

## **County of Milwaukee Inter-Office Communication**

DATE: June 30, 2011

TO: Supervisor Lee Holloway, Chairman - County Board of Supervisors

FROM: Geri Lyday, Interim Director, Department of Health and Human Services  
*Prepared by Paula Lucey, Administrator, Behavioral Health Division*

SUBJECT: **From the Interim Director, Department of Health and Human Services (DHHS),  
Requesting Authorization to Undertake Position and Other Actions to Reduce  
Critical and Persistent Vacancies and Increase the Retention Rate in Key  
Psychiatry and Psychology Positions at the Behavioral Health Division**

### **Issue**

For years, the Behavioral Health Division (BHD) has had a difficult time recruiting and retaining Psychiatry and Psychology staff and the current vacancy rates for some of these positions have reached critical levels. A primary factor contributing to the vacancies is the compensation the county offers for these positions relative to other governmental and private institutions. In order to better align compensation packages for county psychiatrists, physicians, and psychologists, and provide BHD more flexibility in staffing, BHD is requesting authorization to undertake specific position and other actions as detailed in this report.

### **Background**

This report follows up on two previous informational reports to the County Board in October and December 2010, which provided information on Psychiatry and Psychology recruitment and retention at BHD. At the December meeting of the Committee on Personnel, it was requested that BHD provide an update on the status of budgeted and filled psychiatrist, physician, and psychologist positions at BHD, how salaries for these positions compare to industry standards in the Midwest, and the amount of overtime worked by staff in these positions.

### **Discussion**

#### *2011 Budget*

The 2011 Budget includes a total of 50.80 funded psychiatrist, physician, and psychologist positions. These positions provide coverage for Acute Adult and Child and Adolescent Inpatient, Long-Term Care, Community Services, Wraparound Milwaukee and Psychiatric Crisis Services (PCS). Table 1 shows the number of budgeted FTE, the number of vacant FTE, and the vacancy rate by position as of July 2011. The vacancy rate for each of these positions varies from zero to 50.0%, with an overall vacancy rate in the Psychiatry and Psychology departments of 13.2%.

<b>TABLE 1. 2011 BUDGETED AND FUNDED FTEs AND VACANCIES (AS OF 6/22/2011)</b>			
<b>Position</b>	<b>Funded</b>	<b>Vacant FTE as of 7/11*</b>	<b>Vacancy Rate as of 7/11*</b>
Staff Psychiatrist	20.15	4.20	20.8%
Medical Program Director - CATC (Child Psychiatrist)	3.00	0.50	16.7%
House Physician III	2.50	0.00	0.0%
Service Medical Director	4.00	2.00	50.0%
House Physician II - Hrly (Pool)	0.65	0.00	0.0%
<b>Subtotal - Psychiatry</b>	<b>30.30</b>	<b>6.70</b>	<b>22.1%</b>
Clinic Psychologist I	1.50	0.00	0.0%
Clinic Psychologist III	8.00	0.00	0.0%
Clinical Prog Dir - Psychology	10.00	0.00	0.0%
Chief Psychologist	1.00	0.00	0.0%
<b>Subtotal - Psychology</b>	<b>20.50</b>	<b>0.00</b>	<b>0.0%</b>
<b>TOTAL</b>	<b>50.80</b>	<b>6.70</b>	<b>13.2%</b>

\*Includes pending hires.

### *Recruitment and Retention*

BHD continues to engage in significant recruitment efforts, but faces several barriers, including: a national shortage of psychiatrists throughout the United States; difficulty recruiting and retaining professional and executive-level personnel; increases in the number of individuals seeking psychiatric crisis treatment; strong preference for outpatient vs. inpatient work by psychiatrists and physicians; and competition in the public and private-sector marketplace where higher salaries and recruitment/retention enhancements are being offered by others. The following is a summary of BHD's key recruitment and retention efforts and challenges over the past six years, from January 2005 through July 2011, including updates since the last reports to the County Board.

