



# Physician Engagement – A Primer for Healthcare Leaders

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*Physician engagement is proactive physician involvement and meaningful physician influence that move a healthcare organization toward a shared vision and a successful future.*

## Introduction

The physician's professional role often demands specialized knowledge and fast-paced decision making; physicians are trained and socialized to be autonomous, independent, and in control. These physician characteristics are indispensable in certain high-risk and/or time-sensitive clinical circumstances. Yet, traditional medical care and volume-based payments (e.g., fee-for-service) have been associated with suboptimal clinical quality, patient-insensitive care, and inefficient care delivery processes. Now, old practices are being displaced by new demands for systems of care, economies of scale, and value-based payment. In response, new health care delivery strategies are expanding, including coordinated care, team-based care, shared decision making, continuous quality and safety improvement, data analysis, Lean and Six Sigma efficiencies, chronic disease management, and a community health focus. These new strategies will require new physician skills. Nonetheless, active physician participation and creative physician leadership will remain imperative for effective healthcare model design, implementation, and operation; that is, physicians must be engaged. *Physician*<sup>1</sup> *engagement* is proactive physician involvement and meaningful physician influence that move a healthcare organization toward a shared vision and a successful future.

<sup>1</sup> The literature tends to discuss "physician" engagement. However, in this paper, "physician" applies to all medical staff members, including physician assistants and nurse practitioners.



## Physician Engagement Importance

Physician engagement is becoming increasingly important to healthcare organizations for two fundamental reasons. First, as society increasingly demands greater healthcare value (quality, service, and efficiency), physicians will be tasked to bring their clinical knowledge and experience to healthcare delivery that is transitioning from single-patient, visit-focused care to comprehensive and longitudinal care (e.g., care provided in clinically integrated networks). Healthcare systems that proactively engage physicians in the transition to new healthcare payment and delivery models will be most capable of delivering value-laden care, and getting paid for that care. Second, healthcare payment appears to be increasingly linked to primary care physicians. For example, the Medicare Shared Savings Program assigns beneficiaries to an accountable care organization through primary care services. Clinical quality, the performance on which Medicare shared savings is dependent, includes exclusively outpatient measures delivered by primary care physicians and their clinical teams.<sup>2</sup> Since cost-control is fundamental to many new payment models, including shared savings programs, primary care management of referrals may relegate specialists and hospitals to vendor roles, each vying for patients based on the highest quality and lowest cost venue.<sup>3</sup> Furthermore, “the performance, brand, and positioning of the physician enterprise will likely rival or eclipse the reputation of the sponsoring hospital.”<sup>4</sup> Thus, to remain influential, hospitals and healthcare systems must develop alignment strategies that effectively engage physician teams in a vision for shared success. “*Hospital-physician alignment* may be defined as a close working relationship in which a hospital and physicians place priority on working toward common economic and patient-centered goals, and they avoid conduct that damages the other.”<sup>5</sup> But how do healthcare leaders engage autonomous, independent, and in-control professionals in common goals and a shared vision of success?

## Physician Engagement Characteristics

The willingness, or capacity, to engage physicians proactively and meaningfully is a *cultural* phenomenon. A healthcare organization’s culture is manifest by organizational processes/policies and leadership behaviors that can be observed, measured, and improved. A culture of physician engagement is observable in the following categories: governance, education, compensation, and data.

**Governance** – When discussing physician engagement, governance is the degree to which physicians are proactively and meaningfully involved in healthcare organization decision making. “Physicians want to be heard on matters of consequence to the entire organization ... Physicians want to be in the room, not outside looking in.”<sup>6</sup> Effective physician engagement requires much greater physician involvement than the typical clinical committee chairperson position or the rotating chief of staff assignment required by regulations. Instead, physicians should be involved in healthcare organization strategic planning, capital planning, board membership, and senior leadership deliberations. Of course, all governing boards require sound, consistent, and enforced conflict of interest policies.

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<sup>2</sup>Centers for Medicare and Medicaid Services. Accountable Care Organizations: What Providers Need to Know, Fact Sheet. [http://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/sharedsavingsprogram/Downloads/ACO\\_Providers\\_Factsheet\\_ICN907406.pdf](http://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/sharedsavingsprogram/Downloads/ACO_Providers_Factsheet_ICN907406.pdf). Accessed July 15, 2015.

