SPECIAL REPORT

Today's Hospitalist

Hospitalist recruitment update

PLUS: The staggering cost of physician turnover

Our survey says ...

I'M HAPPY TO REPORT that our 2016 survey data are in, and the news about physician pay is good. The bottom line is that hospitalists are reporting that their compensation is up 7% from last year's survey, with full-time hospitalists who treat adults earning an average of just over $280,000.

Those numbers are exciting, but the news gets even better once you start to dig through the data. Our survey, for example, found that more than one-third of hospitalists are making more than $300,000 a year. Even more interesting, 8% of full-time adult hospitalists report earning more than $400,000.

In our report, we take a look at how hospitalists are pulling in those big paychecks. Some hospitalists are boosting their incomes the old-fashioned way: by working more. In many parts of the country, the shortage of hospitalists is a big problem, and physicians willing to take on extra shifts can substantially augment their incomes.

But some hospitalists are earning more because many hospitals now pay stipends and bonuses for jobs that the specialty used to perform for free. Some groups are giving physicians big bonuses for their participation in meetings, quality initiatives and citizenship.

Why are hospitals and health systems finally paying hospitalists for nonclinical duties? In some cases, they realize that hospitalists play a critical role in everything from meeting performance-based care standards to fighting bad decisions by insurance companies. They're not only recognizing the roles that hospitalists can play outside of patient care, but paying them.

With the average age of hospitalists on the rise—49 years in this survey—the trend to pay them for nonclinical activities is great news. As more hospitalists enter their late 40s, the specialty needs to give physicians a way to earn more without necessarily putting in more hours.

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CONTENTS

EDITOR'S LETTER
The bottom line
A look at nine years of Today's Hospitalist compensation survey data

PROFILE
Who is a hospitalist?
A look at hospitalist demographics

ABOUT THIS REPORT
Background and methodology
Plus, get the full report

PAY TRENDS
The big picture
A look at adult hospitalist compensation

BONUS & INCENTIVE PAY
A look at regional, group and individual bonus pay
More salary means less annual income

BY THE NUMBERS
The staggering cost of physician turnover
Recruitment spending is only the tip of the iceburg

CAREER SATISFACTION
Are hospitalists satisfied with their career?
Most are it turns out

GROUP RETENTION
Who's coming and who's going
Growth and attrition in hospitalist groups

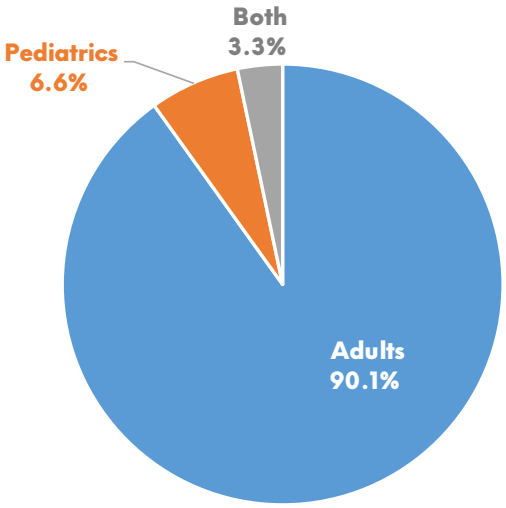
EXTRA PAY & INCENTIVES
What hospitalists are looking for in a new employer
And what employers are offering

2016 COMPENSATION AND CAREER SURVEY RESULTS
Ka-ching
Regional pay differences, academic medicine and a look at high earners

PAY FOR EXTRA DUTIES
What duties do you perform, and which are paid for?
A look at duties that may or may not be compensated

PEDIATRIC PAY
The survey says ...
Catching up but still not there

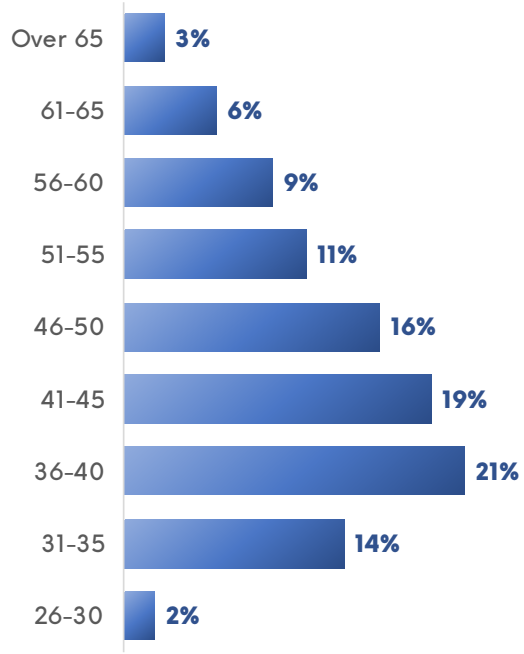
Type of patients treated



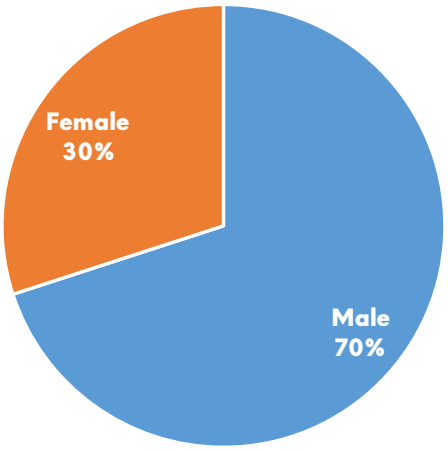
Employment model

Hospital/Hospital corp.	50.9%
Local hospitalist group	15.1%
Nat'l hospitalist mgt. co.	11.5%
Multispecialty/Primary care gr.	9.3%
University/Medical school	8.7%
Other	1.9%
Locums hospitalist company	1.3%
Veterans Administration	1.3%

Age & Gender



MEAN AGE: 49.8 YEARS



Source: 2016 Today's Hospitalist Compensation & Career Survey.

