Staffing in Rural and Critical Access Hospitals

An Interview With Merritt Hawkins

By: Marvin Drake, VP and COO, HeW
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It’s no secret to anyone that staffing is an increasingly significant challenge for rural and critical access hospitals. As changes in the economy and the healthcare industry continue to evolve, the topic becomes ever more prevalent and concerning.

At HeW, our clients have frequently asked us for advice on how to locate, recruit, and retain quality medical staff, both physicians and back office. We always assumed the ability to employ high-value medical staff was strongly tied to the facility’s operational processes however, we never had proof of this until now.

Through HeW’s AsK program, we received several questions specific to staffing in rural and critical access hospitals. To address these questions and validate our own interpretations of the issue, HeW enlisted the expertise of Merritt Hawkins. Merritt Hawkins has established the most successful track record in the physician recruiting industry, placing thousands of physicians and advanced practice allied healthcare professionals nationwide.

This document summarizes our interview with Travis Singleton, senior vice president for Merritt Hawkins. Mr. Singleton has 13+ years of healthcare consulting experience, recognized for his expertise in a broad range of staffing issues, from physician and allied health compensation to medical staff planning. In this interview, Mr. Singleton addresses staffing related questions specific to retention, funding, the impact of electronic health records and the need to implement sound operational processes.

AsK QUESTION:

In a recent study, 67% of rural/critical access hospitals reported experiencing shortages in physicians and IT staff. What general tips do you have for rural/CAH needing to fill these positions? Is the process different for physicians than for business/office staffing and IT positions?

RESPONSE by TRAVIS SINGLETON:

Of the approximately 3,000 searches for providers Merritt Hawkins conducts each year, about 37% are for communities with populations under 50,000, so we are intimately involved in rural and critical access hospital recruiting scenarios. Rural and critical access hospitals, in general, have experienced stable growth and funding over the last two years, which is good news where physician recruiting is concerned.

There are obvious challenges however. In the past, most rural and critical access hospitals employed small-town doctors and medical staff. When they did recruit outside of their area, these facilities have typically been able to pay more, offer greater signing bonuses, and move faster than larger, metropolitan hospitals. Recently, larger facilities have started adopting new financial models and critical access hospitals are now competing nationwide to attract and retain quality staff.
With all the changes, there is now only about a 5-10% gap in salaries offered between small and metropolitan hospitals. This means salary alone may not be enough to persuade a physician to select one hospital over another.

Another major concern is retention. Many rural and critical access hospitals have not recruited in ten to fifteen years, maintaining their small town doctors. However, now that those doctors are starting to retire, hospitals are finding they need to recruit but the rules of engagement have changed as have financial incentives. In addition, over the next two to three years, primary care physicians’ contracts will start to expire and salaries will rise as hospitals seek to retain physicians. Most rural and critical access hospitals won’t be able to go head to head with the larger facilities in salary alone.

In metropolitan communities, recruiting is a function of human resources. However, for rural communities, it’s more about creating an ideal working environment, which involves every area of the hospital. The question becomes: How do you compete when you’re comparing apples to apples?

First, two primary needs must be met for a physician to sign with a hospital:

1. **The physician must like the community and environment in which they’ll be living and working.** You can’t put an ocean where it’s not. Be sure you attract the right individuals by being clear about what you have to offer. Communicate on quality and the unique aspects your facility and community can deliver. In this instance, differentiation is key in distinguishing value beyond monetary compensation. Include information about the quality of life in the area and even retirement possibilities. What opportunities exist for community involvement, area attractions, cost of living, natural amenities, etc.? What are the lifestyle characteristics of current physicians? Often, rural physicians may have some unexpected lifestyle benefits – such as second homes in the mountains, acreage for horses, or space for antique cars. Your current medical staff may be your most potent recruiting resource. Posting physician testimonials on your site is a good first step.

What does the area offer for family members? As a current resident of the community, you are the expert. Therefore, consider heavily the value your community has to offer and the unique opportunities presented by working at your facility. Many rural communities tout their hunting, fishing and good schools. You have to go deeper. What is the local graduation rate, advanced programs, graduates who went to Ivy League or other schools? What advantages do the children of physicians and other professionals in the community have – piano lessons, ballet, karate, girl scouts, etc.?

