

Strategic Medical Staff Development Planning: A Comprehensive Approach to Integrating a Fragmented Medical Staff

WHITE PAPER



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Your facility's leadership might regard the physical plant, staff, capital, location, and reputation as its most valuable assets and implement a plan to optimize each of them—but will the medical staff make it onto this list? It should.

Medical staff development planning has traditionally involved an analysis of physician-to-population ratios and the number of physicians on the medical staff who are nearing retirement to identify the number of physicians needed in each specialty. This type of analysis demonstrates community need to justify spending hospital dollars on physician recruitment. However, this narrow definition of medical staff development planning fails to recognize the medical staff as one of the hospital's most valuable assets.

Your medical staff development plan should take into account not only the typical physician-population analysis, but key strategic issues affecting physicians and their relationships with hospitals and each other.

The Seven Rs of strategic medical staff development planning

Keeping with The Greeley Company's philosophy of making things as simple as possible but not more so, we offer the following process called "The Seven Rs" to help medical staffs and hospitals carry out effective strategic medical staff development planning. The Seven Rs are:

1. Right number of physicians
2. Right type of physicians
3. Right quality of physicians
4. Right relationship to the hospital
 - 4A: Organized medical staff strategies
 - 4B: Alignment strategies by specialty
 - 4C: Recruitment and retention strategies
 - 4D: Competition and collaboration strategies
5. Right culture
6. Right medical staff structure and processes
7. Right leadership

A commitment to this process will require time, resources, and money, but more important, it will require trust, communication, and openness to new

ideas. Hospitals should expect that implementing a strategic medical staff development plan may take three to five years or longer.

Step 1: The right number

As noted earlier, traditional medical staff development planning generally begins and ends with the hospital identifying the right number of physicians needed to meet community and hospital needs using some variation of the following formula: *Community demographics + Staff roster + Aging analysis = Medical staff development plan.*

Unfortunately, this formula does not always capture community need, access to care, or changes in physician work habits. For example, demographic data may show an adequate number of primary care physicians but fail to capture that none of them are accepting new patients, taking patients with certain health insurance, or offering access to care after 5 p.m., leaving the hospital's emergency department (ED) as the off-hours provider of primary care in the community. Data may show an adequate number of neurologists for the population but will not capture the average two-month wait for a consultation.

The hospital should engage in structured interviews with numerous community physicians when creating a board-driven medical staff development plan.

Medical staffs often base the need for certain specialties on the absence of those services, an inadequate choice of specialists, or a lack of confidence in existing specialties even when an adequate number of specialists exist. The hospital should engage in structured interviews with numerous community physicians when creating a board-driven medical staff development plan. Such interviews flesh out details that numbers alone can't capture. Consider asking the following questions:

- What specialties do you believe are needed in the community?
- What is the reason for your choices above (e.g., insufficient numbers of practitioners in the community, inadequate choice of practitioners, quality concerns about existing practitioners, inadequate access to specialists currently in the community, some community practitioners do not participate in certain insurance plans, or some practitioners refuse to take ED call)?
- Do the specialists' availability issues affect the hospital inpatient setting, the ambulatory setting, or both?

Step 2: The right type

Historically, hospitals have relied on specialty-to-population ratios to identify the right type of physicians for their facilities, but this approach does not take into account strategic growth initiatives identified by the community and the hospital. These initiatives might include the development of clinical service lines, the establishment of centers of excellence, or the implementation of a comprehensive approach to ED call coverage issues.

For example, a hospital might identify the need for an oncology service line that integrates medical and surgical oncology, radiation therapy, and complementary medicine. Although demographics alone may not support such

a concept, the hospital's strategic direction and community input do. Go beyond demographics when deciding what types of physicians to recruit to your hospital.

Defining the right quality of physicians using a multidimensional performance framework is an important, yet often overlooked, consideration in the medical staff strategic development and planning process.

