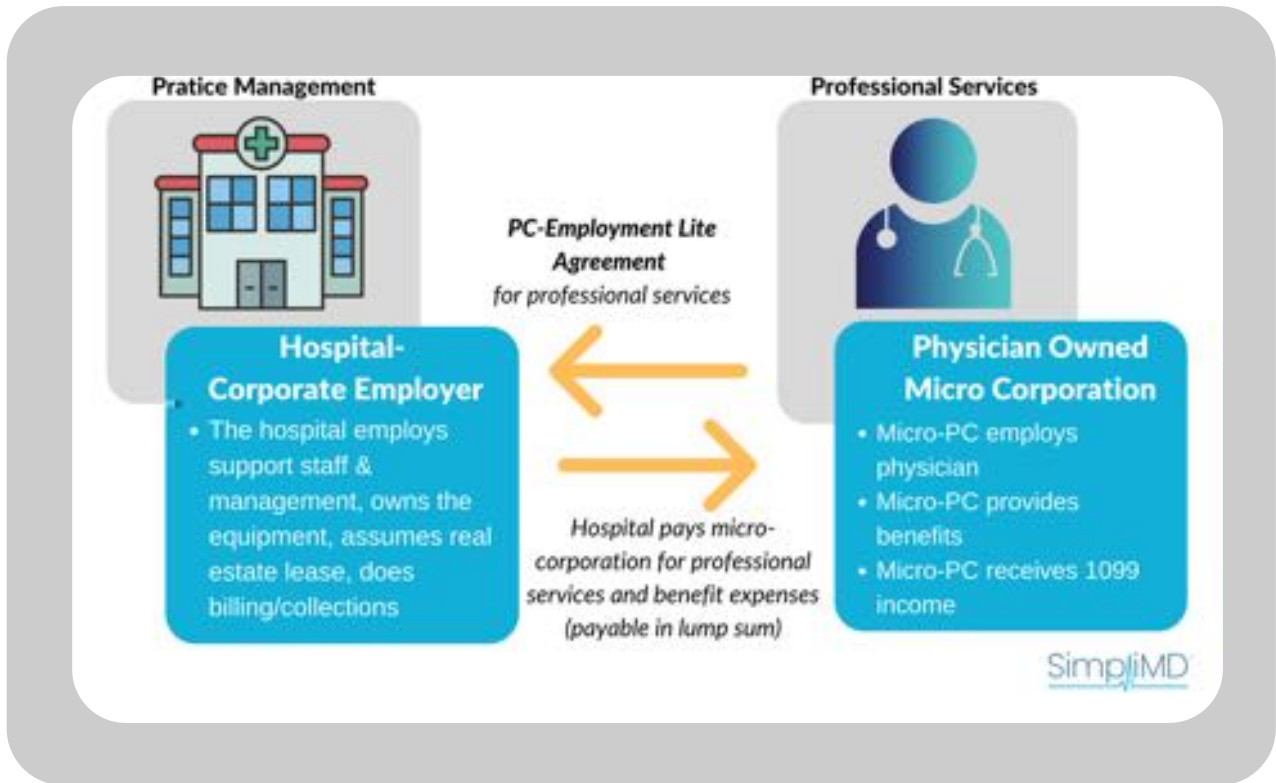




# **WHY EMPLOYMENT LITE IS BEST**

Combining Your Small Business  
Superpowers With Employment

[SIMPLIMD.COM](http://SIMPLIMD.COM)



# EMPLOYMENT LITE

Walk through the benefits of employment lite for both physicians and employers



## **TOD STILLSON MD**

**FOUNDER OF DR. INC AND SIMPLIMD**

Tod Stillson MD is a practicing family doctor in the midwest who loves his job. He operates his own PC through an employment lite agreement with his local hospital. You can follow him at [simplimd.com](http://simplimd.com) & [doctorincorporated.com](http://doctorincorporated.com) and subscribe to his regular blogs. You can also join his employed physician community on Facebook at "Every Doctor Is A Business". He has been published on multiple physician-centric sites including KevinMD, Financial Success MD, The Prudent Plastic Surgeon, and the Physician Philosopher.

