

# EOA News

EASTERN ORTHOPÆDIC ASSOCIATION

## President's Message



Dear Colleague:

It is difficult to believe that we are already more than halfway through 2008 and that our annual meeting will very soon be upon us. It has been a tumultuous year to date, with an upcoming presidential election, a subprime mortgage crisis, spiking oil and gas prices, an economy teetering on the brink of a recession, and of course the Department of Justice investigation into the relationship between orthopaedic device manufactures and their consulting orthopaedic surgeons. This has dramatically changed the playing field from where we were at this time last year.

Regional orthopaedic societies are being confronted with drastic reductions in corporate support and funding, which in past years had been utilized to subsidize the educational component of their annual meetings. I can assure you that the Board of

Directors of the Eastern Orthopaedic Association has always been keenly aware of this issue and has always adhered to the strictest and highest ethical standards. We have put into action several strategies to enhance our direct revenues from our annual meeting. This includes a pre-meeting practice management symposium that should stimulate increased meeting attendance and bring real added value to the business of orthopaedic practice. We are also hopeful that providing a business piece will encourage new and varied vendor support to the meeting. In addition, we have expanded our potential membership base by continuing our efforts from last year to recruit new members actively and to create a membership category for physician's assistants, who are being invited to attend this year's meeting. We have also been successful in increasing the



number of CME credits awarded at the annual meeting. Despite these creative and innovative approaches, we will face very real financial challenges for the Lake Las Vegas meeting and all foreseeable future EOA meetings.

One could certainly become somewhat pessimistic given the additional hurdles we now face, but I believe this time will present us with new and potentially greater opportunity. The Eastern Orthopaedic Association is in a unique, and I believe, enviable position to offer the latest in orthopaedic

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## What's New at the Annual Meeting

### Practice Management Course

The EOA will bring top practice management professionals and surgeons to present the revenue enhancement techniques that they have implemented in their practices on Wednesday afternoon from 1:00 pm to 5:00 pm.

Michael J. McCaslin, CPA and principal of the Somerset's Health Care Team, will spearhead the panel and present information on business considerations, durable medical equipment, urgent care centers, joint ventures, real estate, income distribution and succession planning. Dr. Thomas Graham of The National Hand Center will discuss ambulatory surgery centers, Glenn

Sumner, CEO of Southeastern Orthopaedics, will talk about in-office MRIs, Dr. Steve Leibovic of the Virginia Hand Center will discuss PT and OT, and Sidney Welch, JD, MPH of Arnall Golden Gregory will talk about today's regulatory environment.

This symposium explains the regulatory environment, income distribution methods, buy-in and buy-out strategies, succession planning, and other opportunities for enhancing your bottom line. Registration is \$100 for EOA Members and \$300 for non-members. Make your plans to arrive early for the Wednesday afternoon Practice Management Program. Space is limited, so sign up soon!

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## Eastern Orthopaedic Association

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## President's Message *Continued from page 1*

science and thinking in a clear, precise and unbiased form. We have symposia that allow free and open discussion regarding the pros and cons of new and evolving technologies and encourage direct audience participation and active debate. It is my hope that orthopaedic companies will realize the value of supporting meetings where information is provided in a free and unbiased manner, particularly given the scrutiny of the Department of Justice. However, we must, now more than ever, obtain "critical mass" in meeting attendance to maintain our financial viability to ensure the future of the Eastern Orthopaedic Association.

I can assure you that the program committee, under the outstanding leadership of

Mark Lemos, MD, is committed to producing the highest quality orthopaedic educational meeting available anywhere, in a friendly, family-oriented, collegial atmosphere. I ask that you give every consideration to attending this year's annual meeting with your family in Lake Las Vegas. I know that you will not be disappointed. My wife Jean and I very much look forward to welcoming you there.

Sincerely,

Robert V. Dawe, MD, President  
Eastern Orthopaedic Association



## EOA Jazz Band

The Eastern Orthopaedic Association Jazz Band has a long-standing tradition of appearing as a musical group during the Saturday evening Reception prior to the Dinner Dance at the Annual Meeting. The one hour performance consists primarily of popular jazz tunes and does not involve complicated sight reading.

