

### **Physician Compensation Initiative**

In collaboration with the ID Association of California

Northern California Fall Symposium Saturday, Nov 4, 2023 3:30-4:30pm PT

Crown Plaza Hotel Palo Alto, CA

### Welcome and Introductions



Rima Abdel Massih, MD

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Associate Chief of Telemedicine and Education



Clark Bosslet
Partner, ECG Management Consultants





### Agenda

**Time** 

5 minutes

15 minutes

40 minutes

30 minutes

**Topic** 

Welcome and Introductions – Lawrence Bottorff, MBA, BSN, RN, CIC, Executive Director, Infectious Disease Association of California

Opening Remarks – IDSA Task Force member Dr. Rima Abdel Massih, MD

- Overview and goals of the IDSA's Physician Compensation Initiative
- Learning Objectives

What Does an ID Physician Need to Know for Compensation Negotiations to be Successful?

- Clark Bosslet, Physician Compensation Consultant
- Measuring Effort
- Elements of Compensation
- Value-Based Arrangements
- The Negotiation Process

Q&A





### **IDSA Code of Conduct Policy**

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Any information presented is not intended to, and may not, play any role in the competitive decisions of IDSA's members or their employers or in any way restrict competition in the industry. All decisions regarding prices, fees, salary, or compensation must be made individually and not in concert with others outside of the business entity.





### **Disclosures**

Rima Abdel Massih, MD

Infectious Disease Connect, Inc: CEO and Co-founder (ongoing), Ownership Interest (ongoing)

Clark Bosslet, ECG Consultants

No relevant financial / non-financial relationships with any proprietary interests





### Physician Compensation Initiative

Please answer this quick survey to help us understand your compensation needs.









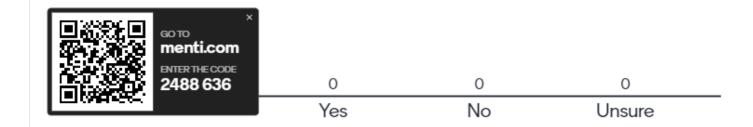




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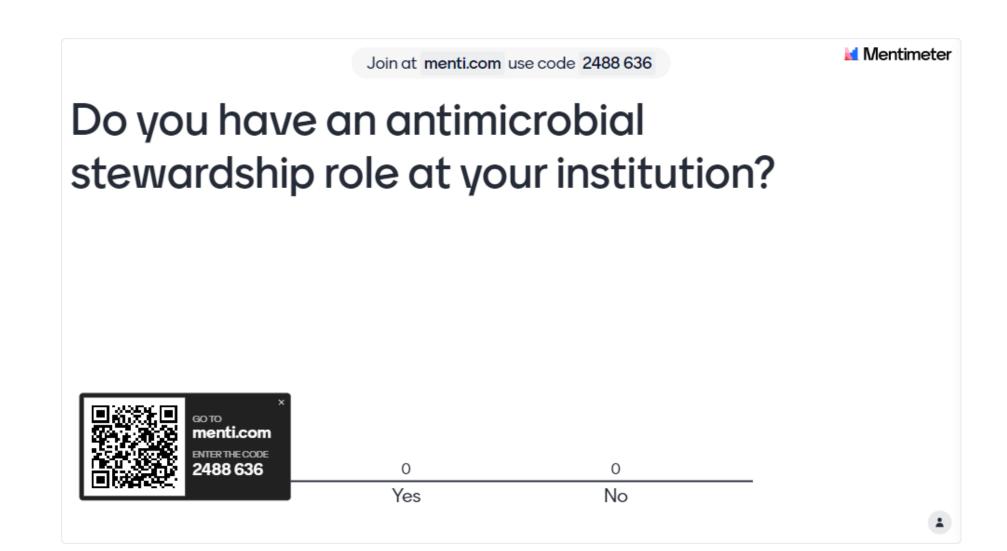
Do you have a compensation plan that is

