

Medical Staff FAQ's

Shriners Hospitals for Children have some of the finest physicians in the world on our staff. With cost cutting on the minds of everyone, we know that there are some questions about physician compensation that need to be addressed.

◆ **What changes have taken place in physician compensation over the last few years and why?**

- Beginning in mid year 2006, the Board of Directors and Board of Trustees approved the Salaries, Personnel and Retirement Committee's (SP&R Committee) request to conduct an in-depth report on physician compensation across the system. This was done as the result of the realization that SHC salaries were not competitive.
- Routinely the SP&R Committee reviews requests from the local hospitals for "market adjustments" to salaries in order to remain competitive within all job classifications, especially clinical areas such as nursing, radiology, pharmacy, lab, etc. We have experienced salary growth in clinical positions at a higher level than non-clinical positions over the last 5-7 years and this trend continues.
- At the November board meeting each year, detailed input from an outside physician compensation expert, the Medical Advisory Board, Department of Medical Affairs and Department of Human Resources is presented to the Salaries, Personnel and Retirement Committee (SP&R Committee) showing updated compensation salary range data for medical staff. A national benchmark (AAMC) for physician compensation is used and the compensation of each physician is compared to this benchmark in the appropriate category. This benchmark has been approved for use by the Boards of Directors and Trustees for the past 20+ years.
- Annually we find that some of our physicians continue to fall below the minimum of their salary range and the SP&R Committee has recommended to the Boards of Directors and Trustees, and they have approved, salary adjustments to bring physicians paid below the minimum salary up to at least the minimum of their salary range. Other medical staff members paid within the salary range are granted a merit increase based on performance standards.
- Recommendations are made from the SP&R Committee to the Boards of Directors and Trustees and the final decision is made by them.
- Within health care in general, compensation has been increasing rapidly due to shortages in many disciplines as stated above (nursing, physicians, etc) which has created "bidding wars" to attract talented professionals. It has been difficult to recruit and retain our health care professional when competitors offer many incentives with which we cannot compete along with higher salaries and better benefits when supply and demand dynamics are fierce within many of our hospital communities.
- Average Compensation is \$320,663 annually for medical staff.
- 70% of all medical staff are paid **less** than the average benchmark for their salary range.
- SHC employs 115 medical staff at a .5 FTE or greater (20 or more hours per week).

◆ **If our compensation is lower than what their colleagues are making, why do they stay?**

- Physicians stay with the organization because, first and foremost, they believe in the mission. Most of them have left or turned down more lucrative positions because, like you, they are passionate about Shriners Hospitals and the work they do there.
- Secondly, they want to work in an environment that allows them to provide the care that they feel is the best for the child and is unencumbered by the dictates of insurance companies and state or federal agencies.
- Third, they can participate in research and teaching which are critical components of Shriners Hospitals' mission and are vital to ensure that we provide the best care to the patients.

◆ **We understand that we provide our employed physicians malpractice coverage. Is that different from their colleagues?**

- No, this is a similar arrangement to academic physicians, who are usually insured by their institutions; with most institutions, like Shriners, being self-insured.

◆ **How do the benefits we provide compare to their colleagues in academic institutions?**

- Our benefits are well below those at academic institutions.

◆ **How much vacation time do they get?**

- Physicians are allowed up to 280 hours per year which includes Paid Time Off (PTO) and 9 SHC designated Holidays. This is less than most academic institutions.

◆ **Why do we compare ourselves to academic institutions?**

- In addition to patient care, academic institutions perform research to find better treatments and cures for diseases, and they teach future doctors and researchers, so that their expertise can be passed on and improved upon by the next generation. The mission of SHC clearly states that we demonstrate excellence in patient care, teaching and research. The first is critically dependent on the other two.

- It is that mission which attracts and keeps physicians on staff.

◆ **Why are they given time to attend meetings, etc.?**

- It is very important for physicians to attend meetings to ensure that they are kept up to date on the latest advances in their particular field. Again, that is part of our commitment to our patients and their families.

