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Why it is Cost Effective to Use a Physician Search Firm

Guest Author: Thomas Grimes III, FACHE, retired CEO, Good Samaritan Community Healthcare, Puyallup, Washington. Tom currently leads The Grimes Healthcare Group which provides interim management to hospitals and healthcare systems and assists in developing their physician recruitment and retention strategies.

Have you considered the financial loss to your hospital or medical group when you do not have the physicians or mid-levels you need to meet the need of your community? Consider these figures -

- Primary care physicians (Family Practice, Internal Medicine, and Pediatrics) generate an average gross production of \$720,000 per year
- Primary care mid-levels (Nurse Practitioners and Physician Assistants) generate an average gross production of \$425,000 per year
- Surgeons (Cardiothoracic, Neurosurgery, and Orthopedic Surgery) generate an average gross production of \$2,300,000 per year

Vacant physician and mid-level positions put your hospital or group at risk of losing patients and losing referrals to a competitor. While I was a CEO, utilizing physician search firms helped me recruit the physicians needed to turn around the bottom line and remain competitive. The following are the reasons I utilized search firms:

Access Candidates Quickly

A firm that specializes in physician search contacts and interviews physicians daily about their geographic preferences, practice preferences, family situation and lifestyle choices. This detailed information is kept in the firm's database enabling them to respond quickly and efficiently to your recruitment needs.

Lack of Hospital Staff to Generate Candidates

As the CEO of seven small and medium-sized hospitals throughout my career, I did not have the staff to devote to physician and mid-level recruitment nor did I have a database of candidates. Therefore, I utilized search firms to concentrate on the tedious activities of identifying and screening candidates allowing me to focus on my other duties.

Presentation of Qualified Candidates

A search firm will generate and evaluate candidates who meet your organization's recruitment specifications. By utilizing this screening process, you will save time by only telephone interviewing qualified candidates.

Knowledge of Compensation and Recruitment Incentives

How many times have you lost a candidate because your offer was not competitive? A reputable search firm will provide the latest information on physician compensation, recruitment incentives and industry trends to ensure you sign your top candidate.

Managing the Recruitment Project

From start to finish, an experienced search consultant will keep the recruitment process moving. He or she will attend to each candidate in a timely manner to ensure a quality candidate isn't lost due to lack of attention. You will benefit because your search consultant will schedule telephone interviews and site visits, debrief candidates and provide important feedback, ensure the spouse/significant other's needs are

met, interview references and prepare reference reports, assist in negotiating the contract, and stay in touch with the candidate through relocation.

Recruitment Guarantee

A search firm provides a guarantee that a recruited candidate will stay in your service area for a specific period of time. It was important to me that the search firm also be invested in the success of the candidate.

Essential Team Member

When considering a search firm, make sure they adhere to the highest ethical standards. The search firm I used was an essential member of my team because they helped me recruit the physicians needed to achieve goals outlined in my medical manpower and strategic plans. I found that the firms with a proven track record spanning years provided the best service.

Assisting In-house Recruitment Staff

Some organizations have an in-house physician recruitment department that is well-equipped to handle most physician search needs. However, when there is an urgent need or difficult specialty to recruit, it is wise to use a search firm that can concentrate on those hard-to-reach candidates and training programs as quickly as possible.

Providing Value Added Services

The search firm often provided me with valuable industry information which helped me educate the Board of Directors and/or medical staff on physician recruitment or a particular specialty. Knowing the state of the industry for any given specialty helped me plan for the amount of time needed for recruitment and to budget the appropriate compensation, benefits, and practice start-up expenses.

Cost/Benefit Summary

Recruiting a new physician can range from \$30,000-60,000 or more when including the site visit expenses, relocation, and search firm fees. This is a significant investment but keep in mind the benefits -

- The new provider is meeting a need in your practice or community
- The amount of gross billings for the group and hospital that will be generated by the new provider
- The referrals generated to your current medical staff
- Maintaining (and increasing) market share by curbing outmigration

Tom Grimes can be reached at tgrimes42@cox.net. He has written a white paper on physician recruitment and retention. You may request a copy by sending him an e-mail.

Top 10 Producing Physician Specialties (Based on Average Gross Professional Charges)

This month's guest author discussed the financial loss that can be experienced when a key position remains vacant. Just how big an impact can that have on a medical practice or hospital? Consider NOT having the benefit of the charges generated by the following Top 10 specialties.

Specialty	Gross charges
Dermatology/Mohs	\$3.0 million
Orthopaedics	
General	\$2.1 million
Spine	\$3.2 million
Joint	\$2.8 million
Sports	\$2.4 million
Trauma	\$1.6 million
Hand	\$1.7 million

Foot & Ankle	\$1.6 million
Ophthalmology/Retina	\$2.7 million
Radiology	
Interventional	\$2.2 million
Non-interventional	\$1.8 million
Neurosurgery	\$2.1 million
Cardiology	
Interventional	\$2.1 million
Electrophysiology	\$1.8 million
Non-interventional	\$1.6 million
Gastroenterology	\$1.9 million
Cardiovascular Surgery	\$1.9 million
Radiation Oncology	\$1.8 million
Pain Management	\$1.8 million

Physician Assistant Specialty Certification

The National Commission on Certification of Physician Assistants (NCCPA) has been the only credentialing organization for physician assistants in the United States since 1975. They recently announced a plan to certify five physician assistant specialties in 2011.

To date, approximately 60,000 physician assistants have been certified by NCCPA, but the newly announced certification will be the first to formally test for and recognize expertise in a specialty area. Beginning in 2011, physician assistants will be eligible for certification in these specialty areas:

- Emergency Medicine
- Orthopedic Surgery
- Cardiovascular Surgery
- Nephrology
- Psychiatry

Other specialties may be considered in the future, but many have expressed concern that PAs may lose the ability to change positions among specialties, which has been a tenet of the profession.

According to the NCCPA, candidates for specialty certification will need to meet four core requirements. These include holding a current general PA certification plus an unencumbered state license: completing 25 hours of specialty CME, documentation of procedures and patient cases in the specialty, possessing 1-3 years of experience or formalized clinical training, and passing the specialty exam. PAs may accomplish each of the four cores in any order.

There are some concerns about the new certification program. Some PAs are concerned about the expense of certification and the potential to lose their compassionate bedside skills. Others see this as a natural progression for the industry and look forward to more formalization of specialty areas coupled with future career advancement.

For more information about PAs or PA recruitment, please contact us.

Locum Tenens: As Easy as 1-2-3

It is the flu season and your waiting room is full. As a medical group administrator, you receive a call from one of your physicians stating he or she was in an accident and will be out recuperating for the next three weeks. You have heard of locum tenens but never used a locum tenens firm. Below are the answers to many of your questions.

Where do I find a reputable locum tenens firm?

Contact a colleague. You may find your colleagues routinely use locum tenens physicians when they have physicians on vacation, doing CME, on maternity leave or taking a sabbatical. You could also contact the National Association of Locum Tenens Organizations (NALTO) at www.nalto.org.

How much will it cost?

You don't pay the physician. Locum tenens physicians are independent contractors and are reimbursed by the locum tenens firm. Most firms charge an hourly or daily rate according to specialty. You will be billed for the hours the physician works and your office retains the professional fees generated by the physician.

How do I bill for the locum tenens services?

In most cases, you are able to bill for the services the locum tenens physician provides. Medicare rules state locum tenens services should be billed using the Q6 modifier. Check with your coder, billing company, insurance company or individual responsible for your billing.

What about malpractice insurance?

Locum tenens firms routinely arrange for malpractice insurance. Be sure to request a copy of their Certificate of Insurance and make sure you are comfortable with the limits provided.

How do I know the physician is qualified to see our patients?

The locum firm will gather information from you like dates, times, location, patient load, call schedule, hospital responsibilities and special skill and procedure requirements. The firm will then contact their pool of prescreened physicians to match your requirements with their experience and qualifications.

What is the process?

Prior to presenting a candidate for consideration, the firm will pre-qualify the physician including verification of licensure and training and experience. Physicians provide the locum tenens firm with their CV, DEA, state license, Board Certification and CME. Any history of malpractice is required in order to arrange for the malpractice insurance. In addition, references are obtained to determine clinical skills, knowledge, and colleague, patient and staff rapport. Many locum tenens firms also conduct criminal background checks.

Do we get to meet the physician prior to making a decision?

In most cases, a phone interview is conducted. Locum tenens physicians are accustomed to working in a variety of practice settings and will integrate easily into the practice. If you prefer to interview in person, a visit can be coordinated. However, you will incur the travel expense associated with the interview.

How much advance notice do I need to give the locum tenens firm?

The more notice the easier it is to for the firm to locate interested physicians who will be available. However, locum tenens firms realize a physician staffing shortage is often due to an emergency and you

have an immediate need. You can be assured locum firms will do their best to locate physicians who will continue to provide quality medical care to your patients.

If you would like more information about locum tenens, please contact us.

Compensation Corner:

General Internal Medicine

2009 National Mean \$214,000

By Geographic Region:

East	\$207,000
West	\$210,000
South	\$229,000
Midwest	\$211,000

Hospitalist

2009 National Mean \$226,000

By Geographic Region:

East	\$203,000
West	\$229,000
South	\$257,000
Midwest	\$221,000

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