

Strategies to Recruit New Physician Partners

October 25, 2013

Bo Hjorth, Vice President of Business Development
Christine Henry Musa, Director of Business Development

1



Recruitment Process

- What does your recruiting process look like?

2

Recruitment Plan

- Do you have a marketing or recruitment plan?
 - Has the Board approved the plan?

3

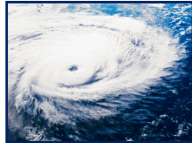
Leadership of Recruitment Process

- Who leads the recruitment process?

4

The Perfect Storm

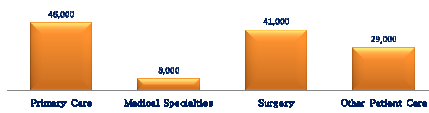
Decreasing physician supply and increasing patient demand have made physician recruitment one of the greatest challenges facing the ASC industry



5

The challenge of physician shortage will remain an issue over the next decade

Projected Shortage in 2025 (FTEs)

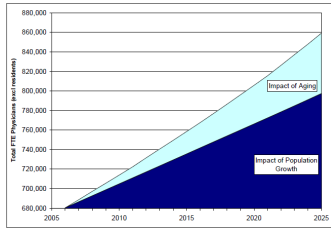


Specialty	Projected shortage in 2025 (FTEs)	Percent of Total Shortage
Primary Care	-46,000	37.3%
Medical Specialties	-8,000	6.3%
Surgery	-41,000	32.9%
Other Patient Care	-29,000	23.4%

• Source: "The Complexities of Physician Supply and Demand: Projections Through 2025" AAMC

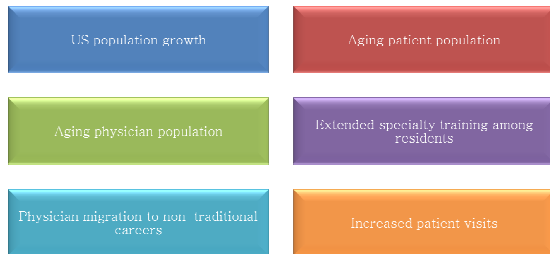
6

An aging population and increased population growth have exacerbated the issue by fueling increased patient demand



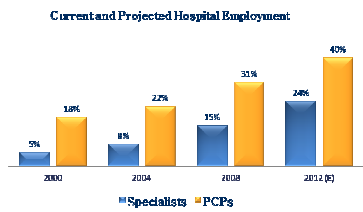
Source: "The Complexities of Physician Supply and Demand: Projections Through 2025" AAMC

There are many market factors that have increased the gap between physician supply and demand



Source: "The Complexities of Physician Supply and Demand: Projections Through 2025" AAMC

Increasing employment of specialist physicians has further limited the pool of available physician partners for ASCs



Source: "ASC Employee Salary and Benefits Survey" ASCA

In a fiercely competitive environment it is important to define the 'ideal' physician partner

In order to execute a targeted recruitment strategy it is essential that key stakeholders work together to define the qualifications for new physician partners



Once the target physician has been defined, the team should execute appropriate marketing tactics

Various Marketing Tactics

Conferences & Career Fairs	Print Advertising	Digital Advertising	Referral	Cold Call
<ul style="list-style-type: none"> Residency programs Fellowship programs Industry associations Industry conferences 	<ul style="list-style-type: none"> Journals Industry newsletters Company newsletters Targeted direct mailing 	<ul style="list-style-type: none"> E-newsletters E-journals Webinars Banner ads on company or association website 	<ul style="list-style-type: none"> Personal referral Virtual referral (LinkedIn) 	<ul style="list-style-type: none"> In-office visit Phone call Faxed letter E-mail

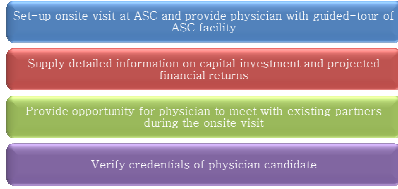
A direct referral is typically the most effective way to establish a relationship with a new physician partner

- Existing physician partners are great referral sources because they share commitment to the success of the center. It is important that the partner has up-to-date information on the facility's clinical, operational, and financial performance to provide to the prospective physician



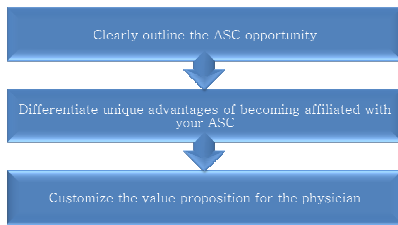
Once the initial contact has been established, it is important to actively move forward with the recruitment process