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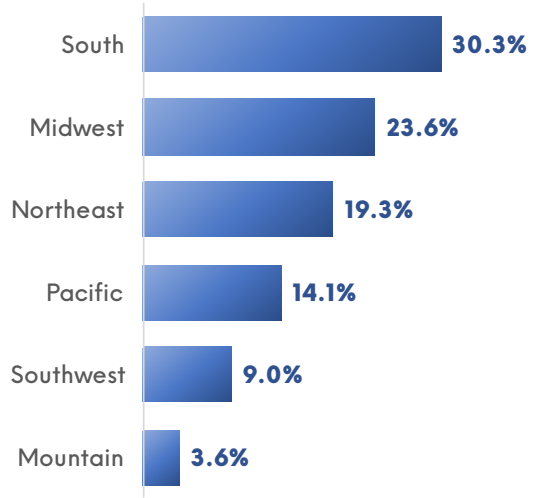
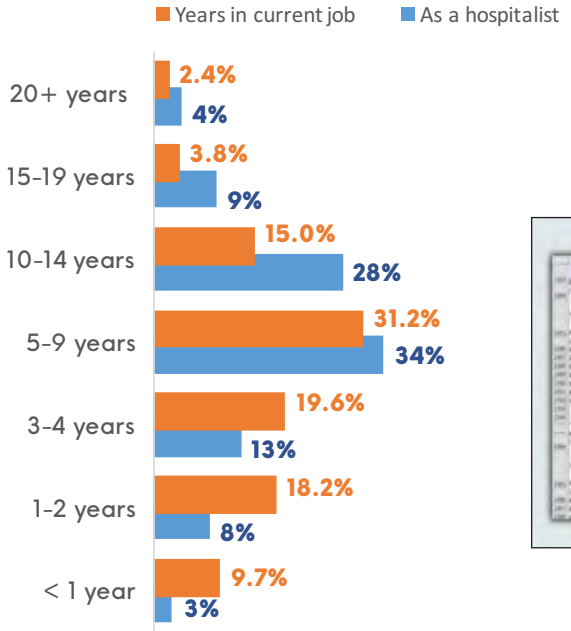
US region



Years of service



MEAN YEARS AS A HOSPITALIST: 9.0
MEAN YEARS IN CURRENT JOB: 6.2

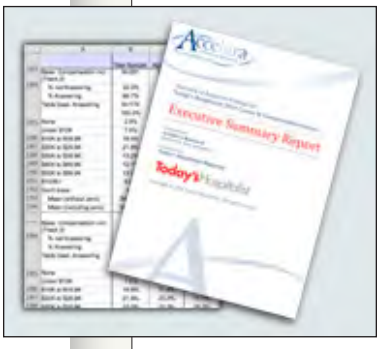
Background & Methodolgy

To conduct the Today's Hospitalist Compensation & Career Survey, Today's Hospitalist worked with Accelara Research Inc. Respondents were invited to the survey through e-mail invitations to all Today's Hospitalist subscribers and e-newsletter recipients with e-mail addresses on file, supplemented by e-newsletter, website and social media posts.

Invitational e-mails and announcements included a direct link to the live survey hosted by Accelara Research.

Analyses were conducted among 636 hospitalist respondents. For a sample of N=636 a 95% level of confidence (where 19 of 20 random samples are likely to show results within this range) is +/- 3.8% for statistics near the 60%/40% distribution range, and +/- 2.3% for statistics at a 90%/10% distribution.

The statistical confidence interval for a half-sample of N=318 at a 95% level of confidence is +/- 5.4% for statistics near the 60%/40% distribution, and +/- 3.3% for statistics at a 90%/10% distribution. Statistical confidence is a function of sample size.

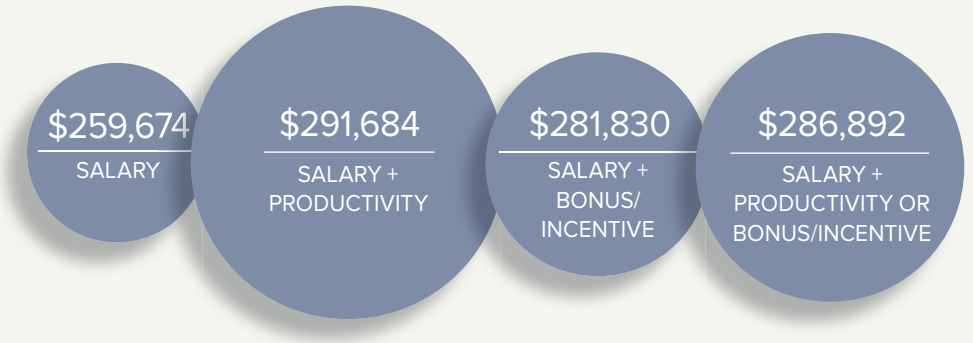


Get the full report

Comprehensive results of the 2016 Today's Hospitalist Compensation & Career Survey are available for purchase. This unique report is includes a 55-page executive summary plus an Excel spreadsheet, with comprehensive data on hospitalist pay, group size, type of employer, size of hospital, respondents' age and experience, and more. The Report provides not only overview numbers, but also allows users to drill down and get more details. Compare your pay, hours, patient load and more with hospitalists in the same region, employer type, hospital size, and much more.

A look at hospitalist pay trends

Hospitalist compensation by payment model

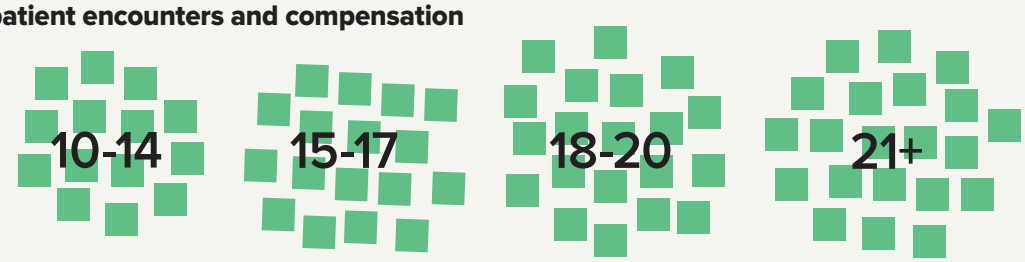


The highest paid hospitalists, who received productivity bonuses equaling more than 10% of their pay, reported an average compensation of more than $310,000.

The link between patient encounters and compensation

Number of daytime patient encounters per shift

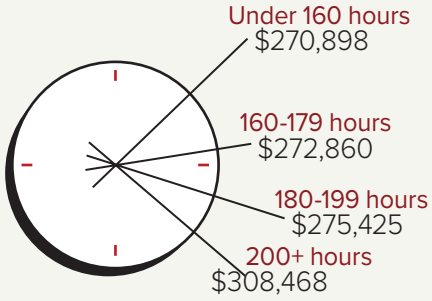
= 1 patient



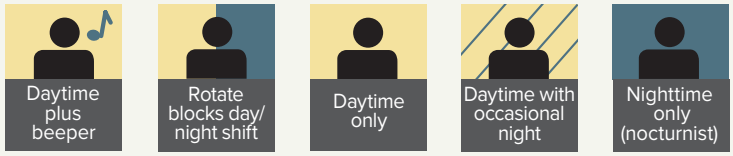
$264,706 $270,709 $294,349 $298,370

When it comes to shifts worked per month, more is definitely more lucrative. Hospitalists working over 20 shifts a month reported earning an average of just over $316,000.

How hours per month affect income



Compensation and primary shifts



$275,000 $275,181 $277,130 $285,878 $286,218

In terms of shift length, 11-12 hour blocks pay the best. Hospitalists working these shifts reported an average compensation of just under $280,000.

Source: 2016 Today's Hospitalist Compensation & Career Survey.

