PHYSICIAN COMPENSATION: MOST SPECIALTIES SEE INCREASES

Medscape’s annual Physician Compensation Report finds double-digit hikes in a handful of specialties, modest increases overall

By Bonnie Darves, an independent health care journalist based in the Seattle area.

The income picture for U.S. physicians overall and in the largest medical specialties hasn’t changed much in the last year, but notable increases are emerging in internal medicine and some of its subspecialties, based on the Medscape Physician Compensation Report 2016. Internists’ compensation increased 12% over the 2015 report findings, to an average of $222,000; and nephrology and rheumatology tallied increases of 11% (to $273,000) and 12% (to $234,000), respectively. The report accredited the internal medicine income jump to two key trends: aging baby boomers driving high demand for services, and the continued migration of internal medicine trainees to hospital medicine rather than generalist practice.

The only other double-digit compensation increases were in dermatology, at 11%, to $381,000; and obstetrics/gynecology, where the 10% income yielded average compensation of $277,000. Across all specialties, most saw increases of 4% or more. Only two specialties, allergy and pulmonary medicine, saw their compensation decrease compared to the 2015 report. Those declines were 11% and 5%, respectively, to $222,000 and $281,000.

The big picture of highest and lowest earners in Medscape’s annual survey of more than 19,000 physicians showed no real surprises. Orthopedics topped the chart at $443,000, followed by cardiology, at $410,000. Dermatology took the third spot, at $381,000, barely eclipsing gastroenterology, at $380,000. The next two top earners were radiology ($375,000) and urology ($367,000).

The lowest earners, unchanged from last year, were pediatrics, endocrinology, and family medicine — although incomes for all three rose enough to take them over the $200,000 mark for the first time, and all saw increases of

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5% or more. Compensation was essentially flat in pathology, plastic surgery, anesthesiology, and HIV/infectious disease.

Gender Income Disparities Persist
On the gender front, male physicians continue to earn more than female physicians, in both primary care and the specialties, but signs indicate that a shift is occurring: Since 2012, women primary care physicians’ incomes have increased 36% and men’s 29%. In primary care, male physicians’ average income was $225,000, compared with $192,000 for female physicians. In the specialties, the persisting gap remains even wider: male specialists averaged $324,000, and their female counterparts earned $242,000.

As in primary care, in the specialties women appear to be making up ground; since 2012, their incomes have jumped 40%, compared with 36% for male specialists. Overall, women in medicine earn 24% less than men. The report’s authors noted that the gender-based physician income gap cannot be simply attributed to differences in women’s and men’s work hours, as the compensation reported is based only on physicians who practice full time. (The Medscape survey found that 25% of female physicians and 12% of their male counterparts reported working part time.)

Practice situation appears to have a modest effect in evening out the male-female disparity, the report’s findings indicate. Across all specialties, self-employed female physicians’ average earnings were $261,000, and men’s were $341,000. Among employed physicians, the gap was relatively smaller — $277,000 for men and $217,000 for women. It is worth mention that the Medscape report’s demographics reflect those seen in government data indicating that about two-thirds of all U.S. physicians (69%) are men.

That gap will narrow substantially in the years ahead, as women and men have been entering the medical field in nearly equal numbers for several years. Further, in certain specialties, namely family medicine, psychiatry, and obstetrics/gynecology, female residents outnumber their male counterparts, according to recent data from the Association of American Medical Colleges. The Medscape report found that only 7% of urologists and 9% of orthopedists are female, numbers that have changed little in recent years.

Practice Model, Geography Have Significant Effects
The report also found that the trend toward physician employment is affecting both incomes and physician career choice in varying ways. Overall, self-employed specialists’ incomes are still outpacing their employed counterparts’ earnings considerably, despite predictions that the employment model would reduce that gap. Self-employed physicians earned $348,000 on average in 2015, compared with $274,000 for employed physicians, according to report data. Overall, the survey found that 72% of women are practicing as employed physicians, versus 59% of men.

Following are other key findings from the Medscape report:

Geography matters. Physicians continue to earn more in the North Central and Southeast regions than in the Northeast and the western areas of the country, as the Medscape report and other national surveys consistently find. Average compensation was $296,000 in the North Central area, $287,000 in the Southeast, and $283,000 in the Great Lakes region. This compared with an average of $266,000 in the Northeast and $268,000 in the Mid-Atlantic region. Average physician compensation in the Northwest was $283,000, slightly over the $281,000
average in California, and $277,000 in the Southwest.

By state, North Dakota and New Hampshire tallied the highest average physician compensation, at $348,000 and $322,000, respectively, followed by Nebraska ($317,000), Alaska ($314,000), and Montana ($304,000). The lowest-paying states, unchanged from last year, are Rhode Island, the District of Columbia, and Maryland, at $224,000, $226,000, and $231,000, respectively.

**Satisfaction with earnings varies.** Not surprisingly, the Medscape survey found some correlation between total compensation and physicians’ feelings about their compensation’s fairness, but it was not always as direct or consistent as might be expected. Dermatologists, pathologists, and emergency medicine physicians reported the highest rates of satisfaction with their incomes. Allergy specialists and endocrinologists reported income-satisfaction rates of only 43%, yet urologists, among the highest earners of all physicians, had an income-satisfaction rate of only 42%. Finally, despite their high incomes, only 44% of orthopedic specialists considered themselves fairly compensated. From the gender perspective, slightly over half of women (51%) felt unfairly compensated, compared with 46% of male physicians.

**Overall career satisfaction — few changes.** The 2015 Medscape survey, as in previous years, found dermatologists the most satisfied overall; 74% would choose their specialty again. In other specialties, 65% of orthopedists and 60% of gastroenterologists would choose their specialty again. Those least satisfied overall with their specialty choice were internists, at 25%; family medicine physicians, at 29%; and nephrologists, at 35%.

In other measures, the Medscape survey found that shifts in health care policy and physicians’ overall quality and performance reporting requirements are making the workweek longer for many physicians. Nearly half of primary care physicians and 30% of specialists reported higher patient volumes likely attributable to the Affordable Care Act, and 26% of respondents indicated that participation in health insurance exchanges had negatively affected their incomes, and 11% reported an associated increase.

The average workweek showed little change from the 2015 to 2016 Medscape report. Only 15% of physicians reported spending 56 hours or more weekly in patient care, and 51% reported spending between 30 and 45 hours — essentially the same as in last year’s report. However, the paperwork burden is clearly taking more time out of the workweek. The Medscape survey found that 54% of self-employed physicians and 59% of employed doctors spent at least 10 hours weekly on administrative tasks and paperwork, and that 12% of employed physicians reported spending 25 hours or more weekly on these activities.

On the positive end of the spectrum, nearly all physicians — fully 98% of those surveyed for this year’s report — indicated that they find gratification in their work. Of those, 34% cited their relationships with patients as the most rewarding aspect of their work, and 32% cited knowing that they’re good at what they do and making correct diagnoses as the most gratifying parts of their practice lives. These figures are essentially unchanged from results of a survey conducted three years ago that included this question. Finally, although 64% of physicians surveyed last year said they would again choose medicine as a career, that’s down from 69% in 2011.

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