

Physician Clinic Administrators & Hospital Administrators: *Optimizing the Professional Relationship*

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“Every hospital (and many other healthcare facilities and organizations) needs physicians, but not every physician needs hospitals. Or do they?”



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Physicians & Hospital Administrators: *Sources of Stress and Friction*

Stress Factors

Some of the stress factors that put physician-hospital relationships at risk:*

HOSPITALS

Weak financial reimbursement

Staffing shortages

Keeping up with technology

Increasing consumer expectations

Capacity constraints

Competition from niche clinical providers

PHYSICIANS

Maintaining reasonable compensation

Maintaining clinical autonomy

Managing their business

Increasing consumer expectations

Malpractice premiums/
business overhead

Balance between professional
and personal time

Reasons:

- “Industrialization” of American healthcare
- Transition from a physician controlled environment to one with many other influences
- Transition from physician-owned hospitals to “lay” administrators
- Increasing complexity of healthcare
- Regulation’s impact on physician/hospital relationships
- Emergence and prevalence of conflicting incentives



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External Factors (Affecting Physician/Hospital Relationship)	Internal Pressures in a Hospital or Other Healthcare Facility (Affecting Physician/Hospital Relationship)
Physician Shortages	Use of Mid-level Providers
Increasing Demand for Patient Services	Shift of Patients to Less Acute Settings
Legal Considerations	Risk-Sharing
Downward Pressures on Compensation	Downward Pressures on Compensation
Medical Liability	Fee-for-Service v. Value-based Work
Advancements in Capital & Technology	Competition with Physicians
Clinical Integration & the “Quality” Movement	Coordination of Care
Lifestyle/Demographic Changes	“More” Can Equal “Less”



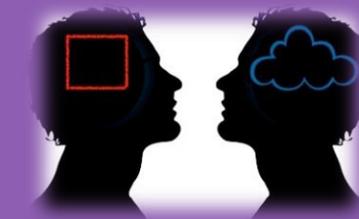
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Physicians & Hospital Administrators: *Sources of Stress and Friction*

Physicians	Administrators
“Doers”	Planners, Designers, Allocators
1:1 Interactions	1:N (Group) Interactions
Reactive	Proactive
Immediate Gratification	Deferred Gratification
“Deciders”	“Delegators”
Value Autonomy	Value Collaboration
Independent	Participative
“Patient Advocate”	Organizational Advocate
Identify with Profession	Identify with Organization
See the World in “Black & White”	See the World in “Shades of Grey”

Reasons:

- Often different basic personality characteristics
- Different professional training and socialization
- Different professional “languages”
- Different approach to problem-solving
- Different measurements of organizational “value,” e.g., patient/self advocate v. organizational perspective



Characteristics of an Effective Physician Clinic Administrator (from the Perspective of a Physician)

- Facilitates most efficient use of physician's time, i.e., "time is money"
- Ensures stability and availability of high quality support staff
- Provides effective financial management sufficient to help me take home more money
- Helps me avoid compliance, legal, and other administrative problems
- Helps me always "look good" to patients and referral sources
- Provides emotional support and a listening ear, when appropriate and needed
- More?



Characteristics of an Effective Physician Clinic Administrator (from the Perspective of a Hospital CEO)

- Ensures overall stability of the physician's clinic
- Focuses on ensuring a healthy flow of “new” patients and referral sources to the clinic
- Avoids “blowing whichever way the physician wind blows”
- Ensures a strategically-driven and disciplined approach to clinic management as well as market share understanding, measurement, and growth
- Understands the degree to which a hospital can add value to the physician's clinic



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Optimizing the Physician Clinic Administrator & Hospital Administrator Professional Relationship

The effective physician clinic administrator should:

- Understand and teach effective strategic planning and “strategic management” to physicians
- Be disciplined in execution of a well-developed and dynamic strategic plan
- Understand how to manage “healthy” conflict, disagreement, and diversity of thought in leadership team decision-making
- Demand constructive physician engagement in strategic planning and “strategic management”
- Ensure the effective execution of the basics of a “smart” organization, i.e., strategic planning, marketing, finance, technology, and human resources management
- Understand the key components of the hospital’s strategic plan
- Identify the degree to which the hospital contributes to the health of the physician clinic
- Understand the laws governing physician/hospital relationships
- Seek collaboration instead of competition, i.e., be a team instead of adversaries; Understand who the true competitors are



The effective hospital administrator should:

- Ensure a “healthy” organization in which the physician can succeed, i.e., minimal politics, minimal confusion, high morale, high productivity, and low turnover
- Teach and exemplify the importance of effective strategic planning and “strategic management” to all stakeholders
- Invite, if not demand, physician clinic administrator participation in the development of the hospital’s strategic plan; Look for synergies
- Encourage strategic planning and disciplined execution of such plans in physician clinics; Know and understand the key components of physician clinic plans, obstacles, and measurements of success
- Show physician clinic administrators specific ways in which the hospital can appropriately help ensure the success of the physician clinic, e.g., managed care contracting, patient steerage, market leverage, economic clout/resources, reputation, ER services, etc.
- Communicate often and meaningfully with physician clinic administrators; Ensure continuous honesty and integrity; Tell the truth; Apologize when necessary; Listen more; Talk less; Correct mistakes promptly



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“Every hospital (and many other healthcare facilities and organizations) needs physicians, but not every physician needs hospitals. Or do they? Yes.



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