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Bonuses and incentives:

How much do hospitalists make?

Are incentives based on group or individual performance?	
Combination of both	57.5%
Group-based incentives	16.9%
Individual incentives	25.6%

In the 2016 Today's Hospitalist Compensation & Career Survey, the mean amount of income from bonus/incentive pay was $29,483. For men, the mean figure was $30,100 vs. $25,140 for women.

Only 23% of hospitalists say they're paid a salary with no incentives. Only 6% are paid solely on productivity.

What factors are incentives based on?	
Quality measures (satisfaction scores, guidelines)	84.7%
Clinical measures	73.5%
Productivity (number of admissions, shifts worked, RVUs)	67.1%
Committee work	49.0%

How do bonus amounts vary by geography?	
South	$33,000
Midwest	$24,030
Pacific	$29,020
Southwest	$29,300
Northeast	$29,130
Mountain*	$25,875

*N=15 and may be statistically unreliable.

Source:
2016 Today's Hospitalist Compensation & Career Survey. All data are for full-time hospitalists who treat adults.

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David A. Frenz, MD

The staggering costs of physician turnover

Recruitment spending is only the tip of the iceberg

I'm the physician executive for a multispecialty group of 250 providers that includes hospital medicine. Turnover occurs all the time, with people both coming and going. This week, for example, I attended a welcome lunch for four new providers. Last week, two people left.

In hospital medicine, the workforce remains pretty fluid. According to the 2014 Society of Hospital Medicine (SHM) survey, the median turnover in adult groups is 8%. Per SHM, the average group has 10 hospitalists, which means they lose roughly one provider every year.

Turnover is so common that it's easy to become oblivious to the costs, but the financial impact is huge and probably much larger than you think. Let's try to get a handle on it.

Recruitment costs

Provider sourcing chews up lots of money. According to Physician Career Advisor, the average direct costs in 2014 were $27,300 per physician. That includes items that are easy to quantify, like print and online advertising and exhibiting at medical conferences. But there are also many soft costs: salaries or fees paid to recruiters, and lost productive time for existing employees involved in candidate selection.

In my group, medical directors are the hiring managers. Our two in-house recruiters present them with CVs, which the medical directors sift through. They then interact with candidates by phone, text and e-mail. Then come site visits, which involve interviews conducted by frontline providers and other stakeholders in the organization.

According to Cejka Search, groups interview about three candidates per vacancy. Some candidates make more than one visit, and the total cost on average comes to $31,090 per position filled. Keep in mind, that's just for the interviews.

Eventually, job offers are proffered, which involves more communication (and haggling) between the parties. Candidates sometimes involve their attorney, which invariably leads to contract revisions, time and, ultimately, money.

Finally, there are big-ticket items like signing bonuses, relocation allowances, loan forgiveness and income guarantees. Physician Career Advisor pegs the final number at $100,000 or more to just get someone in the door.

Onboarding costs

Once a candidate signs the contract, you need to onboard them. In my health care system, the medical staff office spends 12 hours on each application for hospital credentialing, and that's just the tip of the proverbial iceberg. There's also health plan (payer) enrollment, all of the occupational health stuff (vaccinations, drug testing, TB mask fitting), EHR training, coding education and system orientation, just to name a few.

For hospital medicine, the overall cost of turnover is probably at least $400,000 per provider.

Total onboarding cost? Brace yourself. According to Echo, a HealthStream Company that offers credentialing and analytics, "the cost to train, credential, market and onboard a physician" is $200,000 to $300,000. Ouch!

Lost revenue

We've burned through at least 300 grand at this point—and it all came out of every cost center except yours. Now comes the direct hit to your budget when a provider resigns, retires or unexpectedly departs.

Estimates abound, but the best analysis I've seen comes from William Atkinson, an administrator now at Houston's MD Anderson Cancer Center, and his colleagues when they were at the Cleveland Clinic. Their study, published in the May-June 2006 issue of the Journal of Medical Practice Management, looked at seven specialties. While hospital medicine wasn't included, general internal medicine and emergency medicine illustrate some general principles.

The authors developed a three-factor model that involved:

- potential lost revenue associated with a provider leaving;
- revenue recovered by remaining providers who pick up the slack; and
- revenue generated after the new provider arrives.

For general internal medicine, Mr. Atkinson and his collaborators found a 75% decrease in revenue during a vacancy. That's because established ambulatory providers are usually fully empaneled and have very limited capacity to absorb more patients. The study also found that new providers took 18 months to get up to speed. In other words, it takes newbies a year and a half to produce at a rate similar to the provider who departed.

So what does this represent in real dollars? According to the Medical Group Management Association, the average ambulatory internist collected about $399,000 in 2013 (the 25th and 75th percentiles were $274,000 and $498,000, respectively). When you run the model (with some additional coefficients from Mr. Atkinson's paper), you lose $435,000 in revenue before you get back to baseline.

Things aren't quite so bad in emergency medicine. Remaining providers recover 87% of potential lost revenue, and new providers produce pretty well right out of the gate, taking only nine months to fully ramp up. When you crunch those numbers, they translate to only $73,000 in lost revenue.

So what's my guesstimate for hospital medicine? With average collections of $181,000 per year, using the same coefficients as emergency medicine puts the loss at $39,000. But that's clearly the best-case scenario. A longer vacancy, lower revenue recovery and slower ramp-up period would lead to a much bigger bleed.

And what if remaining providers can't—or won't—cover open shifts? The whole thing explodes if you need to offer premium pay, bring in locum tenens hospitalists or reduce your census. Sound familiar?

Final number

Time to tally things up. For hospital medicine, the overall cost of turnover is probably at least $400,000 per provider and could easily be $600,000 or more. Yet another reason to hire well and retain providers for years. TH

David A. Frenz, MD, is vice president and medical director for North Memorial Health Care in Robbinsdale, Minn. You can learn more about him and his work at www.davidfrenz.com or LinkedIn.

SURVEY SAYS...

A look at hospitalist career satisfaction

90% of hospitalists say they're **satisfied or very satisfied** with their career

Overall satisfaction by type of employer

Hospital/hospital corporation	95.2%
University/medical school	93.8%
Local hospitalist group	86.8%
Multispecialty/primary care group	80.0%
National hospitalist mgmt. company	79.3%

How happy are you with your career?

	Satisfied/very satisfied		
	Overall	**Men**	**Women**
Overall satisfaction with hospitalist career	89.9%	90.5%	87.5%
Your specific job	89.9%	91.0%	85.7%
Clinical autonomy	86.4%	87.1%	85.7%
Current duties	88.1%	88.8%	85.7%
Work schedule (such as seven-on/seven-off)	83.2%	84.6%	80.0%
Schedule flexibility	80.9%	83.1%	76.8%
Annual pay/income	78.5%	81.0%	71.4%
Number of work hours	77.4%	78.5%	75.0%
Patient load	75.0%	76.4%	71.4%
How group is managed	69.2%	72.1%	60.7%
Respect from specialists, PCPs, admin.	68.2%	69.1%	66.1%
Pay structure	66.5%	70.2%	53.6%
Opportunity for promotion	64.6%	68.2%	51.8%
How hospital is managed	59.0%	61.2%	50.0%

Men report higher levels of satisfaction in pay structure, annual income, schedule, flexibility, how groups are managed and opportunities for promotion.

