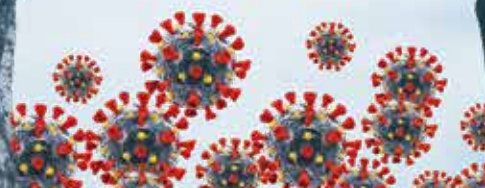
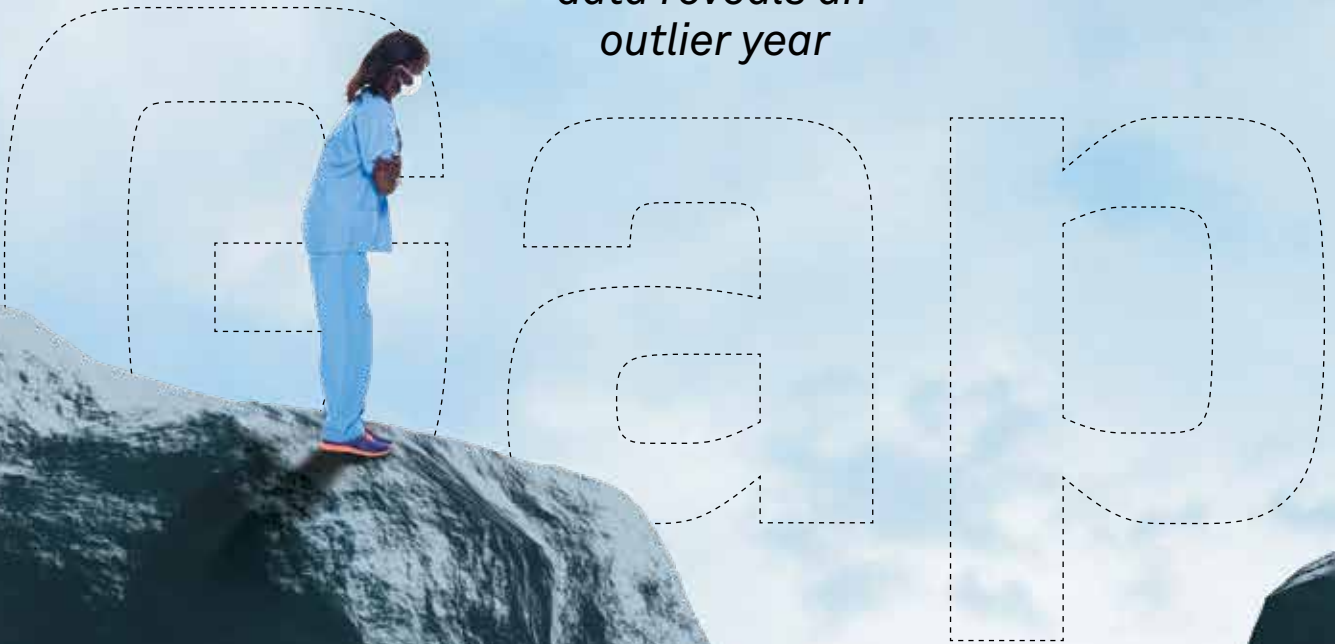


*AMGA 2021
Medical Group
Compensation and
Productivity Survey
data reveals an
outlier year*





By Elizabeth Siemsen

With 2020 dominated by the COVID-19 pandemic, healthcare organizations have been anticipating the impact on provider compensation and productivity. Data from the *AMGA 2021 Medical Group Compensation and Productivity Survey* reveals that provider pay was relatively flat in 2020, but work relative value unit (wRVU) production declined significantly.

The annual survey found that in 2020, overall median physician compensation flattened with a minimal increase of 0.12%, down from the 3.78% increase seen in 2019. Meanwhile, overall median production declined by 10.17% in 2020, a significant change from the trend of minor increase/decreases over the past several years.

As a result, the median compensation per wRVU ratio increased by 10.82% in 2020, a big change from the 2.1% increase in 2019. If not managed appropriately, these outcomes may create some challenging scenarios for medical groups as they continue to work through and emerge from pandemic operations.

In this article, we discuss the survey demographics, trends in primary care and specialty compensation, and the impact of the pandemic on provider compensation and productivity.

istock.com/4x6/Peshkova/BlackJack3D

Table 1

2021 Survey Demographics

By Group Size	Groups	Percent of Group Total	Providers	Percent of Physician Total
Fewer than 50	49	12.3%	2,583	1.4%
50 to 150	77	19.3%	15,941	8.4%
151 to 300	85	21.4%	33,526	17.7%
More than 300	187	47.0%	137,453	72.5%
By Geographic Region				
Eastern	63	15.8%	46,348	24.5%
Northern	105	26.4%	51,039	26.9%
Southern	96	24.1%	44,574	23.5%
Western	134	33.7%	47,542	25.1%
By Type of Clinic				
Independent	88	22.1%	24,207	12.8%
System Affiliated	310	77.9%	165,296	87.2%
Total	398		189,503	

More than 50% of groups reported compensation formula changes across all specialty types as a response to the pandemic.

