2019 Physician Inpatient/ Outpatient Revenue Survey

A survey showing net annual inpatient and outpatient revenue generated by physicians in various specialties on behalf of their affiliated hospitals

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MERRITT HAWKINS
an AMN Healthcare company

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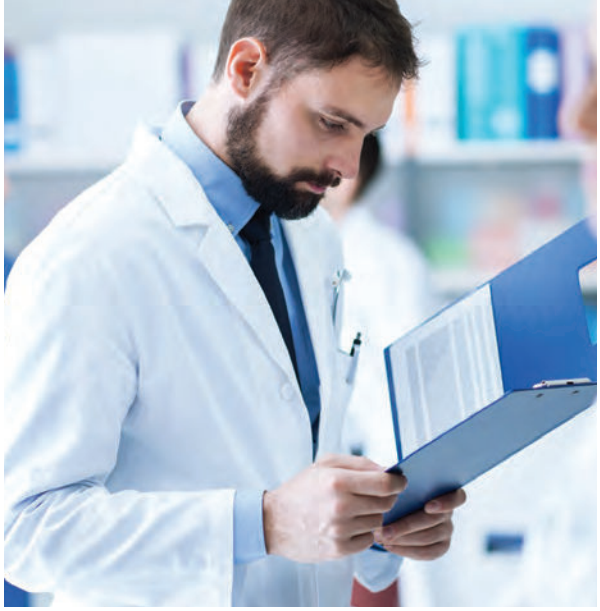
Introduction

Merritt Hawkins is a national physician search and consulting firm specializing in the recruitment of physicians in all medical specialties, physician executives, medical academic leaders, physician assistants, nurse practitioners and other healthcare professionals. Established in 1987, Merritt Hawkins is a company of AMN Healthcare (NYSE: AMN), the largest healthcare workforce solutions organization in the United States as ranked by *Staffing Industry Analysts*.

Merritt Hawkins conducts an ongoing series of surveys covering a range of physician staffing issues including physician recruiting incentives, physician practice patterns, physician appointment wait times, and related topics. Merritt Hawkins conducts surveys for both internal use and on behalf of third parties. Third parties for which Merritt Hawkins has conducted surveys and other research projects include **The Physicians Foundation**, the **Indian Health Service**, the **American Academy of Physician Assistants**, **Trinity University**, the **Association of Academic Surgical Administrators**, the **North Texas Regional Extension Center**, the **Maryland State Medical Society**, the **Society for Vascular Surgery,** and **Subcommittees of the Congress of the United States**.

This report summarizes Merritt Hawkins' seventh survey tracking the average annual net revenue physicians in various specialties generate for their affiliated hospitals. This periodic survey was conducted previously by Merritt Hawkins in 2002, 2004, 2007, 2010, 2013, and 2016.



The survey is intended to provide benchmark data hospitals can use to develop a "quantitative analysis" of their physician recruiting programs. A quantitative analysis as defined by the U.S. Internal Revenue Service (IRS) establishes the financial benefits that newly recruited physicians may bring to a hospital. These benefits may support a hospital's mission of providing quality care to the community it serves by creating revenue streams necessary to the hospital's continued or enhanced operations. A quantitative analysis therefore may serve as part of a hospital's physician recruiting plan by demonstrating the financial benefits to the hospital of physician recruitment. It should be noted, however, that a physician recruiting plan also should include a "qualitative analysis" demonstrating how newly recruited physicians will enhance quality of care in the community by adding needed services.

Survey data also may be used in setting physician compensation levels or recruiting incentives through a cost/benefit analysis comparing the aggregate expense of recruiting physicians to the average revenue generated by physicians in various specialties. Results of the survey also may be of interest to physicians, policy makers, journalists and others who follow physician staffing, compensation, and related trends.

METHODOLOGY

Merritt Hawkins emailed the *2019 Physician Inpatient/Outpatient Revenue Survey* to approximately 3,000 hospital chief financial officers (CFOs) and other financial managers nationwide using a proprietary list of names that are included in its database of clinicians and healthcare administrators. The survey was emailed to all names on the list four times starting in October 2018 and running through December 2018. Additional surveys were emailed at approximately the same time directly to individual hospital CFOs and other hospital executives by Merritt Hawkins' marketing and recruiting consultants.

The survey could be taken anonymously or those hospital executives requesting survey results could include their email addresses. The survey asked hospital CFOs/financial managers to indicate the combined ***net*** inpatient and outpatient revenue generated annually for their facilities by a single, full-time equivalent (FTE) physician (either employed by the hospital or in independent practice) in a variety of specialties through hospital admissions, procedures performed at the hospital, tests and treatments ordered, prescriptions written, etc.

In the case of primary care physicians (defined as family physicians, general internists, and pediatricians), survey respondents were asked to determine revenue from direct hospital admissions, procedures performed, lab tests and treatments ordered, prescriptions written, etc., not indirect revenue primary care physicians may have generated from patient referrals to specialists utilizing the hospital.

The survey listed various revenue ranges and allowed CFOs/financial managers to select the most appropriate range for each medical specialty. In lieu of indicating a range, survey respondents also had the option of indicating on the survey form the specific amount of revenue generated annually for their hospital per a single FTE physician in various specialties.

