

Approaching physician recruitment systematically. Timothy McInerney.
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Abstract:

Healthcare organizations should develop a systematic approach for recruiting physicians. This increases the chances of the organization to cultivate a stable and long-term relationship with the physicians they recruit. To manage physician recruitment effectively, organizations should identify the objectives of the recruitment, employ different recruitment methods, assess the skills and compatibility of the candidates, discuss the benefits, check references, and close the deal.

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Physician recruitment has become increasingly competitive. Organizations that recruit physicians need to establish a systematic recruitment approach that includes determining the organization's recruitment objectives, using various recruiting sources, assessing the skills and "fit" of all candidates, explaining the benefits to candidates early in the process, checking references carefully, and acting quickly to make an offer. Following a systematic physician recruitment plan can help healthcare organizations hire the best person for the job.

For most provider organizations, physician recruitment is an ongoing process. An organization's need to recruit physicians can grow out of a desire to increase market share, meet market demand, expand its complement of services, satisfy HMO contract terms, or fill current or anticipated job vacancies. And given the dynamic nature of today's healthcare marketplace, physician recruitment should be conducted systematically to improve the chances that a stable, long-lasting relationship between the physician and the organization develops.

Several factors should be considered in managing physician recruitment. The organization should determine its recruitment objectives, use various recruitment methods, assess the skills and "fit" of all candidates, explain the benefits, check references carefully, and act quickly to make an offer.

Determining the Recruitment Objectives

The first step in physician recruitment is to determine whether the organization is recruiting a staff physician or a physician partner. The employment approach preserves the organization's equity stake, control, and flexibility, while a partnership can bring the organization several benefits, including capital contribution and a commitment to productivity that may not always occur with a staff hire. It is important to have clearly defined goals for choosing one strategy over the other, understand the legal requirements of the chosen strategy, and develop the salary or financial arrangement to be offered.

The physician recruitment plan should consider the impact of recruitment in terms of costs and related issues. Each new physician may need additional nursing, technical, billing, or clerical help, and the costs of this support should be considered as part of the recruitment program. When considering additional staffing, it is also important to determine space and equipment requirements.

Using Various Recruitment Methods

Candidates can be recruited through various means. Networking and word-of-mouth referrals are traditional methods used for recruiting candidates. The high demand for primary care physicians has caused provider organizations to rely on innovative recruitment methods, including buying solo practices, recruiting residents early in their training, cultivating the interest of medical school students, and even retraining specialists to act as primary care physicians.

Professional recruiters also can be used. For a flat fee or a contingency fee, usually based on a percentage of the compensation, recruiters will locate viable candidates, check credentials and references, and help negotiate the employment or partnership agreement. The professional recruiter's fee should be negotiable, and an exclusive contract should be avoided to preserve as many source options as possible.

A promising new way to locate candidates is through the use of computer databases devoted to providing current information on thousands of physicians actively looking for new practice opportunities. Although these databases can greatly reduce the time needed to identify viable candidates, their operators charge hefty access premiums of from \$15,000 to \$30,000. Even so, these databases can prove cost-effective for organizations that may conduct several searches in a year. Professional recruiters also use these databases, so these sources are accessible indirectly.

Assessing Skills and "Fit"

It is important to assess a physician candidate's compatibility with the organizational culture, including philosophy of care and clinical process, and with its business philosophy, including financial goals and cost-containment or utilization requirements. Work environment issues, such as job conditions at the workplace, responsibilities, and expectations need to be clarified during the interview process. Care should be taken to explain the management process, such as how decisions are made and how productivity expectations are determined. Managed care requirements for handling authorizations, referrals, follow-ups, and reporting and other administrative duties should be clearly explained as well.

Increasing its specialist base can be an important part of a provider organization's growth strategy. The organization, however, should ensure that specialist recruits' practice styles and productivity and skill levels are compatible with those of its primary care physicians and other specialists. Specialist candidates' flexibility and ability to work well with others are desirable traits in this regard as well.

The best way to gauge fit is for candidates to visit the clinical setting during normal weekday hours. During the visit, candidates' reactions and interactions can be observed.

Setting and Explaining the Benefits Package

The recruiter should explain benefits carefully rather than ask open-ended questions about candidates' expectations. The recruiter should clarify candidates' time schedule availability, compensation range, benefits packages, and income/overhead split, if there is one. Similarly, compensation arrangements, buy-in/pay-out structures, and compatible business goals are critical to successful partnership recruitment.

Commonly used financial incentives to get recruits to join the organization include a signing bonus, guaranteed income subsidies, paid relocation expenses, malpractice tail coverage, and paid continuing medical education. A standard package of life, health, disability, and malpractice insurance is usually included.

Nonqualified benefit programs can supplement a standard benefits package. In addition to 401(k) and 403(b) deferred compensation plans, a 457(f) contribution plan can be established, subject to overall limits on contributions and deferrals. A section 162 bonus plan can be used to compensate physicians by providing variable life insurance.

Another optional benefit is the charitable remainder unitrust, which establishes an irrevocable trust that pays the physician or the physician's heirs, with the remainder going to the physician's designated charity. Welfare benefit plans involving split-dollar contributions for life insurance with a postretirement death benefit and cash value can be applied. A severance pay plan that meets ERISA requirements is another type of welfare benefit plan.

Helping recent graduates repay medical school loans can create a recruitment advantage. Usually, school-debt assistance is offered with an agreed-upon pay-out period, typically four to five years, and a maximum benefit ranging from \$20,000 to \$40,000. An initial lump-sum payment of a portion of nongovernment high-interest debt can be an irresistible benefit to offer recruits.

If physicians are expected to pay IPA, PHO, or physician practice management company membership or other fees, this should be explained early in the interview process. If a candidate is reluctant to assume these types of fees, the organization should decide whether to cover them and communicate this decision to the candidate.

If a candidate would have to relocate, the recruiter should provide information on local housing, schools, recreation, and spouse employment opportunities.

Both for-profit and not-for-profit healthcare organizations face additional requirements and restrictions in physician recruitment, specified in Medicare and Medicaid fraud and abuse legislation, Stark legislation, and tax rules on private inurement. Employment relationships have to be structured to avoid violating these regulations.

Checking References

Candidates should provide written authorization to verify the professional and personal information in their application. Credential checking normally is done routinely by most organizations and, if necessary, can be outsourced to a commercial agency. References

are best checked by phone and should cover the physician's clinical knowledge and skills, strengths and weaknesses, interpersonal skills, and ability to handle stress.

Closing the Deal

Sometimes a candidate accepts an offer only to reject it soon afterward. Starting the recruitment process over is costly. Thus, making an offer to more than one candidate with the right to hire the first person who accepts the job, is reasonable as long as the candidates are made aware of the situation. Similarly, acting quickly is essential to avoid losing a desired physician candidate.

A number of factors must be considered in physician recruitment today. A systematic approach will help ensure the success of this important effort.

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