



*This article is one of a series of articles contracted by SVS to address issues, opportunities and obstacles that have an impact on vascular practices.*

## **Common Human Resource Challenges and Solutions for Physician Practices**

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**G**enerally, most independent physician practices spend sixty percent (60%) of their revenue on overhead expenses, including staffing costs.<sup>1</sup> Human resource issues tend to be among the top operational issues faced by physician practices. Unfortunately, practices don't have the time or resources to dedicate to human resource maintenance or take the conflict-avoidance approach in dealing with these issues. Either avenue can cause the practice to go into crisis mode – which, inevitably, leads to additional costs incurred by the practice (e.g., legal fees). Proactively managing and addressing human resource issues is key to reducing the overhead expenses of a practice and is even more critical with changes in healthcare delivery and payment, including the implementation of the Quality Payment Program (e.g., compliance with the Merit-based Incentive Payment System). The need to proactively address human resource issues become even more important as process-driven and team based care becomes critical to reimbursement.

This article discusses common human resource challenges and tips to create a practice culture that fosters growth and is collaborative, cooperative, patient-centered, and

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<sup>1</sup> MGMA 2015, Executive Summary Report on Cost and Revenue, available at <http://www.mgma.com/Libraries/Assets/Industry%20Data/Survey%20Reports/MGMA-2015-Cost-and-Revenue-Report-Based-on-2014-Survey-Data-Executive-Summary-Report.pdf?ext=.pdf> (last accessed on July 18, 2017).

compliant with applicable laws with the ultimate goal of saving money (i.e., reducing overhead expenses) for the practice in the long-run.

### **1. *Establish a Clear Mission and Develop a Business Plan***

Whether your practice has been in existence for years or you are starting a new practice, the first step to successfully operate your practice is to develop or re-evaluate, as applicable, the practice's mission and business plan. Both will serve as an anchor and a guide in implementing steps to achieve the goals and objectives of your practice.

### **2. *Practice Staff Recruitment and Retention***

The ultimate goal of any practice is to provide quality healthcare to its patients. A practice is only as good as its people so having engaged and qualified staff is critical to achieving your practice's mission and goals. Having a well-trained and qualified team who fit the needs and culture of your practice is critical to ensuring your practice runs smoothly, clinical and non-clinical personnel are happy, and patients are well cared for and satisfied. Support staff should be viewed as an integral piece of the practice and a means by which the practice can maximum efficiency, revenue production, and free up time for physicians and other clinical personnel to focus on patient care.

The first step in determining your practice's staffing needs is to conduct an operational needs assessment. The number of employees and positions required by the practice will largely depend on the scope of services your practice provides (e.g., specialty services, primary care, ancillaries), patient population, goals, and objectives of the practice. Once you determine the practice's staffing needs (e.g., practice manager; physician extenders; administrative staff; medical billing staff) through your operational needs assessment, you should develop clear and accurate job descriptions based on the assessment for each desired position. This process will enable you to carefully think through your practice's needs, the qualifications you are seeking in a potential candidate, and then set forth the expectations of the practice for the particular position. Having clear job descriptions and expectations will also guide the interview process and promote transparent communications with the potential candidate which, hopefully, will avoid hiring the wrong fit. Additionally, as part of the hiring process, the practice should consider performing background checks, program exclusion checks, credentials verification, require professional references, and implement a probationary period after the employment (e.g., 90 days) to allow for training and assessment of the employee during the established probationary period.

Once the practice has retained qualified staff, a solid retention plan should be implemented. Elements of your retention plan may include, for example, employee-specific or job-specific training programs (e.g., educational opportunities for clinical staff within specific specialties; HIPAA training) so that staff members are adequately equipped and trained to perform their jobs and have personal career growth opportunities, giving them a sense of investment in the success of the practice. Additionally, implementing a formal review

process, including rewards for contributions made by employees may foster a more collegial environment. After all, everyone wants to be recognized for good work. Simple gestures like remembering staff birthdays or other major life events and developing a “family atmosphere” in the office can go a long way to making staff feel they are integral to the practice’s success. Holding staff meetings to update staff on the practice’s upcoming events, goals, and objectives allow staff to feel connected to, and personally vested in, the practice. Identifying who staff report to (e.g., physician or manager), maintaining an “open door” policy, and holding regular staff meetings to allow for questions and issues to be raised and addressed openly and candidly will also help promote a culture where communication is valued, staff voices are heard, and issues are addressed.

