



Physician Compensation Eight Percent of Healthcare Costs

ATLANTA, GA (May 26, 2011)- Physician compensation accounts for roughly eight percent of the total annual healthcare costs in the U.S., according to [Jackson Healthcare](#), an Atlanta-based healthcare staffing and technology company.

"At eight percent of total healthcare costs, if physicians worked for free we would still have a serious cost problem," said Richard L. Jackson, chairman and chief executive officer of Jackson Healthcare. "What this figure shows is that physician pay is not the primary contributor to healthcare costs."

According to the most recent estimate from The Centers for Medicare and Medicaid Services (CMS), overall U.S. healthcare spending in 2009 was \$2.5 trillion. CMS reports that \$505 billion accounts for physician and clinical services. According to data from Medical Group Management Association (MGMA), physician compensation accounts for 37 percent of total collections, or \$186 billion (7.5 percent of total U.S. healthcare spending).

Calculating the percentage using the most recent statistics on the number of practicing physicians in the U.S. from the American Medical Association and salary figures from MGMA, annual aggregate physician salaries total \$216 billion, or 8.6 percent of total U.S. healthcare costs. The MGMA statistics were obtained from a 2010 report using 2009 data.

To review Jackson Healthcare's other physician surveys visit JacksonHealthcare.com/Research.

Definition

The Centers for Medicare and Medicaid report defined "physician and clinical services" as follows:

"Services provided in establishments operated by Doctors of Medicine (M.D.) and Doctors of Osteopathy (D.O.), outpatient care centers, plus the portion of medical laboratories services that are billed independently by the laboratories. This category also includes services rendered by a doctor of medicine (M.D.) or doctor of osteopathy (D.O.) in hospitals, if the physician bills independently for those services. Clinical services provided in freestanding outpatient clinics operated by the U.S. Department of Veterans' Affairs, the U.S. Coast Guard Academy, the U.S. Department of Defense, and the U.S. Indian Health Service are also included. The establishments included in Physician and Clinical Services are classified in NAICS 6211-Offices of Physicians, NAICS 6214-Outpatient Care Centers, and a portion of NAICS 6215-Medical and Diagnostic Laboratories."

About Jackson Healthcare

Jackson Healthcare is the third largest healthcare staffing company in the U.S. and serves more than five million patients in over 1,300 healthcare facilities. The company also provides technology solutions that enable total hospital efficiency. Jackson has earned national media coverage by providing innovative solutions to healthcare problems, in addition to championing local, national and international charitable work. *Atlanta Business Chronicle* has recognized the company as one of the *Best Places to Work* for six consecutive years. Visit <http://www.JacksonHealthcare.com/about> to learn more.