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Physician Leadership Series

Physician leadership initiatives at small or mid-size organizations[☆]Joseph Bisordi^{a,*}, Marwan Abouljoud^b^a Chief Medical Officer, Ochsner Health System, United States^b Chief Medical Officer, Henry Ford Medical Group, United States

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The final article in our Physician Leadership Series profiles the experiences of two growing medical groups that have relatively recently made physician leadership an organizational focus. The article details how these organizations approached the inherent problems of implementing new physician leadership training programs when resources are scant and pressures are high. It provides tips for those health care organizations that have fewer resources but want physician leadership training to be a strategic priority. In addition, our authors address the issue of taking physicians out of clinical practice for developmental activities and the costs associated with these programs. And finally, the article provides some insights on the impact of these training programs on participants and their organizations.

By the conclusion of this article and our series, we believe that readers from health care organizations will have a broader base of knowledge on the practical steps that they can take in getting started on a leadership development program. From recruitment of potential leaders to program design, evaluation and the tangible benefits of these initiatives, health care organization embarking on physician leadership development have a variety of models from which to choose in preparing their next generation of leaders.

Within the universe that we call health care, few organizations have been untouched by the sweeping changes that have resulted from the Affordable Care Act. From payors and providers to facilities such as hospitals where services are delivered, health care

reform has ushered in an era where physician leadership is, quite simply, essential for long-term success. It will be necessary as systems move from a volume-based reimbursement methodology that rewards overutilization to a value-based system focused on population health. Without question, physicians need to be at the forefront of transitions necessary to support clinical excellence and cost efficiencies while maintaining a keen eye on the overall patient experience.

Many health care systems have offered leadership development programs for years, but the emphasis was more commonly focused on training professional administrators. The vast majority of organizations may be quite new to the concept of developing physicians as leaders. Within our respective enterprises, for instance, physician leadership training programs have only been offered since 2010. And since then, they have continued to evolve as new strategic priorities emerge and new competencies are identified as being essential to meeting the Triple Aim in health care delivery.

Our journeys may be very different, but our goals are the same:

- To acquaint physicians with management and leadership concepts that apply to health care in ways that prepare them to assume positions of leadership within our respective systems.
- To create a steady pipeline of physician leaders to assure leadership continuity for succession planning.
- To build leadership teams with both physicians and professional administrators that bring their respective skills sets to tackle challenges in providing care that meets or exceeds the Triple Aim of lower costs, better outcomes and an enhanced patient experience.

Here is how our organizations addressed these overarching objectives.

1. Henry Ford Health System – the Physician Leadership

[☆]This is the fifth article in our series aimed at health system leaders seeking to understand how to nurture other physician leaders to support and help guide their health system through the changes that lie ahead.

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Institute

Henry Ford Health System (HFHS) is a not-for-profit corporation comprised of six hospitals, 37 outpatient medical centers and one of the nation's largest group practices, the Henry Ford Medical Group, with more than 1200 physicians and researchers in more than 40 specialties. Affiliated with Wayne State University's School of Medicine, Henry Ford provides innovative specialty programs and collaborates on leading-edge medical research. With more than 23,000 employees, HFHS serves over one million residents of Southeast Michigan and is the fifth-largest employer in metro Detroit.

The HFHS University has offered a Leadership Academy for over 12 years. In 2010, the health system's leadership concluded that, with a number of physicians expressing interest in taking on leadership roles, there needed to be an Academy track that was more customized to physicians. Programming needed to address physicians at different levels of leadership. And there was also a need to establish a more structured succession planning process within the organization. After evaluating established physician training programs at other health systems, Academy leadership defined the competencies that would form the basis for all physician training. The Physician Leadership Institute (PLI) was created in 2011, and leveraged the core strengths already found within the Leadership Academy.