You are invited to join in the fun! If you are interested in participating in this group, please contact Dr. Robert N. Richards, Jr. at 1035 Wayne Avenue, Chambersburg, PA 17021 to let him know the instrument you play. He will then respond to you, advise you of further details, and send you the musical scores of the tunes that will be performed.

## What's New *Continued from page 1*

### Multimedia Education Sessions

The EOA will provide a multimedia education session from 1:00 pm – 3:00 pm on Thursday, Friday and Saturday, October 23-25. A comprehensive selection of AAOS DVDs will be available for your review. These DVDs will highlight surgical procedures and current concepts in orthopaedics. Registered attendees should find these DVDs informative and helpful in their practice.

## 2008 Program Committee

The Eastern Orthopaedic Association gratefully acknowledges the following orthopaedic surgeons for their contribution to the development of the scientific program.

Mark J. Lemos, MD, Chair  
Jonathan N. Grauer, MD  
David S. Zelouf, MD  
Judith F. Baumhauer, MD  
Mark E. Easley, MD  
Michael Romash, MD  
James T. Guille, MD

## The EOA Mission

The Mission of the Eastern Orthopaedic Association is to promote high quality ethical care for musculoskeletal patients in the eastern region of the United States by providing educational programs, fostering collegiality and supporting professional development among its members and physicians-in-training, and by influencing health care policy.



## EOA Program Chair's Message

Dear Fellow EOA members, spouses, and affiliated guests:

I want to invite you to attend the upcoming 2008 annual meeting of the EOA which is being held at the Ritz Carlton in Lake Las Vegas, Nevada from October 22<sup>nd</sup> through October 25<sup>th</sup> 2008. I am honored to be this year's program chairman and wish to share with you some of the highlights for this year's annual meeting. Lake Las Vegas Resort, although only 20 to 30 minutes outside Las Vegas, has been designed to, and has successfully created the feeling of being on the Mediterranean. There are two championship golf courses, a tennis facility, fitness club and spa, in addition to a well designed conference center, all located on beautiful Lake Las Vegas. Access to this venue via flights to Las Vegas, will make it one of the easiest meetings to attend in years, from anywhere in the United States.

The meeting will be preceded on Wednesday, October 22<sup>nd</sup> by a half-day Practice Management Symposium focusing on revenue enhancement opportunities, the regulatory environment and income distribution methods, as well as succession planning. The EOA board is excited to offer this program to the attendees of the EOA's Annual Meeting and looks forward to your participation.

The Program Committee has been able to put together a scientific program combining well known speakers including: Chit Rana-

wat, John Richmond, John Kelly IV, Brian Kelly and Scott Boden.

Symposia in this year's meeting encompass a wide variety of orthopaedic problems including articular cartilage management, spine injuries, shoulder and upper extremity problems, and treatment of unicompartmental arthritis of the knee. An interesting non-clinical topic related to stress management in orthopaedic surgery will be discussed by John Kelly; this should not only be educational for us in the current environment but also entertaining.

The Program Committee was lucky to have one of the largest submissions of abstracts ever received by the Eastern Orthopaedic Association. The final program is composed of quality research derived from the many outstanding abstracts that were submitted. Fifteen separate resident awards have been selected from this outstanding group of researchers.

Finally, rounding out the scientific program, we are honored to have Dr. Anthony Rankin, President of the American Academy of Orthopaedic Surgeons attending. Dr. Robert Dawe, our current EOA President, has invited Professor Dr. med Jurgen Harms of Karlsbad, Germany, who is world renowned for his innovation and research in the field of spinal surgery. The Howard Steel lecturer is Teller (no first name needed) of Penn & Teller. He is an accomplished sleight of hand artist and an expert on the

history of magic. This is sure to be an entertaining event.