- Our physicians usually present their research work at the meetings they attend, serving as faculty to teach others. They frequently share the results of research that will not only improve the care for children who come to SHC but for children around the world.

- Several of our physicians have won awards for their work and this brings honor to SHC as well.

- Some of our physicians are so well respected that they are asked to lead national and international organizations which also brings great honor and credibility to SHC.

- ◆ **How is the time away controlled?**

- Each physician is allowed up to 15 working days for participation in such activities. All requests for this time away are reviewed carefully by the local Board, which grants (or denies) permission for the physician to be away from the hospital.

- In a few cases, there is a need to exceed that number. Those requests have to have the approval of the local Board, the Vice President – Medical Affairs and the Chairman of the Board of Trustees after very careful review of the justification.

- This amount of time away is well within the range of comparable academic institutions.

- ◆ **Why do we participate in research?**

- Excellence in patient care demands that we are constantly looking (researching) to better understand the underlying condition and to improve the care we provide.

- It is part of a commitment made to the patients and their families in order to provide the very best of care.

- There is no other organization in the world that has 19 pediatric orthopaedic programs, 4 major pediatric burn programs and 3 pediatric spinal cord injury programs. As a result, we have the potential to make a huge contribution to improving the care to children around the world. This brings great respect for Shriners Hospitals for Children both nationally and internationally.

- ◆ **Why do we participate in teaching?**

- Teaching is our legacy to the next generation of both patients and doctors. Teaching allows our expertise and our current level of knowledge to be passed on, so that future doctors can improve upon how we care for children now. We have both the opportunity and responsibility to teach others how to take care of conditions within our area of expertise.

- Naturally, we hope that the best of who we train, will, one day, join the medical staff at a Shriners Hospital.

- ◆ **How do we measure their performance and the amount of work that they do?**

- The Board of Governors of each hospital, the Medical Advisory Board and the Vice President of Medical Affairs evaluates the performance of the Chief of Staff annually.

- We monitor the number of surgical operations and procedures they do, the number of patients they see in the clinics, the number of papers they present at meetings, and their publications on their research, in addition to other measurements.

Why is there a shortage of pediatric orthopaedic and burn surgeons?

- Surgeons in training have chosen not to go into pediatric orthopaedic surgery or burn surgery. Both of these specialties require a long training period (at least 10 years after college) and

surgeons in these specialties work long hours. The current generation of trainees tends to prefer specialties with better lifestyles.

◆ **What is SHC doing to help this situation?**

- SHC continues to work hard to expose medical students and surgical residents who come to our hospitals to the benefits of a career in these two disciplines.
- We provide scholarships to residents to attend a key pediatric orthopaedic meeting each year to expose them to pediatric orthopaedics and the challenges and opportunities for a satisfying career in this field.

◆ **Will this shortage ever improve?**

- There are some indications that it will. In 2010-2011, there will be 46 physicians taking training in pediatric orthopaedics. In some previous years, that number has been as low as 13. We believe that our efforts have contributed to this increase.

◆ **What do the physicians feel about the ambulatory care model?**

- The majority of surgeons do not support a model in which he/she is only able to do ambulatory care including day surgery and all other, more challenging cases, moved to another Shriners Hospital for other surgeons to perform. If that was implemented, the vast majority of surgeons would leave as it would not provide them a satisfying and fulfilling practice.
- Surgeons may consider a model in which he/she could do ambulatory care including day surgery in a Shriners Hospital facility and do the more complex surgery at an affiliated children's hospital. Although 60% of procedures in **full-service adult community hospitals** can be done as day surgery, the same is not true for Shriners Hospitals for Children (SHC). In fact, a smaller percentage of procedures at any given facility throughout the SHC system could realistically convert to this model of care due to the condition of the patient, complex nature of the required surgery and distances patients and families must travel to seek care at our facilities.

◆ **What do physicians feel about third party pay?**

- It is fair to say that the feelings are mixed. Many see the acceptance of third party pay as a necessary course of action in an effort to deal with the current financial situation.
- Others are very concerned about the impact third party pay would have on the mission and practice of medicine within Shriners Hospitals.