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Physician Recruiter Report: Bonuses Based on Quality Are Few and Far Between

Talk to anyone for very long about how to improve health care in the U.S. and you eventually [hear something along the lines of](#): “We have to start paying physicians for getting and keeping people healthy instead of for doing as many procedures and tests as possible.”

According to a report from Merritt Hawkins, a big physician search and consulting firm, that isn't yet happening to a significant degree in the real world. The company's annual report on recruiting incentives finds that 74% of the jobs they recruited for in the year ending March 31 featured a performance bonus. Of those that offered such a bonus, in 90% of the cases it was linked to “fee-for-service style volume.”

Meantime, fewer than 7% of the jobs offering bonuses rewarded physicians for meeting quality or cost goals. “Volume/production remains the standard,” the report says, despite the fact that “health reform encourages the use [of] quality or cost-based compensation metrics.”

Another trend continuing over the past year: [the increase in physicians being employed by hospitals](#). Some 56% of the searches conducted by Merritt Hawkins featured hospital employment. That's up from 51% in the previous year and 23% in 2005-06.

That may only increase as providers gear up to form the accountable care organizations that are also encouraged by the health-care overhaul law. (Though at the moment, [no one seems particularly enthused](#) about the proposed rules governing the formation and structure of ACOs.)

And more hospitals are merging with or acquiring physician practices, the report says:

“Acquisitions and integration to some extent replaced traditional recruitment in the past year, as health care organizations have focused on preparing for new delivery models. As this trend plays out, there has been a nationwide lull in the traditional physician recruiting market, which is only now showing signs of returning to its customary vigor.”

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