

Getting Physicians, Administrators On the Same Page

BY MARK CRAWFORD

With new health care legislation in place, there is no question that providers must increase efficiency of patient care. For the first time, providers and hospitals and other stakeholders must truly work together toward a shared vision to achieve the efficiencies and patient outcomes that are now required by the Patient Protection and Affordable Care Act.

“Our nation faces a debt crisis that’s pushing us toward substantial reduction in government health spending,” said C. Marlena Fiol, professor of health administration at the University of Colorado in Denver. “States are facing their own severe budget shortfalls and also attempting to reduce their spending on Medicaid. Addressing these challenges effectively demands that physicians and administrators move beyond their traditional conflictive positions to innovatively work together.”

In other words, they must be aligned — working toward common goals; on the same page. Physician alignment is a key strategy in fulfilling this

Goals and incentives have not been aligned in a system that has rewarded volume rather than coordination and quality.

goal — hiring physicians who are already a good fit with the hospital’s culture, or changing attitudes of physicians to align them with a culture that is evolving toward integration and efficiency.

“Moving down this path without major changes ... often requires unlearning old patterns of think-

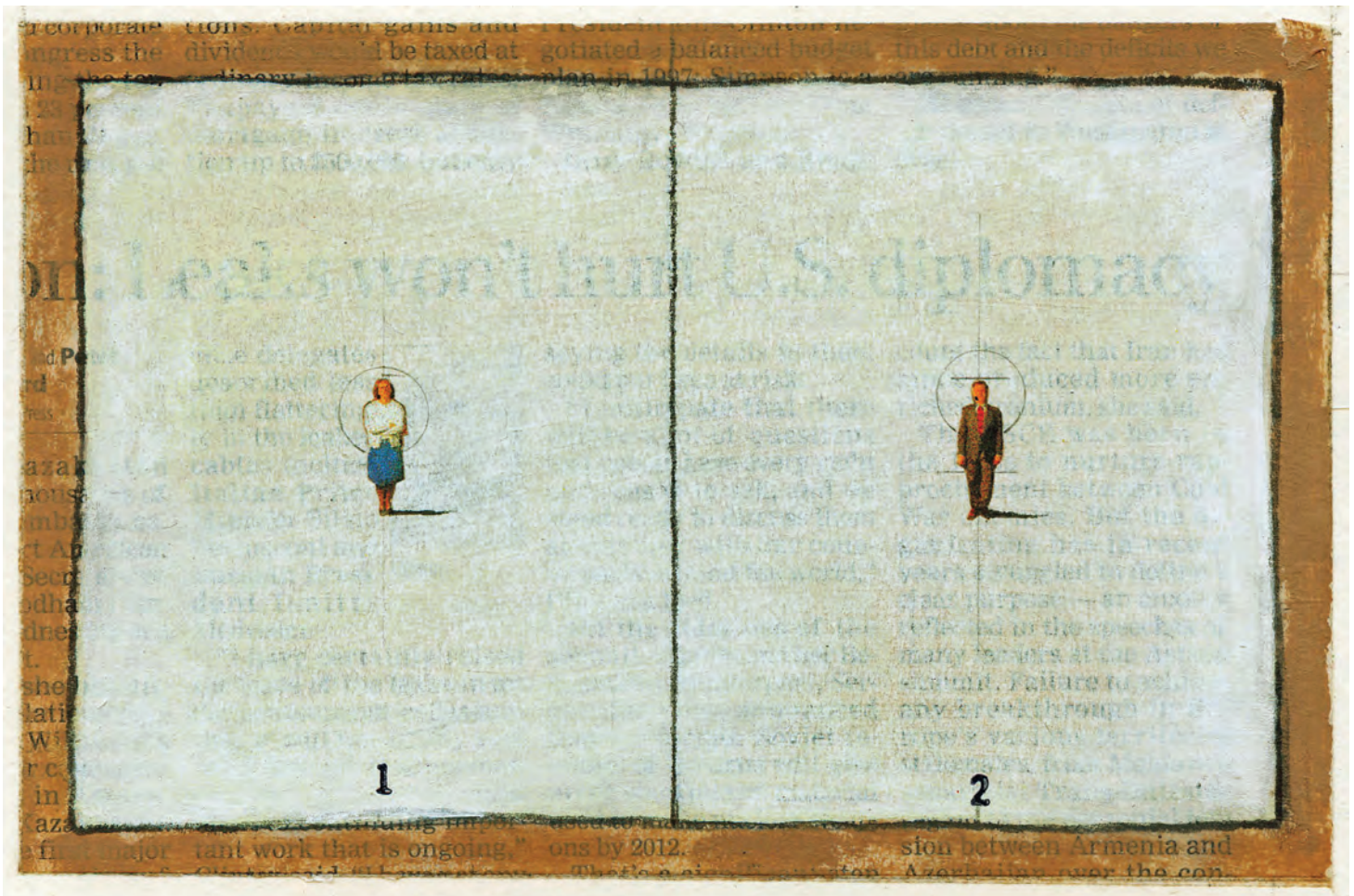
ing and behaving,” added Fiol. “This is quite challenging for many who are more determined to be right about past practices and points of view than they are to producing the demanding results required by today’s health care environment.”

A CLASH OF CULTURE

It’s a virtual truism that physician independence and provider fragmentation in health care have been sources of friction between physicians and administrators for decades. Goals and incentives have not been aligned in a system that has rewarded volume rather than coordination and quality. Care delivery has been fragmented and siloed, making it almost impossible to achieve the highest levels of quality.

“Independence has created a power and economic struggle,” said Mark M.

Fulco, senior vice president of strategy and marketing for Sisters of Providence Health System in Springfield, Mass. “As a result, physicians have been untrusting of hospitals and fearful of hospital control and concentrated economic power. Hospitals have been challenged by physician



behaviors that affect referral patterns, cost of care delivery, quality and patient satisfaction. The trust and relationship gap was widened by the failed physician-employment experiment in the '80s and failures in the development of workable, sustainable, capitated payment arrangements.”

However, the new reimbursement landscape is compelling physicians and hospitals to find new ways to collaborate to improve quality and patient satisfaction, lower costs, and improve the efficiency of health care delivery. “Under the new model of care and reimbursement that is developing, providers will be paid for high-quality and cost-effective care, and providers will likely assume responsibility for care across the continuum of a patient’s health care needs — both out-patient and in-patient,” Fulco said. “To achieve necessary value (high quality at a lower cost), a high level of collaboration and integrated care management between physicians and hospitals will be necessary.”

A VALUE-ADDED APPROACH

The trend driving hospitals to hire physicians continues to grow. According to a May 2010

American Hospital Association survey, 65 percent of hospitals are actively trying to employ more physicians. Data from the Medical Group Management Association’s “Physician Placement Starting Salary Survey: 2010 Report” indicate that in 2009, 65 percent of established physicians were placed in hospital-owned practices and 49 percent of physicians hired out of residency or fellowship were placed within hospital-owned practices.

“Last year the number of physicians who identified themselves as being affiliated with hospitals exceeded the number in independent practice who aligned themselves with the American Medical Association for the first time,” added Michael G. Rock, MD, medical director for Mayo Clinic Hospitals in Rochester, Minn.

Hospitals are hiring doctors for several reasons. First, they need more physicians to implement the strategies that will provide better care to more patients. Many health systems also believe that putting physicians on the payroll is an important first step in ensuring their alignment with the future. (Indeed, the terms “alignment” and “employment” are sometimes used interchangeably.)

Additionally, competition for doctors is keen in some health care markets, so hospitals are anxious to sign them up before other offers are made.

For physicians, hospital employment is increasingly a matter of survival. With payments declining and confusion about what health reform will look like in the future, many physicians are participating in conversations with health systems about ways to collaborate.

“Some hospitals, particularly those in hyper-competitive markets where physician ‘land grabs’ are occurring, may be using employment as a lead strategy not only for alignment but for direct market share and volume control,” added Fulco. “There are some regions where hospitals are using this approach to build their networks and directly control referral patterns. At a recent meeting of the Catholic Healthcare Innovators group, colleagues from other areas of the country shared that some insurers are likewise developing networks of employed physicians as they deploy ‘retail’ strategies in a move away from conventional health care insurance wholesale strategies.”

Physicians are increasingly seeing the value in employment by health systems as they see reimbursement decrease and time spent managing their businesses increase, said Les Mitchell, corporate director of physician affiliations for Catholic Health Partners in Cincinnati. Further, he said, the investments in equipment such as an electronic medical records (EMR) system can be prohibitive for a small private practice.

“A system like Epic’s [Epic Systems Corp.] often costs tens of thousands of dollars per physician. We can offer our physicians the best EMR on the market, a factor that is actually a key part of our growth,” he said.

Employing physicians offers new opportunities for Catholic health care systems seeking to align physicians with an organization’s mission and core values, according to Mark Desmond,

CHP vice president for mission integration and foundations. (See sidebar, page 24.)

Thus economic pressures of medical practice and the uncertainty surrounding payment reform have created a new reality for both sides, with the result that attitudes and behaviors of physicians are beginning to shift.

“This pressure opens the door to breaking down long-standing barriers between physicians and hospital administrators as they search for ways to maintain their financial viability while delivering the care that is required,” said Fiol.

SEPARATE AND TOGETHER

“In the past, physicians have been resistant to changes perceived as encroachment on their

Physicians are increasingly seeing the value in employment by health systems as they see reimbursement decrease and time spent managing their businesses increase.

medical judgment or practice autonomy,” Fulco said. “A significant element of clinical integration involves the use of standardized, evidence-based clinical protocols and clinical quality management processes. Physicians are becoming more receptive to these types of changes in practice since they understand the impact on quality and, ultimately, the way it affects their income.”

For many, however, especially for larger organizations, the process of alignment can be a protracted struggle. Physicians and administrators are the major decision makers in hospital/health systems. Depending on the size, make-up and history of the organization, it can be difficult to get these two groups of decision makers to work collaboratively to drive the changes necessary to improve health care and efficiency.

“Our research suggests that to bring together groups locked in intractable conflicts, they must first be separated and strengthened individually,” said Fiol.

She and Edward J. O’Connor, also a health administration professor at the University of Colorado, have developed a “Physician Administrator Relations Process” that is discussed in their book *Separately Together: A New Path to Healthy Hospital-Physician Relations* (Health Administra-

PHYSICIANS AS PARTNERS

Engaging physicians as partners can be a challenging task for a health system. “There are many legal requirements (Stark Laws) that must be taken into consideration as we develop models for physician alignment,” said Les Mitchell of Catholic Health Partners. “Other key issues revolve around physician comp, fair market value of physician practices and the due diligence process.”



tion Press, 2009). The four steps, obviously complex and difficult to put into practice, are: generate significant commitment to change old patterns; disentangle negative connections between groups ingrained through past behavior patterns; expand security in both groups — physicians and administrators — by stressing the valuable contributions each makes to health care outcomes; attempt to align the groups separately, encouraging them to move in a common direction together.

“The problems plaguing hospital administrators and physicians run deeper and wider than any single individual or group,” said Fiol. “They cannot be fixed simply by trying harder to do what we have been largely unsuccessfully trying to do for decades, such as bringing groups together within an integrated structure, which typically does not work.”

A key principle, she maintains, is “separate togetherness.” “Only if physicians and administrative groups can maintain their own autonomy as separate groups and simultaneously unite around a common purpose, will the desired collaboration likely result from traditional approaches for bringing the groups together,” she said. “We call this separate togetherness; togetherness because the groups collaborate around a common purpose and separate because each group does not sacrifice its own separate and unique distinctiveness in the process.”

The only way that either group can, without feeling threatened, commit to the vision and goals of a larger unit that includes the former “enemy” is if it feels secure about its own value and unique contributions.

“Physicians are not usually united as a group except in their common animosity toward administrators,” said Fiol. “Fragmented administrative groups, too, find themselves coming together primarily around one of their most pressing concerns, the difficult relations with their physicians. This means that in most health care settings, separate togetherness is not going to be possible without first strengthening the security each group feels about its own group’s distinctive contributions.”

Contrary to what many believe, physician alignment does not necessarily mean physician employment. A variety of agreements can be reached between hospitals and affiliated but non-employed physicians, including service line development/management, joint ventures and leasing practices.

“Most people think of high-end medical institutions like Mayo Clinic and Cleveland Clinic

“The best and quickest way to overcome resistance or suspicion is by incorporating physicians in the decision-making process and placing them on boards.”

Michael G. Rock, M.D.

[where physicians are employed] when they think of physician alignment, but there are some great success stories out there that involve aligning non-employed physicians to achieve the same high level of efficiencies and outcomes,” said Mayo Clinic’s Rock. “Atlanta Care and Advocate Health Care in Chicago are good examples. Advocate’s system includes about 6,000 physicians — most are not salaried, yet they are fully integrated and aligned with the organization’s vision. Both organizations have been highly successful in creating common respect and trust between physicians and facilities.”

Rock believes the most important key for successful engagement between physicians and hospital leaders is early engagement. “Get them feeling comfortable and confident,” he said. Ultimately the best and quickest way to overcome resistance or suspicion is by incorporating physicians in the decision-making process and placing them on boards.”

For example, Advocate Health Care engaged its physicians in the strategic planning process, operational design and defining the metrics that

ALIGNING PHYSICIANS WITH ADMINISTRATION

C. Marlena Fiol and Edward J. O’Connor, authors of *Separately Together: A New Path to Healthy Hospital-Physician Relations* (Health Administration Press, 2009), propose the following four-step process in aligning physicians with a hospital’s administrative goals:

- 1** Generate significant commitment to change old patterns.
- 2** Disentangle the negative connections between the groups ingrained through past behavior patterns.
- 3** Expand security in both physician and administrative groups based on the valuable contributions each makes to health care outcomes.
- 4** Attempt to align these groups separately to move in a common direction together.

went into the balanced scorecard. Once the physicians saw it was not an acrimonious situation they were enthusiastic to be part of the process. A significant number — 25 to 50 percent — of board members at Atlanta Care and Advocate Health Care is made up of physicians. That is a huge shift from previous years.

FINDING THE RIGHT DOCTORS

It's easier to attract compatible physicians when

the culture is well-defined. "In many cases the physicians who seek us out are already aligned with the Sisters of Providence Health System culture," said Fulco. "We are considered by many physicians in our community to be the alternative to a larger, non-faith-based health system that has a reputation for being less physician-oriented, less physician-friendly and more interested in physician control."

Catholic Health Partners takes as much time

PROGRAM AT CHP DRAWS ON PHYSICIANS' PERSONAL VALUES

As a participant in a recent Catholic Health Partners' Leadership Academy and his team's sole mission executive, Terry Weinburger proposed that the team's project — to develop a program for improving the recruitment and on-boarding process for employed physicians — include components that ensure the doctors' alignment with the core values and mission of CHP.

The 27 participants in the 18-month leadership program were divided into four teams, each charged with developing a project of value to the entire health care system. One team worked on the first stages of physician recruitment, from a recruiter's first phone call to signing of the employment contract. Weinburger's team picked it up from there through the first six months of the physician's employment.

The result of the two teams' work, he said, "is a seamless process to ensure we recruit, employ, orient and assimilate physicians into our health care system and that they are aligned with our mission and values."

The first stage of the process ensures that physicians employed by CHP are pre-screened not only for their clinical skills but also for personal values that align with the mission. The recruitment and on-boarding process includes a spousal support component where needed, assigning a physician sponsor and hosting meetings to better acquaint candidates with the organization.

"Early on, we try to ensure that the physician candidate understand who we are, who we serve, what we believe in," said Weinburger, vice-president, mission

services, for Springfield, Ohio-based Community Mercy Health Partners, a regional affiliate of CHP. Part of the employment agreement states that physicians have a responsibility to serve people in a variety of settings, including the responsibility to serve the uninsured, the disenfranchised, the underserved.

"CHP is located in some of the

"CHP is located in some of the hardest-hit economic areas of Kentucky and Ohio. We want to be sure physicians understand that if they partner with us, this is what they're saying yes to."

— Terry Weinburger

hardest-hit economic areas of Kentucky and Ohio. We want to be sure physicians understand that if they partner with us, this is what they're saying yes to," he said. Once the physician is employed, mission-related conversations begin in earnest, unfolding over 90 days from the employment date and leading up to a commissioning ceremony incorporating communal rituals of significance to the individual physicians.

Mark Desmond, CHP vice-president for mission integration and foundations, said aspects of this process will be replicated in each CHP region for all newly employed physicians.

"We try to find common values that lead to alignment between a physician's personal values and the core values of Catholic Health Partners," he said.

In sessions scheduled over breakfast, lunch or at other convenient times,

newly employed physicians are guided through conversations that invite them to talk about the values that motivated them to choose a career in medicine and about significant moments in their work of healing. "We want to invoke the emotional component of why he or she became a doctor," Weinburger said. "It's there in a lot of docs, but often it's buried

under a lot of other stuff.

So we want to rekindle that, to lift it up, give it voice."

Physicians are also invited to talk about meaningful healing encounters with individuals. They learn about CHP's founders,

its community benefits programs and its regional annual reports for spiritual care, the *Ethical and Religious Directives for Catholic Health Care Services* and available ethics-related resources.

Depending on a physician's preference, components of the commissioning ceremony could include hand washing, a blessing or anointing of hands or a candle ceremony and may involve the physician's practice partners and family members. The goal is to include communal rituals that have meaning for an individual physician, Desmond said.

Ultimately, Weinburger said, "through a comprehensive, fully integrated process, we help our employed physicians deepen an understanding of how we are distinctive and engaged in a healing ministry that follows in the footsteps of the healing ministry of Jesus."



as necessary to find and employ the “right” physicians — the ones who embrace the organization’s team-based, patient-centered approach, he said.

“Our partnership is a two-way street,” Mitchell added. “We have expectations of our employed physicians and in turn will provide specific commitments to our physician partners. We intend to commit to our physicians over the long term and believe this approach is essential to providing health care services in a post-reform environment. Today we employ about 400 physicians system-wide and are prepared to double that number over the next one to two years.”

There is a sense of urgency among many health systems for positioning themselves to meet the challenges that are coming with health care reform. The sooner a hospital is ready to move ahead with physicians and other employees aligned, the easier it will be to develop or work with Accountable Care Organizations, medical homes and other reimbursement models.

Like any good relationship, alignment is built on shared vision, open communication, trust and cooperation — all of which take time. “The amount of time is directly proportional to the degree of motivation and sense of urgency,” said Fulco. “In Massachusetts providers are motivated and urgency is high because the payment reform component of health care and insurance reform is being fast-tracked. Physicians understand this and have a willingness to change and take some degree of risk.”

Retention is a major goal as well, given that hospitals invest a lot of time and money in recruiting doctors. A variety of incentives need to be in place, including top pay, reasonable hours and work/life balance, management options, long-term contracts and top infrastructure, tools and equipment, especially for specialists.

Physicians are in high demand, especially for specialties. “We compete nationally for the physicians we bring into our system and to be suc-

cessful, we have to set ourselves apart from the competition,” said Mitchell.

Finally, there is another good reason to hire the best physicians and get them properly aligned — their brand-building power within the community. “For primary care physicians, our main audience is consumers,” said Tess Niehaus, vice president of marketing and communications for the 583-staffed-bed St. Anthony’s Medical Center in St. Louis. “For specialists, our audience is primary care physicians, because most patients get to specialists via a PCP referral. Marketing a prac-

Like any good relationship, alignment is built on shared vision, open communication, trust and cooperation — all of which take time.

tice is more than good promotion — you’ve got to have a really good product, too. The rest — new patients, brand awareness, happy physicians — will flow from there.”

Physician alignment is ultimately about creating an integrated delivery model to achieve value — the efficient delivery of high-quality care at the lowest cost possible. “These objectives are in complete synchronization with the core values of Catholic health care,” said Fulco. “We have not experienced any issues related to the *Ethical and Religious Directives for Catholic Health Care Services* in our work on physician alignment. Physicians understand, accept and are respectful of our position regarding the *Directives*, and all our core values. In fact, our commitment to service, patient-centeredness, value and integrity as a partner is a key differentiator and the reason many physicians are attracted to alignment with our faith-based system.”

MARK CRAWFORD is a freelance writer based in Madison, Wis.

JOURNAL OF THE CATHOLIC HEALTH ASSOCIATION OF THE UNITED STATES

www.chausa.org

HEALTH PROGRESS®

Reprinted from *Health Progress*, July-August 2011
Copyright © 2011 by The Catholic Health Association of the United States
