Neurosurgery
MARKET WATCH™

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Compensation and Market Update

Outlook overall for job-seeking neurosurgeons is positive, but marketplace is showing shifts

By Bonnie Darves

For neurosurgeons seeking a first post-training practice opportunity or eyeing a move to a new position, the picture is bright. The persisting demand-and-supply imbalance means that positions, from private practice to academia, remain plentiful throughout the country, and compensation competitive. At the same time, the fast-growing trend toward consolidation in medicine generally—with groups merging, and hospitals and health systems pushing for closer alignment with specialists through either employment or financial affiliation—is having a palpable effect on marketplace dynamics.

Neurosurgeon incomes are either rising or holding steady in most areas of the country and most for practice types because demand for services is increasing. Still, industry observers predict that the continuing downward pressures on reimbursement from Medicare and commercial payors may have an offsetting on practices' revenues, and in turn, physician incomes, in the post-health reform era. "Some of the highly compensated specialties are already experiencing these pressures—and that will likely intensify in the next few years," said William Jessee, MD, president and CEO of the Medical Group Management Association (MGMA) in Englewood, Colo.

What's uncertain, he added, is how the mandated coverage provisions of health reform will enter into the equation. For specialties such as neurosurgery, whose physicians treat many uninsured patients who come in through emergency departments, the mandated coverage might balance out reimbursement declines. "I think we're all in a wait-and-see mode right now," Dr. Jessee said.

Survey Findings Mostly Positive

Two long-standing physician compensation and medical group productivity surveys, those produced annually by the MGMA and the American Medical Group Association (AMGA), both reported rising neurosurgeon compensation this year. The 2011 MGMA survey, which included 98 groups representing 261 neurosurgeons, found a median income of $701,928. AMGA's survey of 78 groups (312 total neurosurgeons) showed median compensation of $625,300, up from $592,811 in 2010.

The newest entrant in the survey realm, the Neurosurgery Executives' Resource, Value & Education Society (NERVES) in Charlotte, N.C., provides a more detailed picture of what's going on in neurosurgeon compensation. The 2010 NERVES survey encompassing 72 groups representing 390 neurosurgeons, reported a median income of $730,530, with a negligible differential—less than $1,000—between physician-owned practices and those owned by and academic institutions. However, notable compensation differences appear when practice types are factored in. Neurosurgeons in single-specialty groups had a median income of $664,000, compared to $819,708 in multi-specialty practices. In academic practices, the median was $747,998.

> **"Neurosurgery practices are increasingly becoming employed by hospitals or health systems, and that [trend] is clear in our own survey findings."**
>
> – Derek Cantrell, Executive Director, Goodman Campbell Brain & Spine, Indianapolis; NERVES Survey Committee Chair

The latter shift, with incomes rising in multi-specialty and academic groups compared to single-specialty ones, may be a reflection of what's occurring in the market at large, suggests Derek Cantrell, executive director of the 29-neurosurgeon group Goodman Campbell Brain & Spine in Indianapolis and chair of the NERVES survey committee. "Neurosurgery practices are increasingly becoming employed by hospitals or health systems, and that [trend] is clear in our own survey findings," Mr. Cantrell said.

When responding groups were asked about possible changes ahead in their ownership status, 20 of the 72 responding groups reported that they had been approached by a health system regarding a possible employment arrangement. Of those, eight (as of fall 2010) were engaged in such negotiations. "This is what everyone in the field is talking about at the national meetings," Mr. Cantrell observed.

John Dunn, RN, MHA, administrator of the nine-physician group Midwest Neurosurgery & Spine Specialists in Omaha, Neb., concurs with Mr. Cantrell about the trend's effect. The move toward health-system employment and use of continued on page 2

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Submissions of articles and perspectives on the neurosurgery job market that may be of interest to practicing neurosurgeons are welcomed. Please contact the publisher or editor for more information and guidelines.

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Neurosurgery
MARKET WATCH™

SURVEY

Neurosurgery Market Watch conducts a quarterly survey in each issue. We will publish the results of this survey in next quarter's issue.

