

Primary Care Provider Shortage and the Impact on Integrated Care

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Healthcare organizations are wrestling with a delicate balancing act to ensure they have enough providers to meet patient and quality care goals. Many medical groups, hospitals and integrated healthcare systems are already experiencing a shortage of primary care providers. Adding millions of uninsured/underinsured patients is exacerbating this shortage and increasing competition for too few providers.

As healthcare organizations strategize how they will implement and expand integrated care initiatives, they must stay focused on physician and advanced practice provider staffing. Having a sufficient number of primary care providers will be key to integrated care success but these professionals are in critical short supply. The success of any healthcare reform initiatives will be contingent on making provider staffing a top priority. We offer recommendations to ensure your primary care staffing efforts are successful.

Primary Care Recruitment Has Moved to the Front Burner

A Health Care Advisory Board Study reported three conclusions regarding provider recruitment: physician recruitment is now a front-burner issue; maintaining adequate physician staffing will be more challenging; and the increasing competition for physician labor demands a higher functioning recruitment role. The American Medical Group Association's Readiness Assessment Tool identified two provider staffing priorities: that the organization has sufficient primary care providers for the size of the population to be served; and primary care providers are being augmented by advanced practice providers and other licensed practitioners.

“If you run primary care practices, multispecialty practices or urgent care clinics, you will soon be in direct competition with the largest and most efficient corporations in the world running retail care operations.”

Joe Flower, Healthcare Futurist



... graduating physicians have nearly \$200,000 in debt and any offer that includes loan repayment or a signing bonus will be far more competitive.

Family Practice Market Assessment

Of the total 114,692 Family Physicians in the U.S., 81,239 are board certified and 50.8% are over the age of 50. There are 2,901 senior (third year) Residents in programs throughout the country and International Medical Graduates (IMGs) fill 38% of these slots. According to the American Academy of Family Physicians (AAFP), the U.S. would need an additional 3,500 training slots each year to meet expected needs in 2020. The median compensation for a Family Physician is \$207,117 and median work RVUs total is 4,864.

General Internal Medicine Market Assessment

There are 124,730 general Internal Medicine physicians in the U.S., 82,907 are board certified and 45% are over the age of 50. The number of International Medical Graduates is 50,082 which represents 40.2% of all Internal Medicine physicians. A surprising one in six Internists leave medicine by age 50. Of the 5,647 senior (third year) Internal Medicine residents in the class of 2014, approximately 75% will go on to subspecialty fellowships, 10-12% will pursue Hospitalist jobs, and only 13-15% indicate they will pursue general Internal Medicine careers. Based on these statistics, the pool of general Internist candidates continues to shrink as Baby Boomers come into the Medicare system. Searches for general Internists are among the most difficult for all organization types and all geographic locations. The median compensation for a general Internist is \$224,110 and the median work RVU total is 4,864.

General Pediatric Market Assessment

There are a total of 62,763 Pediatricians in the U.S., 47,474 are board certified and 45.6% are over the age of 50. There are 2,314 senior (third year) residents graduating in 2014 and 22% are International Medical Graduates. Over 60% of male residents and 25% of female residents enter pediatric subspecialty fellowships. Coupled with uninsured children entering the healthcare system under the Affordable Care Act, the number of general Pediatricians will be in short supply. The median compensation for a general Pediatrician is \$216,112 and the median work RVU total is 5,137.

Primary Care Nurse Practitioner Market Assessment

The number of Nurse Practitioners (NPs) in the U.S. is over 150,000 and nearly 8,000 graduate from training each year. Approximately 25% of primary care physicians employ Nurse Practitioners and there are reports that the demand for NPs will grow 48% over the next few years. Nurse Practitioners and Physician Assistants are already being tapped to meet medical home staffing needs and will further increase as other integrated care programs are developed. Strong competition will come from retail clinics where those numbers are projected to double in the next 5 years. Joe Flower, a healthcare futurist, wrote, "if you run primary care practices, multispecialty practices or urgent care clinics, you will soon be in direct competition with the largest and most efficient corporations in the world running retail care operations." Primary care Nurse Practitioners currently earn a median income of \$89,960 or \$43.25 per hour. We are seeing compensation increase as competition accelerates.

Physician Assistant Market Assessment

There are 91,898 Physician Assistants in the United States and nearly 80% are under the age of 55. The PA workforce increased 270% between 1992 and 2009. Approximately 43% of PAs practice primary care. The balance subspecialize with 37% working in a hospital setting. As with Nurse Practitioners, there is an increased demand for PAs for medical home and retail clinic staffing. The current median compensation for PAs is \$102,981 and represents a median total of 3,675 work RVUs.



