Is Your Provider Compensation Program Comprehensive?

As one of the largest health system cost centers and one with significant regulatory implications, physician compensation should be top priority. A comprehensive approach to physician compensation enables the organization to recruit and retain physician talent, align physician incentives with those of the organization to drive performance, and maintain an infrastructure to mitigate risk associated with the health care regulatory environment.

4 Elements of a Comprehensive Program

Third party review of specific arrangements, culminating in an opinion letter. Completed on an as needed basis based on an organization's policies

BENEFITS:

- Confirm consistency with FMV and CR
- Obtain guidance before presenting compensation terms to physician
- Improved defensibility of arrangement

FAIR MARKET
VALUE (FMV)/
COMMERICIAL
REASONABLENESS
(CR) OPINIONS

Develop compensation model, engaging physicians in the process, that aligns operational, financial, and strategic goals, with priorities for production, quality, value, and physician engagement

BENEFITS:

- Facilitate transition to value-based reimbursement
- Eliminate barriers to service line integration
- Standardization and equity
- Support recruitment & retention

Develop policies, procedures & protocols that define the organization's approach to engaging and compensating physicians, as well as managing compliance of physician compensation arrangements

COMPLIANCE FOCUSED POLICIES

PERIODIC COMPENSATION AUDIT

COMPENSATION

(RE)DESIGN

High-level compensation review of specific group of (or all) physicians. Used as a tool to assess the current compensation models and identify potential risks

BENEFITS:

- Defensibility of financial arrangements
- Consistent standards for requesting, approving, structuring, documenting, and monitoring financial arrangements with providers
- Reduction in cost for outside third party opinions

BENEFITS:

- Identify potential risks & outliers
- Useful for board reporting
- Comprehensive inventory of all employed physician agreements

