Physician Leadership:

Within the Employed Network Organizational Structure

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HSG

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5 Years at HSG
35 Years in the Industry

Strengths

- Shared vision and strategic planning
- Physician alignment and engagement
- Physician leadership structure
- Development of clinical operations, assessments, and transformation

Client Accomplishments

- Worked with client executives and physicians to create shared visions that led to significant advances in network function and outcomes

PROFESSIONAL EXPERIENCE

After retiring from Naval service, Dr. McWilliams spent a decade as the Vice President of Medical Affairs and Chief Medical Officer at Newport Hospital, a non-teaching community hospital within a larger academic health system. As CMO, he supervised the Medical Staff Services Office and was additionally responsible for quality of care/patient safety/risk management, clinical information systems, physician recruitment and clinical service line development. At the system level, he was intimately involved in creating system-wide Medical Staff Bylaws, spearheading various clinical IT projects, and contributing to broad-based performance improvement efforts.

EDUCATION

Terry received his MD from the University of Pittsburgh School of Medicine and completed family medicine residency in the Navy. He completed a Master of Science in Jurisprudence (MSJ) in Hospital and Health Law from Seton Hall University School of Law.

Objectives

- Understand the benefits of involving physician leadership in strategic and operational problem-solving and decision-making processes
- Recognize how physician leadership can be incorporated into the employed network's organizational structure
- Appreciate the pros and cons of dyad management teams
- Realize the key role that provider leadership councils and their associated committees can contribute to organizational success

Physician Leadership - Importance

- Traditional existence in the hospital's organized Medical Staff
  - Individuals often undertrained for positions and only transiently involved
  - Structure often underutilized – especially for system strategic planning
- Heightened awareness of role in achieving value-based care success
  - Requires providing high quality, safe patient care in the most cost-effective manner – and with high patient engagement in and satisfaction with the care provided
  - Physicians directly provide (and guide) the lion's share of patient care
  - Peer-to-peer interactions key to influencing behaviors associated with care delivery
  - Thus, proficient physician leadership is assuming a increasingly greater role in organizational leadership
- Key driver in moving employed network maturation along Growth Curve[1]

1. D.W. Miller, et al, Employed Physician Networks: A Guide to Building Strategic Advantage, Value, and Financial Sustainability. Health Administration Press, 2019.

Physician Leadership - Importance

Physician Alignment Strategy	Management Infrastructure	Network Performance Improvement	Shared Vision / Culture	Early Risk Contacting (ACO, Direct Contracting, Bundled Payments)	Leverage Network in Marketplace
Define Compensation Principles	Physician Leadership Development	Revenue Cycle and Productivity Systems	Network Strategic Plan, Integrated with System Plan	Optimize Physician Engagement in Performance Improvement	Full Risk Contracting
Interim Management	Acquisition and FMVs	Physician Advisory Council Enhancement	Clinical Practice Transformation / Population Health	Quality and Patient Experience Focus Across Continuum	Manage populations
Executive Search	IT Strategy	Enhance Management Infrastructure	Quality / MACRA / Patients Experience	Brand Enhancement	Provider of Choice
		Referral Capture/ Network Integrity	Aligned Incentives, Compensation		

Physician Leadership – Benefits

- **Engagement**
  - Employment does not guarantee engagement with the organization or its initiatives
  - Directly involving physicians in the problem-solving and decision-making process engages them in the network's work product and instills a sense of ownership in the outcomes
- **Alignment**
  - Employment also does not guarantee alignment with organizational objectives
  - Direct involvement in establishing and collaborating with program, and related project, development enhances the likelihood of alignment
  - Incorporating associated incentives within the compensation plan further cements the interrelationship and propels the network forward

Physician Leadership – Benefits

- **Retention and Recruitment**
  - As physicians become involved, aligned, and engaged with network strategies and tactics, the work environment favorably evolves to enhance physician job satisfaction
  - Network reputation of being a preferred place in which to practice follows
- **Burnout Mitigation**
  - Promoting direct physician input into practice and group operations is one of three categories of organizational initiatives that can reduce the risk of physician burnout within the network[2]
  - Establishing formal physician leadership positions and, particularly, a Leadership Council with Committee structure represent key initiatives to lessen the risk of physician burnout within employed networks

2. Mitigating Physician Burnout: Developing a Proactive Organizational Approach. https://hsgadvisors.com/thought-leadership/white-paper/physician-burnout/.