The Physician Leadership Institute is a comprehensive eight-month program aimed at cultivating strong leadership and management skills in high-potential physicians. Candidates for PLI are expected to first complete "Fundamentals in Physician Leadership," a one-day basic pre-requisite workshop. PLI brings 20 students together from different specialties, work environments such as hospitals versus medical clinics, demographics and personality types to develop the competencies necessary for effectively leading in a complex climate. These competencies include:

- Business planning/operations and financial management.
 - Strategic visioning and planning.
 - Project and group management.
 - Quality and process improvement.
 - Ethics and regulatory compliance.
 - Service line management.
 - Listening and communication skills, including how to manage crucial conversations among professionals.
- Change management, including ways to influence others and promote change.

Students attend a series of monthly full-day sessions that combine a variety of educational and interactive experiences such as case studies and group discussions. Reading assignments are made in advance of each class to maximize the time spent interacting as a group. Each cohort is also broken down into teams that are assigned a capstone project that reflects the strategic direction and priorities of HFHS. Teams work under the ongoing tutelage of a finance and business mentor. These mentors provide guidance during two scheduled half-day sessions and at other times as needed. At the end of the eight months, teams ultimately present their projects to senior leaders and department chairs.

A hallmark of the PLI is the expectation that HFHS senior executives will also be teachers and mentors to up-and-coming physician leaders. C-suite physicians and administrative leaders teach most of the workshops and frequently partner as dyads to impart subject matter expertise and ensure the overall quality of training. In addition, HFHS' chief medical officer attends every session. The inclusion of top-level leaders underscores the importance of the PLI and ensures that participants have the

opportunity to regularly interact with, and learn from, the system's senior executives and physicians.

Over the four years that PLI has been offered, the content has changed. Course revisions are driven by strategic priorities of the system, feedback from senior leaders on how skill sets are being applied in the workplace, and what they find may be lacking. Changes in the external health care marketplace also play a role in program enhancements. A major change to PLI in 2014 was the introduction of appreciative inquiry (AI). An innovative method of problem solving, AI uses positive psychology to build on past successes and develop new ideas, possibilities and approaches, versus fixing "what's wrong."

In addition to PLI, HFHS physicians also have access to other leadership development programs aimed at non-physicians. These include the New Leader Academy for recently promoted or hired leaders, the Leadership Academy for mid-level leaders, and the Advanced Leadership Academy which enrolls five to eight physicians in addition to administrative leaders.

At HFHS, candidates for the PLI must be nominated by a clinical department chair and complete an application. Selections are based on several factors, including needs identified through succession planning, personal statements of individuals and their readiness to lead, and a focus on areas that will advance practice development, strategic alignment or initiatives. Those who are selected go through an initial evaluation that includes a self-appraisal and assessments by supervisors, peers, and direct reports. They also undergo an initial 360-degree survey of their emotional intelligence that measures their level of self-awareness, self-management, social awareness and relationship management. Based on the results, a certified coach works with the participant to develop a learning plan and provide coaching around that plan.

By the end of 2014, four cohorts and a total of 62 physicians had graduated from the PLI. Overall satisfaction scores from PLI participant evaluations average 4.6 out of 5.0. Graduates also report less tangible results of PLI such as new-found self-awareness, connectivity between colleagues and novel ways of relating one-on-one. In the words of one graduate: *I used to think that having a sharp edge was a great thing, but now I'm more well-rounded as a leader.*

In addition, HFHS was recently recognized as a winner of the 2014 Best Organizations for Leadership Development (BOLD) award from the National Center for Healthcare Leadership.

2. Ochsner Health System- the Physician Leadership Academy

Ochsner Health System is one of the largest independent academic health systems in the United States and Louisiana's largest not-for-profit health system. This was not always the case. When Hurricane Katrina hit New Orleans in 2005, Ochsner was comprised of one closed staff hospital, 450 doctors and 30 practice sites around southeastern Louisiana. It is said that with great change comes great opportunity, and this was certainly the case for Ochsner. The devastation wreaked by Katrina motivated a major hospital chain to vacate the marketplace for good, leaving several hospitals up for sale. Ochsner's leadership seized the opportunity to expand their mission of providing quality health care to Louisianans.

