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healthcare financial management association hfma.org

achieving true alignment with physicians

Engaging physicians as equal partners is critical in gaining their alignment with the organization's mission and vision.

AT A GLANCE

- > With true physician alignment, physicians act in accord with the organization's mission and vision.
- > Many alignment efforts, such as co-management models and physician compensation formulas, are doomed from the start because they appear to give health systems power over physicians.
- > True mission-vision alignment is accomplished by engaging physicians as *equal* partners.

In today's healthcare environment, finance leaders increasingly are the ones working most closely with physicians to bring these key team members into alignment with their organizations. To truly make the effort a success, they must thoroughly think through exactly what *alignment* means.

When most people think about physician alignment, they see it as a relationship between a hospital or health system and physicians that establishes a common strategy and goals, shared economics, and improvements in clinical quality and practice. For health systems, alignment often means joint measures that keep readmissions low, discourage physicians from ordering too many tests, and get patients out of inpatient beds efficiently. For physicians, alignment often means working with hospitals or health systems to offset the physicians' practice costs, improve their productivity and efficiency, and increase revenue for the practices and the organizations.

But one question usually surfaces: Is alignment primarily a "bartering" relationship, or is it simply about what both parties can give to each other?

Unfortunately, many alignment efforts, such as co-management models and physician compensation formulas, often appear to give health systems power over physicians.

Many physician alignment initiatives are doomed from the outset because hospital executives are not comfortable sharing power and control with physicians, do not manage physicians appropriately, and are not sure what

they want from physician alignment, according to T. Clifford Deveny, MD, senior vice president of physician practice management at Catholic Health Initiatives.^a

Those who disagree with this viewpoint may be kidding themselves and should consider spending quality time with physicians to hear what they really think.

The reality is that what physicians really want from alignment with a health system is to be a part of developing its vision, to have some of their basic needs met, and to gain recognition as being a valued and respected member of the healthcare solution.

5 Steps to True Alignment

For too long, alignment has meant economic alignment. True alignment is mission and vision alignment and is accomplished with massive amounts of physician participation as equal partners.

“Physician engagement means, ‘I have equity in this place that is nonmonetary; I care about this place and what happens here,’” Gurpreet Dhaliwal, MD, professor of clinical medicine at the University of California, San Francisco, said during his presentation at ANI: The 2014 HFMA National Institute this past June.

Five elements will help your organization make significant strides toward true alignment.

Including physicians in the dialogue. As finance leaders, we cannot simply expect physicians to get in line and march to our directives. They feel they are a vital part of the healthcare formula and want to have the chance to engage in meaningful dialogue about their work environment. They want to have a seat at the decision table.

Although this element sounds simple, it may be one of the most difficult to implement. The best place to start is to spend ample time one-on-one

with physicians, getting to know them on an individual basis and helping them get to know you. Many physicians were trained in organizations where the “office” of administration was viewed as the enemy, so helping physicians get to know you as a person goes a long way.

Consider opportunities to pull physicians into conversations about the organization.

Developing the vision together. Leaders should involve physicians exhaustively in the strategic planning process and all the associated changes after the plan is developed.

Most healthcare organizations do invite physicians to the strategic planning table and major strategic planning retreats. However, the flaw in this approach is that physicians are given only an “input” role. After offering their input, physicians are essentially sent “back to work” and not given a voice over the next several months or years as significant changes are made to the strategic plan.

Often, organizations rely upon a single physician leader, such as a chief medical officer or elected medical staff president, to represent the physician collective. One alternative: Expand the opportunities to discuss strategic changes with various groups of physicians. Consider using the group initially invited to the strategic planning retreat as a quarterly review body to give physicians the chance to see how dynamic changes affect the strategic direction. Put strategy updates on the medical executive committee’s regular agenda.

Meeting the basic needs of both the organization and its medical staff. Alignment does not mean that everything fits within a quid pro quo exchange formula. Physicians deserve some consideration for the fundamental requirements that support the delivery of high-quality, patient-centric, and high-value care. Financial leaders would do well to develop a deeper appreciation for some of the things that “irritate” physicians, such as electronic health records, by visiting physicians in the

a. Butcher, L., “Successful Physician-Hospital Alignment,” *Leadership*, HFMA, Summer 2013.

healthcare clinical setting and physician lounges and taking the time to learn their sources of pain firsthand.

The phrase “It’s not in the budget” also has become a major irritant for physicians. To avoid this problem, organizations with strong physician relationships often involve them heavily in the budgeting process, and some actually give authority to physician committees to prioritize and approve parts of the capital budget.

Physicians also are concerned about the throughput issues their patients face as they are shuffled through the organization to get X-rays or tests and the amount of time wasted trying to obtain their patients’ test results. Physicians want to know that their organizations are providing safe, high-quality, and efficient places for their patients to receive care, and they want to have a say in such matters.

Simply put, getting to know physicians on a personal and more intimate basis will go a long way toward reducing any chance of misunderstandings and conflicts.

To address physicians’ basic needs, leaders may want to consider a compact that outlines in writing the agreed-upon expectations of each party. Although the first such compacts were crafted among groups of physicians practicing together, the concept has grown to include written statements of expectations for both physicians and the organizations in which they practice. The actual process of jointly developing a compact can go a long way toward building alignment between an organization and its physicians. One of the best known was developed by Virginia Mason Health System in Seattle (view it at virginiamason.org by searching for *physician compact*).

Demonstrating value and respect. Phrases such as “I am tired of being a cat-herder; I just want my physicians to get in line with our mission” or

“They are all in it for the money” do not fit in a healthy physician-administrator relationship. If physicians are viewed negatively and spoken about unconstructively, they may live down to those expectations.

Mutual respect, commonality, and friendship form the foundation of a true partnership between healthcare systems and physicians. This partnership is based not solely on money, but also on joint vision and mutual goals that emanate from close collaboration.

Creating opportunities for increased physician leadership. The changes in the healthcare industry call for increased physician leadership. Beyond establishing a chief medical officer position or getting occasional input from physicians, achieving this goal requires actually giving physicians the reins and letting them steer the course of the organization.

“If we’re in a shared-services organization, we need to own all the outcomes together—the good and the bad,” Dhaliwal said at ANI.

A Closing Thought

For too long, alignment has meant economic alignment. True alignment is mission-vision alignment—and it is accomplished by engaging physicians as *equal* partners. As the industry shifts away from its inpatient, hospital-bed-centric focus and moves outwardly into other settings of care, physicians should be supported and encouraged to actively participate in leading the requisite changes. ■

About the author



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