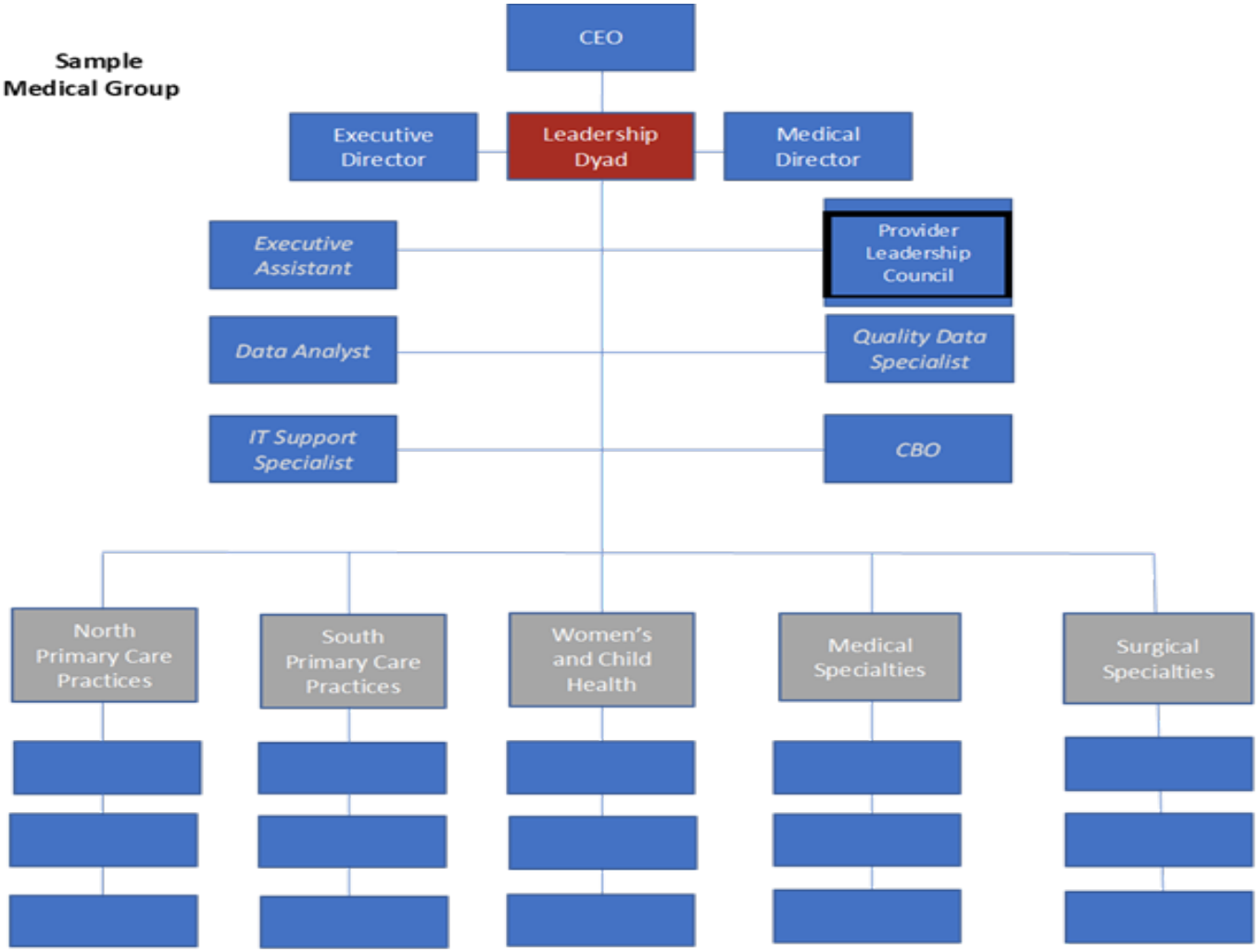
Physician Leadership – Attributes

- Understand clinical, market, and economic issues
- Committed to improving quality
- Willing to model and drive desired culture
- Willing and able to hold peers accountable
- Embrace the role of rallying peers and colleagues to accept the challenges associated with the evolving healthcare environment
- Actively lead positive change
- Balance individual autonomy with system expectations
- Advocate for both the patient and the system
- Promote team participation
- Lead by example
- Establish direction, buoy the vision, and align, motivate, and inspire others to follow

