A 2012 report by the Medicare Payment Advisory Commission showed that rural doctors make slightly more money on average than doctors practicing in big cities. Higher wages in rural areas are also typically accompanied by larger purchasing power. In January 2005, the Center for Studying Health System Change reported that rural physicians made 12.7 percent more than their urban counterparts after incomes were adjusted for cost of living.

This trend should continue in 2014 as the one-year Medicare “doc fix,” which was recently passed by Congress and signed into law by President Obama, upholds higher Medicare rates for rural doctors. Should struggling practices therefore consider relocating to or building a presence in rural markets? There are four points to consider while weighing this decision.

**Rural Doctors Face Less Competition**
Most rural areas are underserved. The National Rural Health Association points out that nearly one-fourth of the American population lives in rural areas, yet just 10 percent of physicians practice there. Physicians who choose to practice in rural regions face less competition, but they could also spend more time in their practices due to the larger patient base in those areas.

**Looming Physician Shortage Would Especially Affect Rural Physicians**
Over the next decade, an aging population will cause the demand for medical services to increase right as many doctors reach retirement age. Current projections point to a looming shortage of physicians in the United States, which will be even more pronounced in rural areas. One reason for this predicted decrease in the number of available physicians is the current lack of training opportunities. The majority of residency programs are offered in urban locations, and residents are more likely to practice in areas that are near or similar to where they obtained their training. A 2013 study published in the Journal of the Association of American Medical Colleges found that just 4.8 percent of new medical school graduates choose to practice in rural areas.

**Rural Doctors Serve More Medicaid Patients**
Before the full implementation of the Affordable Care Act (ACA), the U.S. Department of Health & Human Services found that roughly one in five uninsured Americans lived in rural areas, where income levels are usually lower. That means a large percentage of rural Americans who obtained coverage following the ACA rollout either received subsidized coverage or enrolled in Medicaid. What percentage of your patient base is currently enrolled in Medicaid? If your urban practice already sees Medicaid patients, the transition to a rural location will be easier for you. Practices in urban areas that have chosen not to treat Medicaid patients might find it profitable to do so in rural areas where the lower cost of living also keeps employee salaries low.

**Do Rural Physicians Have Higher Job Satisfaction?**
The Medscape Physician Compensation Report 2014 measured such things as hours worked, job satisfaction, and a number of other variables. Researchers didn’t find a correlation between physician pay and job satisfaction, but they did find that physicians who work fewer hours were more likely to pursue their current specialty if they could “do it all over again.” A physician’s job satisfaction is tied to his or her lifestyle, including the cost of living and quality of life enjoyed outside the practice.

So let’s return for a moment to those findings from the Center for Studying Health System Change. The report states, “Rural physicians typically work somewhat longer hours — on average, about 4 percent, or two hours, more a week — than urban physicians. Indeed, among rural primary care physicians the difference is greatest, they work about 10 percent, or five hours, more a week than
urban primary care physicians.” In addition, the physicians’ “weekly work hours excludes time on call when not treating patients. Many rural physicians are thought to bear a much larger on-call burden than their urban counterparts.”

There are definite benefits and drawbacks to practicing in a rural area, but personal preference should play a part in the decision-making process as well. Ultimately, regardless of where you’re practicing medicine, your practice will have trouble surviving on its own if you aren’t happy.

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