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American Medical Colleges

# Physician Recruitment, Retention, and Compensation in an Evolving Landscape

*Webinar sponsored by the Group on Business Affairs (GBA) and the Group on Faculty Practice (GFP)*

December 17, 2024



# Speakers



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*Moderator*

President, Physician Division  
Emory Healthcare  
Professor & Interim Chair, Gyn/Ob  
Emory University School of Medicine



**Bess Wildman, MBA**

Vice Dean of Academic  
Administration & Finance  
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Principal  
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# Agenda

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Recruitment and Retention  
Survey Overview

**2**

University of Chicago  
Medicine Profile

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Facilitated Discussion

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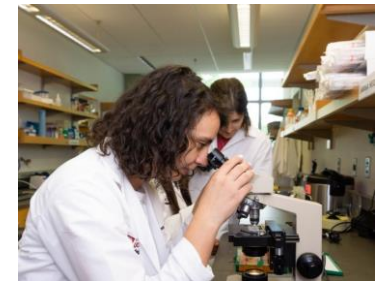
OHSU Profile





AT THE FOREFRONT

# UChicago Medicine



- \$488 M in Sponsored Research
- 32<sup>nd</sup> in BRIMR Ranking in '23
- 1,339 faculty and Physicians

- \$731 M in Annual Community Benefit
- USNWR Hospital as a Best Regional Hospital for Equitable Access

- 34,067 Hospital Admissions
- 1,224,567 annual visits
- \$2.87 B in Operating Revenue

- 1,232 Residents & Fellows
- 97 graduate students per class
- Undergraduate & Masters Programs



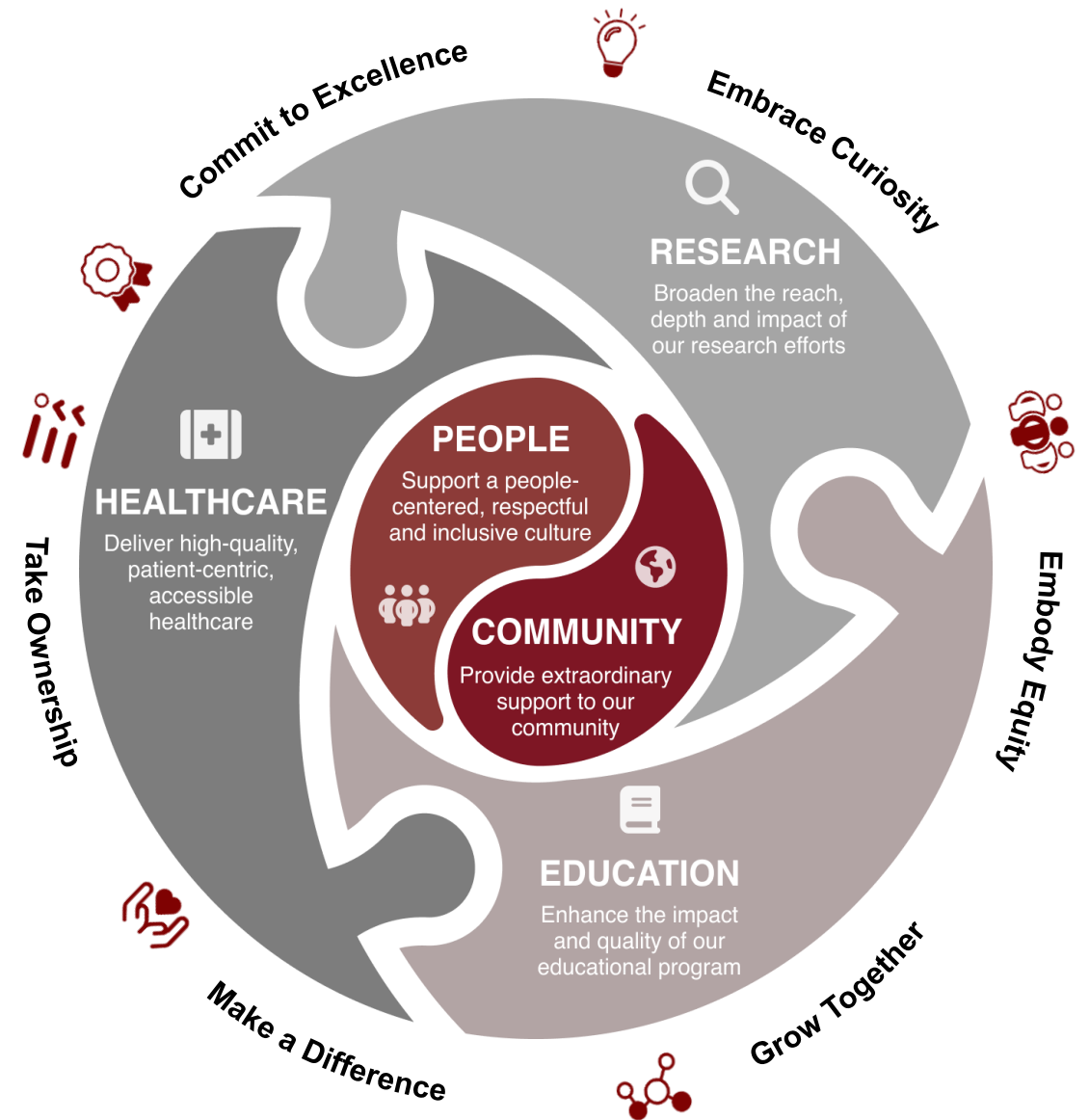


# ELEVATE2035



**UChicago Medicine** | **Biological Sciences**  
**Pritzker School of Medicine**

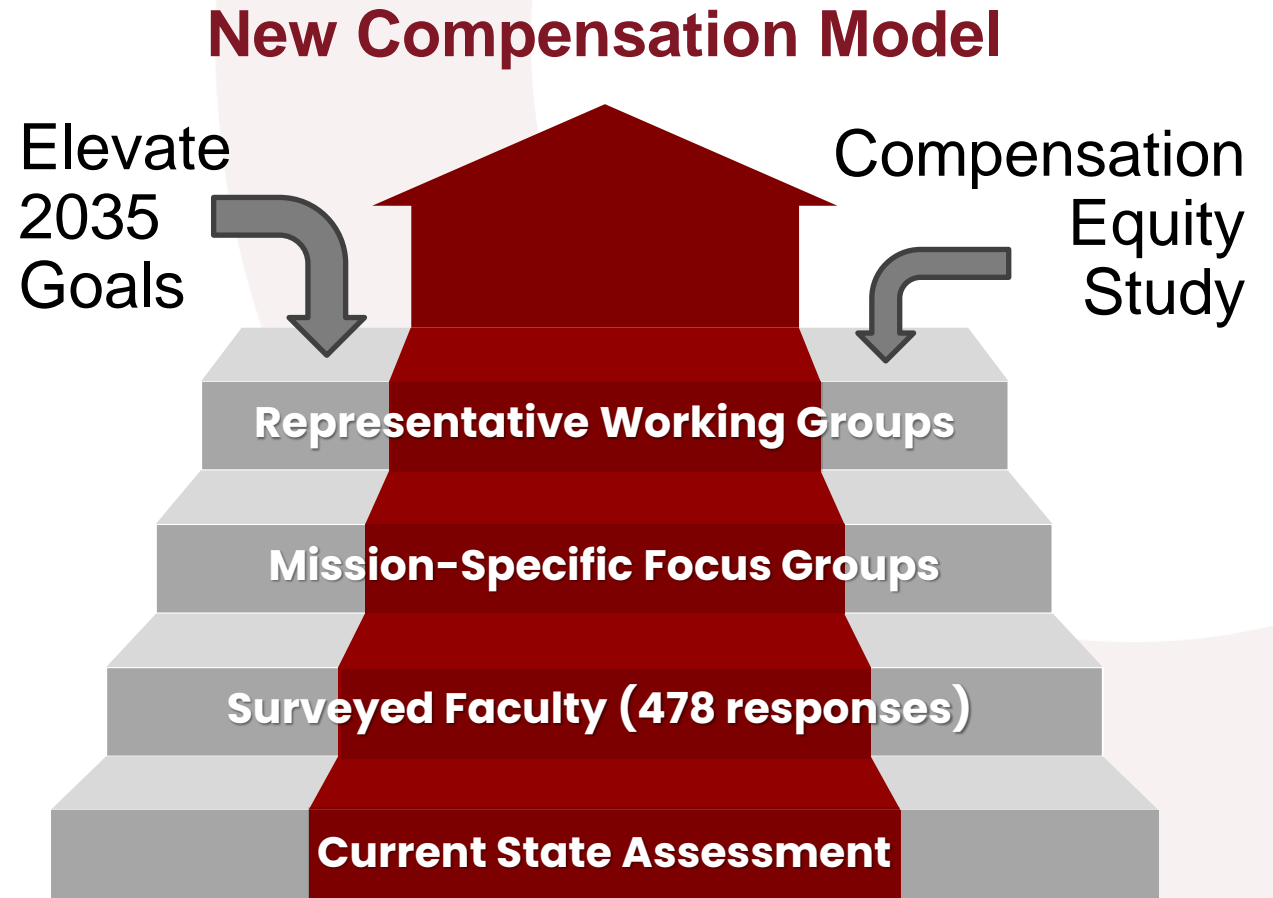
- Enterprise 10-year strategic plan
- It serves as our roadmap for priorities and goals setting
- It is inspired by our Mission, Vision and Values (MVV)
- Initiatives are organized under five pillars that hold up who we are (our MVV)





