



Investing in Physician Leadership Academies

Aligned interests among physicians and hospitals demand a new cadre of physician leaders.

To secure the needed number and quality of physician leaders, hospital boards are authorizing increased investment into the formation and enhanced operation of physician leadership academies.

The scope and nature of physician leadership academies have expanded substantially during the past five years to support physician leaders in their successful achievement of three classic performance imperatives: align physicians' time and talents to deliver a superior patient-care experience in a coordinated continuum of care system; encourage physician engagement for the design of new medical care protocols that yield enhanced clinical quality outcomes and cost effectiveness; and earn service volume gains from better designed and managed clinical service lines, referral support systems, and physician co-ventures in new high-tech and high-investment diagnostic and surgical centers.

Physician leader roles have evolved beyond the traditional elected medical staff officer positions for quality assurance, credentialing, graduate medical education and continuing medical education. Even more than the recent reliance on new leader roles for the vice president of medical affairs and chief medical officer,

there is now a dizzying array of medical directorships for everything from quality and safety advances to medical informatics, service line management, rural and suburban referral relations, payor relations, international referral arrangements, and multiple co-ventures for inpatient and outpatient care initiatives. Many of these physician leaders also are expected to advance their careers into CEO and COO positions.

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More than 50 physician leadership development academies have been identified and grouped into three main models: a physician leadership program that is "home grown" within an organization with limited outside advice or support; a program secured via contracting with an external organization (e.g., The Advisory Board, American College of Physician Executives, or leading schools of business or public health, of which there are more than 40 that are targeting physicians in their executive education or mini-MBA programs); and a

co-venture program that evolves as a partnership between the organization's board and executives as faculty and an external leadership training organization. The third model seems to offer the most value and flexibility to yield an attractive return on funds invested by healthcare systems.

Most programs offer learning experiences focused on a blend of competencies identified by the American College of Healthcare Executives (ACHE), the American College of Physician Executives (ACPE), the National Center for Healthcare Leadership and the American College of Medical Practice Executives. The competencies fall into the following 10 categories:

- Business operations and financial management
- Strategic visioning and business planning
- Project and group management
- Quality and process improvement
- Ethics and regulatory compliance
- Service line management
- Listening and communication skills for coaching and mentoring
- Managing disruptive behavior among professionals
- Leadership situational styles and versatility
- Healthcare economics

Keep in mind that hospital and healthcare systems increasingly will customize their physician leadership academies to meet the unique needs of their clinical and business plans and the needs of their physician leader candidates.

An international health leadership program based at the Judge Business School at Cambridge University in England, and programs at HealthPartners, Cedars-Sinai Medical Center, Alegant Health, Heartland Health, Baylor Health, Mayo Foundation, Sanford Health, Children’s Hospitals of Minnesota, the St. Thomas Physician Leadership College, The Advisory Board Company and scores of other academies embrace certain important philosophies to guide their learning experiences. These include the following:

- Reliance on small groups of physician cohorts for group learning while encouraging

interdisciplinary projects and case studies

- Emphasis on real-time case studies of serious challenges that relate to enhancing the patient experience, process improvements and measurable economic gain
- Support of learning about self-awareness, listening and dialoguing
- Reliance on a mix of in-house expert faculty with outsourcing and insourcing with local business schools, national health leader associations or professional firms
- Requirements for short, bite-size sessions of two to four hours, spread over several weeks, to encourage applications in real-world settings and to be respectful of physician time
- Cautious reliance on new digital learning tools such as webinars,

podcasting, teleconferencing and dedicated Web sites for knowledge downloads and expert bulletin boards

Investments to establish a physician leadership academy vary across the United States, but most range (exclusive of compensation for physician leader time) from \$55,000 to \$125,000 per year, depending on the number of participants, the degree of reliance on external faculty, the frequency of learning sessions throughout the year and the amount of candidate and faculty travel. Advances in Web-based learning, leader blogs and teleconferencing help extend the return on these investments.

A year-long study of this trend for physician leadership development (conducted by Integrated Health Strategies from 2007–2008) provides insight into factors essential for a strong return on these board-level investments. The study was sent to 1,050 healthcare leaders of whom 429, or 41 percent, responded. It probed for answers to these strategic questions: What are the many leadership roles being assumed by physicians? What factors facilitate or frustrate the effectiveness of physician leaders? What competencies are demanded by the physician leader role? How are leadership academies being designed and developed to establish these needed competencies? How can the effectiveness of the leadership academies best be evaluated?

Survey respondents indicated that leadership academies should be monitored according to certain performance metrics (see chart on page 65) to determine success.

Academy Assessment Metrics	Relative Importance
Quality metrics improve	96.1%
Clinical care guidelines are developed and being followed	94.4%
Improved satisfaction from physician colleagues with work of physician leaders	89.4%
Enhanced respect from referring physicians	83.9%
Physician leader’s enthusiasm for organization’s plans and programs	82.6%
Nurses’ satisfaction with work of physician leader	81.1%
Clinical service earns increased market share	80.5%
Economic stability of physician leader’s unit of service improved	77.6%
Employee satisfaction with work of physician leaders	74%
Physician leader self-evaluation is high	41.8%

Source: *The Governance Institute and Integrated Healthcare Strategies*

The percentages reflect the proportion of survey respondents who rated the item important.

Well-developed leadership academies alone will not ensure these desired results. Survey participants also believe the following seven strategies can yield expanded physician leader effectiveness:

1. Clear job descriptions of duties and desired results
2. More formal orientation to job duties
3. More administrative partnering

4. Easier access to staff support
5. More mentoring support
6. More competitive base pay for work
7. More incentive pay based on results

As physician leadership academies mature, networking for continuous program improvement is expected to flourish among their faculty and managers within such collaboratives as Premier Inc., VHA Inc., ACHE, Medical Group Management Association, ACPE, American Medical Group Association and state

hospital associations. Curriculum exchanges, shared access to Web-based video learning modules and case studies will strengthen and accelerate access to the range and quality of course content needed for our nation's health sector to improve its performance. ▲

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