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# **Neurosurgery Reimbursement Shifts 'Trickle Down'** to Compensation Structures

By Bonnie Darves

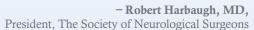
ealthcare economists talk about how change is a constant in the sector, but even the gurus are hard pressed right now to predict where things will go with health services reimbursement, payment models and, by extension, physician compensation. There's consensus, however, that the most palpable shift is the movement away from reimbursing physicians—particularly those in the procedure-intensive specialties like neurosurgery—solely for the volume of services they provide and toward compensating them for those services' value.

Even if experts can't agree on just what "value" means, the current definition is

Healthcare Improvement. "The issue is that CMS [Centers for Medicare and Medicaid Services] and commercial payers, are still trying to figure out how to compensate physician practices for these changes that they want to see."

Why does this emerging "macro" picture matter to neurosurgeons? It's because neurosurgeons, like other surgical specialists, have traditionally worked in a volume-based, fee-for-service environment. That means that neurosurgeons' practice revenues and individual compensation has been predicated to a large extent on how many procedures they perform, the number of relative value

"Even if we don't know where all of this is going to end up, it's important to remember that neurosurgeons provide services to patients and hospitals that no one else can supply."





predicated on three key factors: how efficiently and effectively physicians use resources, the quality and evidence base of the care and, ultimately, how well patients do in terms of outcomes. Ken Hertz, a principal with the Medical Group Management Association's Health Care Consulting Group, talks about this evolving arena in terms of healthcare's significant shift in priorities. "The big driver for all of what's going on with reimbursement is what Don Berwick calls healthcare's new triple aim—to improve the care experience, improve population health, and reduce the per-capita cost of care," Mr. Hertz said, referring to the renowned president emeritus of the Institute for

units (RVUs) attached to those procedures, and the professional services fee structures in place. (RVUs compute the time and skill, and the physical and mental effort involved in performing a medical procedure or service, and have historically been used to gauge neurosurgeons' productivity.)

Now, with value-based purchasing (VBP), bundled payments for procedures, and accountable care organizations (ACOs) on the rise, that old model is becoming less relevant, according to Katie Orrico, JD, director of the Washington Office of the American Association of Neurological Surgeons. "We're clearly seeing a shift from volume to value, with Medicare and

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#### **PUBLISHER**

**Katie Cole** 

303.832.1866 | katie.cole@harlequinna.com

#### **EDITOR**

**Bonnie Darves** 

425.822.7409 | bonnie@darves.net

#### **ART DIRECTOR**

Annie Harmon, Harmony Design 720.580.3555 | annie@harmonyd.com

Neurosurgery Market Watch, Harlequin Recruiting P.O. Box 102166, Denver CO 80250 www.harlequinna.com



# **Neurosurgery Reimbursement Shifts 'Trickle Down'**

(continued from Page 1)

commercial payors, and we're trying to help neurosurgeons figure out how to operate in this new world," Ms. Orrico said.

To illustrate this shift, Ms. Orrico points to a telling development. A recent AANS survey found that 26% of neurosurgeons are now practicing in Medicare ACOs, up from 14% in 2012. In these arrangements, neurosurgery practices and other provider groups link with hospitals to care for defined patient populations, and share both financial risks and potential savings of delivering coordinated, evidence-based care.

Robert Harbaugh, MD, president of The Society of Neurological Surgeons and director of the Penn State Institute of the Neurosciences, is optimistic that neurosurgery will ultimately thrive in the emerging quality-vs.-quantity environment, but cautions young neurosurgeons that the market forces at play will likely prompt some palpable shifts in how groups approach neurosurgeon revenues and compensation.

"It's fair to say that the whole medical compensation area is in turmoil—it's analogous to trying to switch from driving on the right side of the road to the left side, but gradually," he said.

At the same time, Dr. Harbaugh reminds trainees and practicing neurosurgeons that even as reimbursement models shift, the specialty's importance in the healthcaredelivery spectrum, and to hospitals in particular, is not in question. "Even if we don't know where all of this is going to end up, it's important to remember that neurosurgeons provide services to patients and hospitals that no one else can supply," he said. In addition, compared to the technical component of the services that neurosurgeons provide, neurosurgeons' professional fees constitute only a small percentage. For example, for every \$1 the neurosurgeon brings in, the hospital might bring in as much as \$14-or more. "This means that neurosurgeons are very valuable to hospitals," he said.

