Changes in Pathologist Recruiting, Hiring, and Retention: What Your Pathology Lab Needs to Know to Stay Competitive.

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Topics

- The Current State of the Market
- Compensation Trends
- Benefits Trends
- How to Attract Top Talent
- What’s Changed
- Forecast
The State of the Market

Candidate Pool*

Total number of Board Certified Pathologists in the United States:

23,722

- Anatomic and Clinical – 16,196
- Anatomic Only – 5,367
- Clinical Pathology – 2,159

*2012 ABMS Certificate Statistics
## State of the Market
(Continued)

### Sub-Specialty Statistics (US and Canada)

<table>
<thead>
<tr>
<th>Speciality</th>
<th>Number</th>
<th>Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Blood banking/ Transfusion</td>
<td>1156</td>
<td>&gt;33</td>
</tr>
<tr>
<td>Cytopathology</td>
<td>3423</td>
<td>&gt;126</td>
</tr>
<tr>
<td>Dermatopathology</td>
<td>1293</td>
<td>&gt;49</td>
</tr>
<tr>
<td>Immunopathology</td>
<td>163</td>
<td>&lt;1</td>
</tr>
<tr>
<td>Neuropathology</td>
<td>753</td>
<td>&gt;31</td>
</tr>
<tr>
<td>Chemical</td>
<td>151</td>
<td></td>
</tr>
<tr>
<td>Forensic</td>
<td>1281</td>
<td>&gt;29</td>
</tr>
<tr>
<td>Hematology/ Hematopath</td>
<td>2074</td>
<td>&gt;117</td>
</tr>
<tr>
<td>Medical Microbiology</td>
<td>258</td>
<td>&gt;10</td>
</tr>
<tr>
<td>Molecular Genetic</td>
<td>242</td>
<td>&gt;60 (33% Increase)</td>
</tr>
<tr>
<td>Pediatric</td>
<td>391</td>
<td>&gt;33</td>
</tr>
<tr>
<td>Radioisotope</td>
<td>216</td>
<td>&gt;3</td>
</tr>
</tbody>
</table>

2012 ABMS Statistics
The State of the Market*
(Continued)

In 2011, of the 602 residents who completed training in AP/CP, Program Directors knew of the plans of 554 (92%):

- 2: Average job offers received per resident
- 478 (83%): Decided to pursue additional fellowship training
- 124 (17%): Pursued other options
  - 61.9% went into Group Practice
    - 47.6% In the same state as they trained
  - 5.6% went into academics
  - 2.3% went into military
  - 4.8% in NHSC or underserved area
  - 2% Non-clinical research
  - 0% left the country
  - 0% were unemployed

There are approximately 450 Fellows Graduating every year.

*AMA FREIDA Online 2011 Graduates’ career plans statistics
The State of the Market (Continued)

Practicing Physicians:

MGMA estimates 5% movement annually (1186 Total)

40% of Practicing Physicians change jobs in the first 5 Years.

WHY?
Top Six Sub-Specialties in DEMAND
Top 6 Sub-Specialties in Demand*

1. **Molecular Pathology**
   - 36 Fellows Completing Per Year
   - 242 Board Certified (ABMS)
   - 46% pursuing additional training
   - 25% went into practice
   - 25% went into academics
   - 4% Other
The State of the Market
(Continued)

2. Hematopathology
- 118 Fellows
- 2074 Board Certified (ABMS)
- 32.3% Went into private practice
  - 90% in the same specialty
  - 19% in the same state
- 30.2% Pursued additional training
- 31% Went into Academics

3. Dermatopathology
- 69 Fellows Completing
- 1293 Board Certified (ABMS)
- 65% went into private group practice
- 26% went into academics
- 2 % pursuing additional training
- Approximately 25-30% are Dermatologists
The State of the Market
(Continued)

4. Cytopathology
- 118 Fellows Completing Per Year
- 3423 Board Certified (ABMS)
- 29% went into private practice
- 42% went into academics
- 22% pursuing additional training
- 6% Other

5. GI Pathology
- 31 Programs
- Privately Funded Fellowships
- 475 Fellowship Trained (EST)
- 20% went into academics
The State of the Market
(Continued)

6. **Genitourinary Pathology**
   (GU-Path)
   - 11 Accredited Fellowships
   - Privately Funded Fellowships
   - 420 Fellowship Trained (EST)
   - 20% went into academics
The State of the Market
(Continued)

Practice Setting Choices
(In order of demand)

Academics

Single Specialty Groups
- Hospital Based
- Free Standing Lab
In House SSG Practice (TC/PC) Model (6%)
(remaining 42%)

Esoteric Testing Laboratories

Commercial Laboratories (Quest and Lab Corp 15%)

Multi-specialty Group

Government
Who’s Hiring?