Today, Ochsner looks very different. With 13 hospitals owned, managed or affiliated, more than 50 health centers, over 15,000 employees and 2500 affiliated physicians in more than 90 medical specialties and subspecialties, Ochsner is Louisiana's largest health system. The dramatic growth inevitably fueled a major shift in physician dynamics. Pre-Katrina, 100 percent of patient activity came from Ochsner-employed physicians; in 2014, 80 percent of the business comes from community physicians affiliated with

Ochsner medical centers. Clearly, the dramatic increase in community-based doctors, coupled with the addition of so many medical centers, meant that increased physician involvement at the leadership level was an imperative.

While Ochsner was led by a physician pre-Katrina, the CEO also served as Chief Medical Officer (CMO). Recognizing that both jobs were too large for one person, Ochsner's leadership recruited a physician from outside the organization to serve as CMO in 2008. That was the beginning of a transformation in Ochsner's physician leadership development program. The addition of so many hospitals over a short period of time had necessitated the appointment of MDs in multiple levels in each respective facility and in the system's management structure. In addition to physician Vice Presidents for Medical Affairs in each hospital and the appointment of department chairs, Ochsner had added Regional Medical Directors and Associate Medical Directors in its five regions, an MD to lead accountable care to increase value-based reimbursement, and a physician to lead innovation and implementation of a system-wide medical record. As a teaching organization affiliated with Louisiana State University and Tulane University, Ochsner had also added a new chief academic officer overseeing education and research. The system's leadership recognized that there was a strategic imperative to develop the management and leadership skills of these physicians in a standardized process.

In 2009, Ochsner set out to create the Physician Leadership Academy as part of the already-existing Ochsner Leadership Institute (OLI). The goal was to assess the talent within its physician executive pool, and develop MD leaders quickly by meeting the varying needs of physician leaders who were at very different levels in their management and leadership skills. In 2010, the system convened a work group consisting of physicians from the C-suite down to front line managers that defined the five traits of ideal physician leaders within the unique Ochsner culture. These traits—expertise, execution, innovation, emotional intelligence, and vision—were the behaviors that leaders at Ochsner were expected to embody and that formed the basis of Institute programming.

With that alignment in place, the system established its Physician Leadership Academy in 2010 with an emerging leader track, a progressing track, an advanced track and an executive track. These varying levels of programming helped ensure that physicians at all levels of development would have programming attuned to their abilities. Over the years, the Academy has added additional training programs to groom more seasoned leaders for executive level leadership positions.

- The Emerging Physician Leadership Program is designed for high potential section heads and program directors who may be interested in growing into a larger physician leadership role. It consists of informal learning via discussions and case studies and lasts for about five months. The goal is to give students an understanding of what is different about being a physician leader so they can make an informed choice about pursuing these opportunities.
- The Progressing track is comprised of two programs. In the Physician Administrative Leadership Program, physicians attend with their administrative counterpart and the dyad learns together. During the eight months of the program, they are working jointly on real-world projects. At the end of the series, the dyads present their projects to senior leadership, who may approve them for continued development. The Progressing Physician Leadership Program provides 10 months of education on competencies ranging from executive communication to finance to strategy to negotiations, innovation, human resources, building talent and core behaviors of leadership.
- The Advanced track is for physicians at the facility vice-president level and above. It is a team-based course for future

C-suite physician leaders and executives, and spans 11 months. In addition to helping participants identify their goals as leaders, the track focuses on how to work as a team across the system on projects that are larger organizational issues. In many cases students have never met before attending the track, which helps to promote the sense of “systemness.”

- The Executive Level track offers training outside the organization for the senior-most leaders at Ochsner. Participants have attended programs offered by the Health Management Academy, American Medical Group Association and the American College of Physician Executives. A smaller cohort has attended courses at Harvard Business School as well.

Candidates for the Emerging Leader Program are identified by the regional medical director as “up and comers” early in their career, or those who have self-identified to their regional leadership as being interested. Participants in the other tracks are largely identified by their title and role in the organization.

Through the four tracks of the Institute, about 200 physicians may be enrolled at any one time. In addition, the Singer Physician Seminar Series brings 40 of Ochsner's top physician leaders together on a quarterly basis for an education seminar on a topical subject.

