

# Modern Healthcare

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SURVEY

PHYSICIAN COMPENSATION

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CRAIN

## Pandemic may pound lopsided physician pay model into shape

By Ginger Christ

ISTOCK/MODERN HEALTHCARE ILLUSTRATION

**E**MPTY DOCTORS' OFFICES. Closed emergency departments. Postponed surgeries.

As the COVID-19 virus spread across the country, so too did its effects on medical providers. Fields that historically have been in high demand saw furloughs, while others saw pay cuts and even layoffs as elective procedures were restricted and patients delayed care to minimize exposure to the virus.

Physicians were not immune. Many saw pay or benefits cut. Among them were doctors at Mayo Clinic in Rochester, Minn., which in late April cut physician pay by 10% and physician executive salaries by 15% to 20%, depending on the position, a system spokesperson said. Those reductions lasted just shy of two months.

More broadly, an estimated 18% of physicians treating COVID-19 patients experienced furloughs or pay cuts, while 30% of those not treating COVID-19 patients had their pay reduced or were put on furlough, according to a report by physician staffing firm Merritt Hawkins and the Physicians Foundation.

While it's hard to predict exactly how the mass reductions will affect long-term physician compensation, pandemic-driven changes in compensation could be harbingers of larger changes in the industry, experts say. If the current surge continues and another mass cancellation of elective procedures occurs, health systems will be less likely to be able to protect physicians financially, said Dave Hesselink, principal at SullivanCotter, a

workforce consulting group.

For years, physician compensation had crept upward, and 2019 was no exception. Last year, most specialties saw a 2% to 3% gain, yet there weren't corresponding productivity increases, Hesselink said.

Many employers that previously considered shifting away from fee-for-service and productivity-based models now may make that leap. Already in 2020, some of the larger health systems have started asking how to realign their compensation models now that volumes have crashed, Hesselink said. "One's got to consider, as we worry about the economic fragility of the system, 'Can we really sustain the end result of that model?'" said Mark Ryberg, a principal at SullivanCotter.

### Now is the time

Travis Singleton, executive vice president of marketing and sales for Merritt Hawkins, said if large hospitals were ever going to move to quality, "now is the time to do it, if for no other reason than they kind of have to."

"When you shut down those procedures overnight, we saw specialist income fall to the floor because they're so dependent on procedural income," Singleton said. And it leaves an opportunity to move to value-based models, in which "the primary-care provider is the quarterback of the system," he said.

However, not all health systems are looking into new models, said David Wildebrandt, managing

### THE TAKEAWAY

Pandemic-driven changes in compensation could be harbingers of new pay models, experts say.

director of consulting firm BRG's healthcare performance improvement practice. Many of his clients are primarily focused on recovering patient volume and finding ways to operate more efficiently throughout the pandemic.

## Survey results

Looking back at 2019, it was a decent year for most types of doctors, according to Modern Healthcare's 27th annual Physician Compensation Survey, which analyzes compensation levels from surveys of 10 placement firms.

This year's results are expected to be particularly useful. As systems decide how to best handle physician compensation moving forward, they will need to rely on data from before the pandemic to inform decisions, experts said. The next two years will likely be volatile, and 2019 data can serve as "an anchor point," Hesselink said. "This is really the last stable set of market data we have collected," he said.

In 2019, the overall average of the reported median physician compensation rose 2.7% from the previous year to \$412,294. Urologists saw the largest year-over-year gains, recording an 8.8% increase to an average compensation of \$484,130, according to the survey. Pathologists' compensation, meanwhile, took the biggest hit, falling 0.7% to an average compensation of \$347,037.

