

# Physicians Leading Change

*Presented by:*

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## Physician Leading Change

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- ❖ **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

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- 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

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- “...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**

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**“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?**

## **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?**

## **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?**

**How can physicians  
help hospitals succeed?**

**Clinical Integration Through IT  
Outcomes Focus  
Disease Management (EBM)  
Data Analysis**

# **How can hospitals help physician succeed?**

# **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**

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- ☐ 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**

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- ❖ 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?**

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**Why do people follow you?**

## Why do people follow you?

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### 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

## Why do people follow you?

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### Typical Physician Answers

- ❖ Task competence
- ❖ Knowledge
- ❖ Experience
- ❖ Work hard
- ❖ Trustworthy
- ❖ Courage
- ❖ Vision
- ❖ Other

# UCLA Success Factors Study

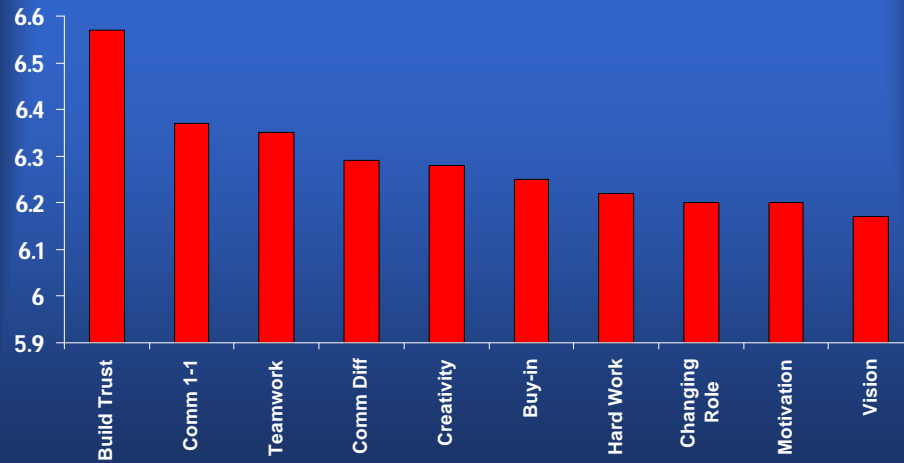
## UCLA Success Factors Study

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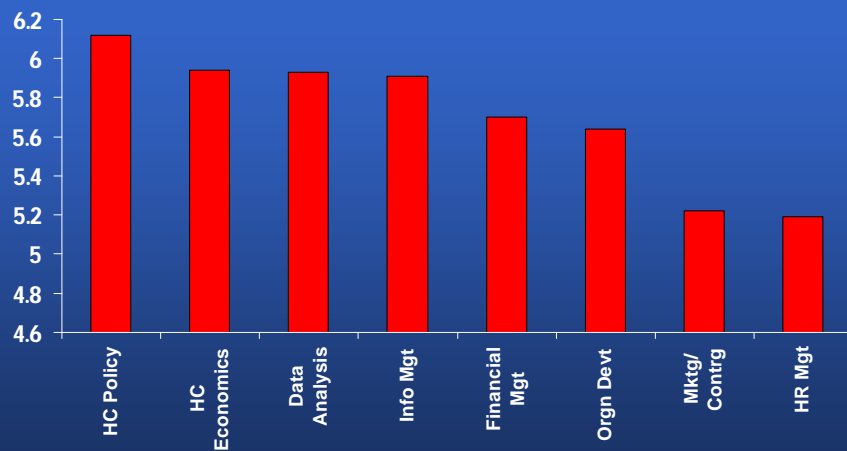
- **1229 California Physician Executives surveyed**
- **30% Response Rate**

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

## Top 10 Success Factors



## Functional Management Skills



# 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**

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- ❑ 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**

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**Transactional  
Autocratic  
Dictatorial  
Medical Model**



**Transformational  
Participative  
Empowering  
Management Model**

# **Leadership Roles in Your Hospital**

## **Medical Staff Leadership**

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**Primary Role of the  
Organized Medical Staff?**

## **Medical Staff Leadership**

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**Primary Role of the  
Organized Medical Staff:**

**Assurance of Quality  
Medical Care**

## **Medical Staff Leadership**

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**Know Your  
Bylaws**

## **Medical Staff Leadership**

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### **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**

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❖ Chief of Staff/Medical Staff President

❖ Medical Executive Committee

❖ Department/Section Chairs

❖ Committee Chair (UR, Quality,  
Credentials, Bylaws, IT, etc.)

## **Medical Staff Leadership**

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### **Medical Staff Leadership Responsibilities**

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

## **Medical Staff Leadership**

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### **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**

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### **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**

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- ❖ 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**

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### **Administration Responsibilities**

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

## **Hospital Leadership**

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### **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**

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# **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**

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### **1. Establish a Sense of Urgency**

- **Examine the market and competitive realities**
- **Identify and discuss crises, potential crises, or major opportunities**

## **8 Stages of Creating Change**

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### **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**

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### **3. Develop a Vision and Strategy**

- Create a vision to help direct the change effort
- Develop strategies for achieving that vision

## **8 Stages of Creating Change**

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### **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**

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### **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**

## **8 Stages of Creating Change**

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### **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**

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### **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**

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### **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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