

# Medical Staff Relations: Aligning for Success

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# Agenda

- **Why Align?**
- **Trust is the key**
- **Alignment challenges**
- **Panelist comments**
- **Discussion**

# Positioning for Reform

- Achieve solid hospital-physician (clinical) alignment
- Measure, report and deliver superior outcomes
- Attain a favorable cost position
- Strategic alliances

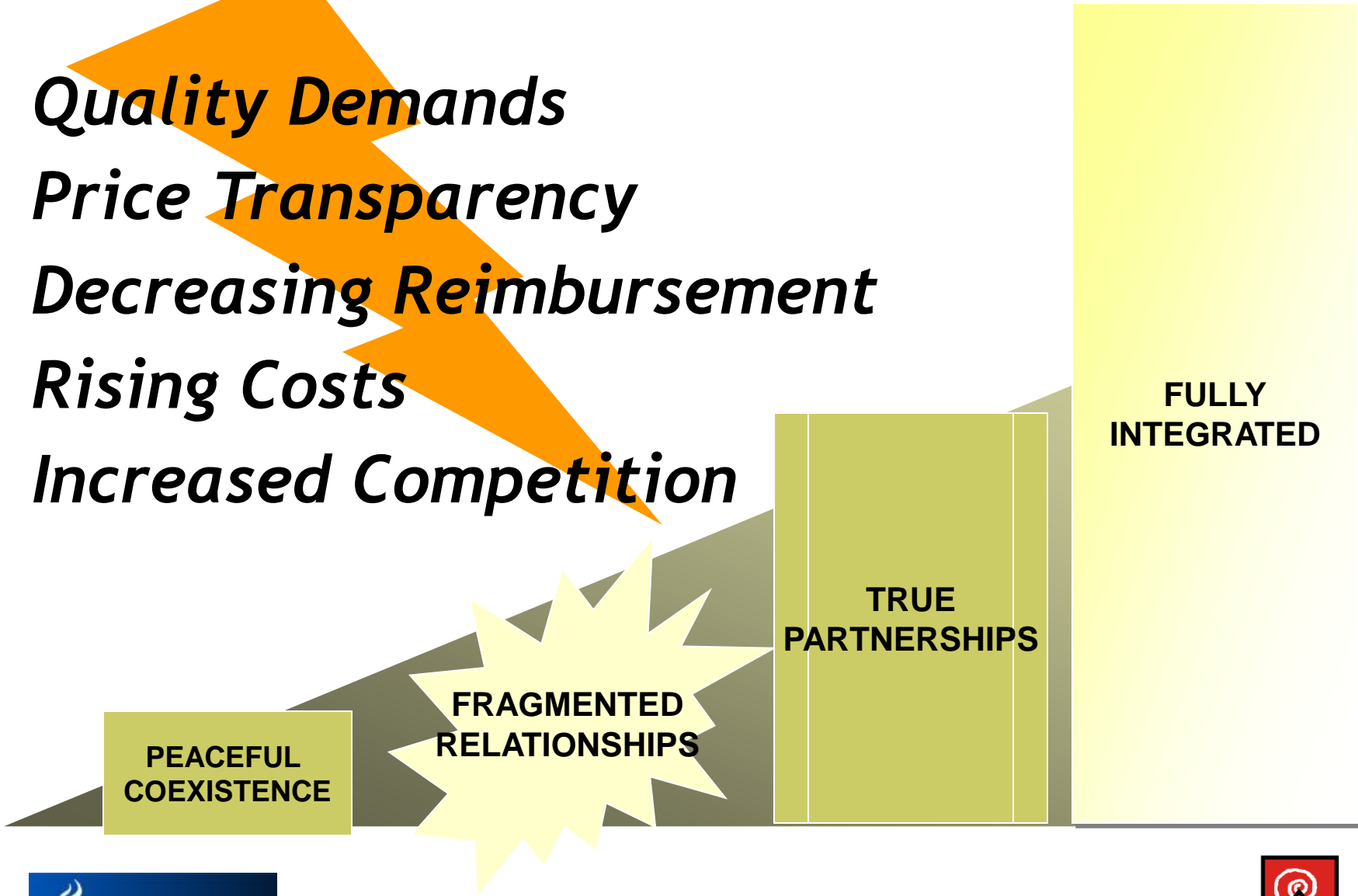
# Why do Physicians Want to Align with Hospitals?

