



PYA Compensation Study: Spotlight On Anesthesiology

Updated February 2024

Introduction

The demand for surgeries has increased over the last several decades as the population grows and ages, and more specialized surgical procedures have become available. With this increased demand comes a greater need for anesthesia services. Given the current shortage of newly trained anesthesiologists, the demand for anesthesia services, and the increasing number of anesthesiologists who will be retiring in the near future, the need for more anesthesiology providers is a major concern across the U.S. Without an increased supply of anesthesiology physicians entering the market or a change in the flexibility of services that certified registered nurse anesthetists (CRNAs) are permitted to perform, patients could find themselves waiting longer for surgeries.

In addition to provider supply and demand issues, anesthesia physician practices are challenged operationally and financially due to rising practice expenses, business and cybersecurity insurance, frequent regulatory changes, and increased reimbursement pressures (e.g., the No Surprises Act). Many anesthesiology physicians are battling burnout and a desire to decrease practice administrative responsibilities. These factors combined are causing hospitals and anesthesia practices to take a fresh look at their recruiting needs, coverage models, and professional services agreements.

PYA's "Spotlight on Anesthesiology" looks at some current and future trends surrounding the specialty and how these trends may impact anesthesiology compensation.

Demand for Anesthesiology Services

According to the United States Census Bureau, by the year 2030, all baby boomers will be older than 65, and one in every five U.S. residents will be at retirement age.¹ Due to the aging and growing population, the demand for other specialty physicians, including anesthesiologists, is expected to increase by 12% from 2019 to 2034.² The increased demand is supported by a report from AMN Healthcare, which found that anesthesiologists and CRNAs were ranked 5th and 15th, respectively, among the 2023 Top 20 most recruited specialties in the country.³ Due to the specificity and scope of practice in which an anesthesiologist or

1 "By 2030, All Baby Boomers Will Be Age 65 or Older," <<https://www.census.gov/library/stories/2019/12/by-2030-all-baby-boomers-will-be-age-65-or-older.html>>, accessed June 29, 2023.

2 "The Complexities of Physician Supply and Demand: Projections from 2019 to 2034," <https://www.aamc.org/system/files/c/2/31-2019_update_-_the_complexities_of_-_physician_supply_and_demand_-_projections_from_2017-2032.pdf>, accessed June 29, 2023.

3 "2023 Review of Physician and Advanced Practitioner Recruiting Incentives," <<https://www.amnhealthcare.com/siteassets/amn-insights/blog/physician/incentive-review-2023-v5.pdf>>, accessed August 29, 2023.

CRNA operates, their respective roles are less interchangeable in terms of medical services when compared to other physicians and advanced practice providers (APP) who can often practice in multiple medical specialties. As a result of this distinction, and in addition to other factors, the supply of anesthesiology providers directly impacts the supply of surgical and some non-surgical services. Looking forward, the supply of anesthesiologists is not expected to keep up with the growing demand.

Supply of Anesthesiologists and CRNAs

According to a 2021 report from the American Association of Medical Colleges, the U.S. has approximately 42,300 anesthesiologists, representing one of the largest numbers of providers for any specialty.⁴ Approximately 57% of these anesthesiologists are age 55 or older.⁵ Further, the Health Resources & Services Administration (HRSA) reports in its Workforce Projections tool that anesthesiologist demand began outpacing supply in 2021, with a deficit of approximately 2,630 anesthesiologists projected by 2025.⁶

Although the deficit of anesthesiologists is increasing, the surplus of nurse anesthetists continues to increase. The HRSA Workforce Projections tool indicates a surplus of approximately 5,840 nurse anesthetists by 2025.⁷ According to the American Association of Nurse Anesthesiology, CRNAs administer more than 50 million anesthetics every year in the U.S.⁸

CRNA Scope of Practice

In general, a CRNA practices under the supervision of an anesthesiologist or other qualified medical professional who can administer anesthesia. As of February 2024, however, 24 states and Guam have opted out of the Centers for Medicare & Medicaid Services provision that requires physician supervision of CRNAs for services to be considered reimbursable under Medicaid and Medicare. The most recent state to opt out is Delaware in June 2023.^{9,10} As states consider and potentially continue to change the CRNA supervision requirements, more CRNAs will likely be utilized to meet the growing anesthesia demand.

4 “Active Physicians in the Largest Specialties by Major Professional Activity, 2021,” <<https://www.aamc.org/data-reports/workforce/data/active-physicians-largest-specialties-major-professional-activity-2021>>, accessed June 29, 2023.

