


*AMGA 2022 Medical Group Compensation and Productivity Survey data reveal new trend line*

# Is This the New N



**T**he 2022 AMGA Provider Compensation and Productivity Survey results represent the new baseline for provider compensation and productivity. After the tumultuous results found in the 2021 survey, with deflated volumes and the inflated compensation per work RVU (wRVU) ratios, the latest data show the bounce back of provider wRVU production and realignment of compensation to wRVU production. Also reflected are the impacts on overall productivity of the Centers for Medicare and Medicaid Services' (CMS') new wRVU weights, which inflated some wRVU values in an effort to redistribute revenue and compensation dollars.

The annual survey found that in 2021, overall median physician compensation increased by 3.73%, up from the 0.12% seen in 2020 and a return to the range of 1% to 3.8% increases seen in recent pre-pandemic years. Meanwhile, overall median production increased by 18.29% in 2021, which was the combination of the volume recovery from 2020 and the CMS wRVU weight change. As a result, the median compensation per wRVU ratio declined by 10.95% in 2021, a reversal of the 10.82% increase in 2020. The impact of the combined post-pandemic “business as usual” and the CMS wRVU weight change is the most significant change to happen in several decades.

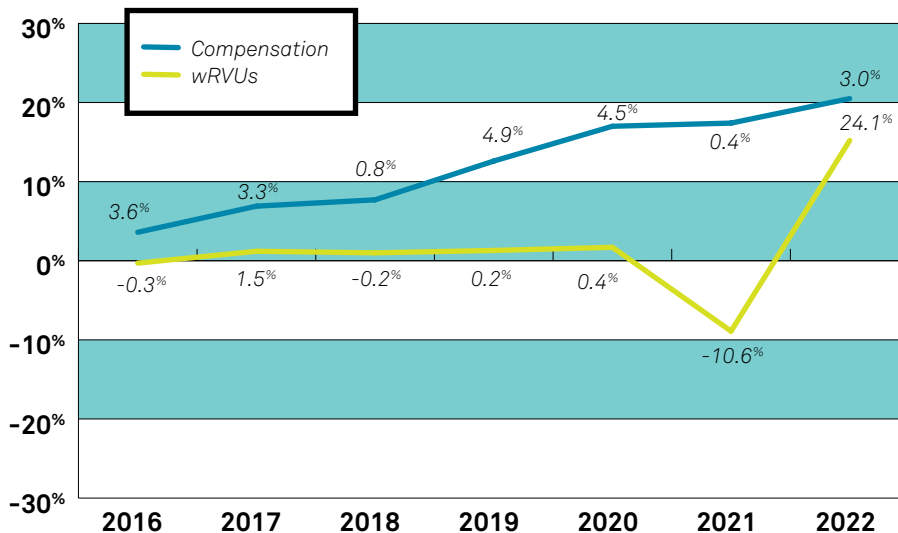
■ **By Fred Horton, M.H.A., Will Holets, and Elizabeth Siemsen**

# ormal?

Table 1  
**2022 Survey Demographics**

|                             | Groups     | Percent of Group Total | Providers      | Percent of Provider Total |
|-----------------------------|------------|------------------------|----------------|---------------------------|
| <b>By Group Size</b>        |            |                        |                |                           |
| Fewer than 50               | 53         | 13.8%                  | 3,377          | 1.8%                      |
| 50–150                      | 65         | 17.0%                  | 12,609         | 6.9%                      |
| 151–300                     | 79         | 20.6%                  | 28,992         | 15.8%                     |
| More than 300               | 186        | 48.6%                  | 138,047        | 75.4%                     |
| <b>By Geographic Region</b> |            |                        |                |                           |
| Eastern                     | 59         | 15.4%                  | 41,978         | 22.9%                     |
| Northern                    | 103        | 26.9%                  | 52,912         | 28.9%                     |
| Southern                    | 93         | 24.3%                  | 45,798         | 25.0%                     |
| Western                     | 128        | 33.4%                  | 42,337         | 23.2%                     |
| <b>By Type of Clinic</b>    |            |                        |                |                           |
| Independent                 | 94         | 24.5%                  | 29,377         | 16.1%                     |
| System-affiliated           | 289        | 75.5%                  | 153,649        | 83.9%                     |
| <b>Total</b>                | <b>383</b> |                        | <b>183,025</b> |                           |

Figure 1  
**Percent Change Over Prior Year:  
 Primary Care Specialties**



**Survey Demographics**

The 2022 survey is the 35th edition from AMGA. The data are from 383 medical groups and include compensation and production data reported for more than 183,000 providers. The report includes data specific to 177 provider specialties.

