

PHYSICIAN COMPENSATION PLANS

We assist clients across the country to create and implement compliant, practical and effective physician compensation arrangements. Increasing enforcement actions centered on alleged violations of the False Claims Act, Stark Law and Anti-Kickback Statute confirm it is imperative that physician compensation plans comply with all applicable laws. For example, most private physician practice profit sharing and productivity bonus arrangements must satisfy the Stark Law's hyper-technical requirements for being a Stark group practice, the special rules for productivity bonuses and profit shares and the in-office ancillary services exception. Hospitals and health care providers must pay employed physicians fair market value compensation pursuant to commercially reasonable arrangements that do not take into account the volume or value of referrals—or risk insider qui tam suits. Hospitals and health care providers paying physicians to perform different types of services (e.g., medical directorship services, call coverage, consulting services) should adopt policies and governance processes for approving and documenting compliance with these standards to ensure that each source of compensation is defensible under applicable laws. Hall Render attorneys stay abreast of the latest trends in physician compensation and analyze the effects of relevant case law as soon as cases are decided or settled.

In addition to fraud and abuse concerns, physician compensation must begin to reflect the shift from the traditional fee-for-service reimbursement paradigm to one focused on value-based purchasing, pay for performance and risk-sharing/bundled payment models. We understand these new methodologies and assist hospitals and physician groups in devising compliant physician compensation plans that focus on achieving quality benchmarks, patient satisfaction and cost containment. We work closely with health care valuation consultants and our clients to develop physician compensation plans that comply with applicable laws and meet the goals of the provider to physician relationship.

AREAS OF FOCUS

- Commercial Reasonableness
- Fair Market Value
- Health Care Valuation Consultants
- Pay for Performance
- Productivity Bonuses
- Profit Sharing
- Quality Metrics
- Value-Based Physician Compensation