

Physician Compensation Models and Mindsets

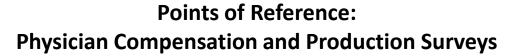
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Principles

- Department of Pediatrics Compensation Principles
- 1. The Department of Pediatrics needs to have benchmarkdriven 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.
- 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



Academic References

- AAMC
- MGMA Academic
- AAAP

Note:

Reference for faculty rank





Association of American Medical College



Association of Administrators in Academic Pediatrics



Total Cash Compensation (TCC)

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- 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



VARIABLE COMPENSATION

Target 90% of TCC

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

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



Fixed Compensation (Target 90% of TCC)



Variable Compensation (Target 10% of TCC)

% Allocation per FTE

Clinical

Group or Individual Potential Metrics:

- wRVUs
- Visits
- · Shifts
- Sessions
- Days

Mitigating Metrics:

 Patient-Family experience

Quality Metrics:

- · Timeliness of notes
- · Timeliness of billing

% Allocation per FTE

Administrative

Potential Metrics:

Specific to role

% Allocation per FTE

Research

Potential Metrics:

- Grant funding
- · Grants received
- · Grants submitted
- Research manuscripts
 - First author
 - Senior author
- Books
- Book chapters
- · Invited lectures
 - International
 - National
 - Regional

% Allocation per FTE

Teaching

Potential Metrics:

- Teaching evaluations
- · Teaching work effort

Collegiality and professionalism to be considered in variable distribution.



Successes and Challenges



SUCCESSES

- 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

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