While the data are representative of independent and system-affiliated groups, the latter represent 75.5% of participating groups and 83.9% of the providers included in the database (see Table 1). The AMGA database skews to larger medical groups, with 48.6% of the groups having more than 300 physician full-time equivalents (FTEs).

While the number of groups identified as system-affiliated remains dominant, 2022 saw the first decline in percentage for these groups, down from 77.9% in the 2021 survey to 75.5% in the 2022 survey. Meanwhile, independent groups saw an increase from 22.1% to 24.5% between the 2021 and 2022 surveys.

**Understanding the Trend/  
 Trend Stabilization**

Up until the 2021 survey results, the year-over-year change in market medians has typically hovered at ±4%, with a steady increase in compensation and relatively flat production. The primary challenge was managing the nearly constant compensation increases with relatively flat production levels.

That pattern was severely disrupted in the 2021 results (2020 data), with significant revenue and wRVU production declines and organizations extending guarantees to stabilize total cash compensation levels. The 2022 results indicate a return to the typical trend line, with some variation among specialty types. As shown in the tables and graphs that follow, there has been a clear reversal of the 2021 movement from the trend line.

## 1 Primary Care

In 2021, median compensation for all primary care specialties increased by 3%, with an increase in median productivity of 24.1%. As a result, the overall trend for compensation per wRVU dropped by 16.2%. Compare this result to 2020, when compensation increased by a mere 0.4%, median productivity fell by 10.6%, and compensation per wRVU increased by 12.6%.

While the 3% increase in median compensation is a return to the trend of prior years, nearly half of the 24.1% wRVU increase is due to the volume return, reversing the 10.6% decline in 2020. The remainder of the change is due to the CMS wRVU weight change. The steep decline in the compensation per wRVU is the output of the overall volume increase and, again, a reversal of the 12.6% increase in 2020.

Figure 1 shows how the key metrics have returned to the pre-pandemic course.

## 2 Medical Specialties

In 2021, median compensation for all medical specialties increased by 4.1%, median productivity increased by 14.7%, and compensation per wRVU decreased by 7.4%. Compare this to 2020, when compensation decreased by 0.4%, median productivity decreased by 10.8%, and compensation per wRVU increased by 12.6%. A sample of a few of the most prevalent medical specialties are presented in Table 3.

With medical specialties, the increase in median wRVU still reflects both the rebound of volume from earlier phases of the pandemic and the impact of the wRVU weight change, but to a lesser extent than in primary care. The rebound in wRVU production is clearly visible in Figure 2.

Table 2

### Change from 2020 to 2021: Primary Care

| Type              | Median Compensation | Median wRVU | Median Compensation per wRVU |
|-------------------|---------------------|-------------|------------------------------|
| Family Medicine   | 3.5%                | 25.2%       | -17.1%                       |
| Internal Medicine | 3.5%                | 28.3%       | -16.6%                       |
| Pediatrics        | 1.0%                | 14.9%       | -13.3%                       |
| All Primary Care  | 3.0%                | 24.1%       | -16.2%                       |

Table 3

### Change from 2020 to 2021: Medical Specialty Care

| Specialty                       | Median Compensation | Median wRVU | Median Compensation per wRVU |
|---------------------------------|---------------------|-------------|------------------------------|
| Cardiology (General)            | 4.2%                | 12.0%       | -5.2%                        |
| Gastroenterology                | 4.2%                | 19.2%       | -9.1%                        |
| Hematology and Medical Oncology | 4.3%                | 17.1%       | -15.9%                       |
| Neurology                       | 3.7%                | 18.2%       | -9.6%                        |
| Medical Specialties             | 4.1%                | 14.7%       | -7.4%                        |