- Sixty-six new psychiatrist and physician and seven new psychologist appointments/hires were achieved between 2005 and the present.
- However, during this same time period, a total of forty-eight psychiatrist and physician resignations occurred, in addition to three retirements. Moreover, a total of seven psychologist separations occurred, including two resignations, four retirements, and one promotion.
- There have also been seven failed Psychiatry recruitment efforts since October 2010, including one full and one part-time offer that were declined due to salary, and two contract offers for \$135/hour that were declined due to the rate.
- Over 50% of the new Psychiatry staff hires since 2005 are no longer with the County, with the vast majority of resignations occurring within the first two years of

employment. All of the psychologists who separated from BHD since 2005 accepted employment with competing facilities in the private and public sectors.

- Most recently, one Psychiatry staff member resigned to take a position with the State of Illinois for a higher salary, with a sign-on bonus and a premium for being bilingual. Two other Psychiatry staff are reducing their hours at BHD in August to take positions with the Wisconsin Department of Corrections, which is offering a rate of \$140/hour for a comparable position.
- Included in the above appointment statistics are two accepted offers by psychiatrists for the Acute Inpatients units with an anticipated July start. These two offers were made possible because BHD was given permission to assist the psychiatrists with the foreign physician visa application process.
- Potential retirements by experienced BHD Psychology staff could exacerbate the vacancy rate challenge – approximately 70% of staff is eligible to retire.
- The recent change in the Psychology vacancy rate from 20%, as included in a December report to the Board, to the current rate of zero, in part resulted from a one-time exogenous event: the State's announced closure of the Ethan Allen and Southern Oaks facilities. However, prior to filling in mid-May 2011, these vacancies existed for between one and three years.
- The Day Treatment area of BHD will be applying for National Health Service Corps (NHSC) site approval. If approval is awarded, licensed behavioral health professionals working in that program would be eligible to apply for federal loan repayment assistance in exchange for between a two- and six-year employment commitment with BHD. NHSC site approval would serve as an attractive recruitment and retention incentive for current and prospective staff, with the understanding that BHD does not determine who is accepted into the NHSC.

Ensuring a full staff of highly qualified medical professionals will not only allow BHD to continue to focus on patient care and safety, but will also assist the organization with preparing for, attaining, and sustaining Joint Commission accreditation. This initiative would allow key medical staff to focus on writing, implementing, and assessing compliance with the multiple new policies that will be required under Joint Commission accreditation.

### *Industry Trends*

BHD's recruitment and retention of psychiatrists, physicians, and psychologists is directly impacted by local, state, and federal level competitors, such as: Aurora Healthcare, the Veterans Affairs Medical Center, Wheaton Franciscan Healthcare, Rogers Memorial, the Medical College of Wisconsin, and the States of Wisconsin and Illinois.

The Psychology Department within Veterans Affairs is most similar to BHD in terms of size, proximity, and scope of practice, and represents BHD's biggest competitor in recruiting and

retaining Psychology staff. BHD has also lost potential and existing Psychiatry staff to the locations listed above in recent years.

Tables 2 and 3 provide comparisons between current salaries offered by BHD and those offered by a sample of area competitors for Psychology and Psychiatry positions. (Additional comparisons are included in Appendices A and B.) Psychiatry and Psychology salaries have not been reviewed in at least ten years, and the data suggests that the BHD compensation ranges for these positions have not kept pace with the local market, thus impacting BHD's ability to recruit and retain staff.

<b>TABLE 2. SELECT PSYCHOLOGY SALARY COMPARISONS</b>				
<b>Position</b>	<b>Current Milwaukee County Pay Range*</b>		<b>Current Veterans Affairs Pay Range</b>	
Clinical Psychologist I	\$ 49,582	\$ 58,049	\$ 59,389	\$ 77,203
Clinical Psychologist III	\$ 63,517	\$ 75,633	\$ 84,647	\$ 110,040
Clinical Program Director - Psychology	\$ 68,454	\$ 81,532	\$ 100,027	\$ 130,033
Chief Psychologist	\$ 76,920	\$ 113,959	\$ 117,661	\$ 152,960

\*Includes 1% pay increase effective 6/12/2011 for non-represented employees.

