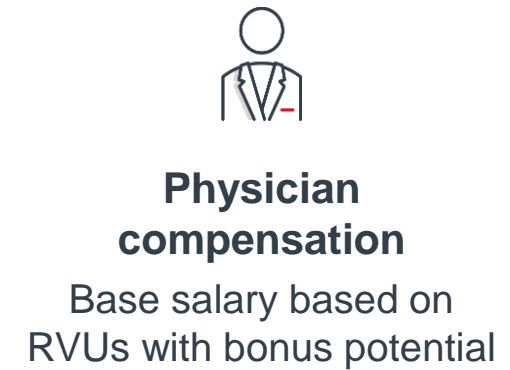
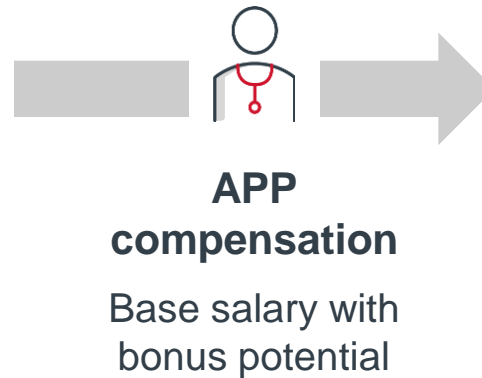
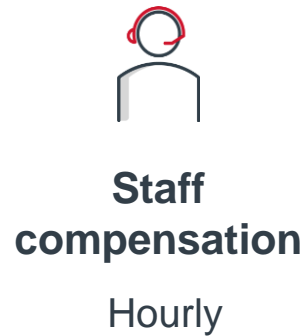


Shifting APPs towards physician-like compensation

Base salary with bonus aligns with goals for APPs

APP compensation should more closely mirror physician compensation



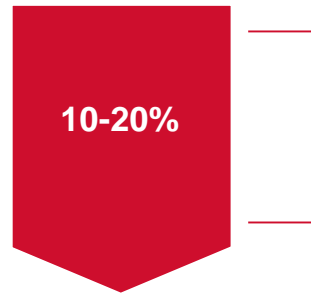
Goals for APP compensation

- 1 Incentive performance on group goals
- 2 Minimize productivity competition with physicians

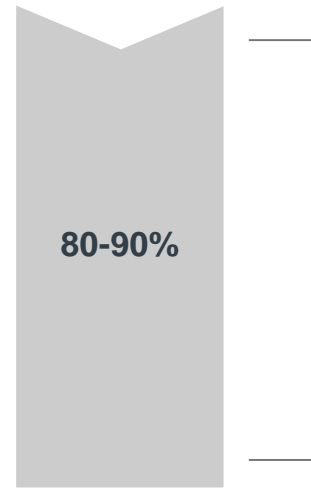
Pay all APPs base with bonus

Define each component based on group needs

Syracuse Orthopedic Specialists' APP compensation model

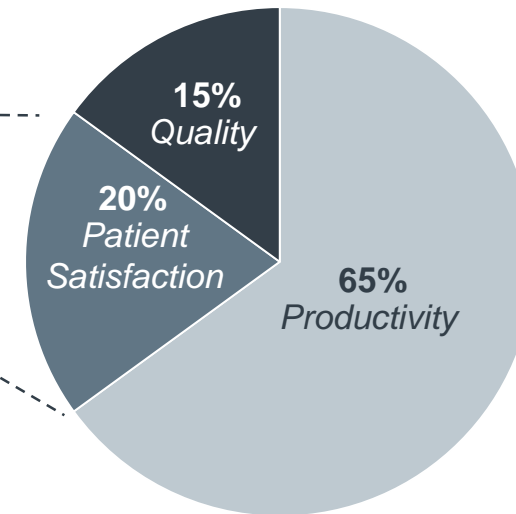


Bonus



Guaranteed base salary

Bonus weighting reflects top group priorities



Other common bonus criteria

- Access
- Panel size
- Citizenship

Syracuse Orthopedic Specialists

28-physician, 14-APP independent orthopedic group based in Dewitt, New York

- APP compensation model includes 80-90% base salary, 10-20% bonus paid out from group profits
- Relative bonus weighting reflects group's goals for APPs: 65% productivity, 20% patient satisfaction, 15% quality
- Group switched to current bonus formula from pure production-based model five years ago, have not experienced pushback from APPs or physicians since making this change

