

# Utilizing Technology to Manage Clinical Compensation Does it Help or Hinder?

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As organizations look to remain competitive in a complex marketplace, keeping up with the pace of change is paramount – and health care is no exception. With the ultimate goal of delivering high-quality patient care in a financially sustainable way, many hospitals and health systems are investing in innovative technology solutions to help drive performance, enhance organizational efficiency, and streamline critical operational processes.

New technology as a standalone solution is not a cure-all, however, and how it fits within your organization's 'ecosystem' should be considered more holistically. Adding another system that doesn't effectively integrate with your existing network of solutions may be problematic. In the case of implementing software to manage physician compensation and performance, organizations must first identify all the key systems and sources of data that will need to be shared.

## BUILDING A TECHNOLOGY INFRASTRUCTURE

Physician compensation is growing in variability to help address evolving clinical workforce needs. There is not a single source of truth for the myriad of components – including wRVU productivity, quality goals, patient experience scores, call, shift, administration, and more – used to measure clinical performance and calculate compensation.

This detailed information often exists within several disparate systems, including:

- **Electronic medical records**

Date of service and CPT code-level detail and modifiers used to determine wRVU productivity and gain insight into quality data for specific visits

- **HRIS/Payroll**

Physician demographics (adds/terms/changes); pay details and hours for various components of work performed

- **Contracting systems**

Physician-specific work requirements

- **Time tracking and scheduling**

Details related to time-based work activities - including call and shifts

Incorporating a physician compensation management system into an already complex web of solutions may seem daunting. When the time and effort are taken to ensure these systems – which house specific information needed to provide a truly comprehensive, 360-degree view of compensation and performance – are integrated properly and can communicate effectively with the new physician compensation software, it provides a *distinct advantage*.

## **PROVIDING COMPREHENSIVE INSIGHT INTO PERFORMANCE**

Utilizing software to automate and streamline the physician compensation and performance management process can help to transform the way in which physicians, leaders and administrators operate on a day-to-day basis. While the list of benefits is long, there are three that stand out above the rest:

- **Deliver timely, accurate and transparent insight into results**

As organizations look to drive system-wide performance, keeping physicians engaged, informed and aware of the progress they are making toward individual and team-level goals is key. Providing visibility into compensation and performance details in real-time allows physicians and care teams to assess their progress and make adjustments throughout the year as needed. By showing physicians how different components/metrics impact their compensation, it puts them in direct control of their performance and, in turn, helps them to drive desired results.

- **Address variability in physician compensation**

Physician compensation has grown increasingly complex, and there is no ‘one-size-fits-all’ approach. It’s common to have several compensation plans in place with components that differ greatly based on organization, group, specialty, type of work, and more. As different service lines are working towards goals specific to their work, being able to account for variability in certain metrics – productivity, quality, outcomes, patient experience, etc. – is important. For instance, compensation for Hospitalists may be predominantly shift-based and will differ from a Primary Care physician who may have a specific patient panel management component.

- **Automate analysis and reporting to drive accuracy and consistency**

Many organizations are still using manual processes or tools like spreadsheets to generate compensation statements – which increases the likelihood of critical mistakes. Automating compensation calculations can help to reduce, identify and reconcile errors before they become a problem. It actually creates an environment in which timely and consistent reporting is the norm, and greatly increases the efficiency of accuracy of the entire process.

### **CHOOSING A SOLUTION THAT IS RIGHT FOR YOUR ORGANIZATION**

While technology may not be a cure-all, it is an important cornerstone – especially when integrated properly. When implementing a physician compensation software, it's imperative to work with a vendor who understands your organization's unique compensation philosophy and specific goals going forward. This includes knowledge of your existing systems and data to create the appropriate mapping of critical compensation and performance-related information from those key sources. Only then can you begin to create a best-in-class compensation system that works for physicians, leadership and administrators alike – all working to uncover drivers of performance and create the change needed to sustain the organization well into the future.

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