

# 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.

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## **Who Does What in a Medical**

# Office: Basic Position Descriptions

## Front Desk/Check-In

- Greets patients and visitors to the practice
- Registers patients in the practice management system which may mean entering information given verbally or on registration forms
- Collects identification and insurance cards and copies or scans them for the record, may photograph the patient for the record
- May collect co-pays or other monies
- Prints encounter form (also called superbill, routing slip, or fee ticket) with updated information, or updates information on the encounter form
- Has patient sign financial agreement, receipt of privacy policy, benefits assignment, etc.
- May answer phone calls, take messages and make appointments
- Directs visitor (drug reps, salespersons, etc.) appropriately

## Medical Records

- Primary responsibility for the integrity and management of the medical record, whether paper or electronic
- Controls record filing (paper) or indexing (electronic)
- Fulfills requests by patients, attorneys, insurance companies, and social security for release of records
- May manage paper faxes and messages by attaching to charts and delivering to provider
- May prepare paper charts for chart audits by payers or others
- May be the HIPAA Officer

## Medical Assistant, LPN or RN

- May assist Physician, Nurse Practitioner or Physician Assistant with procedures
- Depending on state laws, may give injections
- May perform procedures independently (ear wax removal, staple removal, etc.)
- Provides Medicare patients with an Advance Beneficiary Notice if any lab test or procedure to be performed in the office will not be covered by Medicare
- May perform phlebotomy (draw blood)
- May collect specimens, perform basic laboratory tests and chart results
- Provides patient education verbally and by providing written materials
- May schedule tests or procedures ordered by the provider
- May schedule surgery and prepare surgery packets for providers (\*this may be delegated to a surgery scheduler if this position exists)
- Calls patients about test or procedure results; returns patients calls with answers after consulting with provider
- Prepares exam room for procedures (PAP smears, excisions, etc.), marks specimens for lab and pathology
- Cleans exam room after each patient and stocks exam and procedure rooms with supplies
- May be responsible for ordering office medications and medical supplies
- May perform lab controls daily and check and record temperatures on lab refrigerators and freezers

### **Triage Nurse**

- Takes incoming calls from patients and gives them medical advice according to predetermined nursing protocols
- Makes decisions about patients needing to be seen urgently, same day or next day
- May be delegated callbacks from providers or other

nurses

- May see walk-in patients and triage their condition

### **Lead Nurse, Charge Nurse, or Nurse Supervisor**

- Assigns clinical staff specific responsibilities
- Manages clinical staff schedules, using agency or temporary staff as needed
- Performs annual competency exams on staff
- Ensures all staff are current on licenses, continuing education and CPR
- Problem-solves patient issues
- May be responsible for ordering office medications and medical supplies
- Has responsibility for medication sample closet upkeep
- May perform annual evaluations for clinical staff
- Responsible for equipment maintenance and makes recommendations for medical equipment as needed
- May be the Patient Safety Officer and the Worker's Compensation Coordinator

### **Referral Clerk**

- Reviews orders written by providers and determines where test and procedures may be performed based on patient's insurance
- May provide the patient with information about the test or procedure cost and what the patient's financial responsibility is estimated to be
- Pre-authorizes, pre-certifies, or pre-notifies the test or procedure if required by the patient's insurance company
- Schedules the test or procedure
- Provides the patient with information about preparation for the test or procedure

### **Lab Technologist/ Phlebotomist**

- Receives laboratory requisitions from provider and

- collects specimens according to provider order
- Provides Medicare patients with an Advance Beneficiary Notice if any lab test or procedure to be performed in the office will not be covered by Medicare
  - Performs tests or packages specimens to be transported to reference lab
  - Receives results back from the labs and matches them to charts
  - Performs lab controls daily and checks and records temperatures on lab refrigerators and freezers

### **Check-out Desk**

- Reviews services received by patients, checking to make sure that all services received were checked on the encounter form
- Enters charges in the computer system for services received
- Tells patient if any additional monies are owed if co-pay was collected at check-in
- May sign patient on to a payment plan if needed
- Takes monies owed, posts monies and produces a receipt for the patient
- Makes return appointment for the patient if needed, or enters recall into the practice management system

### **Biller or Collector**

- Corrects claims that are rejected from the claims scrubber, clearinghouse or payer
- Files secondary and tertiary claims as needed, electronically or via paper
- Posts receipts from insurance companies and patients and edits any electronic remittance advice; may post from lockbox account on the web
- May prepare deposits and/or make deposits
- Generates patient statements
- May check eligibility on patients with appointments and



call patients whose insurance is not active (\*may be delegated to a financial counselor if this position exists)

- Calls patients who have not made payments in response to statements
- May turn patients over to third-party collectors
- Takes phone calls from payers or patients about billing issues and resolves issues

## **Coder**

- Reviews notes from inpatient or outpatient encounters and codes them according to the documentation
- May post charges for services rendered
- Audits chart documentation for quality purposes to ensure that provider coding and documentation is synchronous
- Introduces changes in procedure (HCPCS) and diagnosis (ICD-9) codes and educates staff on the use of new codes
- Ensures encounter forms and practice management software is updated appropriately with new and deleted codes
- May be delegated the Compliance Officer

