THE ECONOMICS OF MEDICAL PRACTICE*

H. M. SEGALL, *President, Border Branch (M.A.S.A.) 1960*

The practice of medicine deals with the maintainance and improvement of the health of the human being and the preservation and prolongation of human life. With this as his stock in trade, it is obvious that the individual who follows the practice of medicine as a career, is swayed primarily by a sincere mission to serve his fellowmen, and is therefore essentially an altruist and an idealist at heart. It is most unfortunate that the doctor must earn a living in the pursuit of this ideal, for material gain is not the driving force that attracts an individual to medicine, but it is unfortunately something that strongly affects his ability to pursue that ideal. For the doctor today, as a result of the rising cost of living, has been forced to consider the commercial aspect of medical practice. As a business proposition the practice of medicine is the most difficult and demanding method of earning a living; and, if the economic side alone is considered, the capital involved is not justified by the return. There is no more onerous way of earning a living — for the individual doctor cannot devote the time he should to his family, to outside pursuits, or to the necessary holidays and relaxations to maintain his health. It is a precarious existence for the first ten years of practice, when so much can go wrong at a time when, economically, it is impossible to provide adequately for unforeseen circumstances.

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It is therefore necessary, in this material age, for the doctor to discuss and control payment for his services and to deal with the business side of medicine, so that he can follow the practice of medicine and provide adequately for the maintenance and upbringing of his family, the necessities of daily living, and a means of retirement.

With the awakening of the general public to the realization that their most valuable possession is good health and not ownership of a business, a house, or a car, has come the desire to ensure the preservation of this asset. The man in the street now wants to insure not only his business, his house, and his car against fire, theft, and accident, but also himself against ill-health.

Earlier on, the profession had lent its aid in providing a means of payment for medical services for those who desired to have their own doctor, but who could not afford private fees, in the form of being a party to medical benefit societies and later medical aid societies. This inevitably opened up the way to heavier demands on the profession in the way of subsidization — not only to provide, but also to pay for the health of the individual. No other profession or calling agrees to the charging of a different fee for the same commodity — fees in general vary according to what the buyer can afford to pay.

With the establishment and recognition of the medical insurance schemes, a dangerous principle has been adopted — that of subsidizing private concerns. This is the present unrealistic state of affairs and it is felt by a large number of members that it is not fair to ask any profession to subsidize private enterprise, if that profession in turn cannot obtain any subsidy for itself. Having fixed a reasonable and just fee for its services, the profession should cease to recognize any schemes at all that demand discounts or subsidies. If this stand is taken, then a member of the medical profession can follow his calling in a way that, like any other calling, will allow adequate provision for the needs of himself and his family, and not make it necessary to continue to work at all hours until the age of seventy or even longer.

Many members of the Association feel that our approach is impractical and that it creates a dangerous precedent. Unless a principle is adopted that does not ask the profession to attend to the health of the public and in addition help pay for that service, the idea of fixing a ceiling for members of the public who are insured will grow out of bounds, and the Association will no longer speak for a majority of practitioners in this country. Economically the harassed doctor will be driven to take independent action, and this will expose the profession to a very real threat of state medicine — a threat to which an organization such as ours (a voluntary body) has no answer.

If, on the other hand, it is felt by the majority of members

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that the payment of doctors *is* the concern of the Association, then the answer is to establish, on a non-profit basis, an insurance scheme which will cover all groups of the public, but which will remain under the control of the Association. The nucleus of such a scheme exists in the Transvaal in the form of the Medical Services Plan which is sponsored by the Association. The extension of this Plan, or even the handing over of the scheme to an insurance company to run under the control of a board on which the majority vote will be in the hands of doctors, would not only adequately provide an efficient service, but would guarantee that there could be no interference by any private business concern, and that the economic side of medical practice would not deteriorate any further. To achieve this would mean some considerable reorganization of our Association — a step that should result in giving the profession a better status than it enjoys today.

I feel that the time has now come for our organization to appoint a trained business manager whose duties will be to deal with the economic side of medical practice. I hope that the near future will see this ideal materialize.