In-House Physician Recruiting & Retention Program

Strategic Business Plan

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Project Summary

Significant shortages of primary care physicians (PCPs) available in the job market is a growing concern for hospital executives. According to an MGMA Insight article, "the population growth rate is expected to be 11% by 2030, at which time half of the US population will be 65 or older. On top of that, 33% of active physicians today will reach retirement age in the coming decade" (Green, 2018). This is at a time when larger health systems and hospitals are moving to employ more physicians. Accountable Care Organizations (ACOs) and other value-based models are on the rise, both of which require a sizeable primary care base to manage the large patient populations under global budget payments tied to value and/or quality (LaPointe, 2019). PCPs generate substantial downstream revenue for hospitals based on their referral patterns for direct tests, therapies, specialist consults, surgeries, and other medical services. They are key drivers of the medical decision making process, thus crucial elements of the team.

Competition for this small pool of physicians is fierce, necessitating the need to have a solid strategy to not only recruit top talent, but retain it as well. Determining the needs of the organization and each individual practice location is imperative, so appropriate goals are set and the right practitioners chosen to help meet them. The recruiting process is expensive and time consuming, necessitating efficiency, which can help reduce time to hire and bring candidates that are more qualified to the table. Physician turnover is inevitable; therefore, succession planning should also be an integral part of the program.

According to the Advisory Board, in 2018, physician employment overtook physician practice ownership for the first time. Nurse practitioners and physician assistants have helped provide improved patient care access. Patients expecting to be seen by a physician will likely experience longer waiting periods. Advanced practitioners may accommodate these appointments faster. Bridging that gap only helps improve patient care and satisfaction further. We must recognize that the healthcare team, which includes a strong physician base of leadership, focused on quality patient care and team management, will further strengthen the patient experience.

This business plan addresses the need to find, recruit, and retain PCPs for University Health System, in order to meet the increased demands of an aging population, improve access to care, meet patient expectations and economies of scale. With an organizational goal to increase the number of PCPs substantially in the workforce the next 5 years, it is imperative to develop an effective recruitment and retention strategy. Selecting and placing the right candidates will be critical. Generous employment packages for these candidates must be offered in order to attract

and retain them. The goal will be to create both a recruitment and retention program that sustains itself through partnership, collaboration and engagement of the entire team.

Executive Summary

The Company

The University of Tennessee Medical Center (UTMC) is an academic medical center located in Knoxville, Tennessee, which serves as a referral center for East Tennessee, Southeast Kentucky and Western North Carolina. The 685-bed Level 1 Trauma hospital has the region's only dedicated heart hospital and has been recognized as a center for primary stroke, biomedical imaging, adult and pediatric transplantation, pediatric dialysis, and kidney failure.

UTMC is comprised of seven centers of excellence: 1) Advanced Orthopedic Center, 2) Brain & Spine Institute, 3) Cancer Institute, 4) Emergency & Trauma Center, 5) Primary Care Collaborative, 6) Heart Lung Vascular Institute and 7) Center for Women & Infants. The Primary Care Collaborative consists of 20 family and internal medicine clinics located throughout the region that serve patients within the University Health System (UHS) under University Medical Group (UMG).

Mission Statement

The University of Tennessee Medical Center mission is to serve through healing, education and discovery.

Project Goal

Build a stronger primary care physician (PCP) workforce for UTMC, by developing a comprehensive recruitment and retention program that renders an ample supply of physicians ready to work and provide patients with the care they need, when they need it.

Market Opportunity

Under current staffing levels, UTMC primary care patient visits have grown 13 % in the past 5 years and reached a level worthy of market share gains from local competition and increasing regional population growth trends. Building larger outpatient centers that provide laboratory, diagnostics, specialist, primary and urgent care physician practices has made employment opportunities more attractive as well. Patients enjoy the convenience and greater access to care and contribute to the growth already attained.

The Knoxville metropolitan area estimated 2019 population was 1,045,111, sustaining a 19.8% population increase since the last census (Wikipedia, 2021). Knoxville is one of the ten fastest growing US cities with the best employment outlook in the country, according to World Population Review (2021). Other statistics worthy of mention include a relatively low cost of living, which is 80% of the national average. Knoxville has a very low crime rate. It is also one of the most affordable cities for new college graduates in the United States.

An analysis study by Mbemba, Gagnon & Hamelin (2016) evaluating influential healthcare recruitment and retention factors suggests the key to attracting top talent in the healthcare industry is having a comprehensive approach that includes factors listed below. Statements beside each of these factors illustrate how UTMC and the Knoxville metro area both have the environment suitable for attracting new PCPs.

- **An attractive salary**- starting physician salaries and bonus potentials remain on par with regional expectations for cost of living adjustments
- **Loan repayment incentives-** New physicians receive sign-on/retention bonuses to assist with loan repayment upon hire and completion of one year of service.
- **Practice autonomy-** Employed physicians may determine their desired level of productivity each are comfortable with, at or above *MGMA* median. Physicians choose their personal approach to medicine and receive the support necessary to reach their professional and financial goals.
- **Available access to community based colleagues and specialists for consultation-** Whether they work on the hospital campus, in one of the regional health centers, or a stand-alone clinic, PCPs have physical and/or virtual access to the many employed specialists that encompass the University Health System. Utilizing a common electronic health record (EHR) allows sharing and collaboration of the patient record and health data one needs to care for their patients on an individualized basis.
- **Community educational opportunities for their children-** Knoxville has both public and private school options for K-12 students, with many local schools ranking in the top 10% of the state. There are several colleges and universities in the Knoxville metropolitan area, including The University of Tennessee, Maryville College, Tusculum College, Carson-Newman University and Lincoln Memorial University.
- **Local available opportunities for spousal employment-** The unemployment rate in Knoxville was 3.5% prior to COVID-19. It remains well below national levels.

- **Adequate clinical coverage and staffing-** UTMC physician practices are staffed at levels based on practice FTEs and productivity, in order to provide ample support for meeting practice demand.
- **Opportunities for professional development-** UTMC provides reimbursement for continued medical education and supports professional growth and leadership involvement within the organization and community.
- **Community activities and a more relaxed lifestyle-** Knoxville has had a resurgence of its downtown community in recent years as well as an abundance of music/entertainment events and festivals throughout the year. Situated at the base of the Smoky Mountains and surrounded by many rivers and lakes, an endless supply of outdoor fun and relaxation exists.

Management and Key Personnel

For the purpose of this business proposal, the management and key personnel described, fall under the University Medical Group (UMG), a division within University Health System (UHS) at The University of Tennessee Medical Center. UMG is comprised of two divisions; specialty and primary care, each led by a vice president and medical director who report to a senior vice president, the CEO and board of directors. Practice administrators are responsible for overseeing regional areas comprised of multiple physician practices, each of which have an office supervisor to manage support staff and daily operations.

Competitors

The metropolitan Knoxville area consists of three major hospital systems (including UTMC). Three key competitors exist for PCP employment. The first is a non-profit regional hospital system, which has 10 area hospitals and 24 primary care clinic locations. Second, a privately owned primary care organization with 60 practice locations in 13 surrounding counties. Last is a publically owned, for-profit hospital system, with five local hospitals and an actively growing primary care network.

The privately owned primary care organization also employs specialists, physical therapists and provides ancillary and diagnostic services similar to each of the hospital systems. Their model competes as an alternative to hospital employment. The physician is potentially more involved in the administrative aspects and has an option to follow a partnership track. Physicians seeking greater earning potential often find this model more attractive and gravitate toward this employer.

