Physicians Leading Change

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Physician Leading Change

- Payment Reform is Underway!
- How Physicians and Hospitals Can Succeed
- What is Effective Physician Leadership?
  - UCLA Physician Leader Success Factor Study
  - Motivating Physicians
- Leadership Roles in Your Hospital:
  - Medical Staff, Administration, Board
- 8 Stages of Creating Change
The Age of Reform: Payment Reform is already underway!

Long Term…
Payment based on Outcomes and Accountability will replace Fee-for-Service payment.

N.B. Dr. Don Berwick now Head of CMS
Payment Reform

- Value based purchasing (Outcomes)
- Incentive payments (P4P)
- Accountable Care Organizations (5 models of ACOs and evolving)
- Readmission non-payments
- Bundled payments
  - Now: cardiovascular and orthopedic episodes of care (acute hospitalization and 30 days post discharge)
  - Affordable Care Act: 10 bundles

5 Models of ACOs

- “...ACO professionals in group practice arrangements.” (Group practices)
- “...Networks of individual practices of ACO professionals.” (IPAs)
- “...Partnerships or joint venture arrangements between hospitals and ACO professionals.” (Medical Foundations, other)
- “...Hospitals employing ACO professionals.” (NOT in CA, CO, TX, NC)
- “...Such other groups of providers of services and suppliers as the Secretary determines appropriate.”
How Physicians and Hospitals Can Succeed

Physicians and Hospitals

“Seek first to understand, then to be understood.”

Habit #5
“The 7 Habits of Highly Effective People”
Stephen R. Covey
What must hospitals do to succeed?

Financial Strength!
Establish integrated Hospital-Physician Businesses: Financial and Clinical Integration Models
Disease Management Systems
Sophisticated IT: Essential Component
Regional Approach to Care Delivery (where possible)
What must physicians do to succeed?

Align with hospitals through:
- Employment
- Partnerships
- Foundation Model

Education about:
- Care Management
- Evidenced Based Medicine
- Best Practices
- Protocols
- IT Systems
How can physicians help hospitals succeed?

Clinical Integration Through IT
Outcomes Focus
Disease Management (EBM)
Data Analysis
How can hospitals help physician succeed?

- State-of-the-Art IT
- Clinical Integration Opportunities (e.g. Employment or Partnerships)
- Practice Management Expertise
- EBM Education
Stark and the Electronic Medical Record
A Stark Exception

☐ Software necessary and used predominantly to create, maintain, transmit, or receive electronic health records
☐ May include functions related to patient administration, e.g. scheduling, billing, and clinical support
☐ Must include e-prescribing
☐ Training including internet connectivity and help desk support services
☐ Donors’ selection criteria not related to patient volume or value of referrals
☐ Physician recipients must pay 15% of donor’s cost for donated technology and training
☐ Donor cannot provide recipient financing

Payment Reform and Hospital and Medical Staff Readiness Assessment:
Are You Ready?
Effective Physician Leadership =

Key to Success of all Models!

Physician Leadership Roles

- Focus on quality reporting requires increased physician leadership and oversight
- ACO models need significant number of physicians in governance and management structure for success!
What is Effective Physician Leadership?

What is Leadership?

Why do people follow you?
Most Unusual Answers:

- “We got 800s on our college boards.”  
  AMA President

- “Because they have to.”  
  Orthopedic Surgeon

- “Most billable hours.”  
  Lawyer

- “Nobody else wanted the job.”  
  Chief of Staff

Typical Physician Answers

- Task competence
- Knowledge
- Experience
- Work hard
- Trustworthy
- Courage
- Vision
- Other
UCLA Success Factors Study

- 1229 California Physician Executives surveyed
- 30% Response Rate

Thanks to
MarisaCo
Heejug Foo
Andrew Palmer
Anderson School of Management at UCLA
Heidrick & Struggles
Top 10 Success Factors

1. Build Trust
2. Comm 1-1
3. Teamwork
4. Comm Diff
5. Creativity
6. Buy-in
7. Hard Work
8. Changing Role
9. Motivation
10. Vision

Functional Management Skills

1. HC Policy
2. HC Economics
3. Data Analysis
4. Info Mgt
5. Financial Mgt
6. Orgn Devt
7. Mktg/Contrg
8. Mktg/Coor
9. HR Mgt
Chief Executive Officers

Now
#1 Vision
#2 Leadership/Communication
#3 Teamwork/Creativity
#4 Management Experience

21st Century
#1 Vision
#2 Communication
#3 Leadership
#4 Financial Skills

Senior VP

Now
#1 Clinical Background
#2 Communication
#3 Teamwork
#4 Information Management

21st Century
#1 Communication
#2 Information Management
#3 ***
#4 ***

*** not significant
Clinical Chiefs

Success Factors

#1 Trust
#2 Communication Differences
#3 Vision
#4 Create Buy-in

Functional Skills

#1 Health Policy
#2 Health Economics
#3 Information Management
#4 Data Analysis

The Purpose of Leadership

- Motivate others to follow a vision or plan of action (Schwarzkopf)
- Remove obstacles so those who follow can be all that they can be (DePree)
Key Elements of Leadership

- Leaders create and communicate a vision
- Leaders develop a strategic plan
- Leaders motivate and create buy-in to their vision
- Leaders recruit, build trust, and inspire a team that achieves their vision
- Leaders are mentors who help others learn and grow

Types of Leadership

<table>
<thead>
<tr>
<th>Transactional</th>
<th>Transformational</th>
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<tbody>
<tr>
<td>Autocratic</td>
<td>Participative</td>
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<tr>
<td>Dictatorial</td>
<td>Empowering</td>
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<tr>
<td>Medical Model</td>
<td>Management Model</td>
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Leadership Roles in Your Hospital

Medical Staff Leadership

Primary Role of the Organized Medical Staff?
Medical Staff Leadership

Primary Role of the Organized Medical Staff:

Assurance of Quality Medical Care

Medical Staff Leadership

Know Your Bylaws
Medical Staff Leadership

Primary Role of the Organized Medical Staff:

Assurance of Quality Medical Care:
- Credentialing/Privileging/Peer Review
- Quality Improvement
- Care Management
- Clinical Outcomes
- Evidenced Based Medicine

Traditional Physician Leader Roles

- Chief of Staff/Medical Staff President
  - Medical Executive Committee
  - Department/Section Chairs
  - Committee Chair (UR, Quality, Credentials, Bylaws, IT, etc.)
Medical Staff Leadership

Responsibilities

- Chief of Staff/Medical Staff President
- Medical Executive Committee
- Department/Section Chairs
- Committee Chairs

Chief of Staff Responsibilities

- Elected representative of Med Staff to Board and Administration
- Chairs the MEC
- Ex-officio on Med Staff Committee
- Enforcer of Med Staff Bylaws
- Appoints committee chairs
- Ex-officio on Board with +/- vote
Medical Staff Leadership

Medical Executive Committee Responsibilities

- Assurance of Quality Care: Department Level Credentialing/Privileging/Peer Review/PI
- Represent and Act on Behalf of Medical Staff
- Coordinate Department Activities/Policies
- Liaison between Departments and Chief of Staff/ Board/ CEO
- Medical Staff TJC Compliance

Emerging Physician Leader Roles

- Vice President of Medical Affairs/ Chief Medical Officer
- Chief Medical Information Officer
  - Chief Quality Officer
  - Chief Patient Safety Officer
- Service Line Medical Directors
- Employed Group Medical Director
- Performance Improvement Medical Director
- LEAN/Six Sigma Champions
Hospital Leadership

Administration Responsibilities

- Day-to-Day Operations
- Strategy Implementation
- Financial Management
- Regulatory Compliance
- Legal, Marketing, etc.

Hospital Leadership

Typical Board Responsibilities

- Fiduciary: Finance and Quality Oversight
- Governance
- Stewardship
- Strategic Planning (Mission, Vision, Goals and Objectives)
- CEO Oversight
- Community Liaison
- Fund Raising
Leadership Roles and Responsibilities

Symbiosis

“The intimate living together of two dissimilar organisms in any of various mutually beneficial relationships.”

Webster’s Dictionary

8 Stages of Creating Change

From “Leading Change” by John Kotter
8 Stages of Creating Change

1. Establish a Sense of Urgency
   - Examine the market and competitive realities
   - Identify and discuss crises, potential crises, or major opportunities

2. Create the Guiding Coalition
   - Put together a group with enough power to lead the change
   - Get the group to work together like a team
8 Stages of Creating Change

3. Develop a Vision and Strategy
- Create a vision to help direct the change effort
- Develop strategies for achieving that vision

4. Communicate the Change Vision
- Use every vehicle possible to constantly communicate the new vision and strategies
- Have the guiding coalition role model the behavior expected of employees
8 Stages of Creating Change

5. Empower Broad-based Action
- Get rid of obstacles
- Change systems or structures that undermine the change vision
- Encourage risk taking and nontraditional ideas, activities, and actions

6. Generate Short-term Wins
- Plan for visible improvements in performance, or “wins”
- Create those wins
- Visibly recognize and reward people who made the wins possible
8 Stages of Creating Change

7. Consolidate Gains and Produce More Change
- Use increased credibility to change all systems, structures, and policies that do not fit together and do not fit the transformation vision
- Hire, promote, and develop people who can implement the change vision
- Reinvigorate the process with new projects, themes, and change agents

8 Stages of Creating Change

8. Anchor New Approaches in the Culture
- Create better performance through customer- and productivity-oriented behavior, more and better leadership, and more effective management
- Articulate the connections between new behaviors and organizational success
- Develop means to ensure leadership development and succession
“A leader is best
When people barely know that he exists,
Not so good when people obey and acclaim him,
Worst when they despise him.
‘Fail to honor people, they fail to honor you’:
But of a good leader, who talks little,
When his work is done, his aim fulfilled,
They will all say, ‘We did this ourselves.’”

Lao Tzu

Thank you!

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