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The Changing Job Market for Physicians

NEW CHALLENGES FACING PHYSICIANS AS THEY COME OUT OF RESIDENCY

More than 90% of new physicians coming into the job market received at least 10 job solicitations and face a much different employment dynamics than their older physician predecessors.

Welcome to The Clinician's Roundtable on ReachMD, The Channel for Medical Professionals. I am Bruce Japsen, the healthcare reporter with the Chicago Tribune, and joining me today is Kurt Mosley. Kurt is Vice-President of business development for Merritt Hawkins & Associates, the largest permanent physician search and consulting firm in the country with more than 2 decades in the business. Mr. Mosley has written widely on healthcare staffing issues for publication such as Trustee magazine, U.S. News & World Report, USA Today, Modern Healthcare magazine among many other publications. He also speaks across the country to medical societies, state hospital associations, and many other trade groups. He is a graduate of California State University at Fullerton where he spent many years playing professional baseball after he graduated. He currently resides in Dallas, Texas, which is the home of Merritt Hawkins and he joins us today from offices in Dallas, Texas.

BRUCE JAPSEN:

Kurt Mosley, welcome to ReachMD.

KURT MOSLEY:

Thank you because it's good visiting with you again.

BRUCE JAPSEN:

Well, so tell us about this, I mean, you have Merritt Hawkins, you are the biggest physician consulting firm in the country and you analyze a lot of data and you have some interesting things you are going to tell us about this new dynamic that doctors coming out of medical school and out of their residencies are facing as opposed to their forebearers if you will.

KURT MOSLEY:

Bruce, I think one of the most important things is that obviously the current physician shortage in America and that can be debated all day long, but many state medical societies, the AMA have now confirmed that we do have the shortage, so like blue-chip athletes, new doctors are subject of you know intense recruitment efforts and over 90% had 10 or more and even up to if you look at our survey about 34% of all specialties had over 50 or more practice opportunities, so there is intense competition. There are not enough doctors to go around to fill all these available openings and the difference is also they have been recruited more heavily than their predecessors and I would look at that as the baby bloomer physicians. The baby bloomers were little different. They had to come out and find a job, may be look for the right opportunity, but these new residents are just getting hit on day in and day out.

BRUCE JAPSEN:

That's probably a good thing for the physician, isn't it?

KURT MOSLEY:

Yeah, absolutely, but it also could be very confusing. When you are in your last year of your residency, you are trying to figure out what you are going to do, where you are going to live, and you have all these different people pulling you different ways saying you want to go to this state, that state, and if I could do a just a brief story about a doctor called me just recently and said, "I am new resident, I am coming out, I want to move to Hawaii," and I said "well, you don't need me, you need travel agent," and he said "what do you mean by that," and I said "well, tell me, what you want to practice though." He wanted a high pay, no hassle, turnkey operation, minimal administrative care, and most importantly low imaging care and I said, "Doctor, you just described your dream location to live, but you are nightmare practice opportunity" because a lot of these doctors don't investigate the opportunities very well. In Hawaii, it's just the opposite. There is a lot of imaging care, the pay is not very high, the cost of living is astronomical. Although, they are getting a lot of opportunities, they need to investigate them thoroughly.

BRUCE JAPSEN:

And how do you advise them to go about this, I mean, especially lets face it that a lot of physicians coming out of medical school and coming out of residency, they are not really all that business savvy to begin with because they take care of patients, they are in the clinic, they are studying, they are focussed on their job most of the time. How do you advise them in the job market that they should go into and what should they be prepared to deal with?

KURT MOSLEY:

Well, if I could quote one of the doctors I recently surveyed, he told me I am ready for the practice of medicine, but not the business of medicine. So, what you really have to do is ask them what they want in a practice style. What we mean by that is it an employment opportunity, is it a turnkey operation, whether he is going in practice medicine, what is the call coverage that's available, do they have to take call on nights, on weekends, do they have to practice share with other physicians, do they have to share some of the overhead with other physicians, are they working under a non-compete agreement. These are all topics that take many hours to discuss. As a matter of fact we have a website called www.newphysician.com. Any of the doctors listening would like to go there, it's free to go there, and discuss these issues and how to evaluate them, but it's not necessary that location, location, location for the doctors now, Bruce it's lifestyle, lifestyle, lifestyle and how's that lifestyle going to fit into their ability to raise the family and simultaneously practice medicine.

