



# Succession and Provider Workforce Planning

VAHO 2022 Spring Conference

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# Agenda

## 1. Trends Impacting the Provider Workforce

## 2. Practical Workforce Planning Strategies for Cancer Programs

- Developing the Physician Workforce Across the Service Line
- Redefining the Care Model
- Creating the Workforce of the Future
- Funding the New Normal

## 3. Wrap-Up and Discussion

# Trends Impacting the Provider Workforce

# National Provider Workforce Demographics

The national provider workforce is changing, not just on television.



The veterans (born before 1945) have largely retired.

The older baby boomers (born between 1945 and 1964) are rapidly altering their practice styles.

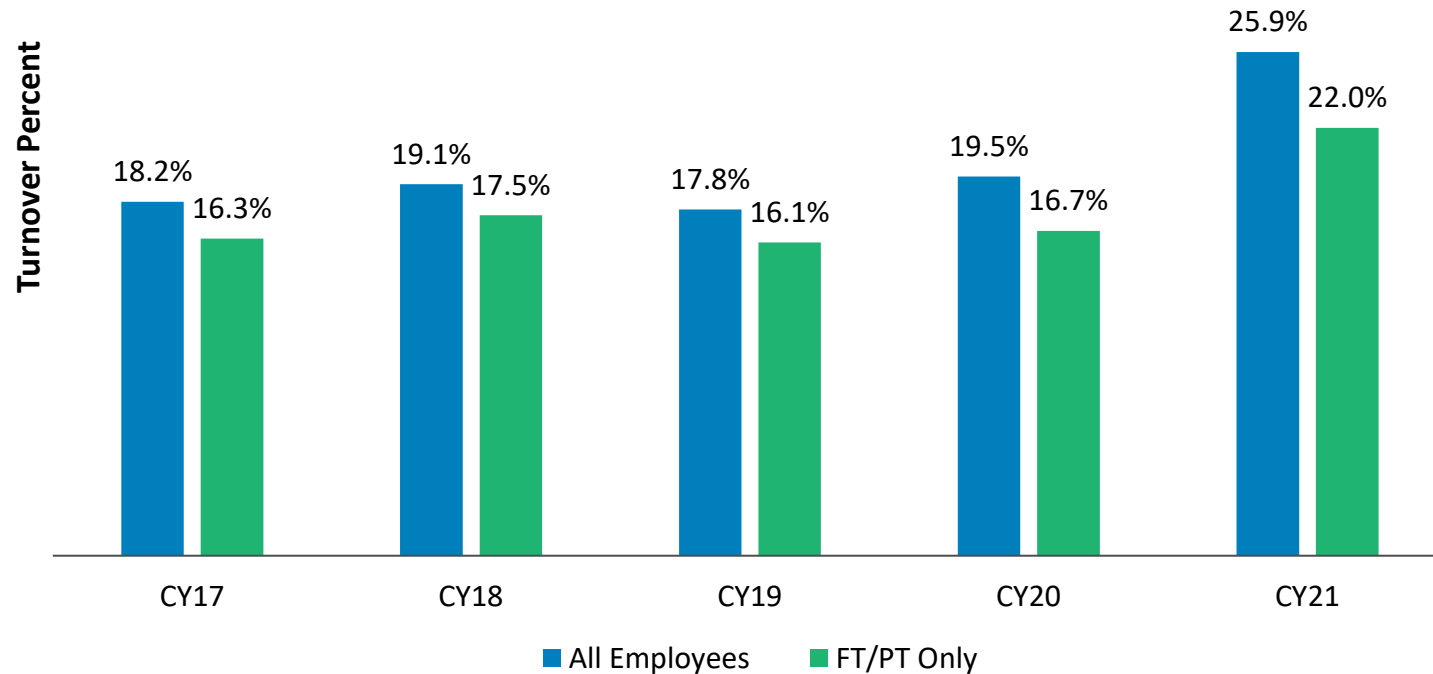
Younger physicians are aligning with hospitals and health systems.

More women are pursuing careers as physicians.

# Hospital Turnover Rates Continue to Rise

Hospital turnover is a leading indicator of future financial pressure and patient and employee satisfaction. Last year (CY 2021), hospital turnover reached a five-year all-time high.

**Hospital Turnover Rate**  
2017–2021



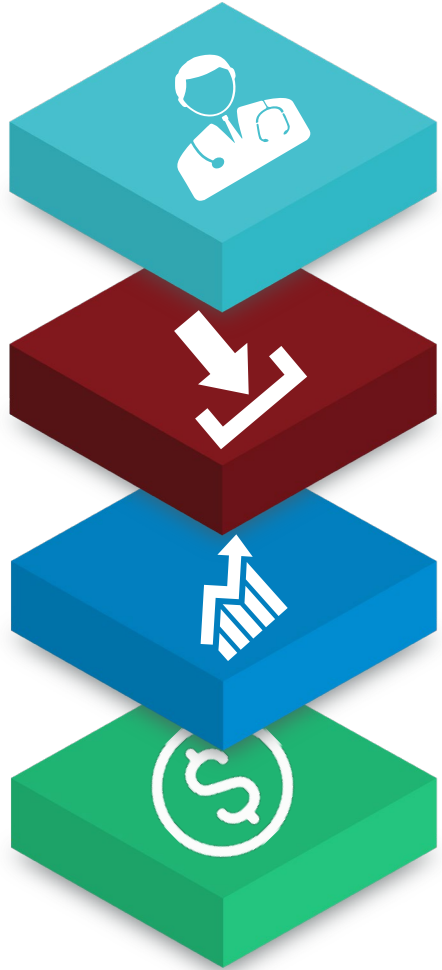
Source: NSI Nursing Solutions Inc.



## Surveyed Reasons for Resignation (2020)

- Relocation; Career Advancement (tied)
- Retirement
- Personal
- Unknown
- Education
- Working Conditions
- Salary
- Scheduling
- Commute

# Collectively, provider industry trends underscore the need for more innovative, proactive approaches to workforce planning.



- **Physician Supply Shortfall**

The physician labor supply is expected to be outpaced by the demand for care by 2034, and we could anticipate a shortfall of 80,000 physicians in primary care, medical specialties, and surgical specialties.

- **Clinician Burnout**

Compounding factors such as inefficient processes, inadequate staffing levels, and limited technological advancement contribute to clinician burnout and have only been exacerbated by the COVID-19 pandemic.

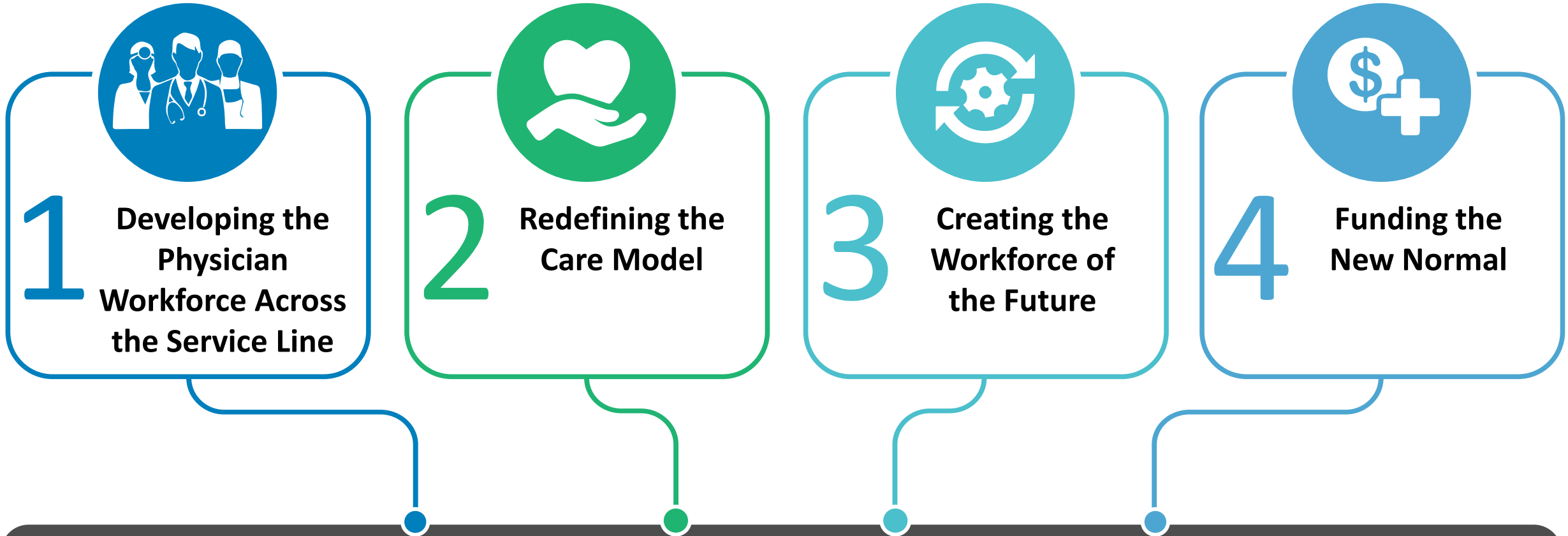
- **High Turnover**

The national hospital turnover rate in 2021 was at a five-year high of nearly 26% and was primarily driven through voluntary terminations due to opportunities for career advancement, retirement, relocation, or other personal reasons.

- **Competition for Labor Resources**

The premium on the clinical labor market is not expected to change due to limited labor supply, which in turn is increasing competition for finite specialized labor pools.

# Succession and Working Planning Strategies: Key Focus Areas



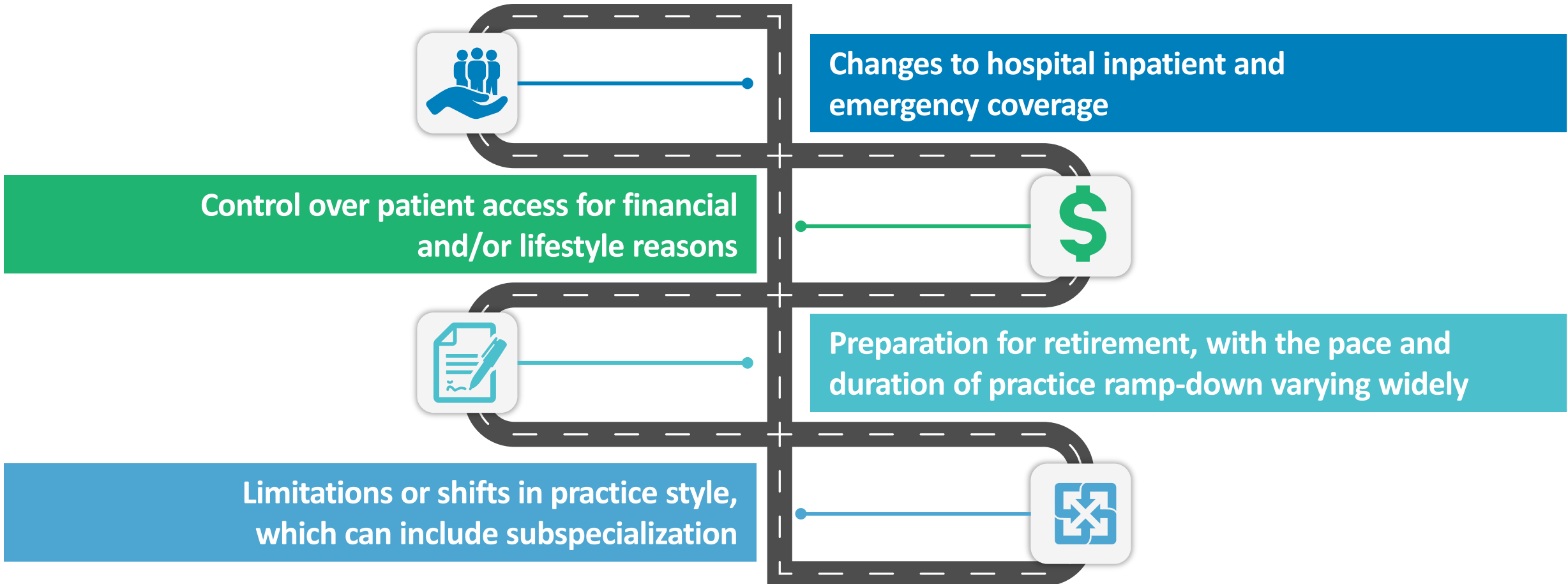
Comprehensive workforce planning strategies (recruitment, retention, and succession) respond to national healthcare labor trends and align with industry best practices for cancer care delivery.

# Developing the Physician Workforce Across the Service Line



# Evolving Physician Practice Demands

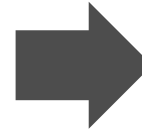
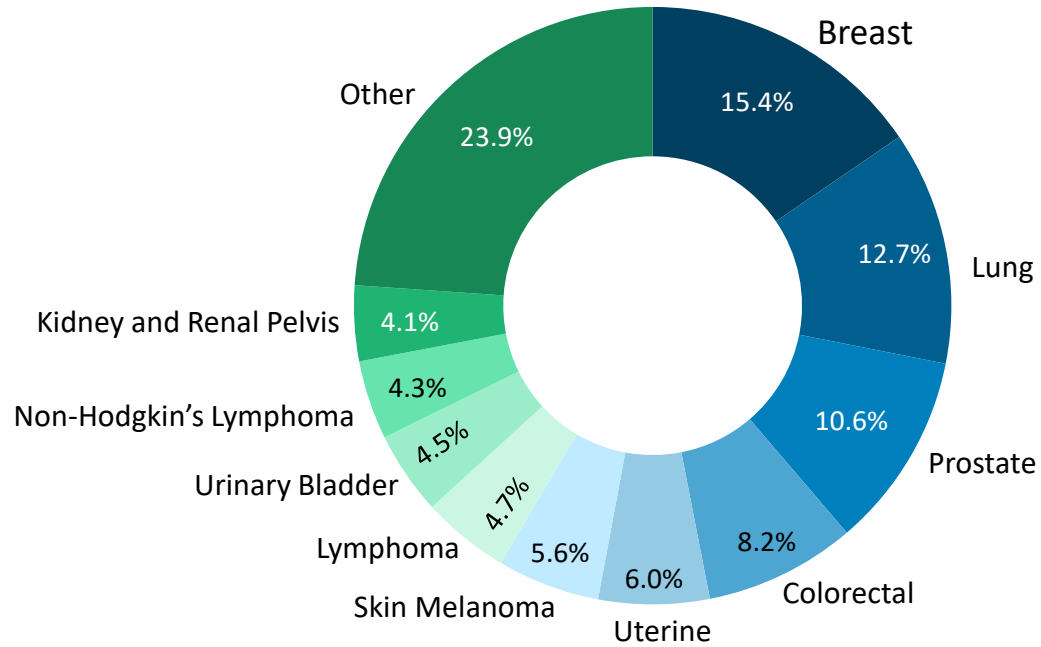
Succession is no longer just about retirement planning; it requires navigating various components of the physician practice.



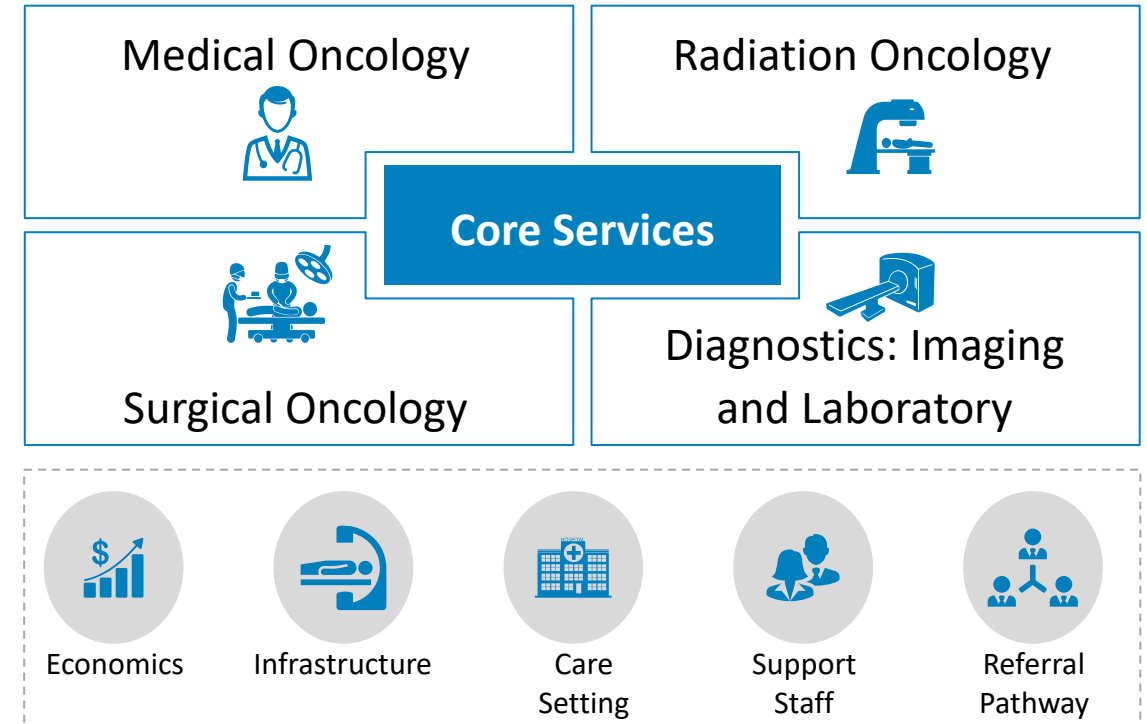
# The Rapidly Evolving Field of Oncology Medicine

Cancer specialties have the additional demand of being responsive to oncology market changes in order to compete. This often requires evolving to offer some level of subspecialized treatment, precision medicine, and holistic supportive care.

**Cancer Disease Site Distribution**  
2020 National Data



**Impact on Cancer Program Landscape**



Source: American Cancer Society, Cancer Facts & Figures 2020.

