The Rapid Evolution of Health Care: Competitive Strategy for Recruitment Professionals

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Back in early 2012, I was reviewing presentation notes I’d derived from my book, Physician’s Guide: Evaluating Employment Opportunities and Avoiding Contractual Pitfalls, in preparation for a lecture on the business of medicine at a national physicians’ meeting. The course, like many of my Grand Rounds lectures, was designed for a target audience that consists of resident physicians and the early careerists that are in the process of establishing their practices. I looked at my watch and noticed that I had two minutes to reach my course on time in a conference room down the hall. Quickly, I gathered my belongings and made my way. Upon entering the room, I was surprised to see that roughly 50 percent of the audience had salt-and-pepper hair, indicative of long, established careers in medicine. The lecture went well and when it had concluded I had a line of participants waiting to ask me questions. When an individual, who appeared to be well into his fifties, approached me, I seized the opportunity to ask a question of my own, “I’m glad you attended, If you don’t mind me asking, what brings you to this course?” He replied, “For the first time in my career, I’m going to be employed and I was never taught the basics of employment contracting. This was not a part of the medical school curriculum.”

We are in the midst of unprecedented change as health care reform is rapidly implemented within an industry that is already hindered by a national physician shortage — essentially brewing a “perfect storm.” These conditions are resulting in innumerable employment opportunities as hospitals and large physician practices attempt to secure safety through the number of physicians they employ. Five years ago, I estimated that 22 physicians per business day were leaving their current practices within the first year of their contracts. When we factor in a sluggish economy, we may see this trend begin to slow as physicians across the country attempt to weather the storm by joining forces with hospitals and large groups close to home.

It is often said that the only difference between an opportunity and a threat depends on what you do with the situation you’re facing. That perspective upholds a belief that the evolving paradigm presents an opportunity for in-house recruitment professionals to broaden their institutional portfolios of medical talent by expanding the services they offer. The diversity in the audience at my lecture demonstrates that physicians of all ages are looking for guidance and industry specific expertise as they look at new employment models that are limiting the number of “guarantees” in the face of continuous uncertainty. From contracting to ensuring that the individual is the right cultural fit, physicians are looking for assurances that they can avoid the professional and personal disruptions associated with making uninformed decisions. These points were underscored for me when my cell phone rang with a call from an unknown number in Missouri. I was astonished to find a physician on the
other end of the line who asked, “Mr. Crawford, you don’t know me; however, a friend of mine heard you speak and I was hoping you could provide me with some advice.” Somehow, an isolated presentation in Florida had created an opportunity to speak to a physician four states away (subsequently, I’ve also received cold-calls from Tennessee, North Carolina, Louisiana, Mississippi, Arkansas, Georgia, California, Texas, and, of course, Florida).

A competitive strategy would go beyond merely matching a physician seeking employment with a need your institution has charged you to fill. It would also address the three most prominent reasons for physician turnover: cultural fit, compensation, and call/work expectations. With this in mind, your competitive advantage in the tight labor market would consist of pre-employment counseling that would include:

- Cultural assessment tools (will the physician fit within the practice — micro-culture and the broader medical community — macro-culture)
- Community assessment tools (is the physician and family a good fit within the local community)
- Contract education

By conducting contract education, you would address a primary cause of turnover by providing the framework required to assess the competitiveness of salary and benefits packages. Providing physicians with the tools to assess the competitiveness of an offer will help build the organizational trust that generally results in tenure and may mitigate the number of other opportunities the physician looks at contemporaneously. Note: There is a plethora of information available, the Medical Group Management Association and the American Medical Group Association are examples that are readily available to physicians; however, the information interpreted in isolation can be misleading and may not represent the competitiveness of the entire offer. Additionally, you can ensure that the physician is able to create an apples-to-apples comparison with any other institution competing for his or her services. Examples would include counseling the physician on the time commitment of work expectations (e.g., office, operating room, and call coverage), the competitiveness of benefits packages (e.g., cost and coverage), making sure the physicians know the difference between claims made and per occurrence malpractice policies (e.g., claims made policies require “tail insurance” that can cost up to 150–200 percent of a mature claims made policy).

The current health care landscape is in the process of being permanently altered and it is based on this premise that no matter what niche you fill within the industry, your job will be inevitably altered. Federal and state health care spending will decrease (it has to, Medicare is paying more out in claims than it can generate in tax revenue and states across the country are struggling to carry their financial responsibilities associated with administering Medicaid) and the evaporating remuneration will underscore the need to grow volumes as facilities and practices begin banding together to create unlikely partnerships and affiliations. Thus, the competition to recruit physicians will intensify and become increasingly fierce. Nevertheless, this threat to recruitment professionals may create a unique opportunity to create a new competitive strategy, physicians may or may not leave their geographic areas; however, if the innumerable forecasts are correct, their employers will change, thus creating new competition for their services in both rural and metropolitan markets. By reaching out to your medical communities, whether affiliated with your hospital or not, and
Physician income declined in general, although the top-earning specialties remained the same as in Medscape’s 2011 survey. In 2012, radiologists and orthopedic surgeons topped the list at $315,000, followed by cardiologists ($314,000), anesthesiologists ($309,000), and urologists ($309,000). Previously, radiologists and orthopedic surgeons led the pack, at a mean income of $350,000 each, followed by anesthesiologists and cardiologists (both at $325,000). The lowest-earning specialties in 2012’s survey were internal medicine, family medicine, and pediatrics.

For employed physicians, compensation includes salary, bonus, and profit-sharing contributions. For partners, compensation includes earnings after tax-deductible business expenses but before income tax. Compensation excludes non-patient-related activities (e.g., expert witness fees, speaking engagements, and product sales).


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advantage as physicians seek you out for counsel (imagine a new strategic paradigm where physicians are routinely calling and emailing you — this anomaly still continues for me).
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www.napr.org/annualconvention.asp

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im2013.acponline.org

Association of Program Directors in Internal Medicine (APDIM)
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