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Developing a Medical Staff Plan to Proactively Address Physician Shortages

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Developing a Medical Staff Plan to Proactively Address Physician Shortages

Concern is growing about a nationwide physician shortage in the years ahead. A report commissioned by the Council on Graduate Medical Education predicts a shortage of 85,000 physicians by the year 2020.[1] Recently, the American Medical Association (AMA) reported that 38% of all physicians in the U.S. are 50 years or older, and there is increasing concern that they may retire or modify their practices. According to a recent study of physicians 50 to 65 years of age, "many older physicians will take actions in the next one to three years that will significantly contribute to current and future physician shortages."[2]

In light of a potential doctor shortage, Main Line Health (MLH), in conjunction with an outside firm, has developed a medical staff plan to ensure its community's health care needs are met and strategic plans fulfilled. The goals of this plan include determining the hospital and community need of physicians in a designated service area; maintaining an appropriate medical staff composition (age, medical specialty) to meet the needs of the hospital and community; developing a framework for prioritizing physician retention/recruitment opportunities, and integrating these priorities with strategic initiatives.

In developing the plan, MLH first determined the community demand or the number of physician full-time equivalents (FTEs) by specialty needed for its designated service area. Demand was calculated by utilizing physician-to-population ratios (i.e., x cardiologists per 100,000 persons) and applying them to the service area population. These ratios were obtained from various public and proprietary sources. Other factors taken into consideration included managed care market penetration, use of physician extenders, and service area definition and projected demographic changes.

The community supply, or the number of FTEs by specialty clinically practicing in the hospital's service area, was determined by using the hospital medical staff roster, as well as other sources of information such as the AMA database, the yellow pages and Internet directories. Adjustments were made for physicians who practice parttime, provide non-clinical services or are age 55 or older.

Finally, community need, or the variance between community supply and community demand for a specialty, was calculated. Demonstrating community need in an objective manner was important since, based on regulations issued by the Internal Revenue Service and Office of Inspector General, a deficit in the community supply enables the hospital to fund the recruitment of new physicians into a private practice to support or grow its physician base. Without community need in a given specialty, MLH would not be able to recruit physicians except under an employment model per governmental regulations on physician recruitment.

The primary use of MLH's medical staff plan was to determine the community need for physicians and provide documentation regarding whether or not the hospital can financially assist with non-employed recruitment efforts. Other uses include prompting the hospital to review the age of the medical staff and develop plans for transitioning practices where physicians are near retirement and providing valuable information regarding the attribute (i.e., specialty mix, age, office location, patient

characteristics, insurance acceptance) of existing practices to determine if the physician base coincides with the hospital's strategic plans, as well as the community needs.

Furthermore, although the plan's focus was to identify physician voids and recruitment opportunities, it also considered the issue of physician retention. MLH realizes that its current physician supply can change quickly as physicians today are more willing to relocate out of the area where medical malpractice insurance is more affordable and reimbursement more favorable. In response, MLH and other community health systems are striving to legally retain practices through various models such as employment and other hospital/physician partnership arrangements.

Overall, given predicted physician shortages, an aging physician population, and limited resources, hospitals must fully understand the attributes and implications of their medical staff composition. This is a critical starting point to have fully integrated strategic plans and prioritize needs for the betterment of the hospital, physician practices and the community served.

References

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