



The Significance of Your **Physician Needs Assessment**

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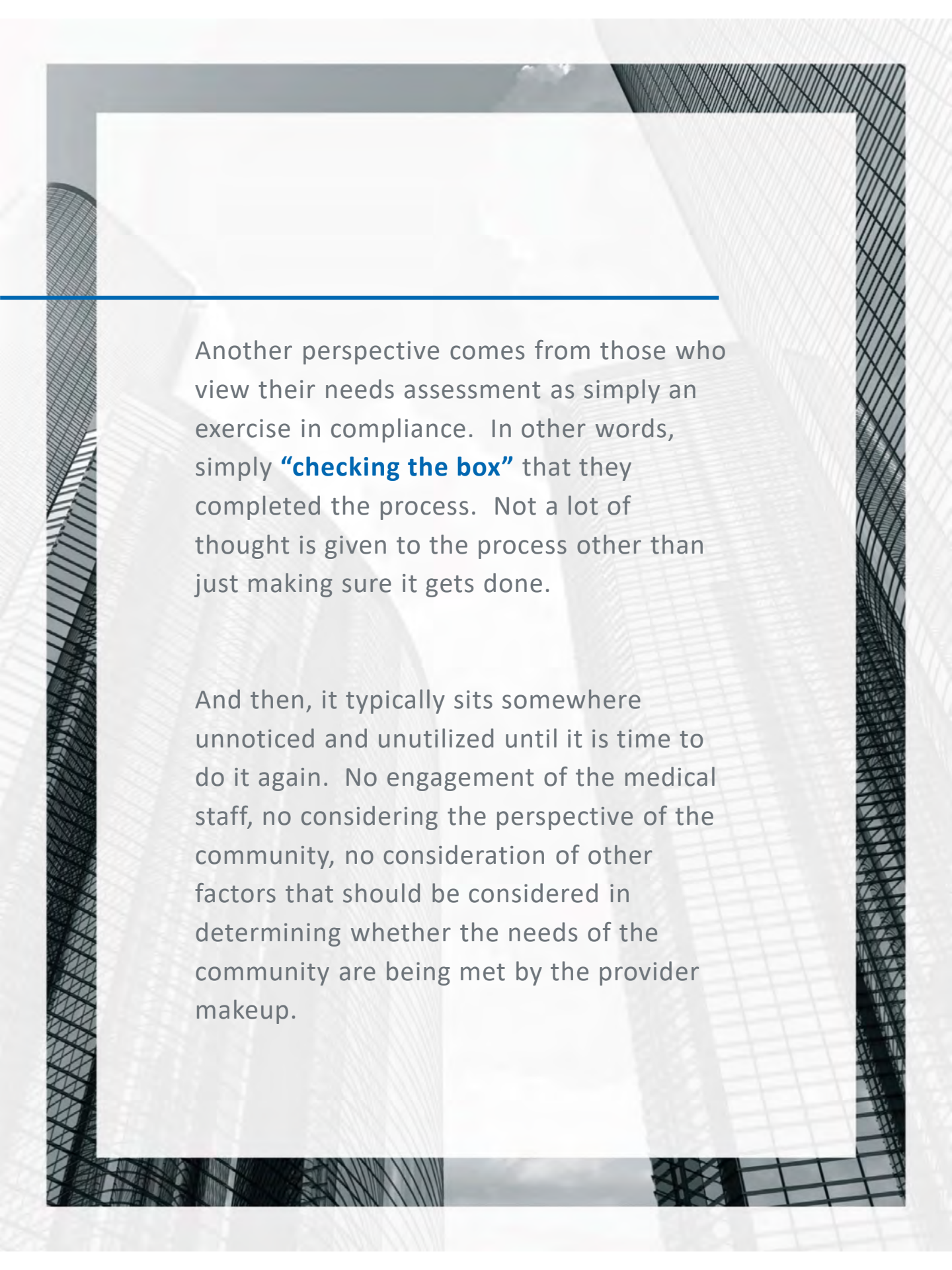
As a senior vice president for Coker Group, Randy Gott provides medical staff planning and related assistance, physician compensation plan development, and fair market value/commercial reasonableness assessment and consulting services for a broad spectrum of healthcare clients nationally. His particular interests are in medical staff and physician/provider development that support an organization's mission and strategy.



Do we need a **physician needs assessment?**

The rationale behind the 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.