They have their own physician recruiters, as do the other key competitors. UTMC does not currently employ or have a formalized primary care recruitment program. UTMC's local competition alone reveals an urgent and essential need for a recruitment strategy and effective marketing plan for these physician vacancies.

Business Competitive Advantage

UTMC has several unique competitive advantages in attracting prospective physicians for employment. They remain the region's only academic medical center affiliated with Tennessee's most prominent university system. UTMC remains a private non-profit organization, which is growing strategically to poise its healthcare delivery model for the future. It is the only local organization part of the Vanderbilt Health Affiliated Network (VHAN). VHAN is a physician led alliance of health care professionals offering high quality health care to employers and families across Tennessee and surrounding states. Employment with UTMC places you in this network as well as the University Health Network (UHN), an ACO focused on population health and quality care. Professional development opportunities are abundant within the University Health System. Employed physicians are part of the Primary Care Collaborative, one of the hospital's seven centers of excellence led by physicians.

Financial Information

Initial capital outlays are minimal relative to the average downstream revenue realized per physician after a three-year ramp up from date of hire. Annual downstream revenue projections have been set conservatively at $1.2 million per established physician full-time equivalent (FTE). Studies suggest actual downstream revenues typically yield 1.4 to 2.1 million dollars annually per FTE (LaPointe, 2019). Capital requirements isolated to the new recruitment strategy will include hiring an in-house recruiter and dedicated marketing staff, increasing marketing efforts and enhancement of the company's website directed towards recruitment. Investment in job boards and an active candidate database system will also be an important step. Several vendors offer this service, which will have an estimated yearly expense not to exceed $15,995. Refer to financial documents in Section III for further detail.

Implementation of the new recruitment strategy will not require financing. Associated costs will come from UMG's general operational budget. With each new vacancy placement, ongoing expenses will fall under the individual practice budget the physician is hired for. Additional marketing expenses post-hire will fall within individual practice budgets as well. Projected ROI will be realized Year 2. These numbers increase dramatically as the program ramps up through

Year 4. Refer to the financial documents section for income statement projections, break-even analysis, pro forma and P&L statements.

The Organizational Plan

Summary Description of Business

The Company

University Medical Group (UMG) is the division, which oversees the outpatient ambulatory physician practices for UTMC. The group consists of 20 primary care clinics with 45+ PCPs, as well as 32 specialty offices and 153 specialists. Two vice presidents administer the group and practice administrators manage the group, which is divided between primary and specialty care. Physician recruitment on the primary care side focuses predominantly on two residency programs located on the main hospital campus. Occasionally other candidates arise from word-of-mouth and existing physician contacts or forwarded resumes from the human resource department.

SWOT Analysis

Existing Business Model SWOT Analysis

STRENGTHS	WEAKNESSES
• Strong brand recognition and reputation • Multiple practice setting options to choose from (small clinic, hospital-based, medium-sized & large outpatient centers) • Low pressure management- provider determines own practice style/productivity at or above *MGMA* median • High physician & patient satisfaction scores coupled with low physician turnover rates • Strong affiliation with university, resident program and academic environment • Offer greater quality of life with generous PTO & CEU benefits, No-Call, admin support and professional autonomy	• Medical residents have limited exposure to employed primary care physicians & clinics (do not rotate through) • No formal PCP recruitment & retention strategy beyond longevity bonuses • Limited advertising of PCP vacancies • Partnership / ownership tracks not available • Average timeframe from interview to offer is two months or greater • Poor vacancy fill rate/higher opportunity costs

OPPORTUNITIES	THREATS
• Improve exposure to current vacancies by actively marketing on job boards, professional sites & journals • Increase ability to source candidates better fit to organization with database subscription • Retain more physicians past guarantee period by establishing a mentor program for new hires • Improve patient experience (access to care) by employing physicians in communities they are well suited for • Patient satisfaction scores will improve as patients evaluate their experiences from a well-staffed physician team	• Local competition remains fierce • Aging employed physician population • Patient demands for greater access to care increasing • UTMC practices hiring for the same positions risk inadvertently losing candidates to competitors without a coordinated recruitment strategy • Risk of low staff morale increases the longer physician vacancies persist • Risk of patient migration from decreased access due to prolonged physician vacancies

Current State / Strategy

UMG does not have a formal PCP recruitment and retention strategy. As a result, physician sourcing and hiring has proven challenging. The company does not subscribe to a physician database or job board. Recruitment responsibilities mainly fall to the practice administrators that have less time to devote purely to recruitment and interviews. Successful placement has generally come from two residency programs (internal & family medicine) that operate on the main hospital campus. Events to host and source residents interested in primary care are periodically scheduled. Individual practice tours and interviews often follow. Typically, candidates must go through three separate in-person interviews prior to receiving an offer. This period averages two months or more from first contact to offer.

Short-term objectives (0-1 year)

1. Focus recruitment efforts towards on-campus residency programs (family and internal medicine) and identify potential candidates for hire.
2. Set up interviews and tours with identified candidates.
3. Fill current clinic vacancies.
4. Identify future vacancies and growth opportunities to recruit physicians for hire.
5. Determine where advanced practitioners may be added to assist in greater access to care and support existing physicians and/or hard to fill vacancies.
6. Determine if existing practices need remodeling to accommodate new physicians.

Long term Objectives (2-3 yrs.)

1. Complete existing practices remodeling to accommodate new physicians.

2. Build or acquire new locations in identified growth areas
3. Hire advanced practitioners where vacant physician positions have proven difficult to fill.
4. Recruit and hire (net) 30 physicians by end of Year 3.

Strategic Relationships

UTMC has a unique affiliation with The University of Tennessee Graduate School of Medicine family and internal medicine residency programs, positioning them closer to these potential employment candidates. Each clinic under the UTMC umbrella is a member of the Primary Care Collaborative, one of seven designated centers of excellence within the University Health System. This distinction provides each member greater collaboration among colleagues, payers, local businesses and communities. There is both clinical and administrative leadership, providing physicians a seat at the table in deciding the direction of the health care delivery model.

Key Stakeholders / Decision Makers

Input is necessary from the following key stakeholders:

1. Employed physicians and advanced practitioners
2. Practice administrators
3. Vice President
4. Senior Vice President
5. President/Chief Executive Officer
6. Chief Legal Counsel

Summary Description of New / Improved Business

The enhanced business strategy will consist of formalized standards of practice for physician recruitment as well as a program developed to ensure smooth onboarding and retention efforts are in place. A committee will be established, consisting of a multi-disciplinary team to develop this program. Benchmarking, candidate feedback and learned experience will aid in the continuous performance improvement process. The new business will invest in additional staffing, job boards, advertising and digital promotions to source new physician candidates more effectively. Current affiliations with the on-campus family and internal medicine residency programs will improve by offering learning experiences within UTMC's primary care medical practices, not previously implemented. The entire medical group will coordinate advertisement deployments, which may potentially be consolidated (i.e. multiple vacancies may be marketed under one ad).

