



## Physician Compensation

A Review of Compensation Metrics for 5 Key Areas:  
Primary Care, Cardiology, Neurosurgery, Medical Oncology,  
and Orthopedics

Presented by:

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Physician Practice Valuations Practice Leader

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## Today's Discussion



- I. Metrics of Physician Compensation
- II. Specialties
- III. Other Considerations

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## Metrics of Physician Compensation

### SECTION I

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Metrics Considered



- Compensation in the form of Total Cash Compensation
- Productivity in the form of Work Relative Value Units (wRVUs)
- Productivity in the form of Collections for Professional Services
- Compensation to wRVU Ratio
- Compensation to Collections Ratio

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Survey Data



- Clinical physician data from the following surveys for the past three years is summarized and averaged for purposes of this presentation
- Sullivan, Cotter and Associates, Inc.: 2011 Physician Compensation and Productivity Survey Report (SullivanCotter Survey)
  - American Medical Group Association: 2011 Medical Group Compensation and Financial Survey (AMGA Survey)
  - Medical Group Management Association: 2011 Physician Compensation and Production Survey (MGMA Survey)
  - 2011 NERVES Socio-Economic Survey (NERVES Survey) for specialty of Neurosurgery

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Data from Five Specialties

SECTION II

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## Primary Care

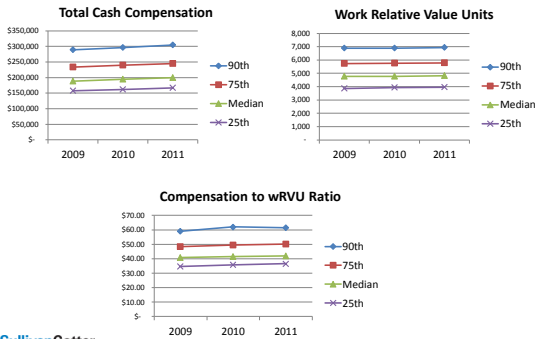


- Includes:
  - Internal Medicine
  - Family Practice
- General Observations
  - Activity has dramatically escalated
  - Large disparity in valuation practices
  - Compensation trends are moving away from pure productivity models

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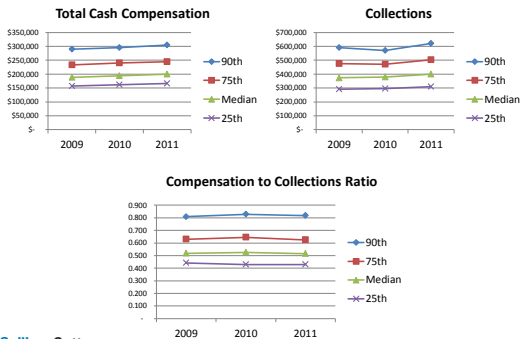
## Primary Care



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## Primary Care



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## Cardiology

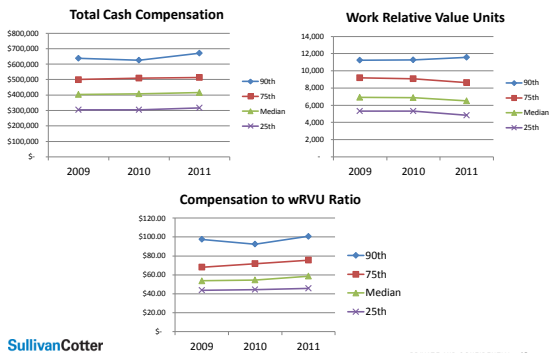


- Cardiology – Information provided for:
  - Non-Invasive
  - Invasive (non-interventional)
  - Invasive Interventional
  - Electrophysiology
- General Observations
  - Activity is still present but much slower than the last few years
  - Health system involvement has stabilized compensation
  - Utilization of professional services agreements has steadily increased

