The Evolution of Radiology Employment: Corporatization, Generational Habits and the Gig Economy

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Disclosures

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• Oppe: No financial disclosures
Learning Objectives

• Discuss the effect changing work environments (e.g., corporatization and locums work) will have on the ability of practice leaders to recruit and retain the best talent.

• Employ innovative strategies such as remote working and flexible scheduling in order to appeal to a broader set of applicants.

• Consider methods to create a work environment that is welcoming and engaging to employees at all stages of life.
Reported Private Practice Model Changes

- Four in ten private practices (41%) overall reported discussing a model change or indeed having a change in practice model during the past three years.
- Practice size appeared to significantly impact the degree to which a model change was introduced or discussed. Both small and large-sized groups appeared to embrace a practice model change significantly more so than mid-sized groups:
  - 45% of groups with less than 10 radiologists reported a practice model change.
  - 19% of groups with 11-20 radiologists reported a practice model change.
  - 36% of groups with more than 20 radiologists reported a practice model change.
- Regional differences in practice model change:
  - Half of mid-west practices (51%) indicated they have discussed or changed their model in the past three years, whereas
  - Only one-quarter (25%) of practices in the Mid-Atlantic region similarly assessed a model change.

Most of those (48%) who indicated entering into practice model discussion indicated a ‘no change’ outcome to their practice:

- About one in six (17%) mentioned merging with another or other groups as a result.
- About one in 10 (8%) indicated they either joined an alliance or sold to a corporate structure.
Employment Trends: Corporatization in Radiology

**Corporatization**: The acquisition of part or all of the assets of a medical professional corporation by private equity, venture capital firms or public companies.

*Journal of the American College of Radiology* 2019, 16, 1364-1374 DOI: (10.1016/j.jacr.2019.07.003)
Corporatization in Radiology: What is the impact?

• For Radiologists
  • Early Career – employed model more attractive
  • Late Career – financial incentive to sell out
  • Loss of autonomy, work-life balance, productivity demands, org culture

• For Non-physician staff
  • Financial incentive to employ APPs
  • Outsourcing of technical staff – not yet

• For Administrators/Business Leaders – Negative Impact Noted (RBMA)
  • Consolidation = Fewer administrative personnel and business leaders
  • Impact on Professional Organizations such as RBMA – large entities create their own ‘best practices.’

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20% of the 40 largest radiology groups are investor owned or equity backed

2019 Group Practice Survey: The Exemplary 80
Dominant health systems still hold keys

Consolidation led to even greater market power

**Acquiring Competitors**
- Purchasing radiology-owned imaging centers, IDTFs

**Employing Providers**
- Employment increasing proportion of referring physicians
- 44% of physicians are employed by systems
- 70% Increase in employment from 2012-2018

**Merging Hospital Networks**
- Expanding capital, geographic footprint through consolidation
- 94% of Imaging Performance Partnership members are part of multi-hospital systems
- 20% Growth in number of hospitals in health systems from 2004-2014

Percent of imaging conducted in HOPDs compared to private offices:
- 42% in 2008
- 47% in 2017

Source: "Updated Physician Practice Acquisition Study", Physician Advocacy Institute, January 2019, http://www_physicianadvocacyinstitute.org/reports/2016_17116-
Discussion Points

How will small and mid-sized groups compete with large, corporate owned/equity backed practices?

Sub-specialization?

24/7/365 Coverage?

On-site coverage for small community/critical access hospitals?