# Do you have a compensation plan that is transparent and consistent?









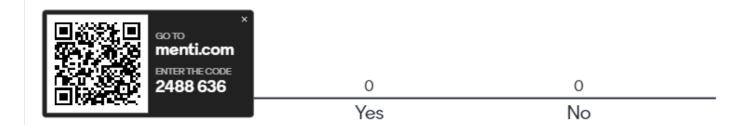




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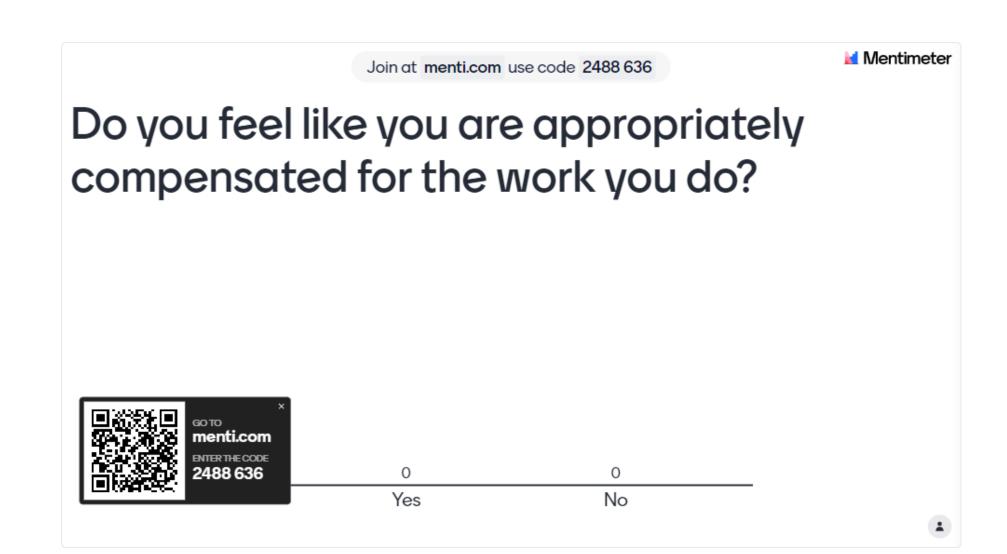
# Do you have an infection prevention role at your institution?

Mentimeter













# Thank you for completing the survey!





## IDSA Physician Compensation Initiative: Session Overview & Goals



**OVERVIEW:** A discussion featuring Dr. Rima Abdel Massih, a member of IDSA's Compensation Task Force, and Clark Bosslet, one of IDSA's expert compensation consultants, to share information about the Physician Compensation Initiative and resources intended to help ID physicians gain comfort and confidence with IDSA compensation negotiation tools.



**GOAL:** To increase knowledge among ID physicians about physician compensation negotiation topics.





### **Learning Objectives**

Identify the baseline information that an ID physician must have to facilitate a successful compensation negotiation



Review the ways providers commonly spend their time in both clinical and nonclinical functions and how this effort/value should be measured to truly reflect the full breadth of physician activity



Explore how quality incentives can highlight the value that ID physicians provide and lead to greater compensation potential



Examine the nuances of employment type (hospital vs. academic medical center vs. private practice) and specific considerations for compensation negotiation

