Ludi

BUYER'S GUIDE

Choosing Physician Compensation Technology in an AI-Enabled World

A practical evaluation guide for health systems, hospitals, and provider organizations considering physician compensation platforms in the age of AI.



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I. Executive Summary



Physician compensation has become one of the most complex, high-risk operational functions in healthcare, and it keeps growing more so. Physicians and advanced practice providers are increasingly paid through a mix of productivity-based pay, shift-based and hourly work, administrative or professional services arrangements, and a growing share of quality and value-based incentives, such as quality scorecards.

Each compensation plan component adds another data input, whether a manual spreadsheet or fragmented system, to an already complex calculation workflow and expands the opportunity for human error, compliance exposure, and administrative burden.

Increasingly, health systems, hospitals, and provider organizations are implementing physician compensation software to centralize and automate the documentation, calculations, approvals, and reporting across their diverse physician and clinician compensation plans. That demand is fueling rapid growth in the category, with a wave of new vendors marketing solutions to this exact pain point.

At the same time, AI adoption is reshaping how vendors sell physician compensation platforms. Nearly every vendor now markets some form of AI capability, and it can be challenging to dissect what is genuine intelligence and what is simply rebranded automation.

This guide helps organizations understand what physician compensation automation is, assess their readiness for it, and define what capabilities actually matter when evaluating vendors. It also covers the pitfalls to avoid during vendor evaluation.

Key Terms:

A few terms come up throughout this guide. If you are already fluent in physician compensation, feel free to skip ahead.

- **wRVU (work Relative Value Unit)** A standardized measure of physician productivity, published annually in the Medicare Physician Fee Schedule and widely used to structure productivity-based compensation.
- **MPFS (Medicare Physician Fee Schedule)** The Centers for Medicare & Medicaid Services (CMS)
- schedule that sets wRVU values and conversion factors each year, which is why wRVU-based
- compensation plans need to account for annual updates.
- **FMV (Fair Market Value)** Compensation that reflects typical market rates for services rendered, without regard to referral volume. FMV benchmarks are commonly established using third-party survey data, such as MGMA and HFMA compensation surveys, and are the reference points regulators and auditors use to evaluate Stark Law and Anti-Kickback compliance.
- **Quality Scorecard** A structured set of clinical quality, patient experience, or operational metrics used to determine a portion of a provider's compensation, often layered on top of productivity or salary-based pay.
- **APP (Advanced Practice Provider)** Nurse practitioners, physician assistants, and other licensed clinicians who are not physicians but are frequently compensated under similar productivity or hourly models.
- **Stark Law and Anti-Kickback Statute** Federal laws that restrict financial relationships between physicians and entities they refer patients to, requiring that compensation arrangements reflect fair market value and commercial reasonableness.
- **HITRUST i1** A healthcare-specific security certification that assesses a broad set of controls against risks relevant to protected health information.

II. What Is Physician Compensation Automation?

Physician compensation automation refers to technology that documents, calculates, governs, and audits every form of compensation for physicians and advanced practice providers, accurately and consistently, in accordance with contractual terms, compensation plans, and regulatory requirements.

This software serves as an operational layer, sitting between provider contracts and downstream payroll or AP systems, replacing spreadsheets, disconnected tools, and paper-based workflows with a single, centralized source of truth.

A true physician compensation automation platform is the system of record for physician compensation. It covers the full lifecycle, from contract execution through calculation, approval, and payment. AI extends those capabilities further, supporting proactive risk management and longer-term planning.

A modern platform supports:

- Productivity-based compensation (wRVUs, collections, tiered schedules)
- Quality and value-based incentives (quality scorecards, pay-for-performance metrics, patient experience measures)
- Shift-based and hourly compensation (locum tenens, per-diem coverage, hourly and shift-differential pay)
- Administrative and professional services (medical directorships, on-call pay, teaching, co-management)
- Mixed-model arrangements (providers paid under two or more of the above at once)
- Complex calculations, caps, and mid-year reconciliations
- Structured approvals and full audit trails
- Enterprise-wide reporting and compensation spend visibility
- Anomaly detection, forecasting, and AI-powered decision support

III. Who Does Physician Compensation Automation Impact?



Physicians and Advanced Practice Providers
Providers gain transparency into how they're paid, visibility into historical compensation, and a simpler way to document their work. Modern platforms give providers personalized, real-time summaries of their compensation trajectory, which cuts down on questions, disputes, and administrative back-and-forth.



