



**THE SUCCESSION GAP:
PROTECTING REVENUE AND SERVICES
IN AN AGING MEDICAL STAFF**

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MEET THE SPEAKERS:



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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.**

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 needs by specialty**
 - **Access and wait times to current specialties**
 - **Productivity per specialty**
 - **Throughput per specialty**
 - **Financial sustainability and investment**





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

POLLING QUESTION

How old is your most recent medical staff development plan?

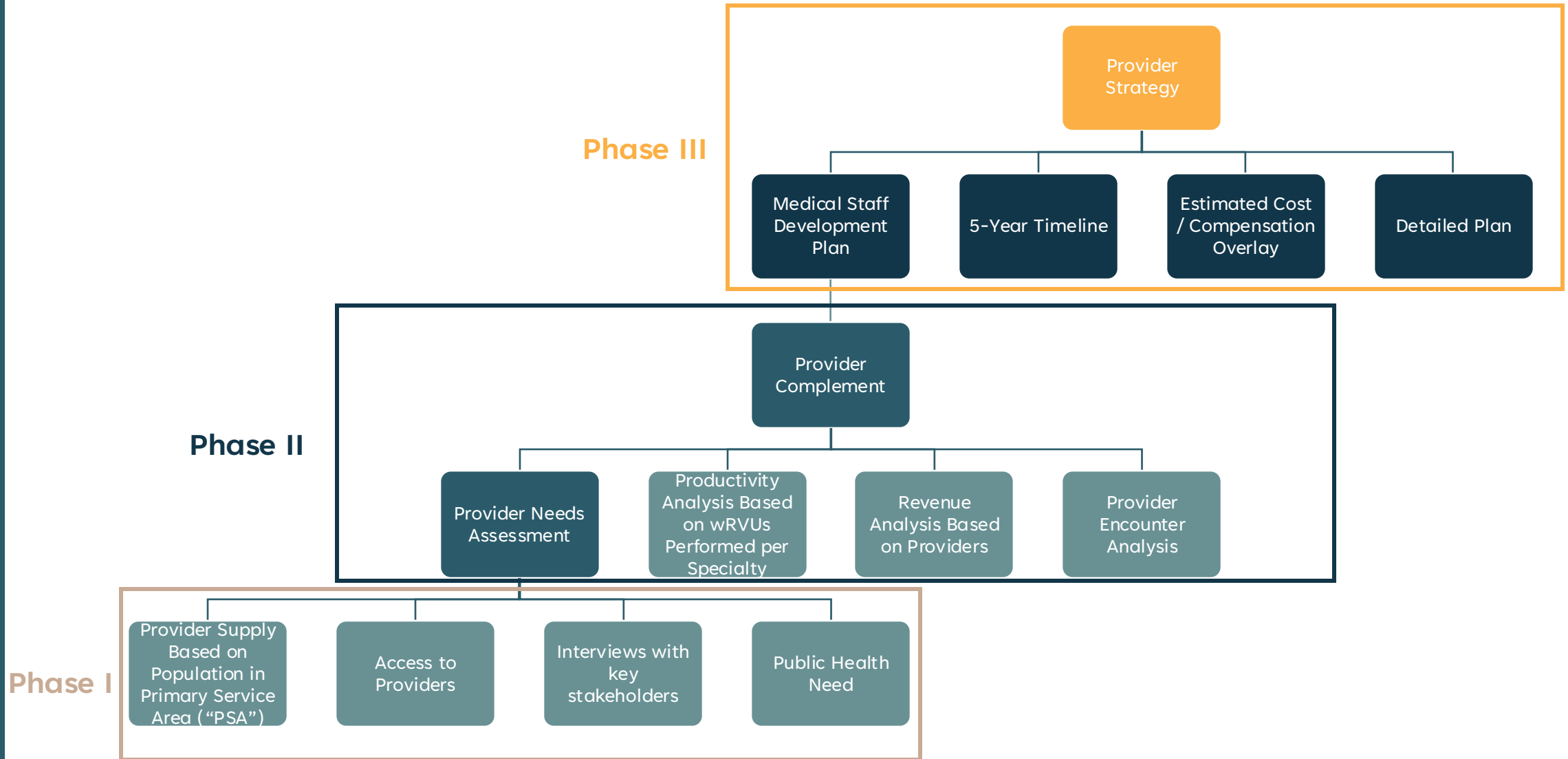
- < 1 year
- 1 – 3 years
- 3+ years
- We do not currently have a medical staff development plan
- We would like to implement a medical staff development plan



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]) does your organization need 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 do 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.

