

2005 Physician Compensation Survey

Based on 2004 Data

In the fall of 2004, Medicus Partners conducted a national telephone survey of physicians in all 50 states. Our survey focused on the 16 most recruited specialties by our firm in 2004, which are listed below.

Cardiology	OB/GYN
Family Practice	Oncology
Gastroenterology	Orthopedic Surgery
General Surgery	Otolaryngology
Hospitalist	Pediatrics
Internal Medicine	Psychiatry
Neurology	Radiology
Neurosurgery	

Surgical and Medicine Subspecialties Continue to See Sizable Increases

Surgical specialties continue to make huge gains in income led by Orthopedics and neurosurgery in terms of percentage increase. Internal medicine subspecialties have also maintained their considerable year on year increases in income, with particularly large jumps in compensation in gastroenterology and cardiology. Both anesthesia and radiology saw significant gains again in 2004 as well. Acute shortages in all of the aforementioned specialties surely fuel these increases. Of the specialties with significant increases, many were due to opportunities to participate in ASC's as well as office-based technical component revenue capture.

Specialty recruitment constituted 60% of the searches conducted by Medicus Partners in 2004 with the balance being in primary care. Of specialty searches, 46% were surgical specialties, 41% were internal medicine subspecialties and the balance were "other".

In addition to compensation questions, we inquired about their thoughts on what limits their financial potential the most, what their plans are to make changes to their practice situation, what size community to they prefer to live in and what would drive them to make changes to their current situation.

Highlights

Respondents indicated:

- 34% feel that competition is the greatest limitation to their earning potential
- 26% plan to move in the next 12 months
- 37% cited greater income as their primary motivation for changing practices
- Only 18% of physician respondents prefer to practice in a town of fewer than 100,000 in population

Internal Medicine outpaces other primary care

Of primary care specialties, internal medicine was by far the most sought after in 2004 and their incomes were reflective of that. The nearly 5% increase far outpaced its closest primary care competitor of family practice with only a 2% increase over 2003. We attribute much of this to the hospitalist movement taking hold, creating additional shortages in traditional internal medicine roles.

Survey Results

What is your total annual compensation including income from practice-related investments and excluding benefits?

Specialty	Average	Median
Cardiology (invasive, non-interventional)	\$406,584	\$365,985
Family Practice	\$165,009	\$154,811
Gastroenterology	\$425,870	\$398,560
General Surgery	\$274,571	\$240,321
Hospitalist	\$176,198	\$165,009
Internal Medicine	\$166,090	\$160,776
Neurology	\$226,845	\$195,442
Neurosurgery	\$540,002	\$498,558
OB/GYN	\$254,565	\$215,884
Oncology	\$375,338	\$320,450
Orthopedic Surgery	\$425,873	\$390,042
Otolaryngology	\$290,137	\$250,004
Pediatrics	\$167,808	\$155,970
Psychiatry	\$178,237	\$160,864
Radiology	\$410,851	\$375,650
Urology	\$365,942	\$324,667

What is your perception of the greatest limiting factor on your income?

Competition	34%
Malpractice increases	29%
Office overhead	28%
Geographic location	9%

When do you plan to make a job change?

In the next 6 months	12%
6-12 months	14%
1-3 years	11%
No plans to change	63%

What size community would you prefer to live and work in?

Major metropolitan (500,000+)	24%
Suburban, w/in 30 minutes of metro	22%
Mid-sized city (100,000-500,000)	36%
Smaller city (25,000-99,999)	14%
Rural (under 25,000)	4%

Lastly, what is the greatest motivation to make a change and to relocate?

Greater income	37%
Nicer community	12%
Less competition	14%
Better malpractice climate	20%
Better Call/Coverage	17%