

2024 ACR-RBMA Practice Leadership Forum

Exploring Radiology Compensation: *Is the Equal Income Model Outdated?*

Friday, January 19 | Phoenix



American College
of Radiology™
Radiology Leadership Institute



Radiology Business
Management Association

Faculty



Bart LeFan, MBA, MHA



Kevin Smith, MD



Exploring Radiology Compensation: *Is the Equal Income Model Outdated?*

Jan. 19–21 | Phoenix

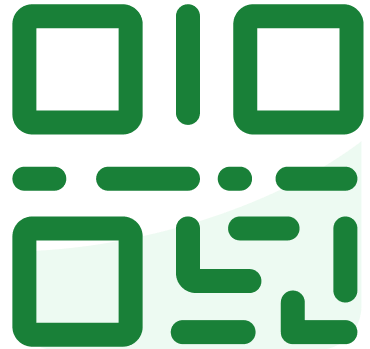


American College
of Radiology™
Radiology Leadership Institute



Radiology Business
Management Association

slido



Join at slido.com
#4262929

ⓘ Start presenting to display the joining instructions on this slide.

Disclosures

- No relevant

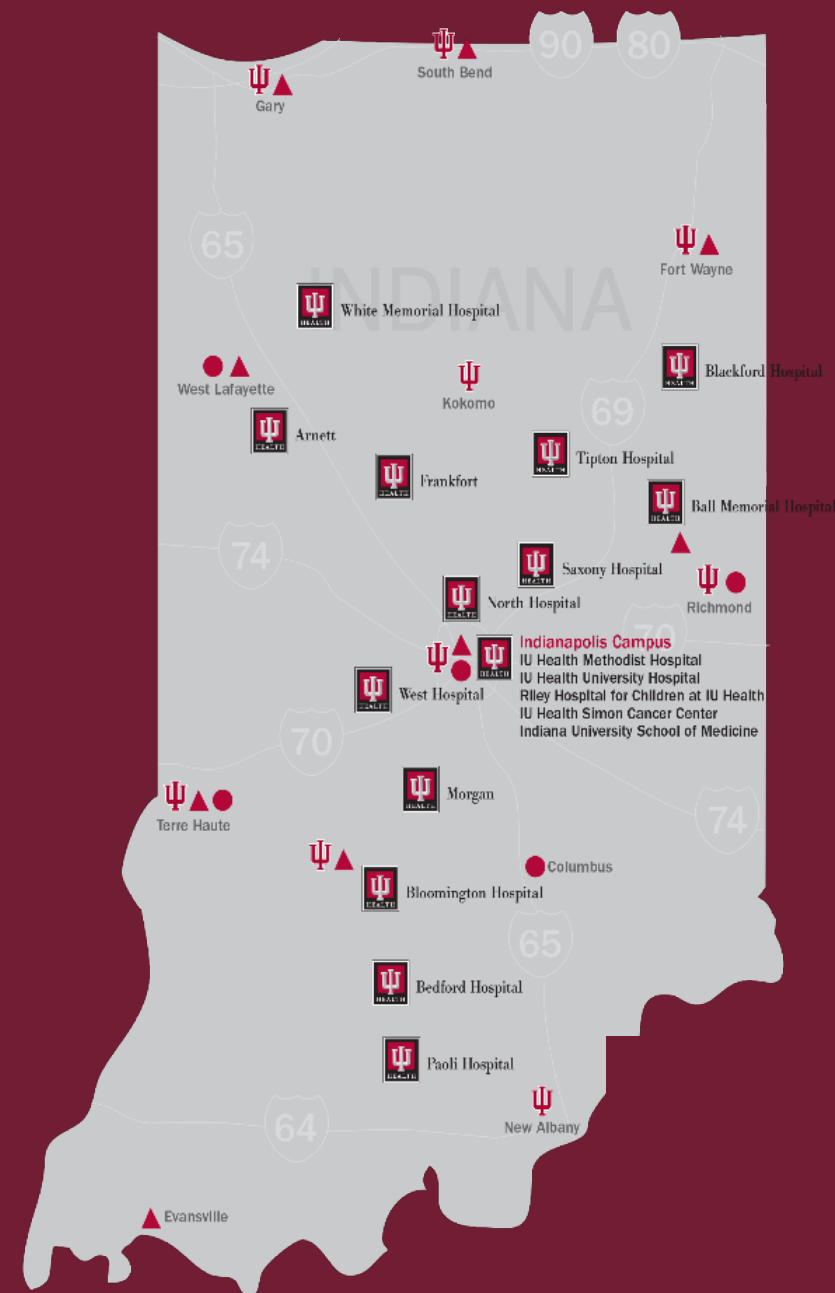
Objectives

- Consider implications for changes to physician compensation
- Explore how to value different areas of a radiology practice
- Discuss our journey as a practice

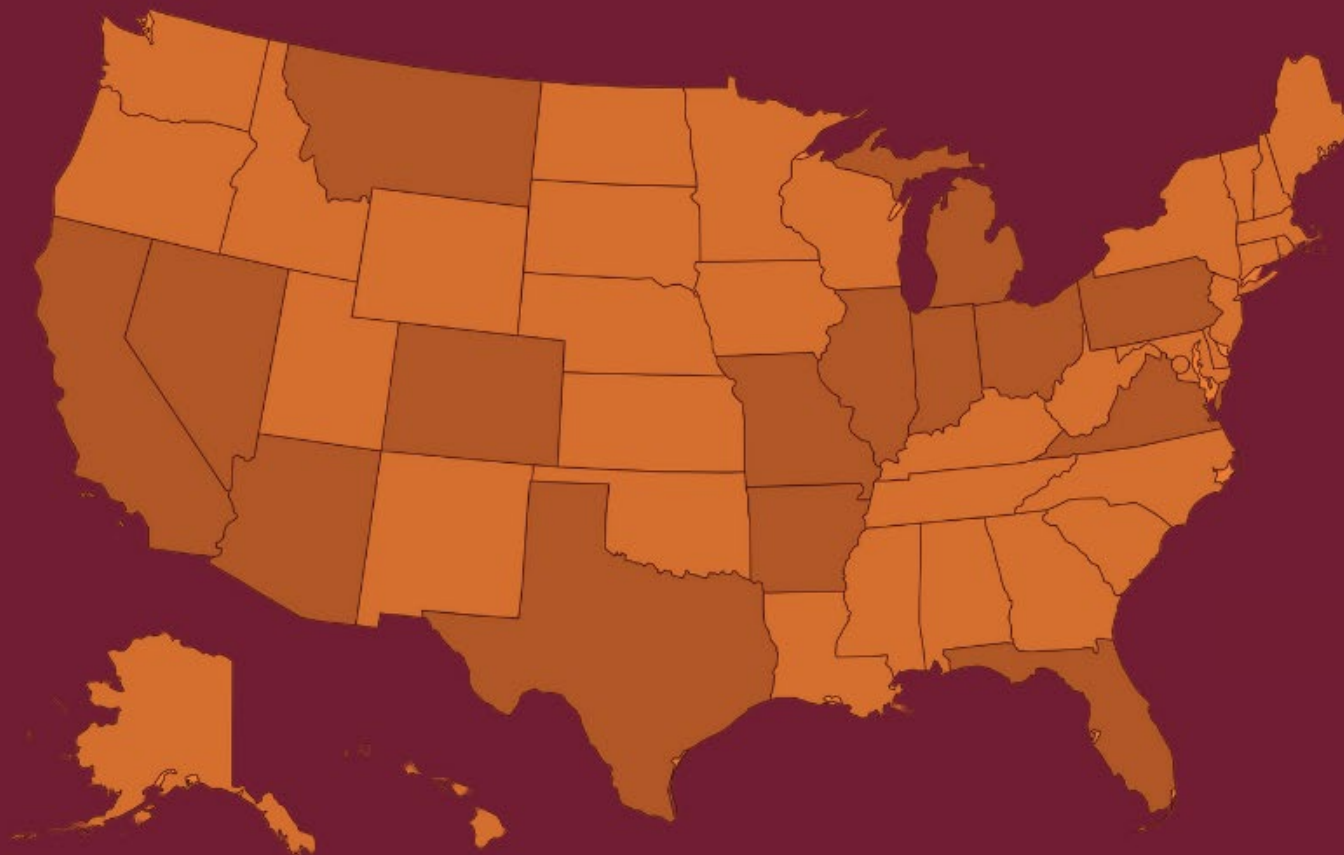


Who We Are

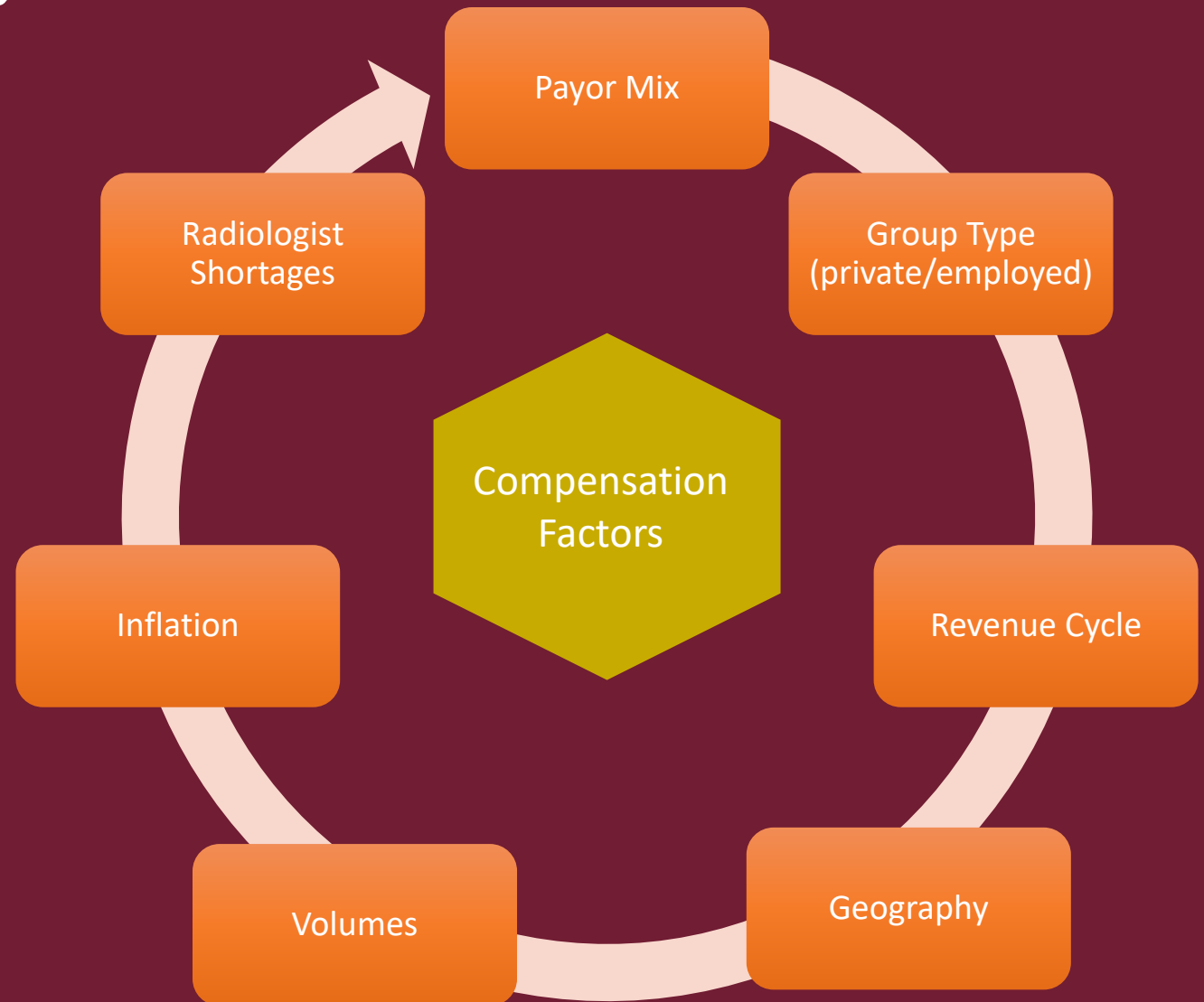
- Indiana University School of Medicine and Indiana University Health, large multi-center hybrid Academic/Community practice
- +160 Faculty Radiologists, +20 APPs, 60 Residents, 10-20 Fellows, and 35 Support Staff, 10 Divisions
- +20 Hospitals, 30 Imaging Centers, and 11 Urgent Cares
- +1.5m clinical exams per year
- +1.2m RVUs per year



Remote Clinical Workforce



Factors Affecting Physician Compensation



Global Radiologist Shortage



According to the WHO, the world's population over 60 years of age will be 22% by 2050, nearly double that of 2015.