UNIQUE COMPONENTS OF A STROUDWATER PROVIDER STRATEGY



THE DIFFERENCE BETWEEN A MEDICAL STAFF DEVELOPMENT PLAN AND A PROVIDER STRATEGY

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



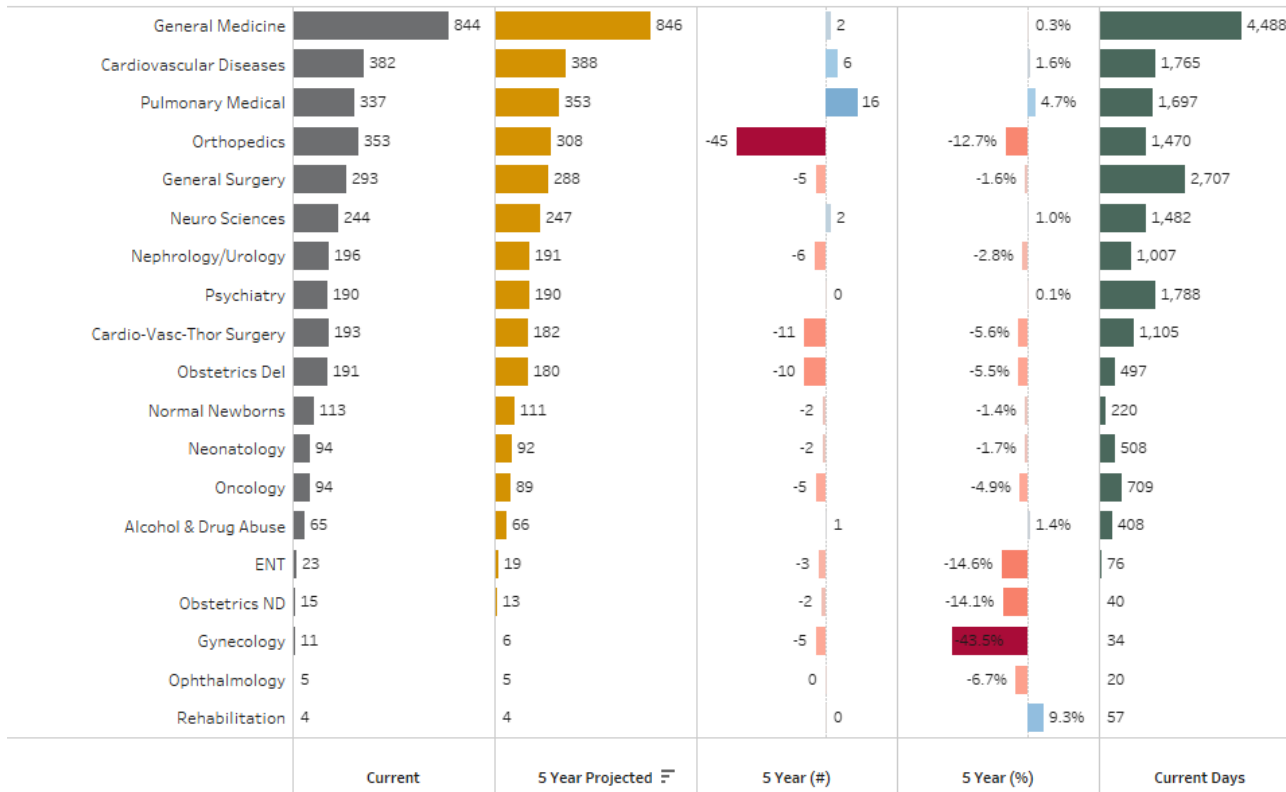


THE IMPACT OF OPERATIONAL IMPROVEMENT AND RETIREMENTS

NEEDED FUTURE SERVICES

Current Discharges	5 Year Projection	5 Year Change (#)	5 Year Change (%)	Current Days
3,646	3,580	-67	-1.8%	20,080

Discharges by Product Line



- A national shift from inpatient to outpatient care is occurring.
- CAHs must develop a clear understanding of inpatient and outpatient volume projections over the next five years.
- Identifying which service line are posed for growth and which face decline alongside each service line's contribution to overall revenue is critical.
- A retiring physician in a growing or high-revenue service line can compound existing volume pressures and threaten financial stability if not proactively addressed through succession planning and recruitment.

