

NEW PERSPECTIVES: PART II

Physician Compensation: 2012 Report

Michele Fang, MD

Dr. Fang is a member of the Forum Editorial Board and can be reached at michele-fang@uiowa.edu.

There are multiple surveys that report physician compensation and production each year. Each has slightly different survey techniques. For instance, the American Medical Group Association (AMGA) 2012 Medical Group Compensation and Financial Survey provides data on compensation from 225 medical groups representing 55,800 providers and 124 specialties. The 2012 Medscape physician compensation study surveyed 24,216 US physicians across 25 specialty areas between February 1-17, 2012.

Changes seen in the 2012 reports include a 4% to 5% increase in median compensation for primary care physicians based on both the Medical Group Management Association (MGMA) Physician Compensation and Production Survey: 2012 Report and AMGA 2012 Medical Group Compensation and Financial Survey. Other medical specialties averaged an increase of 2.8%, and surgical specialties averaged around 3.4%. This is likely secondary to the increased focus on preventive care and health care reform. However, based on the 2012 Medscape physician compensation survey, 54% of primary care physicians felt that they weren't being fairly compensated. Similarly, a QuantiaMD study of physician well-being in July 2012, which included approximately 5,700 physicians, showed that 26% of primary care physicians reported poor financial health, 43% had trouble covering costs, and 18% had their salary reduced over the last one to two years. Reasons for the financial difficulties include decreased reimbursements and increased costs. Without primary care physicians, it will be difficult to fulfill primary care-

centric models such as the patient-centered medical home and to accommodate new patients brought in by the Affordable Care Act (ACA). In response to this, insurance companies such as WellPoint, the nation's second largest insurer, began paying bonuses to primary care physicians in their networks.

The MGMA Academic Practice Compensation and Production Survey for Faculty and Management: 2012 Report, which is based on 2011 data from more than 20,000 faculty physicians and non-physician providers across all specialties, found that physician compensation in academic settings continues to trail that of physicians in private practice. For instance, anesthesiologists earned \$326,000 in median compensation in academic settings and \$407,292 in private practice.

In addition to salaries, many physicians qualify for bonuses and incentives based on performance. In a 2011 Today's Hospitalist Compensation and Career Survey, 70% of hospitalists reported having some form of bonus and incentive program. On average, hospitalists reported that 18% of their annual income (or \$45,000 per year) came from bonuses and incentives. Measures used to calculate bonuses and incentives include meeting productivity standards, improving quality and/or core measures, and participating on committees. Factors associated with higher bonuses include working in a local hospitalist group, having high volumes, and living in a higher-paying geographic area. (Southwest averaged \$77,000, while Northeast averaged \$33,000 in bonuses.)

Yet does money equate with happiness? The 2012 results for the

Medscape Physician Lifestyle Report show that on a Likert scale, with 1 being very unhappy and 5 being very happy, internists ranked themselves as 3.88, which was tied with gastroenterologists and neurologists in the least-happy group. Only 45% of internists felt that they were fairly compensated according to the Medscape Internist Compensation Report: 2012 results. Of these, 61% felt that they would choose medicine again as a career, but only 25% would choose the same specialty. In contrast, 71% of dermatologists surveyed on the Medscape Dermatologist Compensation survey felt that they were fairly compensated, and 69% said they would choose the same specialty. These factors contribute to dermatologists being some of the "happiest physicians on the block."

In conclusion, although increases in salaries and bonuses were seen for internal medicine this year, a large number of internists feel undercompensated—especially with increasing overhead costs and decreasing reimbursement. A physician's financial health plays a large role in overall job satisfaction, but other factors such as personal family time, respect among colleagues, and lessening the burden of administrative work play important roles as well. Because general internal medicine and family medicine physicians are essential to health care reform policies as outlined in the ACA, care needs to be taken to improve the overall satisfaction of physicians.

Suggested Reading

Flatt T. 2012 Medical Group

Compensation and Financial

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Survey finds continued financial losses, average increases in physician compensation at 2.8%. http://www.amga.org/AboutAMGA/News/article_news.asp?k=592 (accessed on August 2, 2012)

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New MGMA survey details influences on physician compensation in academic settings. <http://www.mgma.com/press/MGMA-survey-details-influences-on-physician-compensation-in-academic-settings/> (accessed on March 28, 2012)

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