

What *Practices and Individuals* Need to Consider for Retirement

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Disclosures

None



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“I’m not anywhere near retirement!

Maybe I’ll take a coffee break...”



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Not so fast:

Retirement affects the **retiree**, the **practice** and **partners...**

- Early planning, likely better retirement...
- Call, office coverage, cash flow, leases...
- Call, office/hospital coverage, buyouts, culture...



Environmental Scan

- Physician slow down ranks in the top 5 concerns for CV practices
- Reduction occurs via:
 - Call
 - Work days
 - Work hours
 - Scope



US CARDIOLOGY PROJECTIONS

Practicing Cardiologist ¹	32,000
Over the Age of 61 ²	8,000
Estimated Annual Departures ³	(2,000)
Current Total US Fellows ⁴	3,745
Annual Number Entering Workforce ⁴	1,453
Net Annual Workforce Impact	(547)

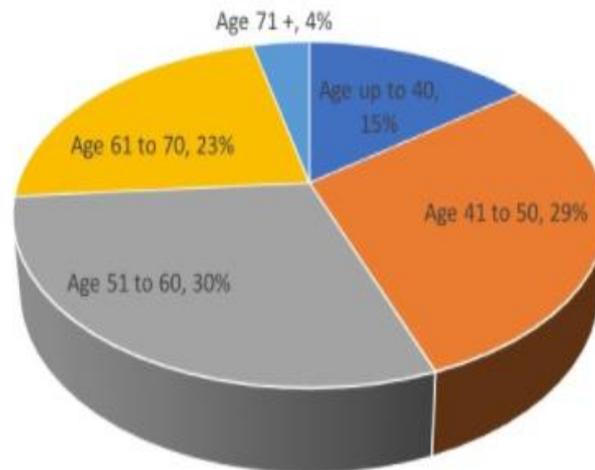
¹ Source: Statista 2019, ACC

² Source: MedAxiom Cardiovascular Provider Compensation & Production Survey

³ MedAxiom projections

⁴ Source: Accreditation Council for Graduate Medical Education, 2018 - 2019

Figure 2: Cardiologists by Age Group



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Retirement starts with Recruitment

- Group and System goals
 - How to balance diversification/specialties
 - Find “A players”
- Doctors: What attracts you to practices in 2021?
- How can your institution stay competitive?
 - Compensation
 - Culture
 - Colleagues
 - Clinical Research Opportunities



And then there is Retention

- Millennials make up 35% of the global workforce
- Millennials value:
 - Flexibility
 - Recognition
 - Professional development
 - Career development



The Retiree (or potential retiree)



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When to Retire?

A Simple Checklist

- Adequate savings
- Health or performance issues
 - FMLA
 - Short term disability
- Job satisfaction
- Alternatives to work (*"is my job preventing me from fulfillment?"*)



Factors Affecting “Successful” Retirement

- Financial Planning
- Good Health
- Engagement in outside activities
- Positive psychosocial dynamics



Silver MP, Hamilton AD, Biswas A, Williams SA (2016)

Life after Medicine: A Systematic Review of Studies of Physicians' Adjustment to Retirement.

Arch Community Med Public Health 2(1): 001-007. DOI: [10.17352/2455-5479.000006](https://doi.org/10.17352/2455-5479.000006)



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General Advice for Retiree

- Consider gradual transition
- Retire *to* something, not *from* medicine
- Commit to enjoying retirement: experiences, friends
- Take care of health
- Plan finances
- Prioritize spending



- Don't forget Med mal

<https://www.ama-assn.org/practice-management/career-development/6-key-physician-retirement-insights-doctors-already-there>



