

## Medical Staff Planning

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### Definition:

A planning tool prepared on behalf of a hospital to assess community need for physician services. The analysis considers the demand for physician services based upon the demographics of a defined service area and an analysis of the physicians currently practicing in the market. It considers not only the current state, but also entails five-year estimates based upon anticipated physician retirements and estimated population changes.

### Benefits:

The medical staff plan is essential for planning and regulatory compliance. As hospitals seek to fulfill their mission of insuring that the community they serve has access to needed healthcare services, potential gaps in the availability of physician services must be identified. From a business standpoint, a hospital must also be aware if physicians on their medical staff with high activity levels are approaching retirement. Failure to assist in the transition of such practices could result in the loss of patient volume to competitors or may force patients to seek services outside the service area. All recruitment efforts that entail financial assistance to independent physicians (such as income guarantees and student loan forgiveness) must be supported by an objective assessment of community need to pass regulatory scrutiny.

### Process:

- Meet with representatives of the hospital to define the service area and other key planning parameters
- Prepare physician database including the best available data regarding FTE status, age and activity level at the hospital to determine physician supply
- Analyze demographic data for the service area and apply demand ratios from relevant physician manpower studies to estimate physician demand
- Calculate need/surplus of physician services by specialty
- Conduct physician interviews

- Analyze trends in inpatient market share data by service line to quantify out-migration and track the hospital's progress toward achieving long term strategic goals;
- Prepare service area maps showing market share by zip code and showing physician practice locations; and
- Develop recommendations for future medical staff development activities by service line to achieve market share goals.

### Case Example:

For one of our hospital clients, the medical staff plan has become the organization's most important planning tool. Updated every year, the medical staff plan guides the year's physician recruitment efforts and assists in tracking the hospital's progress toward attaining its long term strategic goals. The document is a reference utilized by the hospital's planning department on a daily basis.