Physician Engagement: A Call to Action

Opal Greenway, JD, MBA
Kirsten Meisterling, MS

February 22, 2022

STROUDWATER

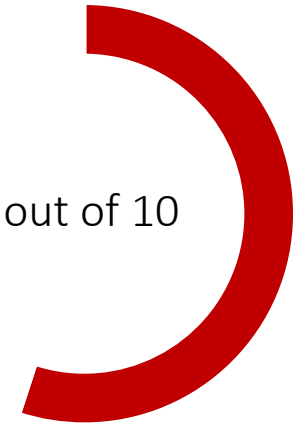
Agenda

1. Current State
2. Best Practices
3. Call to Action

Current State

State of Physician Satisfaction

Physician Satisfaction with Employer



9% of physicians gave a 0 out of 10

Why do physicians stay?

1. Compensation
2. Non-compete
3. To stay in medicine

"Physicians are shackled to their employer, but not engaged. You will have issues with quality of care."

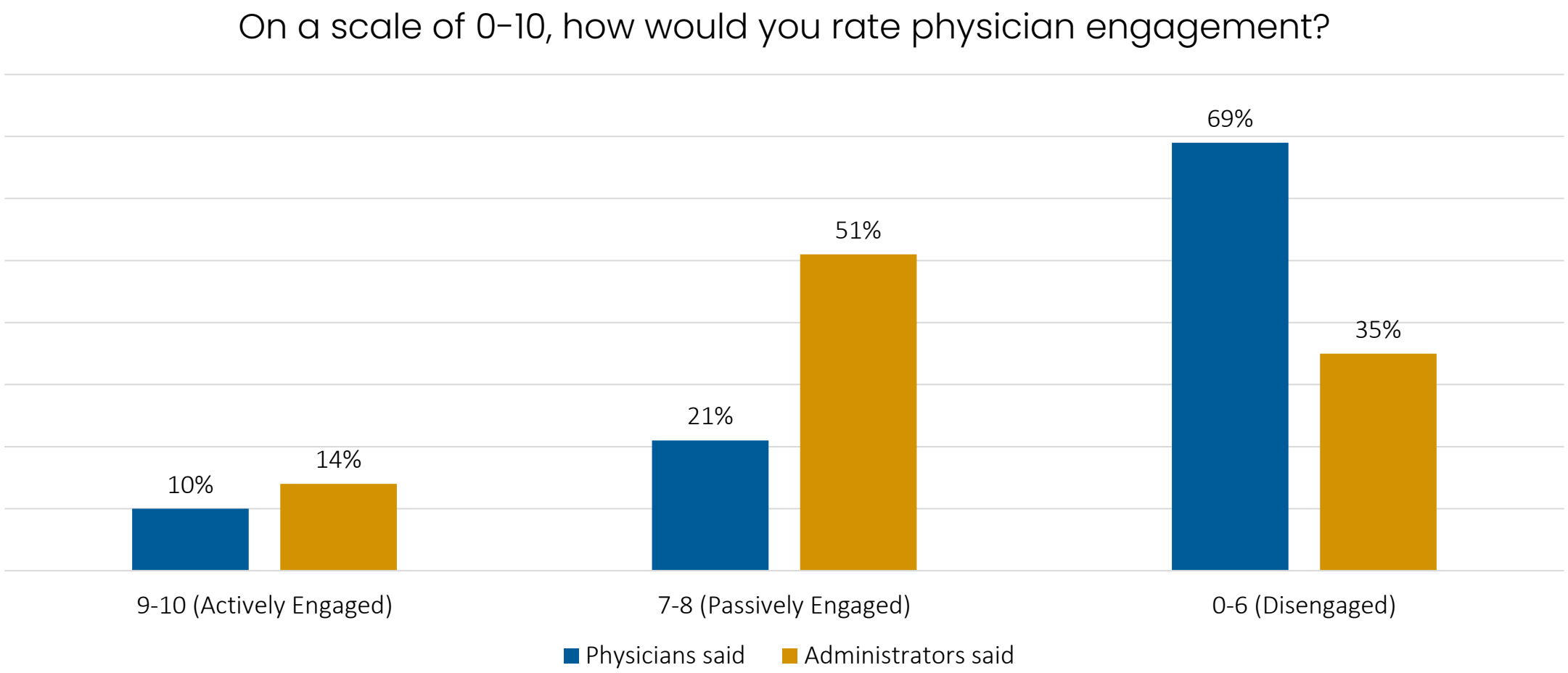
What makes physicians satisfied?

1. Two-way communication (91%)
2. Additional compensation
3. Reduced administrative burden

"Additional compensation and reducing administrative burden comes with a cost. Two-way communication is free."

Source: MGMA Healthcare Leaders Conference 2021. Quotes from Dr. Gene Liu, president of Cedars-Sinai Medical Group

State of Physician Engagement



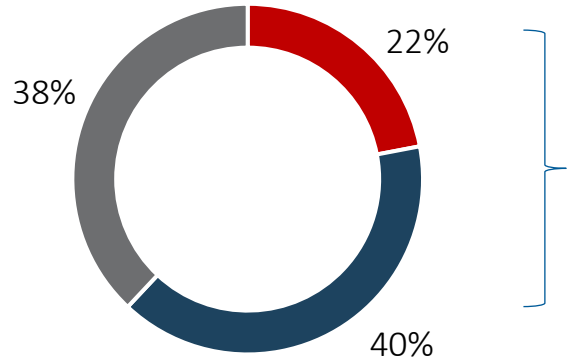
Source: Jackson Physician Search's 2021 Physician Retention Survey Results

Satisfaction & Engagement Contributes to Burnout

30% - 58%
of physicians feel symptoms of burnout

32%
of administrators didn't think it was a problem

Physician reported reasons for burnout:

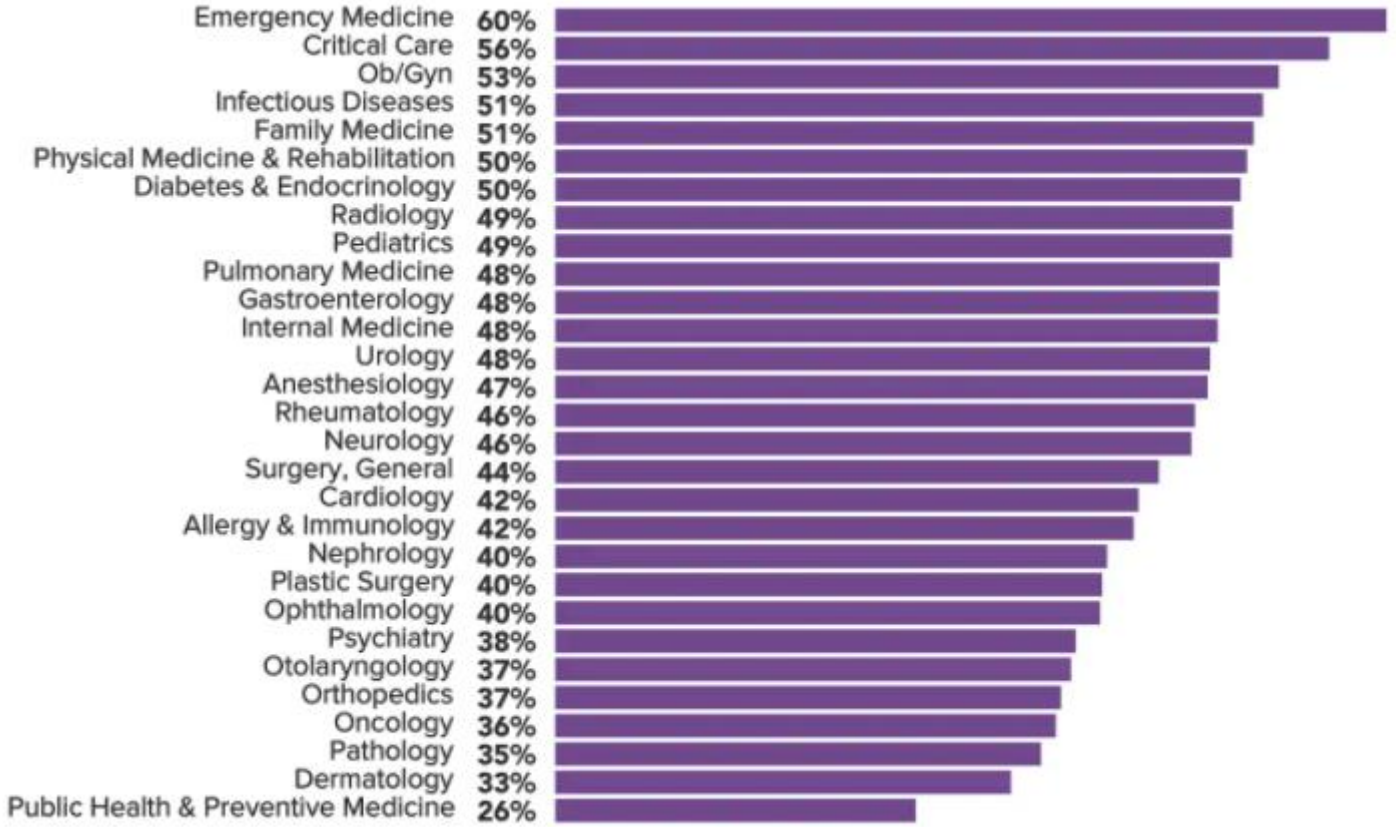


Almost 2/3rds of physicians said the employer was the problem. However, only 14% of administrators said the same

- Entirely due to employer
- Mostly due to employer
- All other (employer and/or nature of physician work)