Growth in Medicare enrollees outpaced new DR Radiologists by 5% from 2012 to 2019

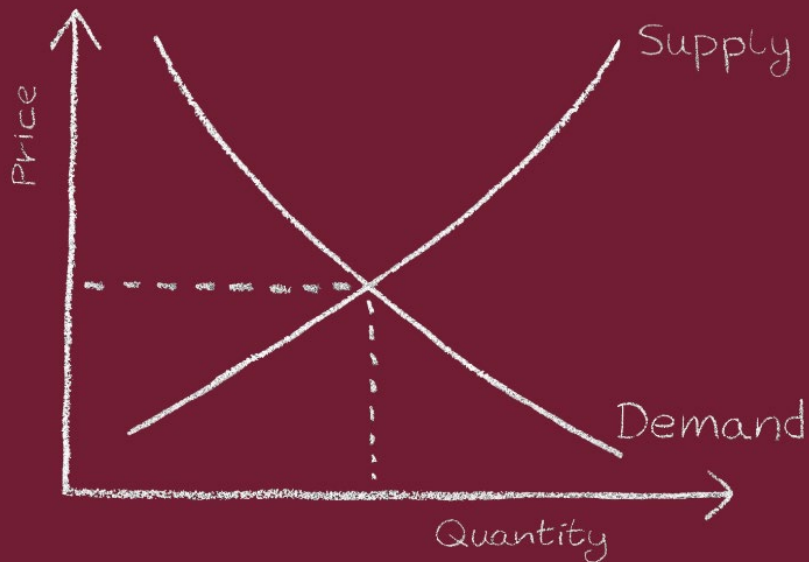


2010-2020, DR trainees entering the workforce increased by 2.5% compared to a 34% increase in adults of age 65

Radiology Facing a Global Shortage- RSNA News, 5/10/2022

Global Radiologist Shortage

- Aging Population
- Increased Medicare Enrollment
- Too Few Trainees



The demand for imaging is outpacing what we are doing on the training side. The number of radiologists in the workforce is not growing as fast as the population and the demand for imaging.

Dr. Yaghmai, Professor and Chair, UC Irvine

Radiology Facing a Global Shortage- RSNA News, 5/10/2022

Global Radiologist Shortage

- COVID-19 Effect
- Stress and burnout led some to opt for early retirement
- 2 in 5 physicians will reach retirement age in the next decade



Radiology Facing a Global Shortage- RSNA News, 5/10/2022

Radiologist Shortage

The screenshot displays the American College of Radiology (ACR) job search portal. At the top, the ACR logo and navigation links for 'Employers', 'Job Seekers', and 'Sign In' are visible. Below the navigation, there are instructions for 'Keyword search' and 'Filtered search'. The search interface includes a 'Search for Jobs' section with input fields for 'Keyword or Job Title' and 'Location', and a distance filter set to '200 mi/320 km'. A 'Search' button is located to the right of the location field. Below the search bar, a table shows '1614 Results'. The table has columns for 'Title', 'Location', 'Company', and 'Posted'. The first result is for 'Interventional Radiology with General/Day Shift/14 Days on/14 Days off' at 'Radiology Partners' in 'Terra Haute, Indiana, United States (On-Site)'. The result is marked as 'Preferred' and 'Member Company'. A detailed view of this job is shown on the right, including the title, location, and a 'Description' section with a 'POSITION OVERVIEW' link.

American College of Radiology Employers Job Seekers Sign In

Keyword search: Use quotations around search keywords
Filtered search: Use the blue filter button and check boxes

Search for Jobs 200 mi/320 km

1614 Results

| Title | Location | Company | Posted |
|--|----------|---------|--------|
| Interventional Radiology with General/Day Shift/14 Days on/14 Days off Preferred Radiology Partners Terra Haute, Indiana, United States (On-Site) less than an hour ago | | | |

Interventional Radiology with General/Day Shift/14 Days on/14 Days off
Spotlight Preferred Member Company
Radiology Partners
Terra Haute, Indiana, United States **(On-Site)**
less than an hour ago

Description Job Info
POSITION OVERVIEW Job ID:

Keyword search: Use quotations around search terms

Filtered search: Use the blue filter button and the filter options

Search for Jobs

Keyword or Job Title

1614 Results

Title

Location

Company

Posted

**Interventional Radiology with
General/Day Shift/14 Days on/14
Days off**



Labor Market

- Radiologists were the third most requested search by healthcare employers in 2021, behind only nurse practitioners and family medicine



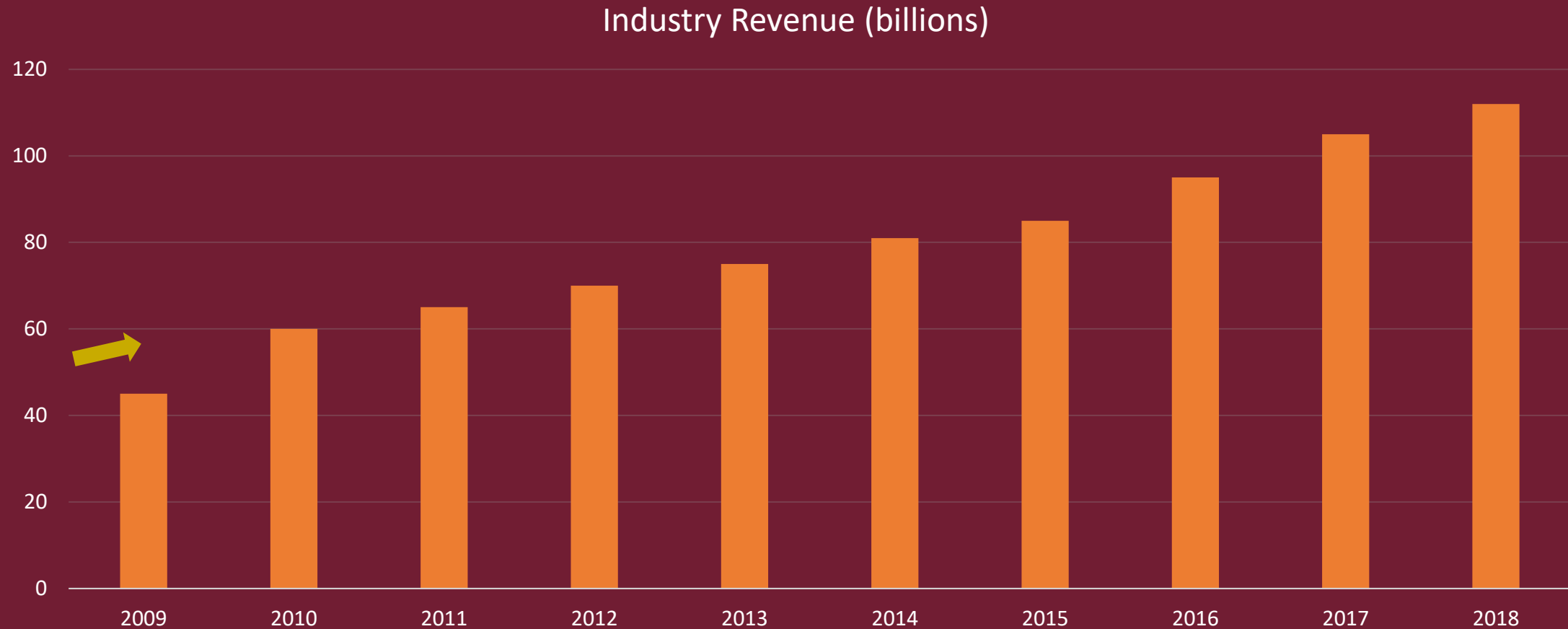
slido



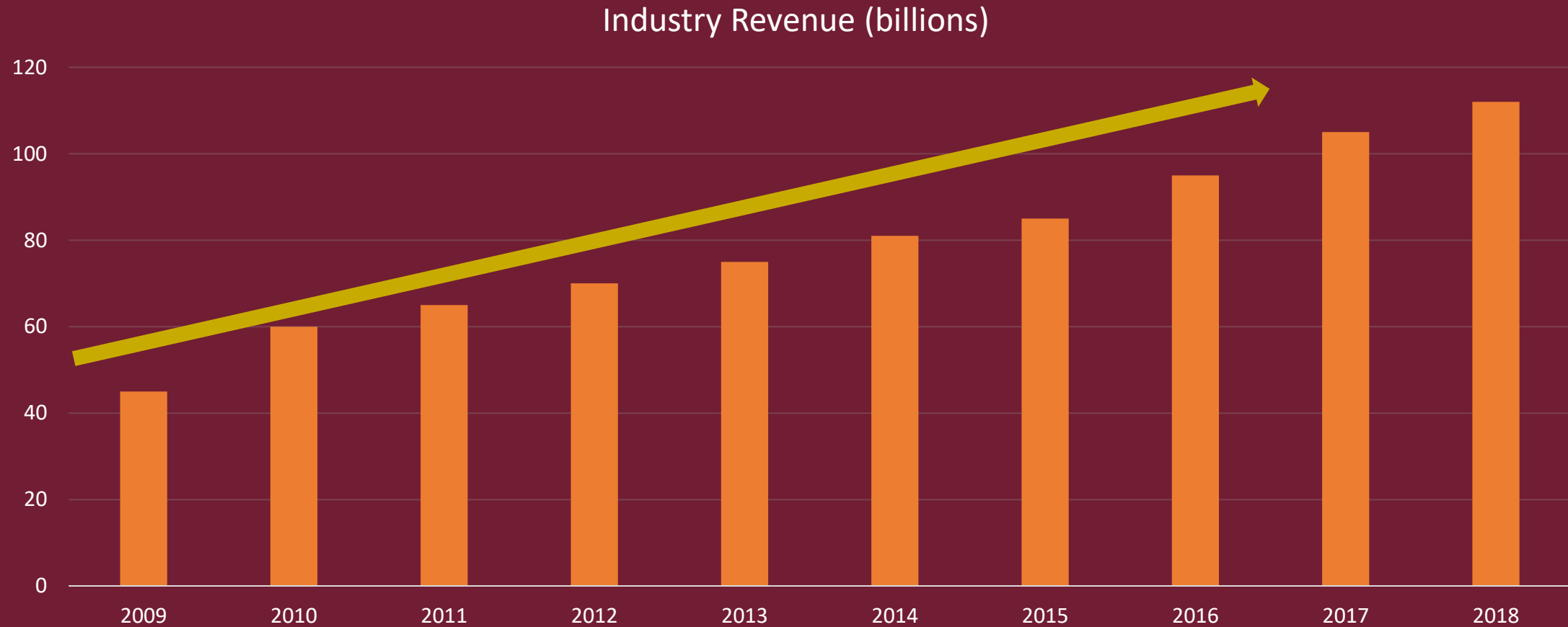
Has your practice had to use locums to fill coverage gaps in the last 2 years?

ⓘ Start presenting to display the poll results on this slide.

