

Case Study

Optimizing Physician Compensation: Recruitment and Mentorship Services

A physician practice revising an employment agreement with a currently employed physician for the provision of recruiting and mentoring services was seeking a fair market value opinion for regulatory and compliance purposes.

Situation

A physician practice engaged VMG Health to provide a fair market value analysis of recruiting and mentorship services to be provided by a currently employed physician (Physician) specialized in Anesthesiology: Pain Medicine. The Physician would assist the practice in identifying and recruiting new physicians as the lead recruiter, which would be compensated at a per-candidate rate for successful recruitments. The Physician would also provide mentorship services to newly hired physicians, including shadowing where the Physician would bill and collect for patient services rendered in addition to an hourly compensation rate, and non-billable mentoring like discussions and supervising where the Physician will only receive an hourly rate.

Services Provided

➤ Provider Compensation 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

VMG Health conducted a fair market value analysis of the services, consisting of a market approach for the recruitment services and cost and market approaches for the mentorship services. The analysis included a review of market comparables for physician recruiting costs, clinical compensation market survey data for Anesthesiology: Pain Medicine, administrative/educator market survey data, and the unique experience and qualifications of the Physician providing the services. In addition, VMG Health conducted an extensive interview with both the physician practice and the Physician to understand the specific tasks performed during the mentorship services and how much the mentorship services impacted the provision of clinical services.

VMG Health provided separate, hourly rates for both the shadowing mentorship services and the non-billable mentorship services. VMG Health determined the hourly rate for non-billable mentorship services using the information from the sources previously discussed. VMG Health then discounted the non-billable hourly rate by the Physician's expected lag in productivity as a direct result of the shadowing services to account for the Physician continuing to receive clinical compensation during the provision of these services.

Success

VMG Health determined the fair market value compensation for the Physician's provision of recruiting and mentorship services, considering the specific details, facts, and circumstances of the arrangement. The physician practice used the analysis for regulatory and compliance purposes and to aid in determining the compensation rates included in the Physician's revised employment agreement.

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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