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# Physician Leadership Needed to Enable True Integration

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As a result of the Affordable Care Act (ACA) and payment reform, payment for healthcare services is rapidly changing. Physicians and hospitals will need to work more closely together than ever before in order to deliver care that continues to be financially sustainable. This could require designing new leadership structures and roles that help integrate physician and organizational goals, work flows, and operations. Physician leaders will need to be developed, mentored, and engaged in the overall success of the hospital or health system. Putting effort into recruiting, retaining, and building trust with physician leadership will be very high yield for healthcare organizations beginning to experiment in alternative payment paradigms; however, this effort will not be easy given current physician burnout rates and the impact of electronic health records (EHRs) on physician workflow.

## External Changes Increasing the Need for Physician–Hospital Integration

There are significant external changes to the delivery system itself that are making stronger physician–hospital integration a necessity. Two major changes are alternative payment and increased value placed on patient experience.

Nationally, CMS has stated its goal of having 50 percent of Medicare payment through alternative payment models (APMs) by 2018. Along similar lines, 90 percent of payments will be linked to quality and value.[1] National commercial health plans are also strongly promoting their versions of accountable care by linking payment to quality and total cost of care.[2] It is becoming clearer that physician leadership is central to success in the new payment paradigms. In the limited data that currently exists about what leads to high value in alternative payment, physician leadership is emerging as one of the keys.[3]

Simultaneous with this increase in APMs, in the push to increase rates of insurance there has been growth in high-deductible plans. Patients who are facing high costs of care expect their physicians to be able to articulate the costs of services such as imaging, labs, or hospitalizations. Without increased physician–hospital integration, patients with these high-deductible plans will be unable to make informed decisions about how and where to receive care.

As payment for healthcare services is rapidly evolving, so are patient expectations of real-time access and answers to their questions. New healthcare delivery models such as One Medical Group® are challenging hospitals and health systems to think about how easily their patients can access care. Consumers also expect full transparency and ease in healthcare as they are starting to get in other aspects of their life such as travel booking and purchasing of consumer products. This coupled with increased reliance on patient experience in value-based payment has increased the importance of highly patient-centered care. Providing patient-centered care necessitates greater alignment between physicians and hospitals. Physicians are the face of the healthcare organization and if there is not alignment, hospitals and health systems will not be able to meet patient expectations.

[1] *Path to Value: The Medicare Access & CHIP Reauthorization Act of 2015*, Centers for Medicare & Medicaid Services (available at www.cms.gov/Medicare/Quality-Initiatives-Patient-Assessment-Instruments/Value-Based-Programs/MACRA-MIPS-and-APMs/MACRA-LAN-PPT.pdf).

[2] For example, see www.anthem.com/ca/health-insurance/about-us/pressreleasedetails/CA/2015/1953/anthem-acos-targeting-chronically-ill-ppo-population-improve-patient-health-save-7-9-million-in-1-year and www.cigna.com/newsroom/knowledge-center/aco/.

[3] Carrie Colla, et al., "First National Survey of ACOs Finds That Physicians Are Playing Strong Leadership and Ownership Roles," *Health Affairs*, June 2014.

## Internal Healthcare Delivery Shifts That May Hinder Improved Alignment

In addition to the external changes happening in healthcare delivery, major internal shifts have occurred in the last five to 10 years that may make physician alignment more challenging despite the fact that it is becoming more important. Two primary challenges worthy of consideration are the rise of physician burnout and the mass implementation of electronic health records.

As of 2014, the rate of burnout amongst physicians was 54 percent.[4] This rate has been rising steadily and impacts all specialties. In an era where physician integration, engagement, and leadership is needed for success in care delivery, physician burnout may be the single biggest issue that healthcare organizations will need to address in order to meet the needs of new payment models and consumer expectations. Burnt-out providers will not be able to meaningfully engage in the provision of care required in new value-based payments.