# Payment-model shifts affect neurosurgery

Another important shift in performance-based physician payment models is the new CMS Merit-Based Incentive Payment System (MIPS), in which neurosurgeons will be increasingly measured on their resource use, clinical practice improvement, and use of certified EHR technology. This initiative, which combines and effectively replaces previous government-operated physician performance programs, will incorporate scoring systems that gradually increase payments and penalties (between 4% and 9%) to physicians for the care quality they provide.

"For neurosurgeons, what this means is that there will be winners and losers," Ms. Orrico said. "Clearly, Medicare and commercial payers are trying to drive more globalization of payment, but what's not clear yet is where neurosurgery will fit into this new system."

RVU-based still compensation is prevalent in the field-recent data from the Neurosurgery Executives' Resource Value and Education Society suggests that 40% of practices still use the methodology. However, RVUs will become less meaningful over time, Ms. Orrico notes, as changing reimbursement models effectively force practices reconfigure compensation plans. Groups that provide a high volume of key ancillary services might have more reimbursement leverage and a stronger financial footing as they accommodate the new payment models. But ultimately, Ms. Orrico observes, all neurosurgery practices must adjust to an environment in which they will have to demonstrate and "quantify" the value of their services—and the recognition that their reimbursement will be affected accordingly.

Dr. Harbaugh concurs with Ms. Orrico that pure RVU-based compensation and incentive

"Neurosurgeons will be doing more quality reporting, and there will be more risk-based contracts. And practices will have to navigate this shifting environment as they design their compensation plans."



- Katie Orrico, JD, Director, AANS Washington Office

It's also unclear just how these developments will translate into neurosurgeons' compensation structures, but two things are certain, Ms. Orrico explains. "Neurosurgeons will be doing more quality reporting, and there will be more risk-based contracts. And practices will have to navigate this shifting environment as they design their compensation plans," she said, including bonus structures.

models will continue to decline. He predicts that groups, even those whose neurosurgeons are primarily salaried, will increasingly move toward models that reflect the risk- and reward-sharing models emerging. He sees groups also adjusting compensation based to some extent on methodologies such as shared-savings and gainsharing, which are making their way into neurosurgery groups'

contractual financial arrangements with hospitals. In gainsharing, hospitals pay groups directly for their success in reducing hospital costs and meeting predefined carequality standards. Groups then share those payments with the neurosurgeons. "I think we'll still see RVUs and productivity [metrics] in compensation plans and bonus structures, but to a lesser extent," he said. "And as more neurosurgeons become hospital employees, RVUs are becoming less valuable."

To illustrate the shifts occurring in neurosurgeon compensation, Dr. Harbaugh points to his own organization's model. Neurosurgeons' bonuses are now calculated 50% on quality and patient satisfaction performance and 50% on productivity. The group also has a gainsharing arrangement with the hospital, in which the neurosurgeons earn extra compensation when the practice meets or exceeds the resource utilization and quality targets.

"Even as groups try out different ways to compensate physicians in this changing reimbursement environment, I think it's important for neurosurgeons to do as much as we can to support our hospitals and health systems," Dr. Harbaugh said. "They're trying to work through this, too, and we need to work as partners. That means that we, too, have to worry about issues like resource utilization and readmissions."

# Registry effort will boost neurosurgery positioning

The AANS is trying to help neurosurgery, as a field, better position itself to ensure that the reimbursement and payment models that emerge are equitable for neurosurgery groups and representative of the unique services the field provides. "We're developing tools to empower our members to play in the new value-based world," Ms. Orrico said. One

example is the NeuroPoint Alliance (NPA), a comprehensive registry initiative that the AANS developed to collect, analyze and report on nationwide clinical data from neurosurgical practices using online technologies.

As the alliance's database becomes more robust and its data-gathering and analysis tools more sophisticated—both are improving rapidly—the reporting will benefit both practicing neurosurgeons and groups as they demonstrate their clinical services' value. "Ours is already the most robust prospective spine registry in the United States, and it will enable us, when we have the data, to use that data to support reimbursement models and to calculate risk." she said.

Ms. Darves, a Seattle-based independent healthcare writer, is editor of Neurosurgery Market Watch.

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This activity has been planned and implemented in accordance with the accreditation requirements and policies of the Accreditation Council for Continuing Medical Education (ACCME) through the joint provider ship of William Beaumont Hospital and MINS. William Beaumont Hospital is accredited by the ACCME to provide continuing medical education for physicians. William Beaumont Hospital designates this live activity for a maximum of 7.75 AMA PRA Category 1 Credit(s)™. Physicians should claim only the credit commensurate with the extent of their participation in the activity.

