



BUILDING SUSTAINABLE PROVIDER STRATEGIES FOR RURAL HOSPITALS

June 2025

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Stroudwater is a leading national healthcare consulting firm specializing in mission-critical strategic, operational, and financial opportunities for healthcare leaders' most pressing challenges



POLLING QUESTION 1



WHY DO MEDICAL STAFF DEVELOPMENT PLANS MATTER TO CAHS AND RURAL HOSPITALS?

- The Association of American Medical Colleges predicts that the U.S. will face a physician shortage of up to 86,000 **by 2036**.
- A large portion of the physician workforce is nearing traditional retirement age, with an estimated **20% aged 65 and older**, and an **estimated 22% between ages 55 and 64**.
- The current recruitment process for specialists in rural areas averages 18–**24 months**.
- **Having a medical staff development plan (“MSDP”) or, better yet, a provider strategy that considers the following is critical to maintaining access to care in rural areas:**
 - **Current and future provider supply by specialty**
 - **Public health need by specialty**
 - **Access and wait times to current specialties**
 - **Productivity per specialty**
 - **Throughput per specialty**
 - **Financial sustainability and investment**

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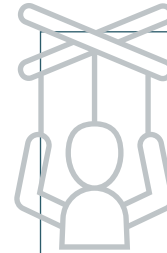


GOALS FOR THIS PRESENTATION

- You should leave this presentation with a high-level understanding of:



The unique components of a MSDP and Provider Strategy



How to effectively use your MSDP/Provider Strategy to set your organization up for success



How a long-term recruitment strategy can address both current staffing needs and future healthcare demands



How improving operational processes can make a rural hospital more attractive to potential recruits and improve retention



How to engage with providers on their roles in provider strategy and operational improvements



Case studies where organizations have implemented and benefited from a strong Provider Strategy



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THE UNIQUE COMPONENTS OF A MEDICAL STAFF DEVELOPMENT PLAN AND PROVIDER STRATEGY