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# CHAPTER 1

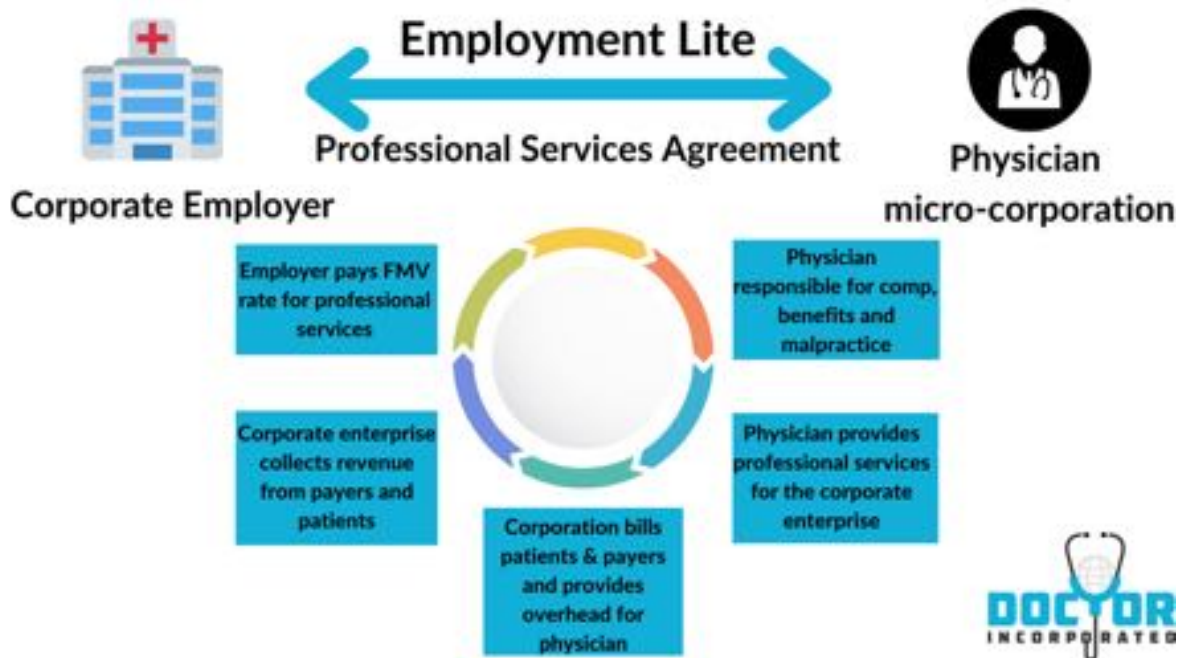
## WHAT IS EMPLOYMENT LITE?

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“Employment Lite” is a hybrid employment model that mirrors most of the components of employment without full integration. Employment is the fullest form of alignment among hospitals and physicians, while employment lite signifies a high level of physician-hospital alignment that falls just short of full employment.

It is formalized by a professional services agreement that is specific to this arrangement. The term PSA is not to be confused with other arrangements such as clinical co-management, directorship, or other professional arrangements. Technically, these arrangements may be considered professional services agreements, but do not holistically encompass the definition of a traditional PSA. PSAs provide hospitals and health systems with a convenient and highly flexible mechanism to obtain services from physicians and achieve care coordination, access, and alignment goals. Under a PSA, a physician (or medical group) remains independent (i.e., not employed by the hospital) and provides professional services in the hospital or at a hospital clinic.

