



Physician Engagement – A Critical Element of Clinical Integration

A Case Study

Much has been said, much has been written about clinical integration. There are many facets to clinical integration but Physician Engagement I believe is a critical element in any successful clinical integration effort. Senior leadership in much healthcare organization profess to believe in Physician Engagement but few organizations actually develop a business strategy and strive to create and nurture a culture that embraces its principles.

Perhaps a definition of Physician Engagement will help to clarify its purpose and goal versus clinical integration.

Physician Engagement is a collaboration between physicians and the healthcare organization that is guided by these principles:

- **Both the health system and physicians seek collaboration with each other extending effort to engage in process improvements targeting improved financial performance and focus on results that lower the cost of care**
- **Physicians commit to considering the interest of the health system as a part of their decision-making process and not necessarily only focus on their individual practice**
- **The health system make a commitment to support creating an optimized physician experience including making necessary changes and promoting a value-based culture.**

As health system margins are shrinking the changing environment of health care challenges everyone. Major developments such as Accountable Care Organizations and the emergence of population health strategies have placed the spotlight on the necessity of a stronger relationship between physicians and the health system if the health system is to remain competitive.

What distinguishes Physician Engagement from Clinical Integration is that there is an emphasis on determining what factors cause a physician to join a health system and maybe even more importantly what is present in a health system, the drivers you might say that will result in a conscious decision to stay with that health system.

The following case study describes how a physician organization that is a part of a large health system moved through the Physician Engagement process. Based upon the input of an experienced facilitator a path was undertaken to better understand the expectations of the employed physicians in terms of their role, their fit in the health system and where the health system is heading. As we will see such a process does not have a hard stop but rather results in an organization that finds itself changed with a sharper focus and in a better position to be competitive than prior to this undertaking.

This Physician Engagement initiative took place at a large for-profit health system located in the southwest United States. For the purpose of this article the fictional names of the key organizations are Southwest Health System



(SHS) and Southwest Physicians Organization (SPO). SHS is a large health system with good market share and overall positive image in the public's eye. SPO is an employed physicians group and is the result of a series of practice acquisitions and recruitments that have occurred over roughly the past 6 years. During this time SPO has grown to approximately 120 physicians consisting of primary care, cardiologists, various specialists and hospitalists. Although the group was incorporated there was virtually no prior physician participation in governance or leadership. At the same time SHS had developed an Accountable Care Organization (ACO) with a secondary initiative named Clinical Integration (CI). ACO was the vehicle that allowed the SHS and its physicians to participate in pay for performance programs with Medicare and Medicare Advantage plans. The CI provided the structure to enter into similar relationships with other managed care plans. Embracing population health would provide the opportunity for SPO to realize a new revenue stream that potentially could be significant in the years to come particularly if the physicians on the medical staff, particularly those in the SPO understood their role in the management of utilization and focus on quality

The facilitator brought to SPO leadership a plan, process and experience in working with similar physician organizations. It is vital to note that the members of SPO were kept informed of the progress of this project at each key step in the process. The Physician Engagement roadmap can be summarized as follows:

Physician Engagement Process Outline

1. Initiate and Define Project

Critical to success was the support of the Southwest Health System leadership of this undertaking. Meetings were held and concluded with gaining support for the undertaking. The SHS CMO volunteered to join the Task Force. At that point interviews were conducted of as many of the physicians as time would allow. The purpose was to develop a list of potential "drivers".

2. Survey Physicians and Develop List of Engagement Drivers

The results of the interviews were analyzed and a "Top 10" list of engagement drivers that the Task Force's efforts would be focused.

3. Task Force

Careful consideration was made in regard to Task Force membership. It was felt that 12 members was a good working size group. Vocal supporters AND critics of the SPO were invited to join. Recognized informal leaders as well as potential leaders were encouraged to step up.

Throughout the process outlined above keep all members of SHO informed through monthly newsletters and face to face discussions.

4. Schedule Kick-off Meeting



The bulk of the initial meeting content surrounded an orientation to what was the goal of the Task Force. Also a SWOT analysis was conducted which greatly aided in getting the group all on the same page and focusing discussions.

5. Task Force Responsibilities

The second meeting focused on setting the Charge of the Task Force:

Provide leadership and direction for transforming SPO physicians into a unified group of highly engaged physicians.

This simple statement required hours of discussion by the Task Force – a very critical and important point. In the end, the full meaning of the charge was understood.

Following the initial meeting the Task Force would convene on a monthly basis. Given the fact that the participants were donating their time SPO management made sure to provide a nice dinner at each meeting whether on campus or at a local restaurant. Small gestures and expenditures such as this are appropriate and appreciated. Minutes were taken at each meeting and prior to each meeting an agenda was sent out. Early in the process management had determined the short term goals to be achieved. These were to reset expectations, gain momentum, and build unity of purpose

In the first several meetings of the Task Force the members reviewed the list of engagement drivers that had been previously compiled and prioritized. From this the Task Force developed the following objectives:

- Establish a SPO identity and culture that creates a sense of unity among physicians
- Provide leadership for the development, communication and buy-in of a SPO Strategic Vision
- Increase physician input in organizational (SHS) Decision Making
- Identify and participate in Improvement Initiatives that strengthen SPO's ability to thrive within emerging value and risk based reimbursement models
- Elevate the Value Proposition for being a SPO physician

The Task Force met 7 times over a period of 8 months. All participants acknowledge the value of the undertaking for the task force members individually and the need to continue ahead to accomplishing its objectives.

In the last two meetings there was extended discussion about governance. However, the articles of incorporation for SPO 501a corporation assigned very few governance responsibilities to the physicians but were rather handled by the health system. This included decisions in hiring physicians, contracts, budget, finance, and infrastructure. The major responsibility of the 501a board, consisting of physician and one administrative executive was charged with convening on dealing with matters of unacceptable physician performance and behavior. Based upon this reality, discussion in later Task Force meetings surrounded the concept of creation of a "consultative" board. Members would be elected by peers. There was general acceptance that this board would assume the limited responsibilities previously held by the 501a corporation board. In addition, the board would provide input and feedback to the SPO leadership in matters regarding budget issues, cost management, new initiatives and consulted on other matters of strategic importance. However, this body would not have been empowered to vote on any issues than matters pertaining to the decision to retain or dismiss a physician.

In Fall 2013 SPO was poised to announce the significant achievements of the Physician Engagement Task Force and put in place this new framework for governance that provides a foundation based upon the strategic vision of SHS that includes the value proposition of being a SPO physician. As plans were in late stages for the rollout the



parent corporation of SHS was purchased by another major healthcare corporation. In the ensuing months all focus and attention was placed on all matters, large and small, related to the purchase. During this time it became clear that Physician Engagement, at least at that time, was not a matter of strategic importance. This was understandable given the lengthy agenda of high priorities at the regional health system level as well as at the corporate headquarters. Within SPO focus was increased in reducing the deficit, continued improvement in physician productivity, realignment of physician contracts with incentives aligned to health system targets, cost containment, practice acquisitions and physician recruitment.

Despite the derailment in this process due to the corporate acquisition there were many gains realized from this process such as a better understanding of what pay for performance will mean for individuals and the group, better dialogue between primary care physicians and specialists, an insight into the strategic direction of the both SHS and SPO.