

Getting Paid for Your Value – How to Get What You Are Worth in Our Current Treacherous Environment

HOW WE MADE THIS WORK

AS

NON-ACADEMIC EMPLOYED PEDIATRIC SURGEONS

About myself

I am an Employed Pediatric Surgeon in a Non-Academic position at Cardon Children's Medical Center

- A Children's Hospital within a large comprehensive acute care hospital
- Part of Banner Health - a large health care system with presence in about six states

6 Full time and 4 Part time surgeons plus 10 APPs

One PGY3 General Surgery Resident rotates on our Service

We offer MS3 & MS4 and PA student electives in Pediatric Surgery.

We operate in three hospitals.

Current Situation

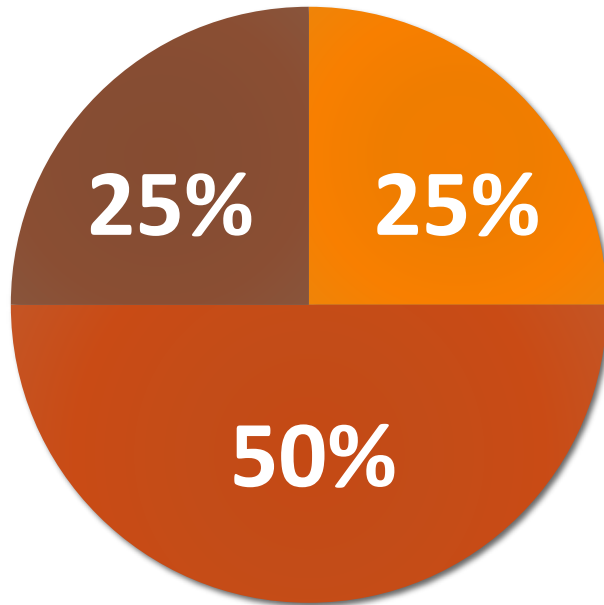
Banner Medical Group
presented a new
employment agreement
to all physicians in 2018

- Volume/value based compensation model
- No guaranteed base salary
- Base “draw” will be determined by the prior year’s productivity and national physician compensation survey data and adjusted at the end of the year
- 10% of base “draw” is withheld till the end of the year; to be paid as “Value Based Compensation” provided certain value metrics are met

Determining Market Benchmarks

Large Employed Physician Groups		Independent Groups
Academic Group Practice	Large Group Practice	Private Practice
Affiliation: Academic Medical Center and Medical School	Affiliation: Health System (hospital) or Independent Multi-Specialty Group	Independent Groups with Privileges at Multiple Hospitals (< 50 phys FTEs)
Not for Profit	Predominantly Not for Profit	Physician Owned
Sample Organizations: Loyola University Medical Center, Johns Hopkins, Cleveland Clinic (main campus), Dartmouth-Hitchcock (main campus), University Hospitals (flagship hospital)	Sample Organizations: Cleveland Clinic, Mayo Clinic, Geisinger Clinic, Kaiser Permanente Medical Groups	
AAMC MGMA-Academic	SullivanCotter AMGA	MGMA-Private

Benchmark Weighting based on National Surveys



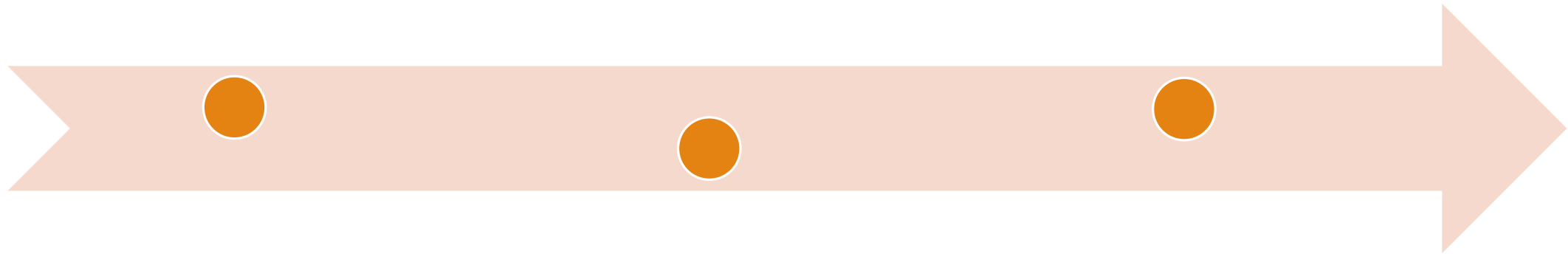
2 Year rolling average of the hybrid survey data