5 “Active Physicians by Age and Specialty,” <<https://www.aamc.org/data-reports/workforce/data/active-physicians-age-specialty-2021>>, accessed June 29, 2023.

6 “Explore Workforce Projections,” <<https://data.hrsa.gov/topics/health-workforce/workforce-projections>>, accessed June 29, 2023

7 Ibid.

8 “About CRNAs,” <<https://www.aana.com/about-us/about-crnas>>, accessed June 29, 2023.

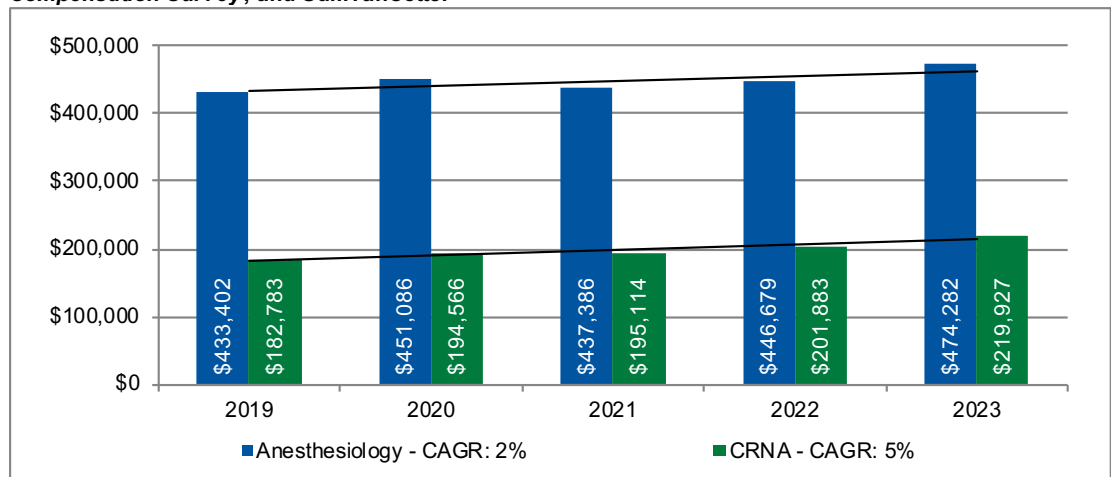
9 “Opt-Outs,” <<https://www.asahq.org/advocacy-and-asapac/advocacy-topics/opt-outs>> accessed June 29, 2023.

10 “Delaware Opts Out of Physician Supervision of CRNAs,” <<https://www.prnewswire.com/news-releases/delaware-opts-out-of-physician-supervision-of-crnas-301852470.html>>, accessed June 29, 2023.

Compensation

Since anesthesiology demand is high and the anesthesiologist deficit is growing, one might expect a significant increase in compensation over the last few years. As shown in **Figure 1**, however, compensation for anesthesiologists has been growing at a compound annual growth rate (CAGR) of only 2% from 2019 to 2023. CRNA compensation, on the other hand, has experienced more rapid growth, increasing by a CAGR of 5% over the same time period.¹¹ *Benchmark data may not represent local market economics, where increases in anesthesiologist and CRNA compensation may be more rapid.*

Figure 1 - Trend Analysis of National Median Clinical Compensation Survey Data from AMGA, MGMA Compensation Survey, and SullivanCotter^{1,2}



¹ The total compensation received by the physician or CRNA reported as direct compensation, which may include salary, bonus and/or incentive payments, research stipends, honoraria, profit-sharing, clinical medical directorships, call coverage, voluntary salary reductions, and advanced practice provider supervision. The compensation reported excludes fringe benefits paid by the medical practice (e.g., retirement plan contributions and health insurance).

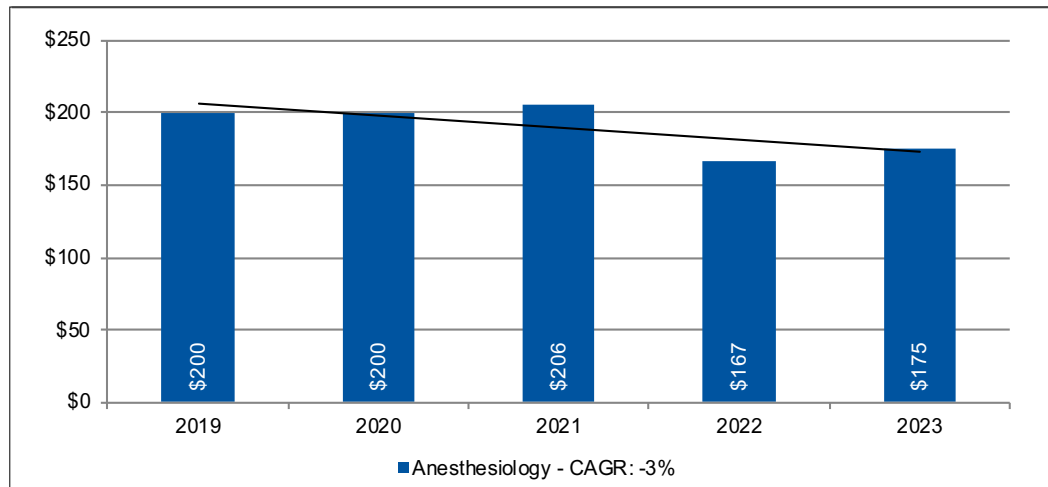
² National benchmark data is calculated by averaging AMGA, MGMA *Compensation Survey*, and SullivanCotter survey data.

Although compensation is likely not growing at a rate fast enough to generate the needed supply, organizations should recognize the difference in compensation between CRNAs and anesthesiologists. Compensation for CRNAs falls below anesthesiologist compensation; therefore, when and if appropriate, medical practices and hospitals may consider evaluating their staffing model. As stated above, however, many federal and state-specific laws exist that regulate the services a CRNA can perform, so a subject matter expert should be consulted before any significant changes in provider complement are made.

¹¹ Resources used include: American Medical Group Association *Medical Group Compensation and Productivity Survey: 2019-2023 Report Based on 2019-2022 Data Survey* (AMGA), Medical Group Management Association (MGMA) *2019-2023 DataDive Physician Provider Compensation and Productivity Survey* (MGMA *Compensation Survey*), and SullivanCotter, Inc. *2019-2023 Physician Compensation and Productivity Survey Report* (SullivanCotter).

From 2019 to 2023, the national median anesthesiologist administrative compensation decreased (3%), as illustrated in **Figure 2**.¹² A variety of factors contributing to the instability in administrative compensation could exist, so organizations should continue tracking the trend.

Figure 2 - Trend Analysis of National Median Hourly Medical Directorship Compensation Survey Data from MGMA Medical Directorship Survey



PYA also reviewed the trend in professional liability insurance and benefits for the specialty of anesthesiology. From 2019 to 2023, the CAGR for professional liability insurance and benefits was approximately -9% and -1%, respectively. While benefits remain stable, the impact of immunity laws enacted during the COVID-19 Public Health Emergency, including the Public Readiness and Emergency Preparedness Act and state-level Good Samaritan laws such as the Emergency Disaster Treatment Protection Act in New York, is still being felt on the cost of malpractice insurance.¹³

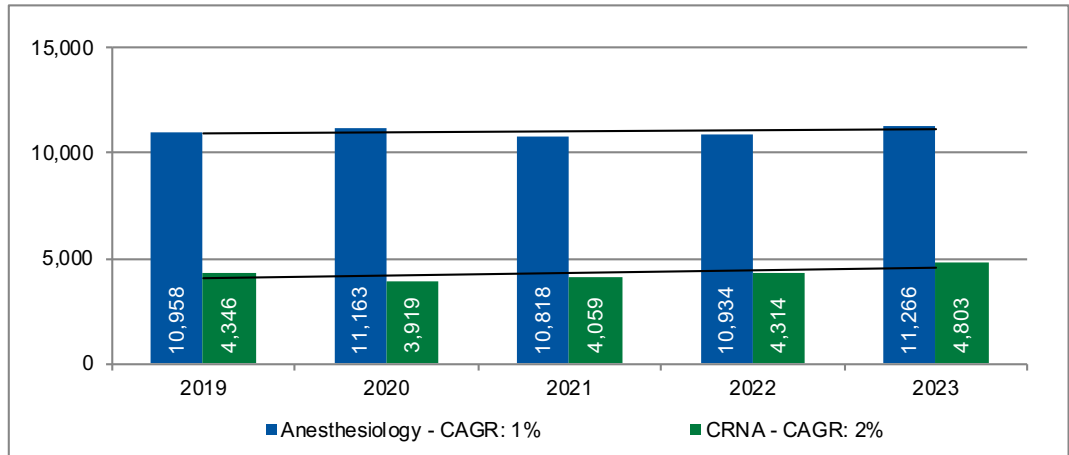
Productivity – ASA Units

To examine trends in physician and CRNA productivity, PYA reviewed national benchmark data relative to American Society of Anesthesiology (ASA) units from 2019 to 2023. As shown in **Figure 3**, while ASA units for anesthesiologists have increased at approximately the same rate as compensation (**Figure 1**), CRNA productivity has increased at a slower pace, suggesting factors outside of productivity may be driving the increase in CRNA compensation (e.g., provider demand).

