ten years in practice, was comparable. Between the eleventh to twentieth year, the group practitioner earned about \$1,000 more than the solo practitioner. In the third decade of practice, the group practitioner earned about \$6,000 more and in the fourth decade, the difference was in excess of \$9,000 in favor of the group practitioner. The mean net income over the entire period was \$14,253 for the group practitioner and \$11,300 for the solo practitioner.

The factors which bear upon the income distribution of a group practice have been discussed at some length. Various types of income distributions are based upon varying formulae. It would be impossible to describe every combination of remuneration for the practitioner, but several representative types are worthy of extended discussion. In the matter of partners in a group in which there are no employed practitioners and the number in the group is small, all of the expenses would be paid from the gross receipts. A certain percentage may be set aside for reserve or contingency (generally 2 to 5 percent) and of the remainder, 50 percent is divided equally and the remaining 50 percent is divided and prorated according to volume of work produced or other factors. This would be considered the basic "arrangement" of income distribution. A less desirable method of distribution involves a basic salary for each partner based upon prior income, and the net proceeds after reserve deductions might be divided according to the volume of work produced. This latter method would be especially appropriate for several practitioners who decide to combine their solo practices into a group. For a small group already in existence and which decides to expand, it may add to its numbers by employing a practitioner at a fixed salary with