

A high turnover at BMC

By Markian Hawryluk / *The Bulletin*

Published: July 12, 2009 4:00AM PST

Once a model of stability, Bend Memorial Clinic, the region's largest group of doctors, has become a veritable revolving door for physicians.

Changes in the organizational structure and culture at the clinic have led to a staggering level of physician turnover, calling into question the continuity of patient care.

An analysis of the clinic's telephone listings shows that since 2002, at least 60 physicians have left the clinic, and only 28 of BMC's current 60 physicians have been with the clinic for more than five years.

The sudden, unexplained departure of many of the physicians who left in the past year has many patients wondering what's going on within the walls of the clinic, and many following their doctors to their new practices in town.

"It's not just one here or one there. The numbers are much larger than that," said Mike Sequeira, a math professor at Central Oregon Community College and a BMC patient since 1981. "In my experience, they were extraordinary doctors, extremely well educated and competent, with years of experience. Why are all these good doctors leaving?"

BMC CEO Marvin Lein discounted the notion that the clinic had an unusually high turnover rate or that it was a sign of any problem within the clinic.

"We don't necessarily think it's a bad thing when a physician decides to go in one direction rather than another," Lein said, "but doing it for reasons that I think, and would have to believe, are in the best interest of their careers and the experience they want to provide to patients."

A physician retention survey from the American Medical Group Association and Cejka Search, a physician recruitment firm, found that in 2008, the average annual turnover for physician group practices nationally was 6.1 percent. According to The Bulletin's analysis, the clinic has exceeded that average each year since

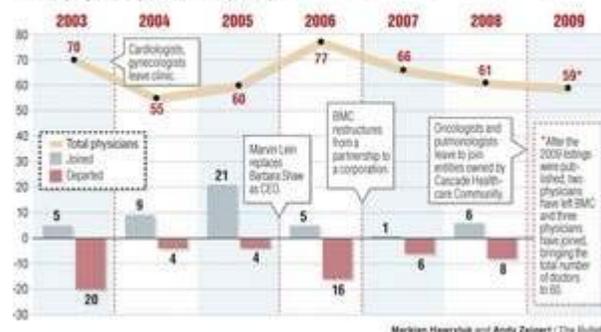


The Bulletin file photo

The sudden, unexplained departure of dozens of physicians from Bend Memorial Clinic in the past year has many patients wondering what's going on within the walls of the clinic, and many are following their doctors to their new practices in town.

Comings and goings

According to telephone book listings for Bend Memorial Clinic, from 2003 to 2009, 60 physicians have departed and 50 physicians have joined the clinic. Only 28 current physicians have been with the clinic for more than five years. The orange line represents the total physicians for each year. The blue and red bars represent the number of physicians who joined and departed each year. Phone book listings lag behind physician departures by up to a year.



Starting their own practices

The Central Oregon medical landscape is dotted with physician practices, including the following, formed or joined by doctors who have left BMC during the past decade:

- Advanced Surgical

2003 with annual turnover rates of at least 7 percent. The clinic has averaged 14.3 percent turnover over the past six years, double the industry average.

According to the Medical Group Management Association, only 14.2 percent of physician group practices nationwide had annual turnover above 20 percent in 2008, yet BMC has exceeded that level twice since 2003.

In waves

The clinic experienced a major exodus of physicians first reflected in the 2004 phone book listings, when groups of gynecologists and cardiologists left to form independent specialty practices. Multi-specialty clinics traditionally have had difficulty keeping both primary care physicians and specialists happy.

“Primary care thinks they deserve part of the money because they are providing the subspecialists with referrals and should share in some of the profits,” said Dr. Marc Jacobs, a pulmonologist who left BMC several years ago. “The specialists think they deserve to benefit from their training. I think that’s always going to be a problem.”

In setting up their own shop, specialists may lose referrals from primary care doctors but have greater control over their practices, and stand to benefit financially by not having to share payments for their generally higher-paying procedures.

The clinic had a second round of departures in 2006 linked to a change in the structure of the clinic from a partnership to a corporation. Physicians went from being partners in the clinic to becoming shareholders, and some physicians felt they would be giving up too much control over day-to-day operations.

“I liked the clinic when it was being run by doctors and felt that when it was a corporation, the doctors lost control of what was going on. The administration had more control over what was going on than the doctors,” said Dr. Patricia Buehler, an ophthalmologist who had been with the clinic since 1995 but left to start an independent practice in Bend in 2006. “That change in the clinic’s corporate culture was not something I was ready to tolerate.”

Lein says the change in structure was aimed at creating an organization that could move more nimbly and provide better care to patients.

