Physician Leadership Series

Crafting successful training programs for physician leaders☆

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Physicians have traditionally been trained in academic medical settings to provide care in silos. The emphasis on professional autonomy has changed very little over the years. However, leadership that drives health systems to perform at a level that attains the Triple Aim and to accept accountability for the cost and quality of care requires intense collaboration and teamwork. It is incumbent on progressive health care organizations to create a culture and organizational framework that fosters collaboration in a patient-centered model of care.

The authors of this installment in our Physician Leadership Series represent two well-respected health care organizations that have been leaders in advancing the patient-centered medical home concept for years. While they have always stressed teamwork, their journey to their present leadership training programs has evolved differently over time. Most importantly, both organizations are achieving impressive outcomes in preparing their leaders for the challenges that impact the successful attainment of the Triple Aim.

This article will provide valuable insights into how organizations should first approach their own leadership training programs. It also offers strategies that organizations can use to enhance their existing educational activities. No matter where or- ganizations stand in terms of training its leaders for tomorrow, this thought-provoking installation in our series will underscore the critical need for preparing physicians to take charge of the American health care system.

Attaining the Triple Aim: training physician leaders is key

For decades, America’s top-ranked medical schools have had stellar reputations as being among the best in the world. Their undergraduate and graduate curricula stress clinical excellence, technical innovation and professional accountability in delivering high quality care to patients. Unfortunately, basic principles of business management and leadership have rarely—if at all—been included in medical school curricula. Although academic icons such as Harvard and Stanford Universities are legendary for producing visionary leaders who have transformed our world through disruptive innovation and transformative business models, those vaunted concepts have yet to be incorporated into the vast majority of medical school curricula.

In today’s rapidly changing health care environment, disruptive innovation has arrived in the form of the Affordable Care Act (ACA). Attaining the Triple Aim of lowering costs, improving the health of populations through better outcomes and enhancing the patient care experience—the guiding principles of the ACA—were not part of the curricula for medical students and residents. The private sector has also started to embrace paying for value and not volume, and a major transition in the healthcare system is underway. We believe that physicians must be leaders in our healthcare system’s journey to be more just, humane, effective, inclusive, and less costly. The American healthcare enterprise desperately needs physician leaders who understand both patients and patient care while making decisions about legislation, government policy, capital expenditures, and the business of medicine.

Although physician leadership of health systems and hospitals may seem new, a few mission-driven organizations have been pioneers in developing physician leaders for decades. Cleveland Clinic (CC) and Kaiser Permanente’s Southern California Permanente Medical Group (SCPMG), for example, have always...
emphasized physician leadership, collaboration, clinical teamwork and keeping people well, rather than the illness-driven model so prevalent in most health care settings. In order to develop effective physician leaders, CC and SCPMG developed physician on-boarding and leadership training programs years ago. Most recently, they have added highly specialized physician leadership development programs that are unique not only to health care, but specific to the demands and expectations that comprise the Triple Aim. And, we have brought our physicians together with their administrative peers in a rich diversity of leadership development settings in order to foster a greater spirit of teamwork. These programs are preparing a new kind of physician leader uniquely qualified to transform American health care from a volume to value-based system of care that is patient-centered and equitable.

This article explores the elements and characteristics of these two programs in greater detail with the goal of assisting other organizations that are currently creating or enhancing existing physician leadership programs.

Physician leadership development programs: Core characteristics

Multi-level and diverse

Physician leadership development is a dynamic process that occurs not only at the training level, but with practical leadership experiences, mentoring and career development plans. In general, the larger a medical group or health system is, the greater the need for a variety of training programs. SCPMG is one of three separate entities forming the uniquely integrated and structured Kaiser Permanente organization that includes The Permanente Medical Group (the physician practice arm), Kaiser Foundation Health Plan and Kaiser Foundation Hospitals. SCPMG is one of the seven medical groups of Kaiser Permanente. The practice of Permanente Medicine has distinguished itself by its delivery of coordinated care that is data driven, evidence based, team oriented, physician directed, and most importantly, patient centered. SCPMG is comprised of more than 6000 physicians, many of whom practice at one of 13 medical centers in Southern California. In order to meet the training needs of all its physicians, the organization established SCPMG University. It includes three schools:

- The School of Foundations, where new associates are on-boarded during their first 90 days and receive an extensive orientation to the Kaiser Permanente culture and way of delivering care.
- The School of Partnership, which recognizes associates when they become partners and exposes them to additional career opportunities beyond hands-on clinical care; and
- The School of Leadership, which offers a basic core of classes along with multiple levels of more sophisticated, customized development activities.

