

Physician Recruitment Success: How to Acquire Top Physician Talent

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This article provides step-by-step instructions on how to complete the strategic planning needed to ensure success in physician recruitment efforts, outlines how to build a successful recruitment team, and provides helpful advice to avoid common recruiting mistakes that can sabotage the recruitment efforts of even the best practices. This article discusses the role of the in-house hospital recruiter in the recruitment process, how to evaluate independent search firms, how to make use of the physicians in your group to ensure success during a site visit, and how to ensure that your new hire will be able to successfully develop a practice. The article also discusses how to find and use benchmarking data to ensure that your compensation package is competitive, and provides advice on how to help your new physician hit the ground running.

Key words: Physician recruitment; physician recruiting; hiring; practice management; recruiting; doctor relocation; physician compensation.

PHYSICIAN RECRUITING— READY, SET, GO!

You need to hire a physician for your practice. You are short on time, overworked, and under pressure to make sure that you hire someone quickly. The head of your practice has asked you to find candidates—fast! Of course, she wants you to screen the candidates carefully before you present them to her. She is busy and does not want to waste time talking to candidates who do not have good references or who have problematic work histories or difficult personality traits. You need to arrange candidate interviews to be sure all the stakeholders in the recruitment effort are present and available—a genuine scheduling nightmare! It is exhausting and expensive. You need to make sure you have a competitive offer, and you have no idea how much other practices are paying. You know it will be your task to get a contract out promptly,

and you are worried that your lawyer is slow and has no real experience with medical employment contracts.

Whew! You are tired before you even begin.

If you want to be successful in physician recruitment, where do you start?

To figure out how to plan for recruitment success, it is helpful to define your ultimate goal. Is “success” a signed contract? No! Recruiting is only a “success” if it results in hiring, retention, and successful practice and program development.

THE BUILDING BLOCKS OF RECRUITMENT SUCCESS

Successful recruitment requires:

1. A well-organized and effective recruitment team;
2. A competitive offer;
3. Strategic planning for success in practice development; and
4. Sensitivity to the needs of the new hire during the orientation and practice development stages.

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YOUR RECRUITMENT TEAM— STRATEGIC ROLES AND PLANNING FOR SUCCESSFUL RECRUITMENT

Recruiting is a team sport. It is important to define the players and roles before you play the game. As players you will need:

- Contact person;
- In-house recruiter (if needed);
- Independent search firm (if needed):
- Current physicians;
- Hospital administrators/service line directors;
- Community contacts—especially a realtor; and
- Attorney.

The Contact Person: First Impressions Count!

First impressions count, and the most important person in your recruitment process is the person you designate to call the candidates. Your contact person must be charged with calling the candidates quickly, preferably within two days after the candidate submits his or her CV to the practice. It is critical that the contact person is enthusiastic, positive, and good at meeting new people.

The Negative First Contact

Imagine you are a candidate looking for a position. Here is one possible scenario:

You send your CV to a practice in response to a job advertisement. Nothing happens. After four weeks, when you have nearly forgotten about the practice, you finally receive a call from a physician in the group. He wants to tell you all about the position to be sure you are really interested. The community where the practice is located is a great place to live, he says, but reimbursements are low, and the hospital has not been willing to pay for call. He is incredibly busy clinically; so busy he can barely see his family. He wants to be sure you understand that you'll have to work really hard, and you might not make as much money as you would make elsewhere. So, are you interested in a site visit?

Well, you'll think about it and get back to him.

The Positive First Contact

Now imagine the same practice recruiting with a more positive member of the practice in charge of calling the candidates. The scenario might look more like this:

You send your CV to a practice in response to a job advertisement. The next day, you receive a call from the head of the practice. She tells you how happy she is to have received your CV and asks if it is a good time for her to learn more about your interests and discuss the practice opportunity with you. The community where the practice is located is a great place to live, she says. Even though reimbursements are not as high as they are elsewhere, the quality of life is excellent, and the low cost of living more than makes up for the

somewhat lower reimbursement. Moreover, they have had a long and steady history in their community. Their local referral base is large and loyal, and they have everything a young physician like you would need to be successful in building a practice. Most importantly, they are extremely busy and have volume ready for you from day one. She says that the other physicians in the group cannot wait until they have another physician to help with the workload; everyone is very excited about recruitment! In addition, you will have mentorship from senior-level colleagues who want to be sure you are comfortable and have others to turn to when you are new in practice. You have a nice discussion about your practice interests. She seems very interested in your professional goals and thinks the practice can support you in achieving them. So, are you interested in a site visit?