While employment typically entails an IRS W-2 relationship, most PSAs result in an “IRS 1099” relationship. The physician remains employed by their practice entity, most commonly a PC. Visually it looks like this:



The PSA structure allows for many of the same benefits and elements of employment, while the physician remains an independent contractor rather than an employee. Corporate citizenship and organizational governance can be built into the PSA such that the doctor functions in nearly the same manner as his/her fully employed peers. Organizational alignment remains strong for both traditional employees and those who chose employment lite.

In a traditional PSA, the organization contracts with a physician (vis-à-vis their practice entity, most commonly a PC) for professional services that are reimbursed through a rate per wRVU at FMV. The organization assumes ownership of the administrative structure of the practice by employing all support staff, performing the billing and collection functions, owning the accounts receivable, etc.. The physician is paid via 1099 to his/her PC for the wRVU compensation at a mutually agreed-upon rate. Salary with bonus is another option.

If a currently employed physician is transitioning to this model, typically their current compensation matrix will be used to determine pay, assuming it's FMV. The physician workload and employer pay matrix change little. What does change is that the employer is no longer responsible to manage benefits for the physician and they will pay the physician's PC rather than the doctor personally.

Progressive organizations will often provide the management expenses with SimpliMD as part of this transition due to their expected cost savings through the program. These savings for the employer are realized through a combination of reduced employment expenses, and savings due to physician retention.

Although this is a purchased services agreement, it is important for employers to categorize employment lite expenses differently than other high-cost purchased services like locum tenens or travel nurses. Rather this is a subtype of employed physician expenses and when compared to traditional employment can save employers \$30-\$50,000 per employed physician. Ultimately employment lite is a powerful recruitment and retention tool for employers due to the way it benefits both parties. The following chapters provide a summary of the benefits of employment lite for both physicians and employers.





# CHAPTER 2

## PHYSICIAN BENEFITS

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# PHYSICIAN BENEFITS

- Gain greater control of your life with enhanced professional autonomy that is associated with running your own professional corporation-small business
- Grow your household income without working harder, via retained earnings strategies that are unique to small businesses and increasingly limited as W-2 traditional employees.
- Individualize your fringe benefit programs to those that benefit you most- including unrestricted international CME, private school reimbursement, and automobile leasing just to name a few
- Access substantially larger tax-advantaged retirement plans in comparison to traditional employment
- Lower your effective tax rate
- No job change or moving is needed with this transition, so your family is not disrupted by this change
- Seamless and invisible implementation within your existing employment structure in a manner that is not recognizable by your peers
- Burnout risks are lower due to enhanced professional satisfaction



# 3

CHAPTER

## EMPLOYER BENEFITS

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# EMPLOYER BENEFITS

- This progressive employment model will provide you with recruitment and retention advantages over your competitors
- You can increase your physician's household income without paying them more
- You can reduce your organization's physician employment expenses by 10% or due to the benefits and professional fees that now become the responsibility of the physician
- You can assist your doctors in helping them with enhanced retirement funding through their individual programs that are not ERISA restricted like traditional employment
- You maintain a high alignment with your physician employee much like traditional employment
- You can reduce physician burnout through this progressive novel employment model
- You can outsource the management of the program by linking the doctors to a physician-centric agency like SimpliMD which will insure legal, tax, and fiduciary compliance

SimpliMD™

CHAPTER  
4

NEXT STEPS?

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The move  
that you're afraid  
to make could  
be the one  
that changes  
everything.

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# Market Correction

This book will add me to the growing group of doctors who are providing innovative solutions to the employed doctor burnout crisis. I believe that one of the best solutions involves creating an optimal professional-personal architecture that will provide the path to greater autonomy and well-being. The market correction involves a combination of a PC with employment (employment lite) rather than traditional employment.

My personal experience has demonstrated the power of this progressive architecture to rescue a person from the waters of burnout and then restore one's personal and professional well-being.

It is time for you to join a more progressive route that places you back in control of your life through the innovative resurrection of the PC for physicians.

As the father of medicine, Dr. Osler astutely noted over a century ago:

“The philosophies of one age have become the absurdities of the next, and the foolishness of yesterday has become the wisdom of tomorrow.”