- Increasing Government regulation
- Growing capital requirements
- Declining reimbursement
- Shifting power toward payers
- Skyrocketing malpractice rates
- Growing consumer demands
- Move towards transparency
- Lifestyle concerns

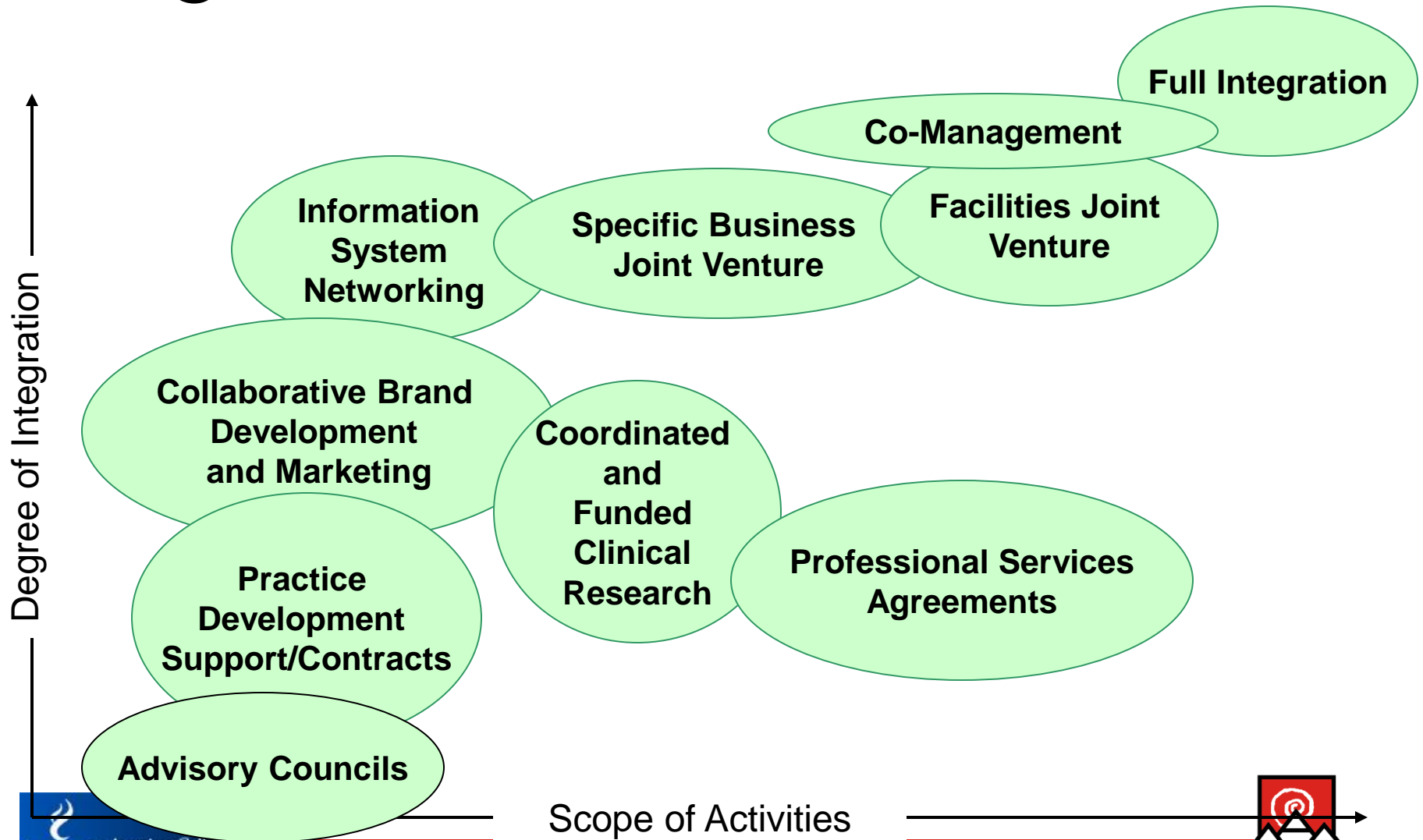
**“If I had the chance again,  
I would become a lawyer.”**