Administrative and Compensation Teams
Automation removes manual calculations, spreadsheet dependencies, and the risk of losing critical process knowledge when key people leave. AI adds another layer of oversight, flagging anomalies, surfacing exceptions that need human review, and automating routine documentation so teams can focus on higher-value work.



Finance, Compliance, and Legal
Centralized documentation, audit trails, and contract-aligned calculations reduce compliance risk and strengthen governance. AI-enabled platforms can monitor compensation data around the clock, flagging patterns that might indicate a compliance issue before it grows into a larger one. For CFOs and finance teams, this also means real-time visibility into total physician compensation spend rather than point-in-time estimates from manual reporting.

IV. Why Physician Compensation Automation Matters

At scale, manual compensation processes carry measurable risk. A single provider payment can involve dozens of steps across multiple systems, handoffs, and approvals. Multiply that across hundreds or thousands of providers each month, and small inefficiencies or errors add up quickly.

Manual, spreadsheet-driven processes are especially vulnerable to this kind of error, and the risk compounds when the same spreadsheets are used to calculate compensation, enforce contract limits, or support an audit.

For most health systems, hospitals, and provider organizations, ROI comes from cost avoidance, efficiency gains, and improved governance, not automation for its own sake. AI adds to each of these by enabling earlier intervention, smarter resource allocation, and better-informed leadership decisions.

Organizations that automate their physician compensation processes experience:

- Fewer payment errors and overpayments
- Stronger compliance and audit defensibility
- Administrative time savings
- Increased provider trust and satisfaction
- Clear, enterprise-wide visibility into total physician compensation spend



V. Building Internal Buy-In for Physician Compensation Automation

Recognizing the problem is rarely the hard part. Getting your CFO, physician leadership, and board to agree on the investment, and the disruption of a new system, usually is. The signals below can help you build a case that holds up in that conversation.

Signals to bring to the conversation:

- ☐ You manage multiple physician compensation models or contract types.
- ☐ Calculations are still performed manually or in static spreadsheets.
- ☐ Institutional knowledge lives with one or two people.
- ☐ Providers have questioned or disputed their payments.
- ☐ Responding quickly to an audit request would be difficult today.
- ☐ Leadership lacks real-time visibility into total physician compensation spend.
- ☐ Approvals are handled by email, paper, or informal workflows.
- ☐ Forecasting compensation spend or modeling contract changes is limited.
- ☐ Earlier detection of payment anomalies would meaningfully reduce risk exposure.

Frame the case in the CFO's terms

Lead with the cost avoidance and efficiency numbers before the pain points. Pair that with the three-year cost model discussed in Section VIII, since finance leaders will want the full picture before committing.

Address objections before they're raised

- **Physician leadership** typically asks whether the change will disrupt how providers are paid day to day. Point to the provider-facing transparency and self-service tools described in Section III, which tend to reduce disputes rather than create them.
- **IT** typically asks about integration burden. The platform sits as a layer between existing contracts and your payroll or AP systems, described in Section II, rather than replacing them.
- **Compliance** typically asks for documented proof before signing off. Point to the built-in FMV alerts and audit trail architecture described in Section VI.
- **Finance** typically asks for a payback timeline. Use the ROI benchmark above alongside a three-year cost model, not year-one pricing alone.

Sequence the conversation

Start by quantifying the problem in your own data: hours spent on manual reconciliation, payment disputes over the last year, or time to respond to your last audit request. Bring one ally from finance or compliance on board before approaching physician leadership, and where possible, present to physician leadership and finance together rather than sequentially, so neither group hears the case as having been made behind the other's back.



VI. What to Look for in a Physician Compensation Platform

Not every solution is built to handle the full reality of physician compensation across health systems, hospitals, and provider organizations. A true enterprise-grade platform should deliver depth, flexibility, and governance across the areas below.

Accurate, flexible wRVU and productivity calculation

wRVU-based compensation sounds simple until it isn't. Tiered productivity schedules, threshold bonuses, quality incentive overlays, and reconciling earned versus paid all require a calculation engine that's accurate and configurable.

- Ask specifically how the platform handles MPFS year-over-year changes, how it manages mid-year compensation plan amendments, and whether providers can see their own productivity data in real time.
- Also ask about budgeting and forecasting. Can finance model projected compensation spend based on current productivity trends? Can they run scenarios before finalizing a new compensation plan? These capabilities matter to CFOs and are often an afterthought in vendor demos.