BRUCE JAPSEN:

Now, are you successful in getting them the right match? I mean let's face it if you are talking about a doctor, who wants to come out and have the best paying patients when the number of uninsured is rising and regulatory environment is what it is, it's very difficult, isn't it?

KURT MOSLEY:

It is, but we can find them the right practice. The trouble is Bruce it may not be in the right location for them and again as we say there are many areas throughout the country that rural, tertiary, and urban areas that are short of doctors, but it may not be in the perfect location for them, but at least we can find them the right practice though and that's what keeps the doctor in a community if he is happy practicing medicine. Too many new doctors go to a community because of view on the ocean or on the lake or in the mountains, and when they come back, they say I love living here and I just hate practicing medicine and then there is turnover and that's very frustrating for both whoever is employing them and the doctor themselves.

BRUCE JAPSEN:

And the other thing if you are a doctor who wants an ocean view or you want an urban environment, what you would probably find is that if you were to go into a less populated area, you are not going to have to deal with the competition and you would probably have a better chance of making more money, wouldn't that be the case?

KURT MOSLEY:

In some cases, in fact some of the highest salaries in all specialties we see throughout the nation are in the midwest, and I am sure hate to say that for people who are practicing in the midwest, but it is just we always call them the fly over states, because when you are going from coast to coast, you fly often, but in a lot of cases, yes, I mean, you can make inherently more money, and I think most importantly Bruce you can be sort of a white knight, you come into town and you are instantly you know a hit. People need you know healthcare all over America, especially in some of these semi-rural and rural areas and you can ride in like the white knight, you know and save the town and a lot of doctors to say that's the practice that they want. They want that reward of medicine which is taking care of patients and not having to deal with the paperwork, the hassles, the solicitation, the government intervention.

BRUCE JAPSEN:

And what do you see, I see here on the survey where it does say only 4% of doctors surveyed by Merritt Hawkins said they would prefer to practice in communities of 25,000 people or less, what do you find that the hospitals out there or how do you work as a recruiting agency, how do you dangle the carrot in front of these doctors to get them to go to these places?

KURT MOSLEY:

Well, certainly the comment you have just said Bruce, it doesn't bode well for our doctors or patients in those communities. Many times we don't ever believe in buying a practice, but the incentive has to be out there. As a matter of fact, I talk to a CEO we are dealing with in the midwest. It was a tiny, tiny town and the doctor had passed away and he came up with a salary that was about 20% higher than any I have heard and I thought that's a very enticing salary and he said Kurt have you ever been here and I said no to the administrator I hadn't and he said that's why, it is not the end of the world < ____ > from here, in a lot of areas you have to increase that monetary incentive to get the doctor to go look there and also what's important, lot of our doctors are coming out very high in debt because of their medical education, so a lot of these smaller communities have wised up and said let's go ahead and pay off that medical school debt,

free them of debt, but at the same time, we will do that over a period of time. For every year they stay, we will pay off the whole debt, but for every year we stay, we will forgive their indebtedness to us 25% per year and every year they stay or 33% whatever the computation is. So, they are saying come to our community, you will be debt free, not to worry about money, and you will do what you were trained for which is take care of patients.

BRUCE JAPSEN:

Are there challenges in recruiting doctors to urban areas as well and what are they facing now that they didn't coming out of medical school a couple of decades ago.