***-Anonymous Physician***

***Quality Demands***  
***Price Transparency***  
***Decreasing Reimbursement***  
***Rising Costs***  
***Increased Competition***



# Alignment Alternatives



# Market Dynamics Changing How We Align with Physicians



<b><i>Payment approach</i></b>	<b>Volume Based</b>	<b>Performance Based</b>
<b><i>Settings</i></b>	<b>Hospital</b>	<b>Integrated services, IP and OP</b>
<b><i>Record keeping</i></b>	<b>Paper</b>	<b>Electronic</b>
<b><i>Treatment approaches</i></b>	<b>One sizes fits all</b>	<b>Personalized medicine</b>



**Alignment still comes down to building relationships with physicians. The foundation that you have to have is to develop a trusting relationship....**

***-John Gillean, MD  
Sr. Vice President  
CHRISTUS Health***

# The Trust Equation

$$T = \frac{C + R + I}{S}$$

*Where:*

**T = Trustworthiness**      **C = Credibility**

**R = Reliability**                      **I = Intimacy**

**S = Self-orientation**

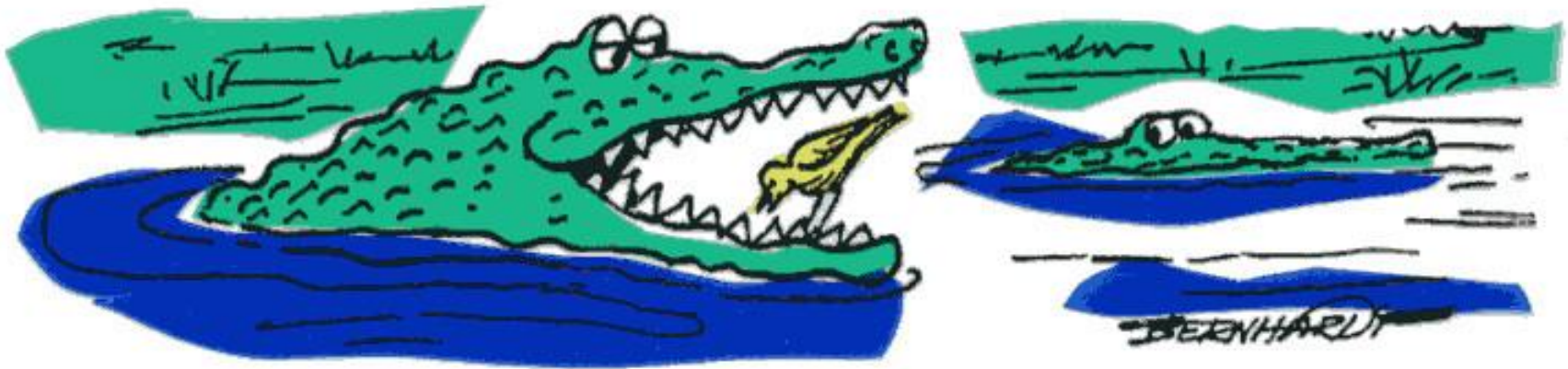
# Credibility

- Tell the truth - as much as possible
- Don't exaggerate
- Speak with expression - show energy around subject
- Admit it when you don't know
- Relax
- Do your homework

# Reliability

**We experience a sense of reliability from FedEx:**

- **When we get first-ring responses on their 800 number**
- **When the voice mail interface is as painless as possible**
- **When the associate answering the phone is knowledgeable and energetic**
- **From the consistent look and feel of their packaging**
- **From the way the zip-strip always tears off the same way**
- **From the consistent paint jobs on the trucks**
- **From the uniforms that distinguish them from other carriers**
- **From the easy-to-use and accurate “tracking” system**
- **From the fact that the driver turnover rate is low**
- **From the driver consistently leaving your package in the same place**



“WE HAVE A SYMBIOTIC RELATIONSHIP.  
HE CLEANS MY TEETH; THEN I EAT HIM.”