# Physician workforce and program development planning is best approached at a subspecialty level, across the cancer service line.



## Example Tactics *(tailored by disease site)*

### Breast



Invest in a stronger breast program by hiring breast mammographers, along with the longer-term recruitment of dedicated, fellowship-trained breast surgeons, with full-time plastics support.

### Lung



Establish a multidisciplinary lung nodule clinic to be led by a team of subspecialists (e.g., pulmonologist, thoracic surgeon, radiologist) and supported by a dedicated lung cancer navigator.

### Colorectal



Develop subspecialized surgical expertise in abdominal cancers (colorectal and gastrointestinal) to reduce current leakage.

### GYN Oncology



Revisit the contracted gynecologic oncologist arrangement to embed a part-time physician within the cancer center clinic and align patient visits with other providers or supportive care staff.

# Think Succession Planning, Not Retirement Planning

Physician transitions today look different than they did a decade ago. Succession planning methodologies need to account for the increasing trend of physicians ramping down their workloads slowly over several years.

Succession Activity	Impact	Mitigation
Reducing Hospital Footprint	Discontinue medical staff privileges or leadership duties at some hospitals.	Establish the hospital campus as the number one destination for patients and providers in the community.
Reducing Call Coverage Participation	Exercise medical staff bylaw rights to stop taking call coverage, or limit call coverage participation to one facility.	Incorporate citizenship metrics into provider compensation plans to incentivize continued participation in call coverage.
Restricting Patient Panel	Minimize or eliminate new-patient acceptance.	Ensure compensation models do not inadvertently effect access.
Shifting Practice Style	Reduce outreach frequency, or narrow specialty scope.	Ensure clinical care models evolve with the latest industry advancements.

## Key Questions to Ask Your Organization:



What options are currently in place to accommodate physicians who wish to ramp down their clinical practices prior to retiring?

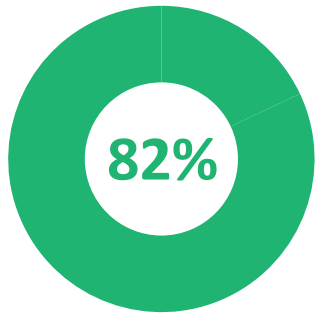


Do current compensation and work standard models allow for this flexibility?

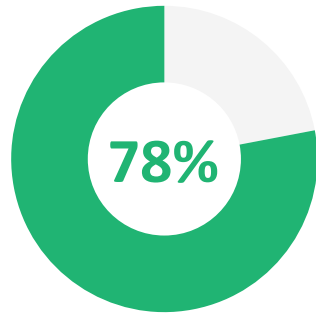
# Effective succession planning requires developing human capital over time and through multiple avenues.



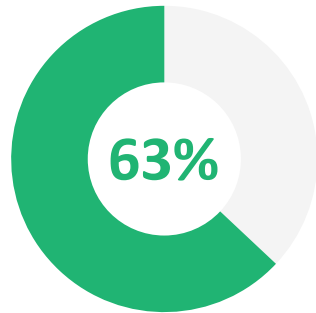
Percentage of organizations that provide physicians means to convey feedback



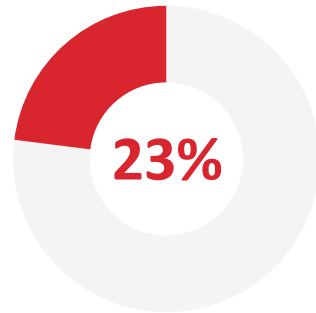
Percentage of organizations that survey on physician satisfaction



Percentage of physicians who say a retention program is important



Percentage of organizations with a formal retention program



## Human Capital Development Strategies

- Mentorship and apprenticeship programs
- Growth-oriented development plans
- Skill acquisition through experiential learning
- Upskilling candidates identified for succession of leadership positions (e.g., equipping MDs with MBAs)
- Formal retention programs
- Mechanisms to identify, address, and monitor root causes of flight risks, along with staff dissatisfaction and burnout

Source: *Physician and Provider Retention and Turnover Report*, Association for Advancing Physician and Provider Recruitment, 2022.

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# Creating a Viable Physician Succession Plan

Deploy a deliberate process that results in a specific, written succession plan memorializing agreed-upon decisions.

## Data Gathering

- Verify medical staff demographics (at detailed level).
- Assess community health needs and local/regional market trends (overall and specific to cancer).



## Market Planning

- Quantify current and five-year projected physician needs for the market.
- Consider your organization's ambulatory footprint vis-a-vis service gaps in the community.



## Physician Involvement

- Solicit physician input and discuss future plans with existing provider groups.
- Engage the medical executive committee as advocates.



## Recruitment and Succession Planning

- Identify program-specific needs (at a disease site level).
- Strengthen recruitment pipelines through academic partnerships; utilize such relationships to source candidates for key recruitment.