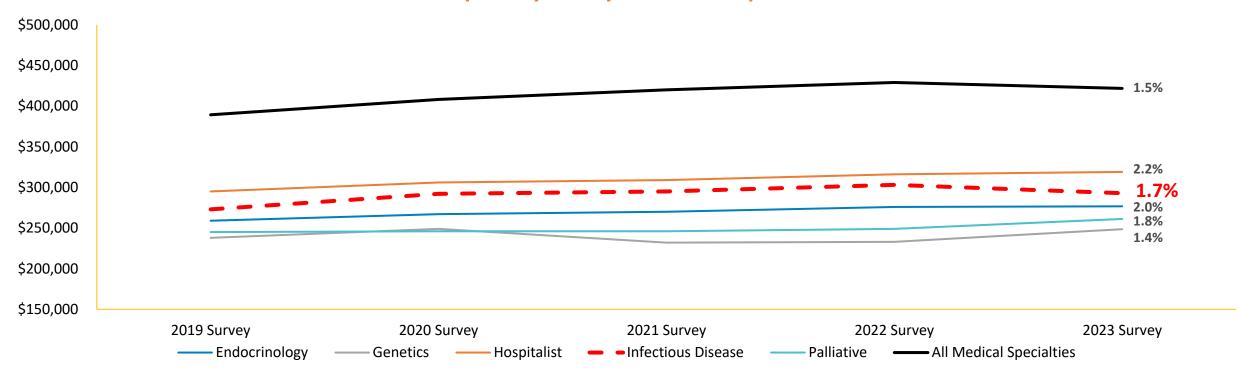




### The Impetus for Change

ID physician compensation has remained intransigent compared to other medical specialties despite mounting favorable evidence of the value of their role within health systems.

#### **Multispecialty Survey Median Compensation**



Source: Years 2019–2023; respondent weighted blend of three surveys for the corresponding survey year: MGMA DataDive Provider Compensation, ECG *Physician and APP Compensation Surveys*, and AMGA *Medical Group Compensation and Productivity Surveys*. 2021 and 2022 survey data points, based on CAGR derived from weighted blend of previous survey years.





### Impetus for Change (continued)

- "Tyranny of the 1.0 FTE" and understated time commitment of ID physicians
- Production-based compensation plans that are misaligned with actual clinical effort
- Widespread un- or underfunded clinical and administrative effort
- The need for greater adoption of risk- or value-based compensation





**Physician Compensation Initiative** 

### Physician Negotiation Education and Training

- \$\$\$
- Better define current compensation structures and levels for ID physicians across various practice settings
- Identify barriers, facilitators, best practices, and novel approaches to increasing ID physician compensation across practice settings
- Develop and disseminate education, tools, and resources on negotiation and physician compensation for ID physicians

#### Value-Based Contracting Strategy Expansion



- Assess the current landscape and feasibility of value-based contracting for ID physician services
- Develop content and tools to help IDSA members be recognized in new payment models that are localized and tailored for specific ID activities

### **Physician Compensation Initiative**

#### THE GOALS



Negotiation Tools and Resources



Regional In-Person Sessions



Work-Life Integration



Compensation that Reflects ID Value



Improved Job Satisfaction

#### THE TOOLS



Compensation Negotiation Playbook



Webinars

Regional In-Person Sessions



IDSA Compensation
Survey and Benchmarks

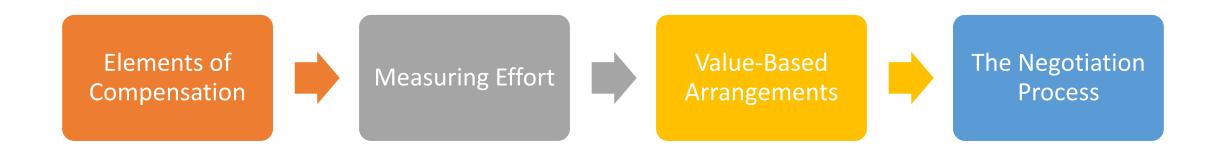


1:1 Compensation Sessions





# What Does an ID Physician Need to Know for Compensation Negotiations to be Successful?







### **Defining Categories of Effort**

Physician FTEs are commonly composed of the categories delineated below. However, the categories relevant to any individual physician are dependent on unique assignments.

	Category	Definition	Measure
Most _ common	C Clinical	<ul> <li>Is based on patient-facing and related effort</li> <li>Includes activities such as documentation in EHR, patient calls, interdisciplinary conferences, and teaching in the usual course of clinical care</li> </ul>	<ul><li>Patient facing hours</li><li>Half-days</li><li>Weeks on service</li><li>Other</li></ul>
	A Administrative	<ul> <li>Consists of formally defined roles such as medical director and other administrative roles</li> <li>Includes clinical leadership roles if time is protected and/or compensated</li> </ul>	Annual hours (often tracked via time sheet)
	R Research	Includes funded and unfunded research responsibilities, active grant management, and pursuit of grant opportunities	Annual hours     (including time     securing grants)
	T Teaching	<ul> <li>Is didactic teaching that occurs during nonclinical, nonbillable time</li> <li>Consists of formal teaching positions and responsibilities (fellowship director, residency director, or clerkship director)</li> </ul>	Annual hours (including lesson planning, grading assignments, and didactic teaching)
Less _	S Strategic	<ul> <li>Includes other identified activities that support the institution (e.g., new provider practice start-up, new facility planning, EHR implementation)</li> <li>Consists of short-term administrative effort that might not always be recognized</li> </ul>	Annual hours (meeting preparation and attendance)