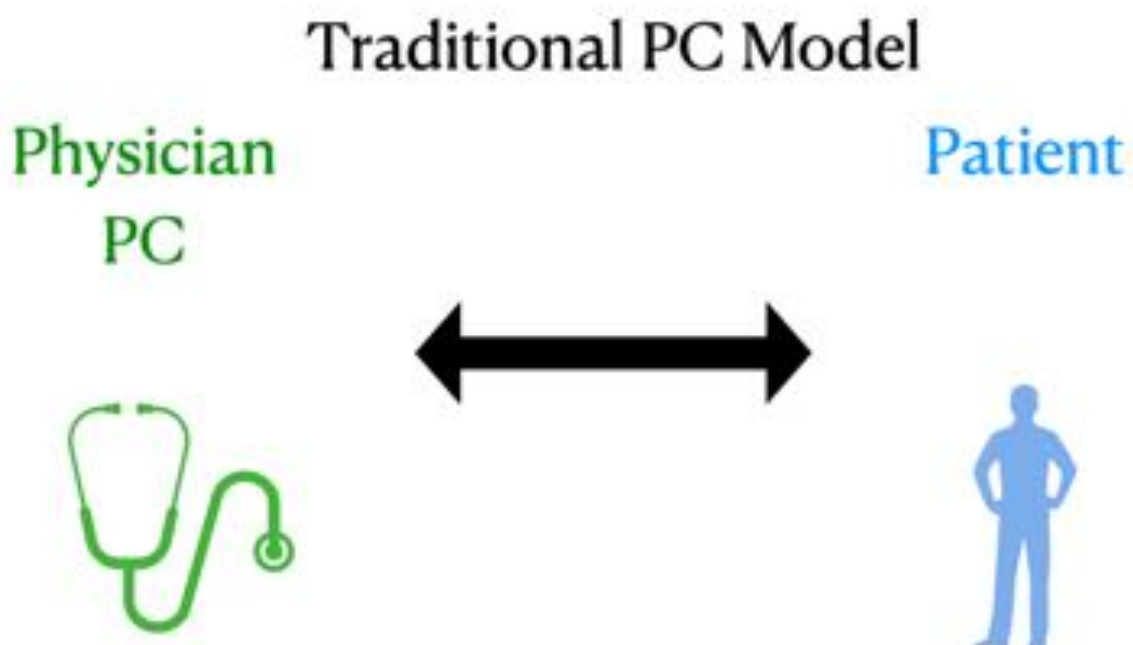
— William Osler



# Past Informs The Future

When it comes to PCs, the past will inform the future. Now an old model of a physician forming his/her own PC as he/she completes his/her training has come full circle. Forming your own PC has returned as the wisest step in order to live your best life. To understand this old and new model, let's look at some visuals.

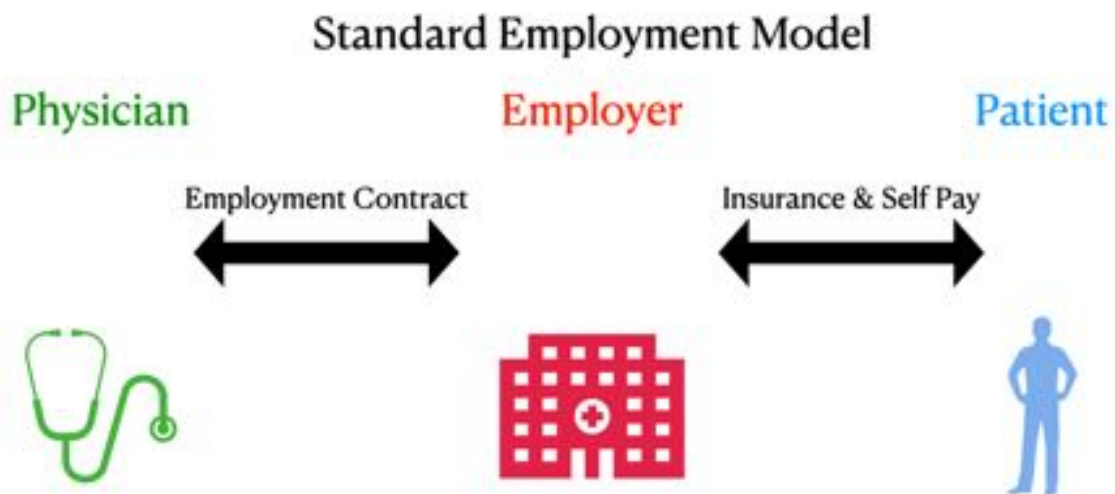
The progression started with the old version which was a business relationship between the doctor's small business practice and the patient:



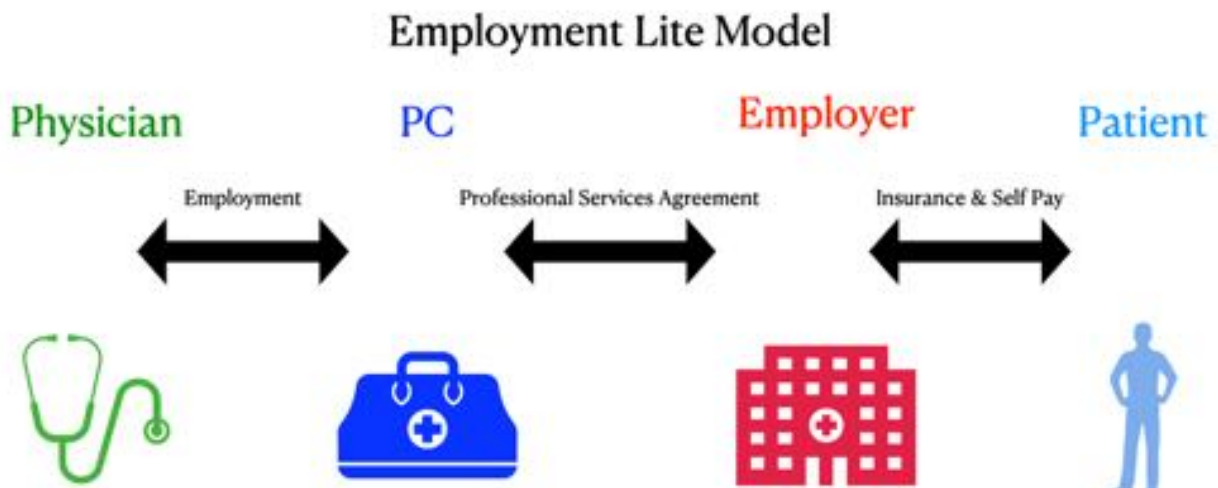


# Innovation

Now, this has been replaced by a model that places employers/corporations in the center. This is the structure that most of you are familiar with. Here, a doctor's business relationship is now with their employer:



The market correction that I believe progressively restores greater control over our lives and is holistically better for doctors is the employment lite model:



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**5**  
CHAPTER

RESOURCES

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Most doctors just don't know what they don't know about the business of engaging in employment with big corporations. The truth is that you do have control over it if you are willing to hire an agent to represent you and thus unlock all of the possibilities based on your individual needs and preferences.

I want to pause here and make a distinction that hiring an agent is not the same as hiring a contract review agency. Although these companies are important, all they are doing is making sure that your traditional employment contract is fairly organized for you, but it's still a traditional employment contract that lacks any small business structure to support your most important assets--your ability to individually incorporate into a professional corporation.

In contrast, an agent is an ongoing professional relationship in which the agency uses all of its resources to ensure that your professional and personal life is maximized via the professional services relationship you have with your primary employer, but also includes a more comprehensive structure that supports every facet of your business, professional and personal life.