POLLING QUESTION 2

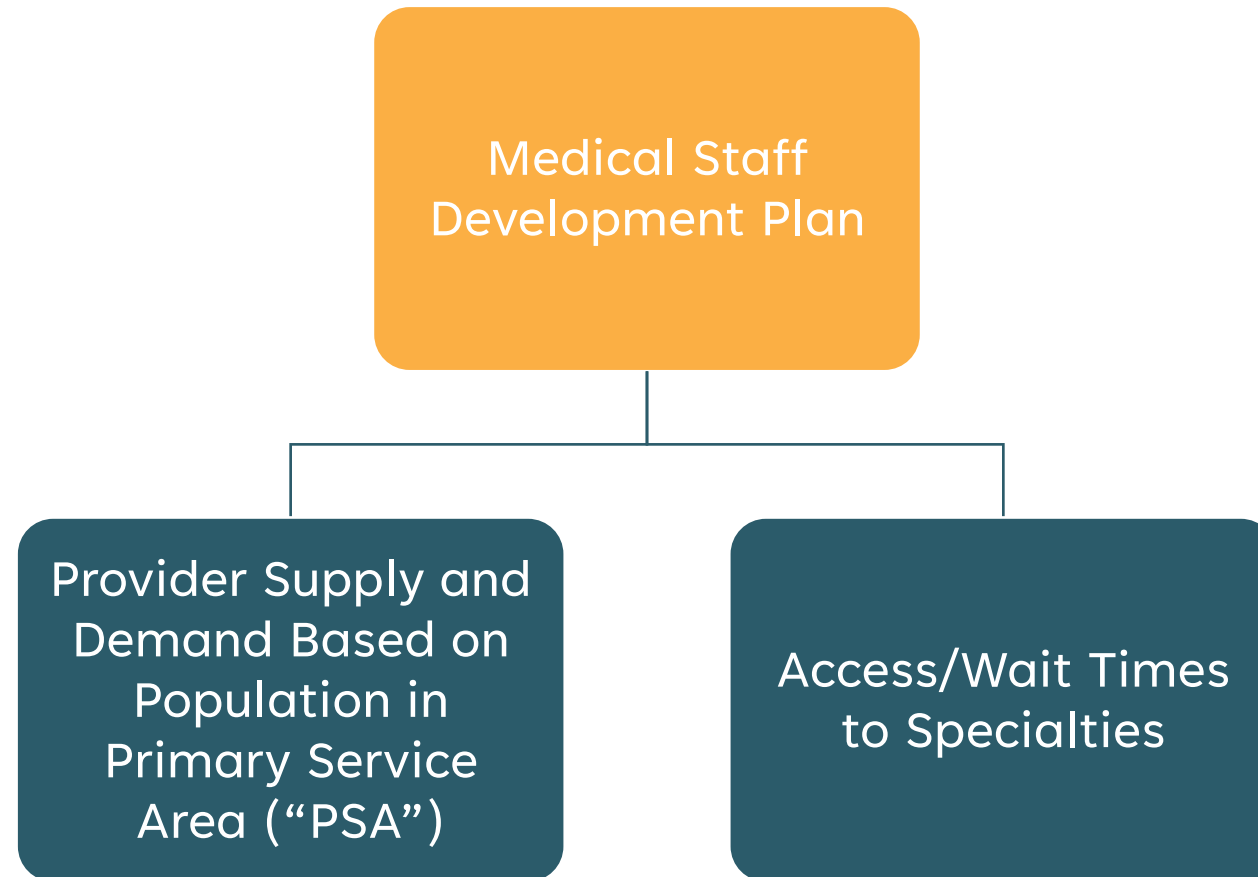


WHAT A MEDICAL STAFF DEVELOPMENT PLAN SHOULD DO

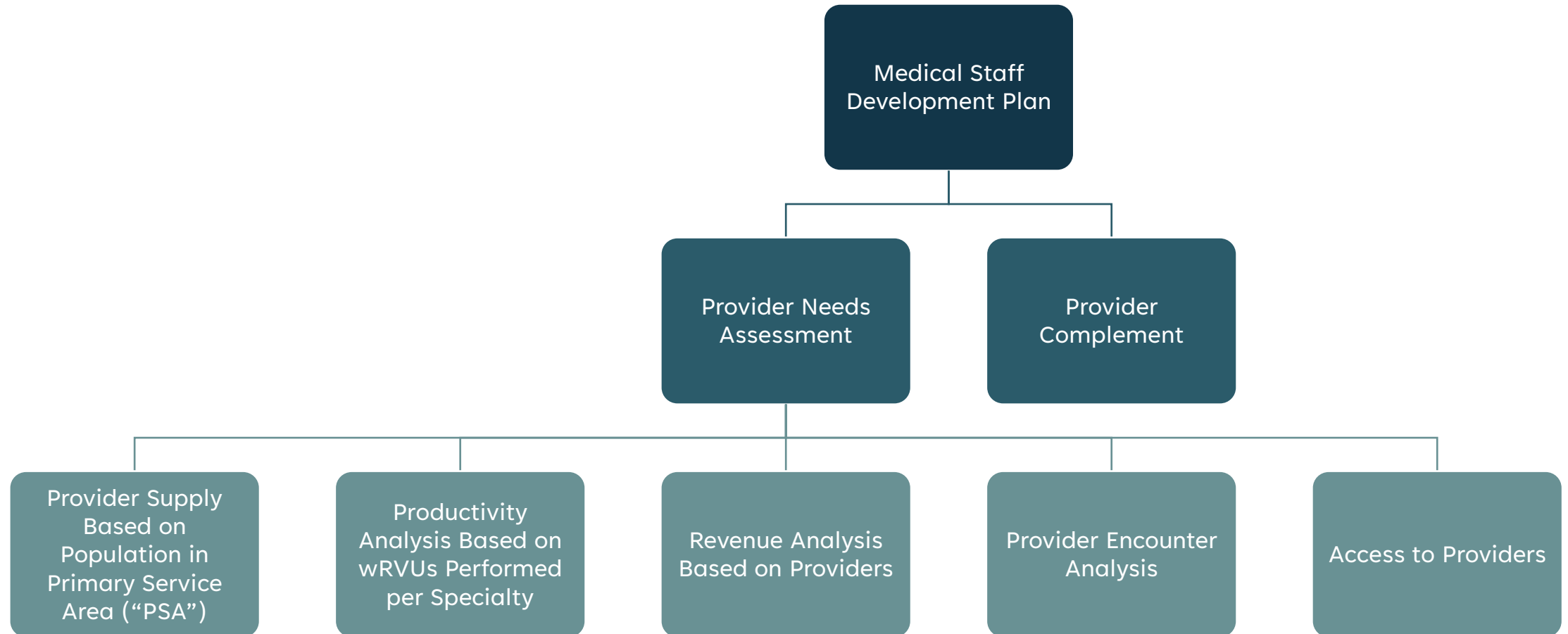
- **What should a medical staff development plan tell you?**
 - A medical staff development plan should very simply tell you:
 - How many providers (including physicians and advanced practice providers[APPs]) your organization needs within certain specialties within its primary and secondary service areas, also known as a provider complement. Additionally, the MSDP should specify whether these providers should be employed or in partnerships, and whether they should be part-time or full-time.
 - How many providers you need to recruit per specialty based on aging providers, productivity volumes, and throughput per specialty.
 - What specialties are important to maintain for the organization, and what specialties may be needed in the future. This includes new specialties for the organization and what specialties may be unsustainable.
- **How often should you conduct a medical staff development plan?**
 - Medical staff development plans are often most effective when conducted every 2–3 years or in conjunction with a provider strategy or an organizational strategic plan.
 - Due to the shifting nature of healthcare on a national level, it is essential to engage with either a provider strategy or a medical staff development plan on an annual basis.