93% of **teaching hospitalists** say they're satisfied with their careers.

Source: 2016 Today's Hospitalist Compensation & Career Survey. All data are for full-time hospitalists who treat adults.

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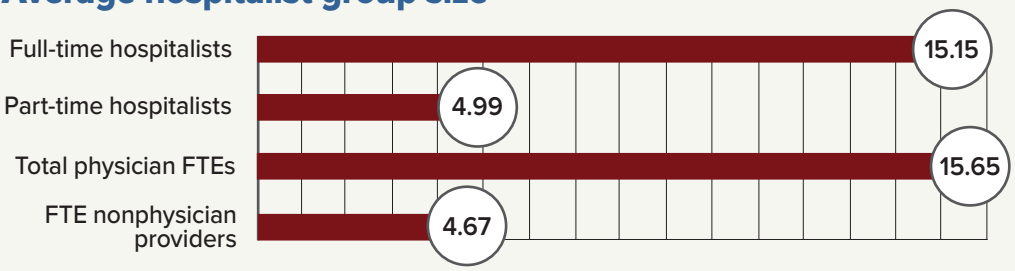
Hospitalist groups: Who's coming and who's going?

The biggest hospitalist groups tend to work for universities/medical schools, which have an average of 21 physicians, and multispecialty/primary care groups, which have an average of 19 physicians.

Average hospitalist group size



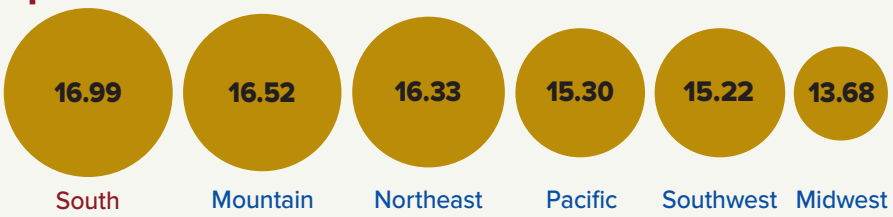
Growth and attrition in hospitalist groups

Universities/medical schools have the highest attrition rate, with hospitalists in these groups reporting that they lost an average of four physicians in the previous year. University physicians also reported planning to hire the most physicians, between two and three, in the following year.

Hospitalist groups in the Southwest reported losing the most physicians in the previous year: 3.47.

Size of hospitalist group by employer type

Hospitalist group size is biggest in the South, where groups on average have 17 doctors.



Source: 2015 Today's Hospitalist Compensation & Career Survey. All data are for full-time hospitalists who treat adults.

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Recruitment incentives: what's hot and what's not

What hospitalists are looking for in a new employer

TOP 5 FACTORS WHEN CONSIDERING NEXT JOB OPPORTUNITY	
Compensation	72%
Work schedule	63%
Work load	62%
Location	58%
Collegiality (among group, admin., staff, referring docs)	35%
Growth opportunities	27%
Being respected	20%
Quality of care provided	19%
Job description	18%
Practice model (in-hospital group, multispecialty group)	16%
Group governance / transparency of administration	15%
EMR	15%
NP/PA support	11%
Amount of ICU patients	3%
Employer whose name you recognize	1%

Recruitment incentives

Which of these benefits did you receive when you took your current job?

	% received benefit	Mean amount
Sign-on bonus	40%	$17,630
Loan fogiveness	10%	$69,634
Moving expenses	34%	$8,760
Retention bonus	8%	$15,829
Medmal tail coverage	38%	-
None of these	24%	-

Noncompete agreement

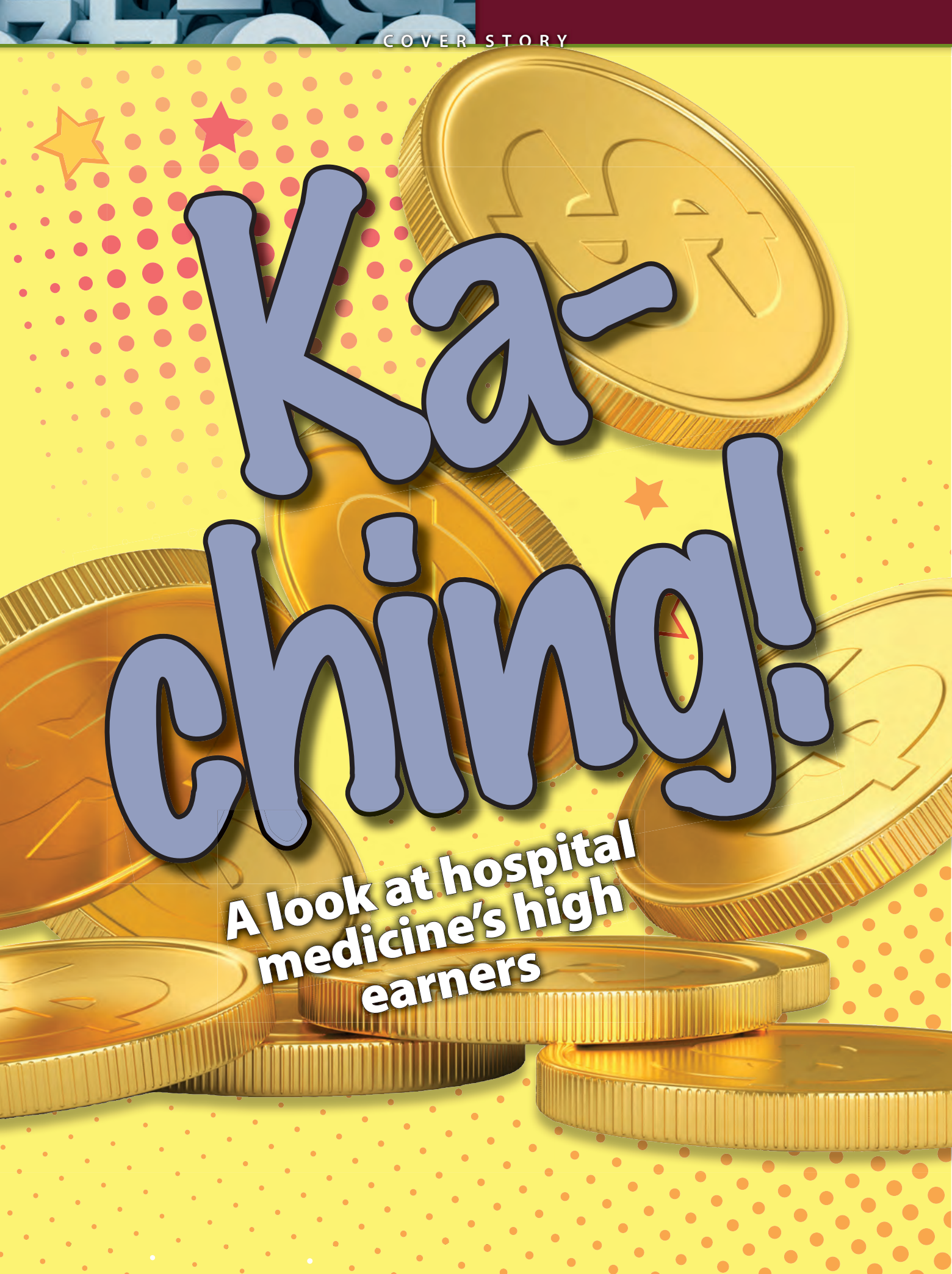
Did you sign a noncompete agreement when you took your current job?