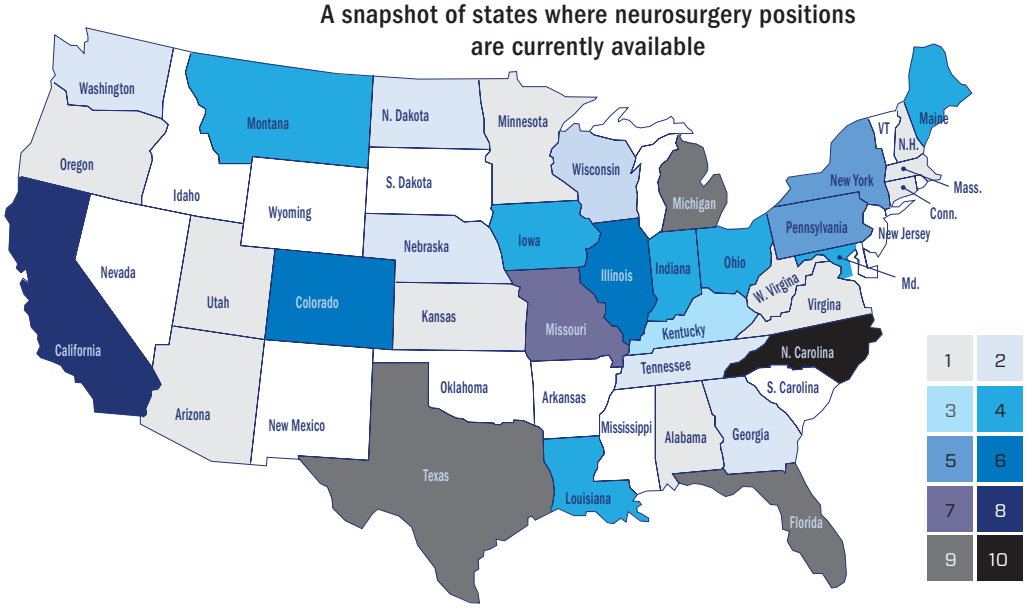
The question of the quarter is: "How long did your neurosurgery job search take?"

To participate please email your response to: info@harlequinna.com

Please respond by 10/25/2011 for your answers to be included in our next issue. Thank you for your contribution!

Where the Jobs Are

A snapshot of states where neurosurgery positions are currently available



Sources: Congress of Neurological Surgeons, American Association of Neurological Surgeons, New England Journal of Medicine, Harlequin Recruiting, and the Washington Post

Compensation and Market Update

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a "leasing" model is boosting incomes and expanding opportunities and across the board, he maintained. "That's the biggest thing we're seeing right now—and I think that the market is wide open for neurosurgeons who are flexible and willing to consider [opportunities] around the country," he said.

Practice Type, Regional Variations Persist

National trends aside, the key determining factors in neurosurgeons' income levels—years in practice and practice size—remain mostly unchanged in recent years. The NERVES survey found that neurosurgeons who have been in practice between six and 15 years have the highest median incomes, at $914,796, while for those in practice five years or fewer the median is $594,997. Interestingly, the highest median incomes, $959,843, are found in "medium large" groups—those with 11 to 20 neurosurgeons. In groups with one to five, and 20 or more neurosurgeons, respectively, the median compensation differential between the two, at $749,248 and $734,119, is fairly small.

On a regional level, the compensation differences that have existed historically—not just for neurosurgeons but for many specialists—also persist. The MGMA survey found that median incomes were lowest in the East, at $599,581; and highest in the Midwest, at $747,947. Median earnings for the South and West were neck and neck, at $717,749 and $716,491, respectively.

The NERVES survey's results did not concord with MGMA's, interestingly, possibly because of the respondent mix. That organization reported median incomes of $1,027,166 in the East and, at the lower end, $683,450 in the Midwest. The South and West came in at $727,436 and $828,263, respectively.

Neurosurgeons, having endured a long and very expensive training chapter, are understandably interested in ensuring a commensurate income. But for most, that's not the most important factor anymore, most sources agreed. Like other physicians in virtually any specialty, neurosurgeons are increasingly looking for a combination of both professional challenge and a reasonable lifestyle that allows time for family and non-clinical pursuits—ideally, of course, in the region of their choice.

