



Timely, Tough, or Tricky Physician Compensation and Fair Market Value Webinar Series

Navigating Hospital-Based Specialty Financial
Arrangements

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Speakers



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Introduction

In 2023, PYA surveyed more than 50 physician compensation experts to understand their collective thoughts on timely and occasionally tough or tricky topics in physician compensation and fair market value. **The top 10 topics this year included:**

1. Advanced Practice Providers (Working in Collaboration with Physicians)
2. End to the Public Health Emergency
3. The 2023 Medicare Physician Fee Schedule
4. Advanced Practice Providers (compensation models/structures/trends)
5. Call Coverage Needs Assessments
6. Medical Director Needs Assessments
7. Management Services Agreements
8. Benchmark Data in 2023
9. Transition to Value Based or Other Alternative Compensation Models
10. Anesthesia and Other Hospital-Based Specialty Financial Arrangements



Hospital Based Specialty Financial Arrangements

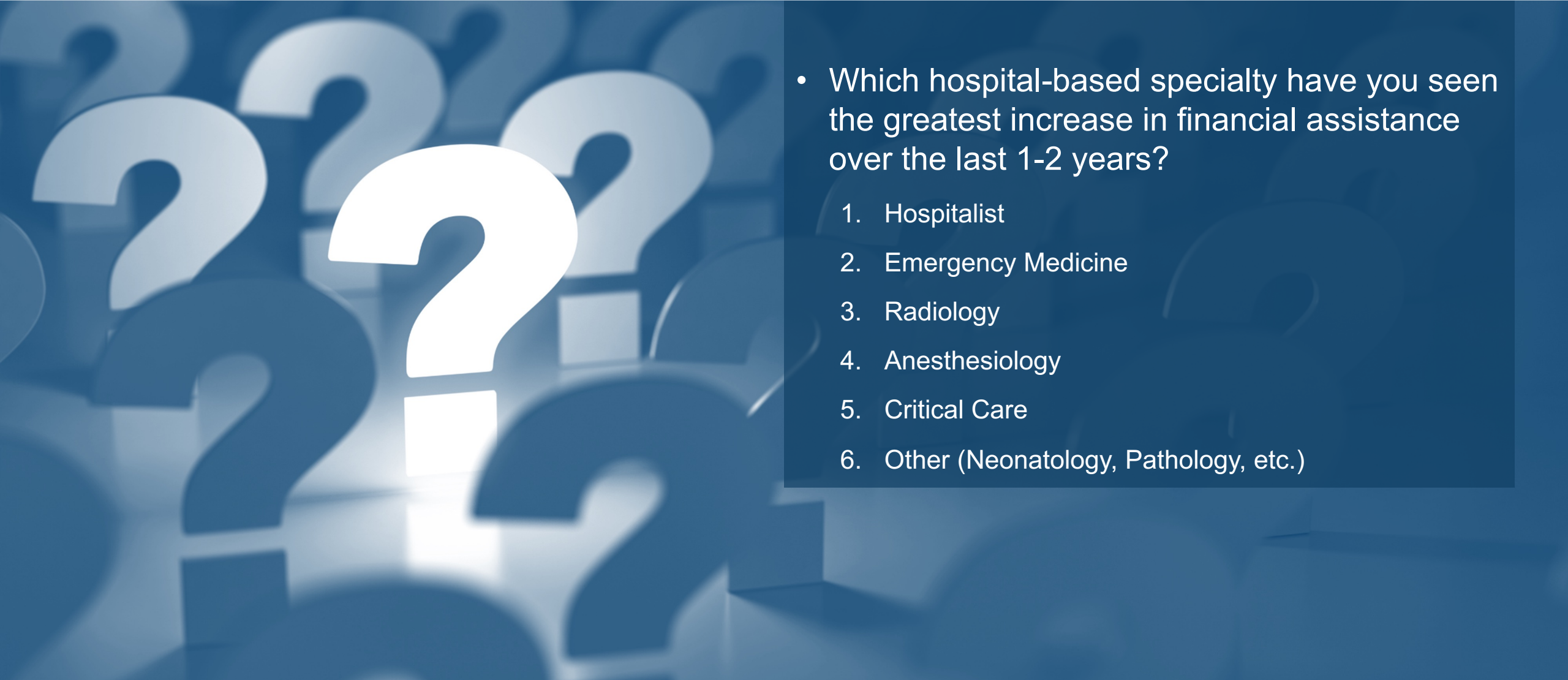


What?