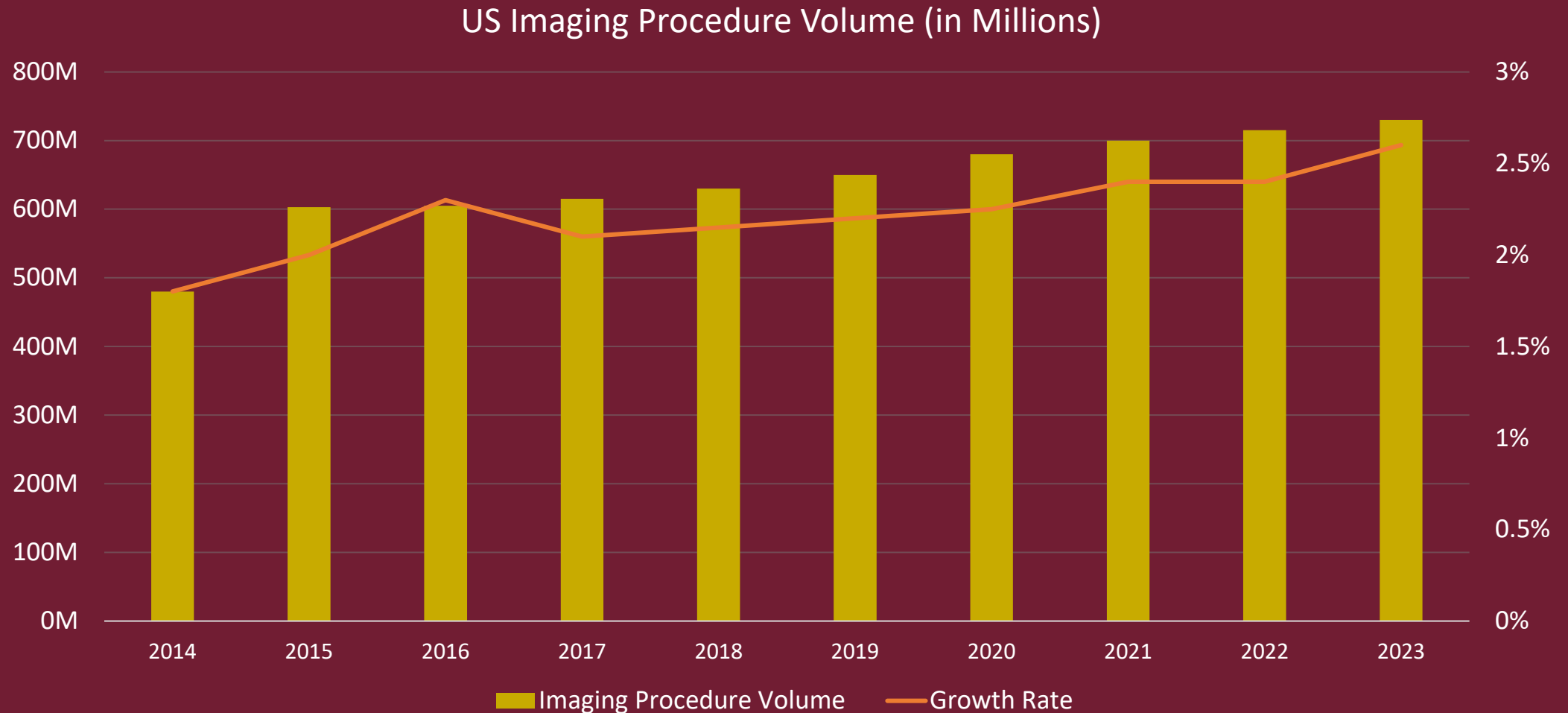
US Imaging Revenue



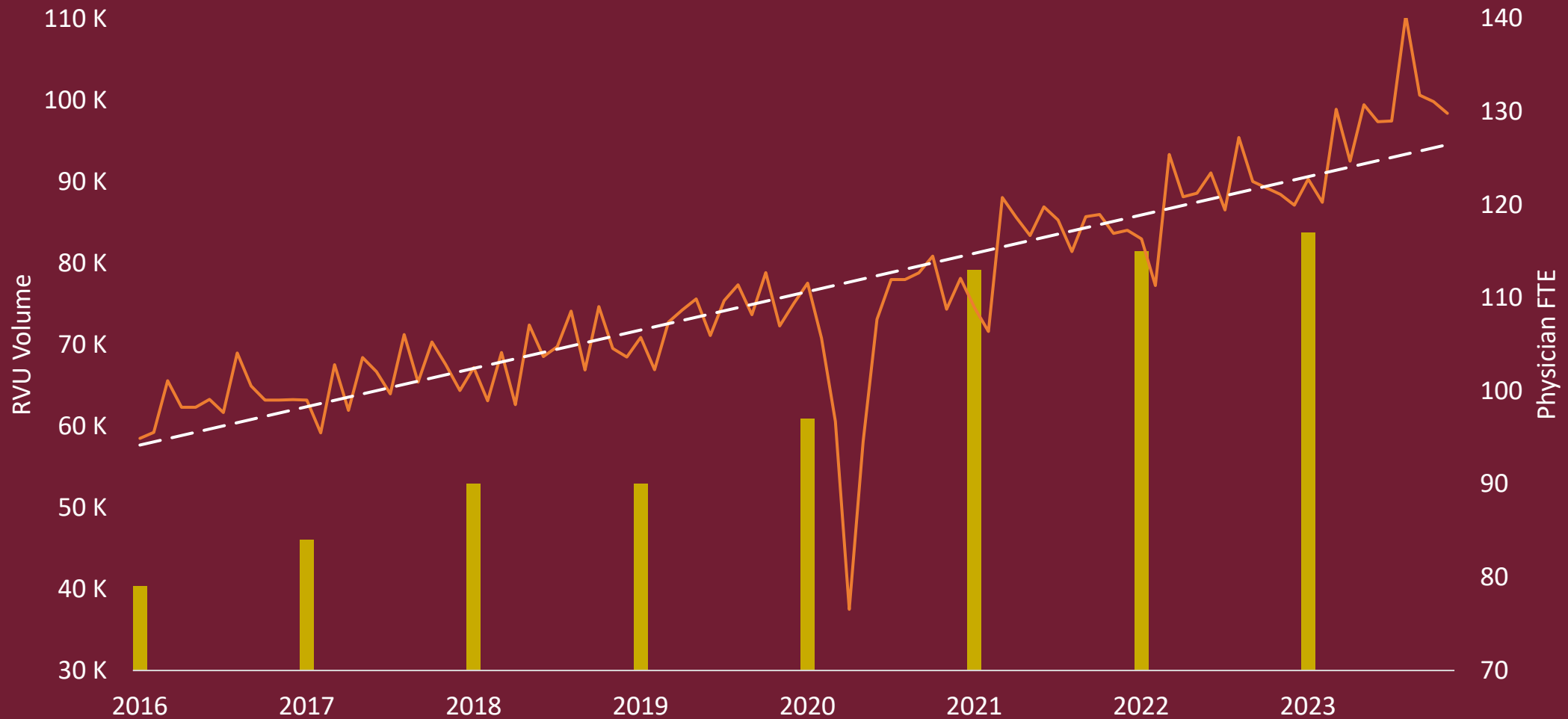
US Imaging Revenue



US Imaging Volumes



Our Practice



slido

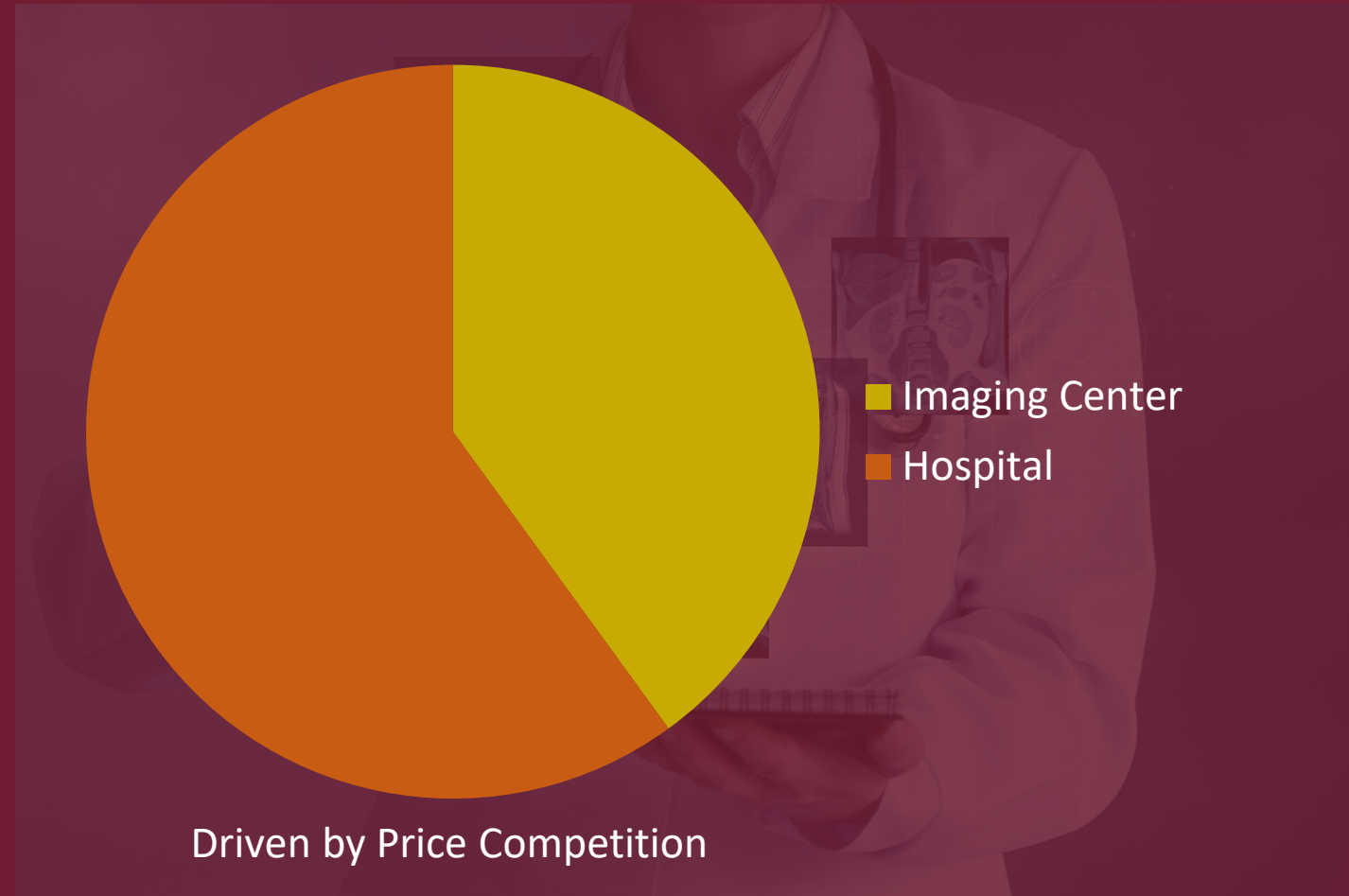


What percentage growth have you seen over the last 2-3 years

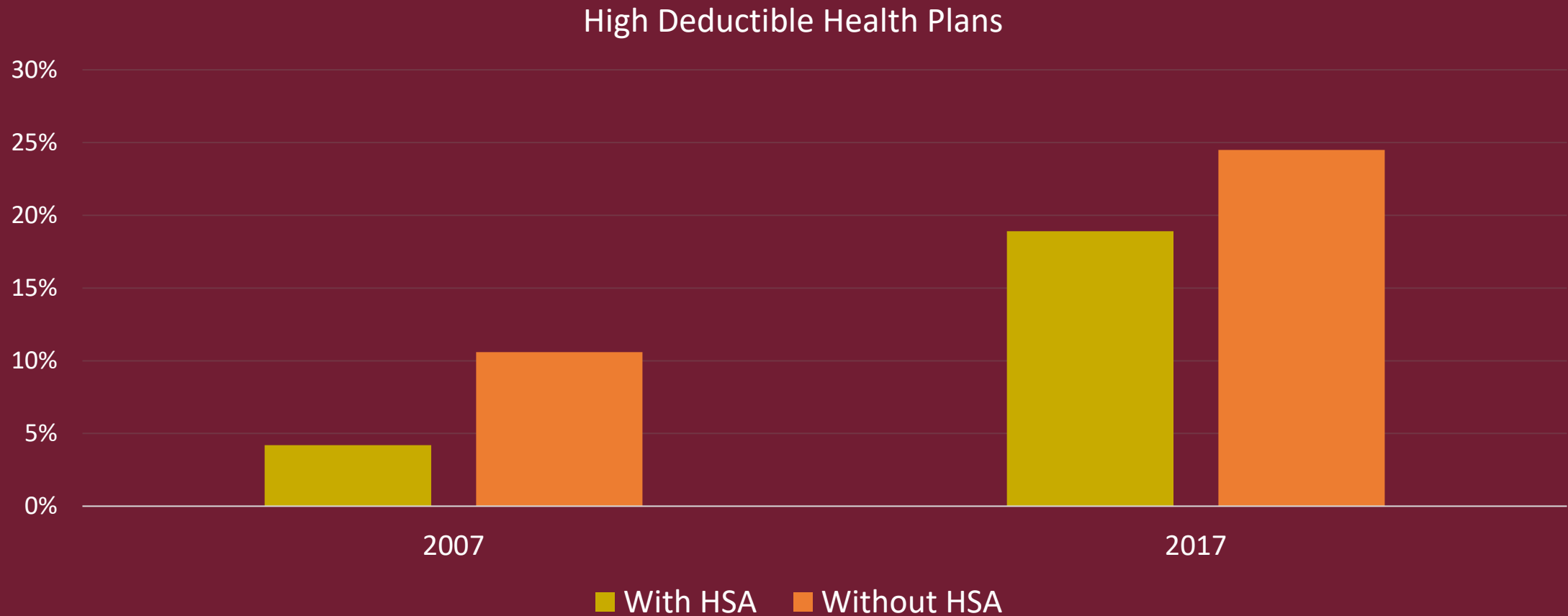
ⓘ Start presenting to display the poll results on this slide.

