

Productivity and Compensation

“What kind of salaries do midwives earn?”
“How does one evaluate productivity in a midwifery practice?”
“Can you help me with salary negotiations?”

These and similar questions are commonly posed to the American College of Nurse-Midwives (ACNM). In today’s complex and ever-changing health care marketplace, there are no easy or routine answers. This document summarizes some of the important issues to consider when evaluating productivity and compensation and provides sources of more detailed information and data.

Salary

Salary is just one piece of a compensation package and may vary significantly based on geographic location. It is meaningless to evaluate salary alone. As is the case for many workers, fringe benefits such as health, dental, disability and life insurance are critical components of a compensation package. In the case of midwifery, there are a number of common benefits that may comprise a significant percentage of the package. A compensation package that includes professional liability insurance premiums, including the “tail” for coverage after leaving a practice, professional membership dues and license fees, a beeper and a cell phone along with a month paid vacation and a week of paid educational leave, may be quite reasonable, when the same salary combined with a more limited package of benefits may be unacceptable. See “What to look for in employment contracts” in the Sept/Oct 1998 issue of ACNM’s newsletter, *Quickening*.
http://www.midwife.org/siteFiles/education/employment_contracts_Sep.Oct_98.pdf

In recent years, salaries for midwives are more commonly comprised of a base salary plus bonuses for productivity. Ten years ago, it was relatively easy to obtain valid “salary” data for midwives. Today, our members are more likely to own their own business, become partners in a business, or be paid a base salary plus a bonus dependent on some sort of productivity calculation. It is therefore increasingly difficult to survey midwives with a simple question regarding “salary.” Further information about common compensation models and discussion of salaries for midwives can be found in:

Maytac HG, Fitchitt BL, Dearing RH. Compensation models of certified nurse-midwives in clinical practice. *J Perinat Neonatal Nurs* 1996; 10:36-45.

ACNM Salary Survey

A summary of results from the most recent ACNM salary survey can be found at:
http://www.midwife.org/siteFiles/education/ACNM_Salary_Survey_2007.pdf.

Productivity

Determining the length of office visits and coverage for births have long been important issues in midwifery practices. Many practices hire midwives for their excellent outcomes and philosophy of patient care. These outcomes reflect the time that midwives spend with their patients and the content of the visit. Unfortunately, this model of care can be time-intensive and runs into conflict with the need to see patients in shorter time blocks. Each practice, therefore, needs to develop methods to retain the excellent outcomes and high level of patient satisfaction while maintaining financial viability. A discussion of the many factors that affect scheduling and productivity can be found in Chapter 12 of the *Administrative Manual for Nurse-Midwifery Services (3rd edition)*. Often called “the Service Director’s Manual,” this publication of the Midwifery Business Network (formerly the Service Director’s Network) provides invaluable information to anyone administering a midwifery practice. For a copy, contact Trish Crane at Pcrane@umich.edu.

Additional Sources of Revenue

Billings for midwives need to be evaluated not only in terms of the care provided independently, but also in light of the referrals generated for consulting physicians. It is important to avoid the error of basing midwife productivity calculations solely on billing data limited to care provided independently by the midwife (well-woman gynecology care and normal vaginal births). Such a system overlooks the fact that midwives generate significant referrals to physician colleagues for colposcopy, ultrasound, amniocentesis/CVS, operative deliveries and tubal ligations. Practices have developed a variety of mechanisms for tracking and apportioning such income.

Base salary, benefits, productivity and additional sources of revenue should be considered when evaluating the following sources of information about midwifery salaries:

- Medical Group Management Association (MGMA) - *The Physician Compensation and Production Survey: 1999 Report Based on 1998 Data* was compiled by MGMA. The overall salary data reported in this publication is in the same general range as data reported on ACNM member surveys. However, the MGMA ambulatory encounters data includes only counts of outpatient encounters and does not include deliveries. The productivity shown for CNMs on this chart is therefore less than that of nurse practitioners or physician assistants, because the data does not include the largest source of revenue in midwifery practice. ACNM and MGMA are currently working together to develop surveys which will yield comprehensive data about the actual services provided by midwives.
- Kovner CT, Burkhardt, P. Findings from the American College of Nurse-Midwives’ annual membership survey, 1995-1999. *J of Midwifery & Women’s Health* 2001; 46:24-29.

The ACNM “*QuickInfo*” series was developed by the Department of Professional Services to respond to common inquiries, summarizing ACNM resources regarding a particular topic, as well as listing selected literature and a variety of other resources. Your feedback is welcomed; contact Professional Services at 240-485-1800 or info@acnm.org

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