EBMG Update

AHS Board of Trustees Retreat

Oct 2021

"You cannot succeed if at some point you haven’t failed. "

– Maria Ressa, journalist, Nobel Peace Prize winner

Agenda

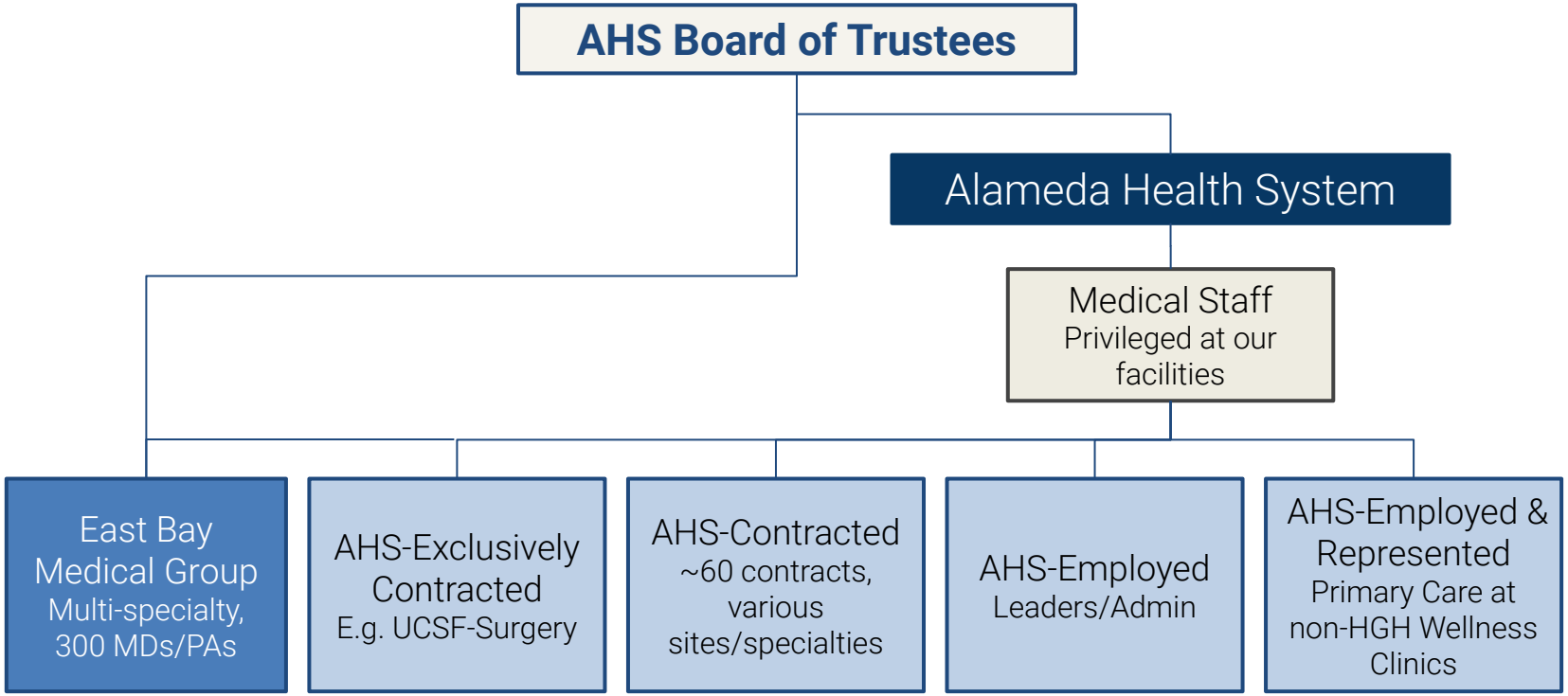
Context and Successes
AHS Physician Structure
EBMG Shape and Size
Accomplishments to Date

Challenges in Progress
Physician Attrition
Compensation Plan and PSA Revisions

Asks and Future
Asks
Physician Unionization

Context & Successes

AHS Physicians



EBMG Shape and Size

298

Staff MDs and PAs representing ~196 FTE +102 SANs

25

Specialty areas represented

10+

5 facilities, 4 wellness clinics, 1 ambulatory specialty clinic

$70m+

Approx annual budget ~98% clinician labor costs

Who isn't part of EBMG?

60 MD specialty contracts under AHS
Primary care MDs include UAPD affiliates

What's missing?

Insufficient expertise in surgical and medical specialties
Adequate primary care capacity?

Can the team cover the surface area?

Average Dept/Div size is 4 providers
Contracts required to cover all sites with all services

How does the support staff measure up?

