

W H I T E P A P E R

Improving Physician-Hospital Alignment: Key Drivers & Essential Attributes

By Mollie Elizabeth Condra, Ph.D. & J. Edward Pearson



Physician-hospital alignment has never been both more important and complex as it is today. Hospital and healthcare system executives know that without a steady, growing stream of referrals and admissions from a base of loyal medical staff members, it can be very difficult to grow. With physician satisfaction levels reaching all-time lows in some specialties, physician shortages forecasted, and high physician turnover rates, healthcare executives are seeking strategies that support physicians and, at the same time, the business of running their hospitals (Lubell, 2007; Ginsberg, 2007).

“Physician alignment is the degree to which physicians and their medical groups share, identify with, and work toward accomplishing goals together with their affiliated health system.”

Budetti et al. (2002)

What really works?

Based on a meta-analysis of published literature, supported by an examination of HealthStream’s physician survey database—the industry’s largest with over 29,000 physician responses in 2007 alone—we know how to establish strong physician-hospital alignment. We are pleased to share this knowledge for the first time in this white paper—in three steps.

Step 1: Create and maintain an environment within your hospital or health system that reflects the following five “must have” Physician-Alignment Attributes:

- Commitment to Quality
- Active Communication
- Collaborative Decision-making
- Dependable Support Services
- “Win-Win” Financial Relationships

Step 2: Commit to the improvement of all five attributes—concurrently.

Step 3: Demonstrate this commitment with actions that are frequent and visible.

This paper will explain the process of improving physician-hospital alignment, providing a research-driven rationale for each of the components.

Background

At the heart of the problem are intense pressures on hospitals and physicians, brought on initially as a result of capitation and managed care programs that started in the late 1980s. As recently as the early 1980s, physicians and hospitals comprised an industry characterized by high utilization of care and relatively high profit margins (Hariri et al., 2007). Over the last 20 years, however, pressures experienced by hospitals have squeezed margins, including compliance and reimbursement concerns, information technology upgrade requirements, operational inefficiencies, and new patient safety mandates. Concurrently, physicians have experienced declining compensation, limited access to capital, greater paperwork requirements, declining professional status, and redistribution of power and income (*HealthLeaders*, 2008).

In the context of growing, sometimes even competing pressures, hospitals still need physicians; physicians still need hospitals—and, hence, healthcare executives have renewed their focus on physician-

hospital alignment. A recent HealthLeaders Media survey (2008) reported that 36 percent of hospital and medical group CEOs spend more than 26 percent of their time on physician

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HealthLeaders Media Survey (2008)

relations. Similarly, a recent survey (2007) of 390 hospital CEOs conducted by the American College of Healthcare Executives (ACHE) reported that “physician-hospital relations” ranks as one of the “top three” issues confronting hospitals—for the *third consecutive year*.

While many hospitals have professed a desire for close alignment with affiliated physicians, there is evidence that few have actually taken meaningful measures to achieve this goal. In a study (Budetti et al., 2002) of 14 organized delivery systems and their 11,000 physicians in 69 medical groups, it was reported that most systems paid inadequate attention to issues of importance to physicians—including those that had formal physician alignment initiatives in place. Further evidence of this trend was provided in a national survey of 52 hospitals/healthcare systems’ CEOs and physician leaders (2005) where the most commonly used strategies for supporting physician-hospital relationships and their effectiveness was reported. Of the five strategies that received the highest effectiveness ratings, two were used by less than half of the hospitals surveyed: only 30 percent of survey respondents are “employing intensivists” and only 39 percent have “sponsored retreats limited to physician leadership and senior management.”

Physician Satisfaction Drives Physician Loyalty

Numerous studies assessing hundreds of potential predictors repeatedly prove that “customer satisfaction” is the number one driver of “customer loyalty” (see Gaman et al., 2004, for an example from a healthcare context). In the current context of healthcare delivery, physicians are the “customers” that select hospitals for admissions and referrals. Their satisfaction with a hospital, then, is crucially important for building loyalty—which results in greater revenues and market share for the hospital. Physicians who rate a hospital as an “excellent” place to practice medicine admit over 16 percent more patients than those who rate it as “fair / poor” (Runy, 2007). In HealthStream’s most recent survey research, we found strong evidence that as a physician’s satisfaction level increases, referrals and admissions increase.