■ AMGA ■ Sullivan Cotter ■ MGMA

Survey Data Utilization

*2 Year Rolling Average
Pro/Con:*

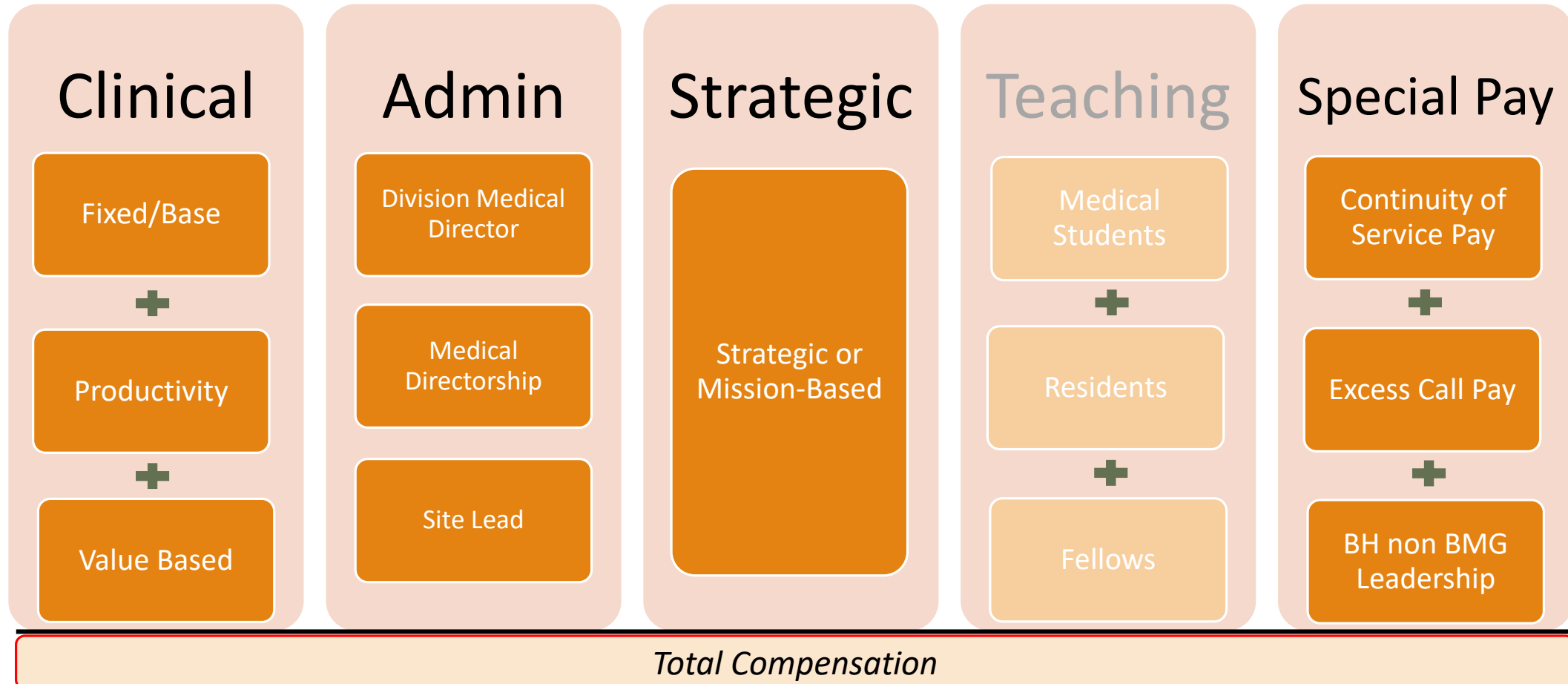
*Con – Includes potentially
outdated market
data/trends*



