HSG

THOUGHT LEADERSHIP

# PHYSICIAN MANPOWER PLANNING IN THE ERA OF EMPLOYMENT – ARE YOU ASKING THE RIGHT QUESTIONS?

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Traditionally, physician needs assessments addressed the community's need for doctors. This approach still meets some strategic needs of health systems, and some hospitals still use that data to decide what private practice recruitment efforts can be supported with income guarantees.

However, employment of providers is prompting hospital leaders to ask a different set of questions. These questions go beyond the physician need to the strategy for physician manpower development. Organizations using community need analyses to drive strategic employment decisions are making inefficient decisions, likely costing the health system millions in potential revenue, while driving up expenses.

For health systems looking to evolve their manpower planning to be a strategic effort that is in sync with the organization's goals, the following twelve questions must be asked:

## 1) REVENUE GOALS

***How many physicians must we employ (or align with) to meet a revenue target?***

This may relate to a specific service line or the hospital overall. It often takes the form of what primary care base to we need to capture patients in our system that will drive needed volume to core specialties. Revenue shouldn't be a by-product of your manpower strategy, it should be the goal.

## 2) SERVICE LINES

***Who do we need to recruit to create an excellent service line?***

This question goes beyond numbers, although numbers that create superior access are important. The important consideration is what array of capabilities are needed to be the market leader in a given service line.


## 3) GEOGRAPHIC REACH

***What ambulatory access points, and what providers do we need to create the geographic reach required for the hospital to be a success?***

Often the focus here is on filling beds: as inpatient use rates decline, what new markets must we capture to keep the hospital busy. Equally important is the outpatient volume, with new geographically disperse service development accompanying the deployment of physicians who can feed those outpatient services.

## 4) PRACTICE CAPACITY

***What volume growth objectives can be met by expanding capacity in the existing practices, rather than recruiting additional providers?***

The process for expanding capacity is multifaceted. Are schedules not being well managed? Are physician or staff incentives a barrier to driving volume? Is office staffing so lean that throughput is difficult? Is promotion of the practices adequate? Understanding this opportunity starts with practice benchmarking. It can be addressed effectively with strong accountability for results.

## 5) SUCCESSION PLANNING

***What private practitioners need succession planning, and should the hospital employ these physicians to ease the transition?***

This is a vexing problem in many markets for two reasons: the aging out of many physicians, and the reality that new doctors may not be as productive. In all manpower planning work, clients want HSG to delve into this issue and help them map a strategy to address it.

## 6) PRIMARY CARE/SPECIALTY RATIOS

***What size primary care base do we need to keep our employed specialists busy?***

There are a number of issues around this question. Part of the concern is mitigating risk of specialty employment. A second issue is network integrity – the ability of the network to keep appropriate referrals in the network. At its core, is the base of primary care providers adequate to fund specialty employment.

## 7) REFERRAL CAPTURE

***Are there physician splitters that the hospital should target for employment with the physician network?***

The process for expanding capacity is multifaceted. Are schedules not being well managed? Are physician or staff incentives a barrier to driving volume? Is office staffing so lean that throughput is difficult? Is promotion of the practices adequate? Understanding this opportunity starts with practice benchmarking. It can be addressed effectively with strong accountability for results.

## 8) ADVANCED PRACTITIONER USAGE

***Are we thoughtfully including Advanced Practitioners in our recruitment plan and using them appropriately?***

To get the providers needed, we must think beyond just physicians. Advanced Practitioners must be a part of the plan and be a core part of satisfying the strategic provider need. Key to this is making sure Advanced Practitioners are used at top-of-license – understanding the model that maximizes benefit by specialty is key to success. Building a culture of acceptance by physicians is likewise essential. Effective use of APPs is not preordained, and working closely with physician leaders is required to ensure the desired benefits are captured.

## 9) CARE MODELS

***Has our employed network adopted (or does it plan to adopt) new care models in response to the need to manage populations, and how is that model impacting the need for providers?***

New models often expand staffing for counselors, psychologists, care coordinators, dieticians, and other staff. The impact of these models on physician staffing requirements are relevant to the overall staffing plan.

## 10) PHYSICIAN LEADERSHIP ROLES

***How does greater engagement of physicians in management/leadership affect recruiting needs?***

This is a smaller issue, but not inconsequential. As health system ask physicians to take on new leadership roles, less of the physician's time will be devoted to direct patient care. It is especially problematic if your physician leader(s) is in a specialty that is in short supply.

## 11) COMPENSATION MODEL IMPACT

***How does your physician compensation model effect the demand for physicians?***

Compensation models tend to incent volume, through wRVUs. The advent of more pay tied to quality metrics may change that incentive. Some systems are limiting compensation for productivity if quality metrics are not met, which may reduce productivity as doctors focus on thoroughness and documentation.

## 12) POPULATION HEALTH MANAGEMENT

***What mix of physicians and supporting staff is required to best manage populations?***

This imperative may change your perception of needs for physicians who manage chronic conditions. HSG sees many organizations focused on recruiting physicians such as endocrinologists or psychiatrists, recognizing that they may help keep patients healthy. The interest is generally greater than if the hospital were to solely focus on the revenue generated by these physicians in a fee-for-service market.

# WHAT THIS MEANS FOR YOU

Depending on the organization, the relative priority of these 12 questions varies greatly. But rarely are hospitals asking HSG to complete a manpower plan without addressing some of these questions. Employment of physicians in particular has driven the need for deeper strategic analysis. Ongoing industry pressure on the bottom line has further focused hospital leaders on the strategic implications of medical staff development.

***To learn more about these questions, or how we can answer questions specific to your institution, contact David Miller:***


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