Addressing the Shortage of Radiologists

by

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Executive Summary

- In a survey of 254 hospital radiology departments conducted last year, Dallas-based U.S. Radiology Partners (USRP), a radiology management firm, found that 45 percent of hospitals are understaffed in radiology. Fifty-six percent of hospital radiology department heads surveyed by USRP indicated that staffing shortages were diminishing the quality of care their departments are able to provide. Moreover, staffing shortages are occurring at a time when radiology volume generally is increasing.

- There are various underlying reasons why the supply of radiologists and other physicians is insufficient to meet demand in many areas, including institutional misdiagnosis, graduate medical education, patient preferences, the economy, restrictions on international medical graduates, practice patterns, patient and physician demographics and new technology.

- Given current physician supply and demand trends, a strategic radiology staffing plan is needed. Such a plan would include the following elements: retention, candidate parameters, contracts and incentives, sourcing, screening, interviewing, responsiveness and decisiveness.

Hospital-based radiologists and anesthesiologists, who several years ago faced a higher level of job insecurity than perhaps any other specialists, are among the physicians in the greatest demand today.

In the last several years, a dramatic shift has taken place in the area of medical staffing. The unprecedented demand for primary care physicians that existed for much of the 1990s has abated while the demand for medical specialists has significantly increased.

Merritt, Hawkins & Associates first observed this trend in its 1996/97 Review of Physician Recruitment Incentives, an annual survey reflecting the staffing needs of hospitals and medical groups nationwide. The Review showed that of hospitals and medical groups recruiting physicians, 66 percent were recruiting for primary care, down from 73 percent the year before. The percent of hospitals and medical groups recruiting primary care physicians has decreased every year since, while the percent of recruiting specialists has increased. Preliminary numbers from the year 2000 indicate that of hospitals and medical groups recruiting physicians, about 75 percent are recruiting specialists.

Interestingly, hospital-based physicians such as radiologists and anesthesiologists, who several years ago faced a higher level of job insecurity than perhaps any other specialists, are among the physicians in the greatest demand today. The number of radiology searches Merritt, Hawkins & Associates conducts annually increased over 500 percent between 1996 and 2000, while anesthesiology searches increased by over 900 percent.

In a survey of 254 hospital radiology departments conducted last year, Dallas-based U.S. Radiology Partners (USRP), a radiology management firm, found that 45 percent of hospitals are understaffed in radiology. Fifty-six percent of hospital radiology department heads surveyed by USRP indicated that staffing shortages were diminishing the quality of care their departments are able to provide. Moreover, staffing shortages are occurring at a time when radiology volume generally is increasing. The USRP study indicates that 71 percent of hospitals experienced increasing imaging volumes last year. Consequently, imaging department heads identified staffing as their number one strategic priority for 2001.

While physician shortages typically have been a rural phenomenon, there is some evidence that larger metropolitan areas are also experiencing physician deficits. Of the approximately 2000 physician searches Merritt, Hawkins & Associates conducted last year, 41 percent took place in communities of 100,000 people or more, up from 25 percent or less in the preceding five years. We now are conducting searches for specialists in cities that are major physician training centers and in resort areas, a phenomenon not previously observed.
What are the reasons for shortages in radiology and other specialties, and how can these shortages best be addressed? Following is an examination of these questions.

**Origins of the Shortage**

There are ten underlying reasons why the supply of radiologists and other physicians is insufficient to meet demand in many areas. These include:

- **Institutional misdiagnosis.** While it has been apparent to recruiters for some time that a broad-based physician surplus was not likely to materialize, this has not been the perspective of most physician supply experts. Government agencies and private institutions have consistently predicted a physician surplus since a 1980 report by the Graduate Medical Education National Advisory Committee (GMENAC). As recently as 1994, academics predicted in the pages of the Journal of the American Medical Association (JAMA) that the U.S. would have 135,000 too many specialists by the year 2000 and 25,000 too many generalists. These predictions have led to counterproductive policies and assumptions (see below).

