

EEOC Challenges Physician Pay Practices of Texas County Health Department

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On August 31, 2017, the U.S. Equal Employment Opportunity Commission (EEOC) in Dallas filed a federal lawsuit in the Eastern District of Texas, Sherman Division, against Denton County, Texas, alleging violations of the Equal Pay Act with regard to Denton’s compensation of two physicians in the county health department. The suit claims the county discriminated against Dr. Martha C. Storrie, a primary care clinician with the health department since October 2008, by “paying lesser wages to [Dr. Storrie] than it paid to a male physician performing the same job.” The EEOC alleges that in August 2015, Denton County hired a male physician to occupy the position of primary care clinician—the same position held by Dr. Storrie—and that the male physician earned at least \$34,000 more per year than Dr. Storrie did.

This case does not mark a change in direction for the EEOC on equal pay; in fact, the EEOC has made clear that “energetically enforcing equal pay laws is currently one of [its] national strategic priorities.” But it does demonstrate the agency’s willingness to tackle issues in the healthcare industry, including physician pay. According to EEOC Regional Attorney Robert A. Canino, “In the health care field, just as in any other job market, the best medicine for employers ailing from poor pay practices is to remedy gender-based pay disparities that have been premised on outdated sex stereotypes.”

The healthcare industry is ripe for claims such as this from either the EEOC or the plaintiffs’ bar as a result of pay discrepancies that can result from differing educational, residency, and fellowship training backgrounds of physicians. This is because hospitals and healthcare providers are often forced to pay a premium for physicians as a result of their training backgrounds or the need to fill vacancies in certain specialties. Also, most physician employment arrangements and contracts are negotiated on a case-by-case basis, and where pay is not premised solely on productivity or revenue, salary disparities can result. Healthcare organizations may want to carefully review their compensation models—not just with physicians, but for all healthcare workers—for potential pay disparities that could lead to claims such as the one facing Denton County.

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