

Developing Effective Physician Leaders: An Imperative for Health System Change

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Introduction: The Power of Physician Leadership

In the wake of the April 2015 passage of Medicare's "doc fix" legislation, the movement from volume-based to value-based payment is finally poised to take off, forcing health plans, physicians and others to fundamentally transform how they operate.

The yearly ritual of adjusting Medicare provider payments based on the sustainable growth rate is making way for a reimbursement model focused on quality, value and accountability. Working closely with health plans and other providers, strong and creative physician leaders are expected to help oversee this fundamental shift in the health care delivery system.

Physicians are leading the way to better systems, better care and better outcomes for patients because they are uniquely able to influence:

- **Other providers** in their practices to transform processes and systems of care;
- Change in **the larger health care** world outside their practices, in hospitals and other care organizations;
- **Consumers** about what to expect from the health care system and taking more responsibility for their health; and
- **Public policy.**

Helping physicians develop leadership skills requires intentionality on the part of physicians and the organizations that employ them. Effectively leading change requires skills and competencies that have not been traditionally emphasized in medical training: building teams, working collaboratively and thinking strategically.¹

Many physicians already have solid management skills, or gain them as they grow in their careers. But leadership requires something more: the ability to create a shared vision for the future and inspire others to join in the pursuit of that vision.²

Members of the Alliance of Community Health Plans (ACHP) understand the unique role of physician leaders in a rapidly evolving delivery system, and are working hard to both identify them and support their professional development. This paper examines how select ACHP plans are helping physicians gain the competencies they need to effectively lead change within and beyond their organizations.

A look at their leadership development approaches reveals these critical elements:

1. Physicians must own the challenge of leading systemic change.
2. Primary care and specialty care physicians must collaborate to bring about change.
3. Organizations and their senior leaders must be strongly and visibly committed to developing physician leaders.
4. Physician leaders must share accountability for outcomes with their administrative counterparts.

Physicians Must Own the Challenge of Leading Systemic Change

Payment models that move away from fee-for-service and reward appropriate utilization and better health outcomes are forcing practices everywhere to make changes. How well individual physicians and practices adjust is often a function of leadership; embracing change requires

physicians and health plans to move beyond an “us vs. them” mindset.

At **Capital District Physicians’ Health Plan (CDPHP)**, an Albany, N.Y.-based health plan founded and directed by doctors, physicians serve in critical leadership roles, such as on the board of directors and quality management and utilization management committees.

In 2008, CDPHP introduced a patient-centered medical home (PCMH) program called Enhanced Primary Care (EPC), designed to transform primary care practice and payment models to enhance value, outcomes and primary care physician (PCP) satisfaction. One of the critical factors in a successful EPC implementation was a series of learning collaboratives designed to help primary care practices transition to PCMHs. These collaboratives focused on topics identified by the PCPs, such as management of the diabetic patient population in a PCP office; medication therapy management services for Medicare patients; antibiotic stewardship; and behavioral health services for the pediatric population.

A second initiative introduced in 2013, called the Medical Neighborhood, calls for better integration of specialty care into the PCMH model, with primary care physicians leading that effort.

CDPHP currently has about 200 EPC practices in its network. Developing and growing the program requires a great deal of discussion, respectful listening, collaboration and cooperation, say CDPHP leaders, and working with physician leaders has been key.

The health plan doesn’t take on direct responsibility for building leaders within each practice, but does provide tools, data and support, including access to clinical pharmacists, nurse case managers and behavioral health professionals for consultation, and for help with care access and coordination. Tools include a provider portal with actionable reports organized to answer key questions such as: What specialists are involved in the care of my patients? What is their relative efficiency? Who are my patients with the highest

“Physicians’ appetite for our performance data has increased. This is an important shift: Physicians are inviting us in to work with them.”

Eileen Wood, RPh, MBA
Vice President of Clinical Innovation
Chief Pharmacy Officer
Capital District Physicians’ Health Plan

hospital utilization? What hospitals are prominent in the care of my patients? Who are the patients with the most complex medication regimens? Who are the predominant prescribers? Which patients have health care gaps? How do I compare to my peers in performance on the Triple Aim (improved health, lower cost and better patient experience)?