At SCPMG, the School of Leadership is dedicated solely for developing a cohort of potential and current leaders within the group. Programming is diverse, with middle and advanced management programs, and often pairs physicians and professional administrators side-by-side, advancing through course work together. In addition, some programs are offered only to physicians, such as new chief and medical director orientations, all-chefs leadership training and more. Programs are offered both regionally and on site at the medical centers, with some programs tailored to each specific market within Southern California.

The University aims to offer programs that develop a wide range of people, that prepare leaders to build on different skill sets and to work more effectively across silos throughout the organization. With area medical directors, hospital-specific physician directors and multiple chiefs and committees within each hospital, the opportunities for physicians to advance to positions of leadership are numerous and diverse.

Cleveland Clinic is comprised of one main academic medical center, eight community hospitals and 18 ambulatory medical centers in Northeast Ohio, a hospital and clinic in Southeast Florida, ambulatory facilities in Nevada, Canada, and a soon-to-open hospital and clinic in Abu Dhabi. Cleveland Clinic’s philosophy is that all physicians need to be skilled at leading teams in providing the highest quality of care. The Cleveland Clinic Academy was established with that philosophy in mind and has been refined and expanded over the years. When it was first developed, the Cleveland Clinic Academy offered over 60 courses based on 16 competencies that were reflective of the Cleveland Clinic culture. The Academy offered four levels of physician training that became increasingly more specialized and experiential. Physicians who showed leadership interest and skill moved on to more advanced levels of training and progressive leadership responsibility. For instance, most of Cleveland Clinic’s current physician executives are graduates of the Academy’s Leading in Healthcare track, a ten month program that tasks participants with creating a business plan while working in small groups. Many of the graduates of the program at this level have assumed positions as department or institute chairs, or moved into the C-suite or into the president’s role at the regional hospitals and as leaders of the ambulatory centers.

In 2014, Cleveland Clinic combined its entire spectrum of 80 leadership development programs—including those focused on nursing and human resources—to create the Cleveland Clinic Learning Academy (CCLA). Eighty percent of the courses offered through CCLA are based on eight competencies all leaders—physicians, nurses and professional administrators—should embody at Cleveland Clinic. Because teamwork and communications are so integral to the Cleveland Clinic culture, nurses and administrators join physicians in most of CCLA’s leadership development programs. Twenty percent of the courses offered through CCLA are specifically geared to physician leaders.

Of course, the Cleveland and SCPMG physician leadership development programs did not start out on this scale. They grew over time and are constantly being refined and enhanced as graduates provide feedback and the needs of the organization change.

In-house vs. external program development

To a large extent, an organization’s size, culture and business model drive the decision to develop programs internally versus seeking the expertise of outside consultants. The Cleveland Clinic Leadership Academy was created over a period of several years. It was originally initiated by a Cleveland Clinic physician who recognized the need, James K. Stoller, M.D., M.S., Chairman of the Clinic’s Education Institute. It was refined when a Ph.D.-level educator came on board to take the program to the next level. The CCLA is the next evolution in Cleveland Clinic’s leadership development institute and combines all the programs aimed at fostering leadership at Cleveland Clinic.

SCPMG’s unique culture and business model drive the programming in its School of Leadership. All courses tie into and support SCPMG’s nine values, which include partnership. SCPMG University is managed by Permanente physician, Marc Klau, M.D., and a training and development expert with extensive experience at Kaiser Permanente, Nancy Spiegel. Because the School offers standardized courses across the region as well as programs customized for each medical center when requested, having an
understanding of the Kaiser Permanente model and culture is crucial.