Step 3: The right quality

During the recruitment process, hospitals often narrowly and incorrectly define a quality physician as one who attended a good medical school, participated in a renowned residency program, and received stellar recommendation letters from program directors. Certainly, this definition of quality is important, but your hospital's definition should also include multiple dimensions of performance. Defining the right quality of physicians using a multidimensional performance framework is an important, yet often overlooked, consideration in the medical staff strategic development and planning process.

Integrate your facility's physician recruitment/retention function with the medical staff services department (MSSD). The MSSD can expertly evaluate physician competence using a multidimensional performance framework, such as that developed by the Accreditation Council for Graduate Medical Education (ACGME) and adopted by The Joint Commission. When evaluating candidates during the recruitment process, your medical staff should address The Joint Commission's/ACGME's six core competencies up front using various methods, including written references, direct phone calls, Internet searches, and behavior-based interviews.

Step 4: The right relationship

When defining the right relationship between the hospital and its physicians, it's important to ask yourself whether the physicians' success or the hospital's success is more important. You'll find that the answer is both. Creating the right physician-hospital relationship will ensure success for both parties, but, as the myriad of medical staff models described in *The Greeley Guide to New Medical Staff Models* (www.hcmarketplace.com/prod-6525.html) clearly demonstrates, there is no one-size-fits-all solution. For example, some hospitals have found success with joint ventures, gain-sharing, and/or physician employment, depending on the physicians' and the hospital's specific needs.

The key here is to be flexible, to understand what models promote certain strategic objectives, and to build the skills necessary to manage multiple models in the same organization simultaneously. Determining the types of physician-hospital relationships that will fit your facility's and physicians' needs involves analyzing four major areas:

4A: Organized medical staff strategies

Organized medical staff strategies include:

- Ongoing leadership development and education
- Activities to enhance social capital, such as medical staff/board retreats and nonfundraising social events

- A multichannel communication plan that includes printed memos, e-mails, faxes, texts, blogs, and the hospital's intranet
- Quality and pay-for-performance initiatives through an existing or soon-to-be-established Physician Hospital Organization

4B: Alignment strategies by specialty

Whether you're considering physician employment, exclusive contracts, medical directorships, or joint ventures, a key principle is that all physicians will be treated fairly—but not necessarily equally. Different specialties have different needs, challenges, and relationships with the hospital, and this may represent a major change in some organizations. Hospitals must remain flexible when aligning strategies to accommodate physicians' and the hospital's needs.

4C: Recruitment and retention strategies

In light of the growing national shortage of primary care physicians and general surgeons and regional shortages of medical and surgical specialists, many hospitals face tough challenges recruiting the right type of physicians. A strong recruitment strategy requires more than a glossy brochure that describes the hospital, the medical staff, and the community. To attract the right quality and right type of physicians to your hospital requires you to clearly delineate the relationships that will exist between physicians and the hospital. Having a comprehensive plan in place that will answer most, if not all, of the candidate's questions and concerns up front is essential. Everyone is competing for the same scarce resources, so the ability to be flexible, clearly articulate expectations, and define the hospital-physician relationship may make or break your recruitment efforts.

It is equally important to identify and implement retention strategies that include:

- Physician satisfaction surveys
- The development of a physician relations department
- Practice support through a medical services organization
- Operations councils designed to reduce operational barriers to efficient physician activity
- A clearly articulated approach to the low- and no-volume providers in the community

4D: Competition and collaboration strategies

Fundamentally, the old social contract between physicians and hospitals is dead. The new contract is not yet written, but at a minimum, it requires hospitals to acknowledge that physicians are simultaneously customers, suppliers, partners, and competitors. Hospitals need to work collaboratively with physicians while simultaneously competing for shrinking healthcare dollars. To make progress in this new environment, all parties need to acknowledge, discuss, and understand these changes. Hospitals then need to weave specific strategies into a comprehensive strategic medical staff development plan.

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Consider the following strategies:

- A clear conflict-of-interest policy
- A delineated conflict resolution process (a Joint Commission standard effective 2009)
- Joint ventures
- Facility leasing
- Economic credentialing
- Managed care/bundled payment contracting

To develop a truly effective medical staff development plan, hospitals must understand their current culture and establish the leadership necessary to change the culture if that is what is required to achieve physician and hospital success.