Equipment and Technology Upgrades?
Remote Reading and Flexible Scheduling – Our Experience

• Increases applicant pool for hard to fill positions/locations
• 25% of our radiologists (100% of night group) live outside of our community
• Travel is expensive and at times unreliable
• Positions are hybrid...mixture of on-site and remote reading
• Group approval
• Mutually beneficial
• Not unique to radiology: At Carle other shift based services such as ED, pediatric surgery and hospital medicine have this arrangement
Night Radiologists at Carle – Hybrid Remote Reading

• 4 Radiologists in Section
• Work 7 days of overnight and 5 swing (2p – 10p) shifts per 4 week period
• Swing shifts all performed remotely
• Option of performing up to 50% of overnight shifts remotely
• Night radiologist arranges backup for procedures/downtime from members of day group. Income transferred to backup radiologist
• Option to cover open day shifts remotely for additional pay
• Shift based compensation – remote reading weighted 10% less
Daytime Flexible Scheduling - Compression

- Out of state NM/body imager
- Works compressed schedule to allow maximal home time
- Monday: Half Day remote
- Friday: Full shift, broken up - half remote
- Tues-Thurs: works longer shifts, covering late PM shifts

Mutually beneficial arrangement:
- Radiologist gets more home time – Friday PM through Tues morning
- Remainder of group covers less late PM shifts (Half of all late pm shifts covered)

Under consideration: Radiologist “Sabbatical” – extended periods of remote coverage
- May consider expanding to other radiologists to improve PM coverage
Pain Points and Caveats

• Cost – all radiologists get home workstation (approx. $4000)
• Medicare reimbursement for out of state reads
• Group approval – especially in small sections
• Production and Quality auditing
  • Are they available, accessible?
  • Are there productivity/coverage gaps
• Group engagement: communication and participation within group
• Scheduling inequities: procedures, conferences, other non-reading tasks
• More difficult to add value: referring clinician relationships
• Staff interaction, communication logistics
• IT Considerations – PACS speed, IT support
Case Study: MBB Radiology’s Ongoing Shift Auction

Overview of MBB’s Auction Process

- Shift schedule released every four months
- Radiologists given option to swap, or put their unwanted shifts back “on the market”
- MBB scheduling coordinator collects shifts from radiologists looking to “sell,” matches them with radiologists looking to “buy” on one-by-one, first come first serve basis
- Willing parties sign written agreement noting transaction; coordinator makes change to financials to reflect transaction

Considerations When Implementing Shift Auctions

- Limit number of shifts a partner can sell to prevent selling down to a significantly reduced workload
- Set a maximum number of shifts a radiologist can work to prevent burnout from buying extra shifts
- Consider returning difference in shift rates to groups, to ensure parity in transferring shifts between junior, senior partners

“There is not a single physician in the group that has not taken part in buying/selling their shifts.”

Terry Brown
COO, MBB Radiology
Discussion Points

• How many in attendance are using remote reading or flexible scheduling to help attract and retain radiologists or add specialty coverage?

• What advantages/disadvantages of this type of arrangement have you experienced or do you foresee?

• How are these arrangement accepted or perceived by others outside of the radiology department eg. Referring clinicians or hospital leadership?
Generational Considerations in the Radiology Department

So, apparently Gen Z is going after Gen X, calling us the "Karen" generation. IMO, this shows a foundational misunderstanding of what it means to be Gen X. We're used to being dismissed and denigrated. If you're waiting for outrage, you'll be waiting a while.
Age distribution trend of Workforce stable

• The overall distribution trends have been consistent from 2012 through 2019
  - About four in ten 45 or under
  - Approximately 50% between the ages of 46 and 65
• Based upon this distribution, the average age is about 50 years

Note: Average age of Radiologists and Members appears to be slightly higher at 54 years via 2017 membership tracking study
What is “Engagement?”

Employee engagement does not mean employee happiness. Someone might be happy at work, but that doesn’t necessarily mean they are working hard, productively on behalf of the organization. While companies may offer free massages and Friday keg parties, these are fun—making employees happy is not the same as making them engaged.

When employees care—when they are engaged—they use discretionary effort.