In cases where a range was indicated, the survey takes the midpoint of this range to determine a weighted average for each specialty. A total of 62 completed surveys were received providing data on 93 separate hospitals.

ACCURACY STATEMENT

The survey was emailed to each CFO/financial manager on the mailing list four times, and Merritt Hawkins' marketing and recruiting personnel also emailed the survey directly to hospital CFOs/financial managers. These combined efforts generated 62 responses representing 93 hospitals, a relatively small data set underlining the difficulty of obtaining the type of physician revenue metrics sought by the survey. Hospital financial executives may find that accessing the requested data can be difficult and some executives may be concerned about the proprietary nature of the data, though Merritt Hawkins does not track the data by hospital name or in any other way, ensuring responses are kept completely confidential.

Despite the relatively small data set, Merritt Hawkins believes survey results are generally reliable and accurate, in large part because the overall number for average annual revenue generated by all physician specialties for their affiliated hospitals has remained relatively constant. In the seven separate years Merritt Hawkins has conducted the survey (spanning an overall period of 16 years) that number has remained at or about $1.5 million. The only exceptions were in 2004, when the average annual revenue generated by all medical specialties tracked in the survey was $1.8 million, and in this year's survey, a finding discussed in more detail below.

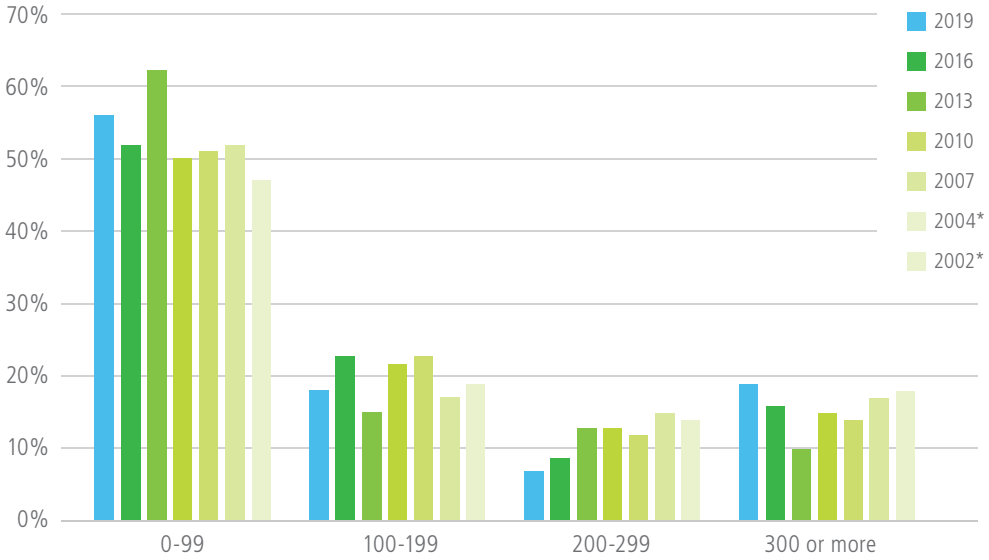
It should be noted that the volume of categorical responses varied by specialty. Not all returned survey forms included data for all specialties. Given these factors, average revenue generated per medical specialty cannot be expected to reflect the experiences of all hospitals.

Survey Findings

RESPONDING HOSPITALS BY NUMBER OF BEDS

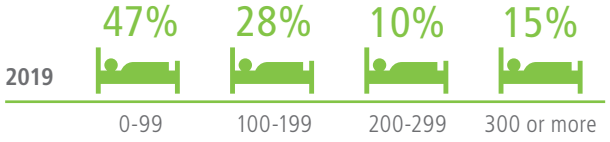
Responding hospitals in 2019 by number of beds are indicated in the first chart below, with comparisons to previous years the survey was conducted. The second chart below indicates the percent of hospitals in the United States by number of beds per hospital, broken out for approximately 5,500 hospitals. These numbers indicate that survey responses are weighted toward smaller hospitals of 100 beds or fewer, which are somewhat overrepresented in the survey relative to the total number of hospitals with 100 beds or fewer nationwide.

RESPONDING HOSPITALS BY NUMBER OF BEDS (YEAR-TO-YEAR COMPARISON)



**In 2004 and 2002, 2% of respondents did not indicate number of beds at their facilities*

HOSPITALS BY BED SIZE/UNITED STATES



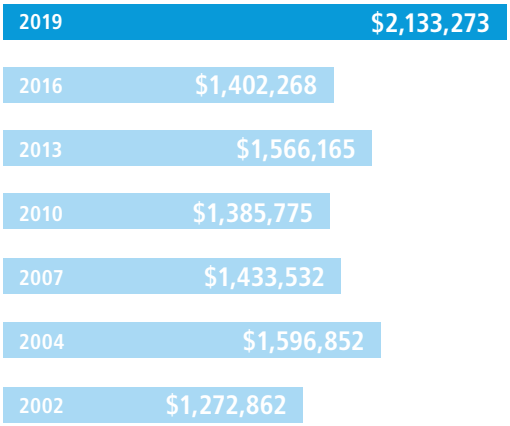
**Source: The American Hospital Association Annual Survey of Hospitals, 2016 edition*

