



Is your health system under pressure to maintain financial sustainability and grow strategically with limited resources?

Leveraging effective physician-hospital affiliations is critical. A thoughtful and well-designed **Professional Services Agreement (PSA)** strategy can help to enhance service lines, engage your workforce, and drive performance. However, most health systems lack a centralized view of PSAs – leaving them vulnerable to added costs, underperforming service lines, and compliance issues regarding fair market value (FMV) and commercial reasonableness.

Developing a strategy based on your organization’s unique goals and circumstances will lay the foundation for maintaining effective relationships with both employed and independent physicians – SullivanCotter can help. **Align compensation and performance metrics across the enterprise, support strategic service line delivery, and enhance programmatic growth** moving forward with the most effective models in place.

Looking to assess and improve the performance of your PSA portfolio? Contact us to learn more.

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Our services address the entire PSA lifecycle:



DESIGN

Strategic Workforce Alignment

- Model provider supply and demand
- Identify service line needs and goals
- Align incentives with service line strategy

Optimal Affiliation Models

- Balance employment and affiliation
- Transitional tool or long-term structure
- Ensure alignment to strategic initiatives
- Negotiation and support



EXECUTION

Centralized Governance

- System-wide oversight
- Standardized terms and benefits
- Defined compensation philosophy and equity

Regular PSA Review

- Establish a systematic approach
- Evaluate group performance and alignment
- Renew performance metrics annually
- Ensure FMV and compliance