

EXECUTIVE DECISIONS IN DERMATOLOGY

JUNE & JULY 2017

Cover Story:

**Benchmarking --
How Do You
Measure Up?**



Association of Dermatology
Administrators & Managers

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Executive Decisions in Dermatology is a bimonthly publication of the **Association of Dermatology Administrators & Managers (ADAM)**. ADAM is the only national organization dedicated to dermatology administrative professionals. ADAM offers its members exclusive access to educational opportunities and resources needed to help their practices grow. Our 650 members include administrators, practice managers, attorneys, accountants and physicians in private, group and academic practice.

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President's Message

I took a few minutes over the weekend to examine my list of challenges for 2017. While I have not been successful in the ever-present "must lose weight" challenge, I have made tremendous strides in other areas divesting myself of mental, physical, and emotional clutter. And I've made some progress in my professional goals as well.

ADAM has undertaken similar bench-marking activities. The third survey has been completed and is in the process of being compiled. I thank everyone who participated and extend an invitation to those who did not to consider participating next year. I know we are sometimes constrained by what practice owners will or will not allow, but I can assure you the raw data is not seen by ADAM members as it is compiled outside of the organization. The more we share information as a profession, the stronger and more valuable the data is for us all.

Planning is underway for the 2018 conference in San Diego which will be held at the gorgeous Loews Coronado Bay. Every conference seems to outshine the previous and I know Wendy Stoehr and Shannon Page have big plans for this year.

ADAM has also set an ambitious target list for this year including updating our membership software, revamping the website, developing a Leadership College for our members, and finalizing the Billing Certification program. These all will take tremendous efforts by staff and our volunteer committee members. It's not too late to become active in any of our activities. We welcome your participation!

Now, back to some serious thought on achieving those unmet goals!

Warmest Regards,

Gabi Brockelsby
ADAM President

Benchmarking-- How Do You Measure Up?



By George E. Smaistrle Jr, FHFMA CMPE CPC

In the world of sports, we are constantly reminded of thousands of statistics about our favorite teams and players almost to a point that makes us nauseous and not able to enjoy the game any longer.

Sportscasters point out that player X is 3 for 10 from the free throw line, or batting less than .200 against left-handed pitcher, or that this football team has never won a game when behind in third quarter. These observations are not just random statistics or facts, they represent the art of benchmarking a player against their peers, against other teams, or how well they perform in certain situations. A sporting event is a competition and the statistics help predict outcomes.

“Healthcare benchmarking should become our tool to promote the best physician or practice while constantly striving for better outcomes, lower costs, or greater efficiencies.”

Healthcare benchmarking works in the same way. It is a simple way to compare your operational statistics to other similar practices and other doctors in the same specialty. Healthcare benchmarking should become our tool to promote the best physician or practice while constantly striving for better outcomes, lower costs, or greater efficiencies.



“The process of benchmarking can be just as important as the results”

Xerox, a large multi-national company, is often credited for introducing this basic management concept in the 1980's. Xerox was struggling to control its production costs and losing a lot of money. It began to compare its own methods with those of competitors as it changed its procedures. The results became the framework of conceptualized as “continuous quality improvement” (CQI) in any sector and allowed them to remain an outgoing, viable corporation today.

The process of benchmarking can be just as important as the results, especially if you need to engage everyone in your organization to help implement improvements. By including doctors and staff members alike all throughout the benchmarking process, you minimize resistance to change and win their support. By undertaking and implementing a benchmarking process, your organization can evaluate critical questions and identify problem areas by removing the guesswork. It allows you to build confidence by validating or disproving previous assumptions, uncovering unforeseen challenges and it provides the information to prioritize improvement opportunities.



So, if you aren't already using benchmarks, how do you start? For me, I started at the basics when I arrived at my practice in 2014. I chose five standard ratios to look at as I learned more about my practice. These ratios (and my rationale for selecting them) included:

- **Days Outstanding in Accounts Receivable** (This would give me a quick reference of how quickly we were collecting our accounts receivable over time)
- **Net Collection Ratio** (This would tell me if we were collecting everything we could.)
- **Revenue by Full-time Equivalent Provider** (This would tell me if my providers were producing at optimal levels.)

