



An Affiliate of The Reardon Group
Healthcare, Financial & Management Consulting

RC's Compensation and Production Benchmarking Database

Our **Compensation and Production Database** is an application for using the statistics contained in the Medical Group Management Association's (MGMA) Physician Compensation and Production Survey. This database contains descriptive statistics that summarize the compensation and productivity of physicians and nonphysician providers from medical groups that participated in the survey.

Physician Benchmarking

Benchmarking provides a critical look at the performance of a medical practice and its physicians, by comparing them to specialty, regional, and other norms, drawn from industry data. Our database greatly simplifies the benchmarking process. It provides the tools and data necessary to complete a thorough, accurate and effective benchmarking report, with detailed and comprehensive graphs, in a quick and efficient manner.

The Physician Benchmarking function compares private sector physicians' compensation and production data to MGMA survey data. It creates a benchmark report and a series of graphs that compare physicians to each other, to their medical practice, and to the MGMA survey data.

Why Benchmark?

Benchmarking facilitates understanding of what physicians do and how your practice performs compared to similar practices. It relies on measurement, comparison and metrics to facilitate management. Because benchmarking measures performance at different times, it's an important tool for observing changes in practice or physician activity. Knowing how peers code procedures, or that other practices are more cost-effective, can persuade administrators, physicians and others to implement change.

The type of results that can be revealed:

We have supplied a report that gives an example of the types of data that can be revealed by benchmarking the individual and practice compensation and production data. This "flash" report allows the practitioner to focus upon his / her and the entire practice's performance against those of your peers.

Further customization allows us to depict specific performance attributes and reveals areas where incongruities may exist suggesting areas where further improvement may be warranted and giving an indication of the types of changes that may be warranted in order to keep the practice on a competitive and rewarding position relative to your peers.

First we gather the data and then compare the data revealed to that of the target or benchmark to determine areas for potential enhancement.

See the Sample Table Below for a 2 physician Invasive Cardiology practice involving two partners – Dr. Tyler Jones and Dr. Michael Cane.

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Physician Statistics Compared to MGMA Data for Specialty Cardiology: Invasive					
Compensation		MGMA	Tyler Jones	Michael Cane	Sample Practice
		Median	3 to 7 years in Specialty	8 to 17 years in Specialty	Practice Average
	Physician Compensation	\$431,886	\$250,000	\$500,000	\$375,000
Production	Physician Retirement Benefits	\$29,000	\$18,000	\$30,000	\$24,000
	Physician Collection for Professional Charges	\$649,733	\$585,000	\$600,000	\$592,500
	Physician Gross Charges	\$1,485,116	\$900,000	\$1,700,000	\$1,300,000
	Physician Total RVUs	14,544	10,000	16,000	13,000
	Physician Work RVUs	7,902	7,000	9,000	8,000
	Physician Ambulatory Encounters	2,049	1,600	2,100	1,850
	Physician Hospital Encounters	966	900	1,300	1,100
	Physician Surgery/Anesthesia Cases	101	110	235	173
	Physician Clinical Hours Worked per Week	40	43	40	42
Physician Weeks Worked per Year	46	42	42	42	

Above Data Is Then Marked to Benchmark by Percentile Showing The Relative Ranking Of Each: Compensation And Production, BY Provider, As Well As For The Practice Taken As A Whole:

Physician Ranking Compared to MGMA Data for Specialty Cardiology: Invasive					
		MGMA	Tyler Jones	Michael Cane	Sample Practice
Compensation		Median	3 to 7 years in Specialty	8 to 17 years in Specialty	Practice Average
	Physician Compensation	\$431,886	<10th %tile	67th %tile	37th %tile
	Physician Retirement Benefits	\$29,000	15th %tile	60th %tile	25th %tile
Production					
	Physician Collection for Professional Charges	\$649,733	40th %tile	42nd %tile	41st %tile
	Physician Gross Charges	\$1,485,116	20th %tile	63rd %tile	36th %tile
	Physician Total RVUs	14,544	28th %tile	55th %tile	45th %tile
	Physician Work RVUs	7,902	40th %tile	64th %tile	51st %tile
	Physician Ambulatory Encounters	2,049	32nd %tile	51st %tile	44th %tile
	Physician Hospital Encounters	966	45th %tile	66th %tile	57th %tile
	Physician Surgery/Anesthesia Cases	101	53rd %tile	74th %tile	66th %tile
	Physician Clinical Hours Worked per Week	40	61st %tile	22nd %tile	60th %tile
	Physician Weeks Worked per Year	46	10th %tile	10th %tile	10th %tile