New Business Model SWOT Analysis

STRENGTHS	**WEAKNESSES**
• Institutional reputation strongest in region • Multiple practice setting options to choose from (small clinic, hospital-based, medium-sized & large outpatient centers) • Greater access to medical residents seeking employment (face to face experiences) • Physician leadership opportunities • High physician & patient satisfaction scores • Low physician turnover rates • Offer greater quality of life with generous PTO & CEU benefits, No-Call, admin support and professional autonomy	• Partnership / ownership tracks not available • Less experience in formalized primary care recruitment (learning curve)
OPPORTUNITIES	**THREATS**
• Ability to recruit enhanced with increased on-line presence and exposure beyond local community • Retention strengthened with solid onboarding & mentorship program • Ongoing building projects and additions will improve market share growth potential	• Local competition remains fierce • Aging employed physician population • Ability to timely renovate / build new space for physicians with increased recruitment • Tight employment market for all clinical staff

New Business Strategy

While *Strengths of* the New "Improved" Business remain similar to the Existing Business, they are further enriched under the new strategy to recruit and retain physicians, whereas weaknesses and threats diminish. Several building projects are moving forward, either in the planning stages or near completion. These include building additions as well as new outpatient centers. Community growth and patient demand has driven these expansions to both new and existing markets. This creates opportunity and renewed emphasis on the need for strong physician recruitment efforts.

Establishment of a formal strategic committee that focuses efforts on:

1) Identifying key present & future growth opportunities

2) Coordinating a marketing plan to promote these opportunities both locally and nationally

3) Refining the sourcing and selection process of physician candidates

4) Appropriately designing a well-rounded interview process that includes the candidate and family

5) Emphasizing open communication and a strong onboarding and mentorship program

6) Continuing to promote and support physicians after hire to help grow their practice and build allegiance to the organization

Short-term objectives (Year 0-1)

1. Establish a Recruitment & Retention Committee comprised of professionals with various expertise (i.e. physicians, HR specialist, recruiter, practice administrators, advanced practitioner, marketing staff, etc.) to plan, develop, and evaluate recruitment / retention strategies
2. Hire in-house recruiting specialist to coordinate recruitment efforts
3. Hire dedicated marketing staff member to assist with ad placement and post-hire physician networking and development
4. Determine pending or current physician vacancies
5. Enhance current website by adding a physician landing page devoted specifically to recruitment
6. Develop a standard 1st contact / telephone interview process
7. Develop a standard onsite interview and community tour itinerary (tailored towards each candidate and their family)
8. Evaluate and select a job board platform
9. Develop a succession plan in preparation for existing physicians that may leave or retire
10. Develop physician onboarding strategy
11. Develop mentor program
12. Reach out to family and internal medicine residency coordinators to set up touch points, quarterly talks and/or dinners with residents
13. Reach out to candidates that have identified interest in pursuing primary care and local employment
14. Set up practice tours for candidates to meet existing physicians & staff
15. Recruit and hire five new physicians by end of Year 1

16. Determine where advanced practitioners may assist with greater access to care and support existing physicians
17. Research efficacy of hiring specifically for telehealth, especially in underserved / rural areas

Long Term Objectives (Years 2-3)

1. Re-model/add on to identified existing practices exhibiting the need for greater access to accommodate new physicians
2. Hire advanced practitioners where vacant physician positions prove difficult to fill
3. Establish a network-wide program enabling family and internal medicine residents to rotate through UTMC primary care clinics by end of Year 2
4. Recruit and hire 10 physicians annually by end of Year 3
5. Develop tele-health network program staffed by physicians and advanced practitioners
6. Measure benchmark success in the following areas: time to fill, number of interviews to hire, acceptance rate, physician satisfaction scores, employee satisfaction scores, number of new and returning patients and 3 & 5-year retention rates….then make improvements

Developing a strong physician recruitment and retention strategy will help secure and grow an already depleted physician workforce. Having a strong physician base distributed appropriately among existing and future practices will aid in increasing productivity, staff morale, and customer loyalty. Patient migration will be limited from lack of timely access to care and resources. An organized strategy ensures all key stakeholders (physicians, clinical staff, managers, and administrators) understand and coordinate their efforts.

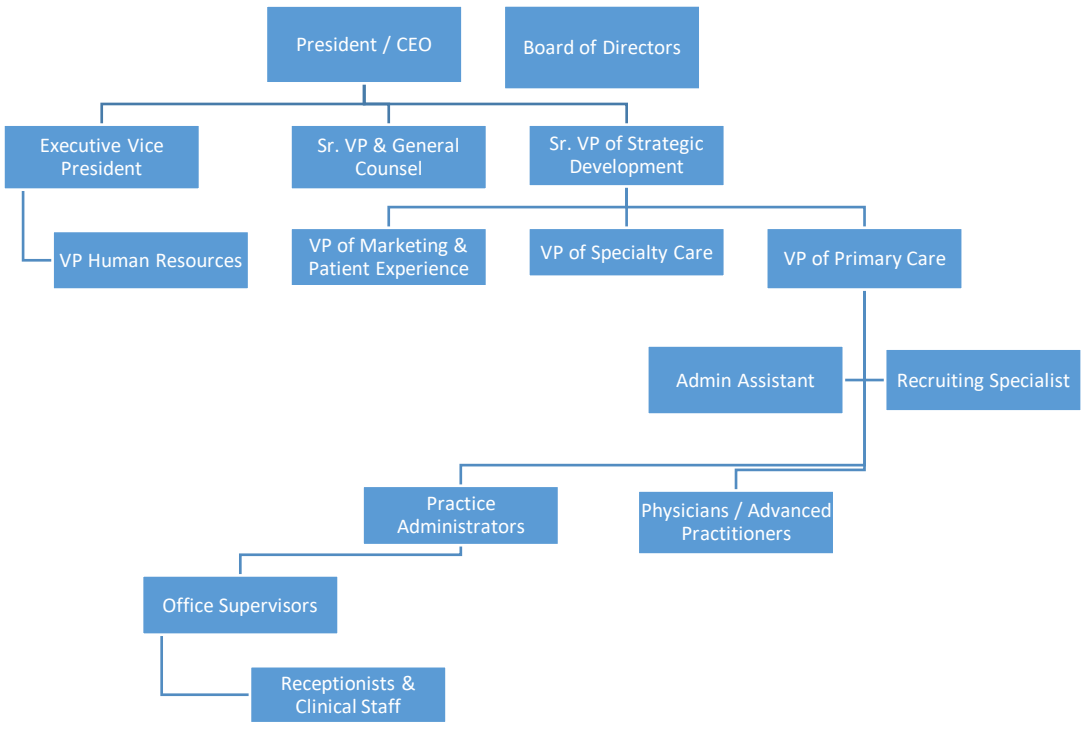
Key Stakeholders / Decision Makers

1. Employed physicians and advanced practitioners
2. Practice administrators
3. Vice President
4. Senior Vice President
5. Marketing staff
6. Human resource staff
7. Recruiting specialist
8. Chief Legal Counsel

Services

Under the new business strategy, UMG's goal will be to provide greater service to physician candidates through a comprehensive search process that helps match needs of the practitioner to those of the specific vacancies available. This proposal has chosen Practice Link, one of the most widely used online physician job banks, receiving more than 1.7 million page views each month and featuring more than 20,000 physician job opportunities, according to their website (2021). Practice Link also offers services not only for sourcing candidates, but also for brand promotion, sending broadcast emails to potential candidates, setting up job seminars, and screening for "fit". UMG will offer onboarding services that will make the transition to employment less stressful and more open and informative. A mentorship program will help ensure new physicians receive the support, education and information necessary to practice and deliver the care their patients expect. Succession planning will also be an integral part of the recruitment and retention program.