### Defining an FTE

It is common for a physician's true clinical effort to be understated due to the mistaken assumption or perception that clinical effort is simply the remainder of 1.0 FTE less all nonclinical responsibilities.

Imprecise 
$$\begin{bmatrix} FTE \\ 1.0 \end{bmatrix} - \begin{bmatrix} A \\ 0.2 \end{bmatrix} + \begin{bmatrix} R \\ 0.0 \end{bmatrix} + \begin{bmatrix} T \\ 0.0 \end{bmatrix} = \begin{bmatrix} C \\ 0.8 \end{bmatrix}$$

Recommended  $\begin{bmatrix} C \\ 0.9 \end{bmatrix}$  +  $\begin{bmatrix} A \\ 0.2 \end{bmatrix}$  +  $\begin{bmatrix} R \\ 0.0 \end{bmatrix}$  +  $\begin{bmatrix} T \\ 0.0 \end{bmatrix}$  =  $\begin{bmatrix} FTE \\ 1.1 \end{bmatrix}$ 





### Defining an FTE (continued)

The clinical component of physician deployment can be measured in various ways, based on the type of clinical services being provided.

Weeks worked per year in a specific patient setting (outpatient, inpatient consult service, etc.)

Sample Standard: 46 to 48 weeks per year

Shifts for each type of shift provided (inpatient consult service, restricted in-house call, etc.)

Sample Standard: 73 24-hour restricted/in-house call shifts per year

Half-day clinics per week

Sample Standard: 9 half-day clinics per week, with 1 half-day related non-patient facing activities





### **Tracking Effort**

Defining a 1.0 FTE and understanding how your contributions compare to that definition are foundational for realizing an appropriate level of compensation or recognition, especially when job responsibilities change.

- 1 Establish the definition of a 1.0 FTE ID physician in your organization.
- 2 Track your individual contributions (effort) compared to that definition of a 1.0 FTE ID physician.
- 3 Negotiate for a level of compensation and/or time recognition that aligns with your contributions (effort).
- Repeat steps 2 and 3 periodically so that changes in effort can be recognized.





### **Elements of Physician Compensation**

Categories of compensation paid to a physician are dependent on the activities performed by the physician and are flexible based on an organization's compensation methodology and strategic and financial objectives.

#### **Examples of Included Elements Compensation Components Fixed** $\bigcirc$ Base or guaranteed compensation that is tied to defined employment expectations Fixed Clinical Compensation Component **Production** The at-risk portion of total compensation that is tied to measures of clinical $(\rightarrow)$ **Total Compensation** productivity or payments for call coverage Component **Quality/Value** The at-risk portion of total compensation that is tied to measures of quality, outcomes, $( \rightarrow )$ Component improved patient experience, or reduced costs (paying for value over volume) Variable **Administrative** Payments for medical director or other administrative roles **Stipends** Additional stipends, other payments for nonclinical effort, or payments for duties such $(\rightarrow)$ **Other Payments** as advanced practice provider (APP) supervision

**Excluded Components:** Fringe benefits paid by the employer (e.g., retirement plan contributions and life and health insurance) and expense reimbursements. *These are outside the scope of benchmarks*.

Infectious Diseases

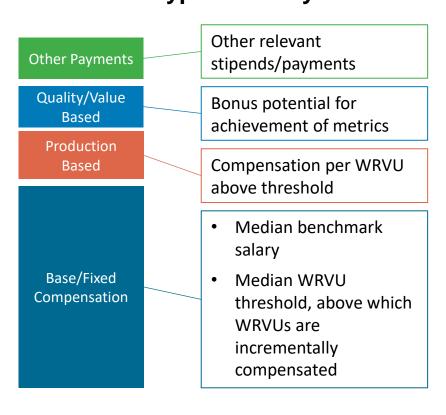


### **Structure of Compensation**

In response to changing market dynamics, most hospitals and health systems who employ providers are implementing more progressive payment structures that segment compensation elements.