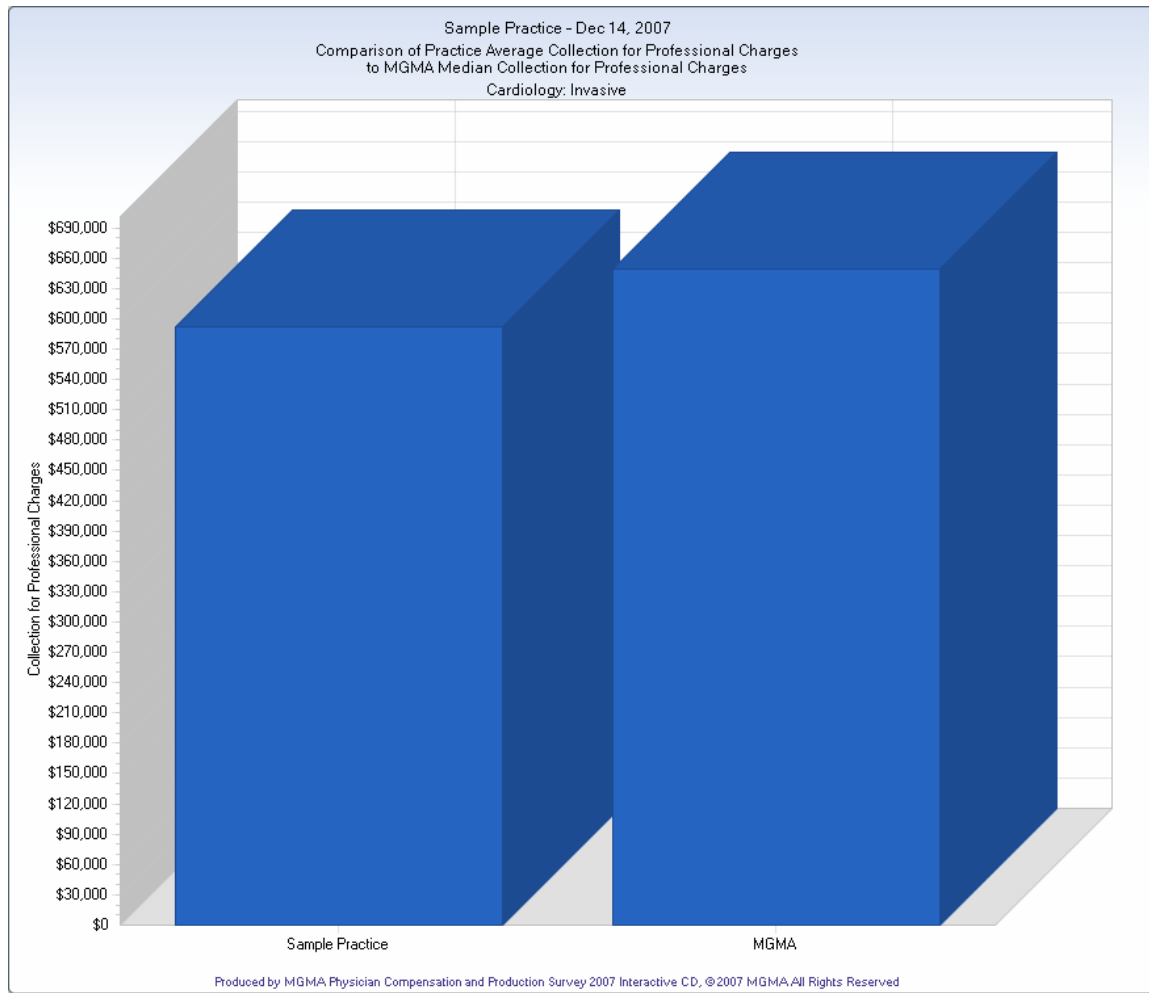
The Data Is Then Compared To The MGMA Published Statistics In Relation To Their Published Medians For This Specialty- Cardiology- Invasive, By Provider, And For The Practice As A Whole. This Is Then Expressed As A Specific Percentage Above Or Below The Published Medians For Each:

Physician Statistics - Percent Above or Below the Median Compared to MGMA Data for Specialty Cardiology: Invasive					
		MGMA	Tyler Jones	Michael Cane	Sample Practice
		Median	3 to 7 years in Specialty	8 to 17 years in Specialty	Practice Average
Compensation	Physician Compensation	\$431,886	-42.1%	15.8%	-13.2%
	Physician Retirement Benefits	\$29,000	-37.9%	3.4%	-17.2%
Production					
	Physician Collection for Professional Charges	\$649,733	-10.0%	-7.7%	-8.8%
	Physician Gross Charges	\$1,485,116	-39.4%	14.5%	-12.5%
	Physician Total RVUs	14,544	-31.2%	10.0%	-10.6%
	Physician Work RVUs	7,902	-11.4%	13.9%	1.2%
	Physician Ambulatory Encounters	2,049	-21.9%	2.5%	-9.7%
	Physician Hospital Encounters	966	-6.8%	34.6%	13.9%
	Physician Surgery/Anesthesia Cases	101	8.9%	132.7%	70.8%
	Physician Clinical Hours Worked per Week	40	7.5%	0.0%	3.8%
	Physician Weeks Worked per Year	46	-8.7%	-8.7%	-8.7%



We can then depict almost any combination of data graphically to reflect how well the practice or the individual member of the practice is performing against the most recent national (as well as regional) benchmark survey data.