Yes	36.5%
No	63.5%

Percent of income from extra shifts

None	34%
5% or less	25%
6% to 10%	20%
11% to 20%	12%
21% to 40%	7%
40% or more	2%

Source: 2016 Today's Hospitalist Compensation & Career Survey.



Ka-ching!

A look at hospital medicine's high earners

Deborah Gesensway

For most hospitalists, the big takeaway from the 2016 Today's Hospitalist Career & Compensation Survey may be a surprise, but not a shock: More than one-third of full-time hospitalists (and nearly 40% of those who are not academic hospitalists) now report a mean annual compensation of more than $300,000.

Even more of an eye-opener, 8% of full-time hospitalists who treat adults earn more than $400,000. Overall, full-time hospitalists who treat adults report an average compensation of $280,438. That represents a one-year increase of 7.1% and a 19% rise over the last five years.

As Amit Vashist, MD, MBA, system chair of Mountain States Health Alliance's hospitalist division in Johnson City, Tenn., puts it, "that's good news for us as a profession."

Even in his economically struggling region—Appalachia—hospitalist salaries are rising robustly, due to high demand and low supply. "In harder-to-recruit-to hospitals, you have to increase compensation or no one would even interview," says Dr. Vashist, who oversees about 80 hospitalists in six hospitals.

But the key to growing compensation comes not just from healthier salaries. In most markets, says Dr. Vashist, perennial short-staffing leaves unfilled shifts always up for grabs, creating multiple opportunities for hospitalists to augment their high salaries.

Hospitalists can, for instance, supplement their income with shift differentials being offered for hard-to-fill slots at other facilities within the same system. They have their pick of external moonlighting possibilities at other hospitals, emergency departments and urgent care facilities. Are you willing to supervise advanced practice clinicians at night from home? There's a stipend for that. Want to work on a rapid improvement activity at your hospital? You can expect to be paid.

Add up all the available extras, and it's no secret who hospital medicine's big-earners are: Those who go where they are needed and work more. "We get quite a few people volunteering," says Dr. Vashist, "to work extra for extra pay." ▶

COMPENSATION: THREE-YEAR SNAPSHOT

How much do you make?

	2016	2015	2014
All hospitalists	$267,476	$249,608	$239,858
Full-time, adults	$280,438	$261,791	$251,665
Full-time, pediatrics	$212,500	$207,692	$201,389

How has your compensation changed?

	2015-16	2014-15
All hospitalists	7.2%	4.1%
Full-time, adults	7.1%	4.0%
Full-time pediatrics	2.3%	3.1%

COMPENSATION FOR FULL-TIME HOSPITALISTS TREATING ADULTS

	2016	2015
$100K-149,999	0.8%	1.6%
$150K-199,999	5.2%	8.2%
$200K-249,999	28.9%	37.2%
$250K-299,999	30.7%	27.0%
$300K-399,999	25.6%	24.8%
$400K+	8.2%	3.8%

HOW GEOGRAPHY AFFECTS COMPENSATION

	2016	2015	% change
Northeast	$257,830	$239,142	7.8%
South	$294,764	$276,210	6.7%
Midwest	$276,250	$262,708	5.2%
Pacific	$263,587	$269,940	-2.4%
Southwest	$308,333	$266,912	15.5%
Mountain*	$277,500	$272,917	1.7%

Percentage earning $300,000 or more, by region

Northeast	17.6%
South	43.9%
Midwest	29.0%
Pacific	24.6%
Southwest	52.1%
Mountain*	33.0%

*N=16 and may be statistically unreliable

GENDER GAP

	Male	Female	% difference
Full-time, adults	$284,591	$266,042	7.0%

Constant opportunities

Leslie Flores, a partner with Nelson Flores Hospital Medicine Consultants who's based in La Quinta, Calif., says she's seeing the same trend across the country.

Hospitalists are "working extra shifts both internally and externally," Ms. Flores notes. "They're contracting with locum tenens companies, doing ED shifts, and working at skilled nursing facilities, urgent care clinics and wound care centers." They also make extra money for leadership or administrative work not directly related to their hospitalist program, such as working as a physician advisor for utilization review or health IT. "All this is helping bump up the dollars," she says.

According to our survey, 70% of full-time adult-only hospitalists say they supplement their income by working extra shifts, either internally or as moonlighters, and that working extra shifts boosted their income by an average of 13%. In addition, one-quarter of full-time non-academic hospitalists who treat adults report having no restrictions on moonlighting for other programs.

"There are always extra shifts," says Kevin Sowti, MD, hospitalist group medical director at Penn Medicine's Chester County Hospital in West Chester, Pa.

But Dr. Sowti says that rising income goes beyond picking up more shifts. "One main reason our pay has been going up is our involvement in governance and quality," he explains. Hospitals are relying on hospitalists to "to do this nonclinical work, whether it is case management, contesting insurance company denials for second-level review or leading performance on quality metrics."

In some places, he says, that money is showing up as a direct stipend or an increased bonus pool. In others, it is the rationale for increasing group subsidies. In Dr. Sowti's program, where hospitalists are paid a straight salary, their expanding scope of clinical and nonclinical practice means both more demand and more remuneration.

A growing pool of bonuses

If hospitalists are finally being paid for their nonclinical efforts, many in the specialty will breathe a sigh of relief. For years, too many hospital administrators have expected hospitalists to perform nonclinical work for free.

As Kimberly Bell, MD, associate vice president of hospital medicine for the CHI Franciscan Inpatient Team in Tacoma, Wash., points out, that attitude is becoming harder to maintain as the stakes for performance-based care grow. "Hospitals need clinicians to help them as value-based purchasing rolls out, and they expect physicians to show up at a meet-

How to be a big earner

Because there is no free lunch in hospitalist medicine, here are things that hospitalists who want to earn big bucks need to do:

- **Work more.** Some of the highest earners report functioning more like a hospitalist-and-a-half, working more shifts per month and seeing more patients per shift.