“Partnerships are typically smaller organization arrangements. It became clear to the physician leadership of this organization that moving forward with that kind of a model wasn’t going to serve patients best,” he said. “At that point in time, there was an opportunity for physicians to sign on with the new organizational structure or not.”

Because the clinic no longer needed to include all physicians in every decision, the clinic could streamline operations and decision-making, he said.

But some physicians have said the change in corporate structure at the clinic also led to a change in culture. Doctors like David Dedrick, a pulmonologist, felt they could no longer practice medicine in the way they wanted.

“It was apparent with my practice that the corporate change was not going to be good medicine or good business for me or for my patients,” he said. “So I left.”

- Bend OB/GYN
- Cancer Care of the Cascades
- Cascade Internal Medicine Specialists
- Cascade Pulmonary Clinic
- Deschutes Rheumatology
- East Cascade Women’s Group
- Fall Creek Internal Medicine
- Gastroenter-ology of Central Oregon
- Heart Center Cardiology
- High Desert Sleep Center
- In Focus Eye Care Center
- Inova Vein Specialty Center
- La Pine Community Clinic
- Sound Inpatient Physicians

One issue of contention: BMC’s restructuring from a partnership to a corporation in 2006:

Limits on competition

As part of the corporate restructuring, physicians who stayed were required to sign a noncompete clause, requiring them to pay a six-figure buyout if they wanted to practice in the region within two years of leaving the clinic. Some physicians, including Buehler, chose to leave at that time, rather than limit their ability to practice locally down the line.

"I did not want to do that," she said. "I think a carrot would be better than a stick. If you have to force people to stay, you've got the wrong model."

Lein says the noncompete clauses are a way of protecting the clinic's investment in new physicians. Clinics spend thousands of dollars recruiting, relocating and establishing a new physician in his or her practice. The noncompete clause is meant to discourage doctors from opening a competing practice down the street and taking their established patients with them.

"It's not a punitive thing," Lein said. "It's recovering an investment that both parties understand when they go into that agreement."

But even established physicians, for whom the clinic would have recouped its initial investment years ago, were required to sign a noncompete agreement if they wanted to remain with the clinic. Lein said the clause is also meant to cover the replacement cost for those doctors.

Physicians who signed the noncompete clause but later became disillusioned with the clinic found they had to leave town and practice elsewhere for at least two years. Some then returned to Central Oregon. Others did not.

The noncompete clauses also have the effect of locking in primary care physicians who want to stay in the area, but might not generate the type of revenue needed to offset the buyout clauses, or the older physicians who cannot expect to recoup that payment before reaching retirement age.

About the same time as the corporate change, the clinic decided to discontinue its hospitalist program. The clinic's three hospitalists, a type of physician who works solely in the hospital, left to join the hospitalist practice at St. Charles Bend, adding to the turnover.

Hospital haven

A third round of departures has occurred over the past year with pulmonologists (lung specialists) and oncologists (cancer specialists) leaving to join entities owned by the Cascade Healthcare Community, the parent company of St. Charles Bend and Redmond. Neither the oncologists nor pulmonologists would agree to talk about why they left the clinic.

CHC CEO Jim Diegel said the hospital system has hired several physicians leaving BMC and helped them pay their noncompete fee, rather than see those doctors leave the area. But he said CHC would hire only those physicians who fit in with the hospital's business strategy.

"We have not just opened our doors to all physicians who decide to leave BMC," he said.

The hospital system needed to have pulmonologists in town to continue to provide care to hospitalized patients. CHC also needed to hire oncologists to staff its new Cancer Center of the Cascades. Hiring the BMC oncologists kept those doctors in Bend, but also provided the center with an immediate influx of patients, because many followed the doctors from the clinic to the new center.

Diegel said the hospital system could not find a way to help Dr. Daniel Fohrman, a rheumatologist who left BMC late in 2008. Fohrman opted to take over an existing rheumatology practice in Bend, under the new name, Deschutes Rheumatology. (Rheumatologists treat arthritis and other immune system disorders.) Fohrman declined to comment on his decision to leave BMC.

Noncompete clauses have been difficult to enforce. Courts have often sided with doctors, particularly when their departure would deprive a region of its sole provider in a given specialty. Fohrman was the only remaining rheumatologist at the time of his departure. BMC has since hired a new rheumatologist, who is expected to start seeing patients next year.

The clinic and CHC have clashed numerous times in recent years as they both have continued to add health services that bring them in competition with one another. Lein denied that the hiring of those physicians by CHC has added to the dispute. But the feud has apparently made Central Oregon a less desirable location to practice for many physicians.