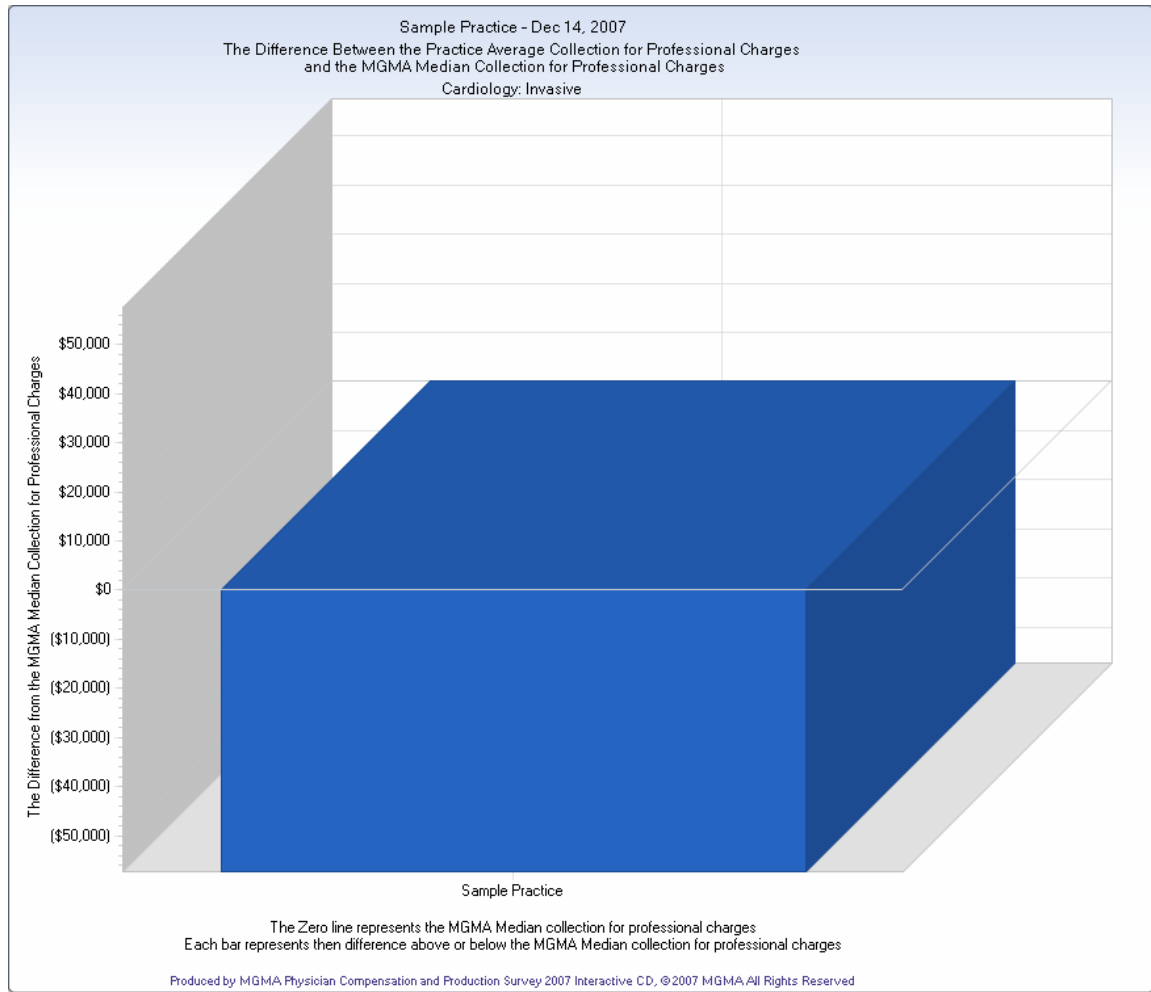
Below is a comparison of the Sample Practice Collections for the period as compared to its peers. The example below is for an Invasive Cardiology practice, graphically showing how well this two physician group stacks up against its peers.