Source: Merative. "High Acuity" includes DRGs with a case weight of 1.5 and above

IDENTIFYING KEY REVENUE DRIVERS FOR PROACTIVE RECRUITMENT

- Understanding which service lines are key revenue drivers is essential to long-term financial stability
- Equally important is identifying service lines where the provider base is aging or thin to determine proactive recruitment and retention needs
- Service lines with fewer providers or a higher average provider age carry greater vulnerability to loss in access to services

MGMA Specialties	Current FTEs	Average Age	2024 Charges	2024 % of Grand Total
Surgical Subspecialties				
Otorhinolaryngology	1.0	69.0	\$ 342,100	0.4%
Surgery: General	5.8	47.3	\$ 4,641,891	5.3%
Nurse Practitioner: Surgery: General	1.0	58.0	\$ 213,382	0.2%
Nurse Practitioner (Surgical)	2.0	48.0	\$ 119,527	0.1%
Physician Assistant (Surgical)	1.0	32.0	\$ 101,227	0.1%
OB/GYN: General	4.57	60.2	\$ 2,496,314	2.8%
Nurse Practitioner: OB/GYN / Women's Health	2.8	41.3	\$ 1,567,064	1.8%
Nurse Midwife	1.0	37.0	\$ 342,123	0.4%
Ophthalmology	1.0	46.0	\$ 2,332,381	2.6%
Optometrist	1.0	54.0	\$ 831,785	0.9%
Orthopedic Surgery: General	4.9	60.2	\$ 4,828,264	5.5%
Nurse Practitioner: Orthopedics (Surgical)	1.0	42.0	\$ 798,497	0.9%
Physician Assistant: Orthopedics (Surgical)	2.0	47.5	\$ 936,947	1.1%
Urology	1.8	66.0	\$ 1,637,601	1.9%



OPERATIONAL IMPROVEMENT VS. RECRUITMENT

- Stroudwater recently worked with a client whose primary care providers, including family medicine and internal medicine physicians and APPs, **generated 61% of payments for their CAH.**
- Demand is high for primary care providers with a **wait list of over 6 months for new patients.**
- Of the 29 primary care providers, only one nurse practitioner was above the 50th percentile for productivity based on the MGMA Median wRVUs for non-metropolitan Hospital/IDS-owned entities.
- Stroudwater conducted an analysis that analyzed the revenue benefit of a 15% and 20% increase in productivity for family medicine and internal medicine providers based on wRVUs.
 - If 15% or 20% increase would put providers over the Median MGMA for wRVUs, Median MGMA was used. For providers that are already above the MGMA Median wRVUs, no additional wRVUs or encounters were assumed.
 - Estimates examined if 100% of 15%/20% improvement was from established patient visits, and if 100% of 15%/20% improvement was from new patient visits.



OPERATIONAL IMPROVEMENT VS. RECRUITMENT (CONT.)

- An increase of 15% in productivity was estimated to yield annual returns exceeding 150% of the total yearly compensation cost of an additional physician.
- The client has a significant waitlist of patients who are looking for appointments. **Reducing barriers to improve productivity is necessary and much more cost-effective for the client than recruiting additional providers.**
- Note that the cost of providers does not include costs associated with recruitment, additional needed staff, or space constraints.

Additional Productivity Revenue	Average Additional Patient Visits per Day per Provider	15% Productivity Improvement	Average Additional Patient Visits per Day per Provider	20% Productivity Improvement
Established Patients	2	\$529,459	3	\$691,247
New Patients	2	\$789,637	3	\$1,030,928
70/30 Blend	2	\$607,512	3	\$793,151

Additional Provider Cost	MGMA Median Rural Total Compensation
Family Medicine (without OB) physician	Cost \$312,893
Family Medicine (with OB) physician	Cost \$341,218
Internal Medicine	Cost \$331,391



THE EFFECT OF IMPROVED OPERATIONAL PROCESSES ON RETENTION

A provider strategy improves operational processes, which 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



Family-Focused

Recruit spouse or family member if possible

Promote family-friendly environment through events and gatherings



POLLING QUESTION

Based on your experience, where does your hospital most need focused improvement?