#### **Structure by Category** Clinical **Administrative** Strategic Quality/Value Other Payments Based +/-Quality/Value Based Base/Fixed Compensation Base/Fixed **Production Based** Compensation Base/Fixed Compensation **Total Compensation**

### Recommended Structure for a Typical ID Physician







### **Compensation Decision-Makers**

Depending on the organization, physician compensation may be determined by different people. Many organizations rely on a centralized decision-making structure (hospital or medical group administration), while others empower division chiefs and/or service line administrators to set physician compensation.



### Hospital Administration

Most organizations have defined hospital administrators who determine individual physician compensation or funding to departments and divisions.



#### Medical Group Administration

An organization can have an established medical group that determines physician compensation or funding to departments or divisions.



### Service Line Administration

An organization can have an established service line leadership group that determines physician compensation or funding to physicians.



### Division Chief/ Physician Leadership

It is common within a health system for compensation decisions to be conducted by or in collaboration with the division chief or other physician leader.

#### **Human Resources**

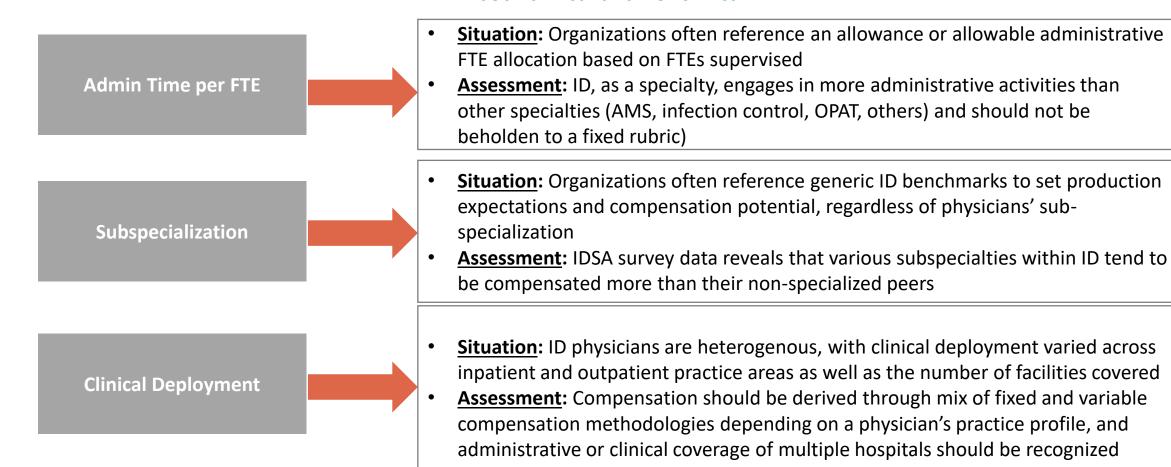
Some organizations involve human resources to determine a physician's compensation and contract terms.



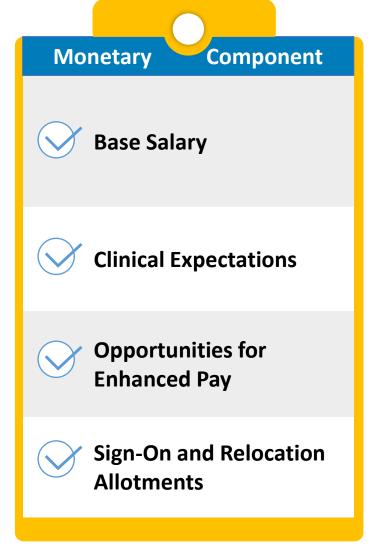


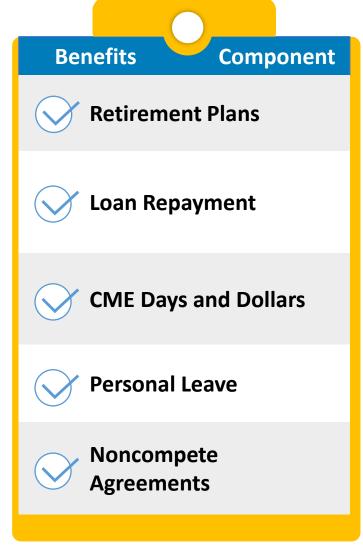
### **Considerations for Determining Compensation**