This emotional commitment means engaged employees actually care about their work and their company. They don’t work just for a paycheck, or just for the next promotion, but work on behalf of the organization’s goals.
<table>
<thead>
<tr>
<th></th>
<th>Veterans</th>
<th>Baby Boomers</th>
<th>Generation X</th>
<th>Millennials</th>
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</thead>
<tbody>
<tr>
<td><strong>General Qualities</strong></td>
<td>Straightforward, Thorough, Reluctant to change, Uncomfortable with conflict</td>
<td>Desire to please, Service-oriented, Social, Driven</td>
<td>Adeptable, Independent, Creative, Openly speak opinions</td>
<td>Multi-taskers, Tolerant, Tenacious, Highly involved</td>
</tr>
<tr>
<td><strong>Communication</strong></td>
<td>Formal, Memo</td>
<td>In-person, Telephone</td>
<td>Direct, Immediate, Email</td>
<td>Limited In-person, Texting, Social Media</td>
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<tr>
<td><strong>Work Ethic</strong></td>
<td>Hard work, Respect authority, Duty, Adhere to rules and policy</td>
<td>Workaholics, Question authority, Driven to succeed, Team player</td>
<td>Work-life balance, Self-reliant, Entrepreneurial, Telecommuting OK</td>
<td>Looking for meaning, Dedicated, Goal-oriented, Desire to ‘do it all’</td>
</tr>
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The Multigenerational Radiology Department

• Millennials want:
  • Pay AND Lifestyle – with flexibility!
  • Work With Purpose
  • Rapid Advancement
  • Career Development/Education
  • Boomers to Teach Them
  • The newest tech

• Boomers Want:
  • Part-time employment with flexibility – ease into retirement
  • Millennials to quit their whining

• Gen Xers Want:
  • Millennials and Boomers to quit fighting so we can get the work done!
Work With Purpose

“...keeping our focus on patients – our perpetual north star – works.” - James Leonard, M.D.
CEO Carle Health System

- Organizational culture emphasizes patient centered care and congenial work environment
  - HR has special working group on millennial engagement
- Decisions are based on what is best for the patient, not finances
- Radiology leadership emphasizes the department’s role in organizational initiatives: Centers of Excellence, Research, Program Building
Rapid Advancement

• New radiologists are given some form of leadership within 6 months of hiring
• Newly trained subspecialists are engaged for expertise
• Formal leadership training provided by health system to educate emerging leaders
• Advantage of employed position is opportunity to participate in leadership activities outside of radiology
Education and Development

• All new professional staff provided an intradepartmental and organizational mentor

• Incentivize radiologists to give techs feedback (positive and negative)

• Monthly educational seminars for radiologists and technologists
  • Improves Staff – Physician relationships
  • Improves Imaging Quality

• Non-physician staff have opportunity to perform “tech ladder”
  • Commitment to continue education, take on additional responsibilities and improve work quality with commensurate increase in pay
Technology Considerations

• Be cognizant of communication preferences: e-mails don’t cut it
• Engage your tech savvy new hires in major equipment and informatics systems purchases – they might just save you from a costly mistake!
• Flexible work arrangements such as remote reading require special technology considerations – fast PACS, zero footprint viewer, server side rendering
• One size doesn’t fit all
What about our Boomers?

Case Study: Rousseff Radiology’s Pre-Retirement Track

Part-Time Shareholder Option Available for Tenured Radiologists Near Retirement

**Program:** 2-3 year wind down, transition period for tenured radiologists

**How It Works:**
- Shareholders given option to adjust hours to 50-90% of peers, but still retain shareholder status
- Paid percentage of partnership income based on hours; contribute proportional amount to call, weekend coverage

**Eligible Participants:** Shareholders who’ve been working with group for 20 years or more

**Maximum Time Allowed:**
Three years; participants then retire or can negotiate employment agreement

**Model Benefits**
- Near retirement radiologists enjoy flexibility, ownership
- Group retains experienced radiologists with strong referral relationships for longer
- Helps group leaders backfill, plan for replacement
Discussion Points

• What steps do you take in your practice to recruit, engage and retain members of different generations?

• Have you made any changes to the work schedule or other operational functions to accommodate the needs/wants of millennials?

• Do you have a formal mentorship program? If so, do your employees find it beneficial?

• Do you foresee the desire of millennials to have work-life balance and flexibility driving people into the gig economy (e.g., Locums/travel assignments)?
Thank you for your participation!