

Analyzing Physician Compensation Trends: Establish a Data-Driven Approach

DECEMBER 2022

STEVE HENDRICK & RICHELLE COX



ABOUT CURI ADVISORY

Data-driven, human-inspired business solutions

In today's fast-moving healthcare landscape, technology and data alone are not enough. You need human insight to make data actionable. As thoughtful partners with deep practice management expertise, we actively listen and proactively curate solutions to protect, optimize, and grow your practice.



ARROWLYTICS PLATFORM

A practice analytics platform that pulls practice data from various sources, including social media, to provide total practice insight.

[LEARN MORE](#)

CONSULTING SERVICES

Valued advice from a team that leverages data and years of practice and risk management experience to help practices make business decisions with confidence.

[LEARN MORE](#)

Agenda

1. Defining the Challenge
2. Pinpointing the Issue
3. Learning from Other Practices
4. Considering a New Solution
5. Q&A

PHYSICIAN COMPENSATION

Defining the Challenge

We've All Been There...

Why did my compensation go down this month?

Why does Dr. Smith's compensation seem to be trending higher than mine for the last quarter?

Should I be seeing more patients to make up for lost compensation last month?

Can you speak to the billing team about working my accounts?

Can you tell me what my compensation is going to be for the rest of the year?

...And Tried to Dig into the Data



PHYSICIAN COMPENSATION

Pinpointing the Issue

Step 1: Identify Impacted Providers



Geographic Location



Group or sub-specialty



Individual provider

Step 2: Review Probable Causes

Provider
Productivity
Changes

Provider
Utilization
Changes

Revenue Cycle
Issues

Where
many
of us
start!

Step 2: Review Possible Causes

PROVIDER
PRODUCTIVITY
CHANGES

- ☐ Declining office sessions
- ☐ Changes in new/established patient ratios
- ☐ Fewer patients per session
- ☐ Declining surgical sessions
- ☐ Fewer surgical cases per sessions
- ☐ Ancillary yield (office visit to ancillary ratio)
- ☐ Labor costs not aligned to productivity changes

Step 2: Review Possible Causes

PROVIDER
UTILIZATION
CHANGES

- ☐ Increase in time it takes for patient to get appointment
- ☐ Significant decreases in wait times/market demand changes
- ☐ Increase in no-show appointments
- ☐ Increase in same day canceled appointments
- ☐ Decreased patient satisfaction with office
- ☐ Decreased patient satisfaction with provider
- ☐ External provider referral pattern changes
- ☐ Payor mix changes related to external referrals
- ☐ Ancillary leakage

Step 2: Review Possible Causes

REVENUE
CYCLE ISSUES

- ☐ Time of service collection issues
- ☐ Increased missing tickets (office or surgery)
- ☐ Under coding compared to bell curve trends
- ☐ Changes in AR Days or AR Aging
- ☐ Increase in denials
- ☐ Payor mix shift for office or surgical visits
- ☐ Decrease in charges per office or surgical encounter
- ☐ Decrease in revenue per office or surgical encounter

But **finding time to analyze** all
the data is still a **challenge**

The Ideal Process

How often do we get to work through this entire process?



PHYSICIAN COMPENSATION

Learning from Other Practices

A Case Study: Referral Market Shift

Orthopedic practice with downtown specialty centers whose sub-specialist rotate out to the community locations to fill specialty needs. One of their spine physicians asked why their compensation started declining.

- **Check 1:** All physicians or just spine section? **Just spine.**
- **Check 2:** All spine physicians or just individual who raised it? **Just the one.**
- **Check 3:** Are physician's sessions worked down? **No, they're consistent.**
- **Check 3:** Is physician's new patient volume down? **No, they're consistent.**
- **Check 4:** Is physician's patients per office and surgical session down? **No.**
- **Check 5:** Any changes in billing and collections performance? **No.**
- **Check 6:** Has physician's payor mix changed? **Yes, but only at one location.**
- **Check 7:** Medicaid and self-pay % shot from **4%** to **35%.**

A Case Study: Referral Market Shift

WHAT CAUSED THE SUDDEN SHIFT?

- The hospital acquired a competing neuro/spine practice in the local market.
- Once acquired, they closed practice to Medicaid/self-pay patients and told the hospital employed primary care practices to send all patients with best payers to them and send less-desirable payers to our client.
- Client leadership pulled all referring data and met with local hospital CEO to share the information and call them out for “cherry-picking” patients.