Physician Leadership – Organizational Structure

- Primary mechanisms
  - Formally designate physician leadership positions
  - Create a Physician Leadership Council
    - Can also be known as
      - Physician Advisory Council
      - Provider Leadership Council – recognizing APP involvement
      - Provider Advisory Council
- Each mechanism provides direct input into the organization's strategic planning and operational problem-solving and decision-making processes
- Creating a Leadership Council in particular can expeditiously and cost effectively introduce direct provider involvement in network operations and strategy

Physician Leadership – Organizational Structure



Physician Leadership – Dyad Management

- Pairing a physician leader with an administrative leader as a joint leadership team with joint accountability
- Both individuals have primary and shared responsibilities that exploit personal and professional strengths to result in synergistic function
- Can be a highly productive and efficient leadership tandem
  - Complementary rather than duplicative in nature
  - NOT two people doing the same job
  - NOT one person doing all of the work for "team review"
- Applicable at all levels of organization's functional units

Physician Leadership – Dyad Management

Sample responsibilities might include the following:

Shared	Physician Member	Administrative Member
• Developing or implementing strategy and associated action plans	• Providing "medical staff" supervision ▪ Performance review ▪ Discipline ▪ Recruiting, on-boarding	• Developing operational goals, priorities, responsibilities
• Fostering group culture	• Creating, implementing, and monitoring clinical practice guidelines	• Monitoring group financial functions – budgeting, accounting, reporting
• Promoting, monitoring, and reporting group and individual performances ▪ Quality of care, patient safety ▪ Patient experience ▪ Operational efficiency ▪ Operating budget	• Driving population health management initiatives	• Managing and developing human resources consistent with organizational guidelines, established contracts, and legal requirements
• Developing internal and external organizational relationships	• Evaluating clinical outcomes (effectiveness and efficiency)	• Coordinating necessary support functions – marketing, IT, financial
▪ Optimizing clinical informatics and data analytics systems	• Supporting Administrative Member	• Supporting Physician Member

Physician Leadership – Dyad Management

- Ensuring dyad management teams function well requires more than naming individuals to the positions
- Success can be fostered by focusing on the following:
  - **Establish the structure**
    - Before filling positions, ensure that the framework under which the dyad will function is in place
    - Clearly define the organizational structure, reporting relationships, and expected roles and responsibilities through well devised position descriptions
  - **Recruit wisely**
    - A successful pairing begins with the selection process
    - Key selection components go beyond the requisite positional competencies to evaluating the cultural fit within the pair and with the unit they will lead
  - **Clearly set functional expectations**
    - Instill the concept that the pair is expected to
      - Work synergistically to execute their well-defined roles and responsibilities
      - Share accountability for the unit's performance
      - Function in a complementary rather than duplicative manner

Physician Leadership – Dyad Management

- **Train and mentor the physicians selected for these leadership roles**
  - Desirable physicians ideally aspire to the position and a future in medical administration
  - Formal (specific courses, graduate education) and informal (independent self-study) educational elements should be encouraged and pursued
- **Train and mentor the dyad pair**
  - Even if individually familiar with dyad concepts, consider formal and informal education combined with individual and paired coaching to promote successful function
- **Educate the organization**
  - Topics include
    - The dyad's roles and responsibilities
    - Staff reporting relationships
    - Which dyad member should be approached with what issue – or whether either member can be approached with any issue and they internally determine who is responsible for taking action
  - Explicitly defining these elements with staff sets realistic, practical expectations
  - Reliably executing the roles reinforces the concepts and fulfills expectations

Physician Leadership – Council (PLC)

