CASE STUDY

Sustaining Access in Rural Communities: A Proven Model for Provider Needs Assessment

Background

Healthcare provider workforce planning is never simple. Hospitals and health systems must reckon with fierce competition for physicians and advanced practice providers (APPs) amidst clinician shortages, ensure and expand access as patient demographics shift, balance preventing provider burnout while meeting consumer demand for convenient and high-quality care, and comply with applicable regulatory guidelines for provider recruitment.

These challenges are amplified for rural hospitals and health systems where provider recruitment and retention are more difficult, particularly for specialized care. In fact, more than 190 rural hospitals have closed in the U.S. since 2005, as reported by the Leonard Davis Institute of Health Economics at the University of Pennsylvania.

Challenge

To overcome the pervasive financial and workforce challenges, two rural health systems, Mountain States Health Alliance and Wellmont Health System, merged to form Ballad Health in 2018. As a new system, Ballad Health made enforceable commitments with the state of Tennessee and the Commonwealth of Virginia that included protections for patients, employees, physicians, and insurance companies.

Ballad Health's longstanding recognition of the importance and impact of workforce planning to address critical patient and provider recruitment needs, provide access to primary and specialty care, and seek strategic expansion of service offerings where identified, provided a strong foundation for complying with certain conditions as outlined in the state of Tennessee's Certificate of Public Advantage (COPA) and the Commonwealth of Virginia's Cooperative Agreement Terms and Certifications (CA).

To facilitate its ongoing commitments and proactively protect care in rural Appalachia, Ballad Health engaged PYA to assess the need for primary care and medical and surgical specialty providers in its service areas, including the federal Stark Law regulation's definition related to physician and APP recruitment, via a provider needs assessment (PNA). This process looks closely at how many physicians and advanced practice providers communities truly need, helps guide recruitment where shortages are most severe, and ensures federal requirements are met.

Approach: PYA's Provider Needs Assessment Process

The purpose of PYA's PNA was to document and support provider needs and develop an outline for Ballad Health's future provider workforce planning. The process, carried out in five key steps, enabled Ballad Health to assess physician and APP needs across the system, within specific regions, and in individual hospital service areas, while also identifying opportunities to address unmet community health needs. The PNA both validated the need for any additional provider services from a strategic perspective and ensured Ballad Health's recruiting efforts comply with Stark Law regulations.

STEP 1

Service Area Definition and Analysis

PYA began the PNA by defining Ballad Health's service areas—geographic zones reflecting where patients live and seek care. This analysis confirmed Ballad Health and PYA's understanding of marketplace dynamics, creating a solid foundation for all subsequent specialty-specific assessments.

STEP 2

Confirmation of Provider Supply

PYA quantified the supply of physicians and APPs, such as nurse practitioners and physician assistants, by specialty. The analysis incorporated

- Providers in the broader service areas
- Full-time equivalent (FTE) calculations
- Aging of patient populations and medical staff providers, including specialty-specific nuances
- Scope of practice and use of APPs both across and within specialties
- Additional assumptions and market insights from Ballad Health leadership and stakeholders, such as patient panel and coverage limitations and faculty and resident implications

STEP 3

Market Analysis and Assessment of Existing Capacity

PYA evaluated physician and APP demand using

- Contemporary nationally recognized physician-to-population ratios
- Existing wait time and patient access studies
- Market share data
- All-payer claims data
- Community health needs assessments

STEP 4

Baseline Provider Needs Identification

By comparing supply data (Step 2) to demand projections (Step 3), PYA calculated physician and APP surpluses or deficits by specialty in Ballad Health's Stark Law-defined service areas.

