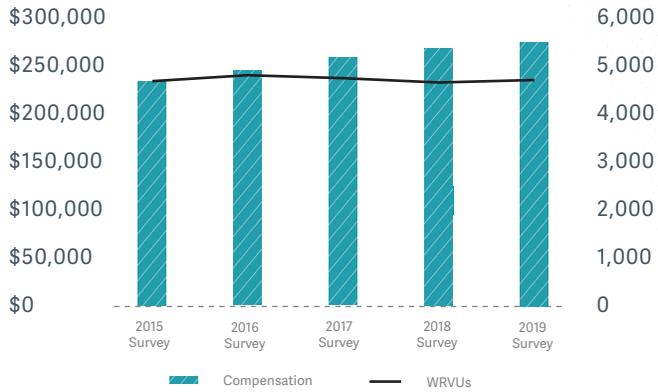


PEDIATRIC COMPENSATION and PRODUCTION TRENDS

COMPENSATION CONTINUES TO GROW, while production for pediatric physicians is stagnant.

COMPENSATION AND PRODUCTION TRENDS: ALL PEDIATRIC PHYSICIANS



APP COMPENSATION % CHANGE 2018-2019



Higher producing physicians' market rates differ from overall market rates.

| | Market Median | Higher Producing Physicians | % Difference In Compensation per WRVU Median |
|--------------------------|---------------|-----------------------------|--|
| Pediatric Primary Care | \$50.39 | \$48.15 | -4.4% |
| Pediatric Medicine | \$70.74 | \$63.46 | -10.3% |
| Pediatric Surgery | \$77.08 | \$73.25 | -5.0% |
| Pediatric Hospital-Based | \$66.40 | \$60.96 | -8.2% |
| All Pediatric Physicians | \$63.17 | \$58.84 | -6.9% |

Compensation planning efforts should consider the impact on market benchmarks of lower producing pediatric physicians. Compensation per WRVU benchmarks for higher producing pediatric physicians are below the overall market median by **6.9%**.

Note: Higher Producing Pediatric Physicians have WRVU production between the 50th and 75th percentile.

PRODUCTION INCENTIVES REMAIN PREDOMINANT, BUT VALUE BASED COMPENSATION IS BECOMING MORE PREVALENT.

PERCENTAGE OF ORGANIZATIONS



| | Percentage of Total Compensation | Median \$ |
|-----------------------------------|----------------------------------|-----------|
| WRVU Compensation | 26.0% | \$26,803 |
| Clinical Quality Compensation | 4.6% | \$11,771 |
| Patient Satisfaction Compensation | 0.7% | \$10,594 |

37.1% is the average percentage of variable compensation across all types of pediatric physicians.

75% of pediatric physicians are paid under variable plans; 25% are paid under a straight salary plan.

PHYSICIAN BENEFITS ARE INCREASING

The employer portion of benefit costs for pediatric physicians increased to **\$50,478** per physician FTE in 2019, while APP benefit costs increased to **\$27,873**.

The cost of benefits varies across specialty categories, with pediatric primary care having the lowest cost, and pediatric surgeons having the highest cost.



PEDIATRIC RECRUITMENT TRENDS

Organizations are recruiting an average of 10 physicians, with 41% of those in medical specialties.