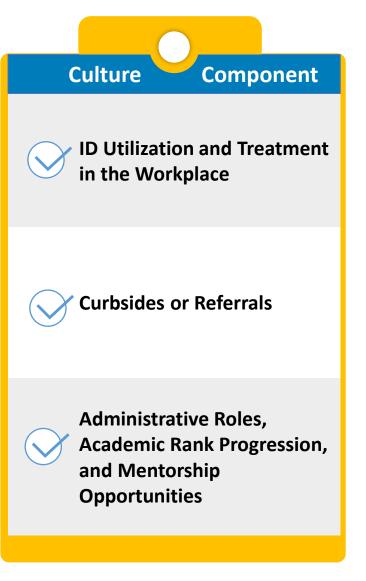
Several important factors can influence how ID physicians are compensated and recognized for their contributions, both clinical and nonclinical.



### **Offer Sheet Checklist**











### **Negotiating Tactics and Opportunities**

A successful negotiation is determined by the amount of preparation a physician commits to before interacting with the compensation decision maker.

#### **Tactics**

- Define all responsibilities and the associated effort/time to perform each.
- Determine the source of funding for each responsibility.
- Determine if there is adequate time to successfully meet all expectations associated with each responsibility.
- If involved in strategic projects that promote an institutional goal, determine if there is any monetary compensation if the goal is achieved.
- If representing the institution locally, nationally or internationally, determine if there is compensation or protected time that can be established for the effort.
- Understand any processes or procedures that are established at the organization regarding compensation negotiations.
- Know how your experience and credentials align with the needs of your employer.
- Utilize published benchmarks to demonstrate how you compare to peers (e.g., geography, sub-specialization, academic rank).

#### **Opportunities**

- OPAT
- Telemedicine
- Transplant ID
- Dedicated ICU coverage
- Multidisciplinary programs/clinics
- Complex care/patient acuity





### **ID Compensation in CA**

 Potential pain points around compensation: Hospital Contract Rates for IP/ID/ASP services





### Hypothetical Case Study One: Individual Upside Pay-for-Performance (P4P) Model

How can Jane Doe, MD, earn an additional P4P incentive for work already being done?

Medical Director of Antimicrobial Stewardship and Infection Prevention and Control:

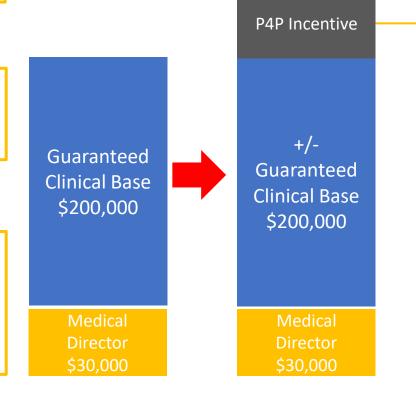
Focuses on several CDC NHSN metrics

#### Metrics attributable to Dr. Doe's work:

Antimicrobial use reporting, CAUTI rate, and *C. diff* rate

Funding source linked to these metrics, attributable to Dr. Doe's work:

Hospital/health system receives **Medicare** payments linked to these metrics, using Q-HIP system



