



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

“Hot Topics in FMV and Physician Compensation to Kick
Off Your Summer”

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WE ARE AN INDEPENDENT MEMBER OF HLB—THE GLOBAL ADVISORY AND ACCOUNTING NETWORK

Introductions



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Turning up the Heat

1. What strategies and/or tactics can be implemented to improve physician recruitment and retention while ensuring FMV physician compensation?
2. How do you compensate physicians for travel time?
3. How do you reconcile the apparent disparity in physician compensation offers between hospital/health systems and private equity?

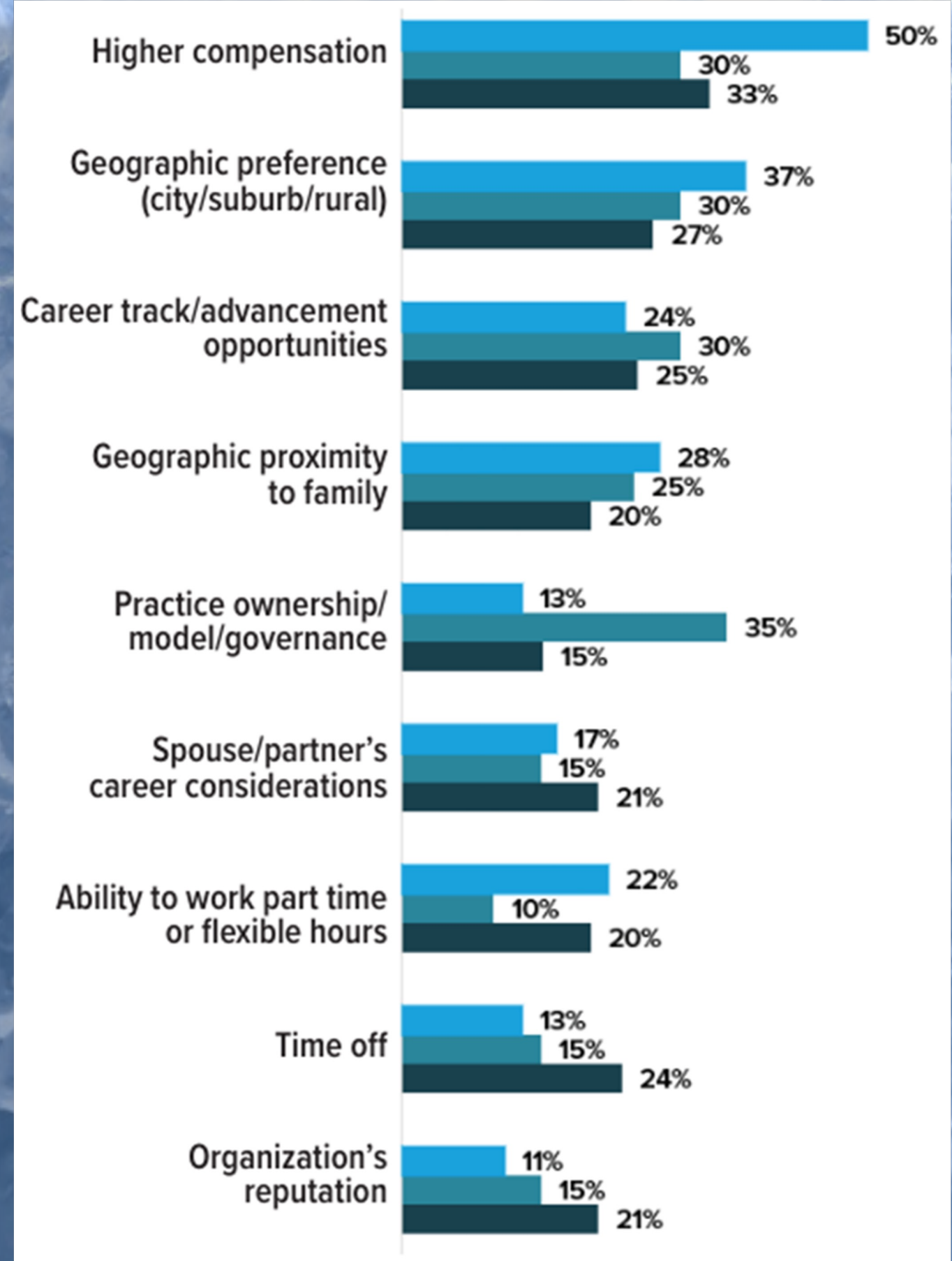
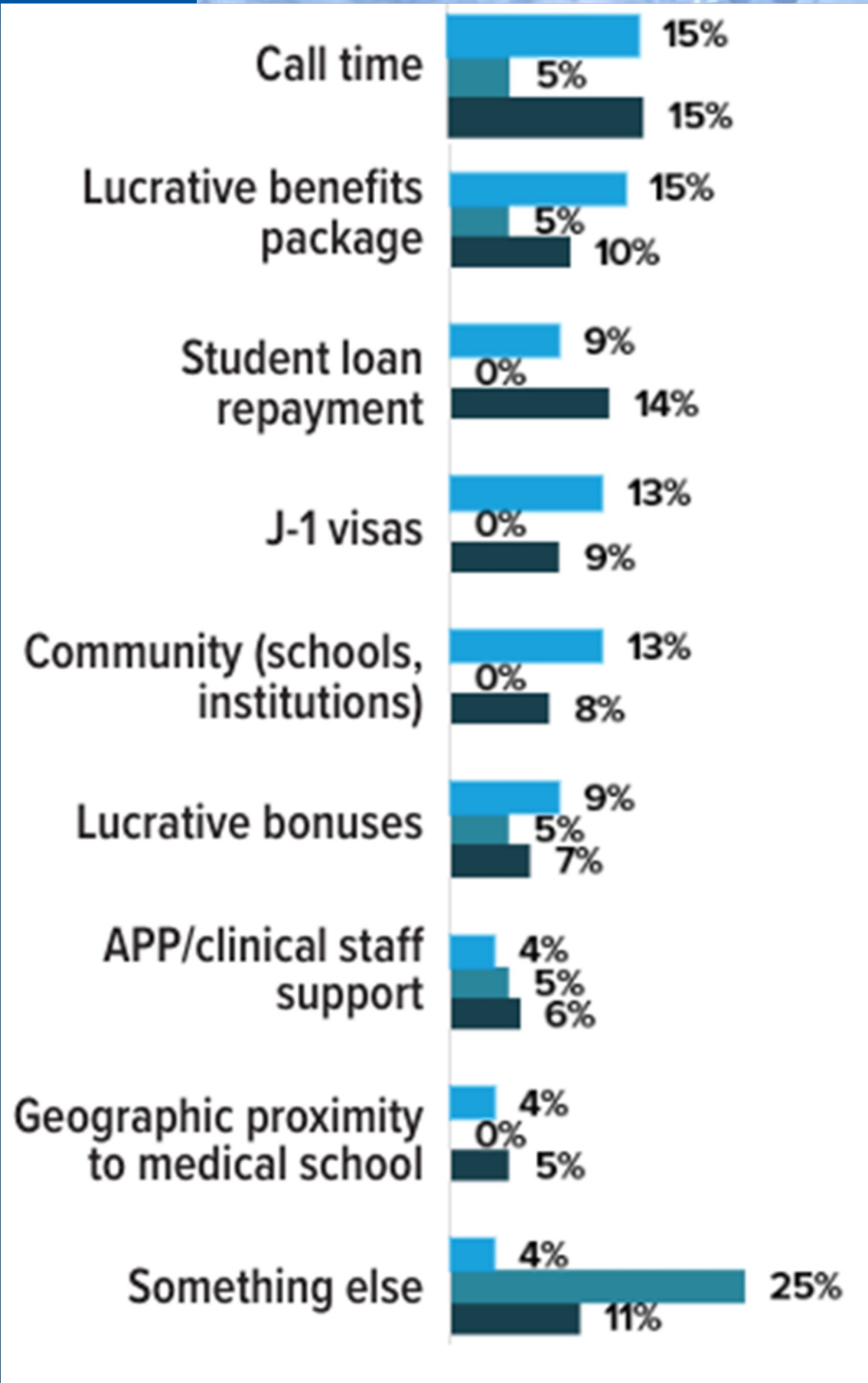


**Question 1:
What strategies
and tactics can
be implemented
to improve
physician
recruitment and
retention while
ensuring FMV
compensation?**





Put Physician Burnout on Ice



Resident/Fellow considerations for first position

Why physicians leave

Why physicians stay

Source: MGMA & Jackson Physician Search, "Early-Career Physician Recruiting Playbook", 2023

Question 2: How Do You Compensate Physicians for Travel Time?