**VICTOR'S**

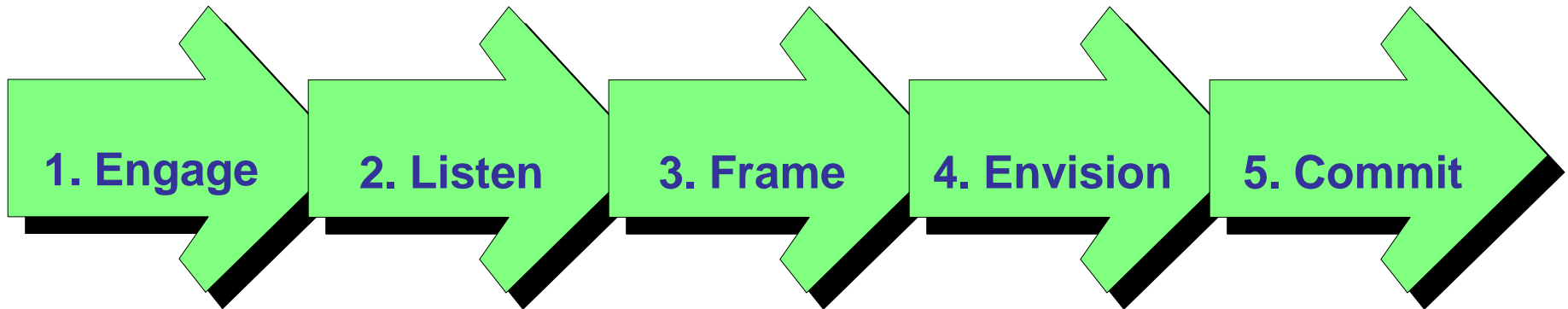
**FUNNY BUSINESS**



**"When I say play the game, Perkins, I mean *my* game."**

# Developing Trust

Expressed in their simplest form, the five stages are:



# Another Look

Here's another way of looking at the five stages:

- 1. Engage:** Uses language of interest or concern  
“I've been thinking about your offices, and...”  
“Your offices have been telling me about...”
- 2. Listen:** Uses language of understanding and empathy  
“Tell me more about...”  
“What's behind that?”  
“Gosh, that must feel...”
- 3. Frame:** Uses language of perspective and candor  
“I see three key themes emerging here...”  
“You know, what's tough to do here is...”
- 4. Envision:** Uses language of possibility  
“Wouldn't it be great if...”
- 5. Commit:** Uses language of joint exploration  
“What would it take, for each of us, to...”



# Physician-System Relationships

Challenge with physicians is developing the balance of trust in the hospital and their feeling of control over the outcome.