Absolutely!

In-house Recruiters and the Role of the Hospital in Recruitment

If you are looking for help recruiting, you might turn to your primary admitting hospital for help. If you are part of a hospital-employed group, this is a very natural relationship. If your group is independent, this may be difficult to do, depending on your relationship with the hospital.

If there is a demonstrated community need, your hospital may be able to help pay for the costs of the recruitment, including the cost of a competitive income guarantee, the cost of using an independent search firm, and the cost of candidate site visits.

An in-house recruiter works for a hospital or health system to fill positions both for the hospital and also for community physician groups. An in-house recruiter may work alone or as part of a much larger team of in-house recruiters. Most in-house recruiters have a relatively fixed budget within which they must work to source candidates for all of the positions they are required to fill. They are usually experts at finding CVs on job boards, and they are usually very experienced at planning site visits. An in-house recruiter cannot be expected to be an expert in the particular field for which your practice needs to recruit, but can be a wonderful resource for the recruitment process in general.

In addition to providing you with the assistance of an in-house recruiter, your admitting hospital can be an invaluable ally in the recruitment process in several other ways. This is true even if you are in an independent practice. In order for your hospital to be able to assist you, there must be a demonstrated community need to add a physician in the specialty you wish to re-

cruit. The hospital must also abide by federal and state laws, including Stark and anti-kickback laws, and state legislation ancillary to those laws. If there is a demonstrated community need, your hospital may be able to help pay for the costs of the recruitment, including the cost of a competitive income guarantee, the cost of using an independent search firm, and the cost of candidate site visits.

Independent Search Firms

The Role of an Independent Search Firm

Do you have time to post job advertisements, respond to all potential candidate inquiries, and research and reach out to potential candidates who post their CVs on job boards? Can you take the time to reach out to the various training programs to see who may be graduating and interested in your position? Can you identify talented physicians who might not be actively looking for a new position, but who may be interested in your job if only they were approached about it?

Recruiting is time-consuming work. If you don't have time to do all the legwork yourself, you may wish to enlist the help of an independent search firm to help find candidates for your position.

Any independent search firm you hire will be representing you and your practice, so it is important to be comfortable with the level of professionalism and expertise of the search firm you engage.

Just as when engaging any other professional, you should check references before employing any search firm. Any independent search firm you hire will be representing you and your practice, so it is important to be comfortable with the level of professionalism and expertise of the search firm you engage.

Types of Search Firms: Contingency, Retained, and Hybrid Fee Structures

Physician search firms vary widely in both fee structures and expertise. Most firms charge a fixed fee for their services, plus advertising expenses. Fees plus other advertising costs generally range from \$20,000 to \$50,000 for recruitment of a physician, depending on the specialty of the physician and the expertise and reputation of the recruitment firm.

A firm may work on a *contingency* basis or a *retained* basis, or it may have a *hybrid* fee structure. Contingency firms receive a fee only if they send the CV of the candidate who takes the position. Retained firms are engaged by the hiring practice to search for candidates for the position. Some firms offer hybrid fee structures, in which they are paid a part of their fee to engage in the search

process and the remainder of their fee if and when the placement is successful.

Evaluating an Independent Search Firm

You should ask the following questions when evaluating any search firm:

1. Do you have expertise in recruiting in this specialty? How many physicians in this specialty has your firm recruited over the past year?
2. Can you share with me references from any other clients for whom you have successfully recruited a physician in this specialty?
3. Do you have a robust database of information about people practicing in the specialty? How do you gather information about prospective candidates? How comprehensive are your data about who is available?
4. Is your approach to sourcing candidates a research-based, active approach in which you identify a list of potential candidates for our position and reach out to them on an individual basis? Or is it a more passive approach, in which you simply advertise the position and send us the CVs of the candidates who respond?
5. How would you advertise our position? Are there additional costs associated with that advertising? If so, what are those costs?
6. What type of screening of candidates can we expect?
7. Do you check references? If so, do you do a verbal reference check as well as request written references, or do you only request written references?
8. What are your fees, and how are they structured?
9. What happens if we hire someone who is referred by you and he or she stays in our practice only a short period of time? Will you reinstitute the search at no additional charge?

Your Current Physicians

The Importance of Consensus

Before you begin recruiting, it is important to sit down with all the members of the group to discuss the following issues:

1. Does everyone in the group agree that it is a good idea to recruit a new physician to the practice?
2. Are there certain attributes the new hire absolutely must have?
3. Who would be an ideal candidate? What other types of candidates might the group want to consider? What types of candidates should definitely be ruled out?