As always, there will be an extensive social program for families, including the spouses program. This includes a guided hike up Panorama Point, fly-fishing and "that Dam Tour" of Hoover Dam. Because of the proximity to Las Vegas, several shows will be offered as part of the social program. The meeting will have many opportunities for children to socialize, so please see the preliminary program for details. The EOEf will again host the fourth annual golf tournament at the Tuscany Golf Course. This foundation continues to support education and research through the EOA. The highlight of the social events will include the EOA Jazz Band performance prior to Saturday night's closing gala.

Please join us at this year's EOA Annual Meeting in Lake Las Vegas, which will combine an outstanding educational experience and an enjoyable social vacation. As a member of the EOA, this is an excellent opportunity to contact your orthopaedic colleagues and friends from around the country to attend the meeting and renew old friendships. Come join your fellow EOA members and support our organization. I hope to see you there!

Sincerely,

Mark J. Lemos, MD  
Program Chairman, 2008

## Scientific Program Highlights

### Wednesday - October 22, 2008

- PRACTICE MANAGEMENT SYMPOSIUM

### Thursday - October 23, 2008

- GENERAL SESSION I – *Foot & Ankle*
- AAOS REPORT
- PRESIDENTIAL ADDRESS
- CONCURRENT SYMPOSIUM A – *Shoulder and Upper Extremity*
- CONCURRENT SYMPOSIUM B – *Treatment of Unicompartmental Arthritis of the Knee*
- GENERAL SESSION II – *Trauma*
- MULTIMEDIA EDUCATION (Following Scientific Program)

### Friday - October 24, 2008

- CONCURRENT SESSION III – *Spine*

- CONCURRENT SESSION IV – *Hip Arthroplasty*
- SPECIAL VIDEO PRESENTATION, HISTORY OF TKR – *Daryl C. Osbahr, MD*
- OREF PRESENTATION – *Gene Wurth, OREF President and CEO*
- CULTURAL COMPETENCY IN ORTHOPAEDICS – *Ramon L. Jimenez, MD*
- PRESIDENTIAL GUEST SPEAKER – *Prof. Dr. med. J. Harms*
- CONCURRENT SYMPOSIUM C – *Articular Cartilage*
- CONCURRENT SYMPOSIUM D – *Spine*
- CONCURRENT MINI-PAPER SESSION VI – *Knee Arthroplasty*
- CONCURRENT MINI-PAPER SESSION VII – *Sports Medicine*

- MULTIMEDIA EDUCATION (Following Scientific Program)

### Saturday - October 25, 2008

- GENERAL SESSION VIII – *Sports Medicine*
- SYMPOSIUM E – *Stress Management in Orthopaedic Surgery*
- CONCURRENT SYMPOSIUM F – *Treatment of Tibial Pilon Fractures*
- CONCURRENT SYMPOSIUM G – *Femoral Acetabular Impingement*
- GENERAL SESSION IX – *Total Knee*
- SPECIAL VIDEO PRESENTATION, HISTORY OF TKR – *Daryl C. Osbahr, MD*
- HOWARD STEEL LECTURER – *Teller*
- MULTIMEDIA EDUCATION (Following Scientific Program)

## Presidential Guest Speaker

### Professor Jurgen Harms, MD



The EOA is pleased to announce that Professor Jurgen Harms, MD is the Presidential Guest Speaker for the 2008 Annual Meeting to be held in Lake Las Vegas, Nevada. Dr. Harms is Professor of Orthopaedics at the University of Saarland, Homburg/Saar in Germany. In addition, Professor Harms is the Medical Director of Orthopaedics and Spinal Column Surgery at Klinikum Karlsbad-Langensteinbach in Karlsbad, Germany. At

the University of Homburg/Saar, Professor Harms is a scientific researcher for new surgical techniques, materials and instruments for use in spine and hip surgeries.

Professor Harms studied medicine in Frankfurt and Saarbrücken and received special training in orthopaedic and trauma surgery in Neuburg/Donau. His areas of spinal surgery specialization include spinal fracture, tumor, scoliosis, deformity, degenerative disease, cervical spine surgery, and transoral surgery of the occipito-cervical junction.

