



Multispecialty Surveys for Physician Compensation Released

It's the most wonderful time of the year – Survey Season! Beginning in late May each year, numerous industry normative benchmark physician production and compensation surveys begin publishing the most recent year's reports. These healthcare and specialty specific surveys annually report specific types of physician compensation and productivity metrics across the country for various specialties and are widely used by hospitals, physician practices, and healthcare compensation and valuation experts, are often used for the determination of Fair Market Value (FMV) physician compensation for regulatory compliance purposes. Additionally, the government has referenced and utilized industry normative benchmark compensation surveys (including those listed below) in reviewing and litigating physician compensation arrangements, indicating their reliance on this data as well.

Annual compensation amounts are reported by the following well-known industry compensation and production surveys:

- (1) Medical Group Management Association (MGMA);
- (2) American Medical Group Association (AMGA);
- (3) SullivanCotter;
- (4) Gallagher;
- (5) MDRanger; and
- (6) Economic Research Institute (ERI).

Each are briefly discussed below in turn.

MGMA

MGMA is the oldest and largest membership organization representing medical group practice administrators.¹ MGMA provides members with resources and solutions including educational certifications, benchmarking data and statistics, and access to industry experts.² The *Provider Compensation and Productivity Report* annually reports comparative data from more than 350,000 providers from 60,000 medical practices.³

AMGA

AMGA represents the interests of physicians working in group practice settings. The *Medical Group Compensation and Productivity Survey* annually reports data from 459 medical groups, representing 190,000 providers from 197 physician and other specialties, as well as 61 executive positions.⁴

SullivanCotter

SullivanCotter provides compensation advisory services focused on healthcare, and in particular, executive and physician compensation.⁵ The *Physician Compensation and Productivity Survey* annually reports comparative data from 541 healthcare organizations representing 215,400 individual practitioners.⁶

Gallagher

Gallagher, formerly known as Integrated Healthcare Strategies (IHS), publishes compensation survey reports from their Human Resources and Compensation Consulting practice annually.⁷ The *Physician Compensation and Productivity Survey* annually reports data from 110,000 physicians, across 156 specialties and 1,370 sites of service.⁸

MD Ranger

MD Ranger, recently acquired by healthcare consulting firm ECG Management Consultants, compiles more than 350 non-clinical, non-salary physician service payments (i.e., telemedicine, emergency department call coverage, and clinical hourly rates), more than 15 hospital-based stipends by specialty, and reports productivity and salary benchmarks for over 145 specialties, with their data representing over 100,000 physicians nationwide.⁹

ERI

ERI compiles salary, cost of living, and executive compensation survey data, with updated market data, for over 10,000 job titles, 1,100 industries, and 9,000 locations.¹⁰ ERI collects salary survey data from internal surveys, third-party salary surveys, and public sources (such as proxies and 10-Ks) to calculate geographic salary differentials and assist with compensation planning.¹¹ ERI provides employer-reported compensation survey data through its Salary Assessor compensation tool.¹²

Next Wave of Physician Compensation Benchmarking Tools

In addition to the long-standing physician compensation benchmarking surveys, new benchmarking tools are beginning to hit the market. One example is DataRise Provider Compensation Data (PCD), a platform that exclusively reports provider compensation for various local markets, allowing users to filter provider compensation ranges based on numerous practice characteristics.¹³ PCD reports data for over 385,000 data

points representing more than 100 physician specialties and over 250 local markets.¹⁴

Another example of innovative physician compensation benchmarking tools is Phairify, which provides physicians and physician recruiters with benchmarking specific to various specialties, helping physicians find jobs and understand their value.¹⁵ Phairify's benchmarking data is specialty-specific, physician-sourced, up-to-date, and filterable.¹⁶ Physicians that utilize this platform can do so anonymously, and Phairify will match them with job opportunities that match their interests.¹⁷

Other Sources

Healthcare providers, e.g., hospitals and medical practices, can engage firms to assist them in identifying and recruiting a doctor to fill a staffing need. These firms are commonly referred to as a physician recruiting firms. AMN Healthcare's Physician Solutions division, formerly known as Merritt Hawkins, issues an annual review of the search and consulting assignments the firm conducts on behalf of its clients.