Types of training activities

At both SCPMG and Cleveland Clinic, educators have found that physicians do not respond well to the traditional didactic experience of classroom lectures. Therefore, courses are extremely interactive and experiential. They do draw on time-tested “off the shelf” management and organizational development programs and current best practices on how adults learn. SCPMG’s program incorporates many well-respected training tools such as the Meyers–Briggs personality assessment, Facilitative Leadership and the Seven Habits of Highly Effective People. These have been incorporated with a broad variety of custom-built programs such as “Silo Busters” and “Member Growth and Retention.” Courses are also offered on health care finance, principles of performance improvement, motivating teams, managing change and communicating across generations, among others. Class time may include case studies, problem-solving and small group discussions. Physicians and professional administrators attend courses together, which strengthens the dyads that serve as the predominant model of management at SCPMG. Half of the courses are offered on-site at the medical centers, and half are offered regionally. In addition, there are annual leadership conferences with an educational focus offered to senior executives and the Board of Directors. At both Cleveland and SCPMG, courses are offered on an ongoing basis throughout the year.

For more advanced-level leaders, SCPMG offers two yearly residential programs that take a cohort of leaders off-site for a week to engage them in a fully immersive experience. Aimed at middle or advanced managers, the programs team peers to attend sessions during the day and work on a special project during the evenings. On the last day of the program, participants present their project to senior leaders, who offer advice and feedback. In some cases, program graduates may continue work on their project. The format allows for focused relationship-building and participants tend to form bonds with other classmates that last long after the week is over.

At the more advanced levels of leadership training, Cleveland Clinic uses an experiential approach that fosters working as a team with other new leaders over several months. Participants in the Leading in Healthcare program must bring an idea for a new program or service to be considered by fellow cohort members. The ideas are whittled down to the most promising few that become the focus of development through creation of a business plan on which teams work throughout the ten months of the program. The expectation is that team members will meet outside of class time with Cleveland finance officers, administrators, medical directors, human resources representatives—essentially any level of professional who can provide pertinent information to help develop the business plan. This effectively brings the learning experience into the real world, provides an ongoing opportunity for the organization to continually improve and innovate, and helps build teamwork across the organization.

It is important to note that a key component of both programs is that participants have ample exposure to current leaders throughout their course work. This close proximity to leadership helps participants to model themselves on the qualities and behaviors most valued by the organization.

At the very highest levels, organizations may also send physician leaders to MBA, MMM, or Masters in Healthcare Administration programs at the university level, Advanced Management Programs at top tier business schools, or certificate programs offered by professional societies. These opportunities are offered after more basic training has been completed, or a physician leader’s promotion makes the additional education an important step in the leader’s success. The opportunities for additional training are geared to the leader’s development experiences, the potential of the individuals for additional leadership responsibilities, and comprehensive succession planning.

Cleveland Clinic Academy’s courses were created with such academic rigor, they now link to credit in the MBA programs of colleges and universities in their region. Cleveland Clinic has also created the Samson Global Leadership Academy,1 a two-week program for healthcare executives (physicians, nurses and administrators) from around the world who want to experience Cleveland Clinic’s executive education programs. To date, emerging leaders from 20 countries have attended.

SCPMG’s University courses are in high demand among its physicians and professional administrators alike. The layered curriculum is aimed at increasing the pool of leaders at all levels. In addition, the broad menu of options is an acknowledgment that no one single leadership style is right. In fact, effective leaders sometimes need to use different styles and know when to apply them.

Mentoring programs

In heroic organizations, people mentor each other unselfishly. Coaching is an integral part of developing our physician leaders at all levels of the organization. Cleveland leadership is constantly mentoring through both a formal and informal program. In the more structured arrangement, mentors and mentees are matched for a finite period of time and interact on a regular basis, as part of their regular routine. New mentors may take over for old ones as a physician leader’s needs change. Throughout the organization, people who desire new leadership opportunities are encouraged to seek advice from mentors whom they feel exhibit the behaviors or characteristics they want to develop.