- Operational processes
- Recruitment and staffing
- Operations first, then recruitment
- Recruitment first, then operations
- None of the above





THE IMPORTANCE OF A MULTI - YEAR PROVIDER STRATEGY

ADVANTAGES OF LONG-TERM RECRUITMENT



Prepare Your Workforce for the Future

- Plan ahead and understand what the provider need will be like 3 –5 or 10 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
- Succession planning that builds on a legacy of care

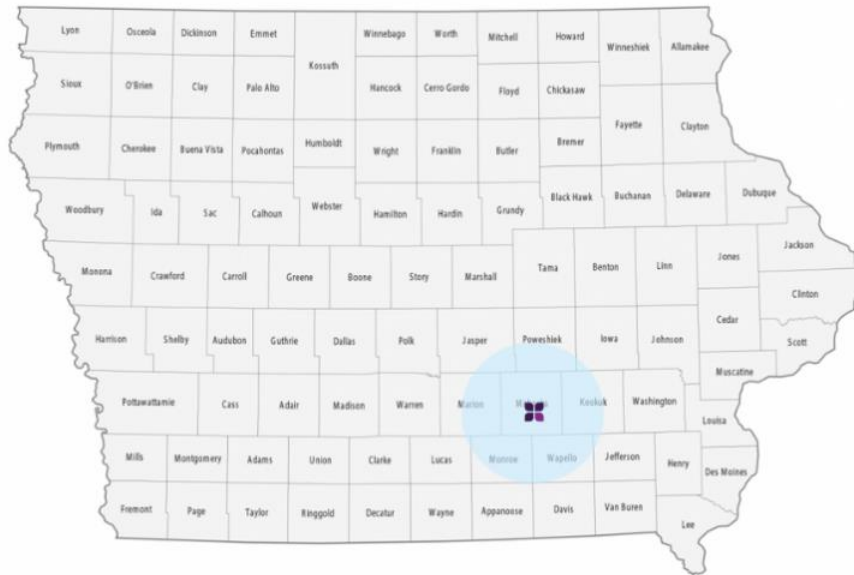
Advantages of Long-Term Recruitment to Organizations

- 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
- Strengthens continuity of services offered



ABOUT mahaskahealth

Mahaska Health is a physician and nurse-led hospital and the first Iowa Critical Access Hospital to be awarded four designated Iowa Centers of Excellence in Maternity Care & Birthing Center, Cardiology, General Surgery, and Surgical and Medical Oncology.



ABOUT MAHASKA HEALTH



- ✓ 121% increase in births since 2021, with 318 babies born in 2025, and on pace to deliver nearly 400 babies in 2026. Opened and expanded the first-ever fertility services, providing specialized care for 152 patients. Recruited two OB/GYN specialists, 2 midwives, and 5 FP/OBs, with 3 General Surgeons caring for 1,062 patients from 35 counties in 2026.
- ✓ 1,655 general surgery clinic patient consultations across 32 Iowa counties and 11 out-of-state patients in 2025. The Surgery Services team performed over 4,000 cases in 2026 across all service lines.
- ✓ 98 cancer cases reviewed in 2025, and 125 cancer cases in 2026, through the Interdisciplinary Tumor Board, fostering collaborative treatment planning between multiple service lines locally, along with specialists from Des Moines and Iowa City. The only active critical access Tumor Board in Iowa. Hired a full-time Medical Oncologist, Dr. Kiron Nair, seeing patients 5 days a week with 12-day diagnosis to treatment care coordination.
- ✓ Welcomed full-time, board-certified, and fellowship-trained Cardiologist, Dr. John Pargulski, alongside an experienced cardiology team. Over 1,300 unique cardiology patients were treated in 2025, from 17 Iowa counties and 5 from out of state. With over 2,000 unique patients treated in 2026.



mahaskahealth



ABOUT MAHASKA HEALTH (CONT.)