Source: Jackson Physician Search's 2021 Physician Retention Survey Results

Burnout Across Specialties

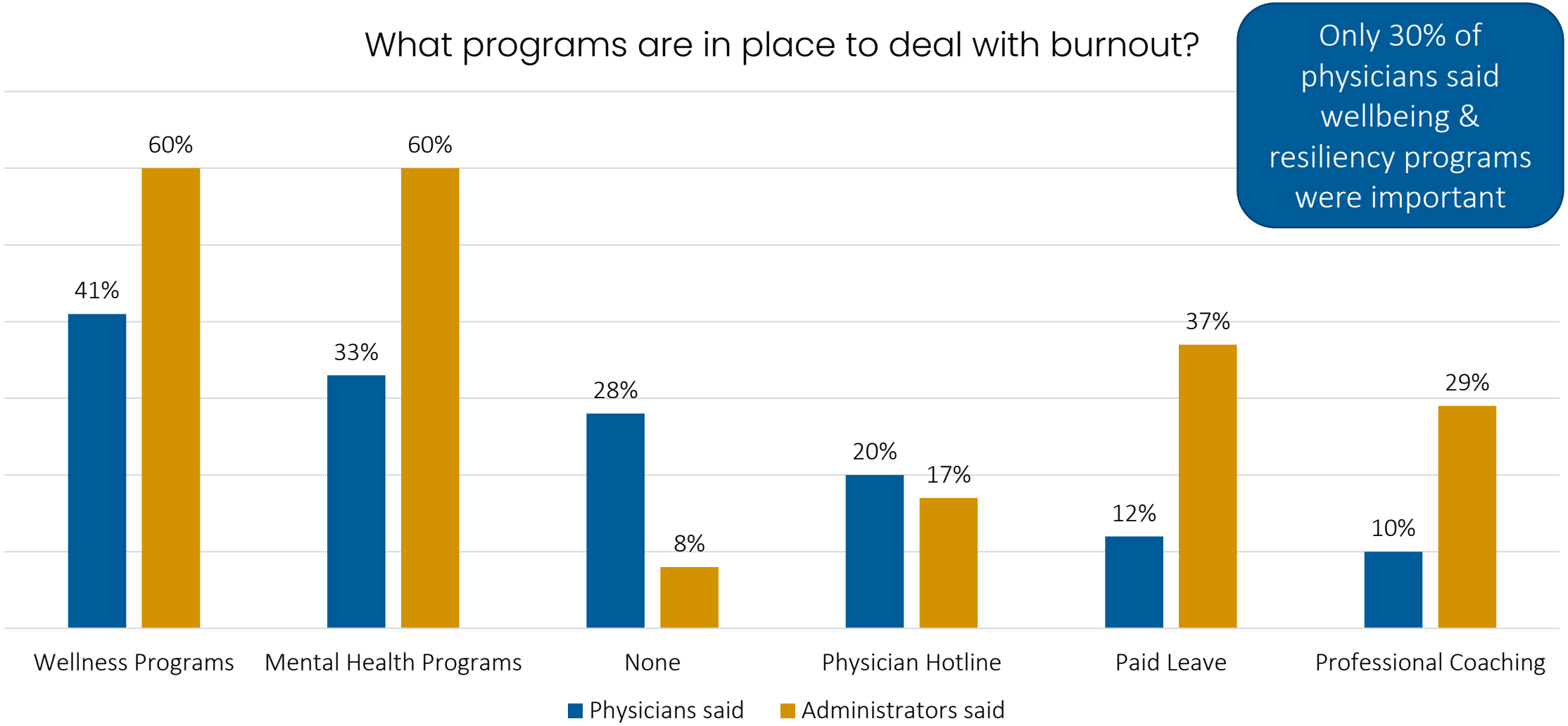


Specialties most directly impacted by COVID-19 have the highest rate of burnout

Burnout has increased by 5% across physicians in the past year

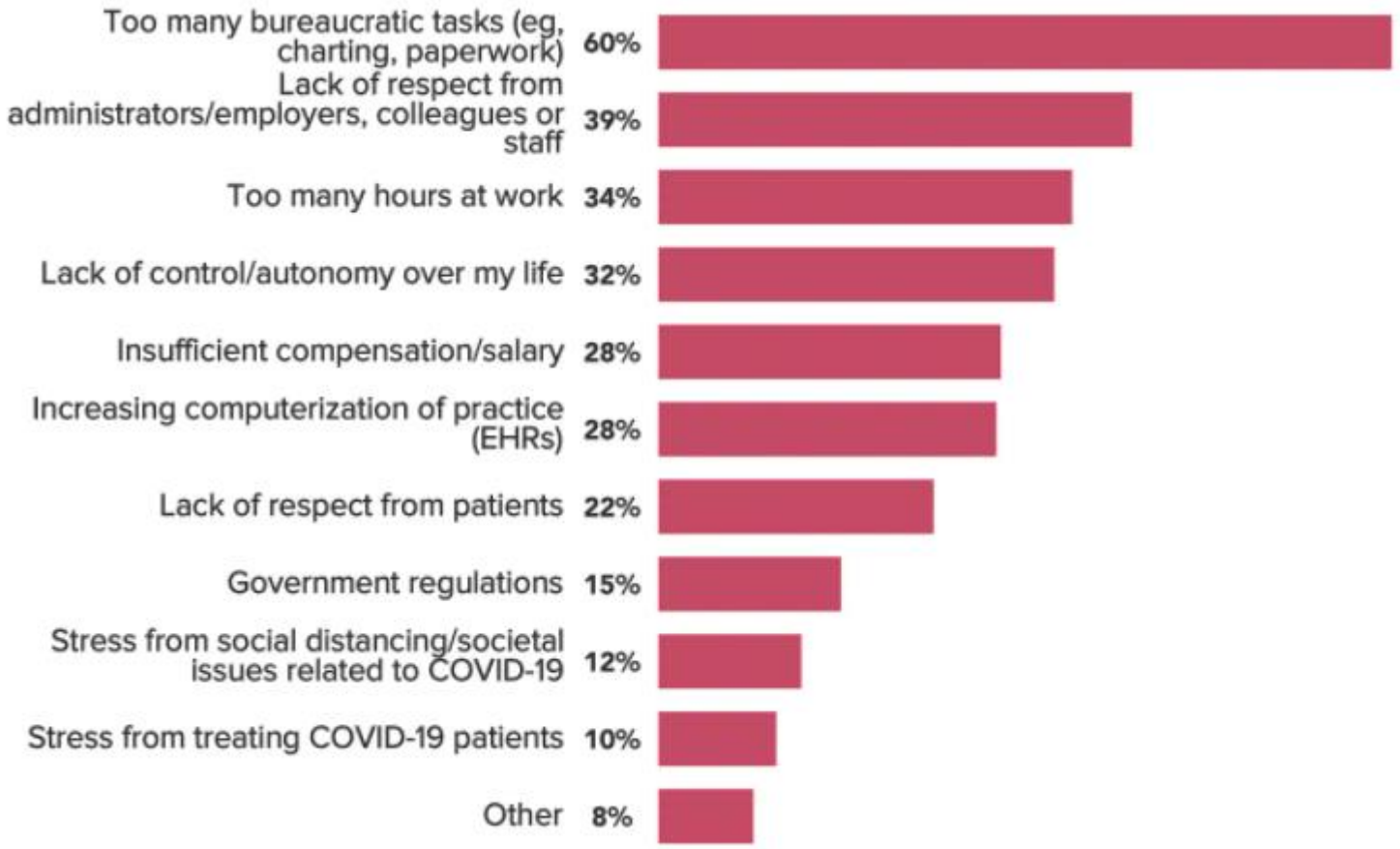
Source: Medscape Physician Burnout and Depression Report 2022: Stress, Anxiety, and Anger

Most Common Solutions to Burnout



Source: Jackson Physician Search's 2021 Physician Retention Survey Results

Causes for Burnout



The two top reasons existed before COVID-19 and are directly related to physician engagement

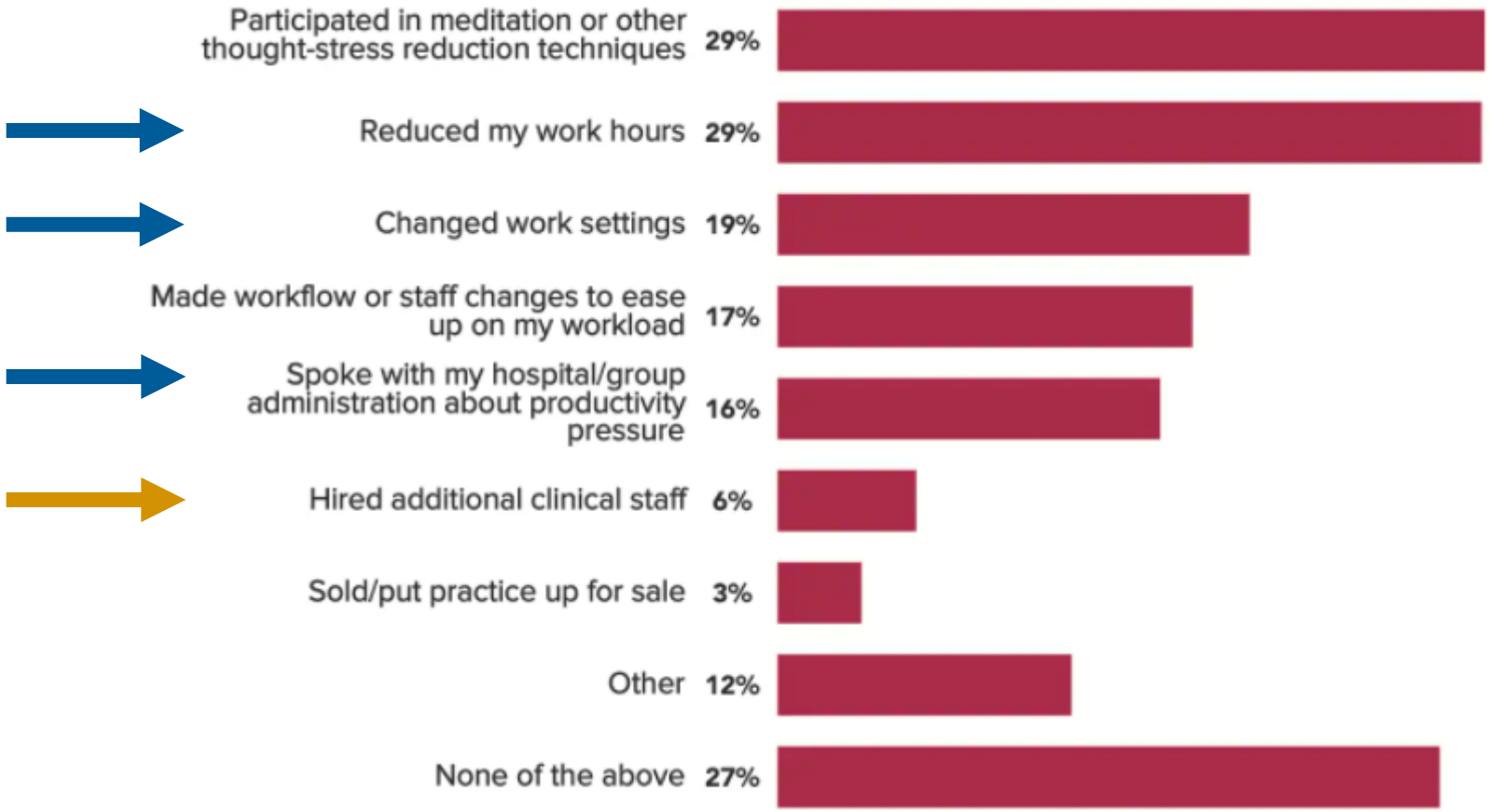
Compensation and salary were 5th on the list of what physicians were contributing to their burnout

