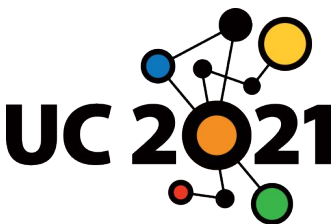


# How Much Should I Pay An Employed Clinician

Chip Hart

Director of Pediatric Solutions



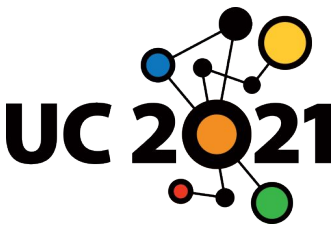
# Session Goals

1. Formalize your goals and assumptions
2. Formalize *their* goals and assumptions
3. Do The Math



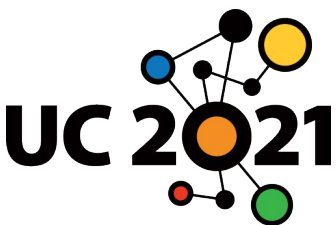
# First Question: Why?

- High Patient Volume?
- Additional Revenue?
- Relief?
- Future partner?
- Expanded Coverage?



# Assumption

Your practice is not so desperate for an additional clinician that you are willing to take a financial loss in order to employ one.



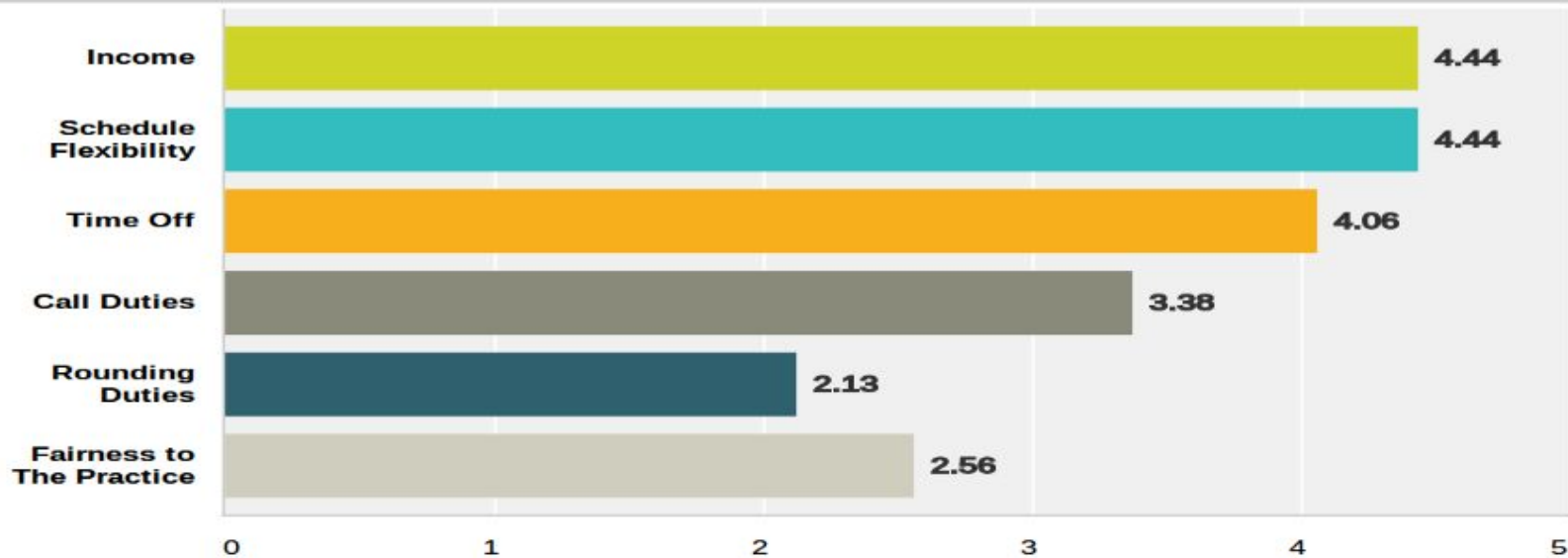
# Hire Properly In The First Place



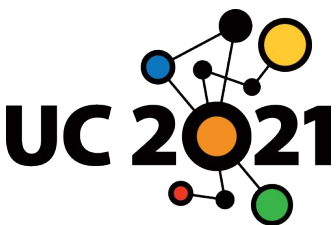
<http://bit.ly/WrongPeople>



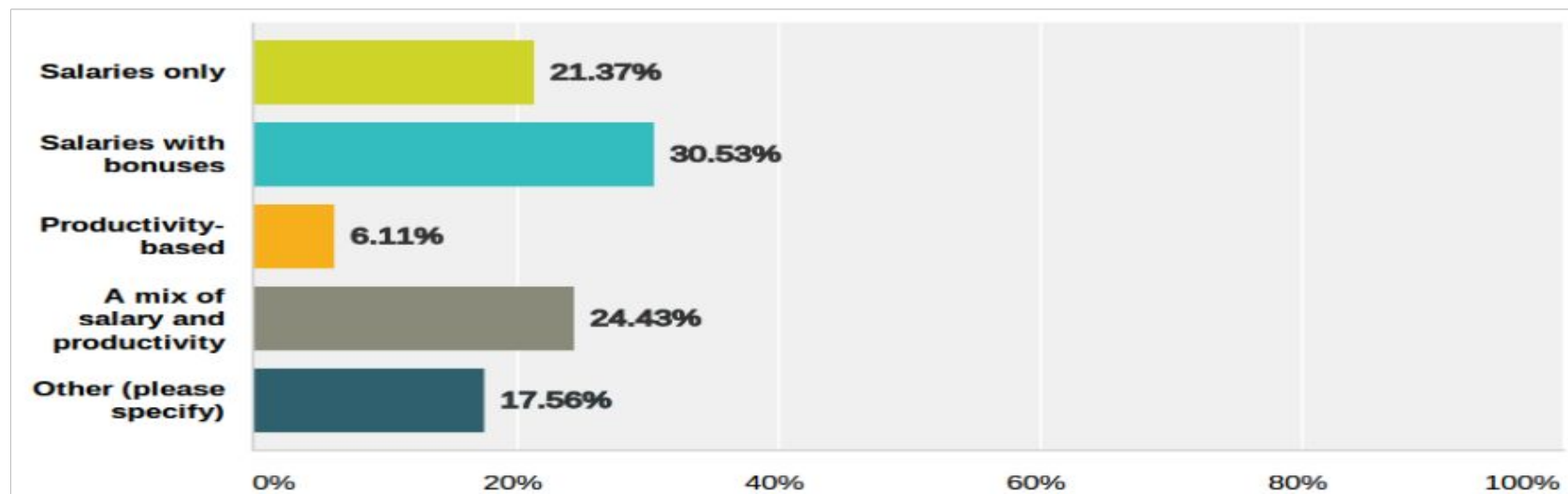
# Consider The Entire Compensation Package



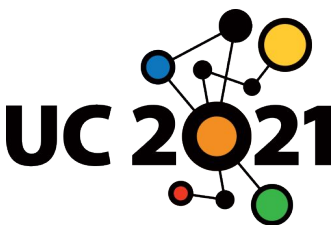
Ranking of compensation objectives on a scale of 1-6 by employed physicians, 2013 Pediatric Compensation Model Survey, PCC.



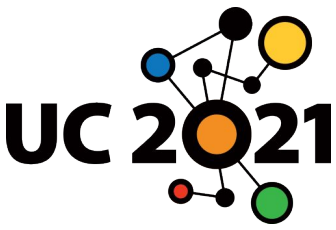
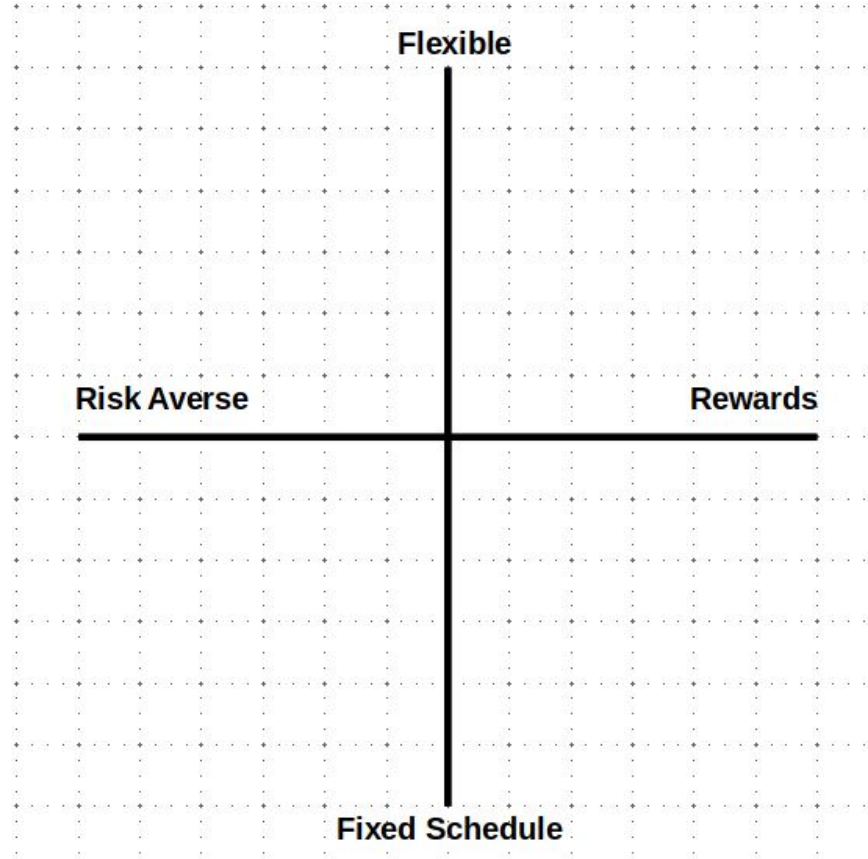
# Consider The Compensation Model



Distribution of compensation models for employed physicians in pediatrics offices, 2013 Pediatric Compensation Model Survey, PCC.

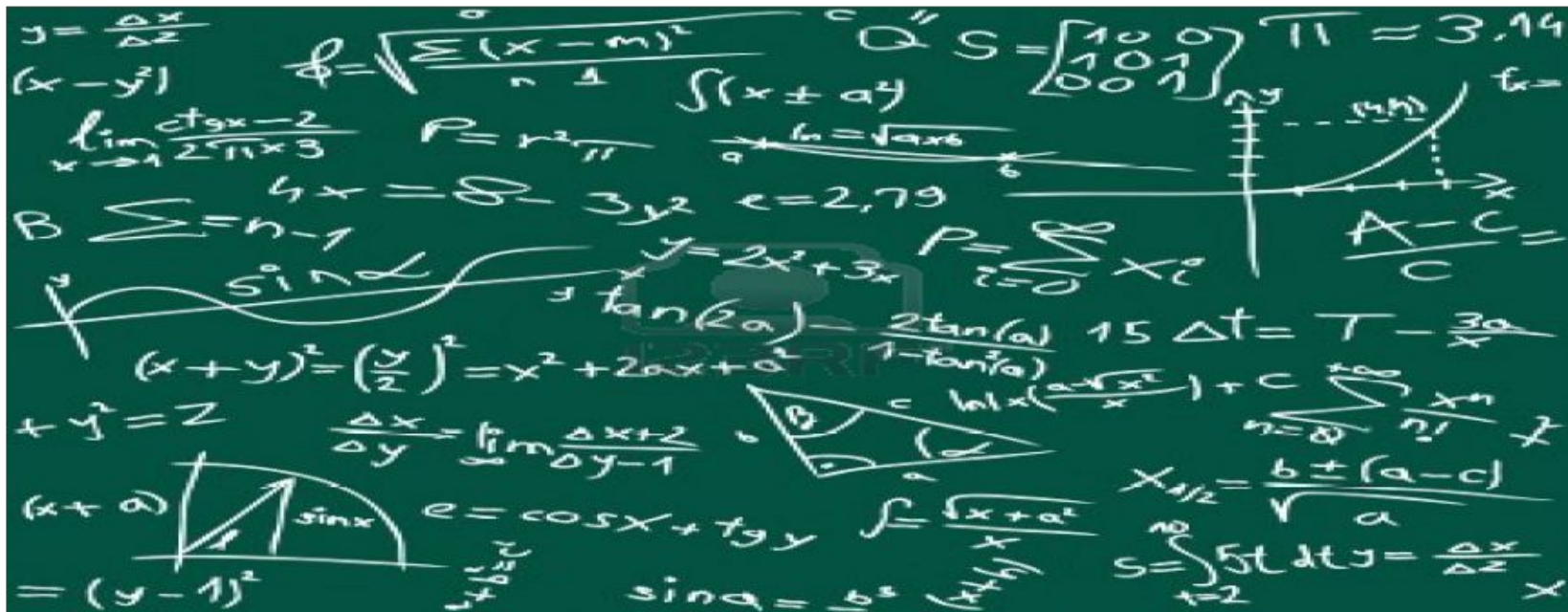


# The Employed Clinician Risk vs. Lifestyle Quad

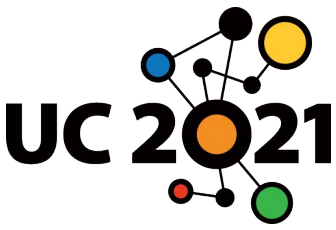
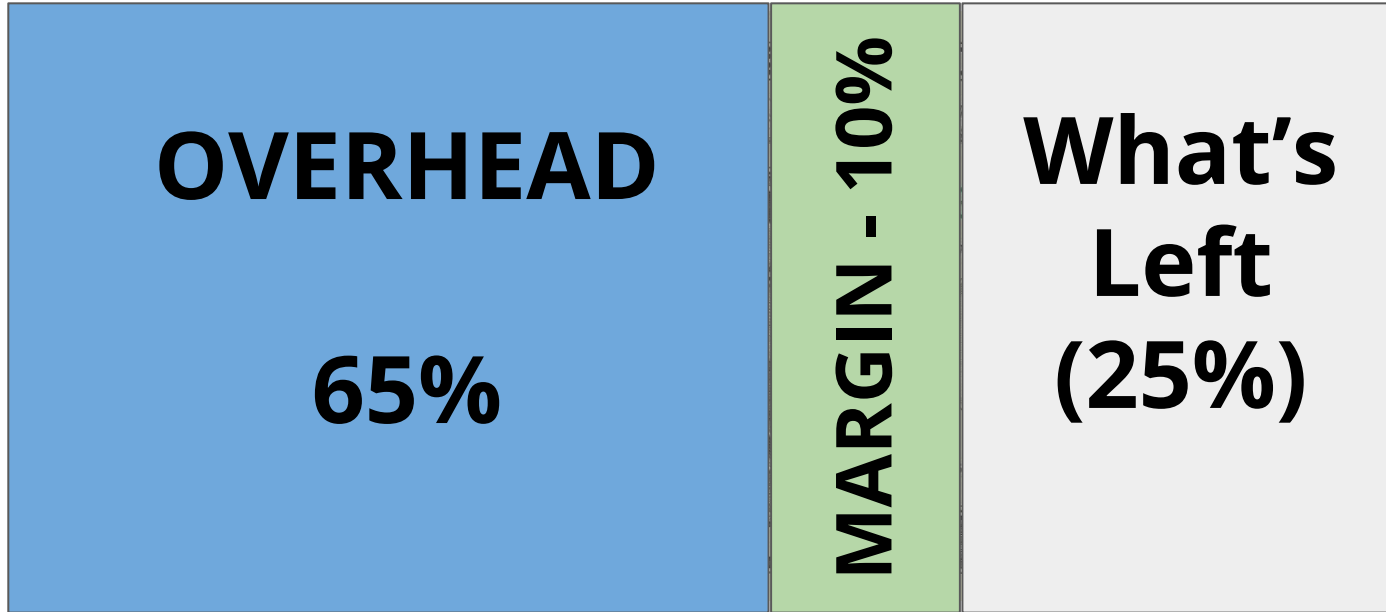




# Finally: Do The Math



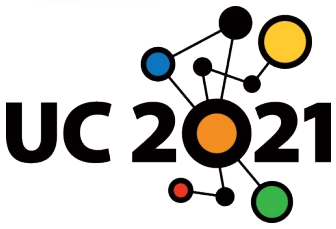
# Here's the Math!



# Rule of Thumb



A good rule of thumb: 20-30% of expected payments is fair to the practice and to the employed clinician



# Example

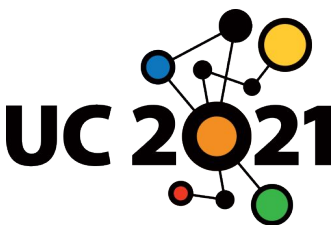
NP Revenue	\$200,000
Overhead (60%)	\$120,000-
Margin (10%)	<u>\$20,000-</u>

**WORK IN REVERSE!**

**\$60,000**

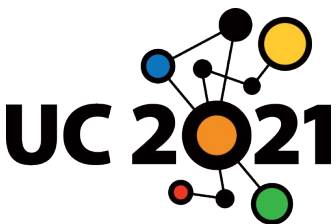
NP Expense  
Subsidy

\$75,000  
**\$15,000**



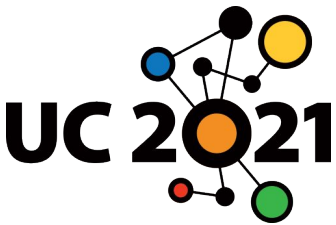
# Example

New Physician Expense	\$200,000
Revenue to Cover Overhead (60%)	\$500,000
Margin (10%)	<u>\$50,000</u>
<b>Required Revenue</b>	<b>\$550,000</b>



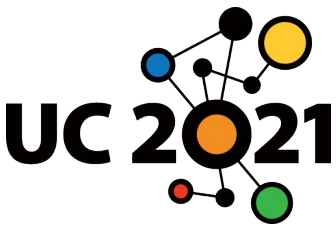
# Session Takeaways

1. Do the Math so you don't lose money!
2. Communicate so you understand each other's goals.
3. Remember that everyone's needs change.



# What Questions Do You Have?

Questions posted in the Socio will be read aloud by moderator for the presenter to answer. Please post your questions in Socio now.



# Later Viewing

This and all other UC2021 course recordings will be available for later viewing through Socio.