“The number one thing when it comes to change, is relationships. How you get somewhere is based on the relationships and trust you garner. That is what will allow you and the team to be successful and patients will receive amazing healthcare.”

- Physician, Provider & Nurse led Hospital
- Press Ganey stated that Mahaska Health is “Not Normal.” Highest Employee satisfaction ever recorded - 96th percentile top 100 out of 4,600 healthcare facilities nationwide.
- Our VALUE formula – Greatest asset is our People.

$$\text{VALUE} = \frac{\begin{array}{l} \text{-Our People} \\ \text{-Patient Experience} \\ \text{QUALITY} \\ \text{(outcomes, safety, service)} \end{array}}{\text{COST}}$$



KEY ELEMENTS OF 10 YEAR RECRUITMENT PLAN



Getting the right people on the bus

Director-level buy-in and leadership
Not everyone was ready and willing; some tough changes were needed



Created a new culture: physician and nurse led

18 medical directors
Nurse leaders participate in the executive team
Admin listens to these leaders, front lines, and those taking care of patients; Physician and nurse leaders identify needed services and improve care planning work-flows



Investing in people (greatest asset): building trust

Retained all employees during pandemic
Filled all 26 open positions with local talent available due to other hospital furloughs
200 nurses received \$5/hour raises



Focus on top line revenue growth not cutting the way to sustainability



Expanding service lines

Only hospital with employed OB/GYNs in SE Iowa; 11 hospitals around Mahaska closed L&D
Employed a medical oncologist; created own tumor board; seeking accreditation by commission on cancer – will be the only CoC accredited CAH in Iowa.



KEY ELEMENTS OF 10 YEAR RECRUITMENT PLAN (CONT.)



Reversed organizational chart

Board and leadership at bottom

Patients and families at the top

Servant hearted leadership; a cultural change Mahaska implemented in 2018



Employee goodwill gets amplified in community

Empowering people and talent

Partnering with clinicians who feel valued

Accessible leaders: serving is the art and act of focusing on someone else's interest instead of your own



Creating real alignment with physicians and nurses

The executive team is taking notes on changes suggested by physicians and nurses and turning ideas into action



RESULTS OF RECRUITMENT PLAN (SO FAR)

Biggest Transformation: Culture and Reputation

- Highest Employee Satisfaction at the 96th percentile; Top 100 out of 4,600 healthcare organizations (Press Ganey)
- Labeled by Press Ganey as “Not Normal”
- Awarded Top 100 Critical Access Hospital in 2026 (Chartis)
- Recruited and signed 85 new physicians and mid-levels. Today, Mahaska Health employs 102 providers in total
- Record 3 years in a row highest Top Box Scores in Patient Satisfaction (Press Ganey)
- Awarded by the State of Iowa with 4 Centers of Excellence in Surgical & Medical Oncology, General Surgery, Cardiology, and Maternity care
- Awarded more than \$3.3 million through the Iowa Rural Health Transformation Program to support advanced imaging technology (PET/CT) and provider recruitment (3rd OB/GYN & 3rd General Surgery PA) serving rural Southeast Iowa.



POLLING QUESTION

Does having long term recruitment strategy make sense for your organization?

- Yes, this reflects challenges we are already facing
- Yes, but have questions on feasibility and would like to evaluate assistance with a plan
- Maybe, may need a shorter term, emergency approach
- Recruitment is not our top priority right now
- No, this is unrealistic and not necessary for us





HOW TO ENGAGE LEADERSHIP AND MEDICAL STAFF AROUND 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 PROVIDERS AROUND RECRUITMENT

All initial contact is made by the CEO. Available for calls at night and on weekends. Imperative to developing trust. Followed by a Medical Director call to discuss clinical expertise.

Physicians are invited to attend lunch or dinner.

Onsite visits include accommodations during nights and weekends. We would never ask a physician and their spouse to cancel clinic, surgery or miss classes.

Itinerary is customized to the candidate's background, spouse and children.

CEO and corresponding Medical Director hosts candidate and their family onsite. They are not shuffled off to HR.