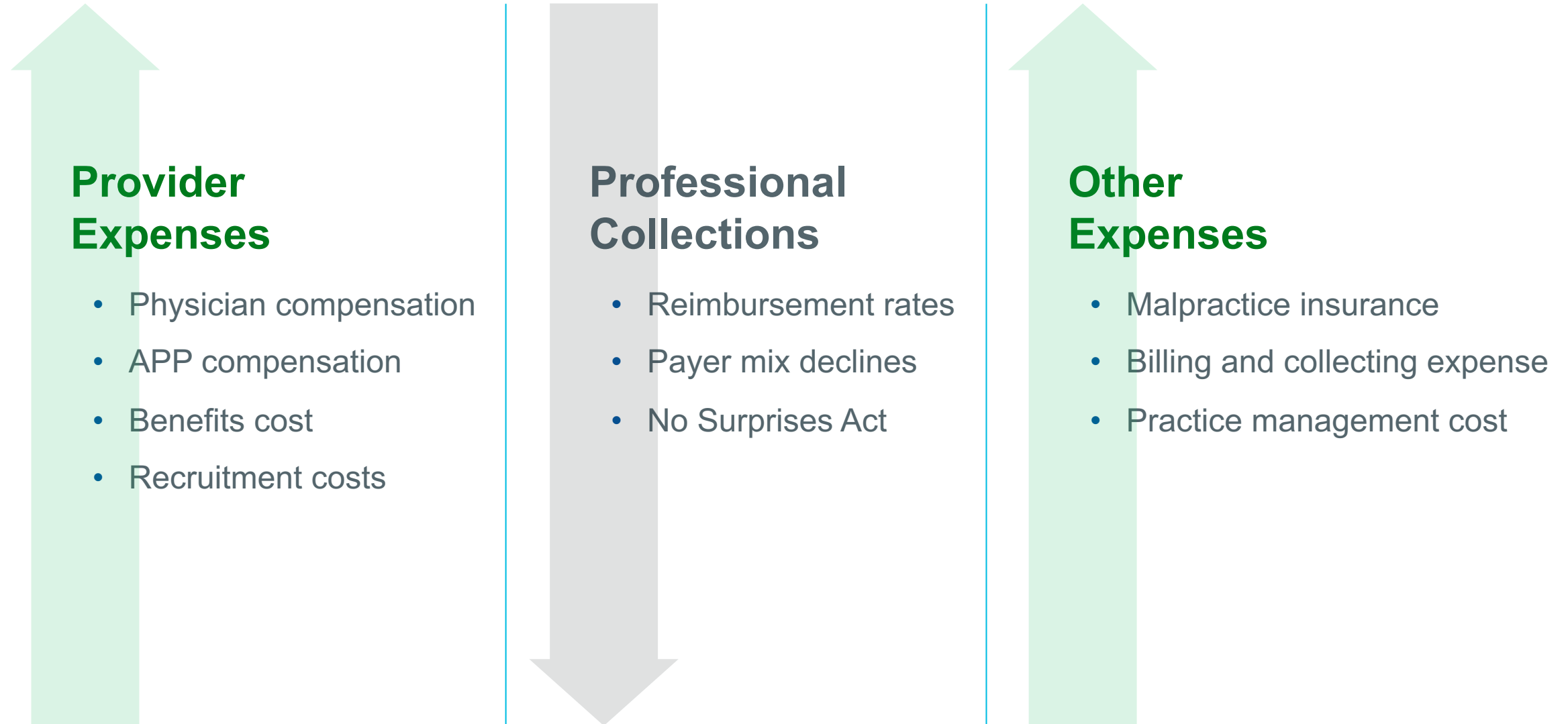
Where?

