

Physician Frustration Grows, Income Falls -- But a Ray of Hope

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Introduction

Physician income overall has declined since 2010, yet there are tiny glimmers of hope in some specialties. Frustration is mounting, however, and doctors in every specialty are bracing for what they expect to be further income declines as healthcare elements are implemented, such as ACOs and required treatment and quality guidelines.

Those are some of the insights from [Medscape's Physician Compensation Survey Report: 2012 Results](#). The report is based on a survey that garnered responses from more than 24,000 US physicians representing 25 specialties.



"Physicians' sense of worry may be greater than the reality, but it's understandable," said Judy Aburmishan, CPA, a partner in FGMK, LLC in Chicago, a firm that represents physicians and other healthcare providers. "Hospitals are buying up private practices both in primary care and the specialties. The heavy-handed message they send out is that if you don't join us, you won't survive. There is great uncertainty and fear about what healthcare reform will mean for physicians once it's fully implemented."

Some of the major findings from Medscape's 2012 report:

1. Dissatisfaction with medicine is intensifying, although a majority of physicians would again choose the same career path. In 2012, just over half of all physicians (54%) would choose medicine again as a career, far less than in the previous year's report, where 69% of physicians would choose medicine again.
2. The top-earning specialties in 2012 were the same as in the previous year, even though their incomes declined in general. In 2012, radiologists and orthopedic surgeons again topped the list at a mean income of \$315,000, followed by cardiologists (\$314,000) and anesthesiologists (\$309,000). The same 4 specialties were in the leading positions in last year's survey. The bottom-earning specialties also remained similar: pediatrics (\$156,000), family medicine (\$158,000), and internal medicine (\$165,000).
3. Who's up, who's down since 2010? "Decreased reimbursement" is the overall buzz-phrase, yet a minority of specialties saw modest gains. The biggest income increases were in ophthalmology (+9%), pediatrics (+5%), nephrology (+4%), oncology (+4%), and rheumatology (+4%). The largest declines were in general surgery (-12%), orthopedic surgery (-10%), radiology (-10%), and neurology (-8%).
4. Do men or women earn more? Overall, male physicians earn 40% more than female physicians, although that difference is only 23% in primary care. Experts say that the difference is related to choice of specialties and lifestyle preferences that women choose.
5. Don't write off private practice! Although physicians are rushing toward employment, partners in private practice far outearn physicians in other work environments. Overall, partners in private practice earn significantly more than solo

practice owners and employed physicians, who earn less than either group.

6. The "rich doctor" myth may be just that, although "rich" is relative. Overall, only 11% of physicians say they consider themselves rich, while about 45% say their incomes are no better than that of many nonphysicians, and another about 45% say, "My income probably qualifies me as rich, but I have so many debts and expenses that I don't feel rich." The specialties with the highest percentage of physicians who felt rich were pathology (15%), radiology, oncology, and gastroenterology (14% each).

7. Doctors in all specialties are swamped with paperwork. A third of physicians (33%) spend more than 10 hours per week on paperwork and administration.

8. One healthcare reform goal of reducing "unnecessary care" garners negative response. The vast majority (67%) of physicians said they won't reduce the amount of tests, procedures, and treatments they perform (in order to comply with insurer treatment guidelines) either because the guidelines aren't in their patients' best interests or because doctors still need to practice defensive medicine.

Which Specialties Earn the Most?

Despite a decrease in mean income, radiologists and orthopedists were the top earners at a mean of \$315,000, slightly besting cardiologists and anesthesiologists. Urologists and gastroenterologists were also among the top earners.

As in Medscape's 2011 compensation survey, pediatricians earn the least, at a mean income of \$156,000, up from \$148,000 the previous year. More internists and family physicians saw a slight increase in income than saw a decline.

"Due to the physician shortage in primary care, their incomes should be increasing," said Tommy Bohannon, Divisional Vice President of Hospital-Based Recruiting for Merritt Hawkins, a physician-recruiting company. "There's strong pressure to recruit primary care doctors. Hiring entities, such as large groups and hospitals, realize that primary care physicians are the ones who make referrals to specialists and fuel the system."

Still a Wide Gap Between Men's and Women's Income

Male physicians across all specialties earn about 40% more than female doctors, which is similar to the previous year's results. In primary care, men earn 23% more. However, the gap in income is narrower in some specialties. Male ob/gyn specialists earn about 14% more than their female counterparts and male pathologists earn 9% more than female colleagues.

In primary care, male physicians earned a mean income of \$174,000 compared with \$141,000 for female physicians. For physicians overall, male doctors earned a mean of \$242,000 vs \$173,000 for women doctors.

"The income gap is closing in primary care as well," said Bohannon. "Many women doctors choose to work fewer hours for quality-of-life reasons. But that's true of younger male doctors as well. That's why the disparity in income will narrow."

Aburmishan agrees. "If women physicians worked the same number of hours as men, they'd earn about the same."

Another factor is that more women tend to go into primary care and obstetrics/gynecology rather than the higher-earning specialties.

Asked if they felt fairly compensated, female physicians were only slightly more dissatisfied than male doctors (51% to 49%).

Type of Practice Greatly Affects Income

Despite the challenges to private practice, it may be where the money is. A physician partner in a private practice earns a mean of about \$308,000, significantly more than employed doctors, who earned a mean of \$194,000 in 2011, similar to the prior year's figure. Physicians in single-specialty group practices were the next highest earners.

"Physicians are motivated by accountability," said Aburmishan. "So 5 or 6 doctors can sit around a table and eyeball each other to discuss cases and productivity. Solo doctors often can't measure themselves against anyone. In large group practices of more than 50 doctors, administrators have a greater role. Generally, small group practices do better at letting doctors hold each other accountable for working at an equal level."

