

2006 Physician Compensation Survey

Based on 2005 Data

Medicus Partners conducted its third annual physician compensation and relocation survey in the fall of 2005. The national telephone survey included practicing physicians in 46 states and focused on the 16 most recruited specialties by our firm.

Cardiology	OB/GYN
Family Practice	Oncology
Gastroenterology	Orthopedic Surgery
General Surgery	Otolaryngology
Hospitalist	Pediatrics
Internal Medicine	Psychiatry
Neurology	Radiology
Neurosurgery	

Largest Compensation Increases in Internal Medicine, Cardiology and Psychiatry

The 2005 percentage increase in Internal Medicine falls right in line with the increase Medicus Partners has seen in recruitment activity of general internists. Cardiology continues to be one of the hottest specialties in terms of compensation increases and recruitment activity followed by psychiatry.

Neurosurgery compensation continued to grow this year, at 9.6% over 2004 numbers, but Orthopedics flattened a bit, gaining a modest 3.3% over 2004 statistics. Hospitalists and traditional internists earned approximately the same amount after the sizable increase in traditional internal medicine compensation.

Of the searches conducted by Medicus Partners in 2005, specialty recruitment constituted 64% of the searches, surgical specialties, led by orthopedics, made up 28% of searches, Internal Medicine sub-specialties, led by GI, constituted 27% of searches and primary care, led by traditional internal medicine, represented 21% of all searches conducted.

We again inquired about candidate thoughts regarding financial potential, plans to make changes to their practice situation, community preferences and potential motivations to move.

Highlights

Respondents indicated:

- 9% fewer respondents listed malpractice concerns as a driver to relocate
- Only 21% of physicians plan to relocate in the next 12 months
- 44% cited greater income as their primary motivation for changing practices
- Internal Medicine, Cardiology and Psychiatry see biggest gains in compensation
- Mean income rose nearly 4.8 across all specialties surveyed with Internal Medicine leading the trend with cardiology in a close second
- Top searches conducted by Medicus partners were Orthopedics, GI and Internal Medicine, respectively

Surprising Hospitalist and Internist Compensation

Internist and hospitalist average incomes were a mere \$200 apart in 2005. Both specialties earned considerably more over their 2004 income, but traditional internists outpaced hospitalists by more than 6% for the year.

Survey Results

What is your total annual compensation including income from practice-related investments and excluding benefits?

Specialty	Average	% Change	Median	% Change
Cardiology (invasive, non-interventional)	\$458,012	12.6	\$405,859	10.8
Family Practice	\$170,900	3.5	\$154,811	.7
Gastroenterology	\$451,200	5.9	\$408,650	2.5
General Surgery	\$292,350	6.4	\$265,300	10.3
Hospitalist	\$187,800	6.6	\$173,025	4.9
Internal Medicine	\$188,000	13.2	\$169,405	5.6
Neurology	\$238,419	5.1	\$204,360	4.6
Neurosurgery	\$591,800	9.6	\$535,211	7.4
OB/GYN	\$261,401	2.7	\$233,820	8.3
Oncology	\$366,560	(2.3)	\$320,800	.01
Orthopedic Surgery	\$440,200	3.3	\$412,370	5.7
Otolaryngology	\$315,920	8.6	\$267,725	7.0
Pediatrics	\$173,800	3.6	\$163,150	4.6
Psychiatry	\$194,220	8.9	\$179,320	11.4
Radiology	\$418,555	1.8	\$384,218	2.2
Urology	\$383,445	4.8	\$339,670	4.6

What is your perception of the greatest limiting factor on your income?

	2005	2004
Competition	31%	34%
Malpractice increases	20%	29%
Decreasing Reimbursement	39%	28%
Geographic location	10%	9%

When do you plan to make a job change?

In the next 6 months	9%	12%
6-12 months	12%	14%
1-3 years	14%	11%
No plans to change	65%	63%

What size community would you prefer to live and work in?

Major metropolitan (500,000+)	26%	24%
Suburban, w/in 30 minutes of metro	25%	22%
Mid-sized city (100,000-500,000)	34%	36%
Smaller city (25,000-99,999)	11%	14%
Rural (under 25,000)	4%	4%

Lastly, what is your greatest motivation to make a change and to relocate?

Greater income	44%	37%
Nicer community	21%	12%
Less competition	19%	14%
Better malpractice climate	16%	20%