Physician Employment: Success Strategies/Physician Recruitment/Retention and Compensation

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Agenda

• Why Physicians Leave
• What Physicians Expect in a New Practice
• Developing a Strategic Retention Plan
• Incorporating a Retention Strategy into your Recruitment Plan
• Win-Win Agreements that Incentivize Retention
PHG Survey of Physicians and Recruiters 2013

- Top reasons for physicians leaving old position
  - Compensation and lack of professional appreciation
  - Followed by Workload/call coverage and the desire to advance in career
PHG Survey of Physicians and Recruiters 2017

• In Practice: #1 Compensation and Call; #2 Lack of Autonomy and Lack of Professional Appreciation

• Residents: #1-4 equal responses: Call, Compensation, Cultural Fit and Collegiality
PHG Survey Results – Other Findings

- From 2013 - 2017 Continued Importance of Work-Life Balance
  - Major motivator for changing positions is desire to be closer to family and friends
  - Closely followed by better work hours/ work-load and/or the desire to work part time
“Strategies for Reducing Physician Burnout” by Gabriel Perna

- Improve productivity by optimizing staff performance – AMA STEPs Forward program
- Earning credits for award amenities – Stanford’s ED Department
- Make physicians feel appreciated for what they do
- Wellness Programs – Mission Health
- Standardized Rx Management – AMA

physicianpractice.com
Risk Factors that Cause Departure

• Cultural differences
• Clinical dissatisfaction
• Lack of communication
• Spouse
  – Support network – extended family
  – Integration into community
Unmet Expectations

- Un-met expectations
  - Compensation
  - Workload – call coverage
  - Schedule
  - Duties
Management Issues

- Transparency
  - Reports
  - Information
  - Participation in decision making
- Communication
  - Physician
  - Management
- Expectations
- Monetary cost to replace physician $250,000
- Psychological costs
The Physician Compact

The unwritten contract that exists in practices.
What is Physician Compact?

- A covenant
- Typically, an unwritten psychological contract
- Creates expectations
- Defines “give and get”
- Must be surfaced during the interview process
What Are The Expectations?

**OLD**

GIVE: see patients, deliver quality care as defined by the physician

GET:
- Autonomy
- Protection
- Entitlement

**NEW**

GIVE: patient-focused, foster interdependence, delegate authority, be accountable to quality measures

GET: market sensitive organization well-positioned to compete in the marketplace, opportunity to influence governance through election and participation

GET: influence in decisions

GET: compensation linked to organizational and individual performance -- Quality
What to review with the prospects?

Topics to cover on phone or in-person interviews:

• What are the practice’s expectations for new associates?
• What assistance does the practice provide to the new associates?
• What is the governance structure?
• How are decisions made?
Generational Differences

- They exist
- They impact the organization’s culture, operations, and decision making
- It is important to understand them
  - Veterans (1929-1943)
  - Baby Boomers (1943-1960)
  - Generation Xers (1960-1980)
Retention Program

- Begins at sourcing and interviewing
- Written plan
  - Recent survey – 84% said written plan very important
  - Recent survey – 10% of practices have program
  - Recent survey – 56% said plans to not meet their needs
  - No one plan fits all
- Shared responsibility
- Holistic approach
  - Mentor
  - Coaching
  - Feedback
- Must create a culture that values physicians as people
Keys to Physician Retention

SECURE THE ONE’S YOU HAVE!

- Know your Physicians beyond Department Chairs and Medical Executive Committee Members
- Professional Satisfaction
- Family dynamics
- Concerns: Personal, Optimism about Organization
Keys to Physician Retention

- Physician’s are ‘Pushed’ not ‘Pulled’
  - Fit with Organization and/or Group
  - Fit with the Community (“Hire the Family”)
  - Expectations, representations, and actual conditions do not jibe
  - Poor communication with Management
  - Minimal input into decision making/policies that affect the practice
  - Lack of appreciation or recognition
- You have to ask – Annual Physician Satisfaction Survey
- Good Recruiting
- Regular 1:1 follow-up (30, 60, 90, 180, Annual) with Leadership
The ‘Primacy of the Workplace’:
– Appropriately trained and available staff
– Efficient and reliable EMR
– Adequate equipment
– Efficient patient throughput
– Comfortable and aesthetically pleasing surroundings
– Parking
– Training and professionalism of peers
– Flexible scheduling
Retention – Written Plan

- Document physician recruitment and physician retention program for the practice
- Consider development of physician “policy manual”
- Ensure participation by physicians and administrator in development of written plan
Establish criteria for sourcing:

- Who are you going after?
- Ensure that candidates presented meet certain criteria
- Identify geographic preferences
Retention – Interview

- Surface physician compact issues
- Surface expectations -- generations
- Ensure that spouse receives equal attention
- Ensure that spousal and family needs are adequately addressed
- Engage practice spouses, realtor, etc. to assist in identification of issues
Retention – Shared Responsibility