Compounding the burnout issue is the near universal implementation of electronic health records in ways that do not take physician workflow or workload into account. In Robert Wachter's book, *The Digital Doctor*, he interviews physicians who comment on the initial negative impact of the EHR on their quality of life as providers. Unfortunately, many hospitals and health systems ignored the physicians' perspectives on the EHR and instead of using the implementation as a way to better align healthcare organizations and doctors, it provided more evidence as to why providers and hospitals may have different incentives and therefore distrust one another. One primary care physician who was trying to provide feedback on their hospital's EHR stated, "I eventually realized that such efforts were not only futile, but were harming me politically. The user [namely, providers] is almost blamed and risks overt or covert retaliation."[5] Hospitals and health systems must engage physicians in the improvement of now-implemented EHRs.

[4] Lyndra Vassar, "Specialties with the Highest Burnout Rates," AMA Wire, January 15, 2016 (available at www.ama-assn.org/ama/ama-wire/post/specialties-highest-burnout-rates).
[5] Robert Wachter, M.D., *The Digital Doctor: Hope, Hype, and Harm at the Dawn of Medicine's Computer Age*, McGraw-Hill, 2015, p. 87.

## The Role of Physician Leaders in Achieving True Integration

Physician leaders will likely be a key to overcoming the challenges posed by burnout and EHR implementation and meeting the needs of new payment models and consumers. But future physician leaders must be carefully chosen and given training around leadership skills and the tools necessary to empower all physicians in the organization.

Specific roles for physicians should include representation on the board. A recent Price Waterhouse Cooper report stated that 56 percent of physicians did not trust their hospital partners because of a lack of physician leadership represented at the board level.[6] In order for physicians leaders to be effective board members, they must be engaged in the success of the organization and not just be there as "representatives" of the medical staff.[7] This is true even if they must serve in an *ex-officio* capacity. Alternatively physicians may serve as voting board members in newer ACO structures.

In addition to the board, physician leaders should likely fill more than the CMO role in governance and the C-suite. There is a link between quality of care and physician CEOs[8] and while this does not indicate that only providers should be leading hospitals and health systems, it does show that physicians bring a needed perspective that may lead to decisions that improve the value of care. New roles that are being designed such as Chief Quality Officers, Chief Population Health Officers, Chief Innovation Officer, Chief Experience Officers, or Chief Transformation Officers may be ideal positions to be filled with providers. Additionally, the role of the Chief Medical/Health Information Officer will be critical in ensuring EHRs are further developed with the provider experience in mind. An additional method of engaging clinical

[6] Molly Gamble, "7 Tips for Physician Representation in Hospital Governance," *Becker's Hospital Review*, February 18, 2011 (available to www.beckershospitalreview.com/hospital-physician-relationships/7-tips-for-physician-representation-in-hospital-governance.html).
[7] For example, see *From Courtship to Marriage: A Two Part Series on Physician–Hospital Alignment*, Price Waterhouse Cooper report, 2011 (available at www.pwc.com/mx/es/industrias/archivo/2012-02-from-courtship.pdf).
[8] Amanda Goodall, "Physician Leaders and Hospital Performance: Is There an Association?," *Social Science & Medicine*, August 2011, pp. 535–539.

providers may be by developing strong physician advisory councils. However, given the burnout rates and workload most physicians are facing, getting engagement without some financial support will likely be difficult.

For all these roles, physicians may need additional training in order to be successful. They will also need access to reliable data and decision making in order to be respected by their physician colleagues. Physician leaders must become more than consultants in the leadership of hospitals and systems and instead truly become the organization's leaders.

## Conclusion

Market changes, most dominantly payment reform and patient experience pressures, are driving the need for increased physician–hospital integration and alignment. Unfortunately, rising burnout rates and burdensome EHR implementation processes have made establishing physician–hospital trust even more challenging. Developing and investing in physician leaders at the board and executive level may be a key lever to meeting these challenges.

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