Organizational Chart



Approval Plan

The decision to support a formal primary care physician recruitment & retention program will come directly from the Senior VP of Strategic Development. The VP of Primary Care and the

practice administrator team will provide supporting information to make the case for implementation.

Responsibilities

Needs Assessment- VP of Primary Care shall coordinate with other VPs and senior leaders to assign an outside party to conduct a physician needs assessment, performed every 3 years. The analysis results will help determine types of physicians needed for the hospital and surrounding communities to drive future growth plans.

Strategy- Overall recruitment and retention strategies, succession planning, goals and needs will be discussed and developed by a special committee comprised of a small team of professionals to include, but not be limited to: a practice administrator, recruiting specialist, human resource specialist, marketing staff member, employed physician and VP of Primary Care. This committee will also be responsible for securing organizational approval.

Web Design / Enhancement & Vacancy Ads- Practice administrators and recruiting specialist will provide input to marketing department staff in order to create and design ads on various platforms (i.e. social media, medical journals, job boards) for identified physician vacancies. Additionally, this group will collaborate with enhancing the current company website to offer a section tailored to clinical staff and physicians seeking employment. This group would also manage virtual tours, physician videos & testimonials.

Candidate sourcing and Recruitment: The recruiting specialist will drive the sourcing and recruitment initially, managing and updating the job board, broadcast e-mails, and candidate database. Collaboration will occur between the marketing staff, practice administrator team and VP of Primary Care when necessary.

Interview Design- Recruiting specialist and practice administrators will work with guidance from human resource staff to tailor appropriate questions and strategies for both phone and in-person interviews.

Interviews & Tours- Recruiting specialist, practice administrators, employed physicians and VP of Primary care will work to provide a tailored experience for the physician candidate and their families while on-site and touring the community. Community professionals may be recruited to assist in this process (i.e. realtors, school representatives, etc.) in order to provide meaningful information for the candidates and their families.

Compensation & Contracting- The legal and human resource department staff will assist in writing/reviewing appropriate employment contracts and provide input to the VP of Primary Care as needed, through the employment negotiation process.

On-Campus Recruitment- the recruiting specialist, marketing staff and practice administrators will coordinate resident recruitment and contact with UT Graduate School of Medicine (GSM) residents. They will work in conjunction with the GSM program coordinators. This group will arrange planned introductions and touch-points throughout the year.

On boarding / Mentorship- Practice administrators and employed physician volunteers will work, with support and advice from the human resource department, to create a comprehensive program to keep newly employed physician engagement strong.

New & Developing Physician Promotion- The dedicated marketing team member will be responsible for creating/placing local ads and finding opportunities to increase new physician exposure in appropriate communities and business circles.

Four Year Operational Plan

The VP of Primary Care will spearhead the Physician Recruitment & Retention Program by selecting team members for the recruitment committee. Once formed, a recurring meeting will be set to discuss, plan and strategize all aspects related to PCP and clinical staff recruitment. Committee members may rotate, following completion of a designated time commitment (i.e. 2 yrs.).

Key Milestones / Timeline

1. Approval of PCP recruitment and retention program
2. Establishment of recruitment committee
3. Hire In-house recruitment specialist (1-2 months)
4. Hire dedicated marketing staff for PCP recruitment
5. Sign up with Practice Link or comparable job bank / physician sourcing platform (2 months)
6. Ads developed & placed on multiple platforms to recruit for PCP vacancies (3 months)
7. Interview & tour format developed by recruitment committee (3 months)
8. Create employment section on company website designed specifically for physicians and targeted clinical staff (6-9 months)
9. Establish mentor & on-boarding program for incoming physicians (6 months)

10. Develop a succession plan
11. Hire 1st physician under current new program (3 months)
12. Hire 5 new physicians by Year 1
13. Hire 8 new physicians in Year 2
14. Recruit and hire 10 new physicians in one year by Year 3

Potential Roadblocks

- Maintaining meeting times without schedule conflicts
- Building projects that do not stay on schedule and hinder physician placement
- Contract negotiations
- Lack of candidates
- Competition from other employers

Strategies to Address Weaknesses and Threats

Focus on practice trends of new physicians and knowledge of key attributes identified in employment searches will remain a priority for the Recruitment & Retention Committee. UTMC will not offer partnership/ownership tracks, an attribute highlighted as favorable to many new physicians. The strategy will be to offer other services, support and functions that rise above what attributes UTMC cannot offer as an employer. Our database search will eliminate focusing on candidates who select attributes UTMC cannot provide and steer us towards candidates whose priorities align closer with the institution.

Competitive analysis is ongoing. The aim will be to ensure advertisement efforts, salary and benefits, administrative support and technology remain on par, if not superior to regional employers. The recruitment and interview process will develop strategies to decrease "time to fill," and "number of interviews to hire" benchmarks. In addition, the aim will be to increase the acceptance rates of those selected for an interview. Ensuring candidates selected more appropriately for "fit" will help improve each of these measures.

Incorporation Strategy

The Recruitment & Retention Committee will develop the general framework of the program and assign various staff with expertise in specific areas to implement steps needed for success. The recruitment specialist, once hired, will initiate securing a subscription to a job bank and database

platform. They will work with marketing staff and practice administrators to develop appropriate ads for current/upcoming vacancies in various marketing platforms, including social media. The same team will also work to develop a physician-focused section on the company website dedicated towards recruitment. This is where physician testimonials and videos (already developed) may be imported.

Another team will focus on improvement of the interview process. They will formulate strategies, questions and topics of discussion for first contact calls and follow-up conversations. On-site interviews and tours will be structured to ensure all topics that need to be discussed are covered. This group will also be responsible for managing virtual tours.

An administrative team will focus on determining current and future vacancy projections to help recruitment staff in candidate searches and matching. Succession planning will be necessary to ensure practices are prepared when physicians retire or leave the organization.

Human resource staff, administrators and a team of physicians will work to improve the current onboarding program ensuring a smooth transition for newly employed physicians and their families. This group will pair a new hire with an employed physician to help serve as a resource and check-in periodically for support in the first year or two of employment. This will ensure team engagement and address any concerns, which may develop.

Regulatory and Accreditation Bodies

The only concern here is to remain compliant with Stark Law and follow the recruiting and incentive package guidelines, especially if the program joins forces with the specialty physician group. Having an outside party conduct a physician needs analysis will also keep UTMC in compliance with Stark regulations.

Exit Strategy

The ability to pull back recruiting once the group has met capacity will not be difficult. The program should continue despite reaching full employment. In this case, physician engagement and succession planning would remain crucial. Advertisements may scale back without difficulty. The only remaining large expense past Year 1 of the program is staffing. The recruitment specialist may be assigned other administrative projects as needed, or be shifted towards specialty physician recruitment. The marketing department can absorb the marketing staff position for other hospital-wide initiatives. Recruitment can be out-sourced to a professional agency if in-house efforts prove too costly and/or ineffective.

Part II: The Marketing Plan

1. Overview & Goals

UT Medical Center maintains strong brand recognition throughout the state and within local communities. It has achieved consistent outcomes and recognition at both state and national levels. Ranked 8 years in a row by U.S. New & World Report as the #1 hospital in East Tennessee and the #2 hospital in the state, it remains the local hospital of choice. It is the region's only teaching hospital and Level I Trauma Center. With over 5100 employees, the mission is to serve through healing, education and discovery. Individual team members are supported in their personal career growth and learning. The Knoxville community offers abundant employment opportunities, recreation, high achieving public and private schools, as well as top-notch colleges and universities. It is a destination location for many on their search for innovation, opportunity, affordability, entertainment, sports & recreation, as well as a safe place to live with four distinct seasons. Physicians seeking to practice family or internal medicine will discover UT Medical Center and the Knoxville community possess attributes the entire family may be proud of and may easily call "home". The overall goal of the marketing strategy is to attract physician candidates and their families to Knoxville, TN, more specifically, The University of Tennessee Medical Center.