THE RESULTS? REFERRAL PATTERNS IMMEDIATELY CORRECTED:

1. Referral patterns immediately went back to historical percentages
2. Client used information to not only correct, but improve market share
3. Health system leadership learned our client monitors everything and hasn't tried redirecting patients to their employed competitors again

A Case Study: Practice Merger

Four independent specialty practices, on four different practice management systems, merged into an aggregated practice.

They consolidated to a common PM one-year post-merger.

- **Division 1:** Physician comp model was working effectively and compliant
- **Division 2:** Model had to be redesigned to be Stark compliant
- **Division 3:** New model had to be constructed—former lead physician was doing calculations, and it did not tie back to general ledger, nor was it compliant
- **Division 4:** New model had to be constructed to be Stark compliant

A Case Study: Practice Merger

NEW CURRENT STATE?

- Practice has ability to view productivity, charges, payments, A/R, and other KPIs that impact compensation, via Arrowlytics platform
- Utilizing the platform, we modeled different scenarios to help practices determine and adopt standard and compliant comp model
- MSO developing automated platform to perform comp calculations

THE RESULTS? COMPENSATION IS NOW:

1. Understood by all MDs in the practice
2. Done to comply with Stark
3. Performed on time

PHYSICIAN COMPENSATION

Considering a New Solution

CONSIDERING A NEW SOLUTION

Our Arrowlytics Platform

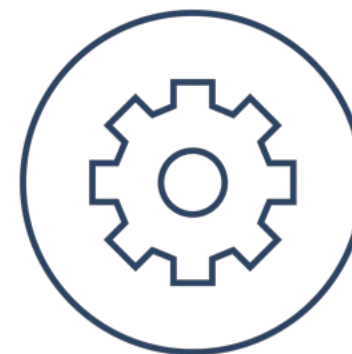
Arrowlytics pulls practice data from disparate sources into one system, providing total practice insight and uncovering real-time opportunities for optimization. Through **online reputation management**, **key performance indicator features**, and **consultative insights & support**, Arrowlytics helps practices:



DRIVE NEW PATIENT
VOLUME



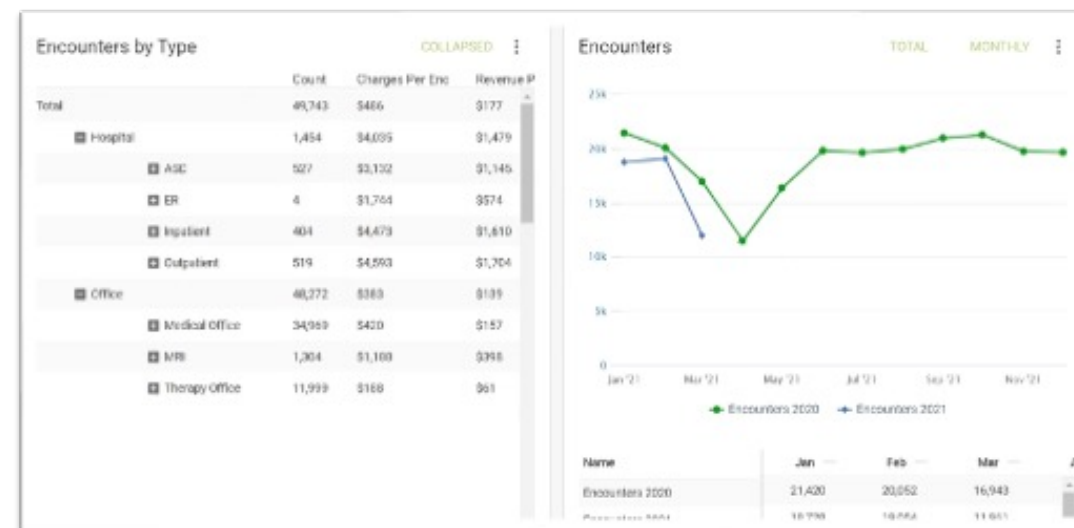
INCREASE MARGIN
PER PATIENT



OPTIMIZE PRACTICE
PERFORMANCE

Provider Productivity KPIs

- ❑ Sessions Worked Year-over-Year
- ❑ New & Established Visits Year-over-Year
- ❑ Office Visit Per Session Year-over-Year
- ❑ Office Visits Per Session by Month
- ❑ Surgical Yield
- ❑ Arrived Patients Per Clinical Support FTE
- ❑ X-Ray Procedures Per Rad Tech FTE
- ❑ Total Appointments per Appt. Scheduler
- ❑ Test/Surgeries Per Test/Scheduler FTE
- ❑ PT/MRI Yield