Without consensus, recruiting disasters are bound to happen. For example, if you set up interviews before obtaining buy-in from your physicians about recruitment, you may have to cancel your candidate interviews if you receive significant resistance from members of the group. Worse, a member of the practice who does not feel he or she has sufficient volume may tell the candidate during

the interview: “I am not sure why they brought you here to interview. I don’t have enough work to do myself!”

Networking and Reference-Checking

Be sure to ask your physicians for help in finding and vetting candidates. The physicians in your group can be a terrific source of leads for candidates for your practice. By using their professional networks, physicians can attract candidates from familiar training programs with trusted references. The physicians in your group may also be the most effective people to check references on candidates. Physicians may be much more candid with other physicians than they will be with hospital administrators or recruiters regarding the skills and personalities of the individuals with whom they have worked or trained.

Hospital Administrators/Service Line Directors

Hospital administrators and service line directors can articulate the vision for program development as well as the hospital’s role in supporting and developing the practice of the new physician. The success of the new recruit may depend on recruitment of other complementary specialists or the purchase of new equipment, and the hospital is often the party that needs to make these commitments.

In addition, hospitals may be essential to an independent group’s ability to develop a competitive compensation package. With reimbursements declining in many areas, many independent groups are finding that a hospital-sponsored income guarantee is required for the independent group to be able to offer compensation that is competitive with what hospital-employed groups nationwide can offer.

The Realtor: Key to a Successful Site Visit

Location is a priority to virtually every candidate. One of the most powerful recruitment tools, therefore, is a good professional realtor! Consider some of the things a realtor might do for your recruitment:

1. Call the candidate in advance to learn about the candidate’s priorities in a community;
2. Provide a community tour focusing on the areas of the community in which the candidate may actually want to live;
3. Pre-arrange a short real estate tour with the candidate over the Internet focusing on houses that the candidate may actually want to see; and
4. Obtain information about schools if the candidate has school-age children, and organize visits to the schools and other significant community institutions that may be of interest, particularly to the candidate’s spouse.

The goal of the community tour is not necessarily to help the candidate see the entire community or city. Rather, the goal should be to help the candidate find

those areas in which he or she might be comfortable making a life. Most people have a relatively small area of town in which they center their lives. If you can identify the candidate’s interests or range of interests and focus the community tour on that, you will be more likely to help the candidate feel “at home” in your community.

The Attorney

Picture this:

You just interviewed for a position, and the site visit was fabulous! You love the location, and you have a lot in common with the other physicians in the group. You do have some concerns about the organizational efficiency of the practice, but you know that nothing is perfect. The head of the practice told you that they would like to offer you a position, and you told him you were planning to accept the offer. You go home happy, expecting a letter of intent to join the practice, which the practice manager told you would be mailed to you, and a contract.

A week goes by, then another, and then another. You get nervous. What is going on? Are they really going to extend you an offer? Maybe they are considering another candidate? The head of the practice calls you, apologizing for the delay and explaining that the lawyer has been slow. Two more weeks go by. Wow, perhaps your concerns were justified after all. The practice did seem like it had some organizational issues. Perhaps you should look at another position. You don’t want to make a hasty commitment . . . maybe you misjudged the practice.

There is no question that the lawyer you use can make or break the recruitment effort. Lawyers can be slow, or may lack expertise in medical employment contracts, or may have a confrontational rather than collaborative style. Here are some helpful hints to make sure your lawyer is an asset, rather than a hindrance, to the recruitment effort:

1. Give your attorney ample notice and time to prepare a letter of intent and a proposed employment contract in advance of your candidate’s second visit.
2. Make sure your attorney has a collaborative style and understands that the contract negotiation process is the beginning of a long-term relationship.
3. Use an attorney with plenty of experience drafting medical employment contracts, rather than a regular corporate attorney. Real expertise makes a difference!

A COMPETITIVE OFFER: FINDING AND USING BENCHMARKING DATA

Before you begin to recruit, you must do market research to determine whether or not you can provide a competitive offer. There are many good sources of benchmarking data, including but not limited to:

- Medical Group Management Association, which produces an annual Physician Compensation and

Production Survey for nearly all specialties as well as a compensation survey for academic physicians;

- American Medical Group Association (AMGA), which produces an annual Medical Group Compensation and Financial Survey (Note that since 2009, the AMGA survey has been conducted by RSM McGladrey, from whom you can also purchase the report.);
- Association of American Medical Colleges, which produces an academic compensation survey; and
- Sullivan, Cotter and Associates, which produces a wide range of both general physician data and also subspecialty data that is sometimes not available through the other survey companies.

