



Strategically Aligned Provider Compensation Models: They Just Make Sense (*and* Cents)

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Presented by:

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Welcome! Some Housekeeping...



- Slides, handouts, and forms available in the **Resources Panel**
- Enter questions in the **Q&A Panel**
 - If question not addressed during webinar, will follow-up via e-mail
- Enlarge, rearrange, or close panels as you prefer
- For technical difficulties, try refreshing browser first

Introductions



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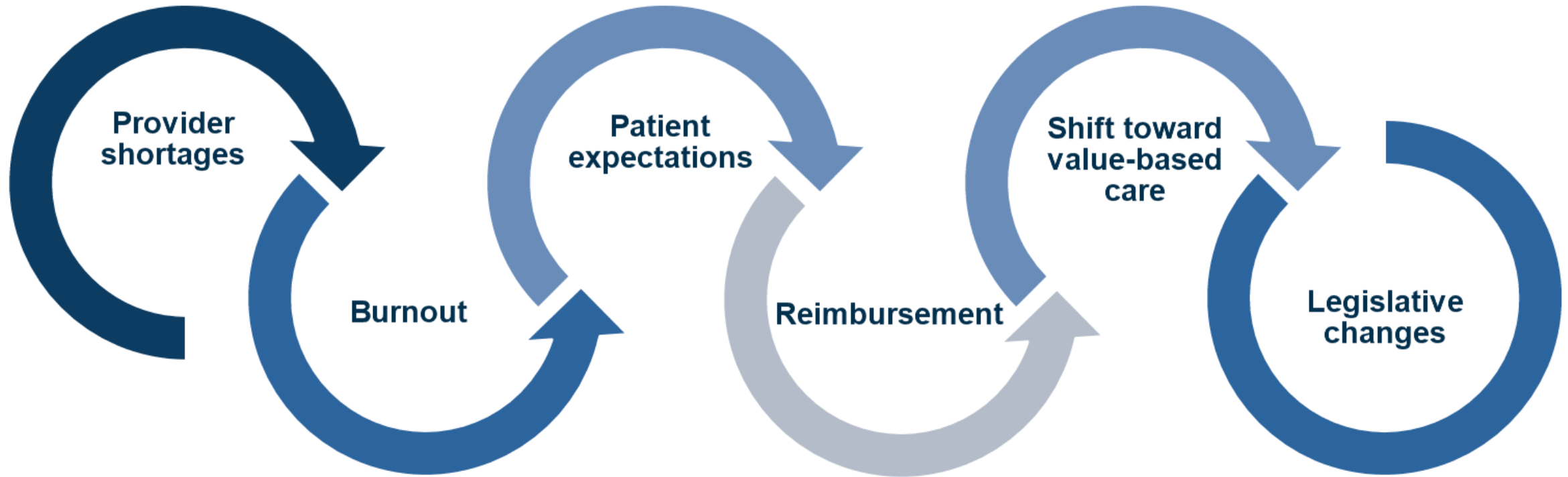
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Learning Objectives

- 1) Learn ways your organization may be impacted by a strategically aligned compensation model
- 2) Understand how to enhance recruiting efforts
- 3) Gain improvement in retention and satisfaction rates
- 4) Assess methods to operationalize alignment



