Fair Market Value Compensation

**Spotlight on Hematology/Oncology**

**Now Trending**

Cancer is the second most common cause of death in the U.S., and more than 1.8 million new cancer cases are expected to be diagnosed in 2020. Yet, a national shortage of approximately 2,200 oncologists is expected by 2025, as a large number of oncologists retire.

Sources: The Advisory Board; www.modernhealthcare.com

PYA provides independent and objective valuation and consulting services for a broad range of healthcare organizations. We support our clients’ many needs, including physician employment arrangements, professional services arrangements, call coverage, and many other types of arrangements associated with various acquisitions and/or affiliations. Contact Lyle Oelrich or Tynan Kugler at (800) 270-9629 to discuss how we can assist you with your complex needs.

**NATIONAL PROJECTIONS**

- **1.8M** New cancer cases in 2020
- **2,200** Oncologist shortage by 2025

**Demand**

Projected cancer incidence rate increase between 2017 and 2022:
- **+11%**

Overall demand for cancer services will increase by at least **40%** by 2025.

**Supply**

75% of cancer providers use Advanced Practice Providers (APPs) to meet demand.

More than **20%** of practicing oncologists are over 65.

**Hematology/Oncology Compensation**

<table>
<thead>
<tr>
<th>National Median Clinical Compensation</th>
<th>National Median Administrative Compensation</th>
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</thead>
<tbody>
<tr>
<td>2019</td>
<td>2018</td>
</tr>
<tr>
<td><strong>$446,254</strong></td>
<td><strong>$439,245</strong></td>
</tr>
<tr>
<td><strong>$396,719</strong></td>
<td><strong>$348,893</strong></td>
</tr>
<tr>
<td>Compound Annual Growth Rate</td>
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</tr>
<tr>
<td>3%</td>
<td>6%</td>
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</tbody>
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**Physicians receiving annual supervisory stipend**

Physicians receiving APP supervisory compensation

**Physicians supervising APPs**

Physicians supervising annual supervisory stipend, of which the median is **$10,000**.

**Hematology/Oncology National Median Professional Collections Compensation per wRVU**

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<th>2019</th>
<th>2015</th>
<th>CAGR</th>
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**Why PYA?**

- PYA provides more than 1,200 fair market value (FMV) compensation opinions each year to support the needs of hospitals, health systems, and other provider institutions.
- Our work in the field of hematology/oncology averaged more than a dozen fair market value compensation determinations each year over the last seven years.
- View our [complete study](#) for further details.

**Projected cancer incidence rate increase between 2017 and 2022**

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- **$97.95**
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- CAGR 2%

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**Access to oncologists in rural areas creates further issues. While 19% of Americans reside in rural areas, only 1% of oncologists practice there.**

**Sources:**
- American Cancer Society; American Society of Clinical Oncology; www.ascopost.com; www.asco.org

**Sources:**
- The Advisory Board; www.modernhealthcare.com

**Sources:**
- SullivanCotter; PYA proprietary data and calculations

**To help bridge the gap between supply and demand, 52% of physicians receive additional compensation for APP supervision, on top of their base salary. And 40% of those receive a flat annual supervisory stipend, of which the median is $10,000.**

**Physicians supervising annual supervisory stipend**

Physicians receiving APP supervisory compensation

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**Hematology/Oncology National Median Clinical Compensation**

- **$446,254**
- **$396,719**
- Compound Annual Growth Rate 3%

**Hematology/Oncology National Median Administrative Compensation**

- **$439,245**
- **$348,893**
- Compound Annual Growth Rate 6%

**Hematology/Oncology Median Physician Productivity in Work Relative Value Units (wRVUs)**

- **4,663**
- **4,493**
- CAGR 1%

**Median Physician Collections in Work Relative Value Units (wRVUs)**

- **$97.95**
- **$91.76**
- CAGR 2%

**Hematology/Oncology National Median Professional Collections Compensation per wRVU**

- **$97.95**
- **$91.76**
- CAGR 2%