AVERAGE REVENUE GENERATED BY PRIMARY CARE PHYSICIANS, SPECIALISTS, AND ALL PHYSICIANS

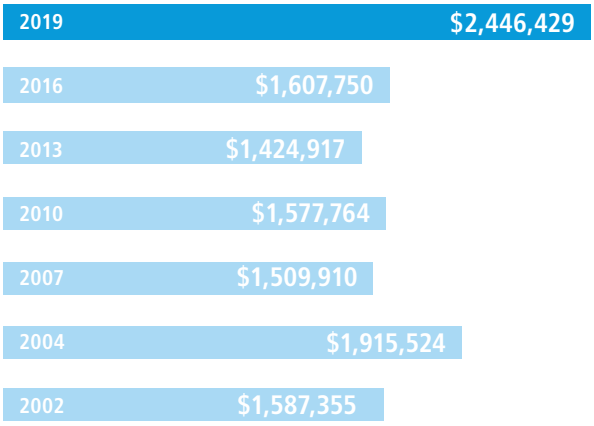
The first graph below indicates average annual net revenue generated by primary care physicians for their affiliated hospitals in the previous 12 months (a period generally corresponding to calendar year 2018) with comparisons to survey data from other years the survey was conducted.

Primary care is defined in this survey as family practice, general internal medicine, and pediatrics. The second graph indicates average annual net revenue generated by specialist physicians for their affiliated hospitals, with comparisons to survey data from previous years. The third graph indicates net average annual revenue generated by all physician specialties tracked in the survey for their affiliated hospitals, with comparisons to data from previous years.

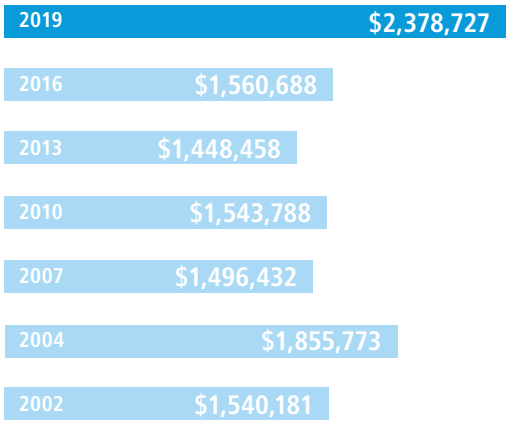
PRIMARY CARE PHYSICIANS



SPECIALIST PHYSICIANS



ALL PHYSICIANS



SPECIALTY REVENUE COMPARISON

The following tables indicate average net annual revenue generated by physicians in various specialties for their affiliated hospitals as tracked by the 2019 survey, with comparisons to data from surveys conducted in previous years.

Cardiology (Non-Invasive)

2019	$2,310,000
2016	$1,260,971
2013	$1,232,142
2010	$1,319,658
2007	$2,240,786
2004	$ 2,646,039
2002	N/A

Cardiology (Invasive)

2019	$3,484,375
2016	$2,448,136
2013	$2,169,643
2010	$2,240,366
2007	$2,662,600
2004	$2,490,748
2002	N/A

Cardiovascular Surgery

2019	$3,697,916*

**Cardiovascular Surgery included in the survey for the first time in 2019*

Family Practice

2019	$2,111,931
2016	$1,493,518
2013	$2,067,567
2010	$1,662,832
2007	$1,615,828
2004	$2,000,329
2002	$1,559,482

Gastroenterology

2019	$2,965,277
2016	$1,422,677
2013	$1,385,714
2010	$1,450,590
2007	$1,335,133
2004	$1,735,338
2002	$1,246,428

General Surgery

2019	$2,707,317
2016	$2,169,673
2013	$1,860,566
2010	$2,112,492
2007	$1,947,934
2004	$2,446,987
2002	$1,835,470

Hematology/Oncology

2019	$2,855,000
2016	$1,688,056
2013	$1,761,029
2010	$1,485,627
2007	$1,624,246
2004	$1,802,749
2002	$1,810,546

Internal Medicine

2019	$2,675,387
2016	$1,830,200
2013	$1,843,137
2010	$1,678,253
2007	$1,987,253
2004	$2,100,124
2002	$1,569,000

Nephrology

2019	**$1,789,062**
2016	$1,260,971
2013	$1,175,000
2010	$696,888
2007	$865,214
2004	$1,121,000
2002	$1,704,326

Neurology

2019	**$2,052,884**
2016	$1,025,536
2013	$691,406
2010	$907,317
2007	$557,916
2004	$924,798
2002	$1,030,303

Neurosurgery

2019	**$3,437,500**
2016	$2,445,810
2013	$1,684,523
2010	$2,815,650
2007	$2,100,000
2004	$2,406,275
2002	$2,364,864

Obstetrics/Gynecology

2019	**$2,024,193**
2016	$1,583,209
2013	$1,439,024
2010	$1,364,131
2007	$1,413,436
2004	$1,903,919
2002	$1,643,028

Ophthalmology

2019	**$1,440,217**
2016	$1,035,577
2013	$725,000
2010	$1,662,832
2007	$725,000
2004	$842,711
2002	$584,310