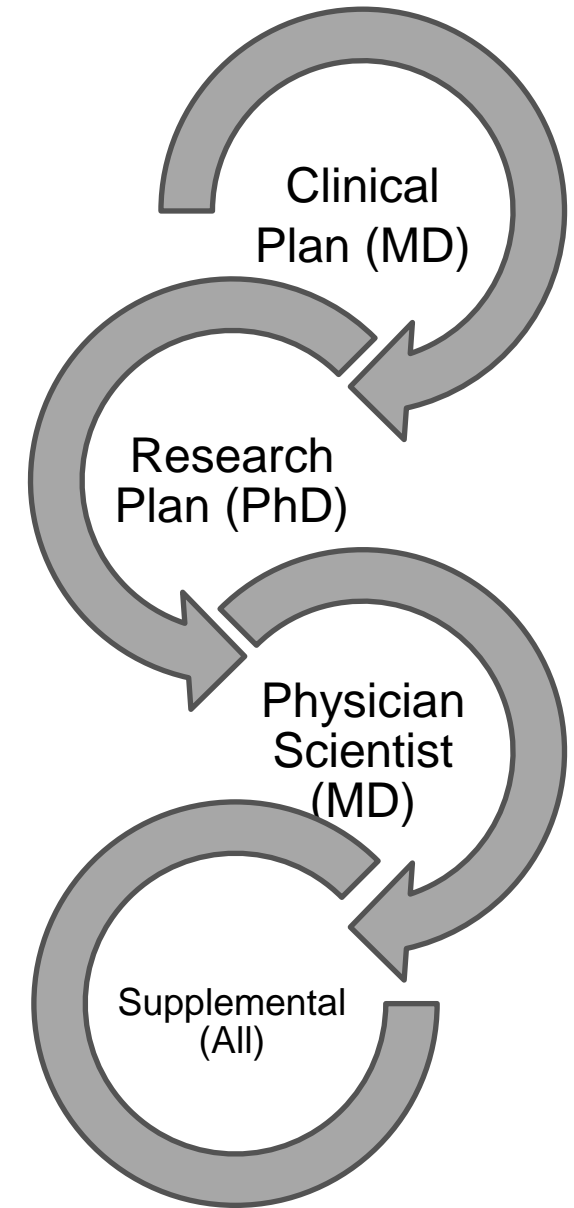
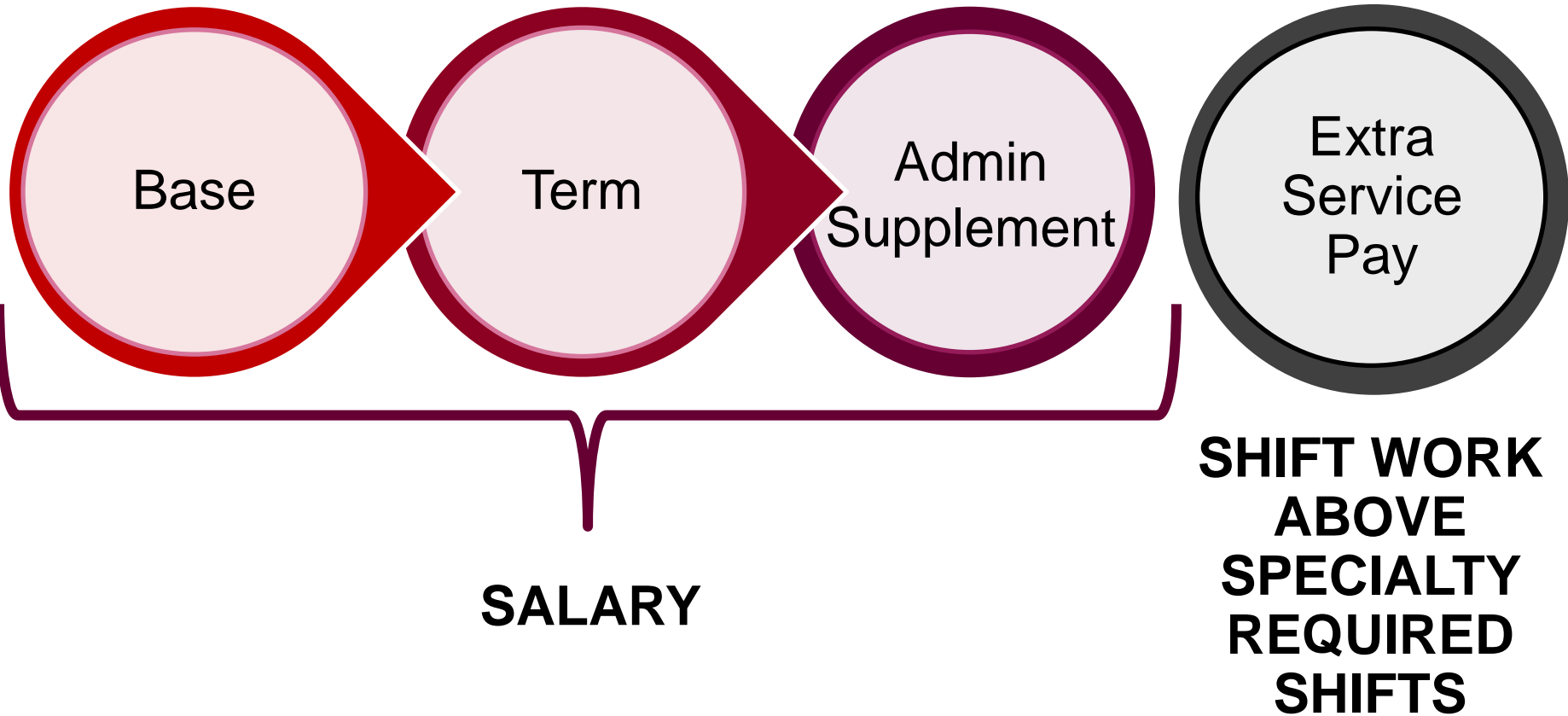
# PROCESS & GUIDING PRINCIPLES FOR COMPENSATION PLAN REDESIGN

- Transparent, Written and Consistent
- Equitable & Market Based
- Low administrative burden
- Meaningful incentives for high productivity
- Anchored on rewarding excellence across missions and applicable for different academic tracks
- Benchmark Driven (Vizient, AAMC, etc.)
- Compliant with applicable laws & regulations





# COMPONENTS OF COMPENSATION



**INCENTIVE**



# INCENTIVE ELIGIBILITY FALLS UNDER THREE MODELS

**Stewardship** is an eligibility gateway to the 3 incentive models.



Examples of Stewardship include:

**Education:** Teaching requirements; mentorship; evaluations

**Citizenship:** Participation on Committees. Attendance at Faculty meetings

**Patient Care:** Closure of encounters; on-start clinic starts



Research  
Model



Clinical  
Model



Physician Scientist  
Model

After an amount of output (determined by specialty, effort by mission, and compensation), provides for an incentive based.



# RECRUITMENT & RETENTION CHALLENGES

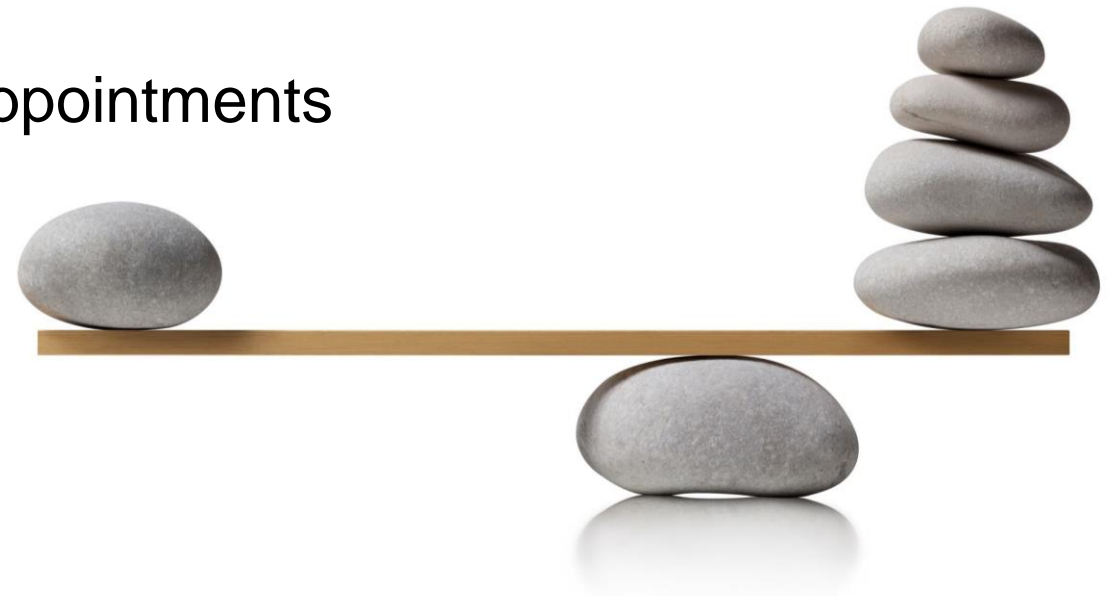


- Balancing Missions
- Subspecialists vs Generalists
- Outreach imperatives
- Clinical coverage
- Generational & lifestyle considerations
- Unionization of workforces (trainees, APPs)
- Competition for talent



# STRATEGIES EMPLOYING

- Obviously, our **compensation plan redesign**
- **Decreasing recruitment friction**
  - Creation of an Office of Faculty & Physician Recruitment
  - Flexibility in Expectations
    - Staff Physicians vs Academic Appointments
    - Alternative staffing models
- **Office of Advanced Practice**
- **AI & Digital Enhancements**







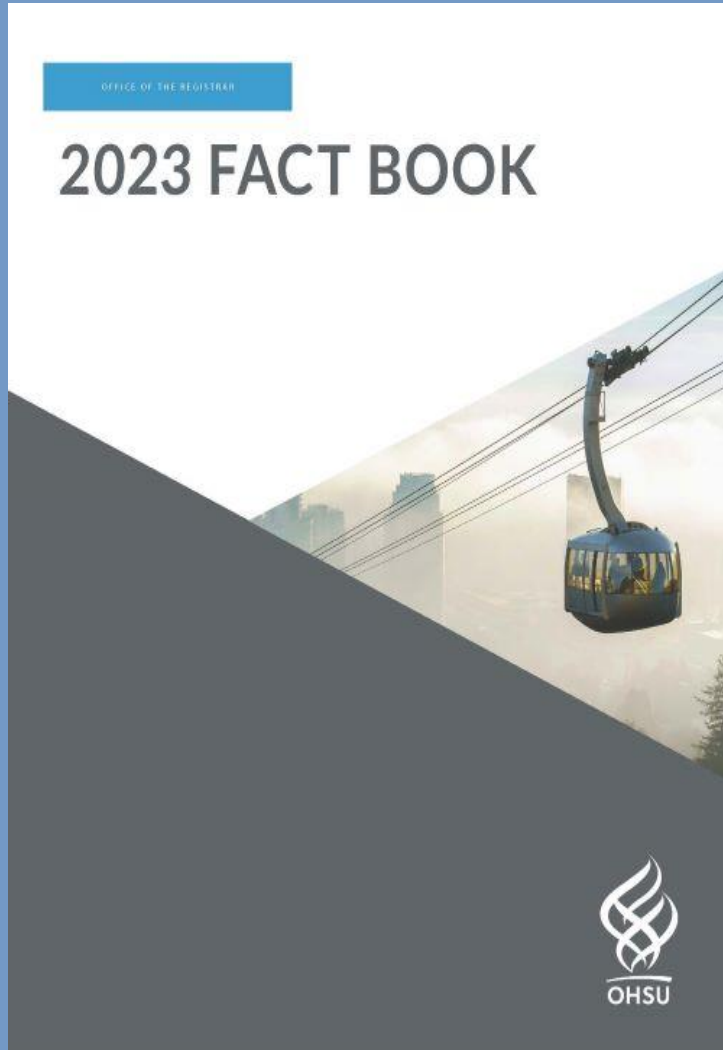
# Provider Compensation Plan

Aligning Faculty compensation,  
productivity, and incentives

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# OHSU School of Medicine By the Numbers



- 900 residents and fellows
- 1,256 students and 943 trainees
- 2,632 faculty members
- 6,397 employees
- 20,862 alumni
- \$393 million in sponsored project research awards (FY 2022)
- \$473 million in net patient care revenue (FY 2022)
- \$1.14 billion budget (FY 2023)



# Compensation Principles

- **The plan will apply across OHSU**
- **Compensation tied to:**
  - mission-based and administrative activities
  - academic rank and time in rank
  - attainment of pre-defined performance metrics for each mission activity and incentivize positive faculty behavior/citizenship
- **Compensation plan will be:**
  - Kept simple and easily understood by faculty
  - Data-driven and faculty will have access to the data determining their compensation level
  - Benchmarked to national and regional compensation to ensure its competitiveness
- **Stability and consistency of faculty funding will be built in as much as possible**
  - Stable take home pay
  - Provide increased job stability for research faculty
- A **transition period where necessary** will be incorporated to allow adjustment to new expectations, including salary coverage expectations for the research mission



# Total Annual Compensation

- Benchmarks will be used to assure that a faculty member's **Total Annual Compensation remains competitive** with peer organizations and local market
- Unless noted otherwise, **data from public institutions on the West Coast will be used as comparators**
- **Alternative approved benchmarks may be used** if AAMC benchmarks are incomplete (Ophthalmology, Anesthesia)
- Prior to the start of each fiscal year, **clear expectations** regarding the activities a faculty member will be engaged in for the following year will be determined with the faculty member's direct supervisor and written in a formal letter



