

Radiology Salaries Increase, but Many Practices Still Lose Money

SALARIES are on the rise for both interventional and non-interventional diagnostic radiologists, reflecting a trend seen among medical specialties across the nation. However, many practices are still losing money as a result of the higher costs of doing business.

The American Medical Group Association (AMGA) 2006 Medical Compensation and Financial Survey shows salaries of interventional, diagnostic radiologists in group practices increased 3.59 percent last year, after remaining flat in 2004. The median salary of \$424,992 was the sixth highest among the 108 specialties included in the survey.

Non-interventional, diagnostic radiologists ranked eighth overall in the AGMA survey, with a median salary of \$400,000 in 2005—an increase of 9.62 percent over the previous year.

Offering a look at finances of medical practices across the U.S. during 2005, the report is based on responses from 218 medical groups representing approximately 35,000 providers. RSM McGladrey conducted the survey for AGMA.

AGMA President and Chief Executive Officer Donald W. Fisher, Ph.D., C.A.E., said competition within individual physician specialties has gone up as demand has increased. Medical groups find themselves competing for specialists to join their teams, he said, “And in order to get them, they’ve got to pay competitive wages.”

Technology, Aging Population Also Factors
Ever-advancing technology is also driving up salaries for radiologists, Dr.

Fisher said. “Any time you can apply more technology, there’s usually a higher reimbursement and, therefore, a higher compensation,” he said. Many medical groups still link their compensation formulas, in part, to productivity, he added.

“If physicians are able to bring in more revenue, then they’re able to actually get a share of that,” he said.

Yet another factor contributing to salary increases is the aging of the U.S. population. Dr. Fisher predicted that patient visits to all medical facilities will steadily climb for the next several years. “It’s not unrealistic to assume that, as the Baby Boomers approach Medicare age, they’re going to start consuming more services,” he said.

Cardiac/thoracic surgeons were once again the highest paid specialists in the survey, with a median salary of \$470,000, representing an increase of 11.47 percent from the previous year.

Medical Groups Losing Money

While compensation increased for all 108 specialties studied in 2005, Dr. Fisher emphasized that salaries alone do not tell the entire story. Medical groups in every region of the country except the West actually lost money, on a per-physician basis, for providing care.

Losses were highest in the northern region, which includes the states of Illinois, Indiana, Iowa, Michigan, Minnesota, Nebraska, North Dakota,

Ohio, South Dakota and Wisconsin. The median per-physician loss in these states was about \$8,000 in 2005. The eastern and southern regions showed smaller losses but higher costs of doing business accounted for losses in all areas.

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Each of us is experiencing increases in our own costs of daily living and medical groups have the same kind of costs—in heating and cooling, cost and delivery of supplies.

Donald W. Fisher, Ph.D., C.A.E.

cost and delivery of supplies,” Dr. Fisher said. Reimbursements are not keeping up, he said. “When you see a zero percent update on Medicare, and most private carriers index off

Medicare, medical groups in most areas of the country aren’t able to cover their costs.”

With pressure already on medical groups to limit cost increases as much as possible, Dr. Fisher said, further reimbursement reductions slated to begin in 2007 and 2008 will only exacerbate the problem.

Trends Not Sustainable

Current salary trends cannot hold up long-term, Dr. Fisher said. “If we’re really focused on patient-centered care and want to do everything we can to make the highest quality and safest care available for patients, we can’t continue to expect medical groups to lose money on a per-physician basis and still provide that level of care,” he said.

Dr. Fisher believes physicians are

Top Physician Compensation				
Specialty	2005	2004	2004-2005 Percent Increase	2003
Cardiac / Thoracic Surgery	\$470,000	\$421,620	11.47	\$416,896
Diagnostic Radiology - M.D.s (Interventional)	\$424,992	\$410,250	3.59	\$410,250
Orthopedic Surgery	\$409,518	\$381,429	7.36	\$354,495
Cardiology - Cath Lab	\$406,230	\$380,279	6.82	\$368,938
Diagnostic Radiology - M.D.s (Non-Interventional)	\$400,000	\$364,899	9.62	\$345,619

Top Physician RVUs				
Specialty	2005	2004	2004-2005 Percent Increase	2003
Cardiology - Cath Lab	9,083	8,562	6.07	7,965
Diagnostic Radiology - M.D.s (Interventional)	8,949	8,582	4.28	8,726
Cardiac / Thoracic Surgery	7,998	7,650	4.54	8,107
Diagnostic Radiology - M.D.s (Non-Interventional)	7,571	7,679	-1.41	7,183
Gastroenterology	7,548	7,298	3.43	7,219

Top Physician Gross Charges				
Specialty	2005	2004	2004-2005 Percent Increase	2003
Cardiology - Cath Lab	\$2,338,394	\$2,161,296	8.19	\$2,047,041
Diagnostic Radiology - M.D.s (Interventional)	\$1,999,231	\$1,748,617	14.33	\$1,609,605
Cardiac / Thoracic Surgery	\$1,875,143	\$1,505,710	24.54	\$1,791,015
Diagnostic Radiology - M.D.s (Non-Interventional)	\$1,793,100	\$1,722,194	4.12	\$1,544,799
Orthopedic Surgery	\$1,702,524	\$1,511,748	12.62	\$1,499,557

frustrated because every time they improve quality and safety, they get hurt economically—a very serious problem he said must be dealt with right away.

“What we really need to do,” he said, “is come up with a new reimbursement system that aligns what patients and providers want to see as fair compensation for providing good medicine.” □

■ To learn more about the American Medical Group Association and its annual survey, visit www.amga.org.

Personal Financial Seminars at RSNA 2006

Two comprehensive financial seminars are available again this year on Saturday, November 25, at McCormick Place in Chicago just prior to the RSNA annual meeting.

“Protecting Assets from Creditor Claims, Including Malpractice Claims” will be held from 10:00 a.m. to 12:00 p.m. and costs \$129. “Effective Investment Strategies” will be held from 1:30 p.m. to 5:00 p.m. and costs \$159. Save almost \$20 by registering for both courses for \$269. Textbooks written specifically for each course are included.

Register for the courses by going to rsna2006.rsna.org and clicking on Registration, Housing & Courses. Please note that these seminars do not qualify for *AMA PRA Category 1 Credit*™. For more information, please contact the RSNA Education Center at 1-800-381-6660 x3747 or ed-ctr@rsna.org.