Source: Medscape Physician Burnout and Depression Report 2022: Stress, Anxiety, and Anger

Alleviating the Burnout

Administration can directly impact physician burnout through engagement

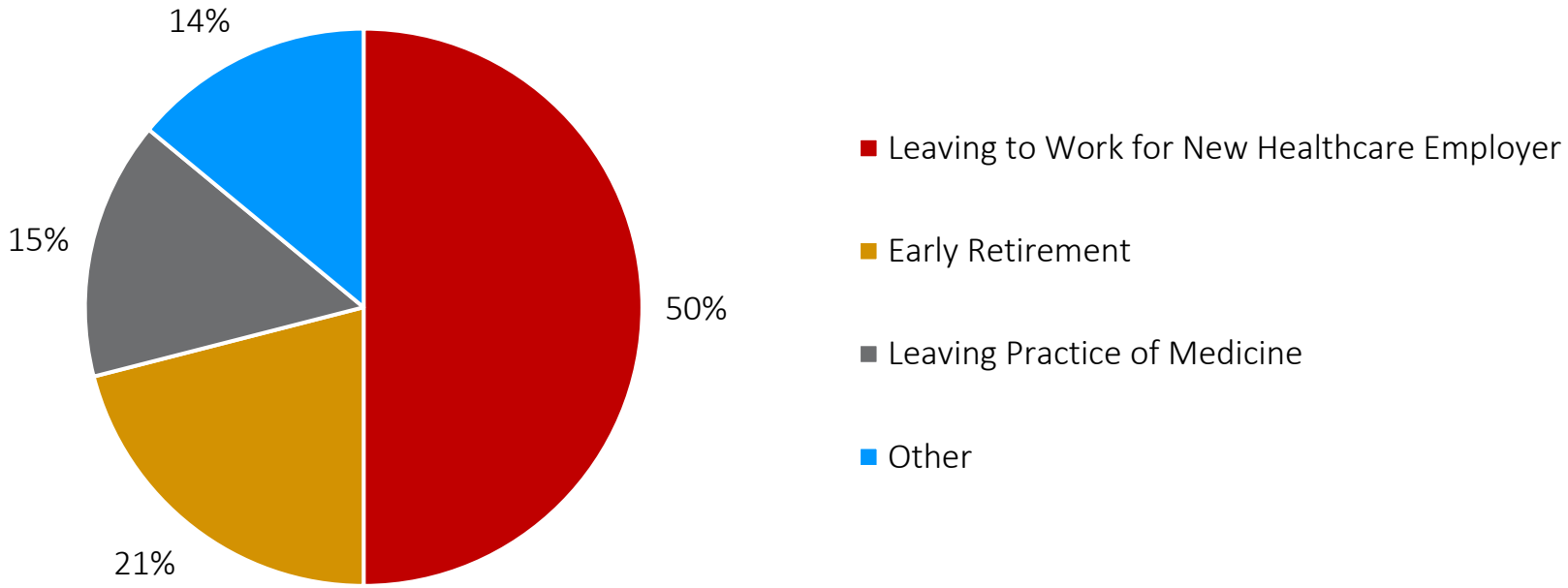
"Hiring additional staff is not an option right now. I live in a world that it is make do with what I have."[2]



Sources: 1. Medscape Physician Burnout and Depression Report 2022: Stress, Anxiety, and Anger 2. Quote from Carol Alexander from Women's Rural Healthcare Executive Network

Impact of Satisfaction, Engagement, & Burnout

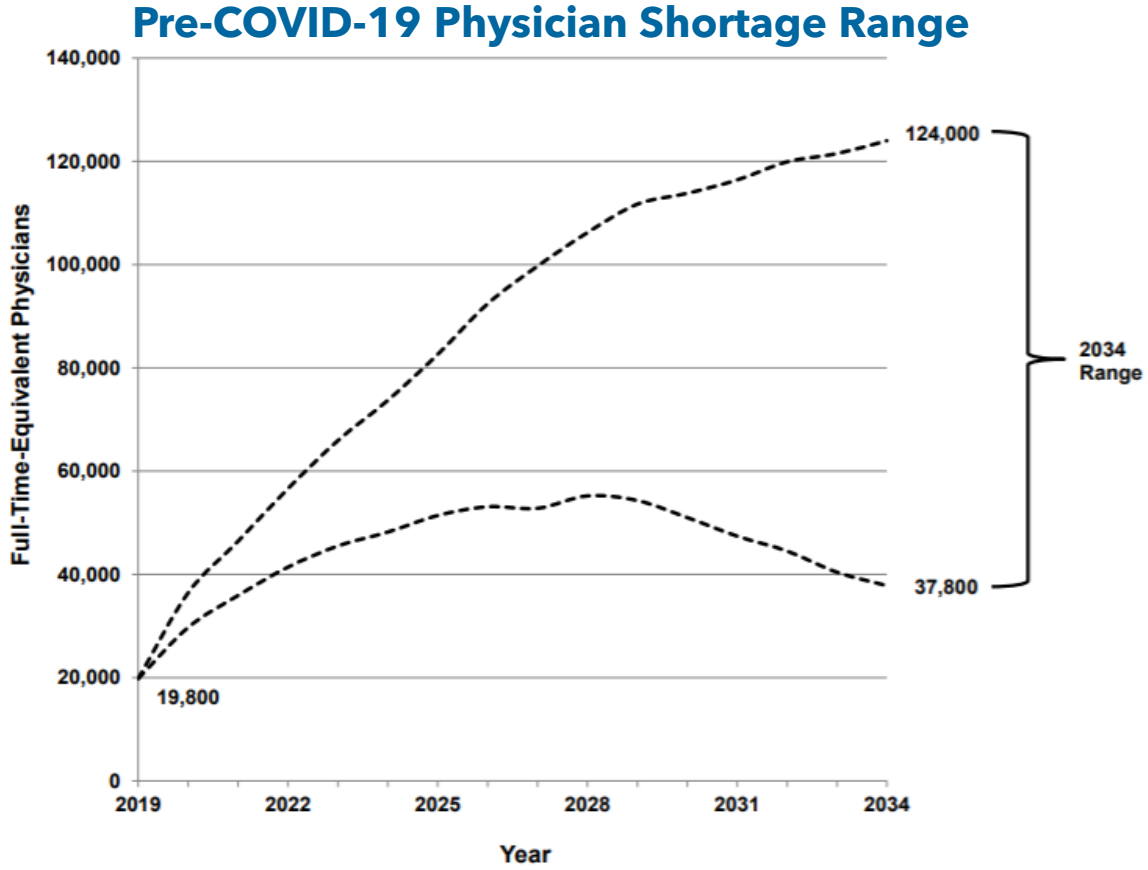
54% said COVID-19 has changed their employment plans.
Physicians are seriously considering:



Source: Jackson Physician Search's 2021 Physician Retention Survey Results

Pre-COVID-19 Physician Shortages

- The Association for American Medical Colleges ("AAMC") projected the following shortages by 2034:
  - 17,800 to 48,000 in primary care
  - 21,000 to 77,000 in specialty care
- COVID-19 has raised awareness of disparities in health and access to care by minorities, people living in rural communities, and people without health insurance
  - If these populations had healthcare patterns of like populations with fewer barriers, the national shortage ranges from **102,400 to 180,400**



What this does not consider:
Current shortages (if applicable) and physicians exiting the workforce influenced by COVID-19

Source: The Complexities of Physician Supply and Demand: Projections From 2019 to 2034. AAMC. https://www.aamc.org/media/54681/download

Client Stories

Recent experiences from the field suggest recruitment & retention is a critical issue

Major health system in West Virginia located in HPSA

- Recruitment in excess of 730 days (400 days for specialist pre-COVID)
- Reevaluated compensation of over 20 specialists

New England health system

- Recruitment struggles in primary care and anesthesiology
- Remaining providers experiencing burnout handling patient panels of departing providers

100-bed hospital in Southeast

- Recruited an additional primary care provider from NY early in pandemic
- Reevaluated compensation across all primary care providers to stay competitive

Best Practices

How do we recruit and retain our physicians?

Two-Way Communication

Physician Governance & Leadership

Operational Excellence

Effective Recruitment & Onboarding

Competitive Compensation & Benefits

Cultural Development

Two-Way Communication

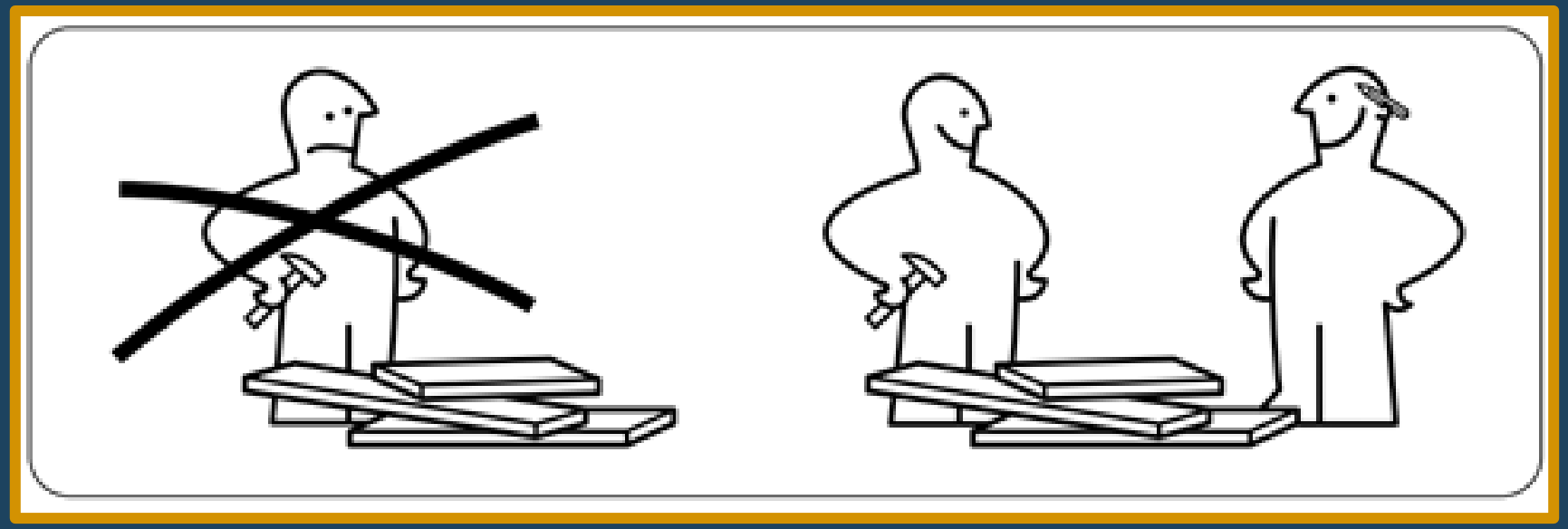
- Question often asked:
  - How can we better communicate our mission and objectives to our physicians?
- Traditional communication:
  - One-way
  - “Top down”
  - Not frequent enough
  - Physicians do not feel heard (lack of action)
  - Big “parking lots”
- Key questions to ask:
  - How can we better listen to our physicians?
  - How can we make our physicians feel heard?

Physician Governance & Leadership

- Best practice: Physician-dyad leadership model
  - Each administrative level (VP and above) within the organization has a physician partner
- In absence of a physician-dyad leadership model, effective utilization of committees:
  - Physician, advanced practice provider, and administrative participation
    - Finance must be included
  - Decision-making authority (determine in concert with Board of Directors)
  - Committees to address clinical and non-clinical related issues
    - Not just Medical Executive Committee

