Sample Calculation for Physicians and Nurse Practitioners in Illinois

Melanie Buhalis

Maryville University
When productivity measures, salaries, and costs of education are considered, NPs are cost effective providers of health services (AANP, 2013). A number of studies have documented the cost-effectiveness of NPs in managing the health across the lifespan. The use of NPs can save money in accordance with another important goal of health reform: reducing the direct and indirect cost of professional liability (Bauer, 2010). In Illinois, you are unable to independently practice as an NP according to the American Academy of Nurse Practitioners. NPs should and can carry their own liability insurance even if they are covered under the collaborative physician. Liability and malpractice insurance increases tremendously when you choose to add another physician versus adding a nurse practitioner to your policy (Edleson, 2011). Some experts say that midlevel providers lower malpractice risk because they spend more time with patients, especially on follow-up, and score higher in patient satisfaction ratings (Crane, 2013). Researchers claim that NPs can perform a great majority of the tasks currently carried out by primary care physicians, and should be used more frequently because their salaries are usually half of primary care physicians (Shafrin, 2006).

Median annual compensation in 2016 for Physicians in Family Practice was $219,280 (Bureau of Labor Services, 2016). Median annual compensation in 2016 for Nurse Practitioners was $101,930 (Bureau of Labor Services, 2016). The easiest way to see how Nurse Practitioners are cost effective is to breakdown their hourly wage based off of the number of patients (in this case 2 patients per hour) they see per hour and compare that to the physician hourly wage.

<table>
<thead>
<tr>
<th>Geographic Area/Profession</th>
<th>Hourly Mean Wage</th>
<th>Annual Mean Wage</th>
<th>Average cost to see 2 patients per hour.</th>
<th>Liability Statistics-Malpractice Insurance</th>
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<tbody>
<tr>
<td>Illinois/Family Practice MDs</td>
<td>$105.43</td>
<td>$219,280</td>
<td>Doctors in internal medicine pay an average of $4,000 to $6,000 annually (Garcia, n.d.).</td>
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<tr>
<td>Chicago-Naperville-Arlington Heights, IL / Nurse Practitioner</td>
<td>$49.00</td>
<td>$101,930</td>
<td>A nurse practitioner pays $1,200 for the same coverage (Balestra, n.d.).</td>
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</tbody>
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(Bureau of Labor Statistics, 2016)
References


