THE PHYSICIAN RECRUITING MAKEOVER:
HOW TO MAKE YOUR CENTER A DOCTOR MAGNET
THERE'S BAD NEWS
FIRST, THE BAD NEWS

THE PHYSICIAN SHORTAGE IS LIKELY TO GET WORSE BEFORE IT GETS BETTER
50 million more people from 2000 to 2020

(we will be adding the population of England)
150,000,000 Additional Physician Visits Per Year
By 2020 Based On Population Growth Alone
(3.0 visit per/pop X 50 million population growth)

Does not factor in age demographic
75 MILLION BABY BOOMERS BEGAN TURNING 65 IN 2011
PATIENT VISITS BY AGE

Physician Visits By Age

0-15 yrs. 1.5
16-24 yrs. 2.0
23-35 yrs. 2.2
35-45 yrs. 3.4
46-65 yrs. 5.4
66+ yrs. 6.0

Source: National Ambulatory Medical Care Survey; www.cdc.gov
By 2030, the entire country will be as old, on average, as Florida is now.

Source: U.S. Census Bureau
PHYSICIAN SUPPLY HAS BEEN STATIC FOR ABOUT 20 YEARS
24,000 – 25,000 new doctors per year
MEDICAL STUDENTS ARE TAKING THE ROAD TO SUCCESS

Radiology
Ophthalmology
Anesthesiology
Dermatology
The Physicians Foundation reports physicians are working 6% fewer hours versus four years ago...

A loss of 44,000 FTEs

Source: The Physicians Foundation/ Merritt Hawkins 2012 Survey of America’s Physicians
HEALTH REFORM IS UPON US

THE GOAL:

EXPAND ACCESS TO 32 MILLION PEOPLE
32 million newly insured patients \( \times \) 2 additional patients visits per year 

\[ = 64 \text{ million patient visits} \]

divided by 

4,000 

\[ = 16,000 \text{ additional primary care doctors} \]

Source: The Lewin Group
WE HAVE SEEN THIS MOVIE BEFORE
98% of residents covered

RESULT:

Doctor Shortage Looms in Massachusetts

Newly Insured Can’t Find Primary Care Physicians

In Massachusetts, Universal Coverage Strains Care

** New York Times, April 4, 2008
40% of family physicians in Massachusetts no longer accept new patients, up from 30% in 2007.

Almost 60% of general internists have stopped taking new patients, up from 49% in 2007.

Yet Massachusetts has 108 primary care physicians per 100,000 population, third highest in the country (the national rate is 79 per 100,000 pop.)

Source: Massachusetts Medical Society
The Coming Gap Between Physician Supply & Demand (2020)

**Supply**
0.9 Million

**Demand**
1.1 Million
Doctor Deficits

Primary care ........ 46,000 (37% deficit)
Surgery ................. 41,000 (33% deficit)
Other patient care ... 29,000 (23% deficit)
Medical specialties .... 8,000 (7% deficit)

Source: Association of American Medical Colleges/Modern Healthcare/December 1, 2008
NOW, THE GOOD NEWS

CHCs ARE IN THE SPOTLIGHT

- $2 billion from the recovery act
- $11.5 billion from Health Reform
- Teaching Health Centers (THCs) to train physicians
- $1.5 billion for National Health Services Corp
- 10% bump in Medicare fees for primary care and general surgeons working in HPSAs
A NEW MANDATE, A NEW CHALLENGE

- From 20 million patients per year to 40 million
- 1,750 current physician openings
- Number of centers / delivery sites to increase
• Physicians are seeking alternatives to traditional practice

• Part-time, employment, locum tenens, independent

• One size does not fit all
<table>
<thead>
<tr>
<th>Plan</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Continue as I am</td>
<td>48.8%</td>
</tr>
<tr>
<td>Cut back on hours</td>
<td>22.0%</td>
</tr>
<tr>
<td>Retire</td>
<td>13.4%</td>
</tr>
<tr>
<td>Switch to concierge practice</td>
<td>6.8%</td>
</tr>
<tr>
<td>Relocate</td>
<td>10.9%</td>
</tr>
<tr>
<td>Cut back on patients seen</td>
<td>9.6%</td>
</tr>
<tr>
<td>Seek a non-clinical job in healthcare</td>
<td>9.9%</td>
</tr>
<tr>
<td>Seek employment within a hospital</td>
<td>5.6%</td>
</tr>
<tr>
<td>Work part-time</td>
<td>6.5%</td>
</tr>
<tr>
<td>Work locum tenens</td>
<td>6.4%</td>
</tr>
<tr>
<td>Seek a non-clinical job</td>
<td>6.4%</td>
</tr>
<tr>
<td>Close my practice to new patients</td>
<td>4.0%</td>
</tr>
</tbody>
</table>
THE RIGHT MODEL AT THE RIGHT TIME?

