

The Physician's Organization of Choice

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The Physician's Organization of Choice depicts a hospital or system in which active, engaged and teamwork oriented doctors are closely affiliated or employed. These are the organizations which understand how important it is to effectively integrate, rather than compete with their physicians. These are also the organizations which will be best positioned for the future regardless of what looms on the horizon.

I. A Roadmap Towards Success

What does it look like and what did it take to get physicians to choose your organization? There is no silver bullet and it will vary by situation, but – rest assured – it will require a myriad of business affiliations (i.e., joint ventures, co-management agreements, etc.) as well as increasing the number of employed physicians to develop this reputation among physicians and in the marketplace. It typically begins with a series of collaborative meetings to understand each other's needs, marketplace pressures, the community's needs, as well as by dismissing the past, cultivating trust, and developing a shared vision. Typically, this requires a series of meetings which builds upon the last to develop a consensus regarding the nature of affiliation desired. At the end of these sessions, physicians will understand the value placed on their involvement and ideally, they will be given a seat at the strategy setting table.

Next, joint market opportunities are identified and a co-developed strategic plan is agreed to and approved. As part of this, there will be various mechanisms developed to launch the agreed upon market initiatives (i.e., joint ventures, co-management agreements, etc.). There is also a policy developed which addresses physician/hospital competition. Once these activities are launched, the physician/hospital alignment can be described as effectively collaborative. However if you desire to be the physician's organization of choice, you must couple these business strategy activities with a very closely linked human resource strategy incorporating both the employed and affiliated physicians.

Managing the people side of this very thorny equation will be the difference between achieving mediocre versus outstanding results regardless of the integration model that an organization pursues.

II. Positioning Your Organization as the Physician's Organization of Choice

Actively positioning one's organization as the Physician's Organization of Choice requires significant attention to the people side of physician integration and diffusing the inherent issues of mistrust between administration and physicians. This strategy should inspire the physicians who are becoming more disengaged and disillusioned with the practice of medicine. Why? Because it will support physicians in the areas they view as the most problematic such as compensation and the need to develop the necessary business-related competencies required to be successful in the future.

Although the concept is simple, the organization which supports the physicians in the areas they view as most important will be the one which succeeds. This approach should be objective, fair and equitable based on documented best practices with rules that both parties agree upon. Once all uncertainties are put to rest by both groups, then energies can be focused exclusively on attaining business and community health goals.

A Few Predictions

In the next 10 years, the traditional medical staff structure as we know it will probably not exist. Transitioning from independent practitioners, the majority of physicians will be employed by hospitals, faculty practices, multispecialty groups or hospital based physician organizations. As stated earlier, there is no silver bullet and a hospital's integration strategy will take many forms and most likely require a myriad of business arrangements (i.e., employment, joint ventures, PSA's, etc.).

Once the various joint activities are launched, certain initiatives will become further entrenched and other developments such as system-wide strategic planning, co-management of service lines, quality and safety initiatives and joint contracting activities will emerge. Once these second generation activities take hold, organizations will become more fully integrated. Further refinement of these initiatives and the progression to more employed physicians will culminate in a fully integrated model. Some successful examples of effective full integration today are organizations like the Cleveland Clinic or Mayo Clinic.

Best Practices Would Suggest

Consistent with the development of any new venture launch, best practices would suggest there will be people, process and technology components that contribute to an organization's approach to physician integration. Past experience would suggest that all three components are not initially fully

developed and the one most often left to chance or viewed as least important is the people piece. Given the likelihood of many full integration models in the future, it is critical to begin the development of the people piece at the same time as the process and technology pieces.

A Physician Focused Human Resource Strategy

The human resource strategy in total communicates "what we want done, how we want it done, and how we will reward for results." It focuses on individual and team behaviors using a series of interdependent human resource practices and education geared toward communicating a clear message, and producing desirable behaviors and outcomes. The strategy is designed to encompass both employed and independent, but affiliated, physicians.

What Are The Specific Components?

A human resource strategy encompasses seven components. The components of a typical human resource strategy are:

- Culture...supportive, results driven
- Compensation and Rewards...marketplace competitive, objective
- Competency Based Learning...leadership, negotiation, conflict resolution, team building, prospective payment issues, budgeting and finance issues, etc.
- Performance Management...defined expectations, clear goals
- Recruiting, Staffing and Selection...values based and competency driven
- Physician Satisfaction System...rapid response to issues
- Communication...open, frequent and candid

How Is A Physician Focused Human Resource Strategy Developed?

The strategy is jointly developed between key executives and physicians and is administered by competent HR professionals. It is clearly understood and administered with minimal or no interpretation required. Each of the components should be developed using best practices as a guide. Best practices would encompass not only the approach, design and the most current data but also all issues related to the current regulatory environment. A physician's participation in the various components would vary based on status such as employed, independent but affiliated, etc. For example, employed physicians will participate in all activities outlined and affiliated physicians will participate in those which are appropriate for meeting organization goals (e.g., learning, communication, satisfaction, etc.) and are acceptable from a regulatory perspective (e.g., compensation).

III. What Will Be Gained?

From the hospital's or system's standpoint, the employed and affiliated physicians will be active and engaged. They will be strategically positioned clinically and focused on the vision and values of the organization. In addition, they will:

- Partner to run the system and not compete;
- Be enthusiastic champions around critical initiatives such as improved patient outcomes;
- Be willing to provide their best efforts;
- Be open to learning the competencies required to succeed;
- Be proud of their organization and willing to actively recruit others.

In summary, this group of physicians will be totally focused on the practice of medicine and oriented to delivering high quality of care to the community they serve.

**If you have any questions or comments,
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