KURT MOSLEY:

Well, in urban areas, and this has sort of stabilized and may be even changed over the last 2 to 3 months. Bruce, I have to think it comes back, we have heard so much recently about the economy and just this you know whole crazy run at the stock market, but in our urban areas like specially around the Bay Area in San Francisco, they were finding challenges recruiting doctors of you know under 55 the primary care doctors into the area because those hadn't amassed a lot of wealth yet and couldn't even afford a down payment due to you know the high cost of living in the state of California and especially around the urban areas. In lot of cases, it is hard for them to find a mortgage and some of the hospitals help them with zero mortgages or loan down payments, so those are some of the challenges as well as once they get into a city there is <____> competition and it is hard to find your practice style in those major metropolitan areas. Here we tell doctors to regardless of the setting urban versus rural, we always look at it and say don't try to picture what's going to be popular in 5 or 6 years, but go in, there are enough hassles in medicine whether it would be urban or rural with paperwork, with malpractice. There are enough hassles there and take it from the standpoint of what you want to do in medicine, you want to take care of people from the top to the bottom, that's primary care; you want to be a specialist, so choose the profession that's most rewarding for you, not which you think is going to be the most financial viable or may be geographically viable because you won't be happy.

BRUCE JAPSEN:

Another thing in this Merritt Hawkins survey and you are among the experts in this arena in surveying doctors, I see that in addition only 1% of physicians surveyed said they would prefer a solo practice. Is that just becoming an impossible to ask for a doctor to be a solo practitioner?

KURT MOSLEY:

Absolutely, I mean there is strength in numbers. I mean the days of new doctors hanging out their shingles in solo practices are over. Most of our new doctors coming out as I mentioned earlier, they want to focus on seeing patients, not running a practice. They don't want to have to get licenses, you know set up situations where they are in charge of utilities, like I said those days are over. I think as we get more and more into the next couple of years, setting out what the economy does, I think there is going to be larger and larger group practices and the solo practice will almost cease to exist.

BRUCE JAPSEN:

In effect, these folks that are coming out of medical school and the residency they are just going to work for somebody else like you and I.

KURT MOSLEY:

Absolutely, but there is some benefit. In lot of cases when you go into a employment opportunity, you could be within a group or in a state that allow it, certain states do not allow hospitals to employ physicians, it's called the corporate practice of medicine doctors. You would be employed, nobody can tell you how to practice medicine, but they can tell you the hours you need to work, call coverage's in some cases, but the benefits are as I said dollar amount, it can be salary or it could be a salary with a production bonus, and most importantly Bruce, in high malpractice states, there malpractice may be taken care of in that employment model, that's a huge burden off these doctors that want to live in states that still haven't had medical viability reform, but given the benefit to them because that is picked up under that employment opportunity and a lot of our younger doctors coming out if they set up their practice you mentioned solo had to pay everything, had to hire new help, new office space and pay the malpractice premium and it probably is hard to make a living for first couple or three years.

BRUCE JAPSEN:

Yeah, I noticed in the survey you talked about how the majority 61% physicians would prefer to be employed by medical group or hospital that would have been unheard of by some older doctors probably 20 years ago. The last thing that they would want to do is work for hospitals.

KURT MOSLEY:

Absolutely, they want doctors to be autonomous. They wanted to be their own you know their own bosses, but also is very unique, which should bring that up Bruce is that it is our new doctors, but also if some of our older doctors that have had are baby boomers as we discussed earlier, they have frustrated to have had all these years of government intervention and paperwork cutbacks. They are actually going to a hospital and say, "I have been a solo practitioner for years, employ me, I will be allegiant to you, I will do what you want, but I have had it," so it's not just our young doctors coming at it, middle aged doctors, and not just primary care, it's specialist also that are coming back to the hospital in groups and asking to be employed.

BRUCE JAPSEN:

With that, I would like to thank our guest, Kurt Mosley who is the Vice-President of business development for Merritt Hawkins & Associates, the largest physician search and consulting firm in the country and we have been talking about the new challenges facing physicians as they come out of residency and they hit the job market much, much different than their predecessors faced 10 or even 20 years ago.

I am Bruce Japsen of the Chicago Tribune, I have been your host and you have been listening to the Clinician's Roundtable on ReachMD, The Channel for Medical Professionals and I would like to thank you today for listening.