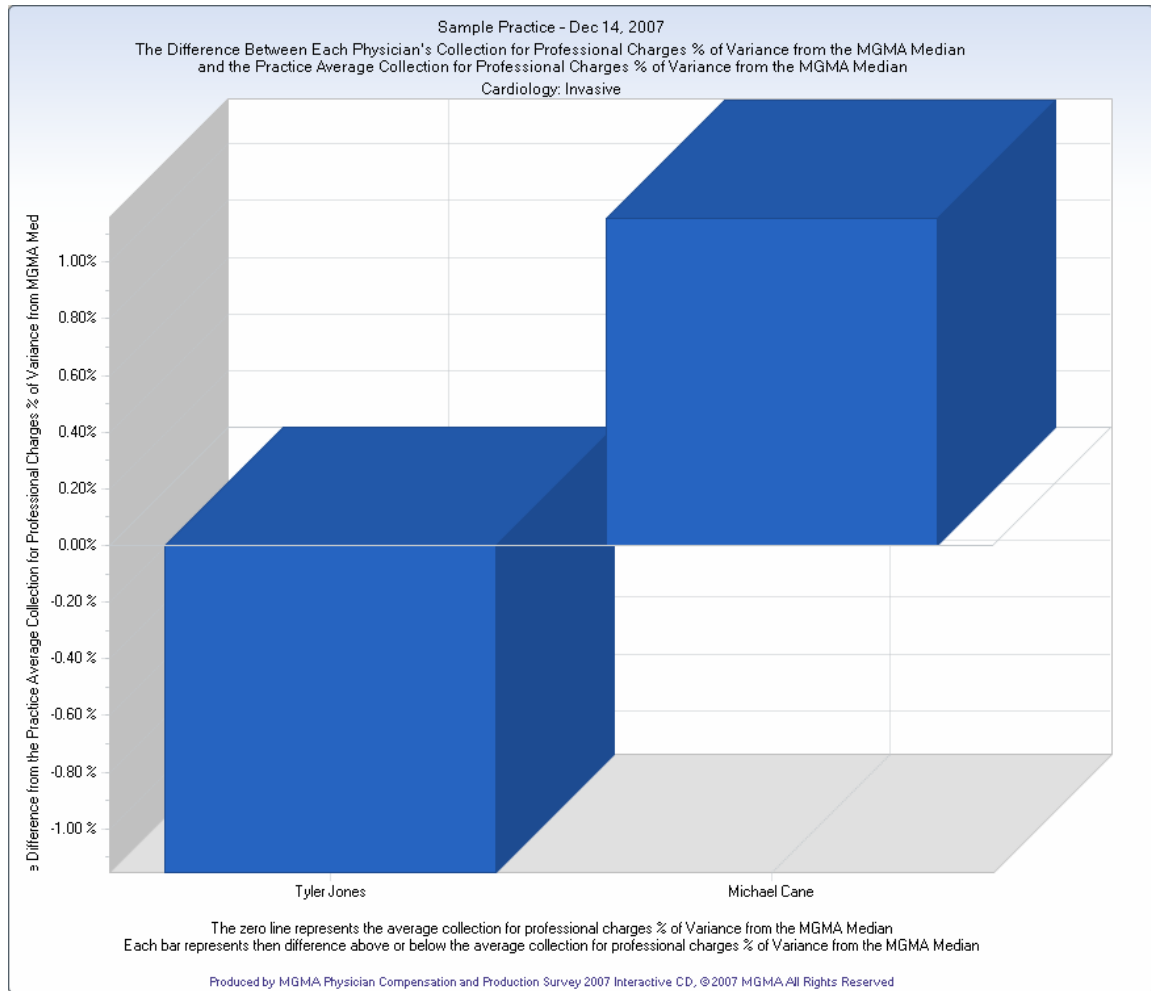
The above graph depicts the statistical data revealed in the table above. It demonstrates that our subject practice as a whole is realizing about \$57,233 less per full time equivalent (FTE) than their peers (\$592,500 versus \$649,733). Since we have 2 FTE's in this group, it comports to \$114,466 less in collections per annum than those of their peers. This is a significant factor and one which the group will most likely want to know the contributing factors.



The next slide reflects the same data but is able to emphasize the same data results as above but depicting the national median as the midpoint and reflecting how much above, or below the Sample practice falls from the statistical peer group. In this case the invasive cardiologists are collecting about \$50,000 “per Full Time Equivalent Physician” (FTE) “below” those of their peers.



This next slide reflects the same data but shows how each of the individual practitioners contributed to the practice total in this two person group. Now it becomes more evident that although the “Practice” as a whole is collecting less than its peer groups at the median, Dr. Michael Cane is actually collecting more than the median whereas Dr. Tyler Jones is collecting less. Thus, if we could help to enhance Dr. Tyler Jones’ collections alone, the practice would exceed the collection results of its peers and, most likely be able to compensate both physicians better.



The next question would be to look at the overall productivity of Dr. Jones to see whether it is a matter of patient material or perhaps some other contributing factors that are keeping his results below that of his partner’s.



Each report is customized to your practice results and only the pertinent differences are reported.

As practicing physicians you do not have the time (and possibly not the inclination or training) to be able to drill down on these simple but effective tools to reveal ways to enhance your practice operating results.

They say a picture is worth a thousand words. We try to give you a concise report that focuses on what is broken and we try to reveal it in a way that is cost effective, meaningful and efficient.

As one of our busy physician clients put it...“Reduce it down to a “3 by 5” card and give it to me. I don’t have the time or the patience to cull through oodles of data to make a decision”. We think we have gotten as close as we can come in delivering his vision.

We can also contrast practice operating costs as well as individual physician coding profiles (similar to what CMS does about you now). Why shouldn’t you have the same tools available to you?

We would be happy to assist you with your practice improvement process.

Sincerely,

Reardon Consulting, Inc.

