



# Physician compensation benchmarking and design

**Helping organizations incorporate the shift from volume to value and the rise of consumerism**



Health systems across the country are challenged to evolve physician compensation programs, as the long-standing fee-for-service model shifts to a focus on value and population health, and as provider business structures and service delivery models become increasingly complex. With this evolution, health systems must adjust their compensation models from fixed salaries and production-based pay to incentivize physician behavior to improve patient outcomes and quality of care.

## **Trends influencing physician compensation include:**

- Incorporating at-risk compensation based on patient satisfaction, clinical quality, and population health metrics.
- Integrating performance metrics in support of blended businesses, joint ventures, and taxable and non-taxable organization affiliations
- Incentivizing provider teaming, an increase in the use of advanced practice clinicians, and a focus on patient access strategies
- Adapting to incorporate increasingly complex compensation benchmarking and assessing fair market value

Designing, documenting, and implementing new physician compensation programs presents challenges from the human resources, information technology, operational, and tax perspectives. KPMG is experienced in helping our healthcare clients address such challenges while managing risks and capitalizing on opportunities during these changing times.

KPMG Valuation and Business Modeling Services professionals assess and design compensation models that incorporate the changing healthcare marketplace and regulatory environment. We ensure fair market value compliance, rely upon industry-leading information, and design programs that enhance the strategic business priorities of our clients.

## **KPMG: A modern approach to healthcare tax and valuation**

Our Healthcare professionals recognize that the tax profiles of healthcare organizations today are changing just as rapidly as the industry itself. KPMG tax professionals take an industry-focused approach, turning our broad experience across the healthcare ecosystem (tax-exempt and taxable; providers, payors, private equity investors and other healthcare businesses) into value for each one of our clients. At KPMG, we understand your business, we speak your language, and we understand the tax challenges and opportunities across the healthcare industry.



## Our services

We serve tax-exempt and for-profit healthcare systems, and organizations across the entire healthcare ecosystem. Our team comprises leaders and professionals specializing in human resources, tax, compensation and benefits consulting, and technical advice. We provide a wide range of compensation and benefits consulting services for healthcare entities, including:

- Physician compensation benchmarking and program design
- Executive compensation benchmarking
- Total rewards program design
- Reasonable compensation opinions
- Compensation program tax compliance
- Job architecture and leveling
- Incentive plan designs
- Retirement plan designs
- Retention risk assessments



## Why KPMG?

Collaboration is the cornerstone of our engagements. Our Healthcare Tax professionals team across service lines, leveraging our broad industry experience to bring the right skill set to every engagement. As healthcare organizations evolve, the tax needs of our clients are more diverse than ever, often requiring both taxable and tax-exempt knowledge and experience and understanding of both payor and provider tax issues.

KPMG International is one of the largest providers of Audit, Tax, and Advisory services to healthcare and life sciences organizations globally. With more than 2,700 dedicated healthcare and life sciences professionals in the United States, supported by a global network across 152 countries, we offer a market-leading portfolio of methodologies, tools, and services to assist our clients in growing their businesses, enhancing performance, and managing risk.



## Contact us

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