Jacobs, the former BMC doctor now practicing in Portland, said after his two partners left for academic positions and another decided to drop out of the rotation for after-hours emergency room care, it was difficult to hire an additional pulmonologist for the clinic because of the CHC-BMC dispute.

"The ability to recruit was significantly handcuffed because of the relationship between the two," he said. The unmanageable call schedule as well as other factors finally prompted Jacobs to leave.

The latest round

In 2009, two additional physicians have departed. Dr. Darin Vaughan, a pediatrician, opted to step away from the clinic, while Dr. Tim Hanlon, a cardiologist who had been with the clinic for 29 years, was forced out in March (see accompanying story on Page A1).

Vaughan, who had arrived at BMC in 2006, chose to leave the clinic to pursue his passion.

"My mission is delivering inspired care to kids of all backgrounds and to include all the children in the community in health care," he said. "I reached a crossroads with them, and I had to go do what inspires me."

Vaughan says he felt he could no longer provide care within the clinic's model.

"I don't think I can make any stronger statement than my resignation from a practice that I helped build and loved, with colleagues I respect deeply and patients I cared so much about," he said.

He is still exploring options that may include staying in Central Oregon.

Lein declined to comment on any specific departures, citing a confidentiality policy with regard to employment issues. But he said the clinic has been able to replace and even expand services in the areas that have seen departures in recent years.

"In no example that I'm aware of has any departure in this organization led to a decrease in the level of services," he said. "Every service that experienced departures for whatever reason has come back stronger."

The clinic has made a concerted effort to hire more physician assistants, reducing wait times and costs for the clinic.

"Over the course of the last three years, instead of always looking for a physician addition, many times we have looked for the opportunity to bring in mid-levels (physician assistants or nurse practitioners)," Lein said. "And mid-levels have been very well-received by our patients."

Many patients appreciate the fact that physician assistants can spend more time with them than a physician typically can. Others, however, would simply prefer to see the doctor.

The clinic has undergone a significant hiring effort over the past year and has hired nine additional doctors who will join the clinic in 2009 or 2010. Those hires include a gynecologist, two pulmonologists and three pediatricians. When all the new hires arrive, the

clinic expects to have an even 100 providers, including 69 physicians, 21 physician assistants, five nurse practitioners, two registered dietitians, two opticians and a pharmacist.

Loss of experience

While BMC staffing may reach its highest number ever, the clinic has lost years of experience with the latest round of physician departures. Hanlon and Fohrman had each been there for more than 25 years. The three oncologists who left had more than 50 years of combined experience, including a long history with BMC. They were replaced by an oncologist with 12 years experience, a physician assistant and a nurse practitioner.

And those new physicians aren't as familiar with the current patients' histories as their predecessors.

Gene Harris, a retired farmer from Madras, has been Hanlon's patient for about 20 years. When he called to confirm an appointment in March, he was stunned to learn his cardiologist was no longer there. He was offered an appointment with another cardiologist but declined.

"It'd be different if I'd only seen him a couple of times, or if he's retiring, that's how it's got to be. But for him just to disappear and I wasn't notified, and believe me, that is my man," Harris says. "After seeing Hanlon for 20 years, that's who I want to see."

Lein says that clinic staff will help patients transition to other BMC physicians if their doctors leave, and will direct patients to a departed physician if they express that preference. He argued that the clinic's electronic medical records allow the new physicians to take over that care seamlessly.

"We know the cardiology experience, we know the rheumatology experience, we know the urgent care visits," he said. "And that physician is able to come up to speed on that particular patient's history very, very quickly."

Lein also said that many physicians have become disillusioned with the pressures of medicine, and that surveys show many are contemplating reducing the number of patients they see or retiring altogether. The changes at the clinic, he said, have been made in an effort to reduce the pressures on physicians.

But only a handful of the recent departures from BMC involved doctors retiring or leaving medicine. At least 33 of the 60 physicians who have left since 2002 remained in Central Oregon and continue to see patients.

Sequeira, the COCC professor, said he has so much faith in his rheumatologist, he'd follow him even if he left the area.

"My attitude has been, 'I don't care if you move to Portland, I'm coming to see you,'" he said. "Because it's the doc. It's not the BMC. I have no loyalty to them whatsoever."

Editor's note: This is one of an occasional series about health care in Central Oregon.

Markian Hawryluk can be reached at 541-617-7814 or at mhawryluk@bendbulletin.com.

Published Daily in Bend Oregon by Western Communications, Inc. © 2008

www.bendbulletin.com