

TABLE OF CONTENTS

	Page
Introduction.....	i
Chapter 1 - Developing Your Group's Compensation Plan	1
Introduction.....	1
Foundation Principles	2
The Practice Is First	2
Fix the Right Problem, Please.....	7
How to Decide What to Reward	8
Identifying Specific Behaviors You Want to Reward	12
Conclusion	14
Chapter 2 - What is Practice Net Income?	15
Introduction.....	15
Practice Income.....	15
How Do I Get Paid?	20
Documenting the Deal	31
Conclusion	32
Chapter 3 - Selecting the Right Compensation Approach: Basic Formulas	33
Introduction.....	33
Compensation Formulas, Generally.....	34
Percentage Compensation	36
Productivity Compensation, Generally	46
Measuring Production.....	52
Who Gets Credit for What?	52
Two-tier Compensation Formula Approach	62
Cost Accounting.....	67
Rough Justice Cost Accounting	71

Chapter 4 - Selecting the Right Compensation Approach:	74
Advanced, But Not Necessarily Better, Ideas	74
Introduction.....	74
Productivity Index Method	74
Salary Plus	79
Point Systems.....	82
Heavily Capitated Practices	84
A Three-tier Model	86
Negotiated Salaries	88
Bonus Pools	91
Conclusion	93
Chapter 5 - Compensating the Practice Leader.....	94
Introduction.....	94
Why Your Practice Needs a Leader.....	94
Responsibilities of a Physician Leader	97
Compensating the Practice Leader.....	101
Fixed Fee.....	103
Variable Fee	103
Gross Up Factor	104
Bonus Payments.....	104
Conclusion	106
Chapter 6 - Compensation Planning for Special Circumstances	107
Introduction.....	107
The Under-Producer.....	107
The Investor	110
Dropping Call.....	115
Partial Retirement	119
The Parent Trap.....	125
In Sickness and In Health	127

Chapter 7 - Implementing Your Compensation Plan.....	132
Initiating the Plan.....	132
Assessing and Modifying the Plan.....	133
Plan Implementation Means Evaluating Physician-Members	135
Conclusion	138
EXHIBITS	140