Orthopedic Surgery

2019	**$3,286,764**
2016	$2,746,605
2013	$2,683,510
2010	$2,117,764
2007	$2,312,168
2004	$2,992,022
2002	$1,855,944

Otolaryngology

2019	**$1,937,500**
2016	$1,066,221
2013	$825,757
2010	N/A
2007	N/A
2004	N/A
2002	N/A

Pediatrics

2019	**$1,612,500**
2016	$665,972
2013	$787,790
2010	$856,154
2007	$697,516
2004	$860,600
2002	$690,104

Psychiatry

2019	**$1,820,512**
2016	$1,210,586
2013	$1,302,631
2010	$1,290,104
2007	$888,911
2004	$1,332,948
2002	$1,138,059

Pulmonology

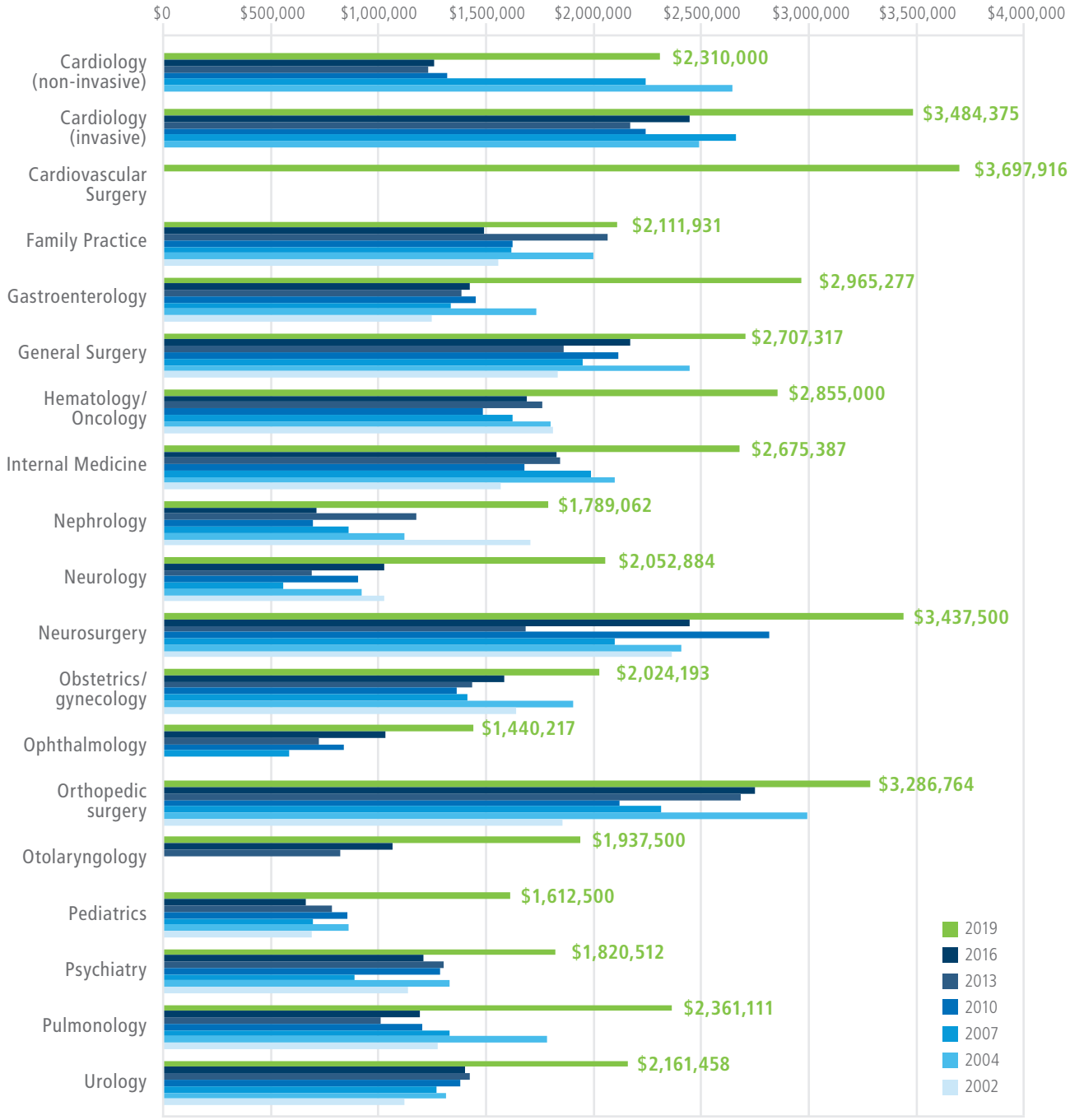
2019	**$2,361,111**
2016	$1,190,870
2013	$1,009,868
2010	$1,204,919
2007	$1,332,534
2004	$1,781,578
2002	$1,278,688

Urology

2019	**$2,161,458**
2016	$1,405,659
2013	$1,428,030
2010	$1,382,704
2007	$1,272,563
2004	$1,317,415
2002	$1,123,697

SPECIALTY COMPARISON YEAR-TO-YEAR

The graph below shows average annual revenue generated per specialty for the seven years the survey has been conducted.