Figure 2

### Percent Change Over Prior Year: Medical Specialties

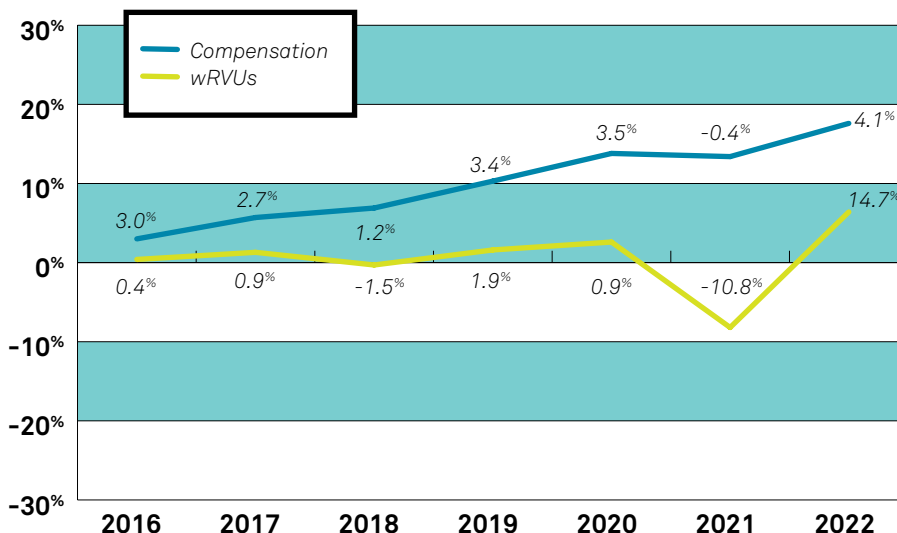


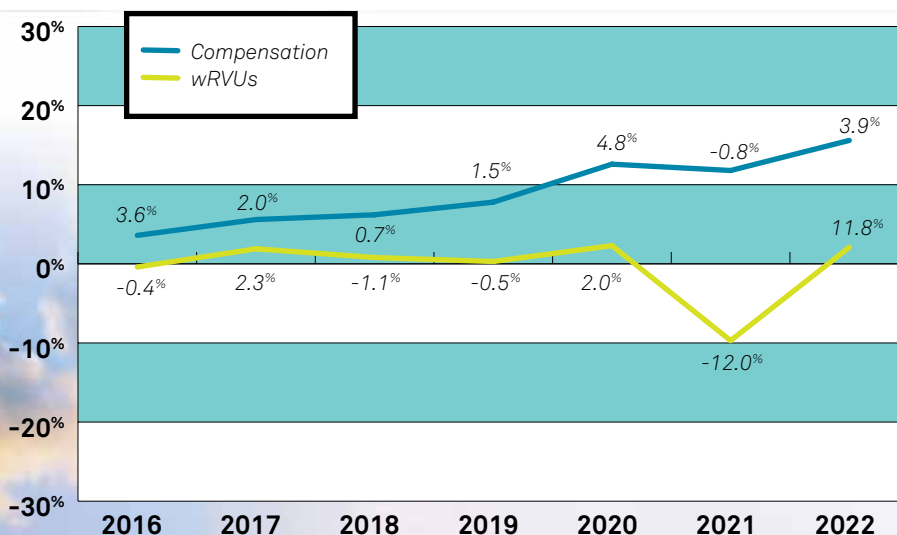
Table 4

## Change from 2020 to 2021: Surgical Specialties

| Specialty            | Median Compensation | Median wRVU | Median Compensation per wRVU |
|----------------------|---------------------|-------------|------------------------------|
| OB/GYN (General)     | 4.5%                | 13.1%       | -7.7%                        |
| Emergency Medicine   | 1.8%                | 9.2%        | -9.3%                        |
| General Surgery      | 4.5%                | 11.3%       | -2.2%                        |
| Orthopedic Surgery   | 4.7%                | 25.4%       | -11.6%                       |
| Surgical Specialties | 3.9%                | 11.8%       | -6.8%                        |