2. Market Analysis

a. Target Market and Audience

Newly graduated physicians who have completed residency and established primary care physicians looking for a career change are the key groups targeted in this marketing campaign. Given the close proximity to multiple teaching university programs, new physicians shall be the primary target, however. The group may also narrow further to professionals looking to practice primarily in suburban communities and mid-sized towns, which makes up the metro Knoxville, TN region.

b. Competition

The metropolitan Knoxville area consists of three major hospital systems (including UTMC). There are three key competitors; 1) a non-profit hospital system, which has 10 area hospitals and 24 primary care clinic locations, 2) a privately owned primary care organization with 60 practice locations in 13 surrounding counties and 3) a for-

profit publically owned and traded acute-care hospital system which has recently began employing more PCPs.

The large non-profit hospital system's main advantage is the sheer size and scale of the organization, with over 10,000 employees and medical office practices scattered throughout the community. It has a large endowment program that supports the organization's various endeavors. With so many different hospitals and locations, the organization struggles to have one defined identity. It does have its own dedicated personnel for recruiting clinical staff, including primary care and specialty physicians.

The privately owned primary care organization employs PCPs, specialists, physical therapists and offers ancillary and diagnostic services similar to each of the hospital systems. Their model competes as an alternative to hospital employment. The physician is potentially more involved in administrative aspects and has an option to follow a partnership track. Physicians seeking greater earning potential often find this model more attractive and gravitate toward this employer. They have their own physician recruiters as well.

The publically traded, for-profit hospital system is just beginning to pose a threat in terms of hiring competition. They have started to shift more emphasis toward PCP employment, due to increasing changes in the healthcare environment. They have a strong marketing presence.

c. Market Trends

There was a national shortage of nearly 20,000 physicians prior to COVID-19. PCP shortages should rise to 21,100-55,200 by the year 2032. A third of the nation's physicians are aged 60 and older and well over half (57%) are over 50 (Dill, 2020). Many physicians were already facing burnout prior to the pandemic. Strategically marketing to those seeking employment has thus become a necessity. It is important to search and train for candidates that meet the needs of an aging population who will stay and practice for more than the guarantee period most employers offer.

Industry trends in marketing to physicians vary, however the underlying similarity is a strong digital presence. Advertising on top job boards and social media

platforms is key, especially to millennials. Some employers leave the work to professional recruiting firms that source and interview candidates based on the employer provided criteria. Others have their own in-house recruiting staff do the work.

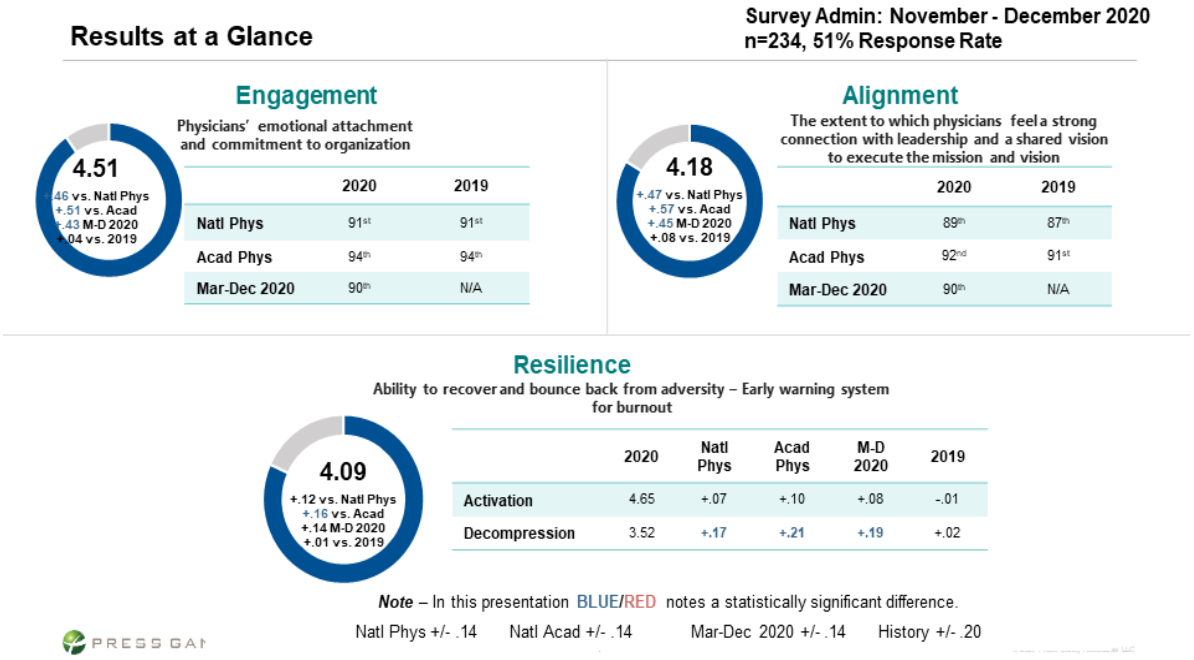
Most physicians in search of a job today are millennials. This has created a shift in candidate priorities. While financial compensation remains important, it is less of a priority since most networks offer more or less the same amount with regional adjustments. They generally want to be part of a larger practice environment with strong collaboration among clinicians, efficient and innovative care models, flexible work schedules and close proximity to ancillary services. Work-life balance is a key attribute young physicians search for, as they have witnessed their predecessors face burnout.

d. Market Research

UTMC contracts with Press Ganey Associates Inc. to assist with measuring patient satisfaction. Through random selection, patients receive surveys via mail, e-mail, or text after visiting their physician practice or receiving a diagnostic service. The survey generates valuable data to aid in maintaining and improving outstanding patient-centered care.
Press Ganey Inc. conducts additional surveys annually to UTMC physicians and staff, measuring employee satisfaction and gathering concerns and recommendations. The additional surveys help identify areas for organizational focus and improvement. It may also reveal specific areas of concern, such as problems with patient access at a particular medical clinic or decreased morale among physicians and staff.

A survey conducted to employed UTMC physicians in 2020, revealed improvements in physician engagement (90^{th} to 91^{st} percentile). Physician alignment also rose to 89^{th} percentile, up four percentage points from 2017. Physicians displayed confidence in administration leadership and their communication, which even increased during pandemic months, March-December

2020. Overall resilience ("ability to recover and bounce back from adversity-early warning system for burnout") remained above the national benchmark. The chart below illustrates that all areas rank above the national average, which should help prospective candidates have further confidence in pursuing a career with UTMC.