187 Openings

Breakdown by Employment Type

- 64% Academic
- 17% Hospital based
- 12% Private Labs
- 6% Commercial
- 1% SSG
Who’s Hiring?

187 Openings

- **Breakdown by Specialty Type**
  - 35% General Surgical Pathology
  - 11% Chief/ Directorship
  - 8% Molecular
  - 8% Cytopathology
  - 6% Hematopathology
  - 6% Dermatopathology
  - 5% GI Pathology
  - 21% Other (Renal, CP Only, Neuro, Peds, etc.)
Compensation Trends
Compensation Trends

- Conservative starting salary
- Terms less flexible
- Risk sharing models
- Higher workload volume expectations
- Decline in bonus structure (less defined)
- Decline in reimbursement (National Correct Coding Initiative) NCCI
Market Trends

According to Lab Economics

- The AP market will grow by an average 6% to 7% between now and 2015.
- Declining reimbursement and the growing number of specialty physician groups building histology labs is the biggest challenge facing pathologists.
- Molecular Pathology is the future of pathology.
- Growth is the strongest in pharmacogenomic testing.
## Compensation

<table>
<thead>
<tr>
<th>Source</th>
<th>Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economic Research Institute</td>
<td>$285,000</td>
</tr>
<tr>
<td>Medscape</td>
<td>$261,000</td>
</tr>
<tr>
<td>MGMA</td>
<td>$354,750</td>
</tr>
<tr>
<td>AMGA</td>
<td>$354,917</td>
</tr>
<tr>
<td>Santé Consulting</td>
<td>$282,000</td>
</tr>
<tr>
<td>Overall Average</td>
<td><strong>$302,111</strong></td>
</tr>
</tbody>
</table>
Compensation

National Salaries

- Pathologists in the U.S. earn a median salary of $249,164, according to Salary.com. The middle 50th percentile salary range is $215,279 to $290,488, with a bottom 10th percentile median salary of $184,236 and a high-end figure of $334,334. The American Medical Group Association’s Physician Compensation Survey places pathologists’ median salary at $354,917.
## Starting Compensation By Sub-Specialty Fellows

<table>
<thead>
<tr>
<th>Specialty</th>
<th>Compensation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hematopathology</td>
<td>$225,000</td>
</tr>
<tr>
<td>HP- Molecular Path</td>
<td>$240,000</td>
</tr>
<tr>
<td>Dermatopathology</td>
<td>$275,000</td>
</tr>
<tr>
<td>Cytopathology</td>
<td>$200,000</td>
</tr>
<tr>
<td>GI-Pathology</td>
<td>$240,000</td>
</tr>
<tr>
<td>GU-Pathology</td>
<td>$240,000</td>
</tr>
<tr>
<td>Experience AP with Directorship</td>
<td>$350,000</td>
</tr>
<tr>
<td>AP / CP only with No fellowship</td>
<td>$190,000</td>
</tr>
<tr>
<td>Academics</td>
<td>$185,000</td>
</tr>
</tbody>
</table>
Standard Benefits

- 98% Relocation (avg: ~ $12,500)
  Low: ~ $2500; High: ~ $25,000)
- 85% Signing Bonus (avg: ~ $7,500)
- 96% CME (avg: ~ $4000)
- 91% Health Insurance
- 94% Paid Malpractice Insurance
- 85% Retirement Benefits
- 75% Long and Short Term Disability
<table>
<thead>
<tr>
<th>Category</th>
<th>Description</th>
<th>Starting</th>
<th>Experienced</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vacation Time</td>
<td></td>
<td>3-4 Weeks</td>
<td>4-6 Weeks</td>
</tr>
<tr>
<td>C.M.E.</td>
<td></td>
<td>5 Days</td>
<td>10 Days</td>
</tr>
<tr>
<td>Sick Days</td>
<td></td>
<td>Average: 5 days</td>
<td></td>
</tr>
<tr>
<td>Personal Days</td>
<td></td>
<td>Average: 3</td>
<td></td>
</tr>
</tbody>
</table>
Expected Volume Trends

Private Practice - Non Academic
- 4000-4500 (Combined in/out patient) Surgicals Per FTE
- Concerns with Part-A Compensation Models