The Shift to Imaging Centers

2021 Market Breakdown
of Imaging Volume:
Freestanding Versus
Hospital Campus



Payor Mix – Insurance Market Effects



Coffee, Corn, and MRIs

- Radiology is in the throes of commoditization. In the past decade, physician reimbursement has declined, and the radiology market now focuses more on price.



Coffee, Corn, and MRIs

mmogram
ring or diagnostic

trasound
Body Part

Ray
ms

Radiologists
ing Centers
Rates
n & X-Ray

diology Assist

ee resource
-insured
ividuals access
ic imaging.
e following
a low

es are available
aging centers
are scheduled
There is no fee

ved to assist the
the cost of
of need.

How much is an MRI in Crown Point, IN?

MRI imaging studies scheduled through Radiology Assist start from \$462 in Crown Point, IN.

Prices are dependent on the body part and whether contrast is required. Locations and prices for any particular MRI study can be looked up using our [Locations & Pricing](#) tool. All prices are inclusive of radiologist report.

| Study | Rates from |
|---------------------------------|------------|
| MRI Lumbar Spine w/o contrast | \$462.00 |
| MRI Cervical Spine w/o contrast | \$462.00 |
| MRI Knee w/o contrast | \$462.00 |
| MRI Brain w/o contrast | \$462.00 |
| MRI Abdomen w/o contrast | \$462.00 |

Our Participating Locations

Diagnostic Imaging Center – Crown Point
5363 Commerce Blvd
Crown Point, IN 46307


Diagnostic Imaging Center – Merrillville
7891 Broadway Suite A
Merrillville, IN 46410

Diagnostic Imaging Center – Merrillville
108 E 90th Dr
Merrillville, IN 46410

Diagnostic Imaging Center – Munster
1946 45th St
Munster, IN 46321

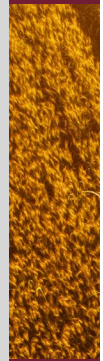

What is RadiologyAssist?

RadiologyAssist is a nationwide MRI scheduling service for self-pay patients. We partner with over 1000 imaging centers to schedule affordable MRIs



[Learn More](#)

its
In
ed,

ABOUT ▾ SERVICES ▾ MRI SCANS PATIENT REFERRAL FORMS PRICING & PAYMENT TESTIMONIALS INSURANCE BLOG CONTACT

AFFORDABLE MRI SCANS IN EAU CLAIRE, WAUSAU, AND MADISON, WI

Pricing & Payment

The price of an MRI in the Eau Claire, Wausau, and Madison areas can be up to \$6,400!

The price of an MRI at Smart Scan is \$650 without contrast (most exams) and \$850 with and without contrast. This includes both the radiologist report and the radiologist's time.

Smart Scan is leading the way in high-quality, affordable care. We believe every patient deserves the same great care at the same great price.

Compare the price of an MRI of the Lumbar Spine without contrast at Smart Scan to Eau Claire area alternatives:

Estimated Facility Charges

MRI scan of lower spinal canal without contrast (CPT - 72148)

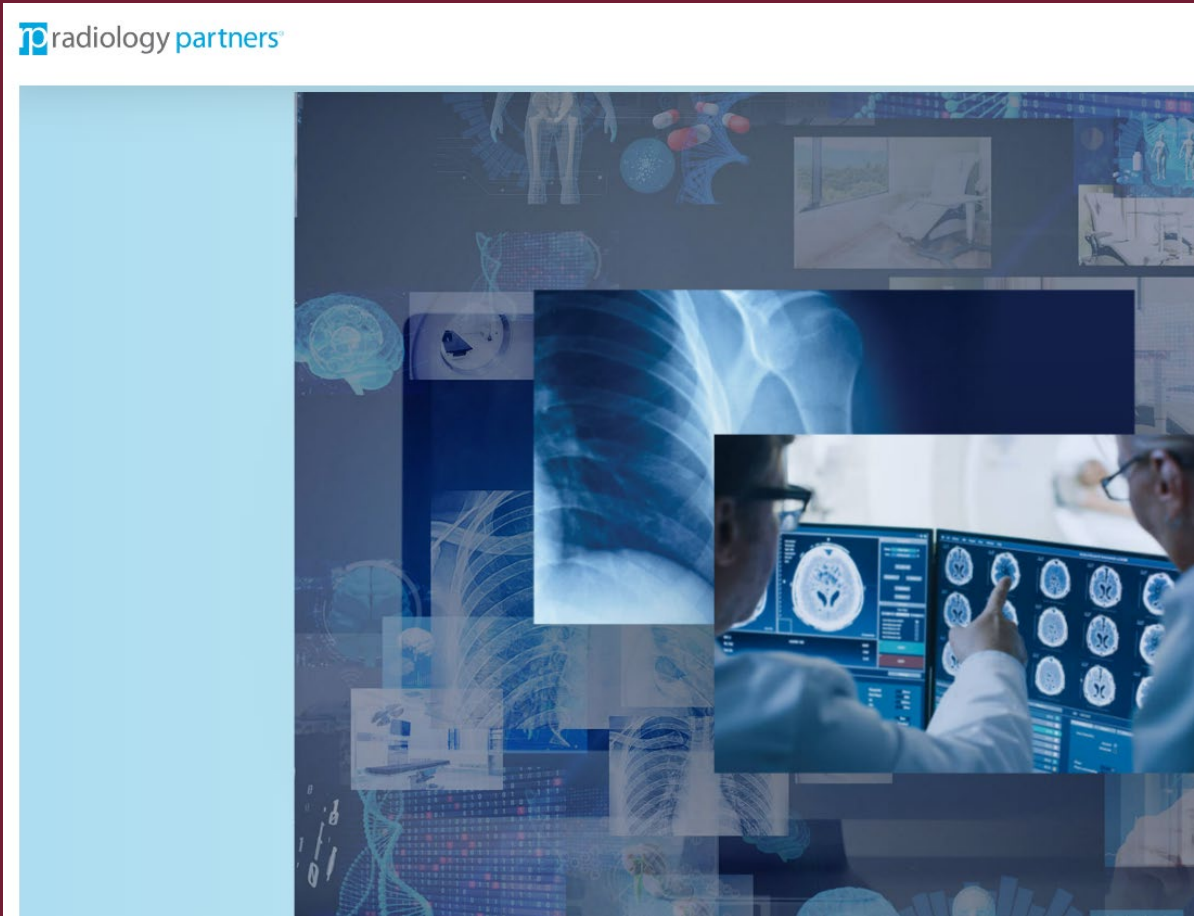
October 2021-September 2022

Smart Scan: \$650

[Compare Facilities](#) [Insurance](#)

| Facility | Median Charges* |
|-------------------------------|-----------------|
| AdventHealth Durand | \$4,370 |
| Amery Regional Medical Center | \$3,373 |
| Aspirus Stanley Hospital | \$3,404 |
| Cumberland Healthcare | \$3,031 |

Coffee, Corn, and MRIs



im
nt
ore

radiology partners

vRad TELERADIOLOGY SERVICES RADIOLOGIST JOBS CME + WEBINARS OUR

TELERADIOLOGY FOR DAYTIME IMAGING VO

Meet daytime imaging volume with teleradiology

Daytime Teleradiology

Struggling to meet daytime imaging volume? You're not alone. Rising imaging volumes and the ongoing radiologist shortage are widening the gap between supply and demand for radiology services. This has led to more vRad clients using our cloud teleradiology services during the daytime hours to meet their service commitments.

Time tested, successful cloud teleradiology model services

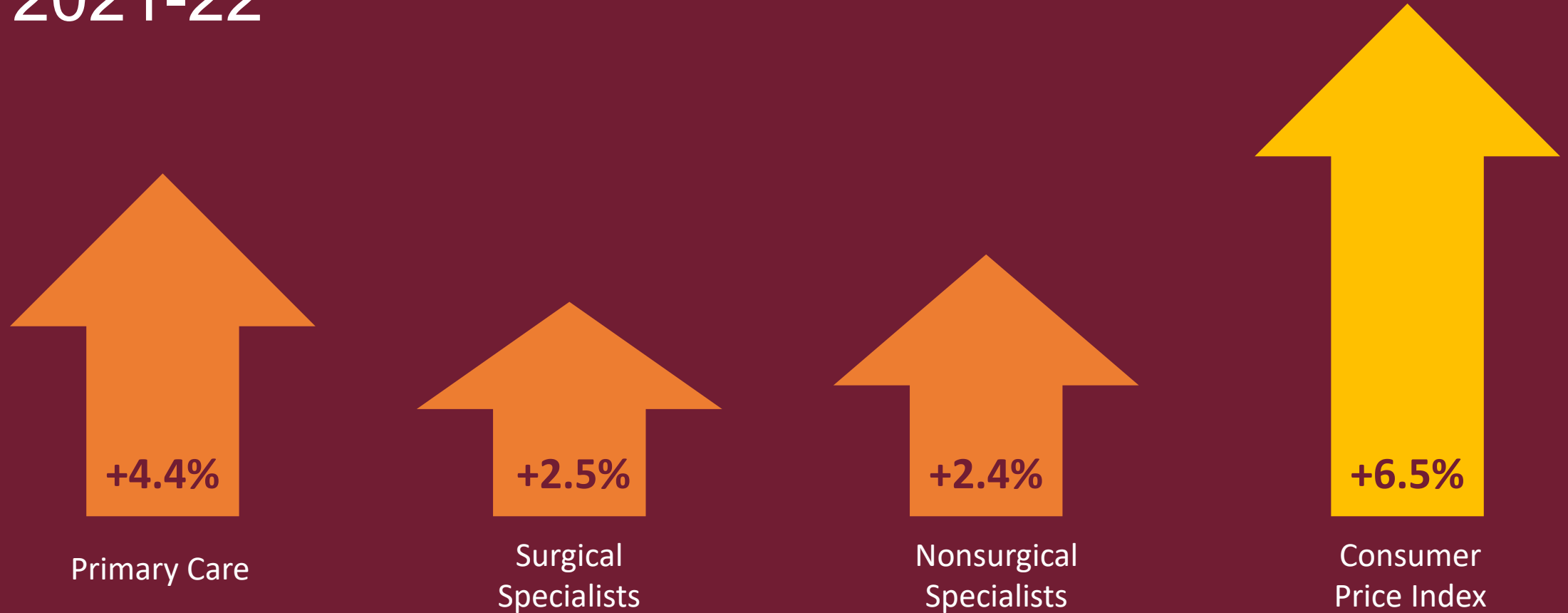
Benefits of daytime cloud teleradiology

When you can't hire locally and don't want to use locums, cloud radiology from vRad is a great alternative for full or partial coverage. We've been a leader in emergency nighttime teleradiology since 2001 serving over 2,000 facilities and radiologists across the United States. Now, we're offering a broader daytime bench of radiologists to meet this growing need.

- Smaller, more customized rosters
- Referring physicians can feel better served by getting to know the radiologists who help take care of their patients
- Enhanced operational support to meet your unique daytime needs.

Did you know vRad cloud radiology is now **powered by our pioneering AI technology?** ...and delivering exciting results for our clients and their patients?