SCPMG matches new medical directors with more seasoned physician leaders within the region. It also employs executive coaches from outside the organization for area medical directors. The latter arrangement is used to prepare physicians who are about to transition into a medical director role and begins about six months before the transition. During that period, coaches help the candidate prepare for the first 100 days as a new medical director. After a year on the job, a physician leader has a better sense of the skills that still need to be acquired, and coaches will be employed to help develop them. SCPMG believes that physicians and their administrative partners have much they can teach each other. Seeking professional administrators as mentors is encouraged. SCPMG’s philosophy is that “mentors are all around us.”

Training programs and recruitment

As in most organizations, physicians are primarily hired at CC and SCPMG for their clinical expertise and not their leadership abilities. At the Cleveland Clinic, clinical leaders such as department and institute chairs are recruited nationally. However, in the vast majority of instances, both SCPMG and Cleveland Clinic key physician executives are longstanding organizational leaders and products of the culture of their respective organizations. At SCPMG, if a recruitment candidate already has served in a position of leadership, that skill set may be harnessed in time. Potential leaders are more typically identified in several ways after they

have worked within the culture of the organization. Some physicians may take the initiative and volunteer to serve on a committee. The leadership track is also one of the possibilities presented during the School of Partnership. In some cases, a potential leader may be nominated for more responsibility by a colleague.

At Cleveland Clinic Academy, between five and seven percent of our physicians may be engaged in leadership training at any one time. Rarely are these physicians new to the organization. They may volunteer or be nominated by a peer. We believe that leadership development is not only an opportunity to obtain valuable training, but also a chance for aspiring leaders to show what they can do. This becomes most evident during the Leading in Healthcare program. In addition to evaluating the viability of the end product, we look at who succeeded in the teamwork format. The best leaders are those who know how to listen, get people engaged and involved in producing a better product. These are not leaders who tend to dominate conversations. Leadership development does factor into recruitment to some degree, in that we are constantly trying to understand the type of leaders we need for the new and changing environments we envision for the future.

Common areas of developmental need

High-performing organizations expect that their physicians will be excellent clinicians. But in terms of leadership, that is not enough. Medical schools do not teach health care finance, management or interpersonal management skills. The assumption seems to be that, as intelligent as doctors are, they will figure out how to be leaders. Our health systems acknowledged that this assumption is not only wrong, but detrimental to the growth and innovation of the organization. The challenges presented by health care reform have intensified the need for both management and leadership skills that go far beyond clinical training. Areas we have found to be the greatest developmental needs include:

- **Business skills**—Physicians need to be able to understand and create budgets, profit-and-loss statements, data trend reports and more. It is critical that they know how to create a business plan and the impact it may have on the organization.

- **Management skills**—Basic management skills in health care entail an understanding of how organizations are structured and the roles various people play in delivering products or services. Good management involves facilitating the goals of the organization as efficiently as possible. Physician leaders also need an understanding of legal and human resources issues, change management, conflict resolution and more.

- **Leadership skills**—There is a significant difference between management and leadership; both are necessary in a complex health care environment. The most effective leaders are those who can communicate a vision, take charge and inspire others to accompany them on the journey to realizing that vision. Excellent leaders bring out the best in their colleagues and subordinates at all levels of the enterprise.

- **Interpersonal Skills**—Emotional intelligence ranks at the top of the interpersonal skills that are necessary to be an effective leader. Emotional intelligence not only refers to how a leader deals with and understands people; it is demonstrated by how one understands his own emotions and effectively manages them to make rational business decisions. Excellent communication abilities, integrity, having a good work ethic and the drive to deliver results are also important. Being courageous, respectful and kind encourages others to follow.

- **Team-building**—Medical schools teach physicians to be autonomous and work independently. By their very nature, these programs also foster a spirit of competition—for a spot in undergraduate course work, for grades and residencies, and fellowships at the highest levels. Competition is antithetical to a group practice. In this setting, physicians need to help one another to be as proficient as they can be within their scope of practice.

