

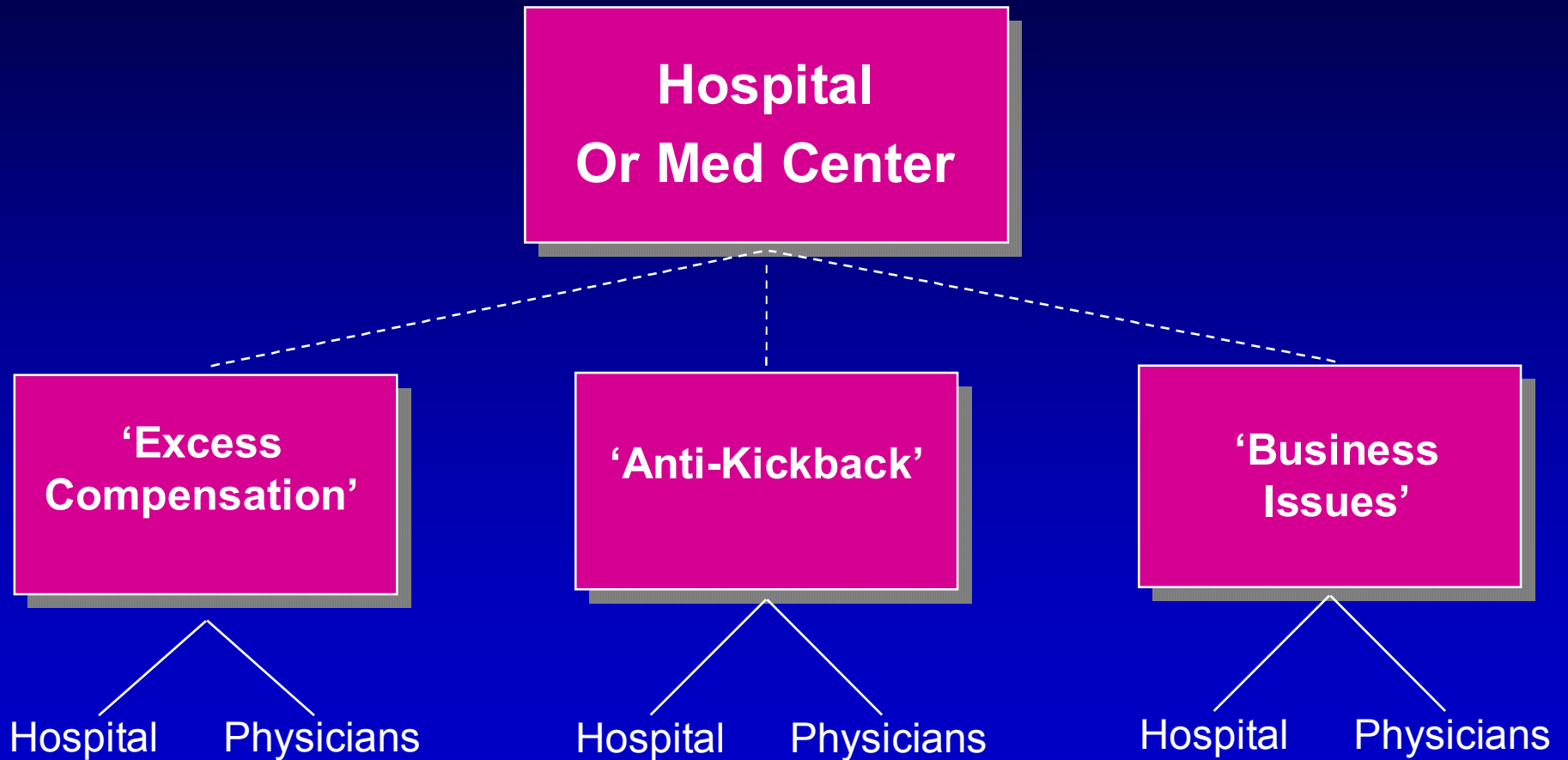
A Few Main Principles
To Keep in Mind Regarding
Compensating 'Physician Executives'
In Hospitals and Medical Centers

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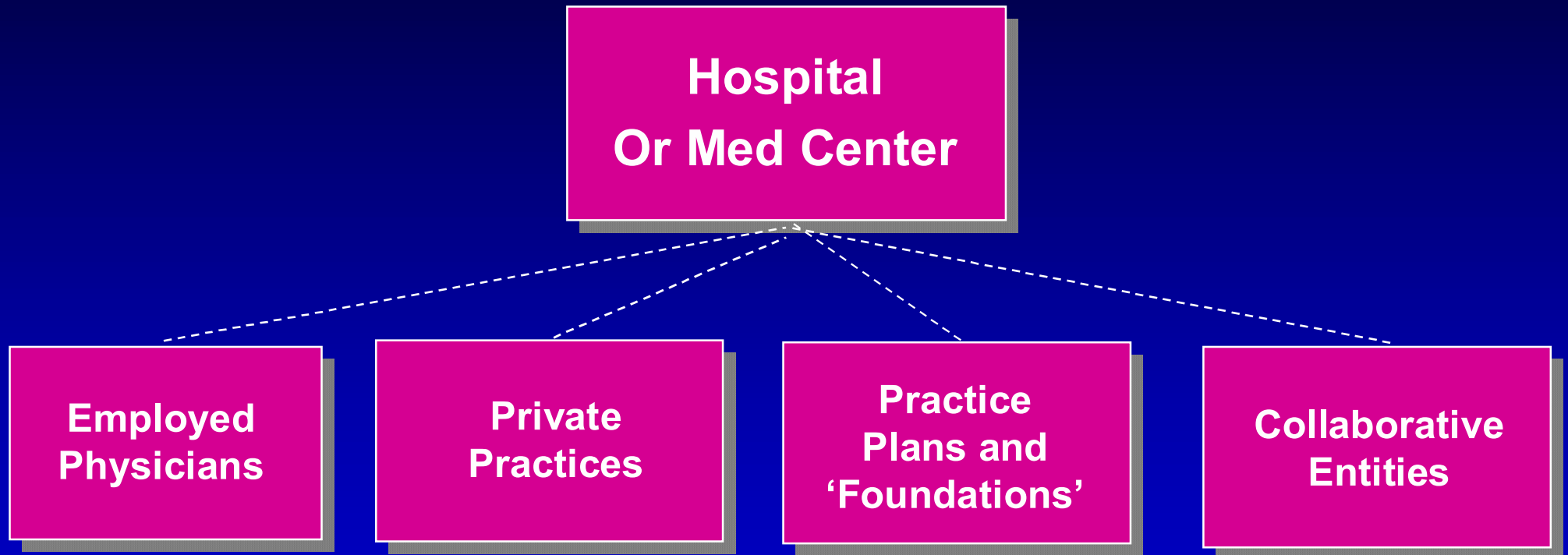
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Range of Implications



Entities Potentially Involved



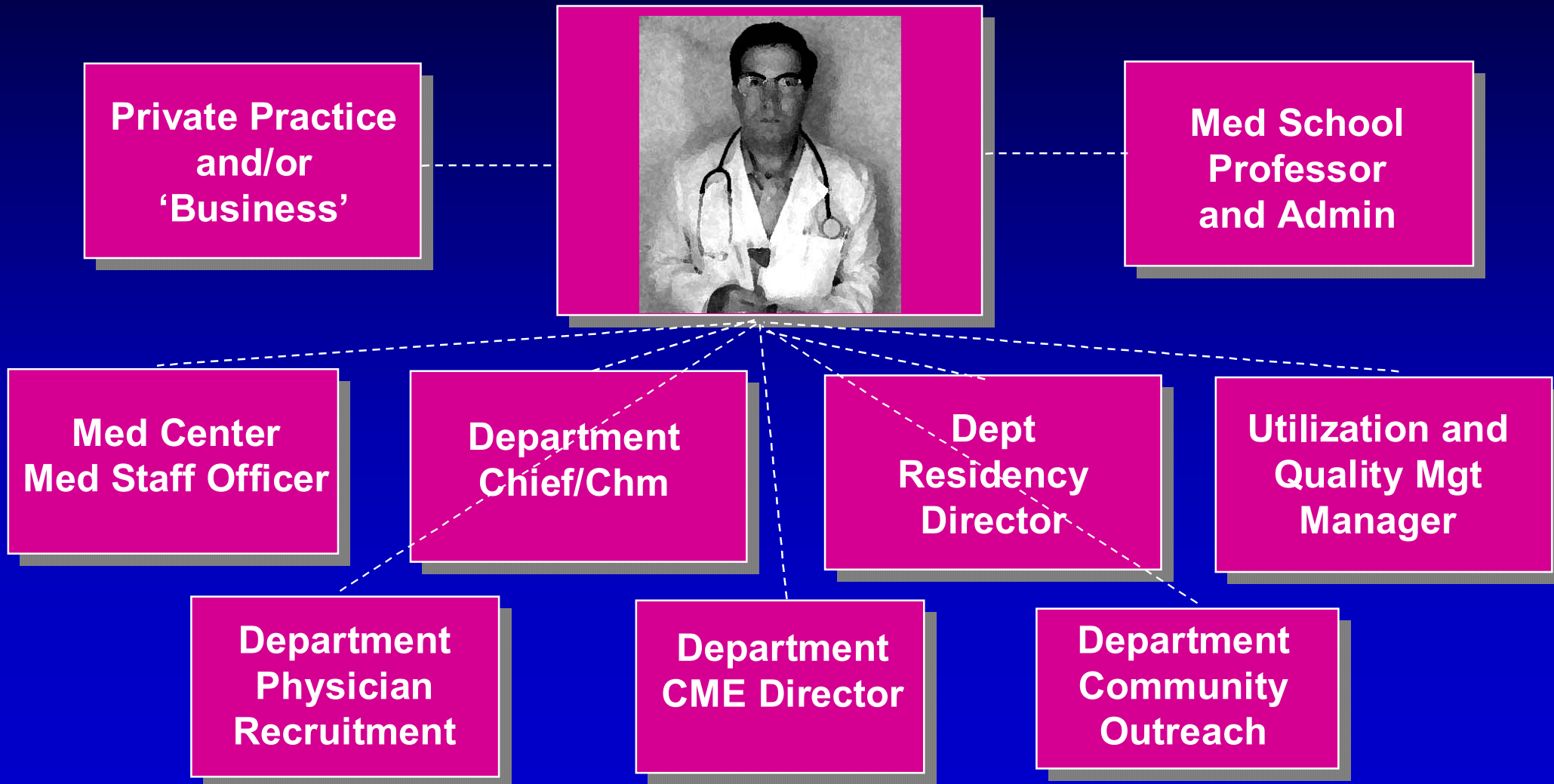
Importance of 'Whole Person'



Understand and appreciate the full range of activities and business interests of a physician or group.

Multiple Positions

Can Attract Attention Irrespective of Other Factors!



Be Aware of the Changing, Evolving Mindset and Approach to 'Value'

The underlying, fundamental understanding of
the phrase in Section 4958(c) (1)
is changing and becoming more sophisticated:

That 'excess compensation' results
“...if the value of the economic benefit
exceeds the value of the consideration...”

A True Understanding of the Implications of 'Value' Means Asking Some Questions...

- Who is coordinating the issues surrounding 'physician execs' in the hospital and does proper interface exist with H/R, 'compliance' and top management?
- Does the hospital/med center understand all the activities and relationships of the individual in question (in the healthcare/business context of his/her life)?
- Is there a true and unique need for a physician in the admin position?
- If one person holds multiple positions, are all of these necessary as separate and separately compensated positions and, if so, is proper documentation being maintained with appropriate, active involvement of the physician with respect to each of the multiple positions?
- How was compensation determined for the position or positions?
- Were and are goals/objectives/performance standards set?
- Is there an ongoing, regular monitoring of 'value received' with the active participation of the physician in question???

Be Aware of the Need for Hospitals/Med Centers To Initiate Interactive, Ongoing Documentation

Just a few key items...not intended to be an exhaustive list...

A properly formatted and complete 'job description' and justification thereof.

Up-to-date and accurately maintained resume/CV.

Annual, quarterly and monthly goals and objectives, emphasizing both routine duties and those objectives that 'add value.'

Benchmarks and criteria for judging performance and reviews thereof.

Realistic time commitment and method of tracking both time and accomplishments.

For more information....

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