# Recruitment and Retention Challenges

## ■ **Specific specialties or departments?**

(provide some examples)

- Behavioral Health
- Primary Care
- Other Specific Specialties:
  - Anesthesia
  - Gastroenterology (general)
  - Cardiology (general)

## ■ **The primary causes of these challenges all relate to compensation in some way:**

- Burnout / provider satisfaction
- Increased competition / supply and demand issues
- Physician demands for same/more dollars and/or less work effort
- Staff turnover
- Unionization



# Recruitment and Retention Responses

- Evaluation of **survey benchmark sources and uses**
- Evaluation of **salary tables**
  - Updates to salary tables to promote consistency in academic rank recognition
  - Investments in salary tables to strengthen market competitiveness
- Evaluation of **wRVU targets and incentive rates**
  - Promote reasonable and rational targets and incentive opportunities
- Development of a **Clinical Associates Model...**



# Clinical Associates (CA's) Model

- **The Clinical Associate model was established to:**
  - Complement the academic faculty spectrum of effort focused primarily on the clinical missions
  - Provide an alternative to employ high quality providers who would otherwise work at competitors
- CA's are **100% clinical** with no “protected” time
- Compensation is generally **MGMA/MGMA Academic based** at the 50<sup>th</sup> percentile
- **20% at risk** with similar metrics to faculty; 15% clinical; 5% quality and service
- **Incentive opportunity** to the extent that all metrics obtained and exceed 100% of wRVU's
- **Benefits restructured** at levels closer to market
- With minimum teaching/research thresholds **can have faculty rank added**



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# Faculty Physician Recruitment and Retention

Jason Tackett, SullivanCotter  
Bob Madden, SullivanCotter  
Shawn Rosen-Holtzman, AAMC  
Gayle Lee, AAMC

2023 Survey Report





# Common Challenges at AMCs



Recruitment and retention is one of the key challenges that AMCs face



The responses to recruitment and retention challenges impact all other categories shown above



# Survey Participant Profile Overview



## 33 Participating Organizations

Boston University Medical Group	University of Central Florida College of Medicine
Brody School of Medicine - East Carolina University Health Physicians	University of Cincinnati
Cambridge Health Alliance Physicians Organization	University of Kansas Medical Center
Carver College of Medicine - University of Iowa	University of Michigan Medical School / Michigan Medicine
Emory Healthcare - Physician Group Practice	University of Missouri
Florida State University College of Medicine	University of North Carolina at Chapel Hill
Herbert Wertheim College of Medicine - Florida International University	University of Pennsylvania Health System
Jacobs School of Medicine and Biomedical Sciences	University of Rochester Medical Center
Kirk Kerkorian School of Medicine at University of Nevada Las Vegas	University of Texas Medical Branch
Lehigh Valley Health Network	University of Virginia
Louisiana State University School of Medicine - New Orleans	University of South Florida Health
Medical College of Wisconsin	University of Texas Health San Antonio
Mount Sinai Medical Center, Miami Beach, FL	Vanderbilt University Medical Center
Oregon Health & Science University	Virginia Commonwealth University / MCV Physicians
Penn State Health	Western Michigan University Homer Stryker M.D. School of Medicine
Southern Illinois University School of Medicine	Yale University
University of California Davis Medical Group	

The survey launched in late August 2023 and closed January 2024.

The 33 participants represent a diverse profile of medical schools.

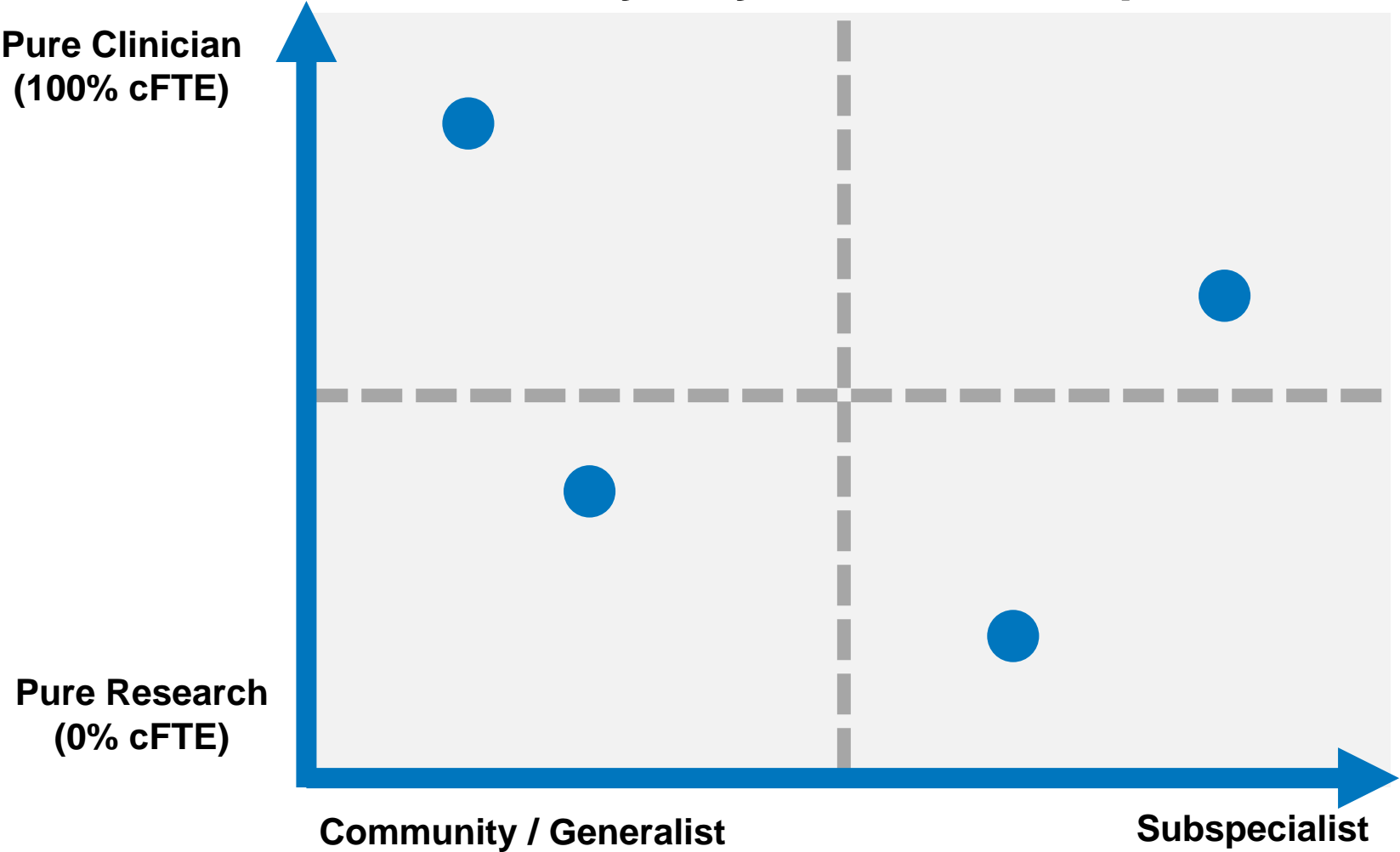
NIH funding ranging from **≈\$500K** to **≈\$550M** and Faculty Sizes from **≈100** to **≈3,500**.







# Faculty Physician Scatterplot



## Key Challenge

How to map compensation into these quadrants at an AMC

## Key Considerations

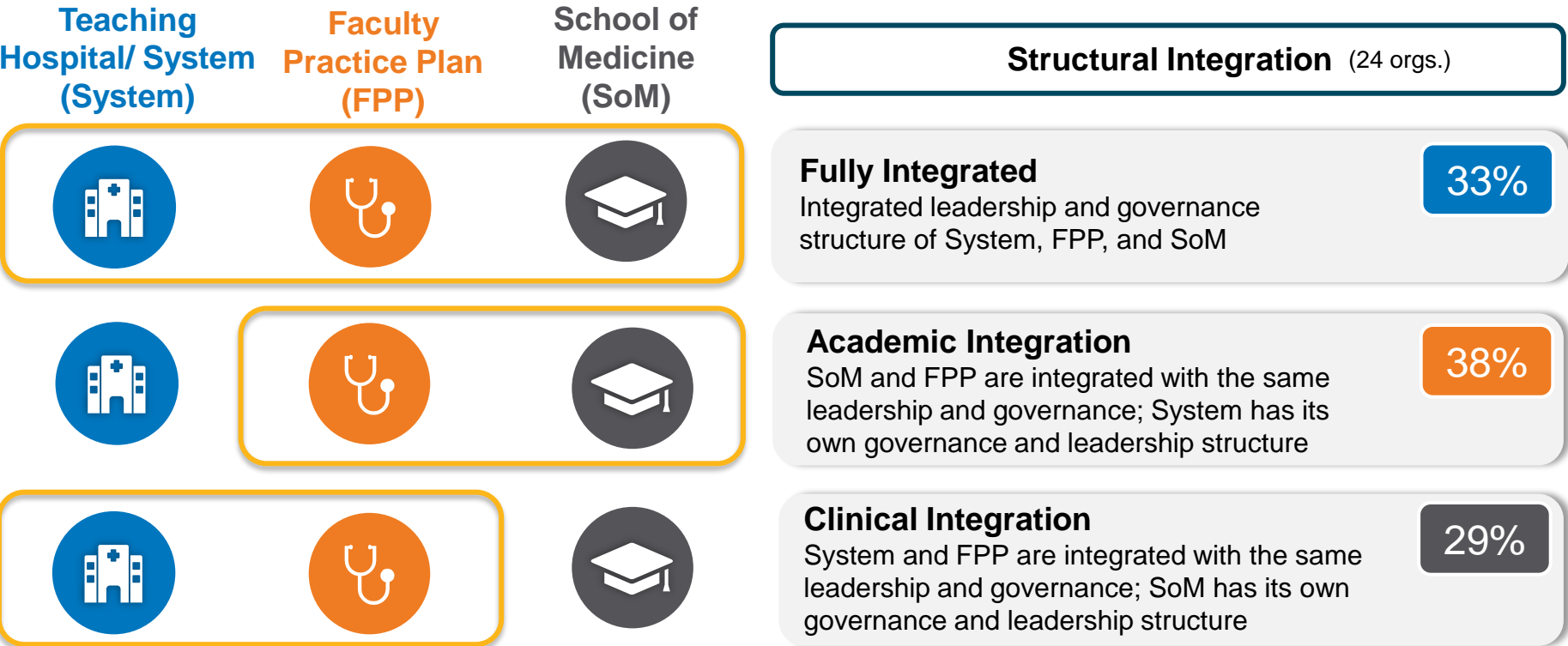
- Supporting all missions
- Practice settings
- Care models / care teams
- Culture
- Geographic footprint
- Financial sustainability
- Recruitment and retention



# Organizational Structure and Level of Integration



75% of the 32 respondents (24 orgs.) demonstrate some form of structural integration.



The degree of integration influences the decision-making and oversight framework for faculty physician compensation, work-effort allocation, and performance management within an AMC.