Depth in shift-based, time-based, and administrative arrangements

Some platforms handle wRVU-based productivity well. Fewer handle the full complexity of shift-based and time-based arrangements: hourly and per-diem shifts, locum tenens coverage, on-call pay, medical directorships, teaching appointments, and co-management agreements. These carry some of the highest compliance risk because they require documented proof that hours were logged and services were actually performed. If your organization has meaningful shift-based, on-call, or administrative volume, pressure-test all of it in any demo, not just the wRVU workflow.

Support for mixed-model compensation

Many physicians and advanced practice providers are paid several different ways at once: a base salary, a wRVU productivity bonus, a quality scorecard incentive, a shift differential, and an administrative stipend for a directorship role, for example. The platform you choose needs to handle all of it in one place. Switching between disconnected systems to manage different compensation components is exactly the kind of fragmentation automation is supposed to eliminate.

Built-in compliance (not just claims)

Every vendor says their platform is compliant, but what matters is whether compliance is built into the system or added after the fact. A serious compliance architecture includes automatic FMV threshold alerts before payments are processed, cap enforcement that prevents overpayments at the contract level, and an audit trail documenting not just what was paid, but who approved it, when, and under what contract terms. Healthcare-specific security certification matters here too, not as a checkbox, but as evidence that a vendor's security practices have been independently verified against the standards that actually apply to Protected health information (PHI) exposure.



User experience, for both providers and administrators

For providers: intuitive tools aligned to clinical workflows, clear visibility into historical payments and documentation, and plain-language compensation summaries and projections. Providers who can clearly see where they stand against productivity thresholds and administrative caps are less likely to dispute their compensation.

For administrators: automated calculations with transparent logic, streamlined approvals and exception handling, anomaly flags, and searchable repositories for providers, contracts, and payments. If the administrative experience requires extensive training or workarounds, adoption will stall.

Reporting, analytics, and integration

Standard and configurable reporting across enterprise, market, and provider levels. Trend analysis and forecasting. And, critically, a clean, reliable handoff to payroll or AP systems. A platform that generates accurate calculations but exports them via CSV for manual entry downstream hasn't solved the problem. It has just moved it.

VII. The Role of AI in Physician Compensation Management

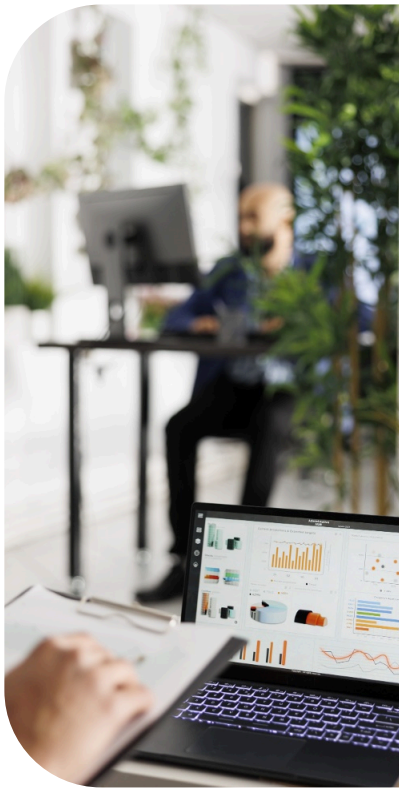
AI is the next meaningful evolution in physician compensation management: a force multiplier for the teams responsible for accuracy, compliance, and strategic decision-making, not a replacement for human judgment. Traditional automation executes defined rules reliably. AI goes further, learning from patterns, catching what rules alone might miss, and surfacing insights that improve outcomes over time.

A note on AI claims

Not all AI features in physician compensation platforms are created equal. Some vendors use the term loosely to describe basic rule-based automation. Others are building genuinely intelligent systems that learn from your data. The sections below, and the vendor questions that follow, are designed to help you tell the difference.

Anomaly detection and payment integrity

One of the most immediate AI applications is identifying irregularities that manual review would likely miss. AI models can continuously scan compensation data to flag payments outside expected ranges, duplicate or near-duplicate submissions, compensation trends inconsistent with contract terms, and outlier productivity patterns that may signal data entry errors or attribution issues. Instead of discovering a problem after a payment has been made, or worse, after an audit, AI-powered anomaly detection lets teams intervene before it becomes one.



