

Achieving Successful Physician Participation in Compensation Redesign

Karin Chernoff Kaplan, Director, Veralon

Successful design of and transition to a new compensation model cannot be effective without physician engagement. Achieving success requires careful selection of the physician participants and subsequent training for those who will be involved.



SELECTING THE RIGHT PHYSICIANS

Organizations should choose physicians who will be partners rather than adversaries and should manage the process with education and information.

Choose physicians who are able to work for the interests of the organization. Participating physicians need to be able to step back and take a managerial role. Compensation design is an iterative process, and the physicians are going to see a lot of trial balloons—including some that appear likely to have a negative impact on them individually. Selected physicians should be able to view the process as representatives of the physician enterprise at large. (Physicians holding leadership positions within the organization may or may not be the right candidates for this process.)

Choose physicians who will be trusted by their employed peers. Physician participants should be perceived as fair and evenhanded, not as individuals who would be likely to seek to improve their own situation at the expense of others. The “rock star” may be a less appropriate candidate than the physician who is perceived as a team player. Success will depend on the ability of trusted and respected physician opinion leaders to build consensus and sell the plan.

Choose physicians who represent a cross-section of those for whom compensation decisions are being made. Involving opinion leaders is critical, but so too is involving physicians who can represent and understand the views, practices, and challenges of all physicians in the organization. That may mean including both high and low earners, those with varying tenures, and those practicing in a variety of settings.

EDUCATING THE LEADERS AND LAYING THE GROUND RULES

Participating physicians are much more likely to contribute effectively when they are carefully briefed on the nature of the process and their role in it. They need to understand:

The motivation behind the process and the associated organizational goals and objectives.

Without the larger context, physicians are likely to view the process as a cost-cutting initiative. Well-informed opinion leaders can present the drivers and rationale behind the initiative to their physician colleagues.

The iterative, complex nature of compensation design.

The process typically involves consideration of multiple options and the potential impact of those options on individual physicians and the organization. Physician participants will need to provide input on how their colleagues might view various possibilities and on what they will perceive as fair for the organization as a whole. Participants are likely to see a lot of ideas that don't work before they start to see possibilities with which they can be comfortable.

The sensitivity involved in the process. Physician participants will learn not only how their compensation compares with other participants, but possibly also the compensation of every employed physician. They need to understand that the process must be kept completely confidential. They cannot discuss details or share any information with their colleagues, unless the working group specifically requests that they do so. ●

Achieving success requires careful selection of the physician participants and subsequent training for those who will be involved.

Article reprinted from the hfm Healthcare Finance Blog, April 2016.



© 2016 Veralon Partners Inc. All rights reserved.

877.676.3600

www.veralon.com

info@veralon.com