TYPICAL COMPONENTS OF A MEDICAL STAFF DEVELOPMENT PLAN



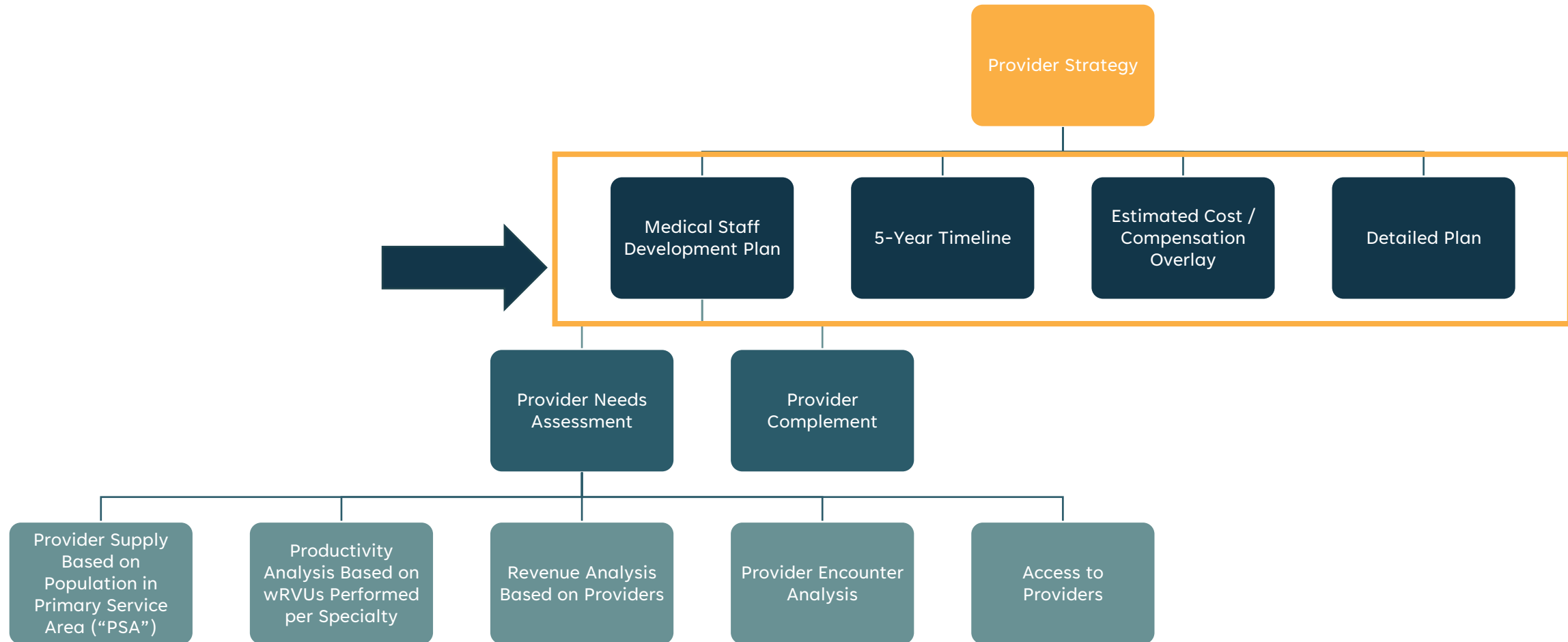
STROUDWATER UNIQUE COMPONENTS OF A MEDICAL STAFF DEVELOPMENT PLAN



↑ ↑ ↑
Additional components not found in typical Medical Staff Development Plans



STROUDWATER UNIQUE COMPONENTS OF A PROVIDER STRATEGY



HOW MEDICAL STAFF DEVELOPMENT PLANS AND PROVIDER STRATEGY DIFFER

Medical Staff Development Plan

- Looks at the provider supply and demand of the organization and community
- Determines the providers an organization needs to recruit, retain, and align within each specialty
- Incorporates specialty productivity, throughput, and access into the overall provider complement or target number of provider FTEs that should be within each specialty.

