



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

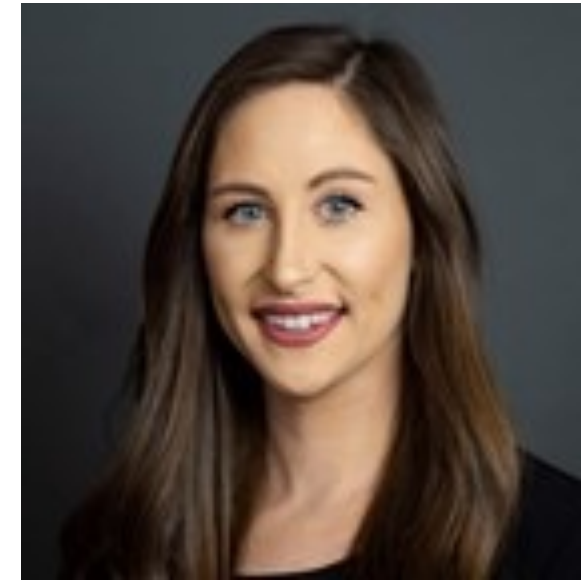
“Top Notch Trends, Executives, and Team Based
Compensation Models”

June 25, 2024

Introductions



Lyle Oelrich, MHA,
FACHE, FACMPE, CVA
Principal – Valuation
loelrich@pyapc.com



Ericka Dickinson, MHA
Manager – Valuation
edickinson@pyapc.com



pyapc.com
800.270.9629

ATLANTA | CHARLOTTE | KANSAS CITY | KNOXVILLE | NASHVILLE | TAMPA



In The Rear View

- Shared PYA's Top 10 In-Demand Physician Specialties
- Previewed compensation models gaining momentum
- Reconciled physician compensation inflation and the time lag in published surveys
- Navigated soaring sign-on bonuses
- Examined compensation models for extremely (un-) productive physicians
- Shared research on recruitment and retention strategies
- Road-mapped travel time compensation
- Compared private equity compensation offers to hospitals and health systems

3



Looking Ahead

1. Dissecting team-based physician compensation models and how they can help accomplish your organization's goals
2. Examining emerging trends in the 2024 benchmark surveys
3. Attracting top-notch physician executives while ensuring FMV compensation

Team-Based Compensation Models

- Team-based, or sometimes called group-based, compensation models commonly utilize **group performance metrics** to incentivize **efficient patient care, improved work life balance, shared common goals (e.g., affordable, quality care), and enhanced teamwork.**
- Distribution of funds need to meet the requirements of the **Stark Law, the Anti-Kickback Statute, and the Internal Revenue Service**, among other regulatory requirements.

Common specialties that incorporate team-based compensation models:

- Radiology
- Cardiology
- Oncology
- Emergency Medicine
- OBGYN





Fill the Bucket...

- Each physician receives an annual base compensation, based on market data & work effort
- An additional percentage for clinical quality and engagement compensation is allocated to a bonus pool by an employer

...Empty the Bucket

- Bonus distribution is triggered by achieving predetermined group metrics, and are paid based on individual work effort, such as the percentage of total practice patients in each physician's panel



New Releases – 2024 Surveys

2024 Surveys Released:



2024 Surveys Pending:



Note: List is not all inclusive.

What's new?





Trends in Compensation and Productivity

Average CAGR over one, three, and five-year periods for compensation and productivity

	\$	<u>wRVUs</u>
Since 2023:	5%	5%
Since 2021:	10%	10%
Since 2019:	1%	2%

Production Trends:

- wRVU productivity catching up to pre-pandemic levels
- Consider the impact of the transition to 2024 MPFS

Specialties with significant increases in compensation:

- Radiology, oncology, and psychiatry, among others



Significant increases in financial assistance for the following specialties:

- Anesthesia
- Radiology
- Emergency Medicine
- Pathology
- OB (Laborist Programs)





Quality Bonuses

- Becoming an increasingly larger piece of the pie in compensation packages
- Use of quality bonus appears to be continuing to trend upward in 2024, as value-based payer arrangements also increase, giving the opportunity to achieve a greater pool of funds
- Per the 2024 MGMA *Provider Compensation Survey*, 50% of respondents tie a portion of physician compensation to the achievement of quality metrics (compared to 26% in 2016)



Leaders in White Coats: Physician Executives



Executive benchmarks are **not always reported** in traditional resources and surveys

Alternative resources are in MGMA Management and Staff Survey, NERVES (specific to Neurology), among other resources



Compensation and time split from **administrative and clinical** perspective



How should this be determined?

Must address **qualifications** of executives to **determine compensation**



What should you look for in candidates when determining their compensation?

Other **considerations** for determining physician executive compensation



Includes the tenure and experience of the physician, among other factors



Alternative Data Sources

efile Public Visual Render | ObjectID: 202333149349305508 - Submission: 2023-11-10 | TIN: 11-1635081

Form **990** | **Return of Organization Exempt From Income Tax** | OMB No. 1545-0047

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

▶ Do not enter social security numbers on this form as it may be made public.

▶ Go to www.irs.gov/Form990 for instructions and the latest information.

2022
Open to Public Inspection

Department of the Treasury
Internal Revenue Service

A For the 2022 calendar year, or tax year beginning 01-01-2022, and ending 12-31-2022

Nonprofit Explorer

Nonprofits (0) | **People (19)** | Filings (1,049)

Results include only people or entities listed as employees or board members by organizations that filed an electronic return for fiscal years from 2014 forward.

Organization	Base Comp.	Related Comp.	Other Comp.	View 202
Medical Center Brooklyn, NY • 2022	\$1,794,058	\$0	\$46,488	View 202
Medical Center Of Florida Inc Miami Beach, FL • 2022	\$2,448,653	\$0	\$88,809	View 202
Medical Center Of Florida Inc Miami Beach, FL • 2021	\$2,462,365	\$0	\$85,514	View 202
Medical Center Brooklyn, NY • 2020	\$1,794,058	\$0	\$38,730	View 202
Hospital Medical Center Of Akron Akron, OH • 2020	\$963,018	\$0	\$38,342	View 202



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