



# Compensation Insight

## How Are You Managing On-Call Pay? Help SullivanCotter Track the Trends.

Nearly 80% of healthcare organizations pay at least some of their physicians for call duty. Another 14% are considering adding on-call pay for physicians who don't yet receive it. Physician on-call pay is a matter that hospital administrators can no longer ignore.

But how should on-call pay be calculated? What are the market norms? And what options does your organization have to avoid the slippery slope of on-call pay? In our 2006 Physician On-Call Pay survey, SullivanCotter has identified a few emerging trends.

1. **Variation by specialty and impact on personal time.** This year, we identified a significant variance in pay rates by specialty, with higher rates paid to those more likely to be called in. Neurosurgeons, for example, receive a median daily stipend of \$950 for

unrestricted call, and trauma surgeons receive \$1,100. By comparison, ophthalmologists—who are much less likely to be called in—receive about \$300.

What's more, restricted on-call, where the physician stays on the premises, can pay as much as triple the stipend for unrestricted on-call duty. The median for all combined specialties was \$1,700 for restricted call, compared to \$500 for unrestricted call.

2. **Differences between trauma centers and emergency departments.** Our 2006 survey found that trauma centers pay nearly twice as much for unrestricted call as non-trauma centers. In addi-

tion, some hospitals provide on-call pay only to those physician specialties that provide trauma coverage, as opposed to general emergency department on-call coverage. We'll continue to examine this trend in 2007.

3. **Staffing alternatives for call coverage.** Our 2006 survey found that 63% of hospitals had established locum tenens programs, nearly half had temporary transfer agreements with other area hospitals, and a full third employ cross-coverage agreements.

In addition to continuing to monitor these practices, our 2007 Physician On-Call Pay survey will address emerging trends such as:

- The use of laborists and surgicalists. Some hospitals are adapting the hospitalist approach to obstetrics (laborists) and general surgery (surgicalists), eliminating the need for call duty.
- New models for ensuring payment. Some hospitals are considering making a portion of payment based on work relative value units (wRVUs), a per-episode fee, or some other payment based on actual services provided. That way, physicians are paid whenever they are called in, even if the patient is uninsured or underinsured. Others hospitals offer

a percent of the Medicare fee schedule, fee-for-service arrangements, hourly rates, or a subsidy for malpractice insurance. As margins become increasingly tighter, we expect new creative ways to finance call time to arise.

### **Handling On-Call Pay Strategically, Not Reactively.**

Until now, call pay has generally been offered in response to physician demands. Some physicians are refusing call duty, and others are retiring early. At the same time, the Emergency Medical Treatment and Active Labor Act (EMTALA) and accreditation standards require that services and specialties routinely available in the hospital be provided on an emergency basis as well.

But if you were to pay just \$10 an hour for ten physicians to provide 24/7 call coverage, that's nearly an additional \$1 million per year. Where will you find the funds to cover these additional costs? And how can you stabilize on-call pay while addressing physicians' quality of life and malpractice liability concerns?

Organizations must find a way to address on-call pay as part of a sustainable overall compensation strategy—one that, handled correctly, can increase physician and patient satisfaction and potentially even pay for itself.

## Be Part of the 2007 Survey.

Help us make the 2007 Physician On-Call Pay survey as comprehensive as it can be. Your survey questionnaire is included in this package.

Your participation entitles you to a free copy of our comprehensive report, which will be published in July, 2007. The survey report includes:

- Physician on-call pay rates by specialty, type of organization, restricted or unrestricted call, and more
- Comparisons between trauma and non-trauma centers, and general ED coverage
- Details about emerging trends and practices regarding on-call pay

To participate, complete the enclosed survey and return it by March 15, 2007.

For an electronic version, please contact our survey coordinator, Annette Bussineau, at 313-872-1760 or [annettebussineau@sullivancotter.com](mailto:annettebussineau@sullivancotter.com).

If you have any questions about on-call pay or the enclosed survey, or for answers to any of your physician and executive compensation questions, contact your SullivanCotter consultant today.

## **About Sullivan, Cotter and Associates, Inc.**

Since 1992, SullivanCotter's innovative yet practical compensation solutions have created tremendous value for the healthcare organizations it serves. In this capacity, SullivanCotter specializes in the development and implementation of strategic compensation and reward programs for its healthcare clients.

As a leader in healthcare executive, physician and employee compensation consulting, SullivanCotter has served many of the nation's leading and largest health systems, academic medical centers and community healthcare organizations, and has developed some of the top healthcare compensation surveys in the United States.

SullivanCotter strives to help our healthcare clients develop and implement creative, comprehensive and compliant compensation programs that bridge the needs of organizational stakeholders.

SullivanCotter has offices in Atlanta, Chicago, Dallas, Detroit, New York City, Parsippany, San Francisco and Westport.

**sullivan**cotter  
AND ASSOCIATES, INC.

**888-739-7039 | WWW.SULLIVANCOTTER.COM**

ATLANTA CHICAGO DALLAS DETROIT NEW YORK PARSIPPANY SAN FRANCISCO WESTPORT