Professor Harms is a chairman and lecturer at many international spine congresses and is a visiting professor and guest surgeon worldwide, including Asia/Pacific, Europe, North America, and South Africa. Scientifically, he works with other spine specialists in Africa, Asia, Australia, Europe, and the United States. In addition, Professor Harms is an honorary member of the Scoliosis Research Society, editor of orthopaedic journals, and has published a multitude of research about advanced techniques in spinal surgery.

## Howard H. Steel, MD Orthopaedic Foundation Lecturer

### Teller



This year's Howard Steel Lecturer is Teller, an accomplished sleight of hand artist and an expert on the history of magic. His trademark silence originated during his youth, when he earned a living performing magic at college fraternity parties. He found

that if he maintained silence throughout his act, spectators refrained from throwing beer and heckling him and focused more on his performance. Teller began performing with friend Weir Chrisemer as **The Ottmar Scheckt Society of the Preservation of Weird and Disgusting Music**. In 1975 he met Penn Jillette, where they joined a three-

person act called **Asparagus Valley Cultural Society**, which played in San Francisco. In 1981 they began performing exclusively together as "Penn & Teller," an act that continues to this day.

## 2008 EOA Resident Awards

Congratulations to the following Resident Award Winners, who will present their papers at the Annual Meeting in Lake Las Vegas, NV, October 23-25.

**EOA Founders Resident/Fellow Award**  
Non-Invasive Monitoring/Screening System for Compartment Syndrome  
*Ryan U. Riel, MD, Jacksonville, FL*

**EOA Ranawat Resident/Fellow Award**  
Stem Cells Genetically Modified with the Developmental Gene MT1-MMP Help Regenerate the Tendon-to-Bone Insertion Site  
*Lawrence V. Gulotta, MD, New York, NY*

**EOA Resident/Fellow Paper Awards**  
Prospective Outcomes After Arthroscopic Repair of Type II SLAP Lesions  
*James E. Voos, MD, New York, NY*

Effect of Teriparatide [RHP(1,34)] and Calcitonin on Intertransverse Process Fusion in a Rabbit Model  
*Melvin D. Helgeson, MD, Washington, DC*

An Electromyographic Assessment of the "Bear-Hug" – A New Exam for the Evaluation of the Subscapularis Muscle  
*Simon Chao, MD, Philadelphia, PA*

**EOA Resident/Fellow Travel Grants**  
Grading Articular Cartilage with MR Imaging and Direct Comparison with Pathologic Sections  
*Stephen Arndt, MD, Jacksonville, FL*

Objective Improvement in External Rotation Strength Following Concomitant Cyst Decompression and SLAP Repair  
*Jason R. Baynes, MD, New York, NY*

Catheter Management in Patients with Hip Fractures Versus Total Joint Arthroplasty Patients  
*Rishi Bhatnagar, MD, Washington, DC*

Sliding Hip Screw Vs. Trochanteric Femoral Nailing for the Treatment of Proximal Femoral Fractures: A Comparison Study  
*Orhan Bican, MD, Philadelphia, PA*

The Effect of Muscle Paralysis Using Botox on the Healing of Tendon to Bone in a

Rat Model  
*Carolyn M. Hettrich, MD, New York, NY*

A Prospective In vivo Analysis of First Metatarsophalangeal Joint Mechanics Under Loading Conditions Using Novel Magnetic Resonance Imaging Following Cheilectomy  
*John Ketz, MD, Rochester, NY*

The Utilization of Spiral CT Scans for the Detection of Pulmonary Embolism and Deep Vein Thrombosis  
*Han Jo Kim, MD, New York, NY*

Displacement of the Sustentacular Fragment in Intraarticular Calcaneus Fractures  
*Robert G. Najarian, MD, Newark, NJ*

Natural Course of Common Peroneal Nerve Palsy Following Total Joint Arthroplasty  
*Camilo Restrepo, MD, Philadelphia, PA*

Percutaneous Neuromodulation Pain Therapy Following Total Knee Replacement  
*Tony Wanich, MD, New York, NY*

## Money Matters

### Avoid Financial Gridlock in Your Practice and Enjoy Benefits Even When Partners Disagree

David B. Mandell, JD, MBA  
Jason M. O'Dell

Over the past few years, we have written many articles on potential strategies that a doctor can use to reduce income taxes, increase benefits, or build retirement savings. In that time, we have also consulted with hundreds of medical groups on how to implement such strategies for their practice. Unfortunately, these consultations too often turn out to be less than fruitful because of office politics.

