The Voices of Physicians on Your Board

Maximizing a Hidden Asset

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A Governance Institute Strategy Toolbook **Summer 2020**

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About the Author

Kimberly A. Russel, FACHE, is CEO of Russel Advisors and an advisor to The Governance Institute. Kim has over 38 years of healthcare executive experience including 25 years as a CEO. Kim's proudest career achievement has been her service as President and CEO of two distinctively different organizations: Mary Greeley Medical Center of Ames, Iowa (1995–2008) and Bryan Health of Lincoln, Nebraska (2008–2020). Kim recently retired from Bryan Health and formed Russel Advisors, a boutique consulting firm dedicated to helping healthcare boards and CEOs thrive amidst the chaotic healthcare environment.

Kim has extensive experience with physician leaders on healthcare boards. She is a strong supporter of physician involvement in governance. Throughout her career, Kim has been an active member of over 20 boards and has served as chair of 10 boards.

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The Governance Institute

The Governance Institute provides trusted, independent information, tools, resources, and solutions to board members, healthcare executives, and physician leaders in support of their efforts to lead and govern their organizations.

The Governance Institute is a membership organization serving not-for-profit hospital and health system boards of directors, executives, and physician leadership. Membership services are provided through research and publications, conferences, and advisory services. In addition to its membership services, The Governance Institute conducts research studies, tracks healthcare industry trends, and showcases governance practices of leading healthcare boards across the country.

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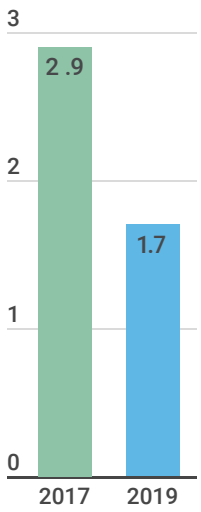
Introduction

Have you ever wondered what the physicians on your board are thinking regarding their board service? What do physicians perceive as their primary contribution to the board? What are their opinions of community (non-medical) board members? What can the CEO and board leadership do differently to more fully utilize the talents and expertise of physician board members? This strategy toolbook answers these questions and more.

Physicians are key members of hospital and health system boards. However, The Governance Institute's 2019 biennial survey, *Transform Governance to Transform Healthcare*, revealed a concerning decline in physician representation on boards compared to 2017 survey results. The total average number of physicians on the board in the 2019 survey is 1.7, compared to 2.9 in the 2017 survey.[1] As healthcare organizations navigate complex change against a dynamic environment, physician board members remain an underutilized resource. Although boards have relied upon physician directors for leadership in quality and other related matters, many physician directors are contributing more broadly to their boards on subject matters that are not strictly medical.

Total Average Number of Physicians on the Board



This toolbook presents the findings from qualitative research undertaken by the author in which physicians with both past and current hospital and health system board service were individually interviewed. (See sidebar below for survey composition details.) Perceptions and experiences of physician board members are explored as related by the interview participants to the author. Most significantly, best practices and recommendations are highlighted to maximize the talents and contributions of physicians to hospital and health system boards.

As the healthcare field copes with turbulent times, hospitals and health systems will benefit from even stronger board execution. There is an opportunity for physician directors to contribute much more to the overall performance of the board.

Composition of Study Participants

- Number of physician participants: 17
- Specialties: Anesthesiology, Cardiology, Family Practice, Internal Medicine, Neurosurgery, Obstetrics and Gynecology, Pediatrics, Podiatry, Radiology
- States: California, Georgia, Iowa, Ohio, Oregon, Nebraska, Nevada
- Current board members: 8
- Past board members: 9
- Health system board members: 12
- Hospital board members: 5

1 Kathryn Peisert and Kayla Wagner, *Transform Governance to Transform Healthcare: Boards Need to Move Faster to Facilitate Change*, 2019 Biennial Survey of Hospitals and Healthcare Systems, The Governance Institute.

Background

The Traditional Physician Director

The traditional pathway for a physician to enter board service has been via elected office by the organized medical staff, such as president of the medical staff or chief of staff. In this circumstance, the elected medical staff leader may serve on the board for several years, encompassing his or her tenure as vice president, president, and past president of the medical staff. Board bylaws may also include a permanent seat for the CMO. It is less common for boards to recruit physicians to serve in a board seat that is not designated for an elected medical staff leader or CMO. Similarly, the 2019 survey recorded an average of 0.4 physician board members (with a median of zero) who are not employed by the organization and not serving on the medical staff.[2] Board concerns about independence, potential conflicts of interest, and representative governance may be impediments to board consideration of physician directors. This will be discussed further in more detail.

Boards have appropriately become accustomed to relying on their physician directors for guidance on medical quality matters, population health, and items of official medical staff business, such as physician credentialing and clinical privileges. A key conclusion of this research is that physician board members are ready, willing, and able to participate on a larger strategic level.

> Physician board members are ready, willing, and able to participate on a larger strategic level.

Differing Pathways to Board Service

Boards must first remember that just as there are a variety of backgrounds for community board members, the same holds true for physician directors. Examples of various routes to board service for physicians:

- Elected medical staff leader (president or chief of staff); holds clinical privileges to provide medical services at the organization; may or may not be employed by the organization
- Administrative physician leader (vice president of medical affairs; CMO); holds clinical privileges to provide medical services at the organization; usually employed by the organization
- Employed by the hospital/health system; holds clinical privileges to provide medical services at the organization
- Self-employed/private practice; holds clinical privileges to provide medical services at the organization
- Employed by another entity (public health, university, government, insurance); does not hold clinical privileges to provide medical services at the organization

2 Peisert and Wagner, 2019.

Expanded Contributions of Physician Directors

Boards that have embraced physicians as fully participative board members have benefited from physician involvement in the traditional areas plus these additional spheres:

Strategic Planning and Prioritization

The ideal physician board member is tuned into the future of medicine. Physician directors can often forecast future medical trends, an important ingredient in the strategic planning process. Perhaps the most important aspect of this work is physician participation in board discussions and decisions to prioritize the medical innovations with the greatest likelihood of organizational and community impact. Physician director input is also needed to assist the board in gauging the predicted timing of clinical care trends; this is needed to determine short-term versus longer-term strategies.

Further, physicians are accustomed to practicing medicine within the context of a prioritization matrix. In medicine, physicians are more likely to implement a few changes in sequence to a patient's medical regimen rather than many simultaneous changes—this is the discipline of prioritization. This skill set translates to contributing to board discussions regarding strategic priorities, including the allocation of limited resources. Moreover, engaging physicians in initiatives to increase value are paramount to enable changes in decision making at the patient level. Physician board members can be champions of value and lead their peers to make changes faster and sustain them over time.

Mergers and Acquisitions

Multiple physician participants in this study referenced considerable involvement in board decision making related to M&A. Physician board members contributed to the board's initial assessment of the potential organizational benefits (and detriments) of acquisition targets. Physicians related that their voices were heard and respected by the other members of the board in scenarios involving full asset mergers with other organizations. Physicians contributed greatly to board decision making by posing questions to executive leadership and external consultants about proposed deal points. Physicians felt comfortable in advising the board on the likelihood of acceptance (or lack thereof) of various proposed deals by the broader medical community.[3]

3 The Governance Institute, *Methodist Fremont Health: A New Partnership from a Position of Strength* (Case Study), May 2019.

Physician board members also assisted non-medical board members in understanding post-merger and post-acquisition opportunities for clinical consolidation. Physician board members provided advice on communication strategies specific to the broader medical community to build support for the board's growth-related decisions.

Biomedical Ethics

The comprehensive medical education that most physicians receive encompasses biomedical ethics. Depending on a physician's medical specialty, he or she may be navigating biomedical ethical questions with direct patient impact on a regular basis—perhaps even daily or weekly. Community board members can depend upon their board members with medical backgrounds to advise on biomedical policies or challenges that appear on the board agenda. Physician board members also have the ability to identify issues in front of the board that may encompass a biomedical ethical component, such as a board decision to exit a service line.

Change Management

Physicians serving on boards generally have decades of medical practice experience. There has been no medical specialty untouched by significant clinical change over the past several decades. Physicians have also seen tremendous technological change throughout their medical careers. Although the literature has recently focused on the change brought about by the electronic health record, every specialty can recite a long list of other significant technology enhancements. Physicians have learned new methods of practice as a result of these technological changes. They have adapted to practicing with healthcare disciplines (such as advanced practice providers) that may not have existed during their medical training. Physician board members may not be familiar with the term "change management," but they have lived it. Physicians can advise their fellow board members on change management principles and strategies. Such advice from medical board members is likely to focus on the scientific basis for any suggested organizational shift.

Diversity and Socioeconomic Status

Although boards have emphasized recruitment of diverse directors in recent years, it is still a common scenario for many boards to be comprised of directors who have little regular contact with individuals in differing socioeconomic circumstances. Although this is dependent upon the specialty and practice setting of specific physician directors, some physician board members cite their frequent personal contact with patients from differing socioeconomic groups as a helpful contributor to board discussions.

As a result of medical practice, physician directors have deep experience with the impact of the social determinants of health. Physicians see the health outcomes of patients struggling with homelessness,

transportation challenges, low literacy, lack of consistent access to healthy and nutritional food, and the difficulties presented by an uninsured/underinsured insurance status. This direct experience with individuals with a low socioeconomic status is a significant addition to discussions of the organization's community health needs assessment (CHNA) while also informing strategic plans and priorities.

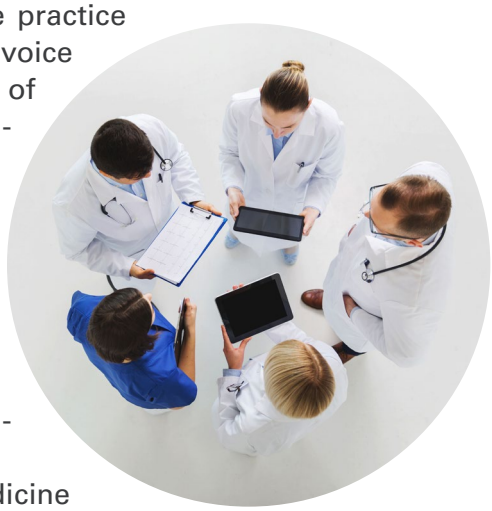
Physicians see the health outcomes of patients struggling with homelessness, transportation challenges, low literacy, lack of consistent access to healthy and nutritional food, and the difficulties presented by an uninsured/underinsured insurance status.

Advocacy

In partnership with the CEO, physician board members can also be highly effective advocates with elected officials and political leaders. There are situations in which a trusted physician board member can more easily access a governmental leader on behalf of the organization. A physician board member can lend credibility and offer additional medical background in conversations with elected leaders.

Physician Voices: My Contribution to Our Board

What do physician directors regard as their greatest success on the board? As expected, the physicians all mentioned their role in bringing a medical point of view to the board table. Private practice physicians spoke about the importance of bringing the voice of independent practice into board discussions. And of course, physician expertise was relied upon for the traditional physician director role, such as leading board discussion about medical quality, disruptive physician cases, medical staff credentials issues, and medical policy.



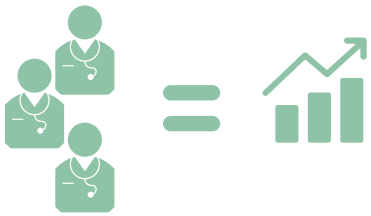
More than half of the physicians in this study were fully participative on their boards for non-medical matters, too. Physician board members were especially proud of their strategic accomplishments. Study participants said:

- "I was the translator to bridge business and medicine to move things forward."
- "After doing a significant amount of my own homework, I was the loudest voice against a proposed merger."
- "I explained to the community board members—it's not just about the money. We don't sell hamburgers here."
- "I provided a viewpoint on women's health issues."
- "I brought perspective to the board on value-based care."
- "I encouraged the board to expand services geographically throughout our state."
- "I supported a much-needed emergency department expansion."
- "I led the planning to assure that the acquisition of another hospital by our system would receive support from the medical community."
- "I helped the board navigate turning two competing cardiac programs into one strong cardiac program serving the entire region."
- "I led fundraising efforts that consistently transferred millions each year to support various hospital projects."
- "I advocated for our system to acquire a hospital located in the town where I grew up."

Board Benefits from the Expanded Physician Director Role

The most important reason for the board to embrace the expanded physician board member role is the resulting boost to the board's effectiveness. An important finding of The Governance Institute's 2019 survey was:

"Overall, there is a moderate statistically significant positive correlation between the number of physicians on the board and board performance in terms of fulfilling its duty of loyalty and duty of obedience, and responsibility for quality and financial oversight. For independent hospitals, there is a positive correlation between the number of physicians and overall evaluation of board performance in all aspects."[4]



The board must fully exploit every asset around the board table; the board cannot afford to underutilize any aspect of its human capital during this time of great disruption in the healthcare field. The pandemic is a clear example of the benefit of medical expertise on the board. Throughout the COVID-19 response, physician directors have distilled key information for the board while bringing real-time perspective to pandemic-related daily challenges. The pandemic has also illustrated the importance of clinical integration, another area of expertise for many physician directors. Having physicians on the board sends a clear message to the integrated medical staff that the organization's top leadership values their perspective and expertise. This is often the first step in building a strong relationship with the medical staff.

A side benefit is that most board members enjoy and appreciate the interaction with physician directors. The physician relationships are a distinctive difference for board members serving on healthcare boards compared to other community and corporate boards. Some board members regard the opportunity to interact as board member peers with well-regarded physicians as a noted privilege of healthcare board membership.

4 Peisert and Wagner, 2019.

Takeaways for Physician Directors

Almost all participants stated, "It is an honor to serve on this board." Participants also noted several unexpected outcomes from their board service:

- "I learned how important the hospital is to the community…how intricate and complicated the relationship can be."
- "I take lessons learned and bring them back to my practice."
- "I like the opportunity (for the board) to serve as an advisor to the CEO."
- "I learned how to bring a group to consensus."
- "I learned about the running of a business, including the planning and foresight that is needed."
- "It is an eye-opening experience."
- "I learned about the financial aspects of hospitals."
- "Everybody has a different take on issues; I learned to look for compromises."

Comments from physician directors showed great respect for their fellow board members. Nearly all physicians understood that they are "giving back" to the organization and the community as a result of their board service. They were surprised, however, at all they personally gained from their board experience.

Onboarding Is Essential

The study revealed a need to improve orientation and onboarding for new physician directors. Many of the study participants did not understand the legal responsibility of board members to represent the organization as a whole and the broader community at large. Several participants reported no orientation prior to the initiation of board service. Many participants noted a lack of orientation to the organization's financial statements and finance-related matters; these participants were eager to increase their knowledge about healthcare finance. Several physicians noted they had not previously met most of the community board members—a roster with a brief bio/background on each board member would have been helpful. Physician board members—just like community board members—also observed their first year on the board featured a steep learning curve.

Onboarding Tips

Consider a customized orientation plan for physician directors. Although there are benefits to orienting all new directors simultaneously, an individualized approach can be highly effective and time efficient for physician directors. Begin by conducting an informal assessment of the new physician director's current knowledge state for key topics such as quality and finance. For example, if the physician director has had significant experience with medical staff functions, it may be redundant to provide "Quality 101" and "Credentials 101."

Has the new physician director had experience in managing and operating the business aspects of his or her own practice? Physicians answering "yes" to this question should have a beginning level of financial knowledge, such as understanding financial statements, compared to physicians without this level of experience. Understanding the current state of the new board member's financial knowledge will direct the starting point for the financial orientation. A significant component of orientation should include time with the CFO to explain the basics of the financial statements, an overview of the investment philosophy of the organization, the long-term debt/capital funding situation, and current financial challenges the organization is facing.

New physician directors are often not aware of the fiduciary duties of care, loyalty, and obedience. Teaching these concepts is one of the best ways for new physician directors to understand their role as a member of the board. This is the time to emphasize that the board represents the organization and the community rather than a specific subset or group.

Explain how the board does its work—board committees, board meetings, the oversight of strategic planning, board retreats, and ongoing education. New physician directors who have not served on other boards appreciate understanding the conduct of board meetings—how the consent agenda functions, voting procedures, discussion opportunities, and pre-meeting preparation requirements.

Physician directors, who may not know many other board members, are interested in learning more than just their names. What is the brief occupational history of the other board members? What is their connection with the organization? What board committees do they serve on? How long have they served on the board?

Introduce the physician to a carefully selected mentor—a fellow board member who can serve as an additional resource to the physician.

Onboarding is not a single event. A successful onboarding extends throughout the new director's first year of board service. Provide the new physician director with specific educational materials that have been selected to be most meaningful for his or her needs. Ensure that the materials are easy to access on demand by the new director—directly send the specific links or documents.

After the first one or two board meetings, the CEO and/or the board chair should reach out to the physician and ask:

- What questions do you have as a result of your first board meetings?
- What additional information would be helpful to you?

And finally, orientation materials for physician directors should be crisp, concise, and on point. Physician directors appreciate curated information—not 10 slides when one slide is sufficient.

Relationship between Medical and Non-Medical Directors

Physician directors reported heartfelt respect for their fellow board members. For many, it was both novel and inspiring to experience the deep commitment the community board members have for the organization. A small minority of participants reported difficulties in relationship building with community board members. Physician directors explained they learned a lot from many of the other directors, specifically about finance, health insurance marketplace dynamics, and how to run a meeting. Physician directors, with a very few exceptions, noted they were genuinely welcomed by the community board members. In most cases, community board members listened to and placed great weight on physician comments and opinions, illustrating the mutual respect between these two board contingents. A frequent comment from participants was that the interaction and relationships with the community board members was one of the most rewarding aspects of their board service.

Potential Barriers to Board Service

Time

Not surprisingly, the biggest barrier reported by physician directors was time. Physicians serving on the board as a component of elected medical staff office recounted significant time demands due to the many facets of medical staff leadership. Physicians serving on the board were often involved in other leadership activities for the organization, their practice, or the community at large. Physician directors were highly creative with their personal time management to juggle their board service commitment along with their other responsibilities.

Even with constant time pressure, the physicians involved in this study were willing to devote the needed hours to the board. The physician directors interviewed had a desire to be meaningfully involved in an equal manner to community board members and concluded that their time investment was worthwhile. CEOs and board leaders should not assume that physician directors are too busy to shoulder full responsibilities. Board leadership should continue to affirmatively involve physician directors in all aspects of the board's work, including appropriate committee assignments. As stated by one physician board member, "If it's a healthcare organization that you believe in, it's worth the time commitment." Of course, the time of all directors should be respected and used efficiently.

Physician Director Independence and Conflict of Interest

Boards have often been concerned about how to handle inherent physician independence and conflicts of interest. Considerations are detailed below, but it is important to note that these concerns can be appropriately mitigated by maintaining a majority of independent board members and, on their own, should not be the reason for a board to lack physician voices.

- **Independence**: The IRS categorizes employed physicians and physicians on the medical staff (including those in independent practice) as "insiders" and not meeting the independence test. Most boards will likely include at least one physician "insider." It is important for boards to understand the IRS criteria for the executive compensation committee and the audit committee to be composed of directors who meet the independence definition.[5] For boards seeking physicians who meet the IRS standards of independence, different board recruitment approaches must be considered (see sidebar, "Physician Director Recruitment and Selection Tips," for more information).
- **Employed physician board members**: Physician board members in independent practice were concerned that physician board members employed by the health system or hospital have an inherent conflict of interest. The specific

5 Barry S. Bader, Edward A. Kazemek, Pamela R. Knecht, and Roger W. Witalis, "Physicians on the Board: Conflict Over Conflicts," *BoardRoom Press,* The Governance Institute, February 2008.

concern expressed is that employed physician board members are not positioned to challenge or question the CEO. This is a particularly difficult issue, because it was also expressed that employed physician board members have significant "skin in the game" and a clear shared interest in the overall success of the organization. This study features many examples of outstanding and fully contributing board members who are employed physicians, but the lack of independence remains an open question. Employed physicians who were more senior in their status in the medical community rather than employed physicians early in their medical careers carried more credibility with their fellow physician board members. (See sidebar below.)

- **Conflicts of interest**: Potential conflicts of interest may present more often with physician directors; after all, physicians and the organization are operating in the same field. Conflict of interest is one component surrounding the employed physician board member—but potential conflicts are certainly not limited to employed physician board members. The best remedy involves a transparent conflict-of-interest policy that is consistently enforced and practiced by the board.

Tips: Employed Physician Board Members

- Selection is crucial; the employed physician director must have sufficient resolve to ask tough questions in the boardroom.
- Consider physicians with a well-established medical reputation.
- Emphasize during recruitment and board orientation that the employed physician director does not "represent" any one segment of the organization; he or she maintains the same fiduciary requirements as other directors.
- The employed physician director must understand that his or her board role overtakes employment issues in the boardroom.
- The board must have a robust and consistently applied conflict-of-interest policy.
- Employed physician directors are not eligible to serve on the compensation and audit committees.

Further Considerations

Physician participants in this study raised additional matters for board consideration:

Board Service Compensation

Physicians participating in this study revealed split opinions about board compensation, with a conclusion that reflects the broader conundrum for non-profit boards: to compensate or not to compensate? Some private practice physician board members specifically mentioned a personal income sacrifice as a result of board service (particularly for boards meeting during standard clinical work hours). There was also a perception that employed physicians receive some form of financial remuneration (depending on the organization's employed physician compensation plan) while physician board members in independent practice, like the community board members, are volunteers.

Management/Governance Boundaries

Physician directors need to understand from the beginning that the board role does not involve operations. This can be difficult, especially for physicians whose practice involves daily contact with various health system services. It is important to establish up front with the physician director a clear understanding of the board role. The board chair plays an important role in reinforcing the board's scope to physician directors.

CEO Leadership Style

Several contributors to this study experienced more than one CEO during his or her board tenure. The leadership style of the CEO influenced the physician's perception of overall board effectiveness. CEOs who displayed an open mind to input from all directors were perceived as having more effective and highly performing boards. Physicians who had served on boards with both leadership styles noted it was more desirable and fulfilling to serve on a board with a more inclusive approach to governance.

Term Length

A small number of physician interviewees reported terms of only one year on the board, usually due to the structure of medical staff office terms. Because the first year for all board members is a learning and ramp up year, physician board members with only one year on the board did not consider themselves to be fully effective board members. Boards must ensure that the term length for physician board members is sufficient.

Selection of Physician Directors

The selection of physician directors is crucial. Thoughtful selection was emphasized by almost all study participants. This becomes an important role for the governance committee. (See sidebar, "Physician Director Recruitment and Selection Tips.") For this

reason, the governance committee can benefit from physician membership. For physicians who earn a board seat via medical staff elected office, it is critical that the medical staff nominating committee understand the board role that their elected leader will be fulfilling. The medical staff nominating committee may wish to invite the board chair (or other board leader) to attend one meeting of the nominating committee as a guest to explain the role on the board that an elected medical staff leader must fulfill.

Board Invitation Acceptance

Physicians who are identified as excellent board candidates are often fully committed with their practice, other leadership responsibilities, and family and personal obligations. When first approached, a physician's mind usually jumps to the time obligations of the board commitment. The physician is likely not fully aware of the "what's in it for me" aspect of board service. A current or past physician board member often has best success in describing the role. When the board service invitation is extended by the board chair and CEO together, it becomes compelling for the physician to give a board role due consideration. (See sidebar below.)

A Successful Pitch to a Physician Director Prospect

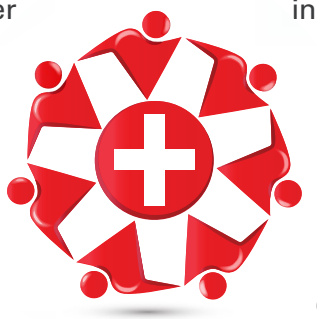
When meeting with a potential future physician board member, the basics of board service should be forthrightly explained, including the time commitment. It is also fair to share the positive aspects of board service—the proverbial "what's in it for me." Here are other points to mention, as identified by physician participants in this study:

- The opportunity to interact and learn from community board members
- The opportunity to learn from fields and disciplines outside of medicine
- A new way to provide input and guidance to executive leadership
- An investment in the future pathway of the health system/hospital
- A way to learn more about the financial side of healthcare, including institutional investment strategies
- An intangible benefit to your medical practice

Physician Director Recruitment and Selection Tips

Participants in this study emphasized the importance of physician director selection. They highly recommended having a current physician director sit on the governance committee and/or include them in selecting new physician board members.

Physician directors stated that a prerequisite for a fellow physician board member is an established and respected medical reputation. Physicians with demonstrated leadership experience should be prioritized for board recruitment. The participants were negative on the concept of a physician serving on the board early in his or her medical career.



Several suggested that physicians with either past or current practice ownership and business management experience can add value to the board almost immediately due to a shorter learning curve. Ideal board member prospects include physicians with an understanding of the healthcare system beyond the walls of his or her specialty. Physicians with an initial understanding of more than one aspect of the healthcare system (such as public health, insurance, health services delivery, medical research) are highly sought for board service.

Physicians being recruited to the board must be open to embracing the fiduciary duties that boards are legally required to fulfill. They must agree up front that their board service does not equate to representation of their practice, specialty, or group. Board members must be able to seek the common good. Physicians who do not understand or agree with this stipulation risk finding board service a frustrating experience. This is an essential aspect of the board recruitment process, and the governance committee is duty bound to thoroughly explore this issue with potential board member candidates.

The governance committee is advised to think outside the traditional recruitment box if it wishes to recruit physicians who meet the IRS definition of independence. At least one physician on a board who meets the full independence test may be a worthy addition to the board. Boards may wish to seek independent physician talent from non-traditional settings such as local universities, public health, consulting firms, and government. Although retired physicians usually meet the independence test, a caution was expressed by some physician board members that retired physicians may have difficulty focusing on the future rather than the past. Others opined that for maximum credibility with peers, physician board members should be actively practicing their medical specialty.

In parallel with all board member recruitment, the time commitment and board member expectations must be fully disclosed to board prospects.

Many organizations have invested in physician leadership education programs. Graduates of these programs are an excellent source for future board members. It is important to identify future physician leadership early and cultivate accordingly.

Board Action Plan to Increase Physician Director Engagement

For CEOs and boards that wish to more fully benefit from physician board members, consider this formula:

1. Begin with resetting the expectations of the CEO and board leadership. It is natural to focus on physician board members for quality-related topics. Make an intentional effort to engage physician director participation in all facets of the board agenda.
2. The CEO and board chair should personally state directly to the physician board member their openness to the physician's contributions to board discussions and decisions.
3. Consider assigning physician directors to other board committees in addition to the traditional assignment to the quality committee.
4. Starting with the first conversation with a potential medical board member (including elected medical staff officers), describe the full menu of board responsibilities and time expectations.
5. Restructure board orientation for physician directors. (See sidebar, "Onboarding Tips," for suggestions on how to create a customized orientation plan for physician directors.)
6. The board chair may need to specifically invite comment from physician directors during board meetings on broader discussion topics.
7. Review and potentially revise strategies for recruiting future physician board members.

The benefits physicians gain from board service highlight the need for more physician leadership education programs within hospitals and health systems, to enable more than just the physician board members to benefit from an enhanced understanding of the larger healthcare ecosystem and related financial and strategic issues.

After Board Service Completion

Physicians who have completed board service were included in this study. These former board members reported an enhanced understanding of the larger healthcare ecosystem, especially the financial side. Physicians commented that they were often able to explain the "big picture" to fellow physicians who have not had the benefit of board service. There were a few observations from independent practice physicians that serving on the board added to their own practice management skills—generally in the arena of financial management. The physicians universally valued the relationships they had developed on the board—with both internal senior leadership and external board members. As a result of their past board service, some physicians opined that they are bringing greater value to their practice and/or local medical community. Several of the former physician board members report an ongoing role as an informal advocate for the organization due to their board experience.

Final Thoughts and Board Takeaways

Fully leveraging the talents and expertise of physician board members is win-win for the organization. Boards are encouraged to think broadly with respect to potential contributions from physicians on their boards. External board members may also see benefit from recruiting a physician to serve on the board of his or her own business. To boost the efficacy of your board, incorporate the full talents of all directors, including physicians.

Board Takeaways:

- Enlist the full expertise of physician directors; the result is increased board effectiveness.
- Conduct a customized orientation and onboarding for physician directors.
- Rely upon strong participation from physician directors for M&A-related discussions and decisions.
- Fully engage physician directors in strategic planning and strategy.
- Broaden board recruitment to include at least one physician who meets the IRS independence test.
- Include at least one physician on the governance committee.
- Remember that physicians are not interchangeable; each physician brings a unique background and skill set to the board.