Provider Strategy

- Includes all aspects of the MSDPs
- Connects the needs outlined in the MSDP with a compensation strategy and a timeframe for recruitment to flow into the organizational strategy
- Connects provider strategy and overall organization strategy to limit barriers to implementation and keep goals aligned
- Includes operational opportunities, as well as barriers to alignment
- Further develops where providers should be based and split their time between clinics or additional locations of an organization
- Outlines a detailed plan by specialty of actionable items related to provider recruitment, retention, and alignment





THE IMPORTANCE OF A PROVIDER STRATEGY

ADVANTAGES OF LONG-TERM RECRUITMENT



Prepare Your Workforce for the Future

- Plan ahead and understand what provider needs will be 3 – 5 years into the future.
- Proactively address staffing needs for the future and reduce potential gaps in access to care.

Tap Into Emerging Talent

- Build relationships with individuals who are still in school or in residency programs and are not yet available in the market.
- Engage early with future providers to create a foothold in the market



WHY LONG-TERM RECRUITMENT IS A WIN-WIN

Advantages of Long-Term Recruitment to Providers

- Offers a clear career path
- Offers job security post-training for new providers
- Builds confidence in the management of the organization and the ability to think ahead
- Creates a faster onboarding process
- Allows for training and relationship building with retiring providers

Advantages of Long-Term Recruitment to Organizations

- Creates smoother transitions in care
- Encourages stronger cultural alignment
- Decreases turnover
- Ensures consistent staffing
- Enhances patient care
- Supports long-term growth
- Allows for succession planning
- Allows for appropriate financial planning



CASE STUDY: MIDWEST SOLE COMMUNITY HOSPITAL

- The Hospital redeveloped its medical staff after changes in senior leadership
- Provider strategy included rebuilding a new primary care base
- Recognizing the overall community need for primary care and looking at how far their market could expand, the Hospital developed a plan to recruit primary care over five years
- Based on the plan, the CEO worked with residency programs to start outreach with second- and third-year residents
 - CEO has been able to contract with 4 primary care physicians who will join the organization upon completion of their residencies over the next 2-4 years
 - This has allowed spacing out of investments and cash outlay on the organization while providing surety of having a developed primary care base for their community



THE EFFECT OF IMPROVED OPERATIONAL PROCESSES ON RETENTION

Having a provider strategy leads to improved operational processes. Improved operational processes can make a rural hospital more attractive to potential recruits and enhance both recruitment and retention.



Address Real Provider Pain Points

Actively engage providers on key issues, including call burden and patient throughput, to reduce burnout and improve satisfaction.



Collaborate on Operational Needs

Involve providers in discussions about staffing levels and space constraints, showing their concerns are heard and acted on.



Empower Providers with a Voice

Giving providers input into organizational strategy fosters a sense of ownership, driving higher engagement and stronger retention.



Better Process = Better Culture

Utilize operational improvements to foster a positive and collaborative work environment that providers want to engage with and be a part of.



THE EFFECT OF IMPROVED OPERATIONAL PROCESSES ON RECRUITMENT



Confidence in Compensation

Recruits are more likely to commit when an organization can demonstrate operational readiness to support their compensation model.



Set Realistic Expectations

Align recruitment promises with real-world ramp-up timelines.

- Example: Compensation based on 20 patients/day, but with a realistic ramp-up in Year 1.



Build Trust Through Transparency

Engaged current staff will recognize whether an organization's promises are credible.

Operational clarity ensures internal alignment and external trust.



Flexible & Supportive Onboarding

Strong scheduling and onboarding processes help new hires integrate smoothly, with the flexibility they need to succeed.