- Enhances organizational performance by promoting
  - Active physician and APP involvement in the problem solving and decision-making process
  - Effective two-way communication
  - Physician and APP leadership development
- Decisions and recommendations best attained by a consensus decision-making process whenever possible
  - Consensus is defined as a group decision-making process in which group members develop, and agree to support, a decision in the best interest of the whole – even though the selected option may not be an individual member's favorite

Physician Leadership – Council (PLC)

- Provides a valuable forum to
  - **Solicit strategic and tactical input from direct care providers**
    - Early, ongoing provider involvement in the strategic planning process predicts more positive results
  - **Review practice performance**
    - Established metrics should be reviewed through a dashboard format on a regularly-scheduled basis to replicate positive practices and identify potential areas for improvement
  - **Present potential new initiatives**
    - Excellent forum to vet proposed initiatives – whether arising from management or the practices
  - **Promote provider "ownership" of practice function and initiatives**
  - **Establish the desired culture**
    - Council members serve as role models for peers and colleagues
  - **Educate and groom future leaders**
    - Introduces organization's perspective and promotes a collective rather than individual focus

Physician Leadership – Council (PLC)

- Council Leadership
  - Often jointly led by the administrative and medical director dyad
  - Member-elected Vice-Chair
- Membership Composition
  - Will vary according to the size and complexity of the employed physician network
  - Should be relatively inclusive to
    - Achieve the broadest input during Council deliberations -- and --
    - Effect the greatest buy-in for the Council's decisions.
  - Should be representative of
    - Specialty mix, geographic locations
    - Physician generations and experience levels
    - Gender proportions
    - Advanced Practice Professional mix
    - Administrative team members
      - Permanent or ad hoc
  - Size must balance inclusiveness with a workable decision-making process

Physician Leadership – Council (PLC)

- Council should adopt and exercise agreed expectations and ground rules to permit optimal function
  - Assume a fiduciary duty to the group, health system, and peers.
    - Fiduciary Duty in this context is acting in the best interests of the group and organization; placing those interests above your own.
    - Membership does not represent an opportunity to advocate or pursue private agendas.
  - Exhibit respect for all those involved (directly or indirectly) in the process.
  - Attend faithfully.
    - Attendance at each meeting is expected.
  - Actively prepare for and participate in meetings.
  - Become an information conduit to and from peers.
  - Champion projects that attain consensus to be implemented.
  - Openly discuss opinions during meetings but rally behind the decisions made. Do not convey internal disagreements outside of the meeting unless the discussion is pertinent to moving the initiative forward with the group.

Physician Leadership – PLC Committees

- Council Committee Benefits
  - Allow the Council to function more efficiently and effectively by dealing with the detailed work related to a defined area of responsibility on behalf of the Leadership Council
    - Standing or ad hoc
    - Functions under Council purview and regular review
    - Council remains the ultimate "decision-making" body
  - Afford additional opportunities to actively involve more group members in group operations and governance
    - Promotes provider engagement and "ownership" in the group

