

The Importance of Physician Leadership

Executive Summary:

- Physicians as leaders in hospitals and ambulatory sites greatly enhance advancing to reach the goals of the Triple Aim
- The American Medical Association points out that the best hospitals in the U.S. are physician lead
- My personal physician attests to the value of physician leadership at his site
- The MGMA recommends ways that physicians and administrators should cooperate at ambulatory sites, many of which use a dyad leadership structure



The goal of many healthcare providers is the Triple Aim—better care at a lower cost with a focus on a positive patient experience. Providers with these goals need strong physician leaders to help them reach the goals. More provider organizations are beginning to recognize the importance of physician leadership to be successful.

The American Medical Association states in its whitepaper *Integrated Leadership for Hospitals and Health Systems: Principals for Success* that healthcare administrators must work with physician leaders to reach their goals. A relationship based upon mutual trust between physicians, clinical staff and administrators is vital to deliver care that focuses on the patient. To quote the article: “It is possible that integrated leadership would benefit patients by focusing on developing new channels for patient engagement, and delivering care in a manner that eliminates overuse, underuse and misuse of resources while increasing physician professional satisfaction, building trust relationships and financial stability for both physicians and hospitals.”

It is a principal of lean healthcare and lean manufacturing that the best measurable outcomes occur when those closest to the patients or clients provide input into the process of care or manufacturing. It is sensible, then, that physicians, who along with other clinical staff are closest to patients, can provide significant insights into the best processes to deliver care that is effective while preventing waste and duplication, thus saving costs. Integrating physicians into leadership positions ensures that such insights are incorporated into care processes.

Recently I was discussing physician leadership with my own primary care physician, Dr. Daniel Harro of Mercy Health Physicians Partners. He said that it has been important to him and his fellow physicians that they are represented by Dr. David Blair as president and chief medical officer of Mercy Health Physician Partners. They find it important that he still meets patients weekly. Dr. Blair has helped this group navigate from being a group of independent physicians to a partnership with Trinity Health of Livonia, Michigan. He has also guided the primary care physicians into becoming accredited as patient-centered medical homes with many of the offices achieving level 3 designation.

In December, 2016, the *Harvard Business Review* in an article titled *Why the Best Hospitals Are Managed by Doctors* noted that the best quality hospitals are led by physicians. According to

U.S. News and World Report the best hospital is Mayo Clinic. It is run by highly skilled physician John Noseworthy. The second highest ranking hospital, Cleveland Clinic, is run by physician Delos “Toby” Cosgrove. The article states further that of the top 100 hospitals in the U.S. the ones that are led by physicians have a 25% higher quality score than those that are not.

The Medical Group Management Association emphasizes the importance of physician leadership too. In a survey of its members it found that about 60% of those responding stated that they use a dyad management style at their sites. The leaders are a practice manager and a physician. Because each share responsibility for the success of the group, it is extremely important that the two integrate effectively to provide leadership and direction to the sites, most of which are ambulatory. MGMA suggests that the two leaders first consider how their leadership styles complement each other and where they might conflict. In doing so, they should strive to present a united front to staff. As Stephen Covey states in *The 7 Habits of Highly Effective People* the two leaders should Think Win-Win when considering what direction to lead the staff of the practice. MGMA recommends that the two leaders focus on several skills in order to be successful:

- **Have a vision and stick to it.** As Stephen Covey says, Begin with the End in Mind
- **View change as an opportunity.** Change seems to be accelerating presently and leaders must be nimble in adapting to responding to changes thrust upon the practice and should also explore what changes can improve the outcomes for the practice.
- **Understand risks.** Leaders should be able to assess the risks facing the practice and should lead the practice in overcoming risks and profiting from the risks.
- **Unify the staff.** Be sure that each staff member understands the importance and responsibilities of their roles in the practice. The leaders should develop teamwork among the staff.
- **See the practice as a business.** In order to provide the best care at a lower price the leaders need to see that the practice is run as an efficient business. The healthcare business model is unique and complex.

Physicians as leaders must see the whole structure of the organization that provides the care. At an ambulatory site, for instance, the physician leader must see beyond the clinicians providing direct care to patients. They must also understand the processes of the front office—the receptionist and sign-in personnel—the billing and collection staff, the administrative leaders and other staff that are important in providing services that support the clinicians and the business structure of the organization. While understanding and being involved in the processes outside of clinical care, the physician leader also needs to assert that the physician staff be able to provide effective care to patients without interference from administration. That is, the physicians need to feel free to provide clinical care that is patient-centered and conforms to best medical practice using the unique skills of each physician. Physician leaders need to build trust among administrative leaders that the clinical staff is providing patient-centered care.

The pace of change in providing healthcare is challenging at the present time. In fact, there is a great deal of uncertainty about the structure of reimbursements and the business models that providers need to adopt. Because present risk seems to be high, it is very important that organizations partner effectively with physician leaders to face the day-to-day risks and to

develop effective models to deliver care to patients. The importance of physician leadership is key to the success of providing effective care, to reaching the Triple Aim.



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