GENERAL COMPENSATION RATE

50% 

Of physician's normal hourly rate, or higher.



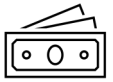
When Is Compensation for Travel Time Appropriate?

- Is the drive time already a part of base compensation?
- Carefully consider the physician's FTE status to determine if drive time hours are included.
- Do the drive time hours overlap with traditional patient-care hours?
- Does the physician already receive wRVU credit and/or a stipend for outreach services?

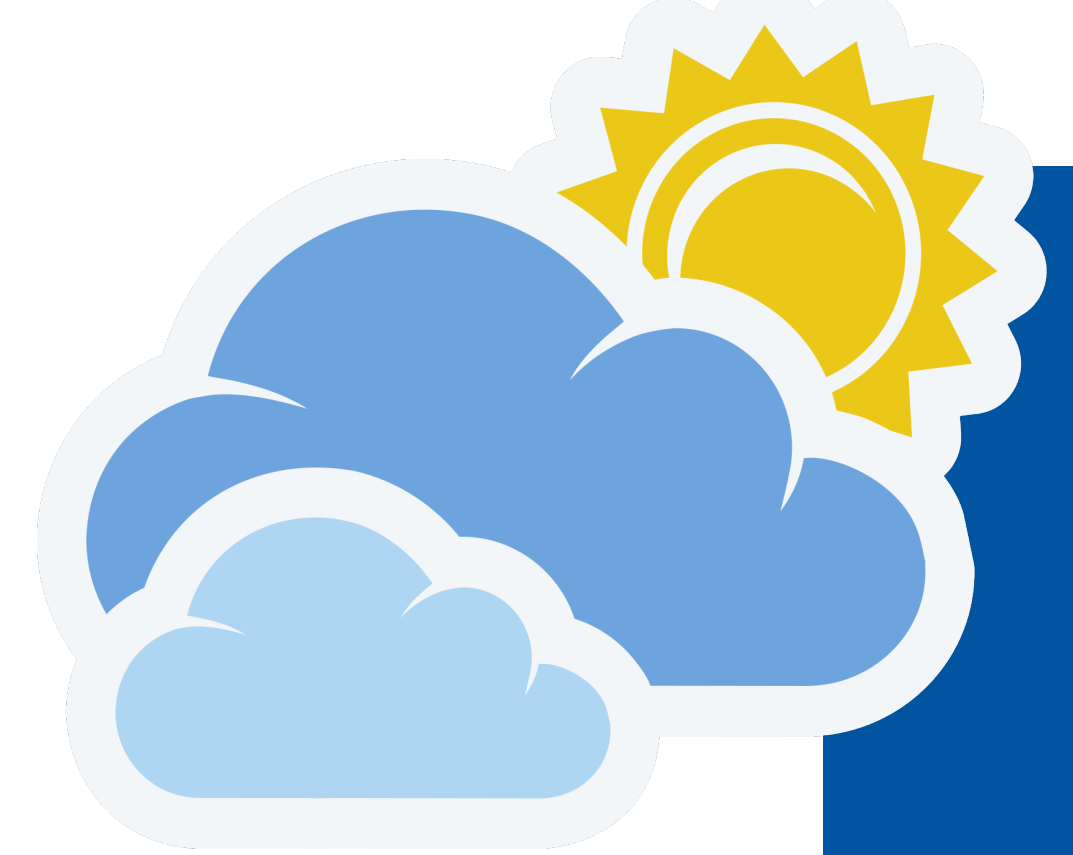




Question 3: How do you reconcile the apparent disparity in physician compensation offers between health systems and private equity?



Is the Offer Hot or Cold?