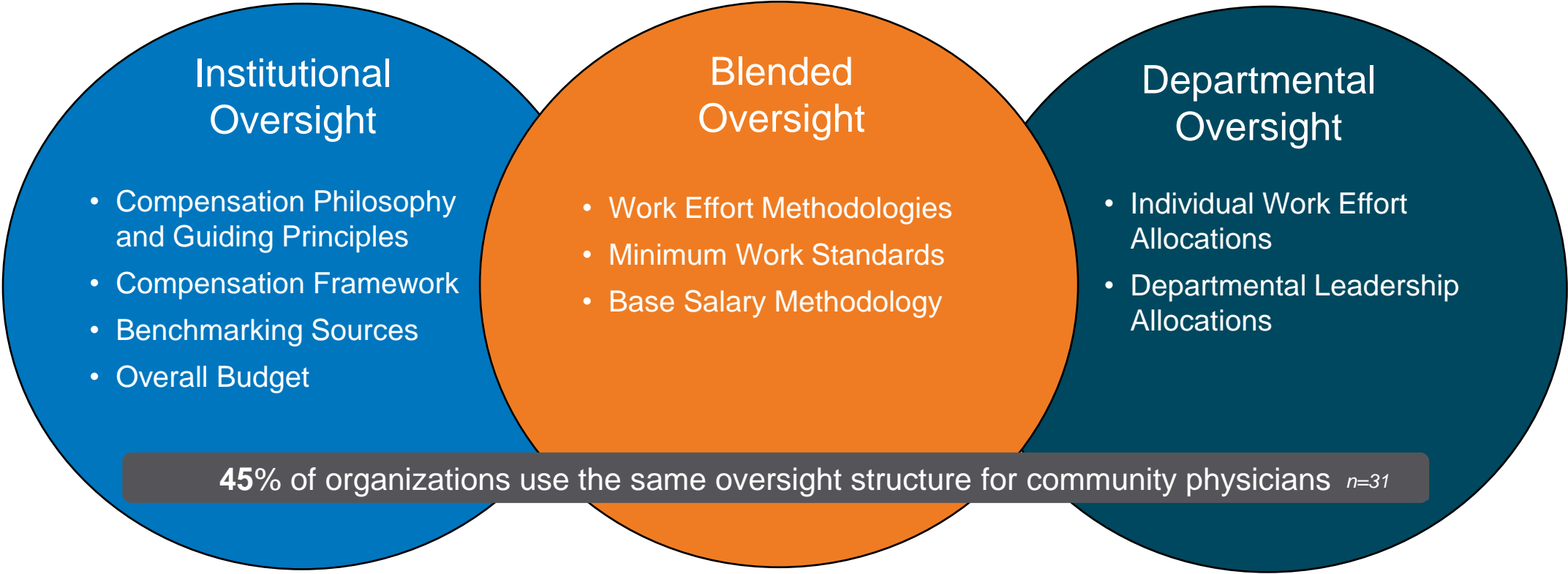
The remaining 25% of respondents (8 orgs.) have independent faculty practice plans with its own governance and leadership.

Source: AAMC and SullivanCotter Physician Recruitment and Retention Survey





Most organizations leverage a blend of oversight responsibilities to balance institution-wide consistency with local-level leadership and decision-making.



Role clarity and transparency in accountability is crucial in an evolving landscape of faculty physician compensation oversight.

Source: AAMC and SullivanCotter *Physician Recruitment and Retention Survey*

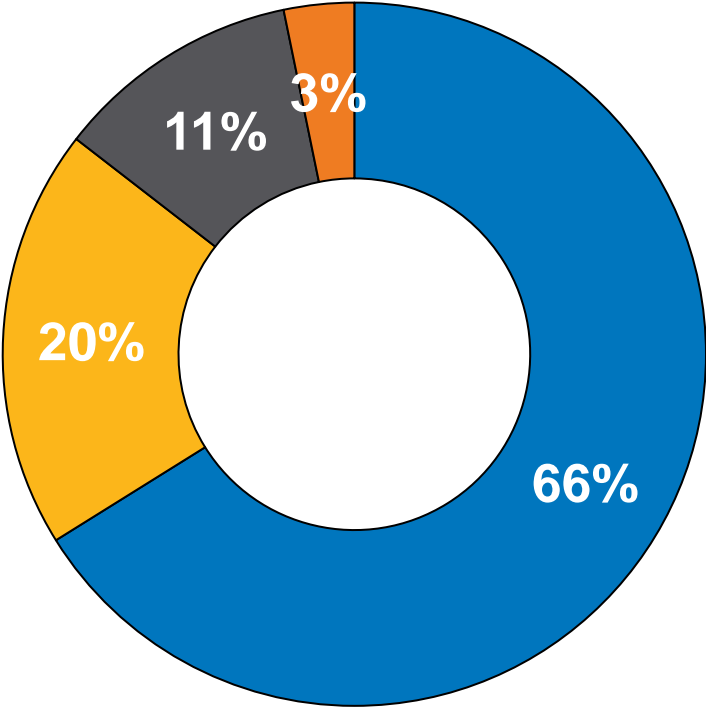


# Recruitment and Growth Objectives



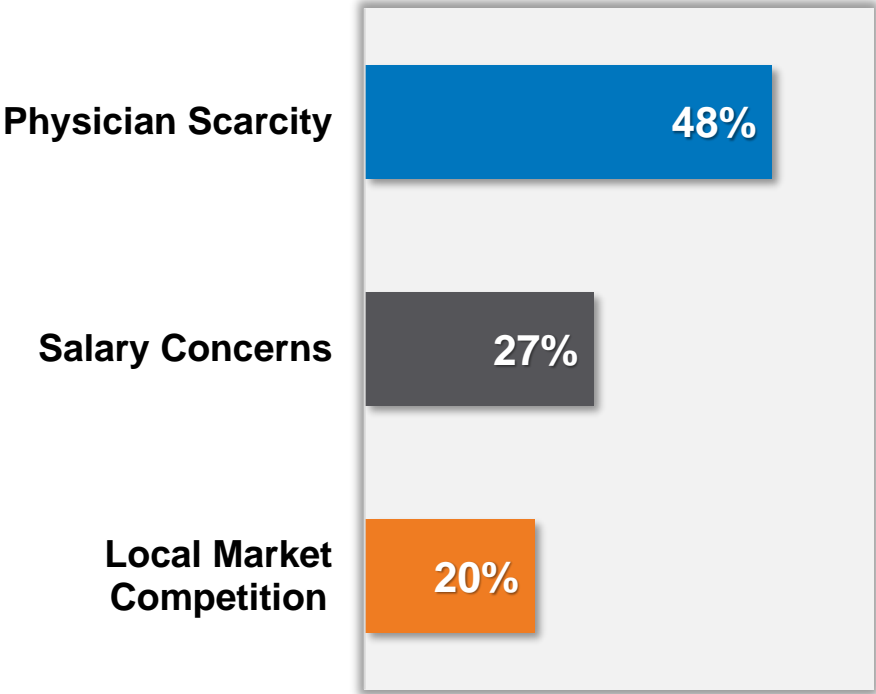
Most physician faculty recruits come from other AMCs.  
Pressure from non-AMC systems will likely rise given supply/demand dynamics.

**Top Recruiting Sources** *n=24*



- Another AMC
- Residency/Fellowship
- Non-AMC System
- Private Practice

**Top Reasons for Recruitment Challenges** *n=24*



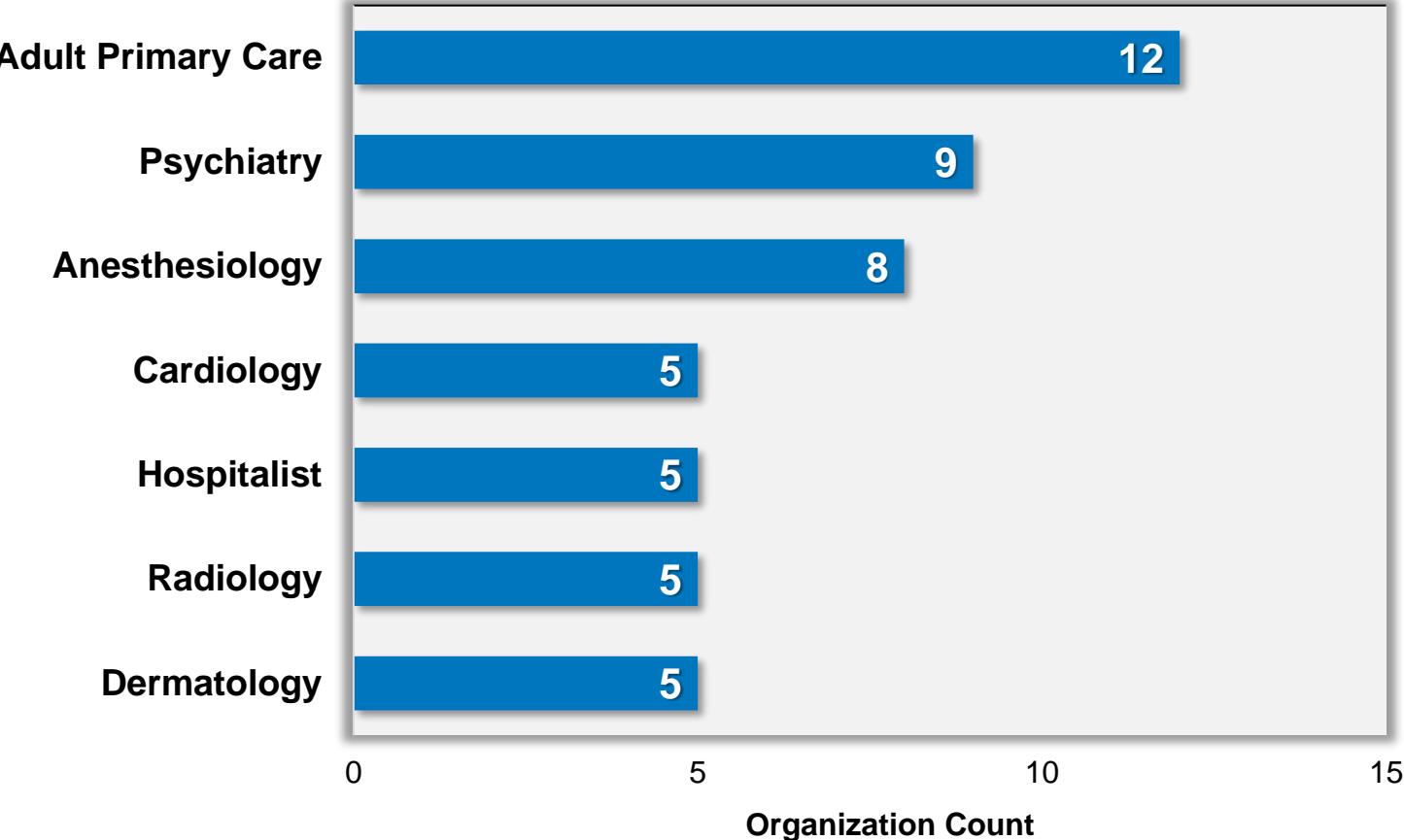


# Recruitment and Growth Objectives

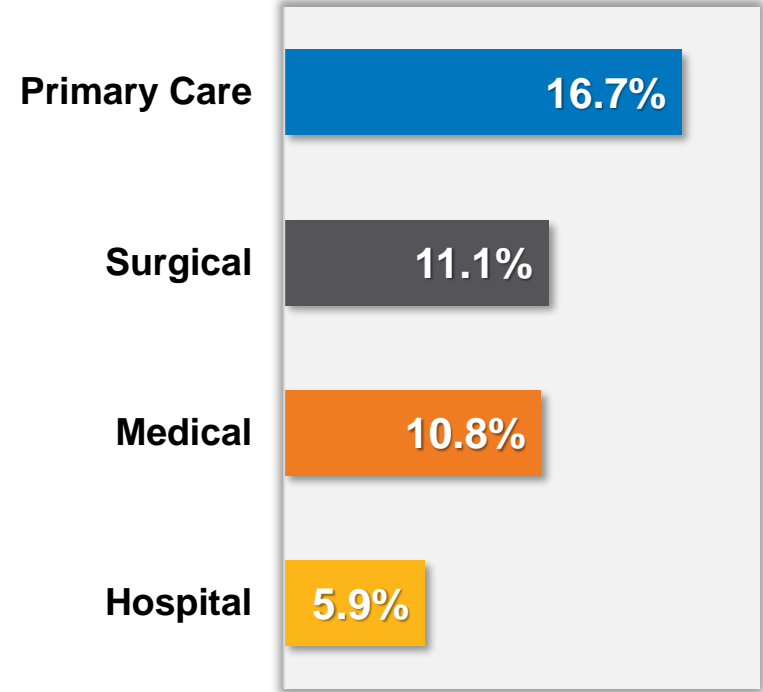


Expansion of the geographic footprint in the community with a focus on primary care growth

