

Overview

Introduction

Purpose

Each year, Medical Group Management Association (MGMA) surveys its membership to obtain the most recent medical group revenue, staffing and operating cost data. This year the MGMA *Cost Survey for Multispecialty Practices: 2006 Report Based on 2005 Data* continues to be a significant benchmarking tool for medical practices and those interested in measuring and improving a practice's performance.

Description

In this report you will find:

- Complete data on staffing ratios, medical revenue, staff salary costs, total operating costs, revenue after operating costs, provider cost and net practice income or loss; and
- Accounts receivable, payer mix, collection percentages, financial ratios and balance sheet information.

What's new?

The results of the 2006 Cost Survey have been published as two reports, for multispecialty and single-specialty practices. In this multispecialty version, data for two standard populations are included – multispecialty practices with greater than 3 FTE physicians appear in sections 1 and 2 and IDS-owned multispecialty practices of all sizes in sections 3 and 4. The IDS-owned multispecialty practice tables are comparable to the previous years' Cost Survey for Integrated Delivery System Practices. New data on extraordinary nonmedical cost and revenue and drug supply, separate from medical/surgical supply, are reported. Nonphysician provider costs are reported two ways: as an operating cost and as a provider cost. A new table split by population designation is also presented. The *2006 Cost Survey for Single-Specialty Practices* provides full statistics for 15 specialties and key indicators for four specialties with insufficient data to report full statistics.

Data Collection

Questionnaires were mailed in March 2006 to MGMA member and nonmember organizations that include both medical group practices having three or more FTE physicians and other types of organizations involved in physician practice management. Printed questionnaires were mailed to selected organization that are, or are presumed to be, affiliated with medical practices. Electronic and print versions of the questionnaire were also available on the MGMA Web site.

Response Rate

As in previous years, the Cost Survey: 2006 Questionnaire for 2005 Data was sent to a population including both multispecialty and single-specialty practices. Though information on practice specialty is available for many of these practices, it is missing in some cases. Therefore, a specific response rate cannot be calculated to the specialty level. The following table is presented for a general picture of the response rate for the entire Cost Survey population.

Of the 1,614 completed surveys, 317 were multispecialty practices with 3 or more FTE physicians. Eighty-nine additional questionnaires were included in the IDS-owned sections of the report. The remaining 1,112 were single specialty practices.

Response Rate		
	Medical Practices	
	Count	Percent
Questionnaires mailed	14,785	100.00%
Undeliverable	244	1.65%
Questionnaires reaching recipients	14,541	98.35%
Responses	1,623	11.16%
Electronic version	953	58.72%
Paper surveys	670	41.28%
*Ineligible or incomplete surveys	368	22.67%
Completed surveys included in the report	1,255	
**Gross response rate		11.16%
***Net response rate		8.63%

* Missing required answers; less than three physicians; not a full year of data; academic practices ambulatory surgery center.

** (Number of responses divided by the number of questionnaires reaching recipients) x 100.

*** ((Responses minus ineligible or incomplete surveys) divided by questionnaires reaching recipients) x 100.

How to Use This Report

Report Organization

Four sections appear in the report:

1. Key findings and demographic tables – provides changes in total medical revenue and total operating cost as a percent of total medical revenue over the years as well as tables broken down by various demographic categories such as state, group type and FTE for multispecialty practices with three or more FTE physicians.

2. Multispecialty practices tables – shows tables for practices with three or more FTE physicians broken down by all practices, not-hospital or IDS-owned, hospital or IDS-owned, primary care, geographic section, practices with 50 or less FTE physicians, practices with 51 or more FTE physicians, percent of primary care and population designation.

3. Key findings and demographic tables – provides changes in total medical revenue and total operating cost as a percent of total medical revenue over the years as well as tables broken down by various demographic categories such as state, group type and FTE for practices of all sizes owned by a hospital or IDS.

4. IDS-owned multispecialty practices tables – shows tables for practices of all sizes broken down by all practices, primary care, total beds in system, physician compensation method, ancillary services status and tax status.

Additional Information, Appendices

More information can be found in the appendices that will explain how the information was collected and defined in the report.

Appendix A contains a list of abbreviations and acronyms used in the report as well as the states included in the geographic sections.

Appendix B contains the terms used in the report and the term definitions.

Appendix C contains formulas and methodology used in the report.

Appendix D contains the activity-based cost allocation model.

Appendix E contains a list of MGMA survey products.

Appendices F, G and H feature the *2006 Cost Survey Questionnaire* and *Guide to the Questionnaire* as references.

More information about the surveys and reports can be found at www.mgma.com/surveys.

Look for future Web casts about benchmarking at www.mgma.com/education.