

The Employed Physician

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University Hospitals

Cleveland | Ohio



My Background

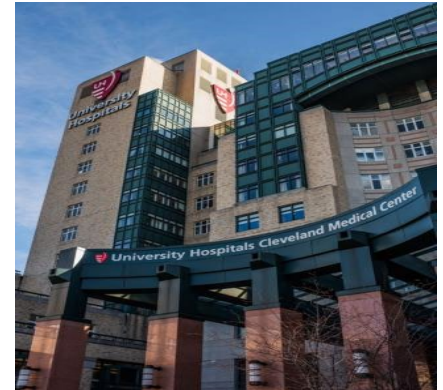


1998



My Background

- Completed fellowship 2005
- Academic Job 2005-2015
 - Part-Time – 4 days a week – satellite building
 - 5 weeks/year of call at main campus
 - Teaching
 - No research



- Employed Position – 2015-present
 - Full Time
 - 7-10 weeks of call at 1-2 community hospitals
 - Limited teaching
 - No research
 - Active
 - OGS – treasurer, vice president, president
 - ACG – committee, vice chair, task force, governor

What is the employed model?

- Hired by the hospital/system to provide gastroenterology services in a community hospital
- Revenue generated (downstream revenue) goes directly to the hospital/system
- Negotiated compensation – based on RVU or collections
- Predictable schedule – call, inpatient coverage, outpatient endoscopy

Win for the Hospital

- Gastroenterology is one of the highest revenue-generating specialties for hospitals, according to a 2019 survey of chief financial officers conducted by Merritt Hawkins. These CFOs reported that the average net annual revenue generated by gastroenterology physicians in 2019 was over **\$2.9 million**
- **exceeded only by invasive cardiology , cardiovascular surgery ortho, neurosurgery.**

Win for the physician

- Freedom from private practice burdens
 - Upfront costs are covered by the hospital
 - Malpractice, technology, compliance, HR, etc
- Referral Network
 - Large hospital systems have a large primary care network to build and sustain your practice
- Teaching
 - Residency programs +/- fellows
- Call/Hospital Coverage
 - More frequent
 - APP support – hired by the hospital or your practice

Compensation

- Structure
 - Guaranteed Salary
 - Production
 - Collections – depends on payor mix, contracted rates, collection rates
 - RVU based
 - Mixed
 - Based on number of years in practice
 - RVU
 - Incentive
 - Patient satisfaction
 - Quality measures
 - Citizenship

Compensation

- Benefits
 - For-profit vs Non-profit institution –
 - 401K - Un-matched retirement contribution
 - Additional tax-advantage retirement funds - 457 are not available
 - Tax advantages for small business/private practice are not available
- Venture Model
 - Opportunity to “buy-in” to an outpatient endoscopy center
 - Hospital System - majority owner
 - Physicians - minority owners
 - Third Party Management Companies
 - PE GI solutions
 - AmSurg

Things to Consider

- Workplace Culture – partners, staff, retention, leadership, schedule
- Regional market in the area you are considering
- Long term career options – growth potential, expansion
- Autonomy
- Teaching/Research
- Build a Personal Wealth Plan
 - Compensation Potential
 - Loan Repayment
 - “buy-in” cost -> ROI

“Change is inevitable. Growth is optional”

John Maxwell





Thank You!