

# Creating Your Team

## Chapter FastFACTS

- 1. Demand for mid-level practitioners is growing.**
- 2. It can take six months to a year for mid-level practitioners to start paying for themselves in terms of increased practice revenue.**
- 3. Your mid-level practitioner may need special certifications beyond a license (e.g., urgent care).**
- 4. Before hiring, some practices pay candidates to work with them for a day to evaluate their suitability.**
- 5. Mid-level practitioners can be paid a straight salary, a variable salary based on productivity, or some combination of the two.**

**H**ow do you find a PA or NP who's compatible with your practice needs, and create a compensation package and work situation that will entice him or her to your practice? Although they are not partners in a practice, mid-level practitioners are in many respects more like colleagues than employees. Take into account not only their professional competence and personality, but also their practice patterns, which need to be compatible with yours. (If not, evaluate the candidate's flexibility: Will he or she be willing to try to do things your way?)

While the number of mid-level practitioners is growing, the demand for their services is growing even faster. You will be in

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competition with hospitals, other physician practices, and retailer-based walk-in clinics (see “Why Be a Preceptor?”). In many places NPs also have the option of opening their own practice. How can you ensure that your practice will be the one they



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**Judy Capko**

Founder

Capko & Company  
Thousand Oaks, Calif.

choose? “It’s probably going to boil down to money, flexibility of hours, and what kinds of productivity demands you’ll make,” says consultant Mr. Hunt. Another factor is the scope of their duties.

The first step is a careful assessment of your needs. David Zetter, a practice management consultant with Zetter HealthCare in Mechanicsburg, Pa., generally starts with a detailed analysis to determine whether the practice needs and can afford an extra provider. If providers in your practice are scheduled six to eight weeks out, it’s probably time to start looking for another provider; or your patients are going to find another doctor, Mr. Zetter says. Other factors to consider are these:

- How many patients each provider sees per day
- How long patients have to wait once they arrive at the office
- How quickly an acute patient can get an appointment
- How quickly a new patient can get an appointment
- How many calls the practice gets per week, on average, for new patients, same- or next-day appointment requests, and physicals

Consultant Judy Capko, founder of Capko & Company in Thousand Oaks, Calif., and author of *Secrets of the Best-Run Practices*, advises next shining up your practice’s public image before starting your search. “Candidates really do their home-

work before the interview,” she says. “They have Googled you and looked at your Website—and some practices have pretty bad Websites. What they see will make a difference to them.” However, the most important factor is looking for a candidate who will fit in, she says. “You should stay grounded when you’re interviewing, and find out if the candidate’s goals are the same as yours. You need to be honest, or you’re not going to get a good fit.”

### Will It Pay Off?

If you determine that hiring a mid-level practitioner would work for you, the next step is to estimate how long it will take to get a new person to generate revenue equal to (and preferably greater than) his or her cost to the practice. Mr. Zetter says mid-level practitioners can take six months to a year to start paying for themselves in increased practice revenue. When computing your break-even point, consider the following factors:

- **Starting salaries.** These vary for NPs and PAs based on their experience and specialty, as well as geographic region. (For details of salaries categorized by practice setting, see “Salaries for Mid-level Practitioners,” and by location see “Salaries for Mid-level Practitioners by Region.”)
- **Benefits,** including vacation, health insurance, retirement contributions, malpractice insurance, professional journals, association dues, and CME allowance. Expect to pay at least an additional 25% above the salary to cover benefits, Mr. Zetter says.
- **Types of patients** the provider will see.
- **Likely reimbursement for those patients** based on your practice’s payer mix and the payers’ policies on reimbursement for mid-level services (see Chapter 4 for more infor-

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mation on this topic).

Once you have a rough figure based on these estimates, you can compute how many patients a provider would need to see per week to cover his or her costs, and you can figure out whether you can keep an extra person busy enough to justify the expense. Mr. Peltz recommends doing this cost analysis for at least a year's worth of data before committing to making a new hire. If you haven't collected all these pieces of information in the past, start now.

Remember that these providers won't be productive on day one, Mr. Zetter cautions. "They'll be learning your system, getting credentialed at your hospital, and learning how you want them to take notes, code, and bill," he says. Mid-level practitioners tend to learn more about coding in their training than physicians do, but he says they still frequently report that they were undertrained.

### **Setting Expectations**

To find the right mid-level practitioner for your practice, it's important to decide up front what kind of person you want and how you want to work. Do you want the practitioner to team up with one or more physicians and take care of his or her patient panel consistently, or to be available for whatever patients come in, regardless of which primary care physician they have? Do you want the practitioner to focus on physicals, care of chronic illnesses like diabetes, or same-day acute visits? Will you need someone who can practice alone, with a physician available for phone consultations, or will a physician always be at the same location? NPs can practice without direct supervision, and in some states are even allowed to have their own practices. PAs must generally have immediate access to a physician although state requirements vary on the specific form that this type of access must take.

