THE CAMDEN GROUP

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Physician Recruitment and Succession Planning

Essential Elements of an Extraordinary Medical Staff Development Plan

Why Your Current Medical Staff Plan May Be Obsolete…

Hospitals and systems nationwide now face significant challenges in the area of physician recruitment and development. In today's environment, there is a greater need for thorough, well-documented, physician manpower work force studies. Hospital Boards, CEOs, and their legal advisors have become increasingly cognizant of the risks of not having a medical staff development plan which is current and demonstrates an appropriate level of analysis. Specific industry trends which have driven increased activity in this area include:

Trends	Implications
▲ Increasing physician turnover and migration as a result of medical malpractice, low reimbursement and other cost pressures	▲ Exodus of physicians from certain markets based on affordability factors and unacceptable practice economics
▲ Strong volume growth in some service lines notably radiology, cardiology and bariatrics	▲ Growing manpower needs in these specialties and challenges identifying needed skill mix
▲ ED call panel coverage challenges	▲ Fewer physicians are willing to take call without monetary compensation
▲ Higher consumption of resources by the public	▲ Inadequate documentation for physician recruitment needs and compensation packages which may result in severe penalties or fines
▲ Increasing physician shortages driven by recent graduates providing lower productivity due to lifestyle choices, aging physician workforce, and interest in part-time practice.	▲ Increased challenges to fill vacancies in key specialties.

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Physician Recruitment and Succession Planning

Essential E

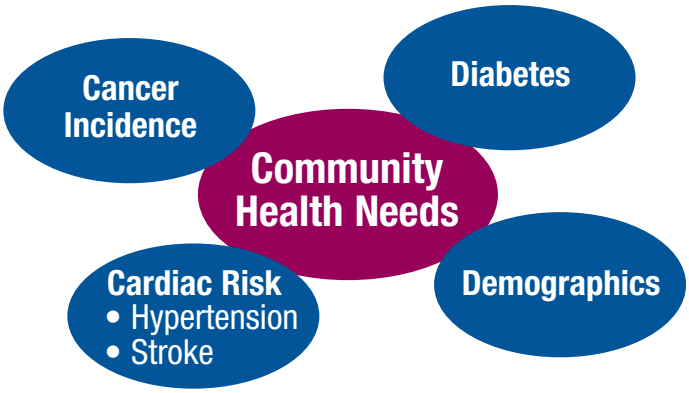
Methodologically, a successful medical staff development plan should incorporate the following essential elements.

1. Utilize an appropriate market-based physician needs model.

Physician Specialty	Pop. to Support One Physician	Area Physician Need	Existing FTE Supply	Net Need/ (Surplus)
Allergy & Immunology	75,000	3.4	4.0	(0.6)
Anesthesiology- General	11,000	23.5	11.0	12.5
Cardiology	25,000	10.3	14.0	(3.7)
Cardiovascular Surgery	75,000	3.4	3.0	0.4
Dermatology	35,000	7.4	14.0	(6.6)
Emergency Medicine	18,000	14.3	7.0	7.3
Endocrinology	100,000	2.6	1.0	1.6
Family Practice	4,000	64.5	48.0	16.5
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	120,000	[illegible]	[illegible]	1.2
Thoracic Surgery	119,000	2.2	-	2.2
Urology	35,000	7.4	8.0	(0.6)
Vascular Surgery	119,000	2.2	-	2.2
Total 2003 PSA Population	258,140			

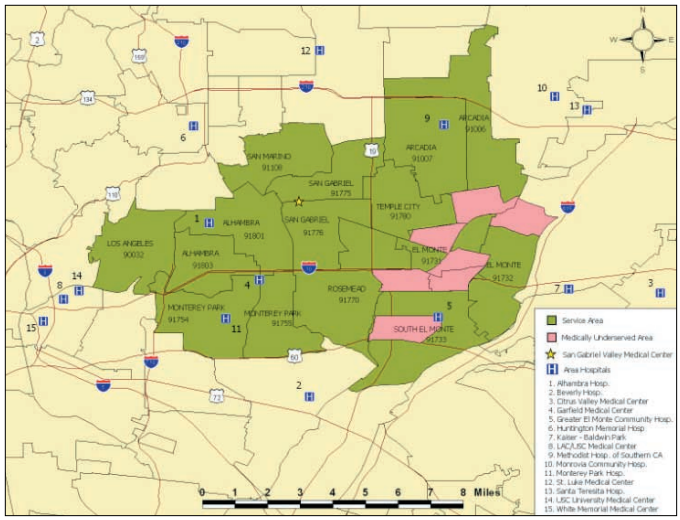
Utilizing a physician-to-population ratio model (e.g., GMENAC, Kaiser, Medical Economics) is a requisite component for any credible physician needs assessment. There are substantial variances in recommended ratios across the 15 or so published physician-to-population models. The age of models (i.e., when they were developed), geographic focus (e.g., East versus West Coast, urban versus rural), orientation toward managed care, and other factors contribute to the sometimes dramatic differences. Market and organizational considerations should help drive the choice of model or blend of models.

2. Modify the market-based needs model to adjust for specific marketplace characteristics and practice patterns



A single generic physician-to-population model generally cannot account for market-to-market demographic variances that affect physician demand. It is important to assess market-specific demographic (e.g., age and ethnicity) and health status (incidence of disease) factors and adjust physician-to-population regions with larger than average senior populations will have greater needs for specialists such as cardiologist, rheumatologists, and geriatricians. Conversely, older populations will need fewer pediatricians and more medical subspecialists.

3. Assess needs of demographic subgroups



Beyond traditional data analysis – population size and growth, age/gender mix, ethnic profile – an effective plan will identify health status concerns and other relevant needs by key subgroup (e.g., children, woman of childbearing age, high-risk seniors, major ethnic groups).

In addition, government-designated Health Professional Shortage Areas and Medically Underserved Areas should be identified. Organizations that establish new primary care clinics and/or physician practices in these underserved areas are potentially eligible for financial packages/incentives such as low interest loans, loan forgiveness, and low office rental rates.

4. Ensure that physician supply data is accurate. Correlate to an FTE level.

There are various publicly available and proprietary sources which identify physician supply (counts) within a given geography. However, it is vital to utilize supplemental sources and conduct phone calls to physicians' offices to verify data accuracy. Few databases are current so there is a need to account for recent physician departures from the area, retirements or additions of new physician practices and offices.

Physician supply data must be correlated to a full-time equivalent (FTE) level or physician needs may be inaccurately calculated. This will entail a careful review of each physician's estimated hours per week (full-time versus part-time), specialty/subspecialty activity (e.g., an internist subspecializing in pulmonology might be categorized as .5 FTE internal medicine and .5 FTE pulmonology), and other factors which could impact practice availability.

5. Conduct physician interviews

Qualitative feedback from physicians is critical in developing a comprehensive and accurate needs assessment. An ideal physician interview process incorporates the following:

- Broad representation across medical, surgical, and hospital-based specialties
- Substantial primary care physician representation
- Balance of solo practitioners and group practice representatives
- Established physician opinion leaders and physician new to the area

6. Supplement interview findings with a quantitative survey

Consider using a written survey to quantitatively validate medical staff development needs in addition to one-on-one physician interviews. A written survey can also be valuable in identifying medical staff development strategies related to physician/administration relations, physician/nursing relations, medical staff leadership, marketing and outreach, and community needs.

7. Conduct simulated "patient calls"

Accessibility to area practitioners' offices (i.e., number of days that patients have to wait for an appointment) can be a key indicator of need. While some physicians have an accurate handle on their waiting times, others do not. Simulated "new patient" calls to primary care practices are an effective way to gauge access and demand.

8. Review relevant hospital-specific data

Selected hospital-specific data should be reviewed to examine medical staff development initiatives within the context of the organization's overall operating situation and strategic plan. Data should include:

- Available capacity to absorb volume from new physician recruits
- Organization's financial experience/posture related to physician employment and/or income guarantees
- Service line market share to verify areas of weakness/opportunity (e.g., underperforming service lines)
- Organization's reliance on particular medical groups and individual physicians

9. Obtain management input from key departments/disciplines

Selected senior and middle management representatives, particularly those with hands-on clinical responsibilities can provide a balanced perspective on medical staff needs. Representatives can include the following: CFO, director of nursing, director of surgical services, medical affairs vice president/physician liaison, and director of planning/business development. Before the plan is finalized it should be reviewed by legal counsel as well.

Summary Notes/Next Steps

When complete, the medical staff development plan should identify physician recruitment targets and desired clinical profiles (e.g., language capabilities, demographic, subspecialization), key operational considerations, geographic target markets, and strategies to work collaboratively with existing staff physicians. The plan should serve as a road map to guide medical staff development and recruitment activities for two to three years with annual updates, and be a focal point in strengthening physician-hospital relationships.

To receive a free copy of our complete White Paper, **"Ten Key Elements of A Successful Medical Staff Development Plan,"** please contact Eric Themm at (310) 320-3990 or EThemm@TheCamdenGroup.com.

About The Camden Group

The Camden Group has been providing consulting and management services exclusively to the health care field since 1970. With more than 1,000 clients located in 40 states, we serve health care systems, individual hospitals, community non-profit organizations, university medical centers, government-controlled organizations, IPAs, medical groups, health plans, and individual physicians.

The health care professionals on our consulting staff are adept at:

- Strategic and business planning
- Financial and operations improvement (including turnarounds and interim management) of hospitals, IPAs, and medical groups
- Business valuations and fairness opinions
- Facility planning
- Community health needs assessments
- Health care organization mergers and network development
- Supply cost management

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For additional information about The Camden Group, check out our website at **www.TheCamdenGroup.com**, which is updated monthly.

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The Camden Group Holiday Photo 2003

Grow Cancer Center Revenue Now: Immediate Actions to Take in 2004

By Mark J. Dubow

Growth in oncology service line patient volume and revenues is an immediate priority for most health care organizations. Our work with cancer centers, Institutes and Centers of Excellence shows that there are ways to boost performance in this service line by focusing on a few essential variables.

What follows here is a condensed summary of a full outline of proven cancer center growth strategies from an article that has been published in the January-February edition of *Oncology Issues* by Mark Dubow.

1. **Drive increased volume through existing cancer services.** Focus on a select number of proven techniques that fit your situation:

- ▲ Critically evaluate if you truly understand and meet the value equation that patients and customers are seeking and the extent to which their experience matches their expectations. Tailor your strategy to resolve "gaps" between those two.
- ▲ Assess all existing referral sources in terms of their actual versus potential yield; resolve specific frustrations/barriers inhibiting referral relationships.
- ▲ Expand the cross-referral of patients through pulmonology, urology, orthopedics and other specialties.
- ▲ Create remote access centralized/coordinated scheduling for all services/modalities used during a patient visit and maximize other elements of a patients convenience and satisfaction.
- ▲ Provide community-based screening and education programs to target groups.
- ▲ Ask your team of oncologists and clinical staff to answer the question, "If we had to increase (profitable) volume by 10 percent in 30 days, what would we do?" The answers might surprise you!

2. **Add new services.** Are there clinical services or technologies that could be added to serve patients that have previously used competing facilities? Possibilities to consider: bone marrow transplant program, combination CT/PET scanner, IMRT, stereotactic and minimally invasive surgery. Another approach is to establish cancer-site specific programs that respond to local health status and the competitive environment (e.g., Colo-rectal Cancer Center, Lung Cancer Center). In assessing potential services the key questions to answer include:

- ▲ Will the potential service significantly contribute to meeting our financial goals for growth?
- ▲ Based on other successful organizations, do we have all of the competencies needed? Can we develop/buy those that are absent?
- ▲ Is there a large enough market?
- ▲ Can we afford the investment needed?
- ▲ Are the key constituents supportive?

Additional strategies to consider that are covered in The Camden Group's White Paper include:

3. Serve new geographic markets.
4. Serve new ethnic markets.

Create new market niche

5. Using affiliations and alliances.
6. Resolving operational barriers.
7. Leveraging clinical trials and ancillary services to generate revenue growth.
8. Incorporate strategies used by for-profit cancer center companies.
9. Apply a retailer's perspective.
10. Identify new patient entry points.

To learn more about growth strategies for cancer centers and to define a process for addressing the strategies and tactics that will lead to success in your organization, or to receive a free copy of our White Paper, "Ten Approaches to Achieving Cancer Center Growth 2004," please contact Mark Dubow at (310) 320-3990 or MDubow@TheCamdenGroup.com

Top Strategic and Operational Concerns of CEOs for 2004

If financial and strategic performance are the umbrella concerns for CEOs in 2004, the sub-categories that keep them awake into the wee hours span a broad continuum of worries. Visit our website to review the "Top 10 Strategic and Operational Concerns of CEOs for 2004." Do you agree? Let us know your opinion, at www.theCamdenGroup.com

Keep members of your board, medical staff and senior management team current on the strategic and business implications of change by inviting a Camden consultant to present our 60 or 90 minute "Industry Trends 2004: What you must know to survive… and thrive in the changing health care environment" presentation at your next planning retreat or meeting. **For further information and free sample slides, please contact us at GMasters@thecamdengroup.com**

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