*Physician Level of Trust in the System*

*Physician Perceived Degree of Control*

**HIGH**

**LOW**

**HIGH**

Healthy,  
Productive  
Relationship

Vendor  
Relationship

**LOW**

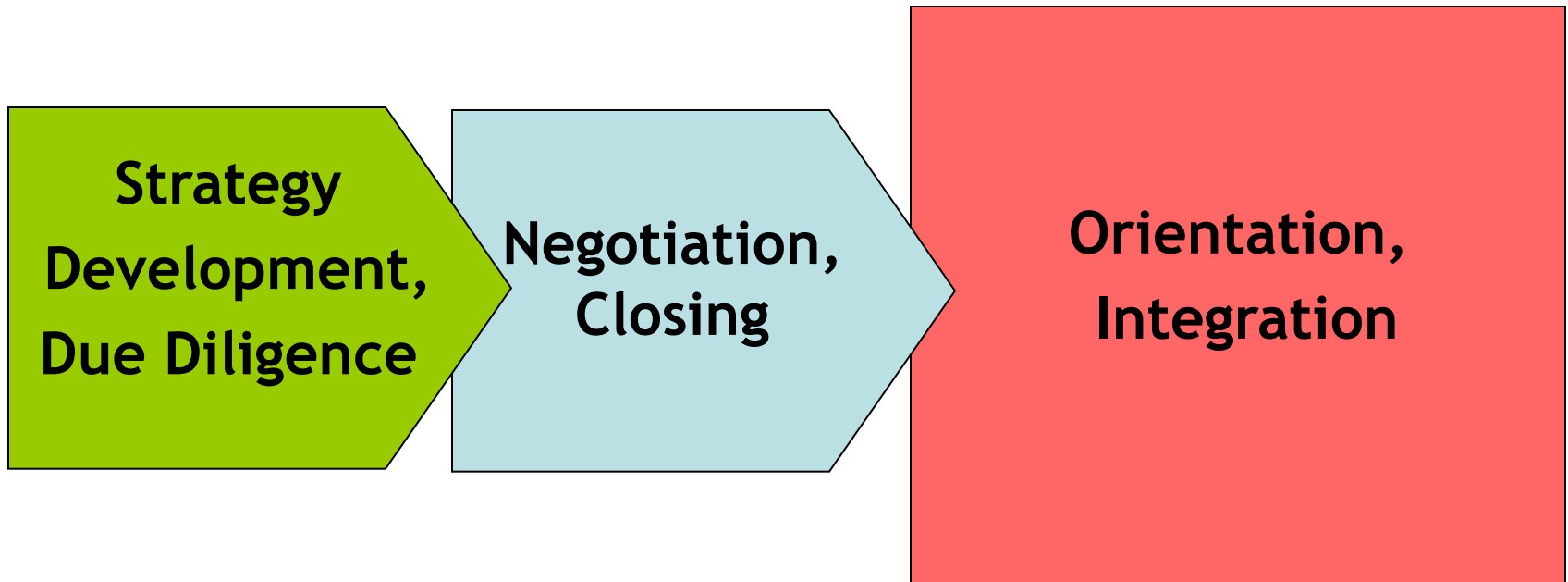
Dictating  
Relationship

Resentful  
Bondage  
Relationship

# Rules of Engagement

1. Document all interactions and distribute this to all parties after each meeting. This will minimize miscommunication and misunderstandings.
2. Establish a schedule and stick to it. Moving in a timely fashion communicates to the physicians that the System is serious and committed.
3. Evaluate opportunities and potential partners consistently. Consistency is important to avoid the perception of “favoritism”.
4. Develop an exit strategy for all parties in every undertaking to provide a means to “opt out” should the relationship not meet expectations.
5. Manage expectations. These should be clearly stated at the beginning and reinforced throughout the process. If there are parameters to the relationship, these should be stated up front to avoid getting off track in the discussions.
6. Keep the process and relationship structure as simple as needed to achieve the business objective.
7. Respect the confidential nature of a physician’s proprietary business plan.
8. Identify the person authorized to be spokesperson for each group and—if appropriate—the basis for the authorization.