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# Worldwide Initiative Is Putting Brain Mapping on the Map Globally

Society for Brain Mapping and Therapeutics propels therapeutic advances in nanoneurosurgery, nanobioelectronics, artificial intelligence and neuro-supercomputing, and sciences 'cross-pollination'

The science of brain mapping and the field of nanoneurosurgery have made notable advances in recent years in part due to the efforts of the Society for Brain Mapping & Therapeutics (SBMT) and the Brain Mapping Foundation (BMF). The society and its companion foundation were established in 2004 by Babak Kateb, MD, who is the director of the Center for Nano-Bio-Electronics and scientific director of the California Neurological Institute, and serves as chairman and CEO of SBMT and president of BMF. The organizations were launched as a collaboration among the NASA Jet Propulsion Laboratory, USC Keck School of Medicine and the California Institute of Technology.

The non-profit organizations' main focus is to advance cross pollination of ideas across the physical sciences, neuroscience and the biological sciences. SBMT and BMF

predictive modeling, immunotherapy, and cellular and stem cell therapy.

Since their founding, the joint organizations have played a significant role in President BRAIN Initiative-the Obama's members and its board members had long advocated for and later advised the National Institutes of Health (NIH), The White Office Science Technology and Policy (OSTP), DARPA and NSF on the initiative—and the G20+ Brain Mapping and Therapeutics Initiative. Currently, SBMT is focused on establishing the Global Alliance for NanoBioElectronics through its G20+ Brain Mapping & Therapeutics Initiative.

The initiative seeks to shape policies in translational neuroscience and push the boundaries of science and technology by introducing this emerging fields to scientists, engineers and physicians. For



Babak Kateb, MD, front, was with President Obama at the White House when the president announced the BRAIN Initiative.

nanotechnology, device, imaging and cellular therapy, will be launched in China during the G20 Summit. Called N20+ (Neuroscience 20+), the endeavor will expand the reach of the existing brain-mapping initiative, according to Q. Y. Ma, PhD, a SBMT board member who is president and CEO of Time Medical Systems and associate professor of radiology at Harvard. "We are happy that China has joined the effort with the G20 countries and will host the 2016 gathering. We welcome all scientists, engineers and physicians across both G20 and non-G20 countries," said Dr. Ma, who serves as a scientific advisor to the Chinese government.

"The BMF's mission is to translate state-of-the-art technologies from NASA, DoD, National Labs and industry into neurosurgery and neuroscience, to bring the most advanced medicine to wounded warriors and civilians with neurological disorders," Dr. Kateb said. "We are working to encourage and support basic and clinical scientists who are interested in brain mapping, engineering and nanoneurosurgery, and related areas, to improve patients' diagnosis, treatment and rehabilitation."

The SBMT focuses principally on brain mapping and intra-operative surgical planning. SBMT pursues its mission through multi-disciplinary collaborations with

# "Over the last 14 years, SBMT has formulated global policies that can help scientists integrate, translate and more rapidly commercialize advanced diagnostics and therapeutics."

Aaron Filler, MD, PhD, JD, (Ret. Lt. Colonel US Army Reserve-Neurosurgeon)
 13th President (2015-16) of Society for Brain Mapping & Therapeutics

also seek to further establish and fund the National Center for NanoBioElectronics (NCNBE), to promote rapid integration of brain mapping imaging science—such as diffusion tensor imaging—with a wide variety of other scientific disciplines, with the specific aim of introducing advances in diagnostics and therapeutics. These disciplines include nanotechnology, devices, artificial intelligence, supercomputing,

example, in 2013 SBMT and BMF published the inaugural textbook of nanoneuroscience and nanoneurosurgery.

In this regard, BMF and SBMT have established significant ties with international partners across the G20 Summit members. The second G20 World Brain Mapping and Therapeutics gathering took place in Istanbul and Antalya in 2015. This year, a global consortium, with the specific aim of integrating



The second annual G20 World Brain Mapping & Therapeutics Scientific Summit, held in Istanbul in 2015, included leading brain-mapping experts (above) from the U.S, Australia, Japan, Turkey and the Middle East, as well as other G20 members' scientists and physicians.

government agencies, patient advocacy groups, educational institutes and industry, as well as philanthropic organizations. "The BMF supports the society's collaborative efforts and related activities both nationally and globally," Dr. Kateb said.

