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American Medical Group Association's 2014 Medical Group Compensation and Financial Survey Reports Improved Financial Performance, Average Increase in Physician Compensation at 2.9 percent

ALEXANDRIA, VA - The American Medical Group Association (AMGA) today announced findings from its 2014 Medical Group Compensation and Financial Survey, conducted by the national consulting firm of Sullivan, Cotter and Associates, Inc. Findings show an increase in the number of provider organizations reporting stronger financial performance for the second year in a row. The survey reported that groups, on average, broke even financially, with groups in the eastern region reporting positive operating margins. The survey also found small upward and downward movements in compensation based on specialty area. Average increases in compensation in 2013 were slightly higher than in 2012. The overall weighted average increase in 2013 compensation was 2.9 percent, up from 1.6 percent from 2011 to 2012.

"After years of facing financial hardship, medical groups and other organized systems of care are improving their financial performance," commented Donald W. Fisher, Ph.D., CAE, president and chief executive officer of AMGA. "Our members have worked diligently to offer the highest quality, most efficient medical care at the lowest cost and their efforts are slowly beginning to pay off with their diligent cost savings translating in stronger financial performances. This is another example of the superiority of the integrated, coordinated model of care delivery. As these medical groups strive to become high-performing health systems, they are investing in improvements in care processes and infrastructure that will provide patients with better health outcomes, enhanced care experience, and lower costs well into the future. It is gratifying to see their efforts are also resulting in financial gains, and we hope they can continue to improve financial performance."

Survey results showed that 68 percent of specialties experienced increased compensation in 2013, although increases for the most part were small.

- Primary care specialists saw an increase of 3.8 percent, up from 2.8 percent
- Other specialties saw an average of 1.8 percent, up from 1.6 percent
- Surgical specialties saw an average of 3.0 percent, up from 0.5 percent.

Specialties experiencing the largest increases in compensation were seen in gastroenterology at 9.0 percent, cardiac/thoracic surgery at 8.2 percent, emergency medicine at 5.2 percent, and neurology at 5.1 percent.

The AMGA 2014 Medical Group Compensation and Financial Survey gives a complete financial picture of medical group operations in one volume, providing compensation, productivity, and financial operations data from healthcare providers throughout the United States including 134 specialties, 30 other healthcare provider positions, and 30 administrative positions. The data reflects responses from 289 medical groups, representing approximately 73,700 providers. Specific data measured within the survey includes starting salaries by specialty; medians, means and percentiles; compensation/productivity ratios and comparative data from previous surveys; as well as analysis by group size and geographic region.

Financial profiles within the survey are provided per physician FTE, square footage, and work RVU. In addition to staffing profiles, financial data includes medians, capitation impact, accounts receivable analysis, and department level analysis. Also included is a section designed to examine data specific to the academic/faculty practice environment.

About the American Medical Group Association

The American Medical Group Association (AMGA) represents some of the nation's largest, most prestigious medical practices, independent practice associations, accountable care organizations, and integrated healthcare delivery systems. AMGA's mission is to support its members in enhancing population health and care for patients through integrated systems of care. More than 150,000 physicians practice in AMGA member organizations, providing healthcare services for 120 million patients (approximately one in three Americans). Headquartered in Alexandria, Virginia, AMGA is the strategic partner for these organizations, providing a comprehensive package of benefits, including political advocacy, educational and networking programs, publications, benchmarking data services, and financial and operations assistance. www.amga.org

About Sullivan, Cotter and Associates, Inc.

SullivanCotter is the leading independent consulting firm in the assessment and development of tailored total compensation and reward programs for tax-exempt, not-for-profit organizations. For more than 20 years, the firm has provided executive and employee compensation, governance, and physician compensation counsel to a wide variety of health care and higher education organizations, associations and foundations. A recognized leader in health care compensation benchmarking, trends and analyses, SullivanCotter has also developed the most widely recognized physician and health care executive compensation surveys in the United States. Building from this unparalleled data, the firm works closely with executives, boards and compensation committees to devise innovative solutions to attract and retain leadership talent while satisfying not-for-profit missions and regulatory requirements.

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Limited copies of this year's survey are available for working press. For press copies, contact Tom Flatt at tflatt@amga.org. Surveys are also available for purchase for \$350 to AMGA members and \$700 to non-members. To order, visit www.amga.org or contact AMGA at (703) 838-0033, ext. 362 or cjibbs@amga.org. Survey data is also available in a subscription-based, interactive, online database. For details, contact cjibbs@amga.org or visit www.amga.org.