TERM SHEET

From: Health System

Purchase Price: \$150,000

Future Salary: \$300,000 (with inflationary growth)

Productivity Bonus: Productivity/Quality Based

Doogie Howser, MD

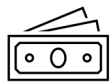
TERM SHEET

From: Private Equity

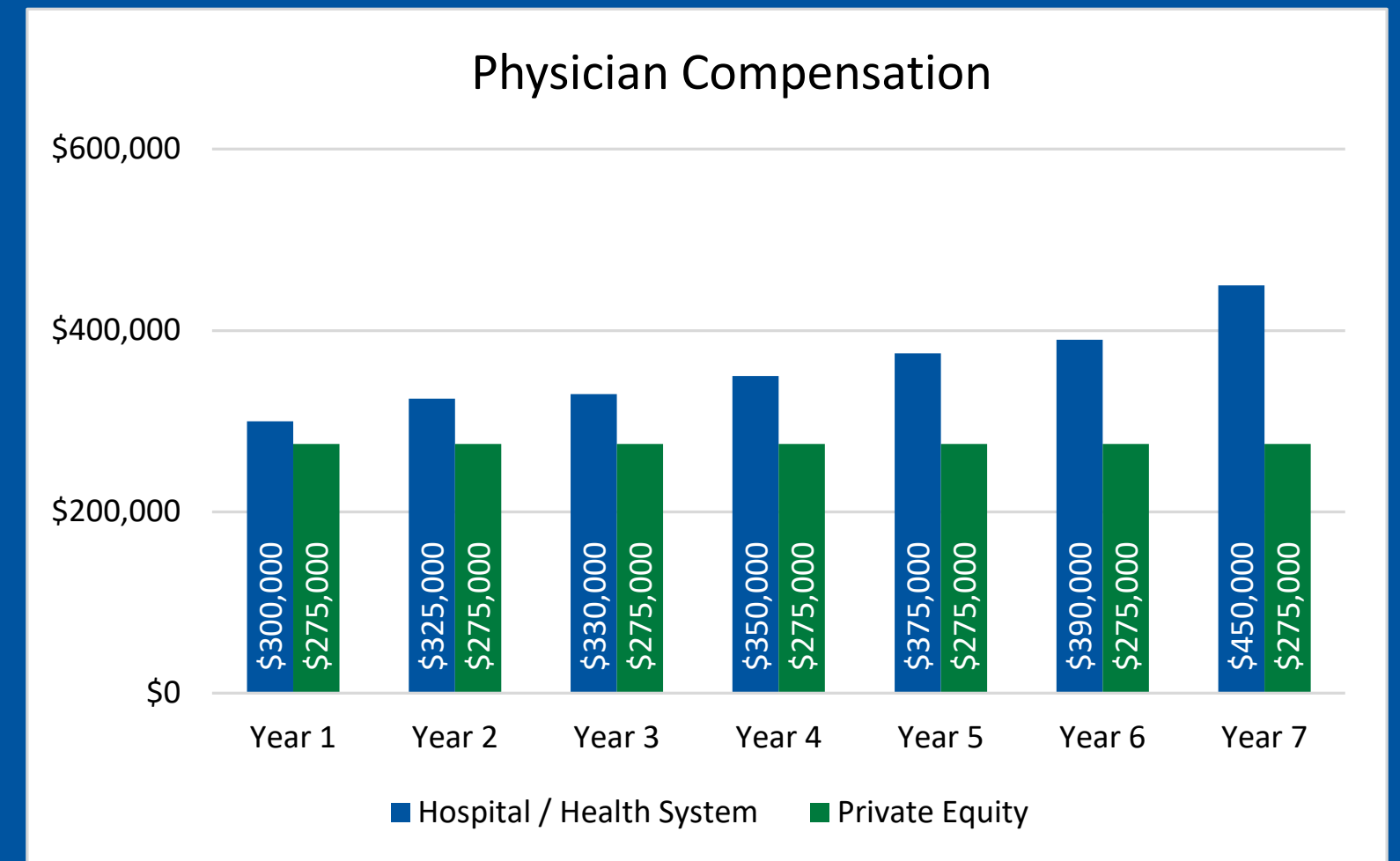
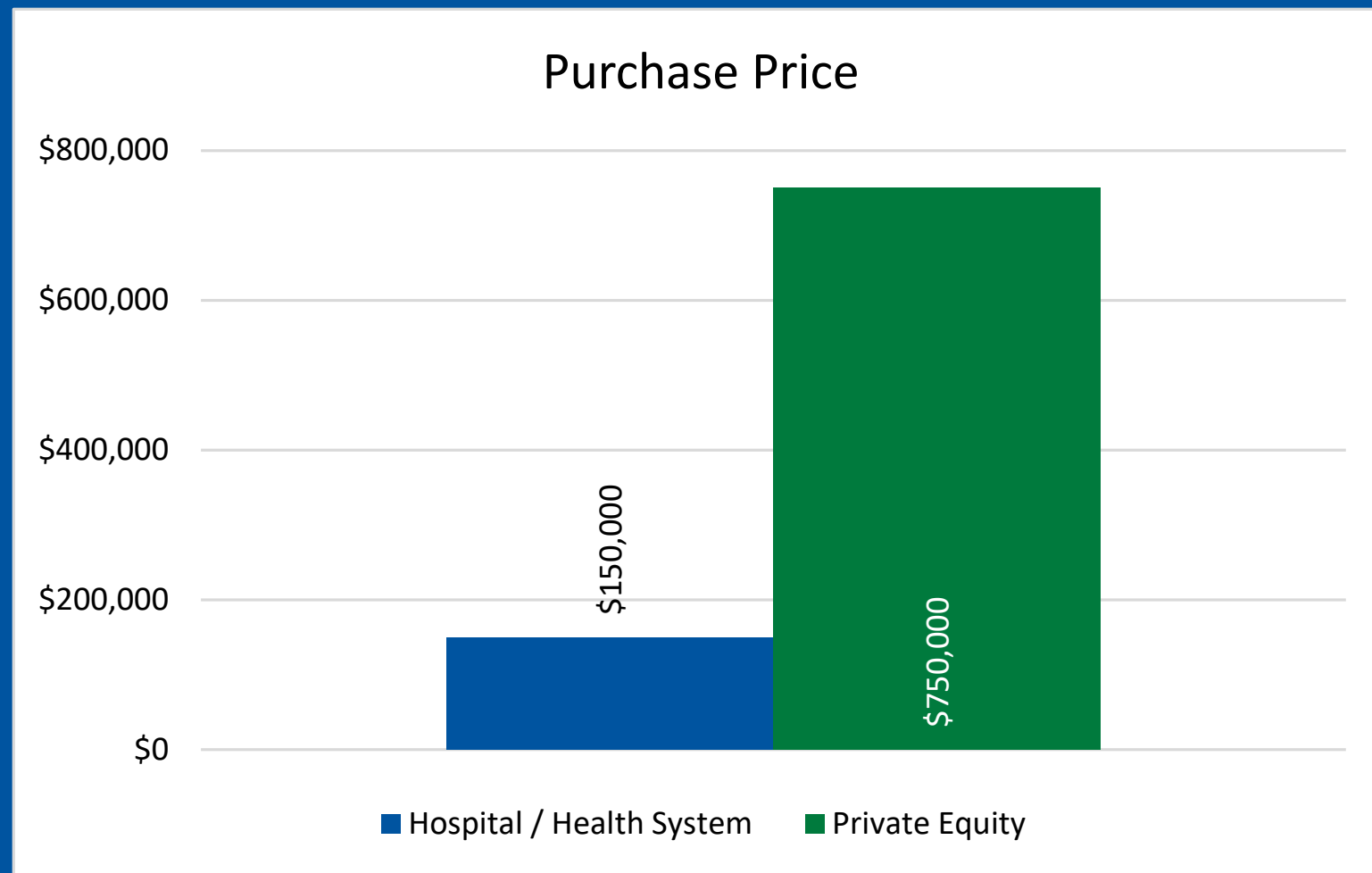
Purchase Price: \$750,000

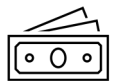
Future Salary: \$275,000 (Subject to change after 3 years)

Doogie Howser, MD



Purchase Price and Compensation Trade-Off Comparison Over Time





A Few Thoughts on PE Offers and FMV

"A hospital may not value a physician's services at a higher rate than a private equity investor or another physician practice...Put another way, the value of a physician's services should be the same regardless of the identity of the purchaser or these services."

- Stark Law 2021 Final Rule



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