- **Percentage Overhead Compared to Practice Revenue** (This would let me know if my expenses were in line with expectations.)
- **Staffing Ratios by Full-time Equivalent Provider** (This would let me know if staffing levels were appropriate for each doctor.)

I then gathered the data by month (and year) and started looking for comparisons.

This is where I began to struggle. Comparisons from the Medical Group Management Association (MGMA) benchmarking database showed I was doing well, but the sample size was extremely small. I felt switching to a more generalized segment in the MGMA data set (like internal medicine) was an inaccurate



comparison. Using Allergan's BSM service benchmarks didn't improve my situation. Allergan's methodologies often resulted in ratios that didn't reflect my practice, especially since they ignore a lot of categories that our practice uses to deliver services or skewed results to the benefit of the products they promoted. I felt stuck and this is how ADAM hooked me into its benchmarking project.

The ADAM benchmarking program allows dermatology practices to use their data, filtered or unfiltered, to generate a set of benchmarks that are user-friendly and specific without bias. With its current responses, its sample size illustrates a large data set that is significant and very valuable. A track record of 3 years allows our membership to see trend lines over a longer period of time. It is a resource that I readily use and constantly refer to.

My monthly financial reports to my physicians now reflect 25 key benchmarks that we are reviewing in an ongoing process. We have built a "dashboard" report that updates everyone on our progress throughout

the month, and once the month is done, the final results are posted. I am still trying to use the MGMA and Allergan BSM benchmarks side-by-side with the ADAM benchmarks. The benchmarks help validate the operating results and quickly suggest where focus is needed in subsequent months.

What's next? I hope to help ADAM expand this program over the coming year to provide more data points for use in your comparisons. I want to implement a program of "mini" benchmarking surveys that can be completed five or ten minutes but drill down into specific areas of the dermatology practice. For example, we already know that we need more information about our in-house laboratories and many Mohs surgeons want more specifics from practices like theirs. Mini-surveys of 10-15 focused questions should allow better participation while allowing us to incorporate the results into our annual ADAM Benchmarking report. The benchmarking committee looks forward to any and all suggestions to help make this program better. ■



Remember:

Benchmarking can reveal the standards attained by competitors, but may not consider the circumstances under which the competitors reach such standards.



Here are a few important questions to ask when starting to compare benchmarks:

1

What are our weaknesses and strengths?

2

How do we prioritize our weakest areas?

3

Are these areas we can benchmark?

4

Is there information we can find comparative data to measure our practice against?

Board Member Interview

GEORGE SMAISTRILA, JR., FHFMA CMPE CPC

Recently Bill Kenney, ADAM's Communications Chair, sat down with fellow Board Member George Smaistrila, Jr. to gain his perspective on his career in health care management. Here is what George shared.



Can you describe the practice you lead?

The best way for me to describe our practice is that we are one of Texas' tertiary care dermatology practices. I define it that way because we have notoriety in the Houston area as one of the go-to players for chronic and long term skin diseases, and we are perhaps one of the most comprehensive long-term practices in the area. We provide a full range of services including medical, surgical, MOHS, as well as clinical research. We treat some of the most difficult diseases throughout the region and we are nationally recognized by the National Psoriasis Society.

The fact that we have 6 doctors, 6 PAs, 5 estheticians in 20,000+ square feet... it is a handful.

What do you find most satisfying about your work?

The daily challenges of managing a staff of nearly 100 people in this ever-changing world of healthcare. This job never has a dull moment!

George, you have some significant credentials after your name. Can you describe each set, how you earned them and what they represent?

These credentials were purely things I was mandated to do at different career points. When I first started out I was an assistant administrator in a hospital, and the CEO was a big believer in FHCMA, and he wanted me to get certified. I was a rookie right out of college and it gave me a quick and rapid training

FHFMA: Fellow, Healthcare Financial Management Association. This two-day test covers most

financial matters in today's healthcare management including revenue cycle management, risk management, cost accounting, long and short term financing, insurance contracting, financial analysis of strategic alliances, and general ledger work. I have had this certification for over 20 years, dating back to my first jobs in hospital administration. It was a practical way to learn the various areas of concern in the financial silo of hospital management.