The BMF also has humanitarian arm called Global Physicians and Scientists (GPS), which aims to mobilize physicians, surgeons and scientists to serve for a few weeks in poor, rural areas in the United States and abroad. "GPS now uses SBMT's national and international centers and global network of nearly 120,000 scientists, engineers and physicians as their bases and networks of operations," Dr. Kateb explained.

#### **SBMT** pursues educational focus

The society has undertaken a broad educational agenda since its founding. Besides hosting symposia and meetings, and advising on brain policy through its "Brain Mapping Day" at the U.S. Congress, SBMT also offers fellowships, facilitates a visiting scholars program, and operates an awards program.

The awards program identifies the most important scientific, clinical, engineering and policy contributions to the brain-mapping field. Congresswoman Gabrielle Giffords was twice recognized for her dedication to raising awareness of neurotrauma, and for her role

in healthcare reform. The SBMT presented Bennet Omalu, MD, MBA, who discovered chronic traumatic encephalopathy in former football players, its Pioneer in Medicine award at its recent 2016 annual conference in Miami.

Other educational outreach initiatives and activities include student chapters and a K-12 neuroscience program to promote interest in brain mapping and therapeutics.

The society and the BMF are also active on the publishing front. The organizations supported a series of special-issue publications in NeuroImage, a peer-reviewed journal covering pioneering and game-changing research on neuroimaging, nanoneurosurgery, robotics, neurophotonics, mathematical modeling/predictive modeling in cancer, supercomputing, functional neurosurgery.

In 2010, the society established the first multidisciplinary journal in partnership with PLOS ONE called "NeuroMapping & Therapeutics Collection." BMF and SBMT also played a major role in publishing the inaugural Textbook of Nanoneuroscience and Nanoneurosurgery and the inaugural Textbook of Neurophotonics and Brain Mapping (CRC Press, Taylor and Francis Group).

The BMF funds multidisciplinary translation research in several areas. In recent years, for example, the BMF has supported research

# Opportunities for Neurosurgeon Involvement Abound

The society invites neurosurgeons and their colleagues to explore involvement opportunities in the SBMT's G20/N20+World Brain Mapping Initiative. SBMT members could participate in forming national and international symposia, be part of the science committee of the 2017 World Congress for Brain Mapping in Dubai, or join one of a dozen committees. These include CME, science and technology, credentialing, membership, brain policy and legislative affairs, among others.

Neurosurgeons who join the society also could help advocate for advance funding support for translational medicine through the SBMT's Brain Mapping Day at the U.S. Congress, and through parliaments of G20 countries such as Turkey, Canada and Australia.

For information about the initiative, visit www.worldbrainmapping.org.
Membership details are available at www.worldbrainmapping.org/uncategorised/membership.

on the potential for using NASA/UV imaging cameras used to explore supernova in the operating room, and using NASA-JPL "carbonnanotubes" to advance personalized drug delivery to brain tumors. Other supported research focused on using infrared thermography for intraoperative brain-tumor mapping, as well as advanced neurophotonics for intraoperative tumor delineation.

"Over the last 14 years, SBMT has formulated global policies that can help scientists integrate, translate and more rapidly commercialize

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## **NEUROSURGEON PROFILE**



# Ashvin Ragoowansi, MD, F.A.C.S.

#### **Current**

Allegheny General Hospital, Pittsburgh; and Clinical Instructor, Department of

Neurosurgery, Drexel College of Medicine. Past president of the Pennsylvania Neurosurgical Society.

#### **Career practice focus**

Primarily spine and brain tumors.

#### **Up next**

Accepted a new position as Medical Director of Neurosurgical Medicine for CaroMont Health in Gastonia, N.C. Responsibilities of the newly created position will include building and staffing an advanced neurosurgery program for the health system; and recruiting neurosurgeons to help expand the services CaroMont offers in a highly multidisciplinary environment.

The appeal of the position is two-fold, Dr. Ragoowansi said. "The position gives me an exciting opportunity to bring what I have learned in a large health system into a smaller one, and to have more voice in directing the way neurosurgical care is delivered."

#### Why did you choose neurosurgery?

I became interested in neuropsychology and the brain early on in college, and at some point, I decided I wanted to end up in the neurosciences. So by the time I got to medical school, I already knew what I wanted to go into

neurosurgery. It was a fairly direct path for me—and I've enjoyed my work throughout my career.

# What experiences during your career have been most meaningful?

"That's a tough question, but I would say that I find it very gratifying to work to identify the most appropriate care for each individual patient. It's spending that important time distilling down all of the information, to determine whether a certain procedure will truly help that particular patient that I most enjoy."

