

Overview

Introduction

Purpose

Each year, Medical Group Management Association (MGMA) surveys its membership to obtain the most recent physician compensation and production data. This year the MGMA *Physician Compensation and Production Survey: 2006 Report Based on 2005 Data* continues to be a significant benchmarking tool for medical group practices and will assist medical practice executives in evaluating the ranges of compensation and productivity for both full-time equivalent (FTE) physicians and nonphysician providers. The report also allows users to compare and learn more about the factors affecting compensation and production.

Description

In this report you will find:

- Complete data on more than 44,000 physicians and nonphysician providers categorized by specialty;
- Data reported for more than 100 physician specialties and more than 25 nonphysician provider specialties;
- More than ten performance ratios to illustrate the relationship between compensation and productivity; and
- Productivity measures of collections for professional charges, gross charges, ambulatory encounters, hospital encounters, surgical/anesthesia cases as well as total and physician work relative value units (RVUs).

What's New?

This year the report contains six new tables which expand the physician compensation to collections performance ratio. These tables include a breakout of the ratio by geographic section, group type and years in specialty. Collection data were also used to create two new tables in the RVU sections of the report; collections per work RVU and collections per total RVU. Four new tables have also been included in the nonphysician provider section of the report that include a breakout of compensation by practice ownership and compensation to RVU performance ratios. Other changes in this report include the addition of a set of summary tables for anesthesiology: pain management. Because collections can be a stronger indicator of production and performance than gross charges, the majority of the gross charges tables have been replaced with the new collection-based performance ratios referenced above. The gross charges tables, the expanded part-time physician tables and capitation information may be found in the *Physician Compensation and Production Survey: 2006 Interactive Report Based on 2005 Data*.

Data Collection

Questionnaires were mailed in February 2006 to MGMA member organizations that include both medical group practices and other types of organizations involved in physician practice management. Printed questionnaires were mailed to selected organizations that were or were presumed to be affiliated with medical practices. Electronic and print versions of the questionnaire were also available on the MGMA Web site.

Response Rate

The table on page 13 illustrates the response rate for the 2006 Physician Compensation and Production Survey Report.

Response Rate		
	Medical Practices	
	Count	Percent
Questionnaires mailed	12,500	100.00%
Undeliverable	411	3.29%
Questionnaires reaching recipients	12,089	96.71%
Responses	1,937	16.02%
Electronic version	1,181	60.97%
Paper surveys	756	39.03%
*Ineligible or incomplete surveys	86	4.44%
Completed surveys included in the report	1,851	
**Gross response rate		16.02%
***Net response rate		15.31%

*Missing required answers; not a full year of data; academic practices or ambulatory surgery centers

** $(\text{Number of responses} / \text{number of questionnaires reaching recipients}) \times 100$.

*** $((\text{Responses} - \text{ineligible or incomplete surveys}) / \text{questionnaires reaching recipients}) \times 100$.

How to Use This Report

Report Organization

Seven sections appear in the report:

- 1. Key findings and demographics** – provides changes in compensation and production over the years as well as tables broken down by various demographic categories such as state, group type and ownership.
- 2. Physician compensation and benefits** – tables broken down by specialty that include physician compensation data by group type, size of multispecialty practice, ownership, geographic section, method of compensation, years in specialty, gender, clinical hours worked, weeks worked and shareholder in the practice.
- 3. Physician productivity** - tables presented by specialty that include collections for professional charges, physician compensation to collections ratio, gross charges, compensation to gross charges ratio, ambulatory encounters, hospital encounters, surgery/ anesthesia cases, RVUs and compensation per RVU ratios.
- 4. Physician time worked** - tables presented by specialty that include physician weeks worked per year and physician clinical hours worked per week.
- 5. Summary tables** – tables presented for select specialties, which include compensation, collections for professional charges, compensation to collections ratio and total RVUs by group type and geographic section.
- 6. Nonphysician providers** - tables presented by specialty that include compensation, retirement benefits, collections for professional charges, gross charges, compensation to gross charges ratio, ambulatory encounters, hospital encounters and surgical/ anesthesia cases.
- 7. Physician placement starting salaries** - tables presented by specialty that include demographics and starting placement salaries by location and other standardized measures.

Additional Information, Appendices

More information can be found in the appendices that will explain how the information is collected and defined in the survey and 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 a list of MGMA survey products.

Appendix E and F feature the *2006 Compensation and Production Survey Questionnaire* and *Guide to the Questionnaire* as references for the user.

For a complete list of tables see the Table of Contents on pages 6 through 11

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.