The Ikea Effect

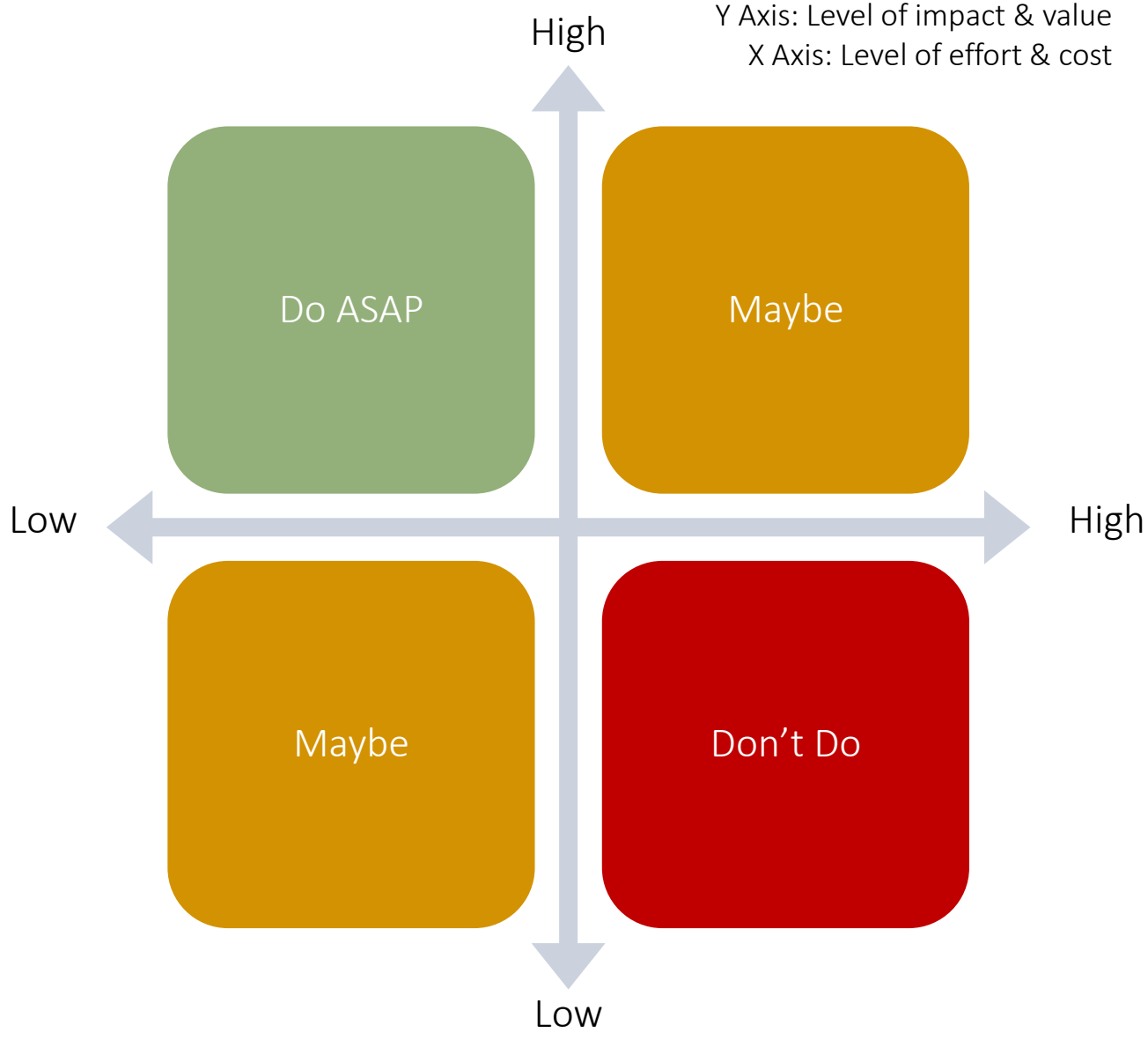
- The IKEA effect is a cognitive bias in which consumers place a disproportionately high value on products they partially created



Example: “Pebbles”

“It isn't
the **mountains** ahead
to **climb** that
wear **you** out, it's
the **pebble in your shoe**.”
— Muhammad Ali

Administration must evaluate in which quadrant each possibility for physician satisfaction and engagement falls



Operational Excellence: Data-Driven Decision Making

- An emphasis on performance improvement requires understanding the current state, establishing the baseline, and determining a desired future state informed by incremental performance gains to achieve organizational goals and benchmarks
- "Reporting" is distinct from meaningful data measurement that informs decision making
- Leadership, providers and practice managers must collaborate as a team to understand what is happening with:

- ✓ Organizational strategies/goals
- ✓ Overall practice performance
- ✓ Provider engagement, contracts & compensation
- ✓ Staff engagement & staffing
- ✓ Patient care
- ✓ Scheduling
- ✓ Patient throughput
- ✓ Payer contracts
- ✓ Revenue cycle process

Operational Excellence: Data-Driven Decision Making

- Management must establish finance & operations dashboards that monitor:

  - ✓ Budget to actuals
  - ✓ Gross collection rate
  - ✓ Net collection rate
  - ✓ Overhead ratio
  - ✓ Individual category expense ratio
  - ✓ Days in accounts receivable
  - ✓ Visits and wRVUs per provider
  - ✓ Scheduling metrics – no shows, cancellations, etc.
  - ✓ AR per FTE physician/provider
  - ✓ Staff ratio
  - ✓ Average cost and revenue per patient/wRVU/visit
  - ✓ Aging of accounts receivable by payer
  - ✓ Payer mix ratio
  - ✓ CPT code distributions
  - ✓ Charting information – deficiencies and denials rates

- Track performance internally between actual to budget, internal best quartile, and relevant benchmarks

Operational Excellence: Scheduling

Service Philosophy

- 1 in 5 patients say they have switched doctors due to long wait times[1]
- 30% of patients have left a doctor appointment due to long wait time[1]
- Accessibility and convenience is essential

Key Performance Indicators ("KPI")

- Examples: Time spent in practice for a particular exam, face-to-face with any staff member and face-to-face with provider and clinical support staff, no show/cancellations/reschedule, etc.
- Today's standards:
  - ≤20-minute wait time from front door to face-to-face with provider
  - ≤1 week for non-urgent, non-emergent, ≤24 hours urgent, and immediate for emergency appointment
  - Scheduling issues are still primarily handled by phone, but patients are increasingly demanding technology to ease this

Best Practices

- Identify current state and develop goals for appointment system and patient satisfaction
- Develop a realistic appointment schedule, use appointment scheduling techniques (e.g., standard rotation) and customize
- Develop policies and checklists for effective scheduling & throughput and periodically examine performance
- Send appointment reminders
- Scheduling is directing impacted by staffing, as well as facilities and communications

Source: 1. Vitals' 9th Annual Physician Wait Time Report

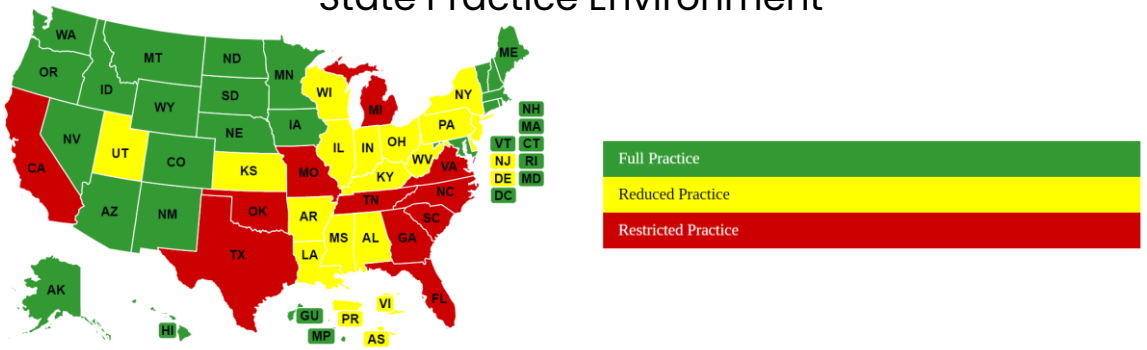
Operational Excellence: Staffing

- A time motion analysis in minutes for a physician demonstrated that 44% of the physician's time was wasted (2.6 hours per day)
- Hiring clinical support staff enabled the provider to see more patients and function at the top of license
- High performing clinics employ more advanced practice providers ("APPs"), especially rural health clinics and/or clinics in full practice states (e.g., Nevada), and clinical support staff to optimize staffing efficiency
  - The outcomes:
    - Providers operate at the top of their license
    - Practices run on time
    - Productivity and compensation for providers is increased due to efficiency gains
    - Improved quality of life for physicians
    - Practice expenses are reduced
    - Cost of care is reduced
- Hospital-owned practice staffing is unique from a business operations and ancillary staff perspective
  - Staff is shared with hospital and other practices
  - FTE allocations must be reviewed for adequacy