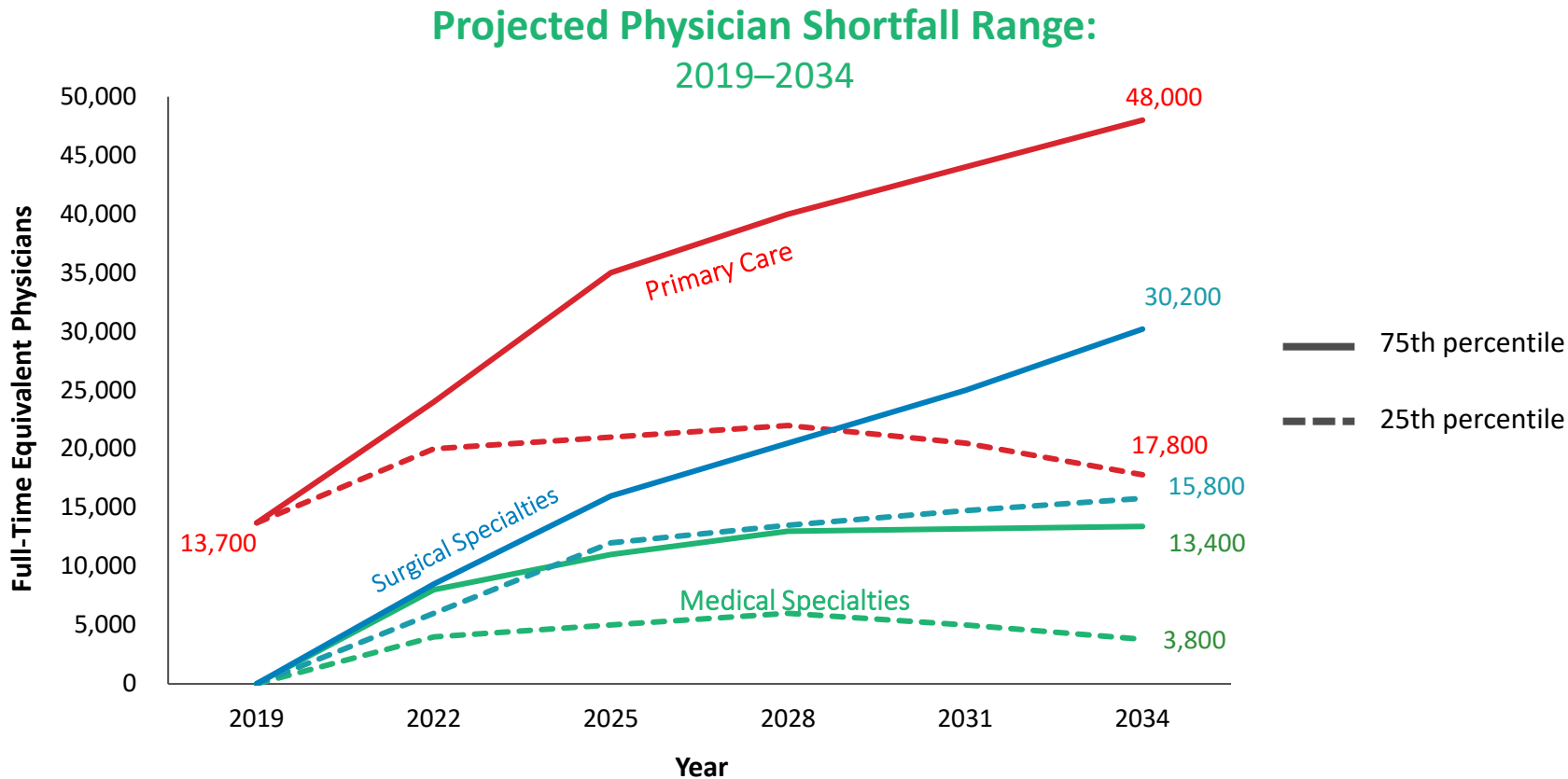


# Redefining the Care Model

# A National Physician Shortage Is Projected



With projected shortages outpacing the rate at which new providers are trained and deployed, health systems must concurrently backfill key positions and ensure the well-being of their current provider workforce.



By 2034, the estimated physician shortfall (across all specialties) could approach 80,000.

Training more physicians is not the sole solution.

Health systems must also develop succession plans for key positions and ensure that medicine can be a sustainable career.

Source: *The Complexities of Physician Supply and Demand: Projections from 2019 to 2034*, prepared for the AAMC by IHS Markit, 2021 update.

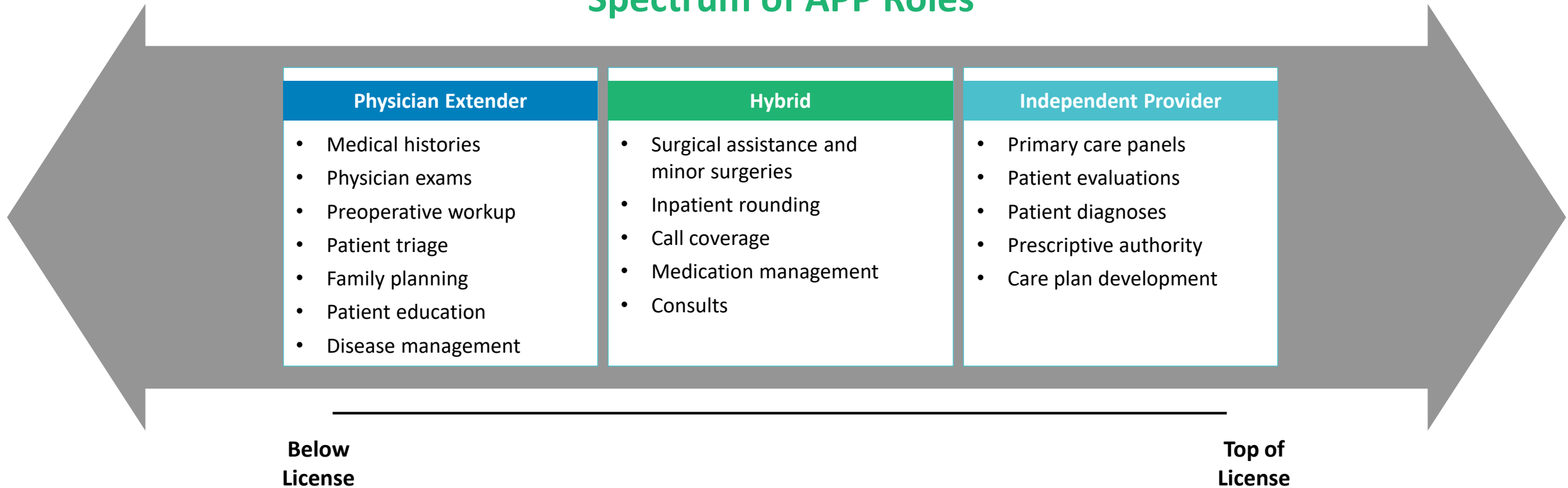


# Reevaluate your practice's care model to ensure clinical workforce optimization.



Depending on the care setting, specialty, and organization's needs, APPs are utilized along a continuum of roles with varying degrees of impact potential on a practice's productivity, financials, and employee satisfaction.