EPC practices each have a lead physician who often emerges naturally as a result of his or her desire to make positive changes and meet the challenges of transforming to a model that pays for value, says John Heath, director of physician engagement. Health plan leaders watch for and nurture these emerging leaders by inviting them to present at network collaborative events, participate on health plan committees and serve as thought leaders in the evolution of the EPC model.

CDPHP reports positive results among its EPC practices. HEDIS (National Committee for Quality Assurance’s Healthcare Effectiveness Data and Information Set) scores are higher, utilization is lower, patient experience has improved, the cost of care for the sickest 10 percent of patients has decreased and the practices are earning more money.

Capital District Physicians’ Health Plan, which operates in the Albany, N.Y. region, is a network-model health plan serving 450,000 members in 24 counties.

Primary Care and Specialty Care Physicians Must Collaborate

In 2012 a group of community physicians and **Independent Health Plan** in Buffalo, N.Y., launched The Primary Connection, a patient-centered medical home collaborative that now includes about 30 practices throughout Western New York.

This virtually integrated, physician-led initiative gives practices the freedom to provide care as they wish and share in cost savings they achieve. In addition to improving quality of care and efficiency within the practices, the model is built on the expectation that primary care providers will influence changes in the practice patterns of specialists and hospitals. This can be challenging for primary care physicians who historically have felt undervalued by the specialty community. The Primary Connection care model provides the foundation for primary care providers to influence and build more collaborative relationships with specialists in order to facilitate teamwork and lead change. The health plan actively partners in this work.

In 2013, with help from an advisory committee of physicians, the health plan created a one-year leadership training program and offered it to 25

“To be effective leaders, physicians need training that they never received in medical school, and need to hone or learn some important personality traits: optimism, a willingness to engage, curiosity and progressive thinking.”

Judith Feld, M.D., MPH, MMM
Medical Director for Health Care Delivery Innovation
Independent Health

physicians in Primary Connection practices. Many of these physicians would become ambassadors to the specialty physician community.

A kick-off session with a national leadership expert was followed by a series of training collaboratives on topics such as communication skills and building partnerships. Four-hour learning modules were scheduled every other month, including the differences between management and leadership; leading change and transformation; planning; leading effective teams; communication skills and emotional intelligence; conflict resolution; and building relationships and partnerships.

Judith Feld, M.D., MPH, MMM, medical director for health care delivery innovation, says that offering physicians the opportunity to use leadership self-assessment tools was invaluable. “In medical school, physicians are focused on learning basic science and clinical care. Assessing communication or leadership skills was never part of the curriculum,” says Dr. Feld.

A key component of the leadership training was helping physicians understand how their interpersonal communication style affects practice transformation. For example, a physician with a more analytical approach realized that sharing data alone would not bring about changes in practice patterns, but that adapting elements of a relationship-oriented style was critical in transforming practice patterns.

Through this skill building, Feld says the primary care physicians gradually began to identify as leaders of change within both their practices and the health care community. The initial 25-physician leadership cohort continues to meet quarterly to improve its skills and collaborate on strategy as well as mentor the next group of Primary Connection physicians, who started training in July 2015. Feedback from the physicians confirms that leadership training has been invaluable in their ability to take on the myriad responsibilities necessary to effect change in their practices and the community.

Now, new regional physician leadership teams have formed within the Primary Connection

network, with physicians working together to identify improvement opportunities. One team has worked with the senior leadership of two delivery systems to improve patient information exchange with hospitals and collaborate with hospitalists on level-of-care decisions. Primary care physicians and specialists are aligning around meaningful quality measures. Increasingly less siloed, primary care practices are exchanging best practices and practice improvement ideas while advancing care and affordability through shared values and a focused vision and mission.

Independent Health, based in Buffalo, N.Y., is a network model health plan serving close to 400,000 members in eight Western New York counties.