- Enlist the **entire** practice in the process ***
- Physicians, staff, non-physician providers, administration, spouses
- Clarify recruitment and retention vision and expectations
- Clarify roles and responsibilities
- Provide training, as necessary
- Provide mechanism for feedback and debriefing
- Timeline for feedback
Retention – Holistic Approach

- Create opportunities for coaching and mentoring by senior physicians
- Create opportunity for Big Brother-Big Sister for spousal support
- Assist in assimilation into community
- Ensure effective two-way communication
- Ensure mechanism for feedback
Retention – Employment Agreement

- Written ‘Compact’
- Establishes expectations
Successful Employment Models Attract and Retain Physicians

1. Recruit a physician that is the “right fit”
2. Communicate clear expectations
3. Comprehensive physician onboarding and training
4. Provide physician with ongoing support and feedback
5. Build an employment contract that incents Physicians to succeed and to stay
Employment Plus Incentive Timeline

<table>
<thead>
<tr>
<th>1990’s</th>
<th>2005‘ish’</th>
<th>2010—Forward</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employment of physicians as</td>
<td>Health systems revisited closer integration strategies</td>
<td>Healthcare organizations are more:</td>
</tr>
<tr>
<td>Offensive strategy</td>
<td>Clearly defined and agreed-upon productivity targets</td>
<td>Strategic and prudent</td>
</tr>
<tr>
<td>• Way to control referrals</td>
<td>• Such as RVU’s</td>
<td>• Goal Alignment</td>
</tr>
<tr>
<td>• Focus on Primary Care</td>
<td>included both primary care and specialists and sub-specialists</td>
<td>- Quality measures</td>
</tr>
<tr>
<td>Way to Deal with capitation</td>
<td>In rural or less desirable markets, employment became the only way to attract specialists.</td>
<td>Focused on Results</td>
</tr>
<tr>
<td>• In most markets, capitation didn’t materialize</td>
<td></td>
<td>• ACO’s</td>
</tr>
<tr>
<td>• Hospitals left with large infrastructure costs and losses.</td>
<td></td>
<td>• Quality Controls</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Productivity</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- RVU’s continue</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Quality/Core Measures</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Focused on Physician Integration</td>
</tr>
</tbody>
</table>
Hospital Employment Continues

Younger Physicians not Entrepreneurial

• Define “younger physicians”
• Contribute
• Make a Difference
• $$ is not the only Driver – PHG survey
• Want to be perceived as credible, worthy
Contract Critical Success Factors

What We are Seeing in the Industry

1. Term
2. Compensation
3. Incentives
4. Benefits
5. Restrictive Covenant
• Start date – **Managing Expectations**

• Duration of the agreement
  – Between 2 and 5 years
  – Retention bonuses at $5k – $10k a year

• Contract / performance reviews conducted at end of each year
Compensation

- Pay for Call ≈ 50% of the time
- Bonus
  - Performance
    - RVU
  - Signing bonuses run ≈ 10% of base
    - Retention Bonus $\frac{1}{2}$ and $\frac{1}{2}$
  - Pay off of students loans -$x$ amount per year tied to retention
Incentives

• Salary plus Productivity
  – RVU’s
  – % of Collections

• Salary plus bonus on quality
  – Quality / Core Measures
  – Incent ACO’s
### Example of Bonus Plan for Hospitalist