Michael R. Reitz, DO, clinical chair of hospital medicine for the Phoenix, Ariz.-based Banner Medical Group and the interim CMO of Banner Casa Grande Medical Center, recalls several hospitalists he has known over his nearly 20-year career who earned more than $700,000 a year. They did so by working "about 28 days a month and seeing 30 patients a day every day, and billing high levels on everything." Although he worked with those outliers years before coming to Banner Health, he still sees that mindset among some hospitalists.

Over the last few years, for instance, he helped overhaul the compensation structure for Banner's hospitalists in Arizona, replacing a straight productivity plan with a hybrid model that combines a base salary with some productivity and performance incentives. That change began in July 2015–and represented "a pay cut for the very high producers who would work as many shifts as they could."

How well was that change received? As Dr. Reitz explains, "All five of the very high producers left."

In West Chester, Pa., Chester County Hospital hospitalist director Kevin Sowti, MD, calls doctors willing to see large panels of patients for high salaries the "gunslingers" of the profession.

"Sometimes, they are great docs who come in and clean up" when a practice is particularly short-staffed and needs help, Dr. Sowti says. "But six months later, someone offers them a little more money and they leave. Or they burn out."

Even in the generally lower-paying Philadelphia area where he works, Dr. Sowti can name a few colleagues who earn in excess of $400,000. "But they are picking up shifts right and left," not seeing lots of patients each shift.

- **Do more.** According to the 2016 Today's Hospitalist Compensation & Career survey, not only do big earners work more shifts (including moonlighting), but they take on different kinds of paid work: administrative or leadership slots, case management or billing review work, or other clinical work in outpatient clinics or skilled nursing facilities.

Amit Vashist, MD, MBA, system chair of Mountain States Health Alliance's hospitalist division in Johnson City, Tenn., points out that paying hospitalists to take on quality improvement on top of their clinical work "helps our bottom line as well as theirs." Moreover, he adds, "It doesn't hurt their enthusiasm and involvement that we pay a stipend for that."

Survey data show that those earning $300,000 and more are more involved in operations beyond direct patient care. For instance, 45% of top earners are engaged in leadership vs. 36% of hospitalists overall.

- **Go where you are needed.** "The average doc working seven-on/seven-off in a non-rural, semi-metro, couple hundred bed hospital is not making $400,000 a year," says TeamHealth Acute Care Services president Jasen W. Gundersen, MD, MBA. "They are making between $250,000 and $300,000." However, "if you go to rural Texas or rural Virginia to a 30-bed hospital trying to keep its ICU open, nobody is willing to do it for less."

And hospitals are open to paying that in those markets because "it is still cheaper than a locum," he says.

- **Stick it out.** The highest earners tend to be older, more experienced–and male. Hospitalist veterans who have been in their current job for more than 10 years reported a higher compensation increase than the national average: nearly 9%.

Full-time, non-academic, adult-only hospitalists in the same job more than 10 years reported a mean compensation of $305,312. Non-academic, full-time male hospitalists–no matter how long they've worked–reported a mean compensation of $290,850. That is $16,000 higher than for comparable women, who reported $274,621. TH

ing and do all this work. If they don't pay for that, it's just not going to happen."

That's particularly true, Dr. Bell adds, when hospitalists can instead choose to pick up extra paid shifts. The revamped compensation plan at her 100-plus person group now includes a pot of money—potentially $40,000—that hospitalists can collect if they are involved in nonproductivity-related projects. They can, for instance, receive $10,000 for doing a major quality improvement project, like one completed in the last year to improve throughput for patients with low-risk chest pain. (See "A personal solution for better compensation" on page 28.)

Around the country, signs indicate that bonuses and incentives for quality, performance, citizenship and productivity—on top of base salaries—account for another growing compensation component. According to Today's Hospitalist data, full-time adult-only hospitalists earn nearly $80,000 from productivity and bonuses, an increase of $10,000 over the previous year. If you exclude academic hospitalists from that cohort, the figure jumps to $84,000.

Ryan Brown, MD, medical director of the 200-hospitalist Carolinas Hospitalist Group in Charlotte, N.C., says he ▶

HOW EXPERIENCE AFFECTS PAY

Pay by years as a hospitalist	2016	2015	% change
2 or less	$237,500	$240,726	-1.3%
3-4	$282,986	$255,082	10.9%
5-9	$277,134	$265,357	4.4%
10+	$294,682	$272,530	8.1%

Pay by years in current job	2016	2015	% change
2 or less	$264,569	$243,229	8.8%
3-4	$280,750	$266,071	5.5%
5-9	$283,333	$273,438	3.6%
10+	$300,000	$275,676	8.8%

HOW EMPLOYER TYPE AFFECTS COMPENSATION

	2016	2015	% change
Hospital/hospital corporation	$284,941	$266,009	7.1%
Local hospitalist group	$289,808	$265,625	9.1%
Multispecialty/primary care group	$266,944	$269,444	-0.9%
National hospitalist management company	$293,269	$274,167	7.0%
University/medical school	$235,417	$206,419	14.0%

HOW PRODUCTIVITY AND INCENTIVES AFFECT COMPENSATION

Percentage of income from combined productivity and bonus/incentive	2016	2015
None	24.0%	26.3%
Under $10,000	3.3%	3.5%
$10,000-19,999	9.2%	8.8%
$20,000-29,999	39.4%	15.9%
$30,000-49,999	-	14.8%
$50,000-99,999	10.5%	17.6%
$100,000-199,999	4.3%	7.1%
$200,000+	9.2%	6.0%

HOW VOLUME AFFECTS COMPENSATION

Daytime patient encounters per shift	2016	2015
10–14	$264,706	$241,071
15–17	$270,709	$260,833
18-20	$294,349	$269,318
21+	$298,370	$286,538

Shifts per month	2016	2015
1-13	$257,172	$235,307
14-16	$273,856	$259,460
17-20	$298,138	$283,142
21+	$316,250	$269,363

sees a "general movement away from paying for years of service and more toward participation bonuses." That includes paying hospitalists to supervise nurse practitioners and physician assistants or to chair committees.

As stable groups have a greater percentage of older hospitalists, Dr. Brown believes it is becoming more important to figure out how doctors can augment their base compensation without working extra clinical shifts. Instead, he says, "groups need to allow doctors, as they get more experienced, to do extra hospitalist initiatives."

Working more than one FTE

In addition to taking on different types of work, top earners are most likely to be in local, private groups, which tend to have low administrative overhead.

They also tend to be based in Texas, Arizona and parts of the South. In fact, 57% of the hospitalists who report earning more than $300,000 are in the South and Southwest. Another 19% hail from the Midwest, with only 11% in the Pacific region and 10% in the Northeast, where the greater number of training programs means a more equal match between physician supply and demand.