Physician Leaders Share Responsibility for Outcomes

At **HealthPartners**, an integrated health care and financing system in Minnesota, the leadership culture revolves around partnerships between clinical and administrative leaders. These leadership teams are together responsible for overall local results, rather than either clinical or administrative outcomes, respectively. Physicians, trained to assess and treat a single patient on their own, are challenged to build and participate in teams to solve problems involving larger groups. Leadership partnerships have proven to be an effective strategy at HealthPartners to build high-performing teams and create better results.

HealthPartners does not have a formal leadership training program, but counts on its leader teams to identify and nurture potential physician leaders and others who show aptitude for and interest in leadership roles. The organization designs specific training based on real issues teams are facing, using an approach that is “just in time” rather than “just in case,” similar to case-based learning in the clinical world. Physicians who are interested in growing leadership capability often start by leading a quality improvement project or team.

Developing effective team leadership at the clinic and practice level is a particular focus at HealthPartners, which recognizes the strong

“Care delivery can get very insulated from the pressures of the market, and the health plan is in touch with the pain of consumers and employers paying bills. There are no sides here, there are just common goals with the patient at the center.”

Brian Rank, M.D.
Co-Executive Medical Director
HealthPartners Medical Group

influence that physician site leaders closest to the point of care (whether site or department) have on practice culture, satisfaction and outcomes. Leaders closest to the point of care translate organizational mission, vision and values on a daily basis.

To facilitate teamwork, HealthPartners often relies on the principles of Fair Process.³ This comprises three principles: Engagement (involving individuals in decisions by inviting input); Explanation (clarifying the thinking behind a final decision); and Expectation Clarity (stating the new rules of the game). The expectation, says Brian Rank, M.D., co-executive medical director at HealthPartners, is that leaders will aggressively involve and engage the people they lead, which generates better ideas and results.

Since 1998, Dr. Rank has been co-leading with Nance McClure, chief operating officer of the care group. Since the organization combined with the Park Nicollet Health System in 2013, Rank and McClure now lead in a triad that also includes Steve Connelly, M.D., president and chief medical officer of Park Nicollet. All three leaders share accountability across the newly combined group.

Together, they have learned to effectively balance each other’s skills and perspectives, and focus

on creating an environment in which people resist the temptation to segregate challenges into administrative or clinical categories. Their goal as a leadership triad is to ensure that everyone is working toward the same goals based on the organization's mission and vision. Rank gives the example of health plan and care system physician and administrative leaders who convened a working group focused on improving the accuracy and reliability of ordering high-tech diagnostic imaging. The group, which included people from the health plan and the delivery system, designed a system that supported clinicians in more rapid and appropriate ordering of imaging tests.

Flexibility and adaptability are essential qualities for all health care leaders, particularly when there are competing priorities. HealthPartners believes its blended leadership teams are especially effective because decision-making is often a nuanced process. Most situations have unique complexities that require leaders to blend their perspectives to create a successful path forward.

HealthPartners is an integrated health care and financing system that covers close to 1.5 million health and dental members, and cares for 1.2 million patients in its care delivery system, comprising 1700 physicians and six hospitals in Minnesota and surrounding states.

Organizational Commitment to Developing Physician Leaders is Key

Kaiser Permanente (KP) comprises a nonprofit health plan and hospital system (Kaiser Foundation Hospitals/Health Plan) closely integrated with a group of multi-specialty physician practices (the Permanente Medical Groups). The Permanente Federation is the national organization that represents the interests of the seven regional Permanente Medical Groups and their 17,000-plus physicians across the nation. KP believes in the importance of establishing and supporting a culture of continuous learning that encourages constant professional and personal growth at every level of the organization. KP invests both time and money in professional learning opportunities.

The Permanente Federation's co-CEOs, Edward Ellison, M.D., and Robert Pearl, M.D., spearhead the physician leadership efforts. They believe that physicians must lead the transformation of the health care system and are dedicated to developing physician leaders inside the organization.