S I M P L I M D . C O M

An agent and their business team can help build the right professional business model and negotiate the terms of an employment agreement within that business model that will still be a win-win for both parties. It just takes a bit of pro-active assertiveness to hire an agent and their business team to help represent your interests in this equation. They can help you form your own PC and explore whether a PC-employment lite agreement makes sense for you now, or even later.

This integrated accounting, tax, legal, investment, and business coaching are typically siloed for doctors, but when they are sourced together, you come out ahead.



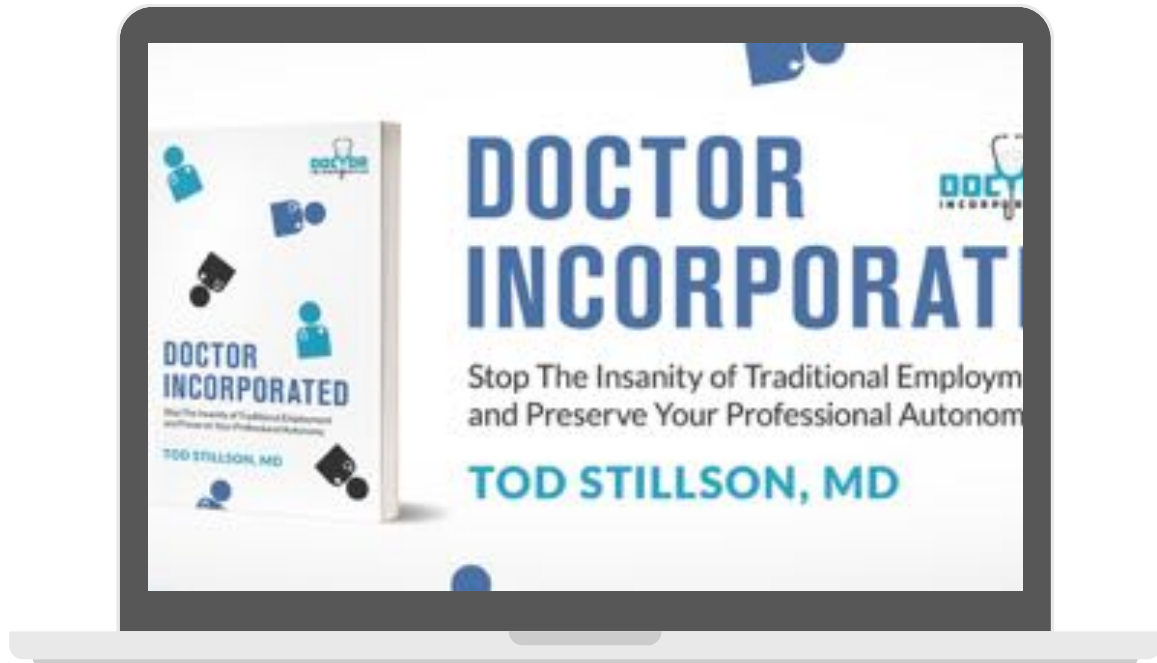
### Comprehensive Physician Management

- Retain LEGAL representation for formation and maintenance of corporate entity
  - Concierge legal representation
- Provide corporate and personal ACCOUNTING, TAXES, AND PAYROLL
- Optimize INVESTMENT and RETIREMENT opportunities with Wealth Management Services
- Manage other LOGISTICS
  - Malpractice Insurance
  - Benefit Plans like Life Insurance, Health Insurance, and Disability Insurance



SimpliMD is your best resource for starting your own professional corporation, forming an employment lite agreement, and optimizing your retained income opportunities in this employment model.

It all begins with becoming a member of our exclusive physician community.



# TAKE CONTROL OF YOUR PROFESSIONAL LIFE

Begin Living Your Best Life As a Physician by  
Forming Your Own PC With Employment Lite  
Contract

B E C O M E   A   M E M B E R  
&   S U B S C R I B E   A T  
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