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SURVEY SHOWS WIDE EARNINGS GAP BETWEEN MALE AND FEMALE PHYSICIANS IN MARYLAND

Maryland Physicians, Male and Female, Earn Less Than Physicians Nationally

Baltimore, July 30, 2018 - A new survey indicates that wide pay gaps exist between male and female physicians in Maryland, and that Maryland physicians earn less on average than do physicians nationally.

Conducted by Merritt Hawkins, a national physician search and consulting firm, on behalf of MedChi, The Maryland State Medical Society, the survey tracks compensation, benefits and practice metrics of Maryland physicians and compares them to physicians nationally. It also benchmarks compensation among Maryland physicians by gender, age and practice status.

"The biggest disparities we see in compensation are between male and female physicians in Maryland," said Gene Ransom, chief executive officer with MedChi. "Though such disparities have been noted in other research, it is still surprising to see the extent to which they persist."

Average annual compensation for male physicians in Maryland tracked by the survey was \$335,000, compared to \$224,000 for female physicians, a difference of almost 50 percent. Even when compared on a specialty-by-specialty basis, male physicians earn considerably more than female physicians, the survey indicates. For example, male family medicine physicians in Maryland earn an annual average of \$243,000, compared to \$164,000 for female family medicine physicians, a difference of 48 percent. Earnings disparities between male and female physicians also are significant even when number of hours worked are accounted for. For example, male internal medicine physicians working 41 hours a week or more earn over 37 percent more than females working 41 hours a week or more, the survey indicates.

What accounts for these differences is difficult to determine, according to executives at Merritt Hawkins.

"There is little difference in the starting salaries of male and female physicians in the contracts we see," said Jeremy Robinson, regional vice president with Merritt Hawkins. "But clearly, physician gender income disparities are real."

The survey also shows that Maryland physicians are behind the curve when their earnings are compared to physicians nationally. Of 15 types of medical specialists tracked in the survey, 14 earn less in total compensation than the national starting salary in their specialties as tracked by Merritt Hawkins. According to Robinson, this means that physicians may be paid more to start

in other states than Maryland physicians may make even after practicing for a number of years. Robinson attributes the difference in earnings to the relatively large number of physicians per capita in Maryland, low reimbursement rates in the state and the presence of managed care.

Only 41 percent of Maryland physicians surveyed indicated they participate in Medicare's new reimbursement formula, known as MACRA (Medicare Access and CHIP Reauthorization Act). Over one-quarter said they do not participate, while almost one-third are unsure, reflecting continued uncertainty among physicians regarding Medicare's new physician payment model. When asked to indicate how much of their 2017 earnings were based on quality metrics such as patient satisfaction scores, 78 percent of physicians said quality accounts for only 20 percent their compensation or less, an indicator that quality payments to physicians remain an aspirational reimbursement model.

Survey data is based on responses from 508 Maryland physicians with a margin of error of +/-4.4 percent as determined by experts in statistical response analysis at the University of Tennessee.

About MedChi

MedChi, The Maryland State Medical Society, is a non-profit membership association of Maryland physicians. It is the largest physician organization in Maryland. The mission of MedChi is to serve as Maryland's foremost advocate and resource for physicians, their patients and the public health of Maryland. For more information, please visit <u>www.medchi.org</u>.

About Merritt Hawkins

Merritt Hawkins is the leading physician search and consulting firm in the United States and is a company of AMN Healthcare (NYSE: AMN), the largest healthcare staffing and workforce solutions organization in the country. For more information, visit <u>www.merritthawkins.com</u>.