

Renal Associates successfully navigates compensation benchmarking for successful recruiting, improved patient access

CLIENT PROFILE

Renal Associates of Montgomery, PC was formed in 1976, originally started with two doctors. They specialize in clinical nephrology and covering nine dialysis centers and eight hospitals within a 50 mile radius. Most of their patients are elderly with chronic kidney disease. The payer mix is heavily Medicare.

CHALLENGE

Renal Associates was experiencing huge growth thanks to the aging population. The practice was expanding and was seeking a new physician. The market was competitive, and they knew that due to the shortage of doctors in their specialty, it was crucial to put together an attractive compensation package. Benchmarking data had never been used; the board made a salary recommendation based on historical data only. A new administrator suspected that the number was low and sought to develop a strategy based on data.

SOLUTION

The new administrator sought relevant and current benchmarking data to determine specialty salaries nationwide and better understand the different components of a physician compensation plan. Recognizing that younger doctors come prepared to interviews with compensation information they researched online, the administrator used *MGMA DataDive Provider Compensation's* Provider Placement Starting Salary dataset as part of the process to also consider relocation expenses, cost of living and signing bonus to then present a new number to help make the recruiting process more competitive and in line with candidates' expectations.

RESULTS

The objective and credible data helped convince the board to arrive at a higher compensation amount compared to what they originally suggested and a candidate accepted the offer. The addition of the new doctor enabled Renal Associates to see patients in a timelier manner and allowed more flexibility for scheduling weekend calls, which improved the doctors' work-life balance and overall quality of life. The practice continues to use benchmarks to help build a firmer policy on how raises and bonuses are handled. Data helps take the bias out of decisions, creating transparency and building confidence in decision-making.

LESSONS LEARNED

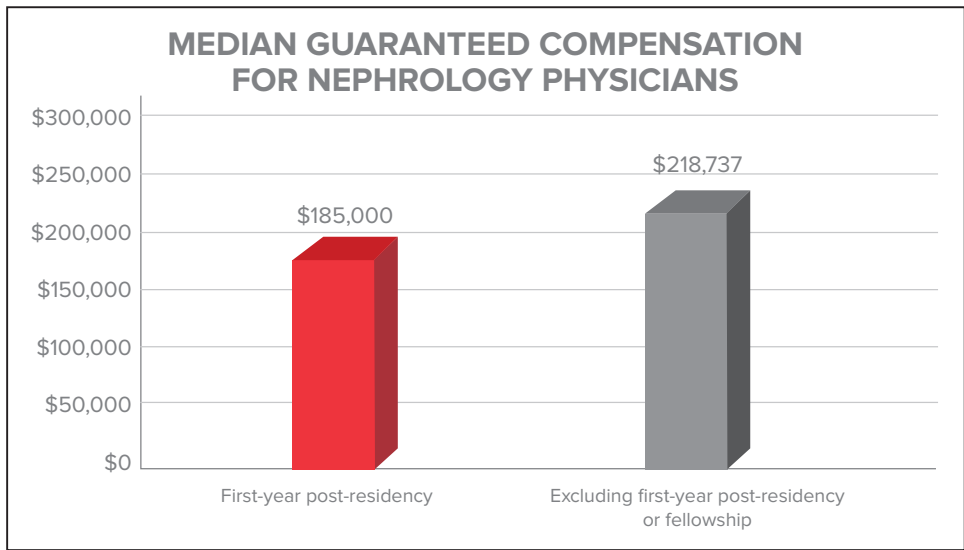
Physicians are data-driven: they make decisions based on clinical data every day, so the suggestion to review compensation benchmarks was welcomed by them. The data helped the more senior physicians understand current compensation trends. Without objective benchmarks, it would have been more difficult to get the more senior doctors on board.

"Benchmarking keeps a pulse on what's going on nationally or regionally. It's easy to live in your own world and make decisions based on your own practice. If you don't have benchmarking data, it's hard to compete. Your day-to-day problem-solving is also more difficult without data."

"Telling a physician what you think is not enough. Having data makes an impact — it's not just an opinion."

When looking to hire a new provider, it's important to reference the Provider Placement Starting Salary dataset within the *2019 MGMA DataDive Provider Compensation*, which breaks compensation benchmarking data out separately for both new physicians' first-year post-residency or fellowship, as well as established physicians new to a practice.

MEDIAN GUARANTEED COMPENSATION		
	First-year post-residency or fellowship	Excluding first-year post-residency or fellowship
Nephrology	\$185,000	\$218,737



Other factors to consider:

- Geographic region
- Practice ownership type

New nephrologists in physician-owned practices receive \$220,000 in guaranteed compensation. In the southern region of the United States that figure jumps to \$235,000.

Median signing bonus for a nephrologist
\$20,000

\$5,000
 Median amount paid to relocate a nephrologist