# Where's the Risk?



***You have to have a strategy,  
not something you hope for,  
but something you work for.***

**Floyd Loop, MD**

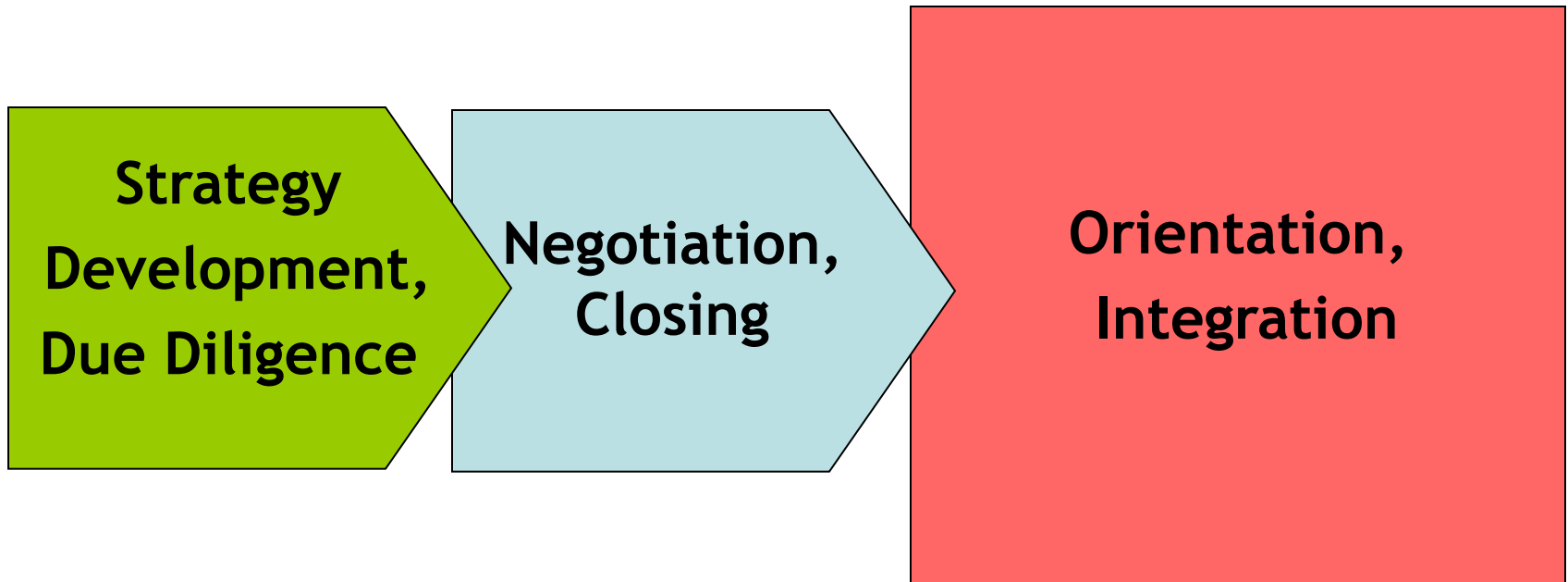
# Key Components of a Strategy

- **Expectations**
- **Governance/Leadership**
- **Compensation**
- **Practice Management**

# Successful Alignment Strategies

- Clarify objectives
- Develop a shared vision
- Understand what motivates physicians
- Recognize the disparate “theories of the business”
- Offer a broad array of consistent incentives
- Identify and cultivate physician leaders
- Determine performance measures

# Where's the Risk?



# First Impressions Count: Physician Priorities

- 1. Response of hospital administration**
- 2. Administration deals with changes**
- 3. Confidence in hospital administration**
- 4. Communication with hospital administration**



# Cost to Recruit

First year guarantee/ salary	\$250,000
Benefits	50,000
Recruiters fees	25,000
Candidate sourcing	8,000
Candidate/spouse interviews	5,000
Relocation expense	8,000
Practice marketing	3,000
<b>TOTAL</b>	<b>\$349,000</b>

