

April 21, 2017

**RE: Letter of Concern**

CC: Health Committee, Rex Jordan, Joe Byrd, David Walkingstick, Don Garvin, David Thornton, Sr., Bryan Warner, Frankie Hargis, Shawn Crittenden, Curtis G. Snell, Harley Buzard, Victoria Vazquez, Dick Lay, Buel Anglen, Keith Austin, Janees Taylor, Wanda Hatfield, Jack D. Baker, Chuck Hoskin, Jr.  
Principal Chief Bill John Baker

Dear Health Administration,

This memorandum constitutes a formal letter of concern from the Cherokee Nation Health System Provider Compensation Committee. The Committee is made up of Physicians, Podiatrists, Nurse Practitioners, and Physician Assistants (collectively referred to as Providers) – we are all proud tribal citizens who work full-time for Cherokee Nation Health System (CNHS). The committee members were appointed last year by CNHS Administration to serve on this committee. In the midst of this committee's work, a new chairman had to be appointed due to the previously appointed chairman's resignation from CNHS to take employment outside CNHS.

The purpose of this letter is to find a resolution regarding acceptable Provider compensation. We, as a unified body, would like to bring our concerns to your attention. It has been over 4 years since CNHS Providers have had a compensation adjustment. At the time of that adjustment, it had been over 4 years since the previous adjustment. Thus, CNHS Provider salaries have only been adjusted once in over 8 years. This has resulted in a significant discrepancy between CNHS Provider compensation and the compensation offered in other Health Systems. The national average increase in annual compensation for physicians over the past 7 years has been 6% per year.

Some pertinent information:

Medscape tracking indicates that U.S. Physicians' salaries have steadily increased over the past 7 years.

Medscape Family Physician Compensation Report 2016/2017 (over 19,000 physicians surveyed) confirms that Family Physician's average base salaries are nationally up to 207,000; this is a 6% increase from last year.

The average base salary for Family Physicians for the South Central region (Oklahoma, Texas, Arkansas) is 218,000 - a full \$48,000 more than Cherokee Nation's current base salary for Board Certified Family Physicians. This region is our main geographic area for recruitment. We **must** be competitive in the region to recruit top quality Physicians to work in our health system.

MerittHawkins.com - "Strong demand for both primary care and specialist Physicians is pushing up average Physician starting salaries." Starting salaries for 18 of the 20 specialties

tracked in the 2016 Review increased *year-over-year*, including a **13% increase for family medicine**, which is Merritt Hawkins' number one search category.

Demand for Physicians is not confined to traditionally underserved rural areas. Merritt Hawkins worked in all 50 states in 2015/16, and 51% of the firm's search assignments took place in communities of 100,000 people or more. This indicates that CNHS must compete with metropolitan health systems to recruit and retain top quality Providers.

The average starting salary offered was 225,000 for Family Physicians, this is up from 198,000 only one year ago.

**Nationally:**

Cherokee Nation currently compensates Board Certified Family Physicians at **less than the 25th %tile**

Cherokee Nation compensates Board Certified clinical Pediatricians at **less than the 25th %tile**

Cherokee Nation compensates Board Certified Infectious Disease Physicians with Internal Medicine training at **less than the 25th %tile**

Cherokee Nation compensates Board Certified Internal Medicine Hospitalists at **less than the 25th %tile**

Cherokee Nation compensates Podiatrists who perform foot and ankle surgery at **less than the 25th %tile**

Cherokee Nation compensates General Surgeons at **less than the 25th %tile**

Cherokee Nation compensates Physician Assistants **at the 25th %tile**

Cherokee Nation compensates Family Medicine Nurse Practitioners **at the 25th %tile**

As you see from these recent statistics, the compensation discordance between the national average and the regional average and what Cherokee Nation offers is staggering. The few of us who do choose to stay do so because we are committed to the future of the Cherokee Nation Health System and to the health of our patients who utilize CNHS. Many of us grew up utilizing Cherokee Nation for our own primary health care. Too many times lately, we have witnessed our colleagues turn in their letters of resignation after accepting jobs elsewhere for better compensation, even with other tribes or IHS. Meanwhile, those of us who decide to stay behind experience the undue burden of taking on the additional work-load for those many empty positions. Often, we sacrifice our personal lives to keep up with the unyielding need within our communities.

The average time to fill a Physician position within an outpatient clinic is easily over a year (recruitment difficulty). Our Providers commonly stay with CNHS less than 5 years (retention problem). Currently, there are 18 full-time Provider vacancies just in our outpatient clinics, 11 of those being Physician positions. Medical Directors are covering multiple clinics due to this shortage. **Have you recently lost Providers in the clinic(s) in your district? Do the clinic(s) in your district have Provider vacancies that have gone unfilled for long periods of time?**

We have patiently waited for over four years for any kind of adjustment to our base salaries despite being assured by CNHS Administration that compensation would be reviewed every 2 years. Unfortunately, the Cherokee Nation Health System Provider Compensation Committee's collaboration with Administration regarding compensation adjustment failed.

Recently, we were notified that there would be no increase to our base salaries and no compensation package adjustment whatsoever; regardless of how far below market average we currently are, regardless of how long we have waited, regardless of how much we have sacrificed to hold on a little longer without being fully staffed. Now, even the most steadfast of our providers have begun to look outside of Cherokee Nation for jobs.

We understand the financial stressors, but consider this; we currently pay temporary locum Physicians \$120-180 per hour to work in our clinics to cover unfilled Provider positions, to provide necessary health care to CNHS patients. While the average pay for a permanent physician is \$85 per hour - that's over \$6,000 per week for a Physician who will likely not stay over 90 days with Cherokee Nation. Recruitment and retention of permanent Providers results in improved continuity of care for our tribal patients, as well as less unnecessary duplicate work-up costs (i.e. labs, medications, radiology, contract health referrals, etc.) Many times, these locums do not possess Oklahoma licenses, so we are unable to bill insurance companies that require this licensure, hence losing even more money. As well, one of our permanent Board Certified Oklahoma Physicians must review and sign behind the locum Physician orders for specific services, which causes wasted time and even more work for our ever-dwindling supply of permanent Physicians.

We need our base salaries adjusted equal to, or above market averages in order to recruit and retain top quality Providers to care for our tribal people. If we continue to compensate our permanent Providers below market average, we will only be able to recruit and retain *under average Providers*. **Are you content with average or below average Physicians, Physician Assistants, and Nurse Practitioners caring for you, your family, and your constituents???**

In the face of the Joint Venture, our tribe will certainly require more health Providers than ever to supply an overwhelming demand for medical care. If we are unable to recruit new Providers and, more importantly, retain the ones we already have, this feat will be simply impossible. The health Providers of Cherokee Nation are respectfully requesting a call to action for compensation adjustment in the form of base salary increases for CNHS Providers as we remain committed to caring for the future of our Nation.

We are the appointed spokespersons for all of the Providers in CNHS. We respectfully ask to hear back from you in a timely manner. If salary increases to the level requested are not

feasible at this time, we ask to personally meet with members of the Health Committee to discuss other possible compensation adjustment options that *might* help with retention and allay further flight of Providers from CNHS.

We urge you. Please hear our voice, as more often than not, we feel that our voices have fallen on deaf ears. On the behalf of CNHS Providers, we look forward to the opportunity to work with you in order to ensure a timely resolution. We sincerely thank each and every one of you for your time and attention to this matter.

Respectfully,

Cherokee Nation Provider Compensation Committee and the Health Providers of Cherokee Nation

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