Specialties with Top Recruitment Difficulties *n=26*



One Year Growth % Goals  
(All Physician Goal 14.3%) *n=28*



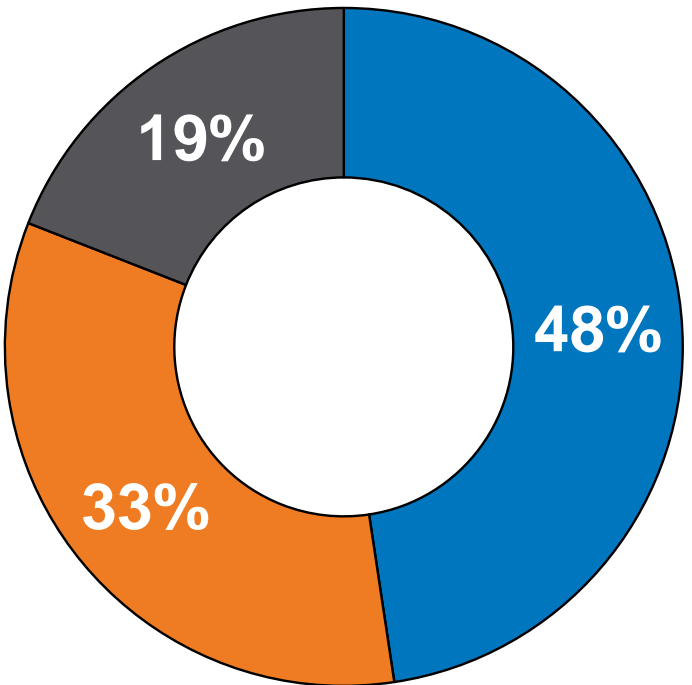


# Retention and Turnover Rates



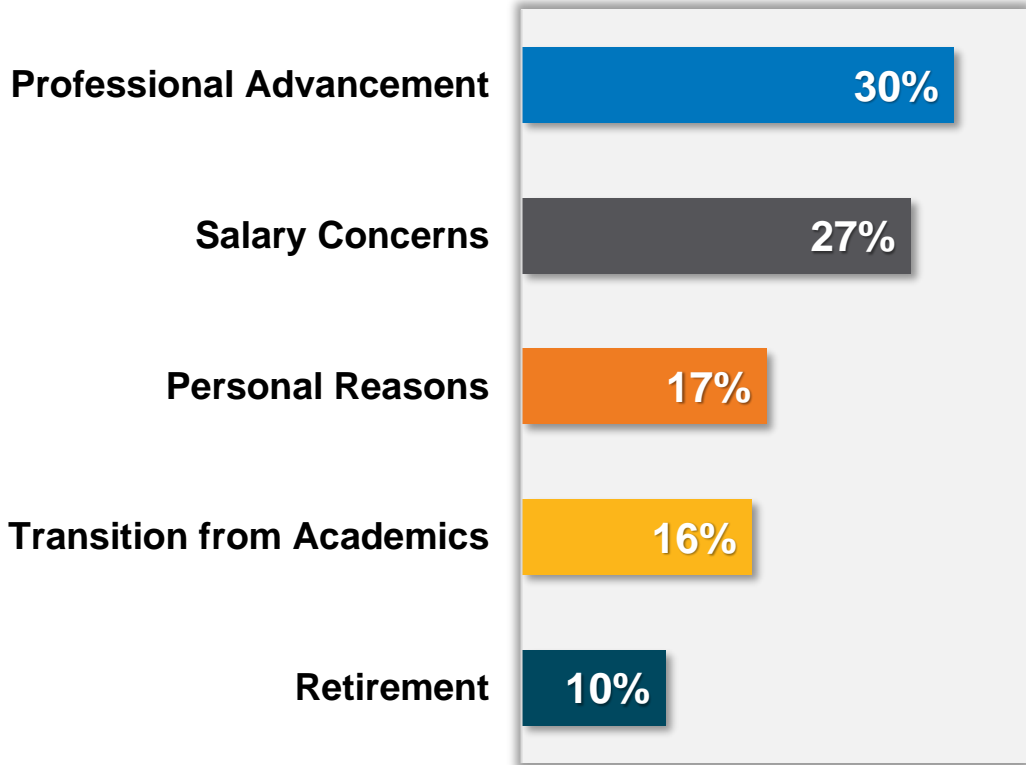
Most physicians are leaving for other AMCs.  
Compensation is not always the primary driver for turnover.

Top Turnover Destinations *n=26*



■ Another AMC   ■ Private Practice   ■ Non-AMC System

Top Reasons for Retention Challenges *n=26*



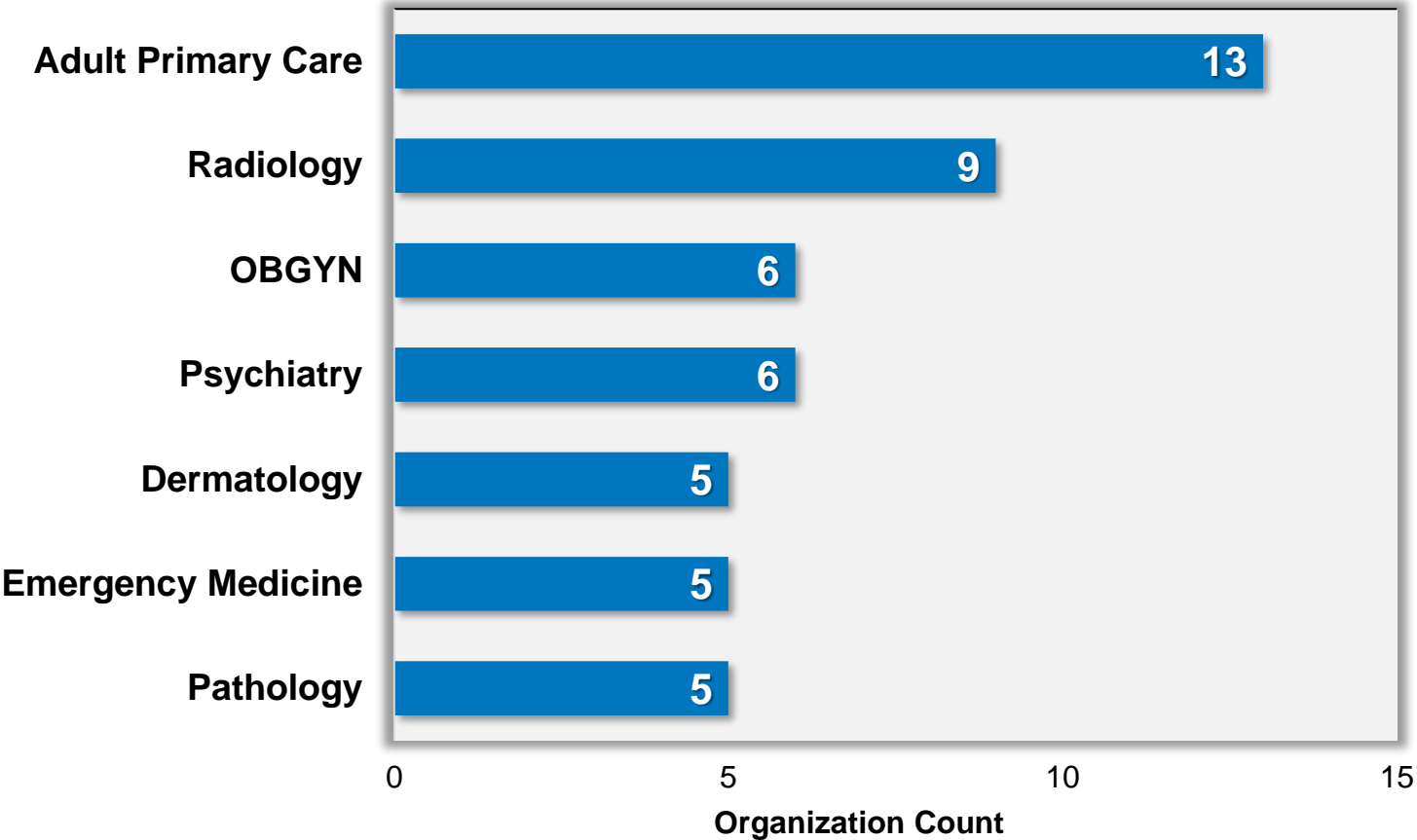


# Retention and Turnover Rates

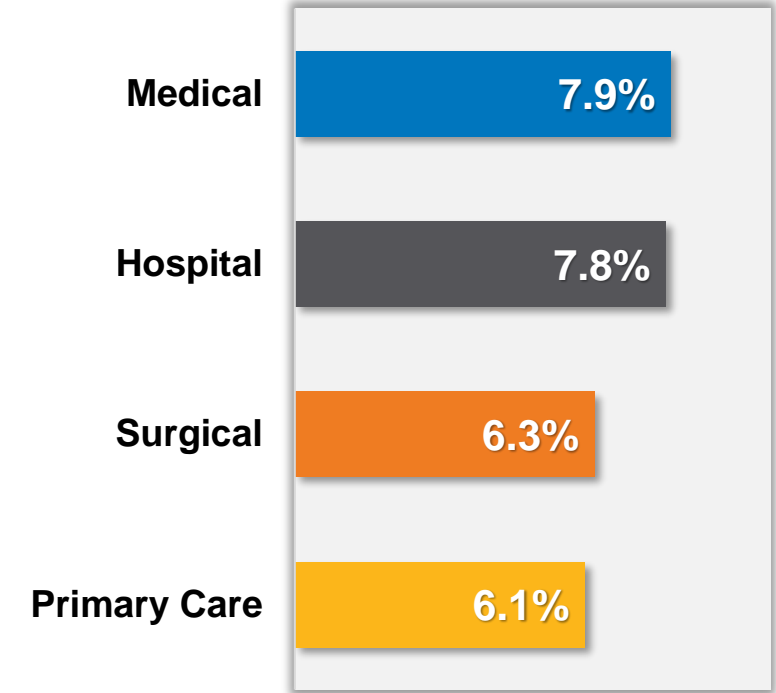


Adult Primary care is the most challenging specialty for **both** recruitment and retention