## Spectrum of APP Roles



# Delivery of cancer care *is* team-based care.

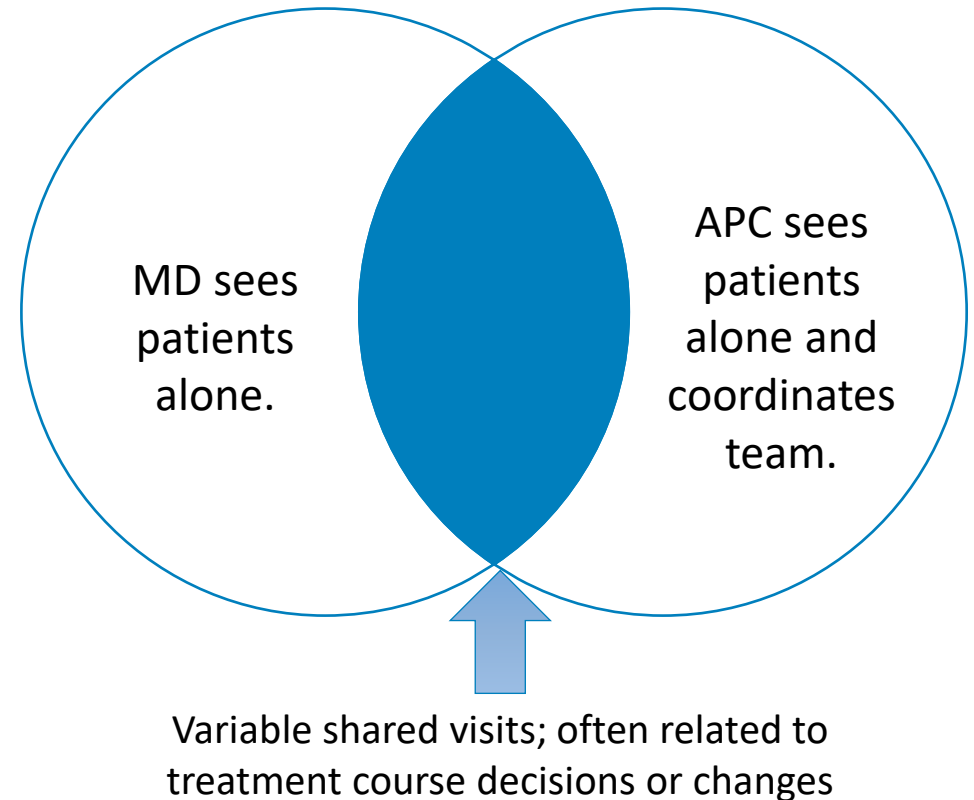
A team-based model approach is the best practice and standard of care at most cancer centers and provides a framework for overall division enhancement (e.g., hem-onc).



## Benefits

- Staff resource allocation in such a way that it assigns the highest-priority value activities within the team member's professional licensure, role, and responsibilities.
- Aim to increase overall efficiency, continuity, and accountability of care.
- Free up physician schedules to see and treat new cancer patients.
- Drive increased patient and staff satisfaction.






## Independent Provider Model



# Broader Cancer Care Team Integration across Roles



In addition to standard clinic staff (e.g., front-/back-office staff, MAs), cancer programs employ a unique complement of clinical staff for delivering quality cancer care throughout the patient journey.

Position	Clinician and Staff Roles: Hem-Onc Practice Example	
Medical Oncologist		Engages in shared decision-making with patients; oversees the care delivery team; develops the treatment plan; oversees treatment; provides patient follow-up
Advanced Practice Provider		Sees patients independently or with a physician over the course of treatment; helps manage symptoms and ensures the treatment plan is working; can also oversee survivorship
Pharmacist		Consults with the medical oncologist on the treatment plan; oversees chemotherapy drug mixing; ensures drug combinations are safe and efficacious; may help design treatment protocols
Chemotherapy Nurse		Consults on the physical aspects of treatment plan; calculates dose distributions; designs treatment aids and treatment-beam modifiers; typically oversees dosimetrists
Supportive Services		Provides a variety of services to improve care and the patient experience; common services to include navigation, nutrition, financial counseling, behavioral health, and palliative care

# Maximize clinicians' abilities to work top of license by transitioning care team responsibilities.



## Assess opportunities to shift work across multiple roles.

- Review job descriptions and determine necessary and potential shifts to responsibilities to better meet the program's needs.
- Offer regular training and provide real-time continuous feedback.

## Align the care team to new responsibilities and monitor progress.

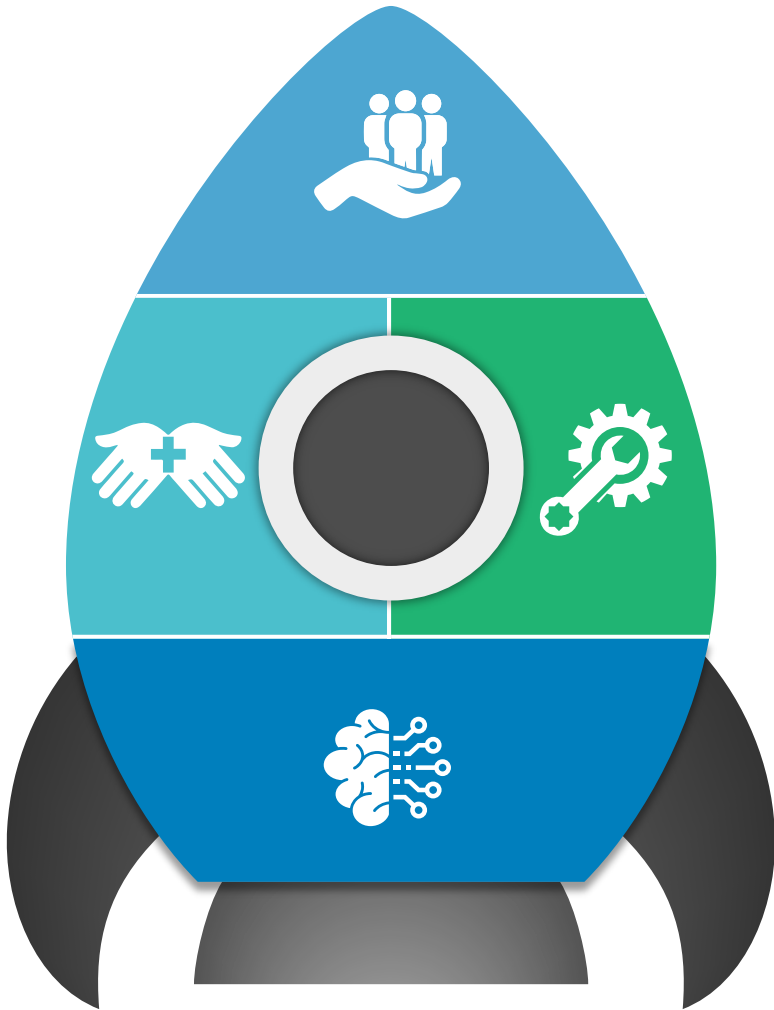
- Assimilate care team members to their new responsibilities.
- Develop processes that allow for monitoring, oversight, and supervision.