In 2019, to combat the supply and demand mismatch,

## Change in physician compensation

Percentage change, after adjusting for inflation, for select specialties

	Avg. 2020 compensation	Percentage change from 2016
Cardiology invasive	\$620,596	11.1%
Orthopedic surgery	\$615,979	8.8%
Family practice	\$261,952	7.5%
Anesthesiology	\$442,692	5.1%
Gastroenterology	\$516,298	3.8%
Internal medicine	\$269,740	2.7%

Sources: Modern Healthcare Physician Compensation Survey, Bureau of Labor Statistics' CPI Inflation Calculator

health systems continued to offer incentives to physicians like academic or leadership roles, more paid time off, productivity bonuses and reimbursements, according to Pinnacle Health Group, a physician recruiting group. Others dramatically increased student loan forgiveness programs and signing bonuses and offered flexible work schedules like four-day work weeks, according to Gallagher, a compensation consulting firm. ●

## About the survey firms

### AMGA

The Alexandria, Va.-based consultancy and professional membership organization, which represents large multispecialty medical groups, surveyed 110,236 physicians and 317 organizations representing 152 positions/specialties. The survey was conducted January to May 2020. For more information, contact Christopher Gibbs at 703-838-0033, ext. 362.

### ECG Management Consultants

The San Diego-based healthcare management consulting firm surveyed 50,000 physicians and 120 organizations representing 165 positions/specialties. The survey was conducted from January to April 2020. For more information, call Maria Hayduk at 469-729-2600. Data submitted is preliminary.

### Gallagher

The Rolling Meadows, Ill.-based healthcare management consulting firm surveyed 68,470 physicians and 233 organizations representing 145 positions/specialties. The survey was conducted from January through June 2020. For more information, contact Rachel Swanson at 612-337-1304. Data submitted is preliminary.

### Jackson Physician Search

The Alpharetta, Ga.-based physician staffing firm surveyed 750 physicians and 321 organizations representing 59 positions/specialties. The survey was conducted from January 2019 through May 2020. For more information, call Lori Schutte at 770-643-5533. Data submitted is preliminary.

### The Medicus Firm

The Dallas-based physician search firm surveyed 2,304 physicians and 243 organizations representing 53 positions/specialties. The survey was conducted from May to June 2019 and includes 2020 placement data. For more information, call Marc Bowles at 214-382-9921.

### Merritt Hawkins

The Dallas-based physician search firm surveyed 3,251 physicians and 1,000 organizations representing 20 positions/specialties. The survey was conducted from April 2019 through March 2020. Its figures represent starting salaries offered rather than overall physician compensation. Full survey results are available free of charge. For more information, call Samantha Avila at 469-524-1570. Data submitted is preliminary.

### Medical Group Management Association

The Englewood, Colo.-based consulting and professional membership organization surveyed 168,783 physicians and 6,398 organizations representing 226 positions/specialties. The survey was conducted January to March 2020. For more information, call the MGMA at 877-275-6462, ext. 1801.

### Pacific Companies

The Aliso Viejo, Calif.-based physician recruitment firm surveyed 5,264 physicians and 616 organizations representing 20 positions/specialties. The survey was conducted December 2019 to April 2020. For more information, contact Chris Kahl at 800-741-7629. Data submitted is preliminary.

### Pinnacle Health Group

The Atlanta-based physician recruitment firm surveyed 155 physicians and 166 organizations representing 51 positions/specialties. The survey was conducted May to June 2020. Full survey results are available free of charge. For more information, call Ashlee Dennis at 800-492-7771. Data submitted is preliminary.

### SullivanCotter

The Chicago-based national independent consulting firm submitted results for two surveys—one from medical groups (Sullivan-M on charts, pp. 14-15) and another from a broader sample of physicians and organizations (Sullivan-P). The medical group survey included 170,953 providers and 308 organizations representing 230 positions/specialties. The physician survey included 243,979 physicians and 829 organizations representing 230 positions/specialties. Both surveys were conducted January through April 2020. For more information, call 888-739-7039 or email surveys@sullivancotter.com. Data submitted is preliminary.

