



CASE STUDY

Retroactive FMV Compensation Assessment for Multispecialty Physician Enterprise

The 275+ provider multispecialty physician enterprise (“Enterprise”) engaged FTI Consulting to complete a retrospective compliance audit to determine whether total compensation paid to each of the subject physicians was consistent with FMV during 2019 and 2020.

SITUATION

FTI Consulting reviewed current policies, protocols, and procedures for establishing physician compensation (i.e., in connection with newly recruited physicians and renewals of existing contracts) and provided recommendations to ensure that Enterprise is designing compensation plans compliant with applicable FMV and commercial reasonableness standards.

OUR ROLE

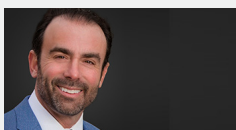
- Benchmarking normalized compensation, FTE status, productivity, and professional collections for each of the physicians against industry surveys.
- Applying the Compensation Survey Method of the Market Approach to derive an initial indication of FMV for services provided by the subject physicians and defining conditions under which a subject physician is selected as an “outlier” to consider for a “deep dive/outlier” analysis.
- Utilizing multiple methodologies within the Market Approach (i.e., the Compensation Survey Method and Workload & Hourly Technique) and the Cost Approach (i.e., the Cost to Recreate Method) to assess compensation related to clinical and administrative (e.g., medical directorship) services in order to benchmark Total Cash Compensation paid to approximately 90 “deep dive/outlier” physicians.

OUR IMPACT



We issued an expert report related to historical physician compensation, identified potential compliance risks, and laid the foundation for add-on engagements to re-design Enterprise’s compensation program.

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