

From the publishers of the *New England Journal of Medicine*

## INSIDE THIS ISSUE

**Survey Shows Revenue Generated by Physicians**  
*Pages 1-2*

## MARKET WATCH

**Average Inpatient/Outpatient Revenue Generated**  
*Page 3*

## WHAT'S NEW AT NEJM?

**The Results of the 2007 Essential Journal Study Are In!**  
*Page 3*

## PROMOTIONAL NOTES/NEWS

**Reach More Than 30,000 Final-Year Residents and Fellows, As Well As Physicians in Practice Fewer Than Three Years with the September 13 Specialty Delivery Issue — Issue Closes on August 24!**  
*Page 4*

## UPCOMING RECRUITER MEETINGS AND MEDICAL CONVENTIONS

*Page 4*

## Survey Shows Revenue Generated by Physicians

Health care delivery today is based on a team model. A variety of providers — including physicians, registered nurses, CRNAs, imaging technologists, lab technologists, and therapists — all provide services and add value along a continuum of patient care. Despite the proliferation of provider roles, however, physicians remain at the core of the delivery system. Without physicians, patients cannot be admitted nor discharged from the hospital, tests cannot be ordered, nor complex procedures performed.

The physician's primary role as provider team leader is to ensure a high level of patient care. Hospitals recruit physicians in order to maintain or enhance the quality of care in the communities they serve. Indeed, federal physician recruiting regulations require hospitals to demonstrate through a "qualitative analysis" that their physician recruiting activities are being conducted in order to bring needed medical services to the community.

Related to quality of care is the issue of financial viability. Hospitals cannot maintain a high level of services without also maintaining basic financial viability. Physicians contribute to the financial stability of hospitals through patient admissions and subsequent procedures, as well as any tests performed in the hospital. These physician-generated revenue streams allow hospitals to sustain their mission of providing care to their communities. While the rationale for physician recruitment must be based on quality-of-care considerations, as a practical matter, hospital executives and physician

recruiters also must consider the financial impact physicians have on their facilities.

## Survey Seeks Averages

In order to gauge this impact, Merritt, Hawkins & Associates periodically conducts a Physician Inpatient/Outpatient Revenue Survey. This particular survey asks hospital chief financial officers (CFOs) to indicate how much net inpatient and outpatient revenue physicians in a variety of specialties generated on average for their affiliated hospitals over the preceding 12 months. CFOs completing the survey can either indicate the precise amount of this average or they can indicate a range. In cases where CFOs indicate a range (for example, between one million and two million dollars), the mid-point of the range is taken to create a weighted average.

Merritt, Hawkins & Associates' 2007 Survey of Physician Inpatient/Outpatient Revenue was mailed to hospital CFOs in February 2007, and 119 completed surveys were received. Fifty-one percent of responses came from hospitals of 100 beds or less, 19 percent from hospitals of 101 to 200 beds, 14 percent from hospitals of 201 to 300 beds, and 18 percent from hospitals of 300 or more beds. Two percent of respondents did not indicate number of beds at their facilities. Respondents could provide the average revenue numbers for 17 different medical specialties; however, not all responses included figures for all specialties.

## Some Specialties Down

The average annual revenue generated by all specialties surveyed was \$1,496,432. The average annual revenue generated by

*(continued on page 2)*

**EDITORIAL  
ADVISORY BOARD**

**Dana Reed**

*Director of Professional  
Recruiting, Ochsner  
Clinic Foundation*

**Lianne Harris**

*President, New England  
Health Search*

**Robert Kuramoto, M.D.**

*Managing Partner  
Quick Leonard Kieffer Int'l.  
Partner, Christie Clinic*

**Dave Nyman**

*Assistant Manager,  
Physician Recruitment,  
Marshfield Clinic*

**EDITOR**

**Jennifer Cognetta**

*Marketing Manager,  
Recruitment Advertising*

**CLASSIFIED/  
RECRUITMENT  
ADVERTISING**

**Keith Yocum**

*Director, Recruitment  
Advertising Sales*

**Brenda Yorba**

*Manager, Recruitment  
Advertising*

*Recruiting Physicians*

*Today is published by the  
Worldwide Advertising Sales  
& Marketing Department,  
Publishing Division of the  
New England Journal  
of Medicine.*

