

Physician Recruitment – What are the Real Costs?



With increasing demand for Physician Recruitment in growing Physician Enterprises, there is also increased pressure to not only fill a vacant position quickly, but to do so in a cost efficient and effective manner. The goal: to hire a high-quality provider while at the same time reducing provider vacancies, minimizing provider turnover and increasing long term retention. Of course, all of this comes with a cost.

In order to consider the true cost of provider recruitment, organizations must examine a number of factors:

1. **Recruitment Fees** – Although some organizations offer in-house Professional Recruitment services, many organizations utilize contingent and/or retained professional search firms to assist in fulfilling their recruitment needs. Fees associated with these out-sourced searches can easily range from \$10,000 to \$30,000 per physician (or more depending upon the particular specialty). Of course, even in-house recruiting is not without a significant cost.
2. **Advertising** – Once a Professional Recruitment need is identified, this need must be effectively advertised to target the desired candidate pool. Although social media and other low to no cost digital means of advertising a search have become increasingly utilized, many searches may require old fashioned print advertising and or direct mail approaches in order to reach their target audience.
3. **Interviews** – Cost associated with time and effort related to scheduling, travel, lodging, meetings, etc. can be great – especially across multiple candidates.
4. **Onboarding Costs** – Once a candidate signs the contract, the organization still faces the need to complete onboarding of the new Physician. Some things to consider include during onboarding: support costs associated with hospital and payor credentialing, routine Human Resource / employment support, systems training and orientation (EHR, coding, etc.).

In addition to these typical preemployment costs listed above, an organization must consider many other costs and foregone opportunities associated with vacancy and turnover. What does it really cost an organization during a provider vacancy?

1. Vacancies resulting from the loss of an established provider can easily result in a 75% or more reduction in revenue to the Physician Enterprise as often other busy providers in the practice will have little capacity with which to absorb the patients and volumes associated with the vacancy.
2. In some cases, recruitment and onboarding can take 6 months or more to complete before a new provider can actually begin seeing patients.
3. New provider ramp-up periods following a successfully filled vacancy can often take 18 months for new providers to reach full productivity.

Of course, the costs outlined above can vary widely depending upon the specialty, type of organization and geographic location, etc. In any case, the need for Physician Enterprises to develop a process for optimization of both the efficiency and effectiveness of its Professional Recruitment Processes is critical to maximizing revenues, minimizing costs and insuring that the organization's patients are able to access needed services.

EBMGroup is highly experienced in the area of Professional Recruitment Process Development and Optimization. Contact us today to discuss how we can partner with your organization to identify opportunities for improvement and implement best practices that will optimize this very costly recruitment process.

Gregory M. Schulz, FACHE
607.725.2563
gms.ebmgroup@gmail.com
ebmgroupadvisors.com