Survey Demographics

The 2021 survey is the 34th edition from AMGA. The data is from 398 different medical groups and includes compensation and production data reported for more than 189,000 providers, which is a 49% increase from the 2020 survey. It is, by a significant margin, the largest database in the history of the survey. The participation increase is attributed partially to medical group interest in understanding the impact of the pandemic on provider compensation.

While the data is representative of independent and system-affiliated groups, the latter represent 77.9% of participating groups. The makeup of the AMGA database skews to larger medical groups, with 47% of the groups having more than 300 physician full-time equivalents (FTEs). Year over year, the percentage of groups identified as system-affiliated continues to grow, as does the percentage of respondents representing larger medical groups. Sample size increased in the majority of specialties, strengthening the value and validity of the benchmarks.

Crisis Response and Compensation

The challenge with the 2021 survey is identification of the variables that affected provider

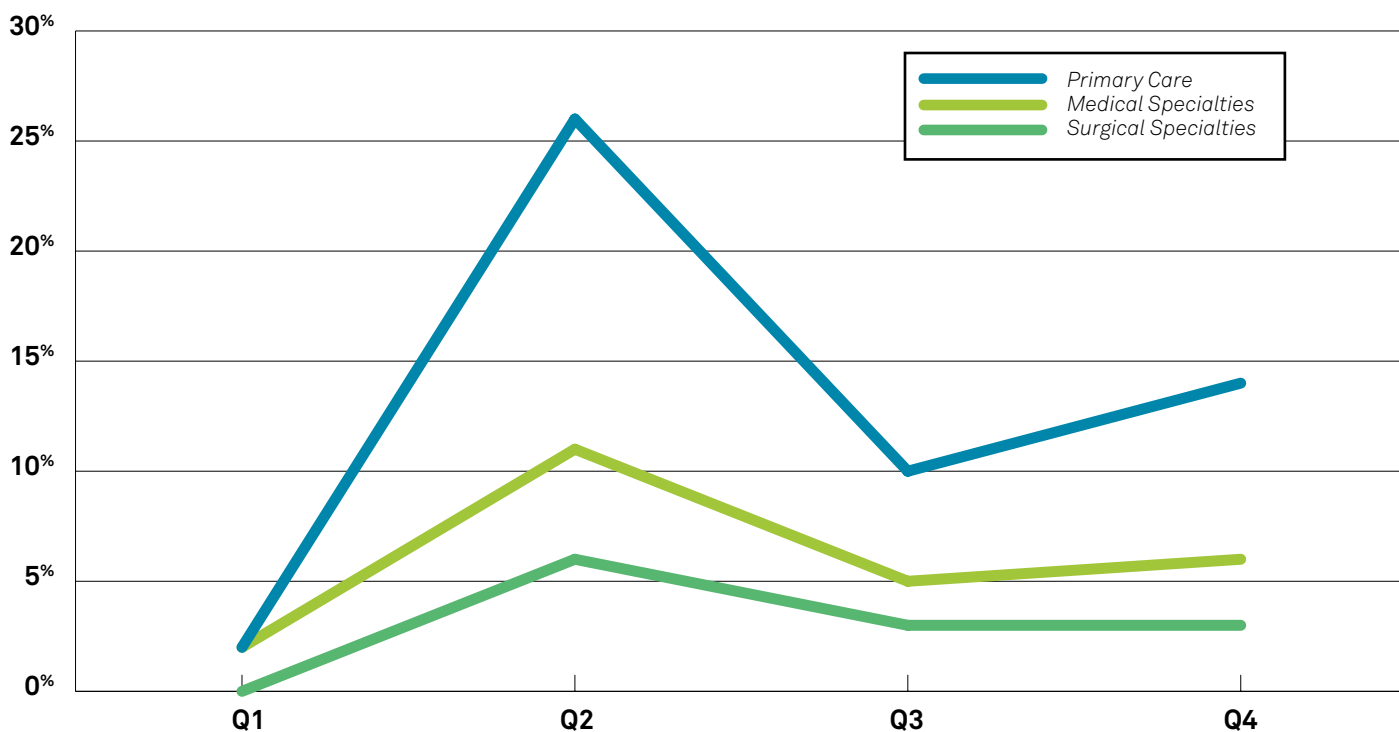
compensation and productivity. In a “normal” year, the changes and disruptors impact the market in a more limited manner and tend to affect specific specialties. The 2021 survey report is different because of the combination of a single, highly unusual, external factor, which impacted all of the market, but with groups affected at different timelines within the year based on geography and having different resources and different approaches to manage through it.

