



Maybe a New Day for Doctors' Pay

Written On November 9, 2009 By [Bob Kraft](#)

Robert H. Frank, an economist at Cornell University, has written an [interesting article](#) for the New York Times regarding money earned by physicians. The gist of the article (rather densely written as you would expect from a professor of economics) is that one reason health care costs are so high is that doctors are paid according to how many procedures they order or perform. The financial incentive is to order more and more tests so the doctors' pay will be higher. Of course Professor Frank acknowledges that most doctors "undoubtedly recommend only those tests and procedures that they sincerely believe to be in their patients' best interests."

Still, if doctors were paid a salary, as they are at the non-profit Mayo Clinic, medical care could be delivered at a lower cost, as in fact it is at the Mayo Clinic. As I said, it's an interesting article, and worth reading.