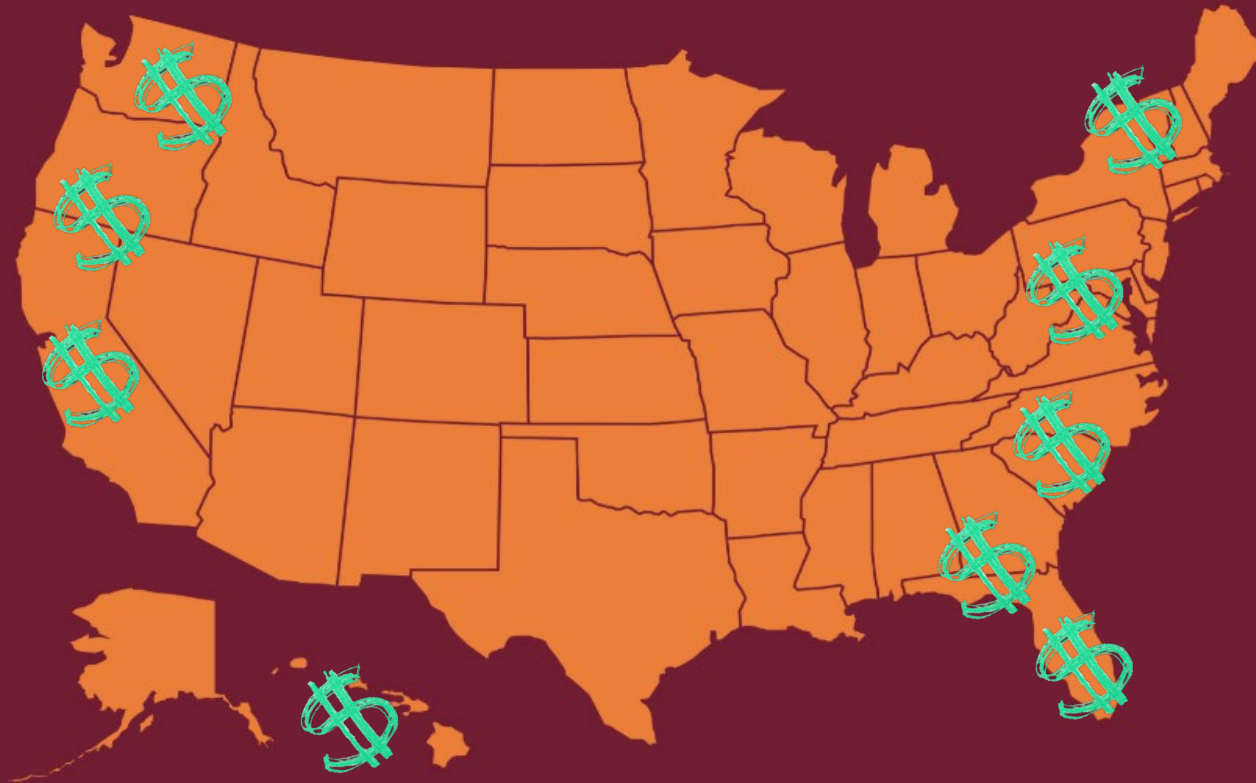
One-year gain in doctor compensation vs. CPI 2021-22



Median total compensation for physicians has increased modestly, but gains have largely been eclipsed by spiraling inflation – *2021-2023 MGMA DataDive Provider Compensation; Bureau of Labor Statistics*

Location, Location, Location

- Effective salary after considering COL?



Cost of living calculator

Compare the cost of living in 2 cities.

Current city[Ⓢ] Indianapolis, IN
New city San Diego, CA
Pre-tax household income \$550,000

To maintain your standard of living in San Diego, CA, you'll need a household income of:

\$877,723

The cost of living is 60% higher in San Diego, CA

[See San Diego's complete City Life page](#)

| | |
|------------------------|------|
| △ Housing Costs | 169% |
| 🚲 Transportation Costs | 42% |
| 🍷 Food Costs | 17% |
| 🎬 Entertainment Costs | 15% |
| 🏥 Healthcare Costs | 21% |

Cost of living calculator

Compare the cost of living in 2 cities.

Current city[Ⓢ] Indianapolis, IN
New city Boston, MA
Pre-tax household income \$550,000

To maintain your standard of living in Boston, MA, you'll need a household income of:

\$919,662

The cost of living is 67% higher in Boston, MA

[See Boston's complete City Life page](#)

△ Housing Costs **176% higher** ^

| | Indianapolis, IN | Boston, MA |
|---------------------------------|------------------|------------|
| Median 2-bedroom apartment rent | \$1,246 | \$3,609 |
| Median home price (3BR, 2BA) | \$324,743 | \$877,863 |

Do these housing costs seem low to you? That's probably because we're measuring average costs for the larger metro area, not just the city limits.

| | |
|------------------------|------------|
| 🚲 Transportation Costs | 37% higher |
| 🍷 Food Costs | 18% higher |
| 🎬 Entertainment Costs | 29% higher |
| 🏥 Healthcare Costs | 33% higher |

Location, Location, Location

Top Paying

New York



New Hampshire



Wyoming



Mid-Range

Florida



Massachusetts



Alabama



Lowest Paying

Texas



North Carolina



Illinois



Location, Location, Location

Highest COL

Hawaii



Massachusetts



California



Mid-Range

Florida



Pennsylvania



Arizona



Lowest COL

Mississippi



Arkansas

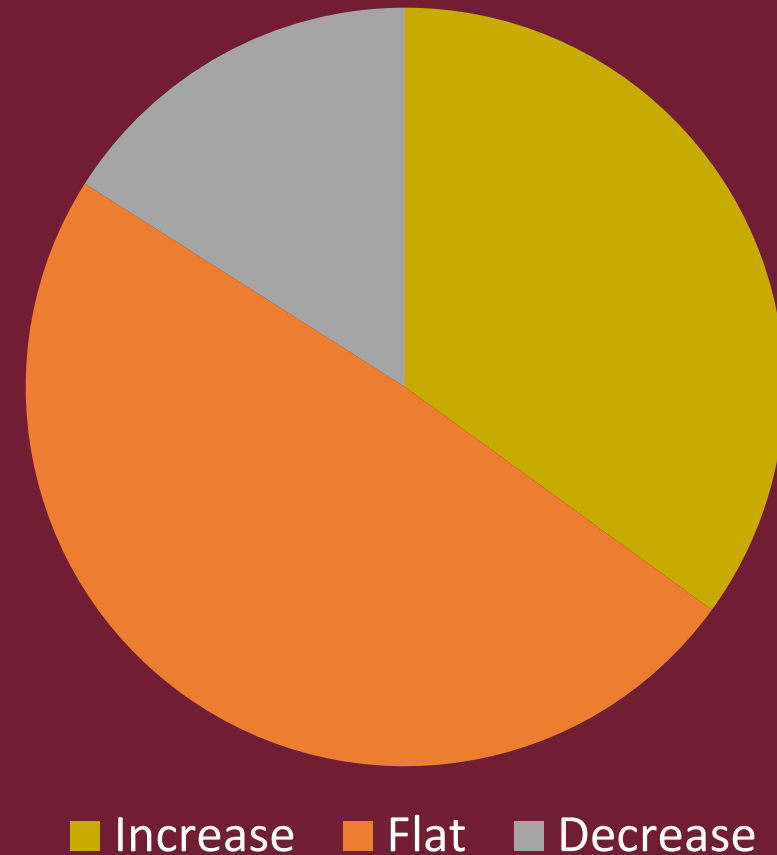


Alabama



Compensation over time

- 35% of Radiologists saw compensation increase over the last 2 years
- 49% of Radiologists saw compensation remain flat
- 16% of Radiologists saw compensation decreases



slido



Over the last 2 years, our compensation has

ⓘ Start presenting to display the poll results on this slide.

Medscape Wealth and Debt Report for 2021



SECOND-HIGHEST EARNINGS OF ALL PHYSICIANS, AVERAGE RADIOLOGIST NET WORTH OF OVER \$5 MILLION

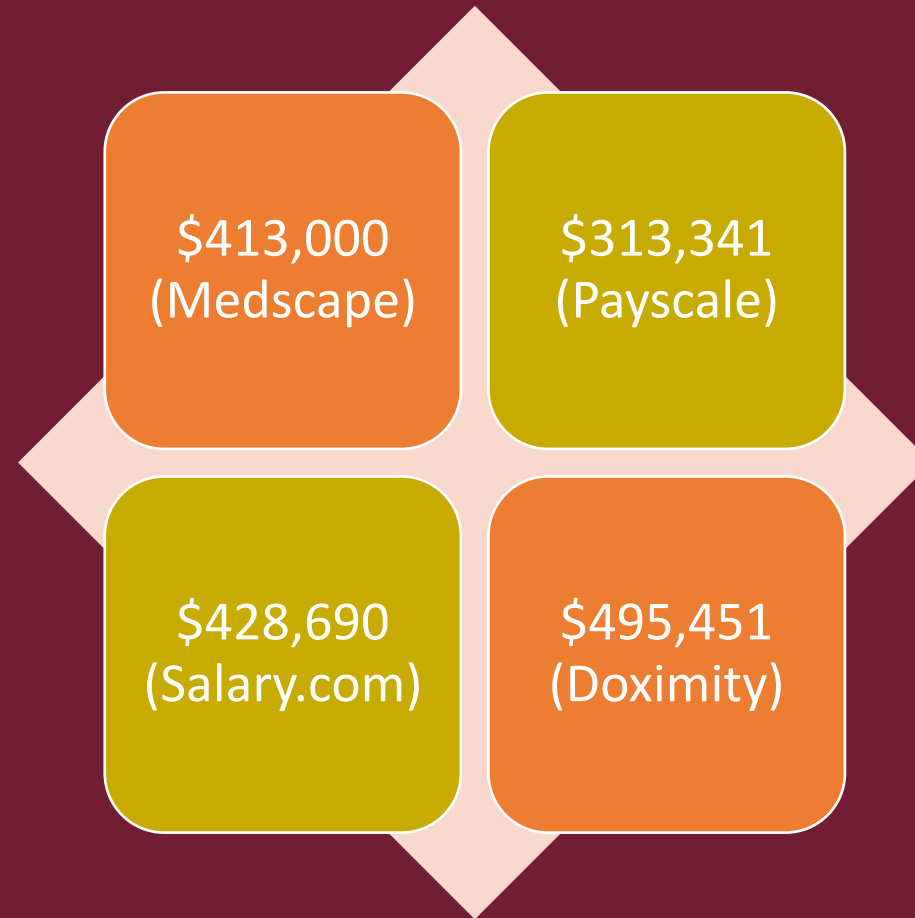


RADIOLOGISTS LOVE BEING RADIOLOGISTS, 93% OF THOSE SURVEYED WOULD STILL CHOOSE TO BE RADIOLOGISTS



ONLY 65% OF RADIOLOGISTS FELT FAIRLY COMPENSATED FOR THEIR HARD WORK

What do radiologists make on average (base)?



slido



Currently, our group's base salary is around

ⓘ Start presenting to display the poll results on this slide.

slido



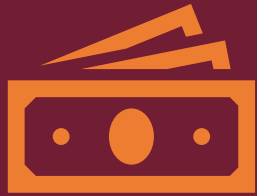
Currently, our total annual compensation is around (full parity)

ⓘ Start presenting to display the poll results on this slide.

Practice Types (highest paying to lowest paying)



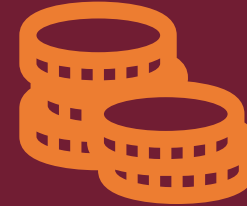
Ask yourself these questions



Am I content with the money I'm making as a radiologist?



Am I content with the hours I'm putting in to get there?



