

Quick-Hitting Survey Physician Specialist Performance Metrics

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Executive Summary

Methodology

In December 2018, The Health Management Academy conducted a quick-hitting survey of Leading Health System executives around physician specialist performance metrics. The 8 responding Chief Medical Officers (CMOs) and Medical Group Leaders represent health systems with an average Total Revenue of \$6.2 billion that own or operate 102 hospitals with approximately 1.1 million admissions per annum.

Key Findings

- Most health systems (72%) integrate performance metrics into their compensation models for salaried specialist physicians.
- The most common performance metrics utilized to determine specialist compensation include patient satisfaction (100%), patient access (60%), corporate citizenship (60%), and care quality (60%).
- Health systems leverage individual and group performance incentives, absolute and relative performance targets, and a combined reward and penalty strategy to determine specialists' performance compensation.

Results

Health systems commonly employ specialist physicians through a salaried compensation model, with 57% of health systems classifying over half of their specialist physicians as salaried employees (Figure 1). One executive specified their organization has academic, employed, and contracted physician specialists, all of which have differing compensation models.

Most health systems (72%) integrate performance metrics into their compensation models for salaried specialist physicians (Figure 2). Among those health systems, the percent of compensation tied to performance is relatively small, representing up to 10% of compensation for the majority (58%) of physicians.

To ensure the success of pay for performance compensation models, clinical executives note that physician involvement and engagement in the development of the models is crucial.

FIGURE 1. WHAT PERCENT OF YOUR ORGANIZATION'S SPECIALIST PHYSICIANS ARE SALARIED EMPLOYEES?

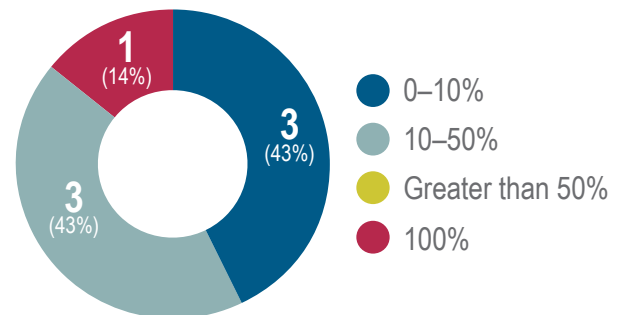
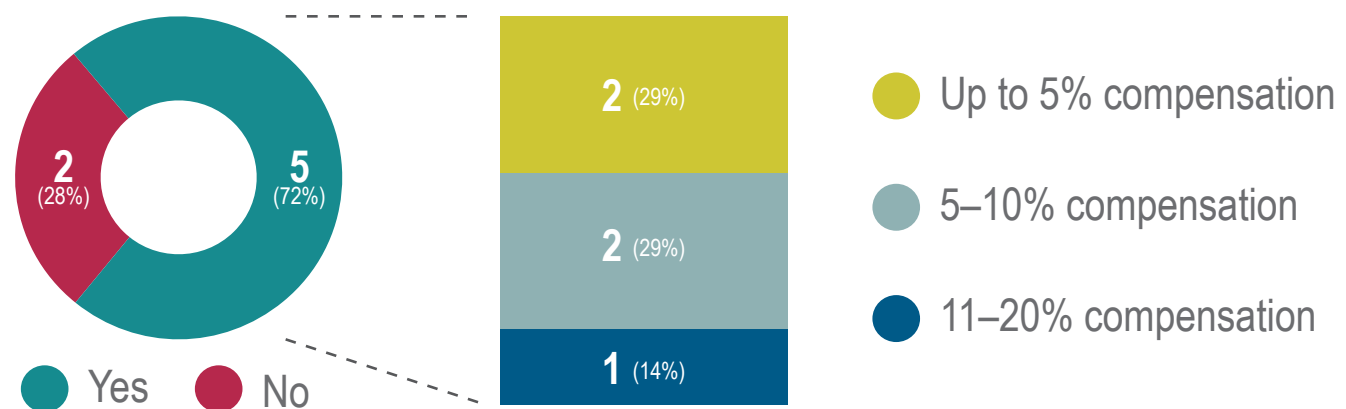
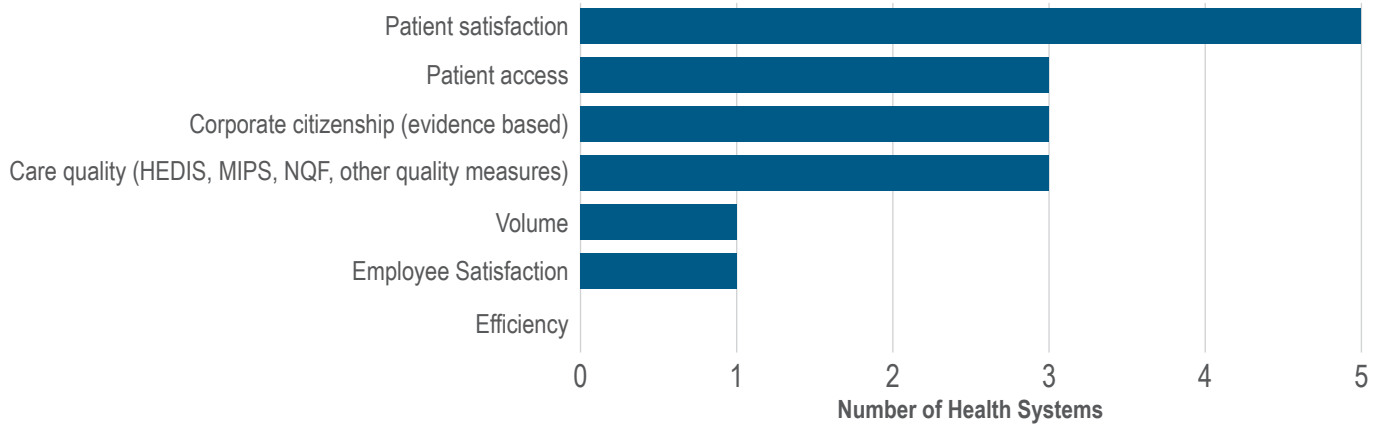


