

The Hornets Nest: Physician Administrative Payments



RITU JAIN
EXECUTIVE DIRECTOR OF
MEDICAL AFFAIRS,
STAMFORD HEALTH



GAIL PEACE
PRESIDENT & CEO,
LUDI

Where the hornets nest begins

PHYSICIAN TIME ALLOCATION REPORT	
Name of Physician:	[redacted], MD
Reporting Period Month/Year:	July 2015, August
Activities:	Hours & Detail:
Medical Director: Acute Inpatient Dialysis Services at Stamford Hospital weekly meetings w/ staff, organization schedule, review of tests, ISY/IDg	meetings = adm. 1 hr/wk Total: 4 hrs
Other (please detail):	
TOTAL HOURS	4

EF

A typical employment contract

- **BASE SALARY:** During the first and second year, hospital will pay physician \$225,000 per year.
 - Salary includes compensation for 90 days on-call
- **MEDICAL DIRECTORSHIP:** Physician will be paid \$1000 per month for medical director duties.
- **ON-CALL COVERAGE:** After, 90 days physician will be paid \$570 per week day and \$675 dollars per weekend day for coverage.
- **PRODUCTIVITY:** Year three (3) and beyond, physician will be paid \$50 per RVU, up to \$4500, and \$55 per RVU after \$4500.

These are **not** isolated occurrences

Data Points from Ludi Hospital Survey 2018

21%

do not collect
time logs for
physicians for
administrative
work

42%

are not requiring
employed
physicians do
time logs

71%

reported
timeliness issues
with physician
submitting
time logs

29%

reported lack of
completeness in
paper time logs

So, who cares?

HealthLeaders

ANALYSIS

MICHIGAN HOSPITAL TO PAY \$84.5M TO SETTLE STARK LAW, KICKBACK CLAIMS

BY [JOHN COMMINS](#) | AUGUST 03, 2018

BECKER'S

HOSPITAL REVIEW

Why physician burnout jumped to 54% over 3 years

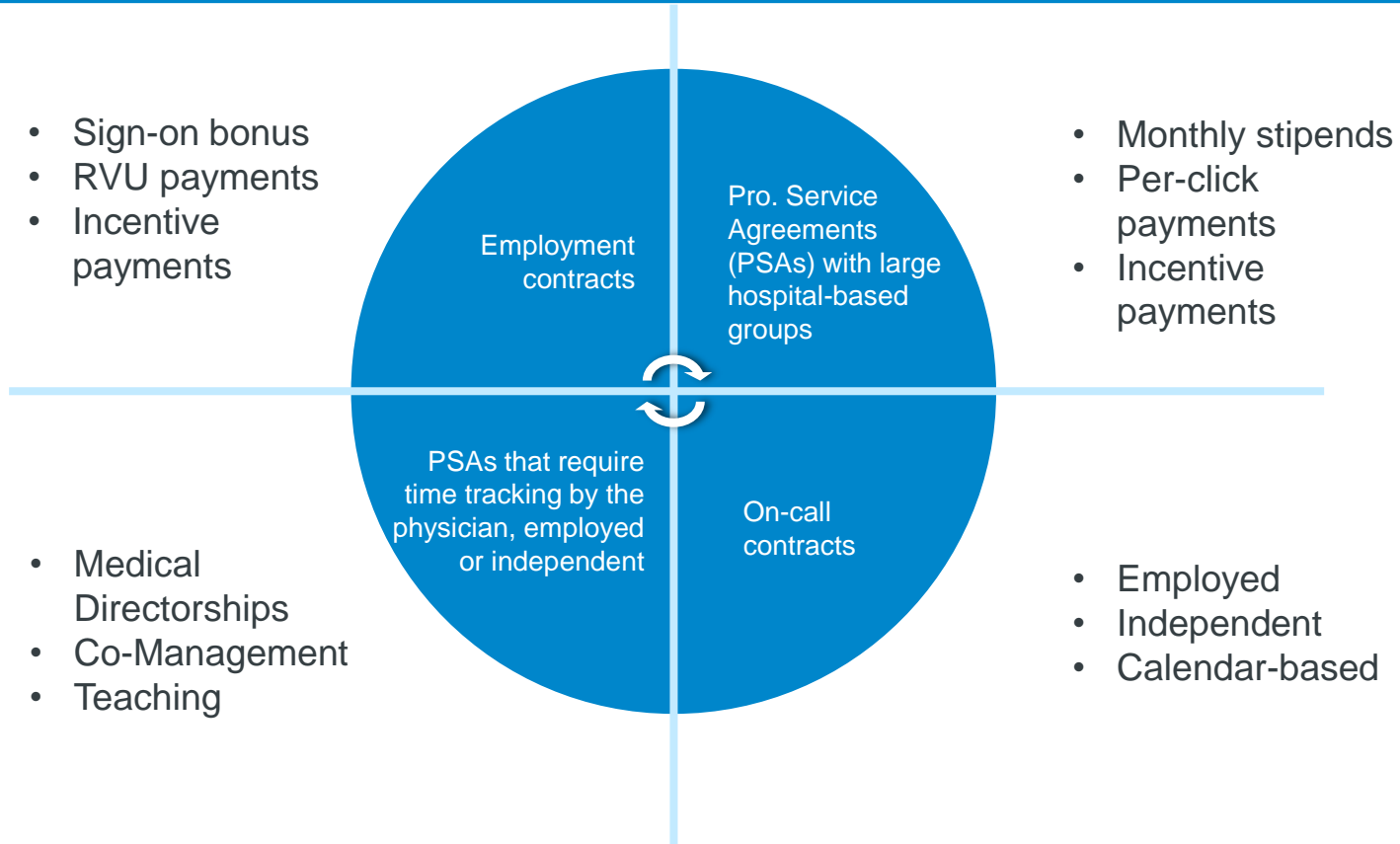
Written by [Kelly Gooch](#) | August 21, 2018 | [Print](#) | [Email](#)

