



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

Going for Gold in Physician Compensation Planning

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Introductions



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Agenda

- What lessons can be learned from recent governmental complaints involving physician compensation to help with your planning efforts?
- What are some tips and best practices to remember when planning and designing physician compensation?



Government Complaints

“compensation decisions were based on financial metrics that tracked physicians' expected referral patterns and their impact on financial performance..“

“unlawful kickbacks to physicians at the hospital’s chemotherapy infusion center”

“paid specialists in excess of FMV”

“physicians billed for services performed by residents and nurse practitioners”

"excessive payments and kickbacks to an oncology practice"

“excessive compensation to neurosurgeons was allegedly tied to the volume or value of referrals”

“incentive compensation allegedly took into account surgical cardiovascular cases referred by a physician”

“the physician’s contract contained unreasonably vague terms... the physician could receive any other reasonable compensation from time to time”

“unnecessary and overly complex procedures”

Reading Between the RINGS



- Ensure you incorporate all forms of physician compensation when designing and evaluating total physician compensation (e.g., stacking).
- Ensure data provided for compensation planning and FMV/CR opinions is complete and accurate.
- Best practice for part-time administrative services agreements is the use of timesheets that document actual services performed.
- FMV can change over the course of an agreement.
- Arrangements can be FMV, but not CR. CR and FMV are different from one another.
- Paying above FMV, opinion shopping, and tracking referrals and contribution margins can be problematic.
- Understand, and scrutinize, how wRVUs are calculated if they are a part of your compensation formula.
- Paying new hospital employed physicians' compensation that is significantly higher than what the physicians were making in private practice can be an issue.



The Playbook for Success

- Determine Compensation **Key Principles**
- **Assess** current state and **define** key objectives
- Develop provider compensation **models**
- Achieve **provider buy-in** and develop **implementation and communication plans**





Going for Gold



- **Align physician incentives** with daily workflows and the **goals of the organization**
- Pay for physician performance
- Establish **equity** across the physician group
- Ensure **financial visibility** for stakeholders
- Mitigate compliance **risk**

Thank you!

PYA by the Numbers

40% FEMALE OWNERSHIP
Over 2x the average of similarly sized firms
- Inside Public Accounting



MORE THAN **3400** HEALTHCARE CLIENTS

Academic Medical Centers | Accountable Care Organizations
Ambulatory Surgery Centers | Blood Centers | Clinically Integrated
Networks | County Owned Hospitals | Critical Access Hospitals
Diagnostic Centers | Dialysis Centers | Health Plans | Health
Systems | Home Health Agencies | Hospices | Hospitals
Independent Practice Associations | Maternity Centers | Medical
Groups | Mental Health Centers | Nursing Homes
Physician-Hospital Organizations | Physician Practices | Physical
Therapy Centers | Psychiatric Hospitals | Rural Health Centers
Safety Net Hospitals | Surgery Centers | Urgent Care Centers