Poll 1

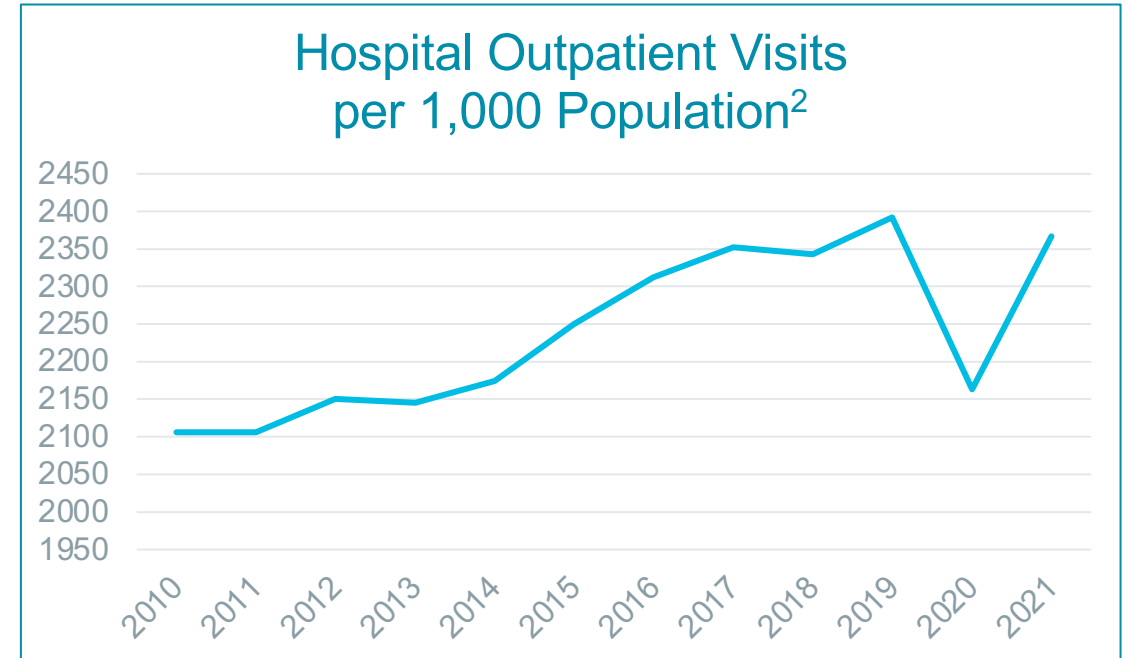
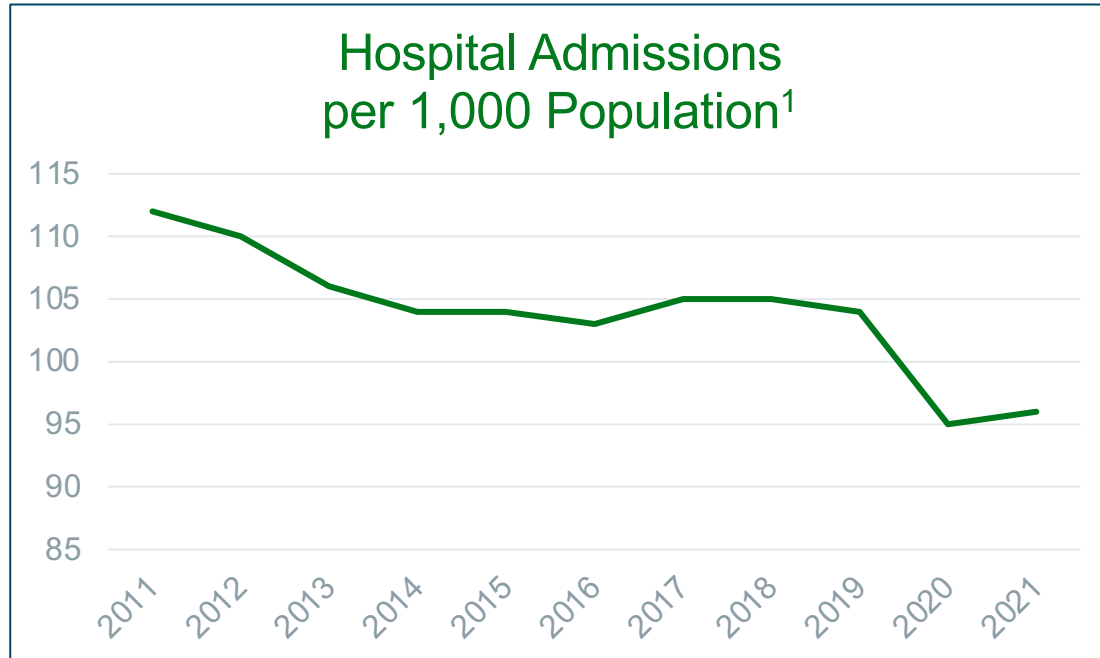