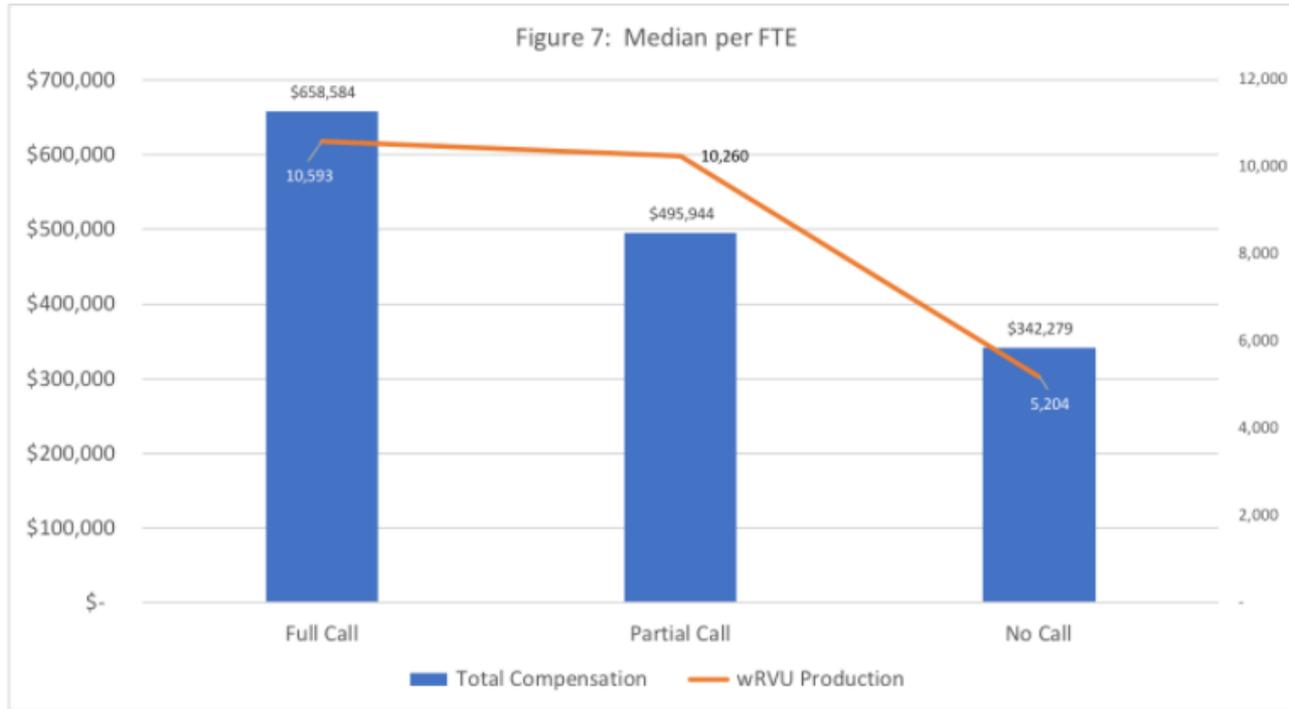
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Wind Down Strategies

- Do less of what you like least
- Trial run of retirement activities
- Consider part-time opportunities
- Stay where you are part-time
 - Locum tenens
 - Volunteer medical clinics
 - Non-clinical options – teaching, writing, consulting, ...

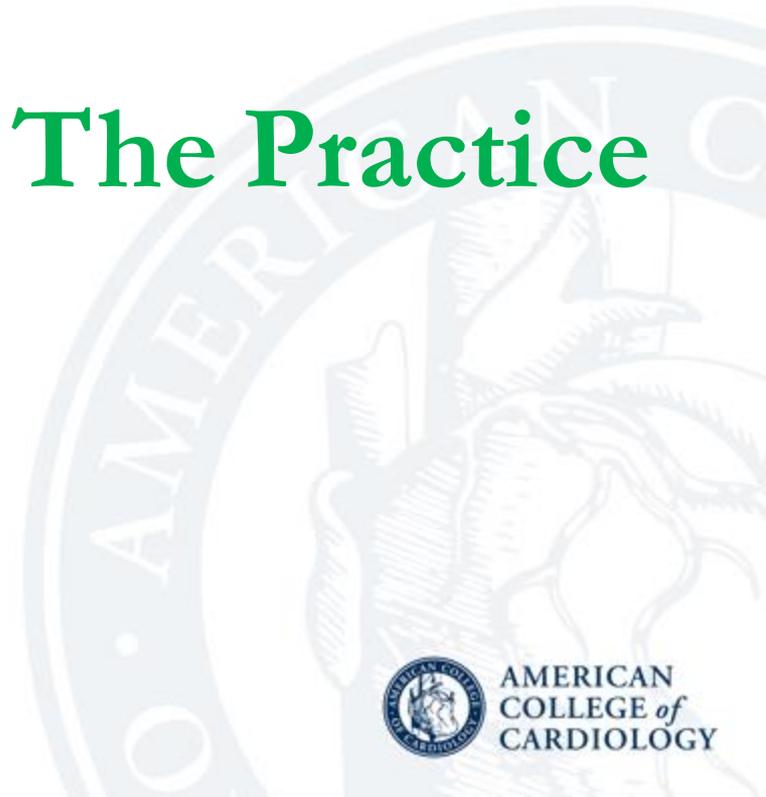


Is it about the money?