The Academy's curriculum has been entirely designed in-house and is based on case studies, interactive experiences, group discussion, coaching and mentoring. Like HFHS, the Ochsner Academy regularly utilizes senior physicians as faculty to teach many of these sessions. The feedback over the years about the Academy's programming has been enthusiastic. Participants regularly score their experiences in the high 8 s and 9 s on a scale of ten.

2.1. *Aligning academics with performance*

At the end of every year, Ochsner physicians go through a performance review that evaluates them in two main areas. One area relates to the five leadership traits and the behavior components related to them. The other area focuses on the goals and objectives unique to their position and their operational performance. The ratings are then calibrated across the system and compared against performance in the five key traits. Through this process, Academy leadership can assess where curriculum enhancements need to be made, such as in the areas of vision or innovation. The calibration process is also used in succession planning by providing a snapshot of the skill sets of development candidates, any gaps that exist, and flight risks that exist among current leaders.

In terms of overall impact, Ochsner Health System would not have been able to grow as successfully as it has without the Physician Leadership Academy. A conscious decision was made to start training senior physician leaders first because some significant gaps were identified early on and their skills needed to be developed quickly. As the first graduates of the program, they also become advocates with the other leaders. In periods of rapid growth, Ochsner has found leadership development is critical to the overall success of the organization.

3. Program costs and return on investment

Many medical groups considering the creation of a physician leadership development program have questions on how to get started. Beyond hard costs, they may also wonder if there is a return on investment.

It is a simple reality that there needs to be some investment, whether in internal staffing and coordination or outsourcing with direct costs. For smaller groups, it may be more cost-effective to

bring a program in-house from such well-respected organizations as the American Association for Physician Leadership (formerly known as the American College of Physician Executives). Smaller groups may also find it more feasible to offer training programs in the evenings or on weekends, or programming where some coursework could be completed during a physician's down time. This requires an investment of the physician in his or her own leadership development and mitigates the expense of taking clinicians out of the office during clinic hours. When the first cohort completes its training, there is also the possibility of using these graduates as teachers and coaches for subsequent classes. For example, HFMG will in 2015 certify internal coaches through our external vendor for assessment and emotional intelligence coaching, eliminating this cost going forward.

At HFMG and Oschner, our programs aim to utilize internal resources to the extent possible. Henry Ford Medical Group collaborates with the HFHS University, Finance, Quality and other departments to provide resources for the PLI program. We have nationally recognized leaders and speakers who are utilized as faculty for PLI. HFMG also has a culture that assumes the commitment of senior physician and administrative leaders as teachers and mentors. This approach has the additional bonus of maximizing opportunities for contact between internal leadership and staff.

Similarly, OLI, of which The Physician Academy is a part, maintains an internal faculty pool of 100 leaders ranging from the Director to Executive Level. OLI faculty members are certified in adult learning and facilitation of best practices. Many serve within the Physician Academy teaching topics including Finance, Strategy, Change Management, Negotiations, Talent Management, Coaching for Performance, Building a Business Case, etc. The OLI Faculty pool has been a significant factor in our ability to scale and maintain/reduce costs. External faculty are utilized as developmental needs arise, based on program design and expertise.

In terms of program oversight, Ochsner's Physician Academy is supported by a dedicated .5 FTE at the Director level within the Talent Management Division. HFHS University dedicates 0.3 FTE senior consultant hours to the program, which is budgeted within the HFHS University. Hours for senior physician and administrative leaders as presenters and faculty are not tracked and as the saying goes, are "priceless."

3.1. Training expenses

HFMG's PLI expenditures for 2014 were approximately \$35,000. This includes all direct expenses including catering, assessments, materials, external vendors, trainers and speakers and is budgeted by HFMG. Our 2015 expenditures are estimated at about \$25–\$30,000 to reflect cost savings during the transition from external to internal EI coaches. Minimizing the "frills" and emphasizing group sharing and experiential learning has helped keep costs down. Offsite workshops and formal dinners have been curtailed and sessions are now all held at one of our business units (primarily our corporate facility). We have also found that partnerships with limited select vendors yield more competitive pricing and proven results.