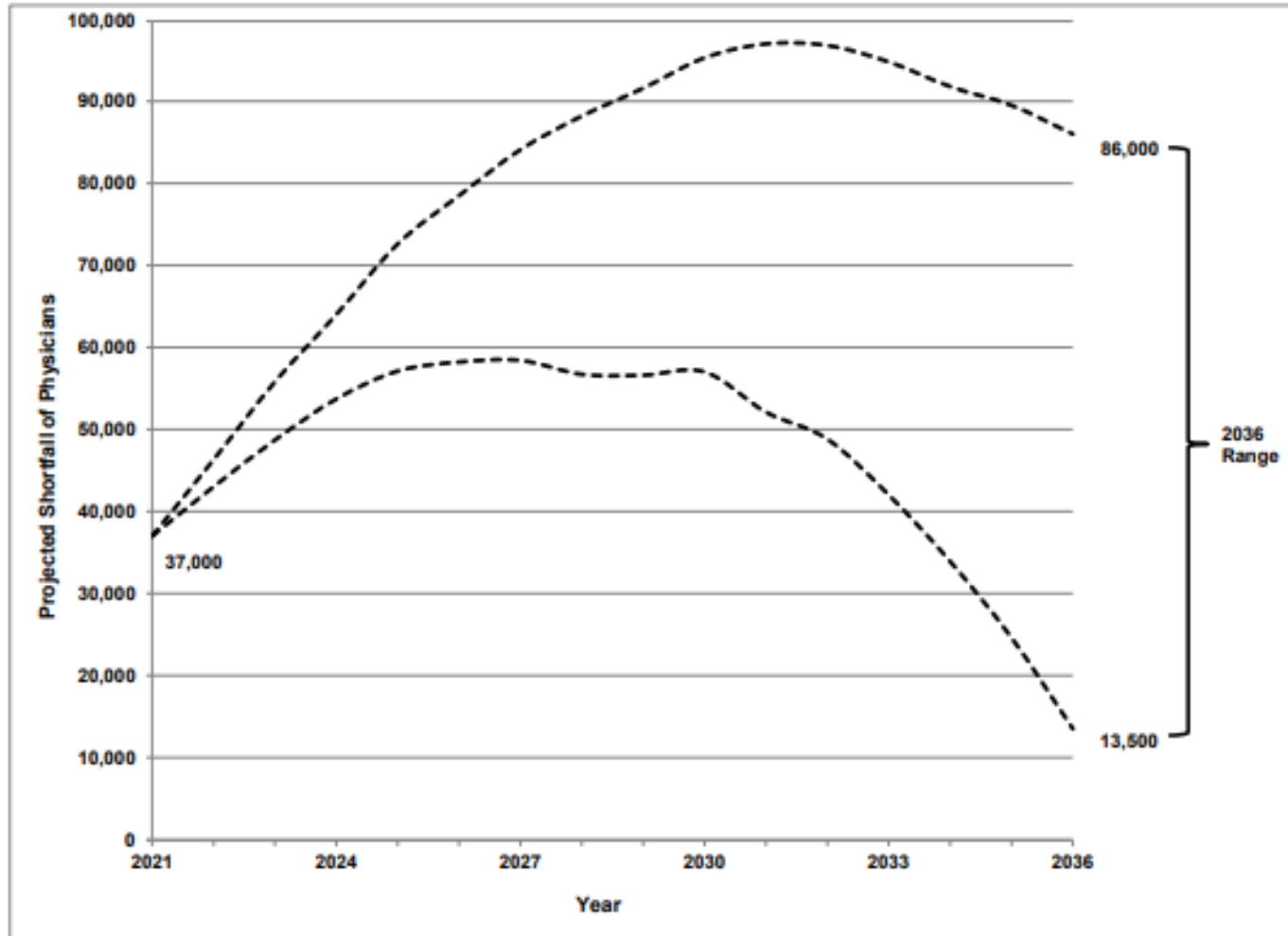
Let's not make it more complicated.

Your compensation models should work *for* you, not *against* you.

Projected Physician Shortfall Range



Exhibit ES-1: Total Projected Physician Shortfall Range, 2021-2036



Note:

Because complex systems have internal checks and balances to avoid extremes, the upper and lower bounds of the shortage projections reflect the range of most likely outcomes.

The divergence over time represents increasing uncertainty.

Source: AAMC *"The Complexities of Physician Supply and Demand: Projections from 2021 to 2036"*

Medical Student Loans



- On average, debt for medical students can range from \$200,000 to \$300,000
 - Per AAMC, 70% of medical students graduated with student debt in 2023
 - 50% of medical students graduated with debt greater than \$150,000
 - This is anticipated to increase over the next two decades
 - Amount of debt may impact career choice and well-being
- With the passage of OBBA (One Big Beautiful Bill Law 119-21), beginning July 1, 2026, professional students (including medical students) can borrow a maximum of \$200,000 in federal loans over the course of their studies (approximately an 11% reduction)
 - Illuminates potential recruitment incentives – student loan repayment
 - Must be fair market value
 - Several ways to structure
 - Will healthcare organizations design ways to help finance?