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- The background of the slide is a dark blue gradient with several large, light blue question marks scattered across it. One question mark in the center is significantly larger and brighter than the others, appearing to glow.
- Which hospital-based specialty have you seen the greatest increase in financial assistance over the last 1-2 years?
 1. Hospitalist
 2. Emergency Medicine
 3. Radiology
 4. Anesthesiology
 5. Critical Care
 6. Other (Neonatology, Pathology, etc.)

Current Trends – Decreasing Revenues and Increasing Expenses



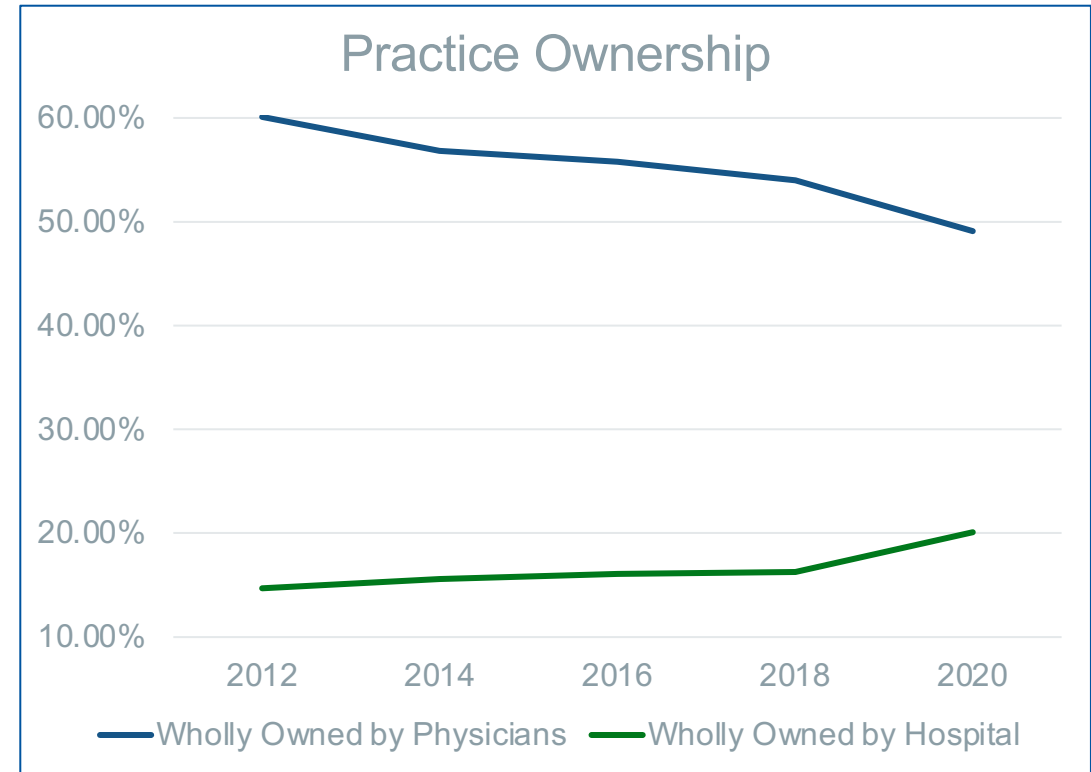
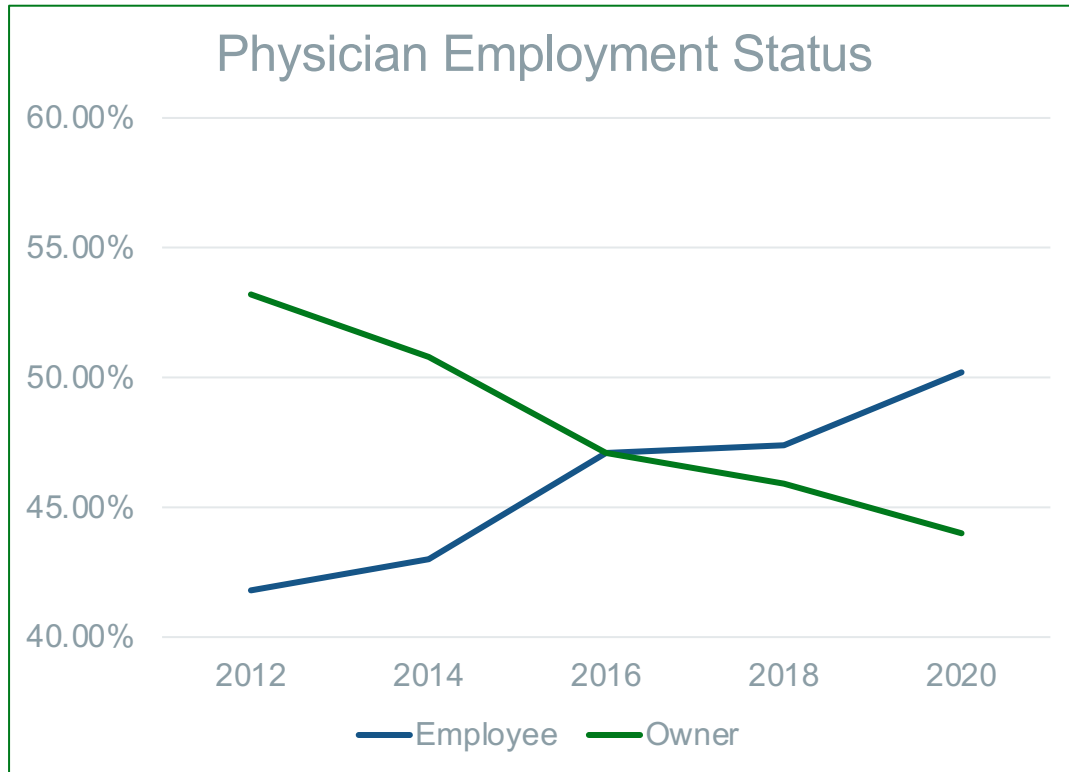
Current Trends – The Shift from Inpatient to Outpatient Care



¹ Source: [KFF.org Hospital Admissions per 1,000 Population by Ownership Type](https://www.kff.org/health-equity/issue-brief/hospital-admissions-per-1000-population-by-ownership-type/)

² Source: [KFF.org Hospital Outpatient Visits per 1,000 Population by Ownership Type](https://www.kff.org/health-equity/issue-brief/hospital-outpatient-visits-per-1000-population-by-ownership-type/)