Link base to productivity in primary care

Flat salary insufficient to incentivize APPs on production goals

Metro Health's challenges from paying APPs flat salary



Decline in APP productivity



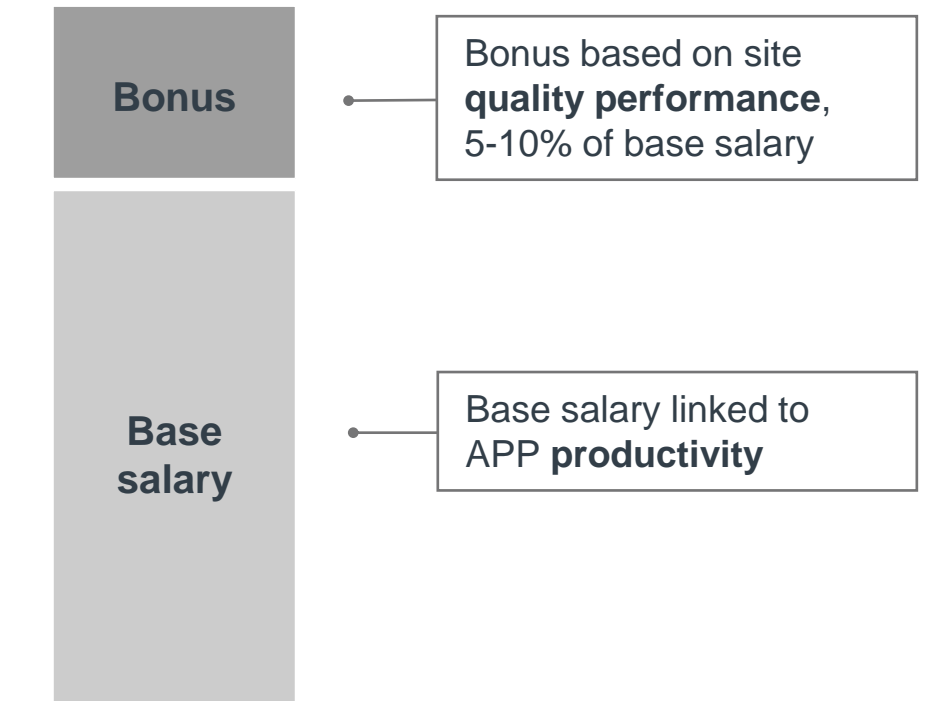
APPs unwilling to accommodate access



APPs not working to full FTE status



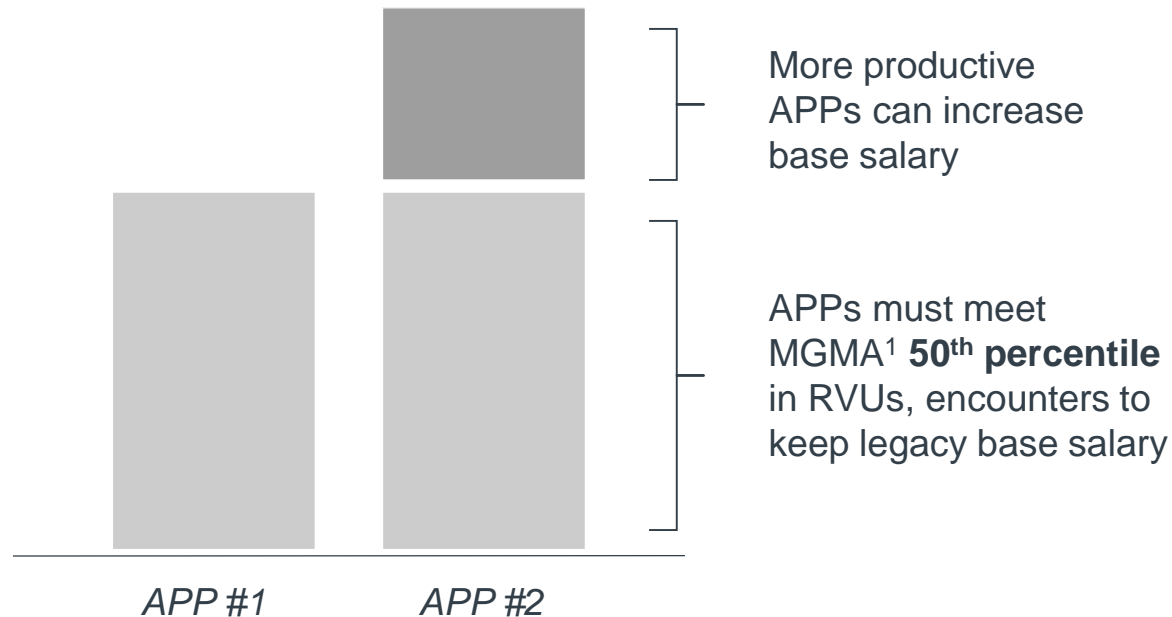
New model with RVU-based salary incentivizes productivity