Source: AMA “Medical Student Loan Impact OBBA”

OBBBA



Physician Shortage

- Professional school borrow cap of \$200,000. A lifetime cap of \$257,500 for all federal student loans
- Limited repayment plan options
- Forces students to rely on more private loans or other alternatives



Patient Access

- Fewer physicians incentivized to work for qualifying employers
- Potentially diminishes access to care in rural and underserved communities

Source: AMA "Medical Student Loan Impact OBBA"

OBBBA



Physician Shortage

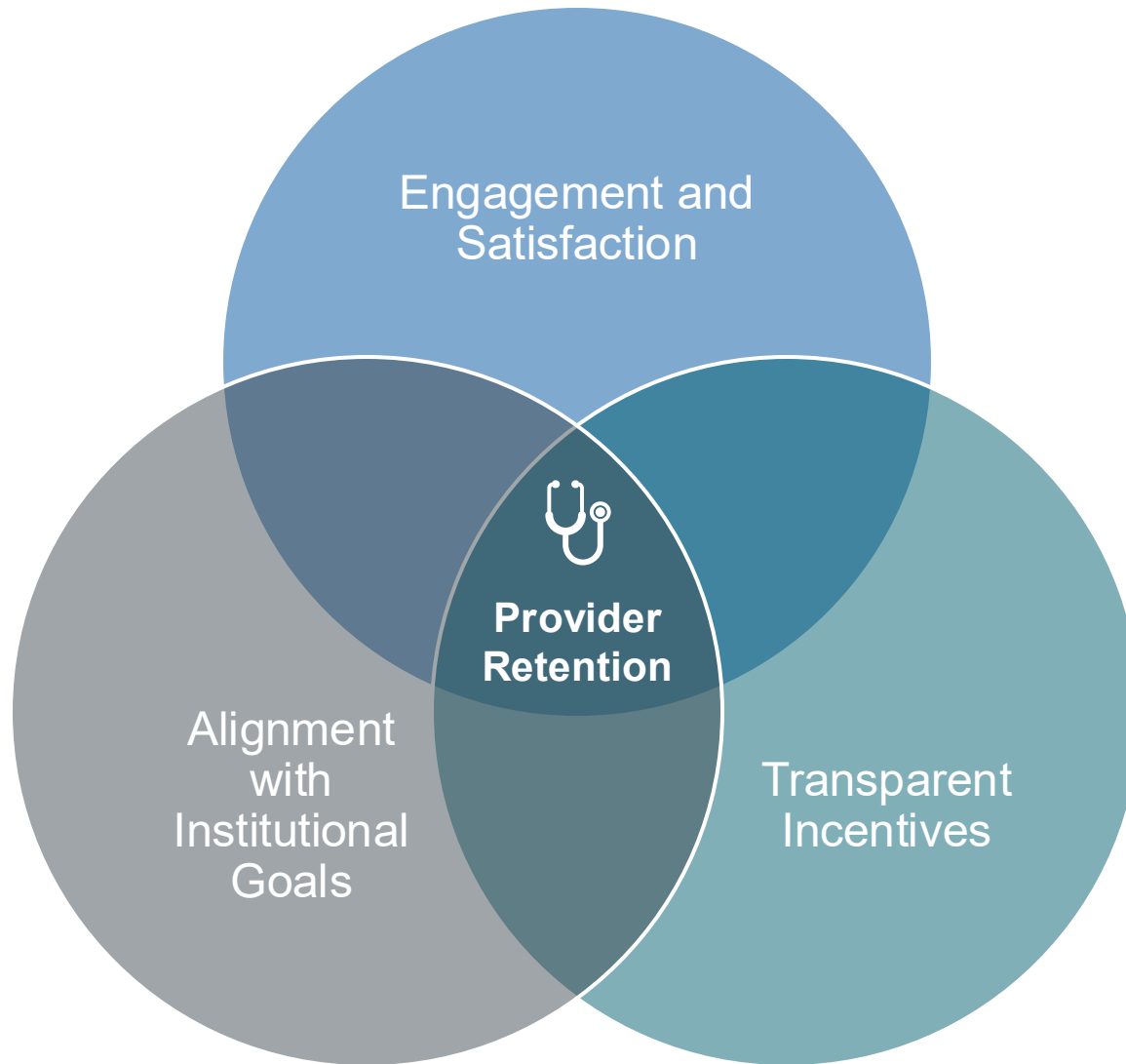
- H-1B Visa restrictions make it more difficult for foreign doctors to enter US (more likely to practice in rural communities)
- J-1 and H-1B Visa restrictions disrupt resident programs for international medical graduates



Patient Access

- Immigration enforcement and deportation likely to exacerbate hospital, physician practice, nursing home, home health, and home care staffing shortages

Source: AMA "Medical Student Loan Impact OBBBA"



Example:

- Hybrid model = base salary + bonuses tied to patient outcomes and team performance
- Demonstrates commitment to:
 - High-quality care
 - Long-term provider-patient relationships
- Additional offerings:
 - Student loan forgiveness
 - Sign-on bonuses
 - Relocation support