3. Marketing Strategy

a. Description

UT Medical Center has an existing general marketing campaign and budget targeting regional businesses and the general population. Print ads, commercials, billboards, events, sponsorships and a strong social media platform all contribute to marketing the brand. Incorporating a formal physician recruiting strategy within many of these platforms, while at the same time promoting existing services will assist in maximizing exposure to potential candidates with little additional cost. The first year marketing budget for primary care physician recruitment caps at $160,435, with ten promoted vacancies (see breakout table in

Profit & Loss Statement in the Financial Section). This includes a dedicated marketing staff position & recruiter, direct mail, job board membership, website enhancement, and unique advertisement (based on 10 openings). The "unique advertising" refers to advertisement for vacancies, which require specific promotion based on location and need to attract qualified candidates. It also includes post-employment advertising to assist the newly hired physicians in building their patient panels. The marketing budget for physician recruitment is re-evaluated annually.

b. Relationship with current strategy

The existing recruiting budget is minimal and the current strategy involves making contact with the two residency programs located on the main hospital campus to generate names and contacts of prospective physicians interested in pursuing a career locally in primary care. UTMC has not been engaged in national job boards or data sourcing platforms to generate potential candidates outside the local market. There is no existing advertising for vacant primary care physicians.

The new business strategy proposal will include a strong emphasis on job boards and data sourcing to place UTMC on the same playing field as its local competitors. This will open a much broader candidate pool to select and screen, with goals and objectives that align with the company's mission and offerings.

4. Implementation of Marketing Strategy

a. Mode and methods for marketing (tactics for success)

- Network with staff physicians, communities, residency programs and professional associations
- Data mining
- Digital Advertising- company website, professional job boards, Chamber of Commerce website, social media

- Broadcast emails
- Video conferencing
- Direct mail for “passive” candidates
- Journal and print ads (focus on residents)
- Physician conventions and seminars (virtual and in-person)
- Residency Program/Medical School talks (luncheons/dinners/videoconferences)
- Post-hire marketing for new physician promotion and practice growth
- Employee referral incentives
- Collaborative partnerships

The preceding list provides a comprehensive strategy for sourcing prospective physicians for employment. Choosing a select platform that offers job board advertising and an active applicant database to pre-screen will help expedite sourcing candidates. Broadcast emails help push vacancy information out quicker and more efficiently. Video conferencing may be an especially cost-effective method both during and post-pandemic to screen and interview candidates. Enlisting physician team members to aid in recruitment and start the conversation with those expressing interest may also prove beneficial. Maintaining a user-friendly website with a physician-landing page, which provides good general information about the organization, its mission, current vacancies, video and print testimonials, should additionally work in the company’s favor. The key will be to cover all avenues one might use to increase a candidate and their family’s interest in moving to and working in Knoxville, TN, especially with The University of Tennessee Medical Center.

Part III: Financial Documents

1. Summary of Financial Needs

Financing will not be required for implementation. Funding will come from the University Medical Group's annual budget. An in-house recruiter position will be necessary, with an estimated annual salary of $55,000. Additionally, a dedicated marketing person is $52,000 a year. An optional expense reduction would be to share these two positions with the specialist physician group, reasonable to implement at onset or by the next phase of this project. The expense budget will be set for year one at $766,035. Any additional funding needs and resources will come from existing budgets and staff currently utilized for physician recruitment. The estimated cost to recruit one PCP is $148,349 (see chart below) with an annual goal of 10 physicians after Year 2. Physician startup costs are not included in the recruitment budget. These costs remain expensed to the individual practices and are included in the physician loss calculation. Positive ROI will be realized after thirteen months and six physician hires. Recruitment expenses will adjust based on the number of physicians actually hired.

Recruiting Costs per Vacancy:		
Database / Sourcing	$	15,995
Unique Advertising (per vacancy)	$	5,000
Direct Mail	$	1,100
Interview cost x 5.3 interviews (travel / meals / lodging)	$	21,200
Signing bonus / loan repayment	$	80,000
Moving Cost	$	12,000
In-House Medical Staff Recruiter	$	6,710
Dedicated Marketing Staff	$	6,344
TOTAL:	**$**	**148,349**
Assumptions: Unique advertising is based on both advertising for specific positions, as well as post-hire advertising to promote new PCP		

It is important to note the impact of downstream revenue for hospital organizations. In the first three to five years following residency, PCPs have higher levels of expenses than earnings (Concordance Healthcare Solutions, 2017). This gap diminishes once their practice is well established. Hospital employed primary care practices are generally not considered revenue centers on their own. They are considerable revenue generators for

the organization through patient referrals, hospital admissions, tests and inpatient treatments. According to a 2018 study by Merritt Hawkins, a leading national physician recruitment agency, PCPs generated over $2.1 million annually in hospital revenue for their affiliated organizations that year (LaPointe, 2019).

This project uses downstream revenue averages per PCP as a basis for measuring project financial performance at a very conservative rate of $1.2 million per year, once reaching MGMA median level of productivity. Historically, UTMC PCPs, on average, reach median by their third year of employment. YR1 estimated downstream revenues are 30% of $1.2 million ($360,000), YR2 58% ($696,000), YR3 75% ($900,000) and ultimately $1.2 million at or before YR4.

2. Pro forma

Pro forma Cash Flow Statement	30% MGMA median	58% MGMA median	75% MGMA median	MGMA Median
BENEFIT DRIVERS	**YEAR 1**	**YEAR 2**	**YEAR 3**	**YEAR 4**
Downstream Revenue YR1 Physicians	$ 1,800,000	$ 2,880,000	$ 3,600,000	$ 3,600,000
YR2 Physicians		$ 3,480,000	$ 5,568,000	$ 6,960,000
YR3 Physicians			$ 4,500,000	$ 7,200,000
YR4 Physicians				$ 6,000,000
A. Total Annual Benefits	**$ 1,800,000**	**$ 6,360,000**	**$ 13,668,000**	**$ 23,760,000**
Project Costs	**YEAR 1**	**YEAR 2**	**YEAR 3**	**YEAR 4**
Salaries (in-house recruiter) 2% Annual increase	$ (55,000)	$ (56,100)	$ (57,222)	$ (58,366)
Benefits (in-house recruiter)	$ (12,100)	$ (12,342)	$ (12,589)	$ (12,841)
Salaries (dedicated mktg staff) 2% Annual increase	$ (52,000)	$ (53,040)	$ (54,101)	$ (55,183)
Benefits (dedicated mktg staff)	$ (11,440)	$ (11,669)	$ (11,902)	$ (12,140)
Site Visits (Travel/Lodging/Car Rental/Meals)	$ (106,000)	$ (169,600)	$ (212,000)	$ (212,000)
Signing Bonus/Loan Repayment	$ (400,000)	$ (640,000)	$ (800,000)	$ (800,000)
Additional Videos / Website re-design (YR 1 Only)	$ (20,000)	$ -	$ -	$ -
Moving Costs	$ (60,000)	$ (96,000)	$ (120,000)	$ (120,000)
Direct Mail Costs	$ (5,500)	$ (8,800)	$ (11,000)	$ (11,000)
Miscellaneous/Manpower	$ (2,500)	$ (4,000)	$ (5,000)	$ (5,000)
Telephone	$ (500)	$ (800)	$ (1,000)	$ (1,000)
Database/Sourcing Membership	$ (15,995)	$ (15,995)	$ (15,995)	$ (15,995)
Unique Advertsing (per new hire)	$ (25,000)	$ (40,000)	$ (50,000)	$ (50,000)
B. Total Project Costs separate of physician loss	**$ (766,035)**	**$ (1,108,346)**	**$ (1,350,809)**	**$ (1,353,525)**
Annual Physician Loss- Year 1 Physicians	$ (1,190,000)	$ (1,904,000)	$ (2,380,000)	$ (2,380,000)
- Year 2 Physicians	$ -	$ (994,000)	$ (1,590,400)	$ (1,988,000)
-Year 3 Physicians	$ -	$ -	$ (875,000)	$ (1,400,000)
-Year 4 Physicians				$ (700,000)
C. Total Annual Physician Loss	$ (1,190,000)	$ (2,898,000)	$ (4,845,400)	$ (6,468,000)
Total Costs (B + C)	**$ (1,956,035)**	**$ (4,006,346)**	**$ (6,196,209)**	**$ (7,821,525)**
Benefits/(Net Costs)= A-(B+C)	**YEAR 1**	**YEAR 2**	**YEAR 3**	**YEAR 4**
Annual Benefit Flow	$ (156,035)	$ 2,353,654	$ 7,471,791	$ 15,938,475
Cumulative Benefit Flow	**$ (156,035)**	**$ 2,197,619**	**$ 9,669,410**	**$ 25,607,885**