[in](#) Share

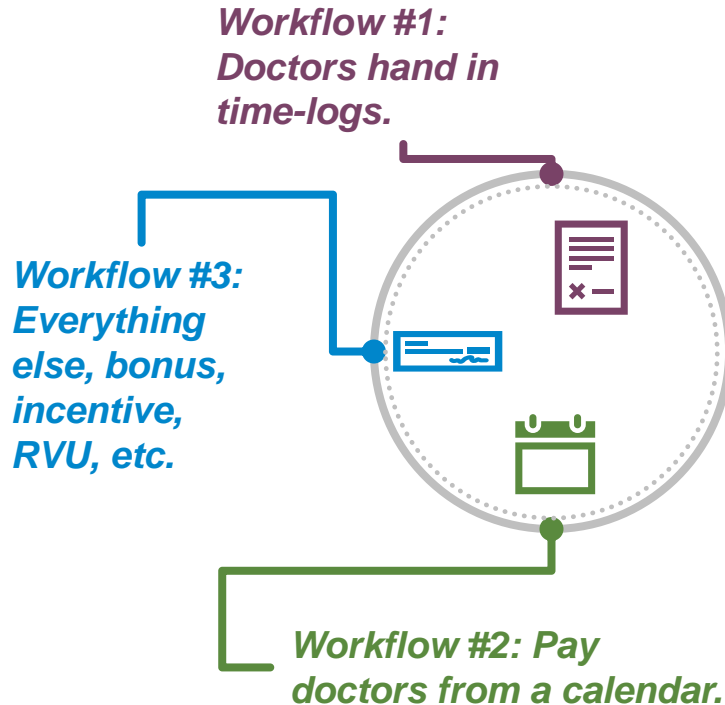
[t](#)weet

Physician burnout increased from 45.5 percent to 54.4 percent between 2011 and 2014, according to an article in the *American Journal of Medicine*.