<b>TABLE 3. SELECT PSYCHIATRY SALARY COMPARISONS</b>						
<b>Position</b>	<b>Current Milwaukee County Pay Range*</b>		<b>State of Wisconsin Pay Range**</b>		<b>Veterans Affairs Pay Range***</b>	
Service Medical Director	\$ 158,366	\$ 194,621	\$ 215,000	\$ 227,500	N/A	N/A
Medical Program Director (Child Psychiatrist)	\$ 150,786	\$ 185,355	\$ 168,768	\$ 230,124	N/A	N/A
Staff Psychiatrist / Staff Psychiatrist-Hrly	\$ 143,605	\$ 176,528	\$ 147,890	\$ 192,256	\$ 160,000	\$ 210,000
House Physician III/House Physician III-Hrly	\$ 143,605	\$ 176,528	\$ 135,567	\$ 176,237	\$ 140,000	\$ 195,000

\*Includes 1% pay increase effective 6/12/2011 for non-represented employees.

\*\*A comparable position to Medical Program Director (Child Psychiatrist) does not exist for the State of Wisconsin. The pay range included for this position is for the State of Illinois.

\*\*\*Represents a range from several Midwest states.

### *Overtime*

The number one priority for BHD is always to focus on patient care and safety, and staffing is a key factor in this, especially in terms of psychiatrists, physicians, and psychologists. Psychiatrist, physician, and psychologist vacancies are one of the causal factors for the use of overtime at BHD. Essentially, these staff voluntarily cover vacancies in the schedule and provide coverage for the 24/7 operation of BHD. Overtime is in addition to their regular 40-hour weekly assignment and is paid or accrued at straight time. Additional factors influencing overtime include staying past the shift end time to complete urgent patient care duties and replacement coverage for paid time off. BHD includes overtime in its annual budget and overtime by psychiatrists, physicians, and psychologists represented approximately 1.4% of total overtime hours worked and 2% of total overtime dollars earned by BHD staff in 2010. Table 4 shows the number of overtime hours worked and the amount of overtime dollars earned by position.

<b>TABLE 4. OVERTIME BY POSITION (1/1/10-12/31/10)</b>		
<b>Position</b>	<b>Hours*</b>	<b>Earnings**</b>
Staff Psychiatrist/Staff Psychiatrist - Hrly Medical Program Director - CATC (Child Psychiatrist)	643	\$ 31,767
House Physician III	24	\$ 1,506
Service Medical Director	75	\$ 2,017
	581	\$ 42,658
<b>Subtotal - Psychiatry</b>	<b>1,321</b>	<b>\$ 77,948</b>
Clinic Psychologist I	-	\$ -
Clinic Psychologist III	42	\$ 272
Clinical Prog Dir - Psychology	601	\$ -
<b>Subtotal - Psychology</b>	<b>643</b>	<b>\$ 272</b>
<b>TOTAL</b>	<b>1,965</b>	<b>\$ 78,219</b>

\*Estimate.

\*\*Includes earnings from all staff that held position during the year. Does not include overtime paid out as time off or expiring overtime hours paid out.

### **Recommendation**

To help address the Psychiatry and Psychology recruitment and retention issues outlined in this and previous reports, the Interim Director, Department of Health and Human Services, recommends that Milwaukee County adopt the following changes:

#### ***Psychology:***

- Reallocate the Clinical Psychologist I (57001), Clinical Psychologist III (57021), and Clinical Prog Dir – Psychology (57090) positions to be competitive with pay ranges for comparable positions at the Department of Veterans Affairs. Currently, all incumbents in these positions are at the highest step in the respective pay range. By reallocating, individuals would move from their current step in the existing pay range to the first step in the new pay range, and remain there for at least one year. The fiscal impact in 2011 would be \$84,697, and the fiscal impact in the first full year would be \$259,073. The new pay ranges would be as follows:

<b>Position</b>	<b>Current Hourly Pay Range*</b>		<b>New Hourly Pay Range</b>	
BHD Clinical Psychologist I	\$ 23.7460	\$ 27.8013	\$ 28.4430	\$ 36.9746
BHD Clinical Psychologist III	\$ 30.4198	\$ 36.2225	\$ 40.5398	\$ 52.7011
BHD Clinical Program Director – Psychology	\$ 32.7843	\$ 39.0480	\$ 47.9057	\$ 62.2763

\*Includes 1% pay increase effective 6/12/2011 for non-represented employees.

