



# Physician Compensation Models and Mindsets

Christine Boyes, Director of Finance, CHLA

# Principles

- **Department of Pediatrics Compensation Principles**

1. The Department of Pediatrics needs to have benchmark-driven competitive faculty salaries in order to be able to recruit and retain the best physician clinicians, researchers and educators.
2. Department of Pediatrics faculty need to be appropriately rewarded for the hard work that they are doing and will continue to do.
3. We need to assure equity in Total Cash Compensation (TCC) with regard to gender, time in rank, and productivity standards.
4. TCC will include a fixed component of salary (90%) and a variable component of salary (10%).

# Benchmarking

## Points of Reference: Physician Compensation and Production Surveys

Academic References
<ul style="list-style-type: none"><li>- AAMC</li><li>- MGMA Academic</li><li>- AAP</li></ul>
<p><u>Note:</u> Reference for faculty rank</p>



# Total Cash Compensation (TCC)

- Total Cash Compensation (TCC) is all **cash** payments earned during a year of full-time employment, excluding benefits.
- For our faculty, it is reflective of all types of work that apply to us, including:
  - **Clinical work**
  - **Administrative (funded)**
  - **Research (funded)**
  - **Teaching**
- The Department of Pediatrics is using blended academic benchmarks as references for target TCCs.\*

Academic Tiers	
Tier	Years
1	1-3
2	4-6
3	7-9
4	10+

For an individual's faculty rank, additional years in rank result in higher targets for compensation.

# Total Cash Compensation



## TOTAL CASH COMPENSATION

### FIXED COMPENSATION

Target 90% of TCC

- Monthly take-home pay
- Guaranteed income with standard expectations around components of the CART model\*



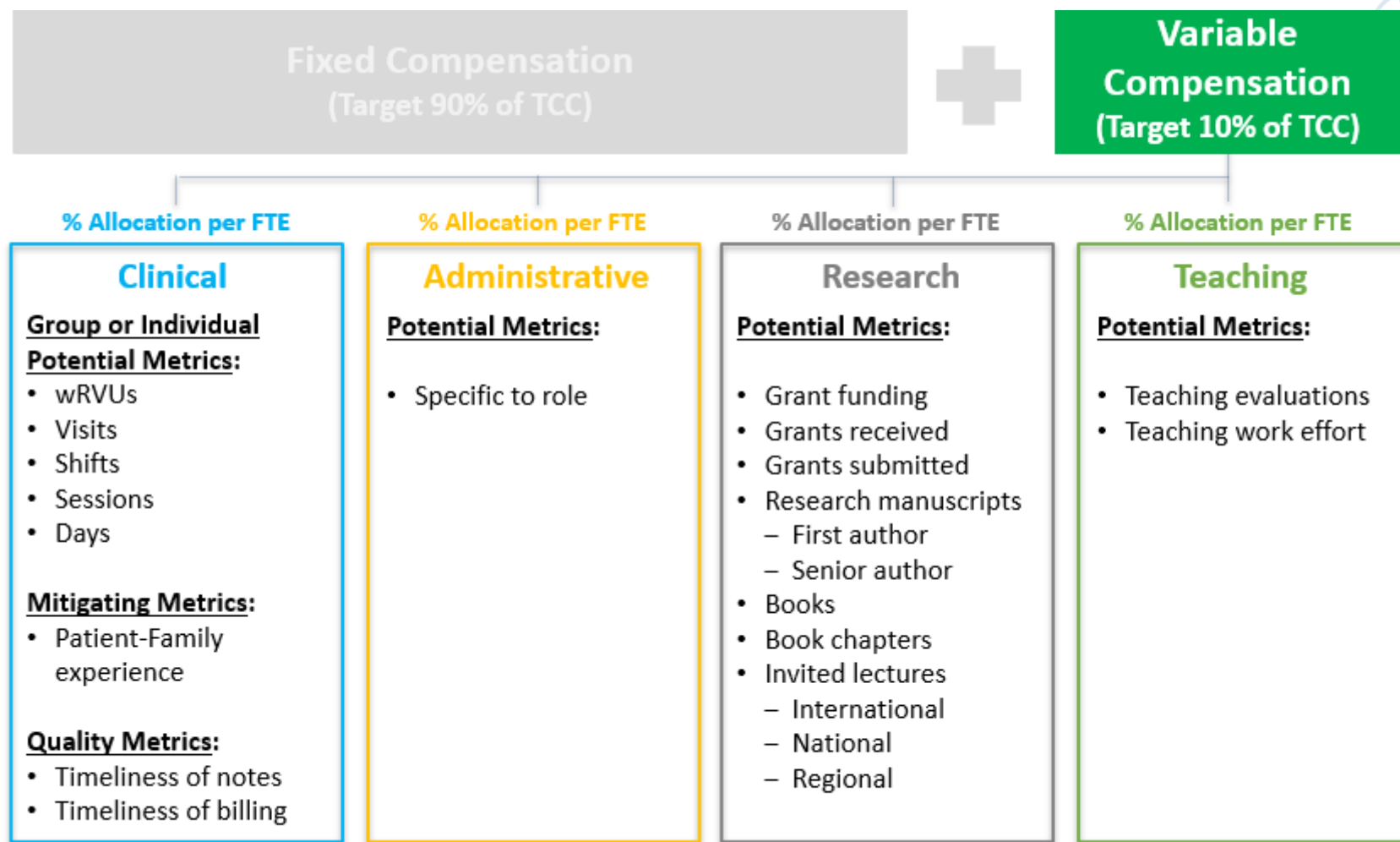
### VARIABLE COMPENSATION

Target 10% of TCC

- Additional compensation for achieving specified goals within components of the CART model\*

\* Not all parts of CART apply to all physicians

# Variable Compensation: Example



*Collegiality and professionalism to be considered in variable distribution.*

# Successes and Challenges

## SUCCESSSES

- Metric-driven compensation plan
- Addressed equity concerns of the previous comp plan
- Business plans are a more accurate reflection of anticipated needs

## CHALLENGES

- Transition to 90/10 for faculty who are over benchmark
- Change management continues to be a need
- Adherence to metrics for the variable component
- Benchmarks may not keep up with inflation and/or local markets

# Non-traditional Faculty

- Psychologists – staff, and faculty doing the same work
- Identifying reliable benchmarks for nurse or master's prepared faculty
- Only adult benchmarks are available