

Physician Alignment: What the Board Can Do

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Almost all hospital CEOs identify physician-hospital alignment as one of the issues keeping them up at night. Perhaps more than ever before, it is apparent that hospitals cannot thrive without the active engagement and support of a cadre of committed and competent physicians. But, the old models for alignment (e.g., traditional organizational structures) may no longer work and hospital leaders everywhere are struggling to find new approaches to replace them. Governance leaders can and should play a role in this, by adhering to the following simple, but essential, best practices.

1 Get Educated

One of the most dangerous mistakes the board can make is to bring outmoded or untested assumptions to a discussion of contemporary issues. A good solid education program—including the perspectives of outside experts—can go a long way toward preventing this. One of the first steps for the board, then, must be to insist on appropriate education regarding emerging issues and models for physician alignment.

2 Insist on the Numbers

A good physician alignment plan starts with a solid factual foundation including, at a minimum:

- Quantitative estimates of medical manpower needs for the relevant community (that are compliant with Stark and other requirements).
- Results of up-to-date physician satisfaction surveys.
- Summary of physician alignment investments to-date.
- Formal assessment of the success of existing physician alignment initiatives.



While there are no facts about the future, well thought-out and technically appropriate analyses are essential to both estimating community needs for physicians and weighing physician-hospital alignment alternatives for the future.

3 Recognize the Need for a Pluralistic Approach

The old adage “one size does not fit all” certainly applies to physicians. Hospitals must resist the temptation to develop cookie cutter approaches to physician alignment. The board can help by requiring that management develop a portfolio of physician alignment strategies including specific criteria for when each one will be used. Especially important is the development of approaches to reach various generations of physicians. Much has been written about the disparities between Baby Boomers, Gen X and Gen Y. A good physician alignment plan will explicitly recognize these and other differences among physicians.

4 Hold Leadership’s Feet to the Fire

Good boards would never think of holding management unaccountable for targeted financial and quality results. Yet, when it comes to physician alignment, they often give leadership a pass. Members of the board should apply the same standards of accountability to physician alignment as they do to other key areas of performance. This does not mean that they should expect 100 percent success. Rather, the board must insist on regular reporting on various physician initiatives and how actual results compare to expectations. This type of accountability is essential to make sure that the hospital learns from its past and does not repeat prior missteps.

5 Take Time to Connect with Physicians Yourself

At the most basic level, physician-hospital alignment is about relationships, about reaching out and listening to physicians and engaging them in decision-making and direction setting. Board members, who play an important role as eyes and ears to the community, must establish their own relationships with physicians, especially with physician leaders. Simple approaches, such as periodic board-physician retreats, can yield big payoffs. However, the board must ensure that the physicians do not use these relationships for inappropriate “end-runs” around management. The goal is to support (and even challenge) management, but not to undermine them.

CONCLUDING THOUGHTS

Hospitals will be increasingly challenged to improve alignment with their physicians. Although the executive team will have primary responsibility for achieving this, members of the board can also make substantial contributions, especially if they adhere to the five principles outlined above. ♦