Commercial Labs
- Low: 18,000-24,000 Per FTE
- High: 24,000-36,000 Per FTE

Variables: Types of cases, complexity, reporting system, quality of slides and efficiencies
Hospital Employed

- Base compensation $175-$250K range
- 1-2 year contract term
- Bonus based on customer satisfaction or an RVU based system
- Annual merit increase
- Standard benefits
Single Specialty Groups
Hospital Based

- Stability
- Ability to maintain all skills
- Interaction with clinical staff
- Committee work
- Partnership
- Access to the decision makers/ partners
Single Specialty Groups
Compensation

- Typical starting salary is between $180-$250K
- Small bonus for the first couple of years
- Excellent retirement savings
- Partnership offered in the 2-5 year range
- Generous time off
- Car allowance, cell phone, pager and computer
Sub- Specialized
Single Specialty Groups

Employed Model

- Base compensation between $220-$300K
- Bonuses paid out either by the case or by a percentage of the profits
- Partnership is not a given
- Same benefits as the partners
Net income guarantee

Paid by the CPT code (range of $15-$30)

Partnership not a given

Contractor has to provide own benefits

Expected volumes vary by sub-specialty
Commercial Laboratories

• Salary
  Range of $225K-$350K based on experience, certification, sub-specialty and training.

Example: A board certified dermatopathologist with 3 years of experience would be offered, typically, a base of low to mid-$300K.

• Annual pay increases average between 2-10%. The variable is based on company and/or employee performance.

• Variable Compensation Plan
How To Attract Top Talent
Things to Consider...

Time Line (6-9 months)
What candidates are looking for from their perspective employer

- Job stability
- Fair compensation
- Quality of Life
- Cohesive group
- Time off
- Benefits
- Equity or partnership
- Performance Feedback
- Honesty
- Ability to sign-out interesting cases
- No or little travel
Questions to Ask

- Can you tell me a little about yourself?
- What was the best/worst experience in your residency and or fellowship training?
- Tell me about your most difficult case and how you handled it.
- What attracts you to this opportunity?
- What special skills/experiences do you bring to the job that others may not?
- What are your strengths/weaknesses?
- What are your salary expectations/needs?
- Where do you see yourself in 3-5 years?
- Prepare for behavioral based interview questions.
Interviewing Tips

- Test The Candidate
- Prepare for the interview (Itinerary)
- Meet the Candidate at the Airport or Hotel
- Brief everyone that included in the interview
- What is your strategy?
- What is your vision?
- Plan a social event
- Itinerary for the spouse
Things to Consider...

- Family Considerations
  - Quality of Life
  - Location
  - Spouse/Significant Other
  - Children
  - Culture
  - School Systems
Things to Consider...

- Financial Considerations
  - Starting Salary
  - Signing Bonus
  - Benefits
  - Partnership
  - Loan Forgiveness
How do Physicians Find Jobs?

- Personal Networking: 39%
- Physician Recruiters: 25%
- Internet: 15%
- Residency Program: 13%
- Journal Advertising: 6%
- Specialty Society: 2%
“Poor cultural fit” was the number one reason physicians voluntarily resigned from their current position; followed by “relocated to be closer to family”.

<table>
<thead>
<tr>
<th>Reason</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Poor cultural fit</td>
<td>50%</td>
</tr>
<tr>
<td>Relocated to be closer to family</td>
<td>32%</td>
</tr>
<tr>
<td>Seeking higher compensation</td>
<td>26%</td>
</tr>
<tr>
<td>Other</td>
<td>26%</td>
</tr>
<tr>
<td>Find better community fit</td>
<td>22%</td>
</tr>
<tr>
<td>Spouse’s job required relocation</td>
<td>18%</td>
</tr>
<tr>
<td>Incompatible work schedule</td>
<td>8%</td>
</tr>
<tr>
<td>Excessive call requirements</td>
<td>6%</td>
</tr>
</tbody>
</table>
Retention

- Meet with the new hire regularly
- Give the Guidance
- Sense of Community
- Physician Mentor
- Don’t set up false expectations
Changing Times

- Competitive Job Market
- How are retiring pathologists affecting the market
- Academics on the Move
- Extended Timeline
Forecast

- Molecular is Hot
- Shortage
- Stabilization
- Private Sector (Positions)
Thank You!
Questions?
Sources

AMA  Frieda Online
ABMS  Certificate Statistics
MGMA  Compensation Survey
AMGA  Compensation Survey
Cejka  Resident Tools
Slone Partners  Compensation data
Sante Consulting

The US Anatomic Pathology Market Forecast and Trends
by Laboratory Economics
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President
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