Practice management consultant Kathy Moghadas, owner of Associated Healthcare Advisors, Winter Park, Fla., says some physicians just aren't ready to incorporate a mid-level practitioner into their workflow. She worked with a cardiologist who insisted on seeing every patient that his mid-level practitioner saw, whether or not that staff member requested his help. "He

wasn't saving time," she says.

Also consider how experienced you want the person to be. Someone who has recently entered the field won't command as

## Salaries for Mid-level Practitioners

Nurse Practitioners			
Primary Work Setting	2010 Salary	2009 Salary	Change in %
Cardiology clinic	\$100,881	\$90,159	+11.9%
Hospital	93,943	93,694	+0.3%
Internal medicine	88,287	88,903	-0.6%
Family practice	86,518	86,520	-0.0002%
Pediatric practice	85,618	83,926	+2.0%
Women's health	83,687	83,319	+0.4%

Physician Assistants	
Primary Work Setting	2010 Salary
Cardiology practice	\$109,030
Emergency department	103,489
Hospital unit other than ED	97,680
Family practice	90,528
Women's health practice	87,974
Pediatric practice	86,894

(Note: The survey did not collect PA data in 2009. Hospital categories are included for comparison. Practice types varied slightly between NP and PA survey respondent groups.)

Average Mid-level Salaries, 2010		
	Full-time salary	Part-time hourly rate
Nurse Practitioner	\$90,770	\$43.77
Physician Assistant	96,876	51.11

Source: ADVANCE for NPs and PAs, National Salary Report 2010. (For complete survey results, see <http://nurse-practitioners-and-physician-assistants.advanceweb.com/Features/Articles/National-Salary-Report-2010.aspx>.)

high a salary as one with years of experience, but you'll spend more time breaking that person in, says Mr. Peltz. "With someone established, you'll have less training time, as long as you're accepting of their clinical pathways," he says. On the other hand, you can shape the way a new NP or PA practices, teaching your practice's protocols—for example, conducting annual physicals or treating specific problems.

### **Finding Candidates**

Plenty of recruiting firms exist to help you find a mid-level practitioner; but Mr. Zetter, who conducts such searches for his clients, finds he usually doesn't need to use them. Instead, he advocates advertising online. Three major mid-level professional organizations—the AAPA, the AANP, and the American College of Nurse-Midwives—use the same online service as their job board: HealthCareers ([www.healthcareers.com](http://www.healthcareers.com)). You can post your opening here for a month for a few hundred dollars (rates vary depending on how many ads you want to run and for how long). You'll receive applications via email.

Mr. Peltz also recommends running ads on your local Craig's List, on the general job board Monster.com, and in your local newspaper classified section if you are in a large city. If you have a mid-level training program nearby, it's useful to strike up a relationship there (see "Why Be a Preceptor?"). The AANP has a searchable database of training programs in the "Education" section of its Website at [www.aanp.org](http://www.aanp.org). A complete list of PA programs is available at the Physician Assistant Education Association ([www.paeaonline.org](http://www.paeaonline.org)). Mr. Peltz also recommends networking with any local chapters of the NP or PA professional organizations (see "For More Information").

### **Evaluating Applicants**

Once you start receiving applications, the hardest part begins. Ms. Moghadas says finding the right mid-level practitioner for your practice is a combination of chemistry and competence.

Mr. Hunt recommends starting with a background check. "For starters, check to make sure their license is still good," he says. One of his clients hired a PA who was very skilled with patients but not so skilled with paperwork: she had let her license lapse.

## Why Be a Preceptor?

One excellent way to find a compatible PA or NP, especially if you like teaching, is to help train them. Your local college or university may be looking for preceptors to host its NP or PA students for the clinical part of their training. Many programs need training sites, especially for family medicine, internal medicine, women's health, pediatrics, obstetrics, and cardiac surgery, says Kevin Lohenry, program director and associate professor of the PA program at Midwestern University in Glendale, Ariz., and president of the PA Education Association (PAEA). Students in PA programs typically do a four-to-six-week rotation. Traditionally practices don't receive monetary compensation for preceptorships, though most programs provide continuing education courses or library services as a benefit for precepting, according to PAEA surveys.

Students will expect to have opportunities to develop the skills they'll need in practice, including these:

- Obtaining health histories
- Performing complete physical examinations
- Distinguishing between normal and abnormal findings
- Performing and/or ordering appropriate screening tests
- Developing appropriate treatment plans for patients with health promotion/maintenance needs
- Accurately documenting history and examination findings in the patient record

The way you introduce the student is important for patient acceptance, Mr. Lohenry says. "You can say, 'Hi, we have this student,' or 'I am so excited to introduce our PA student!' It's all in your attitude," he says. You probably already have a good sense of which patients will welcome a student and which won't.