While benchmarking data are often used by hospital legal departments to determine “market rate” for a physician in a specialty, it is important to realize that benchmarking data cannot take into account all the various factors that determine what you really need to offer in order to attract the talent your practice needs. For example, small communities may have a more difficult time recruiting than large cities. Average or median compensation may not be enough to provide a competitive package for smaller communities. Another common problem is that a position may carry with it certain risks, such as when there is stiff competition from a well-established group across town. You may need to pay extra to induce a candidate to sign on to take such a risk.

What happens if you cannot offer an attractive compensation package for your location and type of position? You can look for a candidate who is high quality but may have more limited options due to visa issues. Sometimes, candidates who require a J-1 visa waiver or an H1-B visa may have fewer options than those without such visa issues, and they may be willing to accept a less competitive compensation package for an otherwise high-quality practice opportunity. If you cannot provide an H1-B visa or a J-1 visa waiver, another option is to offer professional opportunities that may attract a quality candidate despite the less-than-competitive compensation. For example, you may be able to offer research opportunities or the opportunity to develop a practice in a subspecialty area that may be interesting but not necessarily lucrative. If you can offer neither visa assistance nor professional opportunities that may make up for a less-than-competitive compensation package, you should revisit your proposed compensation structure so that you can attract a high-quality candidate, because it is never wise to compromise on the quality of the physician that you hire.

STRATEGIC PLANNING FOR SUCCESS IN PRACTICE DEVELOPMENT

A physician needs a meaningful volume of work in order to be successful, and it is critical that you plan strategically for how your new hire will successfully develop a

practice that meets his or her professional goals, including research, if that is appropriate. This is true for all new hires, but it is especially true for those who are just completing their training programs. Candidates will want to know how they can be successful in developing a practice with your group or institution. If you outline the following information before you start bringing candidates in to visit your practice, you will have talking points when working with candidates during the interview process:

1. Current practice/patient volumes;
2. Who will serve as referral sources;
3. How new patients are assigned;
4. Availability of physician liaison or other individual to introduce the new physician to potential referring physicians;
6. Local competition; and
7. Research opportunities.

SUCCESSFUL ORIENTATION AND RETENTION OF YOUR NEW PHYSICIAN

When a physician starts a new position, he or she needs special attention in order to avoid problems. Schedule time during the physician’s first week of work to demonstrate for the new physician your computer and other systems. Reintroduce the physician to your administrative and other staff. Arrange a mentor for your new hire, and make sure the assigned mentor schedules time each week to meet with the new physician to answer any questions. Facilitate introductions between your new physician and referring physicians and complementary specialists.

It is never wise to compromise on the quality of the physician that you hire.

It is important to engage the physician socially as well as professionally. For many physicians, a new job also means a new community, both for the physician and the physician’s family; it is important to make sure that others in the community reach out to the physician’s family to make them feel welcome.

Once successfully on board, retention of your good people is the key to the success of your practice. Retention requires that you recruit well to begin with, deliver what you promised, and make sure your new physician has the support he or she needs to reach his or her professional goals. It is important to avoid greedy temptations, such as shifting a disproportionate share of poorly reimbursed work to new members of the practice, unfairly allocating overhead expenses to the new hire, or keeping an unfair amount of the new physician’s collections for the other partners; these actions are bound to cause resentment and mistrust over time.

SUMMARY

A well-organized recruitment effort is the key to acquiring top physician talent for the long-term. Each person on the recruitment team must be effective at his or her role in the recruitment process. The most important individual on the recruitment team is the contact person, who must make time in his or her schedule to call candidates quickly and enthusiastically to make a good first impression. This difficult task should be given to an outgoing and enthusiastic member of your group. Strategic planning about how a physician will be successful in developing a practice should be completed before the recruitment begins.

Look at your opportunity through your candidate's eyes and ask: "Why would a great physician want to come

here?" By doing this, you will develop the answers you need to recruit successfully. Partnerships with a credible and professional independent search firm and a well-organized in-house recruiter can greatly increase your candidate pool so that you will have your choice of the best candidates for your position. Advanced preparation of legal documents can help you seal the deal with a great candidate once the person is interested. After you have signed the candidate of your choice, pave the way for successful orientation and retention by being sensitive to the needs of the new physician and his or her family. By planning ahead for effective recruitment, you will achieve long-term practice growth and development from your recruitment efforts ■