Money can speak volumes when it comes to getting a candidate’s attention, and a signing bonus—cash payment for accepting a job offer—certainly fits that bill. It’s no wonder that signing bonuses have become a common tactic in talent recruitment, especially in health care.

While signing bonuses might be able to provide some immediate recruitment power, their impact can fade quickly after acceptance. What’s more, these bonuses can have a negative impact on current, loyal employees.

Private practices that may be struggling with a lack of resources and looking for another way to boost their recruitment and retention programs should consider their benefit offerings.

Health benefits in demand

New physicians and other trained medical staff realize that employee benefits matter, especially health benefits. While employers often provide traditional medical insurance, those plans tend to be similar and have coverage gaps, which will translate into personal out-of-pocket expenses.

“Employees find a lot of value in health benefits,” said Charlotta Winslow-Jenkins, chief marketing and product officer at ArmadaCare, a supplemental health insurance program provider whose products (PDF) are available through AMA Insurance Agency Inc., an AMA subsidiary. “That’s why health benefits continue to rank as an important if not the most important benefit that candidates seek in a new role.”

“Prospective employees want to feel valued and taken care of. Plus, they are looking for benefits that contribute to the health and well-being of their families,” noted Brad Hamsher, national sales manager at ArmadaCare.
Set apart your private practice

In addition to being in demand by candidates, health benefits can be an important differentiator for employers, especially private physician practices.

“With competition for talent so fierce, small to medium-sized physician practices need to look for unique ways to make themselves attractive to prospects,” Hamsher said. “Supplemental health insurance benefits can help to offset gaps in traditional major medical insurance, giving private physician practices a significant edge in attracting new talent.”

“Typical coverage gaps include deductibles and coinsurance charges, vision and dental charges and nontraditional medical procedures,” Winslow-Jenkins said, noting that supplemental benefit plans can cover these along with massage, adult orthodontia, in vitro fertilization and more. “Another important aspect is that employers decide who to enroll in these supplemental health insurance plans so they can control the budget.”

Learn how new group benefits help practices recruit and retain talented staff.

The value of tax-efficient compensation

While these supplemental benefits aren’t compensation, they offer tax-efficiency that provides powerful compensation value. That enables physician practices to offer more (in the form of non-taxable supplemental benefits) while investing less than a comparable pay increase. Of course, each person’s and each company’s federal or state tax situation is unique and you should seek the independent counsel of a professional tax adviser.

“That’s another advantage over the sign-on bonus,” Hamsher said. “Bonuses are taxable, further limiting their value to the employee and costing the employer more.”

Supplemental health insurance

The supplemental insurance program, marketed by AMA Insurance, is one way to add value to a job offer and land top staff, according to Hamsher and Winslow-Jenkins. The AMA Insurance Supplemental Health Insurance program is managed by ArmadaCare in Hunt Valley, Maryland. ArmadaCare’s supplemental health insurance policies are underwritten by Sirius America Insurance Co.
“We are committed to bringing innovative, tax-efficient insurance solutions to physicians” said Mike Hegwood, director of brokerage marketing at AMA Insurance. “We believe these products can help private practices compete for talent in today’s ultracompetitive market.”

ArmadaCare offers a broad range of supplemental health insurance plans designed to provide flexibility in recruitment and retention, the executives said. The programs complement primary health plan coverages and have various coverage and price points to supplement standard health plans.

ArmadaCare’s premier plan, Ultimate Health, covers deductible and coinsurance gaps, reducing out-of-pocket costs for key employees and providing wellness programs that can offset growing categories of health concerns. The company also manages other plans that target financial gaps created by popular high-deductible health plans and provide support such as counseling and coaching often not covered by traditional health plans.

It takes astute clinical judgment as well as a commitment to collaboration and solving challenging problems to succeed in independent settings that are often fluid, and the AMA offers the resources and support physicians need to both start and sustain success in private practice.

Find out why your private practice needs an elevator pitch to aid recruiting.