Move quickly to avoid losing candidate to another opportunity



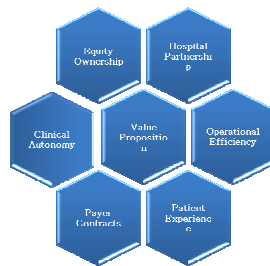
13

A key part of winning-over new physician partners is the ability to develop a compelling value proposition for your ASC



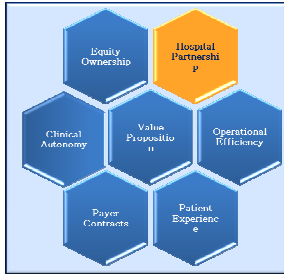
14

The value proposition must then be customized to match the wants/needs of the physician candidate



15

Customize the Value Proposition: Hospital Partnership



- Physicians who are focused on financial security will be interested in the benefits of a hospital partnership model. A hospital partnership allows new partners to become a part of the hospital's larger physician network, and provides significant leverage in payer contracting. Additionally, the partnership may help protect the ASC against future changes in reimbursement.
 - More secure position with regards to future federal regulation on health care

16

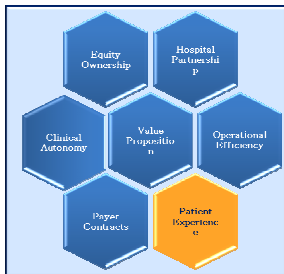
Customize the Value Proposition: Operational Efficiency



- Physicians can typically perform more procedures in an ASC than HOPD in the same timeframe. This is a key selling point for physicians who want to increase their individual productivity. The increased efficiency is driven by:
 - Customized surgical suites
 - Specialized staffing by specialty
 - Low turnover times between surgical cases

17

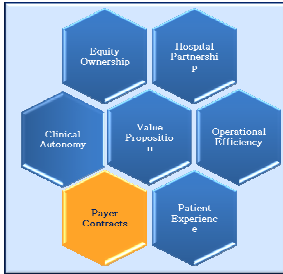
Customize the Value Proposition: Patient Experience



- ASCs boast extremely high rates of patient satisfaction (95%). Patients often have greater convenience in scheduling procedures and also reduced wait times. This is a key selling point for those physicians who are frustrated with the hospital's surgical department and are seeking to improve the customer service experience of their surgical patients.

18

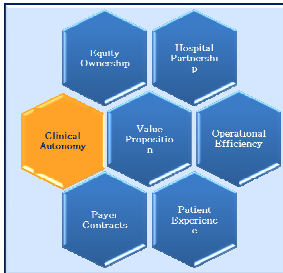
Customize the Value Proposition: Payer Contracts



- Ability of the ASC to contract with payers in the market will be a key selling point for many prospective partners. It is important to understand the payer mix of the prospective physician partners and inform them whether or not you are in-network with their key payers.
- The out-of-network strategy is approaching the end of its lifecycle in many markets, and prospective partners often look for centers that are in-network with their major payers.

19

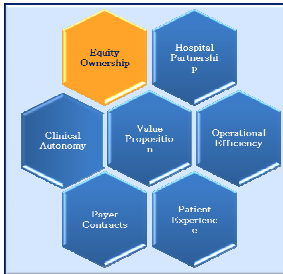
Customize the Value Proposition: Clinical Autonomy



- Physicians who are drawn to clinical control/autonomy will be attracted to a model that allows physicians to have clinical control. A majority physician board will have the ability to make timely decisions on new equipment, supplies, etc.

20

Customize the Value Proposition: Equity Ownership



- Physician investors who are focused on financial independence will be interested in a model that has attractive equity ownership for physicians. The ownership model should provide physicians with a meaningful equity stake in the ASC. Offering a range of ownership levels vs. one ownership level may help to further incentivize new physician partners.
 - The right model will align all parties and drive clinical and operational excellence in center

21

Relationship Management

After the physician has joined the center it is important to have a process for ongoing physician (customer) relationship management

- Utilize physician satisfaction surveys to monitor contentment and identify areas for improvement
- Institute formal and informal methods of communication with new and existing partners
 - Routine partnership meetings
 - Quarterly board meetings
 - Ongoing informal communication
- The ultimate goal of ongoing relationship management is to retain new physician partners