# What do you view as the key developments in the past decade that have benefited neurosurgery—and patients?

"The progression of technology in our field—especially in the operating room—that enables us to access patient information in real time has been extremely beneficial.

For example, in one hospital where I practice, all physicians have iPads. So now I truly have patients' information at my fingertips, whenever I need it. This capability is especially helpful when I am on call—knowing that I can go to my laptop and get key information about a patient, so that I can start the initial triage before I even see the patient.

"I think it's a very exciting time for neurosurgeons coming out of training, because they have already had access to cutting-edge technology. I also think that we as a field have many opportunities ahead. I am particularly excited about the movement toward placing a greater emphasis on patient outcomes than we have in the past, and on how to better allocate our financial resources across neurosurgical procedures to deliver the most value and improve population health.

"Of course, I think that we're all excited, as a field, to see where things go with minimally invasive spine neurosurgery—how we'll take that to the next level—and what's ahead with stem cell research and neurosurgery's potential role in treating diseases such as Alzheimer's. "

# What advice would you give to young neurosurgeons seeking their first practice position?

"I would urge young neurosurgeons to be very introspective about what they want and who they are—to be clear on whether they want to focus primarily on patient care or research, for example, and to be honest with themselves about their strengths and the areas where they're not as strong.

"It's important, too, to spend time with your spouse or family as you start to consider practice opportunities, and to engage in an open discussion about what's important to them. Making a job decision is very much a family matter, and sometimes neurosurgeons don't devote enough time to this aspect of career planning."

# WOULD YOU LIKE TO PROMOTE YOUR NEUROSURGERY CME EVENT?

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# Neurosurgery Reimbursement Rates: It's Prime Time to Negotiate

Practicing due diligence is an imperative when neurosurgery groups work with payers and consultants



By Nathaniel Arana

A dynamic shift is occurring in the healthcare arena where insurance payers are willing to

negotiate reimbursement rates for small and midsize physician groups. Why is this happening? Insurance payers are finally starting to realize that despite the consolidation trend, the "bread and butter" of their network still consists of small to mid-size groups (one to 10 physicians)—a subset they've been ignoring far too long.

Insurers are also starting to realize that if they continue to ignore this segment of the network, these physicians will be forced to join larger groups that have more leverage to negotiate higher reimbursement rates. Payers understand that they have created the problem, and they

aggregate of all CPT codes, if one looked at the codes most commonly used by the practice, those rates were actually lowered about 15%. This would've resulted in a 15% decrease in revenue for that practice's contract.

That's a pretty egregious act on behalf of the payer, and it's certainly not common to encounter this scenario. But those kinds of nuances—and the potential for fancy footwork that might disadvantage the group—must be considered in negotiating reimbursement.

In the case described above, the negotiation was escalated to the vice president of network management, and the group was quickly presented with a fee schedule that amounted to an 18% increase in the most commonly used codes.

"Insurance payers are finally starting to realize that despite the consolidation trend, the 'bread and butter' of their network still consists of small to mid-size groups—a subset they've been ignoring far too long."

appear to be offering the solution: They are willing to meet at the negotiation table. But the onus is still on neurosurgery groups to be wise about how they negotiate reimbursement rates.

Here's an example of why this is vitally important. In a recent situation, a three-physician neurology group that had started the negotiation process with their largest payer thought it was nearing the finish line. After eight months, the practice was offered a contract that was supposed to be "10% higher than current rates," according to the payer. The practice was ready to sign it. But on review, it turned out that the contract didn't entail an across-the-board increase. Instead, although the contract represented an a 10% increase in

The takeaway is this: You must be extremely vigilant and practice due diligence when negotiating with payers.

It can be worth hiring an expert to negotiate your rates. Be wary, however, as not every company that has negotiated reimbursement rates is an expert. Before you retain a negotiating partner, ask to speak to the company's past clients—and request verifiable references from practices they have worked with that have a similar practice profile. They don't necessarily need to be the same specialty, but they should be around the same size; a consultant who negotiates for larger groups doesn't necessarily have the skills and knowledge needed to negotiate for a small or mid-size practice.

Also ask for examples of actual increases they were able to obtain on behalf of clients. Ask to see a spreadsheet of a former client's previous rates and their new rates, and find out how long it took to obtain those increases. Following these steps can help you avoid working with an unscrupulous company.

If you find a competent, reputable consulting company to work with, keep in mind that it's worth spending some money to have them help you possibly come away from the table with far better contracts. Although you could undergo the negotiations on your own, if you don't have the in-house expertise, it usually helps to have a third party involved in the process.