The Midwest's generally high compensation is due to the fact that many markets, which were slow to adopt the hospitalist model, are now "playing catch-up and finding it is really hard to recruit people to a lot of those places," says consultant Ms. Flores. Surveys by the Medical Group Management Association, she adds, find that hospitalists in the Midwest have the lowest productivity as measured by work RVUs, "but some of the highest pay." In the South, on the other hand, "productivity is the main driver" of high compensation.

In the Today's Hospitalist data, hospitalists in the Southwest report seeing 18 patients on average during a daytime shift, above the national mean of 16.7. They also work an average of more than 20 more hours a month than full-time, adult-only hospitalists in any other region—and they are more likely to say their primary shift is daytime with beeper call at night.

"They are really working as a 1-¼ or 1-½ FTE, and they need to get paid for that," says Jasen Gundersen MD, MBA, the Fort Lauderdale-based president of TeamHealth's Acute Care Services. TeamHealth now encompasses more than 3,300 physicians and 1,000 advanced practice clinicians in close to 2,700 facilities across 35 states. "I don't think it's unjustified for doctors to want to get paid more to work in these locations, given what they have to do there."

Comp finally rises for Academic Hospitalists

Data from the 2016 Today's Hospitalist Compensation & Career Survey contained this interesting news: The hospitalists with the biggest recent jump in compensation are those working for medical schools and universities. This year, that group posted a 14% pay hike, earning a mean annual compensation of $235,417. Since 2014, average compensation for academic hospitalists has risen 20%.

Nonetheless, this group still ranks as the lowest paid of all full-time hospitalists who treat adults. Meanwhile, full-time pediatric hospitalists still earn less, reporting a mean compensation this year of $212,500. That's a 2.3% increase over 2015 data.

That academic pay hike isn't a surprise to leaders trying to recruit academic doctors to their programs. It's particularly evident when groups are part of university health systems but don't function or feel like academic programs.

In Chicago, for instance, Loyola University Health System started hiring hospitalists last year to staff Gottlieb Memorial Hospital, a community hospital it acquired in suburban Melrose Park, Ill. Leaders found that the only way to successfully recruit was to set starting salaries "about $50,000 higher" than what they pay at the main medical center, explains Loyola hospital medicine division director Elizabeth Schulwolf, MD.

"We have to be competitive with the community market" because the work is so different between the two sites, Dr. Schulwolf explains. "Community hospitalists are accustomed to higher salaries, and we need to be mindful of this when recruiting within a system with both academic and community sites."

This year's Today's Hospitalist survey finds that her $50,000 figure is in line with what has been happening nationally. The disparity between the average compensation reported by hospital-employed hospitalists and university/medical school-employed doctors equals about $50,000–but that gap seems to be shrinking. A couple of years ago, it stood at about $60,000.

Dr. Schulwolf notes that the university also learned that a sole focus on base salaries may not be enough to attract community-oriented hospitalists to academically-owned programs. To successfully recruit hospitalists to Gottlieb, for instance, the university had to tailor some longstanding rules.

"Right now, we don't have a lot of moonlighting at our community site," she points out. "But when we said 'no external moonlighting' to the candidates we were trying to recruit, they were very frank." Potential recruits weren't interested in the job unless they could earn moonlighting dollars to "make up for the loss of income" they'd experience if they left their current community job for the new Loyola post.

At the same time, hospitalists in academic centers are realizing that many of their jobs look increasingly like community positions–and should be compensated as such. In many university hospitals, for instance, the non-teaching hospitalist services are far larger than the teaching ones.

"There is a huge dissatisfaction among academic hospitalists across the country because they went into the role thinking that they would be spending their clinical time working on teaching services," says Leslie Flores, a partner with Nelson Flores Hospital Medicine Consultants. Ms. Flores chalks the big increase in academic compensation up to the fact that medical schools have had to rethink what they pay academic hospitalists because of the changing environment.

"They are losing too many people as academic hospitalists are spending much more time doing traditional clinical work," she notes. "They have to come up with a compensation model that recognizes that." TH

In the rural South, Dr. Gundersen adds, hospitalist pay rates have "gone through the roof," largely for two reasons: Towns tend to be small, with limited subspecialty support and without additional lifestyle opportunities. Plus, "Hospitals are pushing the acuity of what they want hospitalists to do, like critical care and ICU procedures," he points out. "They need to pay more for the people they want to go there."

Productivity per shift

Consolidations and mergers and acquisitions among national groups like his own likewise drive up compensation, says Dr. Gundersen.

"When there is instability in the market, doctors get nervous, and they start looking to leave," he explains. "With a limited supply and everybody recruiting, rates start to creep up. The doctors know they are a limited commodity, and they have the ability to leverage that a bit."

At Self Regional Healthcare in Greenwood, S.C., Chad Friel, DO, director of hospital medicine, says that "hospitalists can always have higher compensation if they choose to work more." But what they aren't doing for higher compensation, he notes, is becoming more productive during each shift.

The Today's Hospitalist survey confirms Dr. Friel's impression. It shows that the number of regular shifts that full-time hospitalists work each month and the length of those shifts has remained steady or even shrunk a bit since last year, to an average of 15.4 shifts per month and 11.43 hours per ▶

"We get quite a few people volunteering to work extra for extra pay."

-Amit Vashist, MD, MBA
Mountain States Health Alliance

A personal solution for better compensation

For the hospitalists at the CHI Franciscan Health system in and around Tacoma, Wash., the compensation wake-up call came two years ago. When they compared what they were offering to national and regional benchmarks, they feared it might be $30,000 or $40,000 too low.

"We had multiple open shifts and had gone through the process of interviewing and extending offers, and had more than one candidate say 'no,' " recalls Kimberly Bell, MD, associate vice present of hospital medicine. "We knew we had to do something."

What finally convinced administration, however, was much more personal than data: The daughter of one of the system's senior vice presidents was finishing her residency and came in to talk about hospitalist careers. She was shocked at how poorly the compensation plan compared to others she'd encountered–and she told her father.

As Dr. Bell recalls, "He came into my office and said 'You are not going to get anybody; you aren't paying enough.' I said, 'Tell me something I don't know!' That's when we got a new plan approved."

But the bump-up didn't come without strings. While their previous compensation was below market, so was hospitalists' productivity. The restructured plan increased not only the proportion of pay linked to RVU-based productivity, but the length of daytime shifts, which are now 11 hours.

"We had a few people who left because of the uncertainty around the compensation change," says Dr. Bell. "But the rest stayed, and we have no more talk now about how we are being underpaid." TH

shift. Other surveys have come to similar conclusions, says Ms. Flores: Productivity as measured by RVUs has been "hovering" around the same level for the last several years.

"Our physicians, especially the new grads, care much more about quality of life than compensation," Dr. Friel says, particularly because "we already make decent money." In his experience, hospitalists rarely opt to "stay late after they have already worked a 12-hour shift to see the patient who came in 15 minutes prior to the end of shift and make an extra $50."