Physician Specialty	% of Total Compensation (Median)
All Specialties	5.0%
Primary Care	6.3%
Medical Specialties	4.9%
Surgical Specialties	4.8%
Hospital-Based Physicians	4.8%

Source: Sullivan Cotter Physician Productivity and Compensation Survey Report (2024)

Transparency and Predictability



- Predictable payment schedules help to build trust within an organization
- Set defined parameters and regularly share data
- Several options:
 - Standard Draw Model
 - Draw Model + Quarterly Incentive
 - Draw Model + Annual Incentive
- Consider how reconciliation periods impact timing
- Standardize as much as possible, within and across departments

How to Operationalize



BENCHMARK

Understand your local context, organizational goals, and unique differentiators

ENGAGE PROVIDERS IN DESIGN

Co-develop compensation structures with input from frontline providers

BUILD IN FLEXIBILITY

Create structured compensation tracks for hospitalist, primary care, specialist, and physician leaders

MEASURE AND REFINE

Continuously assess whether compensation plans are achieving their intended strategic outcomes

Conclusion – Three Key Considerations



Compensation shapes behavior, aligns priorities, and drives organizational performance



Intentional compensation planning can reinforce a culture of quality, collaboration, and accountability



Organizations that strategically leverage compensation will not only meet today's challenges but also build a strong, more resilient future

Additional PYA Resources



- ***“Keeping It ‘Reel’ – Provider Compensation Design”*** infographic
<https://www.pyapc.com/insights/new-pya-infographic-provides-insight-on-physician-compensation-planning-and-design/>
- **PEMBA On Demand “*From Burnout to Buy-In: Rebuilding Compensation for Modern Medicine*”** podcast
<https://www.pyapc.com/insights/caldwell-discusses-physician-compensation-strategies-in-popular-podcast/>
- ***“Is Chronic Care Management Chronically Impacting Your Employed Provider Productivity?”*** article
https://media.pyapc.com/wp-content/uploads/2025/03/Is-Chronic-Care-Management-Chronically-Impacting-Your-Employed-Provider-Productivity_-1.pdf
- **AAPCP Journal of Provider Compensation “*At Your Services: Concierge Medicine Programs*”** article
https://media.pyapc.com/wp-content/uploads/2025/05/Caldwell-Long-Kruse_Concierge-Medicine_JPC-AAPCP-May-2025.pdf
- ***“Understanding Group Compensation Model Design for Hospital-Employed Physician Practices”*** article
<https://media.pyapc.com/wp-content/uploads/2023/08/Understanding-Group-Compensation-Model-Design-for-Hospital-Employed-Physician-Practices.pdf>
- ***“Playing Offense: Using Compensation Design and Strategy to Retain Hospital-Employed Primary Care Physicians”*** article
<https://media.pyapc.com/wp-content/uploads/2023/05/Playing-Offense-Using-Compensation-Design-and-Strategy-to-Retain-Hospital-Employed-Primary-Care-Physicians.pdf>

Thank you!



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PYA by the Numbers

46% FEMALE OWNERSHIP

Over 2x the average of similarly sized firms

- Inside Public Accounting

1500
Healthcare
valuation opinions
requested annually

TOP 15 LARGEST AUDITOR
of AHA's Top U.S. Multi-Hospital Systems
- Ames Research Group

Consistently ranked
TOP 20
HEALTHCARE CONSULTING
firm in the U.S.
by Modern Healthcare

accountingTODAY
2025 Top 100 Firms

INSIDE
public accounting
TOP 100 FIRMS
2024

Forbes
2025 BEST-IN-STATE TOP CPAs

CLIENT LOCATIONS



USA TODAY
AMERICA'S MOST RECOMMENDED TAX FIRMS
2025 IN COOPERATION WITH statista

MORE THAN **2500** HEALTHCARE CLIENTS

Academic Medical Centers | Accountable Care Organizations
Ambulatory Surgery Centers | Blood Centers | Clinically Integrated Networks | County Owned Hospitals | Critical Access Hospitals
Diagnostic Centers | Dialysis Centers | Health Plans | Health Systems | Home Health Agencies | Hospices | Hospitals
Independent Practice Associations | Maternity Centers | Medical Groups | Mental Health Centers | Nursing Homes
Physician-Hospital Organizations | Physician Practices | Physical Therapy Centers | Psychiatric Hospitals | Rural Health Centers
Safety Net Hospitals | Surgery Centers | Urgent Care Centers