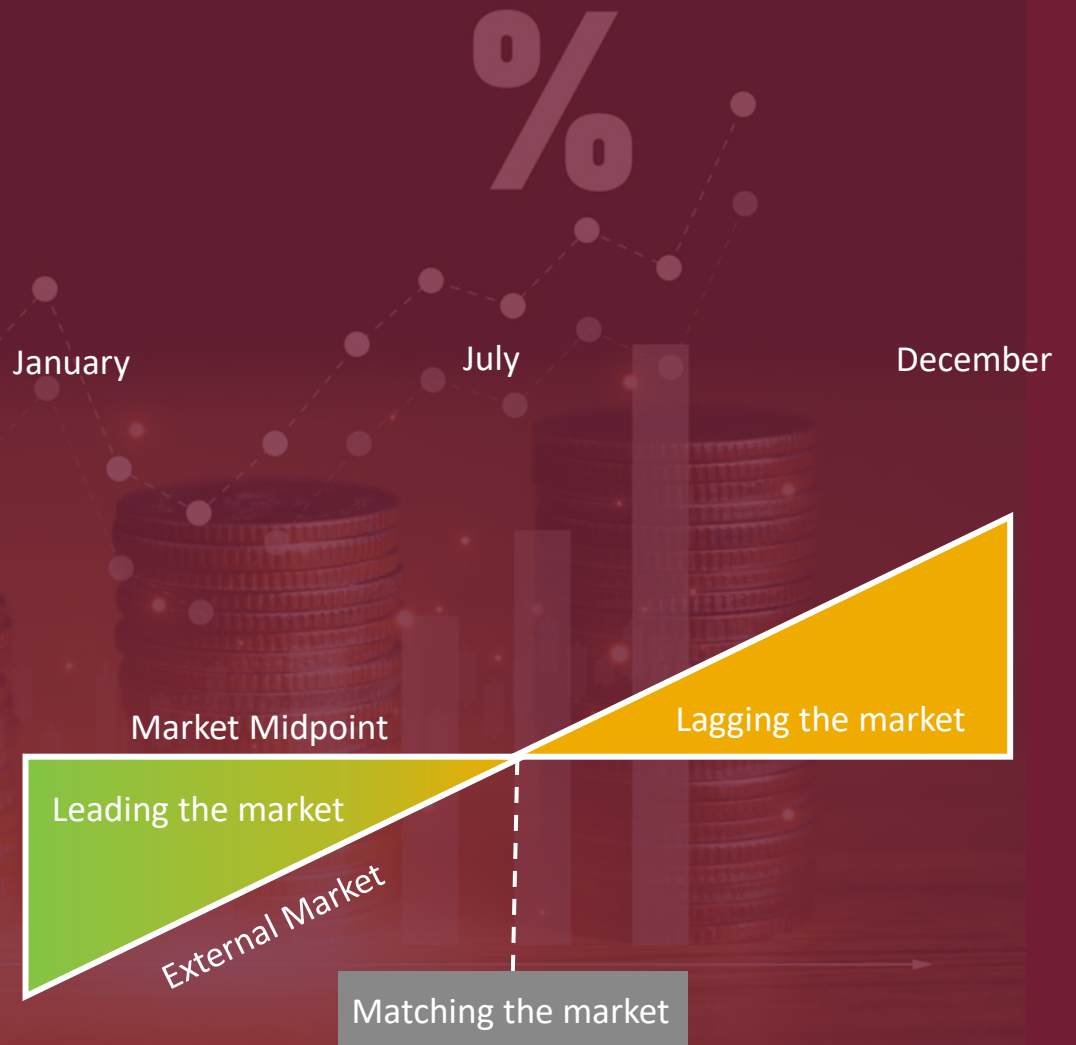
Am I even in control of my earnings and how hard do I have to work?



Compensation must be consistent with the marketplace – bottom line

Considering the Market

- Paying at Market – market average salary for a specific job
- Market prices fluctuate throughout time
- The more competitive the market, the faster salaries can fluctuate



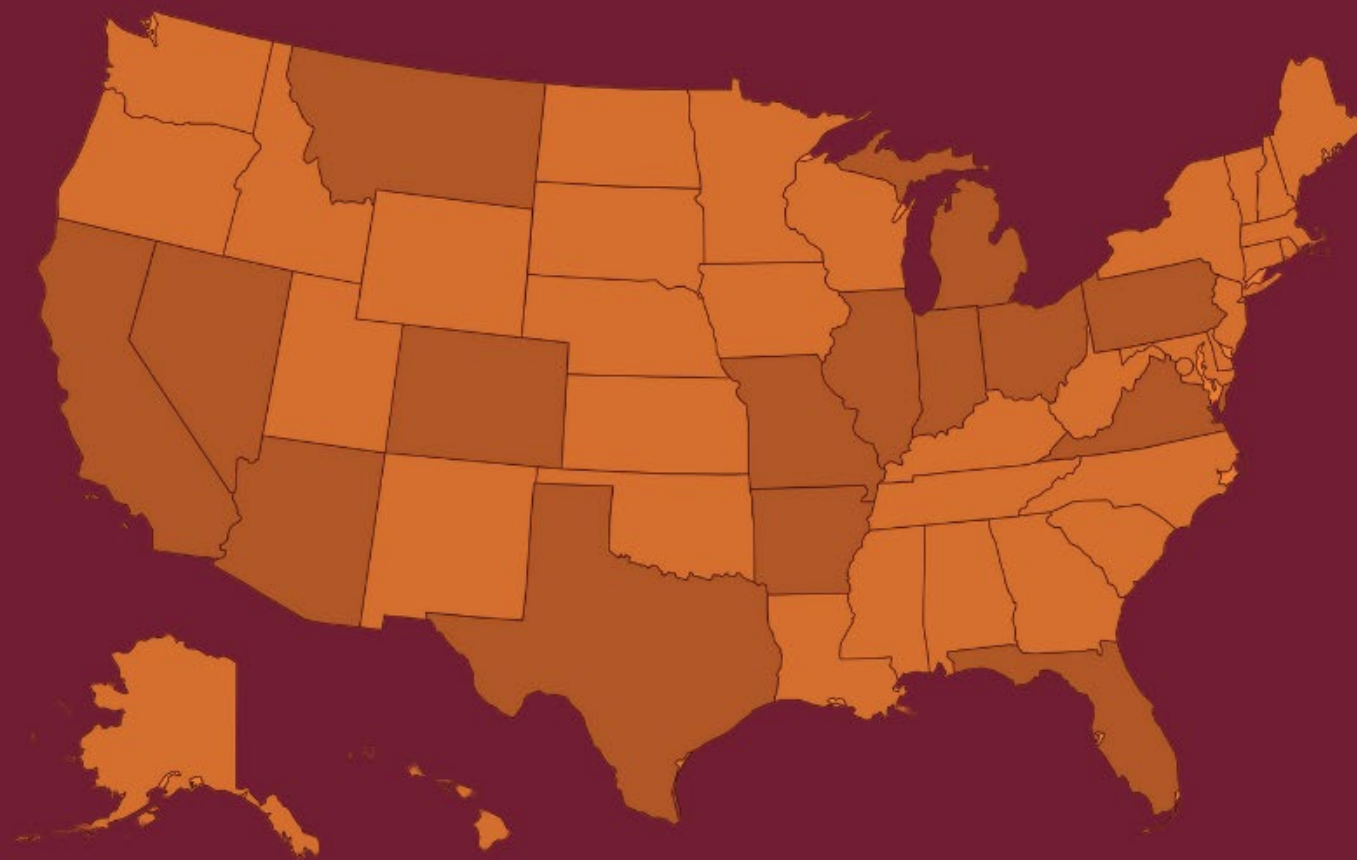
slido



What is your groups strategy regarding compensation?

ⓘ Start presenting to display the poll results on this slide.

Where this gets messy...

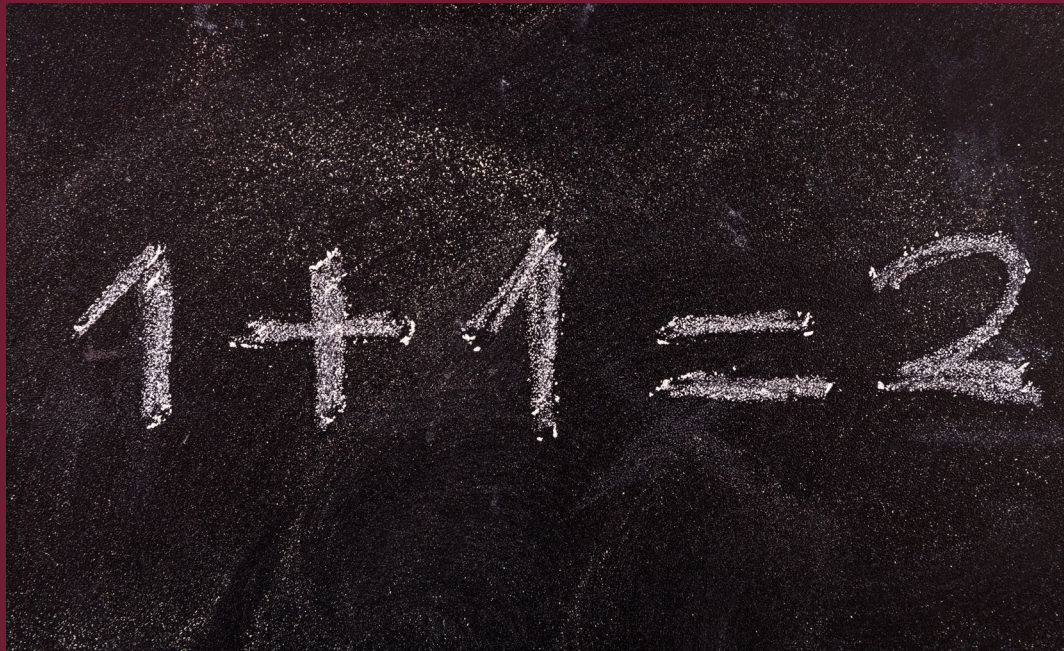


An Indiana Practice is paying market-leading prices for radiologist services in California and Massachusetts

No one wants to relocate



Options for Models



$\mathcal{L} = \int \phi E_t$
 $f(w) = \int_{-\infty}^{\infty} f(x) e^{-2\pi i x w} dx \frac{dt}{dt}$
 $\nabla \cdot E = 0 \quad \nabla \times E = -\frac{1}{c} \frac{\partial H}{\partial t}$
 $\nabla \cdot H = 0 \quad \nabla \times H = \frac{1}{c} \frac{\partial E}{\partial t}$
 $\psi = H \psi$
 $\rho \left(\frac{\partial v}{\partial t} + v \cdot \nabla v \right) = -\nabla p + \nabla \cdot T + f$
 $H = -\sum p(x) \log p(x)$
 $\frac{1}{2} G^2 S^2 \frac{\partial^2 V}{\partial S^2} + r S \frac{\partial V}{\partial S} + \frac{\partial V}{\partial t} - r \cdot V = 0$
 $TC(Q, q_i, m_i) = \sum_{i=1}^n \left[\frac{D_i}{m_i q_i} S_i + c_i \cdot D_i + \frac{q_i H_i}{2} \left(m_i \left(1 - \frac{D_i}{P_i} \right) - 1 + 2 \frac{D_i}{P_i} \right) \right]$
 $\begin{bmatrix} \frac{d \Delta p(s, \phi)}{d \phi} \\ \frac{d \Delta M(s, \phi)}{d \phi} \end{bmatrix} = \begin{bmatrix} \beta & -\beta \\ -\beta & 0 \end{bmatrix} \begin{bmatrix} \Delta p(s, \phi) \\ \Delta M(s, \phi) \end{bmatrix}$
 $\int_0^{\pi} (\log \sin x)^2 dx = \int_0^{\pi} (\log \cos x)^2 dx = \frac{\pi}{2} \left\{ \frac{\pi^2}{12} + (\log 2)^2 \right\}$

Straight Salary

PROS

CONS



Worry Free Stable Income



Volume resistant



No long-term financial incentive



Discourages entrepreneurship



Salary + Bonus/Incentive

PROS

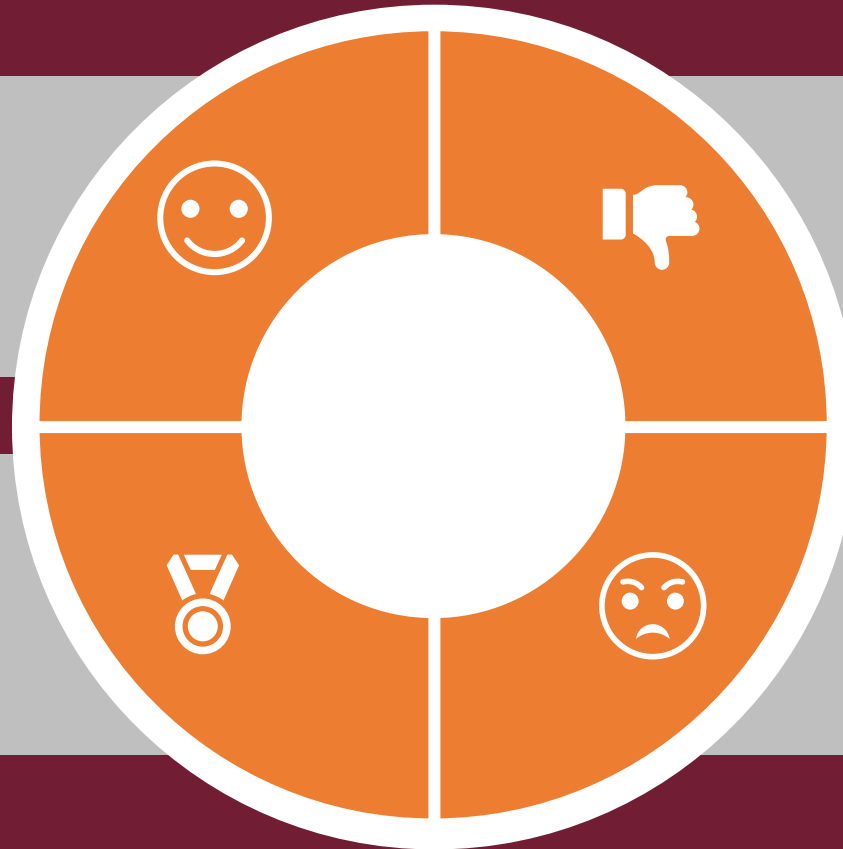
CONS



Similar Security to a straight salary



Options to incentive certain behaviors



Incentives may drive bad behaviors



Can lead to a never-ending quest for equity



Equality/Equal Shares

PROS

CONS



True Parity



Assumes all physicians are equally skilled and productive



Assumes all services are valuable (high and low RVU)



High producers -no long-term incentives; low producers ride coattails.



