

ADDRESSING THE HEALTH CARE WORKFORCE CRISIS: Succession Planning and the Role of a Dynamic Provider Needs Assessment



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MARKET CHALLENGES IN HEALTH CARE WORKFORCE PLANNING

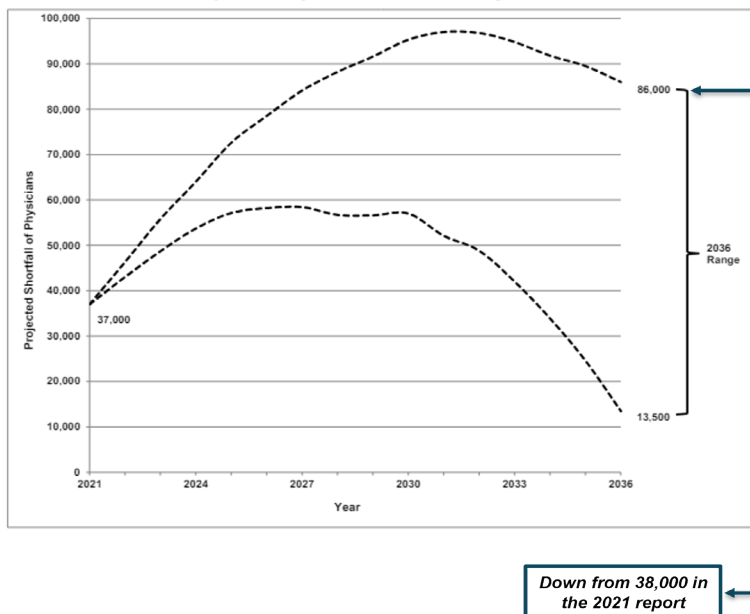
As health care organizations look to achieve greater financial stability after years of pandemic-related stress, they are also facing new and emerging headwinds that continue to make this pursuit difficult. These challenges include increased labor costs, a looming physician shortage, evolving care models with the shift to value-based performance, changing regulatory requirements, and the demand for greater patient access. Under pressure to improve system-wide performance while also ensuring proper staffing and continuity of care amidst an ongoing workforce crisis, organizations must make it a priority to align their employed and affiliated physicians and advanced practice providers (APPs).

ADDRESSING AN IMBALANCE IN CLINICAL SUPPLY AND DEMAND

Although many hospitals and health systems focus on determining the optimal mix of clinical providers, the unfortunate reality is that the demand for talent is outstripping supply in most physician subspecialties. Further, this talent is distributed unevenly throughout the country – making it even harder to recruit and retain clinicians in certain locales. The aftermath of the pandemic has further contributed to a critically understaffed industry due to physician burnout, nursing staff shortages, requests for expanded time off or reduced schedules, and a growing number of resignations and retirements.

Perhaps the most urgent challenge, however, is the predicted national deficit of physicians during the next decade – most notably across primary care and surgical specialties. This includes the “aging” of physicians in several specialties – which will only increase shortages. With additional variability in supply across regions as well, it is critical to understand the dynamics of the specific market in which your organization operates.

Anticipated Physician Shortage by 2036¹



Specialty Category	Estimated Physician Shortage Range
Primary Care	20,200 – 40,400
Medical Specialties	(3,700) – 5,500
Surgical Specialties	10,100 – 19,900
Hospitalists	(4,900) – 1,300
Other Specialties	(4,300) – 19,500

In contrast, the APP workforce is projected to nearly double by 2030 with an expected 54 APPs per 100 physicians.² The growth could have the most impact in primary care, where expected physician shortages are the highest.

Despite the need to address patient access, hiring more APPs and expanding their scope of practice may not be enough to fully address the combined physician shortages and the overall maldistribution of available talent. Furthermore, there is a cost to recruit and retain APPs in an increasingly competitive marketplace for talent.

ASSESSING CLINICAL WORKFORCE REQUIREMENTS AND SUCCESSION PLANNING

Accurately assessing changing service needs and clinical workforce staffing requirements is critical as national supply and demand continues to evolve. In addition to determining the right number and type of physicians and APPs required to operate effectively in the communities they serve, organizations must also address other needs from their workforce planning initiatives. This includes monitoring potential retirements and reductions in clinical productivity levels to help inform succession planning needs.

A comprehensive, and often accelerated, approach to succession planning is needed to address increasing levels of “aging” across several subspecialties. Although the average age of physicians is increasing overall (approximately 45% of all physicians are age 55 or older), there are many subspecialties where this percentage is much higher.³

Active Physicians by Age and Specialty³ Top 10 specialties with *MORE* than 50% of physicians above age 55

Specialty	% of Physicians Age 55 or Older ¹
Pulmonary Disease	92.4%
Preventive Medicine	71.4%
Anatomic/Clinical Pathology	70.9%
Cardiovascular Disease	64.9%
Thoracic Surgery	62.7%
Psychiatry	61.6%
Orthopedic Surgery	60.6%
Neurology	59.3%
Plastic Surgery	57.0%
Anesthesiology	56.9%

As more physicians ease into retirement over the next 3-5 years, having a succession plan in place can help fill key vacancies and support your organization’s overall talent strategy. When analyzing physician and APP surplus or deficit by specialty within a specific market, it is important to consider results for the current year as well as projecting five years out to account for changing demographics.

This is a key feature of SullivanCotter’s advanced [Provider Needs Assessment](#), which enables hospitals and health systems to identify, monitor, and predict recruitment needs over several years. Organizations should make it a point to regularly review and refine succession plans to ensure a strong pipeline of talent and determine where care delivery gaps may exist for a more sustainable future.

BENEFITS OF A DYNAMIC PROVIDER NEEDS ASSESSMENT

A Provider Needs Assessment (PNA) helps health care organizations to identify the optimal clinical staffing mix to operate effectively based on local population demographics and expected physician/APP utilization. Additional review of the risks for attrition due to aging and implications for unexpected attrition are increasingly important to better forecast overall recruitment and replacement needs within an advanced PNA approach.

Through an advanced claims-based calculation of demand and the ability to monitor and respond to changing provider needs in real-time, SullivanCotter’s interactive cloud-based PNA provides highly accurate and actionable data-driven intelligence to support ongoing recruitment, affiliation, and succession planning needs. An overview of our approach to workforce planning is included below. We complete both quantitative and qualitative assessments to help identify which physician and APP workforce needs should be prioritized.



THE EFFECT ON COMPENSATION

The demand for clinical talent continues to outpace supply and is placing upward pressure on compensation. With the anticipated shortage of Primary Care physicians projected to grow, many health care organization leaders will confront sustained pressure on pay levels for these roles moving forward.

SullivanCotter’s 2023 Physician Compensation and Productivity Survey reported the highest percentage turnover in Primary Care at 8.4%. This survey also revealed the most significant increases in median total cash compensation were within the Primary Care (9.5%) and Hospital-Based (8.7%) specialties. A more proactive approach to clinical workforce planning can help to tackle some of these challenges head-on and should remain an important strategic and operational focus moving forward.

SOURCES

1. AAMC - Complexities of Physician Supply and Demand: Projections from 2021 to 2036. [View source file](#)
2. New England Journal of Medicine - Growing Ranks of Advanced Practice Clinicians: Implications for the Physician Workforce [View source file](#)
3. AAMC – Physician Specialty Data Report: Active Physicians Age and Specialty. [View source file](#)

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