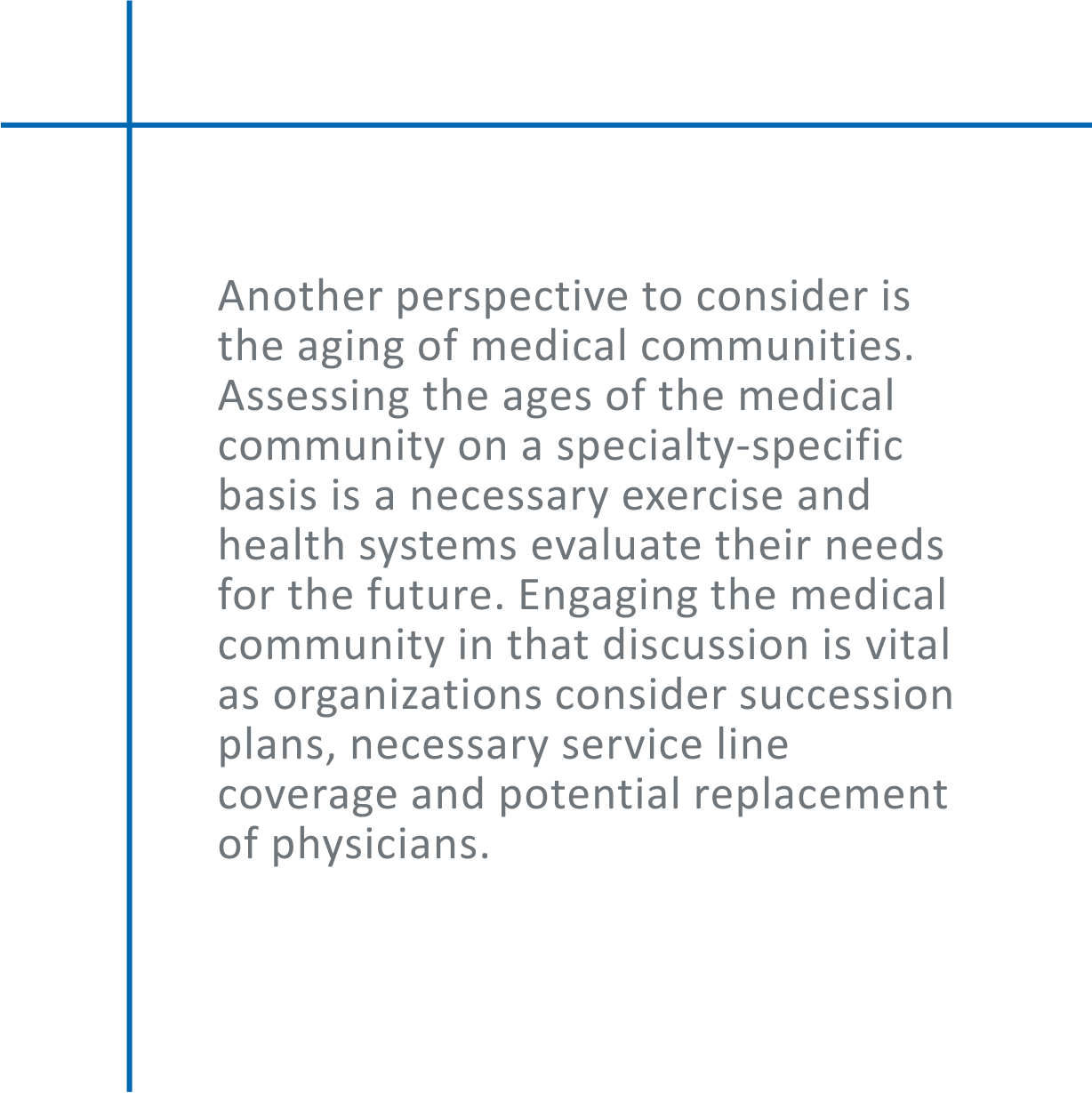
Another perspective comes from those who view their needs assessment as simply an exercise in compliance. In other words, simply **“checking the box”** that they completed the process. Not a lot of thought is given to the process other than just making sure it gets done.

And then, it typically sits somewhere unnoticed and unutilized until it is time to do it again. No engagement of the medical staff, no considering the perspective of the community, no consideration of other factors that should be considered in determining whether the needs of the community are being met by the provider makeup.

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.

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 those needs.



Another perspective to consider is the aging of medical communities. Assessing the ages of the medical community on a specialty-specific basis is a necessary exercise and health systems evaluate their needs for the future. Engaging the medical community in that discussion is vital as organizations consider succession plans, necessary service line coverage and potential replacement of physicians.

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. We view their utilization as directional with further investigation necessary in many situations. 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. Unfortunately, this information is not something that can be bought or acquired from a vendor. Much of this data and information is based on primary research and investigation which can be very time consuming.

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.

It must also be recognized that **“documenting community need”** can be greatly influenced by qualitative factors and not

just a supply / demand analysis resulting a quantitative surplus and deficit report by specialty. The quantitative analysis is certainly directional but digging deeper into qualitative information can shed a significant light on what the needs of a community are.

“ Consideration of qualitative factors will play an influential role in how an organization implements its 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
- The strategic significance of certain specialties in meeting the needs of the patient population

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.

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One more thing...

The impact of an organization's needs assessment influences provider recruitment, physician alignment, and the organization's overall strategy. Furthermore, a 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. Understanding the accessibility of specialties also impacts the overall need that should be met which could influence the offer to be made to a candidate. 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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