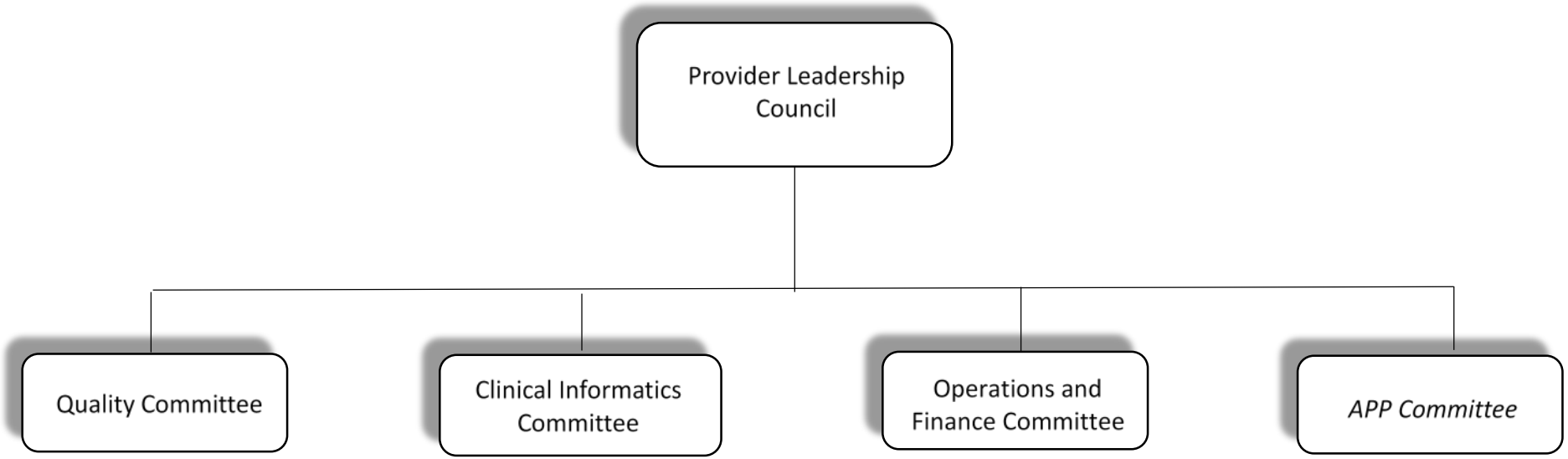
Physician Leadership – PLC Committees

- Logistics
  - Ensure that the committee "charge" is clear
    - Each committee should have a clear understanding of its tasking and scope
      - A formal charge is a straightforward mechanism by which to achieve this clarity
  - Include a Leadership Council downlink (or liaison) to ensure direct, first person knowledge of both the Leadership Council and the committee workings, deliberations, and processes
    - The downlink (liaison) would not necessarily need to be designated as the committee chair – especially in situations that might be better suited for a leader with particular expertise
      - These instances permit
        - Infusion of subject matter expertise in Chair position
        - Additional leadership development opportunity (chair position)
        - Designation of downlink (liaison) as co-chair
        - Downlink (liaison) can present Committee activities to PLC
          - Ensures downlink active and conversant in Committee function
          - Minimizes additional meeting requirements for Chair

Physician Leadership – PLC Committees

- Logistics (continued)
  - Agenda
    - Committee agenda items are generated from multiple sources, including direction from the Leadership Council, input from the larger group (e.g., All-Provider meetings), and issues that arise from the committee's work
  - Activity documentation
    - Each committee should document its activities and thought processes and provide regularly scheduled reports to the Leadership Council
  - Membership
    - Multidisciplinary based on assigned committee tasks/role
    - Will likely extend beyond the Medical Group as appropriate
      - System quality or IT representatives for instance

Physician Leadership – PLC Committees



Physician Leadership – PLC Committees

- **Clinical Informatics Committee**
  - Primarily focused on optimization of the ambulatory EMR platform and standardizing IT processes across practice sites
  - Invariably includes cross over initiatives with other PLC Committees to achieve common objectives
- **Operations and Finance Committee**
  - Focuses on providing input for achieving financial sustainability, streamlined clinical operations, and highly effective yet cost efficient practices
  - Invariably involves determining preferred processes to be standardized across practice locations
- **Quality Committee**
  - Focuses on developing and executing a Medical Group-specific quality plan
  - Interfaces with the health system plan and infrastructure
  - Invariably focuses on MIPS, ACO, and other pay-for-performance programs, patient experience, and clinical best practice adoption

Physician Leadership – PLC Committees

- Constituency committees
  - Provide a formal forum for constituency groups to address pertinent professional issues within the Medical Group
  - Report to and take direction from the Provider Leadership Council – so voice is heard
  - Work collaboratively with other Provider Leadership Council Committees as many initiatives and opportunities will overlap
  - Most common application is for APPs

PLC Case Studies

Case Study 1

- A public, non-profit health system comprised of a community hospital and several ambulatory locations across northwestern Ohio and a medical staff of 75+ affiliated physicians across a number of specialties
- The employed provider network consisted of 18 providers – 10 physicians and 8 APPs – in 11 locations
- The employed network did not have any designated, formal provider leadership
- As part of undertaking a more global strategic imperative, the employed network's executive director lamented the inability to engage providers in network planning and operations
- A Provider Leadership Council was proposed to immediately inject provider leadership into network function