Many people, physicians included, are looking for that mythical, all-American quality of life with white picket fences, good schools, friendly neighbors and a real sense of community. That still exists to some degree in rural America and candidates will be attracted if you can make these benefits tangible.
Get creative with incentive packages. Recruitment is an investment for both the hospital and the physician, so consider including the physician in the development of a “Quality of Life” package designed specifically to meet his/her needs and interests. Let them tell you what’s important to them; it could be as simple as covered parking or budget for new equipment.

2. Consider the “primacy of the work place.” This means the ability to deliver care in the best way physicians see fit, supported by quality resources of the hospital: staff, equipment, and operational processes.

At the end of the day, physicians spend the majority of their time at work – not at the opera, or at major league baseball games, which most small communities can’t offer. So, if you can make their workplace as desirable as possible, you may have an advantage over those places offering big city amenities.

Clinical autonomy, hospital employment, flexible hours, quick test turnaround times, operating room availability, efficient admissions, a quality nursing staff, competitive reimbursement, educational loan forgiveness – these are hallmarks of a positive workplace that will both attract and retain physicians.

Many physicians today are looking for a place where the grass is greener. Smaller facilities often have the ability to tailor the practice to physician needs, whereas large institutions may not be as flexible.

If you can’t deliver these two things, you won’t be able to recruit or retain quality medical professionals.

Some additional options to consider, specific to staffing include:

- **Create latitude to employ part-time physicians**
  Many doctors today are seeking part-time settings, so it may be possible to create “practice sharing” between two recruiting candidates to create one FTE.

- **Consider International physicians**
  Although the education process varies from that of the US, consider what the physician had to do in order to become certified to practice in the US. Often, international physicians have more credibility and certifications than US doctors.

  Use resources, such as the national rural health services corps, to locate physicians who work through loan repayment programs. These programs pay a portion of their school loans in return for them selecting to work in a rural community.

- **Specialty interns**
• Tele-health
According to a new survey conducted by staff care, an AMN Healthcare company, 43% of hospitals are using tele-health, and not just for radiology. They are using it for primary care and behavioral health.

• Mid-level support staff
Hospitals are learning to lean on more mid-level staff, such as nurse practitioners and physician assistants to overcome the challenge of physician staffing. With online technology, mid-levels have access to advanced information enabling them to take on more responsibility and provide greater treatment.

You don’t want a revolving door, so the evaluation process must be thorough and take into consideration what your patients want and expect from your hospital and its staff.

QUESTION:
How do you see the quality and/or efficiency of back-office operations (administration, payment processing, coding, etc.) contributing to a hospital’s ability to staff quality personnel, both medical and administrative?

RESPONSE by TRAVIS SINGLETON:
A good back-end system of operations definitely affects a facility’s ability to staff quality medical professionals. Rural and critical access hospitals struggle with technology and are typically not technically savvy organizations due to various constraints. This can deter physicians from signing with these facilities.

If the operational systems are cumbersome and time consuming, taking away time which could be spent treating patients, this is looked at very negatively. Physicians need to feel comfortable knowing they can deliver the best care possible because they have the support of the hospital, its staff members and efficient back-office operations.

The primary job of a hospital is to deliver care to patients. 90% of a hospital’s revenue is generated because of the primary care physicians (tests, prescriptions, equipment, patients, etc.) If you don’t have the physician, you can’t deliver care, so in reality, the physician is your product and should be your focus.

By ensuring you have the proper technology and software in place to operate in the most efficient manner, you increase your chances of achieving three primary objectives:

- Increase your ability to attract quality physicians and medical staff
- Decrease money spent on administrative and paper-related tasks which can then be reallocated to technology investments
- Decrease time your physicians spend on paperwork and billing-related tasks so they can focus on treating patients
QUESTION:
Are you aware of any federal or state funding available for rural/critical access hospitals to support staffing needs?

