

Market Response to COVID-19:

Physician and Advanced Practice Provider (APP) Compensation Practices



Health care organizations across the United States face immediate and unprecedented financial and workforce challenges due to the COVID-19 pandemic. Whether located in a current virus "hot spot" or waiting for the surge in areas that have yet to reach their peak, hospitals and health care systems are being forced to address the influx of related challenges.

SullivanCotter recently conducted the **2020 COVID-19 Physician and Advanced Practice Provider Compensation Practices Survey**, which includes information from 119 leading organizations, to understand the compensation-related practices organizations are implementing.

The COVID-19 situation is extremely fluid, as is the response of health care providers across the country, and we anticipate that workforce practices will evolve over the coming weeks and months. **Please note: Data reflect responses as of early April 2020.**

Physicians

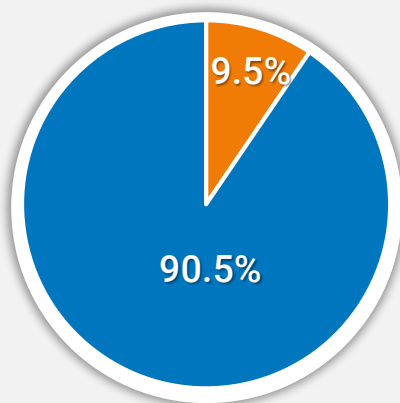
APPs

Physician Premiums

Less than 10% of organizations are currently providing premium compensation for front line physicians (individuals providing direct care to COVID-19 patients).



Prevalence of COVID-19-Related Premiums



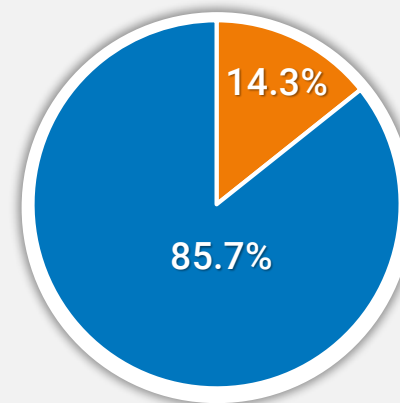
■ Yes ■ No

APP Premiums

The use of premium compensation for APPs on the front lines (individuals providing direct care to COVID-19 patients) is almost 5% higher than physicians.



Prevalence of COVID-19-Related Premiums



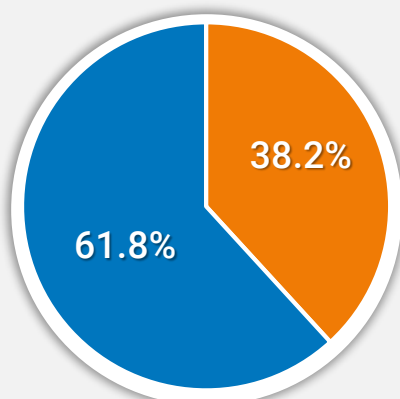
■ Yes ■ No

Physician Incentives

The majority of organizations indicated that incentive compensation for physicians will remain unchanged.

For those considering plan changes in 2020, responses were equally split between eliminating incentives altogether or reducing the opportunity.

Organizations Planning to Modify Incentives in 2020

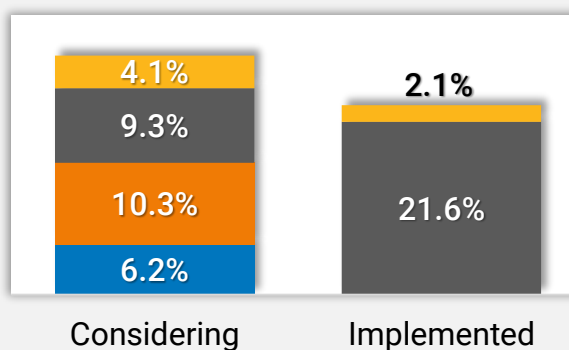


■ Yes ■ No

APP Incentives

47.4% of organizations provide APP incentives as part of their standard compensation plan. Approximately 22% are not planning to make changes. The remaining are considering a mix of options.

APP Incentive Actions in 2020

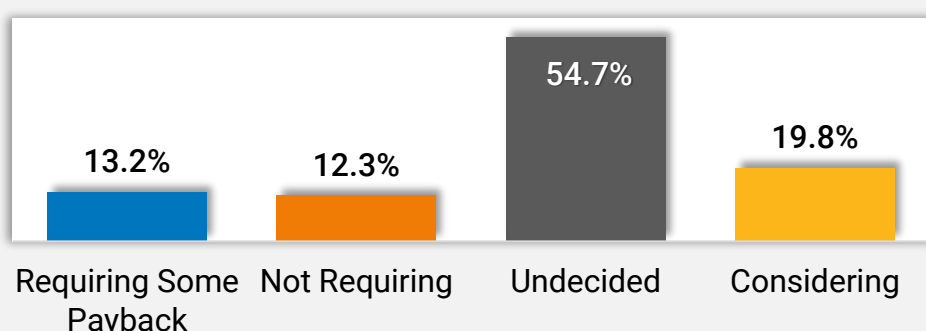


■ Reducing Opportunity
■ No Changes
■ Modifying Plan
■ Eliminating Opportunity

Physician Compensation Floors

More than half of organizations are implementing compensation floors for non-front line physicians to protect against the loss of productivity and income. Post COVID-19, many have not determined if any payback will be required.

Payback Provisions



APP Paid Time Off (PTO)

In order to help APPs with reduced hours, some organizations are either implementing or still considering a number of PTO policy changes. Many APPs will not be able to maintain their full income.

Prevalence of PTO Policy Actions for Those Implementing or Considering Changes