CMPE: Certified Medical Practice Executive, ACMPE-MGMA. This specific certification covers 6 key areas of medical practice including operations, financial, human resource, risk management, organizational governance and patient care. I have had this certification for over 15 years and

specifically sought it out when I moved from hospital administration to physician practice management. For me, this certification taught me easier ways to manage a physician's office.

What do you see as the ideal skill set in managing a dermatology practice?

You have to be a benevolent King Solomon, an excellent kindergarten teacher, a detailed bean counter, a dedicated student, an expert in insurance processing, and a political wonk -- all wrapped up in a person with excellent speaking skills capable of getting it right the first time. Do I accomplish this? No. I often struggle in each area every day.

How were you able to acquire those skills over your career?

Lots of practice in a variety of circumstances and settings spanning numerous medical specialties and locations. Each job has taught me something a little bit different. You just got to keep looking for those examples where you will learn something new and keep exploring.

Can you describe any key initiatives that you have implemented in your practice which has added value to your practice?

I am very proud that I led my practice through our most recent expansion with little impact, especially while navigating the hiring of several new providers while the practice was experiencing some significant challenges. We doubled in size at our primary location while conducting clinic in the space at the same time. I don't recommend this. We opened a second location in 30 days. I don't recommend that either. To pull all of this off means I had a great support staff willing to work hard beside which I highly recommend.

How are you involved with ADAM?

I currently co-chair the benchmarking committee and serve as a member at large on the board. This "job" is the best way to network and learn more about the world of dermatology.

I know you have been instrumental in the ADAM's Benchmarking Survey. How have you used this information in improving your practice?

It is a fundamental part of my monthly presentation of financials to my owners, associates, and physician assistants. I have incorporated this data along with the Allergan BSM benchmarking data to insure that our data is reviewed in the right perspective. We have been using the Allergan BSM benchmarking data for a long time and I still struggle with how they calculate some things. The fact that I can correlate this information with the averages from 100 practices and their manager is far more useful to me.

What advice do you have to new managers in the field?

Do more than you ask your staff to do, ask a lot of questions about everything, and don't stop learning from the new kids on the team. I will never forget the time when someone who was on the job just one day and saw the most obvious solution to a problem vexing me for several months. As a manager, I have tried to always be last person to speak to allow these type of situations to allow "new" ideas to surface for discussion. ■



Best Practices in Employee Engagement and Retention



By Bill Kenney, MHA
CEO Dermatology Consultants, Saint Paul, MN

Bill Kenney is the new chair of ADAM's Communications Committee. In this role he provides key leadership for ADAM's bi-monthly newsletter Executive Decisions in Dermatology. Bill serves on the ADAM Board of Directors and is the CEO of Dermatology Consultants in St. Paul, Minnesota.

At the recent ADAM conference in Orlando, I had the opportunity to present a breakout session on “Best Practices in Employee Engagement and Retention.” The focus of this presentation included the hiring process, the annual employment survey, employee engagement and recognition, retention strategies, and future tactics at Dermatology Consultants in St. Paul Minnesota. Although I certainly do not consider myself an expert in this field, I have drawn on many years of healthcare management experience which I have incorporated into this practice with a great team of staff and physicians. Furthermore, these tactics could be incorporated into any practice regardless of size.

Dermatology Consultants provides a full spectrum dermatological practice offering general medical, surgical services and cosmetic dermatology for all ages. Located in the East Metro Area of the Minneapolis/St. Paul marketplace, Dermatology Consultants has 20 board-certified dermatologists and employs 138 staff serving four clinic sites and a central business office.



Our mission is “To provide our patients with exceptional skin care services in a safe and welcoming environment.”