3.6 FTE admin staff
Remaining functions provided by AHS

ALAMEDA HEALTH SYSTEM

Accomplishments to Date

Culture, Identity, & Relationship with AHS	• Excellent lines of comms w CEO, COO, CMO, CFO, CHRO • Presence in multiple venues including ELT and Huron Steering Committee • Regular updates to members on priorities
Leadership & Governance	• Filled 5 Board seats and appointed new Board Chair • First EBMG Board Retreat Sept 24 • Installed Director of Learning & Development • Monthly All-Leaders meeting for critical discussions
Service Line Stability & Development	• Restructuring multiple specialties using FTE, SAN, contractor dollars in concert with CMO • Improved benefits: disability, life insurance, parental leave, and fertility/adoption benefit Jan 2022 • 3-year physician compensation plan underway

Challenges in Progress

19 physicians have left EBMG since January.

We are losing experienced physicians/clinicians at a higher than average rate (10%).

We risk service coverage gaps.

What do we know about this attrition?

Member Departures

Jan
Ortho - Relocation

Feb

Mar
Primary Care - Transition to AHS

Apr

May
Neurology - New Job

June
Pathology - Relocation
Pathology - New Job
PM&R - New Job
Palliative Care - Personal

July
Hospitalist x 2 - Fellowship, spouse
Emergency Medicine - Relocation
Radiology - Fit
Rheumatology - Relocation
Ob/Gyn - Relocation

Aug
Pediatric SAN
Pediatric SAN
Emergency Medicine SAN

Sept
Ob/Gyn - Fit
Pediatric SAN

Oct
Anesthesiology - New Job

Nov

Dec

Attrition Themes

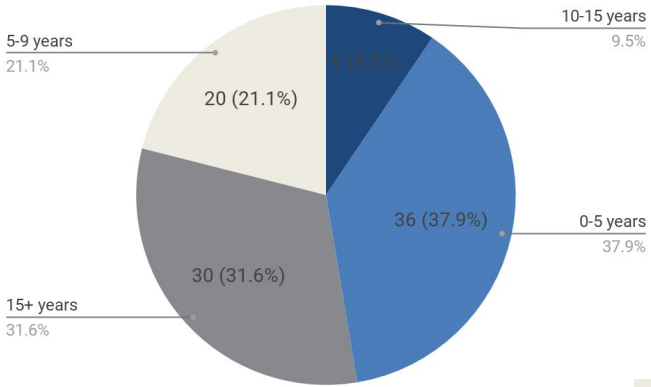
- We are losing the hardest segment of our workforce to retain.
  - EBMG has a bimodal distribution - <5 years, >15 years from residency
  - 4 of 19 departures were Chiefs or Chairs
  - We need these seasoned mid-career physicians to mentor, train, lead

- Exit interviews suggest many leave at this stage because they cannot fulfill their purpose.
  - Profile of EBMG physicians are changemakers, willing to take a paycut to work in a challenging environment
  - Hearing too many “no’s” especially as leaders forces people to be transactional and lose morale

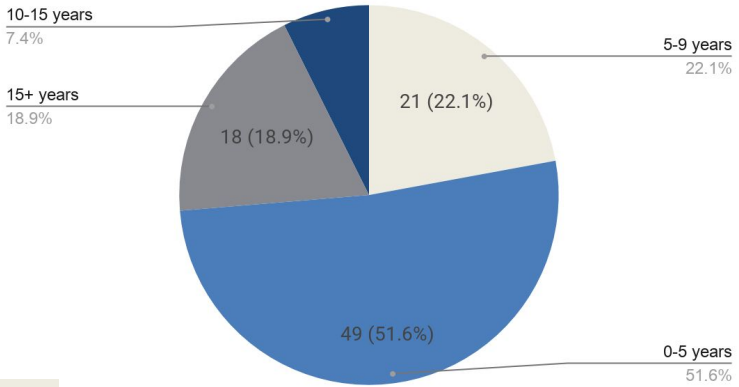
- Lack of transparent compensation discourages retention after motivation has depleted
  - Most physicians working >100% FTE to cover services, may not feel valued even if total compensation “fair”

March DEIRR Survey (n=97)

How far out are you from your residency training?



How long have you been working at AHS?



