

## Strategic Medical Staff Development Planning Building Your Medical Staff from the Ground Up



Live teleseminar with  
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and author of  
*Owning Medical Practices: Best Practices for Sustainable Results*  
and  
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### KEY POINTS

- 1) Crucial differences between **strategic** medical staff development planning and traditional medical staff development planning.
- 2) Critical questions that every medical staff development plan should answer.
- 3) Basic tenets of effective medical staff development planning and how to use this process to build your owned medical practice network.

***Strategic medical staff development planning ensures the proper mix of physician specialties and locations at the right time to meet the needs, wants, and priorities of referring physicians and the local community.***



How is strategic medical staff development planning different from traditional medical staff development planning?

*While most medical staff development plans are simply quantitative exercises in supply and demand, strategic medical staff development plans include more qualitative data.*

Ways to collect this qualitative data include:

- Conducting physician surveys (web-based or in-person)
- Soliciting administrator feedback
- Involving a selected work group

The strategic medical staff development planning process provides more than just numbers of physicians to add to your ranks. It provides specific recommendations and implementation tactics.

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**How should we define our primary service area, both now and in the future?**

**Strategy for defining primary service area should be based on:**

- market share targets
- payer mix objectives
- competitive alternatives and strategy
- current and future service offerings
- migration patterns for retail services

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**The outputs, or actionable deliverables, that should result from the medical staff development planning process include:**

- summary of physician survey results
- demographic market analysis
- market share analysis
- market goals analysis
- referral and demand chain analysis (if referral data is available)
- physician manpower analysis
- physician life-stage analysis
- populated priority determinant matrix
- prioritized recommendations

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What is the formula or process we should use to determine how many employed or independent affiliated primary care physicians we will need to achieve our current and future market share objectives?

A “neighborhood” is defined as the geographic area where at least fifty percent of a primary care practice’s patients live.

*Focus on how many lives you would need to capture in the right “neighborhoods” and on the affiliated/employed primary care physicians located in those neighborhoods.*

How often should we do medical staff development planning? Are there particular situations that should trigger this process?

We recommend that a strategic medical staff development plan be redone every three years and that hospitals survey their physicians annually .

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Events that trigger a medical staff development plan may include situations where a pending recruitment needs justification or requires documented need.

This is not necessarily a good thing, because a rapid analysis does not give a clear look at the broader picture.

**How do we make certain that our affiliated or employed PCPs are in the right locations to capture the patient populations that will allow us to achieve our mission objectives, our competitive strategies, and our target payer mix?**

**Some suggestions include:**

- placing affiliated primary care practices in selected neighborhoods based on measures like average household income, home values, etc.
- more effectively locating and staffing practices to serve the uninsured/underinsured (mission-based practices).

***Establishing the appropriate payer mix is a mission issue, an ethical issue, a potential legal/regulatory issue, a strategy issue, and a marketing and practice development issue.***

*- Owing Medical Practices: Best Practices for Sustainable Results, pg. 121*

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What advancements or new innovations do you bring to this process that we may not be aware of or that some other consulting company we are considering working with does not know about?

### 1) Priority determinant matrix

Two types:

- Primary care practices (prioritizes target based on geography)
- Specialists and surgeons (prioritizes target based on specialty most needed in health systems and for its patients)

A few examples of factors weighed in this model include:

- Change in service line market share.
- Indexing the competition .
- Risk posed by aging medical staff .

About 25 factors feed into this model with varied weightings to generate a structured, consistent approach to evaluating each specialty.

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## 2) Physician complement ratio work

How many referrals or how much volume are health system employees or loyal physicians sending to various specialties?

Having a solid referral base  
to support your specialist recruits is essential to keep the  
service line strategy intact.

*Tracking outgoing referrals from primary care physician to specialist is a key part of knowing your market and demand chain and executing effective physician integration strategy.*

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What are the critical success factors to deploy when considering decisions like adding PCP capacity, acquiring existing practices, or implementing other strategies to capture targeted neighborhoods?

Understanding the needs, wants,  
and priorities of our targeted neighborhoods is  
the starting point.



Next, we must identify who is currently meeting those needs, wants, and priorities, and how well they are doing so.

**To understand those medical providers, ask questions such as:**

- What services do they offer?
- What are their hours of operation?
- How can we engage them? add to their capacity? acquire their practices?  
...or...
- How can we compete with them?

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**What do you find that hospitals take for granted in the development of their medical staff plans?**

- The need to survey medical staff and learn from them.
- The accuracy of physician supply/physician inventory data used for the analyses.

*The quality and validity of the data used for the medical staff development plan greatly impacts the outcome and quality of the work.*

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What is the best way for us to determine the mix and number of specialty physicians we need to support the patient populations we have or will capture in our affiliated primary care practices?

Understanding \_\_\_\_\_ **primary** \_\_\_\_\_ **care** \_\_\_\_\_  
\_\_\_\_\_ **referrals** \_\_\_\_\_ is critical to the development  
of sound specialty-mix strategy.

We always engage PCPs in planning for specialty physicians to help identify issues such as:

- A need for a missing specialty or service line
- A specialty with more demand than supply
- Service quality issues
- Clinical quality issues

*Market managers should monitor the referral experience of their employed and affiliated PCPs on an ongoing basis and must also reach out to the ambulatory settings and those who hold their market share.*

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When you are doing your medical staff development plans, which demographic indicators do you pay the most attention to? Which do you think are most important?

Focus is placed on growth rates and establishing presence where the health system can benefit from anticipated growth.

**Key population segments include:**

- Pediatric population (under 18)
- 55-plus population
- Women of child-bearing age (ages 15-44)
- Lower education levels

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What indicators should we be most sensitive to in determining when we need “big boxes” to provide expanded imaging, laboratory, surgery, and other specialty services in certain geographies?

A big box should reflect the needs of local primary  
care physicians and their  
patients .



What are some of the current challenges that you believe our health system should be especially sensitive to during the physician recruitment process?

A recent challenge involves income  
guarantees , which are not as competitive as  
they once were.

*Physicians now leaving medical training programs indicate they prefer employment over entrepreneurship.*

*- Owing Medical Practices: Best Practices for Sustainable Results, pg. 2*

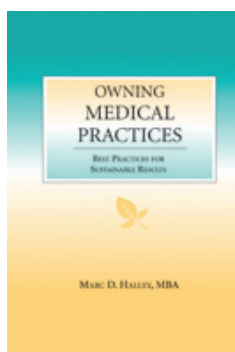
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## Owning Medical Practices: Best Practices for Sustainable Results



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Also available through [www.halleyconsulting.com](http://www.halleyconsulting.com). Click on the Owning Medical Practices logo on the home page.



What are the factors we should be considering as we make decisions regarding the priorities for our capital and for our management team?

First, capture market share.

Then attract that market share to:

- Affiliated specialty physicians
- Hospital ancillary
- Outpatient and inpatient services

What are the most important questions we should be asking ourselves to determine whether to buy specialty practices and employ the specialists or whether to give PCP investment the priority?

Questions to ask include:

- How do we capture market share?
- How do we attract referrals?
- How do we provide our high quality care and caring both efficiently and effectively?

*Ensuring that affiliated primary care practices capture and retain adequate market share and that affiliated specialists and hospitals can and do attract that market share becomes the major focus of every successful CEO–market manager.*

*- Owning Medical Practices: Best Practices for Sustainable Results, pg. 9*

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