How medical groups responded to the crisis has definitely played out in the survey results. While it is challenging to extrapolate the full impact of the pandemic from the results, the survey was configured to capture information beyond the numbers, so that we can understand the actions taken around compensation.

As the pandemic hit the country, medical groups chose a variety of tactics to adapt provider compensation and staffing to match the circumstances without causing irreparable harm to their organizations and their workforces. More than 50% of groups reported compensation formula changes across all specialty types as a response to the pandemic, and more than 50% of groups reported opting to minimize the

Figure 1

2020 Telehealth Visits as a Percent of Total Visits



impact of production decline through salary guarantees for providers. In another approach, nearly 25% of groups managed compensation through the pandemic by advancing physician draws/compensation to be trued up at a later date. For many of these groups, there was an expectation that by 2020 year-end, elective volume would be recaptured and the “new normal” would arrive. These tactics explain how compensation levels are flat even with the decline in wRVU production.

The most resilient organizations spent 2020 continuously learning and improving. As public health-related restrictions were rolled out across the country, many groups chose to rapidly implement and/or expand telemedicine services in an effort to continue to provide care while following pandemic protocols. As seen in Figure 1, the dramatic increase in telehealth services that occurred in the second quarter had declined by the end of the year for many organizations, with specialty and organization type being key variables in how the provision of services via telehealth was embraced or maintained.

As organizations adapted to COVID-19 protocols, in-person volumes were restored for many by year-end, and telehealth utilization dropped

off, particularly in smaller medical groups and/or those specialties not commonly associated with the provision of remote care. It is not clear whether the impact of telehealth versus in-person visits impacted individual compensation, but Figure 1 shows how the median percentage of visits as telehealth evolved throughout 2020 and varied by specialty type. Compensation levels associated with telehealth were supported with the temporary Centers for Medicaid and Medicare Services (CMS) rule changes that reimbursed telehealth visits at the same rate as in-person visits. Lower or minimal reimbursement for telehealth has historically been a barrier to expansion.

Trend Line Disruption

The recent survey reports that trends in compensation, production, compensation per WRVU, and collections are significantly divergent from past survey results and trends. The year-over-year change in the market medians has typically hovered between +/-4%. For several years, compensation has experienced a steady increase, while production has been flat, which has created challenges for medical groups. The arrival of the COVID-19 pandemic in March 2020

Table 2

Change from 2019 to 2020: Primary Care

Type	Median Compensation	Median wRVU	Median Compensation per wRVU
Family Medicine	1.27%	-9.11%	12.71%
Internal Medicine	0.05%	-11.50%	12.25%
Pediatrics	-0.81%	-14.66%	14.42%
All Primary Care	0.40%	-10.63%	12.55%

Table 3

Change from 2019 to 2020: Medical Specialties

Specialty	Median Compensation	Median wRVU	Median Compensation per wRVU
Cardiology (General)	-2.63%	-15.43%	10.62%
Gastroenterology	-0.74%	-17.10%	15.24%
Hematology and Medical Oncology	-1.39%	-9.75%	10.39%
Neurology	1.25%	-11.33%	12.84%
All Medical Specialties	-0.39%	-10.81%	10.56%

Table 4

Change from 2019 to 2020: Surgical Specialties

Specialty	Median Compensation	Median wRVU	Median Compensation per wRVU
OB/GYN (General)	-0.66%	-7.09%	5.41%
Emergency Medicine	0.58%	-15.46%	20.96%
General Surgery	-2.69%	-12.18%	8.95%
Orthopedic Surgery	-0.89%	-14.84%	11.36%
All Surgical Specialties	-0.84%	-11.97%	11.91%

severely disrupted these trends and has led to results that have exacerbated these challenges. As shown in Tables 2–5, COVID-19 affected different specialty types in different ways and to differing degrees.

Primary Care

In 2020, median compensation for all primary care specialties increased by 0.40%, with a decline in median productivity of 10.63%. Compensation per wRVU increased by 12.55%. This result is very different from 2019, where compensation increased by 4.46%, median productivity increased by just 0.44%, and compensation per wRVU increased by 2.60%.