Figure 3

## Percent Change Over Prior Year: Surgical Specialties



### 3 Surgical Specialties

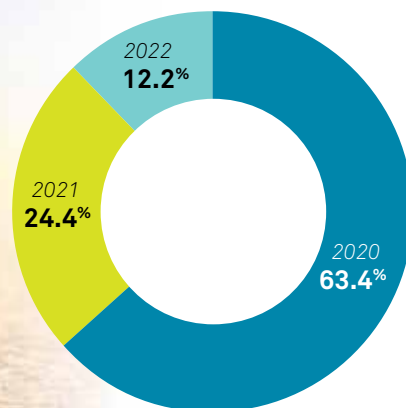
The data for the surgical specialties show a somewhat smaller impact from these two levers. The increase in median compensation of 3.9% is much higher than the 0.84% increase from the prior year. For median wRVU, there was an increase of 11.8%, compared to the decline of 12.0% in 2020, which was the largest decline in productivity of any specialty group. The median compensation per wRVU then declined by 6.8%, compared to an increase of 11.9% in 2020.

Table 4 represents changes in compensation and productivity from 2019 to 2020 for select surgical specialties. It is worth noting that, consistent with the intent of the CMS coding changes, the surgical specialties saw the smallest impact from coding changes.

Volume recovery does not seem to be as complete for surgical specialties as compared to other specialty types. While the median wRVU increased by 11.8% in 2021, the decline in 2020 was 12.0%. Even with any increase in wRVU

Figure 4

## Compensation Methodology: CMS Schedule Utilized (n=131)



due to the CMS wRVU weight changes, the volume has not returned to pre-pandemic levels in all areas. Conversely, the compensation has increased significantly in both 2020 and 2021, the difference being a 2% wRVU increase in 2020 for surgical specialties. Figure 3 shows this trend.

### Managing the Transition

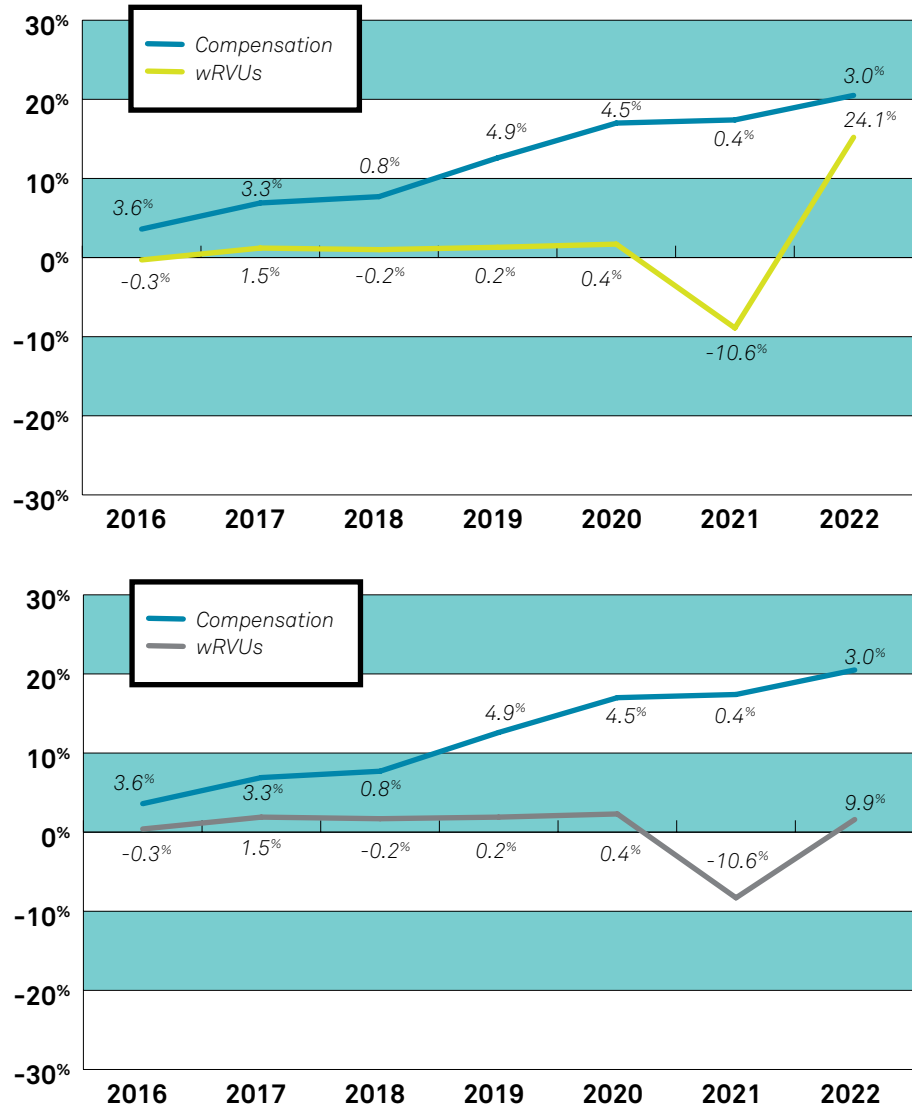
The variation in the survey data over the past two years makes socialization of the results a significant challenge. Although large swings in data can create questions and uncertainty, it is critical that groups understand these data in order to use them appropriately within their organizations.