<table>
<thead>
<tr>
<th><strong>Pillar and Measure</strong></th>
<th><strong>Acceptable</strong></th>
<th><strong>Very Good</strong></th>
<th><strong>Excellent</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Clinical Care: 30%</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Core Measure</td>
<td>$3,000</td>
<td></td>
<td>$6,000</td>
</tr>
<tr>
<td>AMI</td>
<td>≥90%</td>
<td>NA</td>
<td>≥95%</td>
</tr>
<tr>
<td>CHF</td>
<td>≥90%</td>
<td>NA</td>
<td>≥95%</td>
</tr>
<tr>
<td>Pneumonia</td>
<td>≥90%</td>
<td>NA</td>
<td>≥95%</td>
</tr>
<tr>
<td>Stroke</td>
<td>≥90%</td>
<td>NA</td>
<td>≥95%</td>
</tr>
<tr>
<td><strong>Person and Community Engagement: 30%</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PE Scores</td>
<td>$1,500</td>
<td>$3,000</td>
<td>$6,000</td>
</tr>
<tr>
<td>HCAHPS Physician</td>
<td>60th percentile</td>
<td>75th percentile</td>
<td>90th percentile</td>
</tr>
<tr>
<td>Physician</td>
<td>60th percentile</td>
<td>75th percentile</td>
<td>90th percentile</td>
</tr>
<tr>
<td><strong>People: 10%</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Citizenship</td>
<td>$1,000</td>
<td></td>
<td>$2,000</td>
</tr>
<tr>
<td>MS Committee attendance</td>
<td>≥60%</td>
<td>NA</td>
<td>≥70%</td>
</tr>
<tr>
<td>Participation in disaster drills</td>
<td>100%</td>
<td>NA</td>
<td>100%</td>
</tr>
<tr>
<td>Develop / implement clinical protocols/ pathways</td>
<td>NA</td>
<td>NA</td>
<td>1 semi-annually</td>
</tr>
<tr>
<td><strong>Efficiency and Cost Reduction: 5%</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Measure</td>
<td>$500</td>
<td></td>
<td>$1,000</td>
</tr>
<tr>
<td>MSPB Medicare spending per beneficiary ratio goal</td>
<td>≥90%</td>
<td>NA</td>
<td>≥95%</td>
</tr>
<tr>
<td><strong>Efficiency, Cost Reduction and Safety: 25%</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Measure</td>
<td>$2,500</td>
<td></td>
<td>$5,000</td>
</tr>
<tr>
<td>CAUTI</td>
<td>≥90%</td>
<td>NA</td>
<td>≥95%</td>
</tr>
<tr>
<td>CLABSI</td>
<td>≥90%</td>
<td>NA</td>
<td>≥95%</td>
</tr>
<tr>
<td>C.difficile</td>
<td>≥90%</td>
<td>NA</td>
<td>≥95%</td>
</tr>
<tr>
<td>MRSA Bacteremia</td>
<td>≥90%</td>
<td>NA</td>
<td>≥95%</td>
</tr>
<tr>
<td>SSI</td>
<td>≥90%</td>
<td>NA</td>
<td>≥95%</td>
</tr>
<tr>
<td>PC-01</td>
<td>≥90%</td>
<td>NA</td>
<td>≥95%</td>
</tr>
<tr>
<td><strong>Potential Total</strong></td>
<td>$8,500</td>
<td></td>
<td>$20,000</td>
</tr>
</tbody>
</table>
Table 1: Hospital Responsibilities for AMI

<table>
<thead>
<tr>
<th>Measure</th>
<th>Responsible Individual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aspirin on discharge</td>
<td>Discharging physician</td>
</tr>
<tr>
<td>ACEI or ARB for LVSD</td>
<td>Discharging physician</td>
</tr>
<tr>
<td>Beta Blocker at discharge</td>
<td>Discharging physician</td>
</tr>
</tbody>
</table>

Table 2: Hospitalist Responsibilities for Heart Failure Measures

<table>
<thead>
<tr>
<th>Measure</th>
<th>Responsible Individual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Left ventricular function</td>
<td>Discharging physician</td>
</tr>
<tr>
<td>ACEI or ARB for LVSD</td>
<td>Discharging physician</td>
</tr>
</tbody>
</table>

Table 3: Hospitalist Responsibilities for CAP

<table>
<thead>
<tr>
<th>Measure</th>
<th>Responsible Individual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Antibiotics in 6 hours</td>
<td>Admitting physician</td>
</tr>
<tr>
<td>Initial antibiotics for ICU</td>
<td>Admitting physician</td>
</tr>
<tr>
<td>Initial antibiotics for non-ICU</td>
<td>Admitting physician</td>
</tr>
</tbody>
</table>

Table 4: Hospitalist Responsibilities for Stroke

<table>
<thead>
<tr>
<th>Measure</th>
<th>Responsible Individual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Antithrombotic therapy by end of day 2</td>
<td>Admitting physician</td>
</tr>
<tr>
<td>Documentation of LDL within 48 hours of arrival</td>
<td>Admitting physician</td>
</tr>
<tr>
<td>Rehabilitation assessment ordered</td>
<td>Admitting physician</td>
</tr>
<tr>
<td>Statin prescribed at discharge</td>
<td>Discharging physician</td>
</tr>
<tr>
<td>Anticoagulant prescribed at discharge</td>
<td>Discharging physician</td>
</tr>
<tr>
<td>Antithrombotic therapy prescribed at discharge</td>
<td>Discharging physician</td>
</tr>
<tr>
<td>Discharge education ordered prescribed at discharge</td>
<td>Discharging physician</td>
</tr>
</tbody>
</table>
Benefits

- Employer / Employee Paid Health / Dental
- Malpractice
- Vacation; CME; PTO
- More vacation to sub specialties
- CME allowance
- State Licensure, DEA and Medical Staff Dues
- 401K with Match
- Relocation
- Profit Sharing
Restrictive Covenant

- Time and Distance specific
- Some are specific to a service areas and more and more are specific to a facility within the service area
- Moving from one to two years
- Tied to Termination
- Buyout
Retention - Initiatives

- Clarity of expectations
- Communication/feedback
- Call
- Flexibility in work schedule
- Creative approach to compensation
- Creative approach to exit strategies
Summary: What will it Take to Attract Them and Make Them Stay

- Recruit the “right fit”
- Set clear **expectations**
- Offer comprehensive onboarding
- Provide **ongoing** support and feedback
- Develop a win-win Contract realistic to the market to which you’re recruiting
- Build retention into the contract
- Review the contract and performance annually
- Make sure compensation incents physician to reach your organization’s goals i.e. Quality measures
Questions?

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