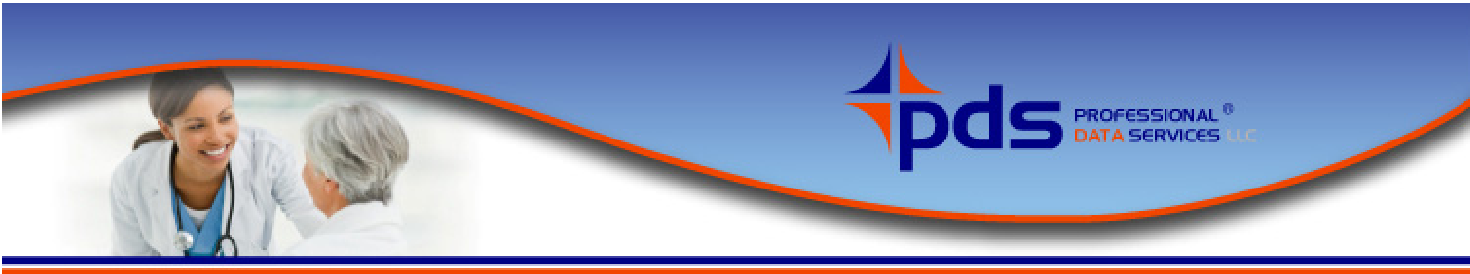

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# Engage Physician Leaders to Drive Integration

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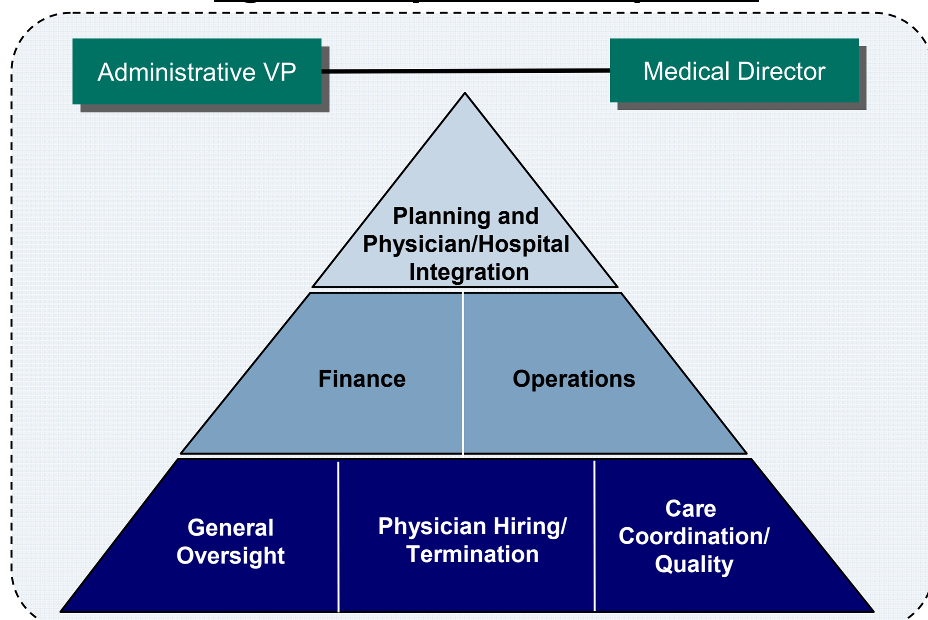
The anticipated changes in healthcare have made hospital-physician alignment a top priority for hospitals and a more approachable subject for physicians. With outcomes-based reform models, such as accountable care organizations (ACOs) or bundled payments, looming in the foreground, it is clear that hospitals and physicians will need to establish integrated delivery models with a high degree of financial alignment and clinical coordination.

To achieve integration, providers must address a multitude of organizational changes, including delivery models, management structures, operational processes, and information systems. The ability to integrate the delivery of care requires strong leadership, including physician champions. As a starting point, organizations should establish an integrated governance and management structure that engages physician leaders in the implementation of change and oversight of operations. The new leadership structure should achieve alignment, accountability, transparency, and efficiency: all elements of future success.

In order to achieve these goals, many leading integrated healthcare organizations utilize shared management or dyad leadership models. Under a dyad leadership model, the chief operating officer (COO) and chief medical officer (CMO) provide joint oversight of all business and clinical operations. This structure is then employed at lower levels of the organization; thereby, empowering leadership pairs to make key operational and financial decisions for the patient care departments within each service area of the health system. For example, each major service area of a health system replicates the COO/CMO dyad, with an administrator and a physician leader responsible for achieving service area objectives. The span of control for each leadership pair consists of patient care across a continuum of outpatient and inpatient services. Figure 1 presents an overview of the division of shared management responsibilities in the dyad model.

**Figure 1 – Dyad Leadership Model**



**Engage Physician Leaders to Drive Integration (Continued)**

The structure should be designed to utilize your organization's existing human capital and resources with clearly defined accountabilities to drive performance. The following guidelines are key to developing a shared management model that promotes physician involvement throughout the organization.

**#1 –** Create a physician/administrator pairings that create accountability for operational and financial performance as well as quality and the patient care experience.

**#2 –** Define roles and responsibilities to promote physician involvement in business and strategic decision-making.

**#3 –** Assign appropriate level of authority and accountability among executive positions.

**#4 –** Leverage the established relationships and institutional knowledge of current executives and physicians.

**#5 –** Offer a compensation methodology that is transparent, market competitive, and tied directly to the level and complexity of the services provided.

Although the dyad structure adds complexity to reporting relationships, it creates a more effective line of communication between administrative, medical, and nursing staff. Further, the combination of a physician's clinical expertise and an administrator's business experience results in a leadership unit with a broad perspective.

Each physician/executive team should maintain bidirectional feedback from physicians and staff to manage services within a service area. As a result of this structure, physician participation and leadership throughout the patient care areas will increase. As more physicians become involved in these dyad leadership structures, their overall knowledge of and alignment with system goals will increase. Finally, as there will be increased time commitments on the part of physicians, these leadership positions should be commensurately compensated.

**Conclusion**

Physician leaders are best prepared to ensure quality and safety, achieve pay-for-performance goals, pursue service development opportunities, and foster relationships with employed physicians and independent medical staff members. Developing a shared management structure can be a catalyst to engage physicians to lead alignment and integration efforts with hospital partners.

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