If you decide to negotiate your reimbursement rates on your own, make sure you do your research. Put together a formal proposal to the insurance company outlining why you deserve an increase. Be sure to document any and all communication with the insurance company. Make sure that you have a qualified person review the contract that is presented to you. You might find new provisions inserted in that contract—provisions not directly related to reimbursement rates—that might not suit your practice.

It is now prime time to negotiate your reimbursement rates. And if you haven't negotiated your rates in the last three years, take advantage of this time to update your contracts to include better reimbursement. It could mean many thousands of extra dollars to your practice.

Nathaniel Arana is nationally recognized healthcare business consultant with experience ranging across many different specialties. For more tips on negotiating reimbursement rates, go to www.ngahealthcare.com.



### **PA PROFILE**



# Ché Ross, PA-C

#### **Current**

Neurosurgery Physician Assistant, MedStar Franklin Square Hospital, Baltimore,

Maryland; currently is completing a master's degree in biotechnology at Johns Hopkins University.

### **Career path**

Since becoming a neurosurgical PA in 2013 and enrolling in the biotechnology master's program, Mr. Ross has worked solely at Johns Hopkins Hospital, first in orthopedic PA practice and later in neurosurgery. He has enjoyed a diverse clinical practice, ranging from performing assessments to providing clinic and bedside care, to performing procedures and assisting in surgery.

#### **Up next**

The move to MedStar fulfills a near-term career objective: to get as much experience in the OR as possible. "I have truly enjoyed the experience of practicing in a teaching hospital and being

at Johns Hopkins. Now, I want to focus more narrowly and to practice primarily in surgery—and this position is a great opportunity to do that. I'll be working with three neurosurgeons, solely in the inpatient setting, so I'll be exposed to a broad range of procedures.

"I'll be performing pre- and post-operative patient assessments, and I'm looking forward to gaining more experience in those areas. I'll also be doing consults in the emergency department and on the floors, as needed. I've mostly been in school and reading and writing for the last few years, so I am very excited about the chance to focus on my practice.

"I also hope to get involved in committee work at MedStar, so that I can pursue my interests in improving patient safety and outcomes in surgery."

#### Why he chose neurosurgical practice

"My mother is a nurse, and since I was very young I knew I wanted to do something in the medical field. I decided early on that I wanted to

work in surgery in some way, and the physician assistant field offers many opportunities to do that. Once I started university, I became very interested in how the brain works, and I found the idea of operating on the brain very exciting."

# Career planning advice to PA colleagues

"It's important for PAs to understand that neurosurgery isn't a field you can go right into when you leave school. You might have to go into another surgical field first—general surgery or orthopedic surgery—so that you can get that experience before you try to move into neurosurgery.

"I think it's key, when you are looking for a practice opportunity, to have a strong sense of the type of setting you'd like to be in, but to also be open to many kinds of opportunities so that you can choose one that will give you a broad range of experience in the first few years. That's where a good recruiter can be very helpful."

# **Brain Mapping Initiative**

(continued from Page 5)

advanced diagnostics and therapeutics," said Aaron Filler, MD, PhD, JD, a retired U.S. Army Reserve neurosurgeon who is the society's 13th president. "We have facilitated such interactions by bringing together neurologists, neurosurgeons, neuroscientists, radiologists, engineers, cellular and molecular biologists, psychiatrists, physicists, nanotechnologists, stem cell scientists and oncologists annually on a global scale."

To further its mission, the SBMT has developed numerous partnerships and joint CME sponsorship conventions and courses over the last decade. In addition to the AANS, the International Society for Magnetic Resonance Imaging in Medicine (ISMRM), the American College of Radiation Oncology (ACRO) and the National Space Biomedical Research Institute (NSBRI), among many others, SBMT has established relationships with more than 200 educational and research institutions worldwide. The organization also has established connections with an evergrowing list of biotech, pharmaceutical, device manufacturer and engineering companies—now numbering nearly 3,000 worldwide.



2016 summit attendees and honorees included, from left, astronaut Dr. Janet Kavandi, Ret. U.S. Marine Corporal Kyle Carpenter, Dr. Bennet Omalu and SBMT CEO Dr. Kateb.