## PHYSICIAN COMPENSATION SURVEY

ANESTHESIOLOGY		
Compensation range: \$473,664 to \$370,000		% change 2018-19
Jackson	\$473,664	2.66%
MGMA	472,059	2.74%
Pacific	467,000	6.86%
Gallagher	465,996	4.37%
AMGA	465,628	6.70%
ECG	454,095	3.90%
Sullivan-M	438,880	1.75%
Sullivan-P	420,602	4.61%
Merritt	399,000	(1.24%)
Pinnacle	370,000	(13.95%)
Medicus	—	—

CARDIOLOGY (INVASIVE)		
Compensation range: \$654,739 to \$534,220		% change 2018-19
Sullivan-M	\$654,739	(1.36%)
Pacific	649,000	12.28%
AMGA	644,073	4.94%
Merritt	640,000	(1.23%)
MGMA	635,021	0.99%
Gallagher	630,640	5.76%
Sullivan-P	626,415	1.17%
Medicus	571,252	4.60%
ECG	534,220	4.40%
Jackson	—	—
Pinnacle	—	—

CARDIOLOGY (NON-INVASIVE)		
Compensation range: \$571,483 to \$409,000		% change 2018-19
Gallagher	\$571,483	10.29%
Sullivan-M	542,386	5.48%
AMGA	532,781	2.46%
MGMA	529,027	2.60%
ECG	514,912	4.90%
Pacific	512,000	8.25%
Sullivan-P	510,764	7.54%
Pinnacle	490,000	8.89%
Jackson	484,166	1.95%
Merritt	409,000	(7.26%)
Medicus	—	—

DERMATOLOGY		
Compensation range: \$525,000 to \$419,000		% change 2018-19
Jackson	\$525,000	25.00%
AMGA	498,331	4.83%
Pacific	496,000	1.43%
Sullivan-M	495,305	(1.48%)
Gallagher	494,740	9.52%
ECG	481,619	1.10%
MGMA	472,363	3.64%
Sullivan-P	470,145	(0.03%)
Medicus	457,650	—
Merritt	419,000	(0.24%)
Pinnacle	—	—

HOSPITALIST		
Compensation range: \$319,401 to \$254,000		% change 2018-19
Sullivan-M	\$319,401	2.32%
Gallagher	317,634	2.67%
MGMA	307,633	1.48%
ECG	303,561	3.90%
Sullivan-P	303,169	2.00%
Pacific	301,000	4.88%
Jackson	298,250	3.92%
Medicus	270,216	(4.60%)
Pinnacle	266,000	(9.74%)
Merritt	254,000	(5.22%)
AMGA	—	—

INTENSIVIST		
Compensation range: \$442,292 to \$344,300		% change 2018-19
Sullivan-M	\$442,292	3.04%
Pacific	434,000	5.60%
Gallagher	431,415	5.20%
MGMA	428,779	3.28%
ECG	427,864	(0.70%)
AMGA	418,200	0.78%
Sullivan-P	411,687	3.80%
Merritt	393,000	13.26%
Pinnacle	344,300	—
Jackson	—	—
Medicus	—	—

INTERNAL MEDICINE		
Compensation range: \$293,696 to \$248,551		% change 2018-19
Gallagher	\$293,696	6.36%
Sullivan-M	290,877	3.46%
AMGA	288,697	5.65%
Sullivan-P	278,541	5.63%
ECG	270,736	4.10%
MGMA	268,658	4.00%
Pinnacle	261,600	0.46%
Pacific	261,000	1.95%
Merritt	255,000	(3.41%)
Medicus	249,788	3.11%
Jackson	248,551	0.79%

NEONATOLOGY		
Compensation range: \$349,000 to \$269,000		% change 2018-19
Pacific	\$349,000	(3.32%)
MGMA	338,743	1.65%
ECG	335,597	3.90%
AMGA	331,998	2.76%
Sullivan-M	325,075	(2.78%)
Gallagher	320,374	6.38%
Sullivan-P	302,236	2.23%
Merritt	269,000	(15.14%)
Jackson	—	—
Pinnacle	—	—
Medicus	—	—