The Practice



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Independent

- There are state rules on wind-downing your practice
- Patient abandonment is very real
- Have a solid plan for:
 - Medical records
 - Phone access
 - Patient notification
 - Assets

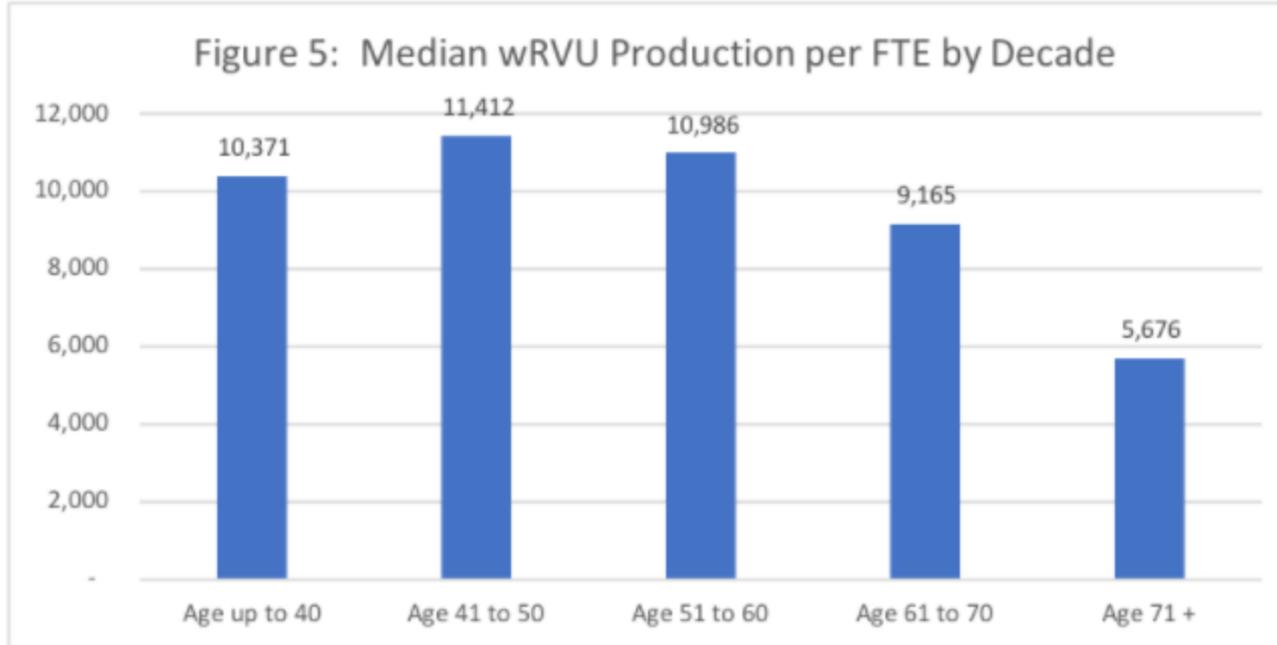


Employed/PSA

- If structured correctly – part-time cardiology is extremely valuable
- Balance with fairness/equity
- Protection of the vitality of the group



Age related to Production



Flexible Options

*Occasionally the needs of the practice
and your ideas fit exactly... and then
there's most of the time...*

How you can (and when you shouldn't) be flexible...

- Timing...unless there is a bottom line
- Role....unless you'll be miserable
- Longevity.... Unless you can't work without structure

But always...

- ✓ Have your agreement in writing
- ✓ Be specific about the role and compensation you've agreed to
- ✓ Be clear on agreement renewal, who can renew and notice periods
- ✓ Always be planning for the next step