VOLUME 6 NUMBER 1 SPRING 2016

### **UPCOMING U.S. NEUROSURGERY EVENTS/CMEs**

84th AANS Annual Scientific Meeting

April 30-May 4

Chicago, Illinois

Neuro and Intensive Critical Care: Review and Hands-on Workshops 2016

☐ May 12-14 Orlando, Florida

MIS Surgery and Navigation

☐ May 13-14
Tampa, Florida

Neurosurgical Coding: One-Day Seminar: Concurrent Sessions for Coding Beginners and Coding for Advanced Complex Spine

☐ June 18
Rosemont, Illinois

NeuroSafe 2016-How to Improve Safety & Quality in Neurosurgery

☐ July 14-16

Minneapolis, Minnesota

Society of NeuroInterventional Surgery 13th Annual Meeting

☐ July 25-29

Boston, Massachusetts

Managing Coding and Reimbursement Challenges in Neurosurgery

☐ August 19-21 Chicago, Illinois

Managing Coding and Reimbursement Challenges in Neurosurgery

☐ September 15-17 Washington, D.C.

From Cranial to Spine: An Overview of Neurosurgical Topics for the Advanced Practice Provider

☐ August 24-26

Denver, Colorado

**CNS Annual Meeting** 

☐ September 24-28

San Diego, California

Stereotactic and Functional Neurosurgery: Hands-On Workshop

November 3-6
Aurora, Colorado

Goodman Oral Board Preparation Course

□ November 4-6 Houston, Texas

### **UPCOMING INTERNATIONAL CMEs**

The 36th Annual Meeting of the Japanese Congress of Neurological Surgeons (JCNS)

☐ May 20-22 Osaka City, Japan

**WLNC** 

☐ May 27-29 Shanghai, China 67th Annual Meeting of the German Society of Neurosurgery (DGNC)

☐ June 12-15
Frankfurt, Germany

5th Annual World Course in Advanced Techniques in Neurosurgical Oncology

☐ June 22-26 London, UK 2nd CAANS Continental Congress 2016 - 25th SNSA Scientific Meeting

☐ July 27-29

Cape Town, South Africa

▶ For more information regarding any of these events, or to post your upcoming CME or neurosurgery event, please contact info@harlequinna.com.

# **CONTRIBUTORS WANTED!**

Neurosurgery Market Watch welcomes submissions of articles of potential interest to practicing neurosurgeons. We are particularly interested in opinion articles about how trends occurring in the neurosurgery marketplace or in the health policy arena might affect the practice environment.

To discuss a potential idea, please contact Bonnie Darves at 425-822-7409 or bonnie@darves.net



# **Evaluating Bonus Structures in Compensation Contracts**

Reviewing practice's historical neurosurgeon volume, performance data are key



By Katie Cole

One of the first questions many of my candidates ask about a neurosurgery opportunity

is "What is the salary?" In most neurosurgery compensation plans, salary represents between 50% and 75% of a neurosurgeon's total take-home compensation, but bonuses are a large part of most plans. Of course, bonus factors and components vary significantly from one compensation plan to another, and they're so dependent on the environment and individual neurosurgeons' volume that they are hard to get a good understanding of during contract negotiation.

For instance, I work with a hospital in a New York City borough that is a Level I trauma center with a very poor payer mix. Neurosurgeon salaries in the New York City area, for the record, tend to be much less than in other areas of the nation, mostly because many specialists want to practice in the region and there's also considerable competition from so many programs and universities. As such, this client hospital takes in to account the poor payer mix and market factors, and offers a lower starting salary.

However, the hospital's bonus plan is largely derived from volume and not collections. This means that the neurosurgeon has a very realistic opportunity to earn in the top 25th to 50th percentile in total take-home compensation. Even though the starting salary is significantly lower than in other U.S. locations, the employed neurosurgeons' income is still competitive on a national level.

On the other end of the spectrum is a southern U.S. hospital I worked with recently. Because the hospital is situated in a rural area in a desert community, the salary is relatively high (starting around \$950,000) because the hospital needs to attract candidates to the area. The salary is a two-year guarantee, and the contract requires the neurosurgeon to make a four-year commitment to the area.

In this case, the bonus structure is essentially built into the salary. But there's a potential hitch: Because the population does not generate a high volume of neurosurgical cases, in a best-case scenario, an incoming

hospitals that have existing neurosurgery programs, candidates should be able to view comparisons of other neurosurgeons' volumes and their historical bonuses, even if that information is "de-identified." Bonuses are usually based on RVUs or a combination of RVUs and quality metrics.