With the flat compensation and decline in volume from 2021, compensation per wRVU rose dramatically. As such, organizations had a choice to make about utilizing the 2021 ratios to calculate compensation in 2022. Further complicating the situation was the CMS wRVU weight change in 2021. Many organizations took careful steps to implement the new weights to ensure compensation levels stayed in line with the current construct of their compensation formulas and did not result in exaggerated compensation amounts.

In reality, less than a quarter of 2022 survey respondents converted to the 2021 wRVU weights to calculate provider compensation within their groups (see Figure 4). Many medical groups took the year to transition to the new weights and to make necessary adjustments to provider compensation plans. For others, the work is ongoing.

We believe that in order to ensure trust with your providers, it is important to spend time sharing details about the impact of COVID and the CMS coding changes in

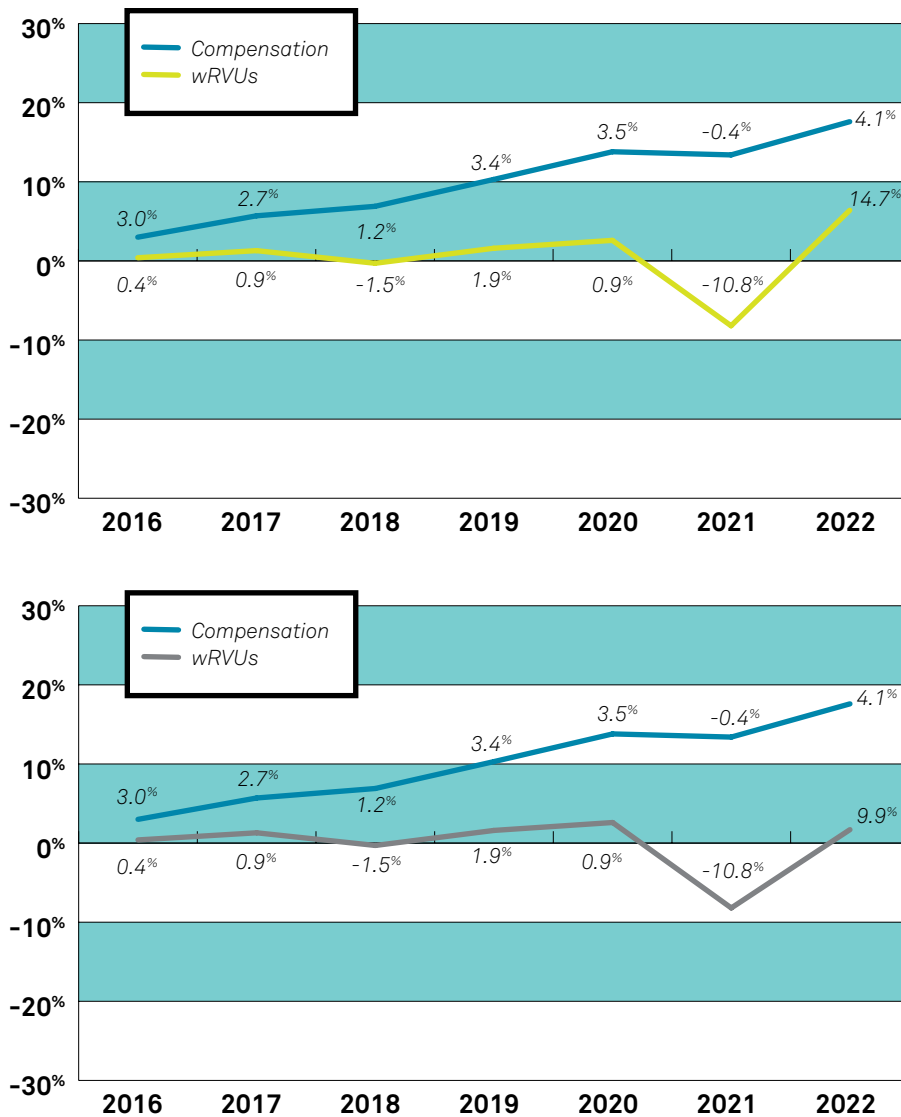
**Figure 5**  
**Trends with and without wRVU Weight Changes: Primary Care**



