BY WENDY MEYEROFF

THE Road TO Riches

Today's job-seeking physicians can expect attractive salaries and tempting incentives, but beyond money, keep in mind the emotional remuneration and what's in it for your family. And don't forget to play fair.

ILLUSTRATION BY BECKY HEAVNER

IN AN ERA OF ENRON FINANCIAL WIPE-outs, corporate downsizing, and overall recession, today's job-seeking physicians should expect some serious belt-tightening. Right?

Not according to the feedback Mark Smith keeps receiving. Smith is the executive vice-president of Merritt, Hawkins and Associates, a national physician search firm in Dallas. The firm has been doing annual surveys of physician recruiting incentives for about 15 years and from the 2000-2001 survey he tells the following tale: "We had an opportunity for a radiologist in a slightly rural area (a midwest city of about 100,000). It offered $600,000 and 26 weeks vacation."

Go ahead, read it again. Smith is indeed discussing more than half a million dollars salary AND half the year off. Now, the real kicker: "The candidate said 'No,'" says Smith. It seems the area was a little too rural for this candidate, who Smith admits has the luxury of waiting for

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A Tale of Two Doctors

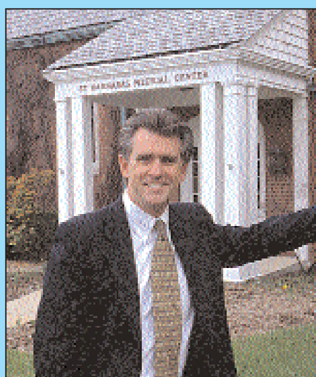
Doctor No. 1

Recruitment

For 18 years, Robert Rogers, DMD, was a dental practitioner who ran his own business. As a dentist, Rogers really didn't feel the same type of pressure as many of his other medical colleagues to abandon the solo life. He wasn't concerned with juggling tons of paperwork or an HMO telling him what procedures to perform.

So what did lure Rogers to become the director of dental medicine of St. Barnabas Medical Center in Pittsburgh in 1997? "A number of things transpired to create a little bit of uneasiness." Among them: a sense of being all alone. "Solo life increases your vulnerability to change when the environment changes."

So when a patient (who's also a long-time friend and legal counsel to St. Barnabas) mentioned that the facility was looking to change its dental department, Rogers said he'd be willing at least to listen to Douglas Day. Day says, "We talked for about six months." Rogers says, "I talked very extensively to Douglas, to this attorney, and to Bill Day, the CEO."



Robert Rogers, DMD

Logistically, the move would be relatively easy; Rogers' office was only 10 minutes from St. Barnabas and he could bring most of his staff with him. While he won't discuss actual numbers, he says the final compensation package for buying out his practice "was fair."

Instead, it seems that other things helped attract Rogers. Douglas Day says, "The number one thing I sell as a recruiter, is opportunity—[the chance to be] part of an organization that's been around for 102 years. It's solid, debt-free, and growing." Rogers agreed that St. Barnabas' stability was a key attraction. "I looked at the history of St. Barnabas. It's never had a layoff, never frozen wages. They're very cautious, taking one step at a time."

Rogers also likes the fact that rather than having to weather any business storms alone, he now has all sorts of support: "I've got accountants, media people, legal advisers, all at my beck and call."

Working for someone also means more time for study and vacation. "When I was solo, I took a week's vacation and a few more days for CME. Now I've got four weeks off and I have other people who step in and take over while I'm away."

So why did it take six months to woo him? Rogers says he seriously asked himself, "Could I give up my sense of independence and become an employee?" Also, was he ready to leave an environment which might not be perfect—but which he knew well—for one full of politics and other unknown quantities?

Obviously he decided to take the chance but he emphasizes, "It was nerve-wracking for about six months to a year. I had reports to do. I had to settle into their system." Fortunately, he says, "I can go with the flow pretty easily." It also helps that he still has a fairly strong sense of independence, since the facility tends to trust his recommendations.

All in all, he's happy to have signed his second contract. His best advice? "Do your homework and find a good organization." ■

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that dream job. "There are just so many opportunities out there," he says.

Calling all docs

Stephen Amis Jr., MD, the vice chairman of the American College of Radiology's Board of Chancellors, feels that Smith's story is probably at the "far end of the curve," but does acknowledge that "diagnostic radiology is [today's] hottest specialty." He typically sees surveys that show radiologists being offered between $300,000 and $355,000, with the latter figure indicating a 22 percent increase over the previous year. The main reason is that imaging techniques are now used over more invasive procedures whenever possible. The result, says Amis, is that "the demand for imaging services is growing at 4 $^1/_2$ percent per year, while the number of radiologists is [only] growing at 2 percent per year."