Source: The Physicians Foundation/ Merritt Hawkins 2012 Survey of America’s Physicians
UNITED HEALTH CENTERS OF SAN JOAQUIN VALLEY

- 7 sites, 25 doctors, 5 PAs, 2 NPs
- Salary with production bonus, full benefits
- 23 appointments, $17,000 bonus
- 25 appointments, $29,000 bonus
- $200,000 income achievable
- Pay for call (not obligatory) and hospital duties
- Retention bonus
- Loan forgiveness through NHSC
CASE HISTORY: UNITED HEALTH CENTERS OF SAN JOAQUIN VALLEY

✓ No overhead, staffing worries
✓ 7 weeks of leave, 9 paid holidays
✓ 40 hours, no fixed schedule, tailored practice
✓ 10 doctors work part-time
✓ Can teach medical students
THE CHC “BRAND”

- Service Driven
- Intellectually Stimulating
- Minimal Administration
- Loan Forgiveness
- Fair Compensation
- Quality of Life
- Secure Patient Base / No Practice Marketing

A “medical mission” without the need for a passport
BECOMING A DOCTOR MAGNET: A SOUND MODEL IS A GOOD BEGINNING

JUST AS IMPORTANT: A SENSE OF URGENCY

Hospitals, medical groups, other CHCs – all are looking for the same doctor you are...
THE RIGHT MINDSET

PHYSICIANS ARE THE KEY TO CARE AND REVENUE

MERRITT HAWKINS
an AMN Healthcare company
<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Merritt Hawkins' Professional Fees - NACHC Preferred Partners Per Day *</td>
<td>$200.00</td>
</tr>
<tr>
<td>Estimated Out-Of-Pocket expenses **</td>
<td>$117.00</td>
</tr>
<tr>
<td>Prospective Payment System Rate</td>
<td>$105.00</td>
</tr>
<tr>
<td>Estimated Number of Patients Per Day</td>
<td>20</td>
</tr>
<tr>
<td>Average Revenue Per Day</td>
<td>$2,100.00</td>
</tr>
<tr>
<td>Average Merritt Hawkins Investment Per Day (120 days)</td>
<td>$317.00</td>
</tr>
<tr>
<td>Total Revenue After Recruiting Costs Per Day</td>
<td>$1,783.00</td>
</tr>
</tbody>
</table>

* NACHC Preferred Partner Rate Maximum Professional Fees of $24,000 ($200/day for 120 days)

** Out-Of-Pocket expenses - 5,000 pcs mktg. and 2 IV’s = $14,000 ($117/day for 120 days)
• WHO IS WRITING YOUR GRANT APPLICATIONS?

• IS PHYSICIAN STAFFING PART OF THE EQUATION?

• NACHC CAN ASSIST YOU!
STANDARD RECRUITING CONTRACTS TODAY TYPICALLY WILL COVER...

- Salary and production bonus
- Income guarantee
- Educational loan forgiveness
- Continuing Medical Education
- Duties/Patient Encounters
- Hours/Schedule
- Vacation
- Benefits
- Termination
INCENTIVES SHOULD BE “IN THE BALL PARK”

CHC RANGES FOR FAMILY PRACTICE

$90,000 to $220,000
## Family Practice Compensation Surveys

<table>
<thead>
<tr>
<th>Organization</th>
<th>Compensation ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Community Health Centers</td>
<td>$168,500</td>
</tr>
<tr>
<td>Medical Group Management Association (MGMA)</td>
<td>$200,701</td>
</tr>
<tr>
<td>Hospital &amp; Healthcare Compensation Services (HHCS)</td>
<td>$191,835</td>
</tr>
<tr>
<td>American Medical Group Association (AMGA)</td>
<td>$231,318</td>
</tr>
<tr>
<td>Hay Group</td>
<td>$168,700</td>
</tr>
<tr>
<td>Merritt Hawkins</td>
<td>$189,000</td>
</tr>
</tbody>
</table>
THE BOARD MUST BUY-IN