## Provide the team a way to continually refine newly established work standards.

- Determine if any identified tasks can be automated or performed via a digital solution.
- Monitor results on a regular basis to identify and perform course corrections as needed.

# Creating the Workforce of the Future

Through our discussion with leaders across the country, it is evident that there are several key imperatives for building a more sustainable workforce.



- Retain before recruiting.**  
Staffing shortages across healthcare continue to persist, making it more important than ever to invest in your workforce and become an employee-centric organization that makes staff retention part of the culture rather than a short-term initiative.
- Empathetic leaders invest in their employees.**  
Organizations with strong leadership focused on employee development and revenue enhancement (rather than cost reduction) experienced stronger operating margins during the pandemic.
- Reassess workforce governance processes.**  
Reevaluate your position control process by revisiting the list of open positions and prioritizing recruitment efforts.
- Embrace innovative technology and digital solutions.**  
Explore automation simplifying repetitive tasks (clinical and nonclinical) that takes the administrative burden off frontline workers and allows them to concentrate on patient care.

# Empathetic leaders retain their staff by creating an employee-centric culture.



## Be Connected

*“If there is only one seat left on the plane, who takes it?”*

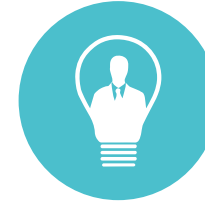
*Neither of us gets on that plane—we stay together.”*

- It is harder to leave a job when you are surrounded by your friends, and this type of culture begins with leadership.
- Rounding and sharing words of appreciation have a great impact on frontline staff.



## Invest Capital Wisely

- Organizations have historically invested their capital into new equipment, medical directorships, etc., but most staff do not feel the impact.
- Instead, invest capital in employees, such as providing mental health and wellness resources to support employees' well-being.
- Incorporate diversity, equity, and inclusion into the organization's culture.



## Avoid the Peter Principal

- Healthcare often promotes the strongest technical team members to lead, but those same individuals may not always be good people managers.
- People stay for their bosses.
- Low turnover cultures develop growing leaders by providing the education, training, and tools to be successful.



## Do Not Simply Cut and Trim

- Literature shows hospitals achieved strong operating margins by increasing revenue, focusing on their people, and not concentrating only on expense reduction initiatives.
- Retention is a by-product of culture. Invest in developing your organization's culture and capacity for growth.

# Invest in your workplace to retain employees before recruiting replacement staff.



## Upskill and build career ladders.

### Provide employees opportunities to advance their skill set.

- Cross-train staff to have a second competency within the hospital and/or ambulatory space.
- Develop methods for rightsizing staff capacities to demand and for redeploying flex resources to immediately provide help to frontline leaders in need,
- Create or expand in-house training programs or apprenticeships through academic partnerships.



## Incentivize staff to stay with the organization.

### Spend resources on employees

- Implement annual market-based wage adjustments, including minimum wage increases.
- Provide mental health or wellness services for staff.
- Offer tuition reimbursement or loan forgiveness.



## Alternative staffing approaches.

### Ask how can we work differently

- Create a regional float pool with other hospitals in your area.
- Provide frontline leaders the opportunity to work from home.
- Explore outsourcing services like revenue cycle, HR, IT, etc.
- Decentralize your overhead services and allow remote work.
- Consider investments in technology and digital solutions to automate certain clinical or nonclinical tasks.



# Real-Life Examples of Employee Retainment Strategies in the Industry

**Covenant Health (Texas)** implemented an employee recognition program that focuses on daily appreciation, formal and informal employee recognition, and manager education and awareness.



**Memorial Hospital (Mississippi)** is expanding student loan repayment assistance for employed nurses at acute care and long-term care facilities.

**Montana** is offering to cover relocation costs for eligible healthcare providers to serve in the state for at least 12 consecutive months.

**Intermountain Health (Utah)** is investing in vocational school education for its workforce and providing access to prepaid courses from partnering academic networks.

Source: Becker's Hospital Review.

# Reevaluate your position control process and reinvest identified savings into your organization.

Step

1



## Reassess position request justification.

- Review job descriptions for roles, responsibilities, and shift length adjustment to meet the organization's needs.
- Ask if the position's responsibilities could be automated or completed via a digital solution.

Step

2



## Prioritize open positions for recruitment.

- Determine if previously approved positions are still required.
- Focus recruiting efforts on open positions limiting ability to provide services to the community.

Step

3



## Reinvest savings into the workforce.

- Utilize potential cost savings from the decision not to fill positions.
- Identify ways to invest the savings (e.g., staff incentives, appreciation gifts, technology).

# Funding the New Normal

# Hospitals face severe staffing shortages in the wake of the COVID-19 pandemic.

While nursing is not the sole example of staffing roles facing national shortages, nurses represent the largest group of healthcare professionals in the US and were already under strain prior to the pandemic due to multiple factors.