Source: Merritt Hawkins & Associates

# Cost to Replace

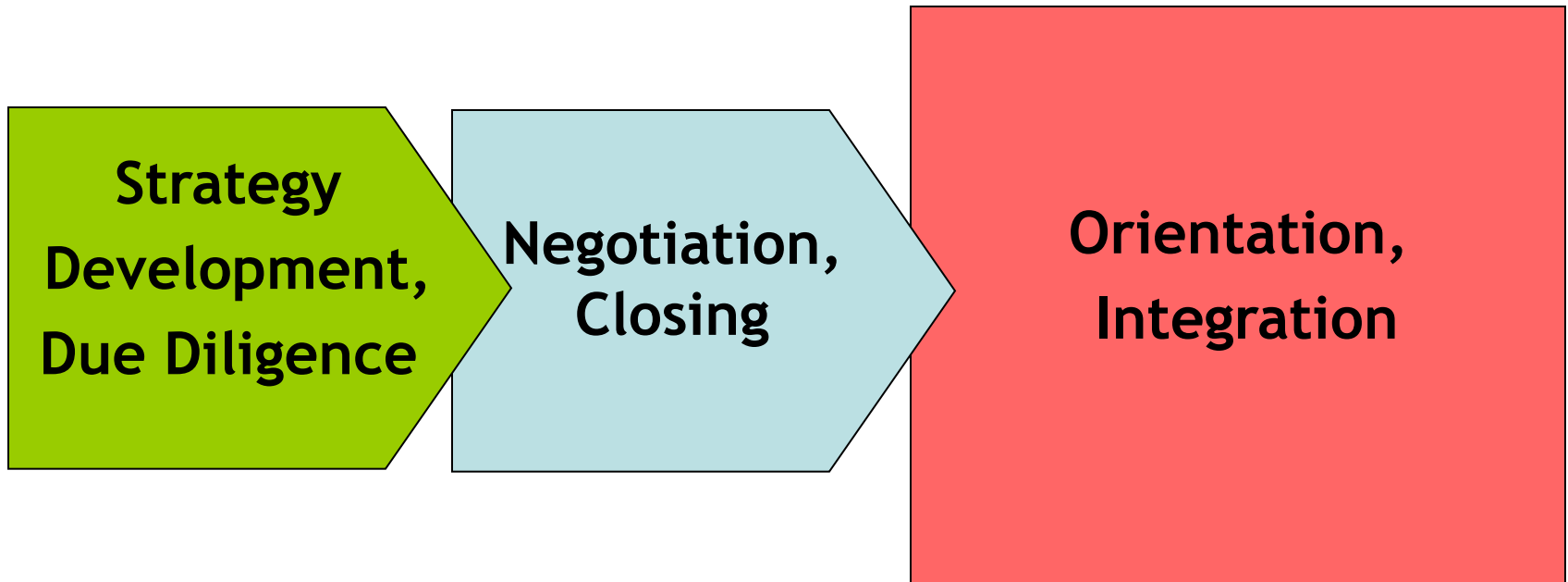
- **Financial consequences**
  - Recruitment expenses
  - Lost revenue
- **Effects on patient satisfaction**
- **Effects on the organization**
- **Effects on public relations**

Source: American Journal of Medical Quality, Vol. 19, No. 2, 56-66 (2004); A Review of Physician Turnover: Rates, Causes, and Consequences Anita D. Misra-Hebert, MD, et al.

# The Devil is in the Details

- Term
- Duties & Performance
- Licenses
- Salary
- Benefits
- Vacation & PTO
- Expense Reimbursement
- Malpractice Insurance
- Acceptance of Patients
- Ownership of Records
- Non-compete
- Non-solicit
- Termination

# Where's the Risk?



# Physician Transition Guide

- **Orienting**
- **Mentoring**
- **Monitoring**

# Orienting: Employee Checklist

- ID Badge
- Parking Sticker
- TB Fit Testing
- TB Screening
- Mailbox location
- Medical Staff Library location
- Hospital policies & procedures

# **Orienting:** **Hospital Leaders**

- **Senior Management Team**
- **Medical Staff Leaders**
- **Departmental Leaders**
- **Key Committees**

# Orienting: Information Systems

- Available Clinical & Specialty Applications
- Access Codes and Passwords
- Requesting Support & Services



**Everything should be made as simple as possible, but not simpler.**

*- Albert Einstein*

# Mentoring

- The Merriam-Webster Dictionary defines a mentor as "a trusted counselor or guide."
- The Anesthesiology Department of Cleveland's MetroHealth System defines mentor as "a wise, loyal advisor or coach."

