



Medical Search Firms: Match Making Comes to Medicine

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Recently, a friend called to tell me he was going to the airport to meet a woman he met online. He described her as tall, blonde, athletic and, based upon her e-mails and witty repartee, very smart. He brought the photo she e-mailed so he would recognize her when she walked through the gate.

Oddly, he never did see her walk off the plane; however, he felt a tug on the bottom of his coat and looked down to find a *small person* with a big smile looking up at him. She said, "I'm who you are waiting for, I switched pictures with my friend!" He called back and asked for my advice. The only thing I could think to say was, "Do you drink beer?"

Lesson 1: Don't underestimate the importance of truth in advertising.

And who can forget the scene in *Ghostbusters* when Dr. Peter Venkman (played by Bill Murray) says, "Janine, someone with your qualifications would have no trouble finding a top-flight job in either the food service or housekeeping industries."

Lesson 2: When searching for a new job, aim for a level commensurate with your abilities and experience.

Well-qualified residents often ask me if they should engage a search firm to help them find a new position. The short answer is, "It depends on your circumstances."

Search firms have traditionally been engaged by hospitals and practices to identify potential candidates to fill a vacancy. In addition, a provider may engage a firm to seek out alternative job opportunities and thereby request that a recruitment firm confidentially identify potential employment opportunities.

For hard-to-fill vacancies (Barrow, Alaska in the winter) or hard-to-hire providers (just out of prison for their third sex offense), the cost-benefit analysis of the search firm inures favorably to their benefit.

Alternatively, when an institution simply does not have the resources to devote to a large-scale search, it may be cost effective to utilize a search firm.

Types of Agreements

Generally speaking, most search firms are engaged by the practice or institution needing a provider. Search firms usually contract in one of two ways: retained agreement or contingency agreement.

Retained Agreements

Under the retained method, the search firms are paid a percentage of the service fee to begin the search. Using this methodology, the search firm often demands an exclusive commitment from the group or institution.

Under such a retained exclusive search, all candidates are contacted and screened by the search firm. In this scenario, the physician does not make the decision to use a search firm but rather receives the inherent recruitment services as engaged by the institution or practice at no cost.

The retainer monthly fee typically ranges from \$4,000 to \$6,000, or in some cases is simply a percentage of the total search fee. The remaining balance of the search service fee is paid upon contracting with a provider. Depending on the recruitment company and the services rendered, the total search fee ranges from \$20,000 to \$30,000.

Contingency Agreements

Alternatively, under a contingency arrangement, the total fee is paid to the recruitment company upon completion of the recruitment process and the firm carries the entire cost of the search until the candidate is hired. Total fee amount is similar to the retained arrangement.

Under a contingency recruitment agreement, very few, if any, performance guarantees are provided by the search firm. Essentially, it is a full-risk expense contract for the search firm in the event a successful candidate is not hired.



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Generally, these arrangements are not exclusive.

Provider-driven

When a provider contacts a search firm for help securing employment, they or their future employer are responsible for the fee. This fee is negotiated prospectively with the provider or prior to contracting with an institution or practice.

Search firms vary in size (everything from locally based firms to large national practices) and scope (certain specialties or locations to contracting across the entire spectrum of providers).

Pros and Cons

Like everything, there are pros and cons to working with search firms.

Pros

The firm will:

- Start a database for you based upon your personal and professional parameters and conduct a confidential networking effort to identify potential job openings.
- Assist you in defining your own personal and professional goals, using career planning outlines and other resources.
- Provide information to you about the job and competitive landscape.
- Research markets and opportunities, identify key decision makers and establish contact with the potential employers.
- Send your curriculum vitae to facilitate initial contact and provide a value-added, personal introduction.
- Ensure that the initial contact, due diligence, and interview process proceed in a timely and organized manner.
- Arrange the interview and provide valuable information regarding the internal process and players.
- Help negotiate contract terms.
- Assist in relocating to the new practice and location.

Cons

There are also a number of potential disadvantages to working with a search firm. To avoid them, do your research in advance; speak to peers about their own experiences, interview different firms, research the firm’s history, look to see if the firm has been a party to any provider suits—either as the plaintiff or as a defendant.

Some of the more common concerns include the following:

- Search firms may not be experienced in the area of medicine or area of the country that you want to practice in.
- Many practices and institutions refuse to evaluate a candidate who is represented by a search firm, essentially limiting your marketability.

*“One caveat:
Be honest in your disclosures;
if you have a past,
disclose it.”*

- Most practices will choose a candidate who is not working with a search firm over one who is in order to avoid paying a search firm fees.
- Some organizations will alter the provider’s compensation plan if they are represented by a search firm. At the very least, the practice will expect the physician to “guarantee” that they will practice for a specific number of months or the provider will be charged pro-rata for the fee paid to the search firm.
- Some practices view the use of a search firm as a “red flag” and will not even consider a provider represented by a firm.

Here is the take home: If you are a qualified applicant—meaning you are board certified or eligible, or have equivalent experience, no significant adverse events, a positive attitude, and a good work ethic—you do not need a search firm. All things being equal, if two equivalent applicants are applying, and one used a search firm, odds are the employer will pick the unrepresented applicant to avoid paying a search firm. Who can blame them, with a \$25,000 fee associated with the applicant?

If you have a challenging past, search firms can add value, helping you uncover leads.

One caveat, whether you use a search firm or are representing yourself: be honest in your disclosures; if you have a “past” disclose it. Odds are, it will be uncovered and if you do not preemptively disclose it, you will not be hired. As the saying goes—and as confirmed by further analysis of *Ghostbusters*—“forewarned is forearmed.”

Spengler: There’s something very important I forgot to tell you.

Venkman: What?

Spengler: Don’t cross the streams.

Venkman: Why?

Spengler: It would be bad.

Venkman: I’m fuzzy on the whole good/bad thing. What do you mean, “bad”?

Spengler: Try to imagine all life as you know it stopping instantaneously and every molecule in your body exploding at the speed of light.

Stantz: Total protonic reversal.

Venkman: Right. That’s bad. OK. All right. Important safety tip. Thanks, Egon. ■