Specialties with Top Retention Difficulties *n=26*



One Year Turnover Rate  
(All Physician Rate 7.3%) *n=23*

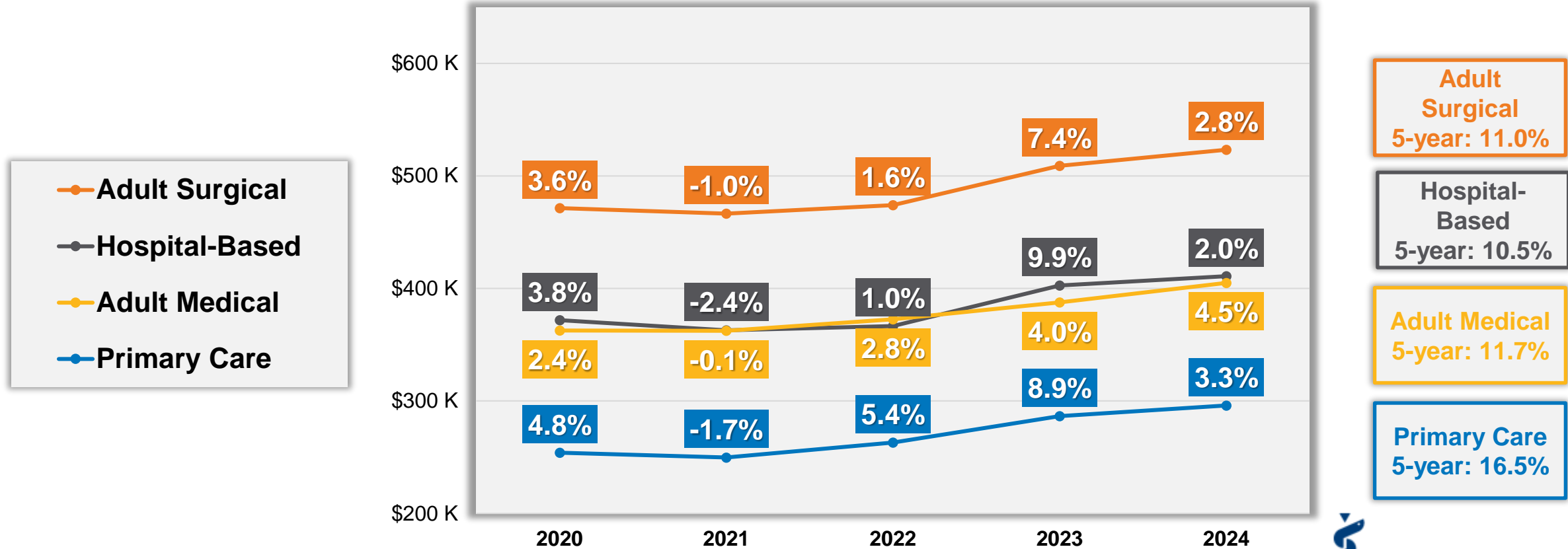






Primary Care total cash compensation (TCC) has experienced the greatest overall growth in the last five years, with one of the largest year-over-year changes in 2023

Median TCC by Specialty Area  
Percent Change Year-Over-Year

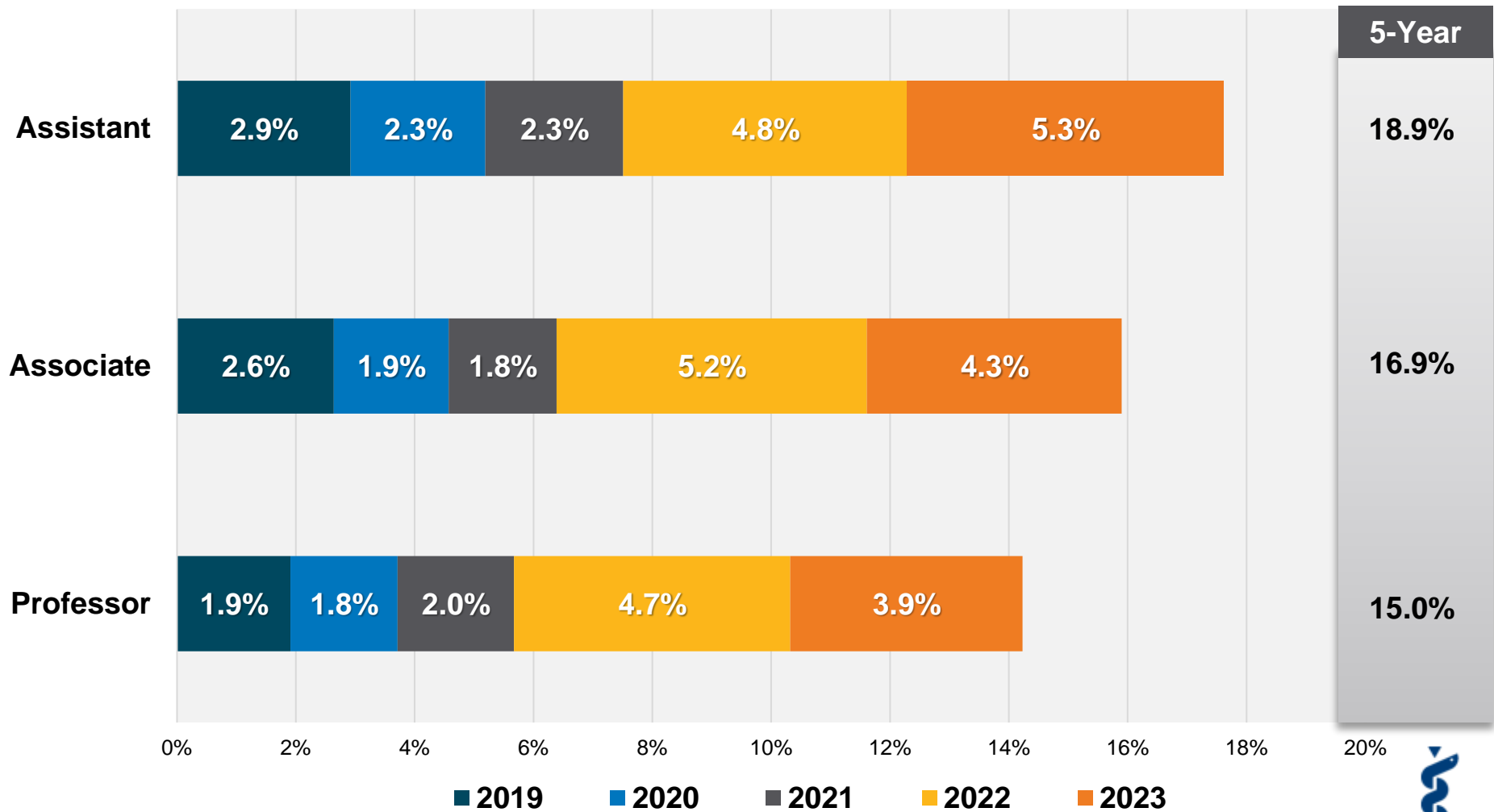


Source: SullivanCotter 2020-2024 Physician Compensation and Productivity Survey Report





Assistant and Associate Professor compensation is rising faster than Professor, highlighting pay compression resulting from recruitment and retention challenges in a competitive landscape





# Recruitment and Retention Responses

Aligning Physician Faculty and System/Faculty Practice Plan Goals



The top initiatives are directly linked to financial sustainability and the need to expand primary care

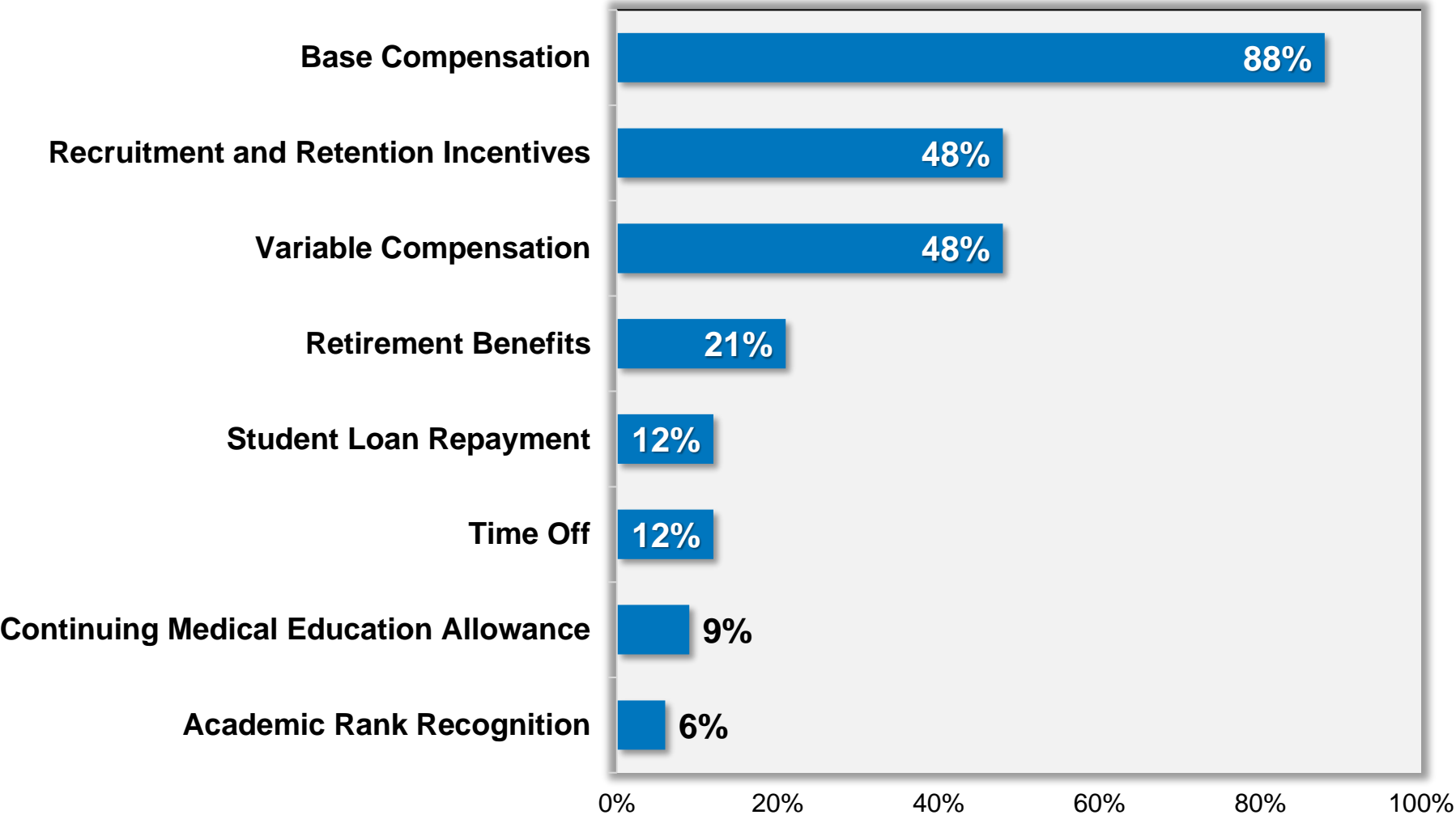
- 1 Improving Patient Access and Care Delivery (75%)**
- 2 Changing FTE Allocations and Work Effort Expectations (66%)**
- 3 Compensation Program Changes (59%)**
- 4 Funds Flow Realignment (56%)**

*n=32*





## Top Investment Areas in Faculty Physician Compensation and Benefits *n=33*



### Top Cited Drivers for Investments

- Recruitment and retention challenges
- Aligning compensation to market benchmarks and market forces
- Incenting increased clinical productivity



