

# Physician Compensation Models and Mindsets

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# Principles & Structure

- Develop a compensation plan driven by national benchmarks, rank and years in rank
- Develop a base pay plan to ensure guaranteed pay
- Remove bias when determining compensation
- Strong bonus plan to compensate for performance/ productivity
- Every faculty member should be able to get a bonus



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# Total Compensation

- Base Compensation ( guaranteed pay)
- Incentives ( variable pay, approx. 8% to 10% of total comp)
  - Clinical
  - Research
  - Education
  - DEIJ
  - Discretionary
- Night Call Payments for the ICU's
- Admin Supplements – for roles like Chiefs and Medical Directors
- Coverage Payments



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# Approach to Benchmarking

- Benchmarked against the AAAP
- Compensation scale developed by specialty and rank
- Anchor each faculty to the compensation scale based on rank and years in service
- Every year when the benchmarks are published, we work closely with faculty compensation at the School to redo our scale based on 3-year rolling average of AAAP benchmarks and any cost-of-living updates based for region



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# Stanford Compensation Scale

	0-1	1-2	2-3	0-1	1-2	2-3	3-4	4-5	5-6	6-7	7-8	0-1	1-2	2-3	3-4	4-5	5-6	6-7	7-8	0-1	1-2	2-3	3-4	4-5	5-6	6-7	7-8	8-9	9-10	10-11	11-12
	CI 1	CI 2	CI 3	Asst 1	Asst 2	Asst 3	Asst 4	Asst 5	Asst 6	Asst 7	Asst 8	Assoc 1	Assoc 2	Assoc 3	Assoc 4	Assoc 5	Assoc 6	Assoc 7	Assoc 8	Prof 1	Prof 2	Prof 3	Prof 4	Prof 5	Prof 6	Prof 7	Prof 8	Prof 9	Prof 10	Prof 11	Prof 12
Peds specialty 1	129	132	135	156	159	162	165	168	171	174	174	183	187	191	195	199	203	207	207	217	220	222	225	228	230	233	236	239	241	244	247
Peds specialty 2	190	194	198	230	234	238	242	246	250	254	254	267	272	277	282	287	292	297	297	311	313	315	318	320	323	325	327	330	332	335	338
Peds specialty 3	129	134	139	152	157	162	167	172	177	182	182	191	197	203	209	215	221	227	227	238	242	245	248	252	255	259	263	266	270	274	278



- Driven by specialty, by rank, and by years in rank
- AAP National Academic Pediatric Salary Benchmarks.
- AAP benchmark anchored to “step 4” for Assistant and Associate, & “step 7” for Professor



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# Productivity based compensation

## Clinical:

- Individual RVU Targets (50<sup>th</sup> percentile) for Specialty with IP and OP
  - Eligible for all faculty with a CFTE
  - 75% of Target: \$5,000
  - 90% of Target: \$10,000
  - 100% of Target: \$20,000
  - \$20-50 per RVU above target
- Group Targets for the ICU's
- Bonus prorated by cFTE



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# Productivity metrics outside of clinical

## Research

- Based on research funding, space cost and publication scores

## Education

- Based on EVU (units) assigned for education efforts for time and effort

## Diversity, Equity, Inclusion and Justice

- New metric for faculty effort ( Units assigned) for time and effort

## Division Chief Discretionary

- To reward performance for citizenship, leadership, etc.

## Department Chair Discretionary

- To reward performance of faculty for Department level contributions



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# Non-Traditional Faculty

- Psychologists - we rely on Dept. of Psychology for their benchmarks
- Bench Scientists – Comp based on scale developed by SOM using AAMC benchmark
- Teaching – Comp based on scale developed by SOM using AAMC benchmark



# Challenges

- Salary scale cannot keep up with inflation and cost of living
- Clinical RVU targets not met by faculty across many specialty
- Compensation structure is more rigid not giving enough negotiation room for recruitment and retention
- Despite the transparency, faculty do not understand the compensation plan well



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# Successes

- Consistent and transparent
- Blind to gender and ethnicity
- Consistent with Stanford SOM
- Increased scope of bonus plan