



Choosing a Physician Leadership Model For Your Service Line

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Physician Engagement and Service Line Success

Engaging physicians in service line efforts is critical to success. In order to retain physicians whose interests and efforts support service line growth, the hospital goals for the service line must be aligned, wherever possible, with those of the physicians. This principle is more important than ever as hospitals face increasing pressure to provide high quality, efficient care, while managing limited resources and declining reimbursement. Hospitals must implement strategies which enhance patient care, improve financial performance, and increase volume and market share for both the hospital and its physicians.

Physicians often cite, as one of their greatest frustrations, their hospital's failure to engage them in decisions that impact their specialty. Physicians have valuable opinions and ideas about improving outcomes and the direction of the service line but find that the traditional medical staff structure is ill-equipped to allow them to provide substantive operational leadership and drive real change. Hospitals must explore new physician service line leadership models.

Physician Service Line Leadership

Creating service line leadership roles for physicians is an engagement strategy in itself. Giving physicians substantive leadership responsibilities provides a sense of ownership over the service line, and the ability to influence the direction of the program. Physicians can help develop the program vision. They can provide guidance and expertise in efforts to improve care and financial performance, and to increase volume and market share. Ultimately, these efforts result in tangible benefits for physicians, and create a strong link to the hospital program.

Physicians can provide leadership in several areas:

- Individual product line, and overall service line, strategic planning
- Quality initiatives and patient care improvement processes
- Staff education and development
- Supporting customer service culture changes at both the hospital and physician practices
- Referring physician education, integration, and satisfaction initiatives
- Marketing and community programming planning and participation
- Recommendations regarding staffing, resources, capital budget, recruiting and medical staff development, and emergency department call coverage

Physician Leadership Models

How, exactly, can physicians take on these leadership roles and what leadership model is right for a given situation? In choosing a model, a few critical variables must be considered:

- **Degree of alignment desired**
 - Do the parties seek a fully integrated delivery model, or simply more operational integration?
- **Physician commitment**
 - Some models will require significant time and energy of the physicians.
- **Political considerations**
 - How will the creation of leadership positions impact the relationship with the various groups, and how will the medical staff view these positions?
- **Control**
 - A clinical co-management model cedes significant control, whereas operational integration cedes very little.
- **Financial investment**
 - Operational integration involves little cost, while other models may involve significant investment.
- **Compliance issues**
 - Any leadership arrangement raises potential compliance issues, particularly if it involves paid positions.

Physician leadership models can be divided into five (5) categories. The models are not mutually exclusive. For instance, it is common to have individual product line leadership positions in combination with the others, and none preclude engaging physicians in operational leadership roles. (The first four of these categories may or may not involve physician pay for their efforts.)

1. Product Line Operational (or informal) Leadership - Engaging key product line physicians in operational initiatives.
 - Can involve multiple physicians and, as no formal positions are established, there are few political implications.
 - Particularly valuable early in service line maturity, as physicians develop leadership skills and learn to work collaboratively with hospital personnel toward common goals.
2. Identified Product Line Leadership Positions - Physicians in recognized product line-specific leadership roles. For instance, a “Joint Replacement Medical Director” or “Medical Lead.”
 - As physician leaders develop, this provides recognition for their efforts and can provide a sense of ownership over the product line.
3. Service Line Advisory Council – A group of physicians advising the hospital on service line initiatives and issues.
 - As the service line matures, issues may arise which require physician input beyond individual product line interests, such as overall service line financial performance, strategic planning, or medical staff development. This model creates a useful vehicle for providing advice to the hospital on these issues.
 - Roles and responsibilities of the Council should be clearly defined
 - The group must see that hospital leadership is responsive to its input.
4. Service Line Board – A more formally established Board, accountable to the hospital, with some operational control over the service line.
 - This can provide for a higher level of service line identity and physician control
 - Membership seats, roles and responsibilities, and levels of control must be clearly established via Board by-laws
 - The hospital must commit the resources to enact Board-approved initiatives
5. Management Services or Clinical Co-Management Agreement – A contractual relationship with a physician-lead entity to provide leadership and some level of day-to-day operational management of the service line.
 - This is a significant business venture. The hospital should choose its business partner carefully. Have the physicians in question demonstrated the requisite leadership ability and commitment to make this a successful endeavor?
 - This model will only succeed if the group managing the service line is provided a practical and comprehensive service line plan, and the tools and resources to implement it.

The following table compares the key variables in considering the models. For instance, operational leadership models do not provide a high degree of alignment between hospital and physicians, but have minimal financial, political or regulatory implications.

	Operational Leadership	Product Line Specific Leadership Roles	Service Line Advisory Council	Service Line Board	Management Services Agreement/ Co-Management Agreement
Degree of Alignment Hospital-Physician Alignment	*	**	***	***	****
Physician Commitment Required	*	**	***	***	****
Possible Political Implications	*	**	***	***	****
Shared Control with Physicians	*	**	**	***	****
Financial Risk/Investment	*	**	**	**	****
Legal/Regulatory Issues	*	**	**	**	****

Examples of Leadership Models

The following examples demonstrate how various leadership models suit particular hospital situations, and how the leadership structure may evolve with the service line.

- **Hospital A – Two Service Lines, Two Approaches:**

The musculoskeletal service line began with Operational Leadership roles for several physicians. Significant gains were made at the individual product line level. Over time, key physicians from multiple groups took stronger leadership roles and were named as paid Product Line Leads, incorporating bonus payments tied to quality and operational improvements. The physicians, representing several groups, now work as a Service Line Board, to focus on overall service line issues. By contrast, the cardiovascular service line initially established a formal multi-specialty Service Line Board which struggled because it lacked a clear purpose, roles or responsibilities or an understanding of its level of control or autonomy. This has been rectified by adoption of By-Laws, and by providing the Board with a comprehensive service line development plan identifying goals and prioritizing initiatives. The structures have accelerated service line management initiatives.

- **Hospital B -- The Advisory Council:**

The musculoskeletal service line began with Operational Leadership roles for key physicians and had great success developing the Joint Replacement and Reconstruction Product Line. However, this model could not address larger, service line-related issues, including emergency department call and medical staff development, recruiting and retention. As a result, a Physician Advisory Council, representing multiple groups, was established. The group meets quarterly to perform service line strategic planning and prioritize initiatives. In an effort to enhance the effectiveness of this group, its roles and responsibilities have recently been further defined and the hospital has agreed to make these paid positions. The Advisory Council recently played a critical role in creating a new, comprehensive sports medicine program incorporating the independent physician groups and the hospital.

- **Hospital C – A Focus on Operational Integration:**

A joint venture with its surgeons on an ambulatory surgery center had resulted in little real integration in service line efforts. Operational Leadership roles in sports medicine and joint replacement were created. After making gains and establishing strong relationships and credibility with key physicians, more structured Product Line Leadership positions were established for the joint and sports medicine product lines. The hospital seriously considered the idea of a more comprehensive Clinical Co-Management agreement with the lone, large orthopaedic group. The group, however, has not yet demonstrated the level of commitment or leadership that would make such an endeavor successful so the idea has been tabled. Other collaboration strategies that are better suited to the situation and the goals of the hospital and physicians were implemented, including recruiting assistance and a joint venture on office space. The hospital has seen significant improvements in patient care coordination and surgical case volume.

- **Hospital D – Integrating with the Medical Staff:**

A young, energetic sports medicine surgeon with an interest in building the product line was identified as an Operational Leader for the musculoskeletal service line. She assumed a strong Operational Leadership role and was eventually offered a Product Line Leadership position as the Sports Medicine Medical Director. It was also decided that those physicians working on individual product lines, needed a vehicle to address larger issues. A three (3) person Advisory Council representing each of the product lines was created. Given the important role of the medical staff at this academic institution, this group exists as a sub-committee of the overall Orthopaedic section. The hospital has responded to the Advisory Council's recommendations in several areas to better meet physician needs with a particular focus on marketing the program.

Common Mistakes in Choosing a Leadership Model

The hospital's situation should dictate the model, not the reverse. Hospitals often attempt to implement a model without fully appreciating the options, the goals of the hospital and physicians, and the nuances of the situation. For example, the hospital may seek to implement a complex physician leadership structure before they have implemented the basic operational integration that forms the foundation for a sound physician-hospital relationship. Understand the important variables and choose the model that best suits the current situation. As the examples above illustrate, the model may evolve as the service line matures. Moreover, it is critical to understand that choosing the model does not ensure that the hospital's goals are aligned with those of the physicians. After putting the structure in place, on-going work is required to ensure operational success and a strong long term relationship. A lack of due diligence, causing missteps in choosing and implementing a model, can significantly impair a hospital's ability to engage its physicians. It can waste valuable hospital resources and damage the trust and credibility that is vital to a healthy physician-hospital relationship.

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For more information:

Accelero Health Partners works with its hospital partners to create sustainable service line competitive advantages. Identifying and implementing physician-hospital collaboration strategies is a core component of our service line management approach. If you have questions about physician service line leadership structures, or want more information about Accelero Health services, please contact us at www.accelerohealth.com or by phone at 724-743-3760.



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