



COLLEGE of AMERICAN
PATHOLOGISTS

Exploration of Compensation Models And Workload Distribution

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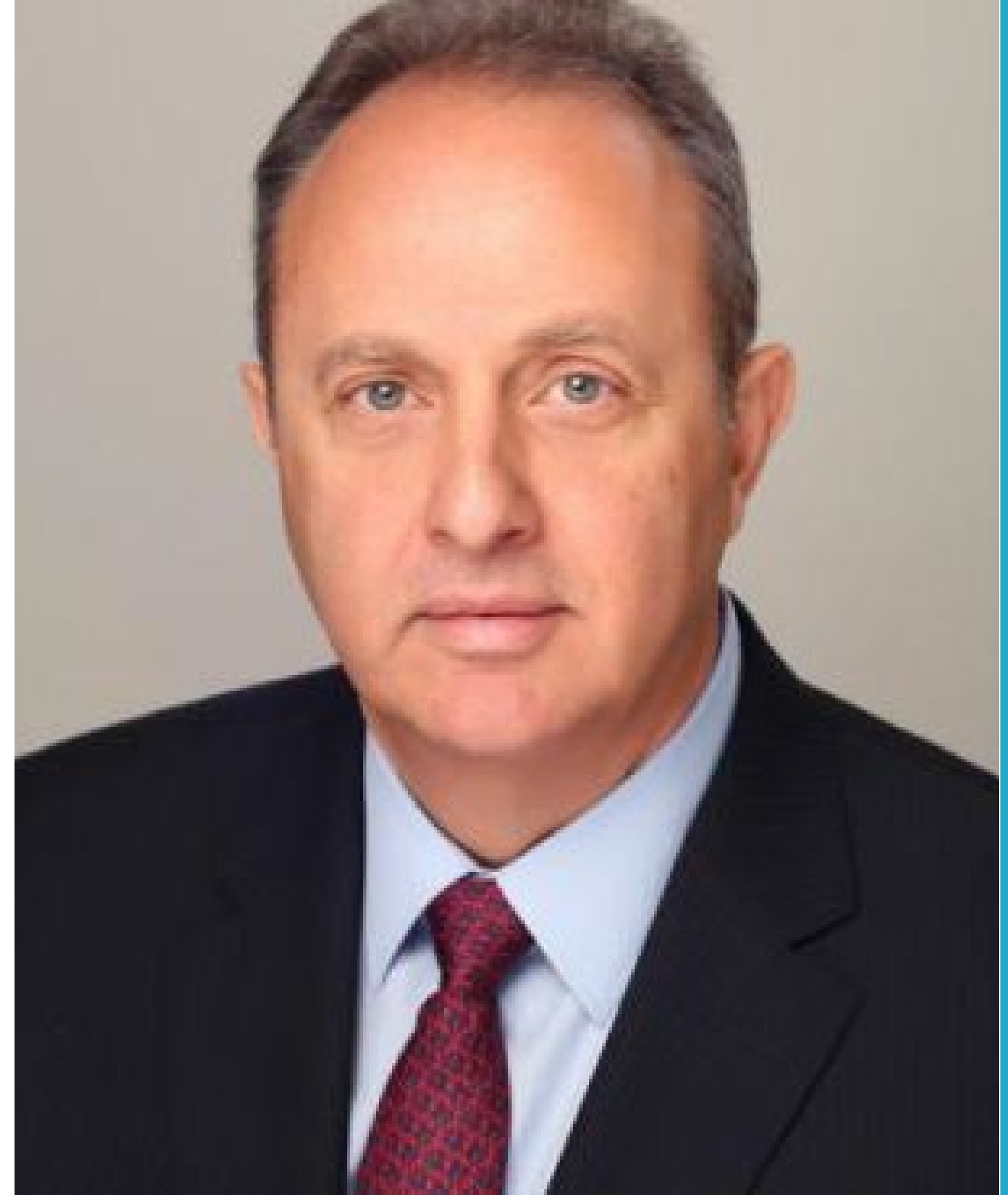
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- **Former Chair – Practice Management Committee**
- **Past-Chair, Colorado Delegation to CAP House of Delegates**
- **Past-President, CAP Foundation**
- **Board certified AP/CP and Cytopathology**
- **Fellowships in Cytopathology and Surgical Pathology**



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- **AP/CP certified with subspecialty fellowships in neuropathology and oncological surgical pathology**
- **Internationally recognized neuropathologist**



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Workload distribution and compensation: A crisis for many groups!