**Ophthalmology included for the first time in 2007, Cardiovascular Surgery included for the first time in 2019*

Cost/Benefit Analysis

The adjacent graphic compares the average net annual inpatient/outpatient revenue generated by physicians in various specialties for their affiliated hospitals as tracked in Merritt Hawkins *2019 Physician Inpatient/Outpatient Revenue Survey* with the average salaries offered to recruit physicians. Average salary figures are derived from Merritt Hawkins' *2018 Review of Physician and Advanced Practitioner Recruiting Incentives* and indicate the financial incentives offered to physicians in the 3,045 physician search assignments Merritt Hawkins conducted from April 1, 2018 to March 31, 2018. These numbers may be used as part of a "quantitative" physician recruiting cost/benefit analysis showing costs of recruiting physicians relative to the revenue physicians generate for their affiliated hospitals. A "qualitative" analysis also will factor in the quality of care benefits that new physician services may bring to a given community.

As these numbers indicate, physicians typically generate considerably more in "downstream revenue" than they receive in the form of salaries or income guarantees. This is particularly true of primary care physicians. Though hospitals and other employers have been shown to lose money on physician salaries in some cases, they often recoup these loses from the downstream revenue physicians generate.

PHYSICIAN GENERATED REVENUE VS. AVERAGE SALARIES

Specialty	Average Revenue	Average Salary*
Cardiology (Invasive)	$3,484,375	$590,000
Cardiology/Non-Inv.	$2,310,000	$427,000
Cardiovascular Surgery	$3,697,916	$425,000
Family Practice	$2,111,931	$241,000
Gastroenterology	$2,965,277	$487,000
General Surgery	$2,707,317	$350,000
Hematology/Oncology	$2,855,000	$425,000
Internal Medicine	$2,675,387	$261,000
Nephrology	$1,789,062	$272,000
Neurology	$2,052,884	$301,000
Neurosurgery	$3,437,500	$687,000
OB/GYN	$2,024,193	$324,000
Ophthalmology	$1,440,217	$300,000
Orthopedic Surgery	$3,286,764	$533,000
Otolaryngology	$1,937,500	$405,000
Pediatrics	$1,612,500	$230,000
Psychiatry	$1,820,512	$261,000
Pulmonology	$2,361,111	$418,000
Urology	$2,161,458	$386,000

Source: Merritt Hawkins 2018 Review of Physician Recruiting Incentives

Trends and Observations

Merritt Hawkins' *2019 Physician Inpatient/ Outpatient Revenue Survey* provides benchmark data indicating the estimated amount of net inpatient and outpatient revenue physicians in 19 specialties generate annually on behalf of their affiliated hospitals through hospital admissions, procedures, prescriptions, treatments, tests and related activity.

The average annual net revenue generated by all 19 specialties examined in the 2019 survey is $2,378,727. This is an increase of 52% over average annual net revenue generated by all specialties as tracked in Merritt Hawkins' 2016 revenue survey. It also is more than the average revenue for all specialties as tracked in any of the other years the survey was conducted. In all previous years, including 2016, the average net annual revenue generated by physicians for their affiliated hospitals was approximately $1.4 million to $1.5 million. The one exception prior to 2019 was 2004, when average net annual revenue generated by all physicians for their affiliated hospitals was $1.8 million.

The average annual net revenue generated by primary care physicians, defined as family physicians, general internal medicine physicians, and pediatricians in the 2019 survey is $2,133,273, up from $1,402,268 in 2016, an increase of 52%. This is the highest number for average revenue generated by primary care physicians recorded in the seven years the survey has been conducted.

The average annual net revenue generated by specialty care physicians in the 2019 survey is $2,446,429, up from $1,607,750 in 2016, an increase of 52% and the highest average for specialists recorded in the seven years the survey has been conducted. In six of the seven years Merritt Hawkins has conducted the survey, specialist physicians as a group have generated more revenue on average for their affiliated hospitals than primary care physicians. The one exception was 2013, when primary care physicians generated an average of $1,566,165 annually for their affiliated hospitals, compared to $1,424,917 for specialists.

In the seven years Merritt Hawkins has conducted this survey (over a total period of 16 years), average annual revenue generated by all physician specialties has fluctuated from a low end of $1,448,458 in the 2013 survey to a high end of $2,378,727 in the 2019 survey.

INCREASES IN PRIMARY CARE REVENUE AND EMPLOYMENT

Net revenue generated by primary care physicians decreased in Merritt Hawkin's 2016 revenue survey relative to 2013, but increased significantly from 2016 to 2019. The decrease in average revenues generated by primary care physicians for their affiliated hospitals from 2013 to 2016 was unexpected.

Due to an increase in the number of physicians employed by hospitals and by hospital-owned medical groups, Merritt Hawkins expected average revenues generated by primary care physicians for their hospitals to increase in the 2016 survey.

The chart below illustrates the growth in the number of physicians who are employed versus those who are in independent practice. The numbers are derived from the national survey of physicians that Merritt Hawkins conducts on a biennial basis for The Physicians Foundation (www.physiciansfoundation.org).