<sup>3</sup> Zeis, Michael. Physician Alignment in the New Shared Risk Environment. Health Leaders Media. September 2013.

<sup>4</sup> Paul Keckley. My Take: A Fresh Look at Physician Employment by Hospitals. The Weekly Memo from Paul Keckley. July 27, 2015.

<sup>5</sup> Bader, Barry. Developing a Hospital-Physician Alignment Strategy. Great Boards. Vol. VIII, No. 4, Winter 2008.

<sup>6</sup> Paul Keckley. Ibid.

Objective measures of governance may include, but need not be limited to:

- Physician participation on the governing board
- Employed chief medical officer (or equivalent)
- Physician participation in strategic, financial, and capital planning
- Regular chief executive officer (CEO) meetings with physicians

**Education** – Wise and effective physician decision making requires education not typically received in medical school. Thus, physician education and mentorship is a prerequisite for effective physician engagement (especially physician leadership). Healthcare organizations should invest in physician leadership through educational opportunities that help physicians balance the often competing demands of clinical care and fiscal responsibility. Similarly, physicians and administrators can learn from one another, and develop tolerance for alternative points of view, through mentorship and shadowing. The Advisory Board recommends several best practices for promoting leadership success through physician education and other policies<sup>7</sup> (see figure, right).

Objective measures of education may include, but need not be limited to:

- Executive education provided for chief medical officer (or equivalent)
- Management education provided for interested physicians
- Mentorship arrangements for younger physicians or physicians recently entering leadership positions



**Compensation** – Physicians will be more engaged in a shared vision for healthcare organizational success if their efforts to achieve the vision are rewarded.

Physician compensation should mirror current payment realities, such as fee-for-service or pay-for-performance. Yet as much as is fiscally prudent, physician compensation plans should also reward behaviors that advance the organization’s mission. Although compensation is typically considered in monetary terms, physicians may be rewarded in multiple ways other than through salary. The key point is to reward physicians for objective and measureable behaviors that forward the organization’s mission. Furthermore, healthcare leaders should actively remove obstacles that impede physicians from participating in organization success.

Objective measures of compensation may include, but need not be limited to:

- Physician compensation provided for value-based performance
- Physician compensation provided for committee work

<sup>7</sup> The Advisory Board Company. <https://www.advisory.com/Research/Physician-Executive-Council/Resources/2012/Physician-Leadership-Effectiveness-Compendium#lightbox/0/>. Accessed October 10, 2015.

- Compensation for chief medical officer (or equivalent)

**Data** – Physicians are scientists and respond best to data that are clearly important, generate insight, and quickly lead to action. Data must be meaningful to a physician’s work and the organization’s vision. Although clinical performance data may be discrete, performance measurement should also consider global patient health and community health parameters.

Objective assessment of physician performance data may include, but need not be limited to:

- Comparative performance data provided to physicians
- Frequency of performance data provided to physicians
- Format of performance data provided to physicians

## Physician Engagement and the Healthcare Organization

Organizational *behaviors*, rather than organizational structures, define physician engagement. Barry Bader cites the following organizational behaviors as examples of physician engagement and alignment.<sup>8</sup>

- “Physicians and the hospital or system share a common vision and strategic plan that they developed together.
- Physicians and the hospital or system practice according to common values, such as respect, trust, collaboration, and a commitment to excellence.
- Physicians are actively engaged in leadership roles in organization wide strategic planning and in planning or co-managing hospital product and service lines.
- Physicians actively participate in programs to increase hospital efficiency, including timely turnaround of test results and operating rooms for physicians, and lower lengths of stay and resource use.
- Physicians can recruit new colleagues without taking financial risk. The hospital can legally implement programs that help them live more predictable lives that balance professional and personal time.
- Physicians' compensation is based on their productivity, participation in organizational leadership, and achievement of shared economic and quality goals.
- Physicians and hospitals take responsibility to help each other comply with quality and safety standards and implement best practices.
- Physicians keep patient referrals within the system as much as possible.
- Physicians and the hospital participate together in pay-for-performance arrangements, and they can successfully bid for and manage bundled hospital-physician payments to care for particular conditions or treatments, such as joint replacements or cardiac surgery.
- The hospital medical staff leadership structure is populated by aligned, compensated physicians who are interested and trained in leadership, not by reluctant volunteers whose “turn” it is to chair a department or committee.
- Patients experience easy access and consistent standards of quality across the system, from physicians’ offices and outpatient facilities to hospital inpatient care and sub-acute services such as rehabilitation and home care.”