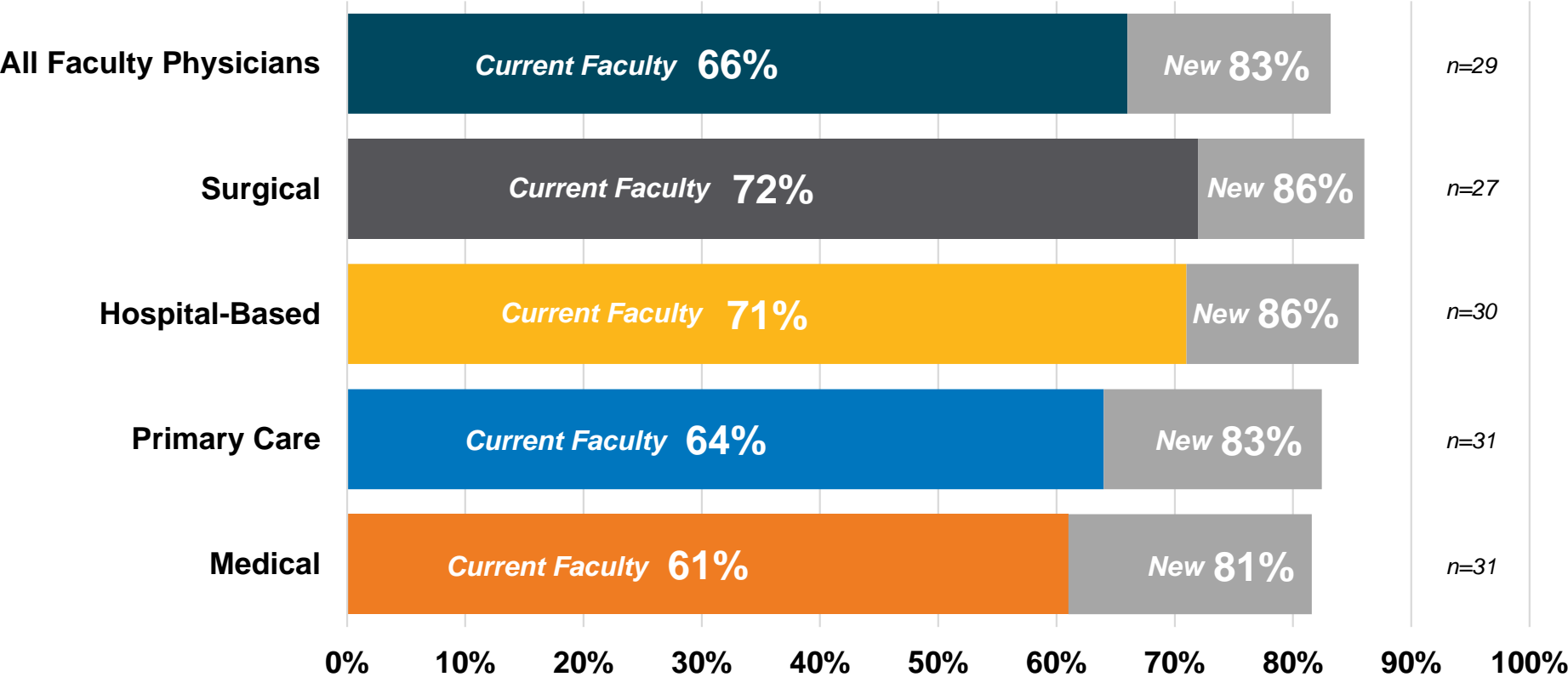
# Recruitment and Retention Responses

## Clinical FTE Allocations and Pay to Production Gaps



New hires begin with an average cFTE % of 83%, which is significantly higher than existing faculty physicians. SullivanCotter often sees FTE gaps of this size when AMCs are experiencing financial sustainability pressures.

Average Clinical FTE Allocations for Current and New Faculty Physicians



**36%** of organizations created an **intentional gap between pay and productivity** market positioning to address financial sustainability challenges. *n=33*

**Pay to productivity gap ranges from 5 to 20 %ile points, with a median of 10 points**

*Example: Paying physicians at the median for productivity at the 60<sup>th</sup> percentile is a 10-point gap.*

**63%** of organizations have made or experienced **significant changes to funds flow** in the last three years, primarily **driven by financial sustainability**. *n=27*





Most organizations use a time-based method to determine cFTE

### Clinical FTE Approach *n=33*

### Hospital-Based

1.0 FTE minus teaching, research and administrative time	55%
1.0 FTE minus blend of time and funded academic effort	15%
1.0 FTE minus funded effort	30%

Specialty	Average Hours			
	Per Shift	Total Clinical	Total Academic	Total Worked
Anesthesiology (n=14)	10	1,914	158	2,012
Critical Care Medicine (n=11)	11	1,788	230	1,868
Emergency Medicine (n=18)	10	1,525	357	1,836
Hospital Medicine (n=17)	11	1,856	171	1,946
Pathology (n=14)	9	1,653	314	1,893
Radiology (n=15)	9	1,836	271	2,062

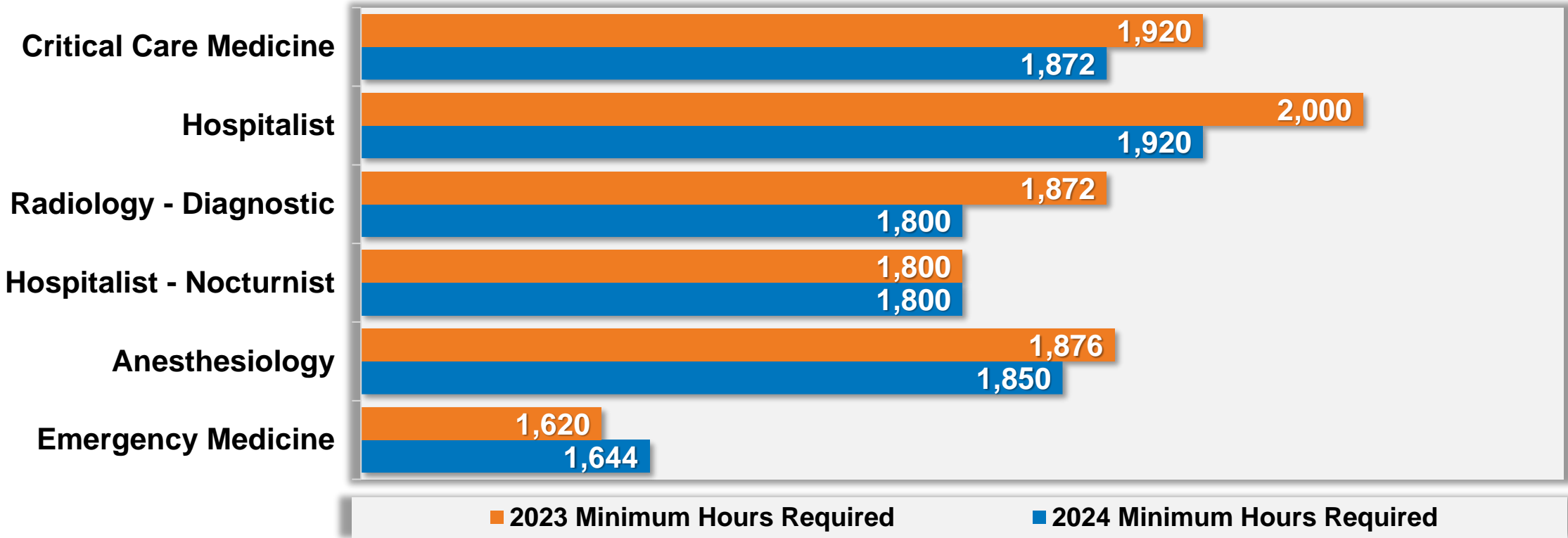
Clinical work expectations have remained consistent with previous survey responses except for hospital medicine which has decreased by approximately 6%.





Minimum worked hours expectations are decreasing in certain specialties within the broader market. Work hour reductions coupled with compensating increases challenges staffing models and financial sustainability.

Median Annual Hours for a 1.0 cFTE





# Facilitated Discussion / Q&A



# Save the Date

## **2025 Chief Medical Officers' Group (CMOG) & Group on Faculty Practice (GFP) Joint Spring Meeting**

April 3-4, 2025  
Washington, DC



Registration will open on January 8<sup>th</sup>, and we encourage clinical leaders and practice plan executives from AAMC member institutions to attend. Questions? Contact [gfp@aamc.org](mailto:gfp@aamc.org)



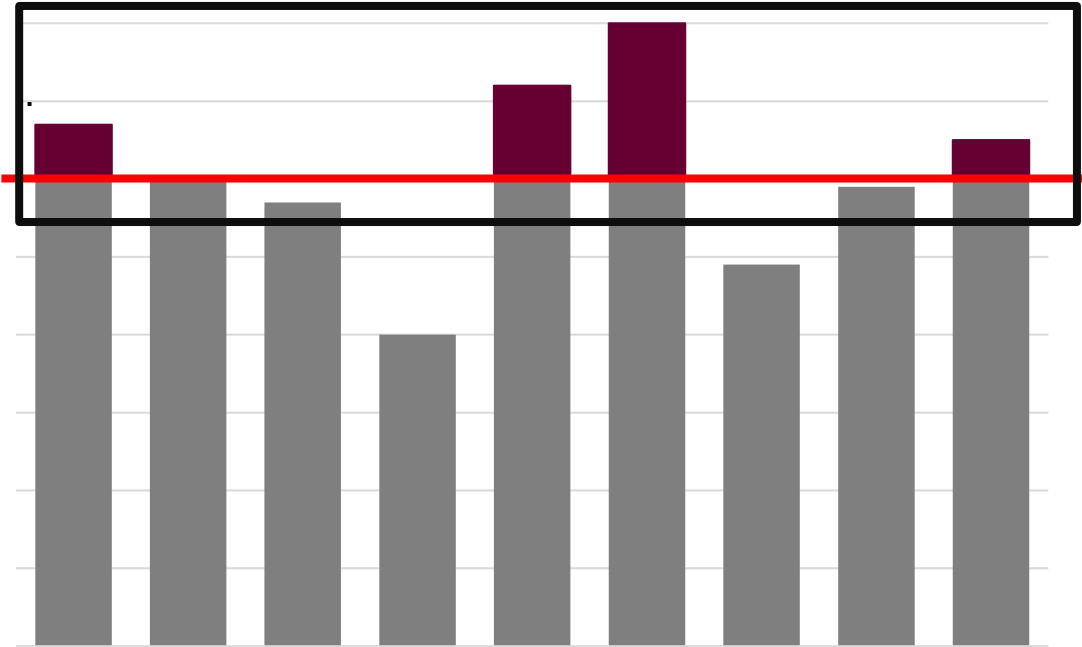
# APPENDIX





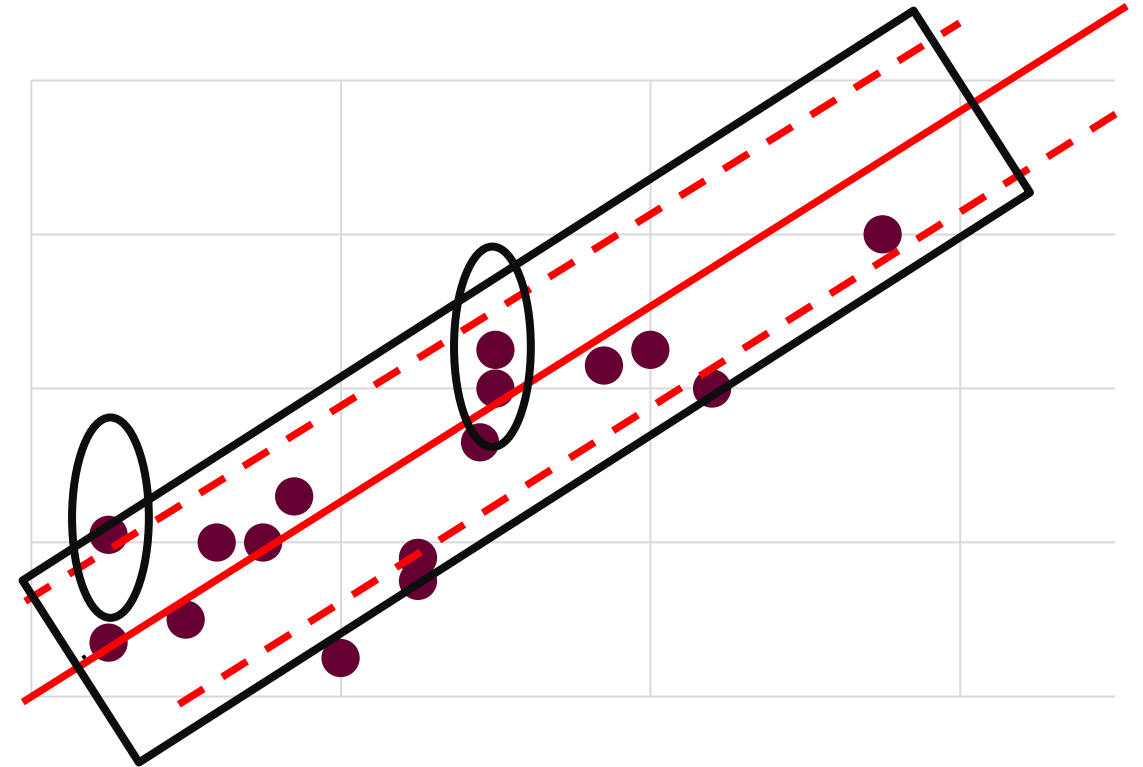
# HOW THEY WORK

## RESEARCH MODEL



Salary recovery target is typically 60% but does vary. Exceeding the target results in a bonus of half of what was recovered over target.

