

PHYSICIAN PARTNERSHIP: CREATING POWERFUL RELATIONSHIPS

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The most successful hospital leaders seize every opportunity to improve their relationship with the medical staff. In addition to business ties, administrators seek a social contract built on a foundation of mutual dependence and shared goals. Yet, it has become more challenging to create those relationships with physicians. Physicians have changed; their expectations of hospital service and leadership have evolved because of the pressures on reimbursement, rising malpractice insurance costs, new competition, the employment relationship, and joint business ventures. What used to satisfy or engage physicians now falls short of their needs. It is common today for physicians to own diagnostic laboratories and ambulatory surgery centers that compete with hospital services, taking precious dollars out of profitable hospital revenue streams. In fact, physicians now see loyalty to hospitals as a threat to their bank accounts.

In successful business partnerships, each partner provides something valued by the other, and gets something of value in return. The “norm of reciprocity” demands that in the long run, each party in the relationship derives value commensurate with its contributions. Otherwise, the relationship is at risk of failure. This type of reciprocity can be viewed in other types of partnerships in health care outside of the traditional business realm, such as joint ventures, collaborative quality initiatives, and community health projects. By applying this concept of business partnership to the relationship with physicians, health care leaders can create a very powerful bond with the medical staff and return significant financial rewards to the hospital’s bottom line. So how can health care leaders build this type of partnership with physicians without throwing the norm of reciprocity out of homeostasis?

Understanding the Physician Partner

Before answering that question, it’s worth thinking about how the relationship between hospitals and physicians has evolved over time. If we consider health care a century ago, doctors made all the medical decisions at hospitals, which were usually managed by small faith-based organizations as a mission for their communities. There was little questioning of doctors’ authority; administrators were there to provide the doctor with a means to heal their patients. This authoritative role of physicians goes back hundreds, and even thousands, of years. Rooted in the Hammurabi Code—where a surgeon could lose a hand if he caused harm to a patient—and, much later, in the Hippocratic Oath—where

a physician affirms to “do no harm” to patients—doctors have centuries of ultimate accountability and authority over decisions on patient care. A century ago, there was little regulation—if a patient was ill, physicians could provide care in the patient’s home at his discretion with little to no oversight of quality. There was no initiative to reduce length of stay—the patient stayed as long as necessary to heal according to the doctor’s judgment.

Fast forward to today. As hospitals employ physicians in roles such as hospitalists and intensivists, referring doctors have less face time in the hospital, limiting involvement with the medical staff. Malpractice rates are squeezing some doctors out of practice and causing others to find alternate sources of income. Advances in technology allow them to provide more profitable procedures in their offices. HMOs and government agencies, meanwhile, are making after-the-fact decisions on whether doctors’ orders are reimbursable, often leaving hospitals to eat the difference.

In a business sense, hospitals and physicians today share the same customer (the patient) and shared goals (to improve the health of the patient while hoping to make enough money to cover costs and eke out a small profit). The challenge is that aside from inpatient care, the two parties are also competitors for that customer in areas such as outpatient care, imaging, and short-stay surgery. This is the root of the problems in the traditional physician-hospital relationship. Physicians typically control the decision over where the patient receives care, and with the financial incentives aligned with keeping the most profitable care in their own practice, hospitals become the weak party in the partnership, throwing the norm of reciprocity off balance. In order to align hospital goals with physician motivation, the relationship between hospital leaders and physicians must evolve as dramatically as the environment in which they function.

It’s in the best interest of health care leaders to create a situation where referring physicians give preference to their hospital. Creating this kind of preference and enjoying the financial outcomes requires understanding the unique motivations of this new kind of partner. There are two major drivers of physicians today. First, they seek to practice medicine in an efficient and effective health care facility. This allows them to quickly oversee the care of their patients while relying on a highly capable and reliable system to provide quality care. These needs are the baseline of satisfaction in physicians. What we also know, however, is that because of the loss of control they have experienced

in recent years, physicians are looking for the ability to become more involved in hospital planning and decision making. They want a seat at the table where decisions are made, and an ongoing, effective means of communication with administrators. Physicians also look for leaders that they can trust and have a sense of pride in their association with the facility. It is these types of motivators that create engagement with the hospital. When combined, satisfaction and engagement offer the means for creating the evolutionary partnership with physicians that hospital leaders need to succeed in today's challenging health care environment. Press Ganey's new Physician Partnership™ model provides the foundation for building that multifaceted relationship for world-class results.

The Model of Physician Partnership

The social contract of Physician Partnership is created when doctors are both satisfied and engaged with the hospital. Satisfaction is achieved when physicians' baseline expectations are met, including up-to-date medical equipment, providing test results in a timely manner, and having qualified hospital staff and efficient hospital processes. Without meeting these basic needs, doctors are sure to be dissatisfied and take their business elsewhere; however, simply delivering on these factors will not create the sustainable relationship desired by many hospital leaders.

