

Bringing Clarity to Faculty Compensation



Client: Apricot Health System*



Non-profit health system based in the South-Central United States



Actively engaged in medical education and research, with strong affiliations to prestigious medical schools



System-wide physician workforce of 1,000+, including 250 faculty with protected non-clinical time across 20+ departments

*Note: Apricot Health System is a pseudonym.

The Opportunity

Apricot Health System aimed to develop a **fair, forward-looking compensation model** for non-clinical faculty time—one that is competitive and supports the organization’s strategic investment in its education and research missions and administrative leadership.

Apricot Health System pursued this work to create a model that wasn’t off the shelf, but instead unique to their organization and culture. To ensure a well-rounded approach, the project team included department chairs alongside leaders from finance and operations.

Where We Started

At the outset, the team faced a complex and inconsistent landscape shaped by years of one-off agreements and a lack of clear structure:

- There was no single source of truth for faculty offsets; different databases showed conflicting cFTE values, and accuracy often varied by physician.
- A well-intentioned appreciation for individual physician uniqueness had made one-off arrangements the norm, impeding consistency and standardization.
- A significant share of dollars was tied to a high number of administrative titles, without clarity on scope or accountability.
- No documentation or general ledger (GL) insight existed to trace funds flow or monitor the intentional investment in non-clinical missions.

Step 1: Gaining Insight

- Conducted a deep-dive evaluation of the current state of faculty compensation, including a review of FTE allocations and contract structures.
- Held a visioning session to share current-state findings and gather stakeholder input on the desired future state.
- Facilitated multiple one-off strategy sessions with administrative and clinical leaders to better understand the nuances of the organization.

Step 2: Crafting Model Options

Based on individual discussions and the visioning session feedback, Ancore designed three compensation model options to present to the project team for consideration. Each option included total compensation as a blend of academic and non-academic benchmarks and detailed modeling to compare to current comp levels.



Option 1: Department-Driven Flexibility

What this means:

- Allowed department leaders to tailor non-clinical offsets
- Emphasized local discretion over strict standardization
- Preserved autonomy but required strong oversight



Option 2: Structured & Predictable

What this means:

- Created consistent productivity thresholds adjusted for cFTE
- Prioritized fairness, transparency, and comparability
- Reduced administrative burden with clear triggers for review



Option 3: Role-Based Structure

What this means:

- Developed distinct compensation tracks by faculty intent
- Aimed to balance flexibility with clear expectations
- Allowed targeted incentives based on contribution type

Step 3: Model Selection

After a detailed review of all model options—evaluating both operational approach and financial outcomes—clinical and administrative leadership ultimately selected **Option 2**.

This option introduced much-needed structure to the faculty compensation approach while allowing physicians with non-clinical time to be recognized for meeting productivity targets adjusted for their clinical FTE (cFTE).

Progress and Impact:

The outcome of this engagement went far beyond a new compensation model—it marked a turning point in how clinical and administrative leaders at Apricot Health System collaborate. Together, they took unprecedented steps to demonstrate a clear, intentional investment in the organization’s education and research missions.

Just as importantly, the model placed real value on non-clinical faculty time and was designed with a careful eye toward financial impact—moving beyond the limits of survey data to create an approach that truly fits the organization’s culture and strategy.

In Their Words



Ancore was a pleasure to work with during our recent engagement. They were always professional, timely, and listened to our needs and objectives. They worked with us in creating a plan that worked for our institution and were flexible when it came to meeting times and were always available for a call to explore ideas throughout the project.

*VP Finance/Business Analytics,
Apricot Health System**