Intelligent forecasting and compensation planning

AI-driven forecasting gives finance and compensation teams the ability to model future spend with more confidence by analyzing historical wRVU trends, seasonal productivity patterns, contract escalation schedules, and workforce changes. This is especially valuable during budget cycles, physician recruiting, and contract renegotiations, letting leadership make data-informed decisions instead of relying on point-in-time estimates or manual projections.

Contract intelligence and compliance monitoring

AI can help extract and interpret key terms from provider contracts, cutting the time needed to onboard new arrangements and keeping calculations aligned with current contractual language. Continuous compliance monitoring, rather than periodic reviews, lets AI-enabled platforms track compensation arrangements on an ongoing basis against regulatory benchmarks and FMV thresholds, with real-time alerts when arrangements approach or exceed defined limits.

Natural language interaction and provider self-service

Modern AI interfaces let compensation administrators, finance leaders, and providers interact with compensation data without needing deep system expertise. Natural language query lets users ask questions directly and get accurate, contextual answers without navigating complex reporting menus or filing IT requests. For providers, AI-powered self-service tools can deliver plain-language explanations of how their compensation was calculated and what their projected earnings look like for the rest of the year.

What to evaluate when vendors claim AI

- **Explainability:** Can the system explain why it flagged an anomaly or generated a forecast? Black-box AI is a liability in a regulated environment.
- **Data requirements:** Does the AI need years of clean historical data to function, or can it add value during and shortly after implementation?
- **Human oversight:** Are AI-generated outputs clearly distinguished from system-confirmed data, and do workflows preserve human review before action is taken?
- **Auditability:** Are AI-driven recommendations logged in the audit trail alongside human approvals?
- **Regulatory alignment:** Is the AI designed with healthcare compliance requirements in mind, or is it a general-purpose tool applied to a healthcare context?

AI in physician compensation should augment human expertise, not replace the judgment behind it. The strongest implementations pair intelligent automation with experienced compensation professionals who can validate, contextualize, and act on AI-generated insights.

VIII. Questions to Ask Every Vendor (and Pitfalls to Avoid)

Most health systems, hospitals, and provider organizations evaluate vendors by checking off features. That's a fine starting point, but it misses the more important questions: how does the platform actually perform once it's live, and what does the vendor relationship look like after implementation? The answers matter, and so does how a vendor responds when those answers aren't straightforward.

When evaluating AI capabilities specifically, ask vendors to demonstrate using realistic data, or ideally your own. Written materials rarely capture the true depth or limitations of a system, and AI features in particular are difficult to assess from documentation alone.

1. Show me how you handle a wRVU productivity model, a shift-based or hourly arrangement, and a medical directorship.

Ask for all three in the same demo. For the wRVU model: how does productivity data flow in from the source system, how does the platform apply tiered thresholds, and how does a provider see current attainment in real time? For shift-based or hourly work: how are hours logged and approved, how does the platform apply shift differentials or per-diem rates, and how does it reconcile hours worked against contracted terms? For the medical directorship: how does a physician log time, how is it reviewed and approved, and how does the system enforce the contracted hourly rate and annual cap? Most platforms handle the wRVU workflow without much trouble. Watch how vendors navigate the shift-based and time-based workflows, and whether a provider paid under more than one model gets a single, unified view.

Why it matters: Many physicians and APPs are paid under two or three of these models at once, and shift-based or hourly work is often as large a share of total compensation spend as wRVU productivity. A platform that handles one model well but requires workarounds for the others isn't built for how physicians and clinicians are actually paid.

2. What specific AI capabilities does your platform offer, and what problems do they solve?

Ask vendors to describe a specific AI feature, the problem it solves, and how it works. Push past general answers about machine learning or intelligent automation. Look for anomaly detection, predictive forecasting, continuous compliance monitoring, or natural language reporting. Ask what the model is trained on, how it handles new or sparse data, and how it improves over time. Then ask to see it in a live demo.

Why it matters: AI is one of the most overused terms in enterprise software today. The gap between vendors who have meaningfully integrated AI and those who are rebranding existing automation is significant, and you need to understand which is which before you sign.

3. How does your platform handle Stark Law and Anti-Kickback compliance?

This shouldn't be a vague answer. You want to know whether the system flags arrangements approaching FMV thresholds before payment is processed, whether it enforces caps at the contract level so overpayments can't occur, and whether it maintains documentation of services rendered in a way that would hold up in an audit. "Compliance-friendly" isn't good enough. You want to know exactly how the system prevents violations, not just whether it can generate a report after the fact.

