



Do Your Physician Compensation Plans Support All Your Goals?

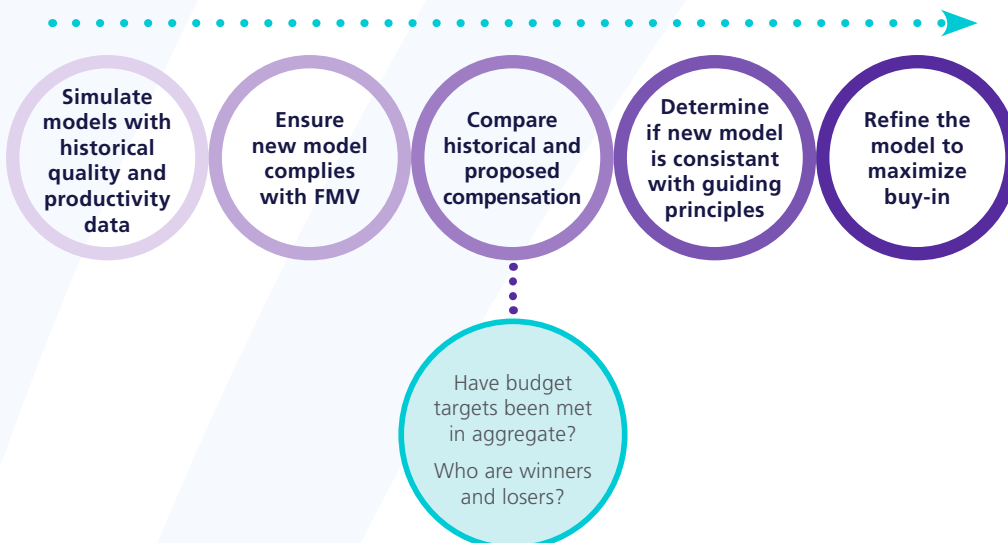
Well-designed physician compensation plans are essential for goals for recruiting and retention, achieving a financially healthy physician enterprise, and succeeding with value-based payment. Plans must provide incentives for both productivity and quality, cost-effectiveness, and patient satisfaction. Incentive thresholds must be attainable yet challenging. At the same time, compensation plans must be simple enough that physicians can easily understand how their compensation is determined. It's quite a balancing act.

Veralon can help you structure physician compensation plans that are effective and affordable, that improve performance, and that align physician and hospital interests—while providing transparency to physicians. We can also provide the data infrastructure to support performance monitoring and incentive payments.

Our services can include:

- Assessing existing compensation arrangements as needed
- Designing a consistent compensation plan with incentives that support organizational goals, without being excessively complex
- Implementing the plan, including handling transition, communication, and reporting
- Creating a compliance framework to minimize regulatory risk and establish a defensible position against regulatory action.

COMPENSATION MODEL DESIGN CONSIDERATIONS HOW TO STRESS TEST YOUR PLAN



WHY VERALON?

Extensive Experience with Compensation Design

We have designed more than 300 physician compensation plans, incorporating productivity-based and value-based incentives, and accommodating teaching, administration, and research activities. Our experience includes physician groups, academic medical centers, as well as in-depth contract auditing and review for a wide range of clinical departments.

Expert at Keeping You in Compliance

Veralon has conducted our own market-specific compensation surveys for many years, as well as more than a thousand compensation reviews for community and academic medical center clients. We apply our valuation expertise to assure that compensation will be consistent with fair market value and commercial reasonableness requirements.

We Make the Connections

Our years of experience supporting clients and speaking nationally on ACOs, CINs, and value-based payment, allow us to tie your compensation plans to these kinds of initiatives.



Our physician compensation design services can include:

Assessment

- Assessing compensation models now in place, and how well their incentives align with organizational goals
- Involving physician leaders in plan design
 - Assisting with selecting the right physician leaders to participate
 - Educate leaders and establish ground rules
- Verifying the commercial reasonableness of positions under consideration
- Documentation of AS&T or other hourly positions, as appropriate

Design

- Designing plans that include both volume and value-based incentives, and are consistent with recruitment and retention goals
- Defining service levels, and determining fair market value for those levels based on work RVUs and other indicators
- Translating administrative, supervisory and teaching (AS&T) activities for faculty and administrators into fair and reasonable compensation ranges
- Identifying a menu of performance metrics
- Assuring that quality incentives are designed to improve, not just maintain, quality of care
- Quantifying the impact of multiple options on the organization as a whole, and on individual physicians

Implementation

- Supporting implementation, including development of communication plans and participation in physician education programs
- Addressing transition considerations, including transition plans for individual physicians who would otherwise be adversely affected by the new plan in the short term
- Structuring mechanisms to monitor time spent on AS&T and other work paid on an hourly basis (e.g., coverage hours that are not part of base pay)
- Setting up reporting to support quality incentives