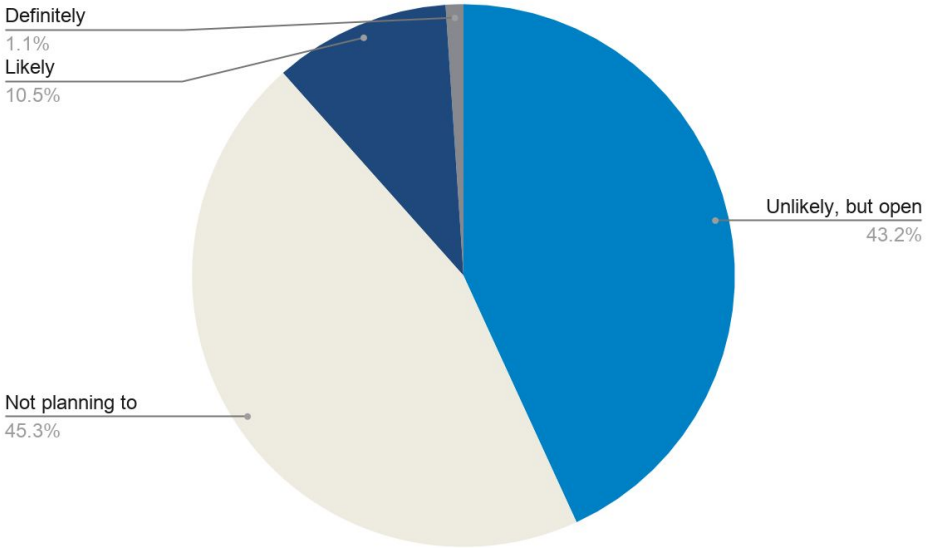
70%

Survey respondents either 0-5yrs or >15yrs out from training

ALAMEDA HEALTH SYSTEM

March DEIRR Survey (n=97)

How likely are you to leave AHS in the next 12 months?



Average Medical Group attrition rate is **5-7%**.

Most Important Factor in Decision to Leave

Admin politics & perceived lack of AHS leadership support	29.8%
Salary	17.0%
Leadership opportunities	10.6%
Location / need to move	8.5%
The Chair of my Dept	8.5%
Scope of practice	6.4%
Career development and future	4.3%
DEIB concerns	4.3%
Working with trainees	4.3%
Colleagues and staff	4.3%
Benefits	2.1%

Ref: SHRM

Costs of Turnover

Replacing a physician costs $500K to $1 million.

Recruitment costs
- Recruiter fees
- Advertising/job postings
- Travel, lodging, interview costs

Time/resource costs
- Admin/support time for recruiting
- Physician time for recruiting

Relocation costs
- Signing bonus
- Relocation reimbursement
- Onboarding costs

Revenue costs
- Downward productivity when departure planned
- Loss of revenue without services
- Loss of revenue when replacement onramps

Services at Risk

Orthopedic Surgery
Primary Care
Pulmonary & Critical Care
Surgical Subspecialties: Urology, ENT

*A number of other specialties are understaffed or having difficulty recruiting

Mitigation Strategy

- Compensation needs to be fair, transparent, and incentivize mid-career retention
  - Tenure-based increases are nominal currently
  - Compensation structure needs to favor senior clinicians

- Benefits plan design to support all aspects of our lives
  - Family benefits to recruit and retain younger hires who want to “grow up” with us
  - Need to consider benefits beyond family-building: eldercare, sabbatical, professional development, housing

- Collaborate with AHS on approach to physician recruitment
  - Working on recruitment capacity to support key physician hires including Chairs

Mitigation Strategy cont'd...

- Support for leaders
  - EBMG Leadership coaching and programming
  - Sufficient administrative time and operational support to be successful
- A culture of "yes"
  - Encourage physicians to be agents of change
  - Support initiatives led by physicians to improve operations and expand services
- Grow single physician service lines
  - Enable peer support and sharing of coverage requirements
  - Reduce isolation and work burden
- Celebrate high performers
  - Track critical metrics and honor those who are shining

Compensation Plan & PSA Revisions

- **Kicked off a 3-year Compensation Plan and broader PSA revisions**
  - Compensation structure should be transparent, competitive, fair, and able to attract/retain highly qualified physicians
  - Phasing plan over 3 years to include incentives for metrics
  - Engaging outside consultant (ECG) to support process and FMV assessment

- **AHS and EBMG counsel working closely to revise PSA** language to support physician retention and support

- **Goal to complete revisions by Jan 1, 2022** and issue EBMG members new contracts

Asks & Future

Asks for Support

- We need your support to stabilize services at risk for our patients
  - Catch up on historical under-investment in specific services
  - Capacity to recruit highly qualified physicians
  - Operational support for physician leadership

- We need to harness the innovation and potential that physicians bring
  - Operating budget for EBMG for experimentation and project work
  - Create opportunities to build community and improve morale
  - Offer pathways to realizing one's potential through leadership, research, and advocacy

Physician Unionization

We support the direction that our members want to take EBMG.

We believe that EBMG as an organization has the talent and ability to serve our physicians.

Open questions:

- Can EBMG and a union coexist?
- How long will the process take?
- How will the relationship with ELT change?
- Will there be an opportunity for partnership in hospital operations?
- How will the mission of our physicians to deliver quality care be elevated?
- How can we embrace those who have differences in opinion about unionizing?

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Questions