To live up to that promise, the practice developed core values and standards of behavior that are expected of everyone working in the organization. The physicians of the group identified six core values which are: Patient Centered, Pursuit of Excellence, Collaboration and Teamwork, Trust, Respect, and Personal Accountability. Staff then identified the standards of behavior which support each of the core values. With the value of Respect, one behavior is “avoid making assumptions.” With the value of Patient

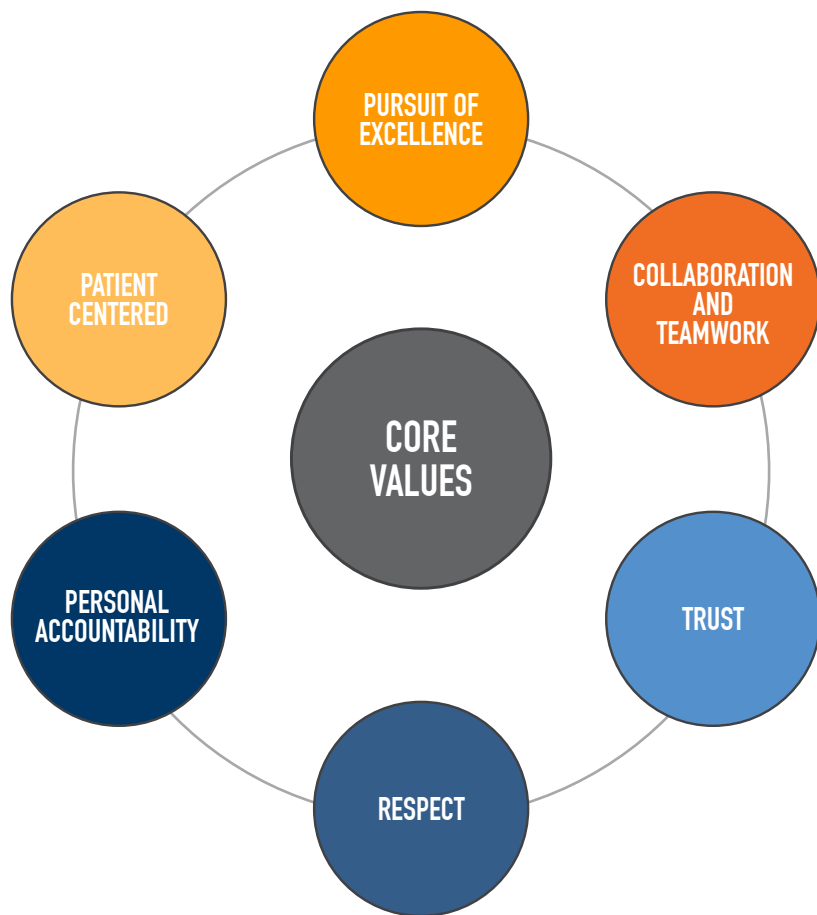
As a result of the employee survey in 2014, a small duplicate form was developed and titled “Recognizing You” as a way for staff to recognize each other. This form spotlights the organizational core values and provides an area for staff to point out behaviors and actions of their coworkers.

Centeredness, a behavior is “smile genuinely and use direct eye contact.” These values along with corresponding standards of behavior are reviewed at employee orientation and are displayed throughout the clinics as a reminder of how to promote a positive workplace and provide exceptional care to patients.

Within the hiring process at Dermatology Consultants, some unique features include a referral bonus program offered to staff, a shadowing opportunity to determine if a candidate is a good match with the organization, a detailed offer letter which includes a description of all benefits and the organizational contribution and the value of each, as well as supporting 20 hours of the Certified Dermatology Tech Program for all clinical staff hired. A personal note is sent to each new employee thanking him or her for choosing Dermatology Consultants as their place of employment and welcoming them to the organization.

Dermatology Consultants conducts an annual employee survey of employees as a way of determining the level of engagement for the organization. Once the data is tabulated, it is sorted by each team and reviewed with the supervisor and employees for that area. Lower scoring questions are reviewed and site engagement teams develop an action plan to make improvements.