## **Billing Supervisor**

- Reviews the work of coders, billers and collectors and performs quality audits to benchmark acceptable error rates
- Prepares or reviews deposits and tracks daily charge, collection, write-off and deposit information, watching for monthly aberrations by payer or date
- Reviews Accounts Receivable (A/R) reports, looking for trending or specific problems to be addressed with staff or payers
- Brings to the attention of the Office Manager or Administrator any issues with non-standard payment trends, denials or non-covered services.
- Performs evaluations for billing department staff

- Takes escalated patient complaints
- May credential providers with new payers or recredential providers with payers or hospitals

**Office Manager, Practice Administrator, or Practice Manager** (see the Library tab for job descriptions) see my posts on what an administrator does [here](#), and a day in the life of an administrator [here](#)

- Performs all human resource functions for the practice
- Has ultimate responsibility for all money flowing in and out of the practice – makes deposits, pays bills, etc.
- Contact person for all computer system, equipment and phone system issues
- Responsible for day-to-day operations, advises supervisors on issues and problems
- Resolves escalated patient complaints
- Meets with vendors and researches possible practice purchases
- Negotiates all practice contracts
- Meets with staff and providers on a regular basis

These descriptions will not perfectly fit most practices, this is just a generalization. Each practice divides duties based on the number and skills of the staff in their office, and their specialty. These descriptions should help to define what the basic tasks are in most practices.

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## **How Much Do Medical Practice Managers Make?**

☒ Read the 2011 update to this article [here](#).

You've heard that healthcare is one of the few job markets that is still growing in a down economy and you think you might like to be a medical office manager. The question is: how much do medical practice managers make?

The real answer to this question is "it depends." Two people in different parts of the United States could have the same job description and one could make \$50,000 and another could make \$100,00. Most experienced, capable medical practice managers make a good living somewhere in the middle.

What differentiates medical practice managers (and I use this term in a generic sense to cover the variety of titles used in the healthcare field) from other office managers is that they are expected to know something about almost everything. A typical day in the life of a medical manager might well include tasks in the areas of:

- human resources
- risk management
- coding and billing
- credentialing
- accounting
- information technology
- facilities management
- conflict resolution
- physician compensation plans
- marketing
- physician/provider recruiting
- and more! ([see my post on what managers do here.](#))

The medical practice manager is often in the unique position of both answering to the owners (physicians) and managing them – a phenomenon not seen in other industries.

What a medical practice manager earns relates to:

- what the decision maker(s) believes the job is worth, or what they're willing to pay

- what a consultant or financial adviser has said the job is worth
- what other local practices are paying their managers
- what the previous manager made

Factors influencing the posted salary for a position are:

- the specialty or specialties (single-specialty vs multi-specialty and primary care vs. sub-specialty care)
- the number of physicians/providers
- the number of sites or ancillary services (imaging, physical therapy , medical spa, ambulatory surgery center)
- hospital-owned vs. non-hospital-owned
- if hospital-owned, how the position is graded, or where it fits in the management structure
- billing in-house or outsourced
- financial soundness of the entity
- the entity's competition in the community
- cost of living factor for region

Factors that might influence the salary ultimately offered YOU for a position are:

- Years of experience in healthcare management
- Years of experience managing the same or similar specialty
- Years of experience managing the same or similar # of physicians
- Stability of jobs over the past 10-15 years
- Special degrees: Master's, CPA, CPC, Compliance, RN, Lean, Black Belt (Six Sigma)
- Having installed an EMR (electronic medical record)
- References

**Where does one look for specific information on what managers make?**

The Bureau of Labor Statistics' (BLS) most recent information

reports:

*Median annual wages of wage and salary medical and health services managers were \$80,240 in May 2008. The middle 50 percent earned between \$62,170 and \$104,120. The lowest 10 percent earned less than \$48,300, and the highest 10 percent earned more than \$137,800. Median annual wages in the industries employing the largest numbers of medical and health services managers in May 2008 were:*

General medical and surgical hospitals	\$87,040
Outpatient care centers	74,130
Offices of physicians	74,060
Home health care services	71,450
Nursing care facilities	71,190

According to a 2009 survey by the [Professional Association of Health Care Office Management](#) (PAHCOM), the median salary for health administrators in small group practices is \$56,000; for those in larger group practices with 7 or more physicians the median is \$77,000.

The silver-back of healthcare salary surveys comes from the Medical Group Management Association (MGMA). The Management Compensation Survey is one of the “golden trio” of surveys that I’ve used throughout most of my professional life. You can view a sample page here: [Sample Table](#) (pdf). The survey information is free if you are a MGMA member and participate in the survey yourself. [You can purchase the Compensation Survey here.](#)

Many state MGMA groups also sponsor state salary surveys and sell them to non-members. In addition, some local manager groups do limited surveys and make the information available for a fee.

Job descriptions for medical managers can be found under the

Library tab at the top of the page.

More articles on medical management can be found under the category of “A Career in Medical Management” on the right-hand side of the page, including [“A Day in the Life of a Practice Administrator”](#) and [“The 5 IT Skillsets Every Physician Practice Manager Needs to Succeed in 2009 and Beyond.”](#)

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## Why are More Healthcare Management Job Postings Looking for Certification?



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If you are working in practice management, you might want to explore the gold standard in certification through the American College of Medical Practice Executives (ACMPE). Disclaimer: I am Board Certified and a Fellow in the ACMPE but I receive no compensation for writing about the College or having a link to them on my blog.

Why certification as opposed to an undergraduate degree? I think this week's opinion piece in the Wall Street Journal by Charles Murray says it better than I can. [Read the article here.](#)