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# 2016 COMPENSATION STUDY

## Chief Medical Executive & Physicians

## HEALTHCARE COSTS KEEP THE DOCTOR AWAY:

- “46% of Americans in the Kaiser poll said they or a family member cut back on healthcare in one or more ways to save money in the past 12 months.”
- “16% postponed surgeries or doctor's visit for chronic illness. ” *(Kaiser Foundation)*
- The median number of patients visiting medical groups fell by nearly 10%, and procedures declined 11.6%, while bad debt from fee-for-service charges jumped roughly 13%. *(MGMA)*
- The physician median total revenue in medical practices declined for the first time in years, by 1.9%. *(MGMA)*
- **Since Americans have deferred medical needs, it is expected that healthcare needs will be more acute and that patients seeking access will rebound.** ED overcrowding is already reported by 61% of hospitals with volumes expected to increase.



## Revenue Growth Potential by Service Line:

- Geriatrics: **75%**
- Hospitalists: **71%**
- Orthopedics: **69%**
- Emergency Medicine: **66%**
- Primary Care: **65%**
- Cardiac/Cardiovascular: **62%**
- Women's Health: **54%**
- General Surgery: **52%**
- Oncology: **32%**

**On average, a physician generates \$1.75M per year for their hospital.**



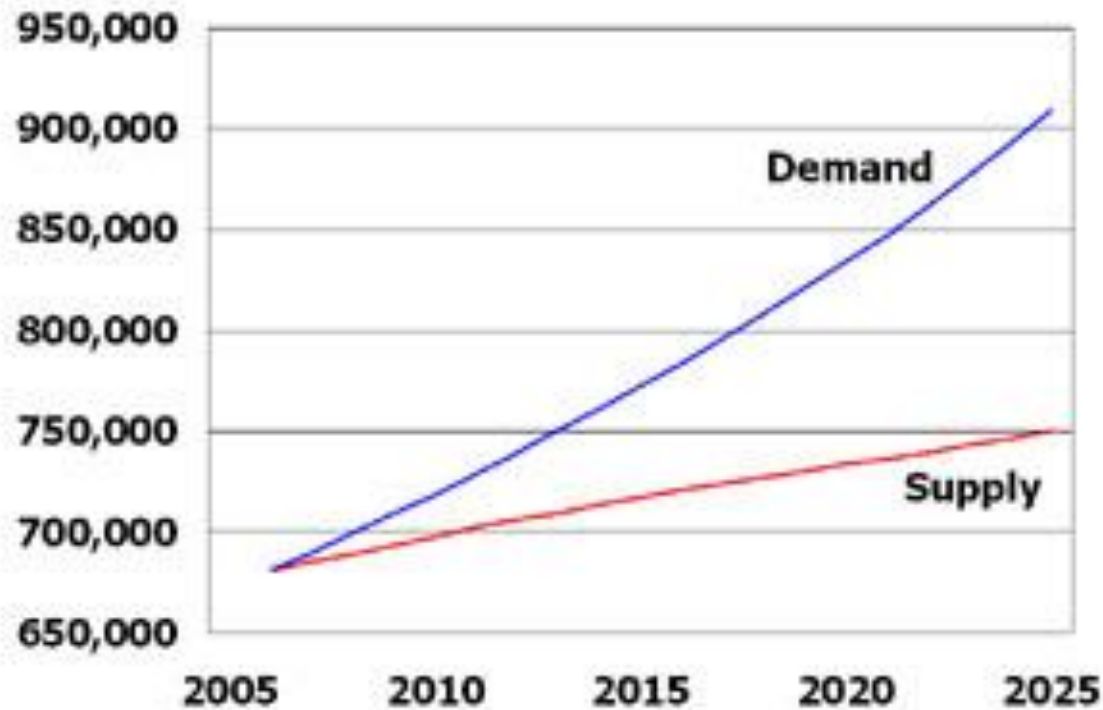
## Top 10 Physician Recruitment Targets:

		<u># of Physicians</u>
• Primary Care:	<b>69%</b>	<b>162,058</b>
• Hospitalists:	<b>51%</b>	<b>112,992</b>
• Cardiology/Cardiovascular:	<b>46%</b>	<b>21,819</b>
• General Surgery:	<b>43%</b>	<b>26,314</b>
• Orthopedics:	<b>42%</b>	<b>19,822</b>
• Geriatrics:	<b>42%</b>	<b>4,278</b>
• Neuroscience/Neurosurgery:	<b>37%</b>	<b>17,963</b>
• OB/GYN:	<b>20%</b>	<b>40,377</b>
• Gastroenterology:	<b>20%</b>	<b>12,852</b>
• Emergency Medicine:	<b>19%</b>	<b>33,984</b>