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Employee engagement cannot be a stagnant process for any organization. As employee and organization needs change, so must the strategies and tactics to keep individuals connected to the practice change.

and actions of their coworkers. One form is given to the employee and the other is displayed in the work area for others to view. Staff receiving this recognition proudly display these notes in their work space.

The practice supports various activities to support employee engagement throughout the year. Local employee committees develop plans for recognition and engagement. An annual “Employee Week” features small gifts and surprises given to the staff. Annual events include a holiday party, a brewery event and a summer picnic which staff can invite guests. Two new stadiums have been opened in the Twin Cities in the past few years which provides a great venue for these gatherings.

Since I arrived at my job at Dermatology Consultants, I have been writing a Friday email every other week to inform staff of what is happening throughout the organization. Some of the features of this communication include news and information, pictures of recent events, introduction of new employees, employee anniversaries, and an inspirational quote. This is a good way for staff to stay connected as the organization grows while also recognizing individuals who are contributing to its success.

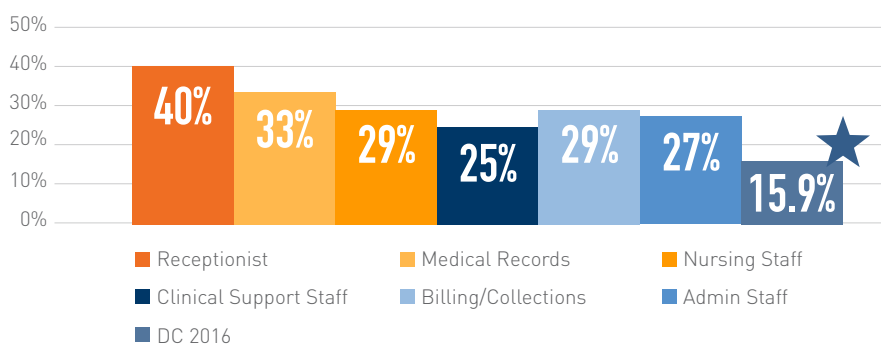
The organization is always looking for ways to retain its employees. Some specific actions taken beyond staying competitive with wages and benefits include discounts on products and services, education and professional membership reimbursement, an ergonomic program to provide a safe workplace, and an annual uniform allowance. Every employee receives a hand-written note thanking them for their years of service on their anniversary date along with a monetary gift at the annual holiday party for milestone years of service.

To understand how well the organization is performing with Employee Engagement, a key measure is employee turnover rate. This metric is a part of the monthly reporting within the organization and reported to the board. Below is a graph comparing

the organization to the benchmarking data provided by MGMA.

Employee engagement cannot be a stagnant process for any organization. As employee and organization needs change, so must the strategies and tactics to keep individuals connected to the practice change. Future work includes providing a total reward statement to employees on an annual basis, better tracking and support of individual goals, more formal management training to the leaders of the organization as well as all staff participating in an assessment of their work styles so teams can better relate to one another. As I stated in the opening of this article, the size of the organization should not prevent many of these tactics from being implemented in your practice. ■

MGMA Single Speciality Employee Turnover Rate (2015)



Millennials in the Work Force

By Monet Edwards

Millennials are known as the generation of people born between 1980 and 2000. Millennials have now surpassed Generation X to become the largest generation in the American workforce, according to a Pew Research Center analysis of U.S. Census Bureau data. A little background on this large generation that is considered very diverse; they have seen tragic events such as 9/11 and mass shootings which has changed the way they live. When “stranger danger” affected communities in which they lived, their parents did not let them go outside and play. Instead, they played more video games, and they were in more structured activities. that resulted in having their first job at a later age or not at all while they were in high school. They tend to be more in debt than prior generations were at their age from higher educational cost.