- Ranks among the three highest reasons of stress and dysfunction in a group
- Cannot be ignored by the group's leadership without consequences
- Permeates the entire group and department's mood (including non-pathologists)
- Affects recruitment, retention and long-term success

Root causes for this angst:

1- The RVU system:

- Created in 1992 with the goal of objectively quantifying physician work, practice expense, and malpractice expense.
- To bring more uniformity to Medicare's reimbursement system.
- To assist in controlling healthcare costs.
- Since the inception of RVUs, virtually all commercial health insurers use this as a basis of their payments. The RVU is the cornerstone of getting paid.

RVU generating activities



Surgical Pathology

Cytopathology

Clinical Pathology Interpretation

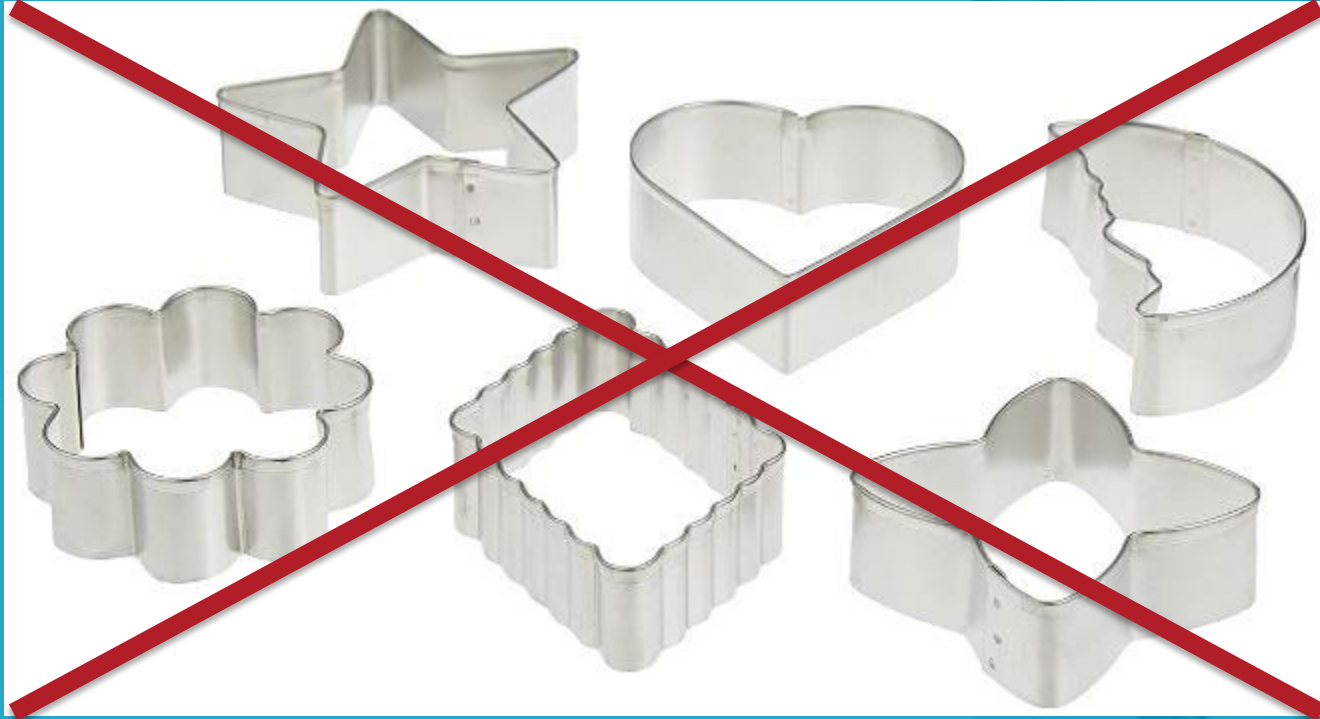
**New Clinical Consultation
activities**