To submit articles, or for  
more information about  
RPT, please contact the  
*New England Journal  
of Medicine*

860 Winter Street  
Waltham, MA 02451  
ph: (800) 635-6991  
fax: (781) 893-7729  
c-mail: [nejmjobssupport@nejm.org](mailto:nejmjobssupport@nejm.org)

[www.nejmjobs.org](http://www.nejmjobs.org)

© Massachusetts  
Medical Society

*(continued from page 1)*

primary care physicians (defined as family practitioners, general internists, and pediatricians) was \$1,433,532. Average annual revenue generated by specialist physicians was \$1,509,910.

Revenue generated by primary care doctors was down slightly compared to the \$1,596,852 average reported in 2004, the last time this survey was conducted, but up compared to the \$1,272,862 average reported in 2002, the first year this survey was conducted. Revenue generated by specialist physicians declined from the \$1,915, 524 reported average in 2004 but was on par with the \$1,587,355 average reported in 2002.

One reason for the decline of average revenue generated by specialist physicians was the addition of ophthalmology for the first time to the 2007 survey. With many ophthalmology procedures now conducted in the doctor's office, ophthalmology is a relatively low revenue-producing specialty for many hospitals. In addition, the drop in average revenue generated by specialists could be a sign that hospitals are losing revenue to a growing number of surgery centers and physician-owned medical facilities.

**Recruiting Cost/Benefits**

The survey allows hospital executives and physician recruiters to examine the financial costs and benefits of physician recruiting. The accompanying chart featured in the Market Watch section of this issue (see page 3) compares the average annual revenue generated by physicians in various specialties to the average financial offer made to recruit these physicians. Average recruiting offers are derived from Merritt, Hawkins & Associates' 2006 Review of Physician Recruiting Incentives.

In addition to the financial offer made to physician recruits, additional, mostly one-time costs must also be added: candidate

**RPT Online and  
Via E-Mail**

**Did you know that you may now  
receive RPT via HTML e-mail, in  
addition to your hard copy?**

**You may also access our archives of  
past RPT issues dating back to 1999.**

**Check it out at [www.nejmjobs.org/  
rpt/rpt\\_index.aspx](http://www.nejmjobs.org/rpt/rpt_index.aspx).**

**To start receiving RPT via e-mail,  
send your e-mail address to  
[nejmjobssupport@nejm.org](mailto:nejmjobssupport@nejm.org).**



sourcing expenses, the recruiter's salary or fees, physician relocation expenses, etc. Even with these costs considered, it can be reasonably argued that the financial benefits of successful physician recruiting generally outweigh the costs.

While many aspects of health care delivery have changed, physicians remain key drivers of both quality and revenue. Effective physician recruiting, therefore, is central to maintaining both the services hospitals provide and their long-term financial viability.

*Source: James Merritt is president of Merritt, Hawkins & Associates, a national physician search and consulting firm and a division of AMN Healthcare. He can be contacted at [jmerritt@mhagroup.com](mailto:jmerritt@mhagroup.com).*

**MARKET WATCH**

**Average Inpatient/Outpatient Revenue Generated**

Specialty	Average Revenue Generated	Average Starting Salary*
Cardiology ( <i>invasive</i> )	\$2,662,600	\$342,000
Orthopedic Surgery	\$2,312,168	\$370,000
Cardiology ( <i>non-invasive</i> )	\$2,240,286	\$342,000
Neurosurgery	\$2,100,000	\$489,000
Internal Medicine	\$1,987,253	\$162,000
General Surgery	\$1,947,934	\$272,000
Hematology/Oncology	\$1,624,246	\$275,000
Family Practice	\$1,615,828	\$145,000
Obstetrics & Gynecology	\$1,413,426	\$234,000
Gastroenterology	\$1,336,133	\$315,000
Pulmonology	\$1,332,534	\$248,000
Urology	\$1,272,563	\$320,000
Psychiatry	\$888,911	\$174,000
Nephrology	\$865,214	\$225,000
Pediatrics	\$697,516	\$151,000
Ophthalmology	\$584,310	N/A
Neurology	\$557,916	\$210,000

*\*2006 Merritt, Hawkins & Associates' Recruitment Incentives Survey*

Source: 2007 Physician Inpatient/Outpatient Revenue Survey, conducted by Merritt, Hawkins & Associates and available at [www.merrithawkins.com](http://www.merrithawkins.com).