- Reallocate the Ex Dir 2 Chief Psychologist (80041) position from pay range 902E to 903E to be comparable with the salary offered at the Department of Veterans Affairs, which currently ranges from \$117,661 to \$152,960. The incumbent would be moved from their current step in pay range 902E to step 10 in pay range 903E, for a new annual salary of \$118,114. For future hires, BHD would continue to determine the starting salary for this

position from within the new pay range based on a candidate's training and experience. The fiscal impact of reallocating this position would be \$7,126 in 2011, and \$21,797 in the first full year.

- Create Clinical Psychologist I – Hourly, Clinical Psychologist III – Hourly, and Clinical Prog Dir – Psychology – Hourly positions to assist with staffing vacancies. The pay rate for the hourly positions, which do not include benefits, would be \$25/hour higher than the base rate for the permanent position to be competitive with market conditions. There is no fiscal impact because the hourly positions would be used instead of filling a full-time position with benefits.

<b>Position</b>	<b>Base Hourly Pay Rate*</b>	<b>Differential for New Hourly Position with No Benefits</b>	<b>New Hourly Pay Rate</b>
<i>Clinical Psychologist I - Hourly</i>			
Step 1	\$ 28.4430	\$ 25.0000	\$ 53.4430
Step 7 (Top)	\$ 36.9746	\$ 25.0000	\$ 61.9746
<i>Clinical Psychologist III - Hourly</i>			
Step 1	\$ 40.5398	\$ 25.0000	\$ 65.5398
Step 7 (Top)	\$ 52.7011	\$ 25.0000	\$ 77.7011
<i>Clinical Program Director - Psychology - Hourly</i>			
Step 1	\$ 47.9057	\$ 25.0000	\$ 72.9057
Step 7 (Top)	\$ 62.2763	\$ 25.0000	\$ 87.2763

\*Based on recommended reallocation.

The total fiscal impact of the Psychology position actions would be \$91,823 in 2011 and \$280,870 in the first full year of implementation.

**Psychiatry:**

- Reallocate the Staff Psychiatrist (50770), Staff Psychiatrist – Hourly (50771), House Physician III (47320), House Physician III – Hourly (47321), Medical Program Director CATC (50841), Medical Director – Acute Services (50843), Medical Director – Crisis Services (50844), Medical Director – Adult (50847), and Medical Director – Forensic Services (50845) positions by eliminating the first five steps of the current pay range and adding five additional steps to the end of the current pay range. Incumbents would move from their current step to the next highest step in the new pay range. The fiscal impact of these changes in 2011 would be \$61,255 and would be \$187,369 in the first full year. The new pay ranges would be as follows:

<b>Position</b>	<b>Current Hourly Pay Range*</b>		<b>New Hourly Pay Range</b>	
Staff Psychiatrist/Staff Psychiatrist - Hourly	\$ 69.0409	\$ 84.8690	\$ 81.9990	\$ 100.7977
House Physician III/House Physician III - Hourly	\$ 69.0409	\$ 84.8690	\$ 81.9990	\$ 100.7977
Medical Director CATC	\$ 72.4936	\$ 89.1131	\$ 86.0996	\$ 105.8384

Position	Current Hourly Pay Range*		New Hourly Pay Range	
Medical Director (Acute Services, Crisis Services, Adult, Forensic Services)	\$ 76.1174	\$ 93.5677	\$ 90.4037	\$ 111.1291

\*Includes 1% pay increase effective 6/12/2011 for non-represented employees.

