

## Physician Compensation

# 4 Myths



### 1 Production and compensation should be perfectly correlated

While many compensation models are based exclusively on WRVU production, other factors appropriately influence physician earnings. These may be: collections, quality, the physician's credentials, experience and unique aspects of the role or market.

### 2 Highly productive doctors should earn higher compensation per work RVU

While this feels like it should be true, data proves it's a myth. For any specialty, multiply 90th percentile production by 90th percentile compensation per WRVU; the result will be well above the 90th percentile. Therein lies the difficulty.

### 3 Compensation for physician leadership positions is based on the physician's specialty

The most important consideration when determining compensation for leadership roles is identifying the skills and expertise needed for the position. Training, skills and experience of the physician being considered is important, but it may not be relevant to compensation.

### 4 Employed physicians should not be paid for providing on-call coverage

Call coverage is expected for employed physicians, but it is common to compensate for call if it is in excess of what is expected. The key is to determine the baseline level of call for each specialty and to codify that via policies and/or employment agreements.

Once you know the facts, you can do a better job of establishing appropriate compensation structures and levels.