

Case Study

On-Call Coverage Compensation Previously Non-Compensated

A large academic health system ("System") needed to form a professional services agreement for on-call coverage services to a neighboring hospital ("Hospital") which historically had been provided free of charge.

Situation

The System was located across the street from the Hospital and had various on-site professional service arrangements with the Hospital. Due to the proximity, the System would frequently receive emergent calls from the Hospital for life-saving support from System-employed physicians. The System wanted to engage an independent third-party valuation firm with extensive experience in on-call coverage arrangements to determine the fair market value (FMV) of the services they were providing to the Hospital.

VMG Health Services Provided

- Physician Compensation Design
- Physician Compensation FMV

Does your organization have a valuation, strategy, or compliance need? Reach out today for a complimentary assessment from a VMG Health expert.

Contact

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Solution

As part of the FMV analysis, VMG Health considered clinical and on-call coverage compensation market survey data. In addition, VMG Health conducted a robust review of the services provided for life-saving support and the burden of the call coverage services in terms of supply and demand, frequency, and duration when called in. Since this would be a new agreement for both parties, VMG Health also provided compensation consulting services for how to structure the payments and scenario-tested compensation levels at different tiers of annual call-ins.

Success

VMG Health determined the FMV compensation for the on-call coverage services being provided to the Hospital with consideration of the specific details of the arrangement. VMG Health's analyses were used by System executives and legal counsel in the negotiation process and in the development of the on-call coverage service agreements.

Client Results

92%

Client Satisfaction
Rating

About VMG Health

VMG Health is a leading, national, full-service healthcare strategy and transaction advisory firm providing solutions exclusively for the healthcare industry with a long-standing reputation of excellence in client service. Whether you need assistance with traditional transactions or emerging physician compensation models based on value and performance, VMG Health provides the expertise you can rely upon.

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