

Current Trends in the Physician Recruiting Industry

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PHYSICIAN SHORTAGE

The healthcare industry is facing an impending physician shortage. The graying of the baby boomers and medical advances that prolong life coupled with the changing demographics and expectations of the physician workforce have translated into a concern about meeting the population's health care needs. The Association of American Medical Colleges (AAMC) Center for Workforce Studies was established in 2004 to enhance and make available comprehensive data and analyses regarding the supply and demand of physicians. The AAMC identified 35 recent studies on current and future physician workforce needs by state or specialty.¹ Conclusions reached from just a few of those studies:

- A 20% decrease in the age-adjusted supply of cardiologists with a substantial increase in the incidence and prevalence of cardiovascular disease²
- A shortage of 1,500 intensivists by 2020³
- A 48% rise in the demand for oncologists from 2005-2020, and a 14% rise in supply creating a shortage of 2,500-4,080 oncologists⁴
- A need for up to 36,000 additional geriatricians by 2030⁵

Thirty-six percent of active physicians are over the age of 55 and most will be retired by 2020. While the number of medical students in the U.S. will increase over the coming years, it takes at least a decade to impact the supply of U.S. educated physicians.

RESPONSES TO THE SHORTAGE

Shortages or even talk of shortages can manipulate markets that create problems for healthcare leaders who are facing daily challenges in recruiting and

retaining physicians. The AAMC recommended 30% growth in first year medical school enrollment by 2015. The 2007 entering class to U.S. medical schools is the largest in history, up 2.3% from 2006. Of the 126 existing medical schools, 11 have boosted enrollment by more than 10%. Ten new schools are under discussion, eight have added new campuses and five new schools are in the process of opening. Osteopathic schools have added ten new campuses since 2003. First year residency positions, however, have grown only 4% over the past 10 years. New U.S. medical school graduates will replace International medical school graduates in residency slots which won't increase the pipeline of physicians. The number of graduate medical education positions needs to be expanded to accommodate more medical school graduates.⁶

The way in which physicians practice may need to change based on shortages in certain specialties. The Institute of Medicine concluded that given the predicted shortage of geriatricians, all physicians who treat older adults will need to become more proficient in geriatric care.⁷ Medical education leaders have recommended the "Don't Kill Granny" curriculum which incorporates 26 competencies designed to teach medical students the basics of geriatrics. It has also been suggested that one way in which to deal with the projected shortage of oncologists is to have primary care physicians play a bigger role in monitoring patients in remission.

Other responses to the shortage are the increased recruitment and utilization of nurse practitioners and physician assistants. Another approach is to delay the retirement of older physicians by creating part-time and flexible schedules.



DEMOGRAPHIC CHANGES IN THE PHYSICIAN WORKFORCE

Fifty percent of medical students are women, and women often tend to work fewer hours than men. Physician Executive magazine reports that some hospitals discount the economic benefits of a female physician's labor at .8 FTE when estimating staffing needs.⁸ Women are twice as likely to go into primary care, which is good news for the specialties of family medicine, pediatrics, internal medicine and ob/gyn. However, with a country full of aging baby boomers that are more likely to need orthopedic surgeons, pulmonologists and cardiologists in the coming years, this trend creates a concern. Many experts think the shortage predictions in pulmonary medicine and cardiology are exacerbated by the increase of women in medicine.

EXPECTATIONS OF PHYSICIANS

The new generation of physicians has a significant focus on work/life balance and is not willing to work the long hours that prior generations of physicians have been working. In a 2006 study conducted by Merritt, Hawkins and Associates, 63% of surveyed residents said availability of free time is causing significant concern, up from 15% in 2001.⁹

Although it is well documented that women are often attracted to the option of part-time work, that trend is transcending gender, with an increasing number of male physicians seeking flexible work schedules. Many physicians new to the workforce

Continued on page 6

Current Trends in the Physician

Continued from page 5

are demanding more balanced lifestyles. In a survey conducted by AAMC of physicians in their 30s and 40s, 71% said time for family and personal time are the most important things.¹⁰ Medical students are demonstrating that work/life balance is greatly influencing how they pick a specialty. Students are choosing radiology, ophthalmology, anesthesiology and dermatology. Top tier students are migrating from specialties that manage disease toward specialties that improve the lives of physicians and patients - those with better compensation, more autonomy and more controllable work hours. As an example, last year Harvard had 383 applications for 6 slots in dermatology.¹¹

COMPETITION FOR PHYSICIANS

The attention being paid to the physician shortage has heightened the competition among hospitals and practices for physician talent, resulting in physicians being in strong positions to dictate the terms of employment. Two national physician search firms recently surveyed physicians about job solicitations revealing:

- 52% of residents surveyed indicated they had received 51 or more job solicitations during their training and 79% received 16 or more¹²
- 79% of 2006 primary care residents received 16 or more solicitations up from 16% in 1999 and 22% in 2003
- 78% of respondents received 3 or more solicitations a week, and 18% received 11 or more¹³

HOW PHYSICIANS SEEK PRACTICE OPPORTUNITIES

The way in which physicians seek positions is changing reflecting the preferences of the new generation of physicians. According to independent studies conducted in 2007 and 2004 for the *New England Journal of Medicine*, the top sources for leads in a job search were:

2007	2004
1) Personal/Professional Referral	1) Direct Mail
2) Physician Recruiters	2) Emails Sent to Physicians
3) Emails Sent to Physicians	3) Print Ads
4) Online Job Sites	4) Conferences
5) Print Ads	5) Online Job Sites

Studies conducted with final years residents by Merritt, Hawkins and Associates revealed the following as best resources for learning about positions:

2006	2003
1) Internet	1) Personal Networking
2) Personal Networking	2) Physician Recruiters
3) Physician Recruiters	3) Internet
4) Residency Programs	4) Residency Programs
5) Specialty Societies	5) Journal Advertising
6) Journal Advertising	6) Specialty Societies

The Delta Companies, a large, national search firm, reported response rates by recruiting method to be:

2007/2008	2003/2004
1) Direct Mail	1) Direct Mail
2) eMarketing	2) eMarketing
3) Personal Referrals	3) Email
4) Cold Calls	4) Journal Ads
5) Other Sources	5) Cold Calls

These studies indicate that personal referrals, direct mail and journal advertising continue to be effective ways in which to reach potential candidates, and that the Internet is being used more often than in previous years by physicians exploring practice opportunities. These studies mirror what the Physician Recruiting Department at Lehigh Valley Health Network (LVHN) has discovered from tracking the sources of our successful physician hires over the past two fiscal years. Following is LVHN data:

FY'08	FY'07
1) Personal Contacts (30%)	1) Personal Contacts (27%)
2) Websites (21%)	2) Websites (18%)
3) Direct Mail (15%)	3) Direct Mail (15%)
4) Print Advertising (11%)	4) Unsolicited Responses (5%)
5) Unsolicited Responses (4%)	5) Print Advertising (4%)

DIRECT MAIL - WHAT MESSAGE TO SEND TO WHOM

Direct mail continues to be a good way to make physicians aware of practice opportunities. However, the number of direct mail pieces that individual physicians receive has increased exponentially. Studies have been conducted that elucidate what messages are important to different generations.

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Physician Recruiting Industry

Continued from page 6

For example, when appealing to physicians within the Baby Boomer Generation, the message should include:

- ✓ Lots of details
- ✓ Long-term commitment and stability
- ✓ Opportunities for organizational and departmental involvement
- ✓ Career development opportunities
- ✓ Benefits (retirement, healthcare, CME)

When attempting to appeal to the Generation X Physicians, the message should focus on:

- ✓ Lifestyle considerations
- ✓ Organizational stability
- ✓ Opportunity to develop transportable skills
- ✓ Technological resources
- ✓ Freedom from hierarchical dominance
- ✓ Financial health of the organization

The message that should be emphasized to physicians in the Millennial Generation is:

- ✓ Organizational commitment to the community and the environment
- ✓ Embracing diversity
- ✓ Achievement orientation
- ✓ Flexible schedules
- ✓ Team orientation
- ✓ Technology advancements
- ✓ Workplace recognition

FOCUS ON FLEXIBILITY

Numerous surveys have indicated that lifestyle is one of the most important elements young physicians evaluate when considering practice opportunities. While offering flexible scheduling can create challenges for practice managers and administrators, organizations should consider differentiating themselves from other practices by expressing a willingness to construct positions that incorporate flexible and part-time working arrangements. As mentioned previously, this kind of flexibility is being sought by both male and female physicians.

Flexible schedules are also attractive enticements for physicians over the age of 50. Since one strategy to address the physician shortage is to delay the retirement of physicians, this can be accomplished through offering flexible schedules to older physicians. In a 2006 study conducted by AAMC of physicians older than 50, 21% are working part-time and another 46% were considering working part-time or would like to be offered part-time work. The study concluded that about half of the physicians over 50 could be enticed to practice longer if they were offered flexible work schedules.¹⁴ This is particularly important in specialties that have large percentages of practicing physicians

over the age of 50, for example, more than half of the practicing oncologists are over 50.¹⁵

RETENTION

Physician retention has become an increasingly discussed topic among leaders in healthcare systems, hospitals and medical group practices. With the costs associated with physician turnover and the imbalance of physician supply and demand, retention plans in place at healthcare organizations across the country are helping employers decrease physician turnover rates. Components of some successful retention plans include determining better fit during the interview phase, establishing clear shared expectations, continued communication post-hire and prior to working, mentorship program, quarterly contact to assess stressors/satisfaction and to offer concierge services, assessment of community and organizational integration, conducting stay interviews and then assessing and measuring the effectiveness of these strategies.

Recent retention surveys indicate that physicians are most vulnerable in the early years with 47% of physicians who leave practices doing so in the first three years and 60% in the first five years. The intent in implementing the retention plan is to reduce physician turnover for the benefit of patients and practices.

While there are numerous factors that are impacting the physician recruiting industry, recruiters who utilize diversified recruitment strategies and who embrace candidate-centric processes will come out ahead of those who won't accept the changes in our market. The most successful recruiters are dedicated, tenacious, creative and knowledgeable and will meet the challenges of today's market and will always have an eye toward future trends.

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