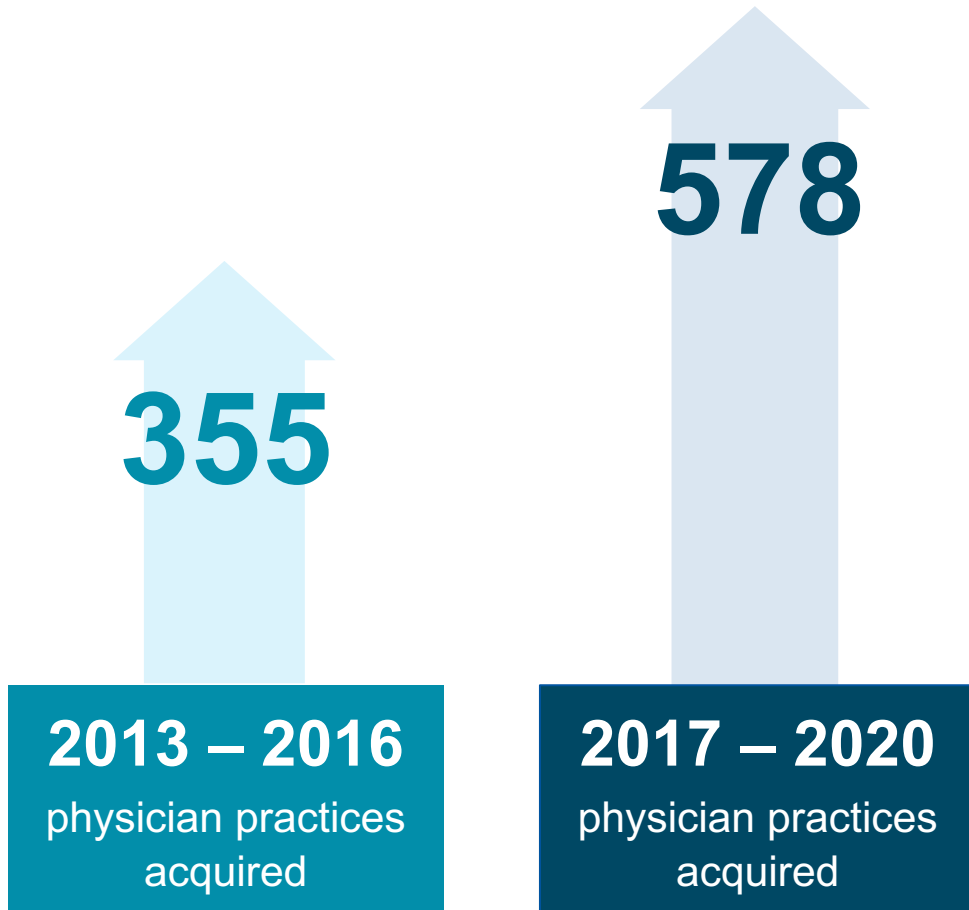
Current Trends – from Private Practice to Employment³



