The Significance of Your Physician Needs Assessment

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Do we need a physician needs assessment?

The rationale behind this question is at least twofold:

- Some think that since most of their doctors are employees now, they do not need to document anything for employment.

- Others believe that they already know their needs, and another assessment would not tell them anything new.
The market today, more than ever, with the movement towards value-based medicine as well as population health management, requires that health systems understand their demand for physician services. Gaining that understanding necessitates that the organization takes a deep dive into their marketplace and explores how the current and projected medical community is meeting its needs. This comprehensive assessment should serve as an underpinning to the overall physician strategy of the organization. Successful organizations are viewing the physician needs assessment as more than merely an exercise in compliance and have begun to see it as a component of their overall strategic plan and physician alignment strategy. Healthcare organizations must have a constant global view of the physician and provider supply in their market, and must be able to break down this information on a specialty-specific basis, which will lead to a prioritization of specialty needs and how best to address them.

These statements and questions reflect a somewhat short-sighted view of how organizations are approaching one of the critical elements of their success and sustainability:

The vitality and development of their medical staff and medical community.
Further, medical staffs nationally are not adequately replenishing themselves. In order to remain sufficiently staffed, health systems must continually evaluate physician needs to meet the growing demands in their given market. The competition is increasing in various specialties and subspecialties, which means that organizations must have a well-researched and documented need in their market for these specialties to substantiate their recruitment efforts. Healthcare organizations must address such questions as:

- Do we have adequate primary care providers to meet the needs of our population?
- Is there the needed number and mix of specialties in our service area?
- Is there sufficient access to the physicians, and are they meeting the needs of our patient population?
How many physicians do we need?
In determining physician needs by specialty, a multiplicity of ratios related to population exist. However, these proportions do not in and of themselves account for some of the factors that can drive physician needs. The following, along with other dynamics, can drive need in certain specialties:

- ACCESS
- SCOPE OF PRACTICE
- PAYER ACCEPTANCE
- PROVIDER AGES

In our view, the existing ratios serve as a good starting point and a reasonable basis for discussion and planning. However, by no means should they become the final determinate in assessing specialty need.
Assessing physician supply can be a daunting task in many markets. An organization must develop a quantitative database of providers by name, specialty/subspecialty, and location to have a complete picture of area physician supply. The databank should also include age, health system affiliation, and other pertinent information. Taking this a step further requires an understanding of full-time equivalent (FTE) allocation. Of those providers, who are less than full time, and who split their time between multiple practice locations? Developing this database requires an understanding of providers in an entire service area — not just those affiliated with one health system.
The comprehensive approach to assessing physician need will consider other dynamics beyond simply the quantitative analysis using the population ratios. Qualitative factors can include:

- Accessibility for new patients
- Accessibility based on payer class
- Accessibility for consults
- Practice scope within specialties
- Referral patterns that exist in the community
- Patient outmigration for certain conditions and services
- Perceptions of strength and weakness by specialty among the physicians
- Physician recommendations about recruitment needs
An organization’s progression toward increased population health management also requires a close look at medical staff makeup. It is a vital part of the population health strategy. There may be specialties that do not require an increased workforce, or the primary care approach may lean more toward the use of advanced practice providers. All of these matters accentuate an organization’s need to focus on the medical community and its makeup.
Other factors to consider
In the development of a comprehensive needs assessment, we believe that the qualitative factors described earlier along with input gained from providers in the community can play a significant role in determining physician needs. This information can be attained in a variety of ways that health systems should consider, such as:

- Surveying the medical staff to gain their input
- Conducting personal interviews with providers
- Conducting focus groups made up of different constituencies in the community

All of these strategies can produce information that will aid in the development of recruitment priorities.
It should be noted that using only the quantitative analysis in determining need may provide a limited view of what actual needs are in a community. For example, input from the medical community will deliver information about access concerns for referrals or concerns about referrals to a specific provider. Community-based focus groups will give insight into the perception of certain specialties or reasons for outmigration. This kind of information will make a needs assessment come alive. The qualitative information-gathering activities will provide valued discernment that will confirm what the data has indicated or will challenge the direction the data is pointing.

"Consideration of qualitative factors will play an influential role in how an organization implements it physician needs assessment."
Pulling it all together
The results of the quantitative and qualitative activities, when complete, should become a part of the development of the recruitment and implementation plan. This is a matter of connecting the dots on a specialty-specific basis. For example, the following factors should go into the development of recruitment priorities:

- Current and projected deficits in specialty
- Age analysis
- Input from the medical community in specific areas:
  - Perception of needs
  - Referral issues
  - Access concerns
  - Potential retirement
- Input from the community in specific areas:
  - Access concerns
  - Outmigration activity
  - Perceptions of quality

All of this information should be developed into a recruitment plan that prioritizes the activity and distinct specialties to address. The unique market situation and influences of an organization can have a significant bearing on the demand for areas in a medical community.
One more thing...

The impact of an organization’s needs assessment influences provider recruitment, physician alignment, and the organization’s overall strategy. Furthermore, needs assessment bolsters the evaluation of Fair Market Value (FMV) and commercial reasonableness in contractual relationships with physicians. Addressing areas of significant shortage or specialties with retirement concerns can affect the offers to recruited and/or employed physicians. The needs assessment findings are an important factor in assessing FMV and commercial reasonableness and should be considered in those assessments.
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