

## CASE STUDY

# Modernizing Primary Care Compensation:

Children's Hospital of Philadelphia's Journey to Improve Physician Satisfaction and Expand Patient Access



## BACKGROUND

Health care organizations face increasing challenges in designing and managing physician compensation models as they navigate intensifying regulatory oversight, mounting financial pressures, and the need to enhance equity and transparency across diverse clinical settings. Effectively recognizing and rewarding physician performance in this complex environment requires forward-thinking solutions that go beyond traditional approaches – particularly as organizations address operational variations and adapt to evolving workforce preferences. This includes an increased focus on work-life balance in primary care settings.

[Children's Hospital of Philadelphia](#) (CHOP), one of the leading pediatric hospitals with over one million patient visits annually, encountered these challenges within its primary care network. The existing incentive-heavy compensation model prompted a comprehensive review as both leadership and physicians identified opportunities to enhance alignment, transparency, and consistency in performance recognition while expanding access to patient-centered care across the region.

## STRATEGIC OPPORTUNITIES AND INSIGHTS

CHOP's leadership initiated a systematic evaluation of its primary care compensation framework. In doing so, it uncovered several key areas for improvement. These included simplifying the compensation structure to accommodate evolving reimbursement models, streamlining administrative processes, and enhancing performance transparency through scorecards. The assessment also revealed unnecessary variation in compensation practices across sites, particularly those focused on resident education and complex cases.

To operationalize these opportunities and gain insight into site-specific needs, SullivanCotter partnered with CHOP to conduct preference surveys and convene advisory groups. In line with national trends, primary care physicians expressed a strong preference for greater base salary stability.

These insights guided the development of a tailored solution that balanced stability with flexibility, aligned with CHOP's strategic objectives, and advanced its mission to enhance transparency, fair pay, and patient-centered care across the region.

**"A common theme among new recruits is the desire for greater work-life balance and salary stability. Our previous approach relied on variable salaries and high incentive amounts relative to market practice," explained Stephanie Gilbert, AVP - Ambulatory Care Network Operations, Children's Hospital of Philadelphia. "This was especially challenging in our city teaching practices, where the unfavorable payor mix exacerbated recruitment and retention difficulties. We needed a primary care compensation plan that was competitive across the board, ensuring fairness regardless of practice location and the population served."**

The transition to a new compensation model required significant effort to gain stakeholder buy-in and align leadership and physicians impacted by the change. This process involved extensive change management, facilitation, data collection, and ongoing communication between leadership and clinicians to ensure a shared understanding of the new approach.

## **SOLUTION: TECHNOLOGY-DRIVEN TRANSPARENCY AND ALIGNMENT**

To address these challenges and ensure the sustainability of the new compensation model, CHOP sought a technology solution to streamline and automate the management and administration of physician compensation. After evaluating several options, CHOP selected [Compensation Management](#) from Clinician Nexus as a platform tailored to its unique needs.

The innovative platform played a pivotal role in operationalizing the new model by introducing greater transparency and consistency across the organization. This empowered physicians to access their compensation, productivity, and performance data in real time, giving them greater control over their financial outcomes.

**"SullivanCotter's partnership provided key insights that enabled the development of a tailored solution, and Compensation Management from Clinician Nexus brought this solution to life through a robust software platform," said Gilbert. "Having this solution in place now allows our physicians to see exactly where they stand in terms of compensation and performance at any time. It has been a game-changer for transparency, giving physicians ownership over their performance and a clear understanding of how it impacts their earnings. That sense of control has been critical for building trust."**

**"Having this solution in place now allows our physicians to see exactly where they stand in terms of compensation and performance at any time. It has been a game-changer for transparency, giving physicians ownership over their performance and a clear understanding of how it impacts their earnings. That sense of control has been critical for building trust."**

**Stephanie Gilbert, AVP - Ambulatory  
Care Network Operations,  
Children's Hospital of Philadelphia**

Compensation Management also enhanced administrative efficiency, enabling CHOP's leadership to track and manage compensation more effectively. The platform ensured alignment with newly developed scorecards and facilitated more structured, meaningful conversations about physician compensation.

Using real-time information to evaluate productivity, incentive payments, and overall compensation structures, CHOP's leadership is now better equipped to make informed, data-driven decisions that align with organizational goals. This combination of strategic insight and technological enablement has positioned CHOP to attract and retain top talent while promoting fair pay and transparency across its primary care network.

## OUTCOMES

Implementing Compensation Management has led to significant operational improvements:

- 1. Increased Transparency:** Physicians can now track their compensation in real-time which leads to a greater understanding of how their productivity and performance directly impacts their earnings.
- 2. Supported Transition to New Compensation Program:** Compensation Management enables the ongoing management and administration of CHOP's new compensation model, which helps to provide greater parity across similar practice types by balancing compensation between mission-driven and suburban physicians.
- 3. Improved Decision-Making:** The platform empowers CHOP's leadership to make more data-driven decisions about physician compensation, ensuring that incentive payments were aligned with productivity and hospital goals.
- 4. Enabled Productivity Conversations:** Compensation Management opens up valuable discussions between leadership and physicians for mid-year reviews. Physicians are able to reflect on their progress towards goals and adjust efforts accordingly for the remainder of the year.

**"We had these great mid-year conversations where we asked physicians if they are happy with how they are currently performing. Some of them said they weren't. That really motivated them to make adjustments and improve their performance before the year ended,"** Stephanie shared.

## LESSONS LEARNED

As other hospitals and health systems consider implementing a new software solution to help support a physician compensation program redesign, there are a few lessons learn from CHOP's experience to consider:

- Ensure consistent engagement and proper resource allocation.** Engage key stakeholders – including physician leaders and executives – at the outset to ensure strong partnerships. It's also important that team members have access to the necessary tools, resources, and support during this process – storing helpful project resources in a central hub or repository can help to save time and enhance efficiency.

It's also important that team members have access to the necessary tools, resources, and support during this process – storing helpful project resources in a central hub or repository can help to save time and enhance efficiency.

- **Rely on the implementation team for support.** The scope of a project such as this can sometimes feel overwhelming. Lean on your vendor for active participation and consistent leadership throughout to maintain momentum and ensure alignment with project goals.
- **Roll out the platform's features in phases.** Introducing the new system's capabilities slowly can help to support buy-in and enhance user understanding and adoption.
- **With more data comes more questions.** Be prepared to address new questions or comments from physicians as engagement with the platform increases.
- **Apply new program and policies consistently.** While recognizing that the total compensation opportunity will still vary by practice, this will help to ensure greater parity across similar sites.

## CONCLUSION

CHOP's implementation of the Compensation Management platform has significantly improved the administration of the organization's newly redesigned physician compensation program. While CHOP's utilization of this system is still evolving and rolling out new features and functionality as needed, it has already made strides in achieving greater transparency, fair pay, and consistency. Looking ahead, the organization plans to further refine the model and explore new ways to leverage data for continuous improvement in the management, administration and reporting processes. The platform continues to provide valuable data and insights to help facilitate ongoing discussions about performance and productivity, model annual budget scenarios at the provider level, and improve financial performance at the practice/site level.