

Employed Provider Networks and Health Systems May Suffer Under One Physician Executive Leader

By: Dr. Terry McWilliams

Hospitals and health systems who desire a physician executive presence within the hospital/health system and within the employed provider network often debate whether they really need two physician executives. They often ask HSG, “Can’t a single individual fulfill both roles?”

A defining consideration in this internal debate is whether the organization “can afford” to have two positions. Though often thought of in terms of positions, affordability is actually a function of FTEs rather than the roles fulfilled. HSG strongly encourages clients to consider two distinct leaders but not necessarily two FTEs.

The basis for this recommendation resides in the differing emphases and functionalities of the two roles. Hospitals and health systems should consider a high-level overview of the two positions in question.

POSITION #1**Hospital/Health System Physician Executive**

The hospital/health system physician executive position needs to maintain a global focus across the breadth of hospital/health system functions (including system level service line performance and development), and external organizational interactions including hospital regulatory relationships and independent physicians.

POSITION #2**Employed Provider Network Physician Executive**

The employed provider network physician executive position often exists within a dyad leadership/management relationship with an administrative Executive Director. The position involves direct operational support of the employed provider network and development of strategic capabilities of the group. This position often fulfills the desire to have physicians report to physicians and unify the reporting structure through the leadership dyad.

Most organizations that attempt this dual-coverage, one position arrangement find that this solution does not function well due to the different and, at times, conflicting role expectations. Consider the following potential unintended consequences of a single individual covering each of the positions:

- **Clouded reporting structure.**

It may not be clear which "hat" the physician executive is wearing during any given interaction. Adding to this factor can be perceived conflicts of interest, perhaps most notably with addressing concerns related to hospital v. employed network and independent v. employed physician perspectives.

- **Differing scope.**

As noted above, the hospital/health system physician executive must maintain a high level of objectivity across the system and must focus on the entirety of system services and function. In contrast, the employed network physician executive narrowly focuses on the employed network operations and strategy – only peripherally bringing hospital or system issues to others' attention.

- **Excessive scope.**

The expansive nature of each position's responsibilities and functions invariably competes for the amount of time an individual can focus on either area. Both areas require significant focus. Invariably, system priorities take precedence at the expense of network involvement.

- **Burnout risk.**

The demands on excessive scope, conflicting priorities, and differing focuses can contribute to the risk of physician executive positional dissatisfaction, poor performance, and burnout. The circumstances can lead to frequent positional turnover and destabilization of the entire organization.

Expecting a single physician executive to fulfill the roles and responsibilities inherent in both the hospital/health system and employed provider network physician executive positions frequently leads to group dysfunction and role dissatisfaction.

The system should strongly consider investing in separate physician executives for the hospital/health system and employed provider network positions to maximize group and individual function and stability. This recommendation does not imply that two full time positions are recommended – just two separate positions. The portion of FTEs attributed to each position will directly depend on the size and complexity of the involved entities.








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