"Neurosurgeons are not as interested in maximizing their incomes as they once were, and for most who select to work in an academic center income is not at the top of the list," observed J. Matthew Scott, MHA, director of physician operations at Medical College of Virginia Physicians in Richmond, Va., whose group includes eight neurosurgeons. "But if they are saddled with education debt, income is obviously an important consideration."

As such, Mr. Scott and other sources agreed, most practices are just as intent on ensuring fair, market- and practice-supportable compensation for neurosurgeons and other specialists. "We would never keep our doctors if we were paying in the 25th percentile," Mr. Scott acknowledged. "We have to be within the 40th and 70th." ✻

Bonnie Darves is a Seattle-based freelance healthcare writer.

Candidate Profile

Who: John K. Ratliff, MD, FACS

New position: Co-Director, Spine and Peripheral Nerve Surgery, Department of Neurosurgery, Stanford School of Medicine

Practice and research interests: Peripheral nerve disorders, tumors and trauma; nerve-compression syndromes; traumatic brachial plexus injury; complex reconstruction; and artificial disc replacement.

Why he chose the job: This is a great opportunity academically, and it's also an exciting opportunity to help expand the neurosurgery & spine division. It's a very good fit for both of us.

Why he chose the field: I don't think anything could compare with the allure of neurosurgery. It's exciting in itself, but as neurosurgeons we're in a position to witness and be a part of the real, fast-paced changes that are constantly reshaping our field.

And the patients are fascinating—even if it's sometimes sobering to think about the extent to which they put their trust in us.

Advice to job-seeking candidates: Take your time researching the opportunities, and do your due diligence because it's actually a lot of work to find an opportunity where you will fit.

That means looking past the numbers, finding out about issues like turnover in the department or practice, among the nursing staff, and in the hospital generally. The time you invest prior to making a decision will pay off well.

IN BRIEF

Training Setting Key Factor In Career Choice

Where neurosurgeons go to medical school and where they train appear to be key factors in whether they elect to pursue an academic career over other practice settings, a new study in the Journal of Neurosurgery has found. Of the 97 ACGME-accredited neurosurgery programs in the United States and Puerto Rico, 20 produced the greatest number of graduates who remained in academic practice; those 451 academic neurosurgeons represent 45.7% of total neurosurgery academicians nationwide.

In addition, the top three programs, by number of graduates, accounted for 10.5% of all academic neurosurgeons. Those programs include the University of Pittsburgh (37), UC-San Francisco (36) and Columbia University (31).

The study, led by Peter G. Campbell, MD, of Thomas Jefferson University in Philadelphia, was based on data collected in 2009. While the study sheds light on one possibly significant component of career choice, its findings do not suggest that the pattern will continue, its authors concluded. ✲

Citation: J Neurosurg 115:380-386, 2011

Further Medicare Cuts May Affect Practice

The persisting battle over proposed Medicare physician payment rate cuts could have a direct impact on both neurosurgeons' practice patterns and patients' access to care, according to a recent survey by the American Association of Neurological Surgeons (AANS).

The survey found that nearly 40% of neurosurgeons will curtail the number of new Medicare patients they accept if the cuts keep coming, and more than 18% reported they would stop taking new ones.

About one-fifth of U.S. neurosurgeons already limit appointment slots for new Medicare patients, AANS found; in the past three years nearly 60% have deliberately reduced the number of Medicare patients in their practice. More than 60% of respondents in small practices reported that they will reduce the range of services provided to Medicare patients if cuts continue. ✲

Citation: Survey on Medicare Participation Among Neurosurgeons, AANS, 2010

UPCOMING U.S. NEUROSURGERY EVENTS/CMEs

Congress of Neurological Surgeons Annual Conference
❏ October 1-6, 2011
Washington, D.C.