EMPLOYED VS. INDEPENDENT PHYSICIANS

	Independent	Employed by hospital/ hospital owned group/ physician owned group	Other
2012	48.5%	43.7%	7.8%
2014	34.6%	52.8%	12.5%
2016	32.7%	57.9%	9.4%
2018	31.4%	49.1%	19.5%

Source: A Survey of America's Physicians. The Physicians Foundation/Merritt Hawkins. September, 2018.

As these numbers show, close to half of physicians (48.5%) identified as independent in 2012, compared to only 31.4% in 2019.

Primary care physicians tend to be employed at a higher rate than specialty care physicians and are less likely to be in independent private practice. In the 2018 *Survey of America's Physicians*, only 25.7% of primary care physicians identified as practice owners compared to 34.1% of specialists. Over 52% of primary care physicians identified as employees, compared to 47% of specialists.

Primary care physicians are particularly likely to be hospital and health system employees because many of these organizations have purchased primary care groups in order to participate in new delivery and reimbursement models such as Accountable Care Organizations (ACOs). These models increasingly feature care for large population groups managed by primary care doctors operating under a fixed or global budget with a value-based reimbursement component.

Employed primary care physicians may be more likely to direct tests, therapies and other services "in-house" to their hospital or hospital system employer, rather than to outside resources such as radiology groups or labs, which may have been their pattern when they were in independent practice. They also may direct more hospital admissions to the hospital or system that employs them than they might if in independent practice and hence generate more revenue for their affiliated hospitals. Though this behavior pattern was not apparent in the 2016 survey, it may be one reason for the high revenue figures generated by primary care physicians in the 2019 survey.

RISING COSTS AND OUTPATIENT VISITS

The growing number of employed physicians may be one cause for the increase in average revenues generated by primary care and specialty physicians for their affiliated hospitals seen in 2019. Another cause may be the growing volume and cost of hospital services, many of which are provided by physicians or are ultimately derived from physician activities such as hospital admissions.

HOSPITAL ADMISSIONS AND HOSPITAL OUTPATIENT VISITS

	All hospitals Admissions in thousands	All hospitals Outpatient visits in thousands
2015	34,879	802,680
2014	35,416	787,422
2013	36,156	777,961
2010	36,915	750,408
2000	34,891	592,673
1990	33,774	368,184
1980	38,892	262,951
1975	36,157	254,844

Source: American Hospital Association Annual Survey of Hospitals, Hospital Statistics. 2017

NUMBER OF HOSPITAL INPATIENT STAYS AND MEAN COST PER STAY 2005 AND 2014

All stays	
2005	37.8 million
2014	35.4 million
% change	-6.6
2005 cost in $ (inflation adjusted)	9,500
2014 Cost (actual)	10,900*
% change	+12.7

Source: Agency for Healthcare Research and Quality (AHRQ).

**The Institute for Health Metrics and Evaluation's December 2018 study puts average inpatient visit costs in the U.S. at $22,000.*

The adjacent chart shows the number of hospital admissions in the U.S. and the number of hospital outpatient visits based on American Hospital Association numbers released in 2017 and tracking data through 2015.

Though these numbers show that hospital admissions have been flat or have declined since 1975 the number of hospitals also has declined, from over 7,100 in 1975 to some 5,500 today, suggesting that admissions per hospital have increased. This also may contribute to the relatively high revenue figures observed in the 2019 survey.

In addition, costs for hospital inpatient stays are increasing (see chart on the bottom left).

By contrast, hospital outpatient visits have more than tripled since 1975 as more healthcare services are being moved to outpatient settings, including a growing number of urgent care centers, some of which are hospital-owned.

Costs per hospital outpatient visit also have increased. The average cost per hospital outpatient visit in 1995 was $275 but has now reached $500, an increase of 62% after adjusting for inflation, according to a December, 2018 study from the Institute for Health Metrics and Evaluation at the University of Washington. These trends also may have contributed to the high revenue figures seen in the 2019 survey.

MEDICAL SPECIALISTS REMAIN TOP REVENUE GENERATORS

The healthcare system in the United State is in the midst of a years-long transformation in which policy makers, healthcare providers, third party payers, large employers and other stakeholders

are seeking to replace the volume-driven dynamics of fee-for-service medicine with the quality driven dynamics of fee-for-value.

Ideally, a quality-based system will emphasize prevention and encourage proactive policies such as population health management, which features active patient engagement at the personal and community levels intended to promote health and well-being. Under such a system the use of invasive procedures and treatments, often performed by specialists, will be reduced as disease and ill-health are diagnosed and treated earlier, less invasively and at less cost. Average revenues generated by specialists for their affiliated hospitals would then be expected to decline.

Merritt Hawkins' *2019 Physician Inpatient/Outpatient Revenue Survey* suggests that emerging value-based delivery models have yet to inhibit the revenue generating power of physician specialists. The average net annual inpatient and outpatient revenue generated by medical specialists for their affiliated hospitals now stands at $2,446,429, according to the 2019 survey, an increase of 52% relative to 2016, the last time the survey was conducted.

THE "$3 MILLION CLUB"

Four types of specialists – invasive cardiologists, neurosurgeons, orthopedic surgeons, and cardiovascular surgeons -- all generate in excess of $3 million net a year on average for their affiliated hospitals, the 2019 survey indicates.