Typically, while the younger members of the group are very motivated to reduce their income taxes, the older doctors are often uninterested. Either they are already so close to retirement that they don't need extra retirement planning, or they are simply set in their ways and don't want to change anything – the old “if it ain't broke, don't fix it” mindset. The result: planning gridlock.

Unfortunately for the younger physicians, the long-term costs of such gridlock are significant – as they will have to work more years to reach the same retirement goals as their older partners. Gone are the “golden days” of medicine...and these new times demand more creative planning. Nonetheless, each year we meet with hundreds of motivated doctors who cannot implement the planning we recommend because the powers that be in their group won't allow it.

We decided to write this article to suggest some alternatives to this dilemma. If you see yourself in this situation, please do not hesitate to contact us.

#### Use Non-traditional Plans

You should also consider using non-traditional planning, in addition to your typical qualified pension or profit-sharing plan. That is because, while tax and ERISA-qualified plans require the participation of virtually all employees, non-qualified deferred compensation plans (NQPs) can be offered to select employees. In this context, this means that only certain physicians need

participate – even if it means only one or two of a large group. Applying this to the common scenario described above, the younger physicians could participate in such a plan and let the older, uninterested doctors opt out.

Furthermore, when compared with qualified plans, NQPs are typically much easier and less expensive to implement. In this way, even if a few physicians decide to implement a NQP for their practice, they could personally cover all plan expenses themselves – so their partners truly have no out-of-pocket costs. One would think that this fact alone would eliminate any gridlock.

Still, NQPs do not win automatic approval. Because they are at least partially deductible to the practice, they must usually be formally adopted by the corporation or limited liability company (LLC). This requires the proper legal paperwork. Further, compensation accounting may need to be adjusted to make sure that each doctor not participating is in the same position he or she was in before the plan was in place. Nevertheless, these adjustments are easy for the attorney and/or accountant to implement... if they are pushed hard enough by you, the client. After all, if Fortune 500 companies can adopt such plans for their executives, the corporate inertia from a relatively tiny medical group should not be insurmountable.

In the end, then, NQP adoption typically succeeds or fails depending upon the effort by the motivated physicians. When hundreds of thousands, if not millions, of retirement dollars are at stake, this extra effort will be handsomely rewarded.

#### Employ a More Flexible Corporate Structure

Despite the availability of NQPs, we still see medical groups stuck in planning gridlock. Another way to solve this problem is to alter the practice's legal structure so that it allows individual physicians their own planning flexibility.

In the typical medical group structure, there is one legal entity – whether it be a corporation, LLC, or professional association (PA). Physicians are either owners of the entity (informally referring to themselves as “partners”) or non-owner employees. In all such cases, the physicians have no ability to

separate themselves from the central legal entity. If the central entity does not adopt a planning strategy, no individual doctor has any flexibility to adopt it on their own.

If this is the case in your practice, you might consider a superior structure when the central entity is not owned by, nor employs, the doctors directly, but rather through their own professional corporations (PCs) or PAs. In this way, the group is paid by the insurers and the group, in turn, pays the physicians' PCs – bets through 1099 independent contractor income.

Tax-wise, there is no downside to the central entity or to the doctors who are not motivated to engage in any additional planning. However, for the physicians who want to implement advanced strategies, they may do so through their individual PCs. Their strategies will be implemented at the PC level, leaving the central entity unchanged.

While this again may seem simple, it is not. Experienced corporate counsel is required to navigate issues such as the state rules on the ownership of medical practices, the ERISA and other rules on affiliated services, and Medicare billing rules, among others.

