

Provider Compensation Models, Explained

A quick guide for chiropractic and wellness business owners choosing how to pay associate providers.

SALARY-BASED

Providers receive a fixed, predictable paycheck regardless of patient volume or production.

Pros:

Predictable payroll costs. Easier to budget and forecast. Reduces incentive for providers to over-treat.

Watch out for:

Doesn't reward high performers. Can feel unfair to your busiest providers. Margin risk if volume is low.

PRODUCTION-BASED (PERCENTAGE)

Providers earn a percentage of the revenue they personally generate — common ranges run 25–45% depending on role and overhead.

Pros:

Pay scales naturally with performance. Rewards your busiest, most productive providers. Aligns provider incentive with clinic revenue.

Watch out for:

Payroll costs become unpredictable. Can encourage over-treatment if not monitored. Slow months hit providers hard, which can hurt retention.

HYBRID (BASE + PRODUCTION)

A lower base salary combined with a production bonus once the provider exceeds a set threshold.

Pros:

Balances predictability with performance incentive. Easier to recruit with a guaranteed base. Rewards growth without full production-pay risk.

Watch out for:

More complex to administer and explain. Requires clear, well-documented thresholds to avoid disputes.

HOW TO CHOOSE

There's no universally “best” model — the right choice depends on your clinic's stage of growth, how consistent your patient volume is, and how much predictability you need in payroll. Newer or lower-volume providers often do better with a salary or hybrid model; established, high-producing providers often prefer production-based pay. What matters most is that whatever you choose is documented clearly, calculated consistently, and revisited at least once a year as your business changes.

Want help modeling what a compensation change would actually do to your margins before you roll it out? Book a free strategy call at calendly.com/hello-elevatedcfoadvisory/60min — no pressure, just clarity on what's working, what's not, and

what to fix.