- **Graduate medical education.** Anticipating an oversupply of specialists, academic medicine has worked to channel medical graduates into primary care residencies. This campaign has succeeded, and the number of graduates entering primary care residencies has dramatically increased in the last six years. By contrast, the number of residents in many specialties, including radiology, has decreased. According to an article in the October 10, 1999, edition of JAMA, there were a total of 4,236 radiology residents in 1993/94, a number which declined to 3,687 in 1998/99.

- **Patient preferences.** The gatekeeper model, which was expected to restrict access to specialists, has proved unpopular with consumers. Point-of-service plans and PPOs, which allow more direct access to specialists, are gaining market share over more restrictive plans.

- **The economy:** Although it’s slowing now, the economic boom has provided consumers with more money for elective procedures and the ability to pay for more comprehensive insurance. The budget surplus has allowed both political parties to endorse Medicare reform and a prescription drug benefit, ensuring continued high utilization of medical services.

- **Restrictions on IMGs.** International medical graduates (IMGs) have driven the growth in overall physician numbers in recent years. However, the new clinical skills assessment test imposed on IMGs is inhibiting the supply of foreign physicians. The number of IMGs seeking to be matched with U.S. residencies has dropped by over 20 percent since imposition of the clinical skills assessment test.

- **Changing practice patterns.** Young physicians today put a premium on “quality of life.” Many seek regular hours, set vacations and other trappings of traditional employment. We have found it sometimes takes two younger physicians to replace one older one.

- **Patient demographics.** The number of people 65 years or older will double by 2030, according to the U.S. Census Bureau. Data from National Imaging Associates shows that plain film and CT utilization rates triple for men after age 65.

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- **Physician demographics.** Approximately 30 percent of physicians are 55 years old or older, according to American Medical Association statistics (about 25 percent of radiologists are 55-plus). In addition, a much higher number of women are entering medicine than in the past. Female physicians work fewer hours per week than male physicians, and some evidence suggests they spend more time per patient.

- **Early retirement.** Data compiled by the American College of Radiology indicate that radiologists are retiring earlier in their careers than they used to. A survey of physicians 50 years old or older conducted by Merritt, Hawkins & Associates last year indicates that 48 percent of senior physicians plan to retire or seek non-clinical jobs in the next 1-3 years.

- **Technology:** New procedures, new therapies and new diagnostic techniques continue to drive the need for medical specialists. Nowhere is that more apparent than in diagnostic imaging.

   It is always a hazardous proposition to predict physician supply and demand trends, but given the high cost of medical education, the declining image of medicine as a career, and the static number of medical schools in the U.S., physician supply cannot be expected to increase in coming years, while demand almost assuredly will.

### A Strategic Response

Staffing at many hospitals and medical groups often is not conducted in a strategic, proactive manner. A need arises due to physician retirement or rising volumes and an attempt is made to fill it. Given current physician supply and demand trends, a more long-term plan is needed, along with consistent and aggressive follow-through. A strategic radiology staffing plan includes the following elements.

- **Needs assessment.** Many hospitals today, in concert with staff physicians and medical groups, are developing formal medical staff plans. These plans examine physician need in the service area projected over one to five years. A variety of issues are reviewed, including service area demographics. As stated above, age of the population is a critical factor. Utilization of mammography, for example, more than triples once women reach 45, while utilization of plain film among women doubles after 65. Access issues regarding location of services, rates of insurance coverage, and patient reliance on the emergency department also are reviewed, as are disease incidence, rates of surgery, imaging volume, occupational factors, and the age and gender of the existing medical staff.
Often, an examination of the medical staff reveals the need for succession planning. Many hospitals and groups are surprised, upon formal examination, to realize that 50 percent or more of physicians in a particular specialty are in their mid-fifties or older. Some medical staff plans include a survey of physicians questioning them about their retirement plans, their staffing needs, imaging volume trends and the general medical service needs of the community.