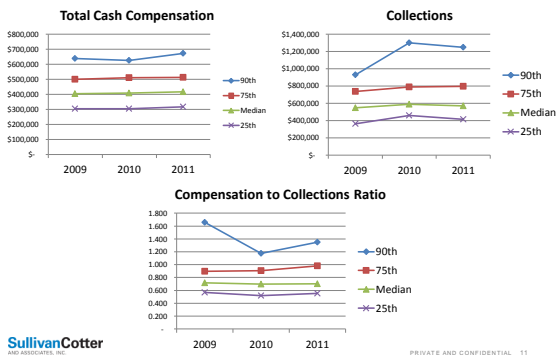
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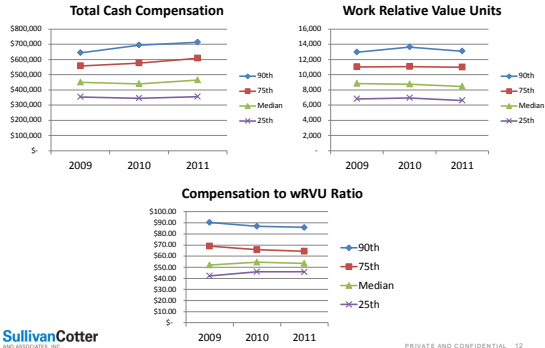
## Cardiology – Non-Invasive



## Cardiology – Non-Invasive



## Cardiology – Invasive




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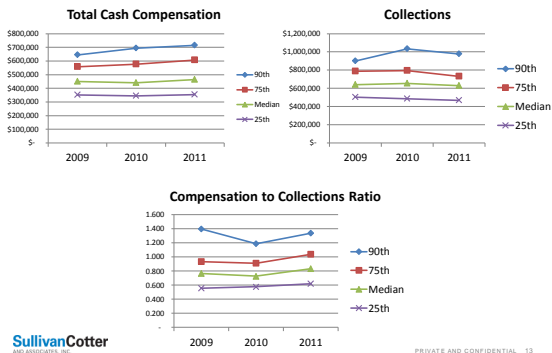
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## Cardiology – Invasive




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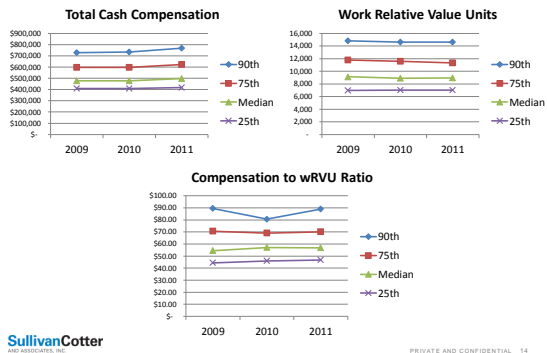
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## Cardiology – Interventional




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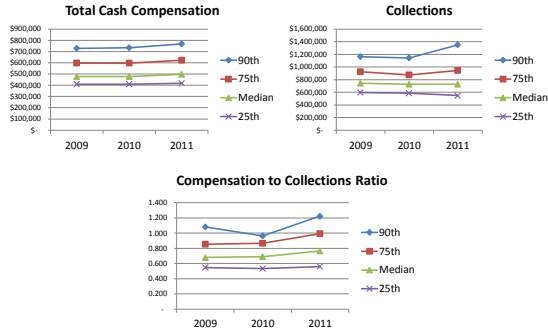
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Cardiology – Interventional



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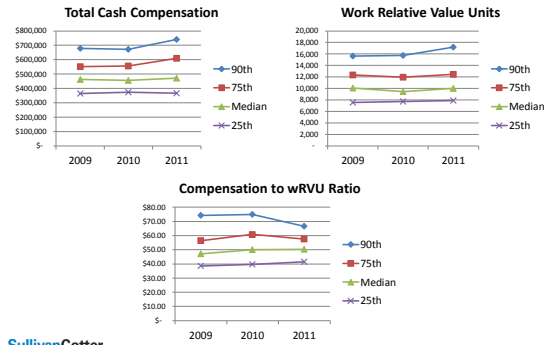
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Cardiology – Electrophysiology



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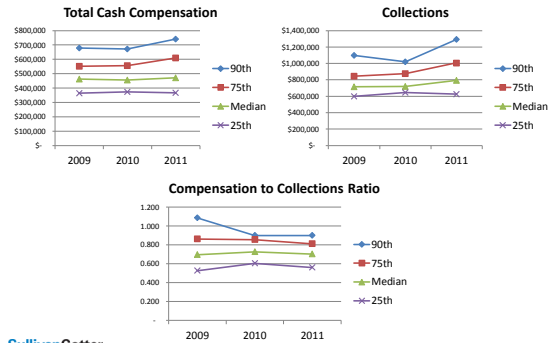
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Cardiology – Electrophysiology



