

Exit Strategies: The Timing and Pattern of Physician Retirements in British Columbia

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Objectives

When physicians retire and how they practice in the years preceding retirement are crucial intelligence for health human resource planning, yet, we currently know precious little about when/how BC's physicians retire. We 1) identify/describe patterns of retirement for BC's physician population, and 2) determine key determinants of when/how physicians retire.

Population Studied

All physicians in BC who were age 50 or older as of March 31, 2005.

Methods

This is a retrospective cohort study that used population-based, administrative data. We used BC's Medical Services Plan (MSP) physician payment files for the fiscal years 2005/06-2011/12 to track fee-for-service (FFS) payments, and data from the Ministry of Health's Alternative Payment Program database, to track payments made outside of traditional FFS arrangements, including salary, service contracts, sessional fees, and others. These two datasets together encompass 100% of the payments made to physicians for clinical care in BC during the study period. We adjusted the fees for inflation up to 2012 levels. We defined retirement using three approaches: status change from "active" to "retired" in the physician registry; no billings for 365 consecutive days; or falling below and maintaining less than \$10,000 annual billings. We further identified four distinct patterns of practice activity in the years preceding retirement: slow decline, rapid decline, sudden drop-off, and increasing activity. We examined the patterns/timing of retirement by age, sex, specialty, and practice location using multivariate linear and logistic regression models.

Findings

The study cohort included 4693 physicians who billed in at least one year (2005/6-2011/12). 1394 (29.7%) physicians stopped billing for 365 consecutive days, 1260 (26.85%) fell below and maintained less than \$10,000 worth of billings, and 228 (4.86%) moved from "active" to "retired" in the College registry. Between 10% and 12% of physicians who maintained an active license delivered less than \$10,000 worth of billable care each year. Average age of retirement was 62-64, depending on the retirement definition used. Controlling for other demographic and practice characteristics, women retired earlier (4.8 years, $p < 0.0001$) and were more likely than men to slowly reduce their activity levels rather than suddenly ceasing practice. Physicians who were trained outside of Canada and those practicing in metropolitan areas retired significantly later (2.3 years, $p < 0.0001$ and 5.2 years, $p < 0.0001$ respectively). We found no difference in age at retirement by practice specialty.

Policy Implications and Conclusions

Defining retirement based on an explicit move from "active" to "retired" in the physician registry vastly underestimates the number of physicians no longer delivering care. Also, the majority of BC's physicians are retiring before age 65 and reduce practice activity in the years preceding retirement. This information is important for more accurately estimating effective physician supply, since headcount-based approaches, which are currently used by many policy makers, will overestimate the number of physicians who are active and the amount of care they provide.