Production/Productivity Based Compensation

PROS

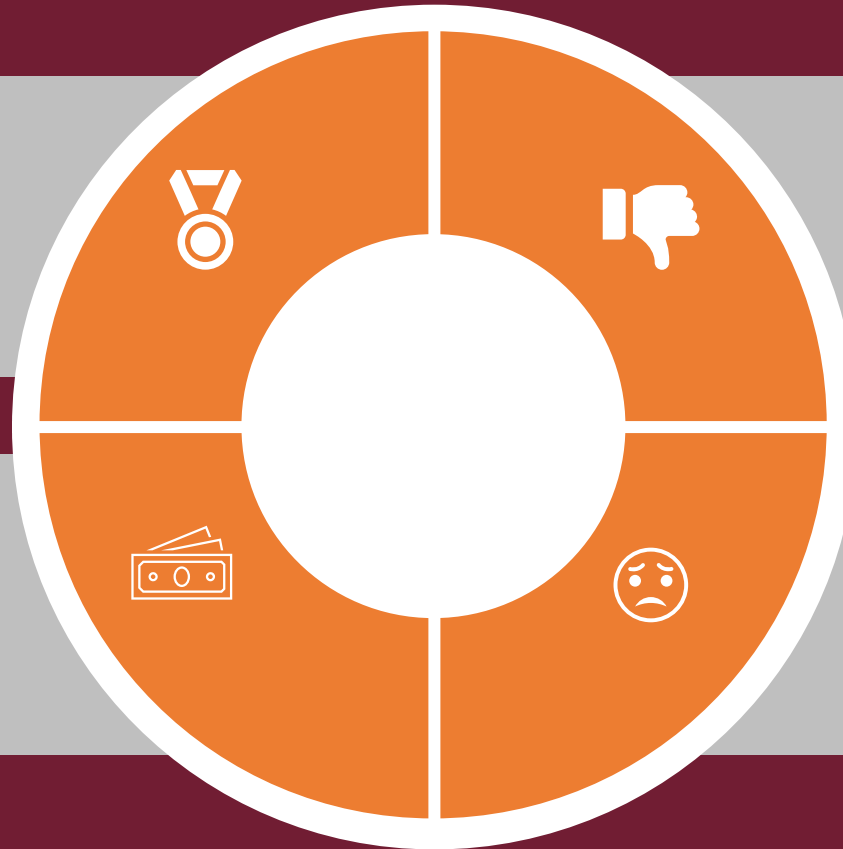
CONS



Encourages and rewards extra effort by individuals



Paid either % of billing/collections or \$/RVU



Deters citizenship



Difficult to manage politically



Quality Based Incentives

PROS

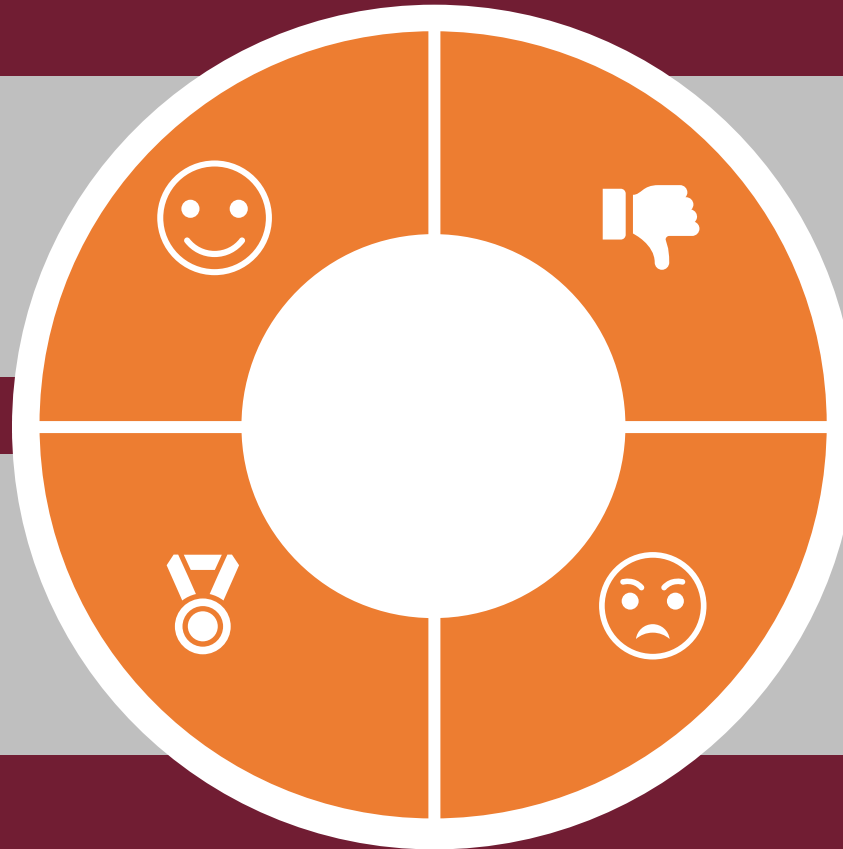
CONS



Rewards radiologists for delivering high-quality interpretations



Aligns compensation with patient outcomes



Difficulty defining “quality” in radiology



Potential for increased stress and defensive practice



Hybrid Models

PROS

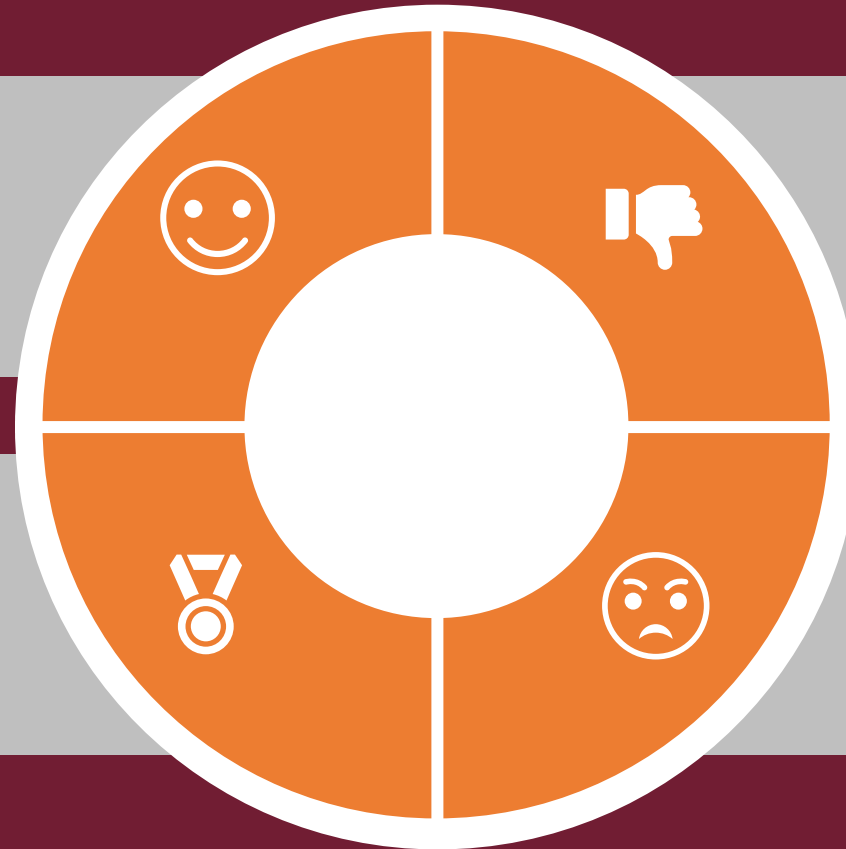
CONS



Allows for a combination of different structures



Can provide a balance between stability and productivity incentives



Complexity in managing and administering multiple components



Requires careful design to avoid conflicting interests



slido



Which of the above plan type best captures your practices current compensation model?

ⓘ Start presenting to display the poll results on this slide.

To make things more complicated...

- One Model
- Multiple Models
 - Onsite
 - Telerad

To make things more complicated...

How do you build a team?



Onsite Radiologists



Remote Mercenary Radiologists



Onsite Radiologists

- W2 employment
- Benefits/Profit Sharing
- Retirement
- Base Salary + Incentive



Remote Mercenary Radiologists

- \$/RVU
- Not employed/1099
- No benefits
- No loyalty

To make thing more complicated...

- Do onsite or telerads make more? What's the premium option? Does it depend on geography?



SOCAL January



Indiana January

To make thing more complicated...

- Do travelers/rural workers get a travel bonus? Do they have a separate compensation model? Are they compensated for drive time?



slido



If your practice employees dedicated teleradiologists, do they have a separate compensation plan?

ⓘ Start presenting to display the poll results on this slide.

slido



Is there extra compensation for rural workers/far from metro areas radiologists?

ⓘ Start presenting to display the poll results on this slide.

Are all Divisions Equal?

- Interventional?
- Mammo?
- 2nd and 3rd Shift?

slido



Do all of your practice Divisions/Subspecialists have the same compensation plan?

ⓘ Start presenting to display the poll results on this slide.

What does your Compensation Plan say about you?

- Divisional clinical production and quality
- Individual clinical production and quality
- Service and citizenship



The Value of Citizenship

- Collaboration and Teamwork
- Leadership Roles/Committee Work
- Professional Development
- Quality and Safety
- Policies and Procedures
- Communication Skills
- Workplace citizenship
- Adaptability and Flexibility



Non-RVU Generating Value-Add Activities

- Tumor Board participation
- Medical Staff Involvement
- Hospital administrative meetings
- Imaging equipment vendor meetings

slido



Do you have a citizenship component to your compensation plan?

ⓘ Start presenting to display the poll results on this slide.

Managing the Pool

- Inputs
 - Clinical work
 - Service line agreements
 - Medical directorships
- Outputs
 - Physician wages
 - Extra work/moonlighting
 - Profit sharing?



