

Salaries Up Slightly While Practice Losses Continue

SALARIES increased last year for non-interventional, diagnostic radiologists, but at a much smaller rate than in the previous year, according to a new report. Salaries of interventional, diagnostic radiologists once again showed a modest gain, while a trend toward many medical practices losing money continued in much of the nation.

These findings are part of the American Medical Group Association (AMGA) 2007 Medical Compensation and Financial Survey, which provides a complete financial picture of medical group operations across the U.S. during 2006. Included are compensation, productivity and financial operations data from 43,000 healthcare providers. RSM McGladrey conducted the survey for AMGA.

Salaries of interventional, diagnostic radiologists in group practices showed an increase of 3.53 percent last year—nearly equal to the 3.59 percent increase posted in 2005. The median salary of \$440,004 was once again the second highest among 29 specialties included in the AMGA survey.

Non-interventional diagnostic radiologists again ranked fifth overall among specialists studied, with a median salary of \$414,875 in 2006. The figure represents an increase of 3.72 percent, compared to 9.62 percent the previous year.

Salary Not Only Motivator

Richard B. Gunderman, M.D., Ph.D., associate professor of radiology, pediatrics, medical education, philosophy, liberal arts and philanthropy at Indiana

University Purdue University Indianapolis (IUPUI), has written about compensation for the RSNA journal *Radiology*. He suggested that if compensation is a motivating factor in drawing people into radiology and keeping them active in the profession, the latest salary trends could be somewhat worrisome in a medical specialty that is experiencing a workforce shortage.

“If we feel we’re unfairly underpaid, that may very well take a toll on our dedication to our work and our willingness to keep doing that work,” said Dr. Gunderman, a member of the RSNA Professionalism Committee and author of the recently released book *Achieving Excellence in Medical Education*. He emphasized, however, that

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compensation is only one of the factors that motivate radiologists in their work.

“Are there things we can do to help radiologists better appreciate the contribution we’re making to patients and referring physicians?” he asked. “In other words, when we leave work at the end of the day, can we have an even clearer sense of how important the work we’ve done is to the patients and health professionals we’ve served?”

“Another [way to motivate practitioners] would be to make sure that we feel we have an opportunity to learn and develop as radiologists, as physi-



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cians and even as human beings, in the work we’re doing today,” Dr. Gunderman continued.

Dr. Gunderman proposed that there might be too much emphasis on finances. “I think ultimately it’s not in the best interests of our profession or the patients we serve, if we focus all the time on the money and the revenue and expenses and compensation,” he said.

“If people feel unfairly underpaid, we’re in trouble,” he said. “But simply increasing compensation is not the only way, and probably not even the best way, to make sure that we really care about the work we do and that we’re doing it as well as we possibly can.”

Many Practices Still Fighting Losses

The AMGA survey found that cardiac/thoracic surgeons were once again the highest paid specialty, with a median salary of \$460,000. This represents, however, a decrease of 2.13 percent from the previous year.

Median salaries of OB/GYN physicians also dropped slightly. While salaries of other specialties studied in 2006 did increase, many medical groups across the country continued to lose money per physician.

“Reimbursements for Medicare have been frozen for the last couple of years and many commercial payers actually link their payment to the Medicare fee schedule changes,” explained AMGA President and Chief Executive Officer Donald W. Fisher, Ph.D., C.A.E.

“What we’re seeing is increased

Top Physician Compensation				
Specialty	2006	2005	2005-2006 Percent Increase	2004
Cardiac / Thoracic Surgery	\$460,000	\$470,000	-2.13	\$421,620
Diagnostic Radiology - M.D.s (Interventional)	\$440,004	\$424,992	3.53	\$410,250
Orthopedic Surgery	\$436,481	\$409,518	6.58	\$381,429
Cardiology - Cath Lab	\$435,000	\$406,230	7.08	\$380,279
Diagnostic Radiology - M.D.s (Non-Interventional)	\$414,875	\$400,000	3.72	\$364,899

Top Physician RVUs				
Specialty	2006	2005	2005-2006 Percent Increase	2004
Diagnostic Radiology - M.D.s (Interventional)	9,208	8,949	2.90	8,582
Cardiology - Cath Lab	8,736	9,083	-3.81	8,562
Diagnostic Radiology - M.D.s (Non-Interventional)	7,815	7,571	3.22	7,679
Gastroenterology	7,598	7,548	0.66	7,298
Cardiac / Thoracic Surgery	7,410	7,998	-7.35	7,650

Top Physician Gross Charges				
Specialty	2006	2005	2005-2006 Percent Increase	2004
Cardiology - Cath Lab	\$2,172,881	\$2,338,394	-7.08	\$2,161,296
Diagnostic Radiology - M.D.s (Interventional)	\$2,162,725	\$1,999,231	8.18	\$1,748,617
Cardiac / Thoracic Surgery	\$1,872,880	\$1,875,143	-0.12	\$1,505,710
Diagnostic Radiology - M.D.s (Non-Interventional)	\$1,832,567	\$1,793,100	2.20	\$1,722,194
Orthopedic Surgery	\$1,778,351	\$1,702,524	4.45	\$1,511,748

Source: American Medical Group Association (AMGA) 2007 Medical Compensation and Financial Survey.

costs by medical groups, as we all experience—fuel costs have gone up, personnel costs continue to go up—and yet the reimbursement to the providers themselves has remained the same, or in some cases, gone down,” he continued. “The margins for these medical groups are getting thinner and thinner each year.”

Dr. Fisher said median salaries of most medical specialties have increased, but the gains result largely from physicians being asked to work longer hours and be more productive with the time they spend with patients.

“What we’re seeing is an increase in productivity and longer hours at a higher production rate, so they’re actually generating more money for the institution,” he said. “Since you have the same number of doctors providing services, it allows them to make a little bit more money at the end of the day.”

Competing Objectives

Dr. Fisher said he believes that one of the major problems in healthcare today is that providers are paid for throughput, putting them in a Catch-22.

“If you’re more efficient—you diagnose quicker, you treat people less often, you really do things that are much more beneficial to the patient—at the end of the day you end up not generating as much revenue because you’re not doing as much throughput,” said Dr. Fisher. “The more efficient you become in terms of taking care of patients, and the higher the quality of care you deliver, the less money you generate for the institution.”

Dr. Fisher said many medical practices lose money even as they implement lean production alongside high quality patient care. “They have really improved quality, they’ve improved safety, they’ve been much more efficient and the patients are much happier,

but they’re losing their shirts because they’re not generating revenue for services that they otherwise would have been providing,” he said.

Dr. Fisher believes the time has come for major changes in the way healthcare providers throughout the U.S. are paid.

“We need to remove the perverse incentives,” he said. “We need to begin to pay providers based on results or outcomes, and not on throughput. We really do need a complete overhaul of the healthcare reimbursement system if we’re ever going to get anywhere in terms of real savings and real efficiency.” □

Learn More

■ More information about the American Medical Group Association and its annual survey is available at www.amga.org.