Sources: H&HN, HealthLeaders, AAMC, U.S. Census Bureau



**Physician Supply and Demand Projections Through 2025**



Source: Dill, Michael J. and Edward S. Salsberg; *The Complexities of Physician Supply and Demand: Projections Through 2025*, Association of American Medical Colleges



## Top Issues Facing Physicians:

- Medicare's "Doc Fix": **86%**
- Declining Reimbursements: **77%**
- Demands on Physician Time: **39%**
- Managed Care Organization Issues: **36%**
- Non-Clinical Paperwork: **31%**
- Shortage of Nurses: **31%**
- Malpractice/Defensive Medicine: **29%**
- Shortage of Primary Care Physicians: **29%**
- Patient Attitudes: **9%**

Sources: *HealthLeaders, AMA*

## WHAT ASPECT OF MANAGING PHYSICIANS HAS BEEN THE MOST DIFFICULT FOR YOUR HOSPITAL OR HEALTH SYSTEM?



Source: *HealthLeaders*



# Chief Medical Executive (CME)

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## Base Pay/Total Comp

- **CME National Average:** **\$429k/\$575k**
- Hospitals > \$250 Million Revenues: **\$299k/\$389k**
- Hospitals > \$500 Million Revenues: **\$468k/\$588k**
- Hospitals > \$1 Billion Revenues: **\$571k/\$748k**
  
- 2016 Projected Pay Increase: **3.9%**      Total Comp: **4.4%**
  
- **Hospitals use various Productivity Measures for Compensation:**
  - Work RVUs: **66%**
  - Benchmark Comparisons: **39%**
  - Patient Encounters: **35%**
  - Patient Charges: **13%**

Source: Segal & Co, AON Consulting, Sullivan Cotter and Associates, Jackson Coker, Medicus Group





## Physician Compensation by Specialty:

	<u>Range</u>
• Anesthesiology:	\$400k/\$445k
• Intensivist:	\$337k/\$395k
• Dermatology:	\$398k/\$473k
• Family Practice:	\$221k/\$250k
• Hospitalist:	\$256k/\$280k
• Pediatrics:	\$219k/\$248k
• Emergency Medicine:	\$302k/\$375k
• Internal Medicine:	\$238k/\$276k
• Cardiology - Invasive:	\$455k/\$605k
• Cardiology – Non-Invasive:	\$375k/\$409k
• General Surgery:	\$355k/\$590k

Sources: Medicus, Merritt, Comdata, HHCS, Sullivan-Cotta, Pinnacle, MGMA, Pacific, AMGA, ECG



## Physician Compensation by Specialty: *(Con't)*

	<b><u>Range:</u></b>
• Orthopedic Surgery:	<b>\$555k/\$615k</b>
• Plastic Surgery:	<b>\$400k/\$525k</b>
• Psychiatry:	<b>\$239k/\$275k</b>
• Oncology:	<b>\$405k/\$465k</b>
• Neurology:	<b>\$275k/\$315k</b>
• Radiology:	<b>\$470k/\$505k</b>
• Radiology Oncology:	<b>\$477k/\$540k</b>
• OB/GYN:	<b>\$290k/\$370k</b>
• Urology:	<b>\$410k/\$498k</b>
• Gastroenterology:	<b>\$430k/\$575k</b>
• Neonatology:	<b>\$290k/\$375k</b>

Sources: Medicus, Merritt, Comdata, HHCS, Sullivan-Cotta, Pinnacle, MGMA, Pacific, AMGA, ECG



# Why NSI?

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- NSI is a high volume nurse recruitment firm; that only recruits within the continental U.S. for “**Experienced RNs**”, as **your** core staff.
- NSI utilizes a full service executive search model.
- Focus is on cultural fit and core competencies to enhance retention capacity. **NSI first year retention rate of 94.2%.**
- Founded in 2000, NSI continues to lead the industry:
  - Proven success rate with an average **time-to-fill of 34 days.**
  - High quality; with an 82% interview-to-offer rate and an average **RN experience rate of 14.5 years.**
  - **One (1) year replacement guarantee.**
- All NSI engagements are “**Risk Free**” since you must hire the nurse **before** NSI is paid.