a transparent manner. While this story is complex, a transparent approach with actual data will improve providers' understanding of the impact of the past few years upon their compensation and the various metrics. Organizations that do this well have the opportunity to further engage their providers, which will assist in retaining them during this challenging period.

In order to understand the impact of the wRVU weight changes, AMGA collected 2021 provider wRVU data using both the new 2021 CMS weights and historical weights of prior years. For those groups that provided only one year, additional steps were taken to validate the CMS wRVU weight schedule used. This process enabled a calculation of

**Figure 6**  
**Trends with and without wRVU**  
**Weight Changes: Medical Specialties**



the market data without the wRVU weight change, which supports understanding the impact wRVU weights and the true productivity rebound from the pandemic had on the 2022 survey.

As previously mentioned, the CMS wRVU weight change impacted the specialty types to different degrees. Primary care, which saw an overall increase in

median wRVU of 24.1%, had the largest impact attributed to the wRVU change of nearly 13%. As the wRVU change targeted evaluation and management (E/M) codes used by providers and primary care specialties have the largest utilization of those codes, it isn't surprising to see this level of impact in primary care. The trend is reflected in Figure 5, with the

graph on the bottom representing the trend if the wRVU weights had not changed. The bottom graph shows the 2022 median wRVU positioned close to the pre-pandemic level.

The impact of the wRVU weight change is moderate for medical specialties, at approximately 4.3% (Figure 6).

The impact was less pronounced with surgical specialties, with the impact of the wRVU weight change under 4%, resulting in a more modest one-year productivity increase. It is somewhat concerning to see a 4.1% increase in median compensation occurring at the same time. This combination signals that when CMS installed the new wRVU weights during the difficult time of COVID, the envisioned redistribution of compensation was not fully realized. This is clear in Figure 7.

The complexity of factors influencing the market data in 2021 reinforces the importance of socialization, as well as understanding the benchmarks and what they represent. Misapplying one piece of the puzzle without fully respecting the other pieces could have expensive consequences and could cause a disruption for providers who may not see the complete picture. In our opinion, this may have a direct effect on provider recruitment and retention.

### Looking Ahead and Behind

Beyond understanding how various levers affect the survey data and how medical groups are evolving compensation plans, a key issue remains. The impact of the change in the CMS wRVU weights is evident in the market data—and the data indicate a larger increase in primary care than in other specialty types, as intended. It will take more time to see if the

redistribution of dollars to primary care has truly taken place. As noted above, there was not a related increase in compensation in this initial year of the new CMS coding weights.