Millennials in the workplace place a heavy emphasis on working in organizations that contribute to the community or world. They are likely to look for meaning and impact in their work and aren't satisfied with simply punching a clock. They also like when a company takes a stance on social issues. Millennials are very tech-savvy, they have a "if I don't know I will figure it out personality". They prefer a text or an email over a face to face conversation, this little tidbit of information may be very helpful when you are looking for the right candidate. If you were hiring for a call center they would be a great fit, as millennials like limited face to face conversations and enjoy the quickness of computers and phones making them more productive. According to a Forbes article, physician's assistants is the number one ideal job for a millennial. As we know physician assistants play a big role in a medical practice. With a millennial as a physician assistant, they will assist the doctor with seeing more patients because of their fast computer skills. ■

How to retain millennials?

This is a natural concern for managers. Compared to other generations, millennials are often regarded as having a high turnover rate and being difficult to retain. Below are some helpful tips when hiring millennials.



COMMUNICATION:

- Internet
- Texting



CORE VALUES:

- Confidence
- Social



ASSETS

- Multi-tasking
- Tech savvy



LIABILITIES

- Need for supervision and structure
- Inexperienced with handling difficult issues



FEEDBACK & REWARDS

- Want feedback all the time
- Like to do meaningful work

Today's society can be a fast-paced work environment and the millennials are making their footprint in it. The more knowledgeable you are about millennials, the better chance you have to put them in a career that benefits both you and them.





Managing Your Online Reputation



By Bonnie Harris

Founder and CEO of Wax Marketing, an integrated marketing and communications firm.

Managing the online reputation of any business is challenging, but for healthcare practices keeping track of physician reviews, Google locations, social media and a plethora of online data can be overwhelming. When negative reviews or incorrect information do appear, the time it takes to correct or respond to those posts can be quite burdensome as well.

Implementing good processes for monitoring, responding and fixing online information can take away much of this frustration. There are basic best practices for maintaining and improving your healthcare practice's online reputation, and the reputation of your physicians. Here are some steps to help you maintain a positive online reputation for your practice:

- **Perform monthly assessments** on Google and Bing, and set up Google Alerts to find new mentions on a weekly or even daily basis. This can help uncover problem areas quickly, so you can deal with them before they affect your reputation.
- Be sure to **register each of your locations with Google My Business**. This service can be invaluable for managing your address and phone numbers, and resolving incorrect information that may arise due to a location or physician transition. Once your listings are claimed you can easily keep them updated.
- **Review HealthGrades, Vitals, RateMD** and other physician review sites regularly. Respond as much as often as you can to every review with a simple acknowledgment. If the review is negative, provide a way for the patient to contact you to discuss the issue further. Be sure to respond with care so that you don't violate any relevant HIPPA policies.
- If you don't have a lot of reviews, **consider creating a review card** with the URLs of the top sites to give to patients. Asking them to review your physician, particularly when they are expressing their satisfaction, can be a great way to increase reviews in a short time.
- Unfortunately, the number of false rankings for physicians on Google is growing rapidly. **Check any one-**



star reviews carefully as they are usually not legitimate. You can alert Google to these false reviews and they will be removed within a short period of time.

- **Encourage your physicians to create LinkedIn accounts**, or even Doximity. Once created, these networks can help provide more “searchability” for not only the doctors, but the practice as well.
- Speaking of social media, if you have accounts be sure to **use a free tool like Hootsuite or Social Mention** to provide reports of any mentions on social media. Respond appropriately, and always thank patients who review you kindly.

Finally, once you have reviewed your existing reputation and put processes in place moving forward, it's a good idea to think about improving not only your reputation but your search engine ranking as well. Finding your practice easily both from a desktop and a mobile device is another component of a good online reputation.

If you feel you're “digital footprint” is really lagging behind, consider hiring an SEO provider, or a reputation management service provider. These kinds of services can more rapidly develop a foundation on which to build your practice's online reputation.

Whether you retain a service or manage your reputation internally, a good process involving regular review of search results, social media and ratings sites can help you maintain a positive online reputation for your practice and your physicians. ■



Recap of steps to maintain a positive online reputation for your practice:

- Perform monthly assessments.
- Register each of your locations with Google My Business.
- Review HealthGrades, Vitals, RateMD and other physician review sites regularly.
- Create a review card with the URLs of the top sites to give to patients.
- Check any one-star reviews carefully.
- Encourage your physicians to create LinkedIn accounts, or even Doximity.
- Use free tools like Hootsuite or Social Mention to provide reports of any mentions on social media.