Assumptions				
Median est. net downstream revenue per PCP to hospital is $1.2 million/yr once reached MGMA median productivity				
5 new Physicians YR1, 8 PCP's YR2, 10 PCP's YR3, 10 PCP's YR4				
Annual Physician Loss calculation: Includes all revenue for services performed (not ancillary), less expenses (SWAB, non-physician operating costs (i.e. malpractice, billing, staffing, rent, etc).				
Productivty avg is 30% of median YR1, 58% YR2, 75% YR3 and MGMA median by YR4				
Median Interview Cost per PCP is $4,000 (travel, lodging, transportation, meals)				
Median # of on-site interviews per hire is 5.3				
Unique Advertising correlates with pre & post employment advertising per vacancy				
FTE MD loss at 30% YR1:	$ (238,000)			
FTE MD loss at 58% YR2:	$ (198,800)			
FTE MD loss at 75% YR3:	$ (175,000)			
Average established loss per MD FTE YR4+:	$ (140,000)			

3. Four-Year Income Projection

Four-Year Income Projection (from new MDS)	YEAR 1	YEAR 2	YEAR 3	YEAR 4
New Physician Vacancies Filled	5	8	10	10
Current Median Downstream Revenue Per PCP 1st yr employed	$ 1,800,000	$ 2,880,000	$ 3,600,000	$ 3,600,000
Current Median Downstream Revenue Per PCP 2nd yr employed		$ 3,480,000	$ 5,568,000	$ 6,960,000
Current Median Downstream Revenue Per PCP 3rd yr employed			$ 4,500,000	$ 7,200,000
Current Median Downstream Revenue Per PCP 4th yr employed				$ 6,000,000
TOTAL REVENUE	**$ 1,800,000**	**$ 6,360,000**	**$ 13,668,000**	**$ 23,760,000**
Assumptions				
All Downstream revenue is estimated as a Net value after deductions				
Median Downstream revenue per FTE PCP once at MGMA Median	$ 1,200,000			
Median Downstream revenue per FTE PCP YR3 employment	$ 900,000			
Median Downstream revenue per FTE PCP YR2 employment	$ 696,000			
Median Downstream revenue per FTE PCP YR 1 employment	$ 360,000			
Does not include physician practice NET profits if any occur (none projected)				
*** change # vacancies filled on Row 3 to adjust income**				

4. Break-Even Analysis

Break-Even Analysis					BE Month 1 YR2
	YR1	YR2	YR3	YR4	Monthly Rev
Net Downstream Revenue / New Physician	$ 360,000	$ 696,000	$ 900,000	$ 1,200,000	
Total New Physicians	5	8	10	10	
Progected Net Revenue Current Year New Physicians	$ 1,800,000	$ 2,880,000	$ 3,600,000	$ 3,600,000	
Projected Net Downstream Revenue (total new Physicians Y1-Y4)	**$ 1,800,000**	**$ 6,360,000**	**$13,668,000**	**$23,760,000**	**$ 530,000**
Program Operating Costs					**Monthly Costs**
Salaries (in-house recruiter)	$ (55,000)	$ (56,100)	$ (57,222)	$ (58,366)	
Benefits (in-house recruiter)	$ (12,100)	$ (12,342)	$ (12,589)	$ (12,841)	
Salaries (dedicated mktg staff) 2% Annual increase	$ (52,000)	$ (53,040)	$ (54,101)	$ (55,183)	
Benefits (dedicated mktg staff)	$ (11,440)	$ (11,669)	$ (11,902)	$ (12,140)	
Site Visits (Travel, Lodging, Transportation & Meals)	$ (106,000)	$ (169,600)	$ (212,000)	$ (212,000)	
Signing Bonus / Loan Repayment	$ (400,000)	$ (640,000)	$ (800,000)	$ (800,000)	
Moving Costs	$ (60,000)	$ (96,000)	$ (120,000)	$ (120,000)	
Direct Mail Expenses	$ (5,500)	$ (8,800)	$ (11,000)	$ (11,000)	
Miscellaneous Recruitment expenses	$ (3,000)	$ (4,800)	$ (6,000)	$ (6,000)	
Videos / Website re-design	$ (20,000)	$ -	$ -	$ -	
Database Membership	$ (15,995)	$ (15,995)	$ (15,995)	$ (15,995)	
Unique Advertising Per Vacancy	$ (25,000)	$ (40,000)	$ (50,000)	$ (50,000)	
Total Loss/Physician Year 1	$ (1,190,000)	$ (1,904,000)	$ (2,380,000)	$ (2,380,000)	
Total Loss/Physician Year 2		$ (994,000)	$ (1,590,400)	$ (1,988,000)	
Total Loss/Physician Year 3			$ (1,750,000)	$ (1,750,000)	
Total Loss/Physician Year 4				$ (1,400,000)	
Total Operating Costs	**$ (1,956,035)**	**$ (4,006,346)**	**$ (7,071,209)**	**$ (8,871,525)**	**$ (489,897)**
Projected Net Revenue Less Operating Costs	**$ (156,035)**	**$ 2,353,654**	**$ 6,596,791**	**$14,888,475**	**$ 40,103**

(loss / physician includes total practice revenue and expenses broken out per physician)

Assumtions	
Average Loss per MD	$ (140,000)
Average Downstream Rev per physician per year	$ 1,200,000
Average Annual Loss Per Physician Yr 1	$ (238,000)
Average Annual Loss Per Physician Yr 2	$ (198,800)
Average Annual Loss Per Physician Year 3	$ (175,000)
Average Annual Loss Per Physician Year 4 (established)	$ (140,000)
Avg # On-Site Interviews per vacancy	5.3