She treated patients for several months without a license; and when the lapse finally came to light, the state fined her \$5,000 and made her take additional continuing education. The practice helped her get re-licensed and then rehired her. "Now all the license notifications come to the office, and they don't trust practitioners to manage those affairs," Mr. Hunt says.

You can check certification for a PA on the home page of the National Commission on Certification of PAs ([www.nccpa.net](http://www.nccpa.net)) using the applicant's name or Social Security Number. NP cre-



dentials can be verified for a fee at the American Nurses Credentialing Center (<http://www.nursecredentialing.org/>), a subsidiary of the American Nurses Association. The procedure for verifying



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**Jackie Coult**  
President  
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Holladay, Utah

a state license varies from state to state (see Chapter 5 for details).

While credentials are important, references also play a key role. You’ll want to find out not only what kind of employee the candidate is, but also what kind of colleague and care provider. “A doctor may rave because a candidate went to Johns Hopkins, but the question is how well he or she can treat the patient,” Ms. Moghadas says. “You should get references from schools and from previous employers. Your office manager should call the person’s former office manager.” Ms. Capko suggests starting with the following questions:

- Would you hire this person again?
- How would you rate this person’s overall skills on a scale of one to ten?
- How well did this person relate to patients?
- How promptly did this person complete charts and any additional documentation?
- How quickly did this person return phone calls?

Ms. Capko says you’re more likely to get useful answers to these questions from the candidate’s direct supervisor than from a human resources department, which may have standing instructions simply to confirm dates of employment and other factual details. If the person is newly licensed, try to talk with a

teacher or preceptor from the candidate's training program.

Another consideration is whether you need your mid-level practitioner to have special certifications beyond a license, or particular types of experience. Some of Ms. Coult's clients look for lifesaving certifications; one practice looked specifically for urgent-care experience because it wanted the mid-level practitioner to be able to cover calls after hours. Some practices need specialized skills, such as fluency in Spanish.

Next it's time to meet with the applicants. During the interview, Mr. Zetter recommends asking the candidate why he or she is interested in your particular location, especially if you are not in a major metropolitan area.

Once you've established that a candidate is serious about living in your area, you can explore his or her expectations about the types of work to be done in your practice, the working relationship with the physicians, salary, and benefits. (See "Tales From the Field: Two Case Studies.") During the interview you should also ask whether he or she is or ever has been a party to litigation, has been the subject of a Medicare audit, or is under any other type of investigation. None of these things should necessarily eliminate someone who's a good fit otherwise, but it's better for them to be discovered and explained before a hiring decision is made.

After you've narrowed your choices down to one or two candidates, consider a trial run. Ms. Coult says several of her clients have paid candidates to come in to work for a day to see how well they suit the practice before receiving an offer. "It's good for both the practice and the applicant," she says. "You each get a good idea of the other's personality, and whether the candidate will fit within the culture of the practice."

A trial run can give some idea of clinical practice style and personality, Mr. Peltz says. "Every time you come out of the



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## Tales From the Field: Two Case Studies

### Credentials and Chemistry

*Southern Indiana Pediatrics, Bloomington, Ind.*

At Southern Indiana Pediatrics, certain patients would rather see an NP than their physician.

It's nothing personal, says James Laughlin, MD. "As some of my [female] patients get into adolescence, they would rather have their check-ups done by a female."

With 13 pediatricians and 5 NPs, the practice takes a team-based approach in which the NPs work primarily as physician extenders, Dr. Laughlin says. They handle checkups and, especially for the Medicaid patients who make up 45% of the practice's patient panel, and are available for same-day acute visits. NPs are an invaluable part of the clinic's extended-hour staffing—it is open 365 days a year and keeps regular evening hours.

The practice's policy is that a physician will always be available for consultation with the NPs, so they don't take calls or work alone. "We do supervise and review a certain number of charts to make sure they're practicing the way we want them to, but they don't check in with us all the time," Dr. Laughlin says.

The practice generally hires its NPs based on a combination of "credentials and chemistry," Dr. Laughlin says, although its most recent hire was based on a resume alone, for an NP who was relocating from Boston to follow a spouse starting graduate studies. Her specialty in breastfeeding and lactation meshed with the practice's current needs. "The others we knew as nurses before they went back to school to get their advanced degree, so we had a track record with them," he says.

