

From the publishers of the *New England Journal of Medicine*

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Retention Initiatives Rise as Physician Turnover Concerns Increase

Findings of a physician retention study concluded that turnover is a growing concern at medical groups nationwide, while targeted initiatives to retain doctors are on the rise. The survey, conducted by Cejka Search, a nationally recognized physician and healthcare executive search organization, and the American Medical Group Association (AMGA) was based upon 95 responses representing medical groups of varying sizes throughout the country. For the second consecutive year, the survey examines recruitment and retention trends at AMGA-affiliated medical groups.

Tracking Shows Significant Increase

The survey revealed a significant increase in the number of medical groups that reported they are tracking turnover. Overall, 90% of the respondents said they monitor turnover, which is a 23% increase over last year. When segmented by practice size, all medical groups with more than 500 physicians said they track turnover, as do 80% of the smallest groups — those with fewer than 50 physicians.

“This survey highlights medical groups’ growing concern about turnover. It also shows how this concern is being translated into action, with more groups reporting they are formalizing their retention efforts,” said Carol Westfall, president of Cejka Search.

Joseph Scopelliti, M.D., president of the AMGA member group, The Guthrie Clinic in Sayre, PA, feels turnover is one of the most important issues facing group practices. “In today’s competitive healthcare marketplace, all eyes are on turnover and retention. Retaining quality and highly motivated physicians will increasingly

become a benchmark measure of truly outstanding medical group practices.”

Turnover Rate Is a Growing Concern

The study determined the turnover rate by asking the groups to report the highest number of physicians they employed during the last 12-month period and to report the number of physicians who left during that time period. Using those reported numbers, turnover rates were calculated on a numeric base of physicians totaling 13,893.

Average annual turnover was 6.4% for all medical groups responding to the survey — 5.2% for medical groups with more than 500 physicians and 6.9% for those with less than 500 physicians.

Nearly half (47%) of the respondents reported being highly concerned about turnover, and more than one-third (36%) placed turnover among the top three critical issues facing their group practice. To address these concerns, 58% of the groups stated they have designated retention initiatives compared with 48% in 2004, an increase of 21%; 41% reported having written materials that are used for retention compared with 27% in 2004.

In addition, most respondents believe that during the next two years the national rate of physician turnover will greatly outpace that of their own practice. Sixty percent (60%) said the national turnover rate will increase, but only 20% said their own practices’ turnover rate would grow.

Physicians are most vulnerable in the early years. The survey found that, among the physicians leaving a group, 47% left in the first three years and 60% left in the first five years.

Group Size Influences Turnover

A number of the survey findings revealed directional trends that highlight

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differences in how groups approach recruitment and retention based on their size and resources.

Groups with more than 500 physicians reported less concern about turnover and assign a lower priority to turnover on their list of critical issues. But at the same time, they reported more concern about recruitment, are more heavily focused on interviewing techniques, and employ a diversity of resources in recruitment.

By contrast, smaller groups emphasized retention efforts centered on communication and engagement with leadership, flexibility in work arrangements, and earlier advancement into partnership and profit-sharing arrangements, which are also important to retention.

Building a positive environment for physicians begins when a physician signs with a group practice. More than eight of ten (81%) of all groups begin retention efforts between signing and starting date.

The Effects of Turnover

The survey showed that physicians leave for various reasons. Seventy percent (70%) left under voluntary resignation, while 16% left due to termination. Thirteen percent (13%) retired. Of the voluntary resignations, practice issues were cited 44% of the time, followed by compensation and location issues (21%). Spouse issues followed at 14%.

Because of these changes, groups were asked to identify factors related to turnover affecting their group during the last 12 months. Seventy-six percent (76%) of the respondents identify stress on remaining or current physicians due to increased workloads. Burden on senior leadership due to re-recruitment and increased interviewing schedules (46%) and decreased morale (40%) follow in frequency of selection.

New Initiatives to Counter Turnover Being Introduced

The study showed that groups have introduced innovative techniques to counter turnover. The most frequently mentioned initiatives are expanded mentor

programs and orientation programs. According to the groups, another effective technique is to recruit physicians prior to the actual need, so when an opening becomes available a potential candidate is targeted.

“Retention starts with recruitment,” Westfall added. “Clearly understanding your group’s culture and pursuing the candidate who fits, can ensure a longer, more productive relationship and can help to sustain an environment that attracts new candidates to support the growth of your practice over the long term.”

Other groups offer flexible work hours, deferred compensation plans, loan repayment bonuses, and other benefits.

“Taken together, the findings and directional trends in the survey may tell us that devoting additional resources to formalized retention programs and focusing on cultural and behavioral issues during recruitment can be effective in lowering turnover,” said Westfall.

Groups did have a chance to address ineffective methods for retaining physicians. Although only a few issues were mentioned, the groups pointed out that mentoring needs solid participation. In order for mentoring to be effective, it needs formal mentors to be assigned and mentors must follow through on their commitments.

Other groups mentioned that focusing on compensation alone as a way to retain physicians can be ineffective.

Survey Methodology

The Cejka Search and AMGA 2005 Physician Retention Survey was distributed in September 2005 to 275 AMGA member medical groups. All survey respondents (95 medical groups) were compiled for this survey (a 35% response rate). The turnover rate was calculated based on the number of physicians leaving, divided by the highest number of physicians present, over the same 12-month period.

Source: To obtain a copy of the Cejka Search and AMGA 2005 Physician Retention Survey, please visit www.cejkasearch.com.