Age: determinant of call & work reduction

Call reduction

Work load reduction

Figure 3: Call Participation by Age

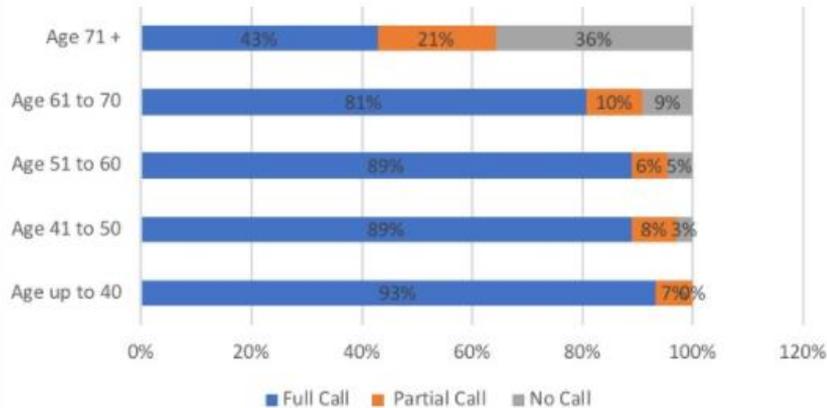
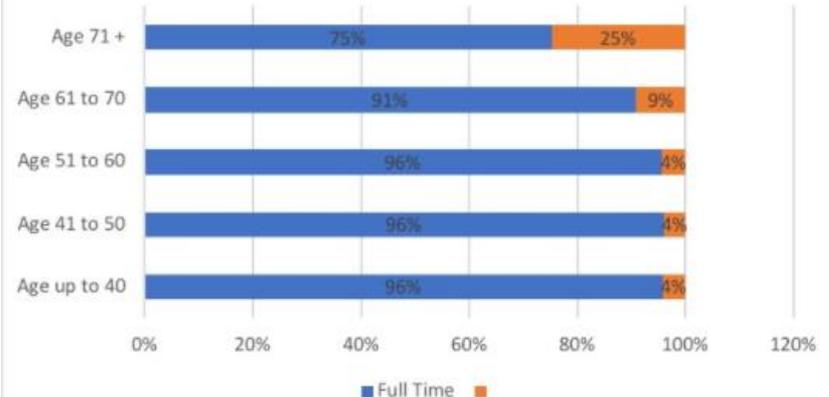


Figure 4: Practice Status by Decade



General Advice for the Practice

- Maintain awareness of workforce/needs
- Legal/tech: notifications (patients, third parties), insurance, records, IT issues
- Leadership succession planning
- Review contracts related to leases, equipment, payouts
- Consider “phase out”/part time employment

<https://www.skrco.com/7-things-to-consider-when-a-physician-retires-from-your-practice/>



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How to “keep your docs”

- flexible work hours/part-time employment
- minimal work barriers
- enhancing work satisfaction
- prioritizing physician health
- attention to finances
- less bureaucracy
- “In particular, **institutional flexibility** was a positive driver of physicians’ work satisfaction and their desire to remain in practice as they were provided reasonable access to sabbaticals, flexible working hours, and control over their job and career development”



Silver, M.P., Hamilton, A.D., Biswas, A. *et al.*

A systematic review of physician retirement planning.

Hum Resour Health **14**, 67 (2016). <https://doi.org/10.1186/s12960-016-0166-z>



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MedAxiom's effective & equitable policy

- Predefined & finite time for reduced status
 - There is a physician shortage
 - You do need to “make” room for new physicians
 - The current “norm” is 2 years
 - Annual/bi-annual reviews
- Reduction in workload OR call **must** have a compensation impact
 - You do not want to lose patient base
 - Account for it in your comp distribution plan OR carve them out into separate annual agreements
 - Call averages 35% of total comp
 - Work load reductions: maintain thresholds regardless of FTE status/PT penalty



Policy.....

- Formal – consistent – written policy
 - Rules for eligibility- age + tenure = 70 or age alone or tenure
 - Minimum lead time
 - 6 months shortest – often need 1-2 years
 - Limited PT choices – consider staffing and space
 - Maximum number in the reduced state
 - Work at the Groups Behest – what is needed to be done (no reading or only hospital round, etc)
 - Aka – removal from certain clinical activities
 - Relinquishment of ownership (or voting)
 - Mandatory retirement age
 - Physicians do not age the same (like society at large)
 - Cognitive assessments are “tough”
 - Legal may (will) have an opinion



Must Have's

- Defined % of total comp allocated to call
- Written call wind-down strategy
- Written and specific voting eligibility
- Written call buy/sell



The Partners



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General Advice for Partners

- Engage with practice issues related to effects of retirement:
 - Call
 - Coverage
 - Finances
- Maintain flexibility in dealing with potential retirees (*“it may be better to let her work part time...”*)
- *Consider cultural effects of loss of senior partner*
- *(and...start planning your own retirement!)*



Key Take-Aways



Understand
what physicians
look for in a
practice in 2021



Create value
while
maintaining
flexibility



**Succession
planning is
essential!**



Workforce
planning is key for
practices at every
career stage



Know thy craft,
know thyself



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