



Report: Physicians Bill an Average of \$3.8 Million a Year to Commercial Insurers

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DALLAS, April 03, 2023 (GLOBE NEWSWIRE) -- Physicians bill commercial healthcare insurance companies an average of \$3.8 million a year, according to a new report from AMN Healthcare, a leading provider of healthcare staffing and revenue cycle solutions.

The company's 2023 Physician Billing Report tracks claims submitted by physicians in 18 specialties, as well as claims submitted by nurse practitioners (NPs) and certified registered nurse anesthetists (CRNAs). On average, providers tracked in the report submit close to \$4 million a year in billing to commercial health insurance companies. General surgeons submit the highest average annual claims among physicians included in the report at \$11,669,016, while pediatricians submit the lowest average at \$1,323,104.

"Billing amounts are a key metric because they reveal how physicians generate services and revenue throughout the healthcare system, both directly and indirectly," said Linda Murphy, President of AMN Healthcare's Revenue Cycle Solutions division. "For example, a physician may submit a bill for a patient diagnosis that subsequently leads to a hospital admission, x-rays, anesthesia, surgery, therapy and other services. Care provided to the patient may be delivered by nurses, therapists, technicians and many other types of healthcare professionals, but the process often begins with the physician."

The report indicates that physicians who practice in diagnostic, surgical and internal medicine subspecialties typically generate higher average billing to commercial payors than do primary care physicians. The average billing amount to commercial payors generated by specialist physicians is \$4,650,750, according to the report, compared to \$1,770,564 for primary care physicians. Under current healthcare reimbursement models, surgical, diagnostic and other procedures typically performed by specialists are compensated at higher levels than are the consultative services typically provided by primary care physicians. As a result, claims submitted by specialists are usually higher than those submitted by primary care physicians.

Analysis in the report states that despite a movement toward physician payments based on quality metrics such as patient satisfaction scores, many physicians still receive compensation tied to their production as measured by Relative Value Units (RVUs), number of patients seen, or billing submitted to various types of payors.

"Quality-based physician payments remain largely aspirational," said Tom Florence, President of AMN Healthcare's Physician Solutions division (formerly Merritt Hawkins). "We are still in a system where physicians are rewarded on volume of services they provide or revenue they generate."

The report indicates that advanced practice professionals such as CRNAs and NPs also generate revenue. CRNAs submit an average of \$1,750,281 in claims to commercial payors, according to the report, while NPs bill an average of \$777,393, underscoring their economic importance.

"Advanced practice professionals are playing a greater role in healthcare delivery due to state policies that have expanded their scope of practice and due to the physician shortage," said Murphy. "Their role as revenue generators has expanded correspondingly."

The report does not include billing submitted to Medicare and other government payers, which would significantly increase average billing amounts for most physicians, NPs and CRNAs. For physicians such as rheumatologists, oncologists and other specialists who treat a large number of older patients, including Medicare could double the total amount of claims they submit for payment. Including Medicare would have a smaller effect on pediatricians, family physicians and other physicians who may treat relatively fewer older patients than many types of specialists. AMN Healthcare is planning a separate report tracking claims submitted by physicians and advanced practitioners to Medicare and other government payers, according to Murphy.

Physicians often do not collect the full amount that they bill payors. Payors may choose to discount a part of a physician's claim or deny payment altogether. Collection rates may vary widely among physicians based on their specialty, the payor mix of their practices, and other factors. The report therefore does not include the real-world amount physicians collect. However, given a hypothetical collection rate of 50 percent, the average collection amount for all providers in the report is \$1.9 million.

The report also does not include "down-stream" revenue generated by physicians from the tests they order, treatments they prescribe and procedures they perform, which in some cases can be considerably more than claims submitted for services physicians provide directly.

"Though payment models in healthcare are evolving, much of healthcare economics still is driven by the type and volume of services physicians and advanced practice professionals provide," said Murphy. "They are key catalysts of both care and revenue."

A copy of AMN Healthcare's 2023 Physician Billing Report can be accessed at https://www.amnhealthcare.com/amn-insights/physician/whitepapers/2023-physician-billing-report/?utm_source=press%20release&utm_campaign=physician%20billing%20report%202023

About AMN Healthcare

AMN Healthcare is the leader and innovator in total talent solutions for healthcare organizations across the nation. The Company provides access to the most comprehensive network of quality healthcare professionals through its innovative recruitment strategies and breadth of career opportunities. With insights and expertise, AMN Healthcare helps providers optimize their workforce to successfully reduce complexity, increase efficiency and improve patient outcomes. AMN total talent solutions include managed services programs, clinical and interim healthcare leaders, temporary staffing, executive search solutions, vendor management systems, recruitment process outsourcing, predictive modeling, language interpretation services, revenue cycle solutions, credentialing, and other services. Clients include acute-care hospitals, community health centers and clinics, physician practice groups, retail and urgent care centers, home health facilities, schools and many other healthcare settings. AMN Healthcare is committed to fostering and maintaining a diverse team that reflects the communities we serve. Our commitment to the inclusion of many different backgrounds,

experiences and perspectives enables our innovation and leadership in the healthcare services industry. For more information about AMN Healthcare, visit www.amnhealthcare.com.

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