Private practice physicians also have greater incentive to be busier than hospital-employed colleagues.

Location Matters, Too

Just as in last year's survey, the highest-earning physicians practice in the North Central region, comprising Iowa, Missouri, Kansas, Nebraska, and South and North Dakota, at a mean income of \$234,000, up slightly from 2010. The next highest earners are doctors in the South Central and Great Lakes region (\$228,000). Physicians in the Northeast earn the least, at a mean of \$204,000.

Less competition among physicians in smaller communities and rural areas is a factor in boosting that region's income. Smaller communities have to pay more to attract physicians. "In Chicago, for example, the supply of orthopedic surgeons is huge," said Aburmishan. "If you go to Springfield, there aren't that many orthopedists. So insurers have to pay better to make sure patients are covered."

Also, with fewer specialists in rural areas, primary care physicians often perform more services than in the rest of the country.

How Many Hours Spent on Patients and Paperwork?

About 30% of physicians spend between 30 and 40 hours in direct patient care, a slightly higher percentage than in Medscape's 2011 survey. Just under one quarter (22%) of physicians spend less than 30 hours per week in direct patient care, likely due to working part-time, as well as to paperwork and administrative demands.

Dermatology leads the specialties in fewest patient care hours: 52% of dermatologists see patients from 30 to 40 hours per week.

As far as number of patient visits per week, the largest percentage of physicians (21%) saw between 25 and 49 patients per week. About 23% of physicians see between 100 and 174 patients per week. Radiologists have the most patient visits; respondents report having over 200 patient visits per week. Dermatologists are the next busiest: 46% see between 100 and 174 patients per week, as do 42% of ophthalmologists and 32% of urologists.

Although some patients feel that they are barely seeing their doctor, physicians generally spend a decent amount of time with each patient. The 13- to 16-minute patient visit is still the most common, especially in pediatrics, family medicine, and internal medicine.

Female physicians tend to spend more time with each patient. "It's a generalization, but women are often more nurturing than men, more hands-on," said Aburmishan.

Dissatisfaction With Being a Doctor Grows

Medscape's 2012 report showed far more dissatisfaction among doctors. Although over half of all physicians would choose medicine again as a career (54%), that's considerably down from 69% the previous year. Only 41% would choose the same specialty again.

About one quarter of all doctors would choose the same practice setting, compared with 50% a year ago. There was little difference in satisfaction between male and female physicians. Dermatologists were the most positive about their specialty but are less satisfied than in last year's survey. Plastic surgeons were the least happy about their practices; only 41% said they were satisfied overall, compared with 66% who were satisfied in last year's report.

"The elective side of plastic surgery has been hit hard by the economy, so plastic surgeons are making less than they did in better times," said Bohannon. "General surgeons have long felt shortchanged. They take more call and make less than other surgeons."

"The doctors I work with are unhappier than ever," said Aburmishan. "The ones thinking about retirement don't know if the money will be there for them because of declining revenue fears and investment losses over the past few years. They fear that the government and insurers will increasingly tell them how to practice. Younger doctors are afraid that they won't be able to pay off medical school debt as fast as they expected."

Changes Coming With Healthcare Reform Worry Physicians

Only a handful of physicians are involved in alternative patient-care delivery models. About 3% participate with Accountable Care Organizations (ACOs) but another 5% say that they plan to become involved in the coming year.

ACOs are a type of payment and delivery model that ties provider reimbursement to quality metrics and reduction in the total cost of care for an assigned patient population. They may initiate bundling of payments for various clinical outcomes. Fifty-two percent of physicians believe that they will cause a decline in income, while 12% say they will have little or no effect.

In a sentiment expressed by many of the 3200 physicians who commented on our survey, one doctor said, "ACO arrangements are a conflict of interest. Administrators, not physicians, will decide what's allowed. It would also spell the end of solo or small group practices."

Aburmishan says that's a common attitude. "Of course, physicians are skeptical about ACOs. It's yet another set of initials coming from the government, and history shows that that means less money and less autonomy for physicians."

What About Quality Measures and Treatment Guidelines?

Physicians are also skeptical about whether quality measures and treatment guidelines will improve patient care. Close to half of doctors say that they will have a negative impact on care, while 25% believe that they will lead to better-quality care.

The vast majority of physicians (67%) said that they won't reduce the amount of tests, procedures, and treatments they perform in order to comply with the guidelines because those guidelines aren't in their patients' best interests or because doctors still need to practice defensive medicine.

"More and more, physicians feel that someone is telling them how to treat patients," said Bohannon. "They worry that the guidelines are promulgated to reduce overall costs rather than put patients first. Doctors feel that they have to give up

more autonomy and they resent being told how to exercise their medical judgment."

Almost half of physicians (46%) discuss the cost of treatment with patients only occasionally, if the patient raises the subject. Just over one third of physicians (38%) regularly discuss the issue with patients. About 16% say they never discuss costs because they don't believe it is appropriate or they don't know the cost of the treatments.

"Too many doctors have little idea or time to devote to the cost of care," said Aburmishan. "They often don't do their own billing or collections so they don't know what each insurer pays. They are so busy with paperwork and seeing more patients that they don't devote much time to overall cost issues."

Bohannon agrees. "As medicine moves more and more to an employed model, most physicians feel that their responsibility is to treat the patient's clinical problem. The cost issue is secondary. Most doctors don't believe that it's their job to focus on that."

For further details on physician compensation, see [Medscape's complete Physician Compensation Report: 2012 Results](#).

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