**Nevertheless, if such planning effort results in the ability of physicians to put away \$10,000-\$50,000 more for retirement each year, it is obviously well worth the effort.**

#### Bring in an Expert

In our practices, we speak to over 1,000 physicians each year, many of whom experience this planning gridlock. Most, in fact, find no solution to this dilemma. The only ones who are able to navigate past the gridlock have help – typically in the form of outside advisors or consultants who convince the group to implement creative planning (include the solutions above). These experts in the field of tax, benefits planning, or corporate law have the credibility and expertise to convince your partners to “see the light” in a way that fellow physicians cannot. Often, we are asked to play such a role. But whether it be us or another advisor or firm, strongly consider bringing in an expert to speak to your group in order to get productive discussions started.

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## Money Matters

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### Conclusion

If you are personally grappling with financial gridlock in a group practice or would like to explore advanced planning options, be advised that your partners may be an important hurdle to overcome. This article lays out some of the ways to deal with such a roadblock. However, nothing substitutes for working with a professional experienced in these areas.

For a free audio CD (just cost of shipping) on advanced asset protection strategies, please call (800) 554-7233 or email [jill@ojmggroup.com](mailto:jill@ojmggroup.com).

David B. Mandell, JD, MBA is an attorney, lecturer, and author of the books *The Doctor's Wealth Protection Guide* and *Wealth Protection, M.D.* Jason O'Dell is a financial consultant and author of *Financial Planning for Physicians: Strategies for Saving Money and Securing your Financial Future*. Look for their new book "WEALTH SECRETS OF THE AFFLUENT" at your local bookstore. To read more of their articles, go to [www.ojmggroup.com](http://www.ojmggroup.com). To reach David or Jason, please call 800-554-7233.

## Meet EOA's Newest Board Member



David Romness, MD is the Medical Director of the Joint Replacement Center at the Virginia Hospital Center. Dr. Romness was born in Washington, DC, and attended The University of Richmond in Virginia where he received his B.S. Degree, with Biology Honors. He then attended Eastern Virginia Medical School, and completed his residency in orthopaedic surgery at Mayo Graduate School of Medicine in 1990. He also was a Clinical Assistant Professor of Orthopaedic Surgery at Georgetown University where he was awarded the Kenmore Award for Excellence in Resident Education.

Dr. Romness is a member of numerous professional associations, in addition to Eastern Orthopaedic Association, and serves on several different committees at Arlington Hospital. He is married to Karen, and they have 3 children Joseph, Nicole, and Daniel.

## Proposed Bylaws Changes

The following Bylaws changes will be presented to the membership for approval at EOA's Annual Meeting at The Ritz-Carlton in Lake Las Vegas, NV, October 22-25, 2008.

### ARTICLE IV - MEMBERSHIP

#### SECTION 1: Classifications of Membership

There shall be ~~four~~ (4) five (5) classes of membership in the ASSOCIATION: namely, (1) Active, (2) Emeritus, (3) Honorary, ~~and~~ (4) Candidate, and (5) Allied Health Professional.

Membership in the ASSOCIATION is a privilege, not a right, which is accorded to a person who meets the qualifications of his/her class of membership

#### SECTION 6. Allied Health Professional Qualifications

A. A graduate from a recognized and accredited professional school with certification as a Physician Assistant, Nurse Practitioner, Doctor of Medicine or Doctor of Osteopathy.

B. Hold current licensure in a state within the geographic area of the EOA or Puerto Rico and be practicing in the same area.

C. Practice profile is exclusively (100%) musculoskeletal.

D. Application for membership must be sponsored by a physician member (Orthopaedic Surgeon) of the EOA.

E. Allied Health Professional Members will pay dues, will be non-voting members, ineligible to hold office, but may be appointed to a committee, in an ex officio capacity, at the discretion of the EOA Board of Directors.



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### Dividing Practice Income

To avoid creating friction, a medical practice needs a fair and reasonable formula for splitting its income. Agreement requires compromise—and finding a good compensation arrangement may not be easy. Income splitting arrangements range from equal division to a pure productivity approach, with many possible variations in between.

