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CONTACT:
Phil Miller
469-524-1420
pmiller@mhagroup.com

SURVEY: PHYSICIANS GENERATE \$1.5 MILLION ANNUALLY FOR THEIR AFFILIATED HOSPITALS

Neurosurgeons Top List, Generate Close to \$3 Million

IRVING, Texas – While physicians are the primary providers of medical care at the nation’s hospitals, a new survey suggests they also are key drivers of hospital revenue. According to the survey, a single physician generates an average \$1,543,788 a year in net revenue on behalf of his or her affiliated hospital.

Conducted by Merritt Hawkins, a national physician search firm and a company of AMN Healthcare, the survey asked hospital chief financial officers (CFOs) to quantify how much revenue physicians in 17 specialties generated for their hospitals in the last 12 months. This included both net inpatient and outpatient revenue derived from patient referrals, tests and procedures performed in the hospital.

Neurosurgeons topped the list of specialists examined in the survey. According to survey data, a single, full-time neurosurgeon generates an average of \$2,815,650 a year on behalf of his or her affiliated hospital. Other high revenue generating specialists include invasive cardiologists (\$2,240,366 a year), orthopedic surgeons (\$2,117, 764 a year), general surgeons (\$2,112,492 a year) and hematologists/oncologists (\$1,485,627 a year). Primary care physicians also generate substantial revenue for hospitals, the survey indicates. A general internist generates \$1,678,341 a year on average for his or her affiliated hospital, a family physician \$1,622,832 a year, and a pediatrician \$856,154 a year, the survey indicates.

According to Mark Smith, President of Merritt Hawkins, the survey underscores the central role physicians play in the health care delivery system.

“The most powerful tool in healthcare remains the physician’s pen,” Smith notes. “Patients are not admitted to the hospital or discharged, tests ordered, or procedures

performed without a physician's signature. Hospitals depend on doctors to drive patient care, which in turns drives revenue.”

Merritt, Hawkins last conducted the survey of hospital CFOs in 2007, when the average annual revenue generated per physician across all specialties was \$1,496,432, a number slightly lower than the 2010 average. That average revenue increased even during a recession suggests that physicians continue to provide a high level of hospital-based services, Smith notes.

“Both the recession and declining reimbursement have prompted many physicians to seek closer relations with hospitals,” Smith observes. “More physicians are employed by hospitals today than they have been in the past and the interests of the two parties are more closely aligned.”

The survey was mailed to hospital CFOs nationwide and is based on data submitted by 114 facilities. Complete survey results are available at www.merritthawkins.com.

ABOUT MERRITT HAWKINS

Merritt Hawkins is the largest physician search and consulting firm in the United States and is a company of AMN Healthcare, the largest healthcare staffing organization in the country.