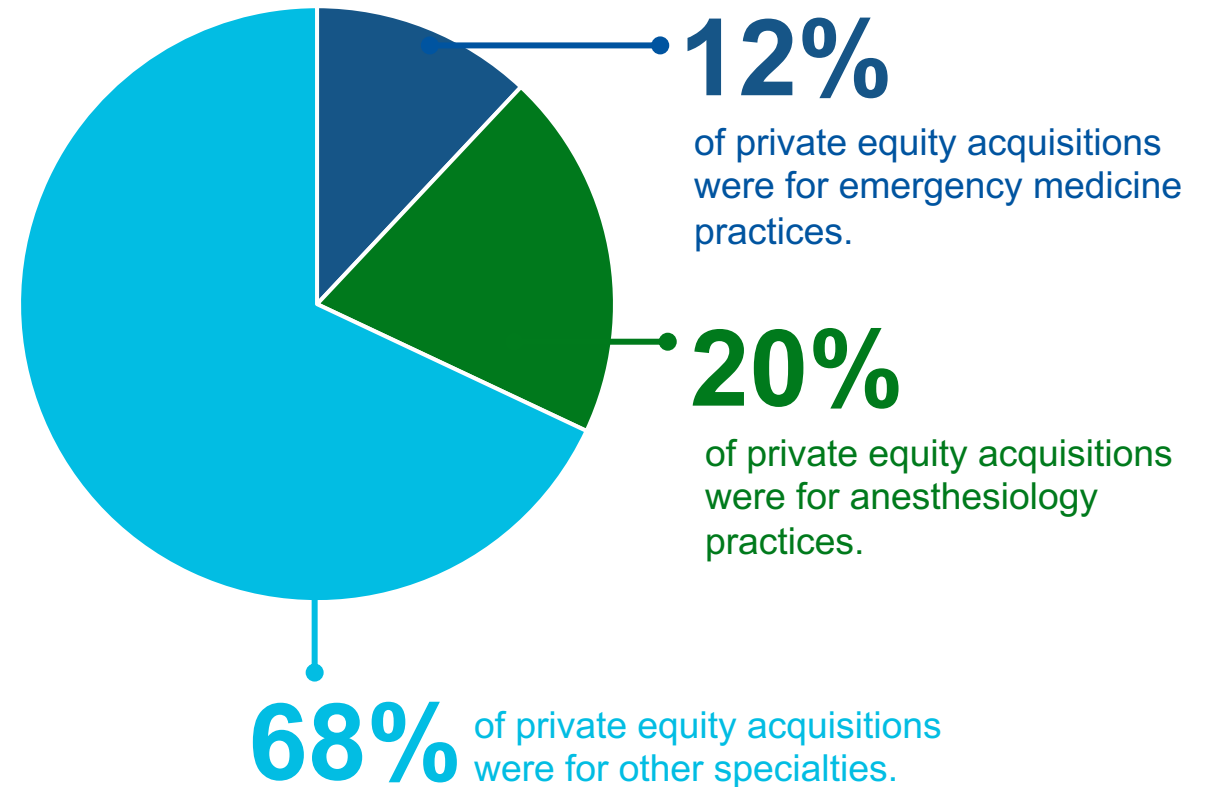
³ Sources: [AMA Policy Research Perspectives](#)

[Becker ASC Review 70% of physicians are now employed by hospitals or corporations](#)

Current Trends – Private Equity Enters the Market⁴



Private Equity Acquisitions



⁴ Source: [Forbes.com Private Equity and the Monopolization of Medical Care](https://www.forbes.com/sites/forbesreimagined/2020/08/10/private-equity-and-the-monopolization-of-medical-care/)

Current Trends - No Surprises Act (NSA)



- Applies to **emergency medicine**, **anesthesia**, **pathology**, **radiology**, **neonatology**, **hospitalists**, and **intensivist** services furnished by an out-of-network provider at an in-network facility
- Generally, where the NSA is applicable, an organization:
 - Cannot charge patients more than in-network cost sharing amount
 - Is required to furnish good faith estimates of charges to patients
- Hospital based providers no longer benefit from remaining out-of-network and setting high charges to take advantage of generous out-of-network reimbursement

