Five Trends to “Bend” to Your Advantage

Source: Lori Schutte, president of Cejka Search, a nationally recognized physician, health care executive, advanced practice, and allied health search firm providing services exclusively to the health care industry for more than 30 years.

The implementation of health care reform, changing demographics, and advancing technology continue to present challenges and opportunities for medical groups nationwide. The expanded population of insured patients under the Affordable Care Act and the continuing integration and consolidation of health systems have increased the demand for physicians and advanced practice clinicians (APCs). In 2013, 76 percent of administrators plan to hire more primary care physicians, and 69 percent plan to hire more specialists.

Meanwhile, the new economics of health care demand the greatest efficiency in the use of resources while recruiting physicians who will fit into the practice culture. As the health care environment shifts from volume-based reimbursement, efficient recruitment and effective retention of physicians and APCs takes on greater importance.

Though turnover is inevitable, it can be managed. Effective retention strategies should support a healthy practice culture desirable to potential recruits. At a time of shortage and high competition for clinicians, it’s essential to approach medical staff planning with a strategy in mind. Here are five trends to watch, and ideas for “bending” those trends to your advantage.

Trend #1: Turnover Tracks with the Economy

According to the Cejka Search and American Medical Group Association (AMGA)

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2012 Physician Retention Survey, medical groups reported an average turnover rate of 6.8 percent in 2012, up from 6.5 percent in 2011. This trend continues the historical relationship between turnover and economic conditions. In 2009, turnover hit its lowest point since tracking began in 2005, reflecting the worsening economy and plummeting home sales experienced in 2008.

This increased turnover tracks with improvements in the housing market and recovery in stock prices seen in 2012. As rising investment portfolio and housing values enabled physicians to retire and relocate, physician turnover exceeded pre-recession levels.

Physicians may be more vulnerable to turnover as the economy continues to improve; be ready to maximize the opportunity to attract physicians who are now in a position to change communities.

Trend #2: Retirements Increase as the Workforce Evolves

The demographic profile of medical groups will change dramatically as physicians in the baby boom generation retire at increasing rates. Most large groups (with more than 500 physicians) expect retirements to increase in 2013, while a large majority of small groups (with fewer than 50 physicians) expect retirement rates to stay the same as the prior year. Yet, these small groups are already experiencing higher turnover among physicians over the age of 64 than any other medical group segment at 19.4 percent.

Work-life balance is necessary for the recruitment and retention of both male and female clinicians. As the predominately male population retires, male physicians will increasingly be replaced by female physicians, who will drive the growth of medical groups and increase the diversity of the workforce. However, female physicians are more than twice as likely to practice on a less than full-time schedule.

Stay ahead of these demographic changes by incorporating this inevitability into your staffing plans and deploying strategies to keep physicians in practice longer.

Trend #3: New Physicians Are Most Vulnerable to Turnover

At the other end of the spectrum, physicians in the first years of practice have the highest turnover rates overall. The average turnover rate for physicians in their second to third year of practice is 12.4 percent, and small groups suffer from 20.8 percent turnover among physicians in those early years. Once physicians stay in a practice through five years, they are much less likely to leave; turnover between years five and 10 is 5.7 percent and dips to 4.6 percent after 10 years.

The main cause for early turnover is often outside the control of a medical practice. Relocation and family responsibilities top the list of reasons for voluntary departures cited by physicians. This trend is compounded by a rise in two-physician couples. Retention can be a challenge if a physician accepts a job while his or her spouse is still in training; upon graduation, the couple may relocate to an area with personal ties.

However, the top controllable factor among all voluntary departures is lack of cultural fit. Control this variable during the hiring process through effective screening, onboarding, and mentoring.

Trend #4: Demand for Coordinated Care Teams Increases

Strong teamwork skills will be vital to successful coordinated care as medical groups ramp up their hiring plans. More than three-quarters (76 percent) of survey respondents plan to hire more primary care physicians in the next 12 months, 67 percent plan to hire more nurse practitioners, and 61 percent plan to hire more physician assistants.

To meet these aggressive growth goals, most recruitment offices deploy a combination of (continued on page 3)
What’s New at NEJM?