Cardiovascular surgeons, added to the survey in 2019, are the highest revenue generators at $3,697,916 per year, followed by invasive cardiologists at $3,484,375 per year, neurosurgeons at $3,437,500 per year and orthopedic surgeons at $3,286,764 per year.

The chart below lists types of physicians (primary care and specialists) by average annual net revenue generated per their affiliated hospitals.

AVERAGE ANNUAL REVENUE BY SPECIALTY, MOST TO LEAST

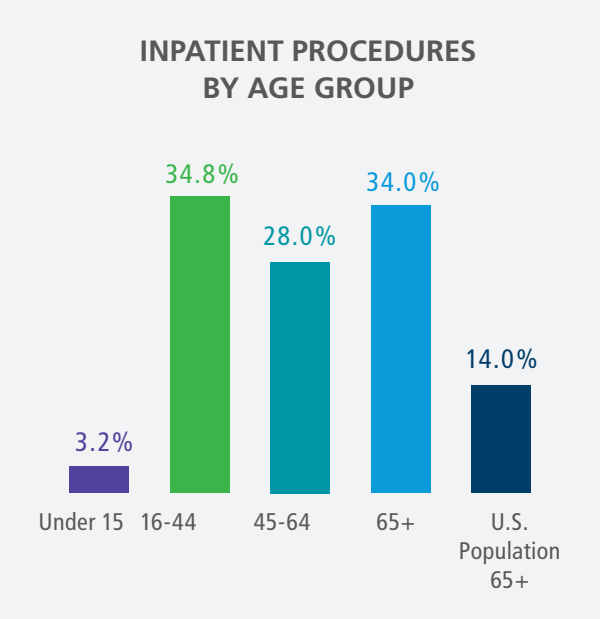
1	Cardiovascular surgery	$3,697,916
2	Cardiology (invasive)	$3,484,375
3	Neurosurgery	$3,437,500
4	Orthopedic Surgery	$3,286,764
5	Gastroenterology	$2,965,277
6	Hematology/Oncology	$2,855,000
7	General Surgery	$2,707,317
8	Internal Medicine	$2,673,387
9	Pulmonology	$2,361,111
10	Cardiology (non-invasive)	$2,310,000
11	Urology	$2,161,458
12	Family Medicine	$2,111,931
13	Neurology	$2,052,884
14	Obstetrics/Gynecology	$2,024,193
15	Otolaryngology	$1,937,500
16	Psychiatry	$1,820,512
17	Nephrology	$1,789,062
18	Pediatrics	$1,612,500

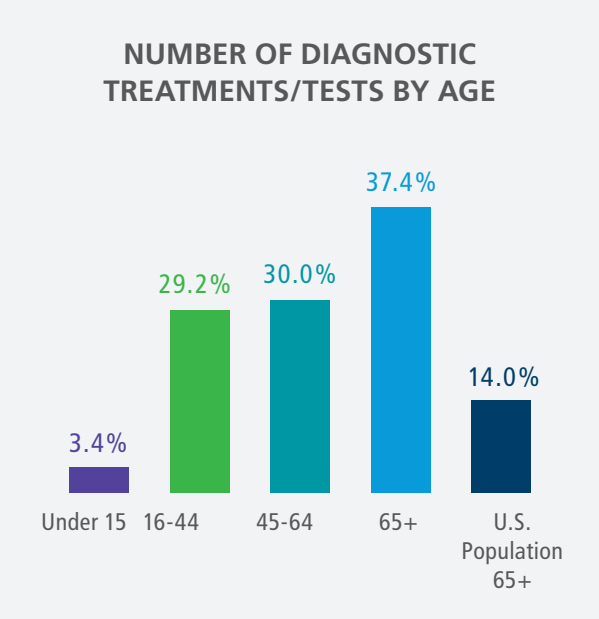
Average annual revenue generated for all specialties included in the survey increased over 2016 levels, in many cases significantly. For example, average revenue generated by family medicine physicians was up 41%, from $1,493,518 in 2016 to $2,111,931 in 2019; average revenue generated by invasive cardiologists was up 42%, from $2,448,136 in 2016 to $3,484,375 in 2019; and average annual revenue generated by psychiatrists was up 50%, from $1,210,585 in 2016 to $1,820,512 in 2019.

These results suggest that value-based delivery models have not reduced the volume and/or the cost of physician specialty care, and that such efforts may be trumped by both the continued prevalence of fee-for-service payment models and, in particular, by increased utilization of physician services driven by population aging.

PATIENT AGING DRIVING UTILIZATION

The relatively high net revenue generated by various medical specialists on behalf of their affiliated hospitals seen in the 2019 survey may be in part a reflection of patient demographics. Over 10,000 baby boomers turn 65 every day. Patients 65 years old and older generate a disproportionate number of physician visits and generate a disproportionate number of medical procedures and tests. Though they represent only 14% of the population, patients 65 and over generate 34% of inpatient procedures and 37.4% of diagnostic tests, according to the Centers for Disease Control and Prevention (see graphs below), and account for 34% of all healthcare spending.





