

CPCV Credential Knowledge Modules Overview

1. Principles and Purposes for the Knowledge Modules

The following principles and purposes guided the development of course content for the CPCV credential knowledge modules.

- A. The primary goal of the learning curriculum is to train participants *how* to think about and approach questions of value in service arrangements from the perspective of the valuation body of knowledge.
- B. This primary goal is achieved by:
 - a. Educating participants in the fundamental theory and practice of valuation
 - b. Focusing on concepts, principles, and practices
 - c. Promoting sound principles of research, data analysis, statistics, finance, economics, evidence accumulation, and valuation theory
 - d. Developing critical thinking skills for use in valuation analysis
- C. The fundamental skills acquired through training include:
 - a. Understanding of valuation theory and standard practices
 - i. To recognize the uniform process applied by all valuation disciplines
 - ii. To identify the key elements of the valuation scope of work
 - iii. To understand key valuation concepts, terms, principles, and practices
 - b. Analysis of services and compensation terms
 - i. To identify and break down service arrangements and compensation structures/terms into their constituent parts and core elements
 - ii. To analyze the key economics of core service elements and compensation structures
 - iii. To analyze the relationship in a subject arrangement between the services provided and the compensation structure/terms
 - c. Market and circumstantial analysis
 - i. To evaluate the subject arrangement in terms of market conditions and the economic reality of the facts and circumstances

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- ii. To research and accumulate adequate data and information on market conditions relative to the subject arrangement
 - iii. To identify key operational and circumstantial factors that affect the supply and demand and economics of the subject arrangement
 - d. Use of industry data sources
 - i. To know the range, types, and sources of industry data for use in valuation
 - ii. To assess the quality, quantity, and relevance of data sources for a valuation assignment
 - iii. To apply principles of data analytics, statistics, and research in the use of data
 - e. Consideration of the approaches to value
 - i. To understand the analytical framework of each approach to value in the context of compensation valuation
 - ii. To identify contexts and circumstances when the use of an approach yields a credible and meaningful result
 - iii. To evaluate the relative strengths and weaknesses of an approach to value in valuing a subject arrangement
 - f. Application and assessment of valuation methods
 - i. To recognize sources of valuation methods
 - ii. To identify the data inputs and assumptions required to apply the method
 - iii. To describe and explain how a valuation method relates to the economics of the subject arrangement
 - iv. To understand how a valuation method implements the concepts and principles of an approach to value
 - v. To evaluate the relative strengths and weaknesses of a method, including the impact of data inputs and assumptions used
 - g. Development of an opinion of value
 - i. To prepare a reconciliation of the value indications from the methods applied
 - ii. To evaluate the relative strengths and weaknesses of each value indication
 - iii. To conclude the valuation analysis with an opinion of value that is credible

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- iv. To adapt the opinion of value to the compensation structure and terms of the subject arrangement
- h. Communicating the opinion of value
 - i. To identify the information and analysis to be presented and discussed in the valuation report
 - ii. To organize the valuation report in a meaningful structure
 - iii. To develop reports that explain and describe the work completed and that support and defend the opinion of value at an appropriate level of detail
- i. Work file documentation
 - i. To understand the purpose of workpapers and work file documentation
 - ii. To identify key types and areas for work file documentation
 - iii. To develop sound habits of documentation
- D. The content for an individual course educates participants in skills that are relevant to the subject matter of the course.

2. Learning Objectives for Each Module

A. Module 1: Foundation in Valuation

The purpose of Module 1 is to educate candidates in core matters of valuation theory and practice. Module 1 introduces the valuation profession and the valuation body of knowledge as it is understood and practiced internationally and across the primary disciplines of real estate, equipment, and business valuation. The module focuses on foundational elements of valuation theory and practice that are accepted on an interdisciplinary and worldwide basis. These foundational elements are applied to the valuation of services in the healthcare industry in the discipline commonly known as "compensation valuation." A history of compensation valuation as applied to the services of physicians and nonphysician providers is also surveyed to provide candidates with context for the current state of the industry.

B. Module 2: Foundation in Valuation for Regulatory Compliance

The purpose of Module 2 is to inform candidates in key areas of regulatory compliance that impact the valuation of provider services. The first course in this module provides an overview of the regulatory environment and clarifies the role of the valuator in the compliance process. The remaining courses in the module provide an in-depth discussion of fair market value ("FMV") as defined in the federal physician self-referral law commonly referred to as the "Stark" law. Stark FMV is the focus of Module 2 due to its universal applicability in compensation valuation for provider services and the need for credential holders to be subject matter experts in this regulatory definition of value.

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C. Module 3: Foundation in Provider Economics

The purpose of Module 3 is to ensure that credential holders have an adequate level of understanding of the economics of provider services. This understanding is a necessary precursor to valuing provider services. The module surveys the various types of services that providers (physicians and advanced practice providers) perform in the healthcare industry and studies the economics involved in these services. The economic factors discussed include provider specialty, operating environment, reimbursement, and resource costs.

D. Module 4: Foundation in Information Usage for Valuation

Module 4 introduces credential candidates to the key sources of information that are used in valuing provider services. The introductory courses provide an overview of various information sources that are relevant for both general industry trends and specific uses. Two courses focus on core information related to the reimbursement system for provider services. Use of common information sources, such as physician compensation surveys, is also addressed, along with a course devoted to appropriate statistical use of data. The final course in this module equips candidates to read and understand provider agreements for valuation purposes.

E. Module 5: Foundation in Compensation Valuation Methodology and Processes

Module 5 is a deeper dive into the standardized valuation process with a focus on key and unique issues in provider compensation valuation. The courses in this module build on knowledge content from the prior four modules and introduce requirements of the CPCV professional standards. Areas for critical judgment on the part of the valuator are highlighted throughout the courses, along with practical considerations for each in step in the process.

F. Module 6: Application for Valuing Provider Service Arrangements

Module 6 applies the content from the prior five modules to the valuation of specific types of provider services including patient care services, unrestricted and restricted call coverage, hospital-based coverage arrangements, and administrative services. The courses discuss the steps in the standardized valuation process for each type of service, highlighting key areas for the valuator to consider and exercise professional judgment to produce credible valuation results.