5. Profit and Loss Statement (Income Statement)

Profit and Loss Statement- Projected 4-year profit and loss statement

	YEAR 1	YEAR 2	YEAR 3	YEAR 4
Downstream Revenue	$ 1,800,000	$ 6,360,000	$ 13,668,000	$ 23,760,000
Allowances	$ (1,190,000)	$ (2,780,400)	$ (4,845,400)	$ (6,468,000)
Net Revenue	**$ 610,000**	**$ 3,579,600**	**$8,822,600**	**$ 17,292,000**
Operating Costs:				
Salaries (in-house recruiter)	$ 55,000	$ 56,100	$ 57,222	$ 58,366
Benefits (in-house recruiter)	$ 12,100	$ 12,342	$ 12,589	$ 12,841
Salaries (mktg staff)	$ 52,000	$ 53,040	$ 54,101	$ 55,183
Benefits (mktg staff)	$ 11,440	$ 11,669	$ 11,902	$ 12,140
Site Visits (Travel, Lodging, Car Rental & Meals)	$ 106,000	$ 169,600	$ 212,000	$ 212,000
Signing Bonus / Loan Repayment	$ 400,000	$ 640,000	$ 800,000	$ 800,000
Additional Videos / Website re-design	$ 20,000	$ -	$ -	$ -
Moving Costs	$ 60,000	$ 96,000	$ 120,000	$ 120,000
Direct Mail Expenses	$ 5,500	$ 8,800	$ 11,000	$ 11,000
Miscellaneous	$ 2,500	$ 4,000	$ 5,000	$ 5,000
Telephone	$ 500	$ 800	$ 1,000	$ 1,000
Database / Sourcing Membership	$ 15,995	$ 15,995	$ 15,995	$ 15,995
Unique Advertsing (per vacancy)	$ 25,000	$ 40,000	$ 50,000	$ 50,000
Total Operating Costs	**$ 766,035**	**$ 1,108,346**	**$1,350,809**	**$ 1,353,525**
Operating Profit (Loss)	**$ (156,035)**	**$ 2,471,254**	**$7,471,791**	**$ 15,938,475**
Assumptions				
Projected physician vacancies fill YR1	5			
Projected physician vacancies fill YR2	8			
Projected physician vacancies fill YR3	10			
Projected physician vacancies fill YR4	10			
Loss Per Physician Yr 1	$ (238,000)			
Loss Per Physician Yr 2	$ (198,800)			
Loss Per Physician Yr 3	$ (175,000)			
Loss Per Physician ≥ Yr4	$ (140,000)			
Allowances =Total practice revenue less expenses allocated per new physician, not including project costs)				
Unique Advertising correlates with pre & post employment advertising per vacancy				
Balance Sheet- Not completed as this is not part of the financials for the individual practices at UMG				

Marketing Budget

	Individual	VC	Total
Direct Mail Expenses	$ 1,100	10	$ 11,000
Database / Sourcing Membership	$ 15,995	1	$ 15,995
Additional Videos / Website re-design	$ 20,000	1	$ 20,000
Unique Advertsing (per vacancy)	$ 5,000	10	$ 50,000
Mktg. Staff salary & benefits	$ 63,440	1	$ 63,440
(VC= Vacancy)	TOTAL		**$160,435**

6. Financial Statement analysis

Each of the financial statements shown are solely for the primary care physician recruitment and retention program and do not reflect the balance sheet, profit & loss statement, or statement of cash flows of the individual medical clinics, medical group or health system as a whole. The financial statements were prepared in order to illustrate the impact of the isolated strategy for University Medical Group. Revenue projections are scaled up each year based on the projected number of physician vacancies filled and average losses assigned to each year of hire (i.e. YR1**($238,000),** YR2 **($198,000)**….). The goal is to "Net 10" new physicians per year for the first five years; however, that may prove a lofty goal to achieve right out of the starting gate. The projections thus begin at 5 YR1, 8 YR2 and 10 vacancies filled by the end of YR3.

7. Business Financial History

UTMC has experienced rapid growth over the past several years, both on the main hospital campus as well as within local community outpatient practices. Increases in Medicare reimbursement as well as patient consumerism have driven the push to develop and offer more outpatient facilities that provide an abundance of services under one roof. Patients would rather receive their medical care when and where it is convenient for them and are more compliant when this scenario exists. UTMC has experienced greater demand for primary care services because of these trends and an aging population. They have the cash reserves needed to supply the operating and capital needs for this project and no outside financing will be necessary.

Part IV: Innovative elements & expected business outcomes

1. Why and how does this innovative idea positively affect the health of your population and organization?

The University of Tennessee Medical Center's implementation of a primary care physician recruitment and retention program will ensure a well-supplied physician workforce is maintained. This will provide the community greater access to care and improve the patient experience. Patients will be able to schedule appointments

quicker with shorter delays. It will enable them to have their medical needs addressed faster, keeping them healthier. Staff and physician morale will be stronger, which should reflect in the excellent care they provide. Patient satisfaction should also improve, as the needs and expectations of patients continue to be met. More staffed physicians will yield more scheduled appointments, larger patient panels, increased referrals within the health network and greater financial performance for the health care system.

2. **What challenges did you encounter during this process and what have you learned?**

Initially my impression was that the organization would be able to manage a recruitment program easily by simply advertising more and engaging in job boards. I did not expect the need for additional staff or consider creating a recruitment team to ensure program success. After investigating nationwide best practices and conducting a competitive analysis, I came to realize the need, however. It would end up costing the organization more not to have a position dedicated to sourcing candidates, arranging phone and on-site interviews, assisting with credentialing, and coordinating meetings/recruiting events. The responsibilities would have fallen to the practice administrators, who are heavily involved with directing day-to-day business practices. An extensive amount of time would be taken from their essential duties, as well as the VP and Senior VP time in conducting interviews alone.

The other challenge was illustrating ROI and explaining financial costs and benefits. As an academic medical center, the outpatient primary care physician practices are not, on their own, key revenue centers. In most cases, they do not produce a profit. Providing exact dollar amounts to the revenue they generate through referrals, admissions, tests, and inpatient treatments is not an easy task. I used a relatively conservative figure ($1.2 million) as the median downstream revenue gained from full-time established PCPs to our organization. Recent studies suggest figures closer to $2.1 million per PCP, especially with the increasing importance they pose to Accountable Care Organizations and Value-Based Care models. The financial aspects to healthcare are not simple and are constantly changing based on governmental policy, insurance plan contracts, competition, and a myriad of other factors.

3. **Next steps to put project in action**

   While recruitment remains ongoing, next steps to implement a formal strategy start first with senior management approval. Essential steps then are to form a Recruitment & Retention Committee and hire a recruitment coordinator and marketing person. They will help jumpstart implementation of the plan, which begins with commitment to a job board platform and physician-sourcing vendor. This will generate the push to start promoting primary care physician vacancies to prospective candidates.

Part V: Addendum & Other Factors

1. **Additional elements and key considerations that have not been addressed in part I-IV but are essential for this new business model.**

   In the midst of developing this business proposal, we have all been dealing with the COVID-19 pandemic and its effect on providing quality healthcare. Care delivery models are changing and technology has played a big part in this. There may be an element of meeting access needs through telehealth if its support continues and reimbursement is favorable following the pandemic. Recruiting providers, especially in hard to fill locations (i.e. rural) can leave significant gaps in care and either reduce patient access or force patients to travel much farther than desired for care.

   Developing partnerships and relationships with groups outside of the organization that may complement or assist in the recruitment process will be an important step not fully covered in this proposal. For example, Tennessee Rural Health Partners help place new physicians in underserved/rural areas. They provide funding to help pay back student loans as an incentive for working in these locations. Building on the company's relationship with the Graduate School of Medicine and other medical schools in the region will also enhance resident awareness of opportunities at The University of Tennessee Medical Center.

2. **Should the plan be to "contract" the business, review the alternative options, potential savings and results if this action is not taken?**

The alternative options to this plan were to carry on “as-is” or contract with a full-service physician-recruiting agency to advertise, source, and coordinate interviews based on organization or site-specific needs. A careful analysis over time (i.e. 3-5 yrs.) will be important to determine goals have been met, time from vacancy and interview to hire reduced, retention after hire strong and program costs proven reasonable. If not, out-sourcing may be an alternative to consider. Costs may then be measured by opportunity lost from time to fill (i.e. patient migration) and other factors.

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