



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

Presented July 22, 2025 by PYA's Angie Caldwell and Ericka Dickinson

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WEBINAR SUMMARY

This PYA webinar focused on how healthcare organizations can develop strategically aligned provider compensation models. The presenters covered provider shortages, burnout, student debt, quality-based incentives, and the growing impact of artificial intelligence (AI). Attendees were encouraged to simplify, benchmark, and refine their compensation structures to support recruiting, retention, and long-term alignment with organizational goals. Work relative value units (work RVUs), Transforming Episode Accountability Model (TEAM), and the impact of the One Big Beautiful Bill Act (OBBBA) are discussed.

Key topics include:

- **Provider Shortages and Recruitment Challenges:** The projected physician shortfall continues to grow. Compensation models must attract talent early and address student loan burdens.
- **Shifts Away from Work RVU Models:** Work RVU-based pay is increasingly seen as outdated. Younger providers seek autonomy, equity, and value-aligned incentives.
- **Quality Incentives and Team-Based Metrics:** Compensation should include transparent quality metrics (e.g., readmissions, Hospital Consumer Assessment of Healthcare Providers and Systems (HCAHPS), etc.) and encourage collaboration.
- **Transparency and Predictability:** Physicians want to understand how and when they're paid. Clear models with standard schedules build trust and improve retention.
- **Operationalizing Alignment:** Benchmark nationally and locally, engage providers, build flexible but standardized plans, and continuously measure and refine.
- **AI and TEAM Model Impacts:** AI may reduce work RVUs over time. TEAM presents new opportunities for value-based alignment.

WEBINAR HIGHLIGHTS AND FREQUENTLY ASKED QUESTIONS

What is a strategically aligned provider compensation model?

- It aligns physician pay with organizational goals: balancing productivity, quality, satisfaction, and value-based care objectives.

Why is it important to move away from RVU-only compensation?

- RVUs don't reflect TEAM care, quality outcomes, or AI-assisted efficiencies.
- Modern providers seek autonomy and impact.

How can we recruit better in a physician shortage?

- Support early outreach, offer student loan help, and design packages that reflect long-term value, not just volume.



What are common metrics for quality incentives?

- HCAHPS, readmission rates, hospital-acquired infections, on-time surgical starts, and care coordination performance.

How does AI affect compensation design?

- AI may reduce time and work RVUs.
- Organizations must reassess productivity metrics and prepare for shifts in value attribution.

How does TEAM affect compensation strategy?

- TEAM's bundled model allows for collaborator agreements.
- Savings-sharing opportunities can be integrated into provider pay.

ACTION ITEMS

- Explore opportunities to align compensation with value-based payment models like BPCI-A/TEAM.
- Consider the potential impact of AI on productivity and work RVUs when designing compensation.
- Benchmark compensation data nationally, regionally, and locally to understand fair market value.
- Engage providers to get buy-in and feedback on compensation model design.
- Build flexibility into compensation plans to account for specialty, leadership, and teaching differences.
- Continuously measure and refine compensation plans based on feedback and organizational goals.

WEBINAR OUTLINE

Introduction and Overview of the Webinar and Learning Objectives

- Angie Caldwell outlines the learning objectives: understanding organizational impact, enhancing recruiting efforts, improving retention and satisfaction rates, and operationalizing alignment.
- She identifies the key factors impacting organizations: provider shortages, burnout, patient expectations, reimbursement, payer reimbursement, shift towards value-based care, and legislative changes.

Organizational Impact and Strategic Alignment

- Angie Caldwell emphasizes the importance of simplicity, consistency, and alignment in compensation plans.
- She notes provider shortages and burnout are highlighted as significant issues that should be addressed through strategic compensation plans.
- Angie explains patient expectations, such as increased time with physicians and quicker access, are factors that should be considered in compensation plans.
- She examines the impact of payer reimbursement declines and the shift towards value-based care on compensation models.



Provider Shortages and Recruitment Strategies

- Angie Caldwell discusses the significant physician shortfall and its impact on recruiting challenges.
- She details the importance of addressing student loan debt for medical students, and includes statistics on the average debt load.
- She emphasizes the potential impact of the "one big, beautiful bill" (OBBBA) on student loan caps and its implications for recruitment and retention.
- Angie suggests strategies for early recruitment and partnerships with credit unions or private lenders to help with student loan burdens.

Retention and Quality Incentives

- Ericka Dickinson discusses the importance of retention in addition to recruitment.
- She highlights the changing expectations of younger physicians, such as work-life balance, autonomy, and equity.
- Ericka notes the outdated nature of work RVU models and the need for creative compensation models tailored to organizational goals are discussed.
- She walks through different incentive options, such as quality incentives, care coordination bonuses, and payment for medical directorships.

Transparency and Communication in Compensation Plans

- Ericka Dickinson emphasizes the importance of transparency and communication in compensation plans.
- She notes the need for predictable payment schedules and clear definitions of incentive metrics.
- Ericka discusses the impact of delayed reconciliation periods on provider satisfaction and financial planning.
- She explains the benefits of standardizing compensation models within and across departments.

Operationalizing Alignment and Benchmarking

- Ericka Dickinson outlines the steps for operationalizing alignment: benchmarking, engaging providers, building flexibility, and continuously measuring and refining.
- She stresses the importance of understanding local, regional, and national market data in determining fair market value.
- Ericka discusses the role of provider engagement in the design and implementation of compensation plans.
- She highlights the need for flexibility in compensation models to account for differences in specialties and roles.

Impact of AI on Provider Productivity and Compensation

- Angie Caldwell discusses the potential impact of AI on provider productivity and compensation.
- She examines the role of AI in increasing efficiency and reducing time in certain specialties.
- Angie details the potential shift in work RVU measurements and the impact on compensation plans.
- She emphasizes the importance of beginning to think about and plan for the impact of AI on compensation models.



Summary and Q&A

- Ericka Dickinson summarizes the key takeaways: the importance of intentional and strategic compensation design, the impact of AI on productivity and compensation, and the need for continuous measurement and refinement.
- Angie Caldwell and Ericka Dickinson discuss the potential impact of the 2026 proposed rule for the physician fee schedule (MPFS) on work RVU models.
- Angie emphasizes the importance of understanding and preparing for the potential downward adjustments in work RVU models.
- The webinar concludes with a Q&A session, with Angie and Ericka addressing questions about the impact of TEAM care models and the MPFS proposed rule.