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LILI HAY, Senior Consultant, at ECG Management Consultants

JENNIFER MOODY, Associate Principal, at ECG Management Consultants

Why Hospitals and Provider Groups Should be Thinking About Physician Succession Planning



Physicians are aging out of the workforce in greater numbers than new physicians are entering the field. In fact, approximately 41% of the current physician workforce is over the age of 55, according to Infogroup USA, even as the number of new physicians entering the field increases every year. While this feeds the already expected physician shortage, it also triggers an urgent need for health systems and provider groups to assess their physician transition and succession planning needs.

Many of the most rapidly aging specialties do not rank among the top 20 specialties most frequently requested from national physician search firms – illuminating the impending gap between physician supply and demand for numerous specialties. Cardiology is one of these rapidly aging specialties, with nearly half of cardiologists over the age of 55. As a

result, physician succession planning is a significant concern for hospitals relying economically on their cardiology service lines.

Succession planning is often equated with retirement planning, yet they are not synonymous. Retirement planning implies a onetime need for a singular physician replacement—as one physician retires, another physician with similar expertise and practice style must be hired. Succession planning, however, is a perpetual part of every labor cycle. It's one component of a healthcare organization's ongoing assessment of workforce supply against organizational and community needs. In today's rapidly changing healthcare landscape of new care models, provider employment arrangements, and reimbursement rules, proactive succession planning is critical. Without it, hospitals and medical groups may find themselves unable to meet clinical demand.

Initial Issues to Consider

Establishing an effective succession plan begins with understanding several key issues.

Practice style

Work-life balance expectations can make finding replacements challenging. For example, it's becoming more common for incoming physicians to design flexible work schedules, adjust their FTE status, or stop taking call. Established physicians also have expectations in this area, such as potentially being more comfortable in private practice as opposed to an employment model. A good succession plan will bridge expectations of multiple groups.

As the role of advanced practice clinicians across medical specialties expands, clinical staffing structures could look very different in coming years, even potentially reducing the need for physicians in a given market. Additionally, the new generation of increasingly specialized physicians creates gaps where a larger proportion of generalists were once able to conduct routine procedures and cover general call.

Physician Deployment

With the increasing popularity of new patient care models, physician succession presents an opportunity to evaluate where and how physician services are provided in the community. For example, healthcare organizations may consider moving physicians out of traditional medical office complexes and into neighborhood-centered care facilities. Along with where physicians are deployed, it's also important to know when transitions need to take place. If practices and hospitals hire new physicians too far ahead of succession needs, incomes for established providers could be negatively impacted. On the other hand, a prolonged gap without needed coverage could result in patient access issues across the care continuum, which can result in losing patients to other organizations.

Governance

Changes to medical staff bylaws and hospital policies often need to occur to adjust for changing

physician demographics and related concerns. Additionally, administrators should be aware of policies that can create specific effects, such as those that allow physicians to opt out of taking emergency call after reaching either a threshold number of years on staff or a threshold age. In this example, the call burden is shifted to younger/newer physicians.

These are only a few of the considerations hospitals and physician leaders should be mindful of when conducting succession planning. Other considerations include financial/budgetary, medical group structure, physician impairment, and potential legal issues.

Establishing the Plan

So, what does an effective planning process look like? The following steps are recommended for administrative and physician leaders:

- **Evaluate physician succession risks in the context of community needs.** Develop a robust work force plan rather than just counting the number of physicians needed in the market. Even if the market has the right balance of physician specialties, it might not represent the right mix with regard to organizational culture, work style, and clinical hour expectations.

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- **Consider the status of the current market supply.** Evaluate whether your practice could redistribute patients in the wake of a physician departure, or if the group would be at risk of being under-staffed.
- **Focus on service line planning rather than individual replacements.** Shift the focus to an organizational level in order to evaluate risks more broadly and allow physicians to be more open and engaged on the topic.
- **Develop a strong Medical Staff Development Committee.** Provide a formal avenue for succession planning to become part of the organizational culture.

- **Engage proactively with hospital leaders.** For hospitals where succession planning is not yet part of workforce planning, physician leaders should be proactive in signaling to administrators that their practice is actively addressing the issue. Additionally, practices should pursue any financial assistance the hospital may provide for recruitment efforts.

Succession risk in the medical field is very real and will continue to increase during the coming years. Preparation starts with proactively planning to ensure smooth transitions for physicians and patients alike. Taking a community-focused approach that addresses service line needs rather than targeting individual physician replacements allows physicians to engage in the process while ensuring community needs are met. ■



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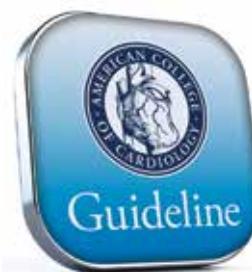
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