## CLINICAL MODEL

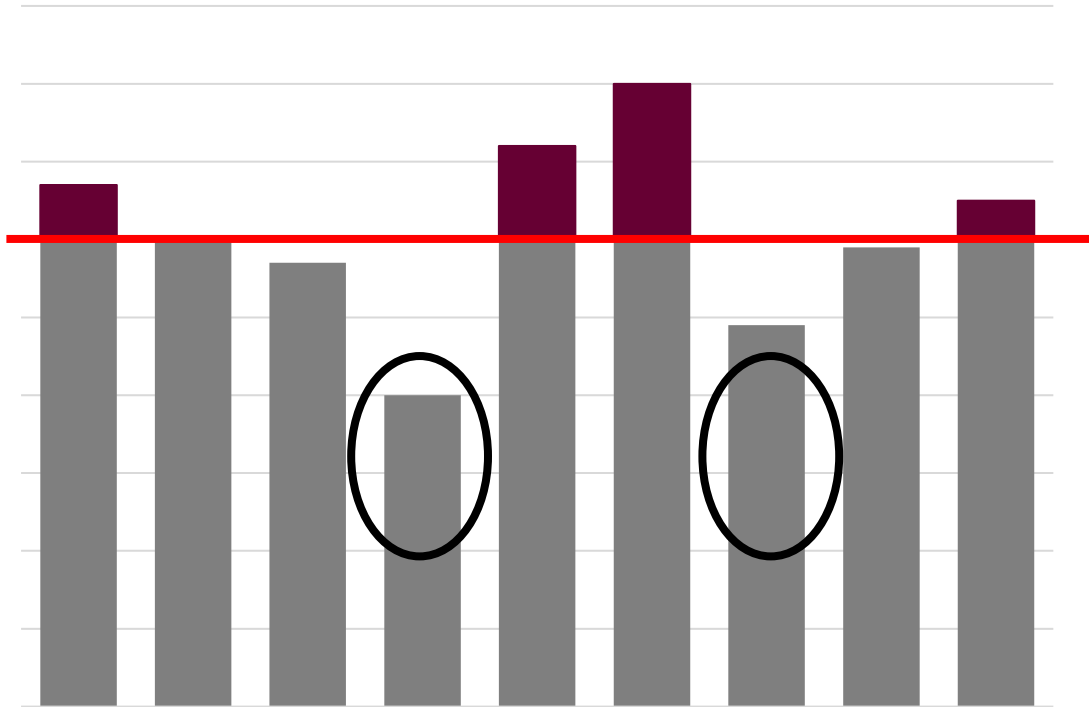


Productivity expectations are set based on salary. Exceeding expectations results in a bonus of a % of the benchmarked rate \* wRVUs exceeding target.



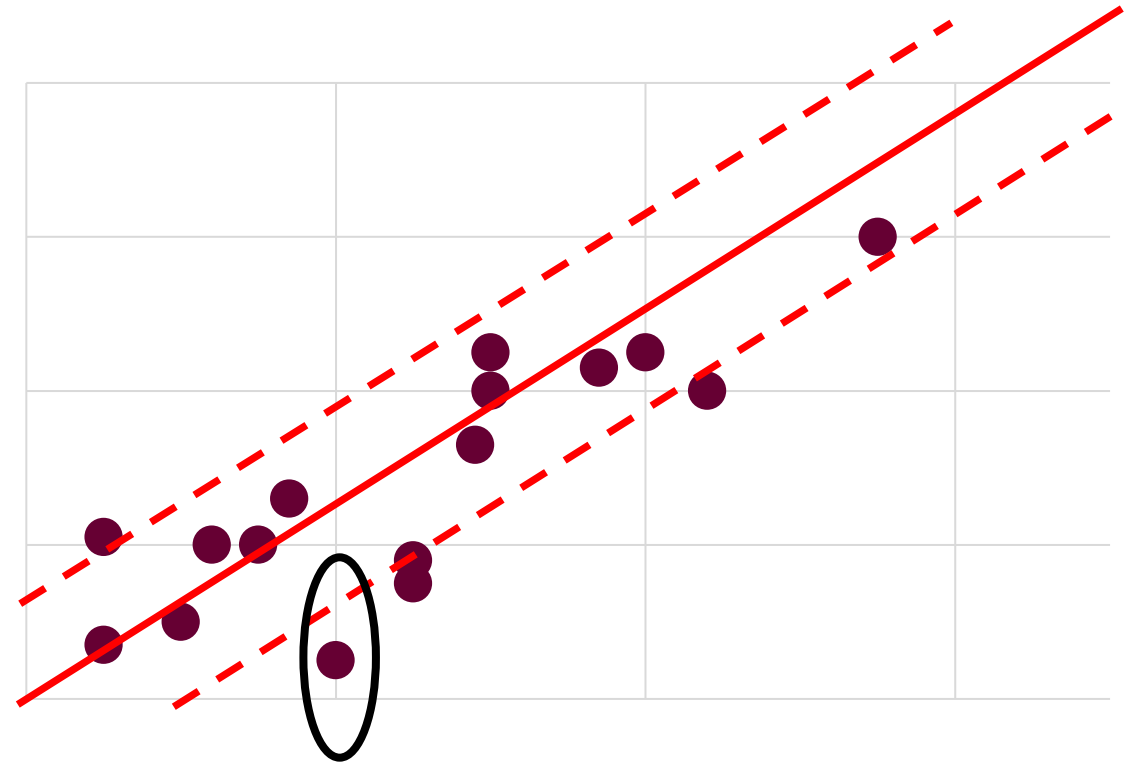
# HOW THEY WORK

## RESEARCH MODEL



Sustained underperformance results in the potential for progressive steps (changes in expectations, compensation, or denial of tenure)

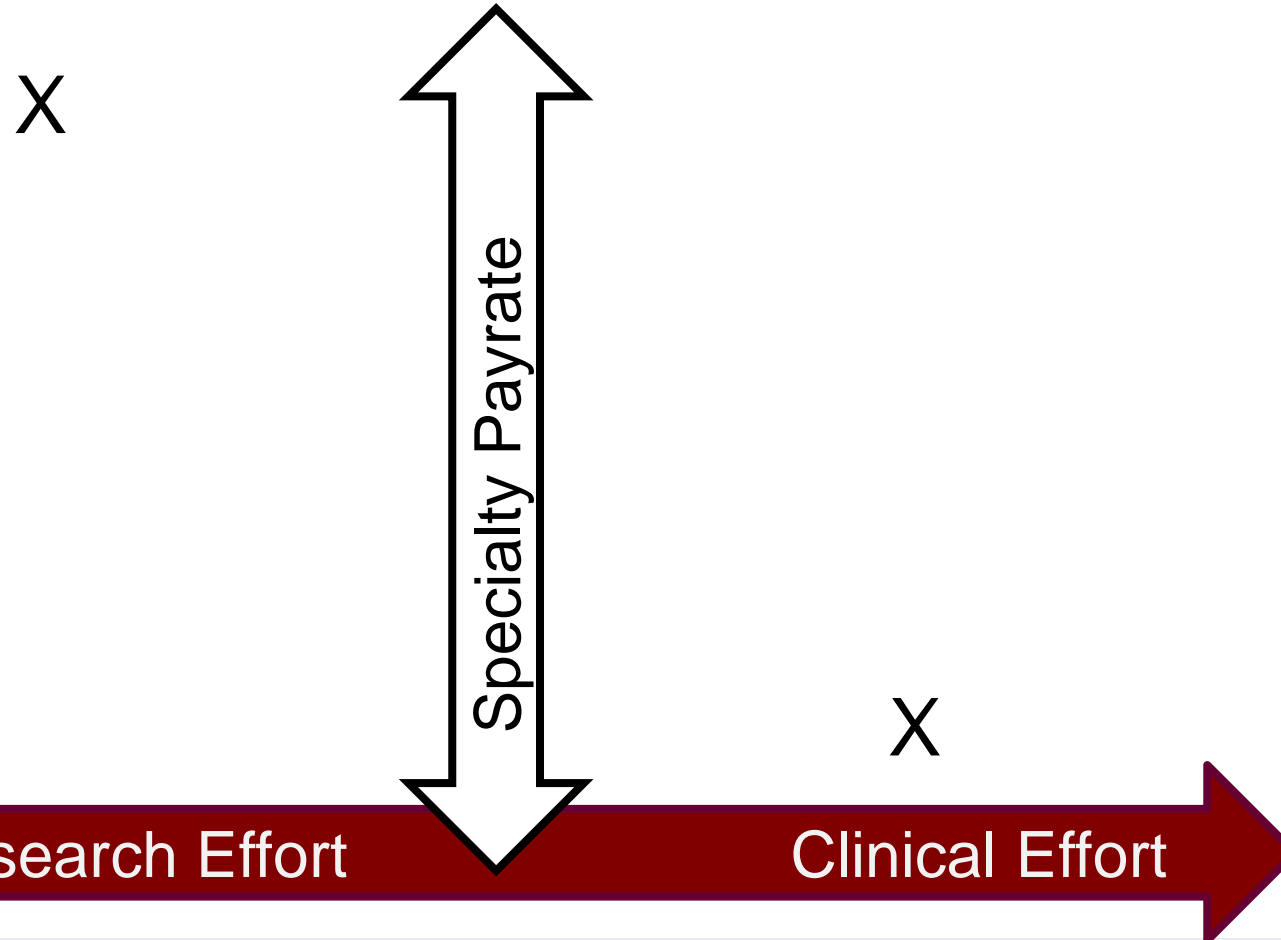
## CLINICAL MODEL



Sustained underperformance results in the potential for progressive steps (changes in expectations or compensation)



# PHYSICIAN SCIENTIST (cFTE < 0.4) MODEL



For Departments covering the cost of faculty looks different for each "X."

Plan requires bonus payout when faculty exceeds research effort target and clinical target AND covers comp cost.

Chairs are encouraged to provide an incentive if targets are exceeded regardless of compensation covered.