Integrating productivity without pay per RVU

After one year, model more than pays for itself

Metro Health's compensation model links APP salaries to productivity

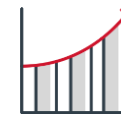


Increase in APP earning potential offset by growth in group volumes



60%

Of APPs in 75th percentile for productivity



14%

Increase in wRVUs



12%

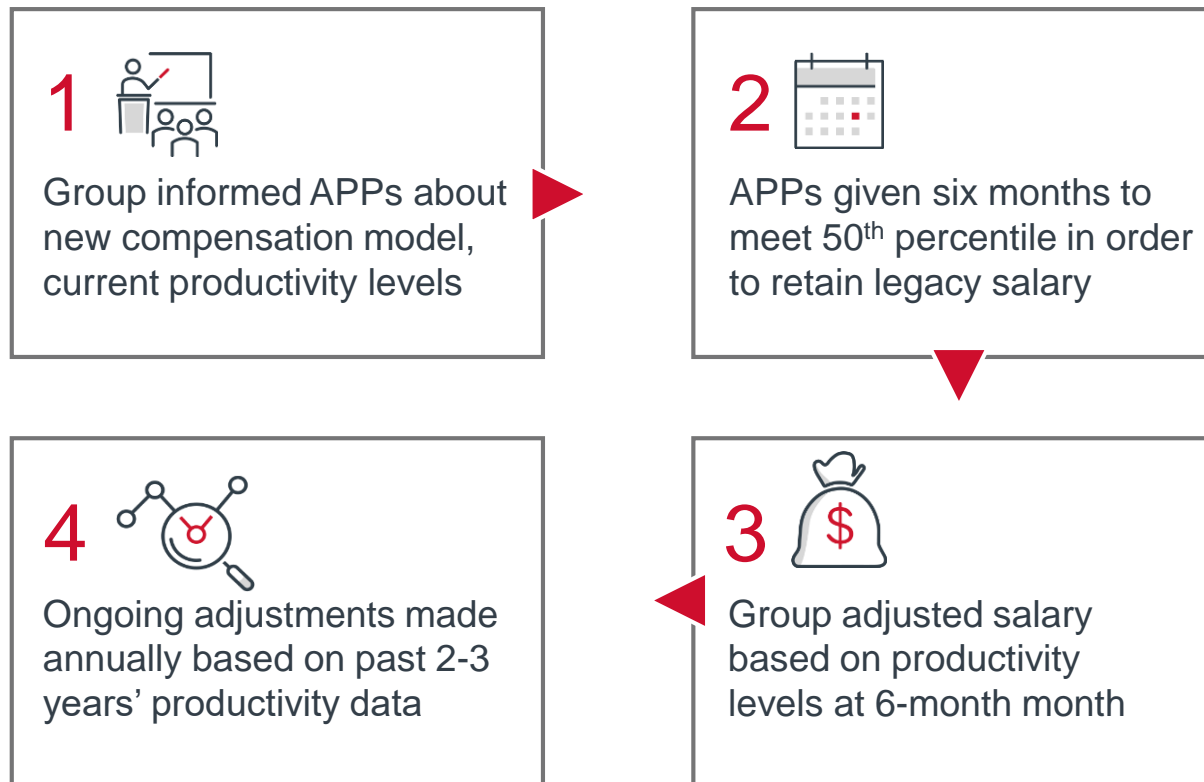
Increase in patient visits

1. Medical Group Management Association.

Rollout process gives APPs time to adjust

Ongoing adjustments made to incentivize continued productivity

Metro Health's rollout process for new salary model



Metro Health/University of Michigan Health

61-physician, 57-APP hospital employed medical group based in Wyoming, Michigan

- APPs paid RVU-based salary, bonus linked to site quality; APPs must meet 50th percentile in RVUs, encounters to keep legacy base salary; APPs can increase base salary
- Group informed APPs about new compensation model and gave them 6 months to meet 50th percentile; group adjusted salary accordingly based on productivity levels at 6-month mark
- 60% of APPs are in 75th percentile for productivity; group has seen 14% increase in wRVUs, 12% increase in patient visits