

Snapshot view of **RVUs**

It's hard to quantify clinicians' work, but to get paid, everything must have a price. The current solution is the Relative Value Unit (RVU) model of physician compensation. RVUs compensate based on productivity, signifying the relative amount of work and resources required to service a patient.

What's in an RVU?

RVUs are made up of three components, each with a different amount of impact on total RVU and reimbursement.



Physician Work (wRVU):

Equates to the required **time** (e.g., billing, coding, and documentation) and **intensity** (e.g., technical skill, mental effort, and judgment) it takes to perform a given procedure. Accounts for the largest portion of total RVU with the greatest impact on reimbursement



Practice Expense:

Costs such as rent, equipment and supplies, consulting and professional services, and staff salaries.

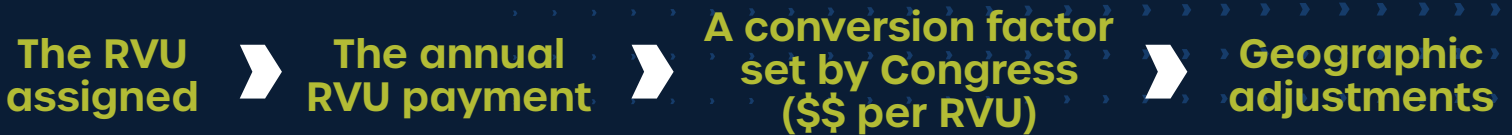


Malpractice Expense:

Professional liability insurance for the provider. Accounts for the smallest portion of total RVU.

Determining Payment

The amount paid for each service is determined from:

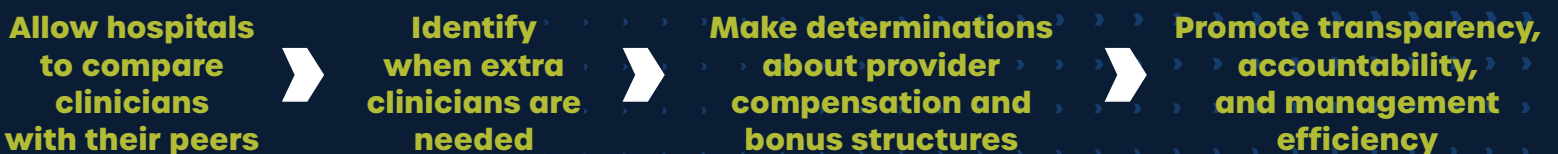


Medicare updates its Physician Fee Schedule each year, assigning RVU totals to each of the 10,000+ CPT codes.

Practical Use

RVUs can be calculated per visit, per hour, or per provider cost relative to the RVUs. RVUs can be used as a part of physician compensation - it is up to the hospital how much pay is attributed to RVUs.

Benefits



Hospitals using RVUs must always ensure that productivity and efficiency do not come at the cost of quality patient care.