Purpose and Objectives

- Identify Key Players
- Building Relationships
- Look at Alternative Alignment Strategies
Identify Key Players

- Board of Directors
- Medical Staff
- Hospital Leadership
Where does your organization stand on employment?

- Jackson Healthcare survey of physicians included 1,527 physicians surveyed between April 18th and June 5th
- Primary care physicians employed by hospitals doubled from 2013 to 2014 from 10% to 20%
- Solo practice: 21%
- Ownership stake in single specialty practice: 17%
- Single or multi-specialty practice owned by hospital or health system: 14%
- Employed by a privately owned practice: 14%
- Independent contractor or locums tenens: 9%
- Ownership in multi-specialty practice: 4%
What’s driving the employment trend?

- **Hospitals**
  - Maintain market share / stable income
  - Bundled Payments

- **Physicians**
  - Financial Pressures
    - Critical shift from fee for service to pay for performance
  - More leverage in contract negotiations on both purchase and reimbursement
  - Lifestyle preference
Employment Model

- Base Compensation Model with Productivity Incentives
- Non Compete Clause
- Quality incentive
  - Tiered matrix
- Benefit Package
  - Malpractice Insurance
  - Group Health Insurance
  - Retirement Plan
Alternative Alignment Strategies

- Joint ventures
- Provider based clinics
  - 42 CFR 413.65
- RHCs
“You can't build a reputation on what you're going to do.”

Henry Ford

We need to create a common ground with our physicians by creating a unity of purpose.
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