2011 AANS/CNS Joint Section For Pediatric Neurosurgery Annual Meeting
❏ November 29-December 2
Austin, Texas

2012 Annual Meeting of the AANS/ CNS Section on Disorders of the Spine and Peripheral Nerves
❏ March 7-10, 2012
Orlando, Florida

International Society for Vascular Surgery Congress
❏ March 9-11, 2012
Miami, Florida

2012 American Association of Neurological Surgeons (AANS)
❏ April 14-18, 2012
Miami, Florida

Biennial Meeting of the ASSFN
❏ June 3-6, 2012
San Francisco, California

For more information regarding any of these events, or to post your upcoming CME or neurosurgery event, please contact ***info@harlequinna.com.***

See us at the CNS!
We'll be at booth #724

LEGAL CORNER

By Roderick J. Holloman

Q: I have heard that larger institutions are more difficult to negotiate with from an employment-contract standpoint; is this true?

A: Not necessarily. It depends on the institution. Some large institutions will not make substantive changes to the contract, particularly with respect to restrictive-covenant clauses, many yet many will—especially when there is a pressing need for a specialist.

Q: To what extent should I focus on contract details regarding my partnership prospects?

A: Most employers are reluctant to commit to partnership at the onset of an employment relationship because there are too simply many variables and unknowns. Further, I always caution clients against focusing too much on partnership prospects, particularly in this climate of hospital buy-outs, practice mergers and declining reimbursements.

On another level, early on, it may be difficult to discern enough about the practice's fiscal projections to make an informed decision about whether partnership would be worthwhile. At best, the employment agreement would ideally detail criteria for partnership consideration and provide an employer's commitment to inform the physician, at a specified time, whether partnership will be offered.

Q: My contract contains a section titled "liquidated damages." Is this normal?

A: I see this provision occasionally, and without fail I attempt to negotiate this out of the contract. This is because liquidated damages provisions treat all breaches, no matter the severity, as equal. That's simply not the case in real life.

An inconsequential and unintentional breach is not the same as an intentional breach involving attempted poaching of a practice's entire patient population, but liquidated damages clauses tend to treat them identically. It's more reasonable to remove the liquidated damages clause and allow a court or arbiter to determine what is fair and just under the circumstances.

Q: I am considering employment with a private practice. My contract does not include a restrictive covenant but does require me to surrender my privileges at all hospitals where I treated patients during the term of my employment. Should I disagree with this?

A: Yes, absolutely. The rationale is that the granting of privileges was not conditioned upon your employment with the practice but rather on your own professional merit. As such, you should not be required to forfeit those privileges based on a separation from the practice.

Author's note: Roderick Holloman is the principal of The Holloman Law Group, PLLC, a national healthcare law firm. He welcomes readers' questions and can reached at *202-572-1000* or *rjholloman@hollomanlawgroup.com*.

Neurosurgery MARKET WATCH™

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NEUROSURGERY POSITIONS

Featured Opportunity

The Division of Neurological Surgery at a leading university is seeking outstanding candidates for the position of Assistant or Associate Professor of Neurological Surgery. The division's physicians have patient care responsibilities at the University Hospitals & Clinics and a local VA hospital. Appointment status (tenure-track/clinical-track) is negotiable. The robust practice includes radio surgery, pediatric neurosurgery, spine/complex spine procedures, and cranial tumors procedures.

An interdisciplinary Neurosciences Center has been developed under collaboration with Neurology and Invasive Radiology. Successful candidates should be Board Eligible or Board Certified, and have exceptional interests in teaching and research. Fellowship training in endovascular treatment of vascular disorders is preferred. Special interest in building a collaborative and comprehensive stroke center and expanding endovascular treatments for patients is highly desired.

The area boasts affordable housing, a cost of living below the national average, diverse cultural and economic opportunities, varied recreational facilities, quality health care, and excellent public schools. The community offers the best of both worlds: small-town convenience and warmth with big-city sophistication and amenities.

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New York	Michigan *(Spine, Endo, Neuro-Onc)*	
Virginia	New York *(Spine)*	
Colorado	Missouri *(Endovascular)*	
Ohio	Missouri *(Spine)*	
	Wisconsin *(DBS, Spine)*	
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	Ohio	