Step 5: The right culture

There is great truth in the axiom, “When strategy and culture are not aligned, culture eats strategy for lunch every time.” How would you describe your medical staff and hospital culture? The answer to this question is more important than you think. The true measure of an organization’s culture is how its members behave. Culture drives behavior, and behavior drives results. To develop a truly effective medical staff development plan, hospitals must understand their current culture and establish the leadership necessary to change the culture if that is what is required to achieve physician and hospital success.

A particularly useful tool is The Greeley Company Medical Staff Culture Survey. This 10-question survey takes about five minutes to complete and measures five underlying dynamic tensions, sometimes called polarities, that exist in most medical staffs. This tool allows medical staffs to not only measure their own culture, but also gauge their culture against other medical staffs in the Greeley database.

The five polarities are:

- Collegiality and excellence
- Freedom and commitment
- Appropriate independence and mutual accountability
- Appreciation and continuous performance improvement
- Stability and change

Measuring culture is a first step to managing and changing it. Culture change requires strong leadership, which is addressed in the seventh R, the right leadership.

Step 6: The right medical staff structure and processes

Does your organized medical staff structure and process help or hinder the strategic development and mutual success of physicians and the hospital? A comprehensive medical staff development plan should include an analysis of your current processes and structures and how they compare to best practices. Be sure to review the following:

- **Bylaws.** Well-written bylaws clearly define the purpose of the medical staff; outline the rights and responsibilities of its members; enhance credentialing, privileging, peer review, and performance

improvement processes; and set unequivocal expectations for appropriate behavior.

- **Departments.** The Joint Commission does not require medical staffs to organize themselves into clinical departments, yet many medical staffs continue to do so. Others have adopted clinical sections instead. Evaluate which structure works best for your organization.
- **Committees.** The only committee required by The Joint Commission is the medical executive committee (MEC). Often, effective medical staffs also have a centralized credentials committee and multispecialty medical staff quality committee. Other committees are determined by strategic direction.
- **Policies and procedures.** The effective medical staff develops clear policies to address key issues, such as the code of conduct, medical record documentation, and conflicts of interest.
- **Credentialing and privileging.** Your credentialing and privileging process must be thorough without being onerous or unfair.
- **Peer review and performance improvement.** Quality has been redefined as a product of systems, and the measurement of quality should include—but extend far beyond—the care rendered by individual physicians.

Step 7: The right leadership

Without the right leadership, all the efforts toward achieving an effective medical staff will be for naught.

Without the right leadership, all the efforts toward achieving an effective medical staff will be for naught. This begins with a proactive plan and process for selecting and developing medical staff leaders. Selecting board leaders and a knowledgeable CEO with the temperament and ability to work with the medical staff is also critical.

The first step is to recognize that recruiting physician leaders cannot be left to chance; the organization must develop a clear and ongoing leadership development and succession planning process. Failure to establish such a process leaves the hospital at risk of finding itself without skilled leadership at a time when it may need it most.

To avoid this fate, the MEC must partner with the CEO and MSSD to devise and implement a process to acquire effective leaders. Some elements of that process include developing clear, detailed position descriptions; providing appropriate educational opportunities and training; offering rewards and recognition for a job well done; and recruiting and planning for the next generation of leaders.

Implementing the Seven Rs

Understanding the Seven Rs of strategic medical staff development planning is one thing. Implementing them effectively is quite another. The medical staff, board, and hospital leaders should prepare themselves for the three to five years (or longer) it will take to design and implement an effective strategic

medical staff development plan. There will be much trial and error, leaders will make mistakes along the way, and medical staff and hospital leaders are likely to have some scars to show for their efforts. But the alternative—a weak, ineffective medical staff composed of poor-quality physicians and hostile relationships between medical staff and hospital administration—is not acceptable.

Hospitals need to recognize that the medical staff is one of the most important assets of the hospital and a key determinant of its success or failure. Investing in a strategic medical staff development plan is critical to the success of any hospital. The payoff can be enormous; the failure to implement could be catastrophic. ■