### ***Physician Recruitment and Retention***

If one of your practice’s goals is to recruit more physicians, the practice should strategically consider how the practice can create and promote a culture and environment that is attractive to physicians. For example, if the practice desires to recruit younger physicians to train and develop so that they are equipped one day take over the practice, then the practice should take into account some of the reasons younger physicians are commonly choosing hospital employment over private practice. Survey data shows that one of the main reasons younger physicians are choosing hospital employment is stability and work/life balance.<sup>2</sup> The practice may consider developing policies to address these common issues and concerns raised by physicians, including for example, by offering flexible hours and scheduling; competitive salaries (which are within the range of fair market value and commercially reasonable); generous time off policies; leadership training programs; mentorship programs; and opportunity for promotion within, or ownership in, the practice.

Providing physicians with an opportunity to grow professionally, achieve a work/life balance, transition into leadership roles, and obtain ownership status may help employed physicians develop a sense of ownership and personal investment in the success of the practice, which, in turn, likely will improve the practice’s physician employee retention rate.

From an operational standpoint, the practice should draft and implement a hiring checklist for physicians and other health care professionals that include, for example the following:

- Draft and present job descriptions for the position (including, within the scope of licensure for the applicable position) to set forth the expectations for the position and guide the interview process
- Run the numbers to ensure that the practice can, from a financial standpoint, recruit and retain the candidate to avoid termination issues in the future

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<sup>2</sup> Page, Leigh, Medscape, *Employed vs. Self-employed Physicians: Who’s Happier: These Are the Tradeoffs* (June 14, 2016), available at <http://www.medscape.com/viewarticle/863852> (last accessed on July 18, 2017).

- Verify the candidate’s professional credentials (e.g., confirm valid license in place; no pending malpractice actions)
- Verify that the candidate is not excluded from participation in a federal health care program (e.g., not on the Office of Inspector General exclusions database)
- Determine whether to present the candidate with an offer letter outlining the terms of employment or an employment agreement (e.g., if the state is not an employee-at-will state) or an employment agreement is more appropriate given the position

### **3. *Regulatory Compliance; Employee Handbook and Policies and Procedures***

Depending on the size of the practice, the practice may be subject to various federal and state laws, which impact the operations of the practice, including the interview process (e.g., questions not to ask during an interview to avoid potential legal claims)<sup>3</sup> such as non-discrimination laws and regulations; and wage and hour laws including, for example, the Fair Labor Standard Act and Family Medical Leave Act.

Creating written policies, procedures, and an employee handbook is a useful way to communicate the practice’s policies and expectations to its employees, ensure the consistent application of such policies and procedures, ensure compliance with various federal and state laws and regulations, and serve as a communication tool between the practice and employees. Note that some employment policies are mandated by law to be physically posted where employees can easily access and view them. The U.S. Department of Labor (“DOL”) website provides an online poster advisor tool to help employers identify which federal DOL posters are required to be posted and obtain copies of such posters.<sup>4</sup>

If your practice implements an employee handbook, generally, the employee handbook should include the following:

- Acknowledgement page signed and dated by each employee and filed in the employee’s personnel file
- Statement that the employees are hired “at-will” (other than those who have specific contractual relationships such as physicians)
- Statement that the practice has the right to amend the policies at any time in its sole discretion
- Disciplinary procedures if an employee violates the policies, including, for example, written warning, required training, or termination of employment

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<sup>3</sup> See Vehling, Aaron, *5 Questions Employers Should Never Ask in Job Interviews*, *Law360* (February 10, 2016), available at <https://www.law360.com/articles/756720/5-questions-employers-should-never-ask-in-job-interviews> (last accessed July 18, 2017).

<sup>4</sup> U.S. Department of Labor, *elaws – FirstStep Poster Advisor*, available at <http://webapps.dol.gov/elaws/posters.htm> (last accessed July 18, 2017).

- Policy statements that note the employer is committed to provide equal opportunities in a non-discriminatory manner in compliance with all applicable laws (e.g., disability accommodations)
- Complaint procedures and whistleblower policies
- Standards of Conduct
- Operational policies such as attendance, confidentiality, leaves of absence, maternity, and benefits and time off policies. Note that specific clinical operational policies such as appointment scheduling, clinical care, healthcare regulatory compliance, medical records, billing and collections, and other clinical operational policies may be addressed in a separate policy manual.

Additionally, appointing a neutral human resource officer to whom employees may voice complaints and issues without fear of reprisal is important. Finally, we recommend engaging experienced labor and employment counsel experienced in unique physician practice nuances to help navigate through the various federal and state laws and regulations, which may vary depending on the state in which the practice is located, including, for example, ensuring the practice does not unintentionally create a contractual relationship with at-will employees through the employee handbook. Mention deceptively easy but pay the price later for wrong turn.

### ***Conclusion***

Although implementing the above human resource management recommendations may appear daunting, investing in the time and effort at the outset will help avoid potential costly and time-consuming human resource issues that may arise down the line for failure to do the same. Moreover, carefully planning and implementing human resource management processes will help ensure that all members of the practice are invested in the practice's success, work collaboratively, and play an integral role in ensuring high quality care is delivered to patients.

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