Variety of ways hospitals align with physicians, both employed and independent



How doctors get paid: 3 possible workflows

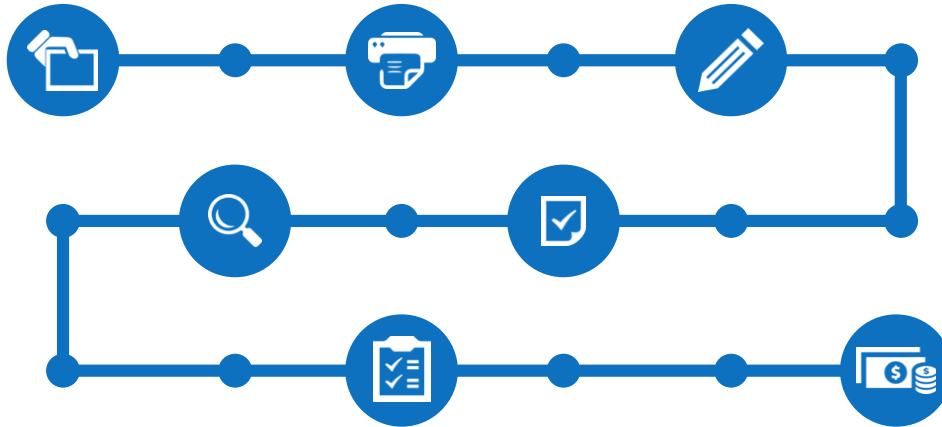


In all scenarios, you have to ask these questions:

1. What is due for payment?
2. If needed, is documentation from physician available?
3. Is the contract active?
4. Was this already paid?
5. Are the appropriate approvals in place?
6. What system will this be paid from, payroll or AP?
7. Are the calculations correct?
8. Does this fit within the max of the contract specifics?
9. What is the total payment and YTD paid on this contract?
10. When should it be processed?

Payment process is largely manual

Multiple types of payments, using multiple financial systems



Some payments require physician to submit time, other compensation is handled by payroll

Tricky payment calculations



- Payment is not calculated correctly
- Physician is paid 2x for same work
- Pay incorrectly according to terms

- No way to see what payments are due
- Physician didn't turn in documentation to trigger payment
- Forgot a scheduled payment on contract

- Agreement ended
- Incorrect duty
- Payment takes you out of contract maximums

No single 'source of truth' for critical data

Approver Time Detail

[Click here to download excel file.](#)

Physician	Contract	Rate	Avg hours Paid/Cycle	Avg hours Submitted/Cycle	Avg \$ Paid/Cycle	YTD Hours Paid	YTD Hours Submitted	YTD Total \$ Paid	YTD % Annual Max	Avg Hourly Rate	YTD Avg Days to Submission
Dr. Sally Gupta	Gupta, S Director of Hematology (Max)	\$150.00	6.69	6.92	\$1,004.17	60.25	62.25	\$8,837.50		\$145.18	65.89
Dr. Ruben Velasquez	Joint Replacement Medical Director - Velasquez, R	\$250.00	4.42	4.42	\$1,145.83	39.75	39.75	\$10,312.50		\$259.43	55.44
Dr. Paul Thomas	2018 Orthopedic Co-Management (Stipend)	\$300.00	5.00	5.65	\$1,500.00	50.00	56.50	\$15,000.00		\$265.49	53.40
Dr. Brian Ware	2018 Cardiology Co-Management	\$200.00	5.00	5.67	\$1,000.00	15.00	17.00	\$2,900.00		\$176.47	61.67
Dr. Daniel Reyes	2018 Cardiology Co-Management	\$200.00	8.17	8.17	\$1,633.33	24.50	24.50	\$4,900.00	0.49%	\$200.00	64.00
Dr. Viviana Johnson	2018 Cardiology Co-Management	\$200.00	7.00	7.00	\$1,400.00	7.00	7.00	\$1,400.00	0.14%	\$200.00	18.00
Dr. Viviana Johnson	Johnson, V CT Surgery Medical Director	\$200.00	8.22	8.34	\$1,643.75	65.75	66.75	\$13,150.00		\$197.00	46.13
Dr. Paul Thomas	Thomas, P. Orthopedic Technology & Outreach Medical Director (Max)	\$200.00	5.91	6.41	\$1,181.82	65.00	70.50	\$13,000.00		\$184.40	40.00
Dr. Laura Edwards	2018 OB Co-Management (Stipend)	\$200.00	6.00	4.57	\$1,200.00	42.00	32.00	\$8,400.00		\$262.50	71.43
Dr. Ed Diaz	Diaz, Ed - Medical Director, Cancer Center	\$150.00	2.75	2.75	\$412.50	5.50	5.50	\$825.00		\$150.00	76.50