## What's Causing the Nursing Shortage?

- Accelerating retirements
- Increased demand for healthcare from aging and chronic disease populations
- Inadequate workforce support (e.g., higher patient-to-nurse ratios)
- Lack of education options and insufficient training infrastructure and resources
- Surge in national demand for RNs and resulting rise in job openings (that pay better)



## Reliance on Contract Labor

Hospital **contract labor expenses have more than doubled** over the last decade.

In January 2022, nearly 1,400 hospitals or **31%** reported a **critical staffing shortage**.

Inadequate supply of RNs has led to **premium pay rates for contract staff**; the average annual cost per travel nurse FTE rose to \$320,000 to \$468,000.

Sources: "The Nursing Shortage: Understanding the Implications for Your Organization" Rasmussen University blog.  
"Nurses in the Workforce" American Nurses Association, <https://www.nursingworld.org/practice-policy/workforce/>.

Consequently, provider organizations must learn to embrace modernized employment models to keep pace with the broader “gig economy” evolution.

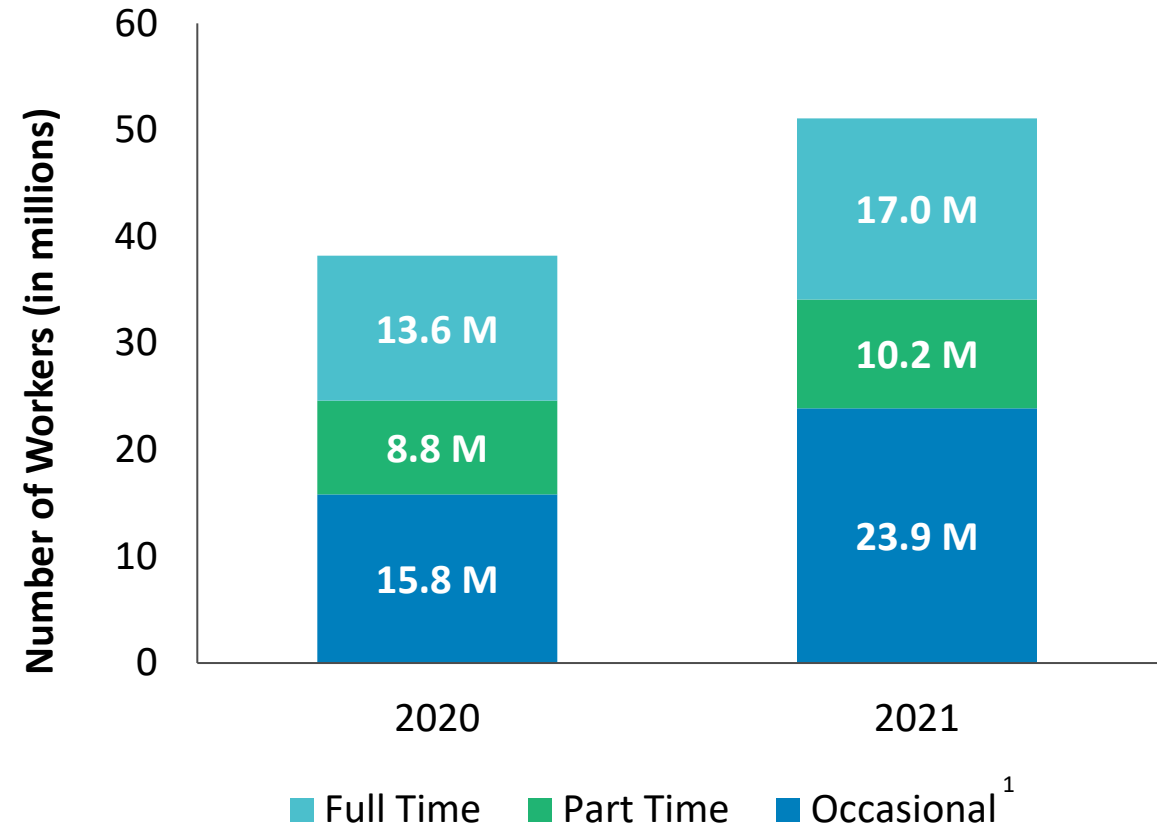
**34%**  
Increase in the number of US independent workers in past year

**59M+**  
Number of gig workers employees (one third of the US workforce)

**18–34**  
Largest age cohort of gig economy workers

**82%**  
Number of gig workers happier working on their own

Growth of the US Independent Workforce



<sup>1</sup> “Occasional” is defined as a regular independent work, but without set hours each week.

Sources: Gig Economy Statistics 2022: Demographics and Trends, <https://teamstage.io/gig-economy-statistics/?msclkid=70f70fe0b10e11ec9caec7aad3e87fb1>.

23 Essential Gig Economy Statistics, <https://www.zipppia.com/advice/gig-economy-statistics/?msclkid=856d0786b10f11ec955c24313849e588>.

Unprecedented high labor costs brought on by the pandemic will have a lasting impact, at least to some extent. Ongoing cost pressures will force financial sustainability to come from other areas.



1

## Targeting Top-Line Revenue Growth

- Realize sustainable EBIDA improvements through a demonstrated ability to grow revenues.
- Achieve revenue growth through enhancements to patient access and throughput.
- Make recruitment and retention priorities to sustain a labor capacity capable of meeting demand.
- Align provider contracting with productivity goals and earnings targets.



2

## Managing Down Non-Labor Costs

- Realize economies of scale by partnering with regional peers for consolidated services (e.g., linens, food).
- Understand all contracting vehicles and closely monitor at-risk costs.
- Ensure 340B program participation is optimized.
- Assess opportunities for consolidation and outsourcing on a regular basis.

# Wrap-Up and Discussion

# Key Takeaways



- **Succession risk is unavoidable.** Succession planning is a perpetual process, not a onetime activity.
- **It is important to evaluate succession in the greater context of community need.** Shift away from one-to-one replacement and toward regular assessment of your organization’s workforce supply vis-à-vis community needs.
- **Succession and retirement shouldn’t be synonyms.** Physician transitions today look different than they did a decade ago. Slow transition is more likely, and succession planning methodologies must account for this.
- **Early planning yields smooth transitions.** The best succession plan is the one that identifies and addresses risks before they become a reality.



# Questions & Discussion



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