Non-RVU generating activities

Quality and Accreditation	Review of QC, PT, Procedures, Performance of inspections, Autopsy
Clinical Consultation	Review clinical history and recommend testing, Investigate reference labs for special testing, Driving to cover remote facilities
Laboratory Instrumentation	Development of RFP's, Demonstrations, Assessments, Selections, Validations
Meetings	Committees, Intradepartmental, Interdepartmental, System, Professional Society
Teaching	Technologists, Residents/Fellows (pathology and others), Medical Students
Clinical Conferences	Tumor Boards, Grand Rounds, Morbidity & Mortality
Administration	Laboratory sections (local and remote), Department, Procedure development and review
Leadership	Group, Hospital, System, Professional Societies

Root causes for this angst:

2- Lack of a national standard for workload distribution and compensation.



Independent Practice Compensation & Relationship to Work Distribution

One Private Practice's Experience

Practice Culture

1

Diagnostic Acumen

Case complexity; Tertiary Facility vs. Community Practice; RVU and Non RVU generating activities.

2

Worklife Balance Focus Versus Productivity Focus

Stage of Life; Region of State

3

Equity Focus

Risk tolerance; Financial means; Contributions such as client relationships, business development, management and leadership role(s).

Compensation Tiers

Our business mission keeps revenue, tax base, infrastructure, and talent at the point of service and integrated into the community we share with our patients, clinicians and hospitals.



Academic Compensation & Relationship to Work Distribution

One Academic Center's Experience

Academic Practice

- **Inherently complex system**
- **Multipartite mission (pt care, education, research, community service, administration)**
- **Unique funds flow model**
- **Higher overhead but more benefits**
- **High degree of variability among jobs**
 - Multiple employers (hospital, practice plan, university)
 - Academic ranks
 - Leadership/administrative roles (academic & clinical)
 - Academic vs clinical FTE
 - Fulltime vs parttime
 - External funding

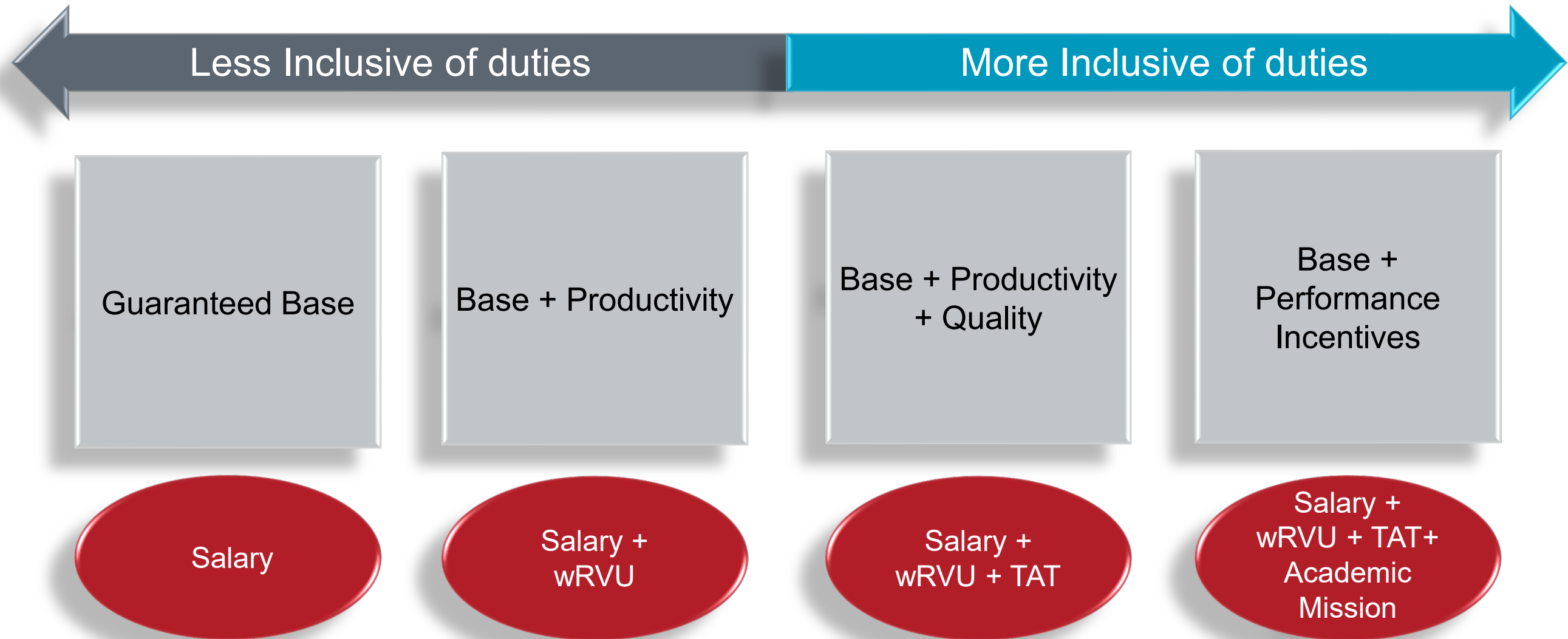
“Workload distribution” starts at the hiring point, influenced by:

- % academic & % clinical assignments (aligning revenue/expenses)
- % leadership/administrative effort
- Teaching modifier (0.8)
- Select subspecialty modifiers (e.g. dermatology, GI)
- Complexity modifier (case mix index, HP, NP, etc)
- Off-service (academic) time

“Workload distribution” can be aided by

- Valuing services the same (e.g. AP vs CP, HP vs SP): uniform base
- Establishing service columns and rotating faculty (e.g. FS, location)
- Adopting a teaching modifier for services with trainees
- Adopting a seniority/juniority modifier
- Relative equal block/slide count among like service columns
- No system is perfect

Spectrum of Compensation Plans



Competitive base (>50th percentile of hybrid benchmark)

Additional competitive incentive component (~15% of base)

Incentivizes quality, academic and clinical productivity

- Quality (e.g. TAT)
- Teaching quality and output
- Research and scholarly activity
- Leadership and administration
- wRVUs (clinical productivity)
- Autopsies
- Extra call

Two salary sources

- University: pays for academic work
- Practice plan: pays for clinical work

Gateway Metrics

“Minimum” expectations to qualify for incentive compensation:

- wRVU generation at 50th percentile (adjust annually based on new data)
 - Adjusted for work assignment
 - Adjusted for FTE status
- Turnaround times above 80%
- Citizenship
 - Communication
 - Active participation
 - Timely completion of required activities

Quarterly Incentive Report card

Physician: Dr. _____

Period Evaluated: September 2024 - November 2024

Metric	Score/\$	Description
wRVU	N/A	wRVU metric is based on FPSC published data (FY22)
Quality Measures/TAT	1	Quality Measures/TAT overall 5 day % TAT 91%
Leadership/Admin Responsibility	2	LAR is awarded based on Medical Directorships and other leadership positions held.
Teaching	2	Teaching is based on if the faculty member is involved with residency and medical student teaching.
Scholarly Output/Research	1	Scholarly Output is participation in publications, presentations, and more than 4% effort on grants.
Excess Call	\$ -	
Autopsies	\$ -	Verified autopsies within established CAP TAT (60 Days)
Total Points	6	
% Bonus of Base Salary	12.9%	
Annualized bonus	\$ 41,786	
Quarterly to be paid	\$ 10,446	

Points	% Bonus
0	0.00%
1	2.14%
2	4.29%
3	6.43%
4	8.57%
5	10.71%
6	12.86%
7	15.00%

wRVU Bonus table				
	T2 month wRVU	50% gateway	60% goal	70% goal
Dr.	0	470	516	578

Specialty	Mean RVU	50%ile	60%ile	70%ile
Pathology: Anatomic	6,177	6,065	6,707	7,413
Pathology: Clinical	5,427	5,118	6,135	7,076
Pathology: Cytopathology	6,513	5,956	6,894	7,333
Pathology: Hematopathology *	6,505	6,360	6,969	7,995
Pathology: Surgical	6,818	6,874	7,493	8,126

