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Par for doc pay?

Annual compensation survey shows who gained the most and who lost ground

By Andis Robeznieks

One statistic that could be perceived as good news in *Modern Healthcare's* 2010 Physician Compensation Survey is that among the 23 specialties tracked, there was a 260% increase in specialties that saw average pay increases above the rate of inflation compared with 2009. But since the rate of inflation was only 1.5%, that statistic might not be much for doctors to brag about.

Eighteen of the 23 specialties tracked in the survey, our 18th annual, saw increases above the Bureau of Labor Statistics' 2010 Consumer Price Index, three had pay increases below the CPI (noninvasive cardiology, dermatology and pediatrics), and two saw decreases (hospitalists and pathologists).

Get the survey charts and data

Learn about the firms providing the data

By comparison, only five specialties had average increases above the 2.7% rate of inflation in 2009; while eight specialties saw their compensation fall. In 2008, 11 specialties saw average compensation increases below the year's 3.8% inflation rate, while three specialties saw decreases. This year's survey was also the third in a row in which no specialty saw a double-digit increase in pay, compared with one for 2008 and three for 2007.

Other continuing trends: It's the third consecutive year that orthopedic surgeons (average compensation of \$497,776) and invasive cardiologists (\$467,808) finished first and second in the survey, and pediatricians (\$191,455) and family physicians (\$190,396) finished second to last and last, respectively. There was a chance for another "three-peat," but that didn't occur as the dermatologists' streak of having the highest percentage pay increases stopped at two years in a row—and it stopped hard.

After registering average increases of 5.3% in 2009 and 6.7% in 2008 to top the survey for percentage increases for both years, dermatologists saw only a 0.9% increase in average compensation for 2010 (to \$372,924 from \$369,648). The percentage increase champs for 2010 are the radiation oncologists, whose average compensation increased 6.4% (to \$443,312 from \$416,637).

General surgeons were next, registering a 5.9% increase (to \$350,141 from \$330,658); and close behind were plastic surgeons, whose pay increased 5.8% (to \$393,570 from \$372,130).

The economy, healthcare reform and general industry trends had an unusual effect on

physician pay, says Travis Singleton, senior vice president with the Irving, Texas-based recruitment firm Merritt, Hawkins & Associates, a perennial participant in the *Modern Healthcare* survey.

"I nicknamed the last year as 'The Year of Integration and Alignment,'" Singleton says, explaining that acquisition of practices took the place of traditional physician recruitment in 2010. He adds, however, that the driver behind the physician employment has more to do with seeking economic security than anything connected to the Patient Protection and Affordable Care Act—for now, at least.

"It's probably increasing people's demand to be employed, but it didn't drive it," Singleton says. "This employment boom is not a response to reform—not yet anyway."

The employment trend is having a particularly interesting impact on cardiology, says Dr. Therus Kolff, a strategic adviser for CHG Healthcare Services, a Salt Lake City-based staffing firm. He thinks the days of average compensation declines (a drop of 0.86% in 2009) and below-inflation increases (0.8% in 2010) for noninvasive cardiology will not last.

"An invasive cardiologist generates so much revenue for a hospital," Kolff says, adding that this adds to the noninvasive cardiologists' value. "The noninvasive cardiologists are still in demand because they want to keep the invasive guys in the (catheterization) lab. You want to have the noninvasive cardiologists seeing patients in the clinic, to keep the invasive guys—or gals—in the lab."

Pediatrics was another specialty with a below-inflation increase in 2010. Their average compensation rose only 1% to \$191,455 from \$189,526. This was after registering a 4.5% increase the previous year.

They still managed to stay a rung above family physicians in terms of pay. Although average compensation for family docs rose 3.3% to \$190,396 from \$184,226, that was still the lowest average salary in the survey. Another primary-care specialty, internal medicine, saw its average compensation grow 2.6% to \$207,520 from \$202,327.

"I was surprised by that," Kolff says. "I was thinking there'd be a bigger increase in those primary-care specialties."

Kolff adds that he was also surprised by the 3.9% increase for emergency medicine to \$277,144 from \$266,815. He was expecting something larger.

Singleton and Kolff say they believe there is a doctor shortage, and younger physicians are adding a new wrinkle in that they do not want to work as many hours as their predecessors did.

"The bottom line is that physicians all want a better lifestyle," Kolff says.

The result of this, according to Singleton, is greater competition for physicians. If an institution or practice cannot offer more in terms of salary, he says they are becoming increasingly willing to contribute to relocation costs, on-call pay or student loan debt relief.



“Everyone is recruiting, everyone is competing,” he says.