RESPONSE by TRAVIS SINGLETON:
There are many state and federal programs available to support staffing needs of rural and critical access hospitals, including loan forgiveness, loan repayment, grants, and private funding. Obviously, each comes with its own set of benefits and challenges.

Federal and state opportunities exist for loan repayment assistance. Federal programs date back to the Vietnam era, offering a variation of loan amounts paid over 3-4 years. State programs are paid over 2-3 years and serve rural areas.

Private institutions are now developing their own loan repayment programs to compete with existing state and federal assistance. Because these are often linked to signing incentives offered by larger hospitals, it is no longer a unique advantage for rural and critical access hospitals.

There are also many grants available. However, the process for application and usage can be very confusing. This deters many hospitals from applying. Merritt Hawkins has a large continuum of related services to assist with grants, physician VISA issues, and lobbying efforts specific to funding within the healthcare industry. Over 20 state healthcare associations have endorsed Merritt Hawkins and its efforts to support the medical community.

As funding is being cut across almost all channels, rural/critical access hospitals will take the biggest hit. Now, more than ever, these facilities must evaluate what resources they can generate in their own facilities and make investments in solutions, which provide operational efficiencies.

QUESTION:
How will electronic health records impact retention and recruiting efforts for rural/CAH?

RESPONSE by TRAVIS SINGLETON:
With the introduction of electronic health records and additional advancements in technology, many older physicians in rural and critical access settings are choosing to retire rather than learn the new systems. The weak stock market kept these physicians in place, however, as the economy continues to repair itself they are now opting for retirement.

Once HIE (Health Information Exchange) is more commonplace and physicians are more familiar with the benefits and functionality, things will begin to run more smoothly. At that point, having an EHR system in place and successfully interacting within multiple facets of the organization will be seen as a benefit rather than a challenge.
For Additional Information

HeW and Merritt Hawkins welcome your questions regarding staffing and operational systems for rural and critical access hospitals. For additional information, please contact:

OPERATIONAL & REVENUE CYCLE MANAGEMENT SOLUTIONS:

**Marvin Drake**  
Vice President and COO, HeW Inc.

Email: mdrake@hewed.com  

HOSPITAL STAFFING:

**Travis Singleton**  
Senior Vice President, Merritt Hawkins

Email: Travis.Singleton@merritthawkins.com  
About HeW, Inc.

HeW (formerly Health-e-Web and ET&T) delivers revenue cycle management solutions to health care providers and insurance companies focusing on enhancing the patient, member, and employer experience while reducing administrative costs. All HeW product offerings are packaged with industry leading customer service.

Our job is to understand patient intersections in healthcare so we can provide our clients with products & services that promote patient loyalty.

Website: www.hewedi.com
LinkedIn: http://www.linkedin.com/company/1730334
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About Merritt Hawkins

Merritt Hawkins is the leading physician search and consulting firm in the United States and is an AMN Healthcare company (NYSE: AHS). AMN is the nation's largest healthcare staffing and management services company in the United States (www.amnhealthcare.com).

Founded in 1987, Merritt Hawkins has established the most successful track record in the physician recruiting industry, placing thousands of physicians and advanced practice allied healthcare professionals nationwide. As the industry leader, Merritt Hawkins' mission is to create enduring matches between healthcare organizations and qualified clinicians seeking to enhance their personal and professional lives.

Website: www.merritthawkins.com
LinkedIn: http://www.linkedin.com/company/487245
Facebook: http://www.facebook.com/MerrittHawkins?fref=ts

About Travis Singleton, Senior Vice President, Merritt Hawkins

Mr. Singleton has 13+ years of health care consulting experience. Mr. Singleton is nationally recognized for his expertise in staffing issues, from physician and allied health compensation to medical staff planning. He has consulted with thousands of hospitals and medical groups regarding physician and allied health needs assessment, search strategies, demographic and healthcare market trends, compensation, contracts, retention, physician-hospital relations, compliance and numerous other related issues. Mr. Singleton has overseen over some 20,000 permanent physician and allied health search assignments nationwide.