- Allow BHD to advance current staff within the pay range upon achieving Board Certification, to be competitive with other institutions and to complement the annual merit step increases and BHD's ability to make initial step appointments based on training and certification.
- Reallocate the Medical Executive Director – Medical Director Psychiatry (80040) position by adding five additional steps to pay range 904E after current step 6, and renumbering the current steps 7 and 8. This position is currently vacant and unfunded, so the reallocation would not have any fiscal impact in 2011. However, reallocating would provide BHD more flexibility for any future hire to be competitive with current industry standards. The new steps would be as follows:

Medical Executive Director – Medical Director Psychiatry (Pay Range 904E)	
	Base Hourly Pay Rate*
Step 5	\$ 109.9423
Step 6	\$ 112.0968
Step 7 (new)	\$ 116.0202
Step 8 (new)	\$ 120.0809
Step 9 (new)	\$ 124.2837
Step 10 (new)	\$ 128.6336
Step 11 (new)	\$ 133.1358

\*Includes 1% pay increase effective 6/12/2011 for non-represented employees.

- Create a special premium code for the Staff Psychiatrist – Hourly (50771) position, which does not include benefits, to provide for a \$50/hour differential for every hour that a psychiatrist works in a critical fill area. This would bring the BHD hourly rate in critical fill areas more in line with current market conditions, which can exceed \$150/hour. Applying the premium only to hours worked in high need areas will assist in staffing and offer BHD administrative and fiscal control. The creation of the special premium assumes an hourly position is used instead of filling a full-time position with benefits; therefore, there is no fiscal impact.

<b>Staff Psychiatrist - Hourly</b>			
	<b>Base Hourly Pay Rate*</b>	<b>Differential for Critical Fill</b>	<b>New Hourly Pay Rate</b>
Step 1	\$ 81.9990	\$ 50.0000	\$ 131.9990
Step 7 (Top)	\$ 100.7977	\$ 50.0000	\$ 150.7977

\*Based on recommended reallocation.

- Abolish six vacant House Physician III - Hourly (47321) positions and create six Staff Psychiatrist – Hourly (50771) positions to provide for more flexibility in staffing. There is no fiscal impact because both positions are in the same pay range and there is no change in the number of funded FTEs.

The total fiscal impact of the Psychiatry position actions would be \$61,255 in 2011 and \$187,369 in the first full year of implementation.

**General:**

- Amend applicable County Ordinances and/or Civil Service Rules to allow staff in Psychiatry, Physician, and Psychology positions to reside in Illinois. There is no fiscal impact of this action, and it would expand the area from which BHD is able to recruit potential staff.

BHD will continue to monitor the salaries and other incentives offered in the current marketplace, and will inform the County Board in future reports should other recommended actions be identified that would assist with recruitment and retention efforts.

**Fiscal Note**

The recommended position actions contained in this report would increase BHD expenditures by a total of \$153,078 in 2011 and a total of \$468,239 in the first full year of implementation. The increase in expenditures in 2011 will be covered by small reductions in contracts and the use of some deferred revenue in DHHS. A fund transfer to recognize and move the DHHS deferred revenue will be brought before the Board in the last quarter of 2011. A fiscal note form is attached.

BHD recognizes that this represents a significant investment of fiscal resources at this time. However, such actions are essential for patient care and safety, and for BHD to remain competitive and attractive as an area employee of high quality staff.

Respectfully Submitted:

  
 Geri Lyday, Interim Director

Department of Health and Human Services



cc: County Executive Chris Abele  
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**APPENDIX A. ADDITIONAL PSYCHIATRY SALARY COMPARISONS**