Each of KP's seven regions offers and participates in robust leadership training activities, and the organization offers increasingly more sophisticated in-depth learning opportunities as leaders gain experience. The Permanente Medical Groups, along with executives from Kaiser Foundation Hospitals and Health Plan, also invite selected senior leaders to enroll in external programs with The Advisory Board or Harvard Business School.

Dr. Ellison, executive medical director and chairman, Southern California Permanente Medical Group, and chairman, The Southeast Permanente Medical Group, knows the importance of physician leadership. "All physicians are leaders," he says. "Their patients, staff and colleagues see them that way. Each physician sets the tone and expectation for how their patients will be treated and how care will be delivered. Empowering physicians to see themselves as leaders and providing them with leadership training and tools will improve patient

“Once you establish yourself as a learner, people continue to teach you. They bring you information, feedback, insights and recommendations. You develop a network of people who are also continually learning.”

Jack Cochran, M.D.
Executive Director, Retired
The Permanente Federation

care and transform our health care system.”

Dr. Pearl, executive director and CEO, The Permanente Medical Group, and president and CEO, Mid-Atlantic Permanente Medical Group, understands how physician leadership is key to the success of its model of care. “Integrated care is best delivered by organizations that develop a strong culture of physician leadership,” he says. “When a physician chosen by the physician group helps lead strategic planning, decision-making, and systems improvement efforts, real trust is built and change is possible. Physicians are more likely to be supportive of a colleague who they are convinced is committed to helping them provide the best care to their patients.”

Geoff Sewell, M.D., FACP, president and executive medical director, Hawaii Permanente Medical Group, is the executive sponsor of Medicine and Management (M&M), an annual nine-day program created and led by The Permanente Federation. Executive medical directors from each region select promising clinical leaders to attend M&M as a cohort. Topics covered include learning how best to disseminate successful clinical practices, change management, communication and interpersonal skills, and performance management and evaluation. The program is highly relationship-based, encouraging self-discovery through personal and professional development with mentors, coaches and sponsors. As alumni of M&M, participants may have the opportunity to come back and teach at a future session, another way in which the organization fosters a learning culture.

Dr. Sewell reflects, “M&M is designed to be an engaging, informative and practical program, incorporating experiential learning and skills-building trainings. Participants appreciate the opportunity to learn best practices and processes

and gain other invaluable insights from the faculty and peers in their cohort. And they’re able to immediately apply these learnings upon the program’s conclusion. Because M&M is carried out through multiple sessions hosted by different regions, graduates walk away with more than just a leadership toolkit; they’re immersed in interdisciplinary team exercises that promote fellowship through shared experiences. It’s always amazing to hear how often that camaraderie continues after M&M ends, resulting in stunning collaborative initiatives and strong, supportive networks for these emerging leaders.”

Kaiser Permanente’s investment in developing strong physician leaders has allowed it to become a national leader in quality, technology and physician satisfaction. The leaders of the Permanente Medical Groups know that physicians must and will lead the transformation of health care in our country.

Headquartered in Oakland, Calif., Kaiser Permanente is the largest private integrated health care delivery system in the nation. With more than 17,000 physicians and 177,000 professional staff, Kaiser Permanente delivers health care to 10.5 million members in eight states and the District of Columbia.

Conclusion

Physicians’ healing work has always been central to health care, and delivering effective, appropriate and compassionate care remains providers’ most important role. But because of their unique status and experience in the health care system, physicians are able to influence change in ways that no other professional can. When physicians embrace leadership roles and are supported in their leadership and its development they are uniquely able to steer the health care system in ways that benefit all stakeholders.

1 Jack Cochran, private communication

2 Cochran, J., Kaplan, G., Nesse, R. (2014). Physician Leadership in Changing Times. *Elsevier*, 2(1),19-21. Retrieved from <http://www.sciencedirect.com/science/article/pii/S2213076414000141>.

3 Chan, WK and Mauborgne, R. (2003). Fair Process: Managing in the Knowledge Economy. *Harvard Business Review*. Retrieved from <https://hbr.org/2003/01/fair-process-managing-in-the-knowledge-economy/>.

For more information on the Alliance of Community Health Plans, visit www.achp.org.