PATHOLOGY		
Compensation range: \$407,704 to \$274,000		% change 2018-19
Sullivan-M	\$407,704	4.50%
AMGA	381,723	3.99%
ECG	374,762	1.10%
Gallagher	364,014	1.93%
Sullivan-P	360,503	4.00%
MGMA	360,127	(3.65%)
Pinnacle	307,500	—
Pacific	293,000	—
Merritt	274,000	13.22%
Jackson	—	—
Medicus	—	—

PEDIATRICS		
Compensation range: \$317,000 to \$214,270		% change 2018-19
Pinnacle	\$317,000	53.14%
Gallagher	275,084	7.85%
Sullivan-M	268,853	2.67%
Jackson	261,000	6.02%
ECG	259,886	4.90%
AMGA	257,432	5.06%
Sullivan-P	252,721	3.11%
Pacific	238,000	(1.24%)
MGMA	231,418	(0.65%)
Merritt	221,000	(8.68%)
Medicus	214,270	(6.54%)

PLASTIC SURGERY		
Compensation range: \$651,250 to \$331,700		% change 2018-19
Gallagher	\$651,250	6.50%
Sullivan-M	616,450	3.92%
Sullivan-P	608,080	6.74%
AMGA	548,999	1.54%
MGMA	535,305	3.17%
ECG	526,651	3.50%
Pacific	433,000	2.36%
Pinnacle	331,700	(33.66%)
Jackson	—	—
Medicus	—	—
Merritt	—	—

PSYCHIATRY		
Compensation range: \$310,000 to \$260,350		% change 2018-19
Pacific	\$310,000	10.32%
AMGA	300,864	1.51%
MGMA	297,708	7.69%
Jackson	292,217	9.52%
Gallagher	291,924	5.55%
Sullivan-M	288,996	3.39%
Pinnacle	287,300	6.41%
Merritt	276,000	1.10%
Sullivan-P	266,521	3.17%
Medicus	265,272	(1.96%)
ECG	260,350	1.30%

EMERGENCY MEDICINE		
Compensation range: \$409,375 to \$335,800		% change 2018-19
Jackson	\$409,375	7.72%
Merritt	389,000	1.83%
Gallagher	381,945	6.37%
Sullivan-M	379,041	1.40%
AMGA	377,921	4.05%
Medicus	373,977	5.99%
MGMA	365,793	0.64%
Pacific	363,000	1.40%
Sullivan-P	358,568	1.30%
ECG	342,253	5.60%
Pinnacle	335,800	(3.66%)

FAMILY PRACTICE		
Compensation range: \$286,532 to \$240,000		% change 2018-19
Sullivan-M	\$286,532	4.94%
Gallagher	284,825	7.00%
Sullivan-P	275,458	5.25%
AMGA	269,860	3.75%
ECG	264,702	2.50%
Pinnacle	257,400	16.53%
MGMA	255,140	3.05%
Medicus	251,223	(5.94%)
Pacific	249,000	(1.19%)
Jackson	247,337	5.37%
Merritt	240,000	0.42%

GASTROENTEROLOGY		
Compensation range: \$563,333 to \$416,700		% change 2018-19
Medicus	\$563,333	12.84%
Sullivan-M	548,314	2.04%
Pacific	544,000	(3.37%)
AMGA	542,948	2.83%
MGMA	536,373	2.34%
Gallagher	527,138	1.72%
ECG	525,552	3.70%
Sullivan-P	511,509	3.63%
Jackson	506,411	(4.07%)
Merritt	457,000	(7.68%)
Pinnacle	416,700	(20.63%)

GENERAL SURGERY		
Compensation range: \$482,394 to \$385,000		% change 2018-19
Gallagher	\$482,394	9.94%
Sullivan-M	470,268	4.03%
ECG	454,038	6.60%
AMGA	451,320	4.68%
Sullivan-P	441,388	5.37%
MGMA	440,759	2.60%
Pacific	435,000	3.33%
Pinnacle	400,000	0.73%
Jackson	396,050	2.72%
Medicus	390,629	(4.61%)
Merritt	385,000	10.00%