Conversely, hospitals differentiate themselves by how they deliver on the more emotional factors in their physician relationships. According to Press Ganey, engagement is defined as physicians who demonstrate these psychological traits:

- **Investment:** Physicians have an emotional relationship with the hospital, share in its mission and values, and have a sense of pride in their association with the organization
- **Involvement:** They take an active role in improving hospital performance such as in patient safety, quality, efficiency, and strategy initiatives
- **Advocacy:** Doctors demonstrate behaviors that build the brand of the hospital by recommending the hospital to patients, medical colleagues, and the community at large

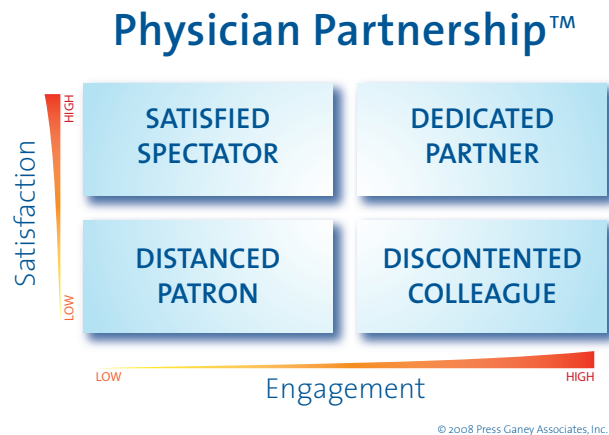
Both of the partnership dimensions, satisfaction and engagement, offer opportunities to effect change in the relationship to maximize hospital performance. These opportunities, called Partnership Principles™, are the keys to building a successful physician partnership. There are five principles in the Physician Partnership model. The first two relate to the satisfaction axis:

- *Ease of practice*: timely results, easy to use processes, medical equipment
- *Quality of care*: staff quality and reliability, collaboration for care

The engagement axis has three components:

- *Confidence and trust*: A belief in leaders that seems sustainable for the long run
- *Communication and responsiveness*: An open dialogue, with follow-through on concerns
- *Involvement in planning*: Informed physician input on hospital decision making

By delivering on each of these principles, hospital leaders build a strong foundation for powerful physician partnerships.



What the Partnership Means

Hospital leaders who focus on satisfaction or engagement alone are getting just half of the picture. By focusing on satisfaction and engagement together, they can forge powerful partnerships with the medical staff to make their organization a better place to practice medicine and promote health for their community. Because the two aspects of this partnership, satisfaction and engagement, are independent, physicians can be in any one of four states:

- Dissatisfied and disengaged, which Press Ganey calls “distanced patron”
- Satisfied and disengaged, of “satisfied spectator”
- Dissatisfied and engaged, or “discontented colleague”
- Satisfied and engaged, or “*dedicated partner*”—*the ideal state*

Let’s look at these cohorts of physicians more closely.

Distanced patrons use the hospital but are dissatisfied with both the hospital’s services and leadership. They typically do not participate in quality initiatives and they may be highly critical of hospital efforts. They may continue to admit

patients and refer services there, but because it is a requirement of an HMO contract or patient request. They may either spend their careers in the mode of disengaged critic or be at high risk of moving their patients or practices elsewhere.

Satisfied spectators are pleased with the care and efficiency of the hospital, but do not become involved with the hospital. They may not participate in any hospital activities such as quality improvement teams, hospital committees, leadership roles, or even social events. This may be due to personal priorities, distaste for organizational involvement, or lack of trust in leaders. They may believe that a hospital functions well despite its leadership or simply have no investment in the hospital's success. They commonly lack confidence or belief in the hospital's future and are not strong advocates for its success.

Discontented colleagues are highly involved in the hospital, but chronically dissatisfied. Improvements efforts are viewed as failing or insufficient. In a leadership role, the physician may take the position of constantly pointing out problems, but seldom offering solutions. The irony is that these physicians are emotionally involved in the hospital and may even rally their colleagues around an initiative to effect change. These can be powerful catalysts for improvement in the organization if they see that it is a result of their vocal dissatisfaction.

Dedicated partners are highly satisfied with the quality and efficiency of a hospital's care and contribute to achieving it. They have positive relationships with physician and administrative leadership, perceive their professional futures as supported, and are advocates for the hospital with physician colleagues, patients, and the community.

To maximize organizational performance through dedicated physician partners, leaders need to understand and address the unique factors that create both satisfaction and engagement for each individual physician. Specifically:

1. *Create a common language*: Ensure that both leaders and physicians alike understand what it means to have a partnership and what their role is in creating a true partnership.
2. *Establish a starting point and a destination*: Determine what level of partnership you already have with your physicians, using confidential research and follow-up interviews that paint a comprehensive picture of the culture. Then establish an attainable goal for the organization to achieve a higher level of partnership, specifying what each party gets from the relationship.

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3. *Make a roadmap and start driving:* Develop a plan to achieve your targets in collaboration with your physician leaders and start taking action! It is critical that key medical staff leaders and representatives from the general medical staff not only take part in the development of the plan to improve but have a key role in its activities. Keep in mind the partnership you are building is complex—small changes can have a big effect. Determining what small changes will lead to early successes is critical.
 4. *Look in the rearview mirror:* Frequently check in with your new partners to ensure that the roadmap is being followed. Hospital leaders and physicians must share responsibility to ensure that actions are carried out.

Like others in the health care industry, physicians are feeling pinched by the pressures of reimbursement, regulation, and litigation. They are acting in their own interests by finding new revenue streams outside the hospital walls. Experience shows, however, that given the right incentives, a place at the table where key decisions are made, and a feeling that they are valued and trusted partners, most physicians are willing to enter into sustainable, profitable relationships with hospital leaders. Now there is a guide for those willing to work to achieve this new, more powerful partnership.