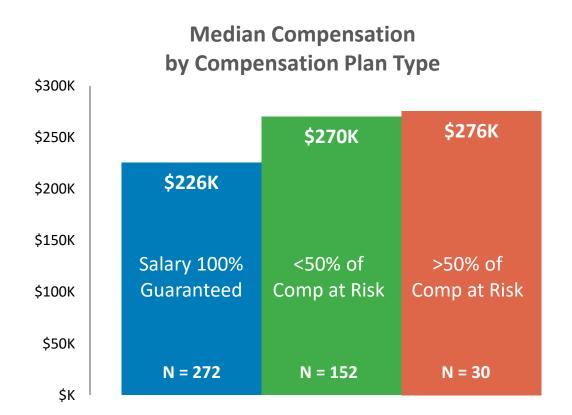
- Negotiate P4P incentive
  - Rewarded based on performance in existing quality metrics
- Establish point system using Q-HIP scoring system
- Percentage of total points achieved determines percentage of P4P incentive rewarded
  - For example, 85% of total possible points equates to 85% of incentive paid out
- For negotiations, it is important to note that the health system has millions of dollars at risk with payers based on performance





### The Value of Risk

Among hospital/health system-employed ID physicians, those with variable components of compensation tend to earn materially more than their peers on a salary/guaranteed compensation plan.

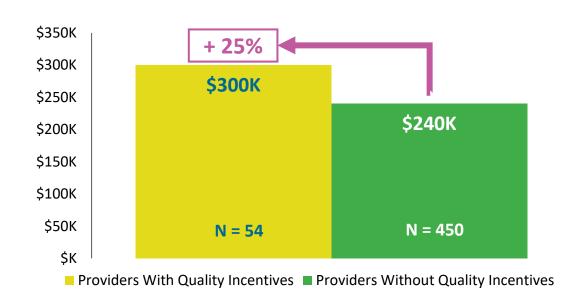


Source: 2023 IDSA Survey

IDSA'S PHYSICIAN COMPENSATION INITIATIVE



### Median Compensation With vs. Without Quality Incentives



Earned quality incentive compensation is \$15,000 at median. Commonly compensated metrics include AMS, *C. diff* infection rate, CLABSI rate, and CAUTI rate.

# Visit the IDSA Physician Compensation Initiative Website



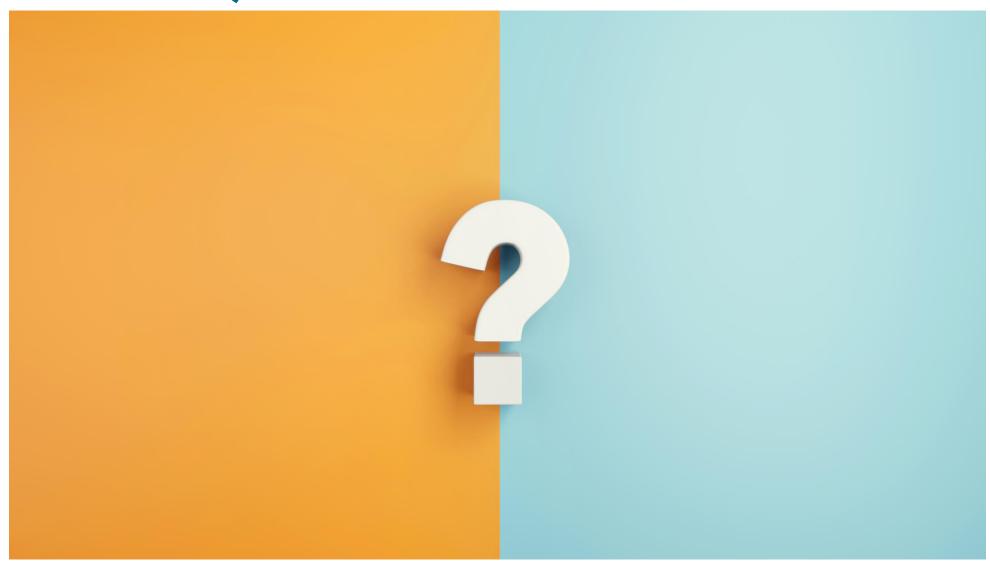


https://www.idsociety.org/compensation-initiative/





### **Questions & Discussion**





### Schedule Your 1:1 Compensation Session

An exclusive IDSA member benefit





Please take a quick survey about this presentation





### Offer Sheet Checklist: Compensation



#### Component



**Base Salary** 



**Clinical Expectations** 



Opportunities for Enhanced Pay



Sign-On and Relocation Allotments

#### **Considerations**

- Compensation tied to your defined employment expectations.
- A one-to-two-year base salary guarantee is expected and will be paid at a higher rate in the first few years at a new employer; it should be at a rate high enough to offset your ramp-up period.
- Base salaries will and should adjust the longer you are with an employer. Remaining on an income guarantee in the long term can result in underpayment relative to activities performed.
- Confirm that clinical expectations (e.g., clinic obligations, WRVU output) are reasonable for the volume the organization tends to have.
- Are the WRVU thresholds appropriately aligned with base salary, and is the premium on WRVU payout reasonable once your required threshold is met?
- Review your offer for employment activities that can be negotiated as incremental to enhance your pay.
   Activities may include but not be limited to:
  - Moonlighting, additional call, over-threshold production, quality upside, multispecialty clinic participation, administrative duties that are not outlined as a specific deployment value, and more.
- Sign-on bonuses and/or relocation stipends are common and often expected part of an offer. This compensation is a flat rate, has an identified distribution timeline, and may be contingent on the completion of a certain certain time frame worked before receiving compensation in full.
- The amount of this compensation will vary on years of experience, specialty, buyout clauses, distance to relocate, and more.





### Offer Sheet Checklist: Benefits

#### **Benefits Component**



#### **Retirement Plans**



#### Loan Repayment



#### **CME Days and Dollars**



#### **Personal Leave**



#### Noncompete Agreements

#### **Considerations**

- Employer-sponsored retirement accounts or pension plans remain a standard within offers, but the plan types differ. Identify which type of plan is offered and see if options offered align with your financial goals.
  - 401(k)s, 403(b)s, profit-sharing plans, and cash-balance plans are common plans provided.
- Loan repayment can be an offered incentive depending on the organization, although the terms vary drastically based on several factors. Like sign-on or relocation incentives, there are often stipulations to the arrangement.
- Typically, organizations will cut a large check to the physician's loan provider or set a standard amount the
  organization will pay the over time. The average tenure expected of the physician after repayment is two to four years.
- CME benefits are a popular perk for physicians, but they are not universal, and the dollars or time provided may not be aligned with the rising cost of CME.
- The funds offered can range from hundreds to thousands of dollars and are something that can be inquired about and negotiated for if they are not in your present offer letter so long as counteroffers are reasonable.
- Personal leave is a standard benefit that should be outlined to some extent in your offer.
- The amount of paid leave that is offered will depend on the compensation payment model (purely production based versus income guaranteed), the expected work schedule (e.g., seven days on, seven days off), and more.
- Noncompete agreements are common in offers, though terms will vary greatly based on state, specialty, and practice scope.
- Many agreements contain a buyout provision, a right that is unique to physicians, which in some cases prospective employers will pay on the physician's behalf.
- Check your current agreement at your place of work and potential implications alongside your current offer.

### Offer Sheet Checklist: Culture



#### **Culture Component**





Administrative Roles,
Academic Rank Progression,
and Mentorship
Opportunities

#### **Considerations**

- The parameters in which ID physicians are used and treated in the workplace are a conceptual but critical consideration.
- The simplest way to forecast appropriate utilization and treatment will be to fully understand the job requirements and duty section of the contract. Risk for overutilization or out-of-scope work will be reflected in items that allude to, but are not, clearly defined work expectations for "incremental" settings (e.g., call without specified pay, participation in multispecialty clinics).
- Curbside consults and referrals are a standard part of most roles with a clinical deployment, although they are a component not often outlined in offer letters and contracts, as related to expectation and compensation.
- Should it be indicated in the interview process that ID physicians are consulted more than what is considered normal for organization volume, it would be reasonable to explore incremental compensation within the context of incentivizing provider availability.
- Administrative and leadership roles, where applicable, are compensated for via nominal stipends and typically incremental to other compensation components. This applies to academic rank stipends as well as within academic institutions.
- While these are compensated for, it will be important to have clearly defined expectations and the pathway to advancement if desired, as it is not a one-size-fits-all approach among organizations.