Article-Level Physician Jobs Widget

Reaching passive jobseekers just got easier with recruiting solutions from the NEJM CareerCenter. As you may know, all job postings on the website are exposed to physicians reading clinical content on NEJM.org. While jobs have been appearing next to content on NEJM.org for a while, starting in May, job postings are now adjacent to full-length articles, catching the eye of passive jobseekers who come to NEJM.org to read the quality medical content. Each month 1.3 million Web pages are viewed by U.S. health professionals on these full-length article pages, further extending the value of jobs on NEJM CareerCenter.

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Turnover Tied to Recovery

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<th>Year</th>
<th>Dow Jones Industrial Average (in Thousands)</th>
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<tr>
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Sources: MarketWatch, December 2012; National Association of Realtors, December 2012.

2012 Physician Retention Survey. For more information and a link to the AMGA e-commerce site for purchasing the full survey, visit amga-retention.com.

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tools and an array of internal and external resources. Given the rate of change in health care, keeping those tools sharp — on the cutting edge — can create challenges and distractions from many core priorities such as balancing internal clients while orchestrating on-site interviews, driving negotiation and contracting, and onboarding new hires.

Adding to the challenge, medical groups often lack the processes to hire teams in a coordinated way. A large majority of administrators (75 percent) believe that responsibility for recruiting APCs should be centralized with physician recruiting, but that is not the reality for most organizations.

Many groups also lack sufficient information to build a business case for investing in recruiting and retaining physicians and APCs. Only 21 percent measure the cost of physician turnover and 12 percent measure the cost of APC turnover.

Benchmark your recruitment and retention metrics and assign value to lost revenue and productivity during prolonged vacancies to support the investment in resources that improve hiring efficiency and retention.

Trend #5: Groups with Formalized Onboarding Have Lower Turnover

A significant majority of medical groups (85 percent) have an onboarding process for physicians, yet only one-third (33 percent) of these groups stated that their process is formalized through an onboarding committee or task force. The components and level of formalization vary widely, but two variables have a correlation to lower turnover: duration of the onboarding period and assigning a mentor.

Groups with a longer process experience lower than average turnover between years two and three when turnover otherwise tends to peak. Groups that provide a year-long onboarding process reported a turnover rate of 10.5 percent compared with the average 12.5 percent for physicians between two and three years with the practice. Groups who assign a mentor during

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### PROMOTION ISS U E CLOSING SPECIALTIES AUDIENCE

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*Please refer to the chart for specifics on audience and specialties for each special issue. Each booklet will be mailed to over 30,000 physicians. In order to have your ad appear in all three booklets, you must run a paid print ad in each designated issue of NEJM. Direct mail counts are based on counts provided by the AMA and are subject to change.

†Processing fees apply to posting your ad to the searchable part of NEJM CareerCenter.

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onboarding reported a lower overall turnover rate of 6.0 percent compared with the 6.8 percent average turnover rate for all groups.

Formalize your approach to bringing physicians on board, and mentor them during practice start-up. This is your opportunity to foster a healthy cultural fit. Culture may be viewed as too soft to measure, but evidence shows that that cultural fit influences job satisfaction and turnover. You can improve it with specific measurable activities.

### Succeed in the New Health Care Landscape

Increasing complexities in health care delivery — including reform measures, changing reimbursement, electronic medical records and advanced medical technologies — are driving consolidation and changing how medical practices work. You can rise to these challenges — and bend the trends to your advantage — by building and nurturing your teams in a strategic way. ■

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**UPCOMING RECRUITER MEETINGS AND MEDICAL CONVENTIONS**

- **American Society of Clinical Oncology**
  - June 1–3, 2013
  - Chicago, IL
  - chicago2013.asco.org

- **ASPR**
  - Association of Staff Physician Recruiters (ASPR) Annual Meeting
  - August 10–14, 2013
  - Tucson, AZ
  - aspr.org

- **Mid-Atlantic Physicians Recruiter Alliance, Inc.**
  - (MAPRA) Annual Conference
  - October 1, 2013
  - Philadelphia, PA
  - maprainc.org

- **Northeast Physician Recruiter Association**
  - October 2–4, 2013
  - Newport, RI
  - nepra.org

- **3RNet Annual Conference**
  - October 8–10, 2013
  - St. Louis, MO
  - 3rnet.org

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