The Core Question:

Where do physicians want to practice?

What kind of hospital environment leads to high physician satisfaction? HealthStream has spent years asking physicians what they like and dislike about the hospitals where they work. Based on our extensive survey research and the literature on this topic, it is evident that physicians prefer hospitals and health systems that promote an environment with the attributes presented on the following page. Given the emerging consensus surrounding the importance of these five attributes, we consider them to be “must haves” and recommend that healthcare organizations actively work to improve all five, concurrently.

The Five Physician-Alignment Attributes

1 Commitment to Quality

Regardless of growing pressures, it is insightful to remember that more than two-thirds of physicians practice medicine first and foremost for altruistic reasons, according to a 2006 survey conducted by the American College of Physician Executives (ACPE). Physicians want to work in a culture of high patient safety, service excellence throughout the organization, and among competent clinical staff. Providing quality patient care should be the highest organizational goal, permeating all actions. A commitment to quality should yield confidence in the clinical staff, high patient satisfaction scores, and a reputation of excellence in the community—all of which are important to physicians. According to HealthStream's 2007 physician survey responses (N = 29,000+), the skill of the healthcare organization's administration, the satisfaction with nursing care, and efforts to improve quality ranked as the first, second, and third-highest ranked predictors, respectively, of satisfaction among physicians well aligned with their organizations. These findings underscore the importance to physicians of healthcare organizations' overall commitment to quality—particularly as it relates to the healthcare workforce.

2 Active Communication

Hospital administrators' level of communication with physicians is among the top ten best predictors of physicians' overall satisfaction. This includes direct communication from the CEO as well as high visibility of the hospital leadership team. Moreover, multiple channels of communication should be used to reach physicians. HealthStream conducted 18 extensive interviews with hospital executives to gain an

“Good communication involves more than just asking the doctors to tell you what's important to them. You must show that you listen and that you're doing something about what they tell you. This isn't always so easy. They're scattered all over the place. It takes staff time, energy, and investment in dollars just to reach them—and even more to build effective relations.”

- John Phillips
President, PivotHealth
HealthLeaders, 2008

understanding of the critical success factors for physician relations program development. Respondents repeatedly said that “the best way to reach physicians is by hitting them

“If their [physicians'] patients don't get good care, and they don't trust the nurses, and they're not satisfied with the outcomes that are under the hospitals purview, then they're not going to come—I don't care how much money you dangle in front of them.”

-William C. Thompson, MD
CMO, Baptist Hospital
HealthLeaders, 2008

with information in several formats at once.” Successful communication with physicians involves specific and useful information that is delivered through multiple channels (i.e. media) and is easily accessible. It is also important to physicians that communication be trustworthy, honest, and credible. As Jeffrey James, CFO/COO, Christie Clinic, summa-

rizes, “Until you can get the physicians' trust, you're not going to be successful” (*HealthLeaders*, 2008). Physicians expect administrators to be responsive in their actions and words in addressing issues important to patient care. In fact, “administrators' responsiveness” to addressing these issues is ranked as one of the top five strongest predictors of physician satisfaction, as reported in HealthStream's 2007 physician survey results.

3 Collaborative Decision-making

Physicians appreciate and enjoy being involved in organizational decision-making processes. In particular, involving the medical staff in hospital strategic planning will go a long way toward fostering physicians' loyalty and trust in hospitals' administration (Larson, 2002). An environment that includes an opportunity to address operational issues that are of concern to physicians is highly desirable. In other words, a culture where physicians are viewed as “partners” optimizes physician relations. This not only involves active survey research solicitation, but

more importantly, it involves corresponding action plans and follow-up. Hospitals' commitment to collaborative decision-making is further supported by appointing a leader for medical affairs and supporting a physician relations program. For physicians, the administration's ability to manage the hospital is ranked as the single most important factor influencing their overall satisfaction with the hospital (*HealthStream* research, 2007 physician surveys). “Managing the hospital” well, however, necessarily involves physician input and collaborative decision-making—from physicians' point of view.