When reviewing contracts, look beyond the base salary and get a good understanding of what the bonus structure is and the potential

"In hospitals that have existing neurosurgery programs, candidates should be able to view comparisons of other neurosurgeons' volumes and their historical bonuses—even if that information is 'de-identified.'"

neurosurgeon might be able to do 150 to 200 cases annually after building the practice over two years. What that means is that regardless of the bonus structure, the starting salary likely isn't sustainable for years three and four. The options would be to either take a significant cut in take-home pay in years three and four, or, depending on the contract terms, or to owe the hospital a significant amount of money if the neurosurgeon leaves before the four-year commitment ends.

# Performing area market research is important

A good way to get a realistic picture of the future income potential an opportunity presents and how the bonus structure might affect earnings is to talk to other neurosurgeons in the practice, or to those in the community who have similar employment models. In that you, as an individual neurosurgeon, have to earn above your salary. Base the bonus structure on a benchmark from other neurosurgeons in the practice, or from a department in a similar sub-specialty, and then look at it in the context of volume and time projections, and your personal goals. Also, it's important to keep in mind that the smaller components of compensation formulas and bonus plans are negotiable—sometimes much more so than the starting salary.

Ms. Cole is publisher of Neurosurgery Market Watch. She is based in Denver.



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# **NEUROSURGERY POSITIONS**

#### **HOSPITAL EMPLOYED**

Tampa, FL (Pediatric) Brooklyn, NY (Endovascular) Greenville, NC (Spine) Salisbury, MD Billings, MT

Queens, NY

Bakersfield, CA (Spine)

Midland, MI

Knoxville, TN (Endovascular) Greenville, NC (Endovascular)

St. Cloud, MN
Thomasville, GA
Edison, NJ
Midwest City, OK
Biloxi, MS
Corvallis, OR

#### **ACADEMIC**

Morgantown, WV (Complex Spine)

St. Louis, MO (Spine)
Morgantown, WV (Functional)

Green Bay, WI (Endovascular)
Wyoming, PA (Endovascular)

St. Louis, MO (Spine)
Jacksonville, FL (Trauma)

Morgantown, WV (Peripheral Nerve)

Los Angeles, CA (Pediatric)

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Brooklyn, NY (Neuro-Oncology or Spine)

Cincinnati, OH

Long Island, NY (Spine)

Jackson, MS Houston, TX (Spine) Baltimore, MD

Albany, NY Dallas, TX (Spine) Reno, NV (Deformity Spine) Houston, TX (Spine)

Northern NJ (Pediatric)

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Reading, PA (Endovascular)
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#### **PA POSITIONS**

Baltimore, MD Houston, TX El Paso, TX Dallas, TX Los Angeles, CA

#### **LEADERSHIP POSITIONS**

Greenville, NC (Director of Neuro-Critical Care)
Queens, NY (Director of Neurosurgery)
Johnstown, PA (Medical Director) (Spine)

- For more information on these positions, or if you are interested in hiring a neurosurgeon for a permanent position, please contact info@harlequinna.com.
- If you have any locums assignments available, or if you are interested in locums positions, please contact Aaron Risen at The Surgeons Link at aaron@thesurgeonslink.com.

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# **FEATURED OPPORTUNITY**

# **Tennessee Endovascular Neurosurgeon Opportunity**

A hospital in eastern Tennessee is seeking a BE/ BC endovascular neurosurgeon to join its existing endovascular neurosurgery program. The group currently operates a leading comprehensive neurosciences center. The position is hospital-employed, and the facility prefers a dual-trained neurosurgeon, with advanced training in both cerebrovascular and endovascular.

The case mix for the incoming neurosurgeon will be 90% cranial and 10% spine. The endovascular program was established over two years ago, and the incoming neurosurgeon will come into a growing program that features state-of-the-art equipment, including

a brand-new Phillips Biplane ultrasound and a dedicated OR team. The incoming endovascular neurosurgeon will have patient volume from the start, this is an opportunity for the incoming endovascular neurosurgeon to have nearly full sub-specialization in vascular and cranial cases. Call will be 1:2 for endovascular neurosurgery. This is a purely clinical opportunity.

The existing hospital Neurosciences group currently includes neurologists, neuroradiologists and neurodiagnostics, the practice has a Neuro-Hospitalist to share in call as well. The facility will provide a competitive compensation plan, which will

include a base salary, productivity-based wRVU bonus, sign-on bonus, student loan repayment, relocation, CME and CME allowance, vacation, and a 401K and physician tax-advantaged retirement plan.

The area offers a mild year-round climate and features beautiful lakes and parks, making hiking and water sports readily available. A wonderful symphony orchestra, art museum and opera company provide great additions to the city's thriving downtown. The area has top private and public schools, and is a highly desirable area to live and work.