Ochsner's Physician Academy has adopted a similar approach to keeping costs down. Cohorts meet in the OLI conference center and the program utilizes its internal faculty pool whenever possible. Its 2014 budget of \$76,000 included the use of a consulting group for staff surveys, materials and external faculty. Physician leaders mitigate the cost of attendance through administrative time blocks, dinner sessions, and some weekend class time.

3.2. ROI

Physician leadership development expenses do not lend themselves to conventional measures for return on investment. In our medical groups, we use indirect outcomes and metrics to support ROI. We measure business impact in areas of:

- a. Retention.
- b. Promotion rates.
- c. Efficiencies, growth and system alignment through business projects.

At Henry Ford, 94% percent of those graduating from PLI remain at HFHS, a higher retention rate than existed among physician leaders before the program began, and a higher rate than among HFHS employed physicians as a whole. In terms of promotions, 56% of PLI graduates to date have been promoted after their completion of the program.

There has also been a significant business impact made by PLI graduates, who are expected to apply what they have learned during their business planning project experience when requesting new resources (capital, labor, etc.). One graduate, a senior staff physician within the department of neurosurgery, was appointed Chair of Neurosurgery after a comprehensive search process. Within his first year of leadership, he presented a number of successful business plans including the addition of two incremental spine surgeons, incorporating new technology and the successful decision to move forward with the purchase of a mobile CT. If not for the comprehensive business planning process led by this physician, these projects would not have received approval from system leadership and HFHS would have missed valuable opportunities, including the associated positive contribution margins.

Ochsner has had great successes as well. Over 30 promotions of participants in the Physician Academy have occurred over the last four years. In terms of retention, 98% of those physicians who have attended a program over the past four years are still with Ochsner. The business impact has also been significant. Enhancements within the patient transplant program introduced by Academy graduates have cut the patient wait time for transplants in half, decreased transplant clinic no-show rates from 20% to 10% and generated an incremental a revenue gain for the System of \$900,000 per year. A Diabetes Empowerment Model involving 60 patients resulted in 100% of participants receiving their eye and foot screenings, improved quality/compliance measures, reduced medication costs by more than \$500,000 and yielded \$303,264 in increased annual revenue. These results were directly attributable to the work and leadership of Academy graduates.

3.3. Lessons learned

- Organizations that are just embarking on physician leadership development should determine what their needs are and what they hope to accomplish. By completing a thorough assessment of the skills already present in leadership and the deficits that exist, they can better define the programmatic goals of their curriculum.
- Early on, health systems should identify the key characteristics of a successful leader in their unique environment—whether they are called "competencies" like HFHS or "traits" like Ochsner. Without establishing a clear expectation of what leadership looks like within your organization, it will be difficult to replicate.
- Do not start "from scratch." Build on any existing developmental activities that may already exist with your organization.

Both HFHS and Ochsner had successful training programs aimed at professional administrators. There are commonalities that can be transferred to physician programming.

- Recruit the right physicians to champion this endeavor among all constituencies. Ideally, this would be an executive within the C-suite such as the CEO or chief medical officer.
- Whenever possible, include senior executives among the faculty. By bringing top leadership together with up-and-coming physician leaders, organizations underscore the importance of leadership development and demonstrate the behaviors that new leaders will need to model as they assume more responsibilities.

In the best-case scenario, physician training programs can be life-changing for participants. Not only do they foster a higher level of leadership expertise, but they build camaraderie and a common purpose among all stakeholders, to the benefit of patients. The experience so moved one participant at HFHS, he felt compelled to collaborate on a poem written from the perspective of a patient:

My Last Day

I'm not in the hospital.
There's no IV pole.
No ET tube.
No team of doctors talking as if I don't exist.
Dignity.

I reflect upon my life;
Children.
Grandkids.
Fun times.
Joy.
No strangers looking at me.
No one taking my body down a cold, dingy hallway.
The smells are all the smells of home.
I look out the window at my favorite tree...
And close my eyes.
Dignity.

By Husam Abed, Todd Getzen, Eileen Hug, Daniel Moore,
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