The practice pays its NPs between \$70,000 and \$100,000 per year based on experience, length of service, and productivity, and gives a standard package of vacation, allowances, time off for CME, and malpractice

exam room, you should ask the candidate, 'OK, what would you have done with that patient?'" he says. "If they say, 'Exactly the same as you' every time, that doesn't help. You want to have someone who can stand on his or her own two feet and not be intimidated by you." Assuming you get an honest answer to your question, you can evaluate how well the applicant's practice style meshes with your own.

and health insurance. “If you can utilize them efficiently, you’ll make money on them,” Dr. Laughlin says.

### **Training and Continuity**

*Smoky Hill Family Medicine Residency, Salina, Kan.*

PAs are core team members at the Smoky Hill Family Medicine Residency because the bulk of the staff is part-time and in training. The federally qualified health center trains 12 residents and has 6 physician faculty members and 4 employed PAs. About 45% of its patients are covered by Medicaid, 8% by Medicare, and 17% by private payers; the other 30% are uninsured.

The practice has employed both PAs and NPs, and has trained both in the residency program, says director Rob Freelove, MD. “They’ve all been very sound clinically,” he says. “The PA students tend to remind me more of medical students than the NP students do, but it’s just a different way of approaching things.”

The practice is divided into teams, each with three residents, one or two faculty members, and one mid-level practitioner. The mid-level practitioner has his or her own panel of patients and provides continuity for the residents’ patients as residents rotate in and out of the program. Each team collectively cares for 2,100 to 2,200 patients. Mid-level practitioners don’t provide care for pregnant patients or hospitalized patients; care for those patients is transferred to a physician.

Dr. Freelove says mid-level practitioners should generate revenue for a practice. “If they don’t, then you’re not utilizing their skill set properly,” he says. “Some docs, rather than giving [mid-level practitioners] their own panel, will take on more patients than they can take care of and use the mid-level practitioner for overflow; and that, to me, is not the right way to do it.”

## **Salaries and Benefits**

As with physicians, there are basically three ways to pay a mid-level practitioner: straight salary, variable salary based on productivity, or some combination of the two. Experts say it’s difficult to generalize about how much to pay and which compensation structure will work in a given practice. He recommends figuring out a base pay and benefits package based on an

## Salaries for Mid-level Practitioners by Region

Variations in Mid-level Practitioner Salaries, 2009					
Specialty	Median	East	West	South	North
Midwife	\$94,181	\$88,130	\$ 98,763	—	\$ 84,732
NP	86,841	74,593	95,791	\$ 86,552	86,841
PA (Medical)	90,151	83,678	100,207	80,121	90,000
PA (Surgical)	99,475	92,575	108,320	101,500	101,998

Source: American Medical Group Association. (For more information, visit [www.amga.org](http://www.amga.org).)

expected minimum number of patients seen that will allow the practice to break even. If the mid-level practitioner exceeds that initial threshold, the practice should share 5% to 10% of those collections. “That way, if they work harder, they make more; but you still retain some of that excess revenue,” Mr. Hunt says.

Mr. Peltz agrees it’s valuable to include a productivity-based element to compensation, but he says there’s little advantage in setting particular bonus expectations up front. “We found out that unexpected smaller bonuses have a greater impact [on morale] than expected larger bonuses,” he says. He recommends giving a bonus if the provider generates two to three times his or her cost in revenues.

Ms. Coult notes that a rural practice may still benefit from adding a mid-level practitioner if the physicians’ main motivation is to relieve pressure on themselves; but a straight salary might be a more realistic compensation approach.

Experts say it’s important to arm yourself with data about how much mid-level practitioners are making in your area and specialty, particularly if you’re negotiating with a new graduate who may have had inflated expectations instilled by his or her training program. “Do your homework at the local level as much as possible,” Ms. Capko advises. Professional associations like the Medical Group Management Association and the American Medical Group Association can provide data from their members, but you should also ask practices similar to yours.

While you're gathering salary data, ask about benefits, too. (See "Benefits for Physician Assistants.") You should at least meet the community standard for paid time off, health insurance, retirement plans, malpractice coverage, continuing education expenses, and time off.

### Benefits for Physician Assistants

Description	Benefit reimbursed by employer			Benefit not reimbursed
	95% to 100%	50% to 94%	1% to 49%	
Professional Liability Insurance	98	1	0	1
Individual Health Insurance	47	37	7	9
Family Health Insurance	26	37	10	27
Dental Insurance	32	33	10	25
Disability Insurance	44	19	8	28
Term Life Insurance	41	14	10	35
Pension/Retirement Fund	20	20	43	17
State License Fees	75	2	1	22
DEA Registration Fees	80	1	1	18
NCCPA Fees	67	2	1	30
AAPA Dues	65	2	1	32
State PA Chapter Dues	58	2	1	40
Specialty Organization Dues	48	2	1	49
AAPA Annual Conference Fees	57	7	4	32
Credentialing Fees	79	2	1	18

Source: 2008 AAPA PA Census.