Experts agree that several factors have created an extensive need for all physicians. A 1999 study of projected physician shortages in Florida (and the nation as a whole) by MGT of America in Tallahassee said that such shortages would begin this year and continue until 2020, when MGT reported, "the annual shortage could be as much as 12,000 physicians."

Why the shortage? Many doctors are fed up with managed care calling the shots. A study published in *Health*

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"If you walk out of a negotiation saying, 'I really out-negotiated them,' that's a Pyrrhic victory," says Bruce Scott, an otolaryngologist in Louisville, Kentucky, and a member of the American Medical Association's Board of Trustees. Instead, he recommends seeking, "a contract that you could sign on either side" of the negotiating table.

PHOTO / © 2002 JOHN ROTT

Services Research in October 2000 found that generalist physicians in a market with HMO penetration greater than 45 percent are 13 percent more likely to retire by age 55. If they're specialists, they're 17 percent more likely to retire by that age than if they're in markets with 5 percent or less managed care penetration. Both retirement and death will play a factor, adds the MGT survey. It noted that 250,000 physicians are already older than 55, and of those, more than 125,000 are older than 65.

Many doctors in their 40s and 50s gave up practicing over the last decade, so the 21st century starts with a major gap in health providers.

Another factor in the shortage: The "graying of America" means that Americans need more kinds of doctors for longer periods of time. Couple that with patients' mindsets shifting toward preventive medicine. Smith says, "Today, if you talk to a mid-fifties male, the odds are that he has a cardiologist," whom he sees regularly for stress tests, cholesterol tests, etc., so as to head off cardiovascular problems. "It used to be that such a male didn't see the cardiologist until after he'd had his heart attack," says Smith.

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Waving the financial carrot

With such divergence between supply and demand, it's not surprising that numerous financial lures are being waved under doctors' noses. Bernard Gawne, MD, MS, MPH, is the senior vice president of medical staff affairs at Owensboro Mercy Health Systems in Owensboro, Kentucky. Gawne says that many specialists in Kentucky can expect salaries "well above the national average." He says anesthesiologists can expect to make $325,000 to $350,000 in his area, versus the national average of about $275,000.

Gawne's colleague, Tammy Marksberry, of Owensboro's medical staff support services, says that primary care physicians joining a group, "can look at the books and see that internal medicine [group] is seeing 65 patients a day." That means, she says, that they can assume they'll be bringing in a nice income as soon as they join the group.

Anita Odom is the director of physician recruitment for East Texas Medical Center (ETMC), which services greater northeast Texas through 13 hospitals and 20 clinics. She says that some of their primary care physicians get anywhere from $120,000 to $140,000 in salary. "If they take a salary-plus-bonus option, that can bump it up to $150,000 to $175,000." She also emphasizes that "Texas has no state income tax," so that salary goes a lot further than it might in someplace like Chicago.

Income guarantees are another attractive lure. Says Smith, "If a physician is recruited to establish a private practice, the hospital or group guarantees XXX amount of income." So if the doctor's guaranteed $240,000 annually, that's $20,000 a month. If the doctor only brings in $14,000 one month, the guarantor is responsible for making up the shortfall.

Odom notes that after their first year with ETMC, physicians who take an income guarantee are free to offer additional services, so doctors handling patients in outlying rural areas may begin to do more office procedures, assist in surgeries, or deliver babies, all of which enhances income. Odom says, "I've heard of doctors in the rural areas, delivering babies, [easily] making $350,000 to $400,000."

Besides salary, income guarantees, and bonuses, Smith points to a variety of other incentives physicians may be offered: relocation expenses, repayment of student loans (though this seems less common these days), and funding CME studies (especially in exotic locales). Regarding the latter Smith says, "Three thousand dollars is the average now, and $10,000 is not uncommon."

Oh, and don't forget cars. "We placed a pulmonologist in Dallas," says Smith, "and [his employers said] get any car you want...and they meant any. He had to travel to six hospitals and they wanted him to be comfortable." (He bought a BMW 740.)

Other monetary considerations

Remember that the financial rewards offered up front will be determined by the organization doing the recruiting. Consider the issue of relocation costs. Smith says, "Groups [have to be] more cost-conscious than a hospital. A hospital can pay $10,000 in relocation fees with no problem. For a group of three physicians, that's $3300 out of each pocket."

Bruce Scott, an otolaryngologist in Louisville, Kentucky, and a member of the American Medical Association's (AMA) Board of Trustees, adds this advice about financial remuneration: "Different groups have different formulas for dividing the money," and no one way is right, he notes.