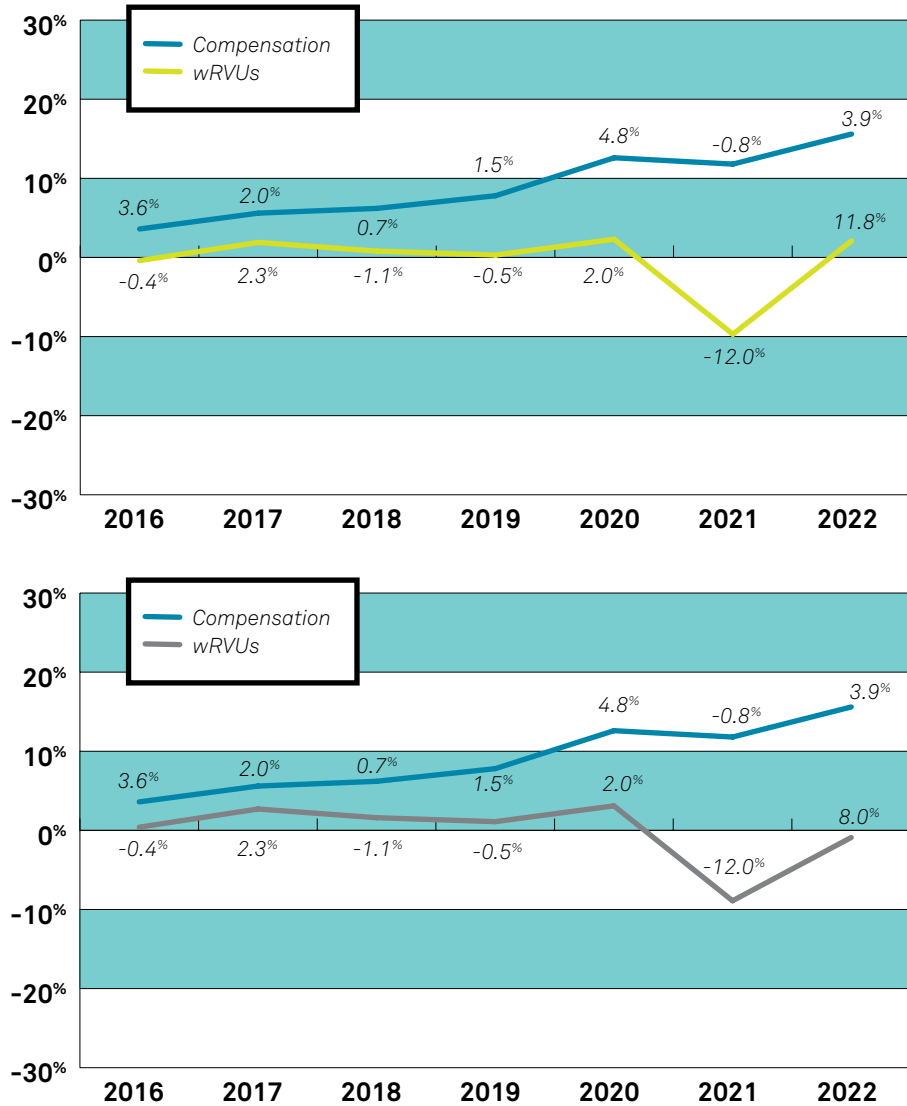
Prior to the 2021 survey results, median net collections per provider were on a trend line that hovered  $\pm 1.0\%$  to  $1.4\%$  from the prior year. In 2020, the onset of the pandemic led to a decline in median collections of  $8\%$ . In 2021, that trend was reversed to show an increase of  $10.4\%$ . This net increase of just over  $2\%$  reflects both the wRVU production recovery and the revenue increase and realignment from the CMS changes.

When evaluated by specialty type, primary median net collection saw a decline in 2020 of  $3.7\%$  and an increase in 2021 of  $8.9\%$ . For medical specialties, the 2020 decline was  $8.7\%$ , with a rebound of  $9.4\%$  in 2021. Finally, for surgical specialties, 2020 saw a drop of  $6.9\%$  with a bounce back limited to  $6.2\%$  in 2021. The net change for primary care of  $5.2\%$  is significantly higher than the net increase of  $0.7\%$  for medical specialties and the net decline of  $0.7\%$  for surgical specialties. This indicates a positive change for primary care in terms of revenue gains; however, again, this has not yet resulted in significant—or even correlated—increases in primary care providers’ paychecks.

The 2023 survey will be important to confirm the “new normal” in compensation and productivity trends. By that time, most groups should have fully integrated the wRVU coding changes into their compensation plans, and the tail of any temporary pandemic impact on volume should be absorbed

Figure 7

## Trends with and without wRVU Weight Changes: Surgical Specialties



in the data. While the type of change made by CMS was not new, with the most recent coming in 2008, the combined impact of the pandemic aftermath with the wRVU weight change has been unprecedented.

We stress that these changes must be understood, managed, and transparently shared in order for organizations to engage their

providers and build trust during this period. By sharing this information in a comprehensive manner, we believe organizations will see improved provider retention and satisfaction with both the amount and manner of compensation. GRU

**Fred Horton, M.H.A.**, is president, **Will Holets** is director, and **Elizabeth Siemsen** is director at AMGA Consulting.