Case Study 1

- Process
  - A series of three (3) All-Provider meetings set the framework for undertaking the larger strategic initiatives and setting the stage for creation of the Leadership Council
  - The Council's Charter, Member Expectations, and membership selection process were created in conjunction with executive leadership and adopted by the Council.
  - Committee infrastructure was proposed and adopted to operationalize both the Council's Charter and the network's shared vision and associated strategies

Case Study 1

- Outcomes
  - The Leadership Council members enthusiastically embraced their new roles and responsibilities – and welcomed the opportunity to participate in network leadership and operational guidance
  - Prioritized vision strategies for action
  - Raised potential of pursuing CPC+ (one practice PCMH recognized and others on journey)
    - Group quickly turned around application as topic raised just prior to deadline
    - Group was accepted to program
  - Created collegial onboarding program
  - Created network Code of Conduct
  - Allowed more organized forum for active participation and feedback in EMR conversion process
  - Executive Director now felt supported, experienced less frustration, and able to effectively move medical group forward

Case Study 2

- Employed medical group of a highly successful hospital system in northeast Ohio
- Experienced rapid growth over three year period (2012 – 2015)
  - Primarily through practice acquisition
- Consisted of 146 physicians and 46 Advanced Practice Professionals (APPs) spanning 19 specialties practicing in 37 locations spread over 6 counties
- Management infrastructure did not keep pace
- The practices functioned in a semi-autonomous fashion – essentially continuing much of the operational processes that were in place prior to acquisition
- In 2015, recognizing the need to effectively communicate with the growing group, the health system chartered a committee of physician leaders to enhance bidirectional communication

Case Study 2

- The committee was not conferred defined leadership expectations outside of effecting a communication chain
- Meeting agenda items consisted of medical group and health system leadership presenting quality, patient satisfaction, and financial data
- Disconnect regarding development of specific action plans or creation of execution expectations.
- In mid-2016, the medical group undertook a vision project to catalyze the group maturation process
    - Goals
        - Promote collaborative group function
        - Appropriately enhance the network infrastructure
        - Improve practice operations
        - Cultivate Physician Leadership
        - Develop a more homogeneous group culture and identity

Case Study 2

- The physician committee balked at presenting their work to their peers
  - They openly wondered about what right they had to impose these thoughts on the others
- Reviewed the committee's Charter to understand their reluctance
  - Discovered that the committee's "purpose" was to be a communications vehicle, not a leadership group
  - Even though members were selected because of their leadership roles in individual practices, they were not overtly empowered with leadership authority over the entire medical group

Case Study 2

- Actions
  - Worked with committee and executives to revise the Charter to create a Leadership Council imbued with specific medical group leadership functions
  - Modified Committee membership to more closely parallel group demographics
    - Include additional primary care members
    - Added an APP representative (with plans to add a second)
  - Introduced membership expectations that more specifically delineated individual conduct and committee aspirations
  - A subcommittee structure was developed to address
    - Quality and Patient Experience
    - Clinical Informatics
    - Finance and Operations

Case Study 2

- Outcomes
  - Council members were palpably more engaged in the vision project – and once executive leadership presented the organizational change – comfortably presented the proposed shared vision and associated strategies to their peers
  - The tenor of the meetings changed from passive attendance to active participation
  - Committee reports driven by the Committee membership and the Leadership Council replaced "executive" reports
  - The group is executing its vision-related strategies

In essence –

A Leadership Council was created from a communications vehicle

Questions

About HSG

Headquarters: Louisville, KY
Formed: 1999
Client Base: 95% Non-Profit Hospitals & Health Systems
Focus: Healthcare-Only; Hospital and Physician Network Strategy and Execution

	CORE AREA
Build Network Structure	Organizational Structure and Management Infrastructure
	Physician Governance & Leadership, Including Advisory Council & Subcommittee Structure
Build Vision for Success	Shared Vision and Culture Development
	Strategy & Manpower Development
Optimize Network Performance	Operational & Financial Performance
	Revenue Capture & Referral Retention
	Compensation Structure & Evolution of Incentives
	Fair Market Value & Compliance
	Clinical Evolution & Coordination of Care