


# Doctors are still compensated on productivity, not quality

Article



**The data:** Physicians bill an average of **\$3.8 million a year** to commercial health insurers outside of Medicare or other government plans, per **AMN Healthcare**.

- AMN looked at claims submitted by physicians in 18 specialties, along with nurse practitioners (NPs) and certified registered nurse anesthetists (CRNAs).
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- Subsequent claims that could result, such as lab tests, surgical procedures, or hospital stays, weren't included.

**Specialties matter:** Doctors who practice in diagnostic, surgical, and internal medicine subspecialties generated the highest bills.

- **Specialists billed an average of \$4.7 million a year** compared with \$1.8 million from primary care doctors.
- **General surgeons submitted the highest average annual claims at \$11.7 million.**
- **Pediatricians submitted the lowest average claims per year at \$1.3 million.**
- **NPs generated an average of \$777,393 per year; CRNAs billed an average of \$1.75 million.**

**The caveat:** Doctors and hospitals don't make what they submit in claims to health insurers. They make what the insurance company eventually pays them. Health insurers can discount some services or deny claims outright. AMN used a hypothetical collection rate of 50%, which would reduce the average collection amount for all providers to **\$1.9 million** a year.

**The real point:** Quality still doesn't compare with quantity.

- Many doctors are **still compensated based on their productivity** as measured by [Relative Value Units](#), the number of patients seen, or billing submitted to various types of payers, the AMN report notes.
- Quality-based metrics like patient satisfaction scores “remain largely aspirational,” said AMN Healthcare's president of Physician Solutions Tom Florence.

**Our take:** Dollars are the key driver for all healthcare stakeholders, but the players' goals are still misaligned. Physicians' compensation rests on their productivity.

- Health systems—which employ 25% of US physicians—depend on revenue generated by those physicians.
- Payers like [CVS Health](#) and [Humana](#) are prioritizing value-based care models to lower patient costs and keep them out of the hospital. Unfortunately, a “day of reckoning” is still a long way off.

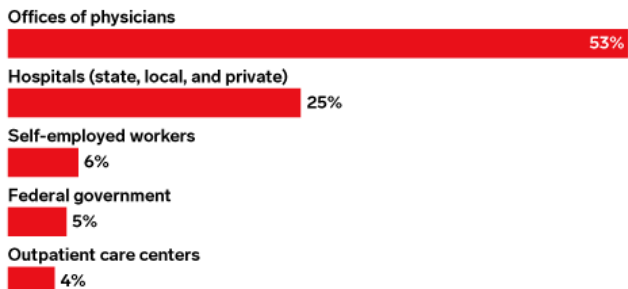
*Watch for our next report, **US Physicians 2023**, scheduled to publish later this month.*

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## Largest Employers of US Physicians and Surgeons, 2021

% of respondents

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Source: US Bureau of Labor Statistics, "Physicians and Surgeons Occupational Outlook Handbook," Sep 8, 2022

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