NEUROLOGY		
Compensation range: \$367,333 to \$255,000		% change 2018-19
Medicus	\$367,333	18.69%
Gallagher	337,967	3.39%
Sullivan-M	333,400	1.16%
Pacific	331,000	6.09%
Jackson	328,333	1.55%
MGMA	326,054	0.89%
AMGA	321,252	3.46%
ECG	313,698	4.80%
Sullivan-P	310,772	1.92%
Merritt	295,000	(6.94%)
Pinnacle	255,000	(13.56%)

OBSTETRICS/GYNECOLOGY		
Compensation range: \$390,570 to \$285,000		% change 2018-19
Sullivan-M	\$390,570	3.85%
Gallagher	390,280	6.77%
Sullivan-P	370,714	3.77%
AMGA	359,627	5.65%
MGMA	353,638	1.70%
Pacific	346,000	2.67%
ECG	336,019	4.90%
Jackson	333,333	7.92%
Merritt	327,000	2.83%
Medicus	318,525	(3.48%)
Pinnacle	285,000	(4.08%)

ONCOLOGY (INCL. HEMATOLOGY)		
Compensation range: \$481,250 to \$282,500		% change 2018-19
MGMA	\$481,250	(2.50%)
Pacific	473,000	2.16%
AMGA	469,155	4.14%
Gallagher	468,542	20.07%
Medicus	462,114	0.60%
Sullivan-M	446,913	(4.38%)
ECG	446,125	4.40%
Sullivan-P	404,973	(0.08%)
Merritt	403,000	2.54%
Pinnacle	282,500	(30.46%)
Jackson	—	—

ORTHOPEDIC SURGERY		
Compensation range: \$677,277 to \$517,000		% change 2018-19
Gallagher	\$677,277	7.22%
Sullivan-M	668,108	2.88%
Sullivan-P	634,656	3.65%
AMGA	631,900	6.88%
Merritt	626,000	16.79%
Pacific	622,000	4.36%
MGMA	619,050	(0.67%)
Medicus	603,125	0.66%
ECG	594,204	1.40%
Jackson	582,444	11.09%
Pinnacle	517,000	—

RADIATION ONCOLOGY		
Compensation range: \$570,517 to \$341,700		% change 2018-19
Gallagher	\$570,517	(1.53%)
AMGA	545,422	2.48%
MGMA	543,464	(1.52%)
Sullivan-M	541,740	2.98%
ECG	535,769	6.20%
Pacific	535,000	2.49%
Medicus	532,611	—
Sullivan-P	527,714	5.65%
Pinnacle	341,700	(24.07%)
Jackson	—	—
Merritt	—	—

RADIOLOGY		
Compensation range: \$540,859 to \$404,920		% change 2018-19
MGMA	\$540,859	1.70%
Pacific	529,000	6.87%
Sullivan-M	519,502	2.22%
ECG	513,771	3.50%
AMGA	509,447	5.56%
Gallagher	499,926	7.09%
Medicus	492,435	6.11%
Sullivan-P	491,837	4.65%
Merritt	423,000	9.30%
Jackson	404,920	6.24%
Pinnacle	—	—

UROLOGY		
Compensation range: \$507,057 to \$461,250		% change 2018-19
Sullivan-M	\$507,057	1.90%
Gallagher	493,983	6.19%
MGMA	493,700	3.85%
AMGA	486,943	3.66%
Sullivan-P	484,554	2.56%
Merritt	477,000	2.80%
Pacific	477,000	1.27%
ECG	475,682	5.80%
Jackson	466,666	(0.71%)
Medicus	461,250	(2.76%)
Pinnacle	—	—

Note: Figures represent average total annual cash compensation, which includes salary and bonuses. All companies provided preliminary data except AMGA, The Medicus Firm and the Medical Group Management Association. AMGA reported median figures, and Merritt Hawkins' data represents average starting salaries rather than average incomes. Gallagher was formerly known as Integrated Healthcare. Strategies.