*Pro – Reduces the impact
of changes in rates*

***Steering Committee, which included about ten Physician Leaders,
Approved the 2 year rolling average.***

Comp Plan Model



BMG Physician Compensation Models

Clinical

Fixed/Base



Productivity

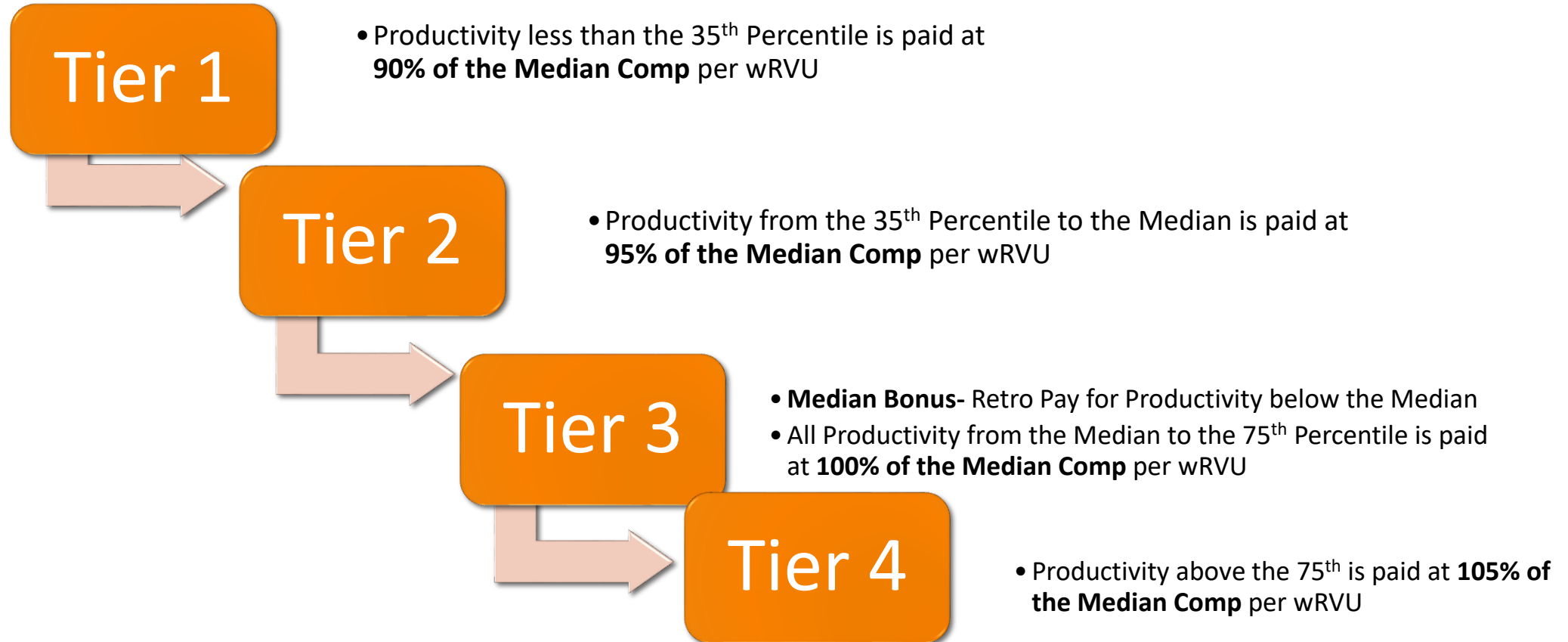


Value Based

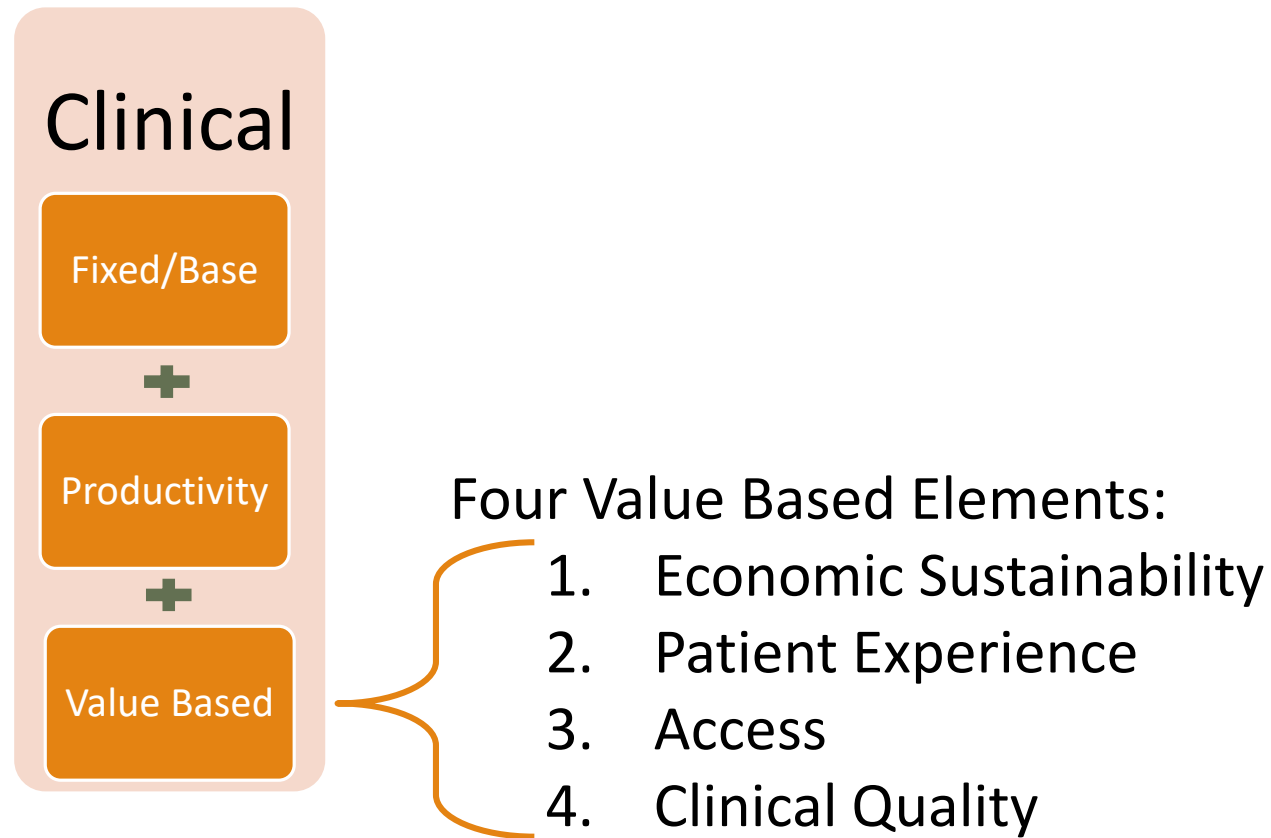
Specialty Type	Type of Plan
AZ Specialist	Volume
NOCO Specialist	Volume
Pediatric Specialist	Volume
Rural Specialist	Capacity
AX Primary Care	Primary Care
NOCO Primary Care	Primary Care
Rural Primary Care	Primary Care

Specialty Type	Type of Plan
AZ Hospitalist	Capacity
NOCO Hospitalist	Capacity
Pediatric Hospitalist	Capacity
AZ Intensivist	Capacity
Pediatric Intensivist	Capacity
Palliative Care	Capacity
Emergency Medicine	By Shift

AZ Volume Model



Value-based Metrics



Our New Deal

After much discussion and negotiation

- A guaranteed base salary was approved for us
- At 50%ile based on hybrid survey data
 - nearly 20% reduction

After much more discussion and negotiation

- Our guaranteed base salary was brought up to our previous year level



Benefits that we developed

Best outcome possible

Guaranteed base
at previous level

No risk of salary
going below this
guarantee

Opportunity to
earn more based
on Volume metrics

Lessons learnt

Need to be involved in administration at the highest level possible

- Obtain relevant data
- Negotiate hard
- Be patient
- Negotiate more

Know how to present the value of a Pediatric Surgeon for a Children's Hospital

Value of a Pediatric Surgeon

Pediatric Surgery is a “Foundational” specialty for any Children’s Hospital

24/7 availability by phone and in person; in some situations, in-house

Value of a Pediatric Surgeon

Cannot have the following services without a Pediatric Surgeon:

