• Variation in Productivity  For adult hospitalists (family practice and internal medicine combined), work RVU productivity varied most dramatically by:
  – Region (highest in the South and lowest in the West);
  – Night coverage model (highest for practices that have on-call coverage at night and lowest for practices that provide on-site care by physicians at night); and
  – Compensation structure (highest for practices with 50 percent or less base salary and lowest for practices with 91 to 100 percent base salary).

• Compensation to Production Ratios  While pediatric hospitalists earned less on average than their hospitalist peers in other specialties, their compensation per unit of work (wRVU) was higher than other specialties.

Relationship between Compensation and Production

Physician compensation and productivity are closely interconnected. Most individuals involved in physician compensation plan design or administration would agree it is reasonable for physicians who work harder and generate more production than typical to earn more than their less-productive colleagues — as long as they are still providing safe, efficient, high-quality patient care. One of the most challenging aspects of physician compensation plan design is ensuring that compensation and production remain in balance along a broad spectrum of productivity.

For this reason, many hospital medicine groups have moved to compensation plans based at least in part on production. One of the most common metrics used in production-based compensation plans is physician work RVUs (wRVUs), and so it has become imperative to understand the relationship between compensation and wRVU production. Generally speaking, as hospitalist production increases, total compensation increases as well, but at a slower rate. This results in a gradual decline in the typical compensation per wRVU at higher production levels.