

Neuro-Ophthalmology Compensation: Bonus Percentage

There are many components that make up both the compensation package and clinical support/academic opportunities that enable a neuro-ophthalmologist to succeed and feel satisfied with the position. Depending on the situation or a neuro-ophthalmologist's preferences, some of these components may be more or less important. This article will focus on bonus percentage, but we have listed most of the components below. A disclaimer: the guidelines in this article are from the experiences of only several neuro-ophthalmologists, so please use discretion when applying them to your job search.

1. Base salary
2. Bonus
 - a. Threshold to achieve before bonus is earned
 - b. Bonus percentage
3. Administrative time (to review tests ordered, write letters, contact patients and pursue academic endeavors)
4. Number of technicians
5. Administrative assistant
6. Opportunities to teach resident physicians
7. Opportunities to teach medical students
8. Vacation
9. Sick leave
10. Health Insurance
11. Prestige of the academic institution (this is a big one to many neuro-ophthalmologists -- it may be worth it to have a lower salary and forgo a bonus to be part of a prestigious institution)

From our recent experience, the average starting salary for an academic neuro-ophthalmologist ranges from \$185,000-215,000. In private practice, it would vary widely, depending on how much the practice desires and values a neuro-ophthalmologist (it would be both less and more than the academic range, from as low as \$100,000 to 300,000). In many academic groups, there may very well be just a base salary and not a bonus.

If you are fortunate enough to have a bonus, when evaluating it, it cannot be taken in isolation. For example, if the practice offers an annual base salary of \$230,000, an administrative day per week, two technicians, an administrative assistant, and reasonable patient volumes, that would be such an attractive situation it wouldn't matter much what the bonus was in the first few years. Possibly, a well-established neuro-ophthalmologist, especially one who does surgery, may reasonably look for more reimbursement once there is sufficient patient volume.

Usually, the bonus threshold corresponds to the bonus percentage paid once the threshold is reached. For example, if a base salary is \$150,000, then the threshold to start earning a 30% bonus is often \$450,000, because 150,000 is about 30% of 450,000 (it's actually slightly more, about 33.33%, but I digress). To give some guidance on bonus thresholds and percentages, it is helpful to remember that in addition to the revenue a neuro-ophthalmologist actually bills, there is also the benefit of other physicians in the group avoiding the time it would have taken them to address complicated patients (enabling them to increase their production), a lower liability risk because of the expertise that is now available, a neuro-ophthalmologist has lower overhead than many high-volume general ophthalmologists (who may have 4 technicians, use more examination lanes, surgical coordinator, etc.) and this last one is even less tangible: the benefit of neuro-ophthalmology in improving the patient care of that practice's population.

A common base salary for a general ophthalmologist is \$150,000 (this varies depending on location, with underserved, less urban areas often paying much more and some urban areas paying less) and a common bonus percentage once the threshold has been reached for general ophthalmologists is 30%. Now unless the group is already paying you over \$200,000 per year as a base salary, then we would contend that a neuro-ophthalmologist's bonus percentage should be higher than a general ophthalmologist's, for the reasons mentioned above. Perhaps 35-40%, again, depending on how attractive the rest of the package is. Let's look at some examples:

1. Neuro-ophthalmologist base salary: \$175,000, one technician, one administrative assistant, 1.5 days of academic/admin time per week – it's at an academic institution that you love, and there's no bonus structure, but you enjoy academics and it's close to being your dream job, so who cares about the bonus?
2. Neuro-ophthalmologist base salary: \$150,000, one technician, administrative assistant, private practice – we would then recommend strongly pushing for a bonus percentage on the higher end (around 40% or higher if you can manage it!)
3. Neuro-ophthalmologist base salary: \$200,000, 2 technicians, administrative assistant – consider asking for 35-40%, but this is already a great situation.
4. Neuro-ophthalmologist base salary: \$230,000, 2 technicians, administrative assistant – this is already great compensation for most neuro-ophthalmologists, especially in the first year or two of practice – we wouldn't be too concerned about the bonus percentage in the first 3 years in this situation. Now, if you perform surgery or are just an amazing neuro-ophthalmologist who can see a higher volume of patients, then looking down the road to year 3 or 4, if your revenue exceeds \$700,000, then you could push for a higher percentage because of the other benefits a neuro-ophthalmologist brings, again 35-40% (or higher if your revenue warrants it).

Again, in the above examples, you must consider how attractive the total compensation and clinical situation is, and make adjustments in your expectations accordingly. And these are just guidelines, of course. Depending on what the market for neuro-ophthalmology is in a particular area, the resources of the practice, etc. they may not give you more than a 20% bonus percentage, or no bonus at all if they feel the base salary and resources are good enough, but at

least have the discussion and promote all the benefits a neuro-ophthalmologist would bring to the practice.

Another consideration is that if you are in private practice, there may be an opportunity for partnership (although there are many practices that would not even consider letting a lower-producing provider become partner). If you are fortunate enough to become a partner, there usually isn't a guaranteed base salary, but you earn a percentage of your revenue – in such a case, you could consider discussing a slightly higher percentage that you would keep versus a general ophthalmology partner, again, for the reasons outlined earlier. On the other hand, partners usually make 40-55% of their total revenue, and they may consider it privilege enough for a lower earning provider to become partner – in which case, it is better to leave well-enough alone. Again, every situation is unique and will take some discretion to see how much you can translate the benefits of neuro-ophthalmology into what we would consider appropriate compensation.