### Equal Shares

Sharing practice profits equally is simple, and it avoids internal competition for practice resources. Equal shares can work well when physicians have similar skills, motivation and work habits. But equal shares fail to reward high producers and can generate resentment and friction if individuals do not contribute roughly equivalent time and effort.

### Salary

Although straight salary-based compensation is simple to administer, it offers no performance incentives. A salary plus bonus formula provides incentives for physicians to grow the practice. It also adds some administrative complexity and must carefully balance the secure salary with the less-secure bonus opportunities.

### Full Productivity

With a productivity split, the percentage of collected practice income (or another measurable standard) that each individual generates determines the division of profits. Some practices with productivity-based compensation also divide their overhead proportionally. Other practices use a productivity-based split for income but divide all their expenses equally (or divide fixed expenses equally and variable expenses by productivity).

A productivity split encourages professional effort. Partners who work harder—in terms of their time commitment or high-yielding procedures—earn more than those who generate a smaller share of the practice's income. The undesirable effects of a pure productivity arrangement can include competition within the group, the accounting complexity needed to split overhead and a tendency to over-utilize practice resources.

### Mixed Formulas

Given the limitations of equal and productivity-based splitting, many practices create a mixed compensation formula. They combine productivity-based rewards with elements of either a base salary or an equal sharing of expenses and income. For example, they may pay:

- An equal base salary plus periodic productivity-based bonuses
- A set percentage of practice net income that is shared based on productivity, plus equal amounts of bonus pay
- Equal shares of a fixed percentage of net income, plus productivity-based shares of the balance

### Definitions

Within a productivity formula, physicians need to agree which income element will determine compensation. That might be net charges, relative value units (RVUs), gross charges, gross collected revenues, a combination of these measures or another standard. The categories of physician income that the productivity formula will apply to also need careful definition. Beyond draw or salary and bonuses, the formula could include retirement plan contributions, insurance premiums, professional dues, etc.

### Semiretirement Situations

An income-splitting formula might also be utilized for physicians who want to begin phasing out of active practice at a future date, whether near or distant. A pure productivity division of revenue can easily accommodate a semiretirement situation. Compensation can simply be reduced by a percentage to correspond with the physician's office and/or call commitment. A practice that splits income equally or uses a mixed formula would need to formulate a reduction that suits the shift in responsibilities.

### Use Our Experience

Creating an income-splitting structure that is fair and acceptable to all principals in your practice can be challenging and time-consuming. Our Health Care Team's experience and planning skills can help you settle your compensation division issues. Please contact us for assistance.

Somerset CPAs, P.C.  
3925 River Crossing Parkway, Third Floor  
Indianapolis, Indiana 46240  
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<http://healthcare.somersetcpas.com>

## Important Dates



### 39th Annual Meeting October 22-25, 2008

The Ritz-Carlton  
Lake Las Vegas, NV

#### OCTOBER 2008

S	M	T	W	T	F	S
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5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	



### 40th Annual Meeting June 17-20, 2009

The Atlantis Resort  
Paradise Island, Bahamas

#### JUNE 2009

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7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

## Do You Know a Qualified MD or DO Orthopaedic Colleague Who Is Not an EOA Member?

### New Member Incentive

New members of the EOA will have their meeting fee in either of their first two years of membership waived. Join the EOA and come to the Annual Meeting free!

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Completion of an accredited residency program and privileges to practice as an orthopaedist in a local hospital are the requirements for both MD and DO candidates.



Apply for membership on-line at [www.eoa-assn.org](http://www.eoa-assn.org) or call **866-362-1409** and ask for an application.

### Member Benefits

- ▶ Substantial member discounts to EOA annual meetings
- ▶ Substantial member discounts to practice management courses
- ▶ Discount on long-term care insurance for employees and family members
- ▶ Registration fee discounts to other regional society meetings
- ▶ Free subscription to the official EOA newsletter—*EOA News*
- ▶ Awards and professional recognition
- ▶ Free online access to [orthopaediccare.net](http://orthopaediccare.net)
- ▶ Free subscription to the *Journal of Surgical Orthopaedic Advances*
- ▶ 20% discount on orthopaedic books



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