Your Competition is National – Not Local

Your competition is no longer the group next door or the hospital 5 miles away. The electronic age has changed provider recruitment from the local stage to the national stage. In years past, providers would look through their professional journals to identify job opportunities. Today, physicians and advanced practice providers looking for new opportunities need only turn on their smart phones or computers to read e-mails and texts from recruiters and organizations all over the United States. Internet job boards and social media are just a click away.

Use Recruitment Incentives to Sign Top Choice Primary Care Providers

Recruitment incentives continue to impact the increasingly competitive provider recruitment marketplace. Recruitment trends demonstrate continued acceleration in the need for primary care physicians, primary care advanced practice providers, and the demand for specialty care providers remains strong. Successful recruitment strategies are essential for organizations seeking to add new providers. These strategies include signing bonuses, loan repayment, relocation assistance and stipends.

Signing Bonus

According to recent compensation surveys, signing bonuses were offered to approximately 60% of successfully placed physicians, and ranged from \$5,000 to \$75,000. Specialty physicians reported an average signing bonus of \$22,000 while primary care physicians reported an average of \$15,000. Physicians who are hired directly from training received similar signing bonus offers as practicing physicians.

Loan Repayment

Loan repayment is offered to approximately 20% of newly hired physicians. Primary care physicians were more likely to receive loan repayment than specialty care physicians. Physicians hired straight from training programs were more likely to receive these packages than those already in practice. Since graduating physicians have nearly \$200,000 in debt, any offer that includes assistance with loan repayment or a signing bonus will be far more competitive.

Relocation

Assistance with relocation is offered to more than 90% of physicians hired. Specialty care physicians were more likely to relocate long distances. The cost of relocating practicing physicians is typically higher than physicians hired directly out of training but the relocation packages remain similar with most capped at a set amount, often in the range of \$5,000-\$10,000.

Stipends

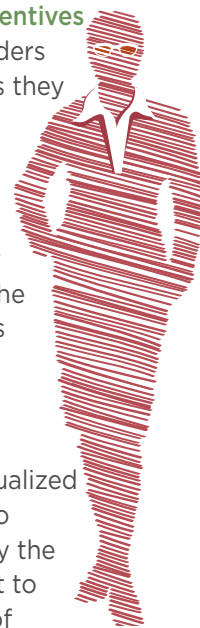
Stipends are used by some healthcare organizations as an incentive to sign residents or fellows while they are still training – usually during their last full year of training. When a resident or fellow signs a contract and commits to practice with your organization in a specific community, you can provide that physician a stipend. Stipends range from \$1,000-2,000 per month for the final 6-12 months of training. Physicians must sign documents acknowledging the stipend is a loan which will be forgiven if they practice in your organization or community as agreed. If the physician does not abide by the terms of the agreement, the stipend must be repaid.

Advanced Practice Provider Recruitment Incentives

The competition for advanced practice providers is changing the typical recruitment incentives they receive. Signing bonuses range from \$1,500 to \$7,500. Many organizations assist with relocation expenses but the amounts are less than offered to physicians. Education loan repayment and stipends are less common for advanced practice providers but we expect the recruitment incentives for these professionals will increase as integrated care initiatives are implemented and retail clinics expand.

Customize Recruitment Incentives

Savvy organizations will put together individualized packages for the providers they are hoping to recruit. A thorough interview will help identify the issues and incentives that are most important to each provider. Creativity and customization of incentives offered to your top choice candidates will make the difference in your hiring successes.



Include Primary Care Provider Recruitment in Your Strategic Plan

It can take 6-12 months or more to recruit a primary care physician and 3-7 months to recruit a primary care advanced practitioner. Evaluate your short-term and long-term recruitment strategies and plan now to strengthen primary care provider teams.

For More Information

If you have questions or comments regarding Primary Care Provider Shortage and the Impact on Integrated Care or other topics related to provider and healthcare recruitment, please contact Regina Levison, Vice President of Client Development, Jordan Search Consultants, 800-538-4766, rlevison@jordansc.com.



Kathy Jordan is the President of Jordan Search Consultants and Regina Levison is the organization's Vice President of Client Development. Founded in 2003, Jordan Search Consultants provides healthcare, executive, higher education, physician, and advanced practitioner recruitment services to clients throughout the nation. With services ranging from candidate sourcing to complete turnkey position fulfillment solutions, Jordan Search Consultants provides a customized level of recruitment support.

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