For physicians serving as faculty in academic medical centers, the Association of American Medical Colleges (AAMC) publishes an annual report of full-time medical school faculty compensation. The report presents the total compensation attributable to teaching, patient care, and research for over 130,000 full-time faculty, as reported by over 150 accredited medical schools in the U.S.

The United States Bureau of Labor Statistics (BLS) calculates and publishes National Occupational Employment and Wage Estimates from data collected from employers in all industry sectors in metropolitan and nonmetropolitan areas in every state and the District of Columbia.

There are several on-demand compensation databases available to companies and job-seekers to assist with the management of, and expectations for, compensation levels. Well-known salary aggregators include, but are not limited to:

- (1) Doximity;
- (2) ZipRecruiter;
- (3) Salary.com;
- (4) Physicians Thrive;
- (5) Medscape; and
- (6) Glassdoor.

Conclusion

A common method used to determine and support the FMV of physician compensation arrangements involves the use of multiple physician compensation surveys listed above. In the most recent Stark regulations, the Centers for Medicare & Medicaid Services (CMS) stated, "[c]onsulting salary schedules or other hypothetical data is an appropriate starting point in the determination of fair market value, and in many cases, it may be all that is required."¹⁸ However, as physician compensation arrangements are including incentives for quality and value of care at an increasing rate, the reliance on historical benchmark survey data alone may not result in a supportable FMV opinion.

When consulting benchmarking survey data for assessing physician compensation arrangements for FMV, it is important to understand and critically evaluate the quality of the data, as well as the numerous variables that affect the compensation and production as reported by the surveys; consider the credibility of the reported data; and ensure the data selected match the tasks, duties, responsibilities and accountabilities required of the physician, as the determination of FMV is highly dependent on the specific facts and circumstances of the subject arrangement.

1 "Overview & Mission" Medical Group Management Association, 2024, <https://www.mgma.com/overview-mission> (Accessed 7/22/24).

2 *Ibid.*

3 "Provider Compensation and Productivity" Medical Group Management Association, May 2024, <https://www.mgma.com/getkaiasset/252744ee-c63b-4a96-9211-8a5d6b908b39/MGMA-2024-Provider-Compensation-Data-Report.pdf> (Accessed 7/22/24).

4 "Medical Group Compensation and Productivity Survey" AMGA, <https://www.amga.org/amgaconsulting/our-data/medical-group-comp-productivity/> (Accessed 7/29/24).

5 "Physician Compensation and Productivity Survey" Sullivan Cotter, 2024, <https://sullivancotter.com/surveys/physician-compensation-and-productivity-survey/> (Accessed 7/22/24).

6 *Ibid.*

7 "Compensation Survey Reports" Gallagher, <https://www.ajg.com/us/services/compensation-survey-reports/> (Accessed 7/29/24).

8 *Ibid.*

9 "Home" MD Ranger, <https://www.mdranger.com/> (Accessed 7/22/24).

10 "About ERI" Economic Research Institute, <https://www.eri.com/abouteri> (Accessed 7/22/24); "Products" Economic Research Institute, <https://www.eri.com/products> (Accessed 7/22/24).

11 *Ibid.*

12 *Ibid.*

13 "DataRise™ Provider Compensation Data Platform" Health Contract, <https://health-contract.com/downloads/datarise-provider-compensation-data/> (Accessed 7/22/24).

14 *Ibid.*

15 "How-It-Works" Phairify, <https://phairify.com/how-it-works/for-physicians/> (Accessed 7/22/24).

16 *Ibid.*

17 *Ibid.*

18 "Medicare Program; Modernizing and Clarifying the Physician Self-Referral Regulations: Final rule" Federal Register, Vol. 85, No. 232 (December 2, 2020), p. 77557



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