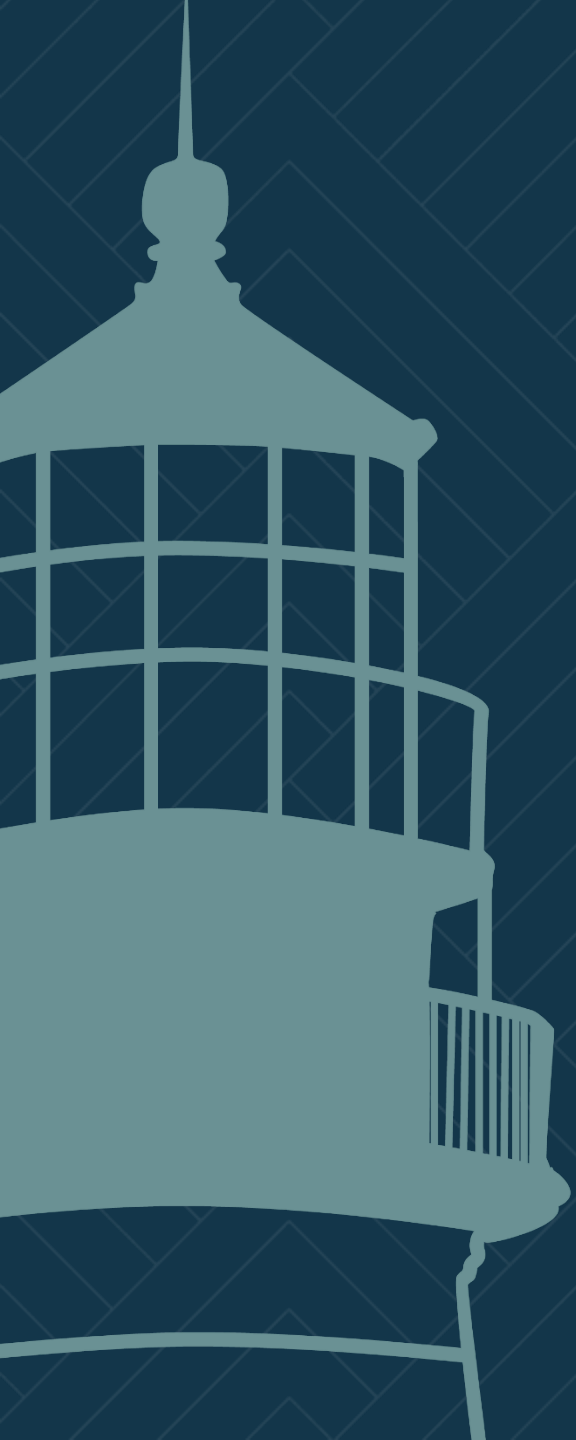
Host over 200 high school, college, medical school students and hosts 3-year long medical students, OB/GYN and Surgical Residents. This has led to our 10-year recruitment plan.

Deliver on the Healthy Culture. When Physicians and Nurses specifically talk about how special the Culture is, then candidates begin to understand that they can focus on the patient and then go home to their family.

Care package is sent home with the recruit followed by a handwritten note a few days after.

Caring for the Caregiver, Re-Recruit, and provide mentorship and support when they begin.





KEY TAKEAWAYS

THE KEY LESSONS LEARNED



**IMPROVING
OPERATIONAL
PROCESSES HELPS
IMPROVE
RECRUITMENT AND
RETENTION**



**UNDERSTAND
YOUR GAPS IN
CARE**



**LONG – TERM
RERCRUITMENT
IS A PRIORITY**



**BUILD A
CULTURE OF
TRUST**



**ENGAGE WITH
YOUR PROVIDERS
ON THE PROCESS**





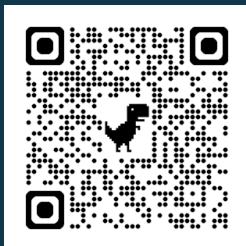
STROUDWATER

COMMITTED TO INCREASING THE IMPACT OF RURAL AND COMMUNITY HEALTHCARE.

Our team of rural and community healthcare experts support the leadership of hospitals, health systems with a rural footprint, and the groups and clinics that form an essential care network across the 97% of the US that is defined as rural.



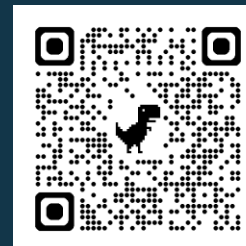
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