A formal staff plan allows for a more proactive response and can be useful in gaining support among staff physicians for the recruitment of additional physicians. In addition, federal government rules pertaining to physician recruitment by hospitals require the completion of such plans.

- **Retention.** The first rule in today’s highly competitive radiology staffing market is “don’t lose your own.” The current staffing market is national in scope, meaning hospitals and groups from around the nation (not just in your service area or state) may be vying for the services of radiologists your group or hospital currently employs.

- **Parameters.** If it is determined that the recruitment of additional radiologists is necessary, all parties involved in the recruiting process should first arrive at a consensus regarding prospective candidates parameters. Who are you looking for? What type of training and level of experience will you accept? What personal traits should the candidate exhibit? Agreement on candidate parameters allows for a timely decision. When a candidate matches agreed upon parameters, there is no need to “comparison shop.” An offer should be made to the first candidate who meets the group’s requirements.

- **Contracts/incentives.** Additional “front end” recruitment preparation includes consensus on the general terms of the employment agreement to be offered. A good deal of front end work and negotiation goes into identifying candidates, screening them, arranging interviews, etc. All this work can be brought to a standstill and critical delays may occur if the recruiting party has to wait for the agreement to “come from our attorneys,” or “get approved by corporate.” A climate of uncertainty exists throughout a search if terms are unclear that may cause a viable candidate to back off.

- **Sourcing.** It is imperative today to cast a wide net when seeking candidates. Journal advertising announces your opportunity to a national audience and remains an important sourcing method. Personal letters allow for a more targeted approach in which you can select potential candidates to contact based on specific parameters, such as their geographic area, training and years in practice. The Internet is gaining in importance as a candidate sourcing method, both through employment web sites and through web sites that hospitals and groups establish to promote themselves. It is important that the hospital or group’s site include an interactive function that allows candidates to email CVs directly. Networking with physician groups and residency programs to source candidates should be an ongoing activity.

- **Screening.** An effective screening process entails multiple hours of phone conversation with both the physician candidate and his or her spouse. All relevant professional and personal issues should be discussed, including practice style preferences and practice expectations. Without an extensive screening process, it is difficult to catch and proactively deal with candidate concerns that inevitably arise on virtually every search.

- **Interviewing.** The on-site interview should not be considered an introductory meeting. Given extensive screening of the candidate, the interview is an opportunity to confirm all that has previously been discussed and to interact with the candidate and his or her spouse socially to see if there is a meshing of personalities. A tour of the hospital, group and the community is mandatory, with a separate schedule planned for the spouse while the physician is in interviews. It’s important that the candidate’s principal contact be frank about the negatives but positive and diplomatic overall.

- **Responsiveness/availability:** Physicists, hospital and group administrators, radiology department heads and others involved in a search have multiple duties and limited time in which to discharge them. Appropriate priority, however, should be given to meeting staffing goals. This may mean making yourself available for interviews at less than optimal times. It also could mean rescheduling a meeting or other event to return a candidate’s phone call promptly. In a highly competitive market, a commitment of time and resources as well as personal availability can separate your opportunity from others candidates may be considering.

- **Decisiveness.** High-pressure tactics should be avoided in the recruiting process. However, it should be clear to candidates at the outset that a timely decision – pro or con – is expected within a set time frame. Every attempt to address candidate concerns or provide information should be made after the on-site interview, but negotiations should have a prescribed terminus. While it is fair to ask candidates to be decisive, the recruiting party also needs to make a timely decision. Again, this is easier when candidate parameters have been agreed to on the front end.

National demographic trends point to a greatly accelerated utilization of radiology services in coming years. As radiology moves into areas traditionally carved out by cardiologists, gastroenterologists and other specialists, utilization can be expected to increase even more. While digital imaging and teleradiology may lead to enhanced efficiencies, it seems clear that radiologists will remain in demand for the foreseeable future. Maintaining adequate staffing levels will therefore depend on the effective implementation of a strategic staffing plan.

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