**What's New at NEJM?**

**THE RESULTS OF THE 2007 ESSENTIAL JOURNAL STUDY ARE IN!**

In an independent, blinded, and unaided survey, physicians in 12 specialties were asked to name the journals they consider "essential" to their practice — meaning they read them sooner, more thoroughly, and were the ones more likely to contain ads of interest when compared with "non-essential" journals.

Additionally, the Essential Journal Study asked those same practicing physicians in the 12 specialties to rank sources of job-leads used in their most recent job search.

To order your free copy of the Essential Journal Study, please e-mail us at [nejmjobssupport@nejmjobs.org](mailto:nejmjobssupport@nejmjobs.org) and indicate whether you wish to receive the study via PDF or as a hard copy.

**UPCOMING  
RECRUITER  
MEETINGS  
AND MEDICAL  
CONVENTIONS**

Association of Staff  
Physician Recruiters  
August 12–15, 2007  
Denver, CO  
[www.aspr.org](http://www.aspr.org)

Interscience Conference  
on Antimicrobial Agents  
and Chemotherapy\*  
September 16–19, 2007  
Chicago, IL  
[www.icaac.org](http://www.icaac.org)

Northeast Physician  
Recruiters Association  
September 26–28, 2007  
Portland, ME  
cbourbeau@  
stfranciscare.org  
[lscreeney@earthlink.net](mailto:lscreeney@earthlink.net)

National Rural  
Recruitment and  
Retention Network  
September 27–28, 2007  
Richmond, VA  
[www.3rnet.org](http://www.3rnet.org)

Pri-Med East\*  
October 12–14, 2007  
Boston, MA  
[www.pri-med.com](http://www.pri-med.com)

Midwest Recruiters  
Meeting  
November 7–8, 2007  
Chicago, IL  
[www.isprnet.org](http://www.isprnet.org)

\*Call (800) 635-6991  
for more details on bonus  
convention distribution of  
your paid recruitment ad at  
these conventions in selected  
NEJM issues.

**PROMOTIONAL NOTES/NEWS**

**Reach More Than 30,000 Final-Year Residents and Fellows,  
As Well As Physicians in Practice Fewer Than Three Years  
with the September 13 Specialty Delivery Issue —  
Issue Closes on August 24!**

Advertise in the Specialty Delivery issue and receive FREE exposure and BONUS distribution of your paid print ad to more than 30,000 final-year residents, fellows, and physicians in practice fewer than three years, in hard-to-reach specialties.\*

Simply run your paid line- or display-recruitment ad in the September 13 Specialty Delivery issue of NEJM, and your ad will be reprinted in a special booklet that will be mailed to more than 30,000 young physicians.

We will also e-mail a targeted group of residents, fellows, and physicians in all the same specialties and direct them to your ad, which will also appear on our website.\*\* A PDF of the Specialty Delivery booklet will be posted to the “What’s New for Physicians” section, located on the NEJM CareerCenter home page, thus giving your ad additional reach to thousands of job-seeking physicians who visit NEJM CareerCenter each month to search for jobs online.

ISSUE	CLOSING DATE	SPECIALTIES
September 13, 2007	August 24, 2007	CD, D, END, ENT, FM, GE, HEM/ ONC, HOSP, ID, IM, NEP, N, ORS PUD, DR, RHU, and U

Contact us at (800) 635-6991 or [nejmads@nejm.org](mailto:nejmads@nejm.org) to reserve your ad space for this issue.

\*Counts are as of 5/31/07 and are subject to change based on data collected by the AMA and SK@A.

\*\*Processing fees may apply to posting your ad on the searchable part of the website.

**Announcing NEJM Featured Job Posting**

Make your job posting stand out with our new Featured Job listings. Prominent and attention-grabbing, these listings appear on the home page and on other important job pages.

Best of all, a Featured Job listing is incredibly affordable — just \$59 per week of the print run. For more details, contact NEJM at (800) 635-6991 or [nejmads@nejm.org](mailto:nejmads@nejm.org).