¹² Resources used include: MGMA 2019-2023 DataDive Medical Directorship Compensation Survey (MGMA Medical Directorship Survey).

¹³ "COVID-19's Impact on Medical Professional Liability Litigation," <<https://www.amwins.com/resources-insights/article/covid-19-s-impact-on-medical-professional-liability-litigation>>, accessed August 25, 2023.

Figure 3 - Trend Analysis of National ASA Unit Survey Data from AMGA, MGMA Compensation Survey, and SullivanCotter¹

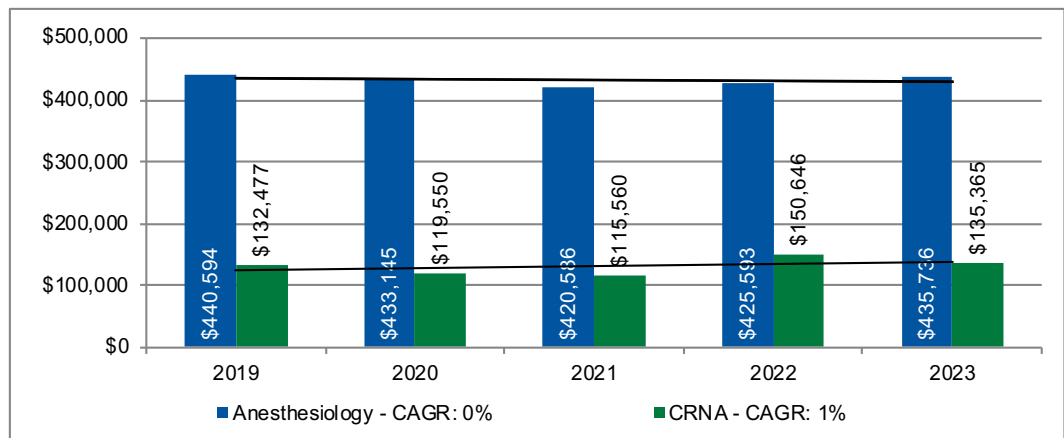


¹ National benchmark data is calculated by averaging AMGA, MGMA Compensation Survey, and SullivanCotter survey data.

Professional Collections

Based on professional collections benchmark data at the median from 2019 to 2023, the CAGR has remained stable for both anesthesiologists and CRNAs. The results are summarized in **Figure 4**.

Figure 4 - Trend Analysis of National Professional Collections Survey Data from AMGA, MGMA Compensation Survey, and SullivanCotter¹



¹ National benchmark data is calculated by averaging AMGA, MGMA Compensation Survey, and SullivanCotter survey data.

A five-year summary of Medicare anesthesia conversation factor rates is shown in **Table 1**. The conversion factor rates have varied year over year. Overall, the Medicare conversion factor CAGR from 2019 to 2023 is approximately -1%.

Table 1

Medicare Anesthesia Conversion Factor by Year	
2024	\$20.4349
2023	\$21.1249
2022	\$21.5623
2021	\$21.5600
2020	\$22.2016
2019	\$22.2730

Conclusion

Benchmark data suggests clinical compensation for anesthesiologists has increased slightly over the last four years, while administrative compensation has declined. Anesthesiology provider productivity in ASA units and professional collections has remained steady for physicians. For CRNAs during this same period, ASA units and professional collections have increased approximately 2% and 1%, respectively; however, these productivity CAGRs are being outpaced by the growth in CRNA compensation. These metrics suggest physician and CRNA compensation is influenced by factors other than solely productivity, including but not limited to provider supply and demand. Continued decreases in the Medicare conversion factor will play a key role in anesthesiologist and CRNA compensation going forward. If the supply of anesthesiologists continues to dwindle, the gaps discussed herein between compensation and collections/productivity may continue to grow.

About PYA

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