Navigating Physician Compensation During the COVID-19 Pandemic

The Bottom Line

One of the most significant issues healthcare organizations face is maintaining the wellbeing and engagement of their physicians amidst this tsunami of health, financial, and workplace challenges. How well they address these challenges during the storm, and as the country accelerates through the turn, will have a significant impact on their post-COVID success. What follows is an overview of best practices we believe are foundational for creating physician partnerships that can deliver exceptional organizational performance over the long haul.

Maintaining Strong Physician Relationships

Communicate openly and frequently. Now is the time to seek input from physicians as to what they need and want to get through the crisis and emerge stronger. Physicians are problem solvers. They want to understand the issues and provide input and solutions -- especially in times like these. Based on what they tell you, be prepared to provide additional mental health support, childcare, financial resources, and support for those who get sick. Their input will support better decisions and improve engagement, motivation, and ownership. Organizations must also recognize the “new normal” may require physicians to utilize skills they are not used to using (e.g., telehealth).

Therefore, training resources and different support models than the pre-COVID World may be needed. Physicians will communicate what they need if asked, and organizations should listen carefully and do all they can to help physicians succeed under the new conditions. It will be best for the physicians and the organization.

Compensation

Healthcare organizations are struggling with two conflicting compensation challenges: (A) physicians who experience significant productivity drops due to patient cancellations and the halt of elective care, and (B) frontline physicians who daily put themselves and their families in harm’s way as they treat patients infected with the virus. In both cases, we recommend working with your physicians to determine what will
help them the most. Given the crisis’ fluidity, maintain open, transparent lines of communication. Seek their ideas and input on enhancing care delivery and fiscal sustainability both during and after the crisis.

For physicians facing productivity drops, we recommend a measured and phased approach in the context of whether / how long you can maintain current compensation levels. If reductions are required, collaborate and seek input from physicians. Work with physicians to determine ways to work differently in this new World, such as re-assignment to other departments, utilizing telemedicine, assuming more administrative duties, preparing for extended hours to meet post-crisis demand and, in academic organizations, increasing research efforts.

For physicians on the frontlines of the crisis consider a combination of financial and non-financial solutions, including:

- Compensation for extra hours and bonuses for their extraordinary efforts during this time.
- Temporary housing, near their place of work, to minimize their commute and reduce the chance of infecting their families.
- Easy access and funding for child care and elder care to reduce the burden of physicians having qualified caregivers for their family members who need it.
- Additional support from your EAP and other mental health providers for physicians and their families.
- Paid “decompression” time off as the crisis abates for those who were on the frontlines.

As you emerge into the new, post-COVID “normal”, review your physician compensation programs to see whether the models you’ve relied on in the past (i.e., wRVU-base models) make sense in a post-COVID world. We believe COVID-19 will be the tipping point for telemedicine and will likely transform physician thinking on compensation. Now is the time to explore game-changing compensation approaches that are more cost-effective, drive better care and ultimately lead to improved patient and physician satisfaction.

**Takeaway**

Benefits

Benefits provide a great sense of security for physicians and their families during times like these. Take the opportunity to highlight elements of programs that offer comfort and support to physicians and their families during the COVID-19 crisis, including:

• Prioritized care if they or a family member becomes ill.
• Explain how COVID-19 testing and treatments will be handled, not only for the physician but their covered family members.
• Send reminders on accessing mental health and EAP benefits.
• Communicate how time away from work will be handled (i.e., disability vs. worker’s compensation vs. PTO) during the crisis.
• Provide summaries to physicians and families of the “special” benefits in place during the crisis.

Future Concerns

We understand the financial uncertainties that lie ahead for many healthcare organizations. Not all will have the resources to enhance compensation and benefits programs for physicians and their families. We suggest organizations maintain open lines of communication and engage physicians in addressing issues and developing viable solutions during these challenging times. We hope that healthcare organizations emerge from this crisis with a laser focus on innovative changes that improve the quality of care, value and patient and physician satisfaction.

Many of these recommendations also apply to all frontline caregivers. We will produce additional communications to address these critical workers.

The COVID-19 crisis continues to evolve rapidly. Our goal is to bring you the latest updates and perspectives on agile reward strategies in healthcare.

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