Physician Practice Governance

INFORMATION ABOUT THE AUTHOR

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Michael Lieb serves as a consultant to hospital and physician owned medical practices nationwide. He brings more than 20 years of healthcare experience to his role providing operational and organizational guidance to healthcare organizations. He has served as CEO in health systems of all types; large community hospitals, public hospital districts, critical access hospitals, and has held senior leadership positions in large academic group practices. Lieb earned a Master’s Degree in Healthcare Administration from Trinity University in San Antonio, and holds a Bachelor’s Degree in Marine Biology from Rice University in Houston. He is a Fellow in the American College of Healthcare Executives, and is a member of the Medical Group Management Association.
Background

According to MGMA’s 2013 Physician and Production Survey, more than 70% of physicians in the US will have been converted to an employed status by the end of this year. The days of the one and two doc shops are rapidly disappearing and the youngest physicians are coming out of residency expecting to be part of a 100+ physician group or hospital owned practice.

Executive Leadership in established groups is suddenly managing more physicians than ever before and hospital leadership is now responsible for the outpatient physician practice performance, also. Add to that a changing payment marketplace, CMS mandated physician performance measures, and reduced reimbursement rates and the perfect storm is brewing on the horizon.

And how are your physicians faring? Many systems are finding that the current organization structure and the traditional approach to physician management has bred discontentment, diminished provider autonomy, and weakened the bond between hospital and physician.

How are you preparing to navigate the treacherous waters ahead and how can you ensure the success of both your organization and your physicians? How can you prevent your providers from engaging in mutinous behavior and give them the security that they need to be able to focus on good patient care?

Designing an appropriate practice governance structure will foster the relationships between providers and administration and promote commonality and alignment of goals. And in a successful relationship the providers and the hospital will communicate openly and reach agreement on the targets, metrics, and incentives that will boost the success of the overall institution.

To achieve this type of relationship, the affiliated practices need three things:

- Voice
- Transparency
- Accountability

**Voice**

It is critical for the physicians to have a mechanism that allows them to fully participate in the development of the strategic direction of the overall institution. For example, what types of providers are most important to recruit? How do we allocate limited capital to best further our overall goals? Why does “that guy” get what he wants when I can’t? How best do we organize our practices to operate as efficiently as possible? How can we improve the overall health status of the community most effectively?

Assessing the current communication structure and creating a clear communication plan that provides your physicians an opportunity to ask questions, be involved in decision making, and understand how decisions are being made will neutralize many of the frustrations and resentments among your practices.

**Transparency**

Many employed providers never get to see or understand the financial implications of their practice patterns. Practice and financial management is not often part of a physician’s training, nor are hospitals typically forthcoming with financial and operational data. To fully ensure that the providers and the hospital are moving together down a strategic path, a thorough, mutual, understanding of practice operations is necessary. Providers need to understand the full costs of providing service; overhead, staffing, timely charge capture, revenue cycle, bad debt, and throughput. In return, the providers deserve to know their overall
value to the institution, e.g., what income do they generate, are how they are contributing to the provision of high quality care and customer service.

Understanding the current business metrics and providing a clear view into operational and financial performance creates a climate of two-way sharing. Physicians understand their personal impact and it greater vests the providers in the management of the enterprise.

**Accountability**

Most employed physicians do not have ready mechanisms to allow them to hold their peers accountable to the group and to each other. Developing and sharing practice performance benchmarks, on both a group and individual level, can provide an internal incentive to improve operations and efficiency. Common benchmarks can include:

- Patient satisfaction scores
- Production statistics (wRVU's)
- Quality metrics (NCQA, SCIP, Screening exam rates)
- Timely record completion
- EMR usage
- Denial management
- Many more

Standardizing compensation models with group incentives for the practitioners to allocate can also assist with alignment. Allowing the providers to determine how to split an incentive pot based on group quality or performance metrics will encourage commonality among the group, can lead to efficiencies of scale, and enhanced population health.

By assessing the available quality metrics and creating a plan to share those measures individually and as a team on monthly, quarterly, and annual basis

Practitioners will move from a collection of individuals sharing clinic space to a unified group structure.

**Do you need a Practice Governance Partner?**

The ability to fairly and accurately assess the current governance structure of your organization is the first step in establishing healthy practice governance. HealthTech Management Services offers Practice Governance Assessments for any size physician practice. Our assessment process includes:

- Onsite interviews of clinicians, hospital and practice administrative staff
- Document review to include; physician compensation models, business level contract structures, and existing Medical Staff Bylaws
- Assessment of current communication structure and protocols
- Practice financial and operational reporting review
- Review of current performance/quality metrics
- Written final assessment report

From your assessment result we will develop a remediation plan that will include:

- Governance alignment modeling and structural recommendations
- Dashboard development
- Education for administration, physicians and boards
- Onsite six (6) and twelve (12) month post assessment follow up reviews
For more information please contact:

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