He points to a colleague who joined a group in which the take-home pay was directly related to each doctor's billings. "He had a very strong work ethic, so he was making more [than his laid-back colleagues]" Three years into the relationship, the structure was changed so that everyone got an equal share. Scott's friend didn't like the arrangement, left six months after it was implemented, and group earnings dropped correspondingly. If equal division is inherent in a group, that's fine, says Scott. Just know and accept that going in.

Whatever the arrangements, Scott continues, "If you walk out of a negotiation saying, 'I really out-negotiated them,' that's a Pyrrhic victory." Instead, he recommends seeking, "a contract that you could sign on either side" of the negotiating table.

It's not just money

As the $600,000 turndown indicates, financial benefits are not always physicians' primary concern. In today's environment, says Scott, "lots of doctors are very cautious and skeptical of [recruiters waving] high dollar amounts." If an offer "seems too good to be true, [you ask yourself], 'how can this be so and if it is so, how long can it last?'" Maybe there's no managed-care penetration now, but what will the practice environment be like in five years?

Douglas Day, the vice president of St. Barnabas Health System in Pittsburgh, regularly is bombarded by doctors burned by the mergers and buy-outs of the mid-90s. Lots of doctors went looking for greener pastures around 1996 and '97, he says. "Then the dust

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Doctor No. 2

Retention

Avir Kagan, MD, the medical director of Coney Island Hospital (CIH) and the University Group Medical Associates (UGMA) in Brooklyn, NY, joined the facility in 1963. "The chief of medicine projected a vision of strong academic advances, especially in internal medicine. He recruited a cadre of physicians to create a sort of Brigham [and Women's]-by-the-Sea." (CIH is just a few blocks from Brooklyn's famous boardwalk.) "A strong academic environment, teaching, patient care...that's what we would become."

KAGAN

While CIH hasn't quite lived up to that vision, Kagan says a number of positive factors have kept him at the facility for more than 35 years. First, there was his chief's encouragement to explore new research areas. He chose nuclear medicine around 1970 and eventually became well recognized in the field. "You've achieved a lot. You've created your own department or division and you're your own boss, except for the politics above you (and those you know)."

Less glamorous, but equally important to him, was a "a sense of comfort. I have eight children, so [my position is a reliable] safety net." Additionally, he notes that just as "there was a very warm relationship amongst the physicians" whom his mentor initially recruited, he and his colleagues create that same sort of atmosphere for the new crop of doctors, which helps retain succeeding generations.

Beyond a collegial atmosphere, creation of the UGMA became another factor in CIH's successful recruitment and retention. "We [the doctors] owned the medical group," and thanks to excellent administrators, plus good interaction between them and the doctors, they've managed to weather numerous economic booms and almost-busts. "I have a lot of confidence in our executive director," says Kagan. "Nobody is more capable of weathering the budget-cutting storms" that regularly arise in any facility, let alone a city hospital.

Kagan concludes that being the medical director at CIH means not just handling "dollars and cents, but providing quality care under the glare of regulatory agencies and media spotlights, and solving problems like the ER being used as primary care for the community's uninsured." It's these kind of constantly changing challenges that he sees keeping him happy at Coney Island Hospital for many years to come. ■

settled and the doctors were going, 'Uh-oh. This isn't what it was cracked it to be,' and my fax lit up with CVs."

That's why experts agree that benefits that appeal to changing physician priorities are keys to recruitment and retention.

Consider the challenges faced by Joseph Jerome at Coney Island Hospital (CIH), a public facility in Brooklyn, New York. Jerome, the executive vice president of the facility's administrative arm, University Group Medical Associates, admits that there's no way he can compete with the salaries offered by the city's high-profile private facilities. In the latter, "an orthopaedic surgeon could easily make $100,000 more" than what CIH can offer.

So what else besides money and benefits bridges the gap? Among the doctors Coney Island attracts, says its medical director, Avir Kagan, MD, are those who appreciate the continuing challenges of serving a highly diverse patient population.

John Izzo, PhD, the president of Izzo Consulting in Vancouver, Canada, agrees that such clinical issues are key to appealing to today's doctors. Izzo, who regularly advises organizations like Kaiser Permanente and Providence Health Systems on physician recruitment and retention, says there's a been a major shift in doctors' attitudes regarding institutions like Kaiser over the last two decades. "In the late 80s and early 90s, [these places] were seen as practicing 'cookie cutter medicine,'" he says. Today, he says, physicians see these structured facilities as places where they can concentrate on medicine. "They ask, 'Is this a place where I can practice with as few restrictions as possible and not worry so much about the business side?'"