4 Dependable Support Services

Hospital operations that are well run attract physicians as a place where they prefer to practice medicine. This includes,

“When asked what drives their [physicians] choice of hospital, physicians most often pointed to the timely execution of diagnostic tests and medication orders and the ease of scheduling outpatient appointments.”

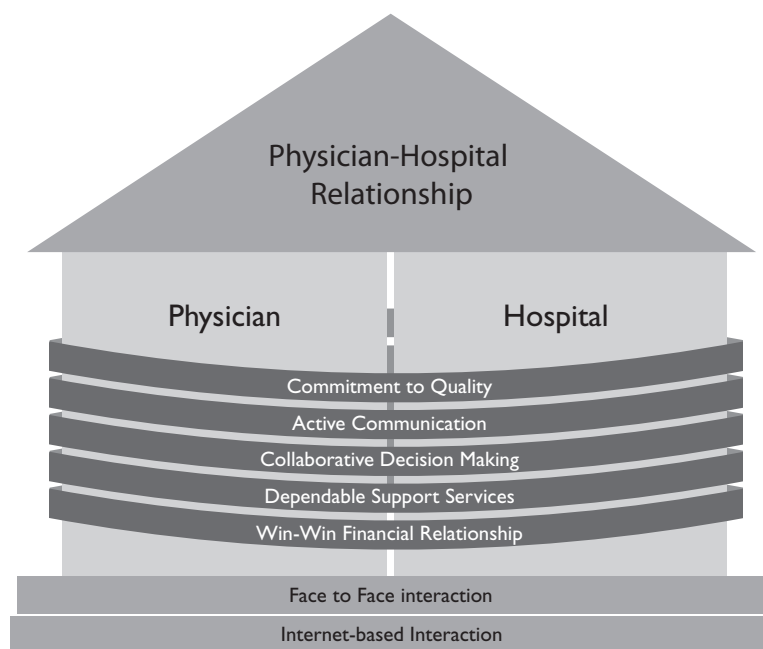
Survey conducted by the *Advisory Board Company*, 2003.

for example, effective lab, OR, and ancillary services scheduling and the timely rendering of services. In organizations that employ *intensivists* and hospitalists, the coordination of patient care with the patient's primary care physician is also important. Some hospitals have found that, for physicians, the primary value of a hospitalists program is the elimination of night and weekend on-call duty and the elimination of the requirement to leave the office in order to admit or care for a patient, which results in a more profitable practice. Technologies of practical use to physicians (e.g. virtual imaging, electronic order entry, referral tracking and management, EMRs, etc.) are also perceived to be important support services.

Competent support services throughout the healthcare organization are a key factor in physicians' overall satisfaction with a hospital. Among the top 10 most highly predictive factors for physician satisfaction reported in HealthStream's 2007 physician survey results, four underscore the requirement for dependable support services. The four factors include: efficiency of hospital operations, condition of the hospital, availability of medical equipment, and the ease of scheduling inpatient surgical procedures.

5 Win-Win Financial Relationships

Demonstrating an understanding of physicians' economic concerns is a critical factor in supporting physician-hospital alignment—and the strategies used to do this can vary. Some hospitals use joint ventures to more closely align with physicians, which has the added benefit of staving off the threat of those physicians competing directly with them for patients in separate surgery centers, specialty hospitals, or diagnostic centers. Aligning capital spending with the needs of physicians and their practices can also produce a positive financial impact for physicians and the hospital. In a national survey of 52 hospitals/healthcare systems' CEOs and physician leaders (2005), it was reported that some of the most under-used economic alignment strategies that were rated relatively high in effectiveness include: paying physicians a stipend for medical directorships, providing some relief for physicians' liability insurance premiums, and paying physicians a stipend for being on-call in the emergency department.