Source: Center for Disease Control and Prevention

Older patients, who often have multiple organ systems or body parts that need treatment, require the care of physicians who specialize in treating these systems and body parts. These specialists include orthopedic surgeons, cardiologists, ophthalmologists, urologists, pulmonologists, psychiatrists, neurologists and other specialists included in this survey.

It is for this reason that the Association of American Medical Colleges (AAMC) projects a shortage of up to 121,300 physicians by 2030, the majority of them (72,000) specialists. Over the last several years, Merritt Hawkins has seen demand for medical specialist rising, a trend explored in more detail in our white paper *Physician Supply Considerations: The Emerging Shortage of Medical Specialists*.

While advanced practitioners such as physician assistants and nurse practitioners can supplement the physician workforce, specialists are required to perform the complex surgeries, diagnostic tests, and other procedures and care that older patients often require.

For this reason, and because payments for the procedures typically performed by specialists continue to be higher than the consultations typically provided by primary care physicians, medical specialists are likely to remain high revenue generators for their affiliated hospitals, even with the advent of value-based delivery models.

ADDITIONAL ECONOMIC IMPACT OF PHYSICIANS

An additional point to be considered is that physicians have a direct economic impact not only on the hospitals with which they are affiliated but on the communities in which they practice. A report released by the American Medical Association in January, 2018 quantifies the national and local economic impact of America's office-based physicians. Data from this report is cited below.

PHYSICIAN ECONOMIC IMPACT

Total economic output: The combined economic output of office-based physicians in the U.S. is $2.3 trillion based on 2015 data, up from $1.6 trillion in 2012.

Per capita economic output: Each office-based physician supports a per capita economic output of $3.1 million based on 2015 data, up from $2.2 million in 2012.

Jobs: On average, each office-based physician supports 17 jobs based on 2015 data, up from 14 jobs in 2012.

Wages and benefits: On average, each office-based physician paid $1.4 million in wages and benefits based on 2015 data, up from $1.1 million in 2012.

Tax revenues: on average, each office-based physician supports $126,129 in local and state tax revenues, based on 2015 data, up from $90,449 in 2012.

Source: American Medical Association. The National Economic Impact of Physicians. January, 2018.

Conclusion

The healthcare system in the United States is in a period of transition. Policy makers, hospitals, third party payers, employers and others are seeking to implement delivery models that promote quality over volume and a population-based approach to healthcare over an approach based on individual transactions.

Merritt Hawkins' *2019 Physician Inpatient/ Outpatient Revenue Survey* underscores the key role physicians continue to play in healthcare economics as the healthcare system evolves. Whether operating in quality-based models such as ACOs or in a pure fee-for-service environment, physicians continue to be the primary initiators of care, driving both the patient experience and healthcare revenues through patient diagnosis, hospital admissions, tests, treatments and procedures that cascade throughout the system and may ultimately involve a wide variety of other healthcare professionals. Though the healthcare system is evolving, little takes place in medicine today that is not ordered by, reviewed by, or performed by a doctor.

Merritt Hawkins' *2019 Physician Inpatient/ Outpatient Revenue Survey* quantifies the financial impact physicians have on hospitals as the initiators and providers of care – an average, per physician, of $2,378,727 in net revenue generated per year. The data included in the survey may be of assistance to hospital executives preparing a "quantitative analysis" of the impact of physician recruiting on their facilities. Such an analysis should be accompanied by a "qualitative analysis" documenting the impact on quality of care provided to the community of newly recruited physicians.

For additional information about this or other surveys conducted by Merritt Hawkins, contact Phillip Miller at phil.miller@amnhealthcare.com.

About Merritt Hawkins

Established in 1987, Merritt Hawkins is the leading physician search and consulting firm in the United States and is a company of AMN Healthcare (NYSE: AMN), the largest healthcare workforce solutions organization in the nation. Merritt Hawkins' provides physician and advanced practitioner recruiting services to hospitals, medical groups, community health centers, telehealth providers and many other types of entities nationwide.

The thought leader in our industry, Merritt Hawkins produces a series of surveys, white papers, books, and speaking presentations internally and also produces research and thought leadership for third parties. Organizations for which Merritt Hawkins has completed research and analysis projects include **The Physicians Foundation, the Indian Health Service, Trinity University, the American Academy of Physician Assistants, the Association of Academic Surgical Administrators, and the North Texas Regional Extension Center**.

For additional information about Merritt Hawkins' services, white papers, speaking presentations or related matters, contact:

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Merritt Hawkins' white papers include:

- Psychiatry: "The Silent Shortage"
- Trends in Family Medicine Recruiting and Supply/Demand
- How to Structure the Physician Interview
- Nurse Practitioners and Physician Assistants: Supply, Distribution, and Scope of Practice Considerations
- The Physician Shortage: Key Facts and Trends
- How Physicians Can Assess a Medical Practice Opportunity
- Physician Supply Considerations: The Emerging Shortage of Medical Specialists
- Rural Physician Recruiting Challenges and Solutions
- The Economic Impact of Physicians
- Ten Keys to Enhancing Physician Retention and Reducing Turnover
- How to Assess Community Need for Physicians

Merritt Hawkins' speaking presentations include:

- How to Make Your Healthcare Facility a Doctor Magnet
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