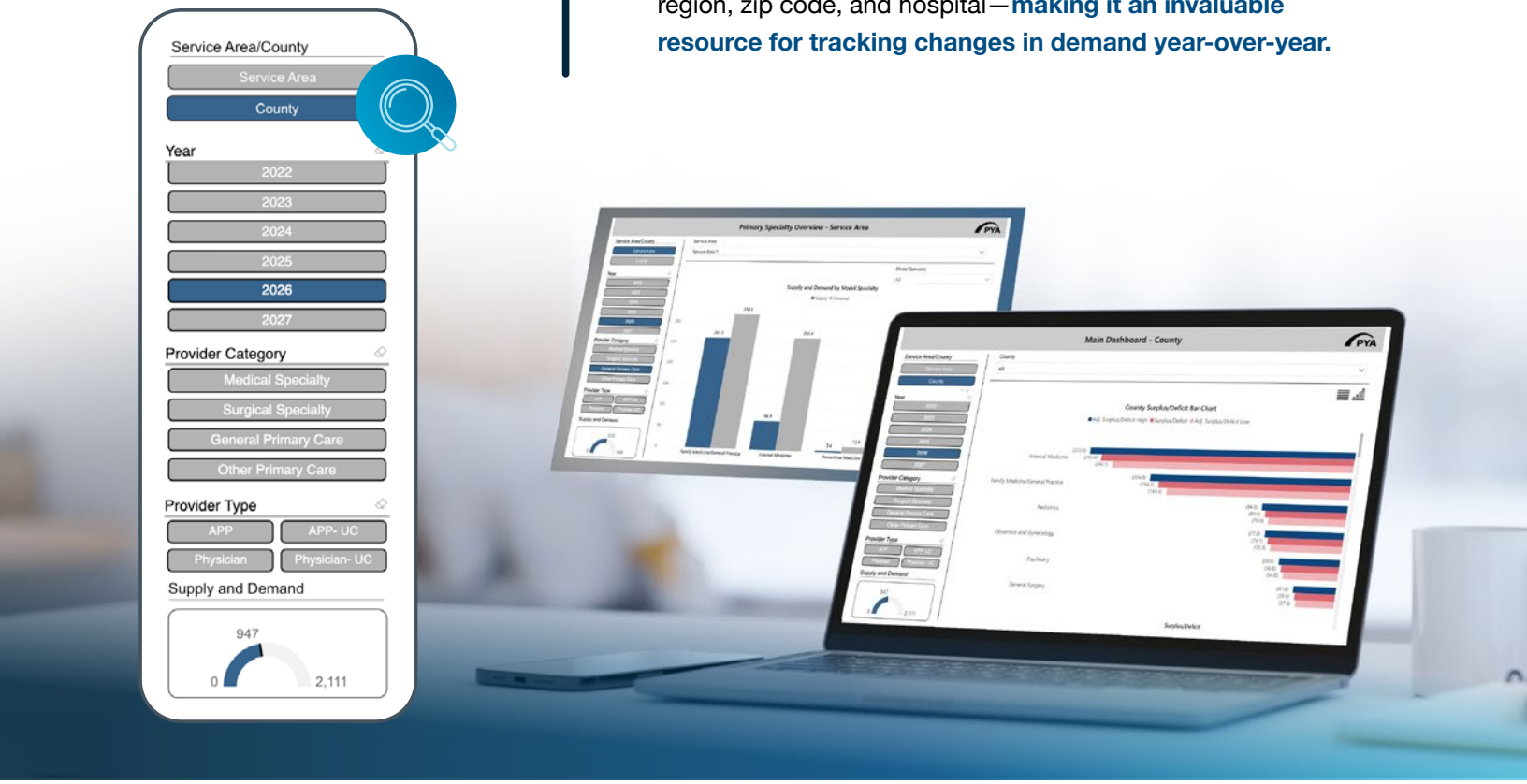
STEP 5

Findings & Actionable Insights

Draft findings were reviewed with Ballad Health leadership to incorporate local knowledge, such as upcoming retirements and anticipated service expansions. The final executive summary included

- Methodology
- Service area details and demographics
- Analysis findings
- Comparison to national and regional provider and specialty workforce trends
- A prioritized list of specialties by region to inform ongoing and future recruitment efforts

PYA delivered results using its Data Insights PNA Dashboard, allowing Ballad Health leaders to filter data by specialty, year, region, zip code, and hospital—**making it an invaluable resource for tracking changes in demand year-over-year.**



Outcomes

Early adoption of PYA's PNA insights, when combined with local community needs considerations, positioned Ballad Health to target recruiting where it matters most. By prioritizing recruiting, Ballad Health continues to improve the strong healthcare workforce the region relies upon. Ballad Health's access and quality metrics now outperform many national peers. Key outcomes include:

- Increase access to care in underserved areas:

  Since more than half of Ballad Health's hospitals are located in designated rural areas,[1] robust workforce planning identifies critical gaps and guides targeted interventions close to home. Nationally, the projected primary care shortage by 2030 ranges from 27,300 to 40,300 physicians, making Ballad's forward-looking approach especially critical for rural regions.

  - Since its merger in 2018, Ballad Health has recruited more than 800 providers—including 100 in primary care—helping to close important gaps across the region.

- Align recruitment strategies with actual community needs:

  Ballad Health's thoughtful consideration of each hospital's unique service area and its diverse regional footprint combine a data-driven approach with active stakeholder engagement to actively maintain the provider pipeline.

  - General primary care adequacy improved from 62% to 72% between 2022 and 2025, and eight of 12 specialties exceeded benchmark performance for the three-year period.

- Focus resources on high-demand specialties throughout the region:

  By going beyond the raw numbers, Ballad Health gains meaningful insight into critical access issues, necessary to prioritize critical resources, such as appointment wait times. Prioritizing the recruitment of the providers necessary to address these critical issues has resulted in significant improvement among key metrics, including:

  - Only 1% of emergency room patients leave before being seen, compared to 6–8% among peers.
  - Discharge times are up to 100 minutes faster than leading academic centers.
  - Sepsis care compliance ranks among the nation's best.

- Assure compliance with federal regulations:

  Ballad Health's approach to workforce planning is consistent with regulatory guidelines and demonstrates that recruitment efforts are based on documented community need.

1 As defined by federal regulations (42 C.F.R. Sec 411.357(e)(2))

> Our commitment to actively conducting our PNA is not a one-time exercise—it's a strategic compass that ensures recruitment efforts are grounded in real community needs, enabling us to expand access where it matters most and build a workforce that stays because it's aligned with our mission and our purpose.
>
> - **Alan Levine,**
> Chairman & Chief Executive Officer
> Ballad Health

The PYA PNA process has become an integral part of Ballad Health's ongoing commitment to expanding patient access and retaining top medical talent.

About PYA

PYA is recognized as one of the nation's Top 20 healthcare management consulting firms and Top 100 CPA firms. Our experts have significant experience advising hospitals and multi-hospital systems about provider supply and demand across multiple service areas. Our team creates medical staff development plans and compliant provider needs assessments that serve strategic objectives and regulatory compliance requirements.

Have questions about workforce planning?
We're here to help.

Contact us to learn how our team can guide your workforce planning and inform your provider recruitment strategy.