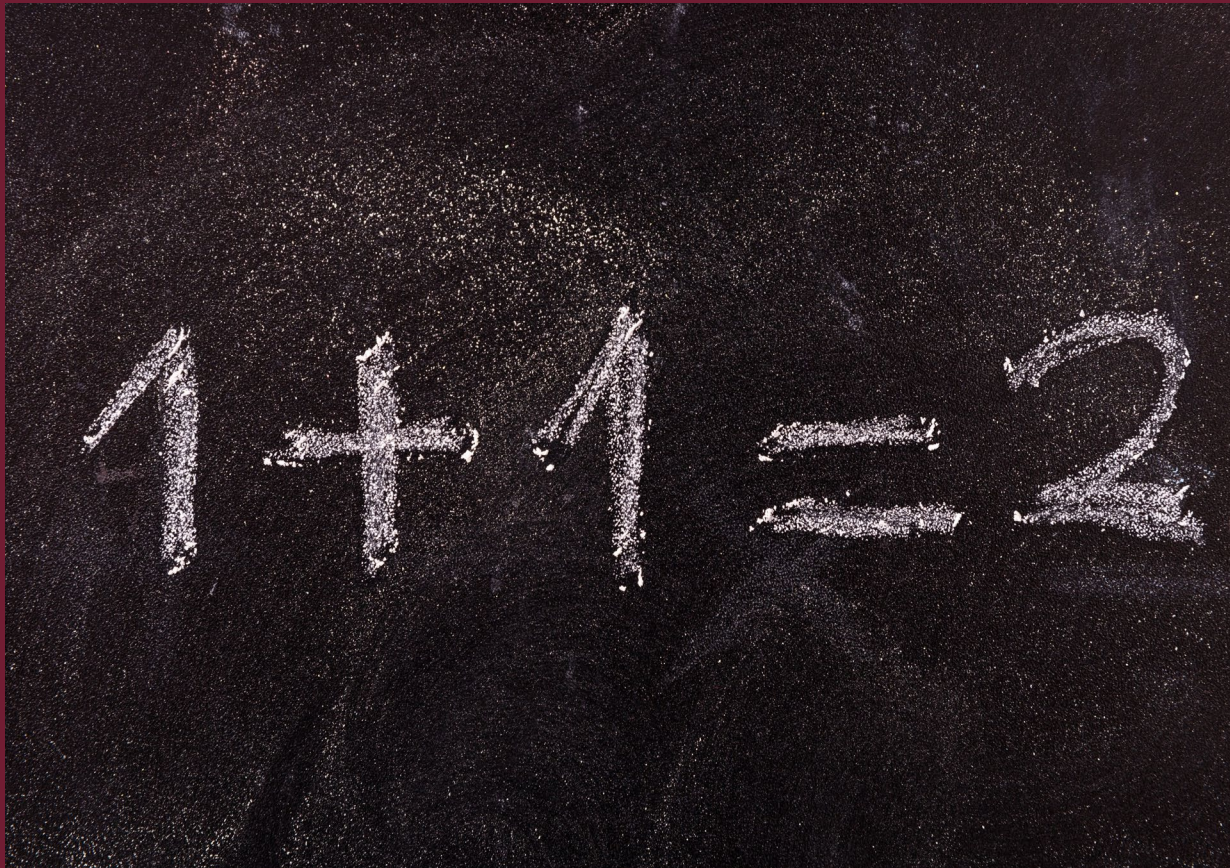
Other ways to increase compensation

- Outpatient imaging centers
- Real estate (medical office buildings)
- APP utilization
- AI tools

Moving from This.....



to This.



$\mathcal{L} = \phi E_{st}$
 $f(w) = \int_{-\infty}^{\infty} f(x) e^{-2\pi i x w} dx \frac{dt}{d\omega}$
 $\nabla \cdot E = 0$
 $\nabla \times E = -\frac{1}{c} \frac{\partial H}{\partial t}$
 $\nabla \cdot H = 0$
 $\nabla \times H = \frac{1}{c} \frac{\partial E}{\partial t}$
 $\frac{\partial}{\partial t} \Psi = H \Psi$
 $\rho \left(\frac{\partial v}{\partial t} + v \cdot \nabla v \right) = -\nabla p + \nabla \cdot T + f$
 $H = -\sum p(x) \log p(x)$
 $\frac{1}{2} G^2 S^2 \frac{\partial^2 V}{\partial S^2} + r S \frac{\partial V}{\partial S} + \frac{\partial V}{\partial t} - r \cdot V = 0$
 $TC(Q, q_i, m_i) = \sum_{i=1}^n \left[\frac{D_i}{m_i q_i} S_i + c_i v D_i + \frac{q_i H_i v}{2} \left(m_i \left(1 - \frac{D_i}{P_i} \right) - 1 + 2 \frac{D_i}{P_i} \right) \right] +$
 $\frac{Q(p-D)}{2p} + F_0 N + \sum_{i=1}^n D_i w_i d_i \frac{(1+w)}{F_r F_L}$
 $\left[\frac{d \Delta p(s, \phi)}{d \phi} \right] = \begin{bmatrix} \beta & -\beta \\ -\beta & 0 \end{bmatrix} \begin{bmatrix} \Delta p(s, \phi) \\ \Delta M(s, \phi) \end{bmatrix}$
 $\int_0^{\frac{\pi}{2}} (\log \sin x)^2 dx = \int_0^{\frac{\pi}{2}} (\log \cos x)^2 dx = \frac{\pi}{2} \left\{ \frac{\pi^2}{12} + (\log 2)^2 \right\}$

The Beginning

2015-2018: Straight Salary from Comp Pool

- 2-yr ramp-up to Equity
 - 80 / 90 / 100
 - Decreased to 1 year...then 0.
- Prorated based on cFTE
- No differences for seniority or academic rank
 - *"A radiologist is a radiologist..."*
- Academic time paid at 65% of clinical rate
- End-of-Year Productivity True-Up based cFTE



The Beginning

Pros:

- Minimal scenarios & calculations
- Easy to administer for a growing group
- Easy to communicate to candidates

Cons:

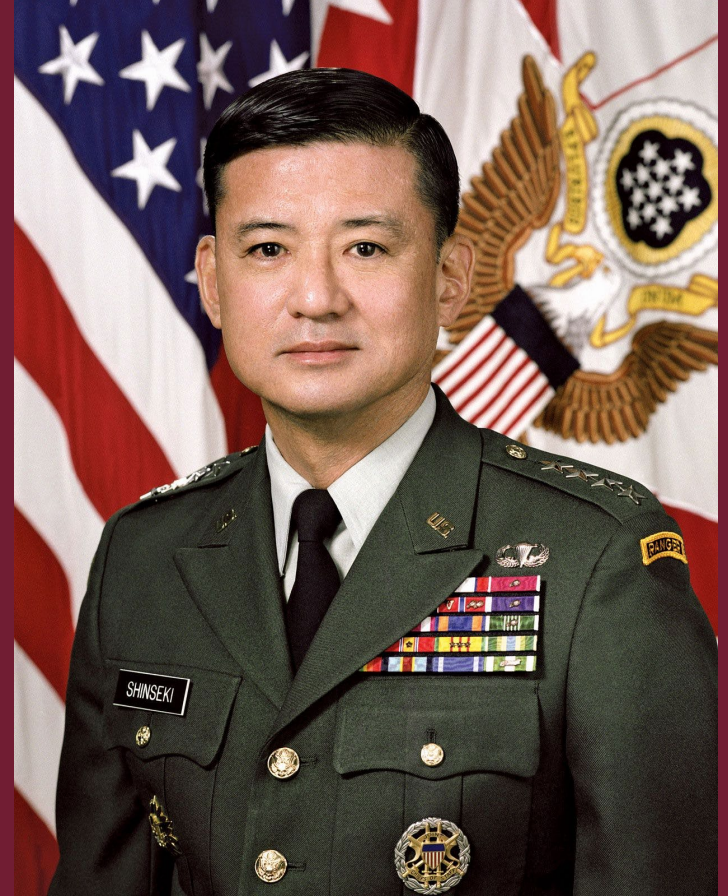
- Dis-incentivized Academic Efforts & Entrepreneurship
 - Challenges recruiting people for Academic Program Leadership
- Dept Culture of Transactional Worker Bees
 - Transactional: *"Why should I work any harder?"*



The Change

*"If you don't like change,
you're doing to like
irrelevance even less."*

- Gen. Eric Shinseki



The Change...

2019 – Present

- Structured Components required by School & Health System
- Academic Rank
 - Minimum of \$15k at promotion to Associate of Full Professor
- RVU Productivity
 - Must be at least 70% of the Pool
- Chair Levers
 - Maximum of 20% of the Pool
 - 3-5 incentives determined by the Dept Chair
 - Built for us to achieve

Our Model

Academic Rank

- + \$15k for Promotion to Associate or Professor

RVU Productivity

- Based on budgeted volumes and hospital contracts

Chair Levers

- Quality. Available to members of each Division that completes two approved quality projects in the prior calendar year.
- Seniority. Rewarding the experience and retention of radiologists that are not academically productive.
- Research. Rewarding those with significant effort on external grants.

Our Model: Ad Hoc Items

- Travel Stipends
 - \$\$ Based on length of Travel
- Procedural Call
 - \$\$ per Case based on Intensity
- Hardship Call
- Moonlighting Pay-per-Click
 - For historically slow readers
- Moonlighting Productivity Bonus
 - Must exceed AAARAD 75% in RVU/hr
- Health System Quality Program = metrics we can achieve

The Change...

Pros:

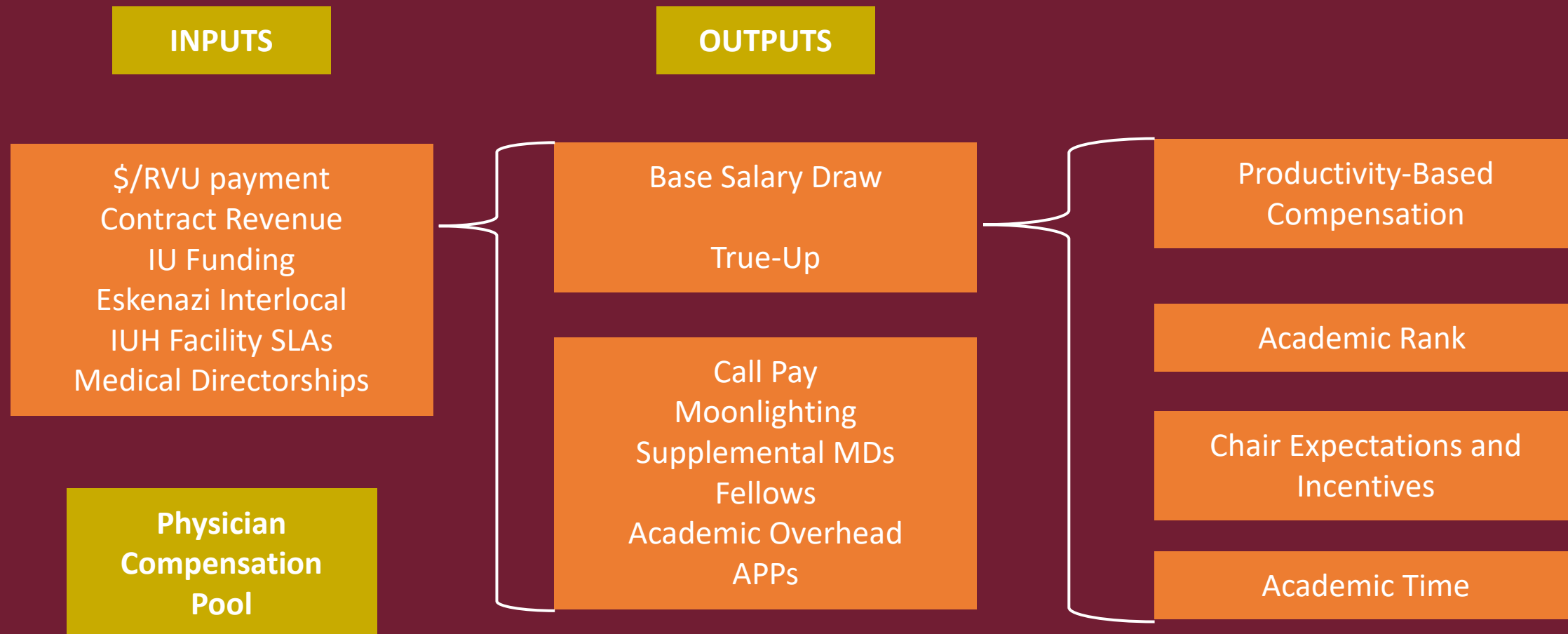
- Incentivizes Academic Program Leadership & Promotion
- Allows for Agency and Flexibility
- Highly Objective = Low Legal Risk
- Academic Rates for Academic Work
- Increased \$\$ for Moonlighting, etc.

Cons:

- Challenging to Administer: 20+ different scenarios for 160 physicians; multiple staff involved
- Confusing Term across the Health System...."Base Salary"
- Onsite & Remote Readers paid the same



Compensation



Challenges Ahead

- Funding Academic Time & Initiatives
 - *"Who wants a pay cut?"*
- New Levers?
- IU Health Medical Group in 2025
- Multiple Dept Comp Plans?
 - Community vs. Sub-specialty
 - Urban vs. Rural
 - Academic vs. Clinical



Other Considerations

- Division Bonuses vs. Individual Bonuses
- Forgivable Loans (and Terms)
 - Sign-on & Retention Bonuses
- Stipends vs. Protected Time for Leadership
- Hospital-funded Quality payments?

Brief Overview from Academia....

- Majority of Depts (> 80%) have Salary + Incentive
- Median Salaries grow as more Academic groups bring in non-Academic radiologists
- Pay per Click is on the rise
 - Most candidates ask about individual incentives
- One Dept on Full Individual Production
 - Salaries recalculated every six months



slido



Audience Q&A Session

 Start presenting to display the audience questions on this slide.

Thank you!