In fact, when he has asked his group if they would rather see additional patients a day and collect bonus money or hire locums, "I can't think of a single person who wanted us to not get a locum physician." That vote, he adds, reflects "our group culture. We want to be paid fairly and adequately and have quality of life." Moreover, he now finds that group members are asking about how they could work less—and specifically asking for paid vacation time.

In Prescott, Ariz., Albert Caccavale, DO, is founder and director of Northern Arizona Hospitalists, which serves Yavapai Regional Medical Center. His is precisely the type of group that could include a lot of the big earners identified in the survey: those who practice in local private groups in the Southwest. In addition, many of the doctors in his group are shareholders.

But according to Dr. Caccavale, for every colleague who wants to work and earn a lot, more doctors these days are satisfied with their above-average $300,000-plus incomes and aren't interested in more work for more money.

"I have one guy who said he wants to work as a 1-½ FTE," he points out. "There were people in the room who were incredulous that someone wanted to work that much."

Until they hire the six practitioners they plan to in the next year, Dr. Caccavale says he and his physician partners "are making more in their quarterly profit-sharing bonuses, but we are also working more. At some point, everybody says money isn't everything." TH

Deborah Gesensway is a freelance writer who covers U.S. health care from Toronto.

What **duties** do you perform—and which are you **paid** for?

Among hospitalists employed by national management companies, **66%** are paid for night coverage, compared to only **45%** of hospitalists in most other employment models.

What duties should you be paid for?	
Night coverage	66.2%
Committee work	65.3%
Seeing more patients than your colleagues	65.1%
Administrative duties	62.4%
Patients above your contracted norm	57.2%
Supervising physician extenders	50.4%
Teaching duties	48.3%
Catch work performed after scheduled hours	47.4%
Academic duties	38.6%
Recruitment	30.1%
Informatics	28.0%

In all but one category, women are less likely to be paid for these duties than men. The exception is academic duties: **24.5%** of women are paid for these activities, compared to **21.7%** of men.

Committee work	
Perform and compensated	22.7%
Perform, not compensated	77.3%
Night coverage	
Perform and compensated	50%
Perform, not compensated	50%
Administrative duties	
Perform and compensated	45.6%
Perform, not compensated	54.4%
Seeing more patients than colleagues	
Perform and compensated	34.1%
Perform, not compensated	65.9%
Seeing more patients above contracted norm	
Perform and compensated	31.7%
Perform, not compensated	68.3%
Academic duties	
Perform and compensated	22.3%
Perform, not compensated	77.7%
Teaching duties	
Perform and compensated	22.9%
Perform, not compensated	77.1%
Catch work performed after scheduled hours	
Perform and compensated	12.8%
Perform, not compensated	87.2%
Supervising NPs/PAs	
Perform and compensated	16.7%
Perform, not compensated	83.3%
Informatics	
Perform and compensated	19.7%
Perform, not compensated	80.3%
Recruitment	
Perform and compensated	21.6%
Perform, not compensated	78.4%

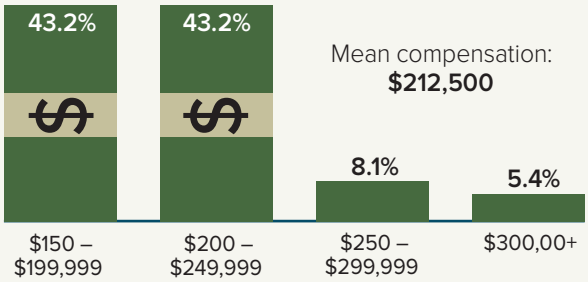
Hospitalists in the **Southwest** are more likely to be **paid** for seeing more patients than their colleagues and above their contracted norm, as well as for academic duties, teaching duties, catch work, supervising NPs/PAs and informatics.

Source: 2015 Today's Hospitalist Compensation & Career Survey. All data are for full-time hospitalists who treat adults.

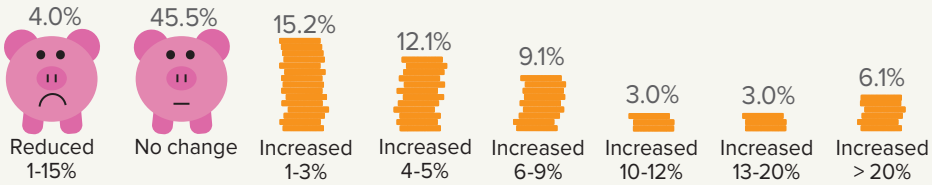
A look at pay, shifts and more for pediatric hospitalists

Full-time hospitalists who treat adults earn considerably more ($280,438) than their full-time pediatric colleagues ($212,500). Among those responding to our survey, pediatric hospitalists make up just 7% of the hospitalist workforce, while med-peds hospitalists account for 3%. Among hospitalists who treat children, 33% treat both children and adults while 67% treat only children.

Compensation for full-time pediatric hospitalists

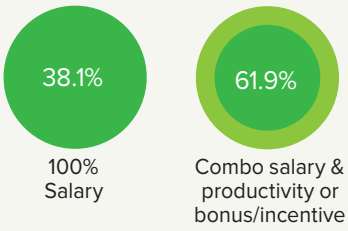


How has your pay changed since last year?



Among full-time pediatric hospitalists who reported a change in their compensation over the previous year, their mean increase was 7.14%.

Where does your compensation come from?



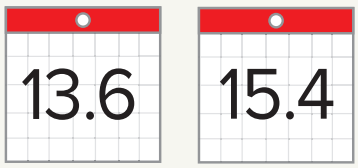
While more than 38% of full-time pediatric hospitalists report earning 100% salary, that's the case for only 23.3% of full-time hospitalists who treat adults.

How many consecutive days do you typically work?

5.5 Full-time, pediatrics

7.4 Full-time, adults

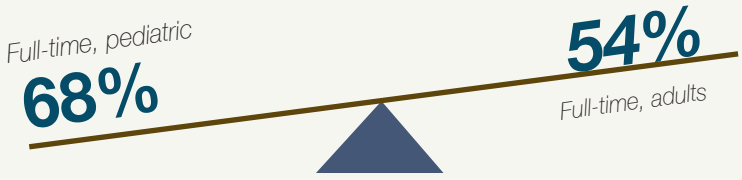
What is the mean number of shifts you work per month?



Almost half (45.7%) of full-time pediatric hospitalists say they don't earn income from extra shifts vs. just one-third (31.8%) of full-time hospitalists treating adults. As for moonlighting, only 10.8% of full-time pediatric hospitalists say they moonlight vs. 23.9% of full-time hospitalists treating adults.

How much did you receive in bonuses and incentives?

Do you earn income from extra shifts?



Source: 2016 Today's Hospitalist Compensation & Career Survey.

GET THE FULL REPORT: Order the 2016 Today's Hospitalist Cross-Tab Report and Executive Summary.

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