

A B O V E B O A R D



Seven Steps to Successful Medical Staff Development Planning

By James Lifton

Governing boards can serve both their organization and the community by ensuring that a medical staff development plan is in place that quantifies physician need in the geographic area, establishes hospital recruitment priorities in the context of community need, and addresses other related issues such as medical staff organization and physician practice location. In addition to keeping the hospital in compliance with regulations about the use of federal funds for physician recruitment and practice support, a medical staff development plan is:

- **Integral to strategic and business planning.** Think of recruiting a physician as starting up a new business or recapitalizing an existing one. For specialties such as cardiology, orthopedic surgery and gastroenterology, the financial commitment to recruit, relocate and compensate a physician (by salary or income guarantee) can reach \$1 million or more.

- **Often part of the justification for a major facility project.** Projects involving tens or hundreds of millions of dollars are typically justified by anticipated increases in patient volume, and the underlying volume projections for the new facility likely assume that there will be additional physicians utilizing the new facility.

- **An important physician recruitment tool.** It can demonstrate to physicians being recruited that careful planning was done and that a worth-

while practice opportunity exists.

The methodology for medical staff development planning builds on quantitative information, such as physician-to-population ratios, and uses qualitative input, including physician interviews and steering committee discussions. Changes in health care delivery and medical practice, such as the difficulty in

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getting specialists physicians to agree to emergency call and the renewed interest in physician employment, should be reflected in the medical staff planning process. Also, a medical staff development plan will be more successful if there has been good advance preparation to implement the plan. The following seven steps will put a hospital on the path to successful medical staff development.

- 1. Redefine physician categories.** Changes in medical practice should be

reflected in the physician categories used in medical staff development planning. For instance, some hospitals may find it appropriate to assess the need for gerontologists and hospitalists (as subsets of internal medicine), while others may want to look at spine surgeons (as a subspecialty of orthopedic surgery or neurosurgery) or pain management physicians (a division broken out from anesthesiologists). Extra effort will be required to assess physician supply and demand for these categories, but it is effort well spent.

- 2. Consider nonphysician clinicians.** At some hospitals, nonphysician clinicians such as midwives, podiatrists, chiropractors and psychologists are playing an increasing role in health care delivery. They may be serving as physician extenders, practicing independently, or offering nontraditional services. Whatever their role, it may be appropriate to consider them in the medical staff planning process.

- 3. Adjust productivity assumptions.** When a hospital or physician group is replacing a retiring 65-year-old physician with a 30-year-old physician fresh out of residency, the transaction is unlikely to be a one-for-one proposition. New physicians, male and female, aren't devoting as much of their time to medical practice as their predecessors did. While productivity should be addressed on a case-by-case basis, a general rule of thumb is that new physicians will spend 15 percent fewer hours

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in practice than physicians in the previous generation.

4. Offer a variety of practice settings. At a minimum, a hospital should have both employment and private practice opportunities available. Physician employment must be supported by a well-developed infrastructure (such as practice management services and information technology) and should ideally provide the flexibility for part-time practice. When the hospital has cooperative relationships with existing practices, new private practice physicians should be given the option of joining an established practice.

5. Encourage the medical staff to review and, where necessary, update their structure and bylaws. Medical staff categories, and their corresponding privileges and obligations, should be designed to accommodate physicians

who routinely practice at the hospital as well as those who make little use of hospital facilities. Call coverage responsibilities, committee service expectations, and similar issues should be addressed clearly and realistically.

6. Provide a high productivity environment. Patients, physicians and the hospital all benefit from efficiency. Surgeons, gastroenterologists and cardiologists will be attracted to efficient operating rooms, endoscopy suites and cardiac catheterization labs. All physicians will appreciate efficient scheduling and admission procedures and timely reporting of test results. Patients are more likely to be satisfied with an efficient provider and, of course, higher throughput leads to higher profitability for the hospital.

7. Make it easy for physicians to

join the staff and begin to practice. Providing assistance with the medical staff application and credentialing, and obtaining provider numbers from Medicare, Medicaid and other payers, will allow physicians to begin seeing patients and billing for services.

The demand for physicians is already greater than the supply in many specialties and communities, and the gap is likely to widen. Hospitals guided by a sound medical staff development plan will be better equipped to attract the physicians necessary to meet community needs and support the hospital. **T**

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