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## Neurosurgery



### General Observations

- Not a specialty that we see as much acquisition activity
- Transactions are generally driven by demand for services and supply of neurosurgeons
- Significant activity in on-call services

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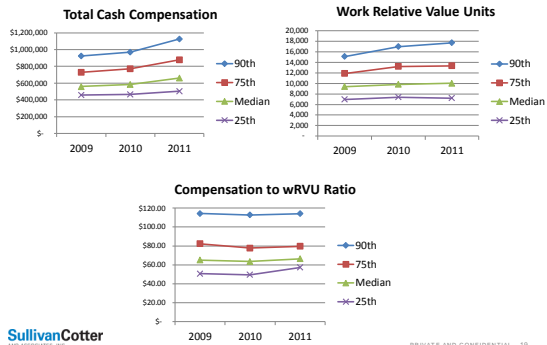
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## Neurosurgery



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## Neurosurgery



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Medical Oncology



General Observations

- Drug costs are a primary driver of health system/physician transactions
- Private practice ancillary revenues create high compensation to wRVU ratios and high compensation to collections ratios
- Transaction activity has increased

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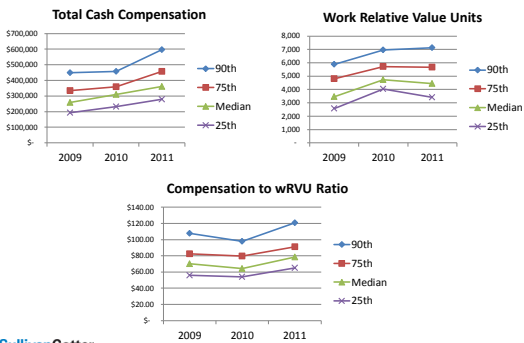
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Medical Oncology



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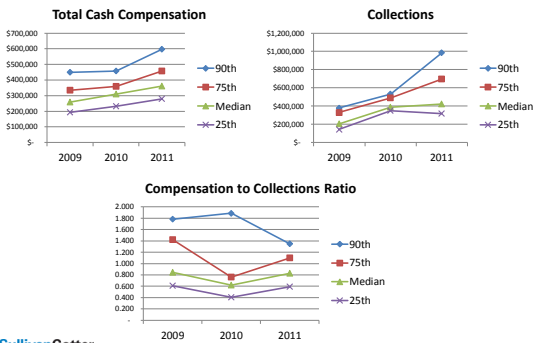
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Medical Oncology



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Orthopedic Surgery



- General Observations
  - Of the specialties reviewed, orthopedics has shown smallest change in compensation
  - Another specialty with significant on-call agreements
  - Transactional activity is present but not at levels of other specialties

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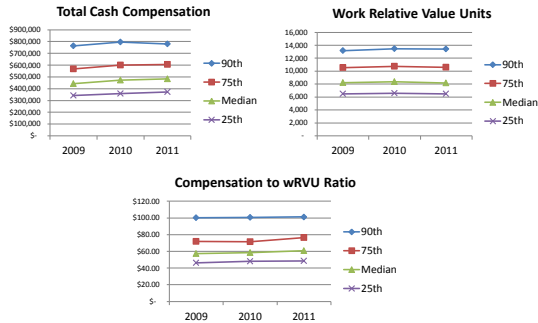
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Orthopedic Surgery



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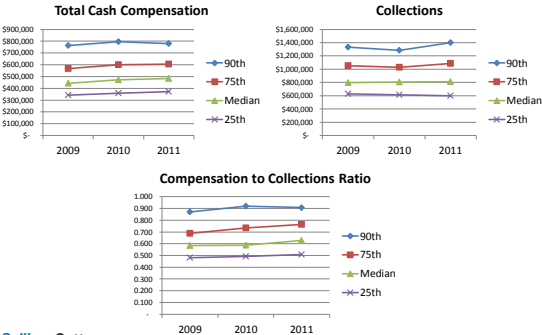
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Orthopedic Surgery



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## Other Considerations

### SECTION III

### Other Considerations to Physician Compensation



- Regional and Local Influences
- Competitive Environment
- Trauma Certification
- Academic vs. Clinical Institutions
- Reimbursement Changes
  - Medicare
  - Commercial
- Commercial Reasonableness



## Questions?

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