

UT Medical Group, Inc.

MEMPHIS, TN

UT Medical Group (UTMG) is a nonprofit multispecialty faculty practice plan. UTMG has over 100 physicians who are on the faculty of the University of Tennessee Health Science Center (UTHSC).

Challenge

UTMG sought to align provider compensation with organizational goals through a compensation plan that emphasizes value-based care. UTMG needed a financially sustainable plan that rewards physicians for meeting and exceeding clinical and non-clinical goals, while balancing academic and administrative responsibilities.

“The compensation plan is foundational for achieving our longer term organizational goals of enhanced patient care, group visibility, and financial sustainability. Huron’s leadership in developing this plan was essential to meeting those objectives.”

DREW BOTSCHNER, CHIEF EXECUTIVE OFFICER,
UT MEDICAL GROUP, INC.

Results

Increased Transparency around compensation and allocation of departmental profits

Monthly Scorecard for physicians to gauge performance and projected annual compensation

5-7% projected increase in medical group revenues in year one

Approach

Huron Healthcare guided UTMG leadership and physicians through the design of a transparent, understandable, efficient, and organizationally aligned compensation plan. The plan provides for equitable physician incentives, while maintaining financial sustainability of the medical group. Compensation was structured to ensure flexibility and continuation of high quality services that meet community needs at affiliated health systems.

Key project components included the formation of a physician and administration led steering committee, facilitation of discussions around guiding principles, and a compensation tool empowering UTMG to calculate compensation throughout the plan year.

A detailed compensation plan document provided a foundation and governing resource for existing and new physicians.

Transparency: By building a trusting relationship with physician leadership and department chairs, Huron helped UTMG achieve buy-in and bridge the gap between providers and administrators. A series of working sessions determined which structures would meet the needs of specific specialties and subspecialties.

Simplicity: Huron developed a tool that factors in key variables to help department chairs and operations directors model critical decisions. Key to the model's success was its functionality and manageability. Huron worked to avoid overcomplicating the model with unreliable or inconsistent variables.

Efficiency: Huron designed and executed an implementation plan that included a milestone based project plan and adjustments to the decision-making tool. Thorough testing of the model ensured the plan was efficiently delivered and consistent with UTMG and UTHSC guiding principles. A confidential online provider survey tool was created to gather feedback from UTMG providers.

Accountability: To support accountability and measure sustained high performance, Huron implemented a monthly scorecard that provides real-time individual and department performance metrics to physicians.



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