Commentary

The Reality of the Hospital: Physician Leaders in Harm's Way

By Donald Mellman, MD, MPH, MBA, FACHE

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A physician executive who's familiar with the struggles among hospital CEOs, physician leaders and boards of directors offers advice on ways to make hospital administration run more smoothly.

The ACPE Quality of Care Survey is striking in its findings. Through more than 2,000 comments posted by the survey participants, it seems that many physician leaders are patient-focused and wish to do the right thing, but they are often stymied in their efforts.

About 30 percent of those who took the survey identified themselves as working at the level of vice presidents of medical affairs or chief medical officers. Most do not have final decision-making authority and it's obvious that some are frustrated by being sandwiched between two forces:

1. A medical staff that is populated to a small but significant degree with members who are reluctant to give up "the way I've always done it." These physicians are usually politically powerful (read high admitters).
2. A CEO who both panders to those physicians and blames the woes of the institution on outside elements beyond his or her control. This is often the CEO who can't control the revenue cycle or create patient throughput efficiencies, but will fire needed housekeeping and nursing staff, and drop needed programs to save money. Often, these types of CEOs share information with the governing board that only reflects well on their performance. In many cases, the VPMAs and CMOs are blocked from contacting the governing board directly to address the problems cited in the survey.

This frustration is sometimes compounded because there is often a majority of the medical staff (including its leaders) and nurses who are allies of the VPMA but feel they are powerless to effect the needed change and fear retaliation by both physicians and administration.

These issues are not present in every hospital, but certainly in far too many, as this survey shows. The truly astounding part is how many patients could be harmed as a result of these dysfunctional situations.

In the end, there is a crisis of leadership in the "C suite," a crisis of self-protection within the medical staff and a crisis of passivity on the part of the governing body.

One key issue is where the governing body gets its information about matters of importance. Usually it is only the CEO who directly reports to the board. Because the VPMA reports to the CEO, or below, his or her primary responsibility is not to the board.

The solution

The most successful hospitals have an aligned agenda between the medical staff and the administration, joined by a shared value system and vision. In addition, both sides realize they are financially interdependent.

The culture is well defined. Leadership drives behavior and maintains the proper direction and conditions. Quality and patient safety are foremost in a collegial, non-punitive environment. Most importantly there is loyalty to the organization and its mission.

There are incremental steps that hospitals with independent medical staffs can take to approach this model. One of the simplest is an advisory panel of physicians to assist administration with strategy and tactics.

The medical staff absolutely must have a sense that it is heard and can have shared ownership of certain projects, such as practice protocols for high-cost, high-volume diagnosis-related groups and a medical staff development plan.

I have never seen a hospital mission statement that did not contain the words "quality" and "care." Physicians

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are directly responsible for the care of the patient in the hospital and its quality. All CEOs, VPMAs and CMOs face the challenge of parallel lines of authority and responsibility. And they struggle with overlapping and conflicting agendas.

- The CEO should be responsible for having the proper resources available for the physicians to be successful.
- The VPMA gives administrative oversight to the care and its quality while ensuring resources are utilized in a cost effective way.
- The board, the VPMA, the CEO, the CNO, and the medical staff leadership should design, implement and monitor the business plan, strategy and tactics.

Boards across the country should determine if the findings of this survey are present at their hospitals. If so, change must occur.

The VPMA and the CEO should be independently hired and fired by the board. While the VPMA may have either a straight or dotted line reporting structure to the CEO, he or she should give a regular report to the board that is uncensored.

Additionally, medical staff physicians must sit on the board and pertinent board committees, such as finance, compensation, and quality. Also, board members must be active in important medical staff committees such as credentials, quality, utilization management, and medical executive. The board must ensure a strong compliance program in a non-punitive work place.

Governance will then carry out its function of creation and oversight of the mission and culture of the organization; the clinical and business leadership will work together to implement board policy and decisions.

There is a crisis in many hospitals, a crisis that is multifaceted and multiparty. The solution must be patient-focused, mission-driven, and directed by capable leaders of integrity. The VPMA or CMO-level physician should be at the core of the organization.

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