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<sup>8</sup> Bader, Barry. Developing a Hospital-Physician Alignment Strategy. Great Boards. Vol. VIII, No. 4, Winter 2008.

## Physician Engagement Recommendations

**Review and Discuss** – Healthcare organization leaders should review each of the 11 organizational behaviors noted by Bader. Would your medical staff agree that your healthcare organization consistently exhibits these behaviors? If not (and few healthcare organizations consistently do excel at physician engagement), first ask the medical staff about physician engagement and listen intently. Consider developing an internet-based and quickly-completed survey (e.g., using SurveyMonkey) that asks the degree to which your healthcare organization exhibits each of the behaviors that Bader highlights. Share and discuss the survey results widely and openly.

**Measure and Assess** – Physician engagement can be seen in objective and measurable organizational behaviors. Thus, to measure physician engagement status and progress, the Rural Health Value team recommends that healthcare organization leaders quantitatively assess physician governance, education, compensation, and data. For an Excel-based Physician Engagement Assessment tool, [click here](#).

**Identify and Implement Strategies** – Physician engagement must be an intentional, CEO-driven, strategic priority through which healthcare leaders demonstrably take an interest in physicians. Healthcare organization leaders should develop specific action plans for physician engagement opportunities identified with a survey based on Bader's 11 organizational behaviors and a self-assessment of governance, education, compensation, and data. For prioritization and action planning resources, [click here](#).

Healthcare organization leaders should consider the following specific tactics likely to improve physician engagement.

1. Develop a shared vision.
  - Develop a philosophy of mutual benefit and shared vision.
  - Keep the hidden agenda out.
  - Solicit meaningful physician input early and often, and then act on it.
  - Engage physicians in balancing business and clinical priorities.
  - Set realistic goals together, and go for early wins.
2. Nurture physician leaders.
  - Identify, mentor, and educate physician leaders.
  - Invest in physician leaders.
  - Reward physicians in ways they value.
  - Attend a leadership conference together.
  - Get to know physicians on a personal level—meet one-on-one.
3. Communicate effectively.
  - Ask how, when, and where.
  - Use multiple medias, multiple times.
  - Manage by walking around—listen and learn.
  - Focus on interest, not position (see *Getting to Yes*, by Fisher and Ury).
  - Provide data transparency, but do not overstate discrete measure importance.

4. Plan meetings.
  - Invite physician input early.
  - Involve physicians in strategic and capital planning.
  - Schedule meetings and select venues appropriately.
  - Present actionable information, not just data.
  - Delineate next steps.
  - Always follow up as (explicitly or implicitly) promised.

## A Final Word – Trust

Physician engagement via governance, education, compensation, and data is fundamental to healthcare organization success. But physician engagement can be a challenging endeavor. Differing personalities, priorities, and positions can thwart working together to develop a shared vision for organizational success. Be realistic; this is tough, but important work. As Lee and Cosgrove state, “Leaders at all levels must draw on reserves of optimism, courage, and resilience.”<sup>9</sup> Therefore, a fifth (less measurable, but equally important) leadership characteristic is worth considering—relationship development. Honesty, transparency, consistency, courtesy, empathy, and unfailing respect all facilitate development of trusting relationships. Developing trusting relationships takes time and concerted effort; it rarely happens by accident. But trust is critically important to physician engagement that advances a shared vision. Trust engages the mind. Truth engages the heart. And teamwork realizes the vision. The reward for successful physician engagement will be a healthcare organization delivering better clinical care, improved community health, and wiser resource use.

## Additional Resources

- [Physician Engagement: An Interview with Paul Kleeberg](#)
- [Physician Engagement Resource List](#)
- [Excel-based Physician Engagement Assessment Tool](#)

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<sup>9</sup> Lee, TH and Cosgrove, T. Engaging doctors in the health care revolution. Harvard Business Review. p 106. June 2014.