

Case Study

Interventional Radiology On-Call Compensation Arrangement

A hospital ("Hospital") was seeking a fair market value (FMV) opinion to aid in compensation negotiations with an independent physician group ("Group") that was providing comprehensive radiology and interventional radiology coverage to the Hospital.

Situation

The Hospital contracted directly with the Group to provide on-call radiology and interventional radiology coverage services at the Hospital. The original contract stipulated that the Group would retain the collections from services rendered to patients while providing the coverage, but would not receive any additional compensation. The Hospital had begun to see an increase in patient volume during nighttime and weekend coverage, and the Group was beginning to experience burnout. To ensure continued coverage, the Hospital wanted to engage a third-party valuation firm to determine FMV for the services.

VMG Health Service Provided

➤ Compensation Arrangement
Valuation

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

To determine FMV, VMG Health considered clinical compensation and on-call compensation survey data for the specialties, along with factors contributing to the burden of call. Specifically, these factors included, but were not limited to, reimbursement risk of the Group, historical and anticipated in-person response and phone call volumes, time spent attending to patients when called in, typical acuity of cases performed, and availability of other groups to provide the same level of coverage. Through conversations with the Hospital administration and the Group, VMG Health was able to identify key drivers of the burden of on-call coverage.

Success

VMG Health determined the FMV compensation payable to the Group based on the burden of call and circumstance of the arrangement. Subsequently, VMG Health identified multiple options available to the Hospital for structuring the compensation. The analysis was used by the Hospital in negotiations with the Group to alleviate physician burnout and ensure continued coverage at the Hospital.

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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