Lessons Learned when the Compensation Consultant Cometh..

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Scenario – "a Postulated Sequence of Events"

ACT 1

New Chair, several years into job as an outside hire for a recently amalgamated system-employed group formed from PP Anesthesiologists from several clinical sites, is asked whether he would approve of a system initiative to reexamine and validate compensation structure, as for Hospitalists, Radiologists and others.

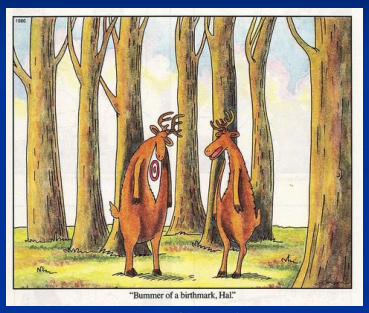
Chair has a good handle on departmental productivity from national benchmarking data, and knows compensation has not been examined in more than three years.

He agrees - wants to be viewed as advocate for his physicians, and as a willing and engaged partner with his administrative colleagues.

A national independent compensation consultancy, steeped in FMV, is engaged...

Lesson #1 from Act 1: Start with WHY?

- Ask them Why is this important, and Why now?
- Ask Who is it that is requesting this, and figure out the motives. Is it really about whether your department's compensation is fair, or are there other factors in play?
- Ask your colleagues (Clinical Division Chairs) if their divisions have been similarly requested/involved previously, and what was the process/outcome.
- Because if you DON'T….


"Bummer of a birthmark, Hal."

ACT 2: Consultant Cometh and Renders Judgment

Consultant requests mountains of data dumps, and promises to parse out work effort and productivity from Epic, in order to provide "Granularity".

Begins to provide snapshots of work effort and "Efficiency", most of which were very well known to Chair and departmental clinical leaders. Too many beholden locations, without sufficient clinical volume for each. OR utilization of ~ 50%.

Consultant preliminary report focuses little on compensation. Offers explanations to link inefficient utilization of anesthesiology staff to "normalized" productivity.

Chair begins to feel as if he and department are Hal…

Lessons from ACT 2

- Don't react viscerally – it's not personal.
- Remember who is paying.
- If a consultant can't explain it simply, they probably don't understand it enough either.
- Instead, take time to thank them for their information, and begin to educate others about their findings.
- Remember…

The Lesson from ACT 2:

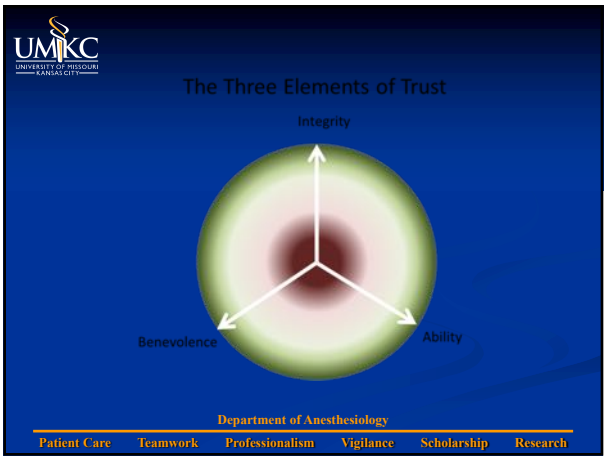
- *" Your Life As A Chair Will be 10% Of What Happens To You, And 90% of How You React To It"*
- It's all about perspective…
- In our case, the consultant did actually do us a big favor by placing a large $ to the cost of the hospital's inefficient use of anesthesiology resources "…to better align anesthesia resources with utilization, **SLHS Surgical leadership must be engaged…"**

ACT 3

- Engage your surgical and administrative colleagues in a discussion about OR utilization – your geographical and supervision (residents, case mix index and complexity of care, concurrency compared to other peers, etc.) and where you can all work together to improve your and the hospital's efficiencies **together.**
- **Reach out to your colleagues in the academic community for guidance/advice/education!**
- Your facility is NOT one of 3000+ modest to large sized hospitals that consultants regularly evaluate and use to develop their data set comparisons, but a top tier AMC with a CMS 5 Star / Becker's 100 /thrice Magnet status/etc.

ACT 4

- Department offered to staff new locations with saved resources.
- OR utilization rates have improved markedly to above 60-70%
- Remember that the rate of System leadership change is far greater than that of physicians.
- Consultant findings focused on facility inefficiencies, resulting in…..nationally prominent OR Efficiency Consultant!
- **"…geography is the primary challenge to the efficient delivery of operative care…"**
- Department is engaged in helping to implement OR efficiency project, co-championed by both anesthesiology and surgery Chairs…scheduling, preference cards, vendor selection, standardization, etc.



Thanks!