Why it matters: Stark Law violations can carry significant financial penalties and repayment obligations. This is one area where a platform's architecture determines your actual exposure.

4. What does your implementation process look like?

Get specific. How many weeks per phase? Who is your vendor point of contact, by name and role? What documentation do they need from you, and when? What are the most common bottlenecks that affect implementation timelines, and how does the vendor plan to address them? Be skeptical of any vendor who promises a fast implementation without asking detailed questions about your data, systems, or compensation model complexity. Speed isn't the primary goal. Accuracy is.

Why it matters: A failed or prolonged implementation is expensive and erodes internal trust. How a vendor approaches implementation tells you a lot about how they'll behave as a long-term partner.

5. How is implementation resourced?

Ask this directly. Many physician compensation vendors rely on third-party consulting firms to run implementation, and those firms are typically paid by the hour or by project phase, which creates a financial incentive to keep implementation running longer rather than getting your team live quickly. A vendor whose own employees own implementation end to end has a different incentive structure, since their business depends on your organization succeeding and renewing, not on billable hours. Ask any vendor specifically who staffs implementation, whether that team is employed directly by the vendor or subcontracted, what the phase-by-phase timeline and staffing plan look like, and how bottlenecks get resolved if the project runs long. Also ask how the vendor works with outside compensation consultants if your organization already has one, since a strong vendor should be able to collaborate with your existing advisors rather than requiring you to hire one, or making implementation contingent on one.

Why it matters: A prolonged implementation isn't just an inconvenience. Every month spent transitioning from manual processes or a legacy system is a month without the compliance safeguards, audit trail, and time savings the new platform is meant to deliver. An outsourced implementation team has no direct financial stake in closing that gap quickly. Understanding who owns implementation, and what incentives are shaping their proposed timeline, helps you judge whether a schedule reflects genuine complexity or a business model built around billable hours.

6. Who owns the relationship after go-live?

Implementation and account management teams are often different people. Once the software is live, who's your primary contact, how often will you meet, and what does ongoing support look like: quarterly check-ins, or a reactive ticket queue? Ask to speak with a client who's been on the platform for more than two years and ask them the same questions.

Why it matters: Many vendors are attentive during the sales process and harder to reach afterward. The post-go-live relationship is where these partnerships succeed or fail.

7. What security certification do you hold, and can I see the report?

HITRUST i1 is the benchmark that matters most for healthcare data. It's healthcare-specific, evaluates security controls directly against PHI exposure, and has become the baseline requirement in an increasing number of hospital system vendor risk programs, not simply a preferred credential. Ask which certifications a vendor holds, whether they're current, and ask to see the actual report, not just a badge on their website. A vendor who can't produce documentation is a red flag.

Why it matters: Physician compensation data touches employment records, financial data, and sometimes clinical activity. You need documented evidence it's protected, and you need to know which standard actually applies to healthcare data, not just a general security badge.

8. Can I speak with a current client at a similar health system, hospital, or provider organization?

Not a name from a case study. An actual reference call with a peer who will give you an unfiltered view of what the implementation was like, what support looks like day to day, and what they'd do differently. If a vendor hedges on this, citing NDAs or promising to "find someone" but never following through, that's worth noting.

Why it matters: References are the most reliable signal when every vendor shows up with a polished pitch. A vendor confident in their client relationships makes this easy to arrange.

9. What happens when something goes wrong?

Not if. When. Ask how the support model works. Is there a dedicated account team, or a general support queue? What's the service-line agreement (SLA) for a payment processing issue? Who do you call at 4 p.m. on a Friday when something breaks? Ask this early and watch how quickly they have a clear answer.

Why it matters: Physician compensation runs on a payment cycle, and errors have real deadlines. You need to know your escalation path before you're in a situation where you need it.

10. How configurable is the platform, and who does the configuring?

There's a meaningful difference between a platform where your admin team can change compensation models without involving the vendor, and one where every change requires a support ticket and a wait. Ask specifically: if you add a new compensation model next year, what does that process look like, who touches it, and how long does it take?

Why it matters: Compensation models evolve as health systems, hospitals, and provider organizations add service lines, renegotiate contracts, and shift toward value-based models. A platform that requires vendor involvement for every configuration change creates a bottleneck that compounds over time.