Current Annual Base Salary	
UofL Base Salary	xxx,xxx
ULP Base Salary	xx,xxx
Total Base Salary	xxx,xxx

One additional point senario	Score/\$
wRVU	N/A
Quality Measures/TAT	2
Leadership/Admin Responsibility	2
Teaching	2
Scholarly Output/Research	1
Excess Call	\$ -
Autopsies	\$ -
Total Points	7
% Bonus of Base Salary	15.0%
Annualized bonus	\$ 48,750
Quarterly to be paid	\$ 12,188

One less point senario	Score/\$
wRVU	N/A
Quality Measures/TAT	1
Leadership/Admin Responsibility	2
Teaching	1
Scholarly Output/Research	1
Excess Call	\$ -
Autopsies	\$ -
Total Points	5
% Bonus of Base Salary	10.7%
Annualized bonus	\$ 34,821
Quarterly to be paid	\$ 8,705

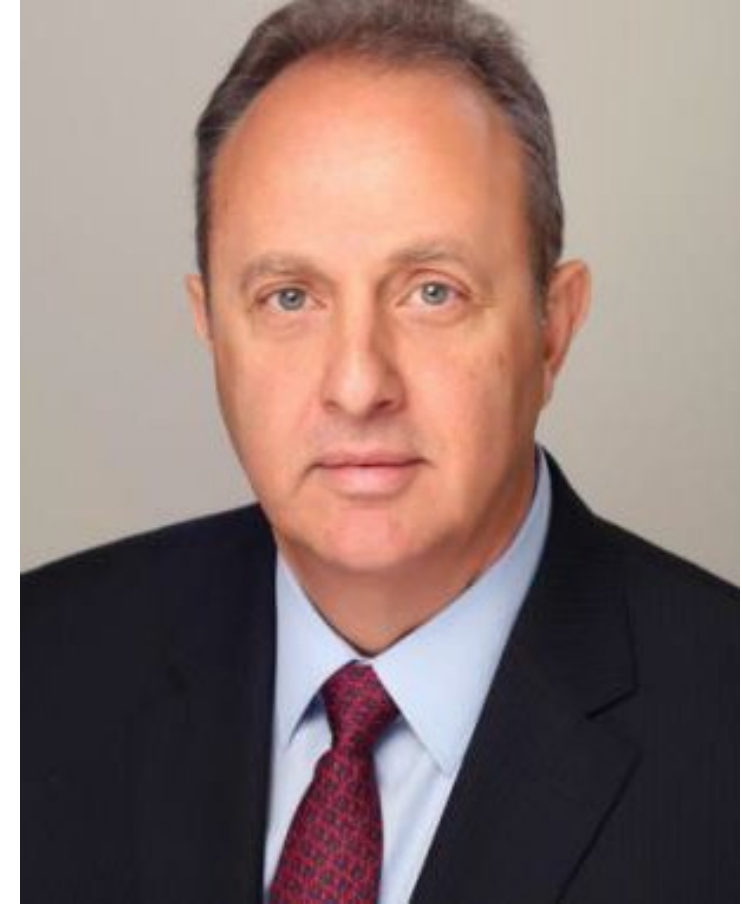
What Questions Can We Answer for You?



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Additional Resources

- **Practice Management Webpage**
 - <https://www.cap.org/member-resources/practice-management>
- **Previous and Upcoming Roundtables/Webinars**
 - <https://www.cap.org/calendar/webinars/listing/practice-management-webinar>
- **Articles Authored by Members of the CAP Practice Management Committee**
 - <https://www.cap.org/member-resources/articles/category/practice-management>
- **Practice Management Networking Community**
 - <https://www.cap.org/member-resources/practice-management/practice-management-networking-community-application>
- **Practice Management Frequently Asked Questions**
 - <https://www.cap.org/member-resources/practice-management/frequently-asked-questions>

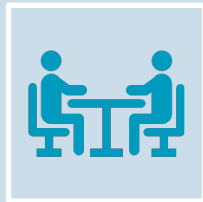
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