

Medical Director Need and Valuation Assessment Checklist

Determining whether the services of a medical director are necessary and ensuring fair market value compensation are not always straightforward. To help, PYA created a Medical Director Need and Valuation Assessment Checklist to help you evaluate your organization's investment. This checklist provides a roadmap for important considerations, decision-making, and future planning.

1. Research and verify legal, regulatory, accreditation and entity requirements

Identify publicly available resources (e.g., Centers for Medicare & Medicaid Services) and/or partner with your internal stakeholders to help determine which medical director positions are required by federal and/or state laws applicable to your organization's services.

Review regulatory bodies and/or standard-setting organization requirements (e.g., The Joint Commission, Det Norske Veritas).

Determine professional association and/or accreditation requirements.

Identify any medical directorships required by your organization's policies related to clinical leadership roles.

Accumulate a list of required medical directorships based on the above.

Comments:

2. Understand Organizational Approach

What is the organization's process for determining medical directorship need? How often is need assessed and by whom?

Who approves the appointment of new or continuation of existing medical directors? Is the approval process centrally or otherwise organized to ensure no duplication of duties and/or responsibilities occurs (i.e., across hospital campuses within a single health system)?

How does the organization maintain and track its various medical directorships (i.e., adherence to and audit of a defined policy, periodic review of individual medical directorships)?

Comments:

3. Summarize key factors of each required medical directorship by specialty and subspecialty. Consider factors such as:

Medical director title/specialty.

Number of annual hours required by the medical director agreement.

Number of annual hours reported via time sheets or otherwise.

Defined goals or deliverables (if applicable).

Size of the department or program the medical director is responsible for overseeing.

Identified supervisor or individual required for medical director oversight and approval.

Number of locations where the medical directorship services are performed.

Health system service line certifications/designations/centers of excellence.

Comments:

4. Perform gap analysis and gather additional information

Accumulate a list of existing medical director agreements. Also list managing physician or other program director roles that have similar duties but are not classified as medical directorships.

Perform a gap analysis to ensure all required medical directorship roles are fulfilled.

Review the organization's medical director philosophy (i.e., bylaws, written policies, procedures, or other documents regarding the establishment, maintenance, compensation, and review of medical directors).

Gather documentation (e.g., time sheets or identified deliverables, payment documentation) demonstrating duties included in the agreement and payment for services.

Comments:

5. Conduct interviews with key stakeholders

Discuss medical directorship arrangements with the executive(s) responsible for arrangement oversight (e.g., chief medical officer, quality department) to identify and resolve outstanding information gaps.

Obtain additional insight to understand:

- The medical director contributions to the specific programs overseen and the organization as a whole.
- The need for multiple physicians in one specialty to provide services (if applicable).
- The manner in which the need for medical directors is determined and approved.

Speak with service line/department administrators to gain operational insight, as necessary.

Comments:

6. Assess additional considerations

Evaluate whether the duties require a physician or if they could be effectively performed by non-physician staff.

If the duties necessitate clinical expertise, consider whether a specific medical field is required.

Perform additional analyses to determine the prevalence of an identified position:

- Compare to other similar healthcare institutions.
- Survey benchmark data.
- Review other publicly available resources.

Comments:

7. Evaluate compensation for each arrangement

Document the time commitment, type of provider, and level of experience required for the medical directorship.

Consider compensation benchmark surveys that report medical director hourly rates or stipends for similar positions.

If the provider is an independent contractor, consider whether the hourly rate should be adjusted because the contractor is responsible for his/her own benefits, malpractice insurance, etc.

Identify similar arrangements in the market. Consider how compensation for these arrangements compares to available benchmarks.

Consider what it would cost to employ a physician solely for medical director duties. Use benchmark data or internal compensation figures to determine an effective hourly rate for comparison purposes.

Comments: