



Physician Leadership in 2021 and Beyond: Shifts in Mindset and Practice

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The second decade of the 21st century saw a new appreciation for physician leadership in the healthcare sector. It became increasingly clear that any efforts to truly redesign American healthcare would require doctors to embrace significant change in the way they were trained to provide care. Hospital leaders, frustrated by their attempts to “herd the cats” toward value-based care, created an array of new positions for physician executives. The lonely Vice President of Medical Affairs, once the sole representative of physicians in the management org chart of hospitals, suddenly found new company in a growing host of physician executives: Chief Medical Officers, Chief Quality Officers, Medical Directors of employed physician groups, Physician Chairs of health system service lines, Chief Transformation Officers, Chief Clinical Operations Officers, and more.

This past decade also saw continuing diminution in the value of traditional medical staff leaders. The archaic organized medical staff model of the 20th century has fit poorly with the ongoing evolution of health systems. The leadership provided by minimally prepared medical staff officers, who hold their positions for short terms and then make way for inexperienced successors, is simply inadequate to the growing challenges posed by a constantly evolving healthcare world. Thus, in recent years, health systems have become more aggressive in seeking out experienced physician executives who see management as a career option. Indeed, competition for such individuals has become intense and retaining them a challenge.

This article looks at what lies ahead for physician leadership in the near and long-term future and provides initiatives for health systems seeking to maximize the impact of physician leadership.

Promote Physician Wellness and Engagement

Over the past 12 months and for many months still ahead, it has been all hands on deck to fight the pandemic. High-value healthcare requires doctors who are functioning at the highest level. Physician burnout was a problem before the pandemic, and it has been exacerbated over the past year.

There is now a wealth of evidence that how care is provided, documented, and reimbursed has a profound effect on clinical practice and the experience of caregivers. Changes in the way health systems do business will be fundamental to addressing the problem of burnout. Because many clinicians feel disconnected from decisions being made in their organizations that directly impact care, it is imperative that physician leaders step in to bridge this gulf. Once the national emergency recedes, sustained attention will be needed from these leaders to promote physician wellness and advance physician engagement. This attention will need to be more than superficial.

→ Key Board Takeaways

Physician leadership will become increasingly valuable, even as the pandemic wanes. Here are initiatives to maximize the value of health system investments in physician leadership:

- For those that have multiple organized medical staffs, look to unify them or merge their key committees to reduce unnecessary and burdensome bureaucracy.
- Work to rationalize physician executive positions to avoid duplication of effort, fragmentation of leadership, dilution of accountability, and confusion in role responsibilities.
- As physician employment continues to grow in health systems, redouble efforts to forge these doctors into highly effective, multi-specialty group practices with dynamic physician leadership.
- Expand efforts to develop physician leadership at the front lines of care and especially in the ambulatory facilities of growing health systems.
- Increase efforts at leadership development for physicians, finding ways to make it more institutionalized, customized, and routinized.

Health systems that want to attract and retain doctors in an increasingly competitive market for their loyalty will have to achieve real change in their working environment.

Build Robust Physician Leadership Structures

Another impact of the coronavirus has been an acceleration in the demise of physician private practice. Various news sources have reported on the thousands of physician practices closing due to the pressures of the COVID-19 pandemic. The loss of these medical offices will give health systems increased impetus to grow their ambulatory footprint. The employment of ever more clinical practitioners will require commensurate growth of health systems' cohort of physician leaders. Such leaders will need to be deployed not only in the highest ranks of management, but down to the frontline offices where the majority of care is actually delivered.

In the 20th century, hospitals learned how to build robust management structures for the hundreds of nurses they employed to care for patients. In the decade ahead, health systems will need to do the same thing for their physician employees. While hiring physician leadership is more expensive than that for nursing, the payoff can be commensurately larger. The challenge will be to identify who among their practicing doctors has leadership potential, how it will be cultivated, and what specific training and ongoing coaching will be needed.

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Accelerate Integration and Clearly Define Leadership Roles

Health systems will continue to grow in size and complexity and the task of becoming truly integrated will again come front and center as the pandemic wanes. This will bring increased scrutiny on ways physician leadership can accelerate integration that is more than window-dressing. One relatively easy opportunity is the reduction of anachronistic bureaucracy to make way for more effective leadership. Health systems that retain a multitude of organized medical staffs should give strong consideration to streamlining themselves through full or partial unification or merger strategies. Many health systems fear physician pushback to elimination of a local medical staff.

However, attachment of doctors to these outdated and burdensome organizations has been waning. Very few health systems that have merged medical staffs or combined their working committees have had to undo this effort or have regretted the accomplishment.

Eliminating duplicative, time-consuming, and ineffective physician leadership positions through medical staff unification and standardization is only one way to address the proliferation of new roles for doctors. After years of adding new positions for physician executives, many health systems find they have failed to adequately define new roles, created overlapping responsibilities, and have sown confusion regarding leadership accountabilities. Instead of an efficient new leadership corps of physician executives, they have reproduced the silos, fragmentation, and duplication that has been an unfortunate hallmark of American healthcare institutions. Undertaking a thoughtful rationalization of leadership roles will gain the attention of many health systems in the next several years.

Forge Effective Multi-Specialty Group Practices with Dynamic Leadership

Efforts to move healthcare to value-based reimbursement will gain renewed energy once the threat of COVID is reduced. Physician-led organizations have been more successful than hospitals in improving quality and reducing costs in value-based programs that have moved away from fee-for-service reimbursement. Health systems with a large cohort of employed practitioners are in an advantageous position to forge their own highly effective multi-specialty group practices. Such practices are characterized by dynamic physician leadership that engages practitioners intellectually and emotionally in care redesign. Health systems will need to recruit experienced group practice leaders and give them the latitude to work more nimbly than is typical for hospital administrators.

Ramp Up Leadership Development

Finally, to harvest the full benefits of physician leadership, health systems will need to redouble their efforts at leadership development. This will involve:

- Making educational programs available to a larger number of current and potential leaders
- Incorporating best practices for customizing training
- Expanding mentoring and coaching capabilities
- Making such training compensable under productivity compensation schemes

As healthcare transformation picks up its pace in the coming years, health systems will continue to change in dramatic ways. Those that do so with the greatest success will also be those that have invested significant thought, energy, and resources into addressing their physician leadership needs.

The Governance Institute thanks Todd Sagin, M.D., J.D., President and National Medical Director of Sagin Healthcare Consulting and Governance Institute Advisor, for contributing this article. He can be reached at tsagin@saginhealthcare.com.