MARKET WATCH

**2005 and 2003 Median
Physician Executive Compensation**

| | 2005 | 2003 | Percent Change |
|---|-----------|-----------|----------------|
| All Physician Executives | \$240,000 | \$225,000 | 6.7% |
| Associate/Assistant Medical Director | \$205,000 | \$204,000 | 1.0% |
| Hospital | \$212,500 | \$212,000 | 0.2% |
| Multispecialty Group | \$212,000 | \$220,000 | -3.6% |
| HMO | \$205,000 | \$202,939 | 1.1% |
| CEO/President | \$301,500 | \$277,800 | 8.5% |
| Hospital | \$340,000 | \$313,000 | 8.6% |
| Single-Specialty Group | \$300,000 | \$300,000 | 0.0% |
| Multispecialty Group | \$322,000 | \$250,000 | 28.8% |
| HMO | — | \$270,000 | n/a |
| Chief Medical Officer | \$265,750 | \$253,000 | 4.8% |
| Hospital | \$260,000 | \$250,000 | 4.0% |
| Multispecialty Group | \$236,000 | \$250,000 | -5.6% |
| HMO | \$280,000 | \$300,000 | -6.7% |
| Chief Operations Officer | \$260,000 | \$237,500 | 9.5% |
| Consultant | \$212,500 | \$200,800 | 5.8% |
| Department/Division Chair/Manager | \$271,000 | \$250,000 | 8.4% |
| Hospital | \$280,000 | \$257,840 | 8.6% |
| Single-Specialty Group | \$350,000 | \$330,000 | 6.1% |
| Multispecialty Group | \$300,000 | \$220,000 | 36.4% |

Source: "2005 Physician Executive Compensation Survey," American College of Physician Executives (www.acpe.org) and Cejka Search (www.cejkasearch.com).

**What's New
at NEJM?**

**NEJM
CareerCenter
Website
Redesign
Launches!**

Effective April 19, 2006, the *New England Journal of Medicine* launched a redesign of the NEJM CareerCenter website. The new site now matches the look and feel of the editorial NEJM site, thus improving ease of use for those physicians already familiar with www.nejm.org, one of the most trafficked physician web sites. The sophisticated job search functionality, easy online applications, and confidentiality safeguards remain unchanged, allowing physicians to utilize the same features and services they have come to rely upon. Check it out at www.nejmjobs.org!

**UPCOMING
RECRUITER
MEETINGS
AND MEDICAL
CONVENTIONS**

Pri-Med Midwest*
June 15–17, 2006
Rosemont, IL
www.pri-med.com

**Association of Staff
Physician Recruiters**
August 13–16, 2006
Minneapolis, MN
www.aspr.org

**Interscience Conference
on Antimicrobial Agents
and Chemotherapy***
September 27–29, 2006
San Francisco, CA
www.icaac.org

**Association of Program
Directors in Internal
Medicine***
October 26–30, 2006
New Orleans, LA
www.im.org/apdim

**Midwest Recruiters
Meeting**
November 2–3, 2006
Chicago, IL
www.isprnet.org

*Call 1-800-635-6991 for more details on bonus convention distribution of your paid recruitment ad at these conventions in selected NEJM issues.

PROMOTIONAL NOTES

This Fall, Reach Top Residents, Fellows, and New Physicians Three Money-Saving Ways!

Fall is an important time to recruit new physicians, and the *New England Journal of Medicine* has just made it better than ever.

This fall, you can recruit in the publication physicians trust most — and receive valuable discounts and extras with our three fall special issues.

Simply run your paid line or display recruitment ad in any of the three issues listed below, and your ad will be reprinted in a special booklet that will be mailed to more than 30,000 young physicians.*

We will also e-mail a targeted group of 15,000 physicians in the same selected specialties and years in practice, and direct them to a PDF of the booklet and all its ads. You may also have your ad posted to the searchable part of the website for a small processing fee.

Get the best deal! Run your paid ad in 5 consecutive issues, and you qualify for one free additional ad insertion in our Buy 3, Get 1 Free program. You'll also get 7 weeks of online advertising, and line advertisers can also take advantage of the 5x rate, our lowest rate!***

Contact us at (800) 635-6991 or nejmads@nejm.org to reserve your ad space for these special fall issues.

| Promotion | Issue | Closing Date | Specialties | Audience |
|--------------------------------------|----------|--------------|---|--|
| <i>Specialty Delivery</i> | 9/14/06 | 8/25/06 | CD, D, END, FM, GE, HEM/ONC, HOSP, ID, IM, NEP, N, ORS, ENT, PUD, DR, RHU and U | Final-year residents, and fellows and docs in practice 1–3 years |
| October <i>Resident Reach</i> ** | 10/12/06 | 9/22/06 | All specialties — about 100 | Final-year residents and fellows |
| November <i>Resident Reach</i> ** | 11/9/06 | 10/20/06 | All specialties — about 100 | Final-year residents and fellows |

*Please refer to the above chart for specifics on audience and specialties for each special issue. Each booklet will be mailed to over 30,000 physicians, and an e-mail will be sent to over 15,000 physicians in conjunction with each special issue. In order to have your ad appear in all three booklets, you must run a paid print ad in each designated issue of NEJM. Direct mail and e-mail counts are based on counts provided by the AMA and are subject to change.

**Receive FREE bonus distribution of your ad, as the October 12 *Resident Reach* issue will be distributed at the Pri-Med East convention, and the November 9 *Resident Reach* issue will be distributed at the American Heart Association and American Society of Nephrology conventions.

***Processing fees apply to posting your ad to the searchable part of NEJM CareerCenter.