The Physician-Hospital Attributes work together to bind a strong physician-hospital relationship—with interaction as its foundation.

Transforming Insight into Action

Given the importance and timeliness of the issue of physician alignment, industry trade magazines, consultants, and journals currently offer a plethora of advice—typically driven by a nugget of truth. For high-impact, sustainable improvements in physician alignment, however, it is not enough to simply know what to do. You must know what to do *and how to do it*. Specifically, there are two commitments that hospital leadership must make in order to succeed at aligning their organizations with the physicians they rely upon for admissions:

1. Set goals and responsibility for improving all five Physician-Alignment Attributes.

Each of the five Physician-Alignment Attributes is necessary, but not individually sufficient to achieve strong physician relations. That is, all five Physician-Alignment Attributes are mandatory. A lack of achieving any one (or more) of the attributes grossly reduces overall effectiveness, creating a type of “Achilles heel” that will compromise all efforts. It is our position that optimal results occur with optimal commitment, concurrently, to improving each of the five Physician-Alignment Attributes. For example, strengthening communication alone will not overcome a physician’s perception of a lack of commitment to quality.

2. Frequently and visibly demonstrate your commitment to the five Physician-Alignment Attributes. Historically, this has been accomplished almost exclusively through face-to-face interactions between physicians and hospital staff and leadership—and these types of interpersonal interactions will always be highly valued. Research in social psychology and communications within the last 25 years affirms the significance of face-to-face communication for relationship-building (see Gibson, C.G. & Manuel, J.A., 2003, for a review of literature).

Hospital leaders, however, are increasingly squeezed for time during their multi-tasking work-day, which severely limits their opportunities for face-to-face communications with physicians. Compared to other industries, healthcare leaders carry extremely heavy workloads. In fact, their heavy workload is the most frequently cited reason for “considering giving up their position” (38 percent cite this reason in healthcare compared to 17 percent of leaders in other industries; Bernthal et al, 2005).

Increasing Demand for Physicians’ Attention

For primary care physicians alone, there are 341 current journals publishing over 7,000 articles, monthly. It is estimated that 627.5 hours per month would be needed to review all of them.
(Alper et al., 2004)

Most common time physicians search and read medical literature?
At home after work (38.2%)
(Bennett et al., 2006)

Transforming Insight into Action (continued)

At the same time, there is a significantly greater competition for gaining physicians' attention. On the whole, physicians are seeing more patients per day, expected to read volumes of the latest scientific research journals, and provide more consultation to peers than ever before. This means that scheduling time for face-to-face communication is increasingly difficult for healthcare leaders. Moreover, the probability that a one-time message (however delivered) to physicians will be understood, comprehended, and have a measurable impact on his/her attitudes (i.e., satisfaction, loyalty, alignment) is low.

Social scientific research confirms that message repetition strengthens the likelihood that the message will have an impact on the recipient (Cacioppo & Petty, 1989). This tendency is even stronger when the message(s) is perceived positively by the recipient—which would most likely be the case of healthcare leaders' outreach efforts to physicians. Not only is the repetition of messages key to having an impact on a recipient, but the greater the number of communication channels, the greater the likelihood of having an impact (O'Keefe, 1990).

This means that actions taken toward achieving physician-hospital alignment should be ongoing—and should be adopted as dynamic processes, not singular tasks to check off of a list. In other words, it is crucial that your actions be frequent and visible to physicians. Given the “all-too-real” time-squeeze for both healthcare leaders and physicians, we believe the best possible outcome is achieved by enhancing face-to-face interactions using technology-based tools.

Technology: Enhance Your Physician Alignment Efforts

Expanding your reach to physicians is key—and tools that help do this will help achieve physician-hospital alignment better and faster. To be clear, the use of technology should never replace face-to-face communication altogether, but it should, instead, enhance, support, and build upon the relationships already begun with physicians. We believe that Internet-based technology, in particular, provides robust opportunities to demonstrate a commitment to the Physician-Alignment Attributes presented in this white paper.