POLLING QUESTION 3



ABILITY TO INCORPORATE TELEHEALTH EFFECTIVELY

Benefits of Incorporating Telehealth into Your Provider Strategy

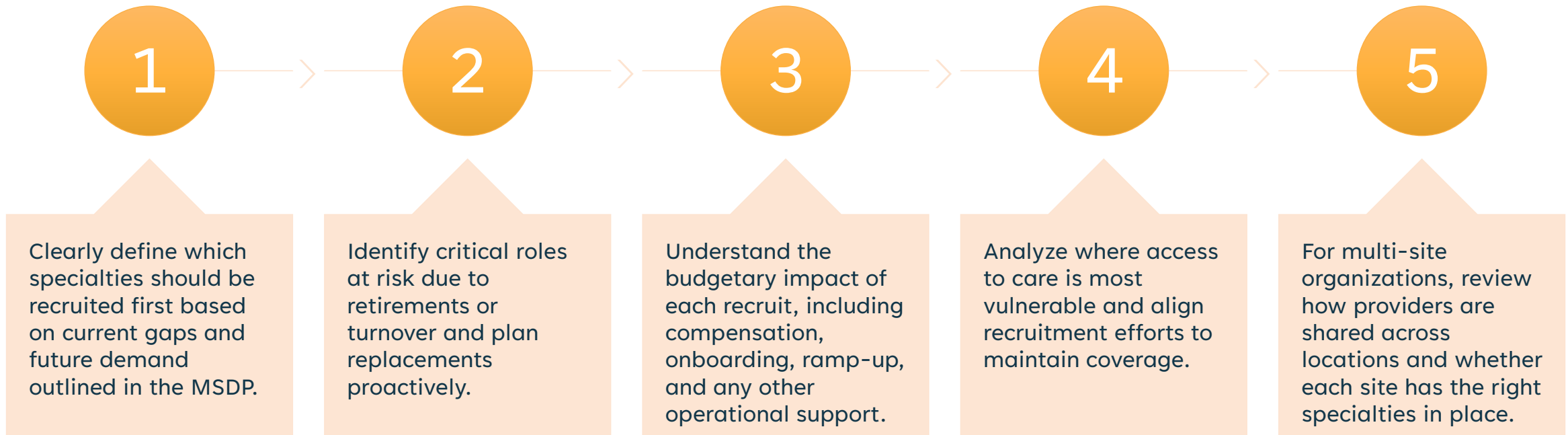
- **Expand Your Recruiting Pool**
Attract providers who prefer flexible or remote work, including semi-retired clinicians, working parents, or subspecialists outside your region.
- **Improve Provider Work-Life Balance**
Reduce call burden and burnout by utilizing telehealth for night and weekend coverage or low-acuity visits, thereby increasing retention.
- **Bridge Specialty Gaps Without Full FTEs**
Utilize tele-specialists to address community needs (e.g., psychology, endocrinology) without the need to recruit hard-to-place full-time specialists.
- **Accelerate Onboarding and Ramp-Up**
Enable new hires to begin clinical work remotely before relocating, smoothing transitions, and generating earlier ROI.
- **Strengthen Clinical Coverage and Resiliency**
Maintain service continuity during leaves, vacancies, or recruitment lags through integrated virtual care backups.



