



**VERALON**<sup>®</sup>

TRANSFORMATIVE HEALTHCARE CONSULTING

# How Will You Respond to COVID-Related Disruption of Physician Compensation?

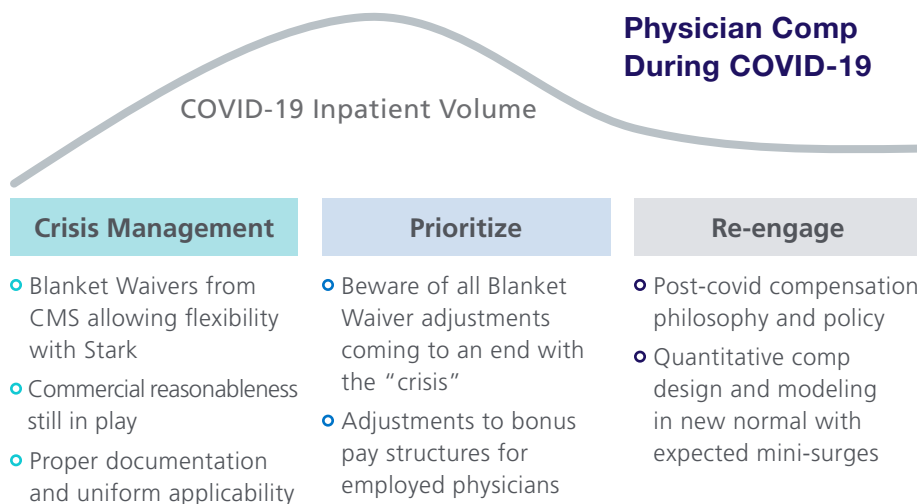
Existing physician compensation models were not designed for these times. No model anticipated the extreme demands, disruptions to non-emergency care, and safety issues caused by COVID-19.

The virus is throwing a serious wrench into how compensation plans operate. Physicians in some specialties have experienced a dramatic drop in productivity that is beyond their control, while others, who may not be paid on a productivity basis, have seen a massive jump in activity.

**Veralon can help you to return some order to your compensation plans. We can:**

- Develop internal principles that will guide temporary adjustments to your current compensation plan.
- Work with you using our "Get on Track" tool to ensure that physician compensation is properly adjusted in a thoughtful and consistent manner for each physician.

And as always, we can offer creative solutions to redesign your compensation plans, based on our collective learnings from the pandemic.



## WHY VERALON?

Veralon is a trusted advisor with extensive experience in physician-hospital relationships. We have:

- **Deep knowledge in compensation design**, having designed more than 300 physician compensation plans incorporating volume- and value-based incentives, for physician groups and academic medical centers; and performed contract auditing and review for a wide range of clinical departments.
- **The knowledge to keep you in compliance**, having completed more than a thousand FMV compensation reviews.
- **Broad financial expertise**, having performed meticulous financial analyses that hold up to regulatory scrutiny on thousands of engagements.

**Veralon can support you in making temporary compensation adjustments based on internally consistent guiding principles, and in redesigning compensation plans where appropriate. We will:**

### **Develop Compensation Policies for Front Line Physicians**

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- Develop a framework for compensating front-line physicians

### **Assess Current Compensation Arrangements**

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Veralon will:

- Work with management to identify characteristics of current compensation plans
- Identify specialties whose compensation is impacted by COVID
  - Low productivity
  - High productivity
  - Furloughed
  - Changes in job responsibilities

### **Develop High-Level Approaches to Each Situation**

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We will assist you in setting policies for specific compensation situations

- Base salary adjustments
- Paid time off adjustments
- Back pay for furloughed physicians
- Handling triggers for base compensation, thresholds, and termination

### **Get on Track**

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We will work with you using Veralon's Excel-based "Get on Track" tool to track compensation impact on physicians during pandemic and assure that compensation for individual physicians is adjusted in a consistent manner.

### **Compensation Restructuring**

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Where desired, Veralon will:

- Determine whether and where changes could be made to common compensation structures to minimize disruption during future unpredictable events
- Develop guidelines for implementing desired changes