Primary care providers were faced with changes to a number of levers that affect compensation. Compensation levels were clearly protected with a sliver of an increase in compensation coupled with a significant decline in productivity—as high as 14.66% in pediatrics. The telehealth trend shows that primary care specialties maintained more of the telehealth visits, likely a more permanent evolution of care delivery for many groups. Primary care volume bottomed out significantly at the height of the pandemic and was slowest to return due to consumer hesitancy regarding routine, scheduled services. In addition, 56.5% of groups reported redeployment of primary care providers to other service lines, higher than medical (46.0%) and surgical (37.7%) specialties, likely due to the lack of primary care demand, closures, and/or limitations in available resources to treat COVID-19 patients. In addition, specialists, like internists, had the capacity and capability to help manage inpatient care, where there was record demand.

Medical Specialties

In 2020, median compensation for all medical specialties decreased by only 0.39%, median productivity decreased by 10.81%, and compensation per wRVU increased by 10.56%. This is compared to 2019, when compensation increased by 3.52%, median productivity increased by 0.93%, and compensation per wRVU increased by 0.78%. A sample of a few of the most prevalent medical specialties are presented in Table 3.

The main story for medical specialties is the loss of volume attributed to ongoing, regular chronic care visits that were unable to be recouped.

Surgical Specialties

Surgical specialties presented the most significant divergence from historical trends, with a decline in compensation of 0.84%, which was coupled with the largest decline in productivity of any specialty group, with a median wRVU decrease of 11.97%, thus resulting in a median compensation per wRVU rate change of 11.91%. Table 4 presents changes in compensation and productivity from 2019 to 2020 for select surgical specialties.

The impact of emergency room volume, particularly early in the pandemic, seems to have had a downstream effect on surgical specialties that are fed volume directly from the emergency department. Since only 9% of groups indicate that emergency medicine physicians are paid on strict productivity, compensation results did not show a reduction in median compensation, even with the dramatic reduction in emergency department volume. The converse of that is general surgery, where the decline in compensation is more pronounced and most likely linked to the decline in productivity.

Advanced Practice Clinicians

Advanced practice clinicians (APCs) were more likely to be impacted by staffing changes as a result of the pandemic, particularly in primary care and medical specialties. Approximately 40% of groups indicated that APCs were furloughed in 2020, slightly higher in primary care and medical specialties versus surgical specialties. Reduction in hours were reported for APCs in primary care in more than 51% of groups and in 46% of medical and surgical specialties. The impact of these tactics and other factors on compensation are captured in Table 5, showing changes in median compensation and productivity from 2019 to 2020 for select APC positions. However, pure production compensation models are less common for APCs. This may account for the mixed compensation change from 2019 for them.

Looking Ahead

Given the reliance on compensation per wRVU metrics as the basis for compensating providers in a production-based compensation model, the volume decline and the resulting increase in compensation per wRVU could create some turmoil around compensation agreements. Those with formulas tied directly to market

Table 5

Change from 2019 to 2020: Advanced Practice Clinicians

	Median Compensation	Median wRVU	Median Compensation per wRVU
Nurse Practitioner – Primary Care	1.29%	-9.68%	13.31%
Physician Assistant – Primary Care	-1.85%	-15.50%	16.08%

surveys, especially for compensation per wRVU data, may find themselves obligated to support significant, albeit unintended, compensation increases in 2021. However, most leaders we have spoken with indicated that their medical groups would adjust their compensation formulas to neutralize the effects of the pandemic on compensation and hope it is a one-time event. Resilient groups will have learned and built some flexible mechanisms into the compensation formulas to avoid market swings of this nature in the future.

Looking ahead to the 2022 survey report, questions remain. The effects of the pandemic are ongoing, with medical groups and health systems continuing to deal with surges in the virus, interruptions to market recovery and the new normal, changes in consumer behavior, and the evolution of care delivery. All of this and more make compensation patterns difficult to project. In addition, the market is adapting to a second disruption in provider compensation in 2021, with the implementation of significant wRVU weight changes from CMS, which have inflated wRVU levels for many specialties. As a result, many organizations have spent portions of 2021 adapting wRVU schedules and compensation formulas to mitigate the potential impact in an effort to manage both revenue and provider expenses. Given the complexity of the wRVU changes, combined with the ongoing pandemic issues, there is potential for another survey report with outlier results in 2022. [GRU](#)

For several years, compensation has experienced a steady increase, while production has been flat, which has created challenges for medical groups.

Elizabeth Siemsen is a director at AMGA Consulting.
esiemsen@amga.org