



Hourly Rates for

EMERGENCY MEDICINE PHYSICIANS

The Denominator Issue



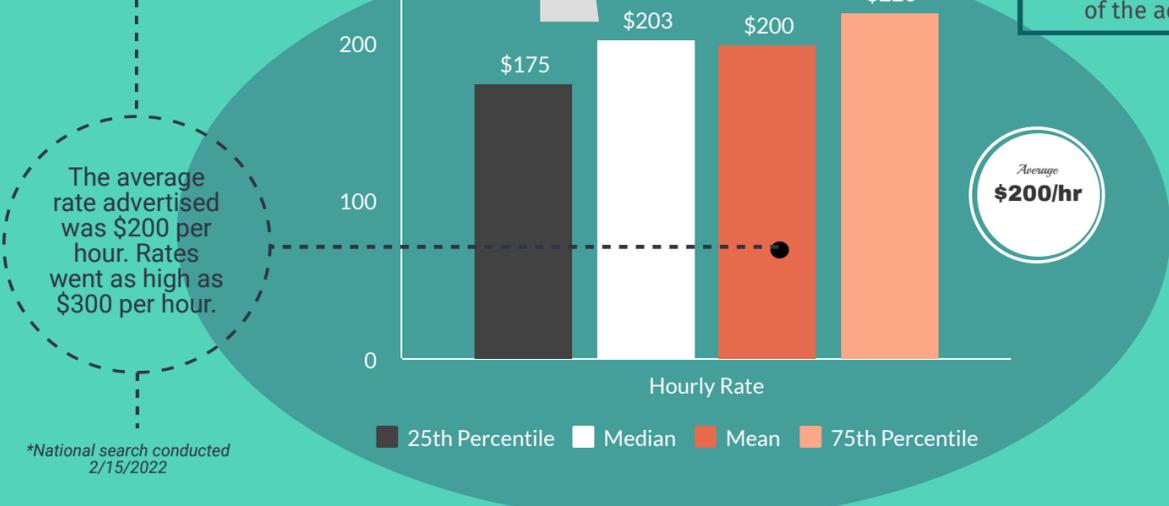
Hourly Rates for EMERGENCY MEDICINE PHYSICIANS

The Denominator Issue

Emergency Medicine (EM) physicians are often paid an hourly rate for actual hours worked. Compared to other types of physicians, it is less common for them to receive paid-time-off (PTO) benefits. When determining a fair market value (FMV) hourly rate for EM physicians, annual compensation benchmarks from well-known physician compensation surveys can be converted to hourly rates. However, using the default 2,000 or 2,080 hours-per-year denominator in these calculations may be inappropriate.

Online Classifieds: Hourly Rates for EM Physicians

Note
Productivity bonuses and profit sharing opportunities (in addition to the base hourly rate) were mentioned in several of the ads.



In early 2022, BFMV analyzed nearly 2,000 online classified ads for EM physicians. Approximately 110 of the ads provided compensation details. The ads reflected a fairly even mix of independent contractor, employed, and locums arrangements (no type of arrangement consistently paid higher or lower rates than the others). In terms of benefits, malpractice coverage was common across the board; benefits like 401k plans and health insurance were common for employed arrangements.

Work Hours



Based on the classified ads, EM physicians are not required to work a typical 40-hour work week or 2,080-hour work year. Most offers specified 12-hour or 10-hour shifts and 144 or 188 shifts per year. Physicians can take time off, but time off is not compensated.

- 10 Hours x 144 Shifts = 1,440 Hours
- 12 Hours x 144 Shifts = 1,728 Hours
- 10 Hours x 188 Shifts = 1,880 Hours
- 12 Hours x 188 Shifts = 2,256 Hours

Total Compensation Benchmarks

According to national physician compensation surveys, EM physicians earn annual compensation (salary and bonuses) of \$390k at the 25th percentile and \$417k at the 75th percentile. Average annual compensation is \$367k.



*Data reflect averaged and rounded statistics from the 2021 AMGA and MGMA compensation surveys.

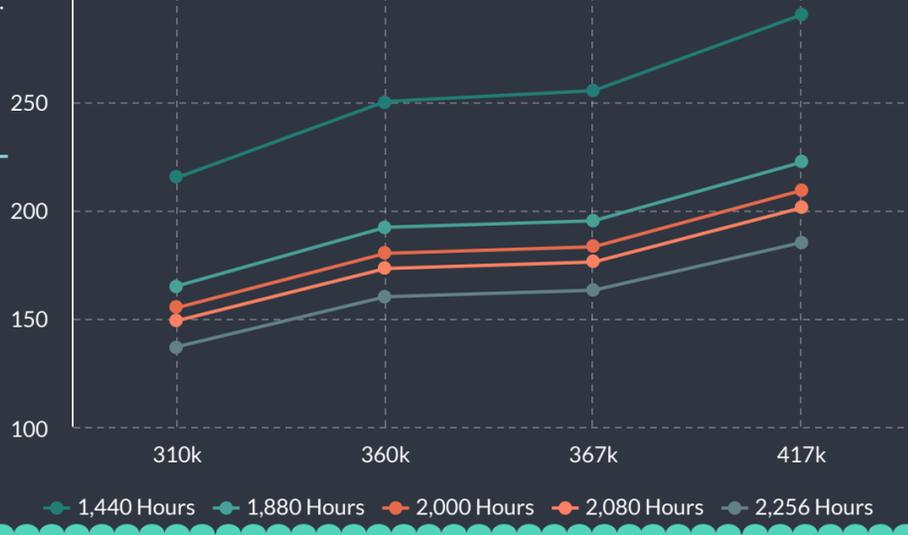
Finding the hourly equivalent of an annual compensation benchmark requires a denominator.

Denominator Power

The typical 2,000 or 2,080 hours-per-year denominator may be inappropriate for EM physicians because of how their work hours are structured and because they do not typically receive PTO benefits.

Hourly Equivalents for Annual Compensation Benchmarks

The average hourly rate, based on survey data, is \$255 assuming 1,440 hours and \$195 assuming 1,880 hours.



*The 2,000 hours-per-year assumption originated from a Stark II, Phase II safe-harbor for calculating hourly physician compensation. The safe-harbor no longer exists, but the 2,000 hours assumption is still commonly used in the healthcare industry.

Summary

Based on 78 online classified ads, the average base hourly rate paid to EM physicians is \$202.



When converting annual benchmarks to hourly rates for EM physicians, the standard 2,000 or 2,080 hours-per-year denominator may not be appropriate.

Based on published survey data, average hourly compensation for an EM physician is \$255 to \$195, respectively, for 1,440 to 1,880 hours per year.