11. What does your pricing look like over three years, including everything?

An initial quote rarely tells the whole story. Ask for a detailed three-year cost model, not just year-one pricing. Understand what triggers additional fees: new compensation models, integration additions, provider count growth, or added modules. Ask whether AI features are included or priced separately, and ask about implementation costs, training, and what ongoing support is bundled versus billed.

Why it matters: Total cost of ownership is rarely visible in a first conversation, and surprises in year two or three are a common complaint in this market. They're almost always avoidable by asking the right questions upfront.

12. What does your product roadmap look like over the next 12 months?

You're not just buying what the platform does today. You're buying into a development trajectory. Ask what's coming, what's been deprioritized, and how customer feedback shapes the roadmap. A vague answer, or a roadmap that hasn't changed in two years, is a signal. Pay particular attention to how a vendor is investing in AI.

Why it matters: The regulatory environment around physician compensation keeps evolving through MPFS updates, value-based care expansion, and changing FMV benchmarks. You want a vendor actively investing to keep pace.

Evaluation Pitfalls to Avoid

Don't let the demo drive the decision
Demos are controlled environments, and every vendor looks good in one. The questions in this guide are designed to surface what happens outside of a demo. Prioritize live demonstrations using realistic scenarios and real-world contract configurations over RFP responses alone.

Don't evaluate on a single compensation model
Most vendors demo wRVU-based productivity fluently; that's the easy one. If your health system, hospital, or provider organization also has significant shift-based, administrative, or on-call volume, or a large population of mixed-model physicians, test those workflows explicitly. The gap between what a platform can do and what it does well is often widest in shift-based and time-based arrangements.

Watch for bolt-on time-based support
Many platforms in this market were built for wRVU productivity first, with administrative, on-call, and shift-based pay added later. If a vendor's time-based or shift-based workflow requires a separate module, a spreadsheet export, or a manual workaround to reconcile with the wRVU side, that points to the underlying architecture, not a minor gap you can train around.

Don't underestimate change management
The platform is only part of the implementation. Getting your compensation team, finance team, and providers to actually use it correctly is a separate challenge. Ask vendors how they support that transition: what training, documentation, and adoption support are included in the contract.

Be cautious of vendors who compete on speed alone
A fast implementation that cuts corners on configuration accuracy or data migration will cost more to fix than doing it right the first time would have. Be especially skeptical of AI implementation timelines that sound too good to be true. AI systems that learn from your data need time and clean inputs to deliver value.

IX. Setting Expectations for a Successful Implementation

Physician compensation automation is powerful, but it isn't simple. Successful implementations account for data quality and contract standardization upfront, clean integration with existing HR, EMR, and finance systems, meaningful change management and training for all user groups, and, for AI-enabled platforms, model readiness and ongoing performance monitoring.



Be cautious of solutions that promise unrealistically fast deployments, or that position AI as a fully autonomous replacement for experienced compensation professionals.

Get these fundamentals right, and the payoff compounds: fewer payment errors, stronger audit defensibility, meaningful administrative time savings, and, for AI-enabled platforms, earlier detection of risk and better-informed planning. Long-term success depends on accuracy, scalability, and governance, not speed or novelty alone, and the strongest implementations are the ones where intelligent automation and human expertise work together.

X. Frequently Asked Questions

What is physician compensation automation?
Physician compensation automation is technology that documents, calculates, governs, and audits every form of compensation for physicians and advanced practice providers, accurately and consistently, in accordance with contracts, compensation plans, and regulatory requirements. It replaces spreadsheets and manual workflows with a single system of record covering the full lifecycle from contract execution through calculation, approval, and payment.

Why does HITRUST i1 certification matter for physician compensation software?
HITRUST i1 is a healthcare-specific security certification that evaluates controls directly against PHI exposure. For vendors handling physician compensation, employment, and clinical data, it has become the baseline requirement in an increasing number of hospital system vendor risk programs, not simply a preferred credential. Ask any vendor which certifications they hold, and ask to see the actual report, not just a badge.

What compensation models should a physician compensation platform support?
A modern platform should support wRVU-based productivity with tiered schedules, quality and value-based incentives such as quality scorecards, shift-based and hourly pay including locum tenens, per diem, and on-call, administrative and professional services arrangements such as medical directorships and co-management, and mixed-model providers paid under more than one of these at once, all within a single system.