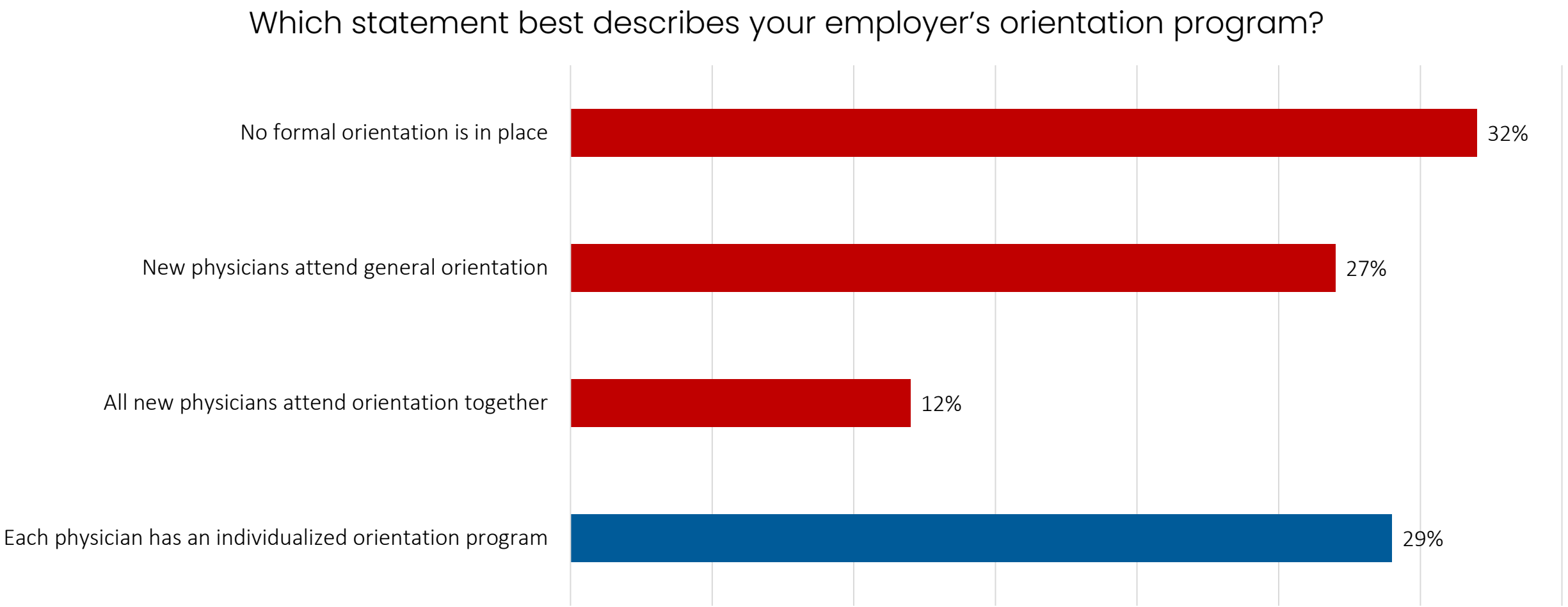
Time Motion Analysis Example

Task	Elapsed	Time	Able to Delegate	Wasted
Patient workup	5.25		5.25	
Look for nurse	0.75			0.75
Doctor phone call	2.50	2.50		
Patient examination	7.50	7.50		
Dictate chart/type EMR	1.50	1.50	?	
Walk to lab	1.50			1.50
Look for lab results	1.00			1.00
Talk to patient in hall	2.50			2.50
Patient examination	5.25	5.25		
Walk to X-ray	1.10		1.10	
Wait for X-ray	2.50			2.50
Dictate chart	1.75	1.75		
TOTAL MINUTES	**33.10**	**18.50**	**6.35**	**8.25**

State Practice Environment



Recruiting & Onboarding



Source: Jackson Physician Search's 2021 Physician Retention Survey Results

Recruiting & Onboarding

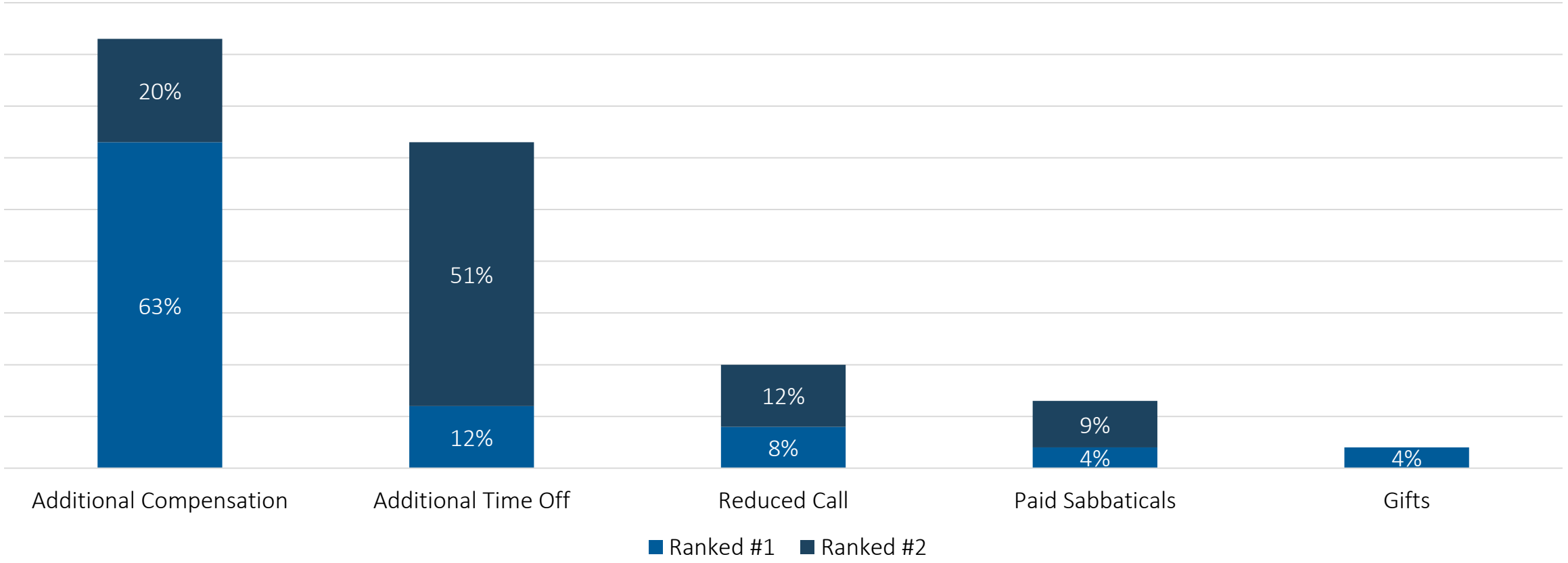
- Orientation ≠ onboarding
- Best practices:
  - Onboarding starts at recruitment:
    - Establish relationships with key administration and colleagues
    - Set transparent expectations with provider
    - Share pro-forma
    - Orient the provider/family to community
    - Guarantee compensation for 12-24 months
  - Provider relations priority to onboard in 45 days or less
  - Standardize the process and create accountability: checklist, check-ins with administration and physician