- **Culture**—Because of the traditional fee-for-service financing model of care delivery, most new graduates, and physicians who may have come from a traditional solo or group practice, may have an entrenched volume-based approach to providing care. This payment structure is associated with more unnecessary diagnostic tests, duplication of services and the over-consumption of resources without accompanying improvements in quality. SCPMG and CC focus on keeping people well and delivering care when they are sick, at the most appropriate level. Physicians are salaried without incentives to overuse or underuse resources for the care of their patients. To inculcate new physicians into this model of care, the two organizations have highly structured on-boarding programs that set our standards for best practices, patient service and quality. Many physicians new to this model of care have also not been accustomed to asking for help when managing a patient. In our organizations, the culture is to consult freely with colleagues when the patient’s best interests require it. There is no stigma associated with asking for help. This, too, is a concept that may be new to physicians who have recently joined our health systems.

- **Principles of health care reform**—Without question, the ACA sets new standards for safety, quality, satisfaction, access, service and affordability. The ACA also expands on the infrastructure necessary to measure all of these variables. In physician leadership training programs, these expectations are discussed at length. There is a direct connection between training leaders and the organization’s ability to deliver high value care, meeting the expectations of the ACA and private and public sector employers.

### Accommodating leadership development with clinical practice

At both SCPMG and Cleveland Clinic, the cultures of putting patients first and continuous quality improvement remain the most critical reasons that the costs of physician leadership training are viewed as integral to success and not a luxury. The time away from hands-on clinical practice is well justified by the need to stay abreast of a changing health care environment. Candidates who are nominated for these programs periodically block out 10–20 percent of their time to attend leadership training, depending on the level of their participation. Because of the team approach to care, patient case loads are never compromised and physicians can be assured that their patients will receive continuity of care.

### Measuring success

While there is no budget that allocates dollars specifically for physician training time at Cleveland Clinic or SCPMG, program budgets do exist that fund the facilities, educators and any outside...
consultants used. The return on this financial investment is based on the overall performance of the organization. At Cleveland Clinic, individual leadership is exemplified by building an effective team. Every senior physician leader receives an extensive annual professional review and completes a self-assessment. Performance is measured against targeted goals and objectives, as well as “360 reviews” of subordinates, peers and top management at the Board of Governors level. Taken together, these assessments give an accurate depiction of the overall success of physician leadership activities. There are other barometers of success as well. More than 60 percent of the business plans created by Leading in Health Care students have gone on to be successfully implemented at Cleveland Clinic.

At SCPMG, multiple measures of success reflect the effectiveness of physician leadership. Metrics are routinely compiled on outcomes, member satisfaction, access to care and financial performance. Physician satisfaction, retention, and innovation are also important. Culture is the common denominator that links all these indicators together. It guides physicians at all levels of the organization in delivering quality care.

Where to Start? While our organizations have had established programs for many years, small organizations that lack the resources can find leadership training through professional societies or university-sponsored programs. There is also the opportunity to learn from more established practices.

Organizations planning to begin a physician training program should start with a thoughtful assessment of the organization’s values and how enhanced physician leadership will improve both clinical care and value. Organizations that strive to put patients first, provide cost effective care, and value teamwork with colleagues and other health care professionals are best suited for investment in physician leadership programs. Such organizations will need to assess its current leaders and the developmental needs they have, considering the job at hand and skill sets of the physician. This may be accomplished through a review of performance evaluations and discussions with top management, including members of the governing board. Many organizations have found it helpful to review and visit other programs to see what models may be a fit for them.

Leadership development needs to be a top priority embraced by senior management and the governing board. It is critical to establish a learning culture that emphasizes and values team success even more than individual success. Mentoring programs are invaluable for developing physician leaders and passing on the wisdom of seasoned executives. By maintaining a list of executives who are especially proficient in certain areas (communications, emotional intelligence, finance, leadership etc.) organizations can tap them as mentors to help develop new leaders where they need the most assistance.

And finally, organizations must ensure that their culture is aligned with the highest values of our profession and that those values permeate whatever leadership training programs are developed. Culture forms the unique identity—the “secret sauce”—that sets every health care organization apart in the marketplace.

Physician leadership training programs will only increase in importance over time, just as expectations continue to heighten for a transformed health care delivery experience. By creating a continuous learning culture, physician leaders will bring an unprecedented level of innovation and excellence to the future of health care.

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