<b>Reporting Source</b>	<b>Position</b>	<b>Minimum</b>	<b>Median</b>	<b>Maximum</b>
<b>Milwaukee County (2011)*</b>	Service Medical Director	\$ 158,366	\$ 175,537	\$ 194,621
	Medical Program Director (Child Psychiatrist)	\$ 150,786	\$ 167,179	\$ 185,355
	Staff Psychiatrist / Staff Psychiatrist-Hrly	\$ 143,605	\$ 159,217	\$ 176,528
	House Physician III/House Physician III-Hrly	\$ 143,605	\$ 159,217	\$ 176,528
<b>State of Wisconsin (2010)</b> [Locations: Dept. of Corrections, Winnebago and Mendota MH Institutes, Dept. of Health Services, Wisconsin Resource Center]	Psychiatrist	\$ 147,890		\$ 192,256
	Psychiatry Director	\$ 215,000		\$ 227,500
	Physician	\$ 135,567		\$ 176,237
	Psychiatrist - hourly (pool) (Dept. of Corrections)	\$ 140/hour		
<b>State of Illinois (2011)</b>	Staff Psychiatrist-Board Certified	\$ 159,216	\$ 181,488	\$ 207,708
	Staff Psychiatrist-Double Board Certified	\$ 168,768	\$ 192,396	\$ 220,188
	Staff Psychiatrist-Board Certified (High Acuity Service)	\$ 166,416	\$ 189,684	\$ 217,092
	Staff Psychiatrist-Double Board Certified (High Acuity Service)	\$ 176,436	\$ 201,096	\$ 230,124
<b>Medical College of Wisconsin</b>	Associate Professor of Psychiatry		\$ 177,000	
	Professor of Psychiatry		\$ 219,000	
<b>Department of Veterans Affairs</b>	Danville, IL	Physician (Psychiatrist)	\$ 165,000	\$ 195,000
	Fort Meade & Black Hills, SD	Physician (Psychiatrist)	\$ 175,000	\$ 195,000
	Cincinnati, OH	Physician (Psychiatrist)	\$ 160,000	\$ 210,000
	Evansville & Marion, IN	Physician (Psychiatrist) Part-Time or Full-time	\$ 97,987	\$ 195,000
	Jackson, Kalamazoo & Battle Creek, MI	Physician (Psychiatrist) Part-Time or Full-time	\$ 96,539	\$ 195,000
	Rapid City & Black Hills, SD	Physician (Psychiatrist) Part-Time or Full-time	\$ 97,987	\$ 220,000
	Sandusky & Fremont, OH	Physician (Psychiatrist) Part-Time or Full-time	\$ 97,987	\$ 220,000
	Minneapolis, MN; Danville, IL	Physician (Hospitalist-Acute Care)	\$ 140,000	\$ 195,000
	Cincinnati, OH; Hines, IL	Physician (Chief of Staff)	\$ 150,000	\$ 275,000
	Hines, IL	Physician (Deputy Chief of Staff)	\$ 120,000	\$ 235,000
	<b>Horizon Health (Saginaw, MI)</b>	Medical Director-Psychiatric Services	\$ 220,000	
<b>Hennepin County Medical Center (Minneapolis, MN)</b>	Psychiatrist - hourly (pool)	\$ 145/hour		
<b>American Medical Group Association (National Reporting) - 2010 Physician Compensation Survey</b>	Psychiatrist		\$ 214,740	
	Child Psychiatrist		\$ 216,360	
	Family/General Practice Physician		\$ 208,861	

SOURCES: All reports, job announcements, advertisements, and other material used as a reference source for this market analysis are available upon request from the BHD Medical Staff Office.

\*Includes 1% pay increase effective 6/12/2011 for non-represented employees.

<b>APPENDIX B. ADDITIONAL PSYCHOLOGY SALARY COMPARISONS</b>		
<b>Setting and Experience</b>	<b>Median Compensation</b>	<b>Mean Compensation</b>
<i>City/County/ State Psychiatric Hospital</i>		
20-24 years	\$66,000	\$67,860
25-29 years	\$74,564	\$78,834
<i>VA Medical Centers</i>		
20-24 years	\$104,000	\$99,556
25-29 years	\$106,424	\$109,865
<i>State Government Agency</i>		
15-19 years	\$81,000	\$84,400
<i>Local Government Agency</i>		
20-24 years	\$88,000	\$85,940
30 plus years	\$93,000	\$90,517
<i>Community Mental Health Center</i>		
25-29 years	\$72,500	\$90,488
30 plus years	\$75,132	\$75,809

\*Summarized from the 2009 American Psychological Association Salary Study of psychologists working in direct human services positions at a doctoral level.