Without good data and automation, so many things can go wrong



** All are possible
Stark Law technical
violations*

- ✗ Contract ends yet physician still gets paid
- ✗ Physician comes in with one full year at a time
- ✗ Physician is paid for same work 2x
- ✗ Documentation doesn't match contracted duties
- ✗ Calculation is incorrect
- ✗ Contract annual maximum is missed
- ✗ Contract monthly maximum is missed
- ✗ Documentation is not internally approved
- ✗ Duty is not compensable
- ✗ Time log incorrectly added
- ✗ Documentation is late per the contract
- ✗ Documentation is missing or illegible
- ✗ Stipends are not adjudicated
- ✗ Incentive payments are missed

Five ways to stay clear of the physician-payment hornets nest



1. Identify who owns which step in process
2. Standardize your compliance processes
3. Mind the math!
4. Build a repository where all contract payment terms/data are viewed in one place
5. Automate!

Case study



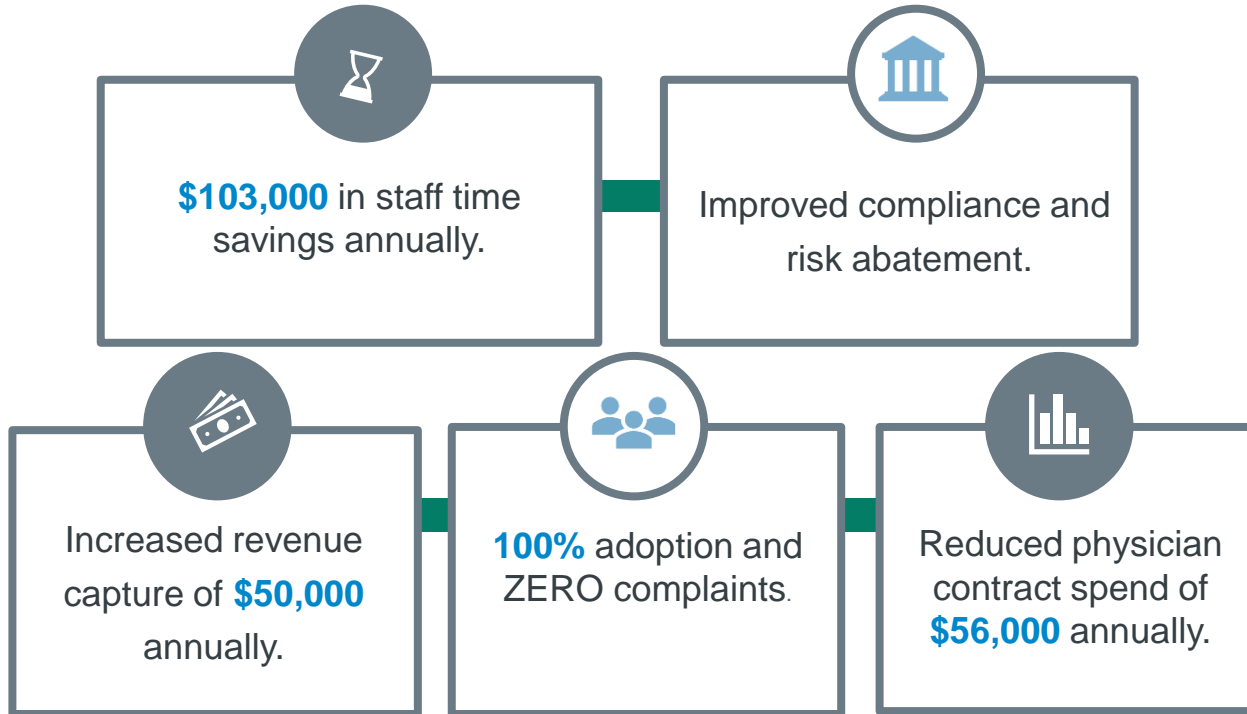
Background

- Stamford Health is a multi-facility system in Connecticut
- 305-bed hospital
- 100+ physician contracts
- Challenge: Was searching for LEAN solution to manual documentation and payment issues.

Goals

- Save on staff time and spend
- Increase physician satisfaction
- Increase reimbursement
- Manage physician spend
- Ensure compliance and risk abatement

Results



Q&A

Thank You!

www.ludiinc.com