ASK THE LAWYER

Q&A

with Michael J. Sacopulos, JD
Medical Risk Institute

QUESTION: Managers want to be as fair and balanced in their pay practices as possible, but sometimes a mid-year salary increase is needed in order to retain an outstanding employee. What advice would you give a manager on how we can retain our best employees while remaining fair and balanced in our salary practices? Should an office have a policy regarding employees sharing their salaries?

ANSWER: Employee compensation is always a tricky topic. I reached out to three (3) true experts to help answer your question.

“Implementation of consistent and appropriate compensation practices are essential to attract, motivate, and retain qualified employees, and to ensure compliance with appropriate labor rules, regulations, and laws,” says Glenn Morley, Senior Consultant with Karen Zupko & Associates. Morley is an expert in practice management and has helped dermatology practices across the country with the very issues you raised. “From time to time pay increases to address the immediate retention concerns for a

top performer who has a competitive job offer must be considered. A counteroffer should not normally exceed the offer amount by more than 5%. If the counteroffer creates inequalities in pay for the position or organization, an action plan must be carefully considered,” says Morley. Morley also cautions that if the competitive job offer is at a significant higher level it is not typically advisable to counteroffer but instead consider opportunities of a role or position change to justify an increase of salary.

Diana Link is the Human Resource Manager of The Dermatology Group based in New Jersey. “In the event a manager is approached about increasing pay for a valuable

performer who is at risk of leaving, I often suggest adding additional responsibilities such as training, inventory, or additional administrative duties to justify the increase in base pay,” says Link. Link also suggests that variable pay bonuses may offer an alternative to random salary increase request. “It can be beneficial to an organization to issue variable pay bonuses, quarterly, semi-annually, or annually to eliminate the possibility to go outside the organization’s pay practices and issue unscheduled salary increases,” suggest Link. These suggestions of increasing the employee’s responsibilities or using a variable bonus structure provide some alternatives to the request for base salary increase.





“Proactively check with employees to make sure they are happy and content with their jobs. Ask what you can do to help with their development.”

- Ana Welsh

Unfortunately, sometimes a practice administrator does not learn of a competitive offer to an existing employee until it is too late. In fact, this may be an issue with younger employees. Ana Welsh, Vice President of Employee Experience at Schweiger Dermatology Group cautions, “Millennials specifically care about pay and are not the most loyal employees. They will move to a new job for an extra \$1.00 per hour. They will usually come to you and quit and only then explain it was due to pay.” Welsh offers two (2) ways to address this problem: 1) proactively check with employees to make sure they are happy and content with their jobs. “Ask what you can do to help with their development,” offers Welsh. 2) “If they are truly “A” players and worth keeping, set expectations. Let them know this raise is in lieu of a raise during their next review. And they would not be eligible for a raise until X date.”

The second part of your question deals with a policy of employees sharing their salaries. Here you need to be careful. There are legal prohibitions for an outright ban on employees discussing their compensation. As Diana Link with The Dermatology Group cautions, “According to the National Labor Relations Board (NLRB) employers may not prohibit employees in either verbally or written policy from discussing compensation.” But this does not mean a discussion of compensation should render an employer mute. Link recommends that employees should be made aware that their pay and benefits are competitive with other employers. Finally, Link feels, “The use of variable pay bonuses result in employees feeling as if they have more of a stake in the company which lessens the need to discuss pay and benefits with their coworkers.”

Glenn Morley, Ana Welsh, and Diana Link all feel that a consistent strategy must be applied when dealing with unscheduled need to increase compensation for a key employee. While traditionally these requests are dealt with by an increase base salary, the use of variable bonuses or increased employee responsibility may provide an alternative to increasing the base pay. Finally, be careful and proactively try to keep employees from discussing their compensation. You do not want to run afoul of National Labor Relations Board regulations. I wish you great success in retaining key employees while keeping their compensation at an appropriate level. ■



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