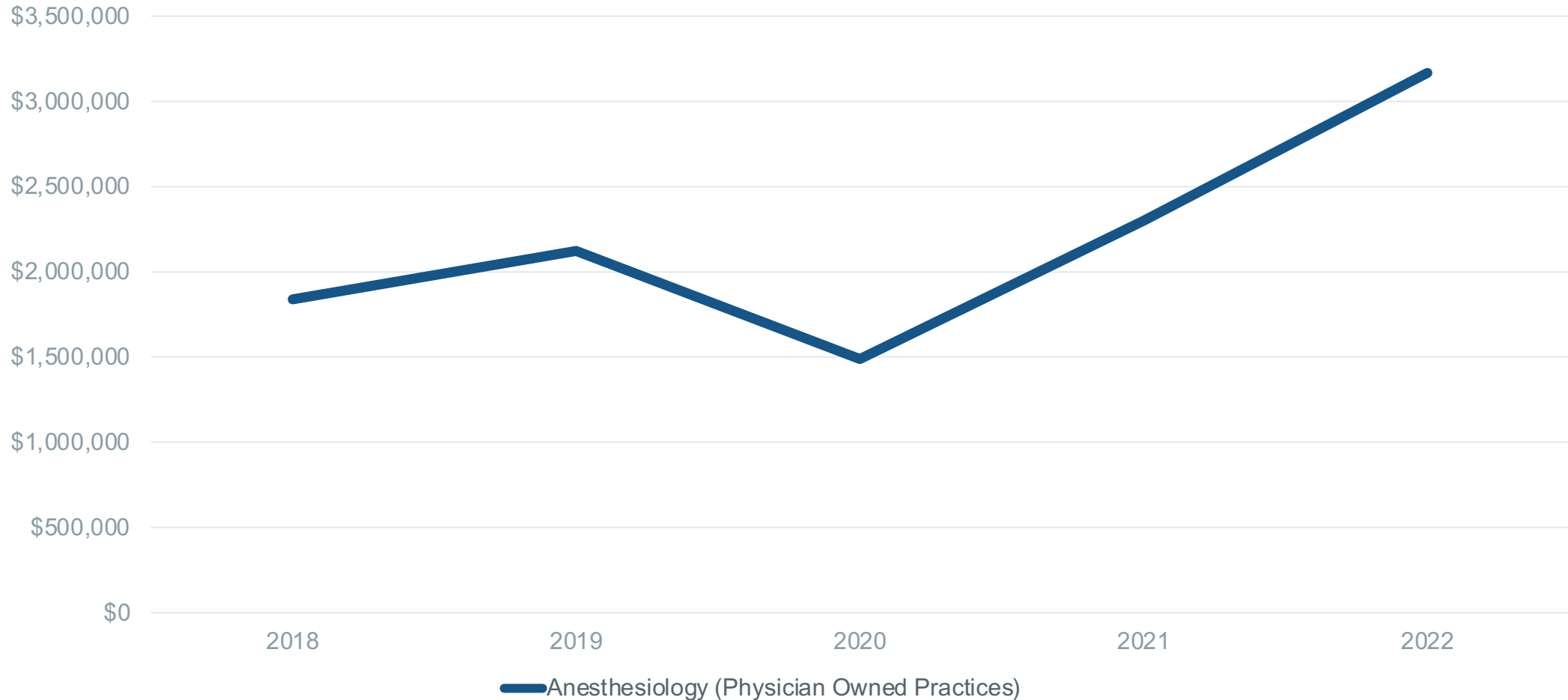


<https://www.pyapc.com/wp-content/uploads/2023/05/2023-05-10-HCRR-48-PYA-Webinar-NSA-Update-FINAL.pdf>

Current Trends - Increases in Financial Assistance Amounts



MGMA Cost Survey – Total Stipend Amount (Hospital 1)



Poll 2



- For which specialty are you paying the most in financial assistance?
 1. Hospitalist
 2. Emergency Medicine
 3. Radiology
 4. Anesthesiology
 5. Critical Care
 6. Other (Neonatology, Pathology, etc.)



Best Practices in Hospital Based Arrangements



Monitor billing and collection performance



Reconciliation of dollars



Regular staffing assessments



Dollars at risk for quality



Agreement governors



Common Pitfalls to Avoid



- Financially supporting poor billing/ collection performance
- Inappropriate staffing ratios
- Not monitoring the agreement/ lack of annual reconciliation
- Subsidizing unusual group profit margins
- Not setting/ monitoring/ documenting number of administrative hours
- Not accounting for regulatory changes (e.g., Medicare physician fee schedule)



Negotiating within a Range of Reasonable Financial Assistance



Thank you!



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