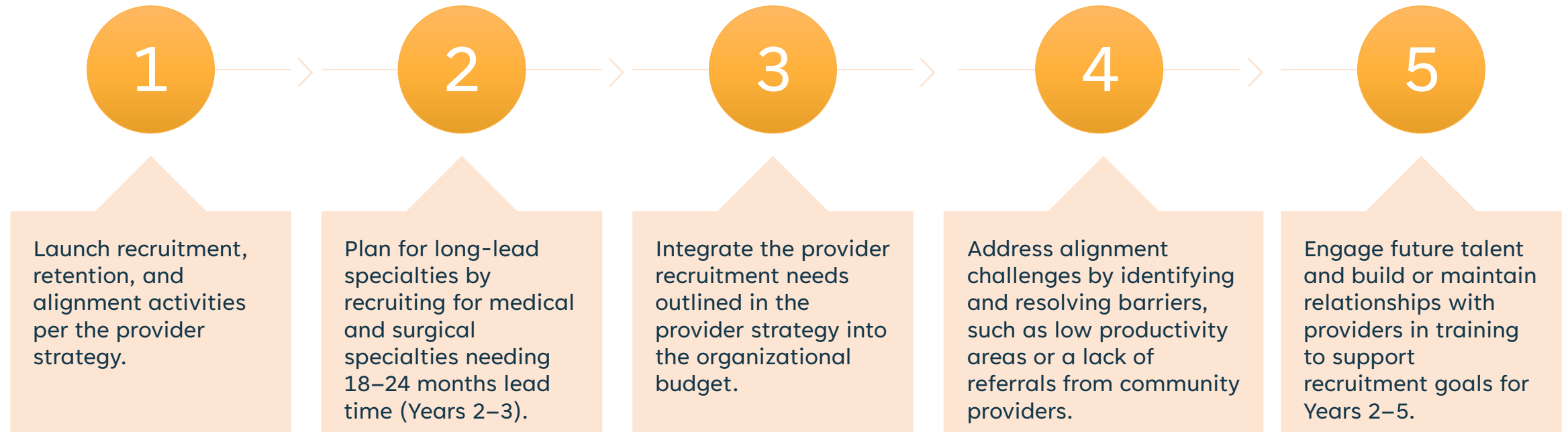


HOW TO EFFECTIVELY USE YOUR MSDP/PROVIDER STRATEGY

THE FIRST STEPS OF IMPLEMENTING AN MSDP



THE FIRST STEPS OF IMPLEMENTING A PROVIDER STRATEGY



HOW TO ENGAGE WITH PROVIDERS ON OPERATIONAL IMPROVEMENTS

- Build understanding and trust by prioritizing transparency and sharing data openly
- Educate them on the Provider Strategy process and include them in it
- Present the final Provider Strategy to providers and highlight key areas for improvement, supported by clear data
- Demonstrate potential consequences of inaction
- Include them in decision-making to drive ownership and alignment



HOW TO ENGAGE WITH AN EXISTING PARTNER AROUND MSDPS/PROVIDER STRATEGY

Begin with Quick Wins to Build Trust

- Start by focusing on easily achievable goals to help establish credibility and trust early on.
- Communicate the data that supports decision-making. Demonstrate how the insights directly inform strategy and outcomes.

Connect Decisions to Financial Impact

- Show how strategic choices contribute to the bottom line, such as:
 - Enhancing alignment with primary care providers to drive more referrals.
 - Implementing long-term recruitment strategies to reduce costly recruitment delays.
 - Utilize these strategies to support operational planning and reduce the ramp-up time for new providers.

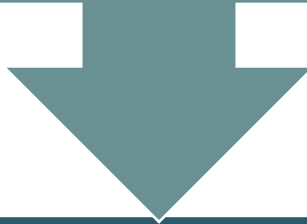
Leverage the Provider Complement Strategically

- Use the Provider Complement to:
 - Identify where advanced practice providers (APPs) can be utilized instead of MDs, and where part-time providers may be more effective.
 - Determine which services the CAH (Critical Access Hospital) can deliver independently versus those that require external partnerships.



CASE STUDY: MID-ATLANTIC RURAL HEALTH SYSTEM

Stroudwater worked with a health system that owned multiple CAHs and a larger tertiary referral hospital to regularly develop its MSDP every three years for over a decade.



The System utilized the MSDP regularly in the following ways:

Planned around J-1 waivers, including when waivers would expire, to understand upcoming recruitment needs.

Integrate into compensation analysis and highlight ways to address rural shortages in documenting fair market value for Stark and Anti-Kickback compliance.

Developed a plan for a specialty outreach clinic at the edges of the service area based on the highest community needs and shortages identified in the MSDP.



HOW TO ENGAGE WITH A POTENTIAL PARTNER AROUND MSDPS/PROVIDER STRATEGY

Any existing strategy or plan that the CAH or organization is actively implementing strengthens its position in a potential partnership.

Potential partners are more likely to engage when they see that:

- The organization understands community needs and provider supply and demand.
- These insights have been integrated into long-term planning and budgeting.
- They won't need to invest additional resources to assess the market or define future specialty support needs.

Proactive planning signals readiness, reduces onboarding costs, and builds partner confidence in the organization's direction.





KEY TAKEAWAYS

THE KEY LESSONS LEARNED



**HAVE A MSDP OR
PROVIDER
STRATEGY IN PLACE
AND UPDATE EVERY
2 – 3 YEARS**



**UNDERSTAND
YOUR GAPS IN
CARE**



**LONG – TERM
RECRUITMENT
IS A PRIORITY**



**ENGAGE WITH
YOUR
PROVIDERS ON
THE PROCESS**



**MAKE SURE THE
MSDP OR
PROVIDER
STRATEGY
SUPPORTS TO
ORGANIZATIONAL
STRATEGY**





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THANK YOU

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