

Differences in Practice Income between Solo and Group Practice

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Abstract

An examination of the distribution of physician incomes between different types of practices could help policymakers and researchers alike to gain an understanding of the effects of different organizational characteristics of practices on the practice of medicine as a whole. This study uses a national database to explore the relationships that exist between practice incomes and practice types vis-à-vis the overall size of practices. The primary data source for this study, which includes 7757 office-based physicians, was provided by the Taiwan Department of Health (DOH), with the dependent variable of interest to this study being the annual gross income of physician practices, while the independent variables are physician practice types and the number of physicians within a clinic. Multiple regression analyses were used to model the logarithm of annual physician practice incomes as a linear function of a set of independent variables. Kruskal-Wallis test results revealed the existence of significant relationships between practice incomes and practice types ($p < 0.001$) and the number of physicians within a clinic ($p < 0.001$). Multiple regression analysis also showed that after adjusting for socio-demographic and professional characteristics, the annual incomes of physicians in both single-specialty or multi-specialty group practices ($p < 0.001$) were higher than those of their solo practice counterparts. This study concludes that after adjusting for other factors, higher practice incomes are enjoyed by physicians in single-specialty or multi-specialty group practices as compared to their solo practice counterparts. The finding of higher incomes for those physicians organized into groups supports the policy call from the DOH in Taiwan for the widespread formation of group practices.