Internet-based solutions can:

- Extend the presence of hospital staff and leadership whose schedules and workload limit their availability for face-to-face time with physicians.
- Increase the speed of soliciting feedback from physicians and, in turn, streamline the time needed to share results and announce action-steps to follow.
- Support a strong sense of community among physicians by providing powerful online social and professional networking opportunities.
- Track the competency of support and clinical staff, thus providing objective standards for the delivery of quality healthcare.
- Provide busy physicians with quick and organized access to relevant peer-reviewed content.
- Facilitate physician feedback through online “alerts” and “reminders” regarding surveys and other solicitations of their input and points of view.
- Offer online leadership and professional development programs to physicians.

Conclusion: The Challenge is Here to Stay—But the Goal is Achievable

If you search “healthcare trends” on Google™, you will find over 368,000 entries (as of 11 August 2008), which is indicative of the large number of ideas, observations, and issues that others are purporting as “trends”. In all likelihood, the greatest common denominator among the long list of healthcare trends is that there will be a different list a year from now—or even in a few months. The need to build strong physician relations, however, is not a trend. The need to foster physician-hospital alignment is ongoing and constant for healthcare leaders.

The good news is that improving physician-hospital alignment, while challenging, is achievable. Based on HealthStream's survey results from over 29,000 physicians in 2007, we know what to do and how to do it. Make no mistake about it: there is nothing more important to the success of one's healthcare organization than the satisfaction, commitment, and loyalty of physicians. With strong executive support for this goal, coupled with the blueprint for action presented in this white paper, healthcare leaders can readily excel.

Preview

Smith Medical Facility Heart Bypass Surgery

Definition
This surgery is done to bypass clogged arteries supplying the heart.

Alternative Names
Bypass surgery - heart, CABG, Coronary artery bypass graft

Description
Coronary arteries are the small blood vessels that supply the heart muscle with oxygen and nutrients. Fats and cholesterol can accumulate inside these small arteries, and the arteries can gradually become clogged. This buildup of fat and cholesterol plaque is called [atherosclerosis](#).

When one or more of the coronary arteries becomes partially or totally blocked, the heart does not get an adequate blood supply. This is called [ischemic heart disease](#) or [coronary artery disease \(CAD\)](#). It can cause chest pain (angina).

Sometimes CAD does not cause pain until the blood supply to the heart becomes critically low, and the muscle begins to die. The first symptom of CAD in this case may be a potentially deadly heart attack. Symptomatic CAD is especially common in diabetics.

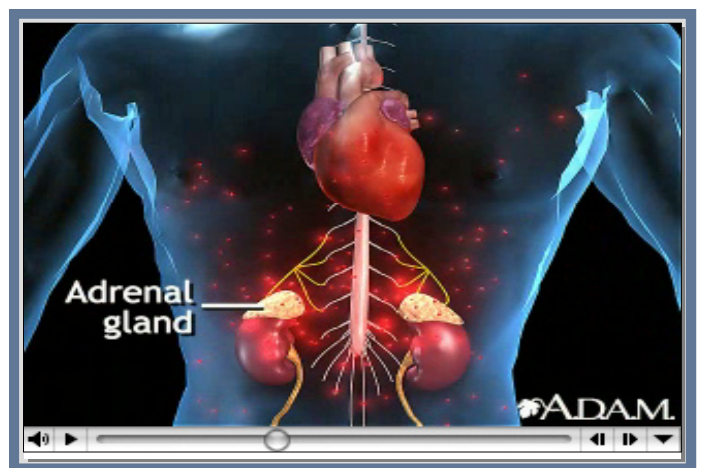
Plaque build up in the coronary artery blocking blood flow and oxygen to the heart.

Damage and death to heart tissue shown in purple.

powered by HealthStream

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Physician alignment efforts can be enhanced with a wide range of Internet-based options, including—for example—access to leadership and professional development programs, continuing medical education, and peer-reviewed content.

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209 10th Avenue South, Suite 450
Nashville, Tennessee 37203
800.933.9293
www.healthstream.com
contact@healthstream.com

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