Jerome confirms this attitude among the doctors he hires. Instead of the labor intensiveness involved in running a business, "they get to work [pretty much] 9 to 5." Even more important, he says, someone else handles the administrative hassles: the billing, paying for the office space, hiring secretaries, and purchasing supplies.

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Emotional remuneration

Beyond clinical challenges, Izzo says that as in many careers, there's been a change in physicians' values towards emphasizing lifestyles that bring emotional satisfaction. (That is the focus of the book he co-authored, *Values-Shift: The New Work Ethic and What it Means for Business*, published by Fairwinds Press.) Doctors are asking, "Is this a place where I'll have time for myself? Are there others who can be on call for me, or do I have to be the Lone Ranger?"

That was a major question Vicki Moore, MD, a family practitioner who finished her residency last July, asked before she chose Trace Crossings Family Medicine in Birmingham, Alabama. While in residency, Moore had a son (who's now two years old). "I wanted to work four days a week instead of five. That's one of the things you look at as a new mother." So rather than assume a retiring physician's practice, with all the incumbent medical and business responsibilities, she found an opportunity with an older partner. Not only does he "know the financial ropes," but with two of them, plus excellent hospitalists, she's able to work a fairly regular schedule.

Professional satisfaction is a major lure at highly recognized public hospitals, such as The Albert Einstein College of Medicine and Montefiore Medical Center in the Bronx where Amis is a professor and the chair of the department of radiology. He notes that radiology requires a 1-to-1 teacher/student ratio and, like Jerome, he faces major challenges in maintaining that balance. The prestige of being affiliated with Einstein/Montefiore helps him attract his academicians. Then, as their careers progress, they stay because, "there's a significant opportunity for ego gratification, American College or Radiology recognition and travel (through lectures and visiting professorships)."

Community attractions

Physicians are also looking carefully at what the facility's surrounding community offers them and/or their families. While Scott and his wife enjoyed his residency in Galveston, Texas, "I had a friend who was miserable [there]. He enjoys snow skiing and mountain climbing, and didn't appreciate that windsurfing was available in the Gulf of Mexico five minutes from the hospital."

Schools, theaters, religious institutions, and other amenities are regularly mentioned as lures by both recruiters and those being recruited. Gawne says that compared to Chicago, "one thing you notice right away [about Owensboro] is that there's none of the congestion; it's easy to get around." He also points to wonderful social activities: "There's a symphony in the city, traveling Broadway plays, a museum."

For even more entertainment, Gawne says that Owensboro residents "think nothing of traveling two hours to Louisville," but Odom finds that a harder sell in East Texas. Although located between three major metropolitan centers (Dallas, Shreveport, and Houston) a big part of Odom's job is "to convince [our doctors] that they'll enjoy living in a town of eight or nine thousand people."

That's not easy, especially with single physicians. "They give up the theater, fine dining. They have to drive 1 $^{1}/_{2}$ hours to that kind of thing." That doesn't make it a very attractive environment for an active dating and social life. Susan Augenstein, physician relation representative at Owensboro Mercy says the same thing of their Kentucky area. "We have ice skating, soccer, tennis, three golf clubs, lots of church involvement." But all of that, she says, really makes it more of a family town.

Luring two, not one

Over and over, in fact, experts emphasize that the key to retaining physicians is the happiness of their partners or families. "The recruiter needs to look at the partner [in order to] lure the doctor," Scott says. He tells the story of a plastic surgeon who was being wooed by a rural community. "His wife was a Harvard-educated attorney who specialized in international law," he says, and there was simply no place for her to practice. Of course, the deal fell through.

Scott also points to changes in the people who are coming into medicine. "More people are finding their residencies at an older age, there are more women and minorities." Additionally, the newer breed of doctors is more likely to be caring for teenagers (who are harder to uproot) or elderly parents, and generally have other personal commitments.

Odom agrees that "[often] I recruit the spouse more than the doctor." That means bringing both physicians and their partners in for interviews several times and doing a lot of legwork to show them schools, potential homes, the overall community. She says, "If the spouse isn't happy, the practice could be made in heaven [but] the doctor won't stay."

Fair conclusions

Generational differences are critical to helping a practice maintain its vitality. New blood brings new ideas, while se-

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niors bring experience and stability. It'll only work though, says Scott, if everyone "is comfortable with each other's work ethic. [The younger doctors] have to respect the seniors for establishing the practice; seniors have to be realistic about lifestyle changes [among the younger generation]."

Ultimately, the experts agree, the key to successful recruitment and retention (on both sides) is fairness. There has to be respect between the recruiters and those recruited—a belief that the deal is good regardless of the side of the table on which one is sitting. ■

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