

# How Much Do Medical Practice Managers Make: A 2011 Update



My post from 2010 on how much healthcare managers make is one of **my most-visited posts ever**. It's time to revisit the data and talk about the direction healthcare jobs are taking.

First, some clarification on Office Manager, Site Manager and Practice Administrator titles and job descriptions.

The **Office Manager** title applies in two situations:

1. The first is the top position in a small medical practice (three physicians or less) supervising at least two employees. In addition to managerial duties, the office manager often functions in a full-time or part-time staff position, either at the front desk or as a biller. The Office Manager in this situation does just about everything including the three Ps – Payroll, Payables and Purchasing.
2. The second situation is the #2 position in a larger practice. The title could also be **Assistant Administrator** or **Operations Manager**. This person is responsible for all day-to-day operations, human resource functions and all department activities. S/he typically directly supervises all supervisors and leads and/or all staff if no middle management position exists.

A **Site Manager** or **Site Administrator** is responsible for one or

more locations of a multi-location practice or a group of hospital-owned practices. S/he has all the responsibilities of an Office Manager for the day-to-day operations of a practice, but typically has a central support system. Duties deferred to the central support may include finance, human resources, billing and purchasing. Policies emanate from central administration, therefore the Site Manager does not have the autonomy of the Office Manager or Practice Administrator.

A **Practice Administrator** (sometimes called **Executive Director**) is not only responsible for the overall management of a practice or group of practices, s/he is also responsible for evaluating revenue and expenses, contracting with payers, strategic planning, provider recruitment and marketing. This person rarely has routine clerical duties, although s/he may coordinate or oversee payroll, payables and purchasing.

## **2010 Wages for All Ambulatory Medical and Health Services Managers**

Hourly Median – \$37.19 (Annual \$77,350)

Hourly Mean – \$42.97 (Annual \$89,390)

The median means that 50% of the jobs surveyed paid less and 50% of the jobs surveyed paid more. The mean is the average of all wages. The Practice Administrator position described above relates most closely to these rates, ranging from \$77K to \$89K, with smaller practices paying and entry-level managers making less, and larger practices paying and experienced managers making more.

The wages above, provided from the United States Department of Labor, include the following categories:

- Offices of Physicians
- Offices of Dentists
- Offices of Other Health Practitioners
- Outpatient Care Centers
- Medical and Diagnostic Laboratories:
- Home Health Care Services
- Other Ambulatory Health Care Services

Keep in mind that independent medical and dental offices often pay less than than hospital-sponsored practices and entities, although work schedules and benefits in private healthcare entities can be significantly better.

## **My observations on raises for healthcare managers for 2011:**

- Most medical practices and hospitals have had a freeze on raises or reduced raise budgets of 2% or less for the past 2 years. Some hospitals are giving managerial positions a small raise to retain good managers.
- Some private practice managers have had raises or small bonuses based on target metrics, increased responsibilities, mergers and launching of new service lines.
- Some managers will only see increases by changing jobs, which can be risky while the economy is still in recovery.

## **Observations on healthcare jobs from the Bureau of Labor Statistics**

- Ten of the 20 fastest growing occupations are healthcare-related. About 40% are in hospitals; another 21 percent are in nursing and residential care facilities; and 16% are in offices of physicians.
- Healthcare will generate \$3.2M new wage and salary jobs

between 2008 and 2018, more than any other industry, largely in response to rapid growth in the elderly population.

- Most healthcare workers have jobs that require less than 4 years of college education, but health diagnosing and treating practitioners are highly educated.
- Management, business, and financial operations occupations account for only 4% of employment in healthcare.
- Wage and salary employment in the healthcare industry is projected to increase 22% through 2018, compared with 11% for all industries combined. Healthcare employment growth is expected to account for about 22% of all wage and salary jobs added to the economy over the 2008-2018 period. Projected rates of employment growth for the various segments of the industry range from 10% in hospitals, the largest and slowest growing industry segment, to 46% in the much smaller home healthcare services.
- Over the 2008-2018 period, total employment of home health aides is projected to increase by 50%, medical assistants by 34%, physical therapist assistants by 33%, and physician assistants by 39%.
- Hospitals continue to be the slowest growing segment within the healthcare industry because of efforts to control hospital costs and the increasing use of outpatient clinics and other alternative care sites.