Recruiting & Onboarding

- Best practices (continued):
  - Create key touchpoints for providers: mentor, peer to peer networks/groups
  - Root the family
  - Have an onboarding navigator for provider and family
  - Over communicate with recruited provider, peers/colleagues (internal promotion), community (external promotion)
    - Leverage marketing principles for segmentation and targeting
  - Create a plan for growth:
    - Share and revisit productivity targets from pro-forma
    - Collaborate on attracting ideal patient population
    - Identify growth accelerators

Competitive Compensation & Benefits

Physicians: Rank the following items from most to least beneficial in retaining physicians



Source: Jackson Physician Search's 2021 Physician Retention Survey Results

Rural Impact on Provider Compensation

- For most specialties, 2019 MGMA data demonstrates that rural providers are compensated with a "premium"
- In other words, compensation per wRVU for rural providers is higher than metro providers, driven by competitive compensation and reduced productivity

Top MGMA Most Reported Specialties in Rural	Total Compensation (Median)			wRVUs (Median)			Comp to wRVU (Median)		
	Metro	Rural	Rural vs. Metro	Metro	Rural	Rural vs. Metro	Metro	Rural	Rural vs. Metro
Family Medicine (without OB)	$254,943	$245,235	-4%	4,949	4,591	-7%	$52	$55	7%
Surgery: General	$441,436	$423,772	-4%	6,848	6,043	-12%	$67	$77	15%
Obstetrics/Gynecology: General	$353,665	$344,101	-3%	6,816	6,509	-5%	$54	$55	3%
Family Medicine: Ambulatory Only (No Inpatient Work)	$248,670	$259,291	4%	4,781	4,939	3%	$53	$52	-1%
Internal Medicine: General	$269,071	$240,000	-11%	4,814	4,373	-9%	$55	$53	-4%
Pediatrics: General	$231,644	$248,678	7%	4,875	4,999	3%	$49	$50	3%
Family Medicine (with OB)	$257,405	$265,560	3%	4,705	4,800	2%	$57	$59	5%
Orthopedic Surgery: General	$620,551	$593,541	-4%	8,548	6,995	-18%	$76	$86	14%
Hospitalist: Internal Medicine	$307,173	$291,400	-5%	4,366	2,936	-33%	$71	$89	26%
NP: Family Medicine (without OB)	$109,928	$103,543	-6%	3,199	2,916	-9%	$35	$35	0%
PA: Family Medicine (without OB)	$116,271	$114,618	-1%	3,495	3,183	-9%	$34	$36	5%

Source: MGMA 2020 Provider Compensation Survey

Paid Time Off

- MGMA specialty specific weeks of paid time off shown below
- Note that the industry trend is towards:
  - More generous and flexible PTO
    - In a survey of national hospitals, 19% offered flexible time off and 12% were considering
  - More equity in PTO

Top MGMA Most Reported Specialties in Rural	Weeks Off				
	10 % tile	25 % tile	Median	75 % tile	90 % tile
Family Medicine (without OB)	3.8	4.4	5.4	6.2	8.0
Surgery: General	4.0	5.0	6.0	8.0	8.2
Obstetrics/Gynecology: General	4.0	5.0	6.0	6.0	7.2
Family Medicine: Ambulatory Only (No Inpatient Work)	4.0	4.0	5.0	6.0	7.0
Internal Medicine: General	4.4	5.0	5.6	6.2	8.4
Pediatrics: General	4.0	5.2	6.0	6.0	6.3
Family Medicine (with OB)	4.0	4.4	6.0	6.3	7.9
Orthopedic Surgery: General	4.0	4.4	6.0	8.0	8.0
Hospitalist: Internal Medicine	3.1	4.4	5.0	6.0	7.3
NP: Family Medicine (without OB)	3.2	3.8	4.9	5.6	7.2
PA: Family Medicine (without OB)	3.2	4.0	5.0	6.5	7.2

Source: MGMA 2021 Provider Compensation Survey

Best Practices in Changing Compensation

1. Provider Advisory/Action Council or Compensation Committee
2. Align with best practices and ensure compliance
3. Minimize negative impact to providers where possible and create additional opportunities for growth
4. Simplify administration of contracts for health system (CFO, payroll, HR, practice administrator) *and* providers
5. Enhance provider-hospital alignment by incorporating transparent incentives tied to organizational goals

Call To Action

Engraining Physician Engagement

- Create a culture of inclusivity, engagement, and communication
- When do we involve physicians?
  - Always

Organizational Elements

Mission, Vision, Values	Organizations *communicate their purpose and aspirational future state* to align all stakeholders. Values are brought to life with observable behaviors
Strategic Objectives & Key Results	Organizations *engage stakeholders in the pursuit of strategies and objectives* that support the Mission and Vision
Performance Measurement& Accountability	Organizations establish performance tracking systems, widely publish results, and *hold one another accountable*
Engagement	Organizations *engage high-performing teams* by utilizing collaborative problem-solving processes, encouraging innovation / risk taking, and frequently recognizing efforts to improve
Communication	Organizations *transparently share information* to foster strong alignment, accountability and trust

Create/Utilize a Physician Action Council

- Identify appropriate composition that varies according to the medical staff size and complexity
- Set membership expectations and ground rules
- Utilize to the full value

Key Areas for Engagement

Solicit strategic and tactical input from direct care providers
Review practice performance – utilize a dashboard format on a regularly-scheduled basis
Present potential new initiatives
Promote physician "ownership" of practice function and initiatives
Educate and groom future physician leaders

STROUDWATER

Opal H. Greenway
(207) 221-8281
ogreenway@stroudwater.com

Kirsten Meisterling
(802) 760-8048
kmeisterling@stroudwater.com

1685 Congress St. Suite 202
Portland, Maine 04102

www.Stroudwater.com