# Mentoring @John Muir

- “Local” mentor
- “Leadership” mentor
- Social activities

# Monitoring

- **Productivity**
  - **WRVUS**
  - **Clinic Revenue Growth**
- **Quality**
  - **Clinical Indicators**
- **Patient satisfaction**
  - **Satisfaction Surveys**
- **Professional growth.**
  - **CMEs**

# Physician Integration Checklist

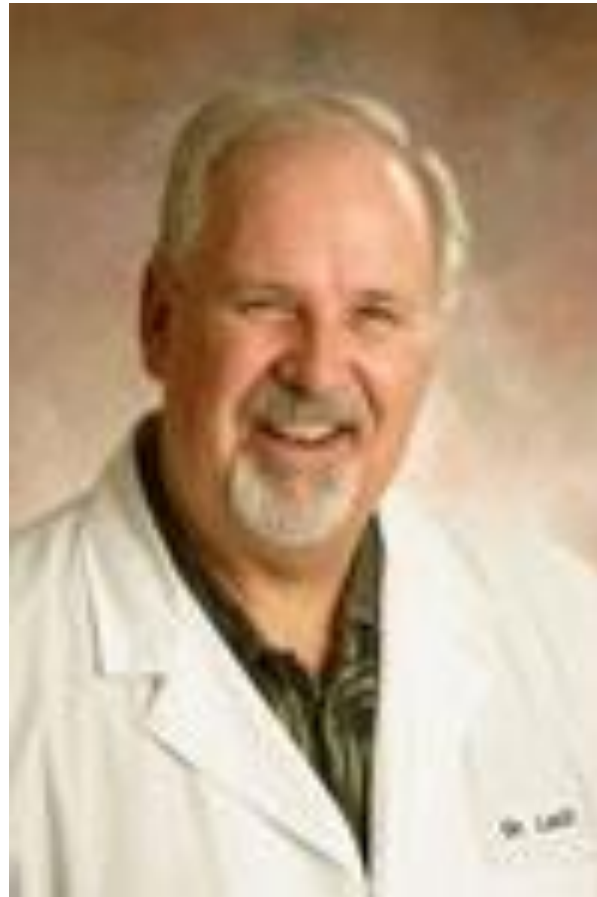
	Fill in Score
<b>Medical staff relations - SCORE 7 FOR EACH</b>	
Strong, effective Medical Executive Committee	
Cooperative relationship between medical staff and	
Cooperative relationship among medical staff	
Effective communications with Medical Staff	
<b>Physician involvement in governing board membership - SCORE 6 FOR</b>	
Physicians > 20% of system governing board membership	
Significant, stable physician presence in senior management	
Effective interdisciplinary operating committees (e.g., surgical	
<b>Availability of integration options - SCORE 6 FOR EACH</b>	
Multiple ways for physicians to connect with system	
Options tailored to market, physician culture	
Demonstrated success in previous initiatives	

# Physician Integration Checklist

	Fill in Score
<b>Aligned economic incentives - SCORE 5 FOR EACH</b>	
Physicians financially at-risk for some system	
Compensation of employed physicians tied to own	
<b>Unified medical staff across operating units - SCORE 5 FOR</b>	
Unified policies and procedures (e.g., credentialing,	
<b>Functioning medical management system - SCORE 5 FOR</b>	
State-of-the-art program for managing care	
Mechanisms for managing at-risk contracts	
Medical management system led by physicians	
<b>TOTAL</b>	

Key	
> 40	Time to rethink approach
40-79	Good, work, but room for improvement
80+	Congratulations! You've got a winning formula

# Putting it all Together



# Quality of Life

“My excitement is to have **found a place that works for me**....It is absolutely acceptable to make choices between money and time, between work and family. And the career growth I am experiencing is really interwoven with the personal growth I'm feeling.”

*~ Tanya Threwitt, MD, Family Practice  
John Muir Medical Group*



# Panelist Comments

- **John Lucas, MD -CEO**

**Cheyenne Regional Medical Center**

- **Dan Reiner, FACHE - CEO**

**Community Health Center of Central Wyoming**

# Questions & Comments

# Contact

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