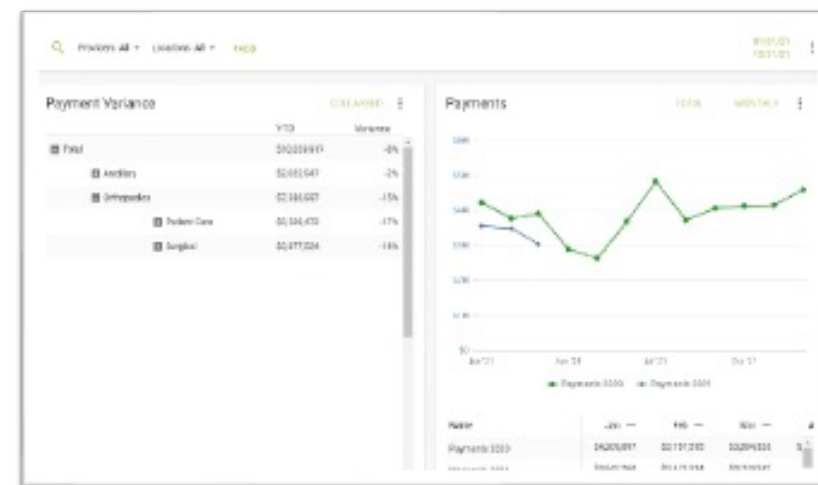
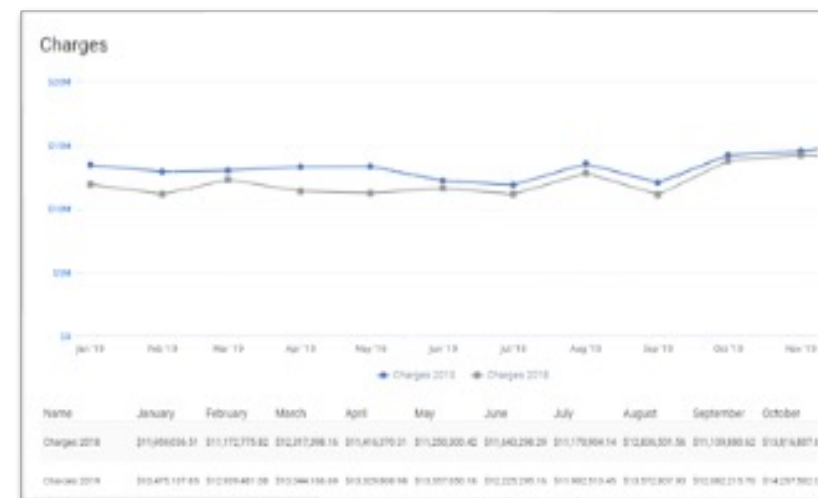
Provider Utilization KPIs

- ❑ Increase in time for patient to get appointment
- ❑ Significant decreases in wait times/market demand changes
- ❑ Increase in no-show appointments
- ❑ Increase in same day cancelled appointments
- ❑ Decreased patient satisfaction with office
- ❑ Decreased patient satisfaction with provider
- ❑ Call center issues relating in satisfaction issues
- ❑ External provider referral pattern changes
- ❑ Payor mix changes related to external referrals
- ❑ Ancillary leakage



Revenue Cycle KPIs

- ❑ Office Time of Service Collections
- ❑ Surgical Pre-Collections
- ❑ MRI Pre-Collections
- ❑ Missing Tickets-Office
- ❑ Missing Tickets-Hospital
- ❑ Established & New Visit Coding Curve
- ❑ AR Days & Days Over 120
- ❑ AR Aging (By Payor/By Revenue Ctr/By Type)
- ❑ Payor Mix by Visit Type
- ❑ Revenue per Encounter (New/Est/Surgery)
- ❑ Charges per Encounter (New/Est/Surgery)



Questions?

Thank you!



STEVE HENDRICK
Partner, Curi Advisory
steve.hendrick@curi.com
704-579-0206



RICHELLE COX
Principal, Curi Advisory
richelle.cox@curi.com
704-609-2122