EDUCATION IS KEY

Will The Last Physician In America Please Turn Off The Lights?
A Look at America’s Rising Doctor Shortage
Fourth Edition
New Data, New Surveys

By James Merritt, Joseph Hawkins, and Philip B. Miller

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$1.5 billion in funding

Raises annual loan repayment from $35,000 - $50,000

NOTE: 30% OF MERRITT HAWKINS SEARCH ASSIGNMENTS NOW FEATURE LOAN FORGIVENESS
LEAVE NO STONE UNTURNED

Networking with staff/community/residencies

The Internet (your site, employment sites, the Chamber site)

Direct mail (for “passive” candidates)

Journal ads (focus on residents)

Physician conventions

High-need doctors (residents, military, J-1s)
Number of physicians FPs BTL in Tennessee but now practicing in selected states.

Source: AMA Masterfile
Basic Recruiter
Truths 101

MEASURABLE ACTIVITY
=
MEASURABLE RESULTS

This is the "science" of physician recruiting
SOMEBODY HAS TO GET ON THE PHONE
Usually after hours or on weekends

*Suggested Telephone Metrics/In-House Recruiters*

- 100 dials per week
- 10 physician contacts per week
- 3 Healthcare Center opportunity presentations
- 1-2 candidate referrals from physicians contacted
- 1 potential candidate sourced per week
A heterogeneous workforce

- Full-time
- Part-time
- Hospital based
- "Remote" (telemedicine)
- Male
- Female
- International Medical Graduates
- Employed
- Independent
- Concierge
- LOCUM TENENS
# OF PHYSICIANS WORKING LOCUM TENENS IS GROWING

Source: Staff Care 2012 Review of Temporary Physician Staffing Trends

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LOCUMS: HOW IT WORKS

The CHC’s Perspective

- Assessment of Need
- Licensure
- Pre-assignment profile
- Presentation of CV
- Scheduling
- Preparing the staff/patients
- Billing
- Wrap-up
- Temp-to-Perm
Balance continuity of care & continuity of revenue vs. per diem rates

Permanent providers are the long-term choice

Locum tenens providers can be a cost-neutral supplement
For A Comprehensive Discussion, See “Have Stethoscope, Will Travel”

www.practicesupport.com
MEET THE STAFF CARE’S COUNTRY DOCTOR OF THE YEAR!

Gibson City, IL

Neil Nelson, M.D.
A CANDIDATE IS ON THE PHONE

NOW, WHAT DO YOU SAY?

THE "SCREEN" IS THE "ART" OF PHYSICIAN RECRUITING, AND A KEY PART OF THE "ICEBERG"
THE ARC OF PERSUASION

14 Days

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NOW, THE STAGE IS SET

You’ve got a lot of sweat equity in this search, BUT...

✓ You know your candidate (written profile, professional and personal)
✓ The candidate knows you (setting, hours, finances, mission, etc.)
✓ Your offer is ready
✓ Your team is ready
✓ The interview itinerary is ready

EXPECTATIONS ARE CLEAR on both sides.
WHAT IS THE INTERVIEW FOR?

*Confirmation* not *Exploration*

THE “70/30” RULE

ONE INTERVIEW ONLY, PHYSICIAN AND SPOUSE
THE PYRAMID OF INTEREST

**48 Hours**

- Initial Contact
- Screen
- Credibility
- Establish Needs
- Present Opportunity
- Set Up Interview
- Personal Interview

**Interest Builds**

**Interest Declines**

- Negotiating Starts/Breeds Mistrust
- Insecurity Builds
- Seeks Advice
- Seeks Other Opportunities
- Moves On
  1. Accepts another opportunity
  2. Stays put
  3. Thinks, thinks...
  3-7 days

THE DECISION

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SUCCESS!

Now, it is time to incorporate the new physician into the *Retention Program* while the *Recruitment Cycle* begins again.
For a copy of Merritt Hawkins’ Guide to Physician Recruiting email Bo Burdette at bo.burdette@merritthawkins.com

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