Cardiovascular Summit

Academic Compensation Models: From APPs to Professors

Agenda

- 2019 ACC Health Policy Statement on Compensation and Opportunity Equity

  Pamela Douglas, MD, MACC; Duke University

- NonRVU compensation, Incentivization, Learners

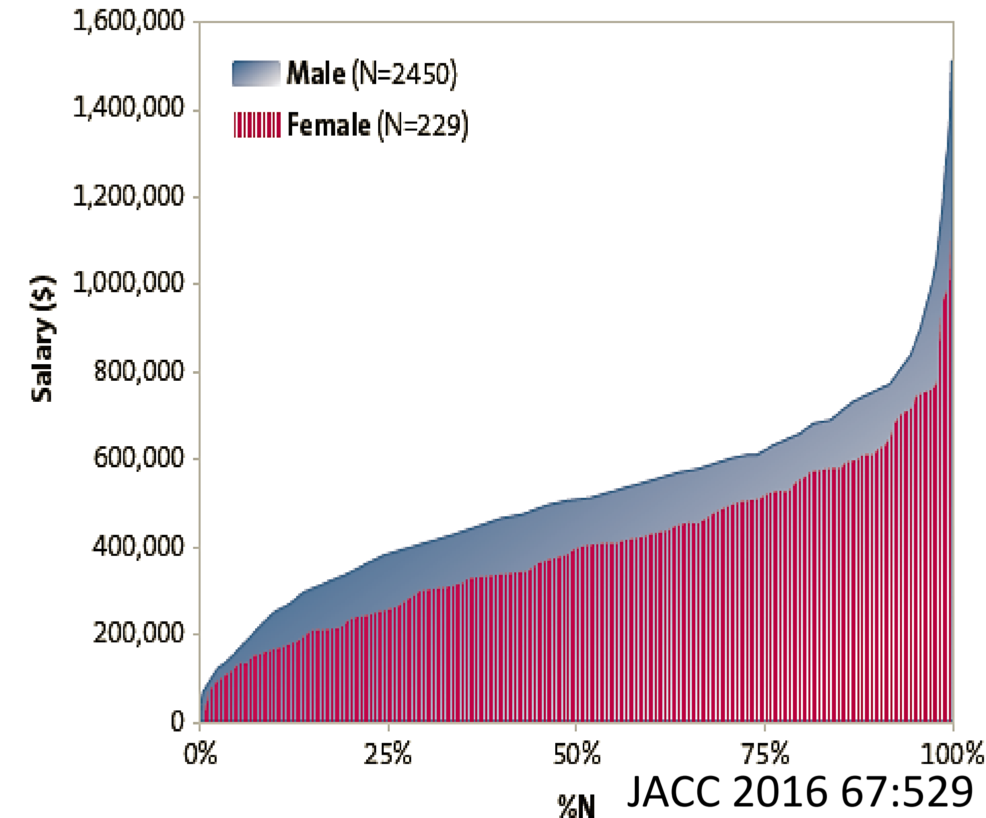
  Susan Smyth, MD, FACC; University of Arkansas

- APPs, Part Time, Sunsetting

  David Brody, MPA; Northwell Health

Why Do We Need to Ensure Equity in Compensation?

- Inequity in compensation is common
- Adverse effects on individuals, and institutions
- Many risks: Legal, regulatory, well being
- Building a culture of equity and inclusion requires:
  - Institutional leadership, resources, policies
  - Individual education and awareness
  - Continuous improvement/culture change



JACC 2016 67:529

HEALTH POLICY STATEMENT

2019 ACC Health Policy Statement on Cardiologist Compensation and Opportunity Equity

1. The American College of Cardiology believes that cardiologist compensation should be equitable and fair for equivalent work.
2. The American College of Cardiology believes that cardiologist compensation should be objectively determined by a modeled systems approach that is prospectively developed and based on consensus principles.
3. The American College of Cardiology believes that cardiologist compensation should be fully aligned with an organization/practice's business strategies, mission, and core values.
4. The American College of Cardiology believes that cardiologist compensation should be individualized to reflect performance, productivity, and other prospectively determined factors.

JACC 2019 74:1947

Why is a Compensation Plan Important?

- **Advantages of a structured compensation plan**
  - Strategic approach
  - Opportunity for market and mission alignment
  - Development process can engage physicians
  - Maximizes workforce satisfaction and collegiality
  - Attracts and retains talent
  - Prospective approach for new hires, retentions, leave
  - Prepares for shift to value based reimbursement

No Compensation Plan = Missed Opportunity

Elements of A Compensation Plan

RVU-based compensation models

- Set annual guaranteed base pay and RVU target with additional pay
- Set annual base pay based on previous year RVU total

Other Clinical Activities

- Call pay
- Performance Pay (quality, safety, new programmatic initiatives etc.)

Non-RVU Generating Activities

- Administrative time.
- Teaching, education, mentoring.
- Research (extramurally or internally funded)
- Professional Development/Academic time

Alternatives to RVU-Based Models

- **Mission-driven compensation**
  - Component A = base salary for academic service
  - Component B = participation in academic or administrative roles and for the quality of academic productivity
  - Component C = clinical payment either fixed or variable based on productivity

Alternatives to RVU-Based Models

- **Time-based compensation**
  - Set time expectations for all activities.
  - Establish an average time expectation, e.g. 50h week.
  - Set salary base salary and adjust up or down for individuals who work more or less hours/week.
  - Typically need to set base salary by specialty area – interventional, EP, heart failure, general cardiology.
  - At risk portion for group productivity and performance.

APPs – Roles and Compensation

- Ensure we are using APPs at top of license
- APP comp models can have a variable structure and format, but should be aligned with the clinical and administrative vision for the department or practice
- Composition of total pay can be multivariate taking into consideration factors such as years of experience, medical/surgical specialty, geographic or institutional setting along with other associated benefit attributes
- Dyad models of team based care with physicians enhance end points of care delivery
    - Design models that don't compete with physician compensation models; should align
- Modernize compensation models
    - Salary with organizationally aligned bonus model preferred (i.e. quality, productivity, revenue generation)
    - Should promote team-based care
    - Should reflect differences between major specialties
    - Other options: hourly, straight salary, salary + productivity (individual or group), Salary plus incentive bonus (quality, pt. experience etc.)

Part-time and Sunsetting

- Should be talked about proactively (i.e. physician life-cycle)
- Align physician goals and organizational goals
- Clinical vs. academic vs. research routes
- "Career Concluding Contracts" (CCC)
  - Decreasing hours and comp over a reasonable timeline (various models)
  - Early, proactive and respectful conversations
  - Layer in backfill/succession (can use proceeds from CCC to fund)
  - Bonus consideration for successful transitions
- Use data and objective information to drive the need

Key Takeaway: Start contract conversations early and respectfully to have a well devised plan moving forward

Take Home Points

- How an organization manages compensation reflects…*and communicates*… its strategy, values and priorities
- There is no one size-fits-all plan
- The 'best' plan is one which includes multiple components and addresses the needs of all staff, regardless of role or career stage