How does AI improve physician compensation management?
AI adds anomaly detection that flags irregular payments before they are issued, forecasting that models future compensation spend from historical trends, contract intelligence that extracts key terms and monitors compliance continuously, and natural language tools that let providers and staff get plain-language answers about compensation without navigating complex reports.

What questions should we ask vendors about their AI claims?
Ask vendors to explain why the system flagged a specific anomaly or generated a forecast, whether the AI needs years of clean historical data to add value, whether AI outputs are clearly distinguished from human-confirmed data, whether AI-driven recommendations are logged in the audit trail, and whether the AI was designed specifically for healthcare compliance requirements.

How long does it take to implement a physician compensation platform?
Implementation timelines depend on the complexity of compensation models and the quality of existing data, and organizations should be cautious of any vendor promising a fast implementation without first asking detailed questions about current systems and contracts. Speed is not the primary goal; accuracy is, since a rushed or failed implementation is more costly to fix than a thorough one is to do right.

What are the most common physician compensation vendor evaluation mistakes?
The most common mistakes are letting a polished demo drive the decision instead of testing with real data, evaluating only the wRVU productivity workflow while ignoring shift-based and administrative arrangements, underestimating the change management needed for adoption, and choosing a vendor based on implementation speed rather than accuracy.

How is pricing typically structured for physician compensation software?
Pricing is typically structured around the number of providers supported, the compensation models included, and whether AI capabilities are bundled or offered as an add-on. Ask for a three-year cost model that accounts for provider count growth and additional compensation models, rather than relying on year-one pricing alone.

Should we choose an all-in-one platform or separate point solutions for different compensation types?
Most organizations are better served by a single platform that handles wRVU, shift-based, and administrative compensation together. A unified system avoids the reconciliation work and reporting gaps that come from stitching together multiple point solutions.

XI. Vendor Comparison Scorecard

The questions in Section VIII will generate a lot of information. Use the scorecard below to compare finalists side by side once demos are complete. Rate each vendor from 1 to 5 in each category, assign a weight based on what matters most to your organization, and total the results to support your decision.

Evaluation Category	Weight (1-5)	Vendor A	Vendor B	Vendor C
wRVU and productivity calculation				
Shift-based, hourly, and administrative depth				
Mixed-model support				
Compliance architecture and security certification				
AI capability and explainability				
Provider and administrator experience				
Reporting, analytics, and integration				
Implementation approach and timeline				
Ongoing support and account management				
Total cost of ownership (three-year)				

A blank scorecard works well for an internal calibration exercise. Have each stakeholder score independently before comparing notes, since a shared conversation before scoring tends to collapse toward whoever speaks first.

XII. Planning Your Evaluation Process

A good evaluation has a defined process behind it. The framework below can help you structure the work internally.

Assemble the right stakeholders

Include representatives from compensation or medical staff services, finance, compliance, IT, and physician leadership from the start. Waiting to loop in compliance or IT until late in the process is one of the most common causes of a stalled implementation.

Set a realistic timeline

Most organizations move through initial vendor research, a shortlist of two to four finalists, live demos, reference calls, and contract negotiation over three to six months. Building in time for reference calls and a detailed pricing review, rather than compressing them at the end, tends to produce a better outcome.

Structure your RFP around outcomes, not features

Ask vendors to walk through specific scenarios, such as the wRVU, shift-based, and medical directorship example in Section VIII, rather than checking boxes on a feature list. Vendors will tell you what they can do. A scenario-based RFP shows you how.

Negotiate with the full contract term in mind

Before signing, confirm what happens if you need to add a new compensation model, how pricing changes as your provider count grows, what the data export process looks like if you ever need it, and what service-level commitments apply to payment processing issues. These terms are easier to negotiate before signing than after.

About Ludi

Our platform integrates financial, performance, and quality data to automate and optimize the full physician compensation lifecycle, including wRVU productivity, shift-based and hourly pay, and administrative arrangements, for physicians and clinicians alike. It reduces compliance risk, improves efficiency, and lifts provider satisfaction across a network of 50,000+ physicians and clinicians, with clients seeing an average 5x first-year ROI.

Ready to see Ludi in action?
Schedule a conversation with our team.

Start the conversation →

ludiinc.com

This guide was prepared by Ludi based on 14 years of experience working with health systems, hospitals, and provider organizations on physician compensation. It's intended as an educational resource for these organizations as they evaluate automation solutions.

