In the World Book Encyclopedia Dictionary, “worth” is defined as, “1. good or important enough for; deserving: 2. equal in value to: 3. having possessions, property, or income that amount to.” In addition, the first definition of “value” is, “real worth; proper price.” Certainly the worth or value of an audiologist includes helping people, serving communities, quality patient care, ethical practice, patient satisfaction, education, expertise, knowledge and other functions and qualities that make audiologists “deserving.” Most audiologists have little difficulty naming the many contributions that make audiologists deserving; however, that is not necessarily the case when it comes to identifying, knowing and acting in a professional manner that contributes to “proper price” or the money part of the definition associated with worth and value. I often hear audiologists say, “I didn’t enter this field to make money” implying that making money is a bad thing or that audiologists are not worthy of making good incomes.

An article titled “Adding Ancillaries: Audiology services” by Gail Garfinikel Weiss appeared in Medical Economics in December 2005. In that article, the author summarized the Costs associated with the provision of audiology services including audiologist’s salaries and recommended equipment with associated costs and financing options; charges including CPT codes with reimbursement rates; potential revenue including markup on hearing aids and typical commissions; and other concerns including trial periods, restocking fees, Stark, anti-kickback rules, and malpractice. One might think this is useful information to have; however, as the title of the article suggests, the target audience was family physicians, not audiologists! The fact that audiology was positioned as an inexpensive ancillary service that can be provided in a spare room by an audiologist who is typically an hourly employee making $25 - $30 per hour while generating a profit center for the physician is in no way a good thing for the profession of Audiology!

Regardless of work setting, every audiologist has a professional responsibility to not only understand their value, but also how each individual audiologist’s situation contributes to the perception the world holds about audiologists. Several thousand of us are now Doctors of Audiology. As a profession we are attempting to secure limited license practitioner status, which would allow us to be recognized as are physicians under the federal reimbursement systems. All 50 states now regulate the practice of audiology and most audiologists agree that autonomy is important for the profession. There is no doubt we have made great progress; however, non-exempt hourly salary arrangements that are based on time versus productivity will never forward audiology as a profession. As Weiss points out, such arrangements put audiologists in the position of “boosting the physician’s bottom line.” The fact that any audiologist is willing to accept such positions hurts the overall profession when the government, professional organizations, economic articles, or official records demean the worth and value of Audiologists based on the reality of their record keeping.

The profession of Audiology would be far better served if all audiologists transitioned their thinking from employee with guaranteed salary and benefits to professional with a compensation package based on productivity. Such thinking and actions consistent with such thinking could contribute substantially to making income packages for audiologists more consistent with other doctoring professions. That concept might be scary for some since it positions audiologists to be accountable for their compensation, but it also offers audiologists and our profession as a whole the greatest income potential.
Windmill, Glaser and Freeman developed models of compensation including a capitated model, a variable model and compensation based on productivity (presented at the AAA Convention, 2005). Under the capitated model, compensation remains stable regardless of the number of patients seen, products sold or revenue generated by the audiologist. Basically, the audiologist is paid a salary and more than likely does not track the revenue generated from his or her services. With the variable model, the audiologist receives a stable base salary plus a commission for hearing aids sold thus total compensation goes up or down based on products sold by the audiologist. In the third model, the audiologist receives a percent of some revenue number, either gross revenue, which corresponds to total productivity, or net revenue after adjustments, which corresponds to money collected. Compensation based on productivity offers audiologists the greatest earning potential because income is limited only by the audiologist’s effort and contribution to the practice including all services provided and all products sold.

Knowledge is power. Every audiologist must understand his or her potential for generating revenue on which productivity is based. Far too many current Doctor of Audiology students, as well as practicing audiologists, are uneducated or misinformed about potential productivity. Freeman from Nova Southeastern University reported, based on a survey of AAA members, that “19.7% of practitioners thought an audiologist generated less than $100,000 per year; 47.9% thought $100,000 – 199,999; 19.7% $200,000 – 299,999; 12.7% 300,000 - 399,999; and only 5.6% thought an audiologist could generate more than $400,000 a year in gross revenue.” These percents alone suggest that as group, the vast majority of practicing audiologists, under estimate an audiologist’s financial worth or value. In addition, Freeman reported surveyed AuD students also underestimated their financial worth or value with only “5.7% thinking $300,000 – 399,999 and 7.1% thinking an audiologist could generate $400,000 or more a year.”

To establish reality based on individual tracking, Freeman went on to report that the majority of his AuD students averaged gross revenue of “$300,000 - $350,000 from services and products they provided in their fourth year of education.” In addition, it is this author’s experience that it is not uncommon for a full-time dispensing audiologist to generate between $500,000 to $1,000,000 in gross revenue per year. Although these numbers may appear unattainable to many audiologists, a simple break down of charges can prove the point.

A full-time dispensing audiologist who only charges for hearing aids and does not charge for any services, but sells 25 hearing aids per month at an average sales price of $1700 per hearing aid, would generate $510,000 in gross charges per year. Estimating a low 20 hearing tests per week at $70-$90 per test would add at least an additional $70,000-$90,000 to that audiologist’s gross revenue. Add other revenue from OAEs, vestibular testing, hearing aid evaluations, repairs, batteries, etc. and the gross revenue increases even more. It is certainly true that not every audiologist dispenses hearing aids and that dispensing is generally associated with higher income potential, but even non-dispensing audiologists have substantial revenue potential. For example, an average vestibular work-up including audiogram can generate $800-$1,000. An audiologist who completes two vestibular work-ups per day would generate $400,000-$500,000 per year. If that same audiologist was compensated based on the revenue he or she generated, he or she might be motivated to complete three vestibular work-ups per day and increase revenue to $675,000.

What an audiologist takes home in salary depends upon many variables including total practice expenses (COG, personnel, benefits, operational and clinical expenses, etc.), practice blend or mix (% of products versus services), participation or not with third party payers, return rate, if the owner of the practice generates revenue versus serving as a non-revenue generating administrator, the amount of money that is put back into the practice, and other variables. However, it is not atypical for a dispensing audiologist to take home 10 – 20% of gross revenue. Fewer, but certainly some audiologists take home as much as 30% of gross revenue. To clarify, gross revenue corresponds to revenue or charges before adjustments or expenses.

Patient satisfaction, quality care and ethics, etc. are important concepts when discussing value or worth, and most health care professionals (physicians, dentists, chiropractors, etc.) understand that one can be a great quality ethical caring professional AND make a substantial living. As the definitions imply, value or worth and income are not mutually exclusive. It is time all audiologists understand and defend our total worth and not allow audiometry to become a profit center for other professionals at the expense of audiologists!

The opinions expressed in this Viewpoint are those of the author and in no way should be construed as representative of the Editor, officers or staff of the American Academy of Audiology.