FIGURE 2. DO YOUR HEALTH SYSTEM'S SALARIED SPECIALISTS HAVE PERFORMANCE METRICS INTEGRATED INTO THEIR COMPENSATION MODELS? IF YES, APPROXIMATELY WHAT PERCENT OF COMPENSATION IS TIED TO PERFORMANCE METRICS ON AVERAGE?



For those health systems that have some percent of compensation tied to performance, the most common metrics utilized to determine performance include patient satisfaction (100%), patient access (60%), corporate citizenship (60%), and care quality (60%) (Figure 3).

FIGURE 3. WHAT TYPES OF PERFORMANCE METRICS DO YOU USE IN DETERMINING SPECIALIST COMPENSATION? (CHECK ALL THAT APPLY.)



Most health systems' pay for performance programs (83%) are mandatory for specialists, typically part of the organization's standard compensation model (Figure 4). Health systems commonly utilize both group and individual compensation incentives for physician specialists (Figure 5) as well as a combined reward and penalty strategy as part of the pay for performance program (Figure 6). Additionally, most health systems use a combined approach to performance targets, integrating both relative and absolute performance targets in their specialist performance compensation model (Figure 7).

FIGURE 4. IS ENROLLMENT FOR SPECIALISTS IN A PAY FOR PERFORMANCE PROGRAM VOLUNTARY OR MANDATORY?

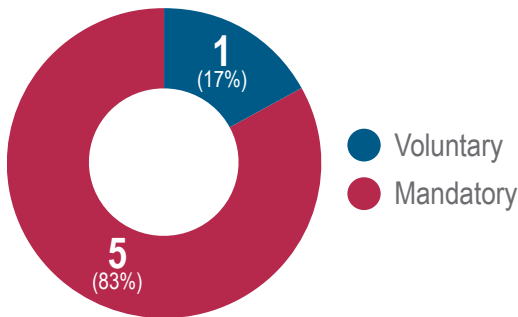


FIGURE 5. DOES YOUR ORGANIZATION USE GROUP OR INDIVIDUAL PERFORMANCE COMPENSATION INCENTIVES FOR SPECIALISTS?

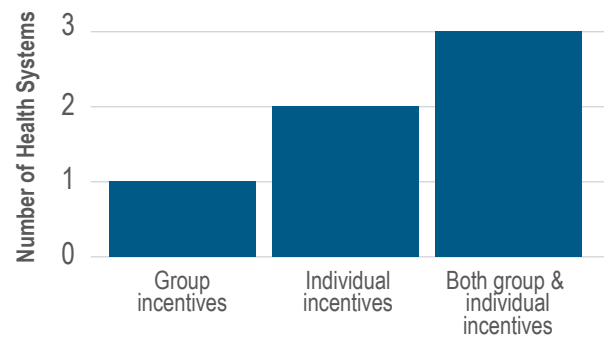


FIGURE 6. DOES YOUR SPECIALISTS' PAY FOR PERFORMANCE PROGRAM UTILIZE A REWARD, PENALTY, OR COMBINED REWARD AND PENALTY STRATEGY?



FIGURE 7. DOES YOUR